

# **GLOBAL COMPACT**

# THE GLOBAL COMPACT'S PRINCIPLE INTEGRATED INTO OUR CONTINUOUS PROGRESS AND OUR DEVELOPMENT 2019



Global Compact –<u>THE GLOBAL COMPACT'S PRINCIPLE INTEGRATED INTO OUR CONTINUOUS</u> <u>PROGRESS AND OUR DEVELOPMENT</u> – ANGAO – 2017 Annual report



# **Communication on Progress**

#### Participant

• <u>Angao</u>

## Published

• 2019/05/23

#### Time period

• June 2018 – June 2019

#### Format

• Stand alone document – Basic COP Template

#### Differentiation Level

• This COP qualifies for the Global Compact Active level

#### Self-assessment

- Includes a CEO statement of continued support for the UN Global Compact and its ten principles
- Description of actions or relevant policies related to Human Rights
- Description of actions or relevant policies related to Labour
- Description of actions or relevant policies related to Environment
- Description of actions or relevant policies related to Anti-Corruption
- Includes a measurement of outcomes

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# ANGAO 2019-05-23

To our stakeholders:

I am pleased to confirm that ANGAO PRECISION ASSEMBLY Co Ltd reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

C.ZORN General Manager On behalf of Mr MARTINEAU, Chairman of GMD group

# <u>Human rights :</u>

Angao comit to follow strictly the principles of the Universal Declaration of Human Rights. We act in a responsible way to ensure every worker of our company is treated equally.

We ensure that our supplier follows the same rules and we will refuse to have any business with suppliers or customers using threatening, menace or providing unacceptable working conditions to their employees.

Angao provide working conditions exceeding the minimum of the local regulation. We base our organization and working condition on the European standards.

We encourage mutual respect among our employees. We take sanctions against any physical or verbal aggression, threat or intimidation.

We employ men and women without discrimination therefore skills makes them suitable for the position. We make sure that salaries are equivalent for an equivalent work. We guarantee the right of labor union and advices from lawyer to all our employees.

Our production facilities and our work environment are the European standard and exceed local standards.

We provide meals for our employees using safe and healthy products and we follow government instructions and advices in term of preparation and conservation of aliments in our canteen.

We provide drinking water in the workshop and offices using water fountain and bottled water while the local network dispend doubtful water .



We ensure no restriction of jobs is made using the gender as criteria and we have a balanced amount of men and women within our employees.

Our equipment or working condition issues are identified during monthly safety audits, documented, and the actions taken are followed by a Committee including the different departments within the company, the HR and the Union.

## <u>Work</u>

We respect local legislation on employment contracts. We have no undeclared employees. We have no employees forced to work. We don't use underage employees (-18 years) even if allowed by local regulations.

We fight poverty by providing a decent salary according to local laws. Minimum wages are raised systematically in accordance with the instructions of the office of employment. Overtime work is recorded fairly and paid according to local regulation. Over time is made on the voluntary basis and no one is forced to do over time.

We do not accept nor tolerate harassment or discrimination.

# **Environment**

• air pollution is measured annually by a third party company.

In 2018-09 we improved the whole exhaust system for welding smokes : installation of Zinc pipes instead of PVC pipes, installation of security automatic shutters to close the pipes and stop exhaust motors in case of fire.

- waste oils are collected by an organization approved by the Government.
- paper, plastic cards are collected by local recycling companies
- production releases are sold for recycling
- lighting systems in workshops has been replaced by LED systems to reduce energy consumption and improve work conditions..

• Water filtration system at trembling workshop has been implemented to re-use water in a sustainable way .

• noise is reduced when possible and protective means are provided and mandatory in workshops.

We are certified ISO 14001 and audited annually by a third party organization.

We have yearly audits from firefighting and health inspection.

All issues are recorded in our management system , followed monthly by the safety meeting, and actions are followed daily at the production meeting.

Daily workshop visits have been implemented for environment and safety issues. And we have a monthly report of safety issues and actions are dispatched to relevant departments and followed until completion.



## Fight against corruption

We have implemented a group policy about fight against corruption. Sensitive job position are identified and trained about risks and rules to follow to avoid bribery. An alert system has been implemented at group level to report any suspicion of corruption.

We integrated our Global Compact membership in our commercial presentations. We talk systematically about our fight against forced labour and corruption during presentations to our future customers.

Our purchasing price management prevents unauthorized modification of prices by purchasers or finance department alone through a chain of validation.

Our purchasing procedure request main suppliers to feed back any potential issue concerning potential interference between businesses, family interested of political interests.

We avoid responding to the demands of suppliers using corruption as a way to get contracts

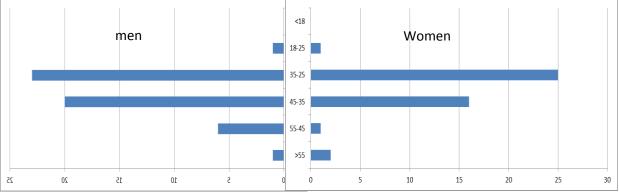
We benchmark the market price to make sure that our prices are faire and detect any suspicion of briberies.

Internal regulation mentions that passive or active corruption is a case of dismissal.

## Outcomes :

The distribution of manpower is 55% men and 45% women And the age pyramid is

No supplier has been identified with practice contrary to human rights not using forced labor in 2018.



The average salary of a worker's production is 40% higher than the legal minimum of the province and has been raised +4% in 08- 2018 according to government regulation in jiangsu. From 1940 to 2020 rmb/month basic.

The absence rate in 2018 is 1.40% of the total worked hours

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From 07-2018 to 06-2019 : 1 accident has been recorded with working stop (traffic accident)

No complaint has been made by workers for working condition.

90% of wastes are collected using official recycling companies; the 10% remaining is collected by the trash system.

|        | 2018  |
|--------|---|
| Light  | >500 lux >1600 lux in checking area           |
| Noise  | <90db protection is mandatory in all workshop |
| Ppm2.5 | Difference < 10μg/m3 with exterior            |

#### 2018-2019 project

- Replace the old workshops offices at ground level by a 2 floors container office with new equipment. Improve the comfort of our employees in these office with better sound insulation and A/C.. => DONE
- Reorganize the checking areas and provide new equipment, better lightning and improve comfort and efficiency of our workers. => DONE
- Continue the deployment of LED lights in warehouse when old lights are broken => DONE
- Improve safety during use of forklifts by improving the preventive maintenance and installing safety lights for backwards movements. => DONE
- Install filtration for welding dust exhausts at angao 1
- Separate rain water and waste waters pipes system in angao 1 and angao 2
- Move trembling station to Angao 2 and implement a new waste water filtration system and a noise insulation .
- Install a collect and recycling system for waste waters at the die casting machines
- Replace all the exhaust system of furnace in angao 2. Implement a full maintenance of the filtration tower
- Refurbish all ventilation systems of die casting workshop