

# PDS Group Sustainability Report 2024

Making Sustainable Progress Attainable





## Powered by People



## Driven by data



## Grounded in Science

At PDS, we are all about **making sustainable progress attainable**. As we continue to shift the paradigms of the fashion value chain, we make it a priority to not do it at the cost of the world we all share. We have always upheld our deep-rooted commitment to ethical practices and environmental stewardship.

Over the years, we have gained extensive industry expertise and a discerning design sense, which has enabled us to cater to the ever-evolving preferences and demands of global fashion brands and retailers in a responsible manner. Our approach has been simple yet profound—it is about delivering the right product to the right market from the right factory, ensuring

quality and ethical production every step of the way.

We make judicious investments and champion eco-friendly practices. Our focus remains on establishing partnerships that lead us towards a future where business growth and environmental consciousness coexist. Beyond business, we aspire to be the agent

of positive change, empowering the communities we serve and helping them thrive.

Together with our partners and suppliers who share our vision, we are inspiring a transformation in the fashion industry. Our objective is clear—we aspire to create a sustainable and equitable future where progress is more than a buzzword but a tangible reality that we live every day.

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[www.pdsltd.com](http://www.pdsltd.com)



Scan the QR code to view the report online





At PDS, we have continued to enhance our value proposition as a leading provider of integrated and customised solutions to global retailers and brands.



## Empowering change, progressing responsibly

With decades of experience in our arsenal, we have found the perfect blend of innovation and technological advancements which caters seamlessly to our clients' needs.

We have always engaged with our partners to enable sustainable

development for our communities.

While we have consistently driven innovation and explored the opportunities presented by globalisation, we have remained firm in our resolve to safeguard our planet for generations to come.

We are an ethical and forward-thinking organisation and for us sustainability lies at the heart of our operations. We always strive to synergise entrepreneurial ethos with an eco-conscious mindset.

### Vision

Be the most admired global enterprise providing innovative fashion solutions in the most ethical and trusted way.

### Mission

We strive to be an organisation where integrity, transparency, customer satisfaction and courage guide us to become the most preferred business partner and employer.

## Values



Trust, Integrity and Ethics



People First



Entrepreneurial Spirit



Customer Centricity



Transparency, Collaboration and Teamwork



Social Responsibility







## Design-Led Sourcing

Our in-house designers have deep expertise in crafting tailored solutions for our global clientele. We operate in a global design-led ecosystem, ensuring delivery of customised solutions that meet diverse client needs.



**250**

Global brands and retailers served

**600+**

Compliant partner factories

## Manufacturing

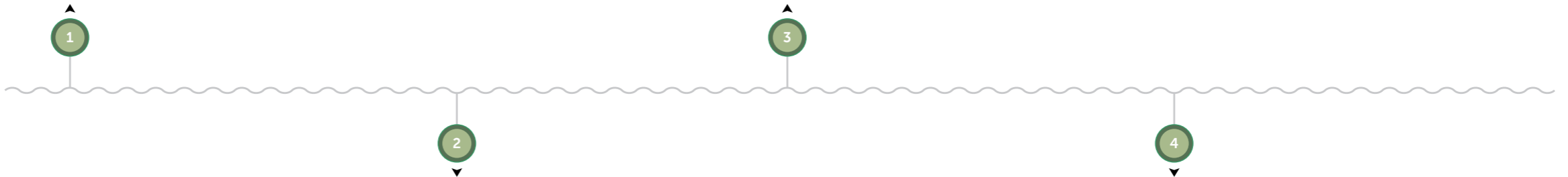
With a focus on promoting sustainable fashion, we incorporate numerous quality assurance procedures in our manufacturing processes. In addition to this, we also undertake several initiatives such as the installation of solar panels, rainwater harvesting systems and water wastage reduction measures in our plants. Equipped with cutting-edge technologies, our central cutting plant at Norlanka, in Sri Lanka and Wash plant at Progress Apparel Bangladesh ensure enhanced operational efficiency.



**LEED Gold Certification**

**HIGG Index Membership**

## Core Business operations



## Sourcing as a service

Upholding transparency and robust controls, our business model ensures trust and accountability. We provide dedicated teams and infrastructure to each customer facilitate seamless expansion of their brand or retail operations. With a focus on end-to-end management, we efficiently meet sourcing needs, backed by territory-based agreements and exclusive sourcing rights. The operations are overseen by an independent team under a separate setup, emphasising vendor management and a balanced supplier matrix.



**Customised services with SaaS**

**Worldwide exclusive sourcing partner**

## Brand management

We have a diverse approach to brand management, including both licensing and acquiring brands. Collaborations with retailers enable us to conceptualise and curate brands that resonate with our target audience. Additionally, our design-to-market capabilities ensure swift and efficient brand development processes. We continuously explore opportunities for end-to-end brand management solutions to enhance our offerings in the market.



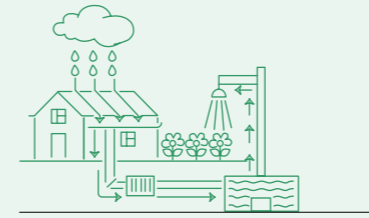
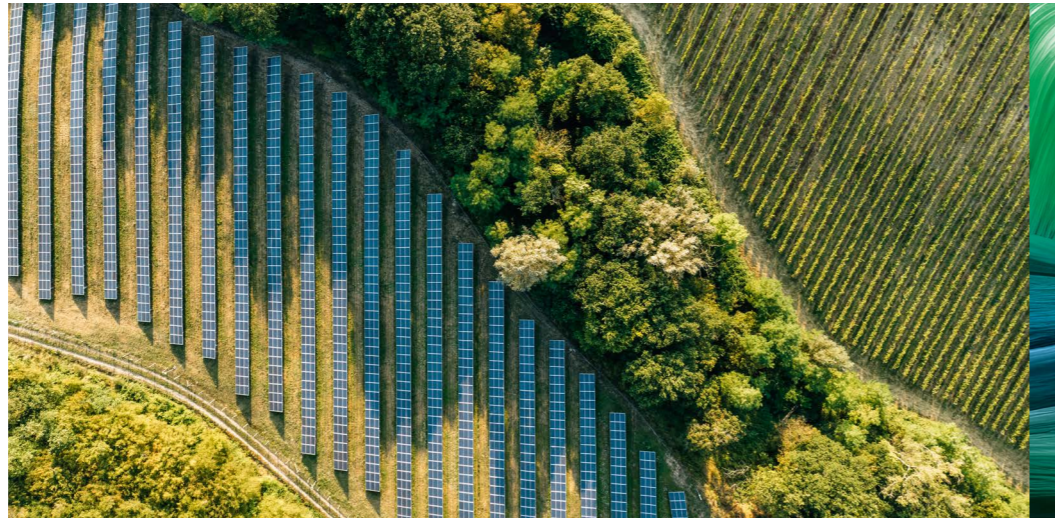
**End-to-end Expertise**

**Curated portfolio of in-house brands**

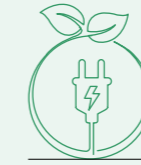




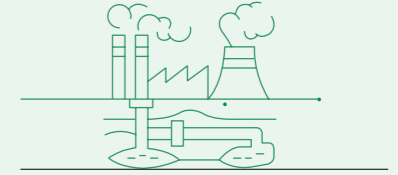
## Environment Highlights



**2.7 million litres**  
Rainwater harvested



**1.5 million kWh**  
Clean energy generated



**14,353 Metric tonnes**  
Total Scope 1 and 2 emissions\*

## Social Highlights



**1,000+**  
Children empowered through quality education



**230+**  
Adults upskilled for better livelihoods



**5,000+**  
Learning hours dedicated to employee development

## Governance Highlights



**600+**  
Compliant partner factories



**300+**  
Employees engaged in upskilling/training programmes



**12**  
Countries under compliance due diligence

\*Refer calculation boundaries on page 28





# Message from Chairman



We strongly believe in pursuing an ethical path that keeps sustainability as the bedrock of our growth. It empowers us to extend our efforts beyond environmental stewardship to encompass community development projects.

### Dear Stakeholders,

PDS Limited, founded in 1999 in Hong Kong, has emerged as a global sourcing platform for leading brands and retailers. Throughout our journey, the core value that remained central to our operations has been sustainability. It encompasses environmental stewardship to social responsibility, enabling us to create a lasting positive impact- we consider it a privilege to contribute towards a planet-positive future.

We strongly believe in pursuing an ethical path that keeps sustainability as the bedrock of our growth. It empowers us to extend our efforts beyond environmental stewardship to encompass community development projects. Improving social well-being is equally important to us, and we have identified education as the fundamental requirement for community upliftment.

We recognise the power of education to empower communities; this vision led to the creation of SOHAM, our social initiative with the aim of breaking the poverty cycle through generational education. SOHAM was born out of a personal responsibility towards our community to address societal challenges head-on. With schooling for children and vocational training for adults, the multigenerational approach equips families with knowledge and skills necessary to thrive.

Building on our conscientious efforts, we have aligned our goals with the Science Based Targets initiative, grounding them in scientific evidence. Our comprehensive initiatives address emission reductions, resource efficiency and community engagement to contribute towards creating a balanced, sustainable future. At the same time, we are collaborating with eco-conscious partners to forge a circular fashion value chain.

Achieving sustainability is an exciting challenge that presents endless opportunities for growth and innovation. Balancing environmental and social responsibility with financial viability is a task that requires coordination across all verticals and navigating complex supply chains. Despite the obstacles, we remain optimistic about the future, knowing that our efforts towards continuous improvement will help us achieve our goals. The increasing regulatory spotlight has validated our commitment to sustainability. It has motivated us to work harder and explore new solutions that will lead us to make a meaningful difference.

At PDS, we are dedicated to making sustainable progress attainable for all stakeholders in the apparel industry. With our investment arm, PDS Ventures,

we are facilitating a collaborative ecosystem that connects startups, established brands, manufacturers and other key players within the industry. By working together, we can accelerate the adoption of ecological solutions, encourage knowledge sharing and make a collective impact for a green future.

In conclusion, I wish to extend my heartfelt appreciation for the phenomenal PDS team. It is through their hard work and dedication that our vision of becoming a sustainable organisation is not just a dream, but a tangible reality. This progress would not be possible without the continuous support and faith of our shareholders, investors, board and other stakeholders. As we move forward together, I am confident that we will not only achieve social and ecological equilibrium, but also become a model for responsible business practices.

Regards,

**Dr. Deepak Kumar Seth**  
Chairman





## Message from Executive Vice Chairman

### Dear Stakeholders,

In today's world, aiming for a carbon-neutral future is no longer a choice but an imperative. At PDS, we recognise our critical role in aligning with the global sustainability agenda and tackling environmental and social challenges. Sustainability is ingrained in our core values and decision-making processes, permeating every aspect of our operations. Our efforts are reinforced by four pillars, 'Respect Water, Reduce Emissions, Build Community, Think Circular.', serving as guiding principles, shaping our strategies and initiatives to create a better future.

We realise sustainable progress requires a balanced approach. While economic growth fuels innovation to create sustainable solutions for a circular economy, environmental stewardship prioritises the need to operate responsibly and minimise our carbon footprint. At the same time, we strive to promote a culture of collaboration to fulfil our obligations towards society. This comprehensive approach not only builds a sense of shared value creation but also promotes camaraderie, trust and transparency among stakeholders.

Aligning with our pillar of 'Reduce Emissions,' we remained steadfast in transforming our aspirations into tangible solutions that make a difference to people and the planet. We harnessed the power of the sun in our Bangladesh facility to generate 1MWp of solar energy, mitigating over 10,000 tonnes carbon emissions. Combining this achievement with the solar power producing capacity of our Sri Lankan facility, it makes us eligible for LEED Platinum certification.

Towards our commitment to 'Respect Water,' we partnered with the Good Fashion Fund, to equip our Bangladesh subsidiary with a state-of-the-art

wash plant which successfully fulfils 90% of Progress Apparel's washing requirements. This investment not only strengthens our apparel manufacturing capabilities but allows us to leverage the Good Fashion Fund's expertise in green practices and the use of advanced technologies to pave the path for a viable future.

Embodying the 'Think Circular' vision, we collaborated with leading textile companies and next-gen material and green chemistry start-ups, resulting in the development of the Everloop collection. This exemplifies our intent to tackle multiple sustainability challenges at once, without compromising on style or creativity. The collection showcased a future-ready range, where materials are regenerative and clothing is designed to last.

Now, under the 'build community' pillar, we work with SOHAM to promote generational learning for the holistic development of the community. We take pride in sharing that the initiative played a pivotal role in shaping the lives of many people. In partnership with SOHAM for Kids and SOHAM for All, we fulfil fundamental requirements of the underprivileged and go beyond schooling as well.

Dedicated to promoting sustainability, PDS Ventures, the investment arm of PDS Group, invests in innovative solutions within the fashion industry. This includes advancements in material science, manufacturing solutions, supply chain transparency and fashion tech. These investments enhance environmental responsibility and ethical practices, with a focus to advancing sustainability in fashion. Through our Ventures ecosystem, we have been able to launch the Trailblazer Programme, in collaboration with the Global Fashion Agenda, to support early-stage innovators

accelerating the transformation of the fashion industry with planet-positive solutions. This year's winner Bloom Labs provides a promising sustainable material innovation by developing next-gen alternatives to natural and synthetic fibres.

In our efforts to minimise our environmental impact, we implemented digital product passports for our garments, enabling us to track and map their lifecycle accurately. Additionally, we conduct accurate and automated carbon accounting, to track emissions across the fashion value chain. These innovative solutions not only enhance transparency and compliance but also build customer loyalty with our improved credibility as a responsible organisation.

We believe that the key to achieving sustainability lies in collective effort. We thank our dedicated teams for their constant effort to implement innovative solutions across the value chain. Our customers as well as suppliers, who also share our vision of a responsible future, motivate us to push the boundaries and explore new opportunities to embed sustainable practices in our operations. As we embrace sustainability as our way of life, our values act as a compass to direct our efforts towards inclusive growth.

While our efforts to usher in sustainability continue to reap results, we remain rooted in our determination to make a tangible difference to communities and the planet. We are confident that our dedication will pave the path for a glorious journey of holistic achievements.

Regards,

**Pallak Seth**  
Executive Vice Chairman

We realise sustainable progress requires a balanced approach. While economic growth fuels innovation to create sustainable solutions for a circular economy, environmental stewardship prioritises the need to operate responsibly and minimise our carbon footprint.







# Message from Group CEO

Sustainability is one of the core values at PDS, driving us to achieve operational excellence while implementing sustainable processes across our platform. With a presence in 22 countries and over 4,000 employees, diversity is our key strength.



### Dear Stakeholders,

I am pleased to present our Sustainability Report for the financial year 2024. This report highlights the efforts we have undertaken to embed sustainable practices into our business operations. We believe there is a powerful synergy between economic growth and sustainable development. While economic growth fuels innovation, creates opportunities and provides resources to develop eco-friendly solutions. At the solutions, sustainable practices open new avenues for economic growth.

Sustainability is one of the core values at PDS, driving us to achieve operational excellence while implementing sustainable processes across our platform. With a presence in 22 countries and over 4,000 employees, diversity is our key strength. It guides us to adopt a flexible yet united approach to sustainability. While coordinating sustainable practices across different regions presents unique challenges, we believe in tailoring our solutions to the needs of communities. This means engaging everyone from the beginning and actively involving both internal and external stakeholders to achieve our goals.

Our commitment to ESG extends across our global operations and supply chain. Our factories in Bangladesh and Sri Lanka undertake various initiatives, including water conservation projects,

mangrove cleaning and restoration, installation of water-saving and energy-saving devices and rainwater harvesting. Alongside these initiatives, we conduct training sessions to sensitise our people to the environmental impacts of our operations, enabling them to understand and adopt sustainable practices in all we do.

Our verticals are aligned with our goals. For example, Simple Approach champions responsible resource usage by gradually replacing conventional products with eco-friendly alternatives. These small changes contribute to our larger goal of building a sustainable organisation. Similarly, through our venture tech arm, PDS Ventures, we embrace new technologies, including eco-friendly materials, blockchain and circular economy models, helping reduce the environmental impact of fashion. For instance, Upcycle Labs has partnered with the World Economic Forum, the Ghanaian President's Office and the largest local waste companies to build an upcycling plant. This plant provides a plethora of benefits as it will enable Ghanaians to transform fashion waste into bricks and home décor products, addressing waste removal issues while creating new jobs, boosting the local economy, increasing exports and building a circular hub. Our another venture, Everloop, is leading the way in circular design within the fashion industry, pushing boundaries and reshaping the future of sustainable apparel.

We believe in making a difference through incremental improvements, knowing that each small step contributes to sustainability. As part of Cascale, we use the Higg Index suite to measure and improve our environmental and social impact. Simultaneously, by partnering with the United Nations Global Compact, we uphold business integrity through collaborative learning, auditor training and anti-corruption programs, continually improving our ethical standards.

Our progress would not be possible without the hard work and dedication of our committed workforce. From skill development opportunities to empowering our teams with ILO-Better Works, we are determined to create fair and inclusive workplaces.

Lastly, if you ask what's next-- then we take pride in sharing that the sky is the limit for us. We are excited to continue pushing the envelope and investing in ground breaking technologies and partnerships.

I want to express my deepest gratitude to our customers, employees, partners, and stakeholders. You are all part of our journey towards a more sustainable future, and together, we are leading the charge for positive change in the fashion industry.

Regards,

**Sanjay Jain**  
Group Chief Executive Officer





# Message from Group Executive Director - ESG

## Dear Stakeholders,

PDS remain as ambitious and focused as ever about 'doing the right thing' for the environment, the people that work within our supply chain and the communities from which we source from.

Our ultimate goal is to achieve Net Zero by 2050, our Sustainability report is a testament to the progress we make each year to move closer to our goals which are guided by our four key pillars- Reduce Emissions, Respect Water, Think Circular and Build Community.

Reflecting on the year gone, it gives me immense pleasure to share that we continue to build momentum and progress against our "plan on a page" targets, driven by data, grounded in science and powered by people. These principles underpin everything we do with regards to sustainability.

However, in our industry the gap between what has been achieved and what needs to be achieved continues to widen. The fashion industry has a short-term lens on the future and tends to look no further ahead than 12 months. In this time, climate change requires a long-term roadmap embedded into the entire organisation's objectives and a top-down approach.

While there has been glimpse of leadership and progress in our sector, voluntarily combatting the climate change challenges still awaits. It is anticipated that, Legislation and Regulation will be the driving force to transform our sector and level the playing field for participants of the fashion industry.

At PDS, we firmly believe collaboration is the central catalyst to our sustainable pathway.

The apparel industry is complex, with raw materials sourced from various regions, manufacturing units spread

across the globe and diverse expertise required throughout the value chain- no single entity has all the answers and thereby, collaboration is central to achieving progress.

Even though there are many signs and evidence that society is still off track with regards to global warming, it is more important than ever that our industry acts with urgency and stays committed to the Paris Agreement. Our grounded-in-science approach has seen us commit to the Science Based Targets Initiative (SBTi) and mark an impactful step towards tracking and reducing our greenhouse gas emissions.

This year, PDS has collaborated with several organisations to boost its sustainability commitments. We have partnered with several global banking partners to transition to sustainability linked financing, allowing us to take our financial partnership to the next level by aligning our core sustainability targets with fiscal modalities.

Following on from our membership of the United Nations Global Compact last year, we have engaged in several roundtable discussions with external stakeholders and peers to look at paths where we can align with objectives and avoid duplication of efforts to ensure focused improvements against the UNGC's key commitments.

Additionally, capacity and capability building was taken a step forward by engaging with organisations such as the ILO for internal learning and development initiatives within our social compliance teams.

We have also earmarked \$50m to invest in new sustainability start-ups to deliver tomorrows solutions through our venture arm- PDS ventures. Till date, we have been able to identify best in class innovative circularity solutions and fashion tech enablers. With 60+

companies within our portfolio, we aim to become a global hub for innovation and solutions that make a difference.

We do not solely focus on investment; we bring more to the table than just financial support. These entrepreneurs and future game changers get access to our expansive network of experts to help guide them from a seed of an idea to full implementation at scale. Once ready to commercialise, PDS connects them with its 300+ brands and retailer customers to fast track their journey.

The creation of Positive Materials is another such resource that highlights "fast track" approach of PDS. Based in Portugal, Positive Materials is a R&D Company that has access to industrialised textile processes and machinery. The team of experts support the transitions from lab to factory in industrialising low-impact fibres, dyeing and finishing process. They support early-stage technologies, transforming them into industry-ready products, leading the movement to next-gen materials.

Our communities, our neighbours and our people are our biggest assets. Driven by a people-first approach, our work is inspired by the need to be a good neighbour for our communities and employees, prioritising their wellbeing and empowerment. Our social responsibility arm - PDS One brings together our vast PDS enterprise, leveraging It is anticipated that global networks for local impact.

At the group level, our initiative - SOHAM for All- is a testament to our community-driven approach to generational education. Leveraging the power of education as a means to empowerment, SOHAM excels in providing holistic traditional and vocational education to deprived communities in India and Bangladesh. While the children learn basic literacy

and numeracy skills their parents are taught sewing and IT, helping them overcome the lack of education and equip them to adapt to the dynamics of the modern world.

PDS One captures the impact our business verticals and the manufacturing units on the society. From providing free healthcare for factory workers, protecting the environment through regenerative projects or supporting the wellbeing of premature babies in Bangladesh- we are contributing our bit to building a better tomorrow.

Our subsidiary Spring Near East works tirelessly to engage, support and lift women from low socio-economic backgrounds in Turkey; they provide factory fabric waste a new life by making rugs, dolls and tote bags.

Another subsidiary, Poeticgem, works on manufacturing thermal jackets for infants using life-saving incubation technology- these have been especially beneficial for infants who suffer from hypothermia and do not have access to traditional incubators.

Furthermore, our manufacturing unit Norlanka, in Sri Lanka engages

in long-term rainwater harvesting programme to help reduce their reliance on freshwater sources.

It is always encouraging to reflect on what we have achieved over the past year. My thanks go to all colleagues who have been involved in moving PDS forward - for their creativity, tenacity and enthusiasm in this hugely important work.

Regards,

**Paul Wright**  
Group Executive Director - ESG



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## A snapshot of our sustained performance

We strive to ensure that economic growth is not accomplished at the cost of our environment. At PDS, we make diligent efforts to achieve sustainable growth. These include prioritising environmental integrity, social equity, long-term business viability and responsible growth.

The renewed demand and strong performance of our recent ventures have accelerated our growth trajectory. Our gross margin has surged from 16.7% in the previous year to 20.4% in FY 2024, primarily fuelled by ventures with higher margins, such as Sourcing as a Service and Ted Baker.





# Our approach to sustainability

From enhancing environmental stewardship in our supply chain to promoting diversity and community empowerment, our commitment to upholding the principles of Environmental, Social and Governance (ESG) across our organisation runs deep.

## Sustainability Pillars

Guided by four pillars, our sustainability approach fosters a harmonious relationship between our business, the environment and society to create lasting value. By seamlessly integrating sustainability into our operations, we are sowing the seeds for a future that is both sustainable and equitable.



### Respect Water

The Respect Water pillar reflects our commitment to environmental stewardship, emphasising responsible water management and conservation. Through well-calibrated measures, we strive to reduce water consumption and safeguard water quality.



### Reduce Emissions

The Reduce Emissions pillar focuses on mitigating greenhouse gas emissions. We have partnered with SBTi for emission reduction. We adopt eco-friendly practices to minimise our carbon footprint by switching to renewable energy sources and carbon calculation practices.



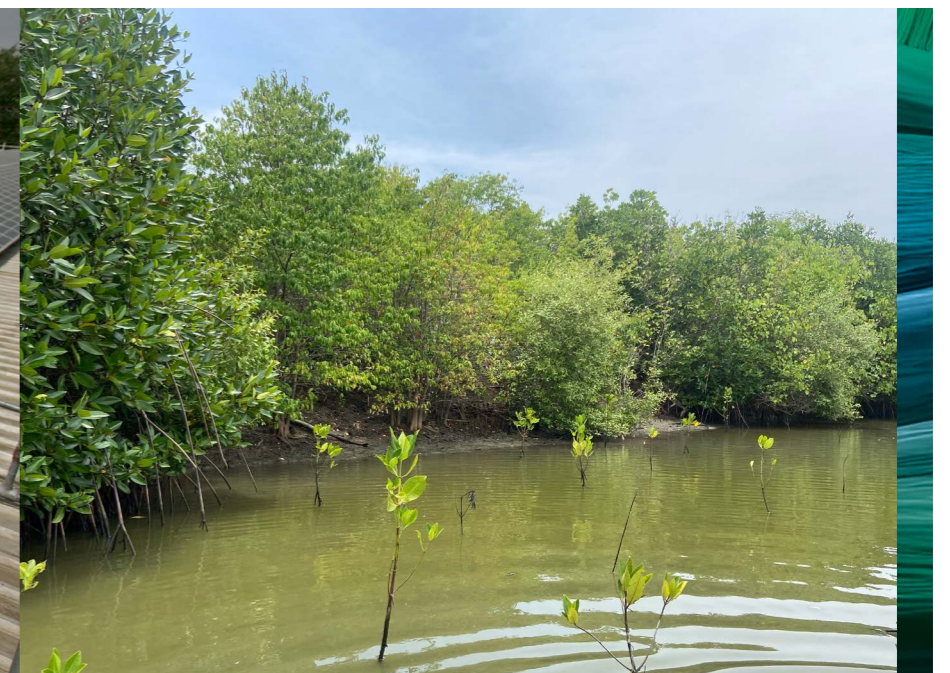
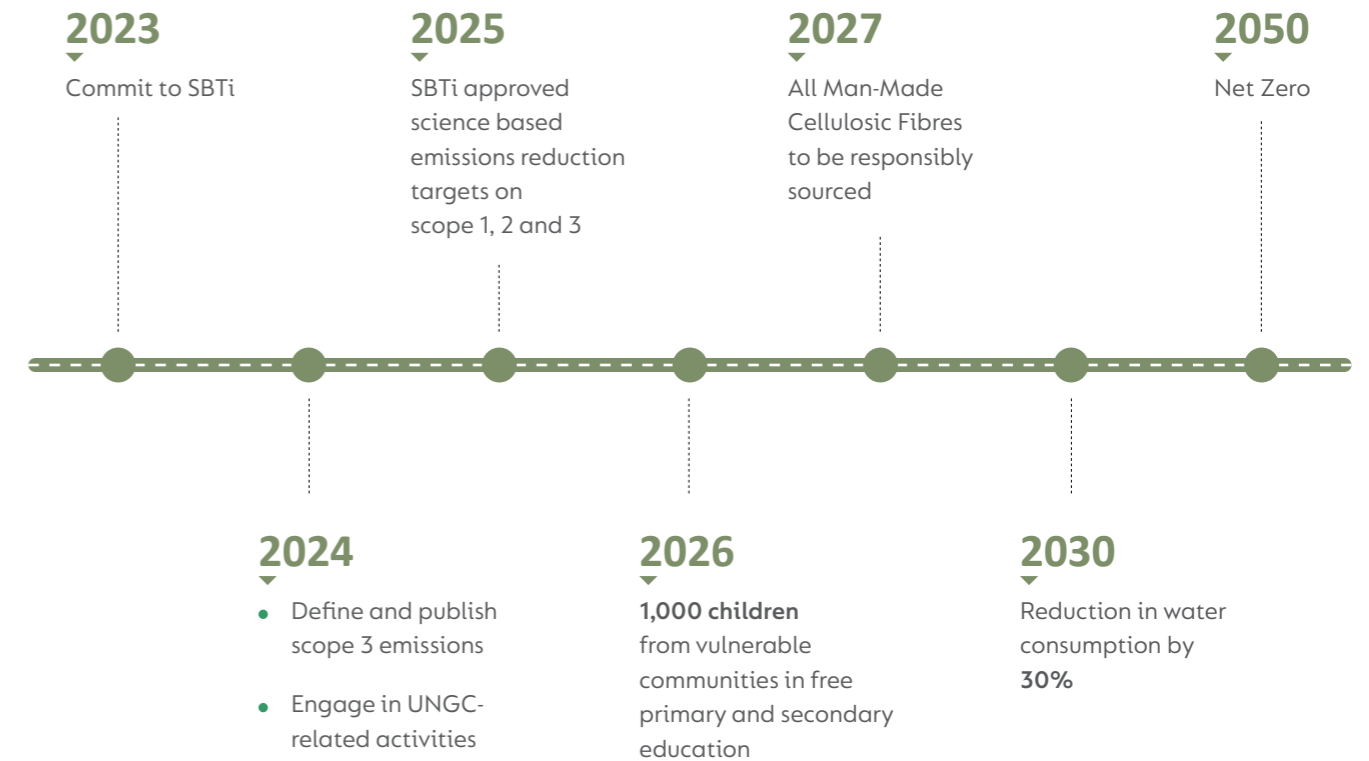
### Think Circular

The Think Circular pillar highlights the integration of circular economy principles. This pillar advocates for resource efficiency, waste reduction and the establishment of a sustainable value chain in collaboration with stakeholders.



### Build Community

The Build Community pillar corresponds to the social dimension of ESG, demonstrating our dedication to supporting and engaging with local communities. We allocate resources to community development projects, cultivate beneficial social outcomes and champion inclusive growth.





# Aligning with global standards

Committed to upholding global standards, we prioritise environmental sustainability and societal well-being to create a brighter future. Our alignment with internationally recognised sustainability frameworks amplifies our impact on society and the environment, driving us to integrate ethical business practices into our core strategy for creating lasting stakeholder value.

## UN SDGs

The United Nations Sustainable Development Goals (UN SDGs) serve as a universal call to action to end poverty, protect the planet and ensure prosperity for all by 2030. Encompassing 17 interconnected goals, the UN SDGs address pressing global challenges across social, economic and environmental realms.

From eradicating hunger and poverty to promoting gender equality and clean energy access, these goals provide a comprehensive framework for sustainable development and collective progress. At PDS, we use SDGs as a reporting framework for our Annual Sustainability report linking our contributions towards the global agenda.



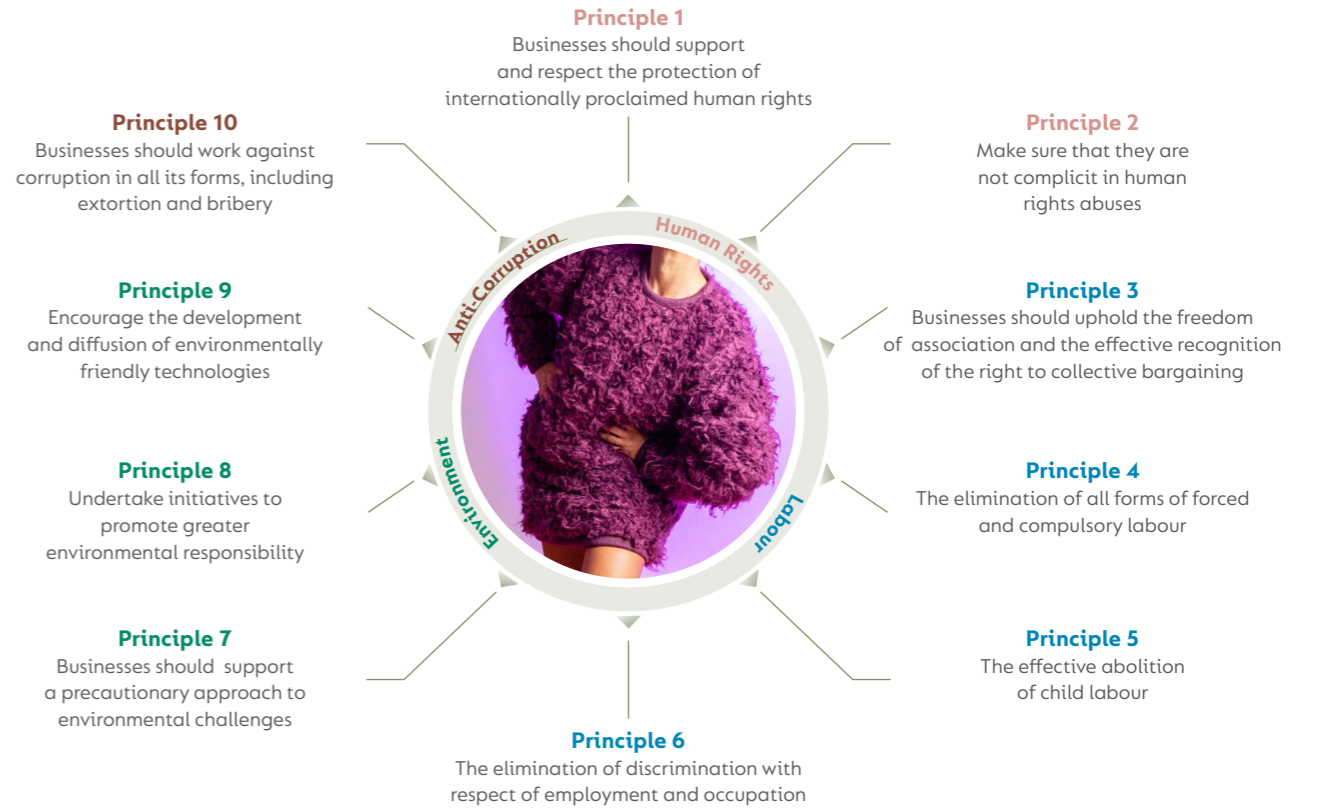
## UNGC

As a participant of the United Nations Global Compact (UNGC) we are dedicated to aligning our business strategies and operations with the initiative's ten universal principles in human rights, labour, the environment and anti-corruption. This commitment is integral to our mission, extending our influence beyond mere compliance to contribute to a sustainable and inclusive global economy.

One year into our engagement, our resolve to uphold ethical business practices remains strong. By embedding these principles into our corporate ethos and strategic initiatives, we not only uphold our corporate accountability but also support the broader United Nations development goals, especially the Sustainable Development Goals (SDGs).

We have conducted various learning initiatives to reinforce this commitment, including collaborative discussions, internal auditor training and anti-corruption sessions. Our completion of the Communication on Progress (COP) report delineates our endeavours, advancements and hurdles encountered in upholding the UNGC principles.

<b>1 NO POVERTY</b> No Poverty	<b>2 ZERO HUNGER</b> Zero hunger			
<b>3 GOOD HEALTH AND WELL-BEING</b> Good Health and Well-being	<b>4 QUALITY EDUCATION</b> Quality Education	<b>5 GENDER EQUALITY</b> Gender Equality	<b>6 CLEAN WATER AND SANITATION</b> Clean Water and Sanitation	<b>7 AFFORDABLE AND CLEAN ENERGY</b> Affordable and Clean Energy
<b>8 DECENT WORK AND ECONOMIC GROWTH</b> Decent Work and Economic Growth	<b>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</b> Industry, Innovation and Infrastructure	<b>10 REDUCED INEQUALITIES</b> Reduced Inequalities	<b>11 SUSTAINABLE CITIES AND COMMUNITIES</b> Sustainable Cities and Communities	<b>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</b> Responsible Consumption and Production
<b>13 CLIMATE ACTION</b> Climate Action	<b>14 LIFE BELOW WATER</b> Life Below Water	<b>15 LIFE ON LAND</b> Life on Land	<b>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</b> Peace, Justice and Strong Institutions	<b>17 PARTNERSHIPS FOR THE GOALS</b> Partnerships for the goals



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

## SBTi

The Science Based Targets Initiative (SBTi) entails collaboration among businesses, policymakers and experts to drive climate action. By setting emissions reduction targets based on scientific evidence, it guides companies in aligning strategies with the objective of limiting global warming. Through robust methodologies and validation processes, SBTi empowers organisations to pursue ambitious, scientifically grounded climate goals, contributing to a resilient, low-carbon future.

To effectively integrate Science Based Targets (SBTis), we have committed to SBTi for emission reduction. Led by our sustainability task force, this effort necessitates engaging key stakeholders to evaluate our current emissions profile, identify opportunities for enhancement and establish ambitious yet feasible targets for reducing emissions.



## Cascale

Cascale (formerly Sustainable Apparel Coalition), serves as a driving force in promoting sustainability within the global apparel and footwear industry. Comprising leading brands, retailers, manufacturers and organisations, Cascale develops and implements standardised tools and approaches for measuring and improving

sustainability performance. Ensuring transparency, innovation and collective action, it empowers stakeholders to create positive environmental and social impacts across the apparel supply chain, paving the way for a more sustainable future.

As members of the Cascale since September 2021, we benefit from the access to invaluable resources, tools and expertise that facilitate the evaluation and enhancement of our sustainability performance. One such resource is the Higg Index, a comprehensive suite of tools that enables companies to gauge and compare their environmental and social impacts. By leveraging the Higg Index, we identify areas for improvement and monitor our progress systematically.



## Identifying opportunities material to us

The materiality matrix presents a comprehensive and extensive evaluation of the critical aspects considered material by both our management and stakeholders. It showcases the issues, which are duly integrated into our sustainability strategy. This also enables us to focus our efforts and resource allocation on the most important areas. We are committed to continuing this ongoing process of engagement and evaluation as we strive to achieve sustainability goals that will safeguard the best interests of our stakeholders.



### Materiality Assessment

In FY 2023, we conducted our first PDS Group Materiality Assessment to engage internal and external stakeholders on the importance of Environmental, Social, and Governance (ESG) issues. Our senior executives, including the Group ESG Director and the Director of Sustainability and Innovation, contributed throughout the process.

We identified 12 material topics affecting the economy, environment, and people, using industry examples,

ESRS standards, our Codes of Conduct, and expert discussions. Engaging key internal stakeholders, the 'Sustainability Champions,' helped us refine this list.

We began by mapping stakeholders to select a diverse group for the survey. The survey asked stakeholders to rate the importance of each topic on a scale of 1-10, and we received 56 responses. The 12 topics are presented according to importance in the Materiality Matrix. Analysis showed that three of the top

four topics were environmental, but 'Human Rights' was rated highest by internal stakeholders.

We are already addressing most of the top 12 topics with existing policies and processes. We will continue to ensure these topics are part of our long-term ESG strategy, included in our 2024 ESG goals and remain a core focus of our stakeholder engagement efforts.



SR No.	Topic
1	Human Rights
2	GHG Emissions
3	Energy Management
4	Water Management
5	Community Relations
6	Occupational Health and Safety
7	Product Quality, Safety and Sustainability

SR No.	Topic
8	Supply Chain Management
9	Circular Economy
10	Industry Collaborations
11	Business Ethics and Integrity and Code of Conduct
12	Labour Relations and Collective Bargaining





At PDS, sustainability is a core part of our strategy and we are committed to reducing our environmental footprint. Adopting sustainable practices is consistently encouraged to benefit both our consumers and the planet, meet the demand for sustainable apparel and strengthen our sustainability quotient in a rapidly changing market. Committed to fostering environmental stewardship, we nurture eco-conscious practices throughout our operations, from waste reduction to energy conservation.

PDS Ventures, the investment arm of PDS Group, drives innovation in the fashion industry. Our focus areas include advancements in material science, manufacturing solutions, supply chain transparency and fashion technology. These investments enhance environmental responsibility and ethical practices, aligning with our vision of advancing sustainability in fashion. We also support reforestation initiatives and conservation efforts to protect natural ecosystems.



# Environment

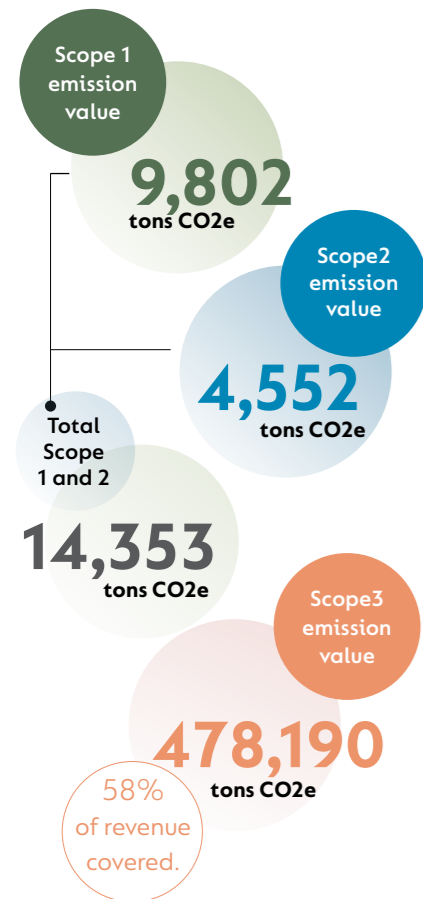


# Emissions management

At PDS, we put efforts into reducing emissions and transitioning to renewable energy sources. Aligned with the Paris Agreement and committed to our SBTi targets, our approach employs rigorous scientific methodologies and data-driven insights to achieve Net Zero emissions by 2050.

We employ a multifaceted approach to manage emissions, prioritising energy efficiency and conservation across operations. We invest in renewable energy such as solar power to reduce our reliance on fossil fuels and carbon footprint. Dedicated to upholding transparency, we align with UN frameworks, participate in global initiatives and aim to limit global warming to 1.5°C.

## Accounting for our GHG emissions



Scope 1 and 2 Boundaries

**78%**

of the emission figures were derived from primary sources, while the remaining emissions were extrapolated based on revenue.

For manufacturing units' stationary combustion, mobile combustion and fugitive emissions were taken into consideration.

For office locations, stationary and mobile combustion emissions were taken into consideration. However, fugitive emission was not taken into consideration

In our continued commitment to transparency and sustainability, we are eager to share the details of our Scope 3 emissions for the reporting period. We acknowledge that understanding and mitigating these emissions is crucial in our journey toward a greener future.

Scope 3 emissions encompass all indirect greenhouse gas (GHG) emissions that occur in our value chain, which are not directly owned or controlled by our Company. These emissions are a significant part of our overall carbon footprint, arising from various sources including supply chain activities, product use and waste disposal.

## Our Emissions Footprint

For the current reporting period, our total Scope 3 emissions amounted to 478,190 tons CO<sub>2</sub>e. The emission figure reflects 58% of our emissions using primary data and this percentage was meticulously gathered as per revenue metrics.

## Emission Categories Covered

In alignment with the Greenhouse Gas Protocol, we have considered 10 out of the 15 categories of Scope 3 emissions. This comprehensive approach ensures we capture a broad spectrum. The categories included in our analysis are:

- Purchased goods and services
- Capital goods
- Fuel- and energy-related activities (not included in Scope 1 or 2)
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Downstream transportation and distribution
- Indirect Use of Sold Products
- End of Life of Sold Products

Each of these categories represents a critical aspect of our business operations, from the raw materials we procure to the disposal of our products at the end of their lifecycle.

## Commitment to Improvement

We recognise that understanding our Scope 3 emissions is just the beginning. Our goal is to continually improve the accuracy of our data collection and expand the scope of our emissions reporting. By doing so, we can identify better opportunities to reduce our carbon footprint and drive meaningful change across our value chain.

We are also committed to engaging with our suppliers, customers and other stakeholders to collaboratively work towards reducing emissions. Through these partnerships, we aim to foster a more sustainable and resilient supply chain.

By sharing our Scope 3 emissions data, we hope to inspire others in our industry to take similar steps towards a sustainable future. Together, we can make a significant impact and contribute to the global efforts to combat climate change.

## Higg Index

The Higg FEM is a transformative tool for assessing the environmental impact of product manufacturing at facilities. It captures every stage of production, from water use to waste management and chemical and energy use, uncovering

areas for improvement, reducing redundancy, mitigating risk and creating a common language for sustainability players.

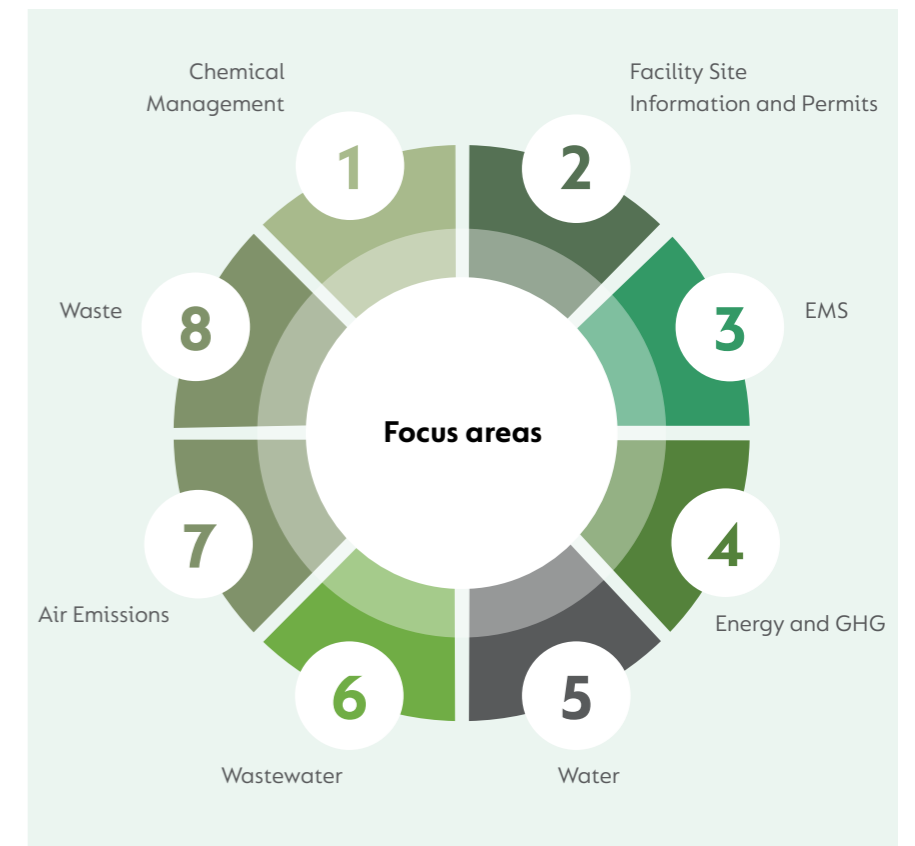
**PDS Manufacturing Units completed HIGG FEM Core Verification for 2023**

**70+**

Average points scored

**600+**

PDS Suppliers using Higg FEM







### Advancing Sustainability

The Shift from Higg FEM 3 to FEM 4

	Higg FEM 3	Higg FEM 4
<b>Scope</b>	Limited scope covering fewer environmental impacts and indicators	Expanded scope covering a wider range of environmental impacts and indicators
<b>Data Quality</b>	Requires standard data inputs	Emphasises higher data quality with more detailed and accurate data inputs
<b>New Indicators</b>	Fewer environmental impact indicators and metrics	Introduces new environmental impact indicators and metrics for a more comprehensive assessment
<b>Improved Methodologies</b>	Uses older methodologies and calculation techniques	Incorporates updated methodologies and calculation techniques for more accurate and reliable assessments
<b>Alignment with Global Standards</b>	Less alignment with global environmental reporting standards	Closer alignment with global standards, facilitating benchmarking and comparison with industry peers
<b>User Interface and Experience</b>	Basic user interface and experience	Improved user interface and experience for easier navigation and data input

**Adaptation to Higg FEM 4**

We faced significant changes with the introduction of Higg FEM 4, which brought new questions and metrics to assess environmental impact. Despite the challenges, our manufacturing units saw this as an opportunity to reduce our environmental impact. We initiated extensive training and hands-on practice sessions to familiarise our team with the new version, boosting their enthusiasm and knowledge. Finally, through joint efforts, we successfully adapted to Higg FEM 4, which offers enhanced scope, data quality, methodologies and better user experience. This new version provides us with a more comprehensive and accurate tool for assessing and improving our products' environmental performance.

### Transition towards cleaner energy sources

#### Solar PV System Implementation



Good Earth Apparels, our manufacturing facility that has been operational since July 2023, produces renewable energy on-site. These systems have not only reduced our reliance on fossil fuels but also minimised greenhouse gas emissions. The clean power generated covers a significant portion of our facility's total electricity usage, showcasing our commitment to sustainable energy practices and environmental responsibility.

**1,000 kWp**

Capacity of Solar PV System

Generating **0.7 million kWh** Covering **60%**

Of average monthly electricity consumption

### Emission reduction



**NORLANKA**

RESPONSIBLE SOURCING • DESIGN • INNOVATION

Norlanka is reducing its carbon footprint by installing solar panels to raise the adoption of renewable energy. The objective is to ensure that it fulfils energy demands while contributing positively to environmental conservation efforts and promoting a cleaner, greener future.

**63,700 kWh**

Average monthly renewable energy generation

**542.8 metric tons**

Reduction in carbon footprint in FY 2023-24

### Going carbon-neutral with mangrove restoration

Norlanka, our manufacturing vertical, and the University of Kelaniya are working together to restore mangrove ecosystems in Sri Lanka, aiming for carbon neutrality by 2025. The initiative strives to mitigate deforestation, rejuvenate natural environments and secure livelihoods for local communities.

#### Phase 1

They have restored mangrove plants with the help of volunteers to enhance the coastal ecosystems of Sri Lanka

**700+**

Mangrove plants are restored

#### Phase 2

They are now engaged in continuous monitoring and assessment of the mangrove plants

Throughout the lifespan of the mangrove plants,

**215,600 kg**

of CO<sub>2</sub>e has been removed

Restoring

**700+**

mangrove plants will result in total carbon sequestration of

**8,610 kg**

every year



GRINPIX



### PDS partners with Carbon Trail to measure carbon footprint

We have partnered with Carbon Trail, an AI-powered sustainability platform, to automate and enhance carbon accounting. As the fashion industry faces increased carbon calculation requirements, this collaboration eliminates manual calculations and provides accurate, automated carbon accounting through API integrations.

Our pilot project with Carbon Trail showcases the platform's ability to use primary data or metrics such as the Higg Index for detailed accounting, covering Scope 1, 2 and product-related emissions data. This also allows comprehensive carbon emissions analysis across the fashion value chain, enabling brands to share precise data and meet regulatory requirements.

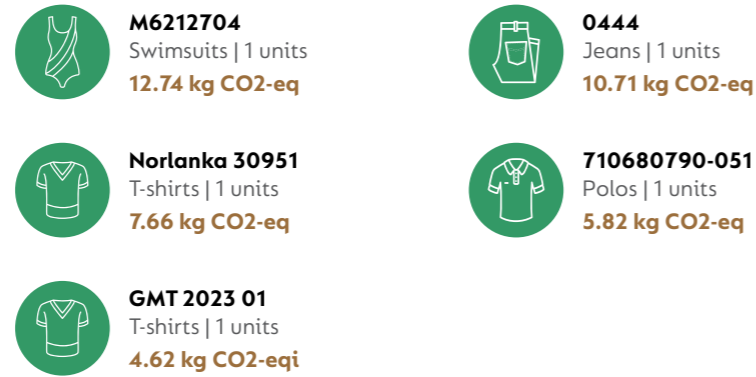
Additionally, Carbon Trail offers insights into overall company impact and performance. Its fast life cycle assessment tool measures and shares the environmental impact of fashion products, helping us and our partners achieve sustainability goals.

### We trace Carbon footprint and perform life cycle assessments in five key SKUs



#### Overall impact of our products

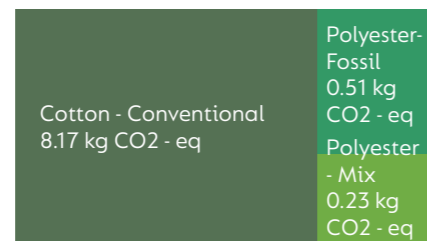
##### Top Contributors



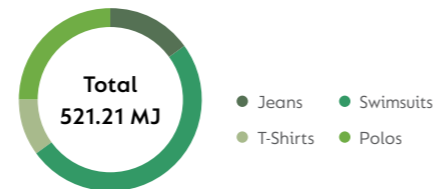
##### Water Consumption by Product Type (Liters)



##### Climate Change by Fiber



##### Resource Use - All Energy by Product Type



##### Product Data by Product Type (%)



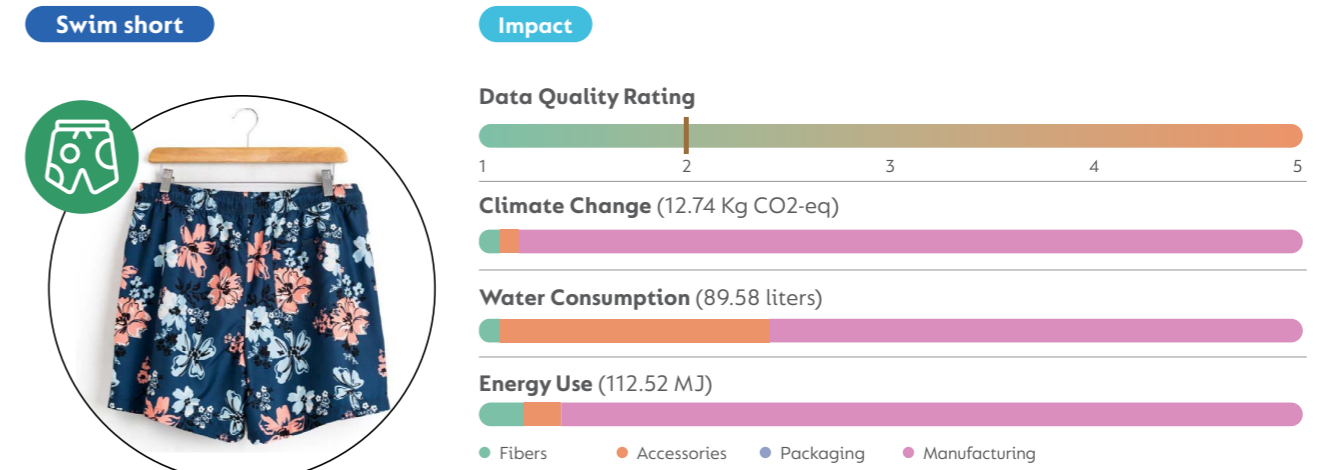
##### Data Quality Rating by Product Type



Measured on a scale of 1-5, where 1 is Best and 5 is Worst

Carbon Trail evaluates products' footprint by considering the proportion of primary and secondary data. Our products have a DQR score ranging from 1.29 to 1.88, with an average primary data coverage of 62% across these five SKUs. In collaboration with Carbon Trail, we are committed to increase the proportion of primary data for our products and enhance the accuracy of the results.

### Product footprint and digital product passports



### Climate impact breakdown by stages

Life-Cycle Stage	Impact	Contribution	vs Benchmark
Raw materials acquisition and pre-processing	0.96 kg CO2-eq	7.53%	-31.59%
Manufacturing	11.78 kg CO2-eq	92.47%	+ 434.44%

#### Raw Materials acquisition and pre-processing

Life-Cycle Stage	Impact	Contribution
Accessories	0.44 kg CO2-eq	3.48%
Raw Materials	0.51 kg CO2-eq	4.04%
Packaging	1.35e-3 kg CO2-eq	0.01%

#### Manufacturing

Life-Cycle Stage	Impact	Contribution
Main fabric manufacturing	11.48 kg CO2-eq	90.12%
Fabric manufacturing waste end-of-life	4.77e-3 kg CO2-eq	0.04%
Main Fabric transport	0.03 kg CO2-eq	0.26%
Assembly	0.25 kg CO2-eq	1.95%
Product manufacturing waste End-of-Life	0.01 kg CO2-eq	0.11%

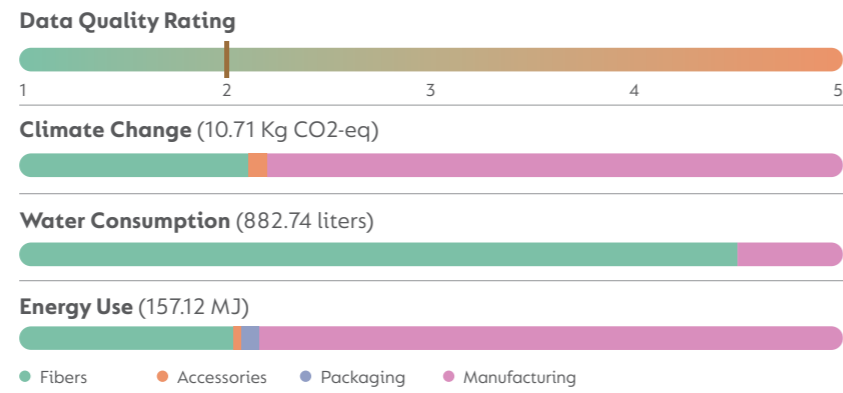




### Printed t-shirt



### Impact



### Climate impact breakdown by stages

#### Impact

Life-Cycle Stage	Impact	Contribution	vs Benchmark
Raw materials acquisition and pre-processing	3.19 kg CO2-eq	29.75%	-20.26%
Manufacturing	7.53 kg CO2-eq	70.25%	-34.54%

#### Raw Materials acquisition and pre-processing

Life-Cycle Stage	Impact	Contribution
Accessories	0.08 kg CO2-eq	0.79%
Raw Materials	3.05 kg CO2-eq	28.47%
Packaging	0.05 kg CO2-eq	0.48%

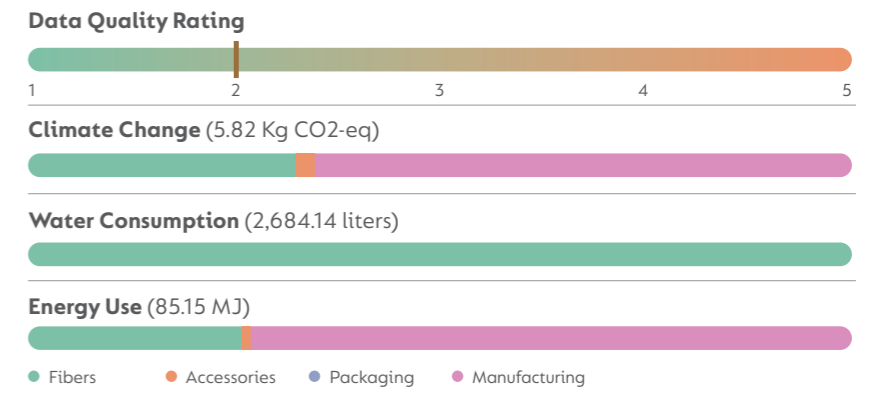
#### Manufacturing

Life-Cycle Stage	Impact	Contribution
Main fabric manufacturing	7.21 kg CO2-eq	67.25%
Fabric manufacturing waste end-of-life	9.36e-3 kg CO2-eq	0.09%
Main Fabric transport	0.06 kg CO2-eq	0.6%
Assembly	0.22 kg CO2-eq	2.07%
Product manufacturing waste End-of-Life	0.03 kg CO2-eq	0.25%

### Long sleeve polo T-Shirt



### Impact



### Climate impact breakdown by stages

#### Impact

Life-Cycle Stage	Impact	Contribution	vs Benchmark
Raw materials acquisition and pre-processing	1.86 kg CO2-eq	32.03%	+34.3%
Manufacturing	3.96 kg CO2-eq	67.97%	+11.82%

#### Raw Materials acquisition and pre-processing

Life-Cycle Stage	Impact	Contribution
Accessories	0.06 kg CO2-eq	1.04%
Raw Materials	1.79 kg CO2-eq	30.76%
Packaging	0.01 kg CO2-eq	0.23%

#### Manufacturing

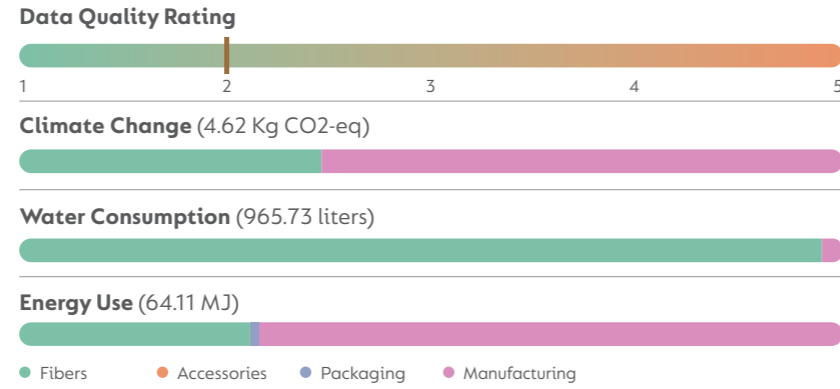
Life-Cycle Stage	Impact	Contribution
Main fabric manufacturing	2.33 kg CO2-eq	40.08%
Fabric manufacturing waste end-of-life	0.03 kg CO2-eq	0.48%
Main Fabric transport	0.06 kg CO2-eq	1.01%
Assembly	1.44 kg CO2-eq	24.8%
Product manufacturing waste End-of-Life	0.09 kg CO2-eq	1.61%



### Skinny Jeans



#### Impact



### Climate impact breakdown by stages

#### Impact

Life-Cycle Stage	Impact	Contribution	vs Benchmark
Raw materials acquisition and pre-processing	1.80 kg CO2-eq	38.92%	+29.63%
Manufacturing	2.82 kg CO2-eq	61.08%	-20.18%

#### Raw Materials acquisition and pre-processing

Life-Cycle Stage	Impact	Contribution
Accessories	0.02 kg CO2-eq	0.38%
Raw Materials	1.76 kg CO2-eq	38.05%
Packaging	0.02 kg CO2-eq	0.49%

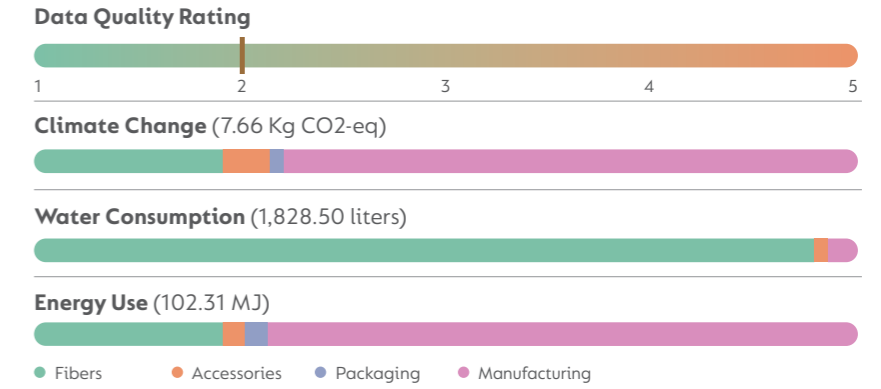
#### Manufacturing

Life-Cycle Stage	Impact	Contribution
Main fabric manufacturing	2.73 kg CO2-eq	71.06%
Fabric manufacturing waste end-of-life	4.34e-3 kg CO2-eq	0.11%
Main Fabric transport	0.04 kg CO2-eq	0.6%
Assembly	0.04 kg CO2-eq	2.07%
Product manufacturing waste End-of-Life	0.02 kg CO2-eq	0.39%

### Baby body suits – 7 pack



#### Impact



### Climate impact breakdown by stages

#### Impact

Life-Cycle Stage	Impact	Contribution	vs Benchmark
Raw materials acquisition and pre-processing	2.26 kg CO2-eq	29.46%	+62.47%
Manufacturing	5.40 kg CO2-eq	70.54%	+52.66%

#### Raw Materials acquisition and pre-processing

Life-Cycle Stage	Impact	Contribution
Accessories	0.27 kg CO2-eq	3.52%
Raw Materials	1.89 kg CO2-eq	24.67%
Packaging	0.10 kg CO2-eq	1.27%

#### Manufacturing

Life-Cycle Stage	Impact	Contribution
Main fabric manufacturing	4.99 kg CO2-eq	65.16%
Fabric manufacturing waste end-of-life	6.01e-3 kg CO2-eq	0.08%
Main Fabric transport	0.00 kg CO2-eq	0%
Assembly	0.39 kg CO2-eq	5.15%
Product manufacturing waste End-of-Life	0.01 kg CO2-eq	0.15%



### Printed t-shirt

Primary data from manufacturing facilities in Bangladesh is used to develop specific emission factors for each facility and process. It has been observed that printed t-shirt exhibits lower emissions during the manufacturing stage. Most of the emission reductions are achieved by using less energy for knitting compared to the default emission factor for Bangladesh.

Printed t-shirt exclusively uses Conventional Cotton as its main fiber, which has a higher carbon impact compared to the material mix in RP1 T-shirts, which includes Viscose, Cotton (Organic/Conventional), and Polyester.

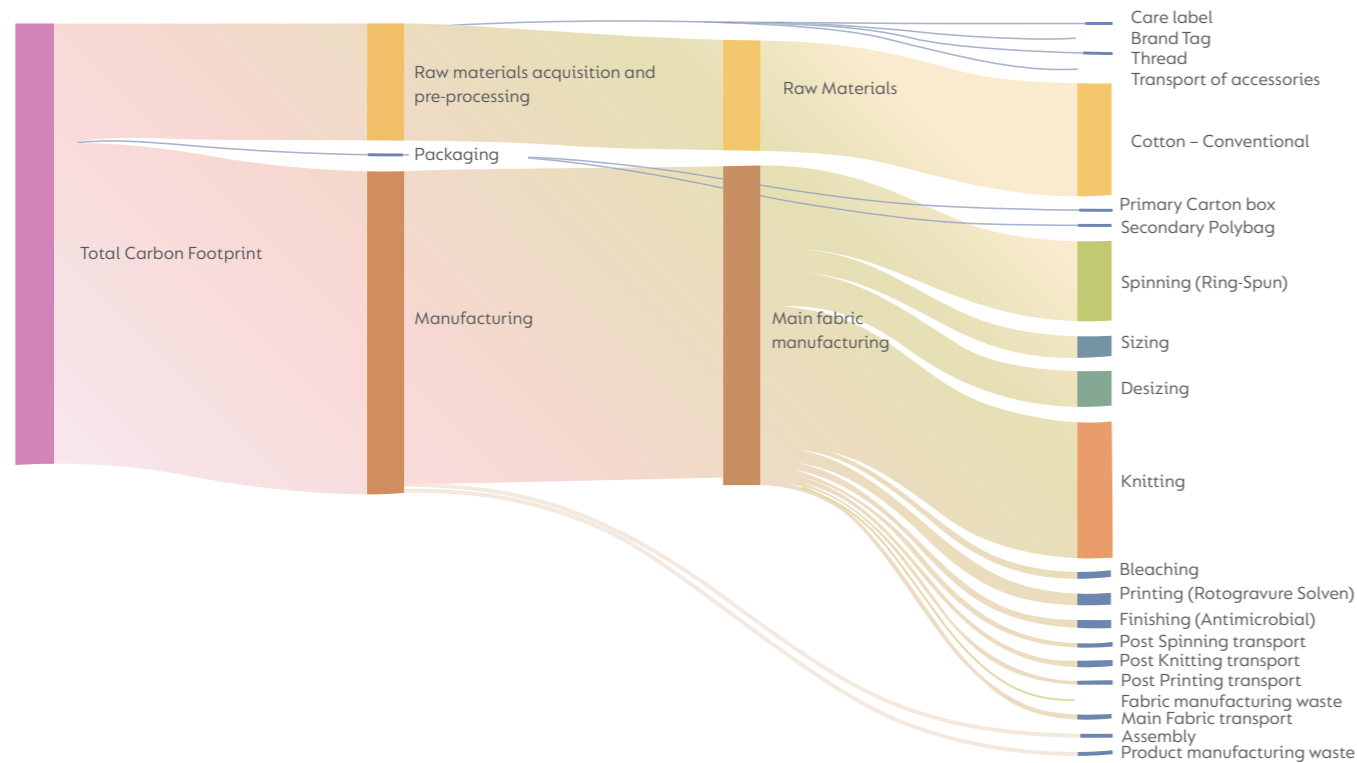
Emission hotspots for Printed t-shirt include three main activities namely Conventional Cotton, Ring-spun Spinning and Knitting. The Sankey chart below illustrates the impact of each activity.

**4.62 kg CO2-eq**

Total footprint of the product

**~5%**

% lower than the impact of representative product (RP1)



List of materials	RP1 T-shirts
Average weight [g/product]	170
<b>Total</b>	<b>100%</b>
Cashmere and camel hair	-
Cotton <sup>24</sup>	-
Duck down	70%
Elastane	-
Fur	-
Leather	-
Linen	-
Polyamide	-
Polyamide recycled	-
Polyester and other synthetics <sup>25</sup>	21.3%
Polyester recycled	2%
PTFE	-
Silk	-
Viscose/ Modal/Lyocell <sup>26</sup>	6%
Wool	-
Trims <sup>27</sup>	0.7%

We are leveraging Carbon Trail's AI Copilot to generate insights on reducing the carbon footprint. Here are some top suggestions from the AI tool for "Printed t-shirt"

#### Optimise Fabric Manufacturing Processes

- Knitting**

This process has a significant carbon footprint of approximately 1.20 kg CO2-eq. Switching to more energy-efficient knitting technologies or using renewable energy sources in the knitting facilities can help reduce emissions.

- Spinning**

With an impact of around 0.70 kg CO2-eq, exploring more efficient spinning methods or machinery could reduce emissions.

#### Improve Material Sourcing

- Cotton - Conventional**

The raw material acquisition for cotton contributes about 0.98 kg CO2-eq. Sourcing organic or

regenerative cotton from regions with lower carbon and water footprints, or increasing the use of recycled cotton, can reduce the reliance on virgin materials.

#### Enhance Transport Efficiency

- Post-Manufacturing Transport**

Transport activities, such as post-spinning and post-knitting transport, contribute to the overall footprint. Optimising logistics by reducing distances, increasing load efficiency,

or switching to lower-emission transport modes (e.g., electric trucks or rail) can help reduce emissions.

#### Optimise Packaging Materials

- Primary and Secondary Packaging**

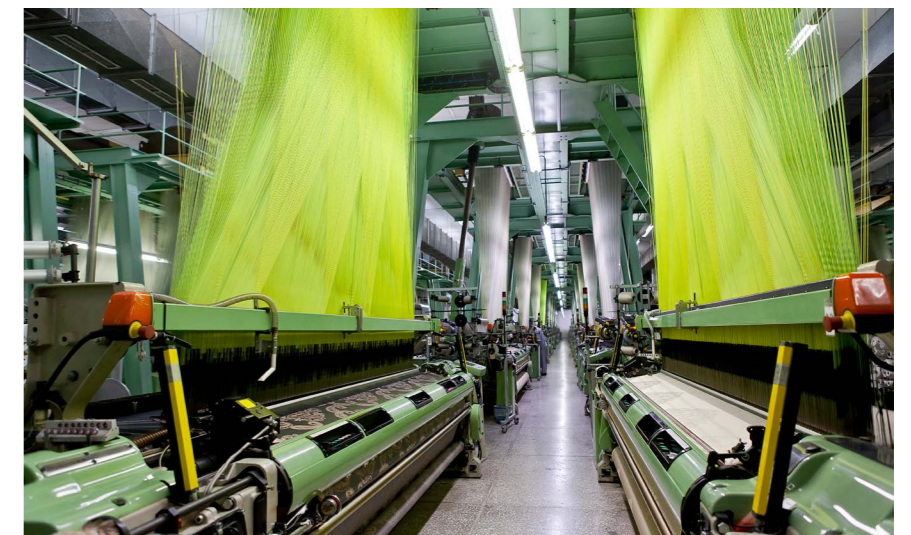
The carton box and polybag contribute to the carbon footprint. Using lighter, more sustainable packaging materials with higher recycled content can reduce their respective impacts of 0.01 kg CO2-eq and 0.008 kg CO2-eq.

#### Methodology limitation Uncertainty in Carbon Trail's LCA Calculations

Carbon Trail's LCA calculations, like all LCA assessments, are estimates with some uncertainty, especially for products with limited primary supply chain data. The percentage of primary data and the Data Quality Rating indicate reliance on secondary data and global averages. Despite these limitations, the estimates provide valuable insights into emission hotspots. Carbon Trail is continuously improving its LCA methodology and increasing primary data collection to enhance accuracy.

#### Allocation Approach for Supplier-Specific Emission Factors

Carbon Trail's LCA Modeling Engine uses primary data from brands and manufacturers combined with secondary data from recognised sources. When specific data is missing, assumptions allocate resource consumption per process to ensure accurate LCA results. This approach helps manufacturers measure the impact of decarbonisation efforts, like switching fuels or adopting renewable energy.





## Collaborative Efforts with Walmart's Project Gigaton

PDS vertical, PDS Far East Ltd. collaborated with Walmart in their global sustainability initiative. Walmart's Project Gigaton was launched in 2017 to engage suppliers in reducing greenhouse gas emissions across the global value chain. Walmart provides resources and toolkits to help suppliers set goals and report progress.

The efforts have helped Walmart achieve its goal of reducing 1 billion metric tonnes of CO<sub>2</sub> emissions, supporting its commitment to protecting 50 million acres of land and one million square miles of ocean by 2030.

Recognised as a 'Giga Guru' by Walmart, we are honoured by this highest level of recognition for our dedication to sustainability. This accolade highlights our environmental responsibility, aligning with both PDS group sustainability objectives and those of our

valued customers. Together, we aim to contribute to reducing GHG emissions and achieving sustainability targets, paving the way for a more sustainable future for the fashion industry.



### Sustainable Travel Initiatives

To ensure a climate-positive impact from every trip, Poetic gem has implemented a comprehensive travel sustainability programme. For unavoidable travel, they have partnered with Coco Travel to offset carbon emissions effectively.

Coco Travel, one of three approved travel service providers, uniquely offers carbon offset options and detailed records for reporting. They have trained the employees to use Coco Travel's portal, ensuring seamless integration into the travel plans.

Their carbon offset programmes are verified by the Verified Carbon Standard (VCS) and align with the UN's Sustainable Development Goals Charter, reinforcing our commitment to sustainability. This initiative exemplifies our dedication to reducing our environmental impact and promoting responsible travel practices.

### Embracing Sustainable Aviation Fuel at Poetic Gem

Poetic Gem is dedicated to reducing cargo transport emissions by incorporating Sustainable Aviation Fuel (SAF), a green alternative produced from sustainable feedstocks like used cooking oil and waste. SAF can reduce lifecycle aviation fuel emissions by up to 70-80% and cut particulates and sulphur emissions by 90% and 100%, respectively.

Partnering with DHL, Poetic Gem ensures accurate CO<sub>2</sub> emissions recording and offsetting through verified environmental programmes. Certification by SGS (Société Générale de Surveillance) confirms these reductions, highlighting our dedication to sustainability and responsible business practices in the logistics sector.

## Fabacus

### Revolutionising Compliance and Competitiveness through Tech Innovation

Fabacus is a data-driven, tech-focused platform designed to help businesses stay compliant and gain a competitive edge. Through their advanced technology, Fabacus aims to digitise products and enhance traceability and transparency in supply chains.

#### Xelacore Technology and Digital Product Passports (DPP)

The continuous evolution of consumer protection and sustainability regulations has made it imperative for businesses to remain compliant in this ever-changing environment. PDS, through its Ventures arm, partnered with its portfolio Company Fabacus and the eco-conscious brand Nobody's Child to support their first Digital Product Passport ranges across 10 key styles.

Fabacus, a global technology business, recognised that their existing proprietary cloud-based software, which harmonises the licensing and retail worlds by enabling authentication and trust, will meet the Digital Product Passport (DPP) requirements of the Eco-design for Sustainable Products Regulation (ESPR). This EU regulation mandates Digital Product Passports for all consumer products, excluding food,

food and medicine, by 2030. Fabacus excels in handling large, complex datasets from multiple sources and has deep expertise in managing these within the licensing industry.

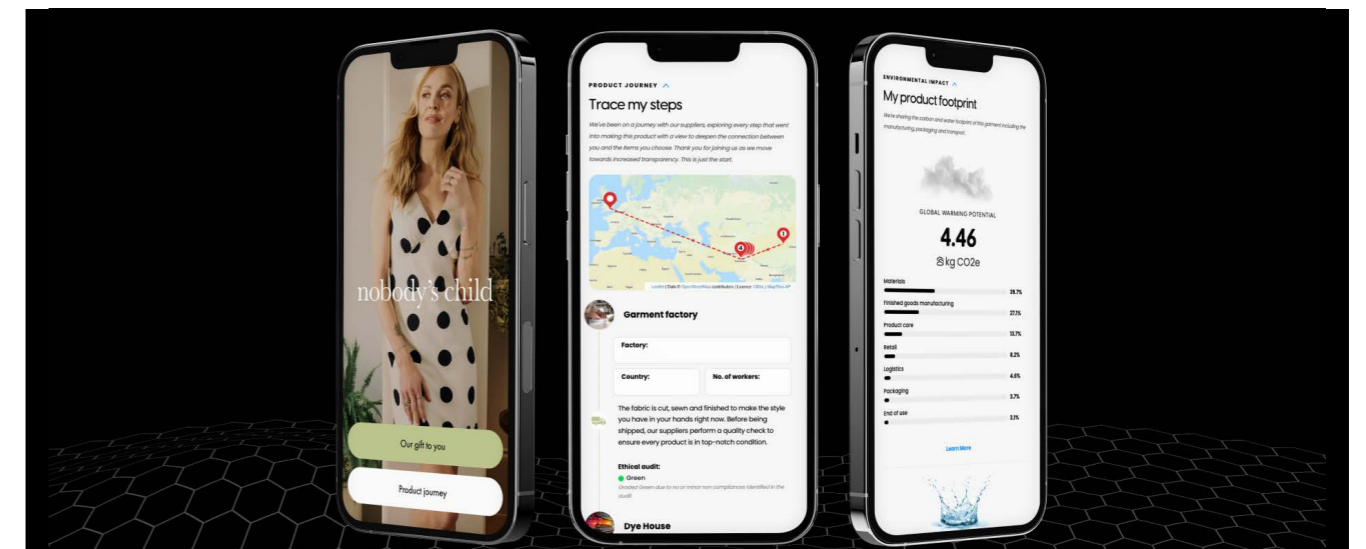
For clothing, Fabacus generates a serialised unique QR code which is added to the garment's care label. When scanned, it provides customers with extensive information about the garment's carbon footprint, raw materials used, finished goods manufacturing, logistics, packaging, product use and end-of-life. The page also contains additional information about garment care and repair services, helping customers extend the lifespan of their garments.

Fabacus' Digital Product Passport (DPP) initiative also includes a unique consumer engagement tool. This tool enables customers and anyone accessing DPP information to enter competitions

and receive exclusive gifts. It provides a unique opportunity for brands, retailers and IP owners to collectively gain valuable customer acquisition data while enhancing engagement and loyalty.

This DPP technology is set to transform the retail and licensing landscape. Designed with EU product legislation in mind, it offers brands, IP owners and manufacturers an opportunity to showcase transparency and traceability to their customers, who can then make informed buying decisions and maintain customer loyalty.

Nobody's Child aims to extend DPP to its entire clothing range by the end of 2024. As Fabacus is one of PDS Ventures' portfolio companies, we are aiming to continue supporting Fabacus by helping some of our customers, like Tesco, integrate Fabacus' DPP into their products.





# Water management

We prioritise responsible water management across all operations and have set an ambitious target of reducing our water consumption by 30% by 2030 across our own and suppliers facilities. We also aim to concentrate our efforts on minimising our environmental impact in the dyeing and finishing processes.

We execute water reduction strategies that entail deploying cutting-edge technologies and adopting the best practices, without compromising on product quality.

**GOODEARTH APPARELS LIMITED Sewage Treatment Plant (STPs)**

At Good Earth Apparel, our advanced sewage treatment plant (STP) ensures the complete purification of domestic wastewater before discharge, effectively removing harmful pollutants from our manufacturing processes.

efficiency and innovative water reuse practices. The STP exemplifies our ethical business practices and sustainable development, contributing to a healthier environment and reinforcing our corporate responsibility ethos.

Further, the STP enhances workplace and community safety by eliminating hazardous substances from wastewater, thereby reducing health risks and promoting overall well-being. Clean water discharge also plays a crucial role in preventing waterborne diseases, underscoring our dedication to public health and environmental responsibility.

**7%**  
Treated water is utilised for landscaping and gardening

Our comprehensive sustainability strategy integrates efficient wastewater treatment, regulatory compliance, resource

**zamira Fashion Limited Innovative Water Conversation at Zamira**

With eco-efficient machinery at Zamira Denim Innovation Centre – The Lab in Southern China, Zamira is dedicated to conserving water through innovative technologies. By putting in efforts to reduce water consumption and achieve zero discharge of chemicals, Zamira strengthens its environmental

initiatives. By harnessing the full potential of ozone technology and aligning fabric selection with this patented technique, the Company achieves authentic washed-down effects on garments, advancing Zamira's goal of phasing out sodium hypochlorite.

**GOODEARTH APPARELS LIMITED Water management initiatives were undertaken at our manufacturing units**

Good Earth Apparel has implemented a water management initiative to monitor and regulate water usage across all operations. Comprehensive training sessions have been

conducted to raise awareness and minimise water wastage, ensuring sustainable practices and efficient resource utilisation throughout the manufacturing facility.



**PROGRESS APPARELS (BANGLADESH) LTD. Sustainable Washing with ECOGREEN Technology**

At Progress Apparel, the washing plant has integrated cutting-edge technology with the Yilmak ECOGREEN washing machines and HNS Eco Dryer. These machines are designed to significantly reduce water and energy consumption without compromising washing quality- this showcases the commitment to sustainability and eco-friendly practices.

conserve resources and promote sustainable development, reflecting our dedication to reducing environmental impact and promoting a greener future.

By optimising water usage, the ECOGREEN machines contribute to the conservation of this vital resource. This initiative is part of the broader efforts to reduce waste,

**Upto 60%**  
Less consumption of water with ECOGREEN machines as compared to conventional washing machines

**NORLANKA Rainwater harvesting system**

Norlanka has introduced a rainwater harvesting programme that collects 4.5 million litres of water annually from our roof catchment areas. Further, there is a plan to store 100% of this harvested rainwater in deep wells. These initiatives aim to recharge the groundwater table and reflect our dedication to responsible water usage, reducing reliance on external sources and enhancing regional water security.

**2.72 ML**  
Groundwater recharge  
Equivalent to  
**22,600 times**  
Average daily water consumption per person in Sri Lanka

**Water conservation project**  
During the reporting period, we have installed water-saving devices at CCP Malwana, achieving an annual conservation of 1.31 million litres. This initiative shows our dedication to sustainable practices and efficient resource management.

The previous average usage was **2,28,250 litres**. However, after installing water-saving devices, it has come down to **2,06,000 litres**, saving **22,250 litres** each month.

**42**  
Units installed



# Waste management

We are transitioning from linear to circular products, prioritising durable design, product quality and eco-friendly materials. By embracing circular business models and innovating end-of-life solutions, we are seeking to play a proactive role in efficiently managing waste.

We collaborate with industries and stakeholders to transform product lifecycles, from creation to disposal or recycling. Promoting durable design practices extends product lifespan, reduces waste and champions high-quality materials that can be easily recycled or repurposed.



## Transformation of waste into stunning, eco-friendly products

GoodEarth offers comprehensive solutions that revolutionise the garment industry. By collecting cutting waste, they convert it into fibre, spin it into yarn and weave it into different fabrics. Through this innovative process, they transform waste into beautiful, sustainable products. GoodEarth Apparels approach ensures that every step, from waste collection to fabric creation, contributes to a greener and more sustainable future.

**100%**

Recycled Fabric

**Carbon -ve**



Krayons incorporates Repreve polyester into the fabric, which is sourced from recycled ocean plastic bottles. They combine this innovative material with 64% cotton and 2% elastane, creating high-quality, eco-friendly fabric. By using Repreve polyester, the Company supports waste management efforts by diverting plastic from landfills and oceans, significantly contributing to environmental conservation.

**16 million**

Plastic bottles were saved from landfills

**2 million**

Units shipped to the USA in FY 2023-24



**NORLANKA**  
RESPONSIBLE SOURCING · DESIGN · INNOVATION

## Centralised cutting room and factory waste

The Centralised Cutting Plant (CCP) of Norlanka specialises in performing fabric-cutting operations exclusively for Norlanka Manufacturing. This facility is fundamental to our production chain, as it ensures precise and efficient cutting procedures. CCP best depicts our dedication to excellence and innovation in the textile industry, with proficient personnel focused on upholding the highest standards of quality and productivity.

**105+**

Employees

**637,800**

Pieces produced monthly

**35,000 kg**

Average monthly waste generation

## Enhancing Efficiency and Sustainability with Norlanka CCP

- Digitising operations from fabric inspection to kit dispatch
- Minimising fabric waste and enhancing resource utilisation
- Employing cutting-edge technologies for precise quality control
- Lowering automation costs and operational overheads for competitive pricing
- Expanding sewing capacity to increase production volume

## Waste Traceability

To promote accountability during the entire recycling process, Norlanka has partnered with Neptune Recyclers. Their dedication to sustainability is reflected by their Control Union certification that emphasises responsible waste management and environmental stewardship. We maintain complete traceability of recycled materials through a transparent tracking system, ensuring accountability for each category of waste.

Certified as

**zero waste-to-landfill facility**

By the Control Union

## Banning Single-use Polythene Bags at Sourcing Solutions

Sourcing Solutions' initiative to ban single-use polythene bags has successfully eliminated 100% of plastic waste annually. This move has significantly reduced our environmental footprint and set a sustainability benchmark in the industry.

Beyond waste reduction, this initiative has also helped in protecting marine life and maintaining healthier ecosystems by curbing plastic pollution in oceans and water bodies.

## Environmental certification







At PDS, we recognise the profound value of community, both within our internal stakeholders and the global communities we serve. We are dedicated to addressing challenges and driving positive change through impactful social initiatives. Committed to 'being a good neighbour,' we partner with local organisations to empower underserved groups, promote education and champion environmental sustainability.





## Teams that fuel our progress

Our teams are what differentiate us. It is their skillsets and dedication that have been instrumental in creating the right product as well as delivering the best customer experience. They are the true contributors to our continued success. To empower our talent pool, we focus on maintaining a work culture that makes each of our team members feel respected and supported; we strive to foster a culture that inspires them to contribute their best to our shared goals.

### Great Place to Work Certified



Global Talent pool of **10,000+**  
**40+** Diverse Nationalities



### Talent Management

We have a robust talent management system in place to attract the right talent and groom them into skilled professionals across various disciplines. Our talent management practices are designed to identify high-potential candidates and provide them with opportunities for growth and advancement—all while maintaining a diverse and inclusive work environment.

### Recruitment process

Recruitment at PDS is an efficient process, made seamless through our elaborate onboarding mechanism. We maintain a comprehensive resume database, which assists in quickly

identifying the best fit of candidates for our resource pool.

We have partnered with premier management institutes as part of PDS Group's Talent growth initiatives to build a talent pipeline. Following the pre-placement talk at Kellogg School of Management, ISB, NIFT, NMIMS, Pearl Academy, IIAD, LPU, and Government Polytechnic for Women, we have received sign-ups from several interested candidates.

Our PDS Business Systems senior leadership program is a key program that familiarises senior employees with the PDS way of working. In the current fiscal year, we have onboarded over 75 senior hires across our business verticals.

**6,000+**  
Resumes available in our repository

**1,200+**  
Staff hires

**21**  
Business verticals

**3,000+**  
Workers hired



### Performance Management

We conduct regular performance reviews and ensure timely feedback across all our business verticals, fostering a productive partnership between the organisation and the employees. The PMS process includes setting goals at the beginning of the year, mid-year reviews for goal assessment and recalibration and finally an end-of-year review. In addition to this, PMS awareness and training sessions are conducted for managers and employees aimed at enhancing trust in the process and ensuring fairness and transparency.



### Learning and Development

To facilitate focused innovation and make our workforce future-ready, we prioritise creating an environment that encourages continuous learning and development. Through the PDS Learning Academy, we offer a wide range of training programmes, covering managerial, soft and technical skills. Our immersive, hands-on approach helps employees not only gain skills but also effectively apply them to their roles.

### Plan Coaching for Senior Leadership

We provide one-on-one Plan Coaching to senior leaders at PDS, focusing on a holistic approach. This coaching emphasises the profound interconnection between “work” and “life,” making individuals understand how each impacts

the other. Our goal is to help leaders achieve a balanced and integrated perspective, enhancing both their professional effectiveness and personal well-being.

### Soft Skill and Functional training

For employees across the PDS group, we launched a series of soft skills and functional training sessions through the PDS Learning Academy. These encompass training on communication, building teamwork, enhancing leadership capabilities and developing emotional intelligence.

**3,000+**  
Employees attended

**5,000+**  
Learning hours

**24**  
Participants







### Employee Engagement

At PDS, we believe a conducive work environment empowers people to excel in their roles. We, thereby, prioritise enhancing the overall employee experience, recognising that a positive work environment directly translates to greater efficiency and productivity.

Our bi-annual global town hall meetings offer our colleagues a clear understanding of our organisational objectives as well as the strategy to realise them. Serving as a platform for employees to interact with senior leaders, share insights and voice concerns, these meetings are instrumental in enhancing employee engagement and promoting transparency.

**1,500+**

Employees in attendance

**2,500+**

Employees participated in the GPTW Engagement survey (an **87%** participation rate)



### Awards and Recognition

Our recognition platform – **PDS Living the Values Awards**, recognises those individuals who share the unwavering commitment in realising our values. We celebrate the accomplishments of both teams and individuals, inspiring everyone to excel in their respective roles. Additionally, to honour the contributions of BET team members, we have introduced a new award category – the BET Function Awards.

**14**

Award categories

**16**

Business Verticals Rewarded

**80**

Nominations across business verticals and BET Functions



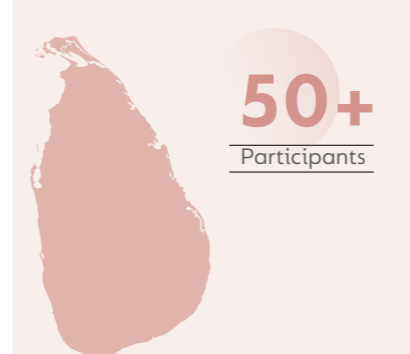
### Code of Conduct Awareness Sessions

Awareness sessions are conducted for people managers on the **Code of Conduct** to familiarise them with the principles outlining expected behaviours, ethical standards and organisational responsibilities. These sessions serve as a guiding framework for employee conduct and interactions.

#### Bangladesh



#### Sri Lanka



#### Hong Kong



### Health and Safety

Recognising the importance of a safe working environment, we ensure comprehensive health and safety measures for all employees and factory associates. Our Operational Health Safety (OHS) Policy guides the Compliance team in evaluating value chain partners.

We collaborate only with factories that maintain a safe and healthy work

environment, affirming employee welfare and industry best practices. These measures are upheld through active collaboration between our Compliance teams and partner factories, with continuous monitoring and evaluation ensuring that high OHS standards are consistently met and improved upon.



### A diverse workforce

Our commitment to diversity and inclusion is a core value that drives our organisation forward. By embracing the richness of different perspectives and experiences, we foster innovation and create a truly inclusive environment where every individual can thrive. With a workforce spanning 22 countries, we celebrate each person's distinctive contributions.

**58%**

Women in workforce

**160+**

Women in leadership

**4,750+**

Women employees at our manufacturing facilities



### POSH

Annual training on the Prevention of Sexual Harassment (POSH) training is conducted. It includes two sessions led by an industry expert for both employees and managers. POSH is a crucial element of our Code of Conduct and is covered in global sessions such as Code of Conduct Awareness and PDS Business Systems Induction.

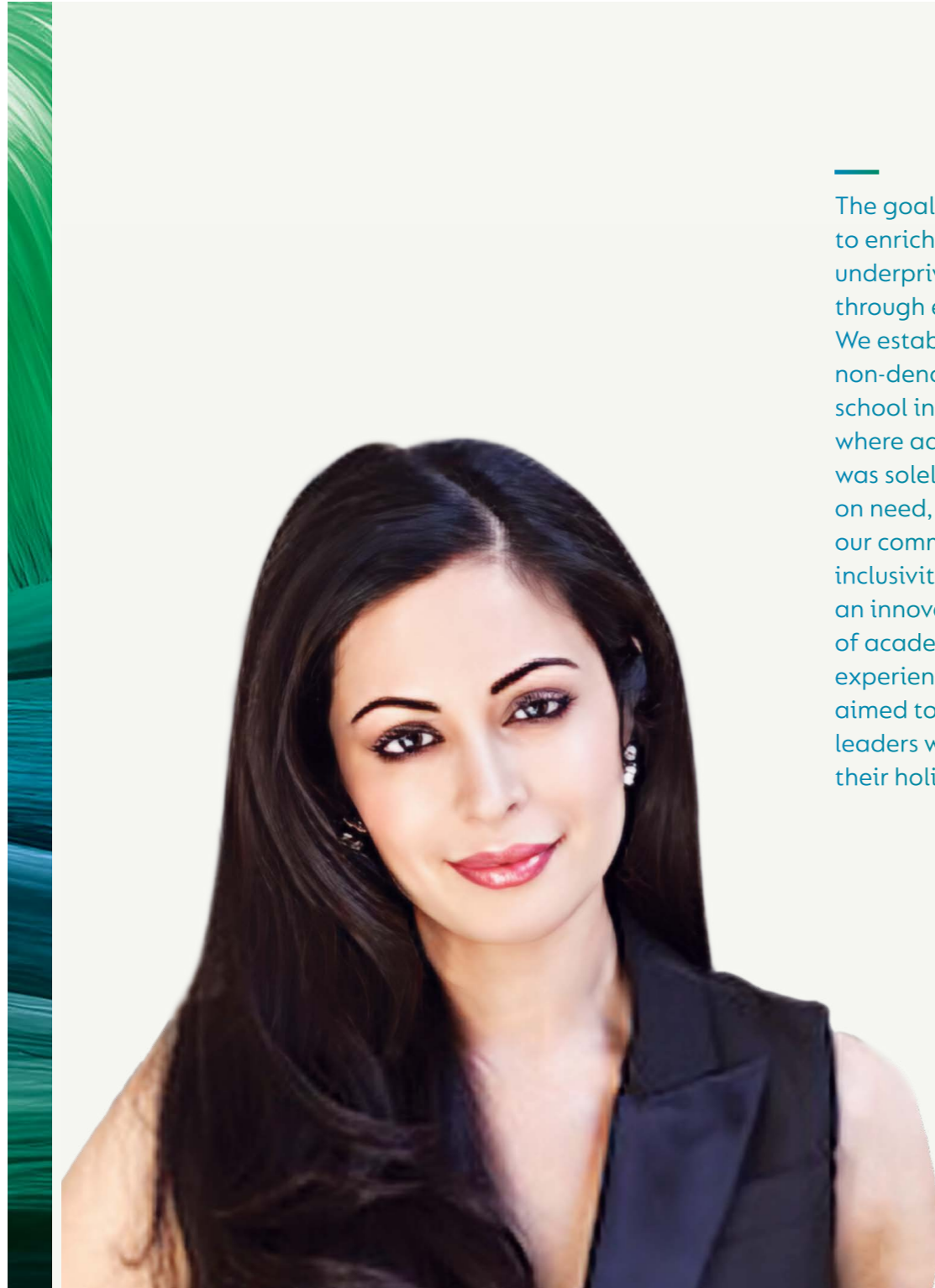
**140+**

Participants





## Message from the Founder and Director, SOHAM for kids



The goal was clear, to enrich the lives of underprivileged children through education. We established a non-denominational school in Mallapur, where admission was solely based on need, reflecting our commitment to inclusivity. Through an innovative blend of academic and experiential learning, we aimed to nurture future leaders while ensuring their holistic well-being.

### Dear Stakeholders,

At SOHAM Foundation, our passion for positive change drives everything we do. We recognise the vital role of a healthy planet and flourishing communities in shaping a shared and better future. Being a part of PDS, we have always integrated sustainability, ethics and social consciousness into the core of our organisation. Social responsibility is not just a policy for us but a guiding principle interwoven into the very fabric of our organisation, guiding our choices and actions for an improved global community for future generations.

Our journey began in 2010 with the inception of 'SOHAM for Kids' in Hyderabad, India. The goal was clear, to enrich the lives of underprivileged children through education. We established a non-denominational school in Mallapur, where admission was solely based on need, reflecting our commitment to inclusivity. Through an innovative blend of academic and experiential learning, we aimed to nurture future leaders while ensuring their holistic well-being.

From the beginning, we have always taken a holistic approach to development by providing our kids with the right educational opportunities while ensuring they maintain optimum health and nutrition. We have always understood the interconnectedness of various aspects of life and this holistic approach ensures that every child has the opportunity to succeed in life through a supportive environment. The

results were and are remarkable - all of the students of our inaugural batch not only passed their matriculation exam with distinction, but five students achieved a perfect score of 100%\*. To put this into perspective, these children lack even an electricity supply at home and often find themselves studying under street lights. Encouraged by this success, we expanded our footprint to Dhaka, Bangladesh, as well as Colombo, Sri Lanka and moving forward, we aim to further enhance our geographical footprint.

Education has the power to transform lives, and at PDS, we are strongly committed to harnessing that power through our SOHAM model. 'Give a man a fish, and you feed him for a day; teach a man to fish and you feed him for a lifetime- we believe education is the way to uplift a society. Our students will be able to not only provide for themselves but elevate their communities. By promoting generational learning and inclusivity, we are creating engaging learning environments for all ages. Through partnerships, we extend our impact to government schools, teacher training programmes and adult learning centres with vocational training opportunities.

Building upon our holistic approach to community development, our corporate social responsibility arm, PDS One, embodies the philosophy of global action driving local impact. Guided by our core values of environmental stewardship, women's empowerment, education and poverty alleviation, we

aim to leverage the power of our global community to unite under the banner of societal good. Through this dedicated platform, we channel our resources, expertise and passion towards initiatives that resonate with communities worldwide and further our commitment towards societal good.

Recognising the link between healthy communities and a thriving environment, we focus on being a good neighbour by empowering local communities and promoting environmental sustainability. From livelihood creation to clean water supply and health awareness programmes, we strive to leave a lasting impact on society.

We are also champions of gender equality and women's empowerment, supporting initiatives from basic literacy programmes to collaborations empowering survivors of gender-based violence.

At PDS, we see social good as a fundamental part of our identity. Through teamwork and innovation, we are committed to creating a brighter future for everyone. As we look forward, we aim to develop strong and scalable initiatives designed to improve lives and leave a lasting imprint on communities.

Regards,

**Faiza Seth**  
Founder and Director, Soham for kids



# Uplifting communities

As a responsible corporate citizen, we, at PDS, remain committed to nurturing strong relations with our community members and inspiring positive change.

We aim to unite our verticals to make a positive impact on the communities in which we operate and leverage scalable development models to maximise value creation. We emphasise environmental stewardship, women's empowerment, education and poverty alleviation.



### Vision of PDS One

To create a world where education is accessible, women are empowered, communities are uplifted and we thrive in a more sustainable environment.



### Mission of PDS One

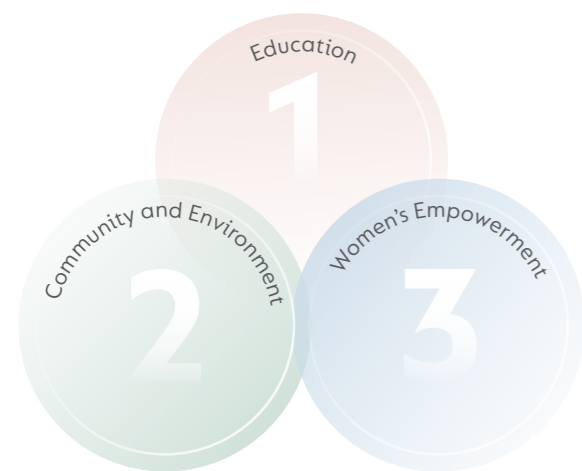
To leverage the power of our global PDS community to unite under the ethos of societal good through community engagement.

Rooted in the belief that **global action** can yield powerful **local impact**, our CSR arm – PDS ONE is a collaborative effort to address pressing **societal and environmental issues**.

PDS ONE is dedicated to supporting causes that align with our core business values while possessing synergy with the **SDGs**. Our foundation is dedicated to supporting causes that align with our core values of environmental stewardship, women's empowerment, education, and poverty alleviation, while also synergising with SDGs. We aim to integrate all our verticals to harmonise our **global vision** with the tangible **positive transformations** we strive to achieve in the **communities we serve**.

Our aim is to create **replicable and scalable models** through an integrated approach, embodying the true PDS spirit of **maximising societal value** through collaborative initiatives.

#### Key focus areas



## Empowering Lives Through Generational Education

Recognising education's profound potential, we commit to enhancing literacy and numeracy for underprivileged children. Collaborating with communities in Bangladesh and India, we provide free education, build infrastructure, train teachers and implement innovative teaching methods, addressing diverse community challenges to enrich the learning journey.

### Soham for Kids – India

Translating to the phrase "I Am That" in Sanskrit, "Soham" embodies unity with the world and with oneself and signifies a relentless pursuit to improve our world. Born in the Mallapur district of Hyderabad, Soham for kids is our CSR initiative, improving and empowering the lives of underprivileged children through the transformative power of education. Considering education as the right of every child, Soham aims to provide each child with the pathway to a future filled with opportunities.

At the heart of its mission is the goal to dismantle the vicious cycle of poverty by providing quality education, essential skills and resources to support themselves, their families and their communities. Adopting a holistic and innovative approach to learning, Soham challenges traditional rote learning methods prevalent in India, by promoting a vibrant, dynamic, curriculum that comprises modern academic and experiential learning techniques. Extending learning beyond the classroom, it integrates extracurricular activities like theatre, music and art into the core curriculum, producing well-rounded students. Educational excursions and field trips further enrich the learning experience, fostering an environment where school becomes a positive, engaging and transformative journey for each child.

With the aim of uplifting communities, Soham's promise to education and empowerment extends to the parents of the children it serves. Providing them with vocational classes in sewing and English speaking, Soham addresses missed opportunities for livelihood and helps parents and guardians improve

their income potential. Soham's belief in collective effort and action fuels its commitment to uplift communities by engaging all stakeholders.

At Soham for kids, the philosophy is clear: educating a child is synonymous with uplifting a community. This foundation is not just a school; it is a promise and a testament to the power of education in transforming lives and communities, truly embodying the essence of "Soham" - unity and connection with the world through the powerful medium of education.

### Soham for All – Bangladesh

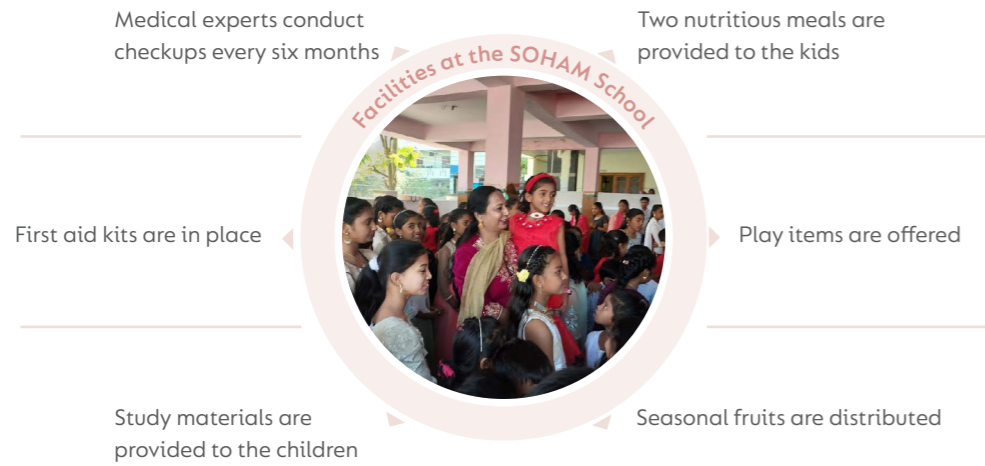
Embodying the same values and approach, Soham for All in Bangladesh is an off-shoot of Soham for Kids in India. Sponsored by PDS subsidiary Design Arc, in association with Hope Worldwide and Matalan, the Soham school in Bangladesh offers unparalleled learning experience to the Savar region in Dhaka.

Located in a prominent industrial area, Soham schools provide both academic and vocational education for children of factory workers. With an inclusive approach, the school aims to offer a well-rounded education to children from less privileged backgrounds, helping to break the cycle of familial poverty. The school's convenient location, combined with free education and midday meals, has enabled many factory workers to educate their children

Soham's focus on generational education is evident in its approach. The dedicated vocational training center offers courses in industrial sewing, computer basics and English language skills, equipping students with knowledge and aiding their placement in local manufacturing units and companies. Additionally, the centre serves women seeking to upskill and earn livelihoods to support their families. Through this community-driven approach, Soham aims to uplift and empower many.







### Igniting Dreams: The Transformative Power of SOHAM School

Despite financial hurdles, Aithapaka Sadhiva's parents were determined to secure a quality education for her. SOHAM School offered her tuition-free English education, igniting her passion for science and fueling her dream of becoming a doctor. Her parents, were grateful for the opportunity

provided. Witness firsthand its power to break the cycle of poverty and uplift the community. Aithapaka's journey exemplifies the school's pivotal role in changing lives and shaping a brighter future.

### Enhancing Educational Opportunities

The SIP Arunella scholarship programme, funded by Norlanka, offers training for the highly competitive Sri Lankan Scholarship Examination, also known as the Grade 5 exam. Students from three schools in Trincomalee receive this training to enhance their educational prospects. The initiative improves learning opportunities and resources, helping underprivileged students to join prestigious colleges and providing them with equal opportunities for success.

50+

Students benefitted



### From Struggles to Success: A Story of Opportunity at SOHAM School

From a family navigating financial challenges—his father a driver, his mother working in the private sector Mohammed Ahil struggled for education until he was admitted to SOHAM School.

Now, he thrives with access to free education, healthcare and meals and aspires to be a doctor. His parents are grateful to the school, seeing a brighter future for their child.

### Financially aiding students for a better future

Supporting primary and secondary schools in Trincomalee, Norlanka is donating essential stationery items and providing financial aid to enhance educational resources. These efforts promote a holistic learning environment for students in both primary and secondary schools.



180

Students benefitted

6,000 us\$

Worth stationery items donated

### Making an impact on our communities and the environment

Empowering the communities we serve and safeguarding the planet is one of our foremost priorities. Since the outset, we have endorsed endeavours that advocate sustainable practices, conserve resources and preserve the environment. Additionally, we continue to implement programmes aimed at uplifting our community members and providing them with sustainable livelihood opportunities.

#### Providing Low-cost thermal blankets

We have always strived to go beyond business profitability. Poeticgem, a PDS subsidiary, collaborated with ICDDR,B (International Centre for Diarrheal Disease Research, Bangladesh) in a novel initiative aimed at reducing infant mortality through the development of a thermal jacket for newborn babies. This innovative 'thermal blanket,' has the potential to save the lives of premature

babies by acting as an incubator that can prevent hypothermia in infants, in low-income settings where access to incubators is limited or sparse.

ICDDR,B developed thermal jackets in partnership with Johns Hopkins. Poeticgem assisted ICDDR,B in sourcing, designing and manufacturing these jackets, specifically tailored to cater to the Bangladeshi market and is now being implemented across hospitals in Bangladesh.



45

Thermal jackets were made

4

Hospitals in Bangladesh with this technology



### Creating Hope

The ChickenSoup Foundation provides support to families of specially-abled children in Hong Kong, offering after-school tutorials, counselling and medical services to help them overcome challenges and achieve stability and hopefulness.



Simple Approach, a PDS subsidiary, donates to CSF to fund a community clubhouse in Sham Shui Po, Hong Kong. The clubhouse features a kitchen, living room, three counselling rooms, a Lego playroom, a game room and a workspace. Serving families, it provides stress relief therapies, vocational training, educational support for children in need. Through funding platforms, they ensure families receive the necessary care and resources to overcome challenges.

72

Families Benefitted

### Tree Plantation

With trees being the elixir of the environment, Norlanka relentlessly undertook initiatives to contribute our bit to environmental sustainability and the protection of vital ecosystems for future generations. Their tree plantation initiative aims to restore the natural environment and mitigate the impact of deforestation. They aim to build a healthier planet by rejuvenating degrading forests, reducing pollution and conserving biodiversity.

200

Trees Planted in FY 2023-24

25

Environmental Awareness programs Conducted

### Mangrove Plant Restoration

We are dedicated to promoting sustainability and accountability within the global apparel industry. Norlanka has collaborated with the University of Kelaniya for a mangrove restoration project along the coast of Sri Lanka. Over the past year, they have been monitoring mangroves, which act as a vital defence against erosion and storms, provide habitats for diverse species. and store more carbon per hectare than tropical rainforests.

700+

Mangroves Planted

230

Thriving Plants

3.2%

Organic matter (1.2% in FY23)



### Women's Empowerment

We champion gender equality and are empowering women across various spheres. Through our PDS One foundation, we engage in initiatives that enable skill development, quality healthcare, education access and active decision-making. We view women's empowerment as pivotal for sustainable development and societal advancement.

#### Circular Communities: Women at the Heart of Environmental Progress



Spring NE, a PDS subsidiary, partnered with the Women's Solidarity Foundation (KADAV), an independent organisation combating violence against women. They transformed sample fabric waste into eco-friendly tote bags with the expert craftsmanship of local women. With the aim to highlight women's solidarity, they gifted these tote bags to valued partners as New Year presents.

We Transformed 300 kgs of Fabric Waste into 1,000 Tote Bags

#### Enabling Girls Futures Through Education



Poeticgem and the Abinta Kabir Foundation share a common dedication to empowering women through education. The Abinta Kabir Foundation School offers a unique educational approach for girls, focusing on intellectual, emotional and social growth. This transformative environment equips young girls with essential skills and values.

We recognise the importance of positively impacting the communities and society with our investment. The school's innovative curriculum emphasises critical thinking, problem-solving, creativity, character development and community

engagement, shaping well-rounded women.

#### Good Earth - Apon Fair shop

##### Apon Fair Shop: Enhancing Employee Well-being and Promoting Sustainability

The Apon Fair Shop, established three years ago, is an integral part of our factory premises. This initiative enhances employee welfare by providing essential products at discounted prices, empowering them to lead healthier, more financially stable lives and supporting our sustainable growth.

#### Affordable Essentials for Daily Life

The Apon Fair Shop offers a wide range of daily necessities, ensuring our employees have easy access to the products they need. From food items to personal care products, the shop stocks a variety of essential goods for everyday life. By providing these items at approximately 10% less than local market prices, we help our employees manage their expenses more effectively, allowing them to save a portion of their income.

#### Supporting Women's Health and Hygiene

Understanding the importance of women's health and hygiene, the Apon Fair Shop also features products for our female employees, including sanitary pads and other hygiene products. By making these products readily available at discounted prices, we aim to support the health and well-being of our female workforce, fostering an inclusive and caring work environment.

#### A Seamless Shopping Experience

To ensure convenience use, employees have to simply provide their employee ID while purchasing at the Apon Fair Shop. The total purchase amount is then adjusted from their salary, making the shopping experience straightforward and hassle-free. This system not only simplifies the buying process but also supports employees in managing their finances more effectively.







### Leading with Transparency, Building Unbreakable Trust

Our robust governance framework, built on the core principles of ethos, integrity and transparency, is a testament to our belief that strong corporate governance establishes the foundation for a Company's consistent success and growth. At PDS, we have ensured that our governance framework fosters financial prudence, improves stakeholders' confidence and drives sustainable performance. Our visionary leadership and ethical business practices empower us to deliver solutions that surpass industry standards and exceed customer expectations while ensuring complete accountability for every outcome.

**80+**

Global compliance team

**300+**

Customers covered by the compliance team

**600+**

Compliant T1 factories

**12**

Countries covered

**2100+**

Ethical internal audits completed

**580+**

Ethical External audits completed



# Governance Governance

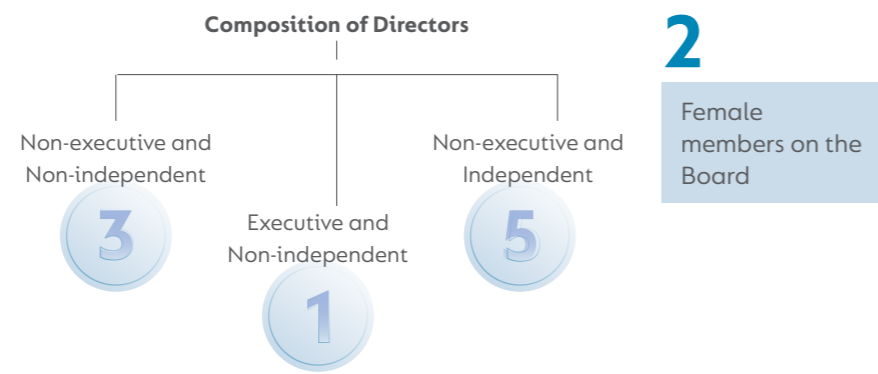


## Committed to ethical business conduct

Our governance practices extend across our global operations, considering the social and environmental impacts of our business decisions. At PDS, we ensure that our robust policies and procedures streamline operations, guarantee adherence to local legal standards and simultaneously deliver solutions that are synonymous with quality and excellence.

### Guiding the path to consistent excellence

At the helm of our governance structure is our Board of Directors, comprising individuals from diverse backgrounds and possessing industrial knowledge and prowess. This diversity enhances the Board's skills and expertise, resulting in better decision-making and more effective leadership. The one-tier Board provides visionary guidance, ensuring the protection of our stakeholders' interests and the broader community.



### Upholding the highest standards

We strictly adhere to local laws and partner only with factories committed to employee well-being and safety. Our compliance teams uphold high health and safety standards, strictly prohibiting child labour within our organisation. At PDS, the welfare of our workforce is of paramount importance for us. We provide necessary compensation, health screenings, transportation and educational support whenever needed.

We actively collaborate with industry stakeholders to enhance compliance practices. We ensure that ethical and legal standards are met throughout the value chain, promoting transparency and accountability among all stakeholders.

**Our Audit programs**

### Ensuring Health and safety

Our dedication to workplace health and safety is reflected in our comprehensive policy. This policy empowers our compliance team to evaluate value chain partners, ensuring collaboration with factories that provide a safe and healthy work environment.

to consistently enhance and maintain high health and safety standards. We mitigate issues from the supply chain based on PDS Global Compliance Development visits.

**68+**  
Development Visits



Our compliance teams work closely with these factories, both within PDS's facilities and across partner factories,

### Learning and Development Training

#### Accelerating growth and success

We not only ensure adherence to regulatory standards but also cultivate a culture of continuous learning and development. Our initiatives extend to both our internal teams and our valued vendor partners. We equip our teams and partners with the knowledge and skills needed to navigate the dynamic compliance landscape, ensuring all our business verticals operate with the highest standards of ethics and integrity.

environment where employees can have both personal and professional growth. The L&D initiatives are also aimed to equip stakeholders with the skills and knowledge necessary to prepare for the future. We seek to empower our employees to make a positive impact both on the business and society as a whole.

**10+**  
L&D Trainings conducted

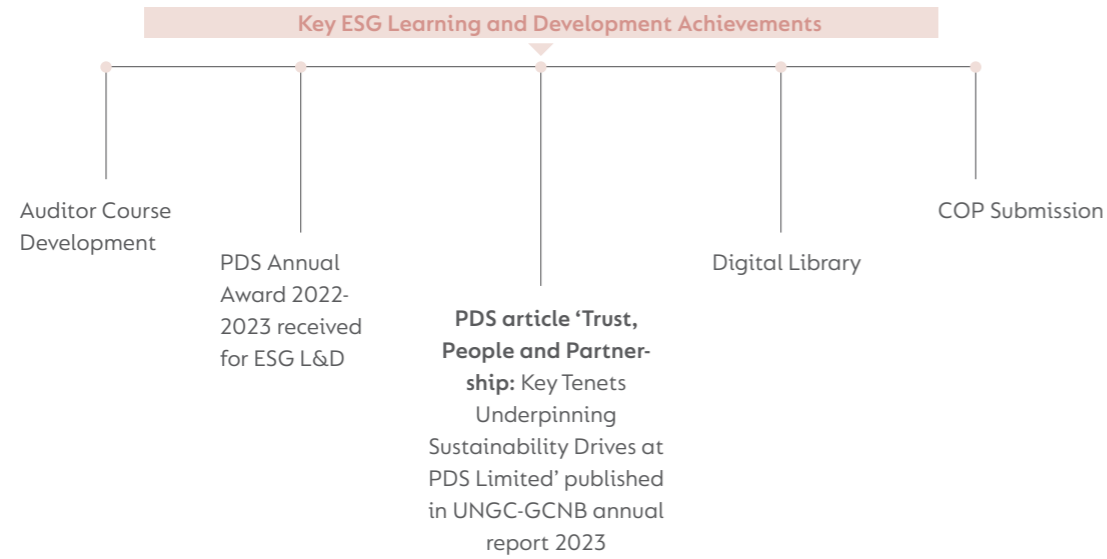
**300+**  
Employees participated in training programmes

Our compliance conference on Learning and Development (L&D) initiatives gathered compliance teams from around the globe to ensure alignment with PDS' standards and strategies. The conference served as a platform for sharing best practices, discussing challenges and collectively working towards a shared goal. The focus was to ensure adherence of our business verticals to the Company's standards, to maintain PDS's integrity and reputation as a responsible global citizen.

A key aspect of the conference was the Learning and Development (L&D) framework, emphasising that L&D initiatives should align with PDS' overall strategy and ESG (Environmental, Social, and Governance) goals. Our adoption of a people-first approach is reflected in our initiatives undertaken to create an







### Our core pillars of compliance

#### Customer engagement and collaboration

We aspire to have a productive relationship with our customers through active engagement and collaboration. We prioritise aligning our operations and services to meet customer expectations. Moreover, we undertake various Corporate Social Responsibility (CSR) and sustainability initiatives to contribute towards societal evolution.

#### Robust internal processes and systems

We develop and implement Standard Operating Procedures (SOPs) to minimise risks and enhance efficiency. Transitioning from an individual-based approach to a process-driven methodology, we eliminate errors and ensure consistent adherence to established protocols. We also review customer processes and align our internal procedures accordingly.

#### Risk management

We are exposed to various risks, stemming from both internal and external factors. Therefore, we have developed a robust risk management framework to mitigate every risk that has the potential to affect both our business and reputation. We have implemented best practices across our supply chain and internal teams to minimise any potential risks. We provide capacity-building and classroom training programmes for vendors and internal teams, emphasising the importance of adhering to the Code of Conduct (COC), Zero Tolerance Violations (ZTVs) and customer-specific standards.

#### Vendor development

We support factories through continuous improvement guidance and root cause analysis. We understand the importance of robust CSR practices and promote a culture of development. Simultaneously, we conduct training sessions to enhance vendor capabilities, ensuring our vendors meet required standards and contribute to sustainable practices.

#### Financial discipline

We emphasise financial discipline within our compliance framework, aiming to enhance the efficiency and effectiveness of internal audits. We minimise audit fatigue and costs through due diligence. We have also adopted a self-governing approach for factories, ensuring that they take responsibility for their financial management and adherence to compliance standards.



### Overview of key committees

The Board has formed specific committees mandated by relevant laws to fulfil statutory duties. These committees oversee critical business operations, meeting regularly to execute their assigned tasks. Their guidance and support enhance the Board's decision-making process, ensuring effective governance.



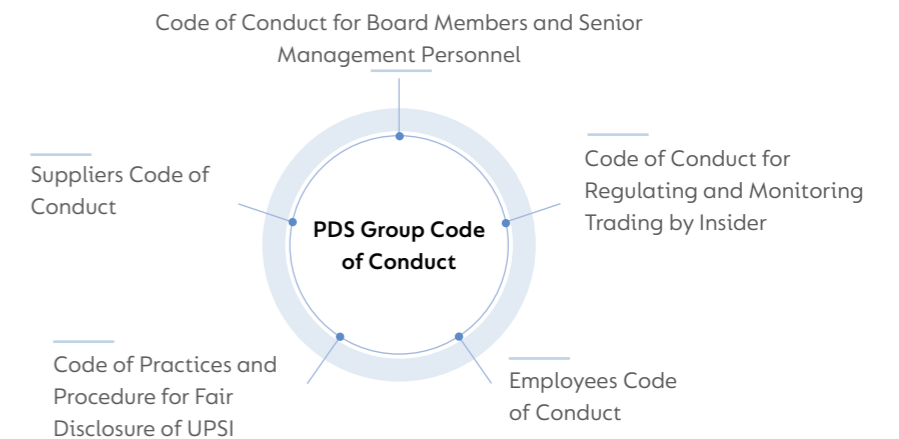
### Our key policies at a glance

Our policies have played a pivotal role in building our rich legacy and sustaining our growth over the years. The policies have not only strengthened our operations, guaranteeing compliance with local legal requirements but also aligned our products with global standards of excellence. Our governance policies establish a transparent, accountable and efficient operating environment for our team, defining rules and guidelines that all members of the Company must follow. The policies promote a culture of integrity and ethical behaviour.

**More on Policies**  
<https://pdsLtd.com/investors/corporate-governance/#policies>

### Code of Conduct

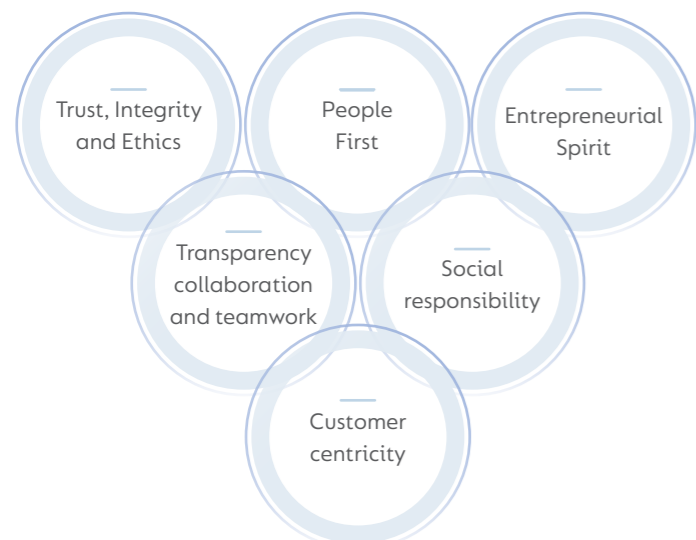
At PDS, our comprehensive and well-crafted Code of Conduct outlines detailed rules and guidelines for the expected behaviour of all of our employees worldwide. We aim to cultivate a safe and inclusive workplace where everyone is treated with respect and dignity. Simultaneously, we also expect our business partners to uphold these values and comply with our Code of Conduct and Compliance measures. We have implemented rigorous standards and enforced a zero-tolerance policy for any violations, especially in situations where customer sourcing policies are not clearly defined.







### PDS Group Code of Conduct



### Employee Code of Conduct

We believe that cultivating the appropriate corporate culture will empower both our employees and business associates to construct a more resilient and sustainable organisation. Our Employee Code of Conduct mandates compliance with laws

and policies, promotes diversity and inclusion and prohibits discrimination, harassment and unethical behaviour. We uphold confidentiality, transparency and accountability while promoting a safe, ethical and productive work environment for all employees.



### Supplier Code of Conduct

Our Supplier Code of Conduct aligns with the values of our customers, the United Nations Declaration of Human Rights and key ILO conventions. We have collaborated with NGOs to ensure the inclusion of diverse perspectives. For areas lacking specific sourcing policies from customers, we enforce clear standards, with violations classified as 'Critical' or 'Zero Tolerance', the latter leading to immediate termination of supplier contracts.

### Whistleblower Policy

We follow a Whistleblower Policy, enabling employees to report violations without any qualms. This policy details procedures for tracking complaints, conducting investigations and undertaking disciplinary actions. It ensures protection from retaliation, emphasises confidentiality and extends even to vendors, encouraging them to report any witnessed incidents.

### An Apparel Supplier's Guide

#### Key Sustainability Legislations in the EU, US and UK

At PDS, we believe in the transformative power of policies to advance livelihoods and enhance governance of human rights and environmental issues. During FY 2023-24, we conducted a supplier policy study with partners including Shahi Textiles, Epic Group, Norlanka, Remedy Project, Transformer Foundation and GIZ Fabric. This study focused on 12 key legislative developments in the EU, UK, and US, which, while targetting local entities, also significantly impact global suppliers.

We joined the public launch of the 12 Policy Fact Sheets, making them accessible to all relevant stakeholders. These fact sheets offer valuable insights to help suppliers navigate and adapt to new regulatory landscapes, supporting a more sustainable and responsible global apparel supply chain. This initiative

### Materials Management and Fabric Compliance (MMFC)

Effective MMFC is essential for ensuring the quality, safety and sustainability of products. Our target is to source all MMFC responsibly by 2027. By implementing robust management practices and ensuring compliance with regulatory and ethical standards, we improve our reputation, reduce risks and meet our customer expectations.

Our transition of MMFC sourcing from Canopy Hot Button "unverified" sources to Canopy Hot Button GREEN Shirt suppliers is a testament of our commitment towards embracing sustainable practices and contributing towards building a sustainable future. We prioritise responsible sourcing, partnering with verified suppliers and ensuring that our materials meet stringent environmental standards and support forest conservation efforts as endorsed by Canopy's Hot Button Report.

highlights our commitment to driving positive change through informed policy engagement.

#### Ensuring cotton traceability

The intricate meshwork of textile industry supply chains increases the risk of blending and substitution, negatively impacting the transparency endeavours. To tackle this issue, we have collaborated with Oritain, a reputable organisation specialising in supply chain monitoring. Oritain oversees the entire supply chain, offering assurance regarding product integrity. It also tests the fibre at any manufacturing stage to confirm its consistency with the claimed origin.

#### Sustainable Practices

Our production processes are a reflection of our dedication towards sustainability. At PDS, we have implemented eco-friendly practices, such as adopting sustainable fabrics and innovative material management strategies to promote environmental stewardship. Through these initiatives, we strive to mitigate environmental impact while promoting resource efficiency and conservation. Our sustainable practices underscore our responsibility to future generations and align with our vision for a more environmentally conscious textile industry.

#### Quality Assurance

At PDS, maintaining exceptional product quality and adhering to the highest safety standards is paramount. We uphold rigorous quality control measures throughout our manufacturing processes to ensure that every product meets stringent criteria for durability and safety. We conduct regular audits and evaluations of our supply chain partners to ensure they comply with industry regulations and align with Company policies. This diligent approach to quality assurance not only enhances customer experience but also reinforces transparency, reliability and excellence across every facet of our operations.

#### Ethical Sourcing

At PDS Limited, ethical sourcing has been the cornerstone to our operations. We ensure that we procure our raw materials from suppliers who uphold stringent ethical guidelines. These guidelines include prohibiting child labour, prioritising fair wages and ensuring safe working conditions. We not only safeguard human rights but also promote a culture of respect and integrity throughout our global network of suppliers.







# Performance Indicators





# POETICGEM



We're proud to reflect on our sustainability journey in 2023. Thanks to the hard work and dedication of all our teams, especially our ESG team, Poeticgem has made significant strides toward transparency and accountability in our supply chain.

We're now measuring Scope 3 emissions for the first time, fostering collaboration with our Customers and Supply chain partners. Poeticgem teams are now well-trained in sustainable practices, ensuring alignment with our ESG goals. As we chart our course for 2024, I'm optimistic about our ability to meet milestones and drive meaningful change. Together, we'll continue our pursuit of responsible sourcing.

**Anuj Banaik**  
CEO, Poeticgem

2023 has been a year of the 'step change' for us. We progress towards greater transparency of our supply chain and strive continuously, to get better data for our materials and our environmental and social impacts, so we can manage and reduce these in line with the goals we have set ourselves.

We have made progress in these areas despite various challenges that come with a very complex supply chain. However, we know that we have a long way to go. We are now measuring our Scope 3 emissions for the first time and this has highlighted the importance of collaboration with our value chain partners. We hope to have a baseline established and are on track towards our collective goal to have SBTI approved science-based emissions reduction targets on scope 1, 2 and 3 by 2025.

Our teams are now well trained in our requirements for sustainable materials and accuracy of our transparency data. We continue to strive to be the best partner to our customers and are well aligned, to enable them to meet their sustainability and ESG goals. We have now established Poeticgem Circularity principles and are working to embed these in our ways of working, at Poeticgem, to move from a linear model to a circular one. As we embark upon this year we are confident that we will achieve the milestones we have set ourselves.

**Kavita Dass**  
Head of Sustainability and Fabric

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Poeticgem partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 100% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	50%	% of Recycle Polyester	60%		
		% of sustainable Man made cellulosic fibers	98%	% of sustainable Man made cellulosic fibers	100%		
2	Ensuring the partner garment factories to have registered, self assessed and be verified for HIGG FEM as per customers requirement Tier 1	cvZX	64.37%	% of self-assessment	80%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	39%	% of verification	50%		
	Ensuring the partner garment laundries to have registered, self assessed and be verified for HIGG FEM as per customers requirement Tier 2	% of self-assessment	48.72%	% of self-assessment	40%		
		% of verification	22%	% of verification of those that completed SAQ	28%		
	Ensuring the partner fabric Mills to have registered, self assessed and be verified for HIGG FEM as per customers requirement Tier 3	% of self-assessment	71%	% of self-assessment	65%		
		% of verification	60%	% of verification	39%		
Ensuring the partner weaver and knitter factories to have registered, self assessed and be verified for HIGG FEM as per customers requirement Tier 4	% of self-assessment	50%	% of self-assessment	66%			
	% of verification	44%	% of verification of those that completed SAQ	53%			





# POETICGEM



## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
4	Sustainable Wash Program	EIM Green Score Software Laundries to measure and reduce Chemical and water use.	<b>Across the board (Garment Washed Programs):</b> Denim at EIM Score: Green/Low Impact :92 % Amber/Moderate Impact: 8% Water Impact Score at : Green/Low Impat: 94% Anber/Moderate: 6% <b>Non -Denim at EIM Score:</b> Green/Low Impact : 60% Amber/Moderate Impact:40% Water Impact Score at: Green/Low: 58% Anber/Moderate:42 %	EIM Green Score Software Laundries to measure and reduce Chemical and water use.	<b>Across the board (Garment Washed Programs):</b> Denim at EIM Score: Green/Low Impact :95 % Amber/Moderate Impact: 5% Water Impact Score at : Green/Low Impat: 95% Anber/Moderate: 5% <b>Non -Denim at EIM Score:</b> Green/Low Impact : 70 % Amber/Moderate Impact:30% Water Impact Score at : Green/Low: 65 % Anber/Moderate:35%	Water, Chemical	 Partnerships for the Goals
		Partnership with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of suppliers Foundational treatment limits achieved	95%	% of suppliers Foundational treatment limits achieved	98%	
	We are focussing on our T1 and T2 Key Garment Laundries that have the most impact on water and the Environment,						
	Partnership with our T3 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of Key suppliers Foundational treatment limits achieved	80%	% of Key suppliers Foundational treatment limits achieved	85%	Chemical	
	NB: T3 means: For all washing, printing, wet processors						

## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	145	No. of students enrolled	145	 Quality Education
		No. of resources donated (Uniforms)	145	No. of resources donated (uniforms)	145	
		Funds allocated to program (USD)	2698	Funds allocated to program (USD)	2698	
	Provision of scholarships to children from underserved communities	Funds allocated to program (USD)	14567	Funds allocated to program (USD)	14567	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of Jackets prototypes made and now trialling	45	No. of people benefitted from healthcare programs/ camps	NA	 Good Health & Well-Being
		Funding allocated to the ICDDRB Initiative (USD)	675	Funding allocated to ICDDRB initiative (USD)	NA	
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of x:y in senior leadership positions	9:7	Ratio of men:women in senior leadership positions	NA	 Gender Equality
		No. of women enrolled in leadership development initiatives	26 – UK 4 - Bangladesh	No. of women enrolled in leadership development initiatives	NA	
		No. of gender empowerment/diversity/inclusion initiatives/policies	3 - UK 2 - China and India 2 – Bangladesh	No. of gender empowerment/diversity/inclusion initiatives/policies	NA	
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of environmental awareness programs conducted	1	No. of environmental awareness programs conducted	1	
		No. of workshops on circularity	2	No. of workshops on circularity	3	
		Man hours dedicated for such programs	500	Man hours dedicated for such programs	500	
5	Identify opportunities and make available for our employees, to contribute their talent and time to their communities, in an easy and accessible format	No. of employees participating in volunteer programs	80	No. of employees participating in volunteer programs	149	 Partnerships for the goals
		No. of cumulative hours dedicated to volunteering	200	No. of cumulative hours dedicated to volunteering	596	



# CSS

# CSS

Collaborative Sourcing Services, CSS, is a new independent business within PDS Ltd. with an exclusive relationship with George at Asda. Sourcing for George ASDA, we are aligned with the Sustainability journey of George ASDA and PDS. We are closely working on measuring Scope 1,2 & 3 Emissions of CSS, Worldly Adoption & Implementation Plan and Sustainability Report for PDS and to meet the requirements of Five Sustainability Pillars of George ASDA throughout direct suppliers of Bangladesh and India. We are working on Sustainability / ESG Reporting, Environmental and Chemical Compliance., Net Zero emissions, Water and Energy Savings Projects, HIGG FEM 4.0 Worldly (average verified HIGG FEM 4.0 Score 66.37% BD & 64.23% India facilities), ZDHC (100% facilities ZDHC Account and Connection with George ASDA done for both BD & India) BHIVE, BVE3, CLEAN CHAIN, ZDHC Wastewater Report, EIM for the Denim Garments. We conducted internal training on different topics on HIGG FEM 4.0 Worldly, Briefing on Sustainability, Sustainability at George (34 Candidates got trained on Environmental Attribute Form) etc. for the supply chain facilities and participated in external training /seminars / conferences like Human Rights & Environmental Due Diligence, Switch to Upstream Circularity Dialogue, Bangladesh Climate Action Forum etc.

**Md. Nashirul Islam**  
Sustainability Specialist  
Collaborative Sourcing Services

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
4	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	3	No of initiatives taken:	5	Emissions	Climate Action
5	Renewable energy	Total capacity of Solar PV System in kWp	5807 KW (Data based on 05 suppliers)	Total capacity of Solar PV System in kWp	4691 KW (Data based on 05 suppliers)	Emissions	Affordable and Clean Energy
6	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water	Clean Water and Sanitation
7	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.  NB: T2 means: For all washing, printing, embellishments and fabric suppliers	% of suppliers Foundational treatment limits achieved	100%	% of suppliers Foundational treatment limits achieved	100%	Chemical	Responsible Consumption and Production
		% of suppliers Progressive treatment limits achieved	0%	% of suppliers Progressive treatment limits achieved	0%		
		% of suppliers Aspirational treatment limits achieved	0%	% of suppliers Aspirational treatment limits achieved	0%		

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	CSS partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 90% of our cotton as Better Cotton	100%	We are committed to sourcing 90% of our cotton as Better Cotton	100%	Product	Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	25%	% of Recycle Polyester	30%		
	% of sustainable Man made cellulosic fibers	3-4%	% of sustainable Man made cellulosic fibers	10%			
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	95%	% of self-assessment	100%	Emissions, Water, Chemical, Waste	Partnerships for the Goals
		% of verification	95%	% of verification	100%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		

## Social KPI

Sr. No	Description	KPI's		SDG
		FY 23-24	KPI value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	250	Quality Education
		No. of adults in vocational programs	300	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of people benefitted from healthcare programs/camps	1100	Good Health & Well-Being
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	3:1	Gender Equality
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of environmental awareness programs conducted	1	Life on Land





# GOOD EARTH APPARELS



Our dedication to sustainability drives our efforts to improve operations and set industry standards. We've reached significant milestones aligned with our long-term goals to reduce carbon emissions and promote environmental responsibility.

### Solar Energy Plant

Our newly implemented 1MW solar energy plant meets approximately 70% of our energy requirements, lowering our reliance on fossil fuels and decreasing our carbon footprint. This shift to renewable energy results in energy cost savings and highlights our commitment to sustainable energy practices.

### Zero Waste Project

The project focuses on recycling and reusing fabric waste from our production processes. By converting waste materials into useful products, we minimize our environmental impact while promoting a circular economy. This approach allows us to maintain cleaner operations and efficient resource usage.

### Carbon Footprint Monitoring and Reduction

We actively monitor our carbon footprint and work towards reducing emissions by optimizing our supply chain and improving energy efficiency. These initiatives enable us to meet and exceed our environmental goals, paving the way for a more sustainable future.

These achievements underscore our ongoing commitment to environmental stewardship. We appreciate our dedicated team members for their hard work and innovation in making these initiatives a reality.

**Manoj Dimri**  
Chief Executive Officer

Good stewardship of the environment is not just a personal responsibility, it is a public value. GoodEarth Apparels think doing the right thing, keeping this world green. Our duty is to ensure better use of the land. But more than that, it is our call as the stewards of the earth which enact business with stakeholders rightly.

We focus on bringing operational excellence into practice in the areas, including but not limited to reducing emission of carbon by using the recycle materials and prioritizing the use of solar power, Waste Management Awareness.

We believe a better outcome of our actions can shape the future of our planet in a sustainable way and can create a livable environment for the generations to come.

**Sabuj Hossain**  
Senior Executive, Compliance & Sustainability

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of cotton made with sustainable practices	53%	% of cotton made with sustainable practices	60%	Product	 Responsible Consumption and Production
		% of Recycle Polyester	48%	% of Recycle Polyester	55%		
		% of sustainable Man made cellulosic fibers	32%	% of sustainable Man made cellulosic fibers	35%		
2	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emission	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
3	Renewable energy	Total capacity of Solar PV System in kWp	1,000 kWp	Total capacity of Solar PV System in kWp	1,000 kWp	Emissions	 Affordable and Clean Energy
4	Monitoring fresh water consumption & reduction targets within the supply chain	Are the facility tracking fresh water consumption?	YES	Are the facility tracking fresh water consumption?	YES	Water	 Clean Water and Sanitation

## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	12	No. of students enrolled	20	 Quality Education
		Funds allocated to program (USD)	690	Funds allocated to program (USD)	1150	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of individuals benefitting from healthcare education/ awareness programs	4713	No. of individuals benefitting from healthcare education/ awareness programs	3000	 Good Health & Well-Being
		No. of healthcare awareness programs/ sessions conducted	134	No. of healthcare awareness programs/ sessions conducted	100%	
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	10:01	Ratio of men:women in senior leadership positions	03:01	 Gender Equality
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of environmental awareness programs conducted	12	No. of environmental awareness programs conducted	NA	 Life on Land
		Man hours dedicated for such programs	300 hours	Man hours dedicated for such programs	400 hours	





# GRUPO SOURCING



Sustainable products are now the global needs. The campaign to keep the world under less emission with better lifestyle would be successful through the sustainable products. Our goal is to ensure our products that are mostly rated with the materials with less chemical, less water consumption, less carbon emission but highly sustainable. We serve our clients with our quality services that makes sure the product we sell are sustainable. We work with the clients as a partner giving the priority with our service, quality and price point.

**Zamal U. Ahmed**  
CEO

At Grupo Sourcing we embarked on our sustainability drive in earnest in 2023. So far, all of our knit composite factories that have an ETP facility, re use an average of 45% of their treated waste water, Six of our partner factories wholly comply with the requirements of Higg / ZDHC, nine are GOTS / OCS certified and Eight totally comply with GRS / RCS requirements. In 2024/25 we look to build on the initiatives that we have in place, as well as adding focus to those listed.

**Md Yeasin Arafat**  
Senior Compliance Auditor

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Grupo Sourcing partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 100% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product	Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	50%	% of Recycle Polyester	60%		
		% of sustainable Man made cellulosic fibers	80%	% of sustainable Man made cellulosic fibers	100%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	46%	% of self-assessment	80%	Emissions, Water, Chemical, Waste	Partnerships for the Goals
		% of verification	45%	% of verification	63%		
3	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of suppliers Foundational treatment limits achieved	85%	% of suppliers Foundational treatment limits achieved	85%	Chemical	Responsible Consumption and Production
	NB: T2 means: For all washing, printing, embellishments and fabric suppliers						





# KRAYONS



As the CEO of Krayons, I am proud to share our sustainability achievements and ambitious future plans. Our commitment to responsible consumption and production is evident in our increasing use of preferred materials such as Better Cotton, Recycled Polyester, and Sustainable Man-made Cellulosic Fibers, demonstrating our dedication to minimizing environmental impact and promoting sustainable fashion.

We are working diligently to ensure that all partner factories meet stringent environmental standards, supported by comprehensive self-assessments and verifications, which emphasize our commitment to transparency and accountability. Significant carbon reduction measures have expanded renewable energy capacity and water conservation efforts underscore our holistic approach to sustainability.

Innovation in sustainable fabrics is another key focus, as we incorporate recycled ocean plastic bottles into our materials, reducing plastic waste and protecting marine ecosystems. Additionally, we are enhancing our ESG data management through partnerships and training initiatives, ensuring robust and forward-thinking practices.

Collaboration and education are at the core of our strategy. By working closely with industry partners and training our suppliers, we foster continuous improvement and shared responsibility. Together, we are making significant strides toward a more sustainable future. I am excited about the progress we have made and look forward to the continued advancements we will achieve in the coming year.

As Krayons expands, we remain committed to driving positive change and working towards a greener, more sustainable future !!

**Mr. Rajnish Kapoor**  
Director Krayons Sourcing Ltd.

We are proud to present the highlights of our sustainability journey for the fiscal year 2023/24 at Krayons Sourcing Limited. Sustainability is deeply ingrained in our corporate culture and values, guiding our business decisions and practices. During the past year, we have made strides in advancing our sustainability agenda across environmental, social, and governance (ESG) dimensions. Our focus has been on reducing our carbon footprint, conserving natural resources, promoting social equity, and enhancing transparency and accountability. Krayons's ESG goals are now strongly aligned with the United Nations Sustainable Development Goals (UN SDGs).

Key accomplishments include tracking our greenhouse gas (GHG) emissions and adhering to Sustainable Apparel Coalition (SAC) membership requirements through the adoption and verification of Worldly (HIGG Platform) for the valued tier-1 (T-1) suppliers.

Looking ahead, we are committed to furthering our sustainability goals by transitioning to sustainable and traceable raw materials and increasing engagement of our valued suppliers in Responsible Business Hub (RBH)- factory onboarding session and monitoring program by Bangladesh Garment Manufacturers and Exporters Association (BGMEA) with the support of German Agency for International Cooperation (GIZ) on Human Rights and Environmental Due Diligence (HREDD) & ESG Digital Data Disclosure Platform to nurturing adept and conscientious leadership to bolster in-house capacity effectively. Through innovation, collaboration, and stakeholder engagement, we aim to create shared value for all stakeholders and contribute to a more sustainable future. We extend our gratitude to our employees, partners, and stakeholders for their unwavering support and dedication to our sustainability journey. Together, we will continue to lead by example and make a positive impact on the world.

**Tahsin Uz Zaman,**  
Assistant Manager - Sustainability

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Krayons partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 34% of our cotton as Better Cotton	100%	We are committed to sourcing 34% of our cotton as Better Cotton	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	6%	% of Recycle Polyester	8%		
		% of sustainable Man made cellulosic fibers	7%	% of sustainable Man made cellulosic fibers	9%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	92%	% of self-assessment	100%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	92%	% of verification	100%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
4	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	1	No of initiatives taken:	2	Emissions	 Climate Action
		Reduction %:	0.30%	Reduction %:	1.50%		
5	Renewable energy	Total capacity of Solar PV System in kWp	22 kWp	Total capacity of Solar PV System in kWp	28 kWp	Emissions	 Affordable and Clean Energy
6	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water	 Clean Water and Sanitation
		Fresh water consumption reduction%:	0.50%	Fresh water consumption reduction%:	1.50%		
7	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of suppliers Foundational treatment limits achieved	100%	% of suppliers Foundational treatment limits achieved	98%	Chemical	 Responsible Consumption and Production
		<b>NB: T2 means: For all washing, printing, embellishments and fabric suppliers</b> % of suppliers Progressive treatment limits achieved	0%	% of suppliers Progressive treatment limits achieved	2%		



# NORLANKA



Caring of our planet is not conflict with running any of our business.

Future of us, our people and profession depend on measurable, decisive, and timely actions we are going to take on climate crisis.

As committed, to reinforce our progress on carbon neutrality by 2025 we have developed robust risk-based climate strategy with focusing on renewable energy adaptation, undertaking biodiversity restoration projects, effective waste management systems and continuous dialogue with our all stakeholders to develop more and more circular products

**Chandana Ranatunga**  
CEO

We stand as a prominent sustainability role model within the apparel sector in Sri Lanka with a collaborative network covering 30 manufacturing facilities and nearly 100 supplying partner factories. Our business directly contributes to raising the livelihood standard of 25000+ employees in the country. We are aware of the significant adverse impacts of our operations on the environment, and we are actively working to reduce them through impactful environmental projects. So as responsible business excellence, our commitment remains steadfast to sustain our business while aligning with the SDG goals and fostering a positive influence throughout our supply chain and the environment.

**Amila Jayawardana**  
Assistant Manager - Sustainability

## Environment KPI

Sr. No	Description	KPI's				Impact Area
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value	
1	Norlanka partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 98% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	23.40%	% of Recycle Polyester	30%	
		% of sustainable Man made cellulosic fibers	100%	% of sustainable Man made cellulosic fibers	100%	
2	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes	
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes	
3	Renewable energy	Total capacity of Solar PV System in kWp	630	Total capacity of Solar PV System in kWp	630	Emissions

**SDG**

Responsible Consumption and Production

Climate Action

Affordable and Clean Energy

## Social KPI

Sr. No	Description	KPI's			
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	230	No. of students enrolled	250
		No. of devices donated (computers/IT equipment)	15	No. of devices donated (computers/IT equipment)	N/A
		Funds allocated to program (USD)	5700	Funds allocated to program (USD)	6667
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of people benefitted from healthcare programs/ camps	256	No. of people benefitted from healthcare programs/ camps	260
		No. of healthcare awareness programs/ sessions conducted	0	No. of healthcare awareness programs/ sessions conducted	1
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	5:1	Ratio of men:women in senior leadership positions	5:1
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of trees planted/hectares of land afforested	200	No. of trees planted/hectares of land afforested	100+
		Recharged ground water volume in L through rainwater harvesting	3.1 Mn	Recharged ground water volume in L through rainwater harvesting	3.1 Mn
		No. of environmental awareness programs conducted	25	No. of environmental awareness programs conducted	30
		Man hours dedicated for such programs	32 hours	Man hours dedicated for such programs	400 hours
5	Responding to disasters with emergency relief and aid and working closely with communities on rehabilitation and resilience building to prevent future impacts	No. of people benefitted from aid and rehabilitation efforts	15	No. of people benefitted from aid and rehabilitation efforts	15
		Amount of aid distributed (USD)	5710	Amount of aid distributed (USD)	6500
6	Identify opportunities and make available for our employees, to contribute their talent and time to their communities, in an easy and accessible format	No. of employees participating in volunteer programs	6	No. of employees participating in volunteer programs	100
		No. of cumulative hours dedicated to volunteering	48	No. of cumulative hours dedicated to volunteering	400

**SDG**

SDG 4 Quality Education

Good Health & Well-Being

Gender Equality

Life on Land

Sustainable cities and communities

Partnerships for the goals





# PDS ASIA STAR



PDS Asia Star Co., Ltd is in essence a supplier- chain management company, which is at the meantime also a key driver of transformative changes for sustainability in our interconnected world.

By committing to sustainability, PDS Asia Star Co. Ltd can make a real impact and build trust with our stakeholders. Sustainability requires comprehensive audits, transparent goal-setting and engaging our employees in environmentally responsible actions.

To contribute to sustainability, every member of our company should endeavor to:

1. Embrace Sustainability and promote a circular economy to reduce carbon footprint.
2. Strengthen collaboration with customers and suppliers to ensure continuity.
3. Advocate for ethical practices to promote social justice.
4. Develop comprehensive risk management (6 Cs) to maintain operations during crises and to survive and thrive in VUCA (volatile, uncertain, chaotic, ambiguous) environment.
5. Explore production clusters and source near distances to reduce environmental impact.
6. Learn and adopt innovations to prepare for future changes.

**Mr. Alex Feng**  
Managing Director, PDS Asia Star

At PDS Asia Star Corporation Limited, we have started a continuous journey of improvement, we won't stop until reach our sustainability goals. In the current years, we are working to achieving transparency and traceability at every part of our product journey as social responsibility. Our mission is to drive positive changes by achieving maximum sustainable sourcing. We are working with our customers, vendors and every member of the PDS Asia Star family. We have been making progress in our sustainability journey.

- We have used 65 % sustainable cotton in FY 23 24.
- Factories throughout our supply chain to have registered HIGG FEM (self-assessed 64% & verified 52 %).
- For T2 Factories we achieved 100 % ZDHC (Zero Discharge of Hazardous Chemicals) in our supply chain.
- We are extending PDS Asia Star Sustainability monitoring and scope to China, India, Turkey as well during current FY.

We are increasing sustainability raw material use. In upcoming year, we will continuously focus on our declared commitments to achieve PDS Sustainability goals.

**Avijit Paul**  
PDS Asia Star Corporation Limited

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	PDS Asia Star Corporation Limited partners with Better Cotton to improve cotton farming globally	PDS Asia Star Corporation Limited partners with Better Cotton to improve cotton farming globally	100%	PDS Asia Star Corporation Limited partners with Better Cotton to improve cotton farming globally	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	2%	% of Recycle Polyester	2%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	64%	% of self-assessment	64%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	52%	% of verification	52%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
4	Renewable energy	Total capacity of Solar PV System in kWp	35	Total capacity of Solar PV System in kWp	70	Emissions	 Affordable and Clean Energy
5	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of suppliers Foundational treatment limits achieved	100%	% of suppliers Foundational treatment limits achieved	100%	Chemical	 Responsible Consumption and Production

**NB: T2 means: For all washing, printing, embellishments and fabric suppliers**





# PDS FAR EAST

At PDS Far East sustainability has been part of our daily efforts to ensure we are working towards achieving our self defined goals. We have made significant progress towards achieving our goals in terms of use of sustainable raw material, supply chain traceability and energy, water and waste management.

**Gaurav Pandey**  
CEO

Last year had been significant in our efforts to monitor & report progress of our self defined goals in terms of Sustainable raw material usage, sustainable packaging, supply chain traceability, chemical, energy, water and waste management. We are delighted to share that with our focussed approach towards timely sustainability data reporting, we have been able to achieve Walmart Giga Guru status on Project Gigaton Sustainability platforms.

**Vivek Sonwalkar**  
Director - Merchandising

## Environment KPI

Sr. No	Description	KPI's				Impact Area
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value	
1	PDS Far East Limited partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 100% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	63%	% of Recycle Polyester	80%	
		% of sustainable Man made cellulosic fibers	53%	% of sustainable Man made cellulosic fibers	60%	
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	95%	% of self-assessment	100%	Emissions, Water, Chemical, Waste
		% of verification	90%	% of verification	100%	
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes	
4	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	4	No of initiatives taken:	2	Emissions
		Reduction %:	4%	Reduction %:	5%	
5	Renewable energy	Total capacity of Solar PV System in kWp	451 KWp (In supply Chain)	Total capacity of Solar PV System in kWp	600 KWp (In supply Chain)	Emissions
6	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of suppliers Foundational treatment limits achieved	100%	% of suppliers Foundational treatment limits achieved	90%	Chemical
		% of suppliers Progressive treatment limits achieved	0%	% of suppliers Progressive treatment limits achieved	10%	
	NB: T2 means: For all washing, printing, embellishments and fabric suppliers					

**SDG**

RESPONSIBLE CONSUMPTION AND PRODUCTION

PARTNERSHIPS FOR THE GOALS

CLIMATE ACTION

CLIMATE ACTION

AFFORDABLE AND CLEAN ENERGY

RESPONSIBLE CONSUMPTION AND PRODUCTION





# PDS FASHIONS USA LTD.



Our company's sustainability strategy is centered on responsible practices and innovative solutions. We've implemented DNA-based cotton traceability, ensuring our materials are ethically sourced and genuine. This technology also reduces our carbon footprint. Empowering women remains a key focus for us. We're committed to increase the use of recycled fibers, promoting a circular economy that minimizes waste. To further reduce our environmental impact, we've launched energy and water-saving initiatives while significantly cutting emissions

### Moin

Executive Director  
PDS Fashion USA Ltd.

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	PDS Fashions USA Limited partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 100% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	38%	% of Recycle Polyester	50%		
		% of sustainable Man made cellulosic fibers	57%	% of sustainable Man made cellulosic fibers	70%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	100%	% of self-assessment	100%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	100%	% of verification	100%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
4	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	3	No of initiatives taken:	5	Emissions	 Climate Action
		Reduction %:	3%	Reduction %:	5%		
5	Renewable energy	Total capacity of Solar PV System in kWp	1277.2KWp ( In supply Chain)	Total capacity of Solar PV System in kWp	2584.2KWp ( In supply Chain)	Emissions	 Affordable and Clean Energy
6	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water	 Clean Water and Sanitation
		Fresh water consumption reduction%:	3%	Fresh water consumption reduction%:	5%		
7	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.  NB: T2 means: For all washing, printing, embellishments and fabric suppliers	% of suppliers Foundational treatment limits achieved	75%	% of suppliers Foundational treatment limits achieved	60%	Chemical	 Responsible Consumption and Production
		% of suppliers Progressive treatment limits achieved	25%	% of suppliers Progressive treatment limits achieved	40%		

## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	10:1	Ratio of men:women in senior leadership positions	10:3	 Gender Equality





# SIMPLE APPROACH



The Sustainability landscape is changing rapidly, and so is our industry. This brings opportunities and challenges. These challenges are constant, even during periods of success, they are part and parcel of what we do.

Since Simple Approach's start, our core values have fostered successful partnerships and growth. By prioritizing people and collaboration, we continue to overcome challenges. While we cannot always anticipate the hurdles, we can control our readiness and response. Through a commitment to our values and robust governance practices, and ensuring unity as a team, we can uphold integrity and priorities our stakeholders, including customers, partners, team members, workers, and local communities.

**Sunny Malhotra**  
CEO

Throughout the year, we remained focused on our goals, whilst also responding to legislative advancements and conducting our first-ever scope 3 carbon accounting. Alongside this, we engaged in collaborations, partnering on [policy initiatives](#) and [carbon research](#). For more insight into our environmental, social, and governance (ESG) efforts throughout the past year, we invite you to [explore our more detailed report](#). It offers insights into our strategy and our initiatives and achievements in the past year.

**Ilishio Lovejoy**  
ESG General Manager

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Simple Approach partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 60% of our cotton as Better Cotton	100%	We are committed to sourcing 60% of our cotton as Better Cotton		Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	34%	% of Recycle Polyester			
		% of sustainable Man made cellulosic fibres	32%	% of sustainable Man made cellulosic fibres			
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	- T1 82% - T2 71%	% of self-assessment	T1 90% T2 80%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	T1 73% T2 62%	% of self-assessment	T1 75% T2 65%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
4	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices. NB: T2 means: For all washing, printing, embellishments and fabric suppliers	% of suppliers Foundational treatment limits achieved	T1 76% T2 68%	% of suppliers Foundational treatment limits achieved	T1 80% T2 75%	Chemical	 Responsible Consumption and Production
5	Partnering with T1 and T2 suppliers to support their Clean Chain membership in support of improved chemical management and transparency	% of suppliers	T1 43% T2 63%	% of suppliers	T1 60% T2 65%	Chemical	 Responsible Consumption and Production

## Social KPI

Sr. No	Description	KPI's		SDG
		FY 23-24	KPI Value	
1	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	1/1.8	 Gender Equality
		No. of women enrolled in leadership development initiatives	1/1.8	
2	Responding to disasters with emergency relief and aid and working closely with communities on rehabilitation and resilience building to prevent future impacts	No. of people benefitted from aid and rehabilitation efforts	215 people, 72 families	 Sustainable cities and communities
		Amount of aid distributed (USD)	38,560	
		No. of critical infrastructures (homes, schools, hospitals, roads etc. rebuilt or restored)	The donation to ChickenSoup funded a community clubhouse in Sham Shui Po, Hong Kong, equipped with a kitchen, living room, three counselling rooms, a Lego playroom, game room, and workspace. It serves 72 families, offering stress relief therapies, vocational training, educational support for children with social needs, and family entertainment.	





# SOURCING SOLUTIONS



I am proud of the strides we've taken thus far, from incorporating eco-friendly materials in our products to implementing energy-efficient processes in our factories. However, our journey has just begun. I encourage each of you to actively contribute to our sustainability goals, whether it's by reducing waste, championing recycling efforts, or advocating for responsible sourcing.

Let us remember that our actions speak louder than words. By integrating sustainability into our daily operations, we elevate our brand and pave the way for a more responsible and resilient industry. As we move forward, I urge you to embrace this challenge with enthusiasm and creativity. Together, we can set new standards, make a meaningful impact, and ensure a brighter future for generations to come.

**Imran Rath**  
Director

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Sourcing Solutions partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 100% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	10%	% of Recycle Polyester	20%		
		% of sustainable Man made cellulosic fibers	0%	% of sustainable Man made cellulosic fibers	20%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	85%	% of self-assessment	100%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	70%	% of verification	100%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
4	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	2	No of initiatives taken:	3	Emissions	 Climate Action
		Reduction %:	5%	Reduction %:	20%		
5	Renewable energy	Total capacity of Solar PV System in kWp	110 KW	Total capacity of Solar PV System in kWp	200 KW	Emissions	 Affordable and Clean Energy
6	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water	 Clean Water and Sanitation
		Fresh water consumption reduction%:	5%	Fresh water consumption reduction%:	10%		
7	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices. NB: T2 means: For all washing, printing, embellishments and fabric suppliers	% of suppliers Foundational treatment limits achieved	67%	% of suppliers Foundational treatment limits achieved	30%	Chemical	 Responsible Consumption and Production
		% of suppliers Progressive treatment limits achieved	23%	% of suppliers Progressive treatment limits achieved	50%		
		% of suppliers Aspirational treatment limits achieved	10%	% of suppliers Aspirational treatment limits achieved	20%		





# SOURCING SOLUTIONS



## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	15	No. of students enrolled	50	 Quality Education
		No. of adults in vocational programs	12	No. of adults in vocational programs	50	
		No. of devices donated (computers/IT equipment)	0	No. of devices donated (computers/IT equipment)	10	
		Funds allocated to program (USD)	4200	Funds allocated to program (USD)	10000	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of people benefitted from healthcare programs/camps	152	No. of people benefitted from healthcare programs/camps	200	 Good Health & Well-Being
		% increase in no. of individuals gaining access to healthcare services	10	% increase in no. of individuals gaining access to healthcare services	15	
		Funding allocated to healthcare initiatives (USD)	xx	Funding allocated to healthcare initiatives (USD)	xx	
		No. of individuals benefitting from healthcare education/awareness programs	78	No. of individuals benefitting from healthcare education/awareness programs	100	
		No. of healthcare awareness programs/sessions conducted	3	No. of healthcare awareness programs/sessions conducted	5	
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	3.2	Ratio of men:women in senior leadership positions	1	 Gender Equality
		No. of women enrolled in leadership development initiatives	12	No. of women enrolled in leadership development initiatives	25	
		No. of gender empowerment/diversity/inclusion initiatives/policies	3	No. of gender empowerment/diversity/inclusion initiatives/policies	5	
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of trees planted/ hectares of land afforested	5000 trees	No. of trees planted/ hectares of land afforested	10000 trees	 Life on Land
		No. of environmental awareness programs conducted	5	No. of environmental awareness programs conducted	10	
		% improvement in air/water/soil quality after intervention	10	% improvement in air/water/soil quality after intervention	50	
		Funds allocated for all aforementioned programs (USD)	20000	Funds allocated for all aforementioned programs (USD)	25000	
		Man hours dedicated for such programs	2152	Man hours dedicated for such programs	3000	

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
5	Responding to disasters with emergency relief and aid and working closely with communities on rehabilitation and resilience building to prevent future impacts	No. of people benefitted from aid and rehabilitation efforts	0	No. of people benefitted from aid and rehabilitation efforts	100	 Sustainable cities and communities
		Amount of aid distributed (USD)	0	Amount of aid distributed (USD)	10000	
		No. of critical infrastructures (homes, schools, hospitals, roads etc. rebuilt or restored)	0	No. of critical infrastructures (homes, schools, hospitals, roads etc. rebuilt or restored)	10	
6	Identify opportunities and make available for our employees, to contribute their talent and time to their communities, in an easy and accessible format	No. of employees participating in volunteer programs	0	No. of employees participating in volunteer programs	10	 Partnerships for the goals
		No. of cumulative hours dedicated to volunteering	0	No. of cumulative hours dedicated to volunteering	50	
7	Improving access to clean water and sanitation through community water and sanitation projects	No. of individuals gaining access to clean water and sanitation as a result of the project	78	No. of individuals gaining access to clean water and sanitation as a result of the project	100	 Clean Water & Sanitation
		No. of new sanitation facilities constructed	5	No. of new sanitation facilities constructed	10	
		No. of individuals reached and benefitted from hygiene education campaigns	0	No. of individuals reached and benefitted from hygiene education campaigns	50	
		Funds allocated to water and sanitation programs (USD)	5000	Funds allocated to water and sanitation programs (USD)	10000	





# SPRING NEAR EAST



Dear stakeholders,

Over the past year, we have witnessed significant geopolitical, economic, and environmental developments both globally and locally. In Türkiye, alongside celebrating our Republic's 100th anniversary, we faced a profound earthquake disaster early in the year that deeply impacted us all.

During this challenging period, Spring Near East dedicated itself to ensuring a sustainable recovery right from the start. Initially, we offered material and financial assistance to address the urgent needs of our citizens affected by the earthquake. Since then, we have remained committed to going beyond short-term reconstruction and focusing on long-term recovery efforts.

At Spring Near East, our main aim is to strongly support the future, aspirations, and ambitions of Türkiye. We understand that our success as a company is closely tied to accountability. That is why, considering our environmental and social obligations, integral to Spring Near East's ethos, we are committed to generating extra benefits aligned with our sustainability strategy and objectives.

The future is full of opportunities for Spring Near East, and we are prepared to mold it with the vision and determination that have characterized us for the last 15 years. We express our sincere gratitude to our customers, colleagues, and stakeholders whose unwavering trust and support have been with us every step of the way. Together for the future!

**Safak Kipik**  
CEO  
Spring Near East Manufacturing Company Ltd.

Decarbonizing the apparel and textile industry is both a challenge and an opportunity. Achieving net-zero carbon emissions by 2050 requires technology, policies, investments, innovation, and collective effort from all stakeholders. Spring Near East has strengthened its sustainability team and strategy to address this, raising awareness about the industry's carbon footprint. We integrate sustainability into every aspect of our business, focusing on four main areas: Corporate, Social, Environment, and Product. These pillars guide our initiatives, ensuring mutual benefits with key partners. Our team collaborates with top management to maintain industry standards and ethical conduct, emphasizing traceability, accountability, and sustainability.

**Lisa Mc Alinden**  
Product & Sustainability Director  
Spring Near East Manufacturing Company Ltd.

**Samet Cetin**  
Sustainability Manager  
Spring Near East Manufacturing Company Ltd.

## Environment KPI

Sr. No	Description	KPI's				Impact Area
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value	
1	Spring Near East partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 75% of our cotton as Better Cotton	100%	We are committed to sourcing 75% of our cotton as Better Cotton	100%	Product
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	10%	% of Recycle Polyester	50%	
		% of sustainable Man made cellulosic fibers	70%	% of sustainable Man made cellulosic fibers	100%	
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	94%	% of self-assessment	100%	Emissions, Water, Chemical, Waste
		% of verification	88%	% of verification	90%	
		% increase in verification performance compared to base year (FEM2020).	17%	% increase in verification performance compared to base year (FEM2020).	25%	
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes	
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes	
4	Coal elimination program	No of facilities phased-out	10	No of facilities phased-out	8	Emissions
5	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	3	No of initiatives taken:	3	Emissions
6	Renewable energy	% usage of IREC-certified renewable energy at Spring own operations	100%	Total capacity of Solar PV System in kWp	100%	Emissions
		% usage of renewable energy within the supply chain	20%	% usage of renewable energy within the supply chain	25%	
7	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water
		Fresh water consumption reduction%:	5%	Fresh water consumption reduction%:	15%	
8	Eliminating the discharge of hazardous chemicals	% of suppliers ensure zero discharge of hazardous chemicals	95%	% of suppliers ensure zero discharge of hazardous chemicals	100%	Chemical
		% of suppliers use chemical inventory management solutions	100%	% of suppliers use chemical inventory management solutions	100%	
9	Circularity and Sustainability Workshop in collaboration with stakeholders	No of conducting workshops	2	No of conducting workshops	4	Circularity

**SDG**

Responsible Consumption and Production

Partnerships for the Goals

Climate Action

Affordable and Clean Energy

Affordable and Clean Energy

Clean Water and Sanitation

Responsible Consumption and Production

Partnerships for the Goals





# SPRING NEAR EAST



## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	8	No. of students enrolled	10	 Quality Education
		No. of devices donated (computers/IT equipment)	18	No. of devices donated (computers/IT equipment)	20	
		No. of participation in Spring Talent Program	6	No. of participation in Spring Talent Program	6	
		No. of intern from universities	4	No. of intern students from universities	4	
		No. of participation in skill development programs	26	No. of participation in skill development programs	140	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of people benefitted from healthcare programs/ camps	120	No. of people benefitted from healthcare programs/ camps	120	 Good Health & Well-Being
		Funding allocated to healthcare initiatives (USD)	90300	Funding allocated to healthcare initiatives (USD)	124000	
		No. of individuals benefitted from healthcare education/ awareness programs	89	No. of individuals benefitted from healthcare education/ awareness programs	89	
		No. of healthcare awareness programs/ sessions conducted	2	No. of healthcare awareness programs/ sessions conducted	2	
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	21:4	Ratio of men:women in senior leadership positions	21:4	 Gender Equality
		No. of women enrolled in leadership development initiatives	22	No. of women enrolled in leadership development initiatives	20	
		No. of gender empowerment/diversity/ inclusion initiatives/ policies	4	No. of gender empowerment/diversity/ inclusion initiatives/ policies	4	
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of trees planted	160 trees	No. of trees planted	160+ trees	 Life on Land
		No. of environmental awareness programs conducted	1	No. of environmental awareness programs conducted	1	
		Funds allocated for all aforementioned programs (USD)	200	Funds allocated for all aforementioned programs (USD)	200	
5	Responding to disasters with emergency relief and aid and working closely with communities on rehabilitation and resilience building to prevent future impacts	No. of people benefitted from aid and rehabilitation efforts	1016	No. of people benefitted from aid and rehabilitation efforts	20	 Sustainable cities and communities
		Amount of aid distributed (USD)	13900	Amount of aid distributed (USD)	NA	

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
6	Identify opportunities and make available for our employees, to contribute their talent and time to their communities, in an easy and accessible format	No. of employees participating in volunteer programs	3	No. of employees participating in volunteer programs	3	 Partnerships for the goals
		No. of cumulative hours dedicated to volunteering	264	No. of cumulative hours dedicated to volunteering	250	
		No. of cumulative hours dedicated to NGOs/ webinars/meetings	34	No. of cumulative hours dedicated to NGOs/ webinars/meetings	34	
7	Improving acces to clean water and sanitation through community water and sanitation projects	No. of individuals gaining access to clean water and sanitation as a result of the project	120	No. of individuals gaining access to clean water and sanitation as a result of the project	120	 SDG 6 Clean Water & Sanitation
		No. of individuals reached and benefitted from hygiene education campaigns	120	No. of individuals reached and benefitted from hygiene education campaigns	120	





# ZAMIRA



At Zamira, transparency and traceability are integral to our approach. We ensure that every step of our product's journey is visible and accountable. Our product journey starts with fabric sourcing and material selection, prioritising ethical and sustainable sourcing, ensuring safe-to-wear products and transparent supply chains. Zamira leads the way in auditing its core supply chains through Oeko-tex® STeP and incorporating Oeko-tex® Made in Green.

Since 2020, we have eliminated the use of Potassium Permanganate while maintaining authentic denim looks. Embracing new garment finishing technologies like o-Bleach, Laser, Ozone, e-Flow, NoStone, we have established a state-of-the-art development centre - 'The Lab'. Our wash and sustainability experts continuously innovate garment finishing recipes. And we currently provide core denim programs with an EIM Green Score.

Our commitment to a decarbonised future led us to a net zero supply chain journey in 2021. Partnering with BluWin accelerates our carbon emission reduction, aided by digitizing product design, near-shoring fabric suppliers, and investing in eco-efficient machinery and renewable energy solutions.

**Thomas Mueller**  
Our Managing Director

Zamira is dedicated to its sustainable objectives through the six pillars of our Zamira Cares sustainability initiatives. Continuously driven by innovation from our smart development centre - 'The Lab', we continually expand the depth each pillar. our concentrated efforts are directed towards achieving transparency and traceability at every part of the product journey

**Bala M**  
General Manager – Fabric Sourcing / Sustainability / Merchandising

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Zamira Fashions partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 100% of our cotton as Better Cotton	100%	We are committed to sourcing 100% of our cotton as Better Cotton	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester	47%	% of Recycle Polyester	40%		
		% of sustainable Man made cellulosic fibers	0%	% of sustainable Man made cellulosic fibers	20%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	93%	% of self-assessment	100%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	87%	% of verification	100%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
4	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water	 Clean Water and Sanitation
5	Partnering with our T2 supply chain to comply with ZDHC (Zero Discharge of Hazardous Chemicals) wastewater treatment limits toward promoting environmentally responsible practices.	% of suppliers Foundational treatment limits achieved	80%	% of suppliers Foundational treatment limits achieved	100%	Chemical	 Responsible Consumption and Production

**NB: T2 means: For all washing, printing, embellishments and fabric suppliers**

## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	6:3	Ratio of men:women in senior leadership positions	TBC	 Gender Equality
		No. of women enrolled in leadership development initiatives	3	No. of women enrolled in leadership development initiatives	TBC	
2	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of environmental awareness programs conducted	5	No. of environmental awareness programs conducted	7	 Life on Land
		Man hours dedicated for such programs	20	Man hours dedicated for such programs	30	



# PROGRESS APPARELS



Dear Valued Stakeholders,

As we reflect our path towards sustainability, I'm excited to share with you our most recent successes as well as the progressive goals we have set for ourselves. PABL has achieved 100% of its target being set in 2023-24 which generate confidence to sign larger goal in Sustainability.

Apart from our accomplishments in the environmental domain, we have also directed our attention towards augmenting the welfare of our workforce and the localities where we conduct business. We have put in place a number of employee engagement initiatives that support a positive work-life balance and offer chances for individual development. Additionally, we have made contributions to a number of social projects that seek to increase impoverished people's access to jobs, healthcare, and education.

Looking ahead, we have set our sights on even more ambitious targets. We have signed UN SDG and setting up target for 2024-25 in SDG 3, 4, 5, 15 and 17 which will help to include Good Health & Well-Being, Education Quality, Gender Equality, Life on Land, Partnerships for the goals.

As a CEO, I am proud of the progress we have made and the dedication of our team in driving these sustainability efforts.

Warm regards

**Rajeev Dubey**  
CEO

In Progress Apparels, which conducts business with stakeholders in an ethical manner, sustainability evolved into a scale for measuring business excellence in the global business phenomena.

The change in product diversification under UN SDG 12 Responsible Consumption and Production facility has improved a lot and target 55% of total production from 2024-25.

UN SDG 6, 7, 12, 13, and 17 are inline with current performance and better projections are planned. Including Community Building became a habitual excellence which includes Waste Management Awareness, Tree Plantation and Health awareness.

Green Investment are targeting new milestones from Progress Apparels, recent Washing and ETP Plant is example green investment from Good Fashion Fund.

Women's leadership and empowerment accounted for 85% of all workers, with the plant aiming to achieve 30% of total mid-level female employees by 2026.

This will result in a sustainable future and a safe environment for the next generations to live in.

**Abu Sayed Nazim**  
Asst. General Manager – Sustainability

## Environment KPI

Sr. No	Description	KPI's				Impact Area
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value	
1	Progress Apparels Bangladesh Limited partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 11% of our cotton as Better Cotton	100%	We are committed to sourcing 12% of our cotton as Better Cotton	100%	Product
	Use of preferred materials in fabrics being used in	% of Recycle Polyester	33%	% of Recycle Polyester	35%	
	Garment production within the supply chain to reduce the environmental impact	% of sustainable Man made cellulosic fibers	8%	% of sustainable Man made cellulosic fibers	9%	
2	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes	
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes	
3	Setting target for carbon reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	1	No of initiatives taken:	1	Emissions
		Reduction %:	1%	Reduction %:	2%	
4	Renewable energy	Total capacity of Solar PV System in kWp	30 Kw	Total capacity of Solar PV System in kWp	30 Kw	Emissions
5	Monitoring fresh water consumption & reduction targets within the supply chain	Are the suppliers tracking fresh water consumption?	Yes	Are the suppliers tracking fresh water consumption?	Yes	Water

**SDG**

Responsible Consumption and Production

Climate Action

Climate Action

Affordable and Clean Energy

Clean Water and Sanitation

## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	16	No. of students enrolled	17	Quality Education
		Funds allocated to program (USD)	3042	Funds allocated to program (USD)	3065	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of people benefitted from healthcare programs/ camps	3650	No. of people benefitted from healthcare programs/ camps	3700	Good Health & Well-Being
		Funding allocated to healthcare initiatives (USD)	25090	Funding allocated to healthcare initiatives (USD)	26000	
		No. of individuals benefitting from healthcare education/ awareness programs	3650	No. of individuals benefitting from healthcare education/ awareness programs	3700	
		No. of healthcare awareness programs/ sessions conducted	7	No. of healthcare awareness programs/ sessions conducted	8	





# PROGRESS APPARELS



## Social KPI CONTINUE

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	Ratio of men:women in senior leadership positions	7.5:1	Ratio of men:women in senior leadership positions	6:01	 Gender Equality
		No. of women enrolled in leadership development initiatives	8:1	No. of women enrolled in leadership development initiatives	6.6:1	
		No. of gender empowerment/diversity/inclusion initiatives/policies	1	No. of gender empowerment/diversity/inclusion initiatives/policies	1	
4	Promotion of a better environment reality by initiatives that restore degraded forests, reduce pollution and protect and conserve biodiversity	No. of trees planted	200	No. of trees planted	250	 Life on Land
		No. of environmental awareness programs conducted	2	No. of environmental awareness programs conducted	3	
		% improvement in air/water/soil quality after intervention	11.67% water improved from previous year.	% improvement in air/water/soil quality after intervention	Aiming for a 1% improvement in impact from previous year	
			-Helping to absorb approximately 4,200 kg carbon di oxide by reducing global heat.			
			-Approximately 23587 kg oxygen added in our air.			
			-More natural carbon sinks and reduced greenhouse gases.			
			-Healthier soil and natural humidity control.			
	Funds allocated for all aforementioned programs (USD)	400	Funds allocated for all aforementioned programs (USD)	500		
	Man hours dedicated for such programs	150	Man hours dedicated for such programs	180		
5	Identify opportunities and make available for our employees, to contribute their talent and time to their communities, in an easy and accessible format	No. of employees participating in volunteer programs	8	No. of employees participating in volunteer programs	10	 Partnerships for the goals
		No. of cumulative hours dedicated to volunteering	64	No. of cumulative hours dedicated to volunteering	80	

# DESIGN ARC



We continue to make great progress in our sustainability journey at Design Arc with the steady growth of our Digital Initiatives. Sample requests sent through our in house PLM (Digistof) can be turned into 3D designs that can be viewed in 360 degree images.

Using 3D digital modelling along with Alvalon body forms we are be able to offer virtual fitting through our web based platform. This will result in reduced physical sampling and quicker lead times while moving us closer towards our sustainability goals.

**Nicola Hakkak**  
Sustainability Champion

At Design Arc, we continue to operate in a socially responsible and ethical manner, supporting local communities and prioritizing environmental protection through technology adoption and waste reduction. Our teams are regularly measuring the environmental impact and are fully committed to lower this impact year on year throughout our business operations and the supply chain. Our design and product development teams are continuously working towards introducing sustainable materials into the products that we design and manufacture. At the same time our production teams work tirelessly with our manufacturing partners to adopt sustainable manufacturing processes and upgrade the facilities with the sole aim of achieving the targets that we have set for ourselves in the sustainability journey.

**Rakesh Chadha**  
Managing Director, Design Arc



# DESIGN ARC

## Environment KPI

Sr. No	Description	KPI's				Impact Area	SDG
		FY 2023/24	KPI value	Plan for FY 2024/25	KPI value		
1	Design Arc partners with Better Cotton to improve cotton farming globally	We are committed to sourcing 83% of our cotton as Better Cotton	100%	We are committed to sourcing 83% of our cotton as Better Cotton	100%	Product	 Responsible Consumption and Production
	Use of preferred materials in fabrics being used in Garment production within the supply chain to reduce the environmental impact	% of Recycle Polyester % of sustainable Man made cellulosic fibers	70% 70%	% of Recycle Polyester % of sustainable Man made cellulosic fibers	70% 75 to 80%		
2	Ensuring the partner factories throughout our supply chain to have registered, self assessed and be verified for HIGG FEM as per customers requirement	% of self-assessment	57%	% of self-assessment	60%	Emissions, Water, Chemical, Waste	 Partnerships for the Goals
		% of verification	57%	% of verification	60%		
3	Greenhouse gas (GHG) emissions calculation	Scope 1 emissions:	Yes	Scope 1 emissions:	Yes	Emissions	 Climate Action
		Scope 2 emissions:	Yes	Scope 2 emissions:	Yes		
		Scope 3 emissions:	Yes	Scope 3 emissions:	Yes		
4	Setting target for sampling & resource reduction by implementing initiatives within the supply chain for driving meaningful progress towards a more sustainable and low-carbon business operation	No of initiatives taken:	1	No of initiatives taken: CLO 3D integration in PLM, Virtual Marketing for new business ventures	1	Emissions, Water, Chemical, Waste	 Climate Action
		Integration of 3D sampling into the design and development process to reduce the resources and sampling	15%	CLO 3D integration in PLM, Virtual Marketing for new business ventures to reduce the sampling & resources	30%		

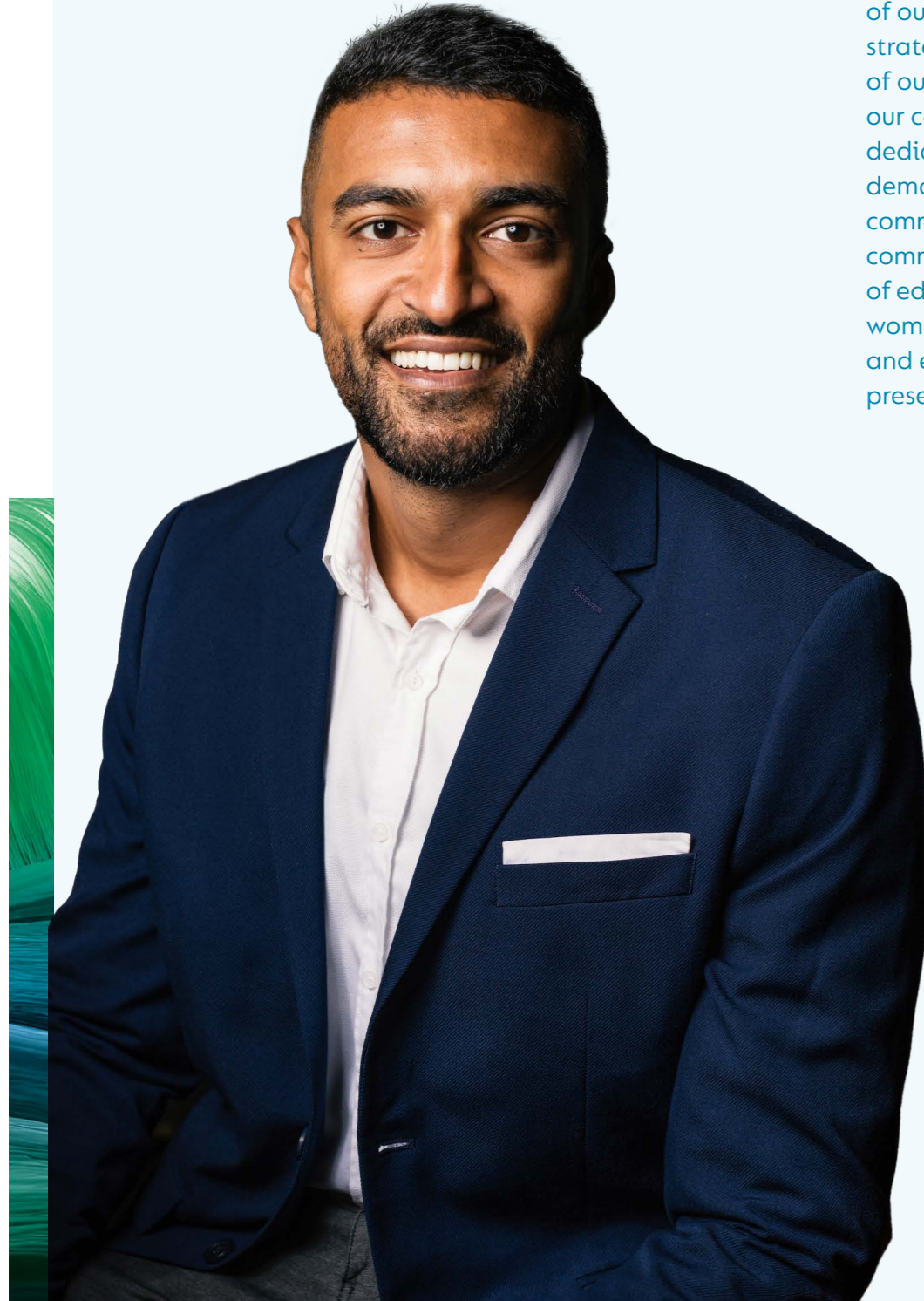
## Social KPI

Sr. No	Description	KPI's				SDG
		FY 23-24	KPI Value	Plans for FY 24-25	KPI Value	
1	Committed to promoting holistic and quality access to education for underserved communities through providing school education, building supportive educational infrastructure and promoting lifelong learning through vocational and skill development programs	No. of students enrolled	150	No. of students enrolled	150	 Quality Education
		No. of adults in vocational programs	221	No. of adults in vocational programs	240	
		Funds allocated to program (USD)	91570	Funds allocated to program (USD)	98770	
2	Advancing health and well-being for all ages by initiatives that improve access to quality healthcare, strengthening healthcare infrastructure and R&D and prioritising healthcare education and awareness with a special focus on maternal and child health.	No. of people benefitted from healthcare programs/ camps	Office base: 214 Factory base: 15991	No. of people benefitted from healthcare programs/ camps	Office base: 220	 Good Health & Well-Being
		% increase in no. of individuals gaining access to healthcare services	Office base: 21%	% increase in no. of individuals gaining access to healthcare services	Office base: 20%	
		Funding allocated to healthcare initiatives (USD)	Office base: 36000	Funding allocated to healthcare initiatives (USD)	Office base: 38000	
		No. of individuals benefitting from healthcare education/ awareness programs	Office base: 270 Factory base: 10125	No. of individuals benefitting from healthcare education/ awareness programs	Office base: 280	
3	Contributing towards advancing gender equality and women's empowerment initiatives that promote women's full and effective participation and equal opportunities for leadership at all levels of decision-making in the workplace	No. of healthcare awareness programs/ sessions conducted	Office base: 5 Factory base: 13	No. of healthcare awareness programs/ sessions conducted	Office base: 6	 Gender Equality
		Ratio of men:women in senior leadership positions	Office base: 8:2 Factory base: 12:1	Ratio of men:women in senior leadership positions	Office base: 7:3	
		No. of women enrolled in leadership development initiatives	Factory base: 5301	No. of women enrolled in leadership development initiatives	Office base: 2	
4	Identify opportunities and make available for our employees, to contribute their talent and time to their communities, in an easy and accessible format	No. of gender empowerment/diversity/inclusion initiatives/policies	Office base: 3 Factory base: 9	No. of gender empowerment/diversity/inclusion initiatives/policies	Office base: 4	 Partnerships for the goals
		No. of employees participating in volunteer programs	Office base: 2 Factory base: 159	No. of employees participating in volunteer programs	Office base: 3	
		No. of cumulative hours dedicated to volunteering	Office base: 10 Factory base: 853	No. of cumulative hours dedicated to volunteering	Office base: 24	





# Message from Director of Sustainability and Innovation



While focusing on our environmental footprint is a key facet of our sustainability strategy, the wellbeing of our employees and our communities. Our dedicated CSR arm demonstrates our commitment our local communities in the areas of education, healthcare, women’s empowerment and environmental preservation.

At PDS Limited, we recognise that sustainability and innovation are not merely complementary; they are intertwined forces, driving our organisation towards a better future. This symbiotic relationship forms the foundation of our commitment to environmental stewardship and operational excellence.

We believe that innovation is essential for achieving sustainable progress. By continuously challenging conventional practices and embracing cutting-edge technologies, we reimagine sustainable progress as an ever evolving but achievable milestone. A milestone that enables us to stay ahead of regulatory changes, consumer expectations and technological advancements. By embedding sustainability into our innovation processes, we ensure that every new development contributes positively to our environmental footprint reduction goals and strengthens our market position as a leader in sustainable practices.

Recognising the need for innovation across its value chain, PDS Limited established a venture arm dedicated to investing in startups focused on sustainability. PDS Limited’s approach involves actively seeking out advancements that can transform the industry in certain key focus areas such as;

**Material Science Innovation:** We are committed to advancing material science through partnerships with startups like Materra, Amphico, PACT among others. All of this is enabled through our dedicated material innovation vertical, Upcycled Labs. These collaborations focus on developing eco-friendly materials such as biodegradables and recycled fibers, significantly reducing environmental impact across apparel production.

**Manufacturing and Process Solutions:**

We prioritise energy and resource efficiency in manufacturing processes by analysing product LCA data and identifying emission hotspots through partnerships, such as with carbon. This allows us to proactively work on the optimal process selection with the lowest environmental impact. Additionally, we also partner with start-ups across the value-chain like Colorifix, Unspun and Nature Coatings who are focused on innovating their manufacturing processes to reduce an overall environmental impact.

**Post-Consumer/Circular Solutions:**

We actively support circular economy initiatives to extend product lifecycles and minimise waste generation in apparel production, partnering with initiatives like Evrnu® and Resortecs to create new products from waste. Our subsidiary Yellow Octopus Group and Upcycled Labs are industry leaders in post-consumer waste collection, sorting and up-cycling.

**Transparency and Traceability in Supply Chain:**

Through partnerships with leading experts like Fabacus in Digital Product Passport technology, we ensure transparency and traceability across our operations. Additionally, our collaboration with Smartex underscores our commitment to reducing waste and enhancing traceability in the global textile supply chain. These innovations provide real-time data on raw material origins and production processes, fostering ethical practices and improving working conditions.

**Fashion Tech Enablers:**

In the field of fashion technology, we actively pursue innovative solutions to advance sustainability. For instance, we collaborate with startups such as Love the Sales, leveraging AI and technology to manage a fashion marketplace that efficiently clears retailers’ surplus stock before it necessitates heavy discounts.

Additionally, Good on You empowers consumers by providing a comprehensive brand rating system, enabling informed and sustainable purchasing decisions.

While focusing on our environmental footprint is a key facet of our sustainability strategy, equally important is our focus on the wellbeing of our employees and our communities is equally important for us. Our dedicated CSR arm demonstrates our commitment to empowering our local communities in the areas of education, healthcare, women’s empowerment and environmental preservation. Consolidating best practices across the group, PDS One leads initiatives focused on innovative solutions to community issues. Be it designing thermal blankets for infants in Bangladesh to prevent hypothermia or empowering women by transforming fabric waste into products, our global teams collaborate to drive local impact.

Looking forward, our efforts will focus on expanding our portfolio of sustainable materials, enhancing supply-chain transparency through advanced technologies. This will further reduce our environmental footprint through innovative manufacturing practices and drive social impact through novel initiatives. By fostering a culture of continuous improvement and collaboration, we aim to lead the apparel industry towards a more sustainable and environmentally responsible future.

Regards,

**Buddhi Paranamana**  
Director of Sustainability and Innovation



# PDS Ventures

PDS Ventures, the investment arm of the PDS Group, operates a US\$ 50 million VC investment fund for supporting innovation in the fashion ecosystem. With a focus on sustainability, PDS Ventures aims to drive positive change within the industry. Its current investments in sustainability include start-ups in material science, manufacturing and processing solutions, supply chain transparency and traceability, fashion tech and other enabling technologies.

To encourage disruptive technologies and cutting-edge innovations within the PDS ecosystem, we aim to nurture projects aligned with the United Nations Sustainable Development Goals.

By investing in pioneering businesses, PDS Ventures aims to support entrepreneurs and accelerate their mission to drive positive impact within the fashion ecosystem. The venture arm utilises the broader PDS platform to

facilitate collaborations, enabling portfolio companies to scale their solutions effectively.

## Sustainable ecosystem



## Industry collaborations

### Global Fashion Agenda (GFA)

PDS Ventures and GFA, a non-profit organisation have launched a new funding programme aimed at scaling fashion innovation. The Trailblazer Programme focuses on identifying fashion's most promising early-stage innovators and providing the support they need to scale their ventures. As part of the initiative, PDS Ventures granted a substantial investment ranging from US\$ 50,000 to US\$ 200,000 to the winner.

Bloom Labs, a pioneering Company at the forefront of sustainable material innovation won the 2024 Trailblazer Programme. Bloom Labs is driving the transition towards a circular economy by converting of tonnes fibrous protein waste to create bioplastics and textile fibres at scale. Through a closed-loop process and 100% bio-based ingredients, Bloom Labs combines high-quality natural fibres, such as hand feel, breathability, and softness, with the efficiency of industrial fibre processing. In partnership with GFA, PDS Ventures is helping Bloom Labs in reducing the industry's reliance on resource-intensive natural fibres and synthetics.

### Fashion For Good (FFG)

PDS has recently entered into a partnership with Fashion for Good to become an Innovation Partner for their Innovation Platform. Fashion for Good is a global initiative, launched in March 2017, with the mission to support the needed systemic change in the fashion industry by driving meaningful innovation. Fashion for Good is a global platform for innovation, made possible through collaboration and community engagement. With an open invitation to the entire apparel industry, Fashion for Good convenes brands, producers, retailers, suppliers, non-profit organisations, innovators and funders united in their shared ambition.



At the core of Fashion for Good is the innovation platform which provides promising start-ups with the expertise and access to funding they need to grow. The platform also supports innovations that have passed the proof-of-concept phase, with a dedicated team that offers bespoke support and access to expertise, customers and capital.

Through this partnership, we will be connected to a number of leading players from all areas of the fashion value chain and some of the largest global VC funds that are considering sustainable fashion as a key investment area. We will take part in various key events of the Innovation Programme such as selection workshops, the FFG Annual Summit, topical working groups, and project working groups.

We play an advisory role in co-designing the selection of the innovation scouting areas for new innovators, aligning them

with our priorities and preferences. We will also serve in an advisory capacity in co-designing FFG projects and will have the opportunity to support foundational projects and workstreams within FFG.

Positive Materials will gain access to the extensive network of innovators within Fashion for Good's Innovation Programme. This will aid in R&D and potentially allow for presenting these innovations to brands and retailers. PDS Ventures will receive deal flow of the top proposed innovators and an advisory seat on the jury when FFG partners select innovators to join the FFG Innovation Platform.

**80+**  
Companies in our portfolio







\*investments through Yellow Octopus Ventures

### Leading change through innovation



Sustainable fibres for textiles from potato waste. The material uses 99.7% less water, no additional land and produces 82% less CO<sub>2</sub>e than cotton.



DYE RECYCLE

DyeRecycle's technology offers a non-destructive method for separating textile waste components, including fibers and dyes, enabling their independent recycling back into the supply chain.



Resortecs, Recycling made Easy.

Resortecs provides design-for-disassembly solutions that enable high-quality textile recycling at an industrial scale.



Solarcore utilised **AEROGEL (NASA's Spacecraft Insulation)** and re-engineered it into a new technology called **Solarcore**. The Solarcore technology can be moulded in the form of Foam, Fiber and Textiles to be used in different applications such as apparel, footwear and even in buildings and structures.



Pentatonic is developing AI models, materials tracking and analysis systems, that enable the world's largest corporations and brands to achieve circularity in their products, supply chains and business models.



Engineering the self-assembly properties of cellulose, Sparxell can mimic the same vibrant hues found in nature and achieve endless other variations of colours and effects.



NEFFA is the only 3D manufacturing method for the production of textiles from home compostable mushroom roots and other biomaterials such as MYCOTEX.



Seechange utilises AI-powered software that analyses visual data from cameras and sensors to help retail businesses reduce stockouts, prevent losses, shorten queues and optimise store layouts.



Creating next-generation planet-positive plant-based insulation materials while, actively healing damaged wetland ecosystems through regenerative agriculture.



### Material Science Innovation

## MATERRA®

Materra collaborates closely with farmers to implement customised cotton farming and sourcing programmes that are climate-resilient, transparent and equitable. Their innovative approach leverages data-driven insights and AI-powered technology to ensure traceability and accountability in the supply chain. This helps to transparently trace the origins of their cotton, reinforcing a strong commitment to sustainability, from farm to finished products.

Central to Materra's initiatives is their pioneering Cotton-As-A-Service model, which sets new standards for supply chain transparency. By integrating hydroponic and regenerative cotton technologies, Materra produces sustainable cotton while minimising its environmental impact.

### Conversion of regenerative cotton into yarn

In collaboration with Positive Materials, Materra has made significant progress. It successfully converted 3 MT of regenerative cotton into yarn with the assistance of a yarn spinner in India. The yarn was then converted into jersey in Portugal with Positive Materials. Materra is planning to collaborate with esteemed brands such as Vollebak and has already produced 150 t-shirts with L'ESTRANGE which showcases its growing influence and impact on the industry.



8

Pilot clients - Kering, PVH, Arvind, H&M, Ecoalf, Mango and L'ESTRANGE

100%

Visibility from seed to bale

300

Data points per farmer

## amphico

Amphico offers materials that minimise the impact on the planet without compromising on the strength or durability of the finished product. Utilising recyclable source materials, it blends science, engineering and design to pave the path for designing sustainable garments, yarns and gills.

Amphico is developing a 100% recyclable and coating-free alternative to traditional waterproof breathable textiles that contain zero Toxic PFC and PTFE coatings and is inherently water repellent.

## PACT

PACT transforms the waste generated by the fishing industry into sustainable collagen-based biomaterial. Leveraging advanced chemistry, PACT reassembles collagen into superior quality, environmentally friendly biomaterials that surpass its traditional counterparts in quality and sustainability.

PACT is creating a diverse portfolio of knitted, woven and non-woven materials, specifically designed for testing and advancing their innovative sustainable leather alternatives.

10x

Reduction in CO<sub>2</sub> and water use

Zero

Plastics and chemicals

### Manufacturing and Process Solutions

## Colorifix

Colorifix is developing innovative dyeing processes to help the textile industry significantly reduce its environmental impact in a cost-effective manner, using a synthetic biology-based approach. Colorifix minimises the environmental impact of industrial dyeing by replacing chemistry with biology at every step in the process, from the creation of the dyes to their use on fabrics. PDS Ventures has invested in Colorifix alongside the H&M Group via its investment arm H&M CO:LAB.

Positive Materials and Colorifix have worked together to launch capsule collections using Colorifix technology in Positive Materials' planet positive ranges.

100%

Natural non-toxic dyeing process

49%

Reduced water consumption

35%

Reduced electricity consumption

31%

Reduced CO<sub>2</sub> emissions

## unspun

Unspun's 3D weaving machine reduces fashion waste by creating custom-fit jeans. This automated, localised and intentional manufacturing process ensures precise production, minimising excess and promoting sustainable, eco-friendly fashion practices.

At PDS, we have helped facilitate a partnership between Walmart and Unspun on a pilot project to evaluate the integration of Vega 3D weaving technology into the supply chain, starting with the creation of men's chinos. Unspun aims to deploy 3D weaving machines at multiple microsites across the U.S., aiming for 350 machines operational by 2030.

0

Zero inventory and zero-waste fashion

24%

Saving on carbon emissions per pair of jeans

## NATURE COATINGS

Nature Coatings has developed a groundbreaking high-performance black pigment, free from carcinogens (PAHs), using wood waste sourced from certified Forest Stewardship Council (FSC) forests. This serves as a sustainable alternative to petrol-based pigments, significantly reducing water and energy consumption. It also prevents millions of tonnes of CO<sub>2</sub> emissions, showcasing our dedication to environmental stewardship and innovation.

# Zero Carcinogen

Black pigment from wood waste







### Post-consumer/Circular Solutions

## EVARNU®

Evrnu® is an advanced materials innovation Company and inventor of Nucycl®, a regenerative fibre technology made from textile waste. Evrnu® can convert different types of textile waste into fibres that can replace up to 90% of textiles such as cotton, man-made cellulosic fibres, nylon and polyester. PDS Ventures has partnered with the Bestseller Group's investment arm to co-invest in Evrnu®. This collaboration has already produced promising results.

### Nucycl® | OBJECT

Object partnered with Evrnu® to merge creative expression with advanced technology. This collaboration resulted in a small capsule collection of three exquisite garments made with Nucycl®, utilising cotton-rich textile waste to replace virgin tree pulp.

### Nucycl® | PANGAIA

By integrating Nucycl® regenerative fibre, Pangaia created denim from Nucycl®, traditionally made from 100% cotton, demonstrating the potential to replace conventional materials with this innovative solution.

### Nucycl® | ZARA

Providing a sustainable pathway to reduce the reliance on virgin materials, three garments were made from textiles sourced from consumer product returns. This emphasises the importance of recycling and reusing materials, showcasing a commitment to environmental conservation and resource efficiency in fashion.

# 95%

Textile waste is addressed with Nucycl® portfolio of textile recycling solutions



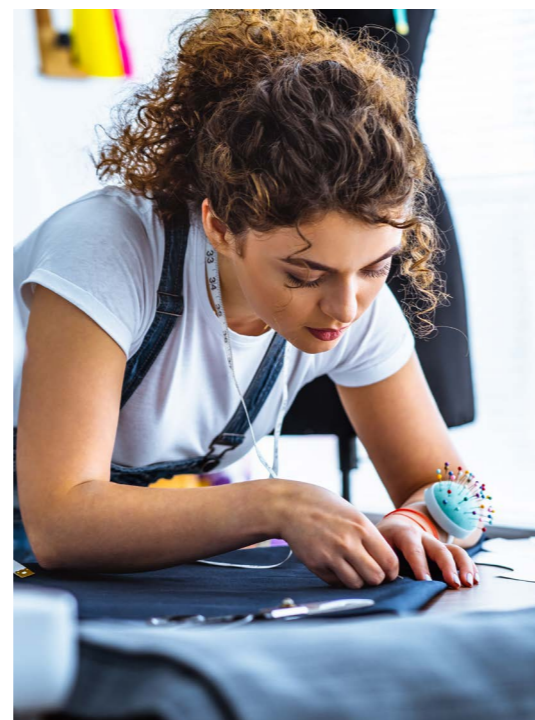
Resortecs is an award-winning start-up, developing heat-dissolvable stitching threads and thermal disassembly systems that make textile recycling easy. Their solution consists of two technologies. Smart Stitch™ is a range of 16 heat-dissolvable stitching threads, designed for easy disassembly and recycling at the end of their lifecycle. Smart Disassembly™ is the world's first thermal disassembly system, empowering sorters and recyclers to tap into higher volumes of textile material, eliminating trims that block recycling automatically, with no quality loss.

# 5x

Faster than traditional disassembly

# 90%

of a product's textile content can be recycled



### Transparency and Traceability in Supply Chain

## SMARTEX.AI

We have made a strategic investment in SMARTEX due to its commitment towards reducing waste and improving traceability in the global textile supply chain. It's AI-powered solutions completely eliminate waste from circular knitting production and provide digitised quality control methods to minimise downstream production issues.

With Smartex Core, an ultimate quality control solution, employs artificial intelligence and machine learning to inspect every inch of fabric inside circular knitting machines with precision and speed. This automated inspection drastically reduces production costs and defects to near zero, setting a new standard for 100% quality assurance.

# 228 kg

Reduction of Co<sub>2</sub> emissions per month

# 21.613 litres

Water saved each month

# 100%

Traceable Digital Samples

# \$1,000

Raw material savings in a month on one machine

### Fashion Tech Enablers



Love the Sales is uses AI and technology to create a fashion marketplace that helps retailers clear excess seasonal stock before it has to be sold at a deep discount. Their marketplace features millions of styles from some of the world's premier brands, offering an unparalleled selection of designer fashion labels.

The platform has cultivated strong partnerships with over 100 UK-based and global retailers, enabling them to secure exceptional prices and exclusive deals for customers. Shoppers can explore the latest products at discounted rates, including products that are unavailable on any other channel.

# 31%

Average reduction in terminal stock

# 27%

Average increase in revenue per SKU

## BIGTHINX

Bigthinx is a deep-tech Company, offering mobile body scanning, clothing size matching, virtual avatars, digital clothing trials and fitness monitoring. They use generative AI to create automated 3D digital skins from photos, allowing people to virtually try on these digital clothes using personalised, hyper-realistic avatars. Their solutions aim to significantly reduce apparel waste throughout the supply chain by reducing the amount of online returns and samples needed during the design process.

Through our connection to Ralph Lauren as a PDS customer and a co-investor with PDS Ventures, we were able to facilitate the introduction to Bigthinx which has led to the initiation of a pilot project between Ralph Lauren and Bigthinx.

# 95%

Accuracy

# >70%

Reduction in online returns

good on you®

Good on You is empowering customers to make more sustainable purchasing choices with a comprehensive brand rating system and online discovery platform for fashion. Their rating system is based on a business' impact on animals, planet and people. They empower consumers to see through misleading claims by providing transparency on issues such as greenhouse gas emissions, water use, worker safety, living wages and animal welfare.

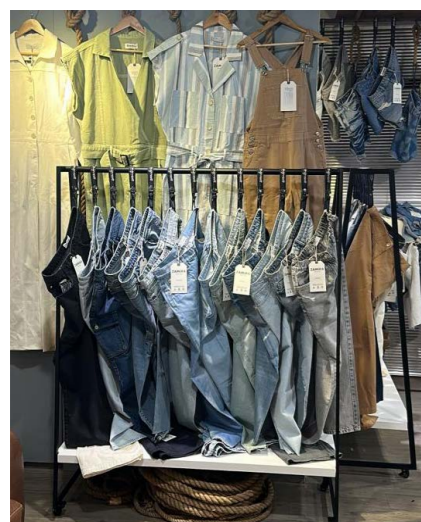
Good on You aggregates publicly reported information on critical sustainability issues and present it in clear, accessible ratings that anyone can understand. Some of our co-investors in Good on You are Fashion for Good and Farfetch.

6,000+

Ethical ratings for fashion brands

#1

Sustainability ratings and discovery platform



## POSITIVE MATERIALS

### Positive Materials

Positive Materials, a PDS vertical and our partner drives textile innovation for both emerging disruptors and established brands. Launched in February 2023, it has swiftly excelled as a Materials Provider and R&D Partner for renowned fashion brands.

Combining industrial production with innovation Positive Materials offers a unique value proposition. It provides access to an exceptional portfolio of established and next-gen materials that position it at the forefront of sustainable fashion solutions.

20+

Innovations onboarded

100+

Materials developed with Regenerative fibres

10+

Fashion Forums attended

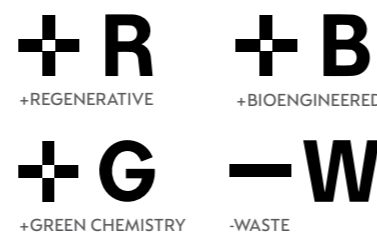
15+

capsule collections and biotech innovations launched

Positive Materials manufactures low-impact as well as bio-tech innovation textiles and makes them available to partners via bi-annual collections and customised developments. Its'

production is carried out in Portugal, following a fully traceable and controlled compliance system, aligned with the highest quality standards and environmental impact indicators.

The material portfolio of Positive Materials consists of regenerative, bioengineered, green chemistry and less waste options. It also encourages responsible practices across the value chain to minimise the environmental impact through adoption of low-impact material and technologies reduce water consumption, greenhouse gas emissions and harmful chemicals.



In 2023-24, Positive Materials participated in the Global Fashion Agenda, Future Fabrics Expo, Première Vision Smart Creations and Textile Exchange. More than 15 capsule collections of low-impact and biotech innovations were launched with innovations such as Bananatex (Abaca fibre), Altmat (Altag), Materra (Materra Regenerative Cotton), Nature Coatings (Bioblack TX), Evrnu® (Nucycl®), Nanea (Ocean Safe), Parley of the Oceans Recycled Plastic, Dyerecycle, Santis, Noosa among others.

### Everloop

The Everloop collection represents a groundbreaking collaboration between Positive Materials, Petrutex and six leading next-generation material innovators that PDS Ventures has invested in—Amphico, Materra, PACT, Ponda, SAVIAN and Nature Coatings. Together, we have developed this first-of-its-kind capsule collection, showcasing the potential of high-performance, fashionable products that align with environmental and social responsibility.

### Redefining Sustainable Fashion Through Co-Creation

Our role in this partnership goes beyond investment. We have facilitated an environment of co-creation and innovation, bringing together diverse expertise to redefine sustainable fashion. The Everloop collection is

not just about creating clothes, it is about setting a new standard in the industry, inspiring the next generation of designers and addressing the urgent challenges posed by the climate crisis.

The capsule showcases leading science-led startups that contribute to positive change, demonstrating that it is possible to co-create and

co-develop both fashionable and high-performing products that are planet and human-friendly. This collaboration is a testament to the power of collective action and shared vision, driving a paradigm shift in fashion and shifting the industry's focus towards a more sustainable tomorrow.



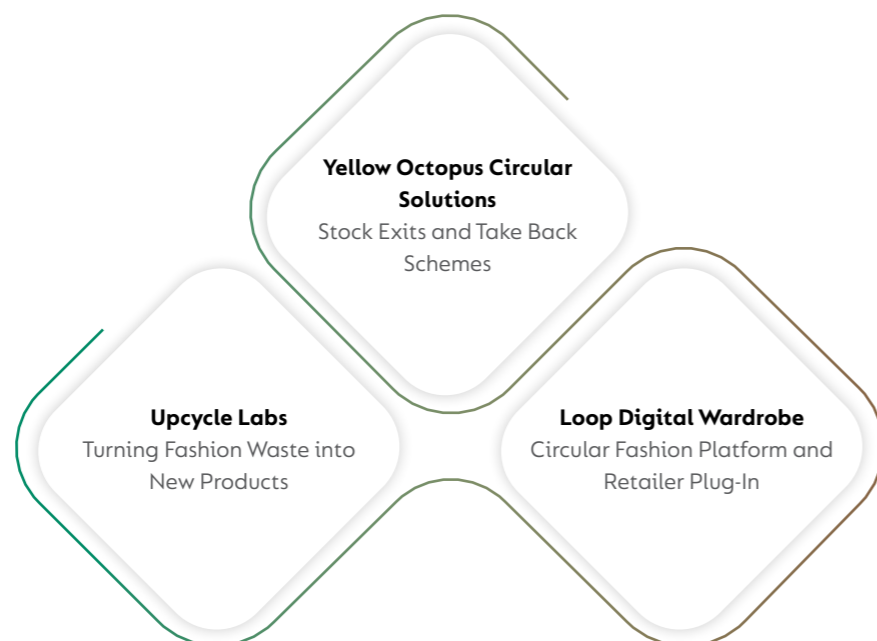


# YELLOW OCTOPUS.

## Yellow Octopus Group

An integral part of the PDS ecosystem is the Yellow Octopus Group, a leading provider of integrated and profitable circularity solutions for the fashion and beauty industries. The Yellow Octopus Group offers sustainable alternatives to the disposal or incineration of unwanted inventory and waste to both major household names and exclusive luxury brands in the fashion and beauty sector.

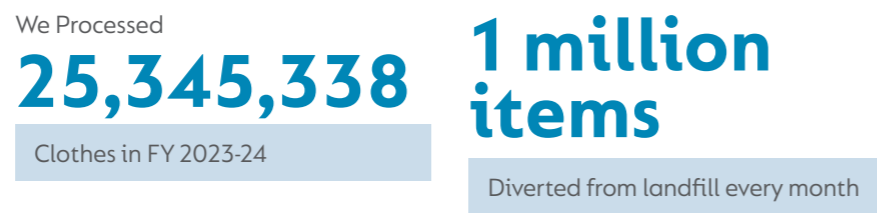
Their goal is to create a circular retail ecosystem that is both environment-friendly and commercially viable. We believe that true sustainability can only be achieved when it is profitable and scalable.



## Yellow Octopus Circular Solutions

Yellow Octopus Circular Solutions aims to eliminate fashion waste by promoting circularity. Overconsumption of clothing has led to a significant waste problem in the fashion industry, with tonnes of clothes incinerated or ending up in landfills each year, often without being worn. This results in severe environmental damage.

Through take-back programmes, stock exits and a second-life distribution network, we extend the lifespan of clothing items with minimal operational disruption. We collaborate with brands and retailers to manage and distribute unwanted clothes, customer returns and take-backs. When clothing is no longer suitable for our second-life network, it is passed on to Upcycle Labs who transform the waste into high-quality home décor products and shop fittings.



# UPCYCLE LABS

## Upcycle Labs

Upcycle Labs, a material science and technology Company, offers innovative upcycling solutions for fashion and beauty brands. They transform unsorted waste and unwanted inventory into new, high-quality products like home décor and store fittings using their sustainable, patent-pending binding agent. Their mission is to divert waste from landfills, eliminate the need for incineration and promote a circular retail ecosystem while generating a new revenue stream for brands.

Brands often destroy unwanted inventory due to various concerns. Upcycle Labs partners with these brands to convert their waste into new, valuable products, which can be designed collaboratively and sold back. When these upcycled products reach the end of their use, they can be processed again, ensuring a truly waste-free solution.



## The Ghana Waste Project – AfBRICa Bricks

Most of the UK and EU's unwanted second-hand clothing ends up at Ghana's Kantamanto Market, where about 40% is deemed waste. This leads to the disposal of 100 metric tonnes of unsellable clothes daily. The city eliminates 30% of this waste but the remaining 70% is illegally dumped, causing severe environmental damage that pollutes rivers and seas.

Recognising the need for social responsibility, Upcycle Labs has partnered with the World Economic Forum and the President's Office of Ghana to address this issue. Our shared goal is to implement Upcycle Labs' technology and processes in Ghana. We convert this waste into AfBRICa Bricks for the development of sustainable buildings, positioning Ghana as a leader in the circular economy.

Our goal is to eliminate waste and protect the environment, create new jobs waste processing and upcycling, stimulate the local economy and generate local export opportunities.

## LOOP Digital Wardrobe

LOOP Digital Wardrobe is a pioneering, social-friendly circular fashion app and retailer plug-in dedicated to digitising and connecting wardrobes, transforming fashion into a social and truly circular experience. Users can seamlessly shop across all leading second-hand fashion marketplaces, from over 500 brands in one place and share their wardrobes with their friends, favourite influencers and other app users to promote reselling, swapping and borrowing over buying brand new products.

The app also offers multiple end-of-life options for clothes, such as fixing, donating to charity or transforming items into upcycled home décor with Upcycle Labs. LOOP aims to simplify and enhance the process of giving items a second life, empowering customers with the tools and knowledge to opt for circular fashion as an environmentally sustainable alternative to purchasing new items.

**500+**

Brands

## LOOP Retailer Plug-In

LOOP offers a plug-in solution for retailers to tap into circularity with simplicity. This not only supports a more responsible and sustainable fashion ecosystem but allows retailers to access the commercial benefits of aligning with the growing consumer demand for sustainable shopping solutions.

By integrating the LOOP Retailer Plug-In at checkout, retailers their customers with the option of adding new purchases to their LOOP Digital Wardrobe, therefore giving their customers the tools to dispose of the product responsibly post-use. LOOP partners also gain access to the Retailer Dashboard which provides invaluable data on the post-use habits of their customers.

By offers their customers access to second-life clothing options, brands gain valuable sustainability credentials that enhance their overall brand image. By promoting circular practices instead of rapid consumption and disposal of clothing items, this plug-in helps safeguard against changing regulations related to end-of-life product responsibility.







Global | Collaborative | Digital | Ethical