

GLOBAL COMPACT

THE GLOBAL COMPACT'S PRINCIPLE INTEGRATED INTO OUR CONTINUOUS PROGRESS AND OUR DEVELOPMENT 2016





Communication on Progress

Participant

• <u>Angao</u>

Published

• 2016/07/29

Time period

• July 2015 – July 2016

Format

• Stand alone document – Basic COP Template

Differentiation Level

• This COP qualifies for the Global Compact Active level

Self-assessment

- Includes a CEO statement of continued support for the UN Global Compact and its ten principles
- Description of actions or relevant policies related to Human Rights
- Description of actions or relevant policies related to Labour
- Description of actions or relevant policies related to Environment
- Description of actions or relevant policies related to Anti-Corruption
- Includes a measurement of outcomes



ANGAO 2016-07-29

To our stakeholders:

I am pleased to confirm that ANGAO PRECISION ASSEMBLY Co Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

C.ZORN General Manager On behalf of Mr MARTINEAU, Chairman of GMD group

<u>Human rights :</u>

Angao comit to follow strictly the principles of the Universal Declaration of Human Rights. We act in a responsible way to ensure every worker of our company is treated equally.

We ensure that our supplier follows the same rules and we will refuse to have any business with suppliers or customers using threatening, menace or providing unacceptable working conditions to their employees.

Angao provide working conditions exceeding the minimum of the local regulation. We base our organization and working condition on the European standards.

We encourage mutual respect among our employees. We take sanctions against any physical or verbal aggression, threat or intimidation.

We employ men and women without discrimination therefore skills makes them suitable for the position. We make sure that salaries are equivalent for an equivalent work.

Our production facilities and our work environment are the European standard and exceed local standards.

Our equipment or working condition issues are identified during monthly safety audits, documented, and the actions taken are followed by a Committee including the different departments within the company, the HR and the Union.



<u>Work</u>

We respect local legislation on employment contracts. We have no undeclared employees. We have no employees forced to work. We don't use underage employees (-18 years) even if allowed by local regulations.

Minimum wages are raised systematically in accordance with the instructions of the office of employment. Overtime work is recorded fairly and payed according to local regulation. Over time is made on the voluntary basis.

Environment

• air pollution is measured annually by a third party company. We have installed an exhaust systems on all our welding machines to ensure healthy air in our workshops.

- waste oils are collected by an organization approved by the Government
- paper, plastic cards are collected by local recycling companies
- production releases are resold for recycling
- lighting systems are slowly replaced by LED systems to reduce energy consumption.

We are certified ISO 14001 and audited annually by a third party organization. We have yearly audits from firefighting and health inspection

All issues are recorded in our management system , followed monthly by the safety meeting, and actions are followed daily at the production meeting.

Fight against corruption

We have integrated our Global Compact membership in our commercial presentations. We talk systematically about our fight against forced labour and corruption during presentations to our future customers.

Our purchasing price management prevent unauthorized modification of prices by purchasers or supplies.

We avoid responding to the demands of suppliers using corruption as a way to get contracts We financially monitor purchases compared to the market price to make sure that commissions are not collected on our purchases.

Internal regulation mentions that passive or active corruption is a case of dismissal .



Outcomes :

The distribution of men and women men : 35% women : 65%

No supplier has been identified with practice contrary to human rights not using forced labor.

The average salary of a worker's production is 40% higher than the legal minimum of the province. Minimum salary has been raised by 7.69% according to the local regulation in February 2016.

The absence rate is below 2% of the total worked hours. Diseases absences represent 1.26% of absences on 2016.

0 accidents with a work leave have been recorded in 2016.

No complaint have been made by workers for working condition. We have improved lightening and aeration in the workshops. We have improved the place and the lockers in the changing room. We have increased 50% the parking lot for motorbikes

90% of wastes are collected using official recycling companies, the 10% remaining is collected by the trash system.

2016-2017 project

- to improve management of used water and to reduce quantities sent outside for recycling
- continue the deployment of LED lights .