

RAHIMAFROOZ



RAHIMAFROOZ BATTERIES LIMITED

705-706, West Nakhla Para, Tejgaon
Dhaka - 1215, Bangladesh
Tel : (88-02) 9113696
Fax : (88-02) 8115305
★ Email : info@rahimafrooz.com

19 August 2008

Georg Kell
Executive Head
Global Compact

Sub: Submission of Communications on Progress (COP)

Dear Mr. Executive Head,

I am pleased to submit very first Communications on Progress (COP) from Rahimafrooz Batteries Ltd that signifies supports to the ten principles of the Global Compact in respect to human rights, labour rights, the protection of the environment and anti-corruption. With this communication, we express our intent to support and advance those principles within our sphere of influence. We support public accountability and transparency that reflects in this COP.

Sincerely yours,

Feroz Rahim
Managing Director

Communication on Progress (COP) of Rahimafrooz Batteries Limited

HUMAN RIGHTS

Principle 1: *(Business should support and respect the protection of internationally proclaimed human rights)*

COMMITMENT: Commitment to protecting human rights by following the standard of Bangladesh Labor Code 2006 which was established on the light of ILO conventions. Our

HR Vision: is “Drive business excellence and create a rewarding workplace through people” it entails that we emphasis on and creating a rewarding environment for them.

SYSTEM: Rahimafrooz established strong compliance team to monitor the policies and system violence, analyze and investigate compliance failure by internal and external auditor or any employees.

In Rahimafrooz any employees has right to raise non-compliance in violation of policies.

ACTIVITY: Rahimafrooz provides special personal loan scheme for employees to comfort the employees who may face sudden economic hardship and needs monetary helps.

Rahimafrooz provides loan to its employees to support the education of their child in order to improve the education condition and status of employees' children. This program will directly impact the overall societal focus on education and encourage the employees to educate their children.

PERFORMANCE:

1. Total hours of employee training on policies and procedures concerning aspect of human right are increasing day by day.
2. The flow of total number of incidents and discrimination is decreasing.
3. Areas identified as having significant risk for incidents and taking improvement actions.

Principle 2: *(Business should make that they are not complicit in human rights abuses):*

COMMITMENT: We set high standards of ethics and moral virtue for ourselves. We firmly believe in religious, ethical, social and legal righteousness and we strictly adhere to those.

SYSTEM: As per our recruitment policy we can't recruit people below 18 years old.

We are providing employee benefits more than regulatory requirement and providing higher salary than minimum wage rate to our workers.

ACTIVITY: Our ongoing staff training on Country's labor laws and employees right issues helps employees to be aware about their rights and prevalence.

PERFORMANCE: Awareness on human right issues among the employees are continuously increasing.

Identify the risk involving areas and sourcing alternative solution.

Principle 3: (*Business should uphold the freedom of association and the effective recognition of the right to collective bargaining*):

The company respects the right & the labors of the company have freedom of association, but the workers (labors) have not formed a Trade Union as the company encourages open communications with workers and goes beyond the labor code in providing the employees with monetary & non-monetary benefits.

SYSTEM:

Every quarter the top management team sit with all employees and labors of the company in a forum called General Meeting with employees. In the forum the top team takes feedback on grievances and other issues from worker and provide decisions..

PERFORMANCE:

Investment in employee welfare significantly improved.

Worker representative included in welfare and provident fund committee.

Principle 4: (*Business should uphold the elimination of all forms of forced and compulsory labor*):

COMMITMENT: As our aspiration statement reads, we want to be the most admired and trusted organization, by excelling in everything we do and following ethical business practices, and adding value to stakeholders, and we want to achieve all of these and thus committed not to resort any form of forced or compulsory labor.

SYSTEMS: We are sincerely following the Bangladesh labor code -2006 for working hour guideline of employees which is monitored and inspected by the Factory inspection department. This monitoring system helps to improve the factory condition and develop mechanism to assess the impact of our efforts.

ACTIVITY: Each employee of the company is getting appointment contract mentioning their working hours and details of working conditions.

PERFORMANCE: Rahimafrooz Batteries Ltd is one of the preferred employers.

Percentage of employee turnover has been low. Employees are availing all govt. declared holidays and their annual leave. Company is encouraging employees for taking leave by providing monthly leave allowances.

Principle 5: (*Business should uphold the effective abolition of child labor*):

COMMITMENT: Our recruitment policy does not support enrollment of child labor in any kind of jobs. The policy also discourages suppliers and contractors to use any child labor in their process.

SYSTEMS: We are in the process of implementing OHSAS at our factories. Our OHSAS policy covers many areas related to working condition and safety issues of our suppliers and contractors' employees, which state that they will never recruit child labor for their operations.

ACTIVITY:

We ask for the birth or secondary school certificate form the potential employees. Employees not carrying the age certificate are sent to a certified medical sergeant for collecting their age/fitness certificate before recruitment.

Performance:

In our company the minimum acceptable age of workers is 18years. Even the age group from 18 to 20 years in 2007-08 was below 5% of the population.

Principle 6: (*Business should uphold the elimination of discrimination in respect of employment and occupation*):

COMMITMENT: The Company has been providing equal opportunity. Rahimafrooz never compromises on ethical business practices. One of its prime concerns is to respect and promote the principle of non-discrimination in all levels

of our Human Resources. Our recruitment, training and career development policy reflects the commitment and respect.

SYSTEMS: Our HR Vision to “Drive business excellence and create a rewarding workplace through people” encourage in building performance oriented culture which is a reflection of nondiscrimination and respect to the individuals.

ACTIVITY: Our “I + 10” program is a management tool for practicing 360 degree appraisal at Rahimafrooz. Practices of “I + 10” “from top to button, the company teaches us to be more fair and impartial in our behavior and reduce blaming culture.

PERFORMANCE:

The increasing trend of indexes of our internal survey on “I + 10” and behavior index are reflections of our continual improvement in the area.

Principle 7: Business should support to a precautionary approach to environmental Challenges:

Commitment: To address environmental challenges, this is a policy of Rahimafrooz Batteries Limited to consider environmental viability of its activities including planned or new developments in the overall assessment process.

System: Under existing environmental management system (has been maintained since 2002), RBL identifies environmental aspect and impact of its activities. Environmental programs (that includes environmental objectives and targets) are taken to control the aspects having significant impact on the environment.

Activity: RBL organizes training program for its employees and contractors on regular basis to make them environmentally conscious. To prevent the environmental pollution caused by vehicles, RBL has converted the engines of all its vehicles to run on CNG.

Performance: The aspects that have significant impact on the business is within control. After the conversion, GHG emission from vehicles has reduced significantly (More than three fourth).

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Commitment: For sustainable development in the earth Rahimafrooz Batteries Limited (RBL) utilizes the available scopes for the development of environment to a greater extent.

System: In the process of continual improvement of environmental management system, initiatives are taken that have impact on environment to a greater extent.

Activity: RBL has installed Air treatment plant and effluent treatment plant to make the quality of air and water pollutant free before discharging into the environment.

Target has been set for power and paper consumption against per unit production with a view to conserve the resource.

Performance: Level of lead in air emitted from different exhaust outlet has come down to the standard set by the Department of Environment (DoE) - 10 mg/Nm^3 and the one of water discharged into sewerage is also within the permissible limit of DoE - 1 mg/L .

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment: As a part of its policy to prevent environmental pollution for sustainable growth, Rahimafrooz Batteries Limited (RBL) is keen to adopt environmentally friendly technologies.

System: During installation of new machinery and implementation of new projects eco-friendliness is considered as a prerequisite. To meet the environmental challenges and growing consciousness on environment, environmentally friendly products are also being developed.

Activity: RBL is implementing smelting plant to recycle used batteries in environment friendly manner. In this plant, annually 660000 no batteries will be recycled that will contribute in preventing environmental pollution from used batteries. In addition out of this recycling, yearly 3300 ton hard lead will be reclaimed from used batteries, which are one third of the yearly consumption of RBL and will result in resource conservation.

New Segment "CNG Hybrid" battery has been launched in the market. This battery has longer life in vehicles run on CNG, thus reducing the number of batteries coming in to the market.

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

Commitment: Rahimafrooz Batteries Limited (RBL) wants to be the most admired and trusted organization through excelling in everything done by the organization and following ethical business practice. One of the values maintained by the organization is “Integrity in all our dealings”.

System: The issue “integrity” and “ethical business practice” is reinforced by discussing in all forums, such as general meeting, departmental meeting and so on.

Activity: RBL has taken a program called “I Plan” to develop a congenial work environment by maintaining integrity, fairness and impartiality.

All the employees have signed the “Statement of Commitments & Integrity” which is in other word a commitment for being lawful, honest, fair, trustworthy and ethical. The same is got signed by the suppliers and vendors of RBL.

Performance: RBL is recognized by external stakeholders as a respected company in terms of integrity