

## 2011 Communication On Progress

### About this document

All members of the Global Compact are required to issue an annual Communication on Progress (COP), a public disclosure to stakeholders on progress made in implementing the ten principles of the UN Global Compact, and in supporting broad UN development goals.

This document is the first COP report of Shanghai Vico. We invite all our stakeholders (employees, clients, suppliers, investors, civil society, governments, local communities...), to read it and learn more about our commitment in favour of human rights, labour rights, environmental stewardship and anti-corruption, Although, we still have lack of more experience in it.

As specified in the COP policy, we introduce the document with a statement of continued support, which is signed by our Managing director Nelson Tan.

### Statement of continued support

“Shanghai Vico has endorsed the Global Compact Principles since 2008 – to officially state its commitment regarding human rights, working conditions, environment and corruption. We implemented the 10 Principles in our company.

From 2011, Shanghai vico will release a “Communication On Progress” once a year.

We also reinforced our commitment to share Global Compact Principles with our suppliers.

October 12, 2011

Nelson Tan, Managing Director.



### Human Rights Implementation

Human rights and labour right are closely related. The description below reflects Shanghai Vico's approach on the following areas of human rights: right to decent standard of living, right to health, right to education and training, right to family life.

The two Global Compact principles on human rights are included:

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights

**Principle 2:** Businesses should and make sure that they are not complicit in human rights abuses.

- We recognize and respect the protection of internationally proclaimed human rights. And we write the related right in the employee manual.
- We have a mechanism for communication between employee and labour union once time per week. In this meeting the employee can express his/her viewpoint freely.
- We also have an employee survey every year, aims at reporting employees' satisfaction and points of concerns.
- We imburse and found a Vico hope-school in Yunnan China in 2011. Nearly 300 children got education right as city children, they can learn knowledge in the bright classroom (Refer below pictures).



### Labour rights implementation

This chapter, dealing with labour rights, describes Shanghai Vico freedom of association, workforce and non-discrimination.

Employee share ownership, social dialogue and relations, headcount (by type of contract, geographical zone and country, gender, professional category, age, seniority, function), hiring, layoffs and resignations, equal employment opportunity (disability, diversity of gender, generation and origin).

The four Global Compact principles on labour rights are included:

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining,

**Principle 4:** Businesses should the elimination of all forms of forced and compulsory labour,

**Principle 5:** Businesses should the effective abolition of child labour

**Principle 6:** Businesses should and the elimination of discrimination in respect of employment and occupation.

- We have a formal regulation of recruitment. We check the identification, passport in order to avoid child labour came in. and in this regulation all people have equal right to compete one position.
- We never force and compulsory labour, all employees's over time disallowing 36hours per month.
- We provide colorful activities in the spare time of employee. Such as: football, basketball, ping-pang ball, family day and etc.

## Environmental stewardship implementation

This chapter describes Shanghai Vico's environmental strategy, actions and outcomes. The three Global Compact principles on environment are included:

**Principle 7:** Businesses are asked to support a precautionary approach to environmental challenges.

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

**Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

For principle 7 and 8, Shanghai Vico established Environmental management system in march, 2011. We published a policy, target (see below table) and 30 procedures to regulate the company's behavior in all activities. In these procedures we identify the all environmental factors in our plant and established the related preventive actions or corrective actions. For the important environmental factors, we also have the special procedure to prevent it happened.

We monitor the environmental management system performance by monthly, from the data we can find that we have got some improvements during the past months.

## Environmental Performance Tracking List(Y2011)

[illegible]

For principles 9,

- Replace more than 800pcs daylight lamp to energy saving lamp;
- Purchase 25 set energy-efficient molding injection machines instead of the old model. The new type machine can save energy 30%~35%.
- Through technical improve, the air compressor's energy consumption dropped 8%.

### **Anti-corruption implementation**

This chapter describes Shanghai Vico's approach and actions against corruption.

The Global Compact principle on anti-corruption is:

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

We identify the following scope of improvement for Shanghai Vico. Risk and impact assessments in the area of anti-corruption. Purchase and sale department guys.

We established a regulation that tell our employee how to deal with when the potential corruption appear.