



Alternate Development Services (ADS)

OMNIBUS, CLIMATE FINANCE & GRI FRAMEWORK

Under the Flagship Training Platform “Green
Transition Standards (GTS)”

Proceeding Report

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List of Acronyms

ADS	Alternate Development Services
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
D-TAFS	Decarbonization of Textile, Apparel & Footwear Suppliers
ESG	Environment, Social, Governance
EU	European Union
GRI	Global Reporting Initiative
IROs	Impacts, Risks, and Opportunities
SIMA	Social Investment Managers and Advisors Funds

About Alternate Development Services (ADS)

Based in Islamabad, Alternate Development Services (ADS) is a research, advocacy, campaigning and capacity building organization with experience in climate, energy transition, environmental sustainability, and renewable energy uptake pathways. Through its energy and climate work, ADS supports evidence-based policy dialogue on renewable energy, industrial decarbonization, and equitable development in Pakistan.

1. Background, Purpose & Outcome of the Training

The textile sector is increasingly facing global pressures related to sustainability, climate compliance, and transparent reporting. In response, Alternate Development Services (ADS) organized this two-day capacity-building workshop in Lahore for the textile industry experts to equip them with practical knowledge and tools to navigate emerging regulatory frameworks and financing opportunities.

The primary purpose of the training was to:

- Enhance understanding of evolving international compliance requirements, particularly the Omnibus 2026 framework.
- Build participants' capacity to access and utilize climate finance mechanisms.
- Strengthen knowledge of sustainability reporting through the GRI Standards.
- Encourage practical application through interactive, case-based learning.
- Empowerment of the compliance & sustainability teams.

As an outcome of the training, participants developed a clearer and more practical understanding of how to respond to emerging sustainability and compliance requirements within their organizational contexts. The sessions enabled participants to identify internal gaps in data systems, coordination, and reporting practices, while also equipping them with initial tools to address these challenges. Participants demonstrated improved confidence in engaging with climate finance opportunities, structuring bankable sustainability projects, and applying GRI-based reporting approaches, including materiality assessment and stakeholder mapping. Overall, the training contributed to strengthening institutional readiness within the textile sector to transition from awareness to implementation, while also fostering peer learning and exchange of practical experiences across organizations.

2. Overview

Day 01

The first day focused on building foundational understanding through two key sessions:

i). **Session 01: Omnibus 2026 Decoded**

This session introduced participants to the upcoming regulatory landscape, unpacking key components of the Omnibus 2026 framework and its implications for the textile sector. Participants engaged in a case study-based role-play activity, allowing them to simulate real-world compliance scenarios and decision-making processes.

ii). **Session 02: Unlocking Climate Finance to Access Funding**

The second session explored opportunities for accessing climate finance, including funding mechanisms, eligibility criteria, and application strategies. A separate group-based role-play activity enabled participants to practice designing funding proposals and identifying suitable financial instruments.

Both sessions were highly participatory, emphasizing peer learning and practical application.

Day 02

iii). Session: GRI Standards Masterclass

The second day was dedicated to an in-depth and interactive masterclass on GRI Standards. Participants gained hands-on experience in sustainability reporting, learning how to align their organizational practices with international disclosure requirements.

The session included two group activities, where participants worked collaboratively to:

- Analyze reporting scenarios
- Develop structured disclosures based on GRI guidelines

The interactive format encouraged discussion, problem-solving, and exchange of industry experiences.

3. Session Summaries

Day 01

Trainer: Mr. Raffay bin Rauf

i. Session 01: Omnibus 2026 Decoded

The session translated complex EU sustainability regulations into practical implications for textile manufacturers. Instead of focusing only on theory, the trainer walked participants through how regulations like CSRD, CSDDD, and EU Taxonomy impact factories indirectly through buyer requirements.

Participants were guided step-by-step on how compliance requests typically reach suppliers (e.g., data on emissions, water, labor practices), and how internal coordination across departments becomes critical. The session emphasized that compliance is no longer optional but directly linked to market access and buyer retention.

A case study-based group role play was conducted where participants simulated a real scenario of receiving a data request from an EU buyer. Groups identified:

- Available vs missing data
- Responsible internal departments
- Immediate response strategies under time pressure

This exercise helped participants understand practical gaps in their own systems and how to respond in real business situations.

ii. Session 02: Unlocking Climate Finance to Access Funding

This session focused on making climate finance practical and relevant for textile businesses. The trainer explained different types of finance (mitigation, adaptation, transition) using real textile-sector examples such as solar installations, energy efficiency upgrades, and wastewater systems.

A strong focus was placed on how to make projects “bankable”, highlighting that financial institutions fund projects that are clearly defined, financially viable, and low risk. Participants were guided on:

- Structuring a clear project proposal
- Understanding financial instruments (loans, equity, grants)
- Linking cost savings (e.g., energy reduction) with repayment capacity

Through a separate group role-play activity, participants worked on designing a climate project and evaluating:

- Financial feasibility
- Environmental impact
- Suitability for different funding sources

The exercise reinforced that the “best” project is one that can realistically secure financing, not just one with environmental benefits.

iii. Guest Speaker Session: SIMA Funds

Speaker: Nabeel Zafar (SIMA Funds)

The guest session provided direct industry insight into financing opportunities available for textile decarbonization. SIMA Funds’ D-TAFS (Decarbonization of Textile, Apparel & Footwear Suppliers) Fund was introduced as a dedicated financing mechanism for sustainability projects.

The speaker explained how the fund supports:

- Renewable energy and energy efficiency projects
- Cleaner production and wastewater treatment
- Circular economy and resource efficiency solutions

Participants were walked through the practical financing process, including:

- Project identification and initial engagement
- Due diligence (technical, financial, ESG)
- Loan structuring and disbursement
- Ongoing monitoring and technical support

It was highlighted that the fund offers flexible financing structures, longer tenors (3–10 years), and technical assistance, making it accessible for textile companies aiming to transition towards low-carbon operations.

The session clearly demonstrated how such financing mechanisms can help the textile sector move from planning to actual implementation of decarbonization projects.

Day 02

Trainer: Mr. Raza-e-Mustafa

iv. Full-day Session: GRI Standards Masterclass

The session focused on the practical understanding and application of materiality assessment and stakeholder engagement within sustainability reporting. The sessions were structured around key GRI modules, with a strong emphasis on hands-on learning and real-world application.

The day began with GRI 3 (Core Focus), where participants learned how to define material topics using an impact-based approach rather than purely financial considerations. The concept of **double materiality** was introduced, highlighting the importance of assessing both organizational impacts on the environment and society, as well as financial risks and opportunities. Participants were guided through identifying Impacts, Risks, and Opportunities (IROs) across operations and value chains, ensuring both positive and negative, actual and potential impacts were considered.

The training then moved into **stakeholder identification and mapping**, where participants practiced identifying internal and external stakeholders and categorizing them based on influence, dependency, and level of impact. Practical techniques for stakeholder engagement and data collection were also discussed, emphasizing inclusive and structured approaches such as surveys, interviews, and workshops.

In the materiality assessment process, participants were trained on how to determine material topics through structured methodologies. This included assessing impact severity (scale, scope, and irremediability) and likelihood, and using prioritization matrices to identify high-impact areas. The importance of setting thresholds, validating findings with stakeholders and experts, and maintaining proper documentation for transparency and reporting credibility was also covered.

The sessions further explained how to integrate material topics into GRI-based sustainability reporting, including data collection, verification, structuring reports using the GRI Content Index, and aligning sustainability with overall business strategy.

A major component of the day was the group activity, where participants practically applied the concepts learned. This included:

- Conducting gap analysis
- Identifying strengths and gaps
- Performing risk assessment
- Developing stakeholder mapping
- Applying impact scoring and financial scoring
- Using a double materiality approach to prioritize issues

This hands-on exercise helped participants understand the full workflow of a materiality assessment in a realistic training environment.

4. Key Observations / Challenges

- Shift from Compliance Awareness to Practical Implementation:**
Across the training, participants demonstrated a growing understanding that sustainability requirements such as Omnibus 2026, GRI Standards, and climate finance are no longer theoretical concepts but immediate business realities. However, a key challenge identified was translating this awareness into structured internal systems, particularly in aligning departments (e.g., operations, finance, compliance) to respond to data and reporting requirements efficiently.
- Data Availability and Internal Coordination Gaps:**
Participants repeatedly highlighted difficulties in accessing reliable and consolidated data across operations and supply chains. Whether for compliance reporting, climate finance proposals, or GRI-based disclosures, the lack of centralized data systems and cross-department coordination emerged as a critical bottleneck.
- Limited Capacity to Conduct Materiality and Risk Assessments Internally:**
While participants understood concepts such as double materiality, impact assessment, and IROs (Impacts, Risks, Opportunities), many indicated that conducting structured materiality assessments independently remains a challenge. The need for practical tools, templates, and trained personnel was emphasized.
- Financial and Technical Barriers to Sustainability Transition:**
Although climate finance opportunities exist, participants noted that developing “bankable” projects requires financial literacy, risk assessment capacity, and technical clarity. Many organizations struggle to link environmental benefits with financial viability, which limits their ability to access funding.
- Gaps in Stakeholder Engagement Practices:**

The stakeholder mapping exercises revealed that most organizations engage stakeholders informally or on an ad-hoc basis. Structured engagement, prioritization, and documentation aligned with GRI expectations are still evolving areas for many participants.

vi. **Need for Standardized Frameworks and Local Guidance:**

Participants expressed the need for clearer, localized guidelines and simplified frameworks to implement international standards such as GRI and EU compliance requirements within the context of Pakistan’s textile sector.

vii. **Hands-On Group Activities as a Key Learning Enabler:**

The practical group exercises ranging from compliance role-plays and climate finance proposal design to materiality assessment proved highly effective. Activities involving gap analysis, strength and gap identification, risk assessment, stakeholder mapping, impact and financial scoring, and double materiality application helped participants bridge the gap between theory and real-world application. However, these exercises also exposed existing organizational gaps in systems, data, and decision-making processes.

5. Participant Questions & Discussions

The discussions throughout the training reflected both strategic concerns and practical implementation challenges:

i. **How can organizations practically respond to increasing buyer-driven compliance requirements (e.g., EU regulations)?**

Participants explored the need for internal readiness systems, including data management, cross-functional coordination, and clear assignment of responsibilities to respond effectively under time constraints.

ii. **What makes a sustainability or climate project “bankable”?**

Discussions focused on the importance of financial feasibility, risk reduction, and clear linkage between cost savings and repayment capacity. Participants emphasized the need to balance environmental impact with financial practicality.

iii. **How can companies initiate sustainability reporting without extensive external consultancy support?**

Participants discussed starting with basic internal data, gradually building capacity, and using structured frameworks such as GRI to guide reporting processes.

iv. **What is the practical approach to conducting a materiality assessment?**

Questions centered on how to identify and prioritize impacts using severity and likelihood, apply double materiality, and integrate stakeholder input into decision-making.

v. **How should stakeholder mapping be conducted and utilized effectively?**

Participants examined methods to identify, categorize, and prioritize stakeholders based on influence and impact, and how to incorporate their feedback into reporting and strategy.

vi. **How can organizations align sustainability reporting with overall business strategy?**

Discussions highlighted the importance of embedding material topics into core decision-making processes rather than treating sustainability as a separate function.

vii. **What are the key challenges in linking financial and impact-based assessments?**

Participants noted difficulties in simultaneously applying impact scoring and financial scoring, particularly when prioritizing sustainability initiatives under resource constraints.

viii. **How can organizations identify internal gaps and improve readiness?**

Through group activities, participants reflected on gaps in data, systems, and skills, and discussed practical steps to strengthen internal processes for compliance, reporting, and financing.

6. Conclusion and Next Steps

The two-day training successfully provided participants with a comprehensive and practical understanding of emerging sustainability requirements, climate finance opportunities, and GRI-based reporting practices within the textile sector. Through a combination of expert-led sessions and interactive group activities, participants were able to connect regulatory expectations with real-world business applications. The training effectively highlighted the importance of structured data systems, cross-functional coordination, and strategic alignment in responding to evolving global sustainability demands.

A key strength of the workshop was its hands-on approach, which enabled participants to actively apply concepts such as compliance response, project financing, stakeholder engagement, and materiality assessment. Participants were provided with relevant case studies and GRI worksheets to further support practical learning and facilitate application within their own organizational contexts.

Next Steps:

- Organize follow-up technical sessions focused on advanced implementation areas.
- Conduct periodic follow-ups to assess how participants are internalizing and applying the training concepts within their organizations, including the extent to which practices are being adapted or replicated at the industry level.

Annex I: Workshop Highlights










