

United Nations Global Compact Communication on Progress (COP)

Abdul Monem Limited (AML)

**Reporting Year 2012
Reporting Period: 2011 -2012**



We are available at
www.amlbd.com

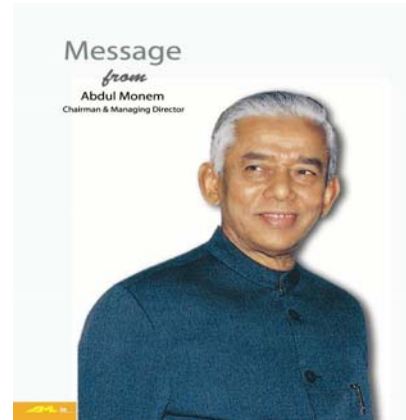
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Message from the Chairman

Dear Colleagues, Friends & Stakeholders:

I am pleased to submit our first Communication on Progress (COP) for the year of 2011-12 and affirming our support and commitment to the Ten Principles of the UNGC's Global Compact as regards to human rights, labor, environment and anti-corruption.



We are committed to making the Global Compact and its principles as part of the strategy, culture and day to day operations of our Company, and to engage in collaborative projects which advance the broader development goals of the United Nations, in particular the Millennium Development Goals (MDG). A clear statement of commitment is made to our stakeholders and to the public that describes our Company's efforts to implement the ten principles.

Abdul Monem Limited endeavors to retain public transparency and accountability in all its business segments adhering to our commitments to the UNGC objectives.

Started as a Construction Company in 1956, we have built Abdul Monem Limited bit by bit and diversified our business into many facades. Our business ventures have a distinct appeal to the society for their unique qualities and eventually have become a role model for the other business enterprises. Abdul Monem Limited focusing on this philosophy of quality grew over the years by providing the best services and high quality products. In fact, "caring for quality" has earmarked Abdul Monem Limited as the most trusted and one of the leading companies in Bangladesh. More than five decades ago, we started the journey as an infrastructure development service provider and today it is one of the leading conglomerates in the country. The mission of Abdul Monem Limited is to build ventures committed to achieving the best quality products and services for the betterment and sustainable development of the society. The mission includes a dedication to review the existing operations, the evaluation and the creation of new and profitable ventures that are ethical and enhances personal, institutional and leadership development. Overall,

AML aims at providing society with significant assistance in achieving the maximum potentiality.

In 1990 AML beverage was awarded the *Turtle Award* by the President of The Coca Cola Company for its contribution to positioning the brand. In 1997 the company established another bottling plant of 650 BPM capacities in the port city of Chittagong. The plant was established to expand the market further and to deliver Coke to every consumer's doorstep. Apart from glass bottles, Coke is available in PET and Cans as well.

To meet our long term growth objectives, we recruit and actively cultivate a diversified workforce and establish a culture that fosters learning, innovation and value creation on a daily basis.

I, as the Chairman and Managing Director, am very much enthusiastic towards the UNGC and the AML Team is eager to provide enduring support and commitment to the initiatives and its principles of UNGC's Global Compact through 2013 and beyond.

Finally, I would like to say that we run our business with transparency, ethical business standard encompassing CSR activities targeted primarily to our stakeholders and the public in general.

With best wishes

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Abdul Monem', with a long horizontal stroke extending to the right.

**Abdul Monem
(Chairman & Managing Director)
Abdul Monem Limited**

AML at a Glance

AML's Vision

Optimum use of valuable resources including human to create value-added products and services aimed at contributing to the sustainable economic, social, and environmental progress and prosperity of Bangladesh.

AML's Mission

Provide value added products and services by creating a successful partnership among the people, technology and practices.

Pledge is to establish an absolute sense of inclusion of our employees with our organization and building sustainable relationships with our customers, business associates and stakeholders by exceeding their expectations and gaining lifelong trust through exceptional performance.

Excel in all our work, constantly challenging to perform better and engaging in teamwork with the aim to achieve incremental growth of our business thereby having a positive impact on the community and the nation in economic and social development.



Strategic Business Units (SBUs) of AML

Construction & Infrastructure Development

AM Construction and Builders
Monem Business District

Food and Beverage

Authorized Bottler-The Coca-Cola Company
Igloo Ice cream
Igloo Foods Limited
Amomilk Dairy Products

Sugar Refinery

AM Sugar Refinery Limited

Securities & Financial Service

AM Securities & Financial Service Limited

Medicine and Pharma

Novus Pharmaceuticals Limited

Soft Services

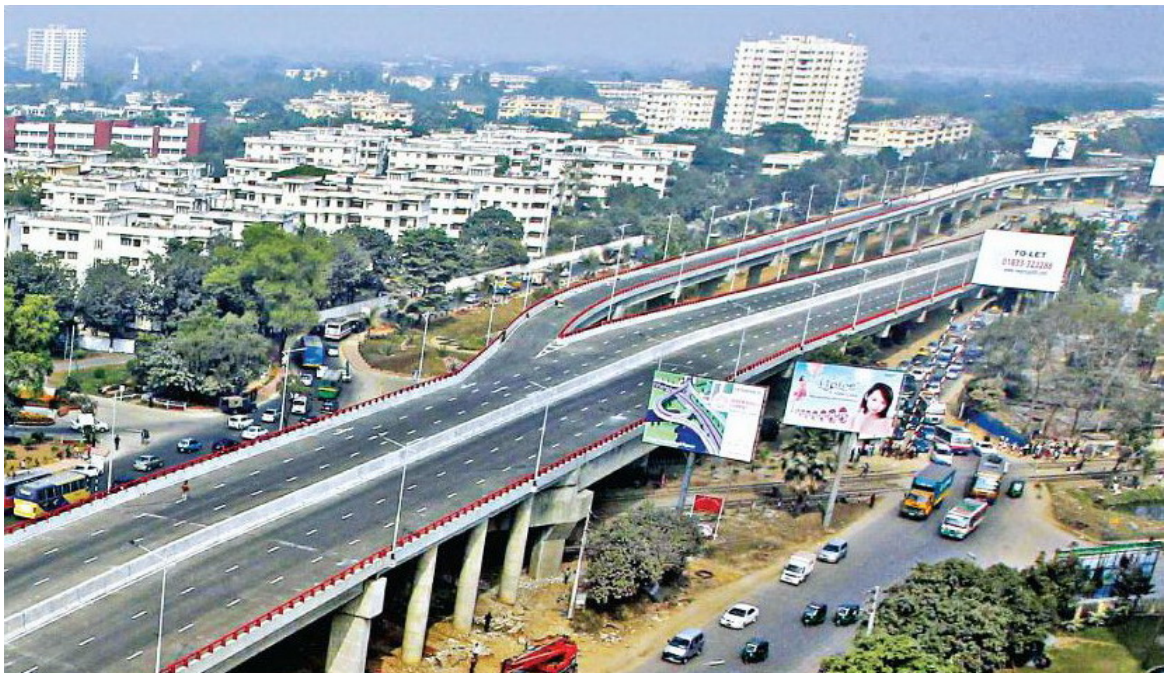
Service Engine (BD) Limited
AM Consulting Limited

Education

Abdul Monem University (Proposed)
AM Skill Development Institute (Proposed)
AM College
AM High School
AM Primary School
AM Madrasa and Orphanage

Foundation and CSR

Abdul Monem Foundation
Abdul Monem Education and Technology Trust



Group Management

Our Leaders...

Abdul Monem **Chairman and Managing Director** **Abdul Monem Limited**

Mr. Abdul Monem is the founder of the Company and is working as the Chairman and Managing Director of the Abdul Monem Group. A veteran Civil Engineer by profession Mr. Abdul Monem masterminded the AML Business, its expansion and Horizontal integration and diversification. For his achievement in this respect, Mr. Monem is awarded "Commercially Important Person (CIP)" status by the Government of Bangladesh.



A.S.M. Mainuddin Monem
Deputy Managing Director I
Abdul Monem Limited



A.S.M. Mohiuddin Monem
Deputy Managing Director II
Abdul Monem Limited

His descendants Mr. A.S.M. Mainuddin Monem, a Business Graduate from world leading Harvard Business School, USA, and Mr. A.S.M Mohiuddin Monem, an Industrial Engineer from North Eastern University, USA are the key management responsible for the Finance, Administration and Strategic Operational Management of the Group.

Human Rights

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

Abdul Monem Limited strongly believes that sustainability plays a vital role in the growth of businesses. Steered by our organizational purpose, values and human resource philosophy we are committed to caring people, health and safety, managing sustainable environment and empowering societies. We support universal human rights not only for our employees but also for the communities where we operate our businesses.

Being a responsible corporate citizen, Abdul Monem Limited has always strived to safeguard human rights, its protection and promotion. All our actions are in resemblance with fundamental rights such as right to equal opportunity, right to freedom of speech and association, right against exploitation, right for cultivating own culture and education.

In line with our Human Resource Philosophy, we are an "equal opportunity employer." Composition of the organization reflects the international image of the group. Suitably qualified people from local and international communities are preferred for appropriate roles at

our manufacturing and other locations.

Abdul Monem Limited strictly prohibits child labor engagement. It practices no discrimination on the grounds of race, gender, region, cast, color, or ethnic origins and treats all employees equally at the work place. Abdul Monem Limited is committed to respect and to protect the internationally proclaimed human rights and is practicing the Bangladesh Labor Code 2006.

Abdul Monem Limited manages to provide 20,000 liters of clean drinking water to the poor people of slum areas of the society on a daily basis.

We are also responsive to our social responsibilities and we believe that the corporate houses have many responsibilities to perform. We contribute a fair portion of our earnings to the underprivileged, distressed and poor people. For example, we have established educational institutions to enlighten the poor people of our locality with necessary knowledge. Mr. Abdul Monem, the founder of AML, always had the dream to do something for the orphans. His dream came to reality when he

established an orphanage center in his hometown of Bijeshwar, under Brahmanbaria district of Bangladesh.

Since the inception of this orphanage in 1998, at least 12 of children have completed their primary educations, 7 of them have completed High School and 2 of them have got admitted in College education. We keep their development along with scholastic track.

Establishment of 45 School-cum-Cyclone Shelters in SIDOR-affected coastal areas (of the Bay of Bengal) is one of iconic landmark development work of Bangladesh. It is important to note that SIDOR, a very severe Cyclonic storm that made landfall on the coastal regions of Bangladesh on November 15, 2007 resulting in one of the devastated natural disasters in Bangladesh. The shelters have been used by approximately 1000 families as their temporary accommodation who gradually then shifted to their own houses.



Recently, these Shelters also have provided shelters to approximately 10,000 people from at least 100 villages during the Cyclone Aila. (Cyclone Aila hit 14 districts on the south-west coast of Bangladesh on the 25th May 2009.)

On a different front, Novus Pharmaceuticals Limited, a pharmaceutical-unit of Abdul Monem Limited has committed to raise awareness of malnutrition among pregnant and lactating

mothers and children through participating in **“Every Woman Every Child”** initiative. AML has also started providing free vitamins among the target groups.

“Every Woman Every Child” is an initiative launched by UN Secretary General Ban Ki-moon during the United Nations Millennium Development Goals Summit in September 2010 that aims to save the lives of 16 million women and children in the world by 2015.



Partnering with the Nutrition Department of Dhaka University, AML has already planned to reach 50,000 poor and needy mothers (both pregnant and lactating) in the next five years through its nutrition awareness program. It is to be noted here that this program is well under way and by the next reporting time a substantial number would be covered under this program.

(For web reference, please visit to:

<http://sustainabledevelopment.un.org/index.php?page=view&type=1006&menu=1348&nr=1217>)

The Abdul Monem Foundation of Abdul Monem Limited is a resource for innovative and humanitarian people who have the willingness to do something for the poor people of the country. The goals of Abdul Monem Foundation are to meet and uphold the human rights, reduce poverty level, spread education among poor, promote peace and to help every citizen to enjoy religious rights.

An “Employee Loan Scheme” is offered for the immediate needs of the employees of Abdul Monem

Limited to meet any unforeseen crisis.

Approximately, 1500 employees of Abdul Monem Limited have taken the advantage of this “Employee Loan Scheme” with zero interest and easy repayment plan.

Being mindful to our female employees, “Maternity Benefit Scheme” is offered to women who are on maternity leave. Abdul Monem Family enjoys employee benefits as per company policy supporting their rights.

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

Abdul Monem Limited puts the present labor laws into practice endorsed by the Government of Bangladesh to serve the workforce. The company ensures prompt handling of grievances of employees and customers to uphold basic human rights. Also, Abdul Monem Limited always encourages the direct employment to protect the human rights of workers.

There is a robust monitor policy/system to inspect all statutory compliances through internal as well as external agencies on a monthly basis at plant and at business levels. We have set high standards of business ethics and moral virtues for ourselves and we firmly believe in

religious, ethical, social and legal uprightness.

Appropriate safety measures (i.e. iron/steel-toe shoes, yellow Jackets/Trousers with ID cards, hard hat caution sign etc.) are taken and monitored at workplaces.

There is a committed Employee Relation Association which takes care of employees well being. For prevention of sexual harassment, a complaints committee is headed by a woman officer, to deal with cases of sexual harassment, if any. So far no such occurrences have taken place at AML. None-the-less, awareness on human right issues is significantly increasing among the employees.

Labor Standards

- **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

At AML, we rightly welcome and appreciate the right to freedom of association and the effective recognition of the right to collective bargaining. We are also committed to provide workers' representatives with appropriate facilities to assist in the development of effective collective agreement.

We, at AML, are committed to use collective bargaining as a beneficial forum/medium for addressing working conditions and terms of employment, and relations between employers and workers. We are committed to address any problem-solving or other needs of interest to workers and management, including restructuring and training, safety and health issues, grievance and dispute settlement procedures, disciplinary rules, and family and community welfare. To this effect, Abdul Monem Limited joins regularly to the open dialogue/round table seminars of Bangladesh Enterprise Institute.

Abdul Monem Limited never practices and supports forced and

compulsory employment labor at its workplace and there are distinct and strict policies applied in its factories and plants. We are committed not to resort to any form of forced or compulsory labor in our working place. There is no form of threatening/violence or physical assault or sexual abuse present at our workplaces and we are trying to accomplish the higher standards of protection of workers in working areas.

Training and short courses are offered to the supervisors, safety officers and administrative officers so that they can understand the labor laws in order to become aware of laws and in turn can make others aware of them.

So far we have covered more than 450 employees under various programs ranging from monthly 2-3 hour-long short presentations to quarterly programs about 2-3 day-long trainings. Along the same line, AML has allowed five of its senior managers to be trained by outside organizations on various issues,

especially on Human Resource Management.

Every employee is appointed with accurate employment contract/job description mentioning the terms and conditions of service and working conditions following Bangladesh Labor Code 2006. The employment contracts/job description is written in easy *Bengali* and English language so that all employees can understand them. Electronic time attendance systems are implemented in

workfare and a specific electronic log sheet is generated with the salary sheet.

All Employees are entitled to enjoy all public/declared holidays and their designated annual and sick leaves. AML holds a compulsory yearly health checkup program free of cost for all employees. In this regard, a separate wing is responsible to handle and monitor supply chains and subcontracting arrangements carefully.

Principle 5: The effective abolition of child labor

In principle, no child is hired by Abdul Monem Limited. Human Resources Department (HRD) has developed and endorsed an employment policy with no option for labor below the adult-age of 18. Employee database is maintained with basic information mentioning date of birth.

We seek and obtain birth registration certificates for the workers obtained from their respective agencies. At the time of employee recruitment process, National Identity Card (NIC) is a

mandatory requirement to verify the legal age and status of candidates to avoid any form of child labor.

Abdul Monem Limited has completed the OHSAS (Occupational Health & Safety Advisory Services) audit at plant areas and the process of getting certified. OHSAS recommends and creates a healthy, safe and supportive environment at plant areas with strict obligation for appointing child labor in the organizations.

Principle 6: The elimination of discrimination in respect of employment and occupation

HRD practices a "Recruitment Policy Statement" where fair, transparent, skill-based competitive employments are encouraged and any discrimination in respect of race, gender, region, cast, color, creed or ethnic origin is not allowed in recruitment process. Besides, HRD is being continually updated with the local accepted labor laws enacted by Bangladesh Government. All employees are treated equally at the work places.

Discrimination is altogether avoided including access to employment, recruitment process, payment, job assignments, occupational safety and health, paid holidays, particular occupations, promotions and to training and vocational guidance.

Female employees/workers enjoy Maternity Leave with full pay for a period of 120 days including public holidays. After enjoying the Maternity Leave, female employees are usually seen to be more active at their workplaces with full potential and efficiency.

Every confirmed employee is eligible to be a member of The Abdul Monem Limited "Employee Provident Fund," which has been administered in accordance with the relevant law of the land.

We also realize that we need to promote collaboration among the nonprofit, government and business sectors and to ensure participation by men and women from diverse communities and at all levels of the society. We believe, such activities help build common understanding, enhance excellence, enable people to improve their lives and reinforce their commitment to the society.

In order to achieve our company's vision, we are committed to follow our "Employee Code of Conduct," where every employee does conform to and abides the Code of Conduct. Over 5,000 employees run our business, and we have a great responsibility to create an accepting and rewarding work environment for them.

Maintaining up-to-date records on recruitment, training and promotion provide an apparent view of prospects for employees and their progression within the organization. In this respect, one of the objectives of AM Skill Development Institute is to promote access to skills development training and to particular occupations for our workers.

Environment

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

Abdul Monem Limited, as a responsible corporate citizen, believes in protecting and preserving the environment. To achieve this objective, Abdul Monem Limited has a full-fledged environment management team to plan, implement and monitor environment management programs.

All environment management programs are intensively monitored and effectively implemented. Toward this goal, Abdul Monem Limited has incorporated with ISO 22000:2005, OHSAS management systems, HACCP management systems etc. We are committed to conform to and caring for the Environment, Occupational Health, Safety and Quality procedures of our working area.



Abdul Monem Limited aims and gives continual efforts to improve performance of all pollutant abatement services like air emission and waste disposal at its plants.

To meet the future environmental challenges, we have emphasized on green energy by installing solar panels on rooftop of our Head Quarter (MBD) to conserve the environment.

Fuel Analyzer has been installed at our plants to manage less emission of carbon monoxide. Adhering to guidelines, we submit treated effluent water sample to

Department of Environment of Ministry of Environment and Forest, Bangladesh for testing.

Abdul Monem Limited widely recognizes and understands the need to control and improve the environmental performance to meet the challenges. Gardening and treated effluent recycling is being carried out in all our units to replenish the ground water.

Principle 8: Undertake initiatives to promote greater environmental responsibility;

In pursuit of excellence towards sustainable development and to go beyond compliance, Abdul Monem Limited has taken many initiatives aligned to the Company's policy of Conserving natural resources, raw materials, water and energy by process improvements, recycling and reducing waste.

Abdul Monem Limited conforms to all of the environmental regulatory compliances and guidelines of Department of Environment (DoE), Ministry of Environment and Forest (MoEF), Bangladesh at its plants and exercises best possible usage of water consumption and reuses of treated waste water for drainage

cleaning and irrigations . The Monem Business District (by far the largest commercial building in Bangladesh) has adopted green energy by installing solar panels on its rooftop to conserve the environment.

Abdul Monem Limited encourages forestations, gardens, reuse of treated water and has created environmental awareness among employees.

Abdul Monem Limited has installed Effluent Treatment Plant (ETP) to make the water pollutant free before discharging into the environment.

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

In order to address environmental issues, Abdul Monem Limited aims to meet human needs while preserving the environment and AML family is committed to the continuous progress of environment-friendly technologies.

Respecting the environment, we have established Effluent Treatment Plants (ETP) in all of our plants following the guidelines of Department of Environment (DoE), Ministry of Environment and Forest (MoEF), Bangladesh.

Abdul Monem Limited has completed OHSAS and PASS223 audit and practices the Occupational Health and Safety Policy for its employees and others concerned. However, we are yet to address this issue more profoundly as a cross-boundary need. Among others, we need to address the following:

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Implementing environmental-friendly technologies to help the company reduce the use of raw materials leading to increased efficiency. Innovative technology which creates new business opportunities and helps increase the overall competitiveness of the company.

Technologies that use materials more efficiently and cleanly can be applied to most companies under AML with long-term economic and environmental benefits.

Establishing a corporate or individual company policy on the use of environmentally sound technologies.

Making information available to stakeholders that illustrate the environmental performance and benefits of using such technologies.

Refocusing research and development (R&D) towards 'design for sustainability'.

Anti-Corruption

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

There is a well defined Code of Conduct and Business Ethics in place for conducting the business operations of Abdul Monem Limited.

Since its inception, AML business practices have been governed by honesty, integrity, fair dealing and full obedience to all applicable business laws and ethics. We deplore any form of bribery, corruption and extortion in business and we uphold the commitment countrywide in our everyday jobs.

With our Code of Conduct, we discourage an offer or receipt of any form of gift, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest,

illegal or a breach of trust in our organization.

Our Internal Audit Team supports conducting inventory management of all units and departments twice a year with data records of ERP. The audit team also administers all forms of bill checking and financial compliance related issues to ensure that all data match with primary terms and conditions and that no form of divergence is occurring.

In addition, An Enterprise Resource Planning (ERP) package named ERP Optima has been implemented in our organization and financial data are transparently transacted through ERP. No doubt, the automation of the company encourages good governance and eliminates corruptions.

“Abdul Monem Limited will continue to endeavor through its business values and commitments to encourage/uphold the United Nations Global Compact principles by ensuring good corporate governance and corporate social responsibility.”

For any enquiries, please contact us:

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