2025

Annual Sustainability Report















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Our Vision Mission and Ambition



To be a leading global producer of textile products by delivering the highest quality and service to our customers. We aspire to achieve excellence through integrity, honesty, teamwork, and innovation, while upholding strong ethical values as a respected corporate citizen. Our vision is to create lasting impact in the social and environmental spheres, develop a highly skilled and motivated workforce, and drive sustainable growth through innovation, renovation, and continuous improvement—ensuring enduring value for all stakeholders.



Our mission is to remain a dynamic and growth-oriented company that creates sustainable value for all stakeholders. We are committed to delivering superior returns to our shareholders and investors, offering high-quality products to our customers, and fostering a safe, inclusive, and empowering workplace for our employees. At the same time, we aim to represent Pakistan on the global stage as a responsible and innovative textile manufacturer, recognized for integrity, sustainability, and excellence.



At MTM, we are committed to creating meaningful impact across Communities, Environment, and Growth. Our sustainability targets for FY 2021–2026 reflect our dedication to supporting communities, preserving natural resources, and fostering long-term economic development. We aim to achieve these goals through innovative solutions, adoption of advanced technologies, effective policies, and collaboration with industry leaders to share best practices.

About This Report

This Sustainability Report 2025 marks the second edition of Masood Textile Mills' sustainability disclosures, covering the period from July 1, 2024, to June 30, 2025. This report has been prepared having regard to the SECP's ESG Disclosure Guidelines for Listed Companies. MTM falls within the first phase of the framework and is preparing for mandatory disclosure from the financial year beginning 1 July 2029.

The Report is prepared in reference to the GRI Sustainability Reporting Standards 2021. The Report includes selected disclosures with reference to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures; these disclosures do not represent full adoption or formal compliance with the Standards, and the Company intends to progressively strengthen alignment in future reporting cycles.

As a vertically integrated textile manufacturer, MTM actively monitors and manages its environmental footprint, including greenhouse gas (GHG) emissions reported annually through the Worldly FEM (formerly Higg FEM) framework. Our operations remain aligned with ZDHC requirements, supporting responsible chemical management and strong environmental performance across our facilities.

During the reporting year, we strengthened our sustainability governance, while preparing for emerging regulatory Frameworks, including the EU CSRD, CSDDD, and broader Human Rights & Environmental Due Diligence requirements. Our climate ambitions continue to support the objectives of the Paris Agreement and UNFCCC commitments.

Our sustainability strategy remains anchored in the UN Sustainable Development Goals (SDGs) and guided by SBTi, ZDHC, Regenagri®, GOTS, The BHive, and other internationally recognized frameworks. In FY2025, we advanced our climate strategy by working toward the development of science-based emissions reduction targets across Scope 1, Scope 2, and Scope 3, reinforcing our transition toward a low-carbon future. We also continued initiatives focused on climate action, resource efficiency, women's empowerment, regenerative agriculture, and community development.

Masood Textile Mills (MTM) is a fully vertically integrated textile manufacturer, with in-house operations spanning from raw material processing and spinning to finished garment production. In reference to the scope of its IFRS S1 and IFRS S2 disclosures, MTM considers material sustainability- and climate-related risks and opportunities across its own operations and relevant upstream and downstream value chain relationships, including Scope 3 emissions, supplier assessments, and responsible sourcing.

The Sustainability Report is reviewed annually by the Sustainability Department and the Management Committee. Going forward, Masood Textile Mills Ltd. intends to pursue an independent review of future sustainability reports.

$300M

REVENUE BY FY2028
Transforming into a family-focused clothing business will further establish our credibility with customers.

4.0X

VALUE ADDED SERVICES
Building enduring partnerships by delivering value-added services..

90%

Lower Carbon Emissions
Reduce Scope 1, 2 and 3 emissions by FY 2050
From Base Year 2024

Our Strategic Ambitions

Guided by our commitment to **People, Planet, and Progress**, we strive to create lasting value through responsible business practices, operational excellence, and continuous improvement.

Our ambition is to foster a resilient organization that empowers people, conserves resources, and drives sustainable growth. By embracing innovation, strengthening capabilities, and enhancing efficiency across our operations, we aim to deliver positive outcomes for our stakeholders while contributing to a more sustainable future.

What Sets MTM Apart

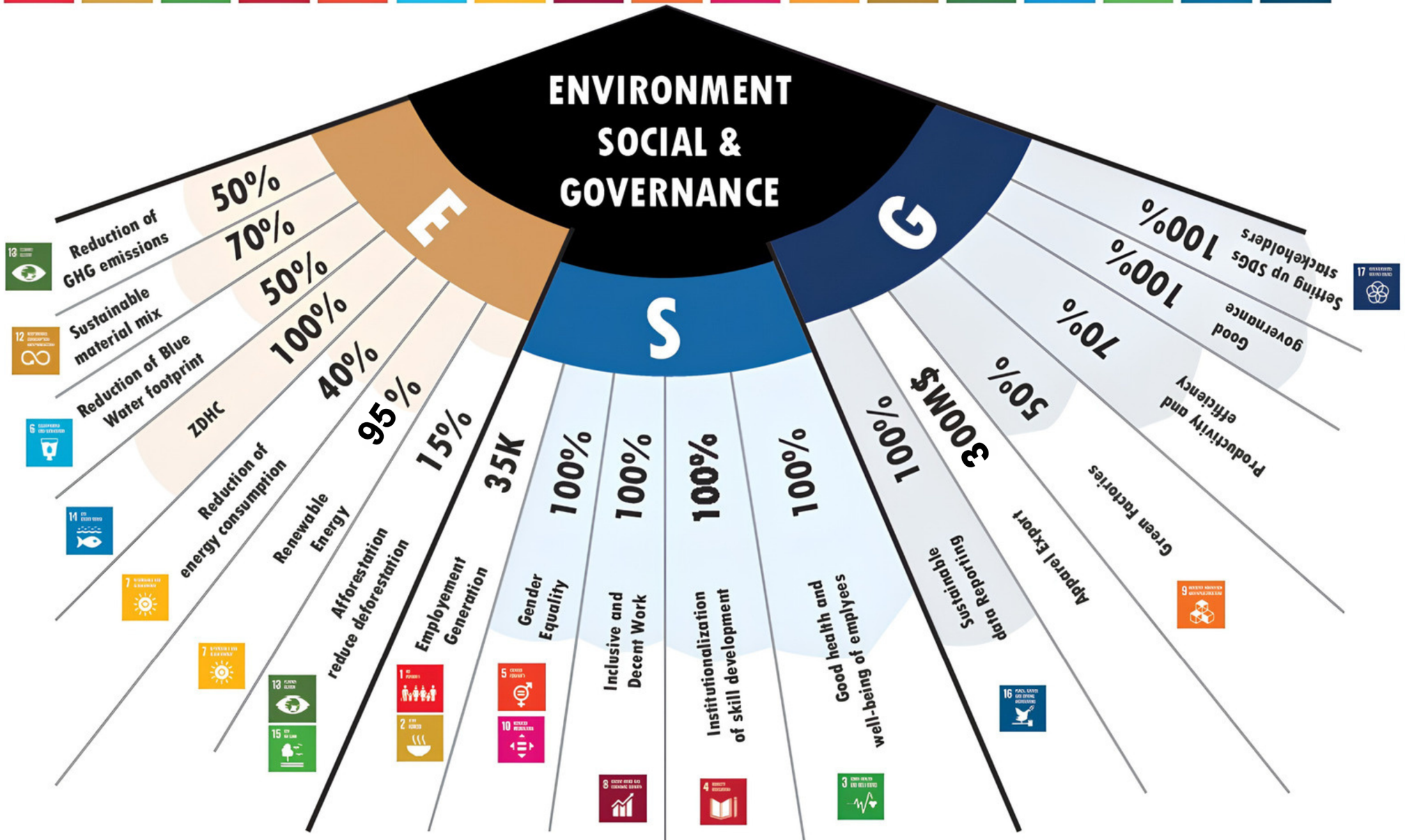
People-Centered Approach: Investing in our workforce, communities, and future talent.
Environmental Responsibility: Advancing resource conservation and operational efficiency.
Innovation & Improvement: Driving performance through technology, innovation, and continuous learning.
Sustainable Growth: Creating long-term value through responsible and resilient business practices.

Transforming ambition into meaningful impact for People, Planet, and Progress.



Masood Textile Mills

MTM SUSTAINABILITY STRATEGIC VISION: 2030



Message from the CEO

Creating long-term value requires responsible leadership, continuous innovation, and a commitment to sustainable growth. These principles continue to guide Masood Textile Mills as we strengthen our resilience and create lasting value for our stakeholders.

FY2025 was a year of meaningful progress in our sustainability journey. As expectations around environmental and social performance continue to evolve, we remained focused on advancing our climate ambitions, enhancing operational efficiency, and creating positive impact for people and communities.

A significant milestone was the commissioning of a 6.2 MW solar system, advancing our clean energy initiatives.. Combined with our multi-fuel biomass boiler, which enabled 95% of steam generation to be sourced from biomass-based fuels, these investments significantly strengthened our de-carbonization efforts and energy transition roadmap.

By submitting our SBTi targets for official validation across Scope 1, Scope 2, and Scope 3 emissions, we have further advanced our climate strategy. At the same time, investments in digitalization, real-time monitoring, and data-driven decision-making continued to improve operational performance and resource efficiency across our operations.

Our people remain at the heart of everything we do. During FY2025, we launched the Brew Life Portal, a dedicated platform supporting employee mental and physical well-being through enhanced access to wellness resources and awareness programs. This initiative reflects our commitment to fostering a healthy, engaged, and empowered workforce.

Beyond our facilities, we continued to promote positive social and environmental impact through partnerships, community development initiatives, responsible sourcing practices, and regenerative agriculture programs. These efforts reinforce our belief that sustainable progress is achieved through collaboration and shared responsibility.

While we are proud of the progress made, we recognize that sustainability is a journey of continuous improvement. We remain committed to driving innovation, strengthening resilience, and creating long-term value for our stakeholders.

I extend my sincere appreciation to our employees, customers, suppliers, partners, and communities for their continued trust and support. Together, we are building a more sustainable future and creating lasting value for People, Planet, and Progress.



SHAHID NAZIR

Chief Executive Officer

Leading with Purpose and Responsibility

The year 2025 marked another significant step in strengthening sustainability, human capital development, and digital transformation across our business. As stakeholder expectations continue to evolve, we remain committed to embedding responsible business practices into our operations and creating long-term value for our people, partners, communities, and customers.

Our people, and the communities we serve, remain central to our success. During the year, we surpassed 1.91 million+ training hours, covering our employees as well as external trainees reached through national skill development initiatives such as NAVTTC and PSDF. Through our Technical Training School and structured development programs, we continue building the skills needed to drive innovation, productivity, and operational excellence across our workforce and industry.

We also strengthened our focus on inclusion, well-being, and community impact. Through the WE Inclusion Program in partnership with GIZ, we expanded opportunities for women and persons with disabilities while fostering a culture of equity and belonging. The launch of the Brew Life Portal further enhanced employee mental and physical well-being through wellness resources and awareness programs. Beyond our facilities, partnerships with GIZ, WWF, and Rabia Trust supported healthcare access, community development, and sustainable livelihood initiatives.

As regulatory and stakeholder expectations continue to rise, we strengthened our governance and due diligence frameworks in alignment with global initiatives such as SBTi, ZDHC, RegenAgri®, and Inditex Green to Wear (GTW), while preparing for emerging requirements including CSRD, CSDDD, and Human Rights Due Diligence (HRDD). These efforts have enhanced ESG risk management, supplier engagement, and value chain transparency across our operations.

Technology remains a key enabler of progress. Through real-time data systems, AI-driven analytics, KPI dashboards, and traceability platforms, we are improving decision-making and performance management. We also initiated the National Productivity Organization (NPO) Project to identify opportunities for energy efficiency, resource conservation, and operational optimization, supporting our long-term sustainability objectives. As we look ahead, we remain focused on investing in our people, advancing responsible business practices, and accelerating innovation to build a stronger, more resilient, and sustainable future.



Nasir Ali Zia
(Director IM,HR & Sustainability)

Impact at a Glance

PEOPLE



Woman Ratio of total employee

25%



Technical Training Hours

1.91 Million+ *

PLANET



GHG Emissions Reduced since 2021

~32,000 TONS



Water Conserved since 2021

22,200 m3

PROSPERITY



Total Sales

PKR 59,202

Million

FY 2025



Leading Textile Exporter

$180**

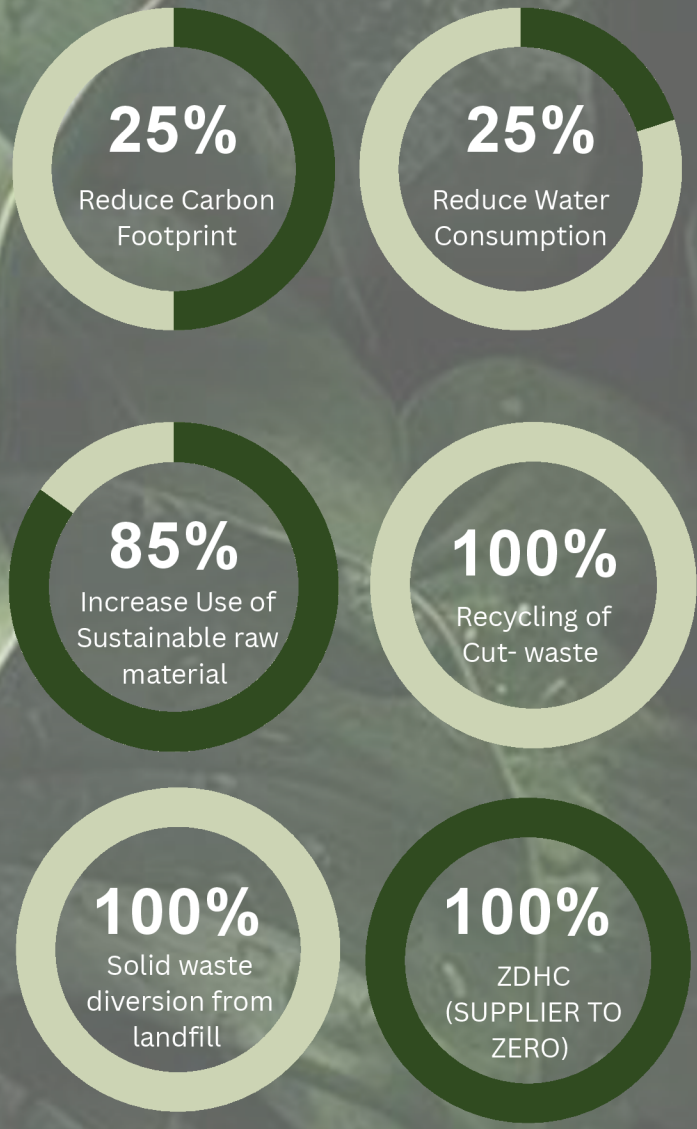
Million

* Comprising employee and external trainee hours

** Export sales

Progress Against 2021–2025

Change Drivers	Commitments	Accomplishments
GHG EMISSIONS (KG CO2e)	-30%	-25%
WATER (LITERS/KG)	-20%	-15%
SUSTAINABLE MATERIAL (% of total material produced)	70%	70%
SOLID WASTE (DIVERSION FROM LANDFILLS)	85%	82.5%
CHEMICAL MANAGEMENT	ZDHC (Supplier to Zero Progressive level compliant facilities & The BHive Chemical Management	95%
Green To Wear Certification	Compliant Facilities	Achieved Grade “A”
Recycling of Cut-waste	100%	Achieved
Oekotex100 & Made with Green	Comply with standards	Achieved



Social Impact & Economic Contribution

Empowering communities and creating shared value for sustainable growth



- GIZ mentorship programs fostering professional growth and leadership development.
- Mom's Tribe initiative supporting working mothers through engagement and empowerment.
- LUMS–GIZ collaboration advancing women's empowerment and career development.
- NPO Energy Management Project promoting energy efficiency and sustainable operations.
- Vulnerable Groups Training Program enhancing skills and livelihood opportunities through GIZ partnership.
- WWF Green Office Program driving environmental awareness and sustainable workplace practices.
- GIZ Strategic Dialogue on Promotion of Sustainable Textile advancing industry-wide sustainability collaboration and engagement.

- Digital Product Passport initiative with GIZ strengthening product transparency and traceability.
- Implementation of ILO frameworks to uphold fair labor standards and workers' rights.
- Better Work Programme improving labor compliance, occupational safety, and workplace dialogue.
- Labor Wellbeing Programs advancing worker safety, inclusion, literacy, and child labor prevention.

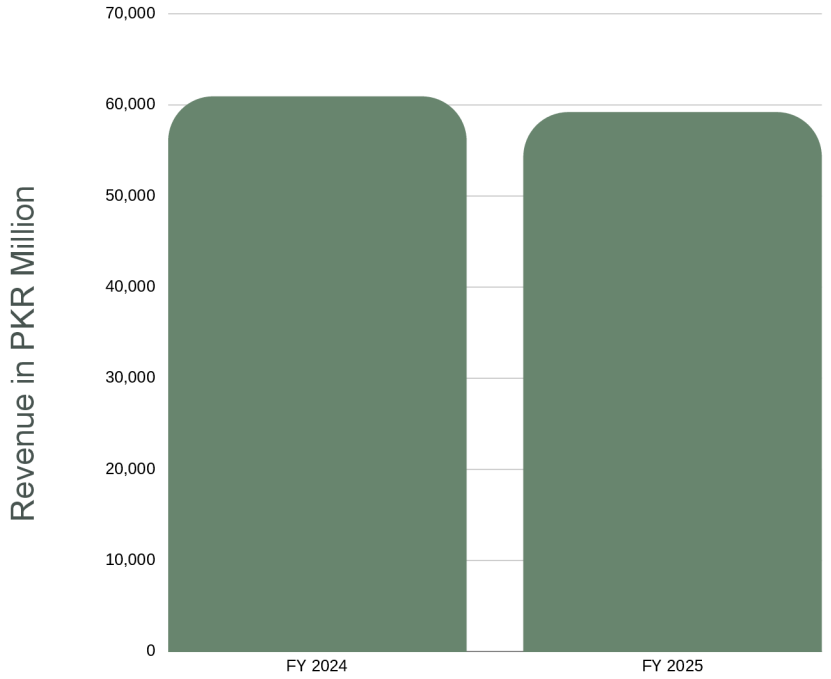


- **5000+** children educated in TCF schools
- **1600+** scholarships for higher
- **PSDF Project:** Technical Training for **300 Women and 200 Men**



- 21,000 employees covered through biannual health, HIV, Hepatitis.
- Free vaccination programs for employees and their families.
- Accessible OPD services for employees and dependents.
- Health awareness campaigns and blood donation drives.
- Medical outreach camps in underserved and rural communities.
- Support for critical medical treatments for families facing serious health conditions.

Direct Economic Value Generated



We believe in giving back to the communities that support us, driving economic growth while promoting social well-being and long-term sustainability.



Education for All
Our Commitment in Action

In May 2005, MTM, in collaboration with The Citizens Foundation, Pakistan's largest non-profit organization focused on providing quality education to the less privileged and has so far established 36 school units. These include 17 primary,16 secondary, and 3 Higher Secondary schools, with separate campuses for boys and girls.

Managed by an all-women staff, these schools deliver quality formal education to over 5,000 under privileged children 50% of whom are girls in an environment that nurtures intellectual, moral, and spiritual growth. We also support the schools' long-term sustainability by covering lifetime operational costs through an endowment and direct funding.

36 School Units

50% Girls

17 Primary Schools

16 Secondary Schools

3 Higher Secondary Schools



People & Community

Nurturing people, uplifting communities, and enabling every individual to thrive with dignity and opportunity.



Why it Matters?

Empowering people and strengthening communities are at the heart of MTM's purpose. Through learning, inclusion, well-being, safety, and community initiatives, we create opportunities for growth and success. By fostering engagement, leadership, and equal opportunities, we are building a more sustainable and inclusive future for all.

Goals

Inclusive people. Strong communities. Sustainable growth.

- Good Health and Well-Being
- Decent Work and Economic Growth
- Gender Equality
- Reduced Inequalities

How we shape Outcomes

We are committed to building a workplace where everyone belongs and diversity is valued. Through advocacy, inclusive policies, impactful programs, continuous learning, and strategic partnerships, we foster a culture of growth, equity, and well-being. These efforts empower our people, uplift communities, and strengthen our partner ecosystem, creating lasting and meaningful impact across our value chain.

People Impact 2025

21,000
People

5150
Women working at MTM

21,000
Employees trained for professional and sustainable business growth



Building Brighter Futures Through Education and Engagement

As part of our commitment to building brighter futures through education and engagement, MTM has collaborated with The Citizens Foundation (TCF) since May 2005 to expand access to quality education for underserved communities. Through this collaboration, 36 school units have been established, including 17 primary schools, 16 secondary schools, and 3 higher secondary schools, with separate campuses for boys and girls.

Serving over 5,000 students, with 50% girls' enrollment, these schools provide a safe and supportive learning environment where children can develop academically, socially, and personally. Managed by an all-women faculty and staff, the schools encourage curiosity, confidence, and active participation, helping students build the skills and values needed to contribute positively to society.

To ensure the continuity and long-term impact of this initiative, MTM supports the schools through an endowment fund and direct financial assistance, enabling generations of young learners to pursue their aspirations and realize their full potential.



Learning & Capacity development

We believe that continuous learning is essential for both employee growth and organizational success. Through regular Training Needs Assessments (TNAs), we identify skill gaps and development priorities, enabling us to design targeted learning programs that align individual capabilities with business needs.

MTM provides a comprehensive range of learning opportunities covering technical excellence, operational effectiveness, leadership development, behavioral competencies, and employee well-being. Delivered through internal expertise and external specialists, these programs are designed to enhance performance, foster collaboration, and prepare employees for future challenges.

To broaden learning opportunities and create a positive impact beyond our organization, we collaborate with institutions such as NAVTTC, TEVTA, PSDF, industry associations, and development partners to deliver technical and vocational training initiatives. These partnerships contribute to workforce development, improve employability, and support socio-economic advancement within the communities we serve.

We also encourage continuous exposure to emerging trends through participation in workshops, seminars, and professional forums focused on sustainability, innovation, compliance requirements, and evolving international market expectations, including European Union regulations.

Recognizing the importance of education in transforming lives, MTM continues to support employees and their families through scholarship and development programs that enhance access to learning opportunities and contribute to long-term social progress.

Through these efforts, we cultivate a culture of continuous improvement, enabling our workforce to adapt, innovate, and excel while contributing to MTM's long-term success and the sustainable development of the broader community.



Learning & Capacity development

TRAINING HOURS PER EMPLOYEE



Total Employees
21,000



Total Training Hours
274,900



Average Training Hours per Employee
13.1

Training Hours per Employee by Gender

Category	No. of Employees	Man - Hours	Avg. Training Hours
Men	15,850	177,996	11.23
Women	5150	96,904	18.82

Training Hours per Employee by employee CATEGORY

Category	No. of Employees	Man - Hours	Avg. Training Hours
Management	2,375	22,563	9.5
Workers	18,625	252,337	13.55

MOM TRIBE: Supporting Mothers, Strengthening Well-being

Motherhood is a transformative journey, and having the right support can make a meaningful difference during this important phase of life. Through Mom Tribe, MTM provides a nurturing platform where new mothers can connect, share experiences, and find encouragement as they navigate the challenges of the post-partum period.

The initiative offers a safe and supportive environment that promotes open conversations, emotional well-being, and peer engagement. Through awareness sessions, guidance, and access to mental health support, Mom Tribe helps mothers manage the transition back to work while balancing family responsibilities.

By fostering a culture of empathy, inclusion, and care, Mom Tribe empowers mothers to build confidence, prioritize their well-being, and continue their personal and professional growth with greater resilience and support.

Anti-Harassment & Anti-Discrimination

Our policy is grounded in a strong commitment to fostering a respectful, inclusive, and safe workplace where all forms of harassment, intimidation, and discrimination are strictly prohibited. It defines unacceptable behaviors such as bullying, hostility, and retaliation, ensuring that any action compromising an individual's dignity is addressed through fair and timely intervention.

A clear and transparent grievance mechanism, supported by multiple reporting channels and a dedicated Disciplinary Committee, ensures that all concerns are promptly reviewed, thoroughly investigated, and resolved in an impartial manner.

We maintain a zero-tolerance stance on discrimination, with all decisions based solely on verified facts and free from bias related to gender, race, religion, or any other personal attribute. This approach reinforces accountability, trust, and a culture of respect across the organization. During the reporting period, 0 incidents of discrimination were recorded.

Women Leadership



25%
Total Employee



22%
Management Committee



33%
Marketing Leadership



30%
STEM Graduate Intake

DAYCARE FACILITIES-Care Beyond Work

To support working parents and foster a family-friendly workplace, daycare facilities are provided across all our facilities. These centers offer a safe, caring, and development-focused environment for children, supported by experienced caregivers who ensure structured routines for play, rest, and meals. Equipped with dedicated spaces for learning, recreation, and relaxation, the facilities promote early childhood development through both educational and extracurricular activities. Regular health check-ups conducted by a company doctor further ensure the well-being and healthy growth of all children.

MTO PROGRAMS

We are committed to equal opportunity through structured early-career programs. This year, 200 MTOs were inducted with an equal gender representation of men and women, alongside Trainee Engineers across Textiles, Engineering, and IT, with 30% women and 70% men.

These initiatives reflect our focus on developing a diverse, future-ready workforce.

PARENTAL LEAVE UTILIZATION

MTM's Parental Leave Policy ensures that all eligible male and female employees are provided with the opportunity to take time off to welcome a new member into their family. Male executives are entitled to seven days of fully paid leave on two occasions during their tenure, while female employees are granted 90 days of fully paid maternity leave, with the option to extend up to four additional weeks at half pay in case of health concerns related to themselves or their newborn.
The policy reflects MTM's commitment to fostering a family-supportive workplace that values work-life balance and the well-being of working parents.
In 2025, a total of 189 eligible female employees out of 5,150 female employees availed parental leave. Among male employees, 4,095 eligible non-executive workers out of 15,850 utilized parental leave. This further reinforces MTM's commitment to employee care and a supportive workplace culture.

Celebrating People & Building Connections

Appreciation is an integral part of the workplace culture, where achievements are actively acknowledged and contributions at both individual and team levels are valued. This approach helps reinforce motivation, performance, and a shared sense of purpose across the organization. Alongside formal recognition, opportunities for social connection play an important role in strengthening workplace relationships.

Organizational gatherings create space for employees to interact beyond daily routines, encouraging openness, collaboration, and stronger interpersonal bonds.

Events such as annual dinners, managers' gatherings, International Women's Day celebrations, and seasonal functions provide meaningful platforms for engagement between colleagues and leadership, fostering unity and mutual understanding across teams.

Long Service Awards further reinforce this culture by recognizing commitment and loyalty, highlighting sustained contributions and strengthening a sense of belonging and respect within the organization.

Education Support for Employees' Families

Education serves as a powerful catalyst for personal and professional growth, creating opportunities that extend beyond the individual to benefit families and communities. To support academic excellence, 104 Talent Scholarships are awarded annually to high-achieving children of employees, enabling them to pursue undergraduate degree programs and unlock their full potential.

COMPENSATION, REWARDS, & BENEFITS

MTM provides market-competitive remuneration to all employees, determined by their skills and performance. Across all locations, workers receive wages above the government-prescribed minimum, with guaranteed compliance that every employee working on factory premises earns at least the minimum wage. Salaries are transferred directly to employees through their bank accounts, ensuring transparency and accountability. Importantly, MTM upholds the principle of equal pay for equal work, offering men and women in similar roles the same remuneration and benefits.

SPECIAL WELFARE FUND FOR NON- EXECUTIVES

Employee well-being extends beyond the workplace, encompassing support during significant personal and family milestones. To provide meaningful assistance when it matters most, dedicated welfare initiatives are available to help employees navigate important life events and unexpected challenges. These programs offer financial support across a variety of circumstances, including educational assistance for employees' children, marriage support, aid during medical emergencies, and assistance for families facing bereavement or other unforeseen hardships.

By providing this additional layer of support, the organization reinforces its commitment to the welfare of its workforce, helping employees and their families manage difficult situations with greater confidence and security while fostering a culture of care, compassion, and shared responsibility.



Beyond Work: Creating Moments of Connection

MTM is fostering a vibrant workplace culture by organizing musical nights and recreational tours that promote relaxation, engagement, and employee connection.







Our Women Leading Growth and Excellence Across MTM

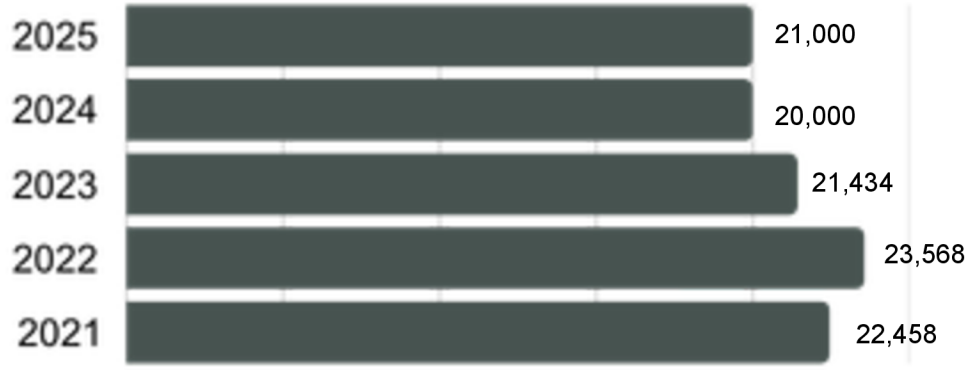
Our women are an integral part of MTM's success story, contributing across all functions with dedication, skill, and professionalism. They play a vital role in strengthening operations, driving performance, and shaping a more inclusive and progressive workplace. MTM is committed to empowering women through equal opportunities and a supportive environment, enabling them to grow, excel, and remain central to our continued success.



WORKFORCE REPRESENTATION

Masood Textile Mills is an equal opportunity employer, employing 21,000 individuals representing diverse cultures and backgrounds. Our policies prioritize fair access to career growth and advancement, with a strong focus on empowering women, transgender individuals, and persons with disabilities.
In FY 2025, the organization recorded a hiring rate of 15% and an attrition rate of 10%, reflecting stable workforce dynamics and sustained talent retention efforts.
At the senior management level, recruitment is based strictly on merit, including relevant experience, skills, and educational background, with no geographical restrictions. However, we actively encourage representation from local communities, and in FY 2025, 53% of senior management hires were from Faisalabad and Lahore. Similarly, for worker-level roles, priority is given to local candidates to ensure that organizational growth contributes directly to community development.

DETAILS OF WORKFORCE



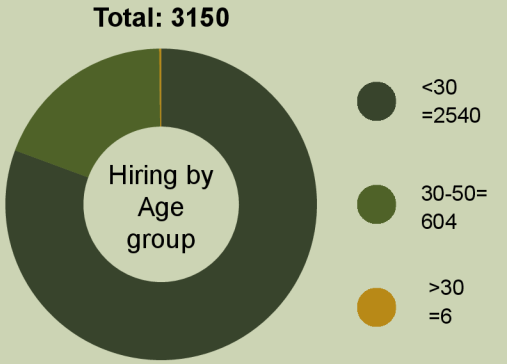
WORKFORCE BY EMPLOYMENT TYPE: BROKEN BY GENDER

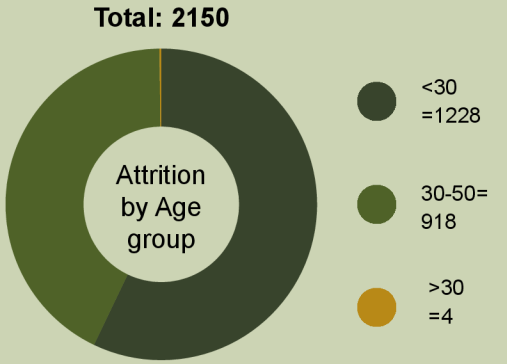
Employment Type	Men	Women	Total
Full Time	15,850	5,150	21,000
Part Time	-	-	-
Total	15,850	5,150	**21,000**

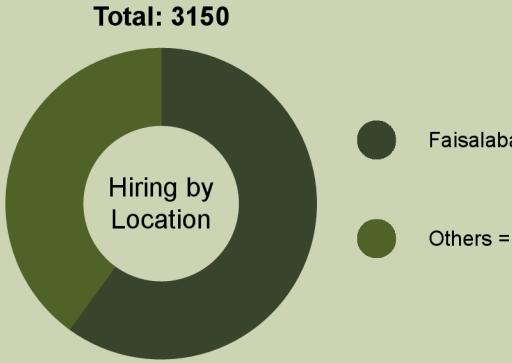
WORKFORCE BY REGION

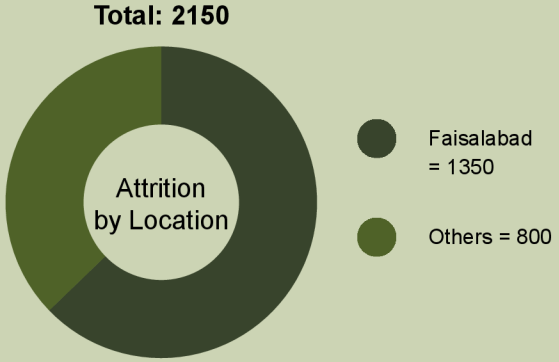
Region	Permanent	Total
Faisalabad	15,300	15,300
Others	5,700	5,700
Total		21,000

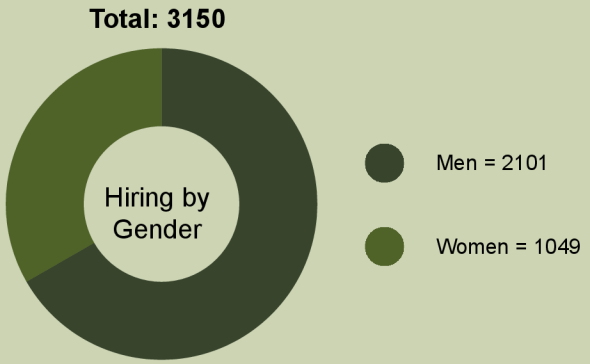
HIRING AND ATTRITION

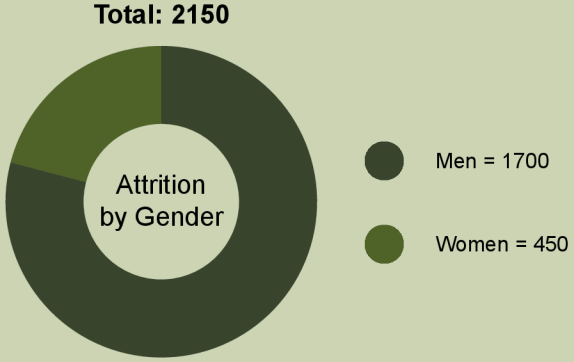












Occupational Safety and Health Governance

Occupational safety and health is embedded within operational governance to ensure safe, healthy, and compliant working conditions across all sites. A structured, risk-based approach is applied to identify workplace hazards, conduct risk assessments, and implement preventive and corrective controls.

A formal Occupational Health and Safety Management System, aligned with ISO 45001, guides the organization's approach to hazard identification, risk assessment, incident prevention, emergency preparedness, and continuous improvement. This supports the systematic control of workplace risks and the delivery of safe working environments. During FY2025, no cases of work-related ill health were recorded among employees or workers covered by the occupational health and safety management system.

Electrical safety risks are further addressed through the application of NFPA 70 guidelines, supporting the safe installation, operation, and maintenance of electrical systems and reducing related hazards.

OSH governance is supported through defined responsibilities at leadership and operational levels. Routine inspections, risk assessments, compliance checks, and employee engagement activities are carried out to ensure consistent implementation of safety standards across all facilities.

Performance is regularly monitored to strengthen preventive controls, enhance safety systems, and support workforce capability through training, awareness, and continuous improvement initiatives. Occupational health risks are monitored through preventive measures, workplace health programs, and medical surveillance, where applicable.



Employee Safety Performance: Injury Rate

In 2025, there were no work-related fatalities, high- consequence injuries, or health incidents resulting in death among employees or contractors, across a total of 50,400,000 man-hours worked.

MTM	Contractor
0.029*	Nil

* per 1,000,000 hours

Workforce Participation in Safety Practices

Employee engagement in health, safety, and environmental (EHS) practices is actively encouraged across all operational levels, fostering a strong culture of responsibility and care. Workers are empowered to actively participate in identifying hazards, reporting unsafe conditions, and contributing to safer workplace outcomes.

Multiple reporting channels are available to ensure accessibility and responsiveness, including phone, email, helplines, and suggestion boxes. All reported hazards, incidents, and near misses are formally acknowledged and addressed through defined follow-up mechanisms.

A structured Employee Health & Safety (EHS) governance system supports continuous improvement through the EHS Committee and Worker Management Council. These platforms enable regular dialogue between management and non-management representatives, ensuring employee voices are reflected in decision-making and corrective actions. Monthly EHS Committee meetings serve as a key forum to review safety performance, discuss concerns, and agree on improvement measures. The Committee Secretary tracks progress, while the Chairperson assigns responsibilities and ensures timely execution of agreed actions.

Risk Identification and Preventive Measures

A structured and proactive approach is applied to the identification, assessment, and mitigation of workplace risks, reinforcing a strong preventive safety culture across all operations.

Potential hazards are systematically identified through regular inspections, employee feedback, incident reporting, routine operational monitoring, and defined Standard Operating Procedures (SOPs), enabling early detection of risks and timely implementation of corrective and preventive actions.

Preventive measures are developed based on the severity and likelihood of identified risks, with priority given to eliminating hazards at source and strengthening controls through engineering, administrative, behavioral measures, and defined SOPs.



This risk-based approach ensures consistent implementation of safeguards and supports continuous improvement in occupational health and safety performance.

Employee consultation and participation remain central to the risk management system. Workers actively contribute to risk assessments, safety planning, and solution development, particularly those directly exposed to operational hazards. This inclusive mechanism enhances ownership, improves compliance with defined SOPs, and reinforces a shared commitment to maintaining a safe, healthy, and resilient working environment.

Building a Resilient Fire Safety Culture

MTM has established a comprehensive fire safety framework designed to safeguard employees, facilities, and operations through prevention, preparedness, and rapid response mechanisms. The system is aligned with the **Building Code of Pakistan – Fire Safety Provisions 2016,** ensuring compliance with key requirements such as smoke detection systems, clearly marked and unobstructed emergency exits, and other essential fire protection measures.

A centralized alarm system is installed across facilities to ensure immediate detection and uniform communication of fire-related emergencies. This enables rapid alerting of all occupants and supports coordinated evacuation procedures without delay, strengthening overall response efficiency.

To further enhance preparedness, MTM conducts regular fire evacuation drills, including both scheduled and surprise exercises at all operational sites. These drills help employees become familiar with evacuation routes, assembly points, and safe exit practices, while reinforcing disciplined and timely response during emergencies.

In addition, MTM collaborates with **Rescue 1122** to provide specialized training for designated fire wardens and emergency response teams. These capacity-building sessions focus on evacuation leadership, emergency coordination, and basic firefighting techniques, ensuring trained personnel are equipped to guide and support employees effectively during critical situations.

Through the integration of regulatory compliance, centralized alert systems, routine drills, and expert training, MTM maintains a robust fire safety structure that promotes preparedness, quick response, and a strong culture of safety awareness across all workplaces.



Advancing Disability Inclusion: CRPD Implementation Initiative

Masood Textile Mills Ltd. continues to strengthen its role as a leader in responsible industrial practice, integrating sustainability, social responsibility, and inclusive growth into the core of its operations. As one of Pakistan's textile pioneers in women's empowerment, sustainability, and GSP+ compliance, the company has extended its commitment to inclusive development through a landmark step in disability rights.

A New Milestone in Inclusion

Building on years of work to support persons with disabilities through inclusive hiring, accessible facilities, and equal-opportunity programs, MTM has launched an initiative to implement the Convention on the Rights of Persons with Disabilities (CRPD) across its operations. This effort is being carried out in collaboration with the Ministry of Human Rights, the Ministry of Poverty Alleviation & Social Safety, and Pakistan Bait-ul-Mal — bringing government and industry together around a shared goal of accessibility and equity.

Why It Matters

The initiative marks a step toward MTM becoming a CRPD-certified, fully disability-inclusive workplace — one where accessibility, dignity, and equal opportunity are embedded into everyday operations rather than treated as standalone programs. It reflects the company's broader view that sustainability is not confined to environmental performance, but extends to social justice, human rights, and diversity in the workplace.





Advancing Healthcare for Employees and Communities

As part of MTM's commitment to social responsibility and employee welfare, MTM collaborates with Rabia Trust Hospital to support accessible healthcare services for its employees and the surrounding community, contributing to improved workforce health and community well-being. Established under MTM's welfare initiatives, the hospital reflects the organization's long-term vision of ensuring access to quality medical services while promoting a healthier and more resilient society.

The hospital is supported by a dedicated management team alongside specialized medical professionals, experienced physicians, surgeons, and trained healthcare staff who work collectively to ensure the efficient delivery of healthcare services. Through their expertise and patient-centered approach, employees and community members are provided with timely diagnosis, treatment, and continuous medical support tailored to their needs.

To promote preventive healthcare and maintain workforce fitness, regular medical assessments are conducted to monitor employee health conditions and identify potential concerns at an early stage. Health screening initiatives, including respiratory, hearing, and communicable disease evaluations, enable proactive intervention and contribute to a safer and healthier working environment. Individuals requiring medical attention receive appropriate treatment and ongoing care to ensure effective recovery and well-being.

In addition to preventive and curative services, Rabia Trust Hospital operates a fully equipped outpatient department (OPD) and provides access to specialized healthcare services. The availability of medical experts and specialist around the clock strengthens emergency preparedness and ensures that critical care remains accessible whenever required.

SDGs SUPPORTED



Ensure healthy lives and promote well-being for all at all ages



By extending its healthcare initiatives beyond employees to neighboring communities, MTM strengthens its broader commitment to inclusive growth and social impact. Through accessible healthcare, preventive initiatives, and dedicated medical support, these programmes contribute to improved quality of life while fostering stronger and healthier communities.

Cervical Cancer Awareness and Vaccination Program

Promoting women's health through preventive care and early awareness remains an important focus of MTM's healthcare programmes. As part of these initiatives, MTM conducts cervical cancer awareness sessions across its facilities, providing employees with information on risk factors, early symptoms, preventive measures, the importance of screening, and timely medical intervention. These interactive sessions help strengthen health awareness and encourage informed healthcare decisions among the workforce.

Alongside awareness activities, MTM organizes vaccination drives for employees to support disease prevention and improve long-term health outcomes. These initiatives aim to increase access to preventive healthcare services and strengthen awareness of the role of immunization in reducing health risks.

MTM also extends its healthcare outreach to educational institutions through vaccination campaigns for girls between the ages of 9–14 years. By promoting early preventive measures and health education, these programmes contribute to improving awareness and supporting healthier futures for women and girls.



Breast Cancer Awareness Sessions: Pinktober Initiative

MTM conducts breast cancer awareness sessions across its facilities to promote women's health and early detection. These sessions are organized annually in October to strengthen understanding of breast cancer risks, symptoms, and the importance of timely screening. Delivered by qualified medical professionals, the sessions emphasize preventive care, routine screening, and self-examination practices, helping women recognize potential warning signs and seek timely medical consultation.

Through these structured awareness efforts, MTM reinforces its commitment to preventive healthcare and employee well-being, supporting a more informed and health-conscious workforce.



Free Medical Camps in Remote Rural Areas

With a strong commitment to building healthier communities, MTM extends its care beyond the workplace to support underserved populations in remote rural areas where access to healthcare remains limited. Through these initiatives, MTM strives to ensure that essential medical support reaches those who need it most.

In collaboration with Rabia Trust Hospital (RTH), free medical camps are arranged in rural regions, where experienced doctors and healthcare professionals provide on-site consultations and basic health assessments.

These camps offer free medical checkups, enabling early identification of health concerns and timely medical guidance for further treatment where required.
By bringing quality healthcare closer to communities with limited facilities, these outreach efforts reflect MTM's continued dedication to care, compassion, and social responsibility, contributing to improved well-being and healthier living standards.

Brew Life Portal: Promoting Psychological Health and Sustainable Growth

MTM's Brew Life Portal is a dedicated digital platform designed to strengthen employee well-being by improving access to wellness resources, guidance, and awareness initiatives. It serves as a centralized hub where employees can engage with content focused on mental health, emotional resilience, and overall well-being, supporting a balanced mind, sustainable growth, and a healthy work environment.

A key feature of the platform is the availability of 24/7 psychological support through qualified professionals, ensuring that employees can seek confidential counseling and guidance at any time. This continuous access to mental health support helps address stress, emotional challenges, and workplace pressures in a timely and effective manner.
By integrating structured wellness resources with round-the-clock psychological assistance, the Brew Life Portal contributes to fostering a psychologically safe workplace and reinforces MTM's commitment to employee care, mind balance, and long-term workforce sustainability.



Journey for Sustainable Development

We continue to collaborate closely with GIZ on various sustainability initiatives focused on improving workplace conditions and promoting long-term development. Through this partnership, we have implemented multiple programs that support employee health, workplace safety, and environmentally responsible practices. GIZ consultants and technical experts regularly engage with us by providing guidance, conducting assessments, and helping implement effective solutions throughout our operations. In addition, we organize training and awareness sessions to strengthen employees' knowledge and skills, ensuring a safer, healthier, and more sustainable working environment.

Strategic Dialogue on Sustainable Textiles

As part of our ongoing sustainability journey, we participated in a Strategic Dialogue on Sustainable Textiles session organized by GIZ. The session provided an interactive platform for discussing current challenges, emerging trends, and future opportunities within the textile industry. Discussions focused on responsible manufacturing practices, efficient resource utilization, the use of sustainable materials, environmental responsibility, and evolving industry requirements. The session also encouraged knowledge sharing and collaboration among participants, helping us gain valuable insights and strengthen our commitment toward sustainable growth and responsible textile production aligned with global standards.



Dialogue of Sustainability

As part of our commitment to responsible and sustainable business practices, we partnered with GIZ through the Dialogue for Sustainability initiative to strengthen our environmental performance and operational sustainability. This collaboration focused on key areas including environmental stewardship, chemical handling practices, water resource optimization, and energy management. Through joint efforts and targeted improvements, we achieved meaningful outcomes such as better water utilization, enhanced wastewater treatment practices, improved compliance with ZDHC MRSL/RSL requirements, greater energy efficiency, and stronger environmental management processes. This initiative has further supported our journey toward sustainable growth, efficient resource use, and alignment with globally recognized standards and best practices.

Change Management Team (CMT)

In collaboration with GIZ, we have established a dedicated Change Management Team (CMT) to support continuous improvement and drive sustainable transformation across our operations. The team consists of engineers from diverse disciplines, including environmental, chemical, electrical, and mechanical engineering, bringing valuable expertise and varied perspectives. Through this initiative, we are strengthening health and safety standards, implementing industry best practices, and encouraging innovation within our facilities. The CMT plays an important role in improving operational performance, promoting a strong culture of safety, and supporting our commitment to sustainable and responsible growth.

Vision Zero Program

GIZ introduced the Vision Zero Program with the objective of strengthening employee health, safety, and overall well-being. The initiative promoted the development of a safe and supportive work environment through awareness and engagement sessions centered on the 7 Golden Rules of Health and Safety and the 4 Principles of Well-being. These principles were integrated into workplace practices to reinforce a culture of prevention, care, and employee protection. To enhance learning and engagement, interactive tools such as “Billuo Thillu” videos and visual guidance materials were utilized to improve awareness of workplace safety measures. The initiative contributed to strengthening safety practices, enhancing employee well-being, and fostering greater organizational resilience.

Factory Trainers Program

GIZ introduced the Factory Trainers Program to strengthen industry capacity in chemical safety and sustainable manufacturing practices. Following a comprehensive selection and evaluation process conducted with international experts, selected participants received specialized training on chemical management, ZDHC implementation, and the REMC toolkit. These trained individuals subsequently assumed the role of internal trainers, transferring knowledge and building employee capacity in chemical safety practices, handling procedures, and risk assessment. The successful implementation of the program contributed significantly to Masood Textile Mills’ achievement of full compliance with ZDHC MRSL/RSL standards, representing an important milestone in responsible chemical management and sustainable operations.



Psychosocial Development and Productivity Program

Employee well-being and personal development remained a key focus through the implementation of the Psychosocial Development and Productivity Program. Under this initiative, workers at Masood Textile Mills (MTM) participated in intensive onsite training sessions designed to strengthen self-confidence, self-esteem, diversity and inclusion, and encourage a culture of mutual support in the workplace. More than 1,000 employees benefited from the program, contributing to the development of a healthier, more inclusive, and empowered workforce while supporting enhanced employee engagement and productivity.

Training Assistance Program for Vulnerable Groups

Strengthening social inclusion and community empowerment remained an important area of focus through the implementation of the Training Assistance Program for Vulnerable Groups. Conducted in collaboration with GIZ, the initiative was designed to provide skill development opportunities for specially-abled individuals, people affected by the pandemic, widows, women, minorities, and transgender persons. Through practical training and capacity-building efforts, the program supported participants in developing sustainable livelihood opportunities and greater self-reliance. More than 2,000 individuals benefited from this initiative, contributing to broader social and economic empowerment within the community.

Advanced HR Management Strategies Program

A significant step towards organizational development was achieved through the implementation of the Advanced HR Management Strategies Program. The initiative focused on strengthening HR systems through the introduction of a modern dashboard management approach, enhanced HR analytics, and policy revisions aligned with international best practices. Key interventions included talent acquisition strategies, organizational gap analysis, SMART goal development, and improvements in performance management frameworks. The program also supported diversity initiatives, introduced a Human Development Index, and strengthened KPI structures, contributing to the development of a more data-driven, inclusive, and performance-oriented HR framework.



Community of Practice Program

Masood Textile Mills' CMT team actively participated in GIZ's *Community of Practice Program*, a collaborative platform designed to promote knowledge exchange and peer learning across industry stakeholders. The initiative facilitated interactive workshops and brainstorming sessions that encouraged employees to share ideas and explore innovative approaches to sustainability and operational improvement.
Discussions covered a wide range of thematic areas, including resource efficiency and ESG reporting, sustainability management and communication,

responsible buying practices, women's empowerment, climate change, advanced HR management, chemical management, product development and innovation, as well as occupational health and safety. The program contributed to strengthening employees' understanding of sustainable practices while fostering a culture of continuous learning, collaboration, and operational excellence across the organization.

Sustainability through Innovation

GIZ's Sustainability through Innovation contest was designed to accelerate the development of practical, industry-led solutions for sustainable transformation. Following a competitive evaluation process, Masood Textile Mills (MTM) was recognized among the selected winners for its contribution to this initiative.

MTM's CMT team presented the CPB Dyeing concept, an innovative approach for knitwear production and a notable advancement within Pakistan's textile sector. The solution demonstrated strong sustainability outcomes, particularly in reducing water and chemical consumption while enhancing energy efficiency, and aligned closely with global Sustainable Development Goals (SDGs).

As part of this recognition, MTM was also provided with international consultancy support and exposure to European markets, further strengthening its capacity for innovation-led sustainable growth.

Green Button Program

The Green Button Program, launched by GIZ in collaboration with consultants from GOPA Germany, aimed to strengthen sustainable practices within textile manufacturing and enhance alignment with international market requirements. The initiative included comprehensive trainings and technical discussions on globally recognized sustainability frameworks, including OEKO-TEX Standard 100, STeP, and Made in Green, alongside engagement sessions with EU clients to better align industry expectations and operational practices.

Through consistent implementation of these standards, Masood Textile Mills (MTM) successfully achieved the prestigious Made in Green certification. This milestone reflects MTM's commitment to transparency, responsible production, and continuous improvement in sustainable textile manufacturing.

Pakistan Textile Sector: Human Rights Due Diligence Code of Conduct

As part of our broader sustainability initiatives, MTM engaged in a multi-stakeholder dialogue on the development of a Human Rights Due Diligence Code of Conduct for Pakistan's textile sector. The initiative, supported by the Norwegian Embassy in Islamabad, Pakistan Textile Council (PTC), and the Business and Human Rights (B+HR) framework, focused on integrating international human rights principles into local supply chain practices.
Key discussions centered on strengthening labor rights, improving occupational safety, and promoting transparent and responsible business conduct in line with global compliance standards. The initiative is significant for advancing ethical production practices and reinforcing MTM's commitment to sustainable and socially responsible operations within the textile industry.

GRIEVANCE HANDLING MECHANISM: WE HEAR YOU

A transparent, confidential, and responsive grievance system is in place to ensure that every employee concern is addressed with fairness, dignity, and without fear of retaliation. The “We Hear You” mechanism is designed to provide multiple accessible channels through which employees can safely voice their concerns, including floor managers, HR representatives, worker representatives, an open-door policy, and regularly monitored suggestion boxes that also support anonymous reporting.

Employees are encouraged to first raise issues at the supervisory level; however, where necessary, concerns are systematically escalated to HR, senior management, and ultimately the Director IM/HR to ensure timely and appropriate resolution through a structured and accountable process.

The grievance framework is continuously strengthened through regular awareness sessions, capacity-building trainings, and third-party reviews to enhance effectiveness and trust. For sensitive matters such as harassment, dedicated committees comprising senior management and employee representatives are responsible for ensuring impartial review and fair resolution, reinforcing a culture of transparency, respect, and psychological safety across the organization.



WORKERS’ RIGHT TO FREEDOM OF ASSOCIATION

MTM is fully committed to protecting and promoting workers’ right to freedom of association. Through continuous awareness initiatives and a strong, active Worker Management Council, we provide a structured platform where employee representatives can openly share views, raise concerns, and contribute to workplace improvements. This inclusive dialogue ensures transparent communication and reinforces trust between management and workers. We are also extending this commitment across our supply chain, with no reported violations to date, reflecting our consistent adherence to internationally recognized labor standards.

DIVERSITY, EQUITY & INCLUSION (DE&I)

We firmly believe that diversity of thought is the cornerstone of innovation and long-term sustainability. We are committed to cultivating a workplace that is equitable, inclusive, and empowering—where every individual is respected, valued, and provided equal opportunity to thrive and realize their full potential. Our DE&I approach is embedded across our culture, policies, and decision-making processes, ensuring fairness, representation, and belonging at every level of the organization.

EMPOWERING RIGHTS FOR ALL

MTM upholds the fundamental principles of human rights across all areas of its operations, supply chain, and community engagement. These principles are deeply integrated into our organizational policies and daily practices, reflecting our unwavering commitment to ethical conduct, dignity, and respect for all individuals. We continuously strive to ensure that our business practices contribute positively to society while safeguarding the rights and well-being of everyone associated with our value chain.

Empowering Working Mothers: MOM's Tribe

Through this transformative initiative, MTM— in collaboration with GIZ—has taken a commendable and forward-looking step toward building a truly inclusive and people-centric workplace culture. **MOM's Tribe** stands as a powerful Employee Resource Group (ERG) dedicated to uplifting working mothers by acknowledging their unique challenges and creating a structured space for care, connection, and empowerment.

Far beyond a support forum, MOM's Tribe serves as a safe and trusted platform where women employees can openly share experiences, express concerns, and receive meaningful psychological and emotional support. It nurtures a sense of belonging and solidarity, ensuring that working mothers are never isolated in their journey but are strengthened by a community that understands and uplifts them.

This initiative reflects MTM's strong commitment to gender equity, well-being, and sustainable human capital development. By enabling mothers to balance professional excellence with personal responsibilities, MOM's Tribe not only enhances well-being but also strengthens engagement, loyalty, and long-term organizational resilience, reinforcing MTM's position as a progressive and responsible industry leader.



Women Empowerment Program – Mentorship Initiative

A structured mentorship program designed to support the professional growth, confidence, and leadership development of women employees. In collaboration with GIZ, the initiative connects experienced mentors with mentees to provide continuous guidance, career development support, and personal growth opportunities. It promotes a culture of learning, inclusion, and empowerment, enabling women to navigate workplace challenges effectively and strengthen their leadership potential.

Women Empowerment – Training Session with GIZ & LUMS Representatives

An interactive capacity-building session conducted in collaboration with GIZ and LUMS representatives, aimed at enhancing the skills, awareness, and professional effectiveness of women employees. The session focused on leadership development, communication skills, and personal effectiveness, offering practical insights to support career advancement. This initiative reflects a strong commitment to advancing gender inclusion through strategic partnerships and knowledge-sharing.

Bayaan: Because Her Needs Matter

Bayaan is our commitment to advancing women's health, dignity, and equity in the workplace. Centered on menstrual hygiene and overall well-being, the initiative provides women employees with on-demand access to sanitary products while promoting awareness around menstrual health.

To ensure practical and discreet support, eight vending machines have been strategically installed across our facilities, enabling timely access to essential hygiene products, especially during emergencies. Bayaan reflects our promise to foster an inclusive and supportive environment where every woman's needs are recognized, respected, and valued.





Her Health, Her Truth

Recognizing the need of the hour, we collaborated with GIZ under the project “Her Health, Her Truth,” through which we engaged with SMEs to empower women by raising awareness about personal hygiene, menstrual health, and overall well-being. The initiative focused on education, capacity building, and breaking taboos around menstrual health, enabling women to make informed choices and lead healthier lives.





Strengthening Global Partnerships for a Sustainable Future

The visit of the EU delegation, accompanied by GIZ representatives, reflects MTM's strong engagement with international stakeholders and its commitment to transparent and responsible business practices. The interactive dialogue during the visit highlights MTM's readiness to align with evolving international legislation, sustainability requirements, and compliance frameworks. Such engagements reinforce MTM's proactive approach toward adopting global best practices, strengthening regulatory preparedness, and ensuring continued customer confidence and satisfaction through responsible and future-ready manufacturing operations.

Environment

Environmental performance at Masood Textile Mills is driven by deliberate, long-term decisions. Across our value chain, we have invested in renewable energy systems, technology-driven efficiencies, and infrastructure designed to reduce our emissions intensity. Circular economy principles shape how we approach material use, extending resource lifecycles, reducing reliance on virgin inputs, and minimizing what enters the waste stream. These efforts reflect our understanding that sustainable manufacturing is not a destination, it is a discipline practiced every day.

THE IMPERATIVE TO ACT

Climate change is fundamentally reshaping global manufacturing conditions. It is threatening the ecological systems industrial production depends on. For MTM, these are material risks embedded across every layer of our operations.

The textile industry sits at a particularly acute intersection of these pressures. Wet-processing operations place heavy demand on freshwater systems already stressed by shifting hydrological patterns. Energy-intensive manufacturing contributes to the very emissions driving further instability. And agricultural feedstocks like cotton are acutely vulnerable to temperature extremes and erratic growing seasons. To operate without addressing these interdependencies is to compound risk, not avoid it.

MTM recognises that transitioning to a low-carbon, resource-efficient model is not optional, it is the precondition for long-term viability. The window for meaningful industrial intervention is narrowing, and the cost of inaction, physical, regulatory, and reputational, continues to grow. Our responsibility is to act within that window with the transparency and urgency the moment demands.

OUR STRATEGIC DIRECTION

MTM's environmental strategy is built on the recognition that climate risk is operational risk. Our Planet pillar moves beyond compliance-led environmental management toward a proactive transition agenda, one that integrates resource efficiency, emissions reduction, and ecological accountability into capital planning, supplier engagement, and operational governance. Each commitment is time-bound, measurable, and reviewed by our top management to ensure that strategy translates into verified outcomes rather than stated intent.

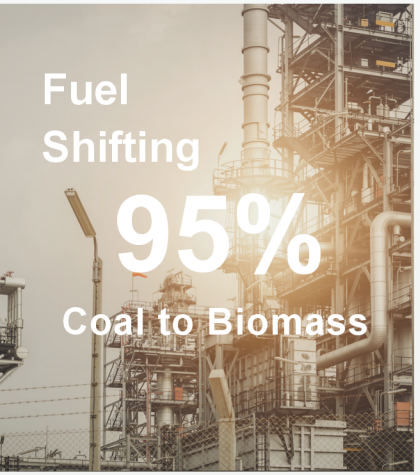
SDGs SUPPORTED

- 6.CleanWaterand Sanitation
- 7.AffordableandCleanEnergy
- 8. Decent Work & Economic Growth
- 9. Industry, Innovation & Infrastructure
- 12.Responsible Consumption and Production
- 13.ClimateAction
- 14. Life Below Water















TURNING COMMITMENT INTO ACTION

MTM is advancing its sustainability agenda through diversified clean energy solutions, including solar power integration and modern biomass boilers. Investments in energy-efficient infrastructure are improving operational performance, while the transition to biomass is reducing reliance on fossil fuels and supporting a low-carbon future.

Aligned with the Science Based Targets initiative, MTM has developed SBTi targets and have submitted for validation. Through this we are strengthening our greenhouse gas inventory in line with the Greenhouse Gas Protocol. Real-time emissions tracking and enhanced energy efficiency measures are driving measurable, verifiable progress.

Across operations, MTM generates electricity in-house, utilizes waste heat recovery systems to convert excess heat into usable steam and prioritizes water conservation through advanced reuse technologies. Emission control is supported by wet scrubbers, a transition to biomass fuels such as corncob and additional heat recovery from exhaust systems.

MTM ensures full compliance with MRSL and RSL requirements under the ZDHC progressive level, adopting safer chemical alternatives and responsible sourcing practices backed by globally recognized certifications. Circularity remains central to how MTM operates. Fabric and yarn waste is recycled in-house into regenerated yarn, closing the loop on production and reinforcing a genuine commitment to sustainable manufacturing.

Decarbonization

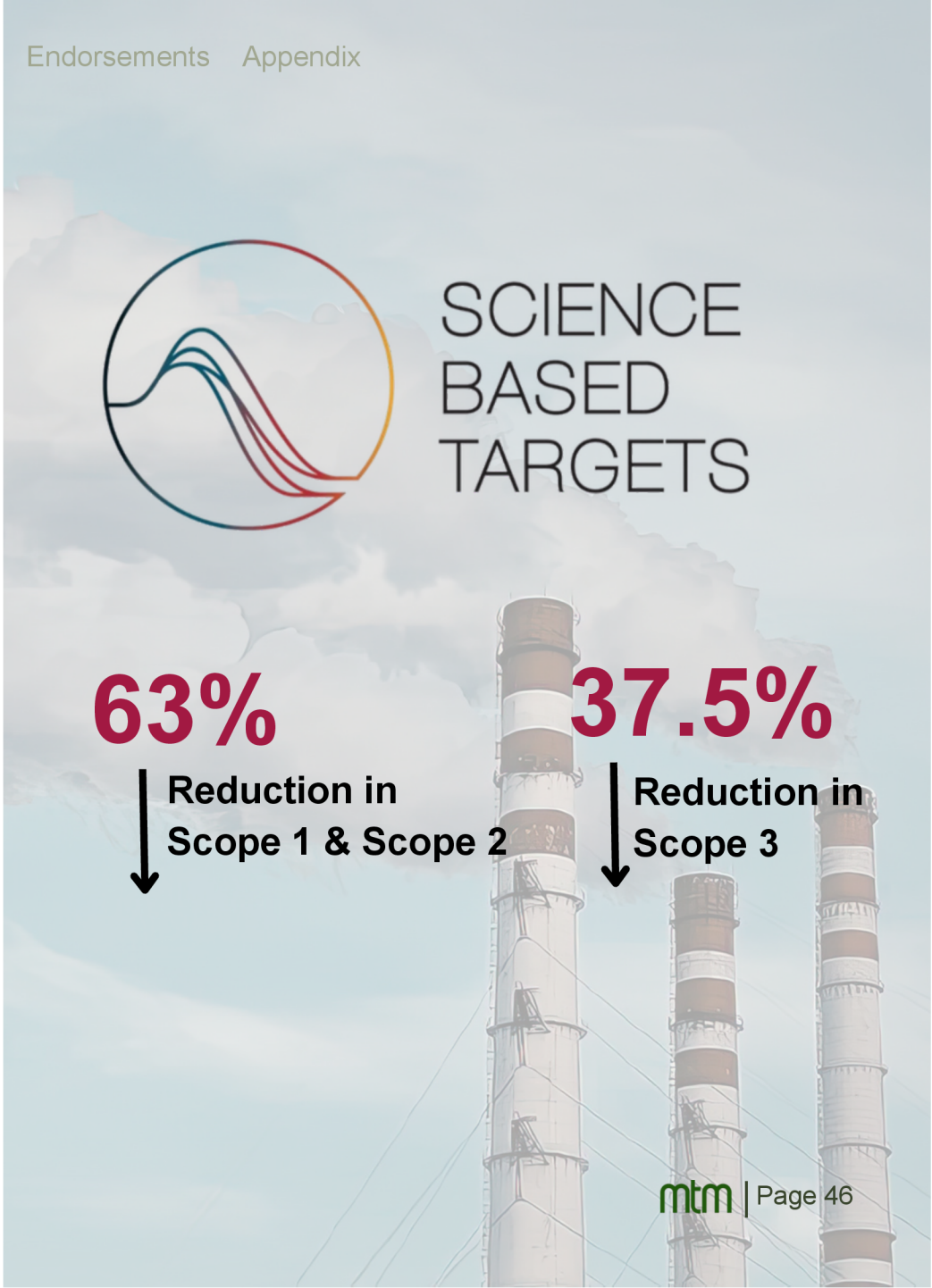
At Masood Textile Mills (MTM), we quantify our corporate carbon footprint in alignment with the Greenhouse Gas Protocol, ensuring robust data accuracy and quality assurance to support credible target setting. Our climate strategy is aligned with the Paris Agreement 1.5°C pathway, with near-term targets set for FY 2035 and long-term commitments extending to FY 2050.

In line with the Science Based Targets initiative (SBTi), MTM has submitted its SBTi targets for validation and is committed to achieve ambitious, science-based targets. From our baseline FY 2024, we aim to reduce our absolute Scope 1 and 2 emissions by 63.0% and Scope 3 emissions by 37.5% by FY 2035, reinforcing our commitment to responsible and sustainable operations.

Our Scope 3 targets address emissions across the entire value chain, including purchased goods and services, capital goods, fuel & energy-related activities logistics, operational waste, business travel, employee commuting and End-of-life treatment of sold products.

To achieve these targets, MTM is actively advancing decarbonization through multiple initiatives. A 6.2 MW solar plant is installed in FY 2025 to expand clean energy generation. We are optimizing energy use through in-house natural gas-based generation while transitioning from coal to biomass (corncob) for thermal energy. Additional measures such as LED lighting, servo motors and inverters are improving energy efficiency across operations. Our environmental efforts also include planting over 10,000 trees annually and transitioning 50% of our transport fleet to electric vehicles, further reducing our carbon footprint.

These initiatives are tracked against a quantified pathway from our FY2024 baseline (74,270 tCO_2e, Scope 1+2) to our FY2035 target (27,480 tCO_2e), a required reduction of 46,790 tCO_2e. Renewable generation is expected to contribute approximately 6,800 tCO_2e/year of this reduction, with the remainder driven by fuel switching, efficiency retrofits, and fleet electrification.



MANAGING OUR EMISSIONS RESPONSIBLY

Greenhouse gas emissions at MTM arise primarily from our operational activities. We monitor and manage these emissions in accordance with the Punjab Environmental Quality Standards (PEQS), using compliance as a baseline while consistently working toward higher internal standards.

Reducing Our Carbon Footprint

Since 2021, MTM has maintained active GHG reduction targets and tracked progress against them annually. Our efforts span cleaner production technologies, increased renewable energy capacity, improved infrastructure, and operational efficiency measures. In line with Science Based Targets initiative (SBTi) guidelines, we calculate and report CO_2e emissions across all point and non-point sources, ensuring our disclosures are consistent, comparable, and grounded in recognized methodology.

Assumptions and Dependencies

Delivery of our decarbonization targets depends on a number of key assumptions, which we review annually: continued availability of biomass feedstock at stable cost, no material adverse change in national grid emission factors, access to planned capital funding, and improving data quality from suppliers for Scope 3 categories. Where any of these assumptions changes materially, we will disclose the impact on our target pathway in the following year's report.



Installation of 7 Waste Heat Recovery Boilers
with a combined steam production capacity of 14 TPH (tonnes per hour)

14 TPH
Steam production capacity

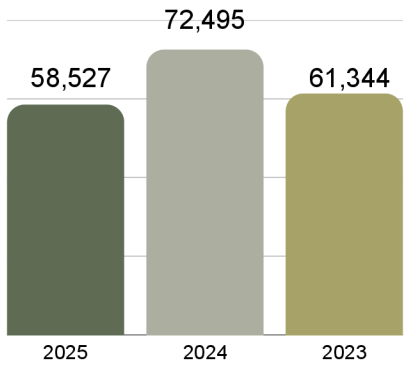
Steam Generation
14 tonne/hour

EMISSION REDUCTION INITIATIVES

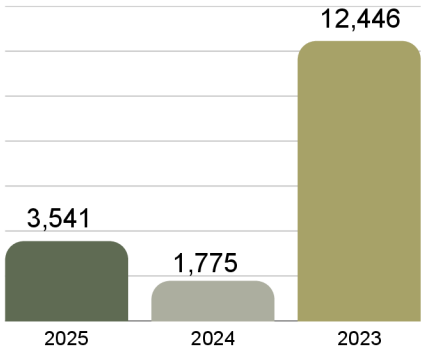
MTM has introduced a range of practical measures to reduce energy consumption and lower emissions across its facilities.

These include the installation of advanced dyeing and washing equipment, inverter retrofits on motors and machinery, and a full transition to LED lighting. Steam and heat distribution networks have been insulated to reduce energy loss, and waste heat from flue gases and engine hot water jackets is recovered and reused within our processes.

On the fuel side, MTM has moved away from coal toward biomass as a cleaner burning alternative, and runs its facilities on modern natural gas-powered generators. We have also commissioned a 6.2 MW solar power system, which now generates clean energy for our operations, reducing our reliance on fossil fuels and supporting our long-term decarbonization goals.



GHG Emissions **Scope 1** **(tCO_2eq)**



GHG Emissions **Scope 2** **(tCO_2eq)**

*Electricity is sourced from the national grid, natural gas, diesel, and solar power, while steam is generated using biomass, waste heat recovery (WHR), and natural gas. Scope 1 and Scope 2 GHG emissions are calculated in accordance with the GHG Protocol Corporate Standard using the operational control approach. Scope 2 emissions are reported using the location-based method, with relevant emission factors applied to purchased electricity.

Key Energy Milestones	
Metrics	**Value**
Solar Capacity Installed	**6.2 MW**
CO_2 Offset via Solar	**6,800 tonnes/year**
Steam & Heat Network Insulated	**100%**
Condensate Recovery Rate	**70%**

Progress Against Our Target

MTM tracks its Scope 1 and Scope 2 emissions performance annually, monitoring progress toward the FY2035 reduction target on a consistent, year-on-year basis. This tracking allows MTM to assess whether current initiatives are progressing in line with the pace required to meet the target, and to identify where additional measures may be needed. Progress against this baseline is reported in each Sustainability Report, providing a continuous trend rather than a single point-in-time disclosure.

Optimizing Energy Consumption

MTM's operations are powered through a combination of natural gas, diesel, furnace oil, and biomass for electricity and steam generation, supplemented by purchased grid electricity. Renewable energy now accounts for a growing share of our total consumption, supported by expanded solar capacity and the increased use of biomass for thermal energy needs.

Energy Efficiency and Cleaner Technologies

Reducing energy consumption is a practical operational priority at MTM, pursued through technology upgrades and process improvements across our facilities.

We have achieved 70% condensate recovery to reduce steam and water loss, and insulated 100% of our steam and heat distribution networks to prevent energy wastage. Lighting across production areas and sewing machines has been upgraded to LED, and conventional motors have been replaced with servo motors to improve mechanical efficiency. Our 6.2 MW solar installation offsets an estimated 6,800 tonnes of CO_2 annually, contributing directly to our decarbonization targets.

Additional measures include non-contact cooling water reuse systems, ozone color fading machines, and nano-bubble dyeing technology, each chosen for its ability to reduce energy demand within textile processing. MTM also prioritizes environmentally responsible refrigerants, having adopted R-32 and R-410 across relevant systems to limit environmental impact.

Taken together, these initiatives reduce our overall energy intensity and lower greenhouse gas emissions.

SOLAR ENERGY INITIATIVE

MTM's installation of a 6.2 MW solar power system marks a significant step in its transition toward cleaner energy. The initiative reduces dependence on fossil fuels, lowers greenhouse gas emissions, and directly supports MTM's Science Based Targets (SBTi) commitments, aligning our energy strategy with internationally recognized climate goals. Beyond its environmental contribution, the solar system now supplies a meaningful share of MTM's total energy demand through renewable generation.

MONITORING AND PERFORMANCE MANAGEMENT

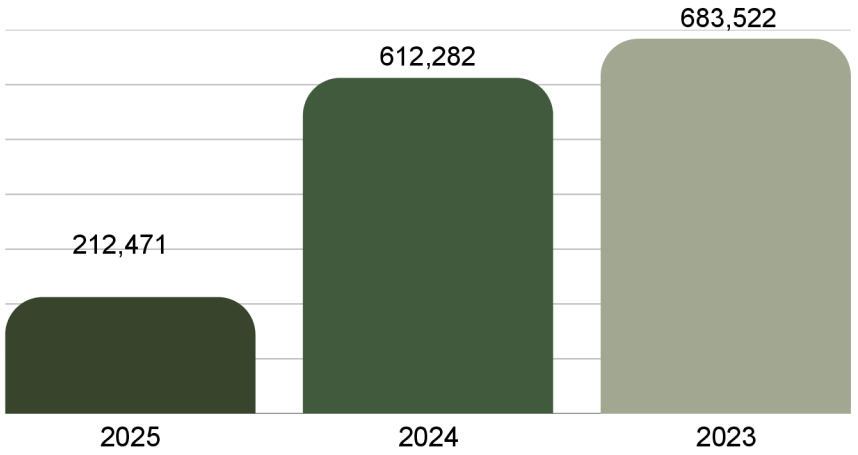
To ensure the system operates at consistent efficiency, MTM has integrated two digital monitoring platforms. The SCADA system provides real-time performance tracking, operational control and fault detection, keeping the installation running reliably and allowing issues to be identified and addressed promptly. METRON complements this with advanced data analytics and graphical reporting, giving MTM the visibility to track energy consumption patterns, identify inefficiencies and make informed decisions for ongoing improvement.

A LONG-TERM ENERGY COMMITMENT

The combination of renewable energy generation and smart monitoring technology reflects how MTM approaches sustainability, practically and with a long-term view. This investment strengthens our energy security, reduces operational exposure to fossil fuel volatility and demonstrates that responsible manufacturing and sound business management are not in conflict.

How Our Transition Plan Is Resourced

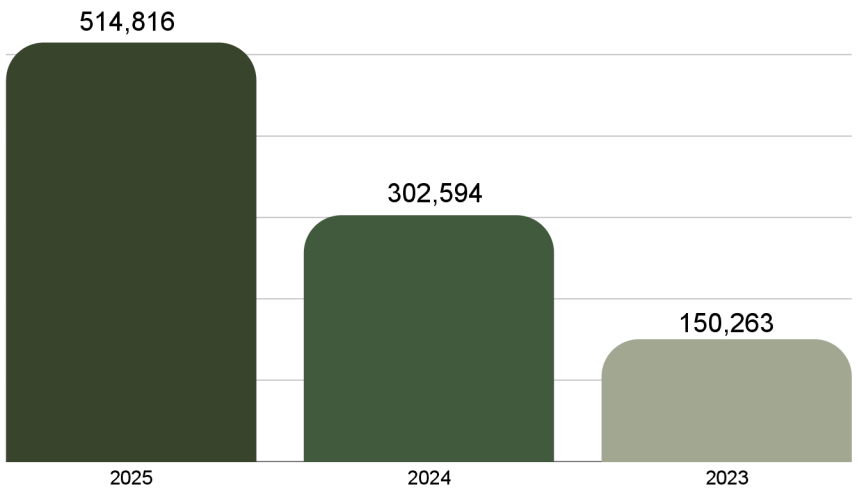
MTM's decarbonization initiatives are funded through a combination of internal capital allocation and, where applicable, dedicated financing arranged for specific projects such as renewable energy. Capital requirements for the transition plan are assessed and budgeted annually as part of MTM's ordinary capital planning cycle, covering both projects already commissioned and those planned through FY2035. The ongoing operating costs associated with running and maintaining these measures are incorporated into MTM's annual sustainability and operations budgets, ensuring that abatement measures already in place remain funded on a recurring basis rather than as one-off investments.



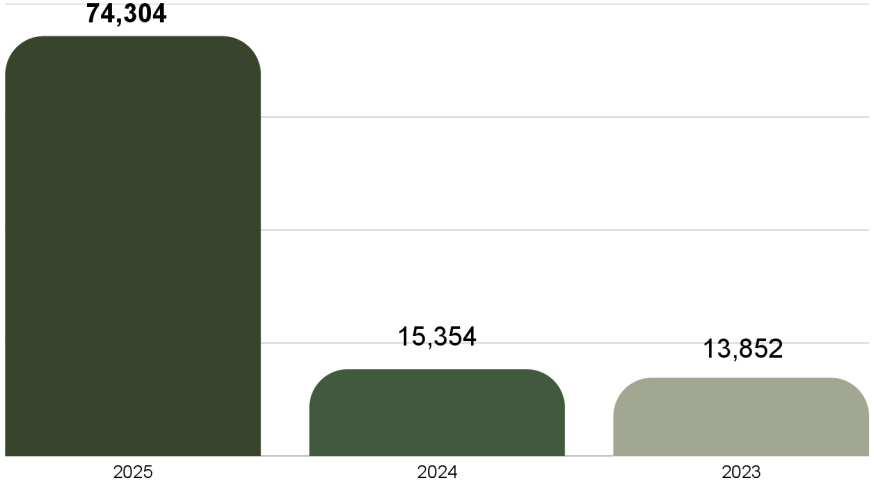
Energy Consumption Non-Renewable (GJ)



Energy Consumption Renewable (GJ)



Energy Savings (GJ)



METRON
ENERGY MANAGEMENT & OPTIMIZATION SYSTEM

74,304 GJ of energy saved through energy efficient technologies

Biomass Boilers

MTM’s transition to biomass-based energy advanced with the installation of three dedicated biomass (corncob) boilers of 15 TPH each, providing a combined capacity of 45 TPH, along with one 15 TPH multifuel boiler. The total installed capacity of these biomass and multifuel boilers is therefore 60 TPH. This initiative supports the replacement of fossil fuels with renewable and alternative energy sources and contributes to reducing MTM’s environmental footprint.

OUR MULTI-FUEL BOILER PROJECT

Alongside the larger installation, MTM operates a 15 TPH multi-fuel boiler that runs on a range of biomass inputs including corn cobs, wood chips, wheat straw and rice husk. These materials are locally available, renewable and would otherwise be discarded or openly burned, making their use as fuel a practical environmental benefit beyond energy generation alone. By diverting agricultural residues from landfill and open burning, the project reduces greenhouse gas emissions at two points in the chain at the source and at the point of energy production.

Together, these biomass installations reduce MTM's reliance on fossil fuels, lower carbon emissions, and contribute to a more sustainable energy mix across our facilities. They also reflect a broader principle in how MTM approaches its operations that environmental responsibility is most meaningful when it is built into core infrastructure, not treated as an add-on.



Advancing Efficiency Through innovation

Central to the Multi-Biomass Boilers project is a high-capacity boiler rated at 15 TPH which commence operations in 2025. This advanced system produces process steam at exceptional efficiency levels, reinforcing the company's manufacturing capabilities while simultaneously reducing its overall environmental impact. Through this initiative, MTM aims to achieve an annual reduction of up to 35,000 tons of greenhouse gas emissions, demonstrating a strong commitment to global climate change mitigation efforts.

The Multi-Biomass Boiler operates on a fully automated platform, integrating sophisticated Programmable Logic Controller (PLC) technology to ensure precise operational monitoring and control. This intelligent automation framework optimizes energy consumption, minimizes operational inefficiencies, and strengthens both environmental compliance and economic performance.

By maintaining peak operational efficiency, reducing unplanned downtime, and mitigating human error risks, the system provides MTM's operations with a dependable and sustainable energy supply.

INDITEX
GTW Score
Green to Wear standard
GRADE A CERTIFIED

A

STEAM EFFICIENCY
50 %
Improvement in steam emission factor

Energy Mix
95 %
Biomass Share of thermal / steam energy

Water Stewardship
66 L/kg
Water consumed per kg of production

Cost Savings
-30%
Reduction in overall steam cost per tonne of production

Masood Textile Mills has consistently advanced its sustainability journey through adherence to internationally recognized frameworks and certification standards. Since 2020, MTM has maintained transparent reporting of its Scope 1 and Scope 2 greenhouse gas (GHG) emissions via the Higg Facility Environmental Module (FEM), demonstrating a firm commitment to environmental accountability and performance transparency.

Building upon this foundation, MTM has successfully attained the prestigious Green to Wear (GTW) certification issued by Inditex, achieving a Grade A rating in recognition of its exemplary sustainable practices and responsible manufacturing standards.

Acknowledging the growing challenges to water availability driven by climate change, Masood Textile Mills has entered into a strategic partnership with WWF to develop and implement a comprehensive Water Stewardship Plan. Alongside its carbon reduction commitments, MTM has embedded water conservation as a fundamental operational priority, achieving a notable water consumption rate of just 66 liters per kilogram of production.

These sustained and coordinated efforts have culminated in securing a Grade A certification under Inditex's Green to Wear (GTW) standard, underscoring MTM's holistic and integrated approach to sustainability while earning distinguished recognition for its leadership in water stewardship.



6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

UNGC PRINCIPLE 7
PRECAUTIONARY APPROACH TO ENVIRON MENTAL CHALLENGES

CEO WATER
MANDATE ELEMENT 1 DIRECT OPERATIONS

CEO WATER
MANDATE ELEMENT 6 TRANSPARENCY

WATER STEWARDSHIP

Sustainable Water Practices

Masood Textile Mills (MTM) views water as a vital shared resource and has adopted a proactive, systems-level approach to its responsible stewardship. In collaboration with WWF, the Company has developed and implemented a comprehensive Water Stewardship Plan that embeds water conservation as a foundational principle across all operational processes.

MTM has deployed advanced technologies and efficiency-driven interventions including in-process water reuse, procurement of high-performance equipment, and the installation of steam condensate recovery systems resulting in a 70% condensate recovery rate and an overall water intensity of 66 liters per kilogram of finished product. These measures collectively reflect the Company's commitment to continuous improvement in resource efficiency.

MTM's water stewardship efforts have been formally recognized through a Grade A certification under Inditex's Green to Wear (GTW) standard, affirming the Company's integrated approach to environmental sustainability and its leadership in both water and energy management.

To further strengthen its sustainability performance, MTM conducted a structured Energy and Water Conservation Assessment in partnership with Espire Consultants and JC Penney.

Steam condensate recovery rate

70%

Recovered

Water Recycled and Reused

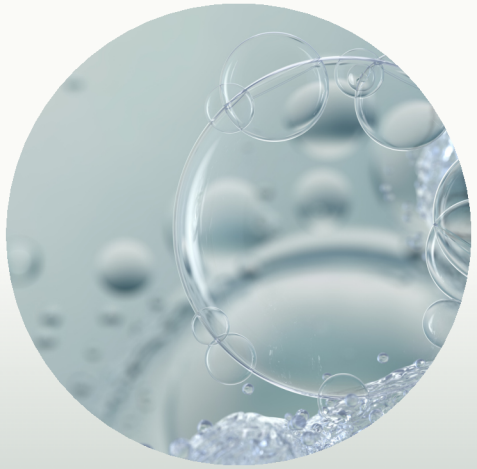
30%

Recycled and Reused

The assessment was designed to identify actionable opportunities for improving energy efficiency, reducing greenhouse gas (GHG) emissions, and optimizing water utilization while generating measurable cost efficiencies for the facility. The process was guided by globally recognized frameworks, including the Apparel Impact Institute principles and the Clean by Design 10 Best Practices for Mills.

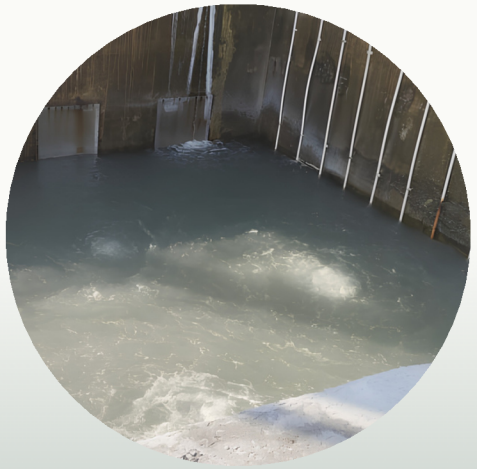
MTM maintains full compliance with ZDHC Progressive Level requirements and Punjab Environmental Quality Standards (PEQS) for wastewater discharge, achieving 100% compliance throughout the reporting period. Water quality is monitored through a dual-verification system comprising regular internal assessments and independent third-party evaluations conducted biannually.

During the reporting year, 30% of total water consumed was recycled and reused within operations. The Company continues to pursue targeted initiatives to increase this ratio, reinforcing its long-term commitment to a circular approach to water management.



Nano-Bubble Technology

Masood Textile Mills has integrated nano-bubble technology into its garment dyeing and laundry operations as part of its broader strategy to advance water efficiency and reduce environmental impact. This technology delivers measurable resource savings, achieving reductions of up to **95%** in water consumption, **90%** in chemical usage, and **50%** in energy consumption. MTM has deployed multiple EIA machines across its processing units, underscoring the Company's commitment to embedding sustainable innovation at the operational level.



Brine Solution Plant

MTM has modernized its brine solution operations through the establishment of an in-house brine mixing and purification plant, which supplies treated solution directly to dyeing machines. By internalizing this process, the Company ensures consistent solution quality, mitigates chemical handling hazards, and realizes material cost efficiencies. This initiative reflects MTM's broader approach of integrating operational control with environmental responsibility.



Process Optimization

Masood Textile Mills has adopted low liquor ratio dyeing and washing machines to optimize water utilization across its garment processing operations. Complementing this, the deployment of ozone-based machines enables waterless color fading, further reducing both water consumption and reliance on chemical inputs. Together, these technologies exemplify MTM's commitment to resource-efficient, innovative, and environmentally responsible manufacturing.

WATER WITHDRAWAL

Water Withdrawal by Source (M³/year)	2025	2024	2023	2022
Ground water				
Freshwater (≤2,000 mg/L TDS)	1,126,026	1,141,772	917,852	1,114,871
Other water (>2,000 mg/L TDS)	—	—	—	—
Total Water Withdrawal	**1,126,026**	**1,141,772**	**917,852**	**1,114,871**

* The water withdrawal is measured through flow meters

Water Consumption (M³/year)	2025	2024	2023	2022
Water Consumption	268,858	336,735	201,729	322,508

WATER DISCHARGE

Water Discharge by Destination (M³/year)	2025	2024	2023	2022
Surface water				
Freshwater (≤2,000 mg/L TDS)	—	—	—	—
Other water (>2,000 mg/L TDS)	857,168	805,037	716,123	792,363
Total Water Discharge	**857,168**	**805,037**	**716,123**	**792,363**

REVERSE OSMOSIS (RO) PLANT

Masood Textile Mills has commissioned a Reverse Osmosis (RO) plant to enhance the quality of water utilized in fabric dyeing operations. The system is designed to effectively eliminate dissolved impurities and heavy metals, reduce dependency on auxiliary chemicals, and optimize water utilization throughout the production process. By elevating process efficiency and extending the operational lifespan of manufacturing equipment, the RO plant contributes meaningfully to resource conservation and long-term operational reliability. Additionally, it supports the Company's compliance with the Zero Discharge of Hazardous Chemicals (ZDHC) requirements, reinforcing MTM's steadfast commitment to sustainable manufacturing practices and responsible environmental stewardship.



6 CLEAN WATER AND SANITATION	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	17 PARTNERSHIPS FOR THE GOALS
UNGC PRINCIPLE 7 **PRECAUTIONARY APPROACH TO ENVIRON MENTAL CHALLENGES**	UNGC PRINCIPLE 8 **INITIATIVES FOR GREATER ENVIRON MENTAL RESPONSIBILITY**	UNGC PRINCIPLE 9 **DEVELOPMENT OF ENVIRON MENTALLY FRIENDLY TECHNOLOGIES**	CEO WATER **MANDATE ELEMENT 2 SUPPLY CHAIN AND WATERSHED MANAGEMENT**

SUSTAINABLE MATERIALS

Materials

Masood Textile Mills (MTM) adopts a responsible material sourcing approach by ensuring transparency and traceability across its supply chain. As a vertically integrated organization, MTM sources cotton, synthetic, recycled, and regenerated yarns, which are processed using carefully selected and certified dyes and chemicals to manufacture high-quality textile products. The company also develops and sources fabrics for knitwear and activewear while integrating sustainable practices throughout the material value chain.

All raw materials are procured from certified third-party suppliers that meet internationally recognized environmental and social standards, including Oeko-Tex Standard 100, Oeko-Tex Made in Green, BCI, OCS, GOTS, GRS, RCS, RWS, FSC™ (C-208586), USCTP, and Regenagri certifications.

MTM continues to expand the use of lower-impact materials such as BCI cotton, organic cotton, regenerative cotton, recycled fibers, and other sustainable alternatives to reduce environmental footprint and support responsible sourcing practices.

In addition, MTM incorporates REPREVE® recycled performance fiber, produced from recycled plastic bottles and post-industrial waste, into selected products. The material provides performance benefits such as moisture management, odor control, and durability while supporting circular and sustainable material use. Whether designing specialized underwear, high-performance athletic apparel, or sourcing for outdoor specialty retail, partners leverage advanced reflective materials engineered for safety, durability, and modern aesthetics. Driven by innovative thinking, perseverance, and creative ingenuity, the company delivers targeted product solutions that simplify operations and elevate end-user performance. A disciplined, customer-focused approach to product development ensures rapid commercialization of new concepts, keeping global brands at the forefront of textile technology.

Eco-Conscious & Sustainable Fibers

Deeply committed to reducing environmental impact and promoting responsible sourcing, the product portfolio integrates diverse sustainable fibers that champion circularity, resource efficiency, and long-term supply chain resilience:

- **Kapok Fiber:** Known as silk or Java cotton, this lightweight, silky fiber thrives in poor soil without artificial irrigation or pesticide use, avoiding competition with agricultural food crops while supporting rural livelihoods.
- **Bamboo Fiber:** A rapidly renewable resource that requires no pesticides and regenerates naturally, yielding soft, breathable, and fully biodegradable eco-friendly textiles.
- **Hemp Fiber:** A fast-growing, low-impact crop that enriches the soil, possesses natural antibacterial properties, and requires significantly less water than conventional cotton.ire supply chain.
- **Linen (Flax Fiber):** Derived from the resilient flax plant, this strong and long-lasting material relies on minimal water and chemical inputs, supporting responsible agriculture.
- **Responsible Wool:** Sourced strictly under the Responsible Wool Standard (RWS), guaranteeing that verified animal welfare, progressive land management, and social responsibility are maintained across the ent

Product Innovation & Sustainable Materials Pioneering Performance & Reflective Solutions Eco-Conscious & Sustainable Fibers



Regenerative Cotton Production Project Empowering Farmers, Restoring Ecosystems

Masood Textile Mills (MTM) proudly celebrates an important milestone in its commitment to sustainable and traceable textile manufacturing. The Distinctive Regenerative Cotton Project has successfully completed its third-party technical audit by Control Union, marking another step forward in our journey toward transparency, accountability, and responsible sourcing.

This achievement reflects the dedication and collaborative efforts of MTM's field teams, partner farmers, and project stakeholders whose commitment continues to drive meaningful and lasting impact.

In collaboration with the **LoK Sanjh Foundation**, MTM launched its Regenerative Cotton Production Initiative in 2024 to promote sustainable farming practices and strengthen community well-being. Through awareness and capacity-building programs across Pakistan, the initiative has empowered **3,000+ farmers**.

By enhancing soil health, improving biodiversity, and strengthening agricultural resilience, the project contributes to a more sustainable future while delivering responsibly sourced, traceable, and internationally certified regenerative cotton from farm to fiber.

In-House Textile Circularity

Advancing its corporate commitment to a zero-waste manufacturing model, the company has successfully integrated a state-of-the-art, in-house recycling plant designed to process all fabric scraps generated during the cutting stage. This dedicated infrastructure mechanically processes manufacturing by-products, converting post-industrial cutting waste entirely back into high-quality, reusable fiber. The regenerated material is then blended seamlessly back into the spinning and manufacturing cycles, establishing a highly resource-conscious, closed-loop production system.

Through this centralized circular initiative, the facility diverts and recycles approximately **3,500 metric tons** of cutting waste annually, significantly minimizing landfill reliance and conserving valuable raw resources. By systematically transforming operational waste streams into valuable manufacturing inputs, the company reduces its aggregate environmental footprint while optimizing production efficiencies. This localized upcycling strategy underscores a practical dedication to environmental stewardship and sets a benchmark for scale-driven circular production across the textile sector.



Research & Product Development
Innovating the Future of Textiles

At Masood Textile Mills (MTM), research and product development are more than a process—they are the foundation of transformation, innovation, and sustainable progress. Driven by a vision to redefine the future of textiles, MTM continuously invests in advanced technologies, innovative materials, and responsible practices that create solutions for tomorrow's world.

Our R&D journey is fueled by a commitment to explore next-generation fibers, performance-driven fabrics, and sustainable alternatives that combine functionality, comfort, and environmental responsibility. From regenerative and recycled materials to certified sustainable fibers and advanced fabric technologies, we continuously transform ideas into innovative products that meet the evolving expectations of global markets.

By integrating cutting-edge performance features such as moisture management, antimicrobial protection, thermal regulation, durability enhancement, and smart functional finishes, MTM develops products that go beyond traditional textiles—creating fabrics that enhance performance, support well-being, and deliver exceptional user experiences.

Through strong collaborations with global partners, a vertically integrated supply chain, and a culture of continuous innovation, MTM is not simply responding to industry change, we are shaping it. Every innovation, every fiber, and every development reflects our commitment to building a smarter, more sustainable, and future-ready textile industry where innovation meets responsibility and progress creates lasting impact.

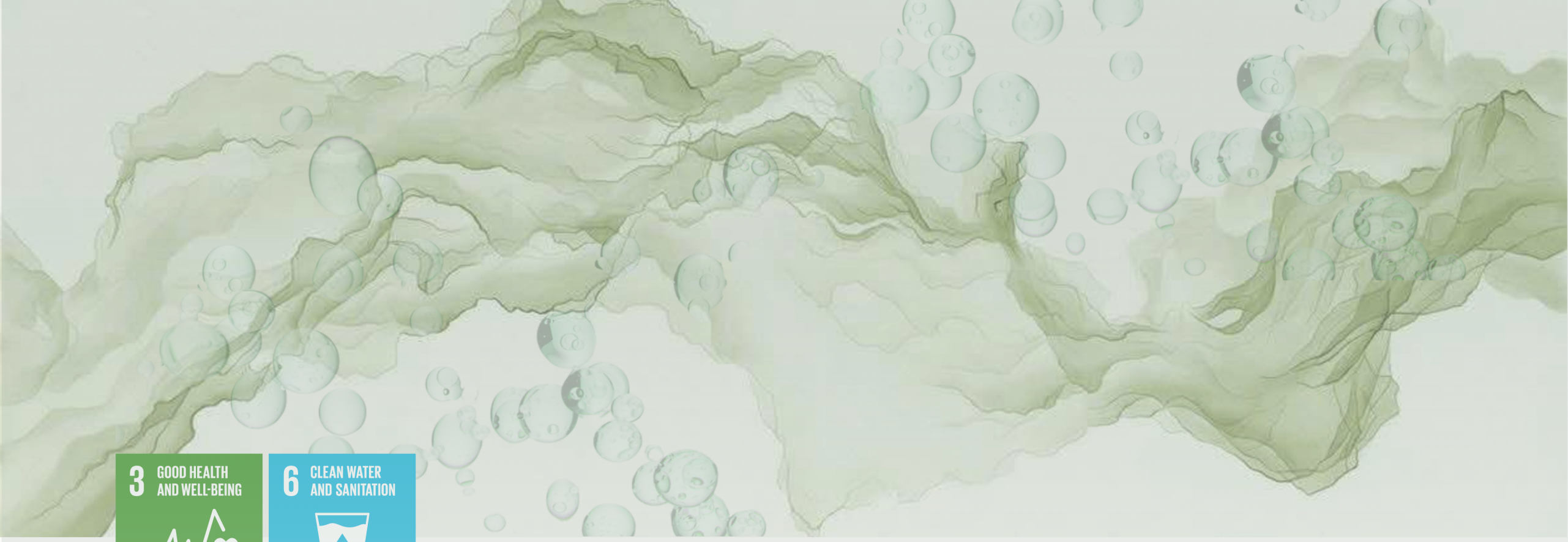


Third-Party certified materials ensuring environmental and social accountability

Standard	Material	UOM*	2025	2024	2023	2022
Oeko-Tex	Raw material/Finished products	%	100	100	100	100
BCI	BCI Cotton	%	42.10%	43.23%	39.67%	36.89%
GOTS/OCS	Organic Cotton	%	17.50%	16.89%	15.45%	9.75%
Regenagri	Regenerative Cotton	%	5.10%	3.18%	-	-
GRS	Recycled Cotton	%	18.17%	18.15%	31.60%	20.97%
	Repreve Polyester	%	1.00%	0.30%	0.52%	1.58%
	Recycled Polyester	%	7.20%	6.55%	5.45%	8.44%
Conventional	cotton	%	8.93%	11.70%	7.31%	22.37%
Total			100.00%	100.00%	100.00%	100.00%

Material	Unit	2025	2024	2023	2022	2021
Raw Material (Yarn & Fiber) *	Ton	23,329	28,900	30,798	41,028	33,181
Raw Material - Dyes and Chemicals *	Ton	19,614	18,695	20,240	25,364	21,587
Packaging Material	Ton	6,890	19,032	20,398	20,201	13,969

*Raw material procured during each respective fiscal year





Chemical Management

Compliance Baseline and Beyond

MTM's chemical management framework is built on three core pillars: safety, transparency, and environmental responsibility. The company distinguishes between the regulatory baseline it is required to meet and the beyond-compliance commitments it has voluntarily adopted, while actively tracking emerging restricted-substance regulations to stay ahead of both.

Regulatory compliance baseline

MTM's entire chemical inventory meets ZDHC MRSL and RSL requirements, and the company maintains full compliance with the ZDHC Gateway across all facilities. To maintain full visibility across its chemical inventory, MTM utilizes digital tools including ZDHC CleanChain and The BHive. CleanChain tracks and reports chemical usage against ZDHC MRSL standards, while The BHive maps and validates chemical inputs at the factory level. Together, these platforms reinforce responsible sourcing and supply chain integrity, and form the foundation of MTM's regulatory conformance.

Beyond-compliance commitments

Beyond meeting regulatory minimums, 90% of MTM's chemicals carry bluesign® approval, a voluntary, higher-bar standard that screens for input chemical safety, resource productivity, and environmental impact beyond what ZDHC MRSL alone requires. MTM also holds OEKO-TEX® certification and has earned the OEKO-TEX® MADE IN GREEN label, both of which involve testing and criteria that exceed baseline regulatory obligations. All sites additionally hold ZDHC Supplier to Zero Progressive Level certification, reflecting a level of chemical stewardship and transparency that goes beyond standard compliance reporting.

Emerging regulation management

MTM's chemical inventory is reviewed on an ongoing basis against updates to the ZDHC MRSL and relevant international restricted-substances frameworks, ensuring approved chemical lists and supplier requirements are adjusted as regulations evolve. This review is coordinated through MTM's chemical management function, which is responsible for evaluating new and proposed restrictions — including changes to buyer RSLs and international regulatory frameworks — and updating internal approved-chemical lists and supplier requirements accordingly. This proactive approach ensures MTM's compliance posture keeps pace with, rather than lags behind, regulatory change.

Category	Baseline compliance	Beyond compliance	Emerging regulation response
Product chemicals	RSL/AFIRM screening of all final products; annual Tier 1 & Tier 2 supplier evaluation	**90% bluesign® approval; OEKO-TEX® MADE IN GREEN**	Ongoing monitoring of buyer RSL and AFIRM RSL updates; supplier requirements revised accordingly
Process chemicals	ZDHC MRSL/Gateway compliance; wastewater limits at Foundational Level	**ZDHC Supplier to Zero Progressive certification; 100% green chemistry input**	Ongoing monitoring of ZDHC MRSL version updates; Chemical Management System (CMS) revised accordingly

People-first approach to chemical safety

MTM understands that sustainable chemical management depends as much on people as it does on systems. Accordingly, the company runs ongoing training programs across all its facilities to equip staff with the knowledge and skills needed for safe chemical handling. Topics covered include proper storage procedures, risk evaluation, correct use of personal protective equipment (PPE), and emergency response protocols. This investment in workforce capability helps embed a company-wide culture of safety and ensures sustainability commitments translate into real, on-the-ground practices.

Process Chemical & Manufacturing Risk Management

At Masood Textile Mills (MTM), responsible waste and process-chemical management sits at the heart of our sustainability journey. We are working to build a circular economy by developing products that last and by scaling up recycling programs that give textile waste a second life. Rather than treating waste as an endpoint, we see it as a resource that, when managed well, helps us close the loop and use what we have more wisely.

We have structured our waste management practices around the goal of minimizing waste sent to landfill and preventing harmful materials from entering the environment. Our approach prioritizes waste reduction, responsible disposal, recycling and recovery, with particular attention to hazardous materials and chemicals.

We use only ZDHC-registered chemicals in our manufacturing processes and maintain full compliance with the ZDHC Gateway, a commitment that protects both the environment and the people working within our facilities. This year, our Processing Divisions 1 & 2 scored 100% in the InCheck Level 1 Program, confirming the accuracy of our chemical inventory and the reliability of our Performance InCheck Reports.

We conduct biannual wastewater testing, prioritize ZDHC Level 3 compliant chemicals, and are actively phasing out priority substances through ZDHC/MRSL compliance and certified raw material sourcing. These efforts have brought us to 100% green chemistry inputs across our facilities, now certified at the Supplier to Zero Progressive level.

Eco-Friendly Wastewater Treatment

Our ZDHC Program drives the elimination of priority chemicals across all operations through responsible chemical handling, a structured Chemical Management System (CMS), ZDHC MRSL compliance, and certified raw material sourcing. Supporting this is a 150 m³/hr Effluent Treatment Plant (ETP) with advanced biological treatment technology, operating in full compliance with ZDHC parameters and Foundational Level limits.

Product Chemical Compliance

Every final product we manufacture is assessed against customer Restricted Substances Lists (RSLs), the internationally recognized AFIRM RSL, and all relevant regulatory requirements. We also conduct annual evaluations of both Tier 1 and Tier 2 suppliers, holding our entire supply chain to the same standard of accountability we expect of ourselves.

When issues of non-compliance do arise, we don't simply flag them and move on. We work through detailed root cause analyses and collaborate closely with suppliers to put meaningful corrective actions in place. Over time, this approach has helped build a culture where product safety and continuous improvement go hand in hand.

Supplier audits

Tier 1 & Tier 2

assessed annually

Standards applied

Customer RSLs + AFIRM

international benchmark





Waste Management

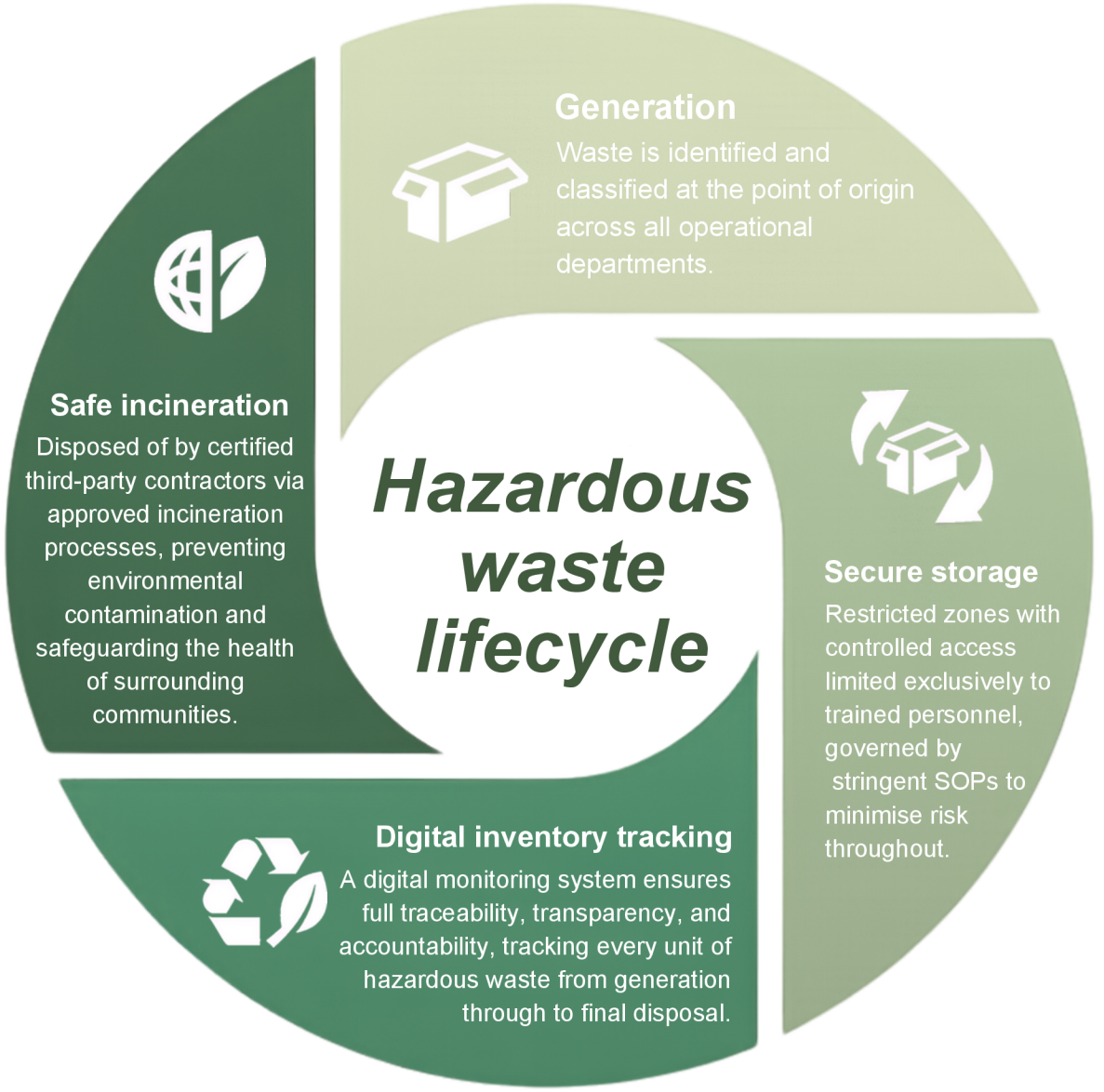
Waste Segregation & Management Framework

A systematic, facility-wide approach to the safe handling, storage, and disposal of hazardous and non-hazardous waste streams.

At Masood Textile Mills (MTM), we employ a systematic and structured approach to waste segregation, ensuring the safe handling, storage, and disposal of all waste streams across every operational facility. In full compliance with applicable environmental and safety standards, dedicated zones maintain a clear separation between hazardous and non-hazardous waste at all times.

Hazardous Wate	Non-Hazardous Wate
Stored in secure, controlled-access areas operating under strict Standard Operating Procedures (SOPs) to mitigate risk at every stage of handling and storage.	Collected and stored in the designated Yellow Yard, where distinct waste streams are properly categorized by type for recycling or further processing.

A digital inventory monitoring system is maintained to track hazardous waste throughout its lifecycle from point of generation to final disposal, ensuring full transparency, traceability, and accountability. Hazardous waste is ultimately disposed of through incineration carried out by certified third-party contractors via approved processes, safeguarding both environmental integrity and community health.



Departmental Segregation at Source

As an extension of its commitment to sustainable operations, Masood Textile Mills (MTM) has implemented a structured, source-level mechanism for the segregation of non-hazardous waste directly at the departmental level. This proactive approach significantly reduces the need for post-collection sorting, thereby enhancing operational efficiency and minimizing resource consumption.

To facilitate seamless waste separation, color-coded bins have been strategically deployed across all departments, enabling employees to segregate commonly generated non-hazardous materials including paper, plastics, glass, metal, and wood at the point of origin.

This initiative is closely aligned with the principles of 5S workplace methodology, fostering improved organizational discipline, reliability & the cost-effectiveness of MTM's overall waste management practices.



Strategic Outcomes & Environmental Commitment

Resource Conservation

Circular economy practices embedded at the point of origin across all departments, reducing waste and maximising material recovery.

Workplace Safety

SOP-driven protocols and controlled access enforced at all hazardous storage zones, protecting personnel at every stage.

Operational Efficiency

Significantly reduced post-collection sorting and overall resource consumption through smart, source-level segregation strategies.

WASTE BY COMPOSITION IN METRIC (MT)

Year	Waste Type	Waste Generated	Waste diverted from disposal	Waste directed to disposal
2025	Hazardous	60	Nill	60
	Non-Hazardous	9145	7316	1829
	Total Waste	9205	7316	1889
2024	Hazardous	64	Nill	64
	Non-Hazardous	9623	8000	1623
	Total Waste	9687	8000	1687
2023	Hazardous	60	Nill	60
	Non-Hazardous	9847	8200	1647
	Total Waste	9907	8200	1707
2022	Hazardous	64	Nill	64
	Non-Hazardous	10075	8500	1575
	Total Waste	10139	8500	1639



Governance

Principled governance is what allows MTM to grow with purpose. Our framework, built on transparency, ethical leadership, and accountability, ensures that every decision we make today serves the long-term interests of our stakeholders and the sustainability of our business. This is the standard we set for ourselves, and the standard we intend to keep.



How We Deliver

Innovation and operational resilience drive our production strategy forward. As leaders in knitted apparel, we utilize advanced machinery to transform creative concepts into superior-quality garments for the world's most iconic brands. MTM is expanding into high-value segments like sustainable garments and technical performance wear, fueled by an innovative focus on functional, sensory, and wellness-focused concepts. This forward-thinking footprint minimizes resource intensity while delivering versatile, trend-responsive apparel solutions globally. Crucially, our expansion is anchored by an uncompromising commitment to labor rights, workplace safety, and absolute financial transparency, ensuring our commercial growth is built on an ethical, world-class foundation.

Why Governance is Our Anchor

Governance is more than compliance for us, it's central to how we operate and how we build trust with our partners. By keeping our operations transparent, we align with international standards. This commitment gives us a real strategic advantage: it protects investor capital, builds confidence with global banking partners, and makes MTM a reliable partner for international buyers. Strong governance turns ethical practice into a business strength, supporting sustainable growth and reflecting well on Pakistan's textile sector globally.

Our Transition Plan

MTM's climate transition plan, including its key assumptions, dependencies, resourcing, and progress against targets, is reviewed annually and updated in each Sustainability Report to reflect current data and any material change in underlying assumptions.

Our Growth Imperative

Championing a legacy of trust, Masood Textile Mills is scaling toward a USD 300 million milestone by FY 2028 as a full-family clothing leader. We drive this evolution by fostering safe, inclusive workplaces that fuel economic growth, while pioneering future-ready production infrastructure and eco-efficient technologies. For MTM, this landmark achievement transcends commercial volume, it is about establishing resource-efficient, low-impact supply chains anchored in absolute institutional integrity, robust corporate governance, and world-class standards that protect our global partners.



Our Resilience Assessment

MTM's strategy and business model are structured to adjust to the sustainability-related risks and opportunities identified across our operations. Diversified sourcing, ongoing investment in energy efficiency and low-carbon alternatives, and workforce skill-building allow MTM to respond as risks such as rising input costs, tightening regulations, or resource scarcity materialize. This adjustment capacity is reviewed annually alongside our transition plan.

Economic Performance & resilience

Masood Textile Mills reported net sales of PKR 59,202 million in FY 2025, up 1% from PKR 58,677 million in FY 2024. This modest growth reflects continued demand from our global apparel clients and a stable international market presence, even amid a challenging global environment.

While unprecedented global inflation, soaring energy tariffs, and macroeconomic headwinds squeezed industry margins worldwide, leading to a gross profit of PKR 9,021 million and an operating profit of PKR 4,875 million, our fundamental commercial engine remains incredibly resilient.

MTM maintained a strong financial position in FY 2025, generating a net profit of PKR 131 million. This strengthened the Company's balance sheet and enhanced its financial resilience in navigating ongoing global economic challenges. MTM is aggressively leveraging its massive revenue momentum and solid financial foundations to accelerate our transition into high-margin technical garments, resource-efficient operations, and advanced circular manufacturing. By turning these macroeconomic challenges into a catalyst for innovation, we are fiercely safeguarding our long-term profitability and anchoring our path toward the USD 300 million horizon.

Company Profile

Masood Textile Mills (MTM) operates as a vertically integrated apparel manufacturer with a powerful localized footprint including three state-of-the-art stitching units in Faisalabad, backed by a global workforce of 21,000 employees. The company leverages robust systems like Oracle ERP, IMS, and extensive IT networking to ensure seamless digital connectivity and operational transparency across its production floors.

Technology serves as a primary enabler of progress at MTM. Through real-time data systems, AI-driven analytics, KPI dashboards, and specialized traceability tools like Back Track and Lot Track, MTM enhances corporate decision-making and performance management. Coupled with a strict FIFO inventory approach, these initiatives drive unmatched efficiency, transparency, and consistent quality.

To counter escalating and volatile energy costs in Pakistan, MTM deployed a 6.2 MW solar power plant that offsets 6,800 tonnes of CO2 annually. This renewable asset is directly integrated with automated Programmable Logic Controller (PLC) technology and SCADA networks monitored via METRON data analytics. This configuration captures instant production-floor data to dynamically optimize power allocation and strictly control energy costs.

MTM has three dedicated biomass (corncob) boilers with a combined capacity of 45 TPH, supplemented by one 15 TPH multifuel boiler, bringing the total installed biomass and multifuel boiler capacity to 60 TPH. This framework underpins a comprehensive climate strategy formally submitted to the Science Based Targets initiative (SBTi). Strictly aligned with the Paris Agreement 1.5°C pathway, it establishes clear near-term targets for FY 2035 and long-term commitments extending to FY 2050.

Through a WWF Water Stewardship Plan, MTM restricts water intensity to 66 L/kg and recycles 30% of its total consumption. Additionally, MTM maintains 100% compliance with ZDHC MRSL/RSL guidelines via digital platforms like The BHive and CleanChain, while a 5S source-level segregation system diverted 7,316 metric tons of waste from landfills in 2025, consistently validating its alignment with Inditex's Green to Wear standard.

Business Categories

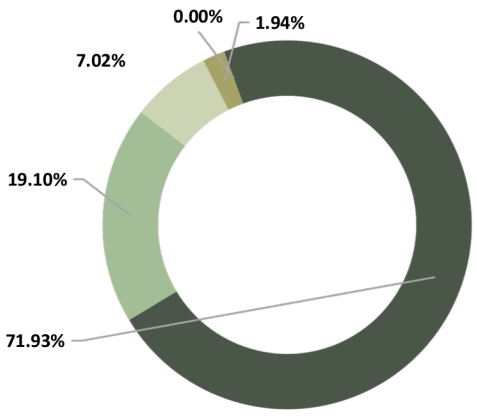
Our Core Segments

- Premium Quality Fabrics: 100 Tone/Day Capacity
- High-Grade Yarn: 1,100,000 lbs Capacity/Monthly
- Ready-to-wear: 100,000 Finished Pieces/Day

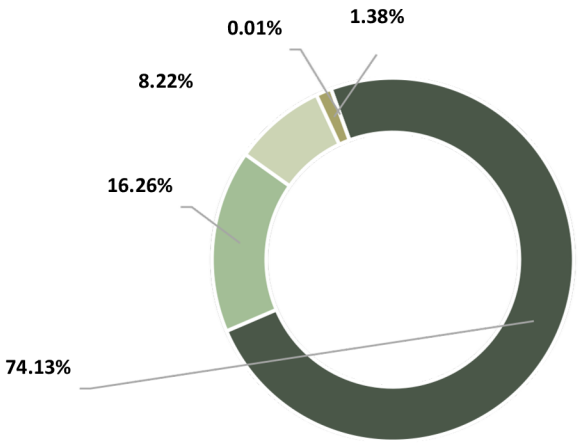
	2025	2024	2023
RUPEES IN MILLION			
Economic Value Generated			
Revenue	61,308	**60,931**	**65,241**
Economic Value Distributed			
Operating Cost	43,337	43,741	46,274
Employee Wages and Benefits	11,508	9,594	10,793
Payment to Providers of Capital	4,231	4,852	3,018
Payment to Government	1,171	815	680
Community Investments	-	3	25
Economic Value Retained	1,061	**1,926**	**4,451**

*Calculations are based on GRI framework guidelines

Distribution of Economic Value 2025



Distribution of Economic Value 2024



Masood textile Mills Limited offer market-competitive salaries and benefits to our employees, regularly assessing remuneration for relevance and compliance. Beyond standard compensation, the company provides defined benefits in the form of gratuity, which requires no employee contributions, with its liability determined through actuarial valuation.

Employees welfare is further strengthened through Social Security Facilities, access to Rabia Trust, where specialized doctors provide healthcare services, and generous parental and maternity leave policies to support work-life balance.

MTM also contributes to Community Development, including funding education at The Citizen Foundation (TCF) School, reflecting its commitments to social responsibility. As of FY 2025, the liability for the defined benefit plan stood at PKR 2,239 million, up from PKR 2,108 million in FY 2024

Manufactured Capital
Verticallyintegratedmanufacturing with hi-techfacilitiesinPakistan

Economical Value Generated
-Total Sales: 59,202million

Human Capital
21,000 diverse, inclusive and engaged workforce creating a high-performing organization.

Intellectual Capital
Expertteamswithcutting-edgeskillsand innovation driven mindsets.
Empoweringadynamicandadaptive organizationtomaintainleadership asa high-quality, responsive manufacturer.

Input



Output

- Fabric
- A ppa rel
- Activewear
- Yarn

Economic Value Distribution
Operating Cost
EmployeeWages/Benefits
PaymenttoProviders ofCapital
Payment to Government
Investments in Community

Social & Relationship Capital
Internationalandregionalpresencewitharobust manufacturingandsalesnetwork.
Strongcustomer-centric partnershipsbuiltontrustandloyalty.
People andplanetfocusedinitiativesformanagingsustainabilityinbusinessandthe environment,bothnationallyandinternationally.

Multi-Category Solution Provider
- Wide product range.
-Strengthencore functions:Sales,Merchandizing,HR, Finance, IT, Strategy, Yarns, & Procurement.
-Offerdiverseproductswith flexibleordersizes.
- Prioritize excellence in quality and innovation.

Our Customers



Responsible Supplier Engagement

Recognizing that sustainable transformation extends far beyond organizational boundaries, the company actively cultivates strategic partnerships to embed environmental and social governance deep within its supply chain. Through proactive collaboration, capacity-building workshops, and joint transparency initiatives, upstream vendors are empowered to meet and exceed global compliance standards. To reinforce this shared commitment, a structured supplier recognition program rewards partners who demonstrate exceptional performance in traceability, carbon reduction, and resource stewardship, thereby fostering a resilient and high-performing ecosystem that drives collective sustainable growth.

Our Approach & Performance

Supply Chain Resilience & Procurement

Our supply chain strategy mitigates disruptions and ensures operational continuity to position MTM as the premier global clothing partner of choice. The Procurement & Supplies department delivers premium materials on time, prioritizing quality, cost-effectiveness, and ethical, sustainable practices to drive positive stakeholder impact.

Green Purchasing & Compliance

MTM's Green Purchasing strategy minimizes our environmental footprint through responsible sourcing. Partners must meet international quality standards, our Supplier Code of Conduct, and applicable regulations, including the Uyghur Forced Labor Prevention Act (UFLPA) and European mandates. We currently evaluate suppliers through established social, HSE, environmental, and quality controls and conduct regular vendor training on social responsibility, workplace health and safety, chemical management, and Higg Index compliance.

A formal standalone supply-chain human rights and forced-labour risk assessment has not yet been undertaken; MTM plans to conduct this assessment as part of strengthening its supply-chain due diligence and regulatory preparedness.

Vendor Screening & Performance Metrics

We strictly prioritize sustainability during onboarding and conduct regular audits to mitigate supply chain risks.

- **100%** of new suppliers (70 total) screened for environmental and social impacts.
- **63** existing suppliers (45 Tier 1, 18 lower tiers) evaluated; **0** adverse environmental impacts found.
- A total of 32 suppliers (37.5%) are certified under the Higg Facility Environmental Module (Higg FEM). Of these, 8 are Tier 1 suppliers and 5 are from lower tiers.



To ensure rigorous labor standards, MTM audited 42 active suppliers (17 Tier 1 partners and 25 from lower tiers) against Pakistan's statutory labor laws, SA 8000, and WRAP (Worldwide Responsible Accredited Production) criteria. These assessments were conducted utilizing both internal audit frameworks and independent third-party verifications.
The audits identified operational gaps in 14 supplier facilities regarding occupational health and safety (HSE), emergency preparedness, overtime regulation, and minimum wage compliance. MTM is in the process of formalizing a severity classification system to distinguish priority non-conformances from other audit findings, in line with recognized industry frameworks. This will enable MTM to report a priority non-conformance rate and an associated corrective-action rate in future disclosures.
In line with our commitment to capacity building, MTM actively partnered with all flagged vendors to execute corrective action plans, and continues to track completion status through to closure. No supplier relationships were terminated as a result of these findings.

MTM enforces strict risk mitigation protocols, requiring legally binding declarations from international vendors and conducting extensive verifications of local partners to guarantee zero sourcing exposure to child or forced labor regions.

As a vertically integrated manufacturer, MTM utilizes a proprietary, end-to-end traceability platform to track cotton from farm to finished garment. This system provides global brand partners with seamless, data-driven visibility to verify material origin and effortlessly satisfy international regulatory and transparency mandates.

Procurement Categories & Sustainable Sourcing

To power our vertically integrated operations, MTM sources premium, compliant inputs from a vetted global supplier base:
Fibers, Yarn & Fabric: Sustainable cotton, specialized fibers, man-made blends, and certified regenerated/recycled yarns.
Dyes & Chemicals: Process inputs fully compliant with **Oeko-Tex** and premier global eco-standards.
Accessories & Packaging: Sustainable trims and packaging exclusively sourced under **FSC™ Certification** (FSC™ C-208586).
General Services: Corporate infrastructure support, including industrial repair, maintenance, and construction.

Our global supply network comprises 1,678 partners, with 1,200 active suppliers spanning over 21 countries. MTM strategically prioritizes domestic procurement to stimulate local industrial development and economic growth, sourcing labor-intensive inputs—such as yarn—from within Pakistan. Advanced machinery, technology, and specialized materials unavailable domestically are sourced from technology-intensive international markets. Demonstrating this commitment to local empowerment, 67% of our total FY 2025 procurement expenditure of approximately was directed to domestic vendors, while 33% was allocated to global suppliers.

REPORTING COMMITMENTS

To ensure data integrity, operations are benchmarked against internationally recognized disclosure frameworks. Sourcing and operational milestones are tracked, audited, and disclosed in strict accordance with the following compliance standards:



WHY IT MATTERS

Strong governance is the foundation of a resilient and responsible organization. It enables transparent decision-making, promotes accountability, and upholds ethical business practices, creating trust among stakeholders while empowering sustainable, long-term value creation.

Path Forward

Our long-term ESG goals focus on strengthening transparency, increasing the use of sustainable materials, exploring carbon markets, expanding our sustainable footprint, improving operational efficiency, transitioning to low-emission fuels, and increasing renewable energy adoption.

How We Govern

Masood Textile Mills (MTM) is guided by a seven-member Board of Directors, which serves as the highest governance authority and provides strategic oversight of the Company. The Board is supported by specialized committees established within the governance structure, including the Audit Committee, Nomination Committee, Human Resource Committee, Environmental, Social & Governance (ESG) Committee, and Risk Management Committee.

The Board maintains oversight of the Company's strategic direction, governance, risk management, and sustainability-related matters. The Environmental, Social & Governance Committee provides dedicated oversight of ESG matters and supports the Board in reviewing sustainability-related priorities, performance, risks, opportunities, and progress against the Company's sustainability objectives.

Management is responsible for implementing the Board-approved strategy and sustainability priorities. The Chief Executive Officer has overall executive accountability, while the Director HR, IM and Sustainability and the Sustainability Department coordinate and operationalize sustainability-related activities across relevant business functions.

Sustainable Development Goals

BUILDING A BETTER WORLD THROUGH GLOBAL ACTION

SDG 5: Gender Equality

SDG 8: Decent Work & Economic Growth

SDG 9: Industry, Innovation & Infrastructure

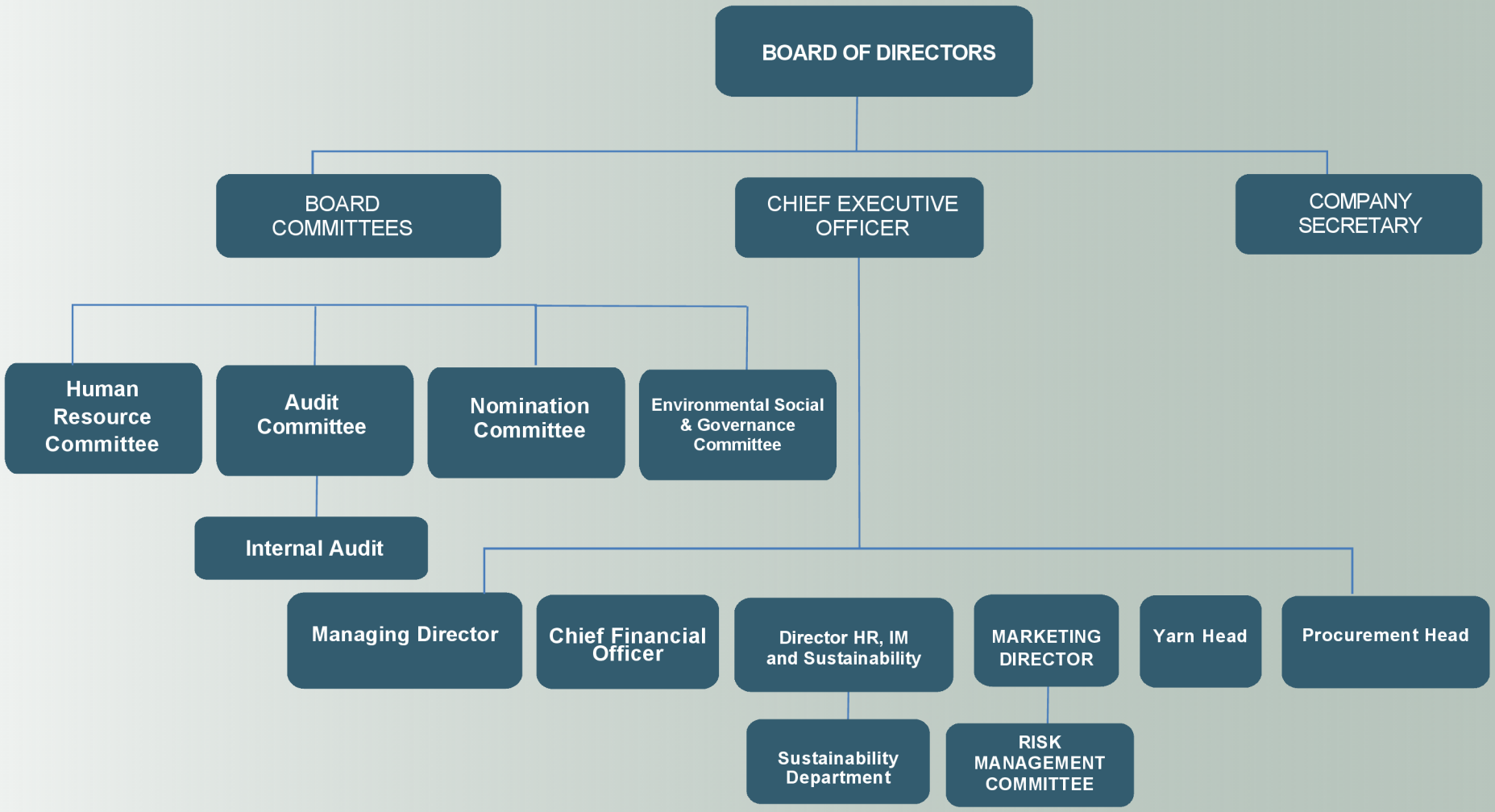
SDG 12: Responsible Consumption

SDG 13: Climate Action

SDG 16: Peace, Justice and Strong Institutions

SDG 17: Partnership for the Goals

ORGANIZATIONAL STRUCTURE



Governance & ESG Oversight

The organization operates under a comprehensive corporate governance model that anchors strategic oversight, long-term sustainability, risk management, and business ethics within its leadership structure. At the apex, the Board of Directors fulfills its statutory and strategic responsibilities by overseeing the Company's purpose, strategy, governance, risk management, and sustainability-related matters.

The Environmental, Social & Governance Committee operates within the Board committee structure and provides dedicated oversight of environmental, social, and governance matters. The Committee supports the Board by reviewing significant sustainability-related risks, opportunities, priorities, performance, and progress against relevant commitments and objectives.

The Risk Management Committee operates within the governance structure with responsibility for overseeing the Enterprise Risk Management framework. It supports the identification, assessment, monitoring, and mitigation of material operational, financial, environmental, social, and other relevant risks, with significant matters escalated through the appropriate governance channels.

The Board and its committees are supported by management functions responsible for implementing approved policies and objectives. The Chief Executive Officer maintains overall executive accountability, while the Director HR, IM and Sustainability and the Sustainability Department coordinate the implementation, monitoring, and reporting of sustainability-related activities across relevant business functions.

Operational Integrity & Workplace Standards

The organization maintains a robust ecosystem of internal controls and formalized protocols that operationalize its core values into daily workplace practices. Rooted in statutory compliance, this comprehensive framework is strictly aligned with the Factories Act of 1934 and the Industrial and Commercial Employment (Standing Orders) Ordinance of 1968, ensuring all operational workflows legally and ethically protect our workforce. Rather than viewing compliance as a static checklist, these policies establish an environment where fair compensation, transparent career life cycles—from onboarding to off-boarding—and strictly regulated working hours are standard practice.

Central to this operational framework is an uncompromising dedication to social responsibility and human rights. The company enforces zero-tolerance policies against child labor and forced labor, while proactively securing a safe, secure, and inclusive environment through stringent anti-harassment, non-discrimination, and occupational health and safety systems. By fostering an open corporate culture that respects freedom of association and provides clear, fair channels for grievance handling and disciplinary actions, these structured procedures translate abstract ethical principles into a measurable, high-performing, and dignified working environment.

Compensation Stewardship & Interest Alignment

The organization enforces a transparent compensation framework structured to eliminate conflicts of interest and ensure independent oversight at the highest governance levels. Guided by the Human Resource and Remuneration (HR & R) Committee, these policies are regularly reviewed to harmonize with industry benchmarks and long-term sustainability goals. To support objective decision-making, no Director participates in deciding their own compensation package. Furthermore, Non-Executive Directors are compensated strictly through fixed meeting attendance fees, with no additional emoluments attached. Ultimately approved by the Board to ensure harmony with corporate strategy, this framework ensures independent oversight without the need for external consultants.

Conflict Mitigation & Whistleblower Protection

The company's Code of Conduct serves as the ethical foundation for all operations, supported by strict protocols to prevent and mitigate conflicts of interest. Potential conflicts from cross-board memberships, cross-shareholdings, or related-party transactions are actively managed by the Audit Committee and presented transparently for shareholder approval during general meetings.

To address risks early, the organization maintains a confidential grievance and whistleblower mechanism, allowing stakeholders to report ethical, compliance, environmental, or social concerns under a strict non-retaliation policy. This framework guarantees robust data privacy and confidentiality protections throughout all investigation and resolution procedures. Critical concerns and grievance trends are continuously monitored and escalated to the Board via its relevant Committees, ensuring significant ethical matters receive timely oversight while driving continuous institutional improvements and lessons learned..



ESG MANAGEMENT

MTM manages sustainability-related matters through a governance structure in which strategic oversight and operational implementation are clearly distinguished.

The Board of Directors maintains ultimate oversight of the Company's strategy and sustainability-related matters, supported by the Environmental, Social & Governance Committee. The ESG Committee provides dedicated oversight of ESG priorities, risks, opportunities, performance, and progress and supports the Board in its review of sustainability-related matters.

The Chief Executive Officer has overall executive accountability for sustainability-related matters and ensures that approved strategic priorities are implemented across the organization.

The Director HR, IM and Sustainability is responsible for coordinating and overseeing the operational implementation of sustainability-related activities. The Sustainability Department supports this function by developing and monitoring sustainability baselines, coordinating target-setting and performance measurement, implementing sustainability initiatives, and compiling sustainability-related information for reporting.

Relevant business functions, including the Procurement and Yarn functions and other operational teams, contribute to the implementation of sustainability objectives within their respective areas of responsibility.

Sustainability-related information and performance are reviewed through established management and governance reporting processes, with significant matters escalated to the appropriate management and governance bodies. The Sustainability Department coordinates the preparation of sustainability information, while the Director HR, IM and Sustainability provides management-level oversight before the information is submitted through the applicable governance review process.

Climate-Related Governance

Climate-related risks and opportunities are overseen through MTM's established governance structure, with the Board of Directors maintaining ultimate oversight and the Environmental, Social & Governance (ESG) Committee providing dedicated oversight of climate-related matters. The ESG Committee reviews climate-related risks, opportunities, performance, and progress against climate-related targets and reports relevant matters to the Board. The Chief Executive Officer is responsible for management-level implementation, while the Director HR, IM and Sustainability, supported by the Sustainability Department, coordinates climate-related assessments, emissions monitoring, target-setting, performance tracking, and reporting. Climate-related information is provided to the relevant governance bodies through established management reporting processes to support strategic decision-making and oversight of climate-related targets. Climate-related performance metrics are currently not linked to executive remuneration policies.

Our Strategy

Driving sustainable progress begins with a profound sense of purpose. Rooted in our company's mission and fully embraced by our dedicated teams, our sustainability strategy is deeply embedded within our business planning, processes, policies, and practices.

By systematically optimizing our environmental footprint, safeguarding human rights, and fostering operational resilience, we actively transform global challenges into meaningful milestones. Driven by science-based targets and the strategic vision of our upcoming milestones, we proudly embrace our role as an industry leader pioneering positive change. Furthermore, we are actively mapping our supply chain and collaborating to develop a unified roadmap, ensuring emissions reduction across all scopes.

Principles of Integrity

Our dedication to ethical stewardship is built upon clear, actionable accountability. Our code of conduct and policies require conducting due diligence at the outset to identify potential impacts and develop appropriate mitigation strategies. Approved by the CEO, these commitments apply universally across our operations, employees, and supply chain partners. To champion these practices, teams and partners are regularly updated through internal systems, mobile applications, emails, and collaborative meetings.

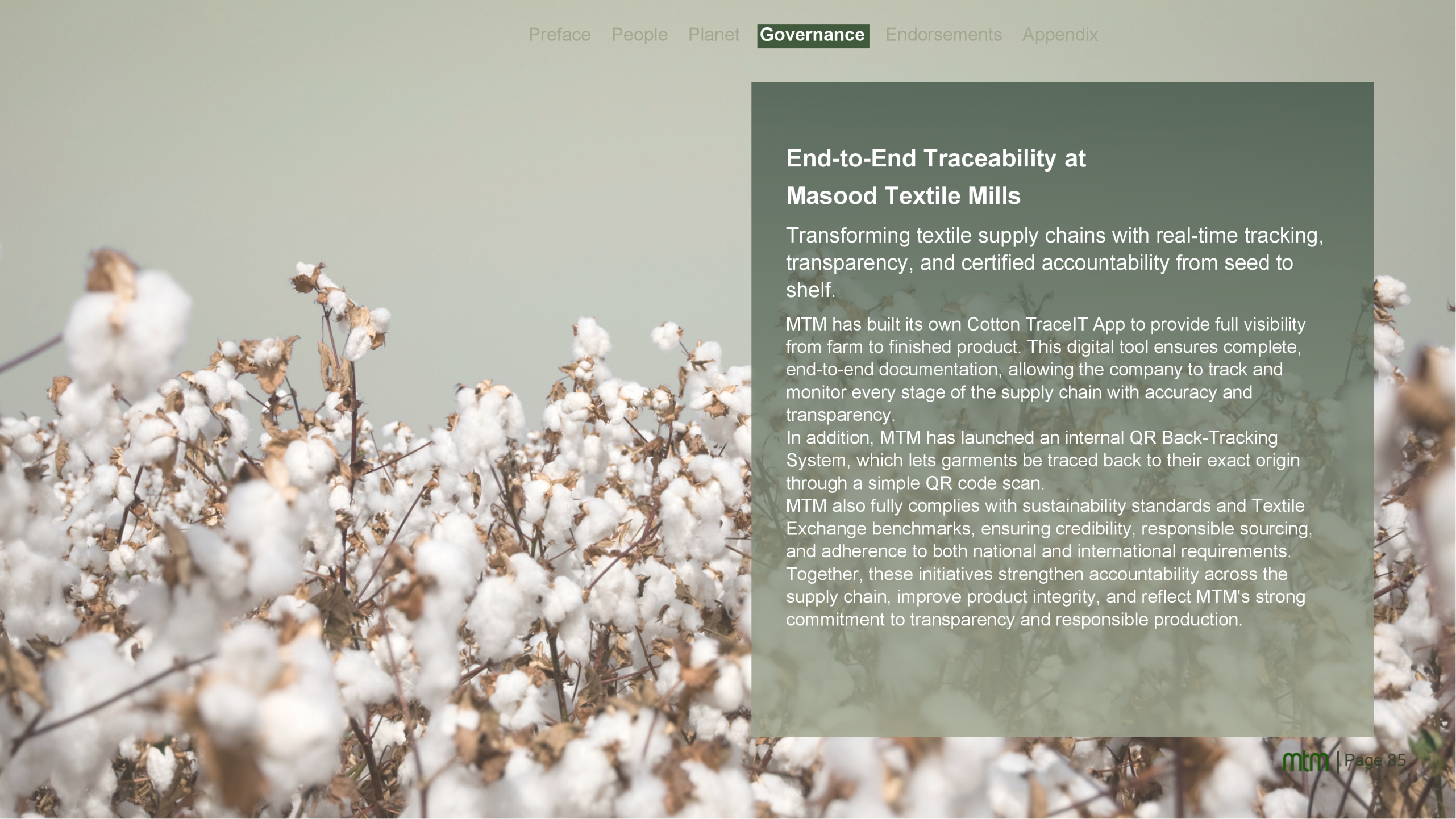
Our commitment to responsible conduct and human rights forms the foundation for developing and revising these corporate guidelines. Management teams ensure that all daily activities align with these approved procedures, supported by regular interactive sessions to integrate them seamlessly into workflows. This framework is continuously validated through internal audits, external reviews, and international certifications.

Mitigating Adverse Impacts

Our proactive approach, supported by routine risk assessments, enables the early identification of potential negative impacts from our activities and the swift implementation of appropriate preventive measures. However, in cases where negative impacts are unavoidable, structured plans are developed based on the severity and scale of the impacts to address them effectively within our operations and supply chain. Affected stakeholders can easily submit concerns through our dedicated grievance reporting mechanisms, which include the Grievance portal and accessible suggestion/complaint boxes located at each business site.

To ensure accountability, all complaints are thoroughly reviewed by the respective teams for timely resolution, and the final outcomes are transparently communicated to the concerned parties.





End-to-End Traceability at Masood Textile Mills

Transforming textile supply chains with real-time tracking, transparency, and certified accountability from seed to shelf.

MTM has built its own Cotton TraceIT App to provide full visibility from farm to finished product. This digital tool ensures complete, end-to-end documentation, allowing the company to track and monitor every stage of the supply chain with accuracy and transparency.

In addition, MTM has launched an internal QR Back-Tracking System, which lets garments be traced back to their exact origin through a simple QR code scan.

MTM also fully complies with sustainability standards and Textile Exchange benchmarks, ensuring credibility, responsible sourcing, and adherence to both national and international requirements.

Together, these initiatives strengthen accountability across the supply chain, improve product integrity, and reflect MTM's strong commitment to transparency and responsible production.

QR Back-Tracking System

Granular traceability from consumer garment back to source



Cotton Info
Tracks source country, cultivation zone, and ginning lot parameters.



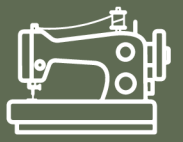
Yarn Info
Logs spinning metrics, count, blend details, lot numbers, and vendor origin data.



Processing
Monitors fabric parameters, GSM, color codes, dyeing info, and batch tracking.



Cutting Info
Captures precise cutting dates, cutting units, and production leadership logs.



Sewing Info
Details specific sewing unit, purchase order numbers, and final inspection.

Instant Origin Access:

By scanning the internal QR code label directly on the garment, stakeholders and audit teams can immediately backtrack the product's entire historical lineage down to the initial cotton crop.

RISK MANAGEMENT

Our Systematic Approach to Risk Management

Masood Textile Mills (MTM) manages risks through a structured, proactive process that is integrated into its broader corporate risk-management framework. The process is designed to identify, assess, prioritise, mitigate and monitor risks that may affect MTM's strategy, operations, financial performance, market position, stakeholders and long-term business prospects.

The framework is guided by the Board, with the Risk Management Committee (RMC) overseeing its implementation and reviewing the effectiveness of risk responses and controls. Responsibilities are allocated through MTM's Risk Management Policy and the Three Lines of Defense model. Operational management is responsible for identifying and managing risks within their areas of responsibility, while the Compliance and Sustainability Department supports cross-functional risk identification, assessment, mitigation and monitoring. The Board and RMC provide oversight and challenge over the overall risk-management process.

Recognizing that cybersecurity poses a critical global challenge in today's digital landscape, MTM takes proactive measures to defend against evolving threats targeting corporate and customer data. In alignment with ISO 27001:2022 standards, we have implemented rigorous Information Security Policies and a comprehensive Information Security Procedure Manual. This robust Information Security Management System (ISMS) is continuously refined and has been thoroughly audited and approved by key global customers, ensuring the highest level of protection for our critical data assets.

Identification of Sustainability-Related Risks and Opportunities

MTM identifies sustainability-related impacts, risks and opportunities (IROs) using multiple sources of information, including:

- stakeholder interests and concerns;
- the corporate risk register;
- internal grievance mechanisms and related feedback;
- operational and facility-level risk assessments;
- changes in regulatory and market requirements;
- industry-specific developments; and
- relevant environmental, social and governance considerations across MTM's operations and value chain.

The identification process considers both current and potential future effects on MTM and its stakeholders. Sustainability-related matters are considered in relation to their potential implications for operations, financial performance, access to markets, reputation, compliance, business continuity, stakeholder relationships and strategic objectives.

For the current reporting cycle, MTM's materiality assessment was conducted on the basis of identified Impacts, Risks and Opportunities (IROs). The assessment considered sustainability-related IROs associated with MTM's operations and value chain. No separate or standalone supply-chain human rights and forced-labor risk assessment was undertaken; these matters were considered within the broader IRO-based materiality assessment.

Risk Assessment and Prioritization Process

Once a sustainability-related risk or opportunity is identified, it is assessed using two principal dimensions:
Likelihood: the likelihood that the identified risk or opportunity may occur or materialise.
Magnitude of impact: the potential significance of the consequences for MTM, including implications for business operations, financial performance, market access, reputation, compliance, stakeholders and strategic objectives.
The assessment considers the nature, scale and potential duration of the identified matter and draws on available internal information, stakeholder feedback, operational assessments, the corporate risk register and relevant external developments.
The assessment results are used to distinguish matters requiring greater management attention from those that can be managed through existing controls and routine monitoring. Risks with greater potential impact and/or likelihood receive higher priority for management action, mitigation and monitoring. Sustainability-related risks are considered alongside other corporate risks within MTM's broader risk-management process rather than being treated as a separate risk category.
Where appropriate, identified opportunities are also evaluated according to their potential contribution to business resilience, operational efficiency, market access, stakeholder confidence, innovation and long-term value creation.

Risk Response and Integration with Enterprise Risk Management

Following assessment and prioritisation, management determines the appropriate response to each material risk. Responses may include strengthening controls, implementing mitigation measures, establishing improvement initiatives, increasing monitoring, allocating management responsibility or accepting the risk where it falls within the organisation's established tolerance.
Priority sustainability-related risks and their associated responses are incorporated into the relevant corporate risk-management processes and are monitored through the responsible functions and management structures.
Significant matters are escalated through the established governance structure to senior management, the RMC and, where appropriate, the Board.
This process enables sustainability-related risks and opportunities to inform wider business decision-making, including strategic planning, operational controls, compliance management, resource allocation and business continuity considerations.

Monitoring and Review

Risk information is reviewed periodically to identify changes in the likelihood, magnitude, nature or potential consequences of identified risks and opportunities. New or emerging matters may be incorporated into the assessment when changes in regulation, market conditions, stakeholder expectations, operational circumstances or other relevant factors occur.
MTM also updates its materiality assessment annually. Prioritised sustainability-related topics are subsequently addressed through the relevant sections of this report, including management approaches, initiatives, performance information and future actions.
Through this approach, MTM seeks to ensure that sustainability-related risks and opportunities are not assessed in isolation but are considered within the broader corporate risk-management framework and remain subject to ongoing management oversight.

What are IROS?

Sustainability Impacts

Masood Textile Mills (MTM) takes an active role in identifying, managing, and responding to the major effects, both beneficial and harmful, that its operations have on people, the environment, and the economy. These findings are outlined in our Sustainability Report, which acts as an essential resource for stakeholders. The report captures stakeholder feedback and assesses how MTM's activities support sustainable development across various areas. It showcases achievements like enhanced social equity and environmental safeguarding efforts, while also acknowledging negative impacts, ensuring a transparent and balanced picture of the company's continued dedication to sustainability.

Sustainability-related financial risks & opportunities

Masood Textile Mills (MTM) is dedicated to recognizing and managing significant sustainability related financial risks and opportunities that could meaningfully impact cash flows, financing choices, or capital spending over the short, medium, and long term. To maintain transparency and accountability, this important information is disclosed in our annual financial reports, giving stakeholders a clear understanding of MTM's financial standing and long term strategy. MTM is committed to provide accurate and thorough disclosures to investors and other stakeholders.

***IRO: Impact, Risk & Opportunities**

ESG RISK MANAGEMENT

Material Topic	SRR/CRR/SRO /CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
Emissions	CRR	**Impact** Accelerates global climate change and directly jeopardizes the long-term availability and cost of raw materials. Financial: Current — compliance and monitoring costs incurred. Anticipated — rising carbon compliance costs and capex on low-emission technology, medium to long term. **Risk** Financial penalties for regulatory non-compliance, loss of stakeholder trust and market demand, and physical disruptions to infrastructure from extreme weather events. **Opportunity** Proactive emission control could enhance efficiency, reduce costs, and ensure compliance with sustainability standards, resulting in a positive brand reputation, attracting eco-conscious customers, and unlocking green financing opportunities.	Own operations, upstream, Downstream	Medium-term to Long-term
Energy	CRR/CRO	**Impact** Contribution to climate change using fossil fuel energy sources. Financial : Current — energy price volatility affected operating costs. Anticipated — transition capex offset by lower annual energy costs, medium to long term. **Risk** Rising global pressure to decarbonize and adopt net-zero policies may require MTM to accelerate its transition to low-carbon energy sources. This shift could involve transitional costs, including investments in new technologies and potentially higher operational expenses. Additionally, there is a risk of reputational damage if the company fails to comply with international energy standards or continues to rely heavily on fossil fuels. **Opportunity** MTM can achieve its science-based targets and reduce annual energy costs by investing in renewable energy sources and low- carbon alternative fuels, supporting both environmental and economic sustainability.	Own operations, upstream	Medium-term to Long-term
Materials Sourcing & Usage	SRR/SRO	**Impact** Use of scarce material resources and effects on the supply chain. Financial: Current — input cost pressure from limited material resources. Anticipated — cost savings from sustainable sourcing, medium to long term. **Risk** Risk of increased costs due to reliance on limited material resources without sustainable sourcing strategies **Opportunity** An opportunity of cost savings over the medium to long term in relation to sustainable materials sourcing and management.	Own operations, upstream	Medium-term to Long-term

* CRR: Climate related risks * CRO: Climate related opportunities * SRR: Sustainability related risks * SRO: Sustainability related opportunities

* short-term up to 1 year, medium-term 1 to 5 years, long-term 5 to 10 years

*MTM has not yet quantified the current and anticipated financial effects of its climate-related risks and opportunities and intends to incorporate this assessment in the next reporting cycle.

Material Topic	SRR/CRR/SRO /CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
Waste	SRR/SRO	**Impact** The generation and disposal of both hazardous and non-hazardous waste impact climate, employee health and safety, and the well-being of surrounding communities. Financial: Current — waste disposal costs incurred. Anticipated — cost efficiencies from circularity investment, medium to long term. **Risk** Poor handling or disposal of industrial waste poses risks to ecosystems, contaminating soil, water, and surrounding habitats that communities rely on. Beyond environmental damage, such practices could result in regulatory action, financial liabilities, and reputational setbacks, potentially undermining MTM's long-term growth and stakeholder trust. **Opportunity** For Masood Textile Mills (MTM), strengthening waste management practices and advancing circularity present a clear opportunity to achieve cost efficiencies over the medium to long term. By reusing resources and minimizing disposal needs, MTM can reduce operational costs while driving sustainable growth.	Own operations, upstream	Medium-term to Long-term
Water and Effluents	SRR/SRO	**Impact** Unsustainable water use and untreated discharge can put pressure on freshwater availability, intensifying risks of scarcity while also creating health and safety concerns for surrounding communities and ecosystems. Financial: Current — water use/treatment costs incurred. Anticipated — cost savings from water recycling investment, medium to long term. **Risk** Water shortages or failure to comply with discharge standards could disrupt operations, strain community relations, and lead to reputational and regulatory risks. **Opportunity** Over the medium to long term, effective water management and expanded recycling initiatives can unlock significant cost savings while supporting sustainable resource use.	Own operations, upstream	Medium-term to Long-term
Health and Safety	SRR	**Impact** Employee health and safety directly influence productivity levels, regulatory compliance, and the ability to meet customer expectations. Financial: Current — incident-related costs where applicable. Anticipated — reduced incident costs and insurance premiums from continued investment, short term. **Risk** Unsafe working conditions can lead to serious accidents or fatalities, while also causing reduced productivity, financial losses, higher operational costs, legal liabilities, and reputational damage. **Opportunity** Strong health and safety practices improve productivity, reduce costs, and build stakeholder trust.	Own operations, upstream	Short-term

* short-term up to 1 year, medium-term 1 to 5 years, long-term 5 to 10 years

Material Topic	SRR/CRR/SRO /CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
Employment & Labour Practices	SRR/SRO	**Impact** Supporting economic development by creating employment while ensuring compliance with laws, customer requirements, and international standards. Financial: Current — recruitment/training costs from skills gaps. Anticipated — labour cost pressure if unaddressed; efficiency gains from improved practices, short to medium term. **Risk** Workforce challenges—including talent shortages, limited adaptability, insufficient diversity, and gaps in digital or entrepreneurial skills—can restrict growth and strategic progress. Failure to comply with labor regulations or international standards may also result in fines and reputational damage. **Opportunity** Improved labor practices and government collaboration can unlock new markets and drive business growth.	Own operations, upstream	Short-term to Medium-term
Training & Education	SRR/SRO	**Impact** Operations can affect local communities, with potential risks to social well-being if needs are unmet. At the same time, contributing to education, healthcare, and livelihood opportunities promotes economic development and strengthens community resilience. Financial: Current — discretionary community investment cost. Anticipated — reduced disruption risk and stronger workforce pipeline, short to medium term. **Risk** Company operations that negatively affect local communities can lead to social unrest, potentially causing operational disruptions and reputational damage. **Opportunity** Collaborating with governments and community groups can help access new markets and strengthen business growth in both developed and developing regions.	Own operations	Short-term to Medium-term
Local Communities	SRR/SRO	**Impact** Effects on local communities due to operations, the contribution for provision of education and health facilities and creation of livelihood opportunities for economic development. Financial: Current — community engagement cost, no material disruption. Anticipated — disruption risk if relations deteriorate; market access gains from collaboration, short to medium term. **Risk** Risk of operational disruptions due to social unrest and in case company activities negatively impact local communities. **Opportunity** Access new markets through collaborating with governments and community groups in developed and developing countries.	Own operations	Short-term to Medium-term

* short-term up to 1 year, medium-term 1 to 5 years, long-term 5 to 10 years

Material Topic	SRR/CRR/SRO /CRO	IMPACT, RISK AND OPPORTUNITY	VALUE CHAIN	TIME HORIZON
Economic Impacts	SRR/SRO	**Impact** Ensuring business continuity is critical for delivering returns to investors while sustaining contributions to the economy and society. Financial: Current — economic value generated supported investor returns. Anticipated — continued value generation expected to support capital access, short term. **Risk** Failure to generate meaningful economic impact may undermine investor confidence, limit business diversification and transition initiatives, reduce talent attraction, and impede the achievement of strategic goals. **Opportunity** Driving economic value enables a smoother transition to a low-carbon economy, supports strategic objectives, enhances stakeholder value, and strengthens investor confidence.	Own operations	Short-term
Procurement Practices	SRO	**Impact** Creation of business opportunities for local vendors, economic development, reliable supply chain. Financial: Current — local procurement supported supply reliability. Anticipated — efficiency gains from supplier development, medium to long term. **Opportunity** Supporting local suppliers can result in a more efficient supply chain, job creation, and economic growth.	Own operations, upstream	Medium-term to Long-term
Anti-Corruption	SRR	**Impact** Affects competitiveness and leads to misuse of power resulting in poverty. Compliance with laws and international charters. Financial: Current — no material penalties incurred. Anticipated — legal/reputational cost exposure if non-compliant, short term. **Risk** Risk of legal and trade sanctions due to involvement in corrupt practices and affecting market competitiveness.	Own operations	Short-term
Supply Chain Impacts	SRR/SRO	**Impact** Failing to adhere to ethical standards leads to regulatory penalties, harm to reputation, and jeopardizes supply chain stability. Financial: Current — compliance monitoring costs incurred. Anticipated — disruption and penalty exposure if standards lapse; resilience investment reduces risk, short to medium term. **Opportunity** Enhance responsiveness to disruptions and strengthen supply chain resilience by promoting sustainable practices.	Own operations	Short-term to Medium-term

- CRR : Climate related risks
- CRO: Climate related opportunities
- SRR : Sustainability related risks
- SRO : Sustainability related opportunities

* short-term up to 1 year, medium-term 1 to 5 years, long-term 5 to 10 years

STAKEHOLDERS' ENGAGEMENT

Driven by a commitment to ethical and sustainable business practices, we act as a catalyst for positive change for our stakeholders and the community. We proactively listen, collaborate & respond through year-round departmental engagement. This continuous dialogue provides valuable insights that help us identify material topics and develop strategies that create shared value. To ensure meaningful engagement, we use a structured process to map and prioritize stakeholders based on their relationship with us, their influence on our business, and their vulnerability to our operations.

Stakeholder Group	Engagement Channel	Frequency	Key Concerns Raised	Our Response
Shareholders/ Investors	CEO/Director/Sustainability Department	Ongoing/ Occasional	Economic returns, management of health and safety of employees and environmental risks, investment to drive positive change in local communities	Continuous focus on innovation and business development, investment in production capacity & expansion and investing in environmentally friendly technologies and CSR program
Analysts	Briefing, Reports, Sustainability Department	Ongoing/ Occasional	Investments/Expansion, environmental initiatives, and CSR program	Production capacity & expansion, pursuing environment friendly initiatives and regular CSR programs for the betterment of local communities
Customers	Customer Surveys, Customer Feedback, Marketing Department	Ongoing	New Products/Designs, quality, impacts on the environment and society	Continuous innovation and up-gradation and enhanced focus on quality, management of impacts on the environment and society through internal initiatives and CSR program
Employees	Annual Dinner, CBA Meetings, Human Resource Department, Open House Sessions, Mission Awareness Sessions, Employees Surveys	Ongoing	Employee benefits, Job-related training, health, and safety of workers	Provision of market-based benefits, on-job training to enhance their skill sets and management of health and safety of workers
Suppliers	Supplier Surveys, Suppliers Code of Conduct, Request for Quotations	Ongoing	Business opportunities, environmentally friendly material and guidance on new material requirements and assessment of suppliers for environmental and social impacts	Business developments leading to increased opportunities, exploring environmentally friendly materials and training/guidance to suppliers on new requirements
Regulation/ Government	Reports, Consultative Sessions, Sustainability Department	Ongoing/ Occasional	Compliance with laws and regulations	Compliance with laws and regulations in all business activities
Local Community	Meetings, Employee Engagement, CSR program	Ongoing	Intervention in the field of health, education especially sports, clean water and infrastructure development and women empowerment	CSR program based on community needs assessment and investment in education, health, and sports and women empowerment for the betterment of local communities.

Managing Material Impacts, Risks & Opportunities

In guiding our oversight framework, Masood Textile Mills (MTM) aligns its core management methodology with the precautionary principle outlined in **Article 15 of the Rio Declaration**. This commitment ensures that potential environmental and operational challenges are identified at the earliest stages, allowing us to deploy proactive mitigation measures rather than reacting to damages after they occur.

By hardcoding this structured approach into our daily operations, we are equipped to prevent adverse environmental and social impacts before they manifest. In instances where operational footprints are completely unavoidable, MTM actively manages and resolves them through transparent, cooperative engagement with affected stakeholders and international compliance partners.

To guarantee that this governance model remains dynamic rather than static, we systematically evaluate our performance through rigorous internal loops. By continuously benchmarking real-time field data against our long-term sustainability objectives, senior management enforces targeted corrective actions whenever variations occur—safeguarding the progressive enhancement of positive outcomes across our entire value chain.

Planet

Masood Textile Mills (MTM) operates under a comprehensive environmental policy that mandates all business units proactively manage their ecological footprint while ensuring strict compliance with statutory regulations, corporate commitments, and international customer codes of conduct. Operational oversight is driven by our specialized Sustainability Department, which evaluates environmental initiatives, analyzes ongoing impacts, and establishes progressive performance targets.

o bridge corporate strategy with on-the-floor execution, dedicated Environment, Health, and Safety (EHS) representatives are stationed at every manufacturing facility to enforce legal alignment and customer environmental compliance frameworks.

Global Management System Certifications

Our commitment to environmental excellence and resource efficiency is validated by robust, globally recognized management system certifications implemented across our manufacturing facilities, including:

ISO 14001:2015 (Environmental Management Systems)	**ISO 50001 (Energy Management Systems)**	**ISO 9001:2015 (Quality Management Systems)**

To maintain these high standards, we conduct regular, facility-wide training sessions aimed at upgrading the specialized skills and environmental literacy of our workforce. Environmental performance metrics are monitored continuously against set benchmarks throughout the year, enabling immediate corrective actions when deviations are identified.

Environmental Grievance Frameworks and Ideation

Accountability at MTM is reinforced by an institutional environmental grievance-handling mechanism that allows affected parties to formally log ecological or neighborhood concerns. We cultivate a proactive culture where employees are encouraged to propose system innovations and resource-saving ideas during regular environmental awareness forums.
Specialized facility-level EHS Committees provide structured pathways to discuss eco-efficiency issues and develop clean production solutions. Each facility's Health, Safety & Environment team retains direct accountability for addressing and resolving any environmental grievances. Reflecting the rigor of our internal controls, MTM records zero instances of non-conformity with environmental laws, statutory regulations, or customer green requirements during the current reporting cycle.

We prioritize four core environmental pillars: sustainable material sourcing, energy efficiency, emissions reduction & responsible water and waste management.

Workplace Culture, Human Rights, and Governance

Masood Textile Mills (MTM) maintains a progressive human resource framework focused on attracting skilled professionals, equipping them with continuous training, and fostering a supportive work environment. To drive localized economic growth and better understand regional needs, MTM prioritizes hiring from local communities, utilizing merit-based development and strategic job rotation to cultivate talent. This function is led by the Director of IM/HR & Sustainability, with plant-level execution managed by respective Support Services Heads.

Our operations strictly adhere to statutory laws and international charters to safeguard human rights. Backed by a corporate Code of Conduct emphasizing empathy and respect, MTM utilizes a well-defined grievance-handling mechanism. Appointed Management Representatives (MRs) maintain an active presence on shop floors and in offices to proactively address and resolve concerns regarding working conditions, welfare, discipline, or ethical violations.

To ensure continuous compliance and accountability, all employee-related matters are systematically logged at the plant level and consolidated for corporate evaluation. These insights are regularly reviewed by the Human Resource & Remuneration (HR&R) Committee of the Board, which recommends strategic policy improvements directly to the Board of Directors.

Our workforce strategy aligns with our core social pillars, focusing our operational controls on fair employment and labor practices, market presence, occupational health and safety, employee training and development, human rights, and robust security practices.

Communities

Masood Textile Mills (MTM) implements structured development programs designed to catalyze inclusive socioeconomic growth across all operational locations. Our corporate social responsibility (CSR) framework is integrated into our long-term strategic KPIs and supported by a dedicated annual budget, ensuring measurable and sustained execution across our target focus areas: healthcare, education, disaster relief, and ecological restoration.

Key to our social welfare delivery is the Rabia Trust, which provides vulnerable populations with vital access to specialized healthcare services and regional welfare programs. In collaboration with the Rabia Trust, we regularly establish and operate mobile medical camps to deliver critical healthcare services directly to remote and underserved areas.

Furthermore, MTM maintains a strategic partnership with The Citizens Foundation (TCF), extending financial funding to secure quality educational opportunities and personal development pathways for students within underprivileged communities. As part of our continued dedication to supporting education, MTM provided scholarships to students, helping young people access opportunities for higher learning.

To ensure our industrial presence yields net-positive local outcomes, MTM systematically conducts community needs assessments and localized impact analyses. Our manufacturing operations have caused no significant adverse socio-environmental effects, and all plant-level ecological footprints are rigorously mitigated to safeguard neighboring habitats. Corporate oversight of these community initiatives is directed by the Director of IM/HR & Sustainability. Accountability is maintained through a formalized community grievance-handling mechanism, providing external stakeholders with a structured, transparent channel to log concerns and secure collaborative resolutions.

PROSPERITY

Masood Textile Mills (MTM) drives economic performance through strict alignment with corporate values, strategic mission objectives, and management-set financial targets. Executive management retains direct responsibility for executing operational initiatives to achieve these milestones. To ensure economic sustainability and ethical integrity, MTM enforces a strict zero-tolerance policy toward corruption across all internal operations and external business relationships. The Internal Audit Department conducts regular, independent audits across business units, ensuring immediate implementation of corrective actions to maintain absolute financial compliance and corporate accountability.

To protect stakeholders and cultivate a culture of transparency, MTM maintains a robust whistleblower policy that provides safe, confidential channels to report Code of Conduct violations or legal breaches. Reported grievances are directly overseen by the Audit Committee, while the Risk Management Committee systematically assesses potential operational or financial vulnerabilities to recommend proactive mitigation measures. Both committees provide independent findings and strategic recommendations directly to the Board of Directors.

Economic performance metrics are formally evaluated during quarterly management reviews to dynamically align operations with market challenges. Reflecting the strength of our internal controls, MTM recorded zero instances of non-compliance with economic or social laws and regulations during the current reporting period.

Awards & Recognition















Awards & Recognition

















MEMBERSHIPS & CERTIFICATIONS

ENVIRONMENTAL CERTIFICATIONS

MEMBERSHIPS

CHEMICAL MANAGEMENT PORTAL

SOCIAL CERTIFICATIONS

OTHER CERTIFICATIONS

COMMITMENTS AND COLLABORATIONS

GRI INDEX

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

Statement of Use	Statement of use: Masood Textile Mills Limited has reported the information cited in this GRI content index for the period 1 July 2024 to 30 June 2025 with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	none currently published for the textile and apparel sector.

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organizational details	72			
	2-2 Entities included in the organization's sustainability reporting	4			
	2-3 Reporting period, frequency and contact point	4			
	2-4 Restatements of information	4			
	2-5 External assurance	4			
	2-6 Activities, value chain and other business relationships	72, 76–77			
	2-7 Employees	24			
	2-8 Workers who are not employees	26			
	2-9 Governance structure and composition	79-81			
	2-10 Nomination and selection of the highest governance body	80			
	2-11 Chair of the highest governance body	79			
	2-12 Role of the highest governance body in overseeing the management of impacts	81			
	2-13 Delegation of responsibility for managing impacts	83			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
	2-14 Role of the highest governance body in sustainability reporting	83			
	2-15 Conflicts of interest	82			
	2-16 Communication of critical concerns	82	b	Confidentiality constraint	
	2-17 Collective knowledge of the highest governance body	81			
	2-18 Evaluation of the performance of the highest governance body	81			
	2-19 Remuneration policies	82			
	2-20 Process to determine remuneration	82			
	2-21 Annual total compensation ratio	-	a, b, c	Confidentiality constraint	Sensitive information
	2-22 Statement on sustainable development strategy	6-8			
	2-23 Policy commitments	83			
	2-24 Embedding policy commitments	83			
	2-25 Processes to remediate negative impacts	84			
	2-26 Mechanisms for seeking advice and raising concerns	82,84			
	2-27 Compliance with laws and regulations	81, 95-97			
	2-28 Membership associations	100			
	2-29 Approach to stakeholder engagement	94			
	2-30 Collective bargaining agreements	38, 94			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
MATERIAL TOPICS					
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	87-88			
	3-2 List of material topics	87-88			
ECONOMIC PERFORMANCE					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	72-73			
	201-2 Financial implications and other risks and opportunities due to climate change	90-93			
	201-3 Defined benefit plan obligations and other retirement plans	73			
	305-4 GHG emissions intensity	-	a-d	Information unavailable	
	305-5 Reduction of GHG emissions	45-47			
	305-6 Emissions of ozone-depleting substances (ODS)	-			MTM is not engaged in ODS production, export, or transport ozone business
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	a-c	Information unavailable	
ENERGY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	48-50			
	302-2 Energy consumption outside of the organization	-	a-c	Information unavailable	
	302-3 Energy intensity	-	a-d	Information unavailable	
	302-4 Reduction of energy consumption	49-50			
	302-5 Reduction in energy requirements of products and services	N/A			MTM manufactures apparel and does not sell energy-consuming products

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
WATER					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93		GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	54-56		GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource
	303-2 Management of water discharge-related impacts	54, 56			303-2 Management of water discharge-related impacts
	303-3 Water withdrawal	56			303-3 Water withdrawal
	303-4 Water discharge	56			303-4 Water discharge
	303-5 Water consumption	56			303-5 Water consumption
Waste					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	48			
	305-2 Energy indirect (Scope 2) GHG emissions	48			
	305-5 Reduction of GHG emissions	48			
	305-6 Emissions of ozone-depleting substances (ODS)	-			MTM is not engaged in ODS production, export, or transport of ozone
Waste					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	65-69			
	306-2 Management of significant waste-related impacts	65-68			
	306-3 Waste generated	69			
	306-4 Waste diverted from disposal	69			
	306-5 Waste directed to disposal	69			
SUPPLY CHAIN IMPACTS					

GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	76			
	308-2 Negative environmental impacts in the supply chain and actions taken	76-77			
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	76			
	414-2 Negative social impacts in the supply chain and actions taken	77			

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
EMPLOYMENT AND LABOR PRACTICES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	24-25			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part- time employees	21			
	401-3 Parental leave	20			
	405-2 Ratio of basic salary and remuneration of women to men	-		Disclosed in annual Financial Report	
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	19,39			
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	38			
HEALTH AND SAFETY					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90,93			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	26			
	403-2 Hazard identification, risk assessment, and incident investigation	26-27			
	403-3 Occupational health services	30-31			

	403-4 Worker participation, consultation, and communication on occupational health and safety	27-28			
	403-5 Worker training on occupational health and safety	28,35			
	403-6 Promotion of worker health	30-33			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	77			
	403-8 Workers covered by an occupational health and safety management system	26			
GRI STANDARD / OTHER SOURCE	**DISCLOSURE**	**LOCATION**	**REQUIREMENT(S) OMITTED**	**REASON**	**EXPLANATION**
	403-9 Work-related injuries	26			
	403-10 Work-related ill health	26			
TRAINING AND EDUCATION					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	18			
	404-2 Programs for upgrading employee skills and transition assistance programs	17-18, 35-37			
	404-3 Percentage of employees receiving regular performance and career development reviews	18			
HUMAN RIGHTS					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	77, 81			
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	77, 81			
LOCAL COMMUNITIES					
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	90-93			
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	12-17, 30-32, 97			
	413-2 Operations with significant actual and potential negative impacts on local communities	97			

SASB INDEX

Metrics are mapped to the SASB Apparel, Accessories & Footwear Standard (CG-AA). Metrics not currently measured are marked as not reported.		
CODE	**INDICTOR DESCRIPTION**	**PAGE NO.**
Management of Chemicals in Products		
CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations	64-65, 83
CG-AA-250a.2	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	64-65
Environmental Impacts in the Supply Chain		
CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	76
CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	76
Labour Conditions in the Supply Chain		
CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	77
CG-AA-430b.2	(1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labour code of conduct audits	77
CG-AA-430b.3	Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain	76-77
Raw Materials Sourcing		
CG-AA-440a.3	(1) List of priority raw materials; for each priority raw material: (2) environmental or social factor(s) most likely to threaten sourcing, (3) discussion on business risks or opportunities associated with environmental or social factors and (4) management strategy for addressing business risks and opportunities	58, 76
CG-AA-440a.4	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental or social standard, by standard	58,62
Activity Metric		
CG-AA-000.A	Number of (1) Tier 1 suppliers and (2) suppliers beyond Tier 1	76, 77

SDGS INDEX

CODE	PAGE NO.	GRI STANDARDS DISCLOSURE
End poverty in all its forms everywhere	16, 36, 97	413-2
End hunger, achieve food security and improved nutrition and promote sustainable agriculture	59	201-1,413-1, 413-2
Ensure healthy lives and promote well-being for all at all ages	19, 26–33, 45, 47–49	305-1,305-2, 305-3,305-6, 305-7, 306-1,306-2, 306-3,306-4, 403-8, 403-9,403-10
Ensure inclusive and quality education for all and promote lifelong learning	13, 16–18, 37	2-17, 404-1
Achieve gender equality and empower all women and girls	19, 23–24, 39–41	2-9, 2-10, 201-1, 401-1, 401-3, 404-1, 404-3, 406-1, 413-1, 413-2
Ensure accessto water and sanitation for all	54–56	303-3,303-4, 303-5,306-1, 306-2, 306-3,306-4, 306-5
Ensure access to affordable, reliable, sustainable, and modern energy for all	48–52	201-1,302-1, 302-3,302-4
Promote inclusive and sustainable economic growth, employment, and decent work for all	18, 24, 26–28, 37–40, 72–73	2-7, 2-8, 2-30, 201-1, 301-1, 301-2, 301-3 302-1, 302-3, 302-4, 303-5, 401-1, 401-2, 401-3, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 407-1, 408-1, 409-1, 414-1, 414-2
Build resilient infrastructure, promote sustainable industrialization, and foster innovation	43–52, 60–61, 72	201-1

CODE	PAGE NO.	GRI STANDARDS DISCLOSURE
Reduce inequality within and among countries	29, 36, 39–41	413-1, 413-2
Make cities inclusive, safe, resilient, and sustainable	30–32, 97	305-1 to 305-7; GRI 306-1 to 306-5, 303-1, 303-2
Ensure sustainable consumption and production patterns	48–69, 76–77	204-1, 301-1, 301-2, 301-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4
Take urgent action to combat climate change and its impacts	44–52, 87–93	201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4
Conserve and sustainably use the oceans, seas, and marine resources	65–69	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	44, 58–59, 65–69	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
Promote just, peaceful, and inclusive societies	79–84, 94–97	2-9, 2-10, ,2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2
Strengthen the means of implementation and revitalize the global partnership for sustainable development	33–42, 76–77, 94	2-28, 2-29, 201-1, 203-1, 404-2, 413-1, 2-3 to 2-5

UNGC INDEX

Alignment with the Ten Principles of the UN Global Compact

United Nations Global Compact

PRINCIPLE	**STATEMENT** (Alignment with the Ten Principles of the UN Global Compact)	PAGE NO.	GRI STANDARDS DISCLOSURE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	39,77,81	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	39,77,81	413-1, 414-1, 414-2
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	38	2-30, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	77,81	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	77,81	408-1
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	19,39	2-7, 2-8, 401-1, 401-3, 404-1, 404-3, 406-1
Principle 7	Businesses should support a precautionary approach to environmental challenges.	44–47, 54–56, 65–69, 95	201-2, 301-1, 302-1, 303-3, 305-1, 305-2, 305-3, 305-6, 305-7
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	44–56, 58–69, 95–96	2-27, 301-1, 301-2, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	48–52, 54–56, 64	302-4, 305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	81–83, 93, 96–97	2-23, 2-26, 205-1, 205-2

FEEDBACK FORM

Sustainability REPORT 2025

Information provided on material topics covered in the report

O	Comprehensive	O	Adequate	O	Inadequate
Clarity of the information provided in the report.					
O	High	O	Medium	O	Low
The quality of design and layout of the report.					
O	Excellent	O	Good	O	Average
Your comments for adding value to the report.					
Name:					
Designation:					
Organization:					
Contact Details:					
Tel:					
Email Your Feedback to:					

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