

ECOLOGY



SOCIETY



ECONOMY



SUSTAINABILITY REPORT | 2024

Progress is impossible without change, and those who cannot change their minds cannot change anything.

— George Bernard Shaw



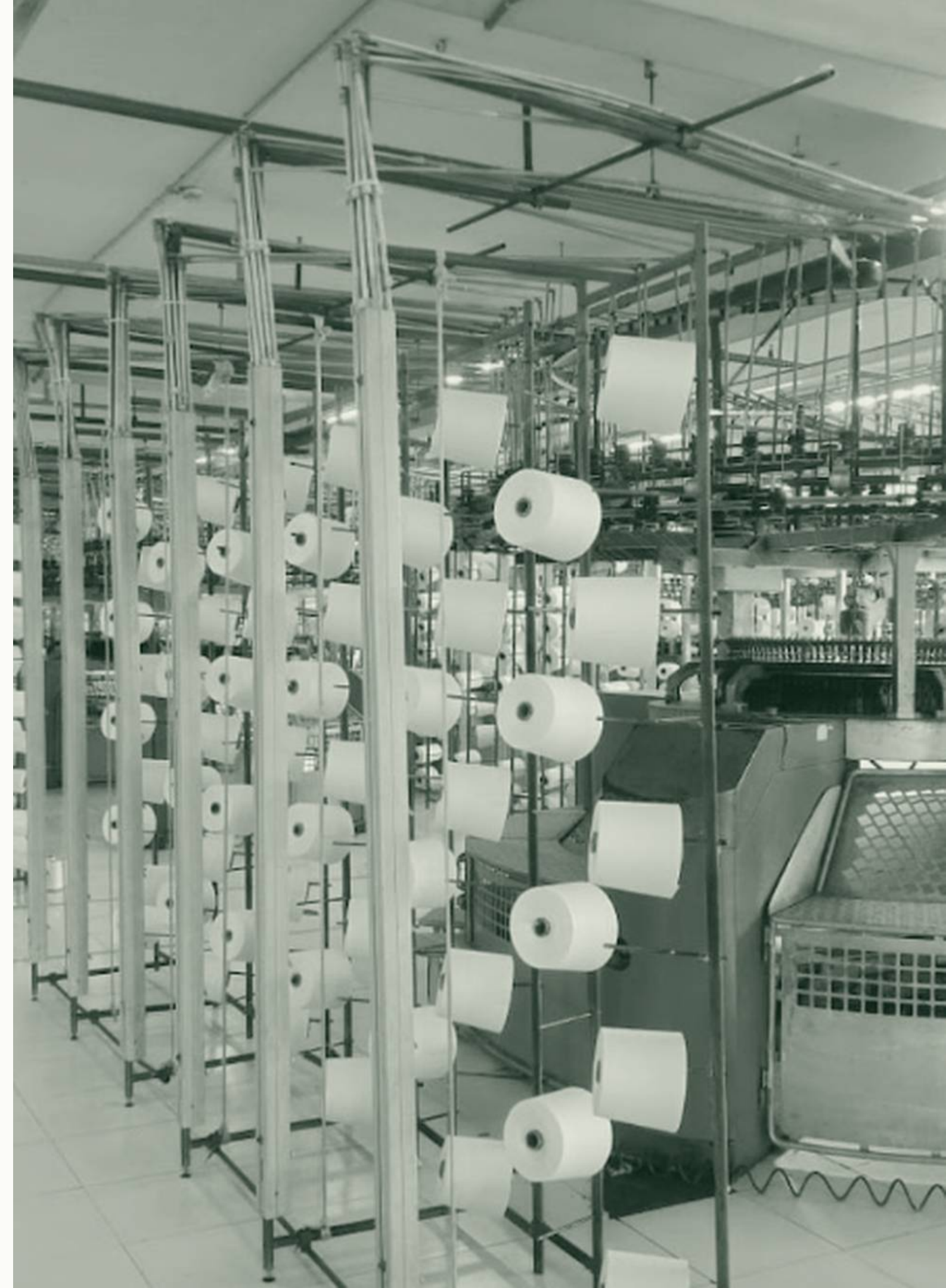
THERE IS NO PLAN 'B'
BECAUSE THERE IS NO PLANET B.

– Ban Ki-moon



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Director (Production)
Aswad Composite Mills Ltd.

Dear Stakeholders,

I view sustainable production as an essential part of achieving operational excellence. A manufacturing facility can only remain competitive over the long term when its production systems are efficient, reliable, safe, and responsible in their use of resources.

Our focus is therefore on continuously improving the way we operate. We seek to reduce avoidable losses, optimize the use of water, energy, chemicals, and materials, improve production efficiency, and minimize waste generated through our processes. These efforts not only reduce environmental impacts but also contribute to better productivity and stronger operational performance. Effective production management also depends on planning, coordination, preventive maintenance, process control, and timely identification of improvement opportunities. We are working to strengthen these areas while encouraging our teams to identify practical solutions that can improve both productivity and sustainability.

As Project Director, I believe that successful implementation depends on the cooperation of every department. Production objectives, engineering requirements, quality expectations, environmental priorities, and workplace safety must be aligned to achieve consistent results.

Our goal is to develop Aswad into a manufacturing facility where operational performance and sustainability reinforce one another. By continuously improving our processes and making more responsible use of resources, we can strengthen our competitiveness while contributing to a more sustainable manufacturing future.

Warm regards,
Mr. Emdad Hossain



Director (Central Management)
Palmal Group of Industries

Dear Stakeholders,

For Aswad Composite Mills Ltd., sustainability is increasingly becoming an important consideration in how we plan, manage, and evaluate our business. We believe that meaningful progress requires sustainability to be connected with management decisions rather than treated as a separate function. Our role in Central Management is to provide the direction and coordination necessary to translate sustainability objectives into practical actions across the organization. This includes strengthening management systems, improving coordination between functions, monitoring performance, and ensuring that sustainability considerations are incorporated into operational and strategic priorities.

We also recognize the importance of balancing environmental responsibility with business performance. Better resource utilization, improved efficiency, waste reduction, responsible production, and effective risk management can strengthen both our environmental performance and our operational resilience

Transparency and accountability are equally important to this journey. We are committed to improving our ability to measure performance, identify areas for improvement, and communicate our progress responsibly. At the same time, we encourage every function to take ownership of the sustainability objectives relevant to its activities.

Going forward, Central Management will continue to support initiatives that strengthen Aswad's sustainability performance and prepare the organization for the changing expectations of the textile and apparel industry. Our objective is to establish sustainability as a practical and enduring part of the way Aswad is managed

Warm regards,
Mr. Adnan Imtiaz Majid



Director (Admin & Surveillance)
Palmal Group of Industries

Dear Stakeholders,

At Aswad Composite Mills Ltd., dependable infrastructure and effective safety systems are fundamental to maintaining a sustainable and resilient manufacturing operation. Energy performance, electrical reliability, fire protection, and emergency preparedness are closely connected to both business continuity and environmental responsibility.

A key area of our focus is improving the performance of our electrical and energy systems. Through monitoring, efficient technologies, improved operating practices, and greater attention to energy performance, we are working to use energy more effectively while maintaining the reliability required for uninterrupted production.

Safety remains equally important. We are committed to maintaining robust fire protection and prevention measures, strengthening emergency preparedness, and ensuring that our people understand their responsibilities in responding to potential risks. Regular awareness, training, inspection, and preventive actions are essential elements of this approach

We also recognize that infrastructure must evolve with the changing needs of the business and the increasing expectations around sustainability. By combining engineering improvements with effective management and monitoring, we can identify opportunities to improve efficiency, reduce risks, and strengthen the resilience of our facility.

Our continued focus will be on building systems that are reliable, efficient, safe, and prepared for future challenges. We believe that strong electrical and fire management can make a meaningful contribution to Aswad's overall sustainability performance

Warm regards,
Lt. Col. Abdun Nayeem (Retd.)



Resident Director (AHC & Operation)
Aswad Composite Mills Ltd.

Dear Stakeholders,

Sustainable performance ultimately depends on people. At Aswad Composite Mills Ltd., we recognize that our employees are central to the successful implementation of our business and sustainability priorities.

Through Administration and Human Resources, we are committed to creating an environment where employees can work with dignity, safety, discipline, and mutual respect. We believe that a positive workplace culture, effective communication, appropriate training, and employee engagement are essential for building an organization that can adapt and improve over time.

Our responsibility also includes supporting effective administrative systems that enable the facility to operate smoothly and responsibly. We aim to strengthen workplace practices, employee awareness, training and development, and internal coordination so that our people are better equipped to contribute to organizational goals

Sustainability awareness must extend throughout the workforce. When employees understand how their daily decisions affect safety, resource use, waste, efficiency, and the workplace environment, sustainability becomes part of organizational behavior rather than remaining limited to management initiatives.

We will continue to focus on developing our people and strengthening the systems that support them. By building a culture based on responsibility, respect, learning, and continuous improvement, Aswad can create a workplace that supports both employee well-being and long-term organizational success.

Warm regards,
Lt. Col. Md. Faruque Hussain (Retd.)



Technical Director (Dyeing Head)
Aswad Composite Mills Ltd.

Dear Stakeholders,

At Aswad Composite Mills Ltd., we recognize that sustainable dyeing is essential to building a more responsible and resource-efficient textile manufacturing operation. The dyeing process has a significant influence on water, energy, chemicals, process efficiency, and ultimately the environmental performance of the finished product. Our technical approach therefore focuses on achieving the right balance between quality, efficiency, resource conservation, and environmental responsibility.

As Technical Director and Head of Dyeing, my priority is to continuously improve our dyeing processes through better process control, optimized recipes, efficient machine utilization, and appropriate technical solutions. By reducing unnecessary water, energy, chemical consumption, and process losses, we can improve both environmental performance and operational efficiency without compromising product quality.

Chemical and process management are also important elements of our approach. We strive to ensure that chemicals are selected and used responsibly, processes are controlled effectively, and opportunities for reducing chemical intensity and wastewater load are identified. Greater consistency in dyeing processes also helps reduce reprocessing, which in turn avoids unnecessary consumption of resources.

Chemical and process management are also important elements of our approach. We strive to ensure that chemicals are selected and used responsibly, processes are controlled effectively, and opportunities for reducing chemical intensity and wastewater load are identified. Greater consistency in dyeing processes also helps reduce reprocessing, which in turn avoids unnecessary consumption of resources.

Warm regards,
Sheikh Muhammad Abu Musa



Head of Environmental Sustainability
Palmal Group of Industries

Dear Stakeholders,

Environmental sustainability at Aswad Composite Mills Ltd. is guided by a simple principle: we must continuously improve the way we use resources and manage our environmental impacts. Responsible manufacturing requires us to understand our impacts, measure our performance, and turn that understanding into practical action. Our environmental priorities include responsible water and chemical management, efficient use of energy and resources, waste reduction, pollution prevention, and improved environmental performance across our operations. We are working to strengthen these areas through monitoring, data-driven decision-making, compliance management, and continuous improvement.

We also see significant opportunity in moving from a traditional approach of simply managing waste and environmental impacts toward one that focuses on resource productivity and circularity.

Reducing losses, recovering value from materials, improving process efficiency, and identifying innovative solutions can generate both environmental and economic benefits.

For me, sustainability is also about accountability. Setting objectives is only the beginning; meaningful progress requires measurement, transparent reporting, ownership, and follow-through. We therefore aim to strengthen the systems through which our environmental performance is monitored and improved.

This sustainability report is an opportunity to communicate where Aswad stands today, recognize the progress achieved, and identify where further work is needed. Our ambition is to make Aswad Composite Mills Ltd. increasingly resource-efficient, environmentally responsible, and resilient, while contributing to the wider transformation of the textile and apparel industry.

Warm regards,
Engr. Md. Saiful Islam



About the Report

Reporting Period: Aswad Composite Mills Ltd. is presenting its first Sustainability Report, covering its performance and progress from January to December 2024.

Reporting Standards Followed: This report is prepared with reference to Global Reporting Initiative (GRI) Standards.

Reporting Scope: The reporting scope includes the environmental, social, and governance performance of Aswad Composite Mills Ltd.'s single manufacturing facility. No other group entities or external operations are included.

Target Audience: This report is intended primarily for our stakeholders, including buyers, suppliers, partners, civil society organisations, regulatory bodies, etc. Through this report, we aim to communicate our sustainability practices and the steps we are taking to enhance our impact on people, the planet, and our products.

Previous Report Date: This is our inaugural sustainability report, with no previous reports to restate.

Contact Person: For any inquiries or further information regarding this report or our sustainability practices, please contact:

Name: Engr. Md. Saiful Islam

Designation: Head of Environmental Sustainability

Email: ems@palmalgarments.com

External Assurance: This report is not externally assured through any third party. We intend to verify our disclosed performance by external verification in the future.

Who We Are

Aswad Composite Mills Ltd. | Palmal Group



- Est. 2008
- Sreepur, Gazipur, Bangladesh
- Sister concern of Palmal Group of Industries



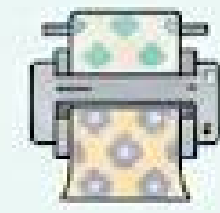
Knitting



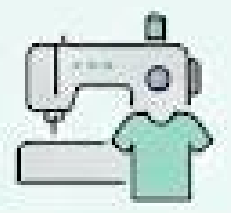
Dyeing



Finishing



AOP



Knit Garments

50

ton/day
Dyeing
1,400 ton/month



60

ton/day
Knitting
1,680 ton/month



15,000

pcs/day
Knit Garments



8

ton/day
AOP
224 ton/month



Supporting global apparel supply chains



Product
Quality



Workforce
Well-being



Environmental
Compliance



Continuous
Improvement



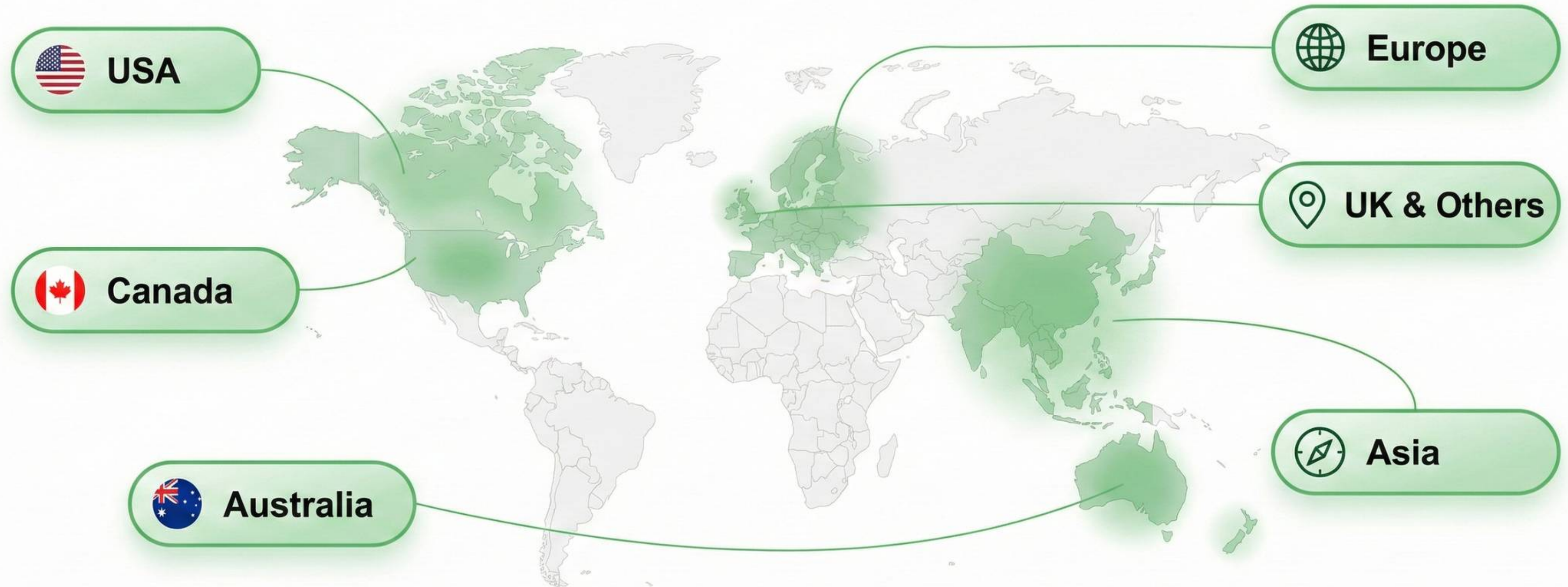
Responsible growth, guided by ethical practices.

Trusted by
Global
Brands



Our Global Market Footprint

Export destinations across key regions



Verified by International Standards

Independent certifications reinforcing responsible manufacturing



Strategic Partnerships

Working together to strengthen industry progress and responsible practices

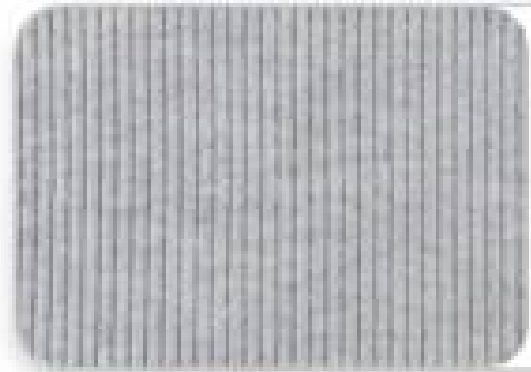


Knits We Produce

Fabric options matched to real apparel applications.



Single Jersey
T-shirts



Rib Fabric
Cuffs & collars



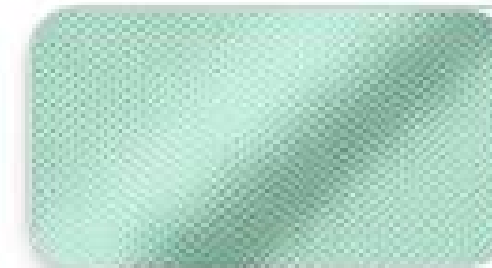
Interlock Fabric
Smooth basics



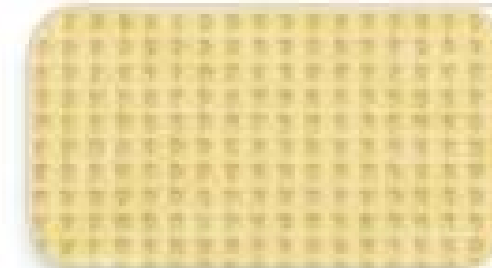
**Spandex / Lycra
Fabrics**
Stretch wear



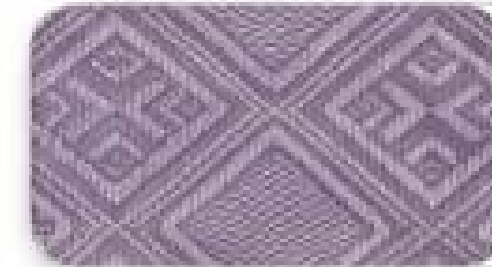
Fleece
Warm layers



**Piqué / Lacoste
Knit**
Polos



Waffle Knit
Thermal texture



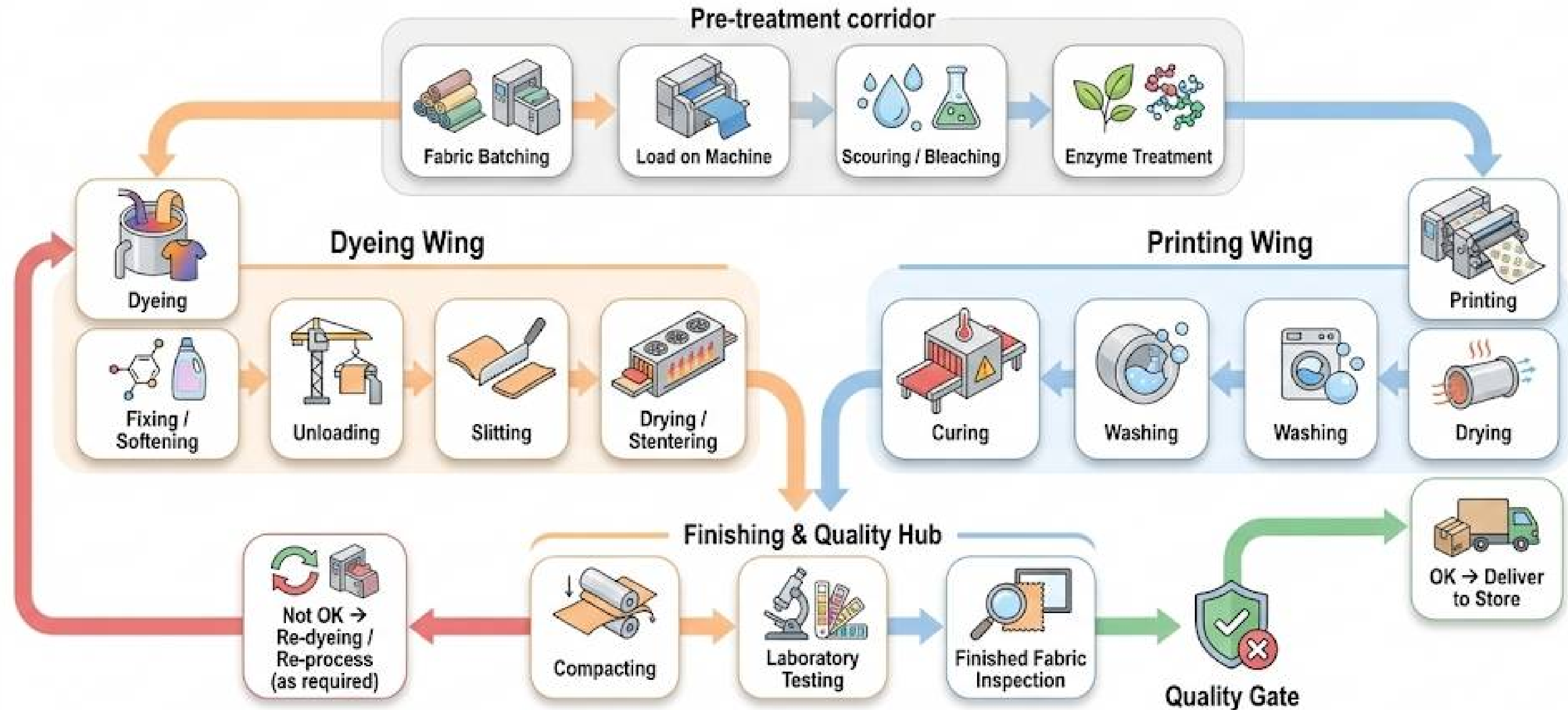
**Flat & Semi
Jacquard Flat Knit**
Pattern knit



**All-Over Printed
Fabrics**
Design fabric

Production Flow Blueprint

A visual map of our fabric processing journey



Orange: Dyeing line | Blue: Printing line | Green: Output



Engaging with Our Key Stakeholders

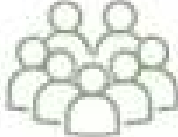
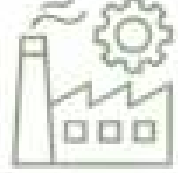
At Aswad Composite Mills Ltd., we believe that meaningful and continuous engagement with our stakeholders is essential to responsible business growth. By actively listening to stakeholders who are directly connected to our operations, we gain valuable insights into their expectations, concerns, and priorities.

Through structured engagement with buyers, employees, suppliers, government bodies, local communities, and service partners, we identify key sustainability issues related to environmental performance, workplace practices, ethical conduct, and operational transparency. Stakeholder feedback plays a critical role in shaping our sustainability focus areas, strengthening accountability, and supporting informed decision-making across our business.

Stakeholder Engagement Process



Stakeholder Engagement Procedure

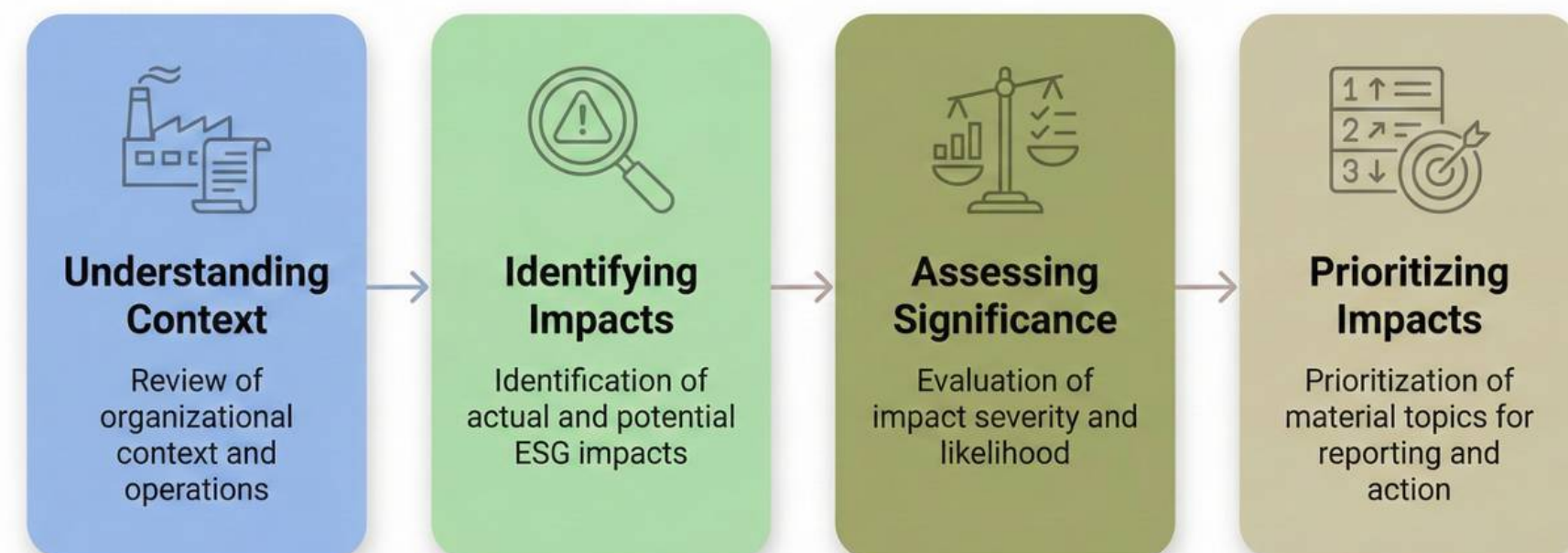
	Stakeholder Groups	Engagement Channels	Key Concern Areas	
	Employees & Workers	• Training sessions • Grievance mechanisms • Worker committee meetings	• Occupational health & safety • Fair wages & equal opportunity • Grievance handling & skills development	
	Buyers	• Email communication • Surveys & virtual meetings	• Resource efficiency & environmental compliance • Labor standards & worker well-being • ESG transparency	
	Suppliers & Vendors	• Vendor audits • Compliance meetings • Capacity-building workshops	• Responsible sourcing & labor practices • Chemical, quality & sustainability management • Ethical business conduct	
	Third Party / Compliance Partners	• Audit coordination • Data verification meetings	• Regulatory & buyer compliance • Data accuracy & traceability • Continuous improvement	
	Government	• One-to-one meetings • Online engagement	• Legal & regulatory compliance • Labor rights & workplace safety • Governance & anti-corruption	
	Local Community	• Community meetings • Grievance channels	• Social well-being & employment • Environmental impacts • Community health & safety	
	Medical Center	• Coordination meetings • Health reporting & referrals	• Occupational health services • Emergency medical response • Preventive healthcare	

Materiality Assessment Process

At Aswad Composite Mills Ltd., we recognize that understanding stakeholder expectations is fundamental to identifying our most significant sustainability priorities. Our materiality assessment process began with identifying key stakeholder groups and engaging with them to understand their concerns, expectations, and perspectives on environmental, social, and governance matters.

Based on stakeholder inputs and internal assessments, we identified and evaluated a range of economic, environmental, and social topics. These topics were then plotted on a Materiality Matrix according to their significance to stakeholders and their impact on our business operations. Topics positioned in the high-priority quadrant were identified as material and form the basis of our sustainability focus, disclosures, and improvement actions.

Materiality Assessment Process



Materiality Matrix

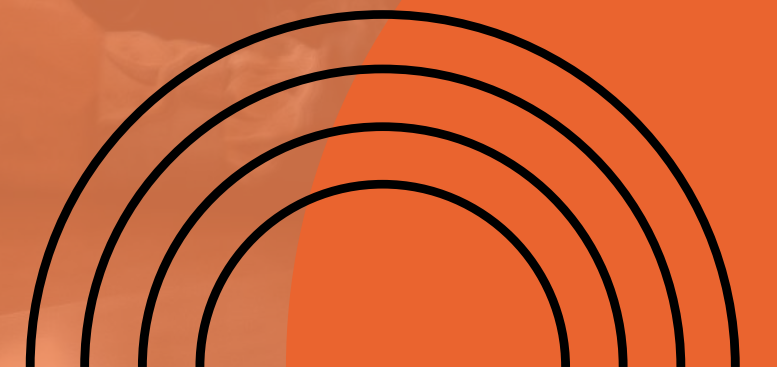


Where Our Actions Create Impact



LEADERSHIP & ACCOUNTABILITY

The Systems Behind Responsible Decisions





Our Path Toward Responsible Governance

At Aswad Composite Mills Ltd., governance guides how we operate, decide, and grow. While our sustainability journey is still unfolding, we remain committed to doing business responsibly, transparently, and with care for people and the environment.

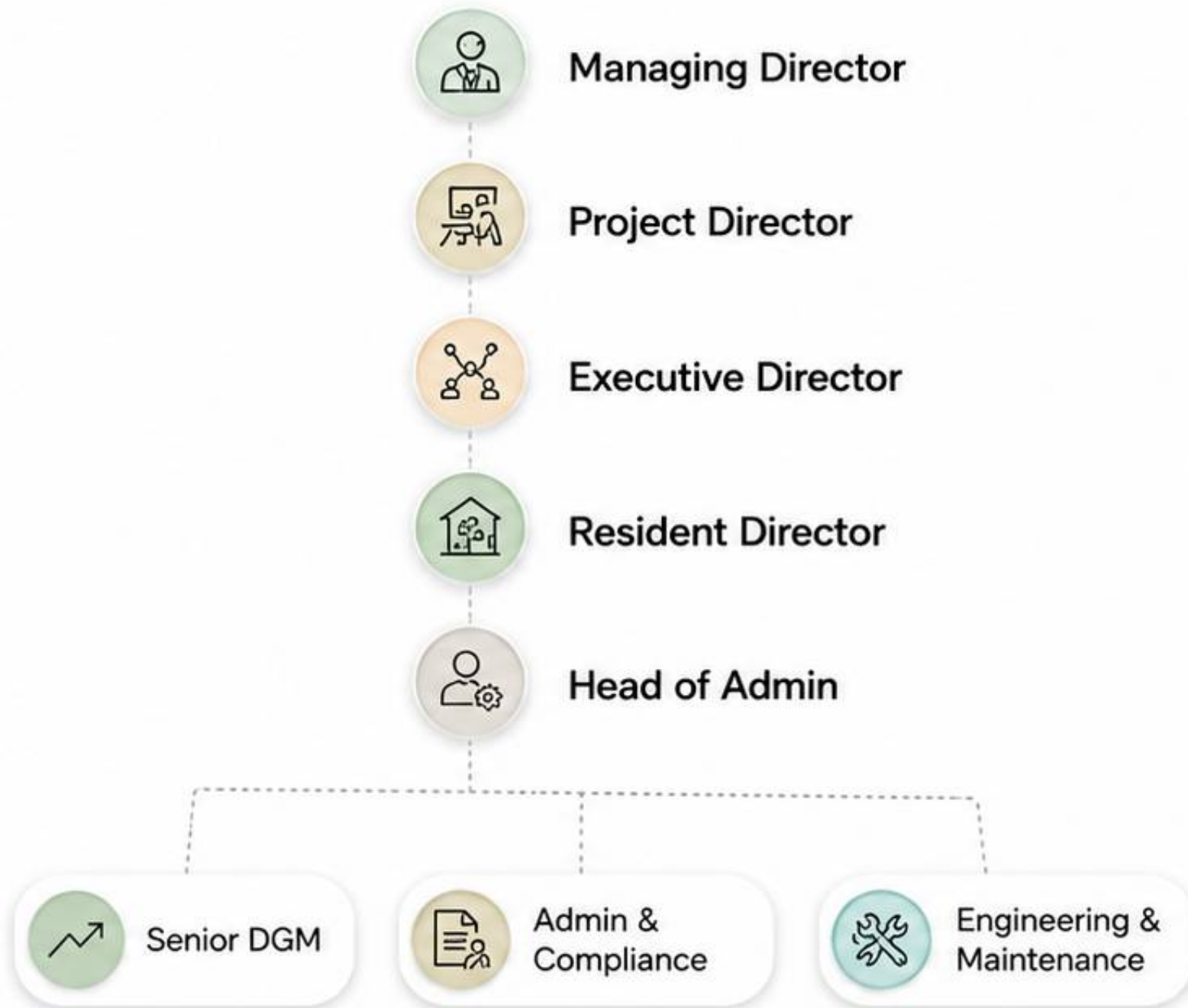
Our management structure ensures compliance, ethical conduct, and accountability across operations. Through clear oversight, regular reviews, and adherence to buyer and regulatory expectations, we strive to build trust and maintain operational integrity.

As we move forward, we are steadily strengthening our governance practices to better integrate environmental and social considerations into everyday decisions. This approach reflects our belief that responsible governance is not a destination, but a continuous journey toward long-term resilience and shared value.

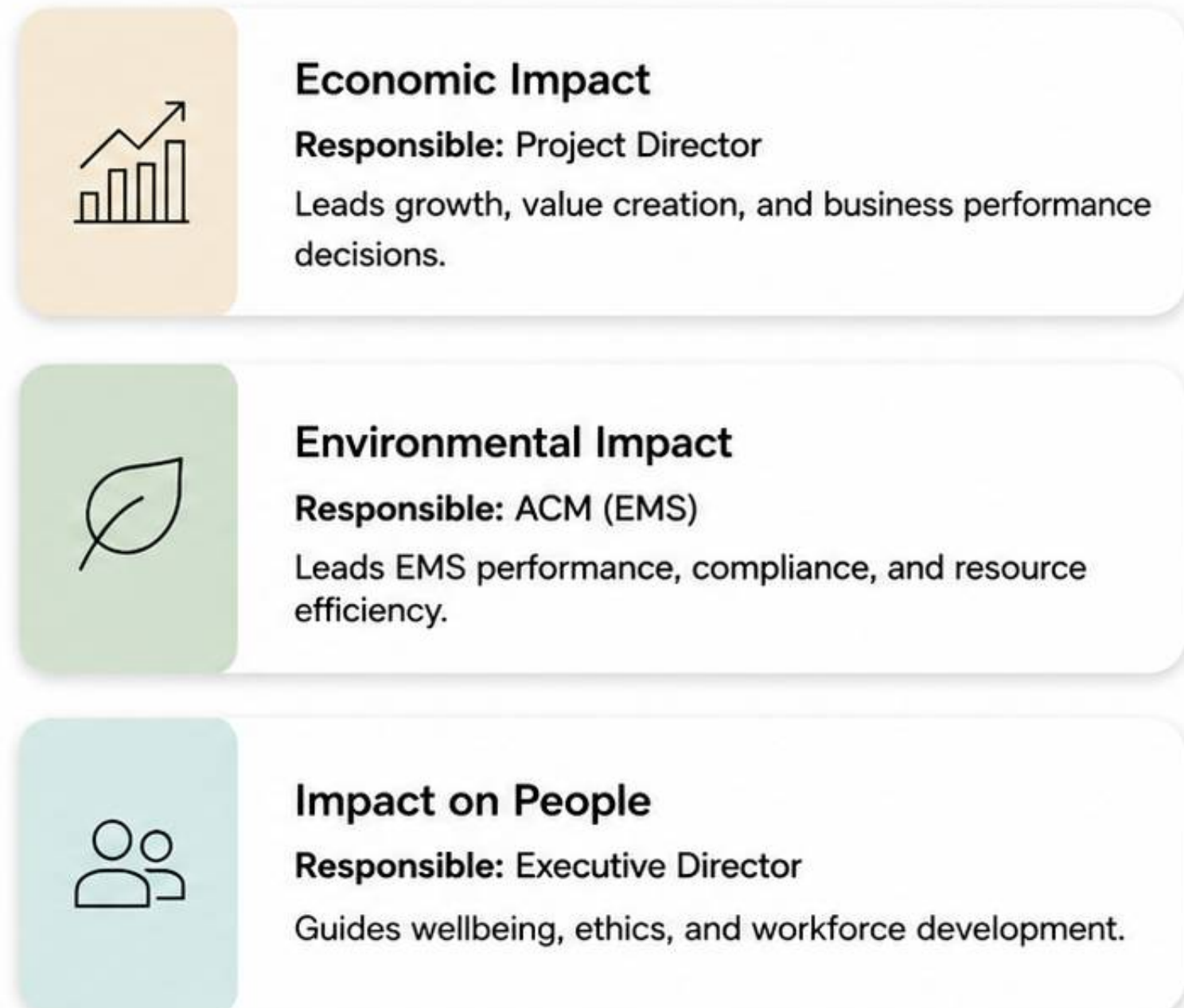
Welcome Briefing: Who Leads What at Aswad

A quick view of our leadership structure and decision ownership across key ESG pillars

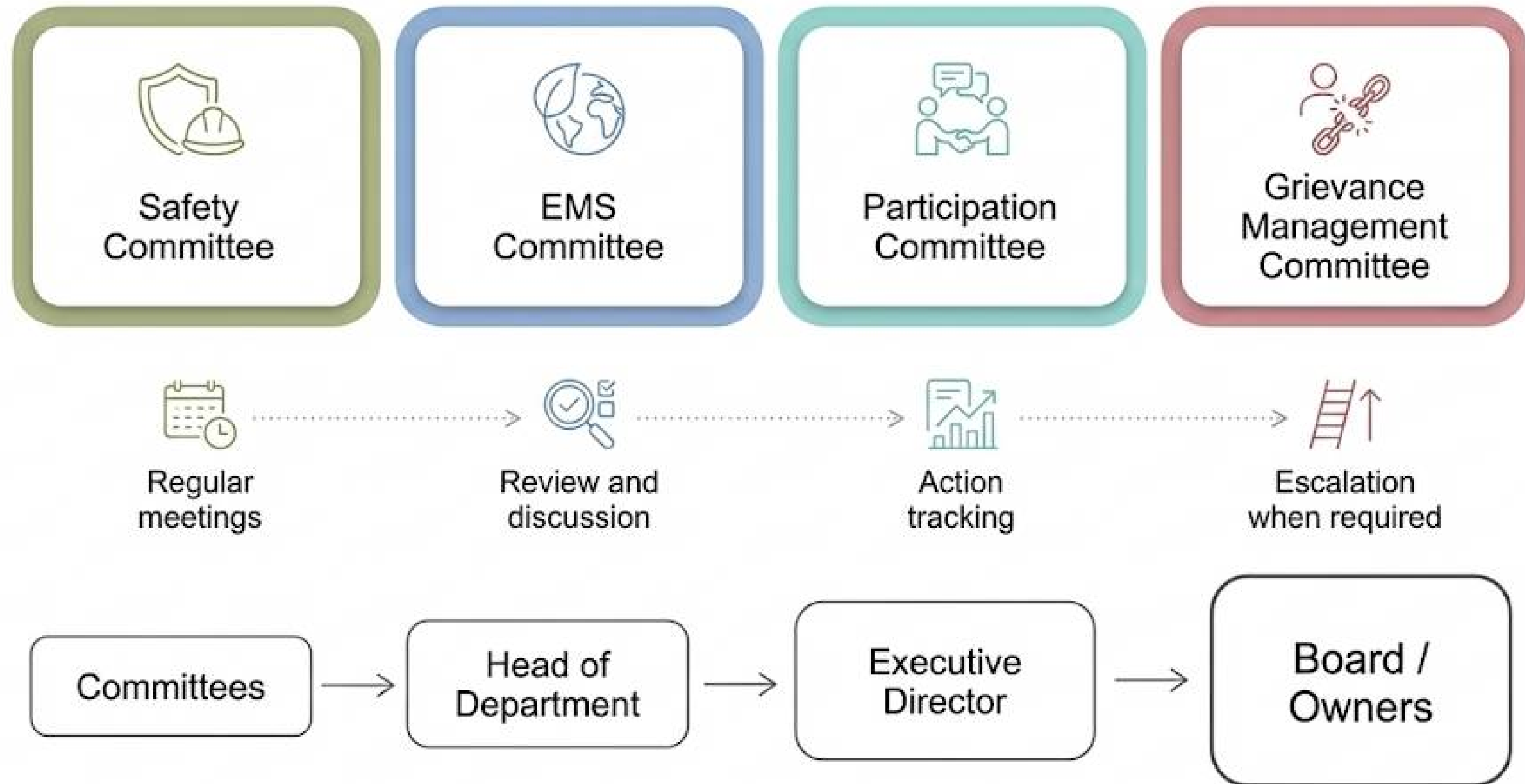
Leadership Structure



Decision Ownership by Impact Pillar



From Oversight to Accountability



Through structured committees and clear reporting lines, Aswad Composite Mills Ltd. ensures responsible, transparent, and sustainable business decisions.

Our Durection & Governance Mindset



Core Competencies

- Customer Focus
- Working Together
- Passion for Excellence
- Continuous Improvement
- Innovation

Vision and Mission

Vision:

Leading knit partner, trusted quality, sustainable growth.

Mission:

Deliver quality knit dyeing at competitive cost through efficient systems, engaged people, and eco friendly technology.



Business Philosophy



Green Future Business



Ethical and Fair Conduct



Responsible Supply Chain



Resource Efficient Operations



Pollution Prevention Focus



Circular Economy Mindset



Stakeholder Value Creation



Sustainability Policy

How we integrate sustainability into decisions and daily operations

Policy Statement

We are committed to building a **Green Future Business** by integrating sustainability into every decision we make.



Our operations are guided by ISO-aligned management systems, ethical practices, and a culture of continuous improvement.



We actively seek opportunities to reduce our environmental footprint and enhance social well-being across our value chain.



We track clear, measurable Key Performance Indicators (KPIs) to drive accountability, improve performance, and create long-term value.

Our Commitments in Practice



Resource Efficiency

We optimize water, energy, and material use, minimizing waste through innovation and process improvements.



Responsible Chemicals

We prioritize the use of safe, sustainable chemicals and comply with ZDHC guidelines for the management throughout the lifecycle.



Waste and Circularity

We implement zero-waste strategies, promote recycling and reuse, and design products for a circular economy.



Responsible Sourcing

We partner with suppliers who share our commitment to ethical, labor, and environmental stewardship.



People and Safe Workplace

We foster a safe, inclusive, and respectful work environment, investing in the health, safety, and development of our people.



Transparency and Continuous Improvement

We communicate openly with stakeholders and continuously evolve our systems and practices to enhance our impact.

Our Roadmap to Responsible Growth

How we turn sustainability commitments into measurable operational results

“At Aswad, we improve fabrics responsibly while protecting resources and people.
Our 2024–2030 roadmap connects targets, actions, and tracking across operations.”



Regulatory Compliance & Governance Assurance

- **Compliance Framework**

We follow a structured compliance framework to meet all applicable local and international requirements related to safety, environment, and factory operations.

- **Records and Transparency**

All licenses, approvals, and audit records are properly maintained and updated to ensure transparency, traceability, and accountability across operations.

- **Compliance Checks**

We conduct regular internal reviews, along with independent third-party audits, to assess our compliance status and identify areas for improvement.

- **Risk Prevention**

We proactively manage compliance risks to avoid penalties, operational disruptions, and potential reputational impacts.

- **Alignment with Buyer Expectations**

Our systems and practices are aligned with internationally recognized standards to meet buyer, regulatory, and sustainability expectations.

- **Continuous Review**

We regularly review and update our policies and procedures to ensure alignment with changing regulations and evolving buyer requirements.

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
- IRC (Import Registration Certificate)
- ERC (Export Registration Certificate)
- BERC Certificate (Generator waiver certificate)

Industry-Specific Regulations

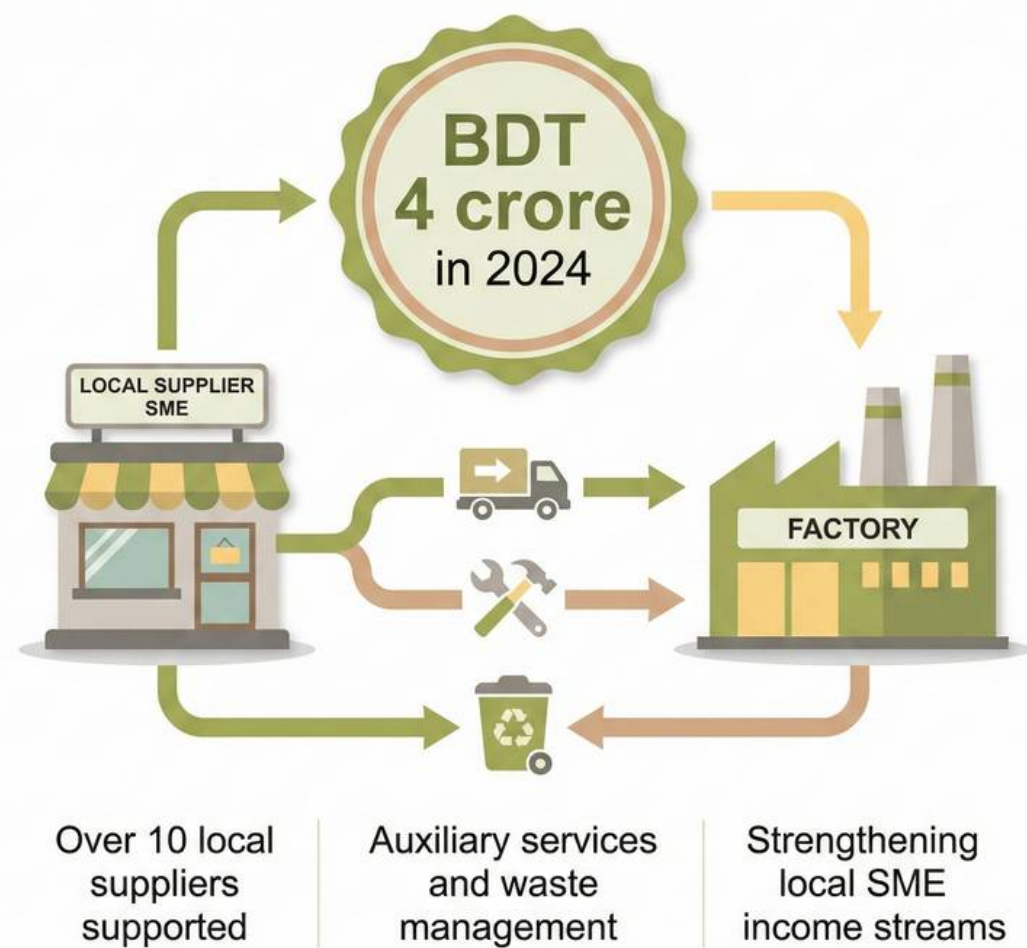
- REB License
- Boller License
- Acid License / Chemical Use Permit
- Diesel License
- Environment Clearance CPP
- Local ECC for Environment

Investing in Communities, Creating Lasting Impact

At Aswad Composite Mills Ltd., our impact extends beyond factory walls. We believe business success is also reflected in stronger, healthier, and more connected communities. Our social infrastructure investments are guided by local needs, cultural respect, and a long-term vision for shared wellbeing. In 2024, this commitment was reflected through three interconnected efforts: community infrastructure investment, continued support for essential social services, and broader development initiatives. These actions strengthen spaces where people gather, worship, receive care, and build belonging, while supporting social cohesion, quality of life, and indirect economic value for workers and surrounding communities. Prior to 2024, indirect economic impacts were not systematically measured or formally documented, limiting comparable historical data. Together, these initiatives show how responsible business decisions can meaningfully strengthen communities and support inclusive, sustained progress.



Our Contribution to Local Economic Growth



We support local economic growth by engaging nearby suppliers and service providers within our operations. In 2024, we worked with over 10 local suppliers for auxiliary services and waste management, generating approximately BDT 4 crore in income. Through local sourcing, we help strengthen SME income streams and contribute to sustained economic activity in surrounding communities.

We invest in building skills that extend beyond our operations. In FY2024, we trained 500 employees through structured programs on workplace safety, digital and technical skills, sustainable production, and leadership development. These initiatives strengthen workforce capability, improve employability, and support long-term economic resilience within our communities.



Improved Market Access for Local Businesses



Long-term partnerships with local SMEs
Support in meeting international compliance standards
Expanded access to global markets

We strengthen local businesses by building long-term partnerships with small and medium enterprises within our value chain. By supporting compliance, quality standards, and operational readiness, we enable local suppliers to access broader and more competitive markets. These partnerships help create sustained growth opportunities and improve market integration beyond our direct operations.

Where We Source Matters:

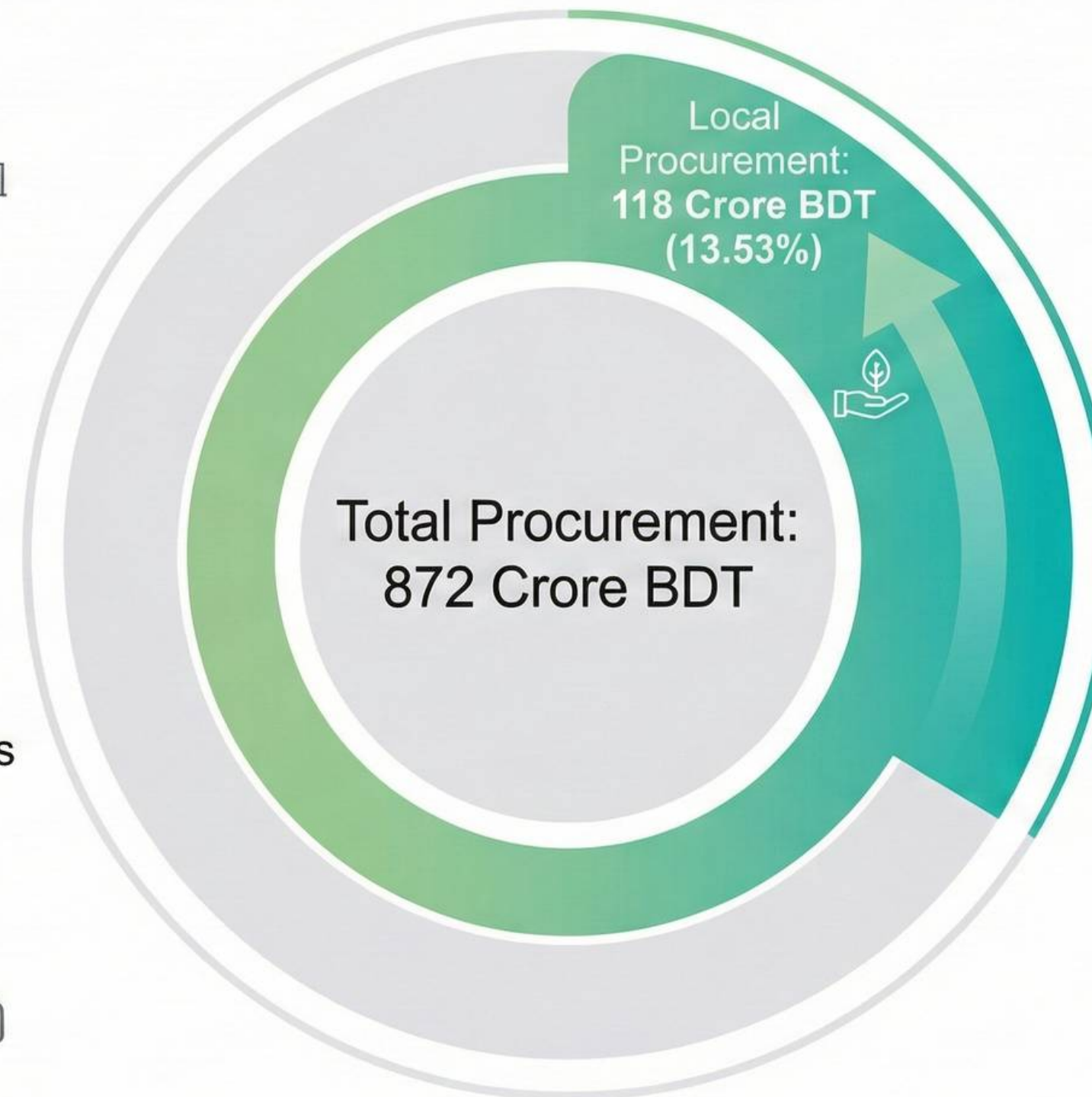
Strengthening Local Economies through Procurement



“Strengthening local supply chains through responsible sourcing”



“Supporting Bangladeshi suppliers located near factory operations”



Local suppliers are primarily based in Bangladesh

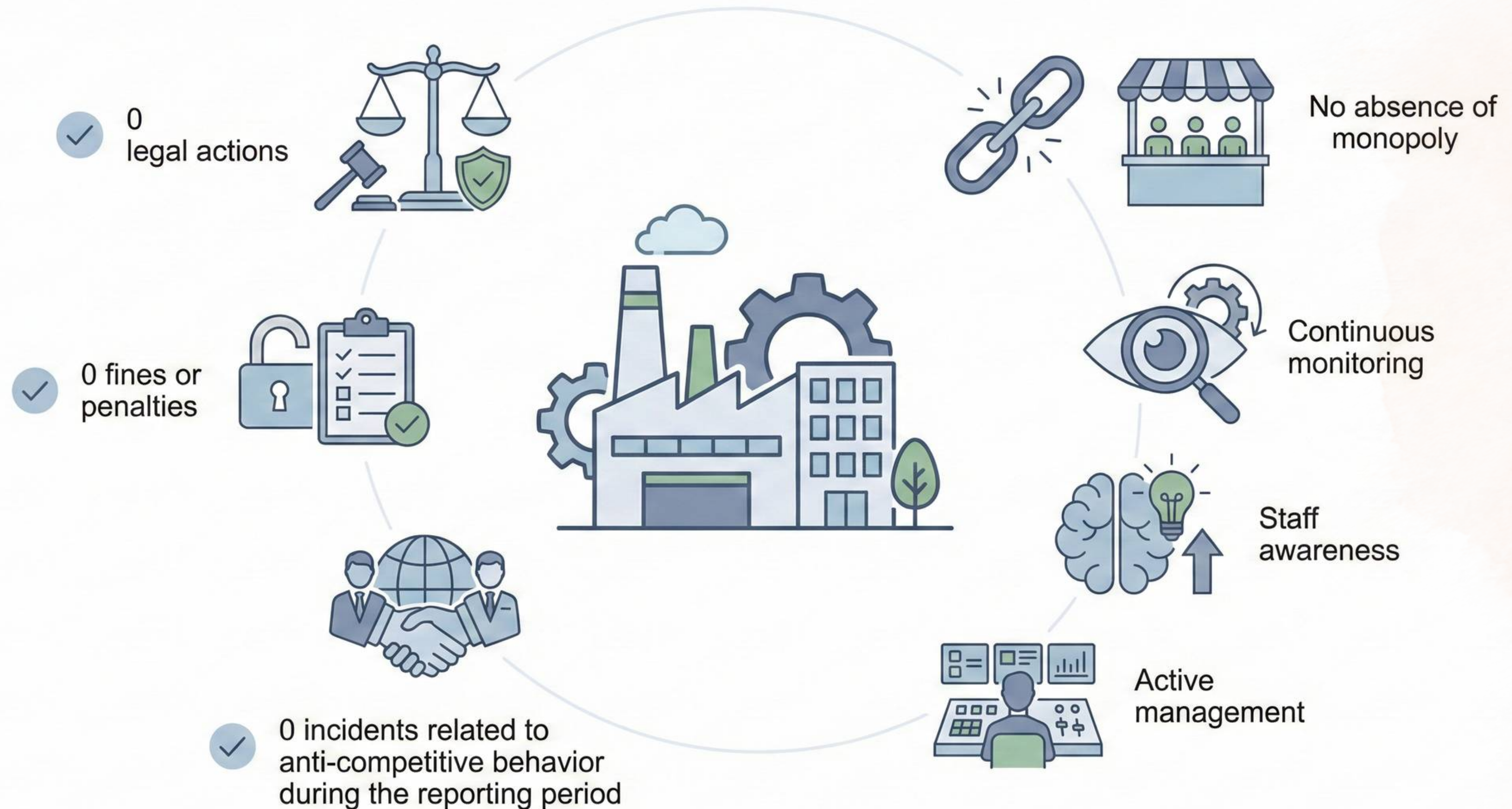
Procurement decisions prioritize proximity and operational efficiency

Local procurement contributes to economic circulation and community resilience

Integrity at the Core



Fair Play at the Heart of Our Business





What We Take, We Protect

Eco-Action for a Healthy Living



How We Turn Environmental Challenges Into Daily Action

At Aswad Composite Mills Ltd., our environmental story begins with the simple truth that our work depends on the world around us. Every drop of water we treat with care, every unit of energy we save, and every material we choose wisely reflects our responsibility to the environment. Over the years, we have learned that sustainability is not an extra task; it is part of how we operate every day. We focus on reducing waste, improving efficiency, and protecting natural resources because we know these actions shape our future. Our goal is clear: to grow as a business while respecting the planet and creating a safer, cleaner future for the next generation.

Environmental Impact & Our EMS Priorities

As a growing textile manufacturer, we understand that our operations touch the environment every day. Through our Environmental Management System, we work to reduce impact and manage resources responsibly.

Our EMS aligns with all major environmental compliance requirements and is strengthened through active collaboration with regulators, industry groups, and other stakeholders. By adhering to local and international standards, we ensure responsible, certified, and sustainable operations. We also focus on the environmental areas that matter most to our facility, using these priorities to guide our actions and drive continuous improvement year after year.



Our 2030 Environmental Targets



GHG Emission

42% reduction from the base year by 2030



Energy Efficiency

Achieve 42% energy savings by 2030



Waste Control

Recycle 50% of total waste generation



Chemical Use

100% ZDHC Level-3 chemical compliance



Water Use

30% reduction in overall water consumption



Wastewater Quality

Reach ZDHC aspirational performance level

Energy Use & Our Journey Toward Efficiency

Every unit of energy we save protects our environment and strengthens our responsibility to the next generation.

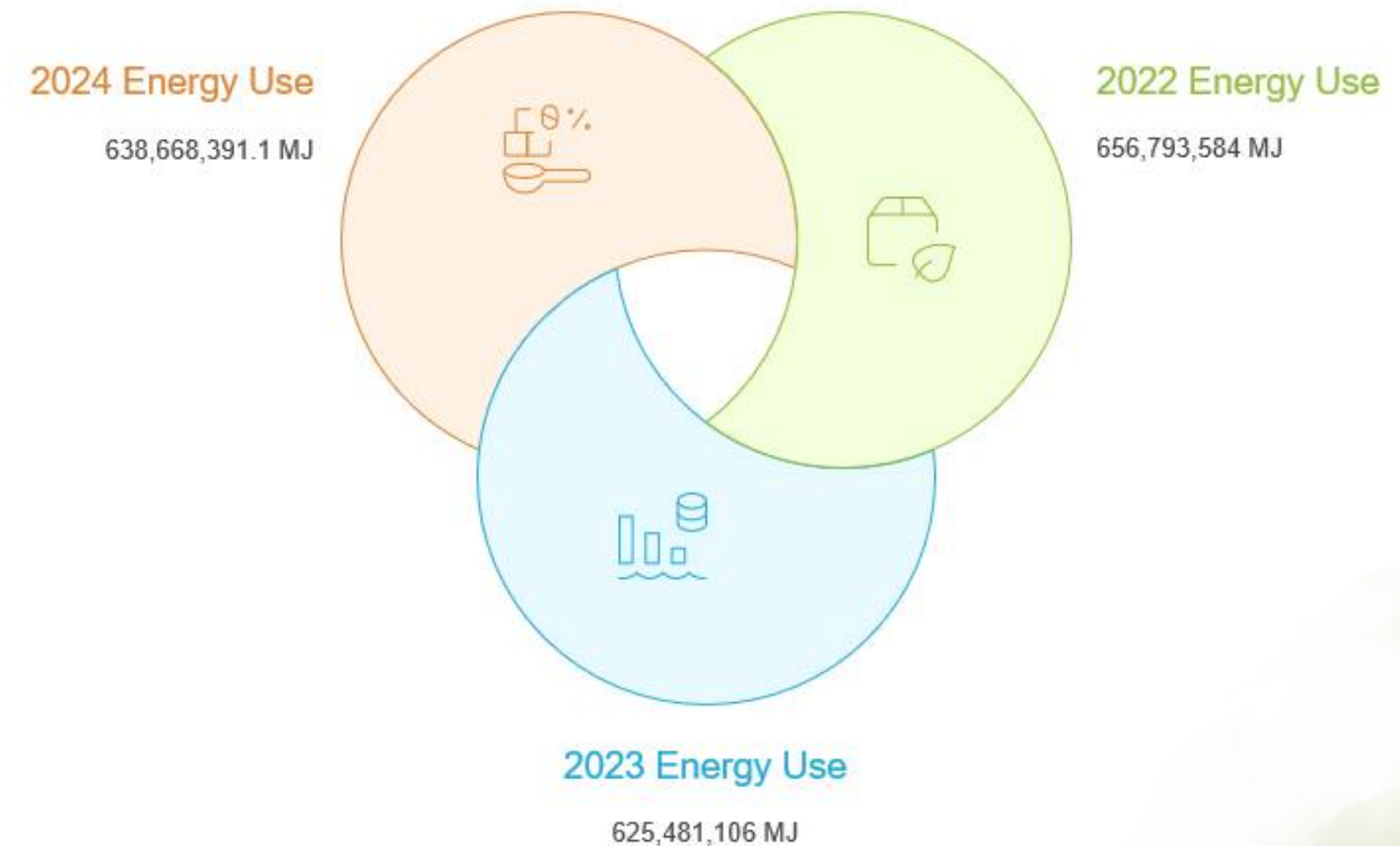
Energy runs every corner of our factory: from the first machine that starts at dawn to the last unit that winds down at night. For Aswad Composite Mills Ltd., the way we use energy goes beyond production needs; it reflects our values. When we save energy, we protect natural resources, reduce emissions, and support a healthier environment for our people and communities. This understanding is the first step in our journey toward a cleaner, smarter, and more efficient future.



Energy Efficiency

Achieve 42% energy savings by 2030

Our Total Energy Consumption (2022–2024)



Our total energy use shows normal variation over the last three years as production levels and fuel availability changed. Despite these shifts, our long-term focus remains on improving efficiency and increasing the share of renewable energy.

Energy Consumption by Source (MJ)

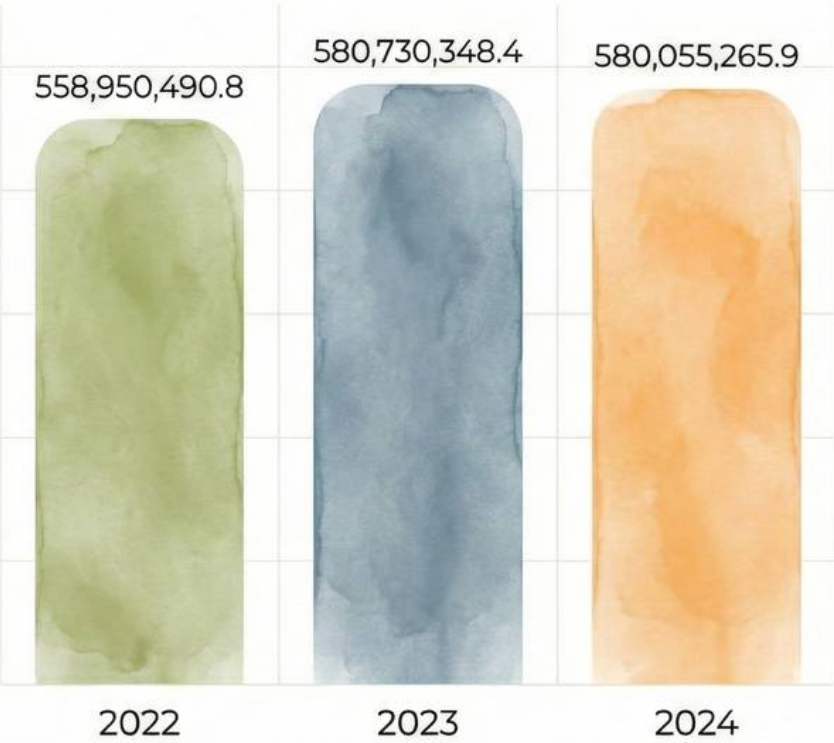
Energy Source	2022	2023	2024
 Purchased Electricity	46469538	48303507.6	48228822
 Natural Gas	495105787.3	521042968.3	516063735.4
 Diesel	17375165.5	11383872.5	15762708.5
 Solar Electricity	6305173.2	6365167.2	5939614.8
 Biomass	91537920	38385590.4	52673510.4
 Total Energy	656793584	625481106	638668391.06

Our energy use pattern over the last three years reflects both operational needs and fuel availability. Natural Gas remains our primary energy source, while diesel consumption varies depending on gas pressure conditions. The increase in biomass use results from the gradual addition of rice husk boilers in 2023 and 2024. Solar generation remains stable due to fixed installed capacity. These patterns help us understand where further efficiency improvements are needed.

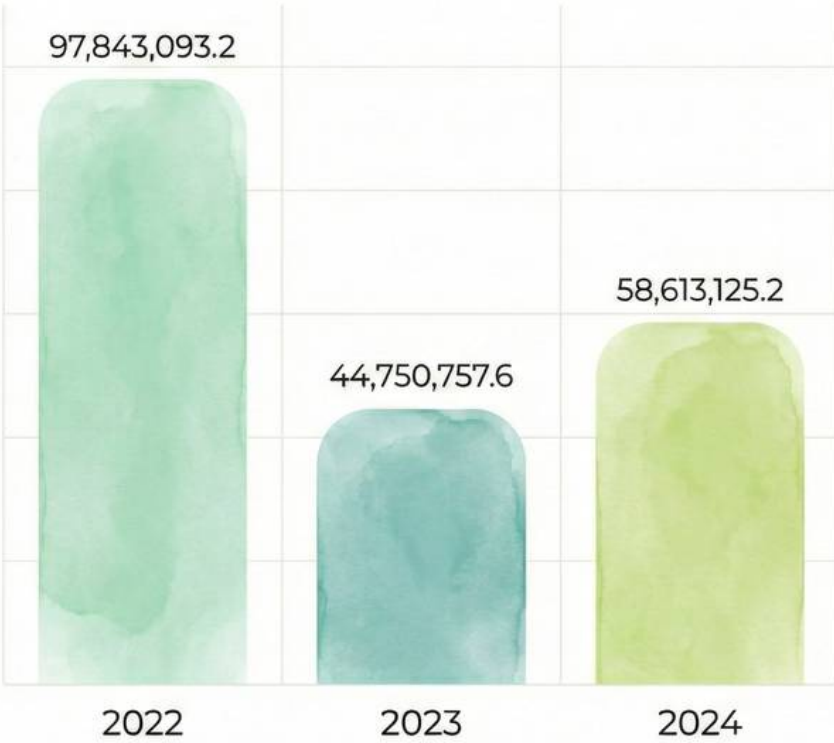
Renewable & Non-Renewable Energy Trends

Our non-renewable energy use has remained relatively stable over the last three years, mainly driven by consistent Natural Gas consumption. Renewable energy shows a gradual improvement due to the addition of rice husk biomass boilers in 2023 and 2024. Solar generation remains constant because the installed capacity did not change. These trends reflect our ongoing efforts to increase renewable energy in our total mix.

Non-Renewable Energy
Non-Renewable Energy Consumption (MJ)



Renewable Energy
Renewable Energy Consumption (MJ)





'Energy per Ton of Fabric'



Sustainable production trend showing decreasing energy intensity per ton.

Even as our knit fabric production increased, the energy required for every ton continued to fall. This improvement comes from steadier machine performance, better control of steam and heat, and a gradual shift toward cleaner fuels. The declining intensity shows that our fabric is becoming lighter on the planet, one roll at a time.

Four Pillars of Energy Efficiency at Aswad



Renewable Energy Expansion

- ⚡ Rooftop solar plant reducing purchased electricity
- ⚡ Biomass boilers replacing Natural Gas
- ⚡ Growing share of clean renewable energy each year



Thermal Efficiency Improvements

- 🔥 Exhaust Gas Boiler (EGB) recovering waste heat
- 🔥 Heat exchangers improving thermal stability
- 🔥 Condensate recovery lowering steam demand



Electrical Efficiency Upgrades

- ⚡ LED lighting across all production floors
- ⚡ Variable Frequency Drives (VFDs) installed
- ⚡ Servo motors preventing unnecessary power use



Process Optimization

- ⚡ RFT and process improvement programs
- ⚡ Energy-saving training for teams
- ⚡ Air-leak control & flue-gas monitoring

Understanding Our Greenhouse Gas(GHG) Footprint

Aswad Composite Mills Ltd. quantifies its greenhouse gas (GHG) emissions following the GHG Protocol. Our emissions boundary covers all activities under operational control, ensuring a transparent and complete measurement of our climate impact. Emissions are reported across Scope 1, Scope 2, and Scope 3 categories, with all gases: CO₂, CH₄, and N₂O, expressed as CO₂e.

Biogenic CO₂ emissions from biomass are disclosed separately, as required by global accounting rules. The year 2024 also marks the expansion of our Scope 3 assessment, enabling a clearer view of indirect emissions such as business travel, commuting, logistics, and waste handling.

SCOPE 1 — DIRECT EMISSIONS

- Diesel combustion
- Natural Gas combustion
- All corresponding gases (CO₂, CH₄, N₂O) converted to CO₂e
- Biogenic CO₂ disclosed separately, not added to Scope 1 totals

SCOPE 2 — INDIRECT EMISSIONS (Purchased Electricity)

- Purchased grid electricity
- Emission factors aligned with national grid intensity & IPCC guidelines

SCOPE 3 — OTHER INDIRECT EMISSIONS (Value Chain)

2024 is our first year of Scope 3 measurement.

- Business Air Travel
- Ground Travel (car/bus)
- Product delivery logistics
- Waste is handed over to vendors
- Employee commuting (distance recorded; emissions estimation in progress)

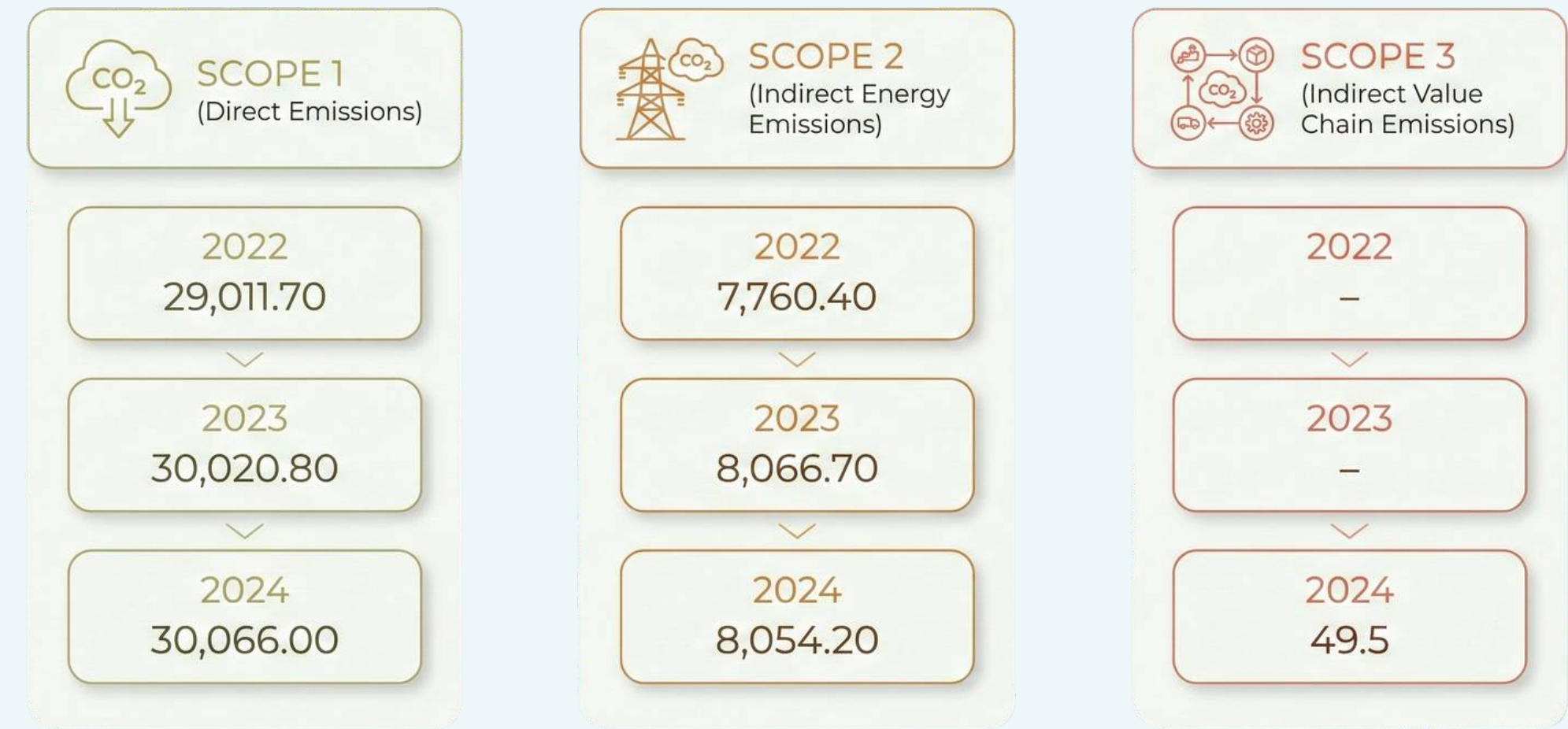


GHG Emissions (2022-2024)

From Rising Emissions to Controlled Growth: Our GHG Journey

From 2022 to 2023, our total GHG emissions increased moderately across Scope 1 and Scope 2. This rise was mainly driven by higher production output and an operational shift in our fuel use during periods of national load-shedding. During these interruptions, our diesel generators ran for longer durations, and because diesel carries a higher emission factor, our Scope 1 emissions increased.

In 2024, although our production rose further, our total emissions did not increase proportionally. This stabilisation reflects our improved operational efficiency, stronger process control, and more optimized fuel and energy management practices.



The year 2024 also marks the first time we included Scope 3 emissions in our GHG inventory, covering business travel, commuting, logistics, and waste-related emissions—giving us a more complete picture of our value-chain impact. We also report biogenic CO₂ emissions separately, which were 13,647.73 tCO₂ in 2022, 5,723.05 tCO₂ in 2023, and 7,853.29 tCO₂ in 2024, as required under the GHG Protocol. This transparent disclosure enhances the accuracy, completeness, and credibility of our GHG accounting approach.

Fabric Production Emission Intensity



From 2022 to 2023, our GHG emission intensity rose by 3.7% (from 2.7 to 2.8 tCO₂e per ton of fabric), mainly due to increased production and temporary operational disruptions during national load-shedding.

In 2024, intensity declined to 2.6 tCO₂e per ton, a 3.7% reduction compared to 2022, reflecting efficiency improvements, better fuel and process management, and stronger operational controls.

Overall, the trend demonstrates our continued progress in decoupling production growth from emissions and advancing toward more efficient, low-impact manufacturing.

Ozone-Depleting Substances (ODS) Inventory



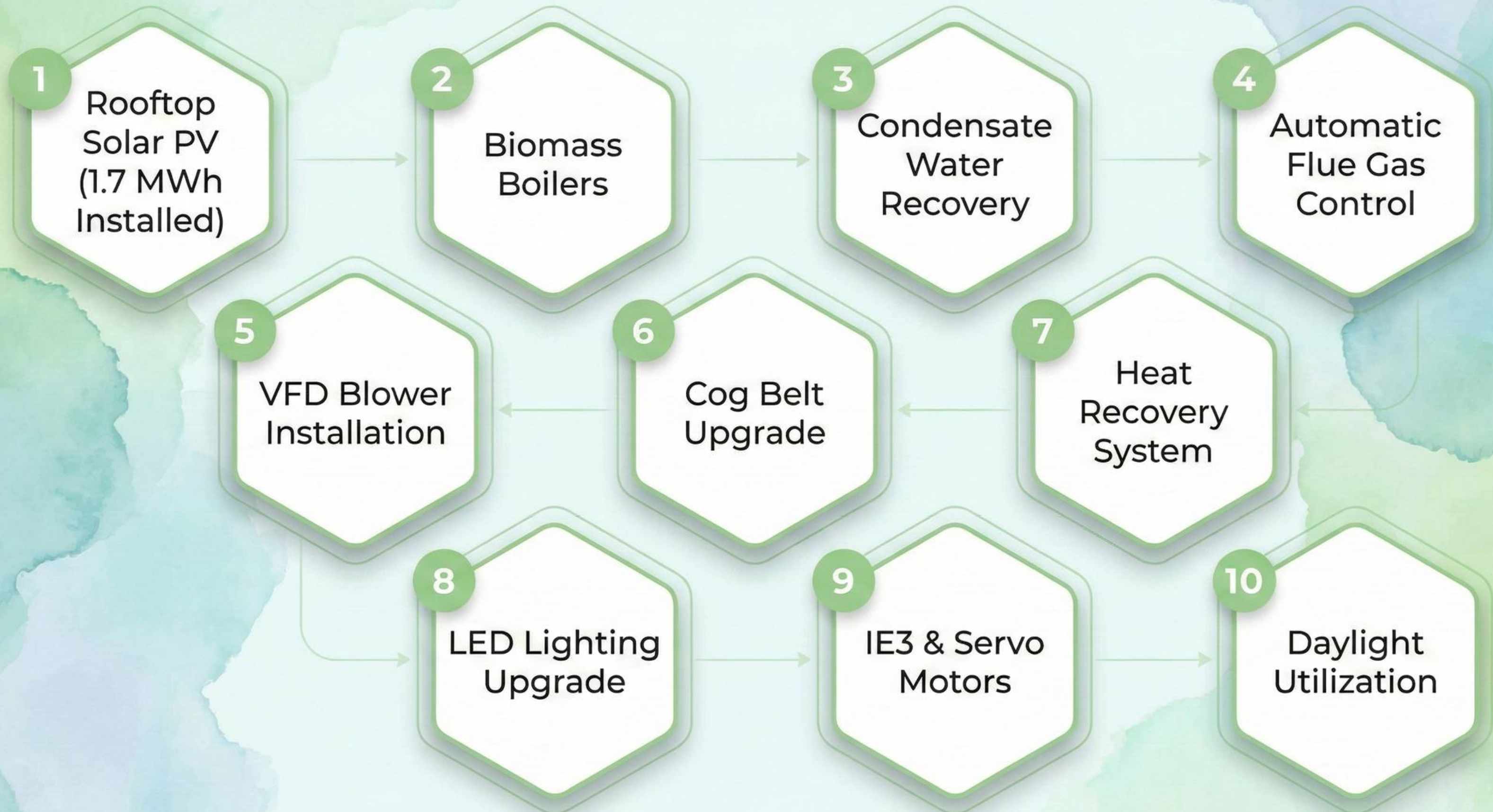
CO₂e calculated following the GHG Protocol using 100-year GWP values.

From 2022 to 2024, refrigerant-related emissions increased gradually due to higher use of R-22 and R-410A in cooling and process equipment, reflecting expanded operational demand and continued reliance on some legacy systems.

The use of ozone-depleting substances is controlled and monitored, with R-22 remaining the only ODS in operation, while other disclosed refrigerants are non-ODS but high-GWP gases.

Although refrigerant-related CO₂e increased, year-on-year disclosure enhances transparency and comparability, and ongoing monitoring and equipment upgrades are expected to support a gradual reduction in ODS-related risks.

SUSTAINABILITY INITIATIVES & PROCESS FLOW





Managing Water Wisely: Challenges, Actions & Measurable Impact

Water sits at the core of Aswad's dyeing and finishing operations, making it both a vital resource and a shared responsibility. With groundwater as our primary source, we understand the pressure it places on local ecosystems and communities. Over the years, we have observed how water levels fluctuate and how wastewater, if unmanaged, can affect surrounding environments. These realities have shaped our approach. Instead of treating water as a one-way input, we now manage it as a circular resource—optimizing consumption in dyeing machines, adopting low-liquor processes like CPB, and strengthening treatment through advanced biological ETP systems. This journey has allowed us to reduce abstraction, enhance reuse, and return treated water safely, ensuring that every drop is used wisely and responsibly.

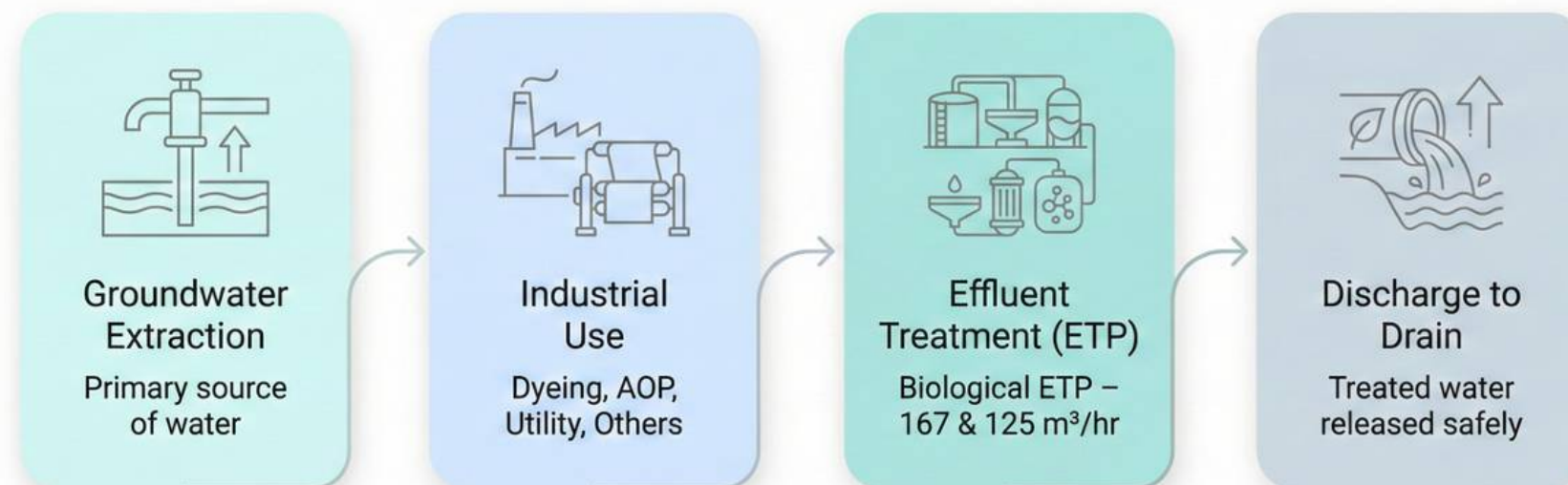
Process-wise Water Consumption Distribution



How Water Flows Through Our Operations

Groundwater is our only lifeline in Gazipur, and we treat it with the responsibility it deserves. Every drop entering our factory is tracked, optimized, and used with care — from low-liquor dyeing and efficient CPB processes to recovering cooling and condensate water wherever possible. A culture of awareness supports this system, from daily monitoring to worker training and transparent reporting through Higg FEM, ZDHC, and DoE oversight. This commitment shapes the way water moves through our operations.

Water Management Cycle



The cycle illustrates how this stewardship translates into each stage of our water use, from extraction to safe discharge.

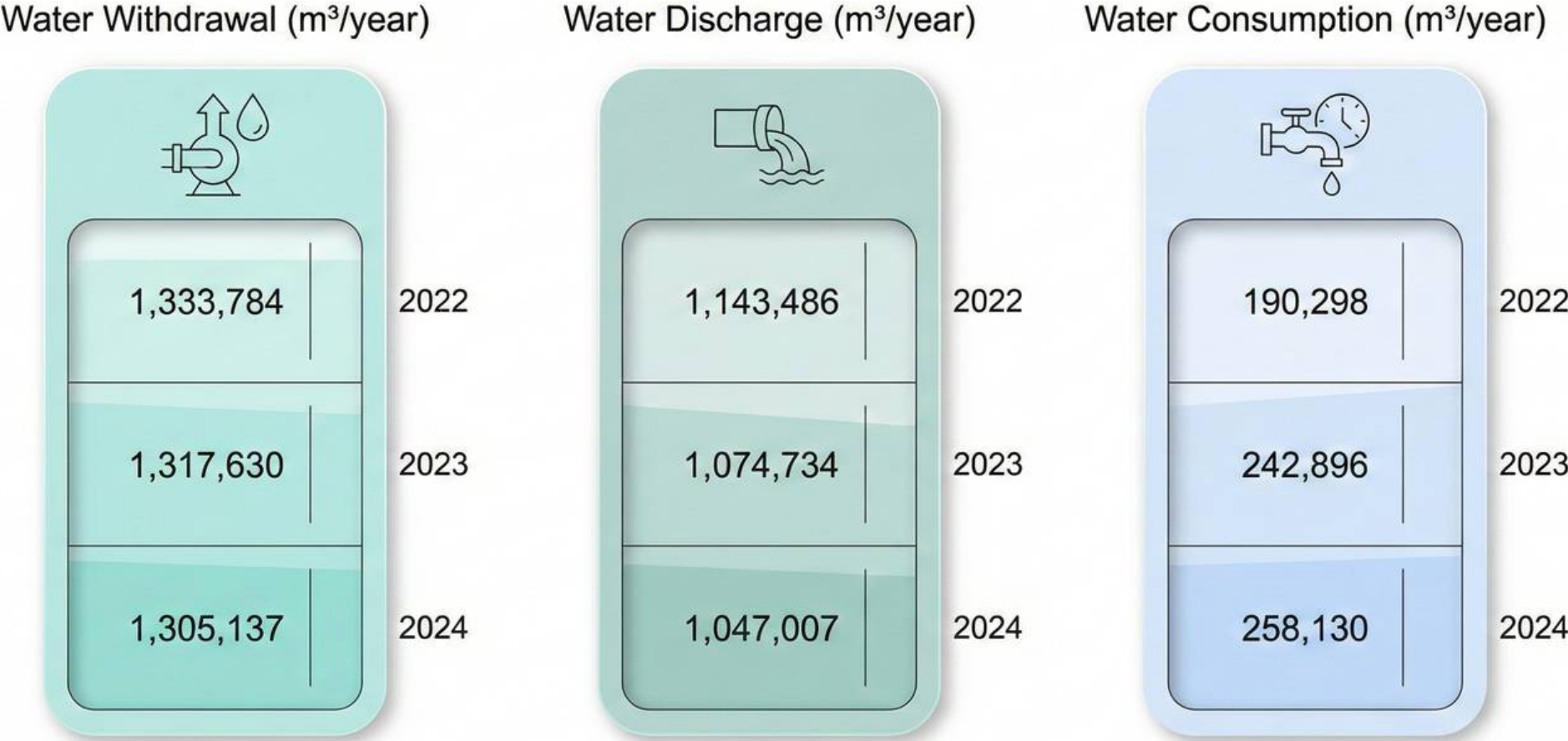
Effluent Treatment Plant Capacity



We currently operate two Biological Effluent Treatment Plants (167 m³/hr and 125 m³/hr), which together ensure that all process wastewater is treated through secondary biological processes before being safely discharged into the City Corporation drainage system. While treated water presently meets DOE and ZDHC requirements, the facility has not yet begun internal reuse. To strengthen resource efficiency, we have set a target to reuse 10–15% of ETP outlet water by 2028 for non-process applications such as car washing, gardening, toilet flushing, and road or floor cleaning. This planned initiative is expected to reduce our reliance on groundwater while making responsible use of treated effluent that already complies with regulatory standards.



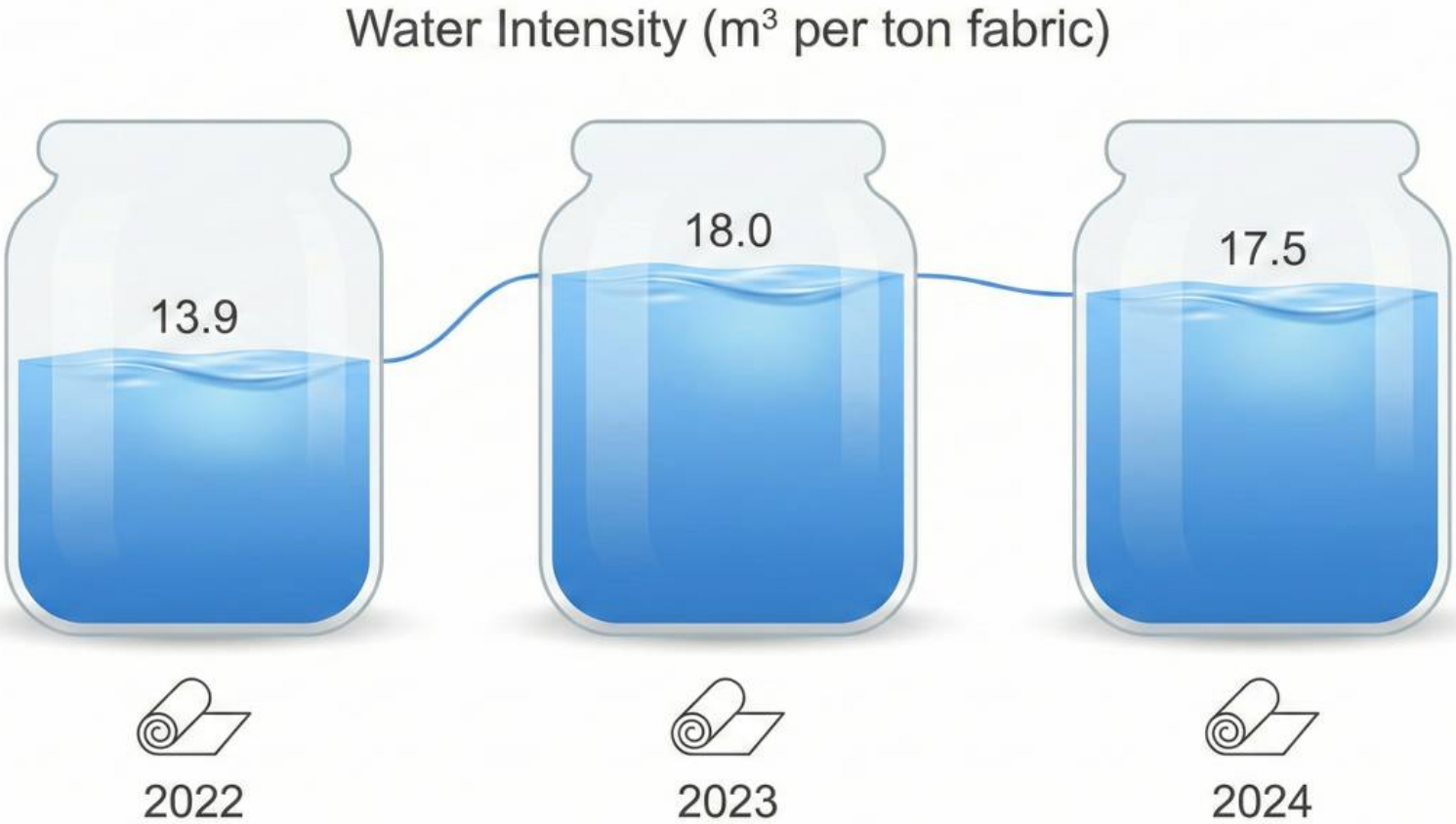
Water Performance Dashboard (2022–2024)



Water intensity helps us understand how efficiently we use water for every ton of fabric produced. Our intensity increased from 13.9 to 18.0 m³/ton fabric between 2022 and 2023 due to higher batch frequency, shade variation, and more reprocessing during peak months. In 2024, we improved slightly to 17.5 m³/ton fabric as we strengthened recipe optimization, stabilized machine loading, and enhanced monitoring. While the trend shows that we still have opportunities to reduce consumption per ton, it also highlights where process refinements and low-liquor innovations can help us achieve greater efficiency.

Over the last three years, we have reduced our total water withdrawal and discharge through tighter process control, optimized dyeing operations, and improved condensate recovery. However, our total water consumption increased by around 35% from 2022 to 2024 (190,298 m³ to 258,130 m³). This rise is mainly linked to higher production volumes and greater machine utilization during peak periods. While these operational demands contributed to increased consumption, the downward trend in withdrawal and discharge indicates that we are using our internal resources more efficiently. We recognize the importance of balancing production growth with responsible water stewardship, and these insights guide how we plan and prioritize future reduction initiatives.

Together, these indicators show that we are reducing withdrawal and discharge while working to decouple production growth from water use through better process efficiency.



Our 2030 Water Stewardship Roadmap

Quantitative Targets



Water Consumption
Reduction



Groundwater
Withdrawal Reduction

Future Infrastructure Initiatives



STP (Planned 2026)

STP installation in 2026 to manage human sewage and protect the environment.



Rainwater Harvesting System (Planned)

Rainwater harvesting across all catchment areas; expected annual savings: 5,000–7,000 m³

These actions advance our shift toward circular water management and reduced reliance on groundwater.

Managing Waste Responsibly: Reducing Risks, Restoring Value

Managing Waste Responsibly: Turning Material Risk into Operational Discipline

Waste in dyeing and finishing is not an inevitable by-product; it is a material risk that can pollute soil and water, expose workers to harmful substances, and create compliance gaps if unmanaged. With rising regulatory expectations and growing pressure on landfills, responsible waste control has become essential.

At Aswad, we treat waste as a managed material stream. Our approach begins with prevention, supported by efficient processes and mindful material use. All generated waste is segregated at source, stored safely, and transferred only to licensed vendors. Hazardous streams—chemical residues, ETP sludge, and contaminated materials- receive heightened attention to ensure worker and environmental safety.

Every kilogram of waste reflects how responsibly we operate. Our commitment is simple: minimize waste at every step and ensure that what leaves our facility is tracked, treated, and disposed of with integrity, strengthening environmental protection, worker safety, and community well-being.



Prevention
First



Segregation
at Source

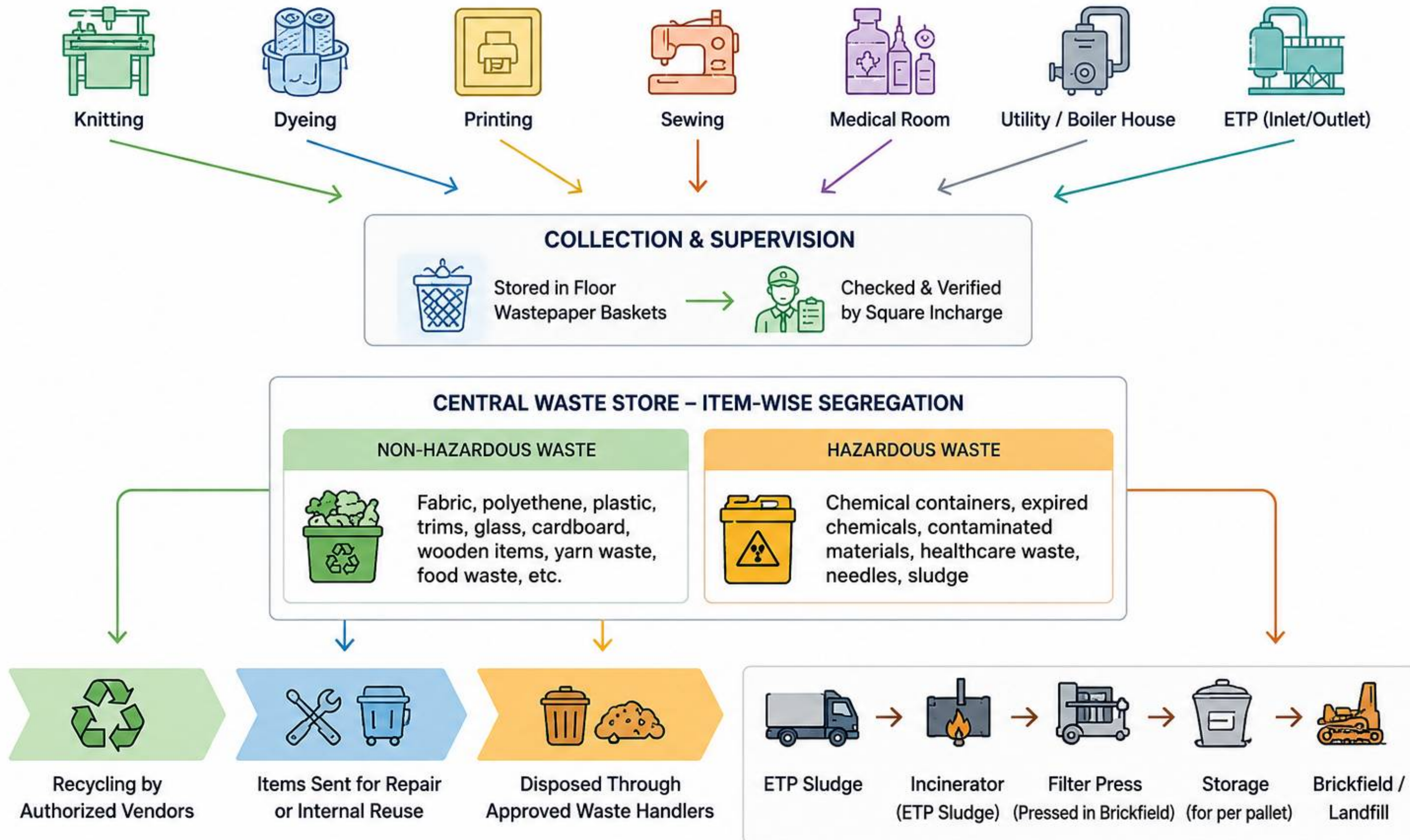


Responsible
Recovery & Disposal

Types of Waste at Aswad Composite Mills Ltd.



Waste Disposal Process at Aswad Composite Mills Ltd.



Reducing Waste, Restoring Value — Together for a Cleaner Future

Material & Resource Efficiency



Use of better-quality raw materials
~90% ZDHC Level 3 positive
chemical use in processes

Workforce Skill & Handling Practices



Training on proper storage, handling,
and transport
Waste-reduction training for workers & staff

Operational Improvement & Process Efficiency



Improved boiler & generator efficiency
Reduced office paper use; controlled plastic use
Limited single-use materials

Segregation, Recycling & Material Recovery



Strengthened segregation at all units
Recycling initiatives for office and production materials

Responsible Disposal Partnerships & 2030 Goal



3rd-party agreements for disposal of fabric, jute, plastic,
cartons, yarn, poly
ETP sludge disposal in partnership with LafargeHolcim
Target: Achieve 100% compliant waste disposal by 2030



Beyond Compliance:

Building a Safer, Cleaner Chemical Journey

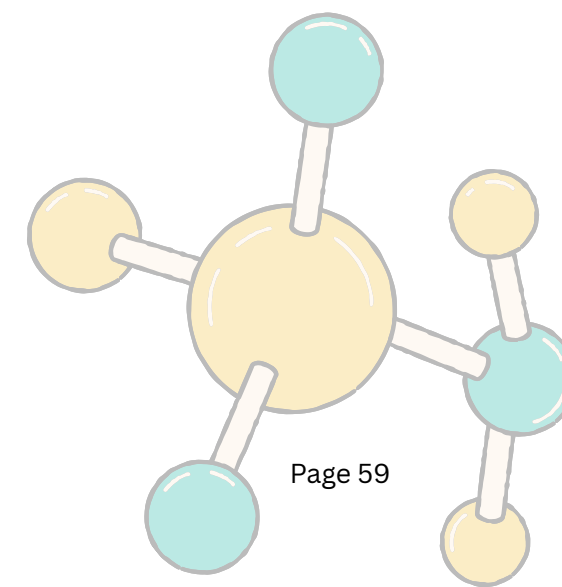
The apparel and textile sector relies on various chemicals, some hazardous, which require responsible management to protect workers, communities, and the environment. We strictly follow buyer RSLs and the ZDHC MRSL, ensuring no restricted or harmful substances enter our processes. Only approved formulations meeting standards such as OEKO-TEX Standard 100 Class I are used, with chemicals stored and handled safely. Employees receive PPE and training in safe chemical practices, and we take measures to prevent chemical impacts on surrounding water bodies. Through ZDHC-aligned systems and internal initiatives, we continuously strengthen our chemical management performance



Zero Discharge of Hazardous Chemicals

Aswad is aligned with the H&M Climate Roadmap, targeting 100% ZDHC conformance by 2030, and has already adopted ZDHC MRSL Version 3.1 to ensure no harmful chemicals enter its processes.

ZDHC Input-Process-Output Controls



Chemical Management at Aswad Composite Mills Ltd.

STEP 1. CHEMICAL ENTRY & APPROVAL



Chemical Screening & Approval

SDS/TDS review & RSL/MRSL + ZDHC compliance checks before approval.



Authorized Procurement

Procurement allowed only through approved suppliers and chemical lists.



STEP 2. SAFE STORAGE & HANDLING



Safe Storage & FIFO

GHS labeling, segregation of hazardous materials, and strict FIFO practice.



Safe Handling & PPE

Workers handle chemicals following SDS guidelines using required PPE.

STEP 3. CHEMICAL USE & DOSING



Controlled Dosing / Auto-Dosing System

Accurate dosing using controlled systems, including auto-dosing technology.



Safe Internal Transportation

Secure, spill-free movement using designated routes and containers.



STEP 4. EMERGENCY RESPONSE & DISPOSAL



Emergency Response & Spill Preparedness

Spill kits, emergency protocols, and trained responders.



Chemical Waste Disposal

Segregated chemical waste sent only to licensed waste handlers.



Ongoing worker training ensures awareness of SDS, safe handling, and chemical safety protocols.



Auto Chemical & Dyes Dispensing System

Aswad has implemented an Auto Chemical & Dyes Dispensing System to ensure precise chemical dosing, reduce manual handling risks, and improve overall process consistency.

This automated technology enhances efficiency, strengthens chemical compliance, and supports safer, more sustainable production.

Benefits of Auto Chemical & Dyes Dispensing System



More accurate and repeatable chemical dosing



Reduced chemical consumption and minimized wastage



Stable dyeing results with minimal variation



Faster preparation and reduced manual intervention



Lower worker exposure and safer chemical handling



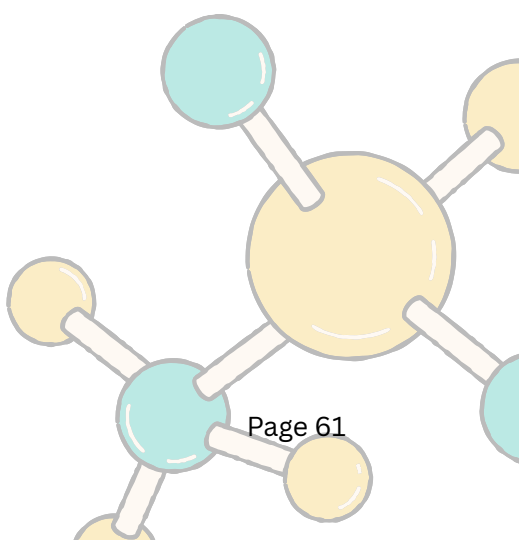
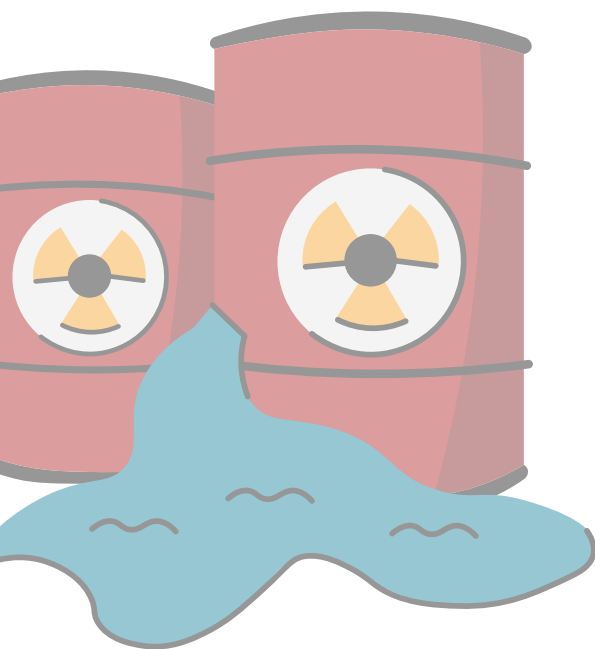
Real-time usage data for monitoring and optimization



Supports MRSL, ZDHC, and chemical management requirements



System can be monitored and adjusted digitally





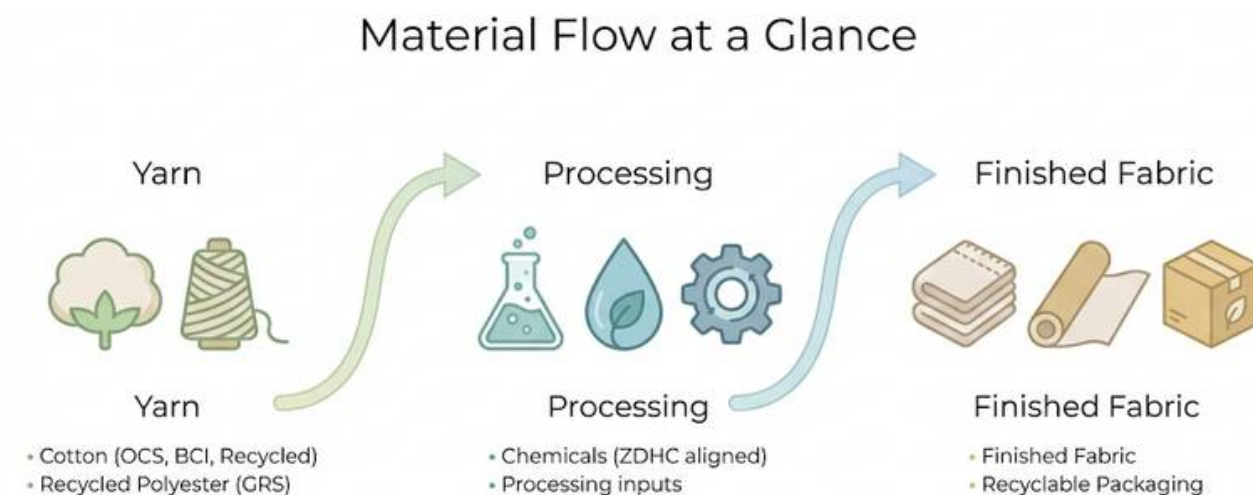
From Raw Input to Responsible Impact

Materials are the foundation of our environmental footprint. From the yarn we source to the chemicals that enable processing, every material choice carries implications for resource use, emissions, worker safety, and product integrity. In textile manufacturing, sustainability begins long before production—it starts with what we bring into the factory.

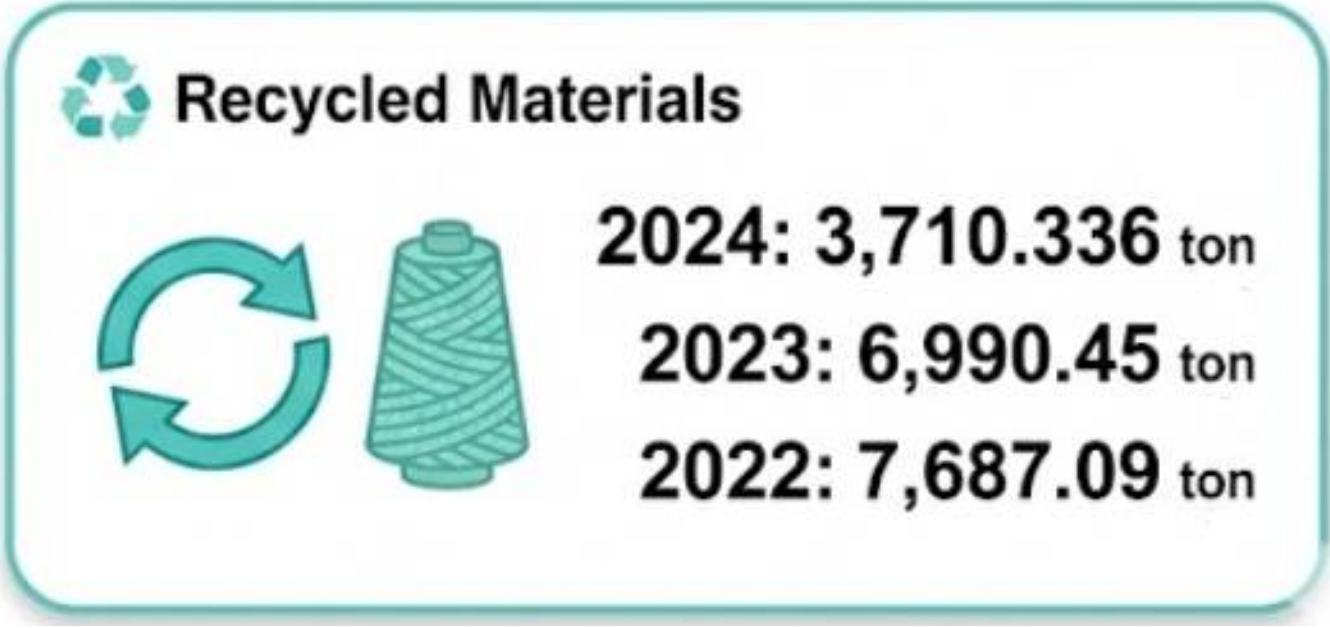
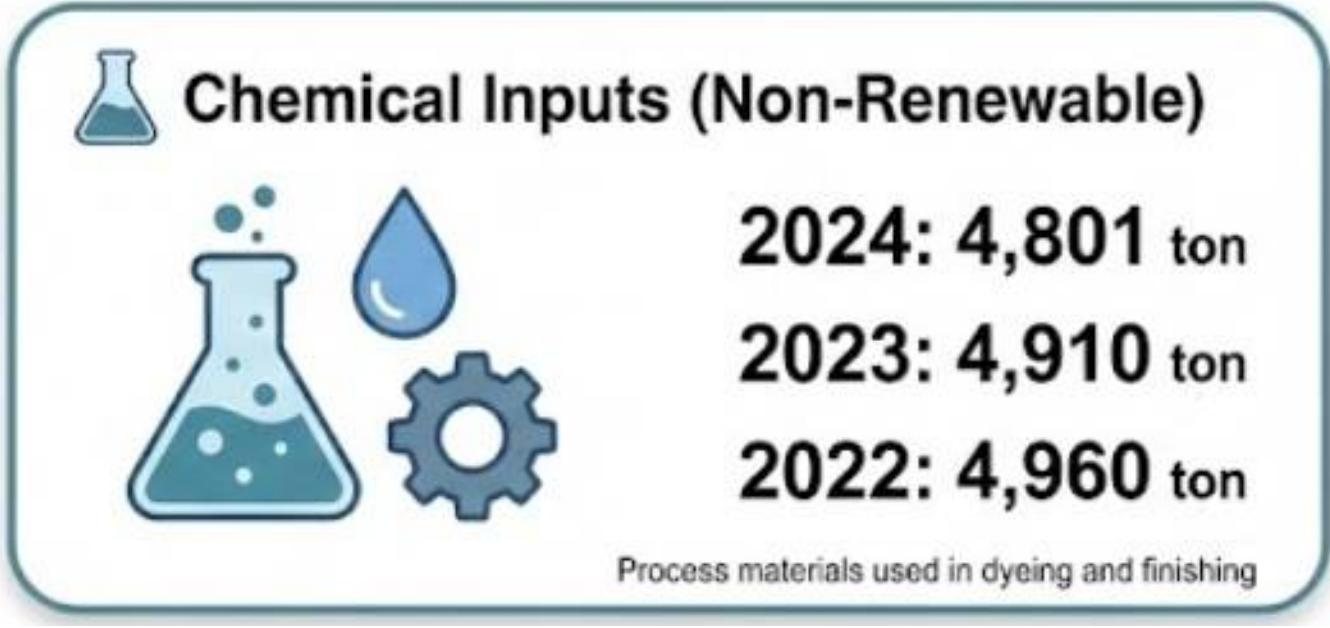
At Aswad Composite Mills Ltd., we treat materials as managed inputs, not passive consumables. Our operations rely on a mix of fibers, process chemicals, and packaging materials, each assessed for its origin, renewability, and compliance with buyer and regulatory expectations.

Our material strategy prioritizes responsible fiber sourcing, increased use of certified and recycled inputs, and disciplined control of non-renewable materials. While some petroleum-based materials and chemicals remain operationally necessary, they are closely monitored to minimize risk and ensure compliance.

Transparency is central to our approach. We track material use by type, distinguish between renewable and non-renewable inputs, and disclose recycled content to reflect both progress and remaining challenges.



Material Composition Across Our Production



The apparel and textile sector relies on various chemicals, some hazardous, which require responsible management to protect workers, communities, and the environment. We strictly follow buyer RSLs and the ZDHC MRSL, ensuring no restricted or harmful substances enter our processes. Only approved formulations meeting standards such as OEKO-TEX Standard 100 Class I are used, with chemicals stored and handled safely. Employees receive PPE and training in safe chemical practices, and we take measures to prevent chemical impacts on surrounding water bodies. Through ZDHC-aligned systems and internal initiatives, we continuously strengthen our chemical management performance

How We Manage Materials Responsibly



PURPOSE

Integrating environmental, social, and ethical responsibility into material sourcing.

MATERIAL SCOPE



Yarn & Fibers



Chemicals & Dyes



Packaging



Machinery & Services

RESPONSIBLE MATERIAL MANAGEMENT SYSTEM

Responsible Sourcing Pillars

Environmental Responsibility



Social & Labor Compliance



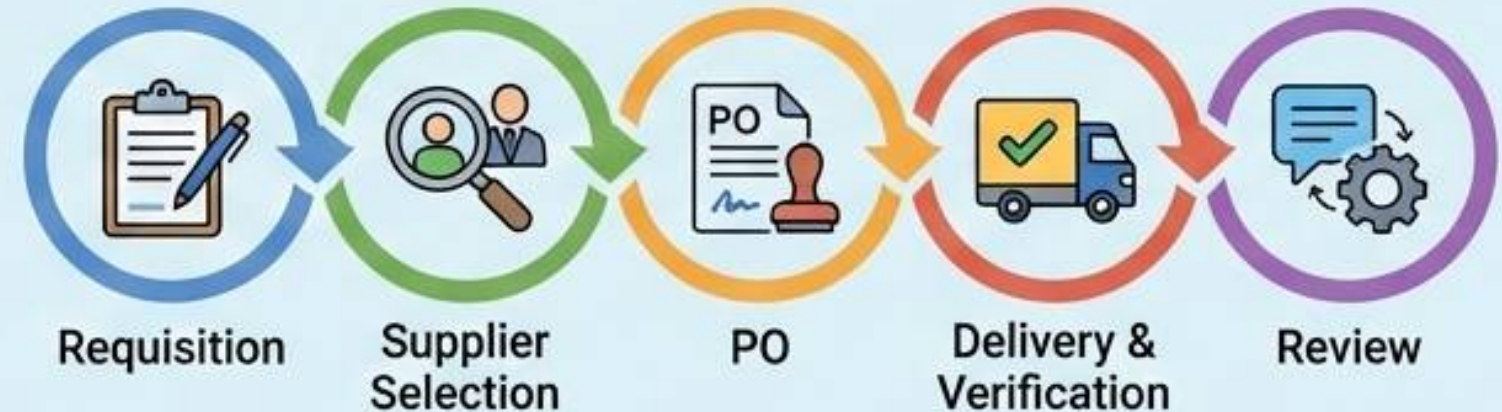
Ethical & Transparent Practices



Economic Responsibility



Procurement & Oversight Flow

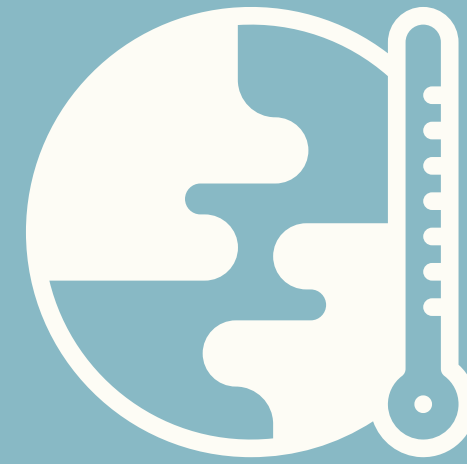


Responsible Sourcing & Supplier Accountability Journey



Our Impact Is Measured in Lives, Not Numbers

Shifting our priorities beyond economic growth toward a more sustainable future





Caring for the Hands and Hearts That Power Our Business

At Aswad Composite Mills Ltd., every piece of fabric begins with people—their skill, their resilience, and the quiet pride they carry into their work each day. We recognise that our progress as a company is deeply connected to the wellbeing of the individuals who stand behind every process and every achievement. That is why we strive to create a workplace where safety, dignity, and fairness are not privileges, but everyday realities.

We support our employees through structured grievance channels, maternity benefits, and training programs that help them strengthen their capabilities and grow with confidence. We work to ensure that every worker, regardless of role or background, feels heard, protected, and respected. For us, social responsibility is more than compliance; it is our commitment to nurturing an environment where people can build better lives for themselves and their families and where our shared future becomes stronger because we stand together.



Safety & Dignity

A secure and respectful
workplace for all.



Voice & Trust

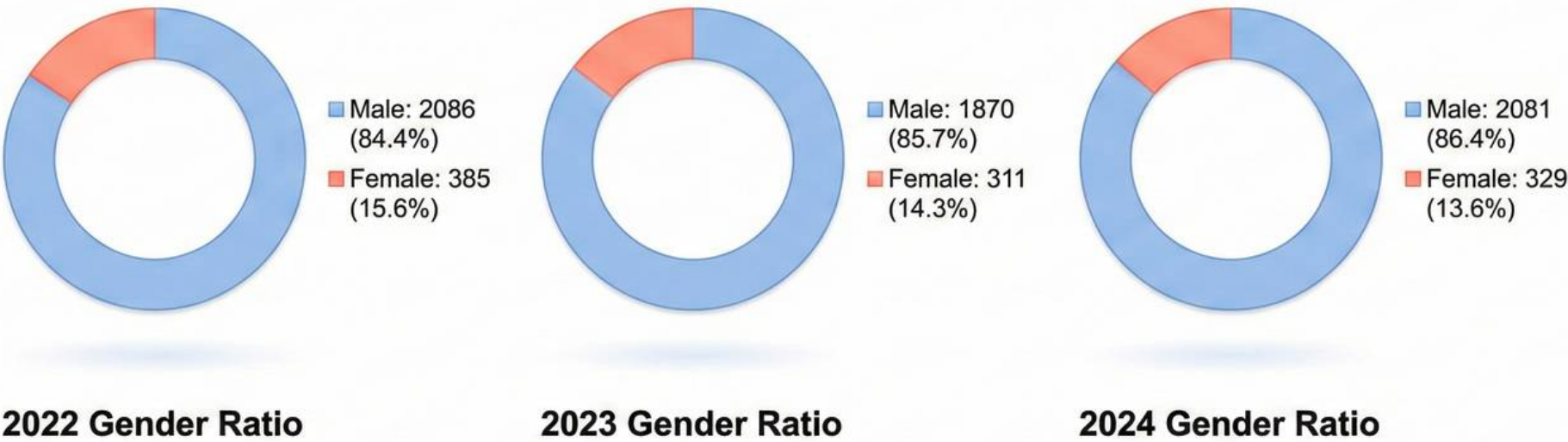
Every concern heard through
open channels.



Growth & Wellbeing

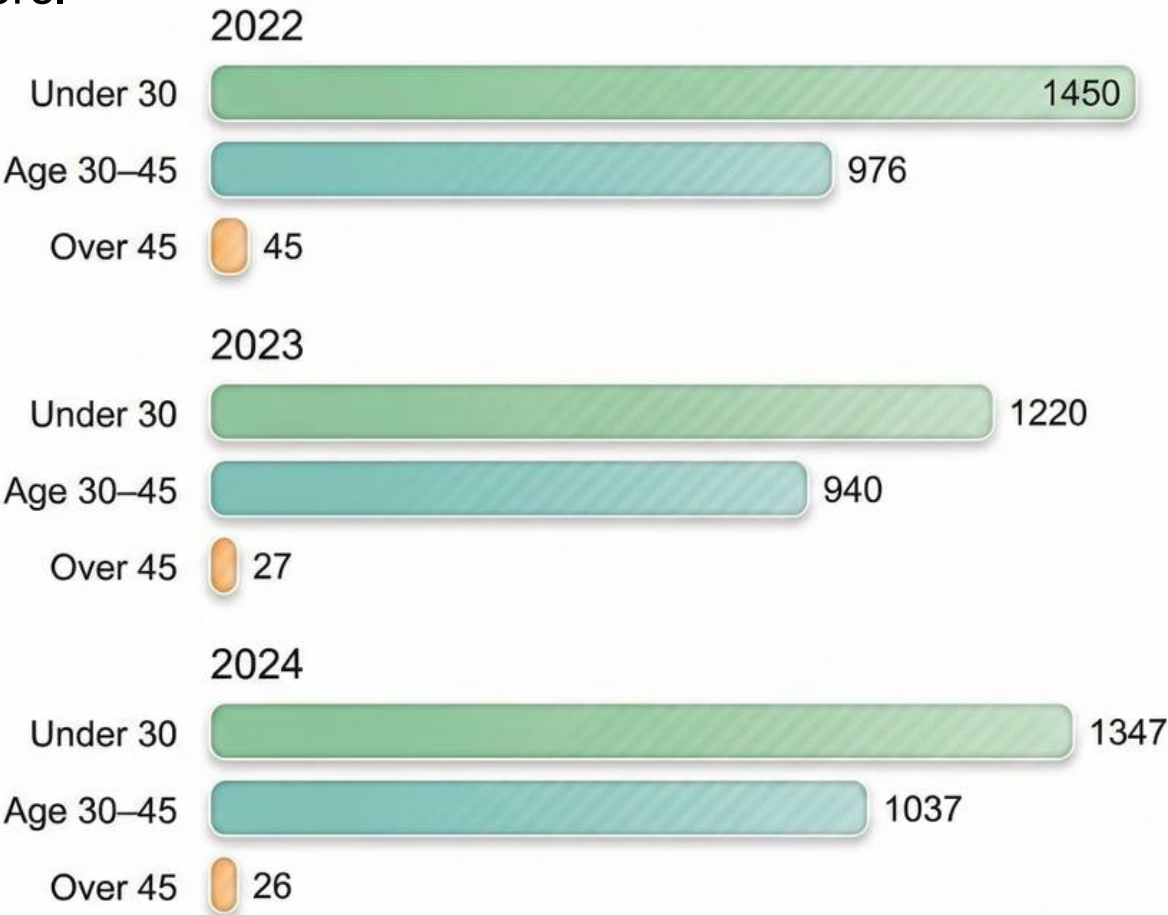
Training and support for
stronger futures.

Who Makes Up Our Workforce

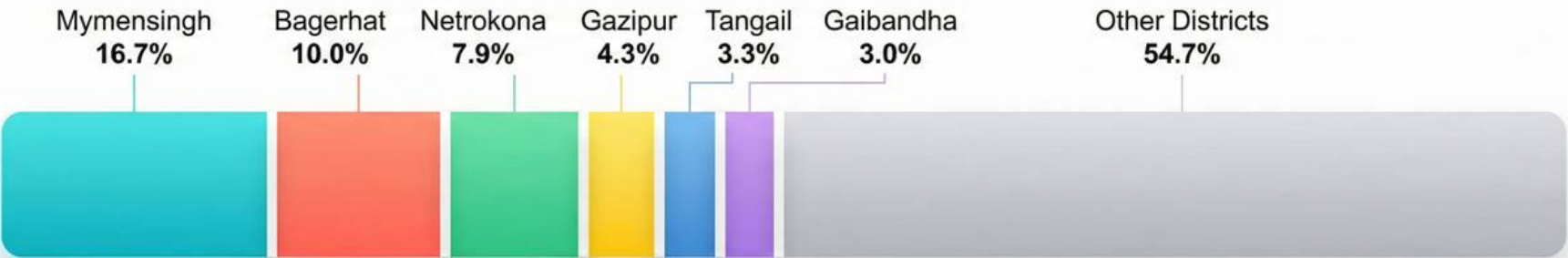


Across the last three years, male employees have made up the majority of our workforce, reflecting the operational nature of textile and knitting roles that remain largely male-dominated in Bangladesh. Female participation has stayed steady, demonstrating that Aswad provides a safe and supportive environment where women can work with confidence while we continue expanding opportunities for all genders.

Our workforce is predominantly young, with employees under 30 consistently forming the largest age group across all three years. This reflects the high-energy, fast-paced nature of textile operations, where younger workers often take on physically demanding roles. The 30–45 age group brings valuable experience and stability to the production floor, while the smaller share of workers over 45 represents long-term contributors who continue to support quality and continuity within the factory.



Worker Origin Distribution

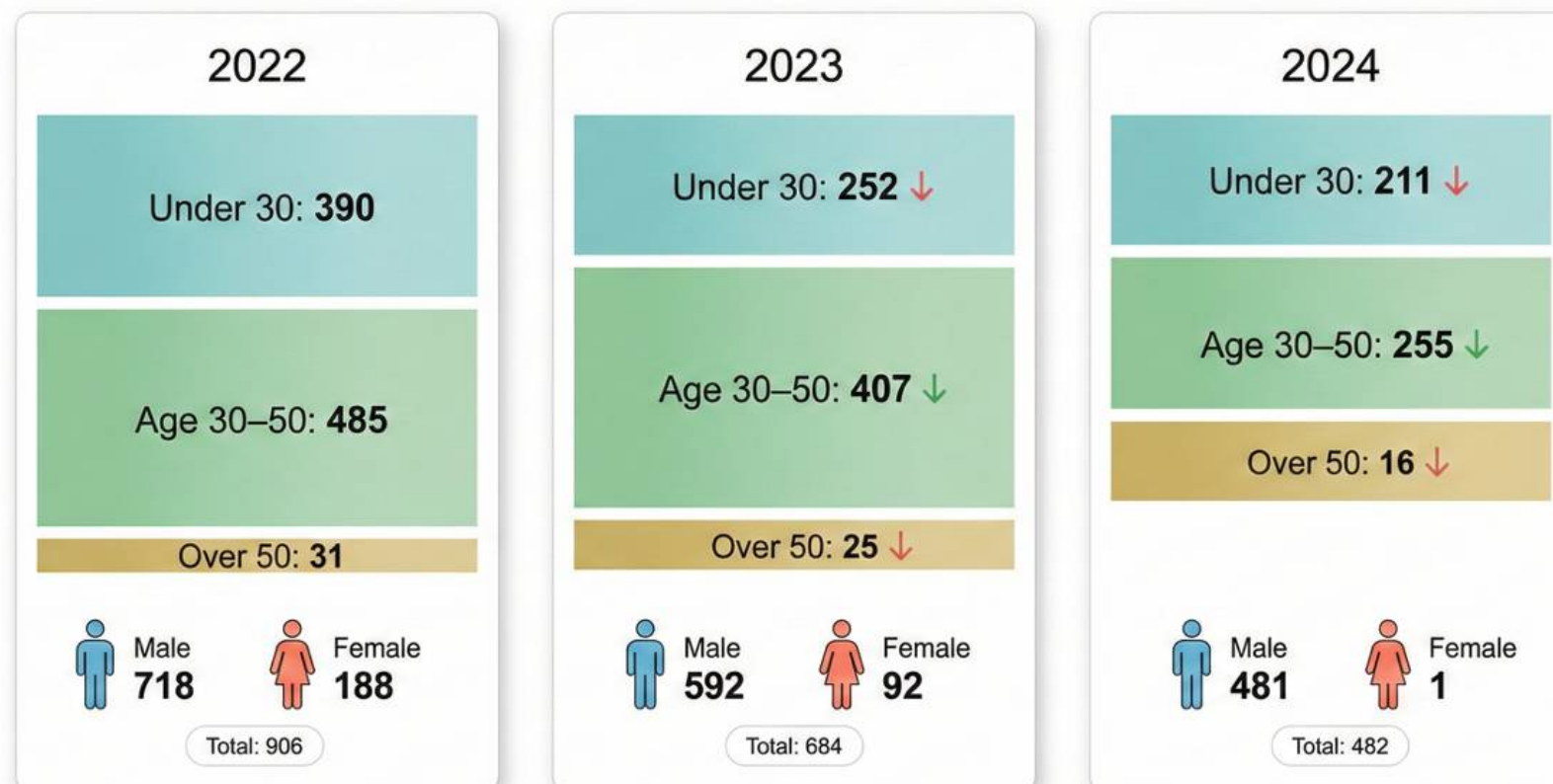


Our workforce comes from a wide range of districts across Bangladesh, with the highest representation from Mymensingh, Bagerhat, Netrokona, and Gazipur. This diverse origin pattern reflects our role as an employer supporting livelihoods far beyond our immediate region.

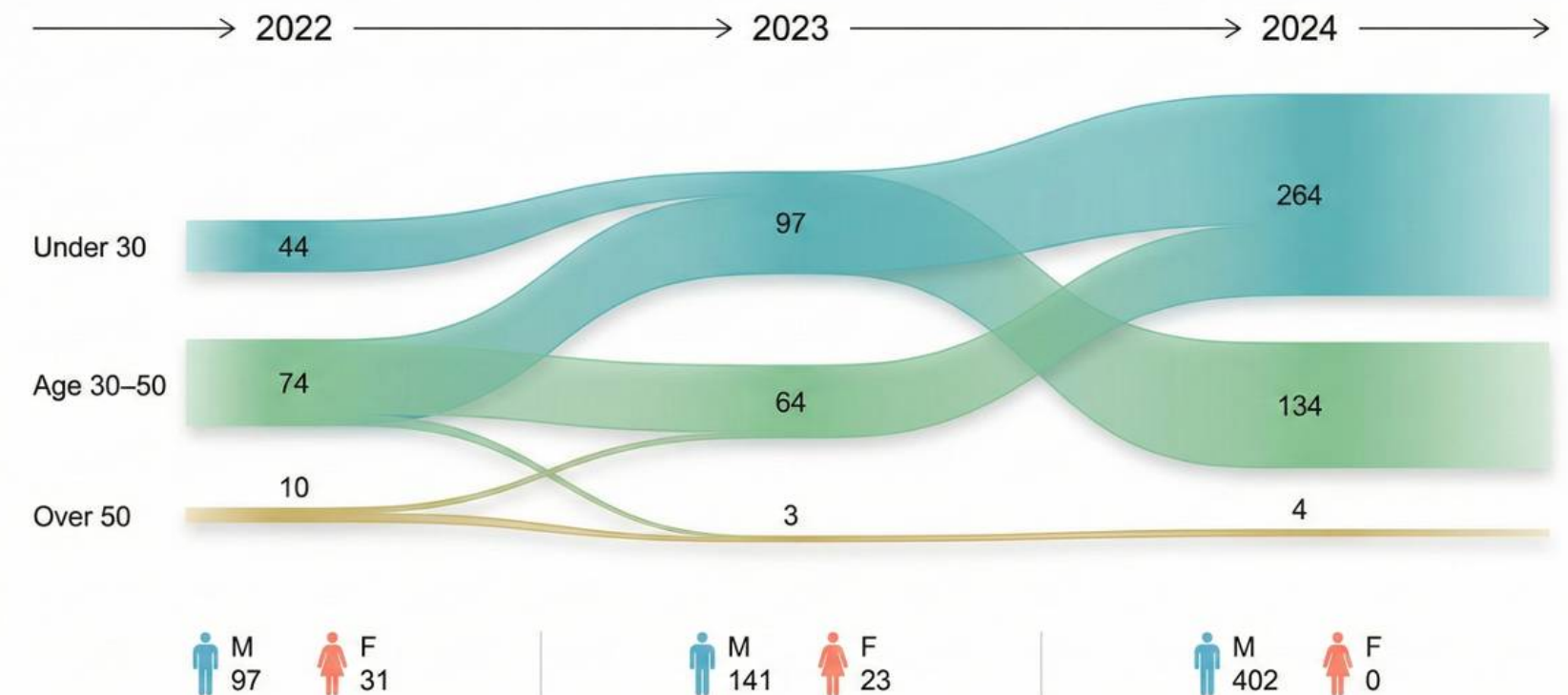
Understanding Workforce Movement

Over the past three years, we have increasingly focused on recruiting younger employees, particularly those under 30, to support operational continuity and long-term workforce development. At the same time, employees in the 30–50 age group continue to play a vital role, bringing experience and technical knowledge that strengthen day-to-day operations. Recruitment among employees over 50 remains limited, reflecting the physical nature of textile production and role-specific requirements.

Employee Turnover by Age Group



New Hire Trends by Age Group



Employee turnover has shown a gradual decline across the reporting period, especially among younger and older age groups, indicating improved workforce stability. Most turnover occurs within the under-30 and 30–50 age categories, which is typical for entry-level and mid-career roles in the textile sector. Overall, these patterns suggest that we are maintaining a more balanced workforce by combining planned recruitment with improved retention practices.

Creating an Inclusive and Fair Workplace



We value people for their skills, contribution, and potential. Our workforce structure reflects the operational nature of a composite mill, with most employees engaged in production roles and supported by supervisors and management teams that ensure quality, efficiency, and compliance. In 2024, our total workforce comprised 2,400 employees, including 1,700 workers, 238 supervisors, 50 management staff, 76 officers, and 336 employees in other supporting roles.

Inclusion at Aswad extends beyond representation to participation and opportunity. We promote minority inclusion across recruitment, promotion, and committee participation, supported by regular reviews of governance composition to encourage diverse perspectives in decision-making.

Fair pay remains a core principle of our employment practices. We monitor gender pay parity to ensure equitable compensation for comparable roles. In 2024, the women-to-men basic salary ratio was 0.99, and the total remuneration ratio (including benefits) was 0.96, indicating near parity.

Benefits that Support Our Workforce



Health Care Coverage



Health Care Coverage



Injury & Disability Support



Health Care Coverage



Service Benefit



Festival Bonus

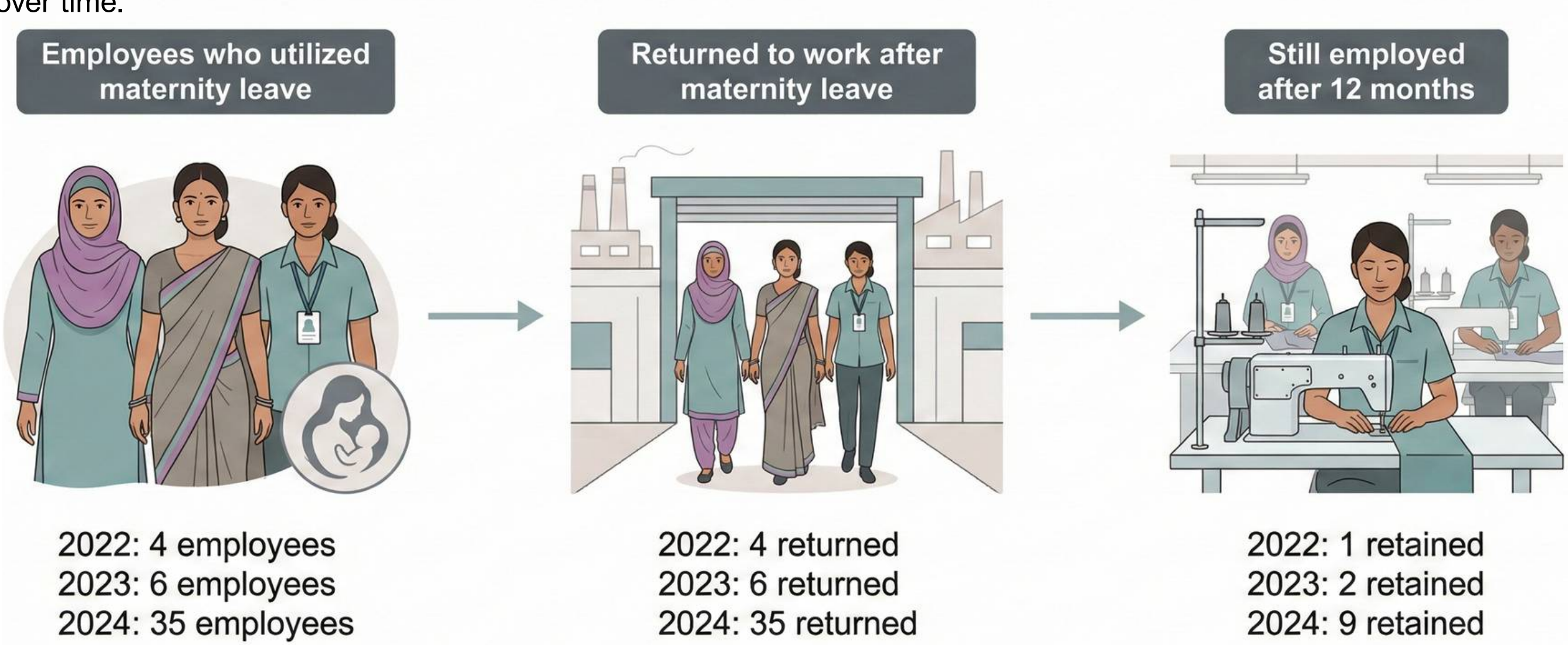


Meals & Transport Support

Supporting Motherhood and Work Continuity

At Aswad Composite Mills Ltd., maternity leave is treated not as a pause in productivity, but as a protected phase of life. We recognize that motherhood and work are not competing responsibilities, and we aim to support female employees through this transition with dignity, care, and continuity.

Maternity leave is granted in accordance with the Bangladesh Labour Law and the company’s Maternity Benefit Policy. Employees are encouraged to fully utilize their entitlements and are supported to return to the same or equivalent roles after leave. By tracking return-to-work and longer-term retention, we seek to understand how effectively our workplace supports women through key life events and to strengthen inclusion over time.



Maternity leave is provided in line with the Bangladesh Labour Law and Aswad Composite Mills Ltd.’s Maternity Benefit Policy.



Respecting Human Rights in Our Workplace

At Aswad Composite Mills Ltd., we believe that respecting human rights is not an abstract principle, but a daily responsibility shaped by how we treat people in the workplace. Every individual deserves to feel safe, respected, heard, and free from discrimination, coercion, or harm, regardless of role, background, or belief.

Our approach to human rights is grounded in fairness, transparency, and accountability. We strive to create a workplace where equal opportunity is upheld, workers' voices are valued, and dignity is protected in every interaction, from recruitment to daily operations.

This commitment comes to life through the choices we make each day, the way we listen, the way we protect, and the way we stand for what is right. By embedding respect and responsibility into our workplace culture, we aim to build an environment where people can work with confidence, trust, and a shared sense of belonging.



Building a Workplace Where Everyone Belongs



At Aswad Composite Mills Ltd., every person who walks through our gates brings their own story, background, and aspirations. We believe that everyone deserves to be treated with fairness and respect, and that opportunity should never be limited by race, color, gender, religion, or any other personal characteristic. Our workplace is built on the principle that skills, effort, and integrity matter most.

From recruitment to daily work on the factory floor, decisions are guided by merit and mutual respect. We work continuously to nurture an environment where people feel valued, heard, and confident in being themselves at work. Over the period from 2022 to 2024, no incidents of discrimination were reported, reflecting the trust our employees place in our policies, awareness efforts, and management oversight.

Speaking Up with Confidence and Respect



At Aswad Composite Mills Ltd., we believe that a respectful workplace begins with listening. We encourage open dialogue where employees can share their views, raise concerns, and participate in discussions that affect their working lives, without fear or pressure.

Workers are free to associate, engage in collective representation, and express their perspectives in a constructive and respectful manner. Through open communication channels and established grievance mechanisms, we aim to build trust and mutual understanding across all levels of the organization.

By fostering a culture of dialogue and cooperation, we strive to ensure that every voice matters and that decisions are shaped through participation, respect, and shared responsibility.

Protecting People from Exploitation



At Aswad Composite Mills Ltd., protecting people from exploitation is a responsibility we carry every day. We believe that work should never come at the cost of childhood, freedom, or dignity, and that every individual deserves safety, choice, and respect.

We maintain a zero-tolerance approach to child labor across our operations and supply chain. No person below the legally permitted minimum working age is engaged, and where juvenile workers are legally allowed, their work is strictly non-hazardous and carefully managed. This commitment is supported through responsible recruitment, age verification, supplier agreements, and regular monitoring, with no child labor risks identified during the reporting period.

We are equally committed to ensuring that all work at Aswad is freely chosen. Forced or compulsory labor is not tolerated in any form. Employment is based on mutual consent, with fair compensation, lawful working hours, freedom to leave, and no retention of personal documents or coercive practices. No risks related to forced labor were identified across our operations or supplier relationships.

Through awareness initiatives, oversight, and accessible grievance mechanisms, we remain prepared to act immediately should any risk arise. By safeguarding children and ensuring voluntary employment, we strive to build a workplace rooted in trust, safety, and respect, recognizing that sustainable growth is only possible when human dignity is protected.



Safety That Protects People, Not Just Processes

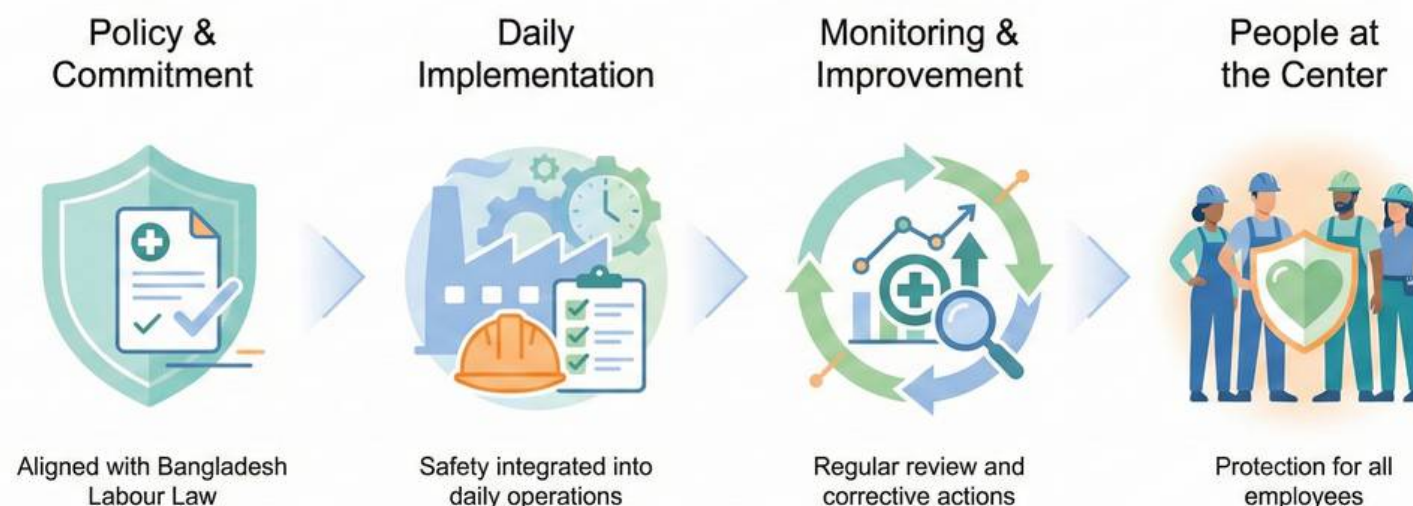
At Aswad Composite Mills Ltd., occupational health and safety begins with a simple belief: the people who work here deserve to feel protected, every single day.

To turn this belief into practice, we have established a structured Occupational Health & Safety Management System that guides how safety is planned, implemented, monitored, and continuously improved across our operations.

Our OHS system is developed in line with the Bangladesh Labour Law and is embedded into daily factory activities, ensuring that safety is not treated as a one-time effort, but as a shared and ongoing responsibility.

This system applies to all operational areas and covers all employees, creating a safe and supportive working environment where risks are identified early, preventive actions are taken, and people feel confident that their well-being is valued.

Our Occupational Health & Safety Management System



Health & Safety Policy

Our commitment to protecting people, not just processes



Management Commitment

Strong leadership commitment to workplace health and safety



Legal Compliance

Aligned with Bangladesh Labour Law and national safety requirements



Fire & Emergency Preparedness

Fire safety systems, evacuation plans, and emergency response



Use of PPE & Training

Proper PPE use and regular safety training for all workers



Legal Compliance

Aligned with Bangladesh Labour Law and national safety requirements



Safe Working Environment

Hazard control, safe equipment, and clean workspaces



Worker Awareness & Participation

Workers are informed, trained, and encouraged to raise safety concerns

How We Identify and Control Workplace Risks

At Aswad Composite Mills Ltd., we believe that most workplace injuries can be prevented when risks are identified early and addressed systematically.

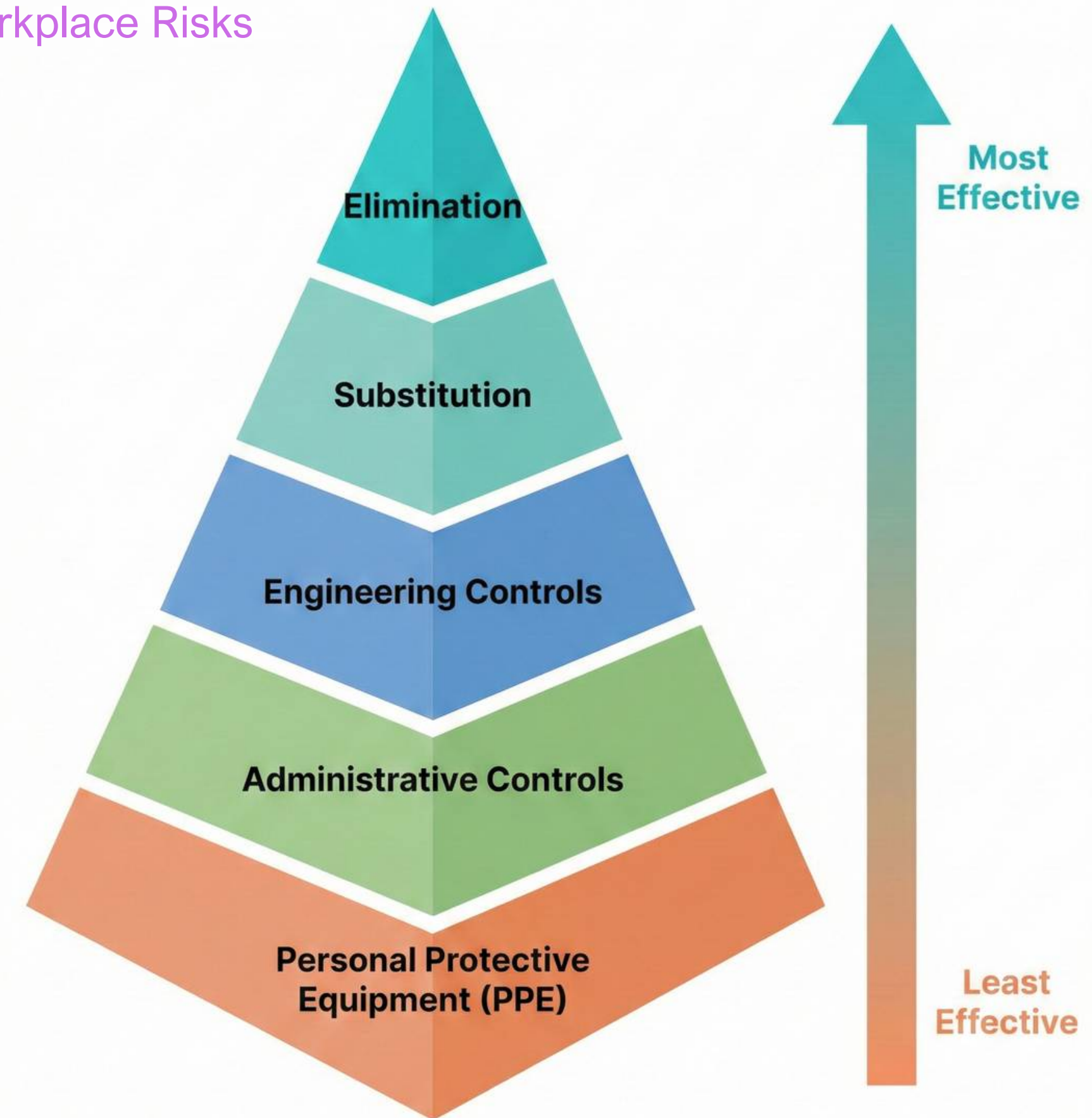
We apply a structured Hazard Identification and Risk Assessment (HIRA) process across our operations to recognize potential hazards, evaluate risks, and take preventive actions before harm occurs.

HIRA is conducted annually, and whenever there is a process change or operational upgrade, ensuring that safety measures remain relevant and effective as our factory evolves.

Our HIRA approach includes:

- Regular identification of physical, chemical, mechanical, and operational hazards
- Risk assessment by the safety team and relevant supervisors
- Documentation and review of findings
- Immediate corrective and preventive actions

We prioritize eliminating or reducing hazards at the source before relying on PPE. All identified hazards, near misses, and incidents are investigated, recorded, and used to strengthen our safety practices through continuous improvement.



Hazards are controlled by prioritizing elimination and engineering solutions before relying on PPE.

Safety Incident Reporting: Pathway to Rapid Response



Worker identifies an unsafe condition or potential risk



Worker avoids the task or takes immediate safety precaution



Reported through Safety Committee, complaint box, or directly to Safety Officer



Safety Officer records and reviews the reported concern



Safety Committee assesses risk and decides required actions



Engineering, administrative, or PPE-based actions implemented



Actions monitored to ensure effectiveness



Work continues safely, with no punishment for reporting

Occupational Health & Well-being for Our People

Occupational Health Services at the Workplace



On-site medical team providing regular healthcare support



Formal agreement with external clinic for advanced treatment



Company fully covers external medical expenses



Regular health check-ups for employees.

Promoting Healthy Lives Beyond the Factory Floor



Nutrition awareness sessions



Personal hygiene and disease prevention programs



General health awareness initiatives



Encouraging healthy habits and overall well-being

Workplace Safety and Health at a Glance

Workplace Safety Performance

Indicator 	2022	2023	2024
 Fatalities & High-Consequence Injuries	0	0	0
 Work-Related Injuries	12	8	6
 Work-Related Ill-Health Cases	4	3	0
 Injury Rate	0.34	0.26	0.21
 Total Hours Worked (hours)	7,042,350	6,232,950	5,633,280

Injury rate calculated per 200,000 working hours.
Behind every data point is a person, and their safety matters to us. Between 2022 and 2024, work-related injuries declined steadily, with no fatalities or high-consequence injuries recorded. This reflects improved training, supervision, and use of protective equipment.

Work-related ill-health cases also reduced during the reporting period, with no cases reported in 2024. Most reported health concerns were temporary in nature, including headaches, irritation, physical discomfort, and pressure drops, and were treated promptly through on-site medical support and preventive measures. While these trends show positive progress, we recognize that safety is not defined by the absence of severe incidents alone. Even minor injuries and health complaints matter. We therefore continue to strengthen preventive actions, workplace awareness, and early medical intervention to protect the people who make our operations possible.

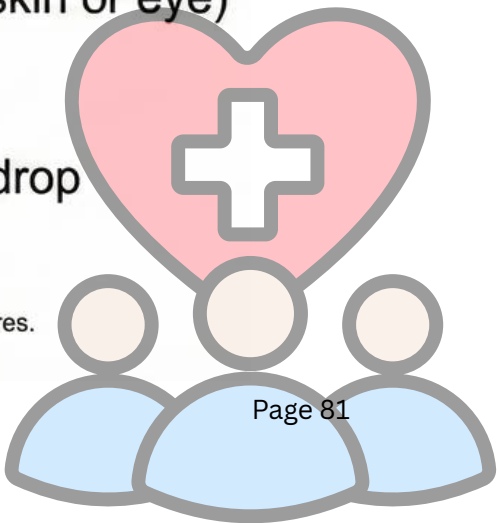
Main Types of Work-Related Injuries

-  Minor cuts and abrasions
-  Slip, trip, and fall incidents
-  Other minor injuries

Main Types of Work-Related Ill Health

-  Headache
-  Pain and physical discomfort
-  Irritation (skin or eye)
-  Pressure drop

All reported cases were minor in nature and treated promptly through on-site medical support and preventive measures.

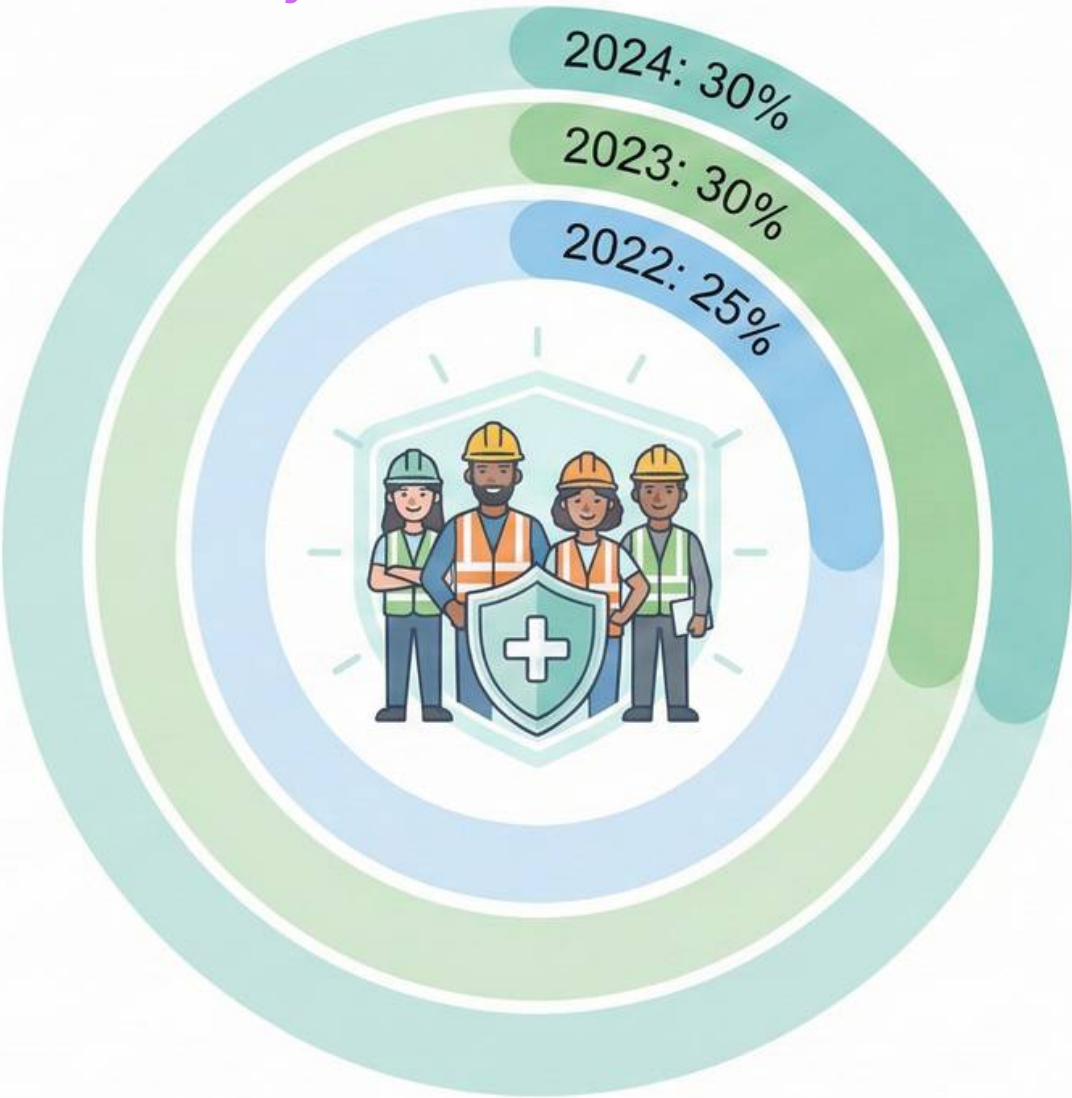


From Incident to Action: Strengthening Workplace Safety

At Aswad Composite Mills Ltd., every reported incident or unsafe condition is taken seriously and addressed through a structured response process.

Once an issue is identified, immediate actions are taken to protect workers, followed by investigation, root cause analysis, and corrective measures to prevent recurrence.

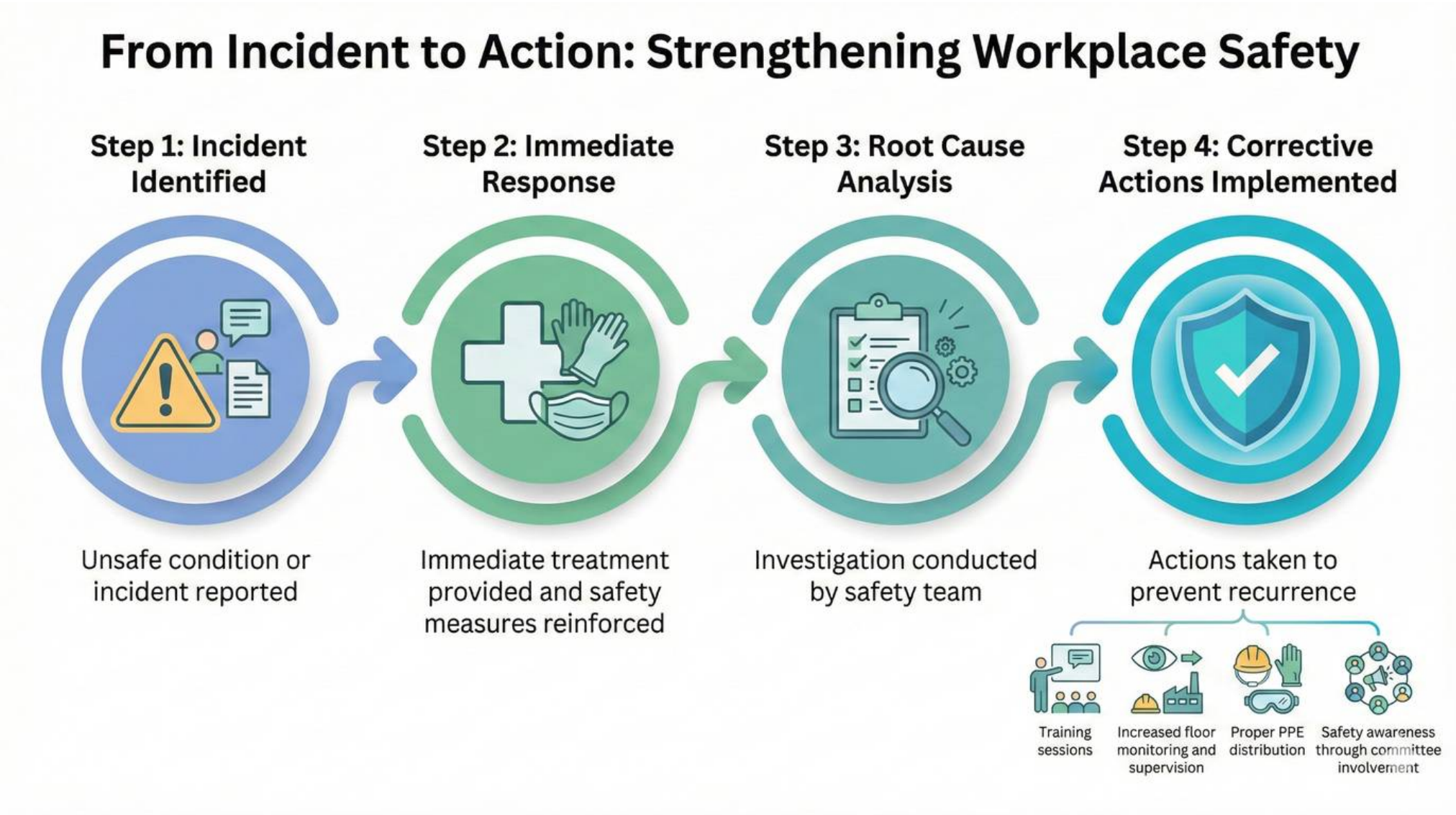
This process ensures that safety concerns lead to learning and continuous improvement, not repetition.



OHS coverage has expanded over time and is maintained at 30% of the workforce.

Over time, occupational health and safety coverage at Aswad Composite Mills Ltd. has been strengthened and consistently maintained.

In 2024, approximately 30% of the workforce was covered under structured OHS services, reflecting a focused approach to providing medical support and preventive care to workers in priority operational areas.



Building Safety Awareness Through Continuous Training



OHS Training Participants Over Time



OHS training at Aswad Composite Mills Ltd. is delivered regularly to build safety awareness across the workforce. The number of workers participating in safety training has increased steadily from 2022 to 2024, reflecting continuous engagement and learning.

At Aswad Composite Mills Ltd., safety training begins from the first day of employment and continues throughout a worker’s journey in the factory.

New employees receive orientation training, while existing workers participate in regular refresher sessions to reinforce safe work practices.

Additional need-based training is provided whenever operational changes or specific safety risks are identified, ensuring training remains relevant and practical.

How OHS Training Is Delivered



Key Safety Topics Covered



Our OHS training focuses on the practical risks workers face in their daily tasks.

Training covers essential topics such as fire and electrical safety, proper use of PPE, machine and chemical handling, and first aid awareness.

By addressing workplace hygiene, ergonomics, and general safety guidelines, the training helps employees work safely, confidently, and responsibly every day.

Reducing Risks Beyond Our Factory Walls



Proper Waste Management

Pollution prevention systems in place for all waste streams

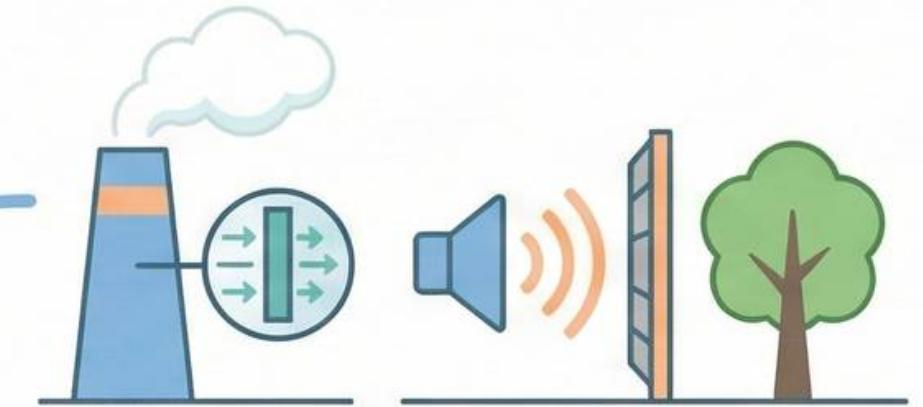


Monitoring and Compliance

Regular environmental monitoring and adherence to regulations



Preventing risks from operations through proactive controls



Air and Noise Pollution Control

Mechanisms aligned with legal standards for cleaner air and quieter operations



Emergency Preparedness

Plans to protect workers and nearby communities during emergencies



Empowering Our People Through Continuous Learning

At Aswad Composite Mills Ltd., we believe that our people grow when learning becomes part of everyday work, not something limited to classrooms or checklists. As our operations expand and expectations around safety, sustainability, and responsibility continue to rise, we recognize that continuous learning is essential for both our people and our business.

We invest in training to ensure that every employee feels confident, informed, and capable in their role, whether it involves operating machinery safely, managing chemicals responsibly, understanding workplace rights, or contributing to environmental protection. These learning moments help reduce risks on the factory floor while strengthening trust, accountability, and shared responsibility across teams.

While the depth and frequency of training vary depending on job roles and risk exposure, our commitment remains consistent. We support our workforce through practical knowledge, awareness, and guidance that enable safe work practices, ethical behavior, and long-term growth for both individuals and the organization.



Safe Work
& Skills



Environmental
Responsibility



Rights, Ethics
& Respect



Growth &
Capability

At Aswad Composite Mills Ltd., we see learning as a continuous journey that evolves with our people and our operations. The visual below reflects how we have consistently invested in training over the past three years, supporting our employees with the knowledge and skills needed to work safely, responsibly, and confidently.

While the level of training per employee shows modest variation from year to year, our overall commitment to developing a capable and informed workforce remains steady. This snapshot highlights our balanced approach—maintaining consistent training efforts while responding to changing operational needs and workforce dynamics.



We believe that meaningful growth begins with understanding people’s strengths, challenges, and potential. Over the past three years, we have gradually expanded our performance review practices, allowing more employees to receive structured feedback and guidance on their work.

As performance reviews became more widely implemented, they helped us move beyond promotion-focused evaluations toward a broader focus on skill development, role clarity, and continuous improvement. While promotion numbers vary from year to year, our emphasis remains on supporting individual growth and building a capable workforce aligned with long-term organizational needs.

We recognize that returning to work after a long period of leave can be a significant transition for our employees. To ensure this transition is safe, smooth, and supportive, we have established a structured re-training approach that places people’s well-being and confidence at the center. Our return-to-work process focuses on clear orientation, refreshed safety awareness, and skill reinforcement, followed by practical on-the-job guidance. Through this approach, we aim to help returning employees regain familiarity with workplace requirements, strengthen their capabilities, and reintegrate into their roles with assurance. This reflects our broader commitment to maintaining a supportive, inclusive, and responsible working environment.



Our Training Ecosystem: Building Skills, Safety & Responsibility Together.



Built on Trust. Protected by Responsibility.





Creating Impact Beyond Our Factory

At Aswad Composite Mills Ltd., we believe responsible business goes beyond factory boundaries. Alongside our operational commitments, we actively support community well-being, environmental stewardship, and social development through targeted CSR initiatives aligned with local needs.

Creating Impact Beyond Our Factory



Community Health & Safety

- Free eye check-ups and vision care support
- First Aid and CPR awareness initiatives



Environmental Responsibility

- Tree plantation initiatives
- Support for local environmental conservation



Community Support & Outreach

- Clean drinking water access for communities
- Social donations and zakat-based support

Community & Workforce Wellbeing Initiatives

🌱 TREE PLANTATION PROGRAMME 2025



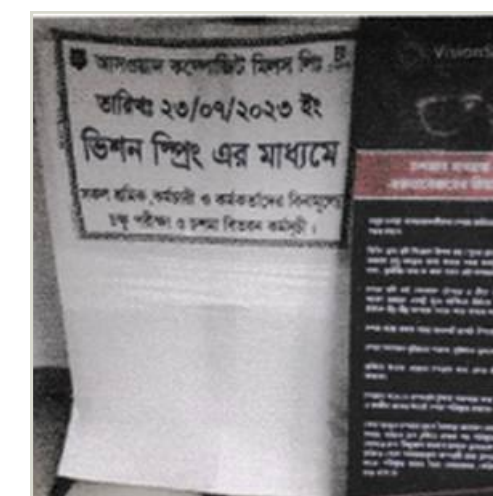
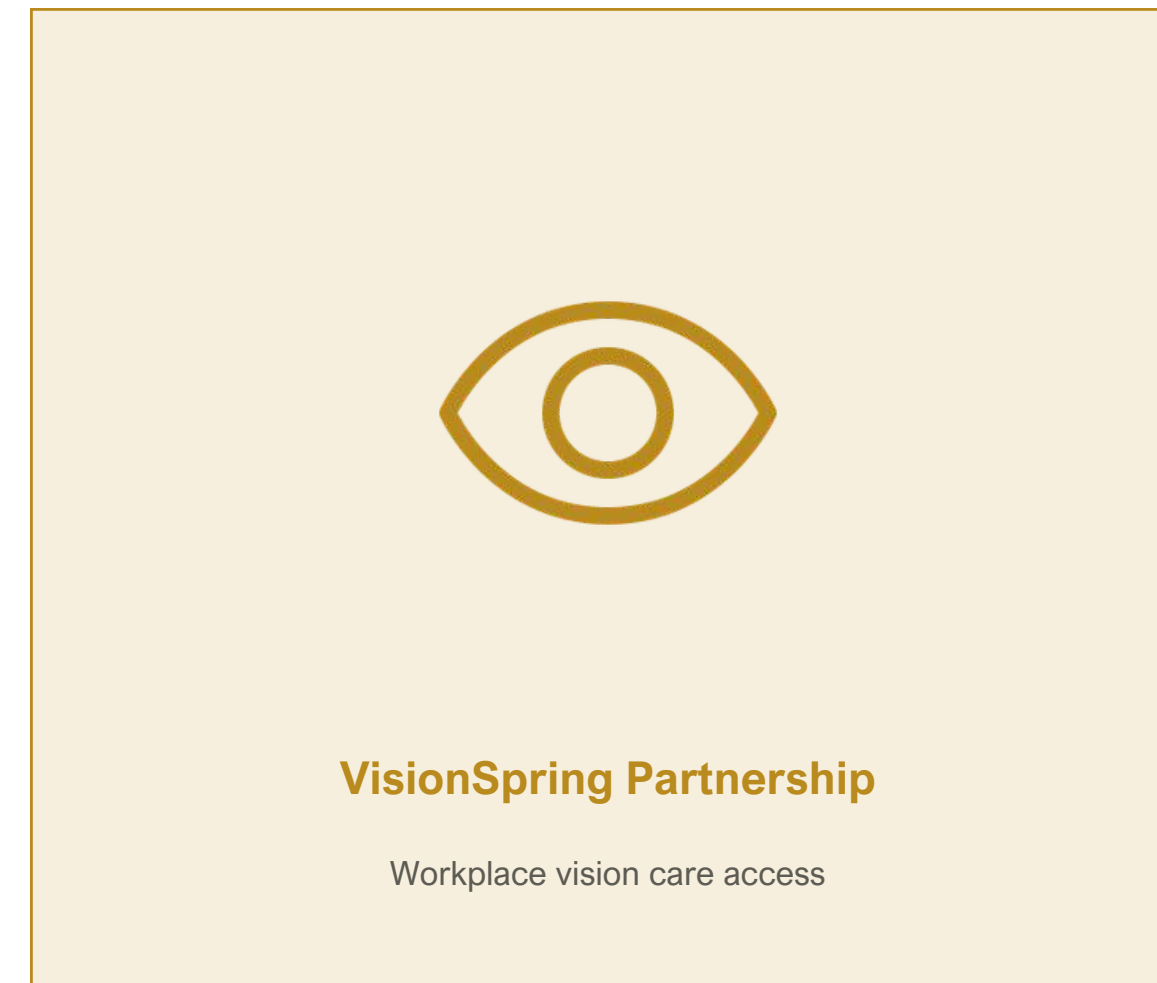
Employees and management planted saplings together under the Tree Plantation Programme 2025, reinforcing Aswad's commitment to a greener Bangladesh.

✚ FIRST AID & CPR TRAINING



First Aid and CPR training was conducted at a local school to strengthen emergency preparedness and safety awareness among students.

👁️ FREE EYE CHECK-UP CAMP



Free eye check-ups and vision support were provided to our workers through a collaboration with VisionSpring.



The Story We Are Still Writing

At Aswad Composite Mills Ltd., sustainability is not a chapter we close. It is a story we write every day.

It lives in the quiet early hours of production, in the steady rhythm of our machines, and in the people who show up with care and commitment. It lives in the questions we ask ourselves: how to do better, waste less, protect more, and grow responsibly.

Our journey is shaped by learning and by small improvements that quietly create meaningful change. Each year brings stronger systems, safer workplaces, and a clearer understanding of our impact on people, resources, and the environment.

This report is not a celebration of arrival. It reflects intention. Of a factory that believes progress is built through patience, discipline, and honesty, and that responsibility today creates opportunity tomorrow.

As we look ahead, we move forward with ambition and humility, knowing there is always more to improve and more to learn.

When you return to this report next year, we hope you will see growth. You will see maturity. You will see a story that has moved forward.

Because at Aswad, sustainability is not about declaring success. It is about moving forward, year after year, with purpose.

Glossary of Key Abbreviations

Abbreviation	Full Form
GRI	Global Report Initiative
ESG	Environmental, Social, Governance
LED	Light Emitting Diode
IOT	Internet of Things
ZDHC	Zero Discharge of Hazardous Chemicals
MRSL	Manufacturing Restricted Substances List

Abbreviation	Full Form
PDCA	Plan-Do-Check-Act
MJ	Mega Joule
GOTS	Global Organic Textile Standard
OCS	Organic Content Standard
RCS	Recycled Claim Standard
BCI	Better Cotton Initiative

GRI Content Index

Aswad Composite 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	Page No	Omission
GRI 2: General Disclosures		
2-1 Organizational details	11	
2-2 Entities included in the organization’s sustainability reporting	10	
2-3 Reporting period, frequency and contact point	10	
2-4 Restatements of information	10	
2-5 External assurance	10	
2-6 Activities, value chain and other business relationships	11-15	
2-7 Employees	67-68	

GRI Content Index

Disclosures	Page No	Omission
2-8 Workers who are not employees	-	-
2-9 Governance structure and composition	25	
2-10 Nomination and selection of the highest governance body		Yes. Confidentiality Constraint. Information regarding our board members is not publicly disclosed.
2-11 Chair of the highest governance body	25	
2-12 Role of the highest governance body in overseeing the management of impacts	25-26	
2-13 Delegation of responsibility for managing impacts	25-26	
2-14 Role of the highest governance body in sustainability reporting	28	
2-15 Conflicts of interest	26	

GRI Content Index

Disclosures	Page No	Omission
2-16 Communication of critical concerns	26,73-74	
2-17 Collective knowledge of the highest governance body		Yes. Not available, will be disclosed on our future reports.
2-18 Evaluation of the performance of the highest governance body		Yes. Not available, will be disclosed on our future reports.
2-19 Remuneration policies		YesYes. Not available, will be disclosed on our future reports.
2-20 Process to determine remuneration		Yes. Not available, will be disclosed on our future reports.
2-21 Annual total compensation ratio		Yes. Not available, will be disclosed on our future reports.
2-22 Statement on sustainable development strategy	28	
2-23 Policy commitments	27-28	

GRI Content Index

Disclosures	Page No	Omission
2-24 Embedding policy commitments	27-28	
2-25 Processes to remediate negative impacts	73-74	
2-26 Mechanisms for seeking advice and raising concerns	73	
2-27 Compliance with laws and regulations	30	
2-28 Membership associations	15	
2-29 Approach to stakeholder engagement	18-19	
2-30 Collective bargaining agreements	73	

GRI Content Index

Disclosures	Page No	Omission
GRI 200: Governance		
GRI 201: Economic Performance		Yes. Not available, will be disclosed on our future reports.
GRI 203: Indirect Economic Impacts	31-32	
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GRI 205: Anti-corruption	34	
GRI 206: Anti-competitive Behavior	35	
GRI 300: Environment		
GRI 301: Materials	62-64	
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GRI 305: Emissions	45-48	
GRI 306: Waste	55-58	
GRI 308: Supplier Environmental Assessment	61	
GRI 400: Social		
GRI 401: Employment	66-71	
GRI 403: Occupational Health and Safety	75-83	
GRI 404: Training and Education	84-86	
GRI 405: Diversity and Equal Opportunity	73	

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Disclosures	Page No	Omission
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GRI 407: Freedom of Association and Collective Bargaining	73	
GRI 408: Child Labor	73	
GRI 409: Forced or Compulsory Labor	73	
GRI 414: Supplier Social Assessment	64	
GRI 418: Customer Privacy	88	

Together for a Sustainable Future

Let's build impact-driven growth.





ESG Report
2024

BUILDING RESPONSIBLE GROWTH

2024

Aswad Composite Mills Ltd.

