# 2013 SUSTAINABILITY REPORT

DBL Group

DBL
SUSTAINABILITY

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# Chairman's Remarks

Dear Stakeholders,

I am extremely delighted to present to you DBL Group's inaugural Sustainability Report for the year 2013. This report presents our effort to continue sustainable and ethical business practices as part of our vision to make a visible contribution to the GDP of Bangladesh.

Businesses at present are facing increased cost and competition driven by scarcity in all forms of natural resources. Social and environmental factors are playing crucial roles in determining the future growth of most companies. Increased awareness on sustainability and responsible business practices is vital for a company's success in the long run. A changed perspective of the society and environment as the major stakeholders, coupled with innovation, will be the key to success of every business in the next generation. At DBL Group, we are working relentlessly for raising the bars of acceptable standards that impact our major stakeholders. Incorporating sustainability into all our business decisions and into every member of our organization will fulfil our mission of becoming an economically, socially and environmentally efficient sustainable group. We aim to relish the idea of sustainability for the generations to come. Our sustainability strategy focuses on five major components which are integrated in the core values of the organization: People, Process, Product, Community and Environment.

Since our establishment in 1991, we have come a long way and evolved as a responsible and ethical practitioner in the industry. Full commitment and endeavours led us to be one of the largest composite knit garments and textiles manufacturers and exporters in Bangladesh. Like most companies, we faced a

challenging business environment over the previous years amidst the global economic turmoil. We have overcome these challenges with great diligence and have succeeded in continuing our significant contribution to the economy of Bangladesh.

With a skilled and dedicated workforce of 15,700 people we are committed to deliver products and services of superior quality and international standards to our customers. We are supplying quality apparels to the renowned retailers and the popular fashion brands across the world, with a total export of the group worth USD 241 million in 2013 fiscal year alone. In recognition of our excellent performance in export, DBL Group has received the 'HSBC Export Excellence Award' in 2012 and 2009, National Export Trophy Award 2010-11 and Highest Exporter Award BGMEA 2005. DBL Group has received the highest rank of recognition in the form of awards and accolades for outperforming in categories such as - Environmental Sustainability, Social Compliance, CSR, Working and Living Conditions of Workers.

We believe that creating employment opportunities is the best way to serve the community that we work in. With vast expansion in progress, DBL Group targets to add another 20,000 employment opportunities by 2016 with a projected turnover of USD 600 Million. Our expansion plan is very well researched to ensure that the growth is sustainable and ethical from all aspects.

Sizeable portion of DBL's profit is channelled into CSR activities, reflecting our commitment to social development. We provide wide-ranging support in the fields of education and health, especially supporting the General Ward of the Burn Unit at Dhaka Medical College Hospital. We have also contributed to Ahsania Mission Cancer Hospital, Mitford Hospital and BIRDEM Hospital. Our focus on agricultural ventures to support their own workforce is laudable. DBL Group and its management are actively involved in supporting a large number of education institutions, imparting educations at primary and secondary levels.

We have strong environment friendly practices in place which includes energy efficient machineries and cleaner production. We have the largest Biological Effluent Treatment Plant (ETP) in Bangladesh which is benchmarked by the Department of Environment of Bangladesh to set up other ETPs in the country. With the success of the Cleaner Production project initiated by IFC (World Bank Group), we have been able to save huge amounts of energy consumption over the years. We have a target to reduce waste, carbon emission, water and energy consumption by 25% within 2015 on the baseline of 2011.

In alignment to the 10 principles of UNGC, we are committed to ensure sustainable future for people and environment and to stand against corruption, we have committed ourselves to support the ten principles of United Nations Global Compact. We also respect human rights as part of our commitment to UN Guiding Principles for Business and Human Rights. We pioneered by participating in an unprecedented process involving assessment of our human rights performance through Social Fingerprint Program conducted by Social Accountability International (SAI) and Danish Institute of Human Rights (DIHR).

We are committed to create a platform for ensuring sustainable growth for our company. In this regard, I sincerely thank all our stakeholders for their ongoing understanding, support and faith in our company.

Abdul Wahed
Chairman

## Reporting Parameters

| | |
|---|---|
| Reporting period | 1 January, 2013 - 31 December, 2013 |
| Reporting cycle | Annual |
| Most recent previous report | N/A (This is the first Sustainability Report) |
| GRI guideline followed | GRI G4 |
| 'In Accordance' option chosen | In Accordance "Core" |
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# DEFINING THE REPORT CONTENT AND THE ASPECT BOUNDARIES

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

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

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

The organization has not sought external assurance for this inaugural sustainability report. However, the company will be seeking external assurance for the future reports.

*"Vision is dandy, but sustainable company excellence comes from a huge stable of able managers."*

*Tom Peters*

# MATERIALITY TEST FOR DBL SUSTAINABILITY REPORT

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 | 0 | 1 | 1 | 4 |
| 1 | 1 | 1 | 1 | 5 |
| 1 | 0 | 1 | 1 | 4 |
| 1 | 1 | 1 | 1 | 5 |
| 1 | 1 | 1 | 1 | 5 |
| 1 | 0 | 0 | 1 | 3 |
| 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 | 0 | 1 | 1 | 4 |
| 1 | 1 | 1 | 1 | 5 |

# MATERIALITY MAPPING

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

# SELECTED INDICATORS

## CATEGORY: ECONOMIC

| Sub-category | Aspect | Selected Indicators |
|---|---|---|
| Economic Performance | Direct economic value generated and distributed | G4-EC1 |
| Market Presence | Proportion of senior management hired from the local community at significant locations of operation | G4-EC6 |
| Indirect Economic Impacts | Significant indirect economic impacts, including the extent of impacts | G4-EC8 |
| Procurement Practices | Proportion of spending on local suppliers at significant locations of operation | G4-EC9 |

## CATEGORY: ENVIRONMENT

| Sub-category | Aspect | Selected Indicators |
|---|---|---|
| Input Materials | Materials used by weight or volume | G4-EN1 |
| Energy | Energy consumption within the organization | G4-EN3 |
| Water Sustainability | Total water withdrawal of water recycled and reused | G4-EN8 |
| Effluent and Waste | Total water discharge by quality and destination | G4-EN22 |
| Bio-Diversity Sustainability | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas<br>Description of significant impacts of activities, products, and services on biodiversity non protected areas and areas of high biodiversity value outside protected areas | G4-EN11<br>G4-EN12 |
| Air | Direct Greenhouse Gas (GHG) emissions<br>Emissions of Ozone-Depleting Substances (ODS) | G4-EN15<br>G4-EN20 |

| CATEGORY: SOCIAL | | |
|---|---|---|
| Sub-category | Aspect | Selected Indicators |
| Labor Practices and Decent Work | Employment | G4-LA1, G4-LA3 |
| | Labor/Management Relations | G4-LA4 |
| | Occupational Health and Safety | G4-LA6 |
| | Training and Education | G4-LA9 |
| | Diversity and Equal Opportunity | G4-LA12 |
| | Equal Remuneration for Women and Men | G4-LA13 |
| | Supplier Assessment for Labor Practices | G4-LA14 |
| | Labor Practices Grievance Mechanisms | G4-LA16 |
| Human Rights | Investment | G4-HR1 |
| | Non-discrimination | G4-HR3 |
| | Freedom of Association and Collective Bargaining | G4-HR4 |
| | Child Labor | G4-HR5 |
| | Forced or Compulsory Labor | G4-HR6 |
| | Security Practices | G4-HR7 |
| | Indigenous Rights | G4-HR8 |
| | Assessment | G4-HR9 |
| | Supplier Human Rights Assessment | G4-HR10 |
| | Human Rights Grievance Mechanisms | G4-HR12 |
| Society | Local Communities | G4-SO2 |
| | Anti-Corruption | G4-SO5 |
| | Public Policy | G4-SO6 |
| | Anti-competitive Behavior | G4-SO7 |
| | Compliance | G4-SO8 |
| | Supplier Assessment for Impacts on Society | G4-SO9 |
| | Grievance Mechanisms for Impacts on Society | G4-SO11 |
| Product Responsibility | Customer Health and Safety | G4-PR1 |
| | Product and Service Labeling | G4-PR4 |
| | Marketing Communications | G4-PR7 |
| | Customer Privacy | G4-PR8 |
| | Compliance | G4-PR9 |

# chapter 1 Sustainability Approach

# EMERGENCE OF SUSTAINABILITY IN DBL

Sustainability as a business approach is becoming widely adopted by companies and organizations around the world. Manufacturing industries at international level have made great strides toward sustainability and the textile manufacturing industry is no exception at taking greater leaps needed to advance sustainable business practices. Sustainability is not a fleeting trend but rather a business approach being adopted by DBL to maintain competitive positions. There is no alternative to sustainability and we have continued to work towards upholding our commitment by incorporating its underlying principles into our organizational core values and vision. We have always acted sustainably while staying in alignment with our vision to be the leader in our business domain and have a visible contribution to the GDP of Bangladesh. This is increasingly important particularly of DBL Group, a leading exporter in the RMG sector in Bangladesh which contributed 75.65% percent to the national gross domestic product (GDP) of the country in 2013. Despite the image crisis after the GSP withdrawal from USA, the RMG industry in Bangladesh continued to thrive and retained remarkable export growth in the just concluding 2013 fiscal year. RMG export grew 12.71% to 21.5 billion USD and total textiles export including RMG rose to 23.7 billion USD which is 11.24% higher than the previous 2012 financial year.

DBL Group has always been a visionary with a sustainability mindset as the linkage between greener operations, improved work condition for workers and responsible use of natural resources. The company has been taking special interests in projects with emphasis on Lean Production processes and workers' health and safety standards. With the emerging trend of sustainability in the business world across the globe, DBL Group has evolved as a leader in its business domain in terms of sustainability. At DBL, all sustainability related activities are ongoing processes that are dealt with constant dedication, cooperation from the senior management and teamwork. We operate business in a sector where environmental and social issues come into play further down the supply chain. At DBL we are devoted to extend our pledge to protect the environment and society while doing business with our direct suppliers and partners. This plays a major role in establishing our relations with our second and third tier suppliers as well. In every sphere of our operation we do things socially and environmentally sustainable.

For each commitment, there are a number of Sustainable Action Programs in place both on large and small scales, short and long terms through which the sustainability plans are translated into actions.

**Our Obligations:**

- Ensure safe and healthy work conditions for all employees
- Use renewable and alternate sources of energy for production purposes
- Do business with responsible partners
- Use natural resources wisely
- Reduce, reuse, recycle waste products
- Be responsive to any social and environmental impacts from our business operations on the outside communities
- Be a responsible corporate citizen

# SUSTAINABILITY FOCUS

## ENVIRONMENT

Environment is a high priority for our company and we do make sure 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. The company recognizes that its own sustainability rests on its ability to work harmoniously in its social and environmental settings.

## COMMUNITY

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

## PEOPLE

As an organization, DBL Group realizes its responsibility towards the employees and to the wider communities in which it operates. Our company understands how the business practices affect our employees, and wider stakeholders, and we work to serve in their best interests.

## PROCESS

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

## PRODUCT

DBL Group continuously works towards improving the quality of the products and all the processes that go into making the final finished product and ensures to minimize the negative impact on the environment and the consumers.

# SYNERGY WITH UNGC PRINCIPLES

The Board of Directors of DBL Group proactively oversees the organization's credentials and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. The Board's decision making is greatly influenced by the UN Global Compact ten principles which ultimately enable the overall organization to recognize strengths and weaknesses of business management to perform effective risk management, improve management system and goal setting.

The strategies followed by the highest governance in synergy with the ten principles help provide DBL with competitive advantage and become a market leader. The governance effectively oversees social and environmental risks and work toward improved dialogue with the community to find common solutions. We live our deeply rooted core values and train employees in sustainability, asking them to consider the standards in their daily work. Our commitment to the ten principles of the UN Global Compact under human rights, labor standards, environment and anti-corruption promotes clarity and simplicity in governance for sustainability and ethics. The management has to ensure that our policies and guidelines are understood and acted upon in every business unit.

**Human Rights:**

1. Business should support and respect the protection of internationally proclaimed human rights; and
2. Make sure they are not complicit in human rights abuses.

**Labour:**

3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination on respect of employment and occupation.

**Environment:**

7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and
9. Encourage the development and diffusion of environmentally friendly technologies.

**Anti-Corruption:**

10. Businesses should work against corruption in all its forms, including extortion and bribery.

THE GLOBAL COMPACT

WE SUPPORT

# chapter 2 DBL & Sustainability

# Company Profile

DBL Group is a diversified and integrated knit garments manufacturing and composite industry with strong backward linkage. The group started its business in 1991 and currently has facilities for spinning, fabric knitting, dyeing and finishing, garments, washing, all-over and screen printing, and packaging. DBL Group is one of the largest and 100% export oriented composite knit garments and textiles manufacturing industry in Bangladesh. We are supplying quality apparels across the world to the best of the retailers and the biggest brands of the fashion industry. The company is headquartered at Dhaka, Bangladesh and operating its production process at factories situated at Kashimpur, Gazipur, Dhaka, Bangladesh.

## MISSION

DBL Group is committed to provide the best quality products and services through innovation, competence, dedicated workforce and state-of-the-art technology, minimizing adverse effects of our business operations on the environment.

## VISION

To be the largest supplier in the world for quality apparels at competitive price and have a visible contribution to the GDP of Bangladesh.

## CORE VALUES

Integrity

Commitment

Passion

Innovation

Trustworthiness

## Concerns:

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

# PRODUCTS AND SERVICES

The products and services offered by DBL Group are:

- Yarn, Fabrics
- Casual knitwear (T-shirt, Polo shirt, Tank top, Jogger, Hooded Jacket, Cardigan, Pants & Dresses)
- Fashionable wear (Skirt, Gown)

We are dedicated to develop new products for our customers. Some of the new products developed by DBL Group:

- Ocean race T-shirt
- Poly viscose cotton
- Poly viscose fabric
- Recycled polyester fabric
- T 400 jersey

# MANUFACTURING PROCESS

In apparel manufacturing, the need for perfection begins right from the birth of the raw materials. The quality of yarn permeates through every single process till packaging.

We have optimized our spinning processes by applying state-of-the-art technology & machineries to every phase of our production processes. We use cutting edge technology to put our yarn through a series of Quality Control checks, to ensure strict quality standards. This is then supplemented by concentrating on process manufacturing and process improvements. We have set-up an Industrial Engineering and Work Study Department. Root cause analysis is done by using Statistical Quality Control tools.

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

# PROCESS FLOW

# COUNTRY WISE PRODUCT EXPORT DESTINATIONS

### EUROPE

Austria
Belgium
Denmark
France
Germany
Greece
Italy
Netherland
Norway
Poland
Russia
Serbia
Spain
Sweden
Switzerland
Turkey
UK
Croatia

### ASIA

Australia
China
Hong Kong
India
Indonesia
Japan
Malaysia
New Zealand
Philippines
Singapore
South Korea
Taiwan
Thailand
UAE

### AFRICA

South Africa

### SOUTH AMERICA

Argentina
Bolivia
Brazil
Chile
Ecuador
El Salvador
Paraguay
Peru
Uruguay
Venezuela

### NORTH AMERICA

Canada
Mexico
Panama
USA

# CURRENT PRODUCTION CAPACITY

**6.5 million pieces per month**

## MAJOR BUYERS

H&M
George.
Walmart
PUMA BODYWEAR
ESPRIT
G-STAR RAW
BONITA
GERRY WEBER
oxylane
MQ

## MAJOR SUPPLIERS

CATERPILLAR®
TOYOTA
RIETER
SCLAVOS INTERNATIONAL
LAPP GROUP
LAPP KABEL
ENECON
lafer SPA ideas for better fabrics
JUKI
MHM ARIOLI GROUP textile and graphic screenprinting machines
santex group Santex Cavitec Isotex SperottoRimar
BRÜCKNER be first in finishing

# OUR KNOWLEDGE PARTNERS IN CSR

# Our Sustainability Projects

## PEOPLE

### BANDHAN FAIR PRICE SHOP:

"Bandhan" is a fair price shop which serves low income workers with all the essentials and commodities at factory price of manufactures. The shop is aimed at reducing workers' monthly expenditure burden and sheltering them from the economic inflation.

### PILLARS IN PRACTICE:

To establish UN Guiding Principles on Business and Human Rights, DBL Group has taken part in the Pillars in Practice program with collaboration with Social Accountability International (SAI), the Danish Institute of Human Rights (DIHR) and CSR Centre (Bangladesh representative of UN Global Compact)

### SOCIAL FINGERPRINT:

Social Accountability International (SAI) conducted the Social Fingerprint evaluation of DBL Group. The goal is to measure and improve on the development and implementation of the management systems to improve human rights performance. DBL Group is the pioneer in Bangladesh to conduct the program. The program is supported by the Danish Institute of Human Rights (DIHR) and CSR Centre, Bangladesh.

### WOMEN HEALTH PROGRAM INITIATIVE (WHPI):

Starting from January 2014, the program targets all the female workers at Jinnat Complex and Thanbee Print World Ltd. The program has a long term objective to ensure good health and hygiene for all of DBL's female workers. The program's initial activity is to provide women with sanitary napkins at discounted price.

### PROMOTION OF FEMALE LINE OPERATOR TO LINE SUPERVISOR:

In partnership with GIZ and University of Warwick, the company initiated the program to provide skill development training to female line operators and promote them to line supervisory role.

## GLOBAL WOMEN'S ECONOMIC EMPOWERMENT INITIATIVE (GWEEI):

The objective of the program is to create awareness about the rights of women regarding basic facilities at work, work environment and proper evaluation of work. The project is funded by Walmart and organized by Care Bangladesh.

## IN-HOUSE GARMENTS TRAINING CENTER:

The in-house garments training center at DBL provides a complete set of trainings to all the new workers at DBL. The newly recruited workers coming from Gazipur and other districts join as General Operators at DBL. The trainings include training on sewing machine operation and quality control to workers with no experience of working in production floor. The unskilled men and women (raw hands) thus receive trainings to develop technical skills required to perform their job functions efficiently as General Line Operator. The new workers hailing from different districts also obtain trainings on different issues on personal development under an orientation program. After the thorough training sessions and subsequent skill assessments, trainees are placed for actual production as General Line Operators.

### FLDP:

Under the Future Leaders Development Program graduates from reputed universities across the nation are recruited. They are trained and groomed to become the future leaders of our organization in a period of five years.

### RH (REPRODUCTIVE HEALTH):

NGO Phulki, in partnership with the Embassy of the Kingdom of the Netherlands, is working towards promoting health awareness amongst the female garments workers of DBL Group involving peer educator group. From 2012, Phulki has expanded the reach of this project through partnership approach.

### TB SCREENING:

A team from Centre for Woman and Child Health (CWCH) conducted TB Screening tests on all workers at Jinnat Complex. 10,297 factory workers had undergone the TB screening. 3 of the workers were diagnosed with TB and were registered under the National Tuberculosis Program (NTP). The workers diagnosed were immediately sent for further treatment at free of cost. The team does a follow up every 6 months with all the previously screened workers and new hires as well.

# PROCESS

### ZERO DISCHARGE OF HAZARDOUS CHEMICALS:

In 2011, a group of major apparel brands and retailers made a shared commitment to help lead the industry towards zero discharge of hazardous chemicals by 2020. Brands involved in these projects are C&A, H&M, G-Star and Puma.

### LEAN MANUFACTURING:

Lean manufacturing is a business model and collection of tactical methods that emphasize eliminating non-value added activities (waste) while delivering quality products on time at least cost with greater efficiency.

# PRODUCT

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

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

# COMMUNITY

### DBL MEDICAL SERVICES FOR WORKERS FAMILIES:

The Medical Centre of DBL Group is open to the workers and their families as well. Apart from accidents or other emergencies, outdoor medical services are also provided. Health and nutrition tips are provided with special attention to children, nursing mothers and pregnant women. The medical service is free for all workers; in addition medicines are charged at manufacturers' price which is significantly less than the regular retail price. Also, financial and logistical supports are offered to employees with financial constraints on need basis.

### EDUCATION SUPPORT TO KASHIMPUR HIGH SCHOOL AND HATIMARA COLLEGE:

As part of endorsing the need for quality education in Bangladesh, DBL Group has built a four-storied building for Hatimara College. Computers with audio-visual systems were installed to equip the college auditorium with latest class-room facilities. In addition, there is an ongoing project to create a laboratory for the institution.

## KONABARI CLUSTER ENGAGEMENT – PARTNERSHIP FOR CLEANER TEXTILE (PaCT):

In collaboration with IFC (World Bank Group), DBL Group is inviting the local clusters to make use of ground water in a sustainable way. With successful completion of project "Cleaner Production", DBL Group finds it a responsibility to aware the local cluster through knowledge sharing about saving ground water for the next generation.

## IMPROVING THE LOCAL COMMUNITY:

DBL Group has contributed significantly to improve the lifestyle of the local community. A flourished community has evolved surrounding the factory premises and people living in that community are mostly DBL workers. With proper trainings and skill development programs, not only the productivity has increased, but also the workers have learnt a better way of living thus contributing to poverty alleviation in the community. Workers get daily commodities, food items and medicine at subsidized price from Bandhan Fair Price Shop and the medical store at DBL. This has helped balancing their social and economic conditions of their lives. The company has recruited from local community in every spheres of its supply chain. The company follows IFC Performance Standards on Environmental and Social Sustainability which has helped us achieve success in overall economic sustainability.

# ENVIRONMENT

### CLEANER PRODUCTION (CP):

Cleaner Production (CP) is a project done in collaboration with International Finance Corporation (IFC, World Bank Group). The project was aimed at reducing water consumption, energy consumption, carbon emission and waste. Keeping 2010 as the base year, until December 2013, production has increased by 11.21% whereas water consumption decreased by 44.59%, Electricity consumption reduced by 20.9%, steam lessened by 11.91%, dyes and chemical usage declined by 12.84%, carbon emission decreased by 7.23% and Gas consumption has cut by 6.69%. (See supporting evidence attachment).

### PARTNERSHIP FOR CLEANER TEXTILE, PaCT:

After the successful completion of project Cleaner Production, DBL Group is conducting the second phase of CP named Partnership for Cleaner Textile (PaCT)

### SAVE – PUMA:

The project SAVE is aimed at reducing carbon emission, energy consumption, waste and water consumption by 25% by 2015 keeping 2011 as the baseline.

### CPI2 (CARBON PERFORMANCE IMPROVEMENT INITIATIVE):

It's an online self-assessment system to improve energy efficiency. We have provided necessary information in the online system and it provided us report and some recommendation for improvement based on that information.

### ZERO DISCHARGE OF HAZARDOUS CHEMICAL:

In 2011, a group of major apparel brands and retailers made a shared commitment to help lead the industry towards zero discharge of hazardous chemicals by 2020. Brands involved in these projects are C&A, H&M, G-Star & Puma.

## ENERGY EFFICIENCY AUDIT FOR MATIN SPINNING MILLS LTD:

At MSML we are always working to protect the environment through improving energy efficiency with adoption of new technologies. Such an initiative is the Energy Efficiency Audit at MSML which has paved the way for improving energy efficiency and reducing green house gas (GHG) emissions which is a major contributor to climate change. Asian Development Bank (ADB) and Industrial with collaboration with the Infrastructure Development Finance Company (IIDFC) Limited, has carried out an audit on energy efficiency.

The objective of this particular audit is to identify and establish global best practices in the area of energy efficiency through improved technology applicable in the textile sector. 60% of the recommendations from the audit have already been implemented and the rest will be executed after extensive feasibility studies. At Matin Spinning Mills Limited, we have been able to reduce our energy consumption replacing the obsolete energy intensive machinery by high-tech ones.

## BIO GAS GENERATION AT JINNAT COMPLEX:

A bio gas generation plant has been set up in the Jinnat Complex. Cattle excrement in used to provide as source of the gas and is currently being used as a source of fuel in cooking.

# chapter 3 Corporate Governance

# BOARD OF DIRECTORS

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

Each member at the highest governing body is responsible for each of their dedicated field of area and accountable to other board members. The company has defined guidelines and established framework for the board meetings and other proceedings. These guidelines help decision-making processes of the board members in a systematic, informed and efficient manner. The Board evaluates strategic decisions of the company, management policies and their effectiveness during board meetings.

The board meetings also include strategic review from each of the board members regarding the meeting agendas, a detailed analysis of the strategic decisions taken on operational plan, capital requirement and allocated budget.

Additionally, the Board reviews financial performance through financial reports from the Head of Finance, production report from Head of Production and business report from each of the sector heads.

To ensure the impartiality of decisions and to maintain the balance of interests among various groups of shareholders, the company has established the following board committees

- The audit committee
- The remuneration committee
- The nominations and corporate governance committee

Proper communication and frequent interaction between the board members set the agenda of the meeting and insightful discussion and analysis provide a strategic roadmap to the future growth of the company.

The senior management consists of Assistant General Manager, Deputy General Manager, General Manager, Chief Executive Officer, Chief Operation Officer and the Board of Directors. 100% of the senior management is hired from the local community which includes Gazipur and Dhaka. Out of these two most important areas of operations, some of the senior management are stationed in Kashimpur, Gazipur and others are located in the company headquarters at Dhaka city.

# OUR COMMITMENT TO STRONG CORPORATE GOVERNANCE

DBL Group is committed to good Corporate Governance and wants to establish a solid control environment, high levels of transparency and disclosure, an empowered Board of Directors, and well-defined shareholders' rights.

DBL Group adheres to the definition of Corporate Governance of the International Finance Corporation (IFC), a World Bank Group: a set of structures and processes for the direction and control of companies, which involves a set of relationships between the company's shareholders, board and executive bodies with the purpose of creating long term shareholder value. It views corporate governance as a means to improve operational efficiency, attract financing at a lower cost and build a better reputation. The company also considers a sound system of corporate governance as an important contribution to the rule of law in Bangladesh and an important determinant of the role of the company in a modern economy and society.

DBL Group is the first company in Bangladesh to have undergone a qualified assessment by the IFC. Through implementing the recommendations by IFC, DBL Group aims at bringing its corporate governance framework up to best international practices and standards to the extent possible. This is critical to DBL Group given the company's expected growth and desire to attract new investors will heavily rely on the existence of a concrete corporate governance system. DBL Group intends to eventually get all its concerns publicly listed and establishing a sound corporate governance system which will facilitate the organization to attain:

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

DBL Group is working towards creating a solid organizational structure that will farther clarify roles, reporting lines and delegation of responsibility which can be attained by reinforcing a strong commitment to Corporate Governance. The prevalent Corporate Governance in DBL Group also draws the line between ownership and management; and separates policy direction on strategic level from the day-to-day running of the company.

*"Problems cannot be solved at the same level of awareness that created them."*

*Albert Einstein*

# FAMILY BUSINESS GOVERNANCE

Family businesses like DBL Group are the backbone of many economies around the world. Sustainability of such family businesses is critical to the global economic growth. Some of the largest companies in the world including successful business giants like Wal-Mart, Ford, Carrefour, BMW, Samsung and Motorola, are family firms. Similarly, DBL Group also has a long term business vision where it wants to have a visible contribution to the GDP of Bangladesh by generating more employment opportunities. Many of the challenges posed by globalization and growth can be tackled by adopting sound Corporate Governance systems. Therefore, Family Business Governance is an important issue for DBL Group since it is a family owned business comprising of family members vested with significant decision-making authority. A robust Corporate Governance system will also put in place the right policies to manage the complexity that may arise from business expansions and change in ownership structure in the long run. This is why the company is investing its time and effort on implementing Corporate Governance and Family Business Governance for the greater good of the company and for its business sustainability.

# COMPLIANCE WITH AND ADHERENCE TO CORPORATE GOVERNANCE POLICIES AND PRACTICES

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

- Accountability
- Fairness
- Transparency
- Responsibility

The key purpose of corporate governance in DBL Group is to promote accountability, transparency, fairness, disclosure and responsibility - core values that are relevant to the success of all businesses, irrespective of where they come from.

# GENERAL GOVERNANCE STRUCTURE

The company has the following governing and other bodies:
General Assembly: The general assembly, the highest governing body of the company allows the shareholders to participate in the governance of the company;

### THE BOARD:

The Board is responsible for the strategic direction of the company, and the guidance and oversight of management. The company's board will also establish committees on audit, corporate governance and nomination, and remuneration;

### CEO:

The Chief Executive Officer (CEO) and Executives are assigned the task of the day-to-day management of the company, and carrying out the strategy as approved by the board;

### COMPANY SECRETARY:

The Company Secretary ensures that the governing bodies follow internal rules and external regulations in order to facilitate clear communications between the governing bodies, and acts as an adviser to directors and senior executives. The company secretary is responsible for ensuring the development of, compliance with, and periodic review of corporate governance policies and practices in the company.

### INTERNAL AUDITOR:

The internal auditor develops and monitors internal control procedures for the business operations of the company. The internal auditor reports directly to the audit committee and reports administratively to the CEO.

### STRUCTURE AND COMMITTEES:

DBL Group has established the following Board Committees:

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

# INTERNAL AUDIT AND CONTROL

### THE BOARD'S AUDIT COMMITTEE:

The audit committee focuses on three key areas: financial reporting, risk management, and internal - external audit (legal compliance and risk management). This committee is chaired by an Independent Director and composed of Non-Executive Directors. Its exact authority, composition, working procedures and other relevant matters are regulated in its charter.

### RISK MANAGEMENT:

The company places great importance on a risk management and it is the board of directors that is tasked with ensuring that appropriate risk management systems are established. Among other things, the board

(i) Approve risk management procedures and ensure compliance with such procedures
(ii) Analyzes, evaluates, and improves the effectiveness of the internal risk management procedures on a regular basis
(iii) Develops adequate incentives for the executive bodies, departments and employees to apply internal control systems
(iv) Establishes a risk management committee of the board when necessary
(v) Ensures that the company complies with legislation and charter provisions

## INTERNAL AUDITOR:

The company has an internal auditor (or office of the internal auditor) that is responsible for the daily internal control of the company's finances and operations. The internal auditor is staffed by a highly respected and reputable person(s) and reports to the audit committee functionally and to the CEO administratively. The internal auditor's authority, composition, working procedures and other relevant matters are regulated in its charter.

## EXTERNAL AUDITOR:

An external auditor audits the company's financial statements. The external auditor is a publicly recognized independent auditing firm, where independent means independence from the company, the company's management and major shareholders. The remuneration of the auditor is disclosed to shareholders. The external auditor is selected by the general assembly following an open tender and upon the recommendation of the board.

## DISCLOSURE:

DBL's current disclosures through its website are adequate for a non-listed private company in Bangladesh. However, once companies in DBL Group go public, there will be a much higher level of expectations – market and regulatory. DBL will improve its disclosures in two primary areas: Annual Report information and website disclosures. Matin Spinning Mills, a concern of DBL Group is now enlisted under Bangladesh Securities and Exchange Commission and is available for public trading. A stock enlisted company needs to comply with regulatory requirements for disclosure and the company is ensuring essential disclosures of the concern thorough Annual Report and website.

# chapter 4 Economic Performance

# SUSTAINING INDUSTRY EXPORT GROWTH MOMENTUM

A sustainable export growth momentum of the overall RMG sector has a direct and significant positive impact on the economic performances of DBL Group. Also, business leadership is a key element which has helped DBL Group grow its export basket. Bangladesh is not an easy market to do business because of the constant challenges and disruptions industries suffer caused by political instability and natural disasters like floods and cyclones which have a direct impact on the economy. Despite all the economic mayhem, our organization has never compromised with the turbulent market but rather continuously worked to overcome all the challenges it was posed with.

Despite fears of losing market share post Multi Fiber Agreement (MFA) regime in 2005, the RMG sector in Bangladesh has performed exceptionally well by steering ahead of its competitors. Export growth trend continued despite global economic downturn and several upheavals that were not in favor of the RMG sector. Currently, Bangladesh has maintained the position of the second biggest exporter, after China, in the global apparel market.

Overall exports in Bangladesh have been consistently increasing and particularly in the RMG sector which has contributed 79.63% to the total export of USD 27 billion in the 2013 fiscal year. According to BGMEA, the RMG sector alone generated export revenue of USD 21.5 billion which is 12.71% higher than the previous year. In the last 10 years, the economy has managed to retain growth within 5-6% range despite political unrest and natural calamities. In the recent past, the global financial meltdown in 2008 also had minimal impact on the country's progress, despite recessions in the United States and European Union, which are the major markets for Bangladeshi garment products.

## Comparative Statement on Export of DBL Group and Total Export of RMG Sector (Million BDT)

| Year | RMG Sector* | DBL Group |
|---|---|---|
| 2007-2008 | 8,34,584 | 7,887 |
| 2008-2009 | 9,63,122 | 8,766 |
| 2009-2010 | 9,74,744 | 9,736 |
| 2010-2011 | 13,97,328 | 14,954 |
| 2011-2012 | 14,88,996 | 17,270 |
| 2012-2013 | 16,78,227 | 19,029 |

*http://www.bgmea.com.bd/chart_test/total_product_export

Recent factory disasters did not affect the sourcing of readymade garment products from Bangladesh. Of course Bangladesh needed to retrofit the factories and ensure full-fledged compliance to rules for averting accidents. Despite the suspension of the Generalized System of Preferences (GSP) facility, our exports went through a steady increase. Various factors act as impetus for steady growth of RMG sector in Bangladesh. It is still surprising to many that how the garment industry in Bangladesh continues to show robust performance even sometimes rowing against the

tide. There are number of reasons why Bangladesh has been a favorite sourcing destination to international buyers.

One of the most important factors that caused the rapid development of the RMG industry in Bangladesh is the population. A country's economy hugely depends on the management of its population. Our populace has appeared to be the blessing for Bangladesh as it is the driving force behind the success of the RMG industry, which requires a good number of workforces. The demographic profile of Bangladesh's population has helped the apparel industry to thrive. The vibrant and young population (around 76 percent of the people are below 40 years of age) of this country is the major strength of our RMG industry.

Our duty-free access to the world market is another big advantage over other competitors. As a least developed country we have duty-free market access to most of the developed countries including European Union, Norway, Switzerland, Canada, Japan, Australia and partial market access in India, China, South Korea, and Malaysia. This trade privilege also helps us offer competitive price. The buyers also give priority to Bangladesh as we have been able to earn their confidence on timely delivery of ordered products of desired quality at very competitive price. This is one of the major reasons why global brands are choosing Bangladesh.

While industrial specialization was taking place, our RMG sector felt the need for strong support of backward linkages to reduce dependence on imported immediate materials like yarns and fabric. Now companies like DBL Group with strong backward linkage is also reducing dependency on external suppliers for processes –printing, washing, dyeing and packaging which have made us self sustainable.

The RMG sector has made significant stride in terms of compliance as well. The number of women working in RMG sector has always been high and so the industry has played a great role towards women empowerment. Companies like DBL Group has taken elaborate initiatives to accommodate female employees with child care facilities, medical care and maternity benefits. We have also made significant progress in other compliance issues. Garment factories have started to relocate to safer buildings, taking into consideration the safety of workers. For example, DBL Group has established all its factories in a planned way - thus taking into account issues such as the number of people, appropriate fire safety requirements, etc. and has created its own industrial belt in Kashimpur, Gazipur area. Besides, an industrial park is being set up in the district of Munshiganj for relocating non-compliant garment factories.

Regulators have had a great role to play in sustaining the overall export growth in the RMG sector. Supportive frameworks and regulations are needed for our businesses to contribute fully to sustainable development. Regulatory policy has already made a significant contribution to our economic development and societal well-being. The industry has also benefitted from the structural reforms, liberalization of product markets, international market openness, and a less-constricted business environment for innovation and entrepreneurship. Regulatory policy has supported initiatives to simplify the law and improve access to it, as well as improvements to appeal systems.

### ORGANIZATIONAL APPROACH:

DBL Group strongly believes in a sustainable growth which diminishes the unfavorable impacts on its surrounding. This is reflected in the company's economic performance which has consistently got better every year. The vision of the company states that it would have a visible contribution to the GDP of Bangladesh and it would continue to demonstrate its stewardship in that particular direction.

### ORGANIZATIONAL FUNCTIONS:

The organizational responsibility for the economic performance lies with the Finance Department. The General Manager (Finance) ensures internal controls through Internal Audit which are done in two phases: Pre-audit and Post-audit. The internal audit team comprises of eight members and is lead by the Manager (Finance) for the Pre-Audit and Senior Manager for the Post-Audit. Finally, annual statutory audit is carried out by third party in line with country's regulation and financial performance is assessed and reported after approval by the Board.

# ECONOMIC PERFORMANCE

## Direct Economic Value Generated (Revenue)

# Economic Value Distributed (Operating Costs)

## Employee Wages and Benefits (Million BDT)

| Category | 2011-12 | 2012-13 |
|---|---|---|
| Manufacturing | 1,334 | 1,518 |
| Administrative | 274 | 373 |
| Employer contribution to PF fund | - | 1 |
| Welfare Expenses | 4 | 3 |

## Payments To Providers Of Capital (Million BDT)

## Payments To Bangladesh Government (Million BDT)

## Community Investments (Million BDT)

# Economic Value Retained (Calculated as 'Direct Economic Value Generated' Less 'Economic Value Distributed') (Million BDT)

| Value Addition | 2011-12 | 2012-13 |
|---|---|---|
| Gross revenue | 17,270 | 19,029 |
| Cost of raw materials | -13,942 | -14,880 |
| Wealth created by operations | 3,329 | 4,148 |
| Other income including interest | 26 | 108 |
| Depreciation and amortization | -578 | -592 |
| Total wealth created | 2,777 | 3,665 |
| **Distribution** | **2011-12** | **2012-13** |
| Employee | 1,895 | 1,612 |
| Government | 295 | 224 |
| Financial Institution | 511 | 562 |
| Shareholders | 71 | 23 |
| Retained | 892 | 356 |
| Total | 3,665 | 2,777 |

| Financial Incentives (Million BDT) | | |
|---|---|---|
| Category | 2011-12 | 2012-13 |
| Flamingo Fashions Limited | 122 | 46 |
| Jinnat Apparels Limited | 3 | - |
| Jinnat Fashions Limited | 18 | 24 |
| Jinnat Knitwears Limited | 2 | 41 |

### TAX RELIEF AND TAX CREDIT:

DBL Group enjoys 10% and 15% reduced rates of Corporate Tax on garments companies and textile companies respectively. Corporate tax rate in Bangladesh for the private limited company is 37.5%.

# AWARDS & ACCOLADES

- Flamingo Fashions Limited was awarded the National Export Trophy (Silver) in 2013 for outstanding performance in 100% Export-Oriented RMG industry
- Jinnat Knitwears Ltd. received BGMEA crest for 'Social and Environmental Compliance'-during BATEXPO 2013
- DBL Group received Social & Environmental Excellence Awards 2012.
    - Hamza Textiles Limited won 'Factory of the Year for Environmental Sustainability Award' under the Environmental Performance category
    - Hamza Textiles Limited won 'Waste Management Award' under the Environmental Performance category
    - Jinnat Knitwears Limited received an Honorable Mention in 'Health & Safety' under the Social Compliance category
    - Jinnat Knitwears Limited received an Honorable Mention in 'Improvement of working and living conditions for the workers under the Innovative Ideas category
- Bangladesh Business Awards 2012 under 'Best Enterprise of the Year 2012' category
- Flamingo Fashions Limited was recognized as the Platinum Supplier of H&M multiple times
- DBL Group received the Standard Chartered-Financial Express CSR Award 2010-11
- DBL Group was awarded the HSBC Export Excellence Award in 2009
- Flamingo Fashions Limited won the CSR Award of BGMEA in 2008
- DBL Group was recognized as the Highest Exporter Award of BGMEA in 2005

HSBC Export Excellence Award 2009 & 2012

13th DHL-Dailystar Bangladesh Business Awards 2012

Social & Environmental Excellence Awards 2012

National Export Trophy 2010-11

Standard Chartered-Financial Express CSR Award 2010-11

Honorable Prime Minister Sheikh Hasina handing over "National Export Trophy (2010-11)" to Mr. Abdul Wahed, Chairman

Mr. M. A. Rahim, Group CEO, receiving "DHL-Daily Star, Enterprise of the Year 2012" from the Honorable Finance Minister Mr. A M A Muhith

Honorable Prime Minister Sheikh Hasina handing over the BGMEA Crest for "Social and Environmental Compliance" during BATEXPO 2013 to Mr. M. A. Jabbar, Managing Director

Mr. Abdul Quader, Deputy Managing Director, receiving "HSBC Export Excellence Award-2012" from Prime Minister's Energy Advisor Mr. Tawfiq-E-Elahi Chowdhury

*"A sustainable world means working together to create prosperity for all."*

*Jacqueline Novogratz*

# chapter 5 Environmental Sustainability

# ENVIRONMENTAL MANAGEMENT PRACTICES

All businesses having direct impact on the environment from their operations should work toward minimizing the increasing stress on the finite natural resources. As a responsible corporate citizen, DBL Group is committed to reduce its energy footprint and adverse effect on the environment by the use of state-of-the-art technology on an ongoing basis. DBL Group strongly believes in balancing economic prosperity and social progress with care for the planet to ensure good quality of life for all. At DBL Group, environment management has been taken to another level from initially being a matter of mere responsibility to transforming into a competency and performance issue.

In the wake of continuous depletion of energy sources and to meet the needs of the future, DBL Group has been constantly looking for alternative sources of energy. The group has been consciously working in this direction through the use of bio-gas as renewable source of energy, rain water harvesting and energy efficient machineries. DBL Group is also benefiting from the use of very high end products from Enecon Corporation, USA which offer advanced polymer composite technologies with unique chemical-free and environment friendly industrial solutions to us.

Since the company is a composite garment manufacturing plant, in every process, some value is added. For this report, we have considered the amount of input materials (in terms of kg) of our dyeing facility during the year 2013.

## Input Materials at Dyeing Facility

# ENERGY SUSTAINABILITY

We have tried to withstand energy sustainability in our daily operations. For maintaining and ensuring the optimum utilization of energy, we have undertaken a number of initiatives and these are explained below.

### ENERGY MANAGEMENT CENTER:

A four member team has been formed at the textile dyeing facility for optimizing energy usage. The objective of the Energy Management Center is to reduce our energy footprint by the following steps:

- Collecting consumption of water, steam, diesel, gas and electricity against monthly production
- Reduce carbon dioxide emission by 15% in the next 3 years
- Benchmark and regulate energy consumption in consultation with the production team by doing process re-engineering/ innovations
- Reduce diesel consumption in generators by 10%
- Train employees on energy and environmental aspects within the industry

### NATURAL WATER COOLING PADS:

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

### ENERGY EFFICIENT MACHINERIES:

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

- ISO 14001 certified
- The dyeing machines have individual heat recovery unit resulting in lower power consumption and energy saving by 15%
- Water consumption saving of 20% compared to normal dyeing machines
- Reduction in consumption of dyes, chemical and steam due to less water consumption
- Heat recovery from Captive Power Plant of 5MW capacity is providing energy saving of about 15%

### SERVO MOTORS:

We are using sewing machines with energy efficient servo motors instead of traditional clutch motors in sewing lines. Servo motors consume electricity only when the machine needle is active whereas the clutch motor consumes electricity even in standby mode. Out of 4,466 sewing machines 1,196 are installed with servo motors. The clutch motors will be gradually replaced.

## Energy consumption for dyeing and washing facilities, 2013

| Month | Light fuel oil consumption of the industrial sites | Natural gas consumption of industrial sites | Other energy or fuel consumed (CNG) | Diesel oil consumption for owned fleet | Gasoline consumption for owned fleet |
|---|---|---|---|---|---|
| | Volume (Liters) | Volume ($m^3$) | Volume ($m^3$) | Volume (Liters) | Volume (Liters) |
| January | 5,160 | 1,532,053 | 729 | 0 | 433 |
| February | 3,880 | 1,361,640 | 652 | 0 | 338 |
| March | 4,540 | 2,893,694 | 538 | 9,000 | 433 |
| April | 3,460 | 1,365,561 | 499 | 0 | 346 |
| May | 3,780 | 4,259,256 | 736 | 36,000 | 386 |
| June | 4,800 | 5,624,818 | 818 | 27,000 | 432 |
| July | 5,540 | 9,884,074 | 5,750 | 27,000 | 381 |
| August | 4,400 | 15,508,892 | 5,304 | 9,000 | 530 |
| September | 5,180 | 25,392,966 | 5,926 | 9,000 | 379 |
| October | 4,530 | 40,901,858 | 5,393 | 36,000 | 540 |
| November | 2,640 | 1,459,293 | 3,643 | 0 | 400 |
| December | 3,020 | 42,361,152 | 2,196 | 0 | 477 |
| **Total** | **50,930** | **152,545,257** | **32,184** | **153,000** | **5,075** |

# WATER SUSTAINABILITY

### EFFLUENT TREATMENT PLANT:

A fully biological Effluent Treatment Plant of 4,000 $m^3$ - among the largest in Bangladesh - has been set-up for treatment of the dyeing wastewater. The cost of ETP is USD 1.20 million. This ETP has been taken as a model functional ETP and is being benchmarked by the Department of Environment, Government of Bangladesh. Another additional ETP of 7,500 $m^3$ is under construction for expansion purpose.

### EFFICIENT MACHINERIES:

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

### REDUCED WATER CONSUMPTION:

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

### ZERO DISCHARGE OF HAZARDOUS CHEMICALS:

We have envisaged our operations in such manner where we shall achieve a state of 'Zero Discharge of Hazardous Chemicals 'by 2016.

Through the success of our Cleaner Production project we have reduced the amount of extraction of ground water. With the Partnership for Cleaner Textile project, we are engaging the local cluster to do the same.

## Water Withdrawal for Dyeing and Washing Facilities (2013)

## Effluent Quantity for Dyeing and Washing Facilities (2013)

# BIO-DIVERSITY SUSTAINABILITY

## SIZE OF OPERATIONAL SITES:

| Production Space* | | | |
|---|---|---|---|
| **Unit** | **Floor** | **Floor Size (sq. ft.)** | **Sub Total (sq. ft.)** |
| Jinnat Fashions Ltd. | 3 | 29,000 | 87,000 |
| Jinnat Apparels Ltd./Flamingo Fashions Ltd. | 7 | 20,000 | 140,000 |
| Jinnat Knitwears Ltd./Matin Knitwears Ltd. | 10 | 27,400 | 274,000 |
| Total: Jinnat Complex | | | 501,000 |
| Thanbee Print World Ltd./PPPL | 3 | 30,000 | 90,000 |
| Thanbee Print World Ltd./PPPL | 5 | 10,000 | 50,000 |
| Total: Thanbee Complex | | | 140,000 |
| Matin Spinning Mills Ltd. | 1 | 300,000 | 300,000 |
| Total: Spinning Complex | | | 300,000 |
| Mymun Textiles Ltd. | 1 | 50,000 | 50,000 |
| Hamza Textiles Ltd. | 1 | 180,000 | 180,000 |
| Hamza Washing | 1 | 40,000 | 40,000 |
| DB Tex | 1 | 80,000 | 80,000 |
| Color City Ltd. | 1 | 450,000 | 450,000 |
| Total: Mymun Complex | | | 800,000 |
| Total: Production Space | | | 1,741,000 |

| Office Space* | | | |
|---|---|---|---|
| **Unit** | **Floor** | **Floor Size (sq ft.)** | **Sub Total (sq.ft.)** |
| Jinnat Complex | 7 | 5,000 | 95,000 |
| Thanbee Complex | 1 | 20,000 | 20,000 |
| Matin Spinning Complex | 1 | 35,000 | 35,000 |
| Mymun Complex | 1 | 40,000 | 40,000 |
| Total: Office Space | | | 190,000 |
| Grand Total | | | 1,931,000 |

*Overall stated

There are two types of habitats close to our dyeing and washing facility: terrestrial and wetland habitats. The descriptions of the habitats are given below.

## TERRESTRIAL HABITATS SURROUNDING DBL FACTORY COMPLEXES:

### TERRESTRIAL PLANTED FLORA:

Terrestrial flora is classified according to their habitats. In the complex area, terrestrial floras are present mainly in the homestead regions, roadsides, village groves, playgrounds, and high cultivated lands. Human beings as well as wildlife use these

flora species for different purposes. They play an important role in the socio-economic and ecological balance. From a rapid field survey covering different terrestrial habitats of the DBL factory complex area, a number of flora species have been identified as shown in the next page.

## Terrestrial Flora

| Name | Status |
|---|---|
| Mango | Common |
| Jackfruit | Common |
| Areca nut | Common |
| Lychee fruit | Common |
| Date fruit | Common |
| Banana | Common |
| Lemon | Common |
| Bel (local name) | Common |
| Guava | Common |
| Coconut | Common |
| Pomelo Fruit | Fairly Common |
| Tamarind | Fairly Common |
| Lukluki (local name) | Fairly Common |
| Olive | Rare |
| Palm Tree | Rare |
| Pineapple | Rare |

### TERRESTRIAL FAUNA:

Wildlife that fully depends on the terrestrial ecosystems for life, shelter, food and breeding is called terrestrial fauna. A number of terrestrial fauna species have been identified in field survey as shown below:

## Terrestrial Fauna

| Name | Status |
|---|---|
| Snake | Common |
| Lizard | Common |
| Bat | Common |
| Mouse | Common |
| Fox | Common |
| Rat | Common |
| Sparrow | Common |
| Robin | Common |
| Crow | Common |
| Starling | Common |
| Cuckoo | Common |
| Egret | Common |
| Eagle | Common |
| Kingfisher | Fairly Common |
| Parrots | Fairly Common |
| Woodpecker | Fairly Common |
| Cobra | Fairly Common |
| Turtle | Fairly Common |
| Wolf | Fairly Common |
| Owl | Rare |
| Vulture | Rare |
| Monitor lizard | Rare |

## WETLAND HABITATS SURROUNDING DBL FACTORY COMPLEXES:

### WETLAND FLORA:

Wetland flora plays a vital role in nature. It grows mainly in aquatic habitats such as lakes, ponds, canals, ditches or low-lying cultivated lands. From a rapid survey in different wetland and aquatic habitats, a number of species has been identified as shown below:

| Aquatic Flora | |
|---|---|
| **Name** | **Status** |
| Moss | Common |
| Water Lily | Common |
| Ghagra (local name) | Fairly Common |
| Lotus | Fairly Common |
| Water Spinach | Fairly Common |
| Hizal (local name) | Rare |
| Kharjar (local name) | Rare |
| Keorali (local name) | Rare |

### WETLAND FAUNA:

The wildlife that fully or partially depends on water reservoirs such as rivers, lakes, canals and ponds etc. for life, shelter, food, nesting, breeding and reproduction is known as wetland fauna. Important aquatic fauna comprises of some species of amphibians, reptiles, birds and mammals. Aquatic fauna may act as sensitive bio indicators of the altered state of the ecosystem resulting from human influence.

| Aquatic Fauna | | |
|---|---|---|
| **Category** | **Endangered** | **Threatened** |
| Amphibian | Jhijhi Bang | Sona Bang |
| Reptiles | Cobra | Guishap, Udh |
| Mammals | Fox | Khatash |
| Birds | Kingfisher, HoludPakhi | Owl, Woodpecker |

# AIR SUSTAINABILITY

We have undergone the Carbon Performance Improvement Initiative (CPI2) project to be front runners in climate protection.

## $CO_2$ Emission Of Dyeing And Washing Facility (2013)

## Refrigerant Fluids Consumption For Hamza Textiles Ltd. (2013)*

*Only done once a year

# OUR EFFORTS

Our efforts in minimizing all kinds of undesirable effects on the environment include but not limited to:

- Fully biological Effluent Treatment Plant (ETP), largest in Bangladesh
- Using energy efficient USA/European/Japanese machineries
- Using natural water cooling pads
- Safe disposal of waste materials from production process
- Returning used tube lights to manufacturer for safe disposal
- Returning used battery to manufacturer for safe disposal
- Planting more trees around the factory
- Having creeper plants on the factory walls and rooftop

# chapter 6 Social Sustainability

# COMPLIANCE DEPARTMENT OF DBL GROUP

Our Compliance department comprises of two teams: social and environmental. The department reduces organizational risks by inspecting and ensuring social and environmental compliance. The social team oversees issues such as fire safety, electrical and building safety, and occupational health and safety (OHS) while the Environmental Management System (EMS) team looks after environmental affairs such as waste management, carbon emissions, etc. Precautionary approaches are taken by educating workers about national laws, buyers' codes of conduct, using personal protective equipment, and so on. The entire team, with a total of 13 employees, consists of 6 members dedicated for ensuring social compliance, 5 members for environmental compliance, 1 team coordinator and 1 head of the audit team.

The policies and compliance levels of DBL Group are reviewed by our buyer-recognized audit committees. During any external audit, our Compliance department supports these committees by participating in the meetings, accompanying them during the floor inspections, and providing any necessary documents for example appointment letters, birth certificates, and permits such as wastewater discharge, etc. Based on the audit recommendations, the team performs the improvements accordingly.

In addition to supporting the third-party environmental audits, our EMS team facilitates the different environmental sustainability projects in order to assess and reduce environmental risks. The Head of the Compliance department reports all the activities of the team to the Board of directors.

Both social and environmental teams conduct internal audits of their own – announced or unannounced – according to a specified schedule. An internal audit possesses of opening meeting, floor visits, worker interviews, document reviews, pre-closing meeting, and closing meeting. During the floor visits, various sections of the factory are visited in order to check whether the floor conditions are in compliant with laws and codes. Issues that are included here include clear marking and unobstructed evacuation paths, status of fire fighting and first aid equipment, proper utilization of personal protective equipment (PPE), and so on. Workers are interviewed regarding wages, wage payment dates, working times and off days, leave facilities etc. Documents are checked for authenticity and proper maintenance: workers are also interviewed in this session in order to check whether the contents of the documents are in accordance with what they state.

After discussing on the major and minor findings in the pre-closing meetings, any nonconformity found during the audits are reported formally in the closing meeting. A timeframe is given to the factories in order to take the necessary steps to take corrective actions. Follow-up audits are made in order to check progress of the findings.

The Compliance department needs to correspond with other departments for various other functions than the internal audits. The benefits of effective communication can also help the department achieve the goals more efficiently since the other departments will be better prepared to face the audits.

**Audit Types:**
- Social and Environmental audits
- Electrical and building safety audit
- Fire safety audit
- Supply Chain Security (SCS) audit
- Factory Capacity and Capability Audit (FCCA)
- Technical audit

## International standards complied by DBL

| Organization | Specific Standards |
|---|---|
| International Labour Organization (ILO) | Convention 1 (Working Hours)<br>Convention 29 and 105 (Forced and Bonded Labour)<br>Convention 79 (Young Persons' Night Work)<br>Convention 87 (Freedom of Association)<br>Convention 98 (Right to Collective Bargaining)<br>Convention 100 and 111 (Equal Remuneration for male and female workers for work of equal value; Discrimination)<br>Convention 135 (Workers' Representatives)<br>Convention 138 and 142 (Minimum Working Age)<br>Convention 155 and Recommendation 164 (Occupational Safety and Health)<br>Convention 159 (Vocational Rehabilitation and Employment/Disabled Persons)<br>Convention 177 (Home Work)<br>Convention 181 (Private Employment Agencies)<br>Convention 182 (Worst Forms of Child Labour) |
| Human Rights | Universal Declaration of Human Rights<br>Convention on the Rights of the Child<br>Convention to eliminate all Forms of Discrimination against Women |
| Others | BSCI (Business Social Compliance Initiative)<br>WRAP (Worldwide Responsible Apparel Production)<br>SA8000 (Social Accountability 8000)<br>ETI (Ethical Trading Initiative)<br>ISO 14001 (International Organization for Standardization 14001)<br>Guidance Document for Social Accountability 8000<br>SAI (Social Accountability International) Guideline I (150.1 – 150.8)<br>International quality guidelines for auditing companies in the framework of SA8000 accreditation |

Keeping in par with the national laws and buyer requirements, DBL has compiled its own Code of Conduct. The set of codes addresses the following topics:

1. Compliance with Laws and Workplace Regulations
2. Prohibition of Forced Labor
3. Prohibition of Child Labor
4. Prohibition of Harassment or Abuse
5. Compensation and Benefits
6. Hours of Work
7. Prohibition of Discrimination
8. Health and Safety
9. Freedom of Association and Collective Bargaining
10. Environment
11. Security

DBL complies with laws and regulations in all locations of the factory. The most recent information on laws and regulations are collected periodically from the different government authorities and the same is updated and implemented. Any notification issued by the government authority is immediately communicated by the Compliance department to the factory administration for updating and implementation.

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

# LABOR PRACTICES AND DECENT WORK

## EMPLOYEES OF DBL GROUP

DBL Group employs permanent and full-time employees only: no temporary or part-time employees are recruited in any of the concerns.

## Total Employees

**Employee Distribution:**
- Male: 9,957
- Female: 5,743
- Total: 15,700

The following set of graphs represents an overview of our employees who were newly hired and those who have been in turnover for 2013. The first chart is based on age distribution where we compare three age groups and the second chart details the gender wise distribution on new hire and turnover.

## Age Distribution

# Gender Wise Differentiation

Significant operational changes, such as restructuring, outsourcing of operations, closures, expansions, etc, are communicated with the concerned employees a minimum of 6 months prior to the change in order to keep everyone updated. This also gives a sufficient time in order to prepare them accordingly.

Regardless of the employee category and location of operation, the basic salary and remuneration of women to men is always 1:1. There is always fair and equal distribution of income; no discrimination is done based on gender.

## WORKFORCE DIVERSITY

In case of the employees, diversity is primarily in terms of gender, age group, and religion. The following graph shows the overall gender diversity of employees based on three different age groups. The chart below summarizes the diversity within religion among the employees of DBL Group. Four major religions are included in the chart.

## Diversity Based on Age Group

## Diversity Based on Religion

## TRAINING

Every month, a total of 21 different trainings are provided to DBL employees which consist of both generalized and specific trainings. The generalized training topics include induction, working hours, overtime and calculation of wages, the buyers' codes of conducts, personal protective equipment (PPE), occupational health and safety, fire safety, anti-harassment and grievance procedure, material safety data sheet (MSDS) and chemical handling procedure, and so on. The specific trainings target mid-level management, workers, chemical handlers and spot removers, loaders, quality inspectors, first aiders, fire fighters, evacuators, and rescuers, cleaners, etc.

In 2013, 6,468 male employees and 5,593 female employees received these trainings. The total training hours spent amount to 9,046, with male and female employees receiving 4,851 hours and 4,195 hours respectively. The graph below shows the average training hours in accordance with genders.

## MONTHLY TRAININGS PROVIDED BY DBL GROUP:

1. Induction/Orientation
2. Code of Conduct
3. Occupational Health and Safety (OHS)
4. Anti-Harassment and Grievance Procedure
5. Working Hours, Overtime and Wage Calculation
6. Disciplinary Procedure
7. Compensation and Benefits
8. Pregnant Women and Maternity Benefits
9. Child Labor and Forced Labor
10. Discrimination
11. Workers Participation Committee (WPC)
12. Skill Development
13. Awareness on AIDS
14. Environmental Awareness
15. Management

## GRIEVANCE PROCEDURE

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

Formal mechanisms include letters, use of suggestion/complain boxes in multiple locations (washrooms, dining room, exit points) in the factory and via the Workers Participation Committee. The formal grievance procedure is given below.

All complaint boxes are opened each week and the grievances are recorded in registers. These registers also record the status of a complaint: i.e. when it was addressed and resolved.

Informally, employees can make complaints verbally to the concerned people, namely supervisors, line-chiefs, in-charges, and to the Admin, HR, or Compliance departments.

Grievances of all employees regarding any topic are taken into account by the management. This includes violations of rights of indigenous people. In 2013, there were no incidents reported where the rights of such people were violated either through formal grievance mechanisms or through informal ones.

DBL Group's grievance procedure addresses labor practice issues as well as human rights and societal topics. In overall, 2013 recorded 67 grievances of which all were addressed and 51 resolved. Grievances of 2012 were addressed and resolved on that year, leaving none for 2013.

# OCCUPATIONAL HEALTH AND SAFETY

Health and safety in a workplace refers to an environment where a worker is able to accomplish his tasks in a risk-free, safe and healthy way and also which is consistent with one's mental and physical demands. The importance of workplace safety in Bangladesh, especially for the RMG sector, came in particular attention due to the events that took place during the years 2012 and 2013 which have tarnished the image of the entire industry. With Bangladesh being in the list of the Least Developed Countries (LDC), the influence of the industry on the country's economy is extremely significant as more than 80% of its income is from RMG.

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

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

Occupational diseases are those which are prevalent in the workplace due to the existing surroundings. The presence of dust, heat, chemicals, work stress, posture of working, etc. make rise to illness such as cough or cold, headaches, back pains, allergies, neck pain, as well as sinusitis. Most of these diseases can be cured or even prevented through the proper use of personal protective equipments (PPEs).

A dedicated medical centre is present in the factory complex which manages and treats all kinds of occupational diseases. In addition, the centre also deals with non-occupational but common diseases such as fever, measles, tooth pain, and so on. Furthermore, in order to aware employees and workers regarding various health issues, awareness programs, meetings, trainings, and workshops are conducted on a regular basis. The topics of these sessions also deal with issues such as personal hygiene, for example washing hands, thereby dealing with a preventive measure for various diseases.

In 2013, a total of 36 accidents and injuries were reported while the employees were at work. The record of sicknesses on the job, combining occupational and non-occupational diseases, revealed a total of 4,500.

**Categories for Accident or Injury:**

- Cutting injury
- Traumatic injury
- Needle prick
- Abrasions
- Bruises
- Incised wound
- Bone and joint injury
- Lacerated injury
- Others

**PPEs used in DBL Group**

- Goggles
- Gas/Chemical masks
- Hand gloves
- Dust masks
- Metal gloves
- Ear muffs
- Ear plugs
- Gumboots
- Aprons
- Needle guards
- Finger guards
- Eye guards
- Rubber mats
- Helmets
- Pulley covers

## FIRE SAFETY

We have taken extensive measures for fire prevention and are constantly working to further reduce the risks. In the unfortunate case of a fire, we are fully prepared to restrict the damages to a minimum. Four teams – the fire fighters, the rescue team, the cordon party and the first aiders – hold regular training sessions to ensure they are properly equipped and always ready to counter a fire.

These equipments and systems are constantly monitored by the Fire department as well as the Compliance department to ensure that they are functional, up-to-date and in sufficient amount. In addition, the Compliance department ensures that the emergency exits and the aisles used during the emergencies are always unobstructed for a safer evacuation. The marking on these aisles are also constantly monitored to ensure proper visibility to people.

Evacuation maps, with proper directions to the assembly points, are present in prominent locations to help workers during any emergency. Monitoring is done on these maps as well by the Compliance department: whenever there are any modifications to the design of a floor, whether minor or major, for instance due to changing of machineries, equipment, etc, these maps are updated accordingly.

**Fire encounter equipments**

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

## ELECTRICAL SAFETY

Top quality cabling and accessories have been used for our electrical systems. Our electrical safety policies and procedures are up-to-date and a well-trained team of technicians maintain the system. International safety features are present in all of our equipment and we maintain maintenance and risk analysis records for each.

## BUILDING SAFETY

In order to ensure building safety, structural assessments are done for all the units. The Bangladesh National Building Code (BNBC) 2006 is being followed during the construction of a building: hence the necessary standards for design, construction, quality of materials, use and occupancy, location and maintenance of all buildings within the country are ensured in order to safeguard, life, health, property and public welfare. The code addresses issues such as fire resistance for different types of buildings (such as generator rooms and office buildings), structure of staircases, strengths of the pillars, and so on. Furthermore, every building is certified with the Architectural and Structural Design Standard and scaled as-built drawings are present for them as well.

## CHEMICAL SAFETY

Chemical hazards are carefully assessed and all chemicals with potential for adverse effects are strictly maintained. A chemical usage policy is even included within our list of policies. We maintain material safety data sheets (MSDS) for all chemicals and stock all relevant Personal Protective Equipments (PPEs). Regular trainings are conducted to ensure all relevant personnel are fully aware of the procedures to handle chemicals and are trained intensively.

## RISK MANAGEMENT

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

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

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

# HUMAN RIGHTS

## INVESTMENT

Significant investment agreements include participation in training, creation and implementation of a new policy or procedure, and other activities that DBL Group undertakes in order to promote labor practices, human rights, societal and environmental concerns, as well as any sustainability issue. Within 2013 alone, DBL has dealt with multiple activities that promote human rights. These are summarized below.

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

A total of 1,259 hours of training was provided to 839 workers in 2013 under the GWEEI program, of which 482 were male and 357 were female. A wide range of topics were addressed, including health and nutrition, behavioral education and communication, family planning, conception and birth, child development, safe sex, STD and HIV, preparing budgets, leadership, legal rights and responsibilities, and work and occupational stress.

The Phulki project focuses on saving women from unwanted pregnancy and unsafe menstruation regulation and was set to complete in 2014. Within 2013, 5,603 workers received the training: 3,235 of them were male and 2,368 were female. Both the GWEEI and Phulki programs are ongoing.

In addition, DBL Group became a pioneer in Bangladesh for the Social Fingerprint® project. The goal of this project by the Social Accountability International (SAI) is to help DBL Group measure and improve on the development and implementation of its management systems to improve human rights performance. Ratings, trainings, and tools are used to aid the effort.

An initial evaluation was received along with recommendations. In accordance with these, DBL is currently engaged in developing its own Human Rights Policy. Among the other recommendations, analysis of employee awareness of complaint procedure, integration of human rights issues during audits (in addition to those already present in the Code of Conduct), and discussion of human rights priority areas with external stakeholders are included. The program will further help us in efficiently and effectively identifying the operations that are subject to human rights reviews or impact assessments in addition to our current practices.

**Categories related to Human Rights looked after by the Social Fingerprint program:**

- Policies and procedures
- Internal social performance team
- Worker involvement and communication
- Complaint management and resolution
- Level and type of nonconformance
- Progress on corrective action
- External verification and stakeholder engagement
- Training and capacity building
- Managing suppliers and contractors

## NON-DISCRIMINATION

Non-discrimination is addressed in the factory's own Code of Conduct. The factory employs, pays, promotes and terminates workers on the basis of their ability to do the job, rather than on the basis of personal characteristics or beliefs. Discrimination on any ground is not allowed. Due to the strength of the practice, there have been no cases of discrimination.

## FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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

## FORCED LABOR

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

## SECURITY PRACTICES

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

## CHILD LABOR

Complying with the most recent Children's Act 2013 DBL does not hire any employee under the age of 18 years. At the time of hiring, psychological interviews are done in order to determine the age of the potential employee. In addition, documents as proofs of age are collected from all potential employees and the authenticity of age documents is verified. In the absence of age documents, the potential employee is to be verified and confirmed by the registered doctor available at the factory.

# SOCIETY

## LOCAL COMMUNITIES

In order to minimize the impact on communities, the industries of DBL are situated in remote locations. Potentiality, however, is still present to create negative impacts on the local communities. These include the following:

1. Noises from machines, particularly generators, tend to reach out of the factory premises
2. Although an ETP is present, there is dumping of the treated wastewater
3. Heat that is being released from the boilers and other machines influences the temperature of the local environment

## ANTI-CORRUPTION

Corruption refers to the exploitation of entrusted power for private achievement and this can be initiated by individuals or organizations. In the GRI Guidelines, corruption comprises of practices such as bribery, facilitation payments, fraud, extortion, collusion, as well as money laundering. The GRI Implementation Manual further includes offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an enticement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business.

With the effect of globalization, if an organization can comprehend the extent to which corruption is expanding, proactive measures can be taken in order to remove any future uncertainty. In regards to this, DBL has already established policies as well as procedures that address anti-fraud and anti-bribery as well as anti-smuggling issues. While such topics are being communicated to the employees through the various training sessions, the Administration, Human Resources, and Compliance departments monitor the proper effectiveness of the policies and procedures.

DBL is involved with a variety of stakeholders: the details of which are presented later in the report. Even so, DBL has no confirmed incidents of corruption and has not made any financial and in-kind political contributions. In addition, there have been no legal actions for anti-competitive behaviors, anti-trust and monopoly practices. An always compliant organization, DBL did not incur any fines or been involved in non-monetary sanctions for non-compliance with laws and regulations.

The reputation of DBL Group for lawful and responsible business behavior is of permanent importance and is one of its greatest assets. DBL Group is committed to the prevention, deterrence and detention of corrupt business practices, fraudulent activities and bribery. DBL Group has zero tolerance toward any unethical business practice. DBL Group has strictly enforced policies on anti-corruption, anti-fraud and bribery which apply to all business within DBL Group. The Management seeks to promote the adoption of regulations consistent with the principles set out in the different company policies on anti-corruption. DBL Group also acknowledges that losses due to fraud, bribery and all other corrupt business practices can be more than just financial in

nature. The company has a clear standing against any non-monetary activities that can potentially damage the company's reputation and pertinent clauses are incorporated in the code of conduct for employees. The different policies on anti-corruption provide a coherent and consistent framework to enable DBL Group employees to understand and implement arrangements enabling compliance. In conjunction with related policies and key documents it will also enable employees to identify and effectively manage any potential breach. It is required that all personnel, including those permanently employed by DBL Group temporary agency staff and contractors:

- Act honestly and with integrity at all times and to safeguard the company resources for which they are responsible.
- Respect DBL Group customers, suppliers and other parties with whom it must interact to achieve its objectives by conducting business in an ethical, lawful and professional manner.
- This policy covers all personnel, including those permanently employed by DBL Group temporary agency staff and contactors.

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

- Communication of a code of conduct to employees
- Reporting and investigation of allegation of fraud, bribery and other corrupt practices;
- Appropriate disciplinary procedures for employees who are found to have engaged in such practices
- Monitoring of the effectiveness of such controls.
- DBL Group and each of its business must take the appropriate steps to ensure that it and all its employees and those acting on its behalf:
    - Meet all legal and regulatory requirements governing the lawful and ethical conduct of business
    - Make all employees aware of their personal responsibilities and adhere strictly and at all times to this policy
    - Provide information to all employees and further guidance if they have any question or uncertainly regarding these requirements

*"The reward for good is nothing but good?"*

*The Quran*
*Chapter Ar-Rahman 55:60*

# 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:

1. Surveys by welfare officers in order to address the needs of the local community
2. Community educational support to Hatimara School and College and Kashimpur High School
3. Contributions, with collaboration with NGOs, to society in forms of education, vocational training, health training, etc.
4. In-house agriculture fields for growing crops to meet community needs
5. Health care assistance to various hospitals in the country

# EMPLOYEE WELFARE ACTIVITIES

In order to show that DBL is not a stringent organization that does not entertain any activities other than work, a variety of activities are present for the welfare of the employees including:

1. Having a fair price shop, Bandhan, which allows employees to have zero-cash transactions and also get to buy on credit with zero interest: the cost is simply adjusted with the monthly salaries of employees
2. In-house day care center with trained professionals
3. In-house medical center with a wide range of tests and even providing new born gift hampers
4. In-house pharmacy providing medicines at fair price even for employees' family members
5. A children's park within the factory premises for employees' children
6. Participating in external sports tournaments such as Corporate Cricket Leagues
7. Organizing in-house sports tournaments such as football and volleyball
8. Promoting culture through the encouragement of songs and music: one highlight of this would be Ms. Roksana Khatun winning the BGMEA Gorbo singing contest (an event similar to the American Idol® but targeting the workers)
9. Special recognition and sponcorship for employee children for excellent academic performance in National Board Examinations.

In-house day care facility with trained professionals to take care of our workers' children.

DBL Medical Centre offers a wide range of health facilities.

DBL Group's Ambulance for emergency medical support.

Bandhan Fair Price Shop allows employees to have zero-cash transactions and also lets them to buy on credit with zero interest.

# PRODUCT RESPONSIBILITY

## CUSTOMER HEALTH, SAFETY, AND PRIVACY

All products are being created according to the specifications of DBL's buyers. In order to ensure health and safety, the buyers provide restrictions of use of certain substances and methods or machines. As an example, they provide a list of chemicals that are not allowed to be included within the different processes in their Restricted Substances List (RSL). All these constraints are being complied with in the different relevant processes. In addition, to focus on the health and safety of customers in particular, we also include pool testing for button which tests the strength of the buttons. This is especially the case for children's items as they tend to bite the buttons: the stronger the button, the less chance is present for breaking and being accidently swallowed by them. Furthermore, fusing processes are done for embroidery in order to safeguard the human skin.

In addition to respecting health and safety issues, DBL respects the privacy of customers and henceforth there has been no complaints regarding breaches of customer privacy and losses of customer data.

## OTHER COMPLIANCE ISSUES

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.

# chapter 7 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 all the business concerns. The approach and the frequency of engagement with the stakeholders differ on the basis of the category of the stakeholder. DBL Group reserves special interest in identifying all applicable stakeholders and understanding their expectations to remain sustainable in the long run. DBL Group is growing sustainably and we believe that a fully sustainable company will have all its stakeholders engaged in the key processes of the business.

All organizations and entities that have significant influence on DBL Group and hose that are directly or indirectly affected by the Group's operations are considered as stakeholders. We have identified the following as our most vital stakeholders.

**Stakeholder engagement process:**

- Stakeholder Identification
- Consultation
- Prioritization
- Collaboration
- Reporting

## KEY STAKEHOLDERS OF DBL GROUP

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

# Internal Communications

The company's major stakeholder group is the company's workforce. That is why DBL reserves a special importance to creating the proper work environment for all employees. Similar attention is also given to their families. To maintain a fully energized workforce we maintain a number of initiatives to increase employer-employee harmony. Some are discussed below.

## WORKERS PARTICIPATION COMMITTEE (WPC):

Collective bargaining agreement is not prohibited in DBL Group. To make a trustworthy relationship between the workers and the company, DBL Group has formed a Workers Participation Committee. This committee constitutes of the representatives of both the employer and the workers. Workers are encouraged highly in forming of this committee e.g, out of 24 members 15 come from workers' side. To promote mutual trust, understanding and cooperation between the employer and the workers as to fulfill production target, reduce production cost and improve the quality of products, this committee meets once in a month. It is working to effectively establish privileges as well as to improve welfare services for the workers and their families.

Through the WPC workers can freely contact the committee to discuss any issue. The committee meets monthly and includes agenda items from both workers and managers.

DBL Group makes an effort to encourage good relations between workers and managers, through hosting trainings covering topics such as labor standards, leave days, working hours, wages, personal protective equipment, health and safety, environmental issues, welfare, etc. Committee members are representatives of employees and top management selected by each group respectively. Issues discussed include wages, benefits, working conditions, complaints, productivity, quality and even health issues.

**Sample agendas in WPC meetings:**

- To encourage workers to drink a lot of water in summer season to maintain good health
- Providing oral saline in drinking water in factory to prevent diarrhea etc.

### EFFECTIVE COMMUNICATION PROCEDURES:

DBL Group has established different channels to communicate with its workers, including meetings, poster boards, suggestion boxes and an open door policy. Welfare Officers are responsible for these communications. In this way the company offers an open door policy for employees to discuss a broad range of issues with senior management. This gives employees the opportunity to share ideas and concerns directly with the top level of the organization. Telephones, public address systems, newsletters, Welfare Officers and section heads facilitate the communication between top management and employees.

### GRIEVANCE MECHANISMS:

Apart from formal grievance procedures which are set up as per local laws, DBL Group has informal ways to resolve any sort of disputes quickly and effectively. The top management has an open door policy and grievance boxes are provided to assist employees maintain confidentiality. DBL Group has established several channels for workers to file complaints, including anonymous complaints. These include suggestion box and an open door policy. Welfare officers are responsible for handling complaints. The suggestion boxes are checked every Saturday and grievances are recorded. Appropriate action is taken and results are reported back to employees.

### WELFARE OFFICERS:

There are currently 15 Welfare Officers stationed at the factory complexes who oversee workers' concerns and problems and communicate with the Human Resource and other concerned departments as required. Welfare Officers maintain first aid box, checklists, deal with complaints from workers and register and provide extra care to pregnant employees working at the factories. They also ensure washroom hygiene, coordinate and conduct trainings, and facilitate meetings. Welfare Officers also play a vital role in informing workers of any changes in policies by putting bulletins and announcements on the notice boards on every floor in Bangla. The Welfare Officers are very well trained and professional and our workers feel very comfortable expressing themselves to them. They handle every single case with great care and efficiency and maintain confidentially depending on the sensitivity. Proper measures are taken immediately to resolve any concern over workplace or even workers' personal issues.

Welfare Officers maintain first aid box, checklists, deal with complaints from workers and register and provide extra care to pregnant employees working at the factories.

# Commitments to External Initiatives

DBL Group is committed to generate 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.

## CONNECTION WITH OUR BUYERS:

Our customers are the most important stakeholders on whom the success of our organization depends. DBL prefers to have direct liason with our buyers instead of maintaining communications through intermediaries. At DBL Group the team responsible to maintain direct contact with customers is our Merchandizing Department. Our Merchandisers are responsible to engage with our respective customers and collaborate with existing and prospective customers on a regular basis. Usually one-to-one interaction is preferred for engaging with existing customers since on a B2B model, one-to-one meetings are the most preferred mode of communication. Our Merchandisers work in the front line and are the first contacts for our buyers. We have designated teams of Merchandisers who are in charge of particular buyers and they are the ones who set the quality parameters. Each team is responsible for maintaining direct communication with the local representatives of each buyer and forwards the orders to the Planning and Production lines. Our team for each buyer acts as a mediator between the company and the customers. The Merchandising team plays a vital role at communicating the standards and guidelines set by the buyers to our Internal Audit team which inspects the different elements of our labor practices and production related issues. The internal audit team then comes up with recommendations based on the non-conformities found and further consults with the concerned departments for immediate corrections, corrective and preventive measures. The Merchandisers also facilitate the unannounced external audit teams from buyers' side by making sure of their complete access to the required facilities and their transport as well. Our Merchandisers play an essential role in carrying out effective two way communications with our buyers while keeping everyone from the Sourcing Department to production lines in the loop.

Our buyers visit our factories on a regular basis with their respective senior delegation team mainly comprising of CEOs and Presidents. DBL Group also reaches out to the customers through participation in several national and international exhibitions. Our Board Members also visit the buyers to address concerns, perceptions, advices and suggestions. The direct feedback from our buyers helps the company to identify, analyze and address customer needs. This is how we are able to deliver superior social and environmental performance, exceeding our customers' expectations.

Mr. Karl-Johan Persson, CEO of H&M, on his visit to DBL Group

Mr. Carl Doug McMillon, President of Walmart, visited DBL Group facilities along with other top senior executives

## SUPPLIERS/VENDORS/SERVICE PROVIDERS:

DBL Group engages with its suppliers through exhibitions, one-to-one meetings and supplier audits. The supplier audits are conducted in a manner that every third party contractor is covered at least once every year. The third party contractors are also made to declare a Supplier Self Assessment Evaluation Questionnaire which includes basic information about the supplier, information regarding their infrastructure, sourcing, manufacturing process, packaging, labeling, quality assurance and control, and a section on environment, health and safety. DBL Group conducts regular audits of local suppliers. DBL Group collects self-assessments from other suppliers. Where applicable, initiatives towards being greener, safer and more responsible are encouraged to suppliers.

DBL Group has a strong backward linkage where cotton is an important aspect in our sourcing. Cotton sourcing at DBL is completely managed by the Sourcing and Marketing Department which communicate with traders like the International Cotton Initiatives (ICA). We do businesses with world-class traders with the best industry practices and ensure procuring raw materials through responsible sourcing. The Sourcing Department is constantly updating the Senior Management on current industry best practices, information on traders, raw materials suppliers with internal standards and practices to operate in a safer trading environment and protect the business against potential trade risks and disputes. Our relation with our suppliers is built on integrity, reliability, impartiality, international recognition and accreditation.

DBL maintains direct correspondence with its suppliers through various interactions on a continual basis. Senior Officials from DBL meet the suppliers to address concerns, perceptions, advice and suggestions and sometimes when organized by Industry Association like Bangladesh Textile Mills Association (BTMA).

The suppliers are also updated about company's progress and plans through various interactions. Moreover, there is an email "info@dbl-group.com", where suppliers can direct any concern or questions that they might have for the company. This has resulted in increased efficiency, greater transparency in procurement process and systematic information flow.

## ACTIVE COMMUNITY INVOLVEMENT:

DBL Group always believes in two-way communication and thus welcomes exchange of dialogues with its valued external stakeholders. The organization values the contribution of all its investors, buyers and shareholders immensely. DBL Group also makes significant efforts to attend senior representatives of the local community in Kashimpur, Gazipur. For instance the Senior Management of the company holds formal meetings on regular basis with the Union Council (Union Parishad), the smallest rural administrative and local government units in Bangladesh. The Council body constitutes of Chairman and members who are elected by direct election on the basis of adult franchise every five years. The extensive discussions with the Union Council are primarily about agricultural, industrial and community development within the local limits of the union. Sometimes, the company through its Welfare Officers even conducts surveys to receive feedback from the community residents on any impact that our business operation might have on them.

DBL Group plays a major role in developing infrastructures with schools, colleges, mosques and drawing a multitude of local small enterprises which have built their businesses around the thousands of employees of DBL Group alone. Our involvement with the local community is a proven win-win situation where the welfare of the local region brings positive consequences on the standard of living of all the community members including our own employees. Our contribution to the Kashimpur, Gazipur region has been a milestone to the civil society, driving the local economy to prosper and our organization is committed to be continuously proactive with our mission to serve the community and respond to need basis as well.

DBL Group has already accommodated several requests from the local community by taking corrective and preventive measures. For instance, we have planted hundreds of trees in the areas to mitigate the noise level produced from the generators running in our Spinning facility. We operate very responsibly in terms of our water consumption and the quality keeping the irrigation facilities in the local area in focus. Our dedicated Environment Management System (EMS) team is working continuously to monitor the ground water level and ensuring the quality of water discharged from our wet facility at the Dyeing unit through our Effluent Treatment Plant (ETP).

## INVESTOR RELATIONS:

Our external stakeholders, specifically investors critically examine company's performance on a variety of parameters. Recently it has been observed that the investors are looking beyond shareholder assessment and are concerned about the sustainability of the organization. Therefore, we maintain continual interaction with our investors such as the German Investment and Development Corporation (DEG), a subsidiary of Kreditanstalt für Wiederaufbau (KfW), The International Finance Corporation (IFC), a member of the World Bank Group, the Hongkong and Shanghai Banking Corporation Limited (HSBC), the Standard Chartered Bank (SCB) and the Mercantile Bank Limited. At DBL Group, we have a dedicated Investor Relations (IR) team which comprises of senior members from the Finance and Accounts department. The designated IR team performs strategic management responsibility integrating finance, communication, marketing and securities law compliance to enable the most effective two-way communication between DBL Group, the financial community, and other constituencies. Our IR team reports to the Chief Financial Officer (CFO), the Chief Executive Officer (CEO), the Board of Directors and/or Chairman of the organization. This means that as well as being able to understand and communicate the company's financial strategy, they are also able to communicate the broader strategic direction of the corporation and ensure that the image of the corporation is maintained in a cohesive fashion.

On numerous occasions the Board and the Senior Management participate at events both nationally and internationally to discuss key sustainability factors. DBL Group recognizes that it is the moral and legal obligations of companies to be accountable for their actions to all the stakeholders. The company is committed to continuously improve its approach and preparedness to accept stakeholder responsibilities in the areas of corporate values, identifying risks and opportunities, policy coverage, stakeholder engagement, management and measurement, workplace practices and public disclosure.

Mr. Rashad R Kaldany, EVP & acting CEO of International Finance Corporation of World Bank, visits DBL Group

Dr. Michael Bornmann, CEO of DEG, visits DBL Group factories

Ms. Renate Künast, Parliamentarian of the German Bundestag visits DBL Group

## LIAISON WITH GOVERNMENT:

Government is one of the key players whose influence has major impacts on our business and the overall Ready Made Garments (RMG) Industry in the country. Government influence ranges from tax laws, regulatory policies, building codes, and zoning restrictions, ensuring a fair market where all participating businesses must abide by the same rules. The government also has a major role in providing access to capital and other related functions. For DBL Group, compliance to all laws, rules and regulations is of utmost priority.

Our liaison with the government is mainly maintained by our Board Members and collectively through industry association like the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Also, there are dedicated people at corporate as well as facility levels responsible for interacting with the respective regulatory and government agencies for various compliances and related functions.

The company proactively interacts with government and regulatory authorities on an ongoing basis through various industry bodies like Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Textile Mills Association (BTMA), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the Dhaka Chamber of Commerce & Industry (DCCI), the Bangladesh German Chamber of Commerce & Industry (BGCCI) and other related platforms.

DBL Group also maintains continuous correspondences with governments at an international level through the countries' embassies and ministries. For example, Dr. Ben Knapen, Minister of International Cooperation of the Kingdom of the Netherlands, visited all the factories of DBL Group in Kashimpur, Gazipur, Bangladesh.

Dr. Ben Knapen, Minister of International Cooperation of the Kingdom of the Netherlands, visits DBL Group

## FRUITFUL COLLABORATION WITH NGOS:

A robust relationship between private sectors and NGOs plays a pivotal role to maximize the benefits of innovative collaboration. NGOs have increasingly become a visible contributor in the global business and developmental projects. Similarly, the private sector is a key player in driving the national economy and social development. Corporations have a "duty" to be socially responsible, and can benefit by carrying out businesses in a responsible way, while contributing to its communities and wider society. In order to translate such elaborate plans into actions through CSR for sustainable development, DBL Group prefers partnership with development organizations.

DBL Group engages with civil society partners around social issues like women empowerment and awareness on AIDS, where effective remediation requires sophisticated approaches. Another instance is the Global Women's Economic Empowerment Initiative (GWEEI) program in collaboration with Walmart and CARE Bangladesh, aims at creating and enabling environment in which women attain their full potential, positively contributing to their careers and personal lives. Moreover, DBL Group enjoyed positive outcomes from programs like Cleaner Production (CP) and Partnership for Cleaner Textile (PaCT), both of which were aimed at improving energy and water efficiency. The two projects were initiated by IFC in partnership with Solidaridad Network.

Another sustainability project that DBL is working with collaboration with an NGO is the Sustainable Action and Vision for a better Environment (SAVE). The concerned NGO, the Asia Society for Social Improvement and Sustainable Transformation (ASSIST), is based in Phillipines. The main objective of the program is to reduce energy, water, waste and greenhouse gas emissions by 25% by the year 2015 as compared to the 2011 year baseline. Being committed to its social and environmental responsibilities, DBL Group always welcomes extensive collaborations with NGOs, as it strongly feels that associations with such global and local civil society organizations are indispensable for sustainable development. We consider and treat the different non-government entities as our important partners in CSR.

Global Women Economic Empowerment Initiative (GWEEI)-a program held in collaboration with Walmart and CARE Bangladesh

## MEDIA:

In order to create effective brand image and to reach out to multiple stakeholders through various avenues at the same time there is no alternative to media. Media is an integral part of business communications for any company. DBL Group often involves print and electronic media to reach the right audience at the right time.

The Corporate Communication team of DBL Group constantly involves the media through press conferences, press releases, press briefings, coordinating interviews of the Senior Management with the media and radio bulletins etc. The company continued its media outreach through sharing press releases of the major developments such as the Memorandum of Understanding (MOU) signing with Microsoft as a part of software compliance and major investment projects like Color City 1 & 2 to media journalists. Besides, the company maintains strong presence in important business journals published at a regional and international level. DBL Group also engages with the Media on an ongoing basis through different Industry Associations in order to keep them well informed about company's developments in industry specific publications and channels. For example BGMEA offers Information Services by publishing monthly newsletters, issuance of circulars and through Dhaka's first B2B web portal, which directly links exporters like us and buyers around the world.

Very recently one of DBL Group's concerns, Matin Spinning Mills Limited has been listed under the Bangladesh Security Exchange Commissions (BSEC). As a result the company also follows the BSEC guideline of sharing all material information with the Stock Exchanges before sharing it with the media.

## ALLIANCE WITH INDUSTRY ASSOCIATIONS:

DBL Group is affiliated with Industry Associations like the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), the Bangladesh Textile Mills Association (BTMA), the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the Dhaka Chamber of Commerce & Industry (DCCI), the Bangladesh German Chamber of Commerce & Industry (BGCCI) and other related platforms.

The company engages with these Industry Associations on an ongoing basis which is often for the purpose of collective representation of the RMG industry. It is mostly through such collective representations by the Industry Associations like- BGMEA, BKMEA, BTMA, FBCCI and DCCI the company interacts with other stakeholders like foreign buyers' associations, media, governments and regulatory bodies at both regional and internal level.

Industry Associations have always been an integral part of our stakeholder engagement with the growing importance of the RMG Sector in Bangladesh. In the wake of the recent tragedies at garment factories in Bangladesh, the industry has drawn a lot of global attention from foreign buyers, governments, special interest groups, and the western media. The RMG industry has witnessed some of the worst tragedies in its lifetime and throughout this rough patch the Industry Associations like BGMEA has played an indispensable role at protecting and upholding the interest of the industry amidst the upheaval.

**Through interactions with these stakeholders the company participates in:**

- Protecting the interests of its members and their employees by implementing legitimate rights and privileges for garments workers.
- Negotiation and consultation with foreign and local agencies to promote the garments sector in every possible field.
- Maintaining liaisons with foreign buyers, business associations and chambers.
- Providing foreign buyers with all necessary information regarding all issues concerned with the RMG sector.
- Interactions with foreign buyers and retain relations by arranging different apparel exhibitions at home and abroad.
- Continuous and extensive collaboration with concerned ministries of the governments.

# Content Index

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

## GENERAL STANDARD DISCLOSURES

| General Standard Disclosures | Page Number | External Assurance<br><br>Indicate if the Standard Disclosure has been externally assured.<br><br>If yes, include the page reference for the External Assurance Statement in the report. |
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| General Standard Disclosures | Page Number | External Assurance<br><br>Indicate if the Standard Disclosure has been externally assured.<br><br>If yes, include the page reference for the External Assurance Statement in the report. |
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# SPECIFIC STANDARD DISCLOSURES

| DMA and Indicators | Page Number | Identified Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted. | Reasons for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission. | Explanation for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted. | External Assurance<br><br>Indicate if the Standard Disclosure has been externally assured.<br><br>If yes, include the page reference for the External Assurance Statement in the report. |
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| DMA and Indicators | Page Number | Identified Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted. | Reasons for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission. | Explanation for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted. | External Assurance<br><br>Indicate if the Standard Disclosure has been externally assured.<br><br>If yes, include the page reference for the External Assurance Statement in the report. |
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| DMA and Indicators | Page Number | Identified Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted. | Reasons for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission. | Explanation for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted. | External Assurance<br><br>Indicate if the Standard Disclosure has been externally assured.<br><br>If yes, include the page reference for the External Assurance Statement in the report. |
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| DMA and Indicators | Page Number | Identified Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, identify the information that has been omitted. | Reasons for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, provide the reason for omission. | Explanation for Omissions(s)<br><br>In exceptional cases, if it is not possible to disclose certain required information, explain the reasons why the information has been omitted. | External Assurance<br><br>Indicate if the Standard Disclosure has been externally assured.<br><br>If yes, include the page reference for the External Assurance Statement in the report. |
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