

2018

Communication on Progress



ATG CEYLON (PVT) LTD
SRI LANKA
7/31/2018

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1. Introduction

1.1 About this Report

We are pleased to Support the GRI as a comprehensive, internationally recognized format for reporting data on Economic, Environmental and Social performance. This report is intended to supplement our Annual COP report which provides an overview of our 2017 June to 2018 July Corporate Sustainability goals.

This report has been prepared in accordance with the GRI Standards and The GRI content index is available on page 50. This report is not externally assured. However, ATG intends to seek external assure of its next sustainability report.

The pdf version can be downloaded from the company website. ATG is committed to producing a COP Report to communicate the impact of its operations and its contributions towards the goal of sustainable development.

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2. The Intelligent Glove Solutions

Bringing out this Intelligent Glove Solutions to protect one's hands happens due to the deliberate efforts of a wide range of personnel - about 4000 of them – working in tandem guided by the common set of following values.

2.1 Innovation, Quality, People & Planet, Long-term Partnership

These four values remain inseparable from each other as we keep on manufacturing pairs of gloves one after another and all this happens within a sustainable framework.

The seeds for the total process get started when the product service insight is identified. We then put on the customers' shoes and identify,

- (a) What he would be expecting from the product
- (b) Key gloves suitability
- (c) Unmet needs
- (d) Users experience
- (e) The competition
- (f) The level of service

Our subsequent efforts in developing the product through innovation are strengthened by collaboration with university personnel, specialized industries & experts in the field.

Throughout this entire process there is one aspect which is never compromised – Quality, Quality of Data gathered, Quality of Opinions Solicited, Quality of Suppliers, Raw Materials, etc. and of course the Quality of the Final Product.

It is quite strange; but we have found out that this obsession with quality quite readily blends with our concern for People and the Planet. When the quality is right there will be less burden on People and the planet which ultimately leads to Long-term Relationships.

This process of ours at ATG is almost congruent with sustainable development and it comes quite naturally to us. The Safety and Comfort we offer to our customers' hands will never allow them to take their hands away from us. That is the level of Long-stem Relationship we build up with them.



MaxiFlex



MaxiCut



MaxiDry



MaxiChem

3. ATG and Sustainability

ATG is all about sustainability. Sustainability of the human being depends on the use of hands which help the human being from the time spent on the mother's lap trying regulate the flow of milk to the time spent on the death bed trying to indicate ones needs or feelings. While the feet are very often protected as a part of the dress, hands are not protected the same way.

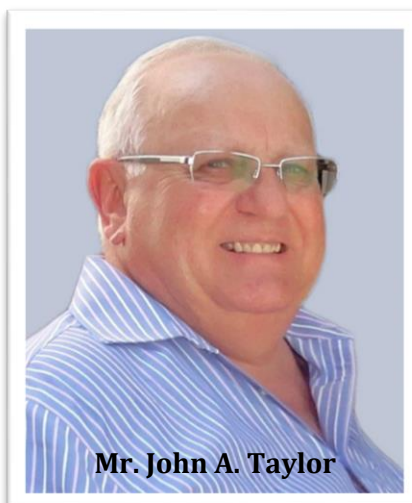
When hands are to be used in abrasive situations that could jeopardize their safety, ATG provides the desired protection. Thus, ATG ensures sustainability of humankind by protecting the most important asset needed for a human being's livelihood.



4. Chairman's Message.....

Having started involvement in basic social responsibility issues by participating in Global Compact's 10 principles in 2003, we have gradually enhanced our commitments in respect of these principles while addressing the other relevant criteria in respect of the advanced scope as well.

While we have advanced in our manufacturing capabilities, geographical spread of these capabilities as well as the market spread of our products, we have always aligned these to the social responsibilities we should shoulder as a responsible corporate citizen. This consideration stems from our belief that a corporate entity cannot exist independent of its social environment. We have enshrined these social responsibilities into our Real Time Strategic Planning Model which is depicted elsewhere in this COP. To assist in taking these social responsibilities into the corporate fabric of ATG we have evaluated the relevance of the individual criteria to each and every stage in our value chain and the personnel manning these stages made aware of the resulting involvement. While the human resource function overlooks the relevance and applicability of labour related criteria at recruitment phase, all functional heads ensure that these criteria are equally well served during the subsequent phase of the individual's employment at ATG.



Mr. John A. Taylor

We have committed ourselves to the fulfillment of Human Right criteria at ATG and this commitment again stems from the Social Responsibility aspect of our strategic planning model. When it comes to the Environment related aspects of our operations, we established ISO 14001 based Environment Management System in 2007 which certification had been continuously audited and sustained up to date`. We have been continuously demonstrating our robust commitment to the system through substantial investments of resources – manpower, financial – targeting improved environmental performance.

Our commitment to the eradication of corruption of all types in the Sri Lankan business environment. We reinforce this commitment by periodically briefing all officers who would be externally subjected to prompting towards corruption and also by scrutinizing and auditing of interactions with external agencies. Our commitment towards social investments and philanthropy has been bearing fruits with our identifying and fulfilling the communities' need for clean water, health care products, etc. We have set ourselves the objective of formalizing this further by incorporating a foundation which will be dedicated for this purpose.

While we are alive to the role we could play in engaging ourselves in the public policy development advocating commitment to the Global Compact's Advanced Criteria, we would seek every opportunity for the same within the framework of industrialists' association in the Zones we are operating in. These

associations, some of which we have led, could form the basis of a long term partnership dedicated to collective action along these Global Compact's guidelines.

Our commitment to these Advanced Criteria and Corresponding results is periodically brought to the focus of the Board which is expected to prompt future action along the same guidelines. Our strongest belief that Stakeholders' Engagement at the multitude of stages in our interactions with them has helped us to maintain mutually fruitful relationships for the sustenance of the Planet we share.

Our understanding that the Planet is gradually becoming a more & more difficult place to habitat prompts us to commit more and more resources to these Global Compact Principles. We will not fail in our commitments to this endeavor.

*Our understanding that the Planet is gradually
becoming a more & more difficult place to habitat prompts us to
commit more and more resources to these
Global Compact Principles.
We will not fail in our commitments to this endeavor*

5. A Word from Mr. Fazal Abdeen

Managing Director

Whenever I see Sri Lankan Landscape while returning from an overseas visit, my mind gets inundated with ideas to implement different sustainability projects to enrich the lives of the Sri Lankan Community. This desire helps me to look favorably at the sustainability projects brought to me by the staff themselves.

We have evinced a keen enthusiasm about the satisfaction and well-being of all our stakeholders from the very beginning. It is this

enthusiasm which drove us towards different types of certifications – from ISO

9001, CE mark to ISO 14001, etc., all of which were indicative of how we respond to the needs of our different stakeholders.



I practice and expect from my colleagues;

(A) Practice the technologies studied to the highest level possible

(B) Sincerity of intentions in all our dealings

(C) Never be casual about Failures.

Just as much as we, in our normal manufacturing arena, adopt a pulling model rather than a pushing model, even in respect of fulfilling or responding to the stakeholder requirements we adopt a pulling model. Thus is the challenge, I, as Managing Director in charge of Operation have to-day; fulfilling the consumer requirements brought to us by my colleague overlooking Marketing within the framework determined by the Social Responsibility Path we have selected for ourselves. This framework has only been expanding during the last thirteen years of our existence; expanding in respect of both breadth of coverage and depth of application. But I enjoy facing the challenge; after all what is business management if not for successfully facing the challenges presented to you. Of course, the circumstances are changing in that, earlier we had to face the challenges thrown at us by personified stakeholders while to-day we have at least one stakeholder it is difficult to personify- the environment.

In providing the required leadership (to meet this challenge) to my team at ATG in addition to the set of values we cherish and expressed elsewhere in this document, I also adhere strictly to three fundamental principles which I practice and expect from my colleagues;

(A) Practice the technologies studied to the highest level possible

(B) Sincerity of intentions in all our dealings

(C) Never be casual about Failures.

If I were to tread a bit more on the path we have already carved out for ATG, we have adopted system oriented approaches in respect of our efforts in fulfilling expectations of our customers, the environment and our employees. Wherever such a system approach is not practical, we listen to the corresponding stakeholder/s themselves and set out our action plan for the same.

It is our belief that when corporates could respond to a stakeholder requirement within a shorter time span, with lesser involvement of individuals, such responses would not need a systems approach and this prompts us to respond to the requirements of our extended stakeholders fast and have a separate unit within the company for the purpose. So this report is primarily about how we have been responding to these stakeholder expectations through that unit. We firmly believe that fulfilling the expectations of our stakeholders is also a journey without a finish line and hence we prepare ourselves for the future accordingly.

It is to the credit of Global Compact Initiative that we are being kept on track on this difficult journey and to the credit of my colleagues that we have been able to cope with the relevant expectations

6. ATG Top View

The Team that made ATG what it is to-day and is making CSR a reality



Mr. Andrew Goth
Director, Global Product Strategy



Mr. Upali Karunathilaka
Director General



Mr. David Staniforth
Director Global Marketing



Mr. Kyle Browning
Director Global Sales



Mr. Sisirakumara
Director Quality Assurance



Mr. Sudath Fernando
Director Finance



Mr. Damitha Abeykoon
Director Process Control



Mr. A.S.S Mendis
Director R & D



Mr. Kosala Navarathne
Director Engineering



Mr. Bandara Dissanayake
Director IT

7. Sustainability Reporting - Path we have tread

Since 2003, we have been evaluating our commitment to the 10 Principles of Global Compact Minimum Requirements and reporting on the same. With the submission of each successive report, we have maintained our levels of compliance and/or improved our performance. Since of late we have realized the rationale of blending these ten principles into our strategy formulation and implementation processes which undoubtedly enhances the sustainability of these principles in the continuum of the management fabric.

It is a given fact that we do not employ child labour, forced or compulsory labour and our non-discrimination principle is enforced throughout the entirety of human resource management process stemming from identification of a need through recruitment, performance appraisals, training up to the termination step. When we are talking about the social responsibility we're ISO 26000 certified in 2018.

In respect of environment related principles, we have been an ISO 14001 certified company since 2007, as a result of which we evaluate how, when, where and to what extent our activities could impact the environment. While we monitor 34 environment related parameters, we review adherence to our Environment Policy and the system every six months. We are also planning to actively support development and diffusion of environmentally friendly technologies by looking outside our corporate entity's environments.

Totality of our business related practices are completely devoid of corrupt practices of all types and forms and we do not hesitate to make these sentiments of ours public whenever needed.

8. Scope and Boundary

We are, today a much larger entity than when we commenced our first submission to the Global Compact Framework. But we have endeavored to bring about expansion within the framework of Global Compact's principles and we believe we have succeeded in this.

The subject matter for this report is ATG Group of Companies which includes;

- (a) ATG Ceylon
- (b) ATG Occupational
- (c) ATG Knitting
- (d) ATG Lanka Stores
- (e) ATG Hand Care

And all the processes carried out at these units and their respective locations.



9. ATG Value Chain

Figure I indicate how these dimensions have become material down the ATG's value chain.

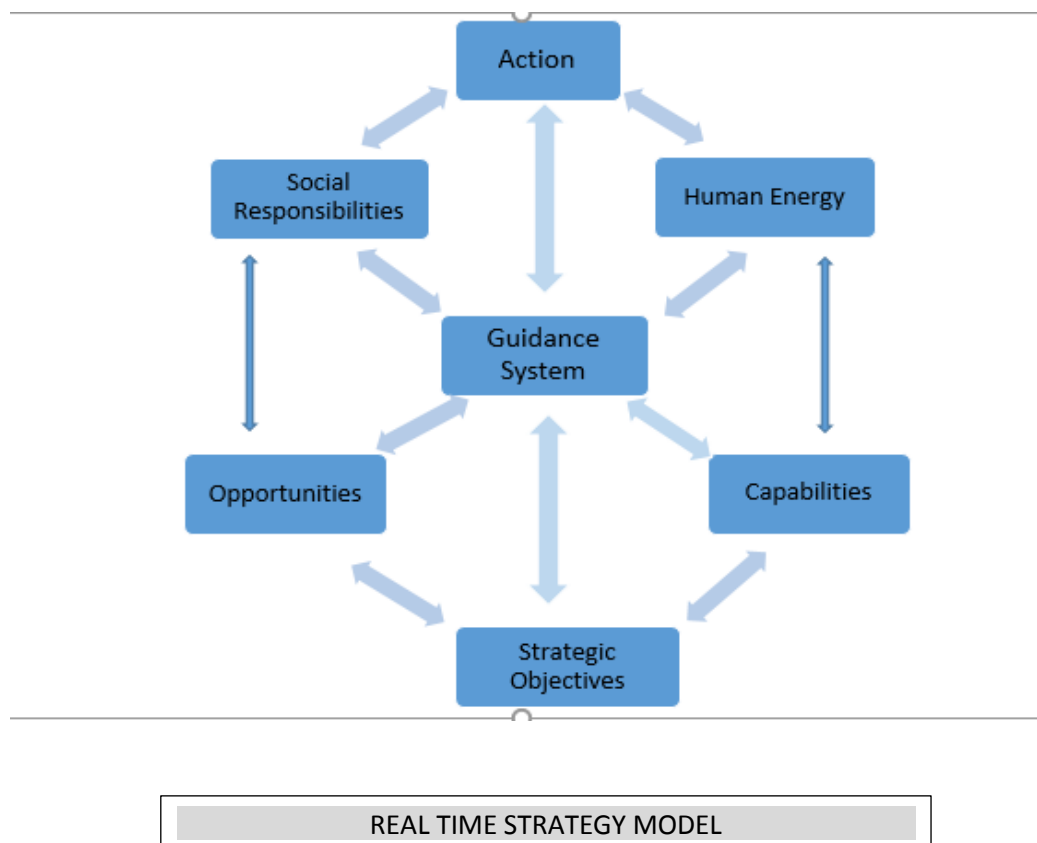
Global Compact Consideration		ATG Value chain												
		Finance	Infrastructure	Human Resources	Research	Process Design	Product Design	Logistics	Manufacturing	Marketing	Sales	Distribution	Post Sale Service	
1	Diversity and equal opportunity			√				√		√	√	√		
2	Effluents and waste		√	√	√	√		√	√			√		
3	Employment		√	√					√		√			
4	Equal Remuneration for women and men			√				√	√			√		
5	Forced or compulsory labour			√				√	√			√		
6	Freedom of Association and Collective Bargaining			√				√	√					
7	Assessments (Human Rights)			√				√	√					
8	Human Rights Grievance Mechanism			√				√	√					
9	Labour Practices Grievance Mechanism			√				√	√					
10	Local Communities		√	√					√					
11	Non-discrimination		√	√					√		√			
12	Occupational Health and Safety	√	√	√	√	√	√	√	√	√	√	√	√	
13	Training and Education		√	√	√	√	√		√	√			√	
14	Child Labour			√										
15	Emissions		√			√		√	√			√		
16	Energy		√			√		√	√			√		
17	Environmental Compliance		√			√		√	√			√		
18	Environmental Grievance Mechanism		√	√				√	√			√		
17	Labour-Management Relations	√		√					√					
18	Supplier Assessment for Labour Practices							√						
19	Supplier Assessment for impact on society							√						
20	Supplier Assessment for Environment assessment		√					√						

10. Strategy Identification

As demanded by Global Compact Advanced Requirements, the Global Compact requirements have been strategized into all the ATG's key processes. This incorporation has been brought about by being conscious of Global Compact requirements in the management of all the assets which are being utilized at ATG.

Whether it is in the recruitment of staff or procurement of machinery and equipment we observe the corresponding Global Compact principles; for example, if it is human resource we observe Global Compact principles 1-6 and if it is machinery and equipment we would evaluate it in terms of Global Compact principles 7-9. Furthermore, at ATG we follow a Real Time Strategy framework wherein Social Responsibilities and Human Energy play two key roles.

Our understanding and belief is that observance of Global Compact principles 1-6 will definitely enhance the degree of our ability to harness Human Energy and our Social Responsibilities cannot exist without our observance of Global Compact Principles 7-9. As such, our Real-Time Strategy Model ensures that we remain committed to and observing Global Compact Principles by incorporating the relevant aspects into the Strategic Planning Methodology itself that is depicted below:



Global Compact TEN Principles

Human Rights

Principle 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2:

Make sure that they are not complicit in human rights abuses.



Labour

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 labour;

Principle 5:

The effective abolition of child labour; and

Principle 6:

The elimination of discrimination in respect of employment and occupation.



Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Principle 8:

Undertake initiatives to promote greater environmental responsibility;
and

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10:

Businesses should work against corruption in all its forms, including extortion and bribery.



11. Stakeholder Interaction

While ATG involves with its main stakeholders in a number of modes of engagement, ATG is planning a more transparent formal, all-inclusive methodology for engagement with all stakeholders.

The current status of stakeholder interaction and plans for stakeholder engagement are indicated in the following table.

Stakeholder Group	Modes of Engagement	Current Status	Plans for Future
Customers	<ul style="list-style-type: none"> Global Exhibitions Customer Surveys Complaint Handling Training for end users 	<ul style="list-style-type: none"> A & A Exhibition in Dusseldorf - Participation Training for end-users Complaints Handling Procedure Customer Survey 	<ul style="list-style-type: none"> Sustainability forum for Customers
Employees	<ul style="list-style-type: none"> Joint Council Meetings Informal get-togethers Trips Open door policy Facilitation of different types 	<ul style="list-style-type: none"> Joint Council Meetings Attitudinal Training Programs Open door policy 	<ul style="list-style-type: none"> Employee engagement study Implement full fledged OHS system
Community	<ul style="list-style-type: none"> Through employees from different communities scattered around the country 	<ul style="list-style-type: none"> Receive many requests from community for support which are fulfilled 	<ul style="list-style-type: none"> Independent Sustainability Stakeholder Engagement Study
Shareholders	<ul style="list-style-type: none"> Shareholder meetings 	<ul style="list-style-type: none"> Meeting frequency at least once a quarter 	<ul style="list-style-type: none"> A dedicated sustainability oriented meeting
Regulators & Government Authorities	<ul style="list-style-type: none"> Periodical evaluation of environmental adherence Interactions with factory operator community at the Zones 	<ul style="list-style-type: none"> All environmental compliance certifications in place Currently president of the association & deeply involved. 	<ul style="list-style-type: none"> Extend sustainability awareness programs within the Zone
Suppliers of Materials and Services	<ul style="list-style-type: none"> Environmental screening 	<ul style="list-style-type: none"> Evaluate on Environmental Performance once in two years 	<ul style="list-style-type: none"> Evaluation on performance on other CSR parameters
Business Partners	<ul style="list-style-type: none"> Interactions with factory operator community at the Zones 	<ul style="list-style-type: none"> Currently president of the association & deeply involved. 	<ul style="list-style-type: none"> Extend sustainability awareness programs within the Zone
Media	<ul style="list-style-type: none"> Engagement Study on identified Criteria 	<ul style="list-style-type: none"> Only a casual occasional interaction 	<ul style="list-style-type: none"> Formal Engagement Study on identified criteria
NGOs & Pressure Groups	<ul style="list-style-type: none"> Engagement Study on identified Criteria 	<ul style="list-style-type: none"> Casual occasional interaction 	<ul style="list-style-type: none"> Evaluation on performance on other CSR parameters

12. Materiality Assessment

While ATG is alive to the many methods – Surveys, Engagement Exercises, Benchmarking, etc. that could be used to evaluate the materiality, ATG has identified a preliminary set of issues to be monitored at the beginning. While we believe a fair number of issues will be relevant to different steps in ATG's values chain, we intend to carry out a more precise and focused assessment of the materiality of different issues before the next COP is submitted.

After having submitted COPs on Global Compact's ten principles during the last 14 years with no issues to be raised on Human Rights compliance and Labor related compliance ATG considers that these would not be material in to-day's context.

As such the key issues identified for monitoring are listed below.

- Energy consumption
- Solid waste management
- OHS Practices
- Product Integrity
- Social Investment
- Water consumption
- Effect on biodiversity
- Work place grievance Process
- New Employee Engagement
- Training of Employee



13. The Business.....

The map given below indicates the location of our Primary Sales Partners that ensures us, in partnership, to ensure proximity and presence of our gloves world-wide. Our product integrity is reinforced by the markings on the gloves which carry the relevant quality certification.



14. Internalization of Interaction Findings

• Interaction finding/GC Criteria	• Need for Health & Safety consideration
• Mode of Internalization	• Implementing an ISO 45001:2018 Based Management System

In respect of this interaction finding, ATG has already established an OHSAS Policy which is displayed and been institutionalized. ATG has already measured the CO₂ levels, illumination levels and noise levels at different work areas and is in the process of establishing the required documented work processes required for a Healthy and Safe Work Place.

The framework for such a Healthy and Safe Work place is already in place. The clean, orderly laid out factory premises equipped with all relevant fire hazard focused equipment is an indication to the employees that they are entering a Safe Work Place. Regular training has been provided to selected staff in respect of firefighting and first aid. Emergency response plans had been prepared for a selected set of emergencies as a part of the Business Continuity Plan



15. Enterprise Risk Management

As a part of the formulation of the company Business Continuity Plan, a comprehensive Risk Assessment Study covering all the operational units of the Company was carried out. Different units were assessed in respect of a selection of 36 threats selected from scanning from internal and external environments, with different probabilities for periodicity and impacting different vulnerabilities of different processes within the framework of controls already in place. Findings from this Risk Assessment was used to,

- (a) Identify the need for greater controls
- (b) Carry out a Business Impact Assessment
- (c) Identify Business Continuity Strategies depending on the Risk Appetite of ATG.

These strategies were converted into a full-fledged Business Continuity Plan with Process Continuity Sheets for all key functional areas, Emergency Response Plans for a set of identified emergencies and other related management procedures to keep the Business Continuity Plan alive. This plan is exercised with drills planned and carried out to match an identified schedule. This whole exercise was carried out by Somarathna Consultants' Director who is the only Master Business Continuity Professional certified by the Disaster Recovery Institute International of USA in South Asia.

16. Commitments and External Initiatives

To ensure a common operating practice based on qualitative and environmental matters, ATG uses the recognized international standards.

ISO 9001 and ISO 14001 to which the Integrated Management Systems are certified.

In 2018, **ISO 26000**, the guideline for Corporate Social Responsibility, was adopted to provide structure to the sustainability journey.

There are number of other certifications achieved by the ATG,

- ✚ ISO/IEC 17025
- ✚ Oeko Tex
- ✚ REACH Compliance
- ✚ Skin Health Alliance



NB: ISO 26000 is not subject to certification. It provides guidelines

17. Performance Monitoring

We continue with our performance monitoring in respect of Global Compacts' Ten Principles have identified new aspects to be measured and monitored in line with our commitments to the Advanced Program me. The results of this exercise are as follows:

Performance Indicator		2017
1.	Number of international human right abuses complained by stakeholders	Nil
2.	Number of Employee councils held during the year with	
	• ATG Representation	09
	• BOI Participation	03
3.	Number of issues related to wages/salaries/benefits raised at such Employee Council	Nil
4.	Number of Employees whose original identity documents are retained by ATG	Nil
5.	Number of employees whose cash deposits/other financial securities are retained by ATG (outside in relation to their list of duties)	Nil
6.	Age analysis of all employees	
	• Age 18 to 25	45.9%
	• Age 26 to 40	48.2%
	• Age over 40	5.9%
7.	Number of instances where child labor issues had been detected	Nil
8.	Number of Significant Environmental Aspects	
	• Air	08
	• Land	10
	• Water	18
	• Noise	06
	• Resource Consumptions	25
9.	Number of environmental management programs at different stages of implementation	06
10.	Number of training sessions/drills held in respect of such ERPs	
	• Outside Training sessions	-
	• Drills	04
	• In House Training	08
11.	Number of emergencies against which emergency response plans are available.	-
12.	Number of Environmental incidents	-
13.	Number of Environmental Characteristics periodically monitored	34
14.	Male Female Ratio	63:37

<i>Performance Indicator</i>	<i>Value</i>
	2017
Local presence	
Local persons in employment in units	116
Foreign persons in employment in units	31
Material Usage	
Paper – kg	175
Polythene usage tons	411
Energy*	
Electricity from CEB (GJ)	20724.6
Energy from Fuel Oils (GJ)	17092.6
Energy from LPG (GJ)	61875.7
Solar Energy (GJ)	721.1
Water Consumption:	
Recycled for manufacture (m ³)	34634.63
Solid waste generated (mt)	383
Emissions & waste* :	
Greenhouse gases from different sources(t)	7631.96
Electronic waste (Nos.)	679
Any spills of oil chemicals etc.	Nil
Compliance: Any fines & sanctions in respect of environmental noncompliance	Nil
Employment	
Total no of employees	
% of female employees	37.2
Training worker hours for the year.	29335
Occupational health safety	
Injury rate %	
Absentee rate %	0
No of fatalities	0
* These correspond what is relevant to ATG Ceylon only	

18. Human Resources Dimensions

Having reported on the first six Principles of UN Global Compact for the last 14 years, ATG is in a position to look forward to enhancing compliance of its Human Resource Principles to the next level of advancement. ATG has had no issues of significance in respect of these principles since 2003.

The Human Resource Management dimension plays a key role in our Real Time Strategic Planning Model because we consider this also as the most significant form of energy which will drive ATG. Once a need is identified for a unit of human energy, this need is followed up till it's acquired, assigned the relevant role and provided with the ability to perform.

Recently, we achieved the high grade of ISO 26000 guidelines and we are the 1st company in Sri Lanka who comply with this standard. It provides guidance on how businesses and organizations can operate in a socially responsible way. This means acting in an ethical and transparent way that contributes to the health and welfare of society.

18.1 Management of Stress due to anxiety

Since we believe that our colleagues need to have peace of mind to perform, we eliminate all aspects which could deprive them of that peace of mind – stress arising due to issues related to

- (a) Coming to work
- (b) Returning from work
- (c) Uncertainties about health & medical expenses
- (d) Special needs during pregnancy & delivery
- (e) Special needs from family issues like a death in the family and
- (f) Issues related to infrastructure at home, etc.

We have taken steps to release this stress almost completely as indicated below:

(i) Provide individual transport in way of 4 wheel and 2 wheel vehicles.

(ii) Provide common company transport to everybody else

(iii) 24 hour insurance for all employees

(iv) Special medical insurance for senior workers.

(v) Additional snacks for pregnant mothers as recommended by the Company Sister

(vi) Monetary gift to the mother after delivery

(vii) Death donation when an immediate family member expires

(viii) Complete coverage of expenses from mortuary to grave in the case of a death of a member



Additional snacks to pregnant mothers



Death Donation



Motorbikes for staff workers

18.2 Management of Stress related to work

ATG has also taken steps to release the stress of its staff members through a variety of mechanisms as follows.

(i) Birthday celebration - Each member is given a birthday gift which is planned once a week

(ii) ATG organises an annual trip and a sports meet to develop the camaraderie of workers

(iii) ATG also provides for small lunch time entertainment called "Dessert" where there would be story telling, songs, etc. for 20-30 minutes to release the stress from the morning session.

(iv) ATG has provided a special aesthetically designed space called "Ketapath Pavura" for employees to pin their creations in way of poems, short stories/articles, etc.

(vi) ATG also ensures that the mental stress of parents living in distant places about the place where their children work is released by bringing them to ATG premises to see the environment in which their children work.

(v) ATG also publishes a company magazine called "Athwesma" meaning "The Glove"

18.3 Performance related aspects

Almost all employees are subjected to a performance appraisal every year, the outcome of which is shared with the individual appraised.

The appraisal process has got streamlined and been carried out in an easy and friendly fashion.

We have started measuring the percentage of employees subjected to performance appraisal.

The outcome of this performance appraisal provides us the opportunity of providing the appraisee the necessary components of the particular competence required for his/her position in the overall operation. This component may be knowledge, a skill or a process ability. If there is a need for imparting knowledge, ATG sends the individual for a training programme; if it is the enhancement of a skill that is necessary he/she will be guided in developing the skill and if it is a process ability need it would be enhanced by collaborative learning.

Training programs to enhance the thinking processes, attitudinal training, etc. are periodically organized. We have had 28235 hours of training in 2016 which has increased to 29335 hours in 2017.

18.4 Way forward

As we have been alive to the significance of people in our overall processes ever since the inception of ATG, we have identified the need to convert the currently active individual processes related to Human Resources to a more effective management system in line with the robust commitments and strategies linked with the human resource element – especially so as People form an important aspect of our values and Human Energy is one of the key pillars in our Real Time Strategy Model. When we establish this Human Resource Management System, we intend to introduce an Employee Engagement Evaluation also to our calendar of events so that we could be more proactive in our human resource related initiatives.



Ketapath Pawura



Familiarization to parents



Birthday Celebration



Annual Sports-meet



"Dessert"



Annual Trip



A gift for each



Entertainment Events



19. Our Concern for the Environment and Biodiversity

It was in the context of our concern for the Environment that we embarked on our journey towards ISO 14001 way back in 2006. After all, we were manufacturing gloves to protect hands; but what would people use these hands for when they go home-that is more than 50% of their total time. He/She would be using his/her hands to hold water to his/her mouth to drink, wash with water and hold a fruit and eat. Therefore, if there is no clean water or no clean environment to offer us the fruits, there will be no use of protecting our hands. It was this rationale, which prompted us to look at the Environment Management System which we always preserved through our journey of expansion during the last few years.

Our ISO 14001 Environment Management System is quite a robust system in this 10th year of its existence and the system been audited once every six months by an outside audit company. Any non-conformity gets addressed within mutually agreeable time frames.

As we expanded, we always looked at ways and means of preserving the environment and protecting the environment from what we emit.

We identified what we could control by ourselves and started reducing these emissions – water emissions and solid waste. Our study of water emissions showed us that there is room for us to save water and we looked at two key places for the reduction.

(I) Waste water treatment plant

The rubber sludge generated from waste water treatment process is used for manufacturing of carpets, paving blocks, rubber tiles, buffing dust, and roofing tiles. These products are internally used and have planned for commercial usage. Also the bacteria sludge is used for composting purposes.

19.1 Water related issues

In respect of waste water treatment, we achieved more than one specific advantage through our initiatives.

Furthermore, by incorporating a new Reverse Osmosis Unit as a tertiary treatment at the end of the treatment plant, we have achieved a total re-use percentage value of 54%.

We are currently carrying out development work to collect a special waste rubber type from our waste with the objective of exporting the same.

At ATG Ceylon

We, again have succeeded in reducing our solid waste generation significantly

At ATG Knitting

The process at ATG Knitting which made a significant contribution to the environmental pollution was the dyeing of liners knitted. This dyeing process used water and chemicals. A simple study of the process indicated that if already dyed yarn were used, instead of dyeing the liners knitted with normal yarn, overall throughput time could be reduced along with reductions in chemical usage and water consumption. As such the process was changed over to one where already dyed yarn is used.

This resulted in a saving of 6500hrs of process time, 2.5 million liters of water and 5000kg of dye powder per month. Furthermore the Chemical Oxygen Demand (COD) and Total Dissolved Solids (TDS) of the effluent stream reduced by 418 mg/l and 150ppm respectively.

19.2 Energy related issues

Having controlled what is almost entirely within our control we now plan to control what is not entirely within our control. This draws our attention to the energy usage and corresponding greenhouse gas emissions. We use furnace oil in the washing section to operate the boilers and diesel for our generators. We have little control over standby generator operation due to it been entirely dependent on the reliability of the main grid electricity supply.

We need to mention here that the quality of exhaust through the stack from both generators & boilers are periodically monitored by external parties and maintained at optimum levels. When we generate electricity using our standby generator we would be emitting greenhouse gases per every kWhr we generate while when we use main grid electricity we will be generating greenhouse gases only for about 60% of the electricity used. This is due to the fact that main grid electricity gets a significant percentage – more than 35% - from major hydro schemes and about 5% from non-conventional renewable energy sources.

We calculated the Greenhouse gas emissions based on,

- (a) The energy mix used by the Ceylon Electricity Board (CEB) in the corresponding year
- (b) The total quantities of fuels used by CEB in the year
- (c) The greenhouse gases from the combustion of fuels as per table in www.engineeringtoolbox.com

The Greenhouse Gas emissions due to LPG was calculated using the data in the same web page while that due to diesel and furnace oil calculated using the same web page and the density of diesel given in Ceylon Petroleum Corporation website. While these figures indicates where ATG is in respect of Greenhouse Gas emissions, more accurate calculations may be warranted as ATG moves towards reducing GHG emissions.

We have also taken steps to reduce the energy usage within the factory by several means amongst which the following standout:

(i) Modification of oven duct systems to minimize heat loss and hence reduce LPG consumption

(ii) Introduce CFL & LED lamps instead of normal fluorescent lamps.

(iii) Introduce variable speed drives to reduce electricity consumption

(iv) Introduce ultra low frequency wave treatment for boiler water treatment.

(v) Monitoring and controlling stack emissions of generators & boilers

19.3 Way forward

Now that we have reasonable amount of data about our environment related interactions we set ourselves the strategic objectives and timelines for the future. We intend to use 2015 as our baseline and continue measuring the related aspects. For this we intend to measure all emissions arising from our use of energy – both direct & indirect, water, waste, material and travel.

20. Contributing to the Collective Action

Operating in industrial zones dedicated for exports we are naturally inclined to contribute to the collective voice. We have been participating in the Zonal Manufacturers Association ever since we started operating in the particular zone. ATG's Managing Director – Operations is the current President of Katunayake BOI Zone Manufacturer's Association and he has held that post even earlier.

ATG is also a member of other trade associations like Ceylon Chamber of Commerce, Exporters Association of Sri Lanka. In these associations ATG engages itself in voicing their own concerns and also contributing to the concerns of collective significance. It is ATG's forthright pronouncements for the well-being of the collective manufacturers/exporters base which prompt the concerned membership to have ATG to provide leadership to the Associations.

These partnerships and leaderships provide ATG the opportunity to present its voice in respect of issues of common relevance and this makes a contribution towards policy advocacy and formulation.

21. Contributing towards Sustainable Development Goals

Working with an overseas customer base from the beginning, itself ATG has been concerned about Sustainable Development Goals throughout its existence. We have set ourselves the objective of contributing to the following nine Development Goals.

A few examples of what we have done in respect of each of these are given below:



Good Health & Well being

Providing financial and material assistance to Negombo Base Hospital and Ampara Koknahara Rural Hospital are only two examples.



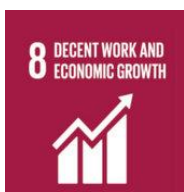
Clean Water & Sanitation

Providing large barrels to store water to villagers with no access to clean water. Have completed six such projects.



Industry, innovation and infrastructure

This is our business. We promote innovation as we value Innovation, in our industry where we lead and all our efforts are brought to fruition due to the infrastructure we enjoy.



Decent Work and Economic Growth

Work environment - both hard & soft components – at ATG bears testimony to the level of decent work and economic growth that has been achieved.

Supplier sustainability assessments

Supplier Audits

Code of ethics

Employee Satisfaction Survey



Responsible Consumption and Production

When the Company set itself on a significantly high trajectory of growth in respect of volumes, products, manpower, materials, the ATG's management aligned these with responsible consumption reductions in respect of water and chemicals usage. The results could be seen in section on Environment.



Climate Action

Company has already taken steps to reduce energy consumption to bring down Sri Lanka's Greenhouse Gas emissions due to electricity generation.

Company has started measuring GHG emissions due to ATG operations with the objective of working out a work plan to reduce ATG's contribution to Climate Change.



Reduced Inequalities

ATG strongly believes in a corporate and community framework where inequalities do not exist in respect of gender

ATG is also planning to eliminate the hardships faced by personnel with the gravest of inequalities – i.e. the inequality of non-possession of two hands.

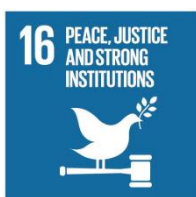
Supplier Audits

Code of Ethics



Gender Equality

Code of Ethics



Peace, Justice and Strong Institutions

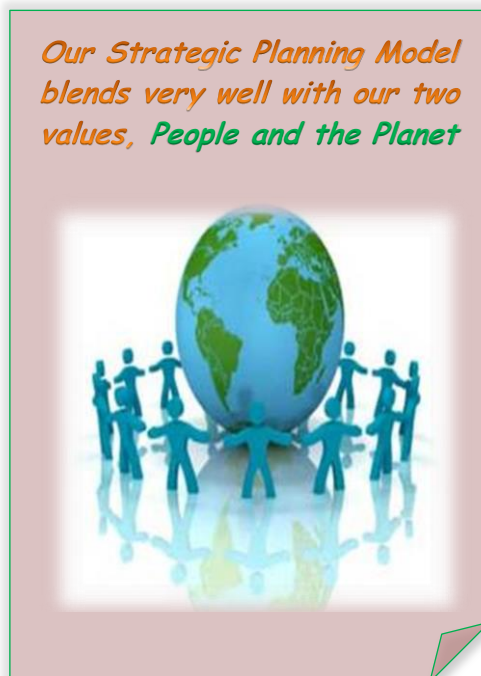
Code of Ethics

UN Global Compact Membership

22. Social Investments & Philanthropy

Our Strategic Planning Model blends very well with our two values, People and the Planet. If we are to value People and the Planet and if we are to expect Human Energy and Social Responsibilities to support us in our actions as expected in our Real Time Strategy Model, we, obviously need to invest in them. So for us at ATG, Social Investments & Philanthropy are very near and dear.

All this makes us strongly believe that what we are talking about is really an investment as there is always a benefit side also to these expenditures. The ability to provide support to one's neighborhood elevates the status of the individual immensely – even according to Maslow's Motivation Theory – and his/her enhanced desire to perform is the return on the investment made.



22.1 Our Philanthropy starts at the workplace itself.

We have provided 24-hour insurance to all our employees and there is special medical insurance for senior workers. Every worker is provided with transport ranging from individual vehicles to a very senior member of the staff to company transport for everybody. For all pregnant staff members' additional snacks – as recommended by the Company Sister – are provided. Birthday gifts are given to each and every employee. When an employee gives birth to a baby a Rs. 50,000/= delivery gift is provided.

Among the 17 sustainable development goals, we have selected two goals to serve our ATG workers and their families.

Selected goals are,

1. No poverty
2. Clean water and sanitation



Through above two goals we have defined below ways to help the people who are willing or not have facilities to fulfil their targets.

1. Establishing new wells for drinking and agricultural purposes
2. Establishing new toilets / sanitary units
3. Support for the agriculture

Our final target at the end of the project is

End of the poverty from all ATG workers and they all have clean and safe water and other sanitation facilities for their activities.

As the first step, we have selected 30 workers and currently it is processing

22.2 Way forward

We have understood the need for formalizing Social Investments and Philanthropy and this will be the direction in which we would be moving. We will be formalizing this in respect of the four components of the process involved

- (1) Need identification
- (2) Screening of fulfillment methods
- (3) Fulfillment implementation
- (4) Fulfillment evaluation and posting.

This formalized roadmap will be made one of the key responsibilities of the CSR Committee in the future.

23. Audit Process

Currently our external audit processes do look after the financial management system and the ISO 14001 Compliant Environmental Management System. In respect of the Environmental Management System, the environmental aspects, identified environmental objectives and their achievements are been audited and corrective/preventive action would be initiated in respect of any non-conformities detected. Furthermore, the system is being subjected to internal audits as well and corrective actions will be initiated in respect of any non-conformities detected.

Stringent financial management system audits are carried out annually by external auditors and their brief includes a request to audit financials in respect of external transactions with agencies where there is a possibility for corruption with special care.

We have planned audits in respect of the following aspects for the period June, 2017 to July 2018 so that ATG could report on the same in our next COP.

- Human Rights related Processes
- Labor Relations related Processes
- Occupational Health & Safety related Processes
- GHG Emissions Estimation Processes

Our strong belief in Planet and People as two key components of our set of Values and the Roles of Social Responsibilities and Human Energy in our Real Time Strategy framework will make these audit processes a firm pre-requisite in our journey towards Greatness

Our People And Communities





**True to our
values we will
vowed to
remain
people
centric and
continue
helping our
communities
to thrive**

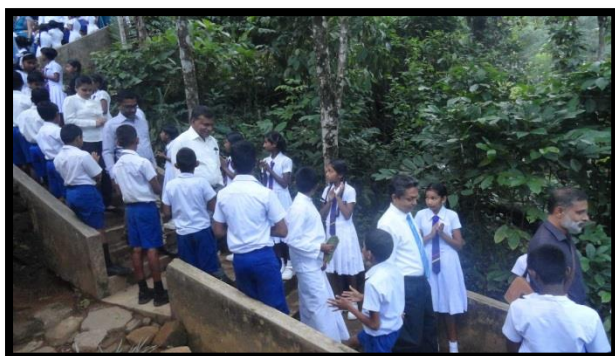


When a Child goes to School Nation Grows !



Our education initiatives are focused towards uplifting education in the country, especially to the underprivileged children

- **Workshop on Human Resources and personality development at Kalavaldeniya Maha Vidyalaya- Nuwaraeliya District**



Speech by famed motivational speaker and HR development coach Mr. Chandana Gunawardena

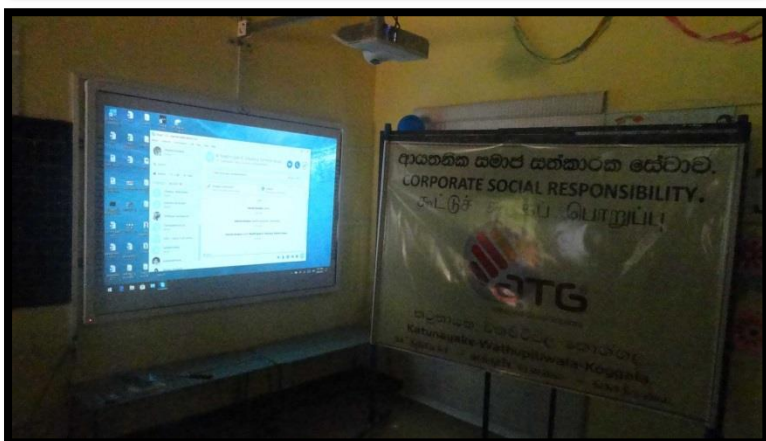
➤ **Provision of Accessories for Smart Class Room to Palagathure Primary School**

To help ensure all teaching and learning meets the needs of the 21st century and we want to build learning environments that are stimulating for students and support quality teaching and new technology.



"I like this system a lot. It encourages and motivates me to learn. I like coming to school every day now rather than before."

-happy and energetic student



Interactive White board and Projector



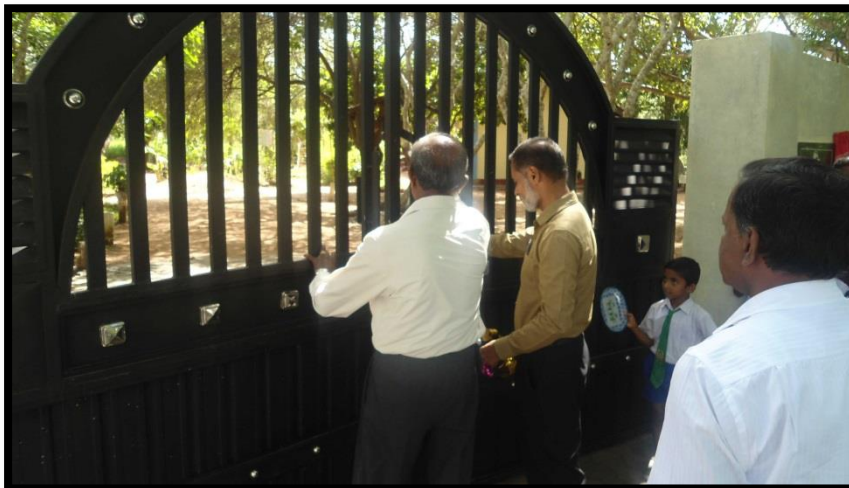
➤ **Provisions of Tables and Computers to a Library in a School at Amandoluwa**

The final goal of each project is to maintain our actions on a lifelong perspective. Computer science education is a pathway to innovation, to creativity, and to exciting career prospects. In order for our students to be equipped for the world of tomorrow, we need to provide them with access to computer science education today.



➤ **Provision of Main Gate and a fence to a School at Thibbatuwagama**

As a part of ongoing CSR events ATG helps to create a safe learning environment for students.



WATER IS LIFE AND CLEAN WATER MEANS HEALTH



Having toilets and water is a basic necessity in schools, Due to this, children are irregular to school and eventually drop out. This project will help to build in toilets and maintain them, provide running and clean drinking water for school children in rural schools. The expected impact of the project is better health and improved school attendance and reduction in school drop outs.

1. Provision of Drinking water to a school at Sinnapaduwa – Puttalam
2. Provision of Drinking water to a school at Mihindupura – Trincomalee
3. Provision of Drinking water to a school at Bandaragama



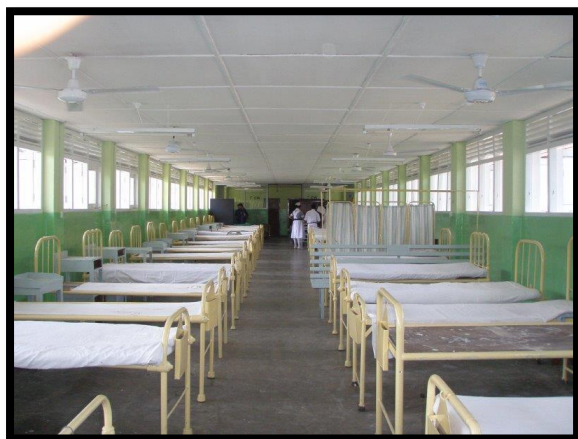
Health is Wealth



- Donation of Ventilation Machine to General Hospital – Colombo



- Renovation of Wathupitiwala base Hospital



➤ Deangu Prevention Programme



Natural Environment and Social System

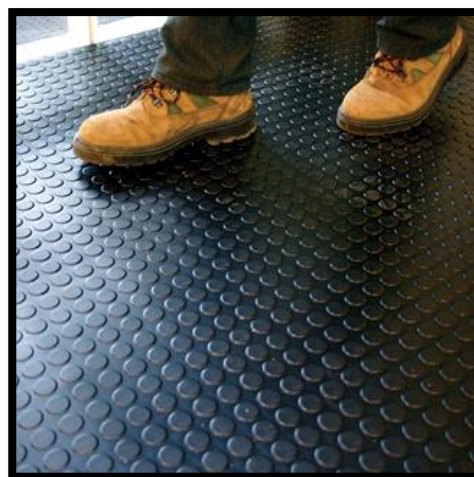


➤ Recycling and Reprocessing

We are extracting dissolved rubber (Latex) from waste water and convert it in to value added form that can be used as a raw material for the dry rubber processing field. In here we transform liquid waste in to solid form by increasing their processing ability for the re-cycling purposes.

We were in very primary at the initial stage of the re-processing factory, but now we are in the competitive level in the current market field by introducing innovative new recycled rubber products over the different customer requirements

- ✚ We have successfully converted waste rubber in to another product by increasing material life cycle and providing lot of opportunities to the society.
- ✚ Conducting of CSR projects by donating recycled rubber products over the society in different areas like rubber paving of children play area, creating of rubber paved walking paths, rubber mat delivering over the workers



➤ Re-foresting

With the collaboration of University of Uva-Wellassa and Department of forest, Sri Lanka we have planned to initiate a re-foresting project in Badulla district. With planting trees will increase bio-diversity also and it will enable to compensate our carbon footprint far more...

➤ Organic Fertilizer Production

After identifying of nutritional level of biological waste from waste water treatment processes, we found out that it can be used as a raw material for the organic fertilizer manufacturing practices.

Success story of the fertilizer production;

- ✚ Feasibility study
- ✚ Getting approval from Central Environmental Authority (CEA)
- ✚ Joining with preferable farm and confident farmer
- ✚ Obtaining of 'Environmental Protection License (EPL)' for organic fertilizer manufacturing
- ✚ Obtaining of certificate for 'Good Agriculture Practices (GAP)' to expose export market
- ✚ Current monthly organic fertilizer manufacturing capacity is more than 5MTs



Going Solar...



➤ Renewable energy usage.

Along the way that ATG looking for reducing of non-renewable energy usage for the entire energy requirements, we are looking for implement a process to generate considerable amount of energy from our total energy requirement by using natural renewable energy sources.

In the first stage we have installed one of solar panel system to generate electricity from solar energy.

Date started : 23rd of August, 2017

Capacity : 188.9 kW

Expected monthly generation : 19MWh

Generated electricity via solar power in 2017

Month	MWh
August	6.85
September	19.59
October	18.91
November	15.04
December	16.46
Total for Yr2017	76.85

Under the second stage of solar electricity project, we are currently working with to expand our solar electricity generation capacity further more by installing another solar panel system.

Expected completion date : within year 2018

Capacity : 459kW

Expected monthly generation : 46MWh

25. GRI Content Index Tool

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26. Glossary and Acronyms

GRI	Global Report Initiative
COP	Communication On Progress
ATG	Advanced Technology Gloves
ISO	International Organization for Standardization
CE	European Conformity
CSR	Corporate Social Responsibilities
OHSAS	Occupational Health and Safety Assessment Series
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
BOI	Board of Investment
ERP	Emergency Response Plan
CEB	Ceylon Electricity Board
LPG	Liquefied Petroleum Gas
COD	Chemical Oxygen Demand
TDS	Total Dissolved Solids
GHG	Green House Gas
UNGC	United Nations Global Compact
CEA	Central Environmental Authority
EPL	Environmental Protection License
GAP	Good Agricultural Practices