ACI LIMITED

07 August 2014

United Nation Global Compact Communication on Progress 2013

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Message from Chairman

Dear Global Compact Stakeholders,

ACI is firmly committed in its endeavors in upholding the alignment between the organization's business strategy and its CSR activities. In order to facilitate the synchronicity between these twin objectives, ACI fully utilizes its business competencies to bring about sustainable development in the community.

We believe that being a socially responsible citizen is not being limited to engaging in mere philanthropic gestures. Rather, integrated community development initiatives should be undertaken which will raise the general welfare of a particular community or area, by helping them to be self reliant. ACI's "Adopt-A-Village" initiative has been modeled on the above mentioned premise. At present, the project coverage has been expanded to include twenty villages. ACI has also addressed environmental related issues by creating and raising awareness for environmental conserva-



tion. In 2013, ACI has taken wide ranging initiatives in undertaking collective action for generating solutions in order to solve common problems faced by the community.

I hope that in the not so distant future, ACI will create a milestone through its unwavering commitment and unique approach to CSR and help in translating the UN Global Compact's Vision into reality.

Best Wishes,

M. Anis Ud Dowla

Chairman, ACI Limited

Scope of COP 2013

For the year 2013, the scope of the Communication on Progress is intended to the improvement of the living standard of Community and enlightens the knowledge regarding healthcare and the surrounding environment.

In 2013 ACI carried following activities:

Activities	Global Compact Principle
Observed World Heart Day	Principle 1: Businesses should support and respect the pro- tection of internationally proclaimed human rights
Co-Managed Nature Interpretation Centre (CONIC)	Principle 7: Businesses should support a precautionary approach to environmental challenges
Employment Genera- tion	Principle 1: Businesses should support and respect the pro- tection of internationally proclaimed human rights
Adopt-A-Village	Principle 8: Undertake initiatives to promote greater environ- mental responsibility
No to Corruption	Principle10: Businesses should work against corruption in all its forms, including extortion and bribery.
Non-Discrimination in the Workplace	Principle 6: the elimination of discrimination in respect of employment and occupation.

Observed World Heart Day

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

World Heart Day is the largest global awareness and advocacy campaign on heart disease and stroke, reaching almost 2 billion people in over 120 countries through organized events and media outreach.

ACI Limited with the collaboration of National Heart Foundation of Bangladesh (NHFB) observed the World Heart Day as a part of worldwide observance by World Heart Federation (WHF) on 29 September 2013. The motto and theme of year 2013 were "Take the road to a healthy heart" & "To focus on: a life-course approach to the prevention and control of cardiovascular disease (CVD) with a focus on women and children" respectively. Observation of WHD 2013 included press conference, scientific seminar, general awareness seminar & distributing posters and brochures.

Outcome

This ceremony highlights the actions that can be taken through a person's life to reduce their risk of CVD because healthy children lead to healthy adults and healthy adults lead to healthy families and communities in Bangladesh.

Winter Clothes Drive 2013

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

ACI, as like every year, with a view to making a difference in the lives of the impoverished people, stressed its hand during recent cold winter times. The recently undertaken winter clothes drive is another example of ACI's unending endeavor to help the distressed humanity.

The keen response from the entire ACI family showed their concern for the poor society. A little help from us was a huge comfort to the deprived society.

Outcome

A good number of winter cloths have been distributed among the orphan boys as well as poor and helpless people of Khan Bahadur Md. Ismail orphanage of Ghonapara, a village from southern part of Bangladesh.



Co-Managed Nature Interpretation Centre (CONIC)

Principle 7: Businesses should support a precautionary approach to environmental challenges

Bangladesh has rich biodiversity in terrestrial and aquatic ecosystems of forest and wet-Lawachara National lands. park, a declared protected area that is a part of national network of natural forest sites under the responsibility of the Forest Department. An innovative, nature friendly and community focused Co-Managed Nature Interpretation Centre (CONIC) has established at Lawachara National Park through Public Private Partnership (PPP), ACI is one of the contributors in building this observatory at Srimongal area.

Outcome

The nature interpretation centre will benefit the community and the park. As all visitors have to pass through this entry point, so there will be better

control and tracking of visitors, and ease of enforcing visitor capacity limits. There will be better and more responsible behavior by visitors to nature and surrounding villages as they will be guided by local eco -guide. It is estimated that CONIC will generate total primary and secondary economic benefit for the community and the Srimongal are of nearly 25 Lakh Taka annually.

As all visitors have to pass through this entry point, so there will be better control and tracking of visitors, and ease of enforcing visitor capacity limits.

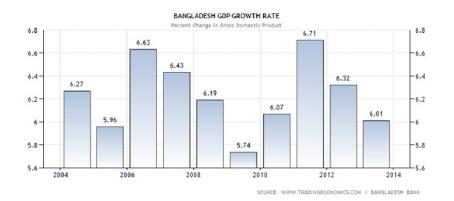


Employment Generation

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

By many metrics, Bangladesh's development trajectory is a unique success story, since its independence. Over the past few years, the economy has grown at the rate of 6-7% per annum. The growth potential of the economy has led to Bangladesh's inclusion in the Next Eleven (N-11) of Goldman Sachs and the Global Growth Generators countries. A number of statistics bear this out, including the poverty rate which fell from 56.6% in 1991-92 to 31.5% in 2010. The growing economy is being considered as major reasons for poverty alleviation.

Development of business is the locomotive for economic growth for any country. ACI, since its investiture, focused on growth that is diversification of business. It has been contributing in employment generation by spreading business across the country. ACI has diversified its business in different sectors like pharmaceuticals, consumer brands, agricultural and retail busi-

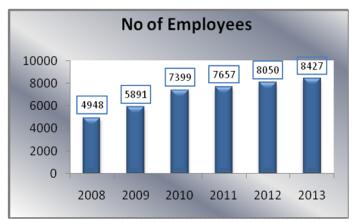


ness. It directly generates employment opportunity in headoffice, factory, depot and fieldforce etc. It also indirectly influence the employment generation in distribution level, retailer level and supplier level and among the mass people. Agriculture plays an important role in Bangladesh's economy and the country's employment. The agricultural sector produces staple foods and crops

mainly for domestic consumption and inputs for processing in the nonagricultural sector. ACI provides complete solution for agricultural sector of Bangladesh. It helps farmers to increase the productivity and to reduce the cost.

Outcome:

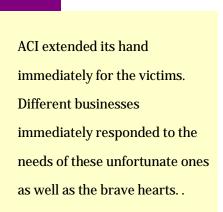
The number of employees increased from 4948 in year 2008 to 8427 in year 2013, clearly indicating the tremendous growth in employment that has been achieved in the last six years.



SUPPORT FOR RANA PLAZA TRAGEDY VICTIMS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

On the 24th of April, 2013, the people of Bangladesh witnessed one of the worst human tragedies in history when Rana Plaza, an eight-story building housing several garment factories, situated in Savar, was reduced to rubble. The accident claimed over 1100 lives of garments workers and left approximately 2500 alive but critically injured. The rescue efforts started and went on for 20 days by both the officials as well as the general civic. The victims who were alive but trapped needed food and water and so did the rescuers. ACI extended its hand immediately for the victims. Different businesses immediately responded to the needs of these unfortunate ones as well as the brave hearts. ACI provided medicine, medical staffs, food and water supply was delivered to the victims trapped under the rubbles.



HYGIENE AWARENESS INITIATIVE

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Health and hygiene are still growing concern in Bangladesh where like most developing countries these issues are closely linked to poverty and illiteracy. It is very crucial to improve their knowledge on personal health and hygiene. In this regard, ACI Consumer brands supplied 40,000 pieces of SAVLON Antiseptic Bar Soap to the non-governmental or-

ganization "Save the Children" with the objective to spread hygiene awareness among the much deprived commoners living in the remote areas of the country.

Adopt-A-Village

Principle 8: Undertake initiatives to promote greater environmental responsibility

Poverty is the focal problem of our country and influencing all other problems which are deterring the development of our country. Poverty is the pronounced deprivation of wellbeing i.e. the state of severe deprivation of basic human needs, which commonly includes food, water, sanitation, clothing, shelter, healthcare, education and information. So it is imperative to eliminate poverty. Adopt-A-Village is an initiative undertaken by ACI that work on development trajectory of rural community of Bangladesh.

The primary focus of this initiative is to create awareness among villagers in improving their standard of living on a self-help basis. ACI, works as a catalyst for change, in bringing about quantitative as well as qualitative improvements, in the day to day life of these people.

Through strategic planning,

aligning with business strategy, ACI has been working in some specific areas under this project for community development. ACI has taken many small and large initiatives to solve different types of community problems by using its core competencies. As ACI diversified its business in pharmaceuticals, agribusiness, consumer brands and retail chain so it uses its expertise from these sectors to serve the community. ACI ltd has been working in Adopt-A-Village project since year 2010 and till now it has repeated the project in 11 villages of Gopalgonj district of Bagladesh. In due course ACI has performed several activities like

- Providing access to safe
 drinking water
- •Health care services for villagers
- •Providing support to the farmers for increasing crop yield
- •Motivational activities for using fallow lands and

for homestead gardening.

Most of the villagers of Gopalgonj district do not enjoy safe drinking waterfacilities. Salinity in ground and surface water, arsenic contamination of shallow aquifer, lack of aquifer and difficulties in extracting saline free water are some of the causes. The effects are negative health, social and economic outcomes for the local population. In an effort to allow villagers to get access to safe drinking water, ACI also installed at least 31 Deep Tube Wells (DTW) in the villages of Gopalgonj district where people were facing acute shortage of pure drinking water. Deep Tube well helps to prevent many water generated diseases. Villagers are now less prone to the water generated

diseases.

As ACI diversified its business in pharmaceuticals, agribusiness, consumer brands and retail chain so it uses its expertise from these sectors to serve the community. ACI selected those villages SI that are mostly underprivi-Ν leged and deprived that they do not have proper medical 1 2 services. Health camps are 3 staffed by specialist doctors 4 from urban areas. Different 5 6 medical camps were conducted with different agenda 8 and for different diseases. 9 Free medical camps there- 10

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I	Venue/ Vil-	No of patients received General treatment			No of patients received Eye treatment		
N)	lage	Male	Female	Total	Male	Fe- male	Total
	Baborgati	68	62	130	14	19	33
2	Shibpur	52	91	143	11	9	20
3	Dalnia	89	181	270	28	57	85
ł	Golabaria	90	193	283	31	69	100
5	Nilokhee	55	217	272	19	71	90
6	Modhupur	84	235	319	18	71	89
1	Gopalpur	84	189	273	18	39	57
3	CharSareshpur	23	52	75	6	18	24
)	Bijoypasha	102	155	257	29	30	59
0	Tebaria	106	182	288	30	43	73
	Total	753	1557	2310	62	426	630



fore create an opportunity for people to avail quality services, get educated on health issues and seek health advises.

Through these medical camps villagers acquire specialized consultation and counseling about health care and get health education also. In year 2013, more than 3000 people took medical service from our

medical camps. Free eye cataract surgery to underprivileged people is another health care initiative undertaken by ACI. ACI sort out some eye cataract patients and facilitate them to get back their vision.

Farmers from remote areas had lack of knowledge about modern agronomic practice.

Farmers faced various problems in their field in terms of cultivation. ACI's community officers, under Adopt-A-Village project, provide support and suggestion on regular basis. They recommended different method of modern agronomic practice to which villagers were not aware off.

ACI supports farmers by providing training, distributing sprayer, articulating crops demonstration plot with pesticide, herbicide and crops vitamins etc. A comparative survey been conducted has on adopted villages where it is found that farmers from 11 villages adopted produce about 5198 mounds surplus rice in year 2013 comparing to year 2012 which worth about Tk 2,858,900 against the invested amount Tk 1,20,000. This positive change becomes possible only by intensive motivational program to build awareness and eagerness among farmers.

ACI has encouraged villagers for homestead gardening and using fallow lands to cultivate vegetables. ACI provided seeds to some families and they are gourd, cultivating tomato. brinjal and many other vegetables in their homestead gardening. About 342 household are engaged in vegetable cultivation in their homestead premises and fallow land. Total 19013 kilogram (about 475 mounds) vegetables have been produced in 4 month of period. ACI invested Tk 18,975 only which helped villagers to get Tk 190,130 worth of vegetables. This has attracted the attention of villagers to create interest in cultivating vegetables to supplement of their existing income.



Effective safety Training in Factory

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Safety is an essential issue in workplace for employees. As ACI always prioritize the safety of its employees so it has conducted many training programs in the factory to enhance the knowledge regarding the same. Factories are visited repeatedly to observe the production process, quality control and safety activities. On 2 January 2013, a half day training program on "Supervisory skill" and "Workplace safety" was organized for the management staffs and workers respectively of the ACI Napkin plant.

Written and oral assessment on fire and safety awareness and first aid treatment was conducted among all workers of marketing and packing department in March 13.

ACI sanitary napkin factory successfully completed a firefighting training to create fire and safety awareness among the employees in April 13. The program covered the usage of fire extinguisher and its placement identification, possible sources of fire and safety measures during fire.



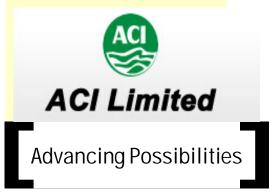
No to Corruption

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

Transparency and fairness obtain significance in the business strategy as ACI operates its business in an ethical way. ACI has integrated anti-corruption efforts in the company's values, management and operations to ensure compliance with the codes of conduct of the company. ACI tries to create awareness among the employees by providing the code of conduct at the beginning of their journey in the workplace. Each business and function has to report to the management committee about their activities.

Frequent audits have been conducted in the depot and warehouse to create transparency and there is zero tolerance to any discrepancy. ACI tries to establish accountability in all level of action. Corruption distorts market, ruins the environment of fair business and undermines the development. It is the major obstacle to the sustainable development. Therefore, ACI always says no to corruption and operates business ethically as a conscious corporate entity.





About ACI

Advanced Chemical Industries (ACI) Limited is a conglomerate that has diversified into four major strategic business divisions which include Health Care, Consumer Brands, Agribusinesses and Retail Chain.

With twenty SBUs and eight functions, it has a employee strength of around eight thousand.

The yearly revenue of the company is around USD 285 million.

Non-Discrimination in the Workplace

Principle 6: the elimination of discrimination in respect of employment and occupation.

Discrimination is the unequal treatment of people based on identifiable characteristics. It is totally unlawful in the workplace to discriminate employees on the basis of any attributes of a person. Keeping this in mind, ACI recruits, hires, trains, pays, promotes, and disciplines employees irrespective of race, color, sex, sexual orientation, religion, national origin, marital status, family status, age or physical disability. For an example, ACI Sanitary Napkin Factory organized a Performance Award program for the employees to recognize the best performers on a periodical basis. Employees get recognized for their performance regardless any discriminatory factor.

