

October 26, 2018

Ms. Lise Kingo
Executive Director
UN Global Compact
United Nations
New York, NY 10017
USA

Dear Ms. Kingo,

Texprego General Trading LLC is proud to reaffirm our commitment and support of the ten principles of the United Nations Global Compact; with special note of its provisions in the areas of Human Rights, Labour, Environment and the tackling of Corruption.

We would like to share with you our 2018 Communication on Progress which outlines our strategy for continually upholding the Global Compact, and its principles, into our business culture and operations. We are not only committed to upholding these standards for ourselves, but we are also committed to furthering these principles through our stakeholders and the industry at large.

We are deeply committed to the sustainability and the positive social impact of our business practices and so it is with great pleasure that I relay this document.

Yours sincerely,



Mrs. Britt Jenny Ludvigsen Sakata
CEO

UN Global Compact Communication on Progress (COP) Report 2018

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Corporate Message

As a signatory of the United Nations Global Compact (hereon “Global Compact”), Texprego General Trading LLC (hereon “Texprego”, or “the company”) is committed to upholding and promoting the Ten Principles – the company highlights the importance of its obligations in the areas of Human Rights, Labour, Environmental Challenges, and the tackling of Corruption. Texprego is deeply committed to the ideals of the Compact; through its instrumental value in ensuring a just society, and through its inherent worth. Not only is the company committed to upholding these standards for itself, but it is also committed to furthering these principles through stakeholders and the industry at large. In producing this report, Texprego has used measures to quantify our progress and addressed the impact on broader stakeholders.

During the past year, Texprego has continued to develop the integration of the Ten Principles to its daily operations. The approach has focused on the assessment of risk, and updating measures to ensure that the company meets the highest levels of compliance. The policy has focused on upholding the Compact, as well as the provisions set out in the United Nations Convention on the Elimination of All Forms of Discrimination, and the International Labour Organization’s Declaration of the Fundamental Principles and Rights at Work. This has been followed by the promotion of these principles to our suppliers, sub-contractors and stakeholders, so they may do the same.

Texprego is pleased with its progress towards upholding these values, and it is confident of its prospects in continuing to do so.

Ten Principles of the United Nations Global Compact

The following section outlines the guidelines set out by the United Nations Global Compact. These have been integrated by Texprego into its policies and strategic goals.

Human Rights

- Principle 1: Business 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 with respect to 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.

Communication on progress of Corporate Sustainability Performance

Texprego has a longstanding commitment to strong corporate governance. In addition to complying with the requirements of the Companies Act of Bangladesh, the company has introduced its own standards to help improve and maintain the transparency of its governance. This has been done by separating the functions of the Directors and the management, and by introducing statutory committees. The Board of Directors is responsible for defining which areas are led by each Corporate Executive Officer. The Board itself is appointed by resolution at the annual shareholders' meeting.

Board of Directors

- Determines the fundamental management policies of the company
- Oversees the management of the company's business operations
- Appoints and dismisses statutory committee members
- Appoints and dismisses Representative Corporate Executive Officers and Corporate Executive Officers

Audit Committee

- Monitors the performance of duties by Corporate Executive Officers by reviewing the efficacy of the financial reporting process.
- In particular, ensuring compliance with applicable laws, as well as the company's Articles of Incorporation, and the rules and policies determined by the Board.
- Attending the Nominating Committee or Compensation Committee to monitor the performance of Directors.

Compensation Committee

- Sets policy on the compensation of Directors, Corporate Executive Officers, Corporate Executives, and Group Executives.

Corporate Executives

- Responsible for business operations within their designated fields, and doing so in accordance with policies determined by the Board and the Corporate Executive Officers.

Labour and Human Rights

Responsible Human Resource Policy

Texprego is committed to advancing the all-round development of its employees and responsible recruitment policies. This is achieved through a number of channels. Texprego champions effective dialogue with employees and employee representatives. Recruitment is oriented toward achieving diversity. Moreover, employment and advancement are done on the basis of equal opportunity. Employment decisions are based on merit and qualifications; the company does not tolerate discrimination on race, color, religion, sex, national origin, age or disability. Indeed, reasonable accommodations are made for qualified individuals with known disabilities. The company expects its suppliers to adhere to these same practices of non-discrimination.

Furthermore, workplace safety and health standards are maintained through regular internal communications. This is primarily done through training sessions and team meetings. Each employee is expected to obey safety rules and to exercise caution and common sense in work activities. Employees are also required to report any unsafe conditions to their superior.

Respecting Freedom of Association

Our manufacturers, suppliers and their subcontractors shall ensure that their employees, without distinction, have the right of association, union membership and collective bargaining. Further, no retaliation may arise from exercising this right and no remuneration may be offered to the employees in order to hinder the exercise of such a right. Workers' representatives shall be protected from discrimination and shall be free to carry out their representative functions in the workplace.

No Forced Labour

We do not tolerate any form of force or involuntary labour from Texprego's suppliers; this includes production centers, the facilities of its external manufacturers, secondary suppliers, and subcontractors. These shall not ask of their employees to make any kind of 'deposit', nor are they entitled to retain their identity papers. Moreover, they shall acknowledge the right of their employees to leave their employer after reasonable notice.

No Child Labour

Texprego has a zero tolerance policy for the employment of minors. Minors are hereby defined as persons under the age of 16, in line with local legislation – in the case of a change in local legislation, the company's definition of minor will be changed to reflect it. Persons under the age of 18 shall not be employed in night shifts or hazardous conditions. Where the existence of child labour is detected in suppliers, immediate action will be taken.

Environment

Texprego continues to reflect the best environmental practices. In particular, it continues to refine its environmental management systems. Suppliers are engaged, encouraged and (on occasion) trained to launch projects with the goal of improving their environmental performance. As such, environmentally-hazardous chemicals are avoided, and the use of recycled paper, dyes, and other eco-friendly technologies are encouraged. These changes are evaluated, followed-up and monitored.

Anti-corruption

Texprego is resolutely against corruption; it enforces strong anti-corruption policies and practices. The company does not tolerate bribery of any kind, and it calls upon all relevant stakeholders to do the same. As such, a high value is placed on implementing effective anti-corruption programs to reinforce intolerance towards corruption.

United Nations Goals

The company is also committed to supporting charity and community initiatives. Texprego supports a number of individuals, and social organizations in Bangladesh; particularly, with the goal of eradicating poverty and hunger, ensuring education for all, achieving gender equality, reducing child mortality, and improving maternal health.

In the reporting period, Texprego supported the Nobinogor community in Savar to build a school for around 150 street children the "["O AA KO KHO School"](#) and support for +100 underprivileged children for their Islamic studies. As part of these project, Texprego provides funding for teachers' salaries, school uniforms, equipment, and a yearly excursion. The children are now able to attend school whereas they previously worked for their parents. In addition to this project, the company has continued its support for charitable initiatives in aid of hundreds of Rohingya refugees by the establishment of a Primary Health Care program in Chouhali, Sirajganj.

Texprego also supported the "["HBS Crossroads Emerging Leaders Program 2018"](#)", a 7-day program with exceptional students who joined from across the Middle East, Africa, South Asia and Central Asia. 1,732 applications were received from 69 countries this year. After multiple interview stages, the Harvard Business School accepted the top 71 students to join this exclusive program in Dubai last September.

Our goal for the next 12 months is to continue sponsoring these organizations and to increase by 10% our current US\$ 40,000 spend on the above activities in order to support them to achieve their ambitions.

Conclusion

Texprego remains an active and committed UN Global Compact member; its commitment remains firm to the Ten Principles of Global Compact. The company looks forward to continuing with the Global Compact's activities in the coming years.