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INDO PHIL TEXTILE MILLS, INC.

Lambakin, Marilao, Bulacan
3019 Philippines

COMMUNICATION ON PROGRESS

ABOUT INDO PHIL:

Indo Phil Group is first Indian-Filipino joint venture set up in 1975 by Late Aditya Vikram Birla, founder of Aditya Birla Group of India. For him this venture was a fulfillment of his global vision long before the term globalization entered the lexicon of the corporate world. Commencing operations with only 15,000 spindles and 500 employees and one company, today Indo Phil Group has 3 companies, nearly 100,000 spindles 2,000 employees and a Captive Power Plant.

Nearing Uster 5% levels, Indo Phil's products can be benchmarked with the best in the international market. While all its products enjoys consistent market leadership in local market, they are fast becoming the customer's favorite choice in highly competitive international markets of US, Europe and Asia.

ABOUT ADITYA BIRLA GROUP:

The Aditya Birla group is among India's largest business houses. Operating in the country for over 5 decades and globally for nearly 30 years, its revenues today are in excess of US\$ 6 Billion, with net earnings of US\$ 400 Million, a US\$ 4.5 Billion asset base, a market cap of US\$ 5 Billion and 7,00,000 shareholders.

Its 40 state-of-the-art manufacturing units and sectoral services, anchored by 72,000 employees, criss-cross 20 countries including Thailand, Indonesia, Malaysia, Philippines, Egypt, Canada, USA, UK, Australia and China.

A premium conglomerate, the Aditya Birla Group is a dominant player in all of the sectors in which it operates, such as aluminum, viscose staple fiber, copper, cement, viscose filament yarn, branded apparel, chemicals, carbon black, fertilizers, sponge iron, insulators, power, telecom, financial services and more recently, insurance. It is

- The world's largest producer of viscose staple fiber,
- Amongst the world's largest producer of white cement,
- The largest single location refiner of palm oil,
- The third largest producer of insulators,
- The fifth largest producer of carbon black,

- Amongst the lowest cost producers of aluminum globally and the largest fully integrated aluminum producer in India.

In India the group is the single largest producer of viscose filament yarn, white cement and rayon grade pulp, the only producer of linen and a leader in the ready-to-wear branded apparel.

Grasim, Hindalco, India Rayon, Indo Gulf from its stables - rank among India's top 50 most respected and admired corporations.

The Group has a significant presence in the Financial services and Telecommunications sectors - with strategic joint ventures with giants such as Sun Life (Canada), AT&T (USA) and the Tata group.

ON THE SOCIAL FRONT, A VALUE-BASED CARING CORPORATE CITIZEN, THE ADITYA BIRLA GROUP INHERENTLY BELIEVES IN THE TRUSTEESHIP CONCEPT OF MANAGEMENT. A PART OF THE GROUP'S PROFITS ARE PLOUGHED BACK INTO MEANINGFUL WELFARE-DRIVEN INITIATIVES THAT MAKE A QUALITATIVE DIFFERENCE TO THE LIVES OF MARGINALIZED PEOPLE. CARRIED OUT UNDER THE AEGIS OF THE ADITYA BIRLA CENTER FOR COMMUNITY INITIATIVES AND RURAL DEVELOPMENT, IT IS SPEARHEADED BY MRS. RAJASHREE BIRLA WIFE OF LATE ADITYA VIKRAM BIRLA.

GLOBAL COMPACT INITIATIVES AT INDO PHIL

Commitment of Indo Phil to GCI principles is more than adequately reflected in our company Vision and Mission Statements, values adopted by all Indophilians, our Quality Policy, our Environment, Health and Safety Policy and our Social Accountability Policy. These are as follows:

COMPANY VISION

" To be globally recognized yarn manufacturer through excellence in quality, productivity, cost service and management ".

COMPANY MISSION

" To have satisfied customers and stakeholders by synergizing and leveraging resources through dynamic, self motivated and socially responsible employees ".

VALUES WE VALUE

committed and incorporated by all Indophilians by consensus:

- Integrity, trust, mutual respect and speed
- Simplicity, seamlessness and self confidence

- ☐ Openness and transparency
- ☐ Accountability
- ☐ 100% Commitment
- ☐ Excellence in all sphere

QUALITY POLICY

" To provide our customer with products and services conforming to their requirement ".

ENVIRONMENT HEALTH AND SAFETY POLICY

" Indo Phil is committed towards health and safety of its stakeholders, conservation of resources, protection and preservation of clean and green environment through prevention of pollution, use of environmental friendly materials, elimination of work related injury and illness, and compliance to Environmental, Health and Safety Legislation, Regulation and other requirements. Providing a framework for reviewing continual improvements in all areas of environmental, health and safety concerns. Thereby, providing suitable and safest work environment for the well being of each employee, contractor, visitors and surrounding community ".

SOCIAL ACCOUNTABILITY POLICY

" Indo Phil is committed to fulfill its social accountability based on the standards of SA 8000 and comply to national and other applicable laws, regulation, and other requirements; and for providing for a framework to continual improvement. Thereby ensuring Indo Phil's social accountability to its employees and stakeholders ".

IMPLEMENTATION OF GLOBAL COMPACT INITIATIVES PRINCIPLES AT INDO PHIL DURING 2003

- ☐ Complied with all the requirements of ISO-14001 in conformatory audit.
- ☐ Ensured attainment of all the standards of OHSAS-18001 to quality for certification by TUV-Germany.
- ☐ Ensured attainment of all the standards of SA-8000 to qualify for certification by TUV-Germany.
- ☐ Assisted and extended full support to Government Labor Department Official and Officials of parent organization of company labor union in conducting free, fair, and transparent and peaceful elections for the positions of Union Office Bearers.
- ☐ Concluded Collective Bargaining Agreement with our Labor Union in a most friendly and cordial environment.