

# **Executive**Summary

El Zay Ready Wear Manufacturing Co. (El Zay) has embarked on a commendable journey toward sustainability and social responsibility, integrating Environmental, Social, and Governance (ESG) principles into the core of its operations. This report outlines the company's current initiatives, achievements, and future plans in line with ESG criteria, emphasizing its dedication to environmental stewardship, gender equality, fair treatment of its workforce, and governance.

# **Environmental Initiatives**

### **Digital Transformation for Reduced Paper Use**

El Zay has substantially reduced its reliance on printed documents by adopting digital alternatives for agreements, internal approvals, and other documents. This initiative not only conserves resources but also streamlines operations, enhancing efficiency and reducing waste.

### **Solar Energy Adoption**

The company is actively exploring the use of solar energy to power its factory and dormitory facilities. This shift towards renewable energy sources represents a significant stride in reducing carbon emissions and dependency on non-renewable energy sources.

### **Energy-Saving Equipment Installation**

El Zay has invested in energy-saving equipment across its operations. This not only reduces energy consumption and costs but also aligns with the company's commitment to environmental sustainability.

### **Transition to Energy-Saving Lighting**

Plans are underway to overhaul the entire lighting infrastructure, replacing existing fixtures with energy-efficient alternatives. This initiative will significantly reduce the company's energy consumption and environmental impact.

### **Continuous Maintenance for Energy Efficiency**

A robust maintenance plan ensures the optimal performance of machinery, preventing energy wastage due to inefficiencies or malfunctions. This approach underlines El Zay's commitment to operational excellence and environmental conservation.

### **Adoption of Sustainable Materials**

Central to El Zay's product development strategy is the use of sustainable fabrics and accessories. The majority of collections offered to clients are crafted from recycled fabrics and trims made from recycled materials. This commitment places sustainability at the core of El Zay's business model, significantly reducing the environmental impact associated with the production of new textile fibers and supporting the circular economy.

# **Social Initiatives**

El Zay places a strong emphasis on social responsibility, particularly in fostering gender equality, ensuring fair treatment for all employees and engaging communities:

## **Gender Equality and Support for Working Mothers**

The company has established clear policies to ensure gender equality, eliminating pay gaps and providing equal opportunities for career advancement. Additionally, El Zay offers financial support to mothers with young children (aged five and below), demonstrating its commitment to supporting working families.

### **Fair Treatment and Opportunities**

El Zay adheres to a transparent and equitable approach to employment, including hiring, promotion, and compensation. A set salary scale, fair hiring practices, and objective promotion criteria ensure that all employees are treated justly and have equal opportunities to succeed.

### **Community Engagement and Development**

A core value of El Zay and its Board of Directors is the commitment to operating in and supporting underprivileged areas around Jordan. The company is dedicated to giving hope, creating jobs, and incentivizing learners in these communities. By focusing on areas with limited economic opportunities, El Zay plays a crucial role in fostering social and economic development, embodying a deep-seated belief in the power of corporate responsibility to make a tangible difference in people's lives.

### **Vocational Training School Initiative**

El Zay is planning to establish a vocational training school aimed at providing students from underprivileged areas with the opportunity to learn about the garment industry. This initiative will offer training in tailoring, sewing, cutting, designing, and other related skills, equipping students with the necessary knowledge and expertise to pursue careers in the garment manufacturing sector. By investing in vocational education, El Zay not only contributes to individual career development but also addresses the broader industry need for skilled labor, thereby supporting the economic upliftment of communities and reinforcing its commitment to social sustainability.

Through these comprehensive social initiatives, El Zay demonstrates a holistic approach to social responsibility, going beyond the confines of its immediate operations to positively impact broader society. The company's efforts to support gender equality, ensure fair treatment of its workforce, contribute to community development, and now, empower individuals through vocational education illustrate a comprehensive commitment to social sustainability and equity.

# Governance

El Zay's governance structure embodies its commitment to transparency, accountability, and ethical conduct:

### **Board of Directors and Committees**

The Board of Directors and its committees operate with a clear understanding of their duties and responsibilities. Decision-making processes are conducted professionally, with a focus on fairness and objectivity, ensuring that governance practices align with the highest standards of integrity and effectiveness.

## **Code of Conduct and Bylaws**

El Zay has instituted a strict code of conduct that is regularly reviewed and updated to reflect the highest ethical standards and best practices in corporate governance. The company's bylaws are meticulously revised and communicated to all stakeholders, ensuring that every member of the El Zay community is aligned with the company's ethical framework and governance standards. This commitment to transparency and accountability is fundamental to maintaining trust and integrity across all aspects of the business.

### **Segregation of Duties**

A key aspect of El Zay's governance framework is the strict segregation of duties between the Board of Directors and the executive (top) management. This structure ensures a clear delineation of governance and operational roles, preventing conflicts of interest and promoting effective oversight. By maintaining this separation, El Zay ensures that strategic decision-making is conducted with impartiality and that operational management is executed with efficiency and adherence to the company's strategic objectives.

Through these enhanced governance measures, El Zay Ready Wear Manufacturing Co. (El Zay) demonstrates a robust commitment to upholding the highest standards of corporate governance. The company's dedication to ethical conduct, transparency, and effective oversight serves as a foundation for sustainable growth and long-term value creation for all stakeholders.

# Conclusion

El Zay Ready Wear Manufacturing Co. (El Zay) stands as a beacon of sustainability, social responsibility, and governance within the garment manufacturing sector. Through its environmental initiatives, commitment to social equality, and adherence to principled governance, El Zay not only sets a benchmark for ethical business practices but also contributes positively to the global sustainability agenda. The company's ongoing efforts and future plans further reinforce its role as a responsible corporate citizen, dedicated to making a meaningful impact on society and the environment.

