

PDS/SE/2022-23/119

April 28, 2022

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Sub: PDS Group Sustainability Report 2022

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the PDS Group Sustainability Report 2022 for your reference.

We request you to kindly take the above on record for the purpose of dissemination to the Shareholders.

Thanking you,

Yours faithfully,

for PDS Limited

(Erstwhile PDS Multinational Fashions Limited)



Abhishekh Kanoi
Head of Legal & Company Secretary
ICSI Membership No.: F-9530

Encl.: a/a

PDS Limited (Erstwhile PDS Multinational Fashions Limited)

Regd. Off: No. 758 & 759, 2nd Floor, 19th Main, Sector -2, HSR Layout, Bengaluru – 560 102, Karnataka, (India)

Corp. Office: Unit No.971, Solitaire Corporate Park, Andheri – Ghatkopar Link Road, Andheri (East), Mumbai – 400093, Maharashtra (India)

Email: info@pdsmultinational.com; Website: www.pdsmultinational.com; Telephone No.: +91 80 67653000; +91 22 41441100

CIN: L18101KA2011PLC094125



PDS Group
Sustainability Report 2022



Global Collaborative Digital Ethical

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Introduction to the PDS Group 2022 Sustainability Report

Pallak Seth, Vice Chairman, PDS Group

OUR SUSTAINABILITY VISION

To be the driving force in bringing perennial change to the fashion industry and be the industries' "first choice" supply-chain partner with the most ethical, sustainable and eco-efficient strategies.

"Our Vision for Sustainability is the bedrock of our growth strategy. Driven by a holistic approach, we truly believe that concern for the environment is key to business growth in the industry. Be it working with like minded partners, manufacturing products within our own facilities, complying with environmentally friendly practices set forth by our internal strategic teams, or even the selection of potential ventures, everything is done to realise our vision of attaining social and ecological equilibrium."

The growing importance of Sustainability reporting is supported by the fact that investors and other stakeholders are calling on companies to disclose more about their Sustainability and Environmental, Social and Governance strategies. ESG reporting is an ideal and effective means of enabling companies to answer in a single document, a wide variety of questions that stakeholders may raise. I am very pleased and proud of the effort and momentum that the PDS Group and its constituent Business Units have put into our Sustainability Agenda."



PDS Group 2022 Sustainability Report

Sanjay Jain, C.E.O. PDS Group

OUR SUSTAINABILITY MISSION

To provide our clients with outstanding products, design excellence and the most ethical, sustainable and traceable sourcing solution for the fashion industry.

"Throughout the pandemic, the PDS Group has shown itself to be resilient in the face of global health and economic challenges, which is a credit to our staff, our customers, and our suppliers who have continued to support us, and my leadership team who have been steadfast and dedicated. In the not-too-distant future, the World may face disruption and devastation if we do not address climate change, biodiversity and nature loss, and inequality."

At PDS Group, we are committed to ensuring that together with our partners we build a better, more sustainable supply chain.

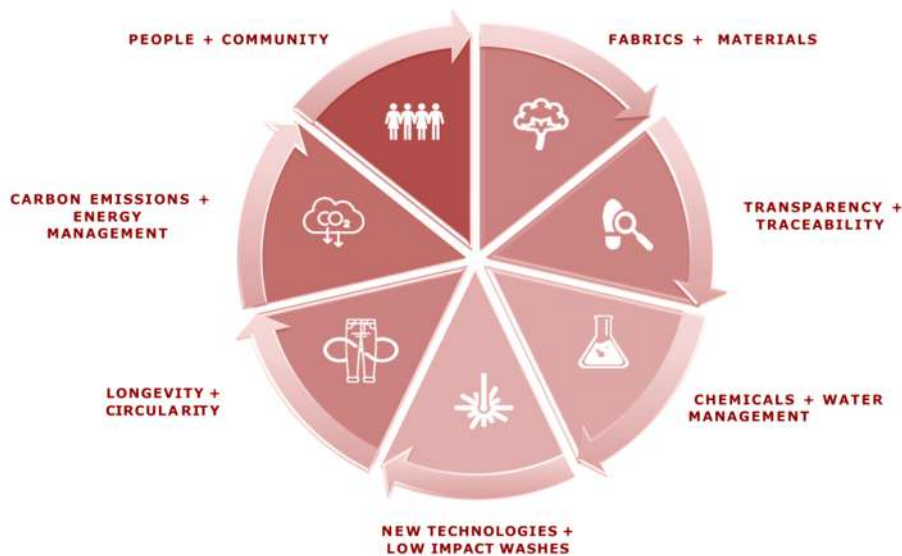
Last year, the PDS Group published its first Sustainability Report. It outlined our Sustainability Agenda and set out clear goals and targets for seven of our larger sourcing businesses in the Group as well as the manufacturing businesses which collectively represent over 70% of the Groups total turnover. Last year's report detailed our aspirations, goals, and targets related to delivering more sustainable products to our customers and the consumer, sustainably.

This year's report goes a step further, officially introducing 10 additional Business Vertical to our journey and bringing together in one document the PDS Groups' approach to Environmental, Social and Governance (ESG) which in combination, supports the delivery of our sustainable business model."



PDS Group Sustainability Aspirations

Minimise our environmental impact, while sustaining the business and communities we serve.



Fabrics and materials

Fabric sourcing and material selection comes at the outset of every product development. Our design and fabric teams have great experience in researching, identifying and developing the best sustainable, quality fabrics.

Transparency and Traceability

We are driven by our commitment to ethical and sustainable sourcing, safe-to-wear products and complete supply chain transparency. The PDS Group has been at the forefront of auditing its core supply chain by Oeko-tex®, STeP and introducing garments with Oeko-tex® Made in Green.

Chemicals and water management

PDS Group is a member of the Sustainable Apparel Coalition (SAC) and is committed to achieve Zero Discharge of Hazardous Chemicals and to significantly reduce water consumption in the supply chain. The Group is proud that its main denim vertical has successfully eliminated the use of potassium permanganate from all productions, whilst still maintaining the authentic look of the denim.

Longevity and circularity

Yellow Octopus, a PDS Group company, is at the forefront of transforming the fashion industry into a circular economy, offering commercial sustainability solutions for fashion retailers. The PDS Group denim vertical is a member of “The Jeans Redesign” by the Ellen MacArthur Foundation, which paves the way forward for a more circular denim supply chain.

Carbon emissions and energy management

The PDS Group is committed to a decarbonised future and in 2021 started its journey to a net zero supply chain. The Group has engaged with The Carbon Trust UK to accelerate the process and provide solutions to reduce carbon emissions. Digitising the product design and development process; near-shoring of fabric supplies, investing in new eco-efficient machinery and renewable energy solutions, are examples of the PDS Group’s initiatives to reduce emissions.

People and community

The PDS Group is committed to creating a sustainable future for our business, our people and the communities we serve. The Group has been the sole sponsor for Soham For Kids since 2015. This Initiative has provided:

- Free primary and secondary education for more than 500 children in India and Bangladesh.
- Free vocational training in English, IT, Sewing for more than 200 adults in Bangladesh.

PDS Groups Sustainability Development

David F Goodwin, Technical and Sustainability Consultant



OUR SUSTAINABILITY STRATEGY, GOALS AND TARGETS

In the PDS Group 2021 Sustainability Report, seven of our sourcing businesses collectively set themselves 69 sustainability goals / targets to achieve in 2021/22 with some of these being phased for total completion by 2023.

For example:

“Switch at least 30% of Polyester to Recycled polyester (GRS or RCS certified) by Q4 2021. (40% by Q4 2022 and 50% by Q4 2023)”.

Progress against these goals and targets is outlined by business unit, within this report.

In the 2021 report, the PDS Group manufacturing units laid out 23 sustainability initiatives that they had either put in place or were destined to achieve by the end of 2021. These results are also covered in this report.

The sustainability goals and targets were all focussed on the Groups sustainability pillars of:

- Respect Water
- Reduce Emissions
- Think Circular
- Build Community

Within the sustainability strategy, these four pillars are enveloped by “Traceability and Transparency” and as part of the commitment to that, the PDS Group decided to become members of the Sustainable Apparel Coalition and through this membership, we would acquire access to the HIGG Essentials tools, so that our goal of having all of the factories used by the PDS Groups sourcing businesses, registered, self assessed and verified for the HIGG Facility Environmental Module (FEM) and where required the Facility Social Labour Module (FSLM), could be realised.



I am pleased to say that the PDS Group is now a SAC member and the sourcing businesses are actively using the tools provided by the HIGG “Essentials” package, with some business units looking to use the more in depth “Analytics” package that HIGG offers.



The goals and targets contained in the PDS Group 2021 Sustainability Report were wide and varied covering numerous aspects across the four pillars of the Sustainability agenda.

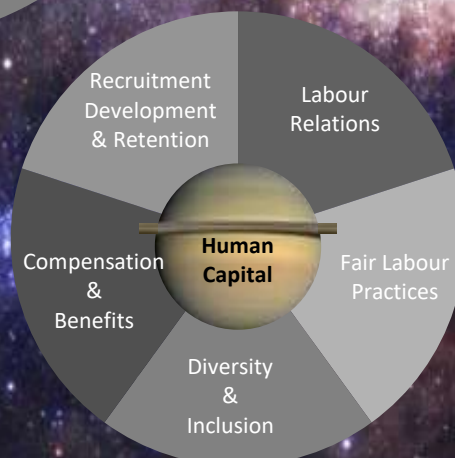
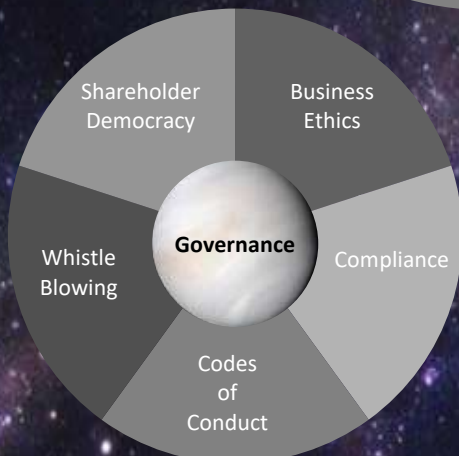
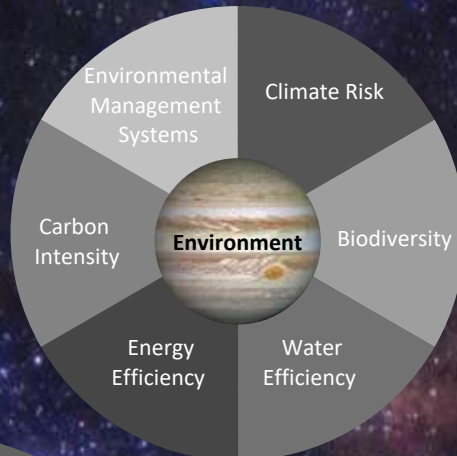
They ranged from;

“Implementing the use of Environmental Impact Measurement (EIM) software in order to measure, track and verify that 85% of Poeticgems denim garments achieved a score of < 35 by the end of 2021”, to the ambitious “Solar Energy project” implemented by Norlanka which generates more electricity than the factory consumes, resulting in a net surplus of electricity being returned to the Sri Lanka National Grid, as well as the corresponding CO₂ reduction.

For 2022, the scope of the annual report has been developed to more specifically encompass the Environmental, Social and Governance (ESG) aspects of the PDS Group, which in concert with the materials and product sustainability initiatives, deliver a truly sustainable business platform.

At PDS Group, Environmental, Social and Governance (ESG) and their constituent parts reside within a broader spectrum and along with; Business Model, Innovation and Human Capital make up our “Sustainability Universe”.

Environmental, Social & Governance in the Sustainability Universe



Business Model & Innovation



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Business Model & Innovation

Product Design & Lifecycle Management

The creation of sustainable garments begins at the design stage. Selecting sustainable raw materials that are least damaging to the environment, be that recycled materials or renewable materials, is a good starting point.

Undertaking the design, fitting and sealing / approval processes digitally, is something that the PDS Group has invested in and actively promotes. This, along with the use of digital showrooms to showcase products and collections, reduces the amount of samples that are made and shipped around the World.

Designing with zero-waste cutting is a technique that eliminates textile waste at the design stage. It has been estimated that 15% of textiles intended for clothing ends up on the cutting room floor.



David F Goodwin
PDS Group, Consultant

Optimising seam construction can reduce the number of seams required in the garment, this also makes manufacturing much quicker and can save on materials.

Up-cycling is an approach to design whereby products, waste or disused materials can be up-cycled into something new, of better quality and / or of greater value. By reusing materials that already exist, savings in energy, water, chemicals and other precious resources can be derived when compared to using virgin materials. Garments that are designed for disassembly can easily be taken apart at the end of the products life so that the components can be repaired, reused or recycled.

Another option for increasing the lifecycle of products is to design them for multiple uses. In fashion, a garment may be designed that could be worn multiple ways or as something that is reversible, or has components that can be added or “edited”. PDS Group has over 150 designers creating market intelligence led products. Their expertise extends to fabric, garment technology, washing and ever increasingly, longevity and sustainability through design.

Business Model Resilience

The PDS Group business model has its foundations in true entrepreneurship and its uniqueness has led it to be featured as a Harvard Business School Case Study. The PDS Group provides a platform for the business units that make up the Group. This platform delivers the over arching framework of Finance, HR, Compliance, Governance and Sustainability.

Whilst each of the business units has its own C.E.O. / Managing Director and is effectively autonomous in its day to day functioning, the PDS platform Enables, Supports, Governs and Controls their operations, thereby facilitating the powerful mix of individual business autonomy coupled with strong directional leadership and governance.

The PDS Groups business model ensures that it is stable, agile and able to withstand and adapt to even the most volatile and unpredictable, market changes and conditions, such as those experienced in recent years.



Business Model & Innovation

Supply Chain Management

There are two broad perspectives on Supply Chain Management;

(i). Strategic (PDS Group level)

(ii). Operational (Business Unit level)

Strategic decisions are typically made over a longer term time horizon and are entwined with the PDS Group strategy and help formulate the supply chain policies in collaboration with the business units from the perspective of how their supply chains are designed and how they operate.

Operational decisions are made in the shorter term, by the individual business unit management teams and these focus on the day to day activities of the business units, the factories with whom they work and the requirements of the customers.

Operating clear, transparent supply chains is of increasing importance to customers and consumers alike.

Traceability of raw materials is fundamental in the sewn products industry supply chains if the industry is to become more sustainable and rid itself of the “dirty fashion” tag.

Materials Sourcing & Efficiency

When it comes to sourcing, the days of finding the cheapest materials sources and “chasing the cheap needle” around the World are behind us as an industry. These days, with sustainability firmly at the front of every ones mind, the focus is on process improvements to drive efficiencies, rather than seeking out the “next” factory, in the “next” source country. Having stable, long term sources, making good, reliable suppliers into business partners and working together to drive efficiencies makes good business sense. With continuity of supply comes consistent quality, predictability and efficiency. With efficiency comes the potential for workers in the industry to increase their earnings.

PDS Group is supportive of the drive towards “living wages” as opposed to simply paying above “minimum wages” and through work in its own manufacturing sites, particularly the two in Bangladesh, we have embarked on a journey to significantly improve workers’ wages, annually over the next 5 years, with a target to achieving a “living wage” for workers as calculated using the Ankur method.

Physical Climate Change Impact

As the need to address climate change becomes ever more urgent, most industries are working to reduce their carbon emissions. The Fashion industry makes a significant contribution to climate change and it is claimed that it is responsible for approximately 4% of the Worlds’ total GHG emissions. That equates to around 2.1 billion metric tons. To give that number some context, it is the equivalent of the total GHG emissions from France, Germany and the UK combined! In order to hit the target agreed by the Intergovernmental Panel on Climate Change (IPCC) which was ratified in the 2015 Paris agreement, the Fashion industry would need to cut its GHG emissions to 1.1 billion metric tons of CO₂ equivalent, by 2030!

Clearly, all those engaged in our industry need to maximise their efforts in reducing their contribution to CO₂ /GHG emissions.

PDS Group produces around one million garments per day and is a significant player in the Fashion Industry. As outlined in our 2021 Sustainability Report and covered here again in this Report, we are implementing energy use reduction initiatives in both our own manufacturing plants as well as in our partner factories and investing in clean, green energy (solar power).

The PDS Group has a determination to “punch above its weight” in the pursuit of Reducing Emissions.



Business Model & Innovation

Innovation

The global apparel industry is a trillion-dollar industry that continues to expand and most importantly, evolve. The evolution of our industry has been accelerated with technological advancements coinciding with the era of the social revolution we're currently living in. Today, whilst meeting the demand of fast fashion, more and more focus is being placed on creating a sustainable future.

The path to a long-term thriving business begins when we fully realise that our business interests should go hand in hand with our goals on sustainability.

Whilst it is important to meet KPIs and objectives, it is also imperative to do this without misusing resources and people, so that businesses, communities and the environment can thrive.

Sustainable Innovation can be twofold: product innovation and process innovation. Both have equal importance.

Sustainable product innovation needs to be geared towards restoring what we take from the planet (Cradle to Cradle). In an industry where fast fashion demands energy intensive, non-biodegradable raw materials, it is critical to find ways of using more eco-friendly options and experimenting with alternative fibres that are degradable to combat the issue of micro-plastics in our environment. Furthermore, investing in next-gen textiles with a longer life-cycle and with the ability to be up-cycled is also going to be critical. All of this needs to be done without compromising on quality, lead times and overall customer need and satisfaction.

Sustainable process innovation in the fashion industry today is moving in the right direction. Many brands, retailers and manufacturers have taken steps towards becoming carbon neutral. However, there is still room for improvement. Digitisation plays a vital role in increasing the efficiency of operations. Data analytics, quality assurance systems, capacity management tools and centralised digital systems should be used to manage quality, time and cost, in a method that compliments the overall environmental impact of each process.

Under, sustainable process innovation we also look into methods of managing waste. Land-filling is a serious concern for the industry. Whilst cradle to cradle product innovation is vital, further process innovation can take this a step further by investing in machinery and technology that reduces fabric and other material wastage from an early stage. Ordering the correct amount of raw materials through robust calculations supported by data will minimise the generation of waste.

Looking further into the future of the industry, it will undoubtedly enter the 'metaverse'. We are on the verge of a complete digital metamorphosis. This will undoubtedly transform our industry too, especially because of how connected fashion is, with all social elements. We have to be ready for this transformation, which requires more Sustainable Innovation than ever before.

Innovation in the industry cannot just be an idea, it should be actively pursued. Our vision to become the most globally sought after, trusted fashion solutions provider is rooted in the integration of Sustainable Innovation throughout our business.



Buddhi Paranamana
Chief Innovation Officer
Norlanka Manufacturing Ltd.

Environment



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Environment

Climate risk

The PDS Groups approach to contributing to a reduction in global warming is to invest in strategies, projects and fledgling businesses (via PDS Ventures), to deliver a positive overall impact on all areas where our industry currently, negatively impacts the climate and the environment. An example of this is the 2021/22 investment in Solar Energy at Norlanka Manufacturing, which is covered in our Showcase section of this report.

Biodiversity

Two of the four core pillars of the PDS Group Environmental (Sustainability) strategy are Respect Water and Reduce Emissions of all types, in order to reduce our impact on and protect the Worlds ecosystems.

Water efficiency

The use the water saving measures and rainwater harvesting initiatives which are already in place at our two factories in Bangladesh, and which have reduced water consumption by 45%, will be used as a model for the partner factories with whom we work, to replicate across our sourcing businesses.

Energy efficiency

Energy efficiency brings a variety of benefits: reducing greenhouse gas emissions, reducing demand for energy imports, lowering costs on businesses (and households) and on an economy-wide level. PDS Group is reducing the use of energy in our factories through the deployment of energy saving initiatives such as the use of DC motors on the machines and other energy saving measures.

Carbon intensity (CO₂/kWh)

When electricity is generated using for example, coal power stations, the carbon intensity value is high as CO₂ is produced as part of the power generation process. Renewable forms of generation such as solar, produce almost no emissions, so their carbon intensity is very low. Norlanka's investment in solar power is a successful project that will be used as a model to roll out to our own manufacturing and our partner factories where possible / practical, to reduce the overall carbon intensity of our business.

Environmental Management Systems

At PDS Group we are driving our own manufacturing sites and our partner factories towards ISO14001 certification. ISO14001 is an internationally agreed standard that sets out the requirements for an Environmental Management System (EMS). It helps organisations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.

The PDS Groups 2021 Sustainability Report detailed 69 commitments made by seven of our larger sourcing businesses and 23 commitments made by the three PDS manufacturing businesses, 92 commitments in total, to deliver initiatives and activities that contribute to the four pillars of our Sustainability Agenda. Some of these initiatives positively impact more than one of the four pillars: Respect Water, Reduce Emissions, Build Community and Think Circular.

Social



Global, Collaborative, Digital, Ethical



Equal Opportunities

The PDS Group actively promotes equal opportunities for all, in our sourcing and manufacturing businesses. We provide support and training to create a balanced and equitable employment environment.

Freedom of Association

All of the PDS Groups employees are supported under Article 11 of the Human Rights Act, to form and / or be voluntarily part of a trade union, a political party or any another association or voluntary group, they so wish.

Human Rights

PDS Group respects and strictly adheres to the 30 basic Human Rights List as per the UN General Assembly's Universal Declaration of Human Rights.

1. Right to Equality	2. Freedom from Discrimination	3. Right to Life, Liberty, Personal Security	4. Freedom from Slavery	5. Freedom from Torture and Degrading Treatment	6. Right to Recognition as a Person before the Law
7. Right to Equality before the Law	8. Right to Remedy by Competent Tribunal	9. Freedom from Arbitrary Arrest and Exile	10. Right to Fair Public Hearing	11. Right to be Considered Innocent until Proven Guilty	12. Freedom from Interference with Privacy, Family, Home and Correspondence
13. Right to Free Movement in and out of the Country	14. Right to Asylum in other Countries from Persecution	15. Right to a Nationality and the Freedom to Change It	16. Right to Marriage and Family	17. Right to Own Property	18. Freedom of Belief and Religion
19. Freedom of Opinion and Information	20. Right of Peaceful Assembly and Association	21. Right to Participate in Government and in Free Elections	22. Right to Social Security	23. Right to Desirable Work and to Join Trade Unions	24. Right to Rest and Leisure
25. Right to Adequate Living Standard	26. Right to Education	27. Right to Participate in the Cultural Life of Community	28. Right to a Social Order that Articulates this Document	29. Community Duties Essential to Free and Full Development	30. Freedom from State or Personal Interference in the above Rights

Health & Safety

Our Compliance teams work with our own and our partner factories to develop and once achieved, maintain high standards of Health and Safety in the industry.

Customer & Product Responsibility

PDS Group takes the responsibility to ensure that the products supplied to customers and consumers are safe and we also undertake to inform and where it may prove necessary, warn customers of any potential issues with our products.

Child labour

As part of its manufacturing and sourcing policies, the PDS Group strictly adheres to the two fundamental ILO conventions on child labour.

Conventions No.138 and No.182.

Failure to adhere to this policy is a PDS Group Zero Tolerance Violation.

International Standards On Child Labour

- ILO Convention 138 on minimum age
- ILO Convention 182 on the Worst Forms of Child Labour
- UN Convention on the Right of the Child (UNCRC)



Sustainability Showcases



**Respect
Water**



**Reduce
Emissions**



**Think
Circular**



**Build
Community**

Global, Collaborative, Digital, Ethical



Introduction to the Showcases

At the centre of the PDS Groups Sustainability Agenda are the four pillars of:

Respect Water, Reduce Emissions, Think Circular and Build Community.

We are proud of the effort and commitment that the PDS Group Business Units have put into these aspects of sustainability and we would like to take this opportunity to outline a project within each of these four pillars to highlight some of this work.

Respect Water

PDS Manufacturing is leading the way in the Group with their 'Respect Water' initiatives. These initiatives range from; water use reduction through the use of automatic taps, to rainwater harvesting for the flushing of toilets, to the excess steam pipe water being returned to the boilers for reuse.



Reduce Emissions

Norlanka Manufacturing has installed its own solar energy plant at the factory in Trincomalee. This installation will generate an average of 70,500 kWh and with the factory consuming an average of 60,000 kWh, the additional generated power can be fed into the Sri Lanka National Grid system, thereby offsetting some of the energy use of Norlanka's wider business.



Think Circular

Yellow Octopus is leading the way with technology based solutions in support of the move to a more circular fashion economy.

Jack Ostrowski the founder of Yellow Octopus tells of some of the latest initiatives to move the fashion industry and its consumers away from the seemingly endless growth of the linear TAKE, MAKE, USE, LOSE historic model.



Build Community

PDS Group funds two schools. These schools provide both education and vocational training for garment factory workers' children in;

Savar, Dhaka, Bangladesh and in Mallapur, Hyderabad, India.

Through 2021 some 125 children from Nursery group to 5th standard were taught at the school in Bangladesh on a daily basis. In the same period the school in India has educated 213 children in grades 1 to 10 (5 years to 15 years of age) as well as providing vocational training for older students.

These schools also provide their students with uniforms, books, stationery, and daily nutritious meals. Without these schools, the children who attend them, would remain unschooled and would be left to fend for themselves while their parents are out at work in the factories. The schools thereby prevent them from otherwise falling into all kinds of danger.





Sustainability Showcase 1



Respect Water

The PDS Group has three manufacturing sites:

Green Smart Shirts Limited, Bangladesh. – (GSSL)

Progress Apparels (Bangladesh) Limited, Bangladesh. - (PABL)

Norlanka Manufacturing, Sri Lanka.

In the PDS Group 2021 Sustainability Report, each of these factories made commitments related to the Respect Water pillar of the Groups Sustainability Agenda.

Green Smart Shirts Limited (GSSL).

Prior to 2020, GSSL's total annual water consumption was 50 million litres. Following the implementation of water saving measures this was reduced by some 40% to 30.1 million litres during the year April 2020 to March 2021. For the period April 2021 to March 2022, GSSL set itself a target of reducing its water consumption by a further 3% or 0.9 million litres.

Additional sanitation measures and the encouragement of increased hand washing at the factory due to CoVid-19, has resulted in this additional target not being met.

However, we have significantly improved our water usage efficiency through the installation of water pressure reduction valves in all water usage areas to reduce the water pressure and thereby improve usage efficiency and reduce wasted water.

At GSSL we have undertaken water usage and wastage reduction training for our c.3,000 employees via the PA system in the factory and classroom style training.

We have installed a condenser reserve tank to allow us to reuse 20% of the hot water from the boiler and 30% of the water from the steam generated, to reduce the amount of newly drawn water, we use. This additionally reduces energy consumption for water heating and the associated CO₂.

We have also implemented a rain water harvesting pond with 0.5 million gallons (2.3 million litres) of rain water and we have plan to use this water in landscaping.

All of the water efficiency measures taken at GSSL have led to us all respectfully using this precious resource.



Progress Apparels (Bangladesh) Limited (PABL).

Last year PABL's annual water consumption was 70.8 million litres, Following the implementation of water saving measures this has been reduced by 53% to 33.3 million litres during the year April 2020 to March 2021.

This consumption included 332,000 litres of harvested, reused water. From this total consumption of water PABL reused 12.3 million litres for the flushing of toilets.

Additionally, 450,000 litres of excess steam pipe water was reused in the factory boiler.

To confirm accuracy and to ensure that the right steps were taken we have installed four water flow meters which assure correct monitoring of water consumption.

For 2022/23 we have targeted a further 2% water saving in the canteen / dining room by installing auto-stop taps. We will look to extend these auto-stop taps across the whole facility in 2024.

We are implementing special awareness programs regarding washroom use, in which we are advising employees of the option to use the short flush option where appropriate, which saves 3-4 litres of water per flush.

With these initiatives, our entire operation will use water more efficiently.





Sustainability Showcase 1



Respect Water

Norlanka Manufacturing Limited.

As Norlanka expands its business ventures, more and more focus is being given to achieving its sustainability goals. In line with PDS Group's core values on social responsibility, Norlanka's value proposition for its stakeholders regarding sustainability, is front of mind.

The importance of having a sustainable business strategy is constantly reinforced by Norlanka's leadership team and the ambitious plans are clearly communicated with Norlanka's 350+ employees and 30+ partner factories in order to align our sustainability goals with our business goals.

Norlanka aims to be a net-zero land-filling organisation by the year 2024 and to be carbon neutral by 2025. Together with reducing its carbon footprint through the use of solar energy, Norlanka has also ventured into rainwater harvesting and water conservation projects which together will deliver a net positive impact on the environment.

As a part of the company's Environmental, Social & Governance (ESG) roadmap, the rainwater harvesting project at Norlanka's manufacturing plant in Trincomalee, Sri Lanka is currently underway. Even though the area is within the dry zone of the country and has a lower than average annual rainfall for a couple of months per year, there is overall significant rainfall throughout the year.

Taking this into account, Norlanka implemented the rainwater harvesting system at this manufacturing plant in 2021 and this was completed in March 2022.

Between April 2020 and March 2021, Norlanka Manufacturing's water consumption was 7.2 million litres. The water supply for more than 50% of this consumption (around 4 million litres) comes from a deep well resource. This is used for sanitary facilities (toilet flushing). The rest (around 3.2 million litres) for drinking purposes, is taken from the direct, municipal supply line.

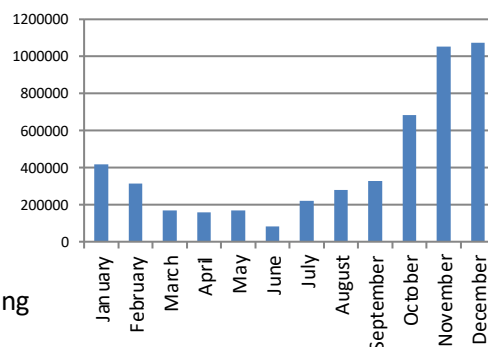
The rainwater harvesting system uses the factory's 3,150 sq m. roof as the catchment area. Based on average annual rainfall figures, this surface area has the ability to harvest almost 5 million litres of water. The collected rainwater injected into the deep well to recharge it. The process uses gravity and therefore requires no additional form of energy. Additionally, the ground acts as a filter to reduce salinity of the water prior to recharging. Due to the recorded heavy rainfall during certain months, only 60% of the collected rainwater will be injected into the deep well to due to overflows.

With this system, the deep well will be replenished by 75% of the amount of water that Norlanka Manufacturing extracts from the ground. This allows the factory to have sustainable water consumption using the deep well resource.

In addition to the rainwater harvesting project, Norlanka also plans to employ a system to reuse the treated industrial waste water from the already implemented effluent treatment plant, for the manufacturing plants sanitary facilities (flushing), further reducing the extraction of ground water.

Thus, whilst working towards achieving our business goals, Norlanka continuously strives to be a responsible business partner to all our stakeholders.

Monthly Water Collection (Litres)





Sustainability Showcase 2



Reduce Emissions

Norlanka Manufacturing, Sri Lanka.

Net Positive, Solar (Clean) Energy Generation Project 2021/22

Energy, its generation, emissions, use, reduction and waste is one of the most spoken about areas of sustainability in today's World. Almost all the activities of human beings are dependant on energy and its supply and security. The sustainability agendas of responsible organisations, large, small, private or state sector, incorporate plans on energy as it is the most important aspect in environmental sustainability. This subject has been brought more sharply into focus recently due to climate change and global warming issues faced all over the world.

As it stands today, the world is heading towards an energy crisis. This energy crisis is due to the foreseeable end of the cycle of using fossil fuels: oil, gas and coal which over many years have been producing a considerable and ever increasing amount of greenhouse gases (GHG). These greenhouse gas emissions caused by the burning of fossil fuels in order to produce heat, light and energy, directly contribute to climate change, global warming, impacts on biodiversity and so many other adverse impacts on the environment and human health.

Around 30% of total energy generated for electricity supply in Sri Lanka comes from the burning of coal and fuel oil.

We, at Norlanka, being a truly sustainable organisation have taken measures to contribute positively towards the global action to minimise climate change and global warming. We have implemented a solar panel installation project from which we generate more renewable, clean energy than our factory in Trincomalee consumes. This results in a net positive effect on our carbon footprint.

As part of our ESG strategy we are investing approximately US\$1m in our sustainability projects within the next twenty four months, in order to contribute positively towards our environment and social responsibility.





Sustainability Showcase 2



Reduce Emissions

Norlanka Manufacturing, Sri Lanka.
Net Positive, Solar (Clean) Energy Generation Project 2021/22



Project Highlights



Solar panel system size
1,500 panels : 630 kW

Average Solar energy generated
70,500 kWh per month



Average annual output
912,000 kWh

Average monthly consumption at
Norlanka Manufacturing, Trincomalee
60,000 kWh per month



Average annual CO₂ saving
397 tonnes



Amila Jayawardena – Sustainability Manager. Norlanka
“As part of our ESG strategy, Norlanka is investing approximately US\$1m in sustainability projects within the next twenty four months.
This investment will contribute positively towards our environment and social responsibility”.

*Carbon footprint is calculated using the grid emission factor data from Sri Lanka Sustainable Energy Authority.



Think Circular



Jack Ostrowski – Yellow Octopus

Yellow Octopus, part of the PDS Group operates within sustainability and technology space working towards achieving an ultimate goal of creating circular fashion.

Yellow Octopus Group companies are working to create comprehensive circular models for global brands and retailers within products' post-production and post-purchase lifecycle, including take back programs, stock exits, re-commerce models, upcycling and tech for good software.

Accumulating the years of experience in the circular fashion business, through innovation and collaboration Yellow Octopus is connecting the dots in the circular fashion business to create sustainable ecosystems where every stakeholder benefit while contributing to fashion's

transition from linear to circular models.

Based on over 15 years experience in commercial sustainability and reputation as a leading innovator in the circular fashion space in multiple successful endeavours, Yellow Octopus is acting as a trusted adviser on commercial sustainability solutions to fashion industry clients globally, and initiator and mastermind behind innovative circular models between multiple stakeholders bringing sustainability in fashion to global scale.

Year 2021 was one of the most successful year for Yellow Octopus in terms of impact on the fashion retail industry in the UK and abroad.

LOOP DIGITAL WARDROBE

Jack's recent brainchild, fully developed throughout 2021 and launched in Q1 of 2022, LOOP Digital Wardrobe reinvents sustainability by making it fun and engaging for the fashion consumers by creating the multifunctional 'Instagram' platform for their clothes.

LOOP digitalises and connects wardrobes of fashion customers and their friends in record-breaking time and links a highly engaging user-friendly social media platform with tools to promote resell, swap, donation, and up-cycling of fashion products.

LOOP gives fashion retailers & charities unprecedented access to data and insights on consumer post purchase behaviour, preferences, and shopping habits.



REFLAUNT

Reflaunt connects brands to the second-hand marketplaces.

The technology enables shoppers to resell past purchases on the brand's website to earn shopping credits.

The piece is re-homed and given a second life, taking fashion full circle.

In 2021 Reflaunt teamed up with Net-a-Porter, Harvey Nichols and number of other global brands to enable their customers to resell with ease, convenience, and flexibility.

Reflaunt also launched the innovative H&M Re-wear resale program for shoppers in Canada.





Think Circular

UPCYCLE LABS - 2021 Investment

Upcycle Labs is a material science and technology company providing innovative upcycling services for fashion brands & retailers to convert their unwanted inventory into new high quality décor products, store fittings and more. Upcycle Labs technology is used for the secure inventory destruction i.e. of major Italian and French luxury brands.

<https://upcyclelabs.co.uk>

EVARNU

Evrnu® is a textile innovations company that has invented an entirely new kind of engineered fibre made from discarded clothing.



LOVE THE SALES – 2021 Investment

Online marketplace that enables retailers to sell discounts faster, at a higher price, to an audience of millions of shoppers.

Love The Sales AI carries out an automated analysis of retailer's stock, applying deep tagging to understand the inventory in a granular level of detail.

Love the Sales is the UK's leading online sales marketplace working with the World's leading retailers to maximise the financial recovery of excess inventory. Over 9 million shoppers trust Love the Sales.

<https://www.lovetheales.com/eu>



In Q1 of 2021, Yellow Octopus developed and implemented the highly admired Take Back program for Primark's 190 stores in the UK, which after its successful results in Q4 2021, it has been rolled out further to Ireland, Germany, and Austria.

Find out more at:

<https://corporate.primark.com/en/newsroom/primark-cares/primark-extends-instore-textile-takeback-scheme-to-austria-ireland-and-germany/n/08039fb7-3e6d-41b3-ae2c-f620285a6a85?home=true>

In 2021, Yellow Octopus also created "George Take Back" which is fully developed and operated by Yellow Octopus team. Another successful collaboration which allows diverting hundreds of tonnes of clothing and textiles from going to landfill in one year.

Find out more at:

<https://corporate.asda.com/newsroom/2021/03/01/george-at-asda-launches-clothes-recycling-scheme-which-rewards-customers-for-bringing-back-unwanted-clothes>



Sustainability Showcase 4



Build Community





Sustainability Showcase 4



Build Community

Soham For All, Centre of HOPE, Savar, Dhaka, Bangladesh.

Soham (**HOPE worldwide**) Bangladesh, has been running a primary school and vocational training centre for garment factory workers' children in Savar (Dhaka, Bangladesh) since 2015.

125 children from Nursery group to 5th standard are taught here on a daily basis. They are also provided with uniforms, books, stationery, and a daily nutritious meal.

These are children, who would otherwise remain unschooled and who would be left to fend for themselves while their parents are out at work in the factories, and they may fall prey to all kinds of dangers.



This Soham for All, Center of HOPE is funded by the PDS Group.

Program Purpose and Benefits

In its first seven years, the school has already demonstrated its effectiveness. Children are learning, they are given nutritious food, and they spend their day in a safe environment. The school is also educating the parents on health and hygiene issues, the value of education and keeping the children in school, including girls. The positive impact on the community is truly felt.

As the children progress through the school, it is our goal to make sure they stay in the school system and get to the point where they can receive vocational training or move on to further education.

Key Facts about the School

Short Term benefits

All the children will complete at least a primary education and have the basic reading and writing skills.

All the children will have a strong academic foundation which will make it possible for them to function well in High School and even in College.

The parents are made aware of their responsibilities as well as the proactive role that they can play in the proper growth and development of their children.

Long Term benefits

All the children are exposed to appropriate stimuli for the full development of their mental and neural development. Beside the academic curriculum, they participate in drama, music, computer programmes, all of which contribute to the all round development of their personality.

In particular;

The marriage age of girl children is raised.

The children are not engaged in child labour.



Sustainability Showcase 4



Build Community

Soham For All, Centre of HOPE, Savar, Dhaka, Bangladesh.

Why are the children in this school not attending government or other schools in the local area?

The children are getting special care. The teachers are trying to encourage the children by music, rhymes, games etc. We have a playground inside our school, which most other schools don't have in the local area.

Caring for students by the teachers and the connection with the families and freedom of children are some of the reasons for their attending school.

We have a rich school library from where students can read different story books and other interesting books. Donors come to school regularly for visits and conduct various inspiring activities.

Nutritious mid day meals are provided for the students every day which meet their daily nutrition needs and improve their academic performance.

We have a Computer lab where students from class 3 to 5 can learn basic computer skills.

Education from / to year and age group

Nursery to Class 5 / Age group 4 years to 12 years
(some students started coming to school at an older age)

Number of pupils: 125

Number of teachers: 5

Teacher to pupil ratio: 1:25



Curriculum Academic / Sports etc

The students are educated or tutored in Bangla medium school but emphasis is given on English language. Their curriculum includes English, the local language, mathematics, history, science, art, moral teaching and whatever subjects are covered in the standard government educational curriculum.

The program is complementary to the mainstream school system, and is designed to help children cope with the syllabus, but more importantly to lay a firm foundation so that the children can get maximum benefit from the access to the educational system that is available to them. The program also looks to develop other skills and 'intelligences' through mind enrichment programs that include activities in art, craft, self-expression etc.

Students of higher grades get computer skills training and industrial sewing skills training also.

Extra curricular activities

The school provides the following extra-curricular facilities - song, dance, recitation, drama, drawing etc.

Provision to the children (Meals / Uniforms)

Every day midday meal, School uniform every year, shoes, belt, ID card, School bags and other school supplies.

Vocational Training Centre

The school also provides training for adults through its vocational training centre.

The industrial sewing section has the capacity to train 60 adult students annually.

Computer section has the capacity to train 120 adult students annually.

Last year, the Industrial sewing section trained 61 trainees and the Computer Skills section, trained 87 trainees.

This training enhances the job opportunities and can help increase their starting salaries.



Sustainability Showcase 4



Build Community





Sustainability Showcase 4



Build Community

Soham For Kids, Mallapur, Hyderabad, India.

Soham (**HOPE** worldwide) India is running a high school and vocational training centre for underprivileged children in Mallapur, Hyderabad.

213 children from grade 1 to grade 10 are taught on a daily basis. They are provided with uniform, books, stationery etc. The students are equally well educated and well trained as they would be in Government schools.



This Soham for Kids school is funded by the PDS Group.

Program purpose and benefit: The students at the school are given education, training, nutritious food, uniforms, etc. Regular health camps are conducted in order to maintain a healthy environment. The school is also educating the parents with tailoring skills, good hygiene and other basic learning.

Why are the children not attending Government schools or any other schools?

The students are getting expert assistance from the staff who are caring for as well as educating the students, this and connection with the families of the students are some of the reasons for attending school. We have a school library with numerous books where children come to learn, along with science lab, computer lab and a play group. Predominantly other schools don't have in local area.

Donors visit regularly with enlivening activities.

Education from / to year and age group:

Grade 1 to grade 10 /Age group 5 to 15 years

Number of pupils: 213

Number of teachers: 9

Teacher to pupil ratio: 1: 24

Curriculum academic / physical education: The curriculum includes Telugu, Hindi, English social, science, moral science and subjects covered in the standard Government curriculum along with physical education. All forms of art and crafts are being taught to train the perseverance and focus of a child, making them absolutely essential in enhancing his or her cognitive and innovative development.



Sustainability Showcase 4



Build Community

Soham For Kids, Mallapur, Hyderabad, India.

Extracurricular activities: The students are encouraged to participate in recitation, storytelling, drama, yoga, singing, dancing etc.

Provision for the children:

- Two nutritious meals per day for the children.
- Play items.
- Seasonal fruit during certain hours of the day.
- Educational materials for the children.
- First Aid kit for the children and regular 6 monthly medical check ups, by the medical experts.

All members of the teaching and support staff in the School of Economics are committed to the provision of teaching of the highest quality and strive to ensure that this is a comprehensive, meaningful and systematic policy.

We believe that education can be used to reduce the high levels of poverty, as well as rehabilitate the children who have suffered from it.



Soham Schools

Mission

To bring smiles to children in the poorest areas by providing them access to quality education.

Vision

To use the power of quality education to eliminate extreme poverty.

Human Capital



Global, Collaborative, Digital, Ethical



Human Capital

Labour Relations

The PDS Group has practices procedures and policies in place to help ensure a healthy relationship with all employees is fostered and maintained. Our employees "Labour rights" are protected and strengthened by a number of these policies e.g.; Employee Code of Conduct, Policy against Sexual Harassment, Whistle Blower Policy and the third party managed Navex system etc. which is applicable to the Company its subsidiaries, affiliates and joint ventures.

Fair Labour Practices

PDS Group and its subsidiaries, affiliates and joint ventures, ensures compliance with respective country's labour laws and employment guidelines. We operate a Zero Tolerance approach to child labour / forced labour and any form of discriminatory employment.

Diversity & Inclusion

At PDS Group we are proud of our long-standing commitment to fostering an inclusive workplace where our people can connect, belong, and grow. Our focus on Diversity, Equity, and Inclusion (DEI) is a key element of our growth strategy..

PDS has employees from 28 different nationalities across different levels of the organisation.

Currently the PDS Group Executive Board comprises members from;



PDS Group Limited Board

Female

Male

Business Enablement Leadership Team

Female

Male

We actively empower and promote women in leadership roles; Board of Directors, Executive Team members, Business Unit Heads etc.

Currently, 25% of the PDS Group Ltd Board (2/8) are female.

Since 2020, 3 new female Business Heads have been recruited to expand business in Scandinavia, USA and Australia. 2 women have been appointed to the PDS Platform leadership team in Corporate Finance & Compliance. Females currently represents 20% of the Business Enablement Leadership Team.



Human Capital

The table below details the gender representation in positions at Manager level and higher in the PDS Group Business Units that are featured in this annual report.

Gender representation at Manager Level and above PDS Group Sourcing			
Business vertical (Head Offices)	Total No.	Female No.	% Female
Poeticgem	26	15	58%
Techno-Design	51	13	25%
Design Arc	12	5	42%
Simple Approach	17	7	41%
Zamira	7	2	29%
Norlanka	61	16	26%
Spring Near East	32	26	81%

In the Head Offices of the seven largest Sourcing businesses in the PDS Group women occupy an average of 41% of positions at Manager level (and above).

At the PDS Groups owned manufacturing facilities in Sri Lanka and Bangladesh women make up 10% of positions at Manager level (and above).

Gender representation at Manager Level and above PDS Manufacturing			
Business vertical	Total No.	Female No.	% Female
Green Smart Shirts Limited	23	2	9%
Progress Apparels Limited	32	3	9%
Norlanka Manufacturing	7	1	14%

Note: At Progress Apparels women occupy 55 of 451 (12%) staff positions.

At Green Smart Shirts Ltd. women occupy 41 of 309 (13%) staff positions.



Human Capital

In their own words.....



Krupa Joshi,
HR Business Partner,
Simple Approach Ltd.
Hong Kong



Having worked here for over 10 years, I see Simple Approach as an organisation where opportunities are offered to competent individuals and are not gender led. Female members have filled newly created key strategic roles, 20% of female staff hold Managerial positions while 40% of the leadership team comprises of women.

Needless to say, I am very proud to be a part of an organisation that has a progressive mind-set and is willing to continue having a dialogue on how this can be improved further.



Seeing a continuous increase in women participation in all business functions whether business or support and specially at Leadership level is inspiring and exciting.

Being a global organisation, PDS has focussed on including people from all different social and ethnic backgrounds, genders, age, nationality etc.

Diversity and Inclusivity is demonstrated as points of view from all are heard and respected without bias.



Isha Rathod,
Chief – Internal Audit and Assurance,
PDS Group Fashions Ltd.
India



Nilufer Ezer,
Clothing Director
Spring Near East Mfg.Co.Ltd.
Turkey



I have been working in Spring for nearly 10 years and I am proud to be part of PDS Group where we are valued and paid equal, evaluated based on the business performance, not by our gender .

I'm sure with this respectful treatment, continuous improvement and being a good example in the market; our companies will have the strongest teams which will lead us to be the best sourcing office in the world and a better future .



I feel that the textile industry offers one of the most friendly career paths for women. Due to the job characteristics, we have 80% colleagues that are female and most of the key roles are taken up by women due to their outstanding performance.

I myself grew up from Merchandiser and was recognised.

I appreciate and I am proud to be a member of an ethical and humanised company like PDS.



Kendy Kai
General Manager
Strategic Initiatives
Poeticgem. China



Human Capital

In the larger sourcing markets such as Bangladesh, it is true to say that opportunities for women to develop into management roles are greater in the sourcing offices than in the factories. The PDS Groups Manufacturing facilities actively promote the development of women into management roles. We spoke to some of our colleagues in Bangladesh to hear what they have to say about PDS Groups approach to equal opportunities in the workplace.

In their own words.....



Alicia Panioty
Divisional

Merchandising Manager



In today's World, women may not always realise their potential, but once unleashed, they have a direct route to success. When they find themselves in a leadership role, their capability and abilities are undeniable. However, it's simple to claim this, so that establishes the need to outline multiple benefits women can bring to leadership roles. I am very fortunate to be a part of PDS family where I can be more confident, perform my interpersonal skills to pursue my career as well as to achieve the goal of the company. PDS has always believed in me and helped me in proper decision making without being restricted by gender norms. Mentorship at PDS empowers professional women to grow, excel, and gain the visibility to go the next level.



I am more likely to work together with the entire Supply Chain of a company like PDS Group which has strong cultural Influence. Here, Collaboration, Social Interaction, Team work and Open information sharing makes this easy for me. From the needle point to the Leadership team there is a willingness to listen, guide & kaizen the entire process which is enacted through the facility Compliance and HR policies. Most importantly, the Leadership in the PDS Group, helped me to grow up from the needle point to become a Planning Executive and this confidence gives me my enthusiasm.



Swarna Akter
Planning Executive



Samina Akter
Merchandiser



Leadership is not gender specific. It is a set of leadership qualities inherent or cultivated in person or persons who develop themselves into great leaders with mass following. Leaders can be either men or women. Many more women provide visible leadership today than ever before. Opening up higher education for women and winning the battle for suffrage brought new opportunities, along with widespread availability of labour-saving devices and the discovery and legalization of reliable, safe methods of birth control.

Having more women in the workplace actually makes an organisation a better place to work, for people of all genders, and PABL is an apt example of this. It's committed to respecting and promoting women's rights, which includes the right to safety of women and girls.

Additionally, PDS helps employees find meaningfulness and enjoyment in their work. Takes the time to learn about their personal values, passions, strengths, and life goals. Brainstorm ways to integrate these things into their career, and allow them to work hours that make sense for their lives outside of work. The principle of 'Respect, Dignity & Fair Treatment' is enshrined by the company and PDS is committed to provide an environment that promotes respect for equal opportunity.





Human Capital

In their own words.....



PDS is a global organisation and with a multi-cultural environment with a very diverse workforce. It is believed at PDS that Women are powerful agents of change, and the far-reaching benefits of diversity and gender parity in leadership and decision making are increasingly recognised and supported throughout the company. Thus, it is a privilege to a part of the PDS Group and to work at leadership level where women are given the floor to perform and participate to grow to the next level.



Joanna Quiah
Merchandising
Manager



Rocksana Akter Liza
Senior Welfare Executive



Journeys are always remarkable when it has got good footprint and positive vibes. Since 2017, I have had remarkable learning and experiences here. During this tenure I have witnessed a lot of good staff of Progress Apparels (Bangladesh) Ltd. Among those, the women engaged in the front line have always motivated me. My willpower energises me for new roles and responsibilities to progress my values and ethics in PDS from which I will learn and grow. Leadership here is open and I am wishing my luck here to be in the Leadership of all aspects of facility employees' Rights, Responsibilities, Health and Safety etc.



I work in an equal opportunities based work environment where 82% of total workforce is female, As a representative of this large group, I feel honoured. Yearly strategic goals are always aligning here to step ahead girls and utilisation is really focused and output oriented. There are no barriers for female employees to reach their goals and spread their wings. Modern HR practices with the Progress Apparels culture have brought a tremendous change in line with employees' rights and I work directly in the area of Employees rights, Welfare and Benefits. I can see good career prospects for myself here in the PDS Group work environment, where upcoming business growth and challenges will merge.



Mariom Akter Moon
Senior Welfare Executive



Shanta Islam
Welfare Executive



Throughout both the developing and the developed world, women carry a disproportionately high burden of poverty. This poverty is experienced not just as material deprivation, but also as marginalisation, which means that those living in poverty often have no, or little opportunity to influence the political, economic, and social processes and institutions which control and shape their lives and keep them trapped in a cycle of poverty. Green Smart Shirts Ltd of the PDS Group, one of the leading garment manufacturing plants in Bangladesh is working to remove the poverty of women through job offers and the leadership program. Being an Executive-Welfare, I feel proud to be a part of this development and wellbeing program through PDS Group.





Human Capital

In their own words.....



I consider my ability to stimulate enthusiasm among my people the greatest asset I possess, and the way to develop the best that is in a person is by appreciation and encouragement. I have learned this attitude from Green Smart Shirts Ltd (PDS Group). There is nothing else that so kills the ambitions of a person as criticism of female employee. Green Smart Shirts Ltd believes in women empowerment and giving a person incentives to work. So I am anxious to praise but unwilling to find fault. If I like anything, I am hearty in my appreciation and lavish in my praise.



Shirin Akter
Asst. Manager
(Production)



Linet Steafany Fernandez
Jr. Executive- HRD & M



Over my years in HR, I have seen variety of work coming into the department which helped to expand my knowledge area. One thing I love about HR is that it is never boring and always challenging enabling employees and the overall organization to reach the company's goal, adding value and contributing my effort for the company. PDS Group is a place where we can learn more and have an opportunity of career progression and women empowerment doing job individually without any obstruction. I feel proud and secure to together with PDS family in Green Smart Shirts Ltd.



I believe in the equal employment opportunity based work environment where male and females are work in a parallel way. In the Bangladesh garment industry where 60% of total workforce is female, Green Smart Shirts Ltd is not out of this. Green Smart Shirts works closely to enhance female engagement in the workplace. There have no any barriers for female employees to reach their goal an spread their wings. As a representative of this large group (PDS) I feel myself honoured. Modern HR practices of Green Smart Shirts brought a tremendous change to my learning and career growth. I can see my good career progression with the PDS Green Smart Shirts work environment.



Mahmuda Akter
Officer
HR & Welfare



Safwat Ahmed Mridula
Executive – Merchandising



It's been a pleasure for me to work with PDS Group. I have started my career two years ago with PDS on the root level of Merchandising and have learned a lot from PDS as well as to reach out to my dream through building my career. PDS is a place where women are boosted up in the empowerment and leadership program. Thanks to PDS Group for open up the opportunities for their women employees to shine bright. I am very much proud to be a part of it.





Human Capital

In their own words.....



I'm working as Executive in Finance & Accounts Department in Green Smart Shirts Ltd. a concern of PDS Group for the past two and half years.

My job is not only about working with financial numbers but it also involves analysis and problem solving skills on a day to day basis. I am excited for my job here, because every day is a new challenge for me and every day I'm overcoming these hurdles.

I feel very much proud and respect to work here because I learn different skills and have opportunities to add some value as a women, as the work environment and the seniors are so motivating, I have the urge to do better, every day.

I love my job because we all are working as a family without any gender discrimination here.

I get the scope of explore more of myself which is why my passion for being an accountant is increasing with time. I have full empowerment.



Habiba Farzana
Executive- Finance
& Accounts



In this era of globalisation, numerous court rulings and laws have legitimised women empowerment and their right to be treated equally both at the society and at the workplace. Yet certain discriminatory behavior reminds females that they are not truly equal at the workplace. Ready-made Garments (RMG) sector, especially of a developing and a male dominated country, is also not an exception to that. Although women empowerment and gender equality are interrelated concepts, Green Smart Shirts Ltd (PDS Group) tries to find out among these two concepts which one should be emphasised to enhance the job satisfaction and performance of the female employees at its work place. PDS has always believed in me and helped me in proper decision making without being restricted by gender norms.

I admire and it is my gratitude to have an opportunity to be a part of the women empowerment through direct interaction with female employees of my workplace and to develop their skill to ensure their wellbeing.



Taslima Khatun Khushi
HR Officer



Women's empowerment ensures that women and girls have control over their lives and are able to participate actively in social, political, and economic domains. An educated women will have the skills, information and confidence that she needs to be a better parent, worker and citizen. I believe that educated woman will have a happier and healthier future.

Being a member of Green Smart family (PDS Group), I am honored and feel pleasure to get an opportunity to make myself a leader in the corporate industries.

Green Smart Shirt's family (PDS Group) is an entity which is always motivating women empowerment and leadership.



Nasima Akter Mina
Assistant Manager
Human Resources
Department



Human Capital

In the sourcing markets, the picture is different, but changing.

Bangladesh is the sourcing market where PDS Group has its largest number of employees.

Once one of the poorest countries in the world, Bangladesh has seen dramatic improvements in poverty levels and overall development in the last thirty years.

The ready-made garments (RMG) industry has played a key role in stimulating these improvements. The industry's rapid expansion from the late 1970s onwards helped fuel the economic growth needed to help push Bangladesh out of poverty. The industry remains very important today, accounting for 80% of Bangladesh's export earnings, and more than 12% of Gross Domestic Product. It's also currently the largest employer in the country, providing jobs for over 3.26 million people.

The garment industry's growth has been particularly important for women's economic empowerment in Bangladesh. Before the arrival of factory jobs, opportunities for formal wage work for women were rare, with most women limited to working at home, or in the informal sector. But though garment factories employ a huge number of women – almost 60% of the workforce is female, yet – fewer than 1% of female employees in the segment are Managers.

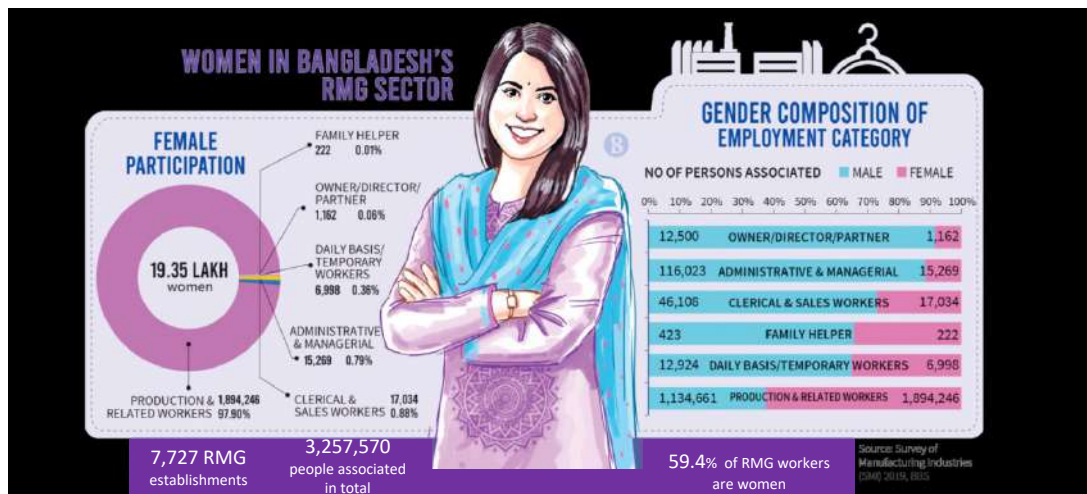


Image Source: www.tbsnews.net





Human Capital

Overall, across 20 business units and entities within the PDS Group in Bangladesh 5.5% of the roles at Manager level and above are occupied by women.

Below are the specific figures for the 5 largest Sourcing business units in Bangladesh which feature in this report;

Gender representation at Manager Level and above PDS Group Sourcing			
Business vertical (BD Sourcing)	Total No.	Female No.	% Female
Poeticgem	68	4	6%
Techno-Design	16	2	13%
Design Arc	20	1	5%
Simple Approach	33	1	3%
Zamira	10	0	0%



Raamann Ahuja,
Group CHRO,
PDS Group Fashions Ltd.

*“At PDS Group we are proud of our long-standing commitment to foster an inclusive workplace where our people can connect, belong, and grow. Our business leaders are working closely with HR business partners to ensure we are hiring the best talent agnostic to gender, race, culture. As an organisation where **People First** is one of our **PDS core values**, we are committed to creating an engaging environment where our people are valued, treated with respect, empathy, and compassion, and where diversity is a priority. For our Sourcing teams in Bangladesh, we are at present 5.5 % gender diversity in management roles and the leadership team is committed to take this up to 15% in the next 5 years.”*

Compensation & Benefits

Across the PDS Group, fair compensation practices based on country laws and industry standards are followed. We strive to devise competitive compensation packages for attracting and retaining high quality talent. The Board has approved an Employee Stock Options Program (ESOP) to reward the hard work and dedication of employees.

Recruitment, Development & Retention

PDS has acquired top talent from the industry and broadened our talent pool to deliver value to our customers. We have Leadership academy program and Junior Manager’s training programs to up-skill our workforce in line with the evolving business landscape and the challenges it presents. We have introduced 9 block grid based Performance Management process for effective and fair talent management.

PDS gives business awards and individual awards to recognise exceptional contribution from individuals and the teams.



Governance



Global, Collaborative, Digital, Ethical



Business Ethics

PDS is a professionally managed organisation and our corporate philosophy envisages attainment of the highest levels of Integrity, Accountability, Performance, Ethical Behaviour and Equity in all facets of our Operations.

HONESTY Exercise honesty in all communications and actions.	INTEGRITY Maintain personal integrity.	PROMISE-KEEPING Keep promises and fulfil commitments.	LOYALTY Be loyal within the framework of other ethical principles.
COMMITMENT TO EXCELLENCE Pursue excellence in all things, at all times.	LEADERSHIP Exemplify honour and ethics.	REPUTATION & MORALE Build and protect the company's good reputation and the morale of its employees.	ACCOUNTABILITY Be accountable for all actions.
FAIRNESS Strive to be fair and just in all dealings.	CARING Demonstrate compassion and a genuine concern for the well-being of others.	RESPECT FOR OTHERS Treat everyone with respect.	LAW ABIDING Obey the law.

Compliance

PDS Group operates a two dimensional Compliance function.

The Compliance team which undertakes all of the activities surrounding new factory on-boarding and on-going development and maintenance as well as maintaining overall compliance risk management and a separate Compliance Governance team which amongst other things ensures strict adherence to the Groups policies on Zero Tolerance Violations (**ZTV's**) such as unauthorised sub contracting.

Codes of Conduct

The PDS Group has a 'headline' Code of Conduct at Group level and also operates strict Codes of Conduct for its employees and its suppliers. These Codes of Conduct form part of the employees Contract of Employment and the supplying factories / business partners' Terms of Engagement and encompass strictly enforced Zero Tolerance Violations policies.

Whistle-blowing

The PDS Groups Whistle Blowing policy is intended to lay down procedures to handle complaints received from the confidential hotline / NAVEX GLOBAL[®] web site about any employee of the PDS Group. Every complaint received through NAVEX is reviewed by the Vigilance Officer / Ombudsman

Shareholder Democracy

At PDS, the shareholders take responsibility for ensuring that the company is well run and well managed. They monitor the performance of the company and give their approval to the actions of the management of the company.



PDS Group Compliance

PDS Group operates a two dimensional Compliance function.

(i). The Compliance team is headed by three Executive Directors and a General Manager, all reporting to the PDS Group's Vice Chairman.



Julia Rowlands
Executive Director



Rajeev Sharma
Executive Director



Leslie Durairaja
Executive Director



Newton Gomes
General Manager

Their primary responsibilities include:

- New factory On boarding,
- Audit scheduling and support,
- Corrective Action Plans development and closure,
- Customer liaison regarding factory Compliance performance,
- Factory development,
- Risk Management and Compliance.

Risk Management	Compliance
Risk drives strategic decisions	Compliance is a tactical decision
Risk activities are often tied processes	Compliance is tied to a set of requirements
The focus of risk is on uncertainty	Compliance focuses on adherence
The risk approach is predictive	Compliance is prescriptive

The PDS Group Compliance Team members number 53 people spread across the main regions where PDS sources and manufactures goods.

India	Sri Lanka	Bangladesh	China	Pakistan	Cambodia / Myanmar
5	7	37	1	1	2

"We, recognise that our Business Teams and indeed some of our Customers want choice and contingency when it comes to their factory bases. It is however, important to select and work with factories whose management have a progressive and positive mindset and it is also critical to maintain a high level of 'importance' in all of the factories we work with. Developing and maintaining this mindset ensures that we have the appropriate level of authority and influence within the factories to ensure on-going Compliance and to also be able to develop and continuously improve factory standards to support the growth of our relationships into genuine partnerships."

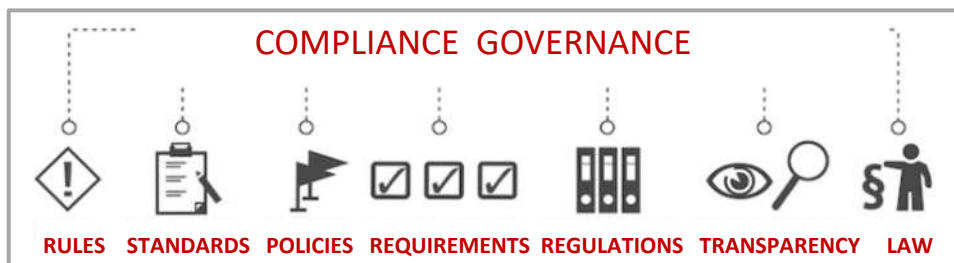


PDS Group Compliance Governance

(ii). PDS Groups Compliance Governance team is headed by Abu Zahid Nosor. His seven strong team is based in the key sourcing markets, covering Bangladesh, India, Sri Lanka, China and Vietnam is responsible for ensuring strict adherence to the Groups' Zero Tolerance Violations policies such as unauthorised sub contracting and ensuring adherence to the Groups' Compliance policies and Codes of Conduct.



Abu Zahid Nosor
GM Compliance Governance



The Compliance Governance Team also supports the Compliance Team with training and is responsible for the maintenance and development of the Compliance Management Information System (MIS).

Open and Transparent communication is critical

"We, the PDS Group Compliance Governance Team operate an open and transparent policy when it comes to notifying PDS Group customers of any unauthorised sub-contracting, or other Zero Tolerance Violation (ZTV) that members of my team may uncover.

Let's take a case of unauthorised sub-contracting.

If any unauthorised sub-contracting is uncovered by my team, I immediately inform the relevant PDS Group Business Unit Head and relevant PDS Group Compliance Director of the potential infringement of our policy.

On confirmation of the ZTV, I personally block the factory on our SAP system for any new orders. If the unauthorised sub-contracting is verified and orders are to be cancelled then the matter is communicated to the Customer by the relevant Business Unit Head and relevant Compliance Director. The Business Unit Head and Team member(s) responsible invite the owner / factory management concerned to a meeting to discuss the matter. Following the meeting the Business Unit Head and Team member(s) responsible send out the minutes of the meeting and a reminder of the PDS Group's expectations regarding Compliance to the factory Owner / Management copying in the relevant Compliance Director and myself.

*As a consequence of such a serious breach of our policy the factory may be issued with a *fine. Where this is the case I arrange the fine and the communication with the factory. The Business Unit Head and the Compliance Director are kept informed throughout this process.*

Following this, I write formal letter to the Customer(s) for whom the factory executes orders detailing the incident and the action taken.

For completeness, the PDS Group Compliance Team follows up with the factory on the unauthorised facility checking for available audit reports (Sedex , BSCI , WRAP etc.). If there are no valid audit reports a 3rd party audit will be scheduled and the cost of this will be charged to factory.

In the case where suspected unauthorised sub-contracting or other ZTV is not proven, then business will be allowed to continue, and the factory will be unblocked in SAP."

* Any financial penalties that are imposed are donated to charities.



Trust, Integrity & Ethics

We will always conduct ourselves, internally and externally with the highest degree of trust and ethics.

People First

We will foster an engaging environment where our people are valued and treated with respect, empathy and compassion, and where diversity is a priority.

Entrepreneurial Spirit

We will promote an environment where our people are always encouraged to be innovative, creative, self driven, and agents of change.

Transparency, Collaboration & Teamwork

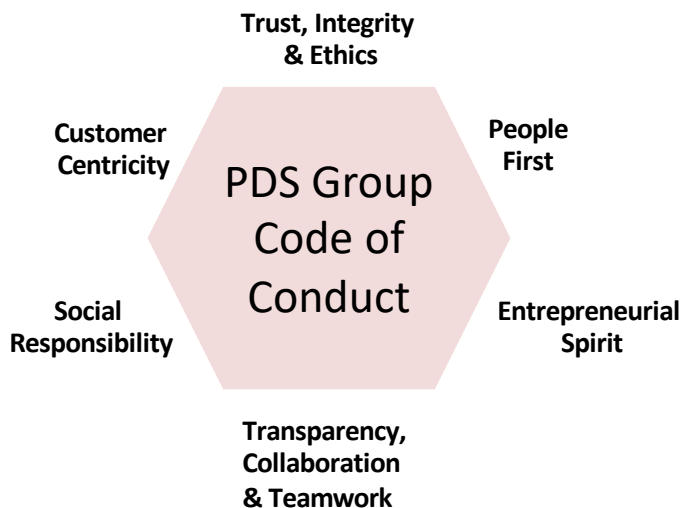
We will always work in a collaborative manner, fostering a “win / win” environment, internally and externally. We will foster open, honest communications where all team members are encouraged to openly share their opinions and views.

Social Responsibility

We will always conduct our business in a socially responsible manner, working to protect the environment, improve working conditions and support community involvement.

Customer Centricity

We will continuously engage with our customers to ensure that the highest quality of service is delivered. To deliver right value to our customer we understand our customers’ needs, learn from their experiences, align our business processes, engage with their leadership teams / buyers and transform PDS culture rightfully to win their loyalty.





Employee Code of Conduct

We believe that it is having the right corporate culture, that will empower our employees and business associates to build a stronger, more sustainable organisation.

No employees shall accept or give bribes or consideration in cash or kind to any third party for any favours.

All material and information of the Company not available in the public domain shall be treated as “confidential information” and shall be disclosed only in accordance with company policy.

All company assets, property or concepts shall not be put to any kind of wrong or inappropriate use including misrepresentation of financial transactions with a deliberate intent to gain personal benefit.

Falsification of any records for internal or external purposes with an intent to misrepresent is not acceptable.

Carrying out any commercial or financial activities either in competition or otherwise with the company without prior approval is not permitted.

Subjecting any employee or business associate to any form of harassment, including sexual harassment is unacceptable and not permitted under any circumstances.

All employees are required to comply with all local laws applicable to conduct their business.

All employees are expected to follow the sourcing code of conduct and the Zero Tolerance Violations (**ZTV**) policies.

Anonymous Reporting	Conflict of Interest	Environmental Health & Safety	Intellectual Property
Money Laundering & Insider Trading	Employee Code of Conduct		Information Security
Bribery & Corruption			Anti-trust Anti-competitive Behaviour
	Regulation Compliance	Discrimination	



Supplier Code of Conduct

All suppliers and service providers to the PDS Group and any of its constituent business units must sign up to and adhere to the Groups Supplier Code Of Conduct.

This forms part of our Terms & Condition of Business.

Customer standards: Work only with factories and suppliers that are approved by our customers and ensure compliance.

Child labour: Use of child labour, as per the prevailing laws, will not be tolerated (**ZTV**). any factory or supplier which engages in forced or bonded labour or Modern Day slavery in any contracting relationship (**ZTV**).

Forced labour / Modern day slavery: Forced Labour / Modern Day Slavery: We will not work with any factory or supplier which engages in forced or bonded labour or Modern Day Slavery in any contracting relationship (**ZTV**).

Disciplinary practices: We expect all of our partner factories to establish clear disciplinary action procedures in line with local law.

Legal requirements: We expect all of our business partners to comply with local laws applicable to conduct their business.

Ethical standards: We will work with such organisations whose ethical standards are aligned not divergent from ours (**ZTV**).

Working hours: We prefer to work with business partners who adhere to local law for working hours and who compensate their employees for the overtime worked.

Wages and Benefits: We work with business partners who pay their workers' wages and benefits as per the local laws.

Freedom of association: Under Freedom of Association, we respect the rights of workers to join an association of their own free choice and their right to engage in free collective bargaining.

Discrimination: Any form of discrimination whether caste, creed, race or religion is not acceptable (**ZTV**).

Unauthorised sub-contracting: We do not allow any form of unauthorised sub-contracting (Tier 1 or Tier 2) (**ZTV**).

Health & Safety: We will only engage with factories that provide their workers with a safe and healthy environment and avoid shared buildings and / or non industrial buildings (**ZTV**).

Environment: Business partners shall ensure that their work processes do not adversely affect the environment.

Dormitories: Business partners providing residential facilities to their staff should ensure appropriate safety, sanitation and hygiene.



**Zero
Tolerance**

Supplier Zero Tolerance Violations

PDS Group operates a strict policy on Zero Tolerance Violations. Any **ZTV** will strictly result in rescinding of any contractual partnership with the supplier.

Child labour (As per ILO or Local law, whichever is the more stringent).

Forced labour in any form overt or covert, and modern day slavery.

Discrimination in any form.

Harassment and Abuse at work place.

Unauthorised Subcontracting;

Use of Un-approved production unit for Tier 1 operations regardless of brands.

Use of un-approved Tier 2 facilities, for brands having such compliance requirements.

Access denied to auditor for conducting factory tour, worker interviews or document review or any other mode of denial that will hamper audit process.

Shared building with shops / markets, residences, different owner or with hazardous process, which may impact employees / product safety.

Factory building not approved for industrial purposes.

Any unethical practice, such as bribery in the form of cash or kind to facilitate any process.

Financial Integrity.



Governance

Whistle blowing

PDS Group and its subsidiaries (Group) are committed to complying with all applicable laws across the geographies where we operate. The Group is committed to abide by its Code of Conduct and Ethics policies to ensure that business is conducted with integrity.

NAVEX GLOBAL®

The Groups WHISTLE-BLOWER policy is intended to lay down procedures to handle complaints received from the CONFIDENTIAL hotline / NAVEX GLOBAL® web site, or an email to the Chairman of the Audit Committee about any employee of the PDS Group.

All relevant stakeholders are required to report to the Company any suspected violation of any law that applies to the Company and any suspected violation of the Company's Code of Conduct and Ethics, including;

- Bribery
- Disclosure of confidential documents.
- Misappropriation of company assets in any form – intellectual or otherwise.
- Falsification of records
- Carrying out any commercial or financial activities in competition with the PDS Groups business including; suppliers, customers and service providers of the PDS Group.
- Sexual harassment by either gender
- Violation of sourcing code of conduct and the ethics policies.
- Any act by any employee which is against the policies and principles of the company .

“The Navex Global system is a reporting mechanism that enables any person to report any possible illegal, unethical or improper conduct either through a multilingual Hotline or by filing a report online.

Navex Global / Ethics Point is operated and managed by an independent US Corporation that ensures confidentiality and anonymity of all calls, Those who choose to provide their name will have their identity protected to the extent allowed by law”.

Each of the PDS Group Business Units has its own Ethics Point email address as well as the PDS Group having a central Ethics Point email address (shown below). By customising the URL names for each business, the chances of employees / external parties reaching out are greater given they are likely to identify with the company name that they are familiar with. Callers may remain anonymous and those who do provide their names have their identity protected to the full extent allowed by law.

All messages to these addresses are redirected to the common intake site, i.e. each complaint gets registered on any of the PDS Group Business Units email addresses flows into the PDS Groups' central “NAVEX GLOBAL ® “ inbox . Every complaint received through NAVEX GLOBAL ® is reviewed by the Vigilance Officer / Ombudsman and is sent to the members of “Board of Disciplinary Action”, which is appointed by the PDS Group Board.

Full details of all of the PDS Groups Codes Of Conduct are available in the;
PDS Group Code Of Conduct Compendium.

Version 1.0 of these policies was reviewed by Deloitte Touche Tohmatsu India LLP (DTTILLP), prior to publication.

Confidentially report any unethical practices at; www.pdsmultinational.ethicspoint.com
Or write to;
ethics@psdmultinational.com

Whistle blowing

PDS Group Business Units' own Ethics Point URL's.

www.pdsmanufacturing.ethicspoint.com
www.poeticgem.ethicspoint.com
www.technodesign.ethicspoint.com
www.designarc.ethicspoint.com
www.simpleapproach.ethicspoint.com
www.zamirafashions.ethicspoint.com
www.norlankamfg.ethicspoint.com
www.springneareast.ethicspoint.com

www.casacollective.ethicspoint.com
www.clovercollections.ethicspoint.com
www.twinsasia.ethicspoint.com
www.fareastvogue.ethicspoint.com
www.gruposourcing.ethicspoint.com
www.jcraft.ethicspoint.com
www.kleider.ethicspoint.com
www.norwest.ethicspoint.com
www.pdsasiastar.ethicspoint.com
www.pggroup.ethicspoint.com
www.poeticbrands.ethicspoint.com
www.sourcingsolutions.ethicspoint.com
www.springdesign.ethicspoint.com
www.styleberry.ethicspoint.com
www.transportpartners.ethicspoint.com
www.yellowoctopus.ethicspoint.com
www.krayonsourcing.ethicspoint.com

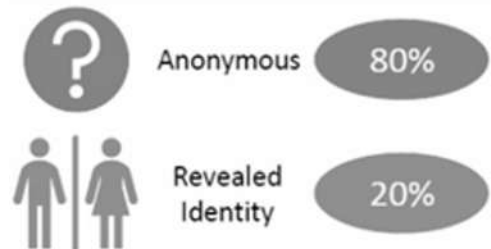


Analysis of Complaints received via the NAVEX GLOBAL® Platform

Mode of Complaints (%)



Identity of Complainants (%)



Source of Complaints (%)



ALL complaints are reviewed and duly closed.

Metrics



Global, Collaborative, Digital, Ethical



Metrics

In the PDS Groups 2021 Sustainability Report we focussed on setting sustainability objectives and targets for 10 of the larger businesses within the Group.

These were, seven PDS Group Sourcing businesses: Poeticgem, Techno-Design, Design Arc, Simple Approach, Zamira Fashions, Norlanka and Spring Near East which collectively represent almost 60% of the PDS Groups annual revenue and the PDS Group's three manufacturing businesses: Green Smart Shirts Ltd, Progress Apparels (BD) Ltd. and Norlanka Manufacturing Ltd. which together represent around 10% of the Groups revenue.

This section of the Report covers the performance of those businesses against their objectives and targets. Driving the Sustainability Agenda across a Group as diverse and widespread as PDS requires the passion and engagement of a large number of people. We manage this through a dedicated team of Sustainability Managers and Sustainability Champions whose hard work and commitment helps the PDS Group deliver on its objectives. Here we introduce you to our colleagues who have worked hard to drive sustainability in those PDS Group Business Units and who have shared the results as part of this years' Sustainability Report.



Md. Belal Hossain
GM (HR, Admin & Compliance)



Abu Sayed Nasim
Senior Manager - Compliance



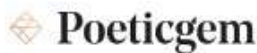
Amila Jayawardena
Sustainability Manager
NORLANKA



Norlanka's Manufacturing and Sourcing
Business Units



Kavita Dass
Head of Sustainability & Fabrics



Deepraj
Manager – Strategy & Projects



Nicola Hakkak
Senior Garment Technologist
(Sustainability Champion)



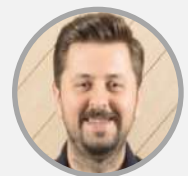
Ilshio Lovejoy
General Manager – Sustainability



Germaine Heng
Sustainability Manager



Samet Cetin
Sustainability Manager





Metrics

PDS Manufacturing



NORLANKA



Metrics



Below are the key Sustainability metrics set out the PDS Group's 2021 Sustainability Report showing this years performance of Green Smart Shirts Ltd units against the benchmarks and the trend.

Green Smart Shirts Limited, Bangladesh	Trend & Comments	April 2021	April 2022
<p>Install pressure reducing valves to avoid water waste.</p> <p>Target: To reduce water consumption by 5% versus 2020/21 consumption.</p>	<p>2020/2021 Average manpower: 2,004 Usage per person = 1,251 lts/month</p> <p>2021/2022 Average manpower : 2,776 Usage per person = 958 lts/month</p> <p>Reduction: 23%</p>	2,507,000 lit / month (average)	2,659,695 lit / month (average)
<p>Conduct training for all employees on the reduction of water wastage.</p> <p>Target: To train 100% of employees (around 3,000) through PA system and face to face training.</p>	Water wastage can be reduced through training our colleagues in efficient use and reduction of waste.	350 people	3,000 people
<p>Reduce electricity consumption.</p> <p>(i). Install partial control switches.</p> <p>(ii). Post awareness signs with electric switch boxes in specific places to avoid unnecessary electricity consumption.</p> <p>Target: To reduce electricity consumption by 2% versus 2020/21 consumption.</p>	Reduction = 3%	Production = 298,064 units kWh/unit = 0.29	Production = 696,356 units kWh/unit = 0.26
<p>Conduct training for employees on electricity saving.</p> <p>Target: To train 500 employees on electricity use through PA system and face to face training.</p>		525 people	3,000 people
<p>Reduce diesel consumption by installing waste fabric (Jhute) burning boiler to utilise the waste produced daily. This saves electricity and oil used in the production of steam.</p> <p>Target: To reduce 80% diesel consumption.</p>	Reduction = 46%. The Jhute boiler will now be in place in Sept. 2022, allowing for the full achievement of this target.	Production = 298,064 units Litres per unit = 0.049	Production = 696,356 units Litres per unit = 0.027
<p>Reduce and reuse water</p> <p>Re-use hot water (20%) and steam (30%), to reduce water used in the boiler.</p> <p>Target: To reduce water consumption by 10% and electricity consumption for the boiler by 5%.</p>	Reduction = 12%	Production = 298,064 units Litres per unit = 0.35	Production = 696,356 units Litres per unit = 0.23
<p>Reduce wastage</p> <p>Segregate polythene from other factory waste to avoid contamination.</p> <p>Target: To reduce environment contamination of polythene by 10%.</p>	We have segregated area to store waste polythene and also make awareness training to the cleaner and loader to make the segregation properly so that any contamination is avoided.	Production = 298,064 units Waste per unit = 3.22g	Production = 696,356 units Waste per unit = 1.52g



HIGG Index ID.135939



Metrics



Fateh Islam C.E.O.

"We have performed well against the main targets we set out to achieve over the past year. I am particularly pleased to see that we have successfully reduced the water and electricity consumption comparing to last year. Our aim is to make GSSL a carbon negative plant and lead the industry by example, in the field of sustainability by 2023."

2022 / 2023 Sustainability Initiatives



Md. Belal Hossain, GM (HR, Admin & Compliance).

"We are committed to prioritise our 2022/23 sustainability achievements as we did last year by introducing new technology in the washing plant to reduce water and electricity consumption. We will install ETP & STP to reuse of water and avoid environmental contamination and we will also install a 500 kWh solar energy plant to reduce fossil fuel based energy consumption."

Green Smart Shirts Limited, Bangladesh	Trend & Comments	2021/22	2022/23
Build a 20,000 units / day washing plant on site which will remove the need to transport goods for washing. The washing plant will use latest technology for energy and water efficient processing	Expected completion date 30/09/22	-	
Build a 10-20 cubic metre / day effluent treatment plant to reduce water and chemical consumption.	Expected completion date 30/09/22	-	
Build a sustainable 10 cubic metres/ day sewerage treatment plant to facilitate the reuse of waste water.	Expected completion date 30/09/22	-	
Install a Jhute boiler to utilise 100% of raw materials waste, reducing landfill and reducing bought in energy.	Expected completion date 30/09/22	46%	
Plan to install a 500 kWh solar energy plant reducing demand for fossil fuel based energy and CO ₂	Expected completion date 30/09/22	-	



HIGG Index ID. 126265



Metrics



Below are the key Sustainability metrics set out in the PDS Group's 2021 Sustainability Report showing this years performance of Progress Apparels (BD) Ltd against the benchmarks and the trend.

Progress Apparels (BD) Limited, Bangladesh	Trend & Comments	April 2021	April 2022
Installing auto-stop taps to reduce water waste. Target: 45% reduction in consumption.	Achieved a 54% reduction in overall consumption.	Target 45%	Achieved 54%
Increasing the awareness of the workers regarding water use and waste. On-going.	409 man / hours of training have been undertaken	-	409 man/hours
Installing counter current flow technology in the boiler operation. Completion within 2021.	Condenser Recovery System in place for boiler. Flow meter not required due to zero loss.	-	Completed
100% of combustible materials (waste fabrics etc.) to be used to generate 15% of the factory's steam requirements. On-going.	21% of the factory's steam consumption was generated using combustible waste during 2021. This is due to the increased production and relative increased waste.	Target 15%	Achieved 21%
Tree plantation within the factory compound is currently (2020/21) 1,000 trees. Target: 100% increase during 2021/22.	A further 1,000 trees have been planted in the past 12 months.	1,000 trees	2,000 trees
Reducing the factory transport. Recruiting more workers locally. On-going.	97% of our employees are now recruited locally compared to 80% last year, reducing the amount of transport required.	2,246 recruited locally	3,375 recruited locally
Conducting waste awareness of the employees in the factory. Within 2021.	291 man / hours of training have been undertaken.	-	291 man/hours
Using factory fans instead of the air conditioning.	The need to use the factory air conditioning system has been reduced by a further 13% to zero use in the factory	650 fans	810 fans
Reducing the use of polythene bags.	A 16% reduction in the use of polythene bags has been achieved year on year.	4.18m garments : 657kgs polythene bags	6.18m garments : 812kgs polythene bags



Rajeev Dubey C.E.O.

"I am pleased to see that we have achieved what we set out to do in the past 12 months with regard to the targets we set ourselves last year. On top of these achievements we are proud of the health awareness program that we have been conducting in the factory including the Hepa-B and CoVid-19 vaccination programs for our employees, as well as the work we have done in delivering 450 health consultations for people in the local community."



HIGG Index ID. 126265



Metrics



2022 / 2023 Sustainability Initiatives



Abu Sayed Nazim – Senior Compliance Manager.

“Sustainability has become a key factor in measuring “business excellence” in our industry.

At Progress Apparels (BD) Limited, we fully engage all of our colleagues in our sustainability objectives. We have set ourselves further targets for 2022/23 which will help us to achieve our longer term aims and will help all of us to deliver a better environment for future generations.”

Progress Apparels (BD) Limited, Bangladesh	Trend & Comments	2021/22	2022/23
A further 2% water saving through the use of auto-stop taps in the canteen and dining areas.		54%	
As part of on-going awareness. A further 300 man hours of training regarding water use and waste reduction will be given to workers and staff.		409 man/hours	
100% of combustible materials to be used to generate 90% of the factory steam needs.		21%	
Tree plantation within the factory compound is currently (2021/22) 2,000 trees. Target: A further 200 trees will be planted in 2022/23.		2,000 trees	
Reducing the factory transport. Recruiting more locally. Increase the workforce by 5% all of whom will be recruited locally. 97% of our employees are recruited locally.		3,375 recruited locally	
As part of on going awareness a further 240 man hours of waste awareness training for the employees in 2022/23.		291 man/hours	
Undertake a Drinking Water Awareness Campaign and a General Health Awareness Campaign in the local community.		-	



Metrics



Below are the key Sustainability metrics set out the PDS Group's 2021 Sustainability Report showing this years performance of Norlanka Manufacturing Ltd. against the benchmarks and the trend.

Norlanka Manufacturing Limited, Sri Lanka.	Trend & Comments	April 2021	April 2022
Net positive renewable solar energy generation. Average monthly consumption - 60,000 kWh. Average monthly clean energy generation 70,500 kWh.	Completed in Jan. 2022 Generation in Feb – 32,840 kWh (18 days), March – 62,429 kWh.	0 kWh	95,269 kWh
Reuse water from effluent treatment plant for flushing. Average: 6,000 litres / day. Target completion: Dec. 2021.	Postponed to 2022/2023.	-	
Rainwater harvesting system to recharge ground water. 800,000 litres of rainwater recharge expected dependent on level of rainfall.	Completed in Jan. 2022. Expected rainwater harvest – 4.95 million litres, (per year) expected ground water recharge – 3 million litres (per year).	-	
One tree matters campaign Phase 1 implemented, 1,500 plants. Phase 2. > 1,000 plants.	Completed Phase 1 – 420 plants within 10 days in Mar. 2022.. Phase 2 in 2022/2023.	420 plants	
Reusing, up cycling or recycling up to 80% of total generated waste.	Completed in Mar. 2022. Fabric, card board, plastics and food waste is 100% recycled or sent to reuse. Above 90% of total waste generation is either recycled or reused.	-	
ISO 14064 – 1 Carbon footprint quantification and reporting.	Carbon footprint of the organisation in 2020/2021 – 3,012 tonnes of CO ₂ (consolidated value for manufacturing plant and corporate office), Carbon footprint of the manufacturing facility: 694 tonnes CO ₂ .	-	
LEED Gold Certification by end of 2021.	Completed in Jun. 2022. Will receive our certification by Dec. 2022.	-	



Metrics



G.S. Periwal C.E.O.

"Norlanka's ESG goals are aligned to United Nation's sustainability goals.

We are aiming to become a net zero land-filling organization by 2024, and to be carbon neutral at our corporate office and manufacturing plant by 2025. We have already obtained the ISO 14064:1 certification for quantifying and reporting our carbon emissions, and now we have set our reduction targets.

In addition, we have implemented a solar energy project and a rainwater harvesting system at our manufacturing plant. We are planning to extend these renewable energy and water conservation projects to our partner factories as well."

2022 / 2023 Sustainability Initiatives



Amila Jayawardena, Sustainability Manager.

"We have set the baseline as well as achieved a few key milestones such as ISO 14064:1 certification in the last financial year (2021/22). This year we plan on driving our efforts further starting with achieving LEED Gold for Norlanka Manufacturing. We also plan to improve the HIGG FEM score and our ESG initiatives.

There will be more focus on Building Community and People in the coming year.

Norlanka will continue to work on its total ESG roadmap with bold targets to ultimately help build a carbon neutral manufacturing culture in Sri Lanka."

Norlanka Manufacturing Limited, Sri Lanka	Trend & Comments	2021/22	2022/23
Achieve LEED Gold Certification by December 2022.		-	
One Tree Matters – Phase 2. 10,000 more saplings to be planted by March 2023.		420 plants	
Re-use and average of 6,000 litres / day of water from effluent treatment plant for toilet flushing by December 2022.		0	
HIGG FEM self assessment, improving the scores and verification: 2019 score = 16, 2020 score = 32. We plan to improve self assessment score for 2021 up to 62. By December 2022.		HIGG FEM score = 32	
Set up energy, water, waste and emission reduction targets and strategies for the year 2022/2023. By August 2022.		-	
ISO 14046 – Water auditing and reporting certification. By March 2023.		-	



Metrics

PDS Group Sourcing Business Units'

Performance against 2020/21 targets and benchmarks



T C N
E H O
D E S I G N



NORLANKA





Metrics

Performance against the targets set in April 2021

Poeticgem	Trend & Comments	April 2021	April 2022
Use of Environmental Impact Measurement (EIM) software. 85% of Denim garments to achieve a score of < 35 by end of 2021. (90% by end of 2022, 95% by end of 2023).	We have exceeded our target and 92% of our denim garments score EIM <35.	60%	90%
Zero Discharge of Hazardous Chemicals: For all Fabrics: 80% of supplying mills to have Waste Water Test reports uploaded to ZDHC and the IPE Gateway by end of 2021. (100% by Q4 2023).	We have achieved this target with our key mills uploading their WWT Reports onto the ZDHC Gateway. This is a total of 65 Wet processors.	40%	80%
No untraceable MMCF to be used (FSC/PEFC/Canopy Green Shirt certified only) in at least 80 % of our offer by end of Q4 2021. (90% by end of Q4 2022, 100% by Q4 2023).	This target has been surpassed a year ahead of the timeframe we set ourselves. 100% of our MMCF fabrics on order are sustainable MMCF (Green/Dark Green Canopy) from Q1 2022.	24%	100%
There will be no “conventional” Cotton in the PGI Offer by end of 2021. Our offer to customers will consist of BCI and Organic cotton only.	We have achieved this target and our offer is consistent with BCI as a minimum.	90%	100%
Identify at least two strategic factory partnerships to reduce Scope 3 emissions in their value chain by Q4 2021 and, collaborate by end of Q4 2022 on at least one strategic project each, to reduce Scope 3 emissions.	We have identified the two Bangladesh factories as Progress Apparels and GSSL. We will now engage with them on the specific project each to reduce the Scope 3 emissions associated with our business with them.	10%	100%
PGI UK HO to use only “green” vehicles for their owned vehicles, Scope 1 and to identify and set a baseline and a target for emissions reduction by Q4 2021.	We have set a baseline for carbon emissions 4,150 kg of CO ₂ in the FY 2021-22 . Our Target is now set to reduce the emissions by 50% to 2075 kg CO ₂ emissions by end of Q4 2023 by changing our vehicles to hybrid or electric.	25%	100%



Metrics

Performance against the targets set in April 2021

Poeticgem	Trend & Comments	April 2021	April 2022
Switch Polyester to Recycled polyester at least 30% GRS or RCS certified offer, in 30% of fabrics by Q4 2021. (40% by Q4 2022 and 50% by Q4 2023).	We are now successfully offering GRS 100% (per fabric composition) recycled polyester, for at least 30% of our product, across all our customers- however the uptake is determined and driven by the customer. Some of our core lines for key customers are now in 100% recycled polyester.	13%	30%
Implement the digital design 3D platform across at least one key Customer account by Q4 2021 to reduce number of samples by 20%. (20% across all customers by Q4 2022, 30% across all customers by Q4 2023).	This initiative is driven by customer willingness to reduce the samples. So far there is some success in a core program for a key customer but some customers insist on seeing samples of each design shown on CLO.	0%	3%
PGI to sign up to appropriate platform to measure and report Greenhouse Gas (GHG) emissions, and agree a baseline, by Q4 2021, to deliver set targets for 2022 & 2023 against the baseline.	We have successfully signed up to SAC / HIGG for the FEM and FSLM in Q4 2021. The baseline to be aligned with the Foundation Module 2022 and we are working on our 3 year plan.	75%	100%
Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Poeticgem to have this status by the end of Q4 2022.	We have made good progress as 80% of our key factories have signed up to the HIGG. However, we are still not where we aimed to be on this. We are engaging with the stragglers and progress is being made.	25%	75%
Chemical compliance standards for Fabrics: 85% of fabrics sourced to be from Oeko-tex certified mills by end of Q4 2021, 95% by end of Q4 2022 and 100% by end of Q4 2023.	We have surpassed this target and our minimum requirement for 100% of our mills is the Oeko-tex certification. We are engaging with any that might not be there and have an 'exit plan' established to ensure these mills adhere to this requirement.	85%	90%



Metrics

Performance against the targets set in April 2021

Poeticgem	Trend & Comments	April 2021	April 2022
Cradle to Cradle (C2C) Collection Offer: Design and collaborate with Fabric mills to deliver a C2C collection end of Q2 2022.	Fabric mills identified. Work in progress to put together the right C2C fabrics. The aim is to have a viable fabric collection to offer Design by Q2 2022.	0%	100%
Identify opportunities and make available, for our employees, to contribute their talent and time to their communities, in an easy accessible format by Q2 2022 onwards.	We have surpassed this target by one quarter as opportunities should be available by end of Q1 2022. A CSR 'Service Day' has been authorised by the business for each employee. Two charities have been identified in the UK. Work is in progress to identify these in Bangladesh and India too.	0%	100%
PGI Bangladesh to initiate one strategic community program in the Bangladesh Regional Office catchment, aimed at the empowerment of women by Q2 2022.	We achieved this target early in Q4 2021. We now support the 'Bir Muktijodda Khandaker Abu Hossain memorial Girls School'. PGI will be building their infrastructure for Toilets, Boundary wall and Playground, to help enhance these basic facilities at the school. A contractor has been engaged to deliver in time for Q2 2022 end. We have surpassed this target by identifying another girls school in Bangladesh as well and we began supporting that school within Q1 2022.	50%	100%
PGI UK Head Office to use at least 50% green energy for Scope 1 & 2 emissions reduction by Q3 2022. (100% by Q4 2023).	We have surpassed this target for electricity by achieving 70% increase in renewable electricity Q3 2021. An increase from 27% to 83%. We are on track to change some of our owned / leased cars to less impactful versions by our target date.	27%	83%



Metrics

Performance against the targets set in April 2021

Poeticgem	Trend & Comments	April 2021	April 2022
COC Transparency: Certifications to be submitted for each order by Q4 2022 for GRS/RCS/GOTS/OCS.	We have surpassed this target across our customers by Q4 2022.	20%	90%
PGI UK HO & Bangladesh to identify one tree plantation partnership to support an Urban Greening drive in the community by the end of 2022.	We are scoping for this partnership and are on track to identify and approach for collaboration by Q3 2022.	0%	50%
Branded Closed Loop fibres like; Ecovero© (>50%), Tencel© Modal (>50%), Tencel© Lyocell (>30%), Liva Eco© (>50%), in at least 25% of ranges developed by PGI by end of Q4 2022. (30% by 2023).	We have achieved this target by switching some of our core and new mainline programs across customers to 'Branded' fibres. We offer these fibres in 100% of our MMCF offer. (100% in each fabric offered). This is dependant on customer uptake.	8%	25%



Anuj Banaik, Managing Director.

"We set ourselves some challenging sustainability targets last year, some of which have completion timelines extending to the end of 2023. I am very pleased with the progress we have made throughout 2021 and into Q1 of this year, but we must maintain momentum to deliver on these targets and on others we will set ourselves on our journey to making Poeticgem a sustainable business that our customers cherish and our competitors envy."





Metrics

2022 / 2023 Sustainability Initiatives



Kavita Dass, Head of Sustainability & Fabrics.

"We began our journey focussing on the low hanging fruit, targeting our raw materials and where they come from, as well as starting to measure which materials were sustainable.

This helped us identify the improvements we could make, and to set our roadmap to

manage our footprint. We are a large business so this was no easy task. We have now made

some great strides in switching our raw materials to sustainable, traceable ones and we have also established firm guidelines and mandates, on our compliance standards.

We have improved our SOP's and ways of working, joined the SAC (HIGG), as well as dedicating time to train our colleagues to help push our sustainability agenda forward, by embedding 'Sustainability Champion's, within the business, to drive this change that is both cultural and material. We have begun identifying any gaps and agreeing a way forward within Poeticgem and also across our supply chain.

Our targets for next year are ambitions and build upon what we have achieved this year. Through experience, better measurement and management, we will reduce our impacts in the coming year."

Poeticgem	Trend & Comments	2021/22	2022/23
Use of Environmental Impact Measurement (EIM) software. At least 30% of non Denim garments to achieve an EIM score of <35 by end 2022, 50% by end of 2023.		30%	
PGI UK HO to use Greener vehicles for their owned vehicles, Scope 1 & 2 to achieve the set target of 50% reduction to 2,075kg CO ² emissions by end of Q4 2023.		0%	
Top 5 wet processors (fabrics) across the business must sign up to the ZDHC Foundation level by Q4 2022 and Top 10 by end of Q4 2023.		40%	
Switch Polyester to recycled polyester at least 30% GRS or RCS certified offer, in 40% of fabrics by Q4 2022 and 50% by Q4 2023.		30%	
Ensure that where required, factories, be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Poeticgem to have this status by the end of Q4 2022.		75%	
PGI UK Head Office to use 100% green energy (electricity) for Scope 1 & 2 emissions reduction by Q4 2023.		82%	
PGI Bangladesh to support on a continuous basis, one strategic community program in the Bangladesh Regional Office catchment, aimed at the empowerment of women through Q2 2022 to at least end of Q4 2023.		50%	



Metrics

Performance against the targets set in April 2021

Techno-Design	Trend & Comments	April 2022	2022/23 Targets
Transform the complete NOS in our own brands with the objective that 100% of the items will be manufactured using sustainable raw materials instead of conventional raw materials by Autumn / Winter 2022.	Facing challenges in availability of sustainable yarn at competitive prices.	Achieved 12.5%	20%
Progressively use 3D technology to visualise designs and fitting to increasingly eliminate physical sample creation.	Currently, many of our customers have begun using The 3D optimisation process. The feedback is very positive, providing leverage to include more fashion designs before finalising collections.	Proto-typing eliminated. 100% in own brands and 50% photo samples are now digital	100% digital photo samples by end of FY2022/23
Supporting brands and retailers to create time bound sustainability footprint.	Please refer to our 2022/23 Sustainability Initiatives.	WIP	
Optimise merchandise planning and allocation for our own brands so that the right SKU is allocated to the right point of sale and there is no extra production and waste.		WIP	Completion by Q1 2023
Creating a time bound programme for GOTS certification by the end of 2021.	Started with Techno Design HK Limited.	On-going	By Q1
Reduce travel budgets and carbon footprint by adopting tech platforms to conduct business as usual, virtually with our Worldwide offices.	Successfully implemented and adopted required tech platforms to present our product to customers digitally and to reduce frequency of travel to different offices.		Further technology solutions to be adopted
Adopt an efficient disposal system for prototypes / samples for reuse by the end of 2021.	Achieved. Samples are being donated to Caritas. SOP to be written.		On-going
Make service contracts for all hardware in office to be upgraded only against exchange. Service contracts should only be made with companies which have transparent sustainable value system.	Postponed		



Rajive Ranjan, Managing Director.

"The vision of our organisation is "be the most innovative, consumer-centric and efficient supply chain solution provider in the fashion industry through highly ethical and sustainable means". There is a lot of focus on innovation and sustainability and the various initiatives we have taken to optimise our supply chain processes is in sync with the core value of social responsibility and sustainability.

I am very pleased with what we have achieved in the past year, particularly the adoption of 3D technology to reduce physical samples and I am sure we are going to build on that and work towards making a positive impact on the environment."



Metrics

2022 / 2023 Sustainability Initiatives



Deepraj, Manager – Strategy & Projects.

“The use of sustainable raw materials is the basis of shifting the traditional business model to a more circular business model. It is, therefore, very important for us to start with a sustainability roadmap and work upon it with the brand and retailers to be better prepared for the future. Our target for this year is to partner with our customers on increasing the usage of sustainable yarns as well as creating solutions for circular fashion. We have collaborated with Organic Cotton Accelerator (OCA) to work towards increasing organic cotton cultivation and helping farmers.”

Techno-Design	Trend & Comments	2022/23	2023/24 Targets
<p>Creating solutions for circular fashion in collaboration with Yellow Octopus for brands and retailers.</p> <p>Objectives:</p> <ul style="list-style-type: none"> • No goods going to landfill. • Highest financial recovery of excess inventory. • Secure destruction of unsalable stock. • Sustainable post-purchase experience for customers. • Post-purchase data x insights. 		Discussions in Q1 FY22-23 with top management of one of our major customers.	Partner with 5 customers to work towards circular fashion concept.
<p>Collaboration with OCA (Organic Cotton Accelerator) to work towards:</p> <ul style="list-style-type: none"> • Organic Certification. • Increasing organic cotton cultivation and usage. • Positive farmer business case. • OCA validation. 		Collaborate with our customers and pre book at least 100 tonnes of organic cotton at garment level.	





Metrics

Performance against the targets set in April 2021

Design Arc	Trend & Comments	April 2021	April 2022
There will be no “conventional” cotton in the Design Arc offer by end of 2024. The offer will consist of BCI and Organic Cotton only. (BCI/Organic/IC2 cotton for 50% of the product base by Q4 2021. 65% by Q4 2022, 75% by Q4 2023 and 100% by Q4 2024.	We have exceeded our Q4 2021, Q4 2022 and Q4 2023 targets. We are confident that we will meet our Q4 2023 target.	-	91%
No untraceable Viscose to be used (FSC/PEFC/Canopy Green Shirt certified only) by the end of 2023. (FSC/PEFC/Canopy Green Shirt certified viscose for 50% of the product base by Q4 2021. 75% by Q4 2022, 100% by Q4 2023.	We are on track to reach our Q4 2022 target of 75%.	<50%	61%
Switch Polyester to Recycled Polyester at least 25% GRS or RCS certified offer, in 50% of the fabrics by the end of 2023. Recycled Polyester for 25% of the product base by Q4 2021, 35% by Q4 2022 and 50% by Q4 2023.	We have exceeded our Q4 2022 target of 35% and we are optimistic that our Q4 2023 target of 50% will be met.	-	38%
Promote the use of vegetable and herbal dyes saving 22 litres of water per kg.	This target has not been achieved due to testing failures. Design Arc is working closely with the mills in India to make the necessary improvements to be able to reoffer for 2022/23.-		
Work with our three main fabric mills to support the development of their Sustainability Agendas.	The fabric mills are working to maintain their sustainability agendas. The initiatives put in place have been greatly effective for saving water and reducing emissions. e.g. One of our fabric mills has put initiatives in place to save 1,439m³ of water per annum and to reduce CO₂ emissions by 66 tonnes per year.	-	One mill: reduced 1,439m³ of water and 66 tonnes of CO₂ Annually.
Promote the use of Digital Tools for all business processes with special emphasis on 3D design with an aim to reduce physical samples (buying samples & sealing samples) to 50% by the end of 2023. (reduce the physical samples by 15% by Q4 2021/35% by Q4 2022/50% by Q4 2023).			
Committed to provide school education to 125 children in Bangladesh since 2015 through Soham for All (program run by Hope Worldwide UK and supported by PDS, Design Arc). Program extended to provide vocational training (Industrial Sewing & Tailoring and Computers & Spoken English) to 60 women (capacity 120 annually) who want to support their families financially.	PDS/Design Arc has been funding this initiative since 2015.	On-going	On-going
Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Design Arc to have this status by the end of Q4 2022.	FEM: Registered - 71% Self Assessed - 67% Verified - 67% FSLM: Registered – 33% Self Assessed – 14% Verified – 10%		FEM 100% FSLM As req. by end of 2022
Chemical compliance standards for Fabrics: 85% of fabrics sourced to be from Oeko-tex certified mills by end of Q4 2021, 95% by end of Q4 2022, 100% by end of Q4 2023.	Completed ahead of schedule. 100% of fabrics are now sourced from Oeko-Tex certified mills.	<85%	100%



Metrics



Rakesh Chadha, Managing Director.

"We, at Design Arc started our journey towards the sustainability roadmap last year and we are very proud to say that in most of our initiatives we have exceeded our targets. This is a big achievement for our teams considering the current pressures on the supply chain in our industry. We are fully committed to continue our journey and achieve the desired results by creating awareness both internally and externally with all stakeholders as well as providing continuous training to our teams."





Metrics

2022 / 2023 Sustainability Initiatives



Nicola Hakkak, Senior Garment Technologist - (Sustainability Champion).

“At Design Arc, we continually strive to promote the importance of choosing more sustainable raw materials, over price, to our customers. We are working towards reducing our carbon footprint by producing and dispatching fewer samples through encouraging the use of our technology and digitalisation.”

Design Arc	Trend & Comments	2021/22	2022/23 Targets
There will be no “conventional” cotton in the Design Arc offer by end of 2024. The offer will consist of BCI and Organic Cotton only. BCI/Organic/IC2 cotton for 50% of the product base by Q4 2021.		91%	95%
No untraceable Viscose to be used (FSC/PEFC/Canopy Green Shirt certified only) by the end of 2023. FSC/PEFC/Canopy Green Shirt certified Viscose for 50% of the product base by Q4 2021.		61%	75%
Switch Polyester to Recycled Polyester at least 25% GRS or RCS certified offer, in 50% of the fabrics by the end of 2023. Recycled Polyester for 25% of the product base by Q4 2021.		29%	50% by end of 2023
Promote the use of vegetable and herbal dyes saving 22 litres of water per kg.		Re-offer for 2022/23	
Continue to work with our three main fabric mills to support the development of their Sustainability Agendas.	Roll out the example from one of our mills that put in place initiatives to save 1,439m ³ of water per annum and reduce CO ₂ emissions by 66 tonnes annually.	One mill: reduced 1,439m ³ of water and 66 tonnes of CO ₂ annually.	
Promote the use of Digital Tools for all business processes with special emphasis on 3D design with an aim to reduce physical samples (buying samples & sealing samples), to 50% by the end of 2023. The original target to reduce the number of physical samples by 15% by Q4 2021 has been revised as above.	Design Arc will be launching the digital tool PLM virtual showroom in 1 st week of May 2022 which will result in the reduction of physical sampling.		
Committed to provide school education to 125 children in Bangladesh since 2015 through Soham for All (program run by Hope Worldwide UK and supported by PDS, Design Arc). Program extended to provide vocational training (Industrial Sewing & Tailoring and Computers & Spoken English) to 60 women (capacity 120 annually) who want to support their families financially.	PDS/Design Arc has been funding this initiative since 2015.	On-going	On-going



Metrics

Performance against the targets set in April 2021

Simple Approach	Trend & Comments	April 2021	April 2022
Simple Approach has joined the Circular Fashion Partnership (C.F.P.) for Bangladesh to work collaboratively on the business case and implementation of circular products.	Partnership joined and obligations fulfilled. Working to establish waste segregation within 2 key factory partners.	5%	100%
Deliver sustainability training at all company levels to improve sustainability knowledge and adoption across social and environmental indicators.	Bi-monthly sustainability training completed and continuing for 2022/2023. Bi-monthly sustainability drop-ins established and continuing for 2022/2023.	0%	100%
Set community engagement goals by end of 2021.	Challenges in establishing commitments and identifying meaningful partners to work with.	5%	20%
Create a Preferred Materials Strategy and Goals by the end of 2021.	Strategy and goals established, Now rolling out and training teams.	0%	100%
Digital design with 3D virtual fits and sampling in order to reduce the number of physical sample required and compress sampling/sealing lead time.	Challenges using 3D as an alternative to sampling rather than as an added element. Including it in over 90% of design presentations. 3D fit pilots on men's jersey, ladies woven's and denim separates have happened.	0%	20%
Working with Garment Worker Diaries initiative to develop confidential worker voice feedback opportunities. In place by 2022.	First worker survey completed. Reviewing possible partners for future worker voice programmes.	10%	100%
Simple Approach contributes to relevant policy discourse.	Contributions have been made to: (i). EU Strategy for Sustainable textiles in collaboration with Transformers Foundation. (ii). Living Wage Due Diligence legislative proposal drafting by Fair Wear.	0%	100%
Measuring our supply chain emissions, water and waste through the HIGG FEM by 2022.	SAC membership started but with significant teething challenges meaning we have not yet measured our supply chain environmental impacts but data is being collected	0%	30%



Sunny Malhotra, Managing Director.

"Our journey started in January 2021, when we created an exciting sustainability roadmap, where quality and compliance have become normal protocols for us as an organisation, we are confident that we will achieve the same milestones in respect of sustainability."



Metrics

2022 / 2023 Sustainability Initiatives



Ilishio Lovejoy, General Manager - Sustainability.

"In the past year despite the continuation of turbulent global affairs and the market challenges that ensued, the Simple Approach team outlined a responsible business strategy to carry Simple Approach into the future with people and planet in mind.

Each goal has been chosen to guide us towards our ambition through various projects, policies, and partnerships that will enable us to become the supplier of choice by adapting, innovating, and evolving to make sustainability a company, and industry, norm."

Simple Approach	Trend & Comments	2021/22	2022/23
Publish a 2021/2022 sustainability report.	Aim to publish in 2022/2023.	-	
Capacity building including management, leadership and sustainability training and literacy for 2022/2023.	During our bi-monthly 2021 sustainability training session we had an average of 45 team members join.	100%	
Preferred materials offered for over 90% of product offering by 2023/2024 .	Not yet measuring, finalising the policy and rolling it out with the teams.	-	
Increase our total preferred fibre sourced by 10% annually.	Currently at 20% for 2020/2021.	20%	
Baseline reporting to set goals across environmental and social indicators 2023/2024 .	Not yet measuring in most areas. Baseline reporting achieved for material use and gender mapping.	10%	
90% of direct suppliers report via the HIGG FEM 2023/2024.	As of March 2022:	Tier 1 - 66% Tier 2 - 70%	
Publish 90% of Tier 1 and Tier 2 suppliers list 2022/2023.	Published at the end of March 2022.	100%	
Complete B Corp self assessment and certification roadmap in 2022/2023. Apply for certification in 2025/2026.	Estimated 80% self assessment completion.	40%	

A Simple Approach to Apparel Sourcing





Metrics

Performance against the targets set in April 2021

Zamira Fashions	Trend & Comments	April 2021	April 2022
Implementation of new technology machineries - e-Flow, laser and ozone, on the production floor of our core laundry. Within 2021.	All of our partner factories (except one) have installed laser, ozone and nano-bubbles machinery.	-	6 laser 3 ozone and 2 e-Flow machines added.
Reuse ETP waste water in production process and in local plantation. By end of 2022.	7 of our collaborating laundries reusing ETP wastewater with a mixture of biological and chemical processes.	-	On track.
Implement machinery for and give training to our own washing team on, awareness of water conservation. Within 2021.	Completed	-	30/04/22
Implement machinery for and give training to our own washing team on, awareness of energy management. Within 2021.	Completed	-	30/04/22
Digitisation with a comprehensive PLM system. Within 2021.	More functions added; samples status, digital washing recipe, trims library, storing files such as digital paper patterns and laser files. To be completed mid 2022.	-	Targeted functions added.
Reduce the amount of parcels containing samples which are dispatched, weekly.	Reduced frequency of sample dispatches.	3-4 dispatches per week.	1-2 dispatches per week.
Deliver awareness training for internal employees and external suppliers on GHG emission and the environment. By end of 2022.	Completed ahead of schedule.	-	Completed
ALL of our JV factories used by Zamira to have registered, self assessed and be verified for FEM and FSLM by the end of Q4 2022.	On track for factories to be verified by FEM and FSLM.	6 out of 9 factories verified with HIGG	7 out of 10 factories verified with HIGG



Thomas Mueller, Managing Director.

"Fabric sourcing and material selection come at the outset of every product development. Our design and fabric team have great experience in researching, identifying and developing the best quality sustainable fabrics. We are driven by our commitment to ethical and sustainable sourcing, safe-to-wear products and complete supply chain transparency.

Zamira has been at the forefront of auditing its core supply chain by Oeko-tex® STeP and introducing garments with Oeko-tex® Made in Green. As a member of the Sustainable Apparel Coalition (SAC), we are committed to achieving zero discharge of hazardous chemicals and to significantly reducing water consumption in the supply chain."



Metrics

Performance against the targets set in April 2021

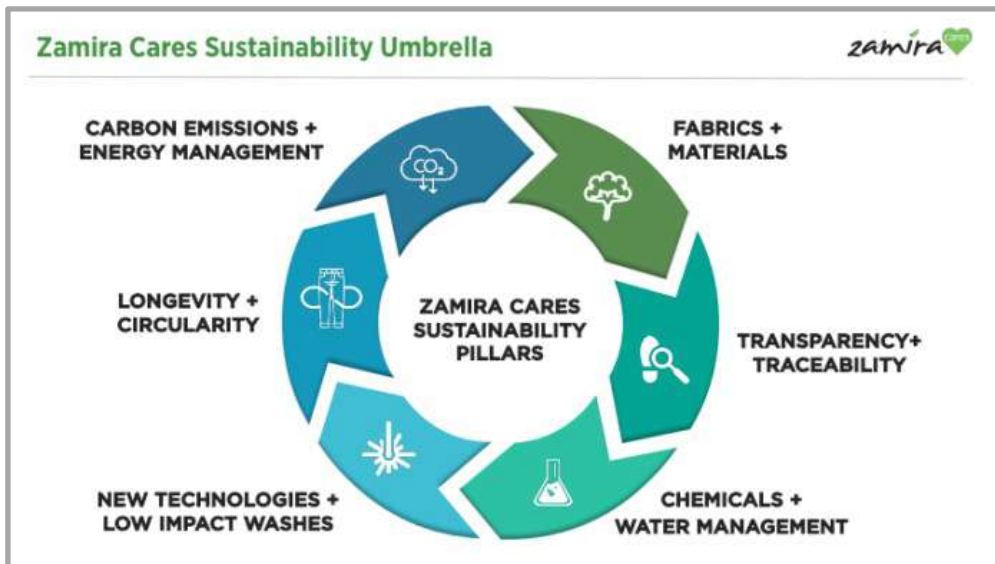


"We are proud to have successfully eliminated the use of Potassium Permanganate from all production, whilst still maintaining the authentic look of the denim Zamira has embraced new garment finishing technologies - Laser, Ozone, eFlow, NoStone – and invested in its own state-of-the-art Smart Development Centre. Our wash and sustainability specialists continuously research, develop and innovate garment finishing recipes.

Zamira already supplies all its core denim programs with EIM Green Score.

Zamira is an early member of The Jeans Redesign by Ellen MacArthur Foundation to pave the way forward for a more circular denim supply chain. We are committed to a decarbonised future and in 2021 we started our journey to a net zero supply chain, engaging BluWin to accelerate the process and provide solutions to reduce our carbon emissions.

Digitising the product design & development process; near-shoring of fabric supplies, investing in new eco-efficient machinery and renewable energy solutions are examples of Zamira's multiple initiatives to reduce emissions."



Innovate, Create, Transform.





Metrics

2022 / 2023 Sustainability Initiatives



Germaine Heng, Sustainability Denim Designer.

"Zamira's targets are committed to the path of sustainability under our sustainability initiatives, Zamira Cares. It covers all facets of the denim supply chain ; fabrics & materials, chemicals management, safe-to-wear products, traceability, eco-efficient new technology, longevity and circularity of products and carbon emissions and energy management of our facilities."

Zamira Fashions	Trend & Comments	2021/22	2022/23
Reduce energy, water and chemical usage: Implementation of new technology machinery: e-Flow, laser and oBleach as well as upgrading of existing machinery system in our Smart Development Centre. By end of 2022.		On-going	
Training for local wash team for sustainable washing methods and awareness of low water usage and green chemicals. By end of 2022.		-	
Replacing traditional chemicals with sustainable green chemicals. Goal is for as many of it that can be replaced as possible in both our development sampling and production lines. By end of 2022.		On-going	
Digitalising workflow from laser to 3D sampling, optimising sampling lead-time. By end of June 2022.		Average 14 days	
Carbon emissions and energy management initiative by the company. Goals to be set during early 2023 after approval by SBTi.		On-going	
Easy disassembly of trims at the end of the garment lifecycle. Innovating with sustainable trims (e.g. reusable shank buttons) and pushing for customer's production in these.		On-going	
Active involvement in recycling garment samples with PDS Group partner company, Yellow Octopus.		On-going	



"At Zamira, Sustainability isn't just a buzzword. We actively push for change to achieve an environmentally sustainable and socially responsible supply chain."



Metrics

Performance against the targets set in April 2021

Norlanka	Trend & Comments	April 2021	April 2022
Improve Sustainability at Norlanka Manufacturing to become a role model for partner factories used by Norlanka Sourcing.	Set the baseline, roadmap, received ISO 14064:1 certification (Carbon footprint quantified) and completed solar project and rainwater harvesting project at Norlanka.	-	Complete
Sustainability data collection via a survey and rate each factory and other stakeholder communities.	Data collected and analysed on all 34, Tier 1 factories.	-	34 factories
Develop strategic preferred materials and fibres roadmap to reduced raw materials extraction.	Phase 1 collected and analysed data on all fabric types sourced by Norlanka. Roadmap will be set in 2022.	-	By 03/2022
Guide our partner factories in setting their water reduction targets.	Awareness program on rainwater harvesting.	-	By 03/2022
One tree matters (Tree plantation) campaign, rainwater harvesting awareness program, aligned to the programs in place at Norlanka Manufacturing.	One Tree Matters – 420 plants planted within 10 days. Rainwater harvesting awareness – Conducted for all 35 factories and other interested parties.	420 plants	By 09/2022
Guide our partner factories in setting their water waste reduction targets, supporting each factory to reduce 10% - 15% of per product, water intensity	Phase 1: We are guiding them to set the baseline. Reduction targets will be set in 2023	-	Phase 1 03/2021
Conduct a water audit and implement water conservation measures in H.O. Wattala, Sri Lanka. Within 2021.	Postponed to within 2022.	-	By 12/2022
Provide a free annual health check for all employees in Norlanka H.O. Wattala, Sri Lanka. Within 2021.	Postponed to within 2022.	-	By 12/2022
Reusing, up cycling or recycling up to 80% of total generated waste in the Norlanka H.O. in Wattala, Sri Lanka.	To be in place by Dec. 2023.	-	By 12/2023
Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Norlanka to have this status by the end of Q4 2022.	21% of partner factories completed HIGG FEM self assessment for 2020 7% of Tier 1 factories have verified the HIGG FEM score.	-	By 12/2022



G.S. Periwal, C.E.O.

"We are a company that always try to stay true to our core values. Being ethical and transparent with all our business dealings are major components of that. As a sourcing platform, we place a lot of emphasis on where we get our raw materials from. They are only sourced from vendors who meet the necessary ethical and ESG standards.

Norlanka is conscious about our partnerships as well. We are never hesitant to support our factory partners and steer them in the direction of sustainable excellence. Our ESG roadmap has several projects focused on them.

Developing sustainable raw materials and products are also key areas of focus in our business."



Metrics

2022 / 2023 Sustainability Initiatives



Amila Jayawardena, Sustainability Manager.

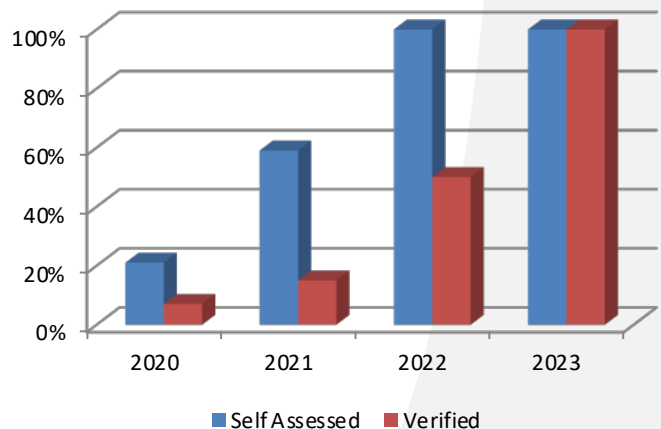
"We have set the baseline as well as achieved a few key milestones such as ISO 14064:1 certification in the last financial year (2021/22). There will be more focus on Building Community and People this year as well. We will be focusing on the ESG initiatives at our Tier 1 partner factories as well. We have set goals to guide Tier 1 factories to adopt HIGG FEM at their facilities and quantify their carbon footprint. Norlanka will continue to work on the total ESG roadmap with bold targets to ultimately build a carbon neutral manufacturing culture in Sri Lanka."

Norlanka	Trend & Comments	2021/22	2022/23 Targets
59% of all Tier 1 partner factories to complete HIGG FEM self assessment for the base year 2021.		21%	March 2023
15% of all Tier 1 factories to verify the HIGG FEM self assessment score for the base year 2021.		7%	March 2023
Set up the sustainability roadmap for 25% of Tier 1 factories and set the baseline for them.		0%	March 2023
Complete carbon footprint assessments for 10% of Tier 1 factories.		0%	March 2023
Design and complete environmental audit for 100% Tier 1 factories.		By July 2022	
Develop strategic preferred materials and fibres roadmap for the overall sourcing business.		-	March 2024
Set up waste generation baseline for 25% of Tier 1 factories.		-	March 2023

A global business built on local roots



Norlanka partner factories HIGG FEM roadmap





Metrics

Performance against April 2021 targets

Spring Near East	Trend & Comments	April 2021	April 2022
Increase sustainably sourced production by 25%. Within 2021.	Usage of sustainable raw materials are doubled in 2021.	10%	20%
Switch viscose to EcoVero saving up to 50% of water use. Within 2021.	Usage of EcoVero fibre increased by 2% in 2021 while decreased Viscose about 7%. However, the target did not complete during the reporting year as fast as expected, it is still in the process to achieve.	Viscose = 18% Ecovero = 0%	Viscose = 11% Ecovero = 2%
Promote the use of vegetable and herbal dyes saving 22 litres of water per kg.	Used the VEG dye implementation in the production and saved about 4,400 litres of water in 2021	0 litres	4,400 litres
Convert 50% of polyester to recycled polyester. Within 2021.	Only 2% of polyester is converted to the recycled polyester in 2021 while polyester usage significantly decreased.	Polyester: =36% Recycled Polyester: = 0%	Polyester: =23% Recycled Polyester = 2%
Return master polythene bags to the factories. Process to be in place by end of 2021.	The return backing system did not work properly in 2021. Only a few teams joined the program and returned back their bags to the suppliers. It is still in the process to achieve 100% around the Spring HQ office.	-	10%
Dematerialisation through the use of 3D.	Approximately, 5% of products were designed/developed in 3D by Spring in 2021.	1%	5%
Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Spring N.E. to achieve this by the end of Q4 2022.	Self-assessment and verification of the HIGG FEM tool are significantly increased within the Spring' supply chain in 2021.	Self Assessed = 39% Verified =12%	Self Assessed = 58% Verified =37%
Only partner with factories and materials with; GOTS, Oeko-Tex Standard 100, BlueSign, EU Ecolabel and ZDHC.	Our supply chain has achieved beyond legal requirements Certifications: <div> ISO 9001: 36% ISO 14001: 24% ISO 45001: 21% ISO 27001: 15% GOTS: 38% OCS: 62% GRS: 23% RCS: 52% OEKO-TEX Standard 100: 28% ZDHC: 78% </div>	36% 24% 21% 15% 38% 62% 23% 52% 28% 78%	39% 26% 23% 17% 45% 71% 33% 68% 37% 90%



Metrics

2022 / 2023 Sustainability Initiatives



Safak Kipik, C.E.O.

"The UN urges all countries, companies, and financial institutions to commit to net zero or carbon neutrality, with "clear and credible" plans to achieve the target, starting immediately. Thus, in the face of increasing climate-related regulation worldwide, more companies are building strategies to prepare for climate change.

As Spring Near East, we believe that a successful development agenda/strategy/commitment requires inclusive partnerships. For this reason, we have established our sustainability department in 2021 to be in collaboration with all stakeholders in line with the international standards.

Only in 2021, we have implemented and conducted several sustainability developments on corporate, social, environmental and product areas with our valued suppliers. Here are some of the key studies; product traceability, carbon footprint, women empowerment, health and safety, beyond social compliance, waste/water/chemical management, and sustainable energy.

Now, it is time to encourage all stakeholders to be more sustainable in order to solve the complex problems we face every day on environmental and social because we believe that sustainable development is possible with the participation and collaboration of all stakeholders."





Metrics

2022 / 2023 Sustainability Initiatives



Samet Cetin, Sustainability Manager.

"In a rapidly changing world, we at Spring Near East, respond quickly to change.

We are transforming our business to meet today's needs in line with our 2022 sustainability targets. More importantly, we will work on what tomorrow's needs in order to be ready to thrive in the future."

Spring Near East	Trend & Comments	2021/22	2022/23
I-REC certified renewable energy usage as of 2022 in Spring HQ office.		-	
Calculate and report the carbon footprint for Spring' 2021 operations (Scope 1-2) according to ISO 14064-1.		-	
Implement at least two international management systems in Spring HQ office by the end of the FY24.		-	
Declare the Corporate Carbon Emission Commitment in line with the international standards by March 2023.		-	
Increase 50% capacity of the 3D Product Development by March 2023.		5%	
Implement at least two projects on Women Empowerment by March 2023.		-	
Implement and have certified, Zero Waste at Spring HQ office by March 2023.		-	
Implement at least two Circular Economy R&D projects with the core suppliers by the end of FY24.		-	
Implement full Life Cycle Assessment with one of our core suppliers by the end of FY24.		-	
At least 50% of supply partners to conduct HIGG Index FEM 2021 verification audit by March 2023.		37%	
Undertake the UN Global Compact Training for all management employees on the fight against corruption by March 2023.		-	
Increase sustainable raw materials and sourcing by 20% by March 2023.		-	
Increase implementation of certifications and capacity building platforms within the Supply Chain by 10%, by March 2023.	ISO 9001: 39% ISO 14001: 26% ISO 45001: 23% ISO 27001: 17% GOTs: 45% OCS: 71% GRS: 33% RCS: 68% OEKO-TEX Standard 100: 37% ZDHC: 90%		



Metrics – Transparency & Traceability

HIGG Index

PDS Group joined the Sustainable Apparel Coalition (SAC) in September 2021.

Under this membership the PDS Group has committed to achieving the SAC Membership Requirement Levels, set by the SAC as below;

2023	2024	2025	2026
FOUNDATIONAL	PROGRESSIVE	STRATEGIC	LEADER
Develop a 3 year plan to deploy HIGG Index self assessments and verification with own operations and value chain partners and communicate HIGG performance.	Commit to SAC coordinated goals and publicly disclose goals for HIGG FEM and HIGG FSLM. Continue driving adoption and verification with value chain partners.	Deploy HIGG Index tools to business partners supporting 80% of business volume and publicly disclose performance and traceability using HIGG BRM, HIGG FEM and HIGG FSLM data.	Demonstrate industry leadership by driving impact as measured through HIGG Index data.

HIGG Adoption - 3 Year Plan Summary

The PDS Group has developed its 3 year plan to deploy HIGG Index self assessments and verification with own operations and value chain partners and communicate HIGG performance as per the requirement of the HIGG Foundational Membership Level requirements.

This plan was developed at the end of 2021 and the key milestones from that plan are outlined below;

Year 1 (2023)	Year 2 (2024)	Year 3 (2025)
All three PDS Group Manufacturing plants and 40% of the Groups Tier 1 partner factories to be registered, self assessed and verified for HIGG FEM and FSLM (where required).	An additional 30% of the PDS Groups Tier 1 partner factories to be registered, self assessed and verified for HIGG FEM and FSLM (where required).	The remaining 30% of the PDS Groups Tier 1 partner factories and the PDS Groups own manufacturing plants' core tier 2 suppliers to be registered, self assessed and verified for HIGG FEM and FSLM (where required).

The PDS Group intends to accelerate the achievement of the SAC Membership Requirement Levels by aiming to achieve each of them one year earlier than the membership requirement.



Metrics – Transparency & Traceability

HIGG Adoption Year 1

The PDS Group has been a member of the Sustainable Apparel Coalition and the HIGG platform since September 2021, (HIGG ID 149233).

Our ambitious 3 year plan has the following objectives for Year 1;

All three PDS Group Manufacturing plants to be registered, self assessed and verified for HIGG FEM and if required, FSLM by September 2022.

HIGG FEM / FSLM module adoption PDS Manufacturing

Business vertical	HIGG FEM			HIGG FSLM		
	Registered	Self Assessed	Verified	Registered	Self Assessed	Verified
Green Smart Shirts Limited	✓	✓	✓ 50	Registered with SLCP and engaged with Betterwork program. Verification expected in August 2022		
Progress Apparels (BD) Limited	✓	✓	✓ 54	✓	✓	✓ 74
Norlanka Manufacturing Ltd.	✓	✓ 62	Within 2022	By 01/08/2022	By 01/08/2022	By 31/12/2022

Sourcing businesses HIGG objectives;



Ensure that where required, factories be registered on the HIGG Platform, undertake FEM and if required FSLM self assessment and be verified by end of 2021.

ALL factories used to have this status by the end of 2022.



ALL of our partner factories used by Zamira to have registered, self assessed and be verified for HIGG FEM and if required, FSLM by the end of 2022.



Measure our supply chain emissions, water and waste through the HIGG FEM by the end of 2022



Metrics – Transparency & Traceability

HIGG Adoption Year 1

Progress against the 2021/22 HIGG objectives

HIGG FEM / FSLM module adoption PDS Sourcing Business Units - Tier 1

Business vertical	No. of Factories	On HIGG Platform		HIGG FEM						HIGG FSLM					
				Registered		Self Assessed		Verified		Registered		Self Assessed		Verified	
		No	%	No	%	No	%	No	%	No	%	No	%	No	%
Poeticgem	48	24	50%	23	48%	23	48%	20	42%	8	17%	8	17%	4	8%
Techno BD	29	15	52%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Simple Approach	38	38	100%	25	66%	25	66%	13	34%	8	21%	8	21%	1	3%
Design Arc	21	15	71%	14	67%	14	67%	7	33%	3	14%	3	14%	2	10%
Nor Lanka	34	20	59%	20	59%	7	21%	2	6%	0	0%	0	0%	0	0%
Spring Near East	118	76	64%	76	64%	76	64%	46	39%	76	64%	76	64%	76	64%
Zamira	9	6	67%	6	67%	6	67%	3	33%	3	33%	3	33%	2	22%
Total	297	194	65%	164	55%	151	51%	91	31%	98	33%	98	33%	85	29%

Despite HIGG FSLM not being a requirement of many PDS Group customers, the Business Units which participated in last years PDS Group Sustainability Report have 29% of their partner factories self assessed and have been verified for HIGG FSLM.





Metrics – Transparency & Traceability

HIGG Adoption Year 1

For 2022, we have extended our Sustainability Agenda to 20 PDS Group business units, including our 3 manufacturing businesses. Collectively these represent 90% of the Groups' turnover. The initial focus will be on HIGG and MMCF though each additional business unit will set its own Sustainability Targets for the coming year based on our four pillars;

Respect Water



Reduce Emissions



Build Community



Think Circular.



The current HIGG FEM and FSLM status at 18 of the Groups' Sourcing business units is shown in the table below;

HIGG FEM / FSLM module adoption PDS Sourcing Business Units - Tier 1

Business vertical	No. of Factories	On HIGG Platform		HIGG FEM						HIGG FSLM					
				Registered		Self Assessed		Verified		Registered		Self Assessed		Verified	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Poeticgem	48	24	50%	23	48%	23	48%	20	42%	8	17%	8	17%	4	8%
Techno Design BD	29	15	52%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Simple Approach	38	38	100%	25	66%	25	66%	13	34%	8	21%	8	21%	1	3%
Design Arc	21	15	71%	14	67%	14	67%	7	33%	3	14%	3	14%	2	10%
Twins Asia	29	13	45%	13	45%	13	45%	13	45%	2	7%	2	7%	1	3%
Norlanka	34	20	59%	20	59%	7	21%	2	6%	0	0%	0	0%	0	0%
Krayons Sourcing	33	13	39%	13	39%	13	39%	11	33%	0	0%	0	0%	0	0%
Spring Near East	118	76	64%	76	64%	76	64%	46	39%	76	64%	76	64%	76	64%
PDS Asia Star	19	8	42%	8	42%	8	42%	7	37%	0	0%	0	0%	0	0%
Clover Collections	18	10	56%	10	56%	10	56%	10	56%	8	44%	8	44%	7	39%
Zamira	9	6	67%	6	67%	6	67%	3	33%	3	33%	3	33%	2	22%
Sourcing Solutions	19	5	26%	5	26%	5	26%	5	26%	1	5%	1	5%	1	5%
Norwest	20	6	30%	6	30%	6	30%	6	30%	0	0%	0	0%	0	0%
Grupo Sourcing	18	1	6%	1	6%	1	6%	1	6%	1	6%	1	6%	1	6%
PDS Fashions US	20	15	75%	6	30%	6	30%	4	20%	2	10%	2	10%	0	0%
J Craft Array	12	2	17%	1	8%	1	8%	1	8%	0	0%	0	0%	0	0%
Styleberry	16	6	38%	6	38%	6	38%	6	38%	0	0%	0	0%	0	0%
Far East Vogue	9	2	22%	2	22%	2	22%	0	0%	0	0%	0	0%	0	0%

PDS Group Total	510	275	54%	235	46%	222	44%	155	30%	112	22%	112	22%	95	19%
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Metrics – Transparency & Traceability

Man Made Cellulosic Fibres (MMCF)

Man-Made Cellulosic Fibres (MMCF), are most commonly derived from wood pulp. MMCF's occupy the 3rd largest share in global fibre production volume after polyester and cotton. MMCF use is becoming an increasingly important fibre / filament in the production of garments with their use doubling over the past 30 years and being forecast to continue to grow further in the future. MMCF production offers great potential from a sustainability perspective as production moves away from oil-derived synthetic fibres and water hungry, cotton cultivation. The production of MMCF's must however, also be clean and sustainable with the wood pulp being harvested from sustainable sources and the chemicals and processes used being clean and controlled. Canopy's Hot Button Ranking and Report is the primary fibre sourcing analysis tool for the fashion sector that focuses on forests, especially ancient forests. Almost 50% of viscose fibre and filament supplied globally is now considered as 'Green Shirt' according to Canopy's 2021 Hot Button Report ranking. Today, more than 450 global brands are looking to source from 'Green Shirt' MMCF producers. We ensure this for all customers where it is a requirement and as part of the "Materials" element of the PDS Group Sustainability agenda, we are on a journey to move all of our MMCF sourcing to Canopy Green Shirt suppliers, only by Q4 2023. Below is the current status of that journey;

2020 Hot Button											
Poeticgem	24%	9%				67%					
Techno-Design	5%										95%
Design Arc	69%										31%
Simple Approach	69%					11%	8%				6%
Zamira	11%	48%				33%					8%
Norlanka	98%	1%									1%
Spring Near East	88%					8%					4%

2021 Hot button											
Poeticgem	24%	9%		67%	←						
Techno-Design	5%										95%
Design Arc	69%										31%
Simple Approach	69%			3%	←	8%	8%				12%
Zamira	11%	48%	8%	33%	←						
Norlanka	98%	1%									1%
Spring Near East	88%					8%					4%



PDS Manufacturing MMCF status



Metrics – Transparency & Traceability

The PDS Group 2022/23 Sustainability Report will see the inclusion of 10 more of the sourcing business units. As we work towards our sustainability agenda being embedded across the whole of the PDS Group.

Man Made Cellulosic Fibres (MMCF)

2021 Hot button												
Krayons Sourcing	25%	15%						15%				45%
Clover Collections	100%											
Sourcing Solutions												100%
Kleider Sourcing												100%
Norwest Ind. Ltd.	60%											40%
Grupo Sourcing												100%
PDS Fashions USA		53%	5%									42%
J Craft Array	100%											
Styleberry	24%											76%
Far East Vogue												100%



Where shown as 100%, fibre source is "Not Yet Assessed"

"The fashion industry is using fewer fabrics associated with deforestation in ancient and endangered forests, signalling that the push for sustainability is improving supply chains".



Metrics

Summary of the PDS Groups performance against its 2021/22 Sustainability Goals and Targets



Sanjay Jain, PDS Group C.E.O.

*"As a Group, PDS Group Ltd and its constituent Business Units have embraced the challenges that operating more sustainably presents and I am very pleased to see that we are playing our part in helping to move our industry to become one that is more sustainable for the future. At PDS, we acknowledge that being Sustainable is the sum of the many moving parts of; **Our Business model + Innovation + Environmental matters + Social Responsibility + Human Capital + Strong but fair Governance.**"*

Both our sourcing and our manufacturing businesses have and continue to work tirelessly and with great enthusiasm to meet the goals and targets they committed to in the 2021 Sustainability Report."

92

Goals / Targets

73

Fully Achieved
Completed

15

Partially Achieved
In progress

4

Unachieved
Postponed

"Myself and the rest of the PDS Board are proud of the progress that has been made against these goals and targets and we will continue to support the Business Units heads in moving the businesses they operate, to becoming ever more sustainable.

Our long term strategic objective is to make the PDS Group carbon neutral by 2030 and we will invest the necessary time, effort and resources into bringing that objective to fruition.

I look forward to the PDS Groups 2023 Sustainability Report to see what further progress we have made towards that bold and challenging objective."



Sustainability Objectives / Targets

Additional 10
PDS Group Business Units
for 2022 / 2023

Global, Collaborative, Digital, Ethical

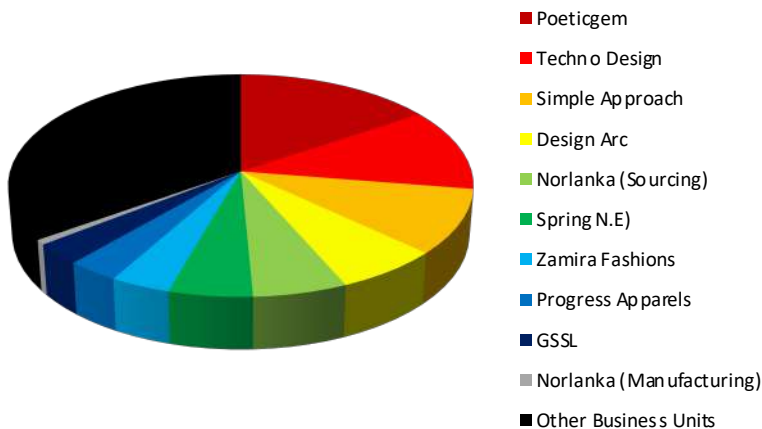
Looking Forward

David F Goodwin, Technical and Sustainability Consultant.



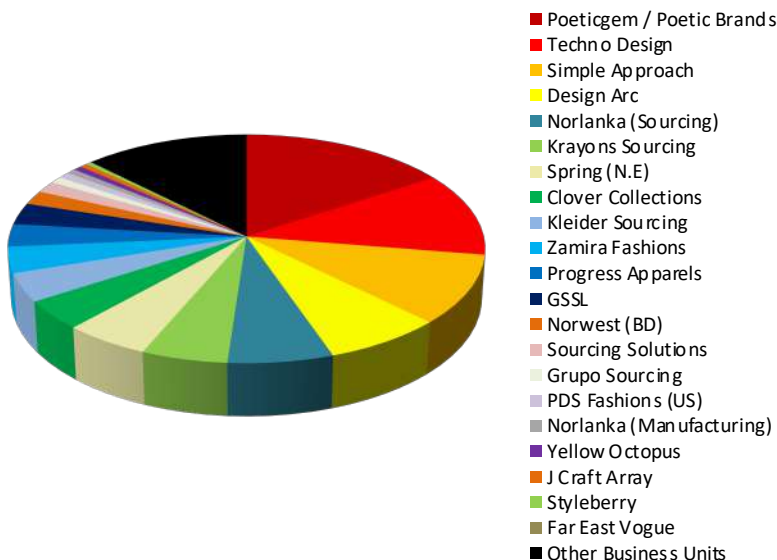
"To date, our Sustainability journey has focussed on seven of the PDS Groups Sourcing businesses and the three manufacturing sites. Looking forward to 2022/2023, other PDS Group Sourcing business units will be accompanying us on our journey reaching more customers, more factories and touching more people than ever before.

As at the end of FY 2021/22 our ten participating business units made up some 70% of the PDS Groups turnover."



"Through 2022 / 2023 we aim for this to rise to 90% with the inclusion of a further 10 Sourcing Business Units participating in delivering the Sustainability Vision our Group Vice Chairman, Mr Pallak Seth ;

"To be the driving force in bringing perennial change to the fashion industry and being the industries' "first choice" supply-chain partner with the most ethical, sustainable and eco-efficient strategies". "



"As a Group, PDS continues to grow and pursue our sustainability ambitions. We appreciate that this is a long and challenging journey, but we have ambition, determination and a Board of Directors that is ready, willing and able to invest in innovative and technological sustainability solutions, through PDS Ventures ."

Here, we formally welcome our colleagues who in 2022 have joined us in driving our Sustainability Agenda across the Group, moving our Sourcing Businesses participation from seven business units in 2021/2022 to seventeen sourcing business units in 2022/2023!

This means that within the PDS Group, 20 business units, representing 90% of the Groups' turnover are now actively contributing to the Groups' Annual Sustainability Report.

Poeticgem

TECHNO
DESIGN

DESIGN
ARC

simple approach

zamira
Fashion Limited

NORLANKA

spring

KRAYONS

clover collections

KSL

SOURCING
SOLUTIONS
PAKISTAN

NORWEST

Grupo Sourcing Ltd.

PDS FASHIONS

STYLEBERRY

FAREAST VOGUE

PDS Manufacturing



NORLANKA
MANUFACTURING



JCraft Array Limited

As well as closing the 16 pending goals / targets from 2021 / 2022. These 20 Business Units have committed to deliver on a further;

163

Sustainability goals / targets for 2022 / 2023!

Krayons Sourcing



HIGG Index ID. 155430

2022 / 2023 Sustainability Initiatives

Krayons Sourcing	Trend & Comments	April 2022	2022/23 Targets
Respect Water			
100% of the partner factories to monitor their specific water consumption (Water : Production). Out of 24 factories, 6 Factories are currently calculating their specific water consumption. So the objective is to teach all the remaining 18 factories how to calculate their specific water consumption, by the end of 2022.		25%	
10% reduction of specific water consumption in all partner factories. This is a relative value and we do not have data of reduction from last year. Hence, this will be calculated at the end of 2022.		0%	
100% of the partner factories to comply with ZDHC MRSL v2.0. 8 out of 10 of our partner factories are conducting MRSL testing as per ZDHC standard. The objective is for all of our partner factories to conduct this testing or at least cross check with MRSL v2.0 and ensure that no "banned" chemicals are used.		80%	
Reduce Emissions			
100% of the partner factories to monitor their Carbon Footprint (CFp). Out of 24 factories, 6 Factories are calculating their CFp. The objective is to teach the remaining 18 factories how to calculate their CFp by the end of 2022.		25%	
10% reduction in Carbon Footprint (CFp) in all partner factories. As this is the relative value and we do not have data of reduction from last year. Hence, this will be calculated at the end of 2022.		0%	
100% of partner factories to use 50% of renewable energy within their total energy mix. Currently, 5 factories have solar power plants but this accounts for 20% of the electricity usage of all of our partner factories.		20%	
100% of partner factories to integrate relevant Training of the U.N. Sustainable Development Goals in their annual objective and targets.		20%	
Build Community			
Ensure that all of our partner factories employs 5% of their workers from vulnerable groups e.g. elderly persons, ex-combatants, HIV/AIDS-affected, migrant workers and their families, national or ethnic, religious and linguistic minorities.		5%	
All of our partner factories to hire at least 80% of total workers from the local community.		-	
100% of partner factories to buy 90% of their raw materials from local sources instead of importing.		70% imported	
100% of partner factories to integrate relevant Training of the U.N. Sustainable Development Goals in their annual objective and targets.		60%	

Krayons Sourcing



HIGG Index ID. 155430

2022 / 2023 Sustainability Initiatives

Krayons Sourcing	Trend & Comments	April 2022	2022/23 Targets
Think Circular			
20% of total product must be made in recycled material.		5%	
10% Factories - Soon to be more sustainable green facilities.		5% 2 factories	
100% of partner factories to recycle of 80% of textile waste to be recycled internally or externally.		20% 5 factories	
Develop and offer products to customers that make use of natural dyes in order to minimise environmental impact.		0%	



Ran Ranatunga, Director - Quality Assurance, Technical & Sustainability.

"Our goal is to improve the environment in our community by working with area business, community leaders and our neighbours to create a clean and safe place to live and work. Our services are delivered in a way that minimizes the environmental impact and promotes business integrity."



Clover Collections



HIGG Index ID. 154825

2022 / 2023 Sustainability Initiatives

Clover Collections	Trend & Comments	April 2022	2022/23 Targets
Respect Water			
100% of our partner factories to monitor their specific water consumption. 60% (11) of our partner factories currently doing this. Target: Teach all the remaining factories how to calculate their specific water consumption and implement 80% by March 2023. 100% by end of 2023.		60% 11 factories	100% 18 factories
50% of the partner factories (100% of those it applies to – 10 factories) to wholly comply with ZDHC aspirational waste water treatment limits.		40% 4 factories	100% 10 factories
Reduce Emissions			
Overall our portfolio of partner factories will use 30% of their energy requirements from sustainable sources. This is due to 8 out of 18 of our partner factories installing solar power plants.		-	45% 8 factories
Build Community			
100% of partner factories to hire 95% of total workers from local community.		93%	95%
100% of partner factories to integrate Training of Sustainable Development Goals in their annual objective & targets.		25%	100%
Think Circular			
60% of the partner factories (11 factories) must be certificated with GRS & RCS by the end of 2023. (30% by March 2023).		10% 2 factories	60% 11 factories



Firojul Islam, Director - Asia.

"Sustainability is a very broad subject area. Basically, it addresses key areas ranging from economic equality to protecting natural resources. At Clover Collections we are aligned with the PDS Groups' four pillars of Sustainability: Respect Water, Reduce Emissions, Build Community and Think Circular. We are using technology to work as efficiently as possible in order to reduce both our own and our partner factories' the Carbon Footprint (CFp) and to give environmentally conscious consumers the product data they need to make their Eco-friendly purchases."

Kleider Sourcing



2022 / 2023 Sustainability Initiatives

Kleider Sourcing	Trend & Comments	April 2022	2022/23 Targets
Reduce energy consumption in our offices, through the use of LED lighting and automatic switches to turn off lights in empty / unused rooms.		60%	70%
Install automatic stop taps in the washrooms within our offices to reduce water wastage.		-	
Track and record the origin of all of our MMCF fibres & filaments to ensure that we are working towards sourcing only from Canopy Green Shirt status suppliers.		Unverified	
Recycle 100% of all Kleider Sourcing's office waste paper.		-	
Remove all bottled water from the offices for employees and visitors, providing water in refillable / reusable bottles instead.		-	



Md. Abu Toab Nayan, Director Sourcing & Operations.

"At Kleider Sourcing we are pleased to be able to participate in the PDS Group Sustainability Agenda and we are beginning our journey by taking some internal measures to: Respect Water, Reduce Emissions and Think Circular. We are keen to make our contribution however modest, to "making a difference" and we will actively promote the Sustainability message to our customers and our partner factories."



Sourcing Solutions



2022 / 2023 Sustainability Initiatives

Sourcing Solutions	Trend & Comments	April 2022	2022/23 Targets
Respect Water			
100% of the partner factories to monitor their specific water consumption (water/production). Out of 31 factories 21 factories are calculating their specific water consumption. So the objective is to teach all the remaining 10 factories how to calculate their specific water consumption, by the end of 2022.		70%	100%
10% reduction of specific water consumption in all partner factories. As this is the relative value and we do not have data of reduction from last year, hence this will be calculated at the end of 2022.		0%	10%
100% of the partner factories to comply with ZDHC MRSL v2.0. 10 out of 31 factories are conducting MRSL testing as per ZDHC standard. Objective is that 100% of factories conduct testing or at least cross check with MRSL v2.0 and no <u>banned</u> chemicals are used.		31%	100%
100% of the partner factories to comply with ZDHC fundamental wastewater treatment limits. 17 out of 23 wet processing factories are meeting fundamental ZDHC standard. The objective is to improve the ETP treatment to meet fundamental ZDHC requirements.		74%	100%
50% of the partner factories to comply with ZDHC progressive wastewater treatment limits. Non of the 23 wet processing factories are meeting progressive wastewater treatment standard.		0%	50%
20% of the partner factories to comply with ZDHC aspirational waste water treatment limits. Currently, none of the 23 wet processing factories are meeting the aspirational wastewater treatment standard.		0%	20%
Reduce Emissions			
100% of the partner factories to monitor their carbon footprint (CFp). out of 31 factories, 21 factories are calculating their CFp. So the objective is to teach all the remaining 10 factories how to calculate their CFp.		70%	100%
10% reduction in carbon footprint in all partner factories. As this is the relative value and we do not have data of reduction from last year. Hence this will be calculated at the end of 2022.		0%	10%
100% of partner factories to use 50% of renewable energy consumption in total energy mix.		26%	100%
100% of the partner factories to employ air treatment technology (wet scrubbers, Electrostatic precipitator, cyclone separate etc.) on stack emissions. 24 out of 31 factories have employed post combustion treatment technologies.		80%	: 100%
100% of the partner factories emissions to meet National Environmental Quality Standards (NEQS).		0%	100%
100% of partner factories to integrate training of Sustainable Development Goals in their annual objective and targets.		16%	100%

Sourcing Solutions



2022 / 2023 Sustainability Initiatives

Sourcing Solutions	Trend & Comments	April 2022	2022/23 Targets
Build Community			
Ensure that all of our partner factories employs 5% of their workers from vulnerable groups e.g. elderly persons, ex-combatants, HIV/AIDS affected, migrant workers and their families, national or ethnic, religious and linguistic minorities.		1.5%	5%
100% of partner factories to hire 80% of total workers from local community.		77%	100%
100% of partner factories to buy 90% of raw material to from local markets instead of import.		91%	100%
100% of partner factories to integrate training of Sustainable Development Goals in their annual objectives and targets.		16%	100%
Think Circular			
20% of total product must be made in recycled material.		8%	20%
80% of the partner factories must be certified in GRS & RCS.		45%	80%
100% of partner factories to recycle of 80% of textile waste to be recycled internally or externally.		20%	100%
100% of partner factories to reuse 10% of total water extracted.		0%	100%



Imran Rath, C.E.O.

"I am delighted that Sourcing Solutions is making its contribution to the PDS Groups sustainability journey. At Sourcing Solutions we already supply our customers with Organic and BCI Cotton and Recycled Polyester garments made with Recycled Polyester sewing threads, and we use only D₂W[®] biodegradable polythene bags. We are producing "Made In Green" denim and the products we supply have an EIM score of <35.

In Pakistan all of the cotton / fabrics come from within 700 miles of the factories where the goods are made and we are beginning to use the newly established land / train route to deliver into Europe in support of delivering goods via a lower carbon route.

I am looking forward to supporting my team in delivering on the sustainability targets and objectives we have set ourselves for 2022/2023."



Norwest Bangladesh

NORWEST

HIGG Index ID. 155463

2022 / 2023 Sustainability Initiatives

Norwest BD (Woven Division)	Trend & Comments	April 2022	2022/23 Targets
Respect Water			
All of our factories will implement auto-stop taps in their washrooms to reduce waste water. Currently 10% of our factories have this facility.		10%	50%
Reduce Emissions			
One of our main factories will implement a 20,000 KW/h solar energy plant which will deliver 75% of their electricity needs by September 2022.		0%	25%
Build Community			
Migrate MMFC from Canopy Hot Button “unverified” sources to Canopy Hot Button GREEN Shirt suppliers.		60%	100%
Think Circular			
>50% of our polyester product offer to customers will be made available in recycled polyester.		30%	50%



Munshi Salahuddin, Senior Merchandiser (Sustainability Champion).

“We have set ourselves some modest Sustainability targets for 2022/23 but we are nonetheless keen to deliver on them and make our contribution to the PDS Groups overall Sustainability Agenda. Together with support from the PDS Group platform and our partner factories we will make a difference.”



Grupo Sourcing



Grupo Sourcing Ltd.

2022 / 2023 Sustainability Initiatives

Grupo Sourcing	Trend & Comments	April 2022	2022/23 Targets
All 19 of our partner factories are to calculate their water consumption to facilitate the measurement and reporting of waste water reduction initiatives by end of 2023.		12 units (65%)	
All 19 of our partner factories to recycle, and re-use 15% of their water consumption by end of 2023.		6 units (25%)	
All Grupo Sourcing factories to be registered, self assessed and verified on HIGG FEM by end of 2023.		1 unit (5%)	
All of our partner factories to undertake sustainable development goal achievement training by end of 2023.		15 units (85%)	
Track and record the origin of all of our MMCF fibres & filaments to ensure that we are working towards sourcing only from Canopy Green Shirt status suppliers.		Unverified	



Zamal Uddin Ahmed, C.E.O.

"For sustainable apparel product development, intuitive service quality, compliance excellence maintaining all certifications and sourcing strategies, we serve as a dependable, progressive and direct partner for the clients."



Md. Yeasin Arafat, Compliance Auditor (Sustainability Champion).

"At Grupo Sourcing we embarked on our sustainability drive in earnest in 2021. So far, all of our factories that have an ETP facility, re-use an average of 15% of their treated waste water, three of our partner factories wholly comply with the requirements of ZDHC, nine are GOTS / OCS certified and three totally comply with GRS / RCS requirements. In 2022/23 we look to build on the initiatives that we have in place, as well as adding focus to those listed."

PDS Fashions (US)



HIGG Index ID. 154810

2022 / 2023 Sustainability Initiatives

PDS Fashions (US)	Trend & Comments	April 2022	2022/23 Targets
One of our partner facilities will install a 500 kWh solar panel plant which will generate 10% of their electricity consumption thereby reducing their dependence on the national grid and reduce emissions.		Solar energy = 0 kW/h	
Work with our partner factories to deliver training and awareness to their employees regarding energy saving and waste water reduction.		-	
Support our partner factories in developing Energy Management Systems, which will encompass initiatives such as: Heat recovery from the boiler flue gas through use of economisers, improvement in condensate recovery, auto blow down control systems for optimum blow down and hence reduced energy loss, Optimised lighting (LED), metering, monitoring of consumption and servicing of equipment, replacement of clutch motors with DC servo motors and the installation of energy meters to identify energy consumption in every section. Target: Reduce energy consumption by 4%-5% in the FY 2022/23.		0.45 kWh per unit	
Support our partner factories in developing Water Management Initiatives which will include: Maintenance of a water consumption report from the installed flow meters, monitoring and addressing all types of water leakage / loss, the implementation of water control nozzles in all water consuming sections, the use of dual flush systems in the toilets, using trigger nozzles on hose pipes instead of open hoses, the installation of pressure reduction valves to reduce water wastage. Additional measures for washed garments: E-flow Nano-bubble technology development for the softening. Use recycled water from the ETP in the washing process. Introduce Sustainable Wash systems. Reduce liquor ratios. Target: Reduce water use (wastage) by 5% in the FY 2022/23.		Unwashed 0.014 m ³ per unit Washed 0.12 m ³ per unit	
Conduct training program for our partner factories on how to reduce the use of and most importantly the wastage of water. This will be supported by water saving awareness posters in various visible places, within the factories.		-	



Moin G, Managing Director.

"We are a relatively new business unit within the PDS Group but we are nonetheless keen to establish our sustainability ambitions and to lead and guide our partner factories. Our initial objectives are modest, but as our relationships grow with our partners we will extend our influence in the vital area of the industry."



Mahbub Al Hasan, Assistant Manager - Compliance (Sustainability Champion).

"We have set our five sustainability objectives for FY 2022/23. These are focussed on two of the PDS Groups four pillars of sustainability: RESPECT WATER and REDUCE EMISSIONS. Whilst these are our declared commitments for this year we will continue to have sustainability at the core of our product offer and our ways of working."

SUSTAINABLE
fashion

J Craft Array



2022 / 2023 Sustainability Initiatives

J Craft Array	Trend & Comments	April 2022	2022/23 Targets
Respect Water			
20% of our products will be designed and promoted with Eco friendly washes and Sustainable washing based on E-Flow, O-zone and laser applications, reducing water consumption on these garments by c.70%.		Average 70 litres per garment	Average 60 litres per garment
10% conversion from conventional cotton products to organic cotton product which have c.80 of less water usage.		0%	10%
Request all partner wet processing factories to Implement EIM Score evaluation software that will help to evaluate; Water consumption in litres Energy consumption in kWh Chemicals product used Workers health On the of this analysis we will build a journey with factories on measuring the current consumption and further work on reduction .		-	EIM score <35
20% increase in promotion of non washed fashion products.		904,700 garments	
Strategic integration with fabric mills with sustainable product infrastructure and resources, that have control measures for water consumption.		-	
Reduce Emissions			
10% Shift of business from conventional factories to certified Green factories.		-	
60% of partner factories (5) to monitor their carbon foot-print and gradually the remaining factories will be included in this evaluation process.		-	
50% of partner factories (4) to use 25% of renewable energy resources.		-	
Educating partner factories to understand and implement Sustainable development goals.		-	
Promoting reduction in air travel within J Craft Array.		-	
Build Community			
Appreciating and engaging local culture.		-	
Encouraging and promoting focus on Purpose Value and behaviour.		-	
Promoting business engagements with local partners.		-	
Encouraging and supporting minorities, supporting empowerment of women.		-	
Monitoring and emphasising ethics and responsibility within the business.		-	

J Craft Array



2022 / 2023 Sustainability Initiatives

J Craft Array	Trend & Comments	April 2022	2022/23 Targets
Think Circular			
10% of product development being converted with recycled products.		-	
5% of product sales being emphasized to be converted with Post Consumer Waste (PCW) and other recycled materials.		-	
Implement innovative design practices for achieving a new circular sector product development.		-	
100% of partner factories to have 10% value with recycled materials.		-	
Marketing emphasis to add customers that promote recycled products.		-	



Abhiroop Jolly, Managing Director.

" We have set ourselves some challenging sustainability targets for the coming year, all founded on the PDS Groups' four pillars of sustainability: Respect Water, Reduce Emissions, Build Community and Think Circular .

We have confidence in our partner factories, our desire and our ability to deliver against them. Setting stretching targets for ourselves means that sustainability is always at the forefront of our minds when we work with our customers, our colleagues and our partners, alike."





2022 / 2023 Sustainability Initiatives

Styleberry	Trend & Comments	April 2022	2022/23 Targets
Respect Water			
All of our factories (8) to monitor water consumption and production. Currently, 3 factories are doing this. Target: To ensure that 100% of our partner factories monitor water consumption and production., in a bid to reduce wastage.		3 factories (38%)	
Reduction of water consumption (wastage) at our partner factories. Target: To reduce 10% water consumption by using modern efficient management methods.		-	
Waste Water Treatment Facility . Currently, 1 factory is doing this. Target: 50% of our partner factories to reuse 40% of their waste water via treatment processes.		1 factory (12.5%)	
Reduce Emissions			
"Switch off something" campaign to save (average. 5%) of electricity used. Currently, 4 factories are doing this. Target: Train 100% of our partner factories on saving electricity through switching off unused appliances.		4 factories (50%)	
All of our partner factories to reduce fossil fuel consumption. Currently, 2 factories are doing this. Target: 20% reduction on fuel consumption by using waste fabric and accessories as fuel for the boilers.		2 factories (25%)	
All of our partner factories to segregate waste into bio degradable and non bio degradable waste. Currently, 2 factories are doing this. Target: To reduce 10% contamination by plastic waste.		2 factories (25%)	
Think Circular			
50% of Knitwear production to be made from sustainable yarns.		25%	
50% of factories to have GRS or RCS certification.		25%	
50% of the trims used to be recycled / sustainable.		25%	



Raveesh Khanna, Managing Director.

"We must shift our thinking away from short-term gain toward long-term investment and sustainability, and always have the next generations in mind with every decision we make and to start with our first goal is to align with natural resources. We have started this journey with clear goal in mind."



Far East Vogue

FAREAST VOGUE

2022 / 2023 Sustainability Initiatives

Far East Vogue	Trend & Comments	April 2022	2022/23 Targets
Reduce energy consumption in our offices, through the use of automatic switches to turn off lights in empty / unused rooms.		-	
Install automatic stop taps in the washrooms within our offices to reduce water wastage.		-	
Track and record the origin of all of our MMCF fibres & filaments to ensure that we are working towards sourcing only from Canopy Green Shirt status suppliers.		Unverified	
Recycle 100% of all of Far East Vogue's office waste paper.		-	
Remove all bottled water from the offices for employees and visitors, providing water in refillable / reusable bottles instead.		-	



Aman Bagga, Managing Director.

"At Far East Vogue we are beginning our sustainability journey by looking internally first. Our main customers operate in markets where sustainability is rarely discussed and therefore our targets are modest but we believe in the saying "every little helps" and we will work to make our contribution to the PDS Group sustainability journey a meaningful one."



PDS Ventures Investments



Global, Collaborative, Digital, Ethical



PDS Ventures Investments

True.

202X
WIZCK

YELLOW
OCTOPUS.
STOCKS | TAKEBACK | RECYCLING | PROTECTION

PDS

True PDS Fund	Apex Black VC Fund	PDS Impact Fund	Direct Investments
Major focus on digital first consumer brands	Deep, defensible innovation, fueled by deep technology, scientific breakthroughs or business model disruptions	Focused investments in Circular fashion and Sustainability across fashion supply chain	Fund of funds along with direct investments in Fashion tech, Retail tech, & other tech from the PDS treasury

The PDS Group has plans to invest c.US\$50 million over the next five years in creating value opportunities. The focus of these investments in;

- Innovation**
- Sustainability** - Investments that fall under the UN Sustainable Development Goals - 11, 12 & 13.
- Technology** - Investments in Technology enablers / disruptors for traditional businesses.
- Direct investments** - to consumer brands / digital brands focussing on consumer markets.

PDS Ventures Investments will invest in start-ups in their Seed and Series A rounds.

Most of our investments are backing teams from top institutions such as Stanford, Imperial College and Cambridge.

PDS Ventures Sustainability Investments

Materials

Focussing on sustainable alternatives to raw materials and their production Using sustainable methods.

MATERRA™

An innovative, technology firm growing premium, sustainable cotton

NATURE
COATINGS

Transforms wood waste Into high performance black pigments

Circular Economy

Targeting recycling and reusability to prevent clothing from ending up in landfill

STYLE
THEORY

Subscription based rental model for apparel and designer bags

FILKOR

Makes patented granulate from the fashion industry's stock waste

ONLOAN

A fashion rental platform that helps people to get the clothes they want

Community

Investing in businesses, creating and promoting sustainable communities / platforms.

COMMON OBJECTIVE

A global B2B tech platform for sustainable business



PDS Ventures Showcase - MATERRA

MATERRA™ is a planet-centric technology company working towards climate-resilient cotton agriculture.

Our work focuses on better infrastructure to cope with climate volatility and dramatically improve resource efficiency, and better farm management to empower farmers to make better decisions by giving nature a voice.

We're helping cotton farmers build more future-proof farms without harming the planet. Cotton is the most widely used natural fibre in the fashion textile industry. It is also regarded as the world's thirstiest and dirtiest crop. Demand for cotton fibre is increasing and there are presently no sustainable ways to produce it at scale a problem compounded by water scarcity which will directly affect $\frac{2}{3}$ of the world's population by 2025. Current initiatives to minimise cotton's environmental and social impact show potential, but also many limitations. So we are developing farming technology to grow cotton in the most sustainable and transparent way possible.



We are on a mission to accelerate the transition to a net-positive fashion industry, in harmony with people and planet. The fashion industry could use a little help to minimise its environmental impact and improve the working conditions across its supply chains. That's why we're starting at the base of the pyramid, with higher quality, more sustainable and more transparent raw materials.



Clean Water and Sanitation

Our farming approach uses 80% less water via closed systems, thereby putting less pressure on local ecosystems and stopping eutrophication, soil salination and water table lowering. We will closely monitor and publish our water consumption and check for run-off on pilots.



Responsible Consumption & Production

Growing pesticide-free protects workers who rarely have PPE and prevents ecosystem damage. The data used for farm management can be leveraged to create sustainable assurance, allowing stakeholders across the fashion supply chain including brands and consumers to be held accountable for their impact. Using machine vision we are developing tools to help track pest outbreaks and record use of biological pest control.



Life on Land

3-4 x yield increase means that less land is used for fibre production and can be saved for food or agro-forestry initiatives for example. Data-driven decisions will allow the best models to be applied on farms, guaranteeing increased yield.



Partnership for the goals

Data transparency on the farms allows larger corporations to have more confidence in high quality production. Farmers can access higher value markets by growing extra long staple cotton with more sustainable farming techniques.



PDS Ventures Showcase - MATERRA

Net-positive fashion

We are working towards a fashion industry with a net-positive impact. It means an industry that gives back more than it takes, that uses better materials which nurture ecosystems rather than depleting them, and that designs better products with zero waste in mind. It's an industry that also promotes better working conditions for all stakeholders, and that provides visibility throughout its supply chains.

Ultimately net-positive relies on a holistic understanding of the impact of the clothes we wear.

Resilient agriculture

The natural world is complex and the rate of change we are experiencing today demands that we build more agile and adaptable modes of production. This is why we are designing our farms to be technologically advanced but contextually relevant, because one solution will never fit all.

By building better infrastructure to dramatically improve resource efficiency and cope with climate volatility, we hope to future-proof the fashion cotton supply chains. By giving nature a voice, our data-driven approach empowers farmers to make better decisions.

Supply chain transparency

The need for transparency boils down to understanding the true cost of things, both human and environmental. Fashion supply chains are typically opaque, which too often leaves room for social and environmental transgressions.

No silver bullets

We know that we can't reinvent an industry on our own. We also know that our solutions are not going to be suitable everywhere or readily available within a short period of time. Market availability of products like Materra are a slow burn and require long term, advanced planning. Ultimately, we believe the right way forward depends on diversity across realms - the world needs different approaches to sustainable fashion and different approaches to sustainable agriculture.

www.materra.tech



Spotlight On.....



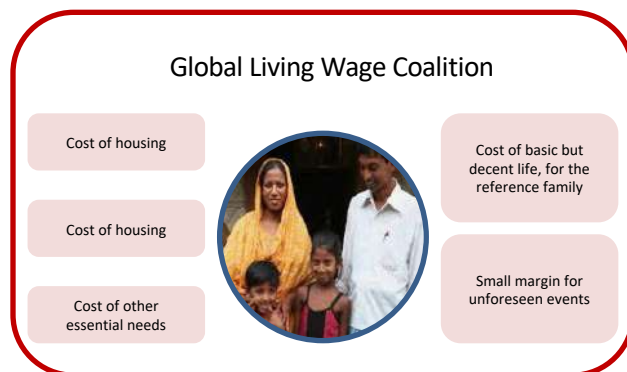
Global, Collaborative, Digital, Ethical

Spotlight On : Living Wages - Bangladesh

What constitutes the Living Wage?

There are a few definitions e.g.:

- (i). Remuneration received for a standard working week by a worker in a particular place, sufficient to afford a decent standard of living for the worker and their family.
- (ii). A theoretical income level that allows an individual or family to afford adequate shelter, food and the other basic necessities.
- (iii). The minimum income necessary for a worker to meet the basic needs of himself/herself and his/her, family including some discretionary income.

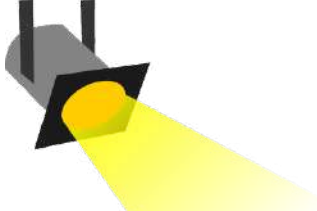


In May 2016, the Living Wage in Bangladesh was calculated by the Global Living Wage Coalition as being BDT 16,466 using the Anker Method of calculation. It is important to note that this figure is derived from the calculation shown below which was based on a family living in an urban area (Dhaka City) and covered a family of four which had an average of 1.58 workers per family.



Monthly expenditure	BDT	%
Housing costs	11,000	42.3
Food	7,916	30.5
Non food / Non housing expenditure	4,712	18.1
Discretionary for unexpected events	1,181	4.5
Cost of basic but decent living	BDT 24,809	
Provision for assistance for parents	1,181	4.5
Mandatory stoppages	26	0.1
Total	BDT 26,016	

As this income calculation is for a family of 4 with an average of 1.58 workers per household then the individual Living Wage was defined as; BDT 16,465.82 / month.



Spotlight On : Living Wages - Bangladesh

In March 2021 the net Living Wage, or take-home pay, was updated by The Global Wage Coalition, Ankur Research Institute and SDSN Bolivia and was determined as: BDT 21,638 for Dhaka City and BDT 17,916 for Satellite Cities. The table below provides details of the original and the updated family living expenses, as well as net and gross Living Wages for these areas of Bangladesh.

Living Expenses and Living Wages for Dhaka and Satellite Cities. (Bangladeshi Taka and US\$).	March 2016		March 2021	
	Original Study		Latest Update	
Currency	BDT	US\$	BDT	US\$
Dhaka City				
Living expenses for the reference family per month	25,990	338	34,187	403
Net Living Wage per month	16,450	214	21,638	255
Income taxes and Payroll deductions per month on Living Wage	10	0	10	0
Gross Living Wage per month	16,460	214	21,648	255
Satellite Cities				
Living expenses for the reference family per month	21,520	279	28,307	334
Net Living Wage per month	13,620	177	17,916	211
Income taxes and Payroll deductions per month on Living Wage	10	0	10	0
Gross Living Wage per month	13,630	177	17,926	212
Exchange rate BDT:US\$	77.00		84.73	

Source: Calculations made by: Anker Living Wage and Living Income Research Institute

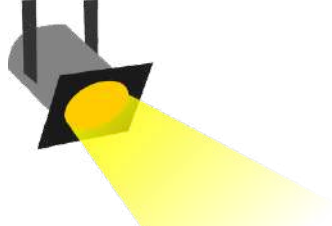
Roadmap to Living Wages

If the garment industry is to move towards Living Wages then there needs to be a Roadmap to help it to do so. The industry cannot switch from minimum wages (or just above) to Living Wages overnight and therefore a phased implementation would be required, akin to the scenario outlined below.

If we take a sewing machine operator as an example, then to move from their current wage level, to the 2021 calculated Living wage by *2026, would mean double digit percentage increases in their wages, every year for five years as shown in the table below;

Machine operator wages	2021	2022	2023	2024	2025	2026
Dhaka City	9,550	11,968	14,385	16,803	19,220	21,638
Percentage increase p.a.		20	17	14	13	12.5
Increase per operator (BDT / Month)		2,418	2,418	2,418	2,418	
Satellite Cities	8,200	10,145	12,090	14,036	15,981	17,926
Percentage increase p.a.		19	16	14	12	12.5
Increase per operator (BDT / Month)		1,945	1,945	1,945	1,945	

* It is acknowledged that before 2026 the Living Wage is likely to have been recalculated to a higher level and this will need to be factored in once known.



Spotlight On : Living Wages - Bangladesh

Taking this sewing machine operator as a person earning the mean average wage the in a factory of 2,000 workers the annual wage bill would increase by;
 Factory inside Dhaka City = BDT 58,272,000 (US\$687,738) p.a.
 Factory outside Dhaka City (Satellite Cities) = BDT 46,680,000 (US\$550,927) p.a
Note: Conversion at: US\$1:= BDT 84.72.

How could such an initiative be funded?

One option to enable the delivery of this socially responsible initiative may be for the factories to invest in programs to increase their efficiency and in tandem for the additional cost to be shared on a percentage margin split basis e.g. the decreasing cost of implementation of the Living Wage could be split between the factory / supplier and the Brand / Retailer based on the margin taken for the product manufactured and sold.

EXAMPLE		2022	2023	2024	2025	2026
Operator monthly wage	BDT	10,809	12,589	14,369	16,149	17,926
Operator annual wage	BDT	129,708	151,068	172,428	193,788	215,148
x 2,000 workers	BDT	259,416,000	302,136,000	344,856,000	387,570,500	430,296,000
Monthly wage increase	BDT	1,780	1,780	1,780	1,780	1,780
Annual wage increase	BDT	21,360	21,360	21,360	21,360	21,360
x 2,000 workers	BDT	42,720,000	42,720,000	42,720,000	42,720,000	42,720,000
Factory efficiency		65%	70%	75%	80%	85%
No. of garments / year		7,637,760	8,225,280	8,812,800	9,400,320	9,987,840
Additional cost per garment	BDT	5.59	5.19	4.85	4.54	4.28
Additional cost per garment	US\$	0.07	0.06	0.06	0.05	0.05
Additional contribution towards shortfall to building to a Living Wage by 2026 = Brand / Retailer 70% : Supplier 30%						
Additional cost brand / retailer	BDT	3.92	3.64	3.39	3.18	2.99
Additional cost brand / retailer	US\$	0.05	0.04	0.04	0.04	0.04
Additional cost factory / supplier	BDT	1.68	1.56	1.45	1.36	1.28
Additional cost factory / supplier	US\$	0.02	0.02	0.02	0.02	0.02

The example above shows that as production efficiency increases the funding shortfall for the steps towards a Living Wage reduces. As this data is based on a 20 SMV garment, the additional cost per garment in this case would rise by between US\$0.05 and US\$0.07 per year for the five year period, meaning that over the course of five years this 20 SMV garment would increase in cost by US\$0.29 in total in order to deliver Living Wages to the workers.



Spotlight On : Living Wages - Bangladesh

The achievement of delivering the goal of Living Wages for garment workers is difficult and full of sensitive questions. Living Wages for garment industry workers will never be achieved through annual pay increases aligned to inflation alone. Whilst there needs to be a concerted effort made to increase production efficiencies within the factories, these efficiencies alone will also not be sufficient to fund the gap between current wage levels and Living Wages. As well as production efficiencies, compromises need to be made on margins and / or the selling prices of the goods if this goal is to be achieved.

The Business and Human Rights Resource Centre undertook a study that showed: *“6/10 people in Britain said they would spend up to 5% more on clothing if it meant garment workers were paid the so-called “fair Living Wage” that would allow them to cover the basic needs of their families.”*

A partnership involving;

- Suppliers and Factories investing in increasing production efficiency,
- Suppliers, Factories, Brands and Retailers all making a fair contribution from their margins
- Consumers being willing to pay more for their garments,

the achievement of this honourable goal is more than “feasible”.

Brands and Retailers participating in such a progressive program would need to promote this philanthropic project to their Customers in order to get “buy-in” for higher prices and at the same time negate any accusations of the price increases being a vehicle to enhance margins.

Participation in the “Partnership Project To Deliver Living Wages In Bangladesh” can be a significant differentiating pillar in a Factory, Supplier, Brand or Retailers, Sustainability Agenda.



Glossary of Terms

Below are some of the acronyms used within this report;

BCI	Better Cotton Initiative
CFp	Carbon Footprint
CFP	Circular Fashion Partnership
CSR	Corporate, Social Responsibility
C2C	Cradle to Cradle
EIM	Environmental Impact Measurement
ESG	Environmental, Social & Governance
ETP	Effluent Treatment Plant
FEM	Facility Environmental Module
FSLM	Facility Social & Labour Module
GHG	Greenhouse Gas
GRS	Global Recycle Standard
GOTS	Global Organic Textile Standard
IPE	Institute of Public & Environmental affairs
I-REC	International Renewable Energy Certificates
ILO	International Labour Organisation
JV	Joint Venture
KPI	Key Performance Indicators
kWh	Kilo Watt Hour
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
MMCF	Man Made Cellulose Fibres / Filaments
MRS�	Manufacturing Restricted Substances List
NEQS	National Environmental Quality Standards
NOS	Never Out of Stock
OCS	Organic Content Standard
PCW	Post Consumer Waste
RCS	Recycled Claim Standard
SAC	Sustainable Apparel Coalition
SKU	Stock Keeping Unit
SMV	Standard Minute Value
ZDHC	Zero Discharge of Hazardous Chemicals
ZTV	Zero Tolerance Violation

Disclaimer

This report covers the period April 2021 to March 2022. The report also contains forward-looking objectives and targets based on the assumptions and estimates of the PDS Group Business Units' Sustainability Managers / Sustainability Champions, endorsed by the views of their Directors. Although it is assumed that the expectations in these forward-looking objectives and targets are realistic, we cannot guarantee they will prove to be correct. The assumptions and estimates may contain risks and uncertainties that may cause the actual achievement to differ considerably from the forward-looking objectives and targets. Factors that may cause such discrepancies include, among other things, changes in the economic and business environment, changes in legislation, a lack of acceptance of new products or services, and changes in corporate strategy.

The PDS Group and its constituent Business Units do not plan to update its forward-looking objectives and targets, nor does it assume the obligation to do so.

N.B.: For the purpose of this report PDS Group turnover references, exclude:
PG Group (Chile), PDS Smart Fabrics, PG Home & Casa Collective.



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