

# 2024

## Environmental, Social, and Governance Report

SDG

## ABOUT KDS

KDS is one of the most renowned businesses and industrial conglomerates in Bangladesh. The company was established in the port city of Chattogram and has since extended its operations throughout the world. Having established offices and agencies in Singapore, Hong Kong, and the UK, with plans of expanding in the USA, the group is paving the path to becoming a Bangladeshi-based multinational company. The Group's backward linkage operations consist of: Knitting, Embroidery, Fabric Dyeing and Finishing, All-Over Printing, Apparel Accessories Manufacturing, Apparel Manufacturing (Cutting, Sewing and Finishing), Washing, Screen Printing and Carton Manufacturing.

Founded in 1983, through the establishment of one of the first garment industries in Bangladesh, the company has flourished in the last 42 years. Through innovation, dynamism, untiring effort and dedication, the business in terms of assets and revenues has grown exponentially. In addition, the fields of business have been extended from apparel exports to encompass a whole array of other industries. Today, the group is close to USD 1 billion in annual revenue and employs over 30,000 people.

## PREAMBLE

With a strong commitment to advancing sustainability, KDS has published its annual Sustainability Report since 2022. The report is prepared in alignment with the GRI Standards and mapped against the United Nations Sustainable Development Goals (UNSDGs). It presents the Group's environmental, social, governance, and economic performance, with the 2024 reporting scope covering the Garments, Textile, and Accessories divisions. Operational data reflect the calendar years 2023 and 2024, while economic disclosures follow the fiscal year (July to June). Material topics have been identified through due diligence in line with GRI guidelines, and KPIs were selected based on data availability and established practices. KDS's sustainability initiatives not only create business value but also contribute to the well-being of communities, the environment, and its stakeholders.



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## MESSAGE FROM MANAGING DIRECTOR

KDS has long been a pioneer in Bangladesh's apparel and textile industry. As a leader, our vision has always extended beyond business growth—we aim to be at the forefront of a sustainable and circular business model, especially across Apparel and Textiles. At KDS, we recognize our responsibility as an industry leader, and we continue to challenge ourselves to adopt more sustainable ways of producing our garments.

Today, climate change stands as one of the world's most urgent challenges. For our industry—and for our planet—to survive and thrive, business as usual is no longer an option. It is essential that we take action to reduce the environmental impact of our operations and safeguard the natural resources that underpin our products. Ultimately, the well-being of the communities where we live and operate depends on the choices we make today.

I am proud to share our Sustainability Strategy, which outlines clear and ambitious targets for reducing carbon emissions—one of the primary contributors to climate change—across our global supply chain. This strategy represents our roadmap: what we intend to achieve and how we plan to achieve it. We hope it will also serve as an inspiration for others in the industry to follow.

Our goals align closely with the Paris Agreement and with FICCA, both of which have our full and unwavering support. As a responsible corporate citizen and a sustainability front-runner, we believe it is our duty to lead by example and demonstrate what the future of responsible business should look like.

Sustainability is a continuous journey. We remain committed to improving our performance, reporting transparently, and strengthening our partnerships with all stakeholders. As part of enhancing KDS's sustainability portfolio, we began publishing our annual sustainability report in accordance with GRI Standards starting in 2022. This year, we are proud to present our third report (2024).

On behalf of everyone at KDS, I look forward to working together to build a cleaner, greener, and more resilient future.

Salim Rahman  
Managing Director  
KDS



## MATERIAL TOPICS

KDS conducted a comprehensive assessment of its business aspects to identify material topics in alignment with GRI Standards. This process involved targeted training sessions, interactive workshops, and structured discussions. A two-dimensional prioritization matrix was applied to evaluate and compare the significance of each topic. The following procedure was followed to determine material topics for disclosure

### MATERIAL TOPIC SELECTION PROCEDURE

#### Assessment of Core operations

Evaluate processes, activities, products and services of Garment, Textile and Accessories division

#### Apply Materiality Filters

Analyze through Economic, Environmental & Social dimensions

#### Impact Identification

Determine actual/potential and positive/negative impacts. Assess significance level of each impact

#### Topic Selection Based on Significance

Shortlist topics that meet significance criteria across sustainability dimensions

#### Stakeholder Evaluation

Review topics with internal/external stakeholders and ESG experts

#### Sustainability Team Review

Finalize material topics for reporting

#### Senior Management Approval

### KDS MATERIAL TOPICS



#### ENVIRONMENT

Energy

Emission

Water & Effluents

Waste

Chemical Management



#### SOCIAL

Employment

Diversity & Equality

Occupational Health & Safety

Training & Education

Local Communities



#### ECONOMIC

Procurement Practices

Indirect Economic Impact

Economic Performance

Market Presence



MATERIAL TOPICS	RELATED IMPACTS	SCOPE
Energy	Burning of fossil fuels, scope for renewable sources & input data for CDP.	Garment, Textile & Accessories division
Emission	Core factor regarding climate change & our key sustainability KPI Garment, Textile & is to reduce emission	Garment, Textile & Accessories division
Water & Effluents	Our operations are relatively water intensive, operation may lead to water scarcity within local community and we are committed to reducing our water footprint.	Garment, Textile & Accessories division
Waste	Significant amount of waste is generated from our operation which may affect surrounding communities, environments & employees.	Garment, Textile & Accessories division
Chemical Management	Our manufacturing process is chemical intensive & our customer Garment, Textile & is highly concerned by chemical hazard & risk.	Garment, Textile & Accessories division
Employment	Our activities create employment opportunity that's lead to poverty alleviation, economic prosperity & improved living standard.	Garment, Textile & Accessories division
Diversity & Equality	A diversified workforce leads to innovation and productivity, compliance with applicable laws & develops a workplace to prevent harassment & discrimination.	Garment, Textile & Accessories division
Occupational Health & Safety	Employee injuries & illness impact negatively on productivity, business reputation & compliance.	Garment, Textile & Accessories division
Training & Education	Increase the skill as well as productivity of employee and awareness regarding health & safety.	Garment, Textile & Accessories division
Local Communities	Local communities are key stakeholders as their livelihood and economic development are affected by operation & CSR activities.	Garment, Textile & Accessories division
Procurement Practices	It is important for smooth business operation & secure stable supply chain.	Garment, Textile & Accessories division
Indirect Economic Impact	Local community affected indirectly with by our operation in terms of economic prosperity.	Garment, Textile & Accessories division
Economic Performance	Operations create economic value across our diverse stakeholders.	Garment, Textile & Accessories division
Market Presence	Business continuity, market competitiveness & entry level wage need to be maintained.	Garment, Textile & Accessories division

## KDS VISION

Creating value for all through growth & diversity.

## KDS MISSION

To deliver value for all through exceptional quality, service and leadership.

## KDS SUSTAINABILITY OBJECTIVE

To achieve net zero emission targets by 2050 in accordance with the Paris Agreement; enhancing the implementation of the United Nations Framework Convention on Climate Change (UNFCCC) through innovation, adaption of new technology, implementation of the 3R policy (Reduce, Reuse and Recycle), using renewable sources for energy and carbon offset programming to hold the increase in global average temperature to 1.5°C above pre-industrial levels, and promoting sustainable development.



## KDS VALUES

- Think innovatively
- Act with integrity
- Develop people
- Work together
- Strive for excellence





## KDS SUSTAINABILITY STRATEGY- ROAD MAP 2030

### IMPLEMENTED PROJECT

Installation of EGB & condensate recovery system, using LED light, using Servo motor, modified dyeing process and utilizing sunlight. Installation of 1.62 MW rooftop Solar PV to reduce GHG emission.

Installation of Rain Water Harvesting Facility, Reuse of wastewater for domestic & gardening purposes, Optimize the dyeing Process to reduce water consumption and Using low-liquor dyeing.

Wastage poly is recycled with virgin materials at KDS POLY IND. LTD which is around 10% of raw materials, Wastage carton is reused at KDS Packaging unit to produce pallet and Installed Biogas plant to utilize food waste.

Using 100% ZDHC MRSI compliant chemical for manufacturing process like dyeing, printing & Washing.

BY  
2025

Installation of 2.27 MW rooftop Solar PV to reduce GHG emission.  
Replace old diesel generator with high efficient gas generator & Install more EGB if possible.

15% [SDG 7, 12 & 13]

BY  
2030

Replace conventional fuel with renewable fuel for boiler to reduce 10% GHG emission and install waste heat recovery system.  
Forestation to offset 5% carbon footprint.

15% [SDG 7, 12 & 13]

BY  
2027

Installation of Rain Water Harvesting Facility to collect rain water & use in process other factories.  
20% wastewater will be recycled through ZLD and Recycle of WTP backwash water.

25% [SDG 6 & 14]

BY  
2026

Recycle the wastage fabric by 20% to complete close-loop circularity.

20% [SDG 12 & 15]

BY  
2030

Source 50% of priority materials that are both preferred and low climate impact.

50% [SDG 12 & 15]



## BUSINESS STRATEGY

KDS is committed to valuing human capital by attracting, developing, and nurturing talent through competitive compensation and comprehensive benefits. The company invests in training through both local and global programs. To enhance HR practices, KDS has partnered with renowned consultants Gray Matters to implement performance management using the "Balanced Scorecard" approach and talent mapping via the "Boston Matrix." The Group strictly complies with international standards and has initiated numerous social programs to support its workforce, often exceeding regulatory requirements. With a strong financial position and the backing of major Bangladeshi financial institutions, KDS continuously pursues new challenges and growth opportunities, reflecting its solid business performance.

The Group adheres closely to international compliance requirements and has taken numerous social initiatives for the betterment of the lives of its workforce, going beyond international requirement. KDS is always interested in taking on new challenges and initiatives, supported by the robust financial appetite it enjoys along with the open support from all major financial institutions in Bangladesh, based on its healthy business track record.



### KDS GARMENTS LTD.

Established Year: 1983  
Process: Garments  
Monthly Capacity: 1 M Pcs

### KDS ACCESSORIES LTD. UNIT 1

Established Year: 1999  
Process: Apparel Trims and Packaging.

### KDS TEXTILE MILLS LTD. UNIT 1

Established Year: 2000  
Process: Knitting, Dyeing, Finishing, Washing  
Monthly Capacity: 600 Tons

### KDS APPAREL LTD.

Established Year: 2004  
Process: Garments  
Monthly Capacity: 1.3 M Pcs

### KDS FASHION LTD.

Established Year: 2008  
Process: Garments  
Monthly Capacity: 2.3 M Pcs

### CANVAS GARMENTS LTD.

Established Year: 2008  
Process: Garments  
Monthly Capacity: 0.6 M Pcs

### KDS ACCESSORIES LTD. UNIT 2

Established Year: 2009  
Process: Apparel Trims and Packaging.

### KDS IDR LTD.

Established Year: 2013  
Process: Garments  
Monthly Capacity: 2.5 M Pcs

### KDS TEXTILE MILLS LTD. UNIT 2

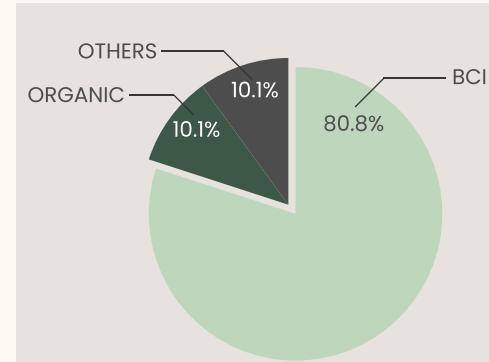
Established Year: 2020  
Process: Knitting, Dyeing, Finishing, Printing, Washing  
Monthly Capacity: 900 Tons

## KDS CUSTOMERS

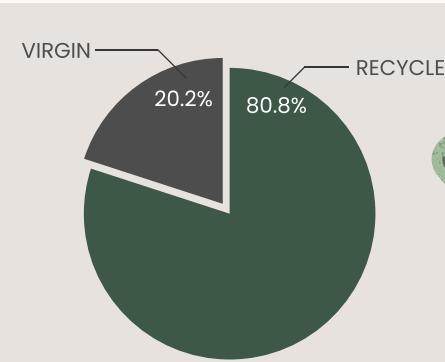


## PRODUCT TYPES & RAW MATERIAL

Major raw materials are Yarns, fabric, salt, dyes, chemicals & cardboard.



COTTON TYPES IN FABRIC



POLYESTER TYPES IN FABRIC



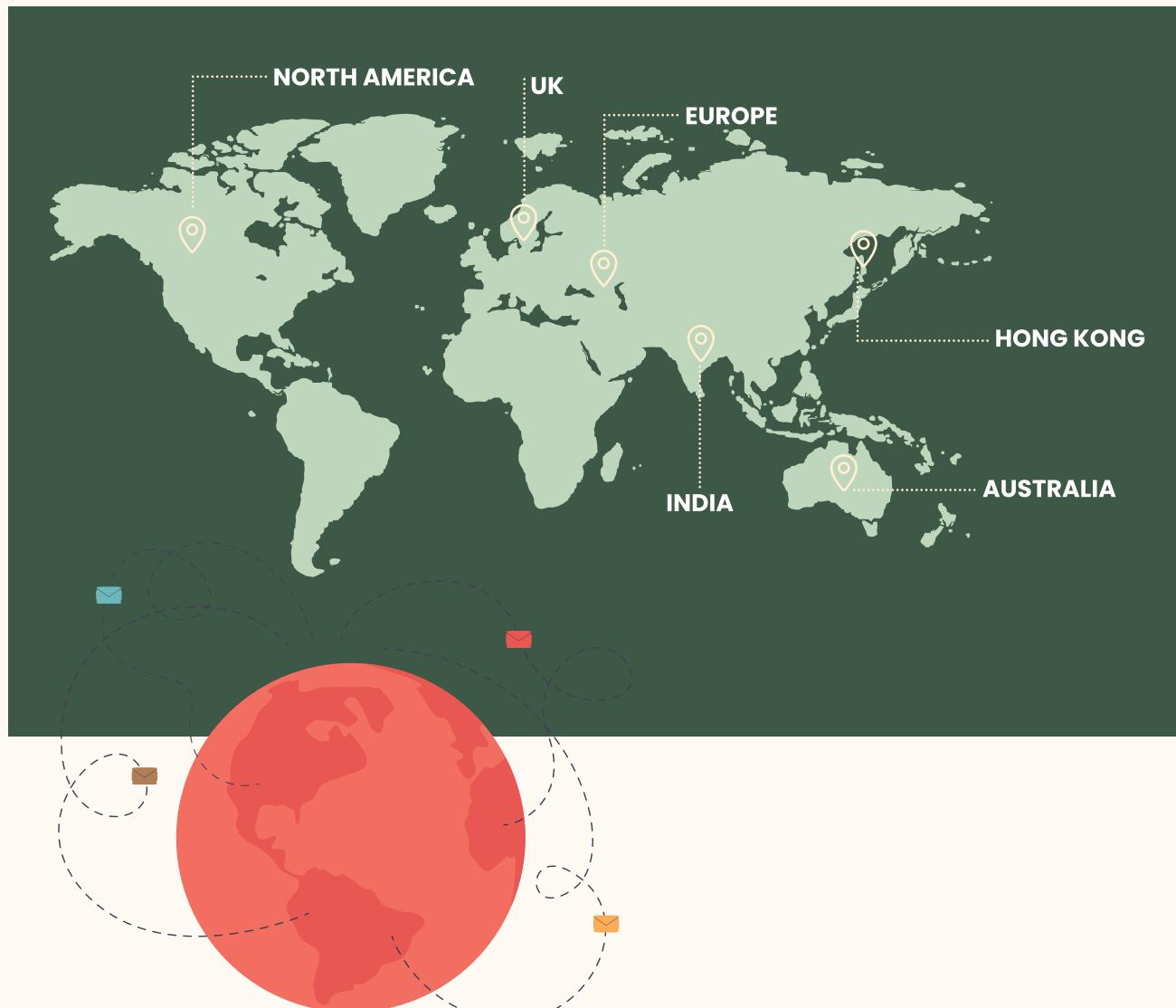
## CATEGORY & PRODUCT SPLIT



## PROCESS FLOWCHART



## KDS CUSTOMERS



## PRODUCT SAFETY AND QUALITY SERVICE

### Supporting Customer Value:

The Group values the products it produces for its customers and seek to eliminate any distractions regarding product safety and quality to reach customer goals. Quality and checking processes have been designed to ensure valued customers are never let down or compromised. The Group enhances quality assurance by offering managing orders ethically and sustainably.

### Supporting Customer Value:

KDS established well documented SOP which are being followed from raw material to final garment inspections.



KDS established well documented SOP which are being followed from raw material to final garment inspections.



KDS Textile Lab is accredited by customers like Walmart and H&M.



KDS Lab colorists are approved by Natific.

### Execution:

>>KDS has a certified quality control team for self-inspection for the majority of its customers.

>>The highest integrity is applied to all processes.

## CERTIFICATES AND AWARDS

>> We have several Management Systems in place: certified by internationally reputed, independent 3rd Parties.

### CERTIFICATES



betterworks



Walt Disney  
CERTIFICATE  
FAMA



### AWARDS



# Environment





## ENVIRONMENTAL SUSTAINABILITY MANAGEMENT

KDS adopts a structured, data-driven approach to sustainability, embedding environmental stewardship into its core manufacturing processes. This commitment ensures proactive environmental protection and drives continuous efforts to minimize the carbon footprint across our products, operations, and services. Guided by the PDCA cycle, ISO 14001:2015 standards, and customer-specific compliance frameworks, its dedicated Environmental Sustainability Team ensures continuous improvement across all facilities. Our certified Environmental Management System (EMS) aligns with global best practices. We closely monitor performance through recognized platforms such as CDP, EcoVadis, and Worldly FEM—where our Garments, Textile, and Accessories divisions maintain an average verified score of 57 in 2024. This reflects our commitment to measurable progress and aligns with customer-driven assessments like Gigaton and K MART's Carbon Survey.

To further reduce its environmental footprint, KDS incorporates LEED-certified design principles in select facilities optimizing energy and water use while curbing GHG emissions. Monthly evaluations of key environmental KPIs, including energy, emissions, water, wastewater, and waste, inform targeted actions aligned with internal goals and stakeholder expectations. This integrated strategy affirms KDS Group's role as a responsible manufacturer, fostering sustainable growth through operational excellence and environmental integrity.

KDS is committed to reducing greenhouse gas emissions and minimizing environmental pollution through targeted actions across six key environmental areas as mentioned.

**Each aspect is managed with accurate data and measurable outcomes, ensuring transparency, accountability, and continuous improvement.**



A comprehensive overview of monitoring the KPIs; energy consumption, emission levels, and waste generation per kilogram of product across its Garments, Textile, and Accessories divisions to ensure efficient and sustainable manufacturing practices presented as following-

KPI FOR KDS GARMENT DIVISION		KPI FOR KDS TEXTILE DIVISION		KPI FOR KDS ACCESSORIES DIVISION	
2023	2024	2023	2024	2023	2024
WASTE IN KG/KG	0.17	0.09	WASTE IN KG/KG	0.08	0.08
ENERGY IN KWh/KG	1.21	1.34	ENERGY IN KWh/KG	11.64	9.93
EMISSION IN KG/CO2e	0.33	0.16	EMISSION IN KG/CO2e	2.14	1.86
WATER IN LTR/KG	0.96	0.12	WATER IN LTR/KG	119.61	100.95

In line with KDS Group's commitment to environmental stewardship and transparent reporting, this summary outlines across all divisions, we observed measurable progress in reducing water consumption and greenhouse gas (GHG) emissions, reflecting our ongoing efforts to optimize resource use and minimize environmental impact. Notably:

- >> KDS GMT achieved a dramatic reduction in water usage (from 0.96 to 0.12 L/unit) and emissions (from 0.33 to 0.16 kg CO<sub>2</sub>e/unit), while energy intensity slightly increased, indicating a shift in operational energy demand.
- >> KDS Textile demonstrated consistent improvements, with reductions in water usage (113.61 to 100.95 L/unit), energy intensity (11.64 to 9.93 kWh/kg), and emissions (2.14 to 1.86 kg CO<sub>2</sub>e/unit), maintaining stable waste generation levels.
- >> KDS Accessories showed modest but steady gains, with reductions in water and energy use, and a decrease in emissions from 0.50 to 0.44 kg CO<sub>2</sub>e/unit, while maintaining waste at 0.16 kg/kg.

These results underscore KDS Group's strategic focus on data-driven environmental management and our broader goal of reducing our operational carbon footprint while supporting sustainable growth.

## ENERGY FOOTPRINT, EMISSIONS REDUCTION, AND CLIMATE COMMITMENTS

KDS environmental strategy is closely aligned with SDGs 6, 7, 12, 13, 14, and 15, reflecting a strong commitment to sustainable development focusing on responsible energy use, emission reduction, and climate resilience across operations. These efforts are focused on clean energy use, process optimization, and low-carbon materials aimed at significantly reducing greenhouse gas emissions (particularly Scope 1 and Scope 2) across all operations. Progress in reducing Scope 1 and Scope 2 greenhouse gas emissions is tracked through verified platforms such as CDP and internal audits, ensuring data accuracy and accountability in line with global reporting standards.

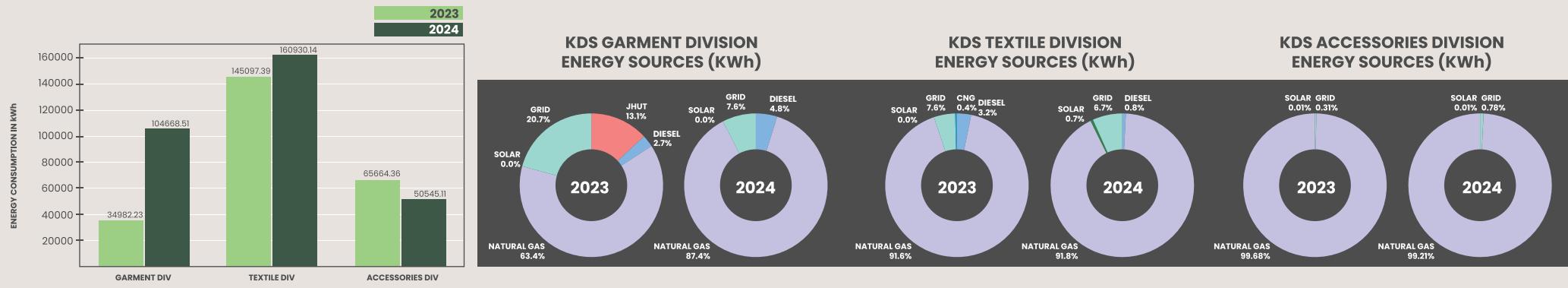
In 2024, natural gas remained the dominant energy source across all KDS divisions, followed by grid electricity:

- >> KDS Garments: Natural Gas (91,471.23 MW), Grid (7,948.50 MW)
- >> KDS Textile: Natural Gas (159,664.99 MW), Grid (1,256.00 MW)
- >> KDS Accessories: Natural Gas (42,670.07 MW), Grid (3,133.99 MW)

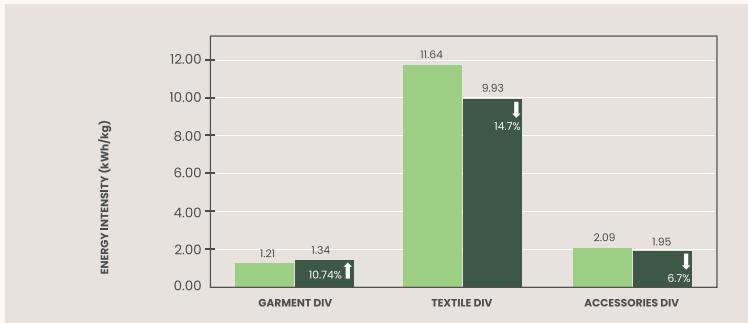
However in 2024, Solar energy accounted for a small portion of the total energy mix, for KDS Garments: 0.01%, KDS Textile: 0.01% and KDS Accessories: 0.74% division respectively. While the percentage remains small, we made notable progress in clean energy adoption, with solar energy consumption increasing by 331,201.94 kWh compared to 2023. This growth reflects KDS's commitment to sustainability and its alignment with global climate goals, particularly SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).



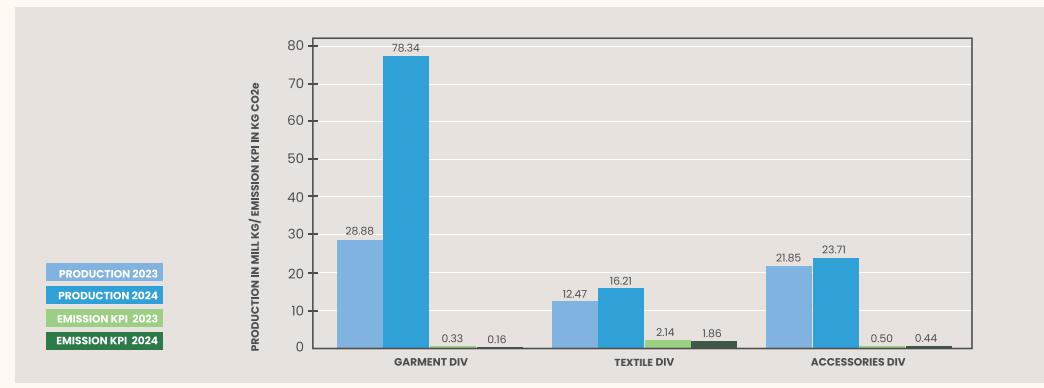
## TOTAL ENERGY USED IN KWh FOR THE YEAR 2023 & 2024



**Energy Intensity:** In 2024, the KDS Garments Division experienced a slight increase in energy intensity, rising from 1.21 to 1.34 kWh/kg, however, the KDS Textile and KDS Accessories Division achieved a significant reduction from 11.64 to 9.93 kWh/kg and 2.09 to 1.95 kWh/kg accordingly, reflecting successful energy optimization.



**Pathways to Sustainability:** Our Environmental Performance KDS calculates its carbon footprint using the GHG Protocol and IFC guidelines, covering Scope 1 (direct) and Scope 2 (indirect energy) emissions across its operations—from fabric production to finished garments. While Scope 3 is currently not included, the company is committed to expanding its reporting boundaries to incorporate value chain emissions in the future.





## PRODUCTION GROWTH

KDS achieved significant production growth across all divisions in 2023 and 2024 while maintaining sustainability focus, as represented- KDS Garments Division: 171.3%; KDS Textile Division: 30.0% and KDS Accessories Division: 8.5% respectively.

### Emission KPI Reduction (kg CO<sub>2</sub>e/kg production)

The group reduced greenhouse gas emissions per production unit significantly, showcasing improved operational efficiency.

- >> KDS GMT: Reduced by 51.5%, showcasing significant energy efficiency
- >> KDS TEXTILE: Improved by 13.1%
- >> KDS Accessories: Lowered emissions by 12.0%

KDS has demonstrated a strong commitment to scaling responsibly, achieving higher production while reducing environmental impact. This reflects a strategic alignment with SDG 12 & 13 and positions the company as a leader in sustainable manufacturing.

The chart shows a clear downward trend in emissions across all KDS divisions.

KPI FOR KDS GARMENT DIVISION		KPI FOR KDS TEXTILE DIVISION		KPI FOR KDS ACCESSORIES DIVISION	
2023	2024	2023	2024	2023	2024
SCOPE 1	0.16	2.11	1.81	SCOPE 1	0.43
SCOPE 2	0.09	0.07	0.09	SCOPE 2	0.36
SCOPE 1&2 KPI KG CO <sub>2</sub>					

SCOPE 1 & 2 EMISSION KPI OVER 2023-2024

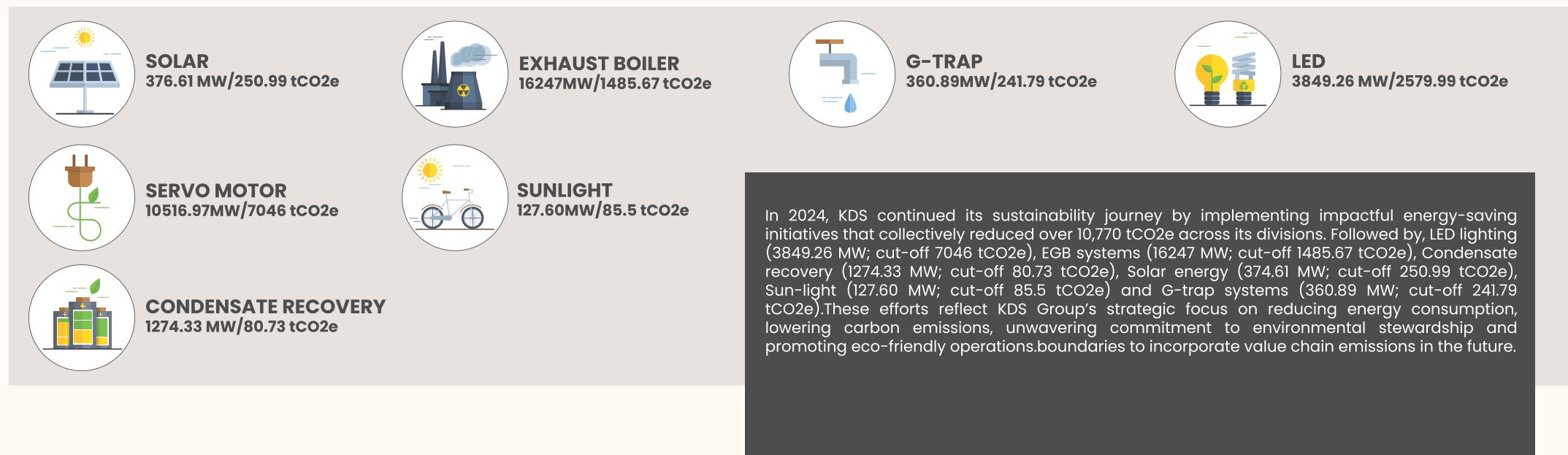
KDS Group achieved measurable reductions in Scope 1 emissions across all divisions, reflecting improved operational efficiency and cleaner energy use (KDS GMT: from 0.16 to 0.09 kg CO<sub>2</sub>e; KDS TEXTILE: from 2.11 to 1.81 kg CO<sub>2</sub>e; and KDS Accessories: from 0.43 to 0.36 kg CO<sub>2</sub>e). Scope 2 emissions showed varied trends, with KDS GMT demonstrating significant progress, while slight increases in TEXTILE and Accessories highlight targeted opportunities for future energy optimization. These results affirm KDS's commitment to sustainability through specific, measurable, and actionable improvements in its carbon footprint management.

## DECARBONIZATION INITIATIVES: KDS GROUP'S GREEN TRANSITION

In alignment with the Paris Agreement and the global Net Zero Emission Target by 2050, KDS has committed to reducing Scope 1 & 2 emissions by 42% by 2030, using 2024 (revised) as the baseline year. This ambitious target is supported by a comprehensive sustainability roadmap that integrates:

- » Science-Based Targets initiative (SBTi) engagement: We are initiating the SBTi commitment process in the coming months, with the aim of submitting near-term and net-zero targets for validation, reinforcing our commitment to climate science and sustainable manufacturing.
- » Strategic adoption of renewable energy (targeting a 20% increase by 2030)
- » Implemented of energy-efficient technologies including Exhaust Gas Boilers (EGB), servo motors, LED lighting, condensate recovery, and G-trap systems
- » 4MW Solar PV systems across facilities.
- » Commitment to the 3R policy (Reduce, Reuse, Recycle) and waste heat recovery systems.
- » Transparent climate disclosure through CDP reporting since 2021

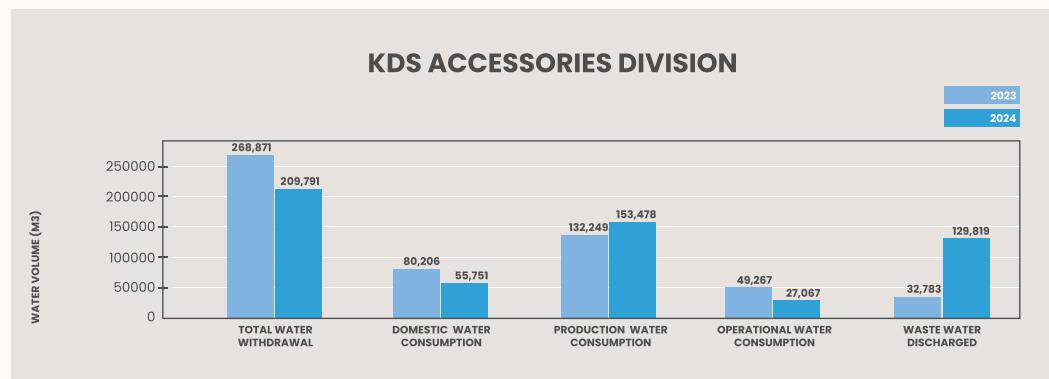
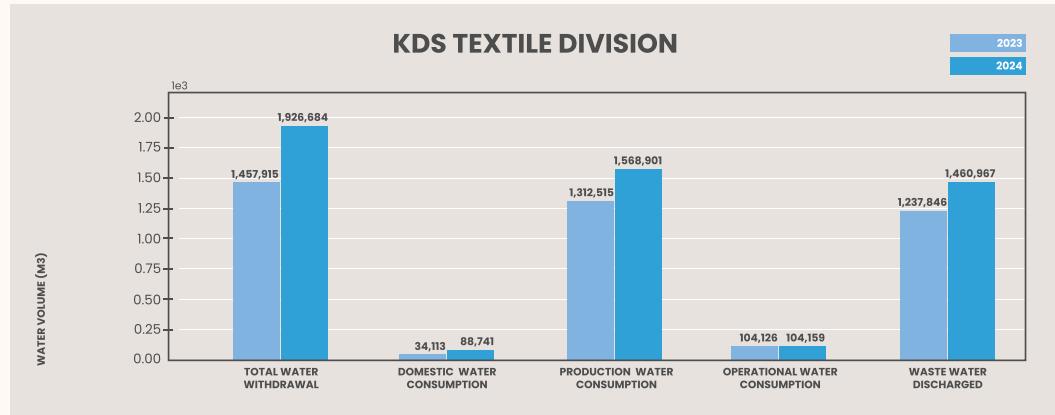
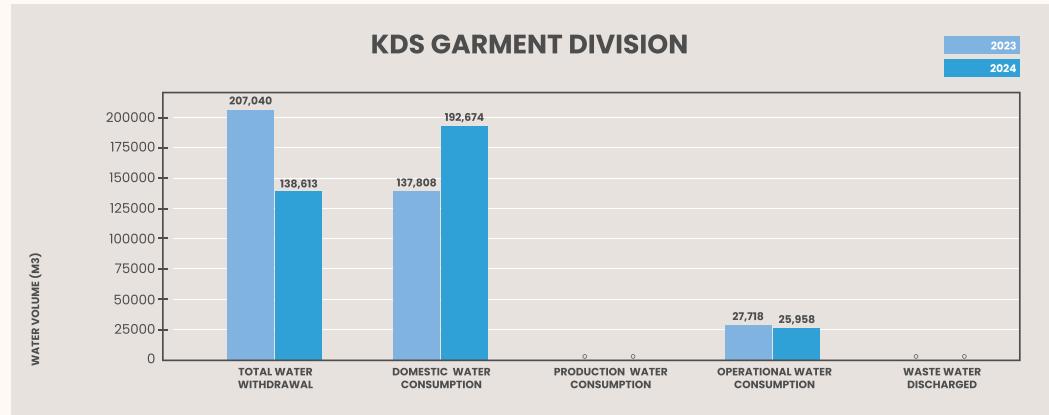
In 2024, KDS Group has demonstrated a strong commitment to sustainability through the implementation of diverse energy-saving initiatives across its three major divisions: KDS Garments, KDS Textile, and KDS Accessories. These initiatives include the adoption of solar energy, LED lighting, servo motors, condensate recovery systems, and more.



## WATER STEWARDSHIP AND EFFLUENTS MANAGEMENT

SDG 6, 12, 14 & 15

KDS recognizes water as a vital resource across its manufacturing operations and is deeply committed to addressing the global challenge of water scarcity. KDS has adopted a robust water stewardship strategy that integrates sustainable sourcing, operational efficiency, and regulatory compliance, embedding the implementation of rainwater harvesting systems, recycled water utilization, and advanced water-saving technologies to reduce dependency on freshwater sources. KDS ensures that all treated wastewater meets or exceeds environmental standards, reinforcing its commitment to responsible discharge practices.



KDS primarily relies on groundwater for its production, operational, and domestic needs, supplemented by municipal water supply. Additionally, rainwater harvesting and re-use of process water contribute modestly to our overall water sourcing. Recognizing the global challenge of water scarcity, we are proactively advancing toward more sustainable water management. Our strategic initiatives include the implementation of Minimum Liquid Discharge (MLD) systems, enhancing rainwater harvesting capacity, and introducing water-efficient machinery and processes across our manufacturing facilities. These efforts reflect our commitment to reducing freshwater dependency and aligning with GRI standards for responsible water stewardship.

## WATER INTENSITY

- >> KDS Textile Division: increased production from 12.47M kg to 16.21M kg; 7.62% reduction in water intensity
- >> KDS Accessories Division: raised production from 21.85M kg to 23.71M kg; stable water intensity of 0.006 m3/kg.

### WATER INTENSITY COMPARISON 2023 vs 2024

	2023	2024	
m3/KG	0.105	0.097	CHANGE: -7.62%

KDS TEXTILE DIVISION

	2023	2024	
m3/KG	0.006	0.006	CHANGE: +0.00

KDS ACCESSORIES DIVISION

In 2023–2024, both KDS Textile and KDS Accessories demonstrated significant strides in sustainability. This reflects our commitment to efficient resource use, operational efficiency, and consistent water management practices, contributing to our broader sustainability goals.



### RAINWATER HARVESTING

Total Rainwater  
**10,082.6 m³**  
+41.9%

Increased from 2023 **7104 m³**

## STRATEGIC INITIATIVES FOR WATER INTENSITY REDUCTION

To achieve our target of reducing water intensity by at least 10% by 2025 (based on a 2021 baseline), KDS has implemented a range of initiatives across all operations. These include water reduction, reuse, rainwater harvesting, mechanical upgrades, and recycling practices. Additionally, we have adopted measures such as prompt repair of leaks, staff training and awareness programs, reuse of backwash water from the Water Treatment Plant (WTP), and the use of Exhaust Gas Boilers to optimize water and energy efficiency.



INITIATIVES	DESCRIPTION
USING LOW-LIQUOR DYEING MACHINE	The low liquor dyeing machine reduces water consumption by about 20% compared to traditional methods. The Sclavos Athena is used for dyeing at KDS Textile Mills Ltd. to ensure high-quality fabric production while conserving resources and lowering the environmental impact of textile production.
RECOVERY OF CONDENSATE WATER	KDS Textile Mills implemented a system to reclaim water from steam used in manufacturing, enhancing sustainability. Recovered condensate water reduces fresh water intake, minimizing overall water consumption in the facility. This initiative demonstrates KDS Mills' commitment to sustainable water management and operational efficiency.
RAIN WATER HARVESTING	Rainwater harvesting offers a valuable and feasible sustainable alternative to traditional water sources. KDS installed systems in multiple divisions, increasing collected rainwater by 41.9% from 2023 to 2024. Harvested rainwater reduces groundwater dependency and supports emission reduction in cleaning and cooling.
DYEING MACHINE COOLING WATER RECYCLING	Cooling machines in the dyeing process require a significant volume of water, highlighting the need for efficient water management. KDS implemented a recycling system to reuse cooling water for dyeing, significantly reducing freshwater consumption. Recycling cooling water saves approximately 30,000 cubic meters of water monthly, supporting sustainability goals. The system enhances resource efficiency and aligns with global sustainability best practices in water management.
OPTIMIZED DYEING PROCESS	Rainwater harvesting offers a valuable and feasible sustainable alternative to traditional water sources. KDS installed systems in multiple divisions, increasing collected rainwater by 41.9% from 2023 to 2024. Harvested rainwater reduces groundwater dependency and supports emission reduction in cleaning and cooling.

## ENVIRONMENTAL IMPACT ON COMMUNITY & BIODIVERSITY

Despite numerous initiatives, a negative impact on local communities and biodiversity remains due to the operation of the factories. The following major impacts and mitigations are being taken by KDS to minimize the impact on communities.

### WATER POLLUTION

- >> Using ETP to treat waste water before discharging.
- >> Use ZDHC MRSI compliant chemical in production process.



### AIR POLLUTION

- >> Several initiatives were taken to minimize emission.
- >> Using ODS free refrigerant.



### SOUND POLLUTION

- >> Procuring quality machines with lesser noise level.
- >> Noise abatement action was taken.



## WASTEWATER MANAGEMENT AT KDS

KDS prioritizes environmental stewardship and community well-being through responsible wastewater management. Across its operations comprehensive effluent treatment strategy has been implemented to ensure that wastewater is treated effectively before discharge, minimizing environmental impact and safeguarding local ecosystems.

Across its facilities, KDS operates multiple Effluent Treatment Plants (ETPs) tailored to the nature and volume of wastewater generated.

Using activated sludge technology, KDS accelerates natural purification through microbial processes under controlled conditions, ensuring efficient pollutant removal. To further strengthen its wastewater management system, KDS integrates global best practices such as the Zero Discharge of Hazardous Chemicals (ZDHC) program, ensuring that discharged water meets stringent quality standards and contributes to a safer, cleaner environment.

These initiatives reflect KDS Group's commitment to reducing its environmental footprint, enhancing operational sustainability, and maintaining transparency through annual reporting of water-related KPIs.

### CHEMICAL ETP

>> One Chemical ETP at Accessories, Capacity-150 m<sup>3</sup>/day



### BIOLOGICAL ETP

>> Two Biological ETP at Textile facilities, capacity- 2880 m<sup>3</sup>/day  
>> One Biological ETP at Accessories Unit-2, capacity- 720 m<sup>3</sup>/day



## CHEMICAL MANAGEMENT: ENSURING ENVIRONMENTAL SAFETY AND SUSTAINABLE OPERATIONS

Chemical management is a critical component of KDS Group's commitment to environmental protection, particularly across its Textile and Accessories divisions, where processes such as washing, dyeing, screen printing, AOP printing, and thread dyeing are integral to production.

To minimize environmental impact, KDS has implemented a robust chemical input management system, guided by a formal Chemical Management Policy and a stringent Purchase Policy. These frameworks ensure that only compliant chemicals are procured and used, filtering out non-conforming substances that pose risks to soil and water bodies.

KDS actively conducts in-check assessments and In-check verification Level-1 (Textile division) to verify chemical conformance against ZDHC Level 3 standards, identifying opportunities for continuous improvement. On the output side, the company performs ZDHC wastewater testing twice annually and conducts Restricted Substances List (RSL) testing on finished products to ensure safety and compliance.

Certifications such as OEKO-TEX Standard 100 further validate KDS's commitment to chemical safety and sustainable production. These integrated practices reflect KDS Group's dedication to responsible chemical management, aligning with SDG 12 and supporting long-term environmental stewardship.



Chemical management is key to environmental protection and pollution reduction at KDS Group's Textile and Accessories divisions. To minimize impact, KDS ensures compliant chemical inputs through in-checks to ZDHC standards and also performs wastewater and product testing. Certifications like OEKOTEX® support safety and sustainability.

## SUSTAINABLE WASTE MANAGEMENT

SDG 12

KDS Group, operating across its Garments, Textile, and Accessories divisions, generates a variety of waste throughout key production stages- cutting, sewing, finishing, dyeing, AOP, trims, and packaging. These waste streams are categorized into:

- >> **Hazardous Waste:** Sharp tools, chemical sludge, medical waste, and electronic components.
- >> **Non-Hazardous Waste:** Fabric scraps, paper, packaging materials, and food waste.

To mitigate environmental impact, KDS Group prioritizes **sustainable waste management** practices aimed at:

- >> Protecting soil and water bodies
- >> Preventing open burning and reducing GHG emissions
- >> Promoting environmental stewardship

**Strategic Framework:** KDS Group's strategy is anchored in the **3R Policy—Reduce, Reuse, Recycle**, and includes:

- >> **Waste Tracking:** Monitoring waste generation across operations
- >> **Reuse Prioritization:** Repurposing materials where feasible
- >> **Staff Training & Awareness:** Educating employees on safe handling and reduction
- >> **Industrial Engineering Integration:** Streamlining processes to minimize waste
- >> **Lean Manufacturing & Automation:** Boosting productivity while reducing material loss
- >> **Incentive Schemes:** Rewarding staff for waste reduction efforts
- >> **Process Innovation:** Simplifying operations to prevent waste at the source

### TYPES OF WASTE



WASTE FABRIC  
REMNANTS (JHUT)



MACHINE COMPONENTS



PAPER



PLASTIC



USED LUBRICANTS  
OIL



ETP SLUDGE



EMPTY CHEMICAL OIL



ELECTRICAL WASTE



METAL



LIQUID WASTE  
ETP EFFLUENTS

### WASTE MANAGEMENT AND REDUCTION

Effective waste management and prioritized waste reduction from production process.

- >> Using lean tools, Kaizes, 5S, etc.
- >> Prioritized waste reduction.



### RAINWATER HARVESTING

Rainwater harvesting offers a valuable and feasible sustainable alternative to traditional water sources.

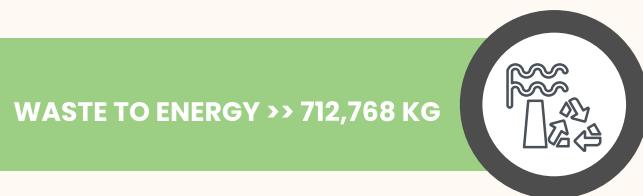


## IMPACT & COMMITMENT

These initiatives enhance both environmental conservation and operational efficiency, reinforcing KDS Group's commitment to sustainable business practices.

KDS demonstrates strong environmental stewardship by reusing over 1 million kg of waste in 2024, including fabric, poly, and energy recovery. These efforts reflect the Group's alignment with SDG 12, promoting responsible production and sustainable waste management across its operations.

### KDS GROUP WASTE REUSE 2024 – QUANTITY IN KG



### CIRCULARITY AND SUSTAINABLE WASTE MANAGEMENT

KDS leverages a circular economy approach by ensuring traceable textile waste flows, upcycling kitchen waste, and participating in global initiatives

#### TEXTILE WASTE UPCYCLING

Tracking, recycling, and trading fabric remnants through Reverse Resources. **319,323 KG in 2024**

#### KITCHEN WASTE UPCYCLING

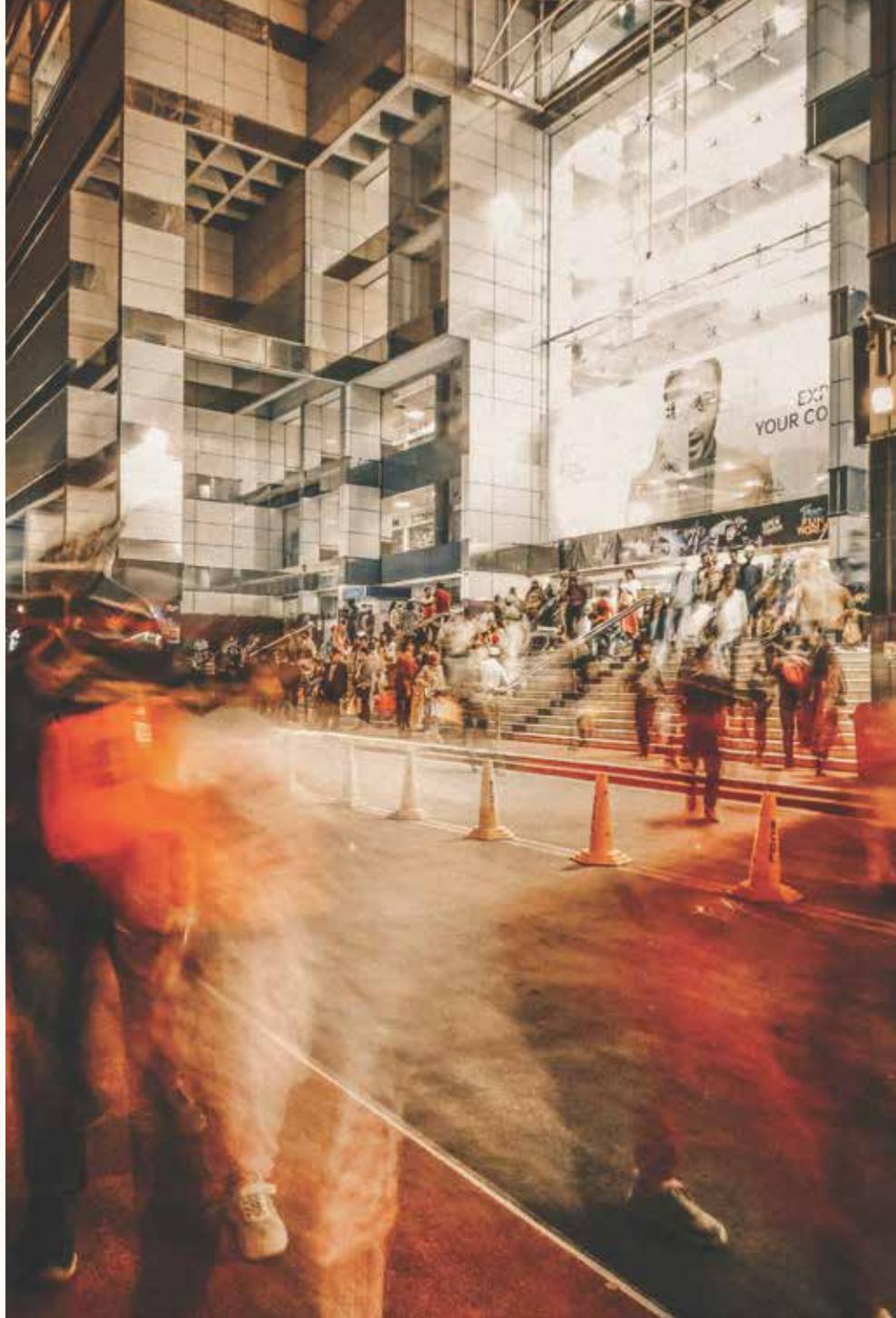
**3823.38 KG** of Kitchen Waste converted to energy in **2024**

#### GLOBAL INITIATIVES

- >> IFC Partnership for Cleaner Textile
- >> GIZ Green Button Qualification program



**Social**



# SOCIAL SUSTAINABILITY AND CSR @ KDS

KDS is committed to fostering social sustainability through a comprehensive approach that emphasizes the well-being of its employees and the surrounding community. Recognizing the intrinsic link between organizational success and social development, the company actively promotes initiatives aimed at enhancing workplace conditions, supporting gender equality, health, hygiene, safety, and community development. By aligning its efforts with the United Nations Sustainable Development Goals—specifically Goals 2 (Zero Hunger), 3 (Good Health and Well-being), 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities)—KDS strives to create a positive social impact that sustains long-term growth. The company's social responsibility initiatives are rooted in the belief that sustainable development is only achievable when organizations invest in their people and the communities they serve, fostering a culture of empowerment, inclusivity, and shared prosperity. This strategic focus not only enhances employee engagement and community welfare but also reinforces KDS's commitment to ethical business practices and social progress.

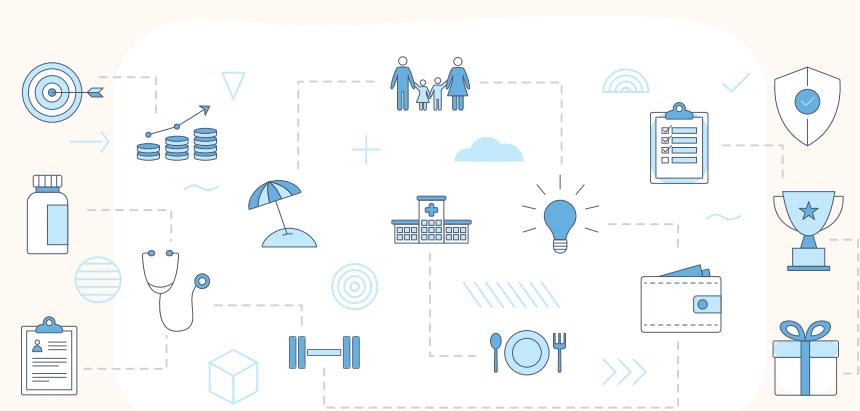


## EMPLOYMENT PRACTICES & WORKPLACE BENEFITS

SDG 3, 5, 10

KDS recognizes that employee well-being is essential to sustainable organizational growth and continually updates its policies to ensure a secure, inclusive, and motivating work environment. Its approach to talent retention emphasizes benefits that support mental, physical, and social health, that leads to higher job satisfaction, improved productivity, and reduced absenteeism. KDS provides competitive compensation, wellness programs, and opportunities for professional development. Flexible work arrangements and employee recognition further enhance workplace culture. These practices reflect KDS's commitment to social responsibility and long-term growth.

- >> Comprehensive Employee Benefit Scheme (EBS) for Management Personnel
  - >> Robust Life Insurance Coverage Compliant with National Labor Standards
  - >> Professionally Managed In-House Day Care Facility
  - >> Certified Medical Support at On-Site Health Center
  - >> Complimentary Medication Access via In-House Pharmacy
  - >> Exclusive Healthcare Discounts at Partner Hospitals and Diagnostics
  - >> Transportation Services for Employee Convenience
  - >> Subsidized Lunch Program with 50% Cost Coverage
  - >> Fair Price Shop Offering Affordable Essentials for Staff
  - >> On-Site Training Facilities for Workforce Skill Enhancement



KDS's business hub comprises diverse operational divisions—including Garments, Textile, and Accessories—with a focus on creating employment opportunities for local communities and rural populations, reflecting the sector's labor-intensive nature. The Garments division functions as a cut-to-pack apparel manufacturer, employing a higher proportion of women. The Textile division, involved in knitting, dyeing, finishing, and printing, has a lower female workforce due to the nature of the work, though efforts are ongoing to increase female participation. The Accessories division, producing items such as poly&packaging buttons, gum tape, hangers, and labels, has a higher male workforce owing to the work's requirements. Overall, KDS is committed to promoting gender diversity and inclusive employment across all divisions.

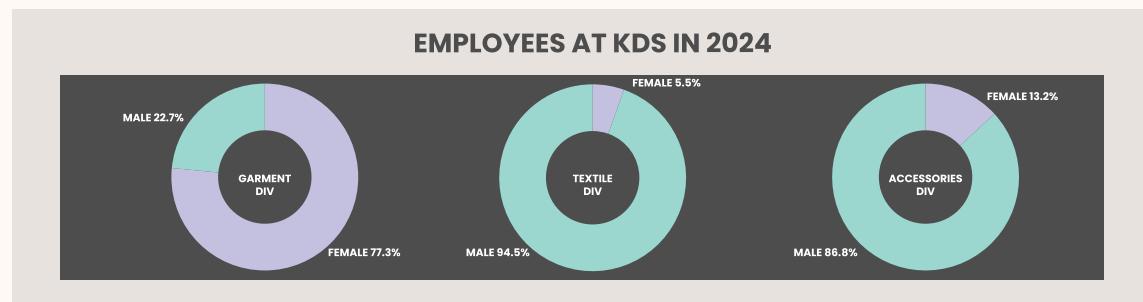


## SUPPORTING DIVERSITY, EQUAL OPPORTUNITIES, AND INCLUSION

**SDG 5, 8, 10**

KDS's recruitment policy focuses on maintaining workforce diversity to help create a healthy and harmonious working environment. In regard to recruitment, KDS believes in equal opportunity, with no discrimination against gender, religion, age, sexual orientation, and locality allowed.

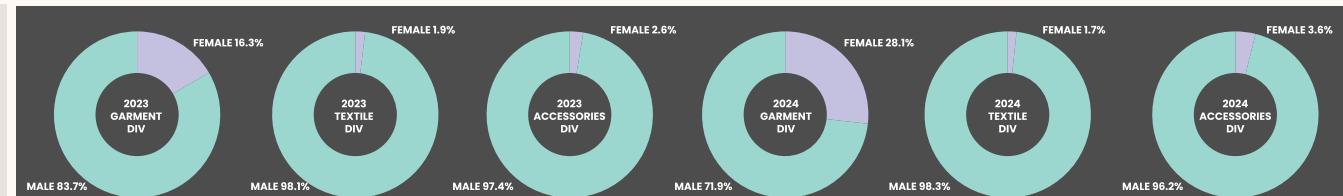
Ratio of Male & Female employees at KDS in 2024 as follows:



In 2024, % of Men & Women in management position at KDS Garments division as follows:

Ratio of male and female employees at KDS Textile & Accessories division is low due to have shifting duties and the nature of the work is often less favorable for female workers.

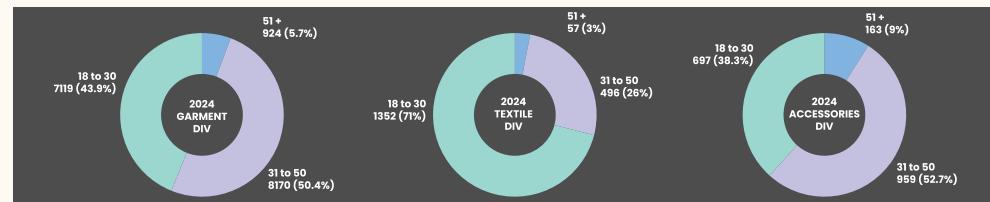
KDS is taking initiatives to increase female employee numbers where suitable.



**GENDER DISTRIBUTION MANAGEMENT POSITION KDS GROUP**

Age Group Distribution: KDS Group is committed to building an inclusive workforce that values contributions across all age groups. By recognizing the unique strengths of employees in Age Category A (18–30 years), B (31–50 years), and C (above 50 years), KDS promotes a balanced and equitable work environment. This age-diverse approach enhances collaboration, innovation, and mutual respect, reinforcing the company's dedication to a dynamic and supportive workplace for all.

The employment status based on age at KDS Group, across the divisions–



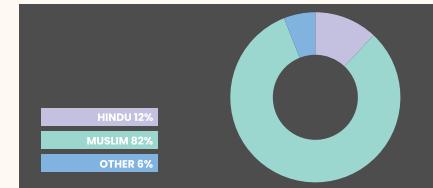
**KDS EMPLOYEE AGE DISTRIBUTION BY DIVISION**

KDS upholds a strict policy against religion-based discrimination, fostering a respectful and inclusive workplace for individuals of all faiths. This commitment is reflected in its diverse workforce, where non-Muslim representation stands at 17% in the Garment Division and 24% in the Textile Division; significantly higher than the national average of 9%. By embracing religious diversity, KDS reinforces its dedication to equity and social responsibility.

No form of religion-based discrimination is allowed at KDS. The company respects people of all religions equally. As a result, the company has a diverse workforce with people from various beliefs. The workforce composition based on religion at KDS Garments and KDS Textile divisions reveals that at least 17% of employees are non-Muslim in the Garments division and 24% in the Textile division, whereas in Bangladesh around 9% of the population is non-Muslim.

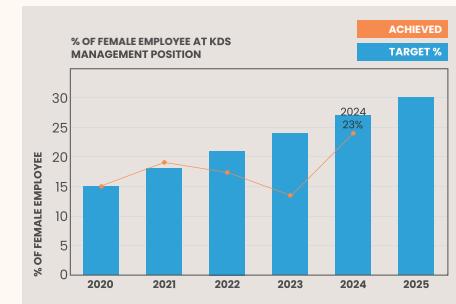


In 2024, the overall workforce of KDS Group comprised approximately 82% Muslim, 12% Hindu, and 6% Buddhist and other faith groups. The distribution is broadly consistent with national demographics and reflects the Group's adherence to equal employment practices. KDS ensures that recruitment, retention, and advancement are based on merit, free from religious bias or discrimination, in alignment with its commitment to diversity and inclusion.



## FEMALE LEADERSHIP PROGRAM

KDS Group actively promotes gender equity and inclusive leadership through programs like GEAR and GEAR Advanced, empowering women in supervisory and executive roles. Initiatives such as HER Finance, HER Essentials, and Mothers@Work enhance financial literacy, health, and well-being for female workers. The company also supports broader inclusion by recruiting third-gender individuals, integrating physically challenged people, and offering scholarships for workers' children. These efforts align with SDG 5, SDG 8, and SDG 10, reinforcing KDS's commitment to equitable, inclusive, and sustainable development. KDS has set a target to raise the proportion of women in management roles to approximately 30% by 2025. The percentage of female employees in management positions at KDS has risen to 23% in 2024, marking a significant improvement from the previous year. This upward trend reflects our ongoing commitment to fostering gender diversity in leadership.



STRATEGIC INITIATIVES AND PROGRAMS FOR INCLUSIVE GROWTH	KEY FOCUS AREAS AND OFFERINGS	STRATEGIC INITIATIVES AND PROGRAMS FOR INCLUSIVE GROWTH	KEY FOCUS AREAS AND OFFERINGS
Women in Factory Initiatives (WIFI) and Women's Empowerment Programs	Promoting female workforce participation, leadership development, and behavioral skill enhancement (Respect Program, GEAR project, Women's Leadership Program)	Infrastructure and Basic Services (Pure Drinking Water in Coastal Areas, Arsenic-Free Water in Kurigram)	Providing essential services to improve health and quality of life in local communities
Financial Literacy and Wellbeing Programs (HER Finance, Wagely, Apon Shop, Financial Health Program)	Enhancing financial knowledge, providing support, and ensuring economic stability for employees	Gender Diversity and Leadership Development	Increasing female representation at executive and supervisory levels, including recruitment of third gender contributors
Skill Development and Technical Training (Sudokkho, Shobola Project)	Improving technical skills and empowering workers for better productivity and growth	Digital Transformation and Inclusion	Implementing 100% digital payment systems and including physically challenged individuals in the workforce
Worker Welfare and Support Initiatives (Mothers at Work, Workers' Children Scholarship, Support to Schools & Orphanages)	Ensuring health, education, and overall wellbeing of employees and community members		

## MATERNITY LEAVE & FACILITY

KDS is deeply committed to creating a nurturing and inclusive environment that supports female employees, especially working mothers. Through extensive maternity benefits such as paid leave, dedicated lactation spaces, antenatal care, and the Mothers@Work initiative, the company prioritizes the health and well-being of women during pregnancy and beyond. The provision of on-site daycare facilities further empowers mothers to maintain a healthy work-life balance, fostering greater retention and productivity. These initiatives exemplify KDS's dedication to advancing gender equality and promoting workplace equity.

The initiatives are as mentioned:



## EMPLOYEE WELFARE & WELL-BEING INITIATIVES

KDS has implemented a range of impactful employee welfare initiatives, enhancing health, education, affordability, and leadership. From maternity support to corporate health services, each program reflects KDS's commitment to sustainable development and workforce empowerment. The company's inclusive approach fosters gender equality, employee satisfaction, and long-term productivity.

INITIATIVES	KEY HIGHLIGHTS
HEALTH AWARENESS & SAFETY	Regular programs, training, and active safety committees promote hygiene, disease prevention, and a culture of well-being across all factory sites.
KDS SCHOLARSHIP FOR WORKERS' CHILDREN	Partnerships with Grameen Shikkha provide quarterly scholarships based on academic performance, supporting access to quality education.
FAIR PRICE SHOP	On-site shops offer essential goods at 12–15% lower prices through salary-adjusted credit, enhancing financial stability for low-income workers.
LEADERSHIP DEVELOPMENT PROGRAM (LDP)	A six-month, USD 43,000 investment program trains 130 managers in leadership and organizational skills, preparing future leaders.
CORPORATE HEALTH SERVICE	Agreements with local hospitals provide employees and dependents with 30% discounts on medical tests, ensuring accessible healthcare.



## OCCUPATIONAL HEALTH & SAFETY

SDG 3, 8, 17

KDS aims to create a healthy, environment-friendly and safe workplace by imparting knowledge to the workforce regarding health and safety issues. In order to ensure strict safety standards are maintained for the physical wellbeing of the workers, the company follows international safety standards.

### OHS Program

KDS's occupational health and safety (OHS) program is driven by following national and international regulations, listed below

STANDARD & FRAMEWORK GUIDING OHS @ KDS			
1. Bangladesh Labor Law	6. Worldwide Responsible Accredited Production (WRAP)	11. Worker Training and Education Requirements	16. Ergonomics and Workplace Design Guidelines
2. Bangladesh National Building Code (BNBC)	7. Supplier Ethical data Exchange Program	12. Accident and Incident Reporting Protocols	17. Environmental Safety Standards
3. ILO Conventions	8. Risk Assessment and Hazard Identification Protocols	13. Health and Hygiene Standards	18. Periodic Safety Audits and Inspections
4. Buyer Code of Conduct	9. Emergency Preparedness and Response Standards	14. Machine Safety and Lockout/Tagout Procedures	19. Incident Investigation and Corrective Action Procedures
5. Ethical Trading Initiative	10. Personal Protective Equipment (PPE) Standards	15. Fire Safety and Prevention Standards	

KDS implements a structured OHS system focused on workplace safety through annual Hazard Identification and Risk Assessment (HIRA), using severity and likelihood methods. A hierarchy of controls is applied to eliminate hazards and minimize risks. An OSH Committee, comprising equal representation from management and workers, meets quarterly with a pre-disclosed agenda and uses a checklist to evaluate system effectiveness.

KDS monitors occupational illnesses and injuries to identify potential root causes and implement necessary adjustments. This practice is critical because the number of days missed due to such incidents directly impacts the company's financial performance as well as health and safety of employees. By making targeted improvements within relevant business divisions, KDS enhances the working environment for employees, ultimately boosting productivity.

#### KDS GROUP WORK RELATED INJURIES IN 2024 (TOTAL 132)

- |                    |    |
|--------------------|----|
| 1. GARMENT DIV     | 68 |
| 2. TEXTILE DIV     | 50 |
| 3. ACCESSORIES DIV | 14 |

Major Injury Types:  
Cut & Burn injuries  
Slips, trips & falls  
Chemical handling  
Machine operating injuries  
Needle injuries  
Finger injuries  
Leg injuries





## Safety Measurement

KEY OHS FACTORS	✓ FIRE SAFETY	✓ BUILDING SAFETY	✓ ELECTRICAL SAFETY	✓ CHEMICAL SAFETY
	Fire Safety Measurements: Fire extinguishers, Fire blankets, Stretchers, Smoke detectors, Sprinklers, Fire hose, Cabinet boxes, Water drums and buckets, Fire beaters, Fire hooks, Gong bells, Lock cutters, Exist sign, Emergency lights, Safety equipments.	Building Safety Measurements: Structural assessments, Ensure Bangladesh National Building Code (BNBC) during construction, Certification with Architectural and Structural design standards, Scaled as built drawings & monitoring by NIRAPON	Electric Safety Measurements: Top quality cabling and accessories, Trained technicians for maintenance, International safety features for equipment, Maintenance and risk analysis records & monitor by NIRAPON	Chemical Safety Measurements: Chemical hazard assessment, SOP for storage & usage, Material safety data sheet (MSDS), Installation of auto-dosing system, Provide PPE, Eye washer & Regular training.

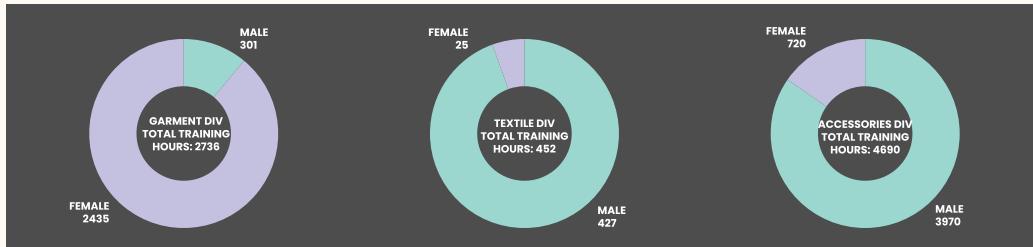
## TRAINING & EDUCATION

KDS conducts specialized training led by industry experts, targeting mid-level managers, chemical handlers, quality inspectors, first responders, and other operational roles. These sessions ensure compliance with national and international standards and enhance workforce capability.

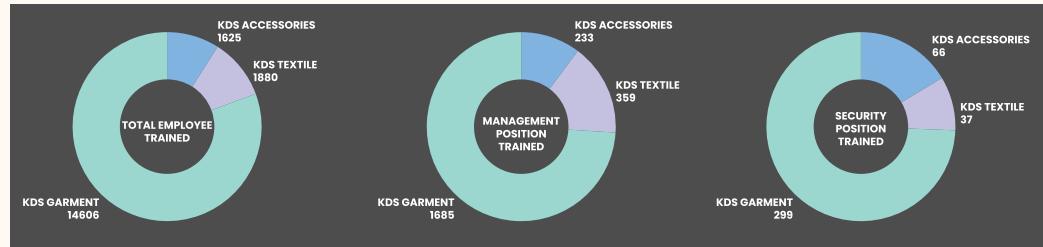
TRAINING CATEGORY	TOPICS COVERED	PURPOSE
Chemical & Environmental Safety	MSDS, Safe Chemical Storage & Handling, EMS – Environment Management & Chemical Safety (Orientation & In-depth)	Ensure safe chemical management and environmental compliance
Waste, Facility, & Safety Management	Wastage Management, Housekeeping, Confined Space, Safety & Security, EHS, Risk Assessment, Structural, Machine & Electrical Safety, Accident & Incident Management, OHS Policy	Promote safe waste disposal, secure workplace environment, and comprehensive safety management
Emergency Response & Fire Safety	Fire Safety Orientation (New Employees), Fire Safety Refresher & Safe Evacuation Policy, Fire Fighting Team & ERT Training	Prepare employees for fire emergencies and effective response
Employee Health, Safety & Wellness	HIV/AIDS awareness, Work Ergonomics, Excessive Weight Control, STD & Infectious Diseases, Maternity & M@W, First Aider Refresher Training, PPEs & MSEs	Support employee health, safety, first aid readiness, and overall well-being
Policy, Ethics, & Workplace Conduct	COC, Recruitment, Leave & Benefits, Working Hours & OT, Wage & Compensation, Termination, ETI Base Code, Anti-Bribery, Human Trafficking & Forced Labor, Freedom of Association & Helpline Call Investigation Policy, Anti-abuse & Harassment, Misconduct & Grievance Handling, Disciplinary Action, Discrimination, Sexual Harassment, Women Empowerment & Communication Policy	Foster understanding of company policies, ethics, respectful workplace culture, and grievance resolution
Management & Leadership	Mid-level Management Awareness	Develop leadership skills and safety awareness among managers

KDS is committed to providing comprehensive training programs across all divisions, totaling over 7,000 hours to enhance employee skills and safety. We prioritize continuous education to foster a knowledgeable and responsible workforce, ensuring compliance and promoting well-being for all employees.

KDS continually focusing on developing and upskilling management and security personnel to address existing gaps, ensuring a more competent and effective workforce. The data highlights a substantial investment in training across divisions, and to ensure consistent and targeted training it is essential to address safety, compliance, and skill gaps, safeguarding both employees and organizational integrity.



TRAINING HOURS DISTRIBUTION BY DIVISION



MULTIPLE TRAININGS PROVIDED TO EACH CLUSTER

## UP-SKILLING CENTER

KDS has an industry-based training center to develop the skills of its workers and new joiners. Successful completion of skill-based training can help employees achieve a promotion. The training center also helps to create skilled human resources for the factories.



## PROMOTING SPORTS FOR EMPLOYEE & COMMUNITY

According to the World Health Organization, mental health is a state of well-being that enables individuals to cope with life's challenges, work productively, and contribute to their communities. At KDS, we recognize that mental and physical wellness are essential to employee performance and satisfaction. As part of our commitment to holistic well-being, we actively promote sports and recreational activities for both our employees and the broader community.

**Badminton Tournament:** In 2024, KDS proudly sponsored the Badminton Tournament organized by the Chattogram Metropolitan Police, reinforcing its commitment to community well-being and active engagement. The initiative aimed to promote physical fitness and camaraderie among law enforcement personnel, while fostering positive relationships between corporate and civic institutions.



- >> Organized Victory Day Golf Tournament at Bhatiyari Golf and Country Club in 2024, expenditure BDT 26,17,850.00.
- >> New Year Golf Tournament at Shaheen Golf and Country Club in 2024, expenditure approximately BDT 2,609,990.00
- >> Sponsored Chattogram Metropolitan Police (CMP) Badminton Tournament in 2024, expenditure BDT 5,50,000.00.
- >> Engaging in BUFT National Career Fest in 2024, expenditure approximately BDT 45,000.00



## LOCAL COMMUNITIES

KDS integrates social responsibility into its core values, demonstrating sensitivity and support for local communities through charitable initiatives and compassionate leadership. The company's 'Live Green' philosophy and community-focused efforts, led by Chairman Al-Haj Kalilur Rahman, emphasize poverty alleviation, education, women's empowerment, and emergency relief. Annually, KDS contributes approximately BDT 10,500,000 to support ten local educational institutions, reflecting its commitment to community development and stakeholder well-being.

In alignment with its commitment to community development and inclusive engagement, KDS facilitated a range of support initiatives in 2024. These included financial contributions and in-kind support to various individuals and communities across regions such as Patiya, Feni, and Bhola. Notably, KDS extended assistance to vulnerable groups, including persons with disabilities and underprivileged families, through direct cash support and essential goods. Additionally, the company supported educational and social causes, reinforcing its role as a responsible corporate citizen.



## CONTRIBUTION FOR EDUCATION

KDS Group regularly provides financial assistance to ten educational institutes located within local communities of KDS's business activities. Listed below are the educational institutes which received financial assistance from KDS to run their activities. Last year, KDS contributed approximately BDT 105,00,000.0 to support education.

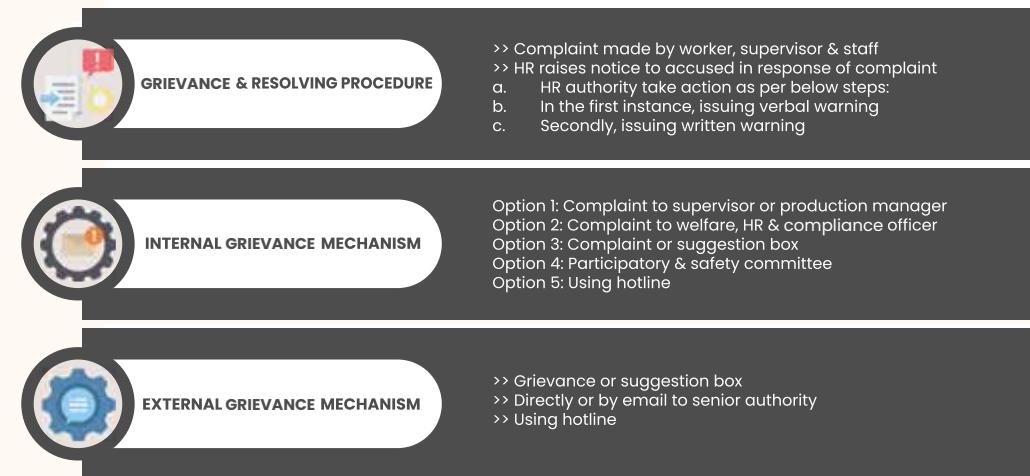
- >> Khalil Mir Degree College
- >> Khalil Mir Adarsha High School
- >> Khalil Mir Girls High School
- >> Khalilur Rahaman Mohila Degree college
- >> Khalilur Rahaman Girls High School
- >> Kartala Belkhain Mohabodhi High School
- >> Shainder dilwara begum Sunnia Madrasha
- >> Dilwara Begum Academic Bhaban
- >> Khalilur Rahaman Shisu Niketan
- >> Kaigram Saberiya Sunnia Madrasha



## GRIEVANCE HANDLING PROCEDURE

KDS is committed to fostering a respectful and just work environment, strictly prohibiting harassment and abuse. KDS has established a grievance mechanism to promote harmonious relations among employees, stakeholders, and the community. Regular training and awareness sessions ensure effective implementation of this procedure. To date, no environmental grievances have been reported, reflecting KDS's positive stakeholder engagement and social responsibility.

Training and awareness sessions are conducted regularly to address the above grievance mechanism at KDS. No environmental grievance has been raised by KDS's stakeholders to date.



## HUMAN RIGHTS

KDS promotes social justice by prioritizing workers' rights, prohibiting forced labor, child labor, and discrimination. The company supports decent work, social protection, and workplace dialogue to uphold fundamental principles and rights. Achieving social justice requires ongoing collaboration among governments, employers, and workers.



# Governance



## GOVERNANCE

Corporate governance encompasses both social and institutional aspects of a business, serving as the framework for directing and managing organizational activities. It influences goal-setting, risk management, and performance optimization.

KDS aims to uphold key governance principles, including:

- >> Clearly defined responsibilities, rights, and rewards through stakeholder agreements.
- >> Procedures for reconciling conflicting stakeholder interests based on roles and duties.
- >> Systems for supervision, control, and transparent information flow as checks and balances.

Effective governance fosters a culture of integrity, accountability, and proactive risk management, supporting sustainable performance. KDS believes that strong governance signals effective management to the market, aligning management and stakeholder interests. This enhances access to finance, improves credit ratings, and builds investor confidence, providing a competitive advantage.

## BOARD OF DIRECTORS

The main role of the board of directors is to oversee and plan, focusing on accountability, fairness, transparency, and responsibility. The Board is leading the organization's governance structure and the highest level of the governing body. The KDS Board consists of the Chairman and Managing Director, who together contribute over 40 years of experience in managing a wide range of business and social initiatives and operations including international activities. The board of directors' delegate certain powers to the President, Vice President, CEO, CFO, and Heads of Department.

### CHAIRMAN, KHALILUR RAHMAN

Every great entrepreneur carries a story of vision, resilience, and relentless determination. Behind many of the products and services we rely on today stand individuals whose belief in their dreams shaped entire industries.

Mr. Khalilur Rahman is one such visionary leader. His dedication, discipline, and entrepreneurial spirit have built one of Bangladesh's largest and most respected business conglomerates, creating opportunities for over 35,000 people. His journey stands as an inspiring example of how purpose, integrity, and hard work can transform ideas into lasting institutions.



### MANAGING DIRECTOR, SALIM RAHMAN

Mr. Rahman has completed an MBA at the Southern Methodist University, Texas, USA, and holds the office as Managing Director in the company. He has been actively involved with different sectors, including Apparel, Accessories, Steel, Textile, Logistics, Securities, Banking, and Insurance. Mr. Rahman maintains social engagement alongside life members Bhatiary Golf & Country Club, Chattogram Club Limited and Chattogram Institute Limited (Senior's Club). He previously held the position of chairman of the board of directors of Al-Arafah Islami Bank Limited (AIBL). He is a director of Chattogram Metropolitan Chamber of Commerce & Industries and involved with several other social organizations and activities. He leads the Sustainability & CSR activities of KDS as well as corporate governance.



## GOVERNANCE & SUSTAINABILITY

### Director on board

The Managing Director (MD) is one of the Board members who consults with and directs other Board members on strategic decisions, climate change and related economic, social and environmental risks and opportunities. The MD sets ambitious company goals for climate-related issues based on global standards, including the Paris Climate Agreement, UNFCCC and others. Some of the goals for KDS include reduction of water consumption and increasing the use of renewable energy. Guiding the sustainability department to undertake climate-focused initiatives to mitigate climate change with due diligence, the MD regularly discusses issues with the Head of Sustainability, the Chief Financial Officer, the Head of Production, and the Head of Utility. He also approves implementation plans in regard to sustainability projects.

### Chief Financial Officer (CFO)

Reports to the Board of Directors, responsible for the planning, implementation, managing and running of all the financial functions of KDS, including budgeting, forecasting, and negotiations. Responsible for allocating finances for procuring environment-friendly solutions such as energy-efficient and low-water usage machines; climate-focused initiatives such as the use of solar panels, energy-efficient devices; and arranging climate-focused finances from local and international financial institutions, as well as the development of financial institutions. Approves contracts with financial institutions on behalf of the Board.

### Chief Sustainability Officer (CSO)

A Senior Manager, responsible for sustainability at KDS, reports to the Managing Director as Chief Sustainability Officer (CSO). Analyzes the company's current sustainability and climate strategy and environmental impact to ensure it is in line with global requirements. Identifies the need for investing in new technologies for mitigating climate risks by interacting with a broad range of stakeholders. Responsible for introducing and leading climate-related programs in collaboration with external stakeholders, and stakeholder engagement with local and international organizations. Assigns responsibilities of climate programs to the environmental sustainability team at operation and monitoring level, continuously working with the sustainability team to mitigate risks and utilize opportunities. Facilitates the top leadership team of sustainability and climate change under the Managing Director's decision making.

### Chief Technology Officer (CTO)

Head of Utility, reports to the Managing Director, the lead in climate investment projects. Focuses on resource-saving and energy-efficient machinery and devices, alternate energy sources, reusing and recycling resources and other initiatives which focus on low-carbon emissions. Assigning personnel and departments for project implementation and approves timelines. Makes decisions on technical issues of implementation with the collaboration of the Head of Sustainability.

### Another C-Suite Officer

The Head of Production also engages with the Head of Sustainability to lead the operational side of the Group. Implements climate-change strategy in operation processes within the supply chain. Leads in the development of processes for climate-positive products, focusing on sustainable materials, circularity, and optimization of the production processes.



## REGULATORY COMPLIANCE

KDS adheres to the regulations set forth by the Government of Bangladesh under The Company Act (1994). Compliance with regulatory requirements is essential to mitigate operational and legal risks. The key compliance areas include:

- » Income Tax
- » Registrar of Joint Stock Companies and Firms (RJSC)
- » Value Added Tax (VAT) Ordinance

## Risk Management

Effective risk management is at the core of sustainable performance of any organization and crucial to the success of any company. KDS acknowledges that the company is exposed to risks, in particular those beyond the company's control.

**Risk Control Framework:** The risk control framework helps KDS to identify, eliminate, and minimize risks. The framework includes the following:



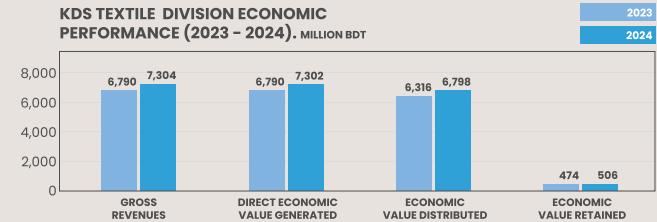
ASPECT	RELEVANCE & INCLUSION	KEY INFORMATION	ASPECT	RELEVANCE & INCLUSION	KEY INFORMATION
Current Regulation	Relevant, always included	KDS complies with local, national, and international standards, such as Power Development Board (PDB) mandates for renewable energy (minimum 15%). Exceptions apply for companies with captive power plants.	Market	Relevant, always included	Market requirements include ZDHC-approved chemicals, ISO 14001:2015, GOTS, GRS, Oeko-Tex, and emerging standards like ZLD, Cradle-to-Cradle, and LEED certification.
Emerging Regulation	Relevant, always included	Compliance includes potential groundwater extraction fees (under consideration), and adherence to Zero Liquid Discharge (ZLD) requirements for environmental clearance from the Department of Environment (DoE).	Exchange Rate Risks	Relevant, always included	Exposure to BDT-USD fluctuations impacts raw material costs, exports, cash flow, and profitability.
Technology	Relevant, always included	Continuous upgrading of machinery and raw materials (e.g., climate-friendly dyes and chemicals) ensures operational efficiency and environmental compliance.	Reputation	Relevant, always included	Maintains certifications such as ZDHC, ISO 14001:2015, GOTS, GRS, and Oeko-Tex; sustainability reporting and certifications like ZLD and LEED are increasingly prioritized.
Legal	Relevant, always included	Necessary licenses include Environmental Clearance Certificates (ECC) and permits for captive power plants.	Liquidity Risks	Relevant, always included	Sufficient liquidity to meet payment obligations under normal and stress scenarios.
Operational Risks	Relevant, always included	Factory buildings are designed with fire safety; risk assessments are conducted for worker safety, including hazard identification and preventive measures.	Human Resources Risks	Relevant, always included	Monitors skilled personnel availability and compliance; initiatives under the People Pillar of Sustainability 5.0 support talent retention.



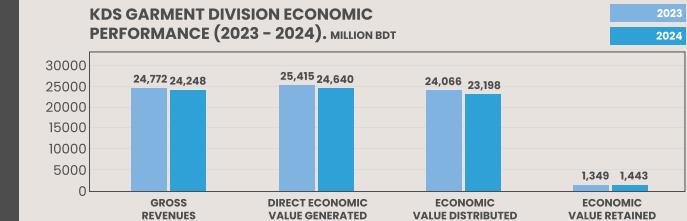
## ECONOMIC PERFORMANCE

KDS has always had a positive intention to increase the percentage of income that goes to employees in different forms such as, offering subsidized meals, bonuses, healthcare, CSR initiatives involving local communities, and education. The company's economic growth collectively affects its internal and external stakeholders in many ways. A variety of programs aimed at engaging stakeholders in the company's economic advancement are in place.

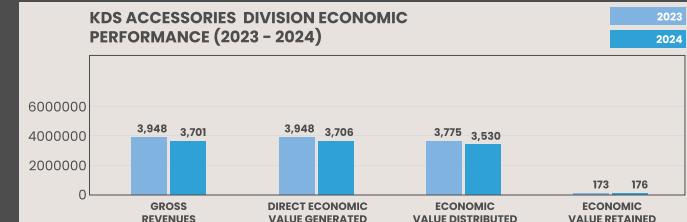
In 2024, KDS Textile Division achieved a significant revenue increase to BDT 7.80 billion, up from BDT 6.79 billion in 2023. While direct economic value generated declined sharply, the rise in both distributed and retained value signals enhanced stakeholder investment and a deliberate focus on sustainable financial performance.



In 2024, KDS Garments Division saw modest declines in revenue and distributed value, yet improved retained earnings—from BDT 1.35 to 1.44 billion—highlight strategic cost control and a focus on financial resilience.



In 2024, KDS Accessories Division saw a slight decline in gross revenues and distributed economic value, reflecting market adjustments. However, retained economic value rose marginally to BDT 176K, signaling disciplined financial management and a steady commitment to operational efficiency.



## MARKET PRESENCE

A strong market presence can help KDS stand out compared to its competitors and become the top choice for potential stakeholders. KDS ensures a standard entry-level wage, and the company does not discriminate on entry-level entities among workers. Fair pay is ensured based on categories to all the workers. KDS considers the Chattogram district as a local community and the presence of the local community in KDS's workforce is significant.

GARMENT DIVISION	UNIT	2023	2024	TEXTILE DIVISION	UNIT	2023	2024	ACCESSORIES DIVISION	UNIT	2023	2024
Entry level wage	BDT	8,500	12,500	Entry level wage	BDT	7,612	11,331	Entry level wage	BDT	12,500	12,500
Ratio of entry level wage & minimum wage	RATIO	1:1	1:1	Ratio of entry level wage & minimum wage	RATIO	1:1	1:1	Ratio of entry level wage & minimum wage	RATIO	1:1	1:1
Percentage of employees recruited from local community	%	30%	30%	Percentage of employees recruited from local community	%	45%	100%	Percentage of employees recruited from local community	%	50%	83%

## INDIRECT ECONOMIC IMPACTS & PROCUREMENT PRACTICES

KDS has developed its own infrastructure. It employs more than 30,000 people on its own premises and is working directly and indirectly to improve the living standards of its employees and their families, reaching beyond the total number of the workforce. Poverty reduction is one of the world's most pressing issues, and as a result, it has been a primary focus of KDS's economic development. Since the inception of the organization, the company has been focused on poverty alleviation efforts. The outputs of these efforts are expected to generate wealth to create a more prosperous society, not wealthy individuals. At least two components make up the community economic impact:

- >> direct program and purchasing of products from local merchants
- >> induced impacts through income multipliers.



INFRASTRUCTURE INVESTMENT (BDT)	2023	2024
Garment Division	31.29	11,933.53
Textile Division	709.50	6,469.56
Accessories Division	1,512.34	1,729.50

GARMENT DIVISION	UNIT	2023	2024	TEXTILE DIVISION	UNIT	2023	2024	ACCESSORIES DIVISION	UNIT	2023	2024
Number of local suppliers	No.	1,394	1,549	Number of local suppliers	No.	110	50	Number of local suppliers	No.	436	337
Total money spent on local suppliers	BDT	11,065	11,934	Total money spent on local suppliers	BDT	572	1,752	Total money spent on local suppliers	BDT	178	186
Ratio of local suppliers and total suppliers	Ratio	0.97	0.95	Ratio of local suppliers and total suppliers	Ratio	0.75	0.75	Ratio of local suppliers and total suppliers	Ratio	0.75	0.75

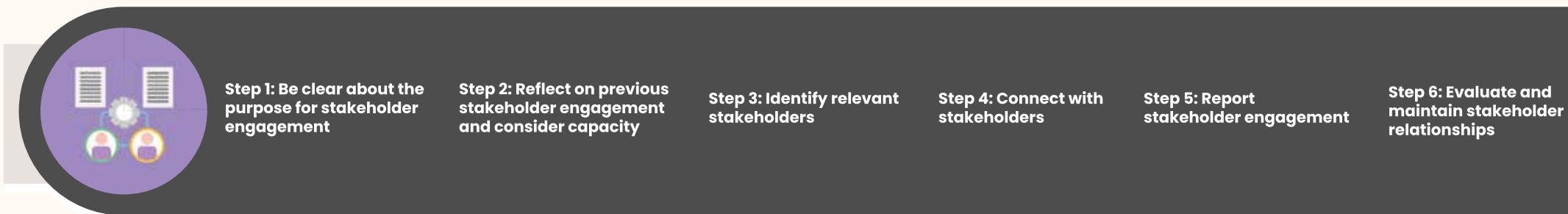
## STAKEHOLDER ENGAGEMENT

Stakeholder engagement is essential for effective strategic planning, involving the identification, understanding, and active involvement of stakeholders. It promotes ongoing communication, collaboration, and trust, helping to address stakeholder needs, mitigate risks, and foster support for organizational initiatives.

KDS emphasizes comprehensive stakeholder analysis to ensure long-term sustainability through inclusive engagement. The process follows a six-step framework, from planning to ongoing interaction. Engagement activities occur regularly, including annual vendor meetings, investor and shareholder meetings, exhibitions, internal events, and department-specific interactions as needed.

### Stakeholder Engagement Framework

The framework consists of six steps, spanning the process of stakeholder engagement from the planning of engagement as per figure, below.



## KEY STAKEHOLDERS

### Internal Stakeholders



**Board Memebers >> Employees**

### External Stakeholders



**Customers >> Suppliers >> Community >> Governments Body >> NGO >> Media  
>> Knowledge Partner >> Industry Associations >> Investors & Financial Institution**

## COMMUNICATION WITH STAKEHOLDERS

### Internal Stakeholders

Employee engagement within the organization will benefit the organization several ways, including improved productivity, increased employee retention, higher customer satisfaction, the promotion of diversity, contribution to innovation and attracting talents. Employees who engage in their roles are more likely to feel happy to contribute to the organization. KDS considers its workforce a core stakeholder. To maintain a fully energized workforce, the company is undertaking several initiatives to strengthen employer-employee bonding. Some are discussed below.

## ANNUAL PICNIC & CULTURAL PROGRAM

Every year, KDS organizes a picnic for all employees to enhance team building and employee engagement. The annual event consists of cultural programs, songs, lottery coupons, lunch, prize distribution among coupon winners, and awards to the best performer of individual departments. KDS employees perform in drama, comedy shows, dance; and many external performers also perform in the cultural program.

Last year KDS spent around BDT 66 lac for organizing the picnic and cultural programs.



## WELFARE OFFICERS

KDS assign welfare officer teams at each factory to facilitate ongoing communication between management and workers. Operating under the Human Resources department, their primary focus is to promote a positive work environment that benefits both workers and management.

Core Duties and Responsibilities of a Welfare Officer:

- >> Act as liaison between workers and management.
- >> Foster positive employee-management relationships.
- >> Manage worker concerns promptly and compliantly.
- >> Guide workers in stakeholder communication.
- >> Monitor workplace health and safety.
- >> Ensure essential facilities are maintained.
- >> Address cases of sexual harassment or abuse.
- >> Provide safety guidance and hazard prevention.
- >> Keep records of welfare activities.
- >> Organize training and awareness programs.
- >> Implement best practices for a better working environment.



## PARTICIPATION COMMITTEE (PC)

Participation Committee (PC) at KDS is established in each factory to promote trust and collaboration between workers and management. Comprising over 50% workers, the committee is elected biennially and meets monthly to ensure effectiveness:

Main functions of the PC include:

- >> Fostering mutual trust, understanding, and cooperation.
- >> Ensuring compliance with labor laws.
- >> Promoting workplace safety, health, and discipline.
- >> Supporting vocational training, education, and family welfare initiatives.
- >> Improving welfare services for workers and their families.
- >> Enhancing productivity, reducing costs, minimizing waste, and improving product



## EMPLOYEE REWARD SYSTEM

KDS has introduced an employee reward system to inspire its employees, especially factory workers. For example, monthly best line and best floor awards are provided. Based on KPIs, the reward is provided in terms of financial incentives. Employees who win the award are provided with certificates of achievements in addition to cash incentives. Moreover, their names and photos are displayed on the notice boards of the respective units to further motivate them to grow in their careers and help improve the company.



## External Stakeholders

External stakeholders' engagement can help the company accomplish a wide range of goals. It can influence product design or help the company execute on a project. It can be a force for community change, helping to tackle environmental or social issues in a region. KDS is committed to generating positive relations with external stakeholders through various non-binding initiatives which the organization subscribes to and endorses. Constant communication is vital in order to ensure business sustainability.

STAKEHOLDER	ENGAGEMENT
<b>Customers</b>	Merchandizing Team, Emails, Exhibitions, Local and International Management visits, Audits, Conferences
<b>Suppliers</b>	Marketing Team, Sourcing Team, Emails, Meetings, Audits
<b>Community</b>	Meeting with Local Union Councils, Surveys, Accommodating request, Community engagement
<b>Governments Body</b>	Interaction with different Ministries of the Government of Bangladesh, Embassies and Overseas Ministries
<b>NGO</b>	Emails, Meetings, Conferences, Workshops
<b>Media</b>	Communications team, Press Releases, Press Briefings, Interviews
<b>Knowledge Partner</b>	Emails, Meetings, conferences, Workshops
<b>Industry Associations</b>	Emails, Meetings with industry associations, Interactions with Chamber of Commerce (FBCCI, DCCI, BGCCI, JBCCI, etc.)
<b>Investors &amp; Financial Institution</b>	Emails, Meetings, Visits, Conferences, Internal relation team



*Creating value for all  
through growth &  
diversity.*



GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.	GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation					Requirement(s) Omitted	Reason	Explanation	
<strong>General Disclosures</strong>												<strong>General Disclosures</strong>	
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 2	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	Page 38-39					
	2-2 Entities included in the organization's sustainability reporting	Page 2					2-17 Collective knowledge of the highest governance body	Page 37-38					
	2-3 Reporting period, frequency and contact point	Page 2 & 50					2-18 Evaluation of the performance of the highest governance body	Page 36-37					
	2-4 Restatements of information	Page 2					2-19 Remuneration policies	Page 39-41					
	2-5 External assurance	N/A					2-20 Process to determine remuneration	Page 39-41					
	2-6 Activities, value chain and other business relationships	Page 6, 8			2-21 Annual total compensation ratio		Page 39-41						
	2-7 Employees	Page 26			2-22 Statement on sustainable development strategy		Page 3						
	2-8 Workers who are not employees	N/A			2-23 Policy commitments		Page 34, 36						
	2-9 Governance structure and composition	Page 37-38			2-24 Embedding policy commitments		Page 37, 38						
	2-10 Nomination and selection of the highest governance body	Page 38			2-25 Processes to remediate negative impacts		Page 3						
	2-11 Chair of the highest governance body	Page 37			2-26 Mechanisms for seeking advice and raising concerns		Page 35, 43						
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 37			2-27 Compliance with laws and regulations		Page 38, 39						
	2-13 Delegation of responsibility for managing impacts	Page 37			2-28 Membership associations		Page 42-45						
	2-14 Role of the highest governance body in sustainability reporting	Page 37-38			2-29 Approach to stakeholder engagement		Page 41-43						
	2-15 Conflicts of interest	Page 34, 39			2-30 Collective bargaining agreements		Page 43-44						



GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<strong>Economic Performance</strong>						
<strong>GRI 3: Material Topics 2021</strong>	3-3 Management of material topics	Page 38-40				
<strong>GRI 201: Economic Performance 2016</strong>	201-1 Direct economic value generated and distributed	Page 39-40				
	201-2 Financial implications and other risks and opportunities due to climate change	Page 38-39				
	201-3 Defined benefit plan obligations and other retirement plans	Page 39				
	201-4 Financial assistance received from government	N/A				
	<strong>Market Presence</strong>					
<strong>GRI 3: Material Topics 2021</strong>	3-3 Management of material topics	Page 40-42				
<strong>GRI 202: Market Presence 2016</strong>	202-1 Ratios of standard entry-level wage by gender compared to local minimum wage	Page 40-42				
	202-2 Proportion of senior management hired from the local community	Page 40-41				
<strong>Procurement Practices</strong>						
<strong>GRI 3: Material Topics 2021</strong>	3-3 Management of material topics	Page 41-42				
<strong>GRI 204: Procurement Practices 2016</strong>	204-1 Proportion of spending on local suppliers	Page 41-42				
<strong>Indirect Economic Impacts</strong>						
<strong>GRI 3: Material Topics 2021</strong>	3-3 Management of material topics	Page 41-42				
<strong>GRI 203: Indirect Economic Impacts</strong>	203-1 Total costs of infrastructure investment	Page 41				
	203-2 Economic impacts due to improving or deteriorating social or environmental conditions	Page 41				
<strong>Energy</strong>						
<strong>GRI 3: Material Topics 2021</strong>	3-3 Management of material topics	Page 13-17				
<strong>GRI 302: Energy 2016</strong>	302-1 Energy consumption within the organization	Page 13-14				
	302-2 Energy consumption outside of the organization	N/A				
	302-3 Energy intensity	Page 13-14				
	302-4 Reduction of energy consumption	Page 14-16				
	302-5 Reductions in energy requirements of products and services	N/A				
<strong>Water and Effluents</strong>						
<strong>GRI 3: Material Topics 2021</strong>	3-3 Management of material topics	Page 17-19				
<strong>GRI 303: Water and Effluents 2018</strong>	303-1 Interactions with water as a shared resource	Page 18				
	303-2 Management of water discharge-related impacts	Page 19-21				
	303-3 Water withdrawal	Page 18				
	303-4 Water discharge	Page 18-19				
	303-5 Water consumption	Page 18-19				



GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Emissions</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 13-17				
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Page 15-16				
	305-2 Energy indirect (Scope 2) GHG emissions	Page 15-16				
	305-3 Other indirect (Scope 3) GHG emissions	N/A				
	305-4 GHG emissions intensity	Page 16				
	305-5 Reduction of GHG emissions	Page 14				
	305-6 Emissions of ozone-depleting substances (ODS)	Page 16				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A				
<b>Waste</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 13,21-23				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	Page 22				
	306-2 Management of significant waste-related impacts	Page 22				
	306-3 Waste generated	Page 13, 23				
	306-4 Waste diverted from disposal	Page 23				
	306-5 Waste directed to disposal	Page 23				
<b>Employment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 25-29				
<b>GRI 401: Employment 2016</b>	401-1 Number of employees	Page 26				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 27-33				
	401-3 Parental leave	Page 29				
<b>Occupational Health and Safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 29-33				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	Page 30				
	403-2 Hazard identification, risk assessment, and incident investigation	Page 30				
	403-3 Occupational health services	Page 30-31				
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 30-31				
	403-5 Worker training on occupational health and safety	Page 31				
	403-6 Promotion of worker health	Page 31-33				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 30-32				
	403-8 Workers covered by an occupational health and safety management system	Page 30-32				
	403-9 Work-related injuries	Page 30				
	403-10 Work-related ill health	Page 30				



GRI Standard/ Other Source	Disclosure	Location	Omission			GRI Sector Standard Ref. No.
			Requirement(s) Omitted	Reason	Explanation	
<b>Training and Education</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 30-32				
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Page 32				
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 32				
	404-3 Access to skill improvement/education trainings	Page 31-32				
<b>Diversity and Equal Opportunity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 25-28				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Page 26				
	405-2 Ratio of basic salary and remuneration of women to men	Page 27-28				
<b>Local Communities</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	Page 20-21 & 33-34				
<b>GRI 413: Local Communities</b>	413-1 Description of local community development programs based on local communities' needs	Page 34				
	413-2 Description of the exposure (negative impacts) of the local community to the operations	Page 20-21				



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