



Sustainability Episode 02

Together We Grow



Sustainability Report 2024

Together We Grow



This is the 2nd Sustainability Report brought out by the Shin Shin Group.
The 1st Sustainability Report of the Group was published in 2024.

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01

**REPORT
OVERVIEW**



1.1 Messages from Our Leadership

Statement From The Chairman



The performance detailed in this report for 2024 gives us the confidence to look to the future with optimism. In a year of market headwinds and global uncertainty, we have once again demonstrated the talent, hard work, and ambition that defines Shin Shin Group. Our ability to innovate and navigate challenges is a testament to the strength of our team and our unwavering commitment to our strategic vision and sustainability.

We remain steadfast in our focus on people. We are proud of our team and the strong sense of belonging that translates into making a real difference in our shared venture. We continued to provide a stimulating work environment where career development is driven by trust in our employees' abilities.

Of course, we never forget that our creative and manufacturing activities are carried out within communities on which we aim to have a positive social and environmental impact. We feel this responsibility, and we act on it.

This sense of responsibility is why we are working alongside our industry partners to make our business more sustainable. In 2024, we made important progress, which is detailed throughout this report.

A key achievement was reducing our GHG emission intensity by 7% across four of our entities, placing us in a strong position to meet our 2027 reduction targets. This was not by chance, but the result of deliberate investments in energy-efficient machinery and process innovation, from our LEED Gold-certified factory at Jeans Plus Ltd. to the group-wide adoption of new technologies.

Far from being satisfied with our achievements, we remain convinced that we can continue to innovate. We are confident that this effort will translate into new accomplishments and the conquest of new challenges. As we look ahead, our strategic focus will be on deepening our circularity efforts, expanding our use of renewable energy, and ensuring a Just Transition by upskilling our workforce for the sustainable economy of tomorrow.

Our journey is a collective one. I extend my deepest gratitude to our team, whose dedication and hard work drive our success. I also thank our valued customers, suppliers, and partners for their trust and collaboration. Together, we are not just manufacturing apparel; we are weaving a more sustainable and equitable future.

Mohammad Sohel Sadat
Chairman
Shin Shin Group

Statement From Director Marketing & Merchandising



In 2024, the conversation in the global apparel market shifted decisively. Sustainability is no longer just a feature; it is a core expectation from our partners and consumers. We saw this reflected in the clear and increased demand from our major buyers for products made with certified and recycled materials. Our marketing and merchandising strategy has evolved to meet this head-on, positioning responsible production as a key element of the quality and value we deliver.

Our successful debut at the 17th Bangladesh Denim Expo was a testament to this approach. We didn't just showcase our traditional strengths; we highlighted our future by presenting our new range of tailored, value-added garments from Suad Garments.

This demonstrated our capacity for diversification and our readiness to meet the industry's next wave of demand for more complex and high-value products.

This progress is powered by the skill and dedication of our teams. Their ability to translate market trends into exceptional products is what gives Shin Shin Group its competitive edge, and I am confident in our position to thrive in the new era of responsible apparel manufacturing.

Abu Sadat

Director
Marketing & Merchandising
Shin Shin Group

Statement from the Director of Finance, Human Assets & Culture



In a year marked by market pressures and global challenges, Shin Shin Group's financial resilience is a direct reflection of our most valuable asset: our people. Achieving a turnover of US \$123 million in FY '24 was not just a result of sound financial management, but of the strength and dedication of our workforce. Our vision is to maximize our growth while taking care of our people, and this year, that principle was put into practice more than ever.

We believe that investing in our human capital is the most critical investment we can make. In 2024, we deepened our collaboration with the ILO's Better Work program, empowering our staff through the Factory Ambassador Program and advancing gender equality with our GEAR initiative, which has successfully increased the number of female supervisors on our production floors. These programs are not expenses; they are strategic investments that foster leadership, improve working conditions, and drive performance.

Our commitment to building an inclusive culture is about turning values into tangible actions. This year, we reinforced this by participating in job fairs to recruit persons with disabilities and by creating a workplace that is welcoming to all. Initiatives like installing free sanitary pad vending machines and providing financial wellness tools through our partnership with Wagely are practical steps we take to support the well-being of our employees.

Looking forward, our financial strategy is aligned with furthering these commitments. We will continue to invest in programs that support our employees' financial freedom and well-being, while also driving efficiency through digitization with our ambition to become a paperless company. A strong culture and an empowered workforce are the bedrock of sustainable financial success.

Mifrae Mostari

Director
Finance, Human Assets & Culture
Shin Shin Group

Statement from the Director of Development and Operation



At Shin Shin Group, our sustainability strategy is put into action on the factory floor every day. For us, operational excellence and sustainability are two sides of the same coin. The year 2024 was a testament to this principle. As we increased our production volumes, we successfully demonstrated that growth does not have to come at the cost of increased environmental impact. Through targeted investments in energy-efficient machinery and process optimizations, we were able to significantly improve our energy intensity, effectively decoupling our resource consumption from our output. This achievement is a direct result of our teams' dedication to continuous improvement.

Our commitment extends to every aspect of our operations, including chemical management.

This year, I am particularly proud of our team at Suad Garments for achieving a perfect score in their ZDHC Incheck Verification audit well ahead of our 2026 target. This result exemplifies our group-wide commitment to adopting the highest standards of responsible manufacturing.

Looking ahead, our focus remains on innovation and development. We are moving forward with plans to install rooftop solar power systems at our facilities, a key step in our transition to renewable energy. Through strategic investments and a culture of operational discipline, we will continue to build a manufacturing platform that is resilient, efficient, and sustainable for the future.

Shahid Sadat

Director
Development & Operation
Shin Shin Group

About the Report

Reporting Period

January – December 2024

Reporting Standards & Guide

Global Reporting Initiative (GRI)
European Sustainability Reporting Standards (ESRS)
United Nations Global Compact (UNGC) Guiding Principles
[Shin Shin Group is a member of UNGC]

Reporting Entities

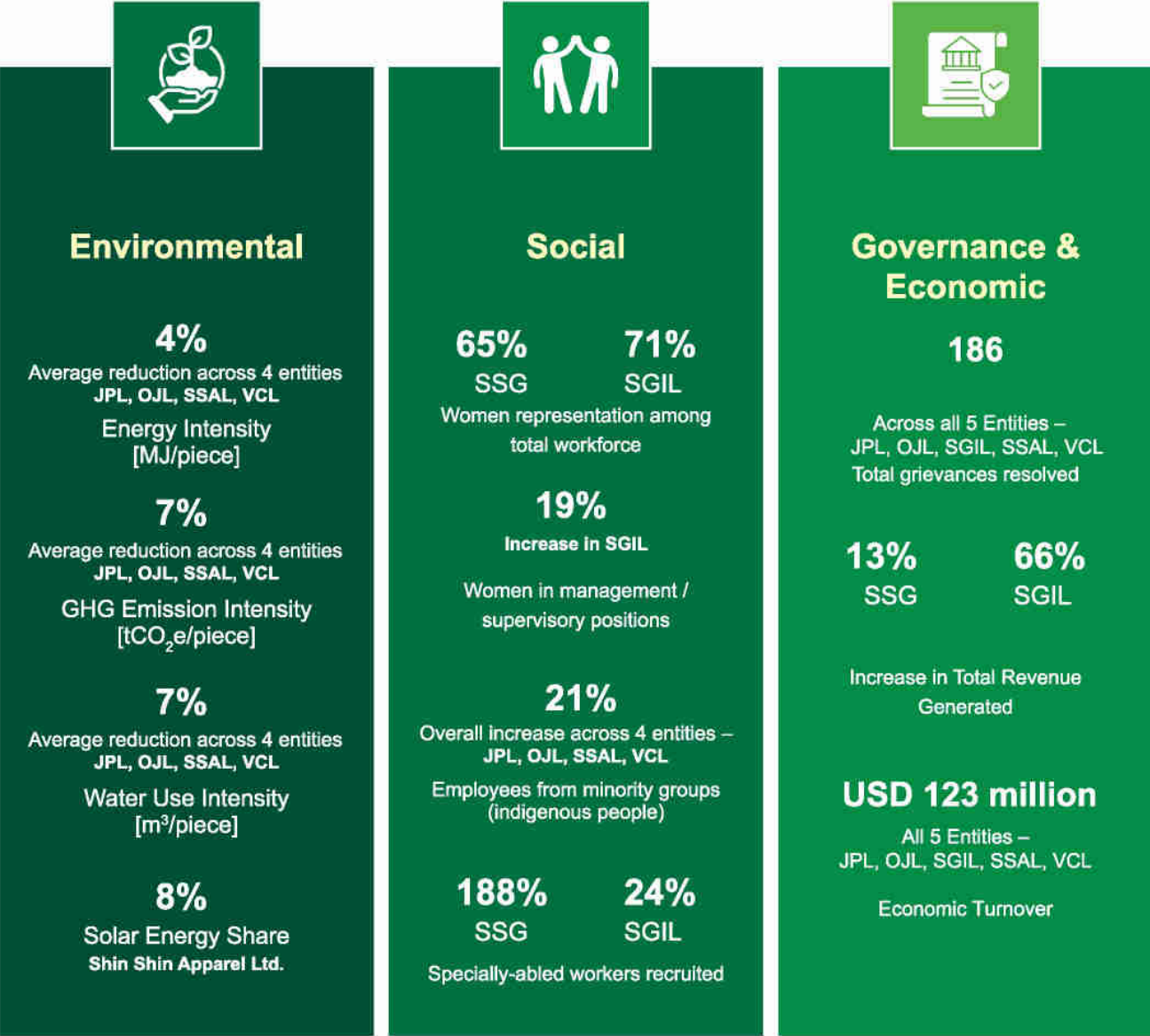
Dhaka City	 Shin Shin Apparels Limited (SSAL)	 Jeans Plus Limited (JPL)
Chattogram City	 Organic Jeans Limited (OJL)	 Vancot Limited (VCL)
Narayanganj City	 Suad Garments Industries Limited (SGIL)	

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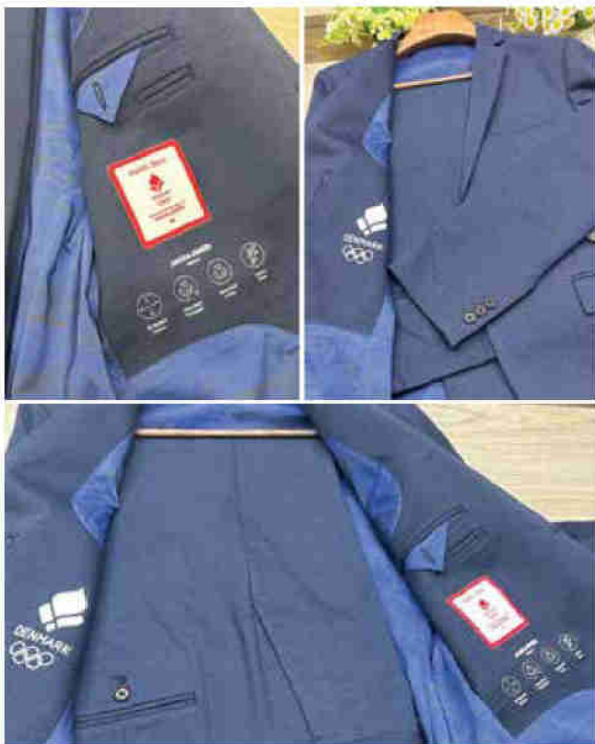
Contact:
For any inquiries or more details regarding this report or our sustainability practices,
please feel free to reach out to:
Email: sustainability@shinshingroup.com

Key Data in 2024



2024 Milestones

Suad Garments Outfits in Olympic In a landmark achievement, Suad Garments Industries Ltd. proudly manufactured suits for the Danish national team at the Paris 2024 Olympics. This project showcased our capability to deliver world-class tailored garments and represented a moment of immense pride for our team and our country on the world's biggest sporting stage.



Debut at Bangladesh Denim Expo

We successfully showcased our latest innovations at the 17th Bangladesh Denim Expo in Dhaka. At the expo, we presented our diverse portfolio, from advanced denim to high-value tailored products from Suad Garments, highlighting our strategic move towards product diversification and value addition.



Championing Inclusivity and Diversity

We celebrated our ongoing commitment to creating a dignified and conducive work environment for all. With over 100 persons with disabilities employed across our facilities, we continue to build a workplace where every individual is valued for their contribution.



Empowering Female Leaders

Through our 'Gender Equality and Returns (GEAR)' program, run in partnership with the ILO's Better Work initiative, we are actively breaking barriers to gender inequality. In 2024, we increased our number of female supervisors to 35, and we are on track to our target of at least 100 through continuous leadership and skills training.



Launching Our "Say No to Plastic" Initiative

In 2024, we took a firm stance against single-use plastics by banning plastic water bottles at our headquarters and distributed specially designed, reusable water holders to our employees. This is the first step. Our plan is to gradually phase out plastic water bottles from all our facilities, reinforcing our commitment to the health of our people and the planet.



Achieving 100% in ZDHC Audit

Suad Garments Industries Ltd. achieved a perfect 100% score in the ZDHC InCheck Verification audit. This outstanding result, accomplished ahead of our 2026 target, testifies to our high-level commitment and transparency in responsible chemical management and sustainable business practices.



Supporting Community Health

Our facilities in Chattogram, Organic Jeans Ltd. and Vancot Limited, organized successful blood donation camps in partnership with the Quantum Foundation. Dozens of our employees and workers voluntarily donated blood, a life-saving gesture that reinforces our deep connection to our local communities.



02

**ABOUT
SHIN SHIN
GROUP**



2.1 Company Overview

Since its establishment in 2007, Shin Shin Group has grown into a key player in the Fashion and Ready-made garments manufacturing sector. Our company has successfully navigated the global market, forging strong relationships with top global brands and consistently exceeding industry expectations. As the fashion industry moves beyond traditional cost and proportion barriers, Shin Shin Group embraces the changes, offering competitive pricing, superior quality, and innovative designs to meet the diverse demands of a global marketplace.

Recognizing the benefits of diversification, Shin Shin Group has positioned itself to leverage a global supply chain, allowing us to source raw materials from various regions and integrate them seamlessly into the final stages of production. This interconnectedness has led to improved efficiency, expanded choices, and better quality for our consumers.

Shin Shin Group's commitment to excellence was acknowledged in 2013 with the prestigious BGMEA Award, underscoring our dedication to innovation and quality in the apparel sector.

Our exports to multiple countries, with a strong presence in the United States, the European Union, India, and Colombia. The United States remains our largest export market, followed by the EU, UK, India, and Colombia, reflecting our international footprint and expanding market influence.

At the heart of Shin Shin Group's operations are ethical business practices and a commitment to sustainability. We are dedicated to maintaining a responsible and sustainable approach throughout our supply chain, ensuring that our environmental impact is minimized and social responsibility is prioritized. This commitment is demonstrated through our adherence to industry-leading standards and certifications such as WRAP, RCS, OCS, GOTS, Global Recycled Standard, Oeko Tex, ISO 14001, SEDEX, Better Work, Higg Index, and ACCORD. These certifications are proof of our dedication to transparency, responsibility, and a positive impact across both our social and environmental practices.

We are committed to being a responsible apparel producer. We adhere to internationally established codes of social accountability and ethical business practices, ensuring that our products meet high standards and our customers' expectations. Our commitment extends beyond the production process, reaching all the way to the retail outlet, where we guarantee the quality and merchandising ability of our products.

The success of Shin Shin Group is powered by a dedicated and skilled team. Our core team consists of talented professionals aligned with well-established industry standards. Our team spirit is our main strength, enabling us to meet and exceed the expectations of our stakeholders. Shin Shin Group's success is deeply rooted in its investment in human capital and commitment to world-class manufacturing.

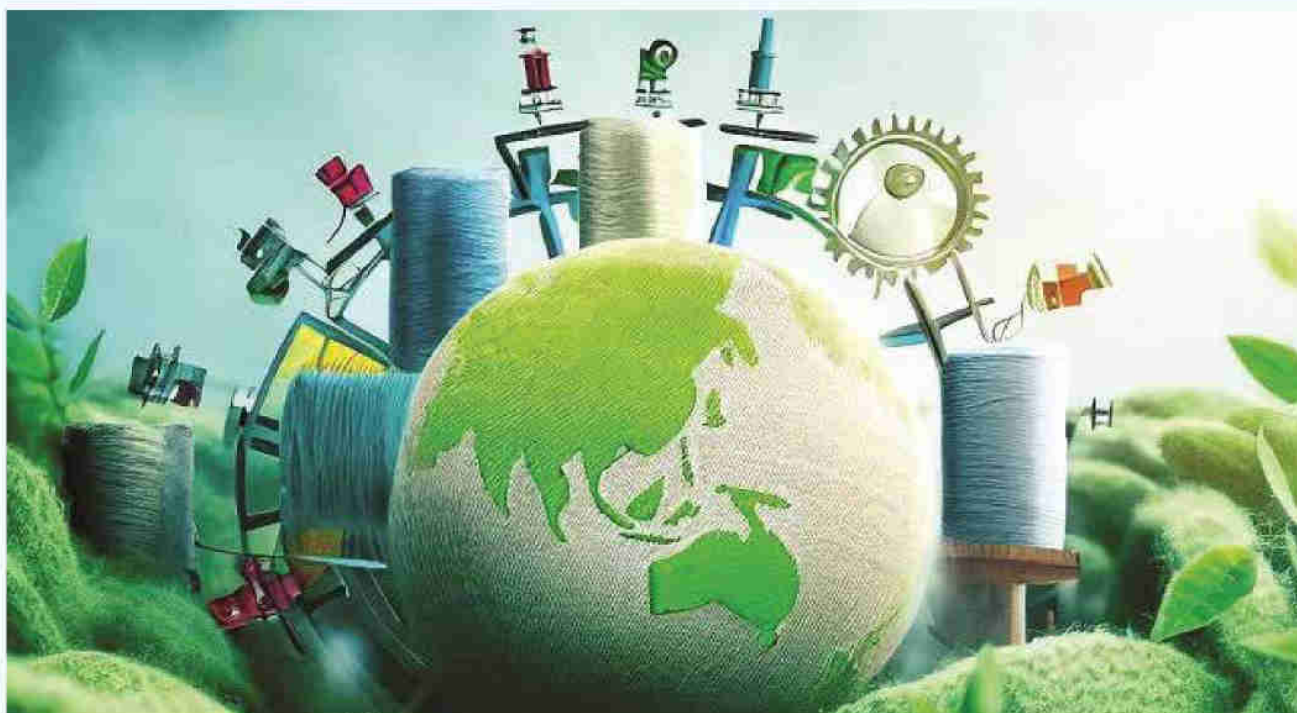




EXPORT MARKETS



Integrated Social and Environmental Responsibility at Shin Shin Group



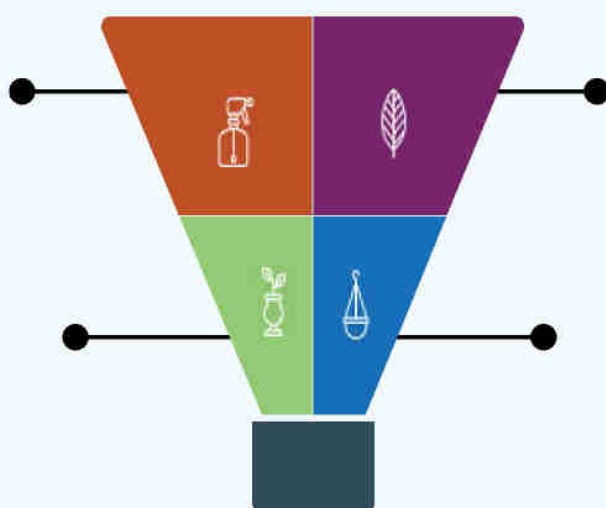
Ethical Responsibility

We pledge to source all products ethically, from suppliers who provide a uniform minimum salary for all staff, and ensure no one is denied access. Furthermore, we guarantee timely payment and offer reasonable compensation.



Economic Responsibility

Our three other commitments to economic responsibility flow naturally together, building public respect for our business and customer trust.



Environmental Responsibility

We take accountability for our impact on the environment proactively. To do this, we initiated a thorough recycling programme throughout the entire business and made donations to nearby environmental advocacy groups.

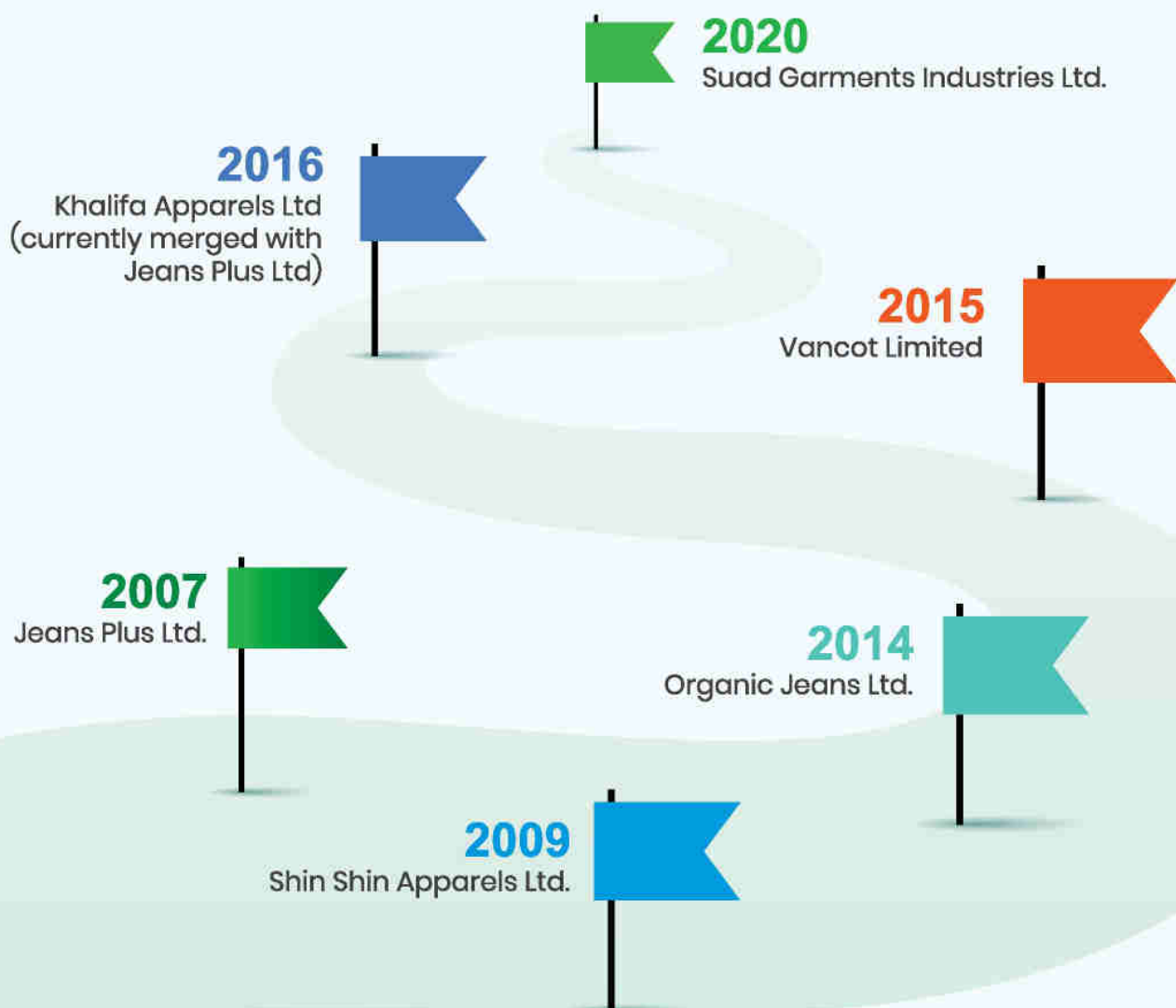


Philanthropic Responsibility

We subsidize the medical care of our employees' families and the elderly, give away winter clothing, and help underprivileged youngsters by providing food, school supplies, and uniforms.

2.2 Our Business Journey

Shin Shin Group, founded in 2007, embarked on its journey with a strong vision centered around innovation and growth. Over the years, the group has expanded significantly, now employing 8,727 people across five factories: Shin Shin Apparels Ltd., Organic Jeans Limited, Vancot Limited, Jeans Plus Limited, and Suad Garments Industries Limited. These factories are strategically located in Dhaka, Narayanganj, and Chattogram. At the heart of Shin Shin Group's operations are its innovative initiatives, which include employee ownership, profit-sharing schemes, and comprehensive staff welfare programs, all of which contribute to a thriving work culture.



2.3 Factory Entities

Entity Name:

Jeans Plus Limited

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

Production Facility:

- Production floors: 4
- Total production area: 1,30,048 square feet
- Building area: 2135.19 square meters

Sewing Plant Details:

- Over 862 modern machines
- Machine quantity: 862 pcs
- Total production capacity exceeds 0.32 million monthly pieces, subject to item and styling variations
- Specialization in woven garment manufacturing



Entity Name:

Organic Jeans Limited (OJL)

Production Plant:

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

Production Facility:

- Production floors: 5
- Total production area: 1,10,742 square feet
- Building area: 27,000 square feet

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

Entity Name:

Shin Shin Apparels Limited (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:
Vancot Limited.

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

Production Facility:

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

Sewing Plant Details:

- Total production capacity exceeds 1.77 million monthly pieces, subject to item and styling variations
- Specialization in woven garment manufacturing



Entity Name:
Suad Garments Industries Ltd

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

Production Facility:

- Production Floors: 5
- Total Production Area: 145,260 sqft
- Factory Area: 266,526 sqft

Plant Details:

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

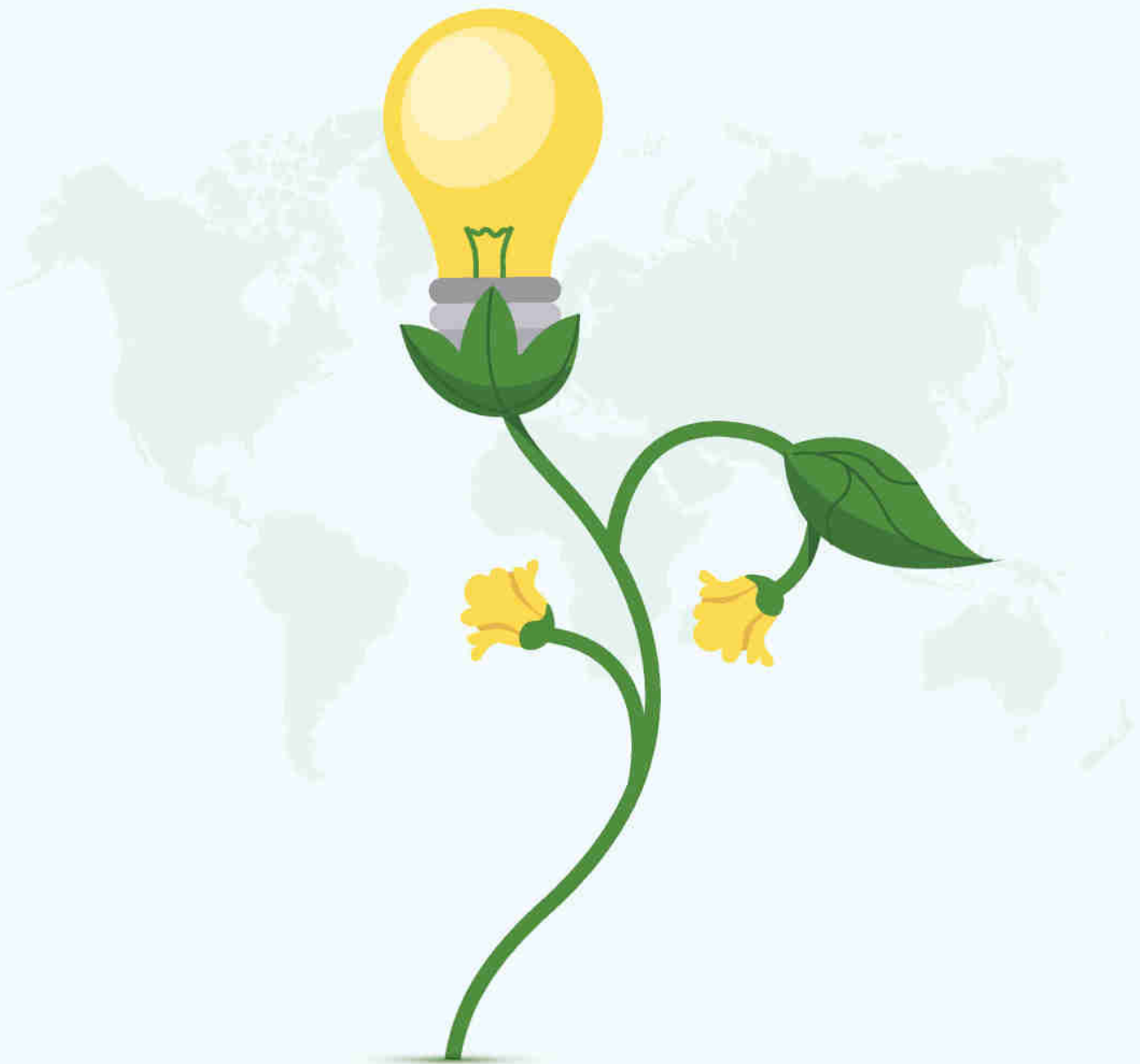
Structural Compliance:

- Biochemical ETP capacity: 65 cubic meters/hour



VISION MISSION & VALUES

To become the "most preferred" manufacturing partner for the Brands through socially and environmentally sustainable organisation with innovation, newness and providing high quality products at competitive price.



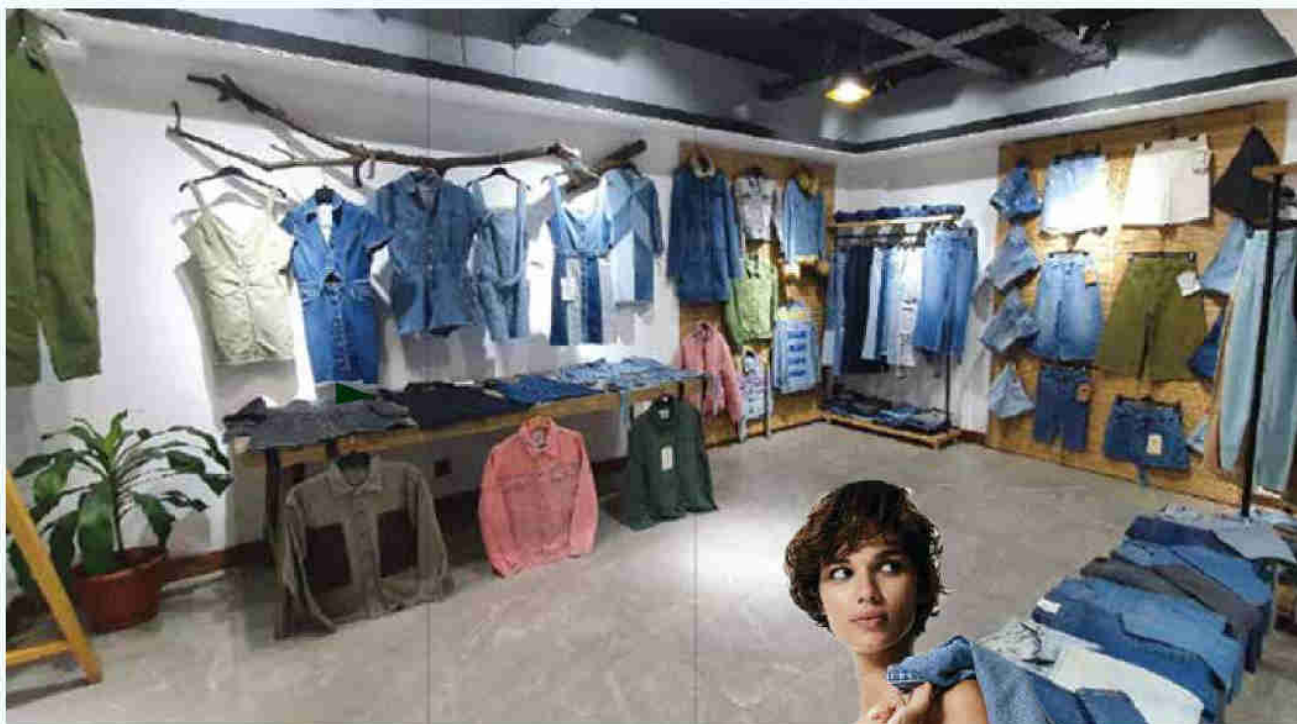
Our Buyers & Brands

Our Audit Schemes & Certifications



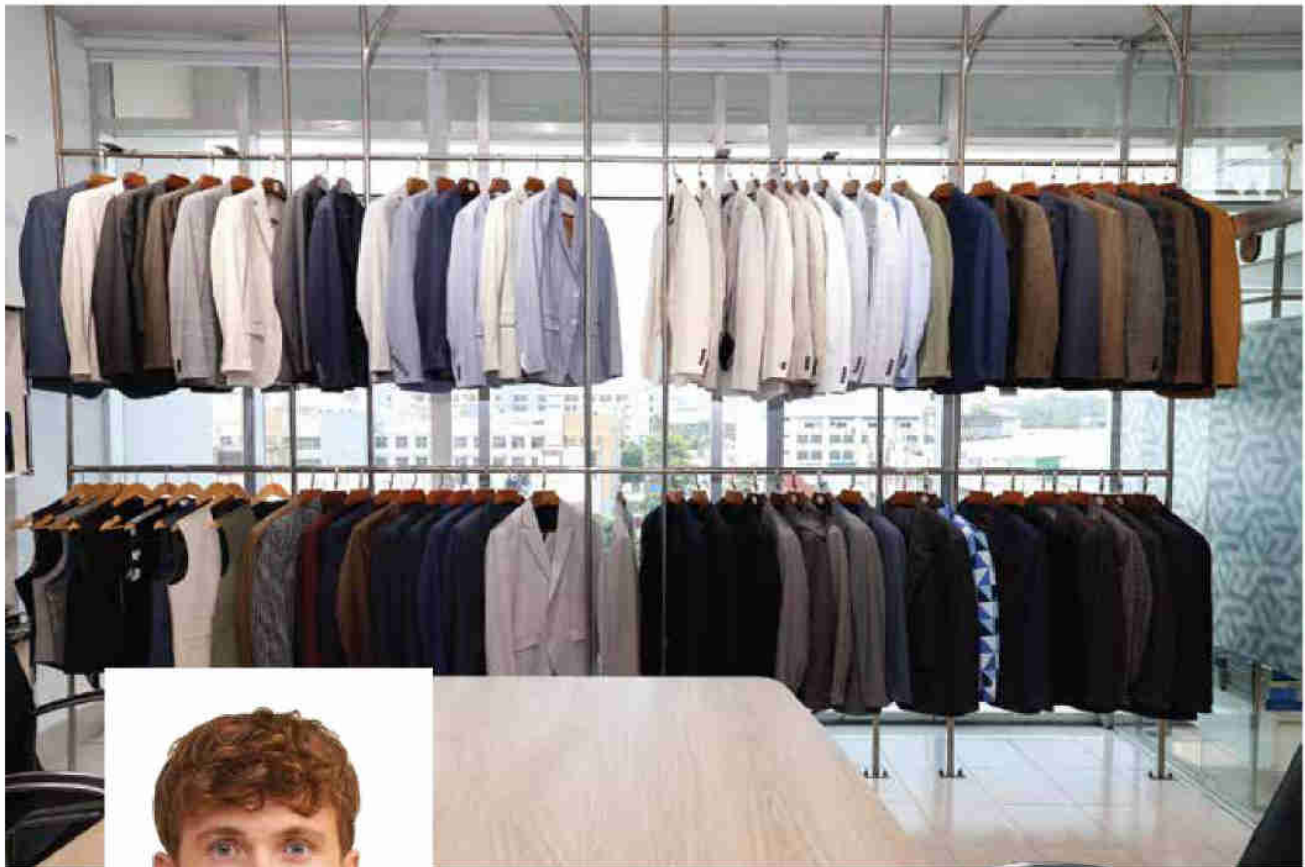
Product Portfolio



Casual Wear

- Woven Bottoms
- Skirts, Shorts
- Dresses
- Infants Wear
- Others : School Uniforms, Polyesters & Poly-viscose HT-Teflon Finishes





Formal Wear

- Ladies/Men's Blazers
- Formal and Semi Formal Pants
- Outdoor Jackets
- Overalls / Workwears
- Ladies Skirts / Soft Blouses and Dresses

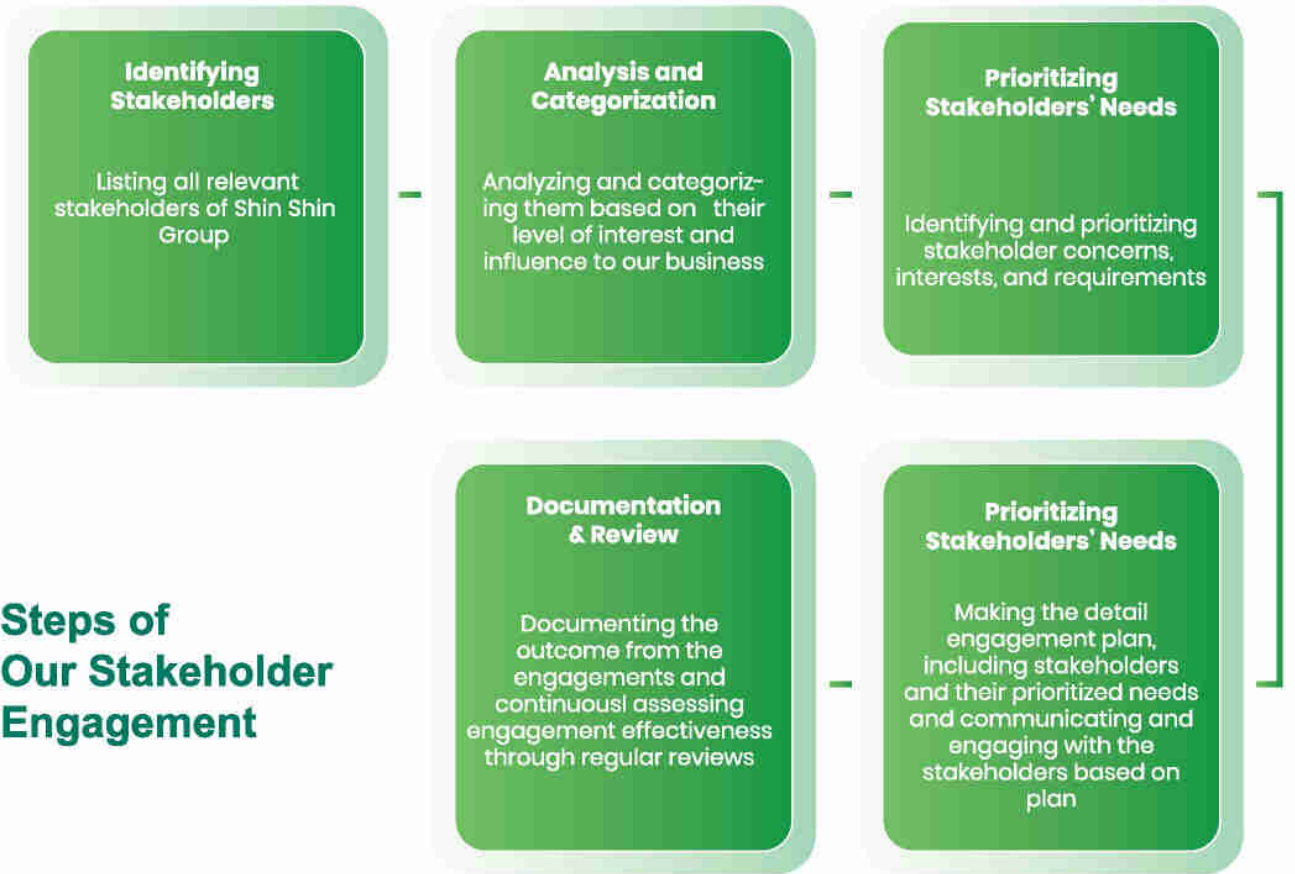
03

**Sustainability
Governance
& Strategy**



3.1 Stakeholder Engagement and Materiality

Engagement with a diverse range of stakeholders is central to our approach to sustainable operations and continuous improvement. Employees and workers are regularly consulted to support operational efficiency, enhance workplace satisfaction, and ensure quality standards. Suppliers are engaged on a periodical basis to promote ethical practices, maintain product quality, and strengthen collaboration. Engagement with buyers provides insights into market trends and enriches the development of products that meet evolving demands. Development partners are involved in discussions on key initiatives, adopting impactful collaborations. Local communities are reached through outreach programs that encourage sustainable practices and social development. Additionally, engagement with government authorities ensures regulatory compliance, while interactions with industry partners facilitate awareness of emerging trends, innovations, and best practices.



Stakeholder Engagement

Frequency	Stakeholder	Method of Engagement	Key Topics of Interest
Regular	Employees & Workers	Training, Workshops, Surveys, Grievance box	Working Conditions, Skills Development, Health & Safety, Workplace Satisfaction
Periodic	Buyers	Customer Surveys, Feedback Channel Marketing	Product Quality, Delivery, Customer Satisfaction
Periodic	Suppliers	Meeting , Phone, Email, Audits	Environmental & Social Performance, Material Sourcing
As Needed	Bank & Financial Institutions	Meeting, Email	Business Strategy, Risk Management, Financial Reporting
As Needed	Industry Partners	Industry Conferences, Forums, Joint Initiatives	Industry Standards, Collaborations, Best Practices, Sustainability Trends
Periodic	Government	Compliance Reporting, Meetings Letters	Compliance with Laws Regulations, Sustainability Initiatives, Ethical Practices
Regular	Local Communities	Community Programmes, Environmental Initiatives	Social Responsibility, Environmental Impact, Community Development
As Needed	Development Partners	Development Projects	Beyond Compliance Programs, e.g. Women Empowerment Program, Financial Inclusion Program

Regular
Periodic
As Needed



3.2 Materiality Assessment

A comprehensive materiality assessment is the foundation of our sustainability strategy and reporting. It is the process through which we identify and prioritize the sustainability topics that are most significant to our business and our stakeholders.

Our Double Materiality Process

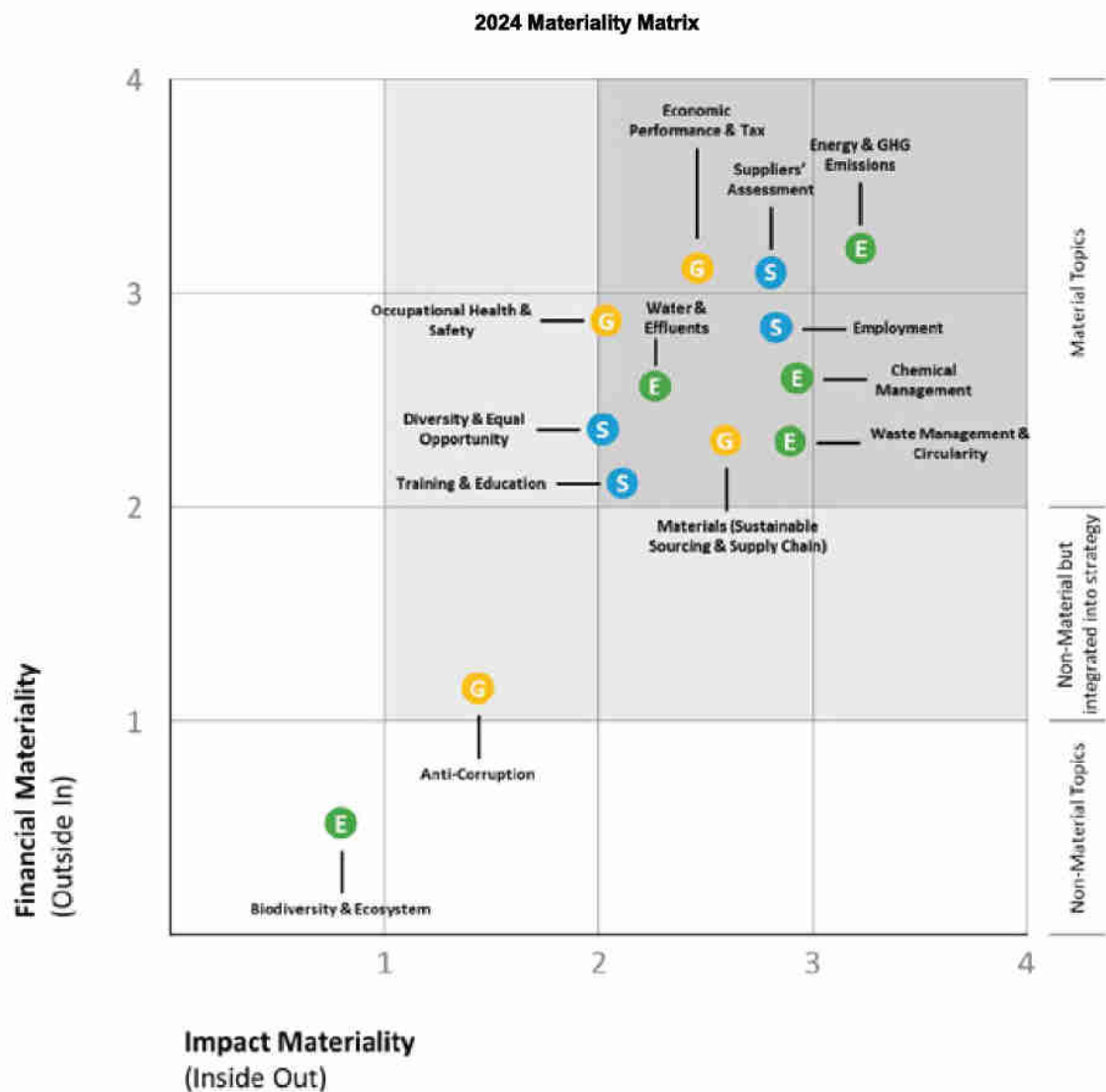
In line with the requirements of the ESRS and GRI Standards, we conducted our first double materiality assessment in 2024. This approach allows us to gain a holistic understanding of our most material topics from two perspectives:

Impact Materiality:

The actual and potential impacts of our operations on people and the environment (the "inside-out" view).

Financial Materiality:

The risks and opportunities that sustainability matters present to our business success (the "outside-in" view). Our process was driven by internal engagement, beginning with a comprehensive survey distributed to key internal stakeholders across all departments of each of our entities. The insights from this survey were then deepened through a roundtable discussion, where we collectively analyzed and validated our findings.



Materiality Assessment (Risks and Opportunities)

Material Topic	Key Risks (Financial & Impact)	Strategic Opportunities (Financial & Impact)	SSG's Strategic Response
Climate & Energy	<p>Transition Risk: Loss of contracts from buyers with decarbonization targets due to EU regulations.</p> <p>Physical & Financial Risk: Operational disruption from heat stress and flooding; volatile energy costs from national grid instability</p>	<p>Competitive Advantage: Attract climate-conscious buyers and access green financing.</p> <p>Cost Savings & Resilience: Achieve significant operational cost savings and energy security through on-site solar.</p>	<p>Leverage LEED Gold certification (JPL)</p> <p>Execute planned solar installations at SGIL, VCL, SSAL</p>
Water Stewardship	<p>Operational Risk: Production halts due to acute water scarcity and groundwater depletion.</p> <p>Regulatory Risk: Fines and reputational damage from non-compliant wastewater discharge.</p>	<p>Market Leadership: Become a preferred supplier for water-conscious brands.</p> <p>Financial Savings: Reduce operational costs through water efficiency and recycling measures.</p>	<p>Optimize ETP at SGIL; implement water-efficient fixtures and rainwater harvesting group-wide.</p>
Materials & Waste (Circularity)	<p>Market Access Risk: Failure to meet EU ESPR requirements for recycled content and circular design.</p> <p>Financial Risk: Rising costs of virgin materials and waste disposal.</p>	<p>New Revenue Streams: Generate income from selling and upcycling pre-consumer textile waste (jhut).</p> <p>Partnership: Offer circular solutions to buyers, deepening relationships.</p>	<p>Increase use of recycled materials (currently 23%); optimize processes to reduce waste generation.</p>
Chemical Management	<p>Market Access Risk: Loss of business from failing to meet stringent standards like ZDHC MRSL</p> <p>Operational Risk: Production shutdowns and cleanup costs from accidental spills.</p>	<p>Marketing Advantage: Use demonstrated excellence (100% ZDHC score) to attract premium, risk-averse clients.</p>	<p>Maintain and promote SGIL's 100% ZDHC InCheck score as a group-wide benchmark of excellence.</p>

Materiality Assessment (Risks and Opportunities)

Material Topic	Key Risks (Financial & Impact)	Strategic Opportunities (Financial & Impact)	SSG's Strategic Response
Employment	<p>Reputational & Operational Risk: Production disruption and brand damage from industry-wide labor unrest over wages.</p> <p>Financial Risk: High costs associated with recruitment and training due to employee turnover.</p>	<p>Talent Attraction & Retention: Become an "employer of choice" to build a stable, skilled, and productive workforce.</p> <p>Supply Chain De-risking: Offer clients a de-risked supply chain partner with proven fair labor practices.</p>	Enhance employee well-being through initiatives like the Wagely partnership and robust grievance mechanisms.
Occupational Health & Safety	<p>Catastrophic Risk: Severe legal, financial, and reputational consequences of major safety lapses (fire, building collapse).</p> <p>Commercial Risk: Loss of contracts from failing buyer safety audits.</p>	<p>Buyer Confidence: Strengthen buyer trust and secure a stable order book with a best-in-class safety record.</p> <p>Operational Excellence: Achieve higher productivity and potentially lower insurance premiums through a proactive safety culture.</p>	Maintain high standards of employees' and workers' safety. Continue rigorous HIRA, training, and Safety Committee oversight.
Diversity, Equity & Inclusion	<p>Reputational Risk: Brand damage from association with industry-wide gender-based harassment issues.</p> <p>Talent Risk: Inability to attract and promote diverse talent, limiting innovation and performance.</p>	<p>Talent Risk: Inability to attract and promote diverse talent, limiting innovation and performance.</p> <p>Brand Alignment: Demonstrate leadership in female empowerment, aligning with core values of key customers.</p>	Expand the GEAR program to increase female supervisors; continue targeted hiring of persons with disabilities.
Training & Education	<p>Competitiveness Risk: Inability to produce higher-value products due to skills gaps in the workforce.</p> <p>Financial Risk: Low productivity and high turnover from lack of clear career progression.</p>	<p>Future-Proofing: Create a "future-ready" workforce capable of handling automation and complex manufacturing.</p> <p>Employee Loyalty: Increase retention by investing in employee upskilling and development.</p>	Implement structured training calendars focused on technical skills, safety, and human rights

Materiality Assessment (Risks and Opportunities)

Material Topic	Key Risks (Financial & Impact)	Strategic Opportunities (Financial & Impact)	SSG's Strategic Response
Responsible Supply Chain	<p>Legal & Financial Risk: Direct liability for human rights and environmental violations in the supply chain under the EU CSDDD.</p> <p>Reputational Risk: Brand damage from association with non-compliant Tier 2/3 suppliers.</p>	<p>Strategic Value Proposition: Evolve from a manufacturer to a strategic partner providing supply chain transparency and due diligence assurance.</p> <p>Resilience: Build a more resilient and ethical supply chain, mitigating collective risk.</p>	Enhance supplier social and environmental assessment programs to align with CSDDD requirements
Economic Performance	<p>Market Risk: Reduced profitability from increased competition and potential loss of EU trade preferences post-LDC graduation.</p> <p>Macro Risk: Disruption from domestic political and economic instability</p>	<p>Margin Improvement: Shift from cost-leadership to value-leadership by focusing on complex, high-value garments.</p> <p>Market Differentiation: Leverage sustainability leadership to secure premium market segments and diversify customer base.</p>	Continue strategic push into value-added products (e.g., tailored formalwear from SGIL).










3.3 Material Topics



Material Topics

Integrating Material Topic with SDGs

Material Topic	GRI Topic Standard	Why is it material	Priority	Relevant SDGs
Energy	GRI 302: Energy	Energy is significant material topic for us as it directly affects operational costs and carries significant environmental impact. Efficient energy management enables us to reduce operational expenses while supporting global climate action.	High	 
GHG Emissions	GRI 305: Emissions	Emissions is important as directly influence environmental performance and demonstrate alignment with global sustainability commitments. Managing and reducing emissions ensures regulatory compliance, protects the environment for future generations, and reinforces stakeholder confidence.	High	
Water and Effluents	GRI 303: Water and Effluents	Recognising the growing challenges of water scarcity, rising demand, and pollution risks, we considers water and effluents a key material topic. Our operations require substantial water for production at SGIL and for sanitary and domestic use across all units, making responsible water and effluent management a key sustainability priority.	High	 
Employment	GRI 401: Employment	Our efforts to employ women and individuals with disabilities show our commitment to diversity, equality, and fair labor practices. Prioritising employee well-being, safe working conditions, and skill development enhances engagement, productivity, and long-term organisational stability.	High	
Occupational Health & Safety	GRI 403: Occupational Health & Safety	Occupational health and safety (OHS) is material for us, as it safeguards employee wellbeing, reduces workplace risks, and strengthens operational resilience. Through training, risk assessments, and adherence to health standards, the company upholds employee welfare, compliance, and sustainable business practices.	High	

Material Topics

Material Topic	GRI Topic Standard	Why is it material	Priority	Relevant SDGs
Diversity, Equity & Inclusion	GRI 405: Diversity & Equal Opportunity	We identified diversity and inclusion as important material topics. An inclusive workplace strengthens culture, engagement, innovation, and stakeholder trust while aligning with global sustainability standards.	Medium	 
Training & Education	GRI 404: Training & Education	We consider this a material topic because providing comprehensive training develops employee skills and expertise, enhances productivity and efficiency, promotes workplace safety, and adopts a culture of continuous learning.	Medium	
Waste Management & Circularity	GRI 306: Waste	Waste is significant as its impact on environmental sustainability, operational efficiency, and regulatory compliance. We prioritize responsible management of production waste and effluents to prevent pollution, reduce risks, and ensure environmentally sustainable operations.	Medium	
Suppliers' Assessment	GRI 414: Supplier Social Assessment GRI 308: Supplier Environmental Assessment	To ensure responsible sourcing, protect brand reputation, and maintain compliance with labour and environmental standards throughout the supply chain, we choose Suppliers' assessment is a material topic.	Medium	 
Economic performance & Tax	GRI 201: Economic Performance GRI 207: Tax	Economic Performance and Tax is important material topic because strong financial management ensures sustainable growth, supports community well-being, and strengthens our commitment to transparency and ethical practices.	Medium	
Materials & Resource Use	GRI 301: Materials	Materials is considered a priority because sourcing responsibly and using resources efficiently reduce waste and environmental impact, supporting our commitment to environmental stewardship and sustainable resource management.	Medium	 

04 PLANET





4.1 CLIMATE & ENERGY

As a leading apparel manufacturer in Bangladesh, we recognise that our operations are integrally linked to energy consumption and climate change. The apparel sector is the backbone of the nation's economy, but it is also a significant energy consumer. In 2024, the industry continues to navigate the dual challenges of meeting global demand while addressing Bangladesh's vulnerability to climate impacts and managing rising energy costs. For Shin Shin Group, proactively managing our energy use is not just an environmental imperative but a critical component of our business resilience and commitment to sustainable growth. It is our most direct pathway to reducing our greenhouse gas (GHG) emissions and building a more efficient, future-ready operation.

Strategic Approach

Our strategy for managing climate and energy is built on a foundation of clear governance, defined actions, and a commitment to continuous improvement. We see these two topics as interconnected; therefore, our management approach addresses them in an integrated manner.

Our Climate & Energy Ambition

Our environmental goals are overseen by a dedicated Environmental Management System (EMS) committee, headed by the DGM (HAC) and coordinated by sustainability-responsible personnel. This cross-functional committee includes members from our Compliance, Environment, Admin, Engineering, Production, and Store teams, ensuring that our sustainability objectives are embedded across all facets of our operations. We also ensure our workers are included in this process through ongoing training and a clear protocol for reporting or inquiring about any environmental incidents.

Our policies comprehensively address all environmental aspects, including:

- Environmental Policy
- Environment, Health & Safety (EHS) Management Policy
- Responsible Business Conduct (RBC) Policy
- Environment Safety Policy

Near-Term Targets

Shin Shin Group **2027** Goal

-10%

GHG emissions (normalized tCO₂e/pc) reduction across 4 of our entities compared to baseline year 2022

Suad Garments Industries Ltd.
2028 Goal

-10%

GHG emissions (normalized tCO₂e/pc) reduction in SGIL compared to baseline year 2023

Key Highlights

Shin Shin Apparel Ltd.

8%

Renewable Energy Electricity share (2024) compared to total electricity consumption.

GHG Emission **Reduction**

-7%

Normalised
Shin Shin Group
(4 entities)

-1%

Absolute
Suad Garments
Industries Ltd.

Action Plans & Progress in 2024

Our commitment to energy efficiency and climate action is driven by our desire to reduce our environmental impact, improve our operational performance, lower costs, and unlock new market opportunities with sustainability-focused customers. In 2024, we continued to translate these motivations into concrete actions.

Transitioning to Renewable Energy:

We have implemented several key initiatives across our facilities to enhance energy efficiency. Our LEED Gold-certified factory, Jeans Plus Ltd., stands as a testament to our commitment. There, we have upgraded production lines with energy-efficient machinery and lighting and installed a condensate recovery system to save thermal energy.

Shin Shin Apparels Ltd., already has a 91.2 kWp solar power plant installed.

At Suad Garments Industries Ltd., we are planning to install a 400 kWp rooftop solar power plant by next reporting year (2025).

We also have a 300 kWp capacity solar power plant installation plan at Vancot Ltd., by next reporting year (2025).



2024 Performance: Goals & Metrics		Baseline Performance	2024 Performance	Progress (%)
Total Energy Consumption (Million MJ)	SSG	29.65	32.65	10% increase
	SGIL	50.98	64.66	27% increase
Energy Intensity (MJ/pc)	SSG	1.92	1.85	4% decrease
	SGIL	11.21	16.67	49% increase
Total GHG Emissions (tCO ₂ e)	SSG	3,196.91	3,396.12	6% increase
	SGIL	4,567.72	4,514.50	1% decrease
GHG Emission Intensity (tCO ₂ e/pc)	SSG	2.07 x 10 ⁻⁴	1.92 x 10 ⁻⁴	7% increase
	SGIL	1.00 x 10 ⁻³	1.16 x 10 ⁻³	16% decrease
Renewable Energy Use (MJ)	SSG	354,261.96	304,365.60	14% decrease
Production (pieces)	SSG	15,442,988	17,676,442	14% increase
	SGIL	4,548,318	3,878,526	15% decrease

Note:

Baseline Year of Shin Shin Group's 4 Entities (JPL, OJL, SSAL & VCL) is 2022

Baseline Year of Suad Garments Industries Ltd is 2023

Detailed Performance: Energy Management

Our energy performance in 2024 reflects both our growth in production and our focused efforts on operational efficiency. This section provides a detailed breakdown of our energy consumption and the initiatives driving our progress.

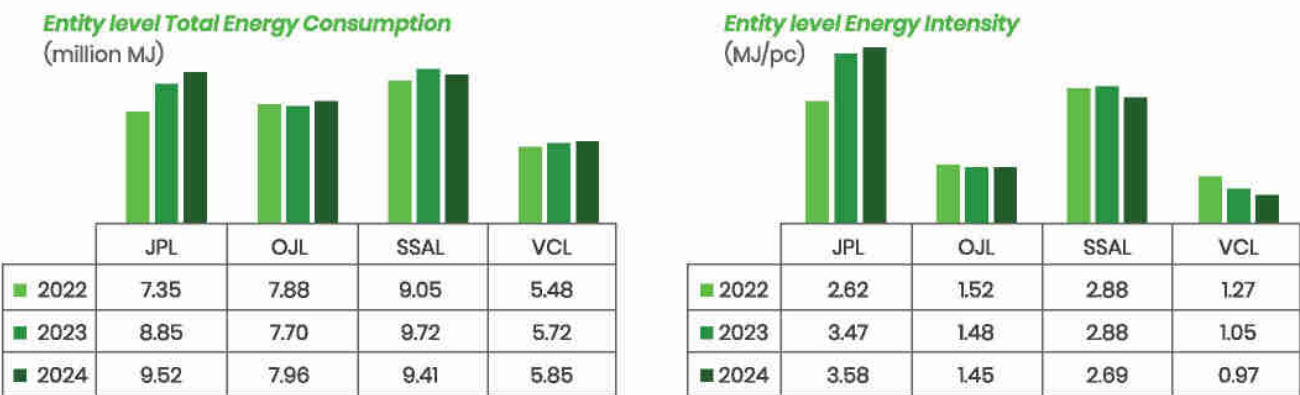
2024 Energy Performance Analysis

In 2024, the total non-renewable energy consumption for our four cut-to-pack entities (JPL, OJL, SSAL, and VCL) was 32.65 million MJ, an increase from previous years, driven primarily by higher production volumes. However, our energy intensity—a key indicator of efficiency shows a positive trend. Three of our four entities (JPL, OJL, and VCL) achieved a lower energy intensity in 2024 compared to our 2022 baseline. VCL, in particular, demonstrated a significant improvement, reducing its energy use per piece from 1.27 MJ to 0.97 MJ.



Energy Consumption (million MJ)	2022	2023	2024
Natural Gas	11.54	12.45	12.63
Diesel	5.01	6.37	6.90
Purchased Electricity (location-based)	13.10	13.06	13.12
Total energy consumption from non-renewable sources	29.65	31.88	32.65
Energy Intensity / Energy Consumption (normalized) [MJ/pc]	1.92	1.93	1.85
Total energy consumption from renewable sources (Rooftop Solar Energy)	0.354	0.344	0.304
Overall Production (pieces)	15,442,988	16,563,683	17,676,442

Note: These numbers and figures represent the energy consumption of Shin Shin Group's four entities (JPL, OJL, SSAL, & VCL) excluding Suad Garments Industries Ltd.



Energy Profile:
Suad Garments Industries Ltd. (SGIL)

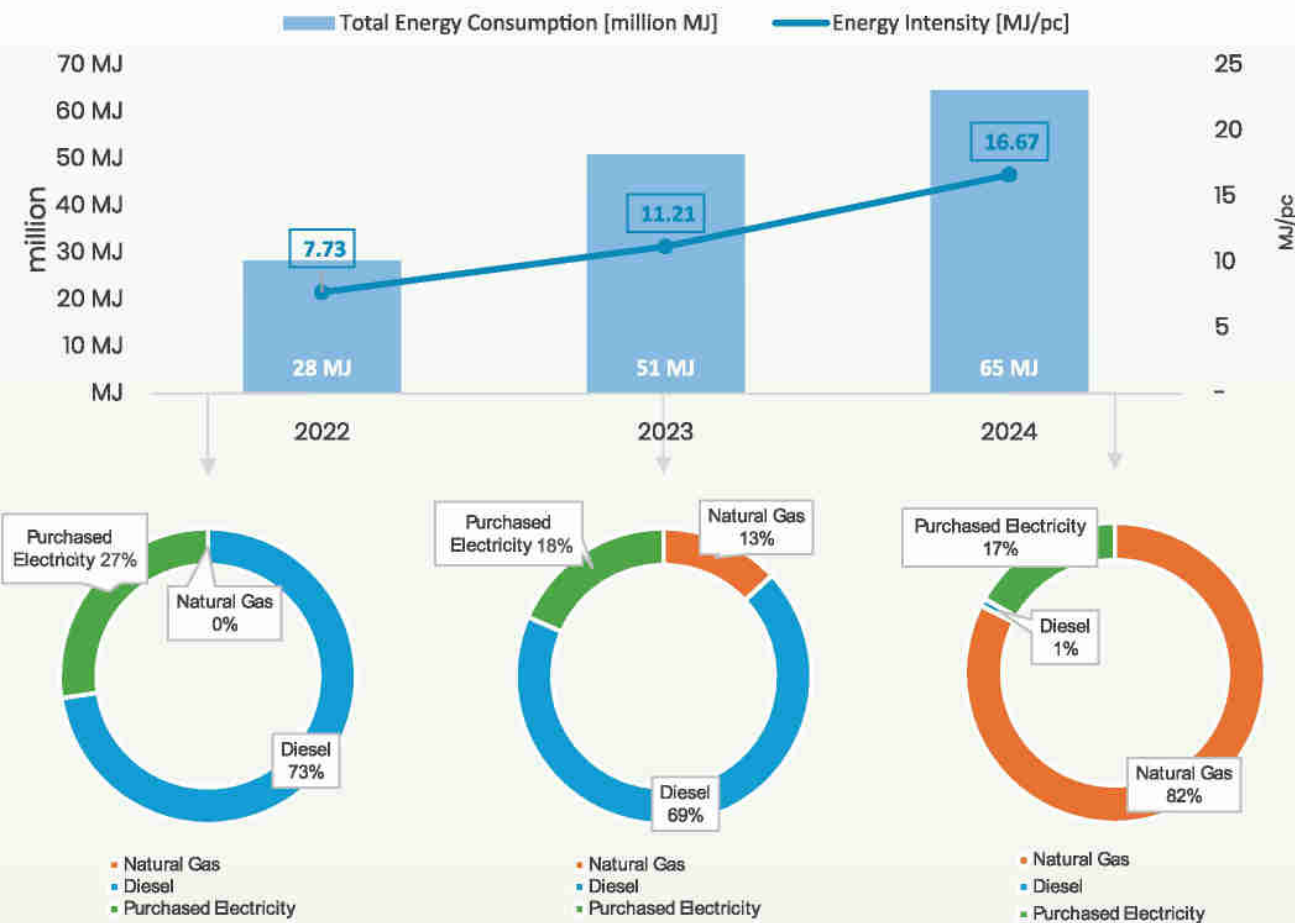
As our primary facility for washing processes, SGIL has a distinct and more energy intensive operational profile. In 2024, SGIL's total energy consumption reached 65 million MJ, a significant increase that corresponds with expanded production activities.

A major strategic initiative for SGIL has been the transition of our boilers from diesel to natural gas. Natural gas now accounts for 82% of SGIL's energy consumption, almost entirely replacing the 523,397 litres of diesel used for boilers in 2022. While this fuel switching is a critical step in reducing our emissions intensity per unit of energy, the overall energy intensity for SGIL increased in 2024.

Our overall production at SGIL saw a slight drop of 15% in 2024 compared to 2023. This year the average time for a product to reach its final stage was higher due to the types of finished garments our buyers required. Despite our improved production and washing capacities and operating at full capacity, our energy demands increased necessitating us to revising our baseline year until our operations reach a certain degree of stability.



SGIL Energy Consumption and Intensity





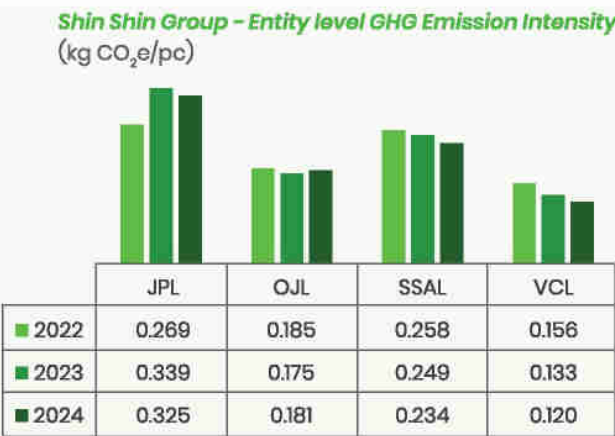
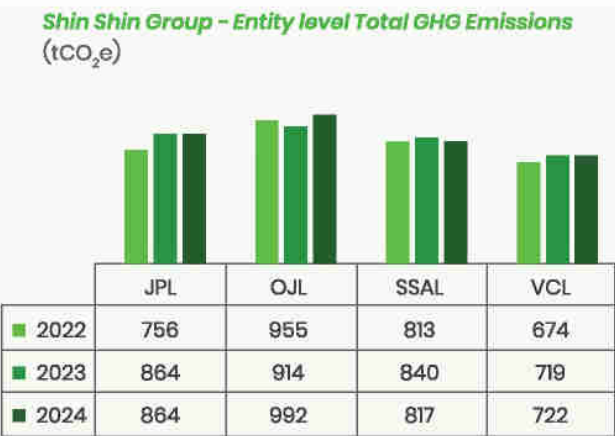
Suad Garments Industries Limited Action Plan & Target

20% Renewable Energy Use by 2030

Detailed Performance: Greenhouse Gas (GHG) Emissions

GHG emissions progress [Absolute] (tCO ₂ e)	2022	2023	2024
Scope 1	941	1,088	1,136
Scope 2 (Location-based)	2,256	2,250	2,260
Total GHG emissions	3,197	3,337	3,396
GHG emissions progress [Normalised] / GHG emission intensity (kg CO ₂ e/pc)	0.207	0.201	0.192
Overall Production (pieces)	15,442,988	16,563,683	17,676,442

Note: These numbers and figures represent the GHG emissions of Shin Shin Group's four entities (JPL, OJL, SSAL, & VCL) excluding Suad Garments Industries Ltd.



Our commitment to climate action is measured by our ability to manage and reduce our GHG emissions. In 2024, our performance reflects a complex picture of increased production, strategic fuel transitions, and the positive impact of our ongoing efficiency initiatives.

GHG Performance Analysis (JPL, OJL, SSAL, VCL)

For our four cut-to-pack entities, our total absolute GHG emissions remained relatively stable in 2024 at 3,396 tCO₂e, despite an increase in production. This was driven by a slight increase in Scope 1 emissions, while our Scope 2 emissions from purchased electricity were steady.

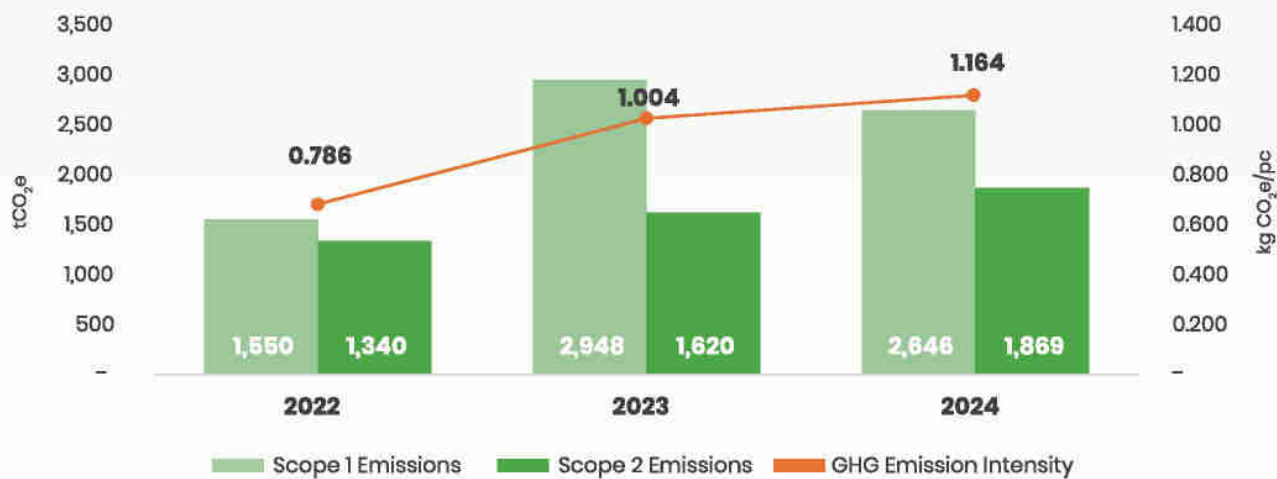
More importantly, our GHG emission intensity continued its downward trend, decreasing to **0.192 kg CO₂e per piece**. This represents a **7% reduction from our 2022 baseline**, placing us ahead of schedule to meet our target of a 10% intensity reduction by 2027. This progress demonstrates that our energy efficiency measures are successfully beginning to decouple our emissions from our production growth.

GHG Emission Profile: Suad Garments Industries Ltd. (SGIL)

At SGIL, our emissions profile is shaped by its more energy-intensive washing operations and a significant strategic shift in our energy sources. In 2024, we achieved a **1% reduction** in our **absolute GHG emissions**, decreasing from 4,567.72 tCO₂e in our 2023 baseline year to 4,514.50 tCO₂e. This progress is an early positive indicator following our full-scale transition from diesel to natural gas for our boilers.

However, our GHG emission intensity for 2024 was 1.164 kg CO₂e per piece. This increase from the previous year reflects a higher production volume of more complex, high-value garments which require more energy per piece. We consider 2023 our new, most representative baseline for SGIL following the fuel transition. This move away from diesel is a foundational step, and we are now focused on optimising our processes to meet our goal of a 10% intensity reduction by 2028.

SGIL Scope 1 & 2 Emissions and Intensity



At present, we do not apply an internal carbon price, as no such mechanism exists within the Bangladesh regulatory or industry framework. However, we recognize the increasing importance of internal carbon pricing in global sustainability reporting. We are monitoring international practices and exploring the feasibility of incorporating a shadow carbon price in our future risk assessments and investment decisions.



Initiatives Driving Energy Efficiency linked to GHG Emissions Reduction

Our progress in energy management is the result of a coordinated, group-wide effort to upgrade our core factory systems. In 2024, our initiatives centered on deploying proven, energy-efficient technologies across our facilities.



Initiative	Description	Benefits
Condensate Heat Recovery System	Captures the hot water from condensed steam in industrial or commercial heating systems & reuses it to improve overall efficiency.	Saves fuel, water, and energy, reduces chemical treatment costs, lowers greenhouse gas emissions, and contributes to greater sustainability.
Energy Efficient Machineries	Replacing clutch motors with servo motors in sewing machines. Installing G-trap system. Transitioning to LED lighting.	With implementation already underway and yielding direct positive results, a full transition to these energy-efficient measures will generate substantial savings in operational energy costs and significantly reduce GHG emissions.
Enhanced Boiler, Compressor and Steam Systems	Burner tuning and excess air control for boilers. Flash steam recovery. Compressor pressure reduction. VFDs for boiler fan motors, compressor motors, pump motors, air compressors. Burner tuning of boilers, insulation development & steam pressure increase.	Reduced fuel and electricity consumption, lower operational costs, and decreased GHG emissions through improved efficiency of boilers, compressors, and steam systems.
Renewable Energy	Rooftop solar power plant system already installed at SSAL, exploring feasibility of expanding and installing new solar systems at SGIL and JPL.	This initiative will increase our renewable energy share in the coming years and contribute to exceeding our established energy reduction and GHG emissions reduction targets ahead of schedule.

Calculation Methodologies

To ensure our environmental data is accurate, consistent, and transparent, we have adopted established national and international standards for our calculations.

Energy Consumption Calculation

All energy consumption figures in this report are presented in Mega Joules (MJ) to ensure a standardized and comparable unit across different energy sources. The conversion factors used to translate our consumption of natural gas (m³), diesel (litres), and purchased electricity (kWh) into MJ are sourced from the National Energy Balance 2021-22, published by the Government of Bangladesh.

Greenhouse Gas (GHG) Emissions Calculation

Our Greenhouse Gas (GHG) emissions inventory is prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. We utilize the latest tools and emission factors from the GHG Protocol for calculating emissions from stationary combustion (Scope 1). For our Scope 2 emissions from purchased electricity, we use the country-specific grid emission factors published in the Bangladesh First Biennial Update Report to the UNFCCC (June 2023) to ensure the highest degree of local accuracy.

Other Air Emissions

Beyond GHG emissions, we monitor other significant air emissions from our operations to manage our broader impact on air quality. In 2024, air emission inventories were conducted at our Organic Jeans Ltd. (OJL) and Suad Garments Industries Ltd. (SGIL) facilities, which have boilers and generators as primary emission sources.

The data below represents the combined emissions from these two entities. The primary sources are stack emissions from generators and boilers, refrigerants from cooling systems, and fugitive emissions from various production areas. The inventories were prepared in accordance with the Bangladesh Air Pollution (Control) Rules 2022, STeP-Oeko Tex, and IFC/World Bank standards. We are working to establish a comprehensive monitoring system across all our facilities

Air Emission Inventory	Unit	2024 Performance
Stack Air Emission from Exhaust Outlet:		
Suspended Particulate Matter (SPM)	Ton	0.0834
Nitrogen Oxides (NOx)	Ton	3.5210
Sulfur Dioxide (SO ₂)	Ton	0.0090
Carbon Monoxide (CO)	Ton	0.9050
Emission from Refrigerant Device / Cooling System:		
Refrigerant (R-410A)	Kg	48.6
	Kg	221.8
Air Emission from Non-Point (Fugitive) source:		
Particulate Matter (PM _{2.5})	Ton	1.4384
Particulate Matter (PM ₁₀)	Ton	2.3159
Volatile Organic Compound (VOC)	Ton	0.5534
Formaldehyde (CH ₂ O)	Kg	0.1331

Note: This data table represents other air emissions of two of our entities – OJL and SGIL.



4.2 Water Stewardship

Water is a fundamental resource for life, ecosystems, and economies. In the ready-made garment (RMG) industry, particularly in a water-stressed region like Bangladesh, its role is even more critical. From washing to finishing processes, water is integral to our production. We recognise that responsible water management is essential for environmental preservation and for the long-term resilience of our business and the well-being of the communities where we operate.

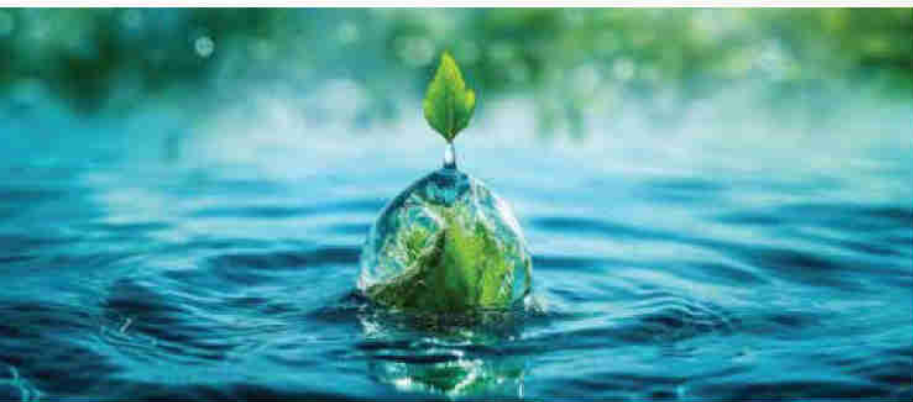
Strategic Approach

Our commitment is rooted in the understanding that water is a vital, shared resource. We are focused on minimizing our consumption, protecting water quality through responsible wastewater management, and ensuring our operations support the long-term health of the local water basins.

Based on a scenario analysis, we have identified our factories are located in water stressed areas and are categorised as 'high'. As such, we have made an initial investment of an approximately BDT 10 crore for wastewater discharge infrastructure, for example, the ETP at SGIL.

Water management is overseen by our dedicated Environmental Management System (EMS) committee, which is headed by the DGM (HAC). This cross-functional committee includes members from Compliance, Environment, Engineering, Production, and other key departments, ensuring that our water strategy is integrated across all operations. We include our workers in this process through regular training and by providing a clear protocol for them to report or inquire about any environmental incidents.

Our approach is formalised through a set of integrated policies that guide our actions. These include our policies such as the Environmental Policy, Environment, Health & Safety (EHS) Management Policy, Responsible Business Conduct (RBC) Policy, Environment Safety Policy, and Septic tank Policy & Plan, which we will further discuss in detail later in the report.



Near-Term Targets

Shin Shin Group 2028 Goal

-15% Shin Shin Apparel Ltd.
Vancot Ltd.

Both groundwater & municipal
consumption reduction
(normalized m³/pc)

-10% Organic Jeans Ltd.

Municipal Water consumption
reduction (normalized m³/pc)

-5% Jeans Plus Ltd.

Groundwater consumption
reduction (normalized m³/pc)

Suad Garments Industries Ltd. 2028 Goal

-15%

Water consumption reduction
(normalized m³/pc) using BEPZA
water supply

Key Highlights

Shin Shin Apparel Ltd.

-7% (normalized m³/pc)

Reduction in Water Use across
4 entities of Shin Shin Group in
2024 compared to baseline
year 2022.

Groundwater Withdrawn Reduction

-31%

Absolute m³
Organic Jeans
Ltd.

-16%

Absolute m³
Jeans Plus
Ltd.

Action Plans & Progress in 2024

In 2024, we continued to implement a range of initiatives across our facilities to reduce water consumption at the source.

Initiative	Description	Benefits
Installation of Water-Efficient Fixtures	Fitting taps with aerators to reduce flow, and installing low-flow and optimized-flush toilets.	Reduces the volume of water used for domestic purposes without compromising performance.
Automated Water Systems	Planning to implement sensor-based taps and motorised controls in water processes.	Prevents unnecessary water use and waste by ensuring water flows only when needed.
Steam Condensate Recovery	Capturing and reusing steam condensate from our finishing sections for boiler feedwater.	Reduces the need for freshwater intake and conserves thermal energy, lowering fuel consumption.
Rainwater Harvesting	Developing systems to collect and store rainwater for non-potable uses such as flushing and cleaning.	Decreases our reliance on groundwater and municipal water supplies.

Note: Baseline Year of Shin Shin Group's 4 Entities (JPL, OJL, SSAL & VCL) – 2022
Baseline Year of Suad Garments Industries Ltd – 2023

2024 Performance: Goals & Metrics		Baseline Performance	2024 Performance	Progress (%)
Total Water Consumption (m³)	SSG	84,497	89,832	6% increase
	SGIL	104,406	191,631	84% increase
Water Intensity (m³/piece)	SSG	0.0055	0.0051	7% decrease
	SGIL	0.0230	0.0494	~1.15x increase
Total Treated Wastewater Discharged (m³)	SGIL	36,908	109,710	~2x increase
Rainwater Usage (m³)	VCL	1,657	3,073	86% increase
	SGIL	507	389	23% decrease
Production (pieces)	SSG	15,442,988	17,676,442	14% increase
	SGIL	4,548,318	3,878,526	15% decrease

At SGIL, our ETP is operated in compliance with ZDHC guidelines. Currently, the treated ETP discharge at SGIL is the primary wastewater stream under metered monitoring, and we have a clear plan to expand monitoring and management across the group. Our ongoing objective is to continuously improve wastewater quality while minimizing environmental and community impacts.

We are expanding our rainwater harvesting capabilities to further reduce our reliance on external water sources. At VCL, we plan to increase our harvesting area by 50% by 2028. Concurrently, a new rainwater harvesting system is planned for implementation at JPL by the end of 2027.

Detailed Performance: Water Management

In 2024, our four cut-to-pack entities withdrew a total of 88,889 m³ of water. The majority of this, 80,589 m³, was sourced from groundwater, while 8,300 m³ was supplied by BEPZA for our factories located in the export processing zones.

2024 Water Management Analysis

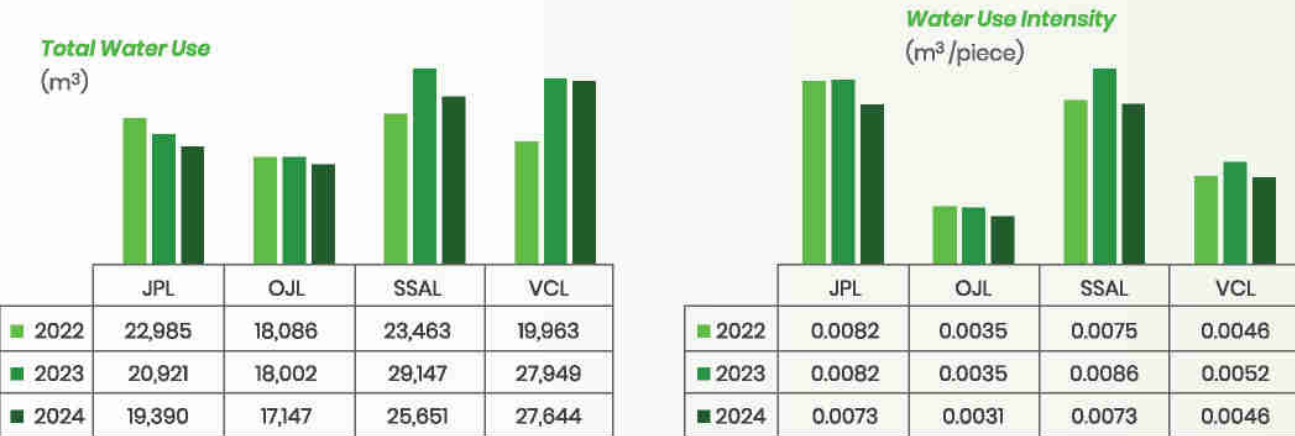
A key indicator of our progress is the successful decoupling of water use from production growth. Despite a 14% increase in production volume across these four units compared to the 2022 baseline, our total water withdrawal decreased by 7% from 2023 levels. This achievement is reflected in our improved water use intensity, which fell from 0.0055 m³/piece in 2022 to 0.0051 m³/piece in 2024.

Our rainwater harvesting systems continue to play a crucial role in our stewardship efforts, with a total of 3,073 m³ of water collected and recycled in 2024, a significant increase from previous years. This progress underscores the effectiveness of our water efficiency initiatives in driving tangible reductions in our operational water footprint.



Water Withdrawn (m³)	2022	2023	2024
Groundwater	79,204	91,235	80,589
Municipal water (BEPZA water supply)	5,293	4,784	8,300
Total water withdrawn	84,497	96,019	88,889
Water Use Intensity / Water Use (Normalized) (m³/piece)	0.0055	0.0058	0.0051
Total recycled water used (Rainwater Harvesting System)	1,657	2,260	3,073
Overall Production (pieces)	15,442,988	16,563,683	17,676,442

Note: These numbers and figures represent the energy consumption of Shin Shin Group’s four entities (JPL, OJL, SSAL, & VCL) excluding Suad Garments Industries Ltd.



Wastewater Management

At Shin Shin Group, wastewater treatment is an integral part of our production process, ensuring that all water used in manufacturing is properly treated before discharge. Our treatment systems are designed to effectively remove harmful chemicals, dyes, and toxins, thereby safeguarding local water bodies and surrounding ecosystems. As part of our ongoing commitment to environmental responsibility, we are adopting advanced treatment technologies that go beyond regulatory compliance. These innovations reflect our dedication to sustainability and our proactive approach to minimizing environmental impact.

Future Goals:



JPL



Domestic wastewater treatment by STP within 2028.

SSAL



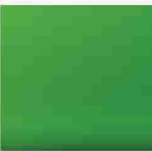
Improve wastewater quality, reduce its amount, and minimize discharge impacts on communities and environment by 2027.

OJL



Reduce wastewater discharge that impacts the environment and communities by 2027.

VCL



Ensure reduced wastewater discharge with no negative impact on communities & the environment by 2027. Building STP within 2028.

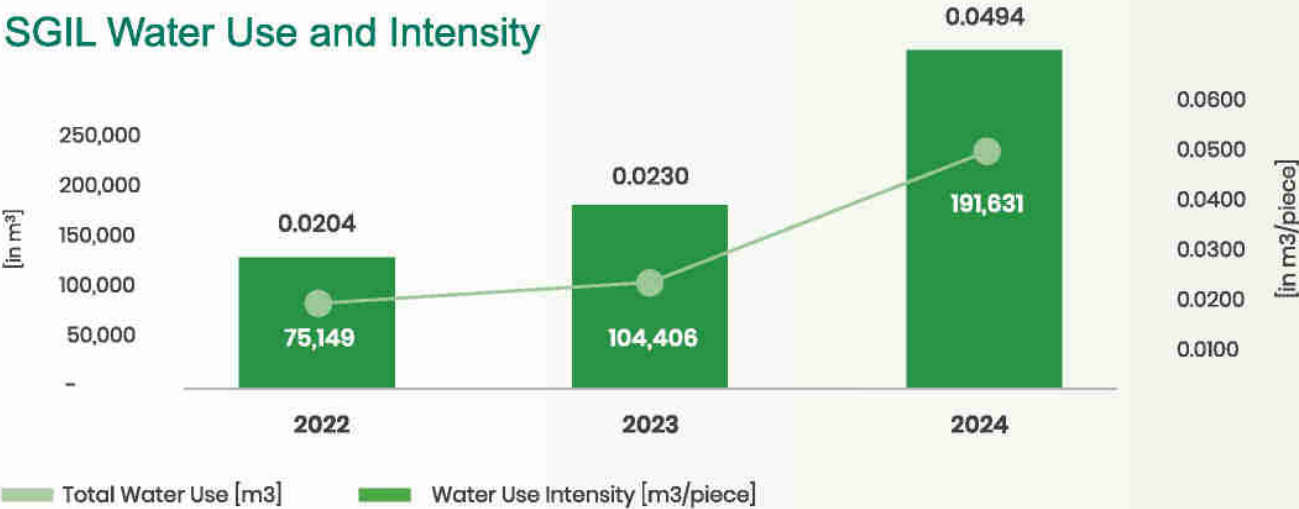


Water Management Profile: Suad Garments Industries Ltd. (SGIL)

As our dedicated washing facility, SGIL has a significantly different water profile. In 2024, total water use at SGIL reached 191,631 m³, an increase from previous years that corresponds with a significant ramp-up in the production of high-value, water-intensive products.

This increased production led to a water use intensity of 0.0494 m³/piece. While this represents an increase, our focus at SGIL is on ensuring that all water is managed responsibly. A key part of this is our on-site Effluent Treatment Plant (ETP), which treats 100% of our process wastewater. We ensure that the quality of our discharged water adheres to all regulatory standards, including DOE ECR 2023 and ZDHC guidelines.

SGIL Water Use and Intensity



4.3 Materials & Resource Use

Strategic Approach

Products & Circularity: Quality and sustainability are central to our product design. We begin by selecting the best possible fabrics, with a focus on high-quality and eco-friendly options. During production, we use advanced technologies and methods that improve the design and function of our garments while reducing waste and energy consumption.

Our commitment to quality and sustainability is embedded in our core policies. We adhere to a comprehensive **Quality Policy** focused on manufacturing world-class products and achieving customer satisfaction through the highest standards of quality and safety. This is complemented by a **Sourcing Policy** aligned with local and international standards. Our material selection is guided by certifications such as GOTS, GRS, OEKOTEX 100, OCS, and RCS, and is responsive to the specific requirements of our brand partners. To ensure objectivity, our corporate quality auditors and controllers work independently from floor management and report directly to the Chairman & Director of the company.

Action Plans & Progress in 2024

Innovating with Sustainable Materials: **Innovating with Sustainable Materials:** We are actively increasing our use of recycled and sustainably sourced materials. Our research and development efforts in this area are driven by customer demand and our commitment to circularity. While we do not have a fixed budget for R&D in this space, we allocate resources as needed to meet the sustainable material requirements of our brand partners.

We work closely with our suppliers to ensure compliance with our sourcing standards and to improve the traceability of materials. This collaboration is essential for building a more resilient and responsible supply chain.

Key Highlights

Shin Shin Group

23%

Recycled materials share (2024) compared to total inflow materials used.

Recycled Materials Use

3 Times

Increase vs 2022
Shin Shin Group
(4 entities)

18%

Increase vs 2023
Suad Garments
Industries Ltd.



2024 Performance: Goals & Metrics		Baseline Performance	2024 Performance	Progress (%)
Total inflow resources used (tons)	SSG	4,859	10,225	1.1x increase
	SGIL	2,382	2,579	8% (increase)
Recycled Materials Used (tons)	SSG	381	2,598	3x increase
	SGIL	1,045	1,235	18% (increase)

Note: Baseline Year of Shin Shin Group's 4 Entities (JPL, OJL, SSAL, & VCL) is 2022. Baseline Year of Suad Garments Industries Ltd is 2023.

Detailed Resource Management

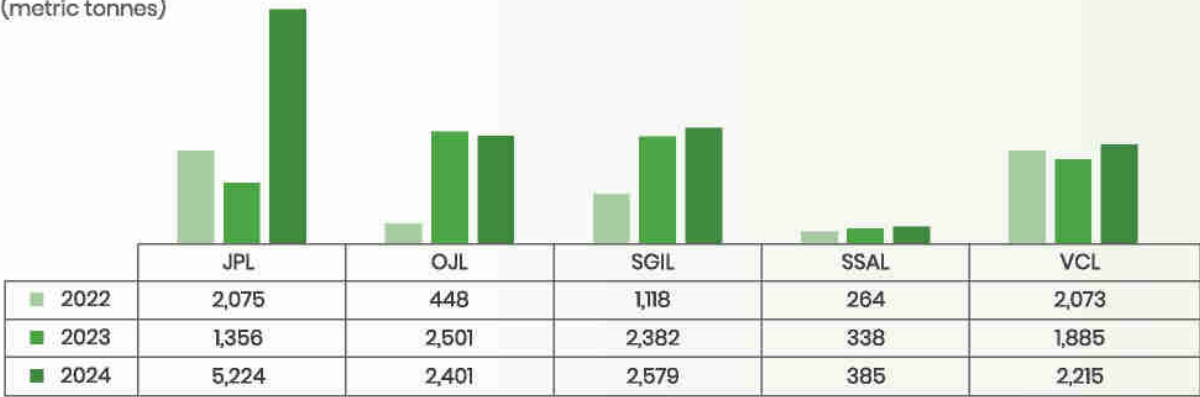
In 2024, our total resource use increased to 16,636 tons, reflecting higher production volumes. A significant development in our material strategy has been the successful integration of recycled materials into our production processes.

The use of recycled materials increased to 3,832 tons, now making up 23% of our total materials used. This is a substantial progression from 8% in 2022 and 20% in 2023, demonstrating a clear and positive trend in our move towards circularity. This shift was most pronounced in our four cut-to-pack entities (SSG), where recycled material use grew by almost 3 times from the 2022 baseline. At SGIL, which handles more complex products, recycled material use also increased by a notable 18% from its 2023 baseline.

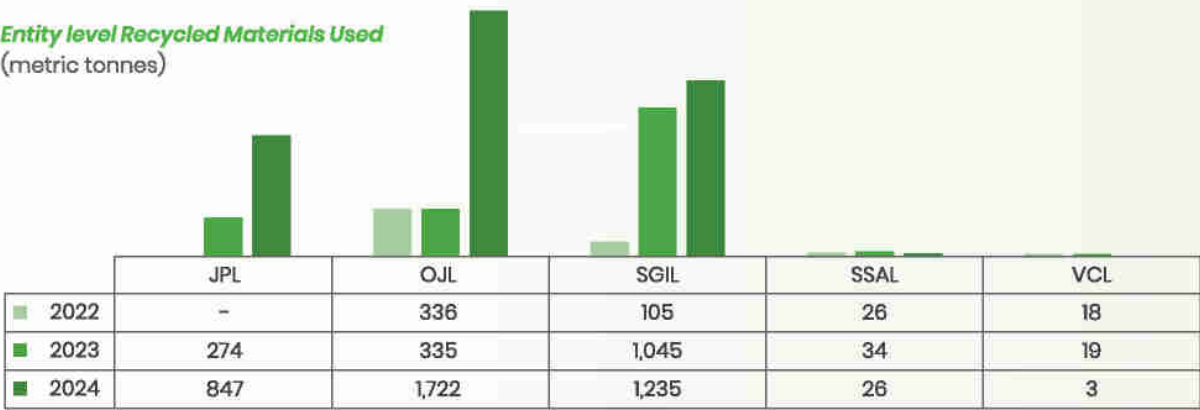
Materials Used (metric tonnes)	2022	2023	2024
Non-recycled materials used	5,977	8,462	12,803
Recycled materials used	485	1,706	3,832
Total Resources Used	6,462	10,169	16,636
Percentage of Recycled Materials Used (%)	8	17	23
Overall Production (pieces)	19,121,406	21,112,001	21,554,968

Note: The numbers in this table represent data of all five entities of Shin Shin Group.

Entity level Non-Recycled Materials Used
(metric tonnes)



Entity level Recycled Materials Used
(metric tonnes)



4.4 Waste Management & Circularity

Strategic Approach to Waste Reduction and Circularity

We view waste as a potential resource in the upcoming future. Our strategy is guided by the principles of the waste hierarchy: prevent, reduce, reuse, and recycle. Currently, our primary method of handling waste is selling it to third-party collectors. While we do not yet track the final destination of this waste, we recognise the significant opportunity to integrate circularity more deeply into our operations and have set clear goals to guide this transition.

As with all our environmental topics, waste management is overseen by our cross-functional EMS committee. This ensures that waste reduction is considered a key performance indicator within our operational planning.

Double Materiality in Practice: [Placeholder for your assessment of waste's environmental impacts (e.g., landfill use, pollution) and the financial risks (e.g., disposal costs, regulatory fines) and opportunities (e.g., revenue from selling scraps) for your business.]

Our existing Environmental and EHS policies provide the framework for our current waste management practices. We are in the process of developing more specific procedures to enhance our performance in this area.

Action Plans & Progress in 2024:

Our main sources of waste include fabric cuttings, paper, plastic, and packaging materials. In 2024, our actions were focused on minimizing waste at the source.

Key initiatives included:

- **Process Optimisation:** Improving fabric utilization through proper marking and the use of auto-cutting machines.
- **Resource Conservation:** Promoting the use of both sides of paper, reusing threads and tins, and increasing worker awareness to reduce the unnecessary use of materials like polythene and hangers.
- **Safe Management:** Ensuring all waste streams, from non-hazardous fabric scraps to hazardous chemical drums and e-waste, are properly segregated and handled to maintain a safe work environment.



Near-Term Targets

Shin Shin Group 2028 Goal

-5% Jeans Plus Ltd.

-10% Organic Jeans Ltd.
Shin Shin Apparel Ltd.

-15% Vancot Ltd.

Waste generation
(normalized kg/pc) reduction
across 4 of our entities compared
to baseline year 2022

Suad Garments Industries Ltd. 2028 Goal

-25%

Waste generation
(normalized kg/pc) reduction
in SGIL compared to baseline
year 2023

Key Highlights

Suad Garments Industries Ltd.

-10% Absolute
Metric tonnes

Total waste generated reduced
in 2024 compared to baseline
year 2023.

Waste generation Reduction

-27%
(Normalized
kg/pc)
Jeans Plus Ltd.

-10%
(Normalized
kg/pc)
Shin Shin
Apparel Ltd.

2024 Performance: Goals & Metrics

In 2024, our waste performance varied across our operations, reflecting different production levels and the early stages of our new reduction initiatives. At Suad Garments Industries Ltd. (SGIL), we successfully achieved a 10% reduction in absolute waste generated compared to our 2023 baseline, demonstrating the positive impact of our focused efficiency measures.

Across our other four entities (SSG), total non-hazardous waste increased, which is linked to higher production volumes. However, our normalized waste generation at key facilities like Jeans Plus Ltd. and Shin Shin Apparels Ltd. decreased by 27% and 10% respectively, indicating progress in our efforts to decouple waste from production. We remain committed to achieving our 2028 targets for waste reduction across all entities.

2024 Performance: Goals & Metrics		Baseline Performance	2024 Performance	Progress (%)
Non-hazardous waste generated (metric tonnes)	SSG	841	1,088	29% increase
	SGIL	564	508	10% decrease
Hazardous waste generated (metric tonnes)	SSG	3.00	3.20	7% increase
	SGIL	2.14	2.12	1% decrease
Total waste generated (metric tonnes)	SSG	844	1,091	29% increase
	SGIL	566	510	10% decrease
Waste generated intensity / normalized (kg/piece)	SSG	0.0825	0.0835	13% increase
	SGIL	0.1244	0.1314	6% increase
Waste generated intensity / normalized (kg/piece)	SSG	15,442,988	17,676,442	14% increase
	SGIL	4,548,318	3,878,526	15% decrease
Production (pieces)	SSG	15,442,988	17,676,442	14% increase
	SGIL	4,548,318	3,878,526	15% decrease

Note: Baseline Year of Shin Shin Group's 4 Entities (JPL, OJL, SSAL & VCL) is 2022
 Baseline Year of Suad Garments Industries Ltd is 2023



4.5 Chemical Management:

In today’s global apparel industry, responsible chemical management plays a crucial role in ensuring the safety of workers, environmental protection, and compliance with international standards. Although our group operates mostly in cut-to-pack facilities, where the use of hazardous chemicals is minimal, we still prioritise chemical safety across all units. The only widely used chemical across the group is spot lifter, used for stain removal. Additionally, SGIL, the only facility with a wet process, handles a broader range of washing chemicals, which are carefully managed under strict guidelines.

As chemical use is limited across most entities, this section highlights our commitment to continuous improvement, risk prevention, training, and compliance—even in low-chemical environments. Any significant progress, targets, and initiatives are presented through infographics and charts.



Indicator	2022	2023	2024
Chemical trainings conducted	44	48	48
Personnel trained on chemical safety	90	107	130
Chemical drills conducted	8	9	10
Entities fully following MRSL/RSL policy	5	5	5

Proactive Initiatives/ Highlights of Our Chemical Management:

To achieve these ambitious goals and ensure continuous improvement in our chemical management practices, we have implemented a range of targeted initiatives across all entities. These efforts are designed not only to ensure compliance but also to drive innovation, reduce risks, and promote a safer and more sustainable workplace.

- We conduct **regular chemical management training programs** for our personnel, ensuring everyone understands safe handling and storage.
- Our policies are **monitored through bi-annual internal audits**, allowing us to identify areas for improvement and ensure ongoing compliance.
- We strictly **adhere to national and international regulations and guidelines**, integrating them into every aspect of our chemical management system.
- **We conduct monthly chemical inventories** across all our operational sites to ensure that our records remain up-to-date, compliant, and aligned with safety protocols.
- **We have equipped all chemical handling zones with essential safety infrastructure** including spill response kits, clearly visible and durable chemical labels, fire extinguishers, and appropriate Personal Protective Equipment (PPE).
- **At JPL**, we take an extra step by performing **heavy metal testing** on selected chemical substances.
- **At SGIL**, where the nature of operations involves greater chemical use, we have established a dedicated **Chemical Management System (CMS) Committee**.

Where Chemicals Appear in Our Value Chain

Where Chemicals Appear in Our Value Chain

Although most of our production is focused on cut-to-pack operations, there are critical touchpoints in our value chain where chemical management becomes essential:

Identified Chemical-Related Risks and Mitigation: Through our HIRA process, we proactively identify and assess various chemical-related impacts and potential risks, including:

Health and Safety Hazards: Potential exposure to harmful substances for our workers, leading to skin irritation, respiratory issues, or other health concerns.

Environmental Pollution: Risks of chemical spills, leaks, or improper disposal that could contaminate water bodies, soil, or air.

Fire and Explosion Hazards: The inherent flammability or reactivity of certain chemicals posing risks of fire or explosion. To address these identified risks, we implement a multi-faceted approach:



Chemical Use

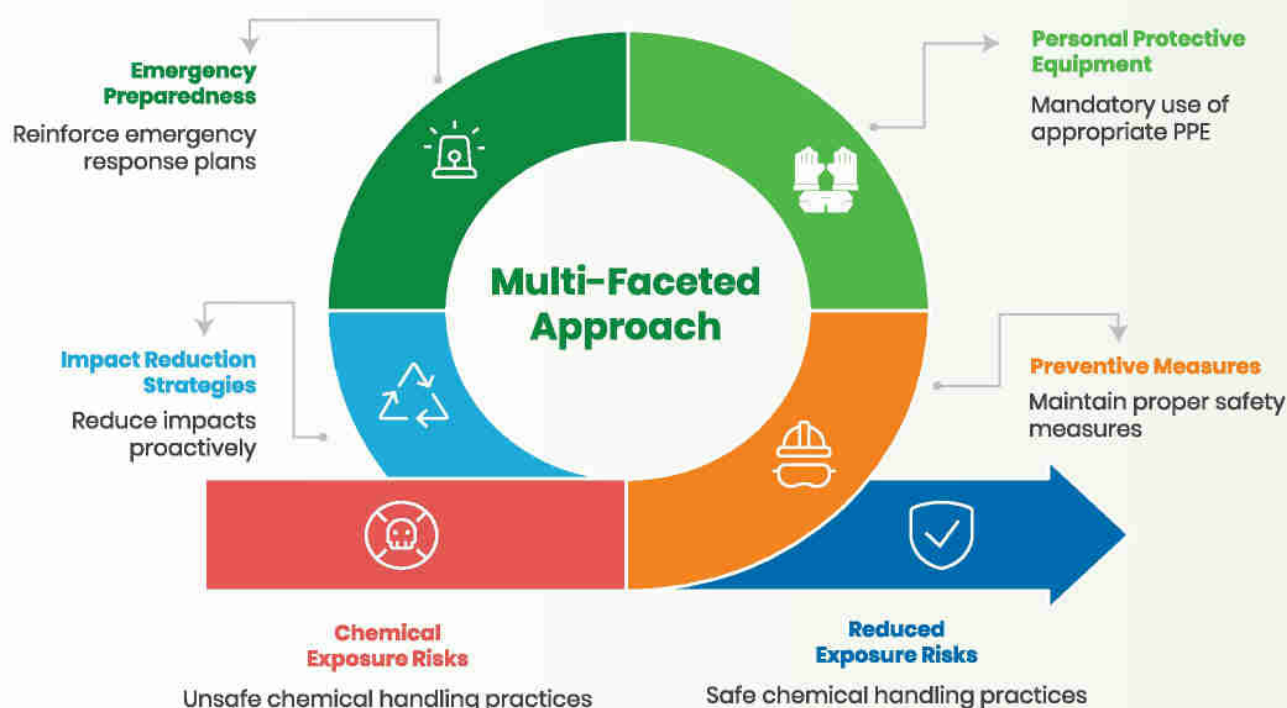
Spot-Lifter 833 is used in all entities.



Washing

Wet processing chemicals are used in washing.

Reducing Chemical Exposure Risks



Before any new chemical is purchased or even trialed, we meticulously check all Safety Data Sheets (SDS), Technical Data Sheets (TDS), and relevant Certificates. This rigorous pre-screening ensures that only approved and compliant substances enter our facilities. Our comprehensive set of policies, including the Chemical Management Policy, Chemical Purchase & Handling Policy, MRSL/RSL Management Policy, Wastewater Management Policy, Chemical Spillage Policy, and Chemical Storage Policy, are not just documents; they are living guides. These policies are prominently displayed on policy boards and are integral to our regular training sessions, ensuring all employees, from chemical handlers to managers, are well-informed and equipped.

We are guided by a strong commitment to national and international standards. Our chemical management system adheres to:

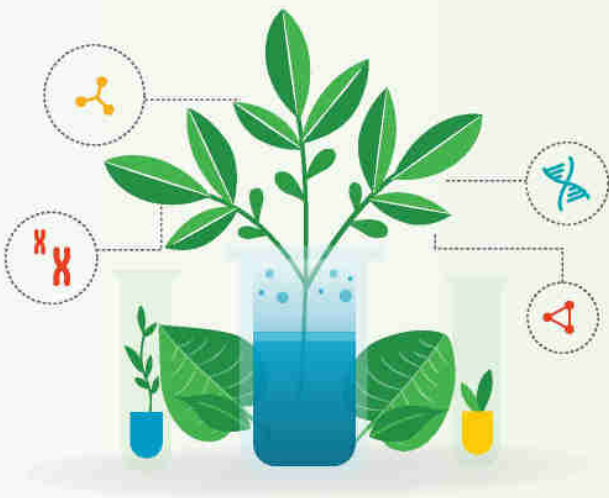


Our Chemical Management Standards & Compliance Framework

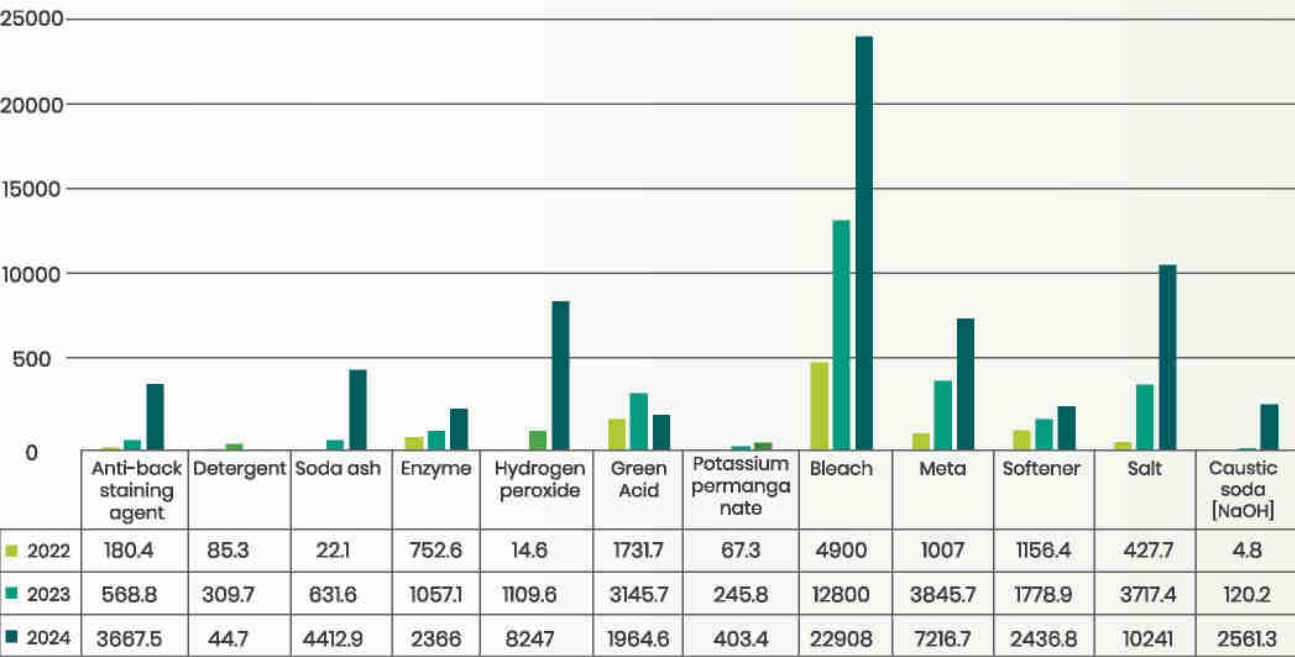


Chemical Management at SGIL

In alignment with our commitment to minimizing our environmental footprint and practicing responsible chemical stewardship, we continuously monitor and manage the use of all chemical agents within our operations. Our reporting for the years 2022, 2023, and 2024 reflects a comprehensive overview of the chemicals utilized in our washing and production processes. Key categories include softeners, bleaching agents, enzymes, and various acids such as acetic and phosphoric acid, which are essential for quality control. We also track the application of direct dyes and other specialized agents like Lycra Protector and Pumic Stone. This diligent tracking and reporting process is critical for ensuring that we adhere to all regulatory requirements and for identifying opportunities to optimize our chemical usage, explore greener alternatives, and further reduce our overall environmental impact.



Chemical Usage (kg)



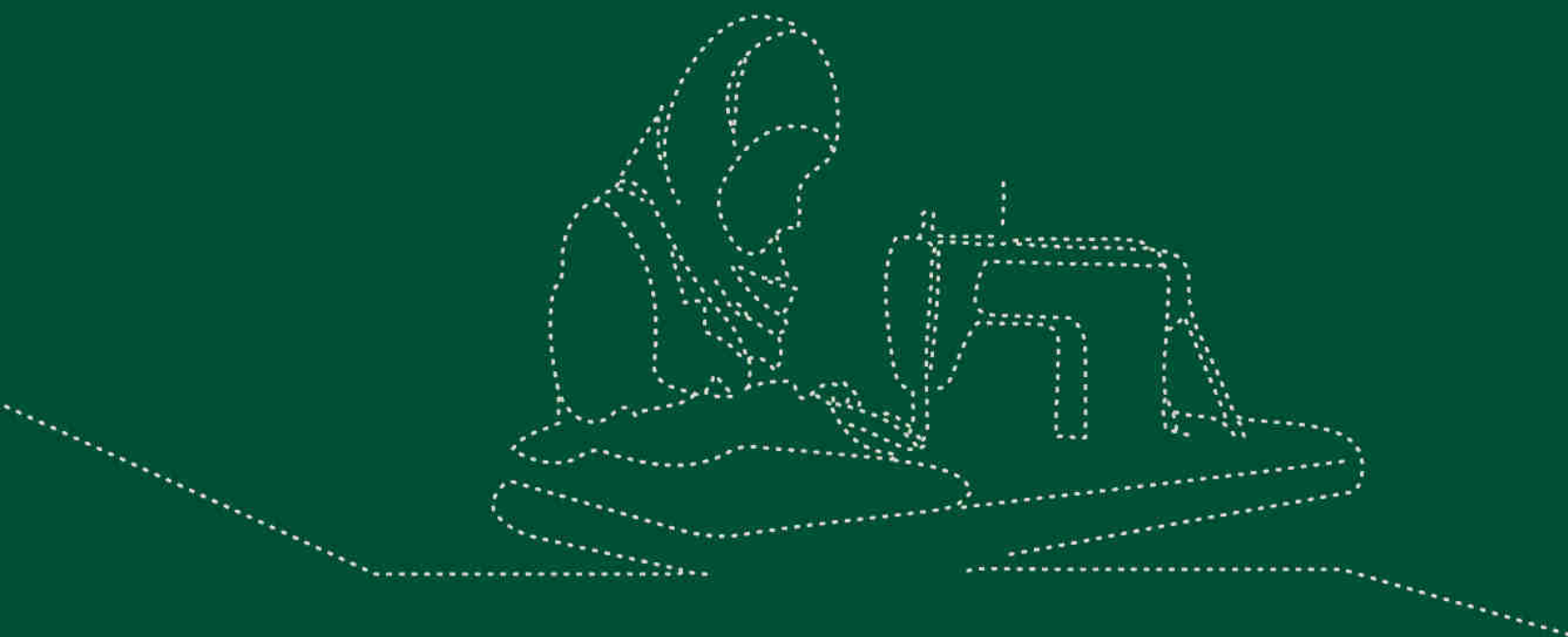
To prevent environmental pollution from our chemical usage, we have implemented key initiatives. For water pollution, we ensure proper treatment through our Effluent Treatment Plant (ETP). For air pollution, we have installed VOC (Volatile Organic Compound) scrubbers in the spot-removing room to capture and neutralize harmful emissions.

Furthermore, we are dedicated to maintaining the highest standards of chemical safety and compliance. We proudly follow and have adopted the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL) and Restricted Substances List (RSL). We also comply with other rigorous global standards, including GOTS and ScreenChemistry.

A significant milestone in 2024 was Suad Garments Industries Ltd. achieving a 100% score in the ZDHC Verified InCheck - Level 1 Report.

05

PEOPLE



5.1 Social Responsibility

At Shin Shin Group, our success is built on the well-being, skill, and dedication of our people. We believe that a responsible business is one that creates a safe, inclusive, and empowering environment for everyone it touches, from our direct employees to the workers across our value chain.

Strategic Approach

One of the foundational elements of our corporate culture is our dedication to our employees. We strive to establish a work environment that is legal and regulatory compliant, as well as one that promotes a genuine sense of community and mutual respect.

We manage social performance through a collaborative effort between our Human Resources, Compliance, and leadership teams. As with our environmental initiatives, our EMS committee provides oversight, ensuring that our social policies are effectively implemented and continuously improved.

Our approach to social responsibility is guided by a comprehensive framework of policies that ensure our operations are conducted ethically and in full compliance with both national laws and international standards. This framework is central to how we manage our relationships with our employees and stakeholders, ensuring that every step aligns with the Bangladesh Labour Act 2006 and the Labour Rules 2015.

Our policies create a foundation for a safe, respectful, and fair workplace. Key policies include:

Core Labor Rights: We have specific policies prohibiting child labor, forced labor, and discrimination, while upholding the rights to freedom of association and collective bargaining. Our Code of Conduct, Human Rights Policy, and Workers' Rights & Privileges Policy ensure these fundamental principles are respected.

Fair Employment: Our Recruitment, Compensation & Benefits, and Working Hours policies ensure that our employment practices are transparent, equitable, and provide secure and fair working conditions for all.

Health and Safety: The Occupational Health & Safety Policy, complemented by specific procedures for fire safety, chemical management, and PPE, ensures a secure work environment.

Ethical Conduct and Grievance: Our Anti-Corruption, Grievance Remediation, and Gender-Based Anti-Harassment policies provide clear channels for raising concerns and ensure that all business is conducted with integrity.



5.2 Employment & Workforce

We are committed to providing secure employment and fostering a stable and engaged workforce. We adhere to all national labor laws and international standards, including those of the ILO, ensuring that all our employees work under formal contracts with clear and fair terms.

2024 Performance: Goals & Metrics

2024 Performance: Goals & Metrics		Baseline Performance	2024 Performance	Progress (%)
Total number of employees	SSG	5,938	6,005	1% increase
	SGIL	2,942	2,966	1% increase
Female employees (%)	SSG	65%	65%	No change
	SGIL	70%	71%	1% increase
Women in management / supervisory positions	SSG	57	59	4% increase
	SGIL	21	25	19% increase
Employees receiving trainings (%)	SSG	82%	92%	10% increase
	SGIL	92%	97%	5% increase
Specially-abled and Minority Groups in the Workforce	SSG	138	188	36% increase
	SGIL	24	24	No change
Employee turnover (%)	SSG	5.2%	4.6%	0.7% decrease
	SGIL	2.45%	5.4%	3.05% increase
Newly Hired Employees	SSG	4.7%	2.8%	1.9% decrease
	SGIL	2.1%	6.2%	4% increase

Note: Baseline Year of Shin Shin Group's 4 Entities (JPL, OJL, SSAL & VCL) – 2022 Baseline Year of SGIL – 2023

The increase in women in management/supervisory positions at SGIL aligns with the GEAR program, which is designed to strengthen the female leadership pipeline (beyond overall female participation, which is already consistently high).

At SSG, the rise in representation of specially-abled and minority groups is consistent with the report's wider DEI approach—strict non-discrimination practices and periodic checks (bi-annual surveys) to monitor workplace fairness and inclusion.



Key Highlights

Shin Shin Group

65%

Female workforce in the last three years.

% Employees Receiving Training

92%

Shin Shin Group (4 entities)

97%

Suad Garments Industries Limited

Shin Shin Group Workforce		2022		2023		2024	
		SSG	SGIL	SSG	SGIL	SSG	SGIL
Employee Turnover	Male	82	84	78	10	86	33
	Female	229	85	213	62	192	128
	Total	311	169	291	72	278	161
	Under 30	170	104	177	43	181	97
	30 to 50	136	64	111	29	94	62
	Over 50	5	1	3	0	4	0
	Total	311	169	291	72	278	159
Newly Hired Employees	Male	74	29	54	14	55	44
	Female	207	188	162	45	133	140
	Total	281	217	216	59	170	184
	Under 30	247	147	184	34	152	131
	30 to 50	33	69	30	25	35	52
	Over 50	12	1	9	0	3	1
	Total	281	217	216	59	170	184

Note: Note: These numbers and figures represent the turnover rates and newly hired employees of Shin Shin Group's all five entities (JPL, OJL, SGIL, SSAL, & VCL).

Workforce Dynamics in 2024

Our workforce dynamics in 2024 reflect a period of strategic adjustment and stabilization. Across the group, the employee turnover rate for female employees saw a notable decrease from 229 in 2022 to 192 in 2024 across four of our entities (JPL, OJL, SSAL, & VCL).

Workforce stability and movement in 2024 reflects two different operating contexts. For SSG, the lower turnover rate is consistent with continued attention to structured training and employee well-being supports (e.g., annual training planning, maternity leave in line with law, and flexible hours where feasible), alongside increased employee benefit distribution reported for the year.

Across all age demographics, the "Under 30" category continues to represent the largest segment of both our new hires and turnover, which is typical for the dynamic nature of the apparel industry.



5.3 Occupational Health & Safety

The health and safety of our employees is our highest priority. We have a comprehensive OHS management system in place, guided by our Health and Safety Policy and overseen by a dedicated Safety Committee that includes both management and worker representatives.

Our approach is proactive, with a focus on monthly OHS audits and regular Hazard Identification and Risk Assessments (HIRA). All employees receive comprehensive training on topics including chemical handling, machine safety, and the use of personal protective equipment (PPE). In addition, we provide a number of health services, both occupational and non-occupational, such as on-site medical facilities, free check-ups, and voluntary health promotion programs.

We ensure full compliance with local laws, including the Bangladesh Labour Law (2006), Bangladesh Labour Rules (2015), and EPZ Labour Law (2019), EPZ Labour Rules (2022) as well as our Customer's Code of Conduct (COC) and the company's internal standards. Our focus on health and safety is reflected in the establishment of a comprehensive Safety Committee, which follows international OHS monitoring processes. The committee is led by the Senior DGM (HAC) and includes key roles such as the Safety Officer, Medical Officer, Nurse, Welfare Officer, Compliance Officer, and the Maintenance Manager (Electrical & Mechanical). We also comply with relevant standards like BNBC and NFPA. The Health & Safety Management System involves continuous risk assessments, employee training, and feedback collection to drive ongoing improvements. Additionally, we have a dedicated Health and Safety Policy that outlines procedures to ensure a safe working environment for all employees.

Key Highlights

Shin Shin Group

0 Major injuries and fatalities in the last 3 years.

Minor Injuries

138

Shin Shin Group
(4 entities)

30

Suad Garments
Industries Limited

% Workers covered by OHS Management System

100%

Shin Shin Group
(All 5 entities)

% Workforce provided with Life Insurance

100%

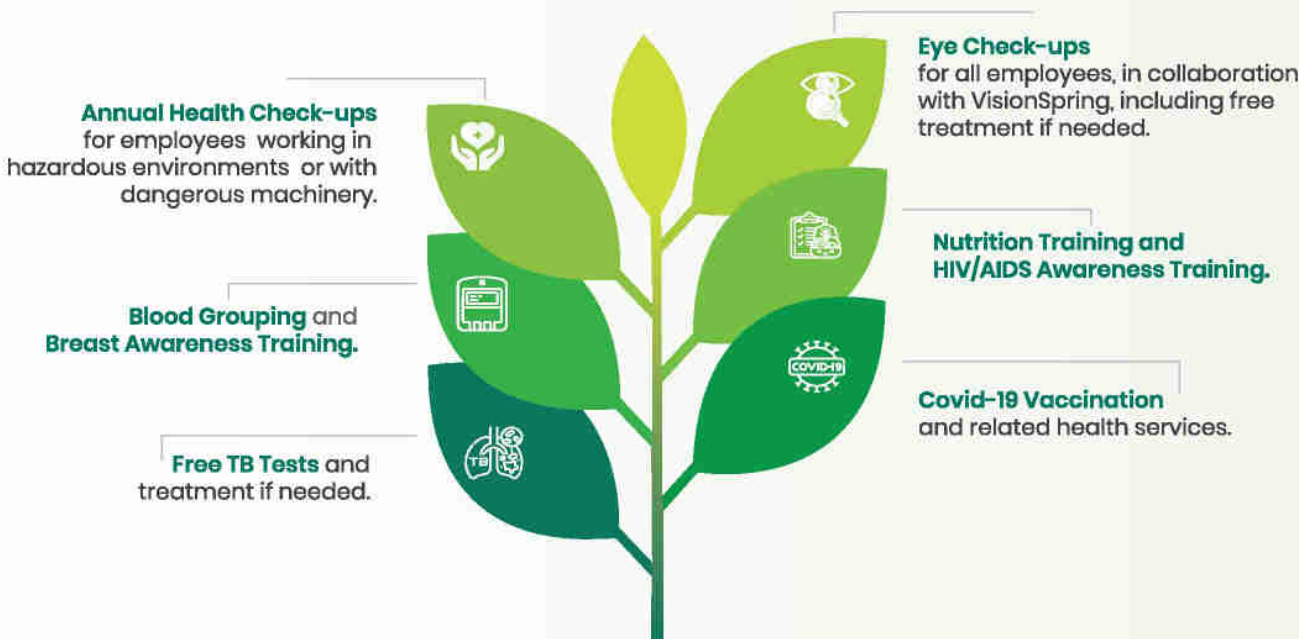
Shin Shin Group
(All 5 entities)



Workplace Health & Safety

Our Safety Committee, formed in compliance with EPZ labour rules, BLL-2006 and BLR-2015, consists of 10 members—5 from management and 5 representing workers. The committee meets monthly to discuss safety issues and conducts monthly factory safety assessments called "Work Through." In addition, safety checklists, a safety grievance box, PA systems, and a safety notice board are maintained for continuous monitoring. The committee is responsible for assessing safety risks, taking corrective actions, and organizing emergency meetings as needed. Regular meetings are held every 3 months or more frequently if required. The Safety Committee was restructured to maintain a strong focus on health and safety across the facility.

Non-Occupational Health Service Provided



Medical Check-ups for employees exposed to specific work-related hazards, including:

- CBC Tests** for canteen staff, child caregivers, and sanitation workers.
- Chest X-rays** for electricians, boiler operators, and workers exposed to chemicals.
- Hearing Tests** for employees working in noisy environments.

Voluntary health promotion services and programs

Cleanliness and General Health	Digital Financial Services	Mental Health Support
Nutrition Awareness	Reproductive Health	Family Planning Training
Smoking Awareness	Free Health Services through Maya App	Safety Measures Program

Occupational Health and Safety (OHS)

We follow a structured process to evaluate and enhance the safety competencies of our employees. Safety managers and HR departments assess current skill levels against the required safety measures, utilising surveys, evaluations, and skill assessments, all conducted free of cost during working hours. Training needs are determined through internal audits and risk assessments, and OSH-related training is provided to 100% of employees. These training sessions are arranged by the HR & Compliance teams, ensuring that every employee receives proper safety training. All sessions are evaluated through interviews, and feedback is gathered from employees after each training. Based on the evaluation results, additional training is provided to those who did not meet the required standards. Additionally, we have developed monthly and yearly training calendars to ensure continuous learning.

OHS Training Provided



Fire Safety Training (Internal & External) and Fire Safety Drill



Chemical Safety Training (including Chemical Handling and Chemical Spillage)



Personal Protective Equipment (PPE) Training



Workplace Injury and Disease Prevention Training



Occupational Health and Safety (OHS) Awareness Training



Covid-19 Safety Training



Risk Assessment Training



Machine Safety Training

Injuries

In our operations across Shin Shin Group, we understand that working with machinery can lead to minor injuries, such as cuts or scratches. However, we have made significant progresses in preventing such incidents. For example, OJL achieved zero minor injuries in 2024. There have been no major injuries and fatalities in the last three years in all of our five entities. This is the result of our ongoing efforts to follow occupational health and safety regulations, including Local Law-2006 and other relevant COCs.

Carried out measures to fulfil workplace safety

- ✓ Strict Adherence to Policies and Procedures
- ✓ Placement of Awareness Signs
- ✓ Regular Risk Assessments
- ✓ Safety Awareness Training
- ✓ Provision of Personal Protective Equipment (PPE)
- ✓ Machine Safety Guards
- ✓ Fire Detection and Protection System
- ✓ Regular Monitoring
- ✓ Accident Investigation
- ✓ Injury Board
- ✓ Work Safety Awareness Program
- ✓ Training Based on Root Cause Analysis

5.4 Diversity, Equity, and Inclusion

Building a diverse and inclusive culture is essential to our identity. Our non-discrimination policy is strictly enforced, and we conduct bi-annual surveys to ensure a fair, respectful, and equitable workplace for all.

We ensure equal remuneration for all employees, regardless of gender, and are proud to report that there is no gender pay gap within our company. In 2024, we did not have any reported incidents of discrimination.

2024 Performance

Shin Shin Group DE&I		2022	2023	2024
Total Female employees in the workforce	SSG	3,871	3,790	3,922
	SGIL	2,884	2,942	2,966
Female representation in Supervisory Positions	SSG	57	57	59
	SGIL	31	21	25
Indigenous in the workforce	SSG	138	135	188
	SGIL	8	10	12
Specially-abled in the workforce	SSG	26	26	56
	SGIL	5	14	12

Note: Baseline Year of Shin Shin Group’s 4 Entities (JPL, OJL, SSAL & VCL) is 2022. Baseline Year of SGIL is 2023.

In 2024, women constituted 65% of our workforce at SSG and 71% at SGIL. We have made significant progress in promoting female leadership through our GEAR program, with a 19% increase in women in management/supervisory positions at SGIL. We also increased the number of specially-abled employees in our workforce by 36% at SSG, demonstrating our commitment to providing opportunities for all.



Progress

Female Workforce

4%

Increase

Shin Shin Group (4 entities)

1%

Increase

Suad Garments Industries Limited

Minority Groups (indigenous & specially-abled)

36%

Increase

Shin Shin Group (4 entities)

Case Study: Story of Junayed Tanvir

Name: Junayed Tanvir
Designation: Helper

We are proud to introduce one of our extraordinary team members, Mr. Junayed Tanvir, who has been working with us since August 3, 2024.

Junayed is the only son of his parents and grew up with the same dreams as any other child. However, at the age of two, he suffered from typhoid, and due to a lack of proper treatment, he developed certain physical challenges. As a result, his body became somewhat stiff, his movements slower than others, and his height stopped at 4.8 feet.

Despite these obstacles, Junayed never allowed his limitations to define him. He has faced ridicule and pity from relatives and neighbors, who often questioned his future. Yet, with remarkable determination, Junayed always believed in being independent and self-reliant, refusing to become a burden on his family.

After completing his H.S.C., Junayed joined Vancot Limited as a Cutting Helper, where he is responsible for preparing fabric relaxation reports. Alongside his work, he is pursuing his Degree (2nd Year) under the National University, proving that challenges can never stand in the way of ambition.

At Vancot Limited, we believe that every individual deserves respect, dignity, and equal opportunity. From the very beginning, we have proudly supported Junayed's career and education, providing him with the environment and encouragement he needs to succeed. His story is a shining example of how empathy and inclusion can transform lives.

Today, Junayed stands strong by the strength of his character. He is not only self-reliant but also a source of support to his family. In the near future, after completing graduation, he dreams of working in an official position. His journey inspires us all to look beyond limitations and celebrate the power of perseverance.

At Vancot Limited, we are honored to walk alongside Junayed on his journey, because we truly believe that "Together We Grow".



Community Engagement

Community is at the centre of our efforts to give back and contribute to the development of the local areas where we operate. We are dedicated to helping the people in the areas around us by meeting their needs and working on projects that improve the environment and local infrastructure. We make sure that our projects meet the needs of the community by doing surveys on a regular basis. This is true whether the projects are for environmental reasons or for social welfare.

Our facility actively engages with the local community to ensure our operations align with their expectations and address any social or environmental concerns. We conduct regular surveys to gather insights, ensuring we meet the community's needs while complying with our community engagement policy. Additionally, to maintain transparent and responsive communication, we've installed a Grievance Box outside the facility, allowing community members to anonymously report incidents or concerns. We also provide a hotline number and offer opportunities for personal discussions to resolve issues effectively. Through these efforts, we have fostered strong, positive relationships with the local community, ensuring that our operations have no negative impact on them.

Energy Light Distribution

We have distributed energy-efficient lights to local mosques, schools, and community centres within BEPZA to help reduce greenhouse gas emissions.

Scholarships for Students

To support higher education, we've offered scholarships for engineering and nursing students, fostering future careers in essential sectors.

Donations to Local Institutions

We've contributed to local schools, madrasas, religious campaigns, and graveyards, providing much-needed support for education and community development.

Road Repairing

Our contributions also extend to improving local infrastructure, such as road repairs to ease traffic congestion.

Donations for Crisis Relief

In addition to these programs, we've made donations to the BEPZA mosque for the installation of air conditioning and provided financial aid to flood-affected areas in Sylhet and Chittagong.

Tree Plantation

We've initiated several tree plantation programs, including at BEPZA, BEPZA Public School, and BEPZA College, encouraging environmental sustainability.



5.5 Training and Employee Well-being

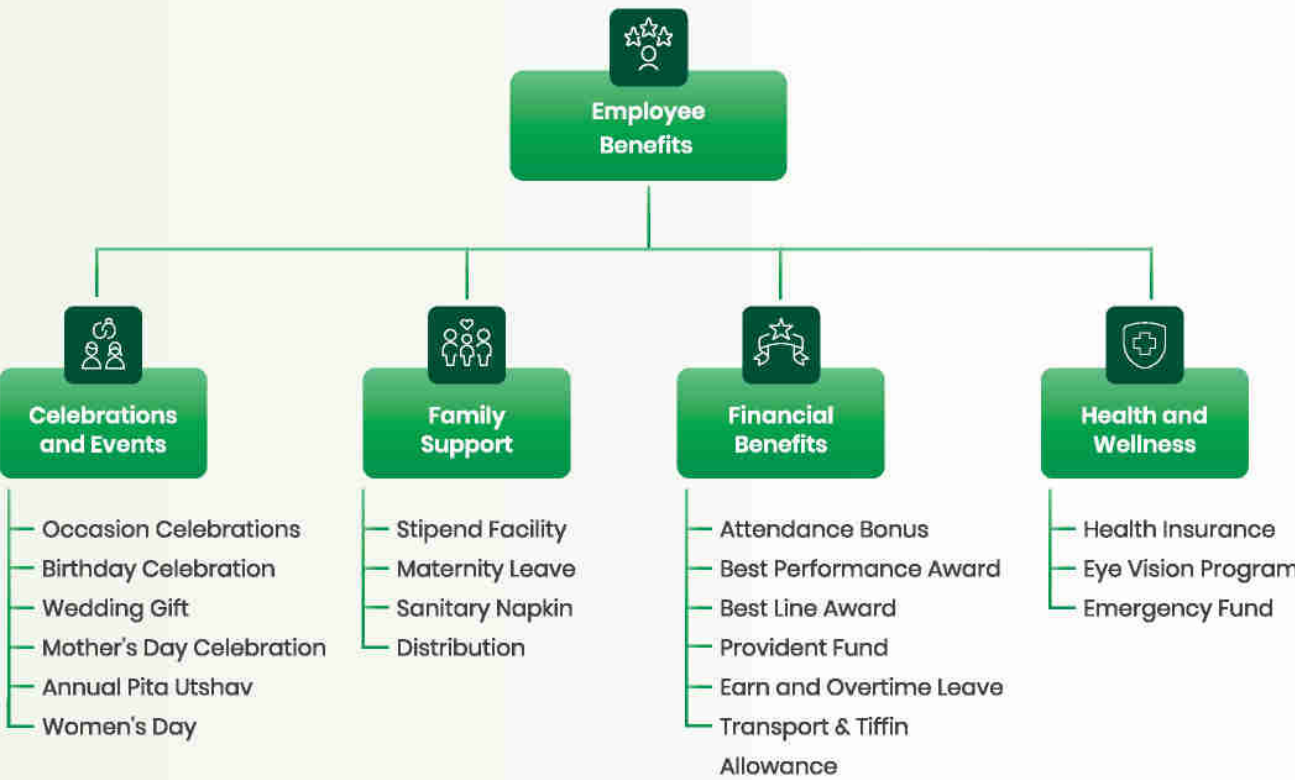
Investing in the growth and personal well-being of our people is fundamental to our operational philosophy. A structured annual training calendar provides continuous learning opportunities across a diverse range of topics, from essential technical skills to crucial areas like human rights and anti-corruption. This ensures our workforce is skilled, aware, and prepared for future challenges.

This focus on professional development is complemented by tangible support for the overall well-being of our employees. A healthy work-life balance is promoted through maternity leave, in accordance with national law, and flexible working hours where operationally feasible. To further enhance the lives of our workers, our partnership with the financial wellness platform Wagely offers greater financial freedom and security. At the same time, practical initiatives like the installation of free sanitary pad vending machines across our facilities directly support the health and dignity of our female employees.

Providing comprehensive benefits to our full-time employees is a priority, ensuring they feel valued and secure in both their professional and personal lives. In accordance with the Bangladesh Labour Act 2006 and its 2023 amendment, we offer 120 days of paid maternity leave, giving female employees the flexibility to take time off before or after childbirth.

This year, we have made significant improvements in our benefits offerings. In addition to meeting legal requirements, we provide an attendance bonus ranging from 650 to 1,225 Taka, recognizing the dedication of our employees. We also extend benefits such as life insurance and regularly organize celebrations, events, and family support initiatives.

Employee Benefits and Programs



















5.6 Our Responsible Supply Chain

Our supply chain reflects our dedication to social responsibility. To make sure our suppliers meet our expectations, we regularly evaluate their social and environmental impacts, usually once a year or twice a year. These evaluations make sure that our partners share our dedication to moral and responsible business practices by addressing important topics like pay and benefits, health and safety, and freedom of association.

In 2024, we worked with a network of 122 suppliers for our SSG entities and 33 for SGIL. Our engagement with these partners is governed by a comprehensive policy framework designed to ensure ethical, compliant, and sustainable practices at every stage.

This framework includes a suite of policies covering the entire supplier lifecycle, from initial sourcing, selection, and evaluation to the management of finished goods and customs compliance. Our Suppliers & Sub-contractors Policy sets the overarching expectations for our partners.

We conduct regular social impact assessments of our suppliers, evaluating their performance on crucial criteria such as wages and benefits, organizational health and safety, and freedom of association. While our current system provides strong oversight of our direct suppliers, we recognize the importance of deepening our due diligence in line with evolving international standards like the ESRs. We are continuously working to enhance our processes to gain greater visibility and foster positive impacts throughout our entire value chain.

Types of Social Impact Assessment	
 Management System	 Working Conditions
 Documentation	 Health & Safety
 Working Hours	 Security Management System
 Compensation & Benefits	 Environment
 Child Labour / Young Employees	 Quality System
 Forced Labor / Prison Labor	 Legal Compliance
 Discrimination	 Grievance Mechanism
 Freedom of Association (FOA)	 Supplier Social Sustainability Performance

5.7 Corporate Social Responsibility (CSR) Initiatives

No.	CSR Clusters
01	Vision Spring (Eye test and providing free eye-glasses)
02	Education allowance & scholarship
03	Alokito Poth (treatment & education purpose)
04	Blood donation Program
05	Financial support to hospitals, educational institutions, mosques and more)
06	Distributing free sanitary napkins to female workers
07	Tree plantation
08	Internship Programme for fresh graduates
09	Helper promotion and operator up - skilling. Skills training for machine operators
10	Conducting job fairs

Health & Well-being: Central to our efforts are programs that support the health of our workforce and community. This includes free eye tests through our partnership with Vision Spring, blood donation drives, and providing access to sanitary napkins through our Vertical Innovation project.

Education & Empowerment: We invest in the future by providing education allowances and scholarships for workers' children and supporting fresh graduates through our internship programs. Internally, we focus on upskilling through helper promotion and operator training.

Community Support: We provide direct financial support to local hospitals, educational institutions, and mosques, and run programs like Alokito Poth for treatment and education purposes.

Environmental Stewardship: Our responsibility includes caring for our shared environment through initiatives like tree plantation drives and investing in sustainable technologies like solar panels and energy-efficient machinery.



06

PROSPERITY



6.1 Economic Performance

In 2024, Shin Shin Group demonstrated strong financial performance amidst a challenging market. Our total revenue grew significantly, with our four established entities (SSG) achieving a 13% increase and Suad Garments Industries Ltd. (SGIL) showing remarkable growth with a 66% increase compared to their respective baselines. This performance underscores our successful strategic initiatives, including our focus on product diversification and value addition.

This growth has enabled us to increase the economic value we distribute to our stakeholders. We significantly increased our payments to the government through taxes by 64% for SSG and 92% for SGIL, contributing to national development.

Crucially, our success is shared with those who make it possible. We increased the value of benefits distributed to our employees by 15% and 14% for SSG and SGIL respectively. Furthermore, our commitment to our communities saw a substantial rise, with community investments increasing by approximately 3 to 4 times across the group. This reflects our core philosophy: as our business prospers, so too should the people and communities connected to it.

Key Highlights

Total Revenue Earned

Shin Shin Group – JPL, OJL, SSAL, VCL

13%
Increase

In 2024 vs baseline year 2022

Suad Garments Industries Ltd.

66%
Increase

In 2024 vs baseline year 2023



Detailed Economic Performance

Shin Shin Group: Individual Entity Level Performance

Across our entities, economic value distributed saw a consistent increase, reflecting our commitment to investing in our operations and our people through wages, operating costs, and community contributions. At SSAL, which includes the financial performance of OJL, the economic value retained decreased as we made significant strategic investments to enhance our operational capacity for the future. In contrast, VCL demonstrated strong growth in retained economic value, showcasing improved profitability and efficiency. JPL maintained a stable economic performance throughout the period.

Entity Level Economic Value Retained – Shin Shin Group
(million USD)



Entity Level Economic Value Distributed – Shin Shin Group
(million USD)



SGIL: A Year of Strategic Growth

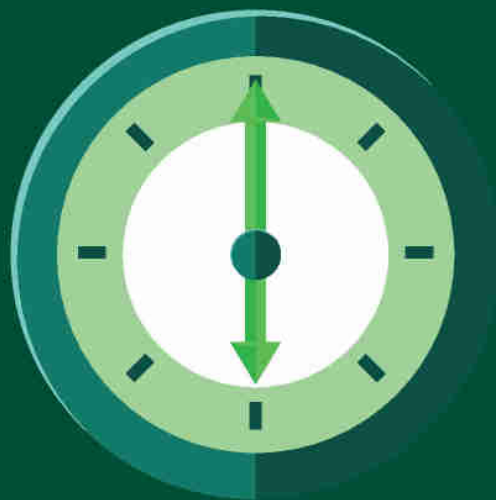
SGIL's economic performance in 2024 marks a significant turnaround and a return to strong profitability. After a challenging 2023 where increased operating and wage costs led to a negative retained economic value, our strategic focus on producing high-value tailored garments yielded substantial results. Our increase in washing and production capacities lead to the increase in revenue in 2024 more than offset the rise in distributed costs, leading to a strong positive retained economic value of approximately \$3 million.

SGIL Economic Value Retained vs Distributed
(million USD)



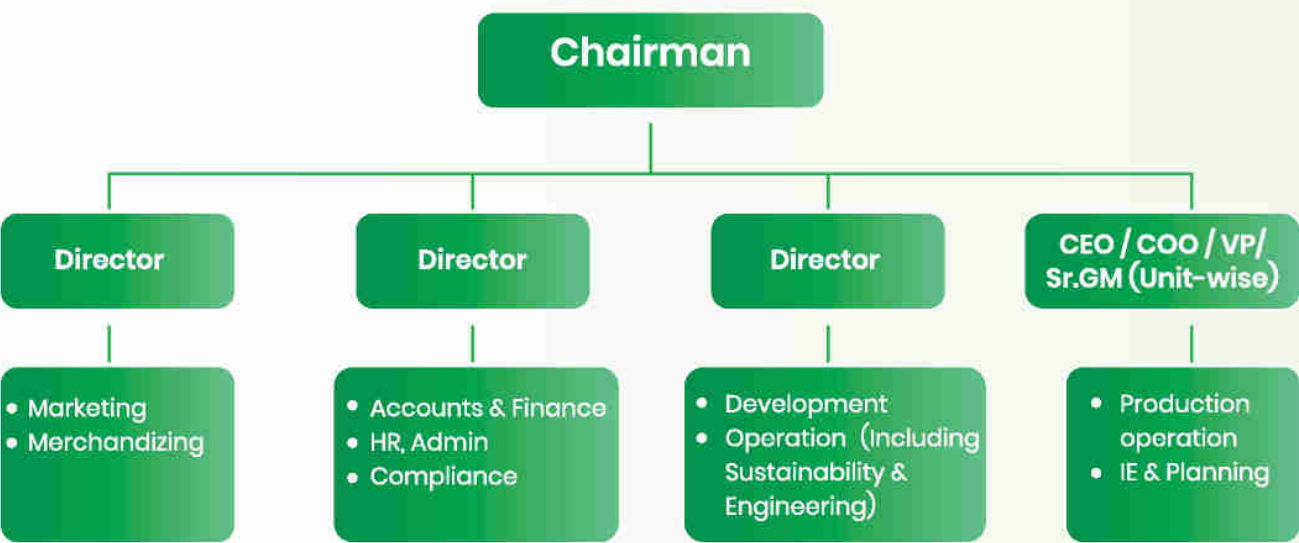
07

GOVERNANCE & ACCOUNTABILITY



7.1 Governance Structure

A precautionary approach is taken by Shin Shin Group to minimise or avoid negative impacts on the business, its operations, stakeholders, and the environment. This approach is supported by a governance structure that ensures effective oversight and accountability. Leadership is provided by the Chairman, under whose guidance sustainability and excellence are promoted across all operations. Strategic direction and overall leadership are provided at the organisational level, while directors responsible for marketing and merchandising, accounts & finance, HR, administration and compliance, and development and operations (including sustainability & engineering) are engaged in integrating sustainable practices within their respective areas. Sustainable marketing strategies, ethical financial operations, human resources management, compliance, development projects, and operational efficiency are emphasised to ensure alignment with the company’s sustainability objectives. Additionally, production operations are managed by the CEO, COO, VP, and Senior GM, with sustainability embedded in planning and implementation across all units, reinforcing the company’s commitment to responsible and sustainable growth.



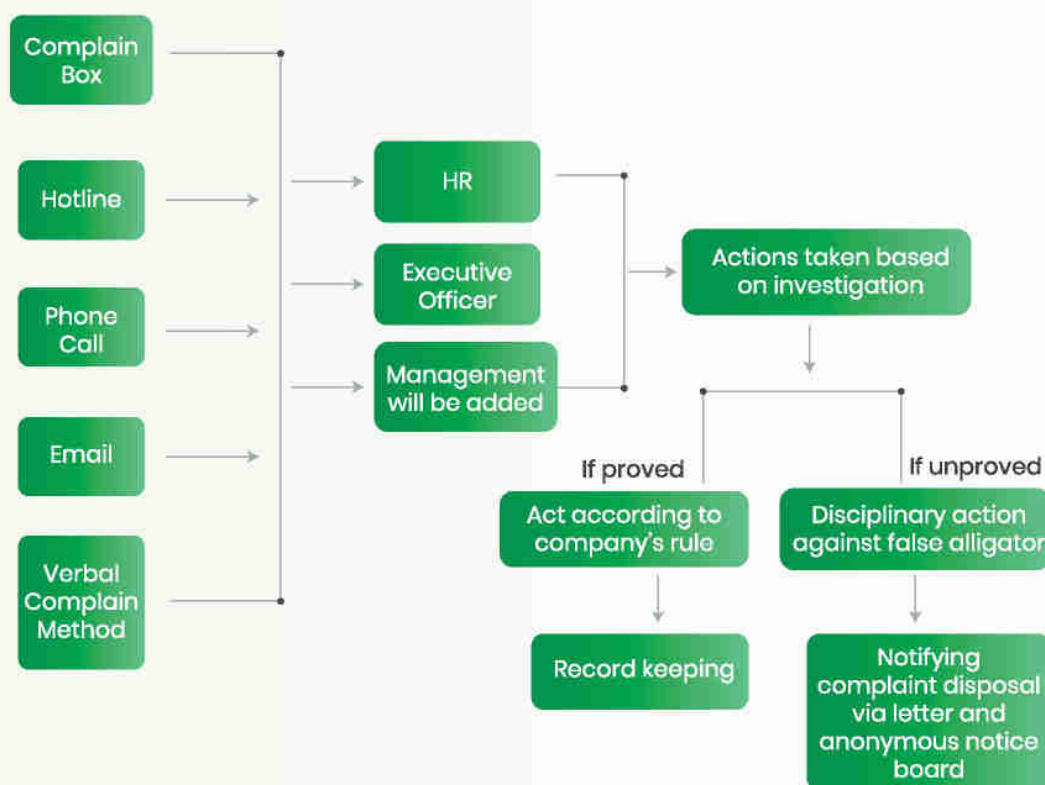
A holistic approach to impact management is adopted, with departments contributing to both mitigating negative impacts and enhancing positive outcomes. Economic impacts are managed by Accounts & Finance, Marketing & Merchandising, Human Resources, and Development. Environmental considerations are addressed by Compliance & Sustainability, Engineering, and Human Resources. The well-being and development of people are prioritized through Human Resources, Accounts & Finance, Industrial Engineering, and Production, fostering a culture of accountability, sustainability, and continuous improvement across the organization.



Decision-Making Committee

7.2 Grievance Mechanism

Ensuring a fair and transparent workplace is supported by a robust grievance mechanism at Shin Shin Group. The framework is designed to address employee concerns promptly, impartially, and confidentially, with defined processes for reporting, investigation, resolution, and follow-up. Multiple reporting channels—such as complaints boxes, hotline, phone, and email—are available, and strict safeguards protect employees against retaliation. Reported grievances are reviewed by HR or an Executive Officer, with management involvement where necessary, and appropriate actions are taken in line with company policies. All cases are documented, and outcomes are communicated through letters or anonymous notice boards to maintain transparency. In total, 186 grievances have been received and fully resolved, reflecting the organization's strong commitment to fair and effective grievance management.



The grievance handling process depicted in the diagram follows a structured approach to address employee concerns effectively.

Review and Investigation:

- ✓ Once a grievance is reported, it is forwarded to HR or an Executive Officer, depending on the nature of the issue.
- ✓ In some cases, management may also be involved to ensure the grievance is addressed properly.

Actions Based on Investigation:

- ✓ If the grievance is proven, appropriate actions are taken in line with the company's policies and rules.
- ✓ If the grievance is unproven, disciplinary action is taken against the individual who made the false accusation.

Record Keeping and Final Disposal:

- ✓ All grievances, whether resolved or not, are recorded for future reference.
- ✓ Finally, the outcome is communicated to the complainant, and the grievance is disposed of via a letter or anonymous notice board to ensure transparency.
- ✓ This grievance handling process ensures that every complaint is addressed thoroughly, with fair investigations and clear actions. The company is committed to transparency, confidentiality, and protecting employees from retaliation throughout the process.

Risk Management

A comprehensive risk management framework is essential to ensuring the safety of our people and the resilience of our operations. We emphasize on the proactive identification, assessment, and mitigation of potential workplace hazards. This involves a thorough evaluation of both routine and non-routine situations and the implementation of a clear hierarchy of controls to manage identified risks effectively. Key preventive measures are integrated into our daily operations to ensure that potential risks are promptly addressed, continually 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 Management	Accidents can occur if care is not taken while mixing ink.	A chemical mask must be used when mixing ink	Health & Safety
	Skin damage may occur if in touch to feet	Use gum boots/shoes	
	Failure to use hand gloves may result in hand injury.	Hand gloves should be used	
	Skin damage may occur if in touch to feet	Use gum boots/shoes	
	In touch to the body may cause skin damage	Use of apron	
Loud Noise	Excessive noise can cause ear problems	Using ear plugs	Health & Safety
Needles & Buttons	Working with sharp needles when sewing buttons requires close attention and accidents may cause injuries to the eye	Use of safety goggles	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	

Priority Policy Areas

At Shin Shin Group, we are committed to advocating for policies that align with our sustainability objectives and drive positive change across our industry. Our priority policy areas reflect the most relevant issues to our operations and sustainability initiatives:

TRANSPARENCY & TRACEABILITY

We advocate for policies that create a harmonized legislative landscape, ensuring transparency and accountability in sustainability claims. This will allow consumers, stakeholders, and the company to have accurate and accessible information about our supply chain, products, and business practices.

CIRCULARITY

We promote clear, realistic policies that support the circular transformation of goods how they are produced, consumed, and managed at the end of life. Additionally, we focus on supporting markets with improved recycling capabilities to meet future EU regulations and advance circularity in textile production.

CHEMICALS

We support harmonized, effective, and ambitious chemical legislation to improve the safety and sustainability of our production processes. This helps us advance our own chemicals strategy and ensures safe handling and disposal practices throughout our value chain.

GOVERNANCE AND RESPONSIBLE BUSINESS CONDUCT

We support clear legislation aligned with international standards that fosters positive business outcomes. This includes advocating for stronger corporate governance practices and policies that enforce ethical conduct across all levels of our operations.

ENERGY & CLIMATE CHANGE

We advocate for policies that aim to limit global temperature rise to 1.5°C and support legislation that accelerates the decarbonization of our value chain. This includes supporting regulations that enable Power Purchase Agreements (PPAs) in our production markets to transition towards renewable energy and electrification in the RMG industry.



Memberships & Leadership & Governance Structure



GRI & ESRS Content Index

GRI Standard	GRI Disclosure	ESRS Standard	ESRS Disclosure Requirement	Location	Omission
GRI 2: General Disclosures	2-1 Organizational details	ESRS 2: General Information	IRO-1/IRO-2 Material impacts, risks and opportunities	2.1 Company Overview; 2.3 Factory Entities; p. 11-21	N/A
	2-2 Entities included in the organization's sustainability reporting			1.2 About This Report (Reporting Entities); p. 6	N/A
	2-3 Reporting period, frequency and contact point		BP-1. General basis for preparation of the Report	1.2 About This Report; p. 6	N/A
	2-4 Restatements of information		BP-2. Disclosures in relation to specific circumstances	Restatements p. 81	N/A
	2-5 External assurance			N/A	This report has not been externally assured.
	2-6 Activities, value chain and other business relationships		SBM-1. Strategy, business model and value chain	2. About Shin Shin Group; 5.6 Our Responsible Supply Chain; p. 11-21, 65	N/A
	2-7 Employees		SI-6. Characteristics of the employees	5.2 Employment & Workforce; p. 56-57	Information on non-guaranteed hours employees is not disclosed.

GRI Standard	GRI Disclosure	ESRS Standard	ESRS Disclosure Requirement	Location	Omission
GRI 2: General Disclosures	2-9 Governance structure and composition	ESRS 2: General Information	GOV-1. The role of the governing bodies	7.1 Governance Structure; p. 71	N/A
	2-12 Role of the highest governance body in overseeing the management of impacts			7.1 Governance Structure; 3.2 Materiality Assessment; p. 25, 71	N/A
	2-13 Delegation of responsibility for managing impacts		GOV-2. Information provided to governing bodies	7.1 Governance Structure (Decision – Making Committee); p. 71	N/A
	2-14 Role of the highest governance body in sustainability reporting			7.1 Governance Structure; p. 71	N/A
	2-22 Statement on sustainable development strategy		SBM -1. Strategy, business model and value chain	1.1 Messages from our Leadership; p. 2 –5	N/A
	2-23 Policy commitments		MDR -P. Policies	Relevant policy information is integrated throughout the report (e.g., sections 4.1, 4.2, 5.1); p. 33, 41, 55	N/A
	2-25 Processes to remediate negative impacts		SBM -3. Material impacts, risks and opportunities	7.2 Grievance Mechanism; 5.3 Occupational Health & Safety; p. 58 –60, 72	N/A

GRI Standard	GRI Disclosure	ESRS Standard	ESRS Disclosure Requirement	Location	Omission
GRI 2: General Disclosures	2-26 Mechanisms for seeking advice and raising concerns	ESRS 2: General Information	G1 -4. Communications received through the Ethics Line	7.2 Grievance Mechanism; p. 72	N/A
	2-28 Membership associations		G1 -5. Political influence	7.3 Memberships & Policy Engagement; p. 74, 75	N/A
	2-29 Approach to stakeholder engagement		SBM -2. Interests and views of stakeholders	3.1 Stakeholder Engagement and Materiality; p. 23 -24	N/A
	2-30 Collective bargaining agreements		S1 -8. Collective bargaining coverage	5.1 Social Responsibility (Core Labor Rights); p. 55	N/A
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESRS 2: General Information	IRO -1. Disclosures on the materiality assessment process	3.2 Materiality Assessment; p. 25	N/A
	3-2 List of material topics		IRO -2. Disclosures in relation to specific circumstances	3.3 Material Topics; p. 29-31	N/A
	3-3 Management of material topics		SBM -3. Material impacts, risks and opportunities	Disclosed within each relevant topic section throughout the report.	N/A

GRI Standard	GRI Disclosure	ESRS Standard	ESRS Disclosure Requirement	Location	Omission
GRI 201: Economic Performance 2016	201 -1 Direct economic value generated and distributed	ESRS 2: General Information	SBM -3. Material impacts, risks and opportunities	6.1 Economic Performance; p. 68 –69	N/A
GRI 301: Materials 2016	301 -1 Materials used by weight or volume	ESRS E5: Resource use and circular economy	E5-4. Resource inflows	4.3 Materials & Resource Use; p. 46 –47	N/A
	301 -2 Recycled input materials used		E5-4. Resource inflows	4.3 Materials & Resource Use; p. 46 –47	N/A
GRI 302: Energy 2016	302 -1 Energy consumption within the organization	EI. Climate change	EI -5. Energy consumption and mix	4.1 Climate & Energy; p. 33 –40	N/A
	302 -3 Energy intensity			4.1 Climate & Energy; p. 34 –36	N/A
GRI 303: Water and Effluents 2018	303 -3 Water withdrawal	ESRS E3: Water and marine resources	E3 -3. Water withdrawal	4.2 Water Stewardship; p. 41 –45	N/A
	303 -5 Water consumption		E3 -4. Water consumption	4.2 Water Stewardship; p. 41 –45	N/A
GRI 305: Emissions 2016	305 -1 Direct (Scope 1) GHG emissions	ESRS EI: Climate change	EI -6. GHG emissions	4.1 Climate & Energy; p. 37, 38	N/A
	305 -2 Energy indirect (Scope 2) GHG emissions			4.1 Climate & Energy; p. 37, 38	N/A
	305 -4 GHG emissions intensity			4.1 Climate & Energy; p. 34 –38	N/A
GRI 306: Waste 2020	306 -3 Waste generated	ESRS E5: Resource use and circular economy	E5 -5. Resource outflows	4.4 Waste Management & Circularity; p. 48 –49	N/A

GRI Standard	GRI Disclosure	ESRS Standard	ESRS Disclosure Requirement	Location	Omission
GRI 401: Employment 2018	401 -1 New employee hires and employee turnover	ESRS S1: Own workforce	S1 -6. Characteristics of the employees	5.2 Employment & Workforce; p. 56 -57	N/A
	401 -2 Benefits provided to full-time employees		S1 -11. Social protection	5.5 Training and Employee Well-being; p. 64	N/A
GRI 403: Occupational Health & Safety 2018	403-1 OHS management system		S1 -1. Policies related to own workforce	5.3 Occupational Health & Safety; Priority Policy Areas p. 58 -60, 74	N/A
	403-4 Worker participation on OHS		S1 -2. Processes for engaging with own workforce	5.3 Occupational Health & Safety (Safety Committee); p. 58	N/A
	403-5 Worker training on OHS		S1 -13. Training and skills development metrics	5.3 Occupational Health & Safety (OHS Training Provided); p. 58	N/A
	403-9 Work - related injuries		S1 -14. Health and safety metrics	5.3 Occupational Health & Safety (Injuries, Key Highlights); p. 58 -60	N/A
GRI 404: Training and Education 2018	404-2 Programs for upgrading employee skills		S1 -4. Actions related to own workforce	5.5 Training and Employee Well-being; 5.7 CSR Initiatives; p. 64, 66	N/A

GRI Standard	GRI Disclosure	ESRS Standard	ESRS Disclosure Requirement	Location	Omission
GRI 405: Diversity and Equal Opportunity 2016	405 -1 Diversity of governance bodies and employees	S1. Own workforce	S1 -9. Diversity metrics	5.4 Diversity, Equity, and Inclusion; p. 61 –63	N/A
	405 -2 Ratio of basic salary of women to men		S1 -16. Compensation metrics	5.4 Diversity, Equity, and Inclusion (equal remuneration statement); p. 61	Specific ratios or pay gap percentages are not disclosed.
GRI 414: Supplier Social Assessment 2016	414 -1 New suppliers that were screened using social criteria	G1. Business conduct	G1 -2. Management of relationships with suppliers	5.6 Our Responsible Supply Chain; p. 65	The percentage of new suppliers screened is not disclosed.

Restatements:

1. The values for 'payment to providers of capital' have been restated in this report. Previously, this figure was overestimated. The updated values now accurately reflect only the interest payments made on loans.



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