



UNITED NATIONS GLOBAL COMPACT Communication on Progress

2012

VIYELLATEX group

UN Global Compact Communication on Progress Report 2012

Reporting Period: May 2011 - April 2012

Message from CEO

VIYELLATEX strongly believes that a responsible approach is a prerequisite to long term success for any business. Ensuring environmental protection, maintaining robust labor standards, upholding human rights and combating corruption are key elements to our commitment to sustainability.



VIYELLATEX group is a signatory of the UN Global Compact since 2009. Three years on, we believe we have successfully maintained our commitment and continue to embed the principles into our group's standards, policies and cultures. Thus, we feel proud to be a part of such an initiative by successfully maintaining and further improving on the 10 principles laid out by the UNGC.

Within the last year, VIYELLATEX group brought out its second annual GRI Sustainability Report to further strengthen our stance towards sustainable development. Welfare of the employees has significantly improved with profit sharing schemes. Innovations on both social and environmental fronts have converted ideas into achievements.

The management strives to uphold transparency in all its business activities and is continuously seeking more greener and cost effective ways of keeping our commitments to the UNGC. Our business diversification ventures of agro-based and power sector is coupled with building 'Green Factories' for both our knit and woven units.

I, as the Chairman and CEO, am committed towards the UNGC and we, the VIYELLATEX team are resolute in continuing our efforts through 2012 and beyond.

K M Rezaul Hasanat
Chairman & CEO

Contents

The Ten Principles 1	Introduction 2	Human Rights 3	Labor Standards 4
Environment 5	Anti-corruption 6	Values 7	

The Ten Principles

Human Rights

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

Principle 2: make sure that they are not complicit in human rights abuses.

Labor

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

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

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

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

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

Anti-Corruption

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



Introduction

Greetings from VIYELLATEX group!

A lot has happened since last year's report. VIYELLATEX has made major strides towards diversification- the latest addition to our business units being Midland Power Ltd. While we hope to provide electricity to the people of Bangladesh, our logistics, agriculture and textile businesses remain strong players in their respective industries. Management has undergone positive changes as well in the form of recruiting the best talent from all lines of education backgrounds. To achieve the VIYELLATEX Vision, we hope that these individuals will bring in the culture of competitiveness into the business, and drive rapid growth in the years to come.

We are pleased to publish our third COP Report. This year, we have made some significant progress with regards to the four principles: Human Rights, Labor Standards, Environment and Anti-corruption. Aligning with our Corporate Sustainability Report, a number of initiatives have been taken to uphold the standards that we set for ourselves to improve the lives of our stakeholders. We believe that we have taken another step towards our Vision by incorporating our Values into our initiatives.



Human Rights

Principle 1 & 2

At VIYELLATEX, management personally takes it upon them to provide the labor force a safe and hygienic work environment which will yield efficient output. Something as simple as drinking water quality is checked every 6 months by the International Centre for Diarrheal Disease Research, Bangladesh (ICDDR, B) and Bangladesh University of Engineering and Technology. Proper sanitation facilities are provided on each production floor, and kept clean throughout the day under ISO 14001's system.

Medical facilities are available to employees round the clock in case of illness or injury. The medical team, along with other departments regularly organizes free clinics for the workforce as well as for the local community. This year, an Expanded Program on Immunization (EPI) was organized for the first time, which saw 586 patients turn up for the free service. The quarterly held 0-5 clinic, eye camp, blood donation program and National Immunization Day saw as many as 3857 people availing the service. Additionally, for the first time, a camp for the physically disabled and mentally challenged was held at Brahmanbaria and Naogaon that benefitted 81 and 225 people respectively. In our previous reporting period, the medical services benefitted a total of 4000 people, marking a significant rise of 19% this year.

Workers' safety is treated as top priority and training is conducted on a regular basis not only by each business unit's training team, but also by the corporate team. During the reporting period, 5393 workers were trained on firefighting, 376 workers were given training on chemical handling, and 340 workers were trained on giving first-aid. The Emergency Preparedness and Response Procedure has also been reviewed and modified in line with the ISO 14001 system.

Principle 2

On the job, any sort of grievances with regards to discrimination or abuse is dealt by our Counseling and Employee Assistance Department. This team, comprising of experienced female executives, not only provides guidance, but also provides regular training on work ethics.



Finally, VIYELLATEX aims to go beyond human rights and extend special benefits to its workforce. Maternity benefits, provident fund, gratuity scheme and profit sharing motivate employees and keep them satisfied.

Labor Standards

Principle 3 & 4

VIYELLATEX recognizes the Workers' Participation Committee and regularly holds monthly meetings to engage in fair negotiations. We understand that shortcomings on the management side may exist, and so we feel that the meeting is important to streamline our commitment towards our employees.

VIYELLATEX does not endorse employment by force at any time. Strict policies are in place, and are implemented across all supervisory levels to ensure there is no incident. For overtime work, they are compensated double their basic salary. Bonus on attendance, allowance for food and free medicine are some other facilities that are also provided to the workers.

Principle 5

When it comes to employment, we have one strict rule - we will not employ child labor. As we practice this code across all of our business units, we feel that it is high time we go beyond our walls and encourage other business houses to abolish child labor. Our Compliance team conducts third-party supplier audits regularly to ensure that the system is followed across our supply chain. By leveraging our associations in the different industries that we operate today, we feel that we can successfully project Bangladesh as a child labor free country one day.



The age of potential employees is verified by checking National Identity cards as well as conducting medical checkup to ensure that all workers are aged above 18 at the time of employment.

Principle 6

Apart from child labor prevention, we also ensure there is no gender discrimination in our organization. Our human capital management system strives to foster a culture where competency is matched with job requirements. Gender, age, religious beliefs, political affiliations, etc. are not of our concern. Job analysis is carefully conducted to ensure that people with the right skills are being given the right tasks, thereby motivating employees to give their best output.

Environment

Principle 7 & 8

This year, we are pleased to announce that VIYELLATEX Ltd is ISO 14001: EMS certified. Our Environment Policy is available to the general mass on our website. To express our commitment towards the environment, we have set ourselves challenging objectives across all our departments. This is being regularly checked by our experienced internal audit team to ensure that the 14001 standard is being complied with. Management Review Meeting is also conducted with the top management to report on internal audit results as well as progress of achievement of objectives.

The food leftovers from lunch are converted to compost fertilizer at VIYELLATEX Spinning Ltd. This is then sent to Royal Valley Planters – our tea estate and is also distributed free of cost to neighbouring farms. The fertilizer is a mixture of food leftovers, kitchen waste and cotton dust from our spinning mill. The fertilizer has been found to be highly fertile and has since been in use for growing tea leaves. The total quantity of fertilizer produced from May 2011 to April 2012 is 242,250 kg compared to previous year's figure of 190,000 kg. The fertilizer initiative has been ongoing since February 2010. To date, 472,250 kg have been produced.

Principle 9

We have stretched our 3R initiatives to include two ambitious projects that we hope will take business sustainability in Bangladesh to greater heights – our green factories Eco Couture and EcoFab. Eco Couture will be our environment friendly knit factory. The

144,000 sq ft establishment will be LEED certified (Leadership in Energy and Environmental Design) Gold Category factory. Construction is on-going at this point in time and should be up and running at the end of 2012. EcoFab will be our environment friendly woven factory. The establishment will be completed by 2013.

Anti-corruption

Principle 10

VIYELLATEX continuously seeks to be a transparent business trend setter, for which we have developed our entire business process cycle through SAP ERP. Transparency and accountability is checked through our other software - Orgatex, Kormee and GSD – and are regularly monitored. Our organization follows a strict code of conduct and ethics. All forms of licenses and clearance certificates are properly monitored and regularly maintained to combat any form of anti-corruption issues. Our anti-corruption policy strictly lays out how discrepancies are to be dealt with and how we can prevent potential incidents.

Additionally, our Internal Audit team further reinforces our stance towards anti-corruption by conducting inventory management of all units and departments twice a year, in line with data records of SAP. The audit team also administers all forms of bill checking and financial compliance related issues to ensure that all data match with initial agreements and that no form of divergence is occurring – from construction works to even checking workers' salaries and other benefits.



With *Integrity* we work towards business sustainability to ensure *Fairness* to every stakeholder. We foster *Innovation* to enforce our *Commitment* towards the *Environment* and best practices to ensure *Customer Satisfaction.*

If you have any queries, please contact:

Tayef Quader
297 Khairtul, Tongi. Gazipur-1712
Bangladesh
tayef.quader@viyellatexgroup.com
+880 1715 157257

Find us on:





VIYELLATEX

Bridging Progress and Sustainability

