

## Communication on Progress {January-December 2011}

**Full name of the participating company/organization: Apex Adelchi Footwear Limited**

**Country of headquarters / countries of major operations: Dhaka, Bangladesh**

**Industry sector: Footwear Manufacturing and Exporting**

**Reported period: January to December 2011**

### Structure of the Communication on Progress:

1. Apex Adelchi Footwear Limited (AAFL) is committed to upholding the principles of the UN Global Compact through all vistas of its operation. The company believes that prosperity and growth is firmly pegged to the wellbeing of the community through which it operates, concurrently safeguarding the human rights of its workforce and customers, ensuring labor standards are met and treating all its stakeholders in an unbiased and transparent manner. This is embodied in the company's credo, "Honest Growth".
  
2. Description of practical actions, and policies if available, taken to implement the UN Global Compact principles and quantitative measurement of performance. The guidelines below are developed to help you with identifying the actions and indicators under the four issue areas.

<b>Human Rights:</b>	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and Principle 2: make sure that they are not complicit in human rights abuses
<p><b>What is the relevance of Human Rights for your company? What impact/influence has your company on Human Rights? How is your company impacted/influenced by Human Rights?</b></p> <p><b>Does the company demonstrate its human rights protection policy in any of the following documents?:</b></p> <ul style="list-style-type: none"> <li>- Organizational structure</li> <li>- Employment rules</li> <li>- HR plan</li> <li>- Risk management plan</li> <li>- Supplier selection criteria</li> <li>- Customer relation systems</li> <li>- Employee relation systems</li> <li>- Employee information and training plan</li> <li>- Sponsorship, donation and social activity policy</li> </ul> <p><b>Is there a special person or team or</b></p>	<p><b>Actions and indicators – examples:</b></p> <p>The company provides information among its employees on the measures supporting human rights.</p> <p>The company selects its contractors based on a list of criteria, including a criterion regarding the availability of information about their engagement with human rights protection.</p> <p>The company protects the rights of its customers by providing information about its products /services</p> <p>The company has a policy supporting:</p> <ul style="list-style-type: none"> <li>- educational projects</li> <li>- scholarships</li> <li>- projects for participation in cultural life</li> <li>- minorities</li> </ul> <p>This is done after an evaluation of the needs</p>

<b>committee in charge of implementing this policy?</b>	<p>The company allocated 0.75% of retained profits for concrete human rights protection projects</p>
<b>Does the company have other special projects, for instance assisting non-governmental organizations to support disadvantaged social groups?</b>	<p>The data is taken from: internal reports and external audit report.</p> <p>The company has partnered with Center of Excellence for Leather Skills Bangladesh Limited (COEL) to help those worst affected of climate change in the Gaibandha region through a comprehensive apprenticeship program. These men and women, who often earn less than a dollar a day, are given a six-month long paid apprenticeship, whereby they are trained as machine operators and supervisors. The first batch of 1,000 graduates, whose courses were administered through ILO's TVET initiative have already been absorbed by a number of leather footwear exporters in the country.</p> <p>AAFL also has a fully staffed round-the-clock medical centre within its factory compound. Apart from routine free medical check-ups for the factory employees, the centre also provides guidelines on hygiene practices. Additionally, AAFL also has an on-site day care centre for young children belonging to its female workers, in light of the fact that approximately 70% of its factory employees are female.</p> <p>In April 2011, AAFL's domestic wing Gallerie Apex undertook a week-long campaign to raise funds for the victims of the Earthquake and Tsunami victims of Japan. The company ultimately donated 10% of its sales revenue of the third week of the month to JICA through a formal ceremony as a gesture of appreciation for the partnership Bangladesh shared with Japan.</p>

<b>Labour Standards:</b>	<p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour; and</p> <p>Principle 6: eliminate discrimination in respect of employment and occupation.</p>
<p><b>What is the relevance of Labour Standards for your company? What impact/influence has your company on Labour Standards? How is your company impacted/influenced by Labour Standards?</b></p> <p><b>Does the company demonstrate its human rights protection policy in any of the following documents?:</b></p> <ul style="list-style-type: none"> <li>- Collective labour contract</li> <li>- Organizational structure</li> <li>- Employment rules</li> <li>- Risk management plan</li> </ul>	<p><b>Actions and indicators – examples:</b></p> <p>The company has a plan for employment, training and career development, the criteria being transparent for the employees. The company has clear rules regarding working hours, breaks, etc. Job advertisements guarantee equal access to all able candidates.</p> <p>The company has a formal representation of the employees in the management. The company has a formal system to hear the opinion of the employees</p> <p>The company selects its contractors based on a</p>

<ul style="list-style-type: none"> <li>- Supplier selection criteria</li> <li>- Customer relation systems</li> <li>- Employee information and training plan</li> <li>- External audit reports</li> <li>- Equal opportunities policy</li> </ul> <p><b>Is there a special person or team or committee in charge of implementing this policy?</b></p> <p><b>Does the company have other special projects, for instance, assisting a non-governmental organization, which works for supporting equal opportunities between women and men, the abolition of child labour and other forms of labour norms violation?</b></p>	<p>list of criteria, including a criterion regarding the availability of information about their engagement with labour standards protection.</p> <p>Given the potential risk in the sector of employing children under 18, company displays in the notice board not to employing children under 18.</p> <p>The company has also proactively sought empowerment and employment of marginalized females. This is reflected in the fact that approximately 70% of AAFL's factory workforce is comprised of women.</p> <p>The data is taken from internal reports and external audit reports.</p>
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<b>Environment:</b>	<p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility;</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p>
<p><b>What is the relevance of Environmental issues for your company? What impact/influence has your company on the Environment? How is your company impacted/influenced by the Environment?</b></p> <p><b>Does the company demonstrate its environment protection policy in any of the following documents?:</b></p> <ul style="list-style-type: none"> <li>- Risk management plan</li> <li>- Supplier selection criteria</li> <li>- Customer relation systems</li> <li>- Employee information and training plan</li> <li>- Marketing plans</li> </ul> <p><b>Is there a special corporate environmental policy, independent or as part of other documents?</b></p> <p><b>Is there a special person or team or committee in charge of implementing this policy?</b></p> <p><b>Does the company have other special projects, for instance, assisting a non-governmental environmental organization?</b></p>	<p><b>Actions and indicators – examples:</b></p> <p>The precautionary approach of the company guarantees that it collects information in order to identify, monitor and assess the possible environmental effects of its products and services.</p> <p>The company selects its contractors based on a list of criteria, including a criterion regarding the availability of information about their engagement with environment protection.</p> <p>The company states clearly its planned environmental targets and achievements (on the web site, internal bulletin, etc.)</p> <p>The data is taken from internal reports and external audit reports.</p> <p>AAFL has conducted a month long environmental awareness campaign through its domestic manufacturing and retail wing, Gallerie Apex. Titled, the Green Gallerie Initiative, the program introduced environment friendly, recyclable shopping bags. In addition, the company also introduced dedicated recycle bins in 10 of its premium outlets encouraging consumers to recycle. Framed environment pledges have been placed in select showrooms encouraging customers to get involved in saving electricity, paper and other key natural resources.</p>

<b>Anti-Corruption:</b>	Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.
<p><b>What is the relevance of Corruption for your company? What impact/influence has your company on Corruption? How is your company impacted/influenced by Corruption?</b></p> <p><b>Documents that could bear on elements of anti-corruption policy:</b></p> <ul style="list-style-type: none"> <li>- financial rules and orders regarding gifts, social expenses and representational expenses</li> <li>- purchase rules</li> <li>- description of connected persons</li> <li>- donation rules, including for political parties</li> <li>- rules for service payments by state employees and/or employees to business partners</li> </ul> <p><b>Does the company have a document, describing the anti-corruption and anti-bribery policy, for instance in a Code or other form?</b></p> <p>Is there a person charged specifically with implementing this policy?</p> <p><b>Does the company have any other special projects, for instance with a business organization and/or with the support of a non-governmental organization?</b></p>	<p><b>Actions and indicators – examples:</b></p> <p>The company observes strict rules with regard to donations, including for political parties, guaranteeing transparency.</p> <p>The employees are informed about the company policy thanks to an internal bulletin.</p> <p>Both suppliers and partners are informed about the company purchase policy.</p> <p>The company has signed the initiative of the GC and BBLF to limit the amount of cash payments.</p> <p>The company finances:</p> <ul style="list-style-type: none"> <li>- survey and discussion on Corruption in universities within the framework of a project of the x Association</li> <li>- participation of one of its employees in a lecture-discussion with students “What is corruption and what are its forms?”</li> </ul> <p>AAFL’s local wing Gallerie Apex was awarded the highest Value Added Tax Payer for the year 2010-11 (Gazipur district) by the Bangladesh Government, which serves as a vindication of the transparent practices of the company.</p> <p>The data is taken from: internal reports and external audit reports.</p>

3. Sharing the COP with the company’s stakeholders – available links to the company’s Communication on Progress and additional information on the location of the COP report – and posting the COP on the Global Compact website <http://www.unglobalcompact.org/admin/>

**Contact person for the COP (full name, position, email, etc.): Md. Mominul Ahsan, Head of Human Resources, Apex Adelchi Footwear Limited; ahsan@apexadelchi.com**