

SUSTAINABILITY REPORT 2021

EXECUTIVE SUMMARY



DENIM PRIVÉ

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SUSTAINABILITY HIGHLIGHTS.



First LEED Platinum manufacturing facility in Pakistan



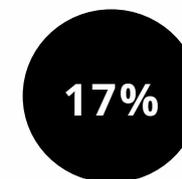
82% of our cotton is sourced from Better Cotton Initiative (BCI) farmers



SAC Higg Index Participant



Zero Discharge of Hazardous Chemicals (ZDHC) compliant



Improved water consumption intensity per piece produced compared to 2019



Committed to carbon neutrality by 2030



Produced 941,209 kWh of solar energy onsite



Increased production and continued to pay all labourers throughout the COVID-19 Pandemic



5,000 trees planted in our ongoing tree planting initiative

MESSAGE FROM THE FOUNDER.

Dear Valued Stakeholder,

Since the inception of Denim Privé in 2018, it has been our goal to be synonymous with sustainability. With this in mind, I share Denim Privé's initial 2021 Sustainability Summary Report.

THROUGHOUT OUR JOURNEY, WE HAVE CAREFULLY MANOEUVRED THROUGH THE DENIM INDUSTRY TO CREATE PRODUCTS WE CAN STAND BEHIND AND A CORPORATE STRATEGY WE ARE PROUD OF: SUSTAINABILITY AS OUR FOCUS AND THE FUTURE AS OUR GUIDE.



Our entire supply chain embodies clean elements, such as waste reduction efforts and renewable energy sources at every step – from the procurement of sustainably harvested cotton to our technologically advanced manufacturing facility, caregiving for the earth is deeply ingrained in each of our products and business ventures.

While our aim as an independent company is to excel in environmental, social, and governance practices, we do not exist in a vacuum. Aware of the conversation surrounding the denim industry, we act as an example of what investing in research and design from the beginning and continuously can create: solutions to waste problems and inefficiencies that have long plagued denim creators and manufacturers. By challenging the way things have always been done and imagining a new standard, Denim Privé is a catalyst for climate-friendly change in the fashion industry.

The responsibility to do better with something as essential and timeless as denim has led to ecologically unique fashion products, technologically advanced processes, and a perpetually evolving concept of what is possible in the eyes of fashion and sustainability. Ultimately, this is what we call **“disruptive sustainability.”**

We’ve based our approach to driving sustainable fashion on three key elements: collaboration, technology adoption, and innovation. Our approach sets a tone of engagement with our stakeholders and industry peers, ultimately leading to better results. Our sustainability goals will be most effective through close collaboration with our partners, customers, stakeholders, and industry peers. Only through a collective vision of a sustainable future will new standards be set for best practices. The openness of mission leads to understanding, which leads to accepting the responsibility we all have to do better for the future with the products and processes of today. Co-creation is what changes the game.

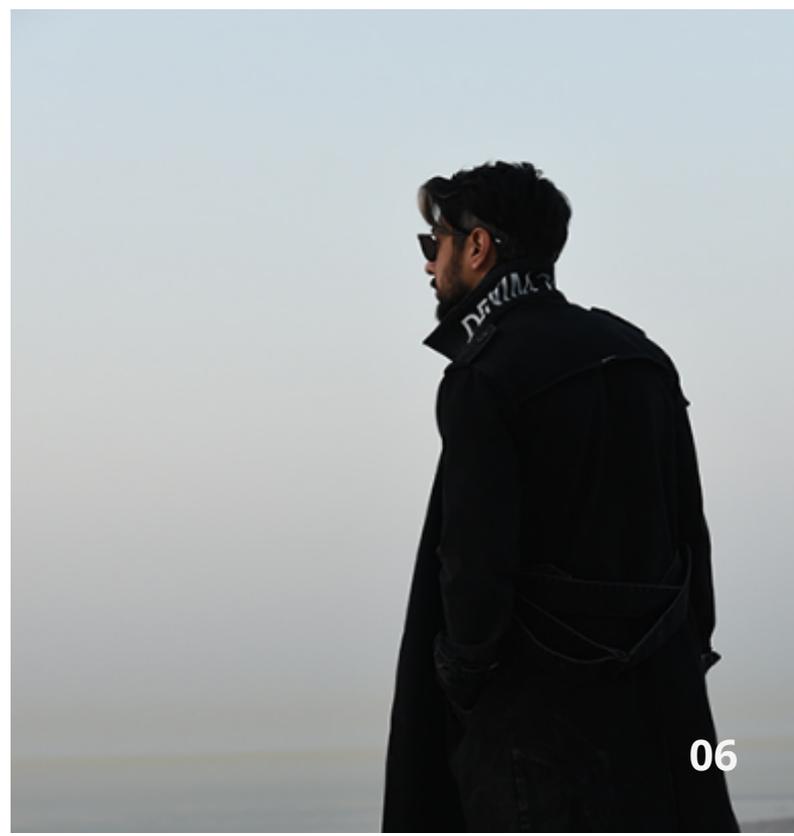
Internally, we cultivate a company culture of inclusivity as our highly experienced team develops new ideas and designs new products with freedom of expression and unified motivation. Researching and implementing sustainable solutions is simply part of the process for our team of designers, innovators, and thought leaders. We, as a team, have an insatiable hunger to expand the boundaries of what technology and design can do for fashion.

Denim Privé is committed to continual improvement and eager to share what we have done. This report provides transparency into our overall ESG performance, our accomplishments to date, and our goals and targets for the future.

We cannot achieve tangible progress alone. Our current and future accomplishments will result from collective efforts. Therefore, I would like to take this opportunity to thank our team members, partners, and collaborators for all their hard work, dedication, and inspiration. You are the heart of Denim Privé. Together there is no limit to the inspiring products we can create. We are charged with building a responsible industry, a world that takes care of the planet for future generations as the planet cares for us.

Sincerely,

Arsal Kassim
Founder, Denim Privé



OUR SUSTAINABILITY PHILOSOPHY & MANAGEMENT APPROACH.

AIM

Sustainability is at the core of Denim Privé. We aim to produce environmentally advanced denim and apparel by developing innovative new products and materials, implementing cutting-edge technology, and collaborating closely with our peers, customers, and partners.

MISSION

We have built considerations of sustainability issues into our business from the ground up, beginning with designing and constructing one of Pakistan's most sustainable apparel manufacturing facilities and extending it to our collaborative partnerships and supply chain. This is the culmination of our mission to be one of the most innovative, efficient, and responsible apparel manufacturers globally while eliminating our environmental impacts and raising the fashion industry's standards.

ROLE

At Denim Privé, we use our role and influence as manufacturers to drive the industry towards more responsible production and consumption.

GOAL

Our goal is to help drive the industry away from traditionally impactful production methods to a cleaner and more sustainable future.

We based our business strategy on foresight, where consumers base purchase decisions on environmental and social consciousness. As a result, sustainable production will become a prerequisite for a social license to operate.

We align ourselves with the global environmental and social outlook issued by the UN SDGs, highlighting water shortages, climate change, and industrial pollution as potential crises and focus areas for a more sustainable planet. We support the advancement of these goals, continuously working to minimize the effect of our products on the environment and society.

At Denim Privé, we advocate sustainability not only as a matter of responsible fashion but as a matter of survival at this crucial environmental and social juncture.

MATERIALITY: FOCUSING OUR EFFORTS ON WHAT MATTERS MOST.

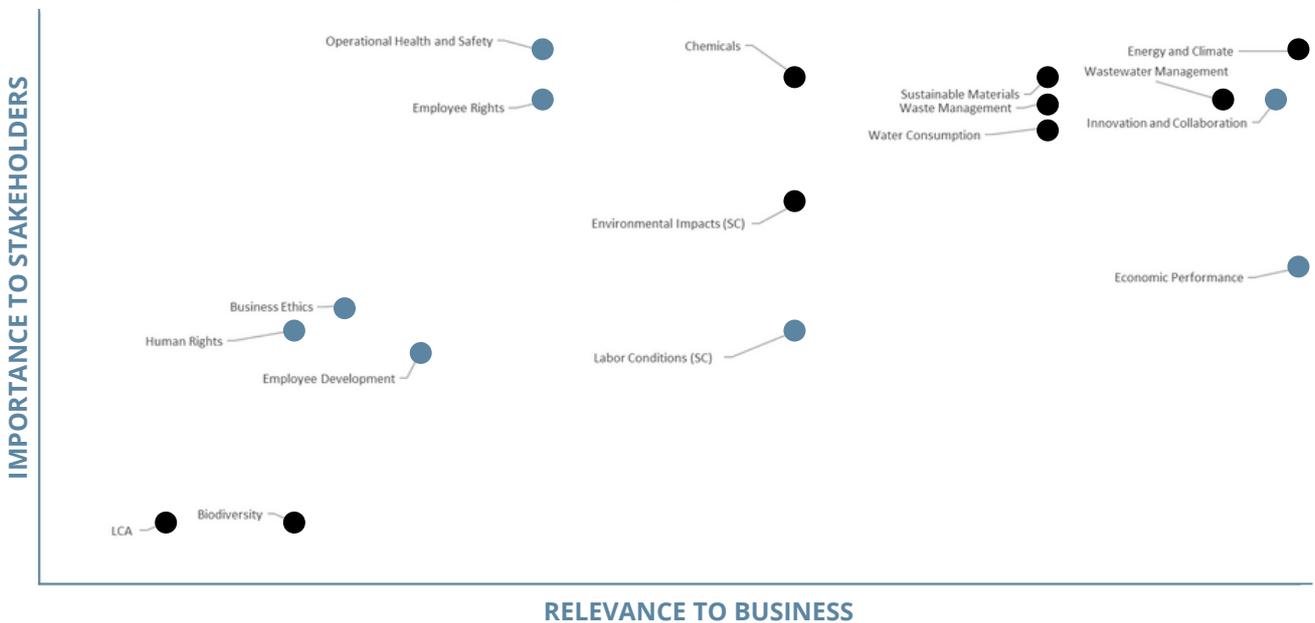
At Denim Privé, our approach to sustainable management and strategy is to focus our efforts on the sustainability issues that are the most material to our business, industry, and key stakeholders.

Each issue deemed material has been ranked and categorized as important, critical, or highly critical. All critical and highly critical issues are assigned KPIs against which we measure and disclose our performance.



The materiality matrix below exhibits our critical and highly critical issues relative to their importance to our business and stakeholders. As the fashion industry and our business contexts evolve, we will update the materiality matrix as necessary.

Materiality Matrix



Resource Efficiency.

The design of our operations and manufacturing processes optimize production output relative to environmental resource consumption and waste production. We achieve this by implementing the most cutting-edge technology, efficient equipment, and innovative techniques.

As a result, we produce premium quality, ethically glamorous denim that is highly desirable to an industry that increasingly values sustainable products.

Social Responsibility.

Denim Privé operates with the best interests of our social stakeholders in mind, from our employees and local communities to the workers throughout our supply chain and the end consumers of our products.

We are committed to operating in a socially responsible manner in all our business dealings and addressing the social issues that are most relevant to the fashion industry.

Such issues include labour rights, working conditions, employee development and wellbeing, operational health and safety, and business ethics.

Collaboration & Innovation.

Driving the Industry Forward, Together

While we measure, track, and improve our environmental footprint, our sustainability strategy extends well past our operations. Collaboration and innovation are crucial aspects of our business culture and mission.

Denim Privé intends to act as both an incubator and implementer of innovation. Our business will be a catalyst for positive change that will benefit our stakeholders, the fashion industry, and the world at large.

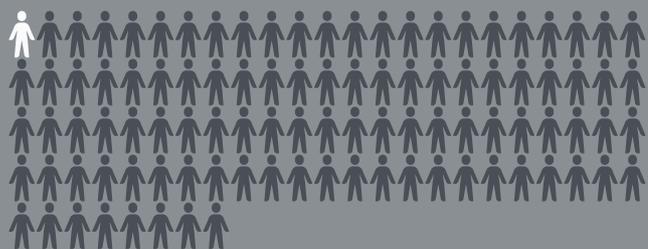
Transparency.

Denim Privé is fully committed to operating with transparency and honesty in everything we do.

As such, we carefully measure, track, and disclose our performance against key ESG metrics and industry standards. This effort expands past GRI reporting as we participate in industry-wide efforts to encourage, expand, and streamline the transparent communication of sustainable performance and responsibility. As a testament to this commitment, Denim Privé has been a participant in the Sustainable Apparel Coalition's (SAC) Higg Index since 2019.



Denim Privé has been a participant in SAC Higg Index since 2019.



Denim Privé is 1 of over 250 leading brands working to reduce the environmental impact of the supply chain.

Our Core Ideology & Values.

Behind our sustainable business strategy and management approach are our core ideology and values, which align with our business practices and inform everything we do.

Our five key values are outlined below:

one.

CONTINUOUS LEARNING AND SELF-IMPROVEMENT IN
ALL THAT WE DO. **WE ARE NEVER SATISFIED.**

two.

**EMPOWER CREATIVE EXPLORATION
WITH GREATER RESPONSIBILITY.**



three.

GO THE EXTRA MILE TO MAKE OUR CUSTOMERS HAPPY.

four.

MAKE THE WORLD A BETTER PLACE. STRENGTHEN THE SOCIAL FABRIC OF SOCIETY & MAKE OUR PLANET MORE HABITABLE.

five.

INNOVATE RELENTLESSLY. WE DON'T FOLLOW. WE LEAD THE MARCH. COME UP WITH UNCONVENTIONAL IDEAS. LEAD THE MARCH ON INNOVATION. DO WHAT OTHERS CONSIDER IMPOSSIBLE AND FIND SOLUTIONS WHERE THEY DON'T EXIST.





Energy & climate.

Climate Impacts and Energy
Performance Take Center Stage

We understand that climate change is one of humanity's greatest threats, one of the most significant impacts and challenges facing the fashion industry, and a rising concern for consumers. We understand that to operate and thrive in a low-carbon economy, manufacturers must adapt their practices and address their energy consumption and greenhouse gas (GHG) emissions.

Denim Privé aspires to drive the fashion industry toward a low-carbon future by leading by example and collaborating with other industry stakeholders.

OUR COMMITMENT TO CARBON NEUTRALITY.



As part of our aspiration to produce the world's most sustainable denim and apparel, Denim Privé is committed to becoming entirely **carbon neutral by 2030** and reducing our carbon footprint (relative to production) by 50% by 2027 (compared to our 2019 baseline).

LEADERSHIP IN ENERGY EFFICIENT DESIGN.

The Privé Campus design **minimize lifecycle GHG impacts** from the selection of low-carbon building materials to the onsite production of solar energy. Further, we constructed our facility with carefully selected envelope materials that **optimize thermodynamics**, helping to maintain a comfortable working environment for our employees, and minimizing energy consumption from HVAC. For example, it features innovative aerogel-filled bricks for efficient insulation and energy performance compared to conventional buildings. These features make our campus one **the most innovative and advanced of its kind in terms of energy efficiency and GHG emissions**.

As a result, the Privé Campus has been certified by the USGBC as the nation's first LEED Platinum facility.



Our Energy & GHG Strategy.

Denim Privé's strategy for achieving and continually improving advanced energy and GHG performance is threefold:

Monitoring energy consumption performance and identifying opportunities for improvement

Implementing innovative technology and improving manufacturing processes

Producing and consuming onsite solar energy

By the end of 2023, we expect our Solar Farm to generate over 100% of our total electrical consumption.

650 kW

is Denim Privé's current onsite solar farm capacity

BEFORE EXPANSION

43 %

of our total electrical consumption is powered with clean, renewable energy during peak daylight hours

BEFORE EXPANSION

2,490 kW

will be the capacity of our onsite solar farm when expansion is complete

AFTER EXPANSION

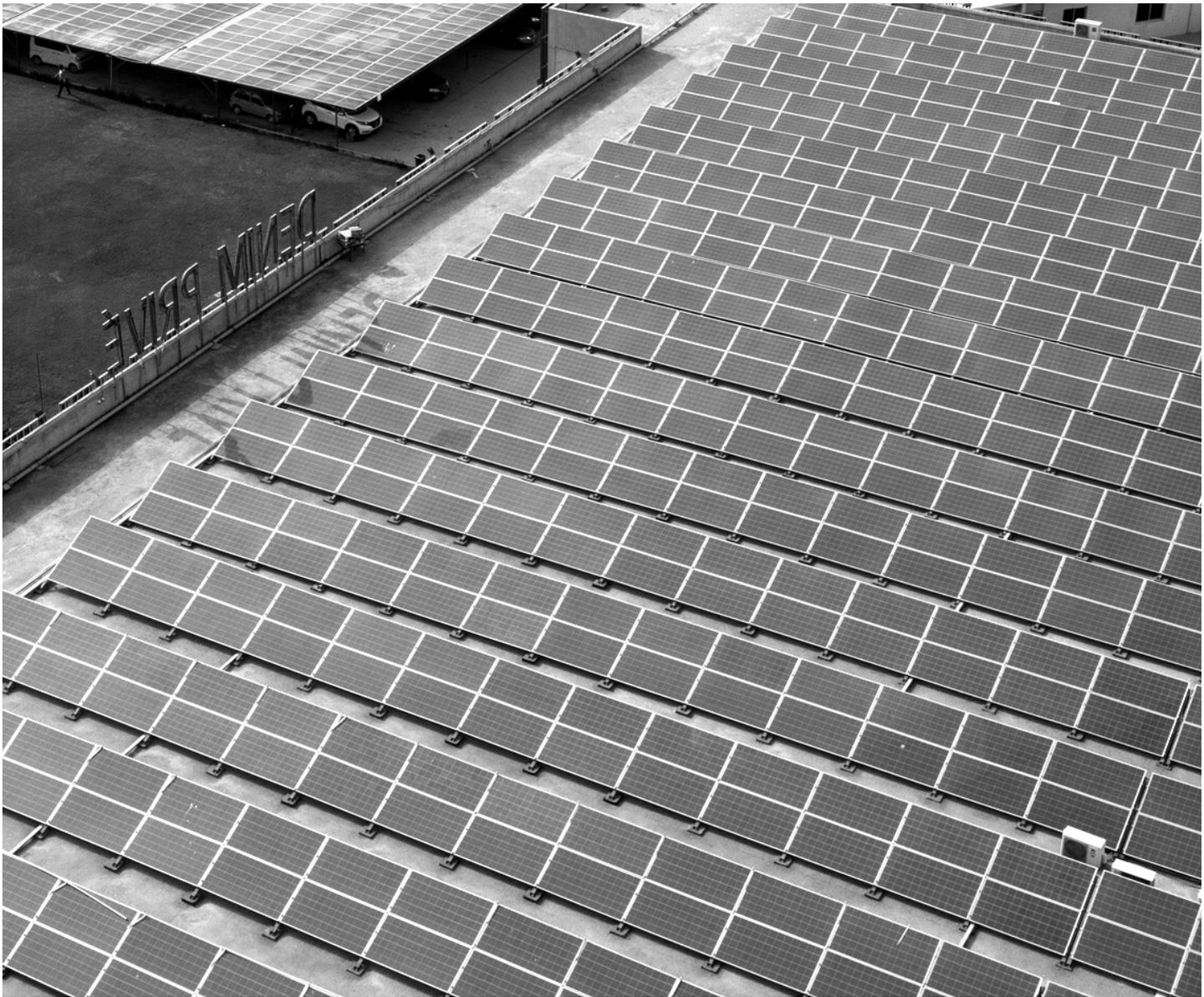
165 %

of our total electrical consumption will be powered with clean, renewable energy during peak daylight hours with the excess going back to the grid.

AFTER EXPANSION

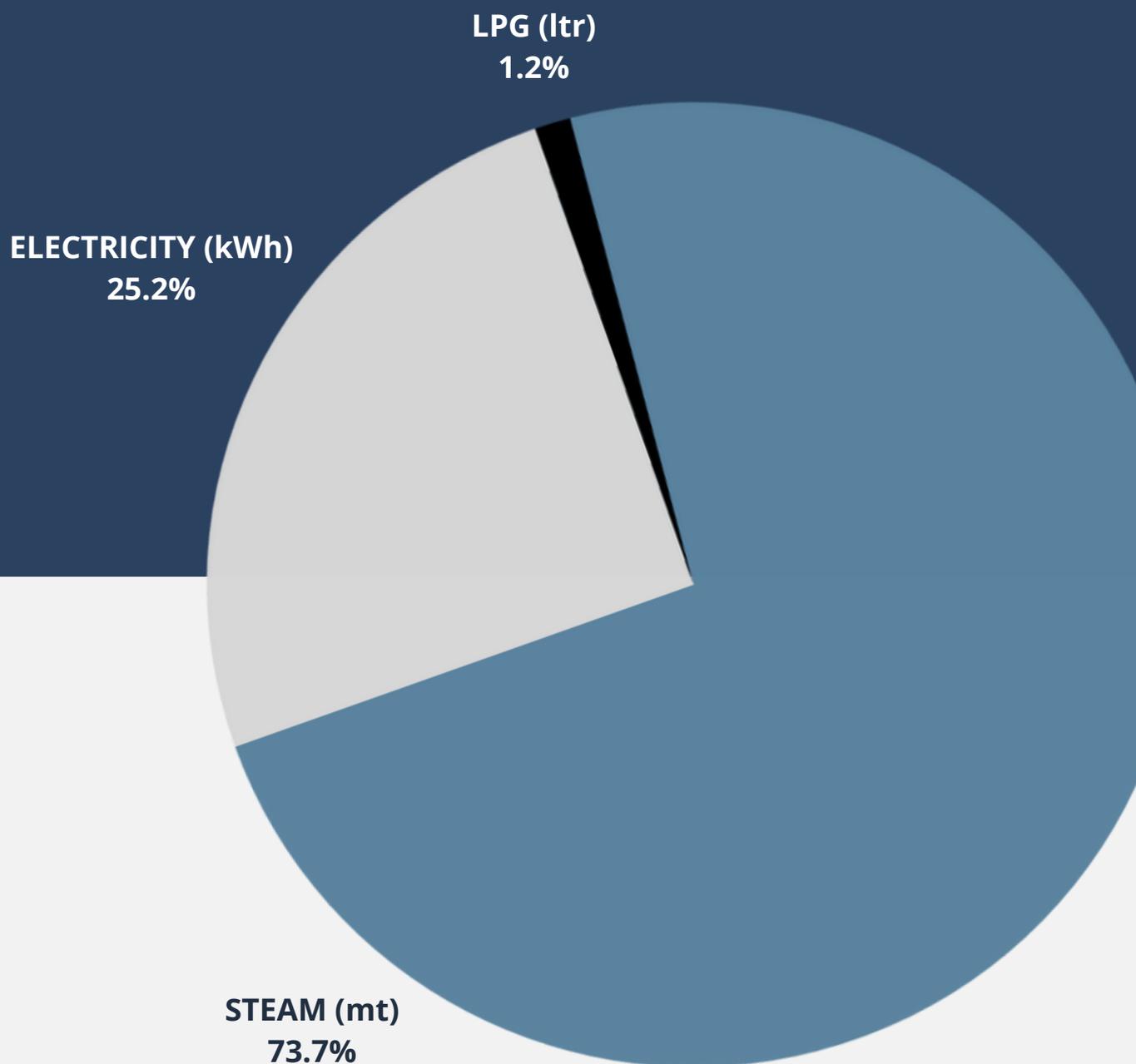
MEASURING OUR ENERGY & GHG PERFORMANCE.

Our operations' energy and carbon performance is measured based on total energy consumption, energy intensity, per cent of energy consumption from renewable sources, and direct and indirect GHG emissions (Scopes 1 and 2). Improvements are measured relative to the 2019 baseline.



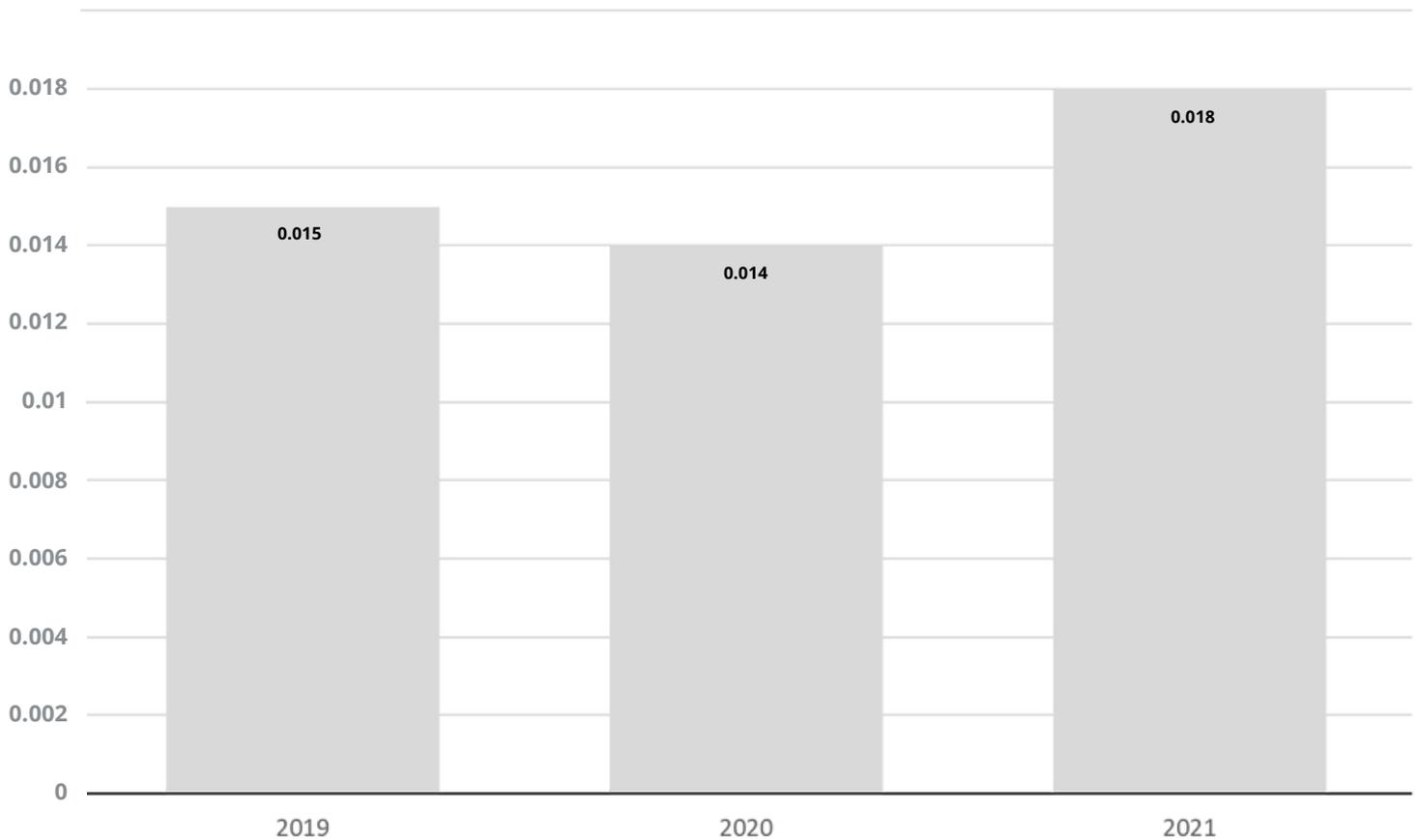
Energy Performance.

Denim Privé consumes energy in the form of electricity from the utility, electricity from onsite solar production, liquified petroleum gas (LPG), and purchased steam. The figure below exhibits energy consumption per piece production from 2019-2021. All energy consumption data have been converted to gigajoules (GJ) using standard conversion factors and methodologies for comparability.



Total energy consumption has increased from 45,616 gigajoules in 2019 to 72,243 gigajoules in 2021, representing a 58% increase. However, this was due to a significant **increase in the complexity of washes produced and in the total number of units produced from 2,877,207 pieces in 2019 to 3,996,804 in 2021.**

Energy Intensity (GJ/Pc) 2019 - 2021



100 %

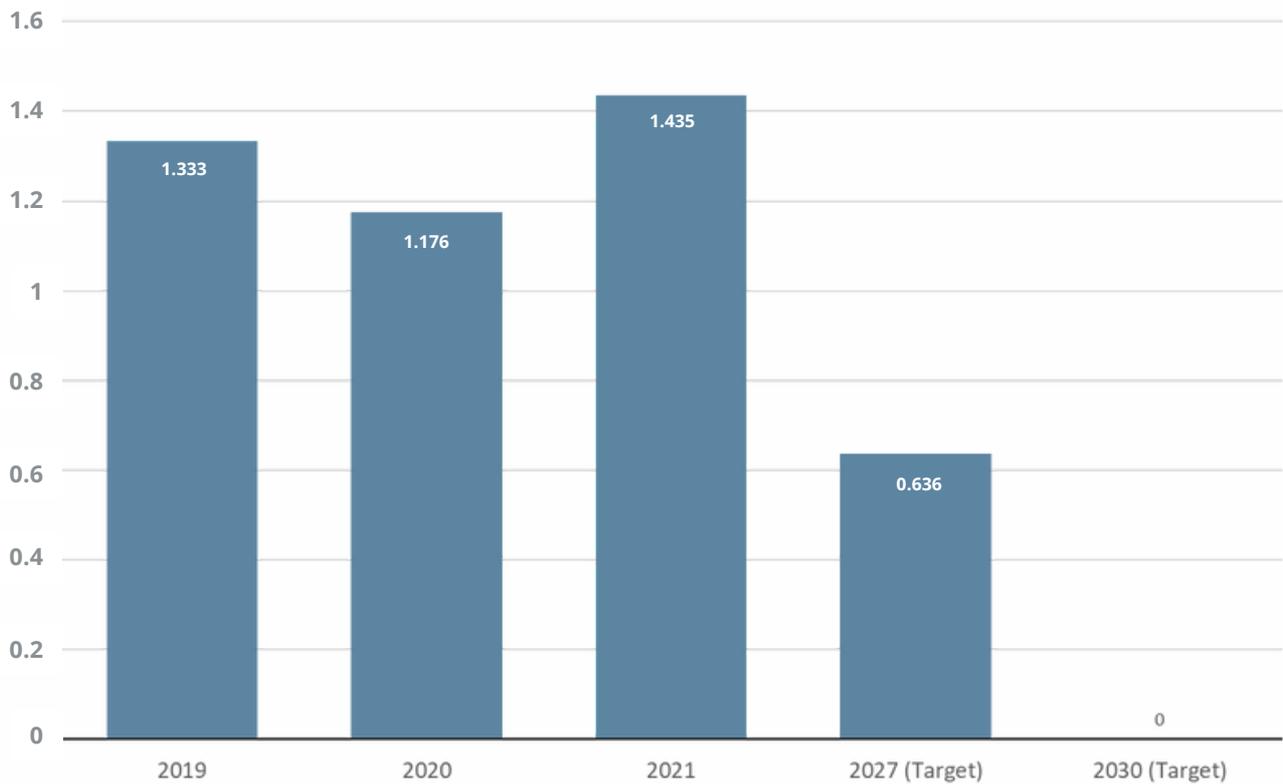
target increase in electrical consumption from clean, renewable sources by 2023

43 %

of total electrical consumption is provided by our solar farm, during peak daylight hours

GHG Emissions.

GHG Intensity (kgCO₂e/pc) 2019 - 2030



(1) Estimates were based on consumption data and emission factors. For grid electricity, an emission factor of 0.547 (MtCO₂e/MWh) was used, a national average for Pakistan estimated by the Institute for Global Environmental Strategies (2021). US EPA emissions factor defaults were used to estimate GHG emissions for fuel consumption and purchased steam. A default conversion rate of 1 000 BTU/pound of purchased steam was assumed. From now on, the GHG Protocol will be implemented, and calculation methodology may be subject to change. Any changes will be discussed in the subsequent report.



100%

**carbon neutral
denim and
apparel by 2030**



SUSTAINABLE MATERIALS.

Much of the fashion industry's environmental impacts and value chains stem from the unsustainable production and consumption of what are typically resource and pollution-intensive materials. Therefore, transitioning to sustainable materials is one of the most critical necessities in addressing these impacts. In addition, as environmental awareness increases, consumers increasingly desire sustainable fashion products made from low-impact materials that reflect their values.

At Denim Privé, we share those values and leverage creativity and an innate understanding of our materials' rich history and impacts to create ecologically and ethically outstanding products.

FACILITATING RESPONSIBLE COTTON PRODUCTION.

Our commitment to sustainable materials begins at the beginning of the supply chain, with the procurement of sustainably produced raw materials. Sustainable denim and apparel start with better cotton. Supporting the responsible production of cotton represents a significant opportunity for Denim Privé to impact the environment and industry positively. For more information on our cotton fields, see the Supply Chain section.



Incorporating Recycled Materials.

Denim Privé helps minimise the demand for virgin raw materials, along with the associated environmental impacts, by incorporating the use of recycled material in the manufacturing of our products.

In concordance with our commitment to recycled material, our PCW recycling plant shreds pre and post-consumer waste and re-spins the soft fibres into yarn. This yarn is fabricated into denim and finally into a new pair of jeans.

The Waste Management section contains further information on recycling, circular fashion, and our PCW recycling plant. As of 2020, 12% of our polyester consisted of COOLMAX® EcoMade materials. COOLMAX® EcoMade is a polyester fibre made from 100% post-consumer recycled resources.

8-10 %

of the materials used in the manufacturing of our cotton-based products in 2021 were recycled materials

50 %

of recycled materials will be used in our products by 2030

40 %

of our packaging materials consisted of recycled materials

12 %

of our polyester consisted of COOLMAX® EcoMade materials

Innovative Sustainable Materials.

Denim Privé aims to be a catalyst for sustainable innovation.

Therefore, we not only increase the incorporation of contemporary sustainable materials, but we also research, design, and create new materials that address environmental issues creatively. Such innovations include biodegradable 3D printed denim, regenerated fibre, and photocatalytic denim. Find more on our sustainable materials innovation in the Technology and Innovation section.

Such innovations include:



BIODEGRADABLE
3D PRINTED DENIM



REGENERATED
FIBRE



PHOTOCATALYTIC
DENIM

For more on our sustainable materials innovation, refer to the Technology and Innovation section.



COLLABORATION.

Denim Privé understands that great progress is not achieved alone. As we aim to foster cutting-edge innovation, elevate the status quo, and move the entire fashion industry towards a sustainable future, we also engage with our four key stakeholders, industry peers, academic institutions, and progressive organisations to optimise our collective efforts.

Strategic Partnerships.

Denim Privé has several strategic partnerships focusing on raising ESG standards in the fashion industry. Below is a list of our strategic partners and a brief description of our collaborative efforts. More information on the innovations mentioned below can be found in the Technology and Innovation.



The University of Bologna is our research partner, and together we develop innovative fashion products such as Photocatalytic Denim, jeans that help clean the air.

LUZPAC

We have collaborated with the Berlin-based fashion house **LUZPAC** to develop DarkLyte, jeans that charge your mobile phone with solar power.



Committed to utilizing the most eco-advanced denim dyeing techniques, we partnered with **Sedo** to introduce the world's most sustainable indigo.

Garmon
Kemin Group

We implemented Blue Snow technology from **Garmon**, which is discussed in greater detail in the Technology section below.



Jointly developed **Kassim x Meryl**, which marks the creation of innovative jeans from yarn that reduces water usage, chemical additives, and energy is also 30% lighter, more breathable, and provides moisture management.



Together with **Bainisha**, we developed the World's First Connected Denim.

École Duperré Paris
Paris Fashion School

Conducted engagements such as the Blue Hands Workshop, wherein Denim Privé's chemist revealed ancient techniques for dyeing fabrics with natural indigo.

Giving Back to the Community.

Denim Privé is committed to building a solid bridge between Academia and Industry. As such, we provide industrial visits to students to provide a clear idea about the practical challenges organizations face in the business world and practical insights that lectures cannot offer.

Denim Privé promotes a learning culture and encourages our employees to enhance their professional skills through certifications and degrees through our educational sponsors, the Aptech Institute and Pakistan Institute of Management.

In 2020, Denim Privé **collaborated with The Indus Hospital and conducted a blood donation drive** to help support our community medical centres.

Associations & External Initiatives.

Denim Privé encourages our suppliers and partners to participate in external ESG initiatives such as collaborative industry initiatives/coalitions, third-party sustainability certifications, and charitable foundations and trusts. A list of all external initiatives can be found below.

Industry Initiatives & Certifications.



Membership Associations.



Foundations and Trusts.



Commitment to Enhancing Collaboration.

Denim Privé is committed to increasing our involvement in collaborative industry initiatives. By 2025, Denim Privé intends to join the SAC as a Corporate Member, joining other leaders in sustainable fashion to advance the Higg Index collaboratively. In addition, by 2025, we intend to become a Contributor to the ZDHC.

In addition to these efforts, we consider our suppliers and customers strategic partners as we work together to better meet our stakeholders' requirements and co-create innovative new products and solutions that benefit the environment and society.







TECHNOLOGY & INNOVATION.

Denim Privé represents more than just sustainable fashion. We continuously create innovative fashion products that push the limits of possibility to create real, positive impacts. We aim to not only be at the forefront of technology and innovation but to act as the catalyst that moves the cutting-edge forward. In addition to our own innovations, we continuously research and implement emerging technologies that enhance efficiency and reduce impacts.

BLACK BOX.

Black Box is our dedicated research and development team of creative thinkers, technology experts, and meticulous researchers. Our Black Box team has a dual focus on preserving traditional aspects of quality and function with creative solutions that the fashion industry has never seen before.

Our Black Box team identifies opportunities to eliminate waste and environmental impact at the design stage while focusing on recyclability and biodegradability at the onset of the design process. Our products are geared for the future, and issues such as water and resource scarcity are front of mind.

Innovation by Denim Privé.



Blue Volt

Our Blu Volt process creates shades of indigo with an innovative spray system that substantially reduces salt and water consumption.

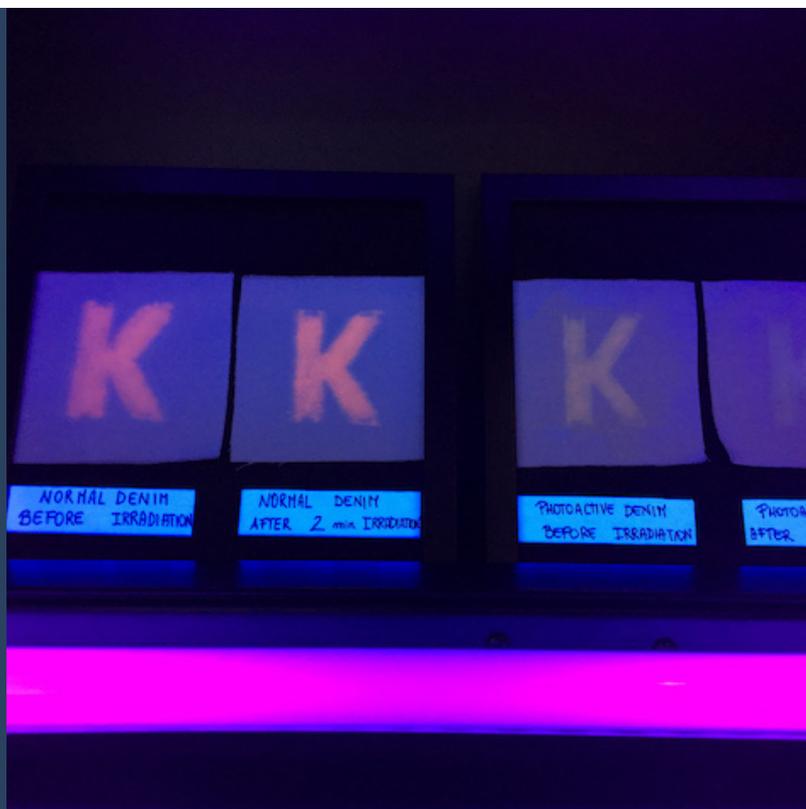
The process also incorporates our patented eco-friendly indigo dye, Endigo, which was developed in partnership with Sedo.

Photocatalytic Denim

Developed with our research partner, the University of Bologna, photocatalytic denim uses nanocomposite technology and sunlight to help eliminate pollutants from the air.

The Unthinkable Jacket

Designed with photocatalytic denim, we made the Unthinkable Jacket, which contains a chip and a corresponding app that calculates and tracks your impacts. We gifted the prototype to 200 industry leaders upon its launch in 2021.



DarkLyte

Developed in collaboration with Luzpac, DarkLyte is denim equipped with solar technology that charges your phone or devices on the go.



3D Denim

Denim Privé utilised 3D printing technology to create 3D-printed denim with flexible and biodegradable materials.



Connected Denim

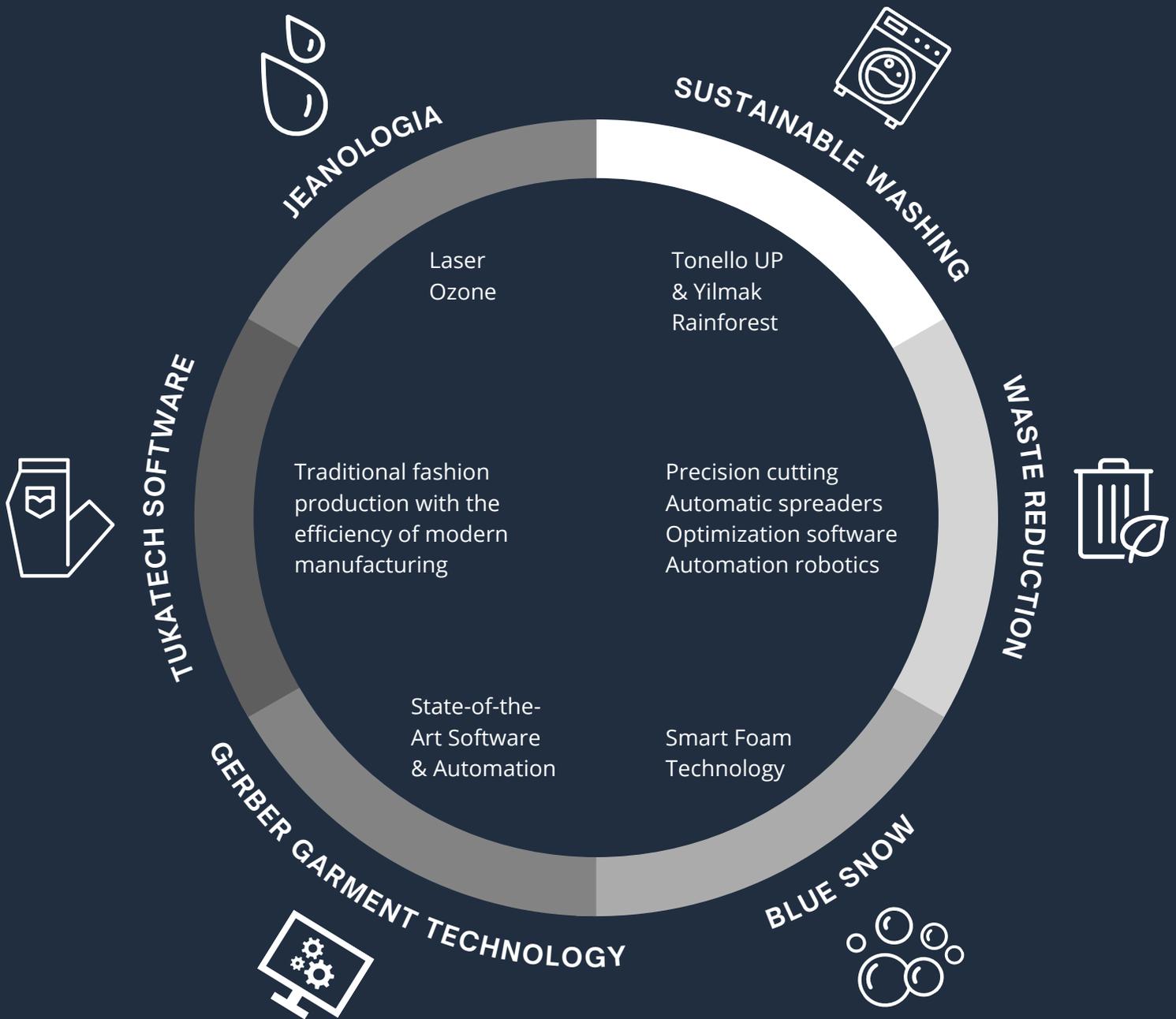
Developed in partnership with Bainisha, The world's first connected denim is equipped with sensors that track movement, position, body temperature, and humidity.

Regenerated Fibre

Denim Privé utilises innovative new fibres in our products such as Refibra, Modal, ECOVERO that are regenerative and ecologically sustainable. Regenerated fibre is created by dissolving the cellulose of plant fibre and regenerating it into fibre through the viscose method.



Technology at Denim Privé.



Technologies are further explained below.

Blue Snow

This sustainable alternative to the traditional washing process reduces water consumption by 80%. The process involves the application of chemicals in Snow Denim through smart foam technology at room temperature. The method also reduces energy consumption and increases productivity.

Reducing Waste through Precision Technology

At Denim Privé, we further conserve resources, reduce waste, and increase efficiency through precision cutting technology, automatic spreaders, optimisation software, and automation robotics.

Sustainable Washing Technology

Our washing processes use Tonello UP and Yilmak's Rainforest technology to dramatically reduce water, steam, and chemical usage while increasing daily production by up to 50-70%. YILMAK Rainforest's Silver Liner can conserve up to 25%, and Tonello Normal can conserve up 22% of water consumption during the washing process.



Gerber Garment Technology

We equipped our operations with the revolutionary Gerber Garment Technology that allows us to maximise efficiency and reduce waste through state-of-the-art software & automation.

Tukatech Software

Tukatech applications combine traditional fashion production's artistry with modern manufacturing's efficiency, culminating in an end-to-end fashion technology powerhouse.

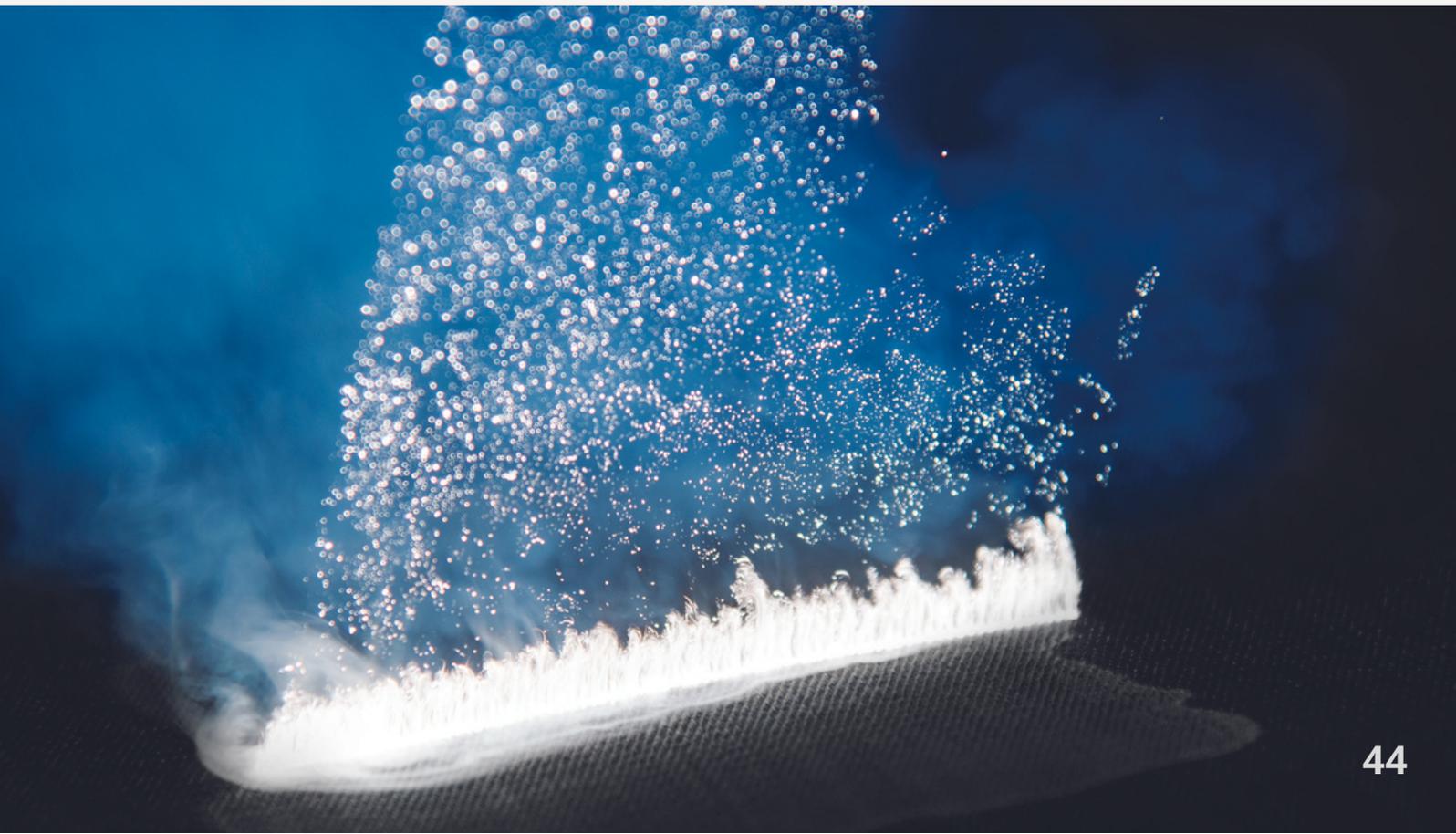
Jeanologia

Ozone

We use Ozone to treat garments through a zero discharge process that significantly reduces water consumption.

Laser

Achieve vintage looks using laser technology, reducing the need for chemical dyes.





DENIM PRIVÉ