

Communication on Progress {January-December 2012}

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 2012

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 operations. 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, customers and suppliers through ensuring labor standards are met and treating all its stakeholders in an unbiased and transparent manner. This is embodied in the company's corporate 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.

Human Rights:	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
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? Does the company demonstrate its human rights protection policy in any of the following documents? <ul style="list-style-type: none">- Organizational structure- Employment rules- HR plan- Risk management plan- Supplier selection criteria- Customer relation systems- Employee relation systems- Employee information and training plan- Sponsorship, donation and social activity policy Is there a special person or team or	Actions and indicators – examples: The company provides information among its employees on the measures supporting human rights. It had organized over 12 training programs in the concluded year on topics such as Fire Fighting, Chemical safety, ILO conventions, code of conduct, personal protective equipment and emergency management. In partnership with COEL, AAFL also conducted Gender Equality Training, Maternity Health Care Training and HIV awareness training among the factory staff in 2012. 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. The company protects the rights of its customers by providing information about its products and services.

<p>committee in charge of implementing this policy?</p> <p>Does the company have other special projects, for instance assisting non-governmental organizations to support disadvantaged social groups?</p>	<p>AAFL's Human Resources unit is tasked with safeguarding the human rights of its employees. This 15 member task force is led by Mr. Mominul Ahsan, Group HR Head who reports directly to the Managing Director and Chairman. The strategic and operational Human Rights initiatives have been delegated to 2 Assistant General Managers who look after the factory and head office staff respectively.</p> <p>The company has a policy supporting:</p> <ul style="list-style-type: none"> - educational projects - scholarships - projects for participation in cultural life - minorities <p>This is done after an evaluation of the needs</p> <p>All employees of the factory have been made a part of a group life insurance policy which ensures compensation to their families in the event of accidents and death.</p> <p>The company allocated 0.75% of retained profits for concrete human rights protection projects.</p> <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 by climate change in the Gaibandha and Rangpur region through a comprehensive apprenticeship program. These men and women, who used to earn less than a dollar a day through share-cropping, are given a 12-month long paid apprenticeship, whereby they are trained as machine operators, machine maintenance officers or supervisors. By the end of 2012, AAFL had assisted COEL in training over 3900 economically disadvantaged individuals, 70% of whom were women. The courses were administered through ILO's TVET initiative and 95% of the graduates have already been absorbed by a number of leather footwear exporters in the country.</p>
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<p>Labour Standards:</p>	<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>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?</p>	<p>Actions and indicators – examples:</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</p>

<p>Does the company demonstrate its human rights protection policy in any of the following documents?:</p> <ul style="list-style-type: none"> - Collective labour contract - Organizational structure - Employment rules - Risk management plan - Supplier selection criteria - Customer relation systems - Employee information and training plan - External audit reports - Equal opportunities policy <p>Is there a special person or team or committee in charge of implementing this policy?</p> <p>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?</p>	<p>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 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 aforementioned 15-member Human Resources team has devised and implemented AAFL's Human Rights Policy and through continuous monitoring, ensures policy compliance. The company has also proactively sought empowerment and employment of marginalized women in BD. 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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<p>Environment:</p>	<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>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?</p> <p>Does the company demonstrate its environment protection policy in any of the following documents?:</p> <ul style="list-style-type: none"> - Risk management plan - Supplier selection criteria - Customer relation systems - Employee information and training plan - Marketing plans <p>Is there a special corporate environmental policy, independent or as part of other documents?</p> <p>Is there a special person or team or committee in charge of implementing this policy?</p>	<p>Actions and indicators – examples:</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 manufacturing processes.</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>AAFL's backward integration with Apex Tannery Limited – 2 (ATL2) ensures that the key raw material of leather is processed responsibly, as ATL2 operates its own independent ETP capable of treating 150 m³ of waste per day.</p> <p>In addition, AAFL Factory completed its first production run without using any Volatile Organic Compound (VOC) in line with the long-range trans-boundary air pollution pact of the Geneva Convention (1979).</p>

<p>Does the company have other special projects, for instance, assisting a non-governmental environmental organization?</p>	<p>The company states clearly its planned environmental targets and achievements (on the web site, internal bulletin, etc.)</p> <p>In 2012, AAFL also conducted to courses titled Environmental Training and Waste Handling Procedures, which were attended by 552 and 40 factory staff respectively.</p> <p>The data is taken from internal reports and external audit reports.</p> <p>In April 2012, AAFL conducted a month long environmental awareness campaign through its domestic manufacturing and retail wing, Gallerie Apex.</p> <p>Titled, the <i>Green Gallerie Initiative</i>, the program introduced environment friendly, recyclable shopping bags and dedicated recycle bins in 10 of its premium outlets encouraging consumers to recycle paper, glass and plastic. Framed environment pledges have been placed in select showrooms encouraging customers to get involved in saving electricity, paper and water.</p> <p>A vindication to AAFL's efforts came in August, 2012, when it was awarded the prestigious Gold Certification from Worldwide Responsible Accredited Production (WRAP), making AAFL the only leather footwear manufacturing company in Asia to receive this distinction.</p>
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<p>Anti-Corruption:</p>	<p>Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.</p>	
<p>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?</p> <p>Documents that could bear on elements of anti-corruption policy:</p> <ul style="list-style-type: none"> - financial rules and orders regarding gifts, social expenses and representational expenses - purchase rules - description of connected persons - donation rules, including for political parties - rules for service payments by state employees and/or employees to business partners <p>Does the company have a document, describing the anti-corruption and anti-bribery policy, for instance in a Code or other form?</p> <p>Is there a person charged specifically with</p>	<p>Actions and indicators – examples:</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"> - survey and discussion on Corruption in universities within the framework of a project of the x Association - participation of one of its employees in a lecture-discussion with students "What is corruption and what are its forms?" <p>AAFL's local wing Gallerie Apex was awarded the highest Value Added Tax Payer for the year</p>	

<p>implementing this policy?</p> <p>Does the company have any other special projects, for instance with a business organization and/or with the support of a non-governmental organization?</p>	<p>2010-11 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>
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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