# UN GLOBAL COMPACT REPORT COMMUNICATION ON PROGRESS 2007-2008



#### MANAGING DIRECTOR'S MESSAGE

Lantrade Global Supplies is an energetic business dedicated to continuing the development of an efficient, cost-effective supply chain for overseas projects run by international organisations. To date our particular area of expertise has been in Election Projects, often in post-conflict zones. Increasingly we have been asked to supply different products, tapping in to our well-developed supply network throughout Europe and the Far East.

We are delighted to be able to show our commitment to ethical business practices by adherence to the principles laid out in the Global Compact. As yet we are a small, private company but with a very able and compassionate staff that prides itself in acting with care and integrity within the commercial environment. We generally find those with whom we have business relationships welcome this approach.

The Global Compact helps and encourages us to formalise our good business practices and make them more visible both inside and out of the organisation. We endeavour to incorporate as many of the principles as we can in our dealings with other companies. Each year we aim to increase the number of principles to which we can show direct adherence and talk openly to our suppliers about the importance we attach to the spirit and practical application of the Global Compact.

We consider ourselves privileged to be part of this international collaboration that puts good and ethical business in the front line.

Lynda Scott- Tomlin LGS Managing Director

#### **CONTENTS**

| Director's Message                      | 2  |
|---|----|
| LGS - What we do                        | 4  |
| The 10 Principles of the Global Compact | 5  |
| Protecting Human Rights                 | 7  |
| Health and Safety                       | 8  |
| Implementing Labour Standards           | 9  |
| Protecting the Environment              | 10 |
| Commitment to transparency              | 12 |

#### WHAT WE DO AT LGS

LGS has been providing professional solutions to all aspects of the electoral process for 20 years and is a regular supplier of competitively priced, high quality products and procurement services across the globe.

LGS is experienced in implementing election projects worldwide and has been a key supplier to the world's highest profile elections in Iraq, Afghanistan and the Democratic Republic of Congo. This year alone, LGS has been part of the elections in East Timor, Burkina Faso, Benin, Sierra Leone, Togo, and Pakistan.

We ensure quality service by tackling each project with hands on, positive and professional attitude from initial design through to successful and timely delivery. At LGS we also provide training to ensure that local officials are fully conversant with the workings and function of each piece of equipment supplied.

The same quality of care and attention to detail is applied to all projects, irrespective of size, and LGS takes pride in providing tailored solutions for even the smallest population.

LGS is customer focused, working closely with the client to develop the most appropriate bespoke solution for the task in hand. Every product requires global expertise enhanced by knowledge of local cultural, infrastructure and transport.



## THE 10 PRINCIPLES OF THE GLOBAL COMPACT

Below is an overview of the ways in which LGS complies with the principles of The Global Compact. It also includes targets and aims for the coming year.

#### Human Rights

<u>Principle 1</u>: Business should support and respect the protection of internationally proclaimed Human Rights. <u>Principle 2</u>: Business should ensure that they are not complicit in Human Rights abuses.

**Our policies:** LGS respects the Human Rights of all its employees, both direct and indirect, throughout the international supply chain. Our company adopts a non-discriminatory policy, which ensures that no employee is discriminated against based on their age, gender, religion, race or culture. As company policy we do not engage or deal with other companies who we see to breach the human rights of their workers. We implement this policy through regular factory visits in the countries that we deal with. In some cases we have uncovered factories that we do not see as compliant with human rights and have taken action accordingly. This is either requesting that certain practices be changed, or by switching our supplier. We have found this to be a successful way of ensuring that our business does not under any circumstances engage in breaches of human rights.

**Future Aims:** LGS will continue to take breaches in Human Rights extremely seriously. Our factory visits and communication to suppliers of our policies are an active way of doing our best to ensure that we do not breech on the rights of others at any stages of the supply chain.

#### Labour standards

<u>Principle 3</u>: Business should uphold the freedom of Association and the effective recognition of the right to collective bargaining.

**Our Policies:**\_LGS values the opinions and choices of workers. All of our employees have the freedom to join any association on their own free will. As company policy we also respect and listen to all employees, as well as those involved in collective bargaining. We believe that effective communication leads to good business, benefiting all concerned.

**Future Aims:** LGS will continue to support the rights of workers and their freedom of speech.

<u>Principle 4</u>: The elimination of all forms of forced and compulsory labour.

Principle 5: The effective abolition of child labour

**Our Policies:** We work closely with our factories so that we are aware of their labour standards. Through unannounced factory visits we ensure that we never knowingly engage in forced labour. Where we see breaches of human rights and poor labour standards, we encourage changes. If change is not forthcoming we will refuse to deal with the supplier in question. We have had spot checks carried out in some of our factories by UN representatives. We welcome this and those visiting have been impressed that LGS embraces the Global Compact principles with such vigour.

**Future Aims:** LGS aims to always visit the factories that we work with, and therefore to always ensure that our labour standards are not compromised in any way.

### <u>Principle 6</u>: The elimination of discrimination in respect of employment and occupation.

**Our Policies:** LGS employs a multicultural team, which we believe allows effective communication with all of our suppliers. Our UK team includes, English, Chinese, French, South African, Bulgarian and Russian workers promoting equal opportunities.

**Future Aims:** LGS will never engage in discrimination in respect of employment.

#### Environment

<u>Principle 7</u>: Businesses should support a precautionary approach to environmental challenges.

<u>Principle 8</u>: Undertake initiatives to promote greater environmental responsibility

<u>Principle 9</u>: Encourage the development and diffusion of environmentally friendly technologies.

Our Policies: LGS is extremely committed to protecting our environment. In our UK offices we have implemented the ISO 14001 policy, we also make a conscious effort to only use Diesel fuelled vehicles. Our company has promoted our environmentally conscious policies and way of business in our publications. We also work with suppliers to ensure the most eco friendly route is taken. Future Aims: LGS will continue to be more eco-friendly and attempt to always, where possible use renewable sources. We are very aware on the possible implications of our business on the environment in other countries, and continue to encourage more energy efficient and environmentally friendly options.

#### Anti Corruption

<u>Principle 10</u>: Business should work against corruption in all its forms, including extortion and bribery.

**Our Policies:** LGS takes a number of actions and precautions against corruption in all of its business deals.

**Future Aims:** To continue not to tolerate any form of corruption.

#### PROTECTING HUMAN RIGHTS

LGS is committed to protecting human rights. Our company policies have always ensured that the rights of the workers throughout our supplier chain are protected. This year LGS has taken an extra step and chose when possible factories which helps a good cause.

#### **July 2007 Voting Booth Factory**

The task of producing 7,000 Voting booths in 3 weeks for the Sierra Leone elections was not easy. 7 different pieces of Correx had to be manufactured for each voting booth, making a total of 49,000 panels. Many factories were visited, but it was a company hiring mentally disabled people that we chose. The employees were very hard working and very happy to have



the opportunity to work. LGS was delighted to be able to help a good cause. We spoke with the factory owners and were the same wages were being paid as to able-bodied staff.

LGS works also with the buyers trying to improve the products in accordance with human rights.

#### **Protecting Voters' Human Rights**

LGS is a specialist in supplying ink products for election and voter registration programmes. We have been working with election

commissions and advising a move away from the traditional method of dipping fingers in bottles of stain containing 25% of Silver Nitrate. Silver nitrate is a toxic chemical, which should not be applied to the skin in great quantities. A solution with 8% of Silver Nitrate is safe for the human skin and is enough to stain the finger for the duration of the election and avoid double voting. We have also encouraged the use of UV ink, which only fluoresce when exposed to long wave ultraviolet light after application. This solution preserves voting integrity and respect citizens decision not to show they have voted.

#### LGS does not respond to bids which offend Human Rights

The United Nations Mission in Liberia recently invited LGS to a bid for "Procurement of Equipment and Material for Liberia National Police".

The products requested included legs irons, belly ring restraints and stun guns. LGS firmly rejected the offer of providing such products and pleaded the withdrawal of the bidding documents. The bid was withdrawn shortly after our complaint.

#### **HEALTH AND SAFETY AT LGS**

All of our staff is briefed on the risks and safety issues of our offices. 40% of our company staff are fully trained in Fire Marshalling and Health and Safety. Through this we can ensure that a sufficient proportion of our UK team is informed in how to handle and manage hazardous situations. All employees are expected to comply with the Company Health and Safety Procedures.

LGS are very concerned from for the welfare of all its employees. To ensure the health and safety of all our workers along the supply chain we offer a training day in how to handle equipment used in the supplying process. We carry out unannounced factory checks for all of our projects. When carrying out such inspections we ask to see an ISO 14000 and 9000 certificates before we deal with them.

For any product that is potentially harmful, we ask for a Health and Safety Certificate, which is issued to the factories by their government.

Once we are satisfied with a factory's labour standards and place an order, we follow our policies through by ensuring that one representative our team is present at every shift in the factory. This ensures that labour standards are maintained and there is no breech on health and safety procedures.

#### **IMPLEMENTING LABOUR STANDARDS**

LGS work very closely with China as a large proportion of our projects take place there. There is potential for misunderstanding given the wide differences in culture and society. LGS employs Chinese staff in the UK and China in order to facilitate smooth communication and cooperation. We also feel that we benefit hugely from the intercultural exchanges that this facilitates, indeed necessitates. It also allows us to be more aware of the impact we might have on the local communities and provides more opportunity to ensure that our trading does not impact on other people.

#### **January 2007 Boot Factory**

Finding a reliable production partner can be a challenge. We often favour small businesses, especially those run by families. Mr Hu and his daughter Candy run a small shoe factory in the province of Zhejian. The employees are all well looked after and often relatives or friends. By winning this big contract, we hope this small business can grow, employ more



people, and give locals the opportunity to better their lives. This is our small contribution to a better world.

#### **July 2007 Stationery Kits factories**



7,000 stationery kits each containing 68 different products were produced for the Elections in Sierra Leone. LGS was determined to visit each of the 68 factories! This task was not only to check the quality of the products but also to ensure that the workers were working in good conditions and were given all their rights. We were happily surprised to see that all those factories had excellent work ethics. Once all the products were collected from those different factories, the kits were assembled in a spacious, well-ventilated and lighted warehouse. The

employees, mainly women, were all working around the roller band, sitting on a comfortable bamboo chair or standing up. They often chatted and laughed while counting and putting the right items in each box.

#### LGS PROTECTING THE ENVIRONMENT

At LGS we have implemented the ISO 14001 policy throughout our building and our neighboring premises. Through this we have set up an environment managing system, promoting energy efficient and environmentally friendly working.

This ranges from recycling our used paper and cardboard, to conserving energy by switching off unused power sources in order to improve the efficiency of our company. This, we have also put in place a recycling system for paper only used on one side to be reprinted or faxed on the other side. This is also a great way to recycle in our own premises!

LGS believes that it is our responsibility to promote environmentally friendly modes of business and in our industry publications we actively encourage ecological awareness.

#### Sea freight vs. Airfreight

LGS strongly encourages its customers to transport orders by sea rather than by air. By planning projects early, rather than leaving them until the last minute customers can make huge savings. Choosing sea freight not only reduces costs by at least 60% but



also CO2 emissions. It was calculated by scientists that shipping 1.5 tonnes of product by ship to the UK created 0.124 tonnes of CO2, while shipping only 0.5 tonnes of the same product by air created 4.5 tonnes of CO2.

Most of the bids we submit only ask for airfreight quotes. However if we can deliver in

the time frame requested, we also offer a sea freight option.

#### **Use of reusable products**

LGS supports environmental policies by designing re-usable products. Many elections are organised with single-use products made of non-recyclable material.

This year LGS supplied a 4 way-voting booth made of Correx for the Elections in Sierra Leone in July. This voting booth will be used again for a referendum election planned next year, and can be re-used for forthcoming elections, when stored in good condition. The design of this voting booth allows the product to be shipped flat packed which saves on freight, hence energy.





#### LGS IS COMMITTED TO TRANSPARENCY

At LGS we have introduced anti-corruption policies to ensure there is fair trade between companies.

We do our utmost to encourage transparency throughout. We only deal when all the proper documentation is in place and ensure that all financial and commercial transactions are transparent.

To this end LGS works with trading organisations and never private individuals. Payments are only made against official invoices.

LGS takes the time to visit factories and companies, allowing us to speak to workers on the shop floor and validate company claims.

