



DBL
SUSTAINABILITY



DBL GROUP SUSTAINABILITY REPORT 2021





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CHAIRMAN'S MESSAGE

The year 2021 has been a yet another year for learning as we realized further the growing importance of sustainability. With the difficulties brought about due to the COVID-19 pandemic, the major challenge was to sustain the company and its people. Nevertheless, we are delighted to announce that our company has not only tackled the difficulties but has also achieved growth for which our revenue increased from \$558 million in 2019-20 to \$780 million in 2020-21. While hoping our company continues growing sustainably, I take the immense pleasure in introducing to you, our Sustainability Report 2021.

We aspire to continuously learn and stay in the path of improvement. As sustainability has been recognized to be vital, we are attempting to evolve our understanding of the matter by transitioning towards an ESG approach. We started off with our reports focusing on the Social related programs and initiatives. In the more recent ones, we developed our Environmental sections. However, the ESG approach has allowed the creation of a stand-alone Governance Section for the very first time in this year's Sustainability Report. As we move ahead, we will further upgrade our practices and annual reports by integrating ESG to our core values and culture.

The first time we set sustainability targets were in 2017 when we introduced the 2020 Goals based on the Sustainable Development Goals (SDGs). Since it was the first time that we set up these highly ambitious targets, we had a lot to learn. However lesser challenging targets would not have allowed us to achieve the progression we have had over the past few years. Taking the learnings from our past experiences, we are drafting our 2025 Goals. These will be focusing on improving gender equality at all levels, making responsible use of water and other resources, raising awareness of social and environmental issues within the local community, reducing the total amount of carbon emissions, and establishing a dedicated committee for ensuring diversity.



Relating to our Sustainability Report 2021, alongside the GRI Standards, which we have been following from our very first Sustainability Report, we have also included the Sustainability Accounting Standards Board or SASB Standards in this report for the first time. Using the two standards simultaneously has allowed us to use sustainability and financial information cohesively. With sustainability being proved to be a strong business case, it has become easier to onboard all departments within the company in the journey towards sustainability.

DBL Group was featured in a World Economic Forum report titled “Future Readiness of SMEs: Mobilizing the SME Sector to Drive Widespread Sustainability and Prosperity”, developed in collaboration with the University of Cambridge, the National University of Singapore and the Entrepreneurs’ Organization. The report’s launch event highlighted the findings on the key enablers for future readiness in an increasingly complex global environment. Building on the work of the New Champions community, of which DBL is a member, this report emphasizes the significant role of SMEs in the economy and society and highlights how the most future ready of them are already leading the way.

We are proud to announce that our non-management level employees comprise of a gender balanced workforce. Now, progressing towards SDG 5, the Target Gender Equality (TGE) program of the UN Global Compact is accelerating in the management level as well. Two of our female employees, Masuma Akhter Labonno and Rubaiya Kabir participated in the TGE program where they have gained the necessary knowledge and skills to implement realistic goals for DBL Group’s management employees. Labonno is now leading the implementation of the program within our organization as Project Champion. We have set up goals for the year 2025, but also for individual years preceding it which has already led to an increase of female management level employees from 4.80% in 2020 to 6.08% in 2021. Through TGE we are aiming to reduce gender inequality across all parts of the company.

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.

DBL Group is immensely pleased to have been recognized as one of the Superbrands for the second consecutive time. Only the brands that have established themselves to a meaningful height in terms of business value and contribution to consumer life throughout the years have achieved this status, and hence we are grateful for this acknowledgement.

We believe that the journey towards sustainability is ever evolving and hence, we aspire to continue our expansions with our core sustainability values paving the way. With this, we aim to sustain with our endeavors and generate satisfaction for all our employees, our nearby communities, and stakeholders. In this regard, I sincerely thank all our stakeholders for their ongoing understanding and continued support for our company.

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
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
1	1	1	1	5



MATERIALITY MAPPING

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



REPORTING PARAMETERS

Period:	1 July 2020 to 30 June 2021
Reporting cycle:	Annual
Most recent previous report:	DBL Group Sustainability Report 2020
GRI Guidelines followed:	GRI Standards
'In Accordance' option chosen:	In Accordance "Core"
Contact person:	Mohammed Zahidullah Chief Sustainability Officer 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 eighth reporting on sustainability and 4th adhering to the GRI Standards: our previous ones followed the GRI 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.



“

*It is in your hands to create a
better world for all who live in it.*

Nelson Mandela, Philanthropist

”

CHAPTER 1



SUSTAINABILITY AND DBL

SUSTAINABILITY

5.0



DBL Sustainability Pillars

DBL has a Five-Pillar Sustainability Strategy, which is referred to as Sustainability 5.0. The pillars include People, Process, Product, Community, and Environment: thus, integrating a holistic approach towards Social and Environmental Sustainability. For each pillar, there are several Sustainability Programs in place – both on large and small scales and short and long terms – through which the sustainability plans are translated into actions. Several of our activities are in alignment with the UN Sustainable Development Goals (SDGs).



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



PROCESS: We are committed to continuously improve all our business processes: ranging from sourcing 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 greater efficiency and least effect on the environment.



PRODUCT: DBL Group is continuously working towards improving the quality of the products, and all the processes that go into making the final finished product and ensuring 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. We can extend this impact from improving the livelihood of our employees to the development of the local community where we conduct our businesses.



ENVIRONMENT: Environment is an integral part of 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.



ABOUT DBL GROUP



Started in
1991



100%
Knitwear
Exporter



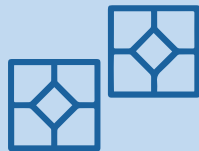
Apparels



Textiles



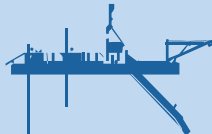
Packaging



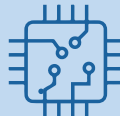
Ceramic Tiles



Pharmaceuticals



Dredging



Semiconductor
Design



Telecommunications



Headquartered
in Dhaka,
Bangladesh



Operations in
Gazipur,
Bangladesh



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



Values:
Integrity
Passion
Adaptability
Care
Excellence

TIMELINE OF SUSTAINABILITY REPORTING



CONCERNS: APPARELS AND TEXTILES



PRODUCTS AND SERVICES



Yarns

Cotton, Mélangé, Synthetic



Fabrics

Cotton, Viscose, Modal, Nylon, Polyester, Wool, Silk and its blends along with Elastane



Casual knitwear

T-Shirts, Polo Shirts, Tank Tops, Joggers, Hooded Jackets, Cardigans, Leggings, Trousers, Dresses



Fashionable wear

Skirts, Gowns

MANUFACTURING PROCESSES



State-of-the-art machineries



Best grade cotton in our Spinning Mill for all products



Fabric Knitting operation makes use of low-profile hazardous materials



Fabric Dyeing operation makes use of low water to dye ratio



Washing operations make use of machines which consume less water and have best filtering and spinning systems



Apparel manufacturing processes make use of Computer-Aided Design (CAD), Computer-Aided Screening (CAS), and Computer-Aided Manufacturing (CAM) systems

QUALITY ASSURANCE



Using new wave of technologies to put yarns through a series of quality control checks, to ensure strict quality standards



R&D department and in-house Design Team help in developing new products and process



Desire for quality shared by team of highly qualified and competent professionals, under leadership of the Board of Directors



Shared vision helps in marching towards goal of attaining acknowledged leadership in providing quality products at competitive prices



Concentrating on process manufacturing and process improvements



Set-up Industrial Engineering and Work Study departments



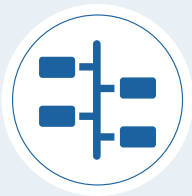
Root cause analyses done using statistical quality control tools



Apparel manufacturing processes make use of Computer-Aided Design (CAD), Computer-Aided Screening (CAS), and Computer-Aided Manufacturing (CAM) systems



PROCESS FLOWCHART



MAJOR BUYERS

The H&M logo, featuring the letters 'H' and 'M' in a stylized red font with an ampersand between them.The George. logo, featuring the word 'George.' in a black serif font with a small yellow star above the 'e'.The Walmart logo, featuring the word 'Walmart' in blue sans-serif font followed by a yellow six-pointed star.The ESPRIT logo, featuring the word 'ESPRIT' in a black sans-serif font with a stylized 'E'.The PUMA logo, featuring the word 'PUMA' in a bold black sans-serif font with a black silhouette of a leaping cat above it.The G-STAR RAW logo, featuring a black 'G' with a white star inside, followed by the words 'G-STAR RAW' in a black sans-serif font.The YOUR M&S logo, featuring the words 'YOUR M&S' in a black sans-serif font with a green ampersand.The C&A logo, featuring the letters 'C&A' in a blue serif font inside a red circular border with a scalloped edge.The next logo, featuring the word 'next' in a black sans-serif font.The Kmart logo, featuring a large red 'K' with the word 'mart' in a smaller blue font to its right.The TOM TAILOR logo, featuring a blue t-shirt icon above the words 'TOM TAILOR' in a blue sans-serif font, with 'EST. 1962' in a smaller font below.The BONITA logo, featuring the word 'BONITA' in a black sans-serif font with a stylized 'i'.The LIDL logo, featuring the letters 'LIDL' in a blue sans-serif font inside a yellow circle with a red border.The GUESS logo, featuring the word 'GUESS' in a black serif font.The TARGET logo, featuring a red bullseye icon followed by the word 'TARGET' in a black sans-serif font.The carter's logo, featuring the word 'carter's' in a blue sans-serif font.The BESTSELLER logo, featuring the word 'BESTSELLER' in a black sans-serif font.The MQ logo, featuring the letters 'M' and 'Q' in a black sans-serif font, with the 'M' composed of a grid of dots.The GERRY WEBER logo, featuring a stylized 'G' icon above the words 'GERRY WEBER' in a black sans-serif font.The DECATHLON logo, featuring the word 'DECATHLON' in a white sans-serif font inside a blue rectangular box.



AWARDS AND SPECIAL RECOGNITIONS

Best Supplier Award 2021, Bestseller

8th ICSB National Award 2021, Gold Excellence in Corporate Governance

46th International Convention for Quality Control Circles (ICQCC): Par Excellence and Excellent Awards, 2021

24th National Annual Quality Convention, 2021: Platinum and Gold Awards

Superbrands Bangladesh's Choice Awards, 2020-21

Esprit's Top 10 Global Suppliers for Autumn-Winter 2020

George Ethical Compliance Award 2021

Featured in the World Economic Forum's report on "Future Readiness of SMEs: Mobilizing the SME Sector to Drive Widespread Sustainability and Prosperity" ^[1]

Recognized by the World Economic Forum as one of the New Champions of stakeholder capitalism ^[2]

^[1] <https://www.weforum.org/whitepapers/future-readiness-of-smes-mobilizing-the-sme-sector-to-drive-widespread-sustainability-and-prosperity/>

^[2] <https://www.weforum.org/agenda/2021/06/stakeholder-capitalism-esg-global-goals/>



“

*The world is not ours to keep. We hold it in
trust for future generations.*

Kofi Annan, Seventh Secretary-General of the United Nations

”

CHAPTER 2



ENVIRONMENT

ENVIRONMENT: Environmental protection is becoming more of an importance as the consequences of negligence are impacting our day to day lives. We at DBL Group want to contribute to the economy, but in an environmentally-sound manner.



ENVIRONMENT

When undergoing the series of processes to create our final product, we draw resources from the natural environment. Hence, we at DBL Group recognize the importance of being responsible to ensure that our environment is safeguarded for the current, as well as the future generation. Alongside this, our past and current environmental practices have led to reduction of operational costs which encourage further environmental investments from the perspective of business as well.



PRODUCT: We are continuously improving the quality of our products while minimizing negative impacts on both the environment, and the consumers. The R&D department is actively involved in creating new and researching existing products to ensure that we can produce the best products in a sustainable manner



PROCESS: The process is the most vital part of the creation of any product. Thus, we are committed to continuously improve all aspects of our manufacturing processes. We strongly emphasize on eliminating non-value-added activities, to reduce environmental impacts while delivering quality products on time.

ENVIRONMENTAL MANAGEMENT

To reduce environmental footprint, DBL Group has formed a separate team under the Compliance department: the Environmental Management System (EMS) Team. Standard environmental policy and Environmental Health and Safety (EHS) policy have also been formulated which addresses management of the following.



These guiding activities help us address various environmental challenges. As minimization of pollution is addressed, the organization can ensure sustainability of the environment as an integral part of the business. For continuous improvement, DBL also assess performance through the Higg Facility Environmental Module (Higg FEM) of the Sustainable Apparel Coalition (SAC).

We carry out routine maintenance to ensure that Effluent Treatment Plants, waste management systems, as well as our machines are working at standard capacities.

Suppliers for our company are also required to follow environmental standards which are verified on a regular basis. Our commitment to achieving high environmental standards encourages our buyers to hold on to good business relations with us.

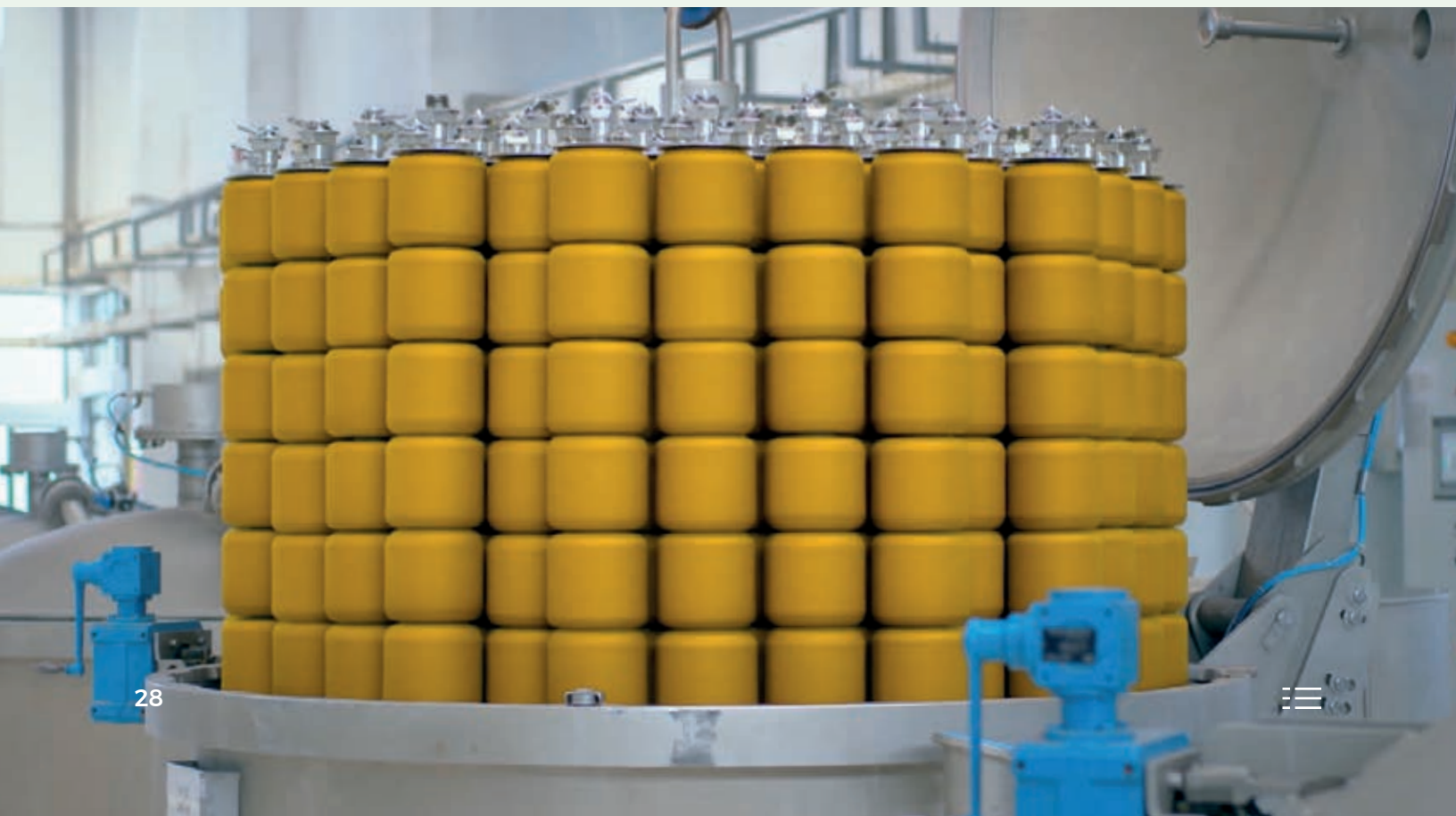
We work to decrease carbon footprint, water consumption, and wastes from our manufacturing process. Our dedication in conserving energy, managing waste effectively, and replenishing the environment to the best of our capacity helps us in our strive towards SDG-13: Climate Action.

CLIMATE + ENERGY



Climate change is one of the greatest global threats at current times. More severe and frequent weather-related impacts is giving the world a preview of how climate conditions may get if we do not move forward with the target of maintaining below 1.5-degree Celsius increase in global temperatures as outlined in the Paris Agreement. Among the several dimensions of sustainability concerns, we recognize that sustainability is directly related to financial matters and global climate change concerns. Bangladesh, specifically, has been identified as one of the most climate vulnerable countries in the world due to the geographic nature of belonging in a low-lying floodplain.

We recognize the direct and indirect risks posed by climate change on our company, the surrounding communities, as well as our future generations. Hence, committing towards playing our role starts from each part of our production processes which is embedded with climate action activities and programs in order to reduce energy usage and GHG emissions. To strengthen our commitment and reduce our carbon footprint, we have been reporting on the CDP platform. We are also considering engaging with Science Based Target initiatives (SBTi). Alongside this, different Life Cycle Assessment (LCA) programs initiated by buyers are helping us in obtaining our reduction goals. In 2020-21, 68,027,634 cubic meters of natural gas and 2,804,141 liters of diesel were used for energy generation.

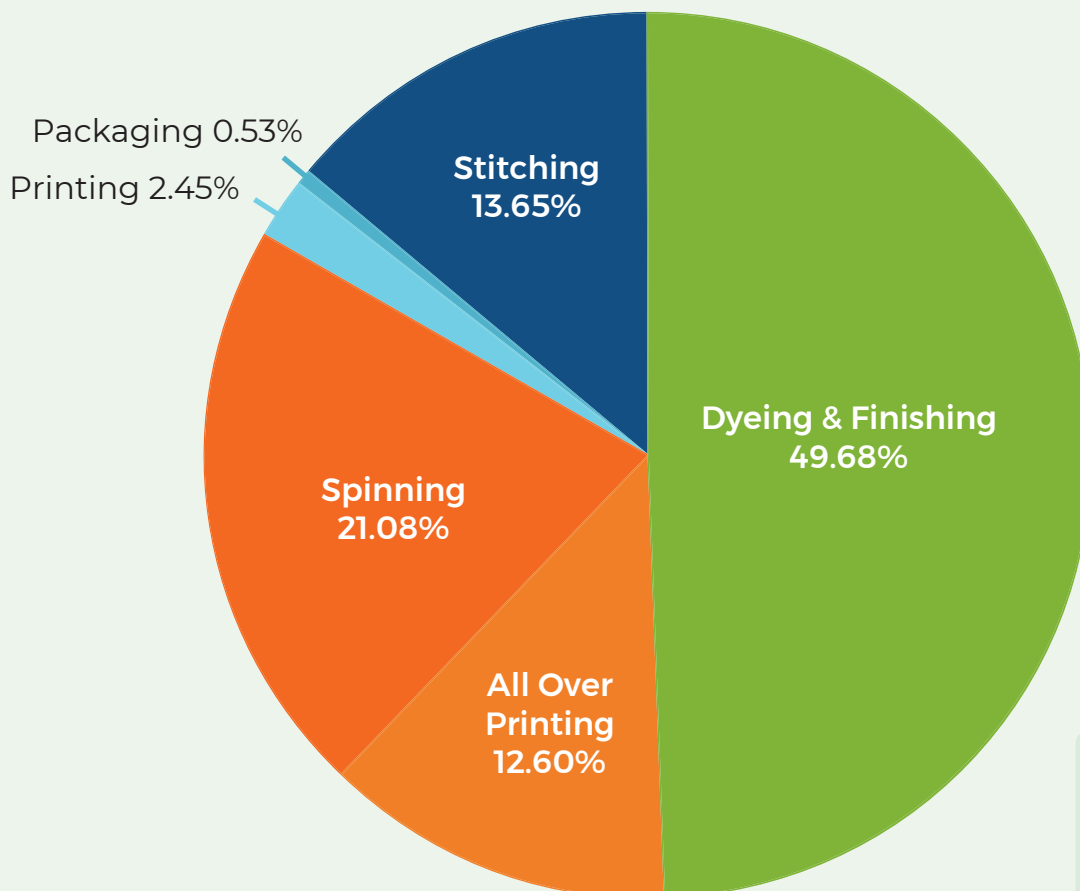


GHG EMISSIONS

Greenhouse gases (GHGs) contribute to worsening of climate effects and hence we aim to minimize our GHG emissions in all our operations. Emissions include GHGs which are emitted from the different machines used in the operations and from vehicles used for transportation. This consists primarily of carbon dioxide and is calculated using IFC and GHG Protocol guidelines.

From the different operational facilities, 160,085 tons of carbon dioxide emissions were recorded in 2020-21 and we have given the details of consumption based on process so we can better identify ways to reduce emissions in a process-specific manner.

GHG emission by operation: 2020-21

**26.2%**

reduction of
GHG
emission per
garment

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.

100%

Servo
motors in
sewing line

STENTER MACHINES & ECO BOOSTERS

Our wet processing plant for Fabric Finishing has Stenter machines which stretch the dyed fabric widthwise and recover the uniform width. Each of our Stenters have an Eco Booster: a state-of-the-art heat recovery system with automatic cleaning. The Eco Booster also consumes low amount of water during the cleaning process. A total of five Eco Boosters are present in our newer dyeing factory, which saves up to 1,741,815 kWh of energy each year.

EGBs

DBL uses Exhaust Gas Boilers (EGBs), a form of heat recovery system, which uses the heat produced from the generators. The heat is collected from the generator exhausts, and this is used this to heat up the boilers instead of consuming extra fuel.

Multiple boilers have been installed in different complexes.

These EGBs saved up to 330 million normal cubic meters of natural gas saving every year.

More EGBs will be installed to further reduce the impact on the environment, especially in terms of carbon emissions as this is significantly lower due to the lower consumption of fossil fuels.





CDP SCORE

DBL Group, being a signatory to the Fashion Industry Charter for Climate Action, has started reporting on the CDP platform. The CDP scoring system increases our accountability and helps drive us towards reaching higher goals and fulfilling existing gaps. Our CDP score for the year 2020 is given below and is the same as that of the textile & fabric goods industry.



CDP Score of DBL Group

Your CDP SCORE



AVERAGE PERFORMANCE



Textiles & fabric goods

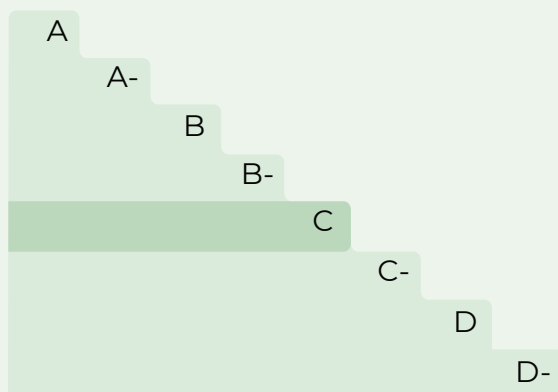


Asia



Global Average

UNDERSTANDING CDP SCORE



DBL Group received a C which is the Awareness band. This is higher than the Asia regional average of D, and higher than Textiles & fabric goods sector average of D.

Leadership (A/A-): Implementing current best practices

Management (B/B-): Taking coordinated action on climate issues

Awareness (C/C-): Knowledge of impacts on, and of, climate issues

Disclosure (D/D-): Transparent about climate issues.

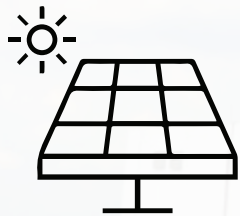
RENEWABLE ENERGY

The use of renewable energy, such as solar power reduces the impact on the environment. This is because such type of power generation reduces air pollution, helps to slow climate change, reduces carbon footprint, and reduces reliance on fossil fuels. They are thereby often referred to as “clean” energy.



In terms of both business and environment, this adoption has proved to be quite beneficial. Adopting solar power keeps us in alignment with the sustainability goals of our different buyers.

Renewable energy can shield against rise in energy prices. Thus, with aid from the International Finance Corporation (IFC) and other relevant stakeholders, we have already researched, and are continuing to conduct research on the feasibility of further usage of solar panels. Currently we have set up 503.6 kW capacity of solar power generation set up on the rooftops of 8 factories.



105,722

Kilowatt-hour power generated from solar panels in **2020-21**

1%

Energy comes from renewable source

503.6 KW

capacity of solar power generation set up in 8 factories

TREE PLANTATION

Tree plantation benefits the environment, boosts wildlife, strengthens communities, grows the economy, and protects the future. A method of offsetting carbon emissions is by planting trees. Trees absorb and store carbon dioxide emissions that are contributing to global warming.



DBL has already started planting trees aiming regions which include operational sites and beyond to maximize benefits to our workers, the community, and the ecosystem. At least 23 species of trees have been planted. Since each tree is of varying age and species, it was difficult to keep track of the definitive amount of carbon offset our planted trees contributed to in 2020-21. However, we still aim to keep planting more trees in the future for carbon emission reduction.

9,179
Trees
planted
till 2021



WATER STEWARDSHIP



Water is one of the most precious resources on Earth and without it, life would cease to exist. The Textile and Apparels industry is an extremely water intensive one. Availability of water is hence vital for the smooth functioning of the production process. According to a report of the 2030 Water Resources Group of the World Bank^[1], water level is expected to decrease by 3.9 meters per year from 2021.

At DBL Group, we consider our surrounding communities and ecosystems. When we extract water, we recognize the need to ensure that there is sufficient water available for the smooth functioning of the biodiversity and the people living in the surrounding communities. Over the years we have tracked our water consumption and identified ways to reduce our total water footprint by upgrading to machineries which consume less water, increasing usage of recycled water, and by proper treatment of the wastewater before it reaches outlet water bodies.

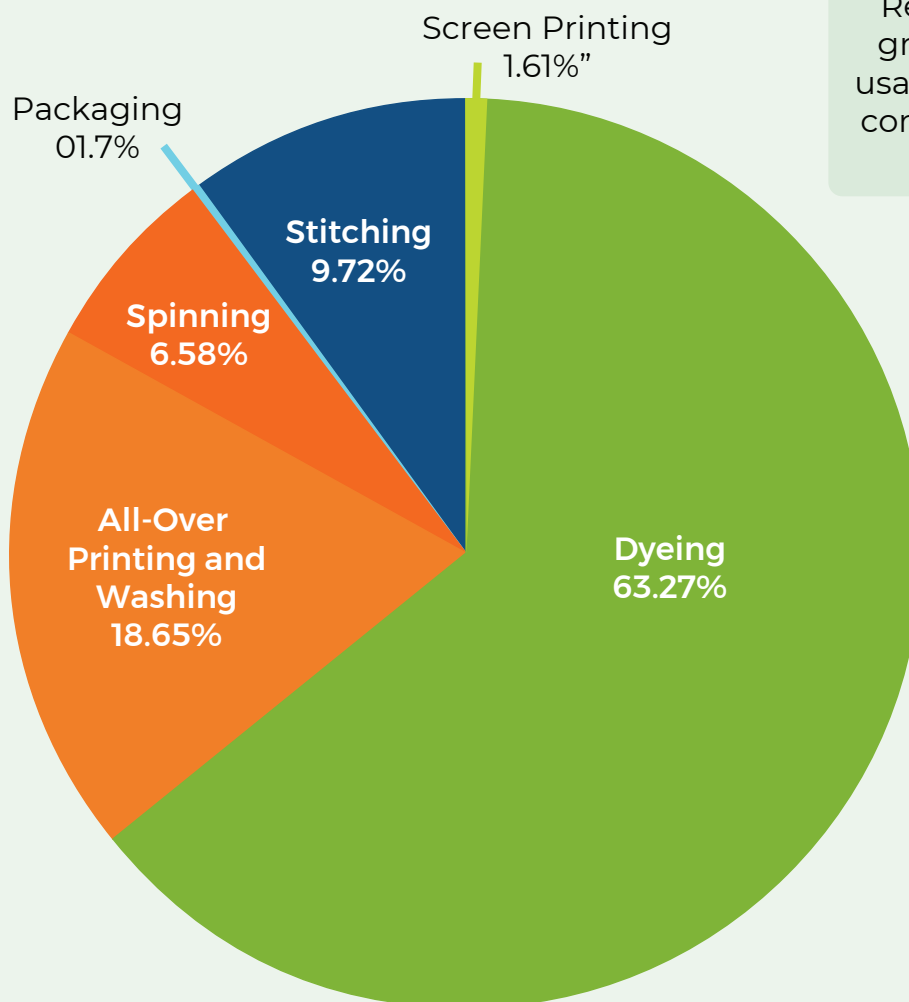


^[1] https://www.2030wrg.org/wp-content/uploads/2021/12/WRG-Bangla-desh-Report-2020_Digital.pdf

WATER USAGE

The water used in our facilities, primarily relies on groundwater. However, due to the concerns of depletion of groundwater, we have also set up a Rainwater Harvesting Plant as well as a backwash water recovery plant to use recycled water. We are continuously studying to identify ways to make our processes more water efficient to reduce water usage per garment.

GROUNDWATER CONSUMPTION

**19.42%**

Reduction of groundwater usage/ garment compared with **2019-20**

RAINWATER HARVESTING PLANT

The Rainwater Harvesting Plant in our Dyeing Plant was originally designed to make use of only the water during rainfall through a multi-gate filtering system. The challenge here was the unpredictable rainfall amount and period, although there was reduction in the use of groundwater.



Now this plant has a dual role. Earlier, the backwash water from the water treatment plants was directly released into the water bodies. This water now makes use of the multi-gate filtering system of the plant and is used directly in the production processes. The Rainwater Harvesting Plant saved 100,850 cubic meters of groundwater usage till 2021.



E-FLOW TECHNOLOGY IN WASHING

The E-flow technology in our Washing Plant uses pressurized air where dyes and chemicals diluted with lesser water and are put into a tank. The machines spray the diluted dyes and chemicals with the help of pressurized air through a nozzle into machine like dew drops.



The advantage of this process is no water medium are needed for dyeing, whereas conventional methods need at least 10 liters of water to process per kg articles of clothing in every step of the dyeing and washing processes.

OTHER WATER SAVING PRACTICES

Low-liquor ratio machines which contribute to up to 46% lower water consumption

Repair leaking taps and replace water taps without aerators by taps with aerators

Educate staff on saving water



Replace single flush cisterns with dual flush

Reusing hot water from boilers

EFFLUENTS

We 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 resulting due to expansions, a second ETP of 7,500 cubic meters 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. We have also constructed another biological ETP in the Screen-Printing facility, which went into operation in February 2016.

25%

Reduction of
ETP waste
generated/
garment

In 2020-21, a total of 3,745,075 cubic meters of effluents were generated. Due to growing operations, DBL Group is adopting techniques to reduce the effluent quantity while improving the quality of wastewater discharged. One such initiative is the Zero Discharge of Hazardous Chemicals (ZDHC) program.

RAW MATERIALS



DBL Group's primary raw materials include cotton and other fibers, dyes, and chemicals. We have suppliers who were nominated in accordance with their respective sustainability practices. These include procuring cotton being certified as Organic Cotton, an initiative to reduce the negative impact on the environment and consumers.



Due to our backward linkage, our production processes have a diverse set of raw materials requirement. Cotton is the dominant raw material used in our production process. For all raw materials, we are in progress of transitioning into full sustainable use.

MATERIALS USED IN OUR PROCESS:

PROCESS	Input material(s)	Output from process
Spinning	Raw cotton (primarily)	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/VOLUME:

Materials	Unit	Output from process
Cotton	kg	17,870,727
Yarn	kg	36,946,181
Fabric	kg	73,236,563
Dyes	kg	1,007,511
Chemicals	kg	9,485,999
Salt	kg	8,498,210
Cut panel pieces	pieces	65,678,680
Paper	kg	6,418,838

RAW COTTON

Our Spinning Mill makes use of different processes that reduces the consumption of cotton. Recycled textile materials are used instead of raw cotton.



The yarns for loop and brush use 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 recycled 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.

With H&M, a project was initiated focusing on recycling. Pet bottles from Coca-Cola are used by Maliha Poly Tex Fiber Industry Ltd. to form polyester fibers. These were then used by our Spinning Mill, Matin Spinning Mills Ltd, along with cotton to form special yarns. These yarns in turn were used to produce apparels, made from recycled pet bottles. A total of 164,171 pieces cotton-polyester-terry products generated, which consisted of 20% recycled polyester.

COTTON

Cotton is the dominant raw material in our production processes. From 2020 onwards, 100% of the cotton are sustainably sourced. Some of these are discussed below.

100%

of the total yarn production is sustainable cotton

BETTER COTTON INITIATIVE

The program has been adopted to support the global standards for Better Cotton and to make global cotton production better for the producers, environment and the sector. 50% of the total yarn production is from BCI.

50%

of the total yarn production is from BCI

ORGANIC COTTON

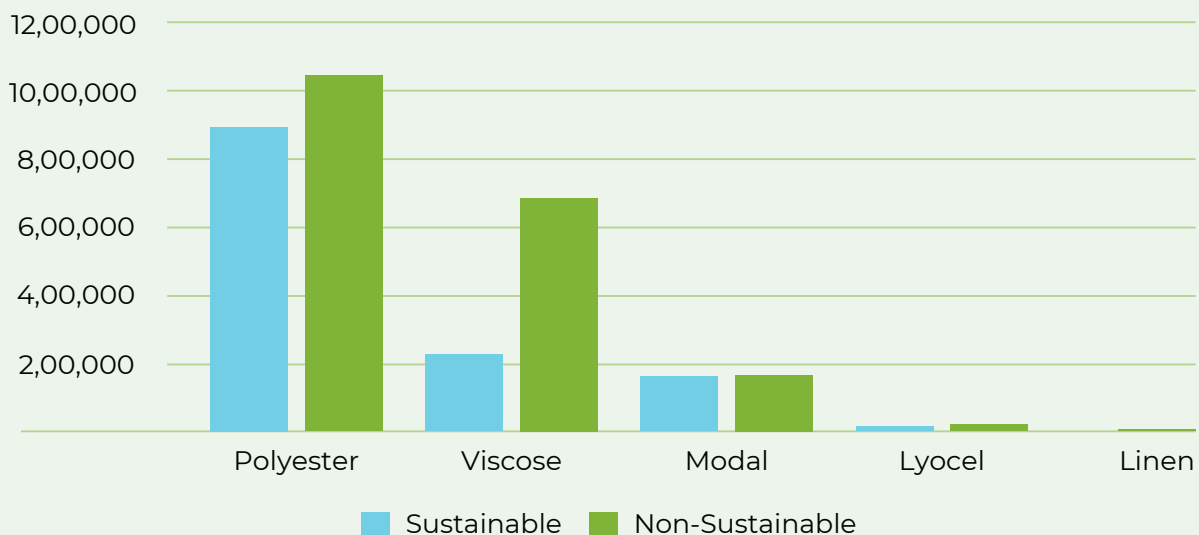
It is an initiative to reduce the negative impact on the environment and consumers. Organic cotton is imported from India to process organic yarn. This comprises about 39% of the total yarn production.

39%

of the total yarn production is from Organic Cotton

OTHER RAW MATERIALS

In the case of other materials used, some are sustainable while other are non-sustainable. However, we are working on shifting towards higher percentage of sustainable materials till we can have 100% sustainable raw materials in our supply chain.



CHEMICAL MANAGEMENT



The Apparels and Textile industry are required to utilize a range of chemicals, some of which are hazardous. Proper chemical management is vital for the proper protection of our final consumers, our own workers, our surrounding communities, and the ecosystem.



We follow restricted substances lists provided by our buyers and make use of chemicals which have special certifications such as the Oeko-Tex Standard 100 Product Class 1. Our workers are equipped with the necessary personal protection equipment during handling of chemicals. However, we also recognize the importance of a thriving ecosystem for the species and for the communities dependent on the waterbodies where we discharge our outlet water.

All chemicals used in our supply chain are carefully stored to ensure safety. We also strive to follow chemical management best practices according to the ZDHC program and have adopted some internal initiatives.



ZERO DISCHARGE OF HAZARDOUS CHEMICALS

The Zero Discharge of Hazardous Chemicals (ZDHC) focuses on eliminating discharge of hazardous chemicals and adapting to best practices towards managing chemicals. 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.

Brands, who are also our suppliers, 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. DBL started its journey of ZDHC in 2012 and as at 2021, we have adapted to ZDHC 2.0, the most recent version of ZDHC, for 100% of our inventory.



The ZDHC program focuses on Input, Process, and Output controls:

INPUT	PROCESS	OUTPUT
We are required to maintain 100% MRSL compliance and disclose chemical consumption in chemical module.	We are required to conduct chemical management audit.	We are required to disclose wastewater test report in wastewater module.

RESTRICTED SUBSTANCES CHEMICAL LIST

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 certification. The product Class 1 meets the strictest level of requirements and limit value and products made under this class are safe to use for sensitive skin. The Product Class 1 meets the strictest level of requirements and ensures products are safe to use for sensitive skin.



AUTO DOSING

Auto dosing of chemicals ensures optimum use of chemicals during processes.



NATURE TO FASHION

Our Washing Plant has introduced earth colors which is used to further reduce the use of potentially harmful chemicals. Earth Color dyeing is a new method of creating warm shades from natural colors. These are made available from a range of seven dyes that are made from wastes left over by the non-edible agricultural and herbal industries, covering a palette of natural shades for cellulosic based fibers such as cotton, viscose, linen, bamboo, kapok, etc.



WASTE MANAGEMENT



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 paperless systems.



CATEGORIES OF WASTE

Section/Area	Types of waste	
	Non-hazardous	Hazardous
Cutting	Cotton fabric, paper, carton, fabric rolls	Synthetic fabric, poly bag, cutting knife, scissors, blade
Sewing	Cotton fabric, cotton thread, cotton label, paper	Synthetic fabric, synthetic thread, synthetic label, poly, cutter, scissors, needle, plastic cone, button, zipper, rivet
Finishing	Cotton thread, cartons	Needle, poly, used gum tape, tag pin, empty bottle of spot lifter
Medical Centre	Gauge, unused cotton	Syringe, synthetic packaging materials of medicine, empty, medicine bottle
Canteen	Gauge, unused cotton	Plastic packets, water bottle etc.
Lab	Cotton, paper boxes, etc.	Detergent (liquid and solid)
Common	Papers and others	Tube lights, electric bulbs, oil, electric wires, rubber mats, metal, empty chemical drums

WASTE BY TYPE

Type of waste	Unit	Amount
Hazardous	Kg	114,775
Hazardous	Pieces	4,090
Non-hazardous	Kg	15,125,662

25%

 reduction of
hazardous
material/
garment

2019-20

27%

 reduction of
non-hazardous
material/
garment

2019-20

PROGRAMS & INITIATIVES



NEED FOR ENVIRONMENTAL SUSTAINABILITY TEXTILE (NEST)

The NEST Program is designed to support a business unit's efforts to achieve long-term competitiveness, sustainability, and profitability. The focus is on reducing resource consumption and waste generation, improving chemical management, and eliminating the use and discharge of hazardous chemicals in textile production processes. The program is aligned with the Higg Facility Environmental Module (Higg FEM) requirements of the production units. The goals of the program include reduction of water, energy and GHG. This was implemented in DBL Group's Screen Printing unit, Thanbee Print World Ltd.



A summary of implementations and savings from NEST are shown below.

1. Installation of 20 KW solar power grid
2. Installation of air trigger nozzle at open air hose pipes
3. Insulation of boiler valve, EGB, and EGB header
4. Insulation of steam trap
5. Insulation of rear side of boiler
6. Tuning of burner of boiler
7. Repairing of leakages
8. Increasing reuse of ETP



1,521,889
kWh energy saving



32,803
cubic meters water saving

PARTNERSHIP FOR CLEANER TEXTILE (PaCT) II

PaCT is a holistic program supporting textile wet processing factories to adapt cleaner production practices. It has been established and monitored by International Finance Corporation (IFC) so that companies such as DBL can focus on climate change, resource efficiency, wastewater and hazardous chemical management. The program engages with brands, government, communities, financial institutions, and other stakeholders in bringing about systematic, positive environmental change for the Bangladesh textile, including the workers and the communities of operations.



The Government of Bangladesh has set goals to shift to sustainable energy use in order to be in alignment with the SDGs. We have already started the second stage of PaCT and we are working further towards SDG 6, SDG 7, SDG 9 and SDG 13.

Savings from implementing PaCT II



1,401,879
cubic meters
natural gas
saving per year



316,387
cubic meters
of water saving
per year



411
tons of chemical
saving per year

PaCT II implementations



Installation of 20 kW
solar PV panel



Insulation of Exhaust Gas Boiler (EGB)
surface and water feeding tanks



Replacement of
existing pumps by
energy efficient pumps



Water recovery from the
backwash process in the
Water Treatment Plant (WTP)



E-flow technology in garments washing which allows
spraying of chemicals inside the washing machines

ENVIRONMENTAL INITIATIVES IN WET PROCESSING PLANT

Starting from procuring energy efficient machineries, multiple initiatives have been taken by DBL Group to reduce the consumption of energy for the dyeing and finishing processes. These are summarized below.



USE OF ENZYMES*

4 liters of water saving for every production batch



1 hour processing time saving for every production batch



Lesser and treatment requirements



* Novozymes' CombiPolish



LATEST WATER-EFFICIENT DYEING MACHINES

One of the latest water-efficient machines used in the Dyeing operation saves significant amount of water. These new machines from Acme makes use of only 40 liters of water for dyeing one kilogram of fabric, providing savings of up to 15 liters of water compared with the existing machines. The benefits extend to saving steam, chemicals, and wastewater treatment as well. Furthermore, older Dyeing machines in our first Dyeing factory are also replaced with newer, more efficient ones.

ENZYME DUST CLEANER

Enzymes are used in our Dyeing and Finishing processes as substitute of harmful chemicals which pose environmental risks and hence are biodegradable. When enzymes are used during the Dyeing operations, micro-dusts are produced. These require significant amount of water for cleaning. Instead of only water, we are using enzyme dust cleaner chemicals which reduce water consumption by a minimum of 5 liters per kilogram.

PROCESS WATER FOR SCREEN WASHING

In our All-Over Printing operation, screens are used for the printing processes. The water extracted from the Stenter machines (used for drying the fabric after a Dyeing or Printing process) is used to clean these screens. This reduces the amount of groundwater usage.

NEW INTERVENTIONS IN WET PROCESSING PLANT



Using skylight roofs: These make use of daylight instead of making use of unnecessary lights in an area



Sensor-based lighting sections: These activate only when people approach the specific areas where the system is installed



Economizer systems in boilers: These are heat recovery systems that reduce energy consumption by making use of the exhaust gases leaving the boilers



Synchronized power sources: This makes optimal choice of using different types of fuel sources prioritizing natural gas at first, followed by purchased electricity, and finally diesel.



Hot water recovery system: This makes use of the hot water generated from the Dyeing processes to heat water in the boiler, thus reducing energy usage.



Condensate recovery: This system recovers condensate instead of discarding it and leads to significant savings of energy.

OPERATION AUTOMATION IN FABRIC MANUFACTURING



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 led 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



AWARENESS TRAINING ON ENVIRONMENT

Environment awareness training is 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. This is done by the respective heads of departments by sending staff across for internal as well as external trainings.

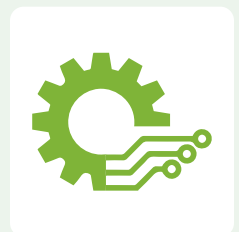


Additionally, community based knowledge programs include basics of environmental awareness related sessions which touch on SDG 13: Climate Action, SDG 14: Life below Water, and SDG 15: Life on Land.

Programs such as “Community Awareness Program on Environment”, “Social Dialogue on Climate Protection”, “Environmental, health & Safety Program”, and “SDG Ambition Program on Climate Protection” have been held across communities in Bangladesh which has collectively benefitted over 93 people.

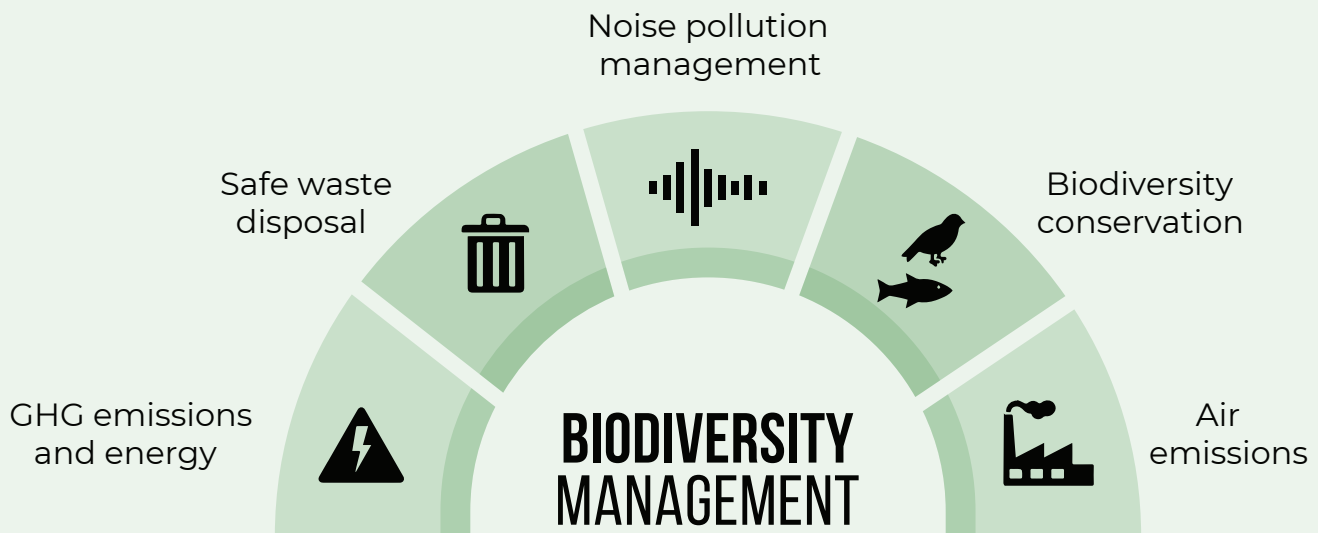
EIM SOFTWARE

Environmental Impact Measurement software is used specifically in the garments washing process and it can generate the score of sustainability for the products. Identifying lacking through scores ranging from low impact, medium impact and high impact can help towards minimizing any underlying problems and thus, further sustainability plans can be taken under consideration.



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:



ENVIRONMENTAL IMPACT ON COMMUNITY & BIODIVERSITY

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 100,000 trees by 2020, DBL has started to offset the carbon emissions within the different communities where we are operating. These trees can also be countering the increase in temperature.



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 CERTIFICATIONS



Certification	Hazardous
Environmental Clearance Certificate (ECC)	Spinning, Fabric Dyeing, All-Over Printing, Screen Printing and Packaging
Oeko-Tex Standard 100	Spinning, Fabric Dyeing, All-Over Printing, Garments Manufacturing and Screen Printing
Global Organic Textile Standard (GOTS)	Spinning, Fabric Dyeing, All-Over Printing, Garments Manufacturing and Screen Printing
Organic Content Standard (OCS-IN)	Spinning, Fabric Dyeing, All-Over Printing, Garments Manufacturing and Screen Printing
Global Recycled Standard (GRS)	Spinning, Fabric Dyeing, All-Over Printing, Garments Manufacturing and Screen Printing
Recycled Claim Standard (RCS)	Spinning, Fabric Dyeing, All-Over Printing, Garments Manufacturing and Screen Printing
ISO 14001	Fabric Dyeing and All-Over Printing

ENVIRONMENTAL GRIEVANCES



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

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 non-compliance with laws and regulations concerning the provision and use of products and services.

■ DBL ensures the following for each product created:





“

*How we treat the earth basically effects our
social welfare and our national security.*

Jim Fowler, Zoologist

”

CHAPTER 3



SOCIAL

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



SOCIAL

DBL Group wants to continue sustained growth and to do so, we need to consider the focus on two of our Pillars: People & Community. Our definition of 'social responsibility' considers our own workers and employees, as well as the surrounding communities and beyond. Our social initiatives address issues including: Women empowerment, health & hygiene, safety, inclusion, community development and skill enhancement.



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. We can extend this impact from improving the livelihood of our employees to the development of the local community where we conduct our businesses.

DECENT WORK



We are continually creating value additions for our workers and employees to have a positive experience during their time with us.” with: We are continually striving on creating value additions for our workers and employees to have a positive experience during their time with us.



BANDHAN FAIR PRICE SHOP

“Bandhan” – a Bengali word which refers to “bonding” – is a fair price shop serving low-income workers with essentials and commodities at factory price of manufactures. Since 2008, the aim of Bandhan has been to reduce workers monthly expenditure and to shelter them from economic fluctuations. 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.



A range of 400+ products including categories of food, cooking oil, toiletries, housekeeping, tea, and beverages, and more are available at subsidized prices ranging from 5% to 15% at our shops. Sanitary napkins can be purchased by female workers at subsidized price of 13 cents, which is 71% less than the market price; this is a part of one of our existing programs: Women Health Initiative. Products available at Bandhan consist of internationally and locally recognized brands such as Unilever, Nestle, P&G and many more. Bandhan acts as an inclusive business model since it includes the low income workers as consumers.

The entire system has been designed and managed in-house. Bandhan was recognized by the Business Call to Action (BCtA) as an inclusive business model and gained DBL a membership of the BCtA. There has been a decrease of 13% for the Bandhan sales compared to the year 2019-20 due to a decrease in overall buying capacity of the general public during the pandemic. Typically our Bandhan sales increases each year, and post recovery from covid-19 is predicted to rise again.



400+
Products



Cash Saving of
15-20%



07
Shops



1,955,590
USD sales in
2020-21



“Bandhan helps us overcome our financial challenges.”

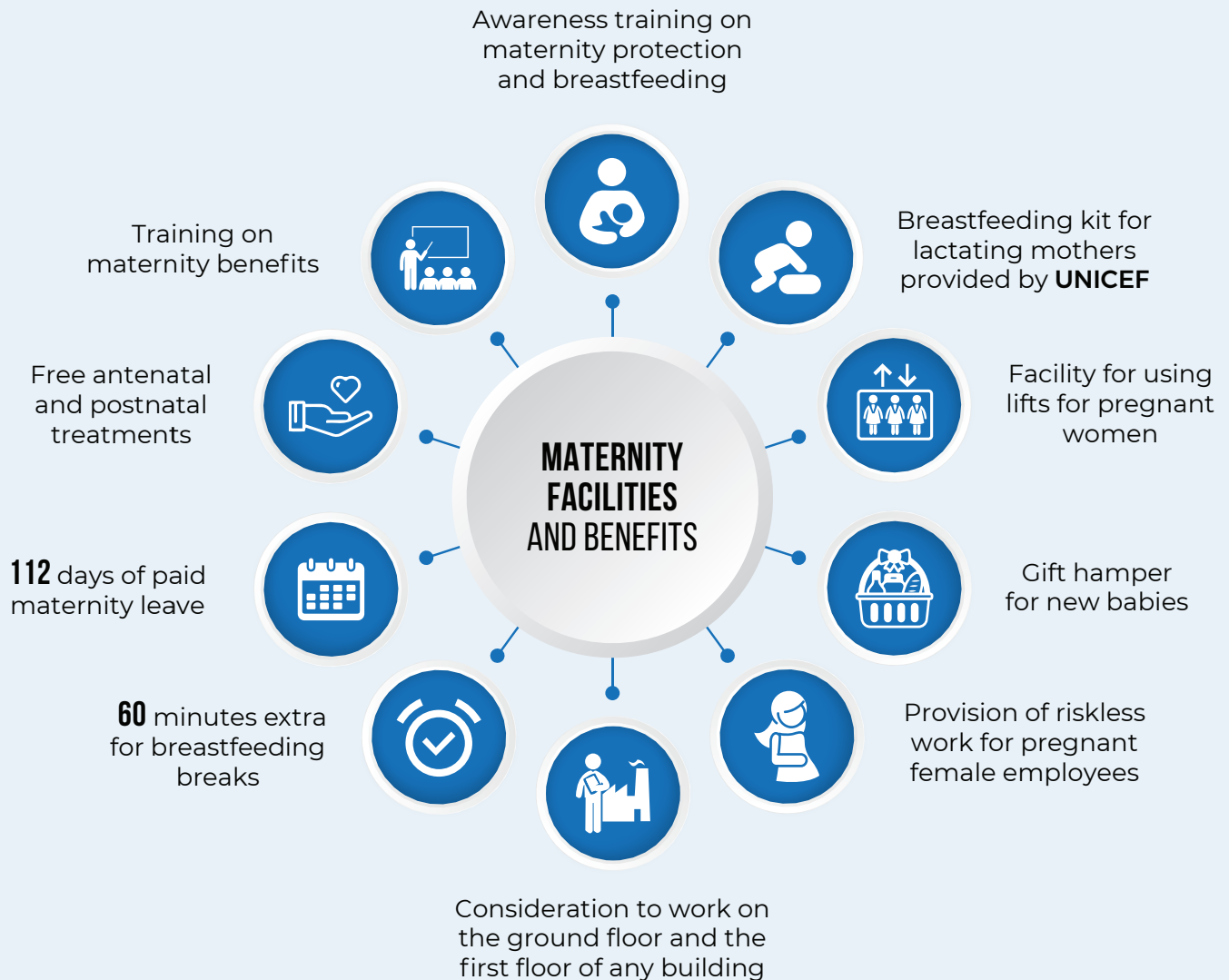


MATERNITY FACILITIES AND BENEFITS

We at DBL Group want our mothers to be happy mothers. All the female employees of our company are entitled to take paid maternity leave of 112 so they can take this time to nurture for their newborns.



Among the 688 workers who took maternity leave in the year “2020-21” and 646 returned after the end of the leave duration. This is a retention rate of 93.9% indicating that our female employees are satisfied with the benefits given during pregnancy and after conceiving.



MOTHERS@WORK

At DBL Group, we believe a proper-work life balance is vital. Careers should not be developed at the expense of motherhood. In order to encourage expecting or current mothers to stay dedicated in their existing work, we have signed a Memorandum of Understanding (MoU) with UNICEF to promote and improve breastfeeding practices in the workplace. The Mothers@Work program was piloted in several of DBL Group's factories with the target to reach female workers, pregnant and lactating women and 340 infants and young children over the 3-year span of program implementation.



Our goal is to ensure that our superwomen can focus on being good mothers while delivering quality output. The concept is currently being expanded to other factories, and infants from both the Day Care Centre and the community are free to avail this service.

Considering the cost of investment of the Mothers@Work Program, we have calculated an estimate of annual \$55,392 savings for a sample of 100 pregnant and lactating mothers. This savings of revenue is generated due to better peace of mind for the new mothers leading to lower rejection rate of garment pieces.



2 additional 30-minute slots for breastfeeding



Express breastmilk extraction and storage



2 dedicated private lactation stations



313 pregnant and lactating mothers received counselling on the importance of breastfeeding



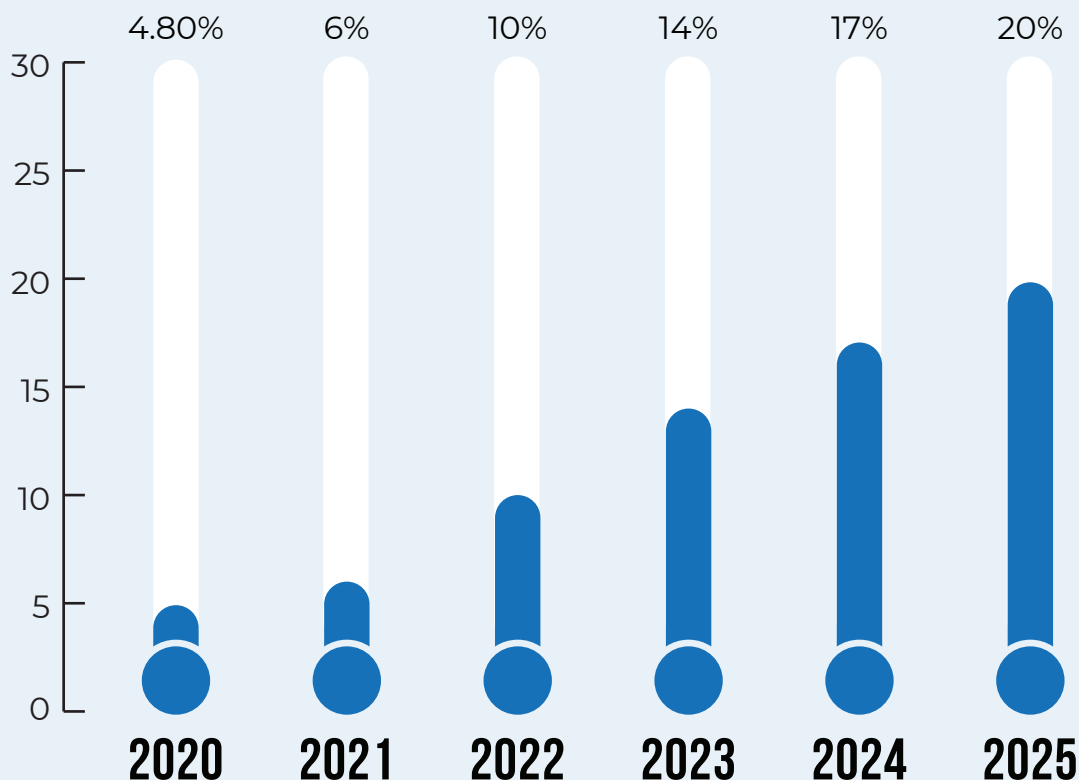
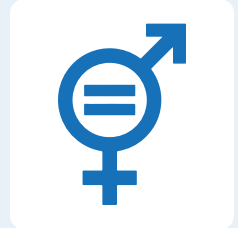
124 workers and management trained to support breastfeeding



175 mothers using **breastfeeding bottles** to **preserve breastmilk** in factory and at home

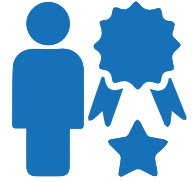
TARGET GENDER EQUALITY

Despite having a large portion of female employees in total, when we single out the management level, there are very few females employed at such positions. Hence, in 2020, we formally introduced the target of attaining 25% female employees in management level by 2025 based on United Nation Global Compact's Gender Equality Accelerator Program: Target Gender Equality. DBL Group is one of the fifteen Bangladesh based companies listed by the United Nations Global Compact to officially be involved in Target Gender Equality which contributes to Sustainable Development Goal 5.5. Interim targets for each year till 2025 were set in order to achieve the goal. At the end of FY 2020-21, 5.53% female employees in the management level have been recorded, and continuous actions are being taken to increase this figure.



IDEA CLUB

We encourage ideas from all employees, regardless of their designation through our dedicated 'Idea Club' sustainability program. 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" to acknowledge the efforts of the workers throughout the year.



The program has been inaugurated in the knitting section and has been replicated for other units as well. 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. 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.

A photograph of a young woman with a bright smile, wearing a pink headscarf and a yellow shawl. She is in a factory setting, with other workers visible in the background. A white text box is overlaid on the right side of the image.

315

Employee of
the Months
awarded
since 2016

QUALITY CONTROL CIRCLES

Our Quality Control (QC) Circles promote employee engagement in the workplace by leaving decision making in the powers of the individuals directly working on the specific tasks. We believe that the employees and workers directly working on the jobs have better insight on potential improvements rather than top level management who may not have a detailed enough perspective on the matter.

This bottom-up approach to quality control empowers employees and workers to make effective decisions which influence production directly in a positive manner. Each of the different operations has their own QC Circles. Several teams representing DBL Group have participated in both national and international QC Circle competitions and have won the highest recognitions on multiple occasions.



114

Quality
Control
Circles

CHILDREN EDUCATION SUPPORT INITIATIVE

We have a program dedicated to increase accessibility to education for the children of our employees. Under this program, we provide financial assistance on education and career path counselling session. We also recognize our meritorious students who have passed Higher Secondary education in order to motivate them to pursue higher education. In 2021, 56 students were recognized during an online based celebratory occasion.



56

Students
recognized
in 2021





WAGES & ITS IMPACTS

At DBL Group, we abide by the minimum wage as set by the government at all times. The levels of wages are a common standard for the industry regardless of gender or area of operation: this is constant throughout Bangladesh. Each of our workers are recruited in one of seven grades (apart from trainees). For all grades, we provide a higher rate than the minimum; experience is also considered in relevant cases and a surplus amount typically depends on the amount of prior experience the recruit has. “The ratio of standard entry level wage of male to female is 1:1.”



SENSITIVITY OF WAGE ISSUE

The Bandhan Fair Price Shop of DBL Group plays an important role towards the positive contribution through its product lines.

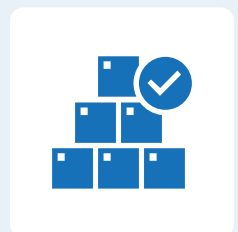
An inclusive business model, Bandhan was established as a strategic approach. Back in 2007-08 when the global financial crisis affected everyone, DBL decided to increase the salaries of our workers by 15%.

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 prevented any unrest.



SUPPLIER ASSESSMENT

Suppliers of DBL are also assessed for labor practices, human rights, societal and environmental impacts. The DBL Compliance team conducts supplier assessment through specific standards questionnaires 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.



EMPLOYEE BENEFITS

Apart from the dedicated wages workers are entitled to, we offer attractive facilities for the welfare of employees to ensure that DBL is a desirable workplace for all. Such benefits include:



- Life insurance and disability & invalidity coverage as per Bangladesh Labour Law and Group Insurance Policy
- Retirement provisions
- Stock ownership (currently one business unit of DBL is listed under the Dhaka and Chittagong Stock Exchanges)
- In-house day care center with trained professionals
- 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
- Participating and organizing in-house sports tournaments such as cricket, football, and volleyball
- Promoting culture through the encouragement of music and art competitions
- Worker-Management Relationship program where personal issues and needs are discussed every month through the Participatory Committee (PC) meetings



OCCUPATIONAL HEALTH & SAFETY

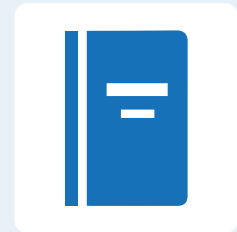


DBL Group aims on creating a healthy, environment-friendly and safe workplace by educating the workforce regarding health and safety issues. In order to ensure that strict safety standards are maintained for the physical wellbeing of the workers, we follow international standards of safety. A good work environment not only has a direct impact on the employees' health but also plays a vital role on the productivity level.



OHS POLICY

Our Occupational Health & Safety Policy and related procedures encompass all national and international standards. This includes, but is not limited to:



- 1) Bangladesh Labour Law 2006 including the amendments and the rules
- 2) Other national laws
- 3) ILO Conventions
- 4) Buyers' Codes of Conduct

All employees are covered under this policy and this is applicable to all units of DBL. Dedicated teams are present to oversee the different health & safety needs to maintain safety standards. All instances of accidents, injuries, and occupational diseases are kept in record at DBL. Each record of an occurrence is categorized into multiple types to analyze the specific type of injury and disease so we can address it and make necessary changes to minimize such incidents in the future.

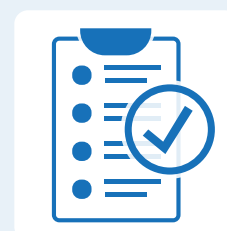


We record injuries and occupational diseases for each units to identify potential underlying causes so we can make necessary changes. This is vital, because the number of lost days, due to occupational diseases and injuries, has a direct impact on our revenue. This helps us to make necessary changes within the respective business units to create a better workplace for our workers which will in turn also increase productivity.

	2019-20	2020-21
Injury rate	0.97%	0.99%
Occupational diseases rate	2.33%	1.78%

OHSAS STANDARDS

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.



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
- Mini Fire Station



BUILDING SAFETY

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



CHEMICAL SAFETY

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



ELECTRICAL SAFETY

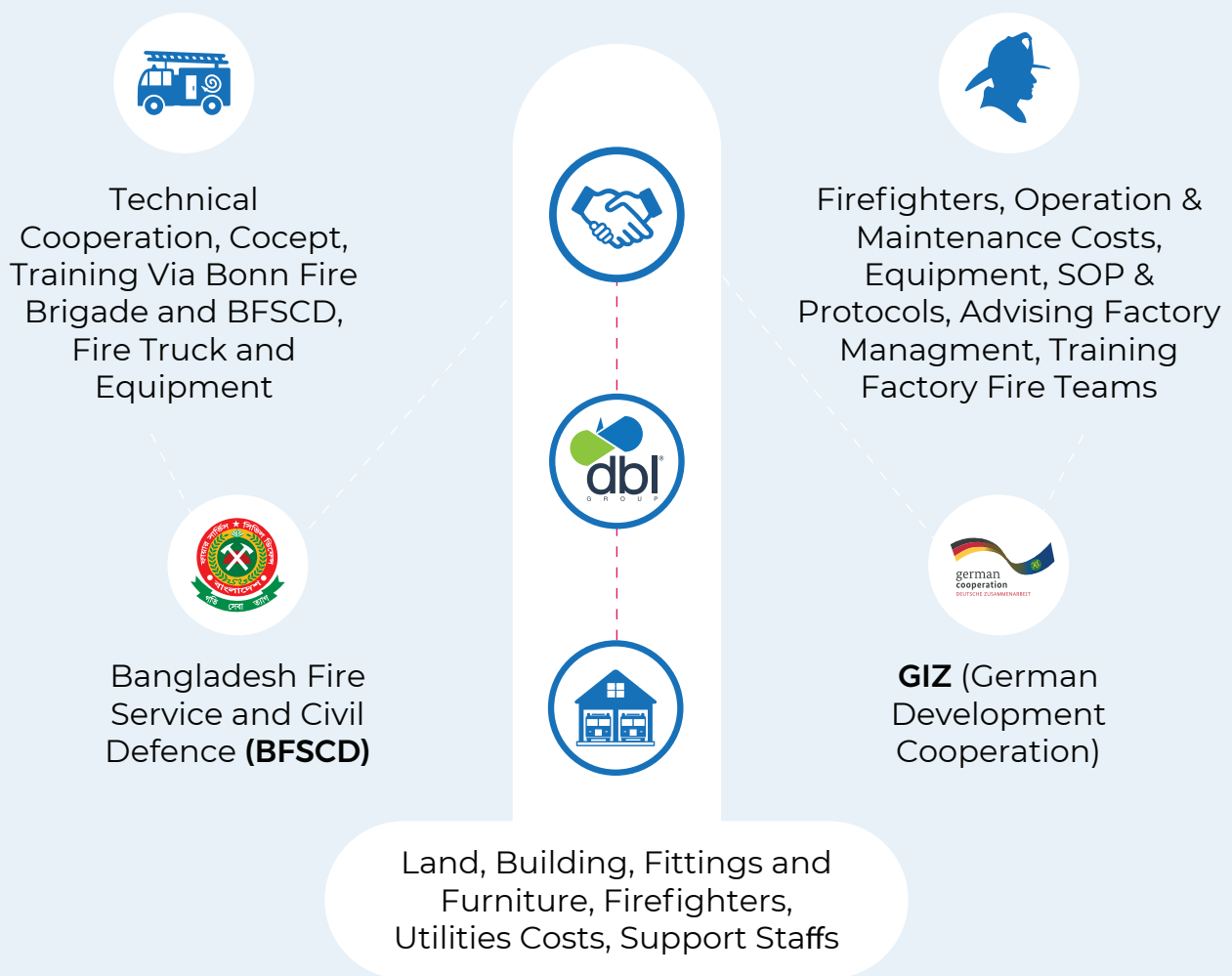
- Top quality cabling and accessories
- Trained technicians for maintenance
- International safety features for equipment
- Maintenance and risk analysis records

MINI FIRE STATION

The Mini Fire Station (MFS) is DBL Group's first public private partnership in collaboration with GIZ (German Cooperation) and the Bangladesh Fire Service and Civil Defence (BFSCD). The objective of the MFS 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 is also serving the community in the Kashimpur-Konabari industrial cluster. 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.



ROLES OF PARTNERS





FIRE SAFETY

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.



\$8,976,839

Estimated value of assets recovered from the 98 factories and establishments



296

factories and establishments

Controlled and extinguished fire in the industry and community since 2017



MEDICAL CENTER

Occupational diseases are prevalent in the workplace due to the nature of the work and the existing surroundings. The presence of dust, heat, chemicals, work stress, posture of working, etc. make rise to illnesses 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) which we provide to our workers. In the case of occupational diseases arising, we have dedicated medical center present in each factory complex to manage and treat our workers.



In addition, the center also deals with non-occupational common diseases such as fever, measles, tooth pain, and so on. To make employees and workers further aware 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 3.70% of the total workforce to ensure that concerns regarding medical attention are resolved.



RISK MANAGEMENT

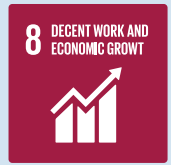
Given the nature of business, the raw materials and products that DBL handles and the scale of operations, our risk management systems are designed to ensure that all our workers and assets are safeguarded and protected against any kind of loss. For worker safety, specific risk analyses are done based on their workplaces.



These workplaces include a wide variety of setups within the factories such as the chemical storerooms and the Effluent Treatment Plants (ETPs), 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 to leave 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.



HEALTH & WELLBEING



We want to ensure that our workers are having a proper work-life balance; in order to do so, DBL Group provides a varying range of benefits the workers and employees can avail.



WOMEN HEALTH INITIATIVE

Starting from March 2013, the program targeted all the female workers of DBL Group with a long-term objective to ensure good health and hygiene for all female workers. The initial activity was providing women with sanitary napkins at a highly discounted price of 12 cents per pack: thus, not only limiting to educating women, but also providing opportunities for ensuring their safe health.

Analysis and follow ups are conducted 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. Due to the sensitivity in purchasing such products, the Bandhan Fair Price Shops have female staff for the convenience of the female workers. Counselling sessions are also conducted 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 of the sanitary pads.



46,912

Pieces sold

\$5,330

worth of
sanitary
napkins sold

NIRAPOD

NGO Phulki, in partnership with the Embassy of the Kingdom of the Netherlands, is working towards promoting health awareness among the female RMG workers of DBL Group involving peer educator groups. Starting in August 2013, Phulki has expanded the reach of this project through a partnership approach. These training sessions are provided during orientation.



6,500

women have
received training
on SRHR

DBL PHARMACY

The health of our workers and employees is vital for the smooth running of our day-to-day operations. In order to ensure good health, we keep our in-house pharmacy open for all workers and their families. Various types of medicine are available at subsidized prices.



As for the Bandhan Fair Price Shop, the medicines here are subsidized too. In 2020-21, a total of \$159,535 worth of medicines were sold in the 8 pharmacies in the different complexes, including our Ceramics manufacturing plant from \$205,734 in 2019-20. This decrease of 22.5% is because of the decrease in buying capacity during the pandemic.

Decrease of
22.5%
From 2019-20

\$205,734
Worth of medicine sold in
2020-21 in 8 pharmacies

FAMILY PLANNING CORNER

Our main intention at DBL is not limited to the level of productivity, we also want our workers and employees to have happy families. A Family Planning Corner has been set up in one of the RMG manufacturing complexes of DBL Group in 2016.



In addition to family planning services, the setup provides antenatal care and pathological tests. Due to the popularity, the setup has been expanded to DBL's different facilities as well, along with support from the Directorate General of Family Planning (DGFP) of the Government of Bangladesh. The DGFP is providing free family planning products which are being distributed to the workers at free of cost.

**Family Planning
Services Provided**

1,283
In 2020-21

16,229
From 2016,
till date

INNOVATION AMIDST COVID-19: NECESSITY TO INNOVATE



Although virtually all operations and occupations have come to a halt, the doctors and healthcare providers are not exempted from their duties. The heroes of tackling this virus are performing their duties every day, putting their own health and lives at risk while travelling and while treating. However, most of these Heroes of Health do not have personal vehicles and the transport services provided by hospitals are greatly limited and scarce.

Undoubtedly, the Heroes of Health are facing great challenges in going to the hospital and coming back home. DBL Pharmaceuticals Ltd, a concern of DBL Group, organized an online survey consisting of doctors, nurses and other healthcare providers and found out that there is a need for transport service for these healthcare professionals. This is when we initiated the **Crack Platoon Transport Service**.



1,796

Healthcare professionals
registered



820

Women



976

Men

Authorized by the Directorate General of Health Services (DGHS), Government of Bangladesh, the Crack Platoon Transport Service for the healthcare professionals started its journey from 1 April 2020. This initiative is for the doctors and other healthcare staff, so that they can go to their hospitals from their home quickly, safely, and conveniently amid their fight against the COVID-19 pandemic. The service is completely free of charge.

The fleet comprises 40 vans and cars and 10 minibuses registered with the DGHS to pick up the healthcare professionals from their homes and drop them off at over 100 different hospitals in Dhaka, the capital of Bangladesh. These transports are available in three shifts: at 8 AM, 2 PM and 8 PM. Apart from these scheduled shuttle services, the transports are also being provided for the professionals in case of emergency calls within the capital.



4,500+

Transportation services
provided in 30 days



100+

Hospitals received
service

Social distancing norms are followed for seat allocation inside the vehicles. All the vehicles are sanitized after each trip. All drivers wear appropriate safety gears. To ensure safety of passengers, drivers having their full profile registered with Uber are sourced. More than 1,796 healthcare professionals have registered and everyday around 500 healthcare professionals are taking this service.

The name “Crack Platoon” was inspired by the famous guerrilla unit under the same name that had conducted a number of heroic commando operations in Dhaka during the Bangladesh Liberation War of 1971. Under the supervision of the Directorate General of Health Services (DGHS), the initiative is operated by the voluntary organization The Earth Society with technology support from Bondstein, sanitization support by Dhaka Hub of Global Shapers, fleet sourcing support from UBER and funded by DBL Pharmaceuticals Ltd., a concern of DBL Group.

“APNAR DAAKTAR” RTV LIVE ONLINE CONSULTATION SESSIONS



Sponsored by DBL Healthcare Ltd, a concern of DBL Group, the “Apnar Daktar” initiative was hosted by RTV Online. Due to travel restrictions, people were facing great pressure in visiting their doctors, whether they are COVID-19 positive or not. DBL took a step forward so that people do not need to go to the doctors physically but can take their advice right from home.



Doctors took questions from the general audience through WhatsApp or Viber messages and Facebook comments and answered those queries. The live show was hosted for a month during the COVID-19 period. Solely managed by DBL Healthcare, the live show was shown in the virtual platform of RTV’s Facebook page.

The videos of the sessions are available on DBL Group’s Facebook page:
<https://www.facebook.com/dblgroupbd/>

DIVERSITY, EQUALITY & INCLUSION

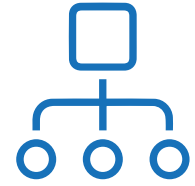


An inclusive workforce encompasses any employee, regardless of their gender, social status, physical or psychological challenges. We believe that anyone has the potential to shine if given the opportunity to do so. At DBL, we give all human beings the same type of opportunities and benefits so we can progress into an inclusive culture while maintaining peak efficiency rates.

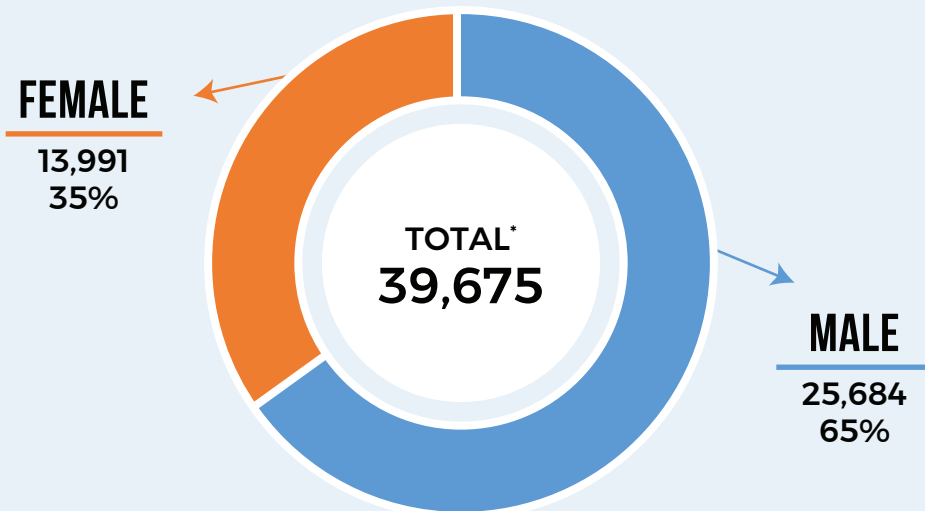


EMPLOYEE DIVERSITY

DBL Group is an inclusive workforce which gives talented individuals from all gender, religion, age group an opportunity to showcase their talents and contribute to the growth of the company. In an in-house case study, it was revealed that female Supervisors have proved to be 2.98% more efficient in doing their assigned work than male workers.



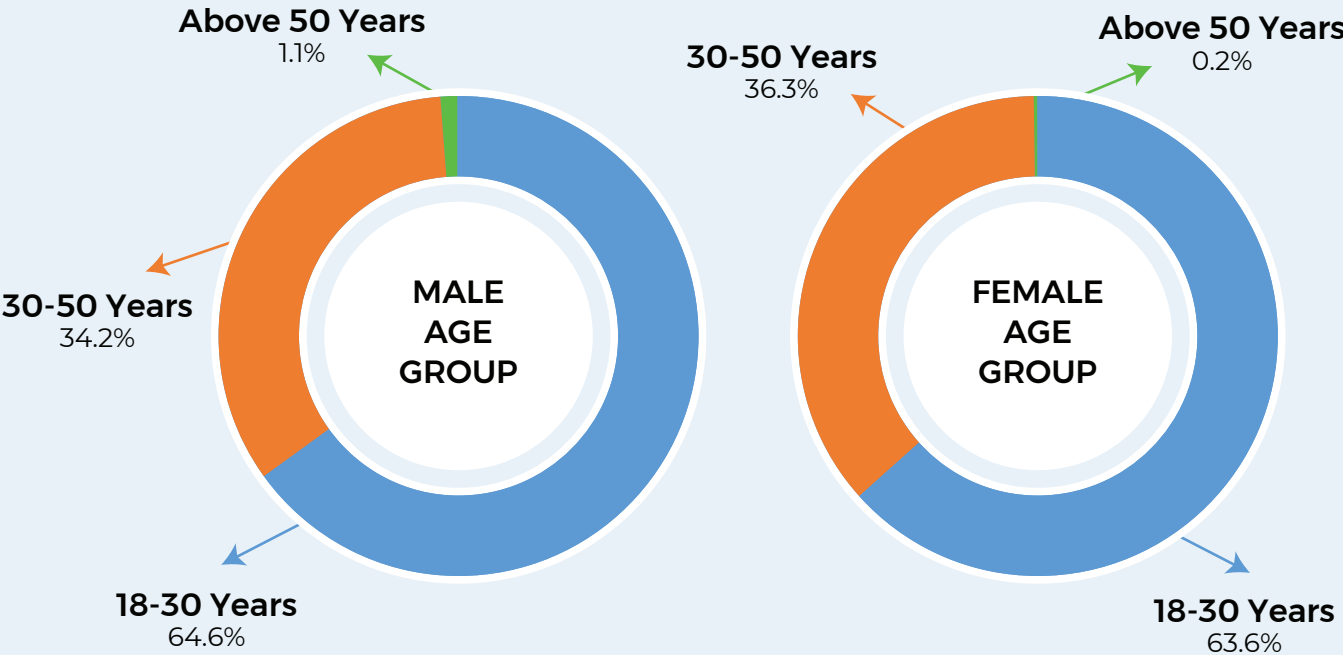
This contributes to an approximate additional \$191,880 of revenue; hence we are dedicated to ensure that we attain a 1:1 ratio of male to female in the future through our various initiatives and programs to empower and encourage women to work at DBL Group.



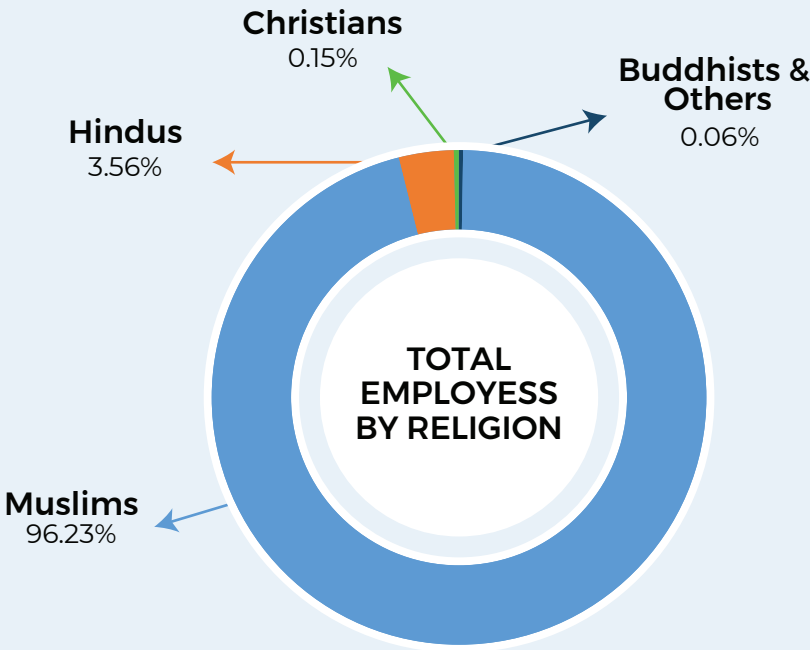
Operation	Male (Employees)	Female (Employees)	Male (Workers)	Female (Workers)
Spinning	212	2	573	1,104
Dyeing/Finishing /Washing	1,180	6	2,706	59
AOP	250	1	763	20
Screen Printing	315	10	1,405	590
Packaging	57	1	167	11
Apparels/Knitting	3,335	167	14,721	12,020
Total	5,349	187	20,335	13,804

* In Apparel and Textile operations only; total in group is 41,000

We believe that age has no limits and thus, we encourage people of all legal age-groups to participate in our workforce.



We do not allow any sort of religion based discrimination at DBL Group. We respect people of all religions equally and hence, we have a diverse workforce with people from various beliefs.



FEMALE SUPERVISOR LEADERSHIP PROGRAM

The Female Supervisor Leadership Program is an in-house training program for our female workers. Over a period of 2 months, training on both hard and soft skills is provided to potential in-house females having worked in sewing or quality departments within DBL.



After successful completion of the training program, they are promoted as Supervisors, creating a more inclusive workplace.

In 2020-21, we have trained 105 supervisors and of which 64 still remain. They are now contributing to 21% of the total supervisors. We will be analyzing on how to improve the retention rate of female supervisors to ensure we meet our gender equality targets of having 50% female supervisors within the production lines in the future.

SHOBOLA

In partnership with amfori (funding partner) and the CSR Centre (monitoring partner), DBL Group has signed an agreement for Shobola. This project aims to empower female workers to take up supervisory positions which allows them to attain career development opportunities and reduce female turnover within DBL Group.



DBL, being the knowledge sharing partner provided training to the trainers of the project since 2019. The project was successfully implemented in six factories across Bangladesh, including DBL Group's Mawna Fashions Ltd. Both management and workers were trained on different soft skills focused on team building leading to the creation of 5 Female Supervisors within DBL, and more in other factories. In order to ensure that the project is continued, a Shobola GAP Analysis is conducted annually to track the impact and progress of the project.

DISABILITY INCLUSION PROGRAM

Unfortunately, disabled people are often looked down upon; multiple cases have been discussed where they are deprived of employment regardless of their high capabilities. Through the Disability Inclusion Program, we are already addressing these challenges by providing employment to persons with disabilities.




We highly believe in Partnership for the Goals (SDG 17) to sustain our business as well as our society. Hence, DBL Group has partnered up with the Center for Disability in Development (CDD) to include people with disabilities within the workforce. CDD has provided training and conducted awareness programs for the factory HR departments in order to make them realize the importance of the inclusion of people with disabilities. We have taken multiple initiatives in collaboration with both GIZ and CDD. DBL also has been engaged with the Innovation to Inclusion (i2i) project, a disability inclusion program implemented by CDD and the Bangladesh Business and Disability Network (BBDN), led by Leonard Cheshire (LC) and funded by DFID, since January 2020.

The Disability Inclusion Program is growing with a vision to have a 1% of our workforce consisting of people with different types of disabilities. 211 persons with disabilities are working in different units, and we aim to create a more inclusive environment by providing employment to more in the upcoming years.

**People recruited
till date**

 **300**


 **204**
male

 **96**
female

Currently active

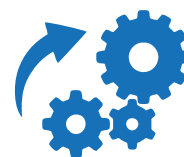
 **211**

 **150**
male

 **61**
female

RETURN TO WORK PROGRAM

We highly believe that if any of our workers are injured on the job, our responsibility is to provide them with any and all support required. Their medical expenses are all paid for alongside their salary which is paid even in their duration of injury leave.



After their recovery, we encourage them to return as a worker in their existing designation, or in a designation which would deem best fit after injury related changes. The Return to Work (RTW) Program, in collaboration with CDD and GIZ, has led to the creation of Return-to-Work Committees within 5 factory sites of DBL Group. The HR Department has amended the existing HR policy to accommodate the RTW Clause. We are also in accordance with the legal frameworks of constitution of Bangladesh, Persons with disability rights protection act in Bangladesh, and Bangladesh Labor Act.

The Return to Work (RTW) program with CDD and GIZ enabled DBL to:

- Form a Return to Work Committee in DBL's factories
- Assign a "Return to Work Coordinator" hired under the HR department
- Amend existing HR policy to accommodate the RTW clause
- Follow international and legal context of RTW policies
- Follow legal frameworks of constitution of Bangladesh, Persons with disability rights protection act in Bangladesh, and Bangladesh Labor Act

The RTW process consists of the following:



Referral



Assessment



Designing
RTW Plan



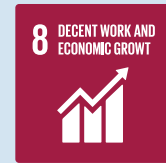
Implementing
RTW Plan



Monitoring &
Coordination

11 people recruited in 2020-21 through the RTW program

HUMAN RIGHTS



We are committed to provide utmost respect to our employees in the most ethical and responsible manner. Human Rights conventions set by International Labor Organization act as a guidance for us to ensure that there is no breach of rights and dignity of our employees and workers.



FORCED LABOR

DBL does not support working of any sort of involuntary or forced labor. The Code of Conduct strictly emphasizes that all employees should be working at factories voluntarily, and no such means should be adopted as a measure that 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 any employee may resign from the company by giving one month's notice in the case of desire to discontinue.



CHILD LABOR

We do not engage with any form of child labor here at DBL. At the time of hiring, psychological interviews are done to determine the age of potential employees in order to ensure that the prospective worker is of legal age to work. In addition, documents such as proof of age is collected from all potential employees, and the authenticity of age documents is verified through a rigorous process. 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

We at DBL believe that freedom from discrimination is a basic human rights matter and do not tolerate any form of discrimination in our company. We pay, promote, and terminate workers based on their ability to do the job, rather than based on race, age, gender, religion, disability, and characteristics. Discrimination on any ground is not accepted under any case and due to the strength of the practice, there have been no cases discrimination cases at DBL till date.



SECURITY PRACTICE

DBL Group hires in-house security personnel and none from third party organizations in order to ensure the utmost safety of our workers. We currently have 428 security personnel and each of them are given special training on organization's policies, focusing on human rights issues, on a monthly basis.



FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING

We recognize and respects the integrity of our employees to exercise lawful rights of freedom of association and collective bargaining. The presence of the Participation Committee (PC) allows the workers to freely communicate any issues that may arise; no discrimination is done against employees who form or participate in lawful associations and or collective bargaining.

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 Participation Committees 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.



GRIEVANCE PROCEDURE

At DBL, we encourage employees to express their concerns without hesitation through the complaint management system. Our welfare officers are trained to exercise grievance procedures professionally so that workers can feel comfortable sharing any concern that they might have with the Welfare Officers. We process grievances both formally and informally, and the processes for submitting grievance are given below.



SUGGESTION /GRIEVANCE BOX

- Written down issues dropped confidentially
- Checked every week by designated people
- Grievances recorded in register



BANDHAN NEWSLETTER

- Complaints placed in monthly newsletter
- Section of newsletter can be detached
- Written down issues dropped confidentially in suggestion/grievance box



VERBAL COMPLAINT

- Verbal complaints by workers
- Made to Officers from the Welfare, Compliance, Human Resource (HR), and/or Admin departments
- Made also to their Supervisors or Line Chiefs



PARTICIPATION COMMITTEE (PC) MEETINGS

- Expressing through a PC member
- PC member puts forward the complaint during meetings



Grievances of all employees regarding any topic are considered and addressed by the management. This includes violations of rights of indigenous people. In 2020-21, 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, 2020-21 recorded 221 grievances of which all were addressed and resolved. 83 grievances of 2019-20 were resolved this year.

LOCAL COMMUNITIES

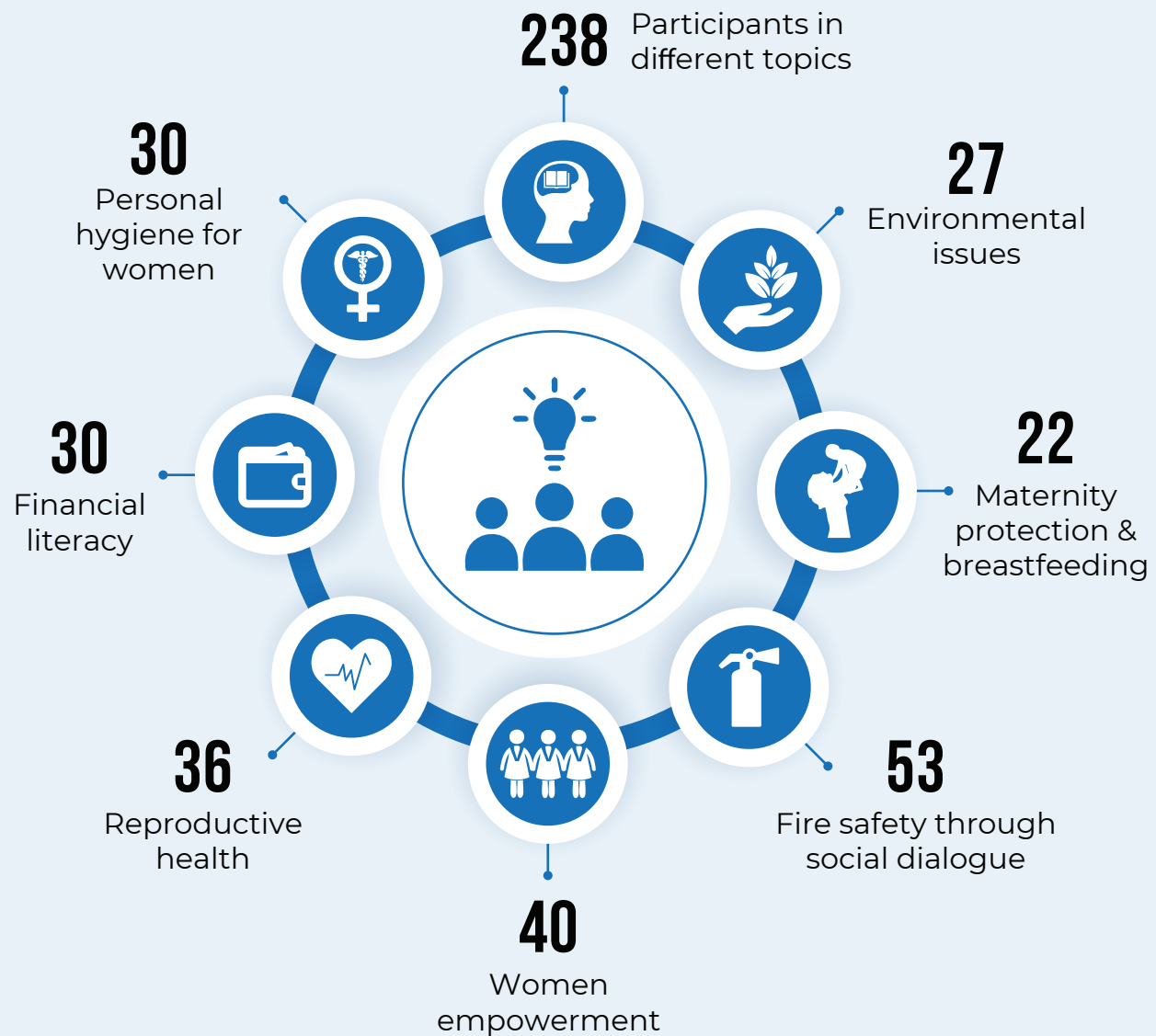


We aim to give as much as we can to the local communities around which we operate as we can. By working together with our employees, customers, business partners and other stakeholder, we can create changes for the betterment of the surrounding community.



COMMUNITY KNOWLEDGE EXCHANGE PROGRAMS

DBL continues to hold Community Knowledge Exchange Programs in the different communities where DBL's operations are taking place. We believe that it is our responsibility to help the community around us to grow and thrive in a healthy and successful manner. In order to ensure the community inhabitants have proper knowledge on varying, but vital topics, we conduct these programs to benefit the families in the areas surrounding our facilities.



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 the 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.

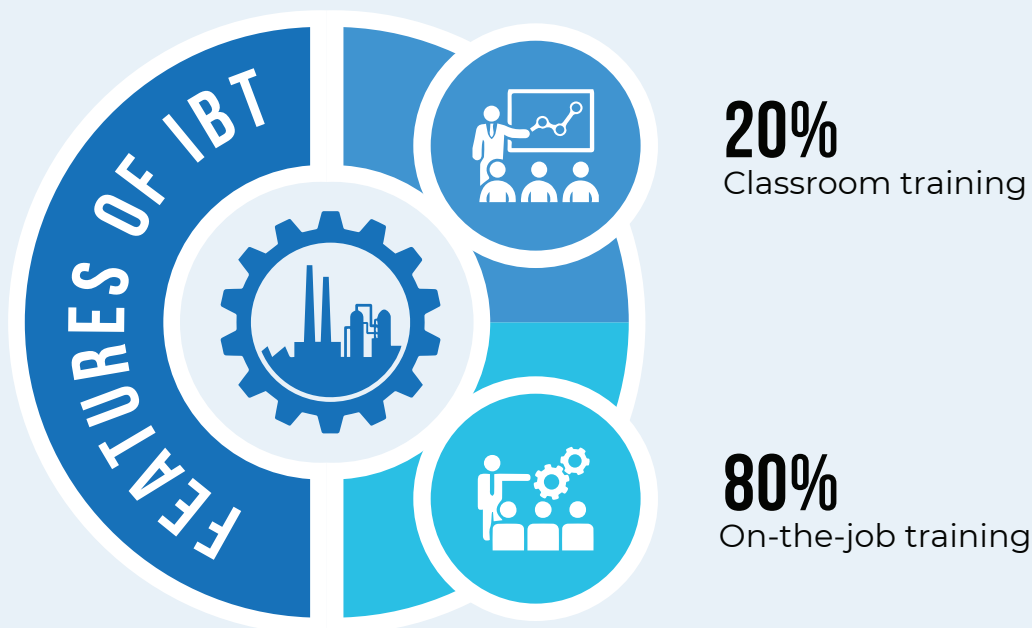


INDUSTRY-BASED TRAINING CENTRE

With a vision to establish a Technical Vocational Education and Training (TVET) Center in the industry cluster, the Industry-based Training (IBT) Center was initiated in DBL's spinning factory complex. The Center has already developed training modules and the curriculum, both of which have been submitted to the Bangladesh Technical Education Board (BTEB) for accreditation. Community inhabitants are highly encouraged to join the 3 month long training sessions.



Each session is conducted with 25 participants to ensure that every participant is given adequate attention to maximize their learnings. After completion of training, they are hired and if they want to join other companies, they have the freedom to do so as well; the training is free of cost and they also get some money for their day-to-day expenditure when they are enrolled in the training. We currently have centers inside Matins Spinning Mills Ltd and Mymun complex.



COMMUNITY BEAUTY PARLOR

DBL has also formed a partnership with the NGO Shishu Polli Plus to establish a Beauty Parlor in the local community of Tepirbari, Mawna. The facility was inaugurated on 19 June 2018 by Ms. Trisha Silvester – Chair of Trustees of Shishu Polli Plus and the Head of Sustainability of DBL Group. DBL is bearing the rent and utilities expenses while Shishu Polli Plus is providing the special discounts on the different beauty treatments provided by the parlor to all DBL workers. DBL has also collaborated with Ha-Meem Beauty Parlor in the Joydebpur community where all the workers of DBL are receiving a flat 50% off from the different services available.



623

Workers availed
the service

\$2,903

of Revenue
after discount
generated

BETTER BUSINESS FOR CHILDREN



The second program with UNICEF, being implemented by Phulki, focuses on the Children's Rights and Business Principles (CRBP). This program aims on improving the following:

- Daycare services available to employees
- Community living conditions for employees
- Employee and child health and nutrition

52
workers and
management
educated

As an impact of this program, UNICEF has established 64 Non-Formal Primary Schools in the Kashimpur community which are catering to children less than school-going ages.

COMMUNITY HEALTH DEVELOPMENT PROGRAM

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.



This is being formed into a regular practice. DBL's own doctors visit the community and in various health camps, provide facilities to the community members. A total of 6 programs have been conducted since 2015. This has been halted due to COVID-19. Instead, we have conducted a series of COVID-19 awareness programs.

Family member of the workers can avail free treatments from our in house medical facilities.



TRAINING & DEVELOPMENT



Our focus on continual improvement relies on the individual worker growth as well. In order to strive for further success, we must equip our workforce with the knowledge to drive the company to the top of the industry.



The specific training targets mid-level management, workers, chemical handlers and spot removers, loaders, quality inspectors, first aiders, fire fighters, evacuators and rescuers, cleaners, etc. In addition to the above trainings, skill development trainings have also been provided for the employees.



TRAINING

In addition to the training provided through the different Sustainability programs, a variety of generalized training is provided to DBL's employees every month. These include, but are not limited to, the following:



- Orientation 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 Transmissible and Non-Transmittable Diseases





“

The time is always right to do what is right.

Martin Luther King Jr., Activist

”

CHAPTER 4



GOVERNANCE

GOVERNANCE



We believe that the road to attaining our vision to sustain and grow as a diversified conglomerate is only possible if a structured governance system is in place. This is why the goals for our mission relies on the practice of strong corporate governance.

DBL Group adheres to the definition of Corporate Governance of the International Finance Corporation (IFC). Corporate governance is defined as the structures and processes by which companies are directed and controlled. It concerns the relationships between the management, Board of Directors, controlling shareholders, minority shareholders, and other stakeholders. Good corporate governance helps us to operate more efficiently, improve access to capital, mitigate risk, and safeguard against mismanagement. It makes us more accountable and transparent to investors and gives them the tools to respond to stakeholder concerns.

A sound corporate governance system facilitates DBL to attain better access to lower financing, higher credit ratings and external capital costs ratings and strong investor confidence. 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, we at DBL Group, aim at bringing our corporate governance framework up to the best international practices and standards. This is critical to DBL given our expected growth. The desire to attract new investors will heavily rely on the existence of a concrete corporate governance system.

BOARD OF DIRECTORS



The Board is the leading head of the company's governance structure and the highest level of governing body at DBL Group. The Board currently consisting of four Directors, and one Advisor. Our Board of Directors play an integral role in overseeing that the company's strategies and plans are carried out based on the Corporate Governance Framework focusing on accountability, fairness, transparency and responsibility

Abdul Wahed, Chairman

Mr. Wahed's expertise in Textile technicality is what inspired Dulal Brothers Ltd. to invest in backward linkage industries of fabric knitting and dyeing. Apart from this, his proactiveness in fields of education, health and orphanages is a major cause of the success towards several social initiatives conducted by DBL Group.

M. A. Jabbar, Managing Director

Mr. Jabbar's keen interest in CSR and Sustainability is what led him to design the Sustainability 5.0 which is currently integrated at the core of the company. Alongside this, his eye to identify hidden talents allows the company to recruit a diverse and skillful workforce.

M.A. Rahim, Vice Chairman

Mr. Rahim, Vice President, Finance of the Bangladesh Garments Manufacturers & Exporters Association (BGMEA), has not only been one of the instrumental members for DBL Group, but also has been contributing significantly to the apparel industry of Bangladesh. His social involvement with various renowned organizations has contributed to development beyond the company's parameters.

M. A. Quader, Deputy Managing Director & Group CEO

Mr. Quader maintains close and cordial relation with the buyers for furtherance of business. His regular attendance in stakeholder engagement has led to him getting invitations to several prestigious business seminars and workshops throughout Asia, Europe and the USA.



“

Excellence of a business can be achieved through a combination of integrity, passion, adaptability, and care.”

Abdul Wahed
Chairman

BOARD OVERSIGHT

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



The Board evaluates the following:



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.

Our senior management is carefully selected 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's agenda is to make a difference by developing and inspiring others ideas with DBL Group's values at the core. The distinguished Board is cultivating a sustainable work culture through the employees. We credit our strength- the sustainability of a consistent approach to managing the business and the constant growth of its people- to our senior management team.



“

Engage. Enable. Empower. That is the motto to bring up youths within an organization to ensure sustainability in governance.”

M. A. Jabbar

Managing Director

CORPORATE GOVERNANCE

DBL Group adheres to the definition of Corporate Governance of the International Finance Corporation (IFC). Corporate governance is defined as the structures and processes by which companies are directed and controlled. It concerns the relationships between the management, board of directors, controlling shareholders, minority shareholders, and other stakeholders.



Good corporate governance helps companies operate more efficiently, improve access to capital, mitigate risk, and safeguard against mismanagement. It makes companies more accountable and transparent to investors and gives them the tools to respond to stakeholder concerns.

A sound corporate governance system will facilitate DBL to attain:



Better access to external capital



Lower financing costs



Higher credit ratings



Strong investor confidence

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 the best international practices and standards. This is critical to DBL given our expected growth. The desire to attract new investors will heavily rely on the existence of a concrete corporate governance system.



“

Commitment, communication, and collaboration are what drives financial sustainability of an organization and all its stakeholders.”

M. A. Rahim

Vice Chairman

GENERAL GOVERNANCE STRUCTURE



Company Secretary:

Ensures that the governing bodies follow internal rules and external regulations to facilitate clear communications between the governing bodies, and acts as an adviser to directors and senior executives

CEO: Assigns the day-to-day task of the management of the company and carries out strategy as approved by the board

Internal Auditor: Develops and monitors internal control procedures for the business operations of the company.



The Board: Responsible for the strategic direction of the company, and the guidance and oversight of management

General Assembly: Allows the shareholders to participate in the governance of the company

Structure and Committees: DBL Group has established the following Board Committees:

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



“

For sustainability in operational processes, we need three steps: innovation, implementation, and inspiration.”

M. A. Quader

Deputy Managing Director and Group CEO

FAMILY BUSINESS GOVERNANCE

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



INTERNAL AUDIT & CONTROL

The Board's Audit Committee: The audit committee focuses on three key areas: financial reporting, risk management, and internal and external audits (legal compliance and risk management)



Risk Management: The company places great importance on risk management, and it is the board of directors that is tasked with ensuring that appropriate risk management systems are established.

Internal Auditor: The internal auditor (or office of the internal auditor) is responsible for the daily internal control of the company's finances and operations.

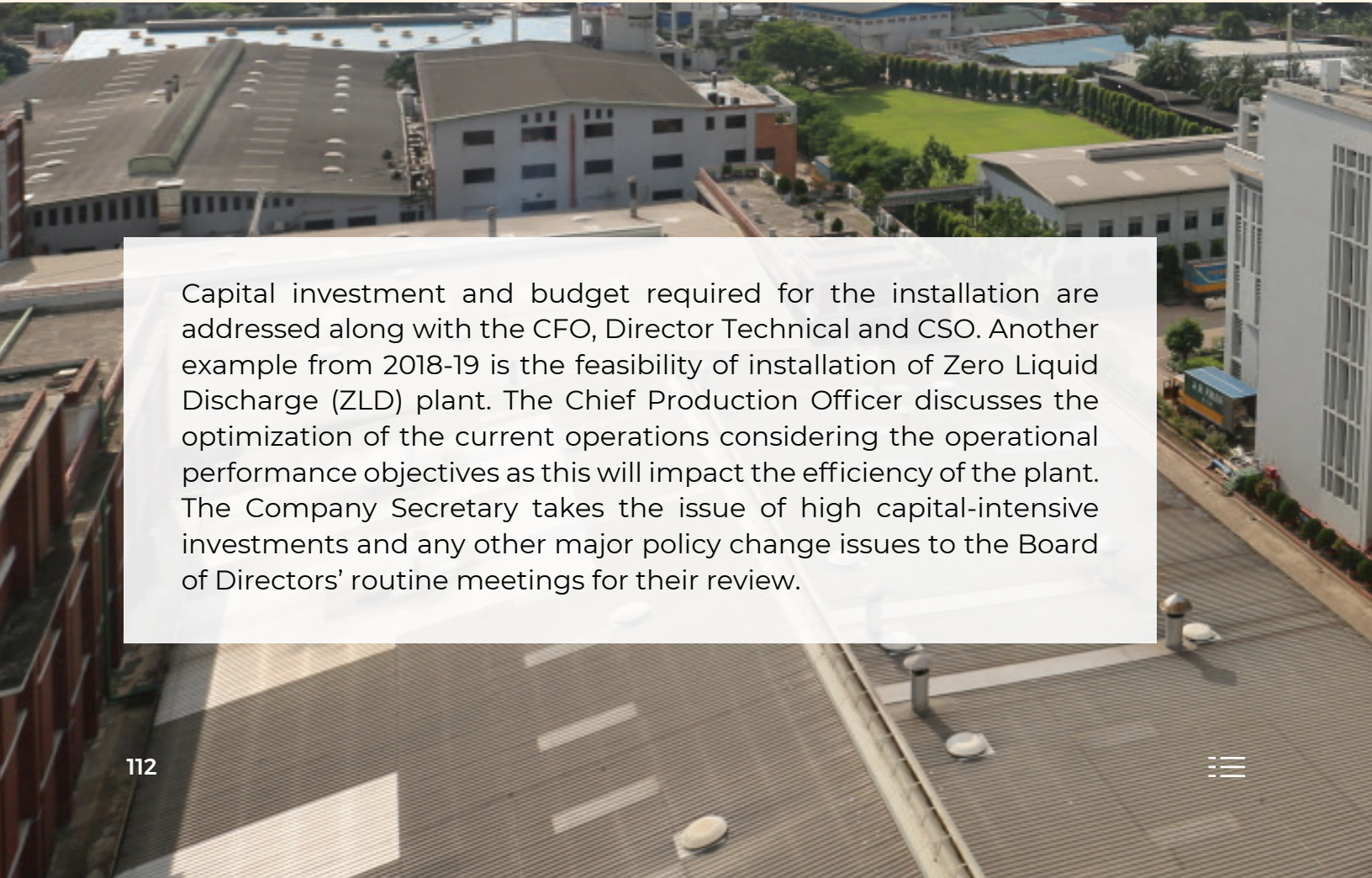
External Auditor: An external auditor audits the company's financial statements.

Disclosure: DBL's current disclosures through its website are adequate for a non-listed private company in Bangladesh. 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 Ltd., a concern of DBL Group is 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 through Annual Reports and its own website.

GOVERNANCE & SUSTAINABILITY

Quarterly meetings of the top management on ESG related issues are held under the leadership of the Managing Director. The other team members of the top management comprise Chief Financial Officer (CFO), Director Technical, Chief Sustainability Officer (CSO), Chief Production Officer and Company Secretary. Monthly operational data on Environmental and Social related issues is generated by the Environmental Sustainability Team and the Compliance Team respectively under the CSO. This data is converted into quarterly reporting for discussion with the Managing Director and other members responsible for ESG issues. The report contains different KPIs, e.g. on energy, water, raw materials consumption and reduction of GHG emissions against each unit of production and business division.

During such meetings, guiding strategy and plans of action are approved which includes specific and measurable targets, and the achievability and realistic approach within a timeline. Company policies are updated as per necessity to respond to customer demands and trends related to emerging matters. An example from the reporting year was the installation of rooftop solar panels as demand for this has increased within the customers.



Capital investment and budget required for the installation are addressed along with the CFO, Director Technical and CSO. Another example from 2018-19 is the feasibility of installation of Zero Liquid Discharge (ZLD) plant. The Chief Production Officer discusses the optimization of the current operations considering the operational performance objectives as this will impact the efficiency of the plant. The Company Secretary takes the issue of high capital-intensive investments and any other major policy change issues to the Board of Directors' routine meetings for their review.

REGULATORY COMPLIANCE

DBL Group's Corporate Governance framework is based on Bangladesh legislation as well as internationally recognized best practices and principles, such as the guidelines provided by the International Finance Corporation (IFC) of the World Bank Group.

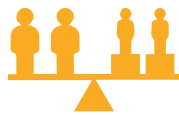


Regulatory compliances, if not followed properly can bring in company risk as well. The main regulatory body is the Government of Bangladesh (GoB) under which we follow The Company Act (Bangladesh, 1994). There are three aspects we need to fulfill timely:

- **Income Tax**
- **Registrar of Joint Stock Companies and Firms (RJSC)***
- **VAT Ordinance**



Accountability



Fairness



Transparency



Responsibility

Every company has a given calendar year and the requirements rotate around that. In the case of not giving information or finishing instructed work on time based on the Governmental Bodie's legal requirements, DBL Group will face financial penalties.

*Matin Spinning Mills Ltd. is currently the only concern of DBL Group which is 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 through Annual Reports and its own website.

RISK MANAGEMENT IN SAFETY ISSUES

Effective risk management is at the core of sustainable performance of any organization and is crucial to the success of any company. We at DBL Group acknowledge that we are exposed to risks, especially systemic risks, that are beyond our control.



Since 2019-20, the macroeconomic trend of the local market growth was challenging due to COVID-19. Hence, we perceive that proactive management of the risks associated is of fundamental significance to ensure our business growth. Over the years we have put together a Risk Control Framework in place which guides us regularly to identify and assess risks, and to take the necessary actions in order to minimize their impact.



Risk Control Framework

The risk control framework helps us to identify, eliminate, and minimise risks. This includes the following.

1. Defining of high-level strategy: This ensures that the company has effective Risk Management Guidelines.
2. Setting of risk strategy, frameworks and principles: This is so that such information can be recommended to the Audit Committee of the Board.
3. Frequent reporting at the functional level: This aids in identifying key risk areas and prioritising risks which are likely to occur.
4. Development of risk culture through the company.
5. Day-to-day management of risks.

RISK TYPES IN GOVERNANCE

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 people and assets are safeguarded and protected against any kind of loss. We have categorized risk into, but not limited to, the following types.



(a) Regulatory Risks



We aim to ensure that effective arrangements are in place to enable us to comply with legal and regulatory obligations. We control the regulatory risks by continually following up on the pending license issues, proactively discussing new changes with regulations, and timely implementing new requirements. These regulatory risks apply towards meeting local, national and international requirements and standards, including the Codes of Conducts of our buyers.

(b) Liquidity Risks



Our company operations may be impacted if we are unable to meet payment obligations when they fall under normal and stress circumstances. While there was some economic uncertainty during the COVID-19 pandemic period, overall, the company's liquidity position was sufficient to meet its payment obligations on time.

(c) Interest Rate Risks



The London Inter-Bank Offered Rate (LIBOR) component of the interest rate is exposed to volatility of market-wide interest rates of bank loans. Due to several macroeconomic and market driven factors, interest rates on short-term and long-term bank loans may fluctuate over time. Inflationary pressure, increased demand for bank loan, increased volatility in money market, restrictive monetary policy, increased government borrowing from banking sector, etc. may compel the company's loan giving institutions to increase their interest rates. If the interest rates are increased beyond what the company expects, then its cash flow and profitability will be affected adversely.

(d) Exchange Rate Risks



The major raw material we use is raw cotton, which we procure from countries approved by our buyers. Conversely, we sell our end products to international brands and retailers. We pay for our raw materials in foreign currency, usually in USD, and also receive the sales proceeds in USD. Hence, the company is directly exposed to the risks associated with exchange rate fluctuations of Bangladesh Taka (BDT) against USD. Any significant volatility in the exchange rates of BDT will increase the volatility of the company's cash flow and profitability.

(e) Technology Risks



Given the nature of the production intensity, the company's operation is a highly capital intensive one. The manufacturing processes are mostly mechanized and require human involvement primarily in the apparel manufacturing operations. The quality of the finished products is directly dependent on the sophistication of the machinery in place, and efficiency of our workers. In terms of machinery, any disruptions can result in significant overhauling cost and loss of production. In such cases, delivery deadlines would be missed and revenues will be lost. This would, in turn, affect the value of the company turnover.

All the major machineries of the company are state-of-the-art. These are costlier, but last longer and require significantly lower maintenance costs. Since inception, there has not been any instance of serious breakdown or stoppage of production due to technical failure at the factories. However, constant evolvement of technology, machinery and equipment in the global arena may mean that our current machines will become obsolete before the actual lifetime. As more efficient technology enters the market, it becomes a risk if competitors upgrade to the latest versions and we do not.



(f) Human Resources Risks



The company's goals may be impacted for not having sufficient skilled people or being unable to retain key personnel and treat them in accordance with values and ethical standards. Hence our management structure is set in such a way that we seek to attract, retain and develop our personnel by providing competitive remuneration structures and long-term career opportunities. We evaluate our human resource risk by observing the availability of skilled personnel within our compensation bands as well as through compliance and regulatory issues. Under the 'People' Pillar of the Sustainability 5.0 strategy, multiple initiatives are in place to retain talented personnel.

(g) Operational Risks



The company's operations can be hampered by human error, sudden breakdown of machineries, incidents of natural calamities, and occupational hazards. The workers and officers of the company are trained properly. Besides, the machineries are properly maintained and overhauled whenever necessary. The factory buildings are well constructed and has adequate fire control measures to minimize risks and hazards. Further details are included in the Occupational Health and Safety (OHS) chapter of the 'Social' segment.

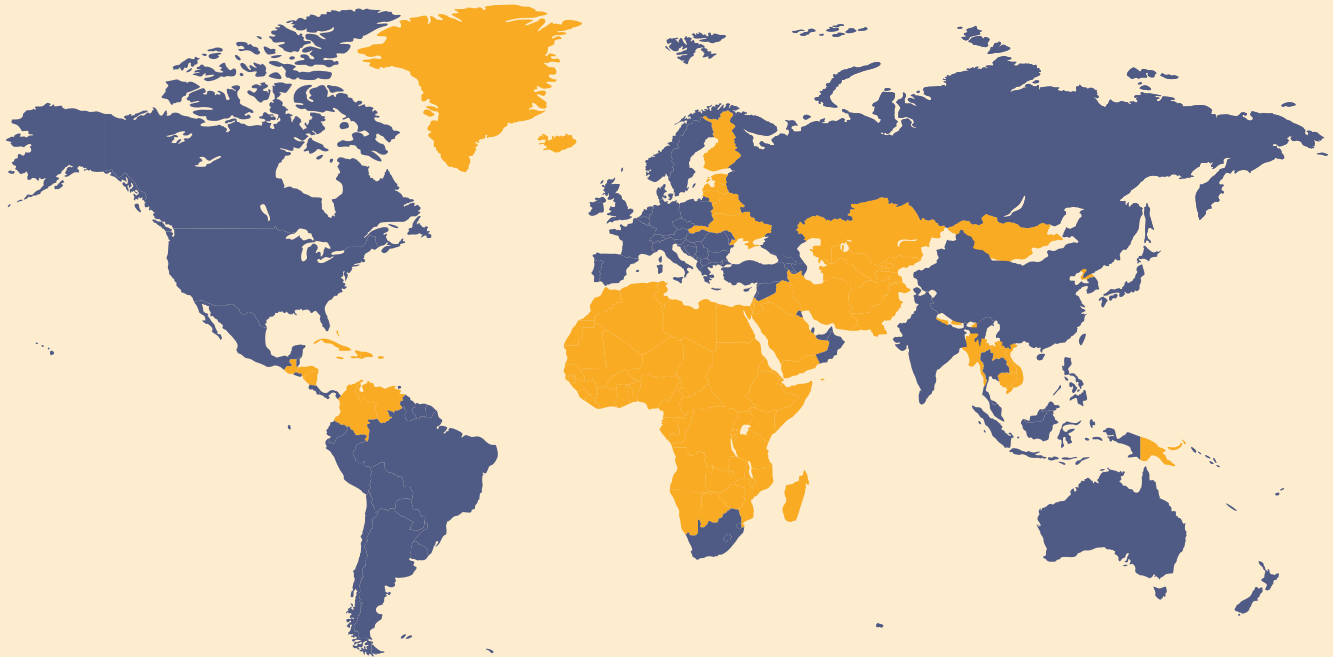
For worker safety, specific risk analyses are done based on their workplaces. These workplaces include a wide variety of areas within the factories such as the chemical storerooms and the Effluent Treatment Plants (ETPs), as well as the zones containing different machines such as compacting machines 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 to leave 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.

(h) Reputational Risks



The company has clearly defined corporate values and ethical standards which are communicated to employees, customers, and other stakeholders to maintain its reputation. For example, potential employees are subject to appropriate background checks before the final recruitment. Our values of Integrity, Passion, Adaptability, Care and Excellence are communicated to new employees during orientation, and they are encouraged to practice this for both professional ethics and personal development.

DBL'S APPAREL EXPORT OVERVIEW



\$423,192,111
exports in 2020-21

49.5% more exports
than in 2019-20

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

ECONOMIC SUMMARY



Financial information

	2019-20 (\$)	2020-21 (\$)
Export amount (apparels)	283,071,885.59	423,192,111.15
Revenue (gross)	554.61	716.96
Other income	3.73	2.37
Direct economic value generated	558.34	719.33
Operating costs	396.97	507.67
Employee wages and benefits	76.69	86.95
Payments to providers of capital	36.34	31.69
Payments to government	6.29	10.60
Community investments	0.13	0.03
Economic value distributed	516.42	636.95
Economic value retained (direct economic value generated less economic value distributed)	41.91	82.39
Garments Tax Rate	12.00%	12.00%
Textiles Tax Rate	15.00%	15.00%
Corporate Tax Rate	32.50%	30.00%

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 based on 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.

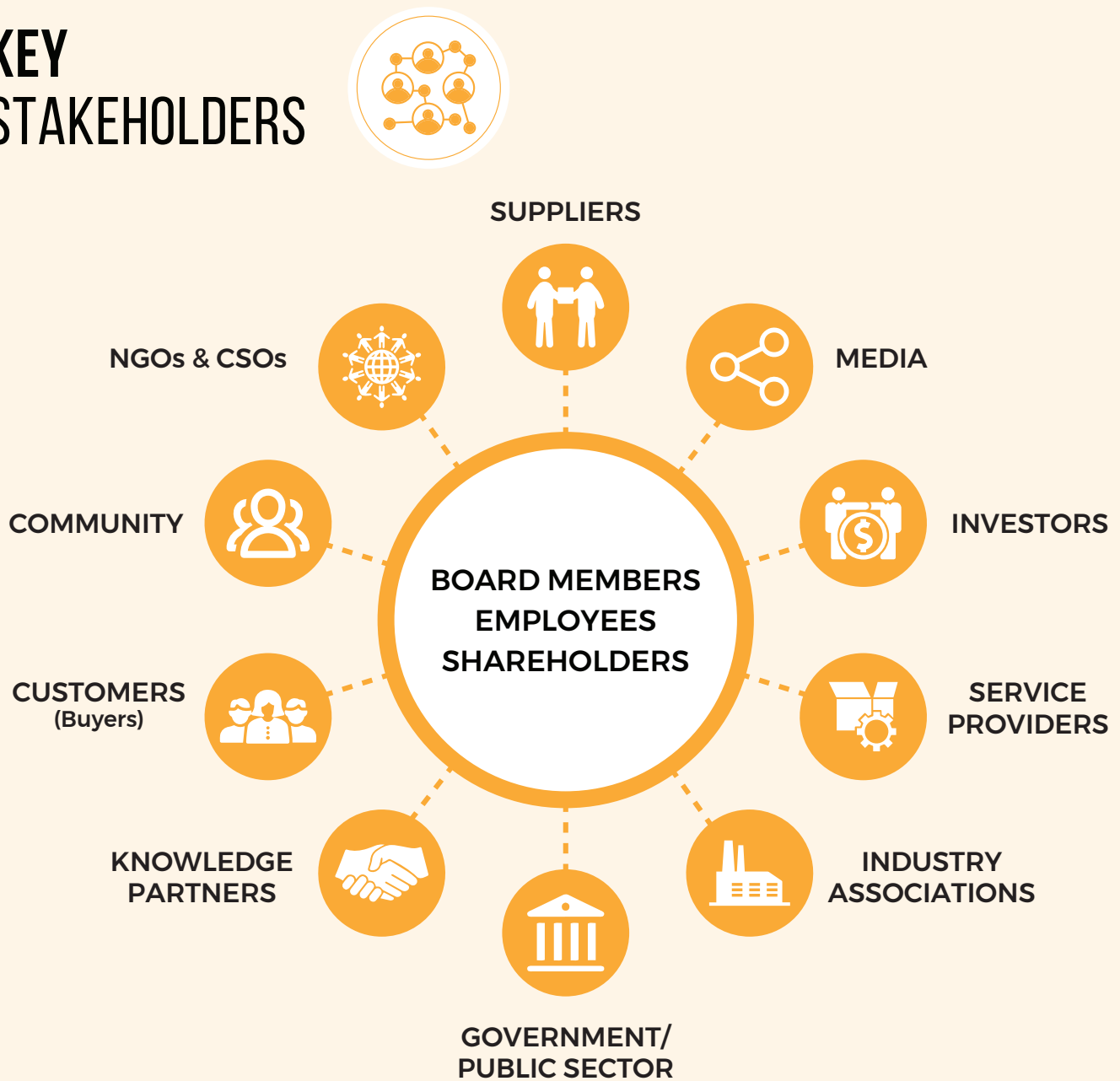
All organizations and entities that have significant influence on DBL Group and those that are directly or indirectly affected by the Group's operations are considered as stakeholders. We identify potential stakeholders through the following process.

PROCESS OF STAKEHOLDER ENGAGEMENT

There is no particular frequency of engagement with the stakeholders. However, there are annual events like vendor meetings for suppliers, annual general meetings for investors and shareholders, exhibitions for customers and others. In addition, respective departments engage with their specific stakeholder groups as situation demands and on need basis.

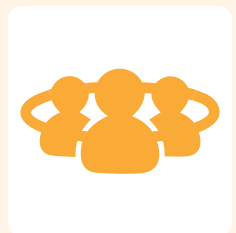


KEY STAKEHOLDERS



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 several 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 representatives of both the employers and the workers. Workers are highly encouraged in the forming of this committee and thus, over 50% of each committee comprises workers.



To promote mutual trust, understanding and cooperation between the employers and the workers to fulfill production targets, 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.

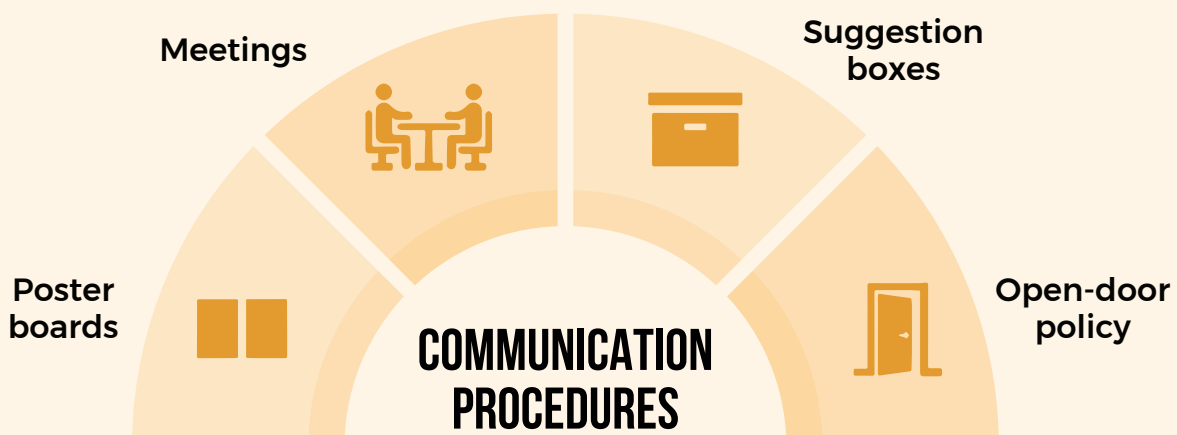
DBL Group encourages good relations between workers and managers, through hosting training covering topics, such as labor standards, leave days, working hours, wages, personal protective equipment, health and safety, environmental issues, welfare, and so on (further details are stated in Chapter 3 of this report). The committees' members are representatives of employees and top management: they were selected by each group respectively. The selection criterion has now been completely replaced through a supervised election procedure. Issues discussed include wages, benefits, working conditions, complaints, productivity, quality, health issues and even items for the Bandhan Fair Price Shop.





COMMUNICATION PROCEDURES

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



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 a 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 actions are taken, and results are reported back to employees.

External grievance mechanisms are present as well. Workers can call the “Amader Kotha” hotline (established by the Alliance for Bangladesh Worker Safety) as well as numbers provided by some of the buyers themselves.

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 multiple 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.

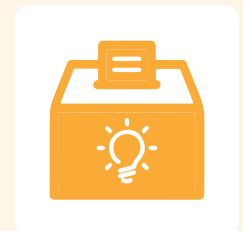


Roles of Welfare Officers:

- Maintaining first aid boxes and checklists
- 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

KAIZEN SUGGESTION BOX

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



These boxes are referred to as “Kaizen Suggestion Boxes” and are present in all units. These boxes are green in color – 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 Meetings held every month: the employee or worker with the best suggestion for the month is recognized with the “Kaizen Award”. Some of the suggestions have even been implemented: in some cases, the best suggestion had to be 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 & 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. These ideas are compiled under DBL Group’s 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.



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 different Ministries of the 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:



- Health camps
- Free medical care
- Access to in-house medical centers



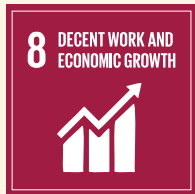
- School development programs
- Knowledge Exchange Programs



- Mini Fire Station
- Road maintenance



- Tree plantation
- Data collection



- Community surveys
- Courtyard meetings



SOCIETY

LOCAL COMMUNITIES

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.



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



24/7 medical facilities for workers and consultation services for family members



Providing access to medicine at manufacturer's price for workers and their families



Conducting surveys to understand the needs of the community



Financial assistance to various hospitals



Contribution to educational institutions in the community

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, antitrust 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 businesses 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.

SASB TOPIC	SASB CODE	SASB ACCOUNTING METRIC	STATUS
Management of Chemicals in Products	CG-AA-250a.1	Discussion of processes to maintain compliance with restricted substances regulations.	<p>DBL Group is committed in chemical management since the wet processing aspects of our backward linkage production facilities rely on the usage of chemicals.</p> <p>Since our product range includes sensitive items which stay in contact with sensitive skin such as children and hence, we are subject to use first class chemicals to ensure the safety of our final consumers.</p> <p>We have additional initiatives such as auto-dosing and earth color natural dye usage in our facilities.</p> <p>Reference: Chemical Management, page 43</p>
	CG-AA-250a.2	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products.	<p>We currently use chemicals which adhere to the Restricted Substance List (RSL) specified by Product Class I of the Oeko-Tex 100 standard, which has the strictest requirements.</p> <p>We have also fully transitioned to the Zero Discharge for Hazardous Chemicals Manufacturing Restricted Substance List (ZDHC MRL) 2.0.</p> <p>There is third-party testing of our chemicals to ensure quality chemicals among those approved by the standards are used.</p> <p>It is as per our buyer requirement that we implement these standards.</p> <p>Chemical handling brings occupation health and safety risks for the workers. In order to ensure there is proper management in chemical handling, it is mandatory for the workers to wear Personal Protective Equipment during times of chemical exposure.</p> <p>Reference: Chemical Management, page 43</p>
Environmental Impacts in the Supply Chain	CG-AA-430a.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement.	<p>100% of our wastewater emitted from ETPs are in compliance with the Government of Bangladesh's Department of Environment Standards. Our own ETPs have been built to maintain all the necessary parameters for compliance. 3rd party assessments and external audits are carried out according to the ZDHC Wastewater Guidelines and as per our Buyer Code of Conduct.</p> <p>Reference: Chemical Management, page 43</p>
	CG-AA-430a.2	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or equivalent environmental data assessment.	<p>All our factories are assessed according to the Higg FEM at 100%. This is a requirement from our buyers to have our entire supply chain assessed under FEM.</p> <p>Reference: Chemical Management, page 43</p>
Labour Conditions in the Supply Chain	CG-AA-430b.1	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been assessed to a labor code of conduct, (3) percentage of total assessments conducted by a third-party auditor.	<p>Due to the Covid-19 pandemic, audits were conducted virtually to follow health and safety guidelines.</p> <p>100% of our tier 1 suppliers and beyond tier 1 suppliers have been assessed to a Labor Code of Conduct.</p> <p>95% of the assessments are conducted by 3rd party auditors. The remaining 5% are conducted by buyers themselves.</p> <p>Reference: Chemical Management, page 43</p>
	CG-AA-430b.2	Priority non-conformance rate and associated	Reference: Chemical Management, page 43

		corrective action rate for suppliers' labor code of conduct assessments.	<table><tr><th>Category</th><th>Score</th><th>Rating</th></tr><tr><td>Green</td><td>90%- 100%</td><td>A</td></tr><tr><td>Yellow</td><td>85%-89%</td><td>B</td></tr><tr><td>Orange</td><td>75%- 84%</td><td>C</td></tr><tr><td>Amber</td><td>60%- 74%</td><td>D</td></tr><tr><td>Red</td><td>Below 60%</td><td>E</td></tr></table> <p>"If any critical issues are found (amber), the audit rating would D." For any zero tolerance or life-threatening issue (red), the audit report rating will be E</p> <p>2-3% non-conformance rate (non-critical issues) primarily due to gap in monitoring. This is the rate from external audits conducted by buyers or 3rd party audits.</p> <p>The corrective action rate for suppliers' labor code of conduct assessments is 100%.</p>	Category	Score	Rating	Green	90%- 100%	A	Yellow	85%-89%	B	Orange	75%- 84%	C	Amber	60%- 74%	D	Red	Below 60%	E
Category	Score	Rating																			
Green	90%- 100%	A																			
Yellow	85%-89%	B																			
Orange	75%- 84%	C																			
Amber	60%- 74%	D																			
Red	Below 60%	E																			
	CG-AA-430b.3	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain.	<p>The most important potential risks include:</p> <ol style="list-style-type: none">1. Occupational Health & Safety2. Working Conditions3. Child Labor4. Forced Labor5. Climate Action <p>In our case, the focus on labor is of highest importance because the industry itself is a labor intensive one. Regarding these specific issues, the major push comes from the buyers.</p> <p>Issues on environment are upcoming, with a central focus on climate action.</p>																		
Raw Materials Sourcing	CG-AA-440a.1	Description of environmental and social risks associated with sourcing priority raw materials	<p>Since we have a backward linkage including spinning, our priority raw material is raw coon. Polyester is the second most used raw material.</p> <p>100% of our sourced cotton has been sustainable cotton from January 2020. Hence, even though the following risks are present, they are at minimal levels since both water and chemical usage is significantly less:</p> <ul style="list-style-type: none">- Water scarcity due to water usage in cotton cultivation- Negative impacts of chemical & pesticide usage on soil, nearby biodiversity and water bodies <p>46% of the polyester sourced has been sustainable while 53% was non-sustainable in FY 2020-21. The following risks are associated with polyester sourcing:</p> <ul style="list-style-type: none">- Polyester is made of petroleum which is a carbon intensive non-renewable source- Water scarcity due to water usage in cooling process <p>Risks from overall general sourcing of raw materials:</p> <ul style="list-style-type: none">- Human rights issues for workers <p>Reference: Raw Materials, page 39</p>																		
	CG-AA-440a.2	Percentage of <u>raw materials third-party certified</u> to an <u>environmental and/or social sustainability</u> standard, by standard.	<p>In FY 2020-21, we sourced approximately:</p> <ul style="list-style-type: none">- 50% of our cotton through Better Cotton Initiative (BCI)- 39% of our total yarn production from Organic Cotton- 100% of our total yarn production from sustainable certified sources <p>Reference: Raw Materials, page 39</p>																		

GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option

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