

PDS/SE/2021-22/35

August 4, 2021

Listing Department National Stock Exchange of India Limited Exchange Plaza, C-1 Block G, Bandra Kurla Complex, Bandra (E), Mumbai -400 051 Scrip Symbol: PDSMFL	Corporate Relationship Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Scrip Code: 538730
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Re: ISIN - INE111Q01013**Sub: PDS Group Sustainability Report 2021**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the PDS Group Sustainability Report 2021 for your reference.

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

Thanking you,

Yours faithfully,
for **PDS Multinational Fashions Limited**



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

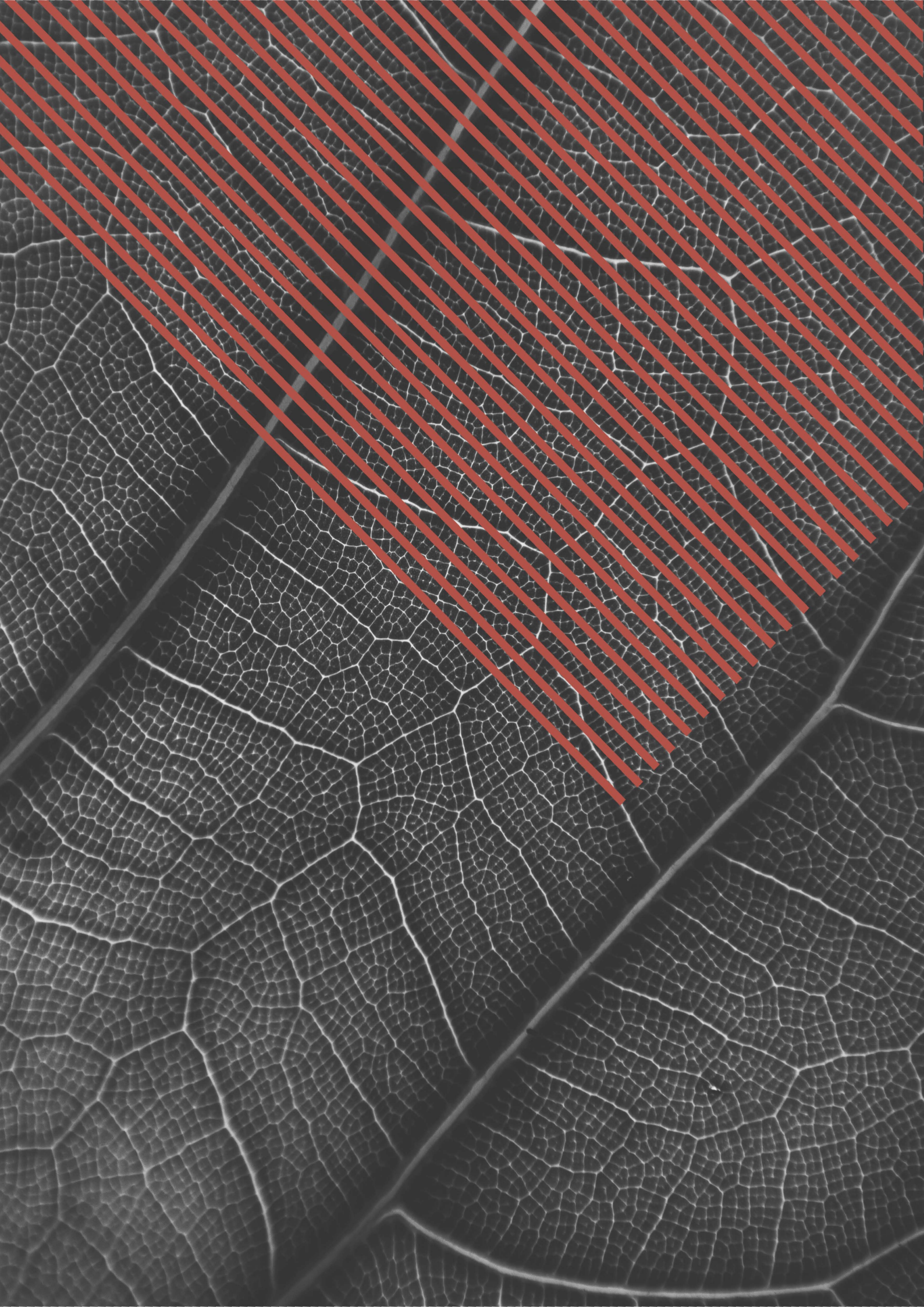
*Encl.: As Above*

PDS Group Sustainability Report

2021

*"Minimising our environmental
impact, whilst sustaining the
business & communities we serve."*





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Introduction to the PDS Group Sustainability Report

INTRODUCTION TO THE PDS SUSTAINABILITY REPORT BY PALLAK SETH, PDS GROUP VICE CHAIRMAN



PDS Group recognises that to become an industry leading Ethical, Sustainable and Transparent Supply chain partner, requires investment. Over the past five years, this strategy has seen the Group double its turnover from US\$640 million to US\$1,250 million (US\$1.25 billion).

“*The PDS Group aspires to be the industries “first choice” Supply Chain Partner with a turnover of US\$2 billion in the next 5 years! This growth will be underpinned by Sustainability.*”

Sustainability starts with Design Excellence and the PDS Group has over 150 designers based at customer locations, developing over 10,000 new styles per month. These design teams use the latest digital design tools to support the Group’s sustainability agenda by designing sustainability into the products and adopting the circular strategies of Reduce, Reuse, Recycle, Regenerate ... Redesign.

Our design teams will also promote the use of sustainable materials, low impact production and thereby we invest in a sharing economy. Financial stability allows the PDS Group to leverage sustainable business development and collaboration. Being sustainable requires investment and the PDS Group is a debt free company with large capital limits and the financial strength and stability to support our ambitious sustainability agenda. At the heart of this we must strive to operate process excellence and efficiency to minimise waste and maximise resources.

Supplier consolidation and strategic relationships are key to **transparency and traceability**, led by industry experts in social, technical & ethical compliance and sustainability we work with over 500 active factories manufacturing 85% of our goods, as well as our own manufacturing businesses which produces the remaining 15%.

Mr. Sanjay Jain, Group CEO:

“Sustainability is one of the key building blocks of the PDS platform. We as a global organisation have the potential and ability to make a lasting impact that could be manifold and multi-dimensional. Our sustainability goals will have a ripple effect on the entire organisation and ecosystem in which we operate; whether it is our impact on the environment, cost-saving, customer satisfaction, raising market standards, brand building amongst others.”



INTRODUCTION TO THE PDS SUSTAINABILITY AGENDA BY DAVID F GOODWIN

The PDS Group has scope to change the sustainability landscape in the End-to-End (E2E) fashion, apparel and home industry due to its scale, making around 1 million units per day, and servicing more than 190 Customers.

Managing the Groups global footprint will be an important measure of success as by the nature of what we do we have an impact on the world's emissions. It is our responsibility to manage and minimise this, where possible.

- A Right Product, Right Country, and Right Factory strategy which helps deliver low impact distribution and emissions.
- PDS Group is a true investor in people and communities, with a people first approach which supports strong Ethics, underpinned by Training/Education, Expertise and Collaboration.
- Ultimately, embedding sustainability E2E will require the use of sustainable materials, low impact production and for everyone to invest in a sharing economy.



PDS Group's Sustainability Promise

For the PDS Group, sustainability is integral to success, we endeavour to always behave in an ethical, transparent and responsible way and we believe we have the right to expect all of our business partners to do the same.

PDS Group re-launched its internal and external Codes of Conduct in 2019. These are designed to guide our business and our partners in their efforts to make our supply chain as sustainable as it can be. Our Codes of Conduct set out the contractual requirements we place on all of our suppliers and their subcontractors, as well as our internal team members for improving working conditions and environmental practices.

Sustainability is at the heart of the PDS Group and we work very closely with our partners to achieve highest standards of compliance, sustainability as well as technical excellence, throughout our supply chain. Our partners are made fully aware of how serious the PDS Group takes such matters and they are required to abide by them when signing the Terms of Engagement contract.

Compliance with the law is the basic minimum requirement all businesses must achieve, but at PDS Group we work with our partners to ensure that they achieve the "best they can be" status in order to remain successful in the long term.

When considering what the foundations of the PDS Groups Sustainability Strategy should be, we turned to the **UN's 17 Sustainable Development Goals**.



SUSTAINABLE DEVELOPMENT GOALS



At first glance one may wonder what impact we can make on these Goals. For example: *how can we contribute to “Conserving Life Below Water” or “Combating Climate Change?”*

Indirectly, our industry impacts on ten of these Goals, which is quite powerful when we consider, we can make a change by simply:

- Promoting sustainable materials and low impact manufacturing whilst investing in a sharing economy.
- Building product for longevity through quality.
- Digitising processes such as 3D CAD to drive efficiency, reducing the number of samples produced and shipped thereby minimising emissions and waste.

The prioritisation of such goals will be driven by the territory in which we operate, our business values and the expectations of our customers, but fundamentally, as a group we're able to influence significant change by **embracing Sustainability alongside Innovation, Quality and Digitisation**.



“ So, why the call to action?

It's reported by the UN that; 'just over a decade is all that remains to stop irreversible damage from climate change'. ”

Ultimately, we are aiming to minimise our impact whilst future proofing our business. Sustainability can be an unwieldy, technical and complicated topic. We wanted to create goals which are SMART; Specific, Measurable, Achievable by all, Realistic and Time bound in order for our path to be clear, concise and easily understood.

When we thought about this, it came down to four simple things on which we can all have an impact. These are:



**RESPECT
WATER**



**BUILD
COMMUNITY**



**THINK
CIRCULAR**



**REDUCE
EMISSIONS**

These four pillars form the PDS Groups Sustainability Mantra, they influence our decisions and form the basis for more detailed business roadmaps and targets. We have built the PDS Group Sustainability Strategy into these four pillars and wrapped **Traceability** and **Transparency**, around them.

Behind each of the four pillars are the PDS Groups sustainability aspirations. From these, each business within the group is able to derive their own goals and targets in order to collectively deliver on the group's sustainability aspirations.

PDS Group Sustainability Aspirations

RESPECT WATER

The PDS Group aspires to continually source ever more sustainable materials and thereby reduce the depletion of natural resources. This aspiration allows for Goals and Targets to be set around.



- Reducing raw materials extraction (strategic preferred materials and fibres roadmap).
- Waste water management - HIGG FEM (Facility Environmental Module)
- Chemicals management
- Water usage
- Company lifestyle choices
- Sanitation

The interconnection between these company goals and target with the UN Sustainable Development Goals is clear.

BUILDING COMMUNITY

Creating a sustainable future for our business, our people and the communities we serve.



We may achieve this through the strict implementation and policing of the Groups Social Compliance and Zero Tolerance policies. Having a robust Sustainability Strategy and “walking the walk” can help to make us an employer of choice. Our involvement in community ventures and projects such as the Schools of Hope in Bangladesh are woven within our DNA. At PDS we are looking into ways of taking a percentage of the revenue emanating from certain aspects of our sustainability actions to re-invest this in the communities that helped us generate the revenue.

We don't have all the answers. A lot of the answers will be given to us by those who touch of the different aspects of the Supply Chain we need to collaborate, to listen and learn, to educate and most importantly open our minds to be educated. **Community is only true community if it is equitable.** It's everyone's planet, it's everyone future. We must involve and treat EVERYONE, EQUALLY.

From a sustainability standpoint the greatest risk to our planet is the belief that someone else will save it!

THINK CIRCULAR

The PDS Group is uniquely placed as a Design, Sourcing and Manufacturing business to make a real difference.



Within the Group we have Yellow Octopus with initiatives like;

Reflaunt: which supports the reselling of no longer wanted products into the second hand (pre-owned) market.

Regain: an app which supports the recycling of clothing and footwear and therefore reduces landfill.

With Yellow Octopus in the PDS Group portfolio as well as our association with companies like Common Objective (a Global Tech Solution for the fashion industry) and To The Market who help retailers and brands provide transparency in their supply chains, we aspire to be leaders in circular economy in the fashion, apparel & home industry and eliminate waste in every we do.

This aspiration will drive the group business to develop goals and targets around;

- Low impact production, innovation & efficiency.
- Zero waste production and operations.

We also aspire to operate a fully digital product design and development process, reducing physical sampling by well over 50%!

REDUCE EMISSIONS

Reducing emissions most often leads to thoughts around CO₂ reduction. However, in our industry emissions also include water-based emissions such as waste water from dye-houses and laundries (wash plants) etc. The PDS Group aspires to lead the industry in low impact innovative and sustainable sourcing and manufacturing.



Our goals and targets are built around;

- Ensuring that we use technology to reduce wet processing e.g. the use of Ozone.
- Where we have to use wet processing then it should be as energy and water efficient as possible and any discharge must be as clean as possible.

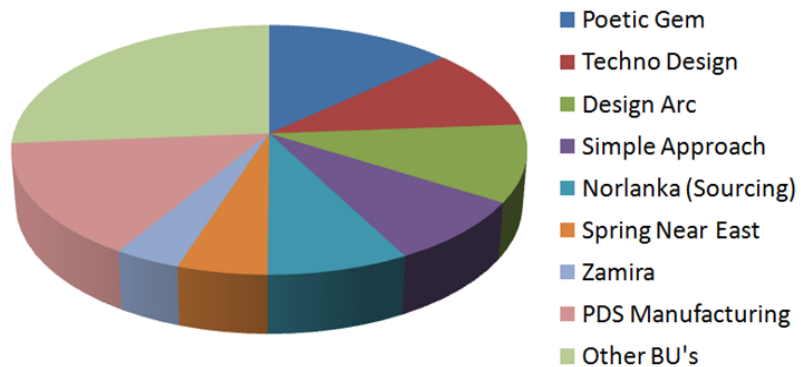
We aspire to be recognised as one of the top **Transparent** and **Sustainable** fashion, apparel and home businesses in the world and become a strategic supplier to our customers based on Circular Design, Quality and Sustainability.

Sustainability Strategies and Targets

PDS GROUP SOURCING BUSINESS

85% of the PDS Groups revenue comes from its sourcing businesses. Each of these business units has its own sustainability goals and targets.

With a portfolio of over 40 businesses, this report focuses on the sustainability objectives of seven of the larger, key PDS sourcing businesses:



- Poeticgem, Techno-Design, Design Arc, Simple Approach, Zamira, Norlanka and Spring Near East. These seven companies represent almost 60% (US\$822m) of the PDS Groups total revenue.

The sustainability goals and targets for the PDS Group's three manufacturing businesses:

- Green Smart Shirts Ltd, Norlanka Manufacturing Ltd. and Progress Apparels (BD) Ltd. which represent some 15% (US\$200m) of the PDS Groups revenue are highlighted later in this report.

Overall, the sustainability aspirations, goals and targets highlighted herein cover 75% of the PDS Group.



Poeticgem Limited



ANUJ BANAIK – C.E.O. - POETICGEM LIMITED












“Our ambition is to be the catalyst in helping our customers achieve their net zero ambitions, by helping them source the most sustainable materials and processes, to eliminate the negative impact on the environment and the communities in the catchment of our value chains.”

Kavita Dass, Fabric & Sustainability Manager:

“We understand, that the only direction of travel for us and our customers, is towards a zero waste future and, our business model too needs to transition to this ‘Circular Business Model’, powered by systemic change. Our ambition is, to be a key stakeholder for our customers, in helping bring this change to their business, in all that we do for them and with them.”

<p>Use Environmental Impact Measurement (EIM) software: 85% of Denim garments to achieve a score of < 35 litres of water by end of 2021. (90% by end of 2022, 95% by end of 2023).</p>				
<p>Zero Discharge of Hazardous Chemicals: For all Fabrics: 80% of supplying mills to have Waste Water Test reports uploaded to ZDHC and the IPE Gateway by end of 2021. (100% by Q4 2023).</p>				
<p>No untraceable Viscose to be used (FSC/PEFC/Canopy Green Shirt certified only) in at least 80 % of our offer by end of Q4 2021. (90% by end of Q4 2022, 100% by Q4 2023).</p>				
<p>There will be no “conventional” Cotton in the PGI Offer by end of 2021. Offer to consist of BCI and Organic cotton only.</p>				
<p>Identify opportunities and make available, for our employees, to contribute their talent and time to their communities, in an easy accessible format by Q2 2022 onwards.</p>				
<p>PGI Bangladesh to initiate one strategic community program in Bangladesh RO catchment, aimed at the empowerment of women by Q2 2022.</p>				

<p>PGI UK HO & Bangladesh to identify one tree plantation partnership to support an Urban Greening drive in the community by the end of 2022.</p>				
<p>Cradle2Cradle (C2C) Collection Offer: Design and collaborate with Fabric mills to deliver a C2C collection end of Q2 2022.</p>				
<p>COC Transparency: Certifications to be submitted for each order by Q4 2022 for GRS/RCS/GOTS/OCS.</p>				
<p>Branded Closed Loop fibres like; Ecovero© (>50%), Tencel© Modal (>50%), Tencel© Lyocell (>30%), Liva Eco© (>50%), in at least 25% of ranges developed by PGI by end of Q4 2022. (30% by 2023).</p>				
<p>Switch Polyester to Recycled polyester at least 30% GRS or RCS certified offer, in 30% of fabrics by Q4 2021. (40% by Q4 2022 and 50% by Q4 2023).</p>				
<p>Implement the Digital design 3D platform across at least one key Customer account by Q4 2021 to reduce number of samples by 20%. (20% across all customers by Q4 2022, 30% across all customers by Q4 2023).</p>				
<p>PGI to sign up to appropriate platform to measure and report Greenhouse Gas (GHG) emissions, and agree a baseline, by Q4 2021, to deliver set Targets for 2022 & 2023 against the baseline.</p>				
<p>PGI UK Head Office to use at least 50% green energy for Scope 1&2 emissions reduction by Q3 2022. (100% by Q4 2023)</p>				
<p>PGI to identify at least two strategic Factory partnerships to reduce Emissions (Scope 3) in their value chain by Q4 2021 and, collaborate by end of Q4 2022 on at least one strategic project each, to reduce Scope 3 Emissions.</p>				
<p>PGI UK HO to use only Green vehicles for their owned vehicles, Scope 1 and to identify and set a Baseline and a target for emission reduction by Q4 2021.</p>				

Transparency and Traceability

Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Poeticgem to have this status by the end of Q4 2022.

Materials

Chemical compliance standards for Fabrics: 85% of fabrics sourced to be from Oeko-tex certified mills by end of Q4 2021, 95% by end of Q4 2022, 100% by end of Q4 2023.

Techno-Design



RAJIVE RANJAN. C.E.O. - TECHNO-DESIGN



“When it comes to Sustainability, Techno-Design is committed to the base principles of reduce, reuse, recycle and we promote these principles throughout our supply chain. We embrace new technologies and innovation that can help us to fulfil the needs of our customers whilst minimising the environmental impact.”

Transform the complete NOS in our own brands with the objective that 100% of the items will be manufactured using sustainable raw materials instead of conventional raw materials by Autumn-Winter 2022.				
Progressively use 3D technology to visualise designs and fitting to increasingly eliminate physical sample creation (already started).				
Supporting brands and retailers to create time bound sustainability footprint.				
Optimise merchandise planning and allocation for our own brands so that the right SKU is allocated to the right point of sale and there is no extra production and waste.				
Creating a time bound programme for GOTS certification by the end of 2021.				
Reduce travel budgets and carbon footprint by adopting tech platforms to conduct BAU (business as usual) virtually with our worldwide offices.				
Adopt an efficient disposal system for prototypes / samples for reuse by the end of 2021.				
Make service contracts for all hardware in office to be upgraded only against exchange. Service contracts should only be made with companies which have transparent sustainable value system.				

Transparency and Traceability

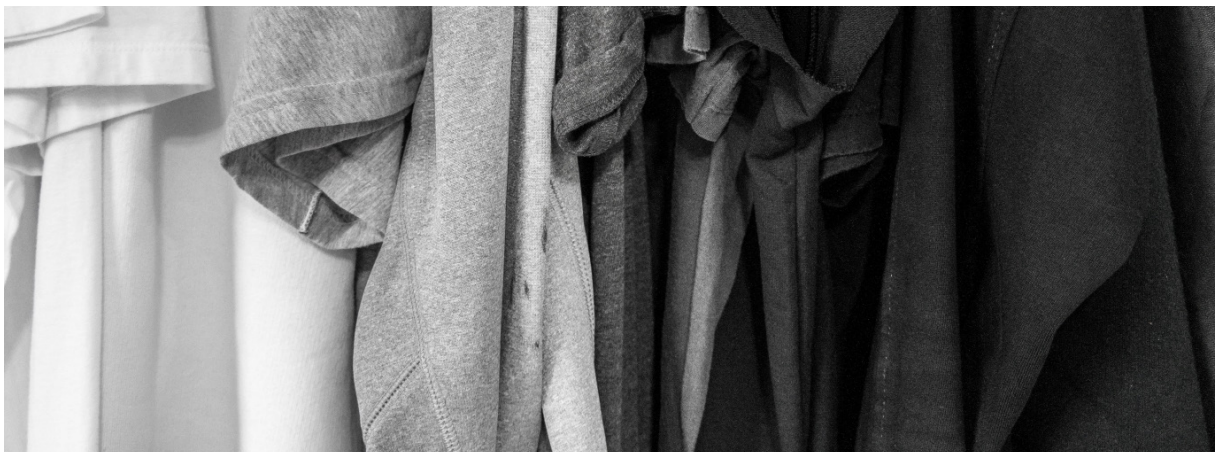
We are implementing GOFTS 6.0 for brands and retailers.

Design Arc





RAKESH CHADHA. MANAGING DIRECTOR - DESIGN ARC



“ At Design Arc we conduct our business in a socially responsible and ethical manner, supporting communities where we operate. We are committed to protect our environment through adoption of technology, always thinking about reducing waste and incorporating the concepts of recycling and up-cycling into our daily business practices and the products that we offer to our customers. ”



<p>There will be no “conventional” cotton in the Design Arc offer by end of 2024. The offer will consist of BCI and Organic Cotton only. (BCI/Organic/IC2 cotton for 50% of the product base by Q4 2021/65% by Q4 2022/75% by Q4 2023/100% by Q4 2024)</p>				
<p>No untraceable Viscose to be used (FSC/PEFC/Canopy Green Shirt certified only) by the end of 2023. (FSC/PEFC/Canopy Green Shirt certified Viscose for 50% of the product base by Q4 2021/75% by Q4 2022/100% by Q4 2023)</p>				
<p>Switch Polyester to Recycled Polyester at least 30% GRS or RCS certified offer, in 50% of the fabrics by the end of 2023. (Recycled Polyester for 25% of the product base by Q4 2021/35% by Q4 2022/50% by Q4 2023)</p>				
<p>Promote the use of vegetable and herbal dyes saving 22 litres of water per kg.</p>				

<p>Work with our three main fabric mills to support the development of their Sustainability Agendas.</p> <p>e.g. One of our fabric mills has put initiatives in place to:</p> <ul style="list-style-type: none"> • Save 1,439m³ of water per annum. • Reduce CO₂ emissions by 66 tonnes per year. 				
<p>Promote the use of Digital Tools for all business processes with special emphasis on 3D design with an aim to reduce physical samples (buying samples & sealing samples) to 50% by the end of 2023. (reduce the physical samples by 15% by Q4 2021/35% by Q4 2022/50% by Q4 2023)</p>				
<p>Committed to provide school education to 150 children in Bangladesh since 2017 through Soham for All (program run by Hope Worldwide and supported by PDS, Design Arc and Matalan). Program extended to provide vocational training (Industrial Sewing & Tailoring and Computers & Spoken English) to 50 women who want to support their families financially.</p>				

Transparency and Traceability

Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Design Arc to have this status by the end of Q4 2022.

Materials

Chemical compliance standards for Fabrics: 85% of fabrics sourced to be from Oekotex certified mills by end of Q4 2021, 95% by end of Q4 2022, 100% by end of Q4 2023.



Simple Approach Limited



SUNNY MALHOTRA, C.E.O. – SIMPLE APPROACH LIMITED

“As a key supplier to a number of value retailers, we have a unique opportunity to support understanding and progress on both the brand and supplier side. We believe that transparency and collaboration are key, and we’ll be focusing our efforts on increasing supply chain visibility and strengthening our relationships; in the hope that this will enable collective and pragmatic solutions to thrive.”



Simple Approach has joined the Circular Fashion Partnership for Bangladesh to work collaboratively on the business case and implementation of circular products. On-going.				
Deliver sustainability training at all company levels, to improve sustainability knowledge and adoption across social and environmental indicators. On-going.				
Set community engagement goals by the end of 2021.				
Creating a preferred materials strategy and goals by the end of 2021.				
Digital design with 3D virtual fits and sampling in order to reduce the number of physical samples required and compress sampling/sealing lead time. On-going.				
Working with “The Garment Worker Diaries” initiative to develop confidential worker voice feedback opportunities. In place by 2022.				
Simple Approach contributes to EU policy discourse and gives feedback on the EU public consultation on Sustainable Corporate Governance & the EU Strategy for Sustainable Textiles. On-going.				
Measuring our supply chain emissions, water and waste through the Higg FEM by 2022.				

Transparency and Traceability

- Ensure that where required factories are registered with the HIGG Platform and reporting with the FEM tool. At present 67% of our factories are using the FEM, and our goal is to have 95% using it by the end of 2022.
- Simple Approach is an Oeko-Tex certified business.

“

Ilishio Lovejoy, Sustainability Manager:

People are at the heart of Simple Approach, and all that we do. We continue to focus on strong partnerships across all levels of our business, as we believe that it's in partnership that we can build better ways of working, that will enable future generations to flourish.

”



Zamira Fashion Limited






THOMAS MUELLER. C.E.O. - ZAMIRA FASHION LIMITED



“ At Zamira, Sustainability isn’t just a buzzword. We have made it our purpose to be the driving force in bringing perennial change to the Denim industry and creating the most ethical, sustainable and eco-efficient supply chain for Denim and Jeanswear. Under our ‘Zamira Cares’ umbrella we are continuously introducing innovative sustainability initiatives covering five key areas; fabrics & materials, safe to wear & traceability, chemicals & water management, new technologies and longevity & circularity. ”



Implementation of new technology machineries - e-Flow, laser and ozone, on the production floor of our core laundry. Within 2021.				
All laundry discharge ETP waste water after treatment. In place.				
Reuse ETP waste water in production process and in local plantation. By end of 2022.				
Provide training to employees and factories on the awareness of waste management. On-going.				
Implement machinery for and give training on, awareness of water conservation. Within 2021.				
Implement machinery for and give training on, awareness of energy management. Within 2021.				
Deliver awareness training on GHG emission and the environment. By end of 2022.				
We are a member of the Jeans Redesign by the Ellen MacArthur Foundation.				

<p>We continuously pursue our aim to upgrade our product quality and increase the lifespan of our jeans.</p>				
<p>Digitisation with 3D virtual fits and sampling.</p>				
<p>Digitisation with a comprehensive PLM system. Within 2021.</p>				
<p>Reduce the amount of parcels containing samples which are dispatched, weekly.</p>				

Traceability and Transparency

- Our core JV factories are registered on HIGG. ALL of our JV factories used by Zamira to have registered, self assessed and be verified for FEM and FSLM by the end of Q4 2022.
- Our core JV factories are certified with Oeko-tex Standard 100, STeP and Detox to Zero.
- Our core fabric mills are certified with Oeko-tex Standard 100, STeP and Detox to Zero.

Materials

- 100% of cotton sustainably sourced and traceable.
- We are continuously replacing polyester fabric contents with reputable recycled polyester.
- We use reusable trims made with eco-plating processes.
- Developing smart threads for easy disassembly of garments at end of lifecycle.



Norlanka



GS PERIHAL C.E.O. - NORLANKA SOURCING

“*Transparency and ethics are part of our core values. It is in our culture and practice to engage in partnerships with businesses who share a similar value stream. We are also very focused on sustainability, with ethical sourcing, eco-friendly raw materials, and we follow a responsible supply chain.*”



Develop strategic preferred materials and fibres roadmap (reduced raw material extraction) by end of 2021.				
Implement standard wastewater management processes (50% of partner manufacturing facilities) by end of 2023.				
Onboard all manufacturing facilities and fabric mills to HIGG FEM. By 2022.				
Guide our partner factories in setting their water reduction targets for 2021.				
All manufacturing facilities to be on board to HIGG FSLM. By 2023.				
Implement a strategy to use revenue from recycling to re-invest on building community. By 2023.				
Drive Industry Collaboration for mutual gain & understanding. By 2023.				
Invest in Education & Training. By 2023.				
Working on to create a platform including all the sustainability information of our supply chain. By 2023.				
Integrated waste management solutions for waste types generated in our factories. By 2023.				

25% of partner factories to be LEED certified. By 2023.				
Pilot carbon footprint quantification. By 2023.				
Guide and support all Norlanka partner factories to be carbon neutral. By 2030.				
Set energy reduction targets per unit of product at partner factories. By 2025.				
All partner fabric mills to be GOTS certified. By 2022.				
All partner fabric mills to be certified with Oeko-Standard 100. By 2022.				

Traceability and Transparency

Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021. ALL factories used by Norlanka to have this status by the end of Q4 2022.

Spring Near East






















SAFAK KIPIK, MANAGING DIRECTOR – SPRING NEAR EAST



“ At Spring Near East we are committed to sourcing, developing and producing in a way that has minimal impact on our environment and the people who live on our planet. We aspire to be the greenest supplier on the high street and we would like to have our choices make a positive change for the survival of our planet, not just generate profit. Our values are in line with the UN Sustainability Development Goals.

We have already achieved a significant reduction in our CO₂ emissions via 3D Technology in our sample creations. We aim for circularity in all stages of our products including raw material selection and design. ”

Increase sustainably sourced production by 25%. Within 2021.				
Switch viscose to EcoVero saving up to 50% of water use. Within 2021.				
Ecovero conversion. Target: 300,000m of woven fabric / 21 tonnes of jersey fabric.				
Promote the use of vegetable and herbal dyes saving 22 litres of water per kg.				
Working with a factory base that powers on renewable energy.				
Convert 50% of polyester to recycled polyester. Within 2021.				
Promote Econyl recycled polyester for premium seamless sportswear.				
Recycle Head Office waste				
Return master polythene bags to the factories. Process to be in place by end of 2021.				
Design team to be trained on Circular Design. Within 2021.				
In house collection to be 50% sustainable fabrics. By end of 2021.				
Dematerialisation through the use of 3D.				
Using less blended yarns to deliver easier recycling of product.				

Traceability and Transparency

- Ensure that where required factories be registered on the HIGG Platform, undertake FEM and FSLM self assessment and be verified by end of Q4 2021.
- ALL factories used by Spring N.E. to achieve this by the end of Q4 2022.
- Seek out and only partner with factories and materials with; **GOTS, Oeko-Tex Standard 100, BlueSign, EU Ecolabel and ZDHC.**



PDS Group Manufacturing Business

15% or some US\$200 million of the PDS Group annual turnover comes from its own manufacturing businesses. Having full control of its manufacturing operations gives the PDS Group a different perspective and more scope for delivering on its Sustainability Agenda.

PDS Group has benchmarked its current position with regard to; **Respect Water, Build Community, Think Circular** and **Reduce Emissions**. Each of the three manufacturing businesses has set targets for improvements which will be tracked year on year.

Green Smart Shirts Limited

MR FATEH ISLAM. C.E.O. - GREEN SMART SHIRTS LIMITED



“ At GSSL employees, environment, products and society constitute the structure for the company’s sustainability agenda. The series of sustainability initiatives carried out by GSSL contribute to empowering women workforce, reducing carbon footprint, preserving natural resources, supporting social developments, increasing customers satisfaction and thus protecting the company’s vision of being the most preferred and regarded apparel manufacturer for the global brands/retailers. ”



CERTIFIED



MEMBERSHIPS



IN PROCESS



Reuse of 2.7 million gallons of water for toilet flushing p.a.				
Rainwater harvesting and reuse (657,996 gallons in 2020).				
Excess steam pipe water reused in boilers. (98,666 gallons in 2020).				
Water efficiency measures resulting in 45.2% savings. On-going.				
US Green Building council certified facility. (26% on-going energy savings).				
Energy efficient lighting and machinery. (32% on-going energy savings).				
Use of special double glazed units throughout the factory to maximise natural daylight and control temperature				
Sewage Treatment Plant to ensure no contamination of the local water table and no harm to the environment				
Tree plantation of 65,130 sq. ft. In place.				
Reuse of 25% of all paper.				
Paper recycling through Shishu Palli Plus which benefits this children's village for the rehabilitation of under privileged children. In place.				
Recycling of all food residue (17,580 kg recycled in 2020).				

Below is the production, consumption and wastage data for Green Smart Shirts Limited for the period April 2020 to March 2021. Green Smart Shirts Limited will use this data as its benchmark to improve its sustainability performance through its Reduce, Re-use and Recycling targets.

Green Smart Shirts Limited	Benchmark
	April 2020 - March 2021
Number of garments produced (units)	3,576,771
Average Standard Minute Value of garments	19
Factory Consumption	
Electricity consumption (kW/h)	1,028,105
Gas consumption (kW/h)	0
Oil consumption (Litres)	175,023
CO ₂ emissions (kgs) from the above consumption	949,872
Water consumption (litres). Excluding any reused water	28,353,000
Water consumption (litres). Reused / harvested water	331,999
Total water consumption litres	28,684,999
Weight of fabric consumed (kg)	1,825,000
Weight of trims consumed (kg)	23,040
Packaging	
Paper / Cardboard consumed (kg)	212,350
Plastic based materials used (kg)	15,500
Waste	
Fabric (kgs)	223,334
Waste fabric recycled / reused (kgs)	156,334
Trims (kgs)	7
Waste trims recycled / reused (kgs)	6
Paper / Cardboard (kgs)	56,938
Paper / Cardboard recycled / reused (kgs)	45,550
Plastic based packaging (kgs)	2,060
Plastic based packaging recycled / reused (kgs)	1,648
Average grams of CO ₂ per garment	266
Water consumption (litres) per garment	8.02
Fabric consumption (grams) per garment	448.9

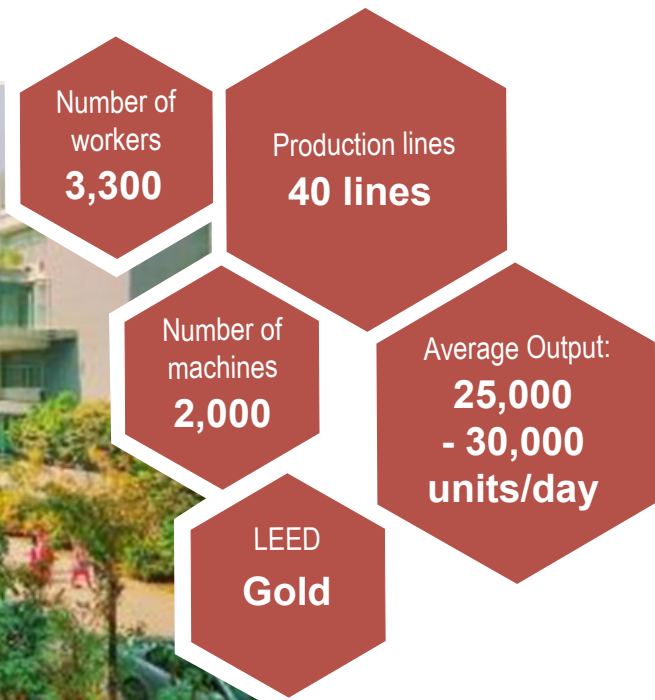
Progress Apparels Bangladesh Limited



MR FATEH ISLAM. C.E.O. - PROGRESS APPARELS BANGLADESH LIMITED



“Progress Apparels Bangladesh Ltd (PABL) considers sustainability as an integral part of business activities. While doing business we strongly focus on our employees, environment, products and society. We act responsibly to generate added value for the business, employees, customers, and the society thus ensuring company’s continuous growth and long term stability.”



CERTIFIED



MEMBERSHIPS



IN PROCESS



Installing auto-stop taps to reduce water waste. Target 45% reduction in consumption. Within 2021.				
Increasing the awareness of the workers regarding water use and waste. On-going.				
Installing counter current flow technology in the boiler operation. Completion within 2021.				
Conducting health awareness campaign in the factory and the community. On-going.				
100% of combustible materials used to generate 15% of the factory's electricity needs. On-going.				
Tree plantation within the factory compound (1,000 trees). In place.				
Reducing the factory transport. Recruiting more locally. On-going.				
Ensure use of 100% of in-house waste fabrics, paper, cartons etc Within 2021.				
Conducting waste awareness of the employees in the factory. Within 2021.				
Using factory fans instead of the air conditioning. In place.				
Reducing the use of polythene bags.				

Traceability and Transparency

- Progress Apparels is registered on the HIGG Platform (FEM and FSLM).
- Increase track and trace along the supply chain with pro-active monitoring.



Below is the production, consumption and wastage data for Progress Apparels (BD) Limited for the period April 2020 to March 2021. Progress Apparels (BD) Limited will use this data as its benchmark to improve its sustainability performance through its Reduce, Re-use and Recycling targets.

Progress Apparels Bangladesh Limited	Benchmark
	April 2020 - March 2021
Number of garments produced (units)	4,183,000
Average Standard Minute Value of garments	20
Factory Consumption	
Electricity consumption (kW/h)	950,521
Gas consumption (kW/h)	29,028
Oil consumption (Litres)	22,832
CO ₂ emissions (kgs) from the above consumption	472,027
Water consumption (litres). Excluding any reused water (m3)	70,798
Water consumption (litres). Reused / harvested water	0
Total water consumption litres	70,798
Weight of fabric consumed (kg)	1,592,214
Weight of trims consumed (kg)	265,369
Packaging	
Paper / Cardboard consumed (kg)	42,108
Plastic based materials used (kg)	904
Waste	
Fabric (kgs)	169,301
Waste fabric recycled / reused (kgs)	169,301
Trims (kgs)	13,268
Waste trims recycled / reused (kgs)	0
Paper / Cardboard (kgs)	42,108
Paper / Cardboard recycled / reused (kgs)	42,108
Plastic based packaging (kgs)	657
Plastic based packaging recycled / reused (kgs)	0
Average grams of CO ₂ per garment	103
Water consumption (litres) per garment	0.02
Fabric consumption (grams) per garment	381

Target reductions 2021:

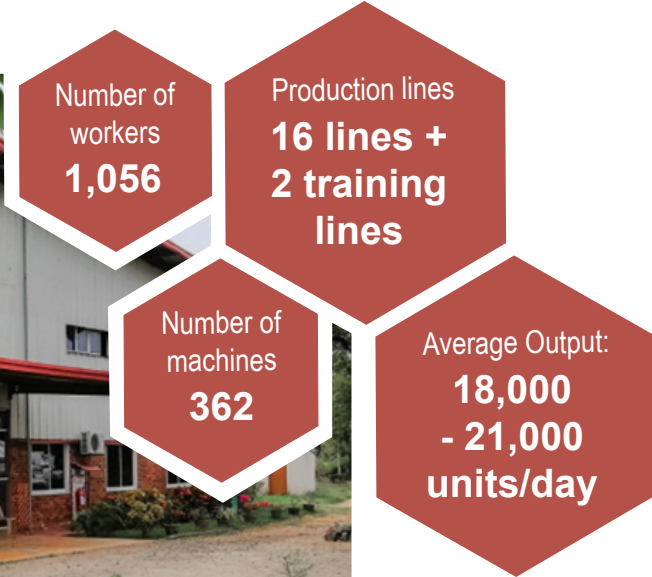
- **Water:** 3% reduction (2,124 m3)
- **Suspended Particulate Matter (SPM) from the generator / boiler:** 1% reduction (3.71kg)
- **Nitrous Oxide (NOx) from the generator / boiler:** 1% reduction (33.6kg)
- **Carbon Monoxide (CO) from the generator / boiler:** 1% reduction (112.5kg)
- **Consumption:** 2% reduction in TOTAL waste (5,093kg)

Norlanka

GS. PERIWAL. C.E.O. - NORLANKA MANUFACTURING LIMITED














“ It gives us immense satisfaction as a part of the society to know that we are positively contributing to the environment and understand the impact of carbon emissions. And the further we go along that path, the more we learn that sustainability and corporate social responsibility can go hand in hand with business interest. It’s not an either-or situation. We cover all UN SGD’s and our goal is to become carbon neutral by 2025. Plans are also in place for all our manufacturing partners to become carbon neutral; work has already commenced. ”



CERTIFIED

MEMBERSHIPS

IN PROCESS

Conducting a water audit and implementing conservation measures. Within 2021.				
Reuse water from effluent treatment plant for flushing – Average: 10,000 litres / day and we will reduce extraction of groundwater – On going.				
Implementing a rainwater harvesting system to recharge ground water and facilitate surrounding environment with more ground water. Within 2021.				
Use revenue from recycling to re-invest in our employees' careers, education and training. On-going.				
Provide a free annual health check for all employees. Within 2021.				
Participate in social engagement activities such as beach cleaning projects. On-going.				
Working with suppliers to collect all empty thread cones and PVC conduits of fabric rolls for recycling.				
Reusing, up cycling or recycling up to 80% of total generated waste. Within 2021.				
Net positive renewable solar energy generation. Average monthly consumption - 60000 kWh. Average monthly clean energy generation 76,000 kWh. Within 2021.				
LEED Gold Certification by end of 2022.				
ISO 14064 – 1 Carbon footprint quantification and reporting. By end of 2021.				

Traceability and Transparency

- Onboard all manufacturing facilities and fabric mills to HIGG FEM. By 2022.
- All manufacturing facilities to be on boarded to HIGG FSLM. By 2023.

Below is the production, consumption and wastage data for Norlanka Manufacturing for the period April 2020 to March 2021. Norlanka Manufacturing will use this data as its benchmark to improve its sustainability performance through its Reduce, Re-use and Recycling targets.

Norlanka Manufacturing Limited	Benchmark
	April 2020 - March 2021
Number of garments produced (units)	5,735,728
Average Standard Minute Value of garments	5
Factory Consumption	
Electricity consumption (kW/h)	620,565
Average gas consumption per year (kW/h)	22,440
Oil consumption (Litres)	4,600
CO ₂ emissions (kgs) from the above consumption	148,462
Water consumption (litres). Excluding any reused water	3,216,000
Water consumption (litres). Reused / harvested water	0
Total water consumption litres	3,216,000
Weight of fabric consumed (kg)	536,553
Weight of trims consumed (kg)	54,073
Packaging	
Paper / Cardboard consumed (kg)	96,498
Plastic based materials used (kg)	26,667
Waste	
Fabric (kgs)	79,023
Waste fabric recycled / reused (kgs)	Not available
Trims (kgs)	Not available
Waste trims recycled / reused (kgs)	Not available
Paper / Cardboard (kgs)	Not available
Paper / Cardboard recycled / reused (kgs)	Not available
Plastic based packaging (kgs)	Not available
Plastic based packaging recycled / reused (kgs)	Not available
Average grams of CO ₂ per garment	49
Water consumption (litres) per garment	1
Fabric consumption (grams) per garment	79.7

Norlanka Manufacturing - Net Positive, Renewable Clean Energy Generation Project 2021

Energy consumption and its emissions is one of the most spoken of and focused sectors in modern world. Almost all the activities of human beings are now based on energy supply. The sustainability agenda of organisations, private or state sectors, has incorporated plans on energy since it is the most important aspect in environmental sustainability. This subject has been spoken about a great deal recently due to climate change and global warming issues faced all over the world. The World is currently moving towards an energy crisis. This energy crisis is due to the foreseeable end to the cycle of burning fossil fuels such as; oil, gas and coal to generate energy which, in addition, has been producing a considerable increase in greenhouse gases (GHG). These greenhouse gas emissions created by the burning of fossil fuels in order to produce energy, directly contribute to climate change, global warming, impacts on biodiversity and so many other adverse impacts on the environment and human health. Around 30% of total energy generated for electricity supply in Sri Lanka is from coal and fuel oil burning.

We, at Norlanka, being a truly sustainable organisation have taken measures to contribute positively towards the global action to minimise climate change and global warming. We are working on a solar panel installation project from which we will generate more renewable clean energy than our electricity consumption which will reduce our organisation’s carbon footprint. As part of our ESG strategy we are investing approximately US\$1 million for our sustainability projects within the next twenty four months, in order to contribute positively towards our environment and social responsibility.



Net Positive Renewable Clean Energy Generation

60,000 kWh

Average monthly consumption
Norlanka Trinco

76,000 kWh

Average renewable energy
generated through the solar project.

NORLANKA - NET POSITIVE RENEWABLE CLEAN ENERGY GENERATION PROJECT – HIGHLIGHTS



Solar Panel System
Size

630.00 kW



Average Annual
Output

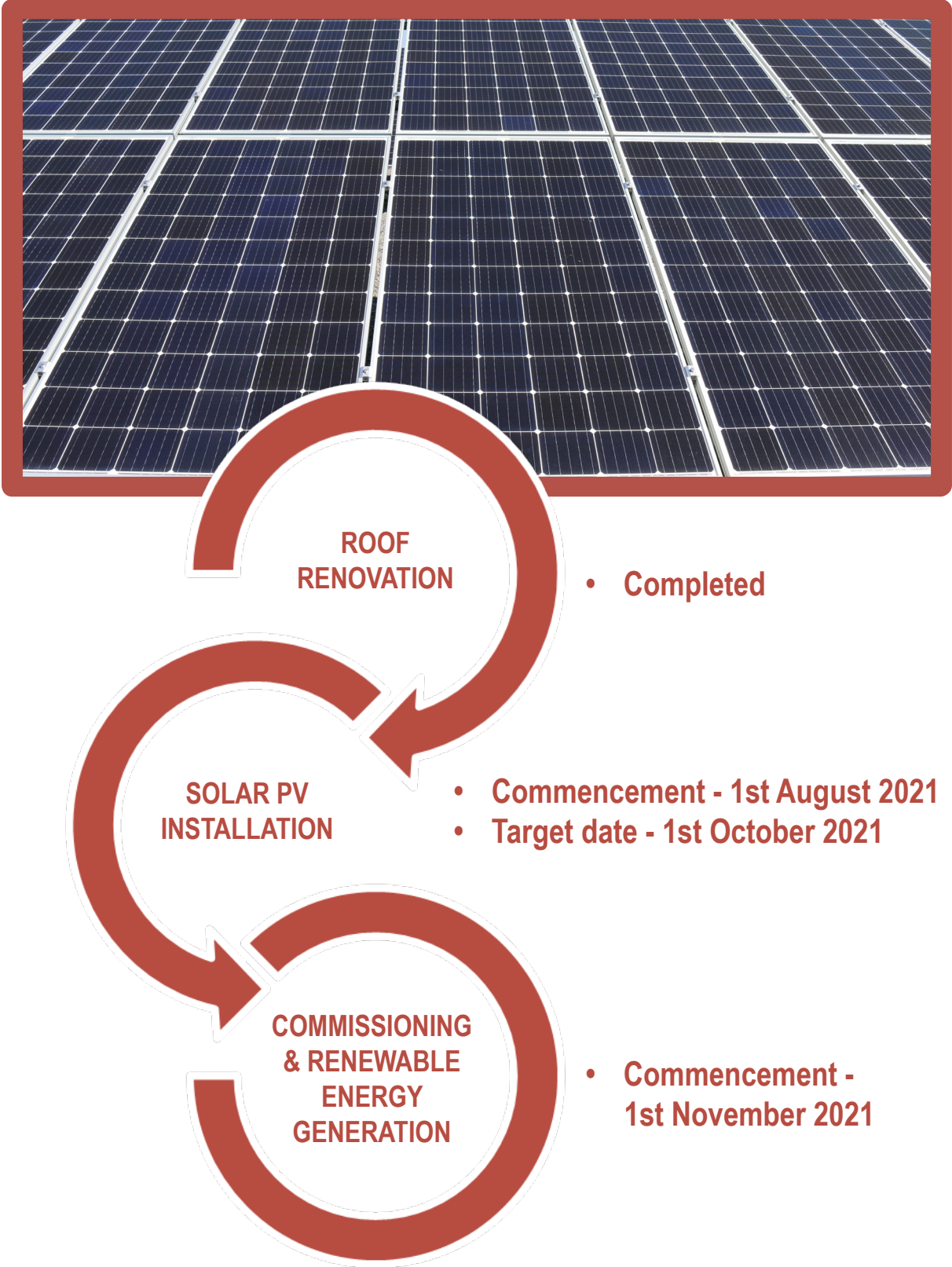
912,000 kWh



Average Annual CO2
Saving

1,033,778 Kg

NORLANKA - NET POSITIVE RENEWABLE CLEAN ENERGY GENERATION – PROCESS FLOW



Yellow Octopus



JACK OSTROWSKI, FOUNDER – YELLOW OCTOPUS



“ We are actively investing in early stage and growth stage companies which through innovation and technology are improving the world we live in. As Yellow Octopus we connect leaders across the industry to make a long-lasting positive impact to the world. And we will not stop until achieving our ultimate goal of making fashion circular. ”

COMMERCIAL SUSTAINABILITY SOLUTIONS FOR THE FASHION INDUSTRY

We are a group of entrepreneurs and innovators who focus on building commercially viable solutions to transform the fashion industry from a Linear to a Circular Economy model. Yellow Octopus innovative solutions provide new revenue streams for brands and retailers to help them reduce the environmental impacts of their fashion products, while demonstrating corporate responsibility & strengthening brand's reputation.

Re-commerce

The fastest growing & most sustainable category in fashion retail. Extending the life of clothing by an extra nine months of active use would reduce carbon, waste and water footprints by around 20%-30% each and cut resource costs by 20%.

Recycling & Up cycling

We are engaged in the commercialisation of circular fashion models by diverting clothes from landfill and making new products and materials out of fashion waste - to continually reduce the environmental impact of the industry whilst creating new growth opportunities for retailers.

reGAIN app

The World's first digital multi brand take-back program providing an easy and affordable way for fashion customers to recycle their unwanted clothes and in return get exclusive discount coupons from leading fashion brands and retailers.

George. Take Back program

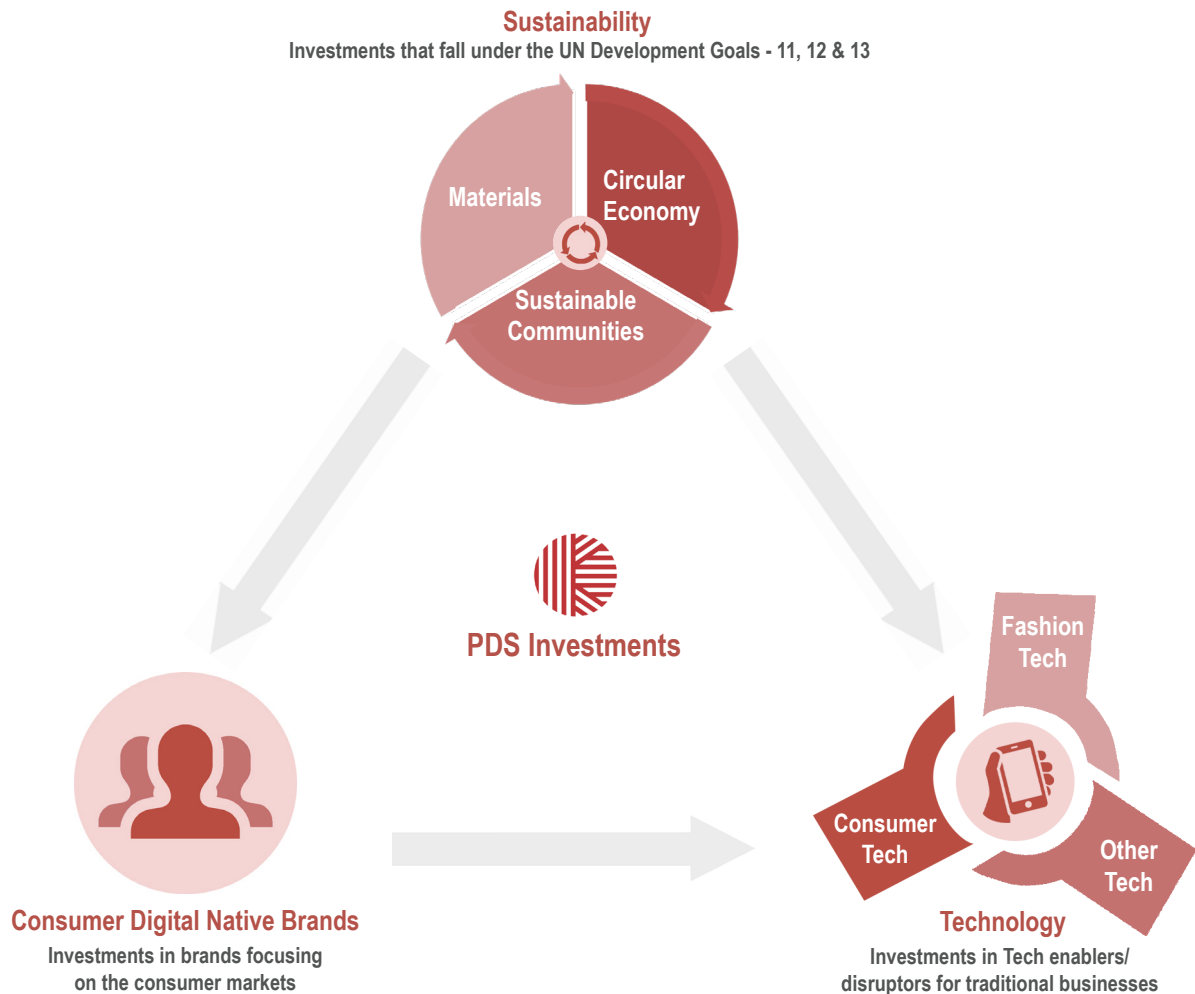
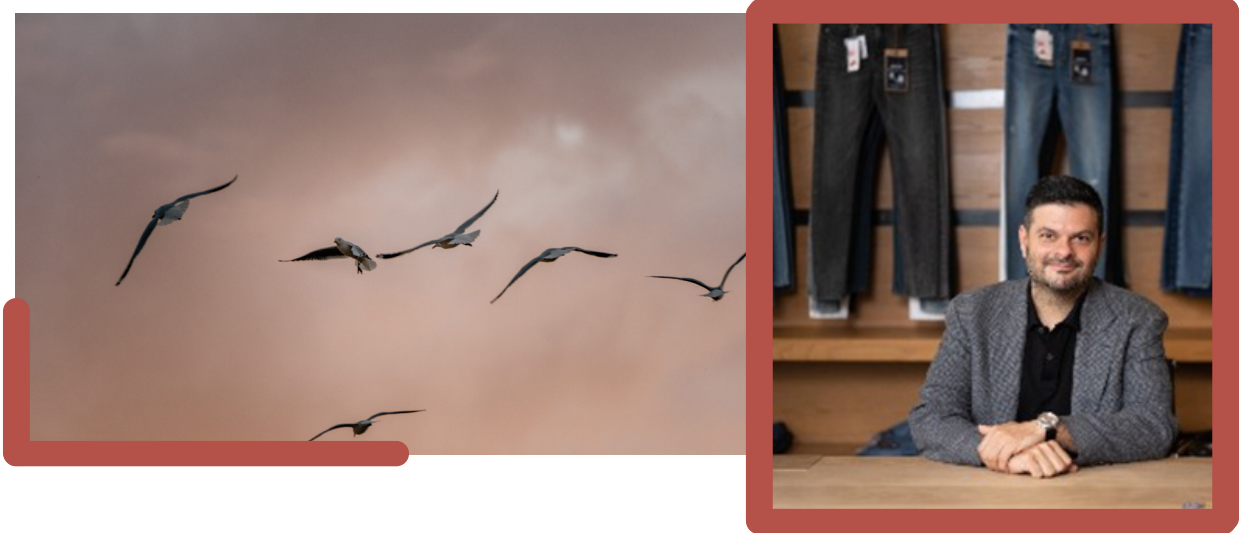
A new take back scheme launched in collaboration with Asda, which helps recycle unwanted clothes with ease, choosing the most sustainable way to prolong its lifecycle and making sure no textiles end-up in landfill.

Circular Fashion Impact Fund

In partnership with PDS Multinational we created the Impact Fund to facilitate the building of a circular fashion ecosystem. We are now actively investing in early stage and growth stages companies, who through innovation and technology are transforming the fashion industry into a circular model.

PDS Ventures – Investing in a sustainable future for the fashion industry

PALLAK SETH. VICE CHAIRMAN – PDS MULTINATIONAL



PDS VENTURE INVESTMENTS

The objective of PDS Venture Investments is to back early stage global brands and disruptive business models that drive strategic alignment and growth for PDS Group and its customers. PDS has committed to invest £50m over the next five years with the key focus being on Sustainability, Technology and Consumer Native Digital Brands. PDS Venture Investments' decisions are based on driving Environmental, Social, and Corporate Governance (ESG) and Sustainability related innovative solutions. The decisions improve the client network or help provide new technological solutions to our clients. They also enhance synergies within the supply network for the PDS Group.

Apart from direct investments, the PDS Group has forged three significant collaborations through strategic partnerships with reputed players in the Investment community. These are;

1. **PDS Impact Fund:** Partnership with Yellow Octopus to make focused investments in sustainability across the fashion supply chain.
2. **True PDS Fund:** Investments through a parallel Venture Capital (VC) fund with True Global focusing on sustainable and tech-oriented fashion retail and consumer related investments.
3. **Apex Black Fund:** A partnership with Rani Saad, the co-founder of Stanford Angles of the United Kingdom with the purpose of investing in deep, defensible innovation, fuelled by deep tech, scientific breakthroughs and business model disruption.

PDS Direct Investments has its key focus on fashion, technology and sustainability. For the most part the PDS Group makes direct Investments into companies which have strategic alignment with the core operations of Group.

Since its inception, sustainability has always been a strategic priority of PDS Venture Investments. The goal is to have a portfolio of investee companies which offer sustainability solutions across the entire fashion supply chain. With this agenda, the PDS Group aims to become a global sustainability partner to its customers by investing in start-ups which offer sustainability solutions, primarily focusing on following three main areas derived from the UN Sustainability Development Goals (UN SDGs).



1. Sustainable Communities (based on UN SDG 11): Investing in businesses creating and promoting sustainable communities/platforms.



2. Materials (based on UN SDG 12): Focusing on sustainable alternatives to raw materials and their production in a sustainable way.



3. Circular Economy (based on UN SDG 13): Targeting recycling and reusability to prevent clothes from ending up in a landfill.

Below are a few examples of the PDS Group's Sustainability Investments;

MATERRA **Materra** is a technical innovations company which is growing sustainable premium quality cotton in a transparent way. Materra uses controlled environments and data driven agriculture to radically improve farming efficiency, reliability and sustainability. Materra cotton is grown without pesticides, uses up to 80% less water than conventional cotton and delivers total transparency from the farm(s) throughout the fashion supply chain(s) which is accessible through the Materra App.

EV RNU **Evrnu** is a revolutionary, new technology and business model that recycles cotton garment waste to create premium, renewable textile. Using discarded clothing, Evrnu creates engineered fibres which deliver extraordinary performance and obvious environmental advantages. Evrnu uses approximately 99% less water than the production of virgin cotton and there is potentially, no plastic shedding. Evrnu offers high Greenhouse Gas (GHG) footprint savings.

NATURE COATINGS Made from wood waste, **Nature Coatings** produces the first ever high performance black pigment that contains zero carcinogens such as polycyclic aromatic hydrocarbons (PAHs). The wood waste is sourced from sustainable Forest Stewardship Council (FSC) certified forests and a closed loop circular manufacturing process is used which requires no external energy to run the equipment. Nature Coatings offers durable, long lasting pigments with 90-100% less PAHs than hazardous petroleum carbon black pigments using a manufacturing process that emits zero CO₂ or Greenhouse Gas (GHG) emissions.

STYLE THEORY **Style Theory** provides access to apparel and designer bags through a subscription based rental model, operating in Singapore and Indonesia. Style Theory is a totally end-to-end circular business model where the items are sold after 30 usages. Due to the longer lifetime of a cloth / materials, there are substantial savings with respect to the waste generated by discarding the cloth / materials. Aligned with this there are also significant savings of water, CO₂ emissions and waste generation due to fewer garments being made.

COMMON OBJECTIVE **Common Objective** is a Global business to business (B2B) tech platform that makes it easier for fashion professionals to undertake their sourcing activities from sustainable businesses. Common Objective aims to be the LinkedIn of sustainable fashion. The platform provides thousands of fashion professionals with the means to build efficient and sustainable supply chains, get products right for market and increased sales. Common Objective helps businesses work in a more sustainable way across the fashion supply chain. Rewarding, through higher search rankings and sustainability awards and motivating businesses to follow sustainable practices.

good on you **Good On You** provides a comprehensive brand rating system and online discovery platform for the fashion industry. Over 30,000 shoppers use the platform to access over 2,000 brand ratings to guide them towards making better choices. Good On You also works with more than 80 global brands and retailers such as Farfetch to promote their ethical products and reaches the growing, sustainability conscious, consumer market. Through promoting sustainability and rating companies, it reduces impact on workers at all stages of supply chain, allows for better usage and disposal of resources; energy, reduced CO₂ emissions, reduced water and chemical usage as well as reducing the use of fur, angora, down feather, shearling, karakul and exotic animal skin and hair.

PDS VENTURES SUSTAINABILITY PORTFOLIO AS AT Q4 2021

<p>Materials</p> <p>Focusing on sustainable alternatives to raw materials & their production in a sustainable way.</p>	<p>MATERRA™</p> <p>An innovative tech firm growing premium sustainable cotton.</p>	<p>NATURE COATINGS</p> <p>Transforms wood waste into high performance black pigments.</p>	<p>EV RNU®</p> <p>Recycles cotton garment waste to create premium, renewable textile.</p>
<p>Circular Economy</p> <p>Targeting recycling and reusability to prevent clothes from ending up in a landfill.</p>	<p>STYLE THEORY</p> <p>Subscription based rental model for apparel & designer bags.</p>		
<p>Community</p> <p>Investing in businesses creating and promoting sustainable communities/platforms.</p>	<p>COMMON OBJECTIVE</p> <p>A global B2B tech platform for sustainable business.</p>	<p>good on you</p> <p>A brand rating system & online discovery platform for fashion.</p>	

At PDS, Sustainability isn't a 'buzzword' nor is it something we are doing because we feel obliged to do it.

Living sustainably improves the quality of our lives, protects our planets ecosystem and preserves natural resources for future generations. In the business world, sustainability is associated with an organisation's holistic approach, taking everything into account, from manufacturing to logistics to customer service. Going green and operating sustainably is not only beneficial for the PDS Group, it also maximises the benefits from an environmental focus in the long term.



This is the PDS Groups first Sustainability Report and it serves to outline our aspirations and sets some initial targets. As sustainability becomes more embedded within the Groups DNA, our targets will develop, spread to the other PDS Group verticals and we will become ever more ambitious in our drive to become recognised as one of the top **Transparent** and **Sustainable** fashion, apparel and home businesses in the world and to become a strategic supplier to our customers based on circular design, quality and sustainability. The PDS Group embraces and invests in sustainability and all that it stands for. The targets set out in this report will be tracked and reported against in the 2022 PDS Group Sustainability Report.





PDS
MULTINATIONAL