From Fiber to Fabric, with Responsibility

Sustainability Report 2025

DL NASH

Karachi, Pakistan | www.dlnash.com

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Message from the CEO

Sustainability is embedded in the way **DL NASH** operates, grows, and creates value. It is not treated as a separate initiative, but as an integral part of our business strategy and daily decision-making.

During 2025, we continued to strengthen our environmental and social performance through focused improvements in energy efficiency, renewable energy adoption, water management, and responsible production practices. Our operations produced over **3.24 million units**, while maintaining a controlled emissions intensity of **0.066 kg CO_2e per unit**, reflecting our commitment to decoupling growth from environmental impact.

A key milestone this year was the continued contribution of our **250 kW solar system**, which significantly reduced reliance on grid electricity and supported our transition toward cleaner energy sources.

At the same time, we upheld strong standards in worker welfare, occupational health & safety, and ethical business conduct. Our governance systems, policies, and internal monitoring frameworks ensure accountability and continuous improvement across all areas of sustainability.

We recognize that sustainability is a continuous journey. Looking ahead, our focus remains on scaling renewable energy, reducing emissions, enhancing circularity, and strengthening responsible sourcing.
Our commitment to achieving **Net Zero operations by 2028** reflects both our ambition and responsibility as a global supplier.

Chief Executive Officer

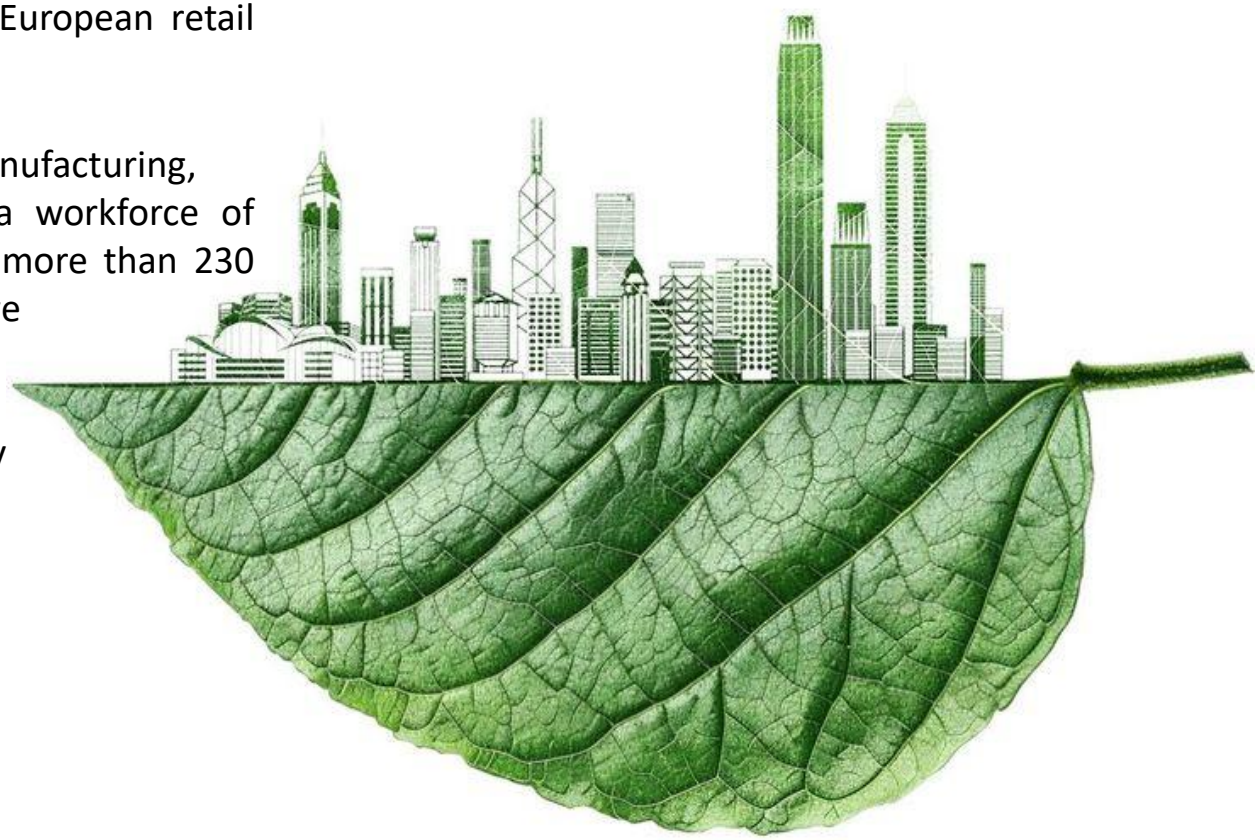
D.L NASH

Company Profile

DL NASH (Pvt) Ltd stands as a trusted name in home textiles, built on more than three decades of industry expertise and a clear-eyed commitment to responsible growth. Operating as a joint venture from Karachi, Pakistan, the company delivers premium home textile solutions **"from loom to living room"** to leading European retail brands, with annual exports exceeding USD 20 million.

With an integrated cut-to-ship operation encompassing weaving and manufacturing, DL NASH produces over 3.2 million units annually, supported by a workforce of approximately 430 employees and a production floor equipped with more than 230 machines processing over one million meters of fabric each month. As we report on our 2025 operations, our scope reflects not only scale and performance, but also our belief that "long-term value is created when operational excellence goes hand in hand with social responsibility and environmental stewardship."

In an evolving global marketplace, DL NASH continues to keep its **"feet firmly on the ground and its sights set on the future''.**



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Sustainability Vision, Policies & Governance

Sustainability at DL NASH is guided by a clear belief: **“responsible business is resilient business.”** Our sustainability vision is rooted in building long-term value by supporting our people, strengthening the communities in which we operate, and minimizing our environmental footprint. Through continuous improvement and innovation, we aim to be recognized as a sustainable leader in the home textiles sector, one that does not merely adapt to change but helps shape it.

Governance and accountability form the backbone of this commitment. Sustainability oversight is led at the highest level by the Chief Executive Officer, with the Compliance Manager providing day-to-day coordination and execution. This leadership is reinforced through dedicated committees covering Health & Safety, Environmental Management, Ethics & Compliance, and Quality & Operations, ensuring that sustainability is **“not a side conversation, but part of how we do business.”**

Our approach is underpinned by a robust policy framework, including Environmental, Labor & Human Rights, Ethics & Anti-Corruption, and Health, Safety & QHSE policies. Together, these policies set clear expectations, guide decision-making, and keep us **“walking the talk”** as we integrate sustainability principles across our operations.

ENVIRONMENT & our GLOBE

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Environmental Management

Environmental management at DL NASH is built on control, awareness, and gradual improvement rather than large, one-time interventions.

Operating without dyeing or chemical processing, the company inherently maintains a lower environmental risk profile. This allows for a more focused approach on key impact areas such as energy consumption, water usage, and waste generation—where measurable improvements can be consistently achieved.

Energy usage is actively monitored across electricity, natural gas, diesel, and solar sources, with increasing emphasis on renewable integration. The installation of a 250 kW solar system marks a meaningful shift toward cleaner energy, contributing significantly to overall consumption and reducing reliance on grid electricity.

Water usage, while primarily domestic in nature, is managed with equal discipline. A recycling system enables reuse for non-potable applications, reducing freshwater demand and supporting long-term conservation goals.

Waste generation remains controlled relative to production scale, supported by segregation practices and internal reuse initiatives. Fabric scrap is repurposed wherever possible, reinforcing a gradual transition toward circular practices.

This approach reflects a broader mindset within the organization:
“Efficiency is not just about cost—it is about responsibility.”

DL NASH

Energy & Emissions Performance

“What gets measured gets managed.” At DL NASH, energy efficiency is a core pillar of our environmental strategy. Our operations are powered by a diversified energy mix of electricity, natural gas, diesel, and renewable solar, designed to ensure reliability while reducing environmental impact.

In 2025, a **250 kW on-site solar system** contributed **247,722 kWh** of clean energy, significantly lowering grid dependency and associated greenhouse gas emissions. This transition reflects our commitment to **“do more with less”** and continuously improve energy performance across our weaving and cut-to-ship operations.

Electricity:
167,725 kWh

Solar Energy:
319,601 kWh

Natural Gas:
1,220.16 MMBTU

Diesel:
1,110 liters

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Water Management

“Every drop counts.” DL NASH manages water as a critical operational resource, with a focus on responsible use and reduction of freshwater withdrawal. In 2025, total water consumption was **532,000 gallons**, primarily supporting domestic operations, sanitation, and housekeeping activities.

A **water recycling plant** enables reuse for toilet flushing, reducing overall freshwater demand and reinforcing our commitment to efficient resource management and environmental responsibility.

Monitoring, KPIs & Audits

Performance monitoring at DL NASH is driven by structured systems designed to ensure transparency, accuracy, and continuous improvement.

The company uses SAP Business One alongside internal tracking tools to capture and analyze key operational and sustainability data. This enables real-time visibility of performance trends and supports data-driven decision-making across all functions.

Key performance indicators are monitored across energy, water, waste, emissions, health & safety, and supplier compliance. This ensures that sustainability performance is measurable, comparable, and consistently reviewed.

Internal audits are conducted on a scheduled basis to assess compliance with company policies and management systems. External audits are carried out by accredited certification bodies to validate performance and maintain international standards, including ISO, BSCI, GOTS, GRS, OEKO-TEX, and STEP.

All audit findings are systematically recorded, reviewed, and closed through structured corrective action processes, ensuring accountability and continuous improvement.

“What is measured is not just reported—it is improved.”

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Methodology & Carbon Footprint Management

Step 1 – Boundary & Scope Definition

"You can't manage what you don't measure." Following this principle, DL NASH Textile defined its operational boundaries for 2025, covering Scope 1 (direct fuel use) and Scope 2 (purchased electricity) emissions, in line with internationally recognized methodologies.

Step 2 – Calculation of Emissions

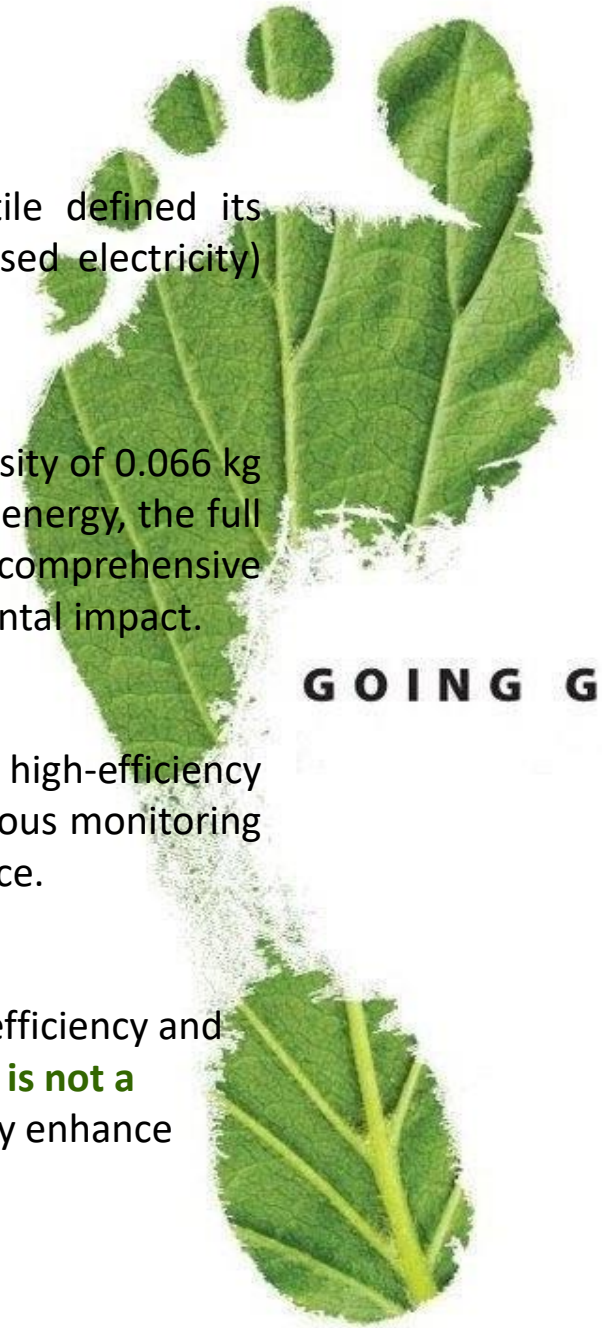
In 2025, Scope 1 (fuel) and Scope 2 (electricity) emissions totaled 212.78 tCO_2e, with an intensity of 0.066 kg CO_2e per unit. Including all operational sources electricity, fuel/gas, diesel, and water-related energy, the full operational GHG footprint reached 326.08 tCO_2.**"Every ton of CO_2 reduced counts".** This comprehensive tracking empowers DL NASH Textile to continuously improve efficiency and reduce environmental impact.

Step 3 – Monitoring & Performance Tracking

Monthly CO_2 emissions and emissions intensity were tracked to spot trends, highlight high-efficiency periods, and identify areas for improvement. **"Small steps lead to big changes"**. This continuous monitoring ensures a data-driven approach to reducing emissions and strengthening operational excellence.

Future Commitment

Looking ahead, DL NASH Textile aims to further reduce carbon intensity by improving energy efficiency and optimizing electricity consumption, while maintaining high-quality production. **"Sustainability is not a destination, it's a journey"**. This commitment is part of the company's strategy to continuously enhance environmental performance and contribute to a low-carbon future.



GOING GREEN

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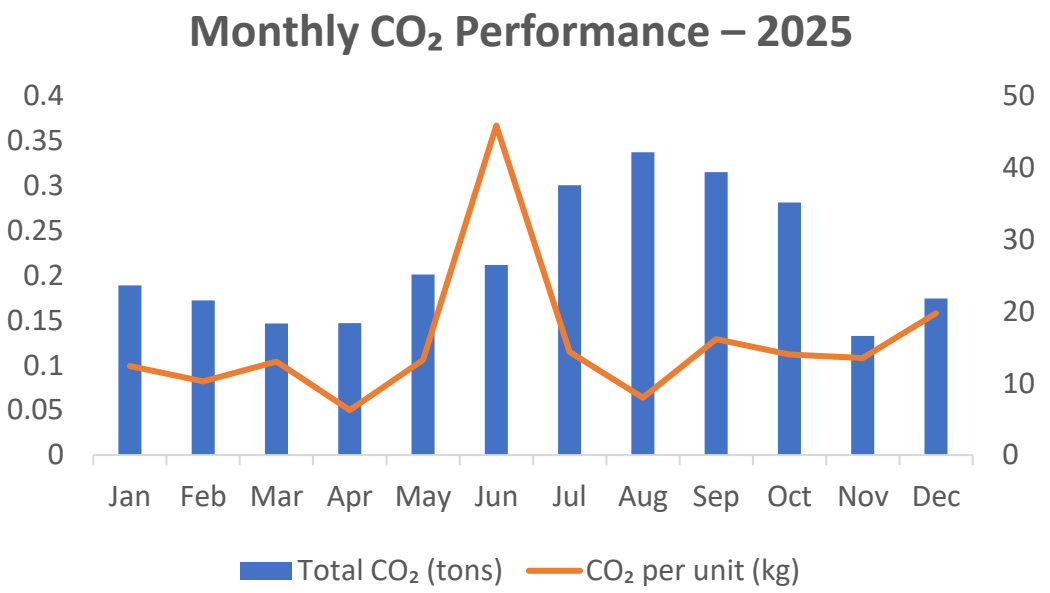
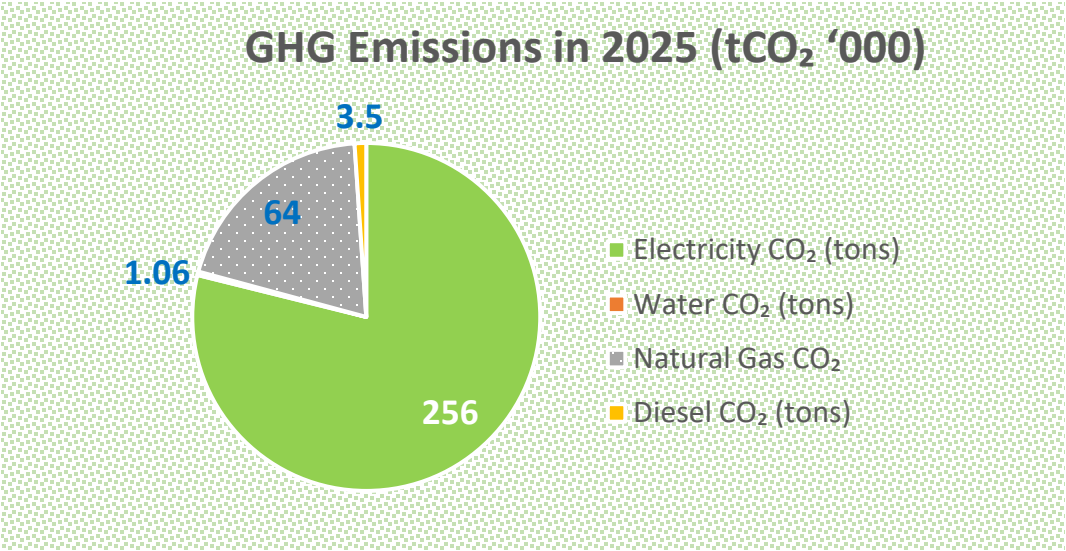
Monthly CO_2 Performance & 2025 GHG Emissions

DL NASH Textile tracks monthly CO_2 emissions across all operations to visualize trends, highlight efficiency peaks, and identify areas for improvement. The charts below show how emissions fluctuate over the year, helping us make **data-driven decisions** to optimize energy use and reduce our environmental impact. This transparent monitoring supports our long-term strategy to **enhance sustainability and drive continuous improvement** across the business.





"Tracking our impact today ensures a greener tomorrow."

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Waste Management & Circularity

Waste management at DL NASH is guided by a practical shift from disposal to utilization.
With total waste generation maintained at controlled levels, the company focuses on segregation, monitoring, and internal reuse wherever feasible. Fabric waste, in particular, is repurposed into secondary applications such as cleaning materials and internal use items—extending its lifecycle beyond initial production.

The absence of chemical-intensive processes further simplifies waste handling and reduces environmental risk, allowing the company to focus on improving material efficiency and reducing overall waste generation.

Future efforts are directed toward reducing fabric waste by 10–15% in the short term, while working toward a longer-term goal of zero waste to landfill. In parallel, the company is exploring increased use of recycled fibers and reductions in plastic packaging.

This transition reflects a broader operational mindset:
“What we discard today defines what we waste tomorrow.”

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Labor & Human Rights

At DL NASH, the strength of the business is closely tied to the wellbeing, dignity, and fair treatment of its workforce.

With a team of approximately 430 employees, the company operates in a structured environment where roles, responsibilities, and expectations are clearly defined. While the workforce includes both permanent and temporary employees, the company's approach remains consistent ensuring that all individuals are treated with fairness, respect, and equal opportunity.

Our labor practices are guided by internationally recognized principles, including the prohibition of child labor and forced labor, the protection of freedom of association, and a zero-tolerance stance on discrimination. These are not only policy commitments but are reinforced through internal systems, audits, and regular engagement with employees.

A formal grievance mechanism is in place, allowing workers to raise concerns confidentially and without fear of retaliation. This ensures that issues are addressed in a timely and transparent manner, strengthening trust across all levels of the organization.

As the company continues to grow, it remains committed to creating a workplace where:
"Respect is standard, not earned—and fairness is built into the system."

DL NASH

Health & Safety

Health and safety at DL NASH is approached as a core operational priority rather than a regulatory requirement.

The company maintains an established Health & Safety management system aligned with ISO 45001 standards, supported by structured processes including risk assessments, preventive controls, and emergency preparedness planning. Regular drills and training sessions ensure that employees are not only aware of procedures but are prepared to respond effectively when needed.

Safety performance is monitored through internal tracking systems, with a focus on identifying risks early and implementing corrective actions before incidents occur. This proactive approach reduces workplace hazards and contributes to A stable and secure working environment.

Training plays a central role in this system, ensuring that employees at all levels understand their responsibilities and are equipped to maintain safe practices in their daily tasks.

The guiding principle remains clear:
“A safe workplace is not achieved by chance—it is built through discipline, awareness, and consistency.”

DL NASH

Ethics & Compliance

Ethics and integrity form the foundation of how DL NASH conducts its business.
The company operates under a formally defined Code of Conduct that sets clear expectations for ethical behavior across all levels of the organization. This is supported by policies covering anti-corruption, conflicts of interest, fair dealing, and responsible business practices, ensuring that compliance is embedded into everyday operations rather than treated as a standalone requirement.

A confidential whistleblowing mechanism is in place, allowing employees to raise concerns without fear of retaliation. This system strengthens transparency and reinforces accountability across the organization.

Regular training and internal awareness sessions ensure that employees understand ethical standards and their responsibilities in maintaining them.
In 2025, no incidents of corruption or major compliance violations were reported, reflecting both the effectiveness of internal systems and the organization's culture of responsibility.

"Integrity is not a policy—it is a practice that defines how we do business every day."

DL NASH

Sustainable Procurement

Sustainable procurement at DL NASH is built on the understanding that responsibility extends beyond internal operations and into the wider supply chain.

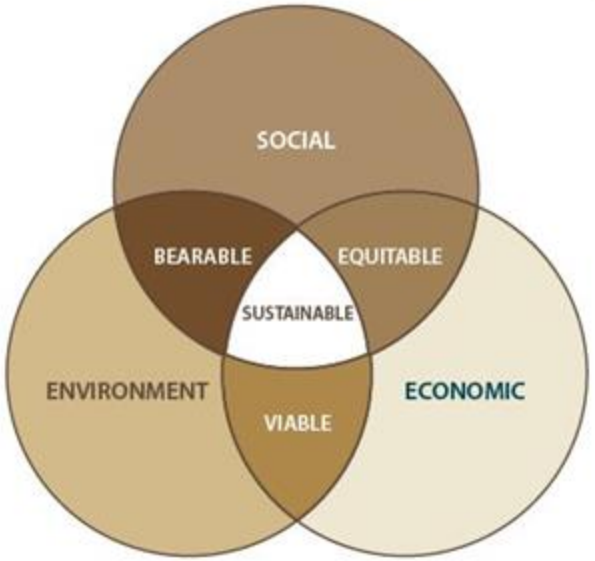
The company follows a structured supplier onboarding and evaluation process to ensure that all partners meet defined environmental, social, and ethical standards before engagement.

Suppliers are required to comply with the Supplier Code of Conduct, which covers labor practices, environmental responsibility, and ethical business conduct. Regular audits and performance reviews are conducted to ensure ongoing compliance and improvement.

Where gaps are identified, corrective actions are communicated clearly and monitored until closure, ensuring accountability across the supply chain.

Preference is given to certified materials and responsible sourcing options, including GOTS, GRS, and OEKO-TEX certified inputs, wherever feasible.

“Responsible sourcing is not about selecting suppliers—it is about choosing partners who share the same values.”



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Training & Awareness

Training and awareness are central to maintaining consistency, discipline, and shared responsibility across all levels of DL NASH.

The company ensures that all employees receive structured training covering health and safety, environmental awareness, ethics, compliance, and operational best practices. This training is mandatory and integrated into both onboarding and ongoing development programs.

Beyond formal training, awareness is reinforced through daily communication tools such as toolbox talks, visual displays, departmental meetings, and periodic refresher sessions. This ensures that key messages remain active in the workplace rather than limited to classroom sessions.

In 2025, training coverage reached 100% of employees, reflecting the company's commitment to inclusive learning and capability building.

The organization recognizes that systems are only as strong as the people who apply them.

"Awareness creates responsibility, and responsibility builds a culture of improvement."

DL NASH

Continuous Improvement & Future Goals

DL NASH views sustainability as a continuous journey of improvement rather than a fixed target.

The company's approach is based on structured review mechanisms that include audit feedback, KPI analysis, operational observations, and employee input. This ensures that improvement opportunities are identified and acted upon systematically.

Short-term priorities focus on reducing energy consumption, minimizing waste, improving water efficiency, and increasing the use of recycled materials across operations.

Long-term goals are aligned with global sustainability expectations, including significant reductions in carbon emissions, increased reliance on renewable energy, and stronger integration of circular production practices.

The organization is also committed to strengthening its certification base and improving reporting transparency year over year.

"Progress is not defined by perfection, but by consistent improvement over time."

DL NASH

Conclusion & Commitment

DL NASH Pvt Ltd remains committed to building a responsible and future-ready organization grounded in ethical governance, environmental responsibility, and social accountability.

The progress achieved in 2025 reflects the strength of its systems and the commitment of its people. However, the company recognizes that sustainability is an ongoing responsibility that requires continuous effort and discipline.

Moving forward, DL NASH will continue to strengthen its environmental performance, improve operational efficiency, support employee wellbeing, and enhance supply chain responsibility.

The company's commitment is clear: to grow responsibly while contributing positively to people, the planet, and long-term business resilience.

"Sustainability is not what we report once a year—it is what we practice every day."

DL NASH

SUSTAINABILITY PARTNERS

Global Recycled Standard
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MADE IN GREEN

ics

ISO

OEKO TEX®
STANDARD 100

BSCI
Business Social Compliance Initiative

GLOBAL ORGANIC TEXTILE STANDARD · GOTS ·

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If you have questions or need help locating information, or want to find the latest on our sustainability work including strategy, goals, standards, and policies, please contact naveed@dlnash.com

We appreciate your feedback.

Thank you.