



**DBL**  
SUSTAINABILITY



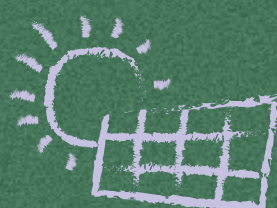
50%



50 LT



100K



10%



1 TVET



1%



20%

2020 GOAL

**SUSTAINABILITY**  
REPORT 2017





# 2020 GOAL



50% Sewing lines in RMG factories  
led by Female Supervisors



50 Liters of water for dyeing one kg fabric



100k Trees to offset carbon emissions



10% Renewable energy from solar panels



1 TVET center in community



1% Inclusion of people with disabilities



20% of total yarn production  
from recycled materials

## Did You Know?

Honey bees are pollinating crop species that feed 90% of the world. A world without bees could struggle to sustain the global human population of 7 billion. Honey bees build their hives with honeycomb shaped cells. The honeycomb shape tessellates, ensuring that there's neither wasted space nor wasted energy. This shape is used to illustrate the "Benzene Ring": the orbital compound which forms the essential structure of all organic chemistry. Universally from the standpoint of significance, honeycomb represents communication, equality, balance, integration, union, perfection and sustainability.

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# SUSTAINABILITY REPORT 2017

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SUSTAINABILITY

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## CHAIRMAN'S MESSAGE

“We are now focusing on our own DBL Sustainability Goals: we call these 2020 Goal”

It is my great pleasure to present to you the Sustainability Report of DBL Group for the year 2017. We say that Sustainability is deeply rooted within the DNA of DBL and with this report we continue to share our ongoing efforts. The Sustainable Development Goals or the SDGs once again help us in mapping out our efforts effectively.

We are greatly honored to have become a part of the Business Call to Action (BCtA) through our Bandhan Fair Price Shop: an initiative to provide necessary goods to employees at subsidized price. The BCtA is a global platform of the UNDP on inclusive and sustainable business. Starting with a single shop in 2008, we currently have six shops in our different factory complexes. Bandhan has become an integral part of DBL. Every time we expand into a new complex, we include Bandhan for the betterment of our

people. The shop continues to be popular as we see the sales cross a million dollars in 2016-17.

Our focus on empowering women is a continuous process. We have been creating female Line Supervisors through our in-house Female Supervisors Leadership Program since 2013 and now have 36 Female Supervisors. We are also recruiting more female Security Guards to further reduce inequalities. And of course, we are continuously taking care of their hygiene issues through our Women Health Program Initiative. In addition, our Family Planning Corner with Marie Stopes Bangladesh has gone into operation this year and we already have 1,034 regis-

tered clients availing the different family planning services.

Partnering with UNICEF, the program to promote breastfeeding in the workplace has also started. Other than lunch breaks, the working mothers now have two additional time slots within the working hours to attend to their new born babies. Furthermore, we continue to support our employees' children education: providing a total of \$447,146 scholarship which facilitated for 7,096 students this year. This in turn can help prevent child labor in the country since financial problems act as barriers to higher education. In addition, our programs for recognizing meritorious children and providing them academic career path counseling is still ongoing. Within the community too, we are providing various supports to educational institutions. We also hold Community Knowledge Exchange Programs in our attempt to enlighten the local community.

Our approach to Corporate Social Responsibility or CSR is strategic: we ensure sustainability in our approach. We do not limit ourselves to simple philanthropy. We believe that setting up industries and creating employment opportunities is the most sustainable form of serving the society. And with vast expansions in planning as well as implementations, we are achieving so. Sustainability makes great business sense too. We have reduced absenteeism,

reduced employee migration, increased productivity, and so on. Relating to environmental efforts, we have seen direct financial returns from resource savings.

All these have inspired us to create our own sustainability targets. Inspired by the SDGs, we are now focusing on our own DBL Sustainability Goals: we call these 2020 goal. Currently set for the year 2020, these goals target training more Female Supervisors, reducing water consumption in dyeing, planting trees to offset carbon emissions, using renewable energy, establishing a community technical and vocational training center, including more people with disabilities, and increasing the use of recycled products in creating yarns.




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.

In 2016, we celebrated 25 years since our inception. Our theme during our silver jubilee was "Crafting happiness". With this, we aim to sustain with our endeavors and generate satisfaction for all our workers, our employees, and our stakeholders. In this regard, I sincerely thank all our stakeholders for their ongoing understanding and continued support for our company.



Abdul Wahed  
Chairman

# Materiality Test

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	1	1	1	5
	1	1	1	1	5
	1	1	1	1	5
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	1	1	1	1	5
	1	1	1	1	5

# Materiality Mapping



## Reporting Parameters

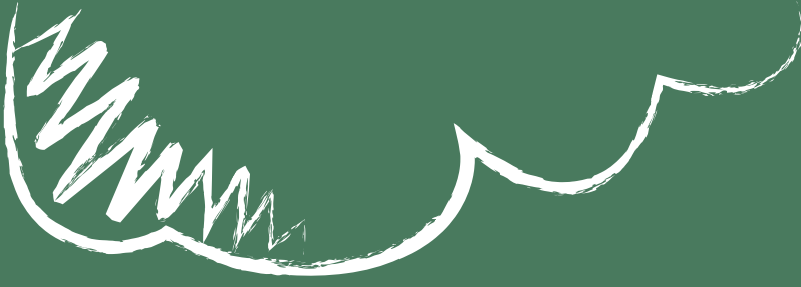
Period:	1 July 2016 to 30 June 2017
Reporting cycle:	Annual
Most recent previous report:	DBL Group Sustainability Report 2016
GRI Guidelines followed:	GRI G4
'In Accordance' option chosen:	In Accordance "Core"
Contact person:	Mohammed Zahidullah Head of Sustainability Mobile: +880 1711 677 626 Email: zahid@dbl-group.com

## 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 fourth 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.

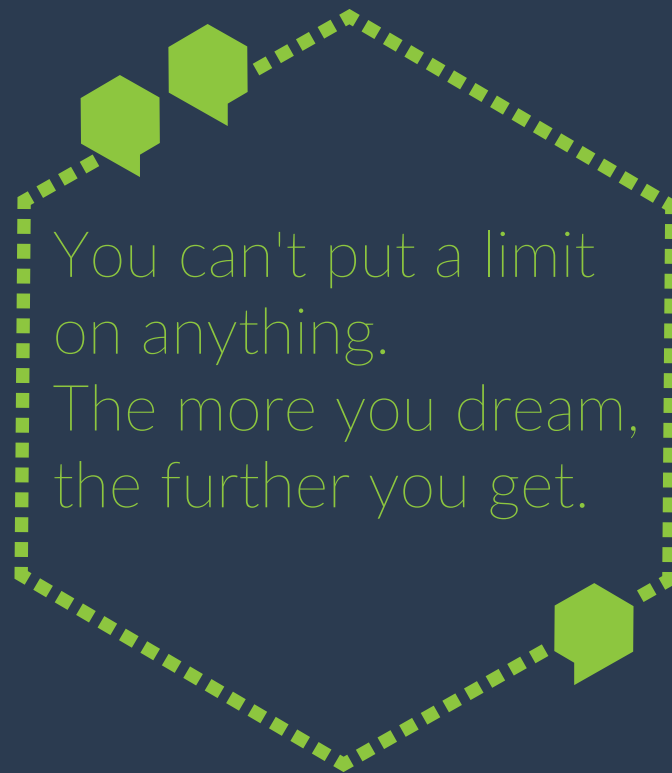


# CHAPTER 1

## SUSTAINABILITY APPROACH







Michael Phelps  
*Competitive Swimmer*



# Evolution of Sustainability

The term Corporate Social Responsibility or CSR used to focus on simple philanthropy. In some organizations, this is still apparent. However, there has been a substantial change in the meaning: CSR now focuses on beyond philanthropy. From one point of view, sustainability encompasses more than CSR by integrating the business impacts. As an example, where traditional CSR or philanthropy talks about donations to help the underprivileged, sustainability focuses more on a holistic approach: creating employment opportunities.

“Sustainability encompasses more than CSR by integrating the business impacts.”

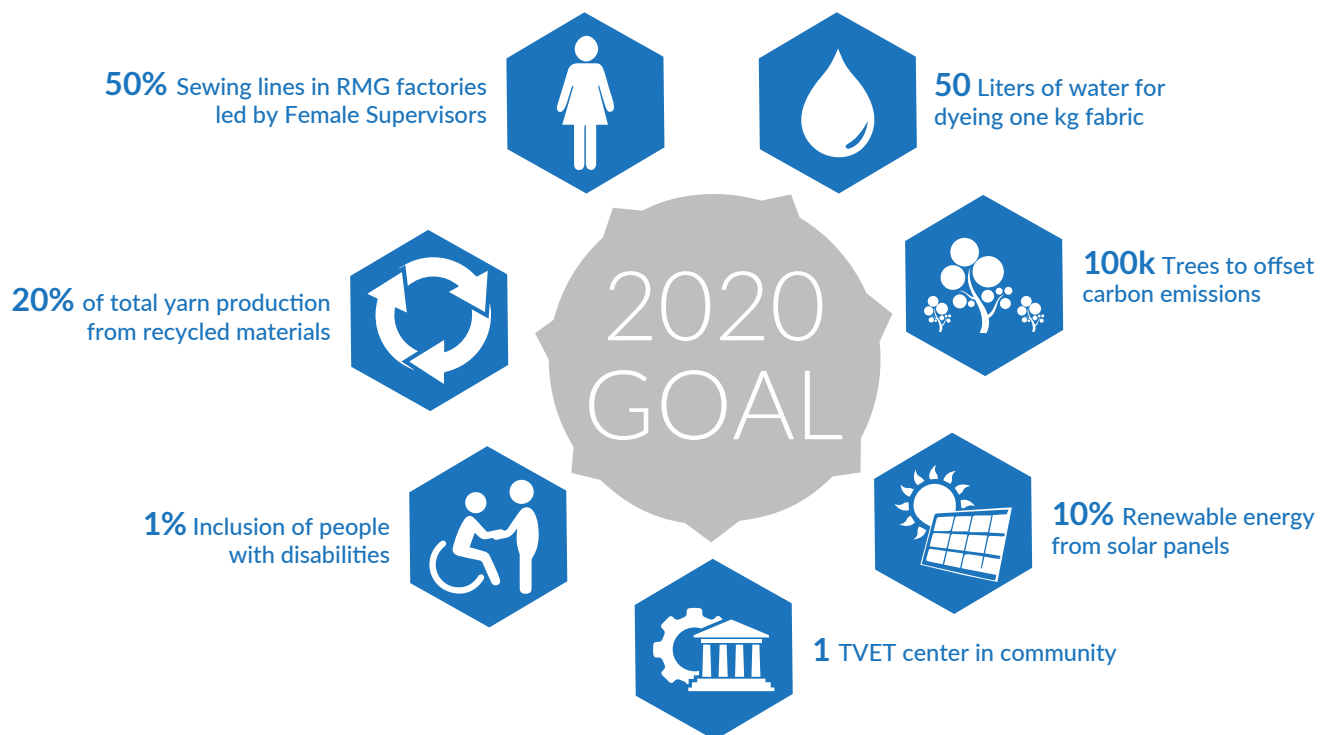
Organizations have been practicing various initiatives for an extended amount of time to address the social, environmental, and economic challenges of a community or even a country. These activities may not have been referred as “CSR”, “sustainability”, or “inclusive business”, as these terms have come into effect relatively recently. When the UN launched the Sustainable Development Goals or SDGs in 2015, an improved way of addressing the social, environmental, and economic issues have come into effect. Organizations can now create a set of their own goals based on the SDGs or otherwise.

# DBL's Sustainability Targets

DBL Group has a five-pillar approach to Sustainability: People, Process, Product, Community, and Environment. These are briefly explained later in this chapter. The first approach of DBL with the SDGs was mapping out the different programs, practices, and initiatives with the different goals. An overview of this was stated in the 2016 Sustainability Report. After the mapping was done, some programs and practices were selected based on the

greatest impacts and relevant targets were set for each of them. Crafting a vision for the year 2020, seven different goals have been set up. These goals target women empowerment, responsible consumption of resources, offsetting carbon emissions, renewable energy usage, developing skilled workforce, including disabled people, and recycling.

This year's report has a special focus on these goals. DBL refers to these goals as the DBL Sustainability Goals. Since the goals have been targeted for the year 2020, we refer to these as 2020 Goal. These goals have been included below.



# DBL Sustainability Pillars

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 several 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.

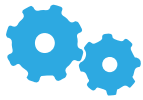






### People

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.



### Community

We believe that together with our employees, customers, business partners and other stakeholders, we can create real and long-term changes for the betterment of the community and the environment. And together with our thousands of employees we can extend this impact even further – from improving the livelihood of our employees to the development of the society where we conduct our businesses.



### Environment

Environment is a high priority for our company and we work to decrease carbon footprint, water consumption, and waste from our manufacturing processes. We dedicate ourselves in conserving energy, managing waste effectively and replenishing the environment to the best of our capacity. DBL recognizes that its own sustainability rests on its ability to work harmoniously in its social and environmental settings. So, with economic success we also want to balance social and environmental prosperity.







50%

## SEWING LINES IN RMG FACTORIES LED BY FEMALE SUPERVISORS

SDG 5 GENDER EQUALITY

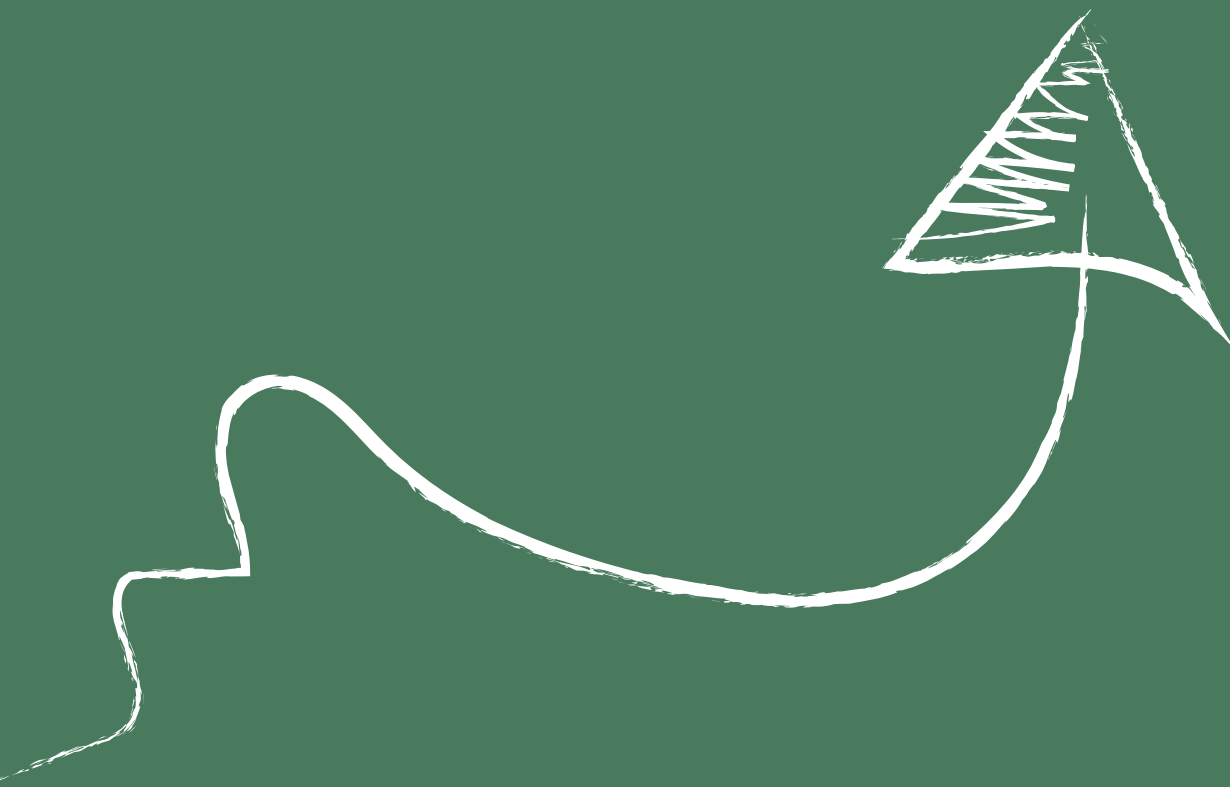
The sewing lines in the readymade garments (RMG) industry is significantly dominated by women and hence it makes sense to have Female Supervisors overseeing them. DBL Group launched the Female Supervisor Leadership Program in 2013, and since then, a total of 36 Supervisors have graduated from the program. Now, targeting the year 2020, DBL aims to have 50% of the sewing lines to be led by Female Supervisors.





## CHAPTER 2

## DBL & SUSTAINABILITY







Jochen Zeitz  
*Former CEO, Puma*

# Company Profile

DBL Group is a diversified conglomerate with a strong backward linkage. The Group started its business in 1991. The diversified business includes Apparels, Textiles, Packaging, Ceramic Tiles, Telecommunications, Dredging, Semiconductor Design (VLSI), and Pharmaceuticals. The Group started its business back in 1991.

In the apparels and textiles sector of Bangladesh, DBL Group is one of the largest and 100% export oriented composite knit garments and textiles manufacturing organization. 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 the factories situated in Gazipur, Dhaka, Bangladesh.

## Vision

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

# Values

- Integrity
- Passion
- Excellence
- Adaptability
- Care

## Concerns

## Products and services

### DBL Group offers the following products and services:

- Yarns, Fabrics, Threads
- Casual knitwear (T-Shirts, Polo Shirts, Tank Tops, Joggers, Hooded Jackets, Cardigans, Leggings, Trousers, 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
- Knitting makes use of low profile hazardous materials
- Oeko-Tex 100 Standard with Product Class I
- Dyeing operation makes use of low water to fabric ratio: only 50 liters per kilogram of fabric
- Garments manufacturing 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 a new wave of top notch 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 set-up 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

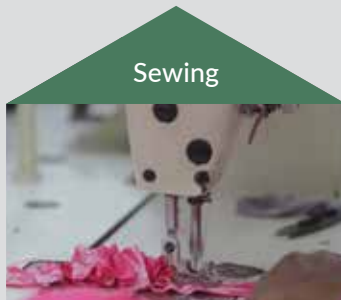
for incorporating the production with good quality at the lowest possible cost in the shortest time. This desire for quality is also shared by our team of highly qualified and competent professionals, who under the capable and dynamic leadership of the Board of Directors have made our remarkable growth 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



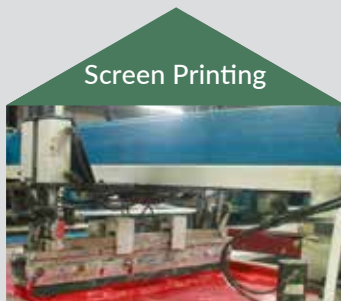
Sewing



Washing



Spinning



Screen Printing



Finishing



Knitting



Cutting



Packaging



Dyeing And  
Finishing



All Over  
Printing



Transportation

# People Programs

## 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 and sheltering them from the economic inflation. Any employee 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 recognized by the Business Call to Action (BCtA) as an inclusive business model and gained DBL a membership of the BCtA.



**\$1.04**  
Million Sales  
Total Shops  
**6**







16

Female workers  
promoted to Supervisors

Total  
Female Supervisors

36

## Female Supervisor Leadership Program

DBL designed an in-house training program for its Female Supervisors. This comprises of 165-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. As per the 2020 Goal, DBL aims to have 50% of its garments sewing lines led by these Supervisors.

### DBL's vision regarding female workers is:

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





### Sanitary napkins (SN)

**32%**

Increase in average monthly sales than 2015-16

**29%**

Female employees using SN

## Women Health Program Initiative (WHPI)

Starting from March 2013, the program targeted all the female workers of 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 educating women but also providing opportunities for ensuring their safe health.

Analysis and follow up are done to encourage women to make proper use of these products. For instance, 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.



## 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 among 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 provided during orientation. The second phase of Nirapod has started in two factories of DBL in 2016-17.



## 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
- Providing career path counselling to students who have passed Higher Secondary education
- Children's Education Support Allowance (CESA): Sponsoring two children of each employee whose monthly income is below BDT 25,000

## Disability Inclusion Program

To include people with disabilities within the workforce, DBL Group has partnered up with the Center for Disability in Development (CDD). CDD has provided training and conducted awareness programs for the factory HR departments. This way, the importance of the inclusion of the people with disabilities has been brought into realization. Currently we have 41 such individuals under DBL Group's employment. The Disability Inclusion Program is growing with a vision to have a one percent of our workforce to consist of people with different types of disabilities.

## Mothers@Work

DBL signed a Memorandum of Understanding (MoU) with UNICEF to promote and improve breastfeeding practices in the workplace. The Mothers@Work program is expected to reach 4,767 female workers, 340 pregnant and lactating women, and at least 340 infants and young children over the 3-year span of program implementation. Infants from both the Day Care Centre and the community are availing the service.

Some of the key achievements from the program are outlined below:

- Two dedicated private lactation stations, with proper ventilation and comfortable sitting arrangement
- Facility to express breast milk and store breast milk in breastfeeding corners
- Two 30-minute time slots for breast feeding
- 200 mothers are using breastfeeding bottles to preserve breast milk in factory and at home
- 300 pregnant mothers and 250 nursing mothers counseled to support breastfeeding
- Training provided to management and pregnant and lactating mothers to support breastfeeding.







Daycare

28

Babies



74

babies are being  
nursed @ DBL's Breast  
Feeding Corner



Community

46

Babies



MOTHERS  
@WORK

# Process Programs

## Automation of fabric manufacturing operation process

The Management Information System (MIS) team of DBL Group developed an in-house system in the Fabric Knitting section to transfer the manual operation practices into an automated one. Earlier, on-time and on-line information were unavailable which lead to wastage and indecisiveness in the process. The new system automates the manufacturing process operation to make effective decisions, reduce wastage, and ensure convenience. Workers are now using electronic tabs and computers to input production and operational information.



The management now has a digital dashboard to understand the most recent status of different machines and can hence make instant decisions related to the operation. Some of the key features include:

- On-line and on-time production and efficient monitoring system
- Supply chain traceability
- Barcode and labeling system for fabric tracking
- On-line and off-line quality control
- Simplified electronic delivery system
- Efficient inventory system
- Significant reduction in fabric wastage
- Completely paperless operational system
- “Smart” centralized production planning: system suggests what to do

The system has generated multiple benefits including the following.



## 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.

## 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 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 garments cutting, sewing, and finishing operations. Replication of the practices are ongoing at other garments and non-garments units including fabric knitting, fabric dyeing and finishing, and garments printing.

## Resource saving dyeing and finishing

Multiple initiatives have been taken by DBL Group to reduce the consumption of energy for the dyeing and finishing processes. The energy meters ensure proper measurement of power consumption. Relevant temperature adjustments are done depending on the fabric for the dyeing, scouring-bleaching and soaping processes to optimize the energy usage. 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.

DBL's practices allow use of low water to dye one kg of fabric. Currently, the dyeing operation makes use of only 55 liters of water, whereas industries have been reported to use up to 200 liters. DBL aims to reduce the usage of water for dyeing to 50 liters per kg of fabric within 2020.

## DBL Idea Club

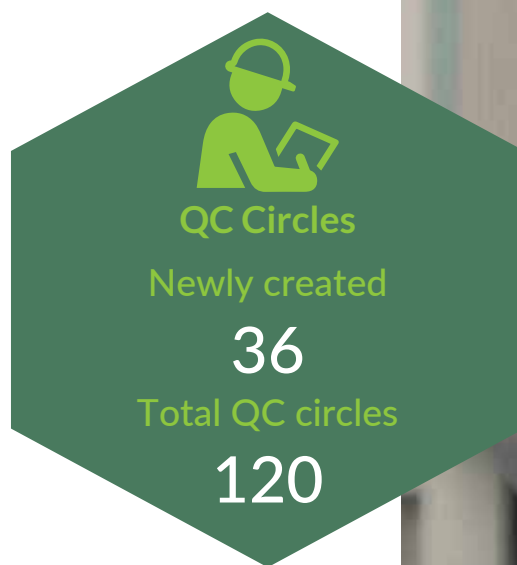
DBL encourages ideas from any employee or worker, regardless of their designation. Their efforts are recognized through a monthly recognition system: the "Employee of the Month". In 2015, a yearly recognition system was launched as well, named the "Employee of the Year". The program has been inaugurated 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 opportunity at obtaining this reward.



**116 EOM AWARDS**  
HAD BEEN PRESENTED IN 2016-17



**EMPLOYEE  
OF THE  
MONTH**



## 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 in both national and international QC Circle competitions and won the highest recognitions on multiple occasions.



# Product Programs

## Sustainable yarn production

Our Spinning Mill makes use of different processes that reduces the consumption of cotton. Recycled textile materials are used instead of raw cotton. The Coarse yarns used to produce fabrics reduces the consumption of raw materials by up to 60%. Up to 30% recycled materials can be used with virgin fiber to produce ornamented products known as Cotton Neppy Mélange yarns. Different colored neps (produced from recycle polyester) 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 its place in the new fashion trade.

Furthermore, in collaboration with the Forestry Stewardship Council (FSC), traceability is being introduced for the viscose used in the processes. The FSC promotes the responsible management of the world's forests. In addition, under the Global Recycled Standard (GRS) certification, recycled polyester blended yarn is being produced to create a variety of sustainable products.

As part of the 2020 Goal, our Spinning Mill now targets to have 20% of total production made from these recycled products.





## Special certifications



### 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. Over 90% of the total yarn production is from BCI.



### 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. This comprises of about 8% of the total yarn production.



### 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.



# Community Programs



13

Successful operations

0

Casualties

## Mini Fire Brigade (MFB)

The Mini Fire Brigade (MFB) 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). Already in operation, 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.





DBL Group has provided land, constructed the MFB building, and has given volunteer fire fighters. The BFSCD has undertaken the initiative to organize training for volunteer firefighters and provide infrastructure support. BFSCD has also provided a fire vehicle dedicated to the MFB. GIZ has facilitated the procurement of an additional fire-fighting vehicle. The facility is staffed 24 hours a day with a target to respond within the first 10-15 minutes to both industrial fire and building collapse.

## Community education support

As part of endorsing the need for achieving 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.

## Community Knowledge Exchange Program

DBL continues to hold Community Knowledge Exchange Programs in the different communities where DBL's operations are taking place. 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).

## Community health programs

To further focus on SDG-3, Good Health and Well-Being, DBL is continuing with Community Health Development Programs in the different communities where DBL's operations are taking place. Children, women, men, and the elderly of the community visit to take free treatments. In one of the camps, a disabled child was discovered. DBL arranged for a consultation with the Centre for the Rehabilitation of the Paralysed (CRP) in DBL's own premises. The child is currently under treatment.





# Environment Programs

## Partnership for Cleaner Textile (PaCT)

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. A quick summary of the implementations of the program, which concluded in 2017, is shown below.

- Rain water harvesting
- Procuring machines with low liquor ratio
- Using water trigger nozzles
- Condensed water recovery

- Exhaust gas boiler
- Heat recovery from Stenter (fabric finishing) machine through Eco Booster
- Hot water recovery
- LED lighting

DBL Group has signed up for the second phase of PaCT which is due to be commenced from the first quarter of the year 2018.

## Sustainable Action and Vision for a better Environment (SAVE)

A project by Puma co-financed by DEG with support from H&M and ASSIST, SAVE aimed at reducing carbon emission, energy consumption, waste and water consumption by 25% by 2015 keeping 2011 as the baseline. Multiple 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.

DBL replicated the SAVE program in the Screen Printing unit: Thanbee Print World Ltd. The program enabled Thanbee savings of 308 tons of carbon emissions and 460 MWh of electricity annually.

## 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 (US\$ 6,218), a return of about BDT 600,000 (US\$ 7,692) is obtained per year.

## 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.

## 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 to for the respective implementation procedures. DBL will be starting these implementations in 2017-18.



## Major buyers



## Knowledge partners





50

## LITERS OF WATER FOR DYEING ONE KG FABRIC

SDG 6 CLEAN WATER AND SANITATION

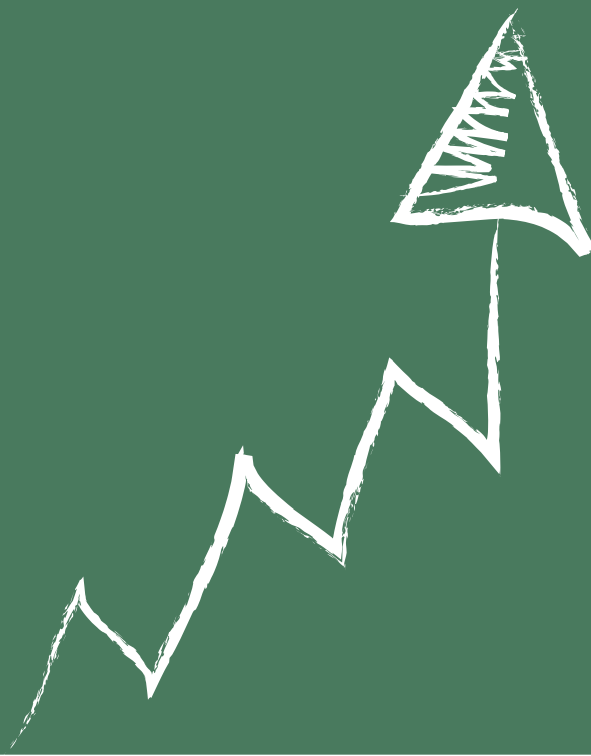
The dyeing industry uses significant amount of water for the processes: consuming as high as 200 liters for dyeing in kg of fabric. With programs such as the Partnership for Cleaner Textile (PaCT) by the International Finance Corporation (IFC), several methods have been implemented to reduce consumption of water and other resources. DBL is now making initiatives on its own to further reduce the consumption of water from 55 liters per kg to 50 liters by 2020.





## CHAPTER 3

## CORPORATE GOVERNANCE





Louis V. Gerstner Jr.  
*Former CEO of IBM*

“Good business is where business is done with compassion towards humanity. Too often we underestimate the power of a touch, a smile, a kind word, a listening ear, an honest compliment or the smallest act of caring, all of which have the potential to turn a life around. Take care of people and your people will take care of your organization.”

**Abdul Wahed**  
Chairman



## Board of Directors

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 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 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.

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



“An empowered organization is one in which individuals have the knowledge, skill, desire and opportunity to personally succeed in a way that leads to collective success. The knowledge we acquire is the fuel for driving ourselves to a better future, brimming with immense possibilities; achieving our goals along the way.”

**M. A. Jabbar**  
Managing Director

## Our commitment to strong corporate governance

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 the means to:

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

The company 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 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

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 the following principles:

- Accountability
- Fairness
- Transparency
- 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

"Business is not merely about making money. It's about achieving our deep goals and protecting the fruits of our labor. It's about stewardship, and therefore, about achieving social good. Through management excellence and discipline, financial stability for the business can be achieved. "

**M. A. Rahim**  
Vice Chairman

- » The Remuneration Committee
- » The Nominations and Corporate Governance Committee
- » Other committees deemed necessary by the Board

## Internal audit and control

- 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 a 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. However, once companies of

DBL Group go public, there will be a much higher level of expectations – market and regulatory. DBL will improve its disclosures in two primary areas: Annual Report information and website disclosures. Matin Spinning Mills, a concern of DBL Group is now enlisted under Bangladesh Securities and Exchange Commission 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.

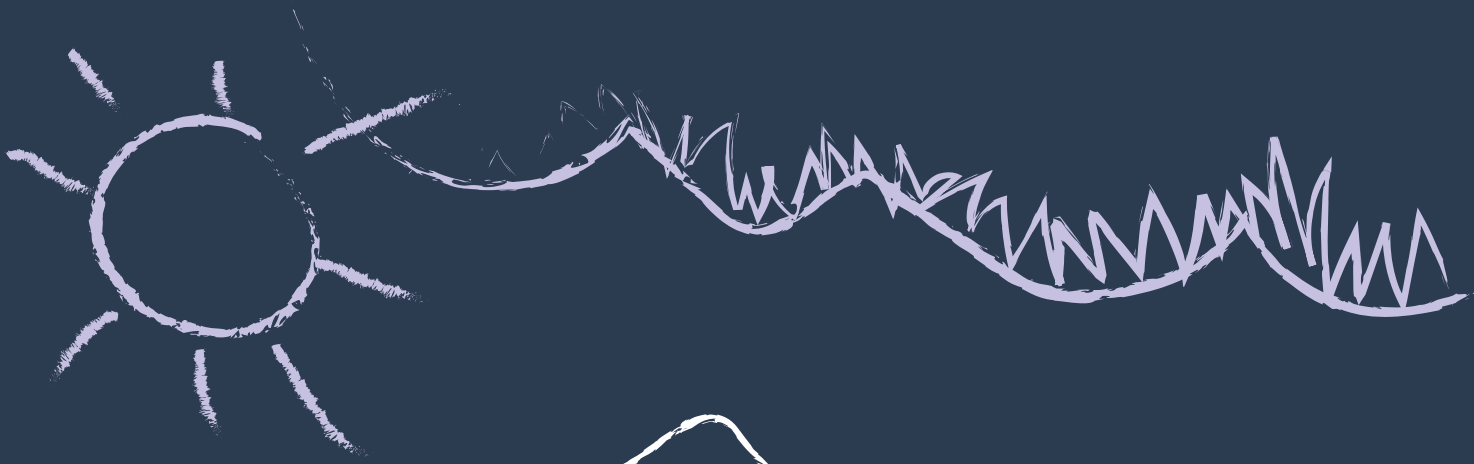
“Operational excellence is what takes a business from average to extraordinary. The key to achieving excellence lies in tending to the details. The little waves we make in our day-to-day work, go a long way. The biggest step towards perfection would be achieving operational excellence through an integrated approach, engaging all employees within the organization.”

**M. A. Quader**  
Deputy Managing Director and Group CEO









# 100,000 TREES TO BE PLANTED TO OFFSET CARBON EMISSIONS

SDG 15 LIFE ON LAND

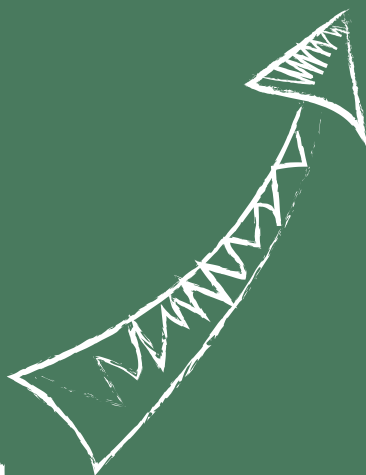
Creating industries has a direct relation with creating employment. At the same time, carbon emissions are associated with the industries. A method of offsetting these emissions is by planting trees. Trees, of course, have other benefits including restoring biodiversity. Recognizing all these, DBL has already started planting trees as part of the Tree Plantation Program. DBL aims to plant 100,000 trees in different regions of its operations and beyond within 2020.

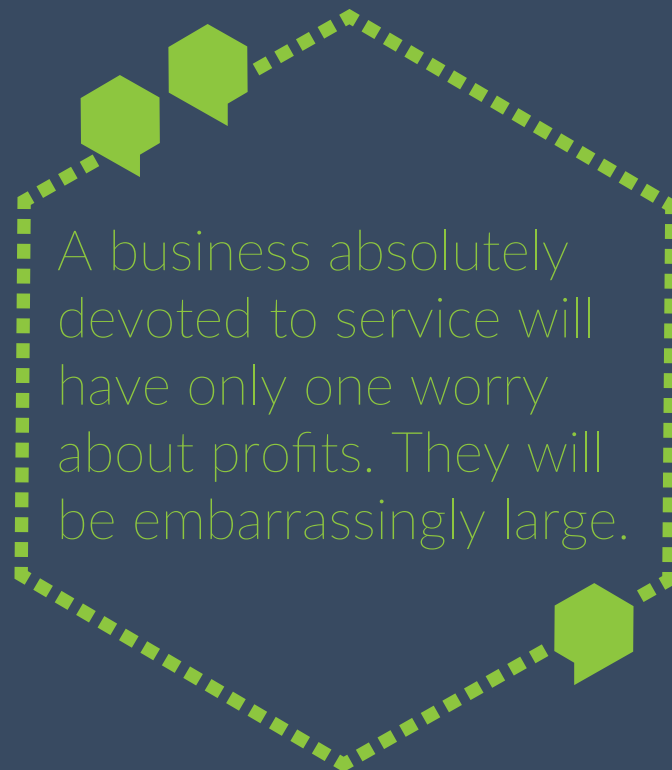




## CHAPTER 4

## ECONOMIC PERFORMANCE





Henry Ford  
*Founder, Ford Motor Company*

# Bangladesh Knitwear Exports

Bangladesh continues to be the number two supplier of readymade garments (RMG) in the world, second only to China. Bangladesh's income from RMG is still extremely significant, contributing over 81% in 2016-17<sup>[1]</sup>.

The knitwear exports in 2016-17 contributed to 49% of total RMG exports and 40% of total country exports<sup>[1]</sup>. DBL currently produces knitwear and contributed to 1.42% of the total knitwear exports from Bangladesh. Vast expansions plans are already underway to capture a further share of the market to make a significant contribution to the GDP of Bangladesh.

1. Source: <http://bgmea.com.bd/home/pages/TradeInformation>, Accessed: 2 October 2017



# Economic Impact in DBL

In addition, SDGs 4 (Quality Education), 8 (Decent Work and Economic Growth), and 9 (Industry, Innovation and Infrastructure) also make references to importance of employment.

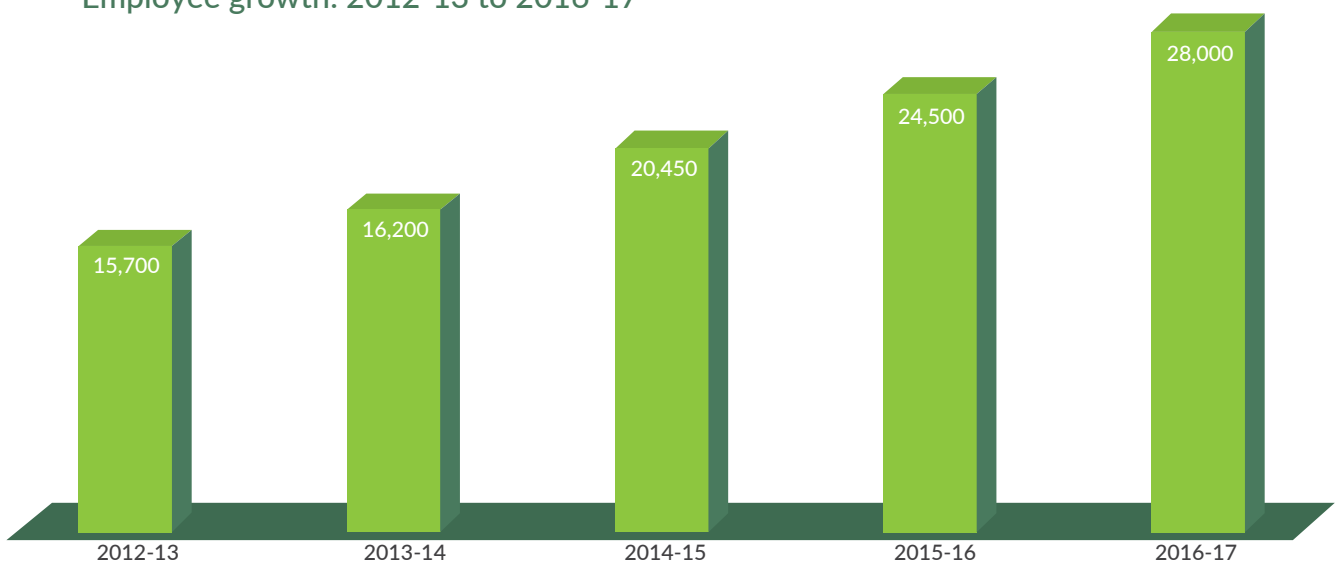
In that regard, DBL's constant expansions contribute significantly to reducing poverty. The following graph shows the growth of DBL's employees within the last five years. Within the next five years, DBL's expansions aim to double the number of the current workforce of 28,000.

## Employment

DBL believes that setting up industries and creating employment opportunities are the best forms of serving the society as employment has direct contribution to the development of a country. Employment can directly contribute to Goal 1 of the Sustainable Development Goals (SDGs), which discusses ending poverty.

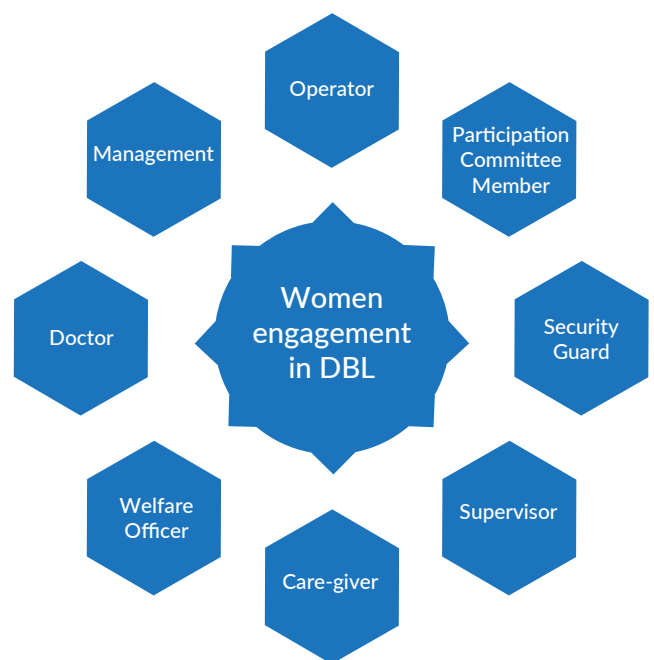
Contributing further to inclusion, DBL is also employing disabled employees. Currently, DBL has 41 disabled people within the workforce. DBL has already received an assessment from the Centre of Disability in Development (CDD), Bangladesh to make the workplace more accessible. DBL targets to have 1% disabled people within the workforce by 2020..

Employee growth: 2012-13 to 2016-17



## Women engagement in DBL

The increasing employment is also contributing to SDG-5: Gender Equality and SDG-10: Reducing Inequalities, since women's participation in the workforce has increased. DBL's in-house Female Supervisor Leadership Program is developing female Line Supervisors every year; with an aim for 2020 to have 50% of the garments sewing lines run by females. Women in DBL Group are currently engaged in various roles, as shown in the following diagram





## Economic sustainability through social and environmental initiatives

The definition of sustainability encompasses social, environmental and economic performance. In cases, initiatives may be taken directly to address economic sustainability such as procuring machines with greater life span or reducing the use of raw materials by using recycled products. The indirect benefits can occur from reducing turnover and absenteeism; for the former, recruitment and training costs are reduced and for the latter, there is a direct impact on production.

One example of economic impact is the Partnership for Cleaner Textile (PaCT) program by the International Finance Corporation (IFC) of the World Bank. Initiated in 2010 under the Cleaner Production program and in 2013 as PaCT, the program targeted water and other resource saving initiatives. By the end of 2016, the program provided significant savings in water, energy, and dyes and chemicals. In 2016 alone, 1.22 billion liters of water were saved, which caters to the need of 13,927 families. The savings were reflected on the other resources too: an overview of which is shown below.

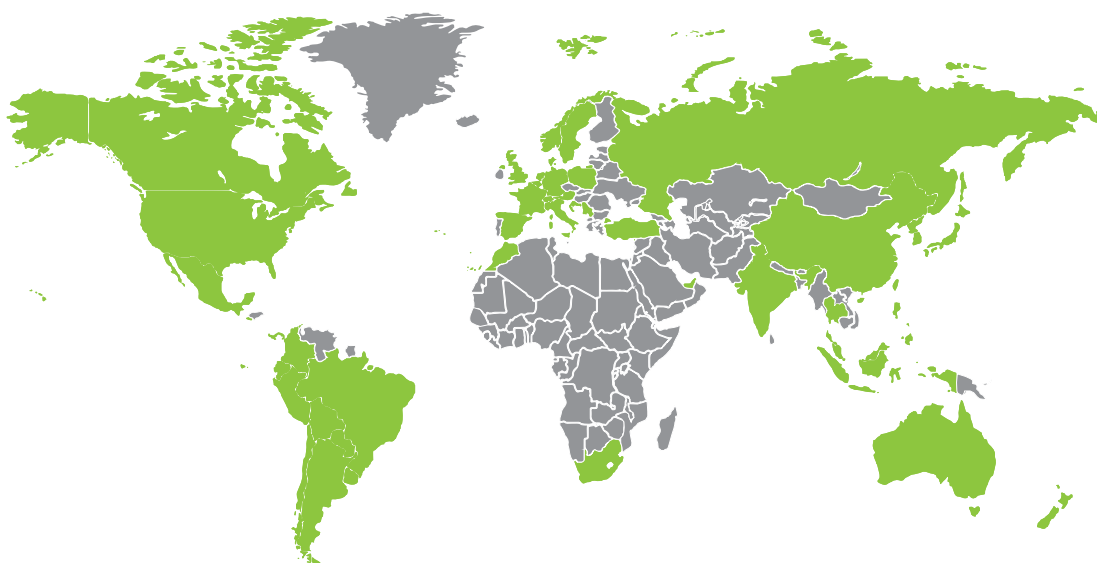


**74,645,805**  
kWh equivalent energy  
US\$  
**2,985,805**



**1,107,859**  
kg dyes & chemicals  
US\$  
**1,661,789**





**\$194,946,829.06**

**EXPORTED IN 2016-17**

DBL Group has exported garments to the following countries.

EUROPE	AFRICA	ASIA & OCEANIA	NORTH AMERICA	NORTH 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 VENEZUELA

## Awards and accolades

5th HSBC – The Daily Star Climate Awards under the category of “Category 2: Climate Champion in Green Operations”

3 Gold Awards in the International Convention on Quality Control Circles (ICQCC) 2017, organized by The Quality and Productivity Association of the Philippines in Manila, Philippines

## Economic Summary

All amounts in million US\$ (USD 1 = 78.25 BDT)

	2016-17
Exports (domestic & international)	204.51
Revenue (gross)	363.96
Other income	4.42
<b>Direct economic value generated</b>	<b>368.38</b>
Operating costs	229.61
Employee wages and benefits	56.02
Payments to providers of capital	12.84
Payments to government	8.10
Community investments	0.68
<b>Economic value distributed</b>	<b>307.25</b>
<b>Economic value retained</b> (direct economic value generated less economic value distributed)	<b>61.13</b>



# Wage and Community Impacts

## Entry level wage

DBL Group always abides by the minimum wage as set by the government. 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 all grades, DBL pays at a higher rate than the minimum: experience is also considered in relevant 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.

## Community 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 and Mawna (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.

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

The Bandhan Fair Price Shop of DBL Group plays an important role towards the positive contribution through its product lines. Reputed 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. Items include food, cooking oil, toiletries, house-keeping goods, tea & beverages, along with others, including sanitary napkins.

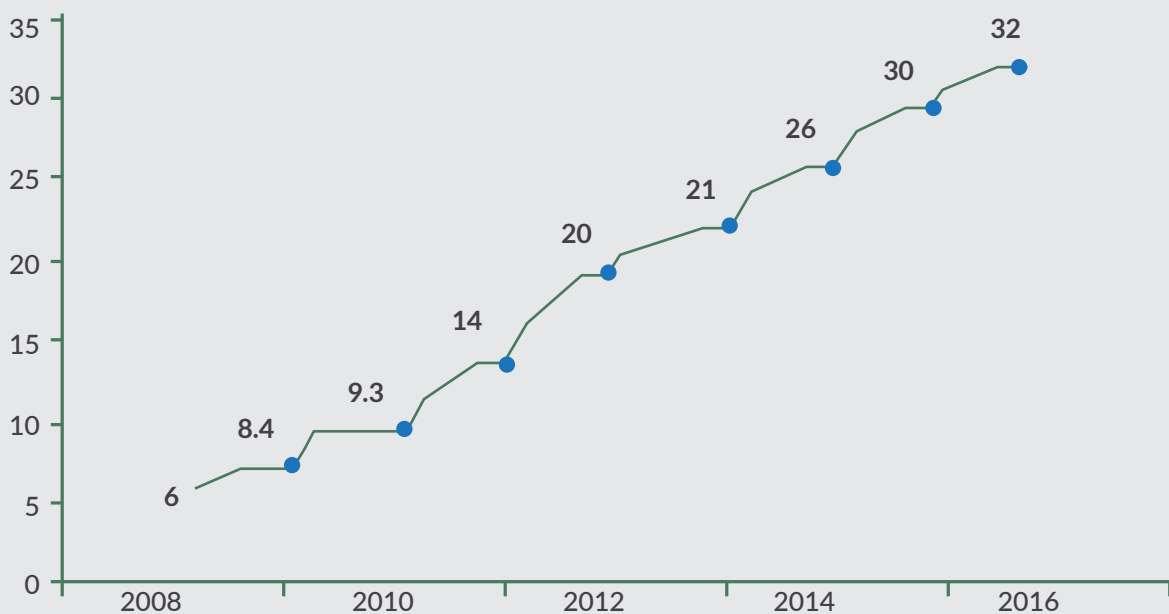
An inclusive business model, Bandhan was established as a strategic approach. Back in 2007-08 when the global financial crisis affected everyone, DBL decided to increase the salaries of our workers by 15%. This had a negative effect as the other industries in the cluster started to demand the same in their factories. In response, Bandhan was established which not only reduced the expenditure burden of the workers, but also prevent any

unrest. Bandhan acts as an inclusive business model since it includes the low-income workers as consumers.

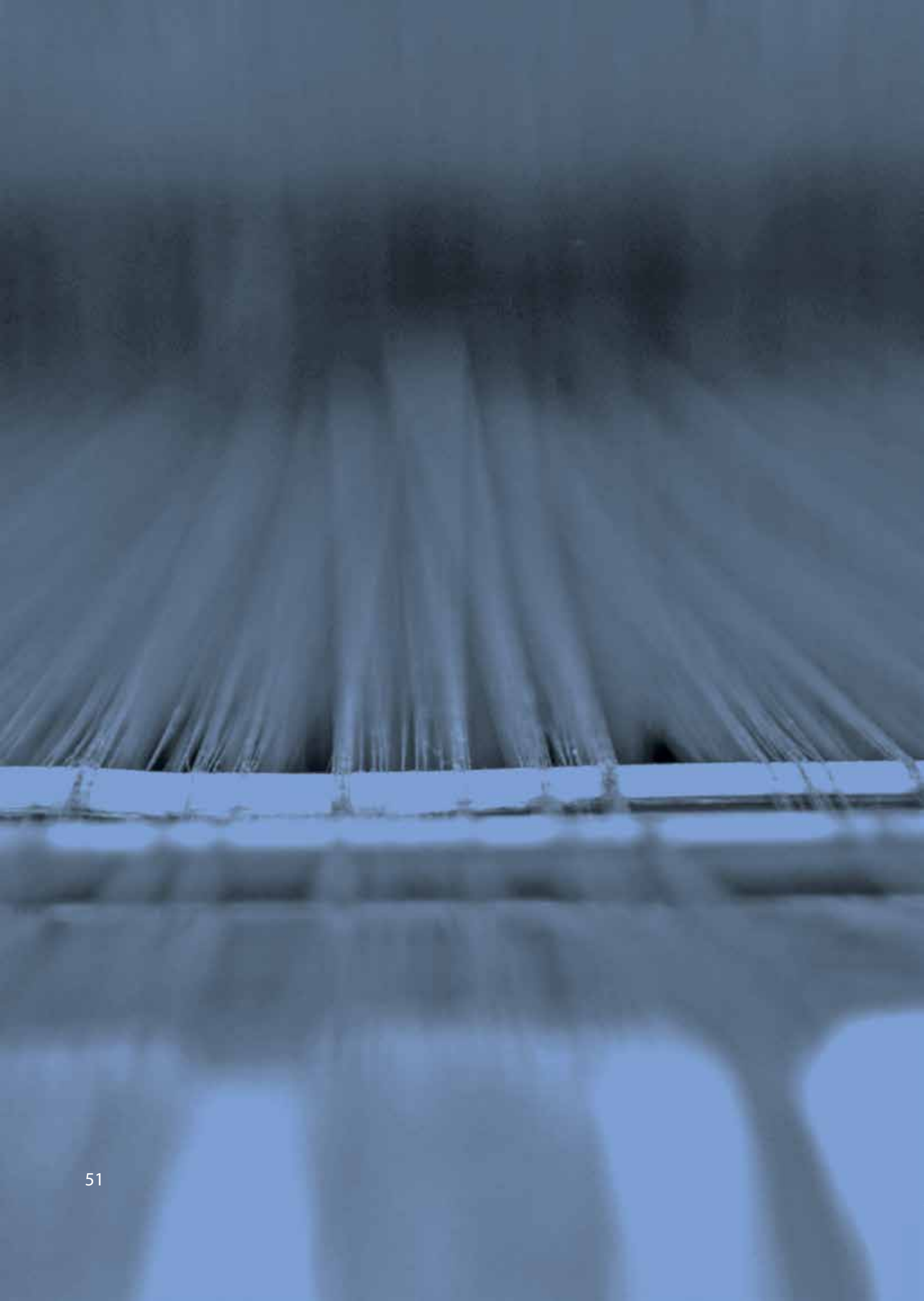
DBL Group has also contributed to the economy through the following ways:

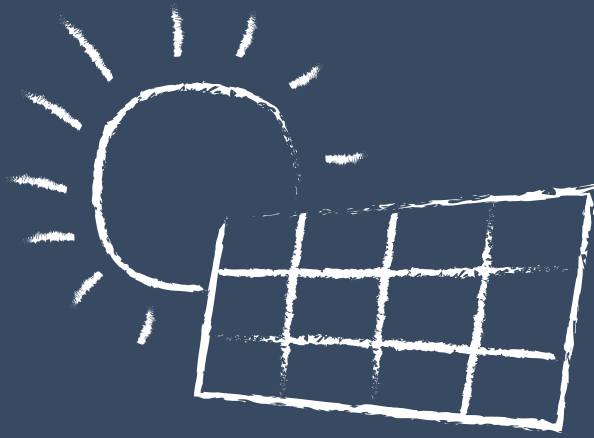
- Medical facilities for workers and consultation services for family members
- Providing access to medicine at manufacturer's price for workers and their families
- Contribution to educational institutions in the community
- Conducting surveys to understand the needs of the community
- Financial assistance to various hospitals

### DBL's contribution to the local economy (in USD Million)









10%

## POWER GENERATION FROM SOLAR ENERGY

SDG 7 AFFORDABLE AND CLEAN ENERGY

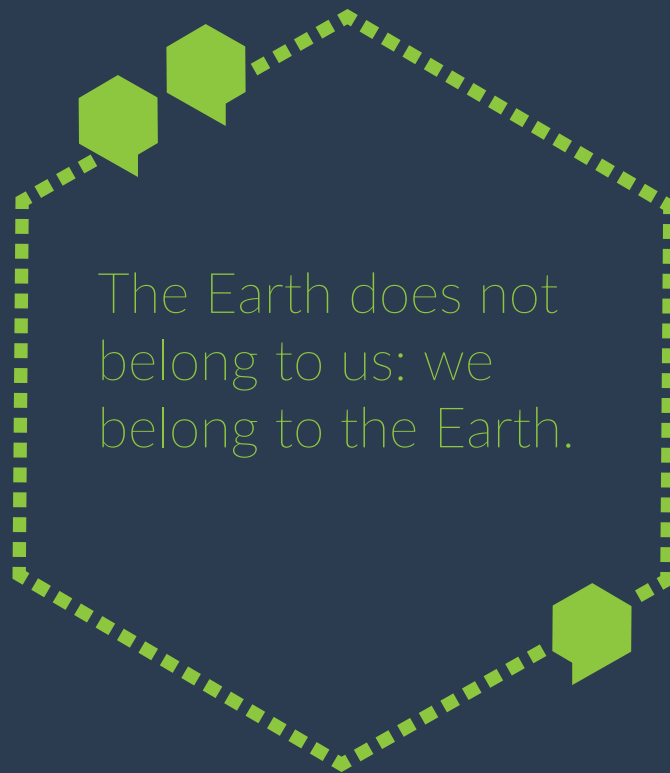
The use of renewable energy, such as solar power, reduces the impact on the environment. This is because this type of power generation causes no carbon emission and even saves fossil fuels; thereby often referred to as “clean” energy. With the International Finance Corporation (IFC) and other stakeholders, DBL has already studied, and is continuing to study, the feasibility of using solar panels. Targeting 2020, DBL aims to use up to 10% solar power for the production processes.



# CHAPTER 5

# ENVIRONMENTAL PRACTICES





The Earth does not  
belong to us: we  
belong to the Earth.

Marlee Matlin  
*Actress*



# Environment Management Approach

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. Several sustainability projects relating to environmental management system have been and are being implemented.

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

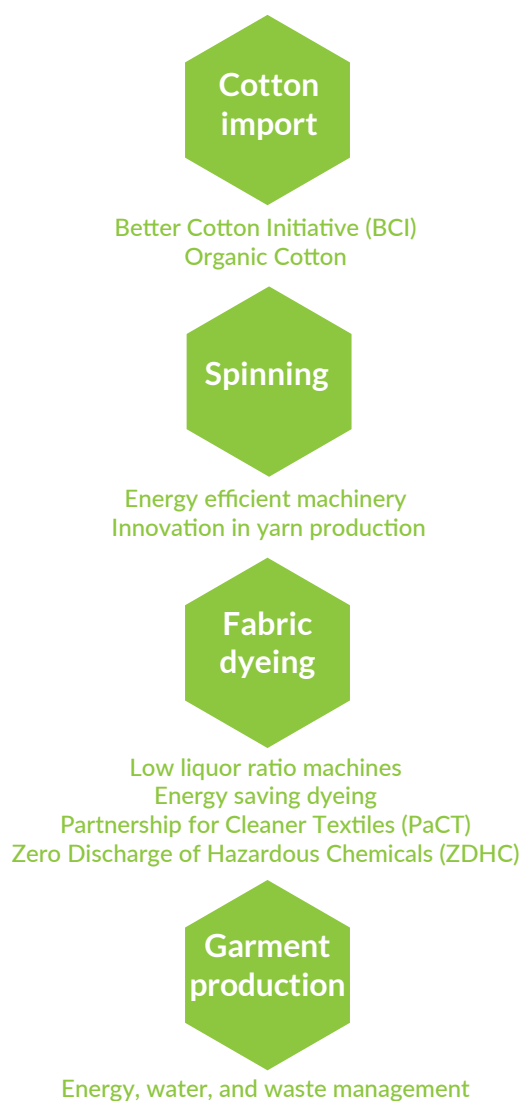
The EMS team carries out internal audits based on legal requirement and buyers' standards to review the environmental aspects. External (third party) audits are also involved to assess important aspects such as stack and ambient air emission test, noise test, Environmental Impact Assessment (EIA), etc. 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
<b>Environmental Clearance Certificate (ECC)</b>	Spinning, fabric dyeing, all-over printing, screen printing and packaging
<b>Oeko-Tex Standard 100</b>	Spinning, fabric dyeing, all-over printing, garments and screen printing
<b>Global Organic Textile Standard (GOTS)</b>	Spinning, fabric dyeing, all-over printing, garments and screen printing
<b>Organic Content Standard (OCS-IN)</b>	Garments
<b>ISO 14001</b>	Fabric dyeing and all-over printing



## Environmental initiatives in different business operations



## Use of materials

Depending on the different production processes, different raw materials are used.

All input materials are weighed and tracked to control unwanted wastage. 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 paper-less 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 to reduce impact on the environment.

### The primary raw materials for the different production processes

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	Cartons

### Materials used by weight or volume

Materials	Unit	2016-17	Change
Cotton	kg	7,724,563	-6.6%
Yarn	kg	18,363,368	-12.3%
Fabric	kg	46,520,110	-4.4%
Dyes	kg	691,030	-14.2%
Chemicals	kg	5,940,873	3.0%
Salt	kg	5,531,103	-7.5%
Cut panel	pieces	23,690,069	-10.0%
Paper	kg	6,081,809	-17.9%



## Water management

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	2016-17	Change
Groundwater	m <sup>3</sup>	2,181,323	2,164,292	-0.8%

# Reducing Resource 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 directly impacts the consumption of dyes, chemicals, steam and electricity and reduction in waste water discharge. As such the environment impact is reduced and production cost is also lower.

## Other water saving practices

- Rain water harvesting
- 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
- Boiler hot water reuse

## Energy management

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
- 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 2016-17, 39,075,517 cubic meters of compressed natural gas and 15,266,824 liters of diesel has been used. For transportation, 1,359,593 compressed natural gas, 410,315 liters of diesel, and 213,138 liters of octane were used.

## 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 greatly reduced. Workplace comfort has also been increased significantly.

## 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%

## 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 in standby mode. The remaining clutch motors will be replaced as soon as the machines are out of order.

## Other energy saving practices

- Hot water recovery (lowering the consumption of diesel)
- Reducing light intensity in certain areas
- Switching off unnecessary lights during day time
- Replacing T8 and T5 lights with the more efficient LEDs (light emitting diodes)
- Recovering steam condensates
- Purchasing Variable Frequency Drive (VFD) in-built air compressors
- Regular maintenance

## Emissions

Emissions include greenhouse gases (GHGs) which are emitted from the different machines used in the operations and from vehicles. This consists primarily of carbon dioxide and is calculated using IFC and GHG Protocol guidelines. From the different operational facilities, 120,704 tons of carbon dioxide emissions were recorded in 2016-17. From the transportation services, the emissions are from compressed natural gas, octane, and diesel used by the vehicles. In 2016-17, 2,574 tons of carbon dioxide emissions were recorded from the transportation services.

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 minimiz-

ing of energy consumption and GHG emission, DBL's practices include the following:

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

## Effluents

DBL Group currently has two biological Effluent Treatment Plants (ETPs) in the fabric dyeing facility. These ETPs are for treating the wastewater generated from the fabric dyeing and all-over printing operations. The first ETP, with the capacity of 4,000 cubic meters, 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 of 7,500 cubic meters ETP was constructed and went into operation in November 2014. The cumulative total of 11,500 cubic meters is among the largest ETPs in the country that is under a single factory complex. DBL also constructed another biological ETP in the screen printing facility, which went into operation on February 2016. In 2016-17, a total of 2,311,209 cubic meters of effluents were generated.



## Waste management

All wastages in DBL are tracked and monitored regularly. Non-hazardous and hazardous are given to government authorized waste collectors for proper disposal. Different types of wastes are disposed in different ways. Before disposing any waste, they are 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
<b>Cutting</b>	Cotton fabric, paper, carton, tubes of fabric roll	Synthetic fabric, poly bag, cutting knife, scissors, blade, pp van
<b>Sewing</b>	Cotton fabric, cotton thread, cotton label, paper	Synthetic fabric, synthetic thread, synthetic label, poly, cutter, scissors, needle, plastic cone, button, zipper, rivet
<b>Finishing</b>	Cotton thread, cartons	Needle, poly, used gum tape, tag pin, empty bottle of spot lifter
<b>Medical Centre</b>	Gauge, unused cotton	Syringe, synthetic packaging materials of medicine, empty medicine bottle
<b>Canteen</b>	Gauge, unused cotton	Plastic packets, water bottle etc.
<b>Lab</b>	Cotton, paper boxes, etc.	Detergent (liquid and solid)
<b>Common</b>	Wood, paper, etc	Tube lights, electric bulbs, oil, electric wires, rubber mats, metal, empty chemical drums

## Total weight of waste by type

Type of waste	Unit	2016-17
Hazardous	kg	256,675
Non-hazardous	kg	8,410,413

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 staff are instructed to deposit waste in those specific dustbins.





## Biodiversity management

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

## Products and services

To mitigate the impacts on the environment, multiple Sustainability programs have been taken by DBL Group. Brief explanations of these programs have been included under Chapter 2 of this report. DBL is constantly involved in resource saving and reducing emissions to preserve the environment.

## Transportation impact management

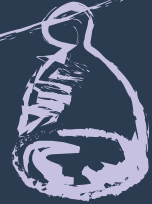
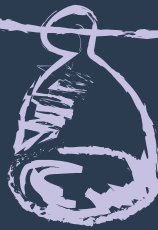
The impacts due to transportation are managed in several ways including the following:

- 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 moving 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.

## Environmental grievance mechanisms

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



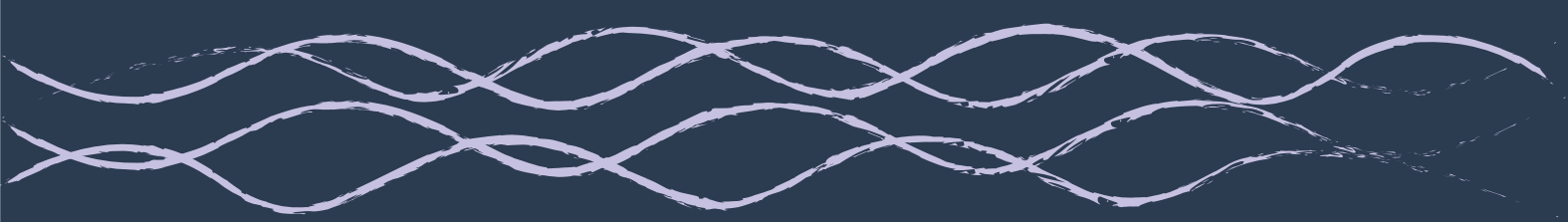


1 TVET

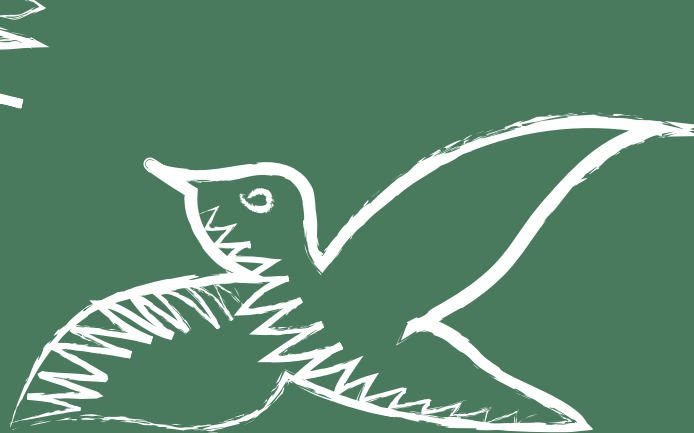
## CENTER IN COMMUNITY

SDG 4 QUALITY EDUCATION

The need for technical and vocational education has been recognized not just in Bangladesh but in other countries of the world as well. Through the Sustainable Development Goals, this have been included in the global agenda. A skilled workforce can contribute to increased quality production, which in turn impacts resource consumption: the reworking rate goes down. DBL aims to create a Technical and Vocational Education Training (TVET) center within the local community: the graduates of which can join any industry with the necessary skills required.

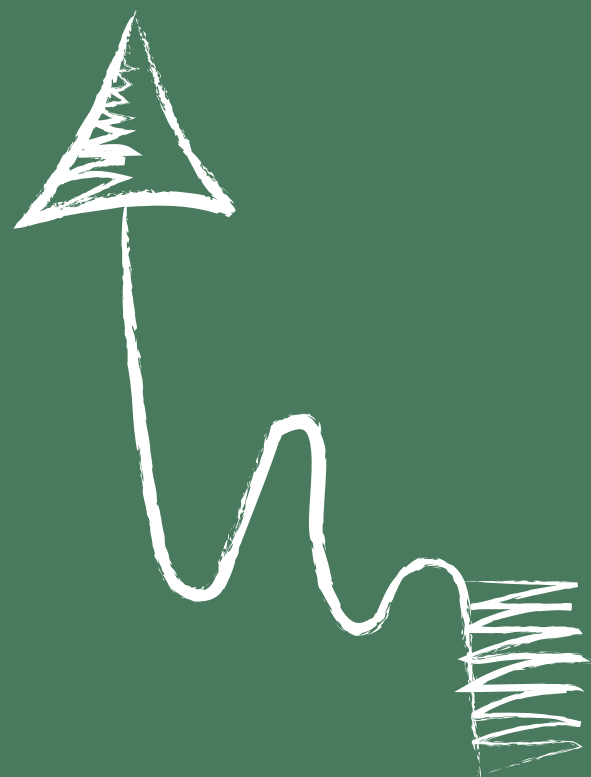






# CHAPTER 6

## SOCIAL DEVELOPMENT





Mekelle University, Ethiopia

# Labor Practices

Precautionary approaches are taken by educating workers on national laws, buyers' codes of conduct, health and safety issues, human rights, etc. The policies and compliance levels of DBL Group are verified by our buyers and their recognized third-party inspection companies.

## Compliance audit procedure

### Compliance

DBL Group has a dedicated Compliance department to ensure regulatory, social, environmental, and requirements of international partners. The department regularly conducts internal audits throughout the group. The 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). The Environmental Management System (EMS) team looks after environmental affairs such as waste management, resource efficiency, carbon emissions, etc.

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

Suppliers of DBL are also assessed for



Opening Meeting



Floor Visit



Worker Interview



Documentation Review



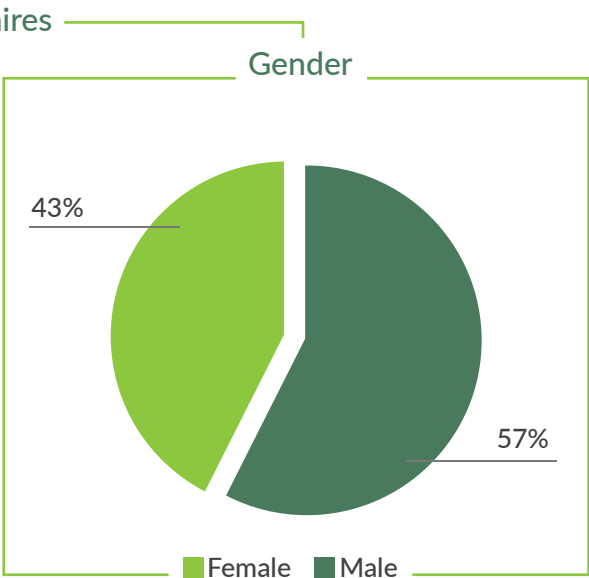
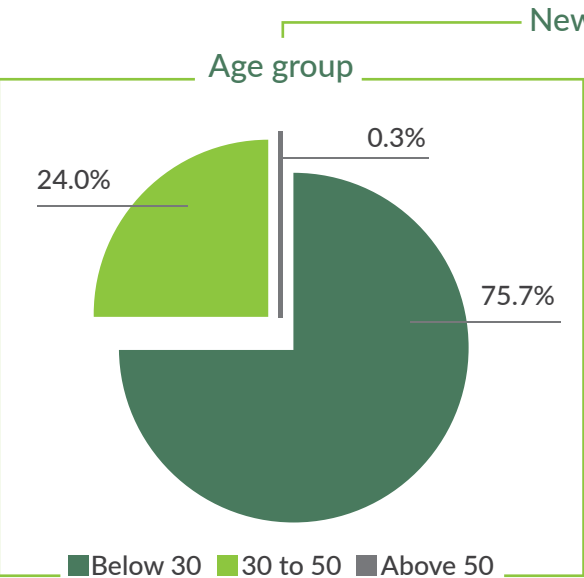
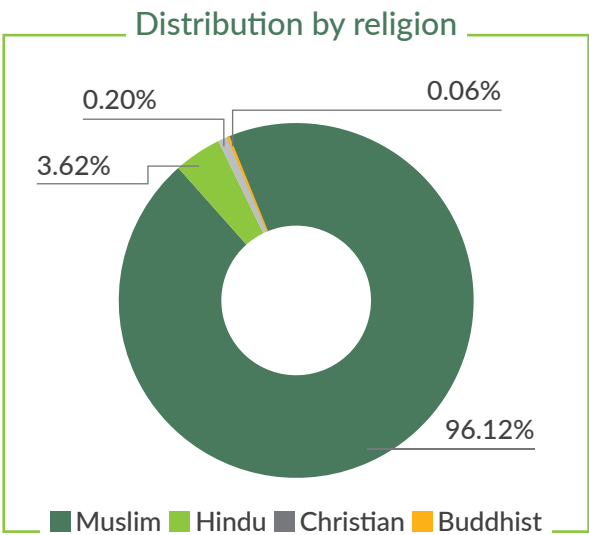
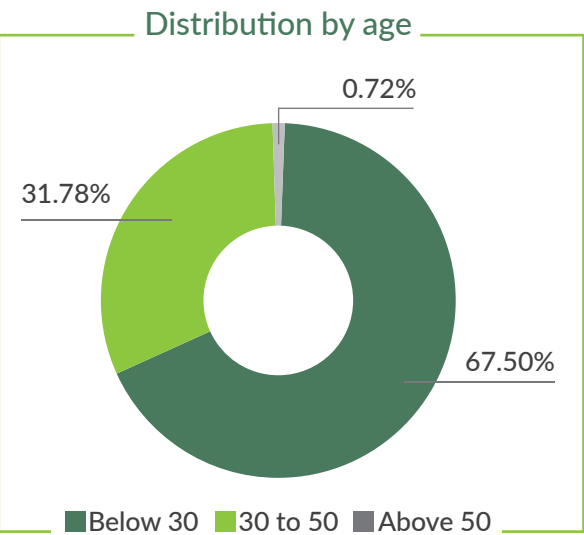
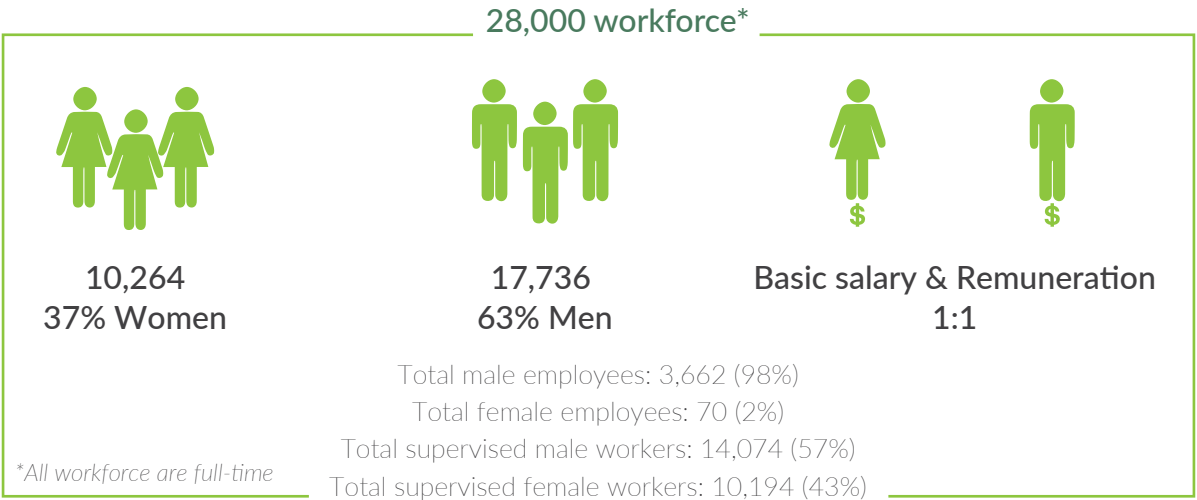
Closing Meeting

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.

## International standards integrated within DBL Group's policies

Organization	Specific standards
<b>International Labour Organization (ILO)</b>	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)
<b>United Nations (UN)</b>	Universal Declaration of Human Rights Convention on the Rights of Child Convention to Eliminate all Forms of Discrimination against Women
<b>Others</b>	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 Assessment Series (OHSAS) 18001 IFC Performance Standards

# Employee distribution



Note: Percentages may not add up to 100 due to rounding

## Training

Different trainings are provided to DBL's employees every month which consist of both generalized and specific trainings. The generalized training topics include, but not limited to, the following:

- Orientation for newly recruited workers and employees on company rules and regulations
- Company Code of Conduct
- Buyer Code of conduct
- Working hours, Overtime, and Calculation of Wages and Overtime Payments
- Compensation and Benefits (including leave facilities)
- Threat Awareness
- Worker Rights and Responsibilities
- Occupational Health and Safety (OHS)
- Material Safety Data Sheet (MSDS) and Chemical Handling Procedure
- Personal Protective Equipment (PPE)
- Lifting and Carrying Procedures
- Electric Safety and Operation of Boilers
- First Aid
- Fire Safety
- Machine Operating Process and Safety
- Awareness on Health and Nutrition for Pregnant Women
- Disciplinary Procedure as per Bangladesh Labour Law
- Environment, Energy, and Water Saving Awareness
- Waste-handling Procedure
- Participation Committee (PC), OHS, and Environment Committee's Functions
- Child Labor, Forced Labor, Discrimination, Harassment, and Abusive Behavior
- Anti-harassment, Anti-abuse, and Grievance Procedure
- Awareness on AIDS and Transmittable and non-Transmittable diseases

The specific trainings target mid-level management, workers, chemical handlers and spot removers, loaders, quality inspectors, first aiders, fire fighters, evacuator and rescuers, cleaners, etc.

In 2016-17, the total training hours spent amounted to 287,178 with female and male employees receiving 142,801 hours and 144,377 and hours respectively. The average training hours per female employee was 13.91 and male employees was 8.14; the overall average per employee was 10.26.





## Maternity facilities and benefits

All the female employees of DBL Group are entitled to take parental leave. The pregnant women can also avail the following services:

- Educate women about the maternity benefit
- Awareness training on maternity protection and breastfeeding
- 112 days of paid maternity leave
- Apart from lunch breaks, two extra times, with a total of 60 minutes, breastfeeding breaks within working hours
- Provision of riskless work for pregnant female employees
- Gift hamper for new babies
- Breastfeeding kit for lactating mothers provided by UNICEF
- Facility for using lifts for pregnant women
- Consideration to work on the ground floor and the first floor of any building
- Free antenatal and postnatal treatment.



In 2016-17:

308 women took parental leave in

219 returned from leave

137 continued for at least one year

62.6% retention rate



## Grievance procedure

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:



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.



The Bandhan Newsletter: Like the Suggestion/Grievance Boxes, workers can place their complaints in the newsletter which is published monthly. A section of this newsletter is detachable and a worker can drop this off confidentially in any box.



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



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

Grievances of all employees regarding any topic are considered by the management. This includes violations of rights of indigenous people. In 2016-17, 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, 2016-17 recorded 230 grievances of which all were addressed and 229 resolved. 1 grievance of 2015-16 was resolved this year.

## Occupational Health and Safety (OHS)



DBL Group aims on creating a healthy, environment-friendly and safe workplace and 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 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 center is present in each factory complex which manages and treats all kinds of occupational diseases. In addition, the center also deals with non-occupational but common diseases such as fever, measles, tooth pain, and so on.

Furthermore, 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 3.69% 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 2016-17, a total of 246 non-fatal accidents and injuries were reported while the employees were at work: 200 of them were males and the rest 46 were females. 239 occupational diseases were reported for the male workforce and none for the females. A total of 1,033 lost days were recorded: of them were 767 males and 266 females.



### Risk management

Given the nature of business, the raw materials and products that DBL handles and the scale of 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.

For worker safety, 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 compacting machines and generators. Pregnant women are also considered under risk management: 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 Assessment Series (OHSAS) is an international management system specification for occupational health and safety. Implemented by the GIZ, one of DBL Group's dyeing units acquired this certification in April 2016. OHSAS was chosen 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 planning to replicate the standard to other units.



## Safety measures



### 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



### Building safety

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



### Electrical safety

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



### Chemical safety

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

# Human Rights

## Investment

Significant investment agreements include participation in training, creation and implementation of a new policy or procedure, and other activities that DBL Group undertakes 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. The Mothers@Work program is designed by UNICEF and implemented by BRAC to train pregnant and lactating mothers on maternity protection and breastfeeding. The Nirapod program is Phulki's approach in partnership with the Embassy of the Kingdom of the Netherlands for saving women from unwanted and unsafe pregnancy. The second phase of Nirapod is already under implementation in two factories. In addition, Phulki is also providing training on UNICEF's Children's Rights in Business Principles.

DBL Group also became the Gold Level Member of the QuizRR training program for completing more than 100 training sessions. In collaboration with global buyers, suppliers, and other stakeholders, QuizRR aims to improve awareness, knowledge, and workplace systems for employees at all levels in factories in Bangladesh. QuizRR is a visual, simple, and rewarding digital training system that introduces tools to measure employee training outcome.

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 to determine the age of potential employees. In addition, documents such 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 based on their ability to do the job, rather than based on 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 and or collective bargaining. The presence of the Participation Committee (PC) allows the workers to freely communicate regarding any issue. 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 PCs according to the guidelines which is very effective for conveying information to both labor and management and resolving any grievances if present.

Significant operational changes are communicated with the concerned employees a minimum of 3 months prior to the change.



## Local communities

To minimize the impact on communities, the industries of DBL are situated in remote locations. Potentiality, however, is still present to create negative impacts on the local communities.

These include the following:

1. Noises from machines, particularly generators, tend to reach out of the factory premises. Quality machines are procured which produces lesser noise than the inexpensive alternatives. These machines are also placed in ideal places within the facilities to reduce the impact.
2. Although Effluent Treatment Plants (ETPs) are present, there is dumping of the treated wastewater. Programs such as the Zero Discharge of Hazardous Chemicals are present which improves the quality of wastewater discharged. The quality of sludge produced is also equivalent to that of municipal waste, which contributes further in reducing the negative impact on the community.

3. Carbon emissions from the different machines influences the air quality and temperature of the local environment. With the goal of planting 10,000 trees by 2020, DBL has started to offset the carbon emissions within the different communities where we are operating. These trees will also be mitigating the increase in temperature.

## 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. DBL Group has strictly enforced policies on anti-corruption, anti-fraud and bribery which apply to all businesses within DBL 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 and safeguard the company resources for which they are responsible
- Respect customers, suppliers, and other parties to achieve DBL's 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:

- Communicating code of conduct to employees;
- Reporting and investigating any 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 strictly adhere to this policy
- Provide information to all employees and further guidance if they have any query or uncertainty regarding these requirements.

# Product Responsibility

## Customer health, safety and privacy

DBL respects the privacy of all 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 noncompliance with laws and regulations concerning the provision and use of products and services.

DBL ensures the following for each product created:



## Employee welfare

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

- Having a fair price shop, Bandhan, which allows employees to have zero-cash transactions and 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
- Dedicated breastfeeding corners within the factory premises and two extra time slots for mothers to breastfeed their children within working hours
- In-house medical center with a wide range of tests and even providing outpatient medical services
- In-house pharmacy providing medicines at fair price even for employees' family members
- Providing highly subsidized sanitary napkins
- Family Planning Corner with Marie Stopes Bangladesh within the factory premises
- Providing new born gift hampers
- Participating and organizing in-house sports tournaments such as cricket, football, and volleyball
- Promoting culture through the encouragement of music and art competition
- Special recognition of employees' children for excellent academic performance in National Board Examinations
- Sponsorship for two children's education of each employee who are earning less than BDT 25,000 (approximately \$313) per month
- Providing career path counselling to employees' children
- 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: covers HR policies and fire safety issues





1%

## INCLUSION OF PEOPLE WITH DISABILITIES

SDG 10 REDUCED INEQUALITIES

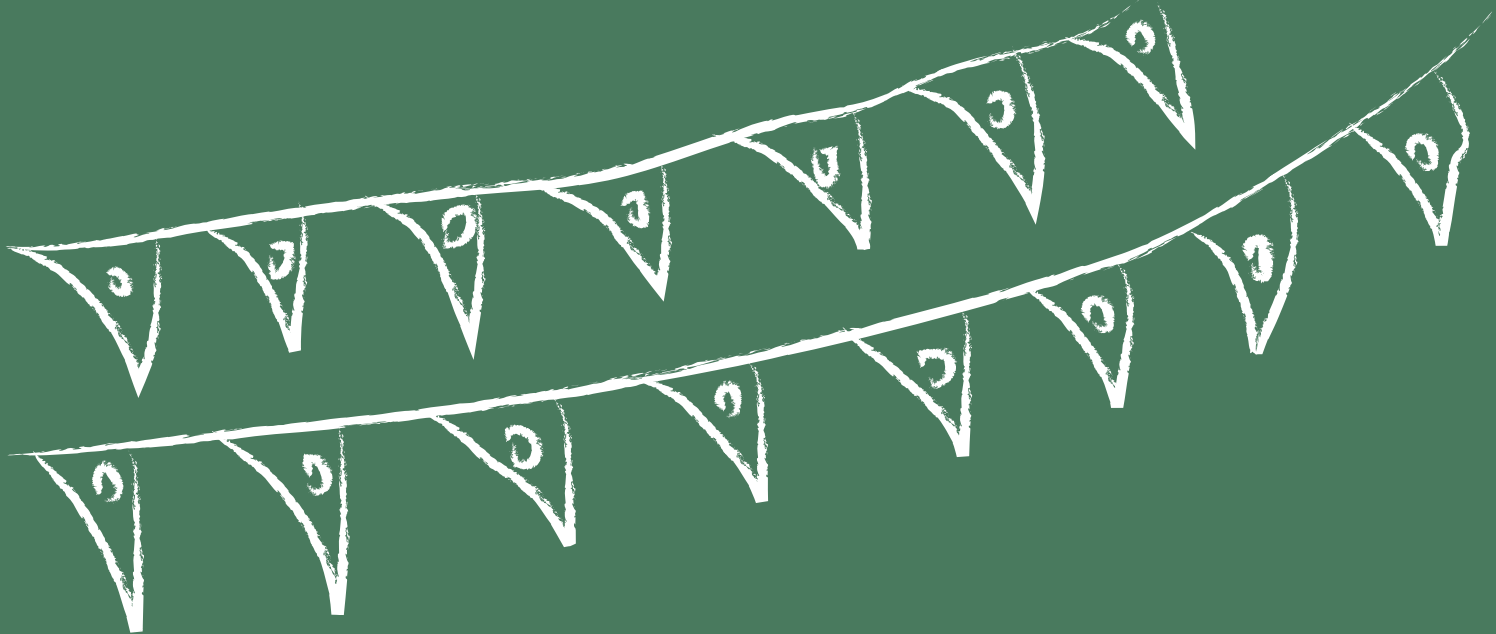
An inclusive workforce encompasses any employee, regardless of their gender, social status, physical or psychological challenges, etc.

Disabled people are often looked down upon and multiple cases have been discussed where they are deprived of employment.

Through the Disability Inclusion Program, DBL is already addressing their challenges by providing employment, as currently 41 disabled people are working in different units. By 2020, DBL aims to create a more inclusive environment by providing employment to disabled people: which will contribute to 1% of the total workforce.



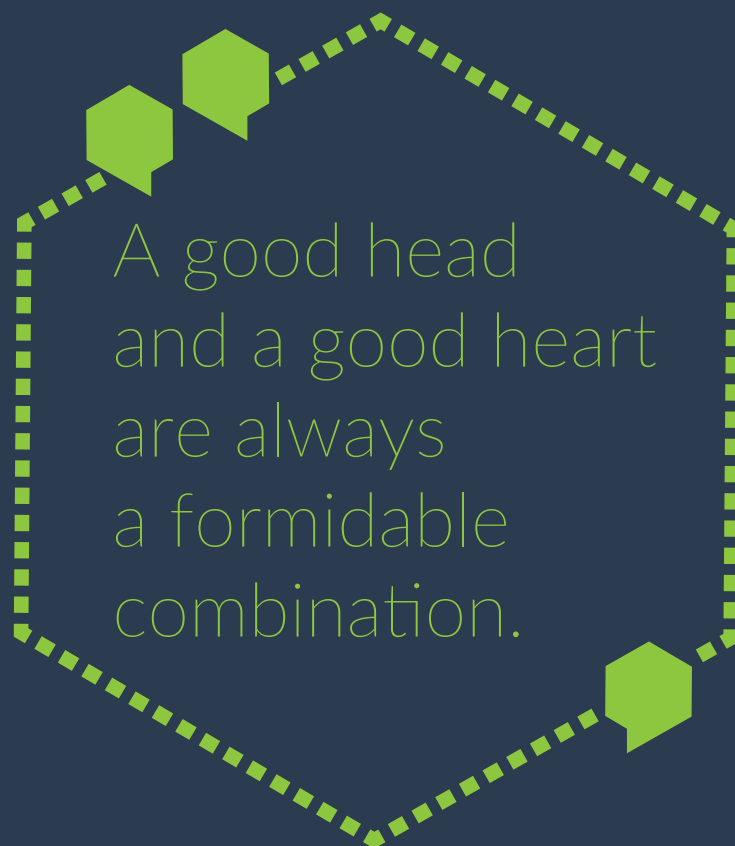




# CHAPTER 7

## STAKEHOLDER ENGAGEMENT





Nelson Mandela  
*Philanthropist*

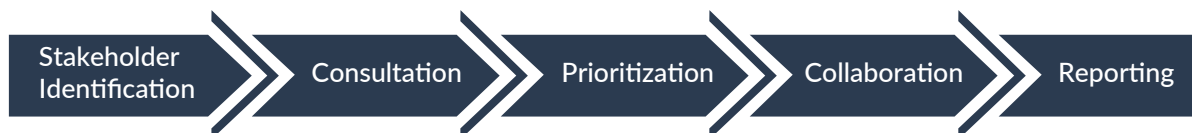


# Stakeholder Engagement

At DBL Group stakeholder satisfaction is of very high concern to the company values and we take the matter 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.

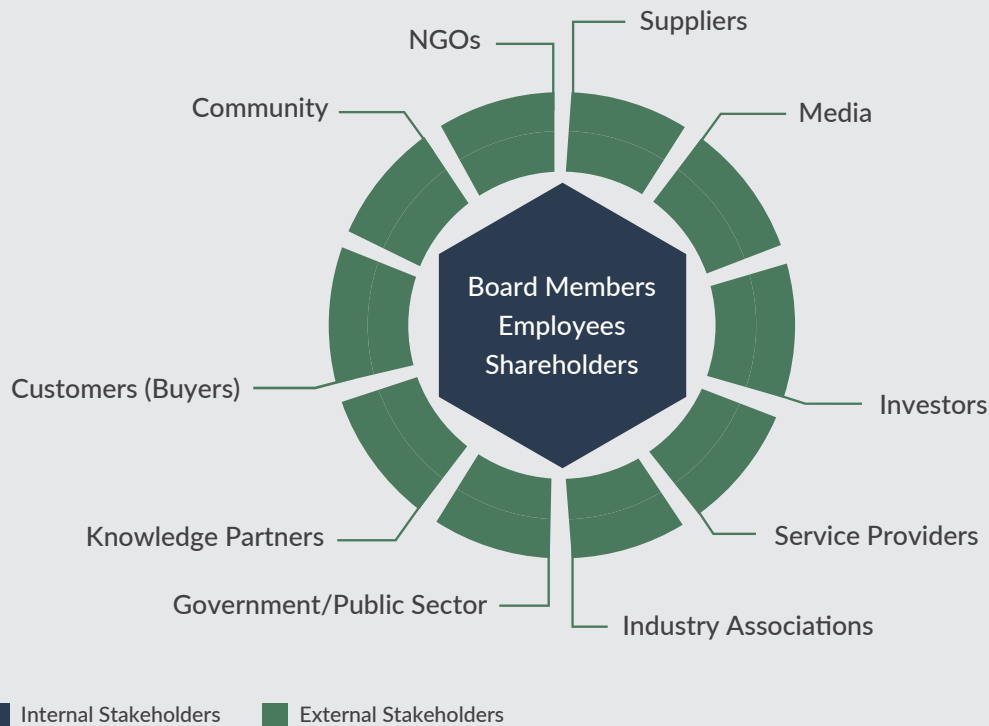
All organizations and entities that have significant influence on DBL Group and those that are directly or indirectly affected by the Group's operations are considered as stakeholders. We identify potential stakeholders through the following process.

## Stakeholder engagement 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 as situation demands and on need basis

## Key stakeholders



## Committing to Internal Stakeholders

DBL Group's major stakeholder group and a principal asset is the workforce. Hence, DBL reserves a special importance to 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.

### Participation Committee (PC)

Collective bargaining agreement 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, over 50% of each the committee comprises of workers.



To promote mutual trust, understanding and cooperation between the employers and the workers as 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 PC, workers can freely contact the committees to discuss any issue.

DBL Group makes an effort to encourage good relations between workers and managers, through hosting trainings covering 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: and hence simulating the process of a trade union. 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 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 them. 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

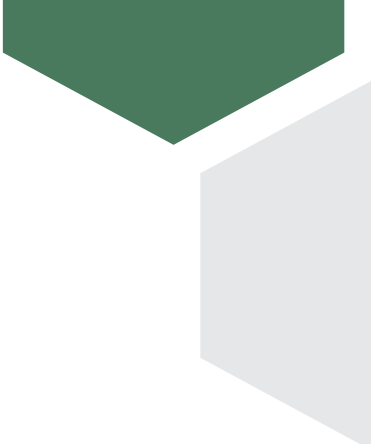
- Maintaining first aid boxes and check-lists
- Dealing with complaints from workers
- Registering and providing extra care to pregnant employees
- Ensuring washroom hygiene
- Coordinating and conducting trainings
- Facilitating meetings
- Informing workers of any changes in policies

## The Kaizen suggestion box

DBL Group appreciates ideas from all of its employees, including the workers. 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 – as opposed to the white for the Suggestion/Complaint Boxes – 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.

All suggestions are discussed in the Kaizen Meeting held every month: the employee or worker with the best suggestion for the month is recognized with the ‘Kaizen Award’: multiple employees and workers have been awarded. Some of the suggestions have even been implemented: in some cases the best suggestion was chosen among the multiple good ones received. In addition to the award, the names, photos, and ideas of the accepted ones are displayed on the notice boards.

## **Employee of the month and employee of the year**

In addition to the Kaizen Suggestion system, efforts of our employees and workers 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 without causing any adverse side effects. 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 and workers that would improve working procedures. The employees and workers that win the award 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.

# Connecting with External Stakeholders

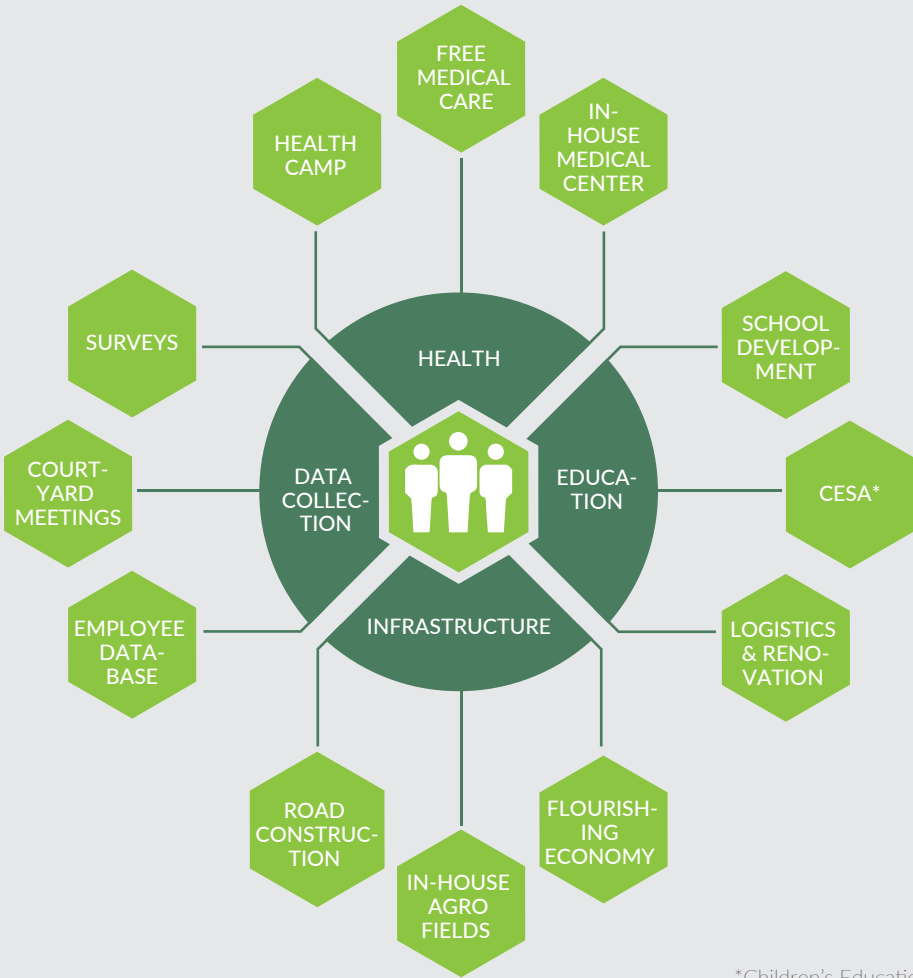
DBL Group is committed to generating positive relations with external stakeholders through various non-binding initiatives which the organization subscribes and endorses. A constant communication is vital in order to ensure business sustainability: DBL recognizes and acts on this principle. The table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

External stakeholder	Engagement
Buyers	Merchandizing Team, Emails, Exhibitions, Local and International Management Visits, Audits, Conferences
Community	Meetings with Local Union Councils, Surveys, Accommodating Requests, Community Engagement
Industry associations	Emails, Meetings with BGMEA, BKMEA, BTMA, Interactions with Chamber of Commerce (FBCCI, DCCI, BGCCI, JBCCI, etc.)
Government	Interaction with Government of Bangladesh, Embassies, and Overseas Ministries
Media	Communications Team, Press Releases, Press Briefings, Interviews
Investors	Emails, Meetings, Visits, Conferences, Internal Relations Team
Suppliers	Marketing Team, Sourcing Team, Emails, Meetings, Audits
NGOs and CSOs	Emails, Meetings, Conferences, Workshops



# Community development

A wide variety of activities are integrated within DBL’s sustainability that promotes societal development: thus, integrating the concept of “Community” included as a branch in the comprehensive coverage of sustainability. These activities include the following:



\*Children's Education Support Allowance (CESA)

## Second MoU Between DBL Group and UNICEF

As a part of UNICEF's Children's Rights and the Garments Industry Initiative in Bangladesh, UNICEF signed an MoU with DBL Group on 26 September 2016 at UNICEF's Dhaka Office. On behalf of DBL Group, M.A. Quader, Deputy Managing Director and on behalf of UNICEF, Edouard Beigbeder, Representative, UNICEF Bangladesh signed the MoU.

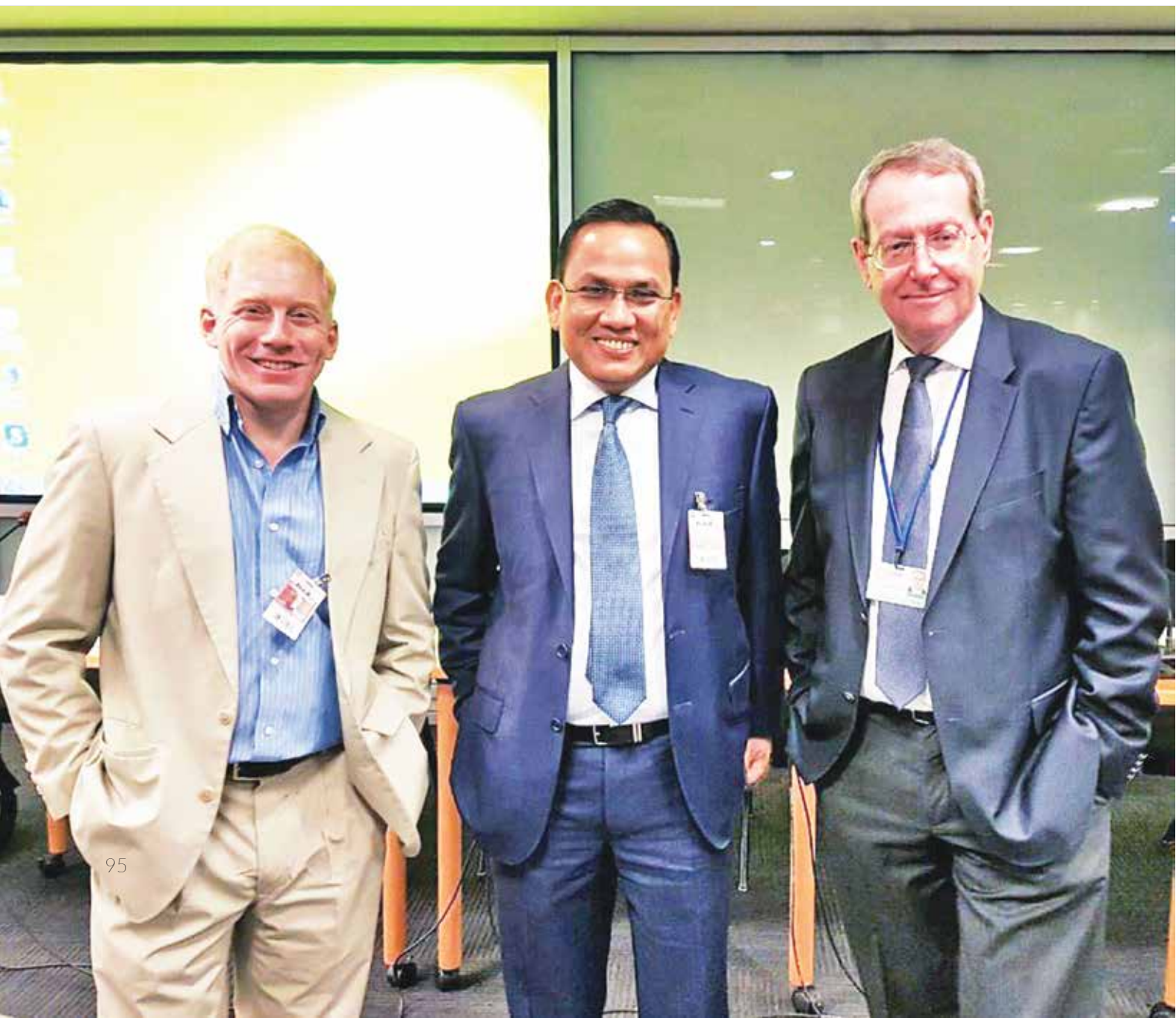
This initiative aims to support garment manufacturers to establish and sustain family-friendly workplaces that improve the situation of working parents and their children, young workers and surrounding communities. The initiative is based on the Children's Rights and Business Principles (CRBP), a set of 10 voluntary principles developed by UNICEF, the United Nations Global Compact (UNGC) and Save the Children that guide companies on the full range of actions they can take to respect and support children's rights in the workplace, marketplace, and community.





## Panel Discussion by the World Bank and DEG

The World Bank Group and DEG organized a joint session on Bridging the Skills Gap: Examining Successful Private Sector-Led Initiatives in The World Bank office in Washington, DC, USA on 5 October 2016. M.A. Jabbar, Managing Director of DBL Group attended a panel discussion during the event and shared initiatives undertaken by DBL to work as a bridge to address the workforce skill gaps. From The World Bank Group, Ursula Mueller, German Executive Director, Michal J Rutkowski, Senior Director, Harry Anthony Patrinos, Manager, Education and among others Bruno Wenn, CEO, DEG – DFI and Michael J Handel, Associate Professor of Sociology, Northeastern University, USA were present during the session.



## Chairman of Hatimara School and College

As part of the Community Engagement and Development Program in promoting quality education in the community, on October 31, 2016, Abdul Wahed, Chairman of DBL Group, took the responsibility as Chairman of Hatimara School and College. Located in Kashimpur, Gazipur, the institution currently has about 2,600 students. The responsibility was officially handed over by outgoing Chairman, A. K. M. Mozammel Haque, Minister for Ministry of Liberation War Affairs, Government of the People's Republic of Bangladesh. Nasima Yeasmin, Principal of the institution, was present in the event along with the Ward Counselors, local elites and high officials from DBL Group.







## Letter of Intent Signing Ceremony Between DBL-H&M-GIZ

German Federal Minister of Economic Cooperation and Development, Dr. Gerd Müller, Mr. Tobias Fischer- Country Director, H&M Ethiopia and DBL's Vice Chairman M.A. Rahim signed a Letter of Intent to provide technical training for the textile supervisors in Mekelle, Tigray Region, Ethiopia in the next 3 years. The German government will contribute USD 1 million for establishing a technical training center in Mekelle, Ethiopia.



## Visitors



Dialogue Tour to Bangladesh' dignitaries team led by Dr. Lale Akgun, Head of the Government's Office for Sustainable Procurement of the State of NorthRhine Westphalia, consisting members of parliament of Germany, high officials of DEG, GIZ and other organizations



Team led by Alexios Pantelias, Manager, Energy & Water, Cross-Cutting Advisory Solutions, from the International Finance Corporation (IFC)





Visitors from Ethiopia consisting of Dr. Ambassador Addis Alem Balema – Vice President, Regional State of Tigray, Head of Bureau of Urban Development, Trade and Industry of Tigray, Daniel Mekonen Bahta – Vice Bureau Head of Urban Development, Trade and Industry of Tigray, Berhanu Gebreyesus Kaba – Deputy Mayor of Mekele City Administration and Goitom Gebrekidan Tekle – Regional Investment Core Process Owner



Yalew Abate Reta, Speaker of the House of Federation of Ethiopia and Shams Mahmud, Honorary Consul of Ethiopia to Bangladesh



Hon. Kyeyune Haruna Kasolo, State Minister for Microfinance of Uganda



Tatsiana Hulko, Corporate Engagement and Business Development Lead, and Tomohiro Nagasaki, Impact Team Lead, from the Business Call to Action (BCtA)

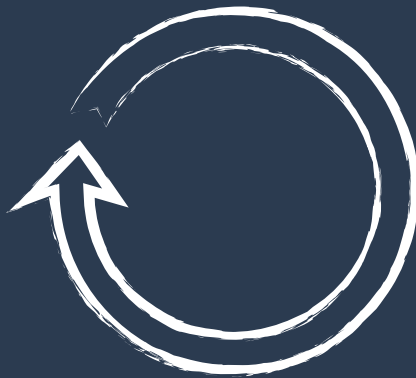




Delegation led by Angelique van der Made,  
Policy Officer, Sexual and Reproductive Health and Rights (SRHR),  
from the Ministry of Foreign Affairs, The Kingdom of the Netherlands



Eleonore Richardson, Program Manager of IFC Textile Competitiveness,  
and Sabine Hertveldt, Better Work Lead at IFC



20%

## OF TOTAL YARN PRODUCTION FROM RECYCLED MATERIALS

SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

The production of yarns uses substantial amount of raw materials such as cotton and polyester. Naturally, this puts a great pressure on the production of these products especially if the size and demand of the apparel industry is considered. However, when recycled raw products are used, there is not only responsible use of materials, proper wastage management is also ensured. In this regard, in addition to existing practices, DBL aims to produce up to 20% yarns in its Spinning operations from recycled materials.



## General Standard Disclosures

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

General Standard Disclosures	Page Number	External Assurance
STRATEGY AND ANALYSIS		
G4-1	I-II	No
ORGANIZATIONAL PROFILE		
G4-3	I	No
G4-4	13,14,31	No
G4-5	11	No
G4-6	11	No
G4-7	38	No
G4-8	31	No
G4-9	I-II,14,47	No
G4-10	71	No
G4-11	79	No
G4-12	14	No
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G4-14	38	No
G4-15	70	No
G4-16	35	No

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IDENTIFIED MATEIAL ASPECTS AND BOUNDARIES		
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G4-19	III-V	No
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G4-21	III-V	No
G4-22	VI	No
G4-23	VI	No
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G4-25	31,87,93	No
G4-26	31,87,93	No
G4-27	31,87,93	No
REPORT PROFILE		
G4-28	VI	No
G4-29	VI	No
G4-30	VI	No
G4-31	VI	No
G4-32	VI	No
G4-33	VI	No
GOVERNANCE		
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ETHICS AND INTEGRITY		
G4-56	80,81,	No

## Specific Standard Disclosures

DMA and Indicators	Page Number	External Assurance
CATEGORY: ECONOMIC		
Aspect: Economic Performance		
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G4-EC1	48	No
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Aspect: Market Presence		
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G4-EC5	49	No
Aspect: Indirect Economic Impacts		
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G4-EC7	46,49-50	No
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CATEGORY: ENVIRONMENT		
Aspect: Materials		
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Aspect: Energy		
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Aspect: Water		
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G4-EN8	54-60	No
Aspect: Biodiversity		
G4-DMA	65	No
G4EN14	65	No

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Aspect: Compliance		
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G4-EN29	65	No
Aspect: Transport		
G4-DMA	65	No
G4-EN30	65	No
Aspect: Supplier Environmental Assessment		
G4-DMA	69	No
G4-EN32	69	No
Aspect: Environmental Grievance Mechanisms		
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CATEGORY: SOCIAL LABOR PRACTICES AND DECENT WORK		
Aspect: Employment		
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G4-LA6	75-77	No
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Aspect: Supplier Assessment for Labor Practices		
G4-DMA	69	No
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Aspect: Freedom of Association and Collective Bargaining		
G4-DMA	79	No
G4-HR4	79	No
Aspect: Child Labor		
G4-DMA	79	No
G4-HR5	79	No
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Aspect: Indigenous Rights		
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G4-DMA	69	No
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DMA and Indicators	Page Number	External Assurance
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G4-SO6	80,81	No
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G4-DMA	80,81	No
G4-SO7	80,81	No
Aspect: Compliance		
G4-DMA	80,81	No
G4-SO8	80,81	No
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G4-SO9	69	No
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G4-SO11	74	No
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Aspect: Marketing Communications		
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G4-PR7	82	No
Aspect: Customer Privacy		
G4-DMA	82	No
G4-PR8	82	No
Aspect: Compliance		
G4-DMA	82	No
G4-PR9	82	No

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