ARTISTIC MILLINERS


Artistic
Milliners



BUILDING A GREEN ENTERPRISE

Artistic Milliners is building the global business conglomerate of the future.

Our company has expanded from its roots in textiles to include renewable energy, while producing world-class denim fabrics and garments, as well as wovens and piece dyed fabrics. We have grown from our home in Pakistan to include sourcing operations in the Western Hemisphere and offices across the globe.
We take a holistic approach to our business and have grown our ecosystem to encompass the entire apparel value chain — from field to fabric to manufacturing and finishing — as well as harnessing wind and solar energy to power our operations and a circular approach to the materials we use.
Our vision of a successful future is one that is responsible, equitable, and sustainable for people, for the planet, and for our business. Over the years, we have been putting in place practices and policies that further these efforts, but we recognize that this journey requires a steady pace. With that in mind, we want to share our ESG goals and our initiatives with our customers, colleagues, and stakeholders. We hope it illustrates who we are as a company, what our values are, and how we think our industry will evolve and progress in the coming years.

ABOUT THIS REPORT

This report offers a comprehensive and in-depth perspective on Artistic Milliners and its endeavors to foster sustainability across various dimensions: the economy, society, its workforce, and the environment, all of which are of utmost importance to our stakeholders.
The textile manufacturing sector, by and large, contends with rigorous legal and customer adherence prerequisites, posing noteworthy challenges. Artistic Milliners is committed to create value and contribute to the resolution of global sustainability challenges, both at the local and global levels. This report adheres to the globally recognized GRI universal standards at core levels.

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OUR COMPANY AND OUR VALUES

CHAPTER 1

1

MESSAGE FROM CHAIRMAN YAQOOB AHMED

We are proud of our history and always cognizant of the ever-evolving nature of our business, from 1949, when my father opened a retail shop in Karachi, to the 1960s, when we began manufacturing apparel for export, to the 1990s, when we shifted into denim. Today, we employ more than 16,000 people operating in 5 countries as a fully integrated textile and apparel manufacturer while generating more than $1.5 billion worth of crucial foreign exchange for Pakistan over the last 5 years.

We take great pride in our mission to strive for excellence in every aspect of our business. We value and reward merit above all else, regardless of personal identity.

Our focus on sustainability has always been futuristic, equitable, and inclusive for all, and we take a long-term approach to achieving our goals. This is what drove our decision to invest $100 million into renewable energy generation through the inception of Artistic Energy. Today AE contributes 100 MW of wind power to the National Grid, while also producing 12 MW of solar energy.

We are focused on turning our commitments into innovative solutions to build a sustainable supply chain with fair wages and transparent sourcing. We believe in acting in good faith to maintain the trust of our stakeholders as a global conglomerate focused on the future. We are dedicated to transitioning into an equal, fair, and green economy, guided by our values, experience, and lessons from the past, even as we face a more challenging future.

We're excited about the next chapter of our sustainability journey, and we're confident that by working together, we can build a brighter, more equitable future for everyone.

MESSAGE FROM BOARD

At Artistic Milliners, we take great pride in being the world's leading manufacturer of denim fabric and apparel. We firmly believe in the importance of making a meaningful contribution to both people and the planet.

Sustainability and transparency are now essential values in the business world, as we all acknowledge the need to act to protect our planet. However, one of our biggest challenges is distinguishing between genuinely sustainable practices and mere marketing ploys.

At Artistic Milliners, we're fully committed to sustainability. It is central to everything we do, and we're proud to align our efforts with the United Nations' Sustainable Development Goals. We work closely with our brand partners, global think tanks, and change leaders to define our sustainability goals and build a strategy for success. We work with the world's leading third-party assessors to ensure that our sustainability impact is real and measurable. And we're constantly challenging ourselves to do even better.

We recognize the significant impact that the pandemic had on businesses, people, communities, and the systems that connect them. It has forced us to consider the new reality and adapt quickly to the changing economic landscape. In response, we have taken proactive measures to maintain our business values and remain socially responsible by, collaborating with stakeholders to support frontline workers, employees, the environment, communities, and the planet. Even during these challenging times, we continue to pursue ambitious commitments to reduce our carbon footprint and support climate change mitigation.

We've earned our reputation as one of the world's most reliable denim and apparel manufacturers. Our brand partners know they can count on us to deliver excellence and innovation, and we take that responsibility seriously. That's why we've set ambitious sustainability goals with an aim to achieve mid-term targets by 2030 and, be a Net Zero enterprise, by 2040.

Our vision for a responsible future includes a safe, inclusive, and respectful workplace where all employees' unique talents and perspectives are valued. We're committed to empowering women, promoting equality, and taking action to combat climate change.

OUR CORE VALUES

Our business operations and decisions are shaped and guided by core values defining our corporate culture.

We prioritize our customers and put them at the center of everything we do. We strive to understand and anticipate their needs and exceed their expectations. Our focus on customer satisfaction drives our business and constantly inspires us to improve and innovate.

We value, challenge, and reward our people. Our employees are our greatest asset, and we are committed to creating an inclusive and supportive work environment that fosters development. We hope to inspire them to push their boundaries and exceed their expectations.

We are committed to driving excellent, sustainable financial performance. We believe that a successful business is financially sustainable in the long term. We are committed to investing in sustainable practices and technologies that help us reduce our environmental impact and improve our efficiency.

We strive to be leaders in sustainability and equity. It is our responsibility to be good stewards of the planet. We are committed to reducing our environmental footprint, promoting social justice and equality, and supporting community development.

We are committed to promoting wellbeing in our workplace. We offer wellness programs, and other initiatives to support the health, safety and wellbeing of our employees and their families.



OVERALL, WE ARE DEDICATED TO IMPACT THE WORLD POSITIVELY

WE BELIEVE THAT TOGETHER, STAYING TRUE TO OUR VALUES, WE CAN BUILD A SUSTAINABLE AND SUCCESSFUL BUSINESS THAT BENEFITS OUR CUSTOMERS, PEOPLE, OUR PLANET, AND OUR COMMUNITIES.

OUR ECOSYSTEM



OUR BUSINESSES





Artistic Milliners

Apparel Manufacturing
Denim Fabrics
Premium Wovens/Piece-Dyed Yarns
Circular Park
Milliner Cotton Initiative

Artistic Renewables

Artistic Energy Pvt. Ltd. Artistic Wind Power Pvt. Ltd.

SFI/Western Hemisphere

Design Development/Laundry
Full-Package Sourcing Solutions

AM BY THE NUMBERS

144 MILLION METERS
FABRIC PRODUCED IN 2023

36 MILLION GARMENTS
PRODUCED IN 2023

$2 MILLION
FAIR TRADE PREMIUM DISTRIBUTIONS

1,950 WOMEN
WOMEN REGISTERED IN GAP P.A.C.E. PROGRAM THROUGH 2023

4,533

27.3%
FEMALE STAFF

50% WOMEN
IN SENIOR LEADERSHIP

16,602 ACTIVE EMPLOYEES
IN 2023

PEOPLE METRICS

94%
EMPLOYEES TRAINED
UNDER ANTI-GBV AWARENESS PROGRAM

7,954
FAIR TRADE-CERTIFIED WORKERS

ENVIRONMENTAL & SOCIAL METRICS

SOURCE: HIGG INDEX

MILLINER ORGANIC METRICS

450 WOMEN
COTTON PICKERS
IN MCI PROGRAM

220,000
TONNES GHG EMISSIONS MITIGATED
THROUGH WIND & SOLAR
IN 2023

2,767
MEGAWATTS ELECTRICITY GENERATED FROM SOLAR PANELS
BY SUSTAINABLE INITIATIVES
IN 2023 COMPARED TO 2022

15,000
MCI COTTON ACREAGE

1,853
MO FARMERS
TO DATE

1,000
MCI FARMERS
TO DATE

MILLINER COTTON INITIATIVE METRICS

677,845 GJ
ENERGY CONSUMPTION REDUCED BY SUSTAINABLE INITIATIVES
IN 2023 COMPARED TO 2022

1,262 BILLON WATT-HOURS
GREEN ENERGY
SUPPLIED TO THE NATIONAL GRID THROUGH WIND PRODUCTION

85%
WATER RECYCLING CAPACITY

10,000
ACRES MO COTTON

50,000
AVERAGE MCI BALES PER PRODUCTION SEASON

252 MILLION GALLONS
WATER SAVED
BY RECYCLING/REUSING IN PRODUCTION

15,500
BALES MO COTTON
PER SEASON

12
ACTIVE PRODUCTION UNITS IN PAKISTAN

HIGHLIGHTS FROM OUR HISTORY

1968

FIRST GARMENT EXPORT

1984

FIRST GARMENT UNIT SETUP

1992

INCEPTION OF DENIM PRODUCTION

2002

NEW DENIM FABRIC PLANT SETUP

2014

FIRST LEED GOLD-CERTIFIED PLANT

FIRST TO PRODUCE PCW COTTON IN PAKISTAN

WATER RECYCLING PLANT OPERATIONALIZED

2016

INAUGURATION OF INNOVATION CENTER IN DUBAI

GAP INC. MILL OF THE YEAR AWARD

JACK & JONES LEADING MANUFACTURER AWARD

2017

FIRST CRADLE TO CRADLE-CERTIFIED DENIM

ARTISTIC ENERGY

2018

SOLAR PANEL ARRAY GENERATES 1.7 MW OF CLEAN POWER

NAMED LEVI'S BEST IN CLASS MILL

INAUGURATION OF ARTISTIC MILLINERS' FIRST WIND PLANT

2019

PAKISTAN'S FIRST FAIR TRADE FACTORY

CO-CREATED FIRST CRADLE TO CRADLE GOLD-CERTIFIED DENIM JEANS WITH G-STAR RAW AND DYSTAR

LEED PLATINUM CERTIFIED UNIT OPERATIONALIZED

MILLINER COTTON INITIATIVES STARTED

DAY CARE FACILITY BECOMES OPERATIONAL AT UNIT 15

2020

CAUSTIC RECOVERY PLANT LAUNCHED

MILLINERS ORGANIC STARTED

ACQUIRED STAR FADES INTERNATIONAL, OFFERING CLIENTS SUPPLY CHAIN 4.0 AND 360-DEGREE DESIGN IN THE US

2022

OPENED ARTMILL CUTTING-EDGE FINISHING FACILITY FOR NON-DENIM FABRICS AND GARMENTS

OPENED CIRCULAR PARK 360-DEGREE RECYCLING FACILITY

INAUGURATED AM-4C FACILITY FOCUSED ON STATE-OF-THE-ART AUTOMATION, SUSTAINABILITY AND EQUITY

SECOND WIND PLANT

2023

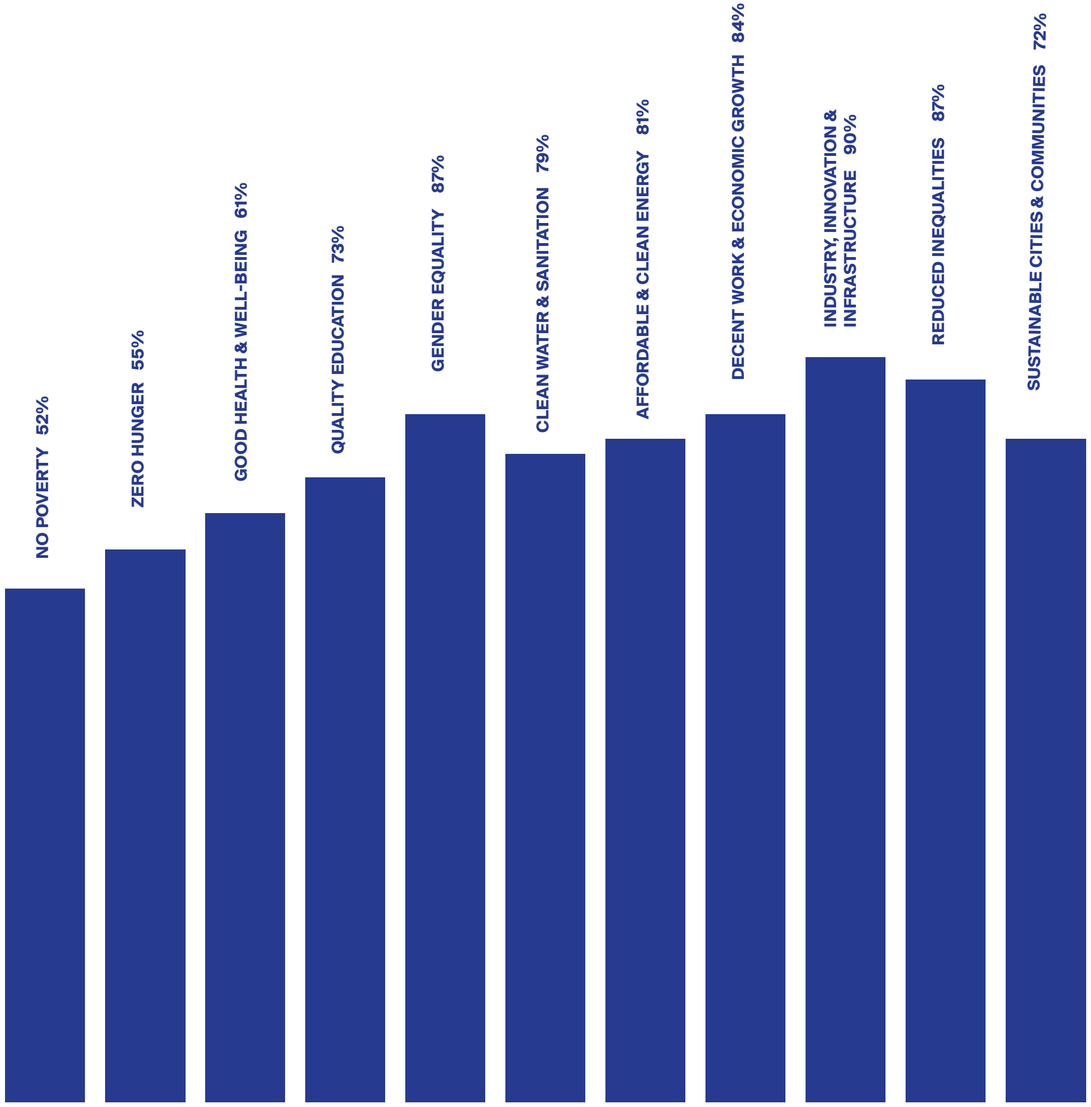
$2 MILLION DISBURSED TO WORKERS THROUGH THE FAIR TRADE PROGRAM

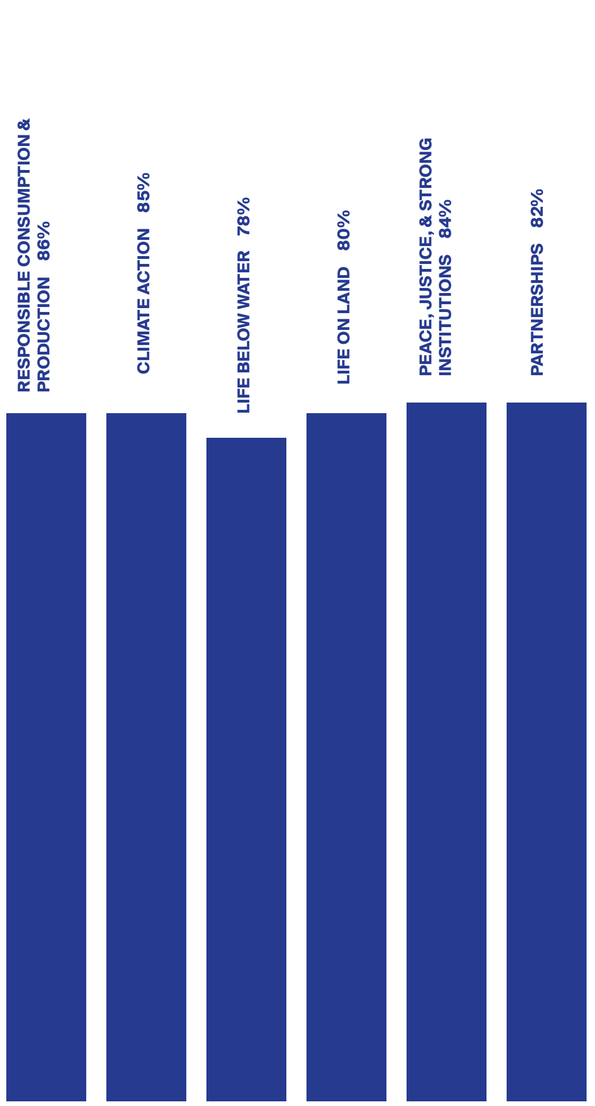
OPENED FULLY AUTOMATED SPINNING MILL

EXPANDED PRODUCTION TO MEXICO AND CENTRAL AMERICA

OUR SUSTAINABILITY GOALS

- CLIMATE CHANGE & DECARBONIZATION
- ENERGY TRANSITION & EFFICIENCY
- WATER STEWARDSHIP
- CIRCULARITY & ZERO WASTE
- SUSTAINABLE MATERIALS
- GREEN CHEMISTRY
- BIODIVERSITY
- EMPLOYEE WELLBEING
- COMMUNITY WELLBEING
- SUSTAINABLE SUPPLY CHAIN
- PARTNERSHIPS & RELATIONSHIP BUILDING WITH STAKEHOLDERS
- SUSTAINABLE ECONOMIC GOVERNANCE MODEL REPORTING & DISCLOSURE





Artistic Milliners underwent a SDG assessment survey in 2023 to measure our progress on all UN Sustainable Development Goals. We used the sustainability assessment tool developed by Sustainability Advantage, which helped us establish a baseline for future reporting periods, which we will use to track our progress over time.

SUSTAINABILITY & ESG MANAGEMENT

In 2022, we established an ESG committee to assist our Board of Directors on important environmental, social, and governance matters relevant to Artistic Milliners' business operations. The committee's main objective is to assist the Board in maintaining Artistic Milliners' position as a global leader in ESG performance. One of the key responsibilities of the ESG committee is to oversee the implementation of our company's ESG strategy. Additionally, the committee actively assesses emerging ESG issues to determine their significance concerning Artistic Milliners' long-term value creation.

We have a dedicated corporate sustainability team to support the ESG committee in fulfilling its responsibilities. This team is responsible for executing sustainability initiatives and commitments while keeping track of progress against crucial metrics. We conduct quarterly reviews of our sustainability performance at the business level, bi-annually at the corporate level, and annually at the Board level. This ensures that our sustainability efforts are regularly evaluated and discussed at various organizational levels.

OUR SUSTAINABLE STRATEGY: FOR THE PLANET

Climate Change and Decarbonization

We are committed to reducing our carbon footprint by continuously monitoring and improving our environmental performance and adopting more sustainable, concrete, significant, and innovative methods to conserve natural resources and achieve our defined objectives and targets.

We are on track for gradual decarbonization with our strategy to meet long-term carbon reduction targets, offset residual emissions, and implement sustainable infrastructure.

Energy Transition & Efficiency

We prioritize clean, renewable energy sources and more efficient energy usage while seeking new technologies and solutions that deliver significant health benefits and lower carbon emissions, such as energy-efficient buildings, digital transformation and greater resilience, to drive transformational economic results and social benefit.

We continually improve our performance by reducing our environmental and carbon footprints. In this regard, we are reducing our dependency on non-renewable energy sources and transitioning to sustainable energy. Reducing associated emissions is also in line with our sustainability targets.

Water Stewardship

Within our operations, we commit to mainstream water stewardship by setting public, context-based, business-level targets that improve our water management and support shared approaches to water management within the regions where we operate. We also leverage technology solutions that foster step-change reduction of water risks. Our Water Stewardship Strategy underpins these targets across the life cycle of our operations.

Circularity & Zero Waste

The world needs to transition from a linear economy to a circular one. In our operations, we look to reduce waste, including keeping products and materials in use for longer and regenerating natural systems.

Along with providing techno-economic solutions, we consider it essential to address cultural barriers, increase awareness, and encourage a willingness to engage.

Sustainable Materials

We are increasing our percentage of sustainable raw materials and expanding sustainable sourcing practices to decrease our supply chain's overall social and environmental impacts.

Green Chemistry

We are focused on safer green chemistry and less toxic chemicals.

Biodiversity

We aim to work to preserve ecological functionality and enhance biodiversity in our projects by integrating a multidisciplinary approach that benefits both people and wildlife.





OUR SUSTAINABLE STRATEGY: FOR OUR PEOPLE

Employee Wellbeing

We are committed to employee wellness, retention, and success to build a diverse, inclusive, and engaged workforce. We are focused on balancing our company's gender mix through innovative recruitment and promotion strategies and creating policies and initiatives to foster an inclusive work environment.

We invest in our people through well-structured talent management and development activities. We encourage our staff to identify and hone their capabilities and we provide avenues for career growth to promote an engaged workforce that will contribute to the company's success.

We want to equip our team with a green skillset, create green jobs, and incorporate approaches like decarbonization and circularity.

We prioritize worker wellbeing, safety, and development through fair compensation, inclusive culture, and skills training. We promote diversity, equity, and worker empowerment while upholding ethical labor practices. We measure progress transparently, fostering a people-centric sustainability strategy that benefits employees, the organization, and the community.

OUR SUSTAINABLE STRATEGY: FOR THE COMMUNITY

Community Wellbeing

We are looking beyond our employees to the greater community. A diverse, inclusive, and engaged workforce becomes an agent of positive change and drives sustainable economic growth for Pakistan. By helping to provide affordable, quality education, we can transform the lives of households and break the socio-economic divide.

Sustainable Supply Chain

Our supply chain networks strive to have a minimal negative impact on people and the planet. We focus on optimizing production through increasing equipment efficiency, automating some processes, predictive and remote monitoring and streamlining maintenance.

Partnerships & Stakeholder Relationship Building

We work with local and global bodies to build collective action for environmental stewardship and continue a dialogue with all our stakeholders to raise sustainability awareness.

We share lessons learned and best practices across our industry, collaborating with customers, key suppliers, and industry partners to advance the technologies and strategies necessary to reduce carbon emissions.

Sustainable Economic Governance Model

Integration and management of sustainability initiatives are outlined in our company policies, guidelines, and functional procedures covering our operations, supply chain, and the marketplace for our products and services. We evaluate social, environmental, and economic impacts and integrate those findings into our decision-making.

Reporting & Disclosure

We monitor and record our environmental, social, and governance policies and practices and review them annually. Also, we strive to develop innovative methods and applications for enhanced sustainability performance while maintaining transparency and accountability.

CLIMATE CHANGE ACTIONS

WE CONTINUE STRENGTHENING OUR SUSTAINABILITY PORTFOLIO, THROUGH AN AGGRESSIVE PURSUIT OF ENERGY EFFICIENCY PROJECTS RELATED TO EXISTING OPERATIONS, REPLACING OLDER EQUIPMENT WITH NEW ENERGY-EFFICIENT ALTERNATIVES. EACH BUSINESS UNIT AND FACILITY HAS ANNUAL EMISSIONS TARGETS IN PLACE, WHICH ARE REPORTED MONTHLY TO LEADERSHIP. REAL-TIME PROGRESS AGAINST THOSE TARGETS IS ACCESSIBLE THROUGH OUR SUSTAINABILITY DASHBOARD. THESE ARE JUST A FEW OF OUR INITIATIVES:

- We signed the Science Based Targets Initiative (SBTi) and are conducting our Scope 3 Mapping to receive validation of our SBTi goals.
- We joined SBTi's Business Ambition 1.5°C Campaign and are assessing emissions reduction targets across the entire value chain.
- As a signatory to the United Nations Framework Convention on Climate Change (UNFCCC) Fashion Industry Charter, Artistic Milliners set long-term targets to reach net-zero emissions by 2040 and maximize renewable energy by 2030, among other climate-related commitments.
- Artistic Milliners is an active member of the Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) and Government College University's project on carbon forestry, which aims to calculate the impact of carbon sinks in urban areas.
- To date, we have commissioned 12 MW of rooftop solar projects at our facilities and installed 100 MW wind farms in Jhimpir, which lies in the largest wind corridor in Pakistan.
- The AM15 garments facility is a state-of-the-art LEED Platinum-certified industrial complex.
- The AM-4 apparel park is a USGBC LEED Gold-level facility spread over nine acres in Karachi. The site features a 1.2 MW solar capacity.
- Circular Park is our cutting-edge fiber recycling facility that can efficiently recycle up to 500,000 kgs of fiber from both post-industrial and pre-consumer sources every month. This innovative process is water and chemical-free, showcasing our commitment to eco-friendly practices.

United Nations Sustainable Development Goals
SDG 6: Clean Water and Sanitation
SDG 7: Affordable and Clean Energy
SDG 9: Industry, Innovation and Infrastructure
SDG 12: Clean Energy
SDG 13: Climate Action

United Nations Global Compact
UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges
UNGC Principle 8: Undertake initiatives to promote greater environmental responsibility
UNGC Principle 9: Encourage the development and diffusion of environmentally friendly technologies





United Nations Sustainable Development Goals
SDG 6: Clean Water and Sanitation
SDG 9: Industry, Innovation and Infrastructure
SDG 14: Life Below Water

United Nations Global Compact
UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges
UNGC Principle 8: Undertake initiatives to promote greater environmental responsibility
UNGC Principle 9: Encourage the development and diffusion of environmentally friendly technologies

WATER STEWARDSHIP COMMITMENTS

Textile manufacturing and finishing traditionally require the use of substantial amounts of water. We recognize that it is not sustainable for our business or our planet. In response, we have devoted a significant investment in developing and implementing water-conserving and recycling practices at all our facilities, and we ask the same of our supply chain partners.

Our company complies with strict government and global protocols and procedures for all our wastewater treatment systems and effluent discharges, and we are equipped with onsite wastewater treatment facilities for the water we use in our manufacturing processes. We have also implemented the ZDHC Wastewater Guidelines and the ZDHC Manufacturing Restricted Substances List (MRSL), and closely evaluate facility performance against these and other industry standards. These are some of the key ways we do it:

- We are committed to achieving 100% ZLD (zero liquid discharge) by 2027. To meet ambitious water goals, we are installing a ZLD plant.
- We are currently recycling 1 million gallons of water daily and aim to recycle an additional 1.5 million gallons per day by 2025.
- We have implemented ZDHC wastewater guidelines. We have achieved ZDHC Foundational level and are working to achieve the ZDHC Aspirational level by 2025.
- We are setting up science-based water targets by 2025.
- We use sustainable wet process technologies, such as Crystal Clear 3.0 indigo dye technology; G2 Dynamic ozone technology; and Nature Coatings BioBlack TX, a carbon-negative pigment made from wood waste.

WASTE REDUCTION MANAGEMENT

Textile industry production traditionally generates substantial waste, both solid and liquid. We recognize the impact of the waste on the environment and are committed to reduce and recycle waste in our processes in a number of ways.

Sustainable Sourcing

We prioritize the use of organic and recycled materials to reduce the demand for virgin resources. We engage and encourage responsible cotton farming practices to minimize waste at the beginning of the supply chain.

Advanced Recycling

We are investing in cutting-edge technologies to recycle post-consumer and post-industrial denim waste into new products, and to reduce water and energy consumption in our processes.

Zero Discharge of Hazardous Chemicals (ZDHC)

We support ZDHC's Roadmap to Zero Program, which seeks to eliminate hazardous chemicals from the textile and apparel supply chain.

Circular Economy Approach

We promote circularity by designing products for longevity and ease of recycling.

WASTE GENERATION DATA YEAR OVER YEAR IN TONNES

United Nations Sustainable Development Goals
SDG 6: Clean Water and Sanitation
SDG 9: Industry, Innovation and Infrastructure
SDG 14: Life Below Water

United Nations Global Compact
UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges
UNGC Principle 8: Undertake initiatives to promote greater environmental responsibility
UNGC Principle 9: Encourage the development and diffusion of environmentally friendly technologies

2023

NON-HAZARDOUS WASTE — 2,752 TONNES

HAZARDOUS WASTE — 2,384 TONNES

2022

NON-HAZARDOUS WASTE — 4,877 TONNES

HAZARDOUS WASTE — 3,216 TONNES

PRODUCT & MATERIALS COMMITMENTS

We are a vertical operation, which allows us to continually innovate new fabrications and materials and to employ practices that align with our sustainability goals. We are also part of a vast value chain that includes aspects that are out of our direct control.

Our challenge is to innovate environmentally responsible materials and practices and to encourage the use of responsible materials and practices among our supply chain partners.

We have been a member of the Textile Exchange since 2019.

We are making significant progress towards our 2025 preferred material goals for cotton and recycled polyester.

United Nations Sustainable Development Goals
SDG 9: Industry, Innovation and Infrastructure
SDG 12: Responsible Consumption and Production
SDG 17: Partnerships For The Goals

United Nations Global Compact
UNGC Principle 7: Businesses should support a precautionary approach to environmental challenges
UNGC Principle 8: Undertake initiatives to promote greater environmental responsibility
UNGC Principle 9: Encourage the development and diffusion of environmentally friendly technologies



WORKPLACE & COMMUNITY COMMITMENTS



United Nations Sustainable Development Goals
SDG 3: Good Health and Wellbeing
SDG 8: Decent Work and Economic Growth
SDG 9: Industry, Innovation and Infrastructure
SDG 10: Reduced Inequalities

United Nations Global Compact
UNGC Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
UNGC Principle 6: The elimination of discrimination in respect of employment and occupation
UNGC Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

AT ARTISTIC MILLINERS, WE RECOGNIZE THAT OUR EMPLOYEES ARE OUR GREATEST ASSET AND WE ARE DEDICATED TO CHAMPION WELLBEING IN OUR WORKPLACE.

That means providing a safe and healthy environment, as well as a place where workers can thrive and advance. We continually challenge ourselves to provide an inclusive and supportive work environment that fosters their development.

We believe that it is important for us to share our knowledge and insights with our stakeholders. For this reason, our employees take active roles in task teams, committees, and working groups within ZDHC, the Sustainable Apparel Coalition, Textile Exchange, the Cradle-to-Cradle Products Institute program, and other organizations.

Artistic Milliners' Code of Conduct is aligned with the 10 Principles of the UN Global Compact Guiding Principles addressing human rights, labor, environment, and anti-corruption.

We conduct Higg FLSM/SLCP social compliance assessments annually. We evaluate all of our facilities through the Higg FSLM program, which is aligned with and based on the Social Labor Convergence Project (SLCP) framework. This evaluation includes third-party verification audits, with the results of the audits and the completion of any corrective actions being visible to our customers via the Higg portal.

THE ECOSYSTEM

CHAPTER 2

2

ECOSYSTEM

FABRIC

GARMENTS

SPINNING

SFI

ARTMILL

ENERGY

LEED-CERTIFIED APPAREL FACILITIES

Artistic Milliners is the first denim manufacturer in Pakistan to achieve U.S. Green Building Council's LEED Gold certification and is a pioneer in achieving USGBC LEED Platinum certification.

Our Unit-15 apparel facility is a state-of-the-art, LEED Platinum-certified industrial complex.

Designed as a LEED Platinum facility from the ground up, we incorporated several innovative measures to reduce carbon emissions, save energy, reduce waste, and improve water efficiency, which resulted in a 50% reduction in water usage.

Our unit-4 apparel park is a LEED Gold-level facility. The 500,000-square-foot factory features 1MW solar panels. We also installed water recycling technology with a current capacity of recycling 0.4 million gallons of water every day and with an efficiency of 85%, helping the company reach its net-water positive goal.

The factory exclusively uses "Zero Discharge of Hazardous Chemicals" ZDHC Level-01 and higher chemicals and is certified under HIGG FEM 4.0, ISO 14001:2015, OEKOTEX-100, and GOTS.

With a vision to build denim company of the future, we have implemented Supply Chain 4.0 methods in our facilities, including automation wherever possible. In addition to improved efficiencies, automation has impacted safety and reduced waste. Our smart factory is located within the AM-4 apparel park.

Most of our units are equipped with the latest in apparel industry automation, which digitizes all factory processes and improves throughput time. Our factories also feature fully automated fire protection and detection systems, including sprinkler and fire hydrant all monitored in real time from centralized emergency control rooms. Our buildings have been designed in accordance with seismic standards to protect the workers and prevent structural damage in the event of an earthquake.



YARNS, FABRICS, DYES & FINISHING



Artistic Milliners produced 85 million pounds of yarn, 144 million meters of fabric, and 36 million pieces of garments in 2023; most of which contain some form of sustainable, recycled and biodegradable components such as recycled PIW and PCW cotton, hemp, Tencel™, LYCRA® EcoMade and ROICA™ biodegradable elastane.

We use sustainable wet process technologies such as our proprietary Crystal Clear 3.0 indigo dye technology, water and salt free dyeing process, G2 Dynamic ozone technology, and Nature's Coating's BioBlack TX, a carbon-negative pigment made from wood waste. We are also using fibers such as Tencel™, Circulose®, LYCRA® EcoMade, Thermolite®, and COOLMAX®.



ARTMILL

Artistic Milliners expanded beyond denim in 2022 with the opening of Artmill, a cutting-edge finishing facility that produces piece-dyed fabrics and denim hybrids, activewear, and workwear. With a focus on woven fabrics for piece dyeing and garment dye, Artmill can produce 25 million meters of fabric and up to 6 million garments annually.

Artmill is on track to be the region's first LEED Platinum-certified piece-dye mill. It was designed and built to be efficient and sustainable, with power provided by renewable energy and water and chemical recycling methods in place. Mill offerings include VAT, reactive disperse dyeing, and chemical and mechanical finishes. The facility is also equipped with the latest technology, such as automation and machine learning, offering retailers and brands a turnkey solution for their activewear, workwear, and casualwear programs.

CIRCULAR PARK

We've long held the vision of closing the loop within our operations, and we achieved a milestone on that journey with the opening of Circular Park, our purpose-built fiber recovery facility. The facility allows us to centralize our internal textile waste streams and post-consumer waste, diverting this waste from landfills and back into the production loop.

Opened in 2022, Circular Park was developed in partnership with French machinery specialist La Roche to equip this 70,000-square-foot facility with state-of-the-art, precision-controlled sorting and automated shredding machines. The Karachi facility is our central collection point for system wide cotton-based manufacturing waste and post-consumer waste.

Powered by clean energy, Circular Park has a capacity to recover up to 6 million kilograms of recycled fiber annually. The facility produced nearly 1,400 tonnes of recycled yarn in 2023.



ARTISTIC ENERGY

Artistic Milliners has played a major role in renewable energy in Pakistan. The company's Artistic Energy unit operates two state-of-the art wind farms in Jhimpir in the Thatta District of the Sindh province. Our wind farms power 144,500 households through Pakistan's national grid.
We are also developing new renewable energy projects across Pakistan, including new solar works and hydropower projects, including ROR (Run of River) power plants and IPPs (Independent Power Producer).
Our current and in-process renewable energy projects play a pivotal role in shifting away from energy generated from imported fossil fuels, substituting carbon emissions, and reducing the cost of energy generation.

Project Artistic Energy Pvt. Ltd (As of Jan.-Dec. 2023)	
Capacity (MW)	49.3
Status	Operational since 2018
Green energy delivered at grid (GWh)	155
CO2 offset (Mt)	101,511

Project Artistic Wind Power Pvt.	
Capacity (MW)	50
Status	Operational since 2023
Green energy delivered at grid (GWh)	147
CO2 offset (Mt)	96,396

Project Artistic Solar Energy Pvt.	
Capacity (MW)	50
Status	Under Development

Project Artistic Hydro I Pvt.	
Capacity (MW)	63
Status	Under Development

Project Artistic Hydro II Pvt.	
Capacity (MW)	55
Status	Under Development

POWERING CHANGE IN THE REGION

In addition to our Artistic Energy projects in Jhimpir, we are working to effect social change in the region as well. Some of our initiatives include:

- Operating two primary schools in the area to educate local children
- Creating gender-inclusive employment strategies for the local community
- Hosting medical camps to provide health care services to the local population
- Providing sufficient clean drinking water to local families
- Providing employment opportunities to people in the region



Star Fades International (SFI) is a game-changing nearshoring sourcing solution and innovation hub located in Southern California. SFI joined our ecosystem in 2020.

The Commerce, Calif.-based facility houses a full-service laundry and serves as a development center for global manufacturing, as well as a full-package manufacturer offering a range of production models including made in LA, made in Mexico, made in Guatemala, as well as hybrid models that include international cutting and sewing with washing and finishing done in LA.

The expert team at SFI has long-standing experience creating and producing collections for both the premium and mass markets, and is available to assist with all aspects of the design and production process.

SFI Mexico and SFI Guatemala are the latest additions to SFI's growing nearshoring network. SFI team members work seamlessly across borders to provide brand partners with production resources in the Western Hemisphere.







STAR FADES INTERNATIONAL

PROGRAMS & INITIATIVES

CHAPTER 3

3



RESPONSIBLE WATER MANAGEMENT

We take a holistic approach to water management, encompassing all aspects of water usage and its environmental impact. By leveraging cutting-edge technologies and collaborative efforts, Artistic Milliners aims to be at the forefront of sustainable water practices in the textile industry.

We proactively collaborate with local communities and stakeholders to understand the impact of our operations on shared water resources.

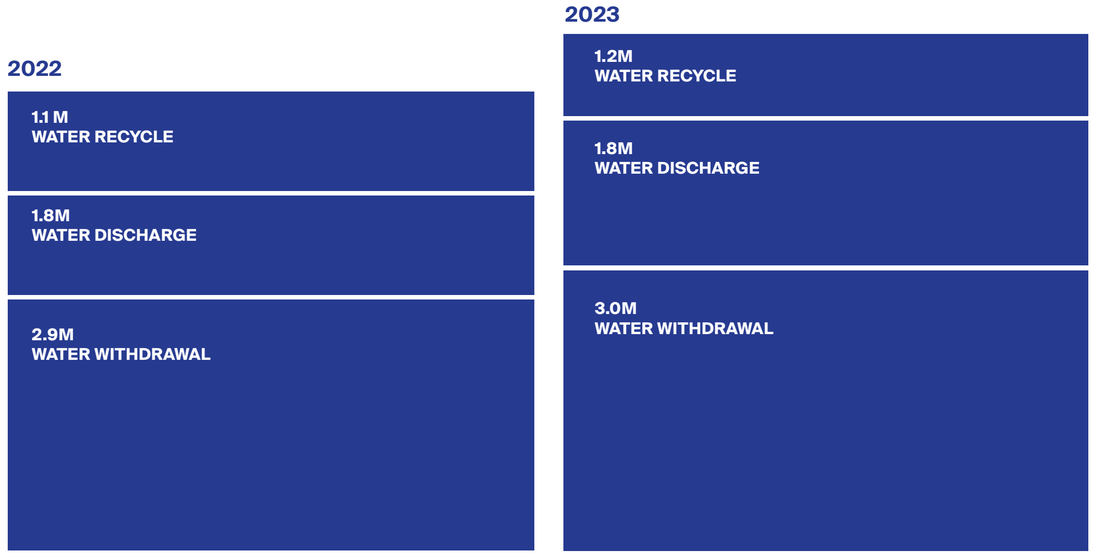
We are working with WWF as partner for water stewardship and community development and investing more than $100,000 in our catchment areas. We aim to achieve Alliance for Water Stewardship Platinum Certification.

Our advanced wastewater treatment technologies ensure that all discharge meets stringent environmental standards. By minimizing water discharge-related impacts, we safeguard water quality and ecosystems.

We prioritize water-use efficiency by adopting innovative water recycling and rainwater harvesting techniques. We seek to minimize our water withdrawal footprint, contributing to the overall conservation of water resources in the regions where we operate. Our water recycling and reuse initiatives reduce water discharge volumes and help us meet rigorous quality standards, set to ensure that discharged water poses no harm to the environment or downstream users.

We maintain a transparent and accountable evaluation process to measure the effectiveness of our water management strategy. The company continually refines its approach by tracking key performance indicators (KPIs) and engaging stakeholders, aligning with emerging sustainability challenges and global best practices.

WATER CONSUMPTION AND RECYCLING DATA (IN CUBIC METERS)



2023

Water consumed	1.2 Million m^3
Water recycling efficiency	85%

OUR TARGETS

2027

Water recycled	(60% increase from 2022 baseline)

2030

Water consumed	(70% decrease from 2018 baseline)

ENERGY CONSUMPTION

Sustainable practices lie at the heart of Artistic Milliners' management approach. Our integrated framework incorporates environmental stewardship, social responsibility, and economic viability. We aim to balance business growth and ecological preservation harmoniously by aligning our core values with internationally recognized sustainability standards.

Within the management approach, Artistic Milliners establishes three key components to address the material topic of energy consumption:

- **EFFICIENT RESOURCE MANAGEMENT** – We have implemented cutting-edge technologies and best practices to optimize energy usage within our facilities. By constantly evaluating our energy consumption patterns, we can identify improvement areas and implement energy-efficient measures.
- **SUPPLY CHAIN COLLABORATION** – Sustainability is a collective effort. We work closely with suppliers and partners to encourage transparent and responsible energy practices across the supply chain.
- **CONTINUOUS IMPROVEMENT** – We assess our energy consumption performance and set ambitious targets to reduce our carbon footprint further.

ENERGY CONSUMPTION IN OUR OPERATIONS

2020

Non-renewable (Fossils)	1,612,572 GJ
Renewable (solar)	25 GJ
Total	1,612,597 GJ

2021

Non-renewable (Fossils)	2,012,492 GJ
Renewable (solar)	1,663 GJ
Total	2,014,155 GJ

2022

Non-renewable (Fossils)	3,324,474 GJ
Renewable (solar)	4,575 GJ
Total	3,329,049 GJ

2023

Non-renewable (Fossils)	2,646,629 GJ
Renewable (solar)	9,962 GJ
Total	2,656,591 GJ

RENEWABLE ENERGY TARGETS

RENEWABLE ENERGY
30% of total by 2030

GREENHOUSE GAS ABSOLUTE REDUCTION
40% by 2030

GREENHOUSE GAS ABSOLUTE REDUCTION
Net zero by 2040

ENERGY REDUCTION: WASTE HEAT RECOVERY

At Artistic Milliners, we have embraced the power of waste heat recovery (WHR) boilers to generate free steam and positively impact the environment. Through an innovative cogeneration system, we have achieved impressive results regarding steam generation and reducing greenhouse gas (GHG) emissions. In FY22, the cogeneration system accounted for approximately 25% of our total steam generation, significantly reducing our carbon footprint.

By harnessing the power of waste heat recovery and maximizing the efficiency of our operations, we are actively contributing to a greener future. Our dedication to reducing emissions and enhancing energy efficiency drives us to explore innovative technologies and sustainable practices continuously. By unlocking the potential of waste heat recovery, we can reduce our environmental impact and pave the way for a more sustainable and eco-friendly industry.



DECARBONIZATION

Artistic Milliners' greenhouse gas (GHG) emissions are generated through various operational processes and are subject to regulatory limits set by the Sindh Environmental Protection Agency (SEPA) and other applicable international protocols. We acknowledge the importance of responsibly managing our emissions to minimize our environmental impact. We actively monitor and control our emissions to ensure compliance with the SEPA's regulations. By implementing efficient processes, adopting cleaner technologies, and continuously improving our environmental management systems, we strive to reduce our GHG emissions and contribute to a cleaner and greener future.

SCOPE INVENTORY CO_2e EMISSION (TONNES)

2020	
Scope 1	371,970
Scope 2	17,962
Total	389,932

2021	
Scope 1	327,913
Scope 2	15,834
Total	343,748

2022	
Scope 1	209,245
Scope 2	10,101
Total	219,346

2023	
Scope 1	159,748
Scope 2	26,286
Total	186,034

TARGETED CO_2e EMISSIONS (TONNES)

2030	193,000
2040	70,000
2050	19,000

NOTES: The calculation of CO_2e (carbon dioxide equivalent) emissions includes gasses such as carbon monoxide (CO), methane (CH4), and nitrous oxide (N2O). The emission factors used for the calculations were obtained from the UNFCCC (United Nations Framework Convention on Climate Change). Since the emission factors for Pakistan are not developed yet, we have used European factors for our initial baseline and the data will be updated as emission factors of Pakistan are released.
*Scope 1 includes emissions from sources owned or controlled by Artistic Milliners, such as buildings and equipment.
**Scope 2 includes emissions indirectly caused by our operations, such as electricity, heat, and cooling purchased for company buildings or production processes.

GREENHOUSE GAS EMISSION SCOPE DISTRIBUTION FOR 2023

Scope 1

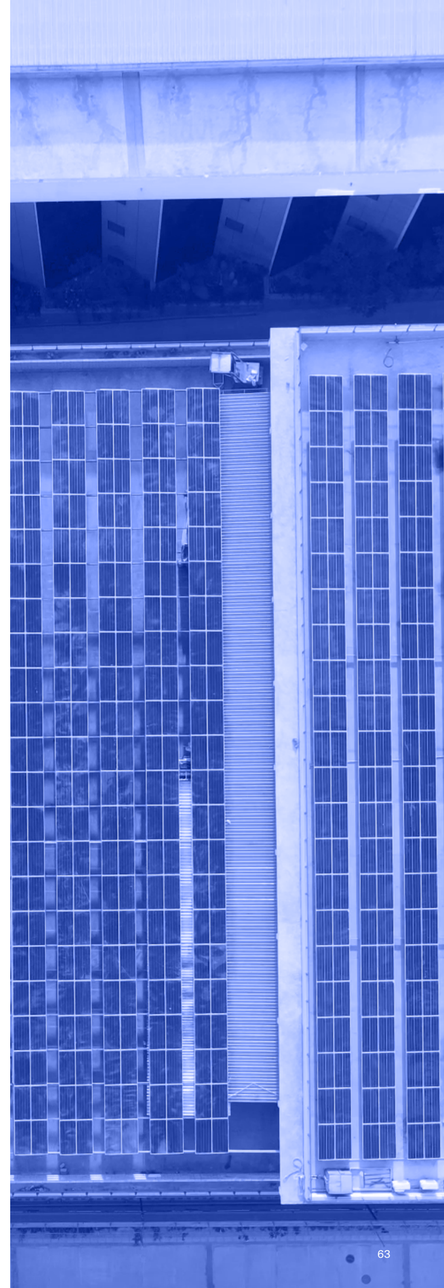
Emissions from sources owned or controlled by Artistic Milliners, such as buildings and equipment.

- Natural Gas 69.2%
- Diesel 28.6%
- Refrigerant 1.6%
- Liquefied Petroleum Gas 0.2%
- Gasoline 0.1%
- Others 0.2%

Scope 2

Emissions indirectly caused by our operations, such as electricity, heat, and cooling purchased for company buildings or production processes.

- Purchased steam 20.1%
- Purchased steam loss 1.1%
- Purchased electricity 75.2%
- Grid losses 3.7%



HEALTH, SAFETY AND ENVIRONMENT

Our safety program is founded on the concept that every employee acts as a safety manager — for themselves and their co-workers. We focus on proactively identifying and eliminating unsafe conditions and behaviors before employees get hurt. We have developed and implemented a Safety Leading Indicator Index to help us measure and improve our prevention activities.

We have a robust system based on accounting for both local laws and relevant, applicable global standards and codes, including OSHA, NFPA, BSCI, SMETA, FT-USA, WRAP, ILO Better Work, SLCP, ISO-14001, ISO- 45001, LEED, NIOSH and EN, OEKO TEX -100, GOTS and GRS.

We use a Health, Safety and Environment (HSE) key performance indicators (KPI) dashboard to track leading and lagging safety indicators.

Employees and teams working in different parts of the organization follow the same safety protocols, which reduces confusion and promotes a unified safety culture.

We have dedicated HSE, Fire and Compliance teams.

We have conducted more than 30,000 HSE training hours.

BUILDING, ELECTRICAL & FIRE SAFETY (BEFS) SYSTEMS

We have invested $5 million USD in our BEFS infrastructure.

FIRE SAFETY

All buildings are equipped with state-of-the-art fire protection, detection, and separation systems following NFPA 10, NFPA 13, NFPA 14, NFPA 20, NFPA 70, NFPA 80 and NFPA 101 codes.

We have NFPA 1901-compliant fire tender vehicles with capacities of 12,000 liters. These trucks are available for use by the neighboring community and industrial units in the event of fire incidents in our facilities or in the surrounding area.

BUILDING

All buildings are designed to sustain seismic forces and follow American Concrete Institute Standards' ACI-318 and UBC97 building codes, as well as other international building safety standards.

ELECTRICAL

Our electrical installations comply with international standards, such as IEC 61439 NFPA 70E/NEC.



MILLINER COTTON INITIATIVE

Milliner Cotton Initiative (MCI) is Artistic Milliners' farm-to-fashion sustainable cotton program, implemented on the ground by WWF Pakistan and verified by the Control Union Pakistan.

Launched in 2019, it was the first program to offer branded cotton from Pakistan. MCI is unique in its scope, covering the entire journey of cotton from farm to the mill. The goal of MCI is to provide alternative livelihoods to farm families as well as life skills training for local women.

The initiative also leverages smart farming and climate-conscious practices, which reduces inputs such as fertilizer, pesticides and water, and increases yields.

34%
PESTICIDE COST REDUCTION

25%
COTTON SEED YIELD INCREASE

53%
FERTILIZER COST REDUCTION

40%
IRRIGATION APPLICATION REDUCTION

PROJECT EXPANSION UNDERWAY UNTIL 2026

MILESTONES

- 15,000 acres
- 1,000 farmers total currently
- 450 female cotton-pickers currently enrolled
- Up to 50,000 MCI bales/season
- 2 Ginning Mills

GOALS

- 4,000 farmers, pickers and ginners by 2026
- 900 female cotton-pickers projected by 2026
- 9,500 MT expected output
- Capacity of 9-10 million meters of fabric
- Establish 20 local trainers who have completed 12-week training sessions in sustainable cotton cultivation, picking techniques, occupational health and safety, and financial literacy
- Demonstrate an increase in cotton quality income by 10% among at least 80% of the trained farmers, pickers, and ginners following training
- Show a savings of at least 6,000 kg of chemical pesticides per year (0.5 kg per conventional farmer, 0 kg per organic farmer, 18,000 kg in total)
- Enlist at least 10,000 end-users to scan the QR code and receive information on the origin of the cotton

MILLINER ORGANIC

Milliner Organic (MO) promotes local ownership for ethical cotton sourcing in Pakistan. The program highlights and empowers the significant — but often overlooked — players in our supply chain: the farmers and their communities.

Built on the pillars of organic cotton farming including integrity and traceability, Milliner Organic seeks to build an indigenous supply chain, with plans to expand to include a pilot program in regenerative farming.

Accredited certification body Control Union and Organic Cotton Accelerator (OCA) ensure that farming methods comply with global organic standards for organic and in-conversion and cotton.

Our organic farms are located in the Kohlu district of Pakistan's Balochistan province and we work closely with the Department of Agriculture Extension, the Government of Balochistan, and WWF Pakistan to ensure the program's success.

MCI Alternative Livelihood Programs (ALP)

The Alternative Livelihood Program (ALP) trains women and farming families to pick cotton and develop new entrepreneurship skills to stabilize their income during the off-season.

The training provided to farmers is focused on minimizing the cost of farming, while maximizing farm yield, as well as empowering women to be financially independent.

Expansion: 900 Women to be enrolled in Rahim Yar Khan

Result: 36.8% of women in the program are earning more than $9.67/month as additional income

The program also provides inputs/machinery to cotton pickers for other farm activities including:

- Incubators for chick-hatching
- Poultry
- Kitchen gardening
- Micro nursery
- Bee keeping
- Sewing centers

Achievements to Date

10,000 acres
1,800+ farmers
2,600 MT lint per season
Control Union-certified

ICS1 is in the process of conversion to organic
ICS 2-5 is IC1 (one year in conversion to organic)*
Scope Certificate received from Control Union
Premium distributed as seed to all farmers

*The MO project is divided into five Internal Control Systems (ICS) groups of 300 to 400 farmers to better manage the program, so that each farmer can get the appropriate amount of training and attention. Each farm group is audited separately to ensure a better representative sample from the farm area.

Craft to Commerce

Under the MCI project, project-associated cotton pickers are taught new skills such as handicrafts, embroidery and sewing. A product catalog was created to highlight the products made by the program participants. Women were able to sell products and crafts in local markets and earn extra income for their households. The MCI team established its second sewing center, employing an expert trainer and serving 25 cotton pickers.

The MCI team also gifted one of the members of the program with a vermicelli machine, which is used to make vermicelli for desserts popular with Pakistani consumers. With the machine, the member was able to produce her own vermicelli and market it as a local brand.

SMART FARMING & REGENERATIVE AGRICULTURE

Smart Farming with Crop2x

Since 2022, Artistic Milliners has employed Crop2x within the company's farming programs by installing soil sensors on Artistic Milliners' Milliner Cotton Initiative farms in Rahim Yar Khan and Milliner Organic farms in Kohlu, Balochistan. Artistic Milliners farmers saw higher crop yield because Crop2x sensors helped them use fertilizers and water in an efficient and controlled way. Crop yields increased by 25% and farmers realized a cost savings of 34% from the reduction in pesticide use and a cost savings of 53% from the reduction in fertilizer use. Crop2x's irrigation application also saw a reduction in water usage of 40 percent.

PRECISION FARMING RESULTS FOR MCI FARMS VS. CONVENTIONAL FARMING

Comparative Analysis for 2022 Season

The factors affecting the MCI cotton crop are listed below along with a comparative analysis between precision farming and conventional farming methods in terms of cost and applied quantities.

Conventional Farming

Pesticide Cost (Rs)	5,500
Fertilizer Cost (Rs)	21,700
Irrigation Hours	20
Yield (mound)	21

Precision Farming

Pesticide Cost (Rs)	3,600
Fertilizer Cost (Rs)	10,100
Irrigation Hours	12
Yield (mound)	28

25%
Yield of seed cotton increased

54%
Fertilizer cost reduced

34%
Pesticide cost reduced

40%
Irrigation application reduced

SOURCE: CONTROL UNION PAKISTAN

AM Regen

In 2023, we launched a pilot run of regenerative agriculture in collaboration with RegenAgri, a U.K.-based community interest company, and Control Union Pakistan, the certification company, with 92 farmers on 1000 acres of farmland in Rahim Yar Khan, Pakistan.

Our AM Regen program takes a holistic approach to the agro-ecosystem and places emphasis on improving the resources used, rather than depleting them. The practice is concerned with improving and maintaining soil health through a variety of methods including increasing organic matter, rotating crops and planting cover crops, ensuring that crops absorb more carbon from the atmosphere than are released. The practice also includes protecting flora and fauna by restoring and protecting habitats and using natural fertilizers. There are social components, such as fair pay for farmers, as well as guidelines for animal welfare regarding their care, feeding, and transportation.

Timeline

MAY 2023
OFFICIAL LAUNCH

SEPTEMBER 2023
FIRST AUDIT

OCTOBER 2023
FIRST HARVEST

FARM PROJECTS & CIRCULAR PARK LCA

Artistic Milliners is committed to assessing and improving the sustainability of MCI, MO and Circular Park products by prioritizing data gathering from farm-to-mill by working towards a Life Cycle Assessment (LCA) in collaboration with Peterson.

Timeline

JUNE 2023
LCA PROCESS STARTED

JUNE-SEPTEMBER 2023
LCA ASSESMENT

OCTOBER 2023
RESULTS EXPECTED

This will help us:

- Assess environmental impacts
- Measure the resources, energy and emissions impact of the production of a product throughout its life cycle
- Identify improvement opportunities in the environmental performance of products from farm level to finished goods
- Promote and develop sustainable practices for farmers
- Reduce overall environmental impacts
- Reduce the use of non-renewable resources

TRACEABILITY

Retraced

According to German supply chain management software platform Retraced, one pair of jeans can include cotton from up to 1,000 farmers from different parts of the world. Artistic Milliners has partnered with Retraced to develop a farm-to-fashion cotton traceability solution.

Farmers and ginners use a smartphone app to enter data about cotton sowing, picking, shipments, and the number of bales. Blockchain technology collects the data, enabling real-time verification and tracking of cotton across all internal processes from farm to the final garment.

The app also enables ginners to digitally assess the quality of different cotton shipments. The technology offers insight into the supply chain from fiber on and can be connected to the purchase order, to give customers full transparency into the provenance of their products.

After a successful pilot with MCI, Retraced was expanded to the Milliner Organic program in 2023.

Next Steps: Traceability in Recycled Materials

Artistic Milliners' sustainability teams are investigating how to offer the same level of transparency for Circular Park's post-consumer waste materials. Some options we are considering include:

- New Zealand-based traceability company Oritain employs forensic science and data to detect natural elements in a product or raw material. All these naturally-occurring elements pinpoint the location of origin to provide what they call an "Origin Fingerprint." This "Origin Fingerprint" can then be utilized to audit the product at any point in the supply chain.
- Haelixa is a Swiss traceability company that uses DNA markers on a raw materials product and products to create a permanent, traceable physical signature that ensures end-to-end traceability within the supply chain. The company is specifically focused on sustainably produced items, including organic and recycled fabrics.



Jack & Jones x Milliners Organic QR Codes

The Artistic Milliners team worked closely with the team at Jack & Jones to create jeans with QR codes that encapsulate the jeans entire life cycle.

Consumers can see where the cotton was grown, where the yarn was spun, where the fabric was woven and where the complete garment was stitched into their finished pair of jeans.

Nearly 1 million individual garments have been traced via the Retraced app so far.

CRADLE TO CRADLE INITIATIVES

At Artistic Milliners, we recognize the need to shift to a circular model in which our products and processes positively impact people and the planet and where we can reduce our waste-to-landfill ratio along the lifecycle of the things we make.

That is why we have worked with our brand and supply chain partners to develop products that meet the standards set by Cradle-to-Cradle Institute.

The organization also works with international designers, brands, retailers, and manufacturers across the value chain to innovate and optimize materials and products designed with material health, product circularity, renewable energy, and climate, water and soil stewardship, and social fairness in mind.

We developed Dylan, the world's first Cradle to Cradle Gold-certified denim jean, with G-Star and DyStar in 2018. For Dylan, we used our proprietary Crystal Clear dyeing technology as well as fabrics that received a Platinum rating

SOCIAL RESPONSIBILITY AND PARTNERSHIPS

Each year, Artistic Milliners organizes a number of events and initiatives, some in partnership with international NGOs, across our ecosystem. As a responsible corporate entity, we understand the importance of investing in social initiatives.

International Women's Day 2023

Keeping with a theme of "Embracing Equity," Artistic Milliners hosted an event for working women that emphasized their efforts and addressed their issues. The event gathered executives and professionals from various organizations to share and learn from one another's experiences and highlight the benefits of a more equal workplace for women.

Health Awareness Camp & Children's Day at Jhimpir

Artistic Milliners surveyed the villages of Jhimpir, Sindh, where our wind farms are located, to identify opportunities where we could make social and economic impact on local families. One crucial need was for essential health services for women, children and the elderly. We partnered with Jinnah Postgraduate Medical Centre to offer medical camps staffed by health professionals offering limited health intervention for the community. The medical camps included visits from eye specialists, oncologists, obstetricians/gynecologists, and pediatricians.

For Children's Day, we organized a medical camp day focused on providing essential medical checkups and raising awareness about the importance of children's health and education.

HERessentials

Artistic Milliners worked with Bestseller, Business for Sustainable Responsibility (BSR), Empowerment thru Creative Integration (ECI) and the UK's Foreign, Commonwealth & Development Office's Work and Opportunities for Women (WOW) program to launch a HERproject pilot project for managers and factory workers in Artistic Milliners' factories.

The pilot includes several areas of BSR focus, including HERhealth, which provides health education, HERfinance, which provides financial training, and HERessentials, an app that provides information about health and digital literacy, as well as tools to promote financial resilience, such as digital payments.

Business Talk SDGs Meeting with Artistic Milliners

Artistic Milliners hosted the Business Talk SDGs Meeting organized by the UN Global Compact Network Pakistan (UN GCNP). Entrepreneurs, stakeholders, and representatives from various organizations learned about SDGs, their targets, and how to embed them into everyday business practices to achieve the Global 2030 Agenda.

Milliner Organic Seed Bags Distribution

Artistic Milliners distributed 9,500 seed bags among the 1,600 farmers associated with Milliner Organic in Kohlu, in March 2023 and again in 2023. This helped farmers maximize production of organic cotton and seed multiplication for the upcoming harvest.

Milliner Organic Crop2x Devices Installation

Seven automatic weather stations were installed in July 2023 at MO farms in Kohlu. This efficient technology monitors climate changes and documents patterns. The weather stations use probe sensors that measure barometric pressure, temperature, humidity, rainfall, wind speed, irrigation, crop health and fertilizer use, and issue pest attack alerts and advise farmers about soil management and crop production. Farmers are updated with data from the weather stations via an affiliated phone app.

Earth Day Celebration: Cattle Distribution

Our customer Bestseller, parent company of Jack & Jones and other brands, sponsored our Earth Day celebration in July 2023 to recognize the efforts of the best performing farmers in the MO project in Kohlu. The top performers received a gift of cattle, which will provide them with access to dairy products and natural fertilizer for organic farming.

Milliner Organic Bio Fertilizer Distribution

In August 2023, we provided 20 tonnes of biofertilizer to the MO farmers in Kohlu as part of a CSR initiative for the farm community.

Milliner Organic Educational Programs

Milliner Organic's on-ground team conducts regular field visits for educational sessions related to topics such as health and hygiene, nutrition, and literacy.

Pakistan Flood Relief Efforts

The devastating rains and floods in Sindh and Balochistan in 2022 left roads and bridges submerged and local people vulnerable. Artistic Milliners worked with on-ground assistance from WWF-Pakistan and the Department of Agriculture Extension, Government of Balochistan, to send rations to 1,600 farmers and the community associated with our Milliner Organic cotton project in Kohlu. In total, we donated $200,000 USD for rehabilitation for flood victims.



WORKPLACE WELLNESS

CHAPTER 4

4

GENDER EQUITY & WOMEN IN LEADERSHIP

WE BELIEVE IN AN EQUITABLE WORKFORCE AND ARE COMMITTED TO HIRE AND PROVIDE OPPORTUNITIES FOR ADVANCEMENT ACROSS ALL GENDERS. ARTISTIC MILLINERS RECRUITS AND HIRES WOMEN FOR SENIOR LEADERSHIP ROLES, SUCH AS HEADS OF THE PLANNING, SUPPLY CHAIN, MERCHANDISING, SUSTAINABILITY AND ESG, AND COMMUNICATIONS DEPARTMENTS.



Women currently comprise nearly 30% of our overall workforce, including 50% senior leadership. We are working to increase the number of women in our workforce to 70%, including 50% of the middle-management staff. We have set a goal to promote 12% of women annually into supervisory roles.

We are also training and hiring women in roles traditionally filled by men such as dry processing, pressing, and the fire and safety departments.

Since 2018, we have been an official signatory of United Nations Women's Empowerment Principles, which offer guidance to businesses about advancing gender equality and women's empowerment in the workplace and in the community. Established by the UN Women and UN Global Compact, the Women's Empowerment Principles are integral to the 2030 agenda and the United Nations Sustainable Development Goals. The Principles encourage companies to implement practices that empower women, such as equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance for sexual harassment in the workplace.

WOMEN IN THE ARTISTIC MILLINERS ECOSYSTEM

4,533 WOMEN EMPLOYEES

TOTAL NUMBER OF WOMEN EMPLOYEES

27.3%

PERCENTAGE OF WOMEN AMONG THE TOTAL WORKFORCE

50%

PERCENTAGE OF WOMEN IN SENIOR LEADERSHIP

FAIRTRADE & BETTER WORK

Fairtrade

In 2019, Artistic Milliners became Pakistan's first Fairtrade-certified, vertically integrated denim company. Fairtrade International is a global system founded to create resilient, transparent supply chains by ensuring safe and healthy working conditions, a sustainable livelihood for workers, and environmental protections through standards and certification processes.

One of the worker benefits of Fairtrade is the Fairtrade Premium. A percentage of the product cost is given to a worker fund and dispersed to workers. The fund is managed by the workers, who vote on how the money will be distributed. To date, $2 million USD have been distributed to workers as a premium in the program.

Better Work

The Better Work Organization is a collaboration between the United Nations' International Labour Organization (ILO) and the World Bank Group's International Finance Corporation (IFC). Founded to unite the garment supply chain in a mission to improve working conditions and bolster workers' labor rights, Better Work acknowledges the garment industry's role in lifting people out of poverty and the efforts of companies like Artistic Milliners to reduce environmental impacts, create safe and decent jobs and empower women.

Better Work strives to create lasting change by providing factories with assessment, advisory and training visits and it uses data and evidence collected to affect national and international policy change.

Artistic Milliners collaborated with Better Work in 2023 and the company was among the organization's first partners in Pakistan. Currently, we are working with Better Work on a pilot program called "Building Respectful, Safe & Healthy Factory Floors."

IFC FAMILY FRIENDLY PROGRAM & LITTLE MILLINERS DAYCARE

We acknowledge the unique challenges women face in the workplace. This is particularly true of women with children.

Considering this, we have implemented several programs based on the Family Friendly Program guidelines established by the World Bank Group's International Finance Corp.

We have launched and are currently expanding Little Milliners Day Care, a state-of-the-art free childcare program for workers at our Pakistan facilities. The daycare center houses separate rooms for sleeping, dining, Montessori learning and a garden space for playing and outdoor activities. The daycare staff includes a certified nurse, center-aids and trained teachers.

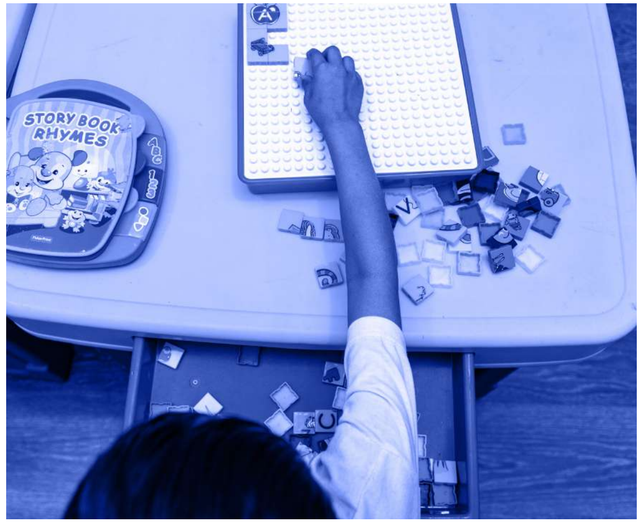
Relatedly, we are implementing gender-responsive health information and services for our workers, as well as guaranteed rights including providing breastfeeding facilities, maternal leave and surrogacy support.

Our efforts to provide health and wellness benefits extend beyond our employees and into the communities where we operate, such as social initiatives for the residents of Jhimpir, where our wind farms are located. Those initiatives include providing new jobs, community schools, clean drinking water and medical services.

DIGITAL PAYMENTS & FINANCIAL LITERACY

Artistic Milliners has a 100% digital wage system, which ensures that our employees are paid equitably and promptly.

We also have a number of educational programs to teach financial literacy and other life skills. The P.A.C.E (Personal Advancement and Career Enhancement) program, run in collaboration with Gap Inc. offers life skills training to women in areas such as communication, problem-solving, legal and financial literacy.



HERproject, an organization that works with brands, suppliers and local NGOs to empower low-income women working in global supply chains by providing workplace-based access to healthcare, financial education and gender equality.

Artistic Milliners participates in several programs under the HERproject umbrella including:

HERhealth, which educates women and dispels healthcare myths to help women prevent and treat disease and maintain their overall health. To date, we have seen 3000 people graduate from the HERhealth program.

HERfinance, which provides financial training and empowers financial decision making. To date, we have trained 20% of our female workforce.

HERessentials, an app that provides information about health and digital literacy, as well as tools to promote financial resilience, such as digital payments.

DIVERSITY, INCLUSION, TRAINING & REDRESS



Diversity & Inclusion

In addition to our steps taken to promote gender diversity, we are looking to expand ability diversity within our employment rolls.

We partnered with Connect-Hear, a Pakistan-based social start-up that promotes sign language accessibility and deaf inclusion. Connect-Hear conducts training sessions across the AM ecosystem on sign languages.

We support Project Phoenix / Smile Again Foundation, an initiative that provides income support and employment to acid attack survivors.

Self-Defense Training

We launched a self-defense skills training program for employees. To date, 7% of our female employees have received self-defense training.

Gender-Based Violence Prevention Program

We have comprehensive training programs designed to sensitize our workforce on topics of prevention on gender-based violence. To date, 94% of our employees have trained under the anti-GBV awareness program.

Digital Grievance Redress

We have established a state-of-the art digital grievance mechanism where employees have access to report incidents with multiple channels. The resolution of the complaints is utterly necessary and if not addressed or resolved, it will be escalated to senior leadership.

WORKER EMPOWERMENT PROGRAMS & PARTICIPATION

We are always expanding the scope of our worker empowerment initiatives in collaboration with our customers and international organizations. Some of these initiatives include:

GAP P.A.C.E. Program

The P.A.C.E. (Personal Advancement and Career Enhancement) program is run in collaboration with Gap Inc. Artistic Milliners was the first company in Pakistan to join the project in 2015. The life skills training program educates women on communication, problem-solving, legal and financial literacy. To date, 80% of our female employees have completed the P.A.C.E. program.

Levi Strauss & Co. Worker Wellbeing Program

Artistic Milliners' worker-friendly initiatives, such as charity funds, government-provided health insurance, free lunch, and transportation for work, fall under the Levi's Worker Wellbeing Program. We work with a Pakistan-based microfinance network to provide an experiential financial curriculum. We have built a financial literacy program on banking, insurance, asset diversification, investments, and savings.

Literacy Program

With support from the Levi Strauss Foundation, we launched the Literacy Program in 2016 in collaboration with Literate Pakistan Foundation, a Pakistani literacy NGO founded to encourage literacy through educational programs applicable to all Pakistani society segments.

In 2020, we teamed up with The Citizens Foundation, a USA-based nonprofit that supports education for underprivileged children in Pakistan, to launch a three-year plan to expand the program to more than 2,500 workers. Currently, 11% of our female workers participate in the Adult Literacy Program.

GAP P.A.C.E. PROGRAM
TOTAL: 1,950
WOMEN 1,950 MEN 100

ADULT LITERACY PROJECT
TOTAL: 560
WOMEN 300 MEN 260

FUTURE LEADERSHIP DEVELOPMENT PROGRAM (FLDP)
TOTAL (since 2013): 37,523
WOMEN 15,446 MEN 22,077

SATELLITE TRAINING UNIT
TOTAL: 4,227
WOMEN 3,971 MEN 256

HERESSENTIAL
TOTAL: 2,300
WOMEN 1,400 MEN 900

HEALTH SAFETY & ENVIRONMENT
TOTAL: 1,228
WOMEN 382 MEN 846

GENDER ROLES & EQUALITY / MARITAL COUNSELING / FAMILY PLANNING & REPRODUCTIVE HEALTH
TOTAL: 152
WOMEN 152

SUPERVISOR SKILL TRAININGS
TOTAL: 371
WOMEN 74 MEN 297

GENDER-BASED VIOLENCE PREVENTION PROGRAM
TOTAL: 12,300
WOMEN 4,059 MEN 8,241

OUR SUSTAINABILITY PARTNERS

CHAPTER 5

5

OUR SUSTAINABILITY PARTNERS

Sustainable Apparel Coalition

BCI Better Cotton Initiative BetterCotton.org

TextileExchange Creating Material Change

CC 3.0 CRYSTAL CLEAR

ALLIANCE FOR WATER STEWARDSHIP

NFEH

OC ORGANIC COTTON ACCELERATOR

GFA GLOBAL FASHION AGENDA

USGBC LEED GOLD PROJECTS LEED GOLD CERTIFIED

IFC International Finance Corporation WORLD BANK GROUP *Creating Markets, Creating Opportunities*

P.A.C.E. Gap Inc.

FAIR TRADE CERTIFIED

NETZERO PAKISTAN

CIRCULOSE SUPPLIER NETWORK

BSR | HERproject

UNDP

GLOBAL ORGANIC TEXTILE STANDARD GOTS

ILO

SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

cradle to cradle

WWF

ZDHC

BetterWork

UN GLOBAL COMPACT United Nations Global Compact



OUR METHODOLOGY

CHAPTER 6

6

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

NO POVERTY

Economic growth must be inclusive to provide sustainable jobs and promote equality.

ZERO HUNGER

The food and agriculture sector offers key solutions for development, and is central for hunger and poverty eradication.

GOOD HEALTH AND WELL-BEING

Ensuring healthy lives and promoting the well-being for all at all ages is essential to sustainable development.

QUALITY EDUCATION

Obtaining quality education is the foundation to improving people's lives and sustainable development.

GENDER EQUALITY

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous and sustainable world.

CLEAN WATER AND SANITATION

Clean, accessible water for all is an essential part of the world we want to live in.

AFFORDABLE AND CLEAN ENERGY

Energy is central to nearly every major challenge and opportunity.

DECENT WORK AND ECONOMIC GROWTH

Sustainable economic growth will require societies to create the conditions that allow people to have quality jobs.

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Investments in infrastructure are crucial to achieving sustainable development.

REDUCED INEQUALITIES

To reduce inequalities, policies should be universal in principle, paying attention to the needs of disadvantaged and marginalized populations.

SUSTAINABLE CITIES AND COMMUNITIES

There needs to be a future in which cities provide opportunities for all, with access to basic services, energy, housing, transportation and more.

RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure Sustainable consumption and production methods.

CLIMATE ACTION

Climate change is a global challenge that affects everyone, everywhere. Combating global warming and greenhouse gas emissions is the upmost responsibility of small to large scale organizations.

LIFE BELOW WATER

Careful management of this essential global resource is a key feature of a sustainable future.

LIFE ON LAND

Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

PEACE, JUSTICE AND STRONG INSTITUTIONS

Access to justice for all, and building effective, accountable institutions at all levels.

PARTNERSHIPS

Revitalize the global partnership for sustainable development.

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights.

PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.

LABOR

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

PRINCIPLE 4

The elimination of all forms of forced and compulsory labor.

PRINCIPLE 5

The effective abolition of child labor.

PRINCIPLE 6

The elimination of discrimination in respect to employment and occupation.

ENVIRONMENT

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges.

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility.

PRINCIPLE 9

Encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

PRINCIPLE 10
Businesses should work against corruption in all its forms, including extortion and bribery.

WOMEN'S EMPOWERMENT PRINCIPLES, ESTABLISHED BY UNITED NATIONS WOMEN AND UNITED NATIONS GLOBAL COMPACT

PRINCIPLE 1

HIGH-LEVEL CORPORATE LEADERSHIP

PRINCIPLE 2

TREAT ALL WOMEN AND MEN FAIRLY AT WORK WITHOUT DISCRIMINATION

PRINCIPLE 3

EMPLOYEE HEALTH, WELL-BEING AND SAFETY

PRINCIPLE 4

EDUCATION AND TRAINING FOR CAREER ADVANCEMENT

PRINCIPLE 5

ENTERPRISE DEVELOPMENT, SUPPLY CHAIN AND MARKETING PRACTICES

PRINCIPLE 6

COMMUNITY INITIATIVES AND ADVOCACY

PRINCIPLE 7

MEASUREMENT AND REPORTING



OUR ESG CHARTER

Artistic Milliners' Environmental, Social, and Governance Steering Committee supports our on-going commitment to environmental, corporate social responsibility, and corporate governance. The cross-functional group assists senior executive leadership set sustainability and ESG strategies by developing, implementing, and monitoring initiatives and policies, communicating those programs with employees, investors, and stakeholders, monitoring and assessing sustainability key performance indicators and recommending changes.
Initial committee members include:

ESG Governance Lead

Chairman Artistic Milliners- Chair of Committee
Chair Executive Officer- Co-Convenor
Managing Director- Co-Convenor

Members

Chief Financial Officer
Chief Legal Officer
Director Product Development
Senior General Manager Compliance
General Manager Utilities' (Denim, Garments)
General Manager Engineering (Denim, Garments)
General Manager Investor Relations (Denim, Garments)
General Manager Supply Chain/Procurement
HR team- Employee Brand Management and Diversity, E&I

Members & Coordinators

Head of Sustainability & ESG
Head of Responsible Business
General Manager Environment Compliance (Denim & Garments)

REPORT SCOPE AND BOUNDARIES

The Artistic Milliners ESG Sustainability Report has been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards at Core Level. It also uses the requirements of the Sustainability Accounting Standards Board's (SASB) Apparel, Accessories, and Footwear Sustainability Accounting Standard to describe environmental and social risks associated with sourcing priority raw materials. The report contains information about Artistic Milliners' operations from January 1, 2023, to December 31, 2023 and encompasses business segments Artistic Energy and SFI. Information on impacts within the supply chain not included are due to the unavailability of reliable data.

REPORT CONTENT

The contents of the report, including material topics, have been derived by taking into account the requirements of GRI Sustainability Reporting Standards, the impacts of our operations, and our engagement with important stakeholder groups.

METHODOLOGY AND DATA QUALITY

The data included in the report has been recorded on actual basis. However, where data is not available, estimation has been used. All such estimates have been mentioned clearly at respective places. The data related to environmental impacts has been obtained from the Sustainability & ESG Department which is responsible for measuring and monitoring environmental impact and progress against the targets.

ASSURANCE

Our Board of Directors and the Sustainability & ESG Committee review the report. An independent third-party assurer has not reviewed the report. Artistic Milliners will have future sustainability reports independently reviewed.

The GRI Index is available at the end of this report.
The report is available in printed as well as PDF (e-copy) form. The PDF form is the most updated version which can be accessed at www.artisticmilliners.com.
Stakeholders' input on the report helps to keep our reporting relevant for our stakeholders' decision- making needs.

The Sustainability & ESG team can be reached at the following contact:

Mehak Masood, Head of Sustainability & ESG | email: sustainability@artisticmilliners.com.pk

GRI CONTENT INDEX

GRI Standards	Disclosure	Disclosure Type	GRI Disclosure
GRI 102: General Disclosures 2016	102-1 Name of the organization	SR	Detailed information
	102-2 Activities, brands, products, and services	W	Partial information
	102-3 Location of headquarters	W	Detailed information
	102-4 Location of operations	W	Partial information
	102-6 Markets served	W	Partial information
	102-7 Scale of the organization	SR	Partial information
	102-8 Information on employees and other workers	SR	Partial information
	102-9 Supply chain	SR	Partial information
	102-12 External initiatives	SR	Detailed information
	102-13 Membership of associations	W	Partial information
	STRATEGY 102-14 Statement from senior decision-maker	SR	Detailed information
	ETHICS AND INTEGRITY 102-16 Values, principles, standards and norms of behavior	SR	Detailed information
	GOVERNANCE 102-18 Governance structure	SR	Partial information
	102-22 Composition of the highest governance body and its committees	SR	Partial information
	STAKEHOLDER ENGAGEMENT 102-40 List of stakeholder groups	SR	Detailed information
	102-41 Collective bargaining agreements	SR	Partial information
	102-42 Identifying and selecting stakeholder	SR	Partial information
	102-43 Approach to stakeholder engagement	SR	Partial information
	102-44 Key topics and concerns raised	SR	Partial information
	REPORTING PRACTICE 102-45 Entities included in the consolidated financial statements	SR	Partial information
	102-46 Defining report content and topic boundaries	SR	Partial information
	102-47 List of material topics	SR	Detailed information
	102-48 Restatements of information	SR	Partial information
	102-52 Reporting cycle	SR	Detailed information
	102-53 Contact point for questions regarding the report	SR	Detailed information
	102-54 Claims of reporting in accordance with the GRI Standards	SR	Partial information
	102-55 GRI content index	SR	Detailed information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Detailed information
	103-2 The management approach and its components	SR	Detailed information
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	SR / W	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information

GRI Standards	Disclosure	Disclosure Type	GRI Disclosure
GRI 202: MARKET PRESENCE 2016	202-2 Proportion of senior management hired from the local community	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 301: MATERIALS 2016	301-1 Materials used by weight or volume	SR	Partial information
	301-2 Recycled input materials used	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	SR	Detailed information
	302-4 Reduction of energy consumption	SR	Detailed information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 303: WATER 2018	303-1 Interactions with water as a shared resource	SR	Detailed information
	303-2 Management of water discharge-related impacts	SR	Detailed information
	303-3 Water withdrawal	SR	Detailed information
	303-4 Water discharge	SR	Detailed information
	303-5 Water consumption	SR	Detailed information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	SR	Partial information
	305-2 Indirect (Scope II) GHG emissions	SR	Partial information
	305-5 Reduction of GHG emissions	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Detailed information
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	SR	Partial information
	306-2 Management of significant waste-related impacts	SR	Detailed information
	306-3 Waste generated	SR	Detailed information
GRI 103: MANAGEMENT APPROACH 2016	103-2 The management approach and its components	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-2 The management approach and its components	SR	Detailed information
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	XX	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	XX	
	401-3 Parental leave	XX	

GRI Standards	Disclosure	Disclosure Type	GRI Disclosure
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	XX	
GRI 407: FREEDOM OF ASSOCIATION	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	XX	
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Detailed information
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	103-2 The management approach and its components	SR	Detailed information
	103-3 Evaluation of the management approach	SR	Detailed information
	403-1 Occupational health and safety management system	SR	Detailed information
	403-2 Hazard identification, risk assessment, and incident investigation	SR	Detailed information
	403-3 Occupational health services	SR	Detailed information
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR	Detailed information
	403-5 Worker training on occupational health and safety	SR	Detailed information
	403-6 Promotion of worker health	SR	Detailed information
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR	Detailed information
	403-8 Workers covered by an occupational health and safety management system	SR	Detailed information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	SR	Detailed information
	404-3 Percentage of employees receiving regular performance and career development reviews	SR	Detailed information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Detailed information
	103-2 The management approach and its components	SR	Detailed information
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	XX	
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	XX	
GRI 410: SECURITY PRACTICES 2016	410-1 Security personnel trained in human rights policies or procedures	XX	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-2 Employee training on human rights policies or procedures	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Partial information
	103-2 The management approach and its components	SR	Partial information
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments and development programs	SR	Partial information
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundaries	SR	Detailed information
	103-2 The management approach and its components	SR	Detailed information

SR: Sustainability Report
XX: Not Applicable
W: Website

UNGC COP INDEX

PRINCIPLE	Statement	GRI STANDARDS
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	413-1
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	413-1, 414-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	409-1
Principle 5	Businesses should uphold the effective abolition of child labor	408-1
Principle 6	Businesses should uphold elimination of discrimination in respect of employment and occupation.	102-8, 401-1, 404- 1, 404-3, 406-1
Principle 7	Businesses should support a precautionary approach to environmental challenges	301-1, 302-1, 303-3, 305-1, 305-2
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility	301-1, 301-2, 302-1, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-5, 306-1, 306-2, 306-3, 307-1, 308-1,
Principle 9	Businesses should encourage the development and diffusion of environmental-friendly	305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	102-16, 205-1



Artistic Milliners

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