



A TO Z TEXTILE MILLS LIMITED

COMMUNICATION ON PROGRESS 2013

A to Z Textile Mills, Ltd
P.O Box 945
Arusha, Tanzania

STATEMENT OF CONTINUED SUPPORT

To Our Valued Stakeholders,

We are pleased to report that our continued participation in the UN Global Compact has been progress in the past year. We have implemented advancements within our personnel department to add software which organizes our human resource data. In order to motivate and encourage our employees, we have established a Loyalty Rewards system which includes incentives for honesty, loyalty and good management practices. Large scale manufacturing in developing countries comes with many challenges and we are committed to overcoming obstacles with respect to our commitment to the Global Compact. The core values which we are committed to are the same standards which we apply when dealing with suppliers, collaborators, or other related stakeholders.

We continue to make efforts to maintain and further incorporate our Code of Conduct and business ethics within our company and our community.

Sincerely,

Anuj Shah
CEO, A to Z Textile Mills, Ltd



HUMAN RIGHTS

Assessment, Policy and Goals

Our commitment:

We recognize that certain human rights are considered fundamental and universal by the international community. We respect and promote human rights and are not complicit in human rights abuses.

We provide a safe and good working environment to prevent accidents and injuries.

Implementation

A to Z Textiles Mills, Ltd is an ISO 9001:2008 certified company and was awarded certification in April of 2011.

A to Z Textile Mills, Ltd has adopted, recognizes and supports the following policies in relation to human rights:

- Open Door Policy promoting open communication between all staff including junior staff, middle management, senior management and Directors (Policies found in A to Z Textile Mills Employee Handbook and A to Z/SOP/HR&IR/OHS Policy/001).
- Health and Safety Committee (Policies found in A to Z/SOP/HR & IR/OHS Policy/001).
- Human Relations & Industrial Relations Training Policy (A to Z/SOP/ TR Policy).
- Training programs offered in-house, on-the-job and outsourced through trained trainers for employees (Polices found in A to Z/SOP/ HR & IR clause 2.10 and clause 2.11).
- Standard Operating Procedure for induction/orientation training for new employees (Policies found in A to Z/SOP/HR & IR clause 2.6).
- Departmental Training Needs Assessment (Policies found in A to Z/ SOP/ HR & IR clause 2.10.1).
- Occupational Health and Safety Policy (A to Z/SOP/HR & IR/OHS Policy/001).

Measurement of Outcomes

- ✓ 113 employees trained in HIV/AIDS awareness or approximately 11% of our workforce
- ✓ 64 members involved in the Company Health and Safety Committee
- ✓ 40 administrative personnel trained in intermediate computer and software programs
- ✓ 1196 employees live in our subsidized housing complex offered from A to Z Textile Mills, Ltd or approximately 18% of our workforce
- ✓ 40 employees attended a seminar on family planning
- ✓ 34 Managers underwent Management development training
- ✓ 38 employees were trained an occupational safety and health training
- ✓ 38 employees were trained on environmental management and cleaner production.

LABOUR

Assessment, Policies and Goals

Our commitment:

We uphold the freedom of association and recognize the right to collective bargaining. Worker representatives are not subject to discrimination. Our managers have a positive attitude toward the activities of trade unions.

Our employees are our most important asset. Our employees work voluntarily and are paid wages and compensation for overtime in accordance with Tanzanian law. Advances and deductions from wages are documented. All applicable taxes and employee pension contributions are deducted and paid directly to the government; our company matches these pension contributions.

We do not hire persons under the age of 18. We do not work with suppliers that use child labour.

Implementation:

A to Z Textile Mills, Ltd complies with the core labour standards as stated by the International Labour Organization.

A to Z Textile Mills, Ltd distributes Employee Handbooks which are made available to all employees detailing information about Company policies and values, worker's rights and employee welfare. (A to Z Textile Mills, Ltd Employee Handbook).

All employees are given an equal opportunity to grow within the Company regardless of age, gender, religion, nationality or race.

A to Z Textile Mills, Ltd has adopted, recognizes and supports the following policies with regards to Labour Standards:

- Standard Operating Procedure for recruitment of new employees (Policies found in A to Z/SOP/HR & IR clause 2.2 and 2.2.12).
- Performance evaluations (Policies found in A to Z/SOP/HR & IR clause 2.12 and clause 2.13).
- Constructive disciplinary action and a functioning disciplinary committee (Policies found in A to Z/SOP/ HR & IR clause 2.14 and clause 2.15). Our disciplinary procedure is transparent by nature and gives the choice for any employee to appeal if aggrieved by a decision.

Measurement of Outcomes:

- ✓ A to Z Textile Mills, Ltd has never been complicit in the use of child labour or forced labour
- ✓ 100% of our employees are free to join trade unions as per the Trade Union Collective Agreement and weekly meetings are conducted with trade union representatives
- ✓ Worker Health and Safety Audits are conducted annually by OSHA and A to Z Textile Mills, Ltd has been in compliance with all regulations

- ✓ 100% of our employees have access to the A to Z Employee Handbook translated in the local language so they are aware and trained on the Company's Code of Conduct and relevant policies.

ENVIRONMENT

Assessment, Policies and Goals

Our commitment:

We strive to reduce our environmental and health impact through the responsible use of natural resources and the reduction of waste and emissions. We seek to develop and promote environmentally friendly technologies. We encourage our suppliers in their efforts to preserve the environment.

Implementation

A to Z Textile Mills, Ltd strives to protect the environment in which we operate and comply to all mandatory state regulations including the current National Environmental Management Act (2004)

- We conduct Environmental Impact Assessments
- We voluntarily prune trees in the National Forest Reserve in an effort to promote sustainable and healthy forest growth and use the pruning material in our boilers as an alternative source of fuel
- We have adopted and implemented an Environmental Policy (A to Z/SOP/Environment Policy)
- We recycle various forms of plastic including PET, HDPE, LDPE and PP. We recycle the plastic scrap waste accumulated from our production

Effluent treatment plant for the treatment of waste water from our dye house will be installing In Quarter 1 of 2013 because of delayed in start process of our dye house. This water will be re-used in other areas of our factories including agriculture, toilets and construction.

Measurement of Outcomes

- ✓ Annual audits are conducted by the Occupational Health and Safety Organization to assess the use of our steam boilers, steam / air receivers, industrial hygiene and electrical use. A to Z Textile Mills, Ltd has been in compliance with all regulations
- ✓ Investment of \$1 million in recycling machinery to recycle waste from in-house production and post-consumer plastic waste.
- ✓ One million liter water storage capacity for rain water harvesting

ANTI-CORRUPTION

Assessment, Policies and Goals

Our commitment:

We work against corruption in all its forms, including fraud, extortion, embezzlement, bribery, and theft, including theft of intellectual property.

Implementation:

A to Z Textile Mills, Ltd does not support fraudulent activity of any kind. Strict anti-corruption policies have been established and any employee

- Anti-fraud policies are communicated to all employees (A to Z Textile Mills, Ltd Employee Handbook)
- Regulations on gifts (A to Z Textile Mills, Ltd Employee Handbook)
- Whistle blowing policy (A to Z Textile Mills, Ltd Employee Handbook)

Measurement of Outcomes

- ✓ Management supervises and approves the procurement of any and all materials used by the company.
- ✓ A system requiring multiple signatories has been established to ensure transparency in the procurement system
- ✓ Quarterly external audits are conducted on our accounts