



SUSTAINABILITY REPORT 2016



DBL
SUSTAINABILITY





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STAKEHOLDER
ENGAGEMENT



Chairman's Message

Dear Stakeholders,

With great pleasure, I present to you DBL Group's third consecutive Sustainability Report. The 2016 report presents our continued endeavors in sustainability and ethical business practices. Additionally, it also introduces our contribution to the newest and most comprehensive agenda till date relating to sustainability: the Sustainable Development Goals (SDGs).

It inspires us greatly to find that two of our case studies have been published in the United Nations Global Compact website library. These were included under the SDG Industry Matrix which provides industry-specific examples and ideas for corporate action related to the SDGs. DBL was featured in the Industrial Manufacturing document and the cases include the "Bandhan" Fair Price Shop under SDG-1 (End poverty in all its forms everywhere) and Women Empowerment under SDG-5 (Achieve gender equality and empower all women and girls).

We are now even greatly motivated to raise the bars of acceptable standards that impact our major stakeholders. Since our establishment in 1991, we

Sustainability is a global issue but it requires local actions and this is irrespective of the size of organization, type of the business, country of operation, etc. Partnership – whether it is between industries, development partners, or the government – is a crucial factor for sustainability since collaborative approaches act as catalysts for development.

have come a long way and evolved as a responsible and ethical practitioner in the industry. Full commitment and endeavors led us to be one of the largest composite knit garments and textiles manufacturers and exporters in Bangladesh. DBL Group's Sustainability strategy focuses on five major components: People, Process, Product, Community and Environment. Incorporating sustainability into all our business decisions and into every member of our organization is helping with our mission of becoming an economically, socially and environmentally efficient sustainable group. We endeavor to "sustain" the ideas and associated actions of Sustainability for generations to come.

With a skilled and dedicated workforce of 24,500 people, we are committed to deliver products and services of superior quality and international standards to our customers. We are supplying quality apparels to renowned retailers and popular fashion brands across the world, with a total turnover of the group worth USD 367 million in 2016 fiscal year alone. In recognition of our excellent performance, DBL Group has received the highest rank of recognition in the form of awards and accolades for outperforming in categories such as social and environmental sustainability, compliance, CSR, export and the working and living conditions of workers. These recognitions are not only in the national level but the international level as well: the last being our spinning mill winning the "Spinner of the Year" and the "International Textile Firm of the Year" from the World Textile Awards.

The SDGs have opened not one but several doors through which an organization can adapt to, improve on, and contribute to its Sustainability practices. When we have a collective contribution from all organizations, we can truly contribute to the development of an entire country. Several people have stated: "Think globally, act locally" and in relation to sustainability,

this is not any different. Sustainability is a global issue but it requires local actions and this is irrespective of the size of the organization, type of business, country of operation, etc. Partnership – whether it is between industries, development partners, or the government – is a crucial factor for sustainability since collaborative approaches act as catalysts for development.

It should be understood that sustainability can be an excellent marketing tool as well. When we refer to upgrading the reputation of a business, there are no alternatives to sustainability. When we are concerned with the well-being of our workers and the community where they live, become responsible with our production processes as well as the end products and act to restore the environment, reputation of our company will precede our products and services.

We believe that creating employment opportunities is the best way to serve the community that we work in. With vast expansions in progress, DBL Group is targeting to add another 10,000 employment opportunities by 2017, thus contributing to SDG-1: No Poverty. Our expansion plan is very well researched to ensure that the growth is sustainable and ethical from all aspects.

A substantial portion of DBL's profit is channeled into CSR activities, reflecting our commitment to social development. We provide a wide range of support in fields of health, in alignment with SDG-3: Good Health and Well-being, and education, in alignment with SDG-4: Quality Education. Our focus on agricultural ventures to support our own workforce is in alignment with SDG-2: Zero Hunger. DBL Group and its management are actively involved in supporting a large number of education institutions, imparting educations at primary and secondary levels.

We consider Sustainability even during procuring machines. The high end machineries we have do not just add production values, but ecological values as well. For instance, the Toyota spinning machine operates using lesser power consumption and also produces lower noise levels. In our fabric finishing processes, the Santex machine's "relax dryer" system ensures proper shrinkage for low GSM (grams per square meter) and loose fabrics. This reduces wastage from the processes. Even our Effluent Treatment Plants contributes positively to the environment. The quality of treatment allows the sludge produced to be as good as that for municipal waste instead of industrial waste. Hence, we have visible contribution to SDG-12: Responsible Consumption and Production.

DBL has ventured into Public-Private Partnership through the Mini Fire Brigade. Along with the German Cooperation and the Bangladesh Fire Service and Civil Defence, this tripartite alliance will act as a rapid response unit to any fire or other emergencies within the Kashimpur community, where most of DBL's operations are present. The foundation stone was laid on 7 October 2015 by H.E. Dr. Gerd Müller, Honorable Federal Minister for Economic Cooperation and Development, Germany, and H.E. Mr. Tofail Ahmed, Honorable Minister of Commerce, Government of Bangladesh.

To further aid the community, we have signed an agreement with Marie Stopes Bangladesh to establish a Community Clinic within Kashimpur. To add value in shortening the skills gap in the country, DBL will also be setting up a Technical and Vocational Education Training Centre. DEG is keen on supporting this initiative and had even invited the Boston Consulting Group to help with the analysis.

In alignment with the 10 principles of UN Global Compact, we are committed to

ensure sustainable future for people and environment and to stand against corruption. We also respect human rights as part of our commitment to the UN Guiding Principles for Business and Human Rights.

I feel the sun of DBL's Sustainability is rising. We are committed to create a platform for ensuring sustainable growth for our company. In this regard, I sincerely thank all our stakeholders for their ongoing understanding and continued support in our company.



Abdul Wahed
Chairman





Learning is Growing
Sharing is Caring



Most material  Material  Least material  Any impact 1 No impact 0

Category	Aspects	Sustainability impacts, risks, or opportunities
Economic	Economic Performance	1
	Indirect Economic Impacts	1
	Procurement Practices	1
Social	OHS	1
	Equal Remuneration For Men & Women	1
	Supplier Assessment for Labor Practices	1
	Labor Practices Grievance Mechanisms	1
	Local Communities	1
	Compliance	1
Environment	Energy	1
	Water	1
	Emissions	1
	Effluents & Waste	1
	Compliance	1
	Supplier Environmental Assessment	1

	Sustainability interests, topics, & indicators raised by stakeholders	Future challenges for the sector, reported by peers & competitors	Legal compliance	Organizational values, policies & strategies	Total
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
	1	0	1	1	4
	1	1	1	1	5
	1	1	1	1	5
	1	1	0	1	4
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5

Influence on Stakeholder Assessments & Decisions	Economic: Procurement Practices Social: Equal Remuneration For Men & Women Environment: Compliance	Economic: Economic Performance Indirect Economic Impacts Social: OHS Supplier Assessment for Labor Practices Labor Practices Grievance Mechanisms Compliance Environment: Energy Water Emissions Effluents & Waste Supplier Environmental Assessment
		Social: Local Communities
Significance of Economic, Social & Environmental Impacts		

Period	:	1 July 2015 to 30 June 2016
Reporting cycle	:	Annual
Most recent previous report	:	DBL Group Sustainability Report 2014-15
GRI Guidelines followed	:	GRI G4
'In Accordance' option chosen	:	In Accordance "Core"
Contact person	:	Mohammed Zahidullah
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DEFINING THE REPORT CONTENT AND THE ASPECT BOUNDARIES

The content of the report is based on the social, environment, economic and product sustainability practices at DBL Group. Identifying of the Aspects has been as per the guidelines of Global Reporting Initiative (GRI) and indicators have been selected based on the availability of information on those practices. Some of the sustainability projects of DBL Group are beneficial to the organization itself and some others are benefitting the community as well. We have tried to create meaningful connection between the sustainability practices of DBL Group with the reporting guidelines of GRI.

This is our third reporting on sustainability adhering to the GRI's G4 Sustainability Reporting Guidelines. Through this report we have focused our insights on setting goals, measuring performance and managing change in order to implement better performances. We would like to take our sustainability reporting practice to the next level by continuous improvement in our future endeavors in reporting.

Through this report, DBL Group continues its journey in sustainability reporting on the economic, environmental and social dimensions of its business activities. Through progressive advancement in reporting, DBL Group is committed to report transparently on how it manages its economic, environmental, social and governance performance.

Chapter 1



SUSTAINABILITY APPROACH

**“There is no ‘Plan B’ because we do not have a ‘Planet B.’
We have to work and galvanize our action.”**

Ban Ki-Moon

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Countries around the world adopted a set of goals on September 25 2015 for eradicating poverty, protecting the planet, and ensuring prosperity for everyone as part of a new agenda for sustainable development. Specific targets under each goal are present which are to be achieved within the year 2030¹. These are popularly referred to as the Sustainable Development Goals or SDGs.

SUSTAINABLE DEVELOPMENT GOALS



The SDGs have portrayed a huge potential for development by which a government, an organization, and even an individual can contribute to. Specific targets under each goal attempt to map out activities which can facilitate the progression of not one but multiple economies. The UN Global Compact even refers to “Making Global Goals Local Business”² thus referring to the business benefits along with development.

1. “Sustainable development goals - United Nations”,

<http://www.un.org/sustainabledevelopment/sustainable-development-goals>, Accessed: 21 September 2016

2. “Making Global Goals Local Business _ UN Global Compact”,

<https://www.unglobalcompact.org/what-is-gc/our-work/sustainable-development/global-goals-local-business>, Accessed: 21 September 2016

Sustainability in DBL Group is constantly evolving throughout the years. DBL believes in “Learning is growing” and through existing and future practices and programs, DBL wishes to learn and adopt globally recognized standards. DBL also wants to be a model example for other organizations in Bangladesh, regardless of the size, by showing the feasibility of the SDGs and thereby engage their participation. The Small and Medium Enterprises (SME) themselves can come into a common coalition within themselves or with large enterprises in order to form a joint-partnership to contribute to the SDGs.

DBL believes in performing social business. Such businesses do not keep only profits in consideration but also encompasses obligations to social welfare, including employees and the communities, as well as preventing environmental degradation by creating products through responsible processes. The different programs help achieve all these and hence make DBL be proactive rather than reactive in addressing the variety of issues faced in conducting business.

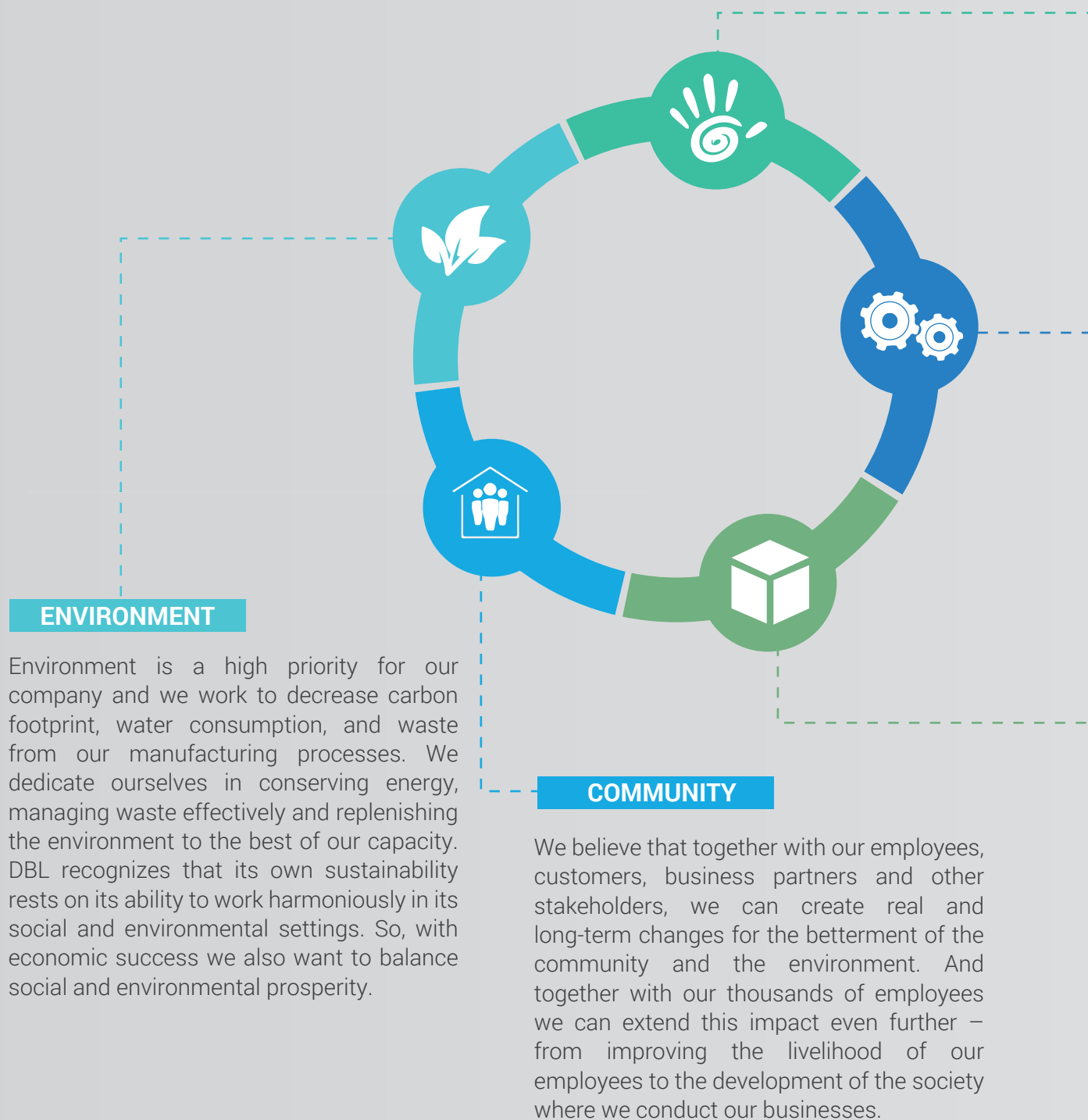


An overview of DBL Group's Sustainability initiatives in alignment with the Sustainable Development Goals (SDGs):

SDG	SDG description	DBL Group's initiatives
 1 NO POVERTY	End poverty in all its forms everywhere	<p>Employment generation</p> <p>Bandhan Fair Price Shop</p> <p>Flourishing local economy</p>
 2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<p>Rice Fortification Program with World Food Program (WFP)</p> <p>Breastfeeding in the Workplace Initiative (BFWI) with UNICEF</p>
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	<p>Medical Centre for employees and community</p> <p>In house pharmacy with medicines being sold at manufacturers' prices</p> <p>Women Health Program Initiative (WHPI)</p> <p>Nirapod: Saving Women from Unwanted Pregnancy & Unsafe MR with Phulki and the Embassy of the Kingdom of the Netherlands</p>
 4 QUALITY EDUCATION	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<p>Education support</p> <p>Community Knowledge Exchange Programs</p> <p>Community Health Programs</p>
 5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	<p>Women in Factories Initiative (WiFI) with CARE</p> <p>Female Supervisors Leadership Program</p> <p>Female Security Guards</p> <p>Empowering Women Financial Services Agents in Bangladesh (EWFSAB) Project with CARE</p>
 6 CLEAN WATER AND SANITATION	Ensure availability and sustainable management of water and sanitation for all	<p>Partnership for Cleaner Textiles (PaCT) with the International Finance Corporation (IFC)</p> <p>Zero Discharge of Hazardous Chemicals (ZDHC) with H&M, Puma, and G-Star</p> <p>Sustainable Action and Vision for a better Environment (SAVE) with Puma</p>

DBL Group's initiatives	SDG description	SDG
Bio-Gas Generation Plant with GIZ Study on feasibility of using solar photovoltaic cells (PVC) with IFC	Ensure access to affordable, reliable, sustainable and modern energy for all	7 AFFORDABLE AND CLEAN ENERGY 
DBL Idea Club DBL Quality Control (QC) Circles	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8 DECENT WORK AND ECONOMIC GROWTH 
Energy efficient machineries Energy Saving Dyeing & Finishing	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 
Female Supervisor Leadership Program Female Security Guards	Reduce inequality within and among countries	10 REDUCED INEQUALITIES 
Innovation in yarn production Organic Cotton and Better Cotton Initiative (BCI) DBL Quality Control (QC) Circles Zero Discharge of Hazardous Chemicals (ZDHC) with H&M, Esprit, Puma and G-Star	Ensure sustainable consumption and production patterns	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 
Biological Effluent Treatment Plants (ETPs) Zero Discharge of Hazardous Chemicals (ZDHC) with H&M, Puma, and G-Star	Conserve and sustainably use the oceans, seas and marine resources for sustainable development	14 LIFE BELOW WATER 
Mini Fire Brigade with the German Cooperation and the Bangladesh Fire Service and Civil Defence (BFSCD) Knowledge Partners	Strengthen the means of implementation and revitalize the global partnership for sustainable development	17 PARTNERSHIPS FOR THE GOALS 

DBL Group's Sustainability is based on five pillars: People, Process, Product, Community and Environment; thus integrating a holistic approach towards Sustainability. For each pillar, there are a number of Sustainable Action Programs in place – both on large and small scales and short and long terms – through which the sustainability plans are translated into actions.



PEOPLE

As an organization, DBL Group realizes its responsibility towards its people: our employees. Our company understands how the business practices impact our employees and we work to serve in their best interests.

PROCESS

DBL Group is committed to continuously improve all its business processes: ranging from purchasing raw materials to transporting final finished goods. We give a strong emphasis on eliminating non-value added activities while delivering quality products on time with the least effect on the environment and greater efficiency.

PRODUCT

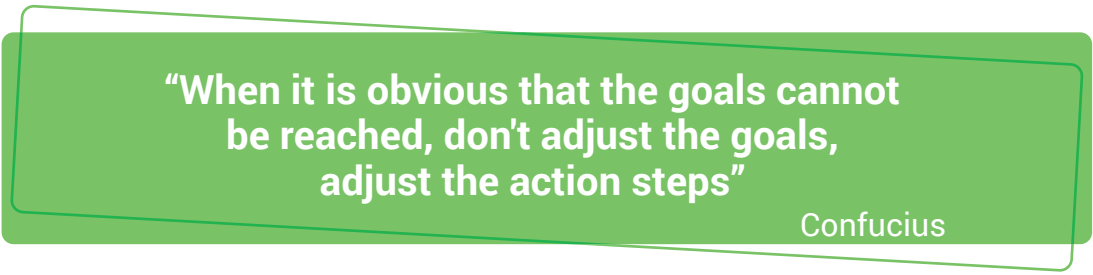
DBL Group continuously works towards improving the quality of the products, and all the processes that go into making the final finished product, and ensures to minimize the negative impact on the environment and the consumers. The R&D department is actively involved in creating new and researching existing products and the processes associated with them.



Chapter 2



DBL AND SUSTAINABILITY



**“When it is obvious that the goals cannot
be reached, don't adjust the goals,
adjust the action steps”**

Confucius

DBL Group is a diversified conglomerate with a strong backward linkage. The Group started its business in 1991. The diversified business includes spinning, knitting, dyeing, all over printing, screen printing, garments manufacturing, garments accessories manufacturing, washing, packaging, ceramic tiles, telecommunications, dredging, and pharmaceuticals. DBL Group is one of the largest and 100% export oriented composite knit garments and textiles manufacturing industries in Bangladesh. We are supplying quality apparels around the world to the best of the retailers and the biggest brands of the fashion industry. The company is headquartered in Dhaka, Bangladesh and operating its production processes at factories situated at Gazipur, Dhaka, Bangladesh.

Vision

**We envision to sustain and grow
as a diversified global
conglomerate.**

Values

- Integrity
- Passion
- Adaptability
- Care
- Excellence

Concerns

Color City Ltd.	Jinnat Knitwears Ltd.
DB Tex Ltd.	Matin Spinning Mills Ltd.
Dulal Brothers Ltd.	Mawna Fashions Ltd.
Flamingo Fashions Ltd.	Mymun Textiles Ltd.
Hamza Textiles Ltd.	Parkway Packaging and Printing Ltd.
Jinnat Apparels Ltd.	Textile Testing Services Ltd.
Jinnat Fashions Ltd.	Thanbee Print World Ltd.

DBL Group offers the following products and services:

- ✓ Yarns, Fabrics
- ✓ Casual knitwear (T-Shirts, Polo Shirts, Tank Tops, Joggers, Hooded Jackets, Cardigans, Pants, and Dresses)
- ✓ Fashionable wear (Skirts, Gowns)

MANUFACTURING PROCESSES

DBL Group makes use of the following in the manufacturing processes:

- ✓ State-of-the-art machineries
- ✓ Best grade cotton in our spinning mill for all products
- ✓ Fabric knitting makes use of low profile hazardous materials
- ✓ Oeko-Tex 100 Standard with Product Class I
- ✓ Dyeing operation makes use of low water to dye ratio: only 55 liters per kilogram of fabric
- ✓ Garments processes make use of CAD, CAS and CAM systems
- ✓ Washing operations make use of machines which consume less water and have best filtering and spinning systems

We use cutting edge technology to put our yarn through a series of quality control checks, to ensure strict quality standards. This is then supplemented by concentrating on process manufacturing and process improvements. We have setup Industrial Engineering and Work Study departments. Root cause analyses are done by using statistical quality control tools.

The R&D department helps in developing new products and process improvements for

enabling the production of products with good quality at the lowest cost possible in the shortest time. This desire for quality is also shared by our team of highly qualified and competent professionals, who under the capable and dynamic leadership of the Board of Directors have made our remarkable growth possible. It is with this shared vision that we are marching towards our goal of attaining acknowledged leadership in providing quality products at competitive price.

PROCESS FLOWCHART



COTTON IMPORT



SEWING



WASHING



SPINNING



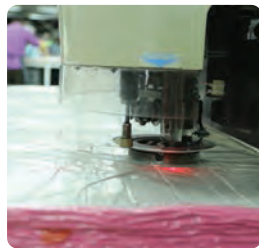
SCREEN PRINTING



FINISHING



KNITTING



CUTTING



PACKAGING



DYEING AND FINISHING



ALL OVER PRINTING



TRANSPORTATION

MAJOR BUYERS



KNOWLEDGE PARTNERS



Bandhan Fair Price Shop

"Bandhan" is a fair price shop which serves low income workers with all the essentials and commodities at factory price of manufactures. The shop is aimed at reducing workers' monthly expenditure burden and sheltering them from the economic inflation. Any worker of DBL can buy items through zero-cash and on-credit transaction: the bills are simply adjusted with their salaries at the end of the month.

Bandhan was featured in the UN Global Compact's Industrial Manufacturing document under SDG-1.

370

Items

Sales in 2015-16 (US\$)

825,129

Women in Factories Initiative (WiFI)

The objective of the program is to create awareness about the rights of women regarding basic facilities at work, work environment and proper evaluation of work. In addition, the program also made way for women workers to move into the supervisory roles. It is financed by Walmart with technical support by CARE Bangladesh and implemented by the NGO Sheva.

The program, launched in 2012 in Jinnat Fashions Ltd., has three phases: Foundation Training, Literacy Training and Advanced Training. The primary benefit for the company is decreased absenteeism and increased productivity. The success of Jinnat Fashions Ltd. encouraged us to expand to other units too and have even been replicated to ensure the sustainability of the program.

WiFI was featured in the UN Global Compact's Industrial Manufacturing document under SDG- 5.

DBL's vision regarding female workers:

"To be the most attractive employer for the female workers in the garments industry of Bangladesh"

Female Supervisors Leadership Program

DBL designed an in-house training program for its Female Supervisors. This comprises of 18-hour lessons covering areas of skill, counseling and general management. Over a period of 2 months training is provided to potential in-house female workers having worked in sewing or quality departments within DBL. After successful completion of the training program, they are promoted as Female Supervisors. DBL has 164 garments sewing lines which were led only by male supervisors. From the first and second training batches, we have 21 female supervisors which cover 12% of the sewing lines. A third batch comprising of 8 workers completed training on April 2016. DBL now has 17% of sewing lines led by female Supervisors.



Women Health Program Initiative (WHPI)

Starting from March 2013, the program targeted all the female workers at in DBL Group. It has a long-term objective to ensure good health and hygiene for all female workers. The initial activity was providing women with sanitary napkins at discounted price: thus, not only limiting to teaching women but providing opportunities for safe health as well.

Analysis and follow up are done in order to encourage women to make proper use of these products. For instance, in order to maintain the privacy of workers, the pads are now made available in the female washrooms. Counselling sessions are also done regularly to aware women regarding the health benefits of the products. The effectiveness of these initiatives has been visible from the substantial increase in sales.

13,234

Pads sold in 2015-16

116%Increase in sales
compared to 2014-15

Breastfeeding in the Workplace Initiative (BFWI)

DBL signed a Memorandum of Understanding (MoU) with UNICEF in December 2015 to promote and improve breastfeeding practices in the workplace. The program is expected to reach 4,767 female workers, 340 pregnant and lactating women, and at least 340 infants and young children in the course of 3 years of program implementation.

Financial Literacy Program

Funded by VISA Worldwide Inc. USA and implemented by CARE, the Empowering Women Financial Services Agents in Bangladesh (EWFSAB) project's focus is to socially and economically empower women garment workers in Bangladesh through increased financial inclusion.



Nirapod: Saving Women from Unwanted Pregnancy and Unsafe MR

NGO Phulki, in partnership with the Embassy of the Kingdom of the Netherlands, is working towards promoting health awareness amongst the female garments workers of DBL Group involving peer educator group. Starting in August 2013, Phulki has expanded the reach of this project through partnership approach. These trainings are done during orientation.

Phulki developed Master Trainer group of 58 employees, 29 males and 29 females, from Mid-Level Management staff of DBL Group through training on SRHR issues. They carry out further trainings to workers thus ensuring continuity of the program.



Children Education Support Initiative

A set of programs exist under the Children Education Support Initiative which focuses on accessibility to education for all the employees of DBL.

These consist of :

- ✓ Recognition for meritorious students
- ✓ Sponsoring two children of each staff and worker whose monthly income is below BDT 25,000
- ✓ Providing career path counselling to students who have passed Higher Secondary education



Rice Fortification Program

An initiative by the World Food Program (WFP), the Rice Fortification Program aims to contribute to the reduction of micronutrient deficiencies in high-risk groups in Bangladesh through the consumption of fortified rice. With a strong focus on women, different awareness programs and workshops have been held to educate workers on the need for nutrients. The pilot project has started providing fortified rice to 100 selected workers. Upon completion of the pilot study, the rice will be made accessible for all workers.

Lean Manufacturing

Lean Manufacturing is a business model and collection of tactical methods that emphasize eliminating non-value added activities (waste) while delivering quality products on time at the least cost with greater efficiency. The project was launched following the guidelines and support of Walmart in Jinnat Fashions Ltd. and various methods were implemented for the sewing operations to fully transfer them into “Lean lines”. The cutting and finishing operations have also being converted to lean. The success in Jinnat Fashions Ltd. enabled replication of the practices to other garments and non-garments units including fabric knitting, fabric dyeing and finishing, and garments printing. In addition, DBL Group introduced a guidebook for smooth production entitled “Elementary Lean Manufacturing”.

Lean in non-garments units are making use of:

- ✓ 5S
- ✓ Machine wise standard minute value (SMV)
- ✓ Standard maintenance timing, scheduled maintenance
- ✓ Visualization through display screen
- ✓ Right First Time (RFT) for quality
- ✓ Generating key performance indicators (KPI)

Efficiency Spill-Over in RMG Factories

The University of Warwick studied existence, determinants and nature of efficiency spill-over between sewing lines in the sewing departments of DBL’s factories. The representatives interviewed all Line Chiefs, analyzed daily efficiency data for all sewing lines from April to October 2014 with up to date statistical methods, and implemented experiments relating to communication. A report of the assessment has been provided in 2015.

Sudokkho Skill Development Program

Sudokkho is a skill development program for sewing operators which caters to the capacity building for factory-based training centre. The program inspires the industry to invest in developing and operating skills training and employability activities. Sudokkho supports the industry to develop innovative and sustainable training models allowing employees to acquire the skills leading to employment in higher valued semi-skilled or skilled jobs. The program is funded by UK Aid and SDC and implemented by The Palladium Group in consortium with Swisscontact and the British Council.

56
graduates in
2015-16



Energy Saving Dyeing and Finishing

Multiple initiatives have been taken by DBL Group in order to reduce the consumption of energy for the dyeing and finishing processes. The energy meters installed ensure proper measurement of power consumption. For certain fabrics, a temperature of only 60 degrees Celsius is required instead of the usual 100 for the dyeing, scouring-bleaching and soaping processes. The dyes used allow consumption of less energy as well.

The wicking finishing process converts hydrophobic fabrics (such as polyester) to hydrophilic. Hydrophilic products intake water much better than hydrophobic ones and thus enable optimum consumption of water. It also reduces weight loss of fabric during processing: which allows better hand-feel and increased fabric strength.

Features

- **Low temperature dyeing**
- **Energy saving dyes**
- **Moisture management**

DBL Idea Club

DBL encourages ideas from any employee or worker, regardless of their designation. Their efforts are recognized through a monthly recognition system: the "Employee of the Month". In 2015, a yearly recognition system was launched as well, named the "Employee of the Year". The program has been inaugurated in the knitting section and has been replicated for other units too. This encourages employees to work at their full potential and gives them a feeling of fairness as every employee has an equal shot at obtaining this reward. Some of the ideas have been stated below.

270

kg extra production

Ms. Mamotaj Begum
Operator, Spinning

She proposed starting a new ring machine 10 to 15 minutes earlier than others. This enabled an increased production of 4-5 kg per lot. Lots are changed twice a day. Henceforth, the monthly production went up by 270 kg.

18

additional batches

Mr. Md. Sumon Miah
Senior Operator, Fabric Dyeing

He dyed a black color batch from an order in 7.5 hours after receiving a recommendation by the senior management. Previously it took 9 hours. In terms of time, 4.5 hours have been saved every day (3 batches) and a total of 135 hours every month. The company can now process an additional 18 batches of the same order which amounts to a total of \$13,816.

4.5

hours saved per day

Mr. Md. Zahidul Islam
Helper, Garments Washing

The drying time of a particular style for one of the buyers after wave dyeing in finishing process was 80 minutes. He minimized it to 65 minutes by applying his own creativity. He cleaned up the dryer dust box in the middle of the process period and he got proper heating and drying quicker than the previous time frame. He saved 15 minutes in the dryer cycle time for each batch. Converting this for one day with 18 batches, the total time saved was 4.5 hours.

DBL Quality Control (QC) Circles

The Quality Control (QC) Circles promote employee engagement in workplace decision making. The bottom-up approach to quality empowers employees and workers to make effective decisions which influence production directly. Each of the different operations has their own QC Circles. These teams have participated and won awards in both national and international QC Circle competitions. One such example is included below.

84

QC Circles in different
business units

Reducing fabric cutting/holes/split

The team “JAGGROTO”, which means “Awakened”, was from one of DBL Group’s fabric finishing units. This team focused on reducing the cutting/holes/split from 15% to 5% in one month. “JAGGROTO” analyzed and found out that the problem was due to lack of knowledge of the workers and absence of an effective guidance to cut the fabrics. Lack of awareness and supervision were found to be considered as well. To counter the problems, the team:

- ✓ Set up the Standard Operating Procedure (SOP) in appropriate areas
- ✓ Developed awareness through counseling, training, and maintaining registers where the fabrics were being cut
- ✓ Counseling the operators and floor in-charges and declaring incentives for best performers.

In less than a month, the production went up by 5,012 kg per month and the problems of fabric due to the holes being present went down by 70%. The net savings per year amounted to US\$ 507,636.



Innovation in Yarn Production

Our Spinning Mill makes use of different processes that reduce the consumption of cotton. Recycled textile materials are used instead of raw cotton. The Coarse yarns used to produce fabrics reduce the consumption of raw materials by up to 60%, as wastage is used instead of raw cotton. Up to 30% recycled material can be used with virgin fiber to produce ornamented products known as Neppy yarns. Different colored neps are visible in the yarn body and this works as ornamentation on the fabric surface. Mixing of spinning waste produces Snow yarns, which create a snow effect in the finished fabrics which takes place in the new fashion trade.

The Spinning Mill now targets to have 20% of total production made from these recycled products.

Special Certifications

ORGANIC COTTON:

It is an initiative to reduce the negative impact on the environment and consumers. Organic cotton is imported from India to process organic yarn.

BETTER COTTON INITIATIVE:

The program has been adopted to support the global standards for Better Cotton and to promote our commitment to make global cotton production better for the producers, environment and the sector.

OEKO-TEX STANDARD 100:

For our Spinning, Dyeing, Printing and Garments processes, we follow the Restricted Substances List (RSL) specified by Product Class 1 of the Oeko-Tex Standard 100 certificate.

GLOBAL ORGANIC TEXTILE STANDARD (GOTS):

The GOTS certification is a worldwide leading textile processing standard for organic fibers. This includes ecological and social criteria, backed up by independent certification of the entire textile supply chain.



Mini Fire Brigade

The Mini Fire Brigade is DBL Group's first public-private partnership, which is in collaboration with GIZ (through the German Cooperation) and the Bangladesh Fire Service and Civil Defence (BFSCD). The objective of the Mini Fire Brigade rapid response and risk reduction unit is to prevent fire in the industrial buildings around Kashimpur, Gazipur area. The unit is located outside the Jinnat Complex of DBL Group which will also serve other factories in the Kashimpur-Konabari industrial cluster.

The foundation stone was laid on 7 October 2015 by H.E. Dr. Gerd Müller, Honorable Federal Minister for Economic Cooperation and Development, Germany, and H.E. Mr. Tofail Ahmed, Honorable Minister of Commerce, Government of Bangladesh.

DBL Group is providing land, a suitable construction for the Mini Fire Brigade and volunteers. The Bangladesh Fire Service and Civil Defense will undertake the initiative to organize training for volunteer firefighters and provide infrastructure support. GIZ will facilitate the procurement of fire-fighting equipment. The facility will be staffed 24 hours a day with a target to respond within the first critical 10-15 minutes to both industrial fire and building collapse.



Community Education Support

As part of endorsing the need for SDG-4: Quality Education in Bangladesh, DBL Group has been involved with multiple initiatives. A four-storied building has been constructed by DBL for Hatimara School and College. Computers with audio-visual systems were installed to equip the college auditorium with latest classroom facilities. The building can accommodate about 1,000 students.

DBL also donated 100 sets of benches to Sardagonj Government Primary School to accommodate 300 students. A renovation of an existing building in the school has also been done to further facilitate the students.

100

sets of benches
donated

Community Knowledge Exchange Program

In collaboration with CARE, Community Knowledge Exchange Programs are being held in Kashimpur, Gazipur, where four facilities of DBL are located. These programs focus on empowering women through financial literacy such as family budget, savings, mobile banking, etc.; and personal hygiene for women including the use of sanitary napkins and Sexual and Reproductive Health Rights (SRHR). In the first two phases, more than 60 participants took part, 50% of whom were women.

Topics include:

- ✓ Financial literacy
- ✓ Personal hygiene
- ✓ SRHR

Community Health Program

In order to further focus on SDG-3, Good Health and Well-Being, a Community Health Development Program was held at the Kashimpur community on 30 May 2016. Children, women, men, and the elderly of the community visited to take the free treatment. More than 50 people received free prescriptions.

50+

free prescriptions
provided



Partnership for Cleaner Textiles (PaCT)

A program by the International Finance Corporation (IFC) of the World Bank Group, PaCT is a holistic program supporting textile wet processing factories to adapt to cleaner production. It engages with brands, government, communities, financial institutions and other stakeholders in bringing about systemic, positive environmental change for the Bangladesh textile sector, the workers and the communities of operations. The program contributed to water, gas, electricity, steam, dyes/chemicals and carbon emission consumption reduction.

1.2
billion liters of water
saved in 2015

Zero Discharge of Hazardous Chemicals (ZDHC)

In 2011, a group of major apparel brands and retailers made a collective commitment to help lead the industry towards zero discharge of hazardous chemicals by 2020. Brands involved in this project are H&M, Esprit, G-Star and Puma. A "Joint Roadmap" was published in November 2011 which demonstrates the group's collaborative efforts in leading the apparel and footwear industry towards ZDHC for all products across all pathways by 2020.

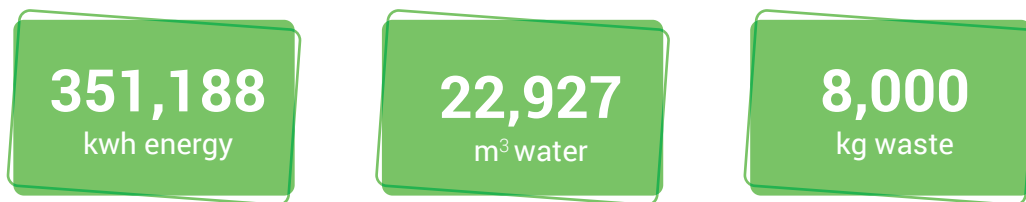
Bio Gas Generation

In collaboration with GIZ, a bio gas generation plant has been set up in the Jinnat Complex, where the knitting and garments operations take place. Cattle excrement is used to provide as source of the gas and is currently being used as a source of fuel in cooking. With an initial investment of BDT 485,000, a return of about BDT 600,000 is obtained per year.



Sustainable Action and Vision for a better Environment (SAVE)

A project by Puma and co-financed by DEG with support from H&M and ASSIST, SAVE is aimed at reducing carbon emission, energy consumption, waste and water consumption by 25% by 2015 keeping 2011 as the baseline. A number of recommendations were implemented in the garments unit Jinnat Knitwears Ltd. based on an onsite assessment performed in November of 2014. These recommendations have immediate, short-term or long-term payback periods and were implemented throughout 2015. DBL received the recognition for having the “Best Management System” during the event closing in January 2016.



Savings from SAVE

Clean Energy Solutions

In collaboration with IFC, a study has been done to identify the feasibility of making use of Solar Photovoltaic (PV) cells. These cells will be on the roof-tops of production buildings as well as ground mounted. The study assessed the technical and financial feasibility of investing in Solar PV.

3E

The Energy Efficiency Engagement (3E) Program is implemented by the Nordic Chamber of Commerce and Industry in Bangladesh (NCCI) and funded by the Danish International Development Cooperation (DANIDA). The overall goal of this program is to reduce carbon emissions and decrease costs related to industrial energy consumption. This is achieved by offering companies the opportunity to have energy assessment of their production facilities. Three of DBL Group's facilities have gone through the assessment and reports have been provided for the respective implementation procedures.

Chapter 3



CORPORATE GOVERNANCE

“The way a team plays as a whole determines its success. You may have the greatest bunch of individual stars in the world, but if they don't play together, the club won't be worth a dime.”

Babe Ruth

The highest governing body in DBL Group is the Board of Directors. Our current Board consists of four Directors and one Advisor. The Vice Chairman is also a director of the BGMEA.

The company has defined guidelines and established framework for the board meetings and other proceedings. These guidelines help decision-making processes of the board members in a systematic, informed and efficient manner.

The Board evaluates:

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

DBL Group's senior management personnel are chosen by the Board of Directors because of their vast experiences, immense knowledge, fascinating competence, cross industry exposure, local and overseas footage, and well accepted market reputation. This cohesive team wants to make a difference, develop and inspire others, drive innovative ideas and deliver results, and live with DBL Group's values.

Virtually all of our senior management personnel are Bangladeshis, with a small proportion (less than 1%) from other nations. Our operations are currently in Dhaka and Gazipur. We take these two areas into account when we define 'significant areas of operation'. The term 'local' usually refers to our areas of operation as well. In this regard, all of our senior management is based in Dhaka and Gazipur.

The distinguished Board is cultivating a sustainable work culture through them. DBL credits its strength and sustain to a consistent approach in managing the business and to the constant growth of its people to the senior management team.

DBL Group adheres to the definition of Corporate Governance of the International Finance Corporation (IFC): a set of structures and processes for the direction and control of companies, which involves a set of relationships between the company's shareholders, board and executive bodies with the purpose of creating long term shareholder value.

DBL views corporate governance as a means to:

- **Improve operational efficiency**
- **Attract financing at a lower cost**
- **Build a better reputation.**

DBL Group also considers a sound system of corporate governance as an important contribution to the rule of law in Bangladesh and an important determinant of the role of the company in a modern economy and society.

Through implementing the recommendations by IFC, DBL Group aims at bringing its corporate governance framework up to the best international practices and standards to the extent possible. This is critical to DBL Group given the company's expected growth. The desire to attract new investors will heavily rely on the existence of a concrete corporate governance system.

DBL Group intends to establish a sound corporate governance system which will facilitate the organization to attain:

- **Better access to external capital**
- **Lower financing costs**
- **Higher credit ratings**
- **Strong investor confidence**

Family Business Governance is an important issue for DBL Group since it is a family owned business comprising of family members vested with significant decision-making authority. The company is investing its time and effort on implementing Corporate Governance and Family Business Governance for the greater good of the company and a sustainable business.

Compliance

DBL Group's Corporate Governance framework is based on Bangladesh legislation as well as internationally recognized best practices and principles, such as the OECD Principles of Corporate Governance. The company's corporate governance framework is based on accountability, fairness, transparency and responsibility.



General Governance Structure

The company has the following governing and other bodies:

- ✓ General Assembly: Allows the shareholders to participate in the governance of the company
- ✓ The Board: Responsible for the strategic direction of the company, and the guidance and oversight of management
- ✓ CEO: Assigned the task of the day-to-day management of the company, and carrying out strategy as approved by the board.
- ✓ Company Secretary: Ensures that the governing bodies follow internal rules and external regulations in order to facilitate clear communications between the governing bodies, and acts as an adviser to directors and senior executives
- ✓ Internal Auditor: Develops and monitors internal control procedures for the business operations of the company.
- ✓ Structure and Committees: DBL Group has established the following Board Committees:
 - The Audit Committee
 - The Remuneration Committee
 - The Nominations and Corporate Governance Committee
 - Other committees deemed necessary by the Board

- ✓ The Board's Audit Committee: The audit committee focuses on three key areas: financial reporting, risk management, and internal - external audit (legal compliance and risk management).
- ✓ Risk Management: The company places great importance on risk management and it is the board of directors that is tasked with ensuring that appropriate risk management systems are established.
- ✓ Internal Auditor: The internal auditor (or office of the internal auditor) is responsible for the daily internal control of the company's finances and operations.



- ✓ External Auditor: An external auditor audits the company's financial statements.
- ✓ Disclosure: DBL's current disclosures through its website are adequate for a non-listed private company in Bangladesh. Matin Spinning Mills, a concern of DBLGroup is enlisted with the Dhaka Stock Exchange (DSEX) and the Chittagong Stock Exchange (CSE) and is available for public trading. A stock enlisted company needs to comply with regulatory requirements for disclosure and the company is ensuring essential disclosures of the concern thorough Annual Report and website.



Chapter 4



ECONOMIC PERFORMANCE

**“Economic growth doesn't mean anything
if it leaves people out.”**

Jack Kemp

Bangladesh is the second largest supplier of readymade garments (RMG) in the world after China. The industry contributed to over 82% of total exports of the country in 2015-16 and hence the significance of the industry is not to be ignored. A quick summary of the exports has been reported below, as reported by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Export Promotion Bureau (EPB)¹.

Bangladesh RMG export (in million US\$) in 2015-16:

Woven	14,738.74
+ Knit	13,355.42
<hr/>	
Total	28,094.16

10.21%
more exports
than 2014-15

82.01%
of total exports
of Bangladesh

The BGMEA also reports that the RMG industry currently creates employment for over 4 million workers. Thereby, for employment generation and hence moving towards SDG-1 (No Poverty), the significance of this industry is again apparent. A report from the World Bank² states that the same. The World Bank reports that a 1% growth in apparel output will contribute to 0.3% to 0.4% increase in employment in Bangladesh. The sector's contribution to the employment, especially in the South Asian countries, is greater than that for other industries. In addition, World Bank also reports that a 10% increase in the prices quoted by China to the United States alone will lead to an increase

of more than 4% employment each for male and female.

Bangladesh's population has appeared to be the blessing for Bangladesh as it is the driving force behind the success of the RMG industry. The demographic profile of Bangladesh's population has helped the apparel industry to thrive. The vibrant and young population of this country is the major strength of our RMG industry.

Our duty-free access to the world market is another big advantage over other competitors. As a developing country, we have duty-free market access to most of the

¹ <http://bgmea.com.bd/home/pages/TradeInformation>, Accessed 29 Nov 2016

² <https://openknowledge.worldbank.org/bitstream/handle/10986/23961/9781464808135.pdf?sequence=2&isAllowed=y>, Accessed 22 Nov 2016

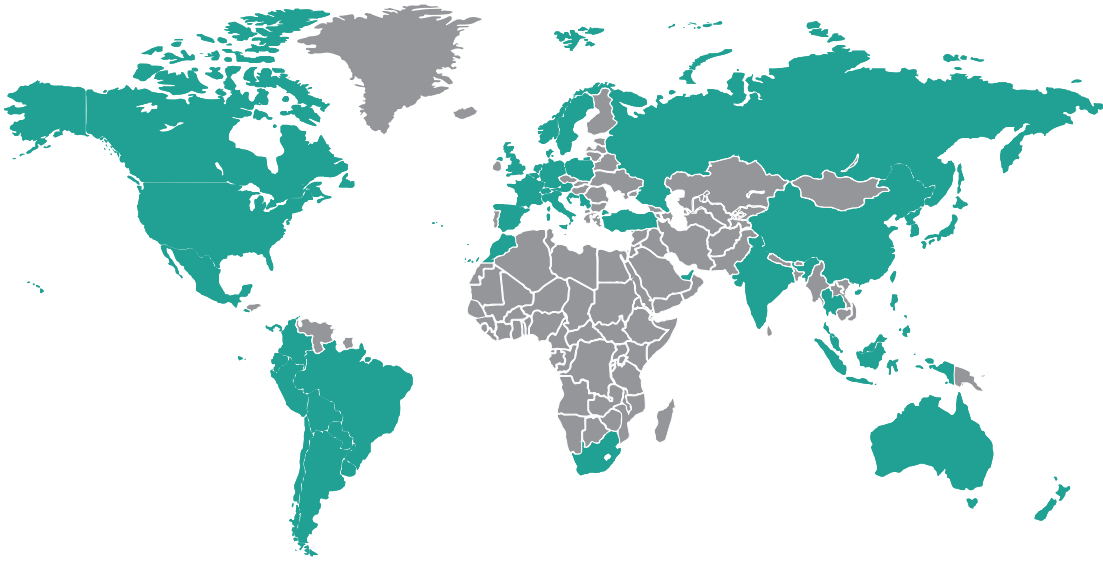
developed countries. This trade privilege also helps us offer competitive price. The buyers also give priority to Bangladesh as we have been able to earn their confidence on timely delivery of ordered products of desired quality at very competitive price. This is one of the major reasons why global brands are choosing Bangladesh.

While industrial specialization was taking place, our RMG sector felt the need for strong support of backward linkages to reduce dependence on imported immediate materials like yarn and fabric. Companies with strong backward linkage is also reducing dependency on external suppliers for processes which have made us self-sustainable.

DBL's approach

DBL Group strongly believes in a sustainable growth which diminishes the unfavorable impacts on its surrounding. This is reflected in the company's economic performance which has consistently got better every year. The organizational responsibility for the economic performance lies with the Finance Department. Annual statutory audit is carried out by third party in line with the country's regulation and financial performance is assessed and reported after approval by the Board of Directors.





73,972,211
PIECES EXPORTED IN 2015-16

29.70%
MORE EXPORTS THAN 2014-15

EUROPE	AFRICA	ASIA & OCEANIA	NORTH AMERICA	SOUTH AMERICA
AUSTRIA BELGIUM CROATIA DENMARK FRANCE GERMANY GREECE ITALY NETHERLANDS NORWAY POLAND RUSSIA SERBIA SPAIN SWEDEN TURKEY UK	MOROCCO SOUTH AFRICA	AUSTRALIA CHINA HONG KONG INDIA INDONESIA JAPAN MALAYSIA NEW ZEALAND PHILLIPPINES SINGAPORE SOUTH KOREA TAIWAN THAILAND UAE	CANADA EL SALVADOR MEXICO USA	ARGENTINA BOLIVIA BRAZIL CHILE ECUADOR PANAMA PARAGUAY PERU URUGUAY VENZUELA

Economic summary of DBL Group: 2015-16 & 2014-15

All amounts in million US\$ (USD 1 = 78.45 BDT)

	2015-16	2014-15
Export amount	205.49	168.64
Revenue (gross)	362.75	318.51
Other income	4.01	5.77
Direct economic value generated	366.76	324.28
Operating costs	237.47	219.58
Employee wages and benefits	48.12	37.41
Payments to providers of capital	11.49	9.90
Payments to government	13.42	16.17
Community investments	0.60	0.28
Economic value distributed	311.10	283.34
Economic value retained (direct economic value generated less economic value distributed)	55.66	40.94

TAX RATES		
	2015-16	2014-15
Garments	20%	35%
Textiles	15%	15%
Corporate	35%	35%

Entry level wage

DBL Group always abides by the minimum wage as set by the government when recruiting. The levels of wages are a common standard for the industry regardless of gender or area of operation: this is constant throughout Bangladesh. Each worker is recruited in one of seven grades (apart from trainees). For grades, higher than the lowest one, DBL pays at a premium rate than the minimum as experience is taken into account in these cases – the lowest grade usually comprises of people with little or no prior experience. The surplus amount depends on the amount of prior experience the recruit has.

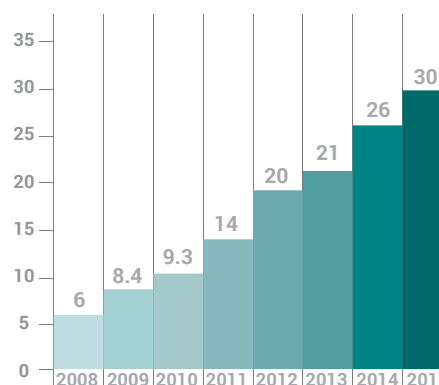
Economic impacts

Apart from the machinery used in the different operations, DBL procures all other products and services from Dhaka.

When DBL began its operations in Kashimpur (Gazipur), the entire area/locale was undeveloped. The progression was escalated by industries and the locality has gone through a significant transformation. Popular local branded shops and local and global branded products are now available in the community.

DBL makes an assumption: 70% of a worker's earnings are spent on rent, children education and household items for their daily needs. Based on this, the graph on the right shows the improvement throughout the years and the contribution of DBL to the improvement of the local economy.

USD Million



The Bandhan Fair Price Shop of DBL Group plays an important role towards the positive contribution through its product lines. Premium brands such as GlaxoSmithKline, Unilever, etc. are available for the workers at prices which are more affordable to them: hence they now have access to better quality as well as healthier products.

DBL Group has also contributed to the economy through the following ways:

- ✓ Providing access to medicine at manufacturer's price for workers and their families
- ✓ Contribution to educational institutions in the community
- ✓ Conducting surveys to understand the needs of the community
- ✓ Providing assistance to various hospitals



Matin Spinning Mills Limited secured the first position as the Best Corporate in the Textile/Garments sector in the ICMAB Best Corporate Award 2015

DBL Group has been awarded the 6th HSBC Export Excellence Awards under the category 'A' for having exports over USD 50 Million in 'Garment and Textile'



Matin Spinning Mills Limited has received Gold Award in the Textiles & RMG Companies category at the 3rd ICSB National Award 2015



DBL Group received Sustainability Award 2015 in the H&M Knitwear Supplier Day event



DBL Group's concerns received awards as Sustainable Performer on Waste Water Management – 2016 in the Supplier's Day event of Decathlon



Matin Spinning Mills Limited received "Spinner of the Year 2015" and "International Textile Firm of the Year 2015" from the World Textile Awards



DBL Group's concerns received awards as Best Sustainable Performer on Human Responsibility in Production – 2016 in the Supplier's Day event of Decathlon



DBL Group has won one Gold and two Silver awards in the International Convention on Quality Control Circles (ICQCC) 2016 held in Bangkok, Thailand

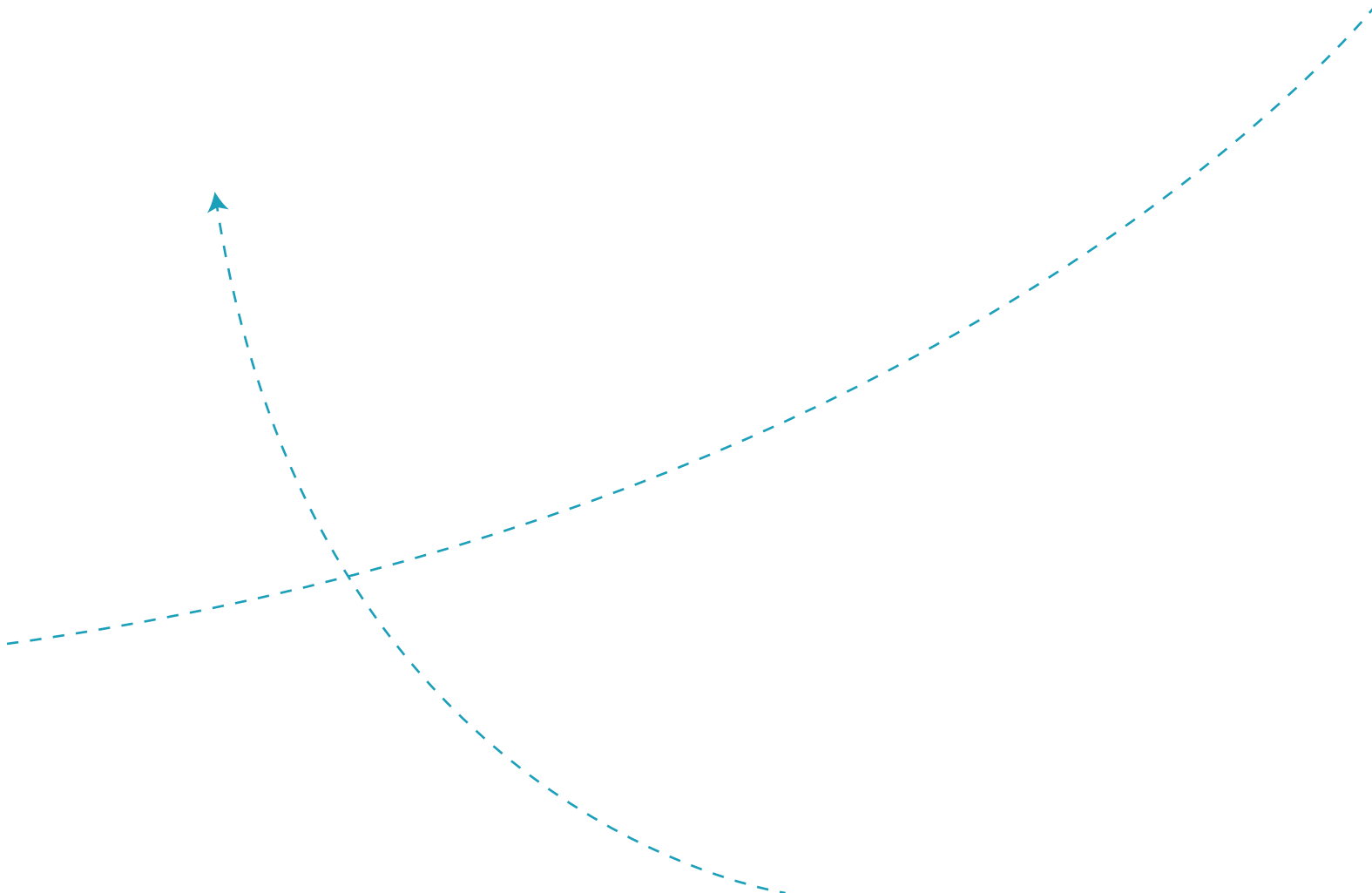
Chapter 5



ENVIRONMENTAL PRACTICES

"No water, no life. No blue, no green."

Sylvia Earle



DBL management is committed to manage and protect environment as an integral part of its business. The company prefers to run its businesses in a responsible, environmentally sound and sustainable manner by implementing effective environmental policy and procedures in all the factories. A number of sustainability projects relating to environmental management system have been implemented.

Environment Management Approach

To reduce environmental footprint, DBL Group has formed an Environmental Management System (EMS) team of five members. Standard environmental policy and Environmental Health and Safety (EHS) policy have been formulated which addresses management of:

- Waste
- Energy
- Wastewater
- Noise pollution
- Water use
- Greenhouse gas (GHG)
- Ozone depleting substances (ODS), etc.

These guiding activities help us address environmental challenges such as biodiversity conservation. These are given priority to ensure environmental responsibilities and continual improvement to reduce environmental impacts. As minimization of pollution is addressed, the organization can ensure sustainability of the environment as an integral part of the business.

Awareness Training on Environment

Environment awareness trainings are conducted every month for all employees relating to more general issues as well as on the production processes. All new employees, irrespective of their levels, are briefed about EHS and environmental related aspects of the organization during their induction process. Employees are also made to undergo specific training with respect to the nature of their work. Need identification for this is done by the respective heads of departments for sending staff across for internal as well as external trainings.

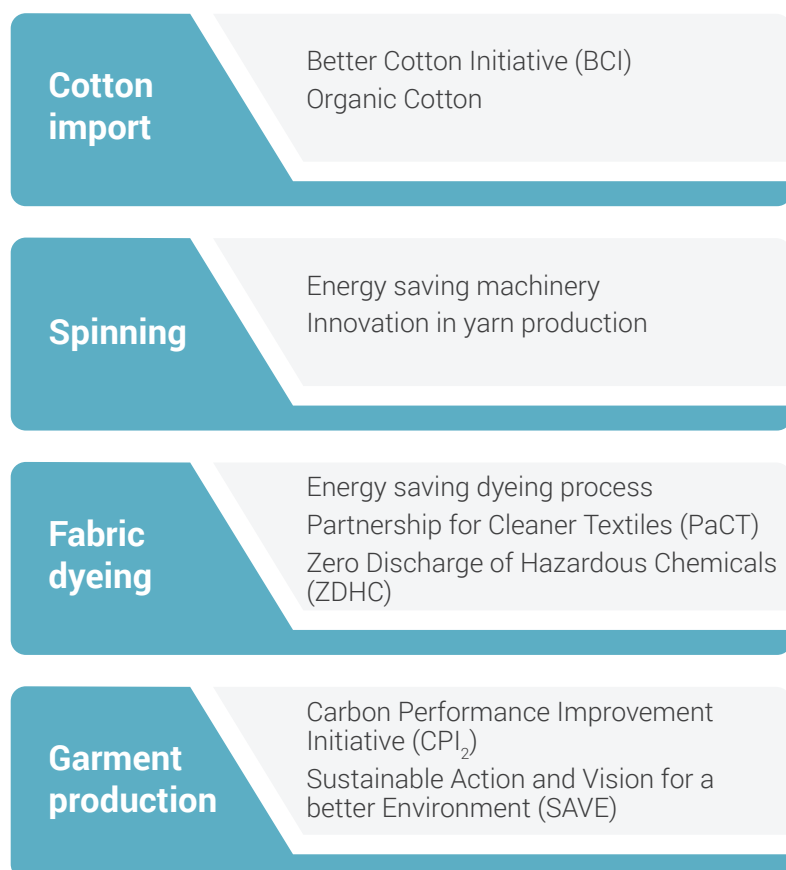
Monitoring and Follow-up of Environmental Practices

The EMS team carries out internal audits based on legal requirement and buyers' standards to review the environmental aspects. External (third party) audits are also involved to assess important aspects such as stack and ambient air emission test, noise test, Environmental Impact Assessment (EIA), etc. The different issues are addressed without delay: monthly meetings are also conducted to tend to the remaining issues. The EMS and EHS committees in each unit are also involved to implement the environmental practices.

Environmental Certifications

Certification	Processes
Environmental Clearance Certificate (ECC)	Spinning, fabric dyeing, all-over printing, screen printing and packaging
Oeko-Tex Standard 100	Spinning, fabric dyeing, all-over printing, garments and screen printing
Global Organic Textile Standard (GOTS)	Spinning, fabric dyeing, all-over printing, garments and screen printing
Organic Content Standard (OCS-IN)	Garments
ISO 14001	Fabric dyeing and all-over printing

Environmental initiatives in different business operations



Depending on the different production processes, different raw materials are used. The primary raw materials for the different production processes are shown below.

Process	Input material(s)	Output from process
Cotton spinning	Raw cotton	Yarns
Fabric knitting	Yarns	Fabrics
Fabric dyeing and finishing	Fabrics, dyes and chemicals	Dyed fabrics
All-over printing	Fabrics, dyes and chemicals	Printed fabrics
Garments manufacturing	Fabrics, accessories	Finished garments
Garments printing	Finished garments, dyes and chemicals	Printed garments
Garments washing	Finished garments	Washed garments
Corrugated carton	Cardboard paper	Cartons

All input materials are weighed and tracked to control unwanted wastage. Different systems such as Lean Manufacturing, Kaizen and 5S are included to make proper use of materials thereby reducing waste. Electronic tabs are used for data input with in-house developed software and hence moving a step closer to paperless systems.

External assessments by government and private organizations are made on noise and air pollutions and the quality of wastewater before discharging. DBL performs its own assessments as well. All recommendations are implemented in order to reduce impact on the environment.

Materials used by weight or volume

Materials	Unit	Amount
Chemicals	Kg	5,728,068
Cotton	Kg	10,198,282
Cut-panel	Pieces	26,158,893
Dyes	Kg	805,029
Fabric	Kg	48,648,352
Cardboard paper	Kg	7,411,643

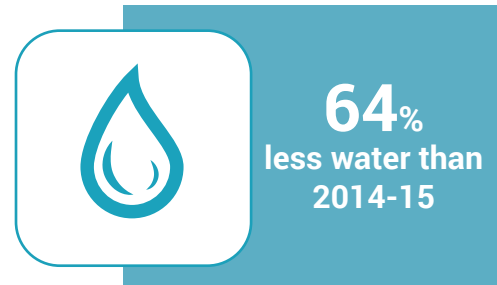


15%
less dyes than
2014-15

DBL Group continuously tracks the water consumption by using water flow meter in the factories and takes initiatives to reduce the consumption.

Water withdrawal for different facilities

Type of water	Unit	2015-16
Groundwater	m ³	2,077,470



Some initiatives to reduce water consumption

Efficient machineries

We have installed state-of-the-art dyeing machines that consume 50% less water in comparison to the average dyeing machines. This in turn has a direct effect on the receding water table and energy consumption.

Reduced water consumption

Water consumption in the fabric dyeing process has been reduced from 120 liters per kg of fabric to 55 liters per kg. Less water means consumption of less dyes, chemicals, steam and electricity and reduction in waste water discharge. As such the environmental impact is reduced and production cost is also lowered.

Other water saving practices



- ✓ Repair leaking taps and educate staff to turn off after use
- ✓ Replace water taps without aerators by taps with aerators
- ✓ Replace single flush cisterns with dual flush
- ✓ Begin rain water harvesting
- ✓ Boiler hot water reuse

Energy is an essential point of the industrial sector to achieve sustainability as it is directly related to financial matters and global climate change. Energy consumption within the organization is monitored and tracked to reduce wastage of the energy. The following steps are currently implemented to reduce energy consumption:

- ✓ Preparation of energy management policy
- ✓ Collecting consumption of water, steam, diesel, gas and electricity along with monthly production
- ✓ Benchmarking and regulating energy consumption in consultation with the production team by doing process re-engineering and innovations
- ✓ Reducing carbon emission
- ✓ Reducing diesel consumption in generators by 10%
- ✓ Taking initiative to reduce energy consumption by choosing alternative sources of non-renewable resources
- ✓ Training employees on energy and environmental aspects within the industry

DBL currently makes use of non-renewable energy sources for its operations. In 2015-16, 10,861,313 liters of diesel and 40,972,573 cubic meters of natural gas has been used. For transportation, 1,819,394 cubic meters of CNG, 1,887,658 liters of diesel and 338,222 liters of octane has been used.

Some initiatives to reduce energy consumption

Natural water cooling pads

We are using natural water cooling pads in our production floors. One side of the production floor has cooling pads through which water flows continuously while the other side has blower fans which “pull” and circulate the generated cool air on the floor. The room temperature for the workers is comparatively lower than the cooling done by ceiling fans. The need for installing hundreds of ceiling fans has been abandoned and energy consumption has been greatly reduced. Workplace comfort has also increased significantly.

Servo motors

We are using sewing machines with energy efficient servo motors instead of the traditional clutch motors in the sewing lines. Servo motors consume electricity only when the machine needle is active whereas the clutch motor consumes electricity even on standby mode. The clutch motors are replaced as soon as the machines are out of order.

Energy efficient machineries

High end energy efficient capital machineries from Europe, USA and Japan are used in our production processes. These world class machineries have greatly reduced the energy consumption for different production processes by 15%. Some of the features of our energy efficient and environment friendly machines are as follows:

- ✓ The dyeing machines have individual heat recovery unit resulting in lower power consumption and energy saving by 15%
- ✓ Water consumption saving of 20% compared to normal dyeing machines
- ✓ Reduction in consumption of dyes, chemical and steam due to less water consumption
- ✓ Heat recovery from Captive Power Plant is providing energy saving of about 15%

Other energy saving practices



- ✓ Reducing light intensity in certain areas
- ✓ Switching off unnecessary lights during day time
- ✓ Replacing T8 lights with the more efficient T5 lights and LEDs
- ✓ Recovering steam condensates
- ✓ Purchasing Variable Frequency Drive (VFD) in built air compressor
- ✓ Regular maintenance

Emissions

Greenhouse gas (GHG) emissions within organization (Calculated using IFC & GHG protocol Guidelines)

GHGs	Facilities	Unit	2015-16
CO ₂	Stitching	Ton	112,528

Greenhouse gas (GHG) emissions within organization by transportation services (Calculated using IFC & GHG protocol Guidelines)

Fuel Type	Unit	2015-16
CNG	Ton	3,405
Diesel	Ton	5,052
Octane	Ton	768

GHGs are related with energy production and reducing energy consumption helps with reduction of GHGs, thus contributing to minimization of climate effects.

To ensure effective monitoring and minimizing of energy consumption and GHG emission, the following tasks are done:

- ✓ Maintaining an energy use inventory (e.g. energy consumption data such as gas bill, electricity bill and fuel use in vehicle)
- ✓ Checking electricity lines, gas lines, oil tankers and generator connections.
- ✓ Maintaining GHG emission inventory including direct and indirect energy consumption.

Biodiversity management

In overall, DBL has a total operational area of 488,699 km². Environmental impact assessment is done for every facility and preventive actions are taken against the possible impact. This assessment takes the following into consideration:

- ✓ Noise pollution management
- ✓ Air emissions management
- ✓ Greenhouse gas emissions monitoring and energy management
- ✓ Safe disposal of waste materials from production process
- ✓ Biodiversity conservation

Effluents

DBL Group currently has two Effluent Treatment Plants (ETPs). The first one with the capacity of 4,000 m³ was taken as a benchmark by the Department of Environment (DoE) of the government of Bangladesh. To meet the extended capacity of the dyeing process, a second ETP of 7,500 m³ was constructed and went into operation in November 2014. The cumulative total of 11,500 m³ is currently among the largest ETPs in the country that is under a single factory complex.

Effluent quantity

ETP	Unit	2015-16
Cumulative	m ³	2,402,878



All wastages are tracked and monitored regularly. Non-hazardous and hazardous are given to government authorized waste collectors for proper disposal.

Different types of wastes have different ways of disposal. Before disposing any waste, they have to be categorized according to their characteristics. In general, they may be categorized as hazardous and non-hazardous.

Category wise list of wastes in different sections

Section / Area	Types of Waste	
	Non-hazardous	Hazardous
Cutting	Cotton fabric, paper, carton, tubes of fabric roll	Synthetic fabric, poly bag, cutter knife, scissors, blade, pp van
Sewing	Cotton fabric, cotton thread, cotton label, paper	Synthetic fabric, synthetic thread, synthetic label, poly, cutter, scissors, needle, plastic cone, button, zipper, rivet
Finishing	Cotton thread, carton	Needle, poly, used gum tape, tag pin, empty bottle of spot lifter
Medical Centre	Gauge, unused cotton	Syringe, synthetic packaging materials of medicine, empty medicine bottle
Canteen	Food substance	Plastic packets, water bottle etc.
Lab Common	Cotton, paper box etc. Wood, paper, etc.	Detergent (liquid and solid) Tube light, electric bulb, oil, electric ware, rubber mat, metal, empty chemical drums

Total weight of waste by type

Waste types	Unit	2015-16
Drums	Pieces	7,065
Hazardous	Kg	319,033
Hazardous	Pieces	9,112
Non-hazardous	Kg	5,268,312
Others	Pieces	1,210

There are 3 separate dustbins clearly labeled set in the medical center for depositing all types of bottle/strips, cotton/bandages and syringes/needles respectively. All concerned staffs are instructed to deposit waste in those specific dustbins.



33%
less non-hazardous
waste 2014-15



Products and services

To mitigate the impacts on the environment, a number of Sustainability programs have been taken by DBL Group. Brief explanations of these programs have been included under Chapter 2 of this report.

Environmental grievance mechanisms

Till now, we have had no grievances about environmental impacts since all of our facilities maintain environmental compliance.



Transportation impact management

The impacts due to transportation are managed in a number of ways including the following:

- ✓ Daily, weekly and monthly maintenance
- ✓ Engine servicing after running every 3,000 km or 3 months: including washing, engine flashing, changing Mobil and air filters, etc.
- ✓ Spark plug checking and replacing
- ✓ Engine valve (inlet and exhaust) clearance checking and adjusting
- ✓ Greasing moveable parts to avoid friction
- ✓ Fuel filter cleaning and replacing
- ✓ Battery water level checking and recharging
- ✓ Gear box and axle gear oil level checking and replacing
- ✓ Avoid air draft using windshield/air reflector
- ✓ Motivating drivers to minimize fuel consumption, avoiding over speed, etc.

Chapter 6



SOCIAL DEVELOPMENT



**“Human Development is the base for
Sustainable Development.”**

Mekelle University, Ethiopia

The starting point of any business would be compliance: if the basic requirements are not fulfilled, adaptability to changes will not be inherent. As an example, if the minimum wages and rights are not provided to workers and employees, the question of living wages and women empowerment will go unfulfilled. In order to ensure the national and international laws, as well as those of buyers (through their codes of conduct), are maintained, DBL Group's Compliance department is divided into two wings: social and environmental.

The social team oversees issues such as timely and proper payment of wages and salaries, employee welfare, fire safety, electrical and building safety, and occupational health and safety (OHS) while the Environmental Management System (EMS) team looks after environmental affairs such as waste management, resource efficiency, carbon emissions, etc. Precautionary approaches are taken by educating workers about national laws, buyers' codes of conduct, health and safety issues, human rights, etc. The policies and compliance levels of DBL Group are reviewed through internal auditors as well as by our buyers and their recognized third party inspection companies.

Our EMS team also facilitates the different environmental sustainability projects in order to assess and reduce environmental risks. The Head of the Compliance department reports all the activities of the team to the Board of Directors.

Compliance audit procedure

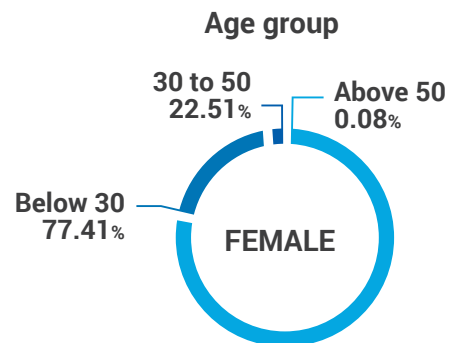
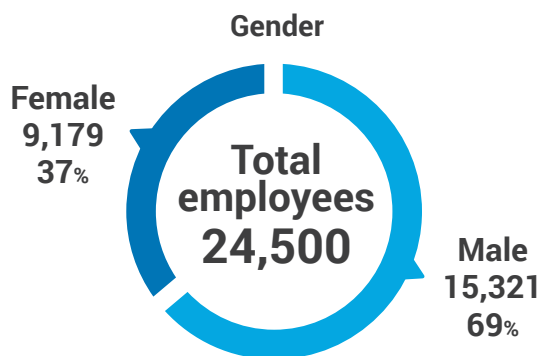


Continuous interaction with other departments is maintained for making corrective actions based on the audits and preparation for future audits. The most recent information on laws and regulations are collected periodically from the different government authorities and buyers and the same is updated and implemented. Any notification issued by the government authority or our buyers is immediately communicated by the Compliance department to all concerned departments for updating and implementation.

Suppliers of DBL are also assessed for labor practices, human rights, as well as societal impacts. The DBL Compliance team conducts supplier assessment through specific standards questionnaire on social and environmental areas based on the DBL Code of Conduct. Before making a business relationship with a supplier, it is compulsory that the supplier abides by our Code.

Organization	Specific standards
International Labour Organization (ILO)	<ul style="list-style-type: none"> • Convention 1 (Working Hours) • Conventions 29 and 105 (Forced and Bonded Labour) • Convention 79 (Young Persons' Night Work) • Convention 87 (Freedom of Association) • Convention 98 (Right to Collective Bargaining) • Conventions 100 and 111 (Equal Remuneration for Male and Female Workers for Work of Equal Value; Discrimination) • Convention 135 (Workers' Representatives) • Conventions 138 and 142 (Minimum Working Age) • Convention 155 and Recommendation 164 (Occupational Safety and Health) • Convention 159 (Vocational Rehabilitation and Employment / Disabled Persons) • Convention 177 (Home Work) • Convention 181 (Private Employment Agencies) • Convention 182 (Worst Forms of Child Labour) • Better Work Bangladesh (along with IFC)
United Nations (UN)	<ul style="list-style-type: none"> • Universal Declaration of Human Rights • Convention on the Rights of Child • Convention to Eliminate all Forms of Discrimination against Women
Others	<ul style="list-style-type: none"> • Business Social Compliance Initiative (BSCI) • Worldwide Responsible Accredited Production (WRAP) • Social Accountability 8000 (SA8000) • Guidance Document for Social Accountability 8000 • International Quality Guidelines for Auditing Companies in the Framework for SA8000 Accreditation • Ethical Trading Initiative (ETI) • International Organization for Standardization (ISO) 9001 • International Organization for Standardization (ISO) 14001 • Social Accountability International (SAI) Guideline (150.1 – 150.8) • Occupational Health and Safety Advisory Services (OHSAS) 18001 • IFC Performance Standards

Employee distribution

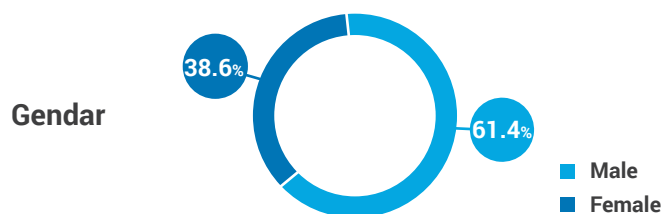
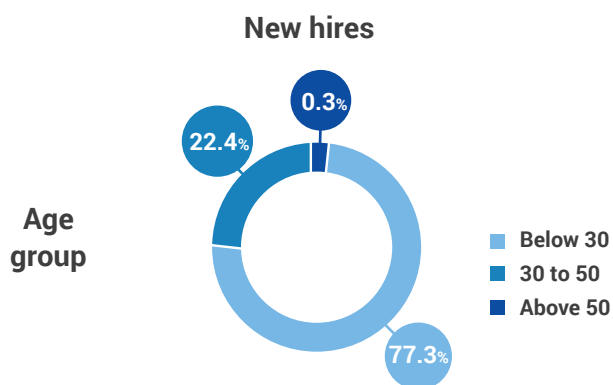
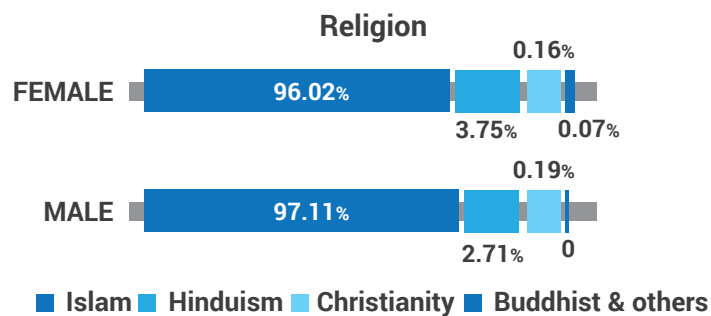
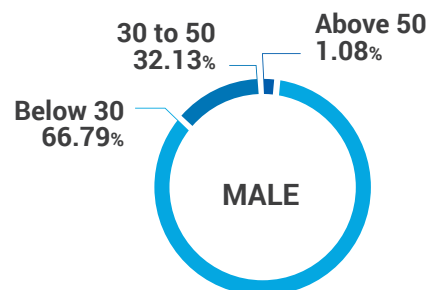


All employees are full-time

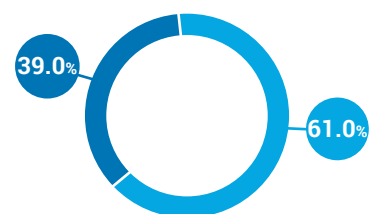
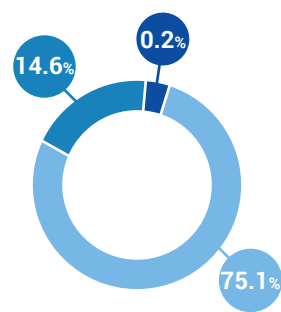
RATIO OF BASIC SALARY

Female : Male

1:1



Employee turnover



Different trainings are provided to DBL employees every month which consist of both generalized and specific trainings. The generalized training topics include induction, working hours, overtime and calculation of wages, the buyers' codes of conducts, personal protective equipment (PPE), occupational health and safety, fire safety, anti-harassment and grievance procedure, material safety data sheet (MSDS) and chemical handling procedure and so on. The specific trainings target mid-level management, workers, chemical handlers and spot removers, loaders, quality inspectors, first aiders, fire fighters, evacuators and rescuers, cleaners, etc.

In 2015-16, the total training hours spent amounted to 61,718, with female and male employees receiving 22,655 hours and 39,063 hours respectively. The average training hours per female employee was 3.10 and male employees was 3.07; the overall average per employee was 3.08.



At DBL, we train our Welfare Officers to exercise grievance procedures very professionally and encourage employees to express their concerns without hesitation through the complaint management system. Workers feel comfortable sharing any concern that they might have with the Welfare Officers. We process grievances both formally and informally. These include:



1 The Suggestion/Grievance Box: Workers can put in their issues in written form and drop them in the boxes. Multiple boxes are placed on each floor: these are checked every week by designated people and the grievances are recorded in a register.



2 The Bandhan Newsletter: Similar to the Suggestion/Grievance Boxes, workers can place their complaints using the monthly published newsletter and drop them off confidentially in the boxes.



3 Verbal complaint: Workers can verbally inform Officers from the Welfare, Compliance, Human Resource (HR), and/or Admin departments or to their Supervisor or Line Chief.



4 During the Workers Participation Committee (WPC) meetings: A concerned worker can express themselves through a WPC member who will put forward the complaint during the meetings.

Grievances of all employees regarding any topic are taken into account by the management. This includes violations of rights of indigenous people. In 2015-16, there were no incidents reported where the rights of such people were violated either through formal grievance mechanisms or through informal ones. DBL Group's grievance procedure addresses labor practice issues as well as human rights and societal topics. In overall, 2015-16 recorded 143 grievances of which all were addressed and 142 resolved. 3 grievances of 2014-15 were addressed and resolved in this year.

Significant operational changes, such as restructuring, outsourcing of operations, expansions, etc., are communicated with the concerned employees a minimum of 3 months prior to the change in order to keep everyone updated. This also gives sufficient time in order to prepare them accordingly.



DBL Group aims on creating a healthy, environment-friendly and safe workplace and also educating the workforce regarding health and safety issues. A good work environment not only has direct impact on the employees' health but also plays a vital role on the productivity level. Our Health and Safety Management policy and procedure encompass all national and international standards. Dedicated teams are present to oversee the availability and status of the first aid supplies, medical facilities, hygiene facilities, temperature levels, quality of water and food and so on.

All instances of accidents, injuries, and occupational diseases are kept in record in DBL. Each record of an occurrence is categorized into multiple types in order to analyze the specific type of injury and disease.

Occupational diseases are prevalent in the workplace due to the existing surroundings. The presence of dust, heat, chemicals, work stress, posture of working, etc. make rise to

illness such as cough or cold, headaches, back pains, allergies, neck pain, as well as sinusitis. Most of these diseases can be cured or even prevented through the proper use of Personal Protective Equipment (PPE).

A dedicated medical centre is present in the factory complex which manages and treats all kinds of occupational diseases. In addition, the centre also deals with non-occupational but common diseases such as fever, measles, tooth pain, and so on.

Furthermore, in order to aware employees and workers regarding various health issues, awareness programs, meetings, trainings, and workshops are conducted on a regular basis. The topics of these sessions also deal with issues such as personal hygiene, for example washing hands, thereby dealing with a preventive measure for various diseases. Health and safety committees are present in each of the factory complexes: who comprise of 3.43% of the total workforce.

Fire safety is one of the most important issues regarding occupational safety. The Compliance department performs audits to ensure unobstructed evacuation paths, properly designed evacuation maps and lighting present in required areas. To tackle the events of fire, four teams – the fire fighters, the rescue team, the cordon party and the first aiders – are involved.

In 2015-16, a total of 152 non-fatal accidents and injuries were reported while the employees were at work: 116 of them were males and the rest 36 were females. 53 occupational diseases were reported for the male workforce and none for the females. A total of 3,394 lost days were recorded: of them were 1,493 males and 1,901 females.

Risk management

Given the nature of our business, the raw materials and products that we handle and the scale of our operations, our risk management systems are designed to ensure that all our assets are safeguarded and protected against any kind of loss including mankind and property.

In regards to the safety of workers, specific risk analyses are done based on their workplaces. These workplaces include a wide variety of areas within the factories such as the chemical store rooms and the ETP, as well as the zones containing different machines such as the compacting machine and the generator. Pregnant women are also considered under risk management: in order to avoid the risk to the fetuses, they are to be seated when working, allowed leaving early during the lunch breaks and not allowed to work overtime.

Each type of analysis includes the description and consequence of the hazard, the person at risk and the control or preventive measures that can be taken. In addition, hazards are given ratings, calculated by using the frequencies of occurrence and the severity, thereby effectively identifying the risks or hazards to prioritize on.

OHSAS 18001:2007 standard

The Occupational Health and Safety Advisory Services (OHSAS) is an international management system specification for occupational health and safety. Implemented by GIZ, one of DBL Group's dyeing units acquired this certification in April 2016. OHSAS was chosen in order to further reduce illness and incidents through continual improvement, increase awareness about health and safety and establish a health and safety management system within the factory. The multi-department committee formed has enabled multiple benefits including increased hazard awareness, safety culture and reduced risk behavior. DBL is already planning to replicate the standard to other units.

Fire safety



- Fire extinguishers
- Fire blankets
- Stretchers
- Smoke detectors
- Sprinklers
- Fire hose cabinet boxes
- Water drums and buckets
- Fire beaters
- Fire hooks
- Gong bells
- Lock cutters
- Emergency lights
- Safety equipment such as gloves, helmets, gas masks and gumboots

Electrical safety



- Top quality cabling and accessories
- Trained technicians for maintenance
- International safety features for equipment
- Maintenance and risk analysis records

Building safety



- Structural assessments
- Bangladesh National Building Code (BNBC) during construction
- Certification with Architectural and Structural Design Standard
- Scaled as-built drawings

Chemical safety



- Careful assessment of chemicals
- Chemical usage policy
- Material safety data sheet (MSDS)
- Regular trainings

Investment

Significant investment agreements include participation in training, creation and implementation of a new policy or procedure, and other activities that DBL Group undertakes in order to promote labor practices, human rights, societal and environmental concerns, as well as any sustainability issue. DBL has dealt with multiple activities that promote human rights. These are summarized below.

DBL Group has made investment in various training sessions. Two of such programs are the Women in Factories Initiative (WiFI) and Nirapod: Saving Women from unwanted Pregnancy and Unsafe MR. The former program is funded by Walmart and implemented by CARE. The latter program is Phulki's approach in partnership with the Embassy of the Kingdom of the Netherlands.

Further details of these and other programs have been explained under Chapter 2 of this report.

Forced labor

DBL does not use involuntary or forced labor. The Code of Conduct emphasizes that all employees should be working at factory voluntarily and no means should be adopted as a measure which may indirectly result in an employee working forcibly. The freedom of movement of employees is not restricted except for the protection of property and security of factory personnel. Additionally, no employees are recruited on contract basis and an employee may resign from the company by giving one month's notice.

Security practices

All security personnel in DBL are of our own: there are none from third party organizations. Human rights topics are communicated to all security personnel via trainings that take place every month.

Child labor

DBL is not engaged with any form of child labor. At the time of hiring, psychological interviews are done in order to determine the age of the potential employee. In addition, documents as proofs of age are collected from all potential employees and the authenticity of age documents is verified. In the absence of age documents, the potential employee is to be verified and confirmed by the registered doctor available at the factory.

Non-discrimination

DBL employs, pays, promotes and terminates workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. Discrimination on any ground is not allowed. Due to the strength of the practice, there have been no cases of discrimination.

Freedom of association and collective bargaining

DBL recognizes and respects the right of employees to exercise their lawful rights of freedom of association and collective bargaining. No discrimination is done against employees who form or participate in lawful associations or collective bargaining. The presence of the Worker Participation Committee (WPC) allows the workers to freely communicate regarding any issue. In order to ensure these rights are exercised, monthly audits from the Compliance team take place, noting the composition of the committee members, frequency of meetings, topics discussed and so on. DBL management has been able to form a WPC according to the guidelines which is very effective for conveying information to both labor and management and resolving any grievances if present.



Local communities

To minimize the impact on communities, the industries of DBL are situated in remote locations. In addition, DBL is continuously striving to reduce the impacts on the local community. These include the following:

- **Biological Effluent Treatment Plants (ETPs) for improved wastewater quality**
- **Programs such as Zero Discharge of Hazardous Chemicals (ZDHC) to further improve the wastewater quality**
- **Significant water savings to make water available for the community: 1.2 billion liters of water has been saved in 2015 alone which can serve over 14,000 families**

Anti-corruption

DBL has no confirmed incidents of corruption and has not made any financial and in-kind political contributions. In addition, there have been no legal actions for anti-competitive behaviors, anti-trust and monopoly practices. An always compliant organization, DBL did not incur any fines or been involved in non-monetary sanctions for non-compliance with laws and regulations.

The reputation of DBL Group for lawful and responsible business behavior is of prime importance and is one of its greatest assets. DBL Group is committed to the prevention, deterrence and detention of corrupt business practices, fraudulent activities and bribery. DBL Group has zero tolerance toward any unethical business practice. It has strictly enforced policies on anti-corruption, anti-fraud and bribery which apply to all business within the Group. The management seeks to promote the adoption of regulations consistent with the principles set out in the different company policies on anti-corruption.

It is required that all personnel

- ✓ Act honestly and with integrity at all times and to safeguard the company resources for which they are responsible
- ✓ Respect DBL Group customers, suppliers and other parties with whom interaction is made to achieve the objectives by conducting business in an ethical, lawful and professional manner

At DBL, we have an effective compliance program which includes, but is not limited to, the following components:

- ✓ Communication of a code of conduct to employees;
- ✓ Reporting and investigation of allegation of fraud, bribery and other corrupt practices;
- ✓ Appropriate disciplinary procedures for employees who are found to have engaged in such practices; and
- ✓ Monitoring of the effectiveness of such controls

DBL Group and each of its business take the appropriate steps to ensure all its employees and those acting on its behalf:

- ✓ Meet all legal and regulatory requirements governing the lawful and ethical conduct of business
- ✓ Make all employees aware of their personal responsibilities and adhere strictly and at all times to this policy
- ✓ Provide information to all employees and further guidance if they have any question or uncertainty regarding these requirements.

Customer health, safety, and privacy



Created according to brands' Specifications

Restrictions on use of certain substances and methods

Pool testing for button to avoid choking hazard

Fusing process for embroidery to safeguard human skin

DBL respects the privacy of customers and henceforth there has been no complaints regarding breaches of customer privacy and losses of customer data. DBL does not engage itself into incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling. Additionally, there were no incidents of non-compliance with any regulations or codes that deal with marketing communications, including advertising, promotion, and sponsorship. Furthermore, DBL incurred no fines for non-compliance with laws and regulations concerning the provision and use of products and services.

A variety of activities are present in DBL for the welfare of the employees including:

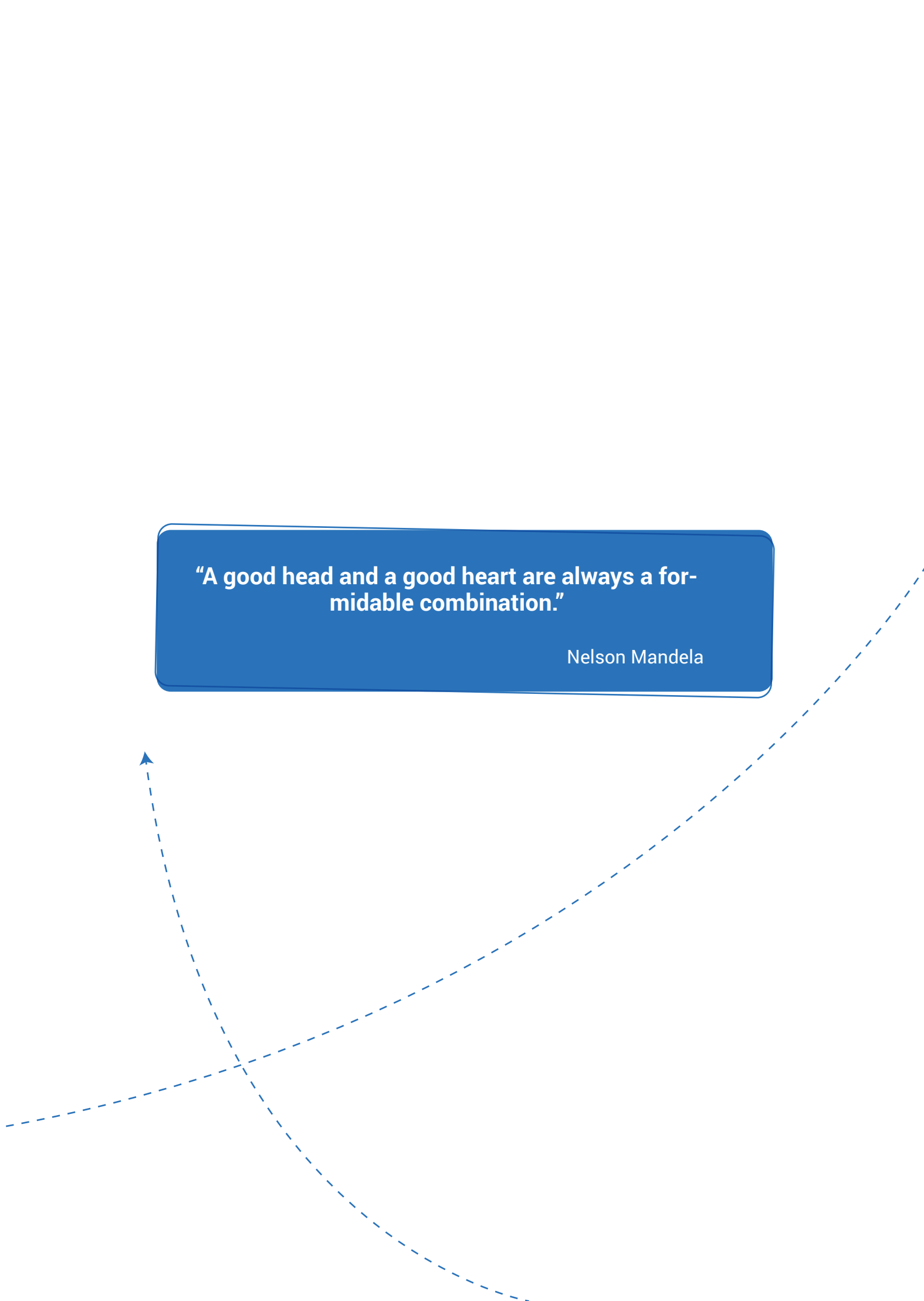
- ✓ Having a fair price shop, Bandhan, which allows employees to have zero-cash transactions and also get to buy on credit with zero interest: the cost is simply adjusted with the monthly salaries of employees
- ✓ In-house day care center with trained professionals
- ✓ In-house medical center with a wide range of tests and even providing outdoor medical services
- ✓ In-house pharmacy providing medicines at fair price even for employees' family members
- ✓ Participating in external sports tournaments such as Corporate Cricket Leagues
- ✓ Organizing in-house sports tournaments such as football and volleyball
- ✓ Promoting culture through the encouragement of music and art competition
- ✓ Special recognition and sponsorship for employee children for excellent academic performance in National Board Examinations
- ✓ Providing career path counselling to workers' children and sponsoring up to two children of each worker
- ✓ Worker-Management Relationship program where personal issues and needs discussed every month through Workers Participation Committee (WPC) meetings
- ✓ Worker Listening Session, a Quality department training to aware present responsibility to trainees and also covers HR policies and fire safety issues



Chapter 7



STAKEHOLDER ENGAGEMENT

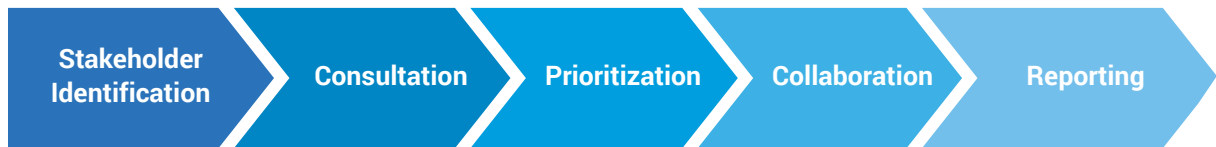


"A good head and a good heart are always a formidable combination."

Nelson Mandela

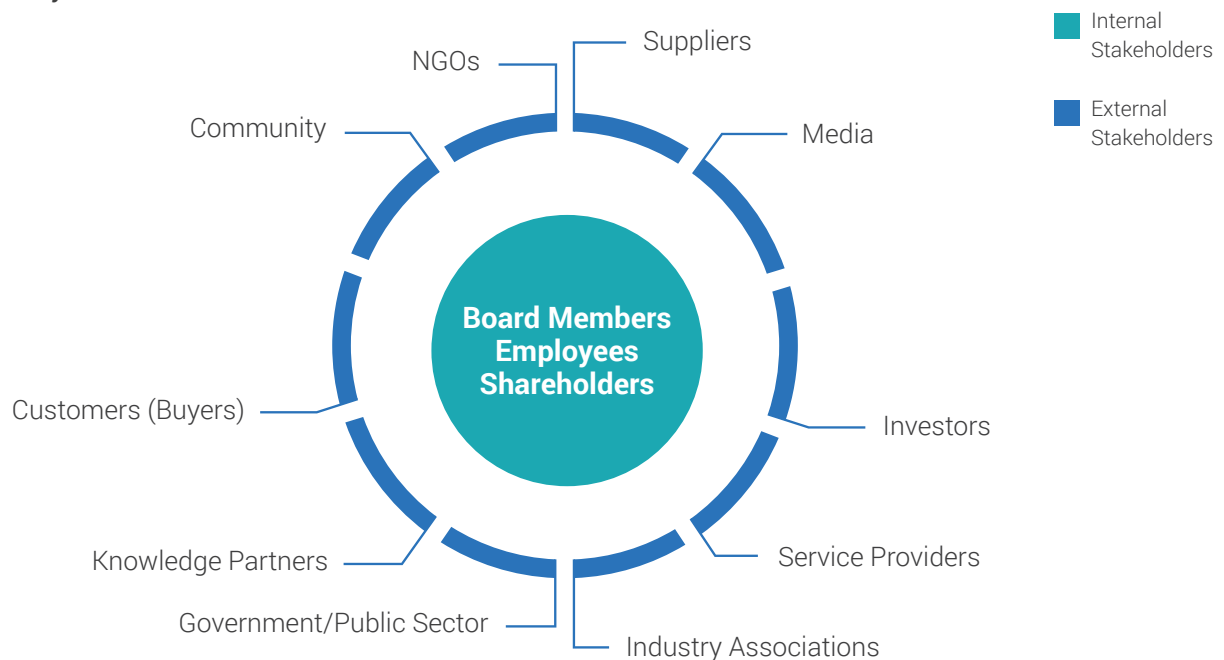
At DBL Group stakeholder satisfaction is of very high concern to the company values and the matter is taken very sincerely. Our stakeholders include those who are associated directly or indirectly to our businesses. The approach and the frequency of engagement with the stakeholders differ on the basis of the category of the stakeholder. DBL Group reserves special interest in identifying all applicable stakeholders and understanding their expectations to remain sustainable in the long run. DBL Group is growing sustainably and we believe that a fully sustainable company will have all its stakeholders engaged in the key processes of the business.

All organizations and entities that have significant influence on DBL Group and those that are directly or indirectly affected by the Group's operations are considered as stakeholders. We identify potential stakeholders through the following process.



There is no particular frequency of engagement with the stakeholders. However, there are annual events like vendor meetings for suppliers, annual general meeting for investors and shareholders, exhibition for customers and others. In addition, respective departments engage with their specific stakeholder groups upon requirement.

Key stakeholders



DBL Group's major stakeholder group and a principal asset is the workforce. Hence, DBL reserves a special importance in creating the proper work environment for all employees. Similar attention is also given to their families. To maintain a fully energized workforce, we maintain a number of initiatives to strengthen employer-employee bonding. Some are discussed below.

Workers Participation Committee (WPC)

Collective bargaining is not prohibited in DBL Group. To make a trustworthy relationship between the workers and the company, DBL Group has formed Workers Participation Committees. These committees constitute of representatives of both the employers and the workers. Workers are encouraged highly in forming of this committee, 50% of each committee comprises of workers.

To promote mutual trust, understanding and cooperation between the employers and the workers in order to fulfill production target, reduce production cost and improve the quality of products, the committees meet once every month. They are working to effectively establish privileges as well as to improve welfare services for the workers and their families. Through the WPC, workers can freely contact the committees to discuss any issue.

DBL Group makes an effort to encourage good relations between workers and managers, by hosting trainings that cover topics, such as labor standards, leave days, working hours, wages, personal protective equipment, health and safety, environmental issues, welfare, and so on. Currently, the committees' members are representatives of employees and top management selected by each group respectively. However, the selection criterion is being replaced through election procedure. Issues discussed include wages, benefits, working conditions, complaints, productivity, quality and even health issues.

Effective communication procedures

DBL Group has established different channels to communicate with its workers: these include:

- Meetings
- Poster boards
- Suggestion boxes
- Open door policy

Grievance mechanisms

Apart from formal grievance procedures which are set up as per local laws, DBL Group has informal ways to resolve any sort of disputes quickly and effectively. The top management has an open-door policy and grievance boxes are provided to assist employees maintain confidentiality.

DBL Group has established several channels for workers to file complaints, including anonymous complaints. These include suggestion box and an open-door policy. The Welfare Officers are responsible for handling complaints. The suggestion boxes are checked every Saturday and the grievances are recorded. Appropriate action is taken and results are reported back to the employees.

Welfare Officers

The Welfare Officers stationed at the factory complexes oversee workers' concerns and problems and communicate with the Human Resource and other concerned departments as required. These Officers are involved with a number of tasks as shown below. Workers feel very comfortable expressing themselves to the Officers. They handle every single case with great care and efficiency and maintain confidentiality depending on the sensitivity. Proper measures are taken immediately to resolve any concern over workplace or even workers' personal issues.

Roles of Welfare Officers include:

- ✔ Informing workers of any changes in policies
- ✔ Dealing with complaints from workers
- ✔ Registering and providing extra care to pregnant employees
- ✔ Ensuring washroom hygiene
- ✔ Coordinating and conducting trainings
- ✔ Maintaining first aid boxes and checklists
- ✔ Facilitating meetings

The Kaizen Suggestion Box

DBL Group appreciates ideas from all of its employees. Besides the Suggestion/Grievance Boxes, an additional box has been included with the aim of taking in suggestions from workers that relate to improving production efficiency. This method provides a way to involve workers in the decision-making process which makes workers feel important about themselves and they highly appreciate the management for such initiative.

These boxes are referred to as “Kaizen Suggestion Boxes” and are present in all units. These boxes are green in color in order to help users easily identify and distinguish them. Users submit their ideas in the boxes including their names in order to be identified for recognition.

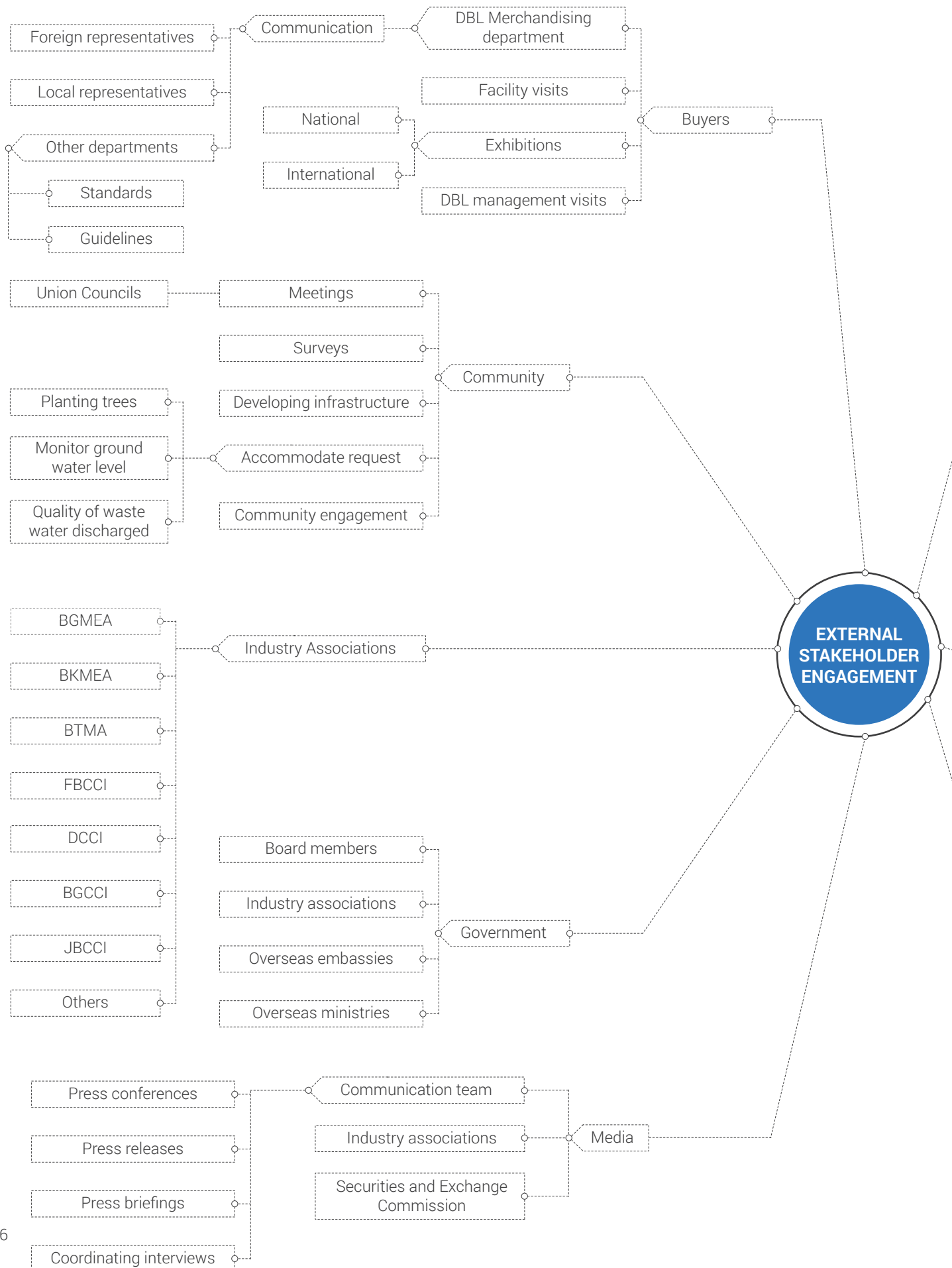
Employee of the Month and Employee of the Year

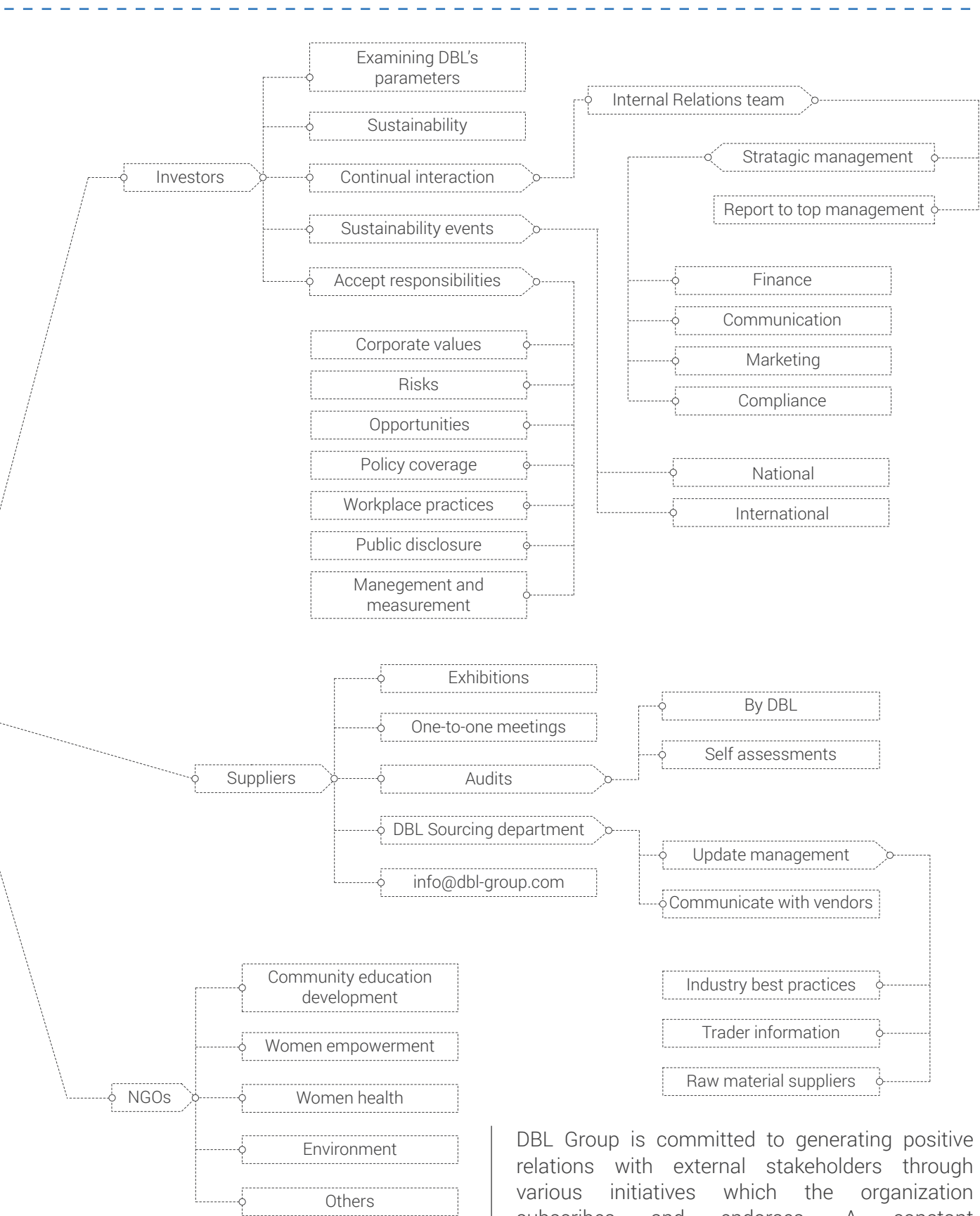
In addition to the Kaizen Suggestion system, efforts of our employees are also recognized through another monthly recognition system: the “Employee of the Month”. In 2016, a new recognition system, “Employee of the Year” was included as well. The program was inaugurated in the knitting section and has been replicated for the others units too. These ideas are compiled under DBL Group Idea Club Sustainability program.

A huge advantage of having an employee of the month incentive is the motivation it encourages the employees to work at their highest potential and move them towards empowerment. This is in terms of work performance as well as punctuality and attendance on the job. It promotes employees to work at their full potential. The Employee of the Month program is open for all employees and it gives them a feeling of fairness as every employee has an equal opportunity at obtaining this reward.

The evaluation system also encompasses suggestions provided by employees that would improve working procedures. The winners are provided certificates of achievements in addition to cash incentives. Moreover, their names and photos are displayed on the notice boards of the respective units in order to further motivate them to grow in their careers and for improving the company.







DBL Group is committed to generating positive relations with external stakeholders through various initiatives which the organization subscribes and endorses. A constant communication is vital in order to ensure business sustainability. DBL recognizes and acts on this principle. The map shows the various external stakeholders that DBL is currently involved with and how interaction is being made.

Community development

A wide variety of activities are integrated within DBL's sustainability that promotes societal development. These activities include the following:

- ✓ Surveys: To identify and address needs
- ✓ Educational support: Infrastructure and financial support
- ✓ Cultural program with NGOs
- ✓ Knowledge exchange programs
- ✓ Health programs
- ✓ Community engagement
- ✓ In-house agriculture fields: For growing crops to meet community needs
- ✓ Financial and infrastructure assistance to various hospitals in the country

MoU Between DBL Group and Marie Stopes

DBL Group has signed MoU with Marie Stopes Bangladesh on 29 June, 2016 in order to work for health improvement of DBL's workers as well as the community it is operating within. A Family Planning Corner has been set up within DBL Group factory premises. This facilitates employees in addressing sexual and reproductive health and family planning issues. In addition, to support the provision of healthcare services responsive to individual and the community people, a Referral Clinic will be established in Sardagonj, Kashimpur, Gazipur.

From Marie Stopes, Dr. Mohammad Hussain Chowdhury, Director-Program and Dr. Reena Yasmin, Senior Director signed the MoU. From DBL Group, Abdul Wahed, Chairman and M.A. Quader, Deputy Managing Director signed the MoU. DBL's Managing Director, M.A. Jabbar and Vice Chairman, M.A. Rahim were also present during the MoU signing ceremony.



MoU Between DBL Group and UNICEF

DBL Group and UNICEF signed a Memorandum of Understanding (MoU) to promote and improve breastfeeding practices in the workplace through the “Breast Feeding in the Workplace Initiative (BFWI)”. The MoU was signed on 5 December 2015 between Mr. Edouard Beigbeder, Country Representative, UNICEF Bangladesh and Mr. M. A. Quader, Deputy Managing Director, DBL Group, in presence of Dr. Md. Moudud Hossain, Deputy Director, DGHS & Program Manager National Nutrition Services, Institute of Public Health Nutrition, Ministry of Health and Family Welfare; Mr. Hassan Imam, Director, DBL Group; Mr. M. Shabbir Ali, Executive Director, Group HR, DBL Group; Ms. Anuradha Narayan, Chief, Nutrition Division at UNICEF Bangladesh and her team; and employees of DBL Group.

The project is being implemented at the selected garment factory sites of DBL Group. In the course of 3 years of program implementation, the collaboration with DBL Group will reach about:

- 4,767 female workers
- 340 pregnant and lactating women
- at least 340 infants and young children

The initiative is funded by the Bill and Melinda Gates Foundation.





Dr. Lale Akgün, Head of the Government's office for sustainable procurement of the State of NorthRhine Westphalia



Students from University of Gothenburg, Sweden visited to get insight of sustainability in the textile industry of Bangladesh



Mr. Qimiao Fan, Country Director of The World Bank for Bangladesh, Bhutan & Nepal and Ms. Wendy Jo Werner, Country Manager, IFC for Bangladesh, Bhutan & Nepal



Executive Directors from the World Bank visited during the EDs' Group Travel to India, Sri Lanka and Bangladesh

This report has been prepared 'in accordance' with the Core option of the GRI G4 Sustainability Reporting Guidelines.

General Standard Disclosures	Page Number	External Assurance
STRATEGY AND ANALYSIS		
G4-1	04-07	No
ORGANIZATIONAL PROFILE		
G4-3	05	No
G4-4	25-27	No
G4-5	24	No
G4-6	24	No
G4-7	49	No
G4-8	27	No
G4-9	05-07,26,54	No
G4-10	76	No
G4-11	83,91	No
G4-12	26	No
G4-13	78	No
G4-14	48	No
G4-15	75	No
G4-16	44,90,94-95	No
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		
G4-17	55	No
G4-18	10-13	No
G4-19	10-12	No
G4-20	10-12	No
G4-21	10-12	No
G4-22	13	No
G4-23	13	No

General Standard Disclosures	Page Number	External Assurance
STAKEHOLDER ENGAGEMENT		
G4-24	90,94-95	No
G4-25	90	No
G4-26	90-95	No
G4-27	90-95	No
REPORT PROFILE		
G4-28	13	No
G4-29	13	No
G4-30	13	No
G4-31	13	No
G4-32	13	No
G4-33	13	No
GOVERNANCE		
G4-34	44-49	No
ETHICS AND INTEGRITY		
G4-56	74,85	No

DMA and Indicators	Page Number	External Assurance
CATEGORY: ECONOMIC		
Aspect: Economic Performance		
G4-DMA	52-55	No
G4-EC1	55	No
G4-EC4	55	No
Aspect: Market Presence		
G4-DMA	56	No
G4-EC5	56	No
Aspect: Indirect Economic Impacts		
G4-DMA	52-56	No
G4-EC7	55	No
Aspect: Procurement Practices		
G4-DMA	56	No
G4-EC9	56	No
CATEGORY: ENVIRONMENT		
Aspect: Materials		
G4-DMA	64	No
G4-EN1	64	No
Aspect: Energy		
G4-DMA	66-67	No
G4-EN3	66-67	No
Aspect: Water		
G4-DMA	65	No
G4-EN8	65	No
Aspect: Biodiversity		
G4-DMA	69	No
G4-EN14	69	No
Aspect: Emissions		
G4-DMA	68	No
G4-EN15	68	No
Aspect: Effluents and Waste		
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