



# Sustainability REPORT2024



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# Chapter 01

## Sustainability Report 2024

■ ■ ■ GRI 2-2, 2-3 ■ ■ ■

This Sustainability Report includes all entities of US Group except US Workwear.

US Group reports its sustainability performance annually for the period from January 1, 2024, to December 31, 2024 (Calendar Year). In contrast, Stylers International Limited reports both its financial and ESG information for the period from July 1, 2023, to June 30, 2024 (Fiscal Year), in accordance with the guidelines of the Securities and Exchange Commission of Pakistan (SECP).

For any questions about the report, please contact Mr. Abdul Jabbar Athar, Director of Projects and Sustainability, at [abduljabbar@usgroup.org](mailto:abduljabbar@usgroup.org).

Publication Date: **28th March, 2025**

# Our Story & Purpose

GRI 2-1, 2-6, 418-1



Established in 1975, US Group is a Pakistan-based organization headquartered in Lahore, operating under its legal name, AJ Holdings. The group comprises four verticals, six companies, and ten units/factories. Guided by the mission of "Doing Well by Giving Back," US Group upholds core values of integrity, care, agility, collaboration, and innovation.

Apparel Vertical	Fabrics Vertical	New Ventures Vertical
US APPAREL	USDENIMMILLS	STYLERS
	USD&F	USWORKWEAR

Each unit is aligned with our sustainability goals and collaborates to drive measurable impacts in areas such as energy efficiency, waste reduction, and community development.

There has been no significant change in our activities, value chain, or business relationship compared to the previous reporting period. Our value chain includes both local and international suppliers of raw materials for denim and non-denim fabrics, as well as apparel products.

These materials are processed in our fabric mills and garment manufacturing units, with the finished products supplied to customers across North America, South America, the United Kingdom, Europe, Africa, Asia, Australia, and New Zealand.

Our customers are the foundation of our success and our partners in excellence. We prioritize their privacy and strictly adhere to legal obligations to safeguard their property and confidentiality.

# Our Business Enablers

GRI 2-6

Our business enablers include:



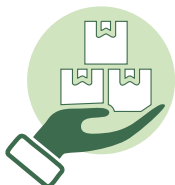
## Owners

Entrust their time and money to support and grow the business.



## Customers

Their requirements and feedback help shape the direction of the business, fostering innovation and the adoption of global best practices.



## Suppliers

Provide raw materials that meet customer demand in terms of cost, speed, and quality.



## Vendors

Introduce innovative technologies that support the vision of sustainability by enhancing production efficiency and reducing waste.



## Contractors

Assist in building infrastructure and managing waste responsibly.



## Service Providers

Audit systems and procedures to drive continuous improvement.



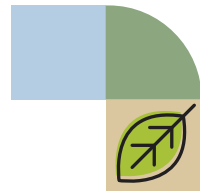
## People

(our most valuable asset)

Bring knowledge and expertise to fulfill the vision and mission, build strong relationships, and ensure business sustainability.

# Stakeholder Engagement

GRI 2-29



We engage with stakeholders through regular meetings and public consultations. These interactions enable us to gather feedback on our sustainability efforts and understand the concerns of various groups. Additionally, we organize

annual stakeholder forums to discuss key issues and gain valuable insights into our performance.

Some of the main concerns raised by stakeholders include:

## ■ ■ ■ Environmental Impact

There is an increasing demand for us to reduce our overall carbon footprint, including Scope 3 emissions, and to enhance energy efficiency.



## ■ ■ ■ Supply Chain Transparency

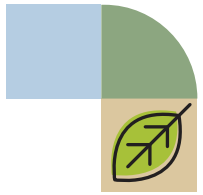
Customers have expressed a desire for greater transparency regarding the sustainability practices of our suppliers.

## ■ ■ ■ Community Development

Local communities have highlighted the need for more social responsibility programs beyond providing clean drinking water, such as repairing access roads and improving waste management (both garbage and sewage) in the regions where we operate.



# Memberships & Associations



GRI 2-28



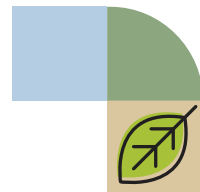
US Group is a member of the following industry associations and holds member-

ships to disclose sustainability information to:



# Sustainability Governance

GRI 2-11



US Group is governed by a Board of Directors in accordance with the Companies Act, 2017, and the Companies (Code of Corporate Governance) Regulations, 2019. The Board is responsible for overseeing major decisions and the financial health of the organization, ensuring compliance with laws and ethical standards to benefit our community and environment.

The Board appoints the Chief Executive of the Holding Company and other key positions within the governance body, focusing on qualifications that align with our strategic goals and commitment to core values that drive excellence. The Chief Executive Officer of AJ Holdings has been assigned the responsibility of managing sustainability-related risks and opportunities. As the chair of the Sustainability Steering Committee, which meets quarterly, the CEO is also responsible for reviewing and approving reported information. Additionally, a Director of Projects and Sustainability oversees sustainability topics, while a General Manager of Sustainability leads the corporate team and unit-level Sustainability Councils, which hold monthly meetings.



The Projects and Sustainability team evaluates global and customer sustainability needs, updates policies, provides advice on risks, impacts, and actions, sets targets, and monitors performance through monthly reviews. The final report is reviewed by the Director of Projects and Sustainability and the Board of Directors to ensure accuracy and transparency before publication.

# Leadership Message

GRI 2-22



As we reflect on another year of growth, we are proud to share our progress in sustainability—a core value that has been integral to our journey as a denim manufacturer. This report serves as a testament to the commitment of our leadership team, employees, partners, and suppliers in building a more sustainable future for our business and the world around us.

Our responsibility as a supplier in the denim industry extends beyond the products we create. We understand that every decision we make impacts not only the environment but also the communities we serve. For us, sustainability is not merely about reducing our environmental footprint; it is about fostering lasting positive change—from sourcing materials responsibly and ensuring ethical labor practices to conserving natural resources, optimizing production efficiency, and minimizing waste at every stage of our operations. Our goal is to contribute to building a circular economy.

The path to sustainability is ongoing, and we recognize that there is always more to be done. Our team remains fully committed to pushing the boundaries of what is possible in the pursuit of environmental stewardship, social responsibility, and innovation.

With your continued support, we are confident in our ability to lead the industry toward a more sustainable and responsible future.



**Jehanzeb Khan**  
CEO AJ Holdings



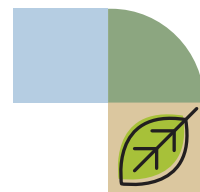
**Hafiz Mustanser Ahmad**  
CEO Apparel Vertical &  
New Ventures Vertical



**Irfan Nazir Ahmad**  
CEO Fabrics Vertical



**Abdul Jabbar Athar**  
Director Projects  
& Sustainability



# Chapter 02

## Ability to Sustain

GRI 2-23



### ■ ■ ■ Policy

The organization's sustainability policy is a commitment to environmental stewardship, social responsibility, and economic sustainability, supported by a strong governance structure. It is not optional; it is an obligation.

[To read more about the policy, click on the link.](#)

### ■ ■ ■ Strategy

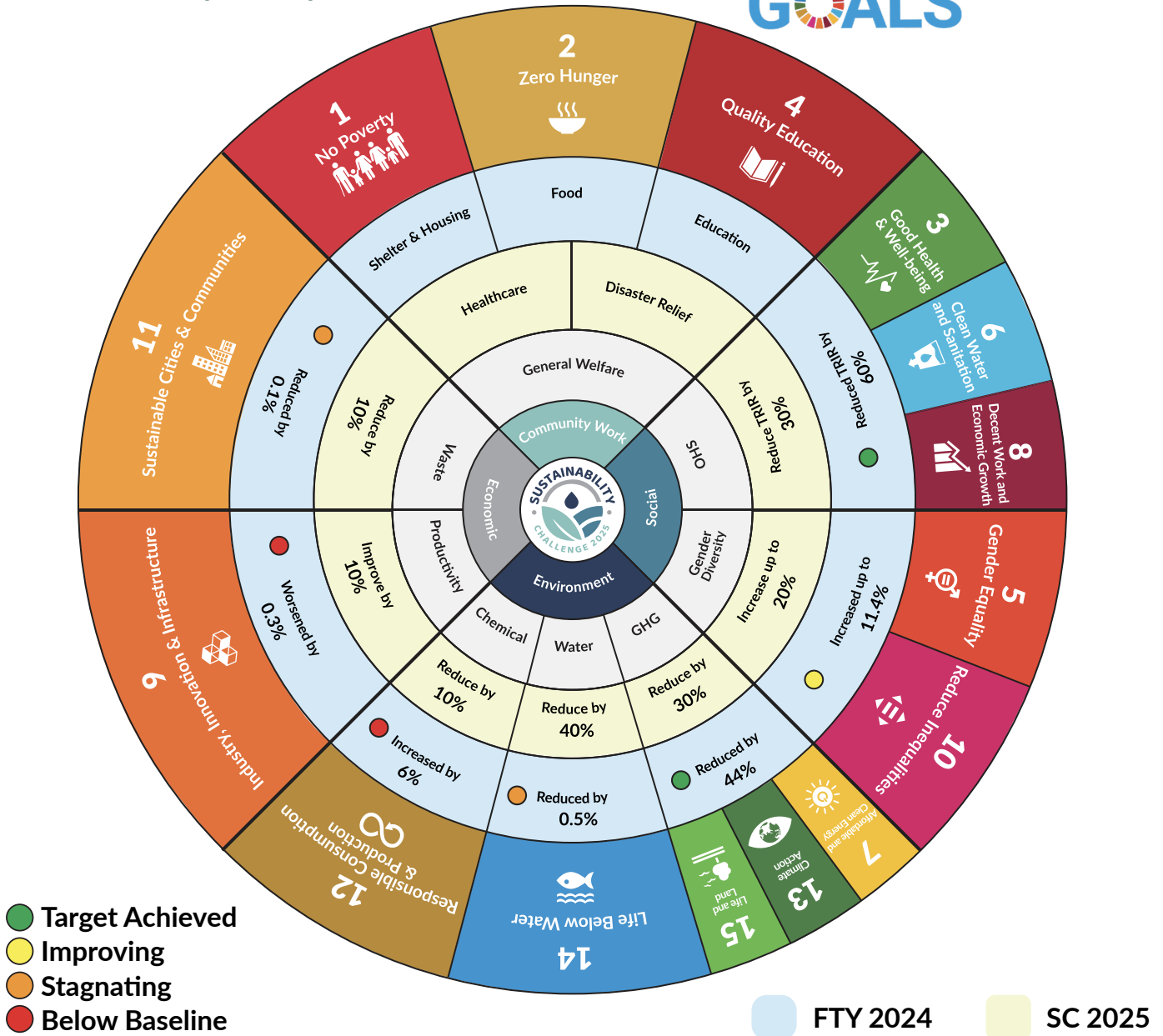
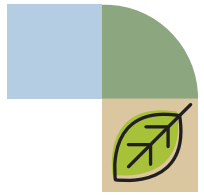
The business strategy integrates sustainability by embedding it into daily operations. A holistic approach guides actions towards achieving a thriving triple bottom line. Progress is measured across seven (7) areas with forty (40) key performance indicators (KPIs).

### ■ ■ ■ Sustainability Challenge 2025

The Sustainability Challenge 2025 is more rigorous than its predecessor, focusing on both processes and resources to enhance progress in key areas, including health, safety, and well-being, greenhouse gas (GHG) emissions, energy, water, chemicals and waste reduction, as well as materials and technology innovation.



## Alignment with the United Nations Sustainable Development Goals (SDGs)



As a manufacturing-based organization, we recognize the importance of aligning our business and operational strategies with global best practices and the internationally recognized sustainability goals set by the United Nations. Our Sustainability Challenge 2025, along with its defined areas, performance indicators, and programs, ensures that our efforts contribute to the most relevant UN SDGs, enabling us to play an active role at the national level.

# Topics of Material Importance

GRI 3-2



As part of our commitment to identifying the most relevant sustainability topics, we conducted a materiality assessment in collaboration with key stakeholders. This assessment enabled us to prioritize the issues that matter most to both our business and stakeholders. The following topics were identified as material to our business:

- VH** Economic Performance
- VH** Anti-Corruption
- VH** Energy
- VH** Emissions
- VH** Occupational Health and Safety
- VH** Human Rights and Compliance with Laws

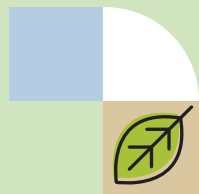
- H** Sustainable Materials
- H** Water and Effluent
- H** Waste and Circular Economy
- H** Employment, Training, and Development
- M** Gender Diversity
- M** Supplier Assessment
- M** Biodiversity
- M** Local Communities
- M** Procurement Practices

These topics represent the core of our sustainability strategy, and we are committed to addressing them through targeted actions and measurable goals.

**\*Level of Importance: VH – Very high, H – High, M – Moderate**

# Chapter 03

## Economic



US Group recognizes the importance of enhancing productivity to achieve higher yields with fewer resources, thereby reducing production costs, ensuring competitive pricing, and maintaining quality and timely deliveries. This approach aligns with its core values of “innovation” and “agility.”

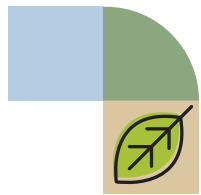
To sustain this, the organization fosters a culture of training, skill development, and continuous improvement, combined with the adoption of advanced technologies, monitoring equipment, and strategies to enhance worker effectiveness. This enables US Group to identify and target improvements in equipment availability as well as in worker and process performance.

In its waste management strategy, circularity plays a pivotal role. Shifting from mere accounting and reduction to reuse and recycling, the company continuously explores options to divert waste from landfills, upcycle materials, and eliminate waste through design. This effort is carried out in collaboration with its business partners and involves the increasing use of sustainable cotton, recycled fibers, and eco-friendly accessories and packaging materials.



# Economic Performance

GRI 301-2, 306-3, 306-4, 404-1



## ■ ■ ■ Productivity

US Group experienced increased production in 2024. The Fabrics Vertical produced 16% more fabric (in meters), while the Apparel Vertical and New Ventures Vertical produced 6% more garments compared to the baseline year of 2022. Overall production increased by 15% by weight (kg), accompanied by a 19% increase in total manpower. However, this resulted in a 0.3% decrease in productivity, with each employee contributing 96.5 minutes per kilogram of production.

## ■ ■ ■ Training Man-hours

Total training hours increased by 42%, with each employee spending an additional 4.5 hours on training compared to the previous year. This reflects the company's commitment to and focus on employee development.

## ■ ■ ■ Multiskilled Employees

Cross-functional teams have been instrumental in ensuring flexibility in production and meeting targets. The organization emphasizes building human capacities and providing multi-skill training. As a result, the proportion of multi-skilled employees increased by 10% compared to the baseline year of 2022.

## ■ ■ ■ Normalised Waste Generated

Waste management remains a significant challenge, requiring collaboration with customers and suppliers to implement strategies for diversion, upcycling, and waste elimination at the design stage. In 2024, the organization successfully controlled waste generation, maintaining it at 688 grams per kilogram of production—the same level as the baseline year of 2022.

## ■ ■ ■ Absolute Waste Reduced

The quantity of waste reused increased by 22% in 2024 compared to the baseline year of 2022, bringing the total to 2.4 million kilograms.

## ■ ■ ■ Absolute Waste Recycled

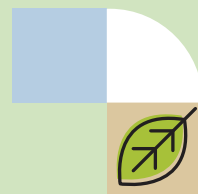
The amount of waste recycled increased by 7% in 2024 compared to the baseline year of 2022, reaching a total of 9.8 million kilograms.

## ■ ■ ■ Sustainable Raw Material Consumption

The consumption of sustainable raw materials increased by approximately 4%, raising the proportion to 92.6% in comparison with Baseline 2022. However, this reflects a negative trend compared to the previous year's performance of 93.2%, highlighting the need for a robust procurement strategy to drive continuous improvement.

# Chapter 04

## Environment



US Group recognizes the importance of enhancing productivity to achieve higher yields with fewer resources. This approach helps lower production costs, ensure competitive pricing, maintain quality, and guarantee timely deliveries—aligning with our core values of innovation and agility.

We uphold this commitment by fostering a culture of training, skill enhancement, and continuous improvement, combined with the adoption of advanced technologies and monitoring equipment. This enables us to assess equipment availability and optimize worker and process performance effectively.

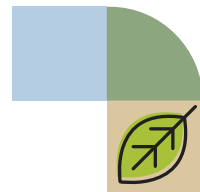
In our chemical management strategy, we ensure compliance with ZDHC MRSL standards for inventory, along with proper storage and handling in line with industry best practices. Our robust secondary containment systems, coupled with ongoing training and development for our workforce, have successfully prevented incidents of spills and minimized the risk of accidents.

In our waste management strategy, circularity is fundamental. We are shifting our focus from merely accounting and reducing waste to reusing and recycling. This involves exploring options for diverting waste from landfills, upcycling, and eliminating waste at the design stage. We collaborate with our business partners to adopt increasingly sustainable materials, including cotton, recycled fibers, accessories, and packaging.



# Environmental Performance

GRI 302-1, 305



## Absolute GHG Emissions

US Group managed to mitigate the negative impact of its GHG emissions by transitioning to biomass fuels for its boilers used in steam generation. As a result, the organization's absolute GHG emissions were reduced by 44%, dropping to 63,700 tons compared to the baseline of 114,000 tons in 2022. However, an additional 64,500 tons of biogenic emissions were released from operations in 2024.

## Emissions Productivity

The measure of revenue (\$) generated per kilogram of GHG emissions (both fossil and biogenic) decreased from \$3.87 in 2022 to \$3.38 in 2024. This decline was primarily due to the increased consumption of biomass fuels, which, despite being renewable, have a lower energy content and require greater quantities compared to fossil fuels.

## Total Energy Consumption

Total energy consumption rose from 426 GWh (2022) to 447 GWh, reflecting an increase of 5% in 2024. However, energy intensity improved, decreasing from 9.21 to 8.38 kilowatt-hours equivalent per kilogram of production, indicating a 9% enhancement.

## Renewable Energy

Renewable energy usage increased by 40%, with renewable electricity accounting for 2% and the remaining 38% attributed to steam generated from biomass fuels.

## Total Electricity

Electricity consumption increased by 15% compared to the 2022 baseline. The share of renewable electricity increased by 3%, now making up 11.4% of the total electricity mix. Meanwhile, the intensity remained unchanged at 1.57 kilowatt-hours per kilogram of production.

## Total Steam

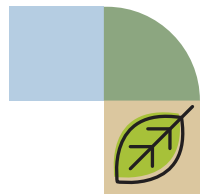
Steam consumption rose by 5% compared to the 2022 baseline. Renewable steam from biomass fuels increased by 63%, now accounting for 66% of the total steam used, compared to the 2022 baseline. Additionally, steam intensity decreased by 9% to 6.35 kilograms per kilogram of production.

## Total Compressed Air

Compressed air consumption increased by 15% compared to the 2022 baseline, while the intensity remained unchanged at 3.47 cubic meters per kilogram of production.

# Environmental Performance

GRI 303



## ■ ■ ■ Absolute Water Reduction

The US Group recognizes the critical importance of water in the region and the need to alleviate the pressure on this highly stressed area. This is being achieved through the implementation of reduction strategies, including recipe optimization, conservation measures, and the practices of reutilization, recycling, and reuse. In 2024, a 15% increase in production by weight was accomplished with 0.5% less water extraction, totaling 3,711 million liters, compared to the baseline in 2022.

## ■ ■ ■ Water Reused

In 2024, the amount of water reused after consumption in processes increased by 0.5% compared to the 2022 baseline. However, this was lower than the previous year, highlighting the challenges associated with this measure prior to recycling.

## ■ ■ ■ Water Recycled

In 2024, our denim mill and two of our apparel units began transitioning to recycling their process wastewater. This led to an 8% increase in the utilization of recycled water, compared to a baseline of nearly 0%, resulting in 229 million liters being reused in dyeing and washing processes.

## ■ ■ ■ Rainwater Harvested & Recharged

Rainwater is another valuable source that we responsibly collect from our rooftops and store in underground tanks for irrigation of our grasslands and flower beds, instead of using fresh groundwater. The excess rainwater is recharged into the ground through specialized wells within our premises. In 2024, approximately 3 million liters of rainwater were harvested, and an additional 36.5 million liters were recharged through wells.

## ■ ■ ■ Chemical Consumption

Chemicals remain, without a doubt, the most challenging area to manage after waste. Balancing customer requirements while simultaneously reducing consumption is a constant struggle, and this year was no exception. Our negative performance increased from a 3% rise last year to a 6% rise compared to the 2022 baseline, ending the year at 674 grams per kilogram of production.

## ■ ■ ■ Chemical Compliance

We are proud to maintain 100% compliance in sourcing and consuming chemicals responsibly, in accordance with ZDHC-MRSL guidelines, over which we have complete control.

# Chapter 05

## Social

US Group firmly regards its workforce as its most valuable asset and is committed to upholding diversity, equity, inclusion, and belonging (DEIB), along with providing a safe and healthy working environment. These principles align with the organization's core values of "integrity" and "care."

The hiring process is conducted fairly and transparently, based on relevant skills, experience, education, and suitability for the position, while also ensuring a strong cultural fit and alignment with the organization's core values and DEIB principles.

All employees receive comprehensive benefits, including life insurance, health-care, disability coverage, long-term benefits, and maternity and parental leave for eligible staff. Additionally, all employees are registered with EOBI, and eligible ones are enrolled with PESSI, with regular contributions made by the organization.

In-house first-aid and ambulance facilities are available across all departments, while external medical services are accessible through the organization's health insurance program. Employees and their families can also avail free medical services at Indus Hospital through the organization's CSR Wing when needed.

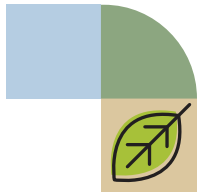
Safety is ensured through an Occupational Health and Safety Management System that not only complies with legal requirements but also goes beyond them to build trust and promote employee welfare. Capacity building is a key focus area, emphasizing awareness of fundamental life-saving techniques, firefighting skills, near-miss reporting, and total recordable incident rate reporting.



Training and development form the foundation of the organization's success in delivering quality swiftly, recognizing that a skilled and motivated workforce is essential for driving innovation, enhancing efficiency, and exceeding customer expectations.

# Social Performance

GRI 403-9, 405-1



## Gender Diversity

At the end of 2024, our total workforce consisted of 24,701 employees, representing an increase of more than 19% compared to the previous two years. However, the female workforce grew by only about 2%, making up 11.4% of our total workforce. The primary reason for this slow progress is retention. This indicator suggests the need for a strategic shift to achieve the target of 20% female representation by the end of 2025.

## Diversity In Tiers/Functions

Gender diversity in management functions has remained steady at approximately 5%. Meanwhile, gender diversity in non-management functions has increased to 12.3%, compared to the baseline of 10.3% in 2022.

## Total Recordable Injury Rate (TRIR)

There has been a significant year-on-year decrease in total recordable injuries, with 2024 closing at a rate of 0.55. This represents a 60% improvement in performance compared to our baseline of 1.37 in 2022.

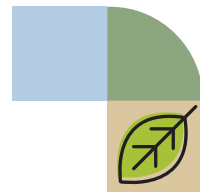
## Lost Time Injury Rate (LTIR)

Lost time injuries doubled to 8 in 2024, compared to 4 in the previous year, raising our rate to 0.26. This increase has negatively impacted our positive performance, which now stands at 54% in comparison to our baseline of 0.56 in 2022.

## Near Misses

Reported near-miss incidents have decreased by 50%. However, this contradicts the number of first-aid cases reported, which have risen by 75%, reaching 1,477 from a baseline of 843 in 2022. This trend indicates that the effectiveness of the incident reporting system for near misses on the shop floor needs further examination to enhance work safety procedures and shift the focus to leading indicators.

# Harnessing Data Analytics



At US Group, data monitoring and reporting are integral to our commitment to transparency and efficiency. Through real-time monitoring and predictive analytics, we strive to optimize resource usage, enhance performance, and anticipate risks. Our integrated data systems ensure accuracy and accessibility, enabling informed decision-making at all levels.

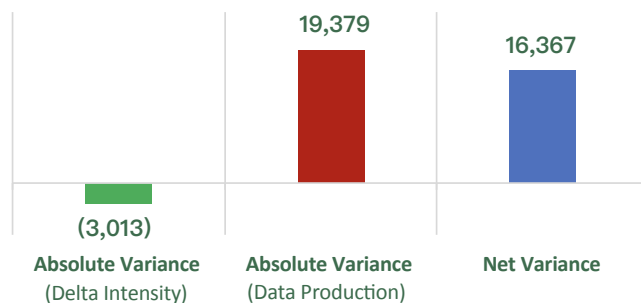
Our Unique Value Proposition (UVP) lies in the continuous refinement of our analytics capabilities, which strengthens long-term sustainability. By analyzing correlations between key data points—such as resource consumption and production efficiency—we can identify opportunities to optimize processes and minimize waste.

To promote sustainability, we conduct 'Sustainable Optimization' analyses that help manage resources efficiently, reduce consumption, maximize productivity, and support a circular economy. Additionally, variance analysis enables us to detect trends or issues that require attention, such as resource overuse, irregular emissions, or inefficiencies in areas like energy, waste, and chemicals.

■ **Absolute Variance (Change in Intensity):** This measures how much resource consumption would have changed if only the intensity impacted, while keeping production levels constant.

■ **Absolute Variance (Change in Intensity):** This measures how much resource consumption would have changed if only the intensity impacted, while keeping production levels constant.

## Electricity Variance (MWh)



■ **Absolute Variance (Change in Production):** This shows how much resource consumption would have changed due to a change in production output, assuming the intensity remained the same.

■ **Net Variance:** This combines both factors—the net effect of both changes, i.e., intensity and production. Even though operational efficiency improved, the organization's absolute electricity increased due to business growth. This type of breakdown helps explain why electricity may rise despite sustainability efforts.

# Chapter 06

## Consistent Reporting

GRI 2-3

Over the past five years, our structured and consistent reporting has aligned with global standards (GRI), reinforcing our commitment to transparency and accountability. Sustainability reporting offers stakeholders a clear view of our progress, challenges, and areas for improvement.

We adhere to a multi-tiered reporting schedule, which includes:

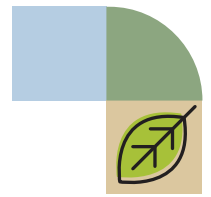
- **Annual reports** for a comprehensive overview.
- **Quarterly updates** to track key performance indicators.
- **Monthly reviews** during “Performance Review Meetings” to monitor progress.
- **Additional reports** as needed to meet organizational and stakeholder expectations.

By integrating data-driven insights with structured reporting, we enhance our sustainability strategy, ensuring long-term value creation for both our business and our stakeholders to reduce consumption, maximize productivity, and support a circular economy.



# Chapter 07

## Sustainability in Action



### ■ ■ ■ Apparel Vertical

01

The CEO of the Apparel Vertical shared insights on how US Group is making a significant impact in the fashion industry through an article in **Sourcing Journal**, a leading B2B resource for executives in the apparel, textile, home, and footwear industries.

02

The UK/EU Business Unit inaugurated the **Little Learners Day-care**, demonstrating US Group's commitment to providing exceptional childcare and support to its employees and the community.

03

Stylers International Limited installed a **Rainwater Harvesting System** to efficiently collect and store rainwater for sustainable use in irrigating green areas.

04

The Workwear Unit **partnered with Lahore City College** to provide free education to workers through the **Punjab Workers Welfare Board (PWVB)**.

### ■ ■ ■ US Group

01

#### **On-site Health Clinics:**

Offering mental health support, physiotherapy, and hygiene assessments.

02

#### **Medical Camps:**

Organizing blood donation drives in collaboration with Shaukat Khanum Memorial Cancer Hospital & Research Centre (SKMCH&RC), Sundas Foundation, and Fatimid Foundation.

03

#### **General Health Check-ups:**

Conducting vital assessments such as blood pressure checks, spirometry, and audiometry for workers, and addressing health concerns like diabetes, hypertension, hepatitis, and liver and kidney diseases.

04

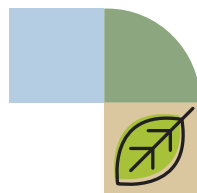
#### **Breast Cancer Awareness:**

Actively participating in raising awareness about breast cancer and empowering female employees with knowledge about the early signs and symptoms.

05

#### **Community Welfare:**

Organizing community welfare sessions, providing food bags, and offering free medical check-ups to local community members.



## ■ ■ ■ Fabrics Vertical

01

The **Regenagri** Audit, conducted by **Control Union** on January 23rd–24th, marked a significant step forward in enhancing the traceability of raw materials' lifecycle, starting from the farm level for US Denim Mills.

02

In August, US Denim Mills unveiled a groundbreaking **Wastewater Recycling Plant (WWRP)** designed to reduce its environmental footprint and support progress towards Zero Liquid Discharge (ZLD).

03

As part of US Group's sustainability efforts, US Denim Mills successfully inaugurated the **Miyawaki Green Forest**. This initiative represents a major stride towards creating a greener environment at US Denim Mills.

04

The rope-dyeing department, in **collaboration with Representa Switzerland**, developed a pilot machine to recover indigo from wastewater and recycle the treated water. The technology has been successfully tested on a small scale, with plans to expand it for commercial production.

05

An **article on the Roots Collection** by US Denim Mills was featured on **Long John**. Additionally, its premium denim products have been showcased in **Inside Denim** magazine and at the **Future Fits Forum**—supported by **Creora by Hyosung TNC**—during the **Kingpins Show** New York 2024.

06

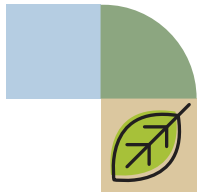
US Denim Mills **secured 3rd place** globally with an impressive score of **94+ in Kontoor's 2024 Global Supplier Scorecard**. This achievement highlights the dedication and teamwork of the mill's team in their ongoing commitment to excellence.

Moreover, US Denim Mills successfully developed a new sustainable line of denim using natural indigo sourced from AMA, applying low-impact, waterless dyeing techniques. The company is further extending its development efforts by promoting the indigenous growth of the Indigofera plant in Pakistan, in collaboration with WWF (Pakistan Chapter). This initiative aims to support the local economy, empower farming communities, and ensure a reliable and sustainable supply of natural indigo for US Denim Mills.

# Chapter 08

## Financial Impact of Sustainability

GRI 201-2



### Renewable Electricity

In 2024, our combined solar capacity of 8.6 MW, installed across seven factories, generated approximately 9.54 MWh of renewable electricity. This initiative led to cost savings of about USD 1.13 million, which would have otherwise been spent on self-generation using fossil fuels—such as natural gas, heavy furnace oil, or diesel—or purchasing electricity from the National Grid.

### Renewable Steam

Our biomass boilers, installed across seven factories with a combined capacity of 74 tons per hour, generated steam using agricultural residues, including corn cobs, rice husks, and mustard and sesame stalks. This system produced approximately 222,389 tons of process steam, meeting 66% of our total steam requirements. As a result, we achieved cost savings of about USD 3.42 million, which would have otherwise been spent on natural gas, liquefied petroleum gas, or heavy furnace oil.

### Waste Heat Recovery

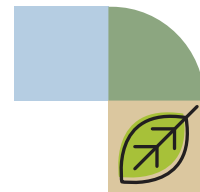
Compared to the previous year, we successfully extracted 0.2% more steam from the waste heat recovery boilers installed on our power generators, resulting in cost savings of approximately USD 0.41 million.

### Rainwater Harvesting & Recharge

This year, we experienced significantly fewer rain spells, resulting in the harvesting of only 2,971 m<sup>3</sup> of rainwater, which met just 3% of our total water needs for irrigating grasslands and flower beds. Additionally, about 36,518 m<sup>3</sup> of rainwater was contributed to recharging local groundwater and supporting community water availability. Both measures, however, are a testament to our continued commitment to sustainable denim production and water stewardship.

# Chapter 09

## Operational Sustainability



aimed to create uniformity in production processes, reduce variations in efficiency, and enable objective comparisons. As a result, we proposed an Efficiency Standardization Plan to the management.

### Standardization of Kaizen Submission & Assessment

To enhance continuous improvement efforts, we developed a Standard Operating Procedure (SOP) for Kaizen Submission and Assessment. This standardization ensures that all units follow a consistent approach for submitting and evaluating improvement ideas, aligning them with the organization's goals. The process promotes transparency, accountability, and sustainability in achieving operational excellence.

### Monitoring, Controlling, & Reporting OEE

Overall Equipment Effectiveness (OEE) is a critical metric for assessing efficiency and productivity across US Group operations. After a year of extensive shop-floor work, we established baseline measurements for Availability, Performance, and Quality using both international IoT devices and manual methods. To ensure consistency across all units, we developed a structured procedure for monitoring, controlling, and reporting OEE. This approach guarantees accurate data analysis, preventing poor decision-making based on inconsistent reporting.



### Efficiency Standardization

We launched a group-wide initiative to standardize efficiency calculations and terminology across all units. This effort

# Chapter 10

## Capacity Building



### FactBird—Manufacturing Intelligence Software

As part of US Group's commitment to innovation, we partnered with FactBird to optimize our washing department. Through a series of trials, we identified key inefficiencies—primarily waiting times during loading/unloading, chemical insertion, and shade matching—that were causing unplanned downtimes.

FactBird's real-time production monitoring system, designed to enhance Overall Equipment Effectiveness (OEE) through data visualization, enabled us to track and address these issues effectively. This transformation has made our manufacturing process more efficient and data-driven. Additionally, the system's automated escalation process ensures the quick resolution of issues and helps managers take immediate corrective actions.

### Kaizen Conference

We celebrated employee contributions to continuous improvement, fostering a culture of innovation, teamwork, and operational excellence. Beyond the awards, the event reinforced our commitment to ongoing improvement and motivated employees to continue innovating and solving problems for the long-term success of the organization.

### Operational Excellence (OPEX) Training

A comprehensive Operational Excellence (OPEX) training was conducted to equip our management with the tools and methodologies needed to enhance productivity and efficiency. This training focused on identifying the 6 Big Losses and their mitigation strategies, providing participants with the mindset and skills required to implement Operational Excellence tools at the shop floor level.

# Chapter 11

## Amplifying Impact

### Research & Development

Our R&D and product development teams successfully produced approximately 22 collections, each with a conscious focus on sustainable materials, water conservation, waste reduction, circular design, sustainable techniques, durability, and performance. The most notable collections are listed below, which you can explore on our social media pages by scanning the QR codes given below:

- Sativa ReJean
- Most Sustainable Product (MSP)
- Zero-waste Garments
- Roots
- Waterless Collection
- Green Jeans Project
- Zen
- Luxe Denim
- Eco-Naia Renew
- Eco-Aura
- Eco-Revive
- Eco-Noir



### Tradeshows & Exhibitions

All of our Business Units actively participated in international exhibitions such as Kingpins New York, Kingpins Amsterdam, Premiere Vision Paris, Textextil Frankfurt, SICUR Exhibition Madrid, Munich Fabric Start, DenimsandJeans Show, and Viatt Exhibition. These platforms allowed us to showcase our collections that celebrate style and fashion, network and build relationships, collaborate on research and development, and promote sustainability and innovations. Additionally, these events provided valuable insights into consumer preferences and market trends.

Moreover, our Fabric Business Units attended Mills Week hosted by Kontoor Brands, H&M, and JCPenney to strengthen partnerships on sustainable practices. These engagements focused on supply chain optimization and cost efficiency and provided opportunities for learning and knowledge sharing.

### Customer Visits

The year 2024 was significant for US Group, with 18 customers visiting our facilities. These visits enabled in-depth discussions about our sustainability programs, achievements, challenges, and action plans. We also explored potential opportunities for future collaboration in research and development, production process optimization, and innovation.

# Chapter 12

## Local Impact

GRI 203-1, 203-2

### Naimat Saleem Trust (NST)

Established in 1998, Naimat Saleem Trust (NST) has served as the Corporate Social Responsibility (CSR) arm of the US Group for over 27 years. NST is dedicated to improving the lives of individuals across Pakistan by providing essential social services. With the ongoing support of the US Group and its trustees, NST remains committed to making a positive impact on communities while aligning its efforts with the United Nations Sustainable Development Goals (SDGs) 1, 2, 3, 4, and 11.

In 2024, NST allocated a total of **PKR**

# 1.67

Billion

to key programs, including General Welfare, Healthcare, Education, Food, and Shelter & Housing.



### General Welfare

A total of **PKR 338 million** was allocated to general welfare initiatives, including Ramadan packages, and support for living, education, health, and marriage. Of this amount, **PKR 227 million** was dedicated to improving the lives of **1,029 individuals** across Punjab, while the remaining funds were used for miscellaneous expenses, including support for 6 mosques in Lahore, Punjab.



### Healthcare

NST contributed **PKR 782 million** to the healthcare sector, which included:

- PKR 160 million** for the treatment of **724,000** patients across 11 hospitals.

- PKR 622 million** for the construction of Indus Hospital, Lahore.



### Education

A total of **PKR 135 million** was spent on education, which included:

- PKR 130 million** to support the education of **142,185** students.

- PKR 5 million** for the development of the Quranic Covenant & Research Center in Lahore.



### Food

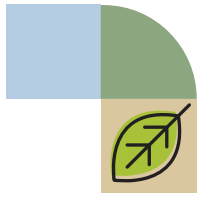
NST provided **PKR 375 million** to serve approximately **2 million meals** across Pakistan, in addition to distributing around **5,000 Ramadan packages** and **800** ration bags.



### Shelter & Housing

A total of **PKR 38 million** was allocated for the construction, addition, renovation, and maintenance of housing for approximately **418 individuals** across Punjab.

# Sustainability Challenges



## ■ ■ ■ Upstream

- Engaging both foreign and local suppliers in the Science-Based Targets Initiative (SBTi) to align with global climate goals.
- Conducting onsite assessments for local suppliers and virtual assessments for foreign suppliers to ensure compliance with both social and environmental standards.
- Collaborating with academic institutions and domain experts to drive sustainability initiatives and projects.
- Ensuring traceability of process materials at the Cradle-to-Gate level to enhance transparency and sustainability in the supply chain.

## ■ ■ ■ Facility

- Utilizing cutting-edge technologies to advance sustainability efforts across operations.
- Incorporating green chemistry practices to minimize environmental impact in manufacturing processes.

- Exploring alternative materials for pumice stone to reduce landfill waste.
- Promoting skill development and expertise in sustainability within the organization.
- Ensuring the traceability and acceptability of LESCO renewable energy in operations.
- Strengthening the supply chain for biomass fuels to ensure consistent and sustainable sourcing.

## ■ ■ ■ Downstream

- Waste Recycling: Identifying and partnering with waste recycling companies to optimize waste management processes.
- Implementing traceability of both process and non-process waste from Gate-to-Gate to monitor waste flows and recycling efforts.
- Exploring options for converting hazardous waste into energy to minimize landfill usage.
- Shifting from traditional waste management practices by decoupling sale proceeds from waste management, focusing instead on sustainability.

Chapter 13

GRI

Content Index



GRI 2-4

For comprehensive information on all disclosures, please scan or click the QR code to learn more about each requirement with reference to disclosures:

- Within this short-form.
- Addressed in Annexures (QR Code).
- That have been omitted along with reasons and explanations.



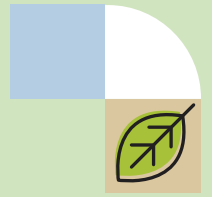
GRI Content Index



Annexures

Restatements of Information

Category	Previous Data	Restated Data	Period Affected	Reason for Restatement	Impact
Scope 1 Emissions (KG-CO <sub>2</sub> e)	89,356,859	93,684,569	FTY2022	Error in Emission Factors of Refrigerants	GHG emissions are ~5% higher compared to the level of emissions previously reported for the said year
	63,000,042	67,605,764	FTY2023	Error in Emission Factors of Refrigerants	GHG emissions are ~7% higher compared to the level of emissions previously reported for the said year



Scan to give your feedback



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