

Communication on Progress Report

United Nations Global Compact

Reporting period: February 2016 to February 2017





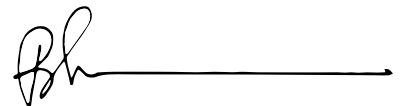
Statement of Continued Support from the Managing Director

This world now turned into such a place where only movers and shakers are fit for it. Adapting with the continuously changing global scenario is expected. As we connect man, machines, and materials around the world, we create enormous opportunity while changing lives. I am glad to introduce Epyllion's Communication on Progress (COP) report, which shows how our focus on combining materialistic and non-materialistic innovation is helping us to make profit with inclining the betterment towards the people and planet.

Over the last 23 years, Epyllion Group has created a large family of more than 16000 people with its business footprint in 23 countries worldwide. In this reporting year of 2016-2017, we made progress in terms of economical, societal and environmental point of view. We increased resource efficiency through innovation. We broadened the scope of our goals to achieve business sustainability with including our supply chain and value chain. None of these goals would be achieved without the dedication of the amazing people Epyllion has. We have empowered our employees to "connect everything, innovate everywhere, and benefit everyone," and we are investing in the tools, skills, and resources to support them in that effort.

Our leadership role as a corporate citizen is the key driver in our long-term success. Epyllion's commitment to create an enduring value is manifested in its Vision, Values and Vitality that contributes to create large-scale societal value. This vision is inspired by the Company's motto of "Human Spirit". Our commitment towards the sustainable business development now incorporates the SDGs with upholding full support towards these globally set goals.

So, I hereby as the Managing Director of Epyllion Group would like to state full commitment and continuing support towards the Ten Principles of United Nations Global Compact in regards to Human Rights, Labor Rights, Environment and Anti-corruption on behalf of me and all employees and associates of my company.

A handwritten signature in black ink, consisting of stylized initials followed by a horizontal line.

Reaz Uddin Al-Mamoon
Managing Director
Epyllion Group

Managing Trustee
Epyllion Foundation

Date: February 09, 2017

Executive Summary

Epyllion Group has recognized the significance of sustainability and hence is continuously adopting sustainable development business practices. These practices have been in line with our organizational core values and our vision to be the leader in the business domain and have a visible contribution to the GDP of Bangladesh. As one of the leading exporters in the ready-made garments (RMG) sector in Bangladesh, this is progressively more important for us. Sustaining effective corporate governance practices remain a key priority of Epyllion Group's board of management. Corporate governance in Epyllion is dynamic and business-focused with rooted in a culture of transparency and accountability

At the same time, the efforts to ensure sustainable growth span through complete planning from procurement to operations, from how it runs business to the products and services it provides, Epyllion pledges to continue the progress it has made in business for last 23 years.

We give emphasis on creating larger societal value with continuing to manage financial value creation. Epyllion's aspiration to be a business pioneer in terms of sustainability is manifest in its Vision, Values and the Vitality of its human capital, dedicated to building an exemplary enterprise for the country. We recognize that the Company's capacity to create societal value will crucially depend on the continued robust growth of its businesses. Towards this, significant investments have been made to create superior intellectual capital through business innovation and social responsibility.

Epyllion started adapting CSR in business quite long ago with an aim to go beyond compliance. It formed Epyllion Foundation in 2011 with focusing on the triple bottom-line of sustainable development. It had shown its full support and commitment towards the Millennium Development Goals (MDGs) and SR initiatives were taken to showcase the commitment towards the goals. With the globally changing scenario, Epyllion is now adapting the new Global Goals set by the global leaders to put its effort on eliminating poverty, inequality and climate change by 2030.

Epyllion's CSR for people starts from the organization itself. It connects to the society through its own employees. Its target to be an employee friendly organization encourages it to initiate and empower social beneficiary programs in broader community. Another significant focused point is environment. Epyllion puts its best effort in sustaining continual improvement of the environmental management system and conservation of natural environment. The efforts and initiatives of Epyllion Group in CSR are recognized by national and international stakeholders. In last three to four years, the collection of such recognitions showcases its raising CSR.

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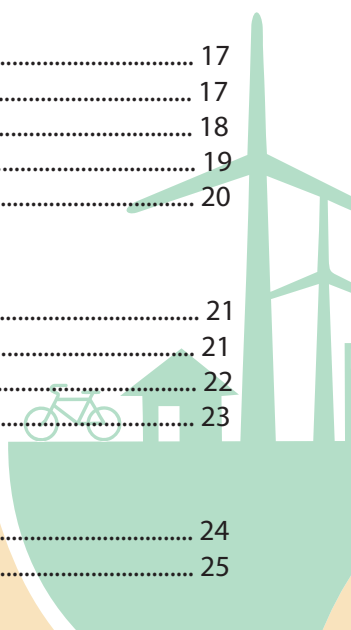
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Ten Principles of UN Global Compact

- 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
- 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
- Principle 7 :** Business should support a precautionary approach to environmental challenges
- Principle 8 :** Undertake initiatives to promote greater environmental responsibilities
- Principle 9 :** Encourage the development and diffusion of environmentally friendly technologies
- Principle 10 :** Businesses should work against corruption in all its forms, including extortio and bribery.

Epyllion Group



1.1

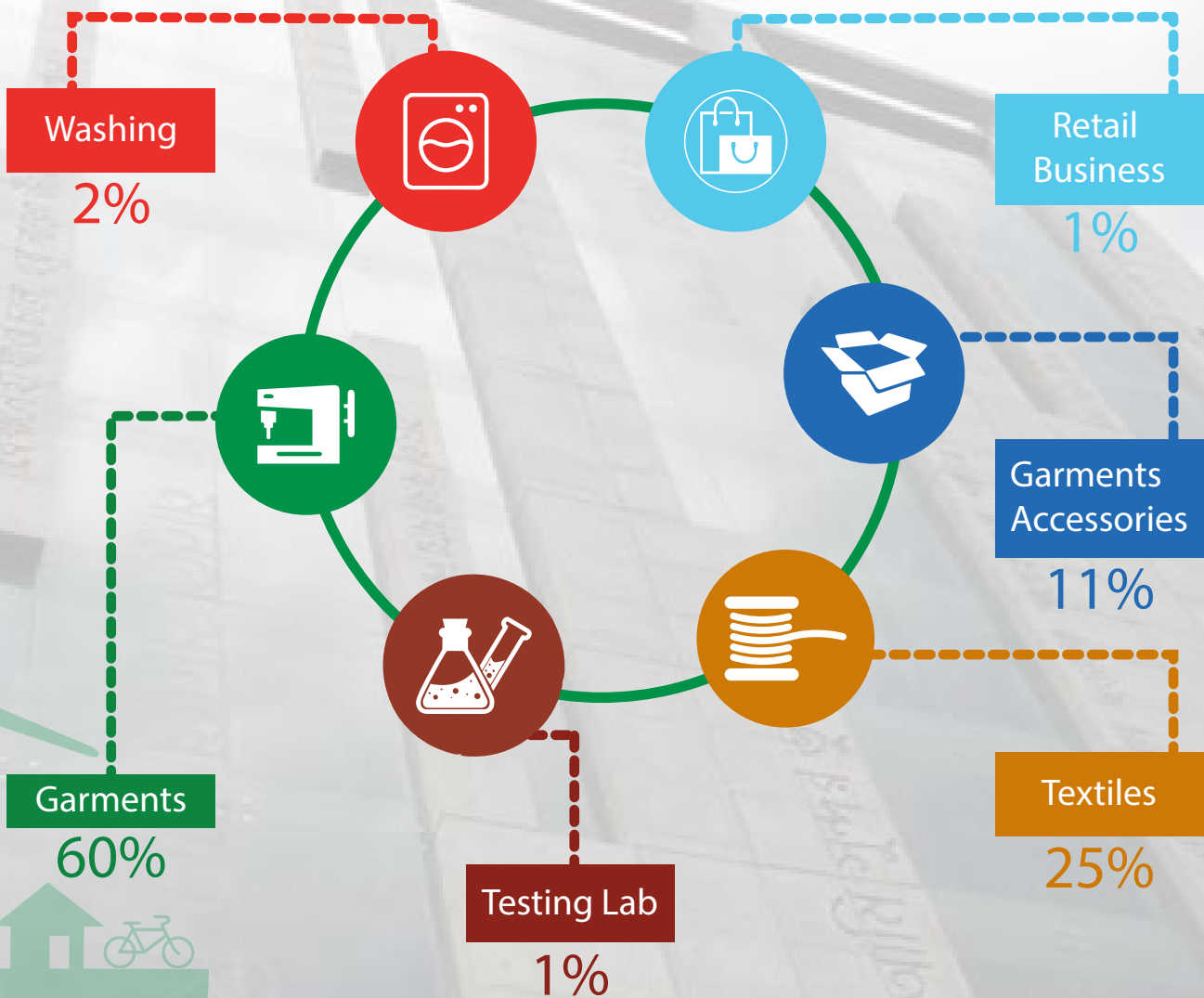
Epyllion Group: Stepping beyond the territory



Epyllion Group is the journey of a dream that started with an RMG factory of two sewing lines and 200 human resources in 1994. It was located at Mirpur Industrial Area, an industrial zone in the capital of Bangladesh. With this factory, Epyllion started growing up. With the dedicated team, innovative ideas and long-term vision, Epyllion is still in growing position that is expanding day by day. Epyllion is all about new initiatives, new ventures and new aims with rooted principles and ethical views. Currently Epyllion is a business house with textile, garments, and garments accessories for exporting RMG to world-wide. Epyllion Group is now having its business footprint in Bangladesh's retail fashion industry with Sailor. A food & beverage unit is also waiting for its nationwide commercial launch. With a set of work force of more than 16000 skilled officials, Epyllion Group is sustaining and will sustain the optimum business development in terms of profit, people and planet. It has positive growth in employment generation, annual turnover and sustainable supply chain. Epyllion's focus point in journey is to be an institution where the human development and social contribution will be focused and profit will come as the by product.

While Epyllion has achieved significant milestones in its sustainable journey, the road ahead will continue with challenges. Epyllion recognizes the need to play a much larger role in growing societal value for Bangladesh, the country with divergent socio-economic challenges. We commit to build responsible competitiveness in business with good corporate governance and efficient & ethical organizational strategy. Regrettably, markets, as they are structured.

1.2 Business sectorial exposure





1.3

Business growth over the years

1.3.1 Capacity growth (From 2008-09 Fiscal Year to 2015-16 Fiscal Year)

2008-2009	:	8%
2009-2010		31%
2010-2011		32%
2011-2012		2%
2012-2013		9%
2013-2014		12%
2014-2015		8%
2015-2016		3%

1.3.2 Export growth (From 2008-09 Fiscal Year to 2015-16 Fiscal Year)

2008-2009	:	22%
2009-2010		19%
2010-2011		25%
2011-2012		5%
2012-2013		11%
2013-2014		10%
2014-2015		25%
2015-2016		5%

1.4

Integrated management system

Business management system of a company defines its ethical standpoint, corporate governance and long-term vision. In managing business, Epyllion Group's organizational structure is arranged in such a way that people can perform jobs to ensure customer satisfaction and achieve organizational goal. The structure is formal and flexible based on operational need. In formal settings, there are Code of Conduct and formal policies to control tasks and responsibilities and to take decisions to be implemented in every part of the organization.

An integrated management system that includes from business planning and forecasting to the finance, operation, HR, Compliance and SR management is adopted to ensure the conformity with national and international expectations. Stakeholder engagement is another prime concern for a business. Stakeholders play an important role in the success of our organization and hence their perspectives are of extreme importance. We recognize all those individuals and/or groups who are affected by our business activities or those who have the power and influence to affect our business as our stakeholders.



1.5

Business & sustainability

Epyllion Group's business runs with the vow to work in the path of sustainability. Being a social-responsible organization we support the global views in social responsibility issues. When stating our full support to the Global Goals, we take the 7 SR principles from the core discussed issues of ISO 26000 and the 10 guiding principles of the United Nations Global Compact. We adopt the global aims and views in our business management system. Led by the United Nations, the world has adopted the Sustainable Development Goals, a bold new global agenda for ending poverty, fighting inequality and preserving the environment. And Epyllion, with showing full support to all these seventeen goals, has adopted the goals that are similar and achievable from its business stands.

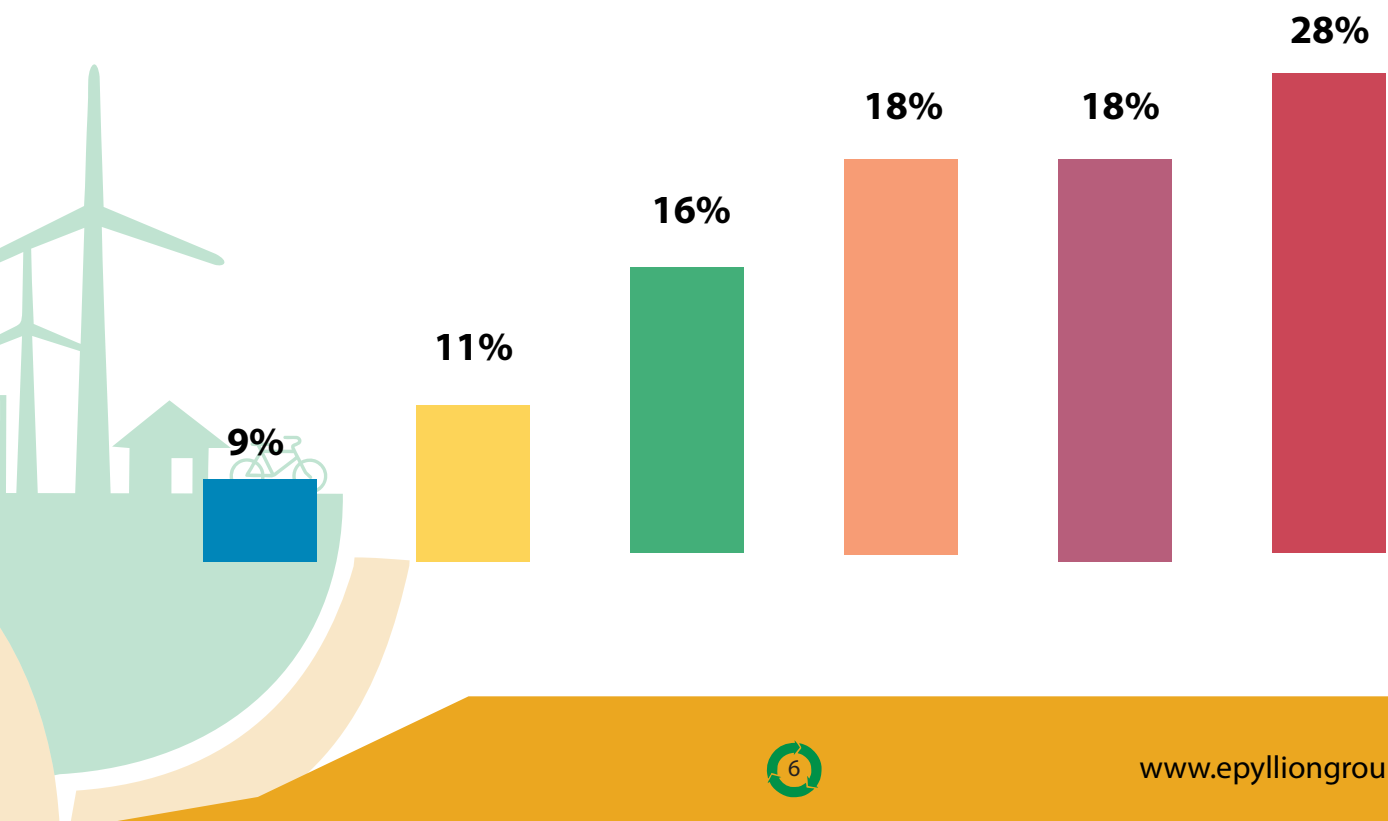
Anything Epyllion initiates and anything it does as its social responsibility commitment, it makes sure it is sustainable, feasible and meets the stakeholder interest. Epyllion aims to connect the society through the own employees. Nothing can bring a fruitful result if we don't know what our stakeholder is interested for. After all they are the beneficiary. Their voice must be counted. From CSR, Epyllion looks for the human development, team building and corporate governance in business management.

1.6 Epyllion Foundation

To meet the societal challenges in the form of CSR, Epyllion Foundation is formed as an independent entity. This foundation started its journey from 26th April, 2011 and till to date; it is continuing its effort in improving the living standard of the community and advancing the potentiality of the society and environment. With its journey of five years, it has initiated and involved in social and environmental programs to meet global needs and challenges.

1.7 Focused issues of Epyllion's CSR with financial allocation

- a. ■ Health and wellbeing
- b. ■ Education & communication
- c. ■ Employee engagement
- d. ■ Environment and health & safety
- e. ■ Youth & sports development
- f. ■ Community involvement and development



Human Rights





2.1 Our commitment towards human rights

Epyllion Group is committed to maintain business practices with being stimulus to the international norms and standards of human rights. We uphold the commitment for our core business and the sphere of influence also.

2.2 Health & wellbeing

Epyllion Group's one of the focused issues in terms of CSR is health & wellbeing. It has developed its strategic approach to health and wellbeing and is concentrating on building a "sustainable workforce". To remain one step ahead in the global competitive business, sustainable workforce and community put an additional strong point. Stepping beyond the regulatory requirements of the country and international expectations, Epyllion Group initiates its own innovative programs to aid employees and communities in terms of health and wellbeing. Corporate health shield agreement, health service agreement with the health service providers and health insurance coverage for the employees are the regular packages for the employees to sustain a "Sustainable workforce".

Regular health camps are organized in all factories round the year. Additional to this, community health camps are also organized to aid the community people to get free health advice and medications. More than 1200 community people were served under this program with the scope of pediatric health care, women health care and medicine & general health care. Health awareness programs are also conducted to generate mass awareness. This year, a "Run for Awareness" marathon program was conducted to generate awareness on diabetes and its severity.

Epyllion Group always supports the expecting female employees with respect and care. Our welfare officers and the medical team keep them in regular monitoring and check-up to follow-up their health condition and the wellbeing of the fetus. Nutrition allowance, a monthly monetary allowance is provided for their nutritional wellbeing. After coming back to their regular service after the child birth, all women employees get women to women counseling from the medical expertise and welfare officers.



Statistical figure in reporting year

950 women employees enjoyed "Nutrition allowance" during pregnancy.

125 children were taken care of at the child care center.

42 children were covered under the vaccination program.

1777 employees were served under the regular health camp.

1206 community people were served by the community health camp.

300 officials ran for awareness under an awareness generation program.

540 New Born Gifts to welcome newly born junior members of Epyllion Group.

217 people received pre-employment health check-up service in subsidized manner.

100% employees were covered under health awareness programs.



2.3

Quality education and communication

Besides the basic expectation in living standards for people, education also gives people of all ages, lifelong learning opportunities which is the key importance for individuals and holds an array of benefits for them and the society. Education promotes people's full economic and societal participation, enables them to be better informed and more active citizens, contributes to their personal well-being, supports their life goals, and increases their efficiency as workers and a citizen of the nation.

KHEA (Keen Hand for Educational Assistance) was initiated in 2012 and since then so far 540 students received BDT 5.2 million under this scholarship program. Every year, Epyllion Group arrange this program to motivate students to continue their study with the motto, "Read Lead Succeed"

KHEA at a glance

5 years of journey with 4 educational tiers	540 students are reached so far	12 proud parents have their both children entitled for KHEA
5.2 million BDT are given as scholarship	11 KHEA achievers are graduating from renowned universities.	47 of the KHEA achievers are continuing study with full time employment

Epyllion Group publishes a quarterly magazine, "Amader Kotha" for the employees that . This magazine is the reflection of our own thoughts, feelings, news and write-ups. This is an open door for our employees to express their imagination and writing capability as well as act as their escape from life stress. This year, a new addition to the publication is added. "Amader Choto Kotha", a new magazine for the junior Epyllions is launched. This magazine aims to flourish the writing and thinking capability of the children.

Epyllion Foundation assists the people below the poverty line and the orphan children to continue their basic education though free education and monetary assistance. Three educational and training institutions have received aid from Epyllion Foundation this year.

Communication and promotion are done with the publication of ICT (Information, Communication and Training) materials. This year's calendar and notebook are published with the theme of Epyllion's continual support and commitment towards the Global Goals.



2.4 Employee engagement program

“Human Spirit” the motto Epyllion believes in shows the full commitment to maintain a sustainable organizational climate with facilitating the employees with all suitable and feasible assistance and engagement program.

Epyllion Group regularly organizes celebration programs and team building programs like cultural festival, New Year’s celebration and sports programs in all factories of both Dhaka and Gazipur zone to motivate employees and to accelerate their team building approach and satisfaction. These sports programs continue throughout the year based on the seasons. Incentives and subsidies are adopted for the employees to accelerate their motivation and proficiency.

2.5 Reduced inequalities

The true sustainable development comes with equal opportunities for all. Equality is at the core of all the sustainable development goals. Together we can empower and promote the social and economic inclusion of all people irrespective of age, sex, disability, race, ethnicity, origin, religion, economic or other status.

Epyllion Group is an equal opportunity employer and always considers growing inclusively. To aid the vulnerable groups, we encourage recruiting disable and third genders in our business units. Right now, we have 42 disable employees in our factories. All these disable employees have received special recognition from the Epyllion Foundation in last annual festival 2016.

A Fair price shop is initiated at one of Epyllion’s ready-made garments unit, Epyllion Style Limited. This initiative is taken with the aim to support employees to get their daily commodities in fair price that is 20% lower than the MRP in the market. Employees are provided with support from this shop with better products and service to the best possible way.



This first fair price shop of Epyllion is named after the most sustainable official of this company, Renu Miah, Manager, Product Development Center, who is working with this company for last nineteen years with his loyalty, dedication and efficiency. It is the Epyllion way to demonstrate respect towards its loyal employees.

Epyllion is the name of lifestyle for its members and associates. To accelerate this view and vision, we continuously engage ourselves in peer groups and business and non-business associations and organizations. To shape up the society in broader aspect in terms of reducing inequalities and bringing positive changes in norms, Epyllion is ahead of others. In aiding the disable persons, we are working with CRP and Marks & Spencer. Epyllion Group, through Epyllion Foundation, assists the extreme poor and other vulnerable groups of the society through community involvement projects as deemed by the suitable proposals and sustainable options. Epyllion Group has been involved in collaboration with Prothom Surjo Foundation to run their child shelter home, Prothom Surjo, for the unfortunate street children.

Epyllion Group aims to engage itself in any program which sustains and bring a sustainable result for the beneficiaries. We invest and engage ourselves in community development projects with our stakeholders in terms of philanthropy, volunteerism and environmental protection.

Considering the degree of natural calamity, this year Epyllion Foundation contributed winter wear and blankets among more than 2000 people of Ramna, Jorgash, Khorkordia and Machabond Upazillas of Kurigram District with generous cooperation of the district administration of the said District. 1000 flood victims of Chilmari and Ulipur Upazilla of Kurigram District were facilitated with rehabilitation program.

2.6 Looking towards the future

Youth development is one of the prior concerns of Epyllion Group. To shape up the society with assisting its youth group, Epyllion Group has a formal sports development program; “Epyllion Group Football Development Program”. This initiative started in 2013 and lasted in 2015. Under this program, Epyllion Group already organized a district level football development program with Narayanganj DFA to develop the football environment of Narayanganj district. After completion of this initiative, Epyllion stepped out its sphere to national level. In 2015, Epyllion Group signed up a three-year long football development initiative with BFF. Under this initiative, BFF is hunting the talents from grass roots level and groom them up for national levels football team with focusing on age-group football development of the country under this initiative of Epyllion. This initiative will be extended up to 2017 and is considered as a part of sustainable CSR practice of Epyllion Group. The scrutiny behind this forwarded step from Epyllion Group was to revive the sports environment of the country and to rejuvenate the sportsmanship attitude of the youth who tends to engage in addiction and anti-social activities.

Considering the junior members and the youth of Epyllion family, Junior Epyllion program had taken an innovative idea to introduce Ten teens from Epyllion family with official ambience. “Children Learning Program”, the one-week program let the participants work for a full working hour at office with basic tasks to gather an experience on professional environment and to feel how their parents work hard at office.

A youth development program “Rise above all” was sponsored and associated by Epyllion Group to aid the youth inspiration and motivation from the successful persona in divergent arena.



2.7 Measurements of outcome

- a. Awarded with the Standard Chartered Financial Express CSR Award in 2016
- b. Achieved the OHSAS 18001:2007 certificate for three business units (Epyllion Knitex Limited, Epyllion Fabrics Limited and Epyllion Washing Limited)
- c. Absent of any fatal or moderate occupational health hazard.
- d. 100% employees (both staffs and workers) are covered under EIP (Employee Induction Program) and other necessary training and awareness program.



Labor Rights



3.1 Our commitment towards the labor rights

Epyllion Group 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.

3.2 Decent work & economic growth

Epyllion's corporate governance philosophy is strengthened with adherence to the sustainable labor management to improve levels of efficiency in our businesses and sustainability initiatives with better performance. Workplace health and safety falls in the core business management. All factories maintain the safe and sound working environment complying with the international standards. All factories are audited by accredited third parties in terms of workplace health and safety issues. There are independent committees in all business units made up with competent officials in all business units to look after the health and safety issues.

In 2016, approximately 271 trainings were conducted on health and safety related issues that covered total 5940 employees. Each business unit has one professional safety officer to look after the safety issues. This year, "Safety month" was observed with the theme "Safety in practice". This initiative included safety awareness programs through display and postage materials, publications, employee engagement and training programs along with safety training, mock drills and safety assessment in all business units. Necessary caution signage, materials, PPEs are arranged and given adequately to ensure health and safety in business units.



3.3 Equality in employment

Epyllion Group believes equality in every aspects of its business. So having “Equality in employment” is one of the central concerns of our HR practice. It underpins the concept of decent work for all employees regardless of their gender, religion, origin, race, disabilities. All are getting equal treatment from the company. But, to some extent, we give special consideration to the vulnerable groups as they are being the minority and are in way back from the privileged group. To bring equality, we need to support them first to be in a same territory with us.

3.4 Freedom of association

Freedom of association is practiced in Epyllion with upholding the rights of forming and joining any government registered trade unions or any other labor or other associations. A social dialogue mechanism through the formal Participation Committee (PC) and view exchange meeting with the top management is adopted in Epyllion. Worker’s Participation Committee is a team building initiative which helps to build rapport between the top management and workers. Workers have opportunity to seat and discuss issues through this committee and can settle their mutual interest. This committee regularly sits together to engage in open discussion for mutual benefit. Worker representatives of participation committee are elected by formal and neutral election procedure. View exchange meetings are organized round the year with all workers to encourage them to share their views and interests for collective facilities.



3.5 Upholding child rights

We believe in child friendly world and we put our best possible effort to ensure the same within our sphere of influence. All children have right to live a life with mental and physical wellbeing, social security and education. We have modern equipped child care center in our factories with professional attendants. With this facility, our children are getting primary care and comfort when their parents are away for job.

3.6 Measurements of outcome

1. WRAP and BSCI certified:

Certified with WRAP (Worldwide Responsible Accredited Production) since 2006 and BSCI (Business Social Compliance Initiatives) since 2012.

2. SEDEX membership:

SEDEX (Supplier Ethical Data Exchange) membership since 2006

3. No labor strikes or any kind of labor unrest ever

4. Employee grievance records and Analysis of exit interview of employees demonstrate high satisfaction of labors.

5. Corporate focal point in establishing national CSR guidelines on child rights in Bangladesh

6. Diversified work force is found in every sector from administration to planning and production including disables, transgender, tribal races.

7. Low or ignorable amount of migration and absenteeism.

8. Complements from trade unions and labor associations.

Environment



4.1

Our commitment towards the environment

Epyllion Group is committed to be in compliance with all the applicable national laws and international standards & norms and considers environmental sustainability in every business decision. We are committed to restore and improve the eco efficiency and invest in feasible technical and technological improvisations and to promote sustainable initiatives to combat vulnerability of pollution, biodiversity loss and climate change.

4.2

Industry, innovation & infrastructure

Going green is our aim as environment is our priority. We all are putting our footprints on the holy earth. We must take care of it. If going green costs us huge money, it is going to give us quite lot more than that. Saving our environment, conserving it for our future is our main concern. We project the roadmap towards the future with complete eco-efficient way, eco-friendly way. A balanced life for all living bodies, the biodiversity, the nature, lifestyle and obviously the business itself is the projection. Business deserves the green concerns for making it sustainable.

From Epyllion, we look for the sustainable business with focusing on the triple bottom line of sustainable development. With focusing towards the energy efficiency and sustainable resource utilization, we opt for international norms and standards along with certifications for green business. Epyllion has a LEED (Gold) certified industrial infrastructure. Epyllion Style Limited Green Complex is LEED (Gold) certified industrial infrastructure. Another RMG unit is waiting for launching which is also anticipating to get the LEED (Gold) certification. The commercial building of Epyllion, Ninakabbo is an award winner from the government authority of being provident in energy consumption. Epyllion Style Limited, a readymade garments unit of Epyllion Group is certified with "Eco Factory Standard" by Marks & Spencer.



4.3 Maximum utilization of resources

All business units are equipped and maintained in such a way that the energy and water consumption are just to the exact requirement. We have our sustainability commitment to reduce at least 30% energy usage from our current benchmark within 2020 by utilizing the day light, energy efficient lighting, intensive insulation, energy efficient motors and equipment and environment friendly technologies. We are adopting environment friendly technologies to be more efficient in terms of environmental sustainability, such as, hot water generation system with cooling water return and reuse, water harvesting system for both rain water and gray water, solar lighting system, energy efficient servo motors and many more technologies and equipment to uphold our commitment to be eco efficient manufacturing company. To reduce the waste generation and manage the generated wastes we have adopted world renowned technologies to mitigate the waste volume and concentration of toxic chemicals. To minimize our waste volume, we take care from the beginning of raw materials sourcing to the final waste treatment with having processes that are equipped with environment friendly technologies.

We are contributing our endeavors to unveil human spirit for the harmonious growth of the earth. This world is in extreme challenge in resource scarcity, extreme pollution, loss of biodiversity and climate change. We, though are a tiny part of the world, aim to take the responsibility of our footsteps which we are keeping in the earth. In taking care of environment, our simple viewpoint is, "Think globally. Act locally". Our contribution comes from our perpetual devotion to improving the efficiency of every stage of activities, products and services with reducing energy and CO₂ emissions, minimizing waste and providing better solutions to the environment. We are closely working with our stakeholders to lessen the anthropogenic impact on environment.



4.4 Sustainable communities in terms of environment

Taking the stewardship to the environmental responsibility at Epyllion Group starts with the Top Management who emphasizes and reinforces the same in its broader environmental commitment. We plan and implement environmental programs to improve the environmental performances and outcomes in respect of achieving environmental sustainability. We want to draw positive footprint on global climate necessitate. In reporting phase, we have organized tree plantation program under the title, "Plant for planet". This initiative launched its first step at Viqarunnissa Noon School and extended its footprint to 13 schools of Dhaka City. Students from educational institutions attended a drawing competition where they painted on empty drum from Epyllion's Textile Division and then planted saplings for their school premises. This program aimed to initiate a tree plantation program with reusing industrial wastes. 650 drums were recovered to give life to 650 saplings with involving more than 2000 students in this program. Considering the target group of this program, impact is has quite high magnitude in terms of nature conservation and development of environmental awareness.

All the planted saplings were chosen from endemic but local species of Bangladesh. Educational institutes involved their students in this initiative to increase their attachment towards the natural environment. By all these drawing, plantation and potted plan giveaway program, we wanted to encourage the students and associates in planting and gardening. Tree plantation month is observed each year with an aim to neutralize the carbon footprint we are putting through our business operation. In the reporting year of 2011-2016, we have planted approximately 8500 saplings within and beyond our own premises.



4.5

Measurements of outcome

1. Achieved LEED (Gold) certification from US Green Building Council for Epyllion Style Limited Green Complex in 2015
2. Achieved "Eco Factory" standard under Marks & Spencer's Plan A: Eco Factory Program in 2015
3. Environmental Clearance Certificate from government authority
4. Certification for organic products: OCS 100 Standard and OCS Blended Standard certified since 2009
5. Efficient energy usage technology and effective management system lowers the energy consumption and energy cost and is beneficiary for the economy and environment both



Anti-Corruption



5.1

Our commitment towards anti-corruption

Epyllion Group takes zero-tolerance approach to bribery and corruption and we are committed to conducting our business in ethical and transparent manner. We have adopted our COC and business principles to uphold our commitment towards the anti-corruption ethics and communicate the same to our workforce and associates.

5.2

Corporate governance

Being against corruption is not only a commitment to take as basic sense; it is the standpoint of a good business. Epyllion's business ethics stand on corporate governance and fair operating practice with competitive but fair business. Fair operating practices concern ethical conduct in our dealings with other organizations. These include our business relationships between peer organizations, government agencies, as well as communities. Our business views arise in the areas of anti-corruption, responsible involvement in the public sphere, fair competition, socially responsible behavior, relations with other organizations and respect for property rights.

Our supply chain continues to adapt, innovate, and transform our products and services to create outcomes that enable our business and optimize the customer experience. The reach of our global export volume is immense and we take seriously the responsibility of delivering superior products and services in an ethical and responsible manner



5.3

Continuous effort in excellence

Epyllion Group from its core vision, specifically states its persistence on honesty, integrity and fairness in all aspects of business. Ethics are considered as the first and foremost value of our company. It is demonstrated to all individuals associated to this company as if and when anyone faces problems to take a decision where he is not getting clue from the written policies and from the superior, they must follow the ethics and morality.

All employees are highly encouraged to report on corruption issues that come to their knowledge to respective authority with relevant proof. Each incident of reporting is inspected confidentially to find out the truth and the wrong one is punished as per the disciplinary practice.

There is a procurement policy and procedure where it is specifically stated how the suppliers will be selected, communicated, audited and reviewed for continuing business. Regular supply chain conferences are organized to ensure the absence of probabilities of corruption. All suppliers and stakeholders with whom we do business are always under monitoring and observation both in respect of fair maintenance in monetary transaction and social compliance issues. It is reported publicly if any kind of monetary corruption is found. Credit Rating, a distinctive and regular observance of the group provides assurance of absence of any monetary corruption manipulation. A unique concept of ERP is initiated with the aim to establish transparent and responsible supply chain across the operation. This is the leading concept to develop more sustainable supply chain practice.

Epyllion is doing business complying with national and international expectation of business ethics. Along with complying in own business, we are taking care of our key suppliers also. The independent internal audit team (Both in terms of finance and social compliance) look after the key suppliers and monitor them in regular manner with stringent ownership.

As our business footprint increases, we are now engaging with many national and international business companies and associations. In strengthening global partnership with all our stakeholders both in supply chain and value chain, we concern ethical conduct in dealing with any organization including partners, suppliers, buyers, contractors, competitors, associates and others. Our commitment to sustainability drives our ethical and transparent endeavor. We believe in integration of our business values, cultural pillars and operating doctrines to meet the expectations of our customers, employees, partners, investors, communities and wider society.

5.4 Measurements of outcome

- I. Achieved recognition from Marks & Spencer and ISO authority for practicing ISO 26000, the international standard of social responsibility.
- II. Absence of any corruption issues so far



Achievements





6.1 Awards and recognitions

- a. 6th Standard Chartered Financial Express CSR Award in 2016
- b. 5th HSBC Export Excellence Award in 2014
- c. BDJOBS.COM Best Employer Award 2014
- d. 2nd Social and Environmental Excellence Award in 2014
- e. Annual CSR Award 2014
- f. Honorary Award from BSPA (Bangladesh Sports Press Association) 2014 to the Managing Director of Epyllion Group
- g. Managing Director of Epyllion Group is announced as CIP (2008 and 2012)
- h. Epyllion Style Limited is announced as the "Eco Factory" by Marks & Spencer in 2015
- i. Best Supplier Award from C&A in 2004



6.2 Certifications and memberships

- LEED (Gold) certification for Epyllion Style Limited Green Complex in 2015
- Achieved the OHSAS 18001 standard certification for Three business units of Textile Division of Epyllion Group in 2016
- Recognition for successful integration of the guidelines of ISO 26000 for Epyllion Style Limited
- WRAP certified
- BSCI, SEDEX membership
- Membership to United Nations Global Compact (UNGC) since 2012

For more details, please contact:

Md. Rezaul Kabir
Deputy General Manager
Admin, CSR & Business Development
Epyllion Group

Member Secretary
Epyllion Foundation

Contact Number: +88-01730-051841
Email: reza@epylliongroup.com
Web: www.epylliongroup.com