



COMMUNICATION ON PROGRESS 2016

SUSTAINABILITY REPORT



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



YASIN KNITTEX INDUSTRIES LIMITED





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“Good business is just some surpluses of good management to people and environment in sustainable ways”- Abdus Sobhan

Message from Managing Director

Yasin Knittex Industries Ltd is aware of its social and environmental responsibilities in the global perspectives, it conducts its projects and best practices in line with “People First” approach. Since its beginning in 2002, we have been respectful to human rights, environmentally-conscious, committed to workers and employees’ rights and safety. We are pleased to learn that UNGC has also adopted 17 UN Global Goals as the supporting areas with its previous 10 principles. With pleasures and consciousness, we reaffirm that Yasin Knittex Industries Limited (YKIL), a sister concern of Auko- Tex Group, supports 10 Principles of UNGC and 17 UN Global Goals.

I highly appreciate the newly adopted 17 UN Global Goals with their integrated and horizontal approach for sustainable development. For the sustainable progress and enhancement, these 10 principles and 17 Goals would lead to the changes of the society, the countries and the world we cherish. It is our encouragement for YKIL to realize that besides binding ourselves with the 10 UNGC principles, we have already been with the alignment of 17 UN Goals directly and indirectly through our business places, projects and best practices.

Yasin Knittex Industries Ltd has been involved with a number of projects which address the issues to environment, society, ethics, principles and global goals. It strongly believes that business must run with the corporate sustainable approach not just meeting Company’s and national requirement but even the global perspectives. The sustainable philosophy of it is long-term and matched with its steps to social and environmental programs. It believes that people living in any place deserve the right to be returned in every environmental and social issue while a business of a Company flourishes with more competitiveness.

We strive hard to decontaminate the emitting air out of the factory, give efforts to decompose every drop of contaminated water and devote to enrich the soil because we believe that environment goes with reaction theory- it returns what we give to it. If the cycle of nature collapses somewhere, the earth cries and we pay for it directly or indirectly. To maintain all these criteria, Yasin Knittex Industries Ltd has procured high quality of computerized machines and equipment.

For the safety and security of the employees, all-out efforts have been taken. All the buildings are connected along with the roof tops in order to have easy evacuation in time of any unexpected crisis. We have taken all positive steps for the health and education for the children of our workers and staffs. Efforts & focuses have been given on training especially for their health and production related issues working with HER project for female workers and HIS Project for male workers. Training on nutrition and child-care has also been given. 24 hours hospital and ambulance are available for the workers, staffs and employees along with free medical support from affiliated nearby hospitals.

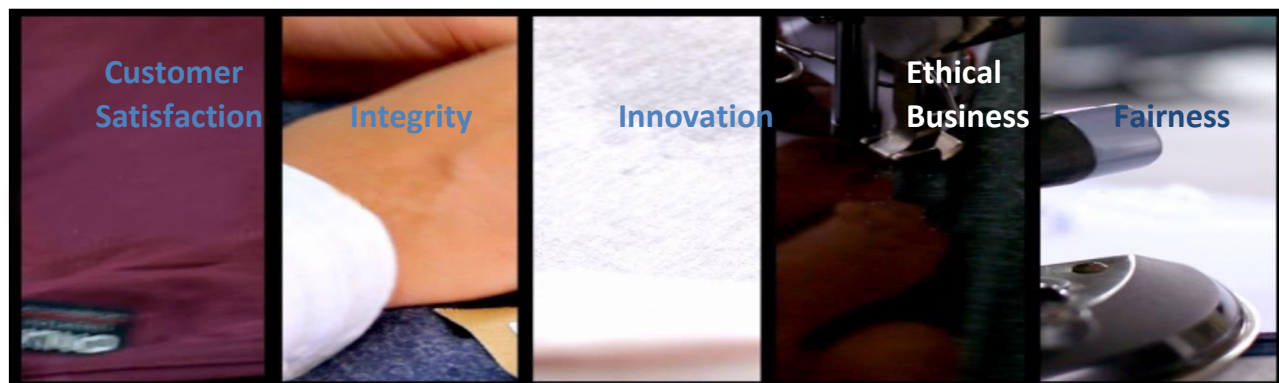
We have wholeheartedly committed ourselves to continuing performing our social, environmental, ethical and global responsibilities and working in order to spread UNGC principles and Global Goals among the mass community.



Abdus Sobhan
Yasin Knittex
Industries Ltd Chief
Executive Officer



Our values



Principles

Principals Number 1 & 2 on Human Rights

Goals

Global Goals no. 1, 2, 3, 4 & 5 on Poverty, Hunger, Health, Education and Gender

Assessment & Outcomes

Yasin Knittex Industries Limited (YKIL) is committed to the UNGC principles of human rights and the newly adopted Global Goals on poverty, hunger, health, education & well-being. Human right issues like freedom of expression, access to economic, social & cultural activities, social security, good health, gender, race equality and educational access are being well addressed in Yasin Knittex Industries Ltd. How YKIL maintains and looks after human right issues is as below:

Brief Assessment & Outcomes

1. YKIL abides by all rules and regulations of existing laws of the Country, ILO, buyers' requirements and maintain Company's own ethical policy.



Neat and clean working environment with full compliances

- 2) Efforts in policy making are highly given for better understanding and co-existence among Management, officers, staffs and workers.
- 3) Harassment in the work place has come almost to zero level.
- 4) The knowledge and awareness about human rights and laws among workers and staff are increased through training sessions.
- 5) Each month ration with 5 kg rice, 1 pcs toilet soap, 1 pcs laundry soap, attendance bonus of Tk.400/= is distributed.

- 6) Timely salary payment, all sorts of leaves including maternity leaves with pay, payments for overtime, encashment of earned leave and weekly holidays are ensured.
- 7) Elected workers' participatory committee is in full function.
- 8) All precautionary measures are taken for operational needs and occupational accidents are addressed seriously in our own Medicare Centre and even by sending outside big hospitals, if it demands.
- 9) Medical support for the parents is also offered. Besides, provision of health insurance and yearly health checkup for all employees is arranged.
- 10) Welfare program through HER Project for female workers and HIS Project for male workers is conducted.
- 11) Suggestions from all levels, top to bottom, are well-considered on rational bases.
- 12) Human Resources and Ethical Policies of the Company have been prepared and maintained.



Some glances of our welfare activities through Company's Sajid Sobhan Welfare Foundation

- 14) Female workers keep their children at Child Care Center where their kids are given nutritious food. A separate room for breast feeding is also there for the working mothers.
- 15) Yasin establishes educational institutes and provides with free computer training in remote parts of the country.
- 16) Distribution of blankets and giving financial aid for people affected by disasters/natural calamity are regular practices.

Outcomes

1. With the knowledge and awareness about rights and responsibilities from training sessions, workers and staffs are now more confident, relaxed and responsible.
2. Through HR, Ethics, Compliance and CSR policies, our addresses to the needs of our workers, staffs and officials have fulfilled their minds, and ultimately they are well inducted in the Company with real team spirits.
3. Workers, staffs and officers are feeling fortunate to be with the Company and are more mentally involved to work in the alignment of Company policy.
4. Regular meetings between the Participating Committee and the Executive Committee have diminished gaps between Management and the workers.
5. Complying with the working hours and due payment for overtime work have minimized absenteeism considerably.
6. No more tension during the time of pregnancy- Pregnant employees are relieved with maternity leave with payment.
7. Women employees with children are working with relieves as their children are looked after here in Child Care Center with alphabetic education, scopes of play with toys and nutritious food time to time.
8. Provision of medical services and insurance policy for workers and staffs has relieved and relaxed them from uncertainty and ultimately workers can concentrate to their work with more attention.
9. Educational institutes and training centers established by the Company are providing the country with educated and skillful people who are supposed to contribute to the socio-economic factors of the country.
10. Distribution of blankets and financial aid to affected people by disasters brings mental satisfactions to our workers and officials with positive implications.

AUKO-TEX GROUP



Fire and Safety Activities

A comprehensive plan is taken to face any unexpected fire or safety issue. A modern hydrant system has been introduced along with half a million liter of water reserved. This hydrant system is connected with auto generator and is automatically kicked off in case main generator line is switched off. In addition, another stand-by diesel generator is kept ready for requirement of water to be pumped.



CENTRAL FIRE CONTROL & PA SYSTEM



FIRE TRAINING



FIRE HYDRANT



FIRE TRAINING

Regular practices on Fire and Safety Activities



Safe and Security are key issues taken care

Principles

Principles no. 3, 4, 5 & 6 on Labor Issues

Goals

Global Goals no. 8 & 12 on Decent Work, Economic Growth & Responsible Consumption & Production

Assessment & Outcome

Yasin Knittex Industries Ltd is a believer in the right of workers in true sense. The Company has been conducting a number of projects with ILO, WRAP & BSCI addressing labors' rights excluding other issues. We also maintain the rules and regulations of the Government, international agencies and our buyers. Auditors from those authorities come very often and audit us which help us broaden our related expertise. We have very deliberately chosen to offer all sorts of facilities to our workers because the Company itself believes that a couple of hands with satisfied soul and passionate mind are very important for multi-folds reasons. Our total packages of compliant environment ensure decent work to our workers, staff and officers with steady growth of our business. So ultimately, we give efforts to play the role of a responsible producer, and our buyers with their ultimate retailed purchasers act as responsible consumers.

Brief Assessment & Outcomes

- 1) All the workers and employees are under coverage of two insurance policies, one is compulsory in terms of law and another is voluntary approach from the Company.
- 2) Elected Participation Committee continues working for the interest of workers.



Training Sessions with HER Project

- 3) Our buyers have been taking regular data about our compliance related issues and giving us feedback with inspiring scores.
- 4) There is a provision of giving profit share bonus (twice in a year) to our employees.
- 5) Providing provident fund benefits for employees working for more than 05 years is also there.
- 6) We have provision of 24 hours medical facilities including pathology, laboratory test and ambulance availability.
- 7) Yearly health checkup for workers and employees is also provided.
- 8) Scopes of providing free transports for workers are in practice.
- 9) Our buyers themselves or by their third parties arrange audit to our factory and check different social issues including labor rights.
- 10) Working with Better Work Bangladesh, IFC has added improvement to the working conditions, productivity, quality and competitiveness of factories in global supply chain.



Children are being taken care at Childcare Centre.

- 11) Besides health issues of the projects, HER Project for the women employees and HIS Project for male employees with their regular training programs are continuously making aware of rights of the labor among workers.

- 12) Recently, Yasin Knittex Industries Ltd received Certificate of Occupational on Health and Safety (OHSAS 18001) after a series of audits.
- 13) Financial assistance and stipend are given as needed to the children of poor workers for better education.
- 14) Donation for religious pilgrimage is sanctioned to workers as some extra benefits.
- 15) Birth day gifts for the workers and employees are also introduced.



Lipi Akhter, suffering from severe disease was given financial assistance for costly operation.

Outcomes

1. Through the elected Workers' Participation Committee, workers are now more free to express their needs and top management are more aware of their requirements.
2. Two Insurance Policies have brought some reliefs to the minds of workers, staffs and officers.
3. Profit-sharing and provident funds help workers/staffs to meet their occasional financial needs.
4. Both HER and HIS Projects have helped the workers to be aware of their rights from the training given there.
5. Workers who are in severe financial crises are now relieved with the help from the Company to send their children to schools.
6. 24 hours medical facilities including all-time ready ambulance services are now considered a big relief for workers.

7. Health checkup annually by the Company for the workers has eased the pressures and tension among the workers, staff and officers.
8. Transportation facilities available for those who are in need and this has removed pressures from them.
9. Pilgrimage which once was a dream for poor workers and staffs has come to a reality in their lives.
10. Regular audits by our project partners, buyers, government agencies have made us more aware of the requirements of our workers.
11. The processes of our newly received certificate of Occupational Health and Safety (OHSAS 18001) have helped us to be more responsible about safety of workers.

Goals

Global Goals no. 6, 7, 9, 11, 13, 14 & 15 on Water, Sanitation, Energy, Industry, Innovation, Infrastructure, Sustainable Cities and Communities, Climate Action, Life below Water and Life on Land

Principles

Principles No: 7, 8 & 9 on Environment Issues

Assessment & Outcome

Yasin Knittex Industries Ltd believes in sustainable development meeting the need of present without compromising the ability of future generations to meet its own needs. It does understand that environment goes with the reaction theory- environment returns what we give to it. This is the approach from Company's own self-conscience for long time. We must not practice anything which may cause damage our earth ignoring the temptations of short-time benefits. Yasin strives hard to decontaminate the emitting air out of the factory, gives efforts to decompose every drop of contaminated water and devotes to enrich the soil along with other environmental practices.

Environmental issues are addressed by Yasin Knittex Industries Ltd with some of its projects like Water Foot-print Network, PaCT, Better Cotton Initiative, Organic Trade Association, Clean Development Mechanism, Environmental Management System, Carbon Neutral Project, ISO 14001:2004, Green Project and 3R Project.

Brief Assessment & Outcomes

- 1) Our participation in Better Cotton Initiative has put big impacts on all of our supply chain management.
- 2) Our involvement with Water Foot-Print Network has made us much aware of conscious uses of water in the factory operation.
- 3) We are committed to the principles of Organic Trade Association. The principles basically address the organic cultivation doing no damage to environment.
- 4) Yasin Knittex Industries Ltd has gone under serious of audits from the concerned authority of ISO 14001:2004 and received Certificate for ISO 14001:2004.
- 5) We have initiated new Project on Green Factory and 3Rs and are adding our expertise on them.
- 6) Yasin has studied thoroughly the key components of the Kyoto Protocol on Cleaner Development Mechanism.
- 7) Yasin has its own projects on Environment Management System and Carbon Neutral Project.
- 8) With Partnership for Cleaner Textile (PaCT) Project with the Netherlands and IFC-World Bank, we have converted 150 conventional motors of sewing machines to the servo motors.
- 9) With PaCT, we also converted inverter system from conventional motor for the Irons table and converted 2000 conventional T8 tubes to the energy saving T5 tube.
- 10) PaCT also helped us change the process of dyeing to save the underground water.
- 11) We insulated 400 meters of the steam lines to keep boiler feed tank temperature stored between 85-95 degree Celsius.
- 12) With purchase of advanced machineries, we reduced GHG (Green House Gas) emission 11%.

Partnership in Cleaner Textile



We have been approached by the IFC to join the deep dive program called PaCT in 2013. After getting that invitation we sat together and tried to find out the benefits of this CP. We found within 18 months a significant saving in terms of water and energy.

An initial walk through audit has been carried out by Mr. Phil Patterson and Mr. Bruno who are the experts on dye house and waste water respectively.



Visits of Honorable Danish Ministers in the Year 2015 and 2016



On 18th March 2015, His Excellency Mr. Mogens Jensen, The Danish Minister for Trade and Development Cooperation visited this Factory.



On 18th January, 2016 His Excellency Mr. Jorn Neergaard Larsen, Honorable Minister for Employment, The Kingdom of Denmark also visited the Factory.



ESQR, Switzerland awarded Yasin Knittex Industries Ltd “European Award for Best Practices 2016” in Brussels in Belgium in 2016.



Factory Premises

Outcome

1. Impacts of participation in Better Cotton Initiatives are worldwide through all supply chain management. It addresses not only environmental cotton cultivation practices but also social issues.
2. Our supports and association on organic farming through environmental management under the Project with Organic Trade Association induces better climate practices.
3. Water Foot-print Network has opened our mind about the importance of water uses worldwide and has certainly appealed us for better water use practices.
4. We have gone through series of audits on environment issues and have come out successfully getting the Certificate, ISO 14001:2004.
5. Our coming Projects, Green Factory and 3Rs, are adding expertise to our environmental management knowledge.
6. Our in-depth study on Kyoto Protocol has broadened our vision on environment and has given a positive impact on our environmental practice.
7. Our self-initiative projects like Environment Management System and Carbon Neutral Project have increased our insights about the impacts of environment management.
8. Before introduction of PaCT Project, batch drops for fabric washing were 21 times and after PaCT implementation, batch drops are 12 times causing reduced water uses. Now we save annually 47% from total processed water.
9. Water liquor ratio has been substantially reduced to 1:8 which saves approximately 210 m³/ton of water per day.
10. Implementation of PaCT brought savings with setting up Servo machines.
11. In ETP, we have saved 77800.00/year by the process of minimization of water.
12. Cost saving for the fabric process optimization is USD 30822.00/year
13. Distribution of saplings twice a year to the employees has had some positive impacts to the environment.
14. Electricity load in terms of PaCT introduction during the process was optimized with 36000 Kw/hr.

Principles

Principle No 10 on Anti- Corruption

Goals

Global Goals no. 16 & 17 on Peace, Justice and Strong Institutions & Partnership for the Goals

Assessment & Outcome

Since its inception, Yasin Knittex Industries Ltd has been maintaining very strict practices related to ethics and corruption in effort to bring peaceful environment with cooperation from all partners. We are aware that ethics is about behavior- it is about doing the right thing. Driven by values, we believe in absolute transparency in its all decision and operational issues. No marginal tolerance is acceptable in this regard. We believe that we all have the duties to uphold the image and reputation of it. So we are committed to a set of principles of good corporate governance and justice which emphasize transparency, accountability and independence together with prudent enhancement and management of shareholder values.

We have cooperation from our partners and all stakeholders in this regard. We share our policies and implementation policies each our which ultimately makes our company a strong institution.

Brief Assessment & Outcomes

1. All the operation procedures are executed following our Company's ethical policy.
2. Standard Operating Systems (SOPs) for departments are prepared to be followed.
3. As per SOP, the committees like purchasing committee, quality control committee and marketing committee follow procurement procedures while audit committee certifies the procedure as per the SOP.
4. External Audit is conducted by a Bangladeshi Chartered Accountant Company.
5. Before procurement, a thorough study is carried out following Five Point Sources and then we get a comparative analysis. The Five Point Sources are:
 - Individual knowledge
 - Local knowledge
 - Using Group knowledge
 - Internet searching
 - Users' knowledge
6. In recruitment procedures, a comprehensive SOP which is strictly aligned with our ethical policy is maintained. Our old and new employees are trained about Company's positions on ethics and corruption.
7. A comprehensive observation is carried out in order to find out the ethical behavior of the employees.
8. Yasin Knittex Industries Ltd has an inter-exchange policy in the spirits of partnership with its stakeholders (buyers, suppliers, development agencies, project partners and the like) to strengthen different aspects of policy preparation.

Outcomes

1. Because of the Company's Ethical Policy, employees and workers have clear ideas and perceptions about standard process- there remains no grey area.
2. Standard Operating Systems (SOPs) for departments help maintain transparency in daily works.
3. All the committees especially involved in purchasing and selling have to maintain SOP which keep them out of controversy in all supply chain management and give relief while Company is benefitted with the competitive prices with quality products.
4. Our internal and external audits play important role in bringing transparency.
5. Our Five Point Sources, 1. Individual knowledge 2. Local knowledge 3. Using Group knowledge 4. Internet searching & 5. Users' knowledge guide us very comprehensively to check out the best prices while purchasing.
6. With standard recruitment procedures, we have the capacity to hire the best as per our needs with not much cumbersome formalities.
7. Our inter-exchange policy about how we can develop our ethical policy and procedures has helped us tremendously to cover all the areas.
8. Right now, almost no favourism or nepotism can take place through our detection policy.

Our Certifications

WRAP Certificate

Oeko-Tex 100 Certification for
Printing, Dyeing and Finishing
Department

The AUKO-TEX GROUP logo is located in the top right corner of the banner.

ISO 9001

ISO 14001

OHSAS 18001

AUKO-TEX GROUP IS CERTIFIED BY "OEKO-TEX STANDARD 100" FOR BOTH PRINTING & DYEING

TUV and UL

TUV and UL are nominated to have the chemical tests by the buyers for the garments we produce. They test especially banned chemicals like AZO, Formal de hide , PH, APEO, PVC, COC, Allergenic disperse dyes, Phthalates' Chromium VI, etc.

Our Membership



Awards

- 1) Best Environmentally Compliance Factory in 2011-2012.
- 2) Crag hoppers Factory Evaluation Gold Certificate
- 3) Best Factory in Cleaner Production (CP) run by IFC and Solidaridad
- 4) Best Factory in Partnership for Cleaner Textile (PaCT) run by IFC, Solidaridad, Brands etc.
- 5) CIP award has been given to Managing Director for the year 2013 and 2014.
- 6) ESQR, Switzerland awarded Yasin Knittex Industries Ltd “European Award for Best Practices 2016” in Brussels in Belgium in 2016.
- 7) International Quality Crown Award in London 2014



International Quality Crown Award in London 2014

- 8) Platinum Winner Social compliance (Innovative Initiative) 2014



Platinum Winner Social compliance (Innovative Initiative) 2014

Our Buyers & Products

AUKO-TEX GROUP

OUR VALUED BUYERS

BESTSELLER
JACK & JONES
SELECTED
ONLY
name it.

'TORAY'
ETAM
CAMAIEU
PROMOD
MONOPRIX

Peek&Cloppenburg
CRAGHOPPERS
Regatta
GREAT OUTDOORS
GAASTRA
dk company



OUR PRODUCTS & VALUE ADDITIONS

From its vertical set-up, Auko-Tex Group enjoys producing multi-types of knit, dyeing, washing, printing, embroidery products with 70,000 pcs production capacity per day with 39 lines. Our all sorts of knit products range from tops to bottoms, children to adults, male to female, basic to fancy, cotton to CVC, PC, viscose, modal, rayon, lycra, Mélange, etc.

T-shirts, polo-shirts, tank top, sweat-shirts, shorts, leggings are produced with different types of knitted fabrics like S/J, drop needle S/J, plaited S/J, plain rib, fancy drop needle, interlock, pique, Lacoste, terry, fleece etc. ATG has plethora of variations in washing and printing- washes of enzyme, silicone, vintage, stone, acid, rubber, denim, milky, indigo, velvet full and pigment and prints of pigment, discharged, rubber, plastisole, density, puff, foam, foil, flock, jelly, glitter, crack, heat transfer, gradation. Our embroidery covers from sequence to chain stitch, cross stitch, high density embroidery, felt applique and fabric applique.

Most importantly we have a big thirst to work with new and new items.



If you have any queries, please Contact:

Md Atiqur Rahman

Assistant General Manager

Corporate Social Responsibility

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