



## Year 2018 Communication on Progress Report

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### 1. Background

On May 15, 2017, ASL becomes a member of the United Nations Global Compact (UNGC). ASL pledges to continually upgrade workplace standards in the areas of

- Human Rights
- Labor
- Environment,
- Anti-Corruption.

ASL re-confirms his support for the UNGC and its 10 guiding principles.

### 2. Progress Reporting

This is our 1st Communication on Progress (COP) report and the reporting period is from June 2017 to May 2018.

This report details the systems and activities at ASL that

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- support the 10 guiding principles and
- outline the outcome of each of them.

### 2.1. Human Rights

Principle 1 - Business should support and respect the protection of internationally proclaimed human rights.

Principle 2 - Make sure that they are not complicit in human rights abuse.

#### 2.1.1. System

We have internal organizational policies and procedures that guide and control the implementation of internationally proclaimed human rights and the exclusion of abuses.

The main policies and procedures are:

- ASL Core Values - Integrity, Quality, Respectful, Teamwork, Entrepreneurial and Innovation. It is the foundation of our business and defines the manner ASL employees should think and behave.
- ASL Code of Conduct (CoC). ASL CoC states our position on international

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human rights and sustainability standards & principles. It comprises

- Forced Labor,
  - Child Labor,
  - Harassment and/or Abuse,
  - Non-discrimination;
  - Freedom of Association & Collective Bargaining;
  - Wages & Benefits,
  - Environment and
  - Health & Safety.
- 
- Supply Chain Management. ASL CoC is being implemented through ASL Factory Audit Program to qualify vendors (i.e. suppliers and/or factories) that share our values. ASL Procurement Policy defines the importance to operate the business in full compliance with required legal & ethical standards.

### 2.1.2. Activities

- Training on ASL CoC for all staffs as part of ASL Staff On-Boarding Program.
- Dissemination of ASL CoC posters through information boards within our offices

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and facilities.

- Inclusion of ASL CoC in ASL Factory Audit Program.
- Participation in ILO Global Business and Disability Network. This Network aims to raise companies' awareness in and support for hiring people with disabilities.

### 2.1.3. Outcomes

Our achievements are a result of our focused activities are:

- The ASL CoC has been translated into 2 languages – English and Chinese.
- 10 key ASL factories have posted CoC posters on information boards within their respective facilities.
- Factories are briefed on ASL CoC during opening meetings of ASL factory audits.
- Disability inclusion in the workplace - 2 of our key factories have hired 5 disabled workers as packers at Final Packing.

## 2.2. Labor

Principle 3 - Business should uphold the freedom of association and the effective recognition of the right to collective bargaining.

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Principle 4 - The elimination of all forms of forced labor and compulsory labor.

Principle 5 - The effective abolition of child labor.

Principle 6 - The elimination of discrimination in respect of employment and occupation.

### 2.2.1. System

We have internal organizational policies and procedures that define day-to-day operational standards in relation to the right of collective bargaining, elimination of forced labor & compulsory labor, child labor and discrimination.

- ASL CoC.
- Policies and Procedures on Human Resource (HR) Management.
- Policies and Procedures on Environment and Health & Safety (EHS) Management.

### 2.2.2. Activities

- Training on ASL CoC for all staffs.
- Dissemination of ASL CoC posters through information boards within our offices

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and facilities.

- Revision and communication of HR and EHS policies & procedures that incorporate up-to-date local regulations and operating standards.
- Implementation of HR and EHS policies & procedures - on Worker-Management communication, Diversity & Inclusion and Health & Safety.
- Certification of factories on Responsible Sourcing standards.
- Participation in ILO Global Business and Disability Network. This Network aims to raise companies' awareness in and support for hiring people with disabilities.

### 2.2.3. Outcomes

Our achievements obtained as a result of our focused activities are:

- The ASL CoC has been translated to 2 languages - English and Simplified Chinese.
- 10 key ASL factories have posted CoC posters on information boards within their respective facilities.
- HR and EHS policies & procedures were updated and made accessible to all staffs through SharePoint.
- All staffs were trained on the updated HR policies and procedures through trainings and meetings.

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- All staffs were given general health and safety trainings.
- 10 factories have been certified for ISO9001 and ISO14001. 30 factories have been TCCC-audited.
- Disability inclusion in the workplace – a staff with hearing deficiency has been hired in ASL HK Finance.
- Staff events organized – Employees Birthday Party and International Women's Day.

### 2.3. Environment

Principle 7 - Business 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.

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### 2.3.1. System

ASL's guiding principles and measures are stated in the following policies:

- Policies and procedures on Environmental Management that are generated in accordance with ISO14001 guidelines.

### 2.3.2. Activities

- Certification of factories on ISO standards – ISO9001 and ISO14001.
- Awareness training on Environmental Management.

### 2.3.3. Outcomes

Our achievements obtained as a result of our focused activities are:

- 10 factories have been certified for ISO9001 and ISO14001.
- 45 factories have organized Environmental Awareness campaigns for their employees.
- 10 factories and 5 ASL offices have replaced over 1.415 light tubes with high efficiency fluorescent light tubes
- Installation of water curtains at 2 factories has resulted in better ventilation and a cooling operating environment benefiting 194 workers.

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### 2.4. Anti-Corruption

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

#### 2.4.1. System

Policies related to anti-corruption and anti-bribery are:

- ASL CoC.
- ASL Anti-Bribery Policy.
- ASL Anti-Corruption Policy.
- Business Cooperation Policy.

#### 2.4.2. Activities

- Trainings on ASL CoC.

#### 2.4.3. Outcomes

- About 800 factories' representatives have been briefed on ASL Ethical Standard at ASL Supplier Summit conferences held in China - Shenzhen (January 9, 2018)

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and Shanghai (July 24, 2017).

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