STITCHED WITH PURPOSE

Sustainability Report

FY 2024-25















SQUARE FASHIONS LIMITED









Welcome to.....

SQUARE FASHIONS LTD.

We craft quality knit apparel for the world's leading brands; with people, planet, and performance at our core.



If you love People
God will love you.

SAMSON H CHOWDHURY
(1925 - Forever in our hearts)
Founder Chairman
Square Group

Message from Chairman

To Our Trusted Partners,

At SQUARE, we have long held to a singular conviction: that true success is not measured solely by what an enterprise achieves, but by the manner in which that achievement is realized. As a member of the SQUARE Group, SQUARE Fashions Ltd. carries this conviction forward not as an obligation to be discharged, but as a calling to be lived - with grace, resolve, and an abiding sense of purpose.

This founding Sustainability Report stands as a milestone of significance in that continuing journey. It draws together three years of environmental, social, and governance performance, offering more than a record of progress - it offers a candid and transparent account of how responsibility has taken root across our operations, from responsible material sourcing and resource stewardship to worker wellbeing, ethical governance, and meaningful community impact.

The progress before us is, in many respects, a source of quiet encouragement. Energy, water, waste, and greenhouse gas intensities have each improved even as production has expanded; rooftop solar generation has risen markedly; and the use of recycled materials has grown in step with our ambitions. Alongside these gains, we have continued to invest - in workplaces that are safe and inclusive, in the skills and dignity of our people, in the strength of our communities, and in governance systems built to endure.

Yet we recognize, with clear eyes, that sustainability is not a destination to be reached, nor an achievement to be declared complete. It is a continuing responsibility - one renewed each day through the choices we make and the standards we uphold. We shall remain guided, as ever, by integrity, transparency, and the relentless pursuit of improvement, walking this path together with our people, our customers, our partners, and the communities we serve, in service of a more resilient enterprise and a better, more equitable future for all.
Thank you for your trust, and for walking this journey with SQUARE.



Mr. Samuel S Chowdhury
Chairman

Message from Managing Director

Dear Partners and Esteemed Stakeholders,

It is with a profound sense of purpose that we present the inaugural Sustainability Report of SQUARE Fashions Ltd., a document that marks the beginning of a defined trajectory toward a more responsible and enduring future.

We hold to the conviction that sustainability is not an adjunct to enterprise, but its very foundation. Across our manufacturing operations, we have undertaken a disciplined pursuit of resource efficiency, responsible sourcing, water stewardship, energy performance, waste reduction, and emissions monitoring. The results affirm the direction we have chosen: over the reporting period, energy intensity declined by 24.9%, water intensity by 12.9%, and waste intensity by 30.6%, while Scope 1 and 2 greenhouse gas emission intensity fell by 22.1%, achieved even as output grew by 37.8%. Rooftop solar generation rose by 183%, a clear signal of our accelerating transition toward cleaner energy sources.

Our obligations extend well beyond the factory floor. We remain committed to safe and inclusive workplaces, the advancement of our workforce, and meaningful contribution to the communities we serve, upheld by a governance architecture built on rigorous oversight and sustained stakeholder engagement.

The baseline established within this report is not an endpoint, but a point of departure, one from which we intend to set more ambitious targets and pursue ever-greater transparency in the years ahead.
Thank you.



Mr. Tapan Chowdhury
Managing Director

HOW TO READ THIS REPORT

Through the eyes of Peter Park, Director of Strategic Sourcing at BluePeak Apparel Sourcing, this report takes readers on a journey across SQUARE Fashions Ltd.'s manufacturing operations in Bangladesh – demonstrating how environmental, social, and governance (ESG) principles are integrated into every stage of production.

From the factory gate to the final dispatch bay, Peter observes every step of the production journey with a critical eye – asking questions, reviewing evidence, and validating practices.

At each of the seven production stages, he is guided by subject matter experts who explain the operations, highlight how ESG risks are identified and managed, and demonstrate the measurable outcomes that reflect SQUARE Fashions Ltd.'s commitment to responsible manufacturing.

Three years of ESG performance data, covering FY22–23 to FY24–25, are woven into his journey at the point where they are most relevant – not as standalone statistics, but as evidence of what he sees, asks, and validates on the factory floor. Relevant GRI disclosures are referenced throughout, connecting operational activities with measurable ESG performance.

This is more than a sustainability report. It is the story of how one garment reflects the people, systems, and responsibilities that shape a more sustainable future.

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SQUARE



SQUARE Fashions Ltd. · Bhaluka, Mymensingh

Reporting Scope & Boundaries

Three fiscal years · Two facilities · One commitment



Vogra, Gazipur

This report covers three fiscal years: FY22–23, FY23–24, and FY24–25. Presenting multi-year performance data supports comparability and enables assessment of progress over time.

Report Publication Date: October 2026

ORGANIZATIONAL BOUNDARY

The reporting boundary covers the operational activities of SQUARE Fashions Ltd. at its two manufacturing facilities located in Bhaluka, Mymensingh, and Vogra, Gazipur, Bangladesh. Corporate governance and management oversight are coordinated through the corporate headquarters at Square Centre, 48 Mohakhali C/A, Dhaka-1212, and the head office at Anita Centre, Plot #77, Sector #07, Uttara, Dhaka, Bangladesh.

The report includes environmental, social, and governance indicators related to knitting, dyeing, fabric finishing, cutting, printing, embroidery, sewing, washing, garment finishing, and associated support functions.

No additional subsidiaries or external group entities are included. This report has not been subject to external assurance.

SQUARE Fashions Ltd.
Two Facilities. One Commitment.



ESG REPORT ENQUIRIES

Mohammad Rafiqul Islam
DGM – HR, Compliance & Administration
SQUARE Fashions Ltd.
rafique-skflsfl@squaregroup.com



PP

MEET OUR BUYER REPRESENTATIVE

Peter Park
Director of Strategic Sourcing · BluePeak Apparel Sourcing ·

ROLE	FACTORIES VISITED	VISIT PURPOSE
Director of Strategic Sourcing	11 factories across 6 countries	Strategic sourcing – 4.2M garments annually

WHY HE IS HERE

BluePeak Apparel Sourcing is shifting 4.2 million garments annually from East Asia – driven by rising tariffs, geopolitical risk, and ESG pressure. Cost is no longer the primary criterion. SQUARE Fashions Ltd. in Bhaluka is Park's final destination after visiting 11 factories across six countries.

WHAT HE LOOKS FOR IN A PARTNER

- ✓ Resilient operations
- ✓ Transparent systems
- ✓ Tech-advanced manufacturing
- ✓ Committed to sustainability

WHAT HE EVALUATES ON EVERY VISIT

- 🌿 Energy & emissions
- ♻️ Waste management
- 💧 Water & Wastewater Management
- 👥 Worker welfare
- ⚗️ Chemical compliance & Management
- 🛡️ Safety systems
- 📄 Documentation & traceability

> *"Park arrives 15 minutes ahead of schedule. He does not wait. His assessment begins immediately."*

WHO GUIDES PETER THROUGH EACH STAGE

SQUARE Fashions: Factory Host Team	Three experts accompany Peter throughout the entire visit	
Stage 1 Yarn Hub	OM SM	OM: Yarn storage, traceability, operations · SM: Responsible sourcing, sustainability
Stage 2 Knitting	OM	VFD systems, energy efficiency, digital programming, re-coning mechanism
Stage 3 Dyeing & Finishing	SM	Water stewardship, chemical management, ETP operations, sludge management & recovery
Stage 4 Cutting & Washing	OM	CAD systems, automated cutting, wash programs, water management, recovery & reuse
Stage 5 Printing & Embroidery	OM	Printing controls, embroidery quality, screen reuse, certified threads
Stage 6 Sewing	OM HR	OM: IE time studies, servo-motors · HR: GEAR & PACE, grievance, fire drills
Stage 7 Finishing & Packing	OM	Metal detection, FSC packaging, WMS traceability

OM Operation Manager SM Sustainability Manager HR Hiring Manager

ABOUT SQUARE FASHIONS LIMITED

Built on Quality, Driven by Responsibility.

SQUARE Fashions Limited is a leading export-oriented knit garment manufacturing facility in Bangladesh and a proud member of the SQUARE Group – where quality, responsibility, and people come first in everything we do.

WHO WE ARE

We operate two manufacturing facilities in Bhaluka, Mymensingh, and Vogra, Gazipur. From knitting and dyeing to printing, sewing, and washing, every stage of production happens in-house, from yarn to dispatch.

WHAT WE HAVE

We specialise in a wide range of knit apparel – T-shirts, polo shirts, sweatshirts, hoodies, jackets, ladies' wear, and children's wear, supported by a well-established local and international supply chain.

OUR SCALE

During FY2024–25, we produced more than 40.2 million garments, serving customers across Europe, North America, UK, Australia, and Asia – reflecting strong manufacturing capability and long-standing relationships with global apparel brands.

OUR PEOPLE

As of FY2024–25, SQUARE Fashions employed 17,893 people. Operations are supported by internationally recognised management systems, including ISO 9001:2015 and ISO 14001:2015, reinforcing the company's commitment to quality, environmental stewardship, and continuous improvement.





FACTS AT A GLANCE

From yarn to dispatch: every process built for quality, every decision made with responsibility.

KEY PERFORMANCE INDICATORS

2 Facilities

Bhaluka, Mymensingh &
Vogra, Gazipur

17,893

Employees
Workforce FY24–25

40.2M Pieces

Bhaluka, Mymensingh &
Vogra, Gazipur

Markets

Europe · North America · UK
Australia · Asia

Certifications

ISO 9001	ISO 14001	GOTS
OCS	RCS	ZDHC
WRAP GOLD	SEDEX	STeP by OEKOTEX
OEKOTEX 100	GRS	RWS
Regenagri	BCI	Amfori BSCI
HIGG FEM	HIGG FSLM	ILO- BW

Product Portfolio.....






NAPAPIJRI
geographic





Our Product







Buyer Walkthrough Map

Following Peter Park through SQUARE Fashions Ltd., stage by stage





Stage 1: Yarn Hub

Responsibility starts before a single thread is made.

Park arrives at the Yarn Hub fifteen minutes early. He walks directly to the yarn storage – no introduction needed. He leans in and reads one: GRS Certified Recycled Polyester. He pulls out his notepad. His questions are already prepared.

PP PETER PARK

"What percentage of your yarn is certified sustainable, and how do you verify suppliers before they enter this warehouse?"

OM OPERATIONS MANAGER

"This year, 11% of our total material input was recycled – up from 2% three years ago. Every supplier passes compliance screening against OCS, GRS, RCS and GOTS before a single roll enters."

PP PETER PARK

"And the inventory system – how do you track what comes in and what goes out?"

OM OPERATIONS MANAGER

"Every cone carries an ERP barcode linked to its supplier and lot number. Inventory accuracy stays above 99% through daily cycle counts. FIFO, strictly maintained."

"He notes the inventory system, nods once, moves toward the knitting floor."

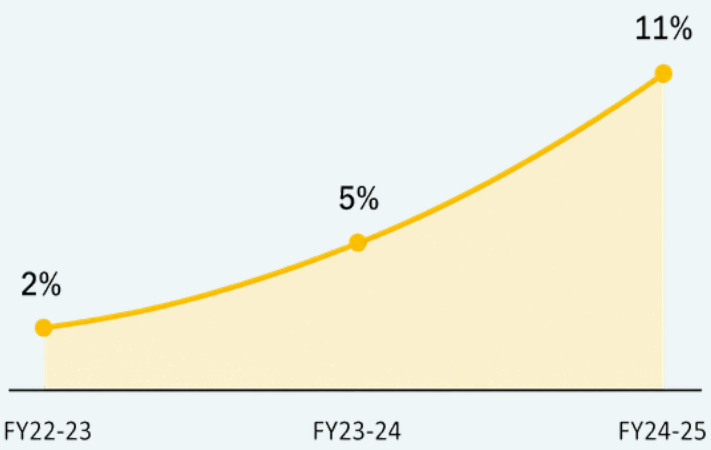
Stage 1 · Yarn Hub – The Numbers

SM

SUSTAINABILITY MANAGER

"Let me show you how our recycled input has grown over three years – and what our total material flow looks like."

Recycled Materials Share – 3 Year Growth



Material Flow – FY2024–25



2,361,940 Kg
Recycled Input Materials



21,795,486 Kg
Total Yarn Consumed



40,203,174 Pcs
Total Production Output

Certifications

OCS | GRS | GOTS | RCS

Sustainable Initiatives

♻️ Recycled fibers prioritised

📊 Annual supplier scorecards

🔍 Social audit verification

💡 LED lighting in store

📦 Yarn packaging reuse

Contributing To UN SDGs

12 CONSOMMATION ET PRODUCTION RESPONSABLES

17 PARTNERSHIPS FOR THE GOALS



Stage 2: Knitting

From yarn to fabric : where the structure of every garment is born.

The knitting floor hits him before he opens the door – a steady hum from rows of circular machines running in three shifts. Park walks the aisle slowly. Then he stops. Every machine panel shows the same display: Variable Frequency Drive – Active. He knows exactly what that means for energy efficiency. And for cost.

PP

PETER PARK

"VFDs on every machine – what has it actually done to your energy numbers?"

OM

OPERATIONS MANAGER

"Total energy stayed nearly flat - 1,155.8M MJ to 1,195.5M MJ - even as our production grew 37.8%. VFDs, LED lighting, and daylight integration made that possible."

PP

PETER PARK

"And waste control – how do you manage yarn waste on this floor?"

OM

OPERATIONS MANAGER

"Every machine setting is digitally programmed – no manual cards, no paper waste. Waste yarn goes through our re-coning machine first, optimising every gram of yarn before anything leaves as waste."

> *"He writes one word in his notepad: efficient. The air ahead is warmer, heavier. The dyeing unit. That, he notes, is where the real questions begin."*

Stage 2 · Knitting – The Numbers

OM

OPERATIONS MANAGER

"Our production grew 37.8% - but total energy use rose only 3.4%. That is what efficiency looks like on paper."



37.8%

Production grew – energy consumption barely moved

Production: +37.8% (FY22-23 → FY24-25) | Energy: 1,155.8M → 1,195.5M MJ

Factory-wide Energy Consumption - 3 Year Trend



1,155.8 M MJ	1,198.5 M MJ	1,195.5 M MJ
FY22-23	FY23-24	FY24-25
Base Year	↑ 3.7%	↓ 0.3%

Key technologies

Circular Knitting | Flat-bed Knitting | VFD Motors | Digital Programming | Barcode Tracking

Sustainable Initiatives

- ⚡ Inverter motors: energy efficient
- 📉 Fabric roll weight optimized: less off-cuts
- 📱 Digital production cards: zero paper waste
- ♻️ Re-coning machine: yarn waste minimized

Contributing To UN SDGs





Stage 3: Dyeing & Finishing

Where colour is created – and where responsibility is tested hardest.

The dyeing floor stretches before him; long rows of jet dyeing machines, each locked into its programmed recipe, steam rising in thin columns. Park notes the shade approval cards clipped beside each machine, then moves straight to the ETP. Always the ETP. He stands at the edge of the treatment plant, watching the water move through each chamber. It comes in dark. It leaves clear.

PETER PARK

PP

"How do you ensure consistency across dye batches at this scale?"

SUSTAINABILITY MANAGER

SM

"Every batch is logged in ERP – machine ID, time, chemical quantities. Shade matching verified against approved lab-dip standards. Colour fastness and pH tested on every lot. We use low-liquor-ratio machines – less water per batch and prioritise reactive dyes with lower salt consumption."

PETER PARK

PP

"And, how do you manage process wastewater and sludge?"

SUSTAINABILITY MANAGER

SM

"Every batch goes through our biological ETP – 335 cubic meters an hour. Some of that treated water we recycle through the WRP and reuse in dyeing and washing. The rest goes out only after it clears ECR and ZDHC compliance checks. As for sludge – same story as before – it goes to onsite anaerobic digestion first, and whatever's left gets dewatered and sent to our sister concern for energy recovery."

"Park photographs the sludge transfer record. Waste-to-energy – he did not expect that. He notes it as a differentiator. Then follows toward the cutting floor. Precision work is next."

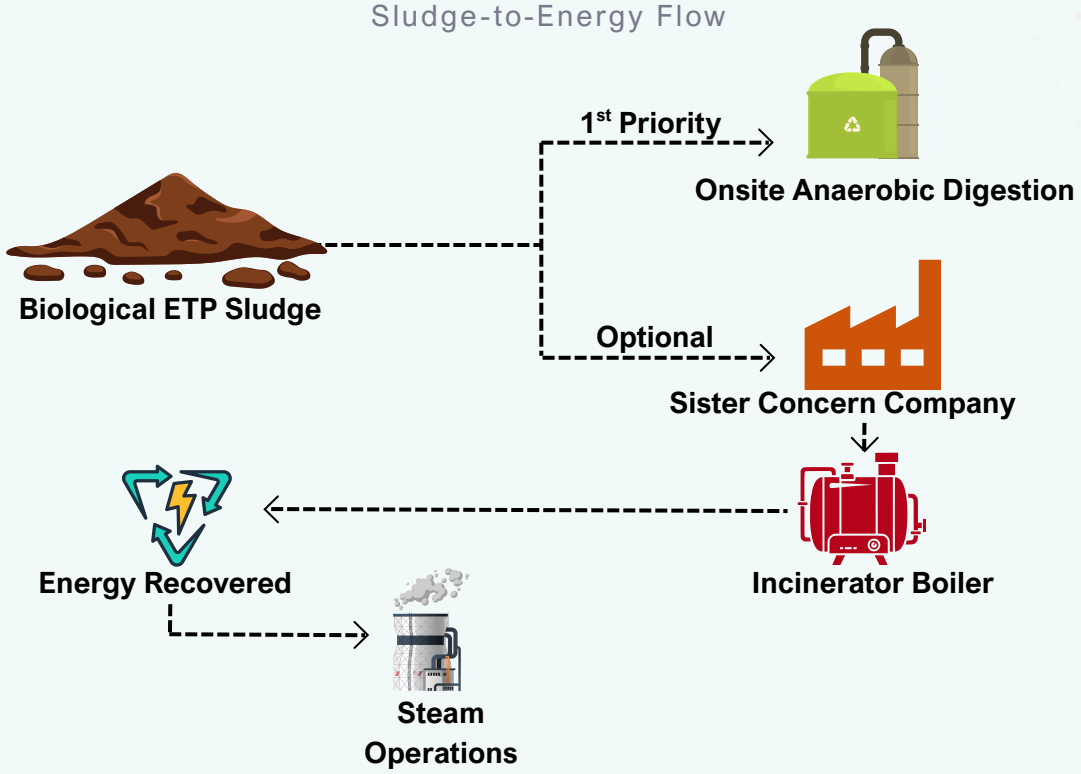
Stage 3 · Dyeing & Finishing – The Numbers

SUSTAINABILITY MANAGER

SM

"Every drop treated, every drop valued; every gram of sludge recovered – turning waste into resources."

Sludge-to-Energy Flow



Certifications

Bluesign | ZDHC | EcoPassport | C2C

Sustainable Initiatives

- Low-liquor-ratio machines
- Heat & condensate recovery
- Low temp bleaching
- Reactive dyes - low salt
- Effluent pre-treatment
- wastewater recycle and reuse

Contributing To UN SDGs





Stage 4: Cutting & Washing

Precision at every layer – from the first cut to the final wash

Park enters the cutting floor – long spreading tables lined with layers of fabric, an automated cutter moving with quiet precision along a digital marker. No paper patterns in sight. He moves through to the washing unit: industrial machines loaded and running, each batch tagged with a wash ticket. Enzyme, stone, acid – programs pre-set, parameters all recorded.

PP

PETER PARK

"Gerber CAD, automated cutting, pre-programmed wash cycles – how do you manage fabric waste and water across both processes?"

OM

OPERATIONS MANAGER

"In cutting, Gerber AccuMark CAD maximises fabric yield before we cut a single layer; utilisation reviewed daily. Paper patterns are fully replaced with digital markers – zero paper waste."

PP

PETER PARK

"And the washing unit?"

OM

OPERATIONS MANAGER

"Every batch runs on a pre-programmed recipe. Biodegradable detergents replace hazardous chemicals, and our water recycling system recovers rinse water across cycles & Recycle Water use. Every batch carries a wash ticket – shrinkage, shade, and hand-feel tested before release."

"Two processes confirmed. He follows toward the printing and embroidery section. The creative work begins next."

Stage 4 · Cutting & Washing – The Numbers

OM

OPERATIONS MANAGER

"Two processes, one standard – precision in cutting, responsibility in washing. Here is what the numbers say."



Zero

Paper patterns used – 100% digital markers
Gerber AccuMark CAD · Daily fabric utilisation review

4 Key Indicators

Cutting Precision
AccuMark CAD maximises fabric yield – utilisation reviewed daily

Zero Paper Patterns
100% digital markers – fully paperless cutting floor

Wash Water Recovery
Rinse water recycled across wash cycles & Recycle Water Use

Biodegradable Detergents
Hazardous chemicals replaced – verified compliant

Certifications

ISO 14001 | ZDHC | OEKO- TEX

Sustainability initiatives

- Daily fabric utilisation review
- LED + scheduled shutdown
- Reusable fabric rolls
- Water Conservation & Reuse

Contributing To UN SDGs

6 CLEAN WATER AND SANITATION

12 CONSOMMATION ET PRODUCTION RESPONSABLES



Stage 5: Printing & Embroidery

Where colour meets creativity – and every detail is verified before it moves forward.

Park steps into the printing section – long print tables stretching the length of the room, each screen precisely aligned. He moves to the embroidery unit: multi-head machines running in sync, each programmed to a digital design file. He picks up a finished panel and holds it against the approved sample. Perfect match.

PETER PARK

PP

"How do you manage print consistency and chemical waste across runs?"

OPERATIONS MANAGER

OM

"Every screen uses digital artwork; squeegee pressure, mesh count, ink viscosity all monitored per table. Flash-cure and conveyor dryers reduce energy. Screens are reclaimed and reused wash water, wash water filtered before disposal."

PETER PARK

PP

"And embroidery – how is quality controlled?"

OPERATIONS MANAGER

OM

"All designs digitised in a central library. Thread tension and needle condition inspected every shift. 100% of panels checked against approved samples before release. Bobbins fully consumed – certified suppliers only."

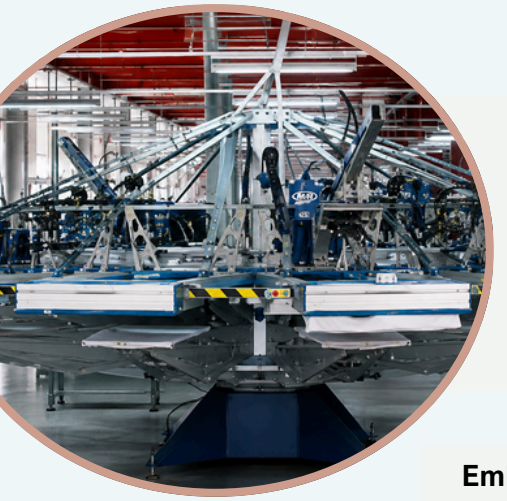
"Print sample approved. Panels signed off. Park follows through the door – the sewing floor opens ahead, loud and alive with 17,000 (approximate) hands at work."

Stage 5 · Printing & Embroidery – The Numbers

OM

OPERATIONS MANAGER

"Two creative processes, one quality standard. Every screen reused, every panel inspected."



Printing (Screen + Laser)

- Digital artwork – precise screen preparation
- Squeegee pressure + ink viscosity monitored
- Flash-cure dryers – energy efficient
- Screens reclaimed & reused
- Wash water reuse & filtered before disposal



Embroidery (100% Inspected)

- Designs digitised in central library
- Thread tension + needle – every shift checked
- 100% panels vs approved samples
- Bobbins fully consumed
- Certified thread suppliers only

Certifications

ISO 14001 | ZDHC | OEKO- TEX

Sustainable Initiatives

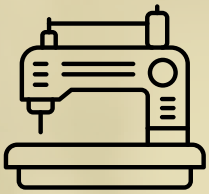
⚡ Flash-cure energy efficient dryers | 💡 Machine idle-time power settings | 💧 Water Conservation

✅ Certified thread suppliers | 🧵 Bobbins fully consumed | 🔬 Wash water filtration

Contributing To UN SDGs







Stage 6: Sewing

This is where human skill turns fabric into a finished garment – the heartbeat of the factory.

The sewing floor is the loudest place Park has visited today, and the most alive. Thousands of workers at their stations, hands moving in steady rhythm. He walks slowly, taking it in. He notices a display board on the far wall, photographs of women, names listed underneath, a header reading: GEAR Programme Participants. He walks over and reads the numbers.

PP

PETER PARK

"How do you manage efficiency and quality on a floor this size?"

OM

OPERATIONS MANAGER

"Lines balanced by IE time studies – every operator follows an OBS sheet. Inline auditors check critical operations at intervals. Hourly targets tracked in our own software. Servo-motor machines facility-wide – lower energy, better precision. Skylights cut daytime electricity."

PP

PETER PARK

"I saw the GEAR programme board. Tell me about it – and how do workers raise concerns here?"

HR

HR MANAGER

"Through GEAR and PACE, we have empowered 823 women, built leadership, communication, financial literacy, and career advancement while promoted gender equality and inclusive growth. Grievance boxes on every floor, hotline, written channels, PC member, direct HR."

"Park looks back once at the GEAR programme board before leaving the floor. One garment remains – the finishing table, the packing line, the final gate. Almost there."

Stage 6 · Sewing – The Numbers

HR Manager

HR

"Behind every garment, there are people. 17,893 of them. And every one of them matters."

17893

FY:24-25
Male: 13222
Female: 4671

823+
Women empowered- GEAR & P.A.C.E. programme

4
Grievance channels

10
Fire drills completed

Safety Welfare

Boxes
Every floor

Hotline
Direct access

Worker Representative
Elected Voice

Direct HR
Open door

Certifications

WRAP Gold

SEDEX

Sustainable Initiatives

⚡ Servo-motor machines

🪟 Skylights-natural lighting

♻️ Waste-conscious sewing

Contributing To UN SDGs

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES



Stage 7: Finishing, Packing & Warehousing

The garment is complete – now every label, every box, every record must be as responsible as the product inside.

Park walks into the finishing area – garments moving through final inspection tables, each one checked before the packing line. Metal detection on 100% of pieces. Labels verified, poly-bags sealed. Then the warehouse: rows of barcoded cartons, every pallet tracked in the WMS. He checks a carton label – batch number, buyer code, destination. All there.

PP

PETER PARK

"Metal detection on 100% – and the packaging, is any of it sustainable?"

OM

OPERATIONS MANAGER

"Packaging is sourced from FSC-certified suppliers. Hang tags on recycled paper, soy-based inks. Plastic poly-bags being replaced with biodegradable alternatives. Carton sizes optimised for container fill – less shipping emissions."

PP

PETER PARK

"And the warehouse – traceability?"

OM

OPERATIONS MANAGER

"Every pallet barcoded – every movement in WMS. 99% inventory accuracy through daily cycle counts. FIFO and FEFO automatic."

"40.2 million garments. Every one labelled, tracked, accounted for. Park clicks his pen closed. The journey that started with a yarn cone ends here – ready for the world."

Stage 7 · Finishing, Packaging & Warehousing – The Numbers

OPERATIONS MANAGER

OM

"The final three steps. Every garment inspected, packed responsibly, and tracked to the last carton."

Three Final Steps – One Standard

Finishing

1

100%
Metal detection before packing

AQL
Inline + end-line inspection

Packaging

2

FSC
Certified packaging materials used

Soy Ink
Hang tags on recycled paper

Warehousing

3

99%+
Inventory accuracy

FIFO/FEFO
Automatic WMS tracking

40.2M

Total Production · FY2024–25
Garments packed & shipped – from yarn to world

Sustainable Initiatives

- 🛡️ Material Safety & Compliance
- 🔍 Material Traceability
- 📦 Carton size optimised

Contributing To UN SDGs



After The Walk

Real-World Impact – FY 2024–25

FY 2024–25 · What the numbers actually meant

SUSTAINABILITY MANAGER

SM

"Zero uncontrolled sludge disposal. Every gram accounted for, every load transferred to waste-to-energy."

GHG Efficiency Improvement



18,475

tonnes CO_2e avoided: through efficiency improvement

If SQUARE Fashions had the same GHG intensity as FY22–23, they would have emitted 18,475 tCO_2e MORE this year

What does that equal?



848,632

trees absorbing CO_2 for 1 full year



4,016

cars taken off the road for 1 year



7,390

Bangladeshi homes' annual carbon footprint

Methodology:

Avoided emissions = (FY22–23 intensity 6.17 tCO_2e/ton × FY24–25 production 13,522 tons) − FY24–25 actual 64,985 tCO_2e.(Calculated using unrounded values; avoided emissions of 18,474.73 tCO_2e before rounding.)

Equivalency References:

US Forest Service - average medium-growth tree absorbs 21.77 kg CO_2/year

Vehicle emissions: US EPA - average passenger vehicle emits 4.6 tCO_2e/year

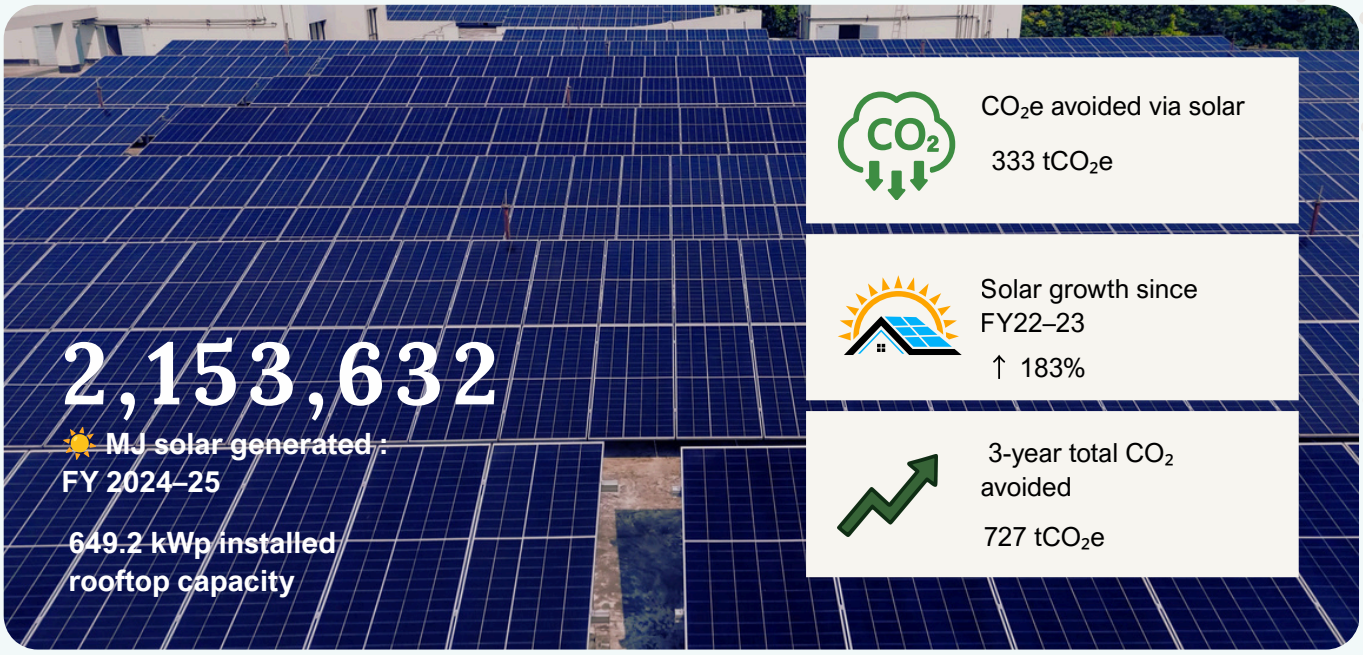
Household footprint: World Bank - Bangladesh average household 2.5 tCO_2e/year

Sources:

US EPA Greenhouse Gas Equivalencies Calculator (epa.gov)

IEA Emissions Factors 2023 (iea.org)

Real-World Impact · Continued





15,295

trees absorbing CO_2 for 1 full year



72

cars taken off the road for 1 year

Solar Methodology:

MJ ÷ 3.6 = kWh

kWh × Bangladesh grid emission factor 0.5566 kg CO_2e/kWh (IEA 2023).

"Few factories show the numbers and honestly admit what is still missing. Send me the report when it is published."

– Peter Park, Director of Strategic Sourcing

End of factory walkthrough · Briefing room

"The walk is over. Now the data speaks."

Peter Park has completed all seven production stages. The sustainability manager is waiting in the briefing room with tea and a laptop. Seven stages. Four hours. Now the conversation begins.

SUSTAINABILITY MANAGER

SM "So – what is your assessment?"

PETER PARK

PP "Certified yarn, VFD panels, clean ETP, digital cutting markers, screens and embroidery frames, 17,000 workers – and a GEAR programme board that told its own story. Every carton with a batch number. The systems are there. Now I want the numbers."

SUSTAINABILITY MANAGER

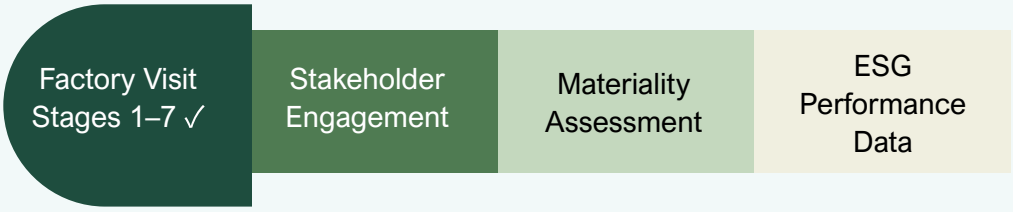
SM "Three years of performance data. But first – who shaped this report, and what matters most. Everything aligned with global frameworks and transparently reported."

PETER PARK

PP "Alright – walk me through who you consulted, and how you mapped it to the GRI framework."

Aligned With

UN SDGs | ILO Labour Principles | Paris Agreement | ZDHC | GRI Standards



Stakeholder Consultation & Materiality Assessment

"Every decision begins with listening."

At SQUARE Fashions Ltd., sustainability is shaped through continuous engagement with the people and partners connected to our value chain. Their insights inform our ESG priorities, reporting decisions, and long-term strategy.

WHO WE ENGAGE

Internal

Employees & Workers

Internal Communication & Feedback

Internal

Management

Strategy and performance reviews

External

Suppliers

Communication and audits

External

Certification Bodies

External audits and compliance

External

Customers & Buyers

Audits and assessments

External

Community & Authorities

Dialogue and reporting

HOW WE ENGAGE

01 Operational Meetings & Reviews

Regular internal meetings and management reviews to track ESG performance and align on priorities.

02 Audits & Compliance Reviews

Third-party and certification body audits ensuring adherence to international standards and buyer requirements.

03 Worker & Buyer Interactions

Ongoing dialogue through grievance channels, buyer visits, worker consultations, and supplier communication.

Our Materiality Approach

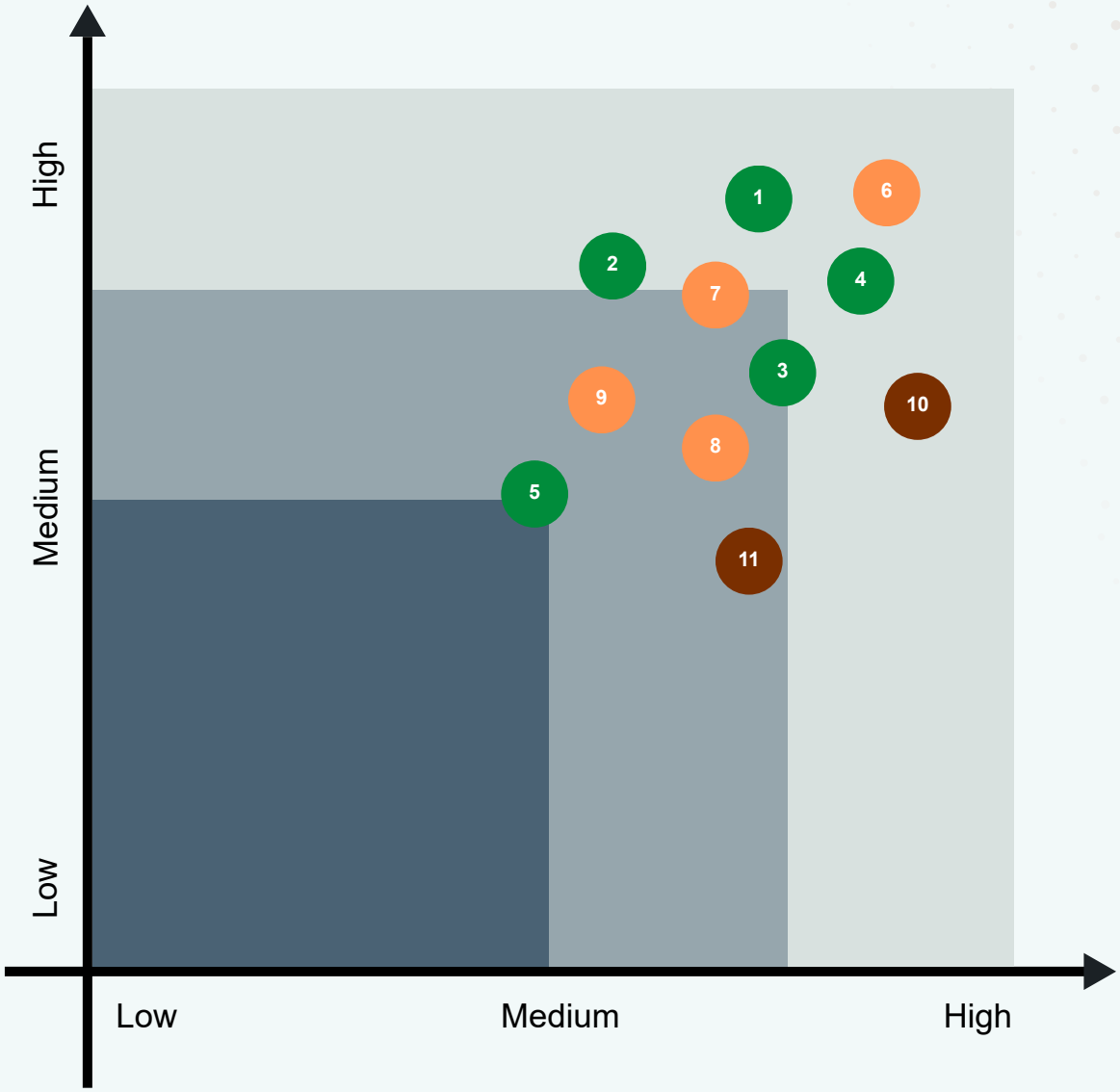
"Understanding what matters most – to our business, our people, and our planet."

SQUARE Fashions Ltd. conducts a structured materiality assessment to identify the ESG topics most significant to its operations and stakeholders. This process ensures the report focuses on issues that drive real impact – not just compliance.

Materiality Assessment Process



Materiality Assessment



Environment

1. Emission
2. Energy
3. Waste
4. Materials
5. Water & Effluents

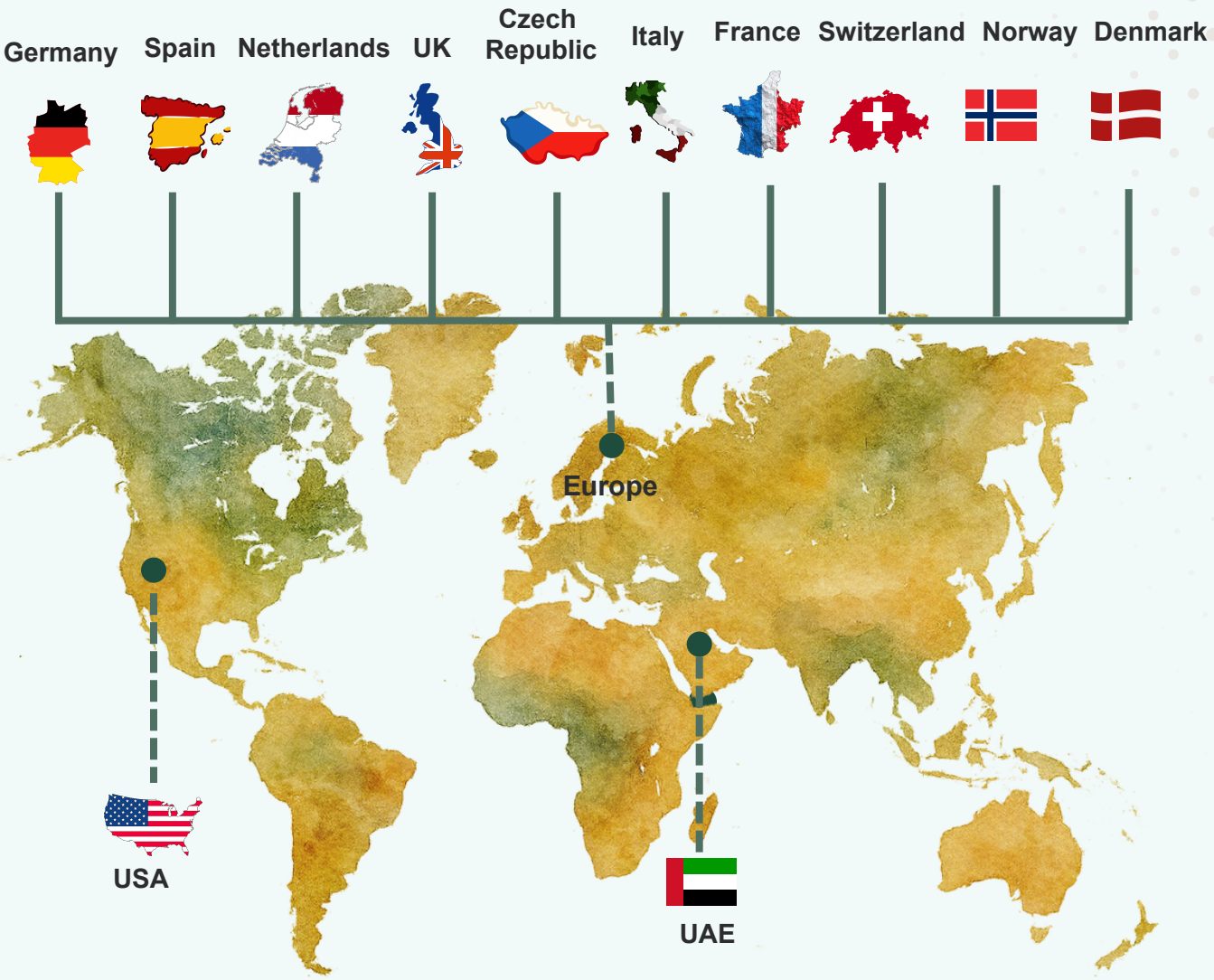
Social

6. Health & Safety
7. Employment
8. Diversity & Equal Opportunity
9. Training & Education

Governance

10. Anti-Corruption
11. Indirect Economic Impact

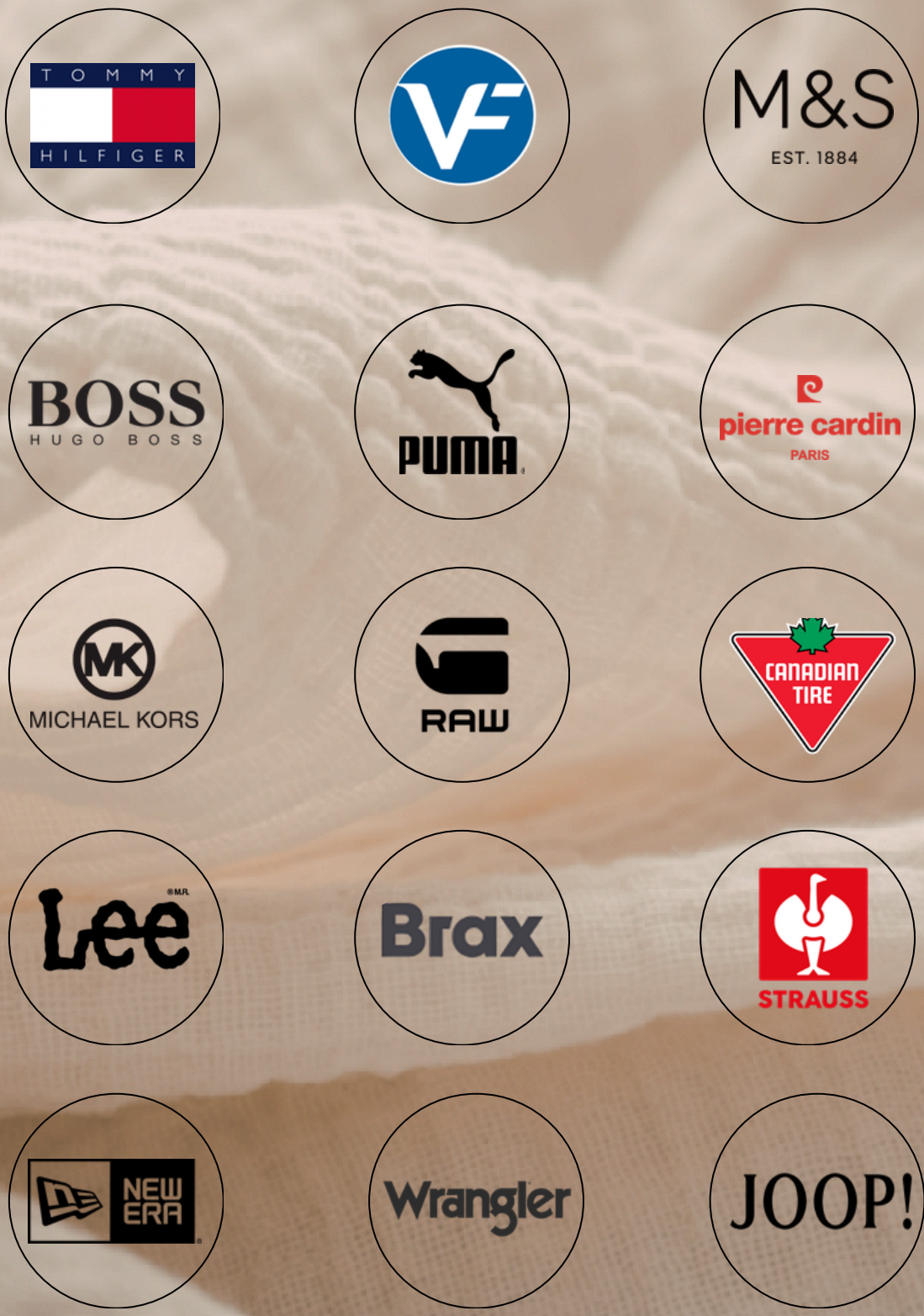
We Export to.....



12+

Countries Served including UK & USA

Our Valuable Customers



Logos shown are trademarks of their respective owners and are used for identification purposes only.

Our Certifications & Knowledge Partners

Independently verified standards and industry partnerships that guide our operations

COMPLIANCE & MANAGEMENT SYSTEM

ENVIRONMENTAL MANAGEMENT

SUSTAINABLE RAW MATERIALS



CHEMICAL & TEXTILE



INDUSTRY OVERSIGHT ORGANISATION



Membership Associations & Collaboration Partners

MEMBERSHIP ASSOCIATIONS

BGMEA

BKMEA

COLLABORATION PARTNERS

swisscontact

care

giz

gain
Global Alliance for Improved Nutrition

SGS

CRP
Centre for the Rehabilitation of the Paralysed



Awards & Recognition

Two decades of recognition – from national ministries to global sustainability partners.

17 RECOGNITIONS



Green Factory Award

2025 Ministry of Labor & Employment



Sustainability Leadership Award

2022 BGMEA & GIZ



National Productivity & Quality Excellence Award

2018 Government of Bangladesh



Sustainability Award

2019 PUMA



Factory of the Year – Ethical Compliance

2025 Marks & Spencer (M&S)



National Environmental Award

2009 Dept. of Environment, GOB

Further Recognitions



Health Access & Linkage Recognition
2019 M&S, CARE, GSK



Best Employees' Friendly Industry
2009 BKMEA



Social Champion Award
2023 G-STAR RAW



OSH Good Practice Award
2017 Ministry of Labor & Env.



Women Thrive – Certificate of Excellence
2026 CARE



Thrive Champions Award – Best Team
2024 USAID & CARE



COVID-19 Management Recognition
SQUARE Fashions Ltd.



Workers' Nutrition Access Recognition
READI / GAIN



National Environment Award
2009 Ministry of Environment and Forest

ALSO RECOGNIZED

- **1st HSBC Business Excellence Award** 2020 HSBC
- **National Export Trophy (Gold)** 2017–2018
- **Environmental Compliance Program Award** 2010–2011 BGMEA, IFC, UKAID, NORAD



ABOUT THE ORGANISATION

Our Manufacturing Philosophy

To grow as a trusted global manufacturing partner - creating lasting value for our investors, stakeholders, employees, and society, while preserving the planet's ecological balance for generations to come.

> ***We believe that making quality garments and protecting the planet are not competing goals - they are the same goal.***

We are a leading export-oriented knit garment manufacturer and a proud member of the SQUARE Group. Every yarn, every stitch, every process is guided by a commitment to quality, people, and the planet.

From yarn to dispatch bay - responsibility is not a department. It is how we operate. It is built into every machine we run, every decision we make, and every garment we deliver to the world.

ABOUT THE ORGANISATION

Mission

To produce high-quality apparel through ethical practices and operational excellence - delivering optimum value to our customers, employees, and shareholders while upholding the highest moral standards.

We are guided by five core values which shape every decision - from the first thread to the final dispatch.

As a responsible manufacturer serving global brands, we believe that quality, integrity, people, planet, and partnerships are inseparable parts of how we operate every single day.

01  **We Act With Integrity**

02  **We Prioritize Quality**

03  **We Care For People**

04  **We Build Trusting Partnerships**

05  **We Respect The Environment**


GOVERNANCE

The Board

At SQUARE Fashions Ltd., strategic oversight is provided by our Board of Directors, who guide the company's direction while ensuring accountability and transparency across operations. Their role is to align business decisions with long-term sustainability goals and uphold strong standards of integrity and responsible governance.



CHAIRMAN
Mr. Samuel S Chowdhury



VICE CHAIRMAN
Mrs. Ratna Patra



MANAGING DIRECTOR
Mr. Tapan Chowdhury



DIRECTOR
Mr. Anjan Chowdhury



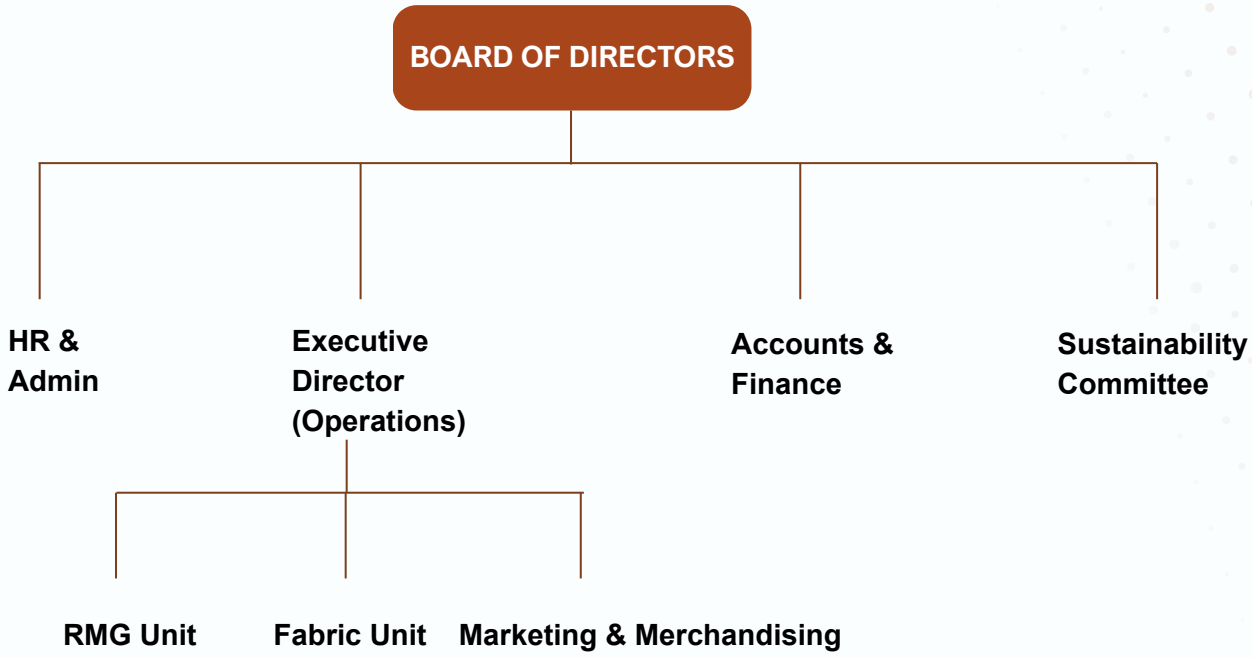
DIRECTOR
Ms. Sanchia Chowdhury



DIRECTOR
Ms. Anika Chowdhury

Board Committees

The Board of Directors of SQUARE Fashions Ltd. provides strategic oversight of the company's operations and sustainability commitments. Key areas including operations, human resources and administration, finance, and sustainability are managed through designated teams and committees reporting to the Board. This structure supports accountable decision-making and responsible business management.



BOARD OF DIRECTORS, CORE RESPONSIBILITIES

Strategic direction

Sets long-term goals and business strategy for the company.

Financial oversight

Approves budgets, monitors performance, safeguards financial health.

Risk management

Identifies and oversees management of operational and financial risk.

Leadership appointment

Appoints and evaluates senior management and executive leadership.

Compliance and ethics

Ensures adherence to laws, regulations and internal codes of conduct.

Stakeholder accountability

Protects interests of shareholders, employees and other stakeholders.

Committees



Health & Safety Committee

Ensures workplace safety across all production stages through continuous risk monitoring, hazard identification, and compliance with national and international health and safety standards. Conducts regular safety audits, fire drills, and emergency preparedness training.

PC Committee

Ensures worker representation and voice in workplace decision-making through regular consultations, open dialogue sessions, and structured feedback mechanisms. Promotes fair labour practices, worker-management cooperation, and a culture of transparency across all departments.





Sustainability Committee

Oversees SQUARE Fashions Ltd.'s environmental, social, and governance performance across the organization – guiding progress on resource efficiency and compliance, workplace safety and worker wellbeing, and responsible governance practices. Coordinates across departments to align sustainability commitments with day-to-day operations.

Complaint Committee

Manages formal grievance redressal – receiving, documenting, investigating, and resolving worker concerns through complaint boxes, hotlines, and direct HR access.





Canteen Committee

Oversees the quality, hygiene, and nutritional standards of worker meals across all factory canteens. Ensures food safety compliance, monitors portion quality, and gathers regular worker feedback to maintain a healthy and satisfactory dining experience for all employees.



Leadership Commitment to Sustainability

Insights from the factory walkthrough on how SQUARE Fashions builds leadership capacity and monitors sustainability performance.

PETER PARK

PP

"How do your senior leaders stay informed about sustainability practices?"

SUSTAINABILITY MANAGER

SM

"Our leadership team takes part in ESG governance, energy, and sustainable chemical management training – building shared understanding of sustainability risks and opportunities."

PETER PARK

PP

"And how is leadership performance on sustainability evaluated?"

SUSTAINABILITY MANAGER

SM

"It's built into leadership reviews – covering environmental compliance, resource efficiency, workplace well-being, and progress toward our sustainability targets."

Leadership aligned. He turns next to the people carrying it forward.

Local economic impact

Investing beyond the factory walls



Building roads, creating jobs, growing skills

Infrastructure investment

5.37 Cr

invested, FY22-23

Road infrastructure · Voluntary contribution
Benefiting **both the local community and our own workers**
Only FY22-23 is currently tracked for this disclosure – we will report the full 3-year trend starting next reporting cycle.

Growing local impact

Jobs created and skills built in the communities around our operations

Jobs created, local community

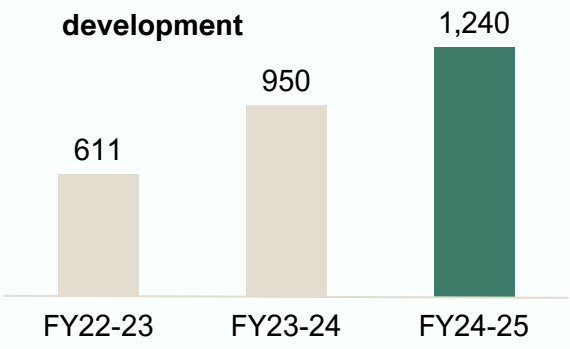
FY22-23 2,045

FY23-24 2,693

FY24-25 3,173

Icon count is approximate; exact figures shown alongside

Workers trained – skills development



Local procurement

Where our money goes,
Sourcing from the communities we operate in.

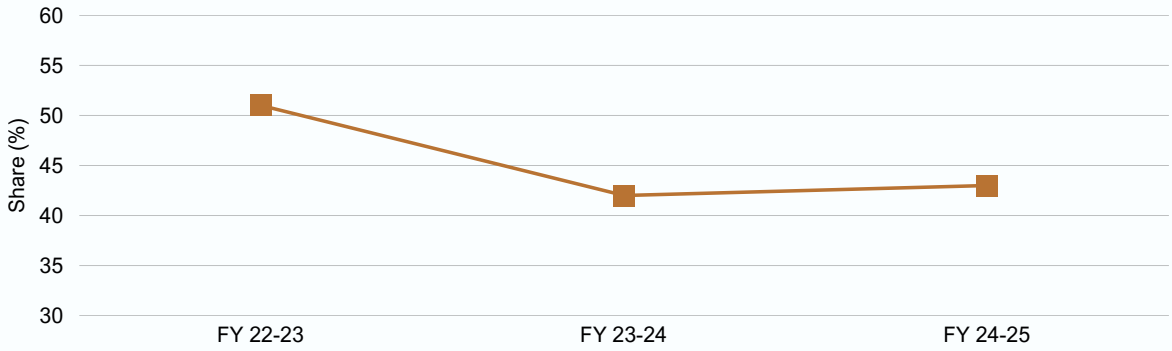
Where our money goes, FY 24-25
$185.0M total procurement spend



Local suppliers
$80.0M
43% of total spend, FY24-25

Other suppliers
$105.0M
57% of total spend, FY24-25

Local sourcing share, three-year trend



The local share dropped in FY23-24 as local-supplier spend itself fell, even as total procurement rose modestly. It recovered in FY24-25, when local spend grew faster than the overall increase, holding the share steady near 43%.

What counts as "local"?
A supplier based in the same city, region, or country as our factory operations.



A culture of integrity

Compliance and anti-corruption, held to the same standard every year.

ZERO

Non-compliance instances

No fines or sanctions for breaches of laws, regulations, or buyer requirements, FY22-23 through FY24-25.

ZERO

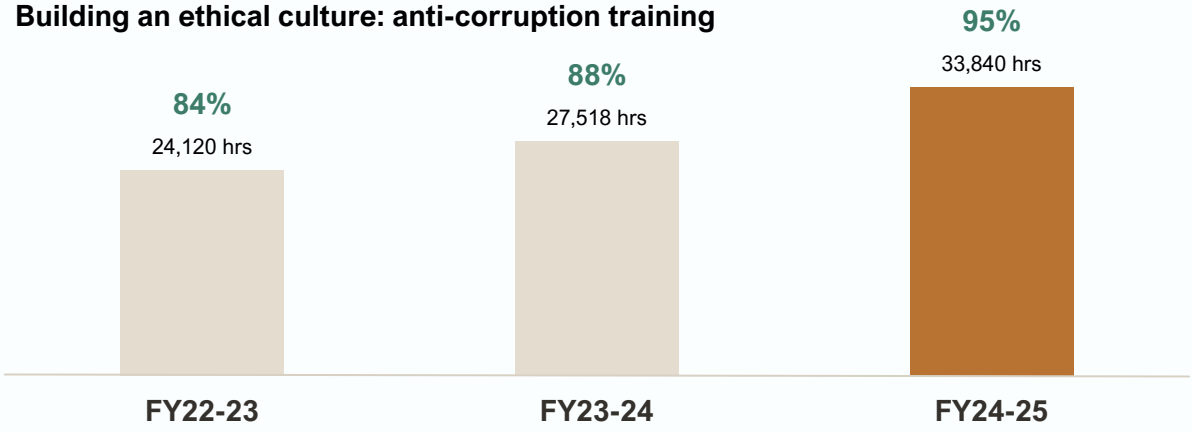
Corruption incidents

No corruption, anti-competitive behaviour, or monetary penalties identified or recorded.

How we hold the line

Defined criteria assess the significance of any breach by its operational, legal, environmental, or social impact. Structured risk assessments and regular internal monitoring cover departments and business partners alike, backed by ongoing awareness and training.

Building an ethical culture: anti-corruption training



Bars show training hours; % is employee coverage for that year.

Business partners covered by anti-corruption review

FY22-23	17
FY23-24	18
FY24-25	24



Risk Management Approach

SQUARE Fashions Ltd. follows a structured framework to identify, monitor, and mitigate environmental, social, and operational risks across its manufacturing and supply chain activities.

GOVERNANCE OVERSIGHT

Risk monitoring is embedded within key management functions overseeing economic, workplace safety, and environmental compliance.

- Finance Team
- H&S committee
- IEM team

PERFORMANCE & MONITORING

Sustainability considerations are integrated into leadership performance reviews, tracking compliance, operational efficiency, and progress toward targets.

- Leadership reviews
- ESG tracking

GRIEVANCE & EARLY WARNING

Worker hotlines, complaint boxes, and open communication channels allow potential issues to be reported early through formal grievance tracking.

- Worker hotlines
- Complaint boxes
- Committee review

SUPPLIER RISK ASSESSMENT

Supplier engagement, periodic audits, and adherence to the Code of Conduct help manage supply chain risks and adapt to emerging sustainability regulations.

- Periodic audits
- Code of conduct




ENVIRONMENT

FY22-25 Environmental Highlights



Rooftop solar array

24.9%
Energy intensity reduced (MJ/kg production), FY22-23 – FY24-25

30.6%
Decrease in waste intensity (kg/kg production) since FY22-23

183%
Rooftop solar generation increase – 2,153,632 MJ in FY24-25



Wastewater treatment

14%
Wastewater discharge intensity reduced, per kg production

22.1%
GHG emission intensity (Scope 1&2) fell, output scaled +37.8%



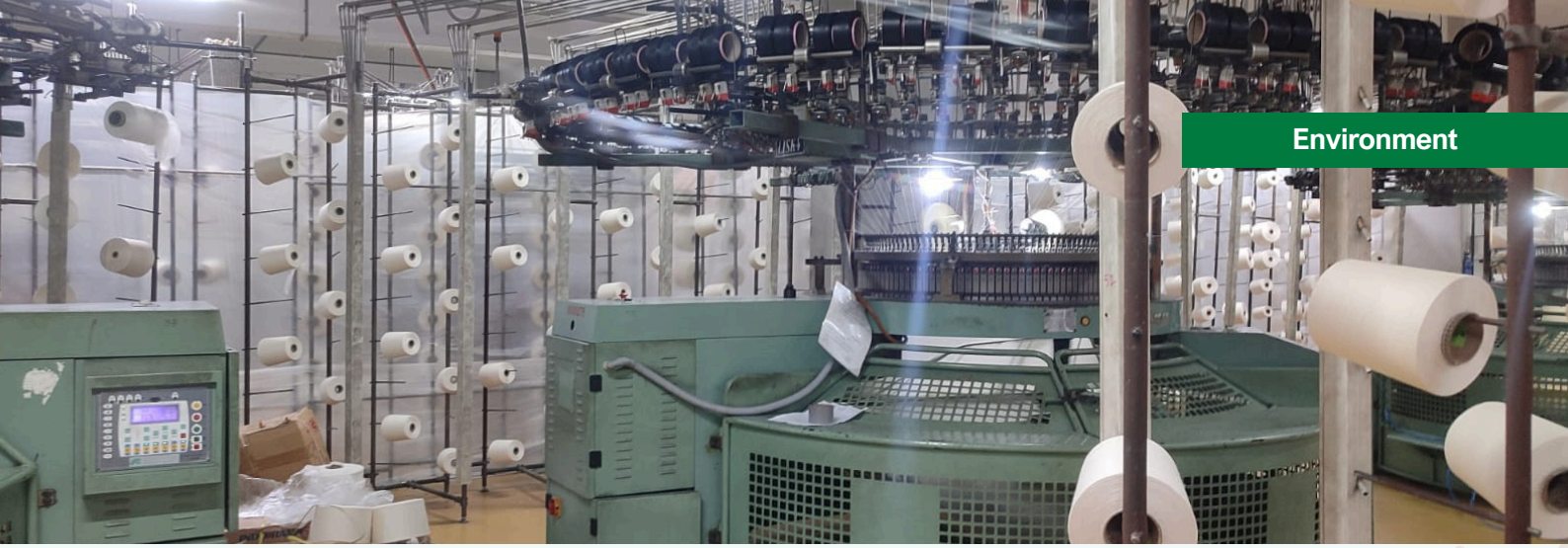
Water treatment facility

12.9%
Operational water use intensity reduced through efficient process technologies

▲ 13.8%
Hazardous waste rose in absolute terms, even as overall waste intensity fell – tracked closely as production scales.



A committed workforce driving our environmental targets across every stage of production



Where Every Garment Begins

The first decisions in material sourcing shape every impact that follows – from field to finished garment.

We follow a structured approach to material management, built around efficient resource use, responsible sourcing, and a growing share of recycled input in our production mix. Every material entering our facilities is categorized and tracked, helping us understand where our environmental impact begins and where the greatest opportunities for change exist. Over the past three years, we've steadily increased the proportion of recycled fiber in our production – a shift that reflects a broader move away from dependence on virgin raw material.

Responsible Material Sourcing

We prioritize approved, compliant suppliers and certified inputs – including GOTS, GRS, OCS, and Better Cotton – wherever feasible.

Resource Efficiency

Yarn, fabric, and packaging use is tracked closely across every production line to reduce unnecessary consumption.

Circular Material Use

Recycled input has grown from 2% to 11% of total materials over three years, reducing reliance on virgin fiber.

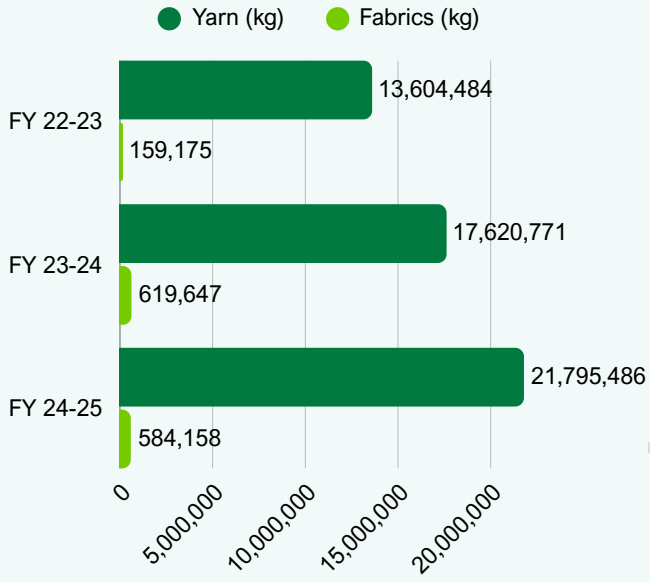


> "Every kilogram of recycled yarn we bring in is one less kilogram of virgin fiber we depend on. It's a slow shift, but it's the right direction."
>
> *– Sourcing Manager, SQUARE Fashions Ltd.*

Material Consumption

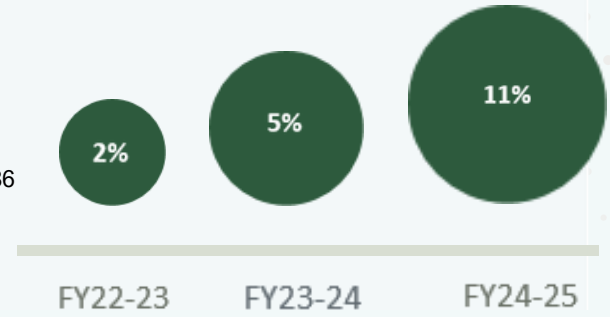
FY22-23 to FY24-25 · Yarn and fabric consumption

Yarn vs. Fabric



Y-axis in millions of kg for readability – raw values are in kg.

Recycled Input Share



Share of recycled input materials in total production, FY22-23 → FY24-25.

Peter: "Recycled content more than doubled twice over. What's driving that?"

Sourcing Manager: "Better supplier access to certified recycled yarn, and buyer demand pulling us in that direction."

Certified Sustainable Material Standards



Wet processing floor

Powering Production, Cutting Carbon.

Every machine we run, every degree of heat we generate, leaves a footprint we're working to shrink.

Production Scale Growth

37.8%

↑1.6%

Scope 1 fuel emissions, nearly flat vs output growth

↑183%

Solar generation, over three years

Our production runs primarily on natural gas, supported by grid electricity, diesel backup, and a growing rooftop solar installation. We've worked to decouple growth from our energy footprint – through recovered steam condensate, high-efficiency boilers, and closer monitoring of consumption across every line.

Fuel Efficiency

Condensate recovery kept combustion nearly flat despite 37.8% production growth.

Renewable Transition

Rooftop solar generation up 183% over three years, and growing.

Emissions Monitoring

Scope 1 & 2 tracked closely – intensity down 22.1% even as output has grown.

> "We can't control gas prices, but we can control how efficiently we burn every unit we buy. That's where our focus has been."
>
> *– Utility & Engineering Manager, SQUARE Fashions Ltd.*



Power Production Room

Fueling the Factory Floor

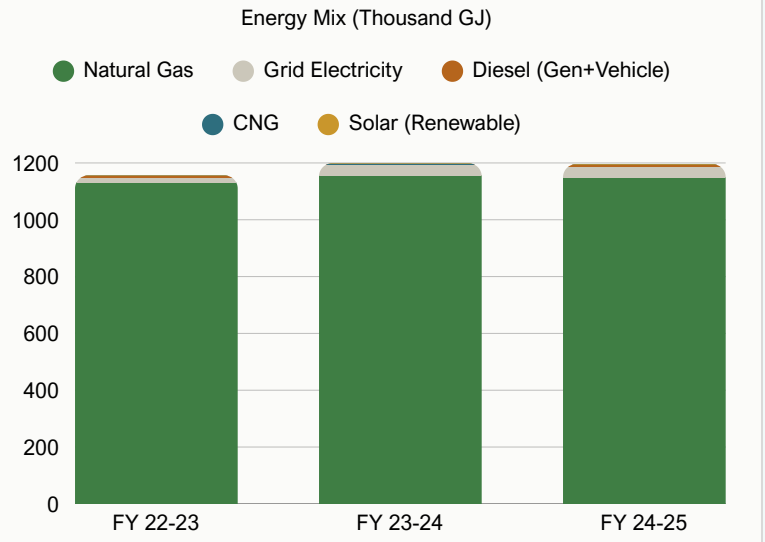
Powering our operations responsibly through a balanced energy mix and continuous efficiency improvements. All figures below are expressed in the GJ family for consistency.

Total Energy Consumption, FY24-25

1,195,453 GJ

3.4%
total growth
(nearly flat)

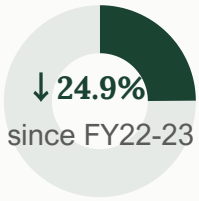
88.41
GJ/ton - FY24-25
intensity, ↓24.9%



FY24-25 by Source

- **Natural Gas** 1,147,399 GJ
- **Grid Electricity** 39,267 GJ
- **Diesel (Gen+Veh.)** 6,255 GJ
- **CNG** 378 GJ
- **Solar (Renewable)** 2,154 GJ

Energy Intensity (GJ/ton)



FY22-23	FY23-24	FY24-25
117.78	117.53	88.41

Full 3-Year Breakdown (GJ)

Energy Source	FY22-23 (GJ)	FY23-24 (GJ)	FY24-25 (GJ)
Natural Gas	1,130,554	1,155,184	1,147,399
CNG	509	762	378
Diesel (Generator)	3,884	530	5,306
Diesel (Vehicle)	1,002	949	949
Purchased Electricity (Grid)	19,088	39,284	39,267
Solar Energy (Renewable)	760	1,785	2,154
Total Energy Consumption	**1,155,798**	**1,198,495**	**1,195,453**

IPCC (2006) default calorific values used for fuel-to-energy conversion. 1 GJ = 1,000 MJ.

↑3.4%
Total Energy
(nearly flat)

↓24.9%
Energy Intensity

↑106%
Grid Electricity

↑183%
Solar

GHG Emissions

Scope 1 covers direct combustion of natural gas, CNG, and diesel on-site. Scope 2 covers purchased grid electricity. Scope 3 is not yet tracked in our reporting systems.

Total GHG Emissions, FY24-25

64,985 tCO2e

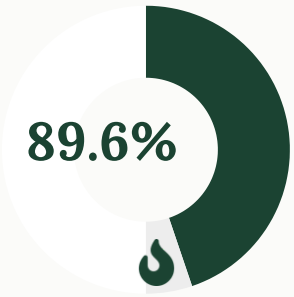
4.80

tCO2e/ton – FY24-25 intensity, ↓22.1%

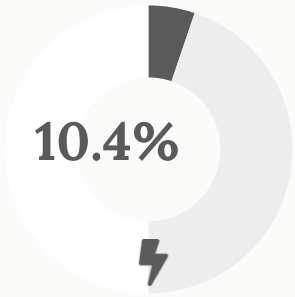
↓16.5%

Ozone-depleting substances, since FY22-23

Share of Total GHG by Scope (FY24-25)



Scope 1 – Direct



Scope 2 – Purchased Grid

GHG Intensity (tCO2e/ton)

FY22-23	6.17
FY23-24	6.38
FY24-25	4.80

vs 3-yr peak · **↓22.1% since FY22-23**

Ozone-Depleting Substances (kg)

FY22-23	497.90
FY23-24	475.05
FY24-25	415.55

vs 3-yr peak · **↓16.5% since FY22-23**

Full 3-Year GHG Breakdown (tCO2e)

Source / Scope	FY22-23	FY23-24	FY24-25
Scope 1 – Direct (NG, CNG, Diesel)	57,284.88	58,297.95	58,222.59
Scope 2 – Purchased Electricity (Grid)	3,287.42	6,765.60	6,762.57
Scope 3 – Not yet tracked	–	–	–
TOTAL GHG (Scope 1 + 2)	**60,572.31**	**65,063.55**	**64,985.17**

↑1.6%
Scope 1

↑106%
Scope 2

↑7.3%
Total GHG (absolute)

↓22.1%
GHG Intensity

Note: *Scope 2 more than doubled with grid dependence, but stayed a small share of the total - Scope 1 direct combustion still drives 89.6% of our footprint.*

649.2 kWp



649.2 kWp rooftop solar power plant installed to expand renewable energy generation.

Where the Savings Add Up

Ten energy-saving initiatives across our facilities - from solar power to waste heat recovery - representing a combined investment that pays back in just over two years.

10	$652,813	$1,028,930	2.26 yrs
Initiatives (7 Implemented)	Est. annual savings at full implementation	Total implemented + planned investment	Portfolio payback period



1

Rooftop Solar PV (649.2 kWp)

Savings: **$47,120.44**
Payback: **5.94 yrs**
Implemented



2

Condensate Recovery System (8.0 TPH)

Savings: **$41,760.00**
Payback: **0.81 yrs**
Implemented



3

VFD Pump Control Panels

Savings: **$22,320.72**
Payback: **4.04 yrs**
Implemented



4

Inverter AC Units

Savings: **$3,207.00**
Payback: **3.54 yrs**
Partial



5

G-Traps Installation

Savings: **$7,610.50**
Payback: **0.13 yrs**
Implemented



6

Auto Blow-Down System (Boiler)

Savings: **$2,141.67**
Payback: **1.62 yrs**
Implemented

Where the Savings Add Up

Continued - initiatives 7 through 10, from waste-heat recovery to planned solar and cooling upgrades.



Heat Recovery - Gas Engines

Savings: **$266,846.40**
Payback: **0.36 yrs**
Implemented



Waste Heat Recovery - Absorption Chiller

Savings: **$136,077.61**
Payback: **1.18 yrs**
Implemented



Ground-Mounted Solar (710 kWp)

Savings: **$99,598.80**
Payback: **3.04 yrs**
Planned



FCU Air Conditioning Replacement

Savings: **$26,130.10**
Payback: **1.17 yrs**
Planned

Portfolio payback as per SQUARE's internal financial assessment.



Powering Production, *Accounted For.*

From withdrawal to discharge, we track where every cubic meter of water comes from and where it goes.

Water Reclamation

Our WRP (Water Reclamation Plant) uses Advance Oxidation Process, Fenton method to treat and reuse wastewater, cutting groundwater draw.

Rainwater Harvesting

Harvested rainwater is used for boiler feed, reducing pressure on groundwater during monsoon months.

Responsible Discharge

Gazipur Unit operates in a water-stressed area – a factor considered in our water strategy.

Our two facilities take different approaches to water treatment: Bhaluka unit runs a biological ETP (335 m^3/hr, conventional biological and A2O process), while Gazipur unit uses a physico-chemical system (5 m^3/hr). Water management is overseen locally at each site, with dedicated personnel trained in ZDHC Chemical Management, ISO 14001, and Higg FEM protocols. As production has scaled, we've leaned more on water reclamation, rainwater harvesting, and cooling water return to reduce dependence on groundwater – though groundwater still supplies the majority of our withdrawal.

> "Gazipur is a water-stressed zone, so we don't treat groundwater as unlimited. Every reuse cycle matters here."
>
> *– IEM Manager, SQUARE Fashions Ltd.*



Rainwater Harvesting Plant

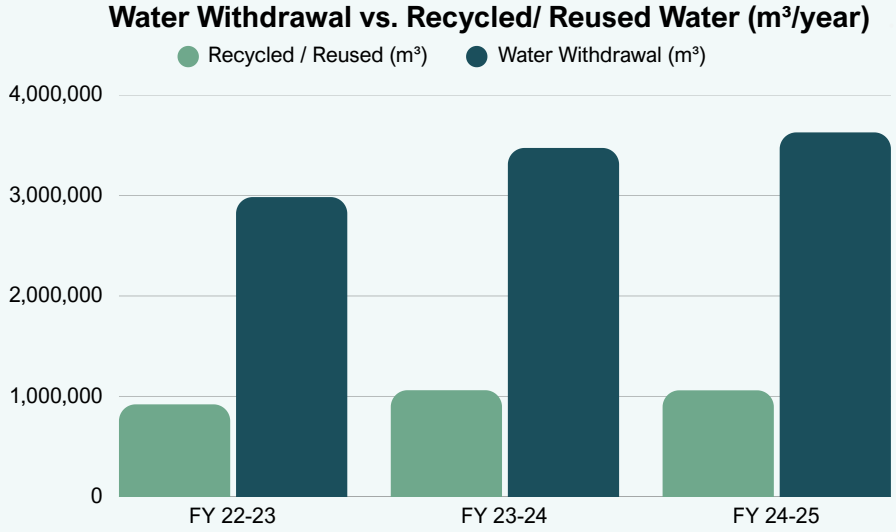
Where Our Water Comes From

Water withdrawal from external sources, shown separately from recycled/reused process water.

3,627,804 m³
Total Water Withdrawal FY24-25 (external sources)

1,061,140 m³
Recycled/Reused Water FY24-25 (22.6% of gross operational water use)

4,688,944 m³
Total Operational Water Use (Withdrawal+Recycled)



Full 3-Year Water Balance Breakdown (m³)

Category	FY22-23	FY23-24	FY24-25
Water Withdrawal (External Sources)			
Ground water	2,982,241.3	3,446,128.3	3,601,406.0
Rainwater harvested	2,017.0	24,248.0	21,529.0
Surface water	0.0	0.0	0.0
Municipal supply (WASA)	0.0	2,671.5	4,869.3
Subtotal - External Water Withdrawal	**2,984,258.3**	**3,473,047.8**	**3,627,804.3**
Recycled/Reused Water (Internal Process)			
WRP Treated Water	145,461.3	102,641.9	104,961.0
Machine coolingwater return	776,051.0	950,250.9	940,173.0
Condensate Return	0.0	9,327.4	16,005.6
Subtotal - Recycled/Reused Water	**921,512.3**	**1,062,220.2**	**1,061,139.6**
Total Operational Water Use	**3,905,770.6**	**4,535,268.0**	**4,688,943.9**

Water withdrawal includes groundwater, harvested rainwater and third-party or other external water sources. Internally recovered water, including WRP-treated water, machine cooling-water return and condensate return, is reported separately as recycled/reused water and not double counted. Total operational water use represents withdrawal plus recycled/reused water and is not equivalent to water consumption under GRI 303.

↑ 21.6%
External Withdrawal

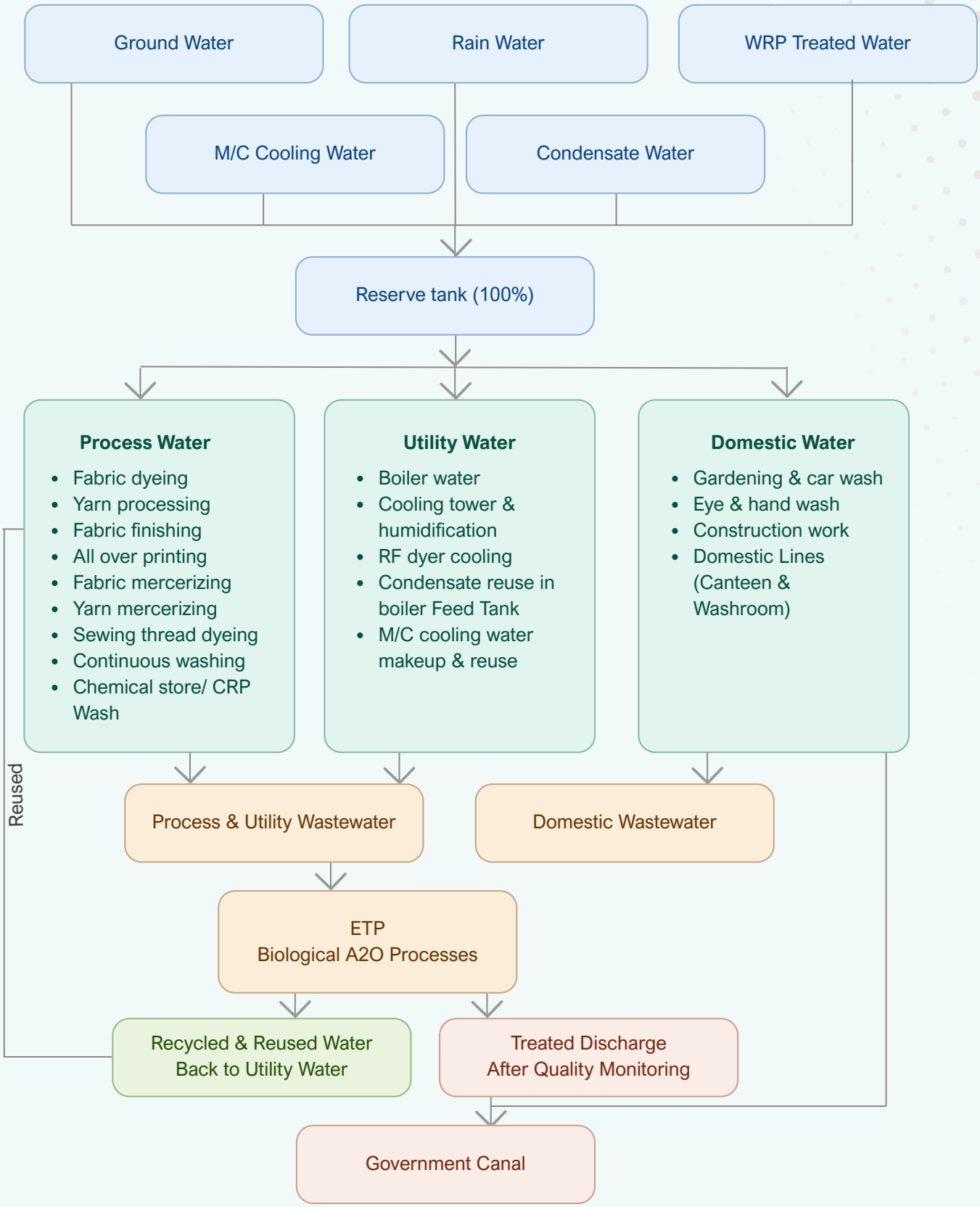
↑ 15.2%
Recycled/Reused Water

22.6%
Recycled Share (FY24-25)

↑ 20.1%
Total Operational Use

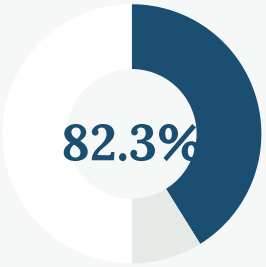
Key takeaway: *even as external withdrawal grew with production, recycled/reused water held steady at ~22.6% of gross use - every fifth liter we use, we've already used once.*

Water Treatment Flow

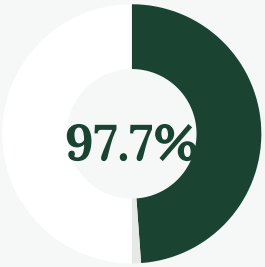


Where Our Water Goes

Total water discharge by type and destination, FY22-23 to FY24-25, across two units.



Industrial Wastewater
(share of total discharge)



Discharged to Surface Water
(share of total discharge)

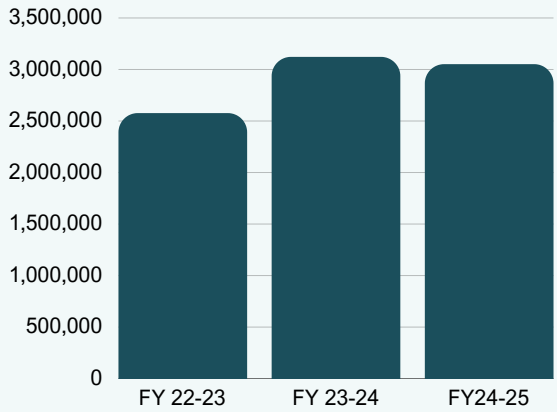
3,051,737 m³

Total Discharge, FY24-25

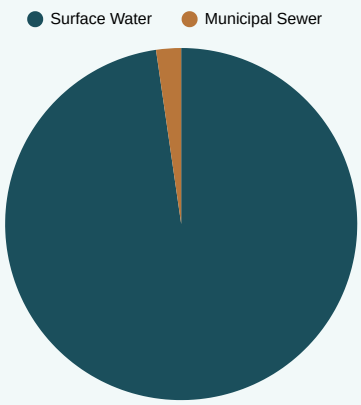
Full 3-Year Discharge Breakdown (m³)

Category	FY22-23	FY23-24	FY24-25
	By Type		
Industrial Wastewater	2,042,238.2	2,531,049.9	2,511,978.0
Domestic Wastewater + Municipal Drain	534,467.0	591,274.2	539,758.6
	By Destination		
Surface Water	2,507,437.8	3,061,307.7	2,981,843.5
Municipal Sewer / Drain	69,267.4	61,016.4	69,893.1
Total Discharge	**2,576,705.2**	**3,122,324.1**	**3,051,736.6**

Total Water Discharge (m³)



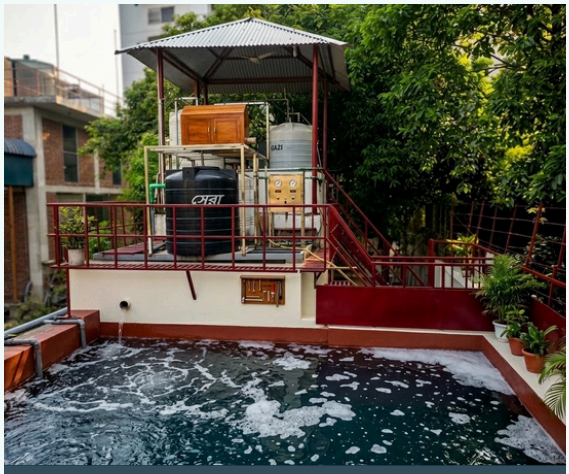
Destination, FY24-25





Treating water at the source

Our two Effluent Treatment Plants.



Gazipur Unit



Bhaluka Unit

Capacity	5 m³/hr
Type	Physico-chemical
Average Treatment	400 m³/month
Recycle Capacity	100%
Chemicals	Aluminium Sulphate, Lime Powder, Polyelectrolyte

Capacity	335 m³/hr
Type	Biological (Conventional Biological & A2O Process)
Average Treatment	217,440 m³/month
Recycle Capacity	30%
Chemicals	Sulphuric Acid

Note: A2O stands for anaerobic-anoxic-oxic.

Our Monitoring System

- Daily operational and ETP performance parameters are measured using flowmeters and verified by in-house and third-party laboratories.
- In-house testing frequency: three times per month.
- Third-party testing frequency: twice per year.

Approved Chemistry. Responsible Sourcing.

Lasting Care for Our People & Planet.



100%

Chemical conformance

- TIG Certified professional to ensure chemical compliance

16.5 M kg

Dyes & chemicals managed, FY24-25

- Approved list screened against ZDHC MRSL
- Tracked via CleanChain & ChemIQ platforms

We manage dyes and chemicals through a structured system built around an approved chemical list, international regulatory compliance, and continuous monitoring – reducing environmental risk and protecting worker health across every production process.

Approved Sourcing

Procured only from an approved list, screened against ZDHC MRSL and international standards.

Safe Handling & Storage

Labeling, segregation, and controlled storage reduce exposure risk for workers.

Monitoring & Compliance

Inventory and expiry tracked continuously through CleanChain and ChemIQ.





"Responsible chemical sourcing is core to our procurement strategy – aligning with ZDHC and global standards to support safer production and worker well-being."

– Chemical Safety Officer, SQUARE Fashions Ltd.

We integrate sustainability across the chemical lifecycle – procurement, safety, and environmental protection – through approval procedures, digital traceability, and tracking via CleanChain and the ZDHC Gateway. To improve accuracy and reduce waste, Auto Chemical Dispensing is deployed in wet processing, reducing manual handling and improving worker safety.


Supplier to Zero

Verification of Achievement

Based on document desktop review, this document acknowledges

Square Fashions Ltd.

A645JA64

has completed Supplier to Zero (Level 2) on 12.01.2026 according to the Progressive level requirements - The document desktop review was conducted and supervised by STeP by OEKO-TEX®.*

Frank Michel
ZDHC
Executive Director

12979-2275-7ED
Document Control Number

Powered by IMPLEMENTATION HUB

*Acknowledgement valid until 12th January 2027

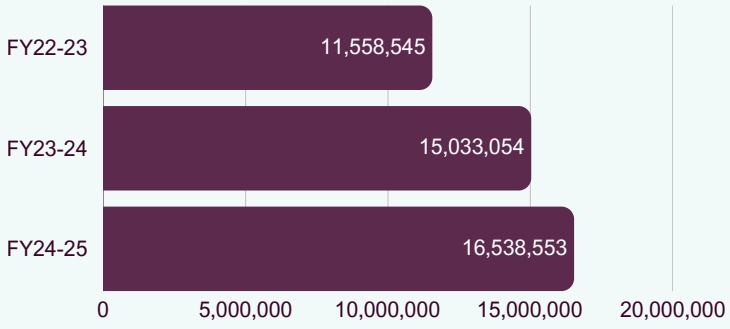
SUPPLIER TO ZERO MILESTONE

SQUARE Fashions Ltd. has achieved ZDHC Supplier to Zero, Level 2 – demonstrating excellence in chemical transparency and continuous sustainability improvement.

Dyes & Chemicals Consumption

FY22-23 to FY24-25 · Total dyes and chemicals used across all facilities.

16,538,553 kg	↑ 43.1%	↑ 3.9%
Dyes & Chemicals Used, FY24-25	Growth in Chemical Use (vs. FY22-23)	Chemical Intensity (kg/kg production)



▲ **Transparency note:** Unlike energy, water, and waste, chemical intensity per kg of production rose slightly (↑ 3.9%) since FY22-23 – an area we're monitoring as production scales.

New Suppliers Screened

116	140	111
FY22-23 · new suppliers	FY23-24 · new suppliers	FY24-25 · new suppliers

Screened against chemical use, waste management, energy use, and certifications (OEKO-TEX, GOTS, ZDHC).

HIRA (Hazard Identification & Risk Assessment): conducted annually, and whenever new processes, machinery, or chemicals are introduced.



Waste Management

From reduction to responsible disposal – tracking where every ton goes.

"We don't send waste to landfill – not occasionally, not as an exception. Every ton that leaves this facility is accounted for, whether it's recovered, sold for reuse, composted, or safely incinerated. That's not a target we're chasing; it's how we've always run this operation."

– Debashish Roy, AGM, Industrial Environment Management (IEM), SQUARE Fashions Ltd.

Zero Waste to Landfill

0 tons sent to landfill – every year, FY22-23 through FY24-25.

Material Recovery ▲ 74%

340.3 → 592.8 tons since FY22-23, as reuse and recycling scaled up.

250.1 tons

Hazardous Waste, FY24-25

547.1 tons

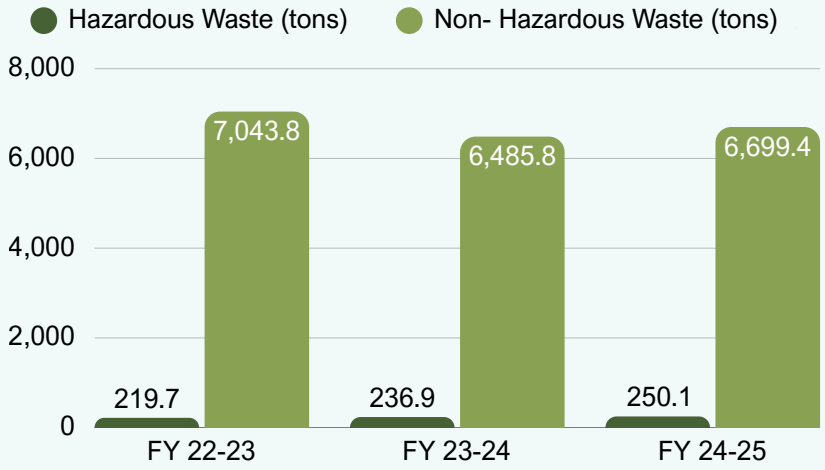
Recycling (incl. Upcycling), ↑ 82% since FY22-23

6,949.5 tons

Total Waste Generated, FY24-25

Waste by Type & Recovery Pathway

FY22-23 to FY24-25 · Total waste generated, diverted, and disposed.



Waste Classification

Non- Hazardous Waste

Textile | Plastic | Paper | Food Waste | Cartons

Hazardous Waste

Chemical Drums | ETP Sludge | Batteries | E-Waste | Fluorescent Bulbs

Employee Training on Waste Handling

Handling waste safely starts with people, not just process. Every year, hundreds of workers across our facilities are trained to sort, store, and dispose of waste correctly – from ordinary packaging to hazardous chemical drums.

Category	FY22-23	FY23-24	FY24-25
Training on waste handling (People)	1187	935	1174
Training on Chemical handling (People)	1529	2009	2257
Training on Chemical Management (People)	1202	1179	1289
Training on Chemical Safety (People)	1440	1452	1572
Training on PPE Use (People)	1828	1785	1892



Waste Recovery

How waste leaves our facilities - reused, recycled, composted, recovered as energy, or sent for authorized third-party recycling.

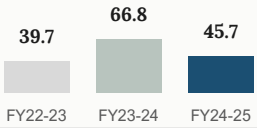
Recovery & Disposal Pathways - 3-Year Trend (tons)

Reuse

45.7 tons

▲ 15.1% vs FY22-23

3-Year Trend

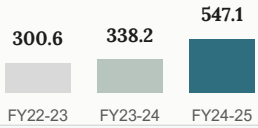


Recycling (incl. upcycling)

547.1 tons

▲ 82.0% vs FY22-23

3-Year Trend

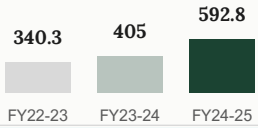


Total Material Recovery

592.8 tons

▲ 74.2% vs FY22-23

3-Year Trend

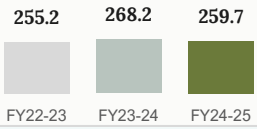


Composting

259.7 tons

▲ 1.8% vs FY22-23

3-Year Trend

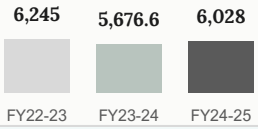


Sale to Contractor

6,028 tons

▼ 3.5% vs FY22-23

3-Year Trend

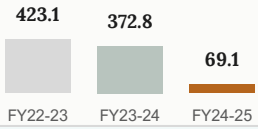


Energy Recovery

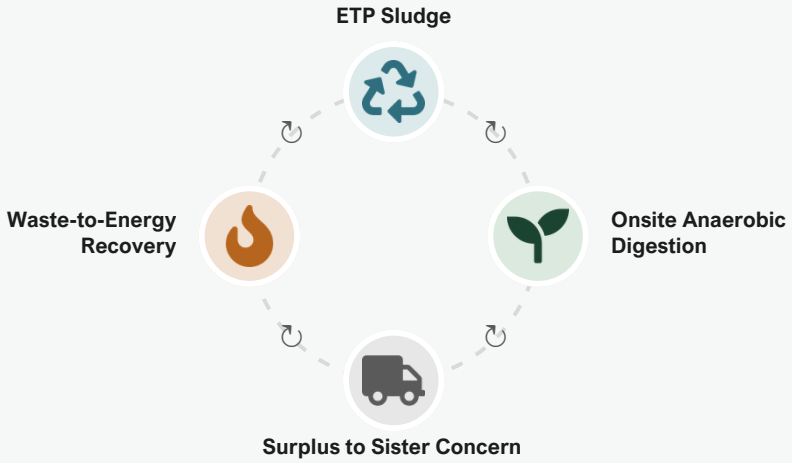
69.1 tons

▼ 83.7% vs FY22-23

3-Year Trend



Circular Pathway



Waste Management Practices

- Source segregation of hazardous & non-hazardous waste
- Safe collection and handling procedures
- Use of authorized waste handlers
- Awareness & training program for employees

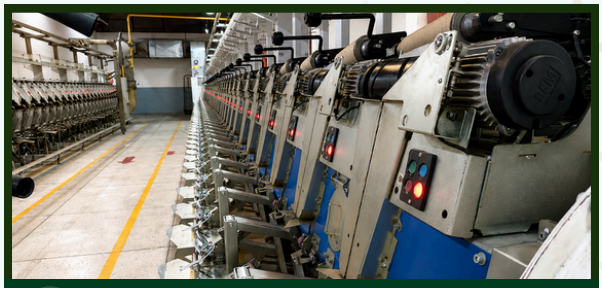
Efficient Machinery in Action

Behind every efficiency gain in this section is a piece of equipment doing the work — here's some of it.



Yarn Mercerizing Machine

- Caustic Recovery System recovers 90%+ caustic from the process.
- 60-70% of process water can be reused.



Yarn Singeing Machine

- 10-20% reduction in gas consumption.
- Auto flame control improves dye penetration and quality.



Hot Water Pump Set

- VFD-operated motor saves 20-30% electricity.
- IE3-rated motor for higher efficiency, lower operating cost.



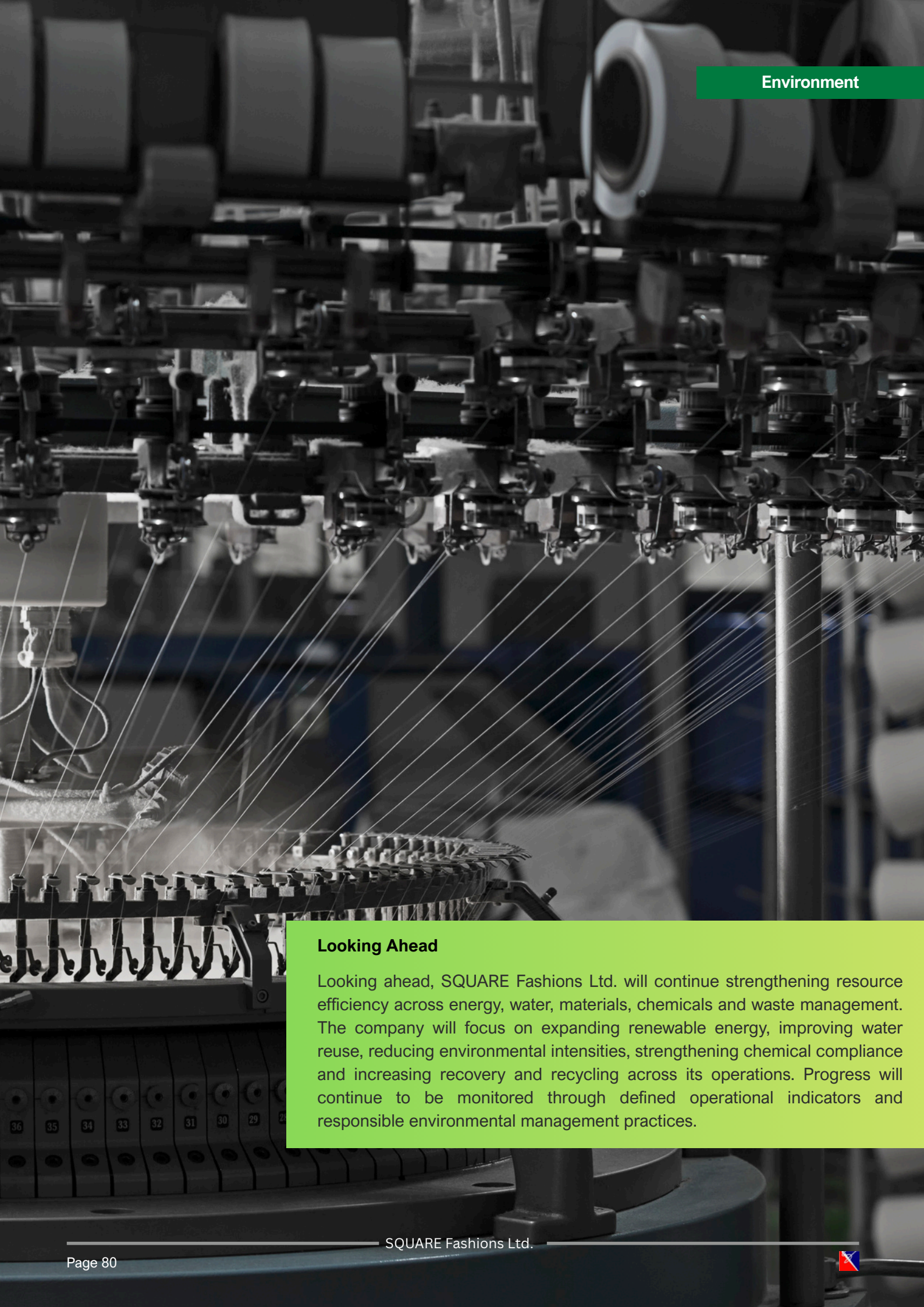
Condensate Recovery Module (CRM)

- Recovers condensate and feeds it back to the boiler.
- Recovers sensible heat, reducing boiler fuel use.



Color Contamination & Detection System (CCDS)

- Maximizes reuse of drained process water.
- Detects color and reroutes contaminated water to the ETP.



Looking Ahead

Looking ahead, SQUARE Fashions Ltd. will continue strengthening resource efficiency across energy, water, materials, chemicals and waste management. The company will focus on expanding renewable energy, improving water reuse, reducing environmental intensities, strengthening chemical compliance and increasing recovery and recycling across its operations. Progress will continue to be monitored through defined operational indicators and responsible environmental management practices.


PEOPLE



Social Performance- Our People

Our People, Our Shared Journey

Every garment that leaves SQUARE Fashions Ltd.'s floors carries the effort of nearly eighteen thousand people – machine operators, quality checkers, supervisors, and engineers whose daily work turns yarn into finished garments for the world's leading brands.

Our approach to workforce management rests on three commitments: building a workplace people choose to stay in, embedding safety and dignity into every process on the floor, and creating real pathways for growth – particularly for the women who make up more than a quarter of our production workforce.

We measure ourselves not only by what we produce, but by how we treat the people who produce it. This section reports openly on where that commitment is strong, and where we still have work to do – in line with ILO's core labour principles and the UN Sustainable Development Goals for decent work and gender equality.

01 Build a workplace grounded in safety, fairness, and dignity.

02 Invest in people so operational growth and individual growth move together.

> *I started as a helper on a production line eight years ago. Today, I proudly supervise a team of thirty sewing operators on the same floor.*
>
> – Supervisor, SQUARE Fashions Ltd.

Social Performance–At a Glance

FY22–23 to FY24–25 · Gazipur Unit; Bhaluka Unit & Head Office





17,893

Total workforce

across Gazipur Unit; Bhaluka Unit & Head Office, FY24-25

26.1%

Female representation

of total workforce, FY24-25

4,634

New hires

recruited across all categories, FY24-25

1,905

Employee turnover

exits across all age groups, FY24-25

0

Workplace fatalities

sustained across all reporting years

247

Returned from leave

resumed work after maternity leave, FY24-25

Workforce Composition & Employment

17,893 Total workforce, FY24-25
▲ +6.6% vs FY23-24

100% Permanent employment

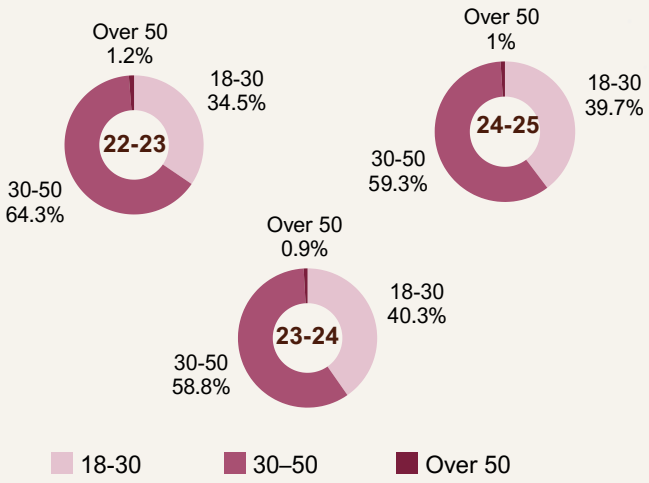
Behind every garment lies a workforce shaped by dedication and craftsmanship. SQUARE Fashions Ltd. continues to strengthen an inclusive, equitable workplace – supported by fair employment practices, professional growth, workplace safety, and respectful engagement on the floor.



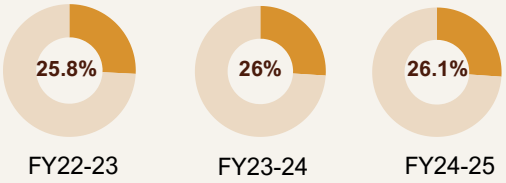
Total Workforce by Gender

Year	Male ♂	Female ♀
FY22-23	12,333	4,283
FY23-24	12,414	4,366
FY24-25	13,222	4,671

Total Workforce by Age Group



Female Representation Rate



Note:
Rising every year – a growing share of the floor

Workforce by Employee Category

Year	Worker	Supervisor	Officer	Management
FY 22-23	14,417	1,245	210	744
FY 23-24	14,573	1,268	204	735
FY 24-25	15,599	1,305	213	776





Occupational Health and Safety

Framework, governance and risk management

100% Workforce covered by the OHS system

ISO 14001 Aligned, plus Bangladesh Labour Act and Rules

Management system

Formal OHS system, ILO conventions and buyer CoC

Hazard identification

Annual HIRA by Safety Committee, floor and engineering

Right to refuse

Workers may refuse unsafe work, no prior permission needed

Reporting channels

Supervisors, committee representatives, anonymous suggestion boxes

Worker participation

Safety Committee meets every two months

Supply chain & community

Contractors audited; ETP and emission controls in place

Hierarchy of controls

1. Elimination
2. Substitution
3. Engineering controls
4. Administrative controls
5. Personal protective equipment

Building a Safety-first Culture

Worker training and emergency preparedness

WHO'S TRAINED

New workers, employees, supervisors, management

METHODS

Induction, refresher, emergency drills

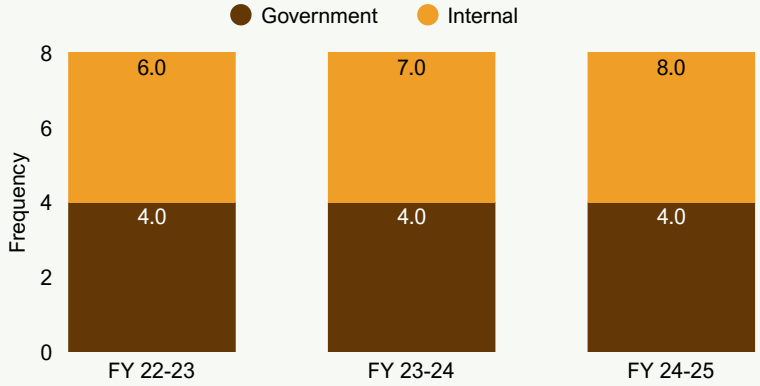
FREQUENCY

Before on-board, monthly/ quarterly/ annually, regular drills

OHS training topics

OHS basics	Hazard Identification & Risk Assessment Control	PPE use
Fire safety	Machine safety	Emergency Preparedness
First aid	Chemical safety	Waste awareness
Environment Management System	Ergonomics	

Fire drills – External(FSCD) vs Internal



Employees trained

Year	People
FY22-23	9,879
FY23-24	10,581
FY24-25	12,412



Health Services & Performance

Protecting & monitoring the workforce

Health services and promotion

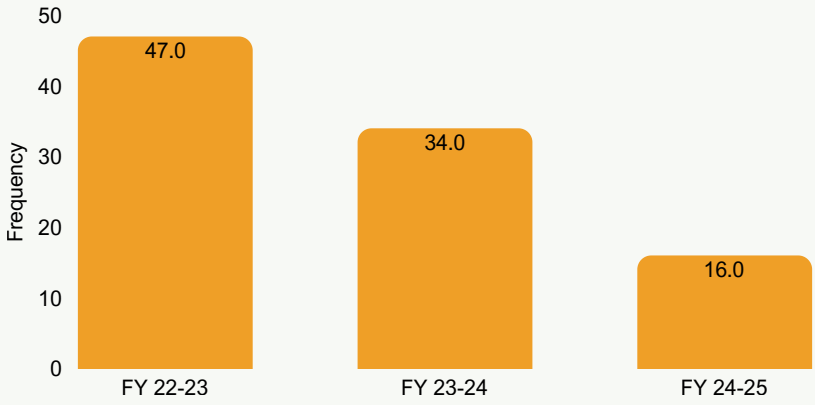
On-site medical center, first aid, annual health check-ups

Nutrition, exercise and wellness campaigns

Health records kept confidential



Work-related injuries



Most frequent injury

- Cut injury
- Needle prick injury

Zero- incident safety records

Fatalities			Work-related ill health		
0	0	0	0	0	0
FY22-23	FY23-24	FY24-25	FY22-23	FY23-24	FY24-25

Human Rights and Fair Labor

Dignity, choice and fairness on every floor ·

From recruitment to daily line supervision in, SQUARE Fashions Ltd. screens every stage of employment against four non-negotiables: no discrimination, freedom of association, no child labour, no forced labour.

Non-discrimination

Formal policy across race, gender, religion, origin and age

Zero incidents reported

Freedom of association

Workers free to organize and bargain collectively

No operations at risk

Child labour

Zero-tolerance policy, age verification at recruitment

No risk identified

Forced or compulsory labour

Freely chosen employment, no bonded or involuntary labour

No risk identified



Turning Policy into Practice

Training hours and workforce coverage on key labour rights topics, reported for each disclosure below.

	FY22-23	FY23-24	FY24-25
Training on Freedom of Association	**8,871** Training hours, 70% of workforce covered	**10,371** Training hours, 80% of workforce covered	**11,563** Training hours, 85% of workforce covered
Training on Child Labour Prevention	**8,871** Training hours, 70% of workforce covered	**10,371** Training hours, 80% of workforce covered	**11,563** Training hours, 85% of workforce covered
Training on Forced Labour Prevention	**8,871** Training hours, 70% of workforce covered	**10,371** Training hours, 80% of workforce covered	**11,563** Training hours, 85% of workforce covered

> Walking Peter through our compliance office, I always point him straight to the training register – every name, every hour, signed by the worker themselves.
>
> – Compliance Manager, SQUARE Fashions Ltd.



Worker Voice and Grievance Mechanism

Every concern, heard and tracked

How a concern moves through the system



100%
resolution rate

7 grievances received (FY 24-25)

7 grievances resolved (FY 24-25)

Grievances are acknowledged and investigated promptly upon being raised.

Ways to raise a concern

- **Suggestion & grievance boxes**
- **Hotline**
- **PC, Welfare Officer, Open Door Policy**
- **Confidential HR & Compliance channel**

Every channel is backed by a strict non-retaliation policy.

Harassment Prevention & Response Framework

Anti-Gender-Based Violence & Harassment (GBVH) Prevention Committee

Formed in line with

- Bangladesh Labour Act & Rules, Amendment 2026
- High Court Guideline on Sexual Harassment, 2009
- ILO Convention 190 on Violence & Harassment

Gender balanced membership

The committee has a majority of female members, ensuring a balanced and gender-sensitive perspective during case reviews.

How the committee operates

Confidential reporting
Grievance boxes, hotline or a direct approach to committee members

Monthly reviews
Regular case review; urgent cases are investigated immediately

Confidentiality first
All cases handled with sensitivity and a strict non-retaliation policy

Ongoing awareness
Regular sessions on gender sensitivity and respectful workplace conduct

The Complaint Committee ensures every worker has access to a safe, dignified and respectful workplace.

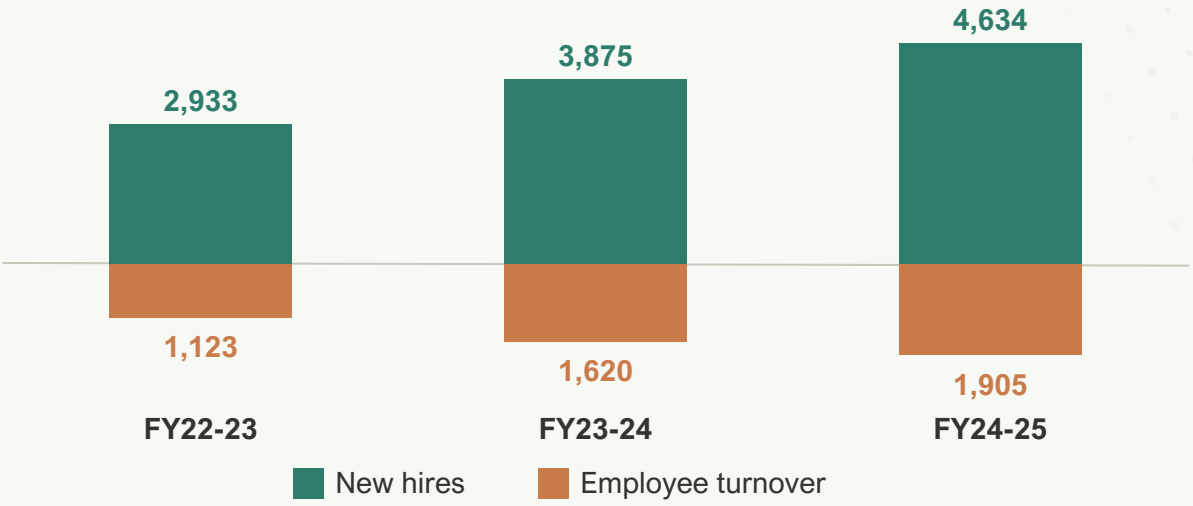
Talent Flow: Hiring and Turnover

Who joined and who left, across three fiscal years.

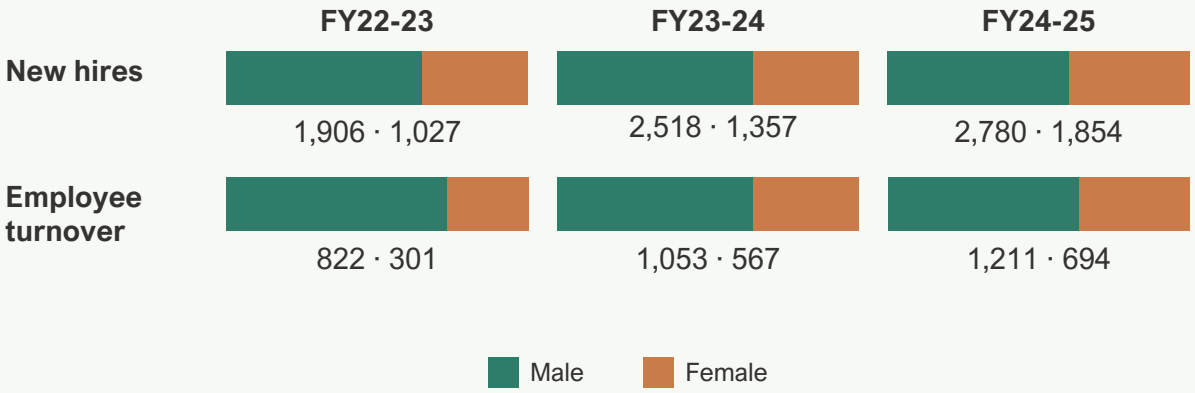
4,634
New hires, FY24-25
▲ +19.6% vs FY23-24

1,905
Employee turnover, FY24-25
▲ +17.6% vs FY23-24

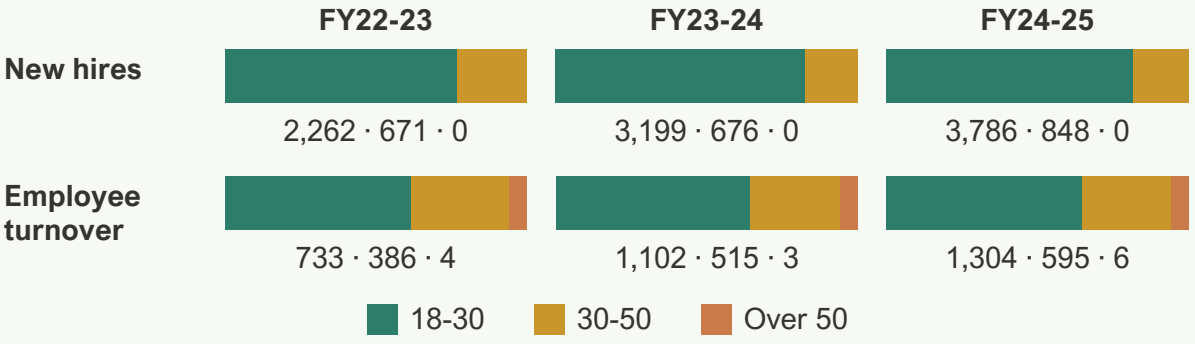
THE FLOW OF TALENT



BY GENDER



BY AGE GROUP



Employee benefits and well-being

What we provide, beyond the paycheck



13,500 meals served every day

Complimentary Nutritious Meals During Working Hours.



Free housing

Housing facilities for our people



Complimentary transport

Safe daily commute for our team

SQUARE Hospitals Ltd.

Medical subsidy

50% of cost covered



On-site Medical Center

Doctors & nurses on the floor



Fair Price Shop

Everyday essentials, subsidized



Provident fund

Long-term financial security



School bus for kids

Safe transport for employees' children

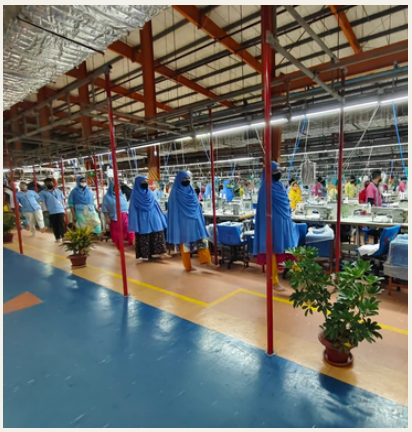


Medicine Support

Subsidized prices on essential medicines

Well-being in action

Purpose-driven programs delivering positive impact across our workforce.



Ergonomics Assessment & Modification (E.A.M.)

5

minutes of ergonomic exercise, every employee, every day

Ongoing

Strengthening Workers' Access to Pertinent Nutrition Opportunities (SWAPNO) – Workforce Nutrition Initiative

11,000 / 450

workers trained · employees empowered as peer educators

Feb 2020–Jul 2023 · with READI, VF, GAIN





Clear Vision Workplace Screening

12,183 / 3,738

workers screened · given eyeglasses

Feb–Jun 2022

Inclusion and advancement

Building a workplace where everyone can grow

Disability Inclusion Employment Initiative

54

employees with disabilities across our operations

Since Jun 2008 · with CRP and Marks & Spencer





P.A.C.E. for Women's Advancement

808

Women equipped with professional and life skills for career growth

Mar 2023–Ongoing

GEAR – Gender Equality and Returns

→ Growing

Women progressing toward supervisory roles, higher earnings, stronger skills

Jun–Dec 2024 · with Better Work



Maternity Protection and Childcare Support

Supporting the journey back to work

120 days of maternity leave – supporting every eligible female employee.

4,014
Eligible for maternity leave, FY24-25

80.2%
Return-to-work rate, FY24-25

The journey back to work

	FY22-23	FY23-24	FY24-25
Took maternity leave	363	338	308
Returned to work	286	302	247
Still employed, 12 months on	160	207	183
Return-to-work rate	78.8%	89.3%	80.2%
Retained, 12 months on	55.9%	68.5%	74.1%

A Workplace That Cares: Childcare Support for Employees



Just steps from the production floor, SQUARE Fashions Ltd. runs a dedicated childcare facility for working mothers – a safe, colourful space where children are cared for while parents complete their shift.

Bright rooms, engaged caregivers, and everyday play mean a mother's return to work doesn't have to mean stepping away from her child's day. It's a small distance that makes a real difference for family-friendly employment on the factory floor.

From the first day of leave to the day a child walks in beside her – support that follows a parent the whole way.

Our commitment to inclusion

A workplace built on fairness and opportunity

Diversity at SQUARE Fashions Ltd. isn't a separate initiative – it runs through how the workforce is built, how leave and benefits are designed, and how pay is set. This section brings together our progress, priorities, and commitments, providing a clear view of where we stand today.



Building a workplace where everyone can grow

Inclusion, by the numbers

26.1%

of our workforce is women, FY24-25 - rising each year

Fair and Equitable Pay

confirmed for equal work, FY22-23 through FY24-25

54

employees with disabilities supported across our operations

808

women empowered through P.A.C.E. career development

Fairness isn't a line item – it's the standard every policy on this page is measured against.

Training and development

Investing in every stage of a career

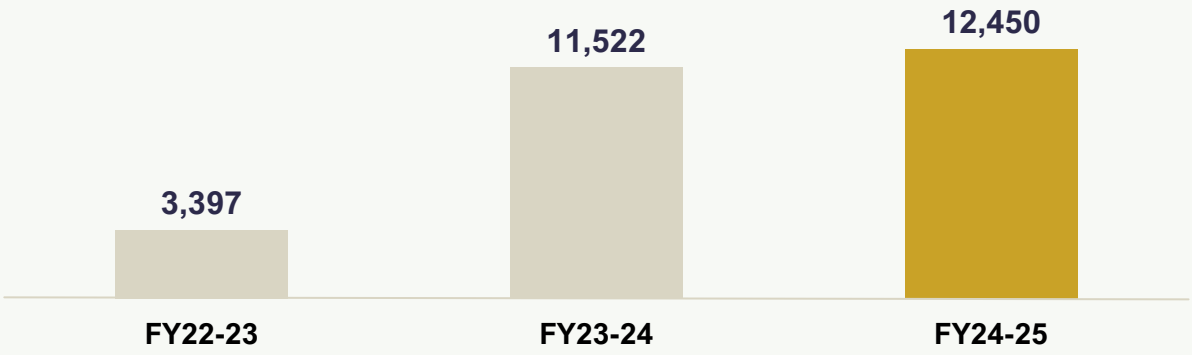
12,450
Skill development training hours, FY24-25
▲ +8.0% vs FY23-24

≈1 hour
Average skill development training per employee, FY24-25



Growth in training investment

Skill development training hours, more than tripled since FY22-23



What we commit to

- Skill development programs for all workers
- Structured training for promotion & career growth
- Re-training for employees returning after long leave
- Annual performance & career development reviews – 100% coverage

Our Training and Capacity-Building Portfolio

Building Skills, Empowering People, Protecting Rights

From leadership and communication to legal rights and workplace safety – every employee's development is mapped across two tracks.

Leadership & Skills Development · 7 topics

1. Leadership & Supervisory Excellence
2. Active Communication & Team Work
3. Conflict Management & Emotional Intelligence
4. Data Analysis using MS Excel
5. Training on Bangladesh Labour Law
6. Training on Chemical Management & Pollution Prevention
7. Understanding the Competency Architecture Framework

Compliance & Protection · 14 topics

1. Factory Policies, COC, Legal Rights & Benefits of Employees
2. Hazard Identification & Risk Assessment
3. Communication on Participation Committee
4. Grievance Handling Procedures
5. FLA Benchmark and Requirement
6. Occupational Health & Safety
7. Maternity Benefit
8. Anti-Harassment & Anti Sexual Harassment
9. PPE & Machine Safety
10. Disciplinary Action Procedure
11. Anti-bribery & Anti-corruption
12. HIV & AIDS
13. First Aid
14. Buyer Code of Conduct

CLOSING THE CHAPTER · A STORY OF SELF-RELIANCE

Nurjahan Akter

From a quiet struggle to a life she built herself



Nur Jahan Akter's life has been shaped by battles most people never see. A physical disability made her path harder, and the world's assumptions made it narrower still. But she never let herself stop.

That determination led her to the MARKS & START project. Training with CRP gave her more than a skill – it gave her proof of her own strength. In 2019, she joined SQUARE Fashions Ltd. as a Sewing Operator, and a new chapter began.

The company's dormitory facility meant she could save instead of spend on rent, and start building a future of her own choosing. Every month, she sends BDT 2,500 home to her mother – not just a duty, but an act of love.

With her own earnings, she bought two kathas of land (approximately 1,440 sq ft), and has since taken on a land mortgage worth BDT 185,000. She now saves BDT 1,000 in DPS and BDT 3,000 in insurance, every month. Once, her life was uncertain. Today, it is stable, planned, and entirely her own.

2019
Joined SQUARE Fashions Ltd. as a Sewing Operator

2 kathas(~1,440 sq ft)
of land purchased with her own earnings

BDT 2,500 / mo
sent home to support her mother

BDT 4,000 / mo
saved through DPS and insurance

" Her story is one of many - proof that the right opportunity, at the right moment, can change not just one life, but a family's future.

A Facility Built With Care

The first impression, from entrance to open grounds

Beyond the production floor, SQUARE Fashions Ltd. maintains landscaped grounds and open green space across its facilities – a setting that reflects the same attention to detail carried into daily operations.



The main facility building, framed by landscaped grounds and reflecting ponds.





Landscaped walkways and tree-lined paths across the facility grounds

Inside SQUARE Fashions

Spaces designed with the same care as our product

Inside, the same standard carries through – from brand display areas to reception spaces, every corner is maintained to reflect the quality SQUARE Fashions Ltd. delivers to its partners.



The brand display and reception area





Partner brand displays and reception corridors



Recognized through the years – compliance, safety, and quality awards on display

UN SDG Index

How SQUARE Fashions Ltd.'s environmental, social, and governance initiatives connect to the 17 UN Sustainable Development Goals.



SDG 1

No Poverty

Partially Aligned

Local job creation (3,173 jobs, FY24-25); road infrastructure investment (BDT 5.37 Cr) benefiting workers and community; financial security via Provident Fund, medical and housing subsidies.

Report pages: 54, 55, 93



SDG 2

Zero Hunger

Aligned

13,500 complimentary nutritious meals served daily; SWAPNO workforce nutrition initiative (11,000 workers trained); subsidized Fair Price Shop for everyday essentials.

Report pages: 93, 94



SDG 3

Good Health and Well-being

Aligned

On-site medical center; zero workplace fatalities and zero work-related ill health (all 3 years); Ergonomics Assessment programme; Clear Vision screening (3,738 given eyeglasses); on-site childcare.

Report pages: 85-87, 94, 96



SDG 4

Quality Education

Aligned

12,450 skill development training hours delivered FY24-25, more than tripled since FY22-23; 21-topic Training & Capacity-Building Portfolio; P.A.C.E. for Women's Advancement (808 women).

Report pages: 93, 95, 98, 99



SDG 5

Gender Equality

Aligned

Female representation 26.1% and rising; GEAR programme; 120-day maternity leave (80.2% return-to-work); majority-female GBVH Prevention Committee; equitable pay for equal work.

Report pages: 30, 84, 91, 95-97

UN SDG Index

Continued - SDG 6 through SDG 10.



SDG 6

Clean Water and Sanitation

Aligned

Water Reclamation Plant (Advanced Oxidation/Fenton); rainwater harvesting; two ETPs (335 m³/hr and 5 m³/hr); 22.6% of operational water use recycled/reused; intensity down 12.9%.

Report pages: 24, 26, 28, 68-72



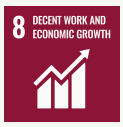
SDG 7

Affordable and Clean Energy

Aligned

649.2 kWp rooftop solar array (2,153,632 MJ generated FY24-25, up 183% in 3 years); energy intensity down 24.9%; 10 energy-efficiency initiatives, 2.26-yr portfolio payback.

Report pages: 22, 62, 63, 65, 66



SDG 8

Decent Work and Economic Growth

Aligned

17,893-strong workforce, 100% permanent employment; 4,634 new hires FY24-25; Freedom of Association training (85% coverage); zero forced or child labour; local job creation and procurement.

Report pages: 30, 54, 55, 83, 84, 88, 89



SDG 9

Industry, Innovation and Infrastructure

Partially Aligned

Digital production systems (Gerber AccuMark CAD, ERP barcode tracking, CleanChain/ChemIQ platforms); circular-recovery equipment (Condensate Recovery Module, Caustic Recovery System).

Report pages: 26, 54, 73-74, 79



SDG 10

Reduced Inequalities

Aligned

Disability Inclusion Employment Initiative (54 employees, since 2008, with CRP & Marks & Spencer); zero non-discrimination incidents; equitable pay confirmed for equal work.

Report pages: 30, 88, 95, 97

UN SDG Index

Continued - SDG 11 through SDG 14.



SDG 11

Sustainable Cities and Communities

Partially Aligned

Road infrastructure investment (৳5.37 Cr) benefiting the local community; 43% of FY24-25 procurement spend sourced from local suppliers.

Report pages: 54, 55



SDG 12

Responsible Consumption and Production

Aligned

Recycled input up from 2% to 11% of total (GRS/GOTS/OCS/RCS/Better Cotton certified); Zero Waste to Landfill all 3 years; material recovery up 74%; ZDHC Supplier to Zero (Level 2).

Report pages: 20-32, 60-61, 75-78



SDG 13

Climate Action

Aligned

GHG intensity down 22.1% (Scope 1 & 2); 18,475 tCO_2e avoided through efficiency gains, FY24-25; solar avoiding a further 727 tCO_2e over 3 years; aligned with the Paris Agreement.

Report pages: 33, 35, 63-64



SDG 14

Life Below Water

Aligned

97.7% of treated discharge released to surface water only after ETP treatment and quality monitoring; ZDHC MRSL chemical screening to prevent waterway contamination.

Report pages: 24, 71, 72

UN SDG Index

Continued - SDG 15 through SDG 17.



SDG 15

Life on Land

Aligned

Landscaped grounds, reflecting ponds, and tree-lined walkways maintained across facility grounds; zero waste to landfill; material recovery diverted from disposal.

Report pages: 32, 101



SDG 16

Peace, Justice and Strong Institutions

Aligned

Zero corruption and zero non-compliance instances across all 3 years; anti-corruption training (95% coverage); 100% grievance resolution rate; Board-level Sustainability, Complaint, and GBVH committees.

Report pages: 50-53, 56, 90, 91



SDG 17

Partnerships for the Goals

Aligned

Certification and oversight-body partnerships (GOTS, GRS, OCS, RCS, ZDHC, Better Cotton, WRAP, SEDEX); collaboration with CRP, Marks & Spencer, CARE, USAID, GAIN, READI, VF, and Better Work.

Report pages: 20, 41-43, 94, 95

Aligned Already part of how we operate, with results to show.

Partially Aligned On the radar, but not yet a dedicated programme.






The People Behind This Report

Eight colleagues · Four departments · One reporting journey

This report is the work of many hands. From the first conversation to the final page, these colleagues from across SQUARE Fashions Ltd. gave their data, their time and their judgement at every stage of our reporting journey. We are sincerely grateful for their commitment.

THE JOURNEY THEY SHARED

1. ESG Training
2. Data Collection
3. Stakeholder Engagement
4. Materiality Assessment
5. Report Development

ESG REPORTING TEAM · SQUARE FASHIONS LTD.

NH	ACCOUNTS & FINANCE **Md. Nazmul Haque** Deputy General Manager	AM	ACCOUNTS & FINANCE **S.M. Abdul Mazed** Senior Manager
SA	ACCOUNTS & FINANCE **Shakil Ahmmed** Senior Manager	RB	ACCOUNTS & FINANCE **Md. Rafiul Bari** Manager
NH	COMPLIANCE, HR & ADMIN **Md. Nazmul Hasan** Deputy Manager	RS	HR & ADMIN **Ropsan Jany Shohag** Deputy Manager
SH	IEM **Md. Shamim Hossain** Assistant Manager	MH	ENGINEERING **Md. Makid Hasan** Assistant Manager

Thank you for the time, the data and the trust.



Towards a More Transparent Future

This is SQUARE Fashions Ltd.'s first sustainability report and, in many ways, the honest beginning of a longer conversation. Numbers and disclosures fill these pages, but behind every one of them is a choice we made, a lesson we're still learning, or a goal we haven't yet reached.

We didn't write this report to say we've arrived. We wrote it to show where we stand today, openly, so that the distance between intention and impact becomes something we can measure together.

Next year, we hope to return with more progress to share, harder questions answered, and a clearer picture of what responsible manufacturing can look like at scale. This is only the first chapter.

GRI Content Index

SQUARE Fashions Ltd. has reported the information cited in this GRI content index for the period 1st July 2024 to 30th June 2025 with reference to the GRI Standards.

Disclosures	Page No	Omission
GRI 2: General Disclosures		
2-1: Organizational details	9,13	
2-2: Entities included in the organization's sustainability reporting	9	
2-4: Restatements of information	9	
2-5: External assurance	9	
2-6: Activities, value chain and other business relationships	9-10, 15-32	
2-7: Employees	84, 92	
2-8: Workers who are not employees	-	
2-9: Governance structure and composition	50, 51	
2-10: Nomination and selection of the highest governance body		Yes.Confidentiality Constraint.
2-11: Chair of the highest governance body		Yes.Confidentiality Constraint.
2-12: Role of the highest governance body in overseeing the management of impacts		Yes.Confidentiality Constraint.
2-13: Delegation of responsibility for managing impacts	51, 52	
2-14: Role of the highest governance body in sustainability reporting	51	
2-15: Conflicts of interest	89	
2-16: Communication of critical concerns	57, 90	
2-17: Collective knowledge of the highest governance body	53	

Disclosures	Page No	Omission
2-18: Evaluation of the performance of the highest governance body	53	
2-19: Remuneration policies		Yes.Confidentiality Constraint.
2-20: Process to determine remuneration		Yes.Confidentiality Constraint.
2-21: Annual total compensation ratio		Yes.Confidentiality Constraint.
2-22: Statement on sustainable development strategy	4, 5	
2-23: Policy commitments	57, 88, 89	
2-24: Embedding policy commitments	57, 88, 89	
2-25: Processes to remediate negative impacts	57, 90	
2-26: Mechanisms for seeking advice and raising concerns	52, 90	
2-27: Compliance with laws and regulations	56	
2-28: Membership associations	43	
2-29: Approach to stakeholder engagement	36	
2-30: Collective bargaining agreements	52, 89	
GRI 3: Material topics 201	38	
GRI 200: Economic		
203: Indirect Economic Impacts	54	
204: Procurement Practices	55	
205: Anti-corruption	56	
206: Anti-competitive Behavior	56	

Disclosures	Page No	Omission
207: Tax		Yes.Confidentiality Constraint.
GRI 300: Environment		
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303: Water and Effluents	68-72	
305: Emissions	33, 64,66	
306: Waste	76-78	
308: Supplier Environmental Assessment	57, 73-74	
GRI 400: Social		
401: Employment	83,84,92-96	
403: Occupational Health and Safety	85-87	
404: Training and Education	98, 99	
405: Diversity and Equal Opportunity	95, 97	
406: Non-discrimination	88, 97	
407: Freedom of Association and Collective Bargaining	89	
408: Child Labor	88, 89	
409: Forced or Compulsory Labor	88, 89	
414: Supplier Social Assessment	57, 88	



LOOKING AHEAD

The journey doesn't end with a report – it continues, one season at a time.