



Rahimafrooz Accumulators Limited

Operations Office: 705 -706 West Nakhhalpara, Tejgaon, Dhaka 1215, Bangladesh

Factory: R.S. DAG No. 1-4, 48/4 West PanishailZirani Bazar, Gazipur

Tel: 880-2-9113696 Fax: 8802 9126968 Email : info@rahimafrooz.com

16th October 2016

H.E. Ban Ki-Moon

Secretary General

United Nations

New York,

NY10017

USA.

Dear Mr. Secretary General,

I am pleased to confirm that Rahimafrooz Accumulators Ltd. (RAL) supports the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. 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. RAL will make a clear statement of this commitment to our 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 measurement of results).

Sincerely Yours

Feroz Rahim
CEO

Global Compact

HUMAN RIGHTS

Principle 1: *(Business should support and respect the protection of internationally proclaimed human rights)*

COMMITMENT: Committed to protect human rights through complying with national and international laws appropriate to our business activities.

SYSTEM: Every year we conduct training on HR policies and procedures and established a strong compliance team to monitor the policies and system violence analyze and investigate compliance failure.

ACTIVITY: Provide financial support to employees who may face sudden economic hardship from employee welfare fund.
Conducting training to all employees on our company values and I+10 habits.

PERFORMANCE:

1. Total 720 man-hour training on values and 18 man-hour training on HR policies have been conducted last year.
2. Both/Two way communication regarding company's activities has increased.

IMPROVEMENT OVER THE LAST YEAR: Employees have become more polite and professional in terms of verbal and physical communication. Blaming culture has been reduced drastically.

Principle 2: *(Business should make that they are not complicit in human rights abuses):*

COMMITMENT: We set high standards of ethics and moral virtue for ourselves. We firmly believe in religious, ethical, social and legal righteousness and we strictly adhere to those.

SYSTEM: Employees are directly involved in hazard identification, risk assessments and determining controls, incident investigation, development and review occupational health & safety policies objectives.

ACTIVITY: Through employee participation and consultation RAL set weight lifting limit and safety standard in all its activities.

PERFORMANCE: Awareness on safety precaution among the employees is continuously increasing. Six no. of safety awareness session conducted in last 3 months.

IMPROVEMENT OVER THE LAST YEAR: Peoples' are now feeling better and safe. Number of incidents has reduced to 17 (including property damage) from 24 in last year (2015-16).

Principle 3: *(Business should uphold the freedom of association and the effective recognition of the right to collective bargaining):*

The company respects the right and the labors of the company have freedom of association, but the workers (labors) have not formed a Trade Union as the company encourages open communications with workers and goes beyond the labor code in providing the employees with monetary & non-monetary benefits.

SYSTEM: We formulated our Canteen and Welfare policy where workers participated equally and appreciate/gave their feedback for improvement.

ACTIVITY: RAL review its employee salary & other benefits every year through collecting the classified information from Bangladesh Consumer Association and Bangladesh Bank regarding inflation rate, consumer price index and make adjustment in the salary accordingly.

PERFORMANCE:

Workers' representative actively participated in selecting candidate for Scholarship program and they put their thought to make the program meaning full for all non management employee.

In Canteen committee meeting workers' representative spontaneously participated and took part in decision making to improve the food quality and hygiene practice

IMPROVEMENT OVER THE LAST YEAR:

6 % salary increased on employee's GTH (Gross Take Home).

Principle 4: *(Business should uphold the elimination of all forms of forced and compulsory labor):*

COMMITMENT: As our aspiration statement reads, we want to be the most admired and trusted organization, by excelling in everything we do and following ethical business practices.

SYSTEMS: We are sincerely following the Bangladesh labor law-2006 (Amendment-2013) for working hour guideline of employees which is monitored and inspected by the Factory inspection department.

ACTIVITY: Each employee of the company is getting holiday and leave as mentioned in the Bangladesh labour law'2006 (Amended-2013) and in addition we reduce the working hours of worker from eight hours to six and half hours in the month of Ramadan so that they get time for prayer and spend time with family. (If any one did eight hours duty in Ramadan they get 1.5 hours overtime)

PERFORMANCE: For overtime duty each employee gets double benefits of his/her basic salary.

IMPROVEMENT OVER THE LAST YEAR: Now all employees get salary through Bank transfer who ensures on time (1st day of month) salary disbursement without backlog.

Principle 5: (*Business should uphold the effective abolition of child labor*):

COMMITMENT: We are committed to not engage any one below the age of 18 in any form of labor.

SYSTEMS: Our recruitment policy does not support enrollment of child labor in any kind of jobs.

ACTIVITY: During recruitment of worker we ask for the birth certificate or national ID for age verification.

PERFORMANCE: In our company the minimum acceptable age of workers is 18years. Bellow 18 age group people not allowed to work here.

IMPROVEMENT OVER THE LAST YEAR: Our education scheme for employees' children under welfare policy supports them to continue their education up to SSC level and not forced in to child labor.

Last year RAL has supported 30 students of different education levels (primary & secondary) whereas it was only 28 in the previous year.

Principle 6: (*Business should uphold the elimination of discrimination in respect of employment and occupation*):

COMMITMENT: The Company has been providing equal opportunity to all employees. Rahimafronz never compromises on ethical business practices. One of its prime concerns is to respect and promote the principle of non-discrimination in all levels of our Human Resources. Our recruitment, training and career development policy reflects the commitment and respect.

SYSTEMS: Our HR Vision to "Drive business excellence and create a rewarding workplace through people" encourage in building performance oriented culture which is a reflection of nondiscrimination and respect to the individuals.

ACTIVITY: During recruitment every candidate has undergone a unique scrutiny process. From that the best performer has been selected irrespective of gender, religious consideration.

PERFORMANCE: Last year RAL has recruited 14 employees through a comprehensive recruitment process.

IMPROVEMENT OVER THE LAST YEAR: The company encouraging women employees in all positions and role get equal benefits in all aspects.

Principle 7: Business should support to a precautionary approach to environmental Challenges:

COMMITMENT: To address environmental challenges, this is a policy of Rahimafrooz Accumulator Limited to consider environmental viability of its activities including planned or new developments in the overall assessment process.

SYSTEM: Under existing environmental management system Rahimafrooz Accumulator Limited (RAL) sets new Environmental objectives, targets and programs to control the aspects having significant impact on the environment.

ACTIVITY: RAL set environmental objectives to reduce the consumption of raw materials in the financial year 2015-16. To achieve the objectives, initiatives were taken to improve operational process and ensure optimum usage of recycled raw material.

PERFORMANCE: Lead and Polypropylene consumption has reduced/maintained.

IMPROVEMENT OVER THE LAST YEAR:

Lead consumption has reduced to 130.56 kg from 131.44 kg for every thousand (1000) plate. Poly Propylene consumption has maintained (2014-15) 1.05 kg for every N50 battery, financial year 2013-14 was 1.05 kg per N50 battery.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

COMMITMENT: For sustainable development in the earth Rahimafrooz Accumulators Limited (RAL) utilizes the available scopes for the development of environment to a greater extent.

SYSTEM: In the process of continual improvement of environmental management system, initiatives are taken that have impact on environment to a greater extent.

ACTIVITY: RAL planned and executed technical modification to reduce the consumption of electricity. PFI bank has been installed to improve power factor to ensure optimum use of the current-input.

PERFORMANCE: Electricity consumption has been reduced remarkably.

IMPROVEMENT OVER THE LAST YEAR: Electricity consumption trend in 2014-15 is 18.72 AH/KWH and 2015-16 it is 18.83 AH/KWH. Improvement percentage is 0.6%

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

COMMITMENT: As a part of its policy to prevent environmental pollution for sustainable growth, Accumulators Limited (RAL) is keen to adopt environmentally friendly technologies.

SYSTEM: During installation of new machinery and implementation of new projects eco-friendliness is considered as a prerequisite.

ACTIVITY & PERFORMANCE: Reduced consumption of diesel for power generation by optimizes use of PFI bank in electricity distribution center.

IMPROVEMENT OVER THE LAST YEAR: From 2013-14 and till now, RAL used Diesel free Power Generation system which is fully environment friendly.

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

COMMITMENT: Employees of the company are committed to live up to one of the company's core values in regard to integrity. Accumulators Limited (RAL) wants to be the most admired and trusted organization through excelling in everything done by the organization and following ethical business practice. One of the values maintained by the organization is "Integrity in all our dealings".

Procurement team is committed and maintaining work as per company's core values "Integrity in all our dealings" with our all stakeholders.

SYSTEM: The issue "integrity" and "ethical business practice" is mentioned in all dealings with our suppliers and vendors
Serious actions are taken against employees for any activities in regard to corruption.

We fully committed with our core values "integrity" and "ethical business practice" with our suppliers and vendors. There is no violation found thorough out in procurement dealings.

ACTIVITY: RAL has regularly maintained supplier communication on ethical business to develop a congenial work environment by maintaining integrity and fairness.
All the vendors and suppliers have signed the "Statement of Commitments & Integrity" which is in other word a commitment for being lawful, honest, fair, trustworthy and ethical.

RAL has regularly maintaining supplier communication on ethical business and maintaining integrity and fairness in our dealings besides we're maintaining a congenial working environment with fairness, honesty, and lawfully, trustworthy and ethical with our suppliers.

Yes, we're continually approaching the suppliers for signing the "Statement of Commitments & Integrity" but they're not showing much interest consequently this work still pending.

Measurement of outcomes: RAL evaluate its suppliers and vendors every year through maintaining an evaluation form and take decision to continue business on that evaluation.

RAL is ISO 9001:2008 certified company and we do have QMS form and process for Supplier evaluation accordingly taking decision to continue business.

Improvement over the last year: On last September RAL has evaluated all its approved suppliers and vendors.

In September 2016 completed approved suppliers evaluation process with updated format.