

2016

# UN Global Compact Communication on Progress Report 2016



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Dutch-Bangla Pack Ltd  
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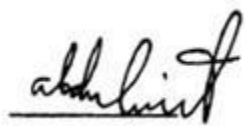
## Statement of continued support by the Managing Director:

I am pleased to confirm that Dutch-Bangla Pack Ltd. supports the ten principles of the Global Compact on human rights, labor, environment and anti-corruption. With this communication, we express our intent to implement and develop those principles. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Dutch-Bangla Pack Ltd. will make a clear statement of this commitment to its stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy. This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and Renewing our ongoing commitment to the initiative and its principles. This is separate from our initial Letter of commitment to join the Global Compact.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global Compact principles in each of the four issue areas (human rights, labor, environment, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Yours Sincerely,



Abdul Mumit

Director



# Human Rights Principles

## Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights.

## Principle 2:

Make sure that they are not complicit in human rights abuses.

## Assessment, Policy and Goals:

Dutch-Bangla Pack Ltd (DBPL) promotes a positive culture with respect to human rights and the continuous improvement of working conditions. We support and respect the protection of internationally proclaimed human rights within the staff, including directors, executives, management, supervisors and staff, whether directly employed or contracted. DBPL shall continue to encourage all suppliers and contractors to comply with the same standards.

## Implementation:

- I. Employee Handbook: To enhance DBPL's support and respect the protection of internationally proclaimed human rights an Employee Handbook has been made on 11 February 2016 by incorporating several agendas such as Equal Employment Opportunity Policy, Employment at Will, Policy against Harassment & Discrimination, Grievance Policy, Disciplinary Policy, Open Door Policy, Confidentiality Policy, Drug & Alcohol Policy, various HR processes & employee benefit, Work Related Accident & Injury, Company Work Rules etc. Moreover, this has been translated in local language to ease communication & maintain compliance smooth at all time.
- II. Occupational health and safety: DBPL has a well-defined and established occupational health & safety policy. We are committed to prevent injury & ill health of our workplace. DBPL has undertaken a comprehensive Hazard Identification and Risk Assessment (HIRA) exercise, which attempts to improve occupational safety and to protect against property and infrastructure damage by providing a tool that can be used to assess the consequences and frequency of a hazard. The purpose of this is to identify which hazards should be the focus of emergency management programs at a particular point in time. When hazards are identified as having a high level of risk, emergency management programs are developed to minimize this risk through prevention, preparedness, and mitigation, response and recovery measures. If these measures are successful, then the risk of the hazard will decrease. To maintain effective health & safety management system throughout the organization a Health & Safety Committee has been formed whose members are actively participating in attaining the goal of zero harm. Moreover, quarterly basis Health & Safety Committee meeting is conducted to ensure compliance in line with local legal rules. Moreover, DBPL has arranged eye washing facility as a first aid measure to treat the injured person immediately caused due to chemical handling.

Training of employees is one of the most effective tools for ensuring occupational health and safety. DBPL has developed and executes an extensive training plan which lists the training topics (which includes topics on employee health and safety), frequency of training, training materials, trainer details etc. According to this training plan, a total of 204 training has been provided during the last 12 months period. And approximately 90% of total manpower received

these training. Delivery of training and evaluating the effectiveness of training is overseen by the training department, which is incorporated inside the Human resource development division.



- III. [Counseling & Discipline Policy:](#) DBPL has a defined disciplinary process. This process is explained to all employees in new employee orientation and is defined in employee handbook. The company does not and will not engage in or support the use of corporal punishment, mental or physical coercion, or verbal abuse.
- IV. [Remuneration:](#) The Company shall respect the right of personnel to a living wage and ensure that wages paid for a normal work week shall always meet at least legal or industry minimum standards and shall be sufficient to meet the basic needs of personnel and to provide some discretionary income. All overtime shall be reimbursed at a premium rate as defined by national law.  
The company shall not use labor-only contracting arrangements, consecutive short-term contracts and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labor and social security legislation and regulations. Moreover, DBPL has already made an increase of 18 % salary on an average and also additional increase of 12 % due to annual performance review.
- V. [Free Health Check-up:](#) Free medical facilities are available for all the employees. Health check-up for all the employees are conducted by a registered MBBS doctor. All the expense for the treatment of work related injury are borne by the company.
- VI. [Housing Facilities:](#) Dormitory facilities are also available for the employees of DBPL which has been increased in number & rooms by hiring a new one at the beginning of 2016. The dormitory is equipped with all modern facilities.

VII. Regular Recreational Activities & Celebration: DBPL arrange celebration programme for different national & International days on humanitarian ground like Victory day, Bengali new year, International mother language day etc. Moreover, Picnic is arranged annually for the whole family of all the employees of Dutch-Bangla Pack Ltd. As usual, DBPL has arranged annual picnic in February 2016.

Measurement of Outcomes:

- SA 8000 certificate for Social Accountability.
- Dutch-Bangla Pack Ltd. has been identified as an example factory in Bangladesh by the Dutch minister for foreign trade and development cooperation.
- Suggestion box is available.
- Regular awareness session on the principles of SA 8000, Workplace safety, Behavior Based Safety.
- Worker's participatory profit fund.
- Allowances for attendance, proper hygiene practices, night shifts etc.
- The appointment letter has been updated by incorporating all additional points what is necessary according to the local labor law.



# Labor Principles

## 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.

## Principle 6:

The elimination of discrimination in respect of employment and occupation

Assessment, policy and goals: DBPL is committed to responsible business practices with absolute regard for conventions of the ILO, UN and national law related with Labor. We uphold the commitment not only for our core business but also for our suppliers and vendors as well.

## Implementation:

Freedom of Association and Right to Collective Bargaining (Principle-3): All workers have the right to form, join, and organize trade unions of their choice and to bargain collectively on their behalf with the company. Dutch-Bangla Pack Ltd respects this right, and effectively informs personnel that they are free to join an organization of their choosing and that their doing so will not result in any negative consequences to them, or retaliation, from the company. Furthermore, the company shall not interfere with the establishment, operation and organization of collective bargaining groups.

The communication to workers shall be undertaken by the “Worker representative”. The “worker representative” is a worker chosen to facilitate communication with senior management. Dutch-Bangla Pack Ltd. shall allow workers to freely elect their own representative. To maintain compliance in line with applicable laws DBPL has arranged 04 nos. of WPC meeting during last one year.

Elimination of Forced & Compulsory Labor (Principle-4): Dutch-Bangla Pack Ltd. shall not engage in or support the use of forced or compulsory labor as defined in ILO Convention 29, nor shall personnel be required to pay “deposits” or lodge “identification papers” with the company upon commencing employment. We don’t withhold any part of any personnel’s salary, benefits, property, or documents in order to force such personnel to continue working for the company. Personnel employed by the company shall have the right to leave the workplace premises after completing the standard workday, and be free to terminate their employment provided that they give reasonable notice. Workers are allowed to leave after their regular shift. They are not forced to remain at the work premises to work overtime hours – therefore all overtime work must be fully voluntary & paid at a premium rate.

Abolition of Child Labor (Principle-5): Dutch-Bangla Pack Ltd. shall not engage in child labor at any level of the organization. No worker shall be employed under the minimum age established by the national law (Labor Law 2006). In any event children under the age of fourteen (14), or the minimum working age according to International Labor Organization (ILO) exemptions (under Convention 138), shall not be recruited or employed.

According to the *Company Policy* of Dutch-Bangla Pack Ltd., employment age is at least 18 years, although employees between 15-18 years can be accommodated if required. To eliminate incidences of child labor at Dutch-Bangla Pack Ltd., we subscribe to the appropriate national and international legal standards, and also adopt some objectives at the time of recruitment of employees.

Elimination of discrimination (Principle-6): We have a well-defined & established policy for non-discrimination. DBPL does not engage in or support any type of discriminating practices, or harassment in any form to occur. It asks only skills oriented questions when interviewing for hire or promotion. DBPL does not engage in or support activities that would interfere with an employee's right to exercise, observe tenets or practices, or to meet needs relating to race, caste, national origin, religion, disability, sexual orientation, union membership, or political affiliation. DBPL does not allow behavior from its employees that are discriminative or harassing in nature. Gestures, language and physical contact that are sexually coercive, threatening, abusive, or exploitive are prohibited. Employees are informed of this policy during new employee orientation and it is covered in the employee handbook. All allegations of discrimination or harassment are brought immediately to the attention of the Human Resources Department and are investigated immediately & resolved.

#### Measurement of Outcomes:

- SA 8000 Certificate for Social Accountability.
- Dutch-Bangla Pack Ltd. has been identified as an example factory in Bangladesh by the Dutch minister for foreign trade and development cooperation.
- Formation & Activity of "Worker participatory committee (WPC)".
- No labor strike or any kind of unrest ever.
- Number of child worker is ZERO.
- Defined procedure for grievance management.
- Periodic Internal & External Audit. Already total 03 nos. of Internal & 05 nos. of External audit conducted till to date.
- Yearly reporting to the mother company LC Packaging Ltd. Netherland, about the compliance status of its standards.
- A new HR management software (Dream Apps) has been implemented at a cost of USD 9575 to ensure strict legal adherence and automate HR processes.



## Environmental Principles

### Principle 7:

Businesses should support a precautionary approach to environmental challenges.

### Principle 8:

Undertake initiatives to promote greater environmental responsibility.

### Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

Assessment, policy and goals: DBPL is committed to prevent environmental pollution & continually improve the environment management system. DBPL recognizes that the delivery of its operations inevitably impact on the environment in a number of ways, for example, through the generation of waste through the production process and the use of energy for heating and lighting. Through a commitment to continuous environmental improvement, DBPL's aim is to ensure that our business operation is undertaken in such a manner as to have minimum impact on the environment. Specifically, DBPL strives to minimize environmental aspects by decreasing wastes, using optimum energy, using non-hazardous chemicals instead of hazardous chemicals, produce eco-friendly products that can be recycled and reused, seek continuous improvement in the design and implementation of products and processes, to eliminate or minimize probable health hazards, incident risks and minimize environmental aspects by using new technologies. The basic raw material of DBPL is Polypropylene which is a polyolefin thermoplastic. Generally, polyolefin are recyclable through a re-extrusion and granulation process. Furthermore, DBPL also remains prepared for emergencies and act promptly to eliminate their resulting impacts.

Implementation: DBPL undertook various measures to achieve reductions in waste management. One such measure is proper segregation of waste products. Waste management principles require separate storage and consequent disposal of waste material at every step of the production process. An intensive training program has been accustomed to make the employees aware of waste management principles. Regular monitoring also undertaken to confirm that employees are not deviating from established rules and regulations. Currently, wastage materials are only placed in designated waste containers, which are collected at a designated frequency and stored in a separate warehouse. Later, this waste is recycled through an external recycler.





Furthermore, to promote energy efficiency, DBPL has installed solar panels on its roofing, which is used for internal heating. DBPL has also arranged for several Energy audits which attempted to identify scopes for reducing energy consumption without compromising working environment comfort and safety. Based on the feedback of the energy audit, DBPL implemented specific steps, such as converting older T12 fluorescent fixtures to high efficiency T5 or T8 fixtures, daylight harvesting etc. DBPL is also currently evaluating the possibility of installing water absorption chillers that shall reduce energy requirements for air conditioning significantly.

To effectively control the use of hazardous substances, DBPL firstly identifies all hazardous substances that are required for the production process. An initial evaluation is done to ascertain whether any of these substances can be replaced with less harmful alternatives. Consequently, attempts are made to mitigate the risks of contamination and exposure through these hazardous materials by implementing precautionary measures such as secondary containers, encased and designated storage, minimizing storage of hazardous chemicals that are susceptible to human contact etc.

#### Measurement of Outcomes:

- Certificate of ISO 14001:2004 for Environment Management System.
- List of Environmental aspect-impact and control the significant impact.
- Achievement of the objectives of Environment management system.
- NOC from the Environment department of Bangladesh.
- Periodic internal & External Audit. Already total 03 nos. of Internal & 05 nos. of External audit conducted till to date.
- Dutch-Bangla Pack Ltd. has been identified as an example factory in Bangladesh by the Dutch minister for foreign trade and development cooperation.
- DBPL has instituted a waste recycling project at an investment of USD 600,000 to ensure safe, sustainable and commercially-viable recycling of plastic waste. The project shall not only recycle the plastic waste generated by DBPL, but also invigorate others to follow suit by acting as a pilot project. This project is also subsidized by DEG (German Development Finance).



## Anti-Corruption Principles

### Principle 10:

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

Assessment, policy and goals: DBPL takes a zero-tolerance approach to bribery and corruption and we are committed to conducting our business in an honest and ethical manner. We have adopted this policy to communicate this message and to assist those working for us to uphold it.

Implementation: DBPL is committed to conduct all of its business in an honest and ethical manner and ensure that it meets its legal obligations and averts, notices and eradicates corrupt practices, and collaborates to reduce opportunities for bribery and corruption. DBPL requires all staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible. DBPL does not tolerate any form of corruption and takes the most serious view of any attempt to commit corrupt practices by members of staff, contractors, agents and business partners. Cases of suspected corruption are to be properly investigated and appropriate action taken, including reporting to the appropriate authorities, disciplinary action, prosecution and active pursuit of recovery.

### Measurement of Outcomes:

- DBPL has not been involved in any legal cases, rulings or other events related to corruption and bribery.
- DBPL has very close relationship with the Dutch Embassy in Dhaka for mentoring and advisory role in the proceeding and rules.
- Every year, bi-annual internal audits take place.
- Our books and accounts are subjected to statutory external audit annually.
- A new accounting software, Tally ERP-9 Gold (Multi) User Edition has been implemented at a cost of USD 1385 to ensure strict legal adherence.
- Anti-money laundering policy has been developed on 20 January 2016.



## About LC Packaging

Dutch-Bangla Pack Ltd. (DBPL) is 100% daughter of LC Packaging (LC). This family business has been active in the packaging industry since 1923 and for four generations. In 2016 LC is a distributor and producer of packaging with its own production facilities in Europe, Asia and Africa. A multinational with over 1.000 employees, with office in 16 countries (HQ in The Netherlands) and a turnover of € 157 million in 2015. The company believes in long-term relationships with customers, production partners and of course its own employees, as they are LC's most valuable asset. The packaging expert is working hard to deliver quality. To LC 'quality' is not just the strength and usability of the final product: it is also in the working conditions and the working environment. It is about creating a safe, healthy and pleasant workplace for its workers, about the payment of a fair wage, rewards, recognition and trust. These quality requirements, and thus the commitment to 'people, profit and planet' applies to all LC offices and product locations and on LC's production partners. Quality is monitored at all levels by a dedicated Quality Department and is confirmed by the Dutch minister of foreign trade and development cooperation, who set's LC (and DBPL in particular) as an example, and the extensive portfolio of certificates that has been awarded to the LC Group, including the SA 8000 and EcoVadis certificate.

More information about the [LC Packaging CSR policy](#)

Take a look at the [LC Packaging CSR Brochure](#)

