



## Year 2021 Communication on Progress Report

### 1. Background

Year 2021 marks the **4th year** of ASL's association with the United Nations Global Compact (UNGC).

ASL pledges to continually upgrade workplace standards in the areas of

- Human Rights
- Labor
- Environment,
- Anti-Corruption.

ASL re-confirms his support for the UNGC and its 10 guiding principles.

### 2. Progress Reporting

This Communication on Progress (COP) reporting period is from **June 2020 to March 2021**.

This report details the systems and activities at ASL that

- support the 10 guiding principles and
- outline the outcome of each of them.

#### 2.1. Human Rights

**Principle 1 - Business should support and respect the protection of internationally proclaimed human rights.**

**Principle 2 - Make sure that they are not complicit in human rights abuse.**

##### 2.1.1. System

We have internal organizational policies and procedures that guide and control the implementation of internationally proclaimed human rights and the exclusion of abuses. The main policies and procedures are:

- **ASL Core Values** - Integrity, Quality, Respectful, Teamwork, Entrepreneurial and Innovation. These form the foundation of our business and define the manner ASL employees should think and act.

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## Year 2021 Communication on Progress Report

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- **ASL Code of Conduct.** ASL Code of Conduct states our position on international human rights and sustainability standards & principles. It comprises
  - Forced Labor,
  - Child Labor,
  - Harassment and/or Abuse,
  - Non-discrimination;
  - Freedom of Association & Collective Bargaining;
  - Wages & Benefits,
  - Environment and
  - Health & Safety.
  
- **Supply Chain Management.** ASL Code of Conduct is being implemented through ASL Factory Audit Program to qualify vendors (i.e. suppliers and/or factories) that share our values. ASL Procurement Policy defines the importance to operate the business in full compliance with required legal, environmental, societal & ethical standards.

### 2.1.2. Activities

- Training on ASL Code of Conduct for all staffs as part of ASL Staff On-Boarding Program.
- Dissemination of ASL Code of Conduct posters through information boards within our offices and facilities.
- Inclusion of ASL Code of Conduct in ASL Factory Audit Program.
- Participation in ILO Global Business and Disability Network. This Network aims to raise companies' awareness in and support for hiring people with disabilities.
- Planned annual awareness training for all staff starting in June 2021 on a region-by-region basis through web-based video tools.
- Planned vendor partners engagement events to be hosted in Shenzhen and Shanghai - workshops & seminars commencing in September 2021.

### 2.1.3. Outcomes

Our achievements as a result of our focused activities are:

- The ASL Code of Conduct has been translated into **4** languages - English, Spanish, Traditional Chinese and Simplified Chinese.
- **19** ASL core factories have displayed Code of Conduct posters on information boards within their respective facilities.
- Factories are briefed on ASL Code of Conduct during opening meetings of ASL factory audits.

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## Year 2021 Communication on Progress Report

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- **114** factories have been audited in Year 2020.
- Disability inclusion at the workplace - **1** of our core factories have hired a total of **4** disabled workers as dormitory-cookhouse cleaners. Glad to note that momentum is seen to be in motion as more factories are starting to recognize their CSR role as the way of getting more and continual business from ASL.

### 2.2. Labor

**Principle 3 - Business 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 labor and compulsory labor.**

**Principle 5 - The effective abolition of child labor.**

**Principle 6 - The elimination of discrimination in respect of employment and occupation.**

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#### 2.2.1. System

We have internal organizational policies and procedures that define day-to-day operational standards in relation to the right of collective bargaining, elimination of forced labor & compulsory labor, child labor and discrimination.

- ASL Code of Conduct.
- Policies and Procedures on Human Resource (HR) Management.
- Policies and Procedures on Environment and Health & Safety (EHS) Management.

#### 2.2.2. Activities

- Training on ASL Code of Conduct for all staffs.
- Dissemination of ASL Code of Conduct posters through information boards within our offices and facilities.
- Revision and communication of HR and EHS policies & procedures that incorporate up-to-date local regulations and operating standards.
- Implementation of HR and EHS policies & procedures - on Worker-Management communication, Diversity & Inclusion and Health & Safety.
- Certification of factories on Responsible Sourcing standards via 3<sup>rd</sup> Party audit service providers.
- Participation in ILO Global Business and Disability Network. This Network aims

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## Year 2021 Communication on Progress Report

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to raise companies' awareness in and support for hiring people with disabilities.

- Planned awareness training for all staff starting in June 2021 on a region-by-region basis through web-based video tools.
- Planned vendor partners engagement events to be hosted in Shenzhen and Shanghai - workshops & seminars commencing in September 2021.

### 2.2.3. Outcomes

Our achievements obtained as a result of our focused activities are:

- **ISO45001 certification** has been successfully obtained.
- The ASL Code of Conduct has been translated into **4** languages - English, Spanish, Traditional Chinese and Simplified Chinese.
- **19** ASL core factories have displayed CoC posters on information boards within their respective facilities.
- HR and EHS policies & procedures were updated and made accessible to all staffs through SharePoint.
- All staffs were trained on the updated HR policies and procedures through trainings and meetings.
- All staffs were given general health and safety trainings.
- Factory Certification Status on Responsible Sourcing:
  - **298** factories have been audited for SMETA 4-Pillar, WCA and TCCC.
- Disability inclusion at the workplace - the staff within the ASL HK Finance team that has hearing deficiency is fully integrated into the ASL Family.
- Staff events organized - Employees Birthday Party and International Women's Day.

## 2.3. Environment

**Principle 7 - Business 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.**

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### 2.3.1. System

ASL's guiding principles and measures are stated in the following policies:

- Policies and procedures on Environmental Management that are generated

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## Year 2021 Communication on Progress Report

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in accordance with ISO14001 guidelines.

- Company-wide Corporate Social Responsibility strategy that includes environmental and social sustainability activities.

### 2.3.2. Activities

- Certification of factories on ISO standards - ISO9001 + ISO14001 + ISO45001.
- Awareness training on Environmental management system.
- Initiation of Energy Optimization activities across the supply chain.
- Sustainability awareness training offered to all staffs.
- Monitoring energy consumption across worldwide offices.
- Monitoring waste management across worldwide offices.
- Monitoring carbon footprint of bulk shipments from China factories.
- Rolling out of sustainable product options - OEKO-TEX + GRS + OCS + FSC certified materials to all our Clients.
- Implement Carbon Offsetting Program in November 2021.
- Voluntary signatory of the Carbon Disclosure Protocol (CDP) submitting ASL's Climate Change Questionnaire to CDP.

### 2.3.3. Outcomes

Our achievements obtained as a result of our focused activities are:

- **31** factories have been certified for ISO9001 + ISO14001 + ISO45001/OHSAS18001.
- **24** factories have sent representatives to attend seminars on Environmental and Integrated management systems.
- **1** ASL core factories and **26** ASL offices have replaced over **5,121** light tubes with high efficiency fluorescent light tubes
- Installation of water curtains at **1** factory has resulted in better ventilation and a cooling operating environment benefiting 56 workers.
- **174** staffs have been internally trained on sustainability.
- **14** offices have implemented the new waste sorting system.
- **33** offices have implemented the "Switch It Off" initiative.
- **44** offices are monitoring their energy and waste consumption.
- **44** offices have switched to recycled and recyclable papers.
- Transparent reporting of CO<sub>2</sub>e from ASL offices worldwide.
- Transparent reporting of CO<sub>2</sub>e from ASL shipments from China.
- Obtained CDP grading for Climate Change 2020.

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## Year 2021 Communication on Progress Report

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### **2.4. Anti-Corruption**

**Principle 10 - Business should work against corruption in all its forms - including extortion and bribery.**

#### **2.4.1. System**

Policies related to anti-corruption and anti-bribery are:

- ASL Code of Conduct.
- ASL Anti-Bribery Policy.
- ASL Anti-Corruption Policy.
- Business Cooperation Policy.

#### **2.4.2. Activities**

- Trainings on ASL's anti-corruption and anti-bribery policies as stated in Section 2.4.1.

#### **2.4.3. Outcomes**

- **298** factories' representatives have been briefed on ASL Ethical Standard per ASL Factory Audit Program.