



**ADVANCING
POSSIBILITIES**

A PARADIGM SHIFT

Sustainability Report 2014



SUSTAINABILITY STATEMENT FOR ACI

"ACI shall not engage in any activity which will create any problem in the neighborhood in which it operates, shall not cause any pollution or degradation of the environment, shall create good practices and provide services that will benefit to the consumers. As ACI's motto is to improve the quality of life of people, it will undertake projects which will be helpful to the society as a part of its Corporate Social Responsibility (CSR)."



M Anis Ud Dowla
Chairman, ACI Group

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The Context of CSR



CSR refers to operating a business in a manner that accounts for the social and environmental impact created by the business. It is a commitment to develop policies that integrate responsible practices into daily business operations and to report on progress made toward implementing these practices.

The world today, is suffering from a lot of problems, like environmental degradation, lack of skills, poverty, health and so on. Overtime, due to the scarcity of resources, these problems are changing into more complex situations which are affecting negatively, not only the society but also, the businesses themselves. Besides that, sometimes the capitalist model of business is highly criticized for affecting its society and environment in a negative way. Quite often, businesses are blamed to be very selfish entities as their highest priority is to create profit. But in reality, businesses are not the problem and their role should not be perceived in a passive manner for solving social, economic and environmental problems. Rather, businesses themselves provide the solution and strategic CSR may open the doorway of limitless opportunities to bring about a sustainable solution.

The Problem



Over many decades, enormous resources, skills, efforts, and dedication have been invested by the governments and NGOs for solving the problems of a society. They were successful in making the situation better to some extent creating benefits for the society but still, not in a very large scale.

The Evolution of CSR



At the end of the 19th century while NGO and Governments were working to bring solutions, a corporation was not expected as a significant role player, even though a corporation is the only institution who creates wealth and resources. During that time, corporate social responsibility was fulfilled by donating money. More precisely CSR was actually being defined as a trade off against business. Generally, the people's minds were blocked by limited activities associated with CSR like, donating money for social work, responses to environmental or humanitarian catastrophe etc.

However, the most recent international strategic approach of CSR has broken that conventional thought and has come out from the idea of philanthropy because initiatives without business models cannot survive in the long run or bring sustainable development. Philanthropic CSR initiatives survive as long as money supply continues, but without donation, most of the time it stops functioning.

Internationally, the concept of CSR has reached beyond philanthropy and placed itself between business and social aspects so that corporation and society grow together. By solving problems through the core competence of the company, CSR basically helps to grow businesses much more than they realize. Integration of strategic CSR may create shared values. Strategic CSR created by policies and practices, may enhance the competitiveness of a company while simultaneously advancing the economic, social and environmental conditions where it operates. There is no limit to the steps which can be taken under CSR. If CSR is in the heart of the business it opens doorways of opportunities to make stronger relationships among its stakeholders.



Modern societies have evolved systems of governance in which they give power to their elected representatives to impose taxes on its citizens and subjects in various ways and the money collected through taxation is spent on running the administration, maintaining law and order, defending the territories, creating employment, assisting the poor as well as reducing poverty.

Individuals, businessmen and corporations earn and they all pay their due share of taxes. Therefore, if the government wants to develop a particular sector which needs additional support, taxes are increased or funds are reallocated. The government runs on public money and is expected to devote itself to good governance of the country and reduce poverty using the money collected through taxes from the people. Corporations earn profit by using their technology and persuasive power to get the public to buy a solution or fulfill a need. The capital is provided by sponsors and the organization is geared up to find consumers. Therefore, the traditional approach to CSR measure diminishes the stakeholders' interest.

Sustainability and CSR



Many CSR efforts put special emphasis on the social environment and economic stability of the society. The World Commission on Environment defined sustainability as "meeting the needs of the present without compromising the ability of future generations to meet the needs". Companies are now challenged by stakeholders including customers, employees, investors and activities to develop a blueprint for how they will sustain economic perspectives while taking care of their employees and the environment.

In the past in CSR reports, focus on philanthropy was given as a major driving force of CSR. But by current standards, this notion has been substituted by a broad commitment to upgrading and improving the lives of the workers and the communities in which the companies carry out business activities. Nowadays, CSR reports typically address issues affecting virtually every area of operations: governance and ethics, worker hiring, opportunity and training, responsible purchasing, supply chain policies, energy and environmental impact.

ACI's Definition of CSR



ACI acknowledges that as a corporate entity, social and environmental concerns are legitimate for the sustainability of a business. Therefore, at ACI, we take our Corporate Social Responsibilities (CSR) seriously. ACI has a standing committee for developing and implementing policies to ensure that we address all aspects of CSR that are relevant to our business operations.

The philosophy of our Corporate Social Responsibility has been derived from the mission, vision and values of ACI Group. ACI believes CSR is not something that may be imposed from the outside; rather it is an ideology that is an inherent part of the business principles. ACI group is conscious of the fact that CSR activities are not to be chosen arbitrarily. Additionally, the

resources we deploy are to be efficiently used for addressing the overall socio-economic well-being. Therefore, ACI group wishes to align CSR activities that would deliver the intended result with its mission of improving the quality of people's lives and use their core competencies acquired in running various businesses. The employees of ACI make their CSR initiatives cohesive and meaningful to create the right balance between business sustainability and social needs, so that in a wider perspective, the group's stakeholders' interests are protected.

ACI defines Corporate Social Responsibility (CSR) as a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public and private spheres.

ACI's Mission with Respect to CSR

ACI's CSR initiatives are cohesive and meaningful in order to create a right balance among the workplace, the marketplace, and the community aligning with its core competency, so that in a wider perspective, stakeholders' interest are protected and ACI can achieve the best return from its investment in CSR.

ACI's Vision with Respect to CSR

ACI CSR vision is to bring sustainable development in the economic, the social and the environmental arena by using its core competences.

Pillars of CSR

	Economical	Social	Environmental
Workplace	Clean Tax Payment	Safety and security Ethical Business	Waste Management Carbon Emission
Marketplace	Employment generation Entrepreneurship Market Linkage Access to technology	Response to calamity Sanitation Access to knowledge	Early warning system
Community	Rural development Women empowerment	Safe water Anticorruption Health Human rights - Child, Youth, Women Labor	Natural Conservation-Water, Air, Soil, Animal & Plant Climate Resilience

ACI's CSR Policy



ACI as a corporate body, believes that its operations should be financially sustainable, socially responsible and environmental friendly.

ACI shall not engage in any activity which will create problems in the neighborhood in which it operates, shall not cause any pollution or degradation of the environment, shall produce good practices and provide services that are of benefit to the consumers. As the motto of ACI is to improve the quality of life of people, it will undertake projects which are helpful to the society as a part of its Corporate Social Responsibility (CSR).

In the choice of CSR initiatives, ACI will be conscious of the fact that its core competencies will be utilized in undertaking projects which will build efficiency through application of its knowledge and resources.

ACI wishes to reiterate that its CSR activities are not philanthropic or randomly chosen. ACI acknowledges that the government is the major player in the field of social development and the company will keep

doing its responsibility for social improvement and mitigation of human indignity due to poverty. ACI is a keen tax paymaster so that the money will provide resources to the government which will be used to improve the socioeconomic condition of the people and provide a safety net for the needy.

ACI CSR programs will be targeted to those on whom there is an impact due to its operation, be it the consumer of ACI products, or the neighborhood in which it operates or the environment for which its operation should be eco-friendly and sustainable.

Different projects under pillars of CSR will be designed by the department of CSR under corporate strategy. Every year such projects will be planned, funded and executed. The project will be aligned with the interest of any of our stakeholders. There could be an involved project which may require several years to complete or there could be an ongoing project.

Every quarter, the Business Head will review progress and report to ED, F & P who will release some selected projects to the website of UN Global Compact.



Global Endorsement

UN Global Compact



ACI has been accepted as a founding member of global growth companies by the World Economic Forum which is the most prestigious business networking organization; this membership is a matter of pride for the company.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with the ten universally accepted principles in the areas of human rights, labor, environment and anti-corruption. It is a leadership platform for the development, implementation, and disclosure of responsible corporate policies and practices. The initiative brings companies together with key stakeholder groups including: Government, civil society, labor, investors, educators and the United Nations. Since its launch in year 2000, the United Nations Global Compact has been encouraging businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. At present, with over 12,000 corporate participants and other stakeholders from over 145 countries, it is the largest voluntary corporate responsibility initiative in the world. Overall, the Global Compact pursues two complementary objectives:

1.

Mainstream its ten principles in business strategy and operations around the world; and

2.

Catalyze business action in support of broader UN goals with emphasis on collaboration and collective action.



The Global Compact incorporates a transparency and accountability policy known as the Communication on Progress (COP). The annual posting of a COP is an important demonstration of a participant's commitment to the UN Global Compact and its principles. Participating companies are required to follow this policy, as a commitment to transparency and disclosure is critical to the success of the initiative. ACI is the first UN Global Compact signatory company from Bangladesh. Since September 2003, ACI is an active member of UN Global Compact. Additionally, ACI is a Founding Member of the Community of Global Group of Companies, an initiative of World Economic Forum.

The ten guiding principles of UN Global Compact followed by ACI are as follows:

Human Rights
<ul style="list-style-type: none"> ● To support and respect International Human Rights within the company's sphere of influence ● To make sure that their own corporations are not complicit with Human Rights Violation
Labor
<ul style="list-style-type: none"> ● To end discrimination in the workplace ● To abolish child labor ● To provide the right to collective bargaining and recognition of freedom of association ● To eliminate the use of forced and compulsory labor
Human Rights
<ul style="list-style-type: none"> ● To support a precautionary approach to environmental challenges ● To undertake initiatives to promote greater environmental responsibility ● To encourage the diffusion of environmentally friendly technology
Human Rights
<ul style="list-style-type: none"> ● To work against all forms of corruption, including extortion and bribery.

ISO Certifications of ACI



ISO 26,000 is another global institutionalized guidance for practicing CSR. It provides instructions on how businesses and organizations can operate in a socially responsible way by being ethical and transparent in their activities.

ISO 26,000 identifies seven core subjects to address social responsibilities. These are as follows:



ACI, as an ISO 14001 Environmental Management System certified organization, always attempts to address environmental sustainability issues and carries out its operational activities under the proposed guideline.

CURRENT CSR INITIATIVES OF ACI

Adopting a Village



ACI is trying to make a difference in the socio-economic arena of rural areas though applying competences of the ACI Group. In order to implement these initiatives, the following activities are carried out:

- Provide expertise assistance to cultivation
- Guide self-help basis income generating initiatives
- Increase access to safe drinking water, hygiene and sanitation
- Boost up income from agricultural production by introducing high quality seeds, fertilizers
- Increase yield of paddy by providing Flora
- Organize Health Camps
- Conduct training and skill development programs

Adopt a Village project started in 2009, targeting one village "Gonapara" at Gopalganj District. Now, the project has been expanded over 20 villages. Under a project coordinator, five field officers are working in that area with the assistance of different business wings of ACI. In the picture one project officer is visiting an eggplant field.

Farmers form groups under a team leader with the help of a field officer and they support each other regarding any agricultural related issues. The project implementation team of Adopt a Village provide training, expertise, and assistance to these groups. Ultimately, this formation of groups and farmers' meetings creates sustainable agricultural development from self-help basis.



Ensuring Safe Drinking Water

“ It was a year of significant achievements and contributions for ACI as arsenic free safe drinking water is one of the burning issues of the area. ”

- **Abdus Sattar**
Project Coordinator, Adopt a Village



According to the Mr. Abdus Sattar, project coordinator of Adopt a Village, when he started working in the target area and did the need assessment, he found that the villagers of 11 villages were in great threat from arsenic contaminated drinking water. People knew that they drank arsenic contaminated water but were not much aware of the long term consequences on their health from drinking such water. Most of the people of these villages were not economically solvent enough to build deep tubewells. Therefore, the Adopt a Village project took initiatives to create mass awareness regarding arsenic and provided them with 32 tubewells. After establishing the deep tubewells, water samples were tested in the Department of Public Health and Engineering (DPHE) to ensure that water of the provided tubewells are free from arsenic, chloride and harmful bacteria. Now ACI is proud to declare that eleven villages are free from the threat of arsenic.

Motivating to Create Small Income Generating Programs

Villages have a lot of resources which are not being used or are overlooked for making profits. Examples of such resources include fallow land and land at the back yard of a household. To motivate people for participating in small income generating initiatives, the Adopt a Village project provided high quality seeds to approximately 200 poor households and encouraged villagers to use their fallow land at the back yards of their houses. Through this initiative, the villagers not only produced 5636 kg of various types of vegetables but also became more conscious about such small income generating initiatives for getting economic benefits.

Introducing Modern Technology for Cultivation

One of the core objectives of Adopt a Village is to increase crop production and create an environment for sustainable agricultural development. Therefore, 124 crop demonstration plots have been articulated in the adopted villages' area to show people benefits of using quality seed, fertilizer and pesticide. Besides that, the Adopt a Village project did 150 farmers' soil tests with the collaboration of DAE of Gopalganj district.

Skills Development

Approximately, 1455 people of the Adopt a Village target area have received skilled development training on the safe use of pesticides, seeds and fertilizers or any other chemicals. Farmers also received safety equipment after the training. Moreover, continuous training programs are conducted in these areas based on demand.

These include using modern technology for increasing crop production and yield maximization, seed management, quality agricultural inputs and solving specific crop related problems.

Boosting Up Income through Increasing Yield of Rice

Increasing income at the target area is one of the main challenges for the Adopting a Village project. The team of an Adopt a Village area worked closely with farmers and they created awareness at the mass level to use flora for increasing the yield of rice. Flora is an environmental friendly yield booster which allows plants to absorb more nutrition and scale up production. Farmers who used flora got up to 20% more rice production than the previous years which have ultimately increased their income level.

Organizing of Free Eye and Medical Camps

To create access to health facilities in Adopt a Village, 10 free eye and medical camps have been organized. Thousands of people got health treatment by specialized doctors, and also received free medicine. Additionally, ten eye cataract patients received free eye free surgery.



The Face of Success

□ The special fact about Fajlul Haque is that he is a source of inspiration for fellow farmers for his remarkable success in agriculture. He said "My hard work, quality seeds, pesticides and fertilizers are important factors for my success but along with those, the field Officer Mr. Monsur is equally important to me." According to him as long as field officer Mr. Monsur visits him, he does not need to worry about any crop solution. He agrees that by using ACI products he grows better quality vegetables and he always advises other farmers to use ACI products and to ask for guidelines from the field officers of the Adopt a Village project.



Fajlul Haque

Binapani

□ The woman in the photograph is called Binapani. She is an exemplary entrepreneur in her village. She used to be an ordinary housewife, but she dreamed of becoming economically independent. Ms. Binapani started exploring some income generating ideas and consulted with Abdul Jalil, the assigned field officer of Adopt a Village. He gave her the idea of using the fallow land around her house for growing vegetables. She followed his suggestion and with Mr. Jalil's guideline, she started cultivating vegetables around her family owned pond. Now, in addition to her husband, she also financially contributes to her family.

Creation of Hygiene Awareness



Campaign Among Children

One of ACI Consumer Brand Savlon targets children to teach them hygiene practices in order to protect them from a number of diseases. In Bangladesh, most of the children do not know the proper steps of washing hands and its importance. Therefore, they are at risk and become vulnerable to many unexpected diseases. However, only the simple practice of washing hands properly, may bring about a revolutionary change in the health sector of Bangladesh. Therefore, Savlon handwash and

soap runs regular awareness programs among school going children.

On the Global Handwashing Day (GHD), ACI conducted a campaign dedicated to raising awareness of hand washing with soap/liquid soap as a key approach to disease prevention.

Drawing for Learning

Savlon arranged a drawing competition among the students for providing them with some kind of recreation as well as hygiene education. Students saw two different hands (one with Germs & another with Germ Free Savlon) on a PVC festoon tripod stand & they drew both hands in their given paper. Students learned how to wash hands with Savlon through 6 proper steps by watching videos on a projector screen. Then they drew "A Clean Hand" vs "A Dirty Hand".



Healthy Festival

Every year during the festival of Eid-ul-Azha, waste from sacrificed animals are piled up along the neighborhood alleys in Dhaka. An overpowering stench of rotten waste and clotted blood stays in Dhaka's environment for a prolonged period of time. Due to this, germs build up making life unbearable for the city dwellers. With all this in mind, SAVLON, being the guardian of personal care and hygiene category, implemented a thorough activation plan which engaged people and created awareness for using antiseptic during Qurbani season.

Banners were hung around local Masjids which portrayed the message of staying clean with Savlon. Eid-ul-Azha tips were published in the magazines which specifically talked about the ways through which households can be cleaned during Eid seasons. The magazine's tips were specifically designed to raise awareness among families so that they can remain germ-free during Eid festivals. Simultaneously, a dedicated SAVLON Facebook page published posts regarding the proper cleaning methods of slaughtered meats. The SAVLON Facebook page was instrumental in spreading the message of cleanliness among 400,000 people in the online community.



Raising awareness regarding female health and hygiene



There is a social stigma related to female menstruation. Prejudice and misbeliefs are very common among women. As most shopkeepers are male, women are hesitant to buy sanitary napkins themselves. Most of the time women are uncomfortable and reluctant to discuss their physical problems with their family members. Quite often during this period, they are unable to continue with their regular activities for fear

of staining and overflow. Keeping the context in mind, ACI operated two mini pavilions at Dhaka International Trade Fair 2015 with named "Freedom Woman Health & Nutrition Centre". Since this fair is a great platform to reach a large number of female, we wanted to utilize this opportunity to raise awareness regarding female health and hygiene. The objective of this initiative was to educate women regarding female health and hygiene, provide free health checkup for women and provide nutrition advice. In long run through this initiative ACI reached its customer and helped to reduce the social prejudice and stigma related to female menstruation, and encouraged women to speak out about their health issues comfortably.



Freedom Collaborating with ShornoKishoree Network Foundation (SKNF) to Aware Adolescent Girls

Despite the health risks associated with unhygienic period, sanitary napkin penetration rate in Bangladesh is very low-at around 17%. Most women still use unhygienic cottons and clothes during period. As a result 92% women suffer from Urinary Tract Infections which can lead to

nutrition and dietary habits, reproductive and sexual health, personal health and hygiene, mental health and right age of marriage. The project targets 64 schools in 64 districts targeting urban to rural area of Bangladesh. At the first year (2014), the project has already reached to 10,000 adolescents and looking forward reach 64, 0000 in the second year (2015) directly. By the end of 5 years the project is planning to reach directly 20 million female adolescent. Indirectly the awareness is reaching mass level at all over the nation through electronic media, social media, and apps. The show is broadcasted at 5.30pm on Saturdays and 12.30pm on Fridays.



infertility and cervical cancer. And the most surprising fact is many adolescent girls don't even know about sanitary napkin and its benefits. Therefore the main challenge of maintain healthy adolescent health is lack of awareness.

To overcome this challenge ACI collaborated with ShornoKishoree network, Bureau of Health Education (BHE) and Channel I to run health and hygiene awareness campaigns to schools, hospitals, clinics, pharmacies, youth centers and work places to reach maximum number of adolescent girls of the country. It is an initiative for creating awareness and behavior change skills among adolescent girls through media towards safe motherhood and women empowerment. The campaign focuses

Recycling

Every year Savlon sells approximately 4,805,082 glass bottles of Liquid Antiseptic. Many of the bottles are thrown away which causes landfills pile up with glass objects results poses threat to safety and the environment. Therefore, ACI has taken initiatives to reduce its environmental impact by recycling Savlon glass bottles. Recycling allows reducing the air pollution and water pollution as well energy conservation. Moreover, recycling glass bottles will reduce the space in landfills. Through a systematic process ACI aims to recollect empty bottles and reuse under protocol to meet Pharma standers.

Promoting climate smart agriculture in the coastal belt of Bangladesh

More than 30% of the cultivable land and one-fourth of the population in Bangladesh is in the coastal belt. A total of 366,650 ha of land is affected by salinity in Barisal and Patuakhali, where farmers usually only cultivate during winter while land is left fallow during other seasons. Thus biodiversity, crop yields, cropping intensity, production levels and people's livelihood quality are much lower than other parts of the country. At the same time food demand in the area is increasing with the steady increase in population. To help residents living in such adverse conditions, abiotic stress tolerant (salinity & submergence) crops need to be introduced.

To overcome these problems, ACI has developed a variety of improved, specially adapted stress tolerant seeds for field crops (rice, wheat, maize, rapeseed etc) and homestead gardening that can be cropped all year around.

This project aims to sell stress tolerant seed varieties and provide recommended inputs which will increase the agricultural productivity and decrease poverty among farm families in Bangladesh. The goal is to benefit 3200 farm families within 2 years.

The seeds will be sold to farmers at discounted prices and they will be trained to adopt proper agronomic practices, which will increase farm productivity. Widespread demonstrations within the project locations will also help farmers understand the benefits of cultivating a diversity of crops. As a result of farmers becoming more productive throughout the year, they will get a stable income and have secure access to more nutrient rich crops and products for their own consumption. After the 1st year, the farmers have increased their land for crop diversity by 10-15%. They have also switched from using susceptible local varieties to the high yielding varieties from ACI.





Some farmers have also adopted new crops such as indigenous potato, maize, tomato, sunflower, Mung Bean and watermelon. They would only grow rice during T. Aman and now have understood the commercial benefits of growing additional crop varieties and adopted them. They have also started cultivating rice during the Aus season.

To further accomplish this goal, the project incorporates the women of each family to carry out homestead gardening. The women are given 5 types of vegetable seeds along with fertilizer, money for other inputs and watering cans. The women are also trained to carry out gardening in rows to increase production. The idea behind this is that, the women can provide nutrition to their families and sell the surplus in the market for extra income. This has been highly successful and women have now requested for more varieties apart from the 5 usual ones given to them by ACI. The performance of the homestead gardens has also influenced the neighboring women to

adopt the same practices; hence a snowball effect of the project can already be felt.

To further assist the farmers and the homestead gardens, ACI has supported 8 nurseries in the project locations, which are able to support by providing seedlings of vegetables. Farmers found it difficult to grow the seedlings before planting them in the fields but this problem has been solved by the presence of nurseries.

ACI is taking an innovative approach at each step of the crop production. Starting with development of seed varieties tailored for the coastal belt, to selection and training of farmers. Through the intervention of the project, farmers in the project locations both direct beneficiaries and in direct beneficiaries have started understanding the benefits behind cropping diversely throughout the year. They are not only able to fulfill the needs of their own household, livestock and poultry feed, but also raise the household income.

Future Plan



The future plan of ACI's CSR department is to create projects with business models for addressing social issues with the core competence of the company. Few Examples of upcoming projects related to CSR are as follows:

	<i>Market linkage programs for women empowerment</i>
	<i>Projects using ACI Logistic Services to reach the underserved community so that business and consumer both grows together</i>
	<i>Projects for protecting the environment in the long term and for equal generation of income for rural people through project Neem Village</i>
	<i>Projects for introducing environmentally safe pesticides and creating market linkage for farmers</i>
	<i>Adopt A Village and Waste management projects will be running</i>





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