

TEXPREGO GENERAL TRADING LLC.

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS (COP) REPORT 2015

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1. CORPORATE MESSAGE

We, the TEXPREGO are pleased to confirm you as the signatory of the United Nations Global Compact and is committed to respecting and promoting its ten principles on the areas of human right, labor, environmental challenges and the fight against anti-corruption. We believe that promoting an understanding of our Corporate Social Responsibilities (CSR) activities among our stakeholders is one of our important social responsibilities. In selecting the themes and items for the report we use objective indicators and our own process of materiality selection in order to produce a CSR report that address the concerns of various stakeholders.

The mission and objectives of the company are to source renowned clients / vendors, sells exclusive designs and produce high quality readymade garments collaboration with manufactures in order to fulfill the satisfaction of its valued customers. All activities of the company are being planned and performed in such a manner that would ensure the continuous enhancement of its fame and reputation.

During last year, Texprego has worked at making the Global Compact ten principles a part of our daily operations by adopting as approach that is based on corporate commitment, assessment of risk, implementing and remedy measures and communicating to stakeholders.

The main basis of texprego's CSR policy is to respect the United Nations Universal Declaration of Human Rights and the United Nations conventions on children's rights and the elimination of all forms of discrimination against women and the international labor organization (ILO) declaration on fundamental principles and rights at work, and to encourage and assist our suppliers, sub contractors and stakeholders to do the same.

We are very pleased with our progress towards realizing our vision and confident that we have another exciting year ahead of us.

2. TEN PRINCIPLES of the United Nations global Compact

UN Global Compact provides guidelines and universally accepted all these principles where are can review, define and make a plan for wide range strategic goals. Texprego is using this as an opportunity to grow the policies considering global compact principles.

- **HUMAN RIGHTS**

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

Principal 2 : make sure that they are not complicit in human rights abuses.

- **LABOR**

Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4 : the elimination of all forms of forced and compulsory labor;

Principle 5 : the effective abolition of child labor; and

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

- **ENVIRONMENT**

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

Principle 8 : undertake initiatives to promote greater environmental responsibility;

and

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

- **ANTI-CORRUPTION**

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

3. Communication on progress of Corporate Sustainability Performance:

CORPORATE SUSTAINABILITY GOVERNANCE:

TEXPREGO has long been committed to strong corporate governance, as one of its most important management initiatives. As a part of this effort, we adopted the corporate governance system under the Companies Act of Bangladesh. In addition to complying with the requirements of applicable corporate governance laws and regulations, Texprego has introduced its own requirements to help improve and maintain the soundness and transparency of its governance by strengthening the separation of the Directors' function from that of management and advancing the proper functioning of the statutory committees. The Board of Directors defines the respective areas for which each of the Corporate Executive Officers is responsible and delegates to them decision-making authority to manage the business, thereby promoting the prompt and efficient management of the company.

Governance Structure-

TEXPREGO is governed by its Board of Directors, which is appointed by resolution at the annual shareholders' meeting. We continue to believe that effective and transparent corporate governance leads to company being more successful in their core activities. Texprego has Corporate Executives who carry out business operations within designated areas.

Board of Directors:

- Determines the fundamental management policies of the company
- Oversees the management of company's business operations
- Appoints and dismisses the statutory committee members
- Appoints and dismisses Representative Corporate Executive Officers and Corporate Executive Officers

Audit Committee:

- Monitors the performance of duties by Corporate Executive Officers through reviewing structure to ensure the adequacy of the financial reporting process,

- structure to enable management to ensure the effectiveness of internal control over financial reporting, structure to ensure timely and appropriate disclosure and to ensure compliance with any applicable law, Articles of Incorporation and internal policies and rules and status of any other items described in the Internal Control and Governance Framework” determined by the Board of Directors in accordance with the Companies Act ‘ 1994 of Bangladesh and also monitors the performance of duties by Directors through attending the Nominating Committee or Compensation Committee and reviewing the Business Report and the relating documents.

Compensation Committee:

- Sets policy on the contents of individual compensation for Directors, Corporate Executive Officers, Corporate Executives and Group Executives, and determines the amount and content of individual compensation of Corporate Executive Officers in accordance with the policy

Corporate Executives:

- Carry out business operations within designated areas, including business units, research and development, monitoring production in accordance with the fundamental policies determined by the Board of Directors and the Corporate Executive Officers.

4. RESPONSIBLE HUMAN RESOURCE POLICY:

Our employees as the prime resource for our company and we instituted a personnel system in which elements such improvement of job execution capabilities, performance, rules and spirit to challenge demanding targets as well as, we safeguard a social policy and ensure personal development to guarantee motivated and professional employees, which is key to improve our competitiveness.

Our Commitments on this —

- Boosts employability through training, increased mobility, flexibility and by promoting health in the workplace.

- Bring about change whilst maintaining effective dialogue with employees and employee representatives.
- Promoting respect, well-being and career –long work-life balance.
- Foster diversity in order to preserve our attractiveness as an employer and to encourage new talent to surface.
- In order to provide equal employment and advancement opportunities to all Employees, employment decisions at the Company will be based on merit, qualifications, and abilities. The Company does not discriminate in employment opportunities or practices because of race, color, religion, sex, national origin, age or disability. The Company will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship
- The Company provides information to Employees about workplace safety and health issues through regular internal communication such as: (a) Training sessions (b) Team meetings (c) Other written communications. Each employee is expected to obey safety rules and is exercise caution and common sense in all work activities. Employees must report any unsafe conditions to their superior.
- Employees who become aware of any health-related issue, including pregnancy, should notify their Superior, and/or Departmental Manager, and Personnel Department of health status. This policy has been instituted strictly to protect the Employee.
- Promoting equal opportunities, ensuring fair treatment of employees and respecting diversity.

5. DEVELOPING FREEDOM OF ASSOCIATION/NO FORCED LABOR/ NO CHILD LABOR

Respecting for Freedom of Association and Collective Bargaining -

Our manufacturers, suppliers and their subcontractors shall ensure that their employees,

without distinction, have the right of association, union membership and collective bargaining. No retaliation may arise from the exercise of such right and no remuneration or payment whatsoever may be offered to the employees in order to hinder the exercise of such right. External manufacturers, suppliers and their subcontractors shall adopt an open and

collaborative attitude towards the activities of labor right. Workers' representatives shall be protected from discrimination and shall be free to carry out their representative functions in their workplace, where the Rights to Freedom of Association and Collective.

No Forced Labor -

We are not allowing any form of forced or involuntary labor in the production centers and/or facilities of its external manufacturers, suppliers and their subcontractors. External manufacturers, suppliers and their subcontractors may not require their employees to make any kind of "deposits", nor are they entitled to retain their identity papers. External manufacturers, suppliers and their subcontractors shall acknowledge the right of their employees to leave their employer after reasonable notice.

No Child Labor -

We are on zero tolerance that the manufacturers, suppliers and their subcontractors shall not employ minors. Defines minors as those persons under the age of 16. In the event that local

legislation would provide a higher age limit, the company shall respect the local provision. Persons under 18 shall not be employed in night shifts or in hazardous conditions pursuant to the definition thereof provided under Recommendation 190 of the International Labor Organization. Where the existence of any form of child labor is detected in the production centers and/or facilities of external manufacturers, suppliers and their subcontractors, protocols designed for the suppression thereof must be applied, and educational programs ensuring the suppression of any form of exclusion of minors until they attain the minimum labor age required must be developed.

No Discrimination –

We are very much cautious on the elimination of discrimination in respect of employment and occupation in our external manufacturers, suppliers and their subcontractors and they shall not apply any type of discriminatory practice as regards the recruitment, compensation, access to training, promotion, termination of the employment agreement or retirement, based on race, caste, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation and/or union membership or political affiliation.

6. CONSIDERING ENVIRONMENTAL IMPACTS –

Now the world is facing Global warming, Clean and Renewable energy, Ocean system collapse, Electronic & Nuclear Waste, Water degradation, Land rush, Biodiversity conservation, Increase human population, New technologies, Habitat loss these types of environmental challenges. Our continuous follow up has brought a remarkable result in our supply chain (dyeing, printing, washing activities) as ranked 'GREEN'.

TEXPREGO operating and developing in readymade garments business according to the best environmental praxis especially in the following areas;

- Continuing improvement of the environmental management system (EMS).
- Engage suppliers and service providers to launch projects to improve their environmental performance.
- Avoid hazardous chemicals and substance in readymade garments.
- Evaluations, follow-up, monitoring and training to all suppliers and subcontractors.
- Increasing and encouraging the usage of recycle paper, color and all other eco friendly technologies.

7. ANTI – CORRUPTION –

Our commitment to strong anti-corruption policies and practices is resolute. TEXPREGO does not tolerate bribery or corruption of any kind within our own company or suppliers.

Corruption is a major impediment to economic growth and development. We have made significant progress to implement the Anti Corruption plan on combating corruption, promoting market integrity and supporting a clean business environment.

Corruption threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust and undermines the rule of law. We call on all relevant stakeholders to play an active role in fighting corruption.

We are also placing high value on implementing and raising awareness effective anti-corruption programs to build and reinforce of intolerance towards corruption.

We endorse our experts report, annexed to the declaration, which outlines the major steps taken by both end and sets our further actions required to ensure that all suppliers, sub-contractors continue to make positive progress against the Action Plan.

We reiterate our determination to combat domestic and foreign bribery, as well as solicitation, and endorse the non-binding guiding principles on enforcement of the foreign and domestic bribery offence and the guiding principles to combat solicitation.

8. UN GOALS AND ISSUES-

TEXPREGO is committed to good corporate citizenship and to support charity and community initiatives, support to individuals, groups and social organization in Bangladesh in relation with the achievements of eradicate extreme poverty and hunger, ensuring education for all, equality on gender, reducing child mortality, improving maternal health, environmental sustainability and to develop a global partnership for development.

In the reporting period we have established a part of school building of Taan-Hasadia Primary School and Momotaz Hospital, Ambikaganj. Mymensingh Sadar where the students and local peoples are getting their education and treatment without cost.

9. CONCLUSION:

On top of this TEXPREGO is more aware on the objective of this program was to bring together the key players in the Corporate Governance, implementing the ten principles of UN global Compact, UN goals and issues, and our activities as above stated to support and achieve the common goals for a better future.