



CORPORATE SUSTAINABILITY REPORT 2011-12



United Nations
Global Compact





SUSTAINABILITY REPORT 2011 -12





VIYELLATEX group is a multi-faceted company with concentration on composite textile and apparel manufacturing in Bangladesh. This is VIYELLATEX's third Sustainability Report, covering the period from July 2011 to June 2012 and the report has been published based on GRI G3.1 guideline corresponding to Level B. Data collected and compiled within this report is the result of a collaborative effort by VIYELLATEX staff.

The criteria used to determine materiality for information included in this report was based predominantly on issues that may have a significant impact on our ability to remain competitive within the markets we operate. No significant changes regarding structure, ownership or measurement method occurred during this reporting period. This report will provide detailed information for our stakeholders on our sincere achievements in aspects economic, social and environmental sustainability.

We would be happy to answer any queries:

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LETTER FROM THE CHAIRMAN



Welcome to VIYELLATEX group's 2011-2012 Sustainability Report. We hope this report demonstrates our true commitment to environmental and social sustainability at VIYELLATEX. It shows that even during economic slow-down, our company did not deviate from our promise; we redoubled and strengthened our efforts. Sustainability continues to make us a better company by reducing waste, lowering costs, driving innovation, increasing productivity and helping us fulfill our vision.

The credit for our progress goes to the entire personnel at VIYELLATEX and to our suppliers who have helped us to make a difference that extends well beyond what we could do alone. I also want to thank the non-governmental organizations with whom we have worked closely.

This is our third annual Sustainability Report, following the path that VIYELLATEX proudly embarked on in 2010. This year we have made vast improvements, reporting a total of 30 indicators thus enabling us to cover more parameters and company aspects.

It is my hope that you will find value in the information we have compiled on your behalf and we expect you will contact us should you have any questions or comments about this report.

Sincerely,

A stylized handwritten signature in black ink, featuring a large, sweeping initial 'R' followed by a smaller, more intricate signature.

K.M. Rezaul Hasanat
Chairman & Chief Executive Officer
VIYELLATEX group



ABOUT US

VIYELLATEX group began its journey as a small privately owned family business in the 90's, in the textiles and apparel sector. Since then, it has experienced exponential growth and now stands as one of the leading multi dimensional business conglomerates of Bangladesh. Besides providing end to end solution through a vertical integrated setup to various clients, it has since ventured into tea plantation, logistics, power generation and building environment friendly factories, namely Eco Couture and EcoFab.

With modern machineries and technology, supported by a highly talented workforce, VIYELLATEX group have successfully implanted its brand name on a global scale as a reliable supplier of premium textile products. The company also envisioned to uplift the image of Bangladesh internationally. The company has achieved several awards for business, social and environmental performance over the years and remains strongly committed towards the Millennium Development Goals. Our Corporate Social Responsibility (CSR) initiatives promote public interest by encouraging community growth and development through education and health programs. With a total turnover of over 180 million USD in 2012 alone, VIYELLATEX group aims to tap into the upcoming business opportunity in the garments & textile sector.



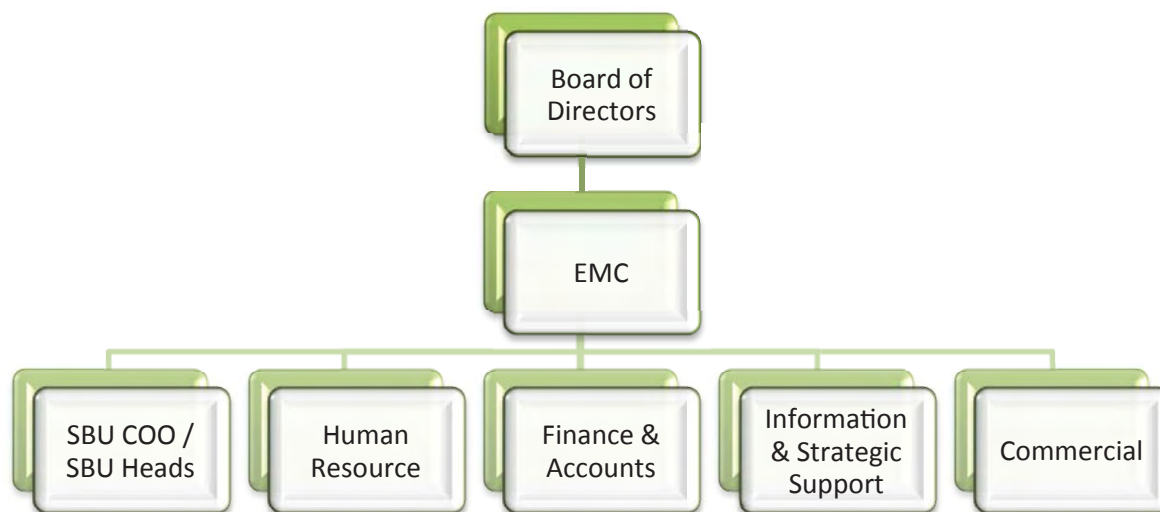
ORGANIZATIONAL PROFILE

Corporate Structure

The highest governing body of VIYELLATEX group is the Board of Directors with two non-executive members. This body is responsible for establishing broad policies and objectives that aids in governing the company, setting revenue goals and to overview the performance of the Executive Management Committee (EMC). VIYELLATEX group is privately owned and operated company with none of the shareholders sitting in any conflicting committees relating to the organization.

VIYELLATEX group gives due importance on participatory governance policy to create a friendly environment. The internal culture is such that even members from the lowest hierarchy can easily interact with the Chief Operating Officers, Directors and the CEO. This culture is maintained diligently so that the views, recommendations or observations of every individual reach the highest level of authority through appropriate mechanism.

The EMC consists of the Chairman, Vice Chairman, Directors, Business Unit Heads and Business Function Heads. It deals with Business Unit's operational goals and strategies, inter-unit matters, budgetary decisions, significant sudden complicacies and compliance issues with internationally agreed standards, codes of conducts and principles. Every minority shareholder is a member and has equal rights in EMC. The Chairman oversees overall performance and branding activities of VIYELLATEX group.



Organizational Structure



BUSINESS UNITS

VIYELLATEX group is a fully vertically integrated conglomerate with ensured uninterrupted supply of raw inputs (yarn, fabric, accessories, etc). A brief outlay of the setup is given below:

Yarn



Equipped with 40320 spindle ring and 1280 rotor machines, **VIYELLATEX Spinning Ltd** (VSL) is capable of producing 900 tons of yarn every month. High premium cotton is sourced from USA, Brazil, India and the African continent. These raw inputs are certified by Cotton Made in Africa, FLO Fair Trade, Cotton USA and Control Union (GOTS & OE).

Knit Garments



VIYELLATEX Limited (VTL) is the composite knit apparel and textile manufacturing business unit, capable of producing more than 2.2 million pieces on a monthly basis. The type of product produced at this unit includes men's wear, ladies' wear and kids' wear.

Woven Garments



The woven apparel business unit, **Interfab Shirt Manufacturing Ltd** (ISML), has a capacity of producing 1 million pieces of formal and casual shirts every month. The unit is equipped with technologically advanced machinery to cater to the demands of the international premium customers.

Printing & Embroidery



Gothic Design Ltd (GDL) is the printing and embroidery division of VIYELLATEX and is located within the main premises. Equipped with state of the art machinery and technologies, the unit's capacity is about 1.8 million units of garments every month, whereas the embroidery section produces 1.9 billion stitches per month.

Accessories



Fashion Plastic & Packaging Ltd (FPPL) is a state of the art accessories manufacturer affiliated with world renowned brands and retailers. With its 50 tons per month capacity, it is meeting the in-house demand as well as supplying to other companies.

Logistics Services



The logistics arm, **Logistics Management Services (LMS)** is responsible for providing logistics and warehouse managing services not only to meet the internal demand but also to cater for other business. It is strategically placed at Gazipur on a land area of over 7 acres equipped with electronic data integration (EDI) system.

Plantation



Royal Valley Planters (RVP) is the agro based business division of VIYELLATEX group, and it was acquired to put further emphasis on environmental responsibility and carbon neutral commitments. The tea estate spans over 1800 acres serving major retailers and buyers all over the world. As part of our commitment, about 7 million tree saplings have been planted so far.

ON GOING PROJECTS

Environment Friendly (Green) Factory



As part of the carbon neutral commitments, VIYELLATEX group is on the verge of inaugurating two environmentally friendly factories (Eco Couture & Eco Fab) that would serve as an extension for Knit Garments and Woven Garments respectively. The projects are LEED (Leadership in Energy and Environmental Design) Certified in Gold Category.

Energy



As part of the diversifying strategy and to meet the energy requirements of the nation, VIYELLATEX group expanded in the energy sector by founding Midland Power Company Ltd. The company has initiated an independent power project (gas fired) in Ashuganj, Brahmanbaria that aims to provide 51MW to the national grid.



COMPANY TIMELINE

1996
YOUNGONES FASHIONS LTD.
(Basic knit wear)

1998
INTERFAB SHIRT MANUFACTURING LIMITED
(Woven Shirt)

2001
VIYELLATEX LIMITED
(Knitting, dyeing, washing, embroidery)

2004
FASHION PLASTIC & PACKAGING LTD.
(Accessories & packaging)

2005
VIYELLATEX SPINNING LIMITED
(Carded, combed & open end cotton yarn)

2007
GOTHIC DESIGN LIMITED
(Printing)

2009
ROYAL VALLEY PLANTERS
(Tea estate)

2009
LOGISTICS MANAGEMENT SERVICES
(Logistics Support Provider)

2011
MIDLAND POWER
(Power Generation)

2013
ECO COUTURE & ECOFAB
(Environment Friendly Factory)

STATEMENTS & STRATEGY

Vision

To be the most regarded company by 2015

Mission

We strive to provide quality services on time, based on best practices for the satisfaction of our Partners & Stakeholders. We foster friendly working environment through open communication and mutual respect. We encourage initiative, innovation and teamwork. Workers welfare and rights is our premier focus. We are committed for cleaner and greener environment. We are driven by our responsibility to the society as a Corporate Body.

Values

- Integrity
- Fairness
- Innovation
- Environment
- Commitment
- Customer satisfaction

Sustainability

VIYELLATEX group engages in sustainable business because it intends to serve and prevail in the long run.

Adaptability

VIYELLATEX group believes in being flexible to change. With time, the needs of stakeholders, environment and the people change and so the group evolves to cope up with the change; keeping the Vision, Mission and Values intact.

Human Capital Management

VIYELLATEX group considers human resources as its greatest assets and so it strives to preserve, nurture and develop the people to perform at their fullest potential.

Diversification

VIYELLATEX group focuses on diversification as much as it values the core business because it believes that continuous improvement comes with continuous efforts to grow bigger; without compromising the quality of the delivery.



STAKEHOLDERS

Any organization, association and other entities that have significant influence on VIYELLATEX and also any individual or groups that are influenced by our activity (either directly or indirectly) on a continual basis are considered as our stakeholders. Stakeholders are an integral part of an organization and VIYELLATEX is no exception. We especially consider our customers, suppliers, financial institutions, employees and surrounding community as our most vital stakeholders and partners.

VIYELLATEX provides a range of products and services to buyers both nationally and internationally. We offer our clientele base superior quality and undeniable commitment. Our strong policy in being environmentally and socially responsible upholds our sincerity towards our stakeholders. On a regular basis, we engage in dialogue with our suppliers, buyers, and contractors in respect to our performance as well as sharing experience on various aspects. In respect to our commitment to communal development, we regularly sit with people from the community and civil society in an effort to understand their needs better. Moreover, it has been over a year since we have started taking satisfaction surveys, as well as organizing impromptu focus group discussions with the local community, with particular emphasis on developing health and education.

Customers



SUPPLIERS





AWARDS & ACHIEVEMENTS

- Certified AA1 Credit Rating by Credit Rating Agency of Bangladesh, 2012
- Achieved ISO 14001:2004 Environmental Management System Certification, 2012
- Outstanding contribution to the Marks & Start program by M&S, 2012
- Outstanding contribution towards promoting awareness on HIV/AIDS in workplace by BGMEA & Marie Stopes, 2012
- 'Plan A' Award by Marks & Spencer in 2011
- HSBC The Daily Star Climate Awards 2010 - For Green Business Entrepreneurship and adopting green and energy saving technology in manufacturing garments
- BGMEA-BATEXPO Award 2010 - For outstanding contribution in BGMEA and CSR activities, Workers' welfare and overall image lifting of readymade garments
- HSBC Export Excellence Award 2010, 2009 - For Excellence in Export Business Performance
- PVH Gold Award 2010 - For outstanding performance of delivery and control in production
- Best Workers Friendly Knitwear Industry Award 2010 - Bangladesh Garments Manufacturers and Exporters Association (BGMEA)
- National Export Trophy 2006, 2005 - Awarded by Export Promotion Bureau



PRODUCTS



1. Sleep Wear (Male, Female and Kids)
2. Kids Wear (School Wear, T-Shirt, Polo Shirt, Shorts)
3. Casual Knitwear (Basic T-Shirt, Polo Shirt, Tank Top, Jogger, Hooded Jacket)
4. Fashionable Wear (Skirt, Gown)
5. Formal Shirt (Half and Full Sleeve)





CERTIFICATIONS



MEMBERSHIPS & AFFILIATIONS



Bangladesh Garments Manufacturers & Exporters Association (BGMEA)



Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA)



Bangladesh Textile Mills Association (BTMA)



Signatory of United Nations Global Compact



Organizational Stakeholder of Global Reporting Initiative (GRI)



Board of Trustees Member of CSR Centre Bangladesh



Member, Bangladesh German Chamber of Commerce & Industry (BGCCI)



Contributor to the Nordic Initiative, Clean and Ethical (N.I.C.E) Fashion Code of Conduct



PRINCIPLES GOVERNING REPORT PREPARATION

The principles defined under the GRI reporting standard: materiality, stakeholder inclusiveness, sustainability context and completeness, were considered during compilation of the report.

Materiality

The information that is contained in this report covers aspects and indicators that reflect the company's significant social, environmental, and economic impacts or those that may have a considerable influence on stakeholder evaluation and decisions.

VIYELLATEX conducted an analysis of materiality through a process for determining relevant CSR practices or matters, which is centered on two bases:

- External factors (those related to the expectations of our stakeholders and the importance the latter attach to the different matters)
- Internal factors (which determine the significance of the different issues for the business, company management, and, ultimately, in meeting objectives envisaged under business strategy).

Stakeholder Inclusiveness

As a supplement to the procedure for analyzing relevant CSR issues and preparing social and environmental standards, VIYELLATEX considers the commitment, strategies, programs adopted by most of our customers (for instance, 'PLAN A' by M&S, 'Puma.Safe' by PUMA, etc) to learn about the challenges and trends in critical CSR matters.

Additionally, a range of communication channels and mechanisms are in place with which the company maintains ongoing open dialog with other stakeholders in order to ascertain needs and expectations.

Sustainability Context

VIYELLATEX group have been very active in terms of communicating and disseminating initiatives with sustainability. Over the past year, VIYELLATEX have participated in various workshops, seminars and forums centered on themes such as climate change, sustainability, social standards in the industry, partnerships thru CSR, and other similar events, as well as internal meetings and dialogues are held periodically.

Completeness

This report has been prepared with the intention of appropriately reflecting the fundamental implications, risks and challenges of the business and the sector as a whole, making information accessible to an extensive and diversified audience. The document gives greater priority to certain aspects over others, as described under materiality principle and to ensure uniform presentation, a common structure was devised for all chapter and sections.

Indicator coverage, understood as all entities whose performance is described in the report, extends to the business units of VIYELLATEX group over which the company has effective control of management. Our previous reports are available at our website.

DESCRIPTION OF KEY IMPACTS, RISKS AND OPPORTUNITIES

Economic Sustainability

Maximizing resource utilization and minimizing costs are the driving forces towards ensuring that initiatives are economically viable. We are constantly driven to do more with less. Also, long term gains will always have preference over long term yields.

Social Sustainability

To be a responsible corporate citizen by a twofold approach: firstly adhering to the established standards and regulations and secondly, contributing to the society by creating employment through effective CSR activities. Sustainable initiatives like CSR focus on the top priorities of the country – education and healthcare.

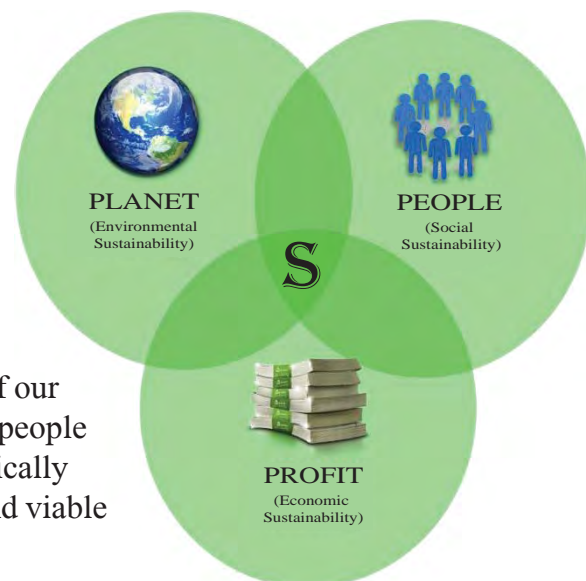
Environmental Sustainability

The conservation of natural resources along with minimization of any adverse impacts on the environment from our activities guides all our initiatives promoting preservation and protection of the environment.



Sustainability Approach

We focus on best standard practices of products and processes, from start to finish!!!



Taking care of our planet and its people
In an economically sustainable and viable way

The Triple Bottom Line



DISCLOSURE ON MANAGEMENT APPROACH

Decent Labor and Work Practices

VIYELLATEX group is committed in upholding human and constitutional rights, and respecting all laws including those pertaining to the fair treatment of employees. VIYELLATEX group strictly prohibits discrimination on any basis (gender, ethnicity, etc) in respect to recruitment, compensation and benefits, training & development or in any other aspect. Also, management goes to great lengths to achieve the highest standards of labor practices and working conditions.

Society

VIYELLATEX group is committed in maintaining high ethical standards at all of our operations and business practices. Strong corporate governance practices are an integral part of our environmental and social commitments and an important factor in our overall business success. We continuously engage in communal and welfare activities, and also partake in influencing change within society, helping people to see the value of education, and the contribution both men and women of all abilities can make to their personal growth as well as that of business and nation.

Product Responsibility

Ever since the company's inception, product safety and quality has always been a top priority. It has been a long tradition to source raw materials such as fabrics, chemicals, and other inputs from reputed, renowned and accredited suppliers. Quality is regarded as an ongoing process of improvement to be lived along the entire cycle from product development to the end users. At VIYELLATEX quality is something you can see, touch, and feel.

Economic

Honest, fair and transparent business dealing is the most imperative value in VIYELLATEX group and transparency is encouraged and fostered in all of its communications. Employees are offered competitive compensation and benefits which are better than most other similar industries of the country in most cases. In near future VIYELLATEX strives to be one of the models for multifaceted growth in the country.

Environmental

At VIYELLATEX group, the management is fully committed to ensure that every aspect of its businesses is in compliant to all laws and regulations and also to the norms and standards required by our stakeholders. It goes above and beyond the norm in terms of environmentally conscious practices, and creating benchmarks in order to address environmental impacts relating to energy, water, harmful emissions, and waste.

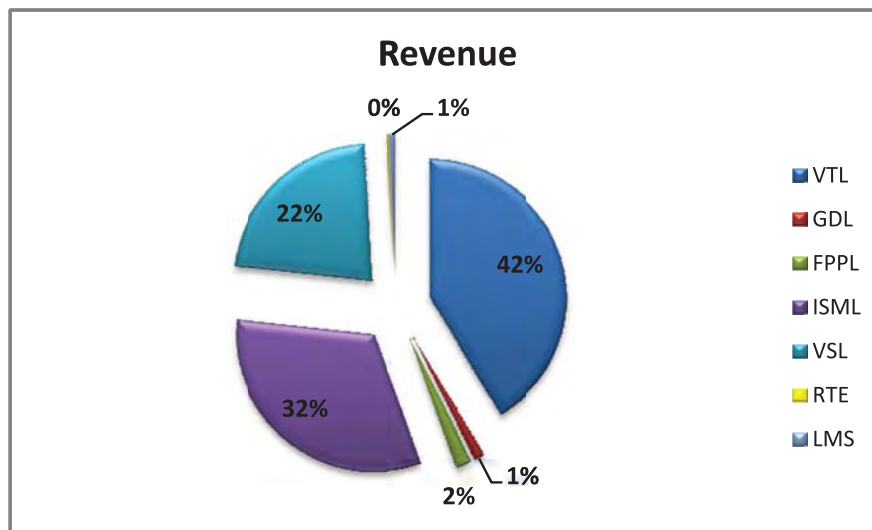
Human Rights

VIYELLATEX group gives utmost importance to the Human Rights of all employees and acknowledge that they are an integral part of our organization. VIYELLATEX group have a zero tolerance policy in regard to discrimination, and hence do not discriminate on the basis of gender, age, religious beliefs, political affiliations, ethnicity, etc in respect to any business activity. Moreover, the management has put into practice several committees and teams to develop a healthy relationship with the workers and staffs.

ECONOMIC PERFORMANCE

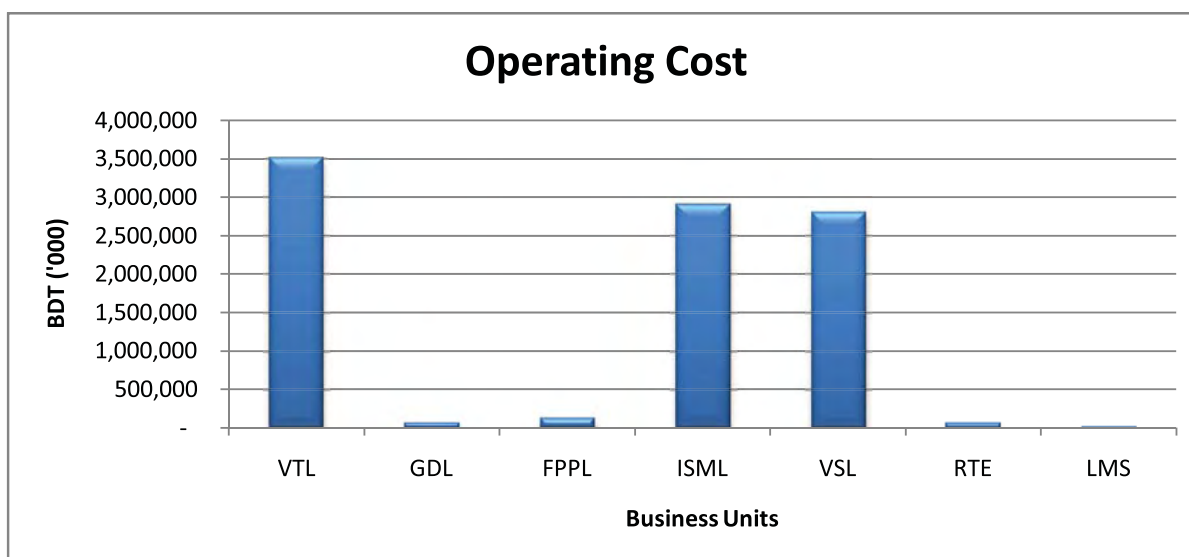
Revenue

The reporting year of 2011-2012, VIYELLATEX recorded a financial performance which was satisfactory amidst the slow market. Total revenue of the group this year stood at BDT 11,801,848,343. As per business trends, the highest revenue was through the group's flagship unit VIYELLATEX limited and the lowest was from the tea estate in Sylhet, which is still under development.



Operating Cost

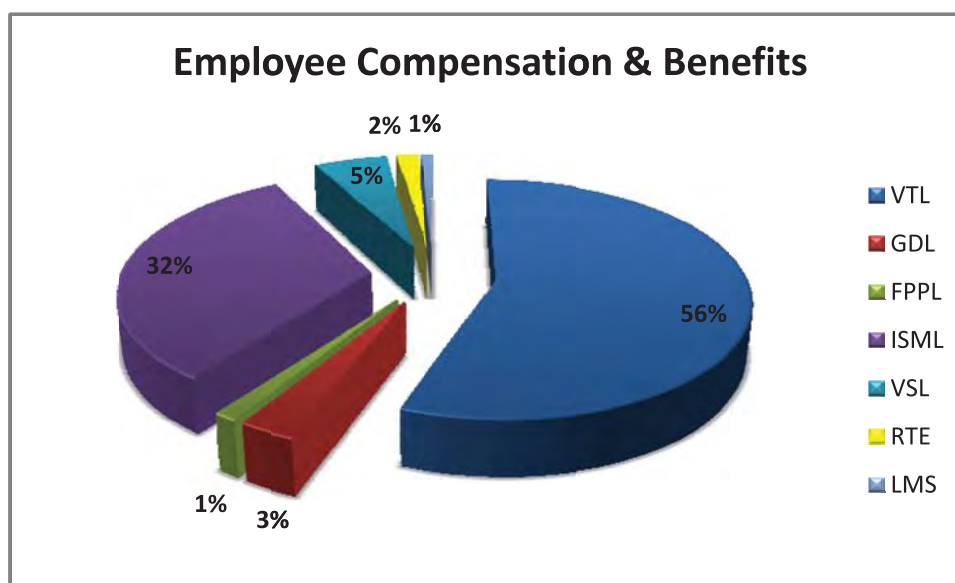
The operating cost increased significantly from the last reporting year. One of the primary reasons of this was to make inflationary adjustments. Additionally, increase in the cost of raw materials, routine maintenance and repair expenses. The operating cost for the fiscal year 2011-12 stood at BDT 9,527,630,027.





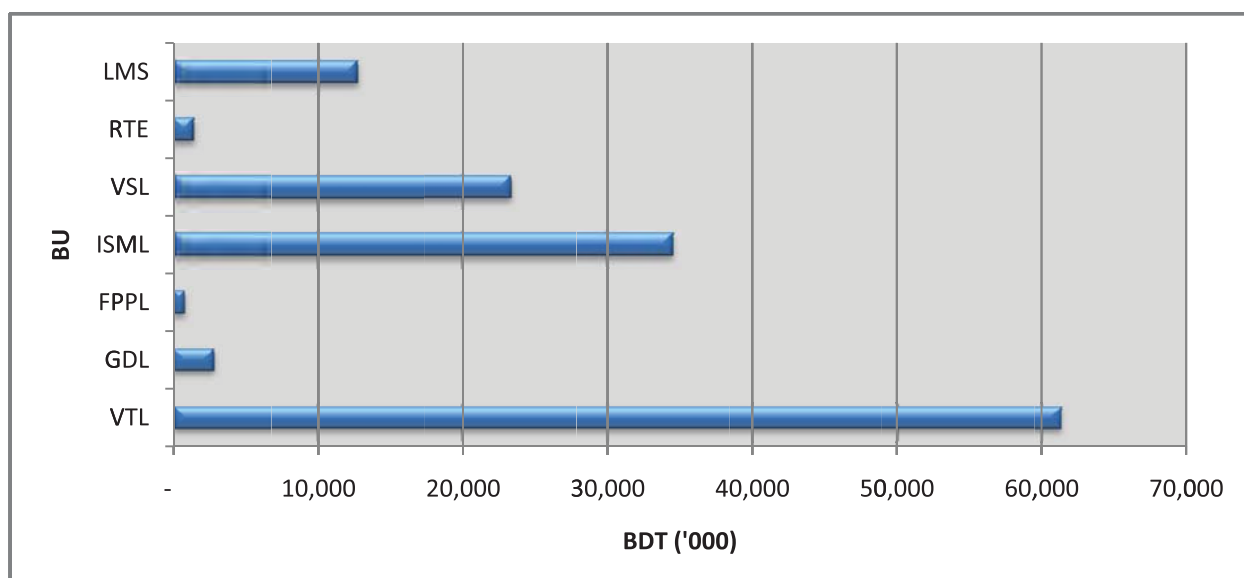
Compensation & Benefits

VIYELLATEX's main employee base is its workers. The remuneration package is at par with the industry standard. Our performance bonus is also a unique feature in the industry. Additionally, attendance bonus, performance / productivity bonus, skill allowance, etc are provided to all the employees.



Payments to Government

VIYELLATEX pays a significant amount of money to the government mainly through Income Tax, Advanced Income Tax (AIT) and Value Added Tax (VAT).



Economic Value Generated

Apart from the raw material cost, employee compensation & benefit is the second largest cost incurring source for VIYELLATEX group. This cost has increased due to salary adjustment of workers, who are the biggest segment of the human resources of the company. The table below shows the financial statement of year 2011-12 of VIYELLATEX.

Key Financial Figures of VIYELLATEX Group

	BDT (₹)
Net Revenues	11,801,848,343
Operating Cost	9,527,630,027
Employee Compensation & Benefits	1,622,762,132
Community Development & CSR	16,763,984
Training & Development	2,653,587
Payment to Capital Providers	785,000,000
Payment to Government	136,830,572
Retained Earnings	444,981,512

COMMUNITY DEVELOPMENT & CSR

VIYELLATEX group brings a significant contribution to the community and society through programs, focusing on healthcare and education of children. The company's social programs reflect a belief that a healthy and educated population is needed to develop society.

In the reporting period, a school for physically challenged and underprivileged children (BIKASH) was established in the local community. The aim is to provide schooling and general education to physically challenged & underprivileged children who are otherwise neglected. BIKASH School is a joint-venture initiative between VIYELLATEX Welfare Trust and OLYMP-BEZNER-Foundation of Germany.

VIYELLATEX also participate in the 'Technical and Vocational Education and Training (TVET) Reform Project', which is run in collaboration with Center for the Rehabilitation of the Paralyzed (CRP) and International Labor Organization (ILO). The aim of this program is to provide Skill Development Training to people with disability (especially females), particularly from poor and marginalized communities. So far, 72 such individuals have been absorbed into the mainstream labor workforce.

'Early Childhood Development (ECD) Program' is another program where eight pre-kindergarten schools are administered in the surrounding locality. All children including those disadvantaged by poverty, ethnicity and disability is eligible to enroll in the school free of cost. This project is implemented in association with USAID, Save the Children and PVH.



In addition an apprenticeship program 'Work to Learn Advanced' in collaboration with UCEP, Save the Children and S'Oliver, is undergoing at the printing unit of VIYELLATEX. The program provides intensive vocational training to selected candidates and upon successful completion, each of the students have the option of permanent employment at VIYELLATEX.

Other programs that are held on a continuous basis are 0-5 Medical Clinics, Eye Camp, Expanded Program on Immunization, Blood Donation Program. The objective of such programs is to provide free medical healthcare and services to the employees of VIYELLATEX group and also to the local community.

All such social projects and programs not only provide education and employment opportunities but also slowly influence change within society, helping people to see the value of education, and the contribution of both men and women of all abilities can make to their personal growth as well as that of the nation.

In the last fiscal year, VIYELLATEX group have invested over BDT 16 million for the purpose of social responsibility and for communal improvements.

Moreover, relationships and timely communiqué are also established with local authorities and stakeholders in order to identify other projects that would benefit the whole community and in which VIYELLATEX could bring an added-value.



BIKASH School



ECD Program

ENVIRONMENTAL PERFORMANCE

Water Consumption

VIYELLATEX group has undertaken multiple measures to ensure efficient use of water resources. We put great emphasis on monitoring and improving the use of water to minimize our environmental impact on groundwater resources.

The total water consumed throughout the entire organization during the period July 2011 – June 2012 was 923,030 m³.

Business Unit	Water Consumption (in m ³)
VTL+FPPL+GDL	679,800
ISML	25,100
VSL	176,011
RTE	42,119
Total	923,030

* Water usage for LMS was very insignificant (19 m³)

Surface Water

Ruthna Tea Estate is the only Business Unit involved in using surface water as sources, which utilizes the water from the nearby streams. During irrigation, which usually takes place for three months from January to March every year, the tea plantation consumes approximately 7020 m³ of water.

Underground Water

VIYELLATEX group, across all business units used 873,994 m³ of ground water resources as its primary source of water for this year. Utility water is discharged through the local sewage system since it does not have any chemical content. Used water from our dyeing unit is treated at the Effluent Treatment Plant (ETP) and then discharged in the storm drain. Spinning mill discharges its de-mineralized water to its own pond for evaporation.

Rainwater Harvesting

VIYELLATEX Limited (VTL) has developed a mechanism to accumulate and store rainwater. The combined roof-top space is equipped with rain water harvesting system to re-use the water for fabric dyeing, washing and other purposes.

Such an initiative enables to save about 45,000 m³ of underground water every year.

The Tea Estate depends solely on rain water for nine months (April- December) of the year. In these nine months, the tea estate uses around 23,000 m³ of rain water.



Water Recycling and Discharge

This reporting year, approximately 402,102 and 39,768 m³ of water were used by the Dyeing, Finishing & Utility and Washing units respectively. On the other hand, 262 m³ of water was consumed for common utility per day. VIYELLATEX has treated around 441,870 m³ of waste water through Effluent Treatment Plant (ETP) in this reporting year. Out of this, 8-10% of recycled water was reused for toilet flush for about 7500 workers saving 44,187 m³ of underground water.

Effluent Treatment Plant

VIYELLATEX's wastewater treatment Plant has been designed, constructed and managed in such a way so that it achieves the environmental performance objectives to as per the statutory requirements.

Regular tests are carried out by the Environmental Engineering laboratory of Bangladesh University of Engineering and Technology (BUET) and the Department of Environmental (DOE) to check the water quality of the ETP. The result is attached below -

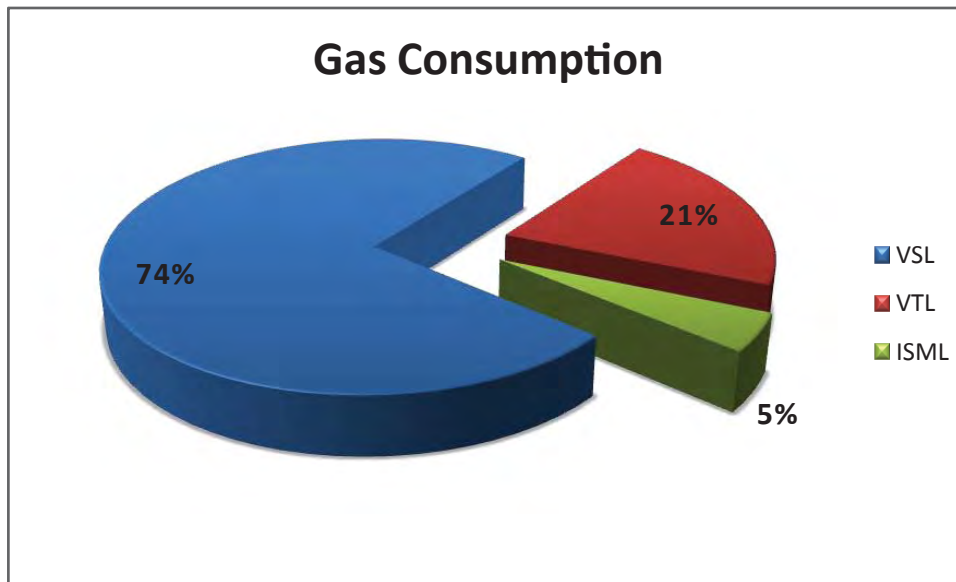
Water Quality Parameter	Unit	Concentration Present	Legal Standard *
pH	---	7.98	6.0 – 9.0
Total Dissolved Solids	mg /l	1877	≤ 2100
Dissolved Oxygen	mg /l	6.9	4.5 – 8.0
Biochemical Oxygen Demand	mg /l	35	≤ 50
Chemical Oxygen Demand	mg /l	71	≤ 200
Temperature	Celsius	25	30

* Bangladesh Standard for Waste Water from industrial units, discharge to inland surface water as per ECR (Environment Conservation Rules) 1997



Natural gas consumption

The primary energy source for VIYELLATEX group is natural gas, which is supplied by the National gas supplier (Titas Gas Transmission & Distribution Co) of Bangladesh. Utilities such as generators, boilers and domestic lines run on this gas. In the reporting period, the total gas consumed by VIYELLATEX group is 27,712,609 m³ and in Gigajoules the energy consumption is 1,081,069.



The gas consumption of Fashion Plastic & Packaging (FPPL) and Gothic Design (GDL) is very negligible, due to the nature of the process in these units. Both the units co-share the gas consumption of VIYELLATEX Ltd (VTL), as the gas line is centralized and redistributed internally.

The consumption in respect to each Business Unit is shown below:-

Business Unit	Annual Consumption (in m ³)	Energy Consumption (in GJ)
VSL	20,521,318	800,537
VTL, GDL & FPPL	5,877,392	229,277
ISML	1,313,899	51,255

* There was no gas usage for LMS & RTE



Energy Savings

Using Condensed Steam

VIYELLATEX have devised a system where condensed steam is re-used and fed into boiler feed tank, which saves 180,000 m³ natural gas every month. Generally, steam is generated inside a boiler which is then passed to the dyeing machines through pipes, and sequentially the water in the dyeing machines gets heated. In most cases, the process waste would be steam which would be lost in the atmosphere. However, we process this waste (i.e. steam) and channel it to a water reservoir. The reservoir contains water at room temperature which then gets heated by the re-condensed steam coming from the dyeing machines. This heated water is supplied into the boiler to produce steam once again, hence consequentially causing less energy usage by the boiler. Such a method immensely contributes to cost savings of about 30 - 40%.

Using Dryer Exhaust

The dryer machine in the Dyeing Unit of VIYELLATEX Ltd is used to dry fabric at very high temperatures. The exhaust that is produced from the process is connected to pipes which transfer the hot air back to the dryer machine. This exhaust is already at high temperature, which means that less electricity is required to operate the machine in producing heat as the machine has already received some hot air from the exhaust. This process saves almost 7500 m³ of gas per month.

Using Co-Generation Chillers

VIYELLATEX Spinning Mill has 5 chillers, of which two are gas-fired absorption chillers, one is steam-fired absorption chiller and two are hot water absorption chillers. Steam-fired absorption chiller and hot water absorption chillers save cost through their unique energy saving features. The steam-fired chiller produces 670 tons of cool air, while the hot water chillers produce 500 tons for the factory. For the steam-fired absorption chiller, a 3 ton boiler is run by the exhaust from 5 MW gas generators. Inside the boiler, steam is produced and fed into the chiller. The hot water absorption chillers use jacket water discharge from the gas generators instead of exhaust for the chilling process.

Co-Generation Boiler

VIYELLATEX Limited have Exhaust Gas Boiler to make use of the exhaust from three 1.064 MW gas generators. Approximately 25% of the usable energy of the fuel gas is released in the exhaust of the gas engine. This energy is captured for co-generation and channeled into the boiler. The heat exists at a temperature of about 450o C which can be classified as 'high grade heat'. This high temperature and flow makes it well suited for utilization in a cogeneration boiler. The superheated steam produced in the boiler is typically available at 6-6.5 bar pressure and is distributed for usage in the garments and finishing section.

Such a heat recovery system enables us in saving substantial energy resource while reducing carbon emission at the same time.

Both these systems (co-generation chillers & boilers) help to save about 140,000 m³ gas resources per month.

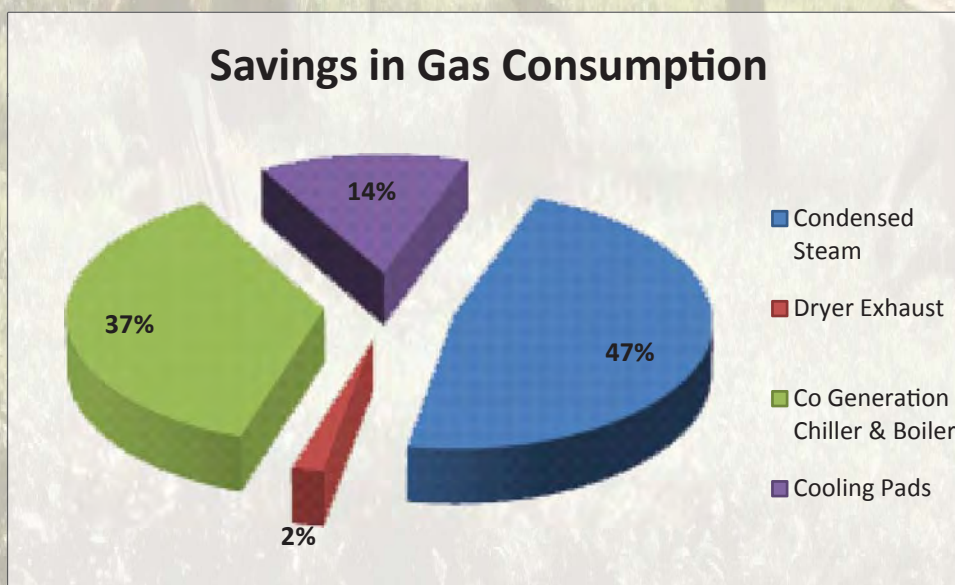
Using Cooling Pads

The use of cooling pads in the production floors have been in practice for a long time now. The main objective of the installation was to replace the use of air conditioners, in an attempt to provide a congenial atmosphere of the workplace. The outside air sucked in by large exhaust fans passes through the wet pads, making the air cooler. This evaporating cooling system acts as an alternative to air conditioners, saving 411,945 m³ of natural gas in VTL and 220,513 m³ in ISML every year.

Energy Efficient Lighting and Machineries

In all the business units, energy efficient lights have been installed to replace all florescent light bulbs. Also, sewing machines are fitted with servo motors, which are proven to consume less energy. Such initiatives have resulted in the reduction of our electric consumption by 35%.

In the last fiscal year, 4,562,458.00 m³ of natural gas saved. The chart below shows the major contributors to gas savings.





Waste Management

A standard waste management practice (a part of EMS) is implemented in all the business units. The practice is to first identify the waste streams throughout the organization and try to reduce the waste at source. Secondly, full documentation is maintained in regard to type of waste generated (quantity), storage, and method of disposal. VIYELLATEX group is engaged in several 3R (Reduce, Reuse & Recycle) programs.

All wastes accumulated at VIYELLATEX are segregated into Paper and Cardboard, Fabric and Textile, Non-hazardous and Hazardous. Each type of waste is sorted, clustered and stored in a secured place. The hazardous waste (drums containing chemical, dyes, oil, etc) are first quarantined and then stored in secured compartment. Before disposal, all necessary steps are taken to mitigate environmental & health hazard. Most of the wastes are sold to local vendors for selling or recycling in the local market.

Wastage data from July 2011 – June 2012:

Item	Quantity	Unit
Drum Sold	13,700	Pieces
Cardboard and Paper	76,950	Kilogram (Kg)
Fabric Waste	282,547	Kilogram (Kg)
Non-hazardous	1,017,592	Kilogram (Kg)
Hazardous	28,034	Kilogram (Kg)

Paper Recycling

To recycle the waste paper (newsprint, A4, etc), VIYELLATEX participates in the paper recycling program of Centre for the Rehabilitation of the Paralyzed (CRP) and Shishu Polli Plus. The waste papers that are sent to each organization are converted into greeting cards, envelopes, visiting card, and so forth.

Organic Fertilizer

At a site two kilometers from the Spinning Mill, about 50 tons of organic compost fertilizer is produced every month. Leftovers from lunch of VIYELLATEX employees along with kitchen waste from the surrounding area, cotton dust from the spinning mill, cow dung, water hyacinth and some other natural ingredients are combined to manufacture a very potent fertilizer. The fertilizer is then used for plantation purposes at the tea estate (RTE) in Sylhet, and it is also distributed among the farmers in the local community



The table below lists the various items and composition of the organic fertilizer.

Sl	Item	Quantity (in Kg)
1.	Food leftover	50
2.	Micro dust	228
3.	Litter	300
4.	Water hyacinth	100
5.	Khoil	10
6.	Bone melamine	10
7.	Urea	1
8.	Blood melamine	1
9.	Cow dung	300
	Total	1000

Reusing Water

The sink water used daily by the management staff is re-used for sprinkling onto the gardens and plantations around VIYELLATEX's main premises and the tea estate. We save about 500 liters of water per day from this mechanism. Also, the treated water of the ETP is re-used for toilet flush for about 7500 workers.

Reusing Spinning Waste

As mentioned above, the cotton dust from spinning mill is used to prepare organic fertilizer. Some of the waste materials from the ring process (mainly cotton) is re-used as raw material / inputs in the rotor process. Approximately, five tons of ring process waste is used in rotor per day.

Reusing fabric & Selling Rejected Garments

Waste from cutting section is cut into small shapes to be used as handkerchief for the management staff during lunch every day. Additionally, the scrap or rejected garments are sold to the local market or third parties who generally convert the garments into home textiles and other small scale products.



Environmental Protection

In the fiscal year 2011-12, the biggest expenditure incurred in relation to environmental protection, were the construction of our two Environment Friendly (green) factories. Both the projects will be certified by the US Green Building Council (USGBC) with LEED Gold Certification. These projects are the manifestation of the commitment of VIYELLATEX group towards green initiative, aimed at contributing in building a greener economy for Bangladesh.

Profile of Eco Couture:



The project is expected to go into operations by this year (2013). The building will comprise of HVAC (Heating, Ventilation, and Air Conditioning), indoor air quality system, and a sewerage treatment plant (STP). The entire roof top area would be installed with a rain water harvesting system and the ceiling would be fitted with sky lights to utilize the daylight. In addition, Solar PV panels would be installed as an alternate source of energy.

The total investment (2011-12) for the project is BDT 280,338,448.

Profile of Eco-Fab:



The project is expected to be commissioned later this year. The projected energy requirement is 2000 KW (approx), of which 30% will be provisioned through renewable energy source. The major building features are HVAC (Heating, Ventilation & Air-conditioning), IAQ (Indoor Air Quality), STP (sewerage treatment plant), Solar PV, Rain Water Harvesting, and Day-lighting.

The aggregated investment (2011-12) in Eco-Fab stands at BDT 86,235,291

Training & Development

VIYELLATEX acknowledges the significance of skill development and the value it brings to both the organization and its respective employees. Training is critical to the business to ensure optimal production, continuous performance improvement as well as employee retention. Conjointly with the company's policy of promotion from within, training efforts have created opportunities for succession planning. In this regard, VIYELLATEX group provides skill development training to the management staff, that not only aides the administration in the successful achievement of the company's goals and ambition but also in raising productivity throughout the organization.

VIYELLATEX group ensures that all trainers are properly trained and have the required competencies to enhance skill development of workers and also to ensure a competitive work environment.

The table below showcases the training & development scenario of the organization.

Training Report July 2011 – June 2012					
SL	Type of Training	No of Participants	Training Hours	Hours per Intervention	Training Cost (in BDT)
1	Corporate Security & Risk Management	1	6.5	6.5	3,500
2	Creating ROI on HR Initiatives	2	8	16	39,998
3	Effective Manpower Planning	1	6.5	6.5	25,999
4	Future Leader Program	14	27	378	562,433
5	HR Balanced Scorecard	1	8	8	19,999
6	Internal Auditor Course - ISO 14001:2004	4	17.5	70	40,000
7	Internal Conference of CA 2011	2	8	16	4,000
8	Intro to SA800 Basic Training Course	1	35	35	87,638
9	Master Training	20	45.5	910	420,000
10	Mind mapping for sales success	3	6.5	19.5	75,597
11	MT's ACDS Program	12	16	192	419,545
12	OHSAS 18001:2007	1	16	16	11,232
13	Professional Presentation for Success	3	8	24	7,500
14	Project Management Professional	3	32	96	81,000
15	Regional Standard Setters Conf 2011	2	8	16	6,000
16	Six Sigma Black Belt Certification Course	1	45	45	26,125
17	Talent Pipeline@ Growth HR Kites	9	19.5	175.5	460,000
18	The Key to Profitable Growth	2	8	16	143,996
19	Training of Trainers	20	19.5	390	180,000
20	Workshop on: Income Tax Management	2	12	24	18,000
21	WRAP Fire Safety	1	7	7	10,000
22	Store & Inventory Management	3	17.5	52.5	11,025
				2520	2,653,587



In combination with the skill development and advancement of the trainers, instructors and managers, VIYELLATEX group also organizes various on-site coaching camps, workshops and vocational training for workers and non management staff (NMS). Training efforts over the past year covered both critical and scarce skills and spanned across a broad spectrum, including Occupational Health & Safety (OHS), Ethical Module Factory (EMF), etc. These training programs help in fostering a safe and healthy work environment, to enhance ownership and positive attitude among the workforce, and to reduce grievances, absenteeism and workers migration.

The table below highlights the normal scenario of overall training activities of VIYELLATEX group in a given month that is being provided to factory workers and non management staff.

SI No	Type of Training	No of Participants		Total Training Hours
		Female	Male	
1	Ethical Module Factory & Risk Analysis	1055	312	5468
2	Fire Fighting & Electrical Safety	258	737	1379
3	Risk Analysis	262	33	295
4	Occupational Heath Safety	221	75	303
5	Chemical Handling	22	37	59
6	Basic Compliance	0	20	40
7	Skill Enhancement	0	30	60
8	Proper Protective Equipment	5	49	54
9	New Worker Orientation	164	57	221
10	HR Documentation	6	17	23
11	Environmental Management System	2	104	156
12	Effective Evaluating Officer	0	74	74
13	Maternity Awareness	32	0	32
14	Basic Information on Bangladesh Labor Law	6	16	22
Total		2033	1561	8186

The Ethical Model Factory (EMF) training, introduced by M&S, is a unique program delivered by our in-house training center where various issues are covered such as wages & working hours and leave, grievance procedure, and so forth.



The summary for the last fiscal year (July 2011 – June 2012) is as follows:-

	Total Training Hour	Training hour / person per year
Management Staff	369	3.51
Non Management Staff & Workers	8186	2.27

Note: VIYELLATEX has extensive counseling and training program for all employees. On a regular basis programs are held to create awareness in regular health care and STD's.

Employee Turnover

VIYELLATEX recognizes that the employees are an integral part of VIYELLATEX group, and the employees who serve in different business units are united in their common endeavor to contribute to the strength and growth of VIYELLATEX group. On an average, employee turnover per month is 9.07% and 5.60 %, for male and female respectively.

Individuals who leave the organization mainly fall between under the youth segment (18-24 years old) covering more than half of the discontinuing people. The highest number of employees leaving employment is generally from the production departments of the two Business Units (VTL & ISML), whereas the lowest number is in the Human Resource division.

Monthly Turnover:

The turnover rate comprises of all the types of employees in VIYELLATEX group, namely Management staff, Non Management Staff and Workers.

	Fiscal Year 11-12
Male	9.07 %
Female	5.60 %

Workforce of VIYELLATEX

VIYELLATEX classifies its employees into three broad categories – Management Staff, Staff and Worker. Due to the nature of the organization, the biggest contributor to the VIYELLATEXs workforce is its workers. The total number of employees at VIYELLATEX group stands at 17,116, of which 8853 are male and 8263 are female.

The table (next page) is a compilation of the total employee ratio, the basis salary and remuneration, segregated by gender and employee category.

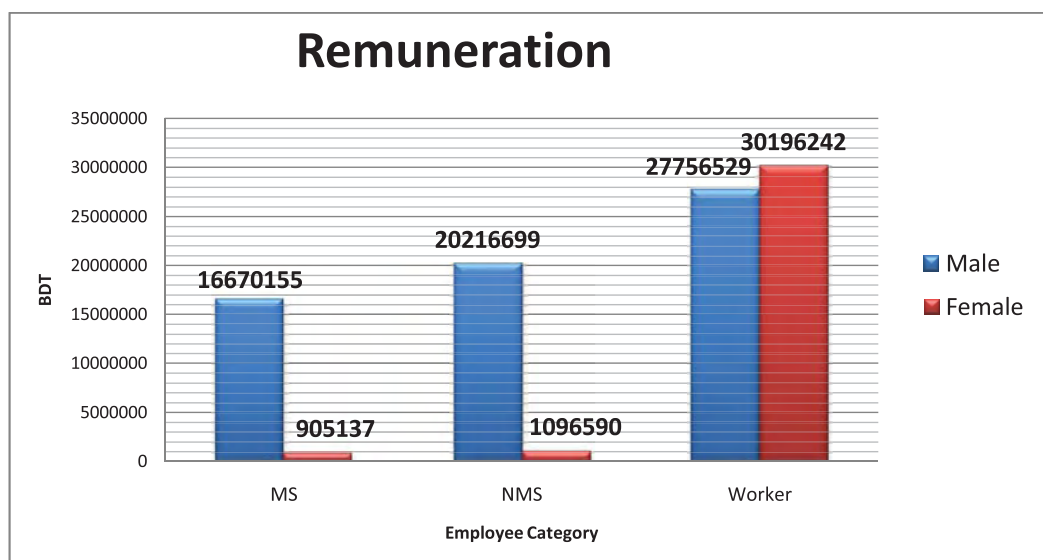


Gender	Employee Ratio		Basic Salary		Remuneration	
	TOTAL	%	Total	%	Total	%
FOR ALL EMPLOYEES (MS, NMS, W)						
Female	8263	48%	21,285,586	38%	32,197,969	33%
Male	8853	52%	34,327,352	62%	64,724,364	67%
	17116		55,612,938		96,922,333	
Workers						
Female	8114	56%	20,409,557	53%	30,196,242	52%
Male	6497	44%	18,262,349	47%	27,756,529	48%
	14611		38,671,906		57,952,771	
Staff (NMS)						
Female	122	6%	628,504	5%	1,096,590	5%
Male	1953	94%	11,599,785	95%	20,297,680	95%
	2075		12,228,289		21,394,270	
Management Staff (MS)						
Female	27	6%	247,525	5%	905,137	5%
Male	403	94%	4,465,218	95%	16,670,155	95%
	430		4,712,743		17,575,292	

Remuneration

The total remuneration paid to all employees employed in VIYELLATEX group is BDT 96,922,333. Remuneration includes the basic salary plus other fringe benefits, such as house rent, transportation, personal allowance and perquisite. All full time employees receive such a package, and no discrimination is made, in regard to the nature of work, designation, etc.

With a view to retain and motivate our employees to achieve the maximum efficiency and productivity, it is essential that the terms and conditions of employment compare favorably with other companies. To maintain that situation, salary or wages and terms and conditions of employment are reviewed periodically and are matched with market forces.



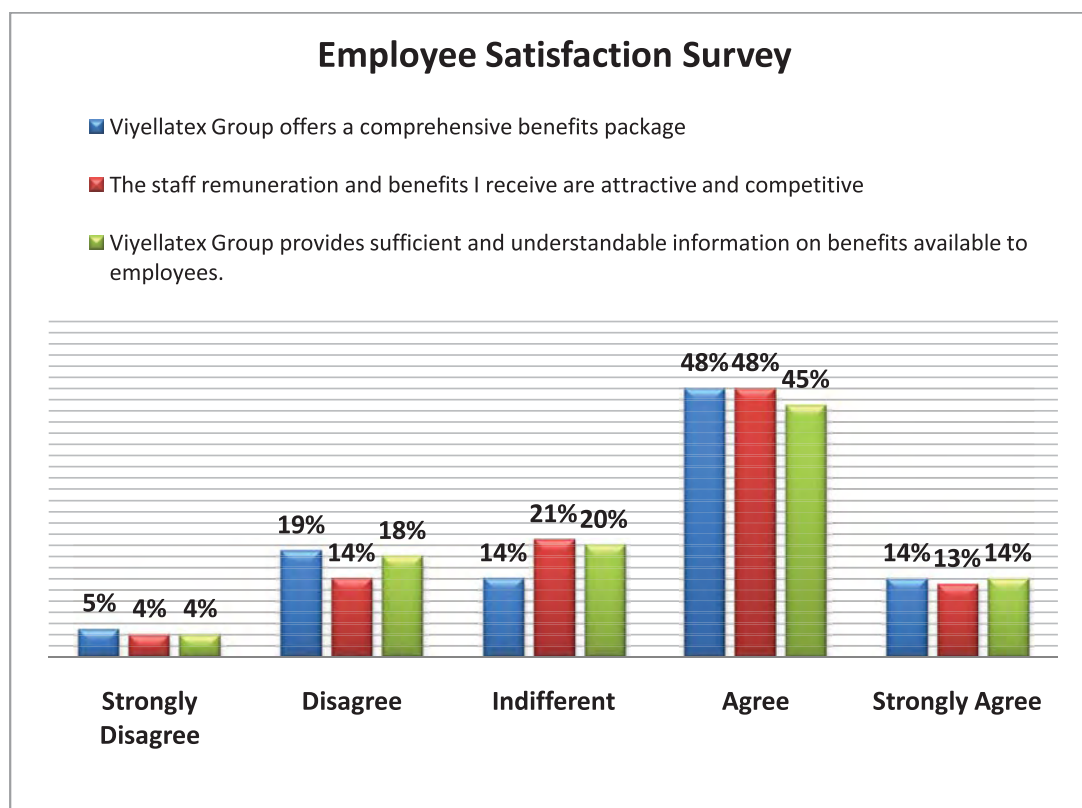
Benefit Plan

As part of the retirement benefit plan, VIYELLTEX group have initiated a 'provident fund' program for all its employees with minimum maturity period of 5 years. This program has been in effect from 2008 and the intention is to help employees save a portion of their salary in the event of retirement, disability, or unemployment. The service benefits are provided to workers, management staff and staffs who have served the organization for a minimum period of five years.

The fund is managed by a committee, which comprises 7% of the basic salary from employees' remuneration and an equal contribution from the company. At the moment, about 95% of the fund is invested into government security bonds, which is considered as the most secured investment; and the remaining is kept in current accounts to facilitate the claim settlements.

In addition to this, VIYELLATEX group also provides insurance coverage for all its employees. A life insurance policy is provided for all workers whereas life and medical insurance is available for all management staff. Medical insurance covers both hospitalization and health issues. Such policies and coverage are maintained in accordance with the labor law for workers. In the reporting year, some workers have availed this benefit as they discontinued the job in VIYELLATEX. Summary of the benefit plan is shown in the table below.

Provident Fund	BDT 73,772,697
Life Insurance Premium	BDT 1,472,739
Medical Insurance Premium	BDT 1,640,300
Medical Insurance: No. of Claims	39
Medical Insurance: Value of Claims paid	BDT 898,227





HUMAN RIGHTS

In accordance with the corporate citizenship commitments acquired through adherence to the United Nations Global Compact in 2009, and the undertakings made under the organization's own Code of Conduct (based on the Bangladesh Labor Law), VIYELLATEX abides by a labor-related citizenship policy which assures ongoing improvement in the company's corporate responsibility performance. The commitments under that standard include:

- Assuring compliance with applicable law and other commitments in this area
- Promoting the principles of the Global Compact in the company's sphere of action - partners, suppliers and contractors
- Promoting and fostering the personal and professional development of the people who make up the VIYELLATEX group through the creation of suitable working conditions and the promotion of continuing training.
- Recruiting, hiring, training and promoting the most qualified individuals, regardless of race, religion, color, age, gender, marital status, sexual orientation, nationality, or physical or mental disability.

Participation Committee

At VIYELLATEX group, labors view and rights are equally addressed at Participation Committee meetings. The aim of the participation committee is to establish a friendly relationship between the owner and the workers. The main task of the committee is to involve workers of all levels and to instill a sense of belonging and responsibility towards the organization.

Satisfied employees are the strongest ingredient for growth in VIYELLATEX. The chart below depicts the employee satisfaction in respect to each feature.



Employment Policy

Recruitment of Workers

VIYELLATEX follows strict regulation of not employing workers aged below 18 years. Each worker is required to provide identification documents showing his/her age and eligibility for the job applied for. The doctor conducts medical tests to confirm the age of the worker and to attest the eligibility of the worker as fit to work in the designated position.

Freedom and Rights of Workers

VIYELLATEX always avoids anti-compliance incidents such as forced or compulsory labor and follows detailed compliance policy which restricts it from any such incident.

NO FORCED LABOR!

Textile and Apparel organizations / companies of the RMG industry in Bangladesh do not exploit unwilling or forced labor of contract, captive or any other kind.

Company's Policies

- Contractual, captive, prisoner, and/or any other kind of unwilling, compulsory or forced labor cannot be exploited.
- Holding identification papers, deposits, and/or any other means of holding is not appropriate.
- Dominating labor, restricting their freedom unnecessarily, and/or any other relevant manner is prohibited.

Company's Procedures

- Identification papers and any kind of monetary deposit from workers cannot be held to apply force labor or to dominate workers.
- Wages will directly be given to a worker in cash solely controlled by Compensation and Benefits Department, and will not be given to any third party.
- All recruitment documents will be managed by the organization for recruiting workers, such as job application or announcement of contract, which will guarantee that the applicant actively seeks the job and there is no obligation. The documents will have to be signed by the applicants and will be preserved in the workers' personal files. A copy of the appointment letter is given to the worker at the time of appointment.
- Leaving the job and the organization as per the law will be ensured.
- A competent person will be delegated to practice, communicate, propagate and monitor the active banning of compulsory or forced labor.



Equality of treatment

The key note of our Human Resource policy is the constant endeavor to achieve fairness. All our regulations, procedures and actions are formulated so that it ensures that all persons connected with our operation and business – be they customers or employees are treated fairly and with due consideration of their feelings.

At VIYELLATEX group, a policy exists to provide promotion opportunities to our employees based on merit and fitness for the job. Whenever possible, preferences should be given, to the employees in lower grades to fill up vacancy in a higher grade, particularly when such vacancies offer promotion or broader experience to existing employees.

All decision with respect to recruiting, hiring and promotions for all jobs will be made solely on the basis of individual qualifications related to the requirements of the position, likewise the administration of all other HR matters such as compensation, benefits, transfers, reduction in force, recall, training education and social / recreational programs will be free from any discriminatory practices.

SOCIETY

We have strict non-discrimination and anti-harassment policies and are enforced by the respective Unit HR Department and additionally monitored by the Corporate Compliance Department. There is no recorded incident of discrimination in this reporting year amidst strong awareness campaign. Corporate audit teams monitors and manages all forms of corruption, fraud, theft, discrimination and/or all other forms of unethical behavior on an ongoing basis. In addition, with the incorporation of ERP (Enterprise Resource Planning) solutions (e.g. SAP) into the entire business of the company, VIYELLATEX have been able to achieve better transparency and traceability, both in terms of financial transactions and movement of physical properties.

Whenever corruption takes place as was the case in this year, where 5 people were dismissed for disciplinary grounds. We followed procedures as per the labor law of Bangladesh and the company's disciplinary process. VIYELLATEX group has not been subject to any complaints, concerns or fines for anti-competitive behavior, antitrust and monopoly practices nor has it faced any sanctions or legal action in this regard.

PRODUCT RESPONSIBILITY

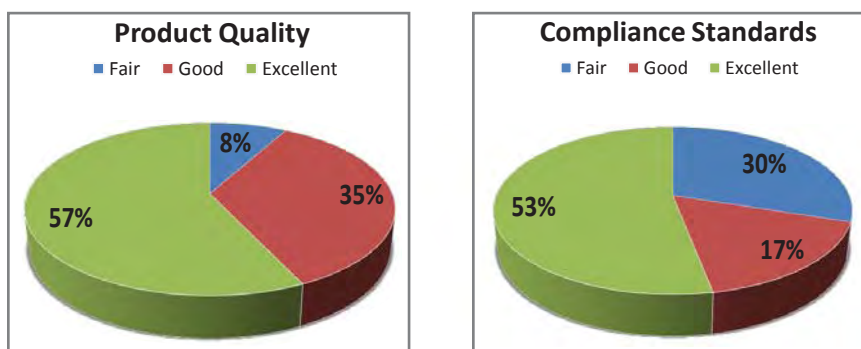
Product labeling of all garments is subject to the rules and procedures identified by our customers (PVH, PUMA, HUGO BOSS, etc). In most cases, our labeling requirements include wash/care instructions and country of origin.

In regard to product safety, VIYELLATEX group has obtained the 'Oeko-Tex® Standard 100' certification. This eco-label is an internationally recognized standard that assesses the presence of harmful substances in their products. All raw materials, intermediate and end products at all stages of the manufacturing chain, including accessories, are included in a thorough testing process.

In the last fiscal year, VIYELLATEX group has not been subject to any complaints or concerns regarding incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of the products and services we provide. VIYELLATEX group is in compliance in all material respects with applicable product safety laws and regulations in the jurisdictions in which we operate.

Stakeholder Satisfaction: Customer / Client

A stakeholder satisfaction (customers, clients, etc) survey is conducted on an annual basis, where clients are asked questions related to product safety and compliance standard.





UN GLOBAL COMPACT



The UN Global Compact Act is a a charter of the United Nations that promotes sustainable and socially responsible policies. The charter encourages companies to embrace, support and enact within their sphere of influence, a set of core values in the following areas:

Human Rights

- **Principle 1:** Businesses 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.

Labor

- **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; and
- **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; 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.

GRI APPLICATION LEVEL GRID

Reports intended to qualify for Level C, C+, B, B+, A or A+ must contain each of the criteria that are presented in the column for the relevant level.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Prole Disclosures OUTPUT	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	Report Externally Assured
	G3 Management Approach Disclosures OUTPUT	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach Disclosures for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators OUTPUT	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.		Report on a minimum of 20 Performance Indicators, at least one from each of Economic, Environmental, Human rights, Labor, Society, Product Reponsibility.		Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	

*Sector supplement in nal version

This report of VIYELLATEX group is based on the GRI G3.1 guidelines corresponding to Level B.



GRI INDEX

GRI INDEX: Comprehensive GRI G3.1 Content Assessment

VIYELLATEX GROUP REPORT 2011-2012				
Global Reporting Initiative (GRI) G3 Content Assessment				
NI = Needs Improvement; OK = Adequate Response				
Profile Disclosure	Description	Reference	Explanation	Status
STANDARD DISCLOSURES PART I: Profile Disclosures				
1. Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization	Pg 4	Chairman's letter covers all relevant aspects regarding the report.	OK
1.2	Description of key impacts, risks, and opportunities	Pg 18	Risks and opportunities are discussed via the identification of most material issues.	OK
2.1	Name of the organization.	Pg 2	VIYELLATEX Group	OK
2.2	Primary brands, products, and/or services.	Pg 14	A concise list showing our various product segments	OK
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Pg 7-9	An organizational chart is provided	OK
2.4	Location of organization's headquarters.	Pg 5	297 Khairtul, Tongi, Gazipur-1712	OK
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Pg 5	VIYELLATEX operates only in Bangladesh, including the major units / operations.	OK
2.6	Nature of ownership and legal form.	Pg 5	Privately owned family business	OK
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Pg 11	Defined by the market accessibility of our clients.	OK
2.8	Scale of the reporting organization.	Pg 7-9, 20, 39, 43	Scale of entity is described in terms of number of operations, number of employees, etc	OK
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Pg 2	No changes in respect to governance structure and/or operations.	OK
2.10	Awards received in the reporting period.	Pg 13	Biggest contribution to innovation – Marks & Spencer, Advisory Member of Green Industry Platform, UNIDO	OK
3. Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Pg 2	Reporting period: July 2011 – June 2012	OK

VIYELLATEX GROUP REPORT 2011-2012				
Global Reporting Initiative (GRI) G3 Content Assessment				
NI = Needs Improvement; OK = Adequate Response				
Profile Disclosure	Description	Reference	Explanation	Status
3.2	Date of most recent previous report (if any).	Pg 2	The previous report was published on 2 August 2011, for the period of July 2010 – June 2011.	OK
3.3	Reporting cycle (annual, biennial, etc.)	Pg 2	This is our Third report	OK
3.4	Contact point for questions regarding the report or its contents.	Pg 2	Compliance Manager, MK Zakeria (contact details provided)	OK
3.5	Process for defining report content.	Pg 2, 18	The section 'Principles Governing Report Preparation'	OK
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Pg 2, 44	The scope of the report includes all aspects of VIYELLATEX operations and processes	OK
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Pg 2	No limitations.	OK
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Pg 2, 44	No such operations, as explained in scope / boundary of the report.	OK
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Pg 2	Wherever relevant, data measurement is discussed throughout the report, for various performance indicators.	OK
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Pg 2	All data correction and comparability notes have been recorded where applicable.	OK
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Pg 2	No major changes.	OK
3.12	Table identifying the location of the Standard Disclosures in the report.	Pg 3, 49-54	A checklist with explanation is provided.	OK
3.13	Policy and current practice with regard to seeking external assurance for the report.	Pg 2	Self assessed by Internal team and auditors	NI
4. Governance, Commitments, and Engagement				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Pg 6	Strategy and oversight occurs at the ownership level and by the EMC.	OK
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Pg 6	Explained in section 'Corporate Structure' under Organizational Profile	OK
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Pg 6		OK
4.4	Mechanisms for shareholders and employees to	Pg 6		OK



VIYELLATEX GROUP REPORT 2011-2012				
Global Reporting Initiative (GRI) G3 Content Assessment				
NI = Needs Improvement; OK = Adequate Response				
Profile Disclosure	Description	Reference	Explanation	Status
	provide recommendations or direction to the highest governance body.			
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Pg 40, 41	Discussed under section 'Workforce of VIYELLATEX'	OK
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Pg 6	Conflicts of interests is avoided through careful scrutiny of the core management/ownership team, under the understanding that conflicts of interest are far too risky for a company of VIYELLATEX size and nature.	OK
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	Pg 6	Does not exist	OK
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Pg 6, 11	Discussed under section 'Statements & Strategy'.	OK
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Pg 6	Various material issues are discussed in the report, under section 'Principles Governing Report Preparation'.	OK
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Pg 6	As it is privately owned family business, assessment is carried out by the chairman himself.	OK
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Pg 6	VIYELLATEXs risk management processes are discussed throughout the report.	OK
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Pg 46	VIYELLATEX adheres to the 10 principles of UNGC and GRI Guidelines.	OK
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization	Pg 17	VIYELLATEX is a member and in good standing with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA)	OK
4.14	List of stakeholder groups engaged by the organization.	Pg 11-12, 16	Stakeholders groups engaged are those with whom we are affiliated with and members of organization. E.g. CSR center, etc	OK

VIYELLATEX GROUP REPORT 2011-2012				
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Profile Disclosure	Description	Reference	Explanation	Status
4.15	Basis for identification and selection of stakeholders with whom to engage.	Pg 17-18	Explained in section ‘Stakeholders’ and ‘Stakeholder inclusiveness’	OK
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Pg 11, 23	Engagement with stakeholders quite regularly.	OK
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Pg 17, 42 - 43,	Stakeholders and their specific concerns/interests are described.	OK
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)				
DMA EC	Disclosure on Management Approach EC	Pg 19,46	A short paragraph on our Economic Approach	OK
DMA EN	Disclosure on Management Approach EN		An paragraph stating our approach to environmental issues	OK
DMA LA	Disclosure on Management Approach LA		Approach to employment, health & safety issues from management	OK
DMA HR	Disclosure on Management Approach HR		Management perspective on aspects of Human Rights	OK
DMA SO	Disclosure on Management Approach SO		Short paragraph on our Society Approach	OK
DMA PR	Disclosure on Management Approach PR		Product & quality Issues that are important for Management	OK
STANDARD DISCLOSURES PART III: PERFORMANCE INDICATORS				
Economic				
EC 1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments.	Pg 20-23	All key financial figures, in context to VIYELLATEX group have been shown under the economic chapter.	OK
EC 3	Coverage of the organization’s defined benefit plan obligations.	Pg 36	Discussed in the section ‘Benefit plan’.	OK
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Pg 38	Discussed under section ‘Employment Policy at VIYELLATEX’.	OK
EC 8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Pg 23	Discussed in section ‘Community Development & CSR’.	OK
Environmental				
EN3	Direct energy consumption by primary energy source.	Pg 26	Primary Energy is Natural Gas ; 1,042,094.37 GJ consumed	OK
EN5	Energy saved due to conservation and efficiency improvements.	Pg 27-28	Explained in section ‘Energy Savings’	OK
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Pg 27-28	Use of energy efficient machineries, as shown in section ‘Energy savings’	OK



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Profile Disclosure	Description	Reference	Explanation	Status
EN 8	Total water withdrawal by source.	Pg 24	Shown in section 'water consumption'	OK
EN 10	Percentage and total volume of water recycled and reused.	Pg 25	Shown in section 'Water Recycling and Discharge'.	OK
EN 21	Total water discharge by quality and destination.	Pg 24 - 25	Discussed in section 'water recycling & discharge'	OK
EN 22	Total weight of waste by type and disposal method.	Pg 29-30	Explained in section 'waste management practice'	OK
EN 26	Initiatives to mitigate environmental impacts of products and services and extent of impact mitigation.	Pg 24- 31	Discussed under chapter 'Environmental Performance'	OK
EN 30	Total environmental protection expenditures and investments by type.	Pg 31	Discussed under section 'Environmental Protection'	OK
Decent Labor and Work Practices				
LA 1	Total workforce by employment type, employment contract and region.	Pg 34-35	Shown in section 'Workforce of VIYELLATEX'	OK
LA 2	Total number and rate of employee turnover by age group, gender and region.	Pg 34	Turnover stats are provided but only in respect to gender.	NI
LA 3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Pg 35-36	Discussed under section 'Remuneration'	OK
LA 8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families or community members regarding serious diseases.	Pg 32-33	Explained in section 'Training and development'	OK
LA 10	Average hours of training per year per employee by employee category.	Pg 33	Discussed in section 'Training & development'	NI
LA 14	Ratio of basic salary of men to women by employee category.	Pg 35	Shown in section 'Workforce of VIYELLATEX'	OK
Human Rights				
HR 3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Pg 33	Explained in section "Training & Development". EMF training covers various HR issues and aspects.	OK
HR 4	Total number of incidents of discrimination and actions taken.	Pg 39,47	Discrimination is not tolerated and no incidences were recorded.	OK
HR 5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights.	Pg 38	Collective bargaining is encouraged, and all employees are represented via Participation Committees.	OK
HR 6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Pg 38	VIYELLATEX does not employ child labor for any of its activities.	OK
HR 7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Pg 38-39	VIYELLATEX does not tolerate any form of forced and/ or compulsory labor.	OK

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Profile Disclosure	Description	Reference	Explanation	Status
Society				
SO 2	Percentage and total number of business units analyzed for risks related to corruption.	Pg 39	Discussed in section ‘Society’	OK
SO 4	Actions taken in response to incidents of corruption.	Pg 39		OK
SO 7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	Pg 39		OK
Product Responsibility				
PR 1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Pg 15, 40	Explained in section ‘Product Responsibility’	OK
PR 3	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	Pg 40	Only Washing / Care Label.	OK
PR 5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Pg 40	Client survey feedback is shown.	OK



Statement GRI Application Level Check

GRI hereby states that **VIYELLATEX Group** has presented its report "CORPORATE SUSTAINABILITY REPORT 2011-12" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 20 February 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large watermark of the GRI logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 24 January 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

This Report has been prepared by the VIYELLATEX Group GRI Team

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