



COMMUNICATION ON PROGRESS

SUSTAINABILITY REPORT- 2017



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.





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Message from Managing Director

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

Abdus Sobhan



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 inception in 2007, we have been respectful to human rights, environmentally-conscious, committed to workers and employees’ rights and safety. By now we are aware that UNGC has also adopted 17 UN Global Goals in addition to its 10 former principles.

I highly appreciate the newly adopted 17 UN Global Goals with their integrated 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 live in. We are wholeheartedly ready to extend our support directly or 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 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. It’s sustainable philosophy 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 business of a Company flourishes with more competitiveness.

We are aware of the air emission to the environment and put our sincerest efforts to maintain water footprint so that the environment is not contaminated; what we sincerely believe is, we have to put all our efforts to give back to the world as it gives to us.

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 at the time of any unexpected crisis. We have taken all positive steps for the health and education for the children of our workers and staff. Efforts & focus 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 have also been provided, 24 hours hospital and ambulance are available for the workers, staff and employees along with free medical support from affiliated hospitals nearby.

We are whole-heartedly committed to continue performing our social, environmental, ethical and global responsibilities and working in order to spread UNGC principles and UN Global Goals among the community.

A handwritten signature in black ink, appearing to read 'Abdus Sobhan', with a large, sweeping flourish extending from the end of the signature.

Abdus Sobhan
Managing Director
Yasin Knittex Industries Ltd.

Assessment and 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 and Outcomes

1. YKIL abides by all rules and regulations of existing laws of the Country, ILO, buyers' requirements (COCs) and maintain Company's own ethical policy.
2. Efforts in policy making are highly given for better understanding and co-existence among Management, officers, staff 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' participation committee (PC) 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 two 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 Health Enable Return (HER⁺) Project for female workers and Health Improved Society (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.
13. 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.

14. Yasin establishes educational institutes and provides with free computer training in remote parts of the country.
15. 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.

Assessment and Outcomes

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 and 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.
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.
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.

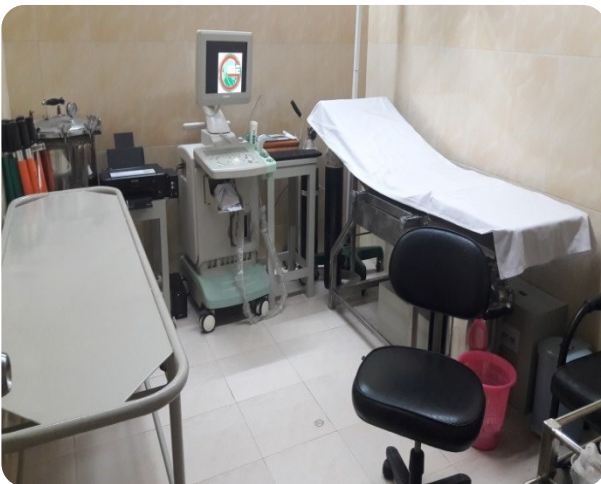
15. Birth day gifts for the workers and employees are also introduced.



MALE DOCTOR



FEMALE DOCTOR



OPERATION THEATER



MALE WORD

Medical Facilities of Yasin Knittex Industries Ltd.

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.
Profit-sharing and provident funds help workers/staffs to meet their occasional financial needs.
3. Both HER and HIS Projects have helped the workers to be aware of their rights from the training given there.
4. Workers who are in severe financial crises are now relieved with the help from the Company to send their children to schools.
5. 24 hours medical facilities including all-time ready ambulance services are now considered a big relief for workers.
6. Health checkup annually by the Company for the workers has eased the pressures and tension among the workers, staff and officers.
7. Transportation facilities available for those who are in need and this has removed pressures from them.
8. Pilgrimage which once was a dream for poor workers and staffs has come to a reality in their lives.
9. Regular audits by our project partners, buyers, government agencies have made us more aware of the requirements of our workers.
10. 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.



Training Sessions with HER+ Project

Principles No. 7, 8 & 9 on Environment Issues

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

Assessment and Outcomes

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 and 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%.

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 4Rs, 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.

Partnership For Cleaner Textile (PaCT)

- After successful participation in CP, ATG has been involved with PaCT in January 2013. It focuses on wet processes and energy savings.
- After a deep dive assessment, ATG received 58 recommendations on different areas and out of them, 37 recommendations are already implemented.
- The areas of work were data collection, total fabrics production, total reworks, total water consumption for dyeing-finishing, avg. water consumption, bulk right first time (rft), insulating steam pipe line, etc.
- Before PaCT implementation, we used 165 liters of water for per kg water treatment, now we need only 96 liters.
- In CP and PaCT, we invested around US \$ 20,000.00 and got returned it by less than 2 years.

Bangladesh Water PaCT Partnership for Cleaner Textile

PaCT
Partnership for
Cleaner Textile

www.textilepact.net

PROJECT SNAPSHOT

The Bangladesh Water PaCT: Partnership for Cleaner Textile is steering the textile wet processing sector towards adoption of Cleaner Production (CP) practices. This will enable factories to reduce their water, energy and chemical consumption. It will also reduce their pollution load to the environment, leading to the long-term competitiveness and environmental sustainability of the sector.



HOW TO PaCT WORKS

Component 1: Brand engagement

- Create and facilitate a demand for the implementation of cleaner production in the supply chain, and for products processed with sustainability in mind
- Tool development for and capacity building of brand personnel at head office and local level to better understand the factory and community-level resource, environmental and safety implications of core product design and sourcing decisions

Component 2: Factory engagement

- Awareness raising of factory staff on simultaneously improving profitability and environmental sustainability through CP measures
- Conduct Basic and In-depth CP Assessments to identify areas of cost savings in energy, water and chemical usage
- Provide implementation support for identified measures
- Facilitate access to finance with leading commercial banks for factories to invest in CP
- Support Factories to access technical information and facilitate B2B linkages through the Textile Technology Business Center (TTBC)

Component 3: Stakeholder engagement

- Create the enabling environment for greater uptake of CP measures through national policy dialogue
- Establish collective solutions at cluster level to address wastewater pollution and energy challenges
- Conduct water footprint assessments to help develop response strategies for clusters and brands

*it's now time
to act...
Join PaCT*

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AUKO-TEX GROUP

Assessment and 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 and 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.



We are always in practice of Greening

NATIONAL AND INTERNATIONAL AWARDS & RECOGNITIONS

Visits of Honorable Crown Princes and Ministers In The Year-2014-2017

- ❖ H.E. Ms. E.M.J Ploumen, Minister for Foreign Trade and Development Corporation, **the Kingdom of Netherlands** on 19th Feb 2014.
- ❖ On 18th March 2015, His Excellency Mr. Mogens Jenson, **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.



H.E. Ms. E.M.J Ploumen _on 19th Feb 2014



Mr. Mogens Jenson _on 18th March 2015



Mr. Jorn Neergaard Larsen _on 18th Jan, 2016



Ms. Mary Elizabeth and Ms. Ulla Tornaes _
on 06th April, 2017

Our Honorable Managing Director, Abdus Sobhan, was awarded recognition three times by the Government of Bangladesh as Commercially Important Person (CIP) for contributing in the field of Economy, Society and Environment for the consecutive years, 2013, 2014 and 2015.



CIP Award Received by Managing Director for 2014



CIP Award Received by Chairman Madam on behalf of Managing Director for 2015



International Quality Crown Award - 2014



Social Compliance Award - 2014



Accord Recognition on 28-August, 2016



"European Award For Best Practices 2016"

CERTIFICATIONS

Over the years Yasin Knittex Industries Ltd. has been awarded with a number of Recognitions and Certifications by national and international agencies on varieties of issues like Human rights, Social & Environmental practices, Safety and Security measures, Ethical & Anti-corruption Policies and Customs practices.



OUR VALUED BUYERS

Yasin Knittex Industries Ltd. believes in win-win deals. Our each and every step is highly based on the mutual interests of all stakeholders. We devote ourselves to create quality and competitive products which help us get satisfied customers and they create customers for us. Over the business journey of last 14 years, ATG has now a number of respected buyers from around the world as below:



UP COMING BUYERS



OUR PRODUCTS

From its vertical set-up, Yasin Knittex Industries Ltd. is devoted to produce multi-types of **Knit, Dyeing, Printing, Washing, Embroidery** products with 72,000 pcs production capacity per day in 42 sewing lines. All sorts of knit products ranging from **Tops to Bottoms, Children to Adults, Basic to Fancy, Cotton to CVC, PC, Viscose, Modal, Rayon, Lycra, Mélange** etc. are in our product list.

T-shirts, Polo-shirts, Tank Top, Sweat-shirts, Shorts and Leggings are produced with different types of knitted fabrics like S/J, lycra-jersey, drop needle S/J, plaited S/J, plain rib, Design Rib, interlock, pique, Lacoste, terry, fleece, Y/D stripes, etc. ATG has plethora of variations in washing and printing- washes of enzyme, silicone, vintage, stone, acid, denim look, burnout, snow, and pigment dye, cool dye, rain-effect, dip dye, tie-dye, spray dye and prints of pigment, discharged, rubber, plastisolt , high-density, puff, velvet granite, foil, flock, jell, glitter, crack, heat transfer, burnout, solar active, sublimation, temperature, sunlight, etc. 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 items.



CHILDREN WEAR