

Statement of continued Support for the Global Compact

Date: August 17, 2009

As CEO, I hereby confirm my continued support for the Global Compact. We find the Global Compact to be a valuable tool when working towards upholding social and environmental ethics throughout all links of our work.



Ajit Bikram Shah
CEO
Lotus Holdings Pvt. Ltd.

	Global Compact Asia <u>Lotus Holdings Pvt. Ltd. Nepal</u>
Company phone: 977-1-5000071 977-1-5000273 e-mail: info@lotusholdings.com URL: www.lotusholdings.com	Exemplary practice from Nepal
Company Name	Lotus Holdings Pvt. Ltd.
Reporting Period	FY 2006/2007 FY 2007/2008 FY 2008/2009
About the Company	<p>Lotus Holdings (LH) is a venture capital enterprise looking forward for business growth, mobilizing both domestic and international investment. With its 11 associate companies, LH is inclined toward pursuing ethical business practices while delivering high quality goods and services. Ranging from carpet production, trading, information technology and services, LH is involved in a whole gamut of business activities from its headquarters in Nepal.</p> <p>The organization looks forward to create a self-reliant, socially and economically developed society through the growth of business enterprises. Lotus Holdings provides administrative support to its sister companies, uses its expertise to market its products abroad. It provides better employment opportunities and environment to semi-skilled and skilled manpower and simultaneously works towards upgrading their skills.</p> <p>LH serves to integrate the underprivileged section of the society, particularly women and children, with every new venture.</p>
Participating Companies within Lotus Holdings	<ul style="list-style-type: none"> • Formation Carpets • Rugs For All • Lotus Knots • Lotus Paper Crafts • Solutions • Everest Net • Fiber Online • FOCUSONE Nepal

	<ul style="list-style-type: none"> • Lotus Entertainment • Trading For Development • Fine Weaves
Corporate Social Responsibility Principles	<p>Human Rights</p> <p>The organization upholds human rights. Company policy adheres to the universal principle of human rights, the Constitution and Civil code of Nepal and the Labor Act. The weekly meetings with employees involve discussions with Human Rights topics.</p> <p>Labor Standards</p> <ul style="list-style-type: none"> • Zero tolerance policy against child labor. Minimum age for recruitment is 18. • Employees are compelled to send their children to school. • Wages as per the law and based on qualification. • Eight hours work day. • Bonus facility to employees (10% of net profit). • Day care center for younger children of employees. • Company policy is communicated to employees through quarterly meetings and interactions with employees. • Transparency in company finances and net profit information is periodically provided to employees. • Employees are also given chance to speak regarding training needs and health issue through the HR department. • Organize programs to upgrade the skills of employees through on the job training. <p>Environment</p> <ul style="list-style-type: none"> • Ergonomic office space, comfortable seating arrangement and well ventilated workplace. • Access to potable water. • Clean toilets with running water. • Periodic health, sanitation and safety training. • Environmental consideration foremost in company policy. • Saving paper and use of recycled paper. <p>Anticorruption</p> <p>Corruption free, non-discriminatory working environment</p> <ul style="list-style-type: none"> • Equal opportunity
Project Duration	From 1996

Background / Abstract	<p>Lotus Holdings (LH) was founded in 1996 by Mrs. Sulo Shrestha Shah, a Nepali woman entrepreneur. At inception, LH's aim was to provide incubation and support to its sister companies to promote responsible and ethical business practices. LH ensures outstanding quality of the products and services of its sister companies while ensuring sound working environment for all its employees.</p>
Initiative	<p>Lotus Holdings (LH) with a diversified investment portfolio, is also an incubation specialist. LH is involved with entrepreneurs / producers who have difficulty in their area of business and has inclination towards the concept of CSR. It is the philosophy of LH to be the backstopping instrument to such people/organisations by helping them in their revival and restructuring, or opening new companies if necessary, and also providing investment where required. Lotus Holdings looks forward to maintain its growth strategy to accelerate its current development rate.</p> <p>Reporting system: A quarterly monitoring involves inspection of workplace inspection and interaction with employees.</p> <p>Health Insurance: All LH staff are insured with up to Rs. 50,000 per year. Such benefits are higher for special cases.</p> <p>Hygienic Canteen: A subsidized canteen at company premises provides healthy food and drinks.</p> <ul style="list-style-type: none"> • Provident Fund for permanent employees. • 10% of company's net profit goes to employees as bonus. • Allowance for Dashain, Nepal's biggest festival. • Flexible leave facility on par with Nepal's Labour Act. • Maintained salary structure as per staffs qualification and dedication. • Provided consultancy service to Hoste Hainse, NGO working to eliminate child labor through education. • Increased salary of staffs as per their qualification and dedication.
Challenges	<p>The long conflict in Nepal is causing a general slowdown in Nepal's economy.</p>

	<p>In the investments with domestic market, inflations, closure due to strikes, and unfavorable policies limit further expenditure in CSR.</p> <p>In export companies, the global recession has slowed export, and profit margins resulting in slower CSR initiatives</p>
Impacts and Benefits	<p>Due to the initiatives undertaken by the organization, it is now a more responsible organization geared towards not only raising its productivity but also contributing to the society through local Corporate Social Responsibility (CSR) initiatives. Staff morale has heightened and the company's productivity has increased. The image of the company, a leader in adopting CSR in the country, has improved noticeably.</p> <p>Organized sports for physical fitness and motivation of staffs.</p>
Future Plan	<p>The organization will continue to raise awareness, enhance skills and knowledge of its employees. The strategy has been to establish an investment fund, to invest in areas identified as productive and in need of investments. Pursuing a dream of a self-reliant, socially and economically developed society, Lotus Holdings believes in business with ethics. This has been the driving force behind the company and as it continues to grow into this millennium, it will remain in the business of helping people achieve these dreams.</p>