



Communication on Progress

Year: 2008

In the following communication I would like to share with you our progress done on the continues Support of the Global Compact we have made. If we are looking 10 years back what we have been and compare what we are now, I proudly conclude that the continues monitoring of the 10 Principals of the Global Compact helped us progressing in our overall achievements. Having made all this positive experiences we commit ourselves to further support the Global Compact.

15th Feb. 2008, **Brigitte Kroehl-Jung** –
Managing Director

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Globe Knitting is producing with modern machinery (200 Double Cylinder Knitting Machines and 40 Single Cylinder Machines) and 570 Employee roughly 3,5 Million Pairs of Socks and roughly 1,6 million tights a year.

We are operating fully according to the national Labour Laws as well as observing international Guidelines, f.e. ILO (International Labour Organisation) and Code of Conduct.

We are orientating us as well as on the SA8000 and ISO 9001:2000 Standards. Quality standards such as Öko Tex (PK I) and Naturaline are obvious for our Enterprise.

We are capable to fulfil strict requirements which are applicable for the Naturaline Production. The high Flexibility as well as the process oriented Production steps and a very well trained and motivated staff are guaranteeing our high product quality.

Besides our high quality standards our Customers from Germany, Switzerland, Denmark, U.K. and Canada are appreciating our timely deliveries.

PRINCIPLE 1	BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS
Actions	<p>Actions taken</p> <p>Our company supports internationally proclaimed Human Rights, by way of respecting the local laws and the countries culture.</p> <p>We have developed Company Policies and strategies to support Human rights. A Health and Safety Management is implanted as well.</p> <p>Recently we invited representatives of the labour Department to hold a lecture about certain subjects, one of them was human rights.</p> <p>Further more we have a democratically elected Workers Council to ensure that our Workers have the freedom of Association.</p>
	<p>Measurement of (expected) outcomes and value added for our company</p> <p>We feel that if we treat our workers with respect and a certain dignity that they will be more productive and loyal towards us. Further more we are operating in a smaller village and here it is very important for the parents to know that their youth is in good hands and safe. With these measures we are receiving more and more interested and motivated workers</p>

PRINCIPLE 2		BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES	
Actions	Actions taken		
	<p>Our Company does not complicit any abuse of Human rights and ensures to eliminate any form of Human Rights abuses in its reach.</p> <p>We have implemented a questionnaire which we submit to all our subcontractors and suppliers and other business contacts. In this questionnaire we have build in certain questions regarding Human Rights. We will only list a subcontractors or a supplier if he comply with the requirements.</p> <p>Our HR Team is visiting the suppliers to ensure full compliance and tracking of any irregularities may occur. Some Suppliers are even visited by independent inspecting Bodies such as SGS.</p>		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	<p>We have to ensure that we and our partners fully comply with all the regularities otherwise we are not able to confirm this compliance with a good conscience to our customers and clients.</p>		

PRINCIPLE 3		BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING
Actions	Actions taken	
	<p>Our Workers are free to choose any form of Association and exercise a collective bargaining.</p> <p>For this reason, we have given them the opportunity to democratically elect a workers council in which they are free to have constructive dialogue with the Management. Any meeting the Management is having with the Council is being recorded and among themselves they too record meetings. Files are available in this respect. The Companies ensures that the Members of the Council can take time- off with pay and discuss any issues during</p> <p>A Companies Policy in this regard is available and can be viewed by all the Stakeholders.</p>	
Outcomes	Measurement of (expected) outcomes and value added for our company	
	<p>We have experienced in the past very good dialogue sessions for all the stakeholders. The Workers Council is for the Management a very good instrument to communicate constructive any issues which are important. Further more it is much easier for the workers to bring their concerns, ideas forward.</p> <p>We experience much better and motivated Workers through the council.</p>	

PRINCIPLE 4		BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR
Actions	Actions taken	
		<p>We are having a written down Policy for this subject as well and it can be viewed by all our Workers and other Stakeholders.</p> <p>We totally condemn forced or any kind of compulsory Labour.</p> <p>Every worker taking up appointment in our Organisation is served with a Job Offer Letter. Upon the Job Offer Letter he/she will receive the appointment letter stating the terms and conditions of Service, the voluntary nature of employment, the freedom to leave and any penalties that may be associated with the departure or cessation of Work.</p>
Outcomes	Measurement of (expected) outcomes and value added for our company	
		<p>We are manufacturing with a good conscience our Socks with an appreciated, motivated and enthusiastic Team of Stakeholder.</p>

PRINCIPLE 5		BUSINESS SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR	
Actions	Actions taken		
		We have written down policies in our Management System in which we strictly condemns Child Labour. Our minimum age is 16, those employees are employed with strict condition, such as no night work and no eligibility for overtime work. We are training the young people.	
Outcomes	Measurement of (expected) outcomes and value added for our company		
		We are living our social responsibility towards the worlds community by respecting those simple HR and we ensure that our Company is producing the socks with a clear policy in this regard.	

PRINCIPLE 6		BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION
Actions	Actions taken	
	We treat every applicant and every employee equally. The procedures and policies in regard to remuneration, hours of work and rest, paid Holidays, maternity leave, security of tenure, advancement, social security and occupational Safety and health are documented in our Management System and / or we are following the guidelines laid down in the Sri Lankan Labour Law. All our Employees are selected on the basis of their ability to do the job and there is no distinction, exclusion or preference made on other grounds. We further confirm that there is not discrimination in direct or indirect form.	
Outcomes	Measurement of (expected) outcomes and value added for our company	
	Due to the fact that we follow the above strategy we do have satisfaction in our Work force. The workers are all treated equally and they are happy, motivated and energy to work. A discriminated worker is not an happy worker and therefore he/she will not be of much use. Frequent training programs in this regard give our workers value addition and boost their performance.	

PRINCIPLE 7		BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES	
Actions	Actions taken		
		<p>We have implemented certain environmental procedures and policies. We further have applied for environmental licences annually.</p> <p>However we do not have any wet treatment or dyeing taking place in our organisation. For every material which being used in our Factory we have Safety Data sheets of the production process of the material available.</p> <p>With the help of the Safety Data Sheets we evaluate if a product is environmental suitable or not. If the product is not found to be suitable we are refraining of using it in the future.</p>	
Outcomes	Measurement of (expected) outcomes and value added for our company		
		<p>We are happy that we are in a position to communicate with our Stakeholders the importance of being environmental conscious, to ensure the awareness of all the Stakeholders. With this measures we can proof our customers that we are participating in the effort of environmental friendliness.</p>	

PRINCIPLE 8		BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY	
Actions	Actions taken		
	<p>Fashion, ethical responsibility and economic profitability can be reconciled. We promote among our clientele, Socks which are manufactured with organic cotton in a socially and environmentally sustainable process chain.</p> <p>Five principles govern all we do:</p> <ul style="list-style-type: none">1. Organic: conversion to organic farming, no chemical products and no monoculture; instead a healthy crop rotation2. Fairness: dignified production conditions for farmers and textile workers3. Ecology: respect owed to nature and resources protects you from chemicals and intoxications4. Quality: production of high-quality yarns and textiles5. Transparency: information and contact throughout all production stages <p>The dream of a sustainable textile production does not need to remain one.</p> <p>The organic cotton is dyed with non toxic dyes and the dyeing process is strictly controlled.</p>		
Outcomes	Measurement of (expected) outcomes and value added for our company		
	<p>We are different to our competitors and our customers do value this by placing the order with us for their organic socks requirement. The certificate which we have awarded by SGS for the Naturaline supply chain gives our customers the trust that the above are not just words. Beside that the transparency is guaranteed and our Customers are anytime welcome to overlook the production process.</p>		

PRINCIPLE 9	BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES
Actions	<p>Actions taken</p> <p>We are ensuring to switch to methods which are more environmental friendly by way of</p> <ol style="list-style-type: none"> 1. only using air conditioners with energy saving inverter type. 2. we only use air conditioners where it is really necessary for the machines or the production process 3. All our Waste is been directed to recycle circles 4. new boiler with economizer 5. new compressor with energy saving inverters <p>However there is one more thing where I am heavily concerned. In Sri Lanka is no initiative available to collect and recycle Batteries and Florescent lights. It is known that these items are highly damaging the environment. We have brought up this issue to several Authorities but it has fallen on deaf ears.</p>
Outcomes	<p>Measurement of (expected) outcomes and value added for our company</p> <p>Due to all the above waste management we are capable to cut drastically our costs and we can work more efficiently. Further more we ensure that we educate our Employees to be environmental conscious.</p> <p>Further more the initiative has a positive impact on our image, it is easier to attract Employees to work with us since the working environment is transparent and clean.</p>

PRINCIPLE 10		BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY
Actions	Actions taken	
		This point is a very simple and short point for us. Our Company does not encourage Corruption at all.
Outcomes	Measurement of (expected) outcomes and value added for our company	
		The Outcome is also very simple, due to the fact that we do not encourage corruption we are oftentimes the last in the queue and we have go through a lot of hassle and being the smooth progress is interrupted. However we do not mind this and we will bare it. If we have a chance we will complain to higher ups but this often falls on deaf ears too. But I feel, since we are established now over 17years and we have practiced this since the inception lots of officials know our opinion on this point, this makes it easier and a bribe is not expected by the officials.

How do you intend to make this COP available to your stakeholders?
By publishing it in our Management System!