



17 August 2010

Georg Kell
Executive Head
Global Compact

Sub: Submission of Communications on Progress (COP)

Dear Georg Kell,

I am pleased to submit Communications on Progress (COP) for the year 2010 from Rahimafrooz Batteries Ltd that signifies supports to the ten principles of the Global Compact in respect to human rights, labour rights, the protection of the environment and anti-corruption. With this communication, we express our intent to support and advance those principles within our sphere of influence. We support public accountability and transparency that reflects in this COP.

Sincerely yours,

Feroz Rahim
Managing Director

Global Compact

HUMAN RIGHTS

Principle 1: *(Business should support and respect the protection of internationally proclaimed human rights)*

COMMITMENT: Commitment to dignify labor by providing attractive and competitive remuneration and review yearly based on market.

SYSTEM : Every year we conduct salary survey and collect information from similar industries regarding compensation and benefits. We collect the classified information from Bangladesh Consumer Association and Bangladesh Bank regarding inflation rate, consumer price index and make adjustment in our salary adjustment accordingly.

ACTIVITY : We reviewed salary by increasing 20% and added few new benefits for workers like, Medical Allowances, Transport allowance, Tiffin Allowance etc which are not mandatory as per law.

PERFORMANCE :

1. Total workforce are motivated, rate of absenteeism and sick leave reduced.
2. Participation of giving feedback regarding companies activities have increased.

IMPROVEMENT OVER THE LAST YEAR: Due to increase employees' CTC to 20%, most of the employee getting Take Home over 25 % than last year which will bring significant impact in their social life.

Principle 2: *(Business should make that they are not complicit in human rights abuses)*:

COMMITMENT : We set high standards of ethics and moral virtue for ourselves. We firmly believe in religious, ethical, social and legal righteousness and we strictly adhere to those.

SYSTEM : Recently we introduced our fifth values “ Valuing and inspiring people” which reflect that we are conscious about our people and value peoples' opinion.

ACTIVITY : We communicated our people regarding the fifth value and its importance in our day to day activities.

PERFORMANCE : Awareness on human right issues among the employees are continuously increasing.

Peoples' feeling significantly improved regarding valuing and respecting each other.

Principle 3: *(Business should uphold the freedom of association and the effective recognition of the right to collective bargaining):*

The company respects the right & the labors of the company have freedom of association, but the workers (labors) have not formed a Trade Union as the company encourages open communications with workers and goes beyond the labor code in providing the employees with monetary & non-monetary benefits.

SYSTEM :

We formulated our Canteen and Welfare policy where workers participated equally and gave their feedback for improvement.

PERFORMANCE:

Workers' representative actively participated in selecting candidate for Scholarship program.

In Canteen committee meeting workers' representative spontaneously participated and took part in decision making.

Principle 4: *(Business should uphold the elimination of all forms of forced and compulsory labor):*

COMMITMENT : As our aspiration statement reads, we want to be the most admired and trusted organization, by excelling in everything we do and following ethical business practices.

SYSTEMS : We are sincerely following the Bangladesh labor code -2006 for working hour guideline of employees which is monitored and inspected by the Factory inspection department.

ACTIVITY: Each employee of the company is getting holiday and leave as mentioned in the law and in addition we reduce the working hours of worker from eight hours to six hours in the month of Ramadan so that they get time for prayer and spend time with family.

PERFORMANCE: Rahimafrroz Batteries Ltd is one of the preferred employers.

We introduced workers' salary disbursement through Bank transfer which ensures they will get their salary on the 1st day of month without backlog.

Principle 5: (*Business should uphold the effective abolition of child labor*):

COMMITMENT : We are committed to not engage any one below the age of 18 in any form of labour.

SYSTEMS : Our recruitment policy does not support enrollment of child labor in any kind of jobs.

ACTIVITY:

During recruitment of worker we ask for the birth or secondary school certificate for age verification.

Performance:

In our company the minimum acceptable age of workers is 18years. Even the age group from 18 to 20 years in 2008-09 was below 15% of the population.

IMPROVEMENT OVER THE LAST YEAR : Our education scheme for employees' children under welfare policy supports them to continue their education and not forced in to child laour.

Principle 6: (*Business should uphold the elimination of discrimination in respect of employment and occupation*):

COMMITMENT : The company has been providing equal opportunity. Rahimafrooz never compromises on ethical business practices. One of its prime concern is to respect and promote the principle of non-discrimination in all levels of our Human Resources. Our recruitment, training and career development policy reflects the commitment and respect.

SYSTEMS: Our HR Vision to “Drive business excellence and create a rewarding workplace through people” encourage in building performance oriented culture which is a reflection of nondiscrimination and respect to the individuals.

ACTIVITY: Our “I + 10” program is a management tool for practicing 360 degree appraisal at Rahimafrooz. Practices of “I + 10” “ from top to button, the company teaches us to be more fair and impartial in our behavior and reduce blaming culture.

PERFORMANCE:

The increasing trend of indexes of our internal survey on “I + 10” and behavior index are reflections of our continual improvement in the area.

IMPROVEMENT OVER THE LAST YEAR : The company encouraging women employees in all positions and role. The contribution of women employees significantly increased in this year.

Principle 7: Business should support to a precautionary approach to environmental Challenges:

Commitment: To address environmental challenges, this is a policy of Rahimafrooz Batteries Limited to consider environmental viability of its activities including planned or new developments in the overall assessment process.

System: Under existing environmental management system (has been maintained since 2002), RBL identifies environmental aspect and impact of its activities. Environmental programs (that includes environmental objectives and targets) are taken to control the aspects having significant impact on the environment.

Activity: RBL organizes training program for its employees and contractors on regular basis to make them environmentally conscious. To prevent the environmental pollution caused by vehicles, RBL has converted the engines of all its vehicles to run on CNG.

Performance: The aspects that have significant impact on the business is within control. After the conversion, GHG emission from vehicles has reduced significantly (More than three fourth).

IMPROVEMENT OVER THE LAST YEAR: we have taken an environmental objective to reduce solid waste by enhancing process efficiency and implementing best industrial practices. To this end we have introduced new recipe in the grid casting process and as a result the process waste (dross) has been reduced tentatively by 10%.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

Commitment :For sustainable development in the earth Rahimafrooz Batteries Limited (RBL) utilizes the available scopes for the development of environment to a greater extent.

System: In the process of continual improvement of environmental management system, initiatives are taken that have impact on environment to a greater extent.

Activity: RBL has installed Air treatment plant and effluent treatment plant to make the quality of air and water pollutant free before discharging into the environment.

Target has been set for power and paper consumption against per unit production with a view to conserve the resource.

Performance: Level of lead in air emitted from different exhaust outlet has come down to the standard set by the Department of Environment (DoE) - 10 mg/Nm^3 and the one of water discharged into sewerage is also within the permissible limit of DoE - 1 mg/L .

IMPROVEMENT OVER THE LAST YEAR: To strengthen the involvement of suppliers in our environmental management system we have already decided to include the environmental issues in supplier evaluation process. Work in progress to revise the supplier evaluation procedure accordingly.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

Commitment: As a part of its policy to prevent environmental pollution for sustainable growth, Rahimafrooz Batteries Limited (RBL) is keen to adopt environmentally friendly technologies.

System: During installation of new machinery and implementation of new projects eco-friendliness is considered as a prerequisite. To meet the environmental challenges and growing consciousness on environment, environmentally friendly products are also being developed.

Activity: RBL is implementing smelting plant to recycle used batteries in environment friendly manner. In this plant, annually 660000 no batteries will be recycled that will contribute in preventing environmental pollution from used batteries. In addition out of this recycling, yearly 3300 ton hard lead will be reclaimed from used batteries, which is one third of the yearly consumption of RBL and will result in resource conservation. New Segment “CNG Hybrid” battery has been launched in the market. This battery has longer life in vehicles run on CNG, thus reducing the number of batteries coming in to the market.

IMPROVEMENT OVER THE LAST YEAR: Gradually we are shifting our focus to wet charged battery from the ones of dry charged. Wet charged battery manufacturing process is conducive to the environment since here no acidic water is required to be discharged.

It has also been decided to install canopy over the generator to prevent noise pollution from our factory.

Principle 10: Business should work against corruption in all its forms including extortion and bribery.

Commitment: Employees of the company are committed to live up to one of the company's core values in regard to integrity. Rahimafrooz Batteries Limited (RBL) wants to be the most admired and trusted organization through excelling in everything done by the organization and following ethical business practice. One of the values maintained by the organization is "Integrity in all our dealings".

System: The issue "integrity" and "ethical business practice" is reinforced by discussing in all forums, such as general meeting, departmental meeting and so on.

Serious actions are taken against employees for any activities in regard to corruption.

Activity: RBL has taken a program called "I Plan" to develop a congenial work environment by maintaining integrity, fairness and impartiality. All the employees have signed the "Statement of Commitments & Integrity" which is in other word a commitment for being lawful, honest, fair, trustworthy and ethical. The same is got signed by the suppliers and vendors of RBL.

Performance: RBL is recognized by external stakeholders as a respected company in terms of integrity