

Date: 17th December, 2018
Antonio Guterres
Secretary General
United Nations
New York,
NY10017
USA.

Dear Mr. Secretary General,

I am pleased to confirm that Rahimafrooz Accumulators Ltd. (RAL) supports the ten principles of the Global Compact with respect to human rights, labor, environment and anti-corruption.

With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. RAL will make a clear statement of this commitment to our stakeholders and the general public.

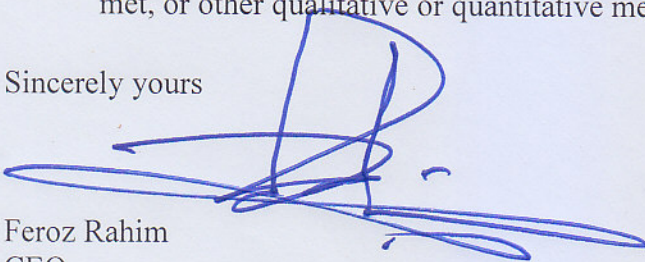
We recognize that, a key requirement for- participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

This includes:

- A statement signed by the chief executive expressing continued support for the Global Compact and renewing our ongoing commitment to the initiative and its principles. This is separate from our initial letter of commitment to join the Global Compact.
- A description of practical actions (i.e. disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the Global compact principles in each of the four issue areas (human rights, labor, environment & anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/ performance indicators were met, or other qualitative or quantitative measurement of results).

Sincerely yours

Feroz Rahim
CEO



Global Compact

HUMAN RIGHTS

Principle 1: *(Business should support and respect the protection of internationally proclaimed human rights)*

COMMITMENT: Committed to protect human rights through complying with national and international laws appropriate to our business activities.

SYSTEM: Every year we conduct training on HR policies and procedures and established a strong compliance team to monitor the policies and system violence analyze and investigate compliance failure.

ACTIVITY: Provide financial support to employees who may face sudden economic hardship from employee welfare fund.

Conducting training to all employees on our company values and I+10 habits.

PERFORMANCE:

1. Total 475 man-hour training on Rahimafrooz values and 270 man-hour training on HR policies have been conducted last year.
2. Two way communication regarding company's activities/policies has been increased.

IMPROVEMENT OVER THE LAST YEAR: Employees have become more polite and professional in terms of verbal and physical communication. Blaming culture has been reduced drastically.

Principle 2: *(Business should make that they are not complicit in human rights abuses):*

COMMITMENT: We set high standards of ethics and moral virtue for ourselves. We firmly believe in religious, ethical, social and legal righteousness and we strictly adhere to those.

SYSTEM: Employees are directly involved in hazard identification, risk assessments and determining controls, incident investigation, development and review occupational health & safety policies objectives.

ACTIVITY: Through employee participation and consultation RAL set weight lifting limit and safety standard in all its activities.

PERFORMANCE:

1. Basic safety awareness and Emergency preparedness session among the employees is continuously increasing.
2. 14 no. of safety awareness session conducted.
3. 5 no. of 5S session arranged among non-management employee.

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IMPROVEMENT OVER THE LAST YEAR:

Peoples' are now feeling better and safe. Number of incident number has been reduced.

Principle 3: *(Business should uphold the freedom of association and the effective recognition of the right to collective bargaining):*

COMMITMENT: The company respects the right and the labors of the company have freedom of association, but the workers (labors) have not formed a Trade Union as the company encourages open communications with workers and goes beyond the labor code in providing the employees with monetary & non-monetary benefits.

SYSTEM: We formulated our Canteen and Welfare policy where workers participated equally and appreciate/gave their feedback for improvement.

ACTIVITY: RAL review its employee salary & other benefits every year through collecting the classified information from Bangladesh Consumer Association and Bangladesh Bank regarding inflation rate, consumer price index and make adjustment in the salary accordingly.

PERFORMANCE:

1. Welfare committee member/Workers' representative actively participated in selecting candidate for scholarship program and other issue. They put their thought to make the program meaning full for all non-management employee.
2. In Canteen committee meeting workers' representative spontaneously participated and took part in decision making to improve the food quality and hygiene practice.
3. 5 training session arranged for canteen staff on hygiene issue.

IMPROVEMENT OVER THE LAST YEAR:

Skill metrics prepared and assessed skill level of all non-management Employees.

Principle 4: *(Business should uphold the elimination of all forms of forced and compulsory labor):*

COMMITMENT: As our aspiration statement reads, we want to be the most admired and trusted organization, by excelling in everything we do and following ethical business practices.

SYSTEMS: We are sincerely following the Bangladesh labor law-2006 for working hour guideline of employees which is monitored and inspected by the Factory inspection department.

ACTIVITY: Each employee of the company is getting holiday and leave as mentioned in the Bangladesh labor law'2006 and in addition we reduce the working hours of worker from eight hours to six and half hours in the month of Ramadan so that they get time for

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prayer and spend time with family. (If any one did eight hours duty in Ramadan they get 1.5 hours overtime)

PERFORMANCE:

- For overtime duty each employee gets double benefits of his/her basic salary.
- Employees are getting shift allowance for shift duty.
- All employees get salary through Bank transfer which ensures on time (1st day of month) salary disbursement without backlog.

Principle 5: (*Business should uphold the effective abolition of child labor*):

COMMITMENT: We are committed to not engage any one below the age of 18 in any form of labor.

SYSTEMS: Our recruitment policy does not support enrollment of child labor in any kind of jobs.

ACTIVITY: During recruitment of worker we ask for the birth certificate or national ID for age verification.

PERFORMANCE:

Minimum acceptable age of workers is 18 years. Bellow 18 age group people not allowed to work here. Company is complying existing Labor law (Bangladesh labor law'2006).

IMPROVEMENT OVER THE LAST YEAR:

1. Our education scheme for employee's children under welfare policy supports them to continue their education up to HSC level and not forced in to child labor.
2. This year RAL has supported 24 students of different education levels (primary, secondary and higher secondary).

Principle 6 :(*Business should uphold the elimination of discrimination in respect of employment and occupation*):

COMMITMENT: The Company has been providing equal opportunity to all employees. Rahimafrroz never compromises on ethical business practices. One of its prime concerns is to respect and promote the principle of non-discrimination in all levels of our Human Resources. Our recruitment, training and career development policy reflects the commitment and respect.

SYSTEMS: Our HR Vision to "Drive business excellence and create a rewarding workplace through people" encourage in building performance oriented culture which is a reflection of nondiscrimination and respect to the individuals.

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ACTIVITY: During recruitment every candidate has undergone a unique scrutiny process. From that the best performer has been selected irrespective of gender, religious consideration.

PERFORMANCE:

- RAL has recruited 08 management employee and 49 non-management employees through a comprehensive recruitment process.
- The company encouraging women employees in all positions and role get equal benefits in all aspects.

Principle 7: Business should support to a precautionary approach to environmental Challenges:

COMMITMENT: To address environmental challenges, this is the policy of Rahimafrooz Accumulators Limited (RAL) to consider environmental viability in its activities including planned and / or new developments.

SYSTEM: Under existing environmental management system, RAL sets environmental objectives, targets and programs to control the aspects having significant impact on the environment.

ACTIVITY: RAL set objectives to reduce the consumption of raw material in its manufacturing process in the FY, 2017-18. To achieve the objectives, initiatives were taken to improve operational process and recycling of wastage.

PERFORMANCE: RAL has reduced the scrap generation in the process and products in the FY, 2017-18.

IMPROVEMENT OVER THE LAST YEAR: During the FY, 2017-18, process and plate scrap generation has been reduced by 1.96% over the last year.

Principle 8: Business should undertake initiatives to promote greater environmental responsibility

COMMITMENT: For sustainable development, RAL shall utilize all available scope to contribute in the environmental sector.

SYSTEM: In the existing environmental management system of RAL, the scope of environmental objectives extends from local to the global issues. Hence initiatives undertaken by RAL address environmental issues to a greater extent.

ACTIVITY: Rahimafrooz Accumulators Limited is reusing the paper with a view to reduce fresh paper consumption thus to contribute in minimizing the rate of deforestation.

PERFORMANCE: RAL has reduced paper consumption in the FY 2017-18 by creating awareness among the employees.

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IMPROVEMENT OVER THE LAST YEAR: Paper consumption has reduced by 1% in the FY 2017 -18 over the last year.

Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies

COMMITMENT: As a part of its policy to prevent environmental pollution, RAL grabs all the opportunities for the development and diffusion of environmentally friendly technologies.

SYSTEM: During installation of new machinery and implementation of new projects eco-friendliness is considered as a prerequisite. New environment friendly technology is introduced regularly.

ACTIVITY: RAL has taken initiative to replace current Tube light and halogen light with LED light to reduce energy consumption

PERFORMANCE: RAL has reduced the electricity consumption in the FY 2017 by replacing 18, 378 number of tube and halogen light with LED light.

IMPROVEMENT OVER THE LAST YEAR: Energy consumption has reduced by 18015 kW over the last year.

Principle 10:

(Business should work against corruption in all its forms including extortion and bribery).

COMMITMENT: Employees of the company are committed to live up to one of the company's core values in regard to integrity. Rahimafrooz Accumulators Limited (RAL) wants to be the most admired and trusted organization through excelling in everything done by the organization and following ethical business practice. One of the values maintained by the organization is "Integrity in all our dealings" with our all stakeholders internal and external both.

SYSTEM: Do complying the core values "integrity" and "ethical business practice" with all our suppliers and vendors. There is no such violation found thorough out in procurement dealings. If any activities in regard to corruption serious action shall be taken against employees with due diligence.

ACTIVITY: RAL has regularly maintained supplier communication on ethical business and maintaining integrity and fairness in our dealings at the same time we're maintaining with all the vendors and suppliers a congenial working environment with fairness, honesty, and lawfully, trustworthy and ethical. Approached to the vendors and suppliers for signing the "Statement of Commitments & Integrity" but not getting much interest as a result it is pending till now.

Rahimafrooz Accumulators Limited (RAL)

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Measurement of outcomes:

As per Quality Management System (QMS) process RAL evaluate its suppliers and vendors every year through maintaining an evaluation form and take decision to continue business on that evaluation.

Improvement over the last year:

On July 2018 completed approved suppliers evaluation process with prescribed format.