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Chairman’s Message

Welcome to NOMAN Group’s 2014 Sustainability Report. We hope this report demonstrates our true commitment to environmental and social sustainability at Noman Group. Our 50,000 employees are united around the challenge of delivering client needs, while protecting people and vital resources. Sustainability continues to make us a better company by reducing waste, lowering costs, driving innovation, increasing productivity and helping us fulfill our vision.

The credit for our progress goes to all the staffs at Noman Group and to our suppliers who have helped us to make a difference that extends well beyond what we could do alone. I also want to thank the non-governmental organizations with whom we have worked closely.

Although this is only our second annual Sustainability Report, we have tried our best to make it informative and substantial. It is my hope that you will find value in the information we have compiled and we expect you will contact us should you have any questions or comments about this report.

Sincerely,

Md. Nurul Islam
Chairman
NOMAN Group
Company Profile

Noman Group has a rich history, starting with Md. Nurul Islam’s advent in the textile industry back in 1968. In 1997, Noman Group was incorporated through the inception of Zaber & Zubair Fabrics Ltd. The group has grown to become one of the largest, privately-owned businesses in Bangladesh spanning 33 textile subsidiaries and employing over 50,000 employees. It is presently one of the biggest private sector employers in the country, making significant contribution to the economy. Beside entire value chain in textiles, Noman Group also has diversified business interest in housing and real estate.

Today, Noman Group is a reputed vertically integrated textile group in Bangladesh. The group started its journey with a vision of establishing itself as the largest textile manufacturing in the world. It has consistently been the highest exporter in Bangladesh for the last seven years. With sustained growth over the years and an ever-expanding list of international clientele, Noman Group has solidified its position as a market leader in the textile industry.
## Organizational Timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>Nurul Islam commenced his professional career</td>
</tr>
<tr>
<td>1980</td>
<td>Started production of Mesh, Net and Jersey Fabrics</td>
</tr>
<tr>
<td>1997</td>
<td>Formation of Zaber &amp; Zubair Fabrics</td>
</tr>
<tr>
<td>1998</td>
<td>Started “Ismail Anjuman Ara Trust Foundation” (Charity)</td>
</tr>
<tr>
<td>2000</td>
<td>Investment in two spinning mills to support Z&amp;Z</td>
</tr>
<tr>
<td>2006</td>
<td>Took over as the highest exporter in Bangladesh</td>
</tr>
<tr>
<td>2008</td>
<td>Investment in 7 mills locally</td>
</tr>
<tr>
<td>2011</td>
<td>Recognition from H&amp;M as “GOLD Supplier” at H&amp;M</td>
</tr>
<tr>
<td>2011</td>
<td>Received “Environmental Compliance” certification from BGMEA, IFC, UKaid &amp; Norad</td>
</tr>
<tr>
<td>2012</td>
<td>Introduction of mobile banking for all employees</td>
</tr>
<tr>
<td>2013</td>
<td>Beginning of Terry Towel manufacturing and denim</td>
</tr>
</tbody>
</table>
Corporate Structure

The highest governing body of Noman Group is the Board of Directors who is responsible for establishing broad policies and objectives that aids in governing the company, setting revenue goals and to overview the performance of the Top Management. Noman Group is privately owned and operated company with none of the shareholders sitting in any conflicting committees relating to the organization.

**Board of Directors**
Md. Nurul Islam, Chairman
A.S.M Rafiqul Islam (Noman). Director
Nur-e-Yasmin Fatima. Director
Abdullah Mohammad Zaber. Director
Mohammad Abdullah Zubair. Director
Abdullah Mohammad Talha. Director

**Top Management**

<table>
<thead>
<tr>
<th>Name</th>
<th>Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.S.M. Rafiqul Islam</td>
<td>Marketing</td>
</tr>
<tr>
<td>Mohammad Abdullah Zaber</td>
<td>Operation</td>
</tr>
<tr>
<td>Mohammad Abdullah Zubair</td>
<td>Corporate Relations</td>
</tr>
<tr>
<td>Abdullah Mohammad Talha</td>
<td>Information Technology</td>
</tr>
<tr>
<td>Nur-e-Yasmin Fatima</td>
<td>Marketing (Denim)</td>
</tr>
<tr>
<td>Monjur Alam</td>
<td>Accounts &amp; Finance</td>
</tr>
<tr>
<td>Hafizur Rahman</td>
<td>Tax &amp; Insurance</td>
</tr>
<tr>
<td>Shakil Ahmed</td>
<td>Export</td>
</tr>
<tr>
<td>Shahidullah Chowdhury</td>
<td>Admin, HR &amp; Export</td>
</tr>
<tr>
<td>Shahidul Islam</td>
<td>Local Sales</td>
</tr>
<tr>
<td>Sirajul Islam</td>
<td>Audit</td>
</tr>
<tr>
<td>Imran Ahmed Chowdhury</td>
<td>Administration</td>
</tr>
</tbody>
</table>
Mission Statement

Noman Group is founded on and committed to a sustainable corporate concept of concomitant prosperity. Our mission consists of 3 intertwined parts:

**Consumer Mission:** To manufacture and supply the finest quality textile products on time with a continued commitment to compliance.

**Social Mission:** To act responsibly as a global corporate citizen and ensure the well-being and growth of our employees and all other stakeholders.

**Environmental Mission:** To foster a sustainable future through collaborating with area businesses, community leaders and neighbors with the end of goal of environmental well-being.
Stakeholders

Any organization, association and other entities that have significant influence on Noman Group and also any individual or groups that are influenced by our activity (either directly or indirectly) on a continual basis are considered as our stakeholders. Stakeholders are an integral part of an organization and Noman Group is no exception. We especially consider our customers, suppliers, financial institutions, employees and surrounding community as our most vital stakeholders and partners.

Noman Group provides a range of products and services to buyers both nationally and internationally. We offer our clientele base superior quality and undeniable commitment. Our strong policy in being environmentally and socially responsible upholds our sincerity towards our stakeholders. On a regular basis, we engage in dialogue with our suppliers, buyers, and contractors in respect to our performance as well as sharing experience on various aspects. In respect to our commitment to communal development, we regularly meet with people from the community in an effort to understand their needs better.

Our clients are some of the top brands located in North America, Europe and Asia. We are also looking into increasing our presence in emerging markets.
Our Major Clients

- M&S
- jcp
- H&M
- AMERICAN EAGLE OUTFITTERS
- TARGET
- kik
- Kmart
- C&A
- JYSK
- Loblaws
- Matalan
- ESPRIT
- ZEEMAN
- KappAhl
- MANGO
- PULL&BEAR
- ZARA
- Walmart
- LIDL
- ALDI
- next
- ASDA
- TESCO
- BESTSELLER
- PVH
- otto group
- LA REDOUTE
- NITORI
- UNIQLO
Product Range

Fashion Fabric

- Solid
- Yarn Dyed
- Print
- Mesh/Jersey
- Cotton poplins, Canvas and Voiles
- Cotton Twills, Chinos and Satins
- CVC and Poly Cotton Blends
- Heavy and Denser Bottoms wear fabrics
- Dobby Woven Fabrics
- Rib stop Fabrics
- Bedford cord Fabrics
- Waffle Fabrics
- Slub Yarn Fabrics
- High Quality Stretch Poplins (Lycra)
Home Textile

- Duvet Cover
- Pillow Cover
- Bed Linen
- Bed Spreads
- Bed Throws
- Kitchen Cloth
- Table Cloth
- Curtain
- Shower Curtains
- Chair Pads
- Cotton Rugs
- Napkins
- Table Runners
- Aprons
- Mitten
- Rug/Mat
- Upholstery
- Towel (Kitchen Towel, Bath Towel, Robe, Spa Towel, Beach Towel, Tea Towel, Bib, Hooded Towel, Institutional Towel)
Apparel

- Shirt
- Blouse
- Pullover
- Gown
- Chino
- Cargo
- Capri
- Bermuda
- Ladies Skinny
- Shorts
- Skirt
- Pajama

Special

- Fishing Net
- Tent Fabric
- Parachute Fabric
- Ceramic Fabric
- Glass Fabric
- Kevlar weave
- Mosquito net
- Military clothing
- Fire-proof clothing
- Cut resistant clothing
Awards and Achievements

- HSBC Export Excellence Award 2011
- Social & Environmental Excellence Award 2012
- Certified AA Credit Rating by Credit Rating Information & Services Limited Bangladesh
- “Best Example” 2012 Award by H&M
- National Export Trophy (Awarded by Ministry of Commerce and Export Promotion Bureau)
  - Noman Weaving Mills: 2008-09, 2010-11, 2011-12 (Gold)
  - Zaber Spinning Mills: 2008-09 (Gold)
  - Yeasmin Spinning Mills: 2008-09 (Silver), 2010-11 (Bronze)
  - Ismail Textile: 2010-11 (Bronze)
Certifications
Financial Performance

In FY 2014, Noman Group recorded a financial performance which was satisfactory amidst the slow market. Total revenue of the group this year stood at over USD 1 billion. As per business trends, the highest revenue was through the group’s flagship unit Zaber & Zubair Fabrics Limited.
Corporate Social Responsibility

Noman Group brings a significant contribution to the community and society through programs, focusing on healthcare and education of children. The company’s social programs reflect a belief that a healthy and educated population is needed to develop society.

Moreover, relationships and timely communication are also established with local authorities and stakeholders in order to identify other projects that would benefit the whole community.

In 2013, Noman Group held its first annual summer blood drive in collaboration with Quantum Foundation.

In 2012, Noman Group signed an agreement with Dutch-Bangla Bank Limited on to provide mobile banking service to its 50,000 employees.
Noman Group is a champion of the idea that everyone is entitled to education. In line with that view, it has been supporting Chunati High School, a non-governmental high school in Lohagara for many years.

Noman Group’s giving now equals more than 10 tons of clothes every month to the communities it serves. Especially during the nation’s biggest festivals, it partners up with local organizations to provide new clothes to underprivileged children.
Environmental Performance

Since our inception, we have been pioneering practices to minimize the use of energy, water, chemicals and other materials. The facilities at Noman Group are prudently designed and operated in eco-friendly manner in order to minimize the environmental impact.

**Effluent Treatment Plant:**

Noman Group possesses the country’s largest biological Effluent Treatment Plant (ETP), ensuring that the water used in production returns to natural sources without any harmful substances. The daily volume of treated water is as follows:

<table>
<thead>
<tr>
<th>Name of the plant</th>
<th>Capacity</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Egli Plant (Italy)</td>
<td>6000 m3/day</td>
<td>Biological</td>
</tr>
<tr>
<td>Panta-Rei Plant (Italy)</td>
<td>2700 m3/day</td>
<td>Biological</td>
</tr>
<tr>
<td>Simem Plant (Italy)</td>
<td>7500 m3/day</td>
<td>Biological</td>
</tr>
</tbody>
</table>
**Water Quality Testing:**

Noman Group was one of the pioneers in Bangladesh to strictly enforce guidelines for water quality standards set by international buyers. Department of Environment, Bangladesh (DOE) regularly carries out tests on water quality at Noman Group. Our in-house laboratory also monitors the parameters periodically. Here are the results from the last test:

<table>
<thead>
<tr>
<th>Water quality Parameter</th>
<th>Units</th>
<th>Concentration present</th>
<th>Legal Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ph</td>
<td></td>
<td>7.5</td>
<td>6.0—9.0</td>
</tr>
<tr>
<td>Total Dissolved Solids</td>
<td>mg/l</td>
<td>1985</td>
<td>&lt;2100</td>
</tr>
<tr>
<td>Dissolved Oxygen</td>
<td>mg/l</td>
<td>5.25</td>
<td>4.5-8.0</td>
</tr>
<tr>
<td>Boi-chemical oxygen demand (BOD)</td>
<td>mg/l</td>
<td>40</td>
<td>&lt;50</td>
</tr>
<tr>
<td>Chemical Oxygen demand (COD)</td>
<td>mg/l</td>
<td>170</td>
<td>&lt;200</td>
</tr>
<tr>
<td>Temperature</td>
<td>Celsius</td>
<td>30°C</td>
<td>30°C</td>
</tr>
</tbody>
</table>

**Tracking and Recycling water:**

Since the beginning, we have been tracking water usage throughout our factories. With that data, we are able to compare across facility types and develop specific targets at each factory.

**Leakage & Consumption monitoring:** In every wet processing m/c, we measure the water consumption by flow meter and if we find any abnormal consumption, production department takes immediate action. We have the monitoring team to identify & rectify the water leakage in machineries. The objectives of this team is to control waste water and hence to minimize environmental impact on groundwater resources.
The average water consumption at Noman Group is as follows:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Consumption in m3/hr</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZZFL- Home</td>
<td>160</td>
<td>Only in wet processing machine</td>
</tr>
<tr>
<td>ZZFL- Fashion-1</td>
<td>70</td>
<td>Only in wet processing machine</td>
</tr>
<tr>
<td>NFFL-Fashion-2</td>
<td>120</td>
<td>Only in wet processing machine</td>
</tr>
</tbody>
</table>

Recycling of water: In many of the machine we recycle the water because machine itself has the recycling system especially all the wet processing machine. We always go for the energy saving machine. Recently we have started water recycling in all the printing machine which minimize the water consumption. 60 m3 water has been recycled in our six printing station per hour.

**Energy Efficient Lighting System and machineries:**

Noman Group is moving towards the direction of using energy efficient lighting system. It has already replaced 500 T8 lights with the more energy efficient T5 lights (which consume 18 watts of electricity less per hour). It is gradually replacing all the other T8 lights to achieve greater efficiency.

We have altered all the conventional motor and pump from the machine to conserve the energy. Conventional induction motors are less efficient while Energy efficient motors are designed with low operating cost and are 4—5 % more efficient.

**Natural Gas Consumption:**

The primary energy source for Noman Group is natural gas, which is supplied by the National gas supplier (Titas Gas Transmission &
Distribution Co.) of Bangladesh. Generators, boilers, domestic lines and machineries are run on this gas. The average gas consumption in 2013 is as follows:

**Generator Run**: 50,00,000 m3/month

**Boiler Run including machineries**: 18,00,000 m3/month

To save this Gas energy we have taken various measure such as the followings

**Auto Blow down on Steam Boiler**: We need to periodically release the blow down to keep the process safe. Automatic blow down helps to do this in an optimal way to reduce the wasted heat from which we can save gas energy.

**De-scaling of boiler**: 1 mm thick scale on boiler tube could increase fuel consumption by 5-8 %. So we always inspect and de-scale all the sediments periodically.

**Economizer**: We have reduced fuel consumption by 1.67% through increasing feed water temperature by 10°C (every 6°C increase results in 1% reduction in fuel consumption in boiler) and achieved monthly fuel savings of 25,200 m3.

**Repair steam leakage**: A small leak of 1 mm at 10 bar results in a loss of approximately 2.5 kg of steam per hour. Our monitoring team relentlessly works to identify and rectify the steam leakages.

**Heat recovery from process water**: We have installed heat exchanger in all wet processing machine to re-cover the inherent heat of the waste water as well as save the natural resources.
Clean Development Mechanism (CDM):

Clean Development Mechanism (CDM) is an arrangement under Kyoto Protocol that involves developed countries to achieve part of their reduction targets through investment in projects in developing countries that reduce carbon emissions from the atmosphere. The unit of carbon credit issued from CDM is named Certified Emission Reduction (CER) and is equivalent to 1 ton CO2e.

Noman Group became one of the five components of the Bundled Waste Heat Recovery CDM Projects in Bangladesh when they signed a CDM services agreement with Bangladesh Carbon of Rahimafrooz Renewable Energy (RRE) Ltd. United Nations Framework Convention on Climate Change (UNFCCC) has been notified of this project.

In an industry where most factories run their captive generators all day and enjoy highly subsidized gas bill, Noman Group took initiative to utilize its own resourceful waste (i.e. high potential waste stream) to meet their additional energy demand. Noman Group’s requirement for large amount of steam in the production process is partially met by the waste heat recovery boilers (WHRB) installed to tap heat from the exhaust of the captive generators in different factories. This contributes in CO2 emission reduction
by avoiding burning of a significant amount of fossil fuel to generate same amount of thermal energy.

At Noman Group, 7 gas generators, each of six having 920 kW and rest one of 900 kW of generation capacity, with a total of 6.4 MW capacities caters two Getabec WHR boilers with generator exhaust. The boiler with a total capacity of 5.07 Ton per Hour (TPH) produces steam continuously for 24 hours a day.

This initiative of Noman Group helps them to attain better energy efficiency and significantly reduce CO2 emission (27,538 CER/year) which otherwise would been emitted for the generation of additional steam in the absence of this project.
Caustic Recovery Plant:

We have installed caustic recovery plant to collect the exhaust low concentrated caustic from the mercerize machine and hence to make it high concentrated caustic as per requirement of the production fabrics 28’ Be to 30’ Be. Our CRP plant has the capacity of 26000 ltr weak lye at 6’ to 8’ Be which can be converted to 4000 ltr strong lye per hour. From August 2010 to till date we have received 13656000 ltr with average 28’ Be.

We are using all the hot water (52 m3/hr) from caustic recovery plan in machines and other processes.

Solid Waste to Finished Product:

Noman Group has also taken initiatives to utilize solid waste as raw materials for finished product of another Export oriented textile factory. As part of agreement with Karupannya Rangpur Ltd, it sent them 21 tons of solid cutting waste which are being used to prepare Rug (IKEA - TANUM RUG). These products are already been exported to different countries. So far 40 tons of cut waste have been recycled this way.

Introduction of Soft Pigment Print:

We collaborated with IKEA & BASF to develop printed articles which will gives the same feel & look of reactive print looks. Reactive print process need steaming & washing where soft pigment requires only finishing process. The outcome is less water, chemicals & energy (upto 60%) in the final product.
**Green Statistics:**

**Co2 emission reduction:** 16,000 tons

**Energy cost reduced:** 26% per Linear Meter

**CER potential:** 32,000 CER/year

**Recycled Fabric:** 200 Tons/Month

**Recycled Chemical Drums & Plastic By-products:** 30 Tons/Month
Product Responsibility

In regard to product safety, Noman Group has obtained the ‘OE 100’ certification. This eco-label is an internationally recognized standard that assesses the presence of harmful substances in their products. All raw materials, intermediate and end products at all stages of the manufacturing chain, including accessories, are included in a thorough testing process.

In the last fiscal year, Noman Group has not been subject to any complaints or concerns regarding incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of the products and services we provide. Noman Group is in compliance in all material respects with applicable product safety laws and regulations in the jurisdictions in which we operate.
Social Compliance

A proper business requires special attention and commitment towards practicing ethical norms and values and environment; safety at all the manufacturing facilities. As a company whose products span the globe, the management of Noman Group has a great responsibility to influence the conditions under which it manufactures the product. Our endeavors in improving the lives of the people include:

- Competitive wages
- Women Empowerment (80% of our garments workforce is female)
- Maternity leaves
- Day care center for infants
- Medical Facility
- Living accommodations for plant workers
- Hygienic dining facility for all employees
- Timely salary disbursement through ATM cards to all employees
- Training Center for human development
- Noise Level Tracking and Monitoring
- HIV Awareness Training
- No Child Labor
This Report has been prepared by Business Development Team, Noman Group.

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