

texprego

COMMUNICATION ON PROGRESS
ANNUAL REPORT 2019

UNITED NATIONS GLOBAL COMPACT TEN PRINCIPLES



The United Nations Global Compact (UNGC) is the world's largest voluntary corporate citizenship initiative. The UNGC issues Ten Principles on the followings:

- Human Rights,
- Labor Standards,
- the Environment, and
- Corruption.

Membership of the UNGC requires companies to issue a 'Communication on Progress' report annually.

This report outlines TEXPREGO activities in support of these Ten Principles.

HUMAN RIGHTS

Principle 1

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

Principle 2

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

LABOUR STANDARDS

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 labor.

Principle 5

The effective abolition of child labor.

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.

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.

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COMPANY OVERVIEW

TEXPREGO General Trading L.L.C. is a limited liability company registered in Dubai Economic Department, U.A.E., on 20 August 2009 vide Commercial License no 628458. The address of the company is Emirates Towers, Level 41, Suite 4137, Sheikh Zayed Road, DIFC, Dubai, United Arab Emirates.

The company has a sister concern in Bangladesh named “The Export Research Garments Operations (BD) Limited”, registered as a foreign privately owned and its located in The N Building, Building No 01, Road 16, Sector 06, Uttara, Dhaka-1230.

TEXPREGO mission is to develop socially responsible business practices to improve the lives of people in our supply chain. Ethical values, respect for people, the community and environment are at the core of our decision-making. Fostering Innovation, providing knowledge-transfer and collaborating with our stakeholders have been fundamental to our goal of developing the state of the Bangladeshi garment industry.

Our company provides unique supply chain and sourcing solutions to the world's largest fast-fashion retailers such as Inditex (Zara, Pull & Bear, Lefties) and Renner (Marfinno) and our team of experts, using creative designs and innovative ideas, has the unique capability to meet our customer's business and products needs in short lead times.

CEO'S COMMITMENT



"We believe that understanding and promoting our Corporate Social Responsibilities (CSR) activities among our stakeholders is one of our core responsibilities.

We support the United Nations Global Compact as well as the implementation of the ten principles in our business".

Britt Ludvigsen Sakata

Founder & CEO

CORPORATE GOVERNANCE & STRUCTURE

Corporate Sustainability Governance

TEXPREGO General Trading L.L.C. strong corporate governance is one of its primary management initiatives. As a part of this effort, we adopted the organizational governance system according to the U.A.E. Commercial Law 2015, relevant corporate rules and regulations of U.A.E. as well as international laws and legislations applicable to the country.

The company has introduced the Standard Operations Procedure (SOP) for the soundness and transparency of its strong governance. The corporate governance based on a strict division of power and responsibilities among shareholders through the Annual General Meeting (AGM), the Board of Directors, and the Auditors.

Shareholders can directly exercise their powers through the shareholder's meeting. Once in every year, the Shareholders of the company participate in the AGM to approve the annual report, appoint or discharge the directors and the CEO from liability after evaluating the performance and decide on the appropriation of profits for the previous financial year, elects board members and auditors for the upcoming fiscal year.

The Board of Directors appointed by the shareholders has the power to manage all company affairs without the involvement of Shareholders. The shareholders have the right to replace the board members at any time through an extraordinary general meeting.

The CEO is responsible for the day to day operation of the company. The Board of Directors appoints the CEO and a set of approved written guidelines handed over as a part of responsibilities.

CORPORATE GOVERNANCE & STRUCTURE

The company has internal and external auditors. Internal auditors are responsible for reporting to the Board of Directors regarding compliance in the financial segment regularly. Internal auditors also have an essential role in supporting the Board in its task of overseeing the CEO running of the company. The external auditors are responsible for auditing the company's financial statements yearly and express an accurate and fair view on it.

Corporate Governance Structure

The company has the following governing and other bodies:

- **General Assembly:** It allows the shareholders to participate in the governance of the company
 - **The Board:** is responsible for strategic planning, direction and leadership of the management of the company
 - **CEO:** The CEO is carrying out strategy as approved by the Board and monitor the day-to-day operation
 - **PRO:** Public Relation Officer (PRO) ensures that the governing bodies follow internal and external rules and regulations to facilitate clear communications between the governing bodies and act as an advisor to directors and senior executives
 - **Internal & External Auditors:** Develop and monitor internal control procedures of the business operations, audits, and the company's financial statements, respectively
 - **CSR committee:** To develop and implement the CSR strategies of the company
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HUMAN RIGHTS PRINCIPLES

Human Resource Policy

Our employees are the primary resources of the company, and we instituted a personnel system in which elements such improvement of job execution capabilities, performance, rules, and spirit to challenge demanding targets as well as. We safeguard a social policy and ensure personal and professional development, which is the key to improve our competitiveness.

Our commitments on this:

- Employability through training, increased mobility, flexibility in the workplace
 - Bring the changes while maintaining a fruitful dialogue with employees and employee representatives
 - The employment of the company will be based on merit, qualifications, and abilities to ensure equal opportunities. The company does not discriminate in employment opportunities or practices because of race, color, religion, sex, national origin, age, or disabilities
 - The company provides information to employees about workplace safety and health issues through regular internal communication such as training, team meeting, and other written communications. Each employee is expected to carry safety rules and exercise caution and common sense in all working activities. Employees must report any unsafe conditions to their superiors
 - To promote equal opportunities, ensure fair treatment of employees, and respect diversity
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HUMAN RIGHTS PRINCIPLES

Whistleblower policy

The company's whistleblower policy protects employees or other individuals reporting possible misdeeds. Our company encourages an open and transparent atmosphere and always expects employees to act with honesty and integrity. We require employees, suppliers, consultants, and vendors to comply with all legal requirements, professional conduct, and any applicable rules, regulations, policies, and procedures. We strongly encourage and support employees or other individuals to report any non-compliance issues.

Social Responsibilities in relation to production

TEXPREGO maintains a compliant supply chain for external textile suppliers in Bangladesh and ensures that the people who manufacture the products are under fair conditions. We motivate and conduct social and all applicable compliance audit to the manufacturers, suppliers and authorized subcontractors to comply with the Labor Law of Bangladesh as well as internationally accepted laws and rules and regulations with human rights applicable to the country.

LABOUR STANDARDS PRINCIPLES

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

TEXPREGO sister concern The Export Research Garments Operations (BD) Ltd. is a proud member of The Bangladesh Garments Manufacturers and Exporters Association (BGMEA), which is one of the most significant trade associations in the country. BGMEA is promoting and facilitate the apparel industry through policy advocacy to the government, services to members, ensuring workers' rights, and social compliance at factories and also committed to providing all legitimate rights and privileges of the garment workers. The association also strives towards the betterment of society and the environment.

No Forced Labor

TEXPREGO does not tolerate forced labor in any area of its external manufacturers, suppliers, and authorized subcontractors. External manufacturers, suppliers, and permitted subcontractors shall not require their employees to make any deposits or collect any identity documents. We encourage to create a safe workplace as much as workers can perform their duties and responsibilities without any fear in a free, fair, and happy working environment.

LABOUR STANDARDS PRINCIPLES

No Child Labor

It's a zero-tolerance factor in our whole supply chain such as manufacturers, suppliers, and authorized subcontractors that no one is allowed to employ minors (who are under the age of 16). Local legislation would provide a higher age limit as we respect the local provision. Anyone under 18 shall not be allowed to work in night shifts or hazardous conditions according to the definition thereof provided under recommendation 190 of the International Labor Organization.

If any presence of child labor in any production unit, it will be a violation of code of conduct, and the suppliers will be liable to ensure all remedy programs along with education and all applicable till to attain the minimum labor age.

No Discrimination

We shall not apply any discrimination for hiring, compensation, promotion, or termination or to provide training in our manufacturers and or suppliers. There is no practice with employee agreement or retirement based on race, religion, age, gender, marital status, nationality, etc. We are quite precautious to eliminate any discrimination.

ENVIRONMENT PRINCIPLES

ENVIRONMENTAL IMPACTS

To avoid harmful discharge to the environment is now a critical concern globally. With respect to the environmental aspect, we have been working since 2010 with our whole supply chain to reduce the consumption of energy & power and doing best practice in the wet processing area. i.e. using 'A' graded chemical, reusing of water, installing eco-friendly water treatment plants.

Our continuous follow up has brought a remarkable result in our supply chain and obtained Green certification. We are improving our business and supply chain according to the best environmental practice especially, in the following areas:

- Improvement of the environmental management system
 - To engage suppliers to launch projects to improve their environmental performance
 - Avoid hazardous chemicals and substances in readymade garments
 - Produce garments with organic cotton and others recycled polyester
 - To evaluate, follow-up, monitor, and train all suppliers and subcontractors for a better outcome
 - Increase and encourage the usage of recycling fabric and all other eco-friendly technologies
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ANTI-CORRUPTION PRINCIPLES

TEXPREGO maintains its zero-tolerance approach to corruption. The company does not tolerate bribery or corruption within the organization, or its entire supply chain because corruption is a significant impediment to economic growth and development.

To prevent corruption, our company focuses on the following:

- Develop and implement a Standard Operation Procedures (SOP)
- Conduct regular risk assessment process
- Build awareness and training among the employees
- Transparent in customer, manufacturers or supplier's engagement
- Implement a robust management information system within the organization
- Implement whistle-blowing policy within the company, customers, manufacturers and suppliers

Besides, we have an internal audit team responsible for audit the financial statements of the company quarterly and report directly to the Board of the Directors of the company. Further, the social compliance team regularly visits the factories and monitors the continuous process of our products as well as any discrepancies.

SOCIAL CORPORATE RESPONSIBILITY (SCR) ACTIVITIES

TEXPREGO is loyal to good corporate citizenship and supports charity, community initiatives, individuals, groups, and social organizations in Bangladesh to ensure education for all, equality on gender, reduce child labor, environmental sustainability, and develop a global partnership for development.

Supporting our communities:



Memorable moments with students of O AA KA KHA School at Savar, Sirajganj & Mymensingh.

Primary education

We primary focus on providing education to the street-children, distressed children and orphans. Hence, we are working jointly with the “Do something Foundation.”

Further, TEXPREGO is the establishment partner of three schools in different location of Bangladesh; sponsoring teacher’s salaries as well as providing scholarships, school uniforms, educational materials, tiffin, study tours programs, health care, etc; supporting hundreds of children from low-income families living in slums or rural areas, with our focus for them to become **first generation college** students.

SOCIAL CORPORATE RESPONSIBILITY (SCR) ACTIVITIES

TEXPREGO continues to provide support worth more than US\$ 30,000 through its CSR programs to below projects:

Education

We provided educational support to more than 500 children from the following organizations:

- “O AA KA KHA” School, Niribili Bosti, Nabinagar, Savar & Chouhali, Sirajganj
- “Ar Rahmah” Female Madrasa; Orphanage Centers in Nolvogh, Turag and Comilla
- Masjids: Korali Basti, Mohakhali; Baganbari Railgate; Sutail, Gopalgonj; and Garfa, Mollarhat, Bagerhat
- Scholarship programs in Digilia, Khulna; Mirpur, Dhaka; and Brammanbharia

Sanitation & Safe Water

We provided public toilets and deep tube wells to support more than 300 people from the following villages:

- Tajumuddin, Bhola; Khuduk-Khali, Channua

Healthcare

We provided treatment support to more than 310 children from the following organizations:

- Healthcare support to Duchenne muscular dystrophy (DMD) patients in Dhaka
- Primary Health Care Center - Kagmari Char, Sirajganj

Sanitation & Safe Water

We provided public toilets and deep tube wells to more than 300 people from the following villages:

- Tajumuddin, Bhola; Khuduk-Khali, Channua

Community Service -Mosque & Graveyard development work

We provided support for public graveyard development and coffins to more almost 1,200 people from the following villages:

- Charanal, Comilla; Gopalganj; Tajumuddin, Bhola