Arkay Knit Dyeing Mills Ltd.

SUSTAINABILITY REPORT 2024

Palmal Group

TABLE OF CONTENTS

Introduction	
Top Management Messages	III - VII
About The Report	02
Stakeholder Engagement	13
Materiality Assessment	15

OUR PILLARS

17 Governance

31 Environment

64 Social

APPENDIX

91 Abbreviation

92 GRI Content Index

Message from the Director

Dear Stakeholders,

Sustainability is increasingly shaping the future of the manufacturing industry, and at Arkay Knit Dyeing Mills Ltd., we believe that responsible growth must be built on strong operational practices, environmental responsibility, and continuous improvement.

As part of our Central Management, we are committed to ensuring that sustainability is embedded into our business decisions, operational priorities, and long-term planning. Our focus extends beyond compliance to improving resource efficiency, reducing environmental impacts, strengthening responsible production practices, and creating lasting value for our stakeholders.

We recognize that a sustainable manufacturing operation requires disciplined management and collective ownership. From efficient use of water and energy to responsible chemical management, waste reduction, environmental protection, and workplace well-being, every improvement contributes to a stronger and more resilient organization.

We are also committed to leveraging technology, innovation, and data-driven management to identify opportunities for improvement and to translate our sustainability ambitions into measurable outcomes.

At the same time, we value transparency and accountability in communicating both our progress and the areas where further action is required.

Looking forward, Arkay will continue to strengthen its sustainability performance while supporting the broader transition toward a more resource-efficient, responsible, and competitive textile industry. With the continued dedication of our people and the collaboration of our stakeholders, we are confident that we can create meaningful economic, environmental, and social value for the future.

Warm regards,
Mr. Adnan Imtiaz Majid
Director (Central Management)
Palmal Group of Industries.

Message from the Director (Admin & Surveillance)

Dear Stakeholders,

At Arkay Knit Dyeing Mills Ltd., we understand that sustainability is closely connected with how responsibly we manage energy, safety, resources, and our environmental footprint. Our approach is therefore focused on building an operation that is not only productive and efficient, but also safe, resilient, and environmentally responsible.

I believe that reliable infrastructure, energy efficiency, fire and life safety, and environmental responsibility must work together. We continuously strive to improve the efficiency and reliability of our electrical systems, optimize energy consumption, strengthen fire prevention and emergency preparedness, and support initiatives that reduce our environmental impact.

Energy management remains an important part of our sustainability journey. Through improved operational practices, energy-efficient technologies, monitoring, and greater integration of renewable energy, we are working to reduce energy intensity and associated greenhouse gas emissions while maintaining reliable production.

At the same time, we recognize that sustainability cannot be separated from safety.

A strong safety culture, robust fire protection systems, regular preparedness activities, and effective risk management are fundamental to protecting our people, facilities, and business continuity. We are committed to continuously strengthening these systems through preventive measures, training, awareness, and continuous improvement.

Our sustainability journey is a process of learning and improvement. We will continue to use technology, data, innovation, and collaboration to identify opportunities for better energy performance, stronger safety systems, and reduced environmental impact.

Looking ahead, our commitment is clear: to help make Arkay a safer, more energy-efficient, environmentally responsible, and resilient manufacturing facility, while contributing to the broader sustainability goals of the textile and apparel industry.

Warm regards,
Lt. Col. Abdun Nayeem (Retd.)
Director (Admin & Surveillance)
Palmal Group of Industries

Message from Resident Director

Dear Stakeholders,

At Arkay Knit Dyeing Mills Ltd., we believe that sustainability begins with responsible management of our operations and the people, resources, and communities connected to them.

Our sustainability commitment is reflected in the way we manage our day-to-day operations. We continuously work to improve operational efficiency, optimize the use of energy, water, and other resources, minimize waste, maintain a safe and secure workplace, and ensure compliance with applicable requirements and standards.

People remain at the heart of our operations. We are committed to maintaining a workplace where safety, discipline, dignity, security, and mutual respect are valued. Strong administration and effective security systems provide the foundation for business continuity, while efficient operational management enables us to deliver responsibly and consistently to our customers.

We also recognize that sustainability requires collective responsibility. Every department, every employee, and every operational decision has a role to play in improving our environmental and social performance.

By strengthening coordination among our teams and fostering a culture of accountability and continuous improvement, we aim to make sustainability an integral part of our operational culture.

As we move forward, Arkay will continue to strengthen its operational excellence while advancing its environmental, social, and governance priorities. Our objective is not only to operate responsibly today, but to build a safer, more efficient, resilient, and sustainable manufacturing facility for the future.

Warm regards,
Mahboob Alam
Resident Director
Arkay Knit Dyeing Mills Ltd.

Message from the Head Of HR, Admin, Compliance & Operations

Dear Stakeholders,

It is with real pride that I present Arkay Knit Dyeing Mills Ltd.'s inaugural Sustainability Report — a milestone that marks our shift from good intentions to measurable action.

As a proud sister concern of Palmal Group, Arkay carries forward a legacy rooted in integrity and operational discipline. My role sits at the intersection of that legacy and our people — making sure the systems we build on paper actually hold up on the floor, every single day.

In line with Bangladesh's national development goals, we have developed a Seven-Year Sustainability Strategy (2024–2030) that turns our ambitions into tangible outcomes — from IoT-based energy monitoring and LED modernization to a 1 MWh solar plant and a waste heat recovery system.

These are not just technical upgrades. They represent our belief that responsible business is the only business that lasts — and that belief only means something if the people running these systems believe it too.

At Arkay, our people remain central to that belief. Their commitment and willingness to adapt are what actually make our sustainability targets achievable, not just aspirational. We continue building a workplace that takes safety, inclusion, and fair treatment seriously — not as policy, but as daily practice.Together, we are building not just higher-quality fabric, but a cleaner, more accountable future for this industry.

Warm regards,
Sahriar Mahmood
Head Of HR, Admin, Compliance & Operations.
Arkay Knit Dyeing Mills Ltd.

Message from the Head of Environmental Sustainability

Dear Stakeholders,

At Arkay Knit Dyeing Mills Ltd., we recognize that environmental sustainability is not simply a compliance obligation—it is a fundamental part of responsible manufacturing and long-term business resilience. Our sustainability journey is driven by the belief that environmental responsibility, operational excellence, and business performance can progress together.

As Head of Environmental Sustainability, my focus is to strengthen our environmental performance through a systematic and measurable approach. We are committed to responsible water and chemical management, energy efficiency, waste minimization, resource conservation, pollution prevention, and continuous improvement.

Our ambition goes beyond reducing environmental impacts—we seek to create greater value from the resources we use by improving efficiency, reducing losses, and promoting circularity. Data, technology, monitoring, and collaboration are increasingly important in helping us identify meaningful opportunities for improvement.

We also recognize that environmental sustainability is a collective responsibility, requiring engagement across every function and individual, as well as collaboration with our customers, suppliers, and technology partners.

By building greater awareness and ownership, we can translate our commitments into everyday operational practices.

This report marks an important step in communicating our environmental journey with greater transparency—highlighting our progress, ongoing initiatives, and the areas where we recognize the need to do more.

Looking ahead, our vision is to make Arkay Knit Dyeing Mills Ltd. a more resource-efficient, low-impact, resilient, and environmentally responsible manufacturing facility, contributing meaningfully to the sustainable transformation of the textile and apparel industry.

Warm regards,
Engr. Md. Saiful Islam
Head of Environmental Sustainability
Palmal Group of Industries.

About The Report

Arkay Knit Dyeing Mills Ltd. (hereinafter referred to as "Arkay") is proud to present its inaugural Sustainability Report: 2025, prepared in alignment with the GRI Standards (2021). This marks a significant milestone in our journey toward transparency, accountability, and sustainable value creation.

As a sister concern of the Palmal Group of Industries, Arkay builds on a legacy of responsible manufacturing while forging its own path as a sustainability-driven enterprise. The report reflects Arkay's strategic alignment with the Bangladesh Government's Five-Year Plan and its own Seven-Year Sustainability Strategy, emphasizing progress in renewable energy, water efficiency, waste management, and social responsibility.

This publication highlights our efforts to integrate environmental stewardship, social inclusion, and ethical governance into every aspect of our operations. Data and disclosures have been collected facility-wise following the GRI material topic standards, consolidated to provide a unified view of Arkay's sustainability performance.

Arkay's approach focuses on reducing carbon intensity, improving resource efficiency through IoT-based monitoring and clean technologies, and maintaining the highest standards of labor welfare, safety, and compliance.

Through this report, Arkay reaffirms its commitment to act responsibly, innovate continuously, and contribute to a more sustainable future for Bangladesh's RMG industry.

Arkay is committed to employee and community well-being, supporting education, healthcare, tree plantation, and social awareness to improve local quality of life.

This report reflects Arkay's ongoing effort to integrate sustainability across operations, providing a transparent view of ESG performance and progress.

All information presented in this publication was prepared internally with reference to GRI Standards, and no external assurance was conducted for this reporting period.

As Arkay advances toward sustainable growth and innovation, we reaffirm our commitment to Bangladesh's socio-economic and environmental goals. This report reflects our belief that true progress arises when business excellence aligns with sustainability. It covers only Arkay Knit Dyeing Mills Ltd., a sister concern of the Palmal Group of Industries, with all disclosed data representing Arkay's own operations and performance.

Reporting Period: 1st January 2024 – 31st December 2024

Standard: Prepared with reference to the GRI Standards (2021 Edition)

Contact Person: Engr. Md. Saiful Islam
Head of Environmental Sustainability
Email: ems@palmalgarments.com

Corporate Head Office:
Confidence Center (9/Kha), Shahzadpur, Gulshan, Dhaka–1212, Bangladesh

Who We Are

Building a Sustainable Legacy

Founded in 2013, Arkay Knit Dyeing Mills Ltd. stands today as one of Bangladesh's most advanced and sustainable knit dyeing facilities. As a proud sister concern of the Palmal Group of Industries, Arkay inherits a strong legacy of excellence, responsibility, and innovation a foundation that continues to guide our progress toward a more sustainable future.

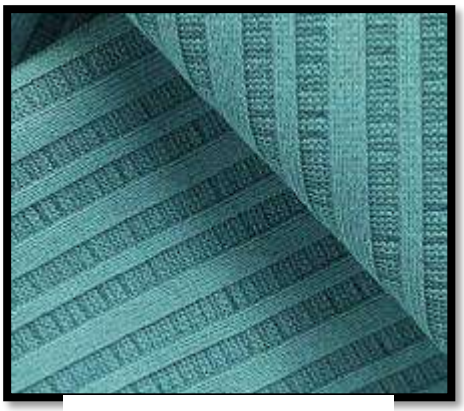
Our operations are based in Zirani Bazar, Kashimpur, Joydebpur, Gazipur, strategically located within Bangladesh's key textile production hub. Since its inception, Arkay has maintained a clear focus on producing high-quality knit fabrics through environmentally responsible processes and ethical business practices.

With over 9,16,839 square feet of production area and a total workforce of more than 1892 employees, Arkay operates as a 100% export-oriented composite knit dyeing facility. The factory integrates Knitting, Dyeing, Finishing, and All-Over Printing (AOP) under one roof, ensuring precision, consistency, and efficiency throughout the production cycle.

Our Product Range

Delivering sustainable, high-quality knit fabrics for global brands.

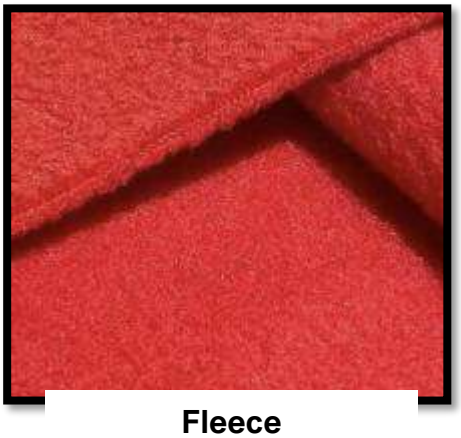
Single Jersey



Rib Fabric

Interlock Fabric

Spandex / Lycra Fabrics



Fleece

Piqué / Lacoste Knit

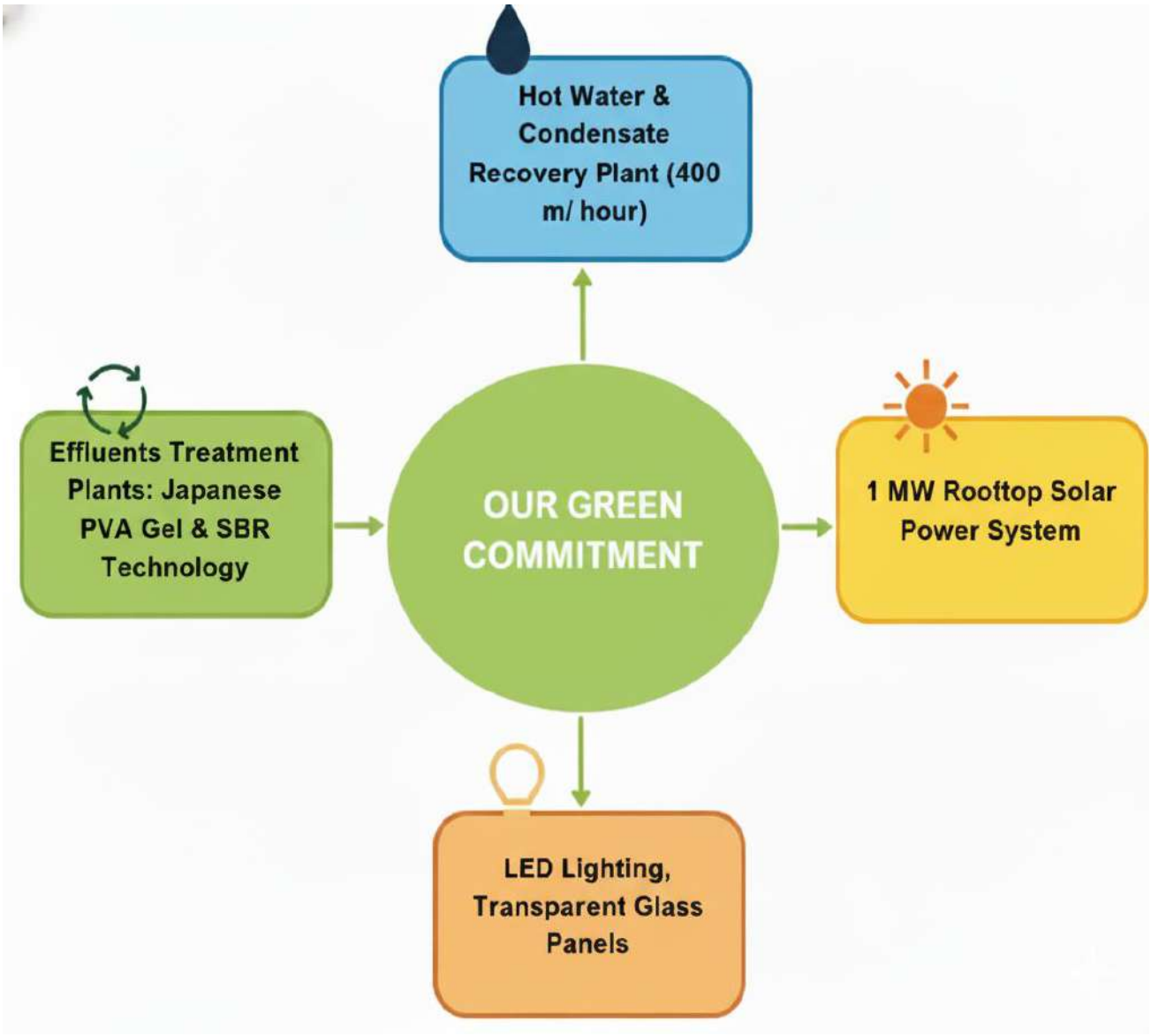
Waffle Knit

Flat & Semi Jacquard Flat Knit

All-Over Printed Fabrics

ARKAY KNIT DYEING MILLS LTD.– PRODUCTION PROCESS FLOW

Streamlined and sustainable textile production through technology and precision.


Hot Water & Condensate Recovery Plant (400 m/ hour)
Effluents Treatment Plants: Japanese PVA Gel & SBR Technology
OUR GREEN COMMITMENT
1 MW Rooftop Solar Power System
LED Lighting, Transparent Glass Panels

OUR VALUABLE CUSTOMERS

Walmart

H&M

George

GAP Inc.

Carrefour

LC WAIKIKI

OVS

ZARA

MATALAN

PEP&CO.

Levi's

Best&Less

Kmart

PUMA

JACK&JONES

BOSS HUGO BOSS

OUR VALUABLE CUSTOMERS

TALLY WEiJL

PERRYELLIS

DUNNES STORES

JOE FRESH

okaïdi obaïbi

max LOOK GOOD. FEEL GOOD.

Splash

Myntra

WOOLWORTHS

Admiral

zxy

Postie

Our Certification & Knowledge Partner

OEKO TEX® STANDARD 100

GLOBAL ORGANIC TEXTILE STANDARD · GOTS ·

ORGANIC BLENDED content standard

RECYCLED BLENDED claim standard

Global Recycled Standard

better cotton

U.S. GREEN BUILDING COUNCIL LEED GOLD USGBC

FAIRTRADE FOUNDATION

Higg Index

CARE FOR WATER
Produced Using Less Water

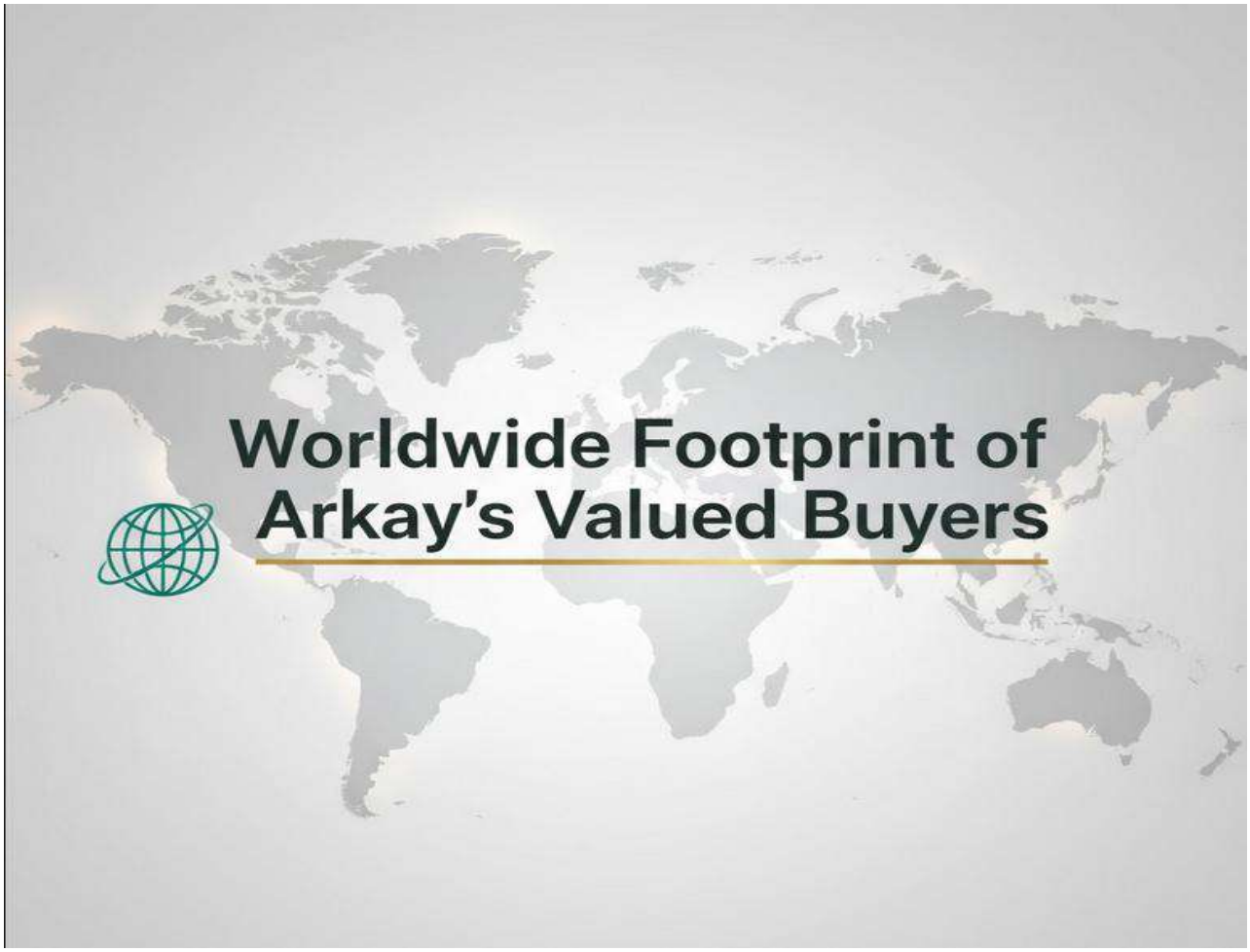
PaCT
Partnership for Cleaner Textile

CLEAN WATER

BANGLADESH KNITWEAR MANUFACTURERS & EXPORTERS ASSOCIATION
BKMEA

brac

swisscontact



Asia

1. Turkey
2. United Arab Emirates (UAE)
3. India
4. Bangladesh

Europe

1. United Kingdom (U.K.)
2. Sweden
3. France
4. Italy
5. Germany
6. Denmark
7. Poland
8. Switzerland
9. Ireland
10. Spain

North America

1. United States of America (USA)
2. Canada

Oceania

1. Australia
2. New Zealand

Africa

1. South Africa

At Arkay Knit Dyeing Mills Ltd., we believe that open and continuous stakeholder engagement is vital for our sustainable growth. Our success depends on understanding the needs and expectations of those who are directly connected to our operations. Our key stakeholders include buyers and customers, employees, suppliers, local communities, government bodies, regulators, and financial institutions, each contributing uniquely to our progress.
We engage with them through emails, meetings, surveys, and assessments, ensuring active communication, collaboration, and trust.

These exchanges help us identify new opportunities, address challenges, and align our business goals with stakeholder priorities.
During the reporting period, stakeholders highlighted important topics such as energy efficiency, renewable energy adoption, GHG reduction, water conservation, waste management, workplace safety, fair wages, grievance handling, and ethical business practices. Their valuable feedback continues to guide Arkay toward greater accountability, innovation, and shared value creation.

Stakeholder Engagement Process – Arkay Knit Dyeing Mills Ltd.

Stakeholder Engagement Procedure

Stakeholder Group	Engagement Channel	Key Interest & Focus Areas
Buyers	• Email Communication • Survey Assessment • Zoom / Virtual Meetings	• Efficient Energy Use • Efficient material use • Wastewater management • Fair wages, decent work conditions • Worker well-being. • Data protection • Transparent ESG disclosure
Suppliers & Vendors	• Vendor Audit • Compliance Meetings Capacity-Building Workshops	• Responsible sourcing • Labor Management • Chemical Management • Quality Assurance • Sustainability performance • Fair business practices.
Employees & Workers	• Training Sessions • Notice Boards & Hotline Grievance Box • Worker Committee Meetings	• Occupational health, safety • Fair wages, benefits, and timely payments • Equal opportunity • Anti-harassment • Skill development and promotion opportunities • Transparent communication
Third Party / Compliance Partners	• Audit Coordination • Data Verification Meetings	• Factory compliance with national and buyer standards • Data transparency, traceability • Continuous improvement • Maintaining ethical supply chain governance.
Government	• One to one meeting • Online engagement	• Business engagement to national economy • Anti-corruption governance • Human rights and ethical • Labor practices • Health and safety • Fair wages and benefits
Local Community	• Survey • Grievance box, meeting with local communities	• Social Well-Being • Employment, Health Care, Environmental Grievance

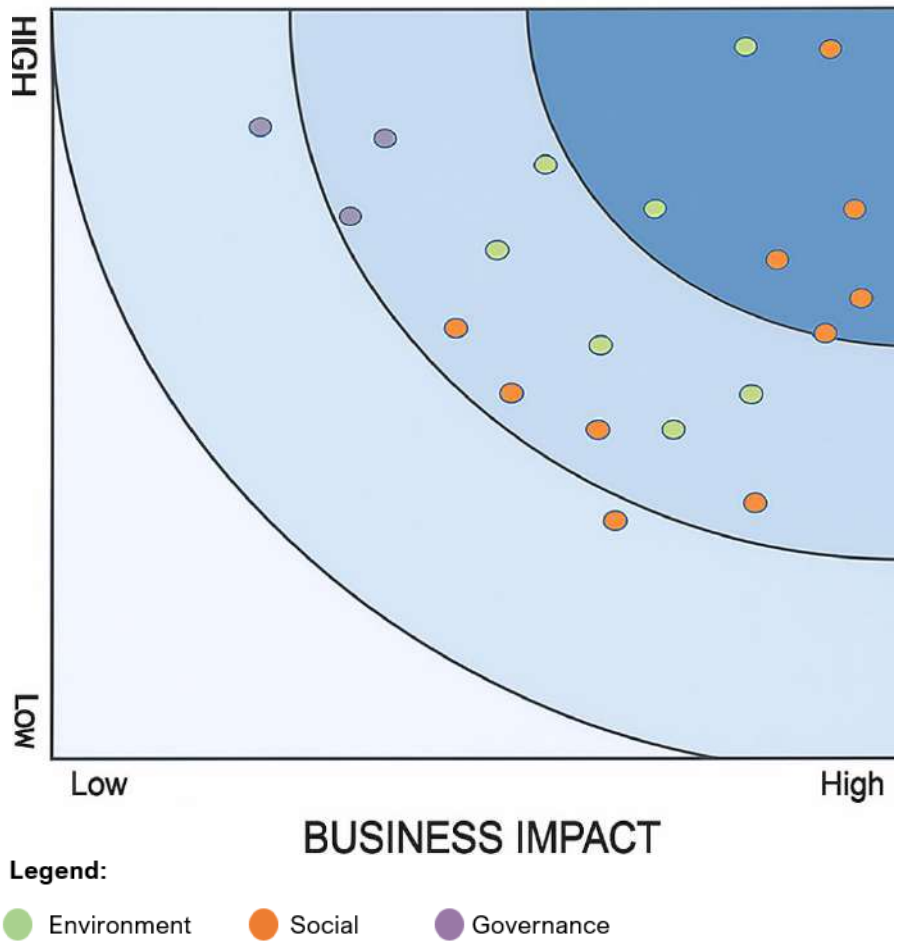
Materiality Assessment – Arkay Knit Dyeing Mills Ltd.

At Arkay Knit Dyeing Mills Ltd., we recognize that our stakeholders' priorities are central to our sustainability journey. We began our materiality assessment by first identifying our key stakeholder groups and understanding their expectations and concerns. Through regular communication, meetings, and surveys, we gathered insights on the issues that matter most to them and to our business.

Based on this input, we identified and analyzed a range of economic, environmental, and social topics. Each topic was then positioned on a Materiality Matrix according to its importance to stakeholders and impact on our business. The topics placed in the high–high quadrant, shown in the darker shade, were considered the most material for Arkay.

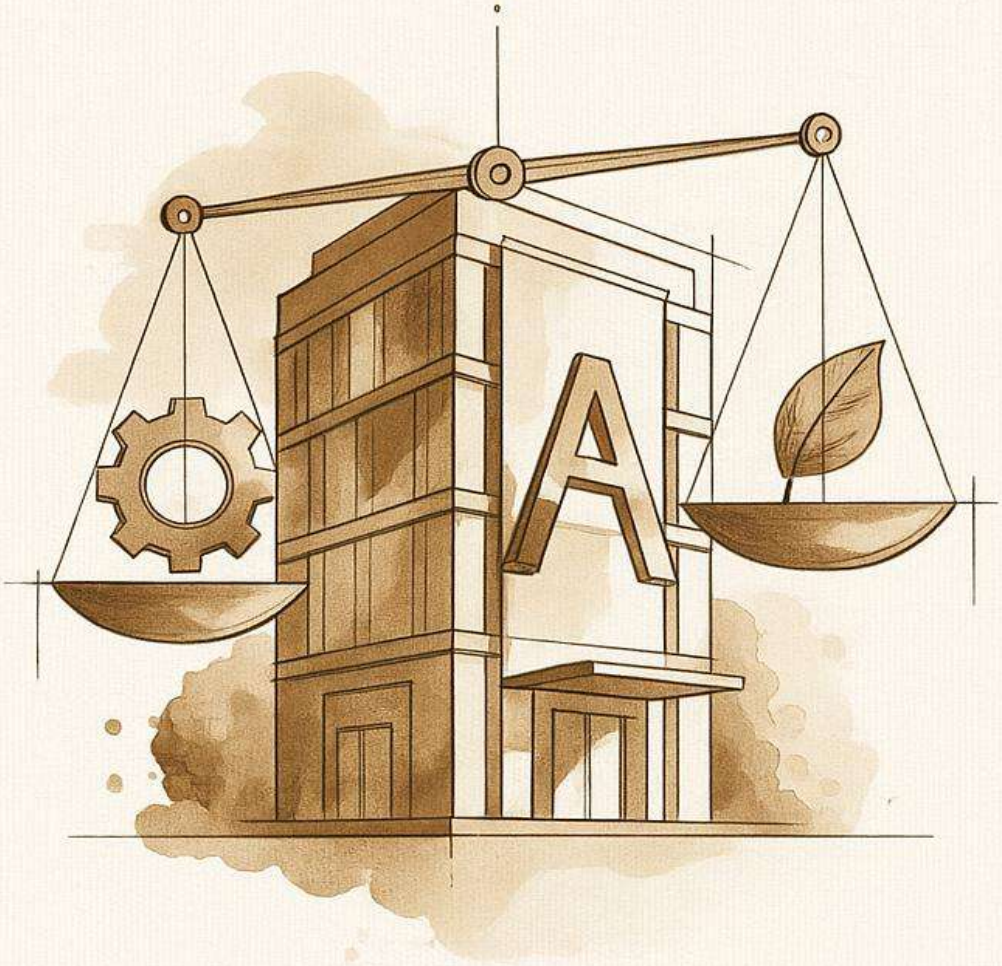
Process to Determine Material Topics

Methods of Materiality Assessment



Governance	Environmental	Social
GRI 206: Anti-competitive Behavior 2016	GRI 302: Energy 2016	GRI 401 Employment 2016
GRI 205: Anti-corruption 2016	GRI 305: Emissions 2016	GRI 406: Non-discrimination 2016
GRI 203: Indirect Economic Impacts 2016	GRI 303: Water and Effluents 2018	GRI 407: Freedom of Association and Collective Bargaining 2016
	GRI 306: Effluents and Waste 2016	GRI 408: Child Labor 2016
	GRI 306: Waste 2020	GRI 409: Forced or Compulsory Labor 2016
	GRI 308: Supplier Environmental Assessment 2016	GRI 403: Occupational Health and Safety 2018
	GRI 301: Materials 2016	GRI 404: Training and Education 2016
		GRI 405: Diversity and Equal Opportunity 2016
		GRI 418: Customer Privacy 2016

ARKAY KNIT DYEING MILLS LTD.



GOVERNANCE

ACCOUNTABILITY | INTEGRITY | TRANSPARENCY

Business Philosophy

The business philosophy of Arkay Knit Dyeing Mills Ltd. is built on integrity, innovation, and responsibility. As a leading export-oriented knit dyeing facility in Bangladesh, Arkay strives to create sustainable value through quality, efficiency, and ethical business practices.

At its core, Arkay believes that true excellence comes from continuous improvement, teamwork, and a commitment to doing business the right way. The company values long-term relationships with customers, suppliers, and employees, grounded in trust, transparency, and mutual respect.

Guided by its vision for sustainable growth, Arkay is deeply committed to environmental stewardship and community well-being. Through responsible operations, social engagement, and continuous improvement, the company aims to contribute meaningfully to a cleaner, safer, and more sustainable future for all.

Management Approach

Arkay's vision of becoming a globally trusted knit fabric manufacturer is guided by its commitment to quality, sustainability, and customer satisfaction. Through integrity, innovation, and responsible operations, Arkay strives to strengthen its global and local presence while contributing positively to people, the environment, and the broader community.

Vision

To be a globally trusted name in sustainable knit fabrics, known for quality, innovation, and responsibility. Arkay aims to grow ethically and collaboratively, building lasting partnerships with customers, suppliers, and employees worldwide.

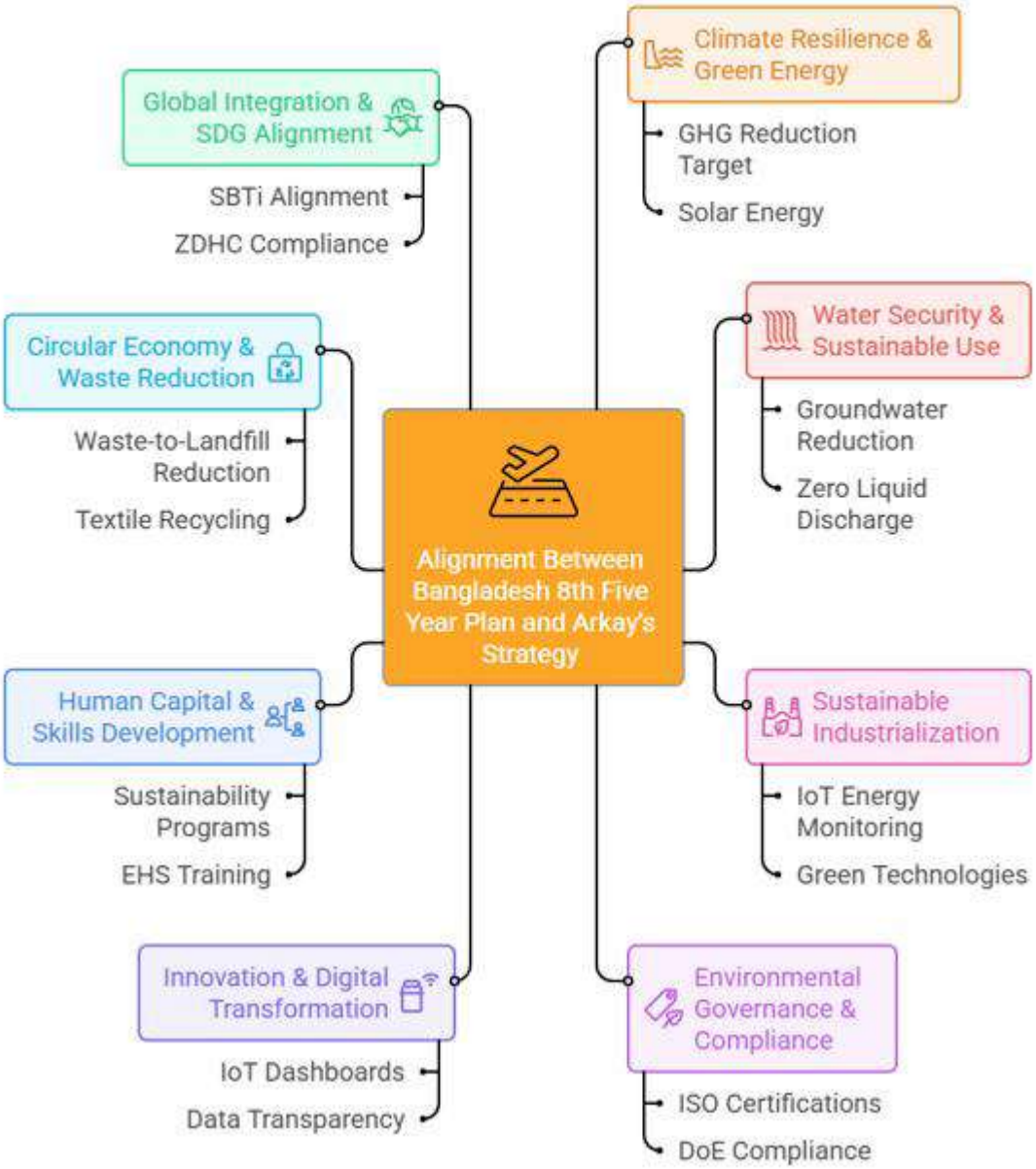
Mission

To deliver high-quality, responsibly made knit fabrics through excellence, care, and innovation, ensuring sustainability, customer satisfaction, and shared growth for all partners.

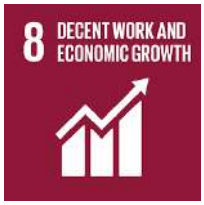
Driving National Sustainability Through Industrial Leadership

Arkay Knit Dyeing Mills Ltd.'s 7-Year Environmental Strategy (2024–2030) directly complements Bangladesh's national development priorities by translating policy goals into measurable industrial action. Bangladesh's 8th Five-Year Plan (2021–2025) envisions a resilient, inclusive, and sustainable industrial economy aligned with the SDGs and Vision 2041. Our Environmental Management Strategy (2024–2030) aligns strongly with this vision through measurable actions in renewable energy, water stewardship, green manufacturing, and circular economy practices.

Alignment Alignment with Bangladesh's National Sustainability Agenda



Threads of Change:
Weaving the SDGs into Every Fabric We Make

SDG No. & Goal	Arkay's Key Contributions
	• Occupational Health & Safety • On-site Medical Care • Zero Harm • Safe Chemical Handling • Health & Well-being Training
	• Employee Scholarship • Workforce Training • Skills Development
	• Wastewater Treatment • Cold Pad Batch (CPB) Dyeing • Water Withdrawal Reduction Target • Effluent Monitoring • Rainwater Harvesting Planning
	• Rooftop Solar (1 MW) • Biomass & Economizer Boilers • Waste Heat Recovery • Energy Efficiency Upgrades • IoT Energy Monitoring • iREC Purchase (planned)
	• Employment Creation • Labor Rights Enforcement • Worker Participation Committees • Fair Wages & Non-Discrimination • Grievance Mechanisms
	• LEED Gold Green Building • CPB Dyeing Innovation • IoT Automation & Auto Dosing • Community Infrastructure Investment

SDG No. & Goal	Arkay's Key Contributions
	• Circular Materials / Recycled Fiber • Waste-to-Landfill Reduction Target • Hazardous Waste Reduction • ZDHC & MRSL Chemical Management • Supplier Sustainability Assessment
	• GHG Reduction Target (SBTi-aligned) • Diesel → Biomass / EGB Conversion • Renewable Energy Deployment • Scope 1 & 2 Measurement & Reporting
	• Anti-Corruption & Anti-Bribery Policies • Zero Corruption Incidents • Conflict-of-Interest Declarations • Retaliation-Free Grievance Access
	• Value-Chain Partnerships (ZDHC, Higg, PaCT) • Formal Stakeholder Engagement • Industry Association Memberships

From clean energy and fair work to innovation and governance: Arkay's journey advances ten UN Sustainable Development Goals that define a

Sustainability Policy

Sustainability is at the heart of Arkay Knit Dyeing Mills Ltd.'s long-term business vision, guided by our leadership principle — "**Green Future – Business**."
Our Better Earth Initiative and Business Leadership with Sustainability embody the company's dedication to protecting the environment, empowering people, and building a responsible textile industry for future generations.
At a time when the global apparel sector faces rising environmental and social challenges, Arkay embraces sustainability as both a responsibility and an opportunity for innovation. We align our efforts with the United Nations Sustainable Development Goals (SDGs), the Paris Agreement on Climate Change, and the Bangladesh Sustainable Development Goals (BSDGs).
Sustainability for Arkay means balancing economic growth, social well-being, and environmental stewardship so that resources are used responsibly and efficiently. It is a continuous journey of improvement; driven by collaboration, innovation, and measurable action across our entire value chain.
In Bangladesh's RMG sector, which is vital to national economic progress yet environmentally intensive, Arkay stands out as a forward-thinking manufacturer committed to lowering its environmental footprint through ISO-aligned environmental management systems and clean technology investment.

We are implementing wide-ranging initiatives to manage our impact on the local economy, environment, and community, including energy and water efficiency programs, waste and chemical management, renewable energy expansion, and employee empowerment. To ensure sustainability, we will adopt the following practices:

Sustainability Strategy
&
Targets

Arkay Knit Dyeing Mills Ltd. is committed to producing sustainable fabrics that minimize environmental impact while ensuring economic and social benefits throughout their life cycle.
To operationalize this vision, the company has developed a comprehensive **Sustainability Strategy & Management Framework (2024–2030)** that ensures an integrated, data-driven approach across all operations.

KEY ELEMENTS OF ARKAY'S SUSTAINABILITY STRATEGY

1. **Setting Clear Goals**
   Aligned with SDGs & SBTi; aims for 42% GHG, 30% waste, 50% waste reduction by 2030.

2. **Action Plan**
   IoT monitoring, LED retrofits, solar power, iRECs, efficient boilers, waste heat recovery

3. **Stakeholder Engagement**
   Collaboration with employees, suppliers & communities through ESG meetings and training

4. **Monitoring & Reporting**
   Track KPIs via PDCA framework, share results in Higg FEM & ZDHC Gateway

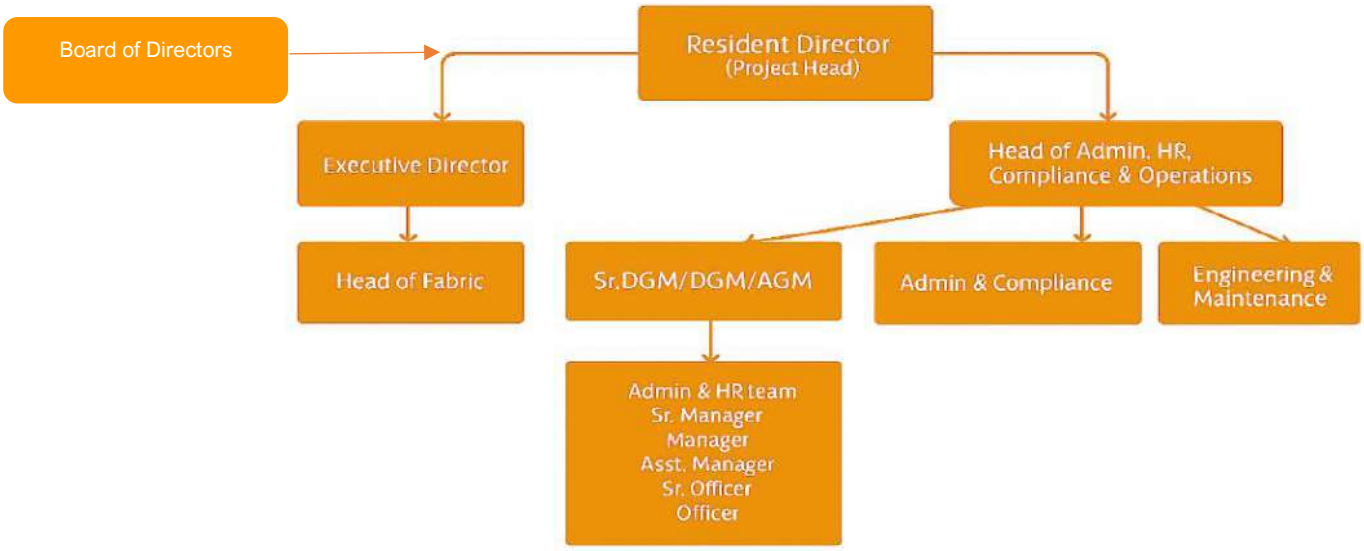
5. **Continual Improvement**
   Ongoing audits, innovation, and Better Earth Initiative for greener growth

Board Oversight

The company has established a framework that defines guidelines for board meetings and other proceedings. These frameworks help the company in decision-making processes to be carried out systematically, efficiently and in an informed manner.

- Strategic decisions of the company.
- Strategic review from each of the board members.
- Management policies and their effectiveness.
- Financial, production, environment and other business performance through relevant reports.

General Governance Structure

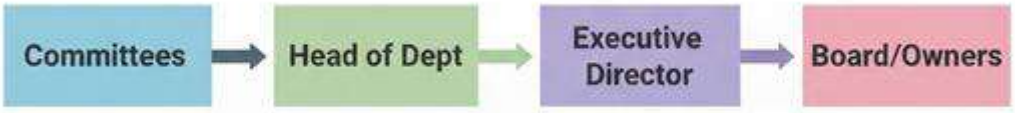


Decision Making Committee

Responsibility	Responsible Person
Economic Impact	Resident Director
Environmental Impact	AGM (EMS)
Impact on People	Director

Governance Committees & Oversight Mechanisms

Governance Reporting Flow



Arkay's leadership ensures strategic and sustainable business decisions through structured oversight meetings and committee reports reviewed at director level.

Governance & Sustainability

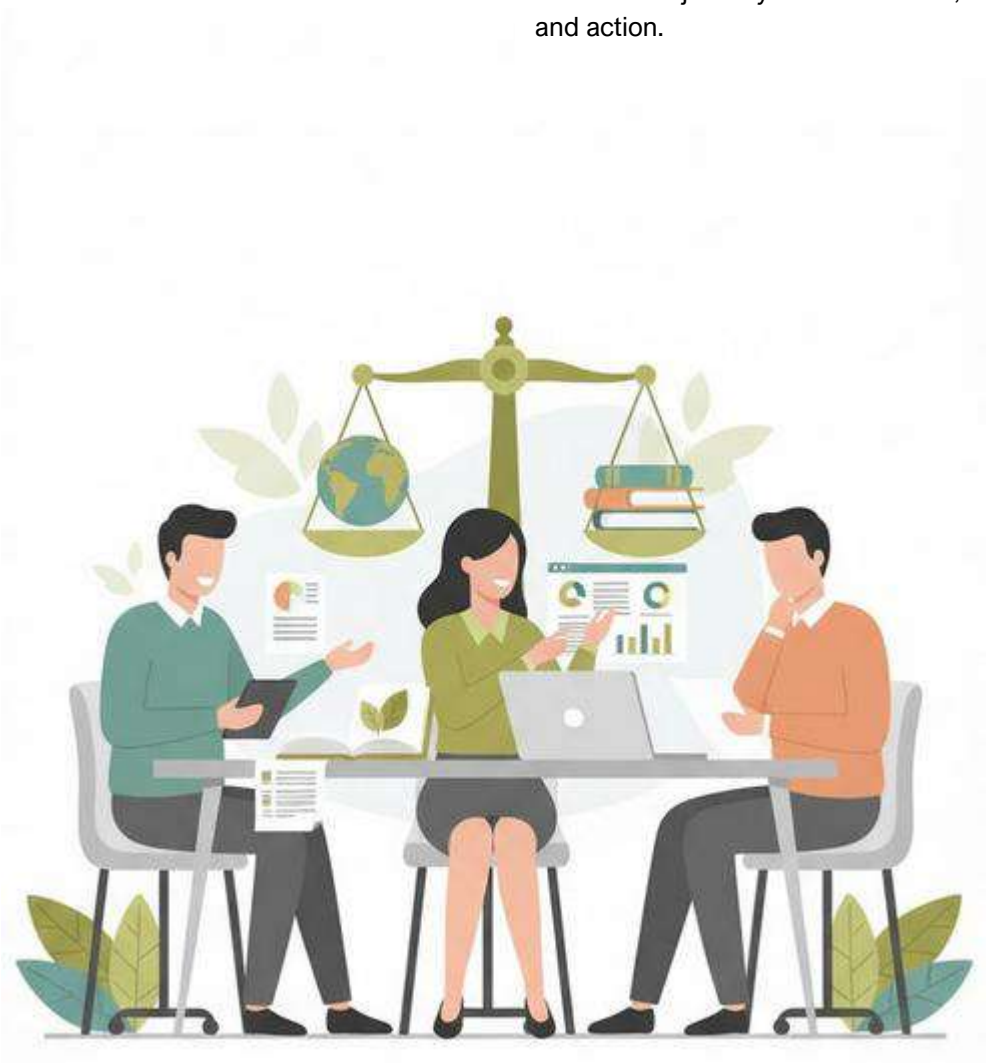
At Arkay Knit Dyeing Mills Ltd., sustainability is not treated as a parallel function — it's woven into the very fabric of our management practice. Every month, the top management convenes under the leadership of the Director to review ESG-related performance, challenges, and strategic priorities. This meeting acts as the organization's sustainability compass; where key insights turn into real action. The factory's top leadership team is evaluated annually on sustainability performance as part of their overall performance review, ensuring accountability for ESG progress at the highest level.

The Executive Director and Head of EMS join these sessions to ensure that every operational and environmental decision aligns with the company's long-term sustainability roadmap. During these meetings, the team reviews Key Performance Indicators (KPIs) that evaluate Arkay's environmental, social, and economic performance — including energy intensity, water consumption, chemical efficiency, raw material usage, and GHG reduction across production

The report becomes the foundation for discussion, helping leadership identify improvement opportunities, benchmark progress, and align actions with global best practices and buyer expectations.

Through these recurring reviews, Arkay's management doesn't just monitor — they lead transformation. In the reporting year, for instance, Arkay took a decisive step forward by expanding its rooftop solar energy capacity, reinforcing its commitment to renewable power. Simultaneously, the company upgraded its fire sprinkler system with advanced technology to enhance workplace safety and resilience — demonstrating how environmental and social governance translates directly into operational excellence.

Each meeting closes with strategic approvals and updates to company policies where necessary — ensuring that Arkay remains agile, responsive to emerging ESG trends, and ahead of stakeholder expectations. These monthly governance sessions exemplify Arkay's belief that sustainability is a continuous journey of awareness, accountability, and action.



Business Integrity

Policy Commitment

Arkay Knit Dyeing Mills Ltd. upholds a strong culture of integrity guided by its Anti-Corruption & Anti-Bribery Policy and Anti-Competitive Behavior Policy.
The company maintains a zero-tolerance approach toward corruption, bribery, price-fixing, collusion, or any unfair competitive practice.
All employees and business partners are required to adhere to the Code of Conduct (CoC) of Arkay and its global buyers.

- **Risk Assessment:** Conducted through internal audits and periodic management reviews.
- **Actions Taken:** As per company policy, including employee dismissal or supplier termination when required.
- **Suppliers Informed:** All business partners are briefed on anti-corruption policies through contractual clauses and buyer compliance systems.

Anti-Corruption Practices

Characteristic	2022	2023	2024
Total Training Hours	121 hrs	136 hrs	112 hrs
% of MGT Staff Trained	18–20 %	18–20 %	18–20 %
Training Method	Workshop / Orientation / E-learning	Workshop / Orientation / E-learning	Workshop / Orientation / E-learning
Incidents Reported	0	0	0

Although no cases have been recorded, Arkay remains alert to possible compliance risks and keeps improving training and oversight systems.

Regulatory Compliance

- **Compliance Programs:**

Arkay has implemented structured compliance programs to ensure full adherence to all local and international regulations related to safety, environment, and operations.

- **Reporting & Documentation:**

We maintain transparent and organized documentation for all licenses, certifications, and audits, ensuring traceability and accountability at every stage.

- **Audit & Monitoring:**

Regular internal checks and third-party audits are conducted to verify compliance performance and drive continuous improvement.

- **Penalties & Consequences:**

Arkay recognizes the importance of compliance and takes proactive steps to avoid potential risks, penalties, or reputational impacts.

- **Global Standards:**

We align our practices with global compliance frameworks to meet international buyer expectations and sustainability standards.

- **Continuous Adaptation:**

With evolving regulations and buyer requirements, Arkay stays proactive, updating policies and procedures to ensure ongoing compliance readiness.

Laws and Regulations	Factory License
	Trade License
	Incorporation Certificate
	Fire License
	VAT & TIN Certificate
	Income Tax Certificate
	Group Insurance
	Environment Clearance Certificate
	Drinking Water Test Report
	Approved Layout / Working Hour Approval
	Building Safety Certificate / Inspection Report
Industry-Specific Regulations	IRC (Import Registration Certificate)
	ERC (Export Registration Certificate)
	BERC Certificate (Generator waiver certificate)
	REB License
	Boiler License
	Acid License / Chemical Use Permit
	Diesel License
	Environment Clearance CPP
	Local ECC for Environment

Building Resilient Infrastructure & Shared Value

At Arkay Knit Dyeing Mills Ltd., growth has always meant more than expansion of production lines; it means creating shared value for people and communities. As a LEED Gold–certified facility, Arkay's journey toward sustainable industrialization began with a simple conviction: that responsible business can empower both industry and society.

Over the years, Arkay has built a foundation of reliable, inclusive, and resilient infrastructure that connects its success with the well-being of its surrounding community.

In Zirani Bazar, Kashimpur, Arkay's initiatives from improving access roads and drainage systems to expanding water and sanitation networks have reshaped local livelihoods and strengthened public infrastructure.

Each project reflects Arkay's belief that sustainability is not a stand-alone concept, but a cycle of economic opportunity, environmental stewardship, and community collaboration. Through investments in worker welfare, education, and green innovation, the company continues to weave economic progress with human development demonstrating that industrial excellence and social responsibility can thrive side by side.

Arkay remains aware that with progress come ongoing challenges in expanding its positive impact, and therefore continues to refine its processes for greater efficiency and inclusiveness. As this is Arkay's inaugural reporting cycle for indirect economic impacts, data has been disclosed only for the year 2024, as no comparable data from previous years was available.

Infrastructure Investment: 2024

BDT 6.5 million

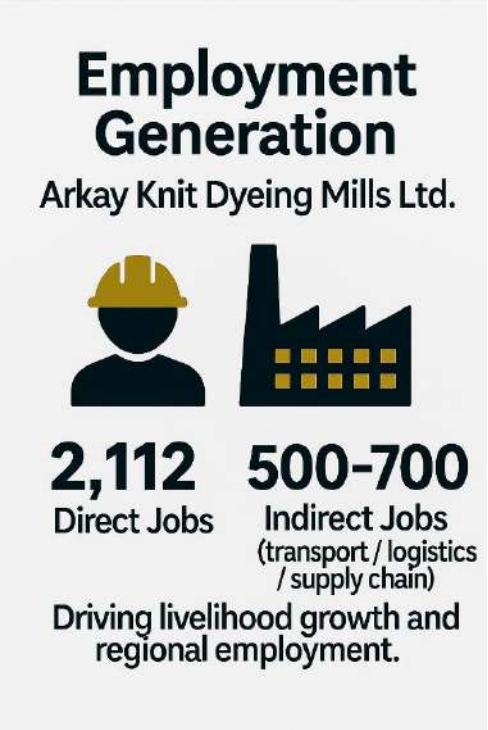
Infrastrrcture Investments & Community Services – 2024

- Access Roads & Drainage Upgrade - Zirani Bazar
- Water Supply & Sanization for Local Community
- Worker Medical Centre & Dining Facility
- Scholarship for Workers' Children (Nursery-Honours)
- Tree Plantation & Renovation Support

Nature of Support: In-kind & Voluntary Contributions

Benefiacaries: Local community, workers & small contractors (Zirani Bazar, Kashimpur, Gazipur)

Indirect
Economic Impacts



OUR ENVIRONMENTAL STORY

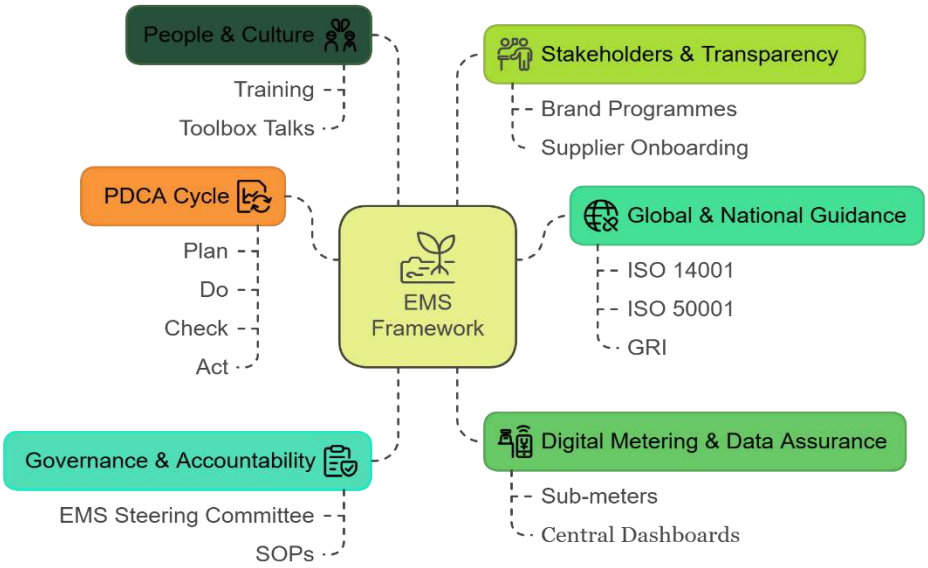
ENVIRONMENTAL MANAGEMENT SYSTEM

At Arkay, we learned that real sustainability isn't a checklist — it's a system. Every roll of knitted fabric, every dye bath, every AOP print run, and every cubic meter of water leaves a footprint. We want that footprint to get lighter each year. That's why we built an Environmental Management System (EMS) that brings together how we manage energy, water, chemicals, waste, and emissions into one disciplined way of working. It helps us plan better, run safer, monitor honestly, and improve continuously — so we can grow without borrowing from tomorrow.

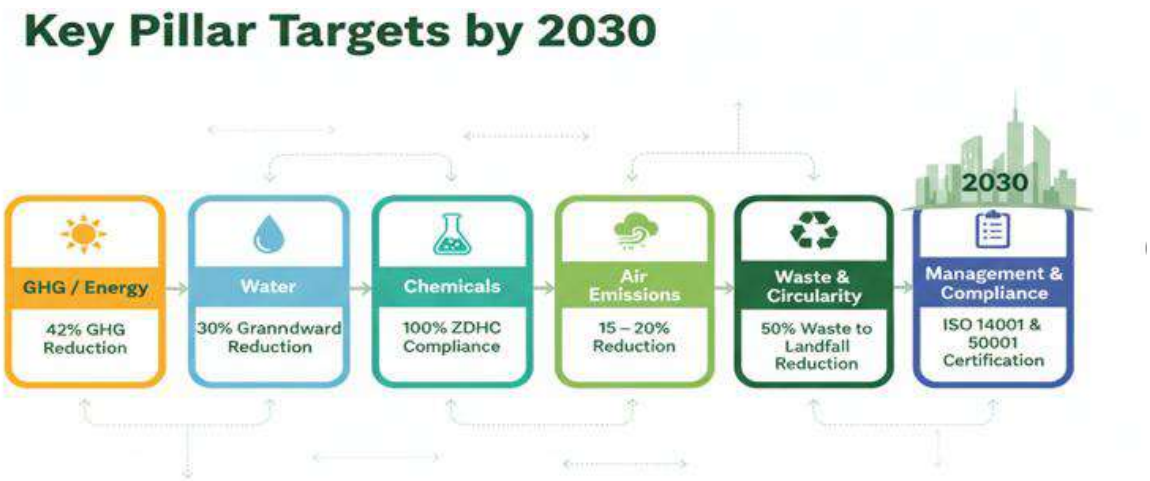
We believe that achieving true environmental sustainability requires more than compliance — it demands collaboration, accountability, and alignment with both national regulations and international frameworks. At Arkay, we are committed to operating in a manner that supports global standards such as the United Nations Sustainable Development Goals (SDGs), which guide our efforts to address climate risks, protect natural resources, and ensure long-term ecological resilience. Through continuous improvement and responsible manufacturing, we aim to contribute not only to our industry, but to a more sustainable future for the communities and environment that surround us.

To put this commitment into practice, we have implemented an Environmental Management System (EMS) that drives our planning, control, and improvement across energy, water, chemical, waste, and emission management.

Environmental Management System Framework



Our EMS is structured around the following core environmental priorities, ensuring that every operational area is continuously monitored and improved.



Our environmental management system is also integrated with environmental compliance. There are ongoing efforts to enhance environmental compliance across our business entities. We are collaborating with the government, industry associations, and other stakeholders to achieve sustainable and environmentally responsible practices in our entire value chain. We have all the certifications regarding operation according to local and international regulation

Our Roadmap to Excellence

FOUNDATION & CONTROL (2024–2025)

Goals Build the EMS framework, establish controls, and digitize monitoring.

2024:
Set the System,
Fix the Basics

SCALING & INTEGRATION (2026–2027)

2026:
Stablize **Controls,**
Digitize Monitoring

Scale best practices across the factory and integrate sustainability into core business planning.

OPTIMIZATION & DELIVERY (2028–2030)

Achieve operational excellence, seek external validation, and set the stage for the future.

2029:
Consolidate & Prepare Closure

DELIVER, REVIEW & SET THE NEXT HORIZON

2030:
Deliver, Review & Set the Next Horizıpn

Achieve operational excellence, seek external validation, and set the stage for the future.

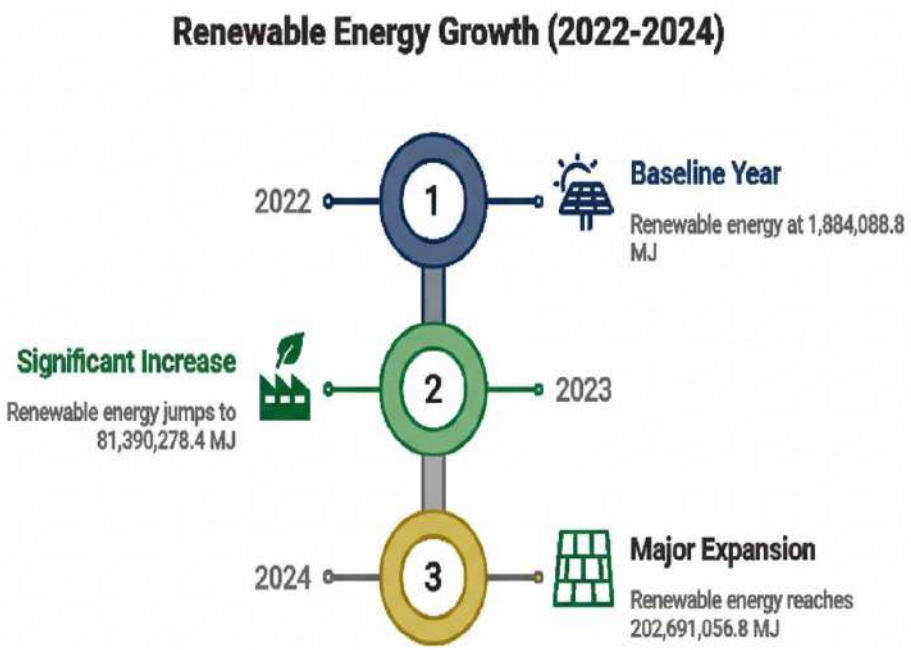
Our Journey to Efficient & Responsible Energy Use

Sustainable Practices for a Brighter Future

Energy Management Approach and Performance

Energy efficiency continues to be one of our key operational priorities. As a manufacturing facility where boilers, dyeing lines, and compressors operate continuously, we understand that every unit of energy matters. In 2023, we strengthened our monitoring and data-collection systems to gain a more complete picture of our energy performance. Along with natural gas, grid electricity, and stationary diesel, we began including vehicle fuels (diesel and CNG) in our reporting boundary for the first time. This step improved data accuracy and completeness, ensuring that our reported figures reflect the true scale of our operations. The apparent rise in non-renewable energy use in 2023 does not indicate higher consumption—it reflects a more comprehensive and transparent measurement boundary.

We have been steadily diversifying our energy sources and improving efficiency across processes. In 2023, we installed and began operating a biomass boiler and an EGB (economizer) boiler, which together helped lower diesel use compared to 2022. Our ~1 MW solar plant continues to provide clean electricity to the facility, and by 2030, we plan to purchase renewable electricity certificates (iRECs) to further reduce the carbon footprint of our power supply. Energy consumption is managed through our ISO 50001-aligned Energy Management System, under which we track performance monthly through sub-metering, conduct focused audits, and identify opportunities for continuous improvement in both energy efficiency (MJ) and emission reduction (tCO_2e).



To ensure transparency and consistency, we disclose year-wise energy consumption by source, specifying that vehicle fuels have been included in reporting from 2023 onward. We also highlight the renewable and non-renewable energy composition, where biomass emerged as a new renewable input in 2023, complementing our existing solar generation. In addition, we track energy intensity (MJ per ton of fabric) to provide a normalized view of performance. The continued decline in energy intensity, even as production levels and reporting boundaries evolve, confirms that our efficiency programs are achieving measurable progress.

We calculate our energy intensity by collecting data from metering systems and bill invoices. We convert total consumption into megajoules and divide it by our output (Megatons of Knit fabric).

We have consistently improved fabric energy efficiency, reducing energy intensity by over 15% between 2022 and 2024 through process optimizations such as low-liquor dyeing, condensate recovery, and utility control.

Total non-renewable energy consumption data for the last 3 years are given below with fuel type and measuring unit. These data reflect energy and fuel consumption within our organization.

Non-Renewable Energy (MJ)

	2022	2023	2024
Diesel (Stationary)	30,198,445.7	14,360,619	23,137,936.3
Natural Gas (NG)	401,985,392	250,685,566	154,101,320.4
Purchased Electricity (REB)	52,471,742.4	56,163,866.4	71,234,503.2
ADBLUE Diesel (Vehicle)	0	1,881,429.69	2,350,545.8
CNG (Vehicle)	0	0	19,761,196.6

A closer look at our year-wise data provides additional insights. Diesel consumption dropped sharply from 2022 to 2023, as the company replaced diesel-fired boilers with biomass and EGB (economizer) boilers, significantly improving overall efficiency. In 2024, diesel use remained lower than 2022, though slightly higher than 2023, driven by several operational factors such as fluctuating natural gas pressure, increased production capacity, and the ongoing transition toward renewable energy sources. On the other hand, electricity use from the national grid (REB) declined in both 2023 and 2024 compared with 2022, reflecting the positive impact of these new systems and the growing contribution from solar and biomass. These variations demonstrate that changes in energy.

Arkay has taken various energy efficiency measures to improve energy performance across its operation and reduce both direct and indirect emissions.

Equipment Upgradation – High-Efficiency Motors and Lighting

We have replaced old motors and removed double-layer lighting, introducing LED flood lights and individual switches.

Result: Improved efficiency and reduced unnecessary energy load.

Digital Monitoring – IoT-Based Energy Tracking

We are implementing IoT-based sub-metering and digital dashboards for real-time energy monitoring.

Goal: Enable continuous tracking and data-driven decisions under our ISO 50001 roadmap.

Renewable Energy – Solar Power Integration

A waste heat recovery system captures heat from generators and stenters to preheat water for production.

Benefit: Saves significant energy that was previously lost as exhaust.

Efficient Steam Generation – Biomass and Economizer Boilers

We have installed biomass and economizer (EGB) boilers, replacing earlier diesel-fired units.

Impact: Reduced fossil-fuel dependence and improved steam-generation efficiency.

Energy Recovery – Waste Heat Utilization

A waste heat recovery system captures heat from generators and stenters to preheat water for production.

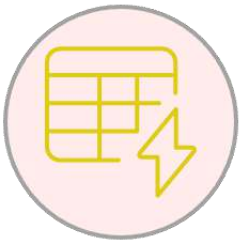
Benefit: Saves significant energy that was previously lost as exhaust.

Continuous Improvement – PDCA Cycle Implementation

We apply the Plan–Do–Check–Act (PDCA) approach for ongoing energy optimization and process improvement.

Result: Sustained energy performance and accountability across operations.

Energy Savings (2022–2024)
10.88% reduction in total energy consumption
→ 52,983,140.17 MJ saved



2022

Higher energy consumption

2024

Lower energy consumption

EMISSIONS

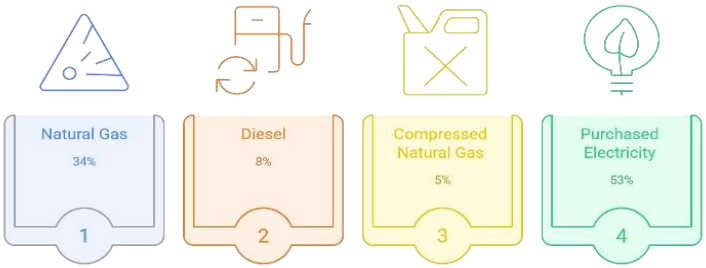
Reducing Our Environmental Footprint

GHG Emissions

At Arkay Knit Dyeing Mills Ltd., energy is essential to every operation — from heating water for dyeing to running compressors and dryers. While these processes drive production, they also generate greenhouse gas (GHG) emissions. Recognizing this, we have developed a structured system to monitor, measure, and manage our carbon footprint more precisely.

In 2023, we expanded our monitoring boundary to include vehicle fuels (diesel and CNG), giving us a clearer and more complete view of our emissions. Therefore, the rise in 2024 emissions reflects broader and more transparent reporting rather than lower efficiency. Our GHG calculations follow the GHG Protocol and include CO_2, CH_4, and N_2O, ensuring accuracy and comparability across reporting years.

Sources of GHG Emissions 2024 (%)



From 2022 to 2024, our total GHG emissions (Scope 1 + Scope 2) moved from 33,365 tCO_2e in 2022 to 25,517 tCO_2e in 2023, then to 106,221 tCO_2e in 2024. The 2024 increase mainly reflects the inclusion of vehicle fuels (NG & CNG) and higher natural-gas consumption to support production growth. When normalized to fabric output, emission intensity changed from 2.49 tCO_2e/ton (2022) to 2.04 (2023) and 7.27 (2024). Despite this rise, process efficiency continued improving. This report covers Scope 1 and 2 emissions; Scope 3 (value-chain) emissions will be measured and reported in future cycles for full GHG Protocol alignment.

From 2022 to 2024, our total GHG emissions (Scope 1 + Scope 2) moved from 33,365 tCO_2e in 2022 to 25,517 tCO_2e in 2023, then to 106,221 tCO_2e in 2024. The 2024 increase mainly reflects the inclusion of vehicle fuels (NG & CNG) and higher natural-gas consumption to support production growth.

When normalized to fabric output, emission intensity changed from 2.49 tCO_2e/ton (2022) to 2.04 (2023) and 7.27 (2024). Despite this rise, process efficiency continued improving. This report covers Scope 1 and 2 emissions; Scope 3 (value-chain) emissions will be measured and reported in future cycles for full GHG Protocol alignment.

Scope 1 & Scope 2 Emissions

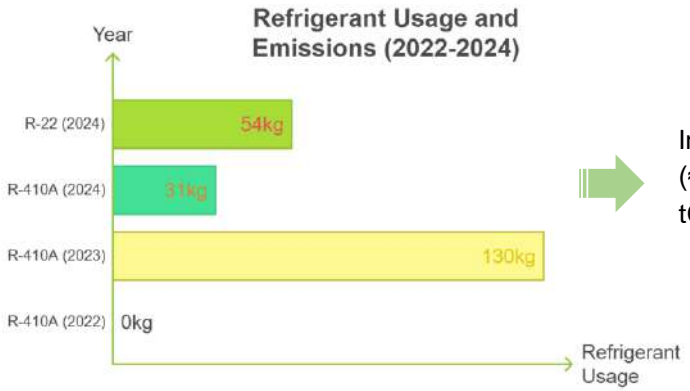
Direct (Scope 1) emissions fluctuated during the period. Emissions were 23,599 tCO_2e in 2022, mainly from diesel boilers, then fell 36 % in 2023 to 15,064 tCO_2e after introducing biomass and exhaust-gas boilers that reduced fossil-fuel use. In 2024, they rose to 93,129 tCO_2e as vehicle fuels were included in the boundary—reflecting broader data coverage rather than lower efficiency.

Indirect (Scope 2) emissions from purchased electricity increased with production, from 9,766 tCO_2e (2022) to 13,258 tCO_2e (2024). Electricity use grew from 14.6 to 19.8 million kWh, but efficiency upgrades and the 1 MW solar plant helped contain emissions growth.

Note: Biogenic CO_2 (excluded): 2022 – 0 t | 2023 – 9,147 t | 2024 – 23,489 t (GHG Protocol)

Year	Scope 1 (Ton CO2e)	Scope 2 (Ton CO2e)
2024	93128.54	13257.53
2023	15064.07	10452.72
2022	23599.11	9765.57

Between 2022 and 2023, emissions fell by about 6,030 $MtCO_2e$ through efficiency improvement and tighter control under ISO 50001. In 2024, total emissions increased as we expanded reporting coverage, but renewable actions prevented even higher growth.
This reflects our principle of measuring more while emitting less per unit of production.



In 2024, we used 54 kg R-22 and 31 kg R-410A (≈ 250 tCO_2e); in 2023, 130 kg R-410A (≈ 155 tCO_2e); none in 2022.

Absolute Reduction Target: 42% by 2030. Arkay's GHG strategy aligns with MCAP and SBTi, ensuring our reduction efforts reflect globally accepted climate-science methods.

Strategies for GHG Reduction

Awareness

Promoting understanding and action on GHG reduction

Solar Energy Plant

Harnessing solar power to reduce carbon emissions

Training

Educating employees on energy-saving practices

Energy-Efficient Equipment

Utilizing equipment that consumes less energy

Process Optimization

Streamlining processes to minimize energy usage

Equipment Upgradation

Replacing old equipment with newer, more efficient models

WATER & EFFLUENTS

Water: A Shared Resource, A Shared Responsibility

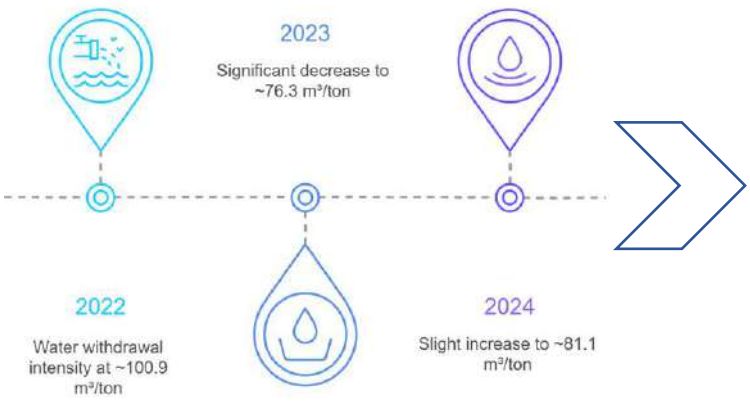
Water Use and Consumption

At Arkay Knit Dyeing Mills Ltd., water is a shared lifeline for both our factory and the Gazipur community. Since Gazipur faces high water stress, we use every drop carefully. From 2023, our baseline year, we began metering major water points and tracking data monthly under our Environmental and Energy Management System. Our goal is to cut normalized water use by 30% bv 2030.

Where our water is used (2024)

Use Type	Net Dyeing	AOP/Printing	Utilities	Domestic
Percentage	84%	5%	8%	3%

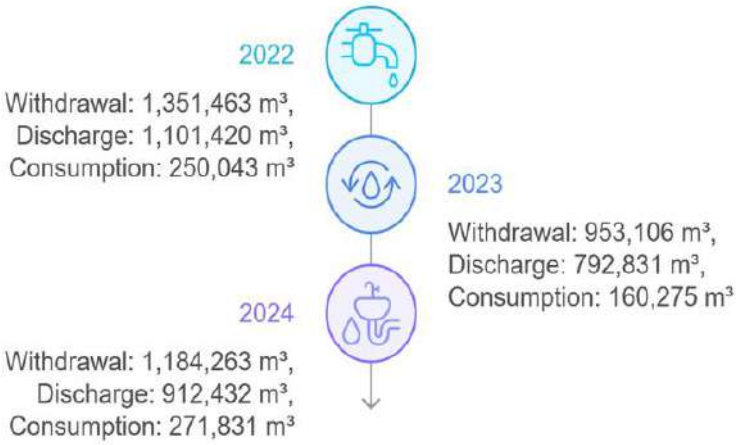
Water Intensity



Efficiency improved from 101 m³/ton (2022) to 76 (2023) and stayed near 81 (2024), even as output rose from 12.5 k to 14.6 k tons. The 2023 drop came from low-liquor dyeing, reuse, and recipe optimization; the slight rise in 2024 reflected higher production.

We reduced our water withdrawal by 29% in 2023 compared to 2022 through improved process control and efficiency measures. This reduction was driven by the introduction of low-liquor dyeing systems and the recovery of cooling water in our dyeing section. In 2024, water usage increased due to higher production volume, workforce expansion, and longer operational days; however, overall consumption remained lower than 2022, demonstrating our continued commitment to responsible water stewardship.

Water Performance Trends



Revolutionizing Dyeing with Cold Pad Batch

Introducing Cold Pad Batch (CPB) Dyeing – A Revolutionary Step Toward Water and Energy Efficiency

In 2025, Arkay Knit Dyeing Mills Ltd. introduced Cold Pad Batch (CPB) Dyeing Technology one of the world's most advanced and sustainable dyeing methods. Unlike conventional dyeing that typically requires around 80 liters of water for every kilogram of fabric, CPB uses only 1 liter of water per kilogram of fabric, marking a transformational leap in water efficiency.

The process operates without salt and without heating, eliminating the need for gas consumption and significantly reducing energy use and associated emissions.

Furthermore, as CPB dyeing generates minimal chemical residue, the effluent load on the ETP is much lower, allowing for easier and less resource-intensive treatment. This innovation reinforces Arkay's commitment to clean production and positions the company at the forefront of sustainable textile dyeing technologies globally.

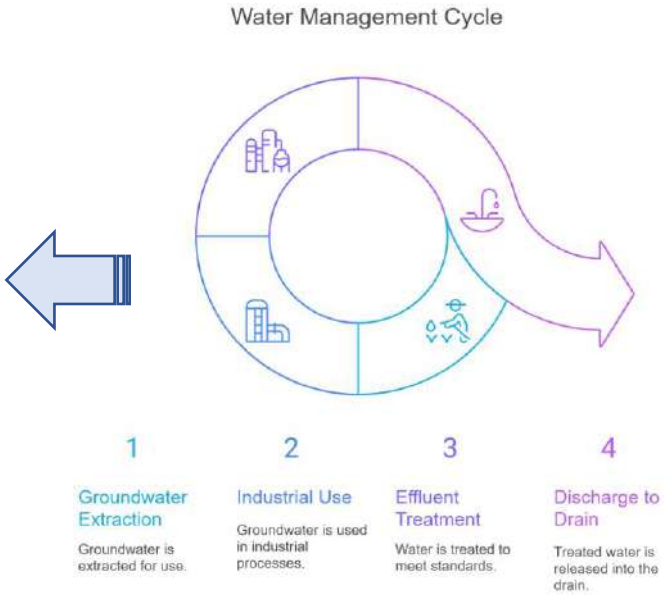
The adoption of CPB dyeing marks a milestone in Arkay's journey toward clean production; directly supporting our 30% water-reduction goal by 2030.

Water Stewardship and Management

At Arkay Knit Dyeing Mills Ltd., groundwater is our only water source and a shared lifeline for the Gazipur community. We manage it carefully through low-liquor-ratio dyeing, optimized recipes, and reuse of cooling and condensate water. Flow meters track usage across major points, reviewed monthly under our Environmental and Energy Management System.

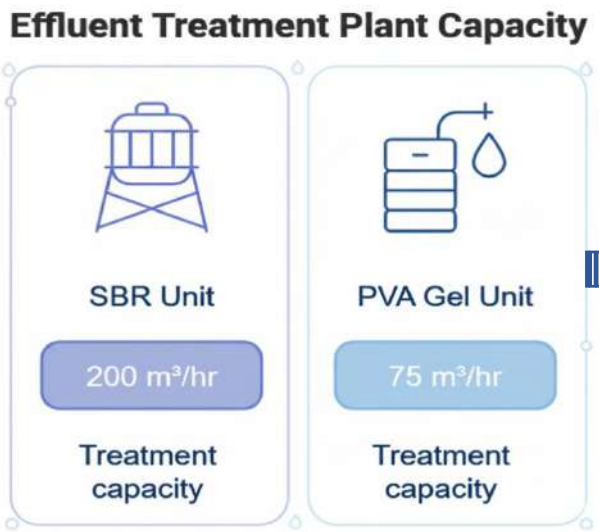
We also build awareness among workers through regular training and campaigns. Data are shared with brands via Higg FEM and ZDHC, and we comply with all DoE monitoring requirements to keep our stewardship transparent and accountable.

We are continuously studying to identify ways to make our processes more water efficient to reduce water usage per fabric as well.



Wastewater Management

At Arkay Knit Dyeing Mills Ltd., we treat every drop of used water before it leaves our factory — because protecting water means protecting life beyond our boundaries.



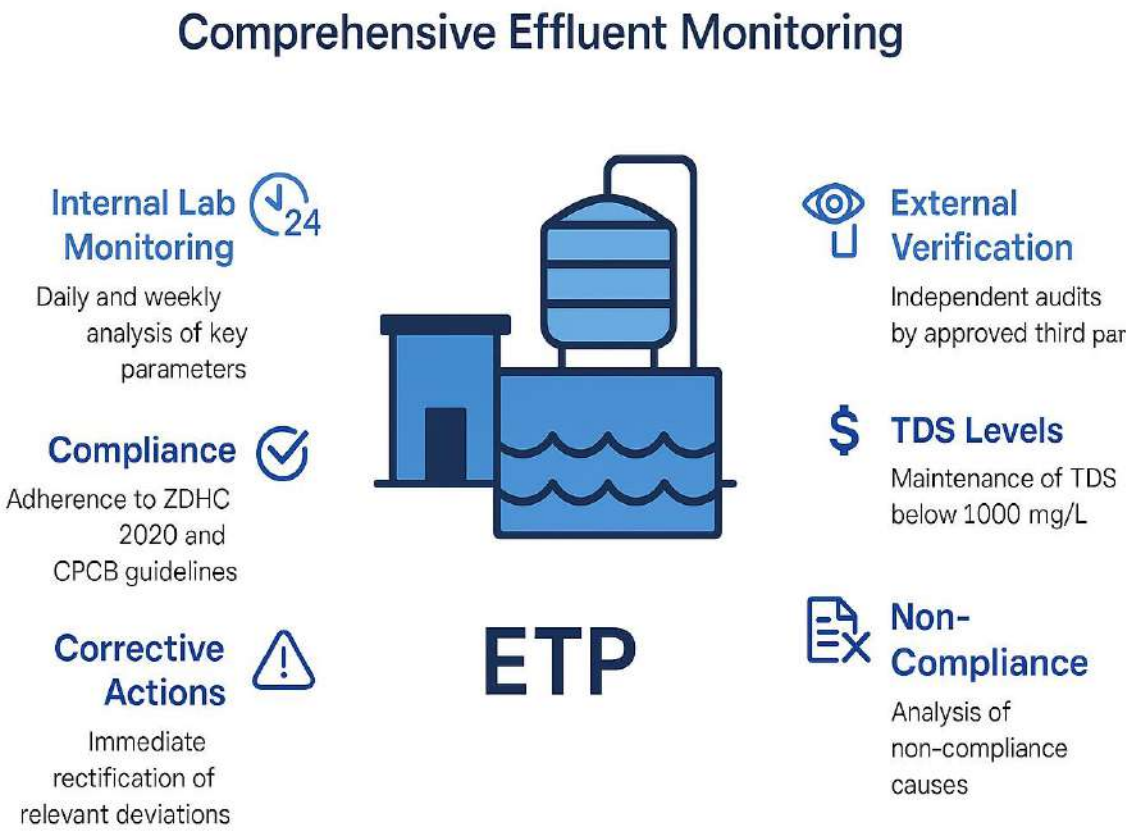
We operate two Effluent Treatment Plants: a 75 m³/hr biological unit (PVA gel) and a 200 m³/hr unit (SBR). Together, they ensure 100% wastewater treatment through secondary biological processes, with no direct discharge. Treated water is safely released into the City Corporation sewer network, keeping our surroundings clean and compliant.

Wastewater Discharge

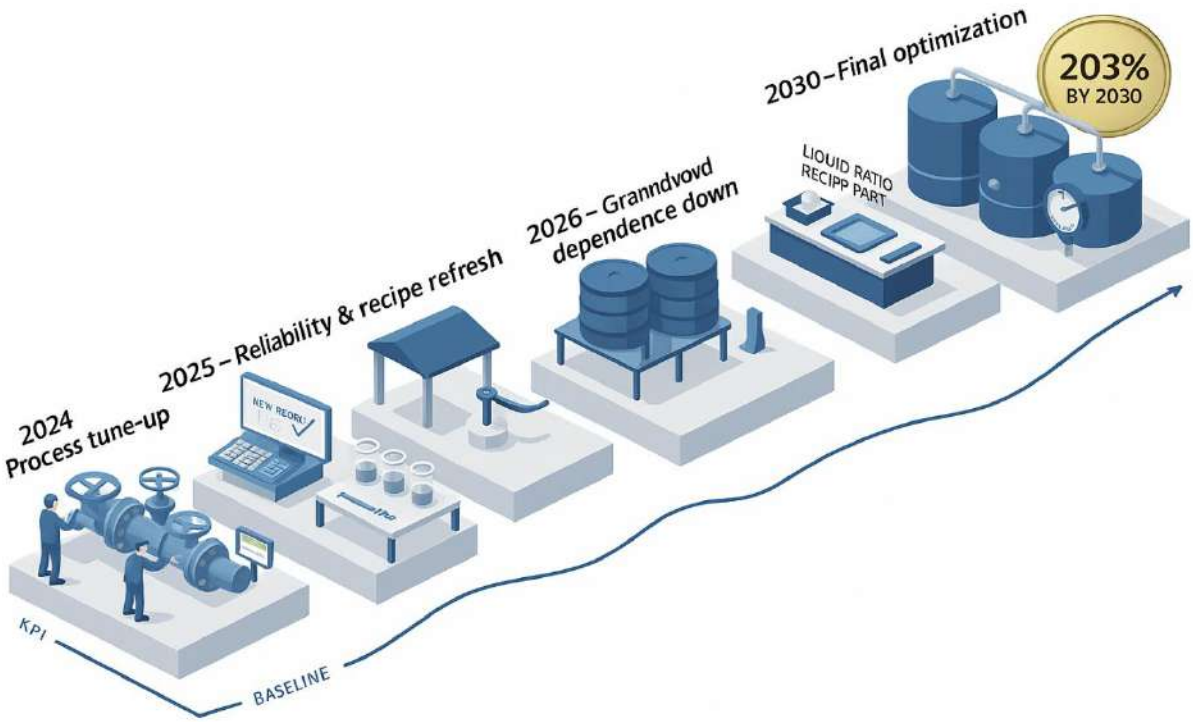
Year	Industrial Waste Water	Domestic Waste Water
2024	886,893 m³/year	25,539.1 m³/year
2023	766,683 m³/year	26,148 m³/year
2022	1,072,235 m³/year	29,185 m³/year

Between 2022 and 2024, we discharged 1,101,420 m³, 792,831 m³, and 912,432 m³ of treated water, all to the municipal drain.

Our internal lab monitors pH, temperature, COD, TSS, DO, and BOD (5-day) daily and weekly, while DoE and ZDHC-accredited labs verify results twice a year. Effluent quality in 2024–2025 met ECR 2023 and ZDHC Wastewater Guidelines, with TDS generally below 1,000 mg/L and no non-compliance incidents recorded.



Towards a Water-Responsible Future (2024–2030) 🌍



Arkay's journey toward 30% water reduction by 2030 begins with practical foundations. In 2024, we initiated process tune-ups—repairing steam traps and dryer valves, fixing internal leaks, and training operators to prevent avoidable loss. By 2025, we shift toward reliability, reinforcing preventive maintenance and updating dyeing recipes to optimize liquor ratios and reduce rinsing cycles.

In 2026, our focus turns to reducing groundwater dependence through rainwater harvesting and diverting collected water to non-critical uses like gardening and utility makeup.

A major efficiency leap arrives in 2028, when high-volume dyeing programs (such as CVC) will be optimized for liquor ratio, temperature, and process steps. By 2030, we aim to fully institutionalize these gains through SOPs and training—embedding water discipline into everyday operations.

Arkay acknowledges that maintaining optimal water efficiency within a high water-stress region presents ongoing technical challenges due to variable production loads and dyeing process complexities. The company continues to refine its process controls, metering accuracy, and water recycling systems to achieve sustained improvement.

> "This roadmap is not only about **reduction**—it is **about resilience,** ensuring that **every drop saved** today protects **the shared water future** of our industry and community."

MATERIALS

Responsible Material Use

From Conventional to Responsible:
Our Material Journey

The textile industry faces increasing pressure from global buyers and regulators to reduce its environmental footprint. For Arkay Knit Dyeing Mills Ltd., the challenge became clear — conventional cotton and virgin synthetic fibers carried high water, pesticide, and carbon intensity. Buyers began demanding traceability and certifications proving responsible sourcing. Arkay realized that continuing traditional sourcing would limit long-term competitiveness and sustainability credibility.

In response, Arkay initiated a gradual transition towards responsible and traceable materials. The procurement team partnered with certified suppliers under Better Cotton Initiative (BCI) and Global Organic Textile Standard (GOTS) frameworks and introduced recycled polyester yarns verified through GRS and RCS certifications. This transformation is guided by Arkay's Raw Material Sourcing Policy (2024), which sets clear expectations for suppliers on human-rights protection, fair labor, environmental responsibility, and transparency.

All suppliers undergo evaluation based on legal compliance, certifications, and sustainability performance, ensuring that every input fiber, dye, or chemical supports ethical and sustainable production.

Today, a growing portion of Arkay's total fiber use comes from organic, BCI, and recycled sources, significantly lowering resource intensity per kilogram of fabric. While conventional inputs are still used where technical feasibility requires, Arkay continues expanding certified sourcing; targeting a 25 % share of responsible materials by 2026. This balanced approach reflects both business practicality and long-term environmental commitment. Arkay recognizes that achieving 100% responsible material sourcing remains technically and commercially challenging due to supplier capacity, fiber availability, and cost variability; however, ongoing R&D and collaboration with certified vendors aim to progressively close this gap.

The table below summarizes the key categories of raw and auxiliary materials currently used by Arkay, along with their certification or assurance schemes that validate responsible sourcing and product safety.

PRIMARY RAW MATERIALS USED — ARKAY KNIT DYEING MILLS LTD.

Material Type	Description	Certification / Standard
Organic Cotton Yarn	Sourced from certified organic suppliers, free from synthetic pesticides or GM seeds.	GOTS OCS
BCI Cotton Yarn	Conventional cotton produced under Better Cottorl Initiative principles ensuring sustainable. farming and fair practices.	BCI
Recycled Polyesster Yarn	Derived from post-consumer PET bottles with verified chain-of-custody.	Global Recycled Network GRS
Dyes & Auxillaries	Used in wet processing: all sourced through Arkay's Chemical Management System to ensure MRSL compliance.	ZDHC DOE Guidelines
Printing Paste & Pigments	Utilized in AOP section for pigment, reactive, and discharge prints.	OBKO-TEX® STANDARD 100
Packaging Materials	Polybags, paper fubes. and fags used in finished-fabric packing.	Recyclable & Low-Density Plastic

All materials are verified under recognized global sustainability standards to ensure environmental integrity, traceability, and worker safety.

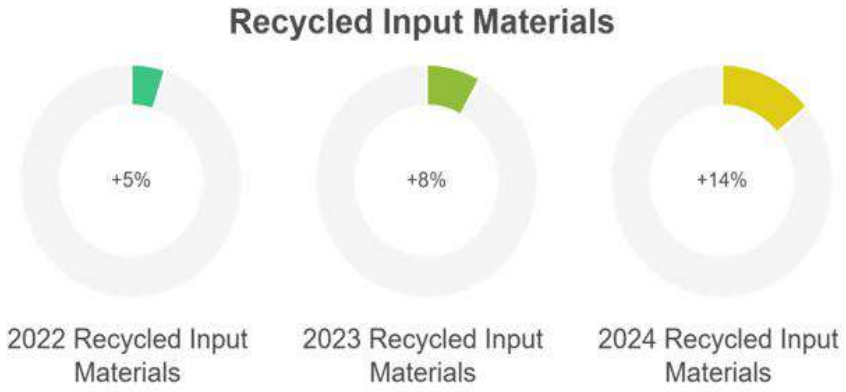
Arkay Raw Material Sourcing Policy – Key Principles

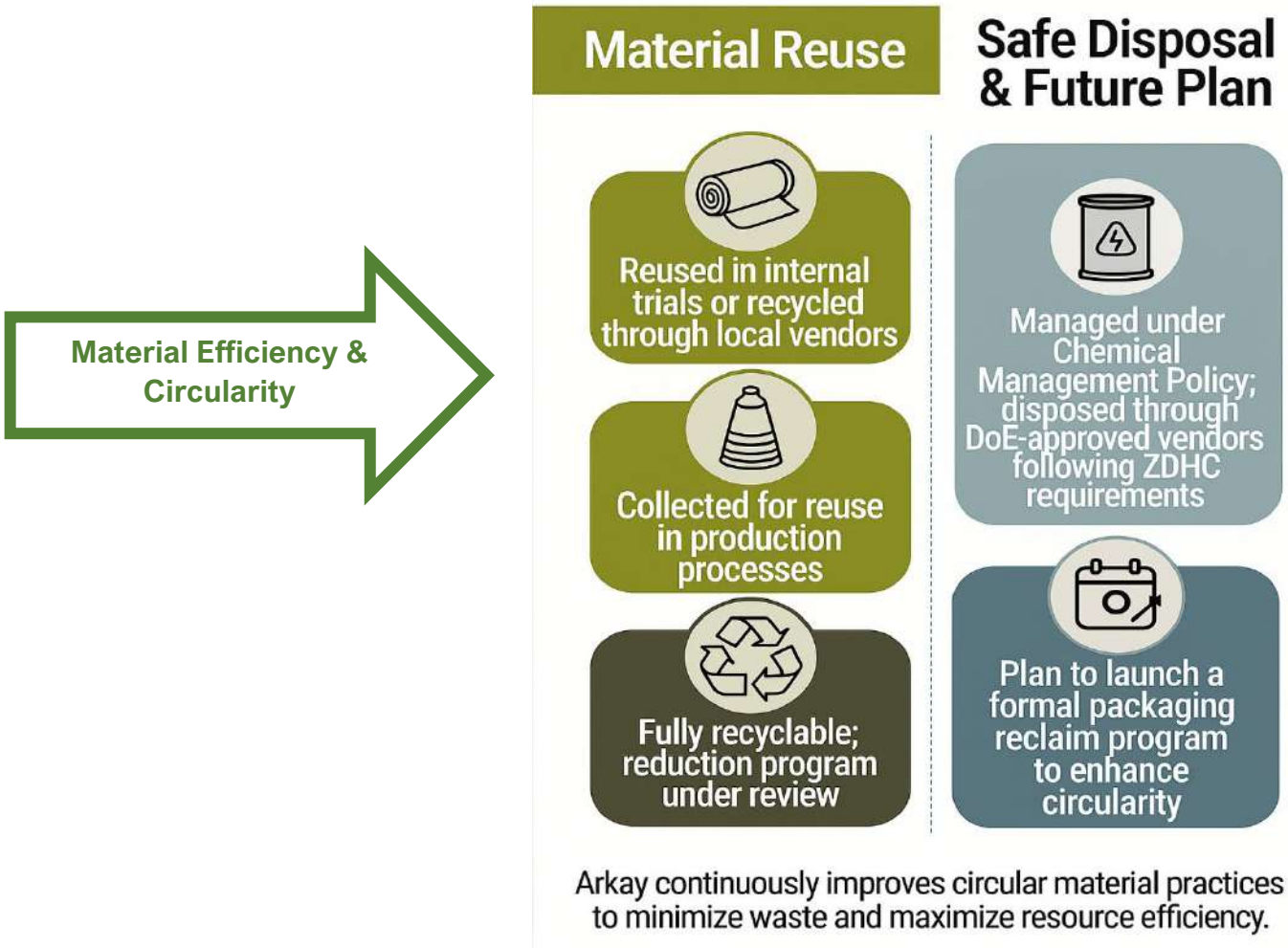
- ✔ Ethical & Legal Sourcing
- ✔ Traceability & Transparency
- ✔ Environmental Stewardship
- ✔ Fair Labor
- ✔ Supplier

Sustainable & Recycled Inputs

Over the last three years, Arkay Knit Dyeing Mills Ltd. has strengthened its commitment to circular production by steadily increasing the share of recycled and certified materials in its product mix. Recognizing the environmental cost of virgin fiber dependence, the company began integrating GRS- and RCS-certified recycled polyester and cotton-blend fibers into its knitting and dyeing operations. Each batch is traceable through a documented chain-of-custody verified by CERES Certification, ensuring supply-chain transparency from recycler to fabric stage.

The results are tangible: the proportion of recycled input materials in total fiber use rose from 5 % in 2022 → 8 % in 2023 → 14 % in 2024, totaling 5 ,618 ,739 kg of recycled input across three years. Scrap fabric and yarn waste are also segregated for reuse or recycling via approved vendors, closing material loops within production. Building on this progress, Arkay aims in 2025 to strengthen traceability for recycled inputs and expand partnerships with local circular innovators to further reduce dependence on virgin raw materials.





Quantitative Overview of Material Flow

From 2022 to 2024, we at Arkay Knit Dyeing Mills Ltd. have made consistent progress in sourcing and using materials more responsibly. Each year, our share of renewable fibers such as organic cotton, BCI cotton, and other plant-based yarns and recycled inputs like recycled cotton and recycled polyester (from PET bottles) has grown steadily, while our reliance on virgin, non-renewable materials including polyester, PC blends where polyester dominates, and spandex/lycra has continued to decline.

This shift reflects our strong commitment to reducing environmental impact through efficient material utilization and responsible selection of certified, traceable inputs verified under GOTS, OCS, BCI, GRS, and RCS standards. The upward shift in renewable and recycled materials demonstrates our ongoing move toward a circular and sustainable production model, driven by supplier collaboration, internal monitoring, and continuous improvement across the value chain.

Responsible Chemical Management & ZDHC Commitment

At Arkay Knit Dyeing Mills Ltd., we manage chemicals with the same care we give to water. Across knitting, dyeing, and AOP, our Chemical Management System (CMS) follows the ZDHC framework so that what comes in is safe, how we use it is controlled, and what goes out is compliant.

Input (ZDHC MRSL). We keep full compliance with the ZDHC MRSL—only approved chemicals are purchased through controlled procurement. Each item is checked with SDS/TDS, and we prefer inputs that carry GOTS, OCS, RCS, and OEKO-TEX® Standard 100 assurance.

Process (safe use & dosing). An automatic chemical dosing and dispensing system gives the right amount at the right time, reducing waste and worker exposure. The CMS covers storage, labelling, PPE, and routine training/audits for operators.

Output (testing & disclosure). Wastewater and sludge are tested by DoE and ZDHC-accredited labs. Recent results show high conformance with ZDHC Wastewater Guidelines and national limits (ECR 2023), with findings tracked in buyer platforms and internal reviews

This end-to-end approach keeps us MRSL compliant, supports clean effluent, and underpins our target to reduce hazardous chemical use by 30% by 2030—protecting people, products, and the environment.

Auto Chemical Dosing & Dispensing System

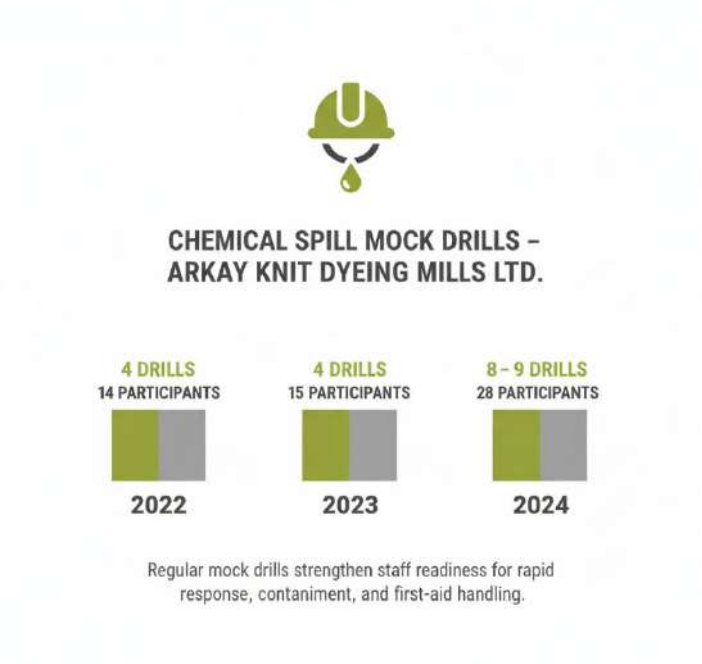
Our PLC-controlled system stores, mixes, and feeds MRSL-approved chemicals to dyeing/AOP machines in the right concentration and volume, at the right time. Doses are recipe-locked and logged, reducing error and manual handling while improving first-time-right results.

Chemical Management
Governance & Continuous Improvement

Chemical Management System Policies

	Chemical Management	Chemical Purchase	RSL Failure Investigation
Key Focus	Safe storage, labelling, PPE, training, ZDHC MRSL compliance	Controlled procurement, SDS/TDS verification, supplier approval	Root-cause analysis, CAPA, re-testing, record documentation
Role in CMS	Framework for safety & control	Ensures only compliant chemicals enter factory	Continuous improvement and corrective actions

These three policies work together under Arkay's Chemical Management System (CMS), ensuring that chemical handling is compliant, traceable, and continuously improved.



From Prevention to Preparedness

At Arkay Knit Dyeing Mills Ltd., our Chemical Management System (CMS) integrates policy, technology, and training to minimize operational risks across all chemical-handling stages.

In compliance with the latest DoE directive, Arkay has relocated its chemical storage to a dedicated, standalone building, ensuring safer containment and eliminating risks linked with shared storage areas.

Automatic dosing and standard operating procedures further reduce exposure and improve accuracy in use.

Monitoring, Disclosure & CAPA System

All wastewater and sludge are tested through ZDHC-accredited laboratories and verified by DoE to ensure compliance with ZDHC Wastewater Guidelines and national ECR limits.

In case of Restricted Substance List (RSL) test failures, the RSL Investigation & Corrective Action Procedure is activated identifying root causes, isolating non-conforming materials, and verifying closure through re-testing.

Regular internal reviews and supplier engagement help maintain transparency and continuous improvement across the chemical supply chain.

Chemicals Used in Arkay Knit Dyeing Mills Ltd.

Category	Chemicals Used
Pre-Treatment	Detergent, Alkali, Sequestering, Bleaching Agent, Peroxide Stabilizer
Dyeing Auxilliaries	Leveling, Brightener, Reduction Inhibiter, Anti Pilling, Buffer Disperse
Finishing	Softener (Cationic/Non-Ionic), Anti Creasin, Anti Foaming, Anti Yellowing
Pigment Printing	Binder, Thickener, Fixing, Glitter Paste, Titanium White Paste
Special Effects	Shade Deepener, De-Finish, Neutralization, Per Oxide Killer
Water Treatment	Oxidizing Agent, Reducing Agent Water Treatment

Waste & Circularity

Turning Waste into Worth at Arkay Knit Dyeing Mills Ltd.

Recycling Factory Sustainability

Managing waste responsibly, innovating for circularity, and driving progress toward zero landfill by 2030.

From Waste to Worth:
How Arkay Manages Every Step Responsibly ♻

Step 1: The Beginning – Where It All Starts (Reduce)

We start by reducing waste at the source through smart production and employee awareness.

Step 2: The Second Life – Reusing What We Can

Reusable materials like cones, bobbis, and hangers get a second life within the factory.

Step 3: The Circular Step – Recycling the Rest

Reccycable waste like plastics, paper, and metals are collected and transformed through certified recyclers.

Step 4: Safe Handling & Storage – Protecting People and the Planet

Every waste type is segregated safely in color-coded bins and stored responsibly under EHS supervision.

Step 5: Disposal & Compliance – Partnering with Approved Handlers

All waste is handed to DOE-approved vendors with full documentation and trasiability to ensure compliance.

Step 6: Monitoring & Improvement – The Cycle Never Stops

Arkay monitors every kilogram of waste through EMS reviews and continuous improvement under PD'A cycle.

Our Waste Footprint & Governance

Every production stage—from knitting and dyeing to effluent treatment and all-over printing—generates some form of waste. Additional waste arises from utilities, offices, and the canteen. These streams reflect the diverse nature of Arkay's manufacturing operations.

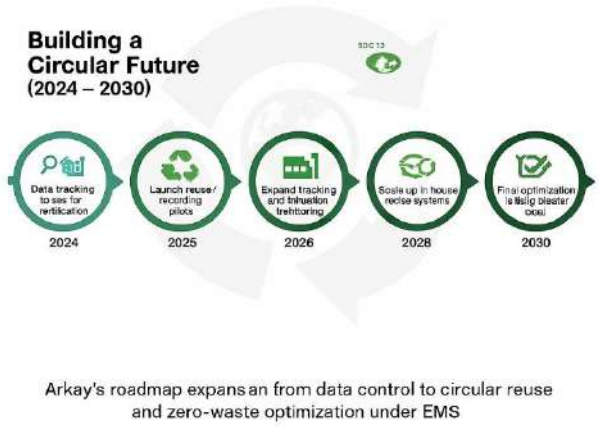
Waste movements are logged and verified through regular EMS audits to ensure traceability and legal compliance. Disposal is carried out only by DoE-approved vendors with valid licenses and environmental clearances, supported by proper receipts and records.

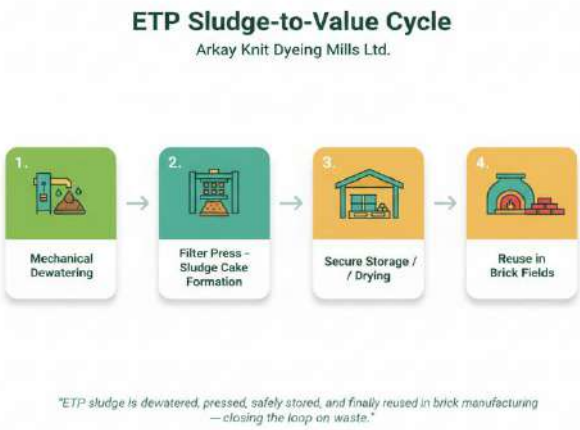
This governance framework ensures that every kilogram of waste is handled safely, transparently, and in full compliance with national and international standards.

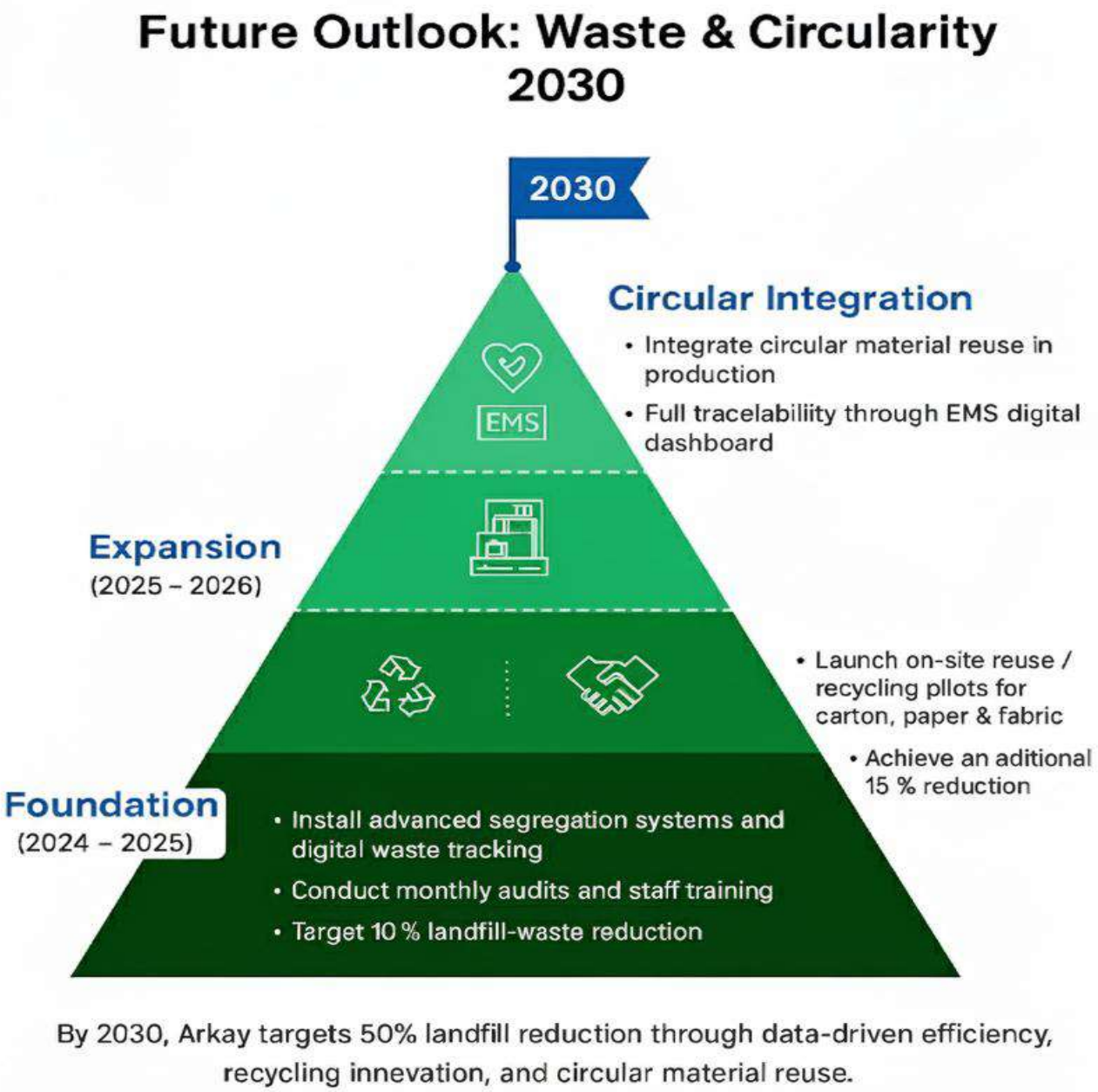
Waste Performance and Circular Transition

Year	Hazardous (MT)	Non-Hazardous (MT)	Total (MT)
2022	32.55	343.14	375.69
2023	30.24	1 188.41	1 218.65
2024	22.70	1 513.99	1 536.69

Hazardous waste declined by almost 30 % through stronger control and vendor oversight, while non-hazardous waste rose in line with production growth and more comprehensive reporting coverage. The rise in non-hazardous waste mainly reflects better record-keeping and the inclusion of waste types that were not tracked in earlier years.







Arkay's waste strategy will continue evolving from compliance to circular innovation.
By 2030, we aim to cut waste to landfill by 50 %, expand internal reuse systems, and ensure that all residual waste finds value through recycling or energy recovery.
Our focus will remain on data-driven monitoring, staff engagement, and technology partnerships that turn waste into a circular resource.
Arkay recognizes that achieving precise waste segregation and traceability across all operational units remains a continuous improvement area, as data integration and vendor reporting systems are still being strengthened under EMS digitalization.

Responsible Sourcing & Value Chain Accountability

At Arkay Knit Dyeing Mills Ltd., we believe sustainability begins long before production — it starts with where our materials come from. Every roll of fabric, every dye, and every chemical tells a story, and we want that story to reflect ethics, safety, and environmental responsibility.

Currently, we assess suppliers on a need basis, depending on material type and buyer requirements. Since most of our raw materials are sourced internationally, we rely on suppliers certified under OEKO-TEX® Standard 100, GRS, RCS, OCS, and GOTS, and we verify that each holds valid legal licenses and meets buyer-mandated compliance standards on environment, labor, and chemical safety.

While this ensures strong alignment with global compliance protocols, we acknowledge a key gap — not all suppliers or sample materials are yet assessed under a uniform framework. That's where we are now evolving.

From 2025, we will implement a Responsible Sourcing Framework to independently assess 40% of our suppliers, regardless of buyer audits. This assessment will cover labor practices, occupational safety, water and waste management, and resource efficiency, strengthening accountability across our value chain.

Our vision is to shift from a reactive, buyer-driven model to a proactive, value-based sourcing system, ensuring every supplier, local or global shares our sustainability principles. Today, we take pride in working with certified, trusted partners; tomorrow, our leadership will come from applying our own consistent sustainability lens to every sourcing decision.

Our Supplier Focus Areas

- ✓ No child / forced labor
- ✓ Freedom of Association (FOA) & Collective Bargaining
- ✓ Decent Working Hours
- ✓ Safe Work Environment (OHS)
- ✓ No Harassment / Grievance Mechanism
- ✓ Fair Wages
- ✓ Climate and Energy Efficiency
- ✓ Water Efficiency
- ✓ Chemical Management
- ✓ Waste Management
- ✓ Wastewater Management

Key Certifications We Verify

OEKO-TEX® OCS

All suppliers' certificates and legal licenses are verified before material approval.

2025 Target: 40% Supplier Assessment Coverage

Next Year Goal

For us, a responsible supply chain isn't just compliance — it's the foundation of a sustainable future.

BEYOND COMPLIANCE: NURTURING PEOPLE & PURPOSE

People are at the heart of sustainable journey

Our People and Social Responsibility

Every success story at Arkay Knit Dyeing Mills Ltd. begins with its people. From the early hours when machines start humming to the final roll of fabric leaving the floor, it is our workers' skill, dedication, and integrity that shape our sustainability journey. We see our workforce not just as employees, but as partners in progress — individuals whose safety, growth, and dignity define who we are as a company.

For us, compliance is not the finish line — it is the starting point. Arkay's social vision is built on care, respect, and empowerment. Our guiding framework includes the Non-Discrimination Policy, Anti-Harassment and Anti-Abuse Policy, Freedom of Association Policy, Grievance Management Policy, Health and Safety Policy, and Community Improvement Policy. Together, these act as the moral compass that ensures fairness, dialogue, and wellbeing across every layer of our organization.

Each policy is more than a document, it is a living practice reflected in daily actions: a supervisor ensuring safe conditions, a manager listening to a worker's concern, or a committee resolving grievances transparently. These values connect everyone from the factory floor to senior management in a shared sense of purpose.

This section of our report brings that story to life. It captures Arkay's social progress over three years (2022–2024): our evolving workforce, efforts to create safer workplaces, continuous learning culture, and commitment to equality and human rights. Through this journey, we continue to go beyond compliance — nurturing people and purpose at the heart of everything we do.

Who We Are?

At Arkay Knit Dyeing Mills Ltd., people are more than a workforce; they are the driving force behind every achievement. Each product reflects the skill, discipline, and dedication of our employees who power daily operations.

As of 2024, Arkay employed 1,892 full-time, permanent workers, all covered under equal rights and welfare provisions. The company does not engage temporary or outsourced labor, ensuring stability and accountability across all roles.

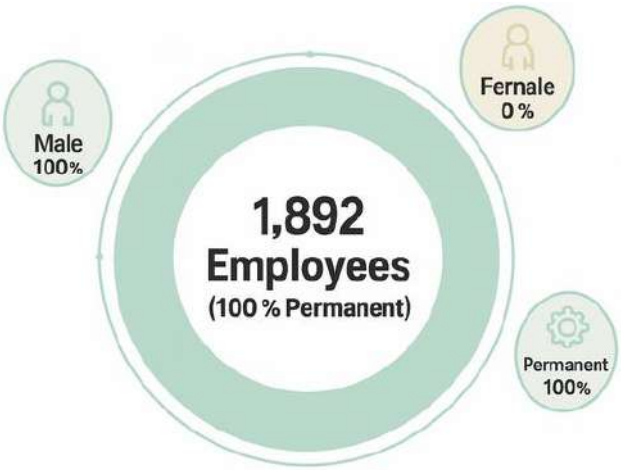
Our workforce is predominantly young, with over half under 30 — a dynamic group that brings energy, innovation, and adaptability. While no female employees are currently part of the workforce, reflecting broader industry patterns, Arkay recognizes this as a key area for progress. Through its Non-Discrimination, Freedom of Association, and Community Improvement policies, the company is laying the groundwork for gender inclusion and broader diversity.

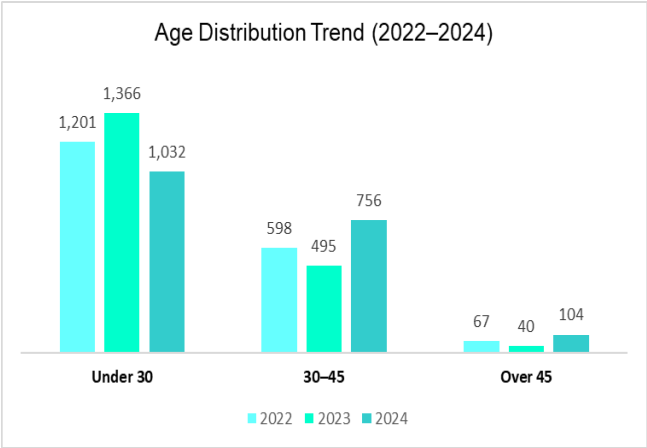
These initiatives reaffirm Arkay's belief that building a sustainable organization begins with empowering its people — fairly, inclusively, and for the future.

Majority of workforce are operational workers, supported by strong supervisory and management layers.

☑ Workforce stability and skill retention have increased.

Total Workforce (2024)





Workforce Age Composition Stability and Maturity Over Time

Majority of workforce are operational workers, supported by strong supervisory and management layers.

⚠ Gender diversity and representation remain areas for future progress.

How We're Evolving

Arkay's workforce trends demonstrate how recruitment and retention evolved over the last three years. The following visual presents both new hires and employee turnover by age group, illustrating the company's focus on stability and fair employment practices.

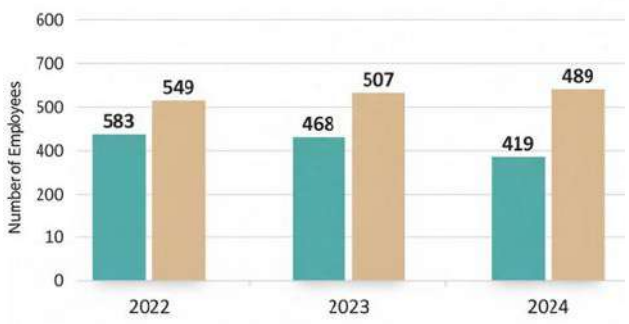
New Hires by Age Group (2022–2024)

Age Group	Under 30	30–50	Over 50	Total
2022	416	166	1	583
2023	325	141	2	468
2024	306	112	1	419

Employee Turnover by Age Group (2022–2024)

Age Group	Under 30	30–50	Over 50	Total
2022	398	150	1	549
2023	407	98	2	507
2024	391	95	3	489

Overall Hiring VS Turnover Trend (2022-2024)



Hiring declined steadily, while turnover peaked in 2023 before stabilizing.

The data show that Arkay's workforce mobility has gradually decreased over the past three years. New hires fell from 583 in 2022 to 419 in 2024, while turnover declined from 549 to 489 in the same period. Most movement occurs among employees under 30, reflecting natural attrition patterns in entry-level roles typical of the knit-dyeing sector.

Mid-career retention has improved since 2022, and the small yet stable over-50 segment indicates long-term employee commitment and experience retention.

☑ Retention and mid-career stability are strengthening.

⚠️ Youth turnover remains high and gender diversity is still absent.

Safeguarding Trust Through Data Responsibility

At Arkay Knit Dyeing Mills Ltd., every customer's data is treated with the same care and precision as our fabrics. We believe that trust is woven into every transaction from design submissions to shipment details.

Our commitment to privacy protection goes beyond compliance; it's a promise of respect and integrity toward every client we serve. Through secure systems and vigilant practices, Arkay safeguards the confidence of global partners who rely on us every day.
Arkay remains alert to evolving cybersecurity risks and regularly reviews its IT infrastructure and partner protocols to ensure ongoing compliance and protection.

Building Our Workforce with Fairness and Integrity

At Arkay Knit Dyeing Mills Ltd., every hiring decision reflects our belief that people are the foundation of our success.

We don't just fill positions — we build futures.

Recruitment at Arkay begins with a simple principle: equal opportunity for all. From the moment a vacancy opens, every step — job posting, candidate screening, interviews, and final selection — is conducted under strict fairness and transparency.

We welcome candidates purely on qualification, skills, and attitude, ensuring that no one is judged by caste, religion, gender, or background. Each applicant must be 18 years or older, as Arkay follows a zero-tolerance policy for child or forced labor in line with the Bangladesh Labour Act.

Before joining, candidates go through document and age verification, followed by a fitness-to-work assessment — but never any medical tests for pregnancy or HIV, respecting human dignity and privacy.

We also make sure that workers never pay recruitment fees, nor are their personal documents held by the company. Once hired, they receive proper contracts, orientation, and probationary support to help them grow into long-term team members.

By following these practices, Arkay ensures that every new hire — whether from Gazipur or other regions — becomes part of a transparent and ethical employment culture.

Our recruitment policy is not just a document — it's our promise to fairness, compliance, and respect for human rights.

Worker Distribution by Location

Location	2022	2023	2024
Gazipur	50%	45%	50%
Mymensingh	35%	27%	23%
Jamalpur	10%	16%	11%
Others	05%	12%	16%

Employee Distribution by Region

Recruitment is primarily local to Gazipur, where Arkay's facility is located.
Recorded new hires from Gazipur were 109 (2022), 74 (2023), and 89 (2024).

FAIR WAGES & EQUAL OPPORTUNITY

Equal pay, education, and opportunities shouldn't be privileges—they should be the norm. Let's work together for a fairer world.

Fair Wages & Benefits

Once a person joins Arkay, the company's responsibility truly begins.
Every pay slip at Arkay tells a story — one of dignity, effort, and fairness.
Behind each product is a worker whose contribution is valued not only through wages but through a complete system of benefits and welfare support that protect health, stability, and growth.
Arkay's compensation framework follows the Bangladesh Labour Act and internal HR policy, ensuring accuracy, transparency, and equality across all roles.
This approach reflects Arkay's belief that social sustainability starts with people — and that fairness is the most important fabric we weave.

Every permanent employee at Arkay receives lawful wages that meet or exceed the national wage-board standards, along with overtime pay and statutory bonuses.
The company strictly follows the equal pay for equal work principle, ensuring that men and women performing the same role are compensated equally, in accordance with the Bangladesh Labour Act and Arkay's Non-Discrimination Policy.
As the factory's current workforce (2022-2024) is entirely male, gender-based pay ratio data cannot yet be calculated.

All wage, allowance, and benefit records are documented and auditable, reflecting our commitment to transparency and verifiability.
In managing significant operational changes, Arkay provides notice to all employees in full accordance with Bangladesh's labor laws and internal policies.
Arkay recognizes that the absence of female employees in its current workforce reflects the nature of the dyeing industry in Bangladesh; however, the company continues to encourage female participation in suitable technical and administrative roles while maintaining equal pay and welfare provisions for all.

Ethical Labor Practices & Workplace Integrity

Ensuring dignity, fairness, and accountability across every level of work.

Arkay Knit Dyeing Mills Ltd. upholds ethical labor practices as a core value. Every employee is treated with fairness, dignity, and respect.

The company's human-rights framework: covering equal opportunity, freedom of association, prevention of child and forced labor, zero tolerance for harassment, and transparent grievance mechanisms; ensures a safe, inclusive, and law-abiding workplace.

These commitments align with the Bangladesh Labour Act (amended 2018), and the ILO Conventions, reinforcing Arkay's dedication to integrity and accountability.

Arkay continues to strengthen internal audits and awareness sessions to ensure ethical standards are consistently applied across all departments and partner facilities.

Equal Opportunity & Fair Treatment

At Arkay Knit Dyeing Mills Ltd., fairness is the first condition of employment.

The company provides equal opportunity in recruitment, promotion, training, and benefits; without distinction of gender, religion, ethnicity, age, or disability.

All employment decisions are based on merit, performance, and integrity.

Arkay's Non-Discrimination Policy ensures that every worker's contribution is recognized in a respectful, bias-free environment.

Awareness sessions on workplace behavior and inclusion are conducted annually, and the policy is displayed across all departments.

In 2024, no discrimination cases were reported, reflecting a culture of trust and equal treatment for all.

Arkay acknowledges that maintaining an inclusive and bias-free culture requires continuous learning, and regularly updates training and communication to support fair practices.

Worker Representation & Freedom of Association

At Arkay Knit Dyeing Mills Ltd., every employee has the right to express opinions, raise concerns, and participate in workplace decisions.

The company fully respects the right to freedom of association as guaranteed under the Bangladesh Labour Act (amended 2018) and ILO Conventions 87 and 98.

Employees are represented through the Worker Participation Committee (WPC) and the Safety Committee, which hold regular meetings to discuss welfare, safety, and grievance issues. PC Committee members: 18 (From Management – 8, Worker – 10)

No worker faces discrimination or retaliation for participating in these groups or for raising a concern.

Arkay's Freedom of Association Policy ensures dialogue and collaboration, while the Grievance Policy provides secure channels for employees to report complaints confidentially.

Through these mechanisms, every worker's voice contributes to continuous improvement and mutual respect.

Arkay recognizes that building a strong culture of participation takes time, and continues to encourage open discussion and active involvement through regular training and dialogue.

Covers 100% of workforce | No reported violations (2024-2022)

Elimination of Child & Forced Labor

Arkay Knit Dyeing Mills Ltd. upholds a zero-tolerance policy toward child and forced labor in all its operations and supply chains.

No person under the legal working age of 14 years is employed, and any juvenile worker (14–18) is restricted from hazardous tasks or excessive hours in line with national law.

Employment at Arkay is entirely voluntary; no worker's documents are withheld, and every employee has the freedom to resign without coercion or penalty.

Regular supplier audits, internal monitoring, and awareness trainings ensure full compliance across the organization.

In 2024, no cases of child or forced labor were identified, confirming Arkay's commitment to maintaining an ethical, transparent, and responsible workplace.

Arkay remains vigilant in supplier monitoring to ensure consistent compliance across all tiers, recognizing that continuous collaboration with suppliers is key to sustaining zero tolerance.

Harassment-Free Workplace & Grievance Mechanism

Arkay Knit Dyeing Mills Ltd. maintains a zero-tolerance policy toward any form of harassment, abuse, or discrimination.

Every employee has the right to work in an environment of dignity, respect, and safety.

The company's Anti-Harassment & Anti-Abuse Policy strictly prohibits verbal, physical, or psychological misconduct and ensures that any complaint is investigated promptly and confidentially.

A gender-balanced Anti-Harassment Committee and the Grievance Redress Mechanism give workers safe channels to raise issues through complaint boxes, HR desks, or direct meetings.

No worker faces retaliation for reporting a concern, and all cases are tracked until resolved.

We continue to nurture an open and respectful culture where employees feel confident to raise concerns, recognizing that trust and awareness are built through continuous engagement.

In 2024, no harassment cases were reported, reflecting our ongoing commitment to a respectful, transparent, and supportive workplace.

There were no monetary fines, warnings, or penalties imposed on Arkay during the reporting year.

To uphold transparency, every member of Arkay's management submits an annual conflict-of-interest declaration so that all company decisions stay fair, impartial, and integrity-driven.

Our Employee Benefits at a Glance

Each benefit strengthens the wellbeing and stability of our workforce.

Group Insurance – Risk protection for all employees

Medical and Health-Care Care Support –
Free treatment at the on-site clinic

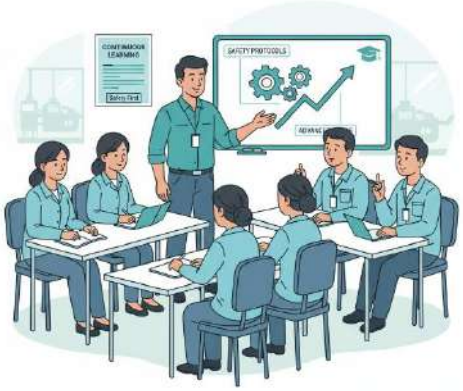
Accident Coverage – Full cost borne for on-duty injury

Service Benefit / Retirement Fund - Payments as per labour law

Leave Facilities –
- Lawful maternity, sick, and annual leave

Allowances & Bonuses
Festival, food, transport, and attendance

Training & Skill Development
- Building skills for safer, smarter work



Employee Scholarship Program: Empowering Families Through Education

When Abdur Rahim, a dyeing machine helper from Gazipur, heard that his eldest daughter had passed her college admission test, he couldn't hide his smile. Supporting higher education had always felt impossible on his modest income, but through Arkay's Employee Scholarship Program, Rahim's daughter received steady educational support throughout her school years.

"Before this, I used to worry every term about paying school fees," Rahim shared. "Now my daughter is studying science at a public college. She wants to become a textile engineer; maybe one day she'll work in the same industry as me, but in a different role."

Rahim's story reflects how Arkay's scholarship initiative is more than financial assistance; it's a bridge between generations, helping workers' children pursue education confidently and break the cycle of financial limitation.

Every year, dozens of employees' children across knitting, dyeing, and AOP departments benefit from this initiative. The program strengthens family welfare and builds a ripple effect of hope and opportunity throughout the local community of Gazipur.

By investing in education, the organization contributes to long-term community empowerment; shaping a future where access to learning isn't limited by economic background but guided by potential.

Dozons of employees' children benefited from Arkay's scholarship support across Gazipur.

Health and Medical Welfare Programs

A fair day's work deserves good health: for workers and their families.

On Fridays, when the factory floor falls quiet, the gates of Arkay Knit Dyeing Mills Ltd. open again; this time for care, not production.

Workers and their family members arrive at the Free Friday Clinic, a weekly health service where they receive check-ups and consultations without any cost.

Rahim, a finishing operator, brought his young son one Friday after the boy complained of eye strain. The on-site doctor examined him, offered simple advice, and invited Rahim for a blood pressure check as well. Both father and son returned home reassured; a small example of how Arkay's medical care extends beyond the workplace.

For thousands like Rahim, health support begins inside the factory but reaches their families too. Arkay's occupational health services include a full-time medical team: doctor, nurse, and assistant and a formal partnership with an external clinic for advanced care, where all costs are covered by the company.

Alongside treatment, the company invests in health awareness and preventive programs to build lasting wellbeing.

Our Programs at a Glance

Free Friday Clinic
Weekly check-ups for employees and families, at no cost.

Clear Vision Program
Free eye testing and spectacles for workers.

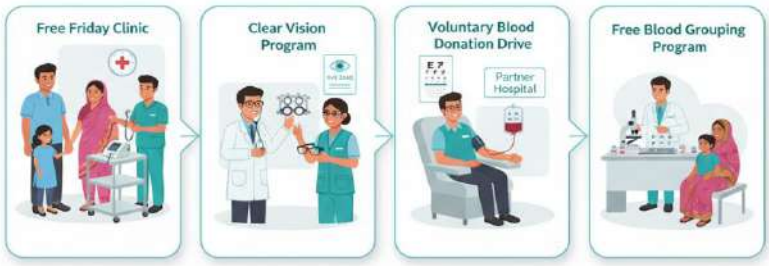
Blood Donation Drive
Annual campaign to support community blood banks.

Blood Grouping Program
On-site blood group testing for workers and families.

Occupational Health Services
On-site medical team and fully covered referral care.

Health Promotion
Awareness on nutrition, hygiene, and disease prevention.

HEALTH & MEDICAL WELFARE AT ARKAY



On-site medical centre served 1,559 workers in 2024

On Fridays, Arkay's gates open for care — extending health to every family.

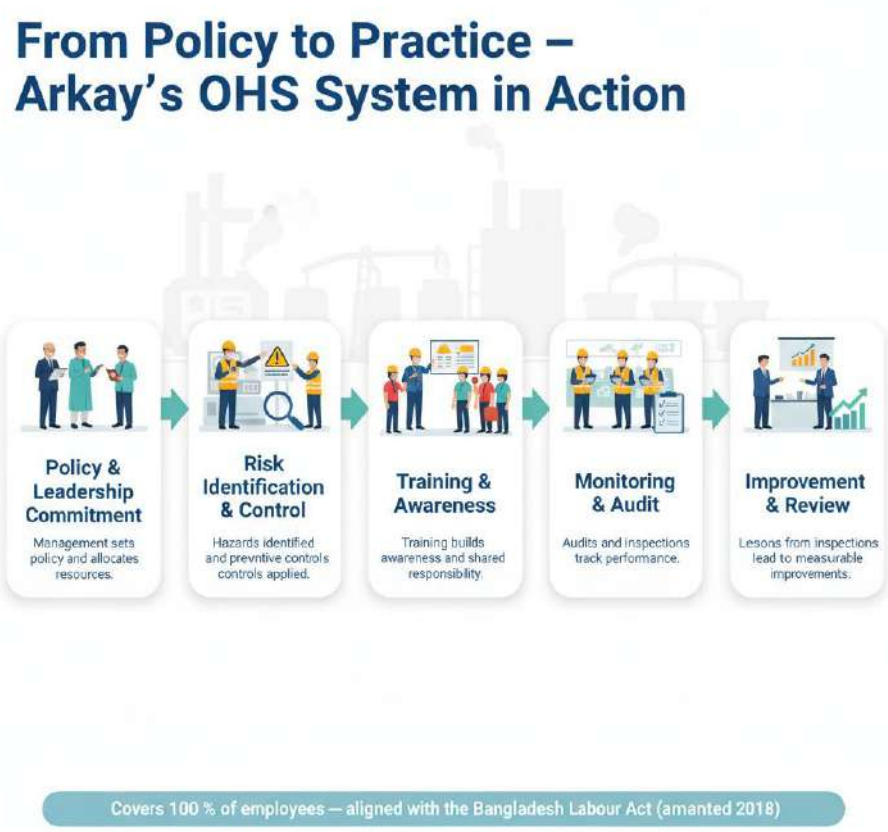
Our Journey to a Safer Tomorrow

Occupational Health & Safety Management

OHS Management System

Every day at Arkay Knit Dyeing Mills Ltd., hundreds of people work beside heat, colour, and motion; each process carrying both creativity and risk.
To keep that rhythm safe, the company operates a structured Occupational Health & Safety Management System built on the principles of prevention, participation, and continual improvement.
This system covers 100 % of employees and aligns with the Bangladesh Labour Act (amended 2018) framework.
It follows the Plan-Do-Check-Act (PDCA) cycle to identify hazards, control risks, and strengthen safety performance each year.

Responsibility begins at the top: management sets the policy and allocates resources, while the EHS Team leads implementation through training, audits, and monitoring.
Supervisors ensure compliance on the floor, and every worker shares responsibility for maintaining a safe environment.
The system connects with Arkay's certified management standards and internal audits, ensuring that lessons from each inspection or near-miss translate into tangible improvements.
Together, these measures form the backbone of a workplace where productivity and protection grow side by side.



Arkay's Health & Safety Policy

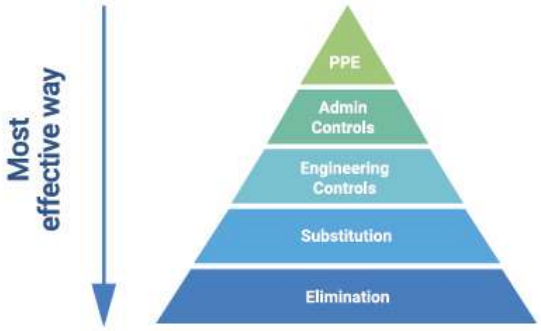
Arkay Knit Dyeing Mills Ltd. maintains a documented Health & Safety Policy that defines our vision, responsibilities, and continuous-improvement commitments under the Bangladesh Labour Act (amended 2018).

Proactive Safety through Hazard Identification and Risk Assessment (HIRA)

In a dyeing and finishing environment, where heat, color, and moving machines blend every day, even small mistakes can pose risks. Arkay follows a formal Hazard Identification and Risk Assessment (HIRA) process to stay ahead of hazards; not just react to them.

Every production area undergoes a HIRA assessment at least twice a year and whenever new machinery, chemicals, or processes are introduced. Using structured checklists, the EHS team evaluates potential physical, chemical, mechanical, and ergonomic hazards, ranking them by likelihood and severity.

Arkay's proactive safety process ensures every risk is identified, controlled, and reviewed.



Once risks are identified, Arkay applies the Hierarchy of Controls; starting with elimination and substitution, followed by engineering and administrative controls, and finally ensuring appropriate PPE use to minimize exposure.

Employees are encouraged to report unsafe acts or conditions directly to their supervisors, through the Safety Officer, complaint box, or the Joint Safety Committee, without fear of reprisal.

Employees are encouraged to report unsafe acts or conditions directly to their supervisors, through the Safety Officer, complaint box, or the Joint Safety Committee, without fear of reprisal.

All incidents and near-misses are documented and investigated within 24 hours. Each case leads to a Corrective and Preventive Action (CAPA) plan, verified by the EHS team for effectiveness.

Findings from investigations are discussed in monthly safety meetings and toolbox talks, ensuring lessons learned are shared across all departments.

Key Safety Indicators at Arkay Knit Dyeing Mills Ltd.

Key Indicator	Practice
HIRA Frequency	Bi-annual and when process changes
Investigations	All incidents investigated within 24 hours
CAPA Verification	Each case verified for effectiveness
Right to Refuse Unsafe Work	Yes
Worker Participation	Safety Committee + Toolbox Talks

Practical measures ensure every risk is evaluated, acted upon, and verified for continuous improvement.

Through these proactive measures, Arkay reinforces a workplace culture where safety is everyone's daily practice, not an afterthought and where continuous improvement keeps people protected, informed and empowered.

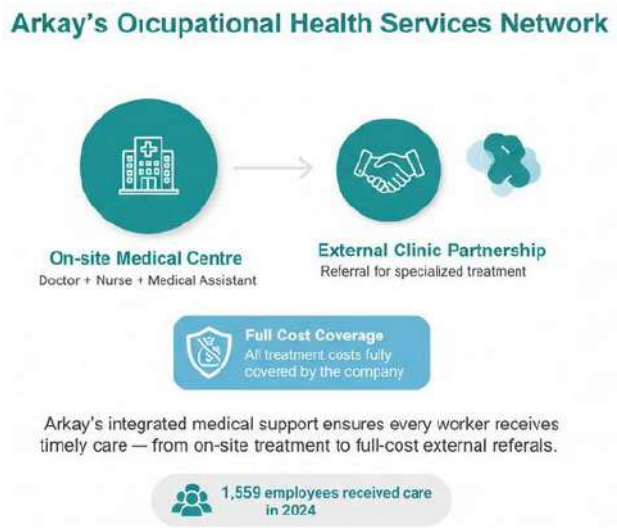
> *At Arkay, safety doesn't wait for an accident — we look for risks before they find us.*

Occupational Health Services

Protecting Health: One Worker at a Time

When Mahmud, a dyeing operator, felt dizzy during his shift, he walked into Arkay's on-site medical Centre; not a hospital mile away. Within minutes, the factory nurse checked his vitals, the doctor examined him, and Mahmud was safely sent home for rest.

For Arkay Knit Dyeing Mills Ltd., this isn't an isolated act of care- it reflects a system designed to protect every worker's health, every day.



Periodic medical surveillance protects workers' health through early detection and continuous care.

A Comprehensive Medical Support System

Arkay operates a comprehensive Occupational Health & Safety Management System (OHSMS) that ensures every employee has access to professional medical services at work.

The company maintains a fully equipped on-site medical center staffed by a doctor, nurse, and medical assistant who regularly attend to employees' healthcare needs.

For advanced treatment beyond the factory's scope, Arkay maintains a formal partnership with an external clinic; and in every case, all costs are fully covered by the company. This approach guarantees that no worker faces any financial burden to receive healthcare. Arkay remains aware that timely health service delivery depends on staff capacity and medical resources, and continues to strengthen coordination between the in-house clinic and external partners.

Empowering Workers through Safety Coverage, Participation, and Training

As of 2024, 100 % of Arkay Knit Dyeing Mills Ltd.'s 1,892 employees are fully covered under the company's Occupational Health & Safety Management System (OHSMS).
This comprehensive system integrates risk assessment, medical support, and continuous improvement in alignment with the Bangladesh Labour Act (Amended 2018).
Arkay does not employ any contract or temporary workers. Every worker receives equal protection, safety training, and access to occupational health resources; ensuring a workplace built on fairness and care.

OHS Training & Capacity Building

Continuous learning builds a culture where safety is practiced, not just promised.

At Arkay Knit Dyeing Mills Ltd., safety is more than a requirement — it is a discipline strengthened through continuous learning. Every year, the company conducts comprehensive Occupational Health and Safety (OHS) training programs to equip employees at all levels with the knowledge to prevent, respond to, and report incidents effectively.

This shift in mindset from "**reaction to prevention**", illustrates the core purpose of Arkay's OHS training and capacity-building system: transforming awareness into leadership.

OHS Training Performance Overview (2022–2024)

Characteristic	2022	2023	2024
Participants	1,763	1,985	1,471
Total Training Hours	72.5 hrs	71.5 hrs	59 hrs
Workforce Coverage	93%	100%	78%

This consistent participation demonstrates Arkay's long-term commitment to building safety awareness and technical competency across all departments.

Arkay acknowledges that maintaining high participation in every training cycle requires continuous motivation and scheduling flexibility, and the company works to keep engagement levels consistent across shifts.

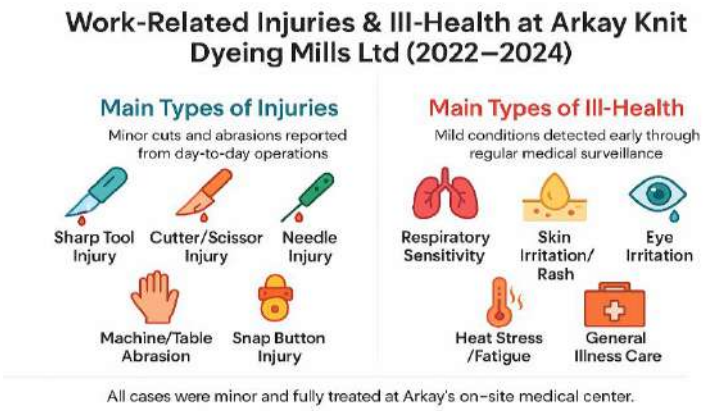
Building a Safer Workplace: Managing Injuries and Occupational Ill-Health

It began with a routine morning round. A floor supervisor noticed a junior operator adjusting a dyeing valve without gloves; a quick correction, a brief conversation, and a reminder that safety awareness is built every day, not trained once.
Moments like these reflect Arkay Knit Dyeing Mills Ltd.'s culture of vigilance and prevention. Every observation, incident, and health check feeds into the company's Occupational Health & Safety Management System (OHSMS), ensuring that no lesson is lost and every safeguard improves.

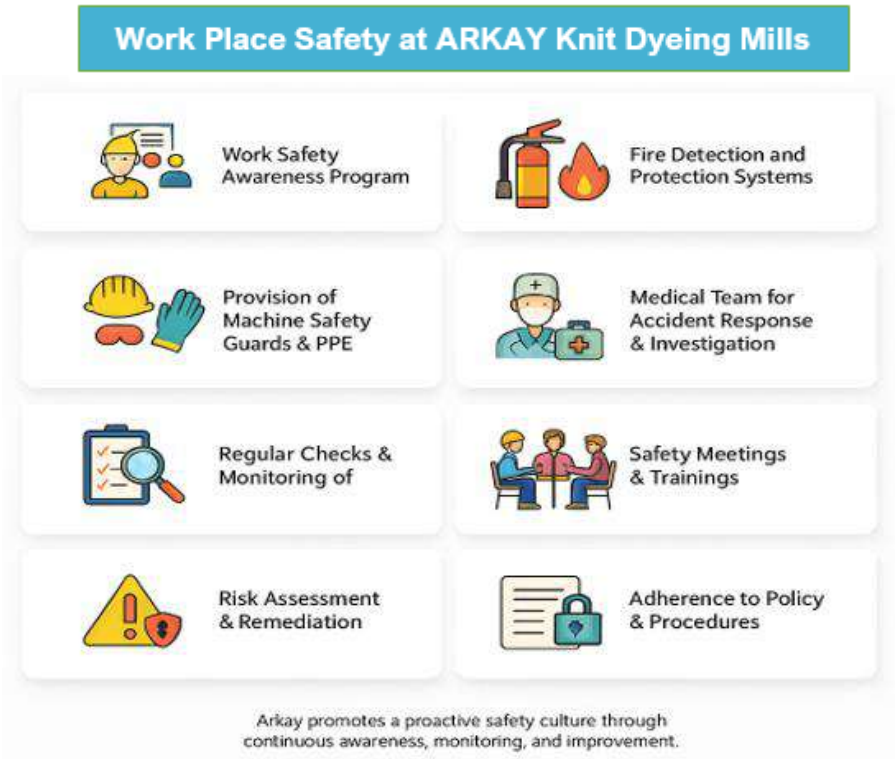
Workplace Safety Performance: 2022-2024

Characteristic	2022	2023	2024
Fatalities & High-Consequence Injuries	0	0	0
Work-Related Injuries	15	16	17
Work-Related Ill-Health Cases	4	3	6
Injury Rate	0.55	0.58	0.62
Total Hours Worked (hours)	5,411,400	5,512,900	5,486,800

***Injury Rate (IR)** = (Total Work-related Injuries × 200,000) ÷ Total Hours Worked
Data sources: incident logs, medical center records, HR time and attendance.



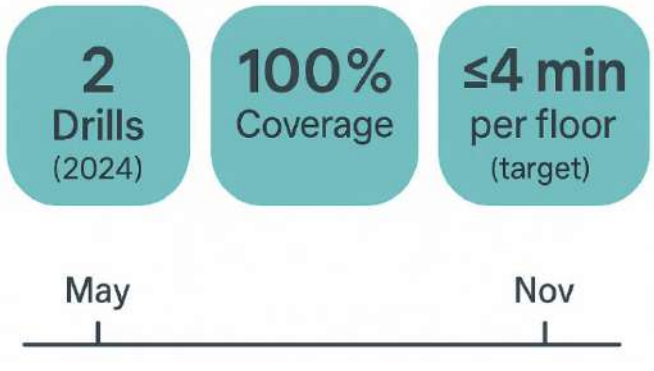
From 2022 to 2024, Arkay recorded zero fatalities and no high-consequence injuries, with incidents limited to minor cuts and abrasions and a few manageable cases of work-related ill-health detected early through medical surveillance. The steady, transparent tracking of safety metrics below demonstrates how continuous monitoring and employee engagement sustain a healthy, injury-free workplace.

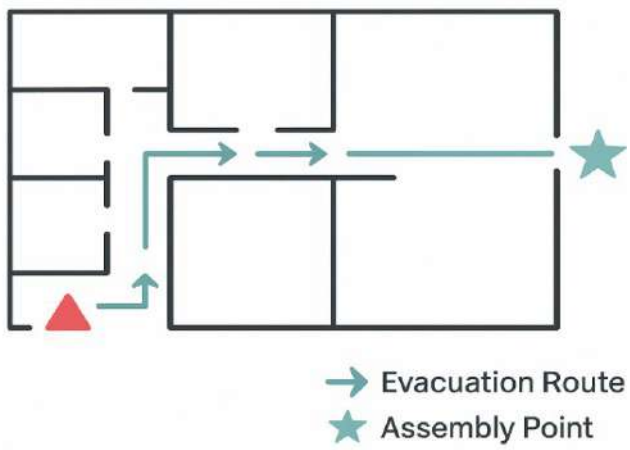


Arkay recognizes that safety management is a continuous journey evolving with operations, technology, and worker behavior and remains committed to constant improvement.

Prepared, Protected, and Practiced

Every employee trained to respond with calm and confidence.





Continuous Improvement & Future Focus

Arkay aims to further enhance its fire safety performance by introducing advanced fire-sprinkler technology and conducting continuous reviews to reduce evacuation time during drills. These upcoming initiatives reflect the company's commitment to innovation and a safer workplace for all.

EMERGENCY RESPONSE POLICY

Comprehensive emergency readiness covering risk assessment, trained teams, communication, clear procedures, evacuation, first aid, fire safety, chemical spill response, and natural disaster preparedness.

Risk Assessment
identify fires, chemical spills, power outages, natural disasters; assess impact on people, assets, production

Emergency Procedures
step-by-step-actions for fire/chemical/medical, shelter/evacuate instructions

Emergency Response Team
defined roles (incident Commander, Floor Marshals, First-Aid, Security, Maintenance

First Aid & Medical
trained first-aiders, clinic location, kit availability

Fire Safety
detection/suppression. extinguisher demo & PASS

Communication Plan
alarms, PA announcement emergency contacts external services

Chemical Spill Response
handling, containment, cleanup & PPE

Natural Disaster Preparedness
earthquake/flood/storm guidance

Training & Drills
frequency, refresher, post-drill review

GROWING TOGETHER: OUR JOURNEY OF LEARNING

Training and Education: Empowering People, Enriching Skills

On the dyeing floor, Md. Shafiq, a machine operator, once struggled to maintain the right temperature and chemical dosing during batch processing. After attending the Chemical Handling and Machine Operation Training, he learned to monitor the process more precisely and reduce re-dye rates.

Similarly, Moinuddin, a printing helper in the AOP section, attended Waste Segregation and Environmental Awareness sessions, where she discovered how even small actions like proper chemical container disposal; contribute to a safer, cleaner workplace.

Their stories reflect Arkay's belief that every worker, regardless of role, can become a driver of change through learning. Each training session is not just a compliance step, but an opportunity to empower individuals with the knowledge and confidence to perform their work responsibly and grow in their careers.

Training and education programs are implemented jointly by the Factory Internal Department and the Head Office Training & Organizational Development Department.

Comprehensive Training Program Overview

Training needs are identified through annual performance reviews, line supervision feedback, and buyer audit observations. Each session is evaluated to ensure relevance, effectiveness, and inclusion.

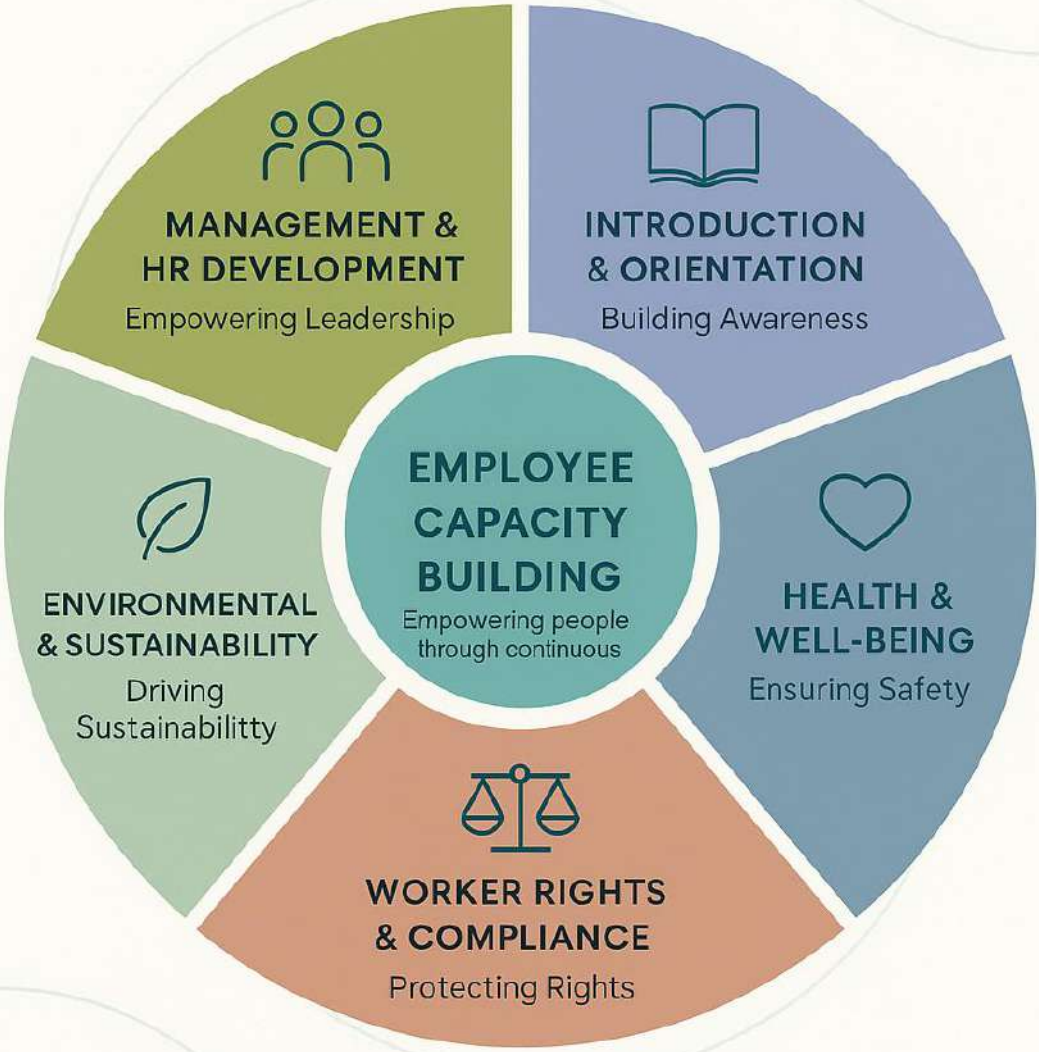
Over the past three years, each employee received an average of 0.08 – 0.09 hours of structured training annually, covering both technical and non-technical topics. Participation levels remained consistent, reflecting the organization's commitment to continuous workforce learning even during production peaks.

Arkay recognizes that ensuring equal access to training across all shifts and departments remains a continual focus, as production demands and time constraints can sometimes limit participation; ongoing planning aims to further improve scheduling and inclusion.

Employee Training Performance (2022–2024)

Characteristic	2022	2023	2024
Total Participants	3,967	4,509	3,918
Total Hours	176.5	183.5	148.5
Avg. Hours/Employee	0.09	0.09	0.08

Programs for Upgrading Employee Skills



Arkay Knit Dyeing Mills Ltd.

Empowering peopole thrpugh continuous learning and development

Every Sunrise Fuels a Greener Tomorrow

At Arkay Knit Dyeing Mills Ltd., every action - from solar power to skilled hands - moves us closer to a cleaner, brighter future.

Every fabric we dye, every drop of water we save, and every watt of energy we recover tells a story: the story of Arkay's journey toward a better tomorrow.

This first Sustainability Report is more than a reflection of what we have done; it's a promise of what we are becoming. We began with small steps — switching to LED lights, installing efficient boilers, and capturing waste heat that once escaped environment. Today, these steps have turned into a rhythm of progress that touches every corner of our factory.

But our story doesn't end here. In the coming years, Arkay will bring technology and purpose even closer together. From expanding our solar power system and achieving ISO 50001 certification to introducing real-time IoT-based energy dashboards; we are preparing for a smarter, cleaner, and more connected future.

We will strengthen our commitment to people by opening more opportunities for skill development, promoting safety as culture, and building pathways for women to join and lead.

We will deepen our bond with the community through education, health, and shared growth. And we will continue to measure, learn, and report every year, with greater honesty and impact.

Sustainability is not a destination for Arkay; it's a journey we walk every day, one choice at a time.

The next chapter of this journey is already being written - in every meter of fabric we make, in every innovation we plan, and in every person who believes that business can be a force for good.

Decoding Our Language of Sustainability

Abbreviation	Full Form
LEED	Leadership in Energy and Environmental Design
GRI	Global Reporting Initiative
ESG	Environmental, Social and Governance
iREC	International Renewable Energy Certificate
LED	Light Emitting Diode
IOT	Internet of Things
ZDHC	Zero Discharge of Hazardous Chemicals
MRSL	Manufacturing Restricted Substances List
SBTi	Science Based Targets initiative
PDCA	Plan–Do–Check–Act
MJ	Megajoule
MT	Metric Ton
REB	Rural Electrification Board
EGB	Exhaust Gas Boiler
Higg FEM	Higg Facility Environmental Module
SBR	Sequencing Batch Reactor
PET	Polyethylene Terephthalate
GOTS	Global Organic Textile Standard
OCS	Organic Content Standard
RCS	Recycled Claim Standard
BCI	Better Cotton Initiative
GRS	Global Recycled Standard

GRI Content Index

Arkay Knit Dyeing Mills Ltd. has prepared this report with reference to the GRI Standards. The information presented in this GRI Content Index covers the reporting period from 1 January 2024 to 31 December 2024.

Disclosures	Description	Page No.	Omission
GRI 2: General Disclosures			
2-1 Organizational details	-	4	No
2-2 Entities included in the organization's sustainability reporting	The report boundary is limited to Arkay Knit Dyeing Mills Ltd. factory operations only.	2	No omission.
2-3 Reporting period, frequency and contact point	Reporting year- 2024 Reporting Frequency: Annually Contact: Engr. Saiful Islam Assistant General Manager (EMS)	2	No.
2-4 Restatements of information	Not Applicable. This is the first sustainability report.		Yes.
2-5 External assurance	No external assurance has been used.	5	Yes.
2-6 Activities, value chain and other business relationships	-	4,5,6,12	No.
2-7 Employees	Total number of Employees- 1892	65,66	No.
2-8 Workers who are not employees	Not Applicable, there are no such workers within Arkay, who are not employees.	-	Yes.
2-9 Governance structure and composition	Board of Directors, Resident Directors, Executive Directors, Head of Admin	24	No.
2-10 Nomination and selection of the highest governance body	Confidentiality Constraint. Information regarding our board members is not publicly disclosed.		Yes.
2-11 Chair of the highest governance body	Board of Directors	24	No.
2-12 Role of the highest governance body in overseeing the management of impacts	Factory's strategic direction and ensure responsible and accountable decision-making	24,25	No.
2-13 Delegation of responsibility for managing impacts	Responsibility of the decision making committee for managing impacts.	24,25	No.
2-14 Role of the highest governance body in sustainability reporting	Top management oversees ESG performance review.	25	No.
2-15 Conflicts of interest	Structured governance ensures unbiased decision-making.	24	No.

Disclosures	Description	Page No.	Omission
2-16 Communication of critical concerns	Grievance Redress Mechanism	25,73	No.
2-17 Collective knowledge of the highest governance body	Not available, will be disclosed on our future reports.	-	Yes.
2-18 Evaluation of the performance of the highest governance body	Not available, will be disclosed on our future reports.	-	Yes.
2-19 Remuneration policies	Not available, will be disclosed on our future reports.	-	Yes.
2-20 Process to determine remuneration	Not available, will be disclosed on our future reports.	-	Yes.
2-21 Annual total compensation ratio	Not available, will be disclosed on our future reports.	-	Yes.
2-22 Statement on sustainable development strategy	Guided by 'Green Future – Business,' Arkay prioritizes sustainability.	22,23	No.
2-23 Policy commitments	Policy commitment to sustainable development goals	22	No.
2-24 Embedding policy commitments	Sustainability commitments embedded in operations	22	No.
2-25 Processes to remediate negative impacts	Grievance Redress Mechanism	73	No.
2-26 Mechanisms for seeking advice and raising concerns	Grievance Redress Mechanism	73	No.
2-27 Compliance with laws and regulations	National and International Law as required.	27	No.
2-28 Membership associations	3 memberships	11	No.
2-29 Approach to stakeholder engagement	We engage with a diverse range of stakeholders to maintain efficiency and adopt innovation.	14	No.
2-30 Collective bargaining agreements	Worker representation and participation mechanisms	72	No.
GRI 200: Governance			
GRI 203: Indirect Economic Impacts 2016	Local infrastructure and welfare initiatives. Indirect economic benefits for local communities.	28,29	No.
GRI 205: Anti-corruption 2016	Zero-tolerance anti-corruption policy and training.	26	No.
GRI 206: Anti-competitive Behavior 2016	Prohibition of anti-competitive business practices.	26	No.
GRI 300: Environment			
GRI 301: Materials 2016	Responsible sourcing with certified, recycled, and reusable materials	50-52	No.

Disclosures	Description	Page No.	Omission
	promoting circularity and waste reduction.		
GRI 302: Energy 2016	Comprehensive energy management integrating ISO 50001 systems, renewable transition, and efficiency improvement reducing energy intensity and carbon footprint.	35,36,37,38	No.
GRI 303: Water and Effluents 2018	Comprehensive water stewardship covering responsible withdrawal, condensate reuse, compliant effluent treatment, and consumption reduction under ZDHC and DoE standards.	44-48, 53-56	No.
GRI 305: Emissions 2016	Comprehensive GHG management covering Scope 1 & 2 emissions, future Scope 3 integration, intensity tracking, and 42 % reduction target through renewable energy and efficiency initiatives.	40-42	No.
GRI 306: Waste 2020	Comprehensive waste management integrating source reduction, segregation, recycling, and compliant disposal under EMS governance with a 50% landfill reduction target by 2030.	58-61	No.
GRI 308: Supplier Environmental Assessment 2016	Suppliers evaluated through environmental compliance certifications and upcoming Responsible Sourcing Framework to assess and improve sustainability performance.	62	No.
GRI 400: Social			
GRI 401: Employment 2016	Employment managed through fair recruitment, stable retention, and equal rights under national labor compliance.	65,66,68	No.
GRI 402: Labor/Management Relations 2016	Notice periods and employee consultations managed under national labor laws through active Participation Committee.	70,73	No.
GRI 403: Occupational Health and Safety 2018	Comprehensive OHS system covering risk assessment, medical services, worker participation, supplier compliance, and training with zero fatalities and preventive health programs for all employees.	79-86	No.
GRI 404: Training and Education 2016	Structured employee training and development programs ensuring continuous learning, performance review, and skill enhancement.	88,89	No.
GRI 405: Diversity and Equal Opportunity 2016	Ensures equal opportunity and fair treatment in all employment decisions,	70,71	No.

Disclosures	Description	Page No.	Omission
	with non-discrimination based on gender, religion, or ethnicity.		
GRI 406: Non-discrimination 2016	Maintains a bias-free workplace through annual awareness programs, zero reported discrimination cases, and strict anti-bias policy enforcement.	71	No.
GRI 407: Freedom of Association and Collective Bargaining 2016	Supports employee participation through the Participation Committee and Safety Committee ensuring rights to representation and open dialogue.	62,71	No.
GRI 408: Child Labor 2016	Implements a zero-tolerance policy on child and forced labor with continuous supplier monitoring and legal compliance audits.	62,73	No.
GRI 409: Forced or Compulsory Labor 2016	Guarantees voluntary employment, prohibits coercion or document retention, and ensures full freedom and transparency across operations.	62,73	No.
GRI 418: Customer Privacy 2016	Ensures strong customer data protection through secure systems, zero recorded privacy breaches, and continuous cybersecurity monitoring.	67	No.

Arkay Knit Dyeing Mills Ltd.