

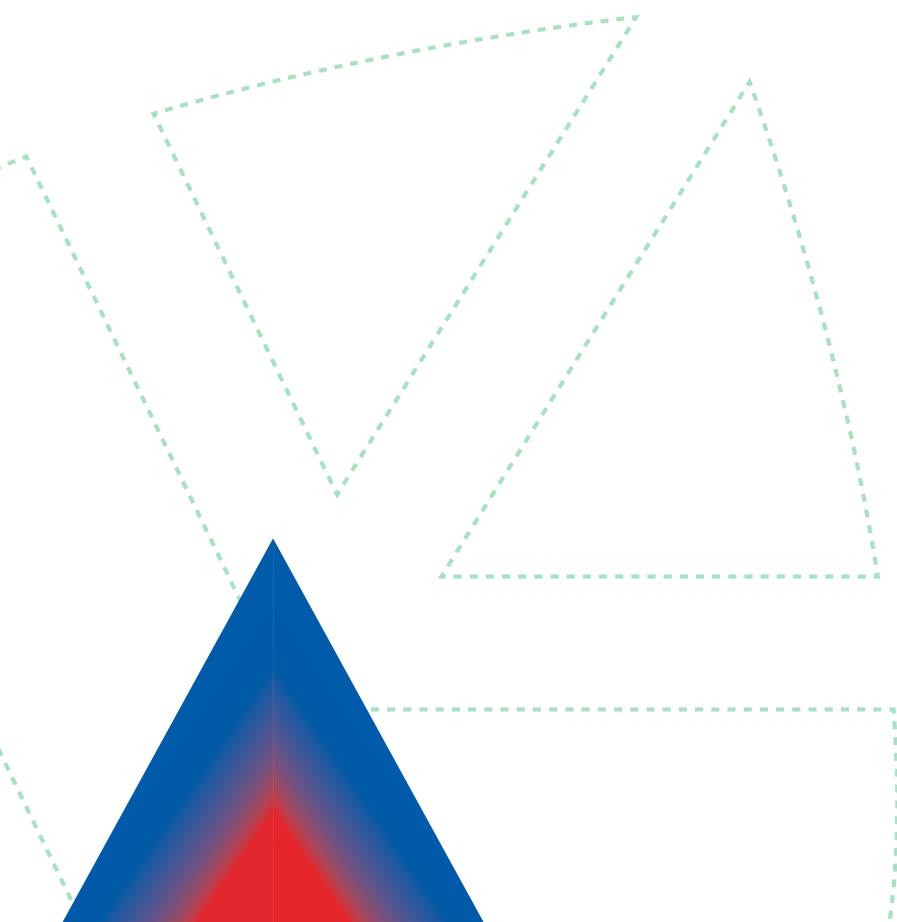
Sustainability Report 2023

Together We Grow



Sustainability Report 2023

Together We Grow



SHIN SHIN GROUP

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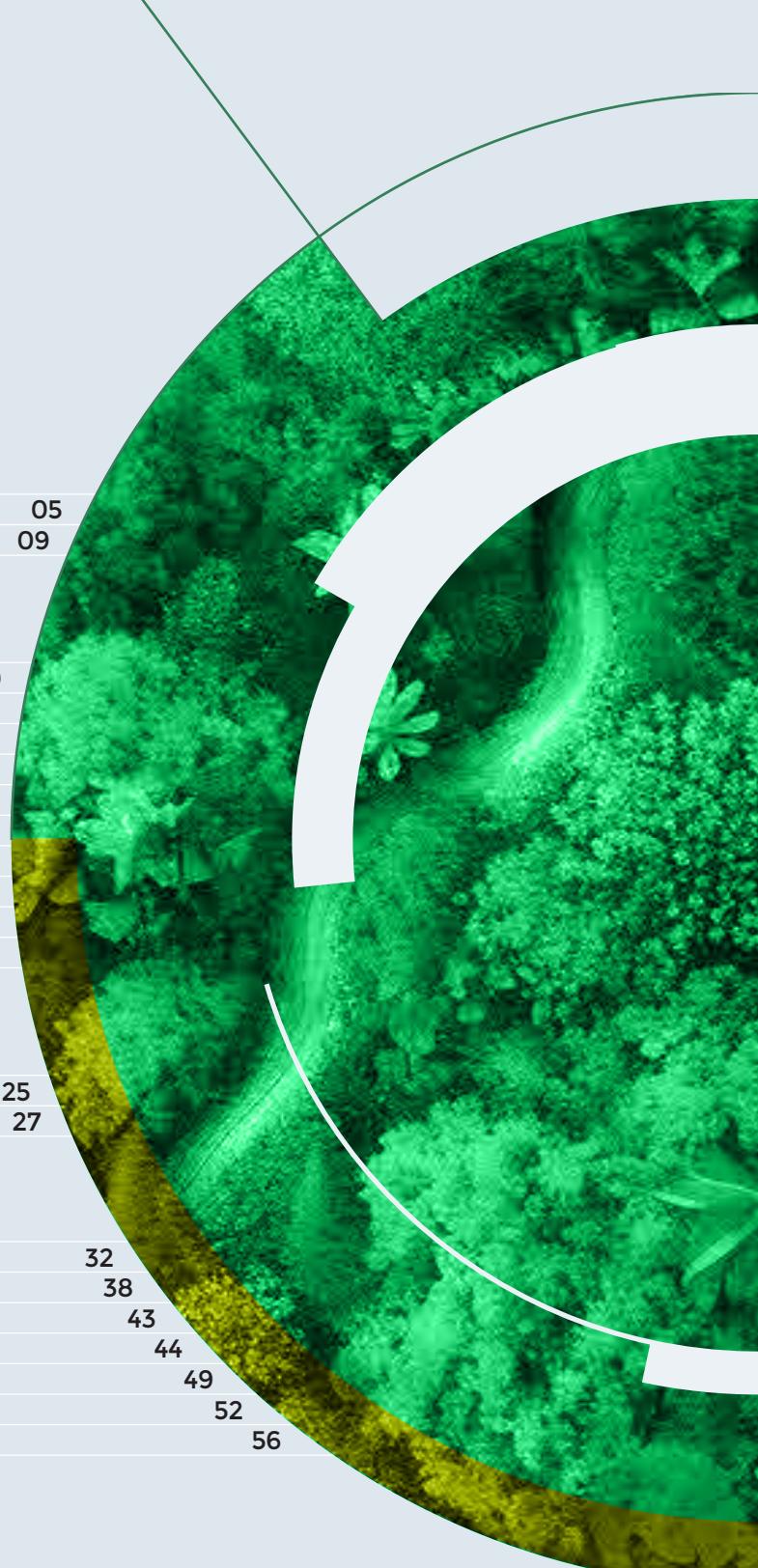
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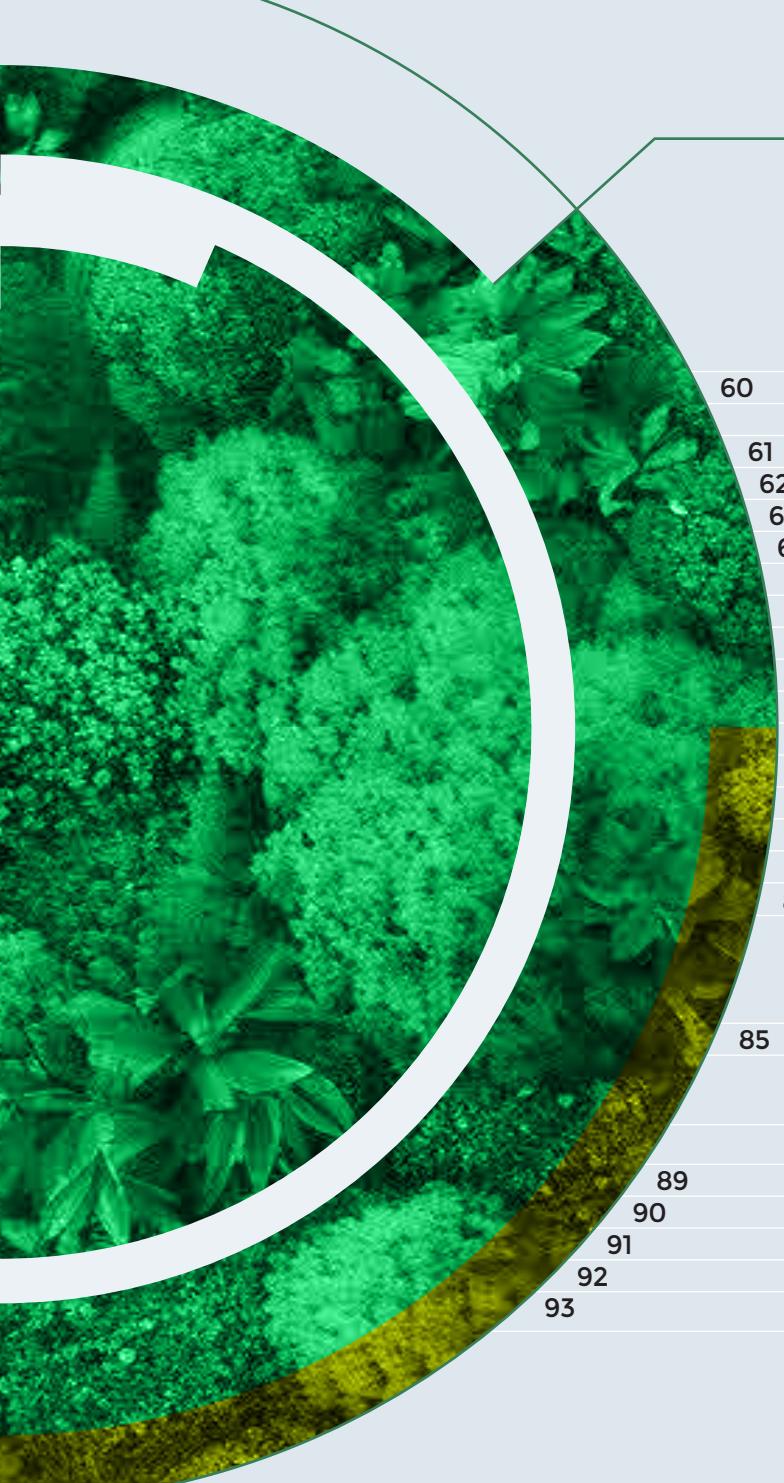
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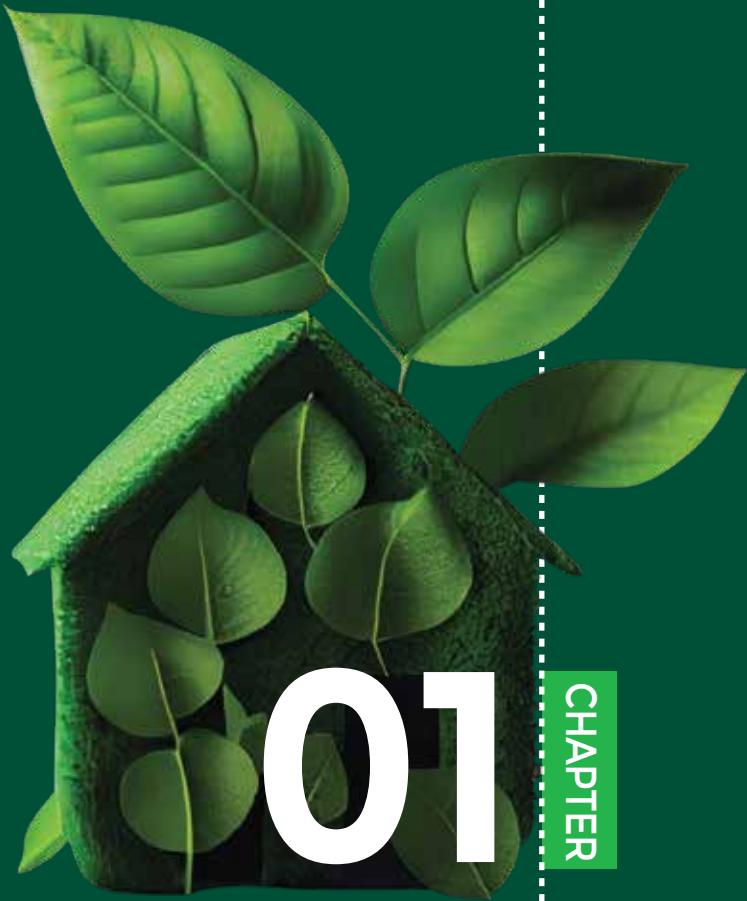
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01

INSIDE THE REPORT

CHAPTER



Statement From The Chairman

Welcome to the inaugural sustainability report of Shin Shin Group. Established in 2007, our business is operating with 8,727 individuals across five factories which are: Shin Shin Apparels Limited, Jeans Plus Limited, Organic Jeans Limited, Vancot Limited, and Suad Garments Industries Limited, located in Dhaka and Chattogram. With a turnover of USD 102.98 million in 2022 and a projected over USD 111 million for 2023, our mission is to become the preferred manufacturing partner for global brands by ensuring socially and environmentally sustainable practices, adopting innovation, and delivering high-quality products at competitive prices.

We consider sustainability as the fundamental principle of our growth. While Shin Shin Group since its inception witnessed an exponential growth with a short span of time, we always prioritize the wellbeing of people and planet before taking any business decisions.

Our environmental initiatives among many include significant reductions in greenhouse gas emissions, use of power from renewable

resources, building green factory LEED Gold certified by the United States Green Building Council (USGBC).

We offer scholarships for workers children, collaborate with VisionSpring Bangladesh to provide free vision tests and eyeglasses for our workers. Our Wagely Program and Agroshift initiative support financial well-being of our workers and employees. We are also committed to adopting an inclusive culture and created gainful employment opportunities for persons with disability, third gender and dwarf persons.

We extend our sincere gratitude to our buyers, banks, suppliers, government agencies, development partners, regulatory bodies, and to our all other stakeholders for extending their valuable support and cooperation, bringing the company to the level it has reached today. everyone who been the part of our journey. We have come a long away, we also believe miles to go before we become complacent.

Mohammad Sohel Sadat
Chairman
Shin Shin Group



Statement From Director (Marketing & Merchandising)

The evolving landscape of the global apparel industry has invigorated our marketing strategy, presenting our company with both compelling opportunities and complex challenges. Our customers' satisfaction has remain at the forefront of Shin Shin Group's operations. We uphold internationally codes of social accountability and ethical business practices, ensuring that every product meets the highest standards. Our group's strategy has been to focus on and adapt to these changes by leveraging our resources efficiently.

Here at Shin Shin Group, we are dedicated to expanding our market presence by identifying and penetrating new markets and delivering quality output in the existing market. We have built strong partnerships and innovative marketing techniques and have kept a strong focus on stakeholder engagement in our company. By staying ahead of market trends and continuously evolving our products, we aim to meet the ever-changing demands of the global consumer.

Through our consistent quality management, we produce high-quality products and focus on earning consumer trust. Our branding efforts have forged lasting connections with

consumers, establishing our brand as a symbol of reliability. In line with our commitment to sustainability, we prioritize the use of sustainable materials in our production processes. We utilize BCI (Better Cotton Initiative) cottons based on specific orders, and approximately 35-50% of our overall orders are RCS (Recycled Claim Standard) or GRS (Global Recycled Standard) certified. We are optimistic that this percentage will grow in the future, reflecting our ongoing dedication to material sustainability and reducing our environmental impact.

I appreciate the deep-rooted strength of our team, which is composed of skilled and dedicated departmental heads and workers, which is a key part of our company's success. Efficient supervision and monitoring, combined with our significant investments in human capital and world-class manufacturing facilities, have given Shin Shin Group its competitive edge in the global apparel industry. I believe our comprehensive strategy ensures that Shin Shin Group remains a leader in the apparel industry and stays well-equipped to meet any challenges and capitalise on the opportunities of the new era.

Abu Sadat
Director (Marketing & Merchandizing)
Shin Shin Group



Statement From Director (Finance, Human Assets and Culture)

Our vision is to maximize our profit while taking care of our people. Our gross revenue saw a 6.52% increase in 2022-2023, fueled by innovation and expanded production. We aim to further boost production in coming years by increasing exports, which will contribute to our economic progress.

We are dedicated to balancing financial success with our social and environmental responsibilities. We actively invest in our communities by donating to charities, NGOs, research institutes, and local infrastructures. Our commitment to CSR is further demonstrated by our efforts to reduce energy consumption. Through partnerships with our local communities, we promote economic development and job creation, reinforcing our role as a responsible business entity.

Our commitment to culture and investment in human capital is an important factor in our companies' long-term success. We encourage ethical behavior and raise awareness among our

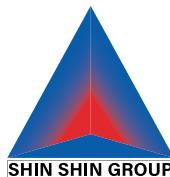
employees and the wider society, implementing clear recruitment guidelines to ensure a fair and unbiased selection process.

We are sincerely committed to social sustainability, with a focus on creating an inclusive and equitable work environment. We champion diversity and inclusion, recognizing as a company that embracing varied backgrounds and perspectives. We are dedicated to inclusivity through our Persons with Disabilities (PWD) program, where we actively provide opportunities for individuals with disabilities to contribute meaningfully across various divisions at Shin Shin Group. This initiative underscores our commitment to fostering a diverse and supportive workplace.

We envision to become one of the largest RMG conglomerates in Bangladesh which set example in promoting sustainable and responsible business.

Mifrae Mostari

Director (Finance, Human Assets and Culture)
Shin Shin Group



Statement From Director (Development & Operation)

Shin Shin Group is staying at the forefront of Bangladesh's apparel industry by embracing cutting-edge technologies and fostering a culture of continuous innovation. As part of our commitment to the 4th Industrial Revolution, we are integrating advanced technologies such as automation, smart manufacturing, and data analytics to enhance efficiency, productivity, and competitiveness. The installation of new technologies has not only improved our operational capabilities but also positioned us to respond swiftly to changing market demands and global trends.

The 4th Industrial Revolution has transformed the apparel industry, and Shin Shin Group is adopting to the change with its state-of-the-art technologies. Our investment in automation and smart manufacturing systems enables us to streamline production processes, reduce waste, and improve efficiency & quality.

We recognize our corporate responsibility to protect the environment, support surrounding communities, and empower our employees. Our commitment to environmental compliance is demonstrated through the adoption of

sustainable practices like the installation of sensor-based and push-type water taps, rainwater harvesting systems and condensate recovery from steam lines across all our entities. In 2023, we sourced 95.5 MWh of energy from solar power, reducing our environmental footprint. By aligning with the global standards for environmental responsibility, we ensure that our growth is not only profitable but also sustainable for future generations.

I applaud our sustainability team for their dedication to bringing positive impact at Shin Shin Group, which is deeply intertwined with our corporate responsibility.

Shahid Sadat
Director (Development & Operation)
Shin Shin Group



Reporting Profile

Reporting Period: We at Shin Shin Group are presenting our first sustainability report, covering our performance and progress from January- December 2023.

Reporting Standards Followed: This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards.

Reporting Scope: Under the reporting scope, we are disclosing information exclusively on our apparel manufacturing operations in Dhaka, Narayanganj and Chattogram, Bangladesh. This includes two factories in Dhaka, one in Narayanganj and two factories in Chattogram.

Name of Entities:

- Shin Shin Apparels Ltd. (SSAL)
- Organic Jeans Ltd. (OJL)
- Jeans Plus Ltd (JPL)
- Vancot Limited (VCL)
- Suad Garments Industries Ltd (SGIL)

Target Audience: This report is intended primarily for our stakeholders, including buyers, suppliers, partners,

civil society organisations, regulatory bodies, etc. Through this report, our aim is to communicate our sustainability practices and the steps we are taking to enhance our impact on people, the planet, and our products.

Previous Report Date: This is our inaugural sustainability report, with no previous reports to restate.

Contact Person: For any inquiries or further information regarding this report or our sustainability practices, please contact:

Name: Sujan Kanti Paul
Designation: Sr. GM (Operation)
Email: sujanctg@shinshingroup.com

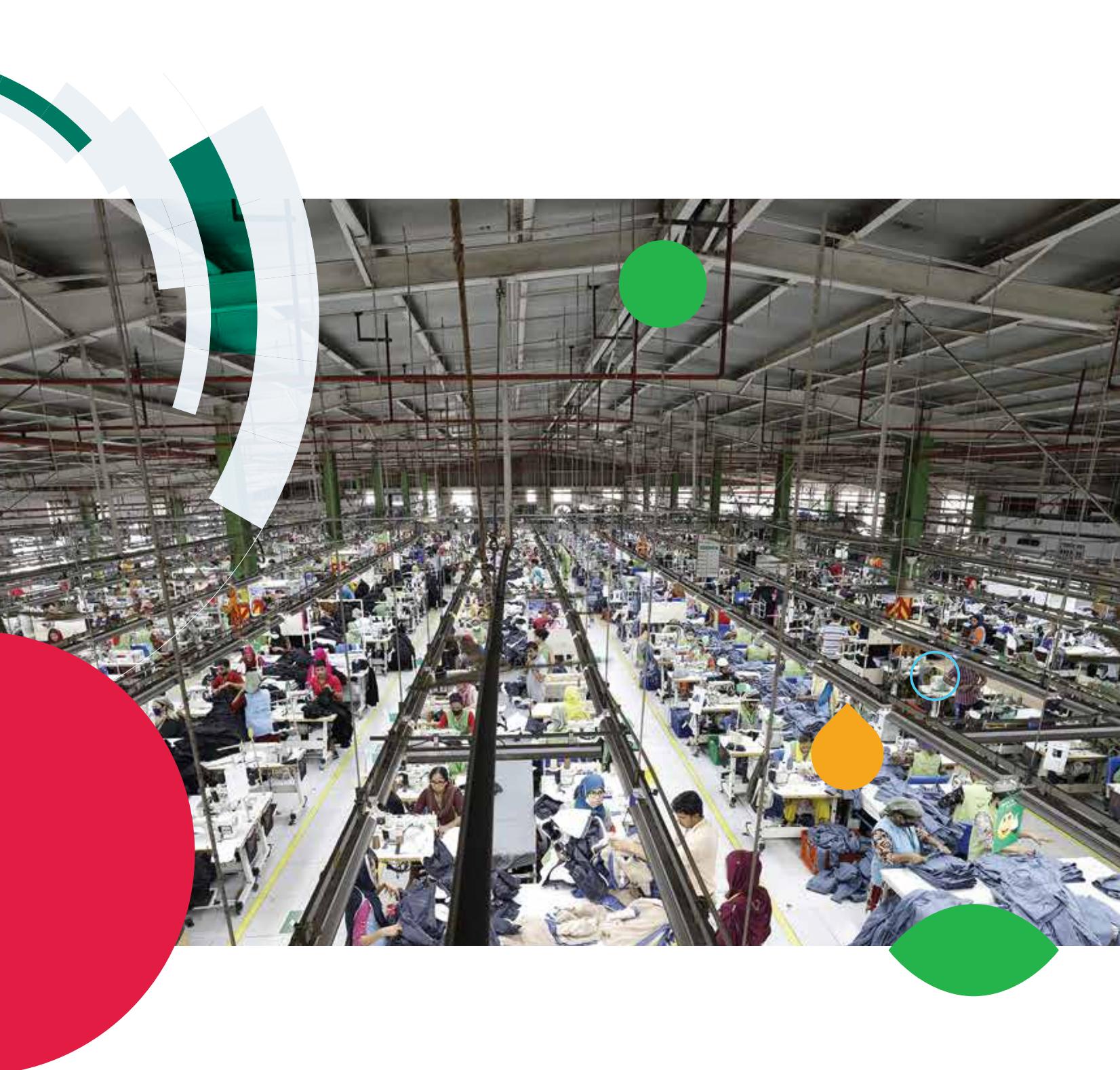
External Assurance: This report is not externally assured through any third party. However, we have taken technical services from 'The Sustainability Nexus Ltd' in the compilation of this report. We intend to verify our disclosed performance by external verification in the future.

02

ABOUT
**SHIN SHIN
GROUP**

CHAPTER





Since its establishment in 2006, Shin Shin Group has become an active and influential entity in the ready-made garment sector of Bangladesh. The company has skillfully crossed the evolution by global fashion brands and excelled towards an era of global market, a landscape where cost and proportion barriers are outdated. Shin Shin Group embraces this development, recognising its benefits to consumers through a more comprehensive selection, competitive pricing, and enhanced quality. In an industry characterised by maturation and diversification, Shin Shin Group positions itself to handle the involved demands of a global supply chain, managing processes from sourcing sustainable materials, regular materials till to the final stages of production.

The Group's industry excellence was acknowledged in 2013 with the prestigious BGMEA award. This honour is evidence of Shin Shin Group's dedication to quality and innovation in the apparel sector.

Geographically, Shin Shin Group exports in multiple countries, especially in the EU, United States, India, and Colombia. The United States dominates our export statistics, receiving most of our shipments, followed by EU, India and Colombia.

Ethical and sustainable practices form the core of Shin Shin Group's business philosophy, as evidenced by our audit schemes and certifications like BSCI, WRAP, RCS, OCS, GOTS, Global Recycled Standard, Oeko Tex, SEDEX, Better Work, Higg Index, and ACCORD.

CIRCULARITY EFFORTS AT SHIN SHIN GROUP

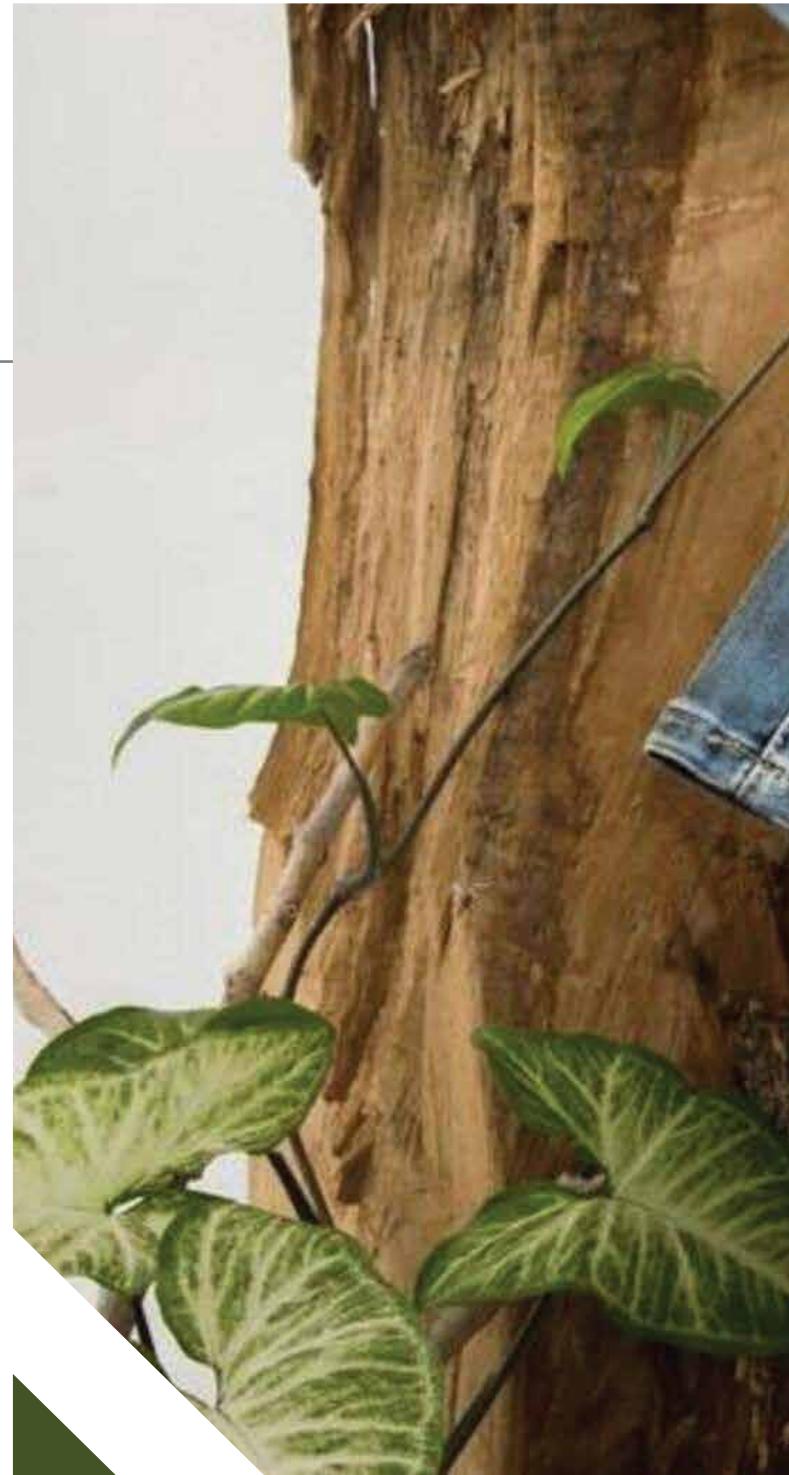
We strive for circularity every day across our five entities at Shin Shin Group. Each factory we acquired brought unique challenges and opportunities to our sustainable production path. We entered these factories when they were struggling and near closure due to mismanagement. But we saw potential. With strong leadership, human capital investment, and a commitment to sustainability, these factories could recover, thrive, and become vital players in a circular economy.

Our Chairman, Mohammed Sohel Sadat, articulated this vision at the Bangladesh Circular Economy Summit 2024, where he emphasised the need for formalising the industry: "We have to support formal players where fair jobs, traceability, and transparency are available. Only the formal sector will be able to promote circularity as a real advantage for the entire sector. The entire industry needs to be formalised." This statement reflects our belief that a circular approach—one that reuses, recycles, and minimises waste—is key to a thriving, sustainable future, not just for our company but for the entire Ready-Made Garments (RMG) sector.

Building Circularity Through Transformation

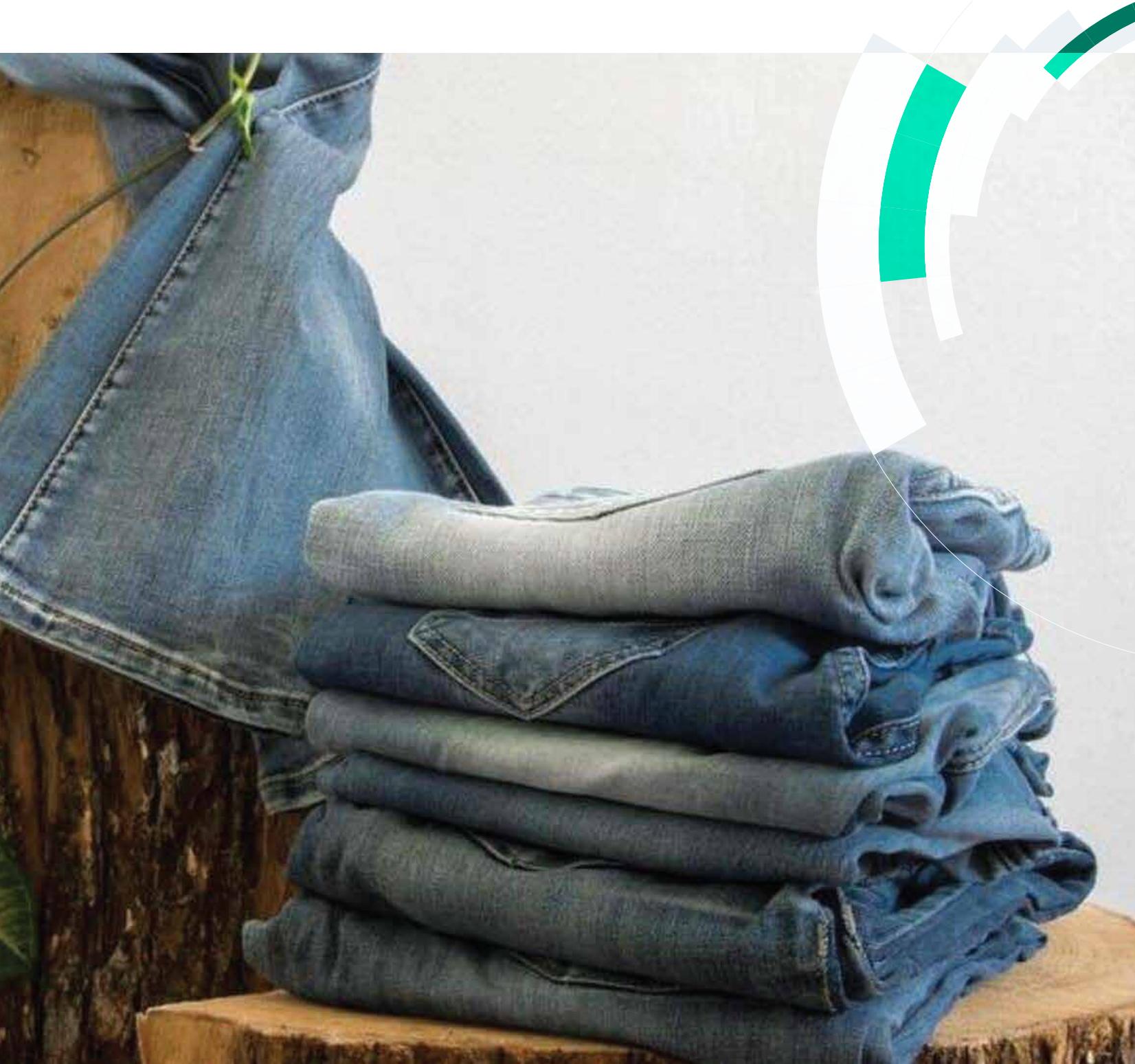
Each of our five entities—Jeans Plus Ltd, Organic Jeans Ltd, Suad Garments Industries Ltd, Shin Shin Apparels Ltd, and Vancot Ltd—has a story that begins with acquisition and transformation. These factories, once constrained by limited capacity and outdated practices, are now on a continuous path toward sustainability.

When we acquired Jeans Plus Ltd, Organic Jeans Ltd, and Suad Garments Industries Ltd, each factory was struggling due to mismanagement or outdated practices, but we saw the potential for transformation. By upgrading infrastructure, introducing automation systems, implementing energy-efficient processes, we turned these factories into models of sustainable production. Today, they contribute to our circular supply chain by minimising waste, reducing



greenhouse gas emissions, and improving resource efficiency, all while supporting local communities through increased employment and a commitment to high-quality, sustainable manufacturing.

Our first factory, Shin Shin Apparels Ltd, holds a special place in our journey. As the foundation of our group, this factory set the tone for our commitment to sustainability and circularity. Over the years, we have expanded its production capabilities, introducing advanced technologies that not only increase output but also minimise environmental impact. By reusing

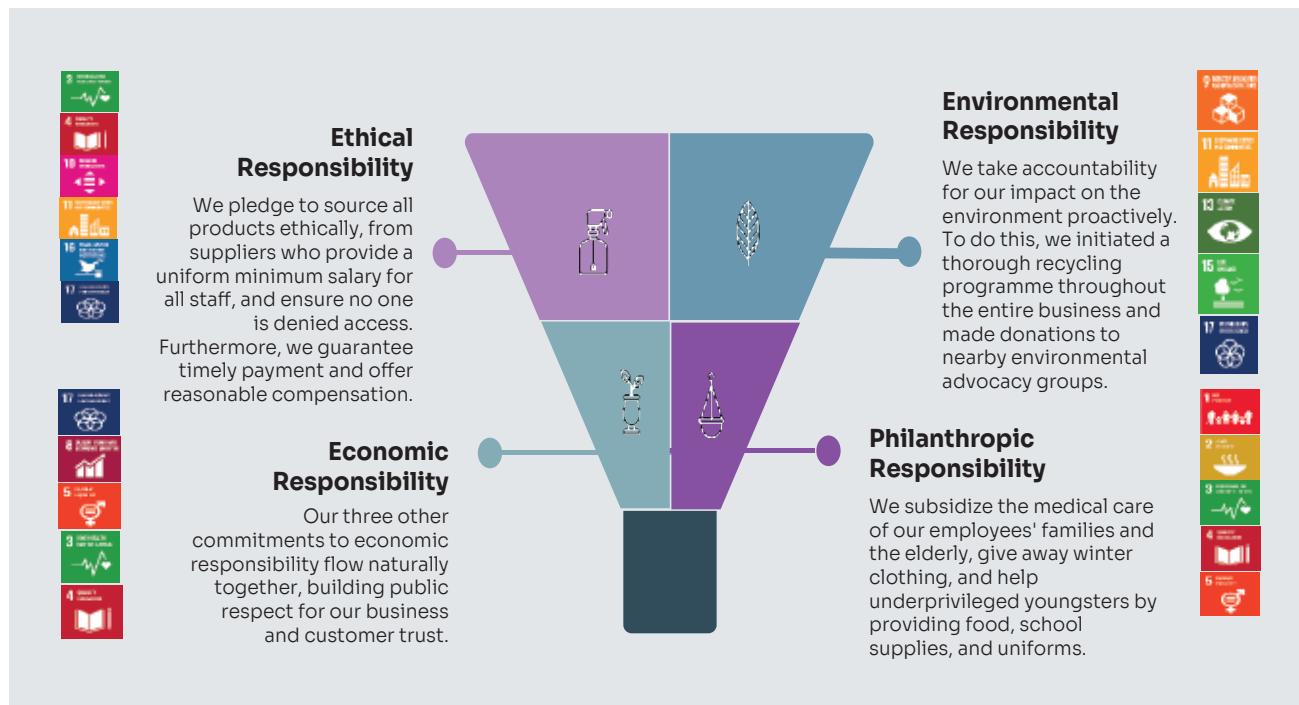


resources and incorporating renewable energy, we ensure that this factory continues to lead by example in our group's efforts to reduce carbon emissions.

Lastly, our transformation of Vancot Ltd from a laptop bag manufacturing unit into a woven garment facility highlights the flexibility of circularity in action. By increasing the number of production lines and improving automation, we've been able to reduce waste and energy use, even as production scales up. This balance between growth and sustainability is central to our philosophy.

At Shin Shin Group, circularity is a way of thinking that guides every choice we make, not only a habit. From modernising infrastructure to implementing energy-efficient technologies, every action we do aim to lower our environmental impact and support a more sustainable RMG sector going forward. Our dedication to circularity stays at the centre of everything we do as we keep developing and changing to make sure the advantages of our development reach the nearby communities and the planet we live on.

INTEGRATED SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES AT SHIN SHIN GROUP



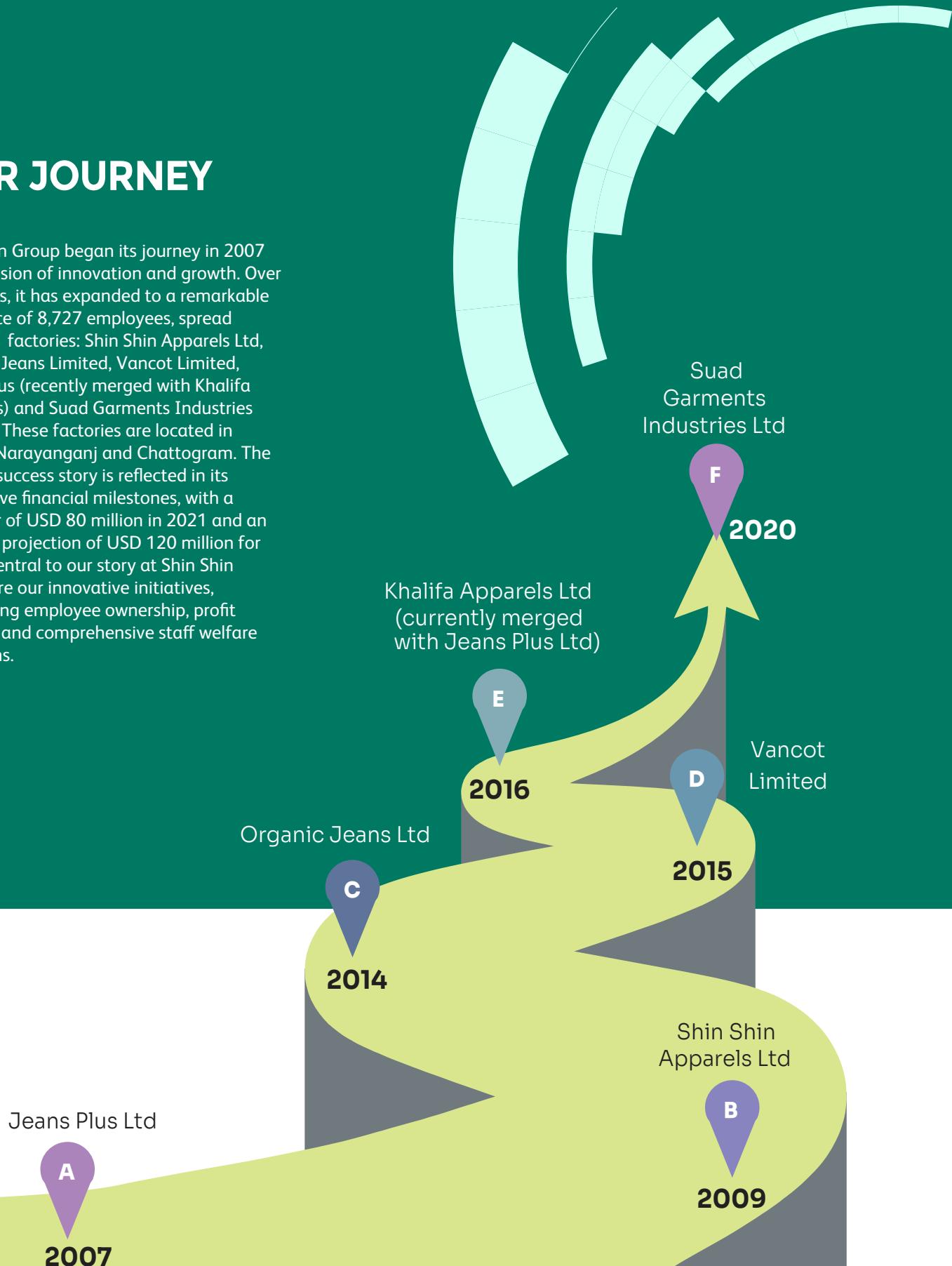
To integrate social and environmental responsibilities, we take a comprehensive approach to sustainable development at Shin Shin Group. We initiate to source all products ethically, ensuring minimum wages to workers, and guarantee timely payment with voluntary bonuses. Our initiatives align with various Sustainable Development Goals (SDGs), such as Quality Education, Gender Equality, and Decent Work and Economic Growth, among others. Environmentally, we focus on significant reductions in greenhouse gas emissions, water conservation, and the adoption of sustainable practices across our operations. Socially, we support our employees through various programs like the Wagely financial wellness initiative, Agroshift fair price shops, and health and wellness programs, including the installation of sanitary pad vending machines and free vision tests.





OUR JOURNEY

Shin Shin Group began its journey in 2007 with a vision of innovation and growth. Over the years, it has expanded to a remarkable workforce of 8,727 employees, spread across 5 factories: Shin Shin Apparels Ltd, Organic Jeans Limited, Vancot Limited, Jeans Plus (recently merged with Khalifa Apparels) and Suad Garments Industries Limited. These factories are located in Dhaka, Narayanganj and Chattogram. The group's success story is reflected in its impressive financial milestones, with a turnover of USD 80 million in 2021 and an aspiring projection of USD 120 million for 2022. Central to our story at Shin Shin Group are our innovative initiatives, supporting employee ownership, profit sharing, and comprehensive staff welfare programs.



Corporate Entities



Entity Name:
**Shin Shin Apparels Ltd.
(SSAL)**

Production Plant:
Cut-to-pack RMG (Ready-Made Garments) production plant

Production Facility:

- Production floors: 2
- Total production area: 74,000 square feet
- Building area: 3 acres

Sewing Plant Details:

- Over 908 modern machines
- Total production capacity exceeds 0.36 million monthly pieces, subject to item and styling variations
- Specialization in woven garment manufacturing



Entity Name:
Organic Jeans Ltd. (OJL)

- Total production area: 1,10,742 square feet
- Building area: 27,000 square feet.

Production Plant:

Cut-to-pack RMG (Ready-Made Garments) production plant

Production Facility:

- Production floors: 5

Sewing Plant Details:

- Over 933 modern machines
- Total production capacity exceeds 0.6 million monthly pieces, subject to item and styling variations
- Specialization in woven garment manufacturing

Corporate Entities

Entity Name:
Jeans Plus Ltd (JPL)



Production Plant:
Cut-to-pack RMG
(Ready-Made Garments)
production plant

Production Facility:
- Production floors: 4
- Total production area:
78,000 square feet
- Building area: 1981 square
meters

Sewing Plant Details:
- Over 735 modern machines
- Total production capacity
exceeds 0.3 million monthly
pieces, subject to item and
styling variations
- Specialization in woven
garment manufacturing

Entity Name:
Vancot Limited (VCL)

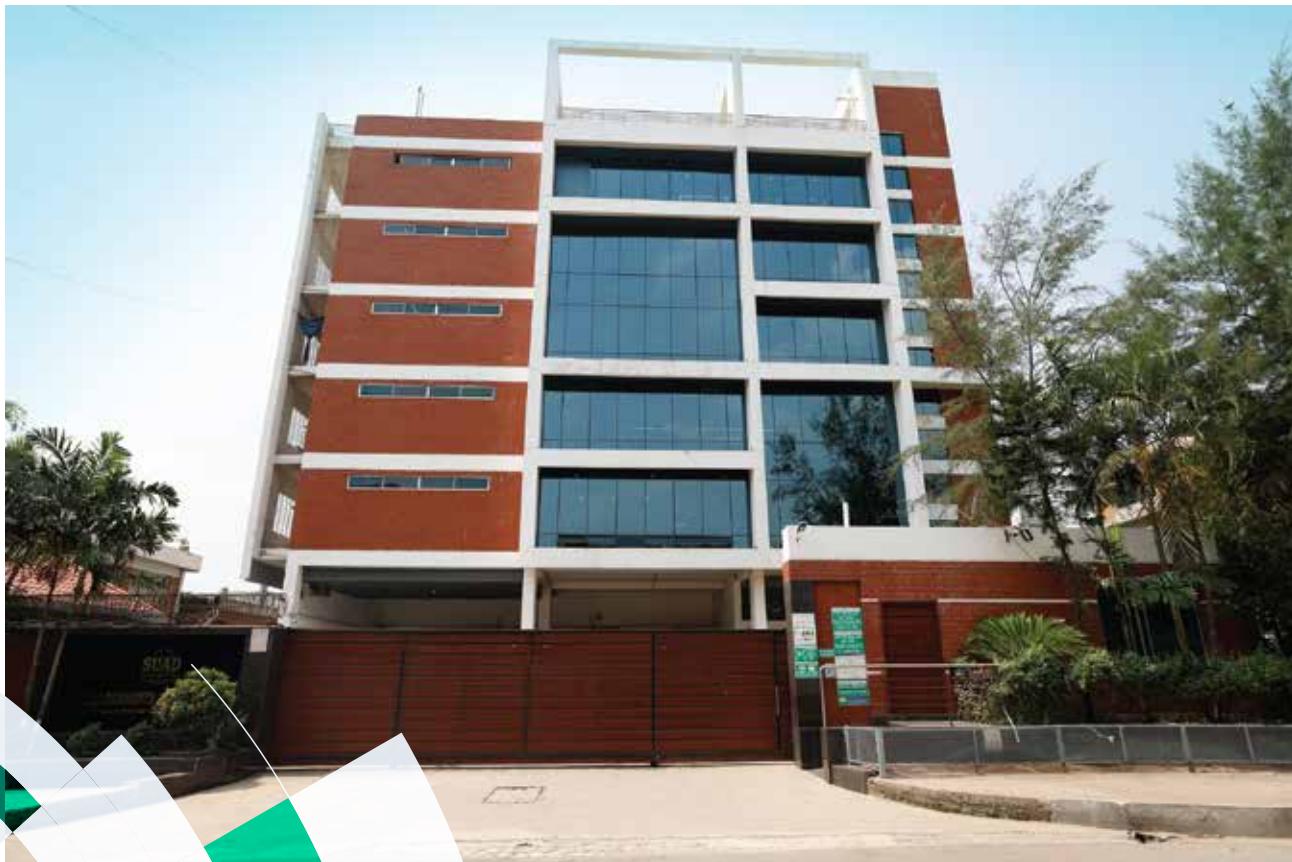


Production Plant:
Cut-to-pack RMG
(Ready-Made Garments)
production plant

Production Facility:
- Production floors: 3
- Total production area:
82,404 square feet
- Building area: 3 acres

Sewing Plant Details:
- Over 1013 modern
machines
- Total production capacity
exceeds 0.6 million
monthly pieces, subject to
item and styling variations
- Specialization in woven
garment manufacturing

Corporate Entities



Entity Name:
Suad Garments Industries Ltd (SGIL)

Production Plant:
Cutting, embroidery, sewing, washing, finishing & packing.

Production Facility:
- Production Floors: 5
- Total Production Area: 145,260 Square Feet
- Factory Area: 266,526 Square Feet

Plant Details:
- Washing Plants (40,000 pcs per day, capable of fancy washes)
- Production Lines: 18
- Monthly Capacity: 350,000 pcs (Formalwear)

Structural Compliance:
- Biochemical ETP capacity: 65 cubic meters/hour

Vision Mission & Values



Our Main Customers



SELECTED
/ HOMME

NEXT



ZARA

PRIMARK®

Sainsbury's

P&B
PULL&BEAR

stradivarius

DUNNES
STORES

lefties

MATALAN

Walmart

George.

HEMA

Nutmeg.

LC WAIKIKI



BOOTLEGGER
The Place for Jeans

ALCOTT

GUESS®

EST. 1976
zeco



MANGO

Reitmans

Disney

BURTON

TARGET

Stronghold

Our Audit Schemes & Certifications



OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100

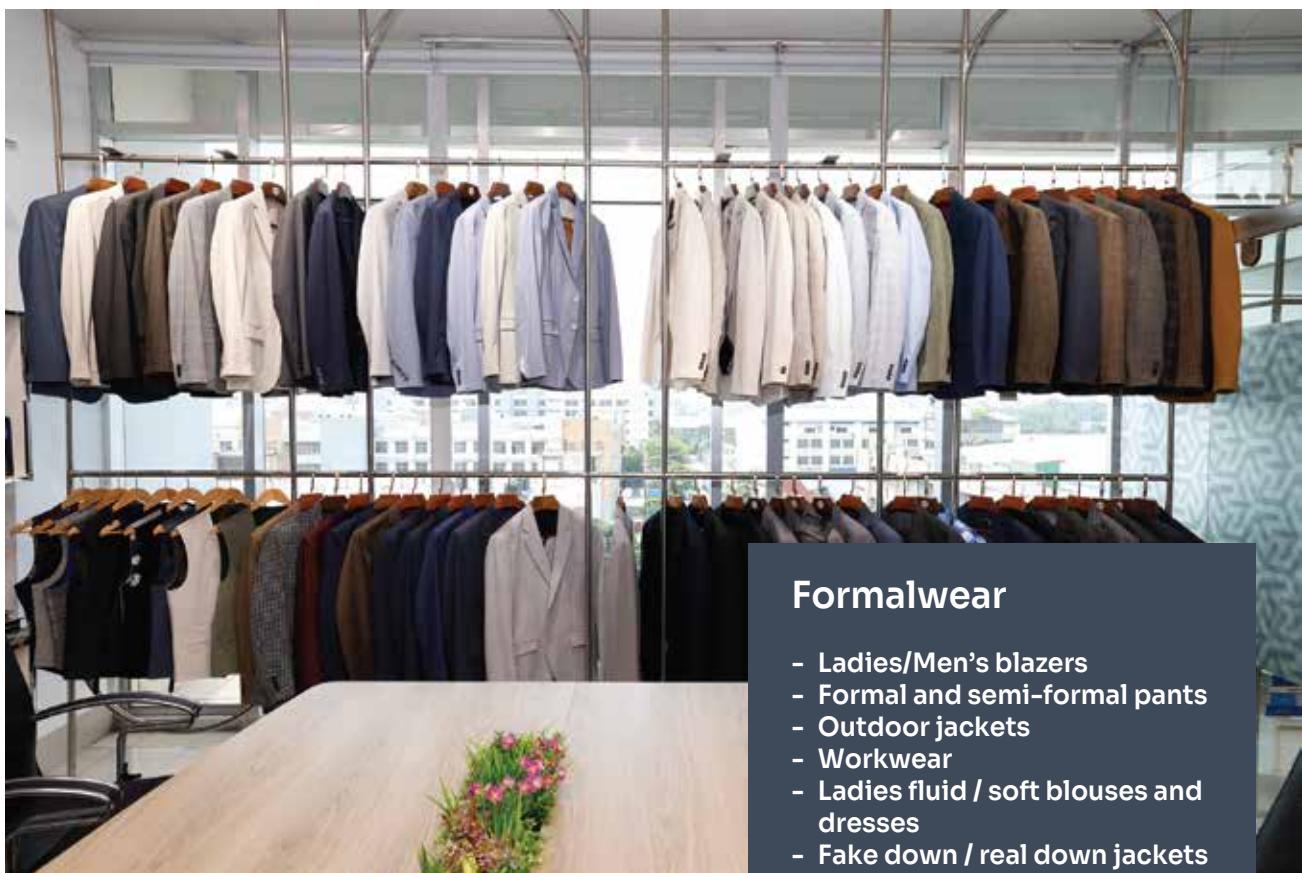


Products Portfolio



Denimwear

- Woven bottoms
- Skirts, shorts
- Dresses
- Kidswear
- Others : School uniform, polyester & poly-viscose HT-teflon finishes



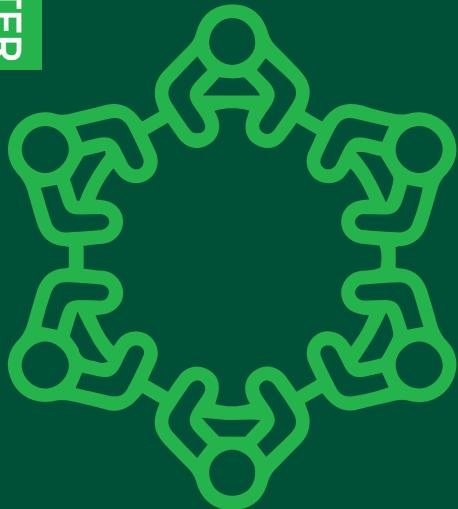
Formalwear

- Ladies/Men's blazers
- Formal and semi-formal pants
- Outdoor jackets
- Workwear
- Ladies fluid / soft blouses and dresses
- Fake down / real down jackets
- PU jackets / skirts / pants

03

STAKEHOLDER ENGAGEMENT AND MATERIALITY

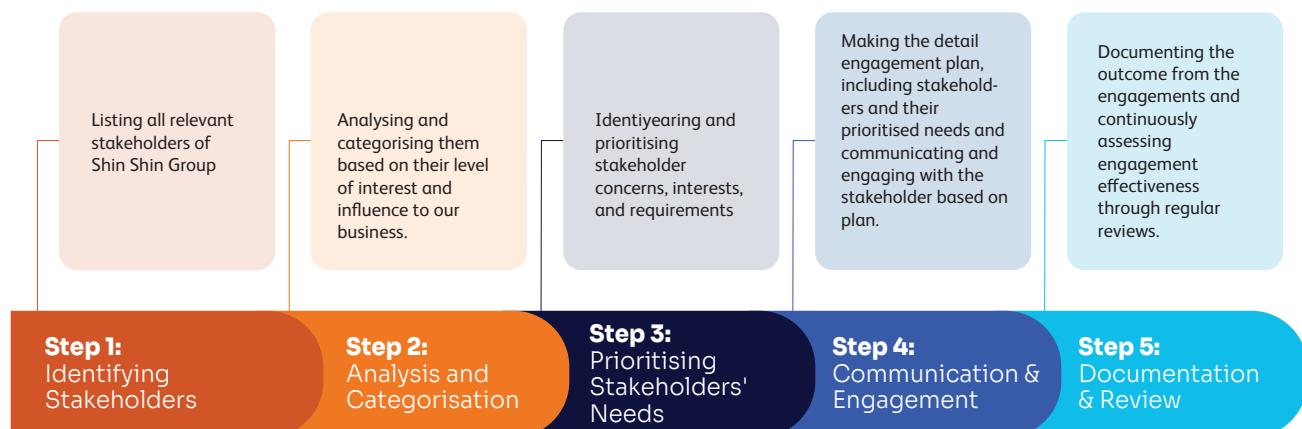
CHAPTER



Stakeholders Engagement



We engage with a diverse range of stakeholders to maintain efficiency and adopt innovation. We hold regular meetings with employees and workers to address operational improvements, quality control, and workplace satisfaction. Monthly interactions with suppliers ensure ethical practices, quality assurance, and effective collaboration. Our engagement with buyers focuses on understanding market trends and enhancing product offerings. We also prioritise regular communication with development partners to discuss about different development initiatives. We involve with the local communities through various outreach programs which help us to support community engagement and promote sustainable practices. Additionally, we engage with government authorities to ensure compliance with regulations and with industry partners to stay up-to-date of industry developments and innovations.

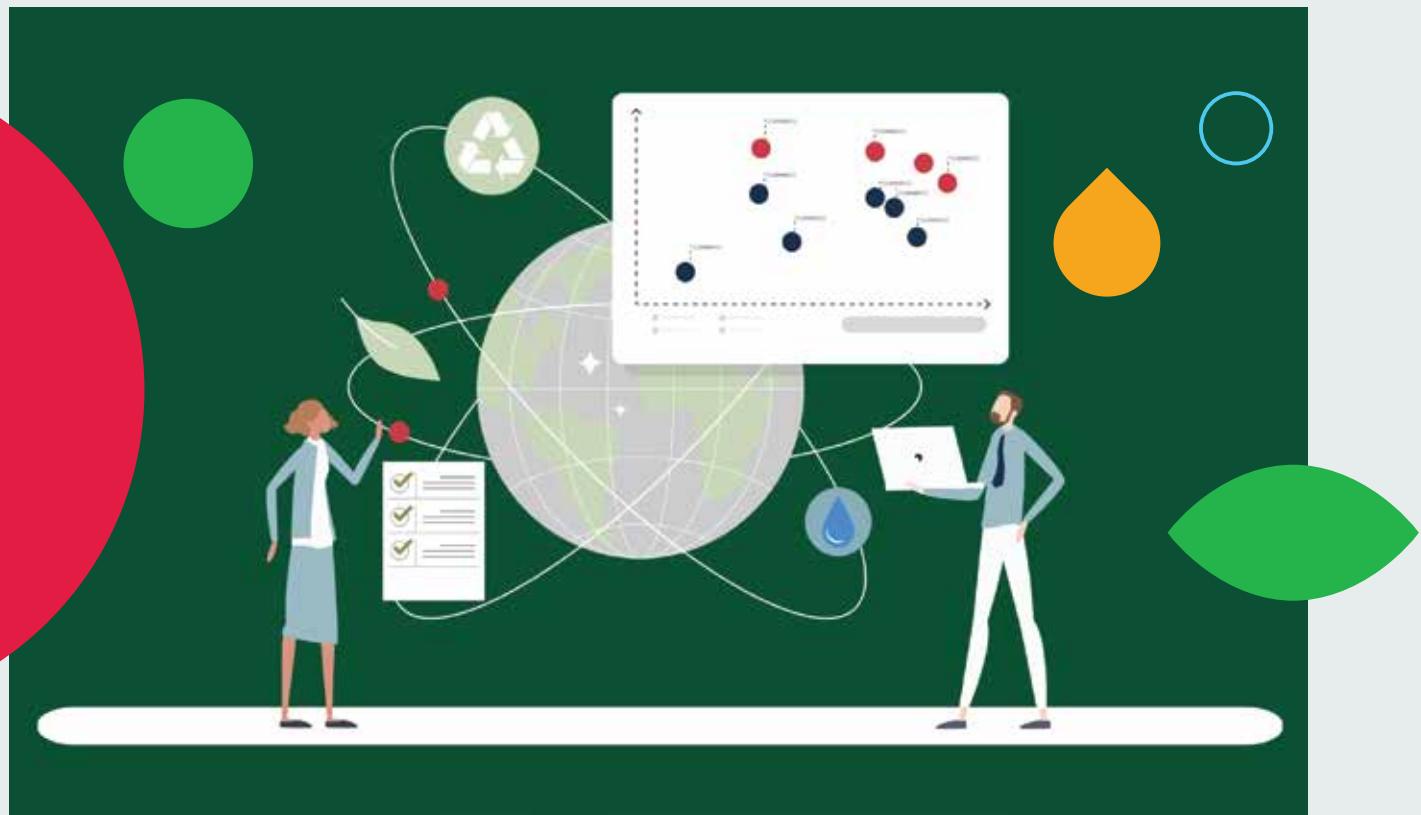


Stakeholders Engagement



Stakeholder Group	Method of Engagement	Frequency of Engagement	Key Topics of Interest
Employees & Workers	Training, Workshops, Surveys, Grievance box	Regular	Working conditions, Skills development, Health & Safety, Workforce policies
Suppliers	Meetings, Phone, Email, Audits	As & when required	Environmental & Social performance, Material Sourcing
Buyers	Customer surveys, feedback channel, Marketing	Regular	Product quality, Delivery, Customer satisfaction
Bank & Financial Institutions	Meetings, Email	Regular	Business strategy, Risk management, Financial reporting
Local Communities	Community programs, Environmental Initiatives	As needed	Social responsibility, Environmental impact, Community development
Government	Compliance reporting, meetings, Letters, etc.	As needed	Compliance with laws, Regulations, Sustainability initiatives, Ethical practices
Industry Partners	Industry conferences, forums, Joint Initiatives	Periodic	Industry standards, Collaborations, Best practices, Sustainability trends
Development Partners	Development projects	Periodic	Beyond compliance programs, e.g., women empowerment program, financial inclusion program

Methodology to Materiality Assessment



In our materiality assessment we use a systematic approach as per GRI Standard, starting with the identification and prioritisation of topics that are important to our stakeholders and company. Actively collecting insights from different stakeholder groups, monitoring industry developments, and assessing potential effects on our financial, social, and environmental elements are all part of this process. We emphasised that our important material issues like ethical labour standards, environmentally responsible sourcing, and social responsibility represents the changing demands and expectations of our company and its stakeholders.

For the materiality assessment we grouped our company into two segments: first segment containing only four cut-to- pack factories and second segment contains a single factory which has cut to pack and washing facilities. Our factories are located in three areas which are Dhaka, Narayanganj and Chattogram. To achieve the optimum outcome, we have conducted segment-wise materiality assessments then we consolidated and integrated the findings to determine the comprehensive material topics for our group.

Process to Determine Material Topic

Gaining a thorough understanding of the contexts of Shin Shin Group

Identify actual and potential impacts

Assess the significance of the impacts

Prioritise to the most significant impacts for reporting

01

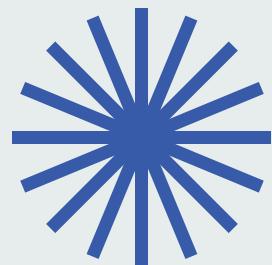
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03

04

Methodology to Materiality Assessment





Material Topics

Material Topic	GRI Topic Standard	Why is it material	Priority	Relevant SDGs
Energy	GRI 302: Energy	Energy is a priority material topic for us due to its significant environmental impact and cost implications. By managing energy efficiently, we aim to lower operational costs and contribute to global efforts against climate change.	High	 
GHG Emissions	GRI 305: Emissions	Emission is an important material topic for us for its significance in environmental responsibility and alignment with global sustainability goals. By actively managing and reducing our emissions, we would like to comply with regulations, protect the planet for future generations, and maintain stakeholder trust.	High	
Water and Effluents	GRI 303: Water and Effluents	We identify Water and Effluents including its pollution aspect as a significant material topic for our GRI Reporting due to their growing demand, scarcity concerns, and environmental impacts. We use substantial amount of water at our facility SGIL for manufacturing purpose, as well for sanitary and domestic use purpose at our all units. In light of this, we have determined that this matter constitutes a material topic.	High	 
Employment	GRI 401: Employment	We prioritised employment as a key material topic, focusing on inclusivity and empowerment. Our efforts to employ disabled individuals and women reflect our commitment to diversity and equality.	High	
Occupational health & safety	GRI 403: Occupational health & safety	We have chosen OHS as a material topic in order to prioritise the safety and morale of our employees. Our strategic approach includes regular safety training, risk assessments, and adherence to health standards, aligning with our commitment to safeguarding our workforce.	High	

Material Topics

Material Topic	GRI Topic Standard	Why is it material	Priority	Relevant SDGs
Diversity & Inclusion	GRI 405: Diversity & Equal Opportunity	We identify Diversity and Inclusion as an important topic to encourage women empowerment and employment opportunities for people with disabilities throughout our business.	Medium	 
Training & Education	GRI 404: Training & Education	We prioritise this as a material topic because investing in comprehensive training programs enhances skills and knowledge, increases productivity and efficiency, ensures safety and adopts a culture of continuous learning.	Medium	
Waste	GRI 306: Waste	We prioritise this as a material topic to prevent environmental pollution and comply with regulatory standards by properly managing effluents and waste from production processes, ensuring environmentally responsible operations.	Medium	
Suppliers' Assessment	GRI 414: Supplier Social Assessment GRI 308: Supplier Environmental Assessment	Supplier Assessment is significant to ensure responsible sourcing, protect brand reputation, and maintain compliance with labor and environmental standards throughout the supply chain.	Medium	 
Economic performance and Tax	GRI 201: Economic Performance GRI 207: Tax	We select Economic Performance and Tax as a material topic because strong financial management ensures sustainable growth, supports community well-being, and reinforces our commitment to transparency and ethical practices.	Medium	 
Materials	GRI 301: Materials	We prioritise materials as a topic because responsible sourcing and efficient use of materials minimize waste and environmental impact, aligning with our goals for environmental stewardship and resource conservation.	Medium	

04

Planet

CHAPTER



Water Stewardship

Water management is a critical component of sustainable operations, especially in the resource-intensive Ready-made Garment (RMG) sector. With most of our facilities spanning cut-to-pack operations and one dedicated washing and drying unit, our water management strategies are tailored to meet diverse operational needs while minimising our ecological footprint.

Water Sourcing

A significant aspect of our water management strategy involves sourcing from reliable and sustainable third-party sources. Two of our entities (SGIL and VCL), are located within the export processing zones, these entities source their water from the Bangladesh Export Processing Zones Authority (BEPZA). While our other 3 entities, SSAL, JPL and OJL source via groundwater. This

strategic choice aligns with our goal to ensure a stable and sustainable water supply that meets our operational demands without compromising local community resources. This partnership allows Shin Shin Group to focus on enhancing operational efficiencies and implementing water optimally without adding any pressure on the common resource.

Rainwater Harvesting

Shin Shin Group has strategically invested in innovative rainwater harvesting technologies to further the sustainability goals. The water harvesting systems capture and store rainwater for non-potable uses such as industrial processes and domestic use, reducing our reliance on external water sources and mitigating our impact on local water reserves.

Water Efficiency Initiatives Across Shin Shin Group Entities

Measures to Increase Water Efficiency



Water Usage of Each Entity

1. Shin Shin Apparels Ltd. (SSAL)

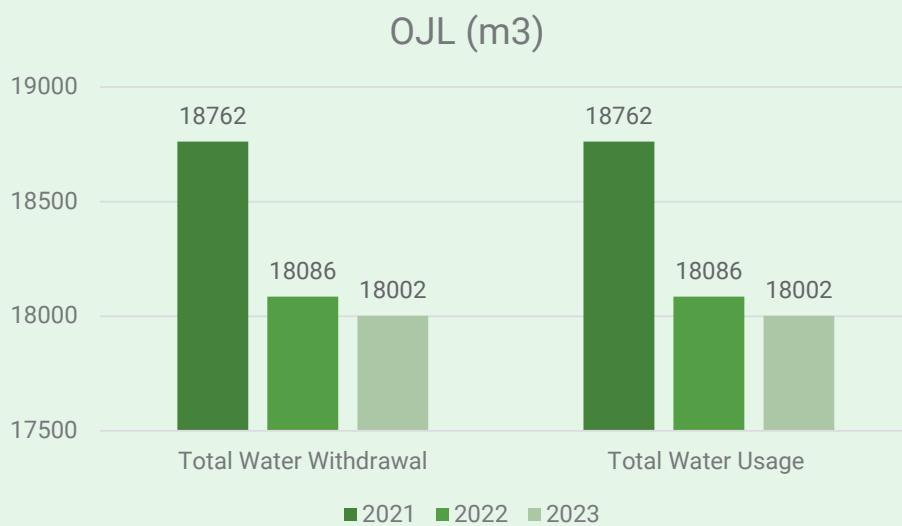
In 2023, Shin Shin Apparels Ltd. witnessed a substantial increase in total water withdrawal, amounting to 29,147 m³, marking a 24.2% increase from 2022 which was 23,463 m³.

Breaking down the total water usage, domestic water usage amounted 22,392 m³ in the year 2022 has observed a heightened usage in 2023, which increased by 26% to 28,205 m³, reflecting expanded operational demands and enhanced water management strategies. Utility water usage also observed a notable growth of 12.6%.



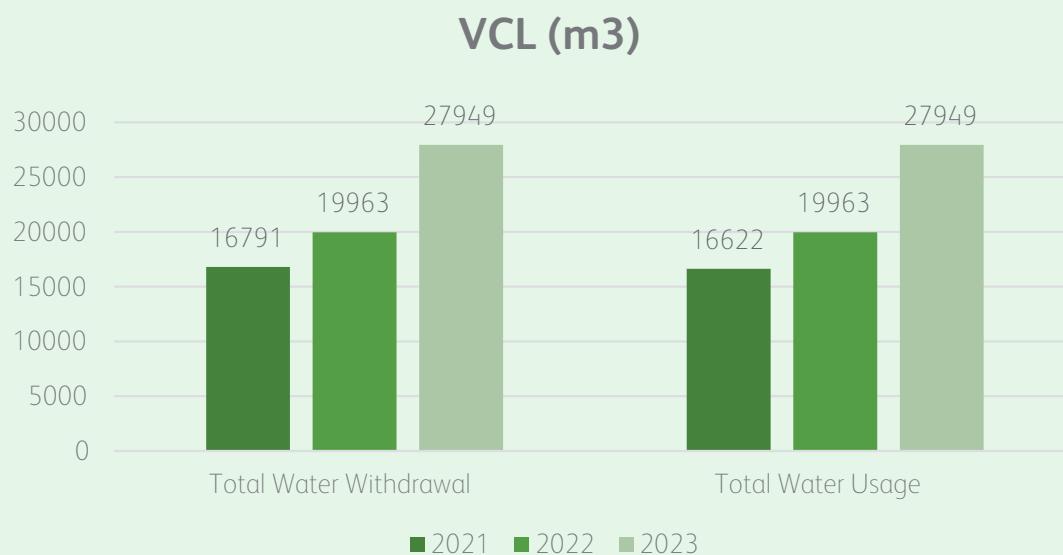
2. Organic Jeans Ltd. (OJL)

Organic Jeans Ltd. displayed a stable trend in total water withdrawal, with a slight decrease of 0.5% in 2023. The reduction in third-party water usage by 9.7% played a significant role in this stability compared to its continual reliance on groundwater.



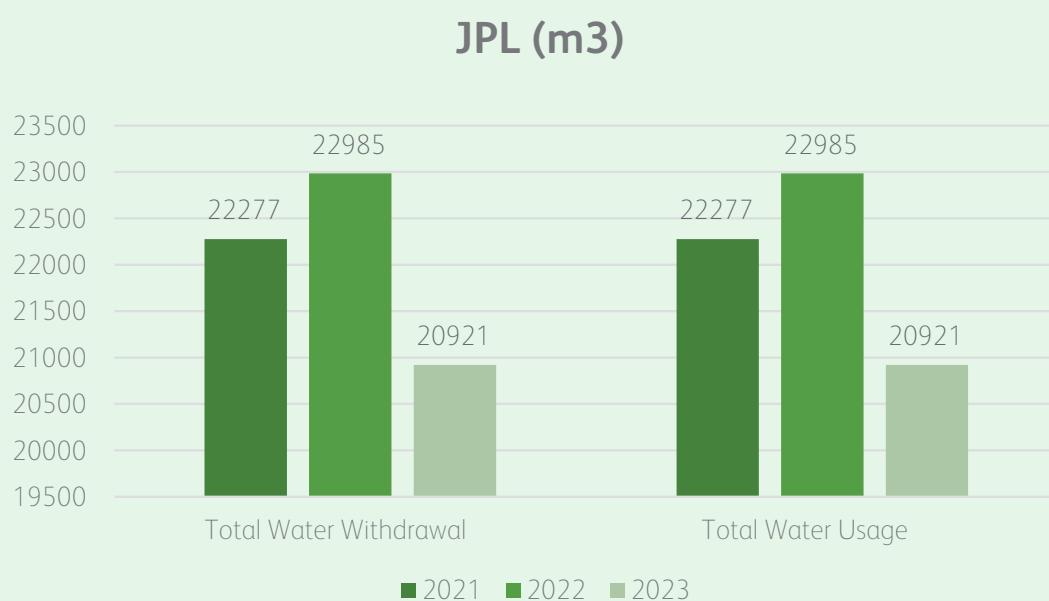
3. Vancot Limited (VCL)

Vancot Limited experienced a 40% increase in total water withdrawal in 2023, driven entirely by third-party water sources, which soared to 27,949 m³. Correspondingly, domestic water usage saw a dramatic rise of 43.8%, reaching 26,160 m³. This significant increased due to the expanding scale of operations and the resultant higher water demand, although rainwater harvesting was discontinued in 2023, highlighting a potential area for reintegration of sustainable practices.

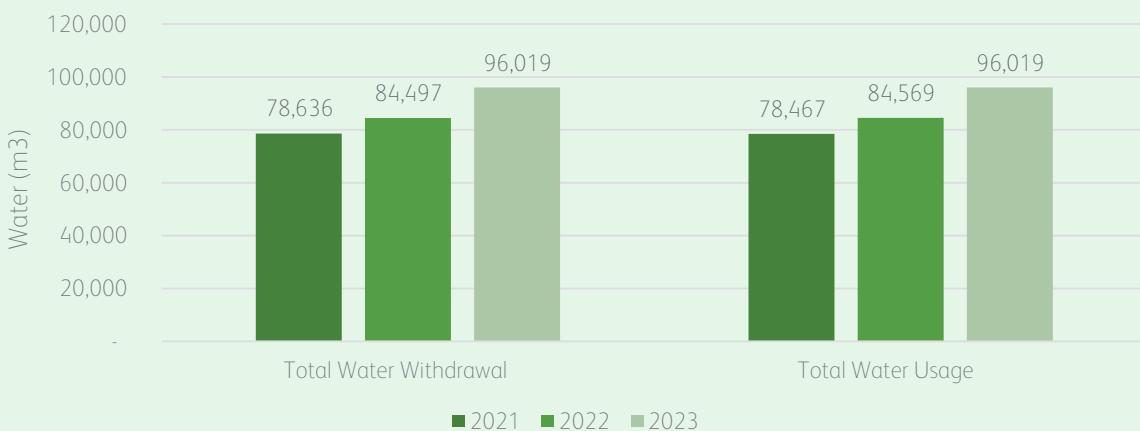


4. Jeans Plus Ltd. (JPL)

Jeans Plus Ltd. reported a decrease in total water withdrawal by 11.7% to 20,921 m³ in 2023. Despite this reduction, the entity managed to slightly increase its utility water usage by 3%. These figures reflect ongoing efforts to optimize water usage and potentially reduce dependency on groundwater through improved utility management.



Shin Shin Group (4 Entities)



Water Use Trends in Shin Shin Group (4 Entities)

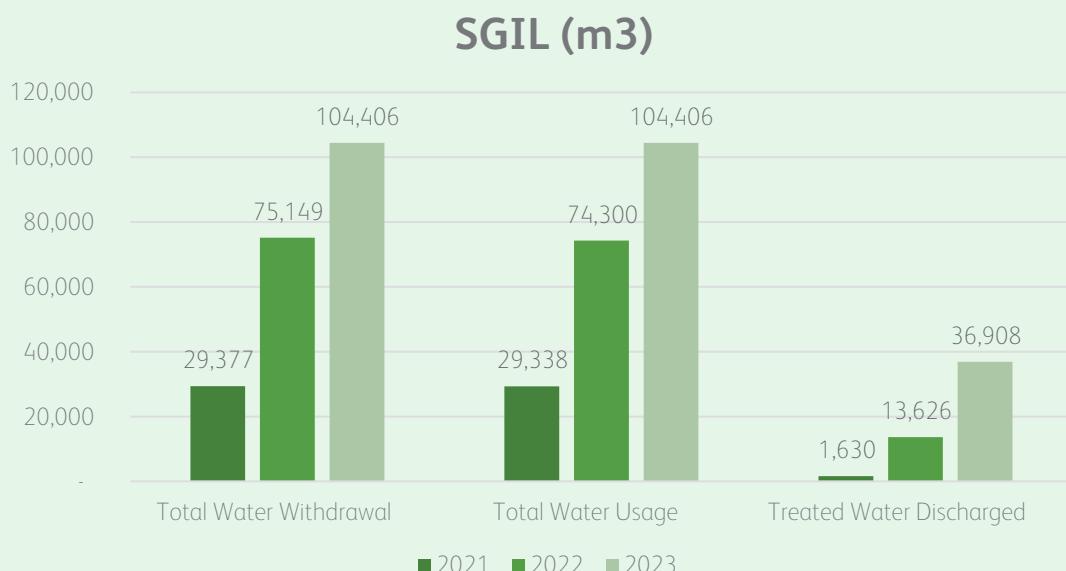
In 2023, the cumulative water management metrics for the four cut-to-pack entities of Shin Shin Group, Shin Shin Apparels Ltd. (SSAL), Organic Jeans Ltd. (OJL), Vancot Limited (VCL), and Jeans Plus Ltd. (JPL) highlight a notable rise in water utilisation and strategic management approaches:

Total Water Withdrawal: There was a 13.6% increase in water withdrawal, rising from 84,497 m³ in 2022 to 96,019 m³ in 2023. This uptick reflects an overall increase in production activities and the expansion of operational capacities across the entities.

Total Water Usage: Mirroring the withdrawal figures, total water usage also saw a significant increase of 13.6%, aligning exactly with the water withdrawal. This indicates that nearly all the water withdrawn was accounted for in usage, highlighting effective control and negligible loss in water management.

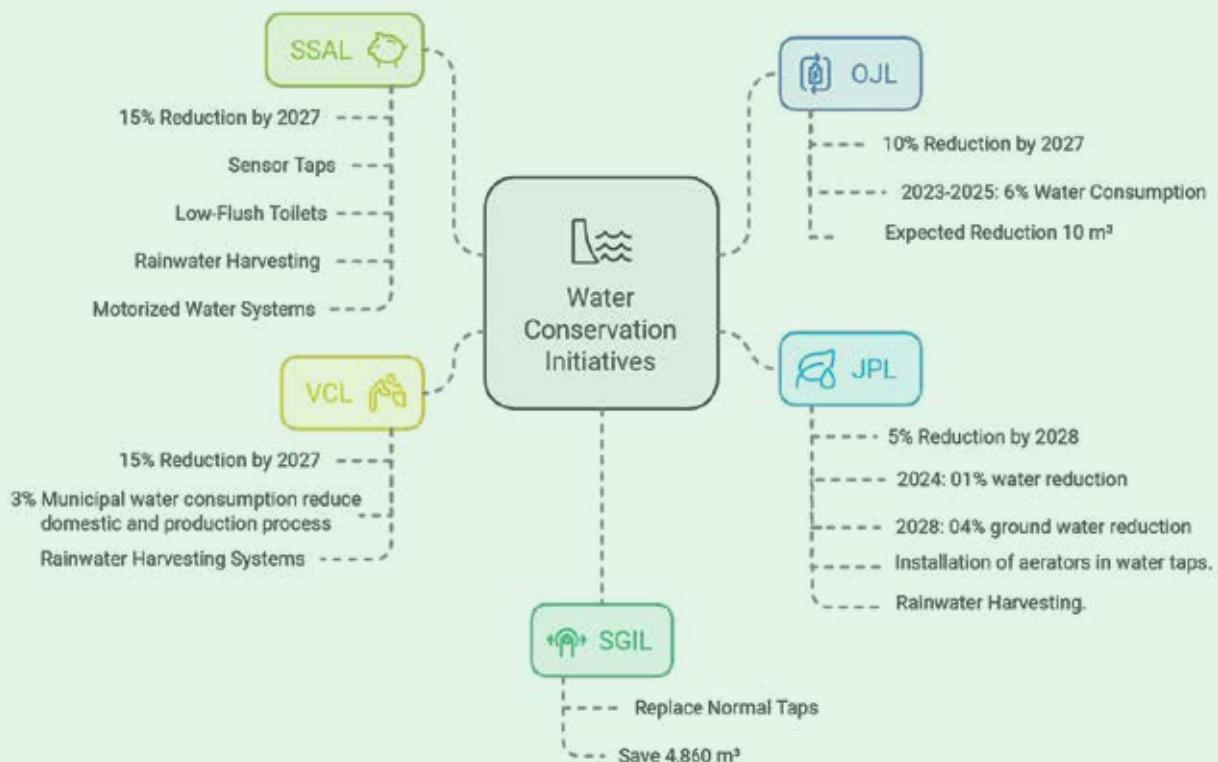
5. Suad Garments Industries Ltd. (SGIL)

Suad Garments Industries Ltd. marked the most significant water usage changes within the group, with a 40.4% increase in total water withdrawal to 104,406 m³ in 2023. This was accompanied by a substantial rise in treated water discharge by 180%, indicating enhanced water treatment efforts. Domestic use also rose by 5.4%, aligning with the increased production activities. The washing-related water usage increased significantly, highlighting the intensive water demands of the drying and washing processes.





Water Achievements and Future Goals



Wastewater Management

Wastewater Treatment:

At Shin Shin Group, wastewater treatment is a crucial part of our production process, ensuring that water used in manufacturing is treated before being discharged into the environment. Our effective treatment systems remove harmful chemicals, dyes, and toxins, thereby protecting local water sources and ecosystems. We are now adopting advanced technologies to not only comply with environmental regulations but also reinforce our commitment to sustainability, reflecting our growing awareness of environmental responsibility.

Future Goals:



Future Initiatives:



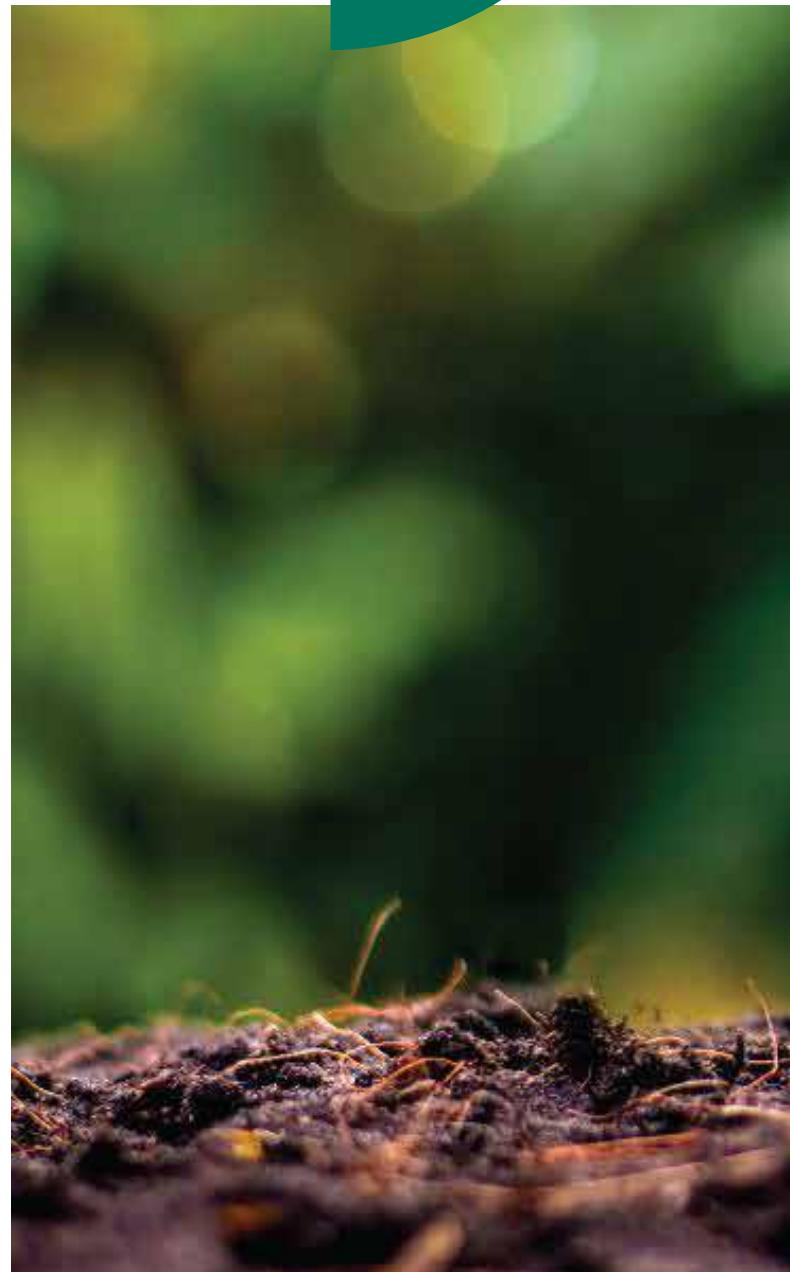
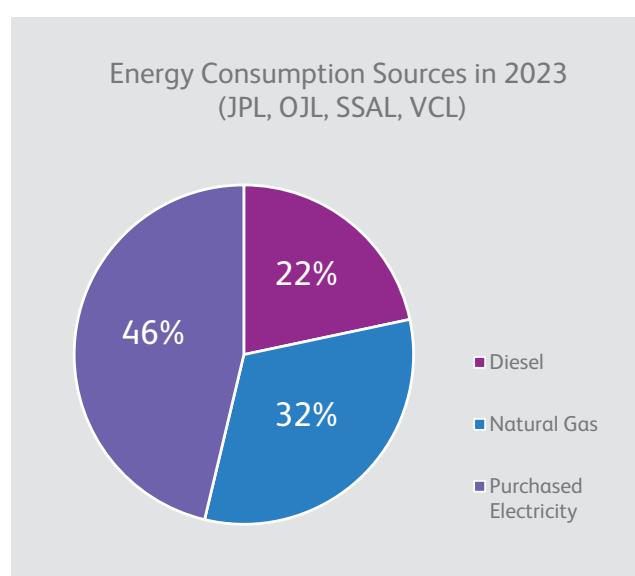
Energy

Energy consumption is one of the most essential resources for all types of manufacturing activities. For Bangladesh, the garment industry is the cornerstone of our economy, resulting in substantial energy consumption. At Shin Shin Group, we consume significant amounts of energy to power all types of machinery, lighting and control systems, which are essential for maintaining productivity and efficiency. We consider energy consumption as a high priority material topic due to its impact on both operational costs and environmental footprint. Our commitment to energy efficiency is investing in energy-efficient machinery, optimising production processes to reduce energy waste, utilising renewable energy sources where possible, and implementing rigorous energy monitoring and management systems reflected in the management strategies implemented across our five entities.

In our factories, energy is mainly consumed in the sewing and cutting departments, for ironing and pressing processes. The washing and drying of garments and apparel also represent major energy consumption. Additionally, running boilers for steam generation for production and maintaining air conditioning and lighting in our offices are crucial and energy-intensive operations.

Energy Consumption Overview

We at Shin Shin Group purchase our energy from diverse sources. Nearly half of our energy usage comes from purchased electricity (46%), followed by natural gas (32%) and diesel (22%). This distribution highlights our reliance on multiple energy sources to ensure uninterrupted energy supply.



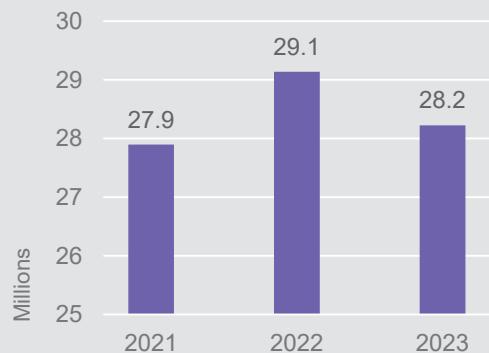
Energy Consumption Trends

Our efficient energy management system demonstrates our commitment towards sustainability. From 2021 to 2023, the total energy consumption of our four entities (JPL, OJL, SSAL, and VCL) showed a dynamic trend. From 2021, there was an increase in energy consumption in 2022, which then decreased in 2023. Despite a rise in production volumes, we achieved a 3% reduction in total energy consumption in 2023 compared to the baseline year 2022.

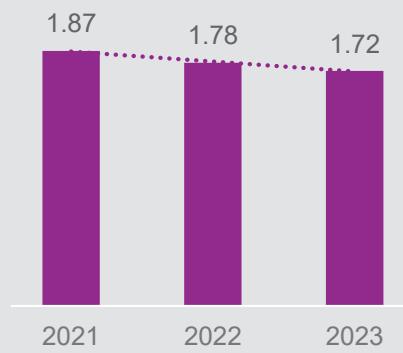
Our energy intensity, measured as energy consumed per unit of production, also followed a downward trend. After peaking in 2021, energy intensity decreased in both 2022 and 2023. By 2023, we had reduced our energy intensity by 3% compared to the baseline year of 2022, showcasing our progress in energy efficiency even though our total production increased.



Total Energy Consumption of
JPL, OJL, SSAL, VCL [million MJ]



Energy Intensity of JPL, OJL,
SSAL, VCL [MJ/pcs]



Note:
MG = Mega Joules
1 litre = 36.6 MJ
1 m³ = 38.14 MJ
1 kWh = 3.6 MJ

Energy Management of Each Entity

JPL

Total Energy Consumption: JPL showcased a decreasing trend in energy consumption, with a significant reduction in 2023 (5,448,596 MJ) compared to 2022 (7,196,347 MJ). This 24.3% decrease may indicate effective energy-saving measures or possibly a reduction in operational scale.

Energy Intensity: Reflecting improvements in operational efficiency, JPL's energy intensity decreased steadily from 2.56 MJ/pcs in 2022 to 2.14 MJ/pcs in 2023.

OJL

Total Energy Consumption: OJL's energy consumption slightly decreased by 2.5% in 2023 (7,576,061 MJ) from 2022 (7,770,752 MJ), hinting at modest energy efficiency gains.

Energy Intensity: Energy intensity also witnessed a reduction from 1.50 MJ/pcs in 2022 to 1.45 MJ/pcs in 2023, aligning with the overall trend of energy optimisation.

SSAL

Total Energy Consumption: Contrary to the general trend, SSAL experienced an increase in energy consumption by 5.8% in 2023 (9,363,064 MJ) from 2022 (8,754,009 MJ), which might reflect increased production or lower energy efficiency.

Energy Intensity: The energy intensity slightly increased from 2.78 MJ/pcs in 2022 to 2.86 MJ/pcs in 2023, suggesting a need for more robust energy management strategies.

VCL

Total Energy Consumption: VCL saw a minor increase in energy consumption by 6.1% in 2023 (5,845,655 MJ) from 2022 (5,429,531 MJ), which could indicate a scaling up of operations.

Energy Intensity: There was a slight increase in energy intensity from 1.04 MJ/pcs in 2022 to 1.10 MJ/pcs in 2023, potentially pointing to inefficiencies that could be targeted for future energy reduction initiatives.

Correlation with Production Levels

JPL and OJL: Both entities had lower production levels in 2023 compared to 2022, which correlates with their reduced energy consumption, suggesting that the reduction in energy is due to lower production outputs.

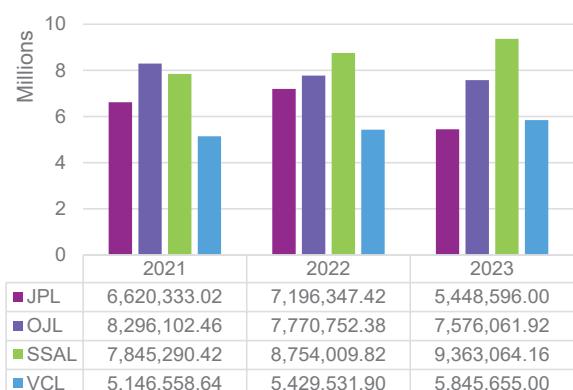
SSAL and VCL: These entities increased their production in 2023. For SSAL, the rise in energy consumption correlates with higher production,

underscoring the need to enhance energy efficiency per unit of production to mitigate the impact of increased output. VCL's slight rise in both energy consumption and production suggests a balanced scale-up but highlights an area where energy efficiency could be improved to prevent proportional increases in energy use as production expands.

Strategic Energy Management for Individual Entities

Collectively, our energy management strategies for the four entities have included upgrading to energy-efficient machinery, optimising operational processes, and integrating renewable energy sources where feasible. Notably, we have installed a 11.7 KWp solar power plant at Jeans Plus Limited (JPL) and we will increase the capacity in the near future. We are planning to install a 300 KWp solar power plant at Suad Garments Industries Ltd (SGIL) by 2025. These initiatives have played a pivotal role in achieving our energy reduction targets. Suad Garments Industries Ltd (SGIL), on the other hand,

Total Energy Consumption of Each entity [million MJ]



Energy Intensity of Each Entity [MJ/pcs]



Note: ■ JPL ■ OJL ■ SSAL ■ VCL

MG = Mega Joules

1 litre = 36.6 MJ



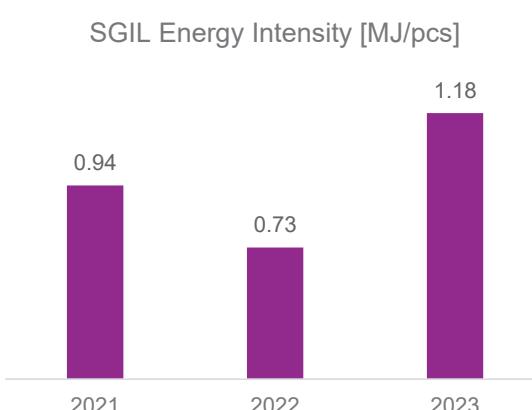
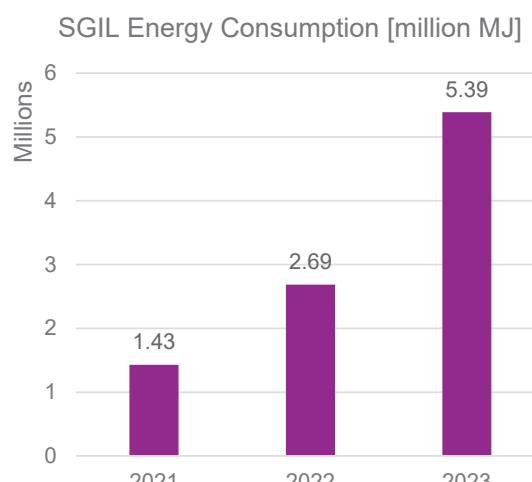
operates on a different scale and with different production requirements. To further enhance VCL's energy efficiency, we plan to install a 210 KWp solar power plant by 2026. This addition will significantly contribute to reducing SGIL's reliance on non-renewable energy sources and support our overall sustainability goals.

Analysis of Energy Consumption at SGIL

At SGIL, the increase in energy consumption is directly related to the scaling of production, which also saw a corresponding rise. From 2021 to 2023, SGIL's energy consumption increased, in 2021, energy consumption was at a lower end, reflecting the factory's initial operational scale. By 2022, energy consumption had nearly doubled, and this trend continued with a substantial rise in 2023.

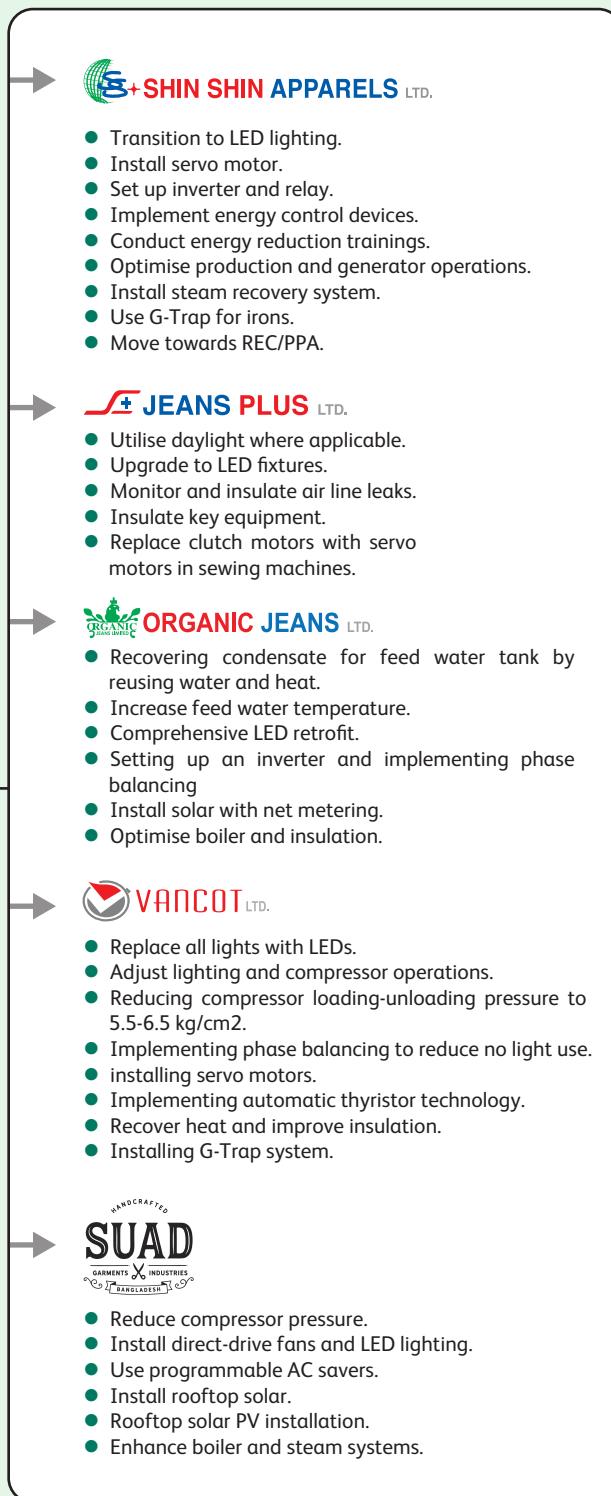
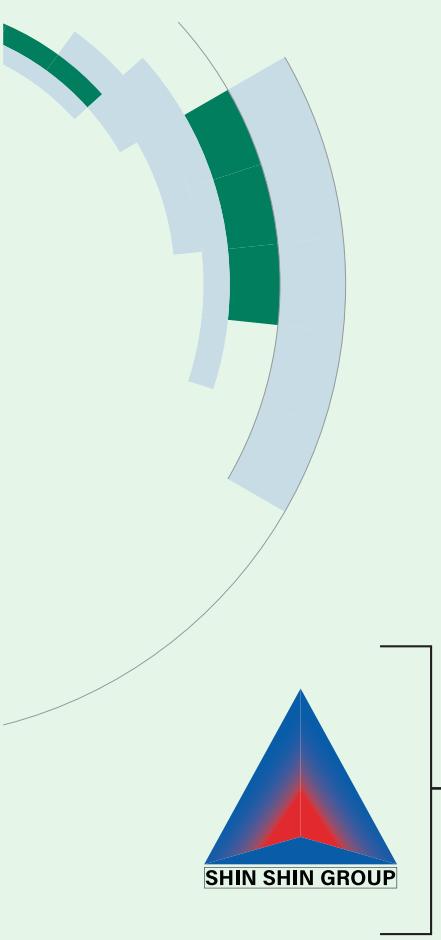
Energy Efficiency Metrics at SGIL

The energy intensity of SGIL, measured as energy consumed per unit of production, demonstrated variability over the three-year period. In 2021, the energy intensity was moderate, reflecting the initial operational setup. By 2022, energy intensity decreased slightly, indicating improved efficiency as production ramped up. However, in 2023, the energy intensity increased, corresponding to a significant rise in high-end garment production and the associated energy requirements. SGIL is currently enhancing its factory operations by upgrading to energy-efficient machinery, which will help to reduce energy consumption.



Note:
 MG = Mega Joules
 1 litre = 36.6 MJ
 1 m³ = 38.14 MJ
 1 kWh = 3.6 MJ

Achievements and Future Goals



Objectives and Goals
10% Reduction in GHG Emissions across all five entities by 2028.
Implement Renewable Energy Certificates (REC) and Power Purchase Agreements (PPA) in SSAL by 2030.

Expected Reduction in Energy Consumption (by 2028):
Purchased Electricity = 600,000 kWh
Diesel = 14,430 litres
Natural Gas = 41,285 m³

Expected Reduction in GHG Emissions (by 2028):
GHG Emissions = 1,881 tCO₂e

Some of the common initiatives of all five entities

- | | |
|--|---|
| | Leak test of Airline with maintenance |
| | Clutch motor replaced by Servo motor |
| | Insulation Steam Header valves |
| | Conventional light replaced by LED light |
| | Energy-efficient boiler installation |
| | Solar Power Plant installation |
| | Generator maintenance & tappet clearance for efficient fuel use |
| | Steam Line modification |

The reductions in both total energy consumption and energy intensity are the testaments to our commitment to sustainable energy uses. Our proactive measures, such as the installation of energy-efficient lighting and machinery, regular maintenance to prevent energy loss, and optimisation of energy-intensive processes, have been instrumental in these achievements.

In the forthcoming years, we will continue to invest in energy-efficient technologies and practices. Our goal is to further reduce our energy consumption while maintaining high production standards. By aligning our energy management practices with our broader environmental goals, we are dedicated to minimising our impact on the environment and leading the way in sustainable apparel production.

Case Study: SSAL Renewable Energy

Renewable energy integration is a crucial initiative of our environmental strategy. Our focus on solar energy helps reduce carbon emissions and promotes sustainable energy use throughout our operations.

Shin Shin Apparels Ltd: Expanding Solar Power Usage

In 2023, Shin Shin Apparels Ltd (SSAL) enhanced its renewable energy footprint with the operation of a 91.2 kWp solar power system. Supported by three inverters, this system has been operational for approximately 320 days in 2023, reflecting our commitment to sustainable energy solutions.

Over these three years, SSAL's solar power generation and associated savings have shown a consistent and encouraging pattern.



2021: In the first year, the solar power system generated approximately 48,358 kWh, resulting in estimated savings of around 4,612 USD. This initial phase set the foundation for SSAL's renewable energy initiatives.

2022: Solar power generation nearly doubled, reaching 98,406 kWh, with estimated savings rising to 9,385 USD. This significant increase reflects improvements in the system's efficiency and operational stability.

2023: In 2023, the solar power system generated around 95,498 kWh, with estimated savings of 9,115 USD. Although generation slightly decreased compared to 2022, the savings remained substantial, indicating consistent performance and effectiveness of the solar power system.

With the help of the solar system installed at the facility, SSAL has been able to reduce its GHG emissions over the last 3 years.

In 2021
550.96t CO²e

In 2022
486.62t CO²e

In 2023
439.64t CO²e

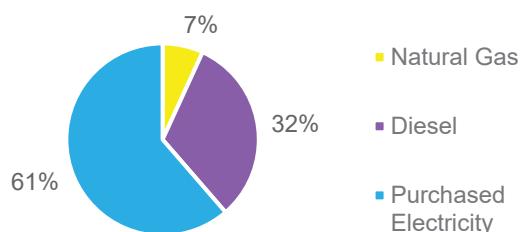
GHG Emissions

Overview of GHG Emissions

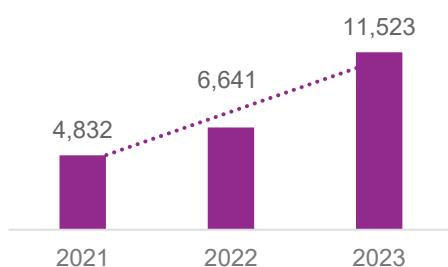
Globally, greenhouse gas (GHG) emissions from industrial activities contribute significantly to environmental challenges, driven by the substantial energy requirements for production and logistics. In Asia, Bangladesh is a major hub for textile manufacturing and GHG emissions are particularly high due to the density of factories and the scale of production activities. At Shin Shin Group, we focus on tracking and managing our greenhouse gas (GHG) emissions and over the past three years, we have observed significant trends and variations in our emissions data, reflecting both operational changes and our ongoing mitigation efforts.

We have set our carbon emissions reduction goals against the baseline year of 2022. From 2021 to 2023, our total GHG emissions, encompassing both Scope 1 and Scope 2, have shown an upward trend. The sources of our GHG emissions primarily include the use of natural gas, diesel, and purchased electricity for power generation, office utilities, and other operational needs. In 2021, our total GHG emissions for five entities (Jeans Plus Ltd, Organic Jeans Ltd, Suad Garments Industries Ltd, Shin Shin Apparels Ltd, and Vancot Ltd) saw a modest increase in 2022 and continued to rise in 2023.

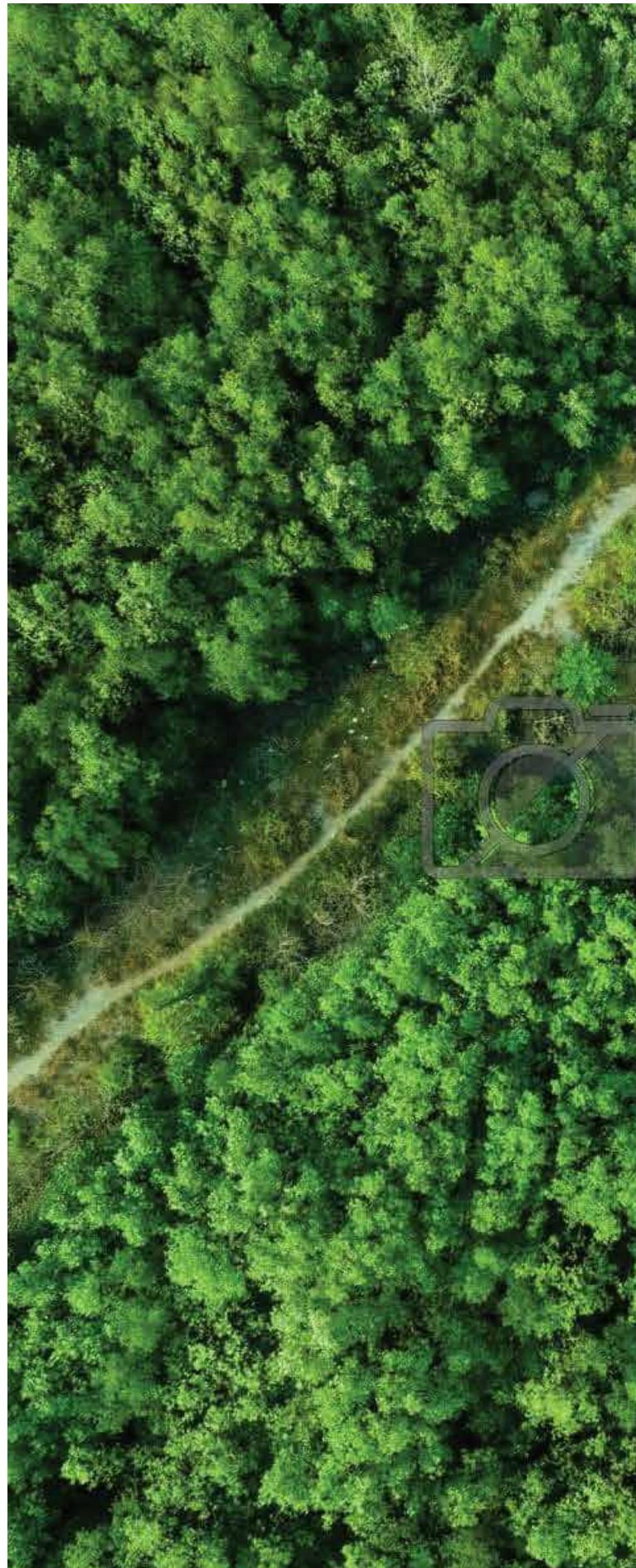
Sources of GHG Emissions of 5 Entities



Total GHG Emissions (Scope 1 + Scope 2) [tCO₂e]



Note: GHG Protocol Tool has been used to source, calculate and consolidate all energy conversion factors.





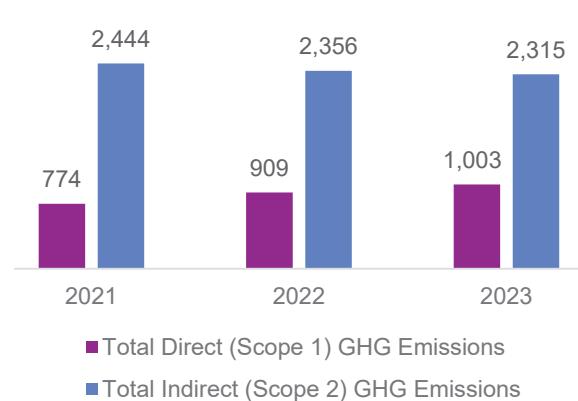
GHG Emissions Management

We are committed to managing our greenhouse gas (GHG) emissions. By meticulously tracking emissions for each individual entity, we gain valuable insights that enable us to implement targeted initiatives for reducing our overall emissions. A closer analysis reveals that from 2022 to 2023, there was a 9% increase in Scope 1 emissions and a 2% decrease in Scope 2 emissions. The increase in Scope 1 emissions can generally be attributed to several factors. Increased production activities led to higher fuel consumption for on-site power generation. Additionally, other activities such as utility (boiler, compressors, water pump, servers, etc.) result in increased energy use from natural

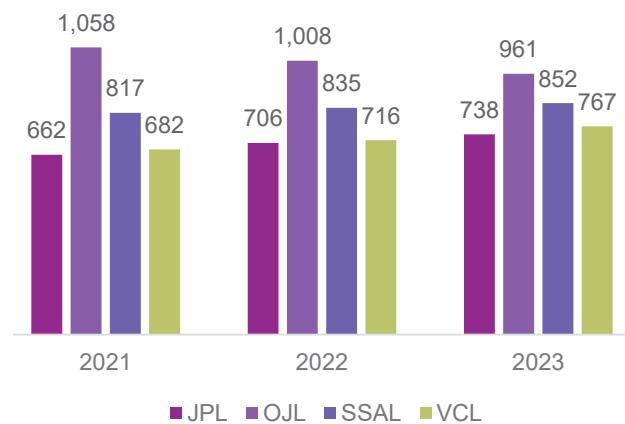
gas and diesel, further elevating Scope 1 emissions. The reduction in Scope 2 emissions can be attributed to various GHG emissions reduction initiatives we have undertaken, such as improving energy efficiency and integrating renewable energy sources.

It's important to note that Suad Garments Industries Ltd (SGIL) is analysed separately due to its distinct operational scale and production activities, which differ from the other four entities. SGIL produces high-value products with cut-to-pack and washing facilities, while the other entities operate as cut-to-pack factories with different product lines.

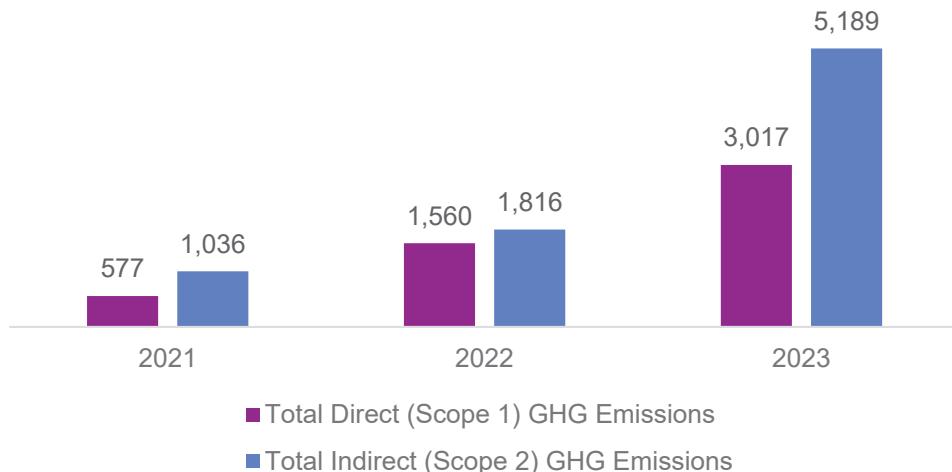
GHG Emissions of JPL, OJL, SSAL, VCL [ton CO₂e]



Total GHG Emissions of Each Entity [tCO₂e]



SGIL GHG Emissions [ton CO₂e]



Note:

GHG Protocol Tool has been used to source, calculate and consolidate all energy conversion factors.

Entity-wise GHG Emissions



Each of the five entities of Shin Shin Group contributes differently to the overall GHG emissions, influenced by their respective operational scales and production activities.

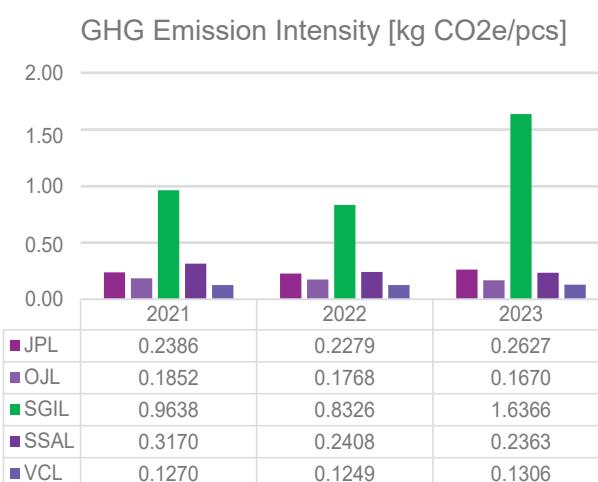
Jeans Plus Ltd (JPL): JPL's emissions have shown a consistent increase over the three years, primarily driven by higher production volumes. Significant initiatives such as replacing inefficient fans, transitioning to LED lighting, and installing inverter-type systems have been implemented to mitigate this rise.

Organic Jeans Ltd (OJL): OJL has similarly increased its emissions, albeit at a varied rate. Alongside the initiatives similar to JPL, OJL has also invested in phase balancing and G-Tap installation to further reduce emissions.

Vancot Limited (VCL): VCL has observed a substantial increase in emissions, largely due to increased production activity. Their initiatives include the installation of LED lighting, pressure management in compressors, and solar power installations.

Shin Shin Apparels Ltd (SSAL): SSAL's emissions have fluctuated, with a significant rise in 2023. This entity has been integrating energy-efficient technologies and enhancing operational efficiency to address its emission profile.

Suad Garments Industries Ltd (SGIL): As a newly acquired factory, SGIL's baseline emission year is 2022. For the year 2023 there was an increase in emission level due to increase in operational scale. In the future, for SGIL, 2023 will be considered as baseline year.



Note:

GHG Protocol Tool has been used to source, calculate and consolidate all energy conversion factors.

Future Outlook

Looking forward, we remain dedicated to achieving our sustainability goals, including reduction in GHG emissions. Continuous improvements in operational efficiency, increased investment in renewable energy, and further implementation of emission reduction. Our efforts align with our broader vision of sustainable growth and a reduced environmental footprint, positioning us to meet our long-term targets and contribute positively to the industry's sustainability goals. To achieve these goals, we have undertaken several short-term and long-term initiatives across our entities. These initiatives include:

Our efforts in reducing GHG emissions have already

shown promising results, particularly through compressor pressure re-adjustments and the installation of VFDs for vacuum pumps. Corrective Action Plans (CAP) for SSAL, OJL, and VCL focus on continuous improvement and maintenance to sustain these gains. Having improved energy efficiency at the SSAL unit, we are now exploring Renewable Energy Certificates (REC) and Power Purchase Agreements (PPA) for this unit, with plans to extend these initiatives to VCL and OJL, which are also improving energy efficiency. For JPL and SGIL, improving energy efficiency remains a top priority, and we remain open to adopting Best Available Technologies (BAT) where feasible.

GHG Emissions and Air Pollution Reduction Strategy



Material Sustainability

The global garment industry relies heavily on materials like cotton, polyester, and other synthetic fibres, with a growing emphasis on sustainable and recycled options. In Asia, where a significant portion of the world's textile production occurs, the shift towards sustainable materials is becoming increasingly critical. In Bangladesh, a key player in the global apparel market, the focus on material sustainability is not only about reducing environmental impact but also about ensuring long-term industry viability.

At Shin Shin Group, our commitment to sustainability is reflected in the careful selection of materials used in our production processes. The primary materials utilised in our manufacturing are cotton and polyester.

We are particularly focused on increasing the use of renewable and recycled materials to reduce our environmental impact.

Suad Garments Industries Ltd (SGIL) specialises in high-end products such as blazers, formal and semi-formal pants, outdoor jackets, and dresses. The other four entities—Jeans Plus Ltd, Organic Jeans Ltd, Shin Shin Apparels Ltd, and Vancot Ltd—produce a diverse range of garments including chino pants, trousers, jackets, shirts, swimwear, kidswear, and school uniforms. These products typically require materials such as cotton, polyester, and poly-viscose, catering to the varied demands of our buyers.







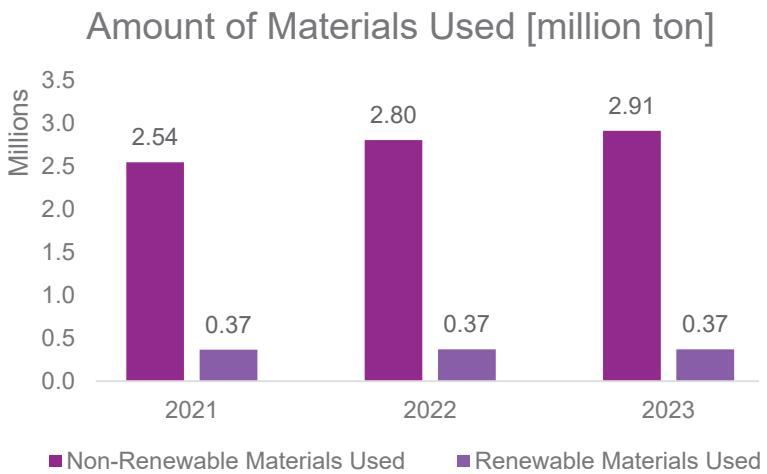
Materials Usage

From 2021 to 2023, we have used a combination of virgin and recycled materials in our production processes. This approach includes the use of virgin cotton and polyester alongside recycled alternatives. By incorporating recycled materials like recycled cotton and polyester, we aim to reduce our environmental impact and promote sustainable practices. Over these three years, there has been a consistent increase in the total materials used:

- In 2021, we used 2.54 million tons of non-renewable materials and 0.366 million tons of renewable materials.
- In 2022, the usage of non-renewable materials rose to 2.80 million tons, while renewable materials slightly increased to 0.371 million tons.
- By 2023, non-renewable materials reached 2.91 million tons, with renewable materials maintaining at 0.371 million tons.

Despite the increase in overall material usage, we have consistently incorporated renewable materials into our production processes. Polyester, one of the key materials we use, is also recycled. In the last three years, 12% of the total materials used in our production are recycled polyester. This initiative is part of our broader strategy to enhance material sustainability and reduce reliance on non-renewable resources.

We are continuously exploring innovative ways to increase the use of renewable and recycled materials, ensuring that our growth is aligned with our sustainability goals.



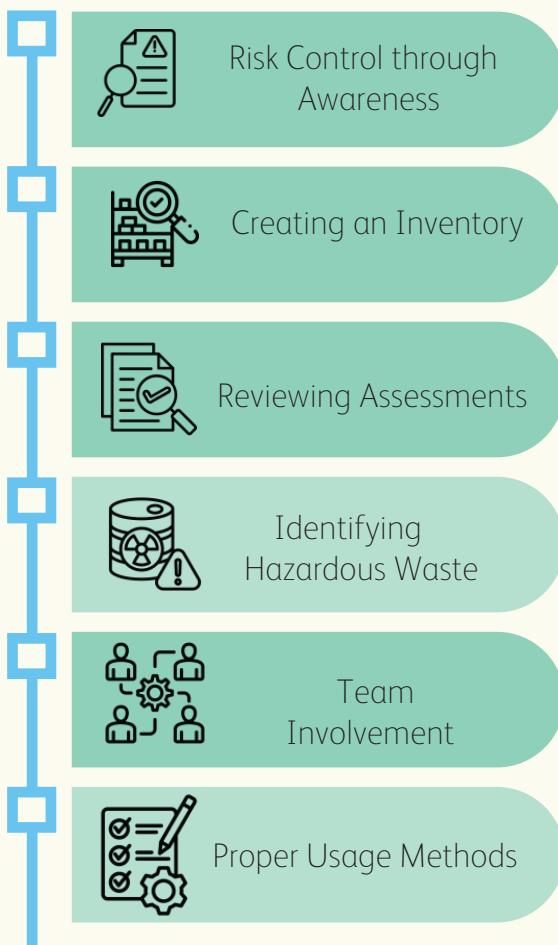
Chemical Management

The use of chemicals in factories has led to an increased focus on chemical safety, environmental sustainability, and compliance with international standards. Chemical generation in industry refers to the production, use, and management of chemicals. A responsible chemical management is important for global market and ensuring the safety of workers and the community.

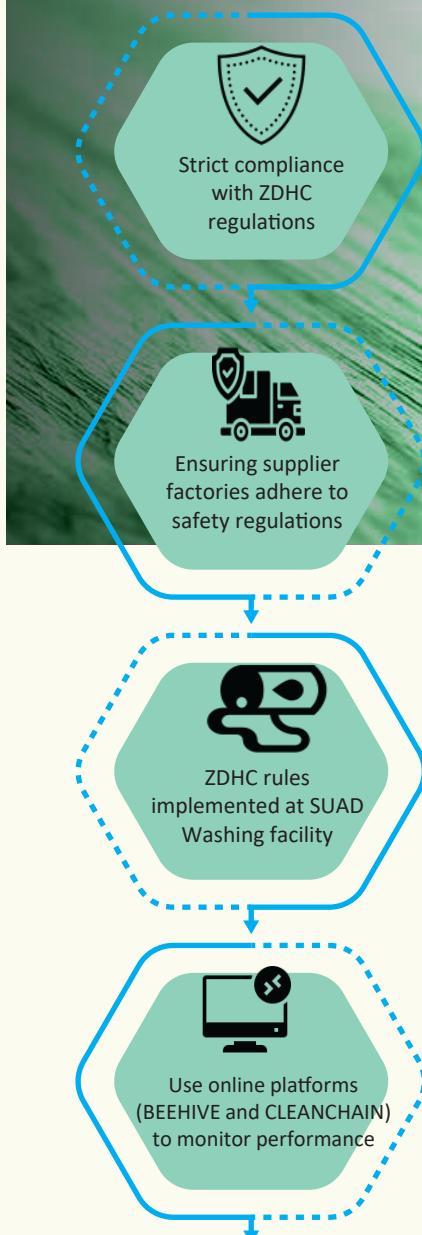
In our entities we prioritize chemical safety and management. Recognizing the importance of transparency in these practices due to the nature of our operations, we adhere to both national and international standards, such as ZDHC and Higg Index to align our production with the RSL, MRSI, MSDS, TDS, and ZDHC guidelines. However, our four entities JPL, OJL, SSAL, and VCL operate on a cut-to-pack process, therefore do not use large quantities of chemicals.

The other entity SGIL has washing and drying facilities alongside cut-to-pack process, which involves the use of chemicals.

Non-Hazardous Chemical Waste Management



Initiative to manage Non-hazardous waste





Chemicals are an essential component of manufacturing processes and at the same time hazardous for humans as well as the environment.

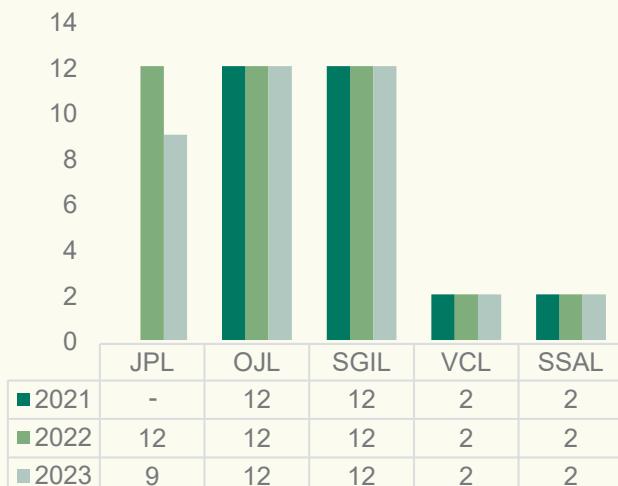
By conducting regular training and bi-annual audits, we maintain high standards of safety while using chemicals. These Trainings are designed to ensure that our workers are fully informed about the handling, storage and disposal of chemicals which reduces the risk of accidents. Here in Shin Shin Group, we keep our workers safety in high regards which has allowed us to organise by-yearly safety training for both our male and female workers.

These initiative gave our employees more knowledge and skills needed to maintain a safe working environment, ensuring their safety while chemical-related operations.

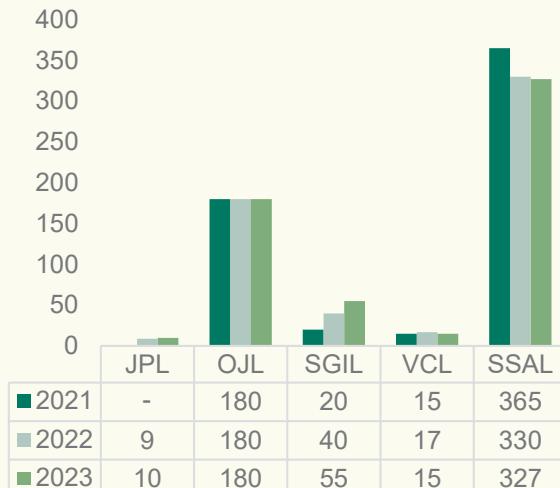
At SSAL, the percentage of workers receiving training increased by 12% in year 2022 to 2023, while at SGIL, this figure rose by 64% in the same year. In our other entities JPL, OJL, and VCL we have maintained consistent training programs from year 2021 to 2023. We plan to increase these efforts in the coming years.

During these training sessions, we educate our workers on waste handling, segregation, and disposal. In case of emergencies, we train them in preparedness and safety precautions. Additionally, workers are taught general first aid for minor injuries.

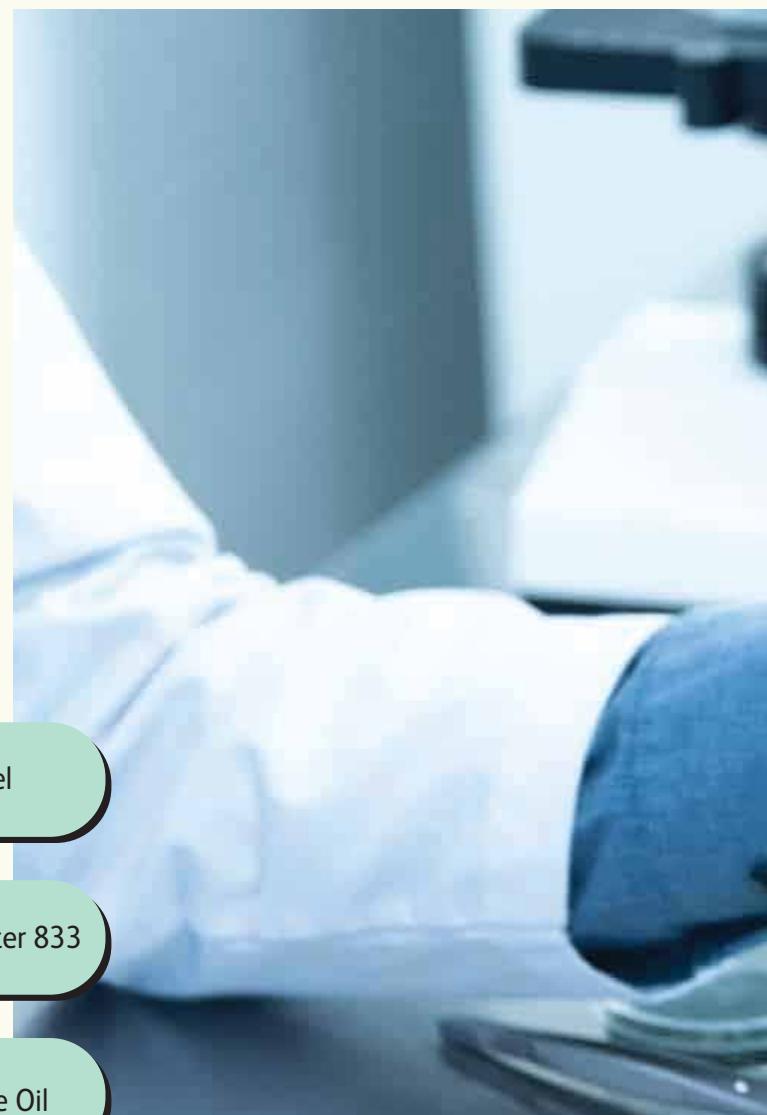
Yearly training and drills (2021-2023)



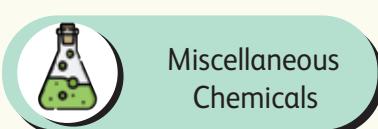
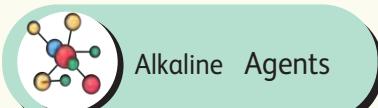
Personnel Getting Chemical Related Training



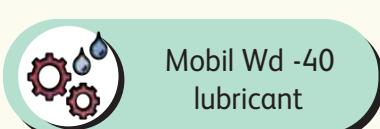
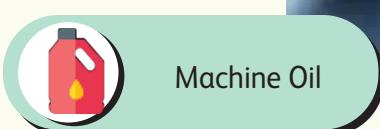
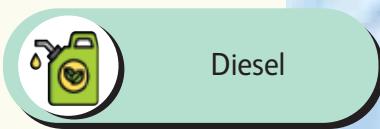
At SGIL our processes involve significant use of less water and chemicals for washing and dyeing products. This necessitates a robust chemical management framework to ensure safety and compliance. Our approach includes thorough hazard assessments using the HIRA system, detailed checks of SDS, TDS, and certificates before purchasing or trialing new chemicals, and the implementation of comprehensive policies like the Chemical Management Policy and Wastewater Management Policy.



Chemicals used in SGIL

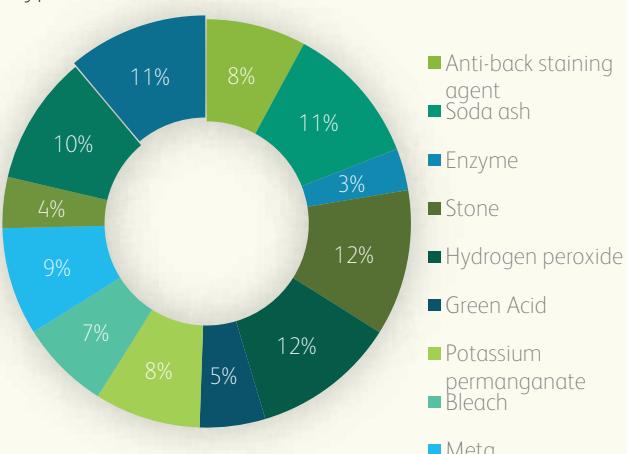


Chemicals used in JPL,VCL,SSAL,OJL



Target - 2026

Types and Number of Chemicals Used in SGIL



ZDHC Gateway Level 3



Clean chemicals usage



Engage innovative suppliers



At SGIL, our processes involve significant use of water and chemicals for washing and drying of products. This presents us with a robust chemical management framework to ensure safety and compliance.

Our approach includes thorough hazard assessments using the HIRA system, detailed checks of SDS, TDS, and certificates before purchasing or trialing new chemicals, and the implementation of comprehensive policies like the Chemical Management Policy and Wastewater Management Policy.

Our initiative towards maintaining chemical has given us notable progress in year 2023 where we achieved 100% chemical transparency by following correct guidelines, we reduced our chemical spill by adopting Clean Chain Tools and using 50% chemicals. This progress will help us towards our future goal of achieving the ZDHC gateway level 3 and use of clean chemicals by engaging innovative suppliers.

Initiatives in SGIL



Chemicals used according to RSL & MRSI, MSDS, TDS.

Full participation in the ZDHC program and adoption of Clean Chain Tools.



Providing fire extinguishers, having spill kits and PPE (Personal Protective Equipment)



Progress in SGIL -2023



In 2022, we achieved 100% transparency and compliance with all chemicals used.



Reduced chemical spills by 35%.



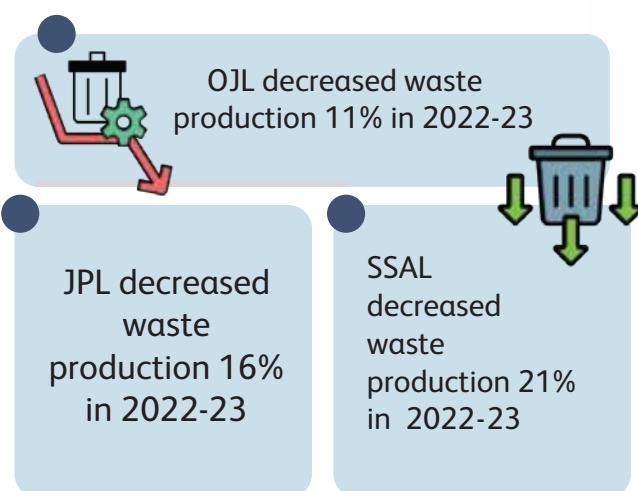
Engaged in the ZDHC program.

Waste Management

Every industry generates waste through its manufacturing process, so it has the responsibilities to implement an effective waste management system. At Shin Shin Group we have adapted strategies to minimize environmental harm and implemented initiatives to drive sustainable growth.

The apparel industry has entered an era of global trade, and at Shin Shin Group, we believe this will benefit consumers by providing increased choices, better prices, and improved quality. With the industry's growing demand for products, we have increased our production in the last few years. Shin Shin Group is committed to reducing waste and implementing sustainable practices across our five entities JPL, OJL, SGIL, SSAL, and VCL.

We have worked with our entities to identify waste streams throughout the organization and focus on reducing waste at the source. This practice involves finding opportunities for recycling, contributing to a more sustainable operation. We have taken a specific approach to strengthen and ensure that we remain a global leader in the apparel industry, committed to quality, innovation, and sustainability.



SGIL has increased production significantly in year 2023 which has made our waste generation 39% more than the previous year. We are working actively towards decreasing generation of waste as well as managing our waste sustainably.

At VCL with our increased production we had an increase of 67% waste generation in year 2023 compared to the previous year. With our dedication towards sustainability, we have been taking steps for more reduced waste generation with initiatives like recycling and promoting the use of recycled items among our workers.

At JPL, OJL & SSAL we have made substantial progress in managing recycling of materials and collaborating with third parties for proper waste disposal, resulting in positive outcomes for year 2022-2023.

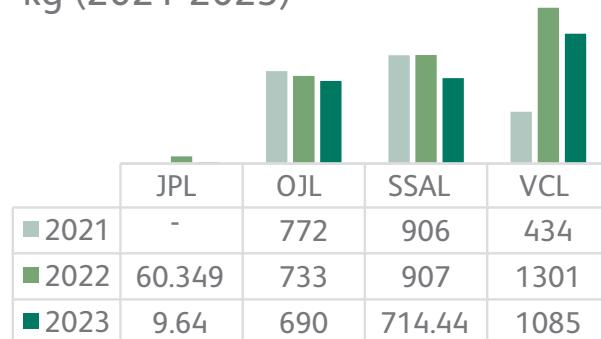




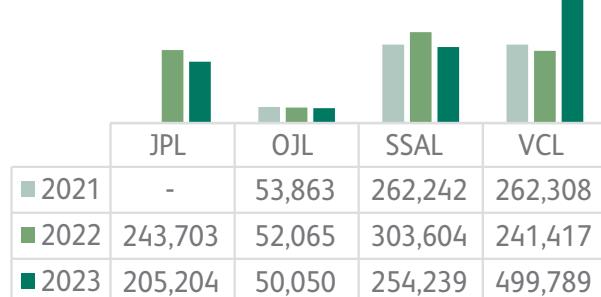
As a responsible apparel manufacturer, Shin Shin Group is committed to reducing and managing waste effectively in all our five entities. For our four entities VCL,SSAL,OJL and JPL, we produce mostly non-hazardous waste which is cutting and sewing scraps. We have taken initiative and targets to reduce waste significantly over the last two years (2021-2023). We have dedicated ourselves towards making active choices to reduce our waste generation.

In contrary, our overall waste generation has decreased for SSAL and JPL by 3% and 16% respectively in year 2022-2023. This demonstrates that the steps we have taken to reduce generation of waste are effectively lowering our total waste output. Additionally, our total hazardous waste generation has also decreased significantly, with JPL and SSAL achieving reductions by 84% and 21% respectively in 2022-2023.

Total Hazardous Waste -kg (2021-2023)



Total Waste -Tons (2021-2023)



Our specialized entity SGIL produces blazers, jackets, suits, ladies' fluid dresses, formalwear and professional workwear, which generate a significant amount of fabric waste. We focus on identifying waste streams throughout the organization and reducing waste at the source. By finding opportunities for recycling, we ensure effective waste management contributing to a more sustainable operation.

SGIL Initiatives for Sustainability



Optimizing Fabric Marking Processes



Promoting Paper Reuse



Repurposing Empty Cones



Comprehensive Worker Awareness Training



Composting Kitchen and Dining Room Waste



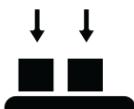
SGIL aims for a 25% reduction in waste generation by 2027, against the baseline of 2022.



SGIL's Sustainability Goals for 2022: We have achieved 25% waste reduction from the production floor compared to 2021.



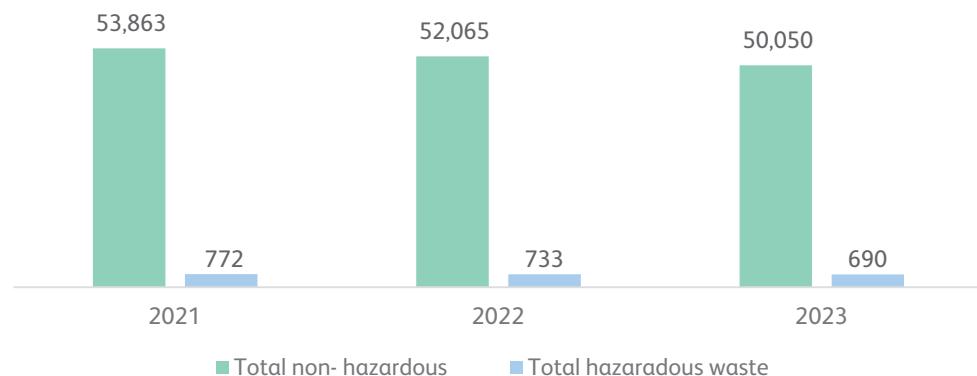
JPL aims for 5% waste diverted from landfill by 2028.



SSAL aims to reduce 10% of waste from the production floor by 2027.

In year 2022-2023, our total waste generation at SGIL increased significantly, with a 39% overall rise due to increased production volume. To address this, we have taken substantial steps to reduce total waste by optimizing our fabric-marking process, recycling, and repurposing various items in our production units.

Total Waste-SGIL (Kg) (2021-2023)



05

People

CHAPTER



Social Responsibility

In the manufacturing industry, where efficiency and productivity are key, the importance of human resources cannot be overstated. Shin Shin Group recognises this by prioritising the well-being, inclusivity, and empowerment of its employees. Through robust social responsibility initiatives, grievance mechanisms, and programs focused on health, gender equality, and financial well-being, we ensure our workforce feels valued and supported.

We have social initiatives beyond legal compliance such as- Reproductive Health Care & Hygiene project, which provides sanitary pad vending machines across all units, promoting menstrual hygiene and reducing health risks for our female employees. The Eye Care project, in collaboration with Vision Spring Bangladesh and funded by USAID, offers free vision tests and eyeglasses, enhancing productivity and safety for our workers.

Our Gender Empowerment Program promotes gender equality by enhancing the participation of women and third-gender employees in leadership and supervisory roles.

Additionally, our Wagely program supports employee financial well-being through early wage access and financial management tools, while the Agroshift – Fair Price Shop initiative provides affordable, high-quality essential goods to employees, alleviating financial burdens and enhancing overall well-being.

We have implemented a robust and confidential grievance mechanism, featuring accessible and anonymous reporting channels such as strategically placed complaint boxes and a hotline. Our diverse Grievance Committee, comprising members from different departments, is responsible for reviewing submissions and ensuring impartial and timely resolutions. We prioritise the continuous improvement of our grievance mechanism by frequently soliciting employee feedback and conducting training sessions to strengthen awareness of the process. This commitment adopt an environment where every employee feels valued and heard, upholding our dedication to ethical business practices and social accountability.



Employment Practices & Employee Demographics

Our most valuable resource at Shin Shin and SGIL is our people. We aim to enhance the working environment for all 8,727 of our team members across all of our entities. Our focus is on creating a workplace environment that is safe, inclusive, and diverse, actively promoting cultural growth and personal development. We prioritize continuous learning and professional development opportunities for all our employees.



Total Employee of SGIL (2021-2023)



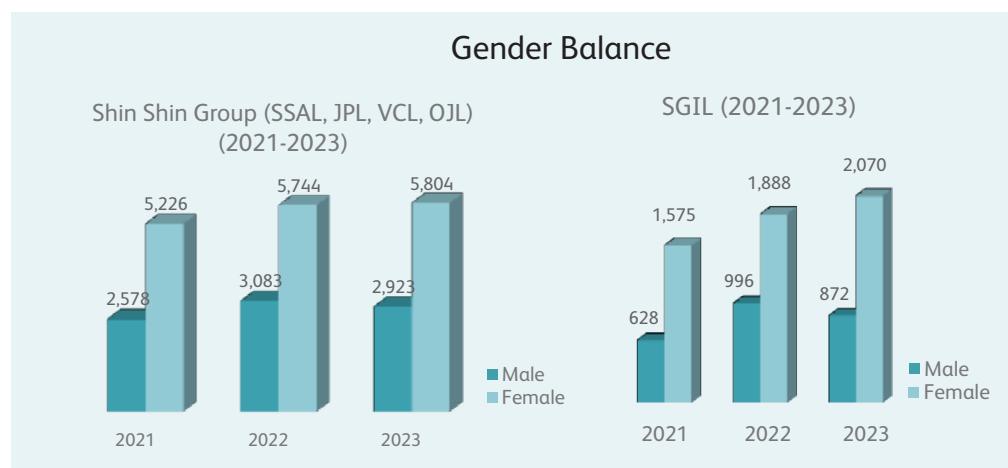
Compared to other entities, SGIL has a bigger workforce as high-value products such as, Blazer requires more workers. The number of employees SGIL increased steadily between 2022 and 2023. This increase represents a growth of approximately 2% over the year. The consistent growth in the workforce over the three-year period, with females representing the larger portion of employees each year.

In 2022 our total employees were 5,943, among them, OJL dominated the employment charts with a workforce of 1,884. Other entities, such as JPL, SSAL and VCL, maintained a moderate employees based on the production volume of individual entities. We aim to increase the number of employees across all our entities, and the fluctuation in employee numbers is based on production needs, which is common in industries with variable production load. Shin Shin Group follows EPZ Labour Act 2019, EPZ Labour Rules 2022, Bangladesh Labour Act 2006 and Bangladesh Labour Rules 2015 (amendment 2022) to perform activities in regard to employment and benefits.



Workforce

Shin Shin Group proudly champions a diverse and inclusive workplace, acknowledging the strength that comes from embracing the varied backgrounds and perspectives of employees.



	Male					Female				
	JPL	OJL	SSAL	VCL	SGIL	JPL	OJL	SSAL	VCL	SGIL
2021	507	353	753	337	628	643	1,419	768	821	1,575
2022	535	406	746	400	996	664	1,478	779	935	1,888
2023	514	379	789	369	872	716	1,325	757	936	2,070

Workforce Composition

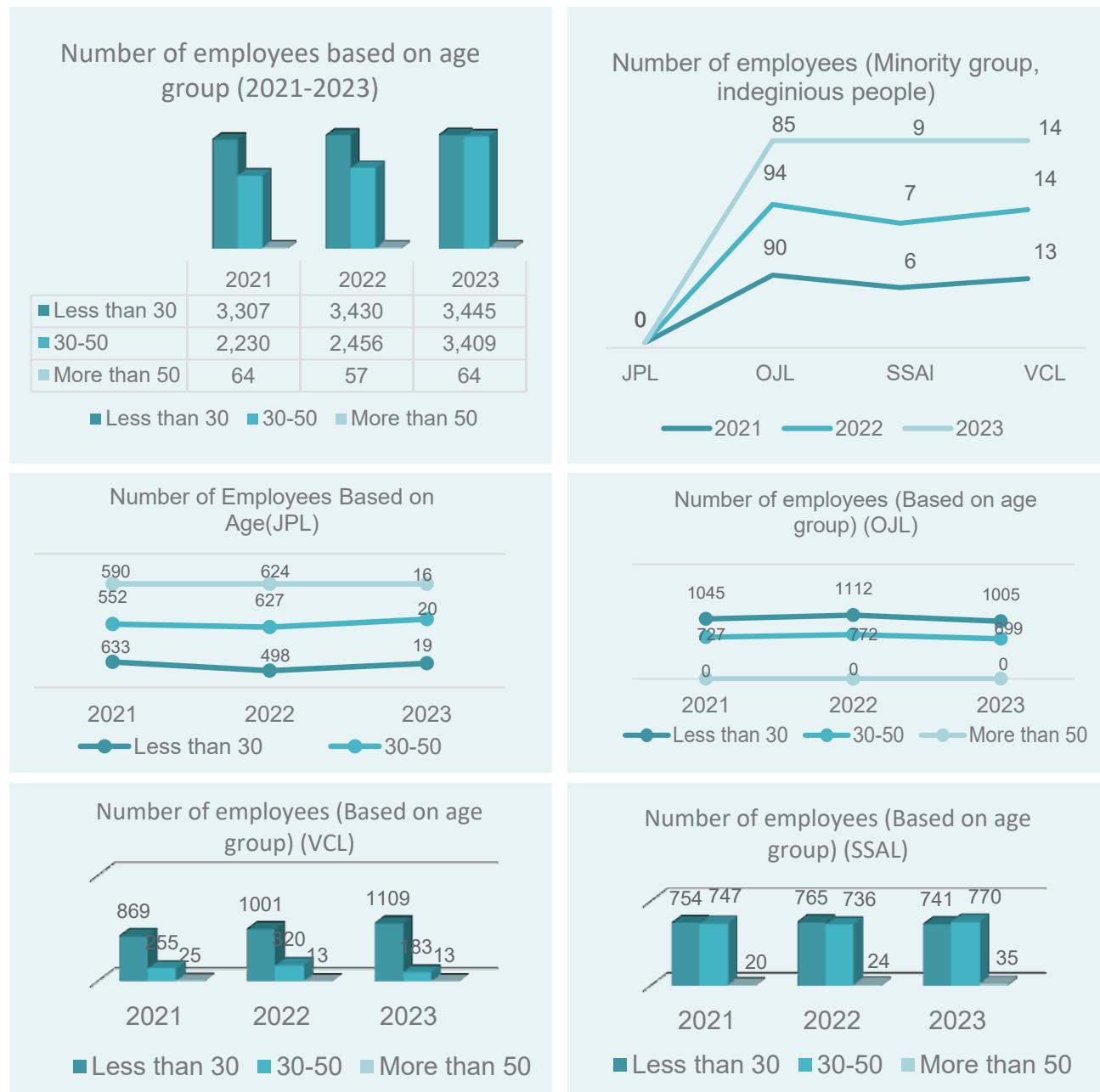
Our demographic profile has transformed significantly, paving the way for a diverse and dynamic workforce. In 2023, we had 2,051 male and 3,734 female employees working towards our vision.

From 2021 to 2023, we had grown in numbers and diversity of our human capital. The sustained increase in female representation across all our entities from JPL's modest beginnings to VCL's significant female majority is a clear indicator of our evolving organizational values. The initiatives we have taken had helped to reduce barriers and create opportunities for women to join, remain, and grow within our organization.



Age Groups and Minority Representation

At Shin Shin Group we want to make sure the opportunity for decent work is available to all, including those from minor group of diversity. We know that having a good job is a highly effective route out of poverty. And the benefits of employment and opportunities are felt beyond the candidates we place, extending to their families, friends, and communities.



Over the past three years, we've seen a consistent distribution of our employees across various age groups. The number of employees under 30 has gradually increased from 3,430 in 2022 to 3,445 in 2023.

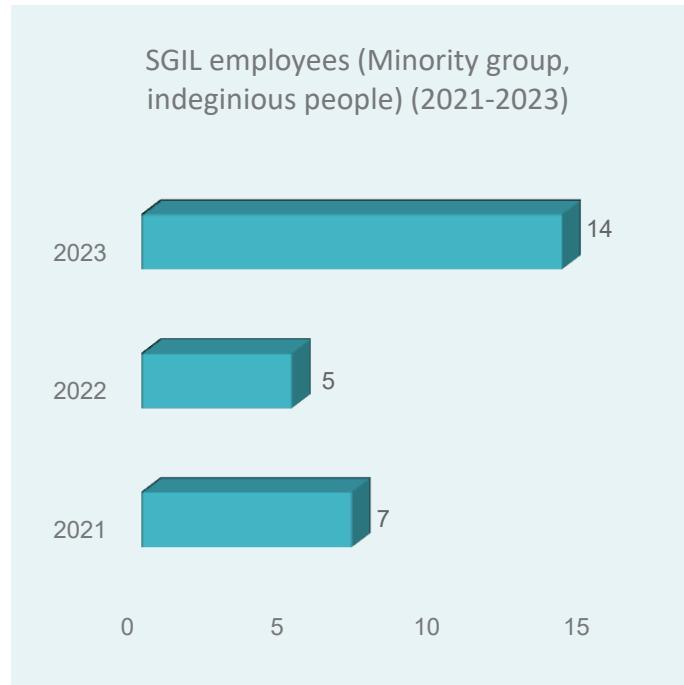
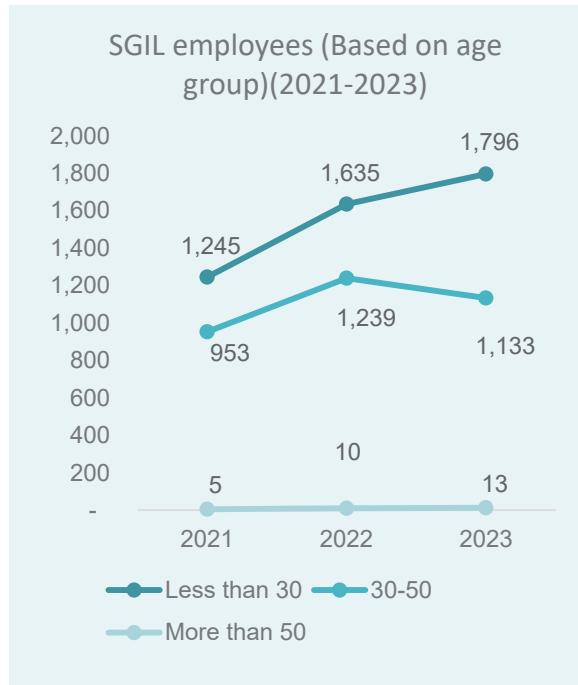
When it comes to our commitment to diversity, particularly in representing minority and indigenous groups, we've made steady progress. In 2022, we had 115 employees from these groups. Although there was a slight decrease to 108 in 2023, we remain focused on maintaining and improving this representation in our workforce.



Overall, 332 of the employees belong to the minority group spread over three years.

Age Groups and Minority Representation

Our team is growing with more young employees who are eager to tackle new challenges and bring fresh ideas. Alongside them, we have our seasoned professionals who offer their deep knowledge and guide our younger colleagues. This mix of youth and experience creates a workplace where learning and teamwork go hand in hand. Together, every age group plays a part in building a diverse and successful company.



Over the years 2021 to 2023, we observed changes in the age distribution of our SGIL employees. Our younger workforce is steadily growing, according to this pattern, while the proportion of workers between the ages of 30 and 50 is largely unchanged and the proportion of workers over 50 is progressively rising .



Turnover rate and newly hired



As recruiters, we are encouraging moral behavior and raising awareness among our employees and the wider society. In order to reduce hiring biases we have adapted a clear guideline for recruitment and ensure a fair selection process is followed. Our team thoroughly analyzes the hiring process and makes recommendations independently.

Our company has done an incredible job of growing and diversifying our staff in the last few years. We had a significant infusion of fresh talent in 2022, mostly female, which demonstrates our dedication to gender diversity. We kept expanding even after several reorganizations in 2023 , encouraging the team to reassess roles and do even better in the coming years. As a result of our continued effort, we draw in and keep a wide range of incredible individuals.

In 2022, both the rate has increased with female turnover reaching 6% and male turnover reaching 4%. We were able to lower the turnover rates in 2023: female turnover dropped to 5% and male turnover remain constant to 4%. This information demonstrates our continued efforts to address and enhance employee retention, with a particular focus on lowering the higher turnover rates among our female employees. At the same time, SGIL turnover has dropped to 9% in 2022 and further down to 3% in 2023. This reduction in turnover is a positive sign, indicating improved employee retention.

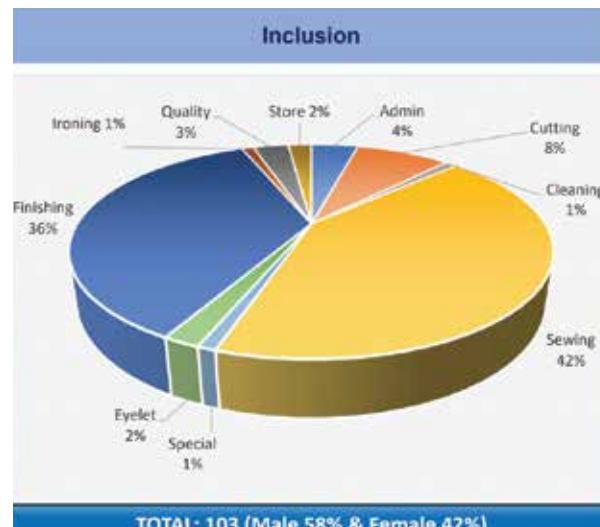
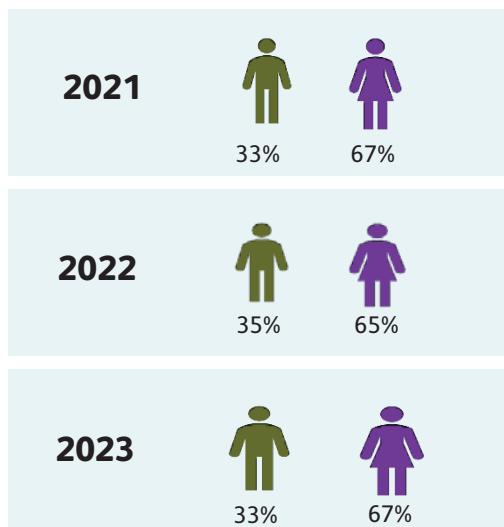
Over time, we have hired more women as a result of our proactive approach to workforce diversification, demonstrating our commitment to fostering an inclusive and balanced work environment. But it is critical to pay attention to employee retention and turnover. We have put policies in place to lower turnover and boost retention, paying special attention to women's demanding jobs in the workforce. Our human resource strategy is made to assist the personal and professional development of team members while adapting to the demands of our dynamic workforce.





Inclusion

In alignment with GRI 2021 standards, Shin Shin Group proudly champions a diverse and inclusive workplace, acknowledging the strength that comes from embracing the varied backgrounds and perspectives of our employees and ensuring that policies and practices are equitable. By embracing inclusion, our company can enhance innovation, improve employee satisfaction, and drive better outcomes.



Workforce Composition and Diversity

Shin Shin group illustrates the structure and development of our organization over three years. By 2023, our group had grown further, consisting of all the entities. This visual representation effectively highlights our steady growth and the increasing number of employees contributing to our collective efforts and successes over this period.

There are 103 workers in the Shin Shin group overall, with 42% female and 58% male, according to our inclusion analysis. With 42% of our workers in sewing and 36% in finishing, they are the two largest areas. Quality comes in at 3%, Admin at 4%, and Cutting at 8%. Store is at 2%, Eyelet attachment is at 2%, and Special and Ironing are at 1% each. These are the smaller divisions. The final 1% of the workforce is allocated to cleaning.

Case study : Story of Jahanara Akter

Name: Jahanara Akter
Designation : Data Entry Operator

Jahanara Akter, a data entry operator in the store section. Her journey with the company began when she joined as a Finishing Assistant. With the support of the HR department, Jahanara received extensive in-house training, including computer and ERP skills, which paved the way for her current role.

She has been an inspiration at Shin Shin Apparels Ltd. Before joining Shin Shin, Jahanara faced significant challenges as a wheelchair user with a disability. She often felt hopeless and helpless. Jahanara's husband, who is also specially-abled, now works in the cutting

section of Shin Shin Apparels. Together, they lead a joyful and pride-filled life, breaking barriers and setting an example for others.

Now, the opportunity to work and grow within the company transformed her life. Today, she is self-confident and has gained a strong social identity.

Their story is a proof of the inclusive and supportive environment at Shin Shin Apparels Ltd. Like Jahanara, many other employees are experiencing a renewed sense of purpose and a new lease on life, thanks to the opportunities provided by our company.



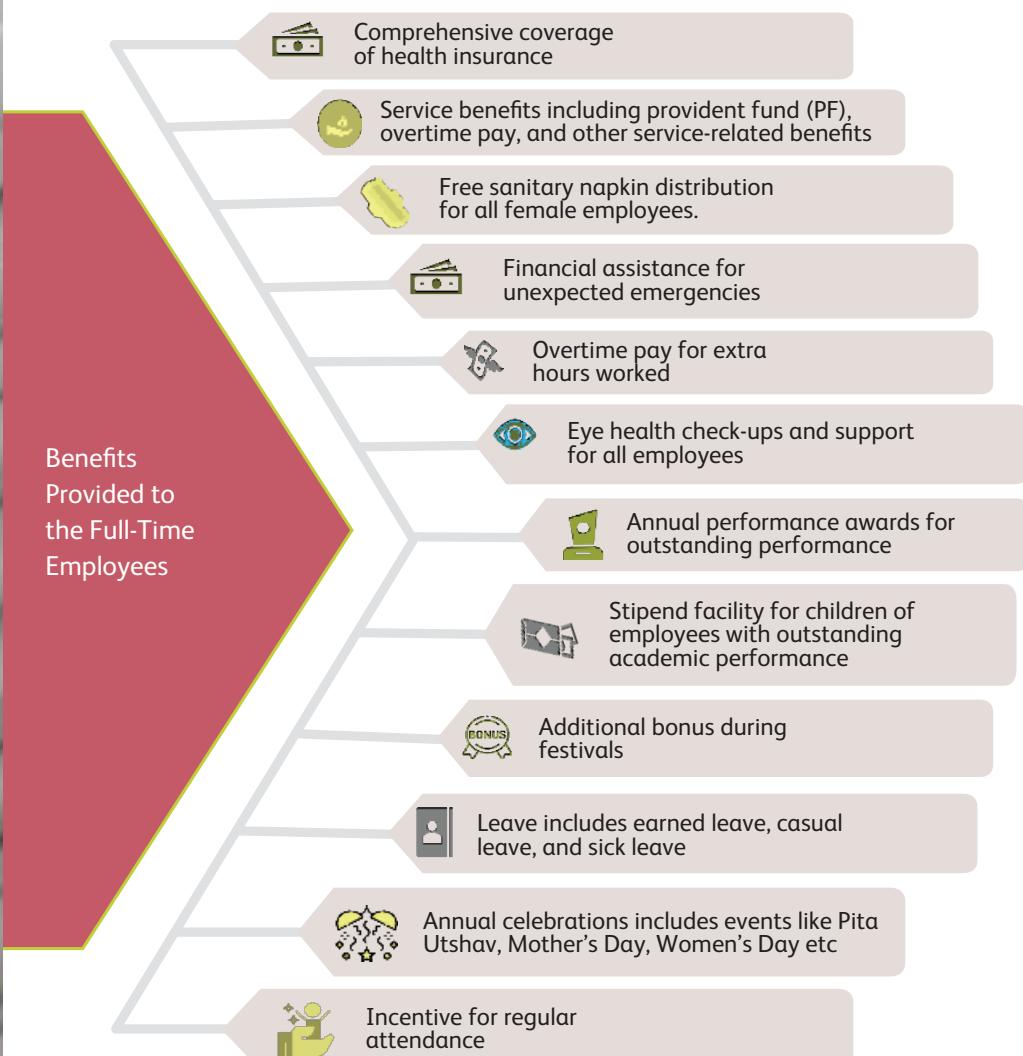
Worker Benefits



In 2021, the Shin Shin Group, we launched a comprehensive benefits program across its various subsidiaries, highlighting a commitment to work-life balance and robust employee recognition. The Group offered a wide range of financial incentives including salary enhancements, overtime pay, and multiple bonuses tailored to reward attendance and festival participation. Unique awards such as the "Best Line Award" and "Eid Allowance" were also introduced to commend outstanding team performance.

Additionally, we took significant steps to support personal and family needs, offering provisions like maternity and casual leave to adopt a supportive work environment. Some subsidiaries also emphasised retirement benefits, ensuring long-term support for employees, though detailed specifics of these enhancements were not fully outlined. For employees navigating key life events such as parental leave, the Group provided substantial support, ensuring that employees had the necessary resources during these critical times.

In recent years, we have made concerted efforts to support our employees through significant life transitions, such as becoming parents. We recognise the importance of providing adequate time for new parents to bond with their children, which is reflected in our benefits packages that include parental leave options. Our parental leave policy is designed to provide ample time off for new parents across various subsidiaries. On average, our parental leave policies allow employees to take around six to ten days off, depending on their specific subsidiary and personal circumstances. While the uptake of parental leaves has varied, we have consistently seen a majority of employees return to work after their leave period.



Workplace Health & Safety





Prioritizing employee well-being and the importance of enhancing productivity, we ensure our employees work within a safe and healthy work environment. Our Occupational Health and Safety (OHS) management system is aligned with local and international standards, including Bangladesh Labour Law (BLL)-2006 and Bangladesh Labour Rules (BLR)-2015 (amendment 2022).

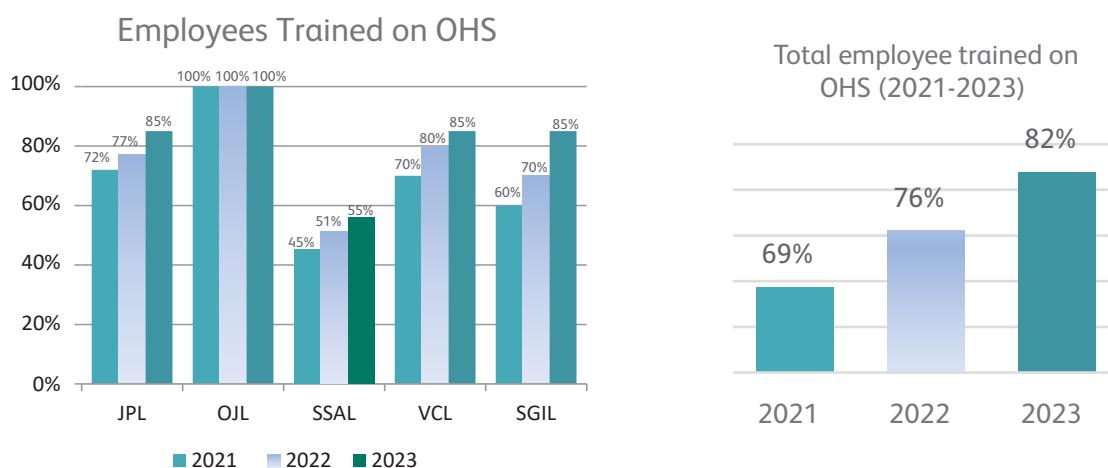
To minimize health risks and ensure immediate corrective actions, we conduct regular hazard identification and risk assessments (HIRA) in every 3 months & conduct monthly OHS audit. Our Safety Committee, with equal representation from both workers and management, meets in monthly basis to continuously monitor and evaluate safety protocols, addressing emergent issues to uphold and improve safety practices. We emphasize the health and well-being of our employees through regular training on topics such as - use personal protective equipment (PPE) and injury prevention, provided during work hours at no cost. Additionally, our on-site medical facilities are controlled by a team, ensuring immediate and effective health care. We support this with collaborations with external medical centers to offer comprehensive services. Additionally, we offer non-occupational medical and healthcare services to employees/workers, including health check-ups, blood grouping, breast awareness training, nutrition training, HIV/AIDS and STD training, eye tests by Vision Spring with free eye tests and treatment, free TB tests and treatment, COVID-19 vaccination, and various medical tests including CBC tests and chest X-rays for specific workplace hazards.

Voluntary health promotion services and programs



OHS Training Scenario

We maintain a wide-ranging training program designed to encompass critical safety areas such as Health & Safety, PPE usage, and Risk Assessment, extending to specialized areas like Chemical Safety and Machine Safety operations. Our training program is structured to communicate crucial knowledge and practical skills, ensuring thorough preparedness for various workplace scenarios. 100% of our workers has covered the occupational health and safety management system. Our training program is controlled by enthusiastic administrative, HR, and compliance teams. These sessions are thoroughly scheduled and aligned with our Training Needs Assessment (TNA) to guarantee comprehensive coverage. Our constant training efforts from 2021 to 2023 emphasize our proactive approach to maintaining a secure and health-conscious work environment.



Injuries

As four of our entities are cut-to-pack facilities, we operate without heavy machinery,

which mitigate hearing risks. Mostly the injuries are minor which are - needle injury, machine injury and scissor injury. However, potential injuries in this section include cuts and repetitive strain injuries (RSIs) due to manual handling tasks. In 2023, we attained a reduction in minor injuries from the previous years, particularly in sharp tool, needle, cutter/scissor, snap button, and machine/table injuries, recognized to our targeted safety initiatives. We have implemented

preventive and corrective measures, like the Work Safety Awareness Program, provision of Machine Safety Guards and PPE, and consistent safety checks. Through root cause analysis, conducting regular safety meetings and training sessions we educate employees on hazards and precautions. Through reactive and proactive measures to minimize risks and protect our workforce, there was not any major injuries occurred in the last three years. 100% of our workers are covered by an occupational health and safety management system.



Main Types of Injuries		Workplace Safety Measures			
	Sharp tools injury		Machine/Table injury	Work Safety Awareness Program	Fire Detection and Protection Systems
	Cutter/Scissor injury		Needle injury	Provision of Machine Safety Guards and Personal Protective Equipment (PPE)	Medical Team for Accident Response and Investigation
	Snap button injury			Regular Checks and Monitoring of Safety Conditions and Practices	Safety Meetings and Trainings
				Risk Assessment and Remediation	Adherence to Policy and Procedures
				Awareness training provided internally and externally	Regular monitoring of workplace safety
				Awareness Posters and Signs	Safety and PPE training provided to all workers

Training and Development

Shin Shin Group prioritises ongoing training and development to improve the competencies and abilities of our employees. Our training courses offer a wide range of topics, such as leadership development, health and safety, technical skills, and personal development. Shin Shin Group's dedication to employee training and development is demonstrated by many programs designed to improve the technical and interpersonal abilities of our staff. This all-encompassing strategy enhances the company's entire performance and sustainability in addition to our workforce.



Soft Skills Training

- Orientation training for new workers
- Health & safety
- Fire safety training from FSCD
- Refresher training for firefighter, rescue, and first aider teams
- Local laws and buyers COC
- Compensation & benefit training
- Environmental
- Various types of soft skill training
- Harassment & abuse
- Anti-corruption
- Grievance handling
- Working hours
- Child labor
- Forced labor
- Discrimination
- HIV/STD awareness
- Expectant mother support
- Legal rights
- Disciplinary action
- Freedom of association

Technical Skills Training

- Chemical handling and related
- Machine safety
- PPE training
- Operator's skill development training
- Safe machine operation training

Quality Section Training

- Company quality policy training
- Department-wise goal and achievement training
- Minimum requirement training
- Sharp tools policy & customer claim training
- Mold prevention
- 5S and good housekeeping training
- Needle control policy and needle detector operating procedure
- Cost of quality training
- Lean thinking and change management training
- 6S implementation training
- Motion economy, method study, non-value added activity training
- Waste control and teamwork concept training
- QCO, efficiency improvement, thread consumption procedure training
- SMV calculation and method, line layout, and balancing training
- Motivational & skill matrix presentation.

Employees Training

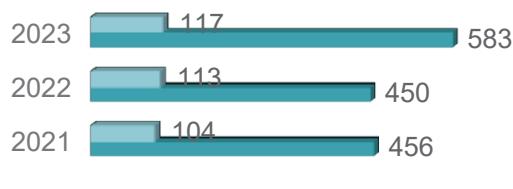
In our training process, we include a comprehensive range of topics primarily focused on quality management, such as company quality policy, goal setting, minimum requirement training, sharp tools policy, and customer claim training. We also provide training on COQ (cost of quality), efficiency improvement, thread consumption procedures, SMV (Standard Minute Value) calculation, method of line layout and balancing, and skill matrix presentation. The number of employees getting trained increased in

2023 to 7,588. Managers and supervisors received internal training monthly, with participation increasing throughout 2023. At the same time, security personnel receiving training numbered 117 in 2023. The training improved occupational skills, and 100% of both male and female employees underwent performance reviews every three months. Employees have easy access to both internal and external training programs, with participation opportunities available twice per year during the reporting period.

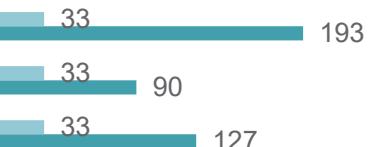
Number of employee getting training (2021-2023)



SGIL employees getting trained (2021-2023)



■ Number of security personnel trained



■ Number of security personnel getting training in the reporting period

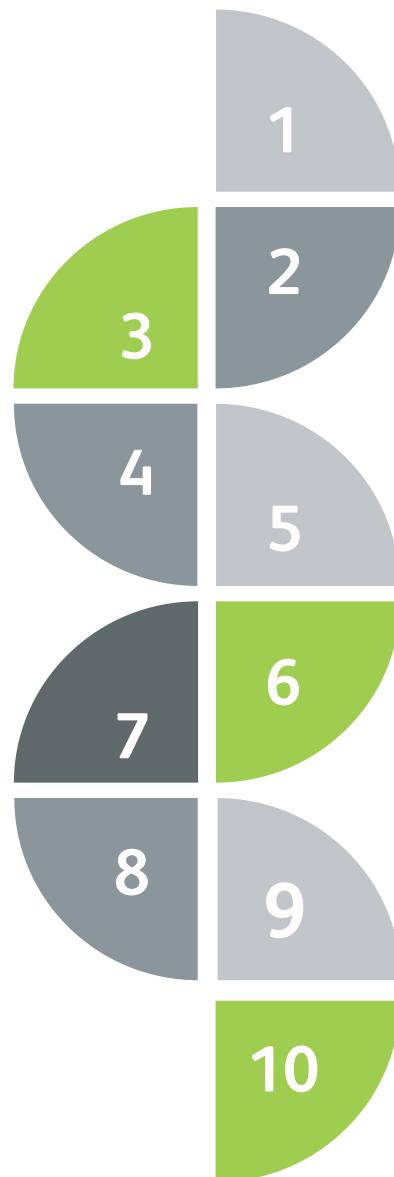
■ Number of employee (In management /supervisory positions getting training in the reporting period)







Corporate Social Responsibility (CSR) Initiatives



01 Scholarships for higher education (9 students)
i. Diploma & BSc Nursing, B. Pharma, and BSS/MSS
ii. Scholarships for Textile Engineering at Ahsanullah University (Proposed)

02 Wagely program of financial support for all of our employees.

03 Agroshift fair price shop for all of our employees.

04 Cash grant for the education of employees' children/dependents

05 Support to children with special needs (autistic)

06 Support for medical treatment/hospitalization (SSG employee)

07 Distribution of winter cloths and disaster relief

08 Free sanitary napkin for women workers

09 Agami odommo nari project technical and material support.

10 Tree plantation & clean neighborhood program (CTG.)

SOCIAL PROJECTS

Project # I : Reproductive Health Care & Hygiene

Reproductive hygiene is crucial for maintaining health and well-being of a women and in Shin Shin Group with a 42% women we take the health of our female employee as one of our high priorities.

We have placed, 17 sanitary pad vending machines through out all our five units. These machines help provide a convenient and discreet way for individuals to access sanitary napkins when needed, promoting menstrual hygiene and reducing the risk of infections. By making sanitary products easily accessible, these vending machines help our female employee at Shin Shin Group combat health expenses and empower individuals to manage their menstrual health with dignity and confidence.

Units	#Female Employee	#Machines
Shin Shin Apparels Ltd.	780	2
Jeans Plus Ltd.	745	3
Organic Jeans Ltd.	1451	4
Vancot Ltd.	910	3
SAUD Garments industries Ltd.	1692	5
Total	5,578	17





Project # II : Eye Care

Visual impairment is a significant issue that can impact the productivity and well-being of our workers in Shin Shin Group. We are nearing to 100% clear vision of our entire workforce. Implementing a Free Vision Test Program in Shin Shin Group settings enhances productivity, safety, and overall employee well-being by providing quality eye care to all employees.

For more convince of our employees we arranged free vision test program. We have taken a collaboration between Vision Spring Bangladesh and Shin Shin Group funded by USAID and Shin Shin Group. This initiative aims to identify and address vision problems in our workers early, ensuring that employees have the necessary visual acuity to perform their tasks effectively and safely. Our 5,987 workers received glasses. Of them, 1,227 are first time users, those had no awareness that they needed a glass.



Project # III : Gender Empowerment Program

The Gender Empowerment Program at the Shin Shin Group is a comprehensive initiative aimed at breaking the barriers of gender inequality in the workplace. By enhancing the participation of women in leadership and supervisory roles, the program seeks to promote gender equality within the organization. Structured into three main projects, it targets specific aspects of gender empowerment through targeted recruitment, training, and inclusion programs. Our company is committed to creating a diverse and inclusive environment where all employees have equal opportunities for growth and development. This program not only supports the professional advancement of female and third-gender employees but also contributes to the overall success and sustainability of the Shin Shin Group.



Project One: *External Recruitment of Female Supervisors & Line chiefs*

We Conduct recruitment drives focused on attracting skilled female professionals.



Project Two: *Internal Training and Upskilling Program*

We launched the GEAR (Gender Equality & Return) Program through Better Work, focusing on gender equality and career progression.



Project Three: *Inclusion of Third-Gender Employees*

We provide career development programs tailored to the needs of third-gender employees to support their career progression.

Total Supervisor	Female Supervisor & line leader	H&M Target	Our Target 2023
238	35	71	106



Latest Projects at SSAL

THIS PROJECT WILL BE INTRODUCED AT SUAD, VCL, OJL GRADUALLY

Project # I : Wagely Program

The Wagely program is an innovative financial wellness initiative aimed at improving the financial well-being of employees in Shin Shin Group. By offering early wage access and financial management tools, the program helps employees manage their finances more effectively and reduces financial stress.

The program helps employees get access to Early Wages, gives them financial education, helps them use it as a budgeting tool and helps them with Savings Plans. This has given them a chance to reduce their financial stress, Improve financial literacy among the employees, mainly females and improve overall workplace productivity. The successful implementation of this program will demonstrate Shin Shin Group's commitment to the well-being and financial security of its employees, contributing to a more stable and motivated workforce.



Project # II : Agroshift – Fair Price Shop

Agroshift – Fair Price Shop is an initiative designed to provide affordable and high-quality essential goods to employees of the Shin Shin Group. This program aims to alleviate financial burdens, improve access to necessary items, and enhance the overall well-being of employees by offering products at subsidized rates.

By offering the options to the employees, we have ensured convenient access, maintained high-quality standards, and offered flexible payment options. The program significantly alleviates financial burdens and enhances the overall well-being of the workforce. This initiative not only supports the financial health of employees but also contributes to a more motivated and productive workplace. The successful implementation of the fair price shop program underscores the Shin Shin Group's commitment to the welfare of its employees, fostering a supportive and inclusive work environment.



06

Prosperity

CHAPTER

Economic Performance

At Shin Shin Group, we believe continuous and sustainable growth is achieved through innovative solutions that provide economic value. Our vision is to maximize profit through transparent corporate procedure while leading the industrial revolution.

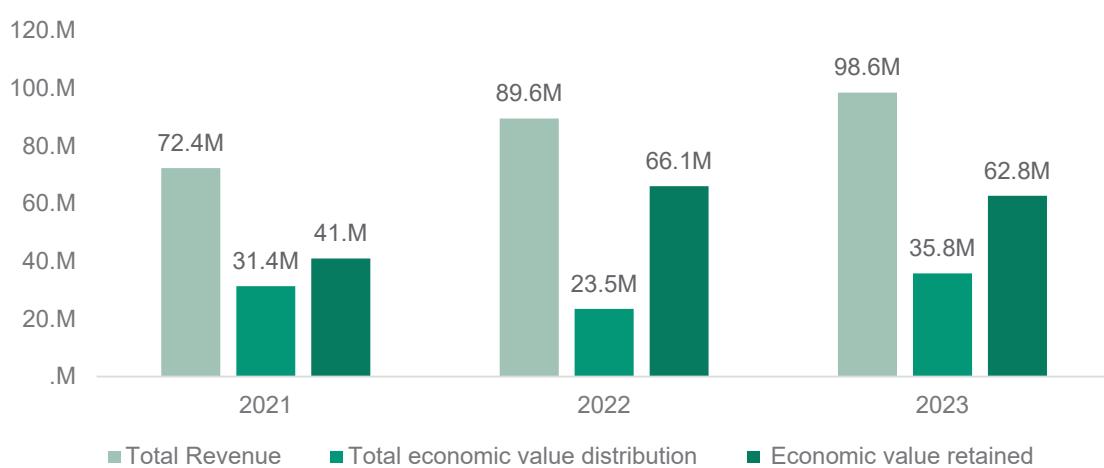
Across our five entities SSAL, VCL, OJL, SGIL, and JPL, we have achieved notable growth and stability despite higher operational costs. From 2021 to 2023, total revenue grew from \$77.10M to \$111.65M, driven by increased production across all five units, significantly boosting revenue. The economic value retained across all five entities nearly doubled, increasing from \$38.05 million in 2021 to \$47.04 million in 2023, reflecting our focus on sustainable profitability and long-term value creation. OJL, as a sister entity, diverts its revenues to SSAL, further strengthening our financial foundation and supporting sustainable growth.

Key Economic Performance 2021-2023



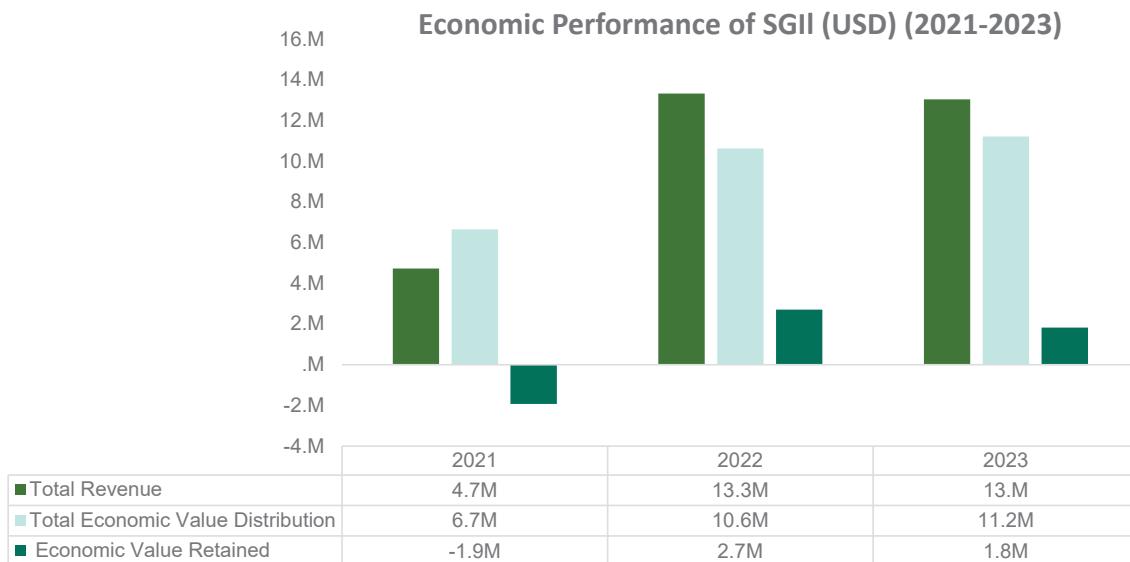
While the total economic value retained peaked at \$68.81M in 2022 for all the entities before adjusting to \$64.6M in 2023, the total economic value distributed increased in 2023 to \$47.04M for all five entities which reflects our ability to adapt and align our strategies with financial goals. Looking ahead, we aim to further increase production in the coming years by expanding our export operations overseas, ensuring continued growth and success for the group.

Economic Performance of SSAL,JPL &VCL (USD) (2021-2023)



Economic Performance

In SGIL we believe in economic growth with outstanding quality products that can give our customers a competitive advantage and value for their money. We take our economic performance seriously and understand the balance between sustainability and production of great product without hampering the satisfaction of our customers.



At SGIL, we have been able to achieve consistent progress in our economic performance while making significant strategic improvements. From 2021 to 2023, we generated substantial revenue, starting at \$13.3M in 2021 and maintaining strong performance with \$10.6M in 2022 and \$2.7M in 2023, despite operational challenges.

In 2021, the factory was acquired by the Shin Shin Group. During the year of acquisition, the factory reported an economic value retained of \$-1.9 million, reflecting transitional costs associated with the acquisition, restructuring, and operational integration. However, significant improvements were achieved in subsequent years. By 2022, the economic value retained rebounded to \$2.7 million, demonstrating the positive impact of the group's strategic interventions and enhanced operational efficiencies. In 2023, while the value moderated slightly to \$1.8 million, it remained well above the level recorded at the time of acquisition, highlighting the factory's steady financial recovery and growth trajectory.

During 2022-2023, we focused on making significant productive changes to our buildings and structures, temporarily impacting our economic value retention and total revenue gains. At the same time, we have been optimizing various on-floor processes to enhance production efficiency and worker productivity. These efforts reflect our commitment to long-term growth, and we believe they will ultimately drive higher production capacity and boost our revenue through increased exports, ensuring sustainable growth and continued value creation for the future.



Economic Performance

Our economic progress increased significantly which led to a 34% rise in our tax contributions for year 2022-23. We are also regular taxpayers, so we do not have any tax related plenty .

We also promote community investments by donating to charities, NGOs, research institutes, and funds to support our local community infrastructures and institutions such as mosques and educational facilities. These investments increased by 57% in year 2022-23.

	2021	2022	2023
Total operating costs	\$302,153,48	\$261,407,31	\$413,241,00
Total wage distributed	\$138,344,40	\$175,870,00	\$176,405,63
Payment to providers of capital	\$313,6982	\$527,8597	\$614,6871
Payment to government	\$444,895	\$901,865	\$136,9266
Community Investments	\$2,939	\$5,142	\$11,907
Gross Tax	\$444,895	\$901,865	\$136,9266

*\$ USD

(Average rate USD 1= BDT 86.35) For Year 2021-22

(Average rate USD1= BDT 93.32) For Year 2022-23

We are committed to balancing financial success with social and environmental responsibilities. To support this, we have introduced several initiatives, such as reducing energy consumption. These efforts will lower our operational costs and utility bills, leading to substantial savings. Increased production will meet higher demands, boosting our sales and revenue, which will create jobs, which will foster sustainable economic growth. Additionally, we have formed partnerships with local communities to promote economic development and job creation.

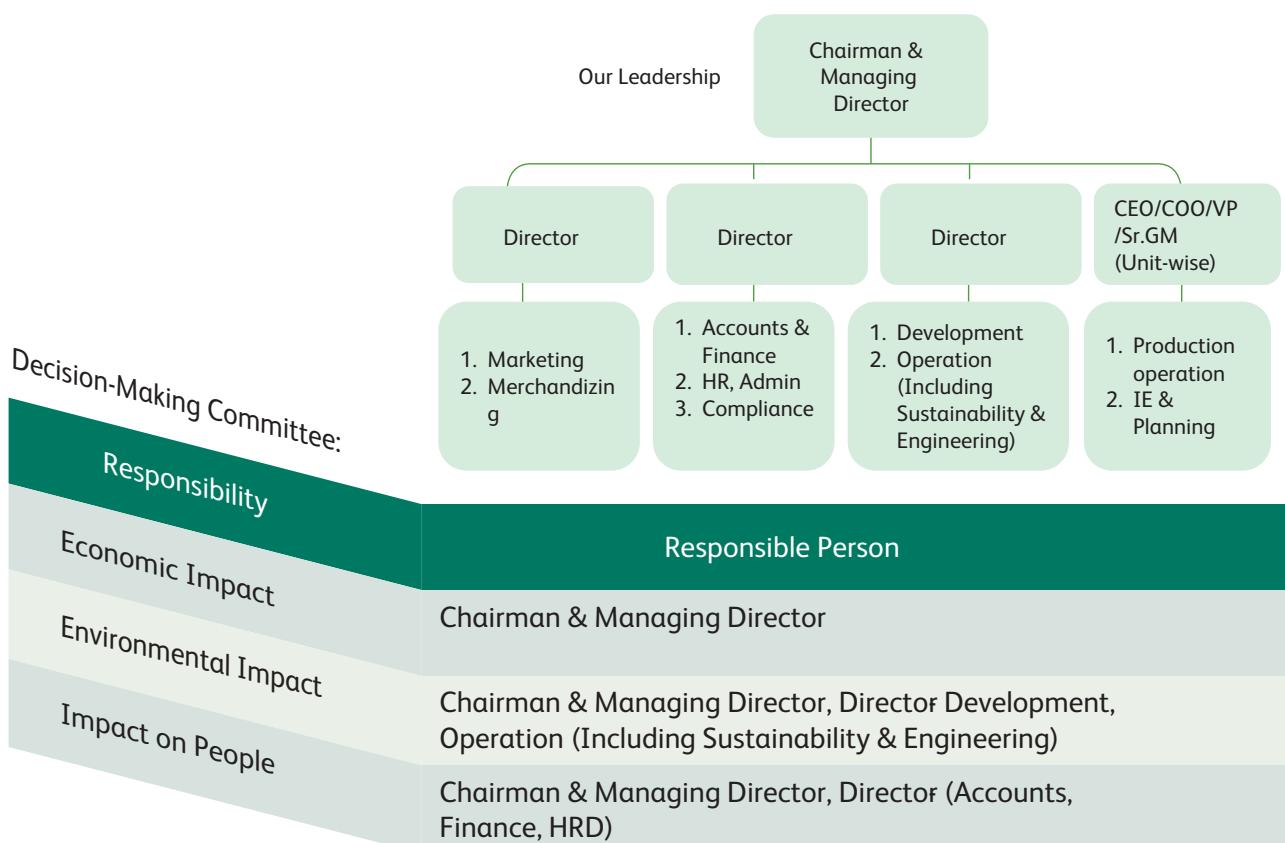
CHAPTER

07

Governance and Accountability

Governance Structure and Supervision

Our leadership team, led by our Chairman, is committed to driving sustainability and excellence across all operations at Shin Shin Group. The organisational structure is designed to ensure efficient management and strategic oversight, with the Chairman providing overall leadership and strategic direction. The Directors, including the Director of Marketing and Merchandising, the Director of Accounts & Finance, HR, Admin, and Compliance, and the Director of Development and Operations (including Sustainability & Engineering), play crucial roles in driving sustainability into their respective areas. They focus on sustainable marketing strategies, ethical financial operations, human resources management, administrative functions, compliance, development projects, and operational efficiency. By integrating sustainability and engineering practices, they ensure that all activities contribute to the company's sustainability goals. Additionally, the CEO, COO, VP, and Senior GM manage production operations, ensuring that sustainability is a core component of planning and implementation across various units.



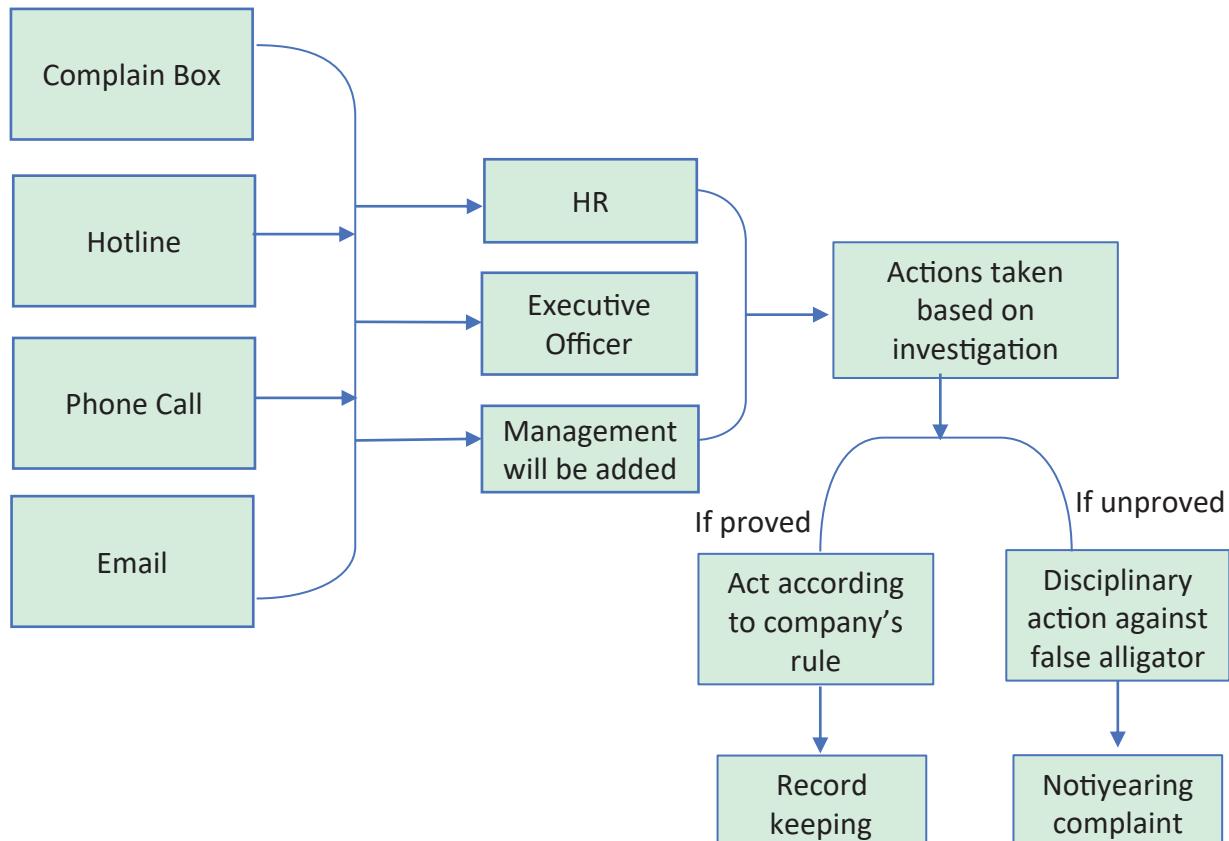
Risk Management

Our comprehensive risk management framework emphasises the proactive identification, assessment, and mitigation of potential workplace hazards to ensure the safety and well-being of our employees. This approach involves thoroughly identifying and evaluating both regular and unusual situations and implementing a hierarchy of controls to mitigate risks effectively. Key measures include regular checks of electrical connections to prevent fire hazards, mandatory use of chemical masks when mixing ink, hand gloves to

prevent injuries, and gumboots to protect against chemical exposure to the feet. Additionally, earplugs are provided to address noise pollution, and aprons are used to shield the body from potential skin damage. Our fire safety protocols ensure that fire extinguishers are always unobstructed and accessible, and pathways are kept clear to prevent accidents. By taking these preventative actions, we ensure that potential risks are promptly identified and addressed, thereby enhancing the safety of our working environment.

Source of Risks	Potential Risk	Prevention	Risk Type
Workplace Safety	Workplace injuries and health issues	Provide safety training, enforce the use of protective equipment, and conduct regular safety inspections.	Social
Waste Management	Environmental pollution from improper waste disposal	Implement proper waste management practices	Environmental
Employee Turnover	Loss of skilled workforce	Improve employee engagement and retention programs	Social
Production Delays	Financial losses and unmet delivery commitments.	Regular maintenance, alternative suppliers, and efficient inventory management.	Economic
Electrical Connections	A fire hazard can occur if the electrical connection is open.	Check electrical connections before starting work	Health & Safety
Chemical Mask	Accidents can occur if care is not taken while mixing ink.	A chemical mask must be used when mixing ink	Health & Safety
Hand gloves	Failure to use hand gloves may result in hand injury.	Hand gloves should be used	Health & Safety
Chemical	Skin damage may occur if in touch to feet	Use gum boots/shoes	Health & Safety
Earplugs	Excessive noise can cause ear problems	Using ear plugs	Health & Safety
Apron	In touch to the body may cause skin damage	Use of apron	Health & Safety
Fire Safety	If the fire extinguishing equipment is not obstructed, there is a possibility of danger in the event of a fire accident	Fire extinguishers should always be kept unobstructed	Health & Safety
	If the walking path is not kept clear, there is a possibility of falling into danger	Always keep the path clear of obstructions	

Grievance Handling Mechanisms



Memberships & Accreditations



GRI Content Index

Statement of Use: Shin Shin Group has reported in accordance with the GRI Standards from 1st January 2023 to 31st December 2023.

GRI 1: Foundation 2021

Sector Standard: Not Applicable

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
GRI 2 : General Disclosure 2021	GRI 2 General Disclosure 2021					
	2-1	Organisational details	About Shin Shin Group		No	11
	2-2	Entities included in the organisation's sustainability reporting	Reporting Profile, Corporate Entities	<ul style="list-style-type: none"> ◆ Shin Shin Apparels Ltd. (SSAL) ◆ Organic Jeans Ltd. (OJL) ◆ Jeans Plus Ltd (JPL) ◆ Vancot Limited (VCL) ◆ Suad Garments Industries Ltd (SGIL) 	No	09, 17-19
	2-3	Reporting period, frequency, and contact point	Reporting Profile	Contact Point: Name: Sujan Kanti Paul Designation: Sr. GM (Operation) Email: sujanctg@shinshingroup.com	No	09
	2-4	Restatements of information	-	-	Yes, Not available As it is our inaugural report, so there is no restatement in this reporting year	-
	2-5	External assurance	Reporting Profile	This report is not externally assured through any third party.	No	09
	2-6	Activities, value chain and other business relationships	About Shin Shin Group		No	11
	2-7	Employees	Employment Practices & Employee Demographics	Total employees : 8,727	No	61
	2-8	Workers who are not employees	-	-	Yes, Not applicable. Shin Shin Group, as the organisation, does not have a category of workers who are not employees.	-
	2-9	Governance structure and composition	Governance Structure and Supervision	Board of Directors, Managing Director, Chairman, Director of Marketing and Merchandising, Director of Accounts & Finance, Director of Development and Operations	No	89
	2-10	Nomination and selection of the highest governance body		-	Yes, Confidentiality Constraint: Information regarding board members is confidential and not publicly disclosed.	-
	2-11	Chair of the highest governance body	Governance Structure and Supervision	Board of Directors	No	89
	2-12	Role of the highest governance body in overseeing the management of impacts	Governance Structure and Supervision	Group's strategic direction and ensure responsible and accountable decision-making	No	89

GRI Content Index

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
2-13	Delegation of responsibility for managing impacts	Governance Structure and Supervision	Responsibility of the decision-making committee for managing impacts	No	89	
2-14	Role of the highest governance body in sustainability reporting	Governance Structure and Supervision	Setting Strategy, target and delegation of responsibility.	No	89	
2-15	Conflicts of interest	-	-	Yes. Not available. This is not available for this reporting period.	-	
2-16	Communication of critical concerns	Grievance Handling Mechanism	Through Complain Box, Hotline, Phone call, Email	No	91	
2-17	The collective knowledge of the highest governance body	-	-	Yes, not available We do not record such information.	-	
2-18	Evaluation of the performance of the highest governance body	-	-	Yes, not available We have not conducted such an evaluation for this report.	-	
2-19	Remuneration policies	-	-	Yes, not available This information is not available for this reporting period.	-	
2-20	The process to determine the remuneration	-	-	Yes, not available We do not record such information.	-	
2-21	Annual total compensation ratio	-	-	Yes, not available We do not record such information.	-	
2-22	Statement on Sustainable Development Strategy	Statement of managing directors	our commitment to sustainability, reducing greenhouse gas emissions, minimising our water footprint, and continuing to implement clean energy solutions, building on our achievements of a 27.30% reduction in emissions, a 7% decrease in waste, and installing a 2.5 MWp solar system.	No	05	
2-23	Policy commitments	Throughout all the chapters	National and International, as per country's and Buyer's requirement	No	54,69, 73, 75	
2-24	Embedding policy commitments	Throughout all the chapters	In each department as required	No	54,69, 73, 75	
2-25	Processes to remediate negative impacts	Grievance Handling Mechanism	Immediate action is taken for each concern raised	No	91	
2-26	Mechanisms for seeking advice and raising concerns	Grievance policy	Through complain box, hotline, phone call and email communication	No	91	
2-27	Compliance with laws and regulations	Workplace Health and Safety	National and International Law as required	No	70	
2-28	Membership Associations	Member Associations	5 memberships	No	92	
2-29	Approach to Stakeholder Engagement	Stakeholders Engagement	We engage with a diverse range of stakeholders to maintain efficiency and adopt innovation.	No	25	

GRI Content Index

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
	2-30	Collective bargaining agreements	-	-	Yes, Not available This information is not available in this reporting year	-
GRI 3: Material topics 201	3-1	The process of determining material topics	Methodology to Materiality Assessment	We select material topics by understanding the Shin Shin Group's context, assessing environmental, social, and economic impacts, and prioritising based on stakeholder influence, financial implications, and impact on both.	No	27
	3-2	List of material topics	Methodology to Materiality Assessment	We have prioritised 12 material topics	No	28
	Economic					
GRI 200 Series	GRI 201: Economic Performance 2016					
	GRI 3-3	Management of Material Topics	Economic Performance	Our gross revenue increased by 6.52% in the year 2022-2023"to- "Increased in revenue from 2021-2023 30.90%	No	85
	201-1	Direct economic value generated and distributed	Economic Performance	total economic value retained peaked at \$68.81M in 2022 for all the entities before adjusting to \$64.6M in 2023, the total economic value distributed increased in 2023 to \$47.04M and From 2021 to 2023, total revenue grew from \$77.10M to \$111.65M	No	85
	201-2	Financial implications, risks and opportunities due to climate change	-	-	Yes, Not available This information is not available in this reporting year.	-
	201-3	Defined benefit plan obligations and other retirement plans	Economic Performance	In 2023 USD 176,405,63 paid for wages and benefits	No	87
Environment						
GRI 300 series	GRI 301 Material 2016					
	GRI 3-3	Management of Material Topics	Material Sustainability	Our primary materials are cotton and polyester. We are particularly focused on increasing the use of renewable and recycled materials to reduce our environmental impact.	No	49
	301-1	Materials used by weight or volume	Materials Usage	We have used a combination of virgin and recycled materials in our production processes. By 2023, non-renewable materials reached 2.91 million tons, with renewable materials maintaining at 0.371 million tons.	No	51
	301-2	Recycled input materials used	Materials Usage	In the last three years, 12% of the total materials used in our production are recycled polyester.	No	51

GRI Content Index

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
	301-3	Reclaimed products and their packaging materials	-	Not available	Yes, Not available We do not record such information.	-
GRI 302: Energy 2016						
	GRI 3-3	Management of Material Topics	Energy	Energy consumption is a high-priority topic due to its impact on costs and the environment. We focus on energy-efficient machinery, optimised production processes, renewable energy use, and robust energy management across our five entities.	No	38
	302-1	Energy consumption within the organisation	Energy	Nearly half of our energy usage comes from purchased electricity (46%), followed by natural gas (32%) and diesel (22%).	No	38
	302-2	Energy consumption outside of the organisation	-	Not calculated	Yes, Not available. Shin Shin Group is actively improving data collection processes and aims to include this data in future reports.	-
	302-3	Energy intensity	Energy	By 2023, we had reduced our energy intensity by 3% compared to the baseline year of 2022	No	38
	302-4	Reduction of energy consumption	Energy	We achieved a 3% reduction in total energy consumption in 2023 compared to the baseline year 2022.	No	38
	302-5	Reductions in energy requirements of products and services	-	Not available	Yes, Not available. This information is not available in this reporting year.	-
GRI 303: Water and Effluents 2018						
	GRI 3-3	Management of Material Topics	Water Stewardship	Shin Shin Group invests in rainwater harvesting systems for industrial and domestic use, reducing reliance on external water sources and minimising impact on local reserves.	No	32
	303-1	Interactions with water as a shared resource	Water Stewardship	Two of our entities (SGIL and VCL), are located within the export processing zones, these entities source their water from the Bangladesh Export Processing Zones Authority (BEPZA). While our other 3 entities, SSAL, JPL and OJL source via groundwater	No	32
	303-2	Management of water discharge-related impacts	-	-	Yes, Not available We do not record such information	-
	303-3	Water withdrawal	Water Stewardship	96,019 m ³ in 2023	No	35
	303-4	Water discharge	Water Stewardship	In SGIL Water is discharged after treatment. Capacity 36,908m ³ /year	No	35

GRI Content Index

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
GRI 3-3	303-5	Water consumption	Water Stewardship	Mirroring the withdrawal figures, total water usage also saw a significant increase of 13.6%, aligning exactly with the water withdrawal.	No	35
	GRI 305: Emission 2016					
	GRI 3-3	Management of Material Topics	Emission	We have set our carbon emissions reduction goals against the baseline year of 2022. From 2021 to 2023, our total GHG emissions, encompassing both Scope 1 and Scope 2, have shown an upward trend.	No	44
	305-1	Direct (Scope 1) GHG emissions	Emission	Scope 1 emission increased 9% in 2023 from the previous year	No	46
	305-2	Energy indirect (Scope 2) GHG emissions	Emission	In 2023, 2% decrease in Scope 2 emissions	No	46
	305-3	Other indirect (Scope 3) GHG emissions	-	-	Yes, Not available. We are working on and aim to include this data in future reports.	-
	305-4	GHG emissions intensity	Emission	In 2023 intensity is 2.4332 which was 1.593 in 2022	No	47
	305-5	Reduction of GHG emissions	Targets	VCL, OJL, and JPL will reduce GHG emissions by 10% within 2027	No	48
	305-6	Emissions of ozone-depleting substances (ODS)	-	-	Yes, Not available. We are working on and aim to include this data in future reports.	-
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-	-	Yes. Not available. Shin Shin Group is actively improving data collection and will include this data in future reports.	-
GRI 306: Waste 2020						
GRI 3-3	GRI 3-3	Management of Material Topics	Waste Generated	We work to identify and reduce waste at its source, focusing on recycling opportunities to ensure sustainable operations.	No	56
	306-1	Waste generation and significant waste-related impacts	Waste Management	Our overall waste generation has decreased for SSAL and JPL by 3% and 16% respectively in year 2022-2023.	No	57
	306-2	Management of significant waste-related impact	Waste Management	We have taken initiative and targets to reduce waste significantly over the last two years (2021-2023).	No	57
	306-3	Waste Generated	Waste Management	Various types of waste include cutting, sewing, finishing and plastic, chemical and wood, electronics, medical and kitchen waste. Given to 3 rd party vendor.	No	57

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GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
	306-4	Waste diverted from disposal	Waste Management	We have been taking steps for more reduced waste generation with initiatives like recycling and promoting the use of recycled items among our workers.	No	56
	306-5	Waste directed to disposal	Waste management	At JPL, OJL, and SSAL, we advanced recycling efforts and partnered with third parties for effective waste disposal, achieving positive results in 2022-2023.	No	56
Social						
		GRI 401: Employment 2016				
GRI 400 Series	GRI 3-3	Management of Material Topics	Employment	We aim to enhance the working environment for all 8,727 of our team members across all of our entities.	No	61
	401-1	New employee Hire and Employee Turnover	Turnover rate and newly hired	831 Newly hired employee. Turnover rate in 2023 for male: 4% and Female: 5%	No	65
	401-2	Benefits provided to full-time employees that are not provided to part-time employees	Worker Benefits	Comprehensive coverage of health insurance, Service benefits including provident fund (PF), overtime pay, and other service-related benefits, insurance, etc.	No	68
	401-3	Parental leave	Worker Benefits	As per the Bangladesh Labour Act 2006	No	69
GRI 403: Occupational Health & Safety 2018						
	GRI 3-3	Management of Material Topics	Workplace Health & Safety	Our Occupational Health and Safety (OHS) management system is aligned with local and international standards, including Bangladesh Labour Law (BLL)-2006 and Bangladesh Labour Rules (BLR)-2015 (amendment 2022).	No	71
	403-1	Occupational health and safety management system	Workplace Health & Safety	We conduct regular hazard identification and risk assessments (HIRA) in every 3 months & conduct monthly OHS audit.	No	71
	403-2	Hazard identification, risk assessment, and incident investigation	Throughout the Chapter	We conduct regular HIRA every three months and monthly OHS audits to minimize health risks and ensure swift corrective actions. Our risk management includes thorough hazard assessments, chemical reviews (SDS/TDS), and implementing policies like Chemical and Wastewater Management.	No	55,71, 73, 90
	403-3	Occupational health services	Workplace Health & Safety	On-site medical facilities, 100% of workers are covered by the occupational health and safety management system	No	71
	403-4	Worker participation, consultation, and communication on occupational health and safety	Workplace Health & Safety	Our Safety Committee, equally representing workers and management, meets monthly to monitor and enhance safety protocols and address emerging issues.	No	71

GRI Content Index

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
403	403-5	Worker training on occupational health and safety	OHS Training Scenario	We provide training on Health & safety, Risk assessment, PPE, Chemical safety, OHS, Disease training etc.	No	72
	403-6	Promotion of worker health	Workplace Health & Safety	Free health services by Maya apps, family planning training, mental wellness session, nutritional awareness and digital financial services.	No	71
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	OHS Training Scenario	We maintain a wide-ranging training program designed to encompass critical safety areas such as Health & Safety, PPE usage, and Risk Assessment, extending to specialized areas like Chemical Safety and Machine Safety operations.	No	72
	403-8	Workers covered by an occupational health and safety management system	Safety of Workers	82% of the employees are trained in 2023 which was 76% in 2022	No	72
	403-9	Work-related injuries	Injuries	In 2023 80 Minor Injuries 0 Major Injuries	No	73
	403-10	Work-related ill health				
GRI 404: Training and Education 2016						
GRI 3-3	Management of Material Topics	Training and Development	We provide a comprehensive range of topics primarily focused on quality management, such as company quality policy, goal setting, minimum requirement training, sharp tools policy, and customer claim training.	No	74	
404-1	Average hours of training per year employee	-	-	Yes, Not available. In this reporting year this information is partially available. We will disclose this information in the upcoming report.	-	
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development	We provide soft skills training, technical skills training and quality section training.	No	74	
404-3	Percentage of employees receiving regular performance and career development reviews	Employees Training	100% of both male and female employees underwent performance reviews every three months.	No	75	
GRI 405: Diversity and Equal Opportunity 2016						
GRI 3-3	Management of Material Topics	Inclusion	There are 103 workers in the Shin Shin group overall, with 42% female and 58% male, according to our inclusion analysis.	No	66	
405-1	Diversity of governance bodies and employees	Inclusion	3 Male and 1female in Senior positions	No	76	

GRI Content Index

GRI Disclosure	Disclosure		Location	Description	Omission	Page No.
405-2	Ratio of basic salary and remuneration of women to men		-	-	Yes, not available This information is not available in this reporting year	-
GRI 406: Non-Discrimination 2016						
GRI 3-3	Management of Material Topics	Grievance Handling Mechanism	Accessible and anonymous channels for grievance reporting have been implemented, including strategically placed complaint boxes and a hotline for reporting issues.	No	91	
406-1	Incidents of discrimination and corrective actions taken	Grievance Handling Mechanism	Shin Shin group had policies and taken corrective action for harassment or any incidents. No such occurrence.	No	60,91	

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