



Sustainability Report 2021

SUSTAINABILITY ● CIRCULARITY ● MINIMALISM



This Sustainability Report has been developed by the Compliance Department of Cute Dress Industry Ltd. with the training and guidance of our first report which was assisted by German Government via the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, as part of the Promotion of Social and Environmental Standards in the Industry (PSES) programme. The views, opinions and information in this report are that of Cute Dress Industry Ltd.



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BE OUR BUSINESS PARTNER AND BE A CHANGEMAKER

By ignoring the importance of people and planet any conventional business cannot have a sustainable and sequential profit. Business as usual is not an option anymore. From end consumer, shops, traders and manufacturer everybody have an ethical responsibility towards the people who are making our clothes and for the planet we call 'home'. So be a part of our drive and make a difference in fashion industry.



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2021 Report Profile

This is the third published sustainability report for Cute Dress Industry Ltd. (from hereafter as Cute Dress). This report has analysed factory premises, labour and production processes, integrated departmental functions, corporate social responsibilities, stakeholders perspectives, environmental management system etc. for the calendar year 2021 (1st January to 31st December). Financial data was considered from July, 2020 to June, 2021. This report is being published on an annual basis. It was published by the end of December 2021 and is available in English language only. This report has been prepared in accordance with Global Reporting Initiative (GRI) Standards 4.0, which emphasis on three aspects – ecology, economy and social.

The data collected by the Compliance Department of Cute Dress and the team of ‘Sustainability Management’ has published the report. The concept of this report was fully designed by Cute Dress and Sheikh H M Mustafiz, Managing Director is the main contact person for any kind of information and can be reached at mustafiz@cutedress.net.

The report focuses on 13 Sustainable Development Goals (SDGs); **SDG 1** – No Poverty, **SDG 3** – Good Health and Well-being, **SDG-4** – Quality Education, **SDG-5** – Gender Equality, **SDG 6** – Clean Water and Sanitation, **SDG-7** – Affordable and Clean Energy, **SDG 8** – Decent Work and Economic Growth, **SDG-9** – Industry, Innovation and Infrastructure, **SDG-10** – Reduced Inequalities, **SDG-11** – Sustainable Cities and Communities, **SDG 12** – Responsible Consumption and Production, **SDG-13** – Climate Action and lastly **SDG-17** – Partnerships for the Goals.

These sustainability issues were identified by us and our stakeholders due to their importance on our business. Each year we shall conduct a materiality analysis to identify these issues.

REPORT CONTENT AND ASPECT BOUNDARIES

The content of the report is based on the social, environment, economic and product sustainability practices at Cute Dress. Identifying of the aspects has been as per the guidelines of Global Reporting Initiative (GRI) Standards 4.0 and indicators have been selected based on the availability of information on those practices. Some of the sustainability projects of Cute Dress are beneficial to the organization itself and some others are benefiting the community as well.

We have tried to create a meaningful connection between the sustainability practices of Cute Dress with the reporting guidelines of GRI. Our main goal was to deliver transparent information on how we practice ‘sustainability initiatives’ in compliance to international standard and thereby become a model for other firms in the industry. In this report, we have focused our insights on setting goals, measuring performance and managing change in order to implement better performances. We would like to take our sustainability reporting practice to the next level by continuous improvement in our future endeavours in reporting.

Through this report, Cute Dress continues its journey in sustainability reporting on the economic, environmental and social dimensions of its business activities. Through progressive advancement in reporting, Cute Dress is committed to report transparently on how it manages its economic, environmental, social, and governance performance.

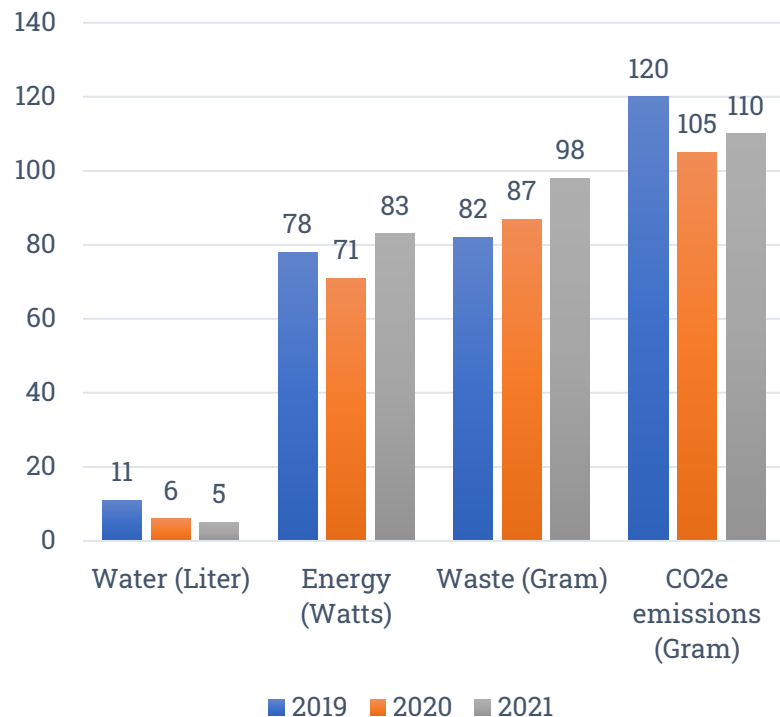
Preface

Our first sustainability report published for 2019 and now we started evaluating our data driven performance in terms of social, environmental and economic parameters. In our last report we setup a benchmark of our performance based on how much we are impacting to produce per piece of garment.

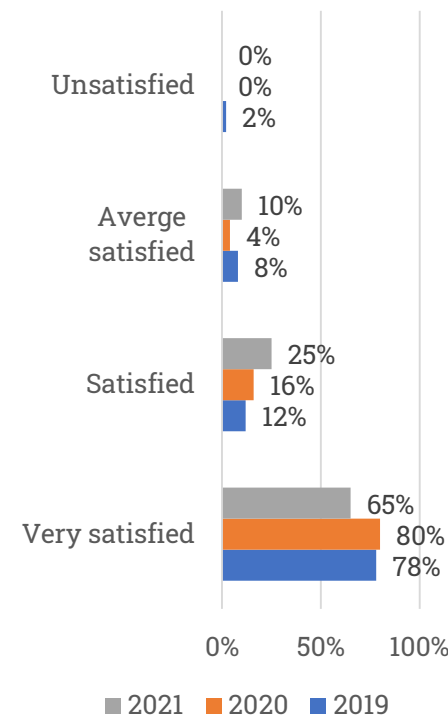
In 2021, from the below KPIs it seems that we are performing good in water management, but energy consumption, waste control and CO₂ emissions need further initiatives. However, we found that our energy consumption and CO₂ emissions increased in 2021 because we have used additional energy for the construction of our project expansion. For employees satisfaction we got a mixed experience. During COVID worker migration and new employment caused a different result of our survey. Demand of sustainable materials are increasing a lot and we can foresee that it will be increasing.

KEY PERFORMANCE INDICATORS

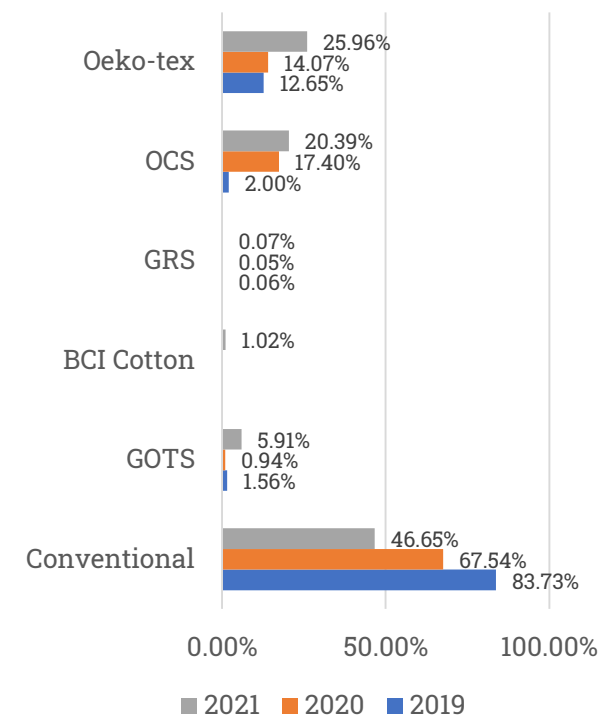
Environmental impact on per piece of garment



Employees satisfaction



Use of sustainable materials



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Introduction



Sheikh H M Mustafiz
Managing Director

FOREWORD

After successful publishing our first Sustainability Report in 2019; we feel so much encouraged and blessed with the appreciation from all of our stakeholders. Especially, our buyers have found us as most prestigious company in terms of transparency in our activities. So we are now publishing our 2021 report with many other new initiatives which make us proud.

By publishing this report, we have benchmarked a sustainable financial growth without destroying the livelihood of our workforce and simplicity of our mother earth. Especially, I would like to thank our team who has been actively involved in the decision making process and my beloved employees who have been investing their energy and time to produce world class apparel for the renowned international brands.

With the alignment of UN Sustainable Development Goals (SDGs) and National Priority Initiatives (NPIs), our internal activities and stakeholder partners will surely guide us towards milestone of growth. Meanwhile, we achieved 'Certification of Appreciation' from UNDP to align SDGs with self-reporting. This year we got 'Impact Excellence Award' from Hey Social Good from USA, an initiative to measure sustainability practice in companies.

With our green initiatives our factory generated 75,408 kWh electricity from solar energy. We saved more than 2,425,760 liters of ground water in 2021 from water recycling system. Our CO₂ emissions still under control and our factory is not doing any landfill with our own waste. The Key Performance Indicators of our 'Sustainability Practice' now clearly visible and we will more initiative in future for better results.

Our social performance going very good. This was possible due to our commitment of continuous improvement of working conditions. We had to take numerous initiatives to tackle the global challenges of COVID pandemic. Due to COVID-19 the audit by ACCORD (newly RSC), our safety partner, was delayed and hoping to conclude in 2022. We are hoping to achieve another milestone in terms of safety and well-being of the people who are working for us.

Meanwhile, our factory has also achieved most of the renowned certifications like Global Organic Textile Standard (GOTS); Organic Content Standard (OCS); Global Recycled Standard (GRS); Responsible Wool Standard (RWS); Oeko-tex 100 Standard etc. to ensure our products are traceable and transparent. However, recently we also become member of US Cotton Trust Protocol to ensure sustainable cotton supply.

However, 'sustainability' is a long journey. We are investing more in automation and marketing so that factory can run on full capacity. More initiatives are under process to make us better performed in all parameters of sustainability and circularity.

Lastly, we setup a measuring tool for all direct and indirect impact parameters of sustainability. And our data-driven activities will have more stories to share in our next sustainability report.

ENTREPRENEUR PROFILE

Mr. Sheikh H M Mustafiz, Managing Director is the founder and dreamer of Cute Dress. He is a passionate change maker of Bangladesh ready-made garment (RMG) industries to top notch niche manufacturer instead of a bottom of the pyramid manufacturer.

Back in 2003, he started his own business and established his connection in Nordic countries. Currently, Cute Dress is exporting to more than 40+ high end brands in Denmark, Sweden, Norway, Germany, Canada, USA, Japan, Australia, and few other countries. Cute Dress is mainly producing circular knitwear for high end and niche brands which has higher value and quality.

Mr. Mustafiz has travelled to more than 30 countries in the world; learned & implemented many international norms and practices in the company. Through his leadership, the company has seen a sustainable economic growth and optimistic future of RMG industries in Bangladesh. Cute Dress is a state-of-the-art environment friendly factory and the innovative wide range of fabrics are the main strength of this company. The factory is a LEED (Leadership in Energy and Environment Design) Certified in Platinum category under US Green Building Council (USGBC) standard and became one of top 10 green factories in the world. The factory was rewarded with 'Step Up Award' for improving its 'productivity and CSR activities' from 'Dansk Mode og Textil' for the noteworthy performance. Cute Dress is the only company from Bangladesh who has showcased 'Package Solution for Sustainable Knitwear' in Copenhagen Fashion Summit in May 2019.

Cute Dress can handle small orders in a very efficient way. The workforce is skilled and passionate in getting the tasks done with highest level of standard. It runs on the whirlpool of experienced management team.

Mr Mustafiz is a M.A. in English. He was awarded with 'Professional Fellowship' as young entrepreneur from US Department of State in 2012. In 2015, he ran an online apparel selling platform pilot project called 'Brand for Humanity' to improve the living standard of the garment workers in Bangladesh. He was awarded with 'Telly Award' and 'W3 Award' from USA for the thoughtful content of the video. In 2015, he was also praised by Embassy of Nepal in Bangladesh for his generous contribution to the earthquake victim in Kathmandu.

As an industry leader he participated in an International Workshop on '**Workforce Skills Development for Industry 4.0**' organized by Singapore Polytechnic International collaboration with Temasek Foundation and a2i of Bangladesh government.

He is also member of National Steering Committee of **Generation Unlimited**, a project by UNICEF for youth future skills and employability.

Mr. Mustafiz was elected as the Director of Bangladesh Knitwear Manufacturer and Exporter Association (BKMEA) for 2017-2019 session. For his contribution to national economy, he was awarded as CIP (Commercial Important Person) by the Government of People's Republic of Bangladesh. He is a proud father of two sons and he himself is son of a government stipend awarded Freedom Fighter.





COMPANY PROFILE

Head Office	L-8 Arifabad Housing Society, Pallabi, Rupnagar, Dhaka 1216, Bangladesh
Factory Address	Bathuli, Shaha Belisshor, Dhamrai, Dhaka 1800, Bangladesh
Phone number	+880 2 58052109
Contact Person	Mr. Sheikh H M Mustafiz, Managing Director; mustafiz@cutedress.net
Website	www.cutedress.net
Total Land	8100+ square meters
Floor Space	82,055 sq ft (total 3 floors)
Safety system	Automatic fire detection and hydrant
Security system	Public Addressing and full CCTV coverage
Utility and power	6,000 sq ft utility building; 3 Generators: 460 kVA, 200 kVA, 30 kVA; Own sub-station; 250 kg boiler; Air compressor
Waste recycling	Waste recycling storage : 4 rooms
Manpower	550+ (Ratio: 57% Women, 43% Men)
Day care	Full time childcare attendees, separate breast-feeding area, food storage, children nutrition monitoring, toys and indoor-outdoor playground
Medical care	Full time Doctor and Nurse; Paramedics for laboratory tests; availability of medical equipment to facilitate emergency minor operation
Knitting	10 sets [4 Jersey, 3 Rib, 2 Fleece, 1 Jersey 12gg]
Dyeing	Cute Dress sub-contracts dyeing process from reputed Oeko-tex & GOTS certified dyeing mills as no dyeing process is available in the factory
Printing	Cute Dress digital printing unit is in operation and screen printing unit setup is also in operation. ETP installation going on.
Embroidery	Embroidery works are in operation
Laboratory	Cute Dress's own laboratory conducts basic wash tests, rubbing, GSM etc.
CAD System	CAD system with plotters are in operation
Cutting	Large cutting tables with fabric spreader
Sewing	All kinds of sewing machine for knitwear production including underwear
Finishing	Fully furnished finishing section with spot removing section, tumble dryer, thread sucker etc.
Packing	Separate packing section along with needle detector, pick-pack service, security controlled shipping process etc.
Transportation	Availability of Cute Dress's own transportation for procurement and delivery
Certification	- Oeko-tex; GOTS; OCS; GRS; RWS LEED; BCI; US Cotton; audited BSCI and ACCORD/RSC - In process of Higg Index; Fair Wear; WRAP & C-TPAT

MATERIALITY ASSESMENT

This report conveys our optimism through identification of the imperative material topics as per the GRI standard. We have considered the 17 United Nations Sustainable Development Goals (SDGs) according to their influence and relevance to our activities in relation to the actual or potential impact of our business on the SDGs. The effects of our production processes and the final product on the society and the environment also influence our likelihood of attaining sustainable practices in the long term. For this reason, we have paired Table 1 and Figure 1 for a complete materiality assessment through identifying relevance of the GRI standard materials to the company and to stakeholders. Each material is ranked between 0 to 1 based on realistic potential significance of Cute Dress. Our second sustainability report for Cute Dress, the materiality assessment covers Cute Dress's performance in 2021 (1st January to 31st December) which is same as last year.

The following steps had been adapted in order to obtain inputs for the materiality assessment:

- i. Identifying internal and external stakeholders
- ii. Identifying the material topics to be measured.
- iii. Carrying out two individual surveys for finding the relevance of the material topic to company and stakeholders.
- iv. Analysing the graphical representation of data and obtaining constructive insights, the materials with greater numbers were selected as 'most material' (significant) for this report.
- v. The 'most material' topic covered in the report has been marked bold in 'Table 1' which indicates significant materiality for the sustainability reporting.
- vi. To simplify comparisons, all topics are put together in 'Figure 1'.

Material Topics	Grid	Relevance to Company	Relevance to Stakeholders
Water	E1	0.77	0.60
Chemicals	E2	0.33	0.36
Resources/ Materials	E3	0.25	0.28
Energy and Emissions	E4	0.60	0.51
Waste/ Recycling	E5	0.20	0.2
Regulations	E6	0.46	0.43
Employees	S1	0.56	0.42
Working conditions	S2	0.72	0.77
Diversity	S3	0.18	0.18
Work place safety	S4	0.60	0.68
Value-added services	S5	0.49	0.36
Employee rights	S6	0.59	0.59
Workers' benefits and compensation	S7	0.56	0.56
Regulations	S8	0.42	0.49
Certification and initiatives	S9	0.35	0.25
Donations	S10	0.12	0.12
Economic Performance	EC1	0.48	0.44
Market presence	EC2	0.69	0.63
Indirect economic impacts	EC3	0.55	0.55
Procurement practices	EC4	0.17	0.14
Anti-corruption	EC5	0.24	0.34
Anti-Competitive Behavior	EC6	0.13	0.16

Table 1: Comparative Data for Materiality Assessment

The Materiality Assessment Matrix

This figure is a graphical representation of the materiality assessment for Cute Dress on a GRI standard materials domain. The 'y-axis' denotes 'Influence of Stakeholder Assessment and Decisions' which ranges from 0 to 0.90. The 'x-axis' denotes 'Cute Dress's impact on the Economy, Environment and Society' which ranges from 0 to a maximum of 0.80. The range of values of x and y axes represent the significance of each aspect on the matrix and are independent.

It can be seen that Certification and Initiatives (0.35, 0.25) neither affect the stakeholders' assessments & decisions nor do they play a significant role in socioeconomic and environmental impacts of Cute Dress, consequent to which this issue has not been included in our analysis. In contrast, working conditions (0.73, 0.76) of employees are the most influential issues for the stakeholders as well as severely determines the impact of Cute Dress on Socio-economy and environment, due to which it has been heavily emphasized in our study. Similarly, Workplace Safety (0.60, 0.68), Water (0.75, 0.60), Energy & Emission (0.60, 0.51), Employee Rights (0.57, 0.42), Workers' Benefits & Compensation (0.57, 0.56), Market Presence (0.70, 0.65) & Indirect Economic Impact (0.55, 0.55) have been analyzed in our report.

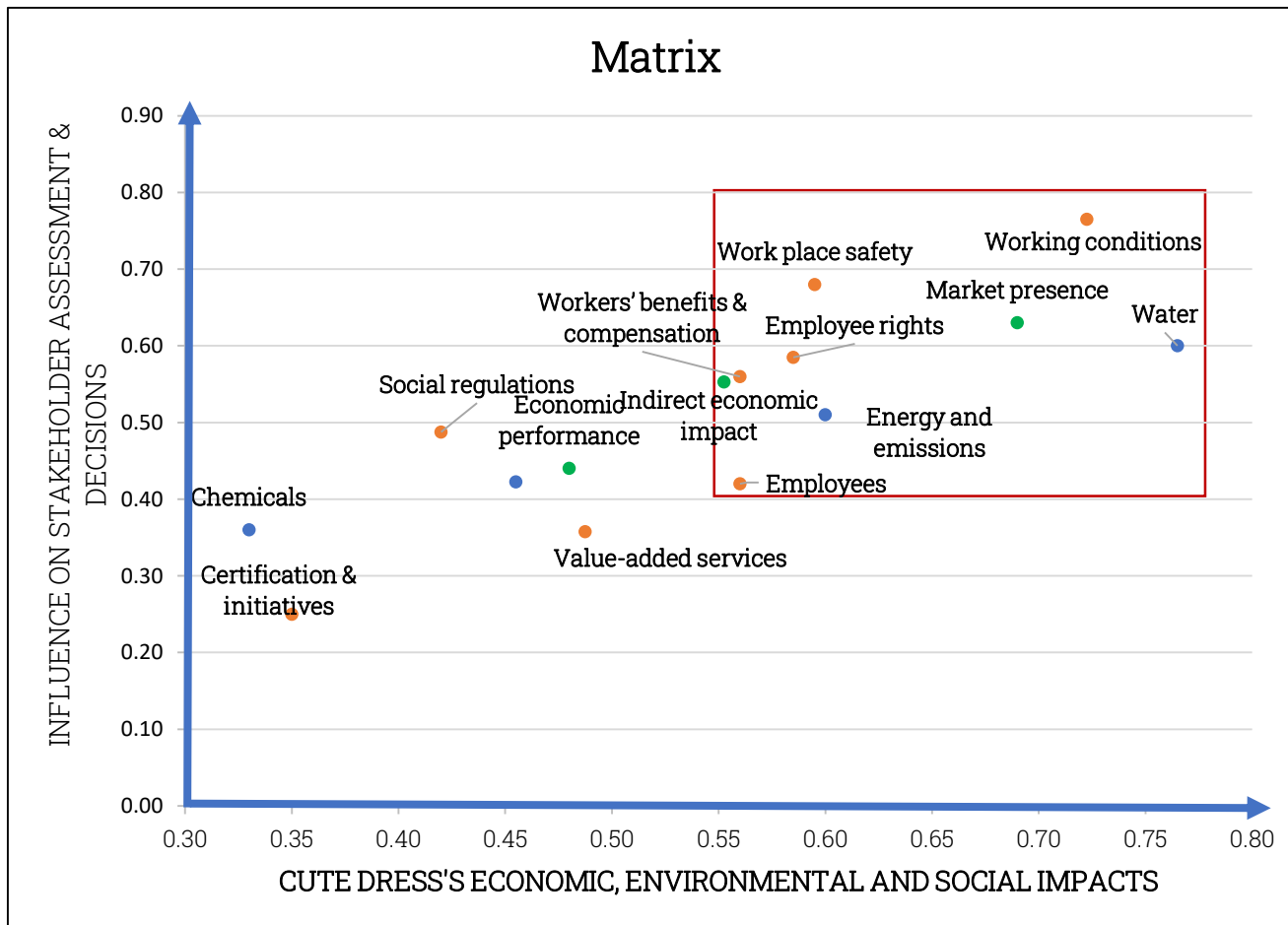


Figure 1: Materiality Assessment Matrix

SUSTAINABILITY ROADMAP

Cute Dress is a 100% export oriented knit garments manufacturing company. We have developed a sustainability framework with our core values. Cute Dress's milestones are ambitious in terms of 'happiness of our employees' and 'pollution-free nature'. Aside from prioritizing the success of the company, our practices are fully committed to keeping the environmental & societal costs at a minimum. The company's growth will be measured based upon strength, efficiency, productivity, innovation and upholding product quality. Our plan is to manufacture for premium brands only, through collaboration with suppliers whose practices are sustainable, consistent and minimalist.

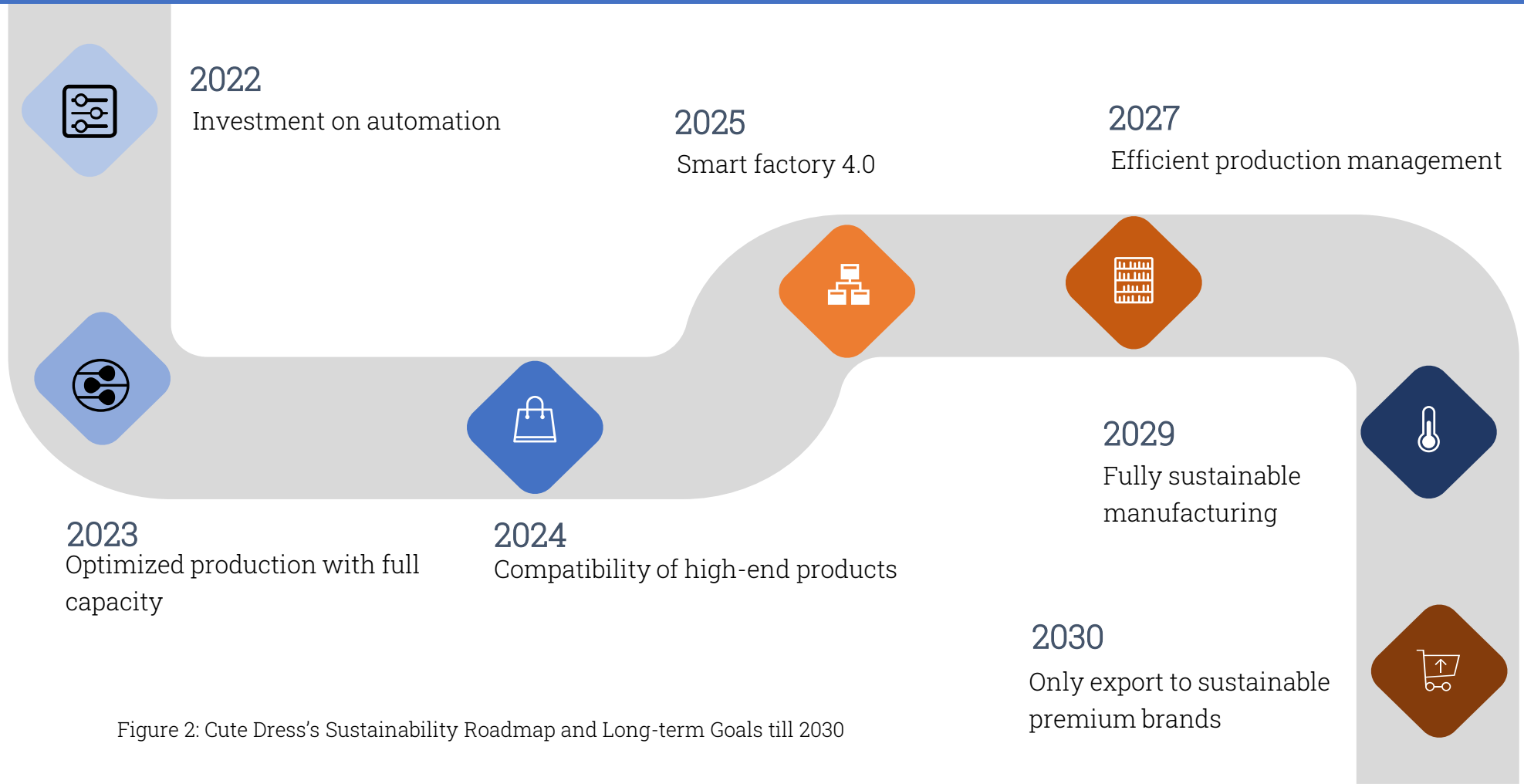


Figure 2: Cute Dress's Sustainability Roadmap and Long-term Goals till 2030

Enabling Sustainability

SUSTAINABILITY STRATEGY

VISION

We envisage to become a sustainable apparel manufacturing brand in Bangladesh by ensuring 'happy faces of our workforce' and 'pollution-free blue planet'.

MISSION

We firmly believe that the foundations for realizing Cute Dress's vision is to uphold an integrated balance among the company's environmental, economic and social performance; hence ensuring the wellbeing of the Planet, the People, and our Products. We have designed our practices in such a way that our contribution to pollution, landfill and damage to ecosystem are minimized, which in turn will improve our environmental performance. Besides satisfying all the basic criteria for employee welfare, Cute Dress has launched an internal program called "Happy Faces" for ensuring social performance. Finally, Cute Dress is committed in providing best quality products through team work, innovation and initiatives, within stipulated time frames at a satisfactory level of partners and stakeholders.



PEOPLE

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

PLANET

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

PRODUCT

Cute Dress promises to produce responsibly and to deliver top-quality product to the clientele. We emphasize on using certified & traceable materials, eco-friendly chemicals, organic and recycled materials etc.



SUSTAINABLE DEVELOPMENT GOALS

ALIGNMENT WITH SDGs

The Agenda of United Nations' Sustainable Development Goals (SDGs) 2030 is an exemplary blueprint of a global sustainable future. Cute Dress is addressing the 17 SDGs and the 39 Sub-goals (nation-wise priority) through every step of our movement. Our Management Board has underscored this support in 2019, which has led us to align our strategies more closely with the SDGs.

This report will demonstrate how we have incorporated the sustainability values within our processes in order to achieve the SDGs. Cute Dress's sustainability strategy provides a common framework for the sustainability activities across our company.

In 2020, Cute Dress received 'Certification of Appreciation' for contributing to the achievement of Bangladesh Priority Indicators (NPIs) and SDGs through sustainability self-reporting. The survey was jointly conducted by UNDP, GRI, BGMEA.

COLLABORATION DETAILS

Through relevant business disclosures, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), with technical support from the United Nations Development Programme (UNDP) in Bangladesh and Global Reporting Initiative (GRI), have come together to lay out and outline the impact of the RMG sector on Bangladesh National Priority Indicators (NPIs) and SDGs. As such, instead of only measuring the financial performance of their business, about 47 factories involved in this report took business decisions based on their impact on the environment and people, among other sustainability priorities. The approach aimed at aligning business-relevant sustainability data with NPIs and SDGs. In other words, the existing business reporting standards, indicators and indexes are translated in the language of NPIs and SDGs.










Considering the mainstream adoption of GRI standards across businesses worldwide, the adoption of HIGG Index by most RMG buyers, and the role and expertise of UNDP when it comes to SDGs, inclusive business and impact measurement, this report used relevant sustainability business indicators and translated them in the language of NPIs and SDGs.









As a result, the published report allows the RMG sector in Bangladesh to measure and communicate its contribution to NPIs and SDGs to relevant stakeholders. This report illustrates the actions RMG businesses took to make progress towards the SDG targets, the challenges the sector is still facing, and what it would take to overcome said challenges and make a bigger impact on NPIs and SDGs.

The findings are based on primary data collection gathered via factory self-reporting. Self-reporting is the most common form of business sustainability data disclosure to date, and it means that the information shared by the factories has not been subject to verification by a third-party audit.

For details, please visit:

http://www.bgmea.com.bd/page/Sustainability_Environment

Goal No.	Goal Target	Our Achievements
 1 NO POVERTY	NO POVERTY	<ul style="list-style-type: none"> Ensured minimum wages and on time salary.
 2 ZERO HUNGER	ZERO HUNGER	<ul style="list-style-type: none"> Looking forward for collaboration.
 3 GOOD HEALTH AND WELL-BEING	GOOD HEALTH AND WELL-BEING	<ul style="list-style-type: none"> Ensured parental leave Sanitary Napkin during working hours Supply family planning tools Health insurance
 4 QUALITY EDUCATION	QUALITY EDUCATION	<ul style="list-style-type: none"> Ensured on-the-job skill development training Ensure all kinds of training and soft skills Collaboration with 'Fair and Lovely Foundation' to support meritorious offspring of our employees.
 5 GENDER EQUALITY	GENDER EQUALITY	<ul style="list-style-type: none"> No discrimination at any level of occupation
 6 CLEAN WATER AND SANITATION	CLEAN WATER AND SANITATION	<ul style="list-style-type: none"> Water resilient management with water recycling and rain water harvesting Low flow water dispensing Ensure pure drinking water
 7 AFFORDABLE AND CLEAN ENERGY	AFFORDABLE AND CLEAN ENERGY	<ul style="list-style-type: none"> Invested on solar energy and planning to generate more in future
 8 DECENT WORK AND ECONOMIC GROWTH	DECENT WORK AND ECONOMIC GROWTH	<ul style="list-style-type: none"> Invested and managed good working condition Innovation on product diversification for continuous economic growth
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	INDUSTRY, INNOVATION AND INFRASTRUCTURE	<ul style="list-style-type: none"> Invested on energy, water and CO₂ efficient green industry

Goal No.	Goal Target	Our Achievements
 10 REDUCED INEQUALITIES	REDUCED INEQUALITIES	<ul style="list-style-type: none"> Employed male-female with no discrimination in salary Employed physically challenged people Employed senior citizens
 11 SUSTAINABLE CITIES AND COMMUNITIES	SUSTAINABLE CITIES AND COMMUNITIES	<ul style="list-style-type: none"> Encouraging bicycle transportation for our employees
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	RESPONSIBLE CONSUMPTION AND PRODUCTION	<ul style="list-style-type: none"> Responsible resource consumption practice Responsible waste recycling practice Collaboration with international circularity project
 13 CLIMATE ACTION	CLIMATE ACTION	<ul style="list-style-type: none"> GHG emissions management in place
 14 LIFE BELOW WATER	LIFE BELOW WATER	<ul style="list-style-type: none"> No initiative yet, looking forward for collaboration.
 15 LIFE ON LAND	LIFE ON LAND	<ul style="list-style-type: none"> No initiative yet, looking forward for collaboration.
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	PEACE, JUSTICE AND STRONG INSTITUTIONS	<ul style="list-style-type: none"> No initiative yet, looking forward for collaboration.
 17 PARTNERSHIPS FOR THE GOALS	PARTNERSHIPS FOR THE GOALS	<ul style="list-style-type: none"> With assistance of GIZ we started publishing 'Sustainability Report' as per GRI standard. Signed up with Reverse Resource for Circularity Project Signed up with Ganashasthya Kendra to ensure medical facilities for the employees



CERTIFICATE OF APPRECIATION

Awarded to

Cute Dress Industry Ltd.

For contributing to the achievement of the Bangladesh National Priority Indicators (NPIs) and Sustainable Development Goals (SDGs) through sustainability self-reporting

28 March 2021

Zuena Aziz
Principal Coordinator for
Sustainable Development Goals
(SDGs) Affairs
Prime Minister's Office

Dr. Rubana Huq
President
Bangladesh Garment
Manufacturers and Exporters
Association

Sudipto Mukerjee
Resident Representative
UNDP Bangladesh

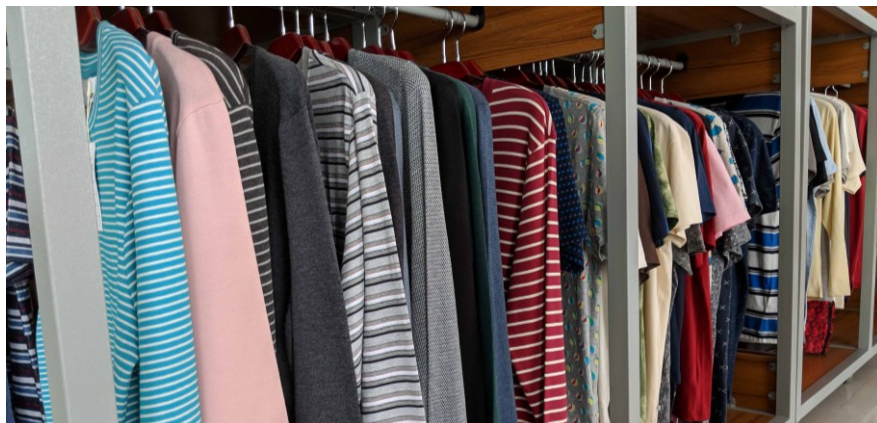
Aditi Haldar
Director
Global Reporting Initiative (GRI)
South Asia

PRODUCTS AND SERVICES

PRODUCTS

Cute Dress is mainly producing different kinds of circular knitted items for men, ladies and kids. We have manufacturing experience of below items:

Men's	Ladies	Kids
• T-shirt	• T-shirt	• T-shirt
• Tank Top	• Tank Top	• Tank Top
• Polo Shirt	• Polo Shirt	• Polo Shirt
• Sweatshirt	• Sweatshirt	• Sweatshirt
• Hoodie	• Hoodie	• Hoodie
• Trouser	• Tunica	• Jacket
• Jacket	• Leggings	• Bodysuit
• Brief	• Trousers	• Jumpsuit
	• Jacket	• Trouser
	• Dress	• Dress
	• Draped Dress	• Cap
	• Pleated Dress	• Bib
	• Asymmetric Dress	



SERVICES

In addition to the regular production, Cute Dress provides below services to the valued clients:

Lab-test service

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

Pick-pack service

Cute Dress provides pick-pack service to clients if there is a need for distribution of bulk goods to different part of the world or to different customers in same country. We have a special packing arrangement for this service with an agreed fees. In addition to that, clients needing to use warehouse as our web-shop distribution from Bangladesh can be entertained with a service fees.

Fabric development service

Every season Cute Dress thrives to create new fabrics as an offer to the clients thereby enabling brands to present fresh collection in each season. Cute Dress also develops fabric, which are distinctive depending on buyer's request.

Technical service

Cute Dress provides technical services to customers for making style chart, measurement list, fitting adjustment, fabric quality selection, accessories selection and sustainability solutions.

MANUFACTURING PROCESSES

Cute Dress practices traceable manufacturing process in its total supply chain management. As we do not have our own spinning and dyeing factory, we conduct a series of quality control (QC) check to ensure that the fabrics are in compliance with EU REACH directive, Oeko-tex, GOTS, OCS, RWS, GRS etc. while buying the yarn, sub-contracting knitting, dyeing or printing.

Our QC team checks all fabrics by a 4-points system once we have received the fabric. Then it sets for minimum 12 hours for conditioning prior to the next step: cutting. After cutting, the fabrics are sent for a standard quality check against each piece of parts before it is sent for sewing. Cute Dress has a set-up of Industrial Engineering and Work Study department, thus root cause analysis and productivity calculations are carried out by using statistical quality control tools.

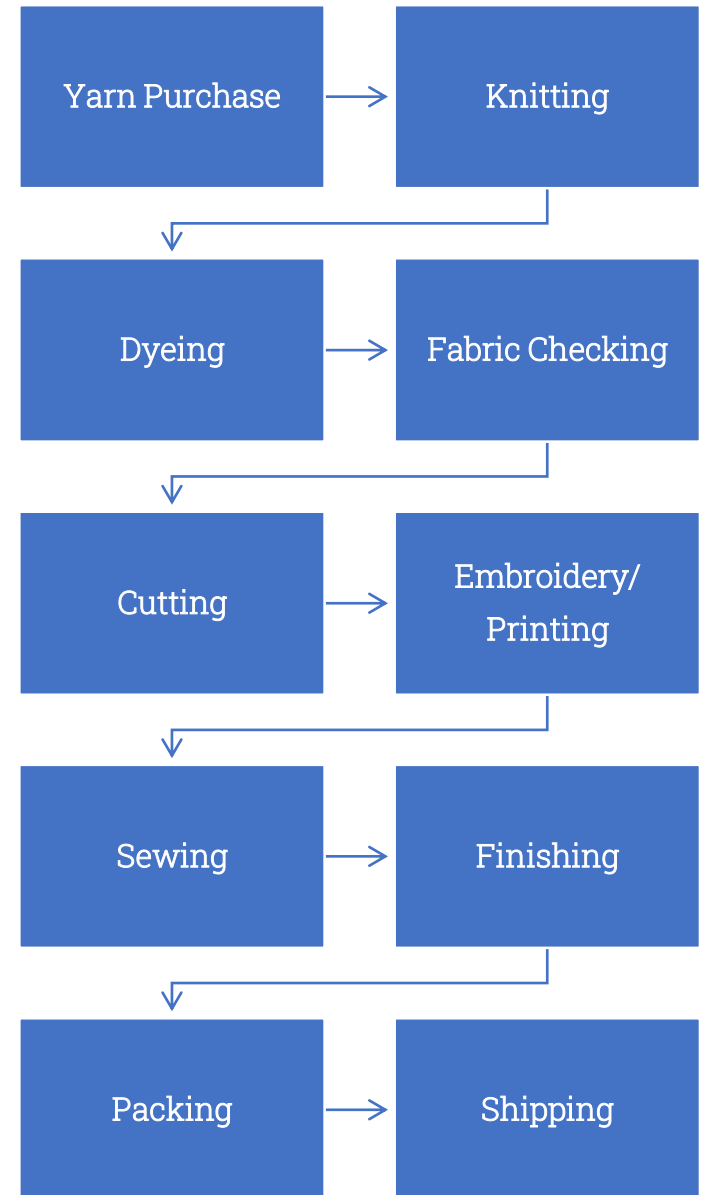
In case of printing, embroidery or other kind of value addition work is needed, the fabrics are sent to relevant section or are sent to the sub-contracted factory with proper packing of the cut panels.

During the sewing process, we assign our QC team to check every process and ensure the desired quality. After sewing, the material undergoes first quality audit. At this stage, all non-qualified products are sorted out and are sent back to product line for fixing.

Subsequently, it is then sent to thread sucking to ensure that there are no loose thread and to buttoning section in case buttons has to be attached. This process is also followed by random audit and stacking for ironing. After ironing, it is sent to the final quality control team, measurement control team and visual quality control team. Finally, the product is sent for packing.

At Cute Dress, we have a separate packing section. Once the packing section received the packed goods, it first screens with needle detection machine to ensure that there is no broken needle inside. Instruction assortments are attached to the final product before they are packed into cartons.

As we are producing for some reputed Japanese brands, the final packing/inspection takes place only after needle check as a part of their requirement. However, for our EU/USA customers, inspections are conducted according to AQL (acceptable quality level) after full packaging of final goods.



MAJOR BUYERS

WHEAT

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KOSHINO

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envii

HÄRKILA
of Scandinavia

ERLA®
OF SWEDEN



Sea Ranch

Gekås
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polished prints

ashtabula

SAMSØE ∅ SAMSØE

Frank And Oak

CO-OP

BUBBLEROOM

ICHI



RIP CURL

STRATEGIC AND COLLABORATION PARTNERS



পরিবার পরিকল্পনা অধিদপ্তর



The University of Manchester



CORPORATE GOVERNANCE

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

Compliances

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

General Governance Structure

The company has the following governance structure:

General Assembly: Allows the shareholders to participate in the governance of the company. This assembly is held once per fiscal year.

CFO: Assigned the task to control the financial infrastructure and day-to-day tasks.

Internal Audits: Develops and monitors internal control procedures for the business operation.

Internal Audit and Control

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

Internal auditor: The internal auditor is responsible for the daily internal control. A random unannounced audit is conducted once in every week.

External auditor: An external auditor audits the company's financial statements. This is done once in every fiscal year.

Disclosure: Cute Dress has not yet decided to enlist as a public limited company.

MARKET PRESENCE

In 2021, we produced 1,681,537 pieces of different types of garments for different countries all over the world. Out of this quantity, 897,098 pieces are sustainable products with different labels like GOTS, OCS, BCI, Ecovero and Oeko-tex which seems to be a significant growth than 2020 and 2019.

EXPORTED QUANTITY IN 2021

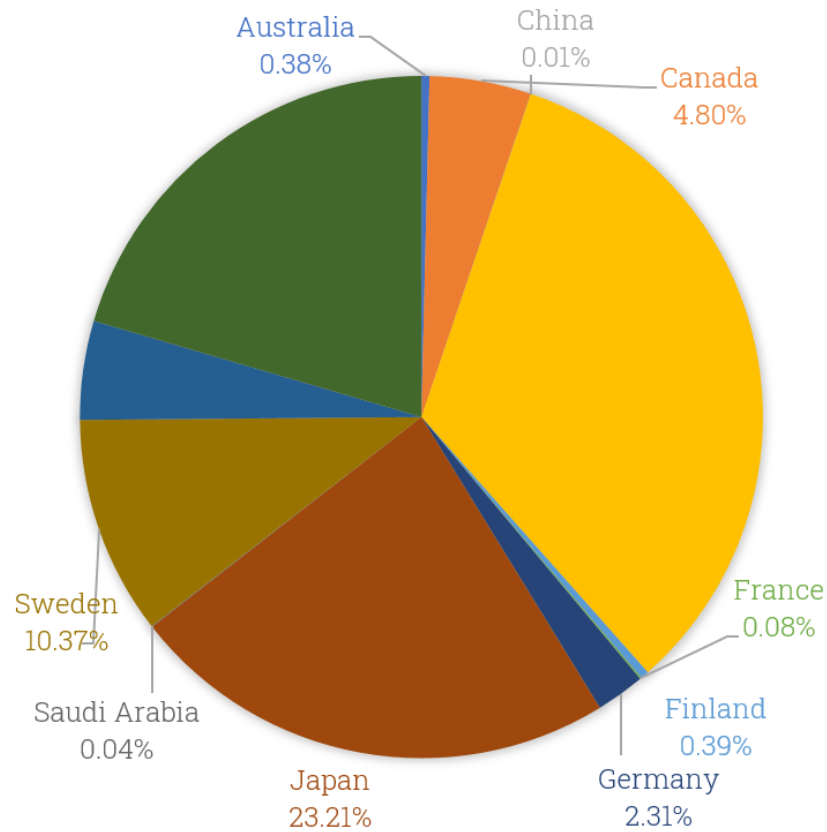


Figure 3: Indicating quantity-wise global market presence in 2021

Sustainable Products Quantity Demands in 2021

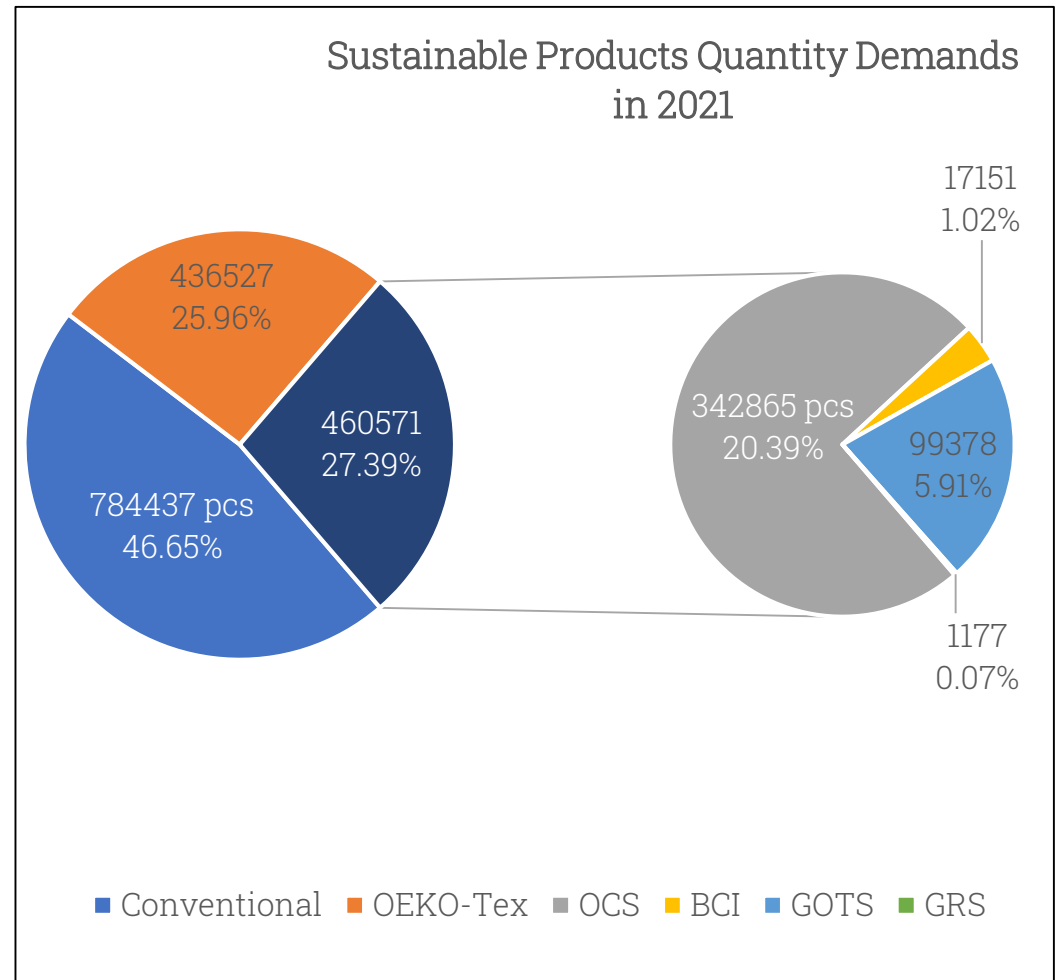


Figure 4: Indication quantity-wise diversification in product in 2021

AWARD

www.hey-social-good.com



The Social Good Medal Rating reflects a company's high level of work achieved in giving back to the community and/or adopting sustainable practices. They cross check a company's positive impacts with the United Nations 17 Sustainable Development Goals, such as Decent Work, Clean Water, etc. They review a company's sustainable practice by assessing the activities & operations adopted from sourcing to packaging to distribution.

Hey Social Good has developed a unique Social Good Assessment (SGA) tool that tracks sustainable, give back, social, and governance practices adopted by businesses, facilities, and enterprises. Hey Social Good defines a "Social Good Company" as one that directs effort, funds, and/or resources to addressing a pressing societal challenge by adopting business practices that benefit people and the planet.

In 2021, Cute Dress awarded by Hey Social Good, USA '2021 Impact Excellence Award' for the outstanding performance on sustainability practice and social give back.



MEMBERSHIP OF USCTP

By joining the U.S. Cotton Trust Protocol®, Cute Dress ensures that we are sourcing responsibly produced, quality fibre, and reducing environmental and social risk in their field-to-mill supply chain.

Aligned with the U.N. Sustainable Development Goals, the Trust Protocol brings quantifiable and verifiable goals and measurement to more sustainable cotton production and drives continuous improvement in six key sustainability metrics – land use, soil carbon, water management, soil loss, greenhouse gas emissions, and energy efficiency. To know more please visit: <https://trustuscotton.org/>



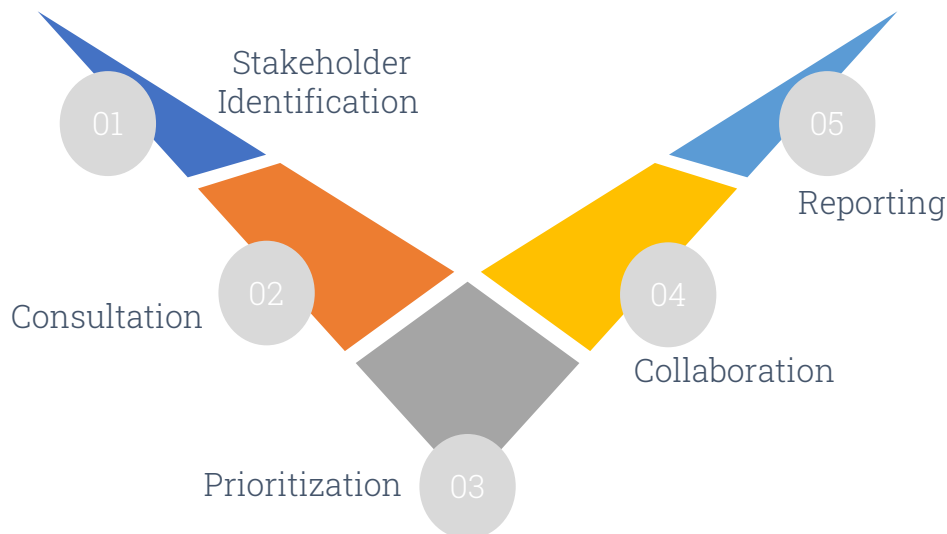
Stakeholder Engagement

STAKEHOLDER ENGAGEMENT

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

Stakeholder Identification and Engagement

Stakeholders are identified based on the requirement of the business process. We do not have any pre-defined engagement process with the stakeholders. Based on the requirements like exhibitions, trade fair participations, projects meetings etc. respective departments engage with their specific stakeholder groups as and when required.



Key Stakeholders



■ Internal Stakeholders ■ External Stakeholders

INTERNAL STAKEHOLDERS

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

Participation Committee (PC)

At Cute Dress, collective bargain is practiced as per law. To make a trustworthy relationship between the workers and the company we formed a Participation Committee. They are elected by the workers through direct voting system. This committee is formed both from employers and employees.

The committee meets every two months to promote mutual trust, understanding and cooperation between the employers and the employees as well as to fulfil production target, reduce production cost and improve the quality of the products. They are working to effectively establish privileges as well as to improve welfare services for the workers and their families. Through the PC, workers can freely contact the committee to discuss any issue.

Grievance Mechanism

Apart from formal grievance procedures which are set up as per local laws, Cute Dress also has informal ways to resolve any sort of disputes quickly and effectively. The top management has an open-door policy and grievance boxes are provided to assist employees maintain confidentiality.

Cute Dress has established several channels for workers to file complaints, including anonymous complaints. These include suggestion boxes and an open-door policy. The Welfare Officers are responsible for handling complaints. The suggestion boxes are checked once in every week and the grievances are recorded. Appropriate actions are taken, and the results are reported back to the employees.

Welfare Officers

The Welfare Officers stationed at the factory complex oversee workers' concerns and problems and communicate with the Human Resource and other concerned departments as required. These Officers are involved with multiple tasks as shown below. Workers feel very comfortable expressing themselves to them. They handle every single case with great care & efficiency and maintain confidentiality depending on the sensitivity. Proper measures are taken immediately to resolve any concern over workplace or even workers' personal issues.

Roles of Welfare Officers:

- Maintaining first aid boxes and checklists
- Dealing with complaints from workers
- Registering and providing extra care to pregnant employees
- Ensuring washroom hygiene
- Coordinating and conducting trainings
- Facilitating meetings
- Informing workers of any changes in policies

EXTERNAL STAKEHOLDER

In general, external stakeholders are our key partners who support us to improve ourselves; keep us aware about latest situation; assist us with the tools they have to offer and allow us to interact on what we feel.

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

The following infographic shows how we are communicating with our external stakeholders and keep ourselves well informed of the continuous improvement to keep Cute Dress continuing to remain as a sustainable manufacturing company.

Suppliers	Marketing team, sourcing team, procurement team, emails, meetings, audits etc.
NGOs	Emails, Meetings, Conferences, Workshops, Seminars, etc.
Service Provider	Emails, Meetings, Seminars, etc.
Industry Association	Emails, Meetings with BGMEA, BKMEA; Interaction with FBCCI, DCCI etc.
Knowledge Partners	Emails, Trainings, Seminars, Workshops, Interaction with specified topics, etc.
Buyers	Purchase team, Designers, Technicians, Merchandizing, QCs, Emails, Exhibitions, Audits, Conferences etc.
Media	Communication Team, Press Release, Press Briefings, Interviews, Presentation, etc.
Government/Public sector	Interactions with different Ministries of Govt. of Bangladesh, Embassies, Donor Agencies etc.

Social Development

SOCIAL DEVELOPMENT AND SUSTAINABILITY

Cute Dress considers People as one of the three pillars of sustainable development. Cute Dress believes that without healthy employees (both physically and mentally) organizational development is quite impossible. In the materiality assessment, we have identified our people as the most material topic.

We have established policies to protect our employees by providing comfortable environment, healthy working conditions, and safe work place in order to see them happy. Our compliance department ensures that all the practices are in line with Cute Dress's commitment, i.e. to ensure safe workplace for all employees.

Cute Dress understands how the business practices impact its employees and work to serve in their best interests.

EMPLOYEES WELFARE

Employee welfare, from a broader and holistic point of view, significantly contributes to the psychology of the employees to whom the workplace is not a mere money earning place. One of the major objectives of employee welfare is to maintain safe and sound working environment so that the employees develop a sense of ownership for the company which consequently lead to the stable productivity, economic development and sustainability of business. Employee welfare measures have positive correlation to both mental and physical health of the employees which directly contribute to their efficiency, productivity and the sustainability of the business. Similarly, employee welfare facilities motivate employees and create a sense of ownership of their work which make the organization perform for longer time.

The most important objective of Cute Dress is to develop a dynamic welfare motivation system. In accordance with this, Cute Dress has developed a definite set of policies and procedures applicable equally for all the employees. The Welfare Officers stationed at the factory complexes oversee employees' concerns and problems and communicate with the Human Resource and other concerned departments as required. Cute Dress always believes that a sustainable compliance practice is not only the responsibility of a Welfare Officer, rather it requires the accountability of every level starting from low level management to director.

PROJECT 'HAPPY FACES'

Cute Dress apprehends the importance of the well-being of employees. Hence, we supervise that Cute Dress provides all benefits and facilities as per law and International Code of Conduct. However, merely complying with the legal requirements are insufficient to ensure employee satisfaction. Consequently, we are putting our efforts to go beyond in terms of benefits and facilities through our 'Happy Faces' project.





Free Transportation

Cute Dress currently provides four shuttle bus services for commuting employees to and from designated pickup/drop off points and the factory. Even if the program incurs substantial expenses, our employees are highly satisfied with this service as it helps their timely arrival and departure. In addition, we monitor bus fitness, drivers' efficiency, driving license etc.

Personal Hygiene Materials

Cute Dress provides free 'Sanitary Napkin' to all female employees during the working hours. This program helped our female employees to enjoy a hassle-free life during the working time. Our welfare officer is responsible to provide required sanitary napkins to the female colleagues.

Decent Working Hours

Cute Dress complies with local laws regarding working hours. We have a working hour policy and we monitor working hour considering production capacity, budget, manpower, order timeline etc. Our production plan allows maximum daily overtime of two hours, weekly maximum of twelve hours. We ensure a minimum one day off in every seven-day period.

Inclusion

Cute Dress supports three categories of minority people to create scope of work and to make them financially stable by creating suitable working scope for them. They are physically challenged people, third gender and senior citizen. The whole premises is wheelchair accessible.

Yearly Medical Check-up

Cute Dress prioritizes employee's good health and well-being as the management believes healthy employees are the asset of a company. In 2019, we launched a program wherein all our employees were diagnosed for Hepatitis B virus and it is continuing. Aside from occasional health programs, Cute Dress employs a full time medical team for onsite health care supervision.

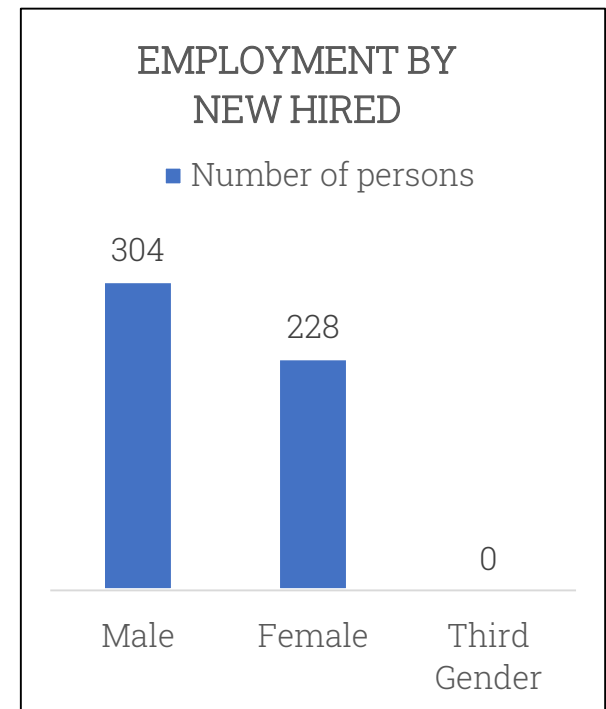
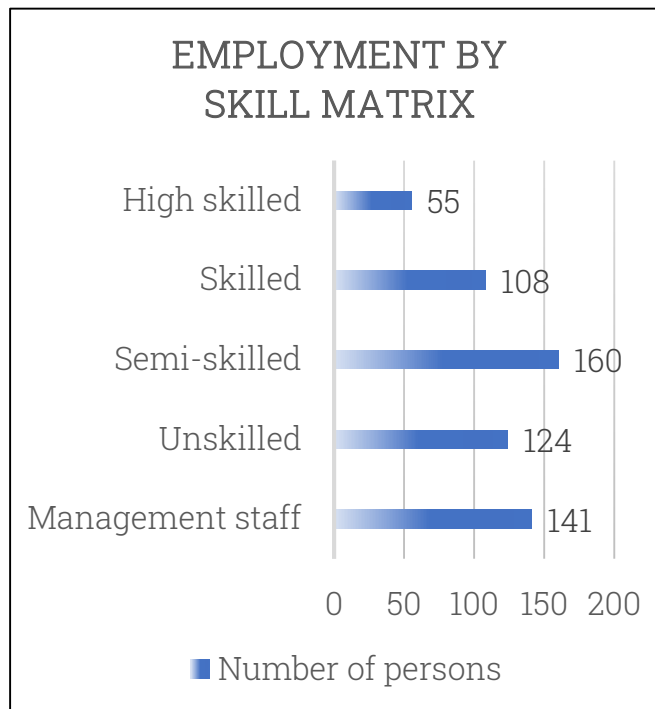
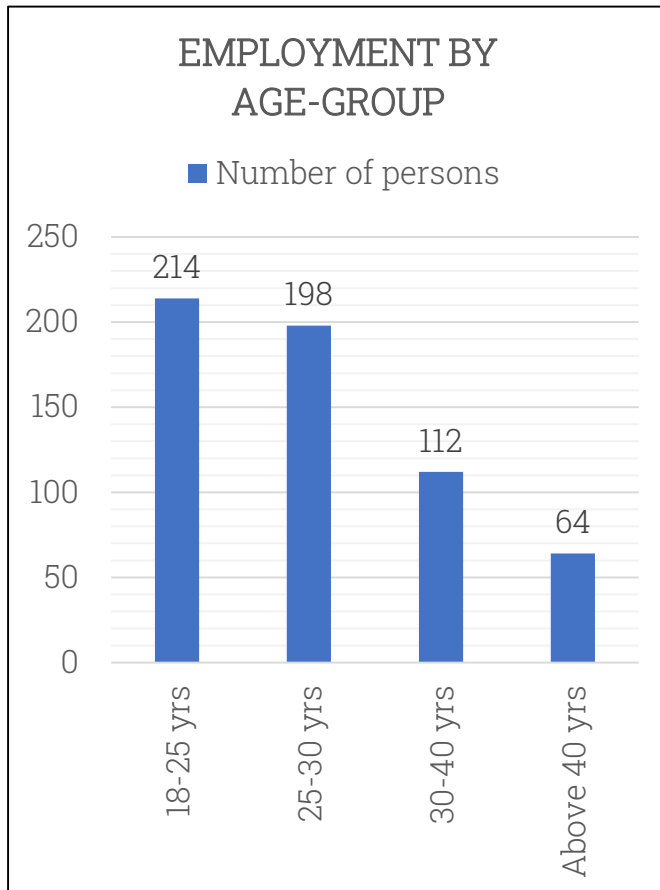
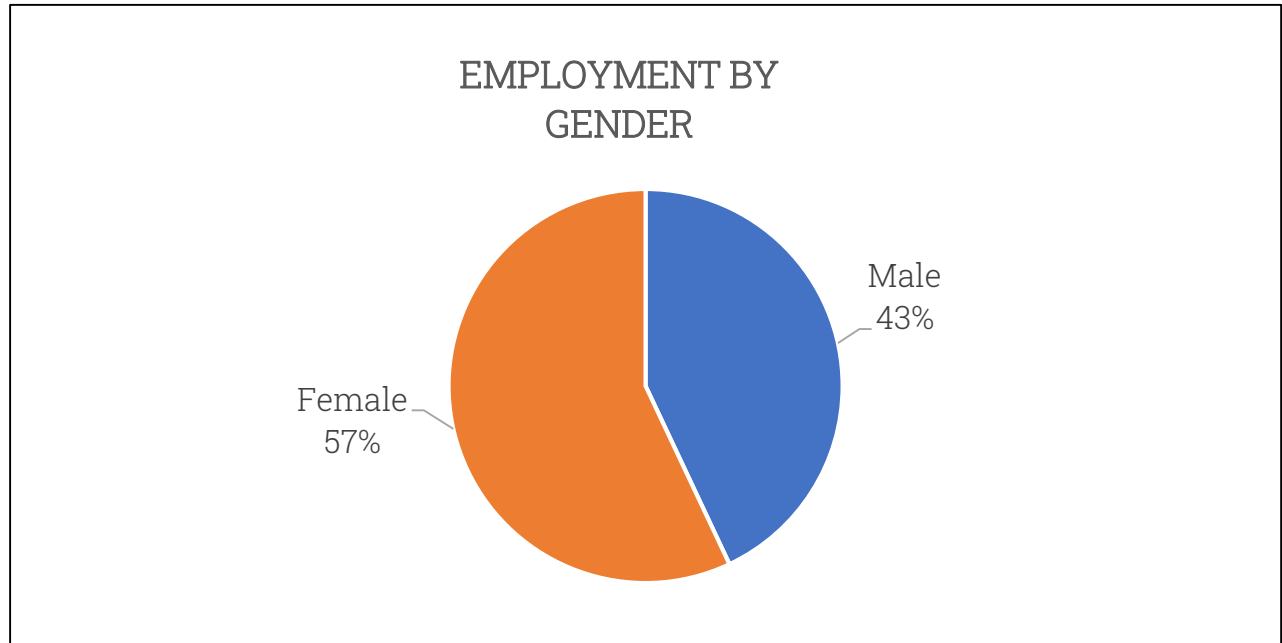
Ergonomic Furniture

The apparel industry is characterized by lengthy monotonous physical activities which may cause the employees to suffer from fatigue, muscle pain, etc. In order to address this issue, Cute Dress procured ergonomic furniture for its employees.

EMPLOYMENT MATRIX

In 2021, we had around 580+ employees. The female male ratio was 57% and 43% respectively.

Every year we will analyse our employment matrix based on the charts mentioned here so that we can take necessary steps to make our production facility sustainable in terms of productivity, quality and capacity.



FACILITIES

At Cute Dress, we provide two types of benefits to our employees; firstly, the legally required minimum benefits and secondly, additional benefits beyond legal requirements. On the other hand, employees receive onsite basic medicine for free, compensation for accidents etc.

Ergonomic workspace

Cute Dress ensures comfortable workspace for all employees. We have conducted ergonomic risk assessment of our employees and based on this we have installed furniture accordingly.

First aid facilities

First aid kits are available in all the first aid boxes and maintained properly. Cute Dress has 15 first aid boxes and 30 first aiders. Every first aid box has two designated persons to control. Onsite first aid training has been conducted periodically. We have a dedicated medical room with a registered doctor who visits as per weekly time-table and a fulltime nurse.

Canteen, dining area and rest room

Cute Dress ensures employee a canteen, dining and rest room. In the dining hall more than 150 persons can sit in one batch. Canteen area has a kiosk for snacks.

Personal locker

Cute Dress ensures employee a personal locker facility. Employees can use personal locker to keep their personal belongings.

Childcare facility

Cute Dress has a childcare facility with a breastfeeding room. A childcare attendee is taking care of three kids as of now. Our childcare room is equipped with toys and other facilities. We provide food items to childcare room as per law.

BENEFITS

Lawful benefits

Cute Dress provides all kind of lawful benefits as per law. We have a compensation and benefits policy as below:

Minimum wage

Cute Dress provides minimum wage of BDT 8,000 as per law. Yearly increment is 5% and salary is always provided within first seven working days of the month.

Overtime

Overtime payment is in accordance with the local law to all the workers of the factory. Overtime calculation formula = (Basic Salary x 2 x OT hours)÷208.

Leave and maternity

Cute Dress provides 112 days of maternity benefit as per law and company policy. In 2021, none of our female employee was entitled for maternity leave. In addition, Welfare Officer is responsible to provide necessary advice to female workers regarding maternity issue. We also provide other leave as per law like sick leave, causal leave, festival leave, earned leave etc. We have a procedure to encash earned leave as per law.

Others benefits

Cute Dress provides two festival bonuses every year as per law. In addition, we have service benefit procedure as per law.

Additional benefits

Cute Dress provides the following additional benefits to employees as per company's own policy and these are beyond the lawful requirements:

Paternity leave

Cute Dress provides paternity leave to male employees when his pregnant wife hospitalized for delivery. As per policy, if a male worker is employed for more than six months in the company, he will be entitled to have two days paternity leave.

Attendance bonus

Cute Dress provides attendance bonus for all workers. The aim of this bonus is to reduce absenteeism and an internal policy is maintained for this purpose.

Others activities

Cute Dress arranges Ramadan breakfast, birthday celebrations etc.

TRAINING PROGRAMS

Cute Dress believes that training and skill development is an indispensable function. We emphasize the value of 'training and skill development' in the company. Training allows the employees to acquire new skills, sharpen existing ones, perform better, be more aware about safety, increase productivity and be better leaders. We have a training calendar and provide training to all employees in regular basis. We provide different kinds of trainings like:

- New employee orientation
- Health, nutrition and safety
- Fire Fighting
- Personal protective equipment awareness
- Training on legal law and rights
- Chemical handling
- Waste management
- Environmental awareness
- Factory policies
- Workers' rights and responsibilities
- Lifting and carrying procedures
- Electric safety and boiler operation
- First Aid and Rescue
- Discrimination, harassment and abusive behavior
- Anti-harassment, anti-abuse, anti-bullying
- Anti-corruption
- AIDS and other transmittable/non-transmittable diseases
- Water, energy saving and tree plantation
- Grievance handling
- Maternity benefit and calculation
- Quality Assurance
- Pregnant female worker awareness training
- Risk Assessment
- Awareness training on security procedure
- Use system and control of sharp tools in working station

In 2021, total training hours conducted = 7,320 hrs
i.e. 12.44 hrs/person

Skill Development Training

Cute Dress works for continuous skill development of its workforce. We arrange continuous training for new employees, operators & supervisors to create a wide job opportunity and to ensure quality of the product. In 2019 we developed a training curriculum from "SHUDOKKHO" a private skills training program funded by UK Aid and SDC. With the continuation of same concept in 2021, total 38 workers has received training from our in house training room.



OCCUPATIONAL HEALTH AND SAFETY

Garment employees globally experience distinctive vulnerabilities at their workplaces. These occupational vulnerabilities are related to dangerous and unhealthy working conditions. Employment in sub-standard physical environments can result in fires as well as full or partial collapses of buildings. However, health issues are most significant among the vulnerabilities faced by employees during their working tenure in the readymade garment (RMG) sector. While the extent and nature of health vulnerabilities related to working in the RMG trade vary between countries, it is evident that RMG employees of South and Southeast Asia are most affected by the unhygienic and unsafe nature of their workplace conditions. While low-cost employment availability is important, factory owners tend to minimize production costs of RMG merchandise. In this way, they can be competitive and attract international buyers. As a result, less money has been invested in providing a secure working environment for the RMG factories, which in turn makes the health of RMG employees vulnerable. Occupational health should aim at the promotion and maintenance of the highest degree of physical, mental and social well-being of the employees in all occupations. Modern concepts of occupational health embrace all types of employment e.g. RMG.



Employees' safety is paramount for Cute Dress. We do not accept hazardous equipment, unbearable working conditions or unsafe premises. We do not use hazardous chemical as our main production processes are cutting, sewing and finishing. We have few hazardous areas like generator room, boiler room, electrical sub-station etc. These areas are located away from production room. Boiler, compressor and generator room are located in separate building with fire rated door and wall. Besides, without authorized personnel no one can go to this area. Cute Dress provides required Personal Protective Equipment (PPE) for Boiler Operator, Generator Operator and other authorized personnel at those areas. We also do yearly health check-up of those employees by doctor's advice. Cute Dress has a documented injury register and has a designated person to report the accidents to local authority. Investigation reports are maintained and awareness is given to employee by one to one counselling. Clinic log is maintained properly.

Cute Dress is committed to provide a safe and healthy work environment. We believe that a good work environment not only has direct impact on the employees' health but also plays a vital role on the productivity level. We have an occupational health and safety committee with respect to local law and international safety standard. As per Bangladesh Labour Rules 2015, Rules 81(1), Formation of Safety Committee and other issues: The owners of the organisations where 50 or more employees are employed or were employed in a certain period in the year, shall form Safety Committee. Our internal compliance team monitors health and safety related issues. Cute Dress has an individual safety procedure and monitoring system such as an occupational safety procedure, a fire safety procedure, a chemical safety procedure, and an environmental safety procedure.

To implement proper health and safety environment we consider following activities.

- Cute Dress carried out and reviewed risk assessments throughout the facility (i.e. production processes, machineries, utility areas etc.), including health & safety, electrical and fire risk at monthly interval. In addition, we communicated identified risks and its preventive measures to the employees through safety committee meeting and training. Measures were identified in risk assessment were communicated to concern personnel for follow up. We have posted these in the notice board in particular area. Members of the safety committee meet in committee meeting on regular basis. They are monitoring the health and safety issues in the production floor. The committee discusses about factory safety issues, personal protective equipment etc.
- At the individual level, we promote overall wellbeing and mental health, healthy life style and preventing cardiovascular and other non-communicable diseases supported by specific workplace health policies and management tools for example trainings, awareness sessions, awareness posters etc. Cute Dress has a full time doctor and nurse with minor operation theatre. We have 100% group insurance coverage for all employees. We have enlisted employees in biometric database for group insurance coverage.



- We try to sustain the health and maintain the work ability of all staff by providing full time doctor consultation, annual health check-up, first aid facility and thereby employability throughout their working life. We arrange different training and take initiatives considering employees workplace condition .We take extra care for pregnant women in our facility and also for those who re-joined from maternity leave by safe workplace, training, counselling, medical check-up. In addition, we also arrange training on workplace injury, risk assessment, PPE etc.
- We reduce health care costs of injuries, diseases, illnesses and premature retirement, caused by a combination of occupational, environmental, lifestyle and social health detrimental issues. We maintain Injury Register. Injury analysis is done by medical assistant and medical officer mentioning preventive and corrective action. Based on every injury, we prepare an investigation report and provide awareness to employee by one to one counselling. As a result the recurrence of the accidents is much lower.

Healthy Workplace

RMG employees have the possibility of being frequently affected by various types of health issues mainly due to the unhygienic workplace conditions and the dust produced from raw materials. Since 2018, Cute Dress has stood up for healthy workplace. Cute Dress has a health and safety policy covering all employees of the factory to achieve targets in a systematic manner. The policy has been developed considering local applicable laws, conventions of the International Labour Organization (ILO) as well as Buyer's Code of Conduct.

Cute Dress has formed a safety committee consisting of employees and management level nominated by the employee representatives. The members of the safety committee meet in regular committee meetings. They are responsible for monitoring the health and safety issue on the production floor on a daily basis. The committee discusses about factory safety issues, personal protective equipment etc. In addition, every safety meeting minutes are documented and discussed in Participation Committee (PC) meeting. All findings are closed as per their target date.

Cute Dress ensures comfortable temperatures on the production floor and storage area of the facility. Also, a sufficient number of windows and exhaust fans has been installed to make the working environment more comfortable. Temperature meters have been installed in different places on the production floor and daily record has been maintained. Moreover, Cute Dress has a daily cleaning schedule to ensure overall cleanliness of the factory.

Drinking water

Potable drinking water facilities are available on all the production floor and in the dining area. We have a drinking water trolley to serve drinking water in the production floor. Cute Dress also has drinking water points on each floor. Moreover, Cute Dress conducts a drinking water test on yearly basis. Cute Dress tests drinking water to keep the water free of arsenic, iron, pH or any other germs from the government approved organization.

Washing facilities

Employees have access to gender-specific, clean and private toilet facilities. An assigned cleaner keeps the washrooms neat and clean and equips them with adequate soap, slipper and towels. Cute Dress has a total of 40 washrooms.

Medical facility

Cute Dress has a dedicated medical room with a registered doctor and nurse available. In addition, first aid kits can be found in all the first aid boxes and are maintained properly. As required by law, Cute Dress has sufficient first aid boxes and first aiders as per law. Cute Dress provides regular training for first aiders on first aid activity. We provide basic medicine free of cost.

FAMILY PLANNING CORNER

We establish 'Family Planning Corner' in our health centre with the assistance of Directorate of Family Planning of Bangladesh. All our employees get all kind of family planning materials for free. This initiative helps a lot to our employees to enjoy a hassle-free family life and cost saving service from their income.

COVID-19 MEASURES

In 2020, the Covid-19 pandemic situation created a different history for global fashion business. The world's normal life suddenly became a strange livelihood which we never experienced before. The ecosystem of the global supply chain converted into a less touchable and less reachable. The demand and supply went in a different direction and we had to take those challenges.

Besides of disruption of supply chain; we were much more worried about your employees health. Following World Health Organization (WHO) and local health protocols; Cute Dress initiated many initiatives to protect the health of our employees. The below protocols were strictly followed from arrival to departure:

- All our transports are disinfected before our employees ride on it.
- All employees are wearing body and head covering PPE.
- Temperature are measured before entering in the facility.
- Hands and shoes are sanitised
- Lined up, worked and dined with proper social distancing
- During working time hands are sanitised in every hour
- If anybody felt sick, they were quarantined and send home for tests. We also helped them to be tested and other supports.
- All suspected covid-negative employees and who are covid-positive all were entitled for paid leave of absence.

By the following these protocols we experienced very few Covid-19 positive cases in our facility. This was praised by print and electronic media; local authority and our trade associations. Our buyers also praised us a lot for this very demanding activities.

MEDIA COVERAGE

Independent Television

Independent TV is one of the pioneer national private television covered our safety protocol in their TV to inspire other factories. Here is the link: <https://youtu.be/o8QDDNTcR08>

The Daily Star

The Daily Star is one of the most trusted English daily in Bangladesh. They published our employees entrance photo in their cover page on 04 June 2020. Here is the link: <https://epaper.thedailystar.net/Home/ArticleView?eid=1&edate=04/06/2020&pgid=14034>

Textile Today

Textile Today is one of the renowned specialized monthly magazine in Bangladesh and they also published a full story about our health protocol during this covid time. Here is the link: <https://www.textiletoday.com.bd/covid-19-safety-measures-cute-dress/>

Apparel Story

Our trade association Bangladesh Garments Manufacturer and Exporter Association (BGMEA) publish 'Apparel Story' magazine regular basis. Our Covid-19 measures are covered in the photo story page and we are proud for this recognition. Here is the link: <https://www.bgmea.com.bd/uploads/newsletters/apparel-story-april-may-2021.pdf>, see Page 44.



FAIR PRICE SHOP

The concept of 'Fair Price Shop' is an established built-in practice in RMG industries in Bangladesh. Many factories have their own shop or kiosk to facilitate their employees daily quick buys.

The long waiting kiosk at Cute Dress finally opened for operation and our employees are enjoying to buy their basic non-perishable commodities in wholesale price. It is helping them when sometime due to long hour of working day they find it convenient to buy some handpicked items for their home before riding on the bus.

We have chosen 'Direct Fresh' as our partner to operate this kiosk as they have long experience to handle such operations in many factories in Bangladesh. Informatively, Direct Fresh is buying their commodities in bulk from Unilever and other renowned trusted companies where quality and price can be ensured to our employees.



SOCIAL INCLUSION PROGRAM

As a part our inclusion program, we started employing physically challenged people from our society since our factory is designed fully accessible for these people. With collaboration with Centre for the Rehabilitation of Paralyzed (CRP), we employed one male and one female employee on the task they can handle. More employment will be made from this collaboration based on our requirement and employment opportunities. Visit collaborators website to know more details of their activities: www.crp-bangladesh.org

We are working with more collaboration partners to employ mentally challenged people, qualified senior citizen, third gender etc. as a part of our social inclusion program to ensure that all segments of our society can get opportunities and do not feel ashamed and burden of the society.



RESEARCH WORK ENGAGEMENT

Project title: Assessing the prevalence of elevated Blood Lead Levels (BLLs) and possible sources of exposure among women of reproductive age in Bangladesh

Principal Investigator: Dr. Rehnuma Haque, MBBS, MPH, PhD
Assistant Scientist, Environmental Interventions Unit, Infectious Disease Division, icddr,b & Fogarty Postdoctoral Fellow, School of Medicine, Stanford University, USA- rehnuma.haque@icddr.org, +8801755636851

Objectives:

- 1: Assess prevalence of elevated BLLs among reproductive-aged women
- 2: Investigate sources of Pb exposure
- 3: Evaluate the association between Pb sources and BLLs

Project Description: Lead (Pb) is a potent environmental toxicant and particularly dangerous for pregnant women and young children as lead can pass through the placenta and irreversibly damage developing nervous systems. Lead exposure is estimated to account for 0.6% of the global burden of disease, with the highest burden in developing regions. Recent reductions in the use of lead in petrol, paint and plumbing have resulted in substantial reductions in blood lead levels (BLLs).

Addressing lead sources in Dhaka is critical since BLLs are estimated to be twice as high as in rural Bangladesh, and yet researchers have not identified lead sources that contribute most to the human burden. Hypothesized lead sources include industrially contaminated air or soil from battery recycling or other industries, decorative paints in homes, and the consumption of indigenous medicines and turmeric. This is a collaborative work between Stanford University, USA and icddr,b, in two garments factories, in Dhaka to better understand the potential sources of lead exposure on reproductive-aged women. Based on their location, I have selected two garments factories that are distant from the Used Lead Acid Battery (ULAB) recycling sites and the work environment. The garments factory selected in the Dhamrai area within 200-500 meters of an active lead-acid battery recycling site is one of the finest garments factories equipped with large sets of knitting machines, printing facilities, waste recycling, medical center, and daycare facilities for the workers. The working place environment is improved and toxic-free. Therefore, to prove our hypothesis that ULAB is a predominant environmental exposure source, this selection is justified.

HEALTH INSURANCE

The well-being of our employees are very important as per our core business philosophy. We really do care about their physical health including mental health condition. But due to lack of Bangladesh under developed healthcare system, it is difficult for our employees to get proper treatment with their income source.

So we signed up with Ganashashthay Kendro under financial assistance from the Netherland Development Organization (SNV) to support our workers health treatment cost up to BDT 25,000 per annum including test, hospitalization and medicine. In this project, employees contribution will be BDT 300 and Cute Dress contribution BDT 300 per annum respectively. Our employees are very happy with this collaboration as their cost for healthcare dropped down to almost nothing.



EDUCATION SCHOLARSHIP

We are not only caring about our employees education on skills development, but also signed up with 'Fair & Lovely Foundation' by Unilever; to support our employees children's education. Few of our employees started receiving monthly stipend from the foundation for their meritorious offspring.

Safe workplace

Safety measures protect employees as well as equipment and business properties. Cute Dress considers workplace safety as the first step in effectively protecting employees. The factory premises are employee's second home and Cute Dress is committed to make the second home safe and most comfortable for all. We believe that safety at the workplace results in fewer accidents, which in turn results in fewer costs for employee compensation, less down time for employees, and less retraining time for employees. For accident related compensation, we follow our national law. Compensation is considered based on the injury type of employees, which is clearly mentioned in Bangladesh labour law 2006. Employee performance is improved when employees know how to prevent injuries and have confidence in management's active role in protecting their safety.

Internal Audit Policy

To ensure an effective internal occupational health and safety management system, the factory has an internal audit team. The team consists of compliance representatives, human resource representatives, fire and safety officer as well as welfare representative. Internal audits are conducted on half-yearly basis by internal monitoring team. In addition, after every internal audit, the audit team arranges a meeting. During the meeting, the team discusses audit findings and analyses all issues and propose preventative and corrective actions.



Risk Management

Cute Dress considers risk assessments as an important factor to keep the workplace safe. Our risk management systems are designed to ensure that all our assets are safeguarded and protected against any kind of loss for humans and properties. We carry out and review risk assessments throughout Cute Dress (i.e. production processes, machineries, utility areas etc.), including health & safety, electrical and fire risk at yearly basis. Cute Dress posts information regarding these on the notice board in a particular area. Cute Dress has a risk assessment policy for measures identified in the risk assessment and it is communicated to concern personnel for follow up. In order to find out employees feedback regarding their working condition and overall safety measures, we have conducted a risk assessment in 2021. Cute Dress includes safety committee members in risk assessment process. Also facility communicates identified risk and its preventive measures to the employees through safety committee meeting and training. Cute Dress determines relevant PPE for all areas according to the risk assessment. PPE using sign is also posted in different areas.

Emergency procedure

Unrecognized hazardous conditions may occur that could aggravate an emergency situation and we can only prepare our company by developing an emergency plan and a procedure. Below are our emergency procedure initiatives taken:

Emergency evacuation procedure

Emergency exits are located on each side of the working area at Cute Dress. A minimum of two exits can be found at opposite direction of each other in all the required areas. All the exits are unlocked and marked. Cute Dress has installed outward fire resistance doors. The production floor is well ventilated. Exit signs and emergency lights are installed. Evacuation plans are posted in each stairway.

Emergency response team

The firefighting team is considered as the emergency response team of the factory. The team consists of 25% of the total employees to protect rest of the 75% employees. Those employees are trained to handle emergency situations. Individual responsibility has been assigned for individual team members who are allocated on a specific floor as well as section. Regular mock drills are conducted at Cute Dress. The contact details of the member of emergency response team leader is displayed at each floor exit.

Training and awareness program

Cute Dress has an annual training and awareness program considering all the employees. Cute Dress has spent a total of 40 hours on firefighting training for each participant last year. Moreover, all employees have participated in a training arranged by ACCORD/RSC on emergency response.

Workplace injury and immediate action

Cute Dress keeps injury records (major and minor) and makes yearly summary. An injury related report has been prepared in 2021 and sent for a check by the concerned government authority. A total of 30 minor injuries happened in 2021 and among them 80% were minor needle injuries. But no fatality due to work-related injury or ill health was reported in 2021. Moreover, Cute Dress counts the total lost days due to injury to be able to prevent future occurrence. Cute Dress has conducted an additional injury root cause analysis in 2021 and as a result: introduced preventative and corrective actions. Based on every injury we make an investigation report and provide awareness as well as one to one counselling. Consequently, employees have been trained on the identified root causes and introduced with corrective actions to prevent accident recurrence.

Furthermore, as a preventive action a workplace risk assessment has been done in 2021 to identify workplace hazards. It includes workplace injury, near misses, in all the production and non-production areas and facility workplace.

Internal monitoring options like a medical facility, medical kits, a doctor, a nurse and, first aider are available to respond immediately on any injury related matter. Cute Dress also has an agreement with the nearest hospital to support employees at any emergency.

Workplace Safety Measures

Ensuring work place safety is the top priority at Cute Dress. Based on the risk assessment in 2021, Cute Dress determines relevant personal protective equipment (PPE) for all areas. The PPE using sign is posted in different areas. The required PPE is free of charge for employees and all employees in relevant areas are wearing proper PPE. Cute Dress has taken different safety measures to make the workplace safer. In doing so, Cute Dress considers three major main areas: fire safety, building safety and electric safety.

Building safety

Our building approval was taken from Executive Engineer of “Dhamrai Pourosova” in January 2018 and building safety audit was done by ACCORD. Also Detailed Engineering Assessment (DEA) has been conducted and approved by ACCORD. Building layout approval was taken on February 2018. A designated concern Engineer monitors and observes building structure and other safety areas and prepares a summary on an yearly basis. In addition, the factory is certified from U.S. Green Building Council (USGBC). Cute Dress achieved “Platinum” category certification scoring 87 points out of 110 points. Cute Dress always prioritise building security and uses power saving equipment.

Electrical safety

Cute Dress has an electrical safety policy to reduce electrical risks. Cute Dress maintains local law and international standard as well as their buyer CoCs (Code of Conducts) to ensure electrical safety. We have appointed experts such as Electrical Engineers, Mechanical Engineers and certified Electricians at Cute Dress for electrical activity. The general cabling system for building is designed according to local law. Permanent conduit wiring is in good conditions with no broken junctions or wires sticking out at the ends of the conduit. Electrical wiring and wiring rails are kept properly. Also storage of materials in and around all electrical panels, transformers etc. are kept away to allow immediate access in the event of an emergency and prevent fire from arching parts. In addition, the facility inspects all electrical insulation resistance, earthing performed by government approved third party authority on a yearly basis.



Fire safety

Cute Dress has its own Fire safety policy. A fire safety license has been obtained from the government authority. It covers all areas. Cute Dress has an emergency fire safety response team as well as, a fire and safety concern personnel to ensure fire safety at the workplace. Cute Dress regularly arranges a fire safety training for all employees. These trainings shall help them to respond to any emergency fire condition. Cute Dress has installed necessary fire and safety equipment such as fire extinguisher, fire hose, automatic fire alarm system, fire hydrant system, smoke detector, emergency light.

HUMAN RIGHTS

Cute Dress addresses various human rights issues responsibly including child labour, forced labour, discrimination, freedom of association & collective bargaining and anti-corruption. By developing the standard of life and meeting different fundamental of workers' rights, the company complies with national and international norms. By this way, it creates a healthy environment for doing sustainable business with mutual trust among the owner and the workers. During the reporting period there were no instances of reported human rights violation or other discriminations.

Child Labour

Cute Dress does not engage in any form of child labour. Cute Dress totally restricts the child labour for any type of work. During hiring process they maintained this strictly. Cute Dress has a written policy and procedure on minimum age for working and they strictly follow this. Cute Dress starts the hiring process only if the minimum age limit of work comply with the potential employee's age. For age verification national ID card, birth certificate, school certificate or the registered doctor age certificate is accepted by Cute Dress.

Cute Dress always pays strict attention and carefully deals with the hiring process so that no case of child labour occurs. In the absence of age documents, the potential employee is to be verified and confirmed by the registered doctor available at the factory.

Forced Labour

Cute Dress maintains employment strictly on a voluntary basis. The company has a documented policy on forced labour. According to local law no prison employee is allowed work outside of the prison in Bangladesh. So Cute Dress does not employ any indentured, bonded, trafficked labour or prison inmates. Cute Dress does not engage any broker or agent for supplying employees to the factory. All recruitment is done directly by the HR department. Overtime work is voluntary for all employees, ensuring that they have the right to decline work.

Cute Dress maintains their policy on working hour and overtime hour. Moreover, management accepts employee leave application or any type of early leave from work station according to their need. The freedom of movement of employees is not restricted except for the protection of property and security of factory personnel. Cute Dress has a training program and materials to train relevant individuals, including all individuals responsible for the hiring process. At Cute Dress, there are policies and procedures prohibiting forced, prison, indentured, bonded, or trafficked labour. Also Cute Dress has an assigned compliance team and welfare officer to monitor and ensure compliance and remediation of Cute Dress's policy on force labour and keep the procedures in practice.

Non-discrimination

Cute Dress ensures that all terms and conditions of employment are based on an individual's ability to do the job, and not on the basis of any personal characteristics or beliefs. Cute Dress pays equally with the same job responsibilities and experience for both male and female employees. Moreover, Cute Dress does not request pregnancy test during or after the recruitment period. The facility has developed a discrimination policy and procedures to ensure compliance and remediation. Cute Dress management has posted the non-discrimination policy in different area mostly on the policy board with local language which is easily visible for all employees. The management of the facility arranges training on awareness of discrimination in regularly basis.

Freedom of association and collective bargain

Cute Dress has a policy and procedure for Freedom of Association which are communicated with the workers. We respect the freedom of each employee to choose for him- or her-self whether or not to join a workers' association. The management respects workers' rights to bargain collectively. The facility has no trade union but formed a Participation Committee (PC) as parallel means. As per law the Committee was formed through Election. The committee consists of twelve members and among them six are from workers and six are from management. Regular meetings are held between the workers' representative and the management once in every two months. Meeting minutes are kept by the facility and communicated with the workers through notice board. Meeting minutes are also send to Labour Department (legal authority) as per law. Workers' representatives /committee members are consulted in dealing with any working condition related issues from the factory. The management is always positive about solving issues raised by the PC members.

Anti-corruption

Cute Dress has an anti-corruption and anti-bribery policy. It is our policy to conduct all of our business in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. The purpose of this policy is to establish control to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the company's business is conducted in a socially responsible manner. The policy has been communicated with staffs, workers and management through training and policy displayed in board. We have announced a prize of BDT 2,000 for informing any kind of corruption or bribery in the factory.

GRIEVANCE MECHANISM

Cute Dress believes that acknowledgement of grievances and its solution could drive factory to achieve its ultimate goal. Cute Dress created grievance mechanisms to learn and resolve both employee and external concerns and maintain harmonious relationships between workers, factory management and the community. Overall grievance mechanism of the facility is divided into two parts: Internal and External.

Internal Grievance Mechanism

Cute Dress is aware that workers often lack options and resources to protect themselves from unfair treatment at work. This awareness has driven the determination to establish multiple internal grievance channels with multilingual access to hear and resolve complaints in a way that ensures confidentiality and non-retaliation.

Grievance handling Committee

Cute Dress has a Grievance Handling Committee including workers committee members, Welfare officer and member of the management team who exercise the grievance procedures very professionally and encourage employees to express their concerns without hesitation through the complaint management system.

Way of lodging grievances

Workers feel comfortable sharing any concern that they might have with the Welfare Officers. Cute Dress processes the grievances both formally and informally. These include:

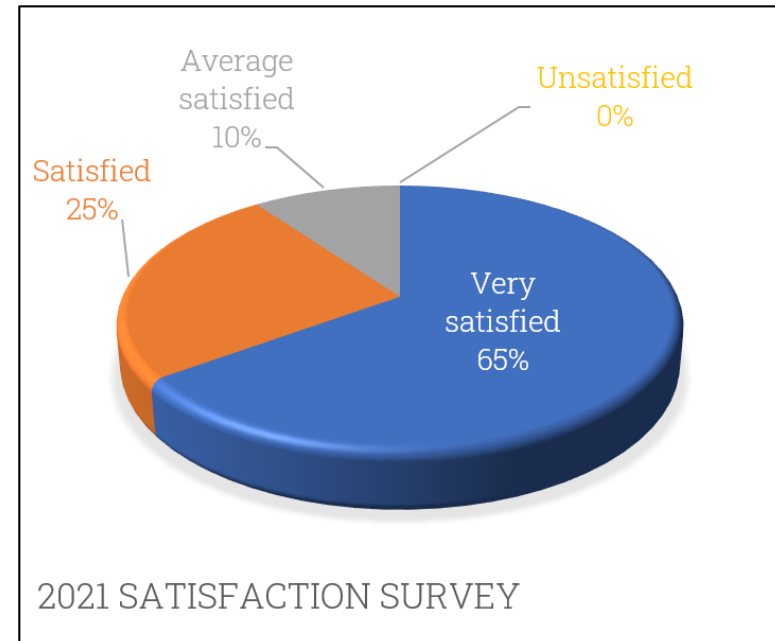
- **The Suggestion Box:** Workers can put in their issues in written form and drop them in the boxes confidentially. Multiple boxes are placed on each floor. Designated people check these every week and the grievances are recorded in a register and resolved by the Grievance Committee immediately.
- **Open Hotline No:** +880 1716 628825, however this number is not free of charge.
- **Verbal complaint:** Workers can inform verbally to Officers from the Welfare, Compliance, Human Resource (HR), and/or Admin departments or to their Supervisor or Line Chief.

External Grievance Mechanism

Cute Dress initiated two mechanism on collecting grievances from external people including local community. A suggestion box has been placed outside the factory premises to collect grievances from community. There is an open hotline number through which anyone can raise any concern. Grievance handling procedure for external grievances are same as Internal grievance handling.

Survey on Grievance Mechanism

To be informed about the effectiveness of grievance mechanism, Cute Dress has conducted survey on Grievance mechanism with 100% of its employees in 2021. Feedback was positive from the workers and all workers are happy about the grievance mechanism.



AUDIT UPDATES



The Business Social Compliance Initiative (BSCI) is a leading supply chain management system that supports companies to drive social compliance and improvements within the factories and firms in their global supply chains. BSCI implements the principle international labour standards protecting workers' rights such as International Labour Organization (ILO) conventions and declarations, the United Nations (UN) Guiding Principles on Business and Human Rights and guidelines for multinational enterprises of the Organization for Economic Co-operation and Development (OECD).

Cute Dress is a BSCI audited factory where out of 13 performance area (PA) Cute Dress was rated 'A' in 12 performance areas. As identified by the BSCI rating system, our company is considered as a good performing company in terms of social compliance, labour rights and working condition.

We are committed to improve further. Please visit www.amfori.org for more details.



On 14 January 2020, Representatives of the BGMEA and the Steering Committee of the Accord on Fire and Building Safety in Bangladesh signed an agreement on transition to RMG Sustainability Council. Therefore, on 1 June 2020 the RSC has inherited the operations, staff, policies and infrastructure of the local Bangladesh Accord office. The RSC is now equipped to implement health and safety inspections and remediation monitoring, safety training and safety complaints handling functions. The RSC is committed to making key aspects of the programme publicly available, including initial inspection reports and remediation progress through up-to-date CAPs.

Through the work of the RSC, covered factories will be able to complete their existing CAPs and ensure that all outstanding safety issues are remediated and verified as correctly fixed, and that the labour-management Safety Committees in the factories are equipped and empowered to monitor and address workplace safety on a daily basis. The RSC will operate within the regulatory framework of the laws of Bangladesh, closely co-operating with and supporting the relevant regulatory agencies of the Government of Bangladesh.

Our factory CAPs and remediation updates will be found in this link: <https://rsc-bd.org/en/factories>

Once the final audit will be done and the 'Letter of Recognitions' will be issued; we will update the record here.

AWARD



With recommendation from our partner brands in Denmark, Cute Dress was selected in a pilot project named 'Step Up' in association with Danish Fashion and Textile, Denmark. The 'Step Up' project is a capacity building program for CSR and compliance improvements based on due diligence management and productivity improvement concept with partnership between Bangladesh Garment Manufacturers and Exporter Association, WEAR/ Danish Chamber of Commerce and Danish Fashion Institute.

Among the participants factory Cute Dress was awarded for outstanding commitment and extraordinary effort in Step Up project in Bangladesh and was considered as 'responsible production as a business driver'.

As an award winner company, Cute Dress got chance to showcase 'sustainable product' at Innovation Forum in Copenhagen Fashion Summit in 2019 and has been praised by many brands who participated in the summit.



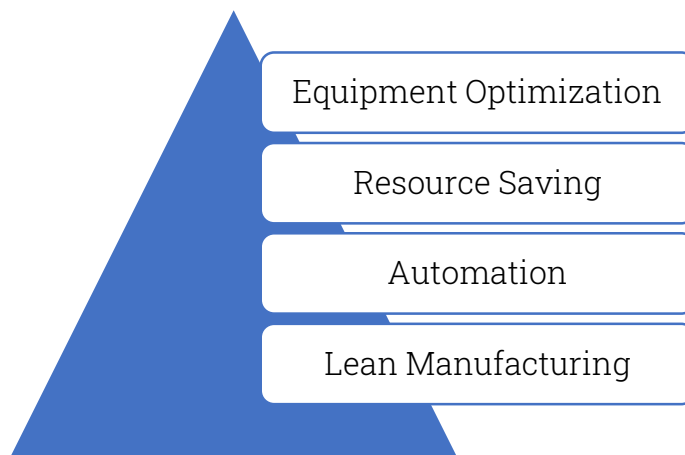
Environmental Development

MAJOR PROCESS

The environment and ecosystem are key to ensuring survival of human kind and its future generations. In contrast, our existing RMG industry and their practices are one of the major contributors in destruction of the environment and ecosystem through creation of excessive water, air, & sound pollution, creating anomalies in the natural ecosystem and rendering natural resources unusable to the communities. Consequently, the environmental condition has reached an edge and further damage will directly affect health of human lives. It is for this reason, all the environmental organizations, political and business leaders, influential and famous figures have come together and unified for the cause of protecting and rehabilitating the environment through unified and individual efforts. In accordance, Cute Dress prioritizes environmental sustainability and attempts to decrease generation of their carbon footprint, water consumption, and waste from the manufacturing processes. Furthermore, we are dedicated to conserve energy, manage waste effectively and replenish the natural resources to the best of its capacity.

How we act?

We are committed to continuous improvement of all our business processes: ranging from purchasing raw materials to transporting final finished goods. We strongly emphasize on eliminating non-value-added activities while delivering quality products on time with greater efficiency with minimum effect on the environment.



Equipment Optimization

Cute Dress has designed a default set of operations to optimize the environmental impacts from 2019. As per company policy when we buy an equipment, first we consider all environmental parameters like energy consumption, waste control process, efficiency etc. before we look into its price and other services. For example, when we chose to buy our lights in the factory we have chosen LED light even though it was a big investment. When we bought our VRF (Variable Refrigerant Flow) system we considered COP (Coefficient of Performance) value and energy efficiency rather than buying a cheap one.

Resource Saving

Saving raw materials and resources are key processes in our production system. We always double check when we cut fabrics and use materials so that we can save resources. Plus, we also monitor the use of energy and water in our process so that we can save at the optimum level.

Automation

We have started adopting automation in our process. In 2020, we invested more in process automation like sewing machine with auto thread cutter, high efficient sewing machine, energy saving vacuum iron table etc. However, CCTV, LAN, Access Control etc. infrastructure are also installed. In 2021, we signed up with PrideSys to start implementation of ERP (Enterprise Resource Planning) software and the program will be ready for operation by end of 2022.

Lean Manufacturing

Lean manufacturing is a business model and collection of tactical methods that emphasize eliminating waste while delivering quality products on time. From the day one of our operation, we have started practicing it and our whole operation is run by a professional IE (industrial Engineer) team.

ENERGY CONSUMPTION

Natural gas is the main source of energy in Bangladesh. Government uses mostly natural gas to produce electricity in Bangladesh and later this electricity is supplied through the power grid. Apart from that, diesel and other fuel oils are also used. Bangladesh government has a plan to establish a nuclear power plant. Supply electricity is the main source of power for Small and Medium Enterprises. However, big enterprises have their own power generation system. Most of them are gas generators.

Cute Dress primarily makes use of both renewable and non-renewable energy sources for its operations. Management of Cute Dress is aware about this use. It has the focus to increase the use of renewable energy in the factory. Electricity was used from National Grid, BREB (Bangladesh Rural Electrification Board) and solar system, Diesel and Compressed Natural Gas (CNG) were used in 2021. Total energy consumption was approximately 1,397,927 kWh in 2021. From January 2021 to December 2021 we produced 1,681,537 pcs of garments which means Cute Dress consumed 0.8313 kWh energy to process one piece of garments.

Energy Saving Measures

We have Energy Monitoring System for both Supply Electricity and Solar Electricity. We have total 3 Electricity Meter (Main 2 + Solar 1). Among the 2 main meters, 1 for In and another for Out to National Grid Supply by factory. Following energy Saving Measures we have been taken in our factory:

- LED lights: 655 pcs, 40 watt each being lit for 8 hours per day
- Servo Motors (all sewing machines) of 425 watt each
- VRF (Variable Referent Flow) system + Lift
- Office area + Conference Room + Washrooms: Sensor based light switches

Energy Source	Actual Consumption	Equivalent Energy Value
National Grid (REB) Electricity	386,818 kWh	386,818 kWh
Solar Electricity	75,408 kWh	75,408 kWh
Diesel	20,416 liter	193,952 kWh
CNG for Vehicles	70,308 m ³	741,749 kWh
Total	-	1,397,927 kWh

Table 2: Status of Energy Consumption in 2021

Solar details: Actual in 2021; REB 386,818 kWh (84%) and Solar 75,408 kWh (16%). A 53-kW solar power generation was set up in 2019. Further renewable energy projects will be implemented in the coming years. Residual solar electricity, after usage in the factory, is supplied to the National Grid which is around 8,771 kWh. Cute Dress targets to reduce up to 10% energy in the production processes in 2022. By 2025, Cute Dress has a target to get 50% electricity from renewable source with the collaboration of government initiative or partnership with brands.



Overall Energy Consumption (kWh)

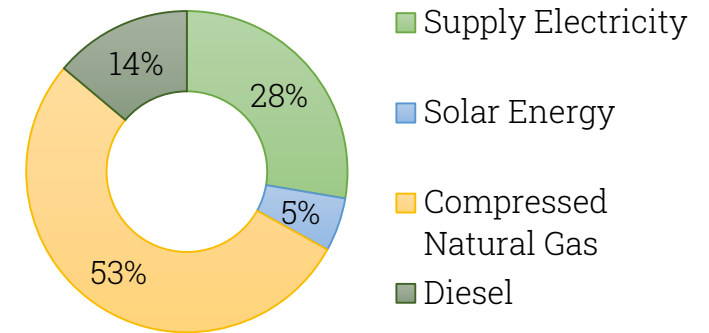


Figure 5 : Overall energy consumption ratio in 2021

Electricity Consumption Sources (kWh)

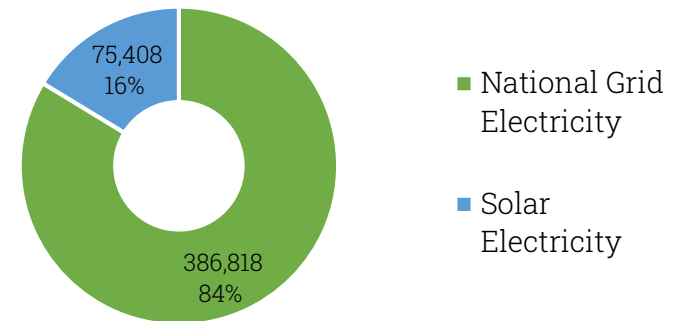


Figure 6 : Electricity consumption sources ratio in 2021

GREENHOUSE GAS (GHG) EMISSIONS

Carbon dioxide, Methane, Nitrous oxide and Fluorinated gases (consisting Hydrofluorocarbons, perfluorocarbons , etc.) are greenhouse gases. These gases are mostly emitted from various industrial processes and are responsible for trapping heat in the atmosphere which drives global climate change. In July 2019, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) joined the Fashion Industry Charter for Climate Action (an initiative convened by the UN Climate Change) and made a commitment to analyse and set a decarbonisation pathway for the RMG Industry which includes a target of 30% greenhouse gas (GHG) emission reductions by 2030.

Cute Dress emitted 185,142 kg of CO₂e by consuming diesel, octane and CNG in 2021; From January 2021 to December 2021 we produced 1,681,537 pcs of garments which means it emitted 110 gram of CO₂e to manufacture one piece of garment which a bit higher than last year. Based on this emissions data as per UN Climate Change target we have to reduce our CO₂e emissions up to 80 gram of by 2030. The graph shows how we should be improving our emissions. In next year, we will again measure our emissions per piece and compare with this year data to see how far we have improved so far.

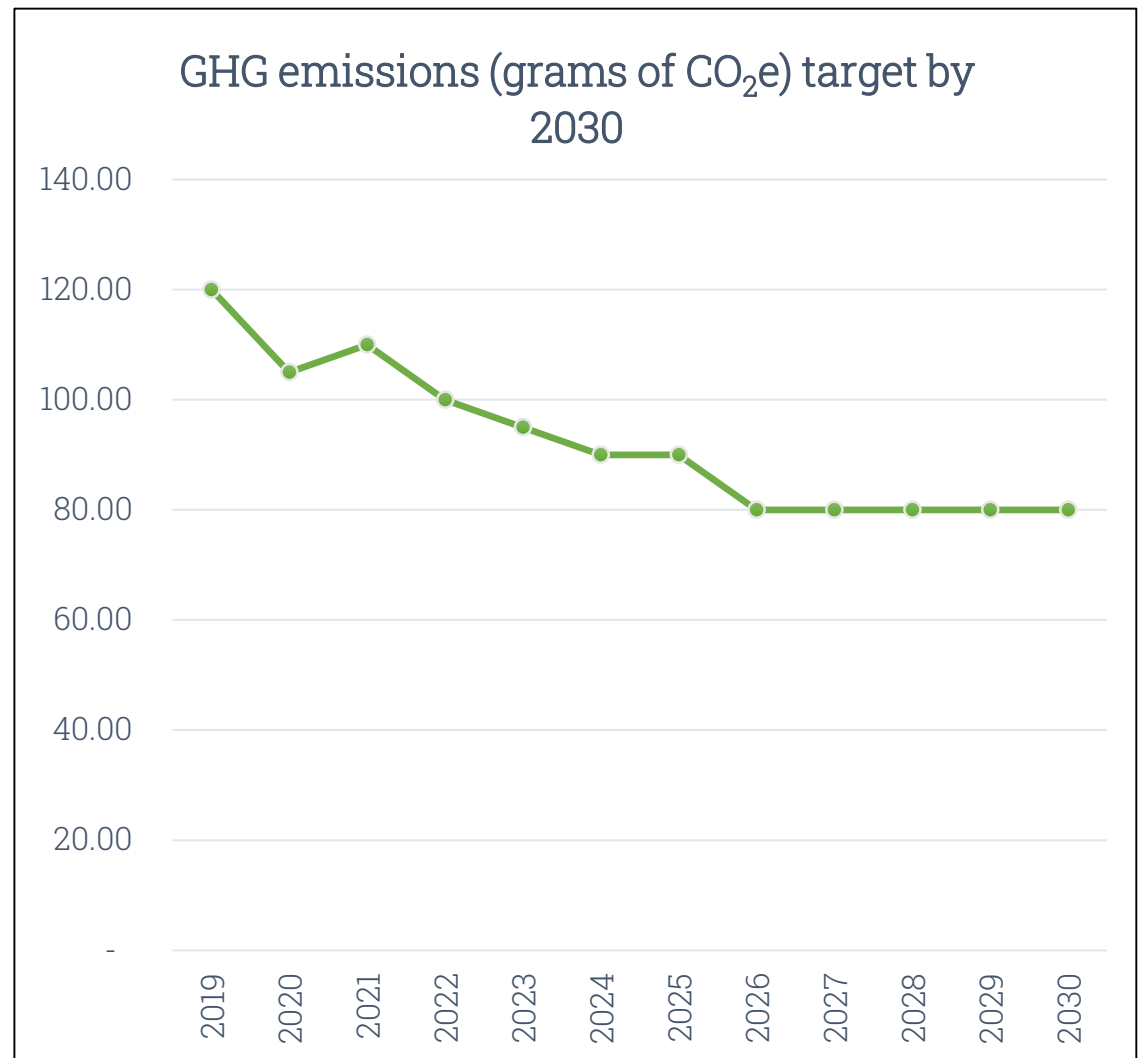


Figure 7: Target of GHG emissions per pieces of garment produced



GHG Reduction Measures

Cute Dress believes that GHG reduction measures constitute an economic benefit by reducing the impacts of climate change, and the costs associated with them. In addition, they can bring economic benefits by reducing local air pollution and energy resource depletion.

Following GHG reduction measures have been taken by the factory:

- Complementary Car Charging point for all cars.
- 80% of employees of Cute Dress commute using company buses. 6 buses have been designated to transport to following routes: Nabinagar, Manikganj, Kawlipara and Sutipara.
- We are encouraging our employees for tree plantation through our Green Education project.
- More than 10% of the workforce are using bicycle to commute to factory premises.
- Some employees have their own bikes or cars.

WATER CONSUMPTION

Bangladesh is known as a riverine country. In spite of that our industries are dependent on the ground water. Water from river is not usable due to water pollution. As everyone is dependent on the ground water, the ground water level is going down day by day, sometimes there is scarcity of water during the dry season. People are being aware about this and are using water efficiently.

Cute Dress is keen to reduce its fresh water consumption in the process of the factory. It wants to increase the use of recycled water in the factory. It focuses to implement different things to do and as a result the pressure to its ground water extraction, which is the only source of fresh water for Cute Dress, will be reduced.

Total 11,301,370 litres of water was used in 2021; approximately 21% of which was recycled. From January 2021 to December 2021 we produced 1,681,537 pcs of garments which means Cute Dress consumed approximately 5.27 Litres of ground water to export one piece of garment.

Water Savings Measures

Low-flow water taps

In 2018, Cute Dress installed low-flow water taps, faucets, toilet flush system etc. to control excessive use of water.

Recycling water

In 2018, Cute Dress installed water recycling tank to recycle grey water collection from hand wash, shower, ablution, rainwater etc. grey waters are filtered through 3-stages and those water are used for gardening, toilet flushes, car wash etc.

Green Education

To educate the employees regarding the importance of water saving in the premises and their life; enough number of green education signage are hanged in all visible places.

Water Source	Actual Consumption (litre)
Ground Water	8,875,910
Recycled Water	2,425,760
Total	11,301,370

Table 3: Status of Water Consumption in 2021

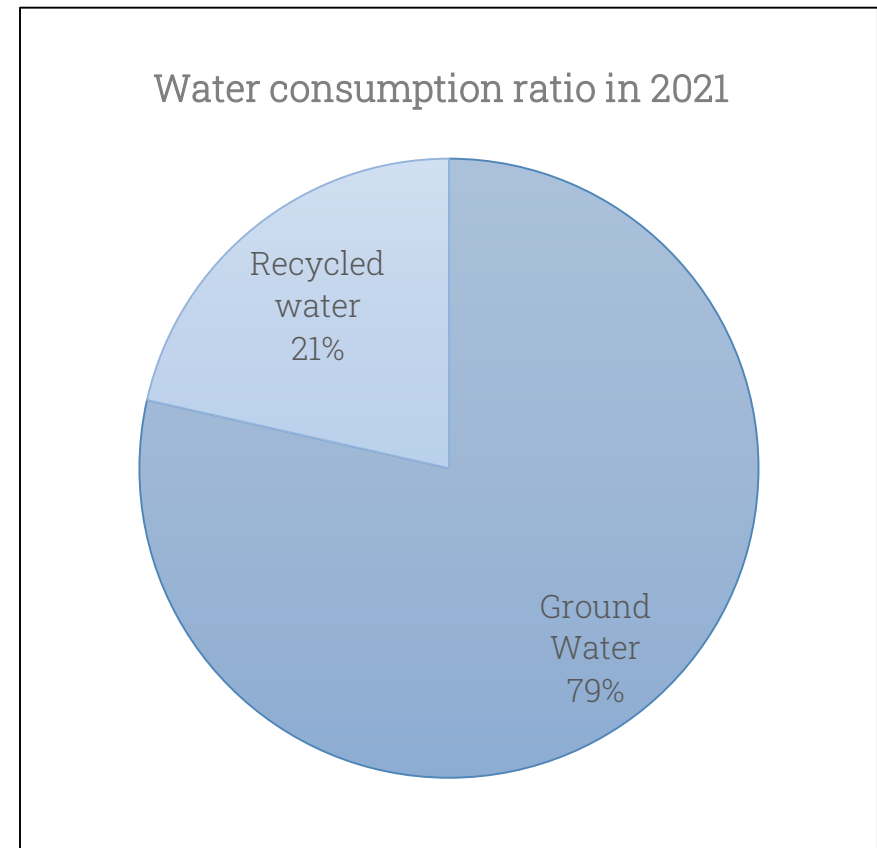


Figure 8: Water consumption ratio in 2021

WASTE MANAGEMENT

Waste management is essential for neatness of the whole world. The entire population's health and environmental protection depend upon it. Bangladesh faces many challenges in waste management due to its large, rapidly growing population and unprecedented industrial growth. In 2021, the RMG sector solely contributed to more than 84 percent of the country's export leading to mass and unaccounted generation of waste.

Solid waste

Cute Dress actively monitors the waste management process from the creation of waste to its disposal. We have waste management policy to ensure proper management of waste. Coloured waste bins are available in each production floor to ensure separation of waste in assigned categories before disposal. Employees such as sweepers and cleaners are explicitly trained on this sorting of waste to be done on daily basis. Cute Dress has setup a system in the production system to control its waste.

Waste control measures

Cute Dress maintains segregation of waste at sources. All the solid waste produced are categorized into two categories (Hazardous and non-hazardous). From the Non-hazardous wastages like fabrics, polybags and papers constitute 80% of the non-hazardous waste. Main target of the factory is to reduce production of cut pieces.

All employees are strictly instructed to carefully control the cut pieces of cloth so that the scrap pieces are minimal. Subsequently, they deposit the scrap pieces in designated Waste Rooms, which are then scanned by the recycling team for any possible recyclable material and classified into Metal, Fabric, Polythene and Plastic wastes. Finally, wastes are sold to the recycling traders.

Aside from this, mass production of clothes result in large unsold inventories which often result in being destroyed, which contributes to magnifying its carbon footprint. Cute Dress operates only on in-demand basis which produces less unsold inventory.

SOLID WASTE SENT FOR RECYCLING in 2021



Figure 9: Pictorial info of Waste Sent for Recycling in 2021

LIQUID WASTE MANAGEMENT

The second category of waste produced at Cute Dress is liquid waste or waste water. Unlike construction, leather or textile industry, ready made garment manufacturing factories generally does not generate hazardous effluent water containing heavy metals, dyes, chemicals, etc. However, a significant amount of grey water (used water without toxic chemical or excrement) and black water (contaminated water with toxic chemical or excrement) are produced each day. Hence, it is our responsibility to ensure that we release only clean water into the natural environment. Below we have explained how we manage these waste water.

Recycling grey Water for Reuse

We have installed water recycling tank to recycle grey water collection from hand wash, shower, ablution etc. Grey waters are filtered through 3-stages and those water are used for Gardening, Toilet Flushes, Car Wash etc.

- In 2021, we have collected and recycled 2,425,760 litres of grey water
- Water recycling tank efficiency is more than 80%

Sewage Treatment Process for Black Water

We have our own Sewage black water filtration system to treat the water before discharge for landfill or nearby lake. But we do not measure the amount of water filtered every day because we are going to install a Sewage Treatment Plant (STP) soon which will convert all black water into grey water for recycling purpose. Our project expansion will start soon and it will have ETP, STP, WTP etc. and we have a target to make our factory as ZLD (Zero Liquid Discharge) factory.



CIRCULAR FASHION PARTNERSHIP



Recently Cute Dress become member of Reverse Resource Network. Reverse Resources (RR) is a tracking and trading platform for textile waste, providing 360 degree transparency of the waste flows. It's like an Uber of textile waste. Recycling textiles to fashion products is no more a technical challenge. It's a problem of blocked access to waste, incomplete waste data and inflated prices caused by the current waste handling and trading practices.

RR holds a key to a large global network of critical stakeholders. They match the supply and demand, break down market barriers, shorten supply chains and thereby increasing value along the way. They help to bring down the cost of textile-to-textile recycling and support the scale-up of circular economy.

Waste sent to Reverse Resource Platform

In 2021, we sent total 5,652 kg of cut piece fabric to this platform and they used this cut piece to convert them into yarn. These yarn are GRS (Global Recycled Standard) certified yarn as pre-consumer waste.



Congratulations Cute Dress Industry Ltd!

Thank you for signing up with Reverse Resources. We would like to congratulate you with your official **Reverse Resources Network Membership**.

You have successfully met the membership's criteria:

- signed the MOU for the Circular Fashion Partnership
- successfully concluded the Reverse Resources SOP training
- started registering your segregated waste on our platform

Congratulations! We look forward to working with you.

With kind regards,

Place and date of issue:

August 17, 2021

Stamp of the issuing body:

Signature of the authorized person of the verifier:

Name:

Ann Runnel



CERTIFICATE



Cute Dress Industry Ltd. is LEED Platinum certified factory in Bangladesh. The rating system is devised by US Green Building Council.

Cute Dress achieved 87 points out 110 points in different parameters. All instructions were followed properly from the beginning of construction period till commissioning of the project.

Besides, Cute Dress also has environmental clearance from Bangladesh Department of Environment, Energy Regulatory Commission and other local authorities.

LEED Facts

for LEED BD+C: New Construction (v2009)

Certification awarded Sep 2019

Platinum 87

Sustainable sites 24/26

Water efficiency 8/10

Energy & atmosphere 28/35

Material & resources 6/14

Indoor environmental quality 11/15

Innovation 6/6

Regional priority credits 4/4

Initiatives taken to achieve LEED Certification in 2019

Energy consumption reduced about 40%

- Energy saving LED lights
- Energy saving servo motors
- High efficient VRF system (Variable Refrigerant Flow) is used as a means of heat recovery systems for simultaneous heating and cooling in certain areas
- Energy monitoring system with separate energy meter
- Low-emissivity (Low-e) glass has been used to reduce heat and noise. This glass allows sun light to enter and illuminate areas with minimal transmission of infrared and ultraviolet rays.
- Solar panel producing 20%+ of total energy

Air quality management

- Indoor gardening
- Bicycle parking
- Carpool preferred parking
- Huge amount of fresh air circulation
- Enough daylight for whole building

Water consumption reduced about 44%

- Low-flow water fixtures
- Waste water recycling system to reuse in toilet flush, gardening etc.

Waste management

- Segregation of waste materials like fabric, paper, plastic etc.
- Selling the waste to recycler
- No landfill



CUTE DRESS INDUSTRY LTD

Dhaka, Bangladesh

HAS FULFILLED THE REQUIREMENTS OF THE LEED GREEN BUILDING RATING SYSTEM CERTIFICATION ESTABLISHED BY THE U.S. GREEN BUILDING COUNCIL AND VERIFIED BY GREEN BUSINESS CERTIFICATION INC.

LEED 2009
NEW CONSTRUCTION AND MAJOR RENOVATIONS

PLATINUM

September 2019

Mahesh Ramanujam

MAHESH RAMANUJAM, PRESIDENT & CEO, U.S. GREEN BUILDING COUNCIL,
PRESIDENT & CEO, GREEN BUSINESS CERTIFICATION INC.

Economic Development

ECONOMIC SUSTAINABILITY

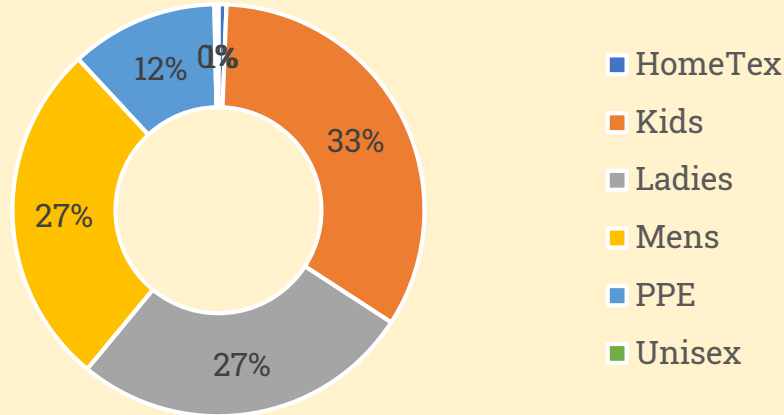
Since economy of Bangladesh is driven by the ready-made garment industry, our contribution towards our economic performance is very important for our daily living. Cute Dress's export revenue has risen steadily every year and our strong financial growth will help us to make our company sustainable. If we can continue taking care of our people and planet, we will become an established manufacturing brand. Here is a summarized diagram of our business model for economic sustainability.



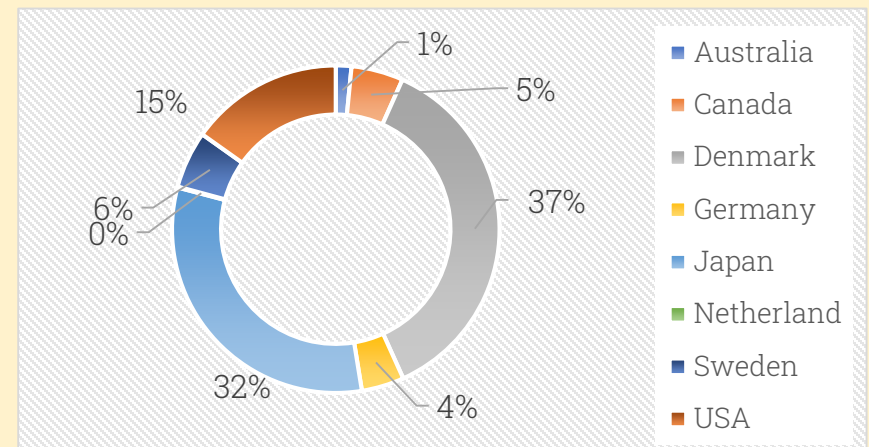
ECONOMIC SUMMARY

Here we would like to depict our economic summary to showcase what kind of products we are producing in terms of target group distribution and the countries to which our goods are exported. Also we would like to inform that Cute Dress started its journey since 2008 from Narayanganj and we have been observing a steady financial growth. Also we are happy to see how much employment we have generated in last 14 years of manufacturing journey. The below financial data analysed based on July to June fiscal year.

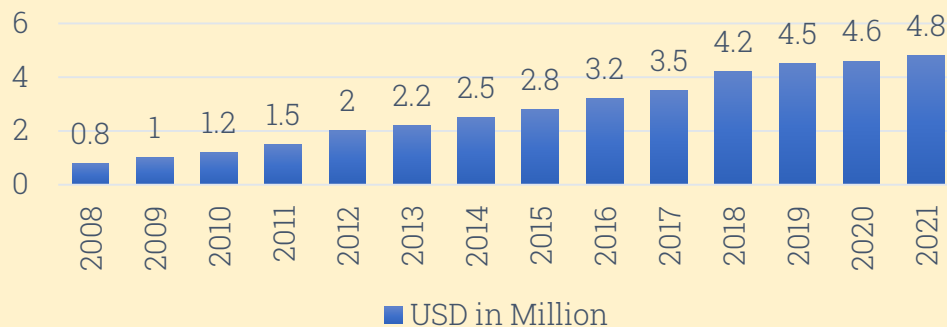
PRODUCT CATEGORY BY REVENUE



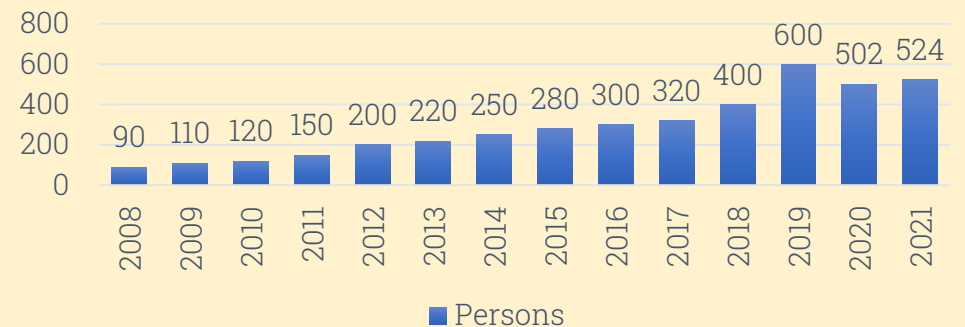
EXPORT REVENUE BY COUNTRY



FISCAL YEAR REVENUE TREND FOR LAST 14 YEARS



FISCAL YEAR EMPLOYMENT GENERATION FOR LAST 14 YEARS



USE OF MATERIALS



OUR STRENGTH IN NATURAL FIBRE

To reduce plastic consumption in fashion industry, we have always advised our buyers to use their products using natural materials. Recently, we are emphasising on sustainable fibres so that the supply chain can be traceable, transparent and the end consumer can enjoy sustainable products. In the below table, we have tried to depict what kind of fibres we are offering and it shows our strength and capabilities. Since Cute Dress is GOTS, OCS, GRS, RWS, Oeko-tex etc. certified, so our buyers can get a hassle-free one stop supply chain. This is connected to UN **SGD-12**.

COTTON & BLENDS

- Organic cotton
- BCI Cotton
- Pima cotton
- African cotton
- USA cotton
- Regular cotton
- Cotton melange
- Cotton blend with spandex
- Cotton blend with polyester
- Cotton blend with viscose
- Cotton blend with modal
- Cotton blend with tencel
- Cotton blend with bamboo
- Cotton blend with wool
- Cotton blend with linen
- Cotton blend with hemp
- Cotton blend with inject polyester
- Cotton blend with cloud polyester
- Cotton blend with neps
- Cotton blend with recycled poly
- Open end cotton yarn

EXCLUSIVE FIBERS

- Merino wool and melange
 - Wool blend with bamboo
 - Wool blend with cotton
 - Wool blend with silk
 - Vegan wool blend with cotton
 - Cupro and blend with spandex
 - Lyocel and blend with cotton
 - Lyocel and blend with linen
 - Viscose and melange
 - Modal and melange
 - Tencel and melange
 - Bamboo and melange
 - Linen and blend with cotton
 - Linen and blend with viscose
 - Hemp and blend with cotton
- And many more ...



SUSTAINABLE FIBERS



- 'organic'
- 100% Organic Cotton (GOTS)
- Upto 95% Organic Cotton blend with elastane / recycled polyester / viscose / modal / tencel / bamboo / linen / hemp / wool / kapok / silk
- 'made with organic'
- Upto 70% Organic Cotton blend with elastane / recycled polyester / viscose / modal / tencel / bamboo / linen / hemp / wool / kapok / silk



- 100% Organic Cotton (OCS)
- Upto 5% Organic cotton blend with elastane / recycled polyester / viscose / modal / tencel / bamboo / linen / hemp / wool / kapok / silk



- Recycled cotton blend with organic cotton / recycled polyester / recycled wool /
- Recycled polyester blend with elastane / cotton/ viscose / modal / tencel / bamboo / linen / hemp / wool / kapok / silk
- Recycle wool and blend with recycle fibre



- TRACEABLE MAN-MADE CELLULOSIC fibre**
- Lenzing ECOVERO, TENCEL etc.
- FSC/PEFC certified viscose



INNOVATION OF FABRICS

Cute Dress is very proud to be an innovator of new fabrics and we have more than 800+ types of fabrics in our fabric library. Most of our fabrics are made and sourced in Bangladesh by using all possibilities and capabilities of local resources. But in some cases we also have to depend on international sourcing to achieve the best output of the products our buyers are looking for. Here is the infographic reference of what we are capable of producing.



VALUE ADDITION ON GARMENT

Cute Dress is not only offering sustainable garment but also has many other add-ons to make the garment look better, fashion trendy and sellable. We have our own onsite embroidery unit, digital printing and screen printing setup. But we also do sub-contracting of all kinds of allover printing, garment dye and some hand works. Here are the list of the quality parameters for your ready reference. Many of these processes can be processed in a sustainable way.

PLACEMENT PRINT

- Digital
- Pigment
- Plastisol
- High density
- Puff
- Foil
- Flock
- Glitter
- Metallic
- Cracked
- Sublimation
- Transfer
- Spray
- Discharge
- Burn-out
- Sublimation

EMBROIDERY

- Flat stitch
- 2D
- 3D
- Chenille
- Sequins
- Patchwork
- Cotton thread
- Emb with print
- Cut hole
- Felt
- Cording

ALLOVER PRINT

- Pigment
- Rubber
- Reactive
- Discharge
- Puff
- Burn-out
- Glitter
- Metallic

WASHING/ PIECE DYED

- Washed look
- Pigment dyed
- Enzyme wash
- Uneven wash
- Destroy wash
- Crinkle wash
- Tie-dye
- Dip-dye

HAND WORKS

- Hand embroidery
- Hand stich
- Sequins
- Beading works
- Stone works
- Hotfix

SUSTAINABLE ACCESSORIES

Besides regular accessories for sewing and packaging; by following the 3R (reuse, reduce, recycle) concept Cute Dress also offers sustainable accessories to the brands. For example, sewing thread can be from recycled polyester; polybag can be sourced from recycled polybag; woven labels can be made from recycled polyester etc. We can also offer paper tags from recycled cotton or source FSC/PEFC certified paper products. Additionally, buttons, zipper etc. type of accessories can be sourced from recycled materials. Last but not least, desiccant from the polymer materials are no long in use; we are using eco desiccant for all our brands. Our eco desiccants are made of natural ingredients and are easily biodegradable when landfilled. This is also directly connected to UN **SGD-12** and we are encouraging our buyers to use them.



CERTIFICATION AND TRACEABILITY

Certified and traceable products are creating confidence and trust to the end consumer as a demanding trends in fashion industry. Cute Dress considered this issue as a serious subject matter to consider while making the product and to make the production process authentic and trustworthy. To offer transparency in our production process, we have proved ourselves by being a LEED certified green factory in terms of taking care of planet; we have showcased our commitment in BSCI, StepUp and ACCORD in terms of caring for people and lastly our GOTS, OCS, GRS, RWS, Oeko-tex, BCI, US Cotton and following REACH directives have proven that our products are made from sustainable source and materials.



SUSTAINABLE AND RESPONSIBLE CHOICE

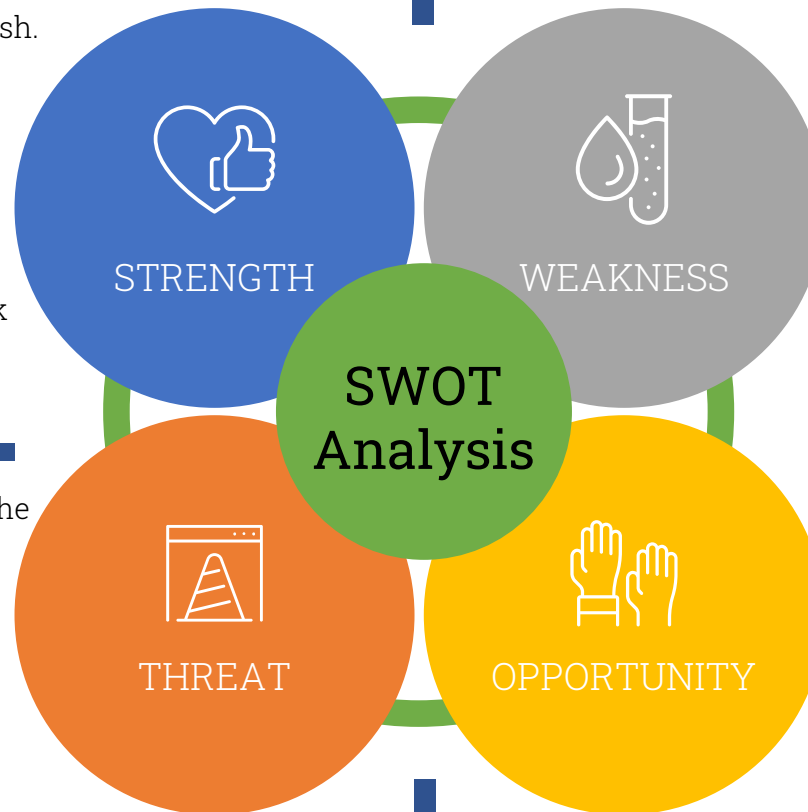
Cute Dress is offering the below table of fibre composition to the brands to find their pathway towards sustainability. It means that while designing a sustainable product the below solution packages can offer them a guideline to make their product competitive and cost-effective. The table demonstrates for designers what kind of traceable fibre they should chose, what kind of dyeing method they should select and what kind of accessories they can select to make the product sustainably.

Fibre composition	Certification / Traceability	Dyeing Impact (Medium)	Dyeing Impact (Low)	Cotton Base Accessories	Polymer Accessories	Paper Product
Conventional Cotton		 18.HBD.32941 HOHENSTEIN HTTI				
GOTS Organic Cotton (up to 95%)		 18.HBD.32941 HOHENSTEIN HTTI				
GOTS Organic Cotton (up to 70%)		 18.HBD.32941 HOHENSTEIN HTTI				
100% Organic Cotton		 18.HBD.32941 HOHENSTEIN HTTI				
Organic Cotton blend (up to 5%)		 18.HBD.32941 HOHENSTEIN HTTI				
Pre or Post-consumer Recycled fibre		 18.HBD.32941 HOHENSTEIN HTTI				
Manmade Cellulosic Fibre	 	 18.HBD.32941 HOHENSTEIN HTTI				
Wool and wool blend		 18.HBD.32941 HOHENSTEIN HTTI				

SWOT Analysis

In order to devise a fitting approach toward organizational development of Cute Dress, from 2019 we have used a SWOT analysis (S=Strength, W=Weakness, O=Opportunities, T=Threats) for Cute Dress.

- We do accept very low order quantities.
- We can produce advanced fashion garments whether it is asymmetric or symmetric pattern.
- We can produce almost any kind of knit garments possible in Bangladesh.
- We support to promote new brand entrepreneur anywhere in the globe.
- We are always on development of new kinds of fabric so that our buyers can find new option for next fashion trend.
- We have strong supply-chain network for all sorts of raw materials.
- Professional management staffs for effective communication.



- We are not perfect, we do mistake and trying our best to improve from our learning.
- We wholeheartedly try to provide our best service to all our buyers. But sometime different kinds of constraints may interrupt our service level. We always try to identify the problems and solving them.
- We are little too much flexible and sometime 'hardly requested' activities made us failure. We are still learning how to say 'no'.

- The way Cute Dress wants to operate the company in terms of 'fair trade' and 'sustainability'; if the brands are not cooperating in same way, the factory may face severe financial burden.
- As per the Return of Investment (ROI) calculation; factory invested little too much money on sustainability where brands/consumers seem reluctant to support the philosophy.
- 'Sustainability' doesn't come for free. If all stakeholders come forward and contribute; we may never become a 'fully sustainable' company.

- As a company Cute Dress has huge opportunity in terms sustainable fashion production and ethical business practice.
- The practices of business transparency, traceability, adaptability and flexibility can be lifted to next level business venture who would like to showcase their brand as ethical brand.
- Cute Dress obtain good reputation in textile manufacturing and this can be a good selling points for brands when business collaboration established.

INDIRECT ECONOMIC IMPACTS

Poverty Alleviation

Poverty reduction is one of the world's most important challenges and as a result poverty reduction has been a major goal of economic development for Cute Dress. From the beginning of the establishment we were focused on the actions for poverty alleviation. Following are the actions we have taken:

- The location of the factory was in a non-industrial zone which created job opportunities for the nearby residents.
- Major employees of the factory are women which indicates that our factory creates opportunity for more than 300 non-working women.
- We have trained unskilled people by providing training in our own training centre and providing minimum wage as per law during the training period as well. In 2021, we created 38 skilled employee.
- We created job opportunities for three categories of minority people e.g. senior citizen (people older than 60 years), physically challenged people and third gender. Currently we have total five such kind of employees.

Impact on economy of local community

The community economic impact includes at least two components, (a) direct program and employee purchases from local merchants and (b) induced effects through income multipliers. Followings are the initiatives taken to develop indirect impact on economy of local community:

- Local community has been developed to facilitate the employees of the factory, e.g. establishment of houses, shops and markets.
- Development of roads and transportations system.
- We provide regular health check-ups to the employees to create a healthy community which reduced the cost on medical expenses.

No hazardous effluent discharge

We did not have any production or non-production process which could discharge hazardous effluent to the environment.

Followings are the initiatives we have taken to protect our environment:

- We have our own Sewage Filtering System to treat the domestic waste water before discharge which helps to protect nearby lakes and canals.
- We have a waste management policy and procedure and we discharge hazardous waste through authorized contractor.











“

We do not inherit the earth
from our ancestors; we
borrow it from our children.

”

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