# Sustainability Report 2021

Thriving Forward Through Evolution & Innovation









### REPORT PROFILE

This is the first published sustainability report for Pacific Jeans. This report has analysed factory premises, labour and production processes, integrated departmental functions, corporate social responsibilities, stakeholders perspectives, environmental management system etc. for the calendar year 2021 (1st January to 31st December). This report is being published on an annual basis and is available in English language only. This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards, which emphasis on three aspects – ecology, economy and social. The Sustainability Department of Pacific Jeans has collected the data and published the report.

#### REPORT CONTENT AND ASPECT BOUNDARIES

The content of the report is based on the social, environment, economic and product sustainability practices at Pacific Jeans. Identifying of the aspects has been as per the guidelines of Global Reporting Initiative (GRI) Standards 4.0 and indicators have been selected based on the availability of information on those practices. Some of the sustainability projects of Pacific Jeans are beneficial to the organization itself and some others are benefiting the community as well. We have tried to create a meaningful connection between the sustainability practices of Pacific Jeans with the reporting guidelines of GRI. Our main goal was to deliver transparent information on how we practice 'sustainability initiatives' in compliance with international standard and thereby become a model for other firms in the industry. In this report, we have focused our insights on setting goals, measuring performance and managing change in order to implement better performances. We would like to take our sustainability reporting practice to the next level by continuous improvement in our future endeavours in reporting.







# CONTENT

Message from Managing Director		
About Us	07	
Journey of Pacific Jeans	08	
Our Facilities	10	
Company Highlights	12	
Enabling Sustainability	14	
Social Sustainability	28	
Environmental Sustainability		
Economic Sustainability.	55	





#### **MESSAGE** FROM MANAGING DIRECTOR

The decisions we make today largely determine how tomorrow will look like. Positively impacting society, economy and people while caring for the planet is at the heart of our decisions because we strongly believe we have role and opportunity for impact that matters in the lives of people today and tomorrow.

I am delighted to present the first Sustainability Report of Pacific Jeans Group which delineates our committed efforts to pursue the path towards sustainability. It sketches how we manage social and environmental issues and impacts. The report also contains what are our ambitions, especially where we are now and where we want to go in the future.

The journey of the Pacific Jeans Group began around four decades ago with a noble vision of contributing to the socioeconomic development of Bangladesh, especially lifting poor people from the abyss of poverty through employment creation and earning foreign exchanges to speed up the economy. Since inception our efforts have remained constant to improve in every possible area in alignment with our vision. Our indomitable desire to excel has inspired us to be always first to embrace anything new that has the power to change what makes impact for the better.

Pacific Jeans Group has earned name and fame as a frontrunner in denim industry. We have adopted technological innovations and business process with a view to minimize the negative impacts of manufacturing on the environment. Pacific Jeans is the world's first as a manufacturer to involve in producing Cradle to Cradle (C2C) products that are safe, circular and responsibly made. We are constantly looking for innovations, be it technological or process optimization or human resource development, to reduce carbon emissions as much as possible. We are continuously integrating latest energy-efficient machinery and technologies like waterless washing to save energy as part of commitment to minimizing impacts of manufacturing on the environment.

We have taken different measures like free healthcare services, free education, scholarship, leadership development, women empowerment etc to make positive impacts on the lives of workers. While we have made strides in achieving our goals of sustainability, there's still more work to do for us. We are committed to pursuing the path to decarbonization in a bid to ensure a greener and brighter future for the generations to come.

Syed M Tanvir

Since inception our efforts have remained constant to improve in every possible area in alignment with our vision. Our indomitable desire to excel has inspired us to be always first to embrace anything new that has the power to change what makes impact for the better.



## **ABOUT US**

Pacific Jeans Group is a world-class casual wear manufacturing company known for its state-of-the-art production facilities, extensive and unique research and development center and high skilled human resources. At present Pacific Jeans Group is one of the premium jeans manufacturers, exporting to over 50 countries. With continuous focus on improvement and value addition, adoption of new technologies, commitment to maintaining safe and healthy workplace for the workers and employees and strict adherence to customers' compliance requirements, this group has become one of the most preferred suppliers of the leading global fashion retailers. Mr. Nasir Uddin, Founder and Chairman of Pacific Jeans Group, always focused on what he wanted to do and believed in continuously adding value to the three Ps - Product, Process and People, to stand out from the crowd. Since the inception of the company, we have always been the first to start anything related to jeans manufacturing, be it new technologies, processes or

product innovation/development, to deliver the best and maintain Pacific's goals as the market leader. Pacific Jeans owes its existence to NZN Fashion Ltd., established in 1984 by Mr. Nasir Uddin (Chairman of Pacific Jeans) with only 500 people to stitch and ship unwashed jeans for an Italian brand as there was no denim laundry in the country then. Subsequently in 1986, Pacific Jeans established the first denim laundry in Bangladesh. In 1994, Mr. Nasir set up Pacific Jeans in Chittagong Export Processing Zone with 1,500 people. Since then the company has grown to become a leading denim exporter in Bangladesh. His vision and relentless efforts to promote the Bangladesh apparel industry in the global arena has earned him 24 consecutive 'National Export' trophies and 'Business Person of the Year' by the Government of Bangladesh and Export Excellence Award from the Hong Kong Shanghai Banking Corporation (HSBC) in the year 2010, 2011 and 2012 and "Bangabandhu Sheikh Mujib Shilpa Purashkar" in year 2020.



## **JOURNEY OF PACIFIC JEANS**

A visionary person late M Nasir Uddin, Chairman of Pasific Jeans, was the first person who showed his interest in garment manufacturing from denim in Bangladesh. He is admired as an icon in this sector and the highest grossing up export manufacturing facilities owner of Bangladesh. He had has seen the opportunities of global denim market. Starting business in this industry 3 decades back, Pacific Jeans Group passed through a robust learning curve in apparel manufacturing over the years with a continuous focus on efficiency and value addition without compromising the quality. Relentless efforts to attain efficiency and strong motivational drive to achieve excellence have contributed enormously in reaching a new height and representing the country as an attractive sourcing destination of premium apparels.

The journey of Pacific Jeans Group began in 1984, at Chattogram, the Business Capital of Bangladesh with a small investment named 'NZN Fashions Ltd.'. Only 500 workers were employed at the starting time. The first fiscal year, the amount of export was reported only one and a half million dollar. Now about 35 thousand people are employed in the Group consisting of 7 manufacturing facilities with 3,000,000 square feet production area. The Group has established its 1st facility "Pacific Jeans Ltd." in the Special Economic Zone "Chattogram Export Processing Zone" (CEPZ) in 1994. With increasing demand of export, the new facility "Jeans 2000 Ltd." has started its journey in 2000. The next facility "Universal Jeans Ltd." has started its business with a state-of-art concept in this industry in 2008. Focusing on the sustainable growth trend,



THE JOURNEY OF PACIFIC JEANS GROUP BEGAN IN 1984, AT CHATTOGRAM, THE BUSINESS CAPITAL OF BANGLADESH WITH A SMALL INVESTMENT NAMED 'NZN FASHIONS LTD.'. ONLY 500 WORKERS WERE EMPLOYED AT THE STARTING TIME.

- the Group has started another manufacturing unit "NHT Fashions Ltd." in 2015.
- The Group has exported 392 million US dollar in the reporting 2020-21. Supporting the increasing demand of the product, another 3 facilities are in construction phase, which will produce another 200 million USD business in the group in denim sector only.As a part of business opportunities exploration and product diversification, the group

presently has invested in Knit segment and the 1st facility investment in this segment is "Pacific Casuals Ltd.". "Pacific Knitex Ltd." is another establishment, already entered into the production in 2021 with a robust volume of more than 100 million USD business. The new facilities will create the employment opportunities for 10,000 people directly and create earning opportunities directly and indirectly for another 100 thousand people.

According to the source of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at present there are about 500 factories in Bangladesh, who are directly involved with denim export business. They can export about 400 million pieces of clothing each year to several foreign countries. Among them, about 36 million pieces of jeans are being exported by the Pacific Jeans to Europe, America, Japan and more than 50 countries around the world. Currently, 12 percent of the total export values of jeans garments of Bangladesh is contributed by Pacific Jeans.



Pacific Jeans Ltd Plot No # 14-19,Sector # 05 CEPZ, Chattogram, Bangladesh Established in 1994

# OUR FACILITIES



Jeans 2000 Ltd Plot No # 67 ,Sector # 7, CEPZ, Chattogram, Bangladesh Established in 2000



Universal Jeans Ltd Plot No # 9-11,Sector # 6/A, CEPZ, Chattogram, Bangladesh Established in 2008



NHT Fashions Ltd Plot No # 20-22,Sector # 05 CEPZ, Chattogram, Bangladesh Established in 2014



Pacific Casuals Ltd Plot No # 31-32 ,Sector # 01 CEPZ, Chattogram, Bangladesh Established in 2019



Sustainability Report 2021

11

Pacific Knitex Ltd Fouzderhat Industrial Area Dhaka-Chittagong Trunk Road Chattogram, Bangladesh Established in 2021



Universal Jeans Ltd 03 Plot No # 69,Sector # 7 CEPZ, Chattogram, Bangladesh Established in 2019

hriving Forward Through Evolution & Innovation

# COMPANY HIGHLIGHTS



7 Production

units



35,000 Employees 35%



**38 Million** Production Capacity

\$392 Million Sales/Revenue

\$98 Million Total Capitalization

**100%** Permanent Employees

13

## SUSTAINABILITY AT PACIFIC JEANS

Pacific Jeans, pioneered the start of denim production in Bangladesh way back in 1984. To this day the family-run group continues to pioneer groundbreaking technologies, reflected in our dedication to sustainable practices. We are incredibly proud to again have been the first denim factory in the world to manufacture Cradle-to-Cradle gold level product. Our actions and values reflect sustainability. We are very proud to be a partner of Jeans Redesigned initiative of Ellen MacArthur Foundation.

All the facilities of Pacific Jeans are LEED certified by United States Green Building Council (USGBC). To validate its corporate environmental commitment Pacific Jeans Group adopted ZDHC guidelines and MRSL to all its manufacturing units with a number of sustainability certifications HIGG FEM, GOTS, OCS, BCI, GRS, RCS, EIM. We are actively working for use of renewable energy and committed to reducing at least 65% Co2 emissions by 2030 compared to the base year 2018. We are using latest technologies like Ozone, Laser and E-flow and already reduced water consumption significantly. We are also using recycled water in the production process. Even more to this commitment, our design team is always focusing on the use of natural resources efficiently and specialized in sustainable washing solutions.





## VISION

Our vision is to be a global lifewear solution company.

## MISSION

We firmly believe that the foundations for realizing Pacific Jeans' vision is to uphold an integrated balance among the company's environmental, economic and social performance. We have designed our practices in such a way that our contribution to pollution, landfill and damage to ecosystem are minimalized, which in turn will improve our environmental performance. Besides we exercise numerous best practices to ensure the welfare and wellbeing of our workers and employees. Finally, Pacific Jeans is committed to providing best quality products through team work, innovation and initiatives. .



## PEOPLE

We believe that the employees are invaluable asset of the company. Thus, we prioritize activities that engage our employees towards working for their well-being. We have administered a variety of programs, designed to solve their problems, daily needs and enhance their skills.

## PLANET

As the nature holds the key to life on earth, Pacific Jeans aims to flourish without destruction of the natural ecosystem. Minimizing carbon emissions, wastage creation and landfill occupancy; energy conservation & efficient usage of water resources are incorporated in the whole process of our work-flow.

## PRODUCT

Pacific Jeans promises to produce responsibly and to manufacture premium jeans in most sustainable manner. We emphasize on using certified & traceable materials, eco- friendly chemicals, organic and recycled materials etc. 15



Our sustainability roadmap is also aligned with the United Nations Sustainable Development Goals Framework (UN SDGs), which provide a shared blueprint for peace and prosperity for people and the planet. UN SDGs recognise that ending poverty and deprivation must go handin-hand with strategies that improve health and education, reduce inequality and drive economic growth – all while tackling climate change and working to preserve oceans and forests. They therefore provide a meaningful framework for

a holistic sustainability strategy that ensures Pacific Jeans efforts have maximum positive impact.







#### **PRODUCTS AND SERVICES**

Pacific Jeans is mainly producing casualwear, mainly all kinds of jeanswear. We have also sustainable laundry facilities in all of our jeans factories.

#### SERVICES

In addition to the regular production, Pacific Jeans provides below services to the valued clients:

#### **DESIGN DEVELOPMENT**

We remain updated of denim trend constantly getting inspiration from various fashion magazines, Instagram pages of celebrity designers, catwalks, shopping trips etc. We prepare tailor made seasonal collection for each customer based on our trend research.

#### FABRIC DEVELOPMENT

We work closely regarding newest technology and innovation in terms of fabric; and source and develop fabrics according to our specific customers' preferences.

#### WASH INNOVATION

Denim wash innovation is our key strength. We have latest technology and we also relentlessly do research and development for sustainable denim wash.

#### LAB TEST

Pacific Jeans has a setup for in-house product testing. The aim of this setup is to check whether the end user of our produced goods will satisfy through the basic home laundering process. This service is free of cost for all the customers. Pacific Jeans provides basic home laundering test for colour fastness, rubbing test, dimensional stability, twisting, print durability, fabric weight etc



## MANUFACTURING PROCESS & SUPPLY CHAIN

Pacific Jeans practices traceable manufacturing process in its total supply chain management. As we do not have our own textile mill, we conduct a series of quality control (QC) check to ensure that the fabrics are in compliance with EU REACH directive, Oeko-tex, GOTS, OCS, RWS, GRS etc.. Our QC team checks all fabrics by a 4-points system once we have received the fabric. Then it sets for minimum 12 hours for conditioning prior to the next step: cutting. After cutting, the fabrics are sent for a standard quality check against each piece of parts before it is sent for sewing. Pacific Jeans has a set-up of Industrial Engineering department, thus root cause analysis and productivity calculations are carried out by using statistical quality control tools. During the sewing process, we assign our QC team to check every process and ensure the desired quality. After sewing, the material undergoes first quality audit. At this stage, all non-qualified products are sorted

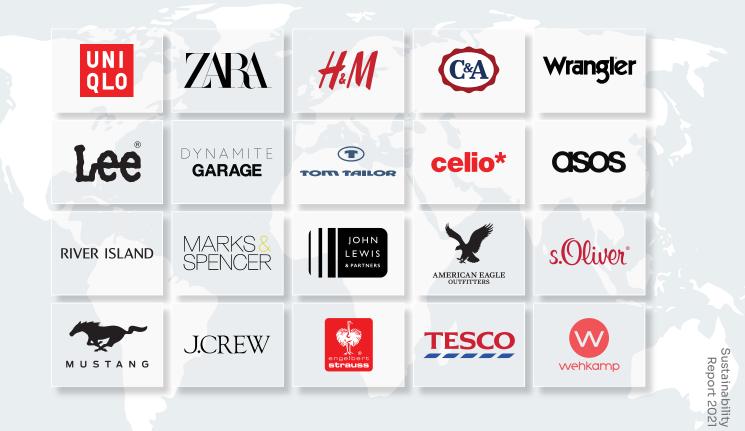
out and are sent back to product line for fixing.

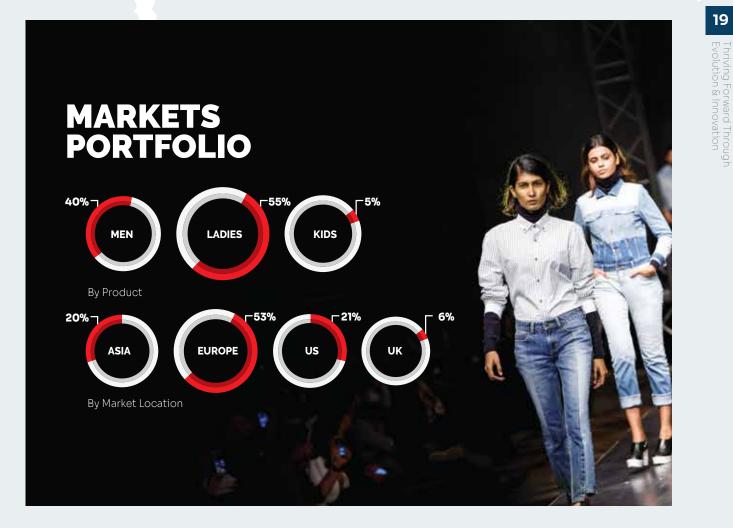
Subsequently, it is then sent to washing where they are washed by eco-friendly technology and sustainable chemicals. This process is also followed by random audit. Then the products are sent to finishing section for attaching accessories and ironing. Finally, the product is sent for packing. Once the packing section received the packed goods, it first screens with needle detection machine to ensures that there is no broken needle inside. Instruction assortments are attached to the final product before they are packed into cartons. As we are producing for some reputed Japanese brands, the final packing/inspection takes place only after needle check as a part of their requirement. However, for our EU/USA customers, inspections are conducted according to AQL (acceptable quality level) after full packaging of final goods.



#### **SUPPLY CHAIN**

**OUR CLIENTS** 





## **STRATEGIC COLLABORATIONS**





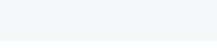






COMPLIANCE











THE JEANS

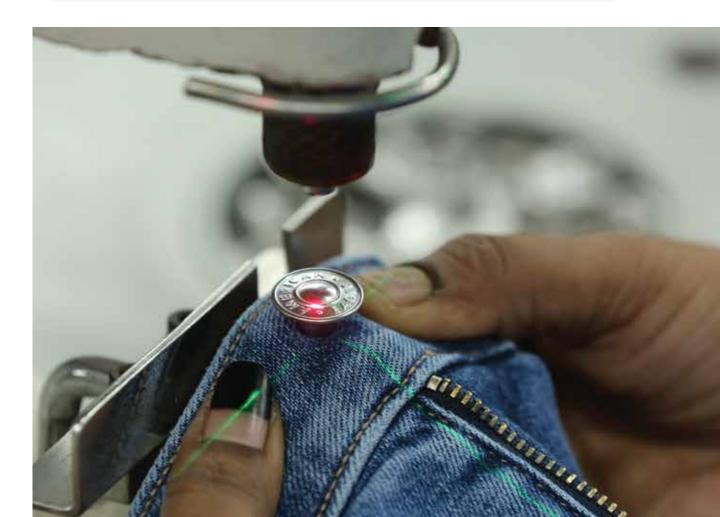
Carbon

Initiative

Performance Improvement

ELLEN MACARTHUR FOUNDATION REDESIGN

**CPI**<sub>2</sub>



#### CORPORATE GOVERNANCE

Pacific Jeans is practicing corporate governance by decentralizing and empowering the tasks to the mid-management team. Although central command by the Managing Director plays an important role in the governance of Pacific Jeans, even so all decisions are taken by meeting and respecting the opinions of the mid-management managers.

### COMPLIANCE

Pacific Jeans follows corporate governance framework, based on Bangladesh legislation, code of conduct by the buyers, OECD principles etc. Pacific Jeans' commitment to transparency, accountability and responsibility are the key principles to comply with all required standards.

## INTERNAL AUDIT & CONTROL

Risk management: The company places great importance on risk management and ensures that appropriate risk management system is established.

Internal auditor: The internal auditor is responsible for the daily internal control. A random unannounced audit is conducted once in every week. External auditor: An external auditor audits the company's financial statements. This is done once in every fiscal year.

Disclosure: Pacific Jeans is a privately owned family business. It has not yet decided to enlist as a public limited company.

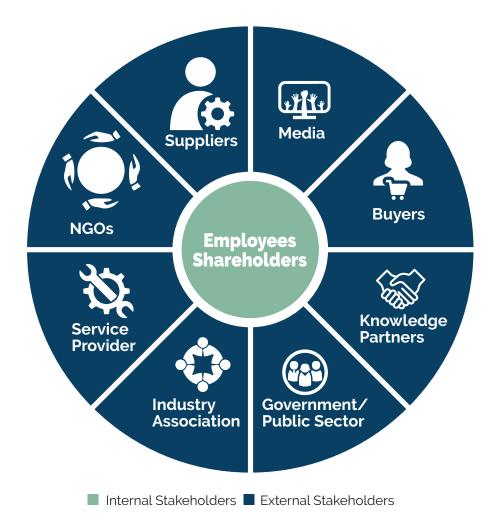


# Stakeholders Engagement

Stakeholders satisfaction is a key concern in our company values and we take care of this. We have internal and external stakeholders in our business process. The approach and the frequency of engagement with the stakeholders differ based on the category of the stakeholder. Pacific Jeans believes that stakeholders engagement is important to make a sustainable production process.



## Key Stakeholders



23

Thriving Forward Through Evolution & Innovation



### INTERNAL STAKEHOLDERS

Our key stakeholders are our employees and their families. To maintain a committed and enthusiastic workforce we maintain several initiatives as below:

#### **Participation Committee**

At Pacific Jeans, collective bargain is practiced as per law. To make a trustworthy relationship between the workers and the company we formed a Participation Committee. They are elected by the workers through direct voting system. This committee is formed both from employers and employees. The committee meets every two months. Through the Participation Committee workers can freely contact the management to discuss any issue.

#### **Safety Committee**

Safety Committee of Pacific Jeans ensures safe working environment and promotes mutual trust, understanding and cooperation between the employers and the employees as well as to fulfil production target, reduce production cost and improve the quality of the products. They work to effectively establish privileges as well as to improve welfare services for the workers and their families.

#### **Grievance Mechanism**

Apart from formal grievance procedures which are set up as per local laws, Pacific Jeans also has informal ways to resolve any sort of disputes quickly and effectively. The top management has an open-door policy and grievance boxes are provided to assist employees in maintaining confidentiality. Pacific Jeans has established several channels for workers to file complaints, including anonymous complaints. These include suggestion boxes and an open-door policy. The Welfare Officers are responsible for handling complaints. The suggestion boxes are checked once in every week and the grievances are recorded. Appropriate actions are taken, and the results are reported back to the employees.

#### EXTERNAL STAKEHOLDER

We have several external stakeholders who are engaged with our supply chain, who offer us with different kinds of projects for the workforce, provide various services, communicate with industry association, get involved with media coverage, participate in discussion with buyers, knowledge partners and government.

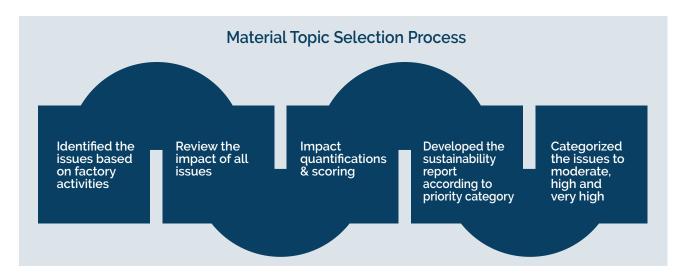
## **STAKEHOLDER ENGAGEMENT**

Sl	Stakeholder	Engagement Method	Key Concerns Raised
1	Customers	Meeting, One-on-one meetings, Audit, Visit, Web- meeting, Survey, Sustainability reporting, CoC sharing.	Sustainability, High quality product & service, Lead time, Consistent interactions across departments, Transparency, Accelerate digital initiative (due to COVID-19), Information security.
2	Business Agent Partner	Meeting, One-on-one meetings, Audit, Visit, Web- meeting, Survey, Sustainability reporting, CoC sharing.	High quality product & service, Lead time, Consistent interactions across departments, Transparency, Accelerate digital initiative (due to COVID-19), Information security.
3	Employees	Training, Meeting, One-on- one meetings, Worker representatives, Social events, Email-phone, Grievance Mechanism/ Hotline etc.	Decent working hour, Occupational health & safety, Fair wages & compensation, Responsibility, Equality, Good work environment.
4	Suppliers	Meeting, One-on-one meetings, Audit, Visit, Survey, Supply chain mapping, sustainability reporting, policy sharing.	Meeting expected quality
5	Government agencies	Government notice, Law, Rules, Legislation	Compliance with laws, Improvement in working conditions, Environmental compliance aligned with law.
6	Unions and Affiliated Organizations	Training, Seminars, Meetings, Collaborative projects, Sustainability reporting, News bulletins	Ensuring the documents are compliant with the law.
7	Non-Governmental organization and industry wide coalition	Training, Seminars, Meetings, Collaborative projects, Sustainability reporting, News bulletins	Compliance with Laws, Quality and compliant products and services, Environmental compliance and awareness.
8	Consultants	One-on-one meeting, Training	Improvement in working conditions, Reliable environment, Quality and compliant products and services.
9	Local Community	Digital media, Printed & visual national media, Grievance Channel.	Reducing environmental impact in compliant way, Landscaping emergencies.
10	Shareholders	Meeting, Digital media tools, and Financial reports	Profitability, Increase in the organization's market value, Efficiency, Increase in share incomes, Adapting corporate culture into the management system.

## **MATERIALITY ASSESSMENT**

Materiality assessment is the key methodology for us to identify and estimate possible Environmental, Social, and Governance that might impact the business and our stakeholders. We want to meet the sustainability reporting expectations of stakeholders. We've conducted a comprehensive survey with the participation of both external and internal stakeholders to categorize our sustainability topics. The results and data from our materiality assessment are used to design content for this sustainability report's topics such as moderate, high & very high.

We have already identified the issues through materiality assessment therefore transparently disclose what the issues and how we've managed them in this report.





## **OUR MATERIAL TOPICS**

OUR TRIPLE BOTTOM LINE OF SUSTAINABILITY						
Economic Performance	Material	Employment				
Market Presence	Energy	Occupational Health & Safety				
Indirect Economic Impact	Water & Effluents	Training & Education				
Procurement Practices	Emissions	Diversity & Equal Opportunity				
Anti-Corruption	Environmental Compliance	No Child Labor & Forced Labour				
	Chemical Management	Local Communities				

#### MODERATE

- Direct Economic value
- Security Practices
- Freedom of Association
- Local Communities
- Procurement

#### HIGH

- Marketing & Labeling
- Human Rights Assessment
- Labor /Management Relations
- Customer Health & Safety
- Indirect Economic Impact
- Energy in Supply Chain
- Supplier GHG Emissions
- Biodiversity
- Tax

#### **VERY HIGH**

- No child labor
- No forced labor
- Occupational Health & Safety
- COVID -19
- Non-discrimination
- Employment
- Diversity & Equal Opportunity
- GHG Emission
- Training and Education
- Market Presence
- Indirect Economic Impacts
- Procurement Practices
- Anti-Corruption
- Materials
- Energy
- Water & Effluents
- Environmental Compliance
- Sustainable Materials
- Chemical Management
- Compliance with Environmental Norms



## INCLUSION **OF DISABLED**

Pacific Jeans considers people with disabilities as differently able people, thus is committed to supporting those who face barriers getting into work. We always give priority to ensuring workplace conditions conducive to the people with disabilities or health conditions. To build more inclusive and diverse workforce by creating opportunity for more physically challenged and differently able people, we have joined Marks & Start program, the flagship CSR program of Marks & Spencer in Bangladesh run in association with CRP. Under the program we have created employment of physically challenged people with a view to include them in the mainstream employment in the garment sector. After assessment, the physically changed people are assigned works according to their best suitability.



Sustainability Report 2021 29

#### **DIVERSITY AND EQUAL OPPORTUNITY**



Pacific Jeans strongly believes in gender equality which is deeply reflected in its existing policy and practices. We have non-discrimination policy in place. At Pacific Jeans :

- Job Application is open for all.
- Wages are determined based on skill test, experience and education.
- Recruitment is not biased by sex, color, disabilities, nation, religion.

## WOMEN EMPOWERMENT **INITIATIVES**

## Nurturing Dreams into Reality

Pacific Jeans Joined "Pathways for Promise" program of Asian University for Women (AUW) to pave the way for RMG workers



Pacific Jeans is committed to making contribution to social development and always tries to help the workers as well as underprivileged people of society. As a part of our social commitment Pacific Jeans ioined "Pathways for Promise" program of Asian University for Women (AUW) in 2018 to create opportunity for our talented female workers to pursue their long-cherished dream of higher education. We ensured that financial reason doesn't come on their way to becoming university graduates. The educational expenses are carried out through the university scholarships while Pacific Jeans continues to pay the monthly salary to its female workers who got enrolled in AUW under the program so that they can continue their studies and support their families at the same time.



the project, we provided soft skills and technical skills training to specific workers through Innovation Consulting Ltd. A total of 40 female operators received training and out of them 13 were promoted as junior supervisors.

Pacific Jeans Group and Fast

Retailing (Uniqlo) Bangladesh undertook the Promoting

Women Worker's

we aim to:

equity

supervisor

workers.

#### **'HER' Project**

Promoting Women Worker's Empowerment

Project

Pacific Jeans joined "HER" project in 2015 to positively impact the life of women workers through workplace-based interventions on health. financial inclusion, and gender equality. The project aims to improve the lives of women and create business value by engaging female workers in workplace health education and access programs. A total of 4122 females workers were provided with training. We also arranged a HER corner for them.







#### PERSONAL ADVANCEMENT & CARE ENHANCEMENT (P.A.C.E) PROGRAM

#### **Training Topics**

Communication

Problem Solving and Decision Making (PDSM) Time & Stress Management Execution Excellency Financial Literacy Social Entitlement & Legal Literacy Wash

In partnership with GAP Inc. Pacific Jeans has been implementing another program on women empowerment called P.A.C.E (Personal Advancement & Career Enhancement) since 2013 and will continue until all female workers are covered in the program. P.A.C.E is an innovative factory-based program that positively impacts female garment workers (FGW's) by providing them with foundational skills, technical training and support that help them advance at workplace, in their lives, and in their communities.

P.A.C.E. training status up to year 2021:

# Batches	# Women	# Women	# Women
completed	Enrolled	Graduated	Promoted
22	2422	1426	72

#### WOMEN EMPOWERMENT INITIATIVES



As a company, Pacific Jeans Group always welcome any sustainable modern initiatives. Considering the economic sustainability & transparency of the payment we started to pay the workers salary through bank in 2014.

Benefits of payment through bank:

- Quick disbursement, transparency and efficiency of payroll system.
- Workers appreciate the convenience of withdrawing money 'anytime' and from 'any place'.
- The provision of bank account has encouraged habits of savings.
- Women workers are able to control their incomes better, and play a bigger role in family decision making.

#### HEALTH HYGIENE

#### FREE OF CHARGE HEALTH CHECK-UP



Pacific Jeans provides regular health check-ups service to workers to help them to find potential health issues before they become a problem. The cost of the health check-up of workers and employees is borne by the company.

#### PACIFIC JEANS PARTNERS WITH FRED HOLLOWS FOUNDATION TO PROVIDE EYE CARE SERVICES TO WORKERS

Pacific Jeans integrates eye care services in their factories to provide intensive cares to the workers with the support of Fred Hollows Foundation. Under this project, Vision Detection Corners (VDCs) have been installed in factories so that workers can self-screen for visual impairment and be referred to medical centres if necessary. Our medical centres have been



equipped with Auto Refractometer, Retinoscope, Trail Lens Set, Digital Vision Box, Glucometer, Needle & Strips. etc. for basic eye care. We joined this program at our own initiative in 2018. Under the project, Patients with diagnosed Refractive Error are provided with free spectacles frame through a cost sharing mechanism by Pacific Jeans and FHF. This collaborative partnership project aims to create a sustainable solution of eye care services within workplace of 35000 employees of Pacific Jeans.

#### BLOOD DONATION DRIVE

Pacific Jeans promotes blood donation among its workers and employees as safe blood saves lives. There is a constant need for a regular supply of blood because it can be stored only for a limited period of time before use. Regular blood donation by a sufficient number of healthy people is needed to ensure that blood will always be available whenever and wherever it is needed.

#### DAYCARE CENTERS

Pacific Jeans runs childcare centers for the children of the workers to provide them with the care they need while their parents work in the factory. They feel safe and home about their kids who also got the opportunity to pass their pleasant time. Three qualified and trained caregivers are appointed for each center. They have received mandatory



training on child development, health and nutrition, and learning through play. The childcare facility is completely free for the workers as the cost is borne by the company. The center is open for 6 days per week in accordance with workers' working schedules.



All the employees of Pacific Jeans Group are included in occupational health and safety and ISO 45001 Occupational Health and Safety Management System.

In case of any possible threat for work related injuries, a worker can report to safety committee or top level management through Hotline. They can remove themselves from any work related hazards and hazardous situation at any time without any consecutions of retaliation.

#### FREQUENCY OF EMERGENCY DRILLS

- Day fire drill monthly
- Joint fire drill by FSCD half yearly
- Night fire drill quarterly
- Chemical drill half yearly
- ETP drill half yearly



Pacific Jeans in partnership with GIZ is implementing Employee Injury Protection Scheme (EIPS) since 2018. The purpose of this engagements to find ways to reduce injuries, illness and death on the job. We are working together with GIZ to develop new ways to bringing safety and health training to workers to give them best possible protection during working in the factory. So far 71 trainees received training.

Prevention & Protection from Harassment <u>at Workplace</u>

Pacific Jeans Group respects human rights following the "United Nations (UN) Guiding Principles on Business and Human Rights". Pacific Jeans does not accept any forms of coercion and harassment and stipulates clearly that all workers shall be treated with respect and dignity. Pacific Jeans strongly believes in the Principle of Respect For Individual. We have Anti-Harassment policy & procedures which duly implemented. By following the High-Court guideline Pacific Jeans has also formed Complain Committee (CC) and necessary revision made in the Anti-Harassment

policy.

#### Pacific Jeans' Position Against Child Labor



Pacific Jeans has a strong commitment of "Zero Tolerance (ZT)" policy to ensure the prevention of child labor in its factories as well as in its entire supply chain.

We have taken the following initiatives to avoid child labor in workplace :

- We educate our recruitment team in regular intervals about child labor policy.
- We ensured child labor remediation system as per the Bangladesh labor law 2006.
- We have taken acknowledgement regarding prevention of child labor from our all suppliers.
- We terminate any business relations with suppliers who do not comply with this commitment.

### Trainings for Employees



We conduct routine training needs assessment to determine the areas where our employees lack the necessary skills or knowledge and provide need-based training. Our aim is to find the answers to the following questions:

- Where is training most needed?
- Is the training needed for a specific department or a group of employees?
- Why is the training program recommended as a solution to the current problem?

The TNA helps us to clearly define measurable outcomes for training, allowing us to improve the chances of success of the training program.

SL.of	Name Of Training	No. of participants (2019)	No. of participants (2020)	No. of participants (2021)
1	Orientation	4355	6197	9768
2	Chemical Safety Training	299	939	1197
3	Code of Conduct (Buyer & Factory)	1790	1356	2660
4	Civil Safety Training	534	764	267
5	СТРАТ	306	351	514
6	Disciplinary Procedure	563	582	890
7	Environmental Management Training	879	1484	2399
8	Fire Safety & Fire Fighting Training	572	3848	4296
9	First Aid Training	211	757	871
10	Grievance Handling & Channel	563	1145	4772
11	Health & Safety Training	886	5962	8253
12	Maternity Awareness	165	522	493
13	Mid-Level Management Training	967	1642	488
14	Motivational Training	3525	3445	6243
15	Emergency Response Training	180	421	567
16	Training on Covid-19	0	1914	2298



Sustainability Report 2021

### **COVID-19 RESPONSE**



During the COVID-19 pandemic, we focused on ensuring the safety of all our employees, preventing the infections while supporting the economy. We are proud to say that the hard work and commitment of our teams paid off with minimal outbreaks due to robust safety measures and early detection and quarantine procedures.



#### The Below Measures were Implemented in All Our Facilities:

- Everyone was provided with masks
- Sewing machine lines were restructured and safety panels added.
- Temperature checking & extensive sanitization measures were introduced at entrances.
- Regular facility disinfection processes were established
- Stringent rules on mask wearing, social distancing and regular handwashing were implemented, with hand washing stations added around all facilities.
- There were continuous communications and education on Covid-19 and how to stay safe to ensure employees kept focused on this
- Regular weekly testing of employees
- Paid leave was granted to all who tested positive / were required to quarantine.

# Environmental Sustainability







All the factories of **Pacific Jeans are LEED** certified



less water consumed



emissions



20% less energy consumed

Two of our factories are crowned with LEED Platinum certification by the United States Green Building Council (USGBC) and three other factories achieved LEED Gold certifications.

Sustainability Report 2021 40

iving Forward Through Evolution & Innovation



Higg Index

#### HIGG FEM (FACILITY ENVIRONMENTAL MODULE) SCORE

the.

Name of Unit	HIGG ID	ID HIGG FEM Verified score						
		Year 2017	Year 2018	Year 2019	Year 2020	Year 2021		
Pacific Jeans Ltd.	487	55%	71%	69%	80%	83%		
Universal Jeans Ltd.	427	41%	62%	73%	82%	84%		
Jeans 2000 Ltd.	498	45%	62%	76%	82%	85%		
NHT Fashions Ltd.	25009	55%	74%	86%	83%	84%		

All of our factories are registered in HIGG platform and submitting self-assessment on Higg Facility Environmental Module (Higg FEM) on regular basis.

We have also completed the HIGG FEM verification through 3rd party Bureau Veritas (BV).

All the factories of Pacific Jeans have been working with CP and PaCT since 2012. All the units of Pacific Jeans have assessed through this program.



Sustainability Report 2021

42

		Investment (BDT)	Yearly Financial Savings (BDT)	Resource Saving					
Factory Name	Details			Steam Saving (kg per year)	Water Saving (m³ per year)	Electricity Saving per year (kWh/yr)	NG Saving (m³ per year)	GHG Avoided in tonnes (CO₂e) per year	
	Total Resources	1.1	1	1,714,683	1,142	1,417,789	482,136	0	
Pacific Jeans Ltd.	Total BDT	7,336,689	9,164,005			A DECK DECK OF			
	Total USD	\$ 91,709	\$ 1,14,550	1.1	110				
	Total Resources		1222 State	238,000	10,343	991,500	299,034	586	
Universal Jeans Ltd.	Total BDT	5,472,290	9,046,245		S., 199		Contraction of the local distance of the loc		
Ltu.	Total USD	\$ 70,157	\$ 115,977						
	Total Resources	11/100		4,729,000	64,046	867,000	0	1,576	
NHT Fashions Ltd.	Total BDT	22,696,800	33,860,160						
	Total USD	\$ 283,710	\$ 423,252						
	Total Resources			62,000	0	128,000	57,755	113	
Jeans 2000 Ltd.	Total BDT	4,271,675	670,410						
	Total USD	\$ 54,765	\$ 8,595		1.1				
	Total Resources			6,743,683	75,531	3,404,289	838,925	2,275	
Total	Total BDT	39,777,454	52,740,820						
	Total USD	\$ 500,341	\$ 662,374	1000					

Investment & Benefit details of PaCT/ Cleaner Production (CP) program

GOTS (Global Organic Textile Standard)



	Colored Compare want and and a constant	f I
SCO	PE CERTIFICATE	
in an date	Num water path i papang satis	
de antigene	Include Sales	
	Process Alano Lito. Ana Nordae (2002) (201 1997, 1992, 4221 (2014) Regards Responses	
100 1000	Auger and an experiment according to fair	
Global de	partic Textile Statistical (0-01%)	
ad beyond the step	ne a technologia (arthdae (arthdae (arthdae)	
PARTICIPAL		
NUT		
framework that which is a first the second s	natoria, a separate inte des suches induse.	
100 miles	ng Bubbhig Insis haut, hang Mang Bubbhig Insis haut, hang Mang Bubbhig Insis	
The Griffigh & and rull 19	We plat	
100 101 100 1010 100-110 100 200 100-110 100-200	YCERES_	
Spin of the Schemel party		
NAME AND TAXABLE PARTY.	Concernance of the second	
	Contraction of the local division of the loc	

	Company's strength of the second second	
100 have relevant to	1 CH. and 1912 Lines int. Concerning Concerning	****
	- Arriteria	
0.9	THEATE OF COMPOAND	
	Sector and the sector of the s	
	Marked TRIPLOTS	
	and the second s	
	the first of the second s	
		-
		-
	- HUR OF HUN - DOG	-
the state of the second s		-
the state of the second s		
		D)
81		
81		D)
81		
81		D

## Sustainability Report 2021

43

#### Our factories are certified on Global Organic Textile Standard (GOTS).

The GOTS is an internationally recognized organic textile standard. GOTS has demonstrated its practical feasibility and is supported by the growth in consumption of organic fibers and the demand for a unified processing criteria from the industry and retail sectors.



All of our facilities are certified on Organic Content Standard (OCS)



**BCI** All of our factories are using BCI (Better Cotton Initiative) platform.



**GRS** All of our facilities are certified on GRS (Global Recycle Standard).



**RCS** Our factories are certified on RCS (Recycled Claim Standard).

Thriving Forward Through **B** Sustainability Evolution & Innovation **B** Report 2021

## SUSTAINABLE CHEMICAL MANAGEMENT INITIATIVES

ZDHC (Zero Discharge of Hazardous Chemicals)



We have joined ZDHC Foundation Roadmap To Zero Program and working on "Paving the way for cleaner and sustainable chemical management within the fashion industry".

				223.0	外现切	96.44	° _		
, parajar	• +					_			
C D X i makers	TD OVerseting	Area General A							7.8
Gateway									
×	Vertices	aled a filled for					QIE DI	alge de Pargeran 🔒	Also finde danse
Q users	MATE	RDATA							
C esse a	WATE	RUATA							
A 10915	<b>R</b> , 1998	AND NO. 10	·	мар класт м ја	ANNAL INTO	~		64	03011201
Commences									
<ul> <li>events</li> </ul>	E Por	DATE OF DATED	LANDBATORY	DROVHENTON SAME	NUT OF THE	DATE:	ATTACHMENTS.	4000N	STATUS.
🗈 reserve 👘 👘	Ξ.		Concerning and the	-	18113-002	Station .	10	2 4 C	0.0000
<ul> <li>Second State</li> </ul>	E	ange 2 m	Annes Anton Anno 1990 (Mariana Anno 1990 (Mariana) Anno 1990 (Mariana) An	-	DRIPPLATZ.	#1297-2181	W.	* ± C	(homes
	Е	Not the	Annes Veite General Problem Annes (Regiment)	Marcal Arrest M	<b>THEORY</b>	ane na	ю	* ± 0	Protection of
	Б	204,00	Renau Vielas General Vielais Arcenes (Registration) 14	Second Second	THESE AL	205-207	Pi	2 ± C	() mp
Call beginning on the Contractions									0.74
II O to electroweak		ų B	- A 🛛 🚺	9 = 2	<u> </u>	~	~	~ <b>=</b> 4 9 9	0 69.700

Gateway<sup>™</sup>

All of our factories are registered in ZDHC Gateway. We are continuously working to ensure the chemical compliance as per ZDHC guideline. We are also performing unannounced wastewater test twice in a year through 3rd party (Bureau Veritas) as per ZDHC guideline. Our Factories are fully compliant for all the parameters as per ZDHC wastewater test report which is also available in the ZDHC gateway & IPE platform.

> ZDHC is a group of apparel and footwear brands and retailers working together to lead the industry towards zero discharge of hazardous chemicals.

olution & Innovation

Sustainability Report 2021

45

### SUSTAINABLE CHEMICAL MANAGEMENT INITIATIVES

Environmental Emission Evaluator program of BV (BVE3)

Environmenta Emission Evaluator





#### ZDHC COMPLIANT CHEMICALS IN USE

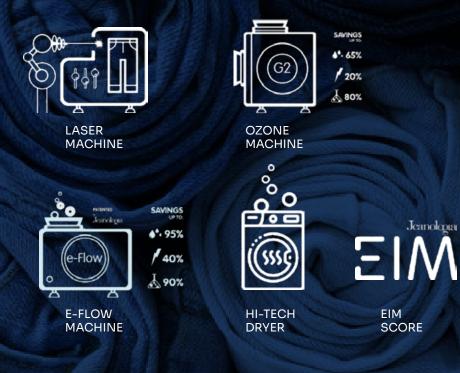
We are working with Environmental Emission Evaluator program of BV (BVE3) and updating the Chemical Inventory from 2018. We are getting ZDHC in-Check and other chemical analysis reports from BVE3. Previously all of our factories are registered in CleanChain platform.

BVE3, is a chemical management system that aligns with our current processes and streamlines the process of tracking, managing, and reporting compliance with Manufacturing Restricted Substance Lists (MRSLs) and controls limits.



## Sustainable WASH TECH

WE ARE USING WORLD'S MOST LATEST SUSTAINABLE TECNOLOGIES FOR DENIM WASHING



- We are running total 80 pcs of laser machings. With 21 set of ozone machines and 48 e-flow machines, So, we can undoubtedly say we have most highest capable sustainable washing in bangladesh.
- We are using HI-TECH dryers.
- Measuring environmental sustainability by EIM (Environmental Impact Measuring) software.
- > We have reduced water consumption by spraying enzyme in machine instead of conventional way.

47

## WATER SAVING Initiatives

Wastewater recycling and other water saving initiatives

We have installed wastewater recycling plant with capacity of 1200 m3/day to treat wastewater (ETP Treated). The recycled wastwater is used in the production process.

- We have process for water recycling from WTP (Water treatment Plant) RO rejected waste water to save ground water.
- Installed water flow meter to inlet production process and others areas for monitoring water consumption.
- Sustainable wash program for different buyers.

...........

iving Forward Through Evolution & Innovation

Isometric View of RAIN WATER HARVESTING Project Pacific Jeans Ltd. Catchment Area 72,202 Sft.

## WATER SAVING Initiatives

### RAIN WATER HARVESTING AND OTHER WATER SAVING INITIATIVES:

BBBB

Rain Water Harvesting system implemented in all the factories of Pacific Jeans Group.

Factory Name	Rain Water Catchment Area (SFT)	Rain Water Catchment Volume (m3)			
		2019	2020	2021	
Pacific Jeans Ltd.	72,202	8,960	9,914	11,521	
Universal Jeans Ltd.	48,000	6,841	4,153	3,178	
NHT Fashions Ltd.	44,000	7,826	8,256	4,383	
Jeans 2000 Ltd.	25,588	192	102	256	
Pacific Casuals Ltd.	25,000	0.0	-5	57	
Pacific Workwears Ltd.	15,000	0	0	97	
TOTAL		23,819	22,430	19,492	
Total Ground Water Savings	65,741 M3				
Total Savings [Water Treatm	ent Cost] USD	\$ 23,203			

#### Advantages of Rain Water Harvesting:

- > Reduces demand of ground water.
- > Reduces the cost for pumping of ground water.
- Reduces chemical cost for water treatment system water.
- > No energy costs are incurred in running the system.

## ENERGY SAVING Initiatives

WE HAVE TAKEN LOTS OF SUSTAINABLE INITIATIVES FOR ENERGY SAVING



LED 100% LED lights installed in all factories.



STEAM RECOVERY Installed condense steam recovery system to Save energy.



SERVO MOTOR to reduce energy consumption installed servo motors in the sewing machines.

**ECO** resin

We are using

low curing temperature

resin for wrinkle,

3D to save energy.



INVERTER Installed inverter in the dryer and air compressor to reduce energy consumption.



**ENZYME** Using cold enzymes (For de-sizing, enzyme stone, bio-polishing) which save steam.



HI-TECH boiler Installed hi-tech boiler with economizer and auto blow down system to reduce energy consumption.



#### ECO boiler Using cogeneration boiler running with exhaust of gas generators. So no energy used at all for this boiler.

G Sustainability Report 2021

708 KWp rooftop solar power plant installed at Universal Jeans Ltd which is in operation from May 2022.

Investment

\$294,118

Yearly Power Generation 897 MWh

> Sustainability Report 2021

> > 51

## GREEN ENERGY Initiatives

We have started to install rooftop solar power plant at all the factories of Pacific Jeans Group :

Another rooftop solar power plant with capacity of 70 KWp is in operation from 2017 at NHT Fashions Ltd. Initial investment was US\$ 76923. Till April 2022, total power generation is: 446,000 KWH / 446 MWH.

Total savings for above electricity is US \$ 52471. Total carbon offset : 638.78 M. ton

# Thriving Forward Through Evolution & Innovation

# CIRCULARITY

C2C (Cradle to Cradle) Certified Product





Pacific Jeans is involved as manufacturer in developing the world's first Cradle To Cradle Gold Certified jeans.



# CIRCULARITY





## THE JEANS REDESIGN

We are a proud member and an active participant of the Jeans Redesign Program of the Ellen MacArthur Foundation.

# OUR GOALS

70% Reduction of water consumption by 2030

**50%** Renewable energy by 2030 **50%** Reduction of energy consumptio n by 2030

65% Reduction of carbon emission by 2030

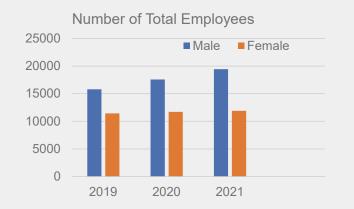
Considering the baseline 2018

# Economic Sustainability

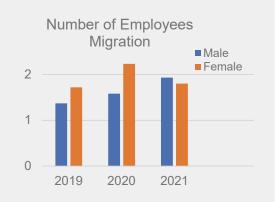


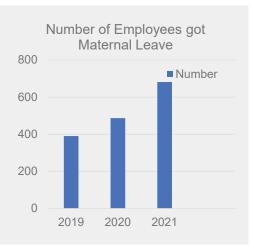
## EMPLOYMENT STATUS

The total number of employees at Pacific Jeans is about 35000. Pacific Jeans is very committed to its employees in terms of wages and employee benefits. Moreover, Pacific Jeans ensures 100% life insurance as well as retirement provisions coverage for its employees. Employee migration at Pacific Jeans is very low in Pacific Jeans. Its because the Pacific Jeans supports female employees with benefits of maternal leave including change of job nature to light job, reduction of working hour, childcare facilities, full-time medical support etc.









G SustainabilityO Report 2021

Thriving Forward Through Evolution & Innovation

### **PROCUREMENT PROCESS**



#### Raise PR

Proceed for necessary approval

Quotation collection and prepare CS

#### Final approval

#### **Anti-corruption Practices**

Corruption prevention and transparency are key elements of procurement at Pacific Jeans. Our buyers' codes of conduct and compliance programs are valuable tools for preventing the corruption. Moreover, an extensive plan and management system of Pacific Jeans ensures anti-corruption practices within the group.

Procurement is supposed to ensure best value for money, but officials often complain that procurement rules cause delays, increase costs and lower quality of output than could be achieved "if we were allowed to just get on with it."

In our core value of Pacific Jeans, we ensure to maintain best procurement practices and it is always aligned with our sustainable journey.

### SCHOOLS

The Pacific Jeans Foundation has established one primary school (Amena Biddya Niketon) & two high schools (Latifpur A.A. Jalil High School & Haj. Khaja Kalu Shah R. Girls H School) for the local community, where population is generally very poor and families don't have basic education nor can provide it to their children. The foundation bears the expenditure of running the schools. Currently a total of 2,885 students are studying in the schools.

Since 2012 the Pacific Jeans Foundation has been providing scholarship program to support poor but meritorious students of local communities. The foundation paid tuition fees as well as provides food and educational stationery to those students. The Foundation also provides financial support to the poor but talented students of Sitakunda Upazilla studying in different colleges and universities.





### TAKING CARE OF AILING HUMANITY

As a part its service to local community, Pacific Jeans provides medical care to poor ailing people, which includes surgery and treatment for serious diseases. Pacific Jeans has a special collaboration with Chittagong Medical College in this regard and the treatment cost of poor patients from Sitakunda Upazila is fully taken care of by Pacific Jeans.



### TAKING CARE OF ORPHANS





Since 2010 Pacific Jeans Foundation has been donating for orphan students (Total 300 Students) of 17 orphanages located in Sitakunda Upazilla. Sustainability Report 2021

59

Thriving Forward Through Evolution & Innovation

### AWARDS ACHIEVED



The Founding Chairman of Pacific Jeans late M Nasir Uddin is seen receiving National Export Trophy from honorable Prime Minister Sheikh Hasina.



National Export Trophy **24 Times** 



HSBC Export Excellence Awards **03 Times** 



National Productivity Quality Excellence Award in 2019



Bangabandhu Sheikh Mujib Shilpa Purashkar in 2020

www.pacificjeans.com Email: info@pacificjeans.com f Pacific Jeans 🖬 Pacific Jeans