



**DBL**  
SUSTAINABILITY

# SUSTAINABILITY REPORT 2022







**DBL**  
SUSTAINABILITY

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## Chairman's Message

The year 2021-22 has been challenging. In order to maintain the business and its workforce in the face of the post COVID-19 pandemic's challenges. We are pleased to inform you that despite these difficulties, our company has improved, leading to an increase in revenues from \$780 million in 2020-21 to \$870 million 2021-22. I share the great pleasure of introducing to you our Sustainability Report 2022, with the hope that our business will continue to grow responsibly.

We are continuing with both GRI and SASB Standards in this report: moving more towards an Environmental, Social, and Governance approach. Governance is an important aspect for Sustainability, which requires a specific discussion of its own: thereby we include this with greater focus in our reports now.

The world is now even more engaged with addressing social and environmental issues: and we see this further from the different sustainability targets being set by the brands themselves, based on different SDGs. Social targets include women empowerment issues such as inclusion of Female Supervisors and improving women in management. Environmental targets primarily include reducing carbon emissions and water usage.

Our experiences with our Sustainability programs have enabled us to be competitive in the Sustainability landscape and we recognize the need to expand accordingly. We get to see the impacts as we get invited to share our experiences in different programs hosted by buyers, development partners (whom we refer to as Knowledge Partners), and other organizations. Additionally, we get motivated when we receive recognitions from different fronts: we received four awards from the inaugural TSL (The Sustainability Leadership) Awards for water saving, recycling, community initiatives, and the Mini Fire Station. In terms of Governance, once again we were recognized by the Institute of Chartered Secretariats of Bangladesh (ICSB) and the Institute of Cost and Management Accountants of Bangladesh (ICMAB). Our Chief Sustainability Officer also was recognized as the Global Compact Network Bangladesh SDG Pioneer. And last but not least, my younger brother, M. A. Jabbar, Managing Director was recognized as the Business Person of the Year for 2021.

In the 2022 CDP evaluation, DBL Group received a "B-" grade, placing it in the "Management" band. Prior to this, both in 2020 and 2021, DBL Group received a "C," which is a mark in the "Awareness" band. This was a great inspiration for us especially with the world transitioning to net-zero by 2050.

Since Sustainability has been shown to have a solid business rationale and requirement, it has become increasingly important to involve all firm functions in the transition to Environment, Social, and Governance Sustainability.

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

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 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.



Abdul Wahed  
Chairman  
DBL Group

# 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
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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	Significance of Economic, Social & Environmental Impact	
	<p>Economic: Procurement Practices</p> <p>Social: Equal Remuneration for Men &amp; 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 &amp; Waste Supplier Environmental Assessment</p>

## REPORTING PARAMETERS

<b>Period:</b>	1 July 2021 to 30 June 2022
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.comj

### Defining the Report Content and the Aspect Boundaries

The content of the report is based on the social, environmental, economic and product sustainability practices at DBL Group. Identifying of the aspect has been as per the guidelines of Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) 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 benefiting the community and environment as well. We have tried to create meaningful connection between the sustainability practices of DBL Group with the reporting guidelines of GRI and SASB.

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

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

DBL Group is a family-owned private business which started in 1991. The first company was named as Dulal Brothers Limited. Over the years, the organization evolved into a diversified conglomerate in Bangladesh. The businesses include Apparels, Textiles, Textile Printing, Washing, Garments Accessories, Packaging, Ceramic Tiles, Pharmaceuticals, Dredging, ICT, and Telecommunications. With a dedicated workforce of 44,000 employees, the annual turnover for the year 2021-22 was \$870 Million. DBL's activities are in alignment with the UN Sustainable Development Goals (SDG) and have been recognized internationally by the UN Global Compact and the Business Call to Action (BCtA) of the UN Development Program (UNDP). DBL is a signatory to the Global Compact and has been publishing its sustainability reports since 2014 following the GRI guidelines. DBL is Trustee Board member of CSR Center, founding member of Global Compact Network Bangladesh, member of the International Chamber of Commerce (ICC)- Bangladesh, Premier Corporate Member of Textile Institute, Manchester and member of World Economic Forum. The company is headquartered in Dhaka with operations in Gazipur.

- **Vision**-We envision to sustain and grow as a diversified global conglomerate
- **Values**-Integrity, Passion, Adaptability, Care and Excellence





## BUSINESS UNITS: APPARELS AND TEXTILES



## PRODUCTS AND SERVICES



### Yarns

Cotton, Mélange,  
Synthetic



### Fabrics

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



### Casual knitwear

T-Shirts, Polo Shirts, Skirts,  
Gowns, 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 Dyeing operation makes use of low water to dye ratio



Fabric Knitting operation makes use of low-profile hazardous materials



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



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



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



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



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



**HUGO  
BOSS**

**ESPRIT**



George.

YOUR **M&S**

next

BESTSELLER

**Timberland** 



**HALLHUBER**

 **zalando**

  
**TOM TAILOR**  
EST. 1962

**GUESS**

**MQ**

**camel  
active** 

**ZARA**

**RALPH LAUREN**

## AWARDS AND SPECIAL RECOGNITIONS

1. M. A. Jabbar, Managing Director , Business Person of the Year 2021, DHL – The Daily Star.
2. Mohammed Zahidullah, Chief Sustainability Officer, 2022 Global Compact Network Bangladesh SDG Pioneer.
3. 47th ICQCC (International Convention on Quality Control Circles) Awards under gold category, 2022.
4. 8th ICSB (Institute of Chartered Secretaries of Bangladesh) National Award 2021, Gold Excellence in Corporate Governance.
5. Best Supplier Award 2021, Bestseller.
6. International Convention for Quality Control Circles (ICQCC): Par Excellence and Excellent Awards, 2021.
7. 24th National Annual Quality Convention, 2021- 2 Platinum & 3 Gold Awards.
8. George, Sustainability Award 2021- Ethical Compliance Award, Jinnat Fashions Ltd.
9. Superbrands Award 2020-21: Bangladesh's Choice.
10. Top 10 Esprit Global Suppliers for Autumn-Winter 2020.





The Sustainability Leadership (TSL) Awards for the following categories:

- 11 Color City Ltd. became Champion, in the category of Environmental Excellence: Water Use Reduction Over a Year.
- 12 Matin Spinning Mills PLC became Joint Champion in the category of Environmental Excellence: Recycling of textile waste materials.
- 13 Flamingo Fashions Ltd. became runner-up in the category of Social Standards: Best supported social initiative in the "neighborhood of a factory".
- 14 Jinnat Fashions Ltd. became Runner-up in the category of Innovation Excellence: Best innovation for the future.





“  
*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



The need for environmental preservation is growing as a result of the tangible effects of climate change. Protecting our environment ensures a healthy planet for the future generation. As the manufacturing industry being one of the most polluting industries in the world, the responsibilities towards the environment are vital. Hence, at DBL Group we want to contribute to the economy, while taking responsible action in building an environment-friendly industry.

In our entire production processes, we need to use both renewable and non-renewable resources. In order to tackle scarcity and adverse impact of climate change, we undertake initiatives to both adapt with environmental changes and to mitigate the prospective negative impacts associated within our supply chain. Over the time, our environmental practices have also led to reduction of operational costs while improving the environmental condition, which encourage further environmental investments from the perspective of business growth as well.

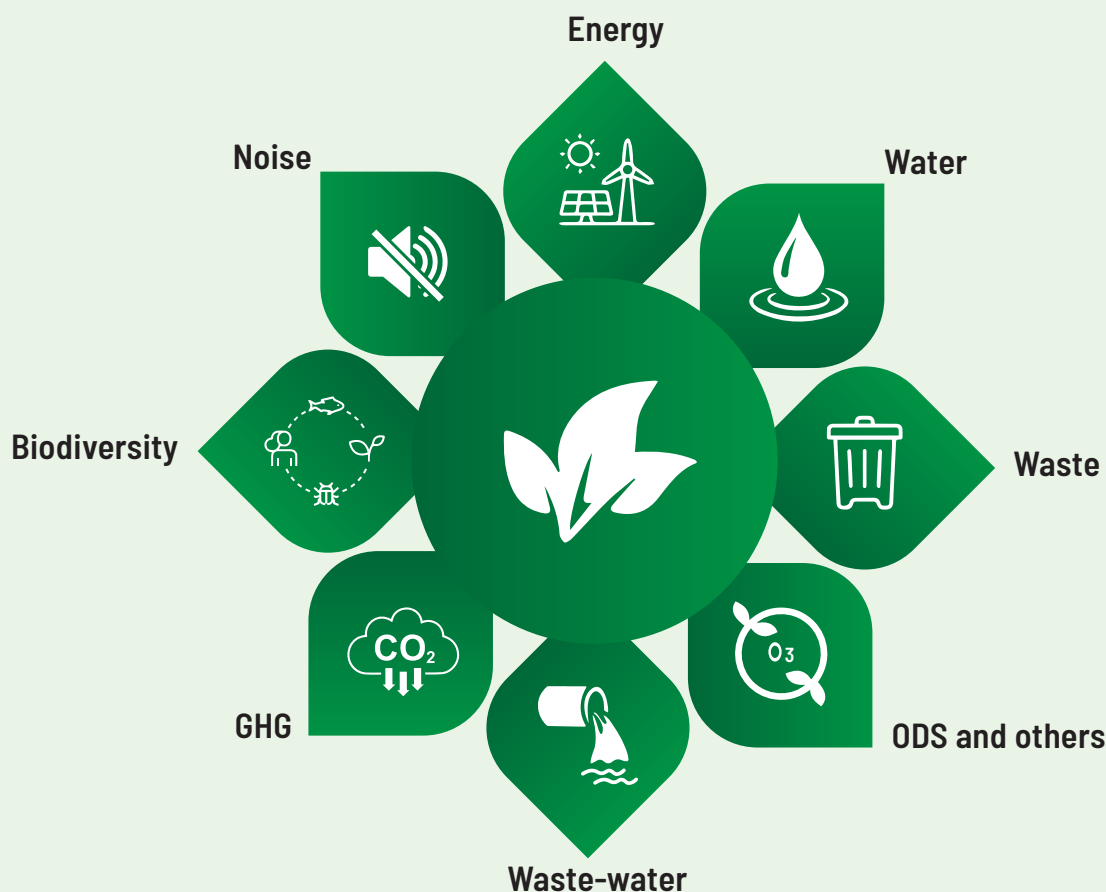
**PROCESS:** The process is the most significant step in the production of any product. As a result, we pledge to constantly enhance every area of our production procedures. To decrease environmental consequences and deliver high-quality products on schedule, we place a particular emphasis on minimizing non-value-added operations.



**PRODUCT:** While minimizing harm to the environment and consumers, we are always enhancing the quality of our products. To make sure that we can create the finest products in a sustainable manner. The R&D department is actively engaged in developing new products and researching existing items.

# ENVIRONMENT MANAGEMENT

The Environmental Management Department has been established by DBL Group as a distinct team inside the compliance division to help decrease environmental footprint. There are also established Standard Environmental policies and Environmental Health and Safety (EHS) policies;

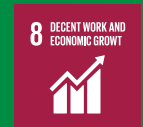


We can tackle a number of environmental issues with the aid of these guiding actions. Insofar as pollution reduction is taken care of, the company tries to ensure the environmental sustainability as a crucial aspect of its operations. DBL evaluates performance using the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) for ongoing improvement.

We conduct routine maintenance to make sure that our equipment, waste management systems, and effluent treatment plants are operating at standard capacity. Additionally, suppliers for our business must adhere to environmental requirements that are routinely audited. Our dedication to upholding high environmental standards motivates our customers to continue doing business with us.

We make an effort to reduce our manufacturing process's waste, water use, and carbon impact. Our commitment to efficient waste management, energy conservation, and environmental restoration aids us in our pursuit of SDG-13: Climate Action.

# CLIMATE + ENERGY



One of the greatest concerns facing the world now is climate change. If we do not continue working toward the goal of staying below a 1.5-degree Celsius increase in global temperatures, as specified in the Paris Agreement, the world will experience more extreme and frequent weather-related consequences. Among the many aspects of sustainability concerns, we acknowledge that financial issues and worries about the global climate are closely intertwined. Bangladesh, in particular, has been identified as one of the world's most climate susceptible countries because to its physical location in a low-lying floodplain.

We are aware of the direct and indirect hazards that climate change poses to our business, the local community, and the next generation. Hence, committing to play our role embark on each component of our manufacturing processes that is interwoven with climate actions and initiatives. We have been disclosing our reports on the CDP platform in an effort to solidify our commitment and lessen our carbon impact. Furthermore, we are considering about participating in Science Based Targets initiative (SBTi). Additionally, many Life Cycle Assessment (LCA) projects started by buyers are assisting us in achieving our reduction targets. 2,804,141 liters of diesel and 68,027,634 cubic meters of natural gas were utilized to produce energy in 2021-22.

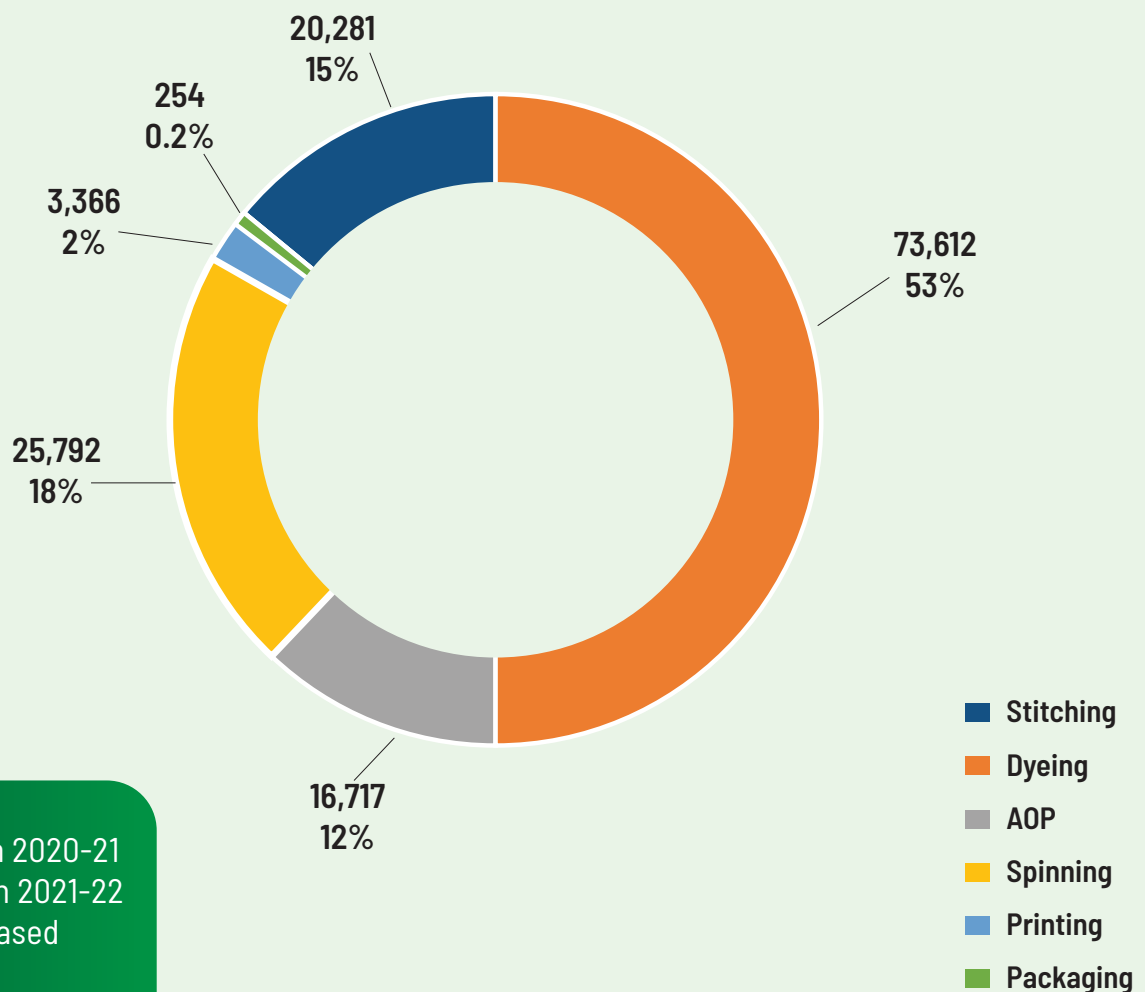


## GHG EMISSION

Since greenhouse gases (GHGs) aggravate climate change consequences, we strive to reduce our GHG emissions in all of our activities. 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 (in tons) by operation: 2021-22



- 135,897 in 2020-21
- 140,022 in 2021-22
- 3% increased



## SERVO MOTORS

In the sewing lines, we use energy-efficient servo motors rather than conventional clutch motors. While the clutch motor uses electricity even when it is in standby mode, servo motors only use it while the machine needle is operating

## STENTER MACHINES & ECO-BOOSTERS

Stenter machines are used in our wet processing facility for fabric finishing to stretch the dyed fabric widthwise and restore the uniform width. Each of our stenters has an Eco Booster, a cutting-edge heat recovery device that cleans itself automatically. Additionally, the Eco Booster consumes less water when cleaning.

### EGBs

DBL uses Exhaust Gas Boilers (EGBs), a type of heat recovery technology, to utilize the heat emitted from the generators. Instead of using excess fuel, heat is captured from the generator exhausts and utilized to heat the boilers. Different complexes have installed numerous boilers. Up to 330 million normal cubic meters of natural gas were saved annually by these EGBs. More EGBs will be installed in order to further lessen the environmental effect, notably with regard to carbon emissions, which have significantly reduced as a result of the use of less fossil fuel.

#### **EGB's Impact : Quantity of resources saved/ impact data:**

- **24** Installed with **36,232** tones/hr. capacity.
- Annual steam receives: **183,110,400** Kg steam/Year.
- **10,986,624** m<sup>3</sup> gas saved in the timeline.

# CDP SCORE

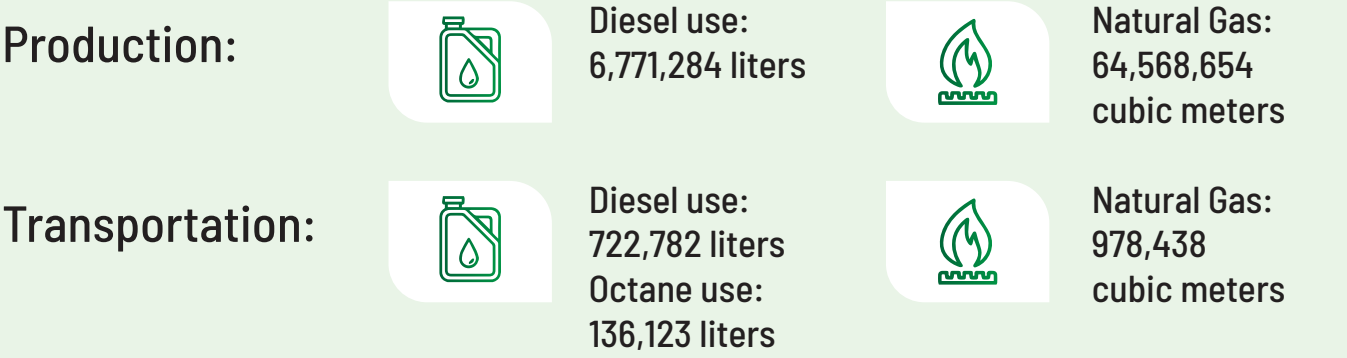
DBL Group, being a signatory to the Fashion Industry Charter for Climate Action, has started reporting on the CDP platform since 2020. The CDP scoring system increases our accountability and helps drive us towards reaching higher goals and fulfilling existing gaps. In the 2022 CDP evaluation, DBL Group received a "B-" grade, placing it in the "Management" band. Prior to this, both in 2020 and 2021, DBL Group received a "C," which is a mark in the "Awareness" band.



## UNDERSTANDING YOUR SCORE REPORT



# Non-Renewable Energy Consumption

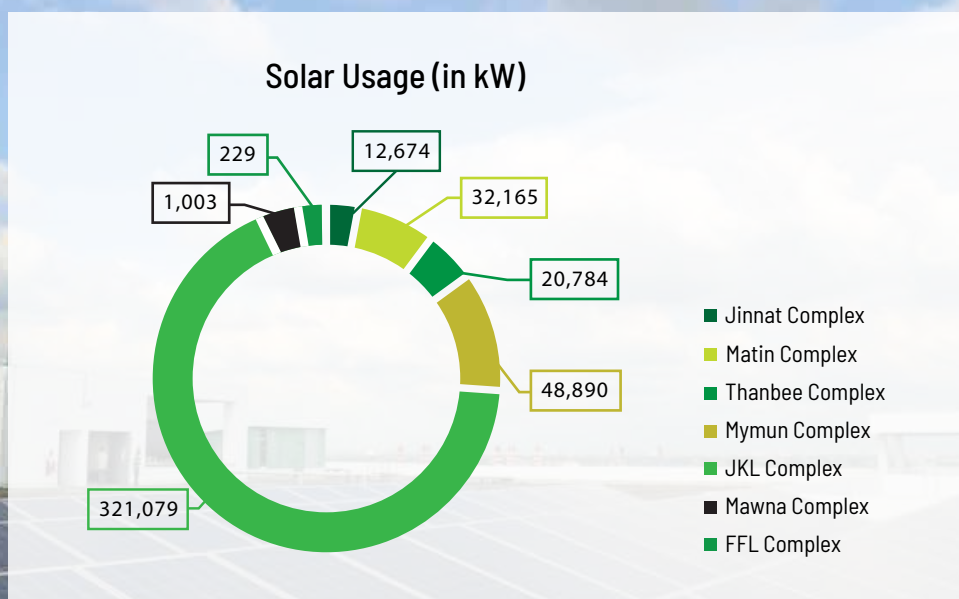


# RENEWABLE ENERGY

Utilizing sustainable energy sources, like solar energy, minimizes the environmental effect. This is because such kind of power generation reduces air pollution, hinders climate change, lowers carbon footprints, and decreases dependency on fossil fuels. Consequently, they are frequently referred to as "clean" energy.

This adoption has shown to be quite advantageous for business and the environment. By using solar energy, we continue to support the sustainability objectives of our various customers.

Utilizing renewable energy helps prevent rises in energy prices. Therefore, we have already conducted research on the viability of expanding the use of solar panels and are continuing to do so with assistance from the International Finance Corporation (IFC) and other pertinent stakeholders. Today, we have installed solar power generation systems with a capacity of 1,281 kW on the roofs of 8 enterprises.





# WATER STEWARDSHIP



Without water, which is among the most valuable resources on the planet, life would cease to exist. The Textile and Apparels industry is one of the extremely water intensive industries. Water accessibility is therefore essential for the efficient operation of the production process. In accordance with a projection by the World Bank's 2030 Water Resources Group, the water level has started to decrease from 2021, and it is estimated to decrease by 3.9 meters annually.

When we extract water, we are aware of the need to make sure there is enough water available to support both the communities in the area's surroundings and the biodiversity it supports. Over the years. We have analyzed our water consumption patterns and identified ways to lower our total water footprint by:

Upgrading to water-efficient machines

Increasing the use of recycled water

Properly treating wastewater before it reaches outlet water bodies

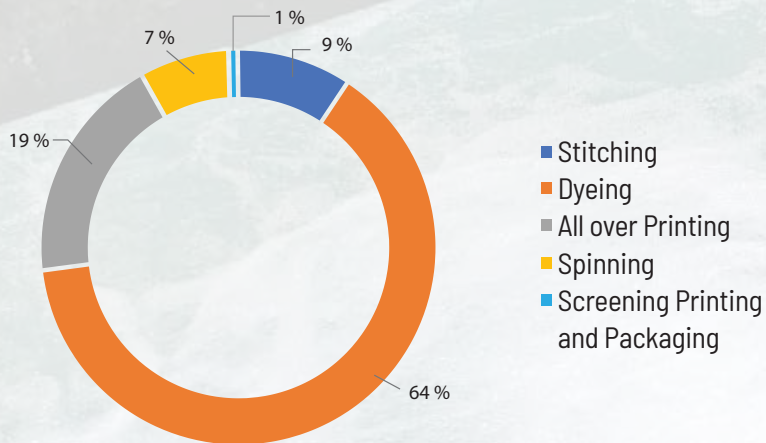


## WATER USAGE

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 as well.

Ground water usage **6,113,209**  
**9%** reduction compared to the year 2020-21

Groundwater consumption 2021-22

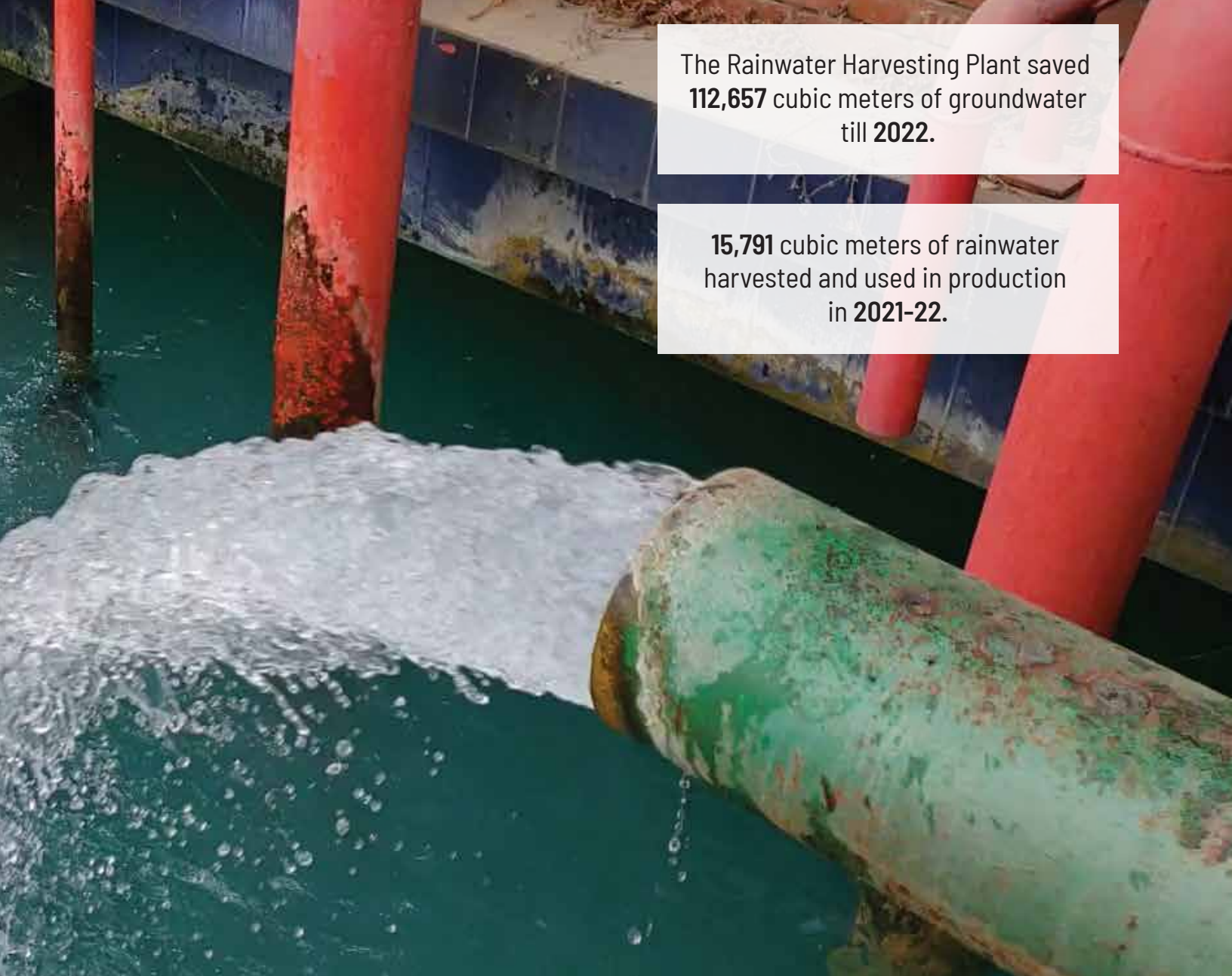


19.42% Reduction of groundwater usage/  
garment compared with 2021-22



## RAINWATER HARVESTING PLANT

The Rainwater Harvesting Plant in our Dyeing Unit was initially intended to use only the water during rainfall through a multi-gate filtering system. Despite a decrease in the usage of groundwater, the major challenge in this situation was the unpredictability of the amount and duration of rainfall. Hence, we use the facility in a dual capacity. 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 **112,657** cubic meters of groundwater till **2022**.

**15,791** cubic meters of rainwater harvested and used in production in **2021-22**.

## E-FLOW TECHNOLOGY IN WASHING

The E-flow technology in our Washing Plant employs compressed air to transport dyes and chemicals into a tank after that have been diluted with less water. With the aid of compressed air passing through a nozzle into the machine, the machines spray the diluted colors and chemicals into the machine-like dew droplets. The benefit of this method is that it doesn't require a water medium for dyeing, in contrast to traditional procedures that require at least 10 liters of water to process each step of the dyeing and washing processes for every kg of fabric.





# EFFLUENTS

We have a total of four biological Effluent Treatment Plants (ETPs) two for fabric dyeing and two for screen printing operations. These ETPs are used to handle the waste water created by the processes of fabric dyeing and all-over printing. The first ETP, with a capacity of 4,000 cubic meters, was used as a model by the government of Bangladesh's Department of Environment (DoE). A second ETP of 7,500 cubic meters was built and put into operation in November 2014 in order to accommodate the increased capacity of the dyeing process brought on by expansions.

In 2021-22, a total of 3,585,501 cubic meters of effluents were generated, which is 3.67% less than last year. Due to growing operations, DBL Group is adopting techniques to reduce the effluent quantity while improving the quality of wastewater discharged. One such initiative i.e Zero Discharge of Hazardous Chemicals (ZDHC) program, which is explained later in this chapter.



# 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.



## MATERIALS USED IN OUR OPERATIONS:

Process	Input material (s)	Output from process
Spinning	Raw cotton (primarily)	Yarns
Fabric Knitting	Yarns	Fabrics
All-over printing	Fabric dyes and chemicals	Dyed fabric
Garments Manufacturing	Fabrics, accessories	Printing fabric
Screen printing	Finished garments, dyes and chemical	Finished garments
Garments washing	Finished garments	Printing garments
Corrugated carton	Cardboard	Cartons

## MATERIALS USED BY WEIGHT / VOLUME:

Materials	Unit	Output from process
Cotton	kg	17,405,998
Yarn	kg	47,722,560
Fabric	kg	81,516,700
Dyes	kg	653,281
Chemicals	kg	6,438,437



# RAW COTTON AND INNOVATION IN YARN PRODUCTION

We have multiple initiatives at our Spinning Mill to cut down on cotton consumption. Raw cotton is replaced by recycled textile materials. Up to 60% less raw materials are consumed when making yarns for loop and brush use. To create embellished goods known as Cotton Neppy Mélange yarns, up to 30% recycled materials can be combined with virgin fiber. The body of the yarn is made up of visible colored neps (made from recycled polyester), which serve as decoration for the fabric's surface. Snow yarns are made by combining spinning waste, and they take their position in the new fashion industry by adding a snow impression to completed fabrics.



As part of a project with H&M, we generated yarns from recycled pet bottles for polyester. About 20% of the 164,171 pieces of cotton-polyester-tee-terry items were produced from recycled polyester.

Traceability is also being established for the viscose used in the processes in cooperation with the Forestry Stewardship Council (FSC). The FSC advocates for the ethical management of forests around the world. In addition, recycled polyester blended yarn is created under the Global Recycled Standard (GRS) certification to make a variety of sustainable goods.



## Cotton

Cotton is the primary raw material in our production processes. From 2020 onwards, almost all of the cotton are sustainably sourced. Some of these are discussed below.

**99.79%**  
of the total procured is  
sustainable cotton

## Better Cotton Initiative (BCI)

The program has been implemented in order to promote the Better Cotton worldwide standards and improve global cotton production for producers, the environment, and the industry. BCI accounts for more than half of all yarn production. Brazil and Côte d'Ivoire are our main sources of BCI cotton.

**57.68%**  
BCI cotton are  
sourced this year

## Organic Cotton

It is an initiative to eliminate the detrimental effects on both customers and the environment. To make organic yarn, organic cotton is sourced from Uganda, Kyrgyzstan, Tanzania, India and Turkey.

**38.47%**  
of the total yarn  
production is from  
Organic Cotton

## Cotton Made in Africa (CmiA)

A globally recognized standard for ethically produced cotton from Africa is called "cotton made in Africa" (CmiA). While enhancing the living and working circumstances of smallholder farmers and ginnery workers, CmiA cotton assures environmental protection. We import CmiA cotton from Côte d'Ivoire.

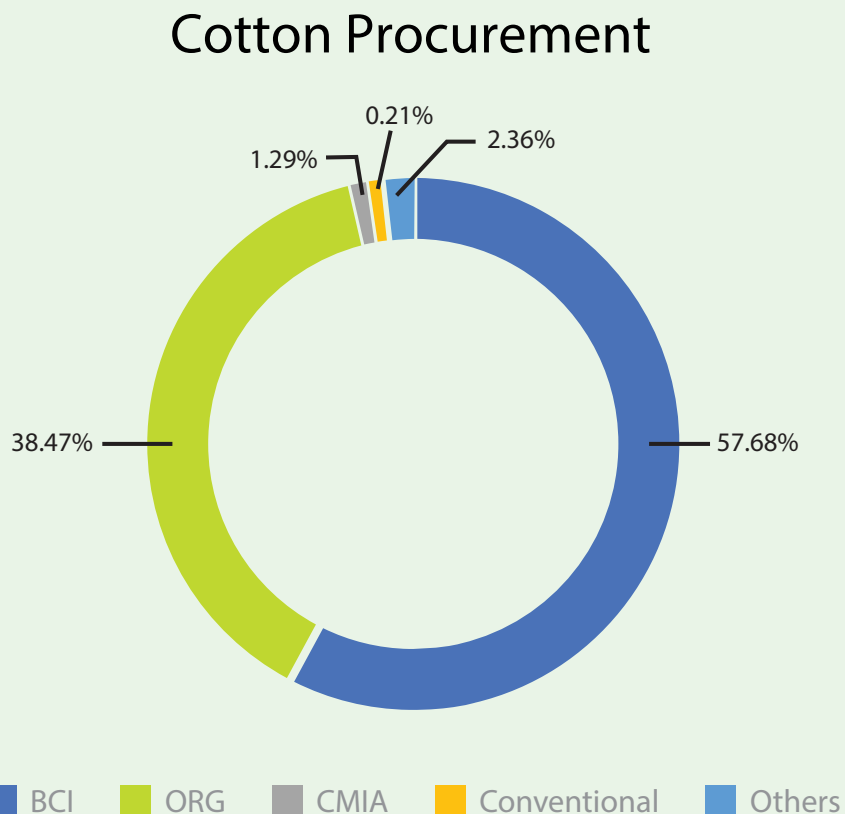
**1.29%**  
CmiA are sourced  
this year

## Long Staple (Pima, Giza)

Because of the length of their fibers, these cottons are known for being of the highest quality. A collective word for cotton fiber with a length of  $\approx 1\frac{3}{8}$ " or longer is known as Extra Long Staple (ELS), which is produced in regions of the south-western United States, Australia, and Peru. This kind of cotton has one of the world's longest cotton staple lengths and is one of the softer, more resilient cotton fibers. These are imported from the US, Australia, Egypt, and Sudan.

## Conventional Cotton

We use 0.21% conventional cotton which we source from Brazil, Zimbabwe, Benin and Kazakhstan.



## Other Initiatives

- Textile Recycling building under construction to be completed by 2022
- Recycling machine of 6 Ton capacity has arrived at the port, expected to reach factory by 2022
- DBL has joined SWITCH of EU on Circular Economy with H&M, two meetings held with implementation partner UNIDO

# CHEMICAL MANAGEMENT



The apparel and textile sector are obliged to use a variety of chemicals, some of which are Hazardous Chemical management needs to be done correctly in order to preserve our ecosystem, as well as , our workers, our neighbors, and our final consumers.

We adhere to the restricted substances lists that our buyers submit and use chemicals that have special certifications such as Oeko-Tex Standard 100 Product Class 1. When handling chemicals, our employees are outfitted with the essential personal safety gear. We are aware of the significance of a healthy environment, though, for the animals and groups that depend on the bodies of water into which 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) initiative is focused on preventing the discharge of hazardous chemicals and implementing best management practices. Major clothing retailers and brands together pledged in 2011 to drive the industry toward zero emission of harmful chemicals.

H&M, Esprit, G-Star, and Puma are brands we produce for and are associated with this initiative. A "Joint Roadmap" that details the group's coordinated efforts to steer the garment and footwear sector toward ZDHC for all goods across all paths by 2020 was issued in November 2011. DBL began its ZDHC journey in 2012, and as of 2021, we have converted 100% of our inventory to ZDHC 2.0, the latest version of ZDHC.



The ZDHC program focuses on input, process and output controls:

### INPUT

We maintain 100% MRSL compliance and disclose chemical consumption in chemical module.

### PROCESS

We conduct chemical management audit.

### OUTPUT

We disclose waste water test report in waste water 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. We also follow the requirements by the Global Organic Textile Standard (GOTS) certification.





## Auto Dosing

Auto dosing is an automated process of feeding chemicals to the laundry equipment, and is the ideal way to ensure the correct dose of chemical at the right time during the wash. It uses a controlled measure of chemicals to achieve optimum and desired results.



## Nature to Fashion

Earth colors have been added to our washing plant to further decrease the usage of possibly hazardous chemicals. A novel technique for producing warm tones from natural colors is called "Earth Color Dyeing." For cellulosic fibers like cotton, viscose, linen, bamboo, kapok, etc., these are made available from a spectrum of seven dyes that are made from leftovers from the non-edible agricultural and herbal sectors.



## WASTE MANAGEMENT



Different raw materials are used in accordance with the different production procedures. To prevent waste, all input materials are weighed and tracked. Systems like Lean Manufacturing, Kaizen, and 5S are used to maximize the use of resources while minimizing waste. With internally designed software, electronic tabs are employed for data input, bringing the possibility of paperless systems one step closer.



# 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 processing	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 Center	Gauge, unused cotton	Syringe, synthetic packaging materials of medicine, empty, medicine bottle
Center	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
Amount of wastage	14,767,329 kg	108,895 kg



### Need for Environmental Sustainability Textile (NEST)

The NEST Program is created to aid a business unit's initiatives to attain long-term profitability, sustainability, and competitiveness. The main goals are to cut back on resource usage and waste production, enhance chemical management, and stop using and discharging hazardous chemicals during the production of textiles. The program complies with the demands of the industrial units' Higg Facility Environmental Module (Higg FEM). The program aims to reduce GHG emissions as well as water and energy use. Thanbee Print World Ltd., a screen printing division of DBL Group, put this into practice.

**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 comprehensive program that helps textile wet processing firms adopt more environmentally friendly production methods. It has Initiated by the International Finance Corporation (IFC) so that businesses like DBL can concentrate on resource efficiency, wastewater management, and the control of hazardous chemicals. The program works with businesses, the government, neighborhoods, financial institutions, and other stakeholders to transform the environment for the Bangladesh textile industry in a methodical and beneficial way, benefiting both the workers and the communities where the factories are located. To be in line with the SDGs, the Bangladeshi government has set goals for switching to sustainable energy consumption. We have already begun the second phase of PaCT and are advancing our efforts to achieve SDGs 6,7,9, and 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 PROGRAMS IN WET PROCESSING FACILITIES

DBL Group has taken a number of steps to reduce the energy used in the dyeing and finishing processes, starting with the purchase of energy-efficient machinery.



## Use of Enzymes



4 liters of water saving  
for every production batch



1 hour processing time saving  
for every production batch



Lesser treatment  
requirements

## LATEST WATER-EFFICIENT DYEING MACHINES

A modern water-efficient machine utilized in the dyeing process helps to significantly reduce water use. With these new Acme machines, we are saving up to 15 liters of water when compared to the older ones by dyeing one kilogram of fabric with only 40 liters of water. Savings on steam, chemicals, and wastewater treatment are also included in the advantages. In addition, all older, less effective dyeing machines in our first dyeing plant have been replaced with efficient ones.

## ENZYME DUST CLEANER

In our dyeing and finishing procedures, enzymes are utilized in place of hazardous chemicals because they are biodegradable and represent less of a risk to the environment. Micro-dusts are created when enzymes are used in the dyeing process. For cleaning, a sizable volume of water is needed. We use enzyme dust cleaner chemicals instead of just water, which reduces water use by at least 5 liters per kilogram.

## PROCESS WATER FOR SCREEN WASHING

The printing procedures in our All-Over Printing operation utilize screens. These screens are cleaned using the water that is taken from the Stenter machines, which are used to dry the fabric following a dyeing or printing process. As a result, less groundwater is used.





# NEW INTERVENTIONS IN WET PROCESSING PLANT



**Using skylight roofs:** Using transparent panels on the ceiling to utilize daylight instead of turning on unnecessary lights in the 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

In order to convert the manual operating methods in the Fabric Knitting division to automated ones, the Management Information System (MIS) team of DBL Group created an internal system. Earlier timely and online information was not available, which caused process waste and indecision. The new technology automates the manufacturing process operation so that decisions can be made efficiently, waste can be reduced, and convenience can be guaranteed. To input manufacturing and operational data, employees increasingly use computers and electronic tabs.

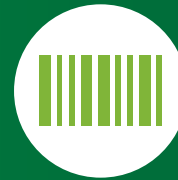
The management now has a digital dashboard where they can see the most recent state of various machines and, as a result, make decisions about the operation immediately. Among the essential characteristics are:



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

Every month, all employees participate in environment awareness training that covers both general issues and the industrial procedures. During the induction process, all new workers, regardless of their rank, receive a briefing on the organization's Environmental, Health and Safety (EHS) and other related policies. Additionally, employees are required to complete specialized training related to their line of work. The relevant department heads do this by sending staff members to both internal and external trainings.



In addition, community-based awareness programs are conducted on the fundamentals of environmental awareness that focus on SDGs 13—Climate Action—SDG 14—Life below Water—and SDG 15—Life on Land. Over 93 individuals have benefited from various programs organized in Bangladeshi communities, including "Community Awareness Program on Environment," "Social Dialogue on Climate Protection," "Environmental, Health & Safety Program," and "SDG Ambition Program on Climate Protection."

## EIM SOFTWARE

Environmental Impact Measurement software is utilized primarily in the garment washing process and can generate a score for product sustainability. The identification of deficiencies using scores ranging from low impact to high impact might help to reduce any underlying issues so that additional sustainability strategies can be taken into consideration.





# TREE PLANTATION



Planting trees improves the environment, supports biodiversity, strengthens communities, promotes the economy, and safeguards the future. In the nature, trees play a significant role, not just providing the oxygen but also maintaining the ecosystem's various symbiotic relationships:

**Communalistic relationship:** Birds make builds their nest on the trees without harming it.

**Mutualistic relationship:** Fruit and nectar from the plants (pollinato) are consumed by birds, and the plants are pollinated and have their seeds dispersed to new locations.

Here are some examples of the trees we plant to support such symbioses are:

- |               |                  |
|---------------|------------------|
| ■ Java Plum   | ■ Palmyra Palm   |
| ■ Indian Plum | ■ Jackfruit tree |
| ■ Arjun tree  | ■ Mahogany       |
| ■ Olive tree  | ■ Burflower tree |
| ■ Mango Tree  | ■ White Plumeria |



DBL has already started planting saplings aiming regions which include operational sites and beyond to maximize benefits to our workers, the community, and the biodiversity. At least 23 species of trees have been planted. All the species of trees are native and ecologically suited.

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 2020-22. However, based on a secondary research, an approximation is calculated.

**Total Trees Planted till date: 10,433**

According to the Arbor Day Foundation<sup>1</sup>, in one year a mature tree will absorb more than 21.8 kg of carbon dioxide from the atmosphere and release oxygen in exchange.

**10,433 x 21.8 pounds = 227,151.8 kg of CO2 has been offset in 2021-22**

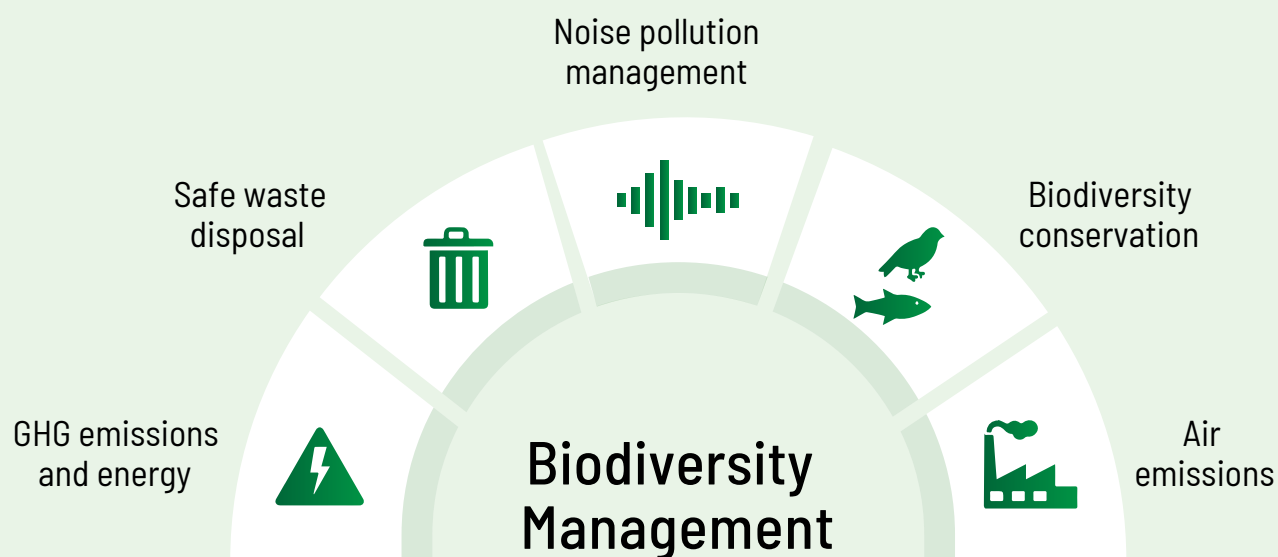
<sup>1</sup><https://www.usda.gov/media/blog/2015/03/17/power-one-tree-very-air-we-breathe>

## BIODIVERSITY MANAGEMENT



Bangladesh is a country of rich biodiversity being situated in the subtropical region at the confluence of the Indo-Himalayas and Indo-China sub-regions of the region. Biodiversity management can boost resilience and production while supporting a social license to operate. DBL Group developed internal responsibilities for managing biodiversity, therefore lowering the risks involved. The initiatives are described below.

Environmental impact assessment is done for every facility and preventative measures are done to minimize any potential effects. This assessment takes the following into consideration:



Due to rapid industrialization, the Kashimpur region is becoming more of ecologically vulnerable. To conserve biodiversity and reverse the negative impacts the industrial pollution, DBL is catering to in-situ conservation method. This method refers to the preservation of genetic diversity where it is found. Through our tree plantation effort, we are aiming towards this strategy in action.

## 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:

- To prevent noise pollution, quality machines are procured with lesser noise than the conventional alternatives. These machines are also placed in ideal places within the facilities to reduce the impact.
- Programs such as the Zero Discharge of Hazardous Chemicals are present which further improves the quality of wastewater discharged through the Effluent Treatment Plants (ETPs). The quality of sludge produced is also equivalent to that of municipal waste, which contributes further in reducing the negative impact on the community.
- Carbon emissions from the different machines influences the air quality and temperature of the local environment. With Tree Plantation Program, DBL has started to offset the carbon emissions within the different communities where we are operating.

### Relative Abundance

	Very Common	Common	Fairly Common	Few	Nearly Threatened (IUCN category)
Overall	10 species (9.09%)	24 species (21.81%)	31 (28.19%)	45 (40.91%)	5 species (4.55%)
Amphibians	N/A	2 species (33.33%)	3 species (50%)	1 species (16.67%)	N/A
Reptiles	N/A	3 species (21.43%)	3 species (21.43%)	8 species (57.14%)	3 species (21.43%)
Birds	7 species (9.72%)	14 species (19.44%)	17 species (23.61%)	34 species (47.23%)	N/A
Mammals	3 species (16.66%)	5 species (27.77%)	7 species (39%)	3 species (27.77%)	2 species (11.11%)

## 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 2

## SOCIAL







Bandhan Fair Price Shop



Female Supervisor Leadership Program



Community Health Program



Mini Fire Station

# SOCIAL

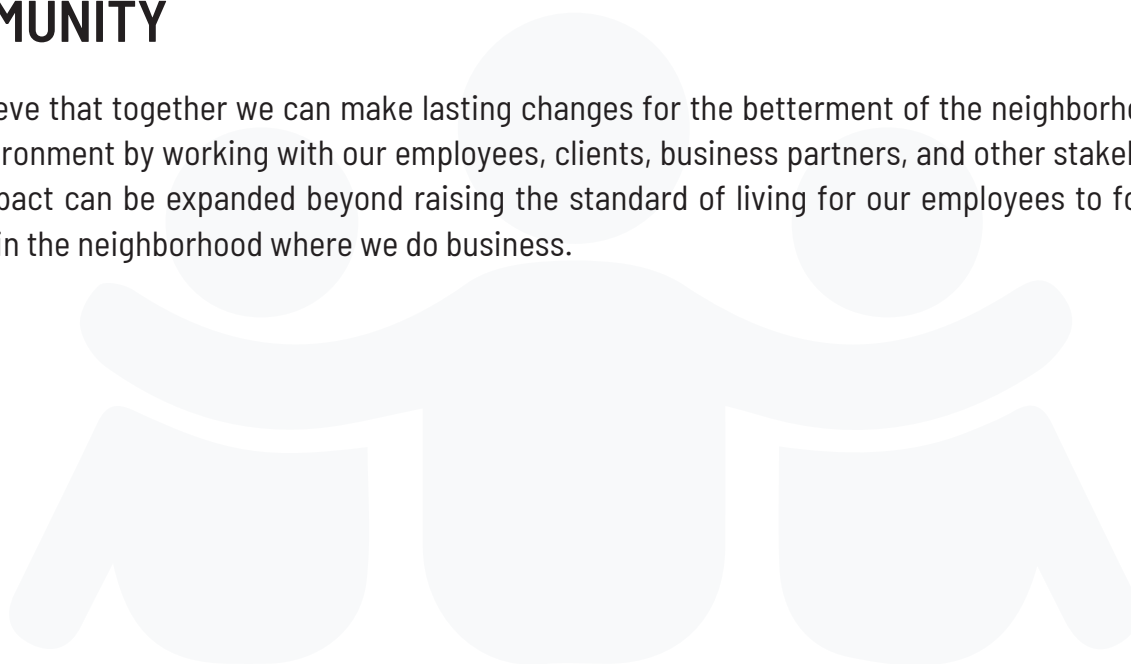
DBL Group intends to maintain sustainable growth, thus in order to do that, we must undertake social initiatives by focusing on two of our related pillars: People & Community. Our definition of 'Social responsibility' considers our own workforce, as well as the surrounding communities and beyond to ensure a better living standard for them. Our social initiatives address several issues including: women empowerment, health & hygiene, safety, disability inclusion, community development, skill enhancement, etc.

## PEOPLE

As a company, we are aware of our obligation to our people—our employees. Our business is aware of its operations' likely impact on the employees. That's how we ensure our employee's security and work satisfaction as one of our top priorities. We work to serve in their best interests.

## COMMUNITY

We believe that together we can make lasting changes for the betterment of the neighborhood and the environment by working with our employees, clients, business partners, and other stakeholders. This impact can be expanded beyond raising the standard of living for our employees to fostering growth in the neighborhood where we do business.



# DECENT WORK



We adhere to the International Labour Organization (ILO's) definition of decent work which states "productive work for women and men in conditions of freedom, equity, security and human dignity". We are continually creating value additions for our workers and employees to have a positive experience during their time with us.





# TARGET GENDER EQUALITY

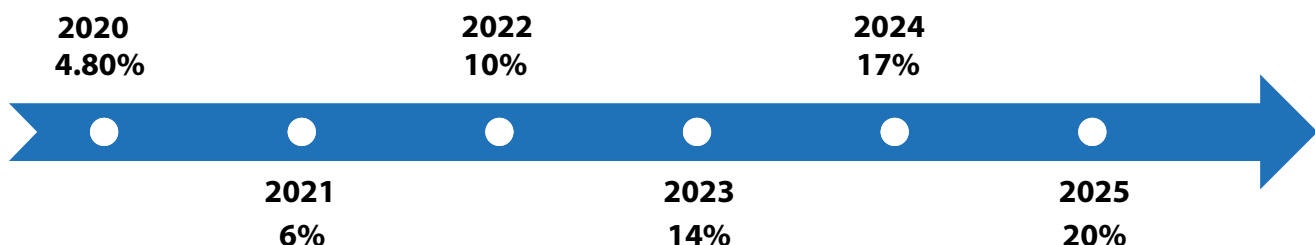


Despite having a large portion of female employees in total, when we single out the management level, there are very few females employed at such positions. Our female employees participate in a range of soft skill and technical knowledge training courses to stay motivated and have faith in their ability to progress their careers at DBL. In 2022, we have 6 female merchandisers on board among 7 recruitments. DBL Group encourages a women-friendly work environment. For this initiative, our company provides emergency feminine hygiene products to our female employees, which are available at every female washroom.

LEAD-E Leadership Training Program is a joint collaboration of DBL Group and BRAC Business School of BRAC University. 100 future potential leaders of DBL Group, of which 60 were women, were trained with a special focus on Women Leadership. 10 potential participants were nominated.

In accordance with the United Nations Global Compact's Gender Equality Accelerator Program: Target Gender Equality, the target of having 20% female employees at management level by 2025 was formally established in 2020. 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.

## Target Setting



- 20% of female employees in management level by 2025
- 2021 to 2025, each year interim targets

# Bandhan Fair Price Shop

“Bandhan”– a Bengali word which refers to “bonding”. Our Fair Price Shop is creating the bond by enabling the low-income workers to access their daily essentials and commodities at subsidized rate. Since 2008, Bandhan has sought to lower employees' monthly expenses, protect them from economic turbulence, and improve their disposable income. Any employee of DBL can buy items through zero-cash and on-credit transaction and the bills are simply adjusted with their salaries at the end of the month. 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 intervention not only made the livings of our workers easier but also increased their work satisfaction and commitment. Hence, over the years we have set up total 8 shops at our all complexes. The entire system has been designed and managed in-house. DBL gained membership of the Business Call to Action (BCtA) after Bandhan was acknowledged by the BCtA as an inclusive business model.

The Women Health Initiative, one of our ongoing programs, enables female workers to purchase sanitary napkins from Bandhan at a subsidized price of 13 cents, which is 71% cheaper than the market price.

## Timeline of Bandhan:

1. 2008- Jinnat Complex
2. 2014- Matin Spinning
3. 2015- Mymun Complex
4. 2015- Mawna Fashions
5. 2016- Thanbee Print
6. 2016- Flamingo Fashion
7. 2018- Jinnat Knitwears Unit-2
8. 2021- DBL Pharma



**400+**  
Products



Cash Saving of  
**15-20%**



**8** shops



USD Sales **2,176,276**  
in 2021-22







# DAY CARE CENTER

Majority of RMG employees' children are sent to their villages once they have finished nursing, which may pose a nutrition risk and may hamper their development. In most cases, the mothers cannot continue working. In the light of this situation, our Day Care facilities allows mothers to work while ensuring the safety of their children.

- 2 additional **30-minute slots** for breastfeeding
- 2 dedicated **lactation stations**
- Play-based **learning environment**
- **Nutritional** guidelines followed as per our **doctor's recommendation**



# MATERNITY FACILITIES AND BENEFITS



DBL Group aspires to create a happy workplace for mothers. All female employees at our company are eligible for a paid maternity leave of 112 days, which they can utilize to take care of their infants.

- 703 Females Received Maternity Leaves in 2021-22.

DBL also instituted paternity vacation of three days, which became operational in the corporate office in July 2022 as a way to help new parents and let them enjoy fatherhood. This initiative will be made functional in all our businesses.

- 56 Males Received Paternity Leaves in 2021-22.

At DBL Group, we believe a 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. Our goal is to ensure that our superwomen to stay focus on being mothers while developing their career path.

- 623 mothers are returned after maternity leave which is 94% of the total leave taken in 2021-22.



# IDEA CLUB



Our dedicated "Idea Club" sustainability program welcomes ideas from all employees with the objective to encourage a creative environment as well as innovations. 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 initiative was launched in the knitting section and has been adopted by other departments. Because each employee has an equal chance of receiving this award, it inspires them to perform to the best of their abilities and makes them feel fair. The evaluation system also takes into account the recommendations made by workers and employees that would enhance the overall working practices. Alongside with the financial rewards, the employees and workers also receive certificates as an honor. Additionally, their names and pictures are posted on notice boards in the relevant departments as recognition and to encourage them to grow as a professional and make significant contribution to the business.





# QUALITY CONTROL CIRCLES



Our Quality Control (QC) Circles encourage employee participation in the workplace by giving decision-making authority to those who are working on the particular tasks directly. We think that employees and workers who are doing the actual task themselves have a greater insight of potential changes than top-level management, who might not have a thorough enough understanding of the situation.

Concerns of the DBL Group, "Nucleus" from DBL Ceramics and "SOBUJ Prithibi" from Matin Spinning Mills PLC, received gold awards at the 47th ICQCC (International Convention on Quality Control Circles) held in Jakarta, Indonesia from November 15 to 18, 2022. "Build Back Better via Quality Efforts" served as the theme for this year. It was put on by IQMA (Indonesian Quality Management Association). 708 circles, representing 5 nations, made presentations on the topic. There were a total of 7 circles from Bangladesh in attendance, including 2 circles from the DBL Group.

The name of the team '**Sobuj Prithibi**' means 'Green Earth'. Their innovative idea titled '**Reducing breakdown/stoppage of ring frame by roving length variation**' has turned out to be a very efficient approach in our production line. They worked on the breakdown of ring frame and they found out that machine stoppage hampers production efficiency. The target was to reduce machine stoppage time developing a new system where we provided different roving length as input. The initiative resulted in a huge amount of machine stoppage time reduces as well as increasing the productivity. Extra 2,112-hour machine running time was generated which approximately result in 46,731 kg more yarn production than previous system. Moreover, it reduces the work stress on our workers and also reduces roving wastages.

The Compliance department formed a group under the EMS team to initiate the project "**20% Energy and 40% Water Consumption Reduction** from wet processing". They assessed the situation and concluded that little more planning would be necessary to successfully accomplish their objective. Hence, with the assistance of the appropriate department, they optimized the operations, improved efficiency, and reused and recycled water where appropriate and decreased the consumption of energy up to 25% and water up to 35%. The SOP for processes were formalized and communicated.





# 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 career path counselling session to create a career roadmap for these students. We also recognize our meritorious students who have passed grade 12 in order to motivate them to pursue further education. In 2021, 56 students were recognized during an online based celebratory occasion. However, our initiatives on this project have been delayed as a result of the delay in the country's 2022 national examination. A virtual session of career counseling was held in 2021. These deserving children received career guidance from academicians from various backgrounds. They provided several topics for discussion with the students in virtual rooms. Students had the option to select any of the seven virtual rooms that aligned their objectives.



## Counselling provided by Acamedecians from

- Ahsanullah University of Science & Technology
- Dhaka University
- Bangladesh University of Textile
- Sir Salimullah Medical College
- Bangladesh University Engineering & Technology

Total 56 students attended the counseling from which 17 were male and 39 were female.

# WAGES & ITS IMPACTS

DBL Group, always abide with the government-mandated minimum wage. Regardless of gender or geographic location, industry salary levels are a constant throughout Bangladesh. Each of our workers are recruited in one of seven grades (apart from trainees). We provide higher range than the minimum for all grades; in pertinent circumstances, experience is also taken into account, and the size of the surplus amount is often based on the candidate's level of past experience. The ratio of standard entry level salary of male to female is 1:1.

## Skill matrix for wage grid of workers

To ensure the career growth of our workers/employees, we have set different strategies for increment and promotion. Every year, work study department assess individual performance for efficiency and multi skill information. Based on different attributes we provide increment from 3% to 10%.

## Sensitivity of Wage Issue

Our Bandhan Fair Price Shop makes a significant beneficial impact through its product ranges. It is an inclusive business model, which was established as a strategic approach. In 2007-08, when the global financial crisis affected everyone, the company raised employees' salaries by 15%. However, this initiative was unable to continue since it sparked disputes with other factories in the cluster. In response, Bandhan was established, which not only lessened the workers' financial burden but also avoided any disturbance.

### Attributes assessment for the increment and promotion policy

Performance



Quality Achievement



Attendance



Experience

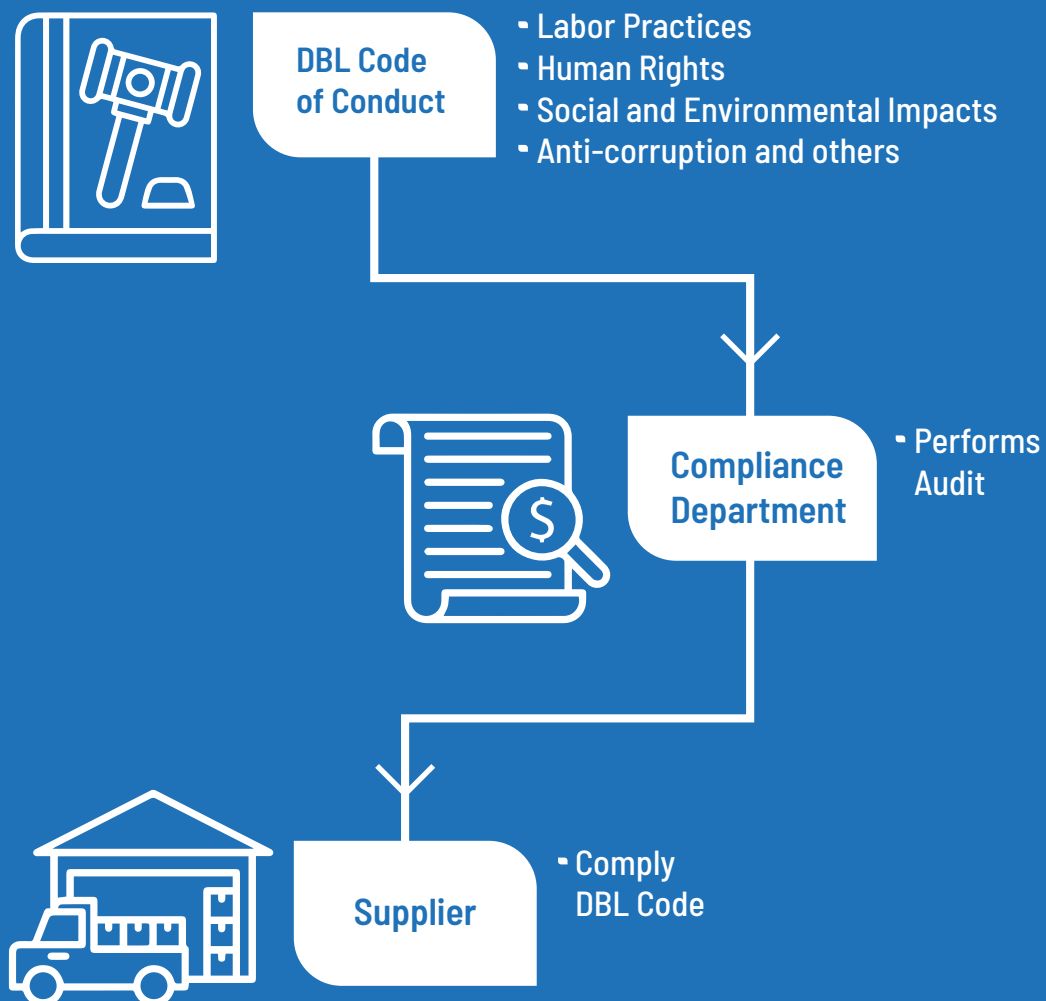


Conduct



# SUPPLIER ASSESSMENT

Assessments are made of the impacts that suppliers' interventions could have on society, the environment, human rights, and labor practices. Based on the DBL Code of Conduct, the DBL Compliance team evaluates suppliers using particular standards questionnaires in the social and environmental domains. It is required that a supplier adhere to our Code before doing business with them.



# EMPLOYEE BENEFITS

For the long-term advantage of the employees, DBL works tirelessly to assure the consistency and high caliber of the employees. By providing various welfare benefits for its employees, the company has increased employee and organizational productivity and fostered positive employee relations, which has helped to sustain good industrial relations. In addition to the fair wages to which employees are entitled, we provide attractive amenities for their wellbeing in order to make DBL a desirable place to work for everyone. Such benefits include:



Life insurance and disability & invalidity coverage as per Bangladesh Labor Law and Group Insurance Policy.



Retirement provisions.



Provident Fund for management employees.



Workers' participation in company's profit.



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 for employees and their family members as well.



Discount facilities in renowned hospitals and diagnostic centers.



Discount facilities in various super shops.



Fair price shop in DBL's all complexes.



Transport facilities.

# OCCUPATIONAL HEALTH & SAFETY



DBL Group aims on creating a healthy, environment-friendly and safe workplace by imparting knowledge to 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 and safety policy and associated practices are in compliance with all national and international regulations. This includes, but is not limited to:

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

Organization	Specific standards
International Labour Organization (ILO)	Convention 1 (Working Hours) Conventions 29 and 105 (Forced and Bonded Labour) Convention 79 (Young Persons' Night Work) Convention 87 (Freedom of Association) Convention 98 (Right to Collective Bargaining) Conventions 100 and 111 (Equal Remuneration for Male and Female Workers for Work of Equal Value; Discrimination) Convention 135 (Workers' Representatives) Conventions 138 and 142 (Minimum Working Age) Convention 155 and Recommendation 164 (Occupational Safety and Health) Convention 159 (Vocational Rehabilitation and Employment / Disabled Persons) Convention 177 (Home Work) Convention 181 (Private Employment Agencies) Convention 182 (Worst Forms of Child Labour) Better Work Bangladesh (along with IFC)



Uniter Nations UN	Universal Declaration of Human Rights Convention on the Rights of Child Convention to Eliminate all Forms of Discrimination against Women
Others	Business Social Compliance Initiative (BSCI) Worldwide Responsible Accredited Production (WRAP) Social Accountability 8000 (SA8000) Guidance Document for Social Accountability 8000 International Quality Guidelines for Auditing Companies in the Framework for SA8000 Accreditation Ethical Trading Initiative (ETI) International Organization for Standardization (ISO) 9001 International Organization for Standardization (ISO) 14001 Social Accountability International (SAI) Guideline (150.1 – 150.8) Occupational Health and Safety Assessment Series (OHSAS) 18001 IFC Performance Standards

This policy is applicable to all DBL units and covers all employees. To ensure safety standards, dedicated teams are on hand to manage the various health and safety requirements. At DBL, all incidents of accidents, injuries, and occupational illnesses are documented. To assess the particular type of sickness and injury, each record of an incidence is divided into different categories. This allows us to address the issue and make the required adjustments to reduce similar incidents in the future. For each unit, we keep track of occupational illnesses and injuries in in order to identify any probable root causes and implement the required adjustments. This is crucial since the number of days missed due to occupational illnesses and accidents directly affects our bottom line. This enables us to make the required adjustments within the relevant business divisions to improve the working environment for our employees, which will in turn boost productivity.

	2020-21	2021-22
Injury rate	1.78%	1.05%
Occupational disease rate	1.78%	6%

## OHSAS Standards

Occupational Health and Safety Assessment Series (OHSAS), is a global management system standard for workplace health and safety. One of the DBL Group's dyeing facilities obtained this certification in April 2016, implemented by GIZ. OHSAS was chosen to promote health and safety awareness, create a health and safety management system inside the plant, and further minimize illnesses and accidents via continuous improvement. The multi-department committee that was established has produced a number of advantages, including improved risk management, a stronger safety culture, and better hazard awareness.

# Mini Fire Station

In cooperation with GIZ (German Cooperation), the Bangladesh Fire Service, and Civil Defense, the Mini Fire Station (MFS) is the DBL Group's first public-private partnership (BFSCD).

The objective of the MFS rapid response and risk reduction unit is to prevent fire in the industrial buildings around Kashimpur, Gazipur area. Narrow roads, heavy crowds, and Tazreen Fashions calamity in 2012 showed the intense pressure on Bangladesh Fire Service and Civil Defence (BFSCD), the only state-run department handling industrial emergencies. Distance of central fire stations, limited manpower, and resources of BFSCD is a challenge for the growing apparel industry. This is especially a huge issue considering the expansion of the apparel industries in the local communities surrounding Dhaka city. 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

One of the most crucial aspects of workplace safety is fire safety. The Compliance section conducts audits to make sure that needed locations have lights, clear evacuation routes, and correctly drawn evacuation maps. To tackle the events of fire, four teams – the fire fighters, the rescue team, the cordon party and the first aiders – are involved.



Intervened 82 incidents in **2021-22.**

Intervened **315** incidents till June 2022.



# 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



## ELECTRICAL SAFETY

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



## CHEMICAL SAFETY

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



# MEDICAL CENTER

Occupational diseases are common due to the nature of the work and the working environment, because of the dust, heat, chemicals, stress at work, bad posture, etc. Through the right use of Personal Protective Equipment (PPE), the majority of these illnesses can be treated or even prevented. We have a special medical facility set up in each factory complex to handle and treat any occupational diseases that could develop.

## Some of the major diagnosed diseases:

- Migraine
- Muscle strain/pain
- Shoulder and neck pain
- Ankle sprain
- Anemia
- Hearing Defective
- Refractive Errors
- Fungal infection
- Aphthous ulcer
- Conjunctivitis
- Anemia



The medical center also treats common illnesses that are non-occupational common diseases. Knowledge programs, seminars, trainings, and workshops are often held to raise the level of awareness among employees and workers about various health concerns. 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. manage and treat our workers.



# RISK MANAGEMENT

Given the nature of the business, the raw materials and finished goods that DBL handles, and the size of operations, our risk management systems are created to guarantee that all of our employees and assets are secured and protected against any form of loss. Specific risk evaluations are conducted for worker safety based on their work environments.



These areas of labor include a broad range of configurations within the factories, such as the chemical storage rooms and the Effluent Treatment Plants (ETPs), as well as the zones holding various machinery, such as compacting machines and generators. Risk management also ensures pregnant women's safety in order to reduce the risk to both the mothers and the fetuses, they must be seated while working, be permitted to leave early during lunch breaks, and not be permitted to put in overtime. Each form of analysis covers the hazard's description, potential effects, at-risk individuals, and available control or preventative actions. Additionally, risks and hazards are assigned ratings based on their frequency of occurrence and severity, which helps to identify which ones should receive priority attention.



## 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.



A project called "Digital Healthcare Solutions" implemented in Jinnat Complex on May 15, 2022, by Save the Children and USAID. Workers can receive free online medical services from specialists such as general practitioners, doctors that specialize in medicine, pediatricians, dermatologists, gynecologists, and psychologists. The training on pain management and mental health by Digital Healthcare Solutions on June 20, 2022 gathered 25 employees from HR, admin, compliance, medical, and production with the aim of maintaining a healthy workforce.





# WOMEN HEALTH INITIATIVE

The program, which began targeting DBL Group's female employees in March 2013, has the long-term goal of ensuring everyone's health and hygiene. The initial concept was providing women workers with sanitary napkins at a significantly reduced price of 12 cents each pack, along with the freedom to use sanitary napkins are accessible in their restrooms in case of an emergency situation. The initiative not only served to aware women but also offered chances for safeguarding their good 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 for emergency use. The Bandhan Fair Price Shops include female personnel for the convenience of the female workers due to the sensitivity in purchasing such things. Counselling sessions are also provided periodically to inform female of the health advantages of the products. The significant growth in sanitary pad sales has provided evidence of these programs' success.



**24,504 Number of average yearly user.**

**16% of the female workers are using sanitary napkin.**



## DBL PHARMACY

Our workers' and employees' health are critical to the smooth operation of our day-to-day activities. We maintain our on-site pharmacy open for all employees and their families to guarantee sound health. Medicine of all kinds is offered at discounted rates. In 2021-22, a total of \$ \$904,593 worth of medicines were sold in the 8 pharmacies from all our complexes.



**Total sales: \$257,091**

**25% increase from 2020-21**

## FAMILY PLANNING CORNER

At DBL, our primary goal isn't only to maximize production; we also want our workers to have contented families. In 2016, a Family Planning Corner was established in one of the DBL Group's RMG production facilities. The setup offers pathological diagnostics, prenatal care, and family planning services. The setup has been expanded to include DBL's various facilities as a result of its popularity, with help from the Directorate General of Family Planning (DGFP) of the Government of Bangladesh. The DGFP is giving away free. Family planning supplies that are offered free of charge to the employees.

In 2016, the family planning service was run at the factory with the help of Marie Stopes until 2018. After the completion of this project, we contact the government and are currently getting this service for all workers for free. Average service receiver is now 203 per month. Till date, 16,229 services has been provided.

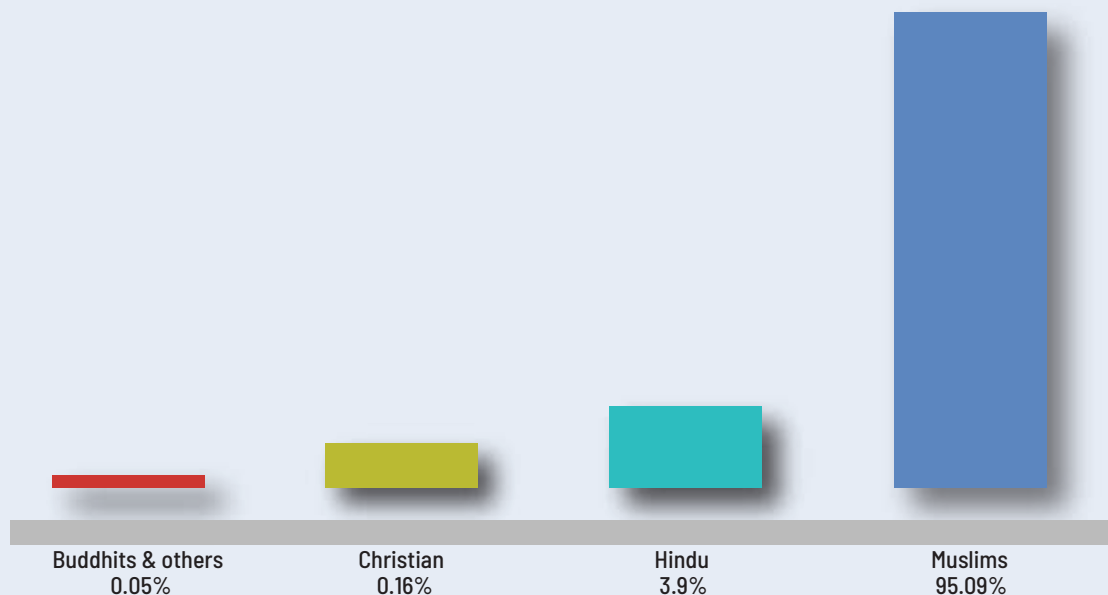
# DIVERSITY, EQUALITY & INCLUSION

Any employee, regardless of gender, socioeconomic background, physical or psychological challenges, is a part of an inclusive workforce. We think that everyone has the capacity to excel if given the opportunity. At DBL, we strive to create an inclusive culture while upholding the highest levels of productivity by providing all people with the same chances and advantages.



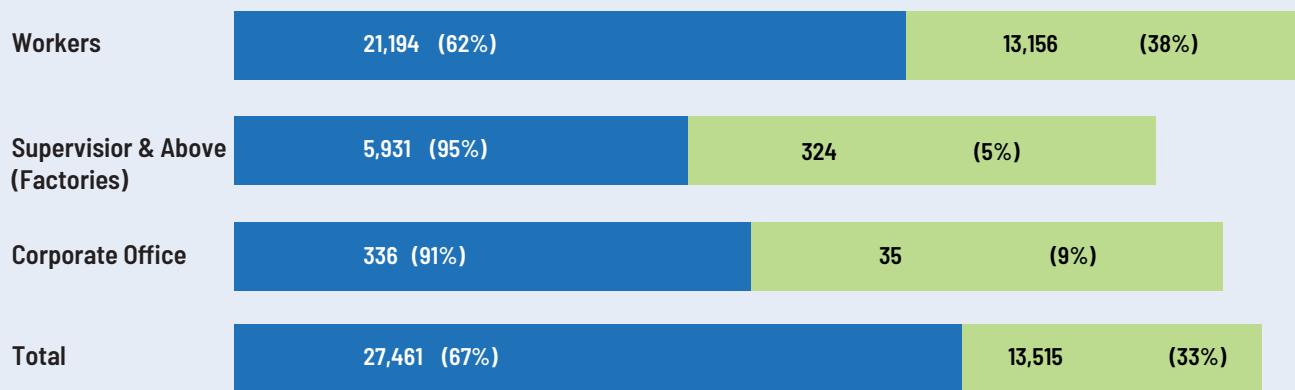
## EMPLOYEE DIVERSITY

DBL recognizes talented people regardless of their gender, religion, race, age group or any other challenges, creating an inclusive workplace. Respecting and valuing the differences of others is what ultimately unites us all and can be the key to a prosperous company with a fair work culture.





## GENDER RATIO

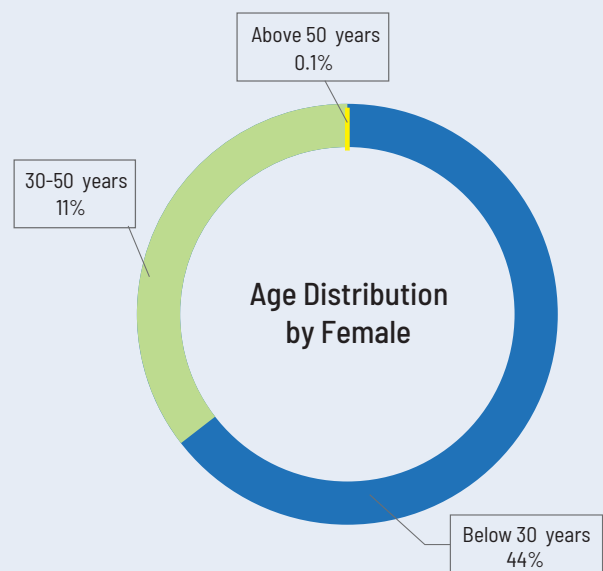
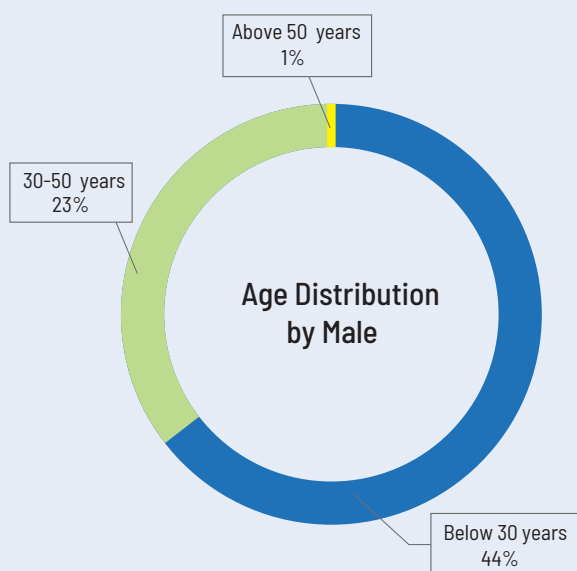


Male

Female

**Total workforce:**  
**40,976**

(In Apparels & Textiles Units)



At DBL Group, we do not tolerate any form of discrimination based on religion. We treat people of all faiths equally and encourage cultural relativism. Hence, we have a diverse workforce with people from various beliefs.

# FEMALE SUPERVISOR LEADERSHIP PROGRAM

The Female Supervisor Leadership Program is an internal training program for our female employees. Potential in-house females who have worked in the sewing or quality departments at DBL receive training on both hard and soft skills over the course of two months. They are promoted to Supervisor status after successfully completing the training program, fostering a more diverse workplace. An internal study was conducted by our work study department which shows that female supervisors are more efficient than their male counterparts.

From June 2012 to March 2014, the Women in Factory Initiatives (WIFI) initiative was carried out at DBL. Care implemented the initiative, which was supported by Walmart. The project's focus was on encouraging women's leadership skills at the manufacturing level. Ten employees were promoted to female supervisors after the project's conclusion. DBL initiated their own project to empower women in RMG lines after learning from the project. 122 women are now supervisors at DBL. Female supervisors outperform male supervisors in terms of performance. 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.

**May 29, 2021**

Female Supervisors are **2.82%** more efficient than Male Supervisors.

**January 17, 2022**

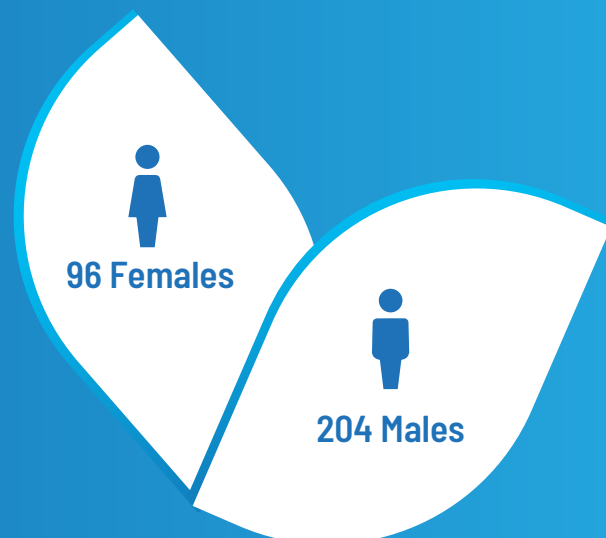
Female Supervisors are **2.77%** more efficient than Male Supervisors and **4.49 %** more efficient than average floor efficiency.

# DISABILITY INCLUSION PROGRAM

Unfortunately, persons with disabilities are sometimes stigmatized; despite their excellent ability, there have been several situations when they have been denied jobs. These challenges are already being addressed through the Disability Inclusion Program, which provides employment opportunities for persons with disabilities. We strongly support Partnership for the Goals (SDG 17) as a means of sustaining both our society and our ethical business practices. Hence, in order to incorporate persons with disabilities in the workforce, DBL Group has collaborated with the Center for Disability in Development (CDD). For the factory HR departments, CDD has provided training and run awareness campaigns to help them understand the value of include persons with disabilities.



Together with GIZ and CDD, we have launched a number of initiatives. Since January 2020, DBL has also been involved with the CDD and Bangladesh Business and Disability Network (BBDN)-led Innovation to Inclusion (i2i) project, a disability inclusion initiative supported by DFID and headed by Leonard Cheshire (LC). The Disability Inclusion Program is expanding with the goal of having 1% of our workforce involving individuals with various impairments. Up-to June 2022 DBL recruited 300 Persons with Disabilities (PWD).



# RETURN TO WORK PROGRAM

We truly believe that it is our responsibility to provide any and all assistance required to any of our workers who are injured while performing their jobs. All of their medical expenses are paid for in addition to their salary, which is given during the duration of their injured leave. When they have recovered, we encourage them to return their existing designation or in a new designation that would be most suitable 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 at 5 of the DBL Group's industrial locations. The RTW Clause has been added into the HR Department's revised HR policy. We also adhere to the legal frameworks established by the Bangladesh Labor Act, the People with Disabilities Rights Protection Act, and the Bangladesh Constitution. The Return to Work (RTW) program with CDD and GIZ enabled DBL to establish a Return-to-Work Committee in DBL's factories and appoint a "Return to Work Coordinator" hired by the HR department. The program also required DBL to modify an existing HR policy to include the RTW clause and to adhere to the international and legal context of RTW policies.



**Total Return to Work (RTW) Rate: 85%**

**Total RTW in numbers: 367**

The RTW process consists of the following:



**Referral  
Assessment**



**Designing**



**RTW Plan &  
Implementing**



**Monitoring &  
Coordination**



# HUMAN RIGHTS

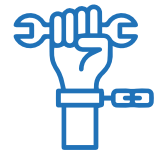
We are dedicated to treating each of our employees with the highest respect while acting in an ethical and responsible manner. The International Labor Organization's human rights agreements serve as a guide for us in ensuring that the rights and dignity of our employees and workers are not violated.





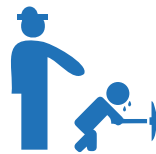
## Forced Labor

Involuntary or coerced labor of any kind is not tolerated by DBL. 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. Psychological tests are administered to candidates for employment at the time of hiring to ascertain their ages in order to confirm that they are of legal working age. All prospective employees are also required to provide documentation attesting to their age, and the validity of these documents is rigorously examined. The potential employee's age must be verified and confirmed by the registered doctor on site at the factory in the absence of age documentation.



## Non-Discrimination

DBL does not tolerate any type of discrimination in the workplace since we regard the right to be free from discrimination as a fundamental component of human rights. Instead of paying, promoting, or terminating employees based on their color, age, gender, religion, disability, or other traits, we do so based on their aptitude for the job. There have been no discrimination cases at DBL to date because of how strongly the practice is upheld: discrimination on any basis is not acceptable in any circumstance.

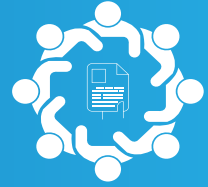


## Security Practice

To ensure the utmost protection of our employees, DBL Group only employs internal security staff and none from third party organizations. We currently employ 428 security people, and every one of them receives monthly specialized training on the organization's policies with a focus on human rights issues.



# FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING



We acknowledge and value the integrity of our workers to exercise their legal freedom of association and bargaining rights. Employees who organize or engage in legal associations and/or collective bargaining are not subject to discrimination since the Participation Committee(PC) is there to allow for open communication of any concerns that may emerge. The Compliance team conducts monthly audits, noting the make-up of the committee members, the frequency of meetings, the themes covered, and other factors, to make sure these rights are exercised. 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 be vocal about their issues without hesitation through the procedure for managing complaints. Our welfare officials have received training in using the complaints process professionally so that employees feel comfortable and confident disclosing any issue they might have regarding any issue. We have formal and informal grievance handling mechanism.

- 241 Grievance addressed
- 239 Grievance resolved

## SUGGESTION /GRIEVANCE BOX

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



## PARTICIPATION COMMITTEE (PC) MEETINGS

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



## VERBAL COMPLAINT

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



## BANDHAN NEWSLETTER

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





# LOCAL COMMUNITIES

We try to contribute as much as we can to the local areas where we operate. We can make improvements for the welfare of the neighborhood by cooperating with our employees, clients, business partners, and other stakeholders.



# Community Knowledge Exchange Programs

DBL is still holding community knowledge exchange programs in the many areas where it conducts business. We think it is our duty to support the neighborhood's development and prosperity in a positive and healthy way. We run these programs for the benefit of the families in the communities close to our facilities to guarantee that the locals are properly informed on a variety of important issues.



- **Male: 185; Female: 65**
- **Total= 250 participants**

## Community Education Support

DBL Group has taken part in a number of projects to support the achievement of SDG-4: Quality Education in Bangladesh. DBL has built a four-storied structure for the Hatimara School and College. Around 1,000 pupils can be accommodated in the building. Additionally, DBL provided 300 students at Sardagonj Government Primary School with 100 sets of benches. To further accommodate the children, an existing building at the school has also undergone refurbishment.





## INDUSTRY-BASED TRAINING CENTER

The Industrial-based Training (IBT) Center was started in DBL's spinning manufacturing complex with the goal of establishing a Technical Vocational Education and Training (TVET) Center in the industry cluster. The curriculum and training modules that the Center has previously created have both been submitted for accreditation to the Bangladesh Technical Education Board (BTEB). Inhabitants of the community are encouraged to take part in the three-month training sessions. To guarantee that each participant receives enough attention to enhance their learning, each session is limited to 25 individuals. The training is free, and while they are engaged in it, they also receive some cash incentive for their daily expenses. Once the training is through, they are hired, and they are free to move on to other firms afterward. Our present locations are at the Mymun complex and Matin Spinning Mills Ltd.



## COMMUNITY BEAUTY PARLOR

In 2018, DBL Group collaborated with Shishu Polli Plus to provide low-cost beauty salon services to its workers, primarily women. We have also collaborated with Hamim-Lasics Beauty Parlor, the same advantages were extended to the workers of Flamingo Fashions Ltd. in Joydebpur. In addition, DBL is helping the women-owned beauty salon grow its business. Hamim-Lasics Beauty Parlor currently has a 25,000 average monthly revenue.



**Beauty Parlor currently has a 25,000 average monthly revenue.**

## BETTER BUSINESS FOR CHILDREN

Phulki is implementing a second initiative with UNICEF that focuses on Children's Rights and Business Principles (CRBP). As a result of this initiative, 64 non-formal primary schools in the Kashimpur neighborhood, that serve children too young to attend school, have been created by UNICEF.



**64 non-formal primary schools in the Kashimpur neighborhood**



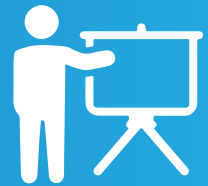
# COMMUNITY HEALTH DEVELOPMENT PROGRAM

DBL is continuing with Community Health Development Programs in the various locations where DBL's operations are taking place in order to further emphasis on SDG-3, Good Health and Well-Being. The community's elderly, women, men, and kids come to receive free treatments. A routine is being established for this. DBL's own physicians do community visits and offer services to community members. Since 2015, a total of six programs have been held. The COVID-19 has caused this to be postponed. Instead, we ran a number of COVID-19 awareness campaigns.



# TRAINING & DEVELOPMENT

The development of each individual employee is essential to our commitment to ongoing progress. We must support our workers with the information necessary to propel the business to the very top of its sector if we are to pursue future success. Mid-level management, employees, chemical handlers and spot removers, loaders, quality inspectors, first responders, firefighters, evacuees and rescues, cleaners, etc. are the specialized training's target audience. The personnel have also received skill development trainings in addition to the aforementioned trainings.





# TRAINING TOPICS

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's 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 Labor 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 2

## 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 our focus is to ensure strong corporate governance.

A robust corporate governance structure enables DBL to gain greater access to lower financing, higher credit ratings, higher external capital costs ratings, and strong investor confidence. The company believes that a sound corporate governance structure has a big influence on Bangladesh's legal system as well as how the business integrates into the modern economy and society. We at DBL Group are aiming to bring our corporate governance system up to par with the best practices and standards throughout the world by putting the globally recognized standards into effect. In light of our anticipated growth, this is essential for DBL. The need for a practical corporate governance framework will be crucial to the company's goal to connect with new investors.



## 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 designed the Sustainability 5.0 which is currently integrated at the core of the company. Alongside, his eye to identify hidden talents allows the company to recruit a diverse and skillful workforce

### M.A. Rahim, Vice Chairman

Mr. Rahim, who also serves as the 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.



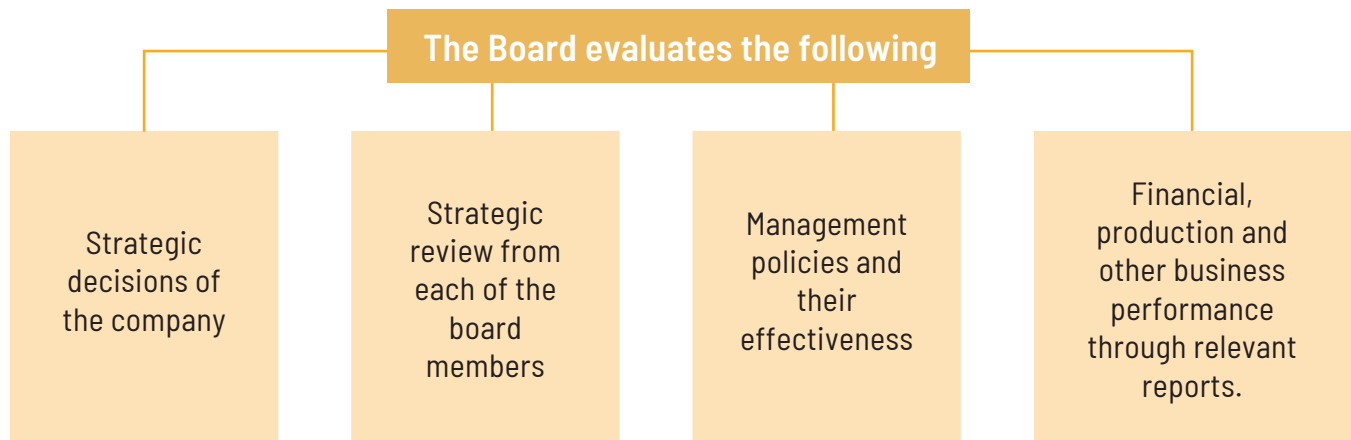
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Excellence of a business can be achieved through a combination of integrity, passion, adaptability, and care.

**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.



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 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.

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.

### **A sound corporate governance system will facilitate DBL to attain:**

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



“

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.

### **Structure and Committees:**

DBL Group has established the following Board Committees:

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

### **General Assembly:**

Allows the shareholders to participate in the governance of the company.

### **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.





“

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.

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

**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.

**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 PLC., 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:

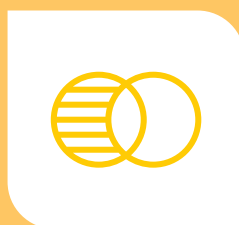
- **Income Tax**
- **Registrar of Joint Stock Companies and Firms (RJSC)\***
- **VAT Ordinance**



Accountability



Fairness



Transparency



Responsibilities

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 Bodies legal requirements, DBL Group will face financial penalties.

\* Matin Spinning Mills PLC. 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

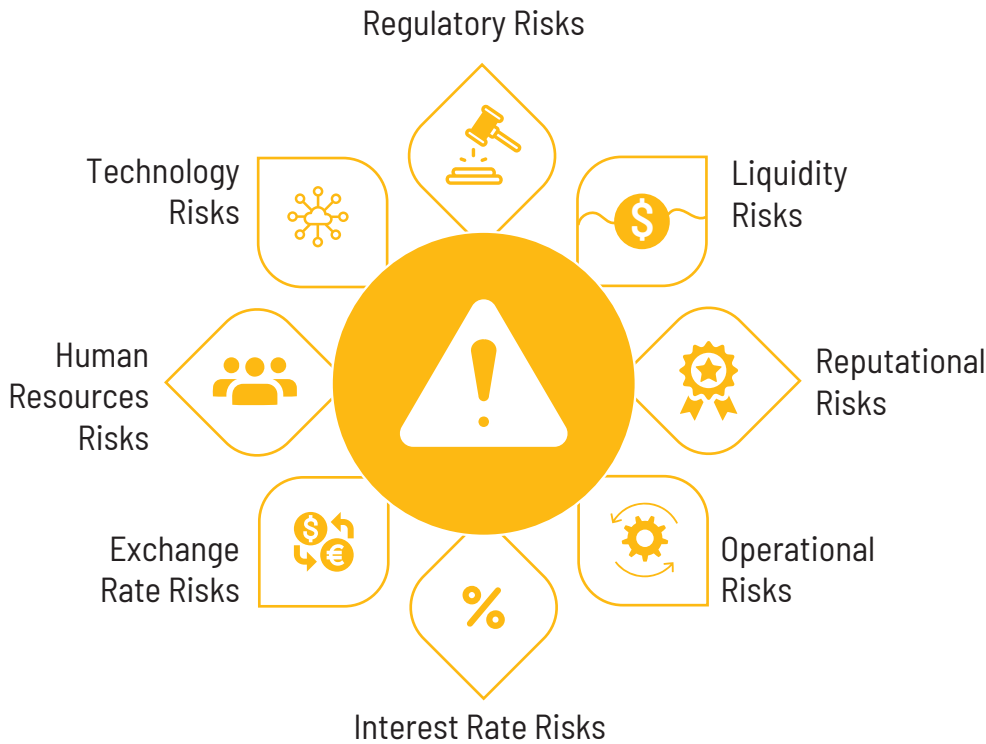
The risk control framework helps us to identify, eliminate, and minimize risks. This includes the following.

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 prioritizing 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 in this report.



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

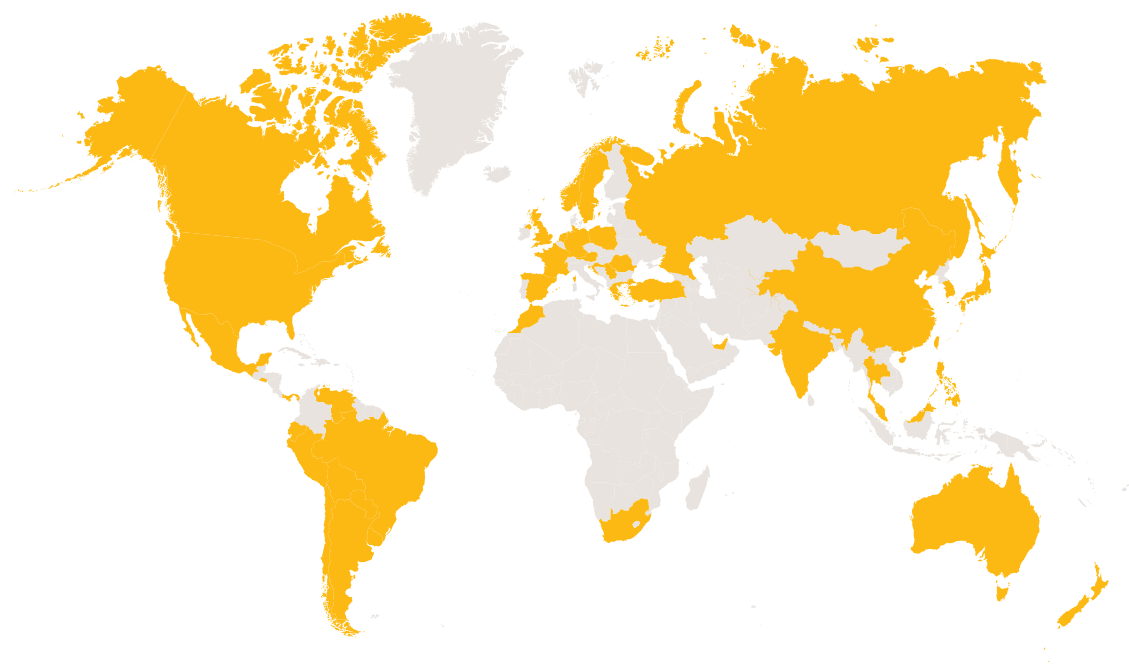
The company has clearly defined corporate values and ethical standards which are communicated to employees, customers, and other stakeholders to maintain its reputation. For example, potential employees are subject to appropriate background checks before the final recruitment. Our values of Integrity, 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

**\$ 503,127,255.12**  
Exports in 2021-22

**18.9%**  
more exports than in  
2020-21



Europe	Africa	Asia	Oceania	North America	South America
Norway Austria Turkey Belgium Denmark France Sweden UK Germany Greece Italy Netherlands Poland Russia Serbia Spain Croatia	Morocco South Africa	China Hong Kong India Japan Malaysia Philippines Singapore South Korea Taiwan Thailand UAE	Australia New Zealand	Canada El Salvador Mexico USA	Argentina Bolivia Brazil Chile Ecuador Panama Paraguay Peru Uruguay Venezuela



## ECONOMIC SUMMARY



	2020-21 (\$)	2021-22 (\$)
Revenue (gross)	716.96	870.91
Other income	2.37	7.40
<b>Direct economic value generated</b>	<b>719.33</b>	<b>878.31</b>
Operating costs	507.67	566.84
Employee wages and benefits	86.95	101.93
Payments to providers of capital	31.69	35.38
Payments to government	10.60	15.03
Community investments	0.03	0.25
<b>Economic value distributed</b>	<b>636.95</b>	<b>719.43</b>
<b>Economic value retained</b> (Direct economic value generated less economic value distributed)	<b>82.39</b>	<b>158.88</b>
<b>Garments Tax Rate</b>	<b>12.00%</b>	<b>12.00%</b>
<b>Textiles Tax Rate</b>	<b>15.00%</b>	<b>15.00%</b>
<b>Corporate Tax Rate</b>	<b>30.00%</b>	<b>27.50%</b>

# 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.

## STAKEHOLDER ENGAGEMENT PROCESS

There is no particular frequency of engagement with the stakeholders. However, there are annual events like vendor meetings for suppliers, annual general 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



# COMMITTING TO INTERNAL STAKEHOLDERS

DBL Group's major stakeholder group and a principal asset is the workforce. Hence, DBL reserves a special importance to creating the proper work environment for all employees. Similar attention is also given to their families. To maintain a fully energized workforce we maintain 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 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 the members 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 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.

# EFFECTIVE COMMUNICATION PROCEDURES



DBL Group has established different channels to communicate with its workers; which includes 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. A total of 241 grievances were addressed in 2021-22 and 239 were resolved in the year.



# 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:

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



# KAIZEN SUGGESTION BOX

DBL Group encourages 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 in order to encourage employees to work at their highest potential and move towards empowerment.

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
<b>BUYERS</b>	Merchandizing Team, Emails, Exhibitions, Local and International Management Visits, Audits, Conferences
<b>COMMUNITY</b>	Meetings with Local Union Councils, Surveys, Accommodating Requests, Community Engagement
<b>INDUSTRY ASSOCIATIONS</b>	Emails, Meetings with industry associations, Interactions with Chamber of Commerce (FBCCI, DCCI, BGCCI, JBCCI, etc.)
<b>GOVERNMENT</b>	Interaction with different Ministries of the Government of Bangladesh, Embassies, and Overseas Ministries
<b>MEDIA</b>	Communications Team, Press Releases, Press Briefings, Interviews
<b>INVESTORS</b>	Emails, Meetings, Visits, Conferences, Internal Relations Team
<b>SUPPLIERS</b>	Marketing Team, Sourcing Team, Emails, Meetings, Audits
<b>NGOs and CSOs</b>	Emails, Meetings, Conferences, Workshops

# COMMUNITY DEVELOPMENT

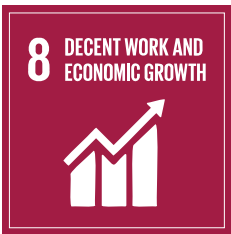
A wide variety of activities are integrated within DBL’s sustainability that promotes societal development: thus, integrating the concept of “Community” included as a branch in the comprehensive coverage of sustainability. These activities include the following:



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



- School development programs
- Knowledge Exchange Programs



- Community surveys
- Courtyard meetings



- Tree plantation
- Data collection



- Mini Fire Station
- Road maintenance



# 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 region was under-developed. The progression was escalated by industries, and the locality has gone through a significant transformation. Popular local branded shops and international 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 Group 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. Since DBL has always complied with the law, it has never been penalized or subject to non-monetary punishment for breaking the law. The reputation of the company 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. The company has zero tolerance toward any unethical business practice and has strictly enforced policies on anti-corruption, anti-fraud and bribery which apply to all its businesses. 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 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.



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 Index

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: pp. 43-45, 58-59</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 MRSL) 2.0.</p> <p>There is third-party testing of our chemicals to ensure quality chemicals among those approved by the standards are used. 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: pp. 43-45, 58-59</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: p. 37</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.	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and /or contractual agreement.
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>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: p. 74</p>
	CG-AA-430b.2	Priority non-conformance rate and associated	

		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> <p>Reference: p. 74</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"><li>1. Occupational Health &amp; Safety</li><li>2. Working Conditions</li><li>3. Child Labor</li><li>4. Forced Labor</li><li>5. Climate Action</li></ol> <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 cotton. 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"><li>- Water scarcity due to water usage in cotton cultivation</li><li>- Negative impacts of chemical &amp; pesticide usage on soil, nearby biodiversity and water bodies</li></ul> <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"><li>- Polyester is made of petroleum which is a carbon intensive non-renewable source</li><li>- Water scarcity due to water usage in cooling process</li></ul> <p>Risks from overall general sourcing of raw materials:</p> <ul style="list-style-type: none"><li>- Human rights issues for workers</li></ul> <p>Reference: p. 38-42</p>																		
	CG-AA-430b.3	Percentage of raw materials third-party certified to an environmental and/or social sustainability standard, by standard.	<p>In FY 2021-22, we sourced approximately:</p> <ul style="list-style-type: none"><li>- 55% of our cotton through Better Cotton Initiative (BCI)</li><li>- 36.92% of our total yarn production from Organic Cotton</li><li>- 99.8% of our total yarn production from sustainable certified sources</li></ul> <p>Reference: pp. 38-42</p>																		

## GRI Content Index

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

### General Disclosures

Disclosure	Page/Info	Omission
<b>Organizational profile</b>		
102-1: Name of the organization	16	No
102-2: Activities, brands, products, and services	16, 18	No
102-3: Location of headquarters	16	No
102-4: Location of operations	16	No
102-5: Ownership and legal form	16	No
1102-6: Markets served	114	No
102-7: Scale of the organization	20,87,116,117	No
102-8: Information on employees and other workers	87	No
102-9: Supply chain	20	No
102-10: Significant changes to the organization and its supply chain	93	No
102-11: Precautionary Principle or approach	82	No
1102-12: External initiatives	44, 48-49,55,58, 72,78,85,89-90, 96-99	No
102-13: Membership of associations	124	No
<b>Strategy</b>		
102-14: Statement from senior decision-maker	6-7	No
<b>Ethics and Integrity</b>		
102-16: Values, principles, standards, and norms of behavior	16	No
<b>Governance</b>		
102-18: Governance structure	17-21	No
<b>Stakeholder engagement</b>		
102-40: List of stakeholder groups	119	No
102-41: Collective bargaining agreements	93,120	No
102-42: Identifying and selecting stakeholders	118	No
102-43: Approach to stakeholder engagement	118	No
102-44: Key topics and concerns raised	118-126	No
<b>Reporting practice</b>		
102-45: Entities included in the consolidated financial statements	117	No
102-46: Defining report content and topic Boundaries	11	No
102-47: List of material topics	10	No
102-48: Restatements of information	11	No
102-49: Changes in reporting	11	No
102-50: Reporting period	11	No
102-51: Date of most recent report	11	No
102-52: Reporting cycle	11	No
102-53: Contact point for questions regarding the report	11	No
102-54: Claims of reporting in accordance with the GRI Standards	11	No
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