



GLOBE KNITTING PVT LTD., P.O. Box 01, LK - 11264 Dunagaha.

United Nations Unies
Attn. Executive Head of Global Compact
Office of the Secretary - General
United Nations
NY 10017

USA

Dunagaha , 23rd November 2005.

Dear Sir ,

We would like to continue giving you an update of our constant progress we are making in regard to the Global Compact.

Still our mission is to produce high quality products while motivating our most important resource (man power) to work in a friendly atmosphere.

In the meantime we have had our SA8000 Audit and the certificate is expected to reach us within the coming 4 weeks.

Further we have gone deeper into the supply chain line and we are evaluating our suppliers. We are asking our suppliers to fill certain questionnaires established by us and based on the evaluation we are placing orders.

As at date our total man power strength is 520. Mainly we operate three working shifts, such as 0600-1400 hrs , 1400 -2200 hrs and 0800-1700 hrs. We are providing free breakfast / snack for every shift along with tea . We have a well maintained canteen and it is providing lunch and other food items at nominal rates. Further, we maintain first aid room for our sick employees with essential medicines. In addition to that female employees could obtain free sanitary napkins for their purpose. Also, if an employee is unable to work due to sickness ,the company provides the transport to drop them home immediately . Unless they will be admitted to the nearest hospital as per medical officer's advice. We strictly comply with accident compensation procedures as adopted by labor department. Already company holds an Insurance coverage with Allianz Insurance for Workmen Compensation. It's next renewal will be on 30th June 2007. We do not allowed any employee to work more than 12 hours per day and to work on night shifts , we obtain the approval from the labor department, under the stipulated rules and regulations. Method of overtime calculation for our employees are totally ahead with BOI rules & regulations and do as follows.

Normal Overtime	Basic Salary / 200 x 1.5
Sunday Overtime	Basic Salary / 200 x 2.0
Mercantile Overtime	Basic Salary / 200 x 2.0
Poya Day Payment	Basic Salary/ 200 x 1.5 + Days Wage

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We pay employees salaries on or before the due date. Our Employees are entitled for a production bonus considering their production and attendance bonus as per their attendance.

Further, to motivate and improve the attendance of knitting operators, we are paying a special knitting allowance as per their attendance . Company Provide loans to employees considering their purpose. Further, we are encouraging employees to deal with banks by assisting to open their savings accounts and we undertake to deposit their savings on request.

In addition to that we help them to obtain loans from banks and remit the installments to relevant institutions on request.

We are paying an annual bonus for every employee (even trainees) at the end of the each year , considering their service , attendance , and overall performance . Also , we give a festival advance for the Sinhala and Tamil New year for probationary and confirmed employees . In addition to that we are conducting a group sale every year and grant a chance to buy high value electrical items and furniture on installment basis under low interest rate. Our employees could join to globe knitting funeral donation society. Its monthly Contribution is Rs. 25/= and donate Rs. 10,000/= for member's family Funeral. We are the first BOI company (out side zone) to develop a worker's council (Make the first move on 03 / 08/1994) to represent the employees and their problems . They are holding a council meeting once a month and the queries are directly forwarded to the management , and the management replies their views in writing . Recently , our management concentrated about job seeker's who are in remote areas and personally attended to speak to their parents about our company (Ex - Medawachchiya ,Anuradhapura ..etc).

We are proud to say that , at present we have recruited more than 50 employees from above areas with secured lodging facilities from around the factory premises. We are organizing an annual - get - to - gather in each year for our employees. We take this opportunity to facilitate our most important resource in vast ways. We annually hold an eye testing program to ensure the vision of our employees and help them to buy necessary equipments under installment payment basis. We have developed a fire - fighting team , who are to face an emergency situation and we conduct live fire demonstration and Drills are carried out on regular basis to educate all employees.

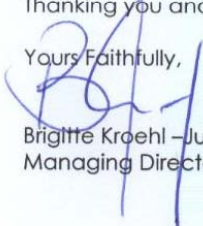
We are holding motivating programs for our employees , conducted by leading professionals. Further , company encourage employees to follow professional courses by giving loans to pay under installment basis. In addition to that, our most important resource we further develop by giving them in house training from our well experienced expatriate staff. In order to increase and continue the standard of our most important resource team, we always preferred to recruit professionals in our industry.

At last, we pay our full strength to achieve our mission while producing high quality products to the European and Canadian Market from Sri Lanka.

Our goal for the year 2007 is achieve maintain the SA 8000 standard – with a very good relation towards our Employees which are most important to us.

Thanking you and we look forward to an acknowledgement of our conversation.

Yours Faithfully,



Brigitte Kroehl –Jung
Managing Director.