Sustainability Report 2011





Message from the Managing Director

From a small scale regional pharmaceutical manufacturing beginning in 1958 Square is now a major business conglomerate of Bangladesh. During its five decades of operation Square Group has proliferated into Health Care, Fast Moving Consumer Goods, Textiles, Information Technology, Media and Entertainment sectors. The remarkable confidence of our customers at home and abroad coupled with dedication of Square family members we have a leading position in all the sectors we are in now.

Square Group today is one of the largest employers in Bangladesh having a human resource pool of more than 34,000. It is also one of the largest contributors to the National Exchequer in the form of VAT and Taxes. Square's debut into the RMG sector was in 2001 with two manufacturing units –Square Fashions Limited and Square Knit fabrics Limited. Venturing out of the Group's long-established Pharmaceuticals and Toiletries business to Textiles was aimed at creating much needed employment opportunities in the country with an exemplary working environment along with our usual endeavor to add value.

Our RMG manufacturing sites now include worker dormitories with pure drinking water, lighting and cooking facilities with no cost to the employees. Transportation, meals, round the clock medical services and recreational facilities are also core components of our work places.

We uphold Ethical Trading Initiative (ETI) based codes covering Freedom of Association, Safe working Conditions, Regular employment, Reasonable working hours which is Free from Bonded & Child Labor and Discriminatory & harmful treatment. As we go along we plan to enhance the facilities to the employees further. As recognition to our efforts towards a congenial working environment we earned "Best Workers' Friendly Knitwear Industry" award in 2009.

Compliance to Local and International Regulations along with the requirements and expectations of our stakeholders was our focus from the beginning. Our efforts towards maintaining environment friendly manufacturing facilities and working environment is exemplary, such as :

- Energy Saving Scheme: Making optimum use of natural lights and use of energy saving bulbs in the work places is a standard procedure. Harvesting of Solar Energy has been planned to minimize dependence on fossil fuel.

- Reduce CO2 emission: Use of exhaust gas and hot water from generators for Chillers and Boilers are implemented to conserve energy and reduce carbon emission.

- Rain water harvesting: Rain water is collected during rainfall in the reservoirs and used water is recycled after proper treatment for use in production facilities to reduce dependence on ground water.

- Green Environment Scheme: Tree plantation in entire factory premises is another of our efforts to help save our environment from Green House Effect.

- Organic fertilizer: Biodegradable solid wastes out of production process are processed in an onsite organic fertilizer plant to be used in other Agriculture and Tea Plantations of Square Group.

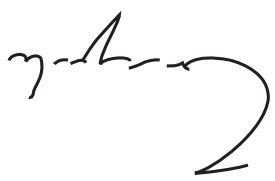
We earned "National Environment Award" in 2009 for putting in practice environment friendly measures in our work places.

We strive towards establishing ourselves as a "one stop" source for the Global Knit Composite needs by

- Developing and Providing products and services on time
- Offering products at a price which justifies its value and quality.
- Making the work place employee and environment friendly.

We are expanding and improving our manufacturing capacities continually and in line with that we have added two new spinning units and one new unit in Square fashions in 2010. These additions not only increased our ability to meet customer needs better but it has also contributed towards generating employment opportunities. A new Woven/Denim plant is also on the plan in the short term.

Publication of GRI Level C report for the first time is the manifestation of our commitments towards economic, social and environmental advancement of the country. We are confident of reaching greater heights in the coming days in business as well as in our contribution to Economy, Social and Environmental sectors of Bangladesh.



Tapan Chowdhury
Managing Director

Our Stand About Sustainability

SQUARE is an organization with equal prominence on leadership, technology, quality and passion. The journey begins in small scale pharmaceutical venture in 1958. Square looks at the future with increasing confidence. In the times to come Square intends not only to strengthen its strong local footing but also extend its international presence. Square is all set to repeat its local success in the global market.

The Testament of Time: SQUARE stands for ceaseless efforts. The philosophy of never standing still, never slowing down, never stop thinking and never compromising with quality has made SQUARE the most progressive and dynamic business leader in the country. Square believes in using advanced technology to cope with the changing world. Innovation and diversification are its major strengths.

The music of SQUARE: Square is about harmony and integration, between the elements of its own microcosm, and with the macrocosm outside. Square is one of the largest and most successful public sector conglomerates in the region. Above and beyond its tangible success, lies the spirit of Square that finds embodiment in every Square project. The success of Square is the vindication of its faith in human endeavor, in the prophetic power of human aspiration.

Our worth's:

- Pursuit for excellence
- Cope up with modern technology
- Customer satisfaction
- Committed to save our environment
- Produce world class human resource
- Be transparent in every step

Our Mission

The relentless pursuit for excellence; the urge to never stand still, to never slow down and to never stop thinking. Square believes in continuous innovation and progress. Its endeavor is to bring the best minds together in a uniquely rich and stimulating environment. An organization with equal emphasis on leadership, technology, quality and passion is our mission always.

Our Vision

In a career spanning across five decades, it has pioneered the development of the local business in fields as diverse as pharmaceuticals, toiletries, garments, textile, information technology, healthcare products, food products, hospital etc. Square is poised for Global presence and we are moving toward achieving that within the shortest possible time.







Our Environmental Policy

Square is committed to the protect the environment and to conserve the natural resources.

Square will comply with environmental laws and regulations and will closely monitor its service, manufacturing, storage, treatment and disposition process to ensure that the company's operations do not create any adverse impact on environment, health and safety of communities.

Square is committed to continual improvement of environmental management system and environmental performance.

Our Quality Policy

We are committed to develop and establish a sense of belongingness of all members of the team.

We are committed to attain the pioneering position in Ready Made Garments sector as a one-stop source ensuring quality and innovative products and services.

We are committed to achieve customer satisfaction through dedicated service.

We shall ensure quality objectives by rigorous implementation of documented quality assurance as per requirements.

We shall undertake appropriate periodic review of our operations to eliminate any omission as required under quality policy to ensure progressive improvements and growth of the organization.



Status on Code of Conduct Practices

Child Labor: There is no child labor in the factory, which is in compliance with the standard code of conduct and Bangladesh Labor Law.

Forced Labor: There is no forced labor, whether in the form of prison labor, indentured, labor and bonded labor or otherwise.

Health and Safety: All necessary measures are ensured for hazard free, safe working places.

Freedom of Association: Workers have all the right to form any kind of committee or Union to express their view as per law. They can also express their grievances & suggestion to the employer through suggestion box, day to day personal approach and monthly meeting of workers participation committee (WPC).

Discrimination: There is no discrimination in employment, including hiring, salary, benefit, advancement, discipline or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion or social or ethnic origin.

Disciplinary Measure: Procedures are ensured as per labor law and followed in consistent with avoidance of abusive practices.

Working Hours: Standard working hours are ensured in accordance with law.

Remuneration: Salaries are paid in strict compliance of the law.

Environment: The factory complies with all applicable local environmental, safety and health regulations.

Compliance with current legislation: The factory complies with all related current legalization in the different applicable areas.

Harassment: The use of corporal punishment, mental or physical coercion and verbal abuse are forbidden.

MILESTONES OF SQUARE

SQUARE PHARMACEUTICALS LTD.

SQUARE TEXTILES LTD.

Square Yarns Ltd.

SQUARE
Knit Fabrics Limited

SQUARE
Fashions Limited

RASTAS APPARELS LIMITED

Square
Texcom Limited

MARKUP COT SPIN. LTD.

SQUARE TOILETRIES LIMITED

SQUARE CONSUMER PRODUCTS LTD.

SQUARE INFORMATIX
Limited

SQUARE AGRO LIMITED

SQUARE HOSPITAL

SQUARE HERBAL & AYURVEDICS LTD.

SQUARE HEALTH & HYGIENE PRODUCTS LTD.

SQUARE
AIR LIMITED

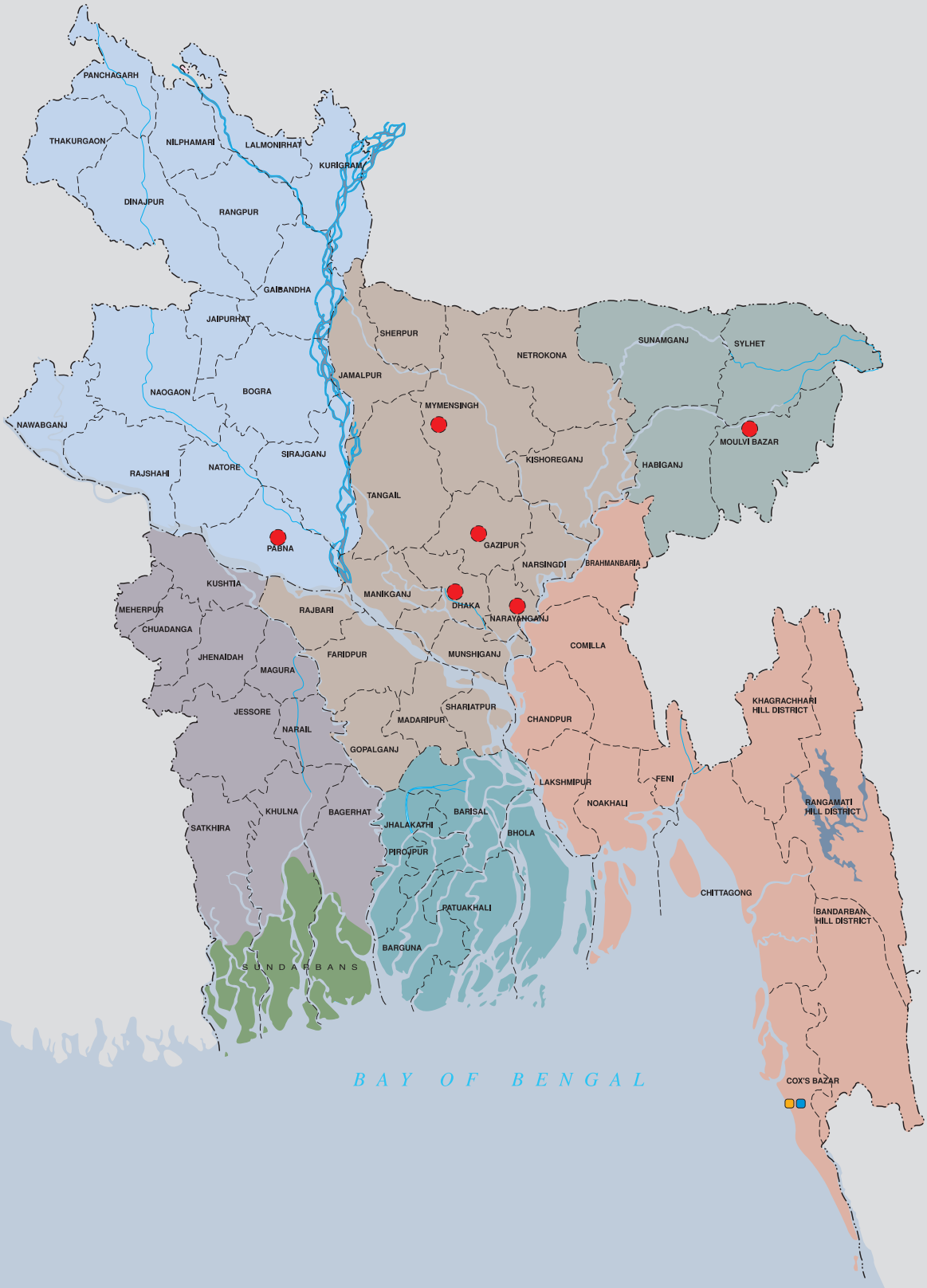
Mediacom
LIMITED

MAASRANGA PRODUCTIONS LTD.

MAASRANGA TELEVISION LTD.

AEGIS SERVICES LIMITED

Business Structure at a Glance



If you have any query and comments about our report or organizations please contact us via mail or phone. Your valuable opinion will help us to develop our sustainable activities.

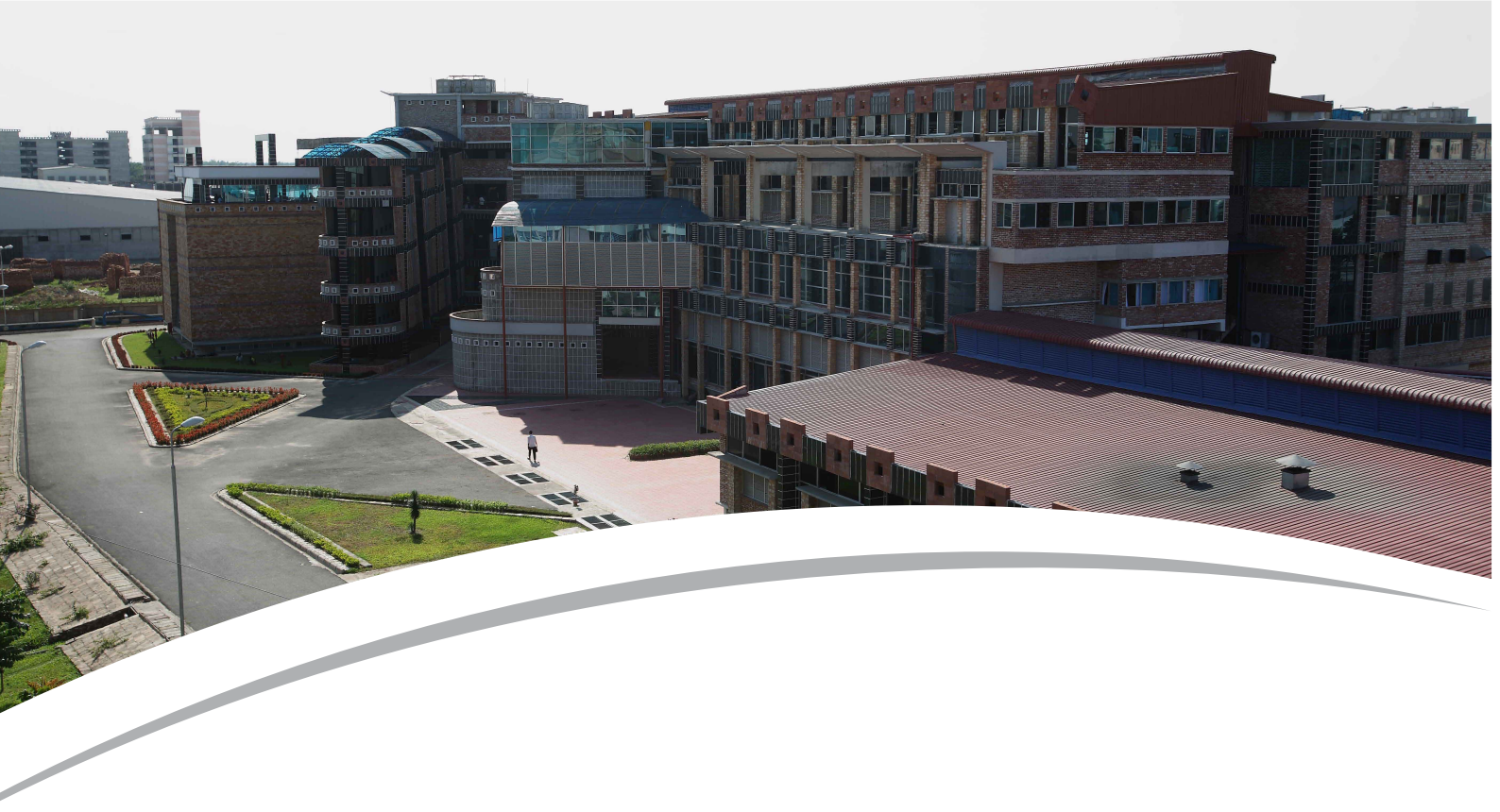
Contact Information's:

Lt Col Md Humayun Kabir (Retd)
Director
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Square Knit Fabrics & Fashions Limited
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Web: **http://textile.squaregroup.com**

Md. Armanur Rahman
Senior Executive
Compliance, HR. & Administration
Square Knit Fabrics & Fashions Limited
E-mail : arman-sfl@squaregroup.com
Web: **http://textile.squaregroup.com**




CAC-1
GERBERcutter



Overview Of

SQUARE Knit Fabrics Limited And SQUARE Fashions Limited

Established ourselves as a one stop source for the global knit apparel market to satisfy and assemble customer's expectation by developing and providing products and service on time, which offer values in terms of quality, price, safety, by maintaining compliance with social, economical and environmental impact. With the best use of human resource and equal opportunity in employment, our aim is to procure the most advanced and sophisticated technology suitable for producing desired product. Square conquer the highest level of competence through continuous development of the professional management system and to ensure complete transparency in all aspects of business.



SQUARE FASHIONS LIMITED

This is the final stage of the vertical integration. The Square Fashions Limited is the consummation of Square's vision of becoming a one stop destination for international buyers.

Technical Details of Square Fashions Limited.

Year of Establishment	2001
Commencement of Production	2002
Business & Products	Readymade Knit Apparel • Polo Shirts • T-Shirts • Tank Top • Trousers • Hooded Jacket & Cardigan • Sports Wear • Undergarments • Mens & Ladies Fashions Wear • Kids Wear.
Total Manpower	6700 Approximately
Production capacity per day	1400 dozen of T-Shirt 1200 dozen of Polo Shirt 1400 dozen of Women & Kids Wear 1000 dozen of undergarment
Target Market	Europe and USA
Total Turnover Year 2010	95,260,674.56 $US
Initial Investment	$US 15.00 million
Factory Area	Total land area 5212 decimal (52.12 acre) Total Production area 2,81,588 sft One single storied & one three storied centrally air-conditioned modern handling system facilitated building.



VARIOUS DEPARTMENT of
Square Fashions Limited

Technical & Product Development:
Separate Technical and Product Development department with the capacity of 800 pieces per day and well equipped technology with dedicated resource.

Cutting:
Equipped with computer aided designing marker making, spreading & cutting facilities. COMPUTER AIDED DESIGN (CAD). A complete designing section for computer aided designing equipped piped with GERBER & INVESTRONICA systems.

Sewing:
Sewing section is comprised of latest generation JUKI sewing machines with automatic thread trimming and sucking device. Have some special machine like YAMATO, Pegasus feed of the Arms, automatic placket attaching machine, smoking machine, pintack machine, Ilet whole and for different garment processing machine, including button hole & button stitch machines of JUKI.

Finishing:
This section is equipped with all the necessary finishing equipment like steam press with vacuum table ironing. Air blowing thread cleaning machines and modern needle detector and finished garments can be delivered within cartons or on hanger.

Embroidery:
Having 2 × 20 head BARUDAN, 7 × 20 head TAJIMA and 6 × 20 head FIEYING embroidery machine with 9 color selection of threads, double head appliqué laser cutting machine.

Printing:
Facilities MHM –Syncro 3000 Rotar garment printing machine, with the necessary machines of Germany made with 12 color printing option, Injection Molding Print, Flock print.



SQUARE KNIT FABRICS LIMITED

The second component of the vertical integration, the Square Knit Fabrics Limited. uses cutting-edge technology to produce world class knit fabrics.

Technical Details of Square Knit Fabrics Limited:

Year of Establishment	2001
Commencement of Production	2002
Business & Products	Circular Knit Fabrics both in open width and tubular width in different weight: • Pique • Single Jersey • Interlock • Rib 1 × 1 , 2 × 2 • Cotton + Lycra Both Pique Jersey • Auto Stripe/Feeder Stripe- Pique, Jersey, Rib, Interlock • Terry Fleec(2/3 Thread)- Both Brushed Non-Brushed. • Single & Double Mercerized product in solid & Stripe. • Engineering stripe and semi jacquard, plain, Four-needle structures, crepe rib, drop needle, Cross-miss, Milanorib, etc
Total Manpower	1468 (year 2011)
Production capacity	6020 tones/year.
Target Market	Export Oriented Readymade Garments Industry. Currently Square Knit Fabrics Limited supplying their fabrics only for Square Fashions Limited.
Total Turnover Year 2010	38,499,966.46 $US
Initial Investment	US$ 28.00 million
Factory Area	Total land area 5212 decimal (52.12 acre) Production area 139687sft One single storied building. Boiler, Generator & Chiller related area 20802sft single storied building. Central Warehouse 31000sft Effluent Treatment Plant & Caustic Soda area 12132sft.





VARIOUS DEPARTMENT of Square Knit Fabrics Limited:

Yarn Mercerization and Dyeing

It has three different stages of highly sophisticated Yarn Mercerization facilities.

Preparatory mercerization

- Singeing machine from SSM, Switzerland.
- Reeling machines from Zerbo, Italy.

Mercerization machine

- Machine from Jaeggli, Italy.

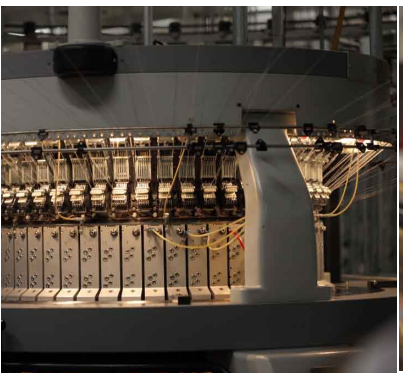
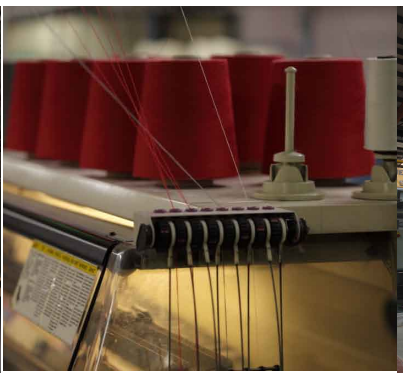
Dyeing (Hank)

- Hank dyeing machine from Loris Bellini, Italy.
- Sample dyeing machine from Loris Bellini, Italy.
- Dryer machine from Alea, Italy.
- The hank to Cone Winding machine from SSM, Switzerland.
- Total production capacity 1500 kg per day

Dyeing (Package)

The package yarn dyeing process includes the machines of most modern technology, those are:

- Precision Winding machines from SSM, Switzerland.
- Dyeing machine from School, Switzerland, Fong's China.
- Sample dyeing machine from School, Switzerland, Fong's China.
- Hydro Extractor from Frauchiger Technik, Switzerland and Detin, Italy.
- Radio frequency dryer from Stalam, Italy.
- Random winding machine from SSM Switzerland.
- Total Production capacity is 4000 kg per day.



Knitting:

Square has highly sophisticated knitting facilities:

- Single Jersey (S/J).
- Engineering Striper (S/J).
- Jacquard (Both Mini and Full S/J Jacquard).
- Double Jersey (rib).
- Double Jersey (interlock).

There are 47 circular Knitting machines in the factory. The production capacity is about 16,000 kg per day. These machines are from Mayer & Cie, Germany.

Flat Knitting:

Flat knitting machine is designed for making Collar and Cuff. Machines are

- Semi Jacquard
- Full Jacquard machine

A total number of 19 Flat Knitting machines and the production of capacity are about 25000 pieces per day. These machines are made by stall, Germany and by Shima Seiki, Japan.

Fabrics Mercerization and Dyeing:

Mercerizing Fabric is the Exclusive item of Square Knit Fabrics Ltd. These machines include:

- Fabric singing machine from Dornier, Germany.
- Fabric mercerization & bleaching machine from Dornier, Germany.
- Production capacity is 4000 kg per day.

Fabric Dyeing:

Fabric dyeing department is organized by high quality of machineries and their combinations are producing high quality of dyed fabrics.

- Fabrics dyeing machines from Sclavos, Greece.
- Atmospheric dyeing machine from Fong's, China.
- Atmospheric dyeing machine from AK, Taiwan.
- Total production capacity is 15,000 kg per day.

SQUARE FASHIONS LIMITED – FABRICS UNIT

The second component of the vertical integration, the Square Fashions Limited (Fabrics Unit) uses cutting-edge technology to produce world class knit fabrics.

Technical Details of Square Knit Fabrics Limited:

Year of Establishment	2009
Commencement of Production	2010
Business & Products	Circular Knit Fabrics both in open width & tubular width in different weight: • Pique • Single Jersey • Rib 1 × 1, 2 × 2 • Cotton + Lycra Both Pique Jersey • Feeder Stripe- Pique, Jersey, Rib, Interlock • Terry Fleec (2/3 Thread)- Both Brushed Non-Brushed. • Single & Double Mercerized product in solid & Stripe. • Semi jacquard, plain, Four-needle structures, crepe rib, drop needle, Cross-miss, Milanorib, etc
Total Manpower	392 (year 2011)
Production capacity	4380 tones/Year.
Target Market	Export Oriented Readymade Garments Industry
Total Turn over 2011	22,934,028.56 $US
Initial Investment	US$ 10.00 million
Factory Area	Total land area 5212 decimal (52.12 acre) Production area 203000 sft One four storied building. Boiler and Generator related area 5546 sft single storied building.



VARIOUS DEPARTMENT of
Square Fashions Limited (Fabrics unit):

Knitting:

- Square has highly sophisticated knitting facilities:
- Single Jersey (S/J).
- Jacquard (Both Mini
- Double Jersey (rib).
- There are 26 circular Knitting machines in the factory. The production capacity is about 8,000 kg per day. These machines are from Mayer & Cie, Germany (20 pcs) and Pai Lung from Taiwan (06 pcs)

Fabric Dyeing:

- Fabric dyeing department is organized by high quality of machineries and their combinations are producing high quality of dyed fabrics.
- Fabrics dyeing machines from Sclavos, Greece.
- Atmospheric dyeing machine from Fong's, China.
- Total production capacity is 12,000 kg per day.

Square Knit Fabrics Limited & Square Fashions Limited Factory location
Jamirdia, Habir Bari, Valuka, Mymensing, Bangladesh.

Head Office
Mascot Plaza (11th-12th Floor), Plot -107/A, Sector-7, Uttara, Dhaka-1230, Bangladesh.

Corporate Headquarter
Square Center, 48 Mohakhali C/A, Dhaka 1212, Bangladesh.







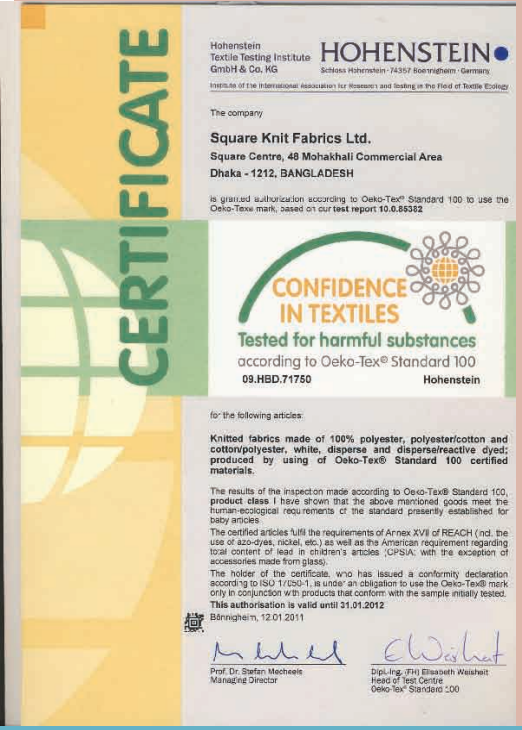
AWARDS

Square Knit Fabrics Limited received the prestigious award of the **"Environmental Compliance Program"** for maintaining a high standard of environmental compliance in garments and textile factories to jointly organized by **BGMEA, IFC, UK Aid & Norad**



Sanchia Chowdhury, Honorable Director, Square Knit Fabrics Ltd. receiving the
Award from Mr. Ghulam Muhammed Quader, Honorable Minister, Ministry of Commerce.

Certifications:



CERTIFICATE

Hohenstein Textile Testing Institute GmbH & Co. KG — HOHENSTEIN — Schloss Hohenstein · 74357 Boennigheim · Germany

Institute of the International Association for Research and Testing in the Field of Textile Ecology

The company

Square Knit Fabrics Ltd.
Square Centre, 48 Mohakhali Commercial Area
Dhaka - 1212, BANGLADESH

is granted authorization according to Oeko-Tex® Standard 100 to use the Oeko-Texs mark, based on our **test report 10.0.85382**

CONFIDENCE IN TEXTILES
Tested for harmful substances
according to Oeko-Tex® Standard 100
09.HBD.71750 Hohenstein

for the following articles:

Knitted fabrics made of 100% polyester, polyester/cotton and cotton/polyester, white, disperse and disperse/reactive dyed; produced by using of Oeko-Tex® Standard 100 certified materials.

The results of the inspection made according to Oeko-Tex® Standard 100, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.
The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).
The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the Oeko-Tex® mark only in conjunction with products that conform with the sample initially tested.
This authorisation is valid until 31.01.2012
Bönnigheim, 12.01.2011

Prof. Dr. Stefan Mecheels
Managing Director

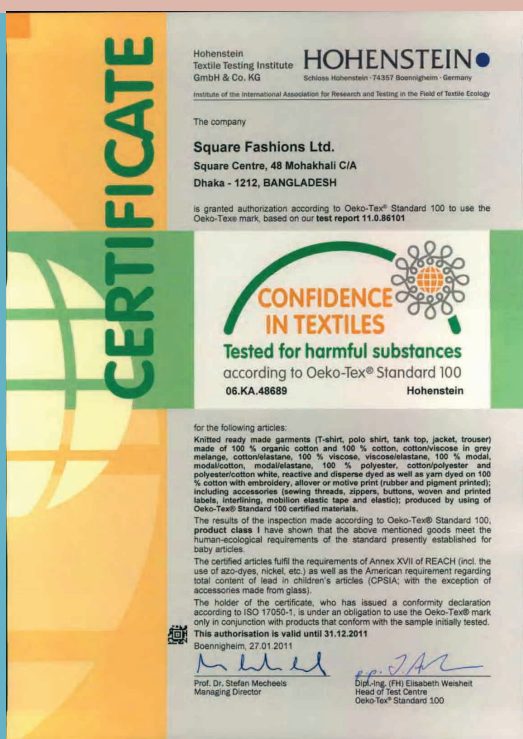
Dipl.-Ing. (FH) Elisabeth Weisheit
Head of Test Centre
Oeko-Tex® Standard 100

Square Knit Fabrics Ltd is granted authorization according to Oeko-Te Standard 100 to use the Oeko-Texs mark, based on our test report for the following articles:

Knitted Fabrics made of 100% Polyester, polyester/cotton and cotton/polyester, white, disperse, disperse/reactive dyed; produced by using of Oeko-Tex® Standard 100 certified materials.

Square Fashions Ltd. is granted authorization according to Oeko-Tex Standard 100 to use the Oeko-Tex® mark, based on our test report for the following articles:

Knitted ready made garments (T-shirt, polo shirt, tank top, jacket, trouser) made of 100 % organic cotton and 100 % cotton, cottonlviscose in grey melange, cottonleiastane, 100 % viscose, viscoselelastane, 100 % modal, modallcotton, modallelastane, 100 % polyester, cottonipolyester and potyesterlcotton white, reactive and disperse dyed as well as yam dyed on 100 % cotton with embroidery, allover or motive print (rubber and pigment printed); including accessories (sewing threads, zippers, buttons, woven and printed labels, interlining, mobilion elastic tape and elastic); produced by using of Oeko-Tex® Standard 100 certified materials.



CERTIFICATE

Hohenstein Textile Testing Institute GmbH & Co. KG — HOHENSTEIN — Schloss Hohenstein · 74357 Boennigheim · Germany

Institute of the International Association for Research and Testing in the Field of Textile Ecology

The company

Square Fashions Ltd.
Square Centre, 48 Mohakhali C/A
Dhaka - 1212, BANGLADESH

is granted authorization according to Oeko-Tex® Standard 100 to use the Oeko-Texs mark, based on our **test report 11.0.86101**

CONFIDENCE IN TEXTILES
Tested for harmful substances
according to Oeko-Tex® Standard 100
06.KA.48689 Hohenstein

for the following articles:

Knitted ready made garments (T-shirt, polo shirt, tank top, jacket, trouser) made of 100 % organic cotton and 100 % cotton, cottonlviscose in grey melange, cottonleiastane, 100 % viscose, viscoselelastane, 100 % modal, modallcotton, modallelastane, 100 % polyester, cottonipolyester and potyesterlcotton white, reactive and disperse dyed as well as yam dyed on 100 % cotton with embroidery, allover or motive print (rubber and pigment printed); including accessories (sewing threads, zippers, buttons, woven and printed labels, interlining, mobilion elastic tape and elastic); produced by using of Oeko-Tex® Standard 100 certified materials.

The results of the inspection made according to Oeko-Tex® Standard 100, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.
The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).
The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the Oeko-Tex® mark only in conjunction with products that conform with the sample initially tested.
This authorisation is valid until 31.12.2011
Boennigheim, 27.01.2011

Prof. Dr. Stefan Mecheels
Managing Director

Dipl.-Ing. (FH) Elisabeth Weisheit
Head of Test Centre
Oeko-Tex® Standard 100



CERTIFICATE

Hohenstein Textile Testing Institute GmbH & Co. KG — HOHENSTEIN — Schloss Hohenstein · 74357 Boennigheim · Germany

Institute of the International Association for Research and Testing in the Field of Textile Ecology

The company

Square Knit Fabrics Ltd.
Square Centre, 48 Mohakhali Commercial Area
Dhaka - 1212, BANGLADESH

is granted authorization according to Oeko-Tex® Standard 100 to use the Oeko-Texs mark, based on our **test report 10.0.84615**

CONFIDENCE IN TEXTILES
Tested for harmful substances
according to Oeko-Tex® Standard 100
06.KA.47774 Hohenstein

for the following articles:

Knitted fabrics made of 100 % cotton, 100 % organic cotton, 100 % viscose, 100 % modal, cotton/elastane, modal/cotton, viscose/elastane, modal/elastane, white and dyed also cotton/ viscose grey melange as well as yarn dyed made of 100 % cotton.

The results of the inspection made according to Oeko-Tex® Standard 100, **product class I** have shown that the above mentioned goods meet the human-ecological requirements of the standard presently established for baby articles.
The certified articles fulfil the requirements of Annex XVII of REACH (incl. the use of azo-dyes, nickel, etc.) as well as the American requirement regarding total content of lead in children's articles (CPSIA; with the exception of accessories made from glass).
The holder of the certificate, who has issued a conformity declaration according to ISO 17050-1, is under an obligation to use the Oeko-Tex® mark only in conjunction with products that conform with the sample initially tested.
This authorisation is valid until 30.11.2011
Boennigheim, 04.02.2011

Prof. Dr. Stefan Mecheels
Managing Director

Dipl.-Ing. (FH) Elisabeth Weisheit
Head of Test Centre
Oeko-Tex® Standard 100

Square Knit Fabrics Ltd is granted authorization according to Oeko-Te Standard 100 to use the Oeko-Texs mark, based on our test report for the following articles:

Knitted fabrics made of 100 % cotton, 100 % organic cotton, 100 % viscose, 100 % modal, cottonlelastane, modal/cotton, viscose/elastane, modallelastane, white and dyed also cotton! viscose grey melange as well as yarn dyed made of 100 % cotton..



Orion Registrar, Inc., USA
Certificate of Registration

This is to certify the Quality Management System of

Square Fashions Limited

Head Office: Mascot Plaza (11th and 12th) Floor, 107/A, Sonargaon Janapath, Sector #7, Uttara, Dhaka 1230, Bangladesh

Factory: Jamirdia, Habir Bari, Valuka, Mymensingh, Bangladesh

Has been assessed by Orion Registrar and found to be in compliance with the following Quality Standard

ISO 9001:2008

The Quality Management System is applicable to:

Manufacturing of Export Oriented Ready Made Garments (RMG)

The Registration period is from November 23, 2010 to November 22, 2013

This registration is subject to the company maintaining its system to the required standard and applicable exceptions, which will be monitored by Orion.

Client ID 0133-00000. Certificate ID 10001370-3.

CAC Code: 4

ANAB ACCREDITED

IAF

11/24/2010
Mr. Paul M. Burch, President — Date

Orion Registrar Inc. • PO Box 745070 • Arvada, Colorado 80006-5070 • 303-456-6010 • FAX 303-456-6481

To authenticate this certificate please visit www.orionregistrar.com

Square Fashions Limited has been assessed by Orion Register and found to be in compliance with the following Quality Standard ISO 9001:2008 The Quality Management System is applicable to: Manufacturing of Export Oriented Ready Made Garments (RMG)

Square Knit Fabrics Limited has been assessed by Orion Register and found to be in compliance with the following Quality Standard ISO 9001:2008 The Quality Management System is applicable to: Knitting, Dyeing and Finishing of Knit Fabrics.



Orion Registrar, Inc., USA
Certificate of Registration

This is to certify the Quality Management System of

Square Knit Fabrics Limited

Head Office: Mascot Plaza (11th and 12th Floor), 107/A, Sonargaon Janapath, Sector #7, Uttara, Dhaka 1230, Bangladesh

Factory: Rokeyapur, Jamirdia, Habir Bari, Valuka, Mymensingh, Bangladesh

Has been assessed by Orion Registrar and found to be in compliance with the following Quality Standard

ISO 9001:2008

The Quality Management System is applicable to:

Knitting, Dyeing and Finishing of Knit Fabrics

The Registration period is from October 10, 2010 to October 09, 2013

This registration is subject to the company maintaining its system to the required standard and applicable exceptions, which will be monitored by Orion.

Client ID 0133-00000. Certificate ID 10001384-3

CAC Code: 4

ANAB ACCREDITED

IAF

09/20/2010
Mr. Paul M. Burch, President — Date

Orion Registrar Inc. • PO Box 745070 • Arvada, Colorado 80006-5070 • 303-456-6010 • FAX 303-456-6481

To authenticate this certificate please visit www.orionregistrar.com



Orion Registrar, Inc., USA
Certificate of Registration

This is to certify the Environmental Management System of

Square Knit Fabrics Limited
Factory: Rokeyapur, Jamirdia,
Habir Bari, Valuka, Mymensingh
Bangladesh

Has been assessed by Orion Registrar and found to be in compliance with the following Environmental Management Standard

ISO 14001:2004

The Environmental Management System is applicable to:

Knitting, Dyeing and Finishing of Knit Fabrics

The Registration period is from October 10, 2010 to October 9, 2013

This registration is subject to the company maintaining its system to the required standard and applicable exceptions, which will be monitored by Orion.

Client ID 0133-00000. Certificate ID 10001384-3

CAC Code: 4

ANAB ACCREDITED

IAF

Square Knit Fabrics Limited has been assessed by Orion Register and found to be in compliance with the following Environmental Management Standard ISO 14001:2004 The Environmental Management System is applicable to: Knitting, Dyeing and Finishing of Knit Fabrics.

SQUARE FASHIONS LIMITED IS IN COMPLIANCE WITH THE FOLLOWING STANDARDS:

- Generic FAIRTRADE Trade Standards.
- FLO-CERT Public Compliance Criteria list for Trade Certification
- FLO-CERT Trade Certification Policies (if applicable)
- FAIRTRADE Standards for Seed Cotton for Small Procedure' Organization



FLO-CERT GmbH CERTIFICATION FOR DEVELOPMENT

Bonn, Germany, Date: 29/09/2009

CERTIFICATE of Conformity

FLO-CERT GmbH HEREBY CERTIFIES THAT:

FLO ID 19375

SQUARE FASHIONS LTD.
48 Mohakhali Commercial Area
1212 Dhaka
Bangladesh

IS IN COMPLIANCE WITH THE FOLLOWING FAIRTRADE STANDARDS:

- Generic FAIRTRADE Trade Standards
- FLO-CERT Public Compliance Criteria list for Trade Certification
- FLO-CERT Trade Certification Policies (if applicable)
- FAIRTRADE Standards for Seed Cotton for Small Producers' Organizations

Please note that the section "Additional requirements for traders in the cotton chain" is excluded from the Fairtrade Standards for Seed Cotton for Small Producers' Organizations. The section is a supply chain clause and is covered by the relevant indicator rather than certification.

DATE OF CERTIFICATION	FUNCTION	PRODUCT	TYPE	FORM	PRODUCTION SITE
29/09/2009	CMT Embroiderer Printer	Seed Cotton	Cotton Garments	Finished Cotton Garments	Square Fashions Ltd Rokeyapur, Jamirdia, Habir Bari, Valuka Mymensingh 2240 BANGLADESH

Please note that only the sites and activities listed above are covered by this certificate.

This certificate is valid until: 28/09/2012

Approved signature

Thomas Poole
Director of Certification

SQUARE KNIT FABRICS LIMITED IS IN COMPLIANCE WITH THE FOLLOWING STANDARDS:

- Generic FAIRTRADE Trade Standards.
- FLO-CERT Public Compliance Criteria list for Trade Certification
- FLO-CERT Trade Certification Policies (if applicable)
- FAIRTRADE Standards for Seed Cotton for Small Procedure' Organization



FLO-CERT GmbH CERTIFICATION FOR DEVELOPMENT

Bonn, Germany, Date: 22/09/2009

CERTIFICATE of Conformity

FLO-CERT GmbH HEREBY CERTIFIES THAT:

FLO ID 20927

SQUARE KNIT FABRICS LTD.
48 Mohakhali Commercial Area
1212 Dhaka
Asia
Bangladesh

IS IN COMPLIANCE WITH THE FOLLOWING FAIRTRADE STANDARDS:

- Generic FAIRTRADE Trade Standards
- FLO-CERT Public Compliance Criteria list for Trade Certification
- FLO-CERT Trade Certification Policies (if applicable)
- FAIRTRADE Standards for Seed Cotton for Small Producers' Organizations

Please note that the section "Additional requirements for traders in the cotton chain" is excluded from the Fairtrade Standards for Seed Cotton for Small Producers' Organizations. The section is a supply chain clause and is covered by the relevant indicator rather than certification.

DATE OF CERTIFICATION	FUNCTION	PRODUCT	TYPE	FORM	PRODUCTION SITE
22/09/2009	Processor, Dyer, Knitter	Seed Cotton	Fabric	Knitted & dyed fabric	Square Knit Fabrics Ltd Rokyapur Jamirdia, Habir Bari, Valuka, Mymensingh 2240, Bangladesh

Please note that only the sites and activities listed above are covered by this certificate.

This certificate is valid until: 21 September 2012

Approved signature

Thomas Poole
Director of Certification

or until surrendered, suspended or revoked.

This certificate may only be amended by FLO-CERT GmbH, any unauthorised amendment will be invalid. All previous certificates are revoked by this issue.



CERTIFICATE

CERTIFICATE No: C810828GOTS-01.2011
REGISTRATION No: CU 810828

Field of attention:
Textile certification
Global Organic Textile Standard (GOTS)

Issued to:
Square Fashions Ltd.
Dhaka, BANGLADESH
Project in: BANGLADESH

Standard:
"Global Organic Textile Standard - GOTS" standards for the processing of fibres from certified organic agriculture.

Valid until: 23 December 2011

Control Union Certifications declares to have inspected the unit(s), and/or product(s) of the above mentioned client, and have found them in accordance with the standards mentioned above.

This certificate covers the unit(s), and/or product(s) as mentioned in the authenticated annex of this certificate.

This certificate is in force until further notice, provided that the above-mentioned client continues meeting the conditions as laid down in the client contract with Control Union Certifications. Based on the annual inspections that Control Union Certifications performs, this certificate is updated and kept into force.

Date of certification:
25 February 2011
Place and date of issue:
Mumbai, 28 February 2011

Declared by:
On behalf of the Managing Director
Mr. A Balashanmugam

Certifier
Control Union Certifications
P.O. Box 161
8000 AD Zwolle
The Netherlands
http://www.controlunion.com
tel.: +31(0)38-4260100

Field of attention:
Textile Global Organic Textile Standard (GOTS)

Issued to:
SQUARE FASHIONS LIMITED

Standard:
"Global Organic Textile Standard –GOTS" standards for the processing of fibers from certified organic agriculture.

Field of attention:
Textile certification
Organic Exchange 100 Standard

Issued to:
SQUARE FASHIONS LIMITED

Standard:
OE 100 Standard of the Organic Exchange/Textile Exchange.



CERTIFICATE

CERTIFICATE No: C810828OE100-01.2011
REGISTRATION No: CU 810828

Field of attention:
Textile certification
Organic Exchange 100 Standard

Issued to:
Square Fashions Ltd.
Dhaka, BANGLADESH
Project in: BANGLADESH

Standard:
OE 100 Standard of the Organic Exchange/Textile Exchange

Valid until: 23 December 2011

Control Union Certifications declares to have inspected the unit(s), and/or product(s) of the above mentioned client, and have found them in accordance with the standards mentioned above.

This certificate covers the unit(s), and/or product(s) as mentioned in the authenticated annex of this certificate.

This certificate is in force until further notice, provided that the above-mentioned client continues meeting the conditions as laid down in the client contract with Control Union Certifications. Based on the annual inspections that Control Union Certifications performs, this certificate is updated and kept into force.

Date of certification:
17 February 2011
Place and date of issue:
Mumbai, 17 February 2011

Declared by:
On behalf of the Managing Director
Mr. N.A.C. Samarasinghe

Certifier
Control Union Certifications
P.O. Box 161
8000 AD Zwolle
The Netherlands
http://www.controlunion.com
tel.: +31(0)38-4260100



CERTIFICATE

CERTIFICATE No: C810828OEbl-01.2011
REGISTRATION No: CU 810828

Field of attention:
Textile certification
Organic Exchange Blended Standard

Issued to:
Square Fashions Ltd.
Dhaka, BANGLADESH
Project in: BANGLADESH

Standard:
OE Blended of the Organic Exchange/Textile Exchange

Valid until: 23 December 2011

Control Union Certifications declares to have inspected the unit(s), and/or product(s) of the above mentioned client, and have found them in accordance with the standards mentioned above.

This certificate covers the unit(s), and/or product(s) as mentioned in the authenticated annex of this certificate.

This certificate is in force until further notice, provided that the above-mentioned client continues meeting the conditions as laid down in the client contract with Control Union Certifications. Based on the annual inspections that Control Union Certifications performs, this certificate is updated and kept into force.

Date of certification:
17 February 2011
Place and date of issue:
Mumbai, 17 February 2011

Declared by:
On behalf of the Managing Director
Mr. N.A.C. Samarasinghe

Certifier
Control Union Certifications
P.O. Box 161
8000 AD Zwolle
The Netherlands
http://www.controlunion.com
tel.: +31(0)38-4260100

Field of attention:
Textile Organic Exchange

Issued to:
SQUARE FASHIONS LIMITED

Standard:
OE Blended of the Organic Exchange/Textile Exchange

MEMBERSHIP

Bangladesh Garments Manufacturers & Exporters Association

Bangladesh Knitwear Manufacturers & Exporters Association

Bangladesh Textile Mills Association

Metropolitan Chamber of Commerce and Industry, Dhaka.

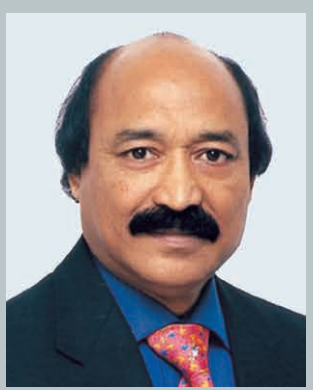
Corporate Governance

Operational Structure of the Organization:

Square Knit Fabrics and Fashions Limited is a private owned company. The highest governance body of the organizations is Board of Directors. The board consists of Chairman, Vice Chairman, Managing Director and Directors. The board decides about the business and revenue goals of the group and monitors the progress and performance of the business. Every business strategy and executive matters fall under the authority of the Board of Directors.



Mr. Samson H. Chowdhury
Chairman



Mr. Samuel S. Chowdhury
Vice Chairman



Mr. Tapan Chowdhury
Managing Director



Mrs. Ratna Patra
Director



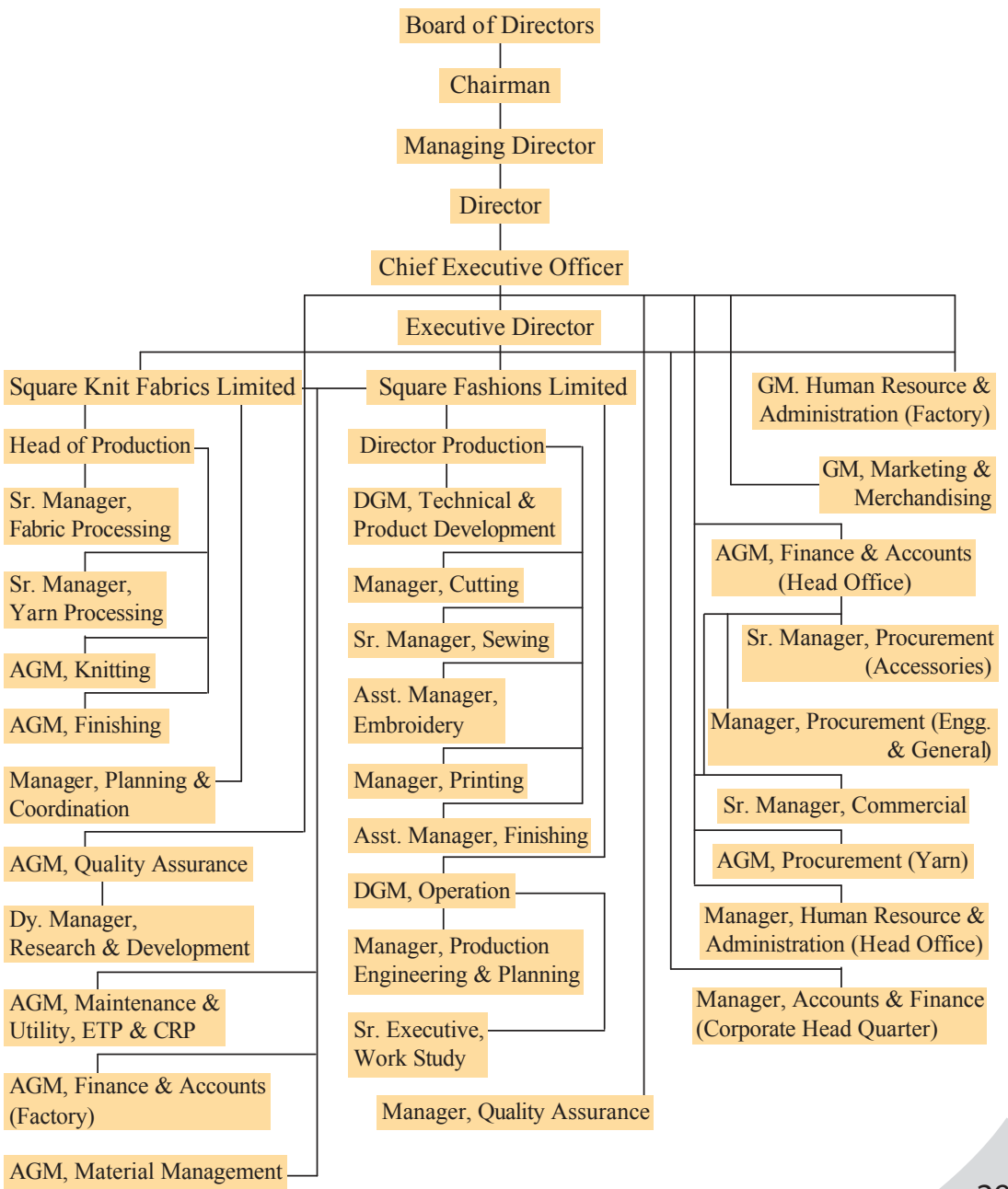
Mr. Anjan Chowdhury
Director



Sanchia Chowdhury
Director

Square emphasizes on participatory governance policy to create and maintain a congenial working environment. The culture of Square is such so that each and every employee can easily interact with the Chairman or Managing Director for any reason thereby communication gap between top management and employee reduces. This culture is earnestly maintained so that every observation or recommendation of each individual reaches the highest level of authority through an appropriate mechanism. Management staff can also interact their view or any bright idea with working force.

Management Committee of Square Knit Fabrics Limited and Square Fashions Limited



AREA OF OPERATION

Square Fashions Limited and Square Knit Fabrics Limited produces all their products in Bangladesh and exporting in the International market especially in Europe, Canda and Asia through world renowned Buyers.



Products





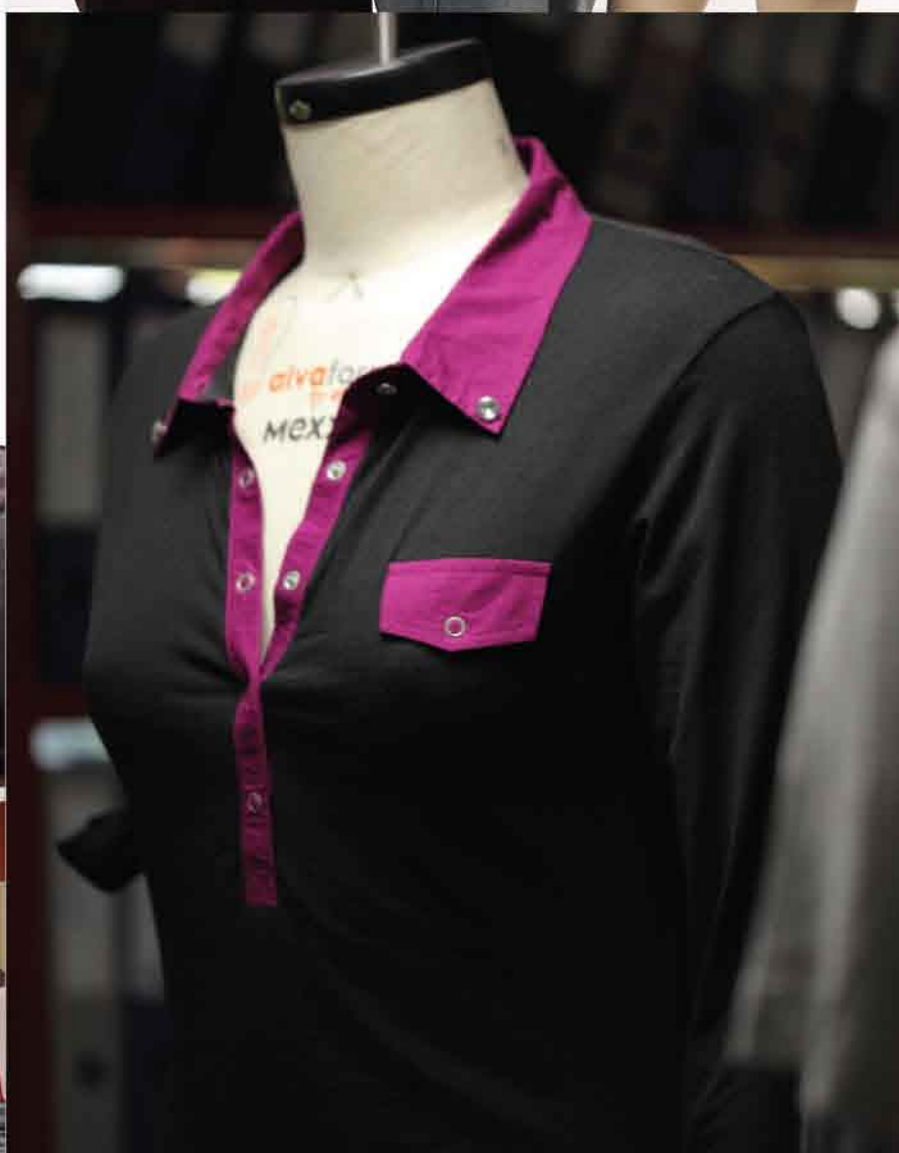

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SOME OF OUR MAJOR BUYER





























Some of our major Supplier

SQUARE TEXTILES LTD.

Square Yarns Ltd.

AVERY DENNISON

Clariant

COATS

PAXAR

Checkpoint

BASF
The Chemical Company

YKK

Ciba

cognis
we know how

SML
Global Apparel Branding
& Packaging

DyStar

huafu

Maral Overseas Limited

SRI SHANMUGAVEL
GROUP OF MILLS

HUNTSMAN
Enriching lives through innovation

CHT
BEZEMA







SUSTAINABILITY



About Our Sustainability Report

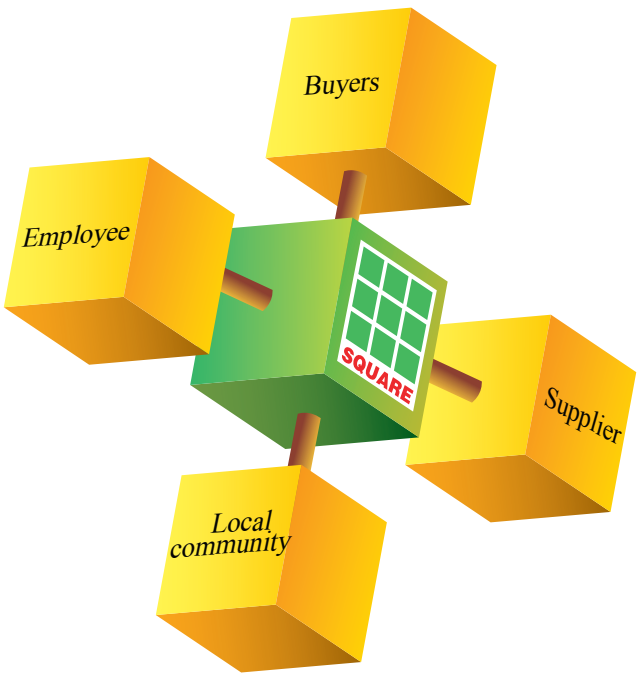
This is our second sustainability report and this is an annual report, which reporting period from January 2011 to December 2011. Previous reporting cycle was January 2010 to December 2010. Our next reporting cycle will be January 2012 to December 2013 as biennial report. All the reporting activities & data are shown between these periods on the basis of the GRI Level B guideline. We try to disclose our economical, environmental & social sustainability stands on the based on GRI Level B guidelines. We have included Square Fashions Limited (Fabrics unit) data on this reporting period.

Through GRI guideline, research and collecting all sorts of data is a kind of challenge. We try to congregate all kinds of necessary data in time and make this report with full of related information. Because we believe sustainable development is a continuous expedition and this report is another achievement to develop our sustainable stand for future.

Square is one of the most sophisticated vertically integrated set-up in the country with its manufacturing facilities combining modern technology with skilled manpower under Square's unique inspiring atmosphere. Today Square textile division is a giant active in divergent business and industrial field. Its present unassailable status is the outcome of its successful diversification. Square group's business structure located in all over the Bangladesh. As such it was quite unfeasible for us to collect data & material from the entire sister concern organization of Square group. we are try to concentrate ourselves mainly towards Square Fashion Limited, Square Knit Fabrics Limited and Square Fashions Limited (Fabrics unit) about our sustainability reporting.

Prepare GRI sustainability report for the second time we still face some difficulties from our buyer, supplier, employee and community people also. Actually they are not willing to provide necessary feedback on time, even though they are our main stakeholders. Because they are significantly influencing on the company's activities, also influenced by company's approach. Our main focus was to asses their opinion and makes them understand the importance of their activities for company's sustainable growth. We have communicated our stakeholders through mail, telephone interview, customer feedback form, customer complaint form, letter, suggestion box, meeting and face to face dialogue.

Our Stakeholders









Economic

ECONOMIC VALUE GENERATED by

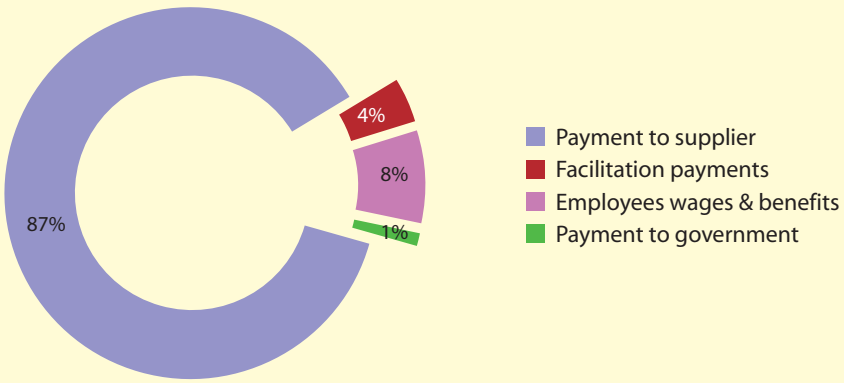
Square Knit Fabrics Limited (SKFL) and Square Fashions Limited (SFL)

Total net sales of Square Fashions Limited (garments unit), Square Fashions Limited (Fabrics Unit) and Square Knit fabrics Limited are $US 156,694,670 in the year 2011. Here you can see a picture of economic value generated by Square Fabrics & Garments units:

Economic Value distributed (in $US)

Payment to supplier	126,467,556
Facilitation Payments	5,736,274
Employees Wages & benefits	11,266,504
Tax Payment to Government	883,892

Economic Value distributed

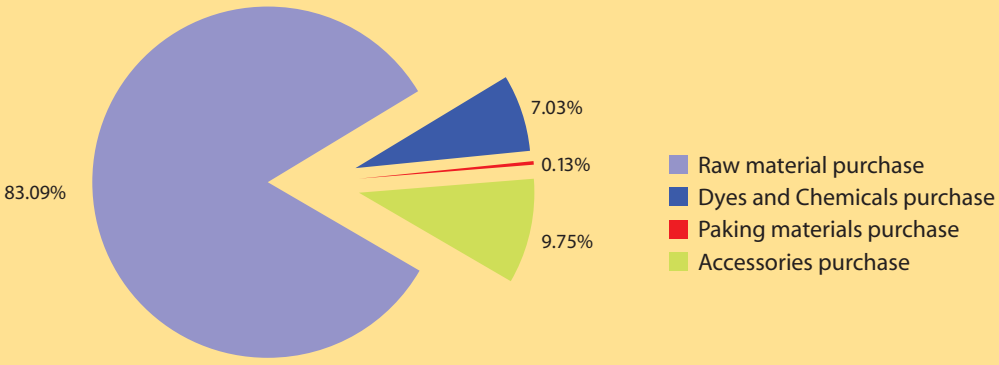


Operating Cost:

Payment to Suppliers (in $US)

Raw material purchase	105,084,041
Dyes and Chemicals purchase	8,887,953
Packing material purchase	162,672
Accessories purchase	12,332,890

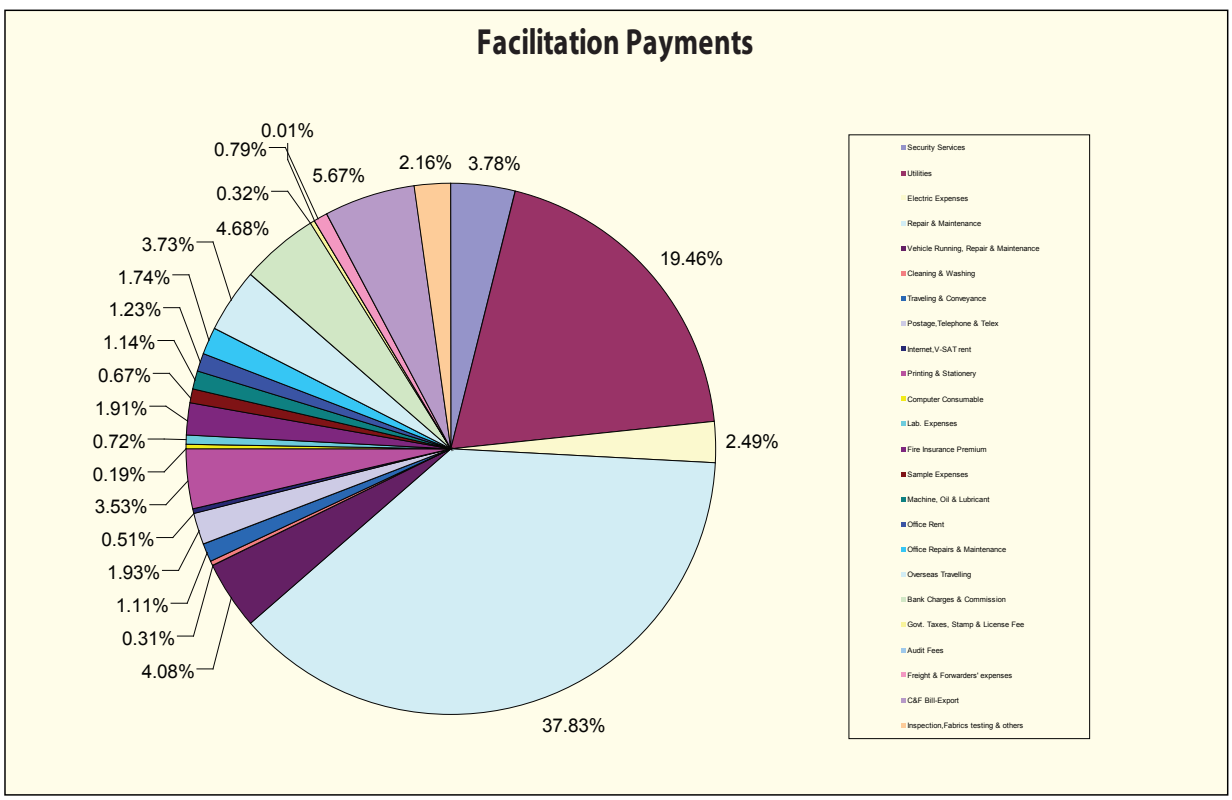
Payment to Suppliers



Here you can find the total picture of our facilitation cost including all kind of payments. A broad and detailed view of complete audited result of facilitation payments:

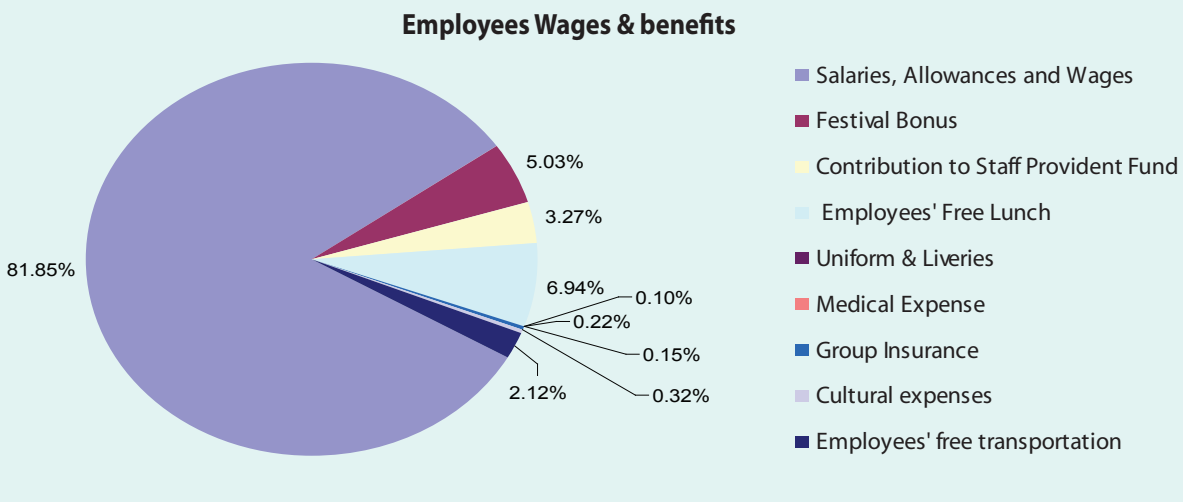
Facilitation Payments (in $US)

Security Services	217,051
Utilities	1,116,334
Electric Expenses	142,918
Repair & Maintenance	2,170,295
Vehicle Running, Repair & Maintenance	233,779
Cleaning & Washing	17,778
Traveling & Conveyance	63,587
Postage,Telephone & Telex	110,482
Internet,V-SAT rent	29,199
Printing & Stationery	202,422
Computer Consumable	11,090
Lab. Expenses	41,072
Fire Insurance Premium	109,278
Sample Expenses	38,392
Machine, Oil & Lubricant	65,566
Office Rent	70,552
Office Repairs & Maintenance	99,874
Overseas Travelling	214,188
Bank Charges & Commission	268,482
Govt. Taxes, Stamp & License Fee	18,473
Audit Fees	810
Freight & Forwarders' expenses	45,588
C&F Bill-Export	325,301
Inspection,Fabrics testing & others	123,763



Employees Wages & benefits (in $US)

Salaries, Allowances and Wages	9,221,811
Festival Bonus	566,552
Contribution to Staff Provident Fund	368,188
Employees' Free Lunch	782,407
Uniform & Liveries	11,153
Medical Expense	17,397
Group Insurance	24,288
Cultural expenses	35,966
Employees' free transportation	238,743



Tax paid to Government: Square Group one of the leading tax payer in our country. In the year 2011 the total amount of tax paid to the Government is $US 883,892 which is a 28.46% increase than the previous year. This amount is shown only the total number of tax paid by Square Fashions Limited (Garments and Fabrics unit) and Square Knit Fabrics Limited.

Community Investment: Squares activity goes well beyond the specialty of business. As a socially conscious and responsible corporate body, we are committed to the improvement of the society as a whole.

Contribution to Acid Survivors foundation (ASF) Fund: Square Toiletries Ltd. one of the concern of Square Group is involved in fund raising program with Acid Survivors foundation. With this fund Square conducts awareness program and stand along with these Acid survivors. Square Toiletries Ltd donates Tk 1/- for the sale of each packet of Senaora Sanitary Napkin to a local initiative named Acid Survivors' Foundation (ASF). ASF actively helps to rehabilitate the poor women who are sufferer from serious physical injury caused by crimes related to acid throwing. So far, Square Toiletries Ltd has contributed Tk 1.2 million to the ASF fund.

Free Treatment for underprivileged people: Square Hospitals Ltd is one of the concerns of SQUARE Group. Conducts free medical treatment program for underprivileged patients of its surrounding community on 27th day of each month

Support for Vocational Training: Square Toiletries Ltd also assists the Naksha Training Center, where vulnerable women are vocationally trained for operating sewing machines. Also run a program with one of our buyer Marks & Spencer we employing physically challenged people.

Partner in Rural Selling Program (RSP): Square Consumer Products Limited (SCPL) co-partnered this program with CARE (a leading international NGO) and some other multi national companies and local companies to employ country's poor rural women in income generation and their empowerment. Under the program, the poor women will sell various products of the company in various parts of the country and receive a commission at rates higher than the wholesale business. SCPL has promised to give at least 10% sales commission to the women involved.

Working with different NGO: Square helps many NGO's in their efforts to make healthcare services available to the deprived population of the country.

Reconstruction of Library: We took some specific initiatives to support the non-proliferation of drug addiction among local youths at Pabna."Rebuilding of Ananda Govinda Public Library", a 100 year old public library, is one of such initiatives. We installed modern facilities for readers and also for the preservation of valuable books and documents. This is aimed for attracting local youths to engage in alternative activities like education.

Rebuilding of schools and roads: We reconstructed a school to create education facilities for under privileged students and constructed two roads for public conveniences.

Sponsor different events: Square Meril-Prothomalo award festival and Ruchi Boishakhi utshav (Bangla New Year) has become a national calendar event. Square is also a major sponsor of sporting events in the country.



Support Meritorious Student: Square also recognizes to the merits of higher educated students. Every year Square awards Gold medal to the Student of Dhaka Medical College who secures the highest marks.

Support to Disaster Management: Square Group has a clear policy to support disaster management efforts of the Governments in and outside Bangladesh. Square donated bird flue medicine to the Government of Bangladesh which will cover the treatment many patients.

During this winter season square distributed warm cloths to the cold affected poor people. In June 2009 square distributed relief material as well as donated cash money for the cyclone (AILA) affected people and also same donation for cyclone SEDOR affected people.

Square donated medicine to responding to severe earthquakes in Iran and Pakistan.

Building Healthcare System Capacities: Square Group, as a part of its commitment to the people of Bangladesh established a state of the art hospital named Square Hospitals Ltd this will bring changes in people's attitude to seek better healthcare service from countries like Thailand, Singapore, India etc and in the process save invaluable foreign currencies for the country.

Among others, it sponsors program to build awareness in healthcare needs. Square also provides institutional helps to build healthcare infrastructure. We have donated two ambulances to Pabna Municipal Corporation & Ishwardi Municipal Corporation for public use.



Provident Fund

Square committed to ensure employees rights and benefits as per law. In respect of this, square constitute provident fund for employees from the very beginning of its operations. We believe workers' welfare is one kind of long term investment for us. Through workers satisfaction, we ensure workers' commitment to the organization which leads more productivity and loyalty. On the other hand, it makes habituated to the workers' savings. Thereby they are benefited after their resignation, retirement etc.

Provident fund is a social security measure against age, invalidity and death of a worker. Social Security means a guarantee provided against certain risk to which the member of the society may be exposed.

Here a picture of the 2011 of those employees earned benefits from the provident fund (only shown 05 years and above):

Service Year	Five	Six	Seven	Eight	Nine	Total 2011
PF Amount (BDT)	2,530,925	1,194,857	1,075,418	866,928	137,824	58,05,952
Benefited Person	96	38	28	9	3	184

Mentionable that the number of beneficiary employees is increasing than previous reporting year.

In conclusion we can say the provident fund has many benefits which are hidden but not ignorable. Provident fund is one of the key demands of employee.









Environment

Materials Used

As per production & others requirements, indenting materials are purchased and stored as per material identification and distributed by departmental requisition. Square uses chemicals, dyes, yarn, levels, button, zipper, tags etc. Usage material properties are important for the production process. The chemicals and dyes are free from `Global Restricted Substances List (GRSL)' which is certified from tghe manufacturer and different organization. To ensure the personal protective equipment (PPE) is used by all employees who are engaged in dyes & chemical handling.

Major Used Materials in Fabrics Unit

Input Materials	Total Uses in 2010 (Kg)	Total Uses in 2011 (Kg)
Chemicals	5143838	4378968
Dyes	207185	195094
Yarn	8779400	8182778

Output Products	Unit	Total Production 2010	Total Production 2011
Dyed Finish Fabrics	Kg	7197651	6638288
Collar & Cuff	Pcs	6104847	8130708

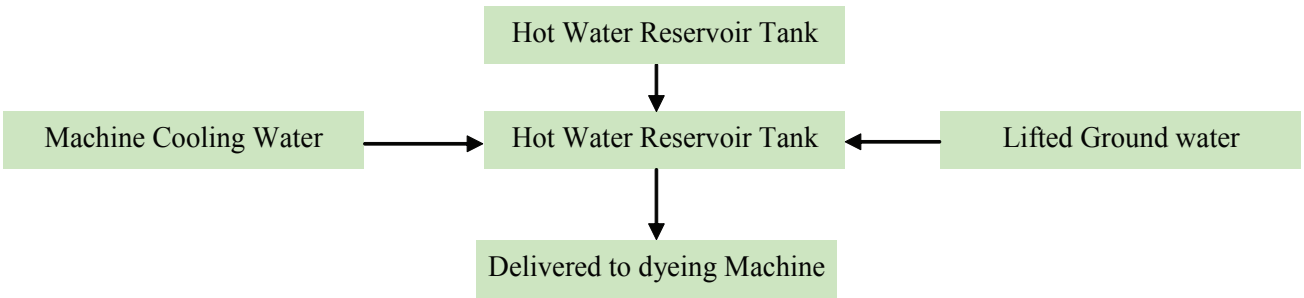
Major Used Materials in Garments Unit

Input Materials	Unit	Total Uses in 2010	Total Uses in 2011
Finished Fabrics	Kg	5801260	-
Tag Pin	Box	2820	2820
Elastic thread, Embroidery Thread, Sewing Thread, Lurex Thread	Con	1002900	1000020
Safety pin	Dzn	16500	16500
Button	GG	29900	30400
Snap Button	Gross	98000	98000
Label (Badge, Care, Country, ,Flag , Hem, Main, ME, Patch, Security, Size), Carton, Sticker, Drawstring, Eyelet, Foam, Hang Tag, Hang Tag Sticker, Hanger, Hang tag string, Heat transfer, Metal button, Metal rivet, Pre pack Sticker, Photo in Lay, Poly Sticker, Poly Bag, PSP paper Stone, Tumbuly Dry sticker, Tissue Paper, Zipper	Pcs	319216000	316910000
Silica Gel	Pkt	5000000	5000000
Gum Tape, P P Belt, Scotch Tape	Roll	128285	124641.50
Back neck tape, Canvas Fabric, Elastic, Hanger Loop, Interlining, Mobilon Tape, Twill Tape, Twill Fabrics, Felt	Yds	22666550	22819050

Output Products	Unit	Total Production 2010	Total Production 2011
Garments	Pcs	20024264	24835636

Machine Cooling Water and Condensate water Reuse & Recovery

We have heat exchanger in our entire dyeing machines. At the time of hot bath drain, liquid effluent contained 80 to 90 0C and then cool water 25 0C exchanges high temperature from hot effluent in heat exchanger and gains above 65 0C. This cooling return and 20% steam condensate collect in a hot water reservoir and mixed with lifted ground water. Here, maintain the water level and mixed hot water temperature raised at 45 to 50 0C. This water is delivered to the dyeing process.



Comparative statement of reuse water between 2011 and 2010:

Year	Reuse water amount (m^3)	Total used water in deferent	% of reuse water (m^3)
2011	101613	716421	14.18%
2010	134340	855704	15.70%

Caustic Soda Recovery Plant (CRP)

Square has a very special caustic soda recovery plant which has been established in 2002 from Korting Hannover AG, Germany. We are using caustic soda for yarn and fabrics mercerization process. Yarn and fabrics mercerization machine discharge weak lye at average 32gm of caustic soda on per liter waste water. We collect weak lye in storage tank and recovered Caustic Soda by the operation of CRP as strong lye at 296.8gm Caustic Soda per liter water.

Year	% of Recovery	% of Recovery Increased/decreased
2011	97.76	0.83
2010	96.93	- 0.34
2009	97.26	

In the above table, we observe that in 2010, percentage of recovery is reduced from 2009. Recovered efficiency declined due to the scale formation in various Pre-Heater, Heat Exchanger and Vessel. Therefore Machine efficiency is reduced. Then we take necessary step to clean the scale from Pre- Heater, Heat Exchanger and Vessel. After that recovered efficiency is being increased 0.83% from 2010 to 2011 and 0.50% from 2009 to 2011.

Energy consumption

Our direct energy source is natural Gas. We produced electricity by Gas generator and used it for our both Fabrics and Garments factory. We also use natural gas in dryer, boiler, singeing and domestic purpose. We are trying to release the pressure from our natural Gas and planning to produce energy from alternative source. We also try to reduce our Gas, Electricity and Steam consumption in our production plant.

Energy consumption of Square Knit Fabrics Limited and Square Fashions Limited (Fabrics Unit):

	Year	Gas Consumption (M^3)	Fabrics Production (Kg)	Gas Comsumption per KG Fabrics (M^3)	% Increase
GAS	2011	12907001.63	6638288.00	1.944	6.895
	2010	13922327.52	7654224.00	1.819	

Energy consumption of Square Fashions Limited (Garments Unit):

	Year	Gas Consumption (M^3)	Garments Production (Pcs)	Gas Comsumption per Pcs Garments (M^3)	% Decrease
GAS	2011	4798520.40	24835636.00	0.193	19.418
	2010	4801210.35	20024264.00	0.240	

Energy consumption of Domestic use:

	Year	Gas Consumption (M^3)	Residential Employee	Gas Comsumption per Person per year (M^3)	% Decrease
GAS	2011	611881.39	2081	294.032	20.354
	2010	682970.38	1850	369.173	

In the above mentioned statement we have seen overall gas consumption by 2011 is 5.61% less than 2010. But, in the fabrics production units' efficiency has been decrease in 2011 than the year of 2010. Because, we installed many modern types of new machinery in the year 2011. Our production ratio is not increased as because a huge amount of time was spending to rearrange and renovation the new setup. We also set up a new factory named Square Fashions Limited (Fabrics unit) in the year 2010 at the same premises. But we didn't get the maximum efficiency of production from this unit in the year 2011. This is another reason to decline overall fabrics production efficiency.

Electricity consumption

We have occasionally used national grid electricity from REB (Rural Electrification Board) for our domestic purpose only. Generally we have used our own generated power for domestic use. For energy efficient operation of gas generator sometimes we stopped generator due to under load. It is also happening to festival holidays and weekly off day. At that time only we used national grid electricity.

Electricity consumption of domestic used between 2010 and 2011:

	Year	Electricity Consumption from REB (Kwh)	Electricity Consumption from own Generator (Kwh)	Total Electricity Consumption (Kwh)	Residential Employee	Electricity Consumption per person per year (Kwh	Electricity Consumption Decreased %
GAS	2010	5830	1176351	1182181	2081	568.083	11.37%
	2011	22197.45	1163642	1185839	1850	640.994	

Water consumption

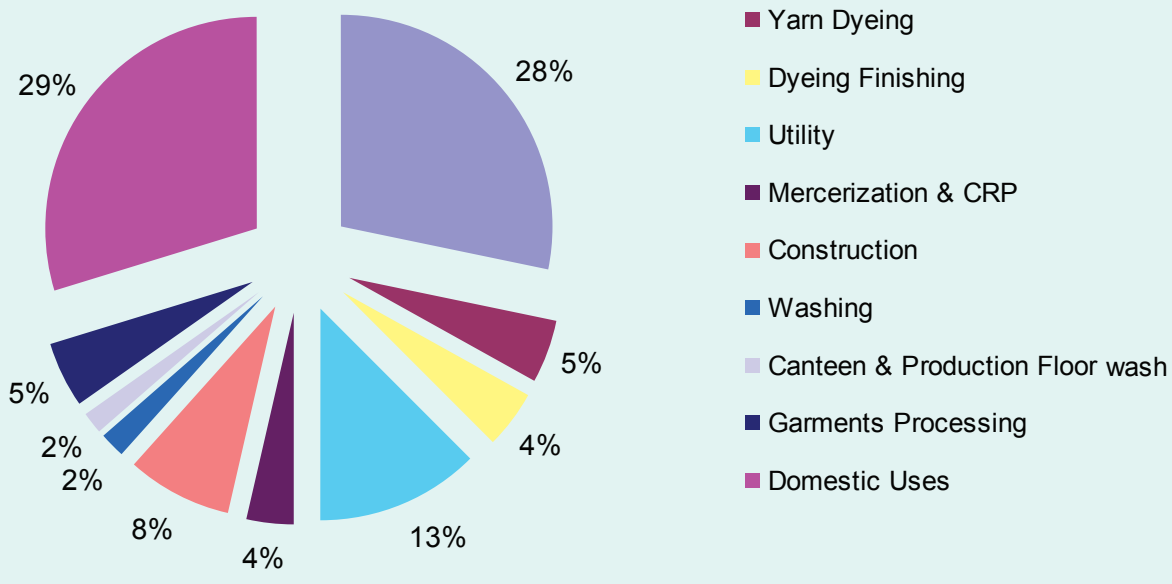
The main sources of fresh water are ground and rain water. Total Ground water is directly used for wet process of the production, utility purpose and residential area, but a treatment process is involved to rain water usage. For this reason Square established rain water harvesting plant in 2010 with a storage capacity of approximately 9000 Cu. Meter.

Total water consumption:

Year	Lifted Ground Water (m^3)	Collected Rain Water (m^3)	Total water (m3)	Total Increased % (m3)
2011	2164996	12585.50	2177582	9.95%
2010	1953498	7386	1960884	

In the above mentioned statement shown 9.95% water consumption has been increased in 2011 than the year of 2010. There is a new building constructed near fabrics unit also lots of renovation work has been done in the dormitory area in the year 2011 and total water collected from fabrics unit. That's the major reason to increase water consumption. But in fabrics dyeing and garments processing purpose used water consumption has been less than 2010. See the below graph of total uses of lifting water in 2011 as well as fabrics processing, garments processing and domestic purpose used water consumption comparison between 2010 and 2011.

Total use of lifting and collected water in 2011:



Water Consumption Comparison of Fabrics Production:

Year	Used Water (m^3)	Production (Kg)	Water consumption per kg (Ltr)	% Reduced
2011	614916	6638288	92.63	22%
2010	855704	7197651	118.89	

Water consumption of fabrics unit reduced because of developing dyeing process, introduce energy efficient machine and also campaigning for awareness about water efficiency.

Garments Production Comparison:

Year	Used Water (m^3)	Production (Pcs)	Water consumption per Pcs (Ltr)	% Reduced
2011	111949	24835636	4.51	11.57%
2010	102076	20024264	5.10	

We have increased production efficiency in 2011 than the previous year by well execution of the production plan, rearrangement of machine set up and also campaigning for awareness about water efficiency.

Water Consumption Comparison of Domestic uses:

Year	Used Water (m^3)	Residential Employee	Water consumption per person per year (Ltr)	% Increased
2011	641490	2081	308260.45	19%
2010	479242	1850	259049.73	

Residential employees have been increased in the year 2011 from 1850 to 2081. Also a huge amount of water spending for plantation and at the same time we used water for construction works on boundary wall from the same water source. These are the reason to increase water consumption.



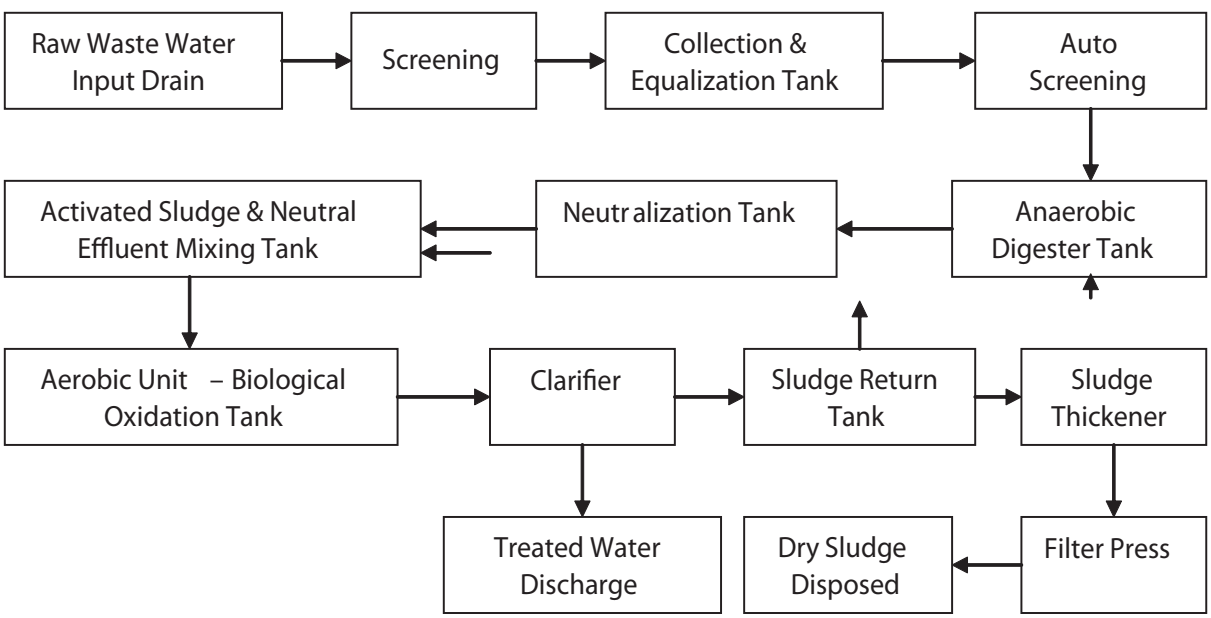


Waste Water Treatment

Waste water treatment plant of SQUARE is one of the largest effluent treatment plants in Bangladesh and awarded from the Department of Environment, Government of Bangladesh in 2009. SQUARE believes in sustainable development and gives highest priority to preserve of nature and ecological balance. For the waste water of wet processing, SQUARE established an effluent treatment plant, capacity of 1200 cu. meter/day, origin - Italy in 2002 with USD 2,35,000 investment.

Square established another effluent treatment plant, Capacity of 3000 Cu. meter/day, origin by Italy in 2006 with EURO 1,45,000 investment for extension of production capacity of wet processing. At Present, the total waste water treatment capacity is 4200 Cu. meter /day.

The waste water treatment scheme is as follows:



To smooth operation of the effluent treatment plant and controlled treated effluent discharge parameter, SQUARE set up a laboratory. In this regards, a strong expert team work on it. Beside this, department of Environment, Government of Bangladesh also analysis the treated water discharge parameters.

Discharge water analysis report is given below:

SL . No	Name of Parameters	Unit	SQUARE	DoE Laboratory	Do.E Laboratory Standard Value
1	pH	-	7.44	7.7	6-9
2.	Dissolved Oxygen	mg/lt	4.65	4.7	4.5-8
3.	BOD5	mg/lt	26	32	29-50
4.	COD	mg/lt	120	92	150 to 200
5.	TDS	mg/lt	1800	1480	2100
6.	Sulphate	mg/lt	920	-	1000
7.	Phosphate	mg/lt	5.7	-	8
8.	Ammonia,NH3-N	mg/lt	0.9	-	50
9.	Nitrate –Nitrogen , NO3-N	mg/lt	6.5	-	10
10	Nitrite –Nitrogen , NO2-N	mg/lt	0.06	-	-
11.	Free Chlorine	mg/lt	0.06	-	-
12.	Chloride	mg/lt	80	-	600
13.	Oil & Grease	mg/lt	Nil	-	10

**Do. E Standard Value, ECR-97, Rule-13, Schedule-10.

Treated effluent discharge summary:

Name of the Year	Treated Water Quantity, m3/Year	Treated Water Quantity, m3/Month (Average)	Treated Water Quantity, m3/day (Average)	Decrease Produced Effluent Quantity, %
2010	1138620	94885	3162	-
2011	1012789	84399	2813	11.03%

Treated effluent quantity in 2011 from wet process is 2813 m3/day (Ave.) and our effluent treatment plant capacity is 4200 m3/day. The rest of the treatment capacity will be used for future production expansion. As consider the production between 2011 and 2010, reduce 11.03 % liquid effluent production, it happened due to modify dyeing process & machine and also campaigning for awareness about water secrecy and water efficiency. Now we are working to improve treated water quality which can be used in the production process.



Solid Waste Management & Organic Fertilizer Plant

There ar two types of solid waste are generated from our factory:

Non biodegradable &.
Biodegradable.

Non – Biodegradable solid waste:

Sack - Use as Reprocess
Container - Return to supplier.
Cartoon - Send to supplier as reprocess or recycle.
Metal Scarp - Store in a marked place and reuse.
Other Non-biodegradable materials are dumped in a marked place then dispose.

Our top management takes an initiative to prepare an incinerator to burn the collected non-biodegradable waste and the produced ash will be used as raw materials for organic fertilizer.

Biodegradable Solid waste:

Factory serves free of cost lunch for all employees and most of the employees are accommodated by factory residential area. As a result, a lot of Kitchen waste is generated from cook house and residential buildings, which is Biodegradable solid waste. In August, 2010 SQUARE set up organic fertilizer plant and production started in October, 2010.

Another Solid waste is Sludge which is produced from the filter press of ETP. We use 60% of total sludge is used as recycle sludge of Biological oxidation tank, 30% of total sludge is used as anaerobic digestion and rest of the amount is discharged to ETP Filter press and test the toxic metal in a government approved laboratory and discharge in a marked place. 2.5 Ton dry sludge produced in every month from the process but not always and it will be increased 3.0 Ton in every month. As per anaerobic composed system, we prepared to composed pit with 40 to 45 days retention time. Here, produced CO_2 & CH_4 gas is released into the air by Biochemical reaction. Mainly some organic acids are produced by this reaction and solid waste converted as soil. Now we are using this soil for land filling

Organic fertilizer:

Organic fertilizers are contain one or more kinds of organic matter. The ingredients may be animal or vegetable matter or a combination both. Organic fertilizer is a slow release fertilizer, but improves the quality of the soil over the growing season, does not introduce toxic chemicals into the soil, which is then washed out by the rain and leaked into the water system, helps to maintain organic soil structures and retains naturally occurring bacteria, fungi and micro-organism and produce food that is higher in nutrients vitamins and minerals and retains its natural flavor. Organic fertilizers contain three components as nitrogen, potash, and phosphates, all of which are found in healthy soils.

Solid waste Name & Sources for Organic Fertilizer Processing and Nutrients:

Solid Waste Name	Nutrients source	Source
Kitchen waste	Nitrogen , Additives,	Canteen, Dormitory, Family quarter, Mess
Tea Dust (Used)	Nitrogen (N^2), Protect to bad odors	Canteen
Ash	Phosphorus (P) ,Maintain pH	Polythene, paper burn from open furnace
Skin of Banana	Additive, Nutrients, Protect bad Odors	Tiffin (Employee Tiffin)
Cow dung	Additive, Nutrient	Out sourcing
Mustered oil Cake	Additive, Nutrients (N, P, K etc)	Out sourcing
Saw Dust	Temperature Minimize	Factory Wood Shop, saw mill
Grass/Dry leaf	Potassium, Boron	Factory ground
Water Hyacinth	Nitrogen, N^2	Available

The above solid wastes are processed to organic fertilizer into organic fertilizer plant. .

Advantage of the plant:

Reduce solid waste as a most scientific procedure, Biodegradable solids is converted to organic fertilizer and Non biodegradable solids are used to reprocess or recycled.

We use fertilizer in our factory providence for plantation and also send to SQUARE tea garden (A sister concern organization of Square Group) and processed tea is exported as organic tea.

Produced Organic fertilizer Quantity:

Name of the Year	Produced Organic Fertilizer Quantity (Kg)	Average Quantity per Month (Kg)	Average increased (%)
October, 2010- December, 2010	7,584	2,528	19.54%
October, 2010- December, 2010	38,888	3,142	







SOCIAL

Total workforce by employment type, employment contract and region

The total workforce of Square Fashions Limited and Square Knit Fabrics Limited are 8653 in the reporting year 2011. All of them are full time permanent employee. In square we have no part-time or temporary employee.

There is no discrimination in employment in terms of salary, benefit, advancement, discipline, termination or retirement, gender, race, religion, age, disability, sexual, orientation, nationality, political opinion or social or ethnic origin. Only legally permitted employees are recruited in Square.
An appropriate contract letter has to provide to the employees at the time of employment. An appropriate Identity card also provided to all recruited employees.

Our total workforce breakdown by employment type, contract and region are as follows

Bangladesh	Type			Contract	
Catagory	Total	Full Time	Part Time	Parmanent	Temporary
Management	443	443	-	443	-
Worker	8210	8210	-	8210	-

Philippine	Type			Contract	
Catagory	Total	Full Time	Part Time	Parmanent	Temporary
Management	01	01	-	01	-
Worker	-	-	-	-	-

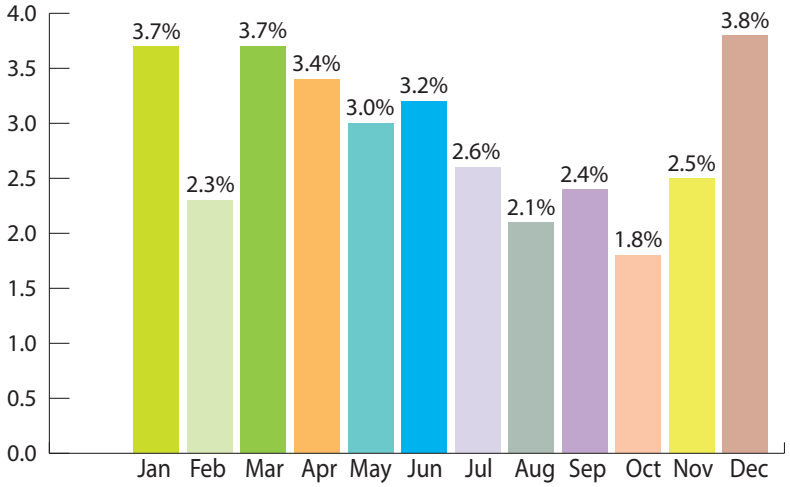


Total Number and Rate of Employee turnover by age group, gender and region

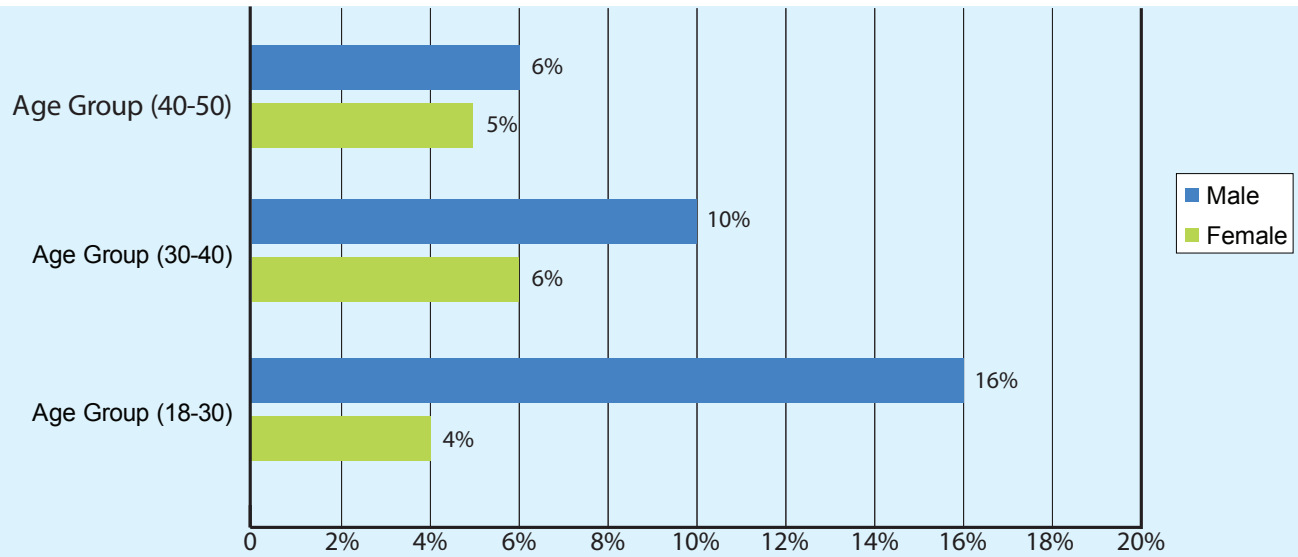
Now a day, turnover is a burning issue in Bangladesh. We do believe that to the steady productivity of an organization it is essential to maintain its skilled workforce. Square believed in equal opportunity in employment. In terms of local labor law, the employment of workers may be ceased due to retirement, dismissal, marriage etc. But most of the times it is very difficult to control the turnover rate within organizations. There are so many factors that affect employee turnover. Our analysis of turnover ratio is shown below by table and data chart:

Age Group	Gender		Reason of left
	Female (percentage)	Male (percentage)	
18-30	4%	16%	Resignation
		8%	Govt. Service
			Dismissal
	6%	12%	Family Business
	6%		Marriage
	7%	6%	Leave without information
30-40	6%	10%	Resignation
			Govt. Service
			Dismissal
	1%	5%	Family Business
	1%	1%	Marriage
			Leave without information
40-50	5%	6%	Retirement
			Others

Employee migration 2011 (Monthly based):



Resignation analysis based on Age Group-



Due to increase manpower in the reporting period, the employee turnover figure is little bit higher than the previous year. In job grade – VII, we recruit basically unskilled worker. The problem is that they didn't serve in RMG industry for a long time. Though, we have a training centre for training those unskilled personnel. One part of this group leaves the organization to get the opportunity of government service. We have seen the percentage of migration is increased in the age group 30 - 40 than the previous year. In 2010 it was 14.7% and in 2011 it increased up to 24% of the total migration rate.

During this period, maximum numbers of female workers has been given resignation due to family commitment. This is another reason behind female turnover. A large number of workers either male or female whom job length less than one year leaving their job without any information and after some time they submit their resignation which numbers has been also calculated. Besides a number of workers have a tendency to change their job in regular basis. They could not take job in long term perspective.

Health & Safety

Health and safety issues now days major concern for any organization. Lack of control over the safety situation can cause injuries and death. So safety awareness always is a priority of Square and has understood and implemented daily by everyone working in the factory. Work proactively to minimize the risk of industrial injuries by making a risk assessment, with the goal of ensuring that potentially dangerous work operations are carried out and machines operated as safety as possible. Following mechanism is to be ensured health & safety issues in our organization-

- Risk assessment: The process of evaluating the risks to safety and health arising from hazards at work.
- Occupational Health & Safety management system : The hazard identification is the process of recognizing that a hazard exists and defining its characteristics with regards to workers environment and its activity

We have a modern equipped medical centre, where a couple doctor and adequate number of medical assistants are working. Employees can get quality treatment from medical centre and support of medicine which is free of cost. We have appropriate signs and direction of emergency light and fire extinguishing equipment. All these steps are taken with the view of safety first of employees by the practice of Bangladesh labor law. Square arranges various training programs on health and safety issue with the planned schedule throughout the year. Besides, all hazardous things, dyes and chemicals are preserved in a proper manner.

During our GRI reporting period, there were no serious injuries, fatalities and occupational disease but having some seasonal disease as well. We also maintain national laws and ILO code on recording and reporting its occupational accident and disease of the workplace.

RATES OF INJURY, LOST DAYS AND ABSENTEESM

Category	Quantity
The Total average workforce	8653
The minor injuries (First Aid level)	09
Total minor injuries	41
Lost days after the minor injuries	108
Lost days without excuse	31112
Sick leave days	13318
Total lost days	44538
Total number of working days	2552635
Total days worked	2508097

Average hours of training per year per employee by employee category

Training is the act of increasing knowledge and skill of an employee for doing a specified job. Training is a cornerstone of sound management. The employee must be systematically trained if they have to do their jobs well. Square does believe If employees are to reach a satisfactory level of job performance, systematic training is essential. Moreover, training programmed gives employees an opportunity to explain carefully and clearly its policies, rules and regulations.

In our reporting organizations-Square Fashions Ltd and Square Knit Fabrics Ltd. arranges a number of training programs within the reporting year of 2011 which is to help develop the capacity and capabilities of the employees both new and old by upgrading their skills and knowledge so that the organization could gainfully avail of their services better for higher grade professionals, technical, sales or production from within the organization. In order to reach the highest level of goals Square arranges various types of regular and schedule training which enable employees regarding their skill, productivity ,strength also. Besides we provide some motivational training for them.

Firstly, we have segregated our total employee by employee category, job grade and and gender basis which are as follows -

Category	Job Grade	Total Employee	Gender	
			Male	Female
Non management	Grade-I	88	88	
	Grade-II	157	157	
	Grade-III	575	518	57
	Grade-IV	2846	1992	854
	Grade-V	906	489	417
	Grade-VI	556	473	83
	Grade-VII	2298	1402	896
	S-I	56	55	1
	S-II	145	144	1
	S-III	196	143	53
	S-IV	387	283	104
Management		443	434	9

Our organizations provided trainings are stated below

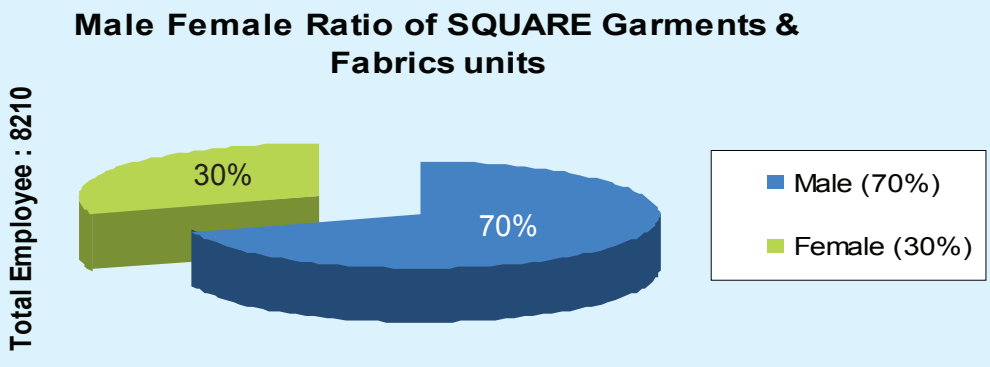
Training	Square Fashions Ltd. (Hour)
New join employee induction training program	3647
Risk Assessment	1838
Chemical Handling	3672
General Awareness	4845
HIV, Family Planning and Sanitation	5865
First Aid first aid team	3632
Vaccination	2700
Maternity	1675
Worker Rights & Responsibilities	5978
Quality Policy & Quality Objective	5779
Standard Operating Procedure	4972
First Aid for all worker	5998
Fire fighting & Equipment	6286
Product quality & Development	4842
Training on Sewing Inspection & Specification	2869
Total	64598
Training	Square Knit Fabrics Ltd. (Hour)
Environmental Policy (ISO 14001:2004)	1285
Standard Operating Procedure (ISO 14001: 2004)	1348
Fire fighting, First aid and use of PPE	1845
Emergency Preparedness	1278
Environment Health & Safety	1345
Dyes and Chemical Handling	1782
Product quality and development	1830
Total	10713

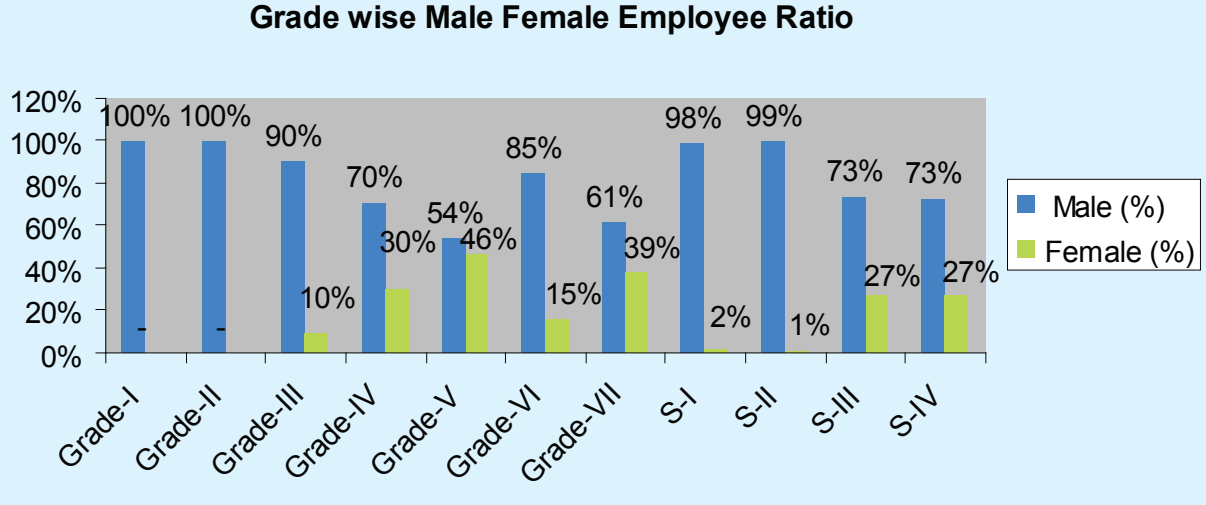
Training hour per employee for approximately 7236 in Square fashions limited 09 (nine) hours.

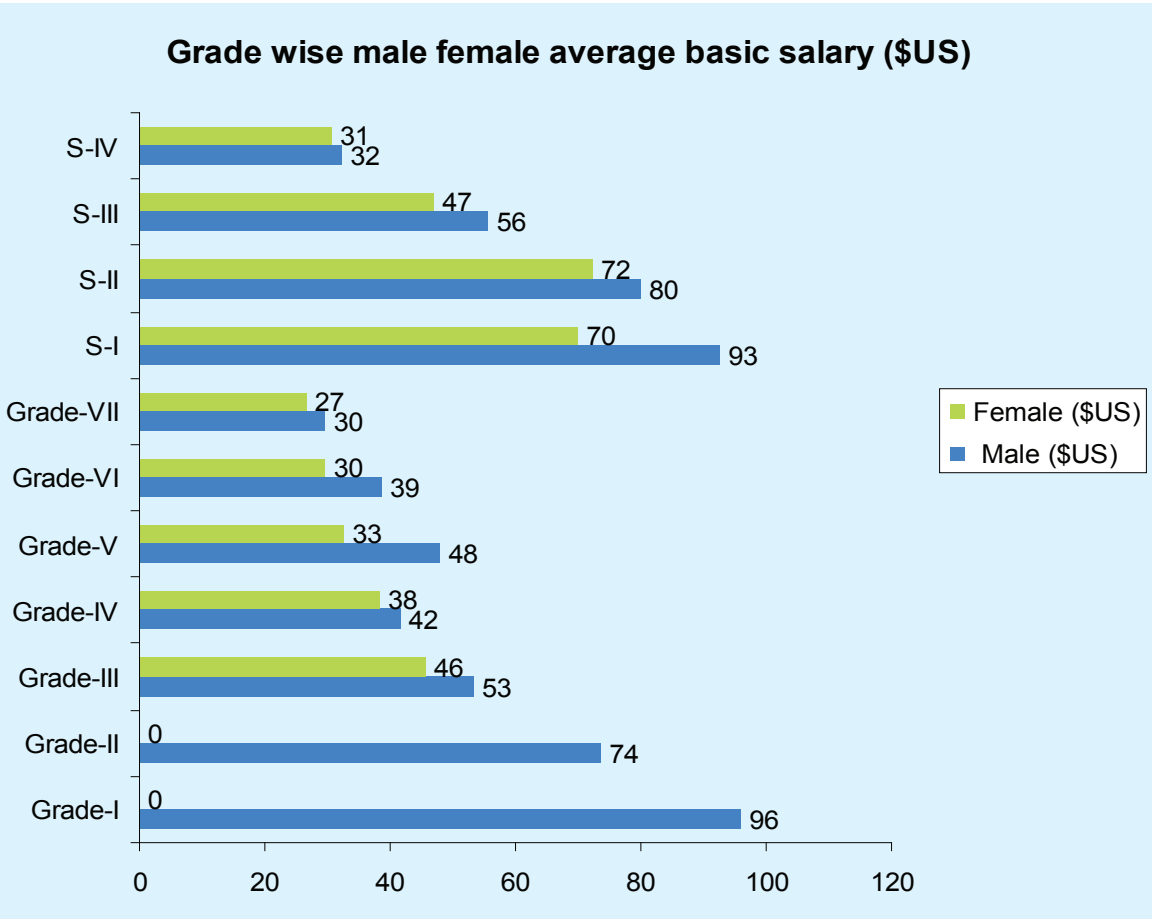
Training hour per employee for approximately 1417 in Square knit fabrics limited 08 (Eight hours.

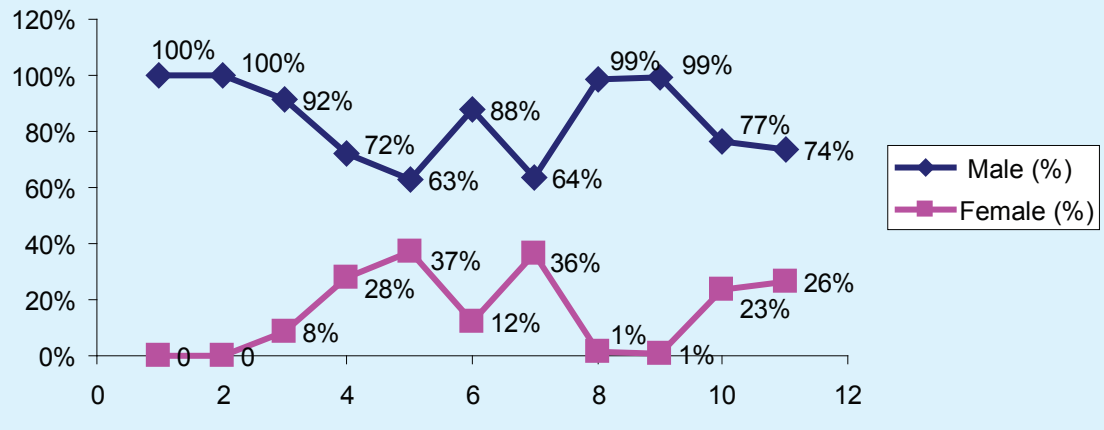
Ratio of Basic Salary Men to women by Employee Category

It is our level-B GRI report. Comparing data with 2010, there have been little variation in the 2011 report, Again we say that we strongly believe in equal pay for equal works regardless of gender. We do not tolerate discrimination in employment including hiring, Basic salary, Benefit advancement, discipline, termination or retirement on the basis of Gender, Race, Religion, Age, Disability, Sexual orientation, nationality, political opinion, social or ethnic origin.









On above shown charts, we can identify the total number of employees in each category where male-female ratio is 63:37 in square.

Female employees consume a healthy basic salary in our organization in various job grades.

In job grade-VII, an employee either male or female treats as an unskilled one. We are offering a salary to them more than three thousand taka.

In job grade-I, II, III & IV number of female employees is lower than male. However, employee ratio and salary percentage basically depend on employees work experience. In our socio-economic scenario, female workers are less experienced than male. Where females work only to support their family, they couldn't continue their job due to marriage, pregnancy, and family problems etc. which can automatically reflect their low participation in the top job grade. To decrease the percentage ratio of female workers, we are trying to motivate and train-up them as if they can promote quickly. Beside we have a training centre where an employee gets opportunity to increase their skill and gradually more experience.

In every job grade and categories of our employees, there have a sound consistency between male and female workers. In Square, when a worker gets promoted whether male or female, shifts to higher job grade and accordingly gets a higher salary. In the time of yearly increment everyone will entitle to the range of increment on the basis of overall performance of the year whether men or women.

Besides our management employees either male or female also enjoys the highest equality in the field of remuneration and other benefits.



Percentage of employees trained in organization's anti-corruption policies and procedures.

Square GROUP VALUES- INTEGRITY AS COMPANY VALUES (Being honest in words and action) which stated the meaning of INTEGRITY is strategically placed in an area visible to all.

We have no detailed statement of the Anti-corruption policy, but we have a complete ethical code of conduct. In time of company orientation, it is clearly disseminated that no employee is allowed to deal with any corrupt practices especially in the areas of recruitment, procurement, payroll, contracting, forwarding etc.

Anti-corruption effort is implemented at all levels of the organization. During orientation of the new employees, they are informed about prevention of corrupt practices in all sorts.

Besides an internal auditing team conducts document check on various reports and different documentations involving monetary transactions.

The procedure in the disbursement and liquidation of expenses is very strict. Everything has to be receipted and justified. Bribery and/or extortions have not been a practice of Square, we operate only in a legal manner.

In addiction we have established policy and procedure for incentives to employees for recognizing and reporting suspicious situations.

As part of our social responsibility we always try to assess the following matters in case of organizations anti-corruption function-

- ❑ Assessment of key bribery risks within organization – markets, countries of operation, business sectors.
- ❑ Assessment of key bribery risks through our supply chain – behaviors of agents/representatives, key suppliers
- ❑ Verification exercises through the supply chain to ensure commitment and compliance with our requirements
- ❑ Maintain product integrity policy
- ❑ Specialized monitoring services in line with programs such as different kind of social compliance audit firm.

The number of employees who received training regarding anticorruption policy and the procedure in our reporting period-2011 is stated as below-

Category	Job Grade	Total Employee	Gender	
			Male	Female
Non management	Grade-I	88	88	
	Grade-II	157	157	
	Grade-III	288	259	29
	Grade-IV	1423	996	427
	Grade-V	454	245	209
	Grade-VI	279	237	42
	Grade-VII	1149	701	448
	S-I	56	55	1
	S-II	145	144	1
	S-III	196	143	53
	S-IV	194	142	52
Management		231	222	9
Security Personnel	-	106	90	16



Total number of incidents of discrimination and action taken

Square is sincere and very much concern about the law of the land and ILO Convention-100 & 111. There is no place for discrimination on the grounds of race, color, sex, religion, political opinion, national extraction or social origin in our organization. About discrimination our management shows Zero tolerance. It has a long standing policy of non-discrimination in all aspects of our dealings with employees. We are committed to providing a work environment free from unlawful harassment. Therefore there are no major incidents of discrimination in our organization. We have an effective monitoring system headed by HR Director to ensure compliance of non-discrimination throughout of our organization. Any employee who feels they are being subjected to conduct that violates discrimination policy is encouraged to report the conduct to Production Managers, Counselors and HR Officers. We arrange awareness training about non-discrimination for our Supervisors, Officers, Executives and managers of the production department on a regular basis. Moreover to ensure non-discrimination within our organization, we have some systems-

a. Workers Participation Committee

We have a workers participation committee including members from workers and management staff. This committee sits in a meeting every month. Committee members are selected from worker by themselves. If there are any possibilities to commit any discrimination than committee members can raise the issue in the meeting

b. Counselors / Welfare Officer's Production floor Visit

We have sufficient numbers of counselors or HR officer designated for every production floor. They spend their most of the time in a day to visit production floor and try to solve any problem on emergency basis.

c. Grievance policy & Providing grievance box

We have a grievance policy and every worker is well known by this policy. We provide sufficient number of grievance box at production floor. Workers can drop their any kind of grievances into the box by their name or anonymously

d. Free entrance of workers to HR Directors door

We have a strong HR department headed by Human Resource Director. Every worker have right to meet with the HR director at any time even after office time workers may have right to communicated with the HR director over mobile phone to express their feelings, grievances or any issue.



Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child Labour:

Square is a well known and reputed organization in Bangladesh and abroad. It is sincere and very much concern about the law of the land and ILO Convention-138, "Minimum Age Convention 1973" & ILO Convention 182, "Worst Forms of Child Labour Convention 1999" . There is no scope to recruit child labor. Square is child labor free organization. Square aware about having significant risk for incidents of child labor. Child labour is an urgent issue, so we have a written child labor policy. To avoid the recruitment of child labor we strictly follow some activities. Such as-

a. We have a recruitment committee
b. We have medical officer
c. Senior Human Resource Person.

a. Recruitment Committee-

We have an un-biased recruitment committee including members from production and Human Resource Department. This committee ensures free, fair and un-biased recruitment smoothly and properly for this organization. This committee also primarily ensures age verification by checking various papers, certificates and looking physical appearance. After getting passed from recruitment committee an applicant permit's to go to medical officer.

b. Medical Officer-

We have also one male and another female doctor to certify physical fitness before appointment any worker. To confirm physical fitness of an applicant our doctor measures various indicators, such as-age, Teeth, General configuration, puberty, menstrual history, height, Weight etc. There is no scope to join any worker before fitness certification from our medical officer.

c.Senior Human Resource personnel-

Finally our senior persons from the human resource department interviewed the applicant face to face. There is also opportunity to confirm applicant's age verification that means is the applicant under aged or not, looking child or not.

Therefore, we have limited risk related to child labour issue. Square compliance team works closely about this issue and has not observed any child labour issue.

Forced or Compulsory Labor

Square believes that respect for the dignity, rights and ambitions of all people is one of the main elements of business growth in the 21st century. This policy extends to every square employee and to all people who work at any squares facilities. To ensure forced labor free premises square has a strong monitoring system on the production floor. As a renowned organization, we strictly follow all the rules and regulation of the land of the law related to labor issues. We arrange awareness training about forced labor for our Supervisors, Officers, Executives and managers of the production department on a regular basis. No need to deposit applicant's main certificates to become a square employee. Therefore any employee of square can leave from their jobs by giving a written notice to HR and Administration department.

So, we have identified no operations with a significant risk for forced or compulsory labor in our organization.





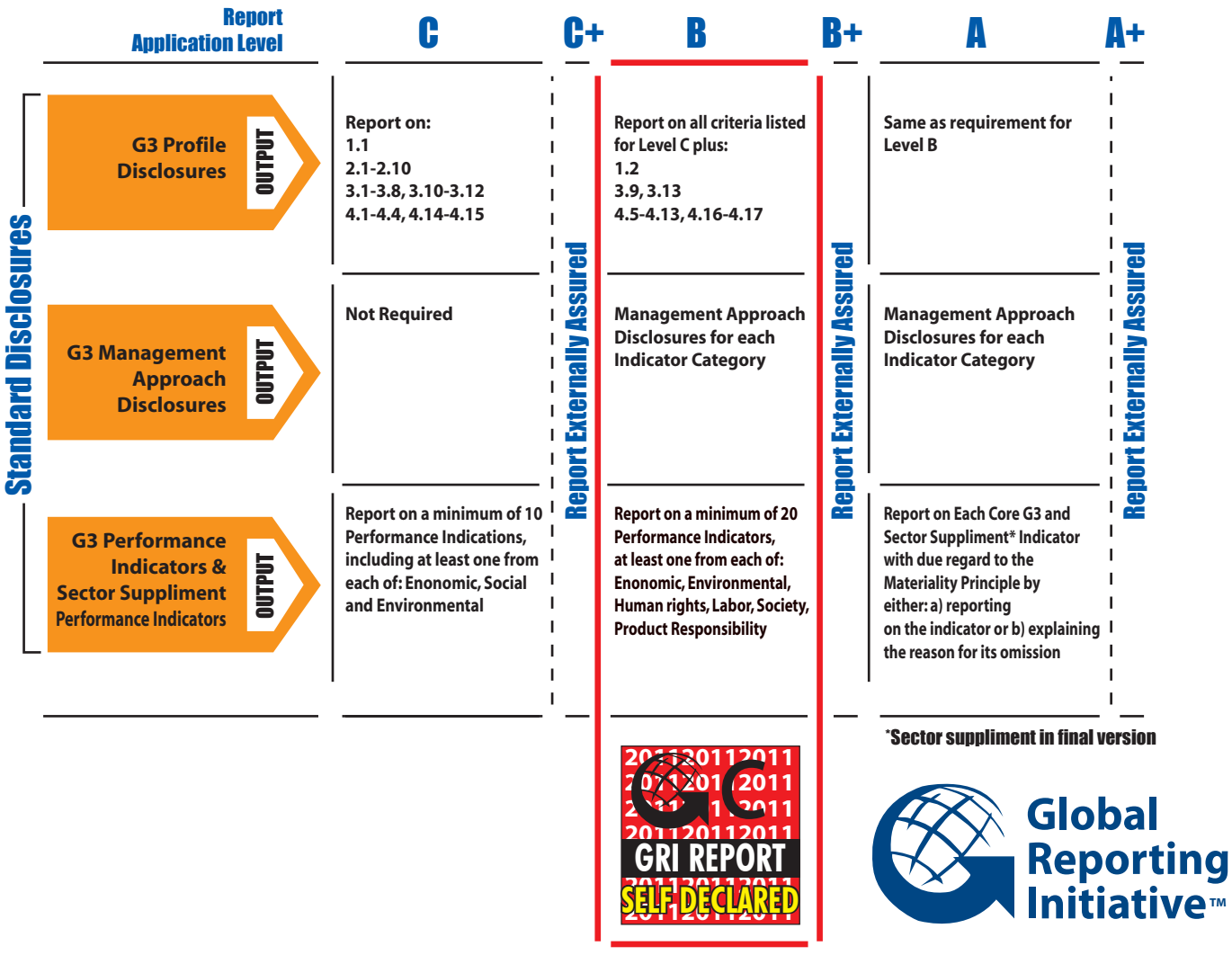


Customers Health and Safety

Square's one of the main products is ready made knit garments that we continually evaluate and monitor for quality and effectiveness. Our quality policy states our intents to gain pioneer position in the ready made garments industry by delivering a superior experience and satisfaction for our valued customers and our environment. We are committed to attain customer satisfaction through quality products and dedicated services. Before making the shipment, our products are assessed, to identify any potential health, safety or environmental hazards and to ensure compliance with product safety. The assessment also considers the potential for health or environmental impact across the whole product lifecycle from product development to manufacturing.

We try to facilities the customs of Trade Partnership against Terrorism (C-TPAT) which ensures most effective and highest level of cargo security. We are ISO 9001:2008 and ISO14001:2004 certified which means we maintain an international standard for our quality management system and environment management system.





I here by declare that to be the best of my understanding this report fulfils the requirements for a GRI G3 Application Level C.

Name : Lt Col Md Humayun Kabir (Retd)

Position : Director, Compliance, HR. & Administration

Date : December 2012

Signature :

GRI Content Index

Profile Disclosure	Description	Page
	Strategy and Analysis	
1.1	Statement from the most senior decision maker.	2-3
1.2	Description of key impacts, risk & opportunities.	2-3
	Organizational Profile	
2.1	Name of the organization	13
2.2	Primary brands, products and/or services	14,16, 19, 31-33
2.3	Operational structure of the organization	29
2.4	Location of organization's headquarters	21
2.5	Number of countries where the organization operates	10
2.6	Nature of ownership and legal form	28
2.7	Markets served by the organization	30
2.8	Scale of the reporting organization	38
2.9	Significant changes during the reporting period	38
2.10	Award received in the reporting period	22
	Report Parameters	
3.1	Reporting period	38
3.2	Date of most recent previous report	38
3.3	Reporting cycle	38
3.4	Contact point for question	11
3.5	Process for defining report content	38-39
3.6	Boundary of the report	38
3.7	Any specific limitations on the scope or boundary of the report	38
3.8	Basis for reporting on joint ventures subsidiaries leased facilities, outsourced operations and other entities	N/A
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	N/A
3.11	Significant changes from previous reporting periods	38
3.12	GRI content index	77-79
	Governance, Commitments and Engagement	
4.1	Governance structure of the organization	28
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	28
4.3	State the number of members of the highest governance body who are independent and/or non-executive members	28
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	N/A
4.14	List of stakeholder groups engaged by the organization	39
4.15	Basis for identification and selection of stakeholders with whom to engage	39

GRI Performance Indicators			
Aspect	Indicator	Indicator Description	Page
Economic Performance Indicators:			
Economic Performance	EC1	Direct economic value generated and distributed, including revenues, operating cost, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	42-46
	EC3	Coverage of the organization's defined benefit plan obligations.	47
Enviromental Performance Indicators:			
Materials	EN1	Materials used by weight or volume.	50
	EN2	Percentage of materials used that are recycled input materials.	51
Energy	EN3	Direct energy consumption by primary energy source	52
	EN4	Indirect energy consumption by primary source	52
Water	EN8	Total water withdrawal by source	53-54
	EN10	Percentage and total volume of water recycled and reused..	51
Emissions, Effluent, and Waste	EN21	Total water discharge by quality and destination.	55-56
	EN22	Total weight of waste by type and disposal method.	57-58
Social Performance Indicators:			
Labour Practice and Decent Work Performance Indicators:			
Employment	LA1	Total workforce by employment type, employment contract and region	61
	LA2	Total number and rate of employee turnover by age group, gender, and region.	62-63
Occupational Health & Safety	LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region.	64

GRI Performance Indicators			
Aspect	Indicator	Indicator Description	Page
Training and Education	LA10	Average hours of training per year per employee by employee category.	65-66
Diversity and Equal Opportunity	LA14	Ratio of basic salary of men to women by employee category.	67-69
Society Performance Indicators:			
Corruption	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	70-71
Human Rights Performance Indicators:			
Non-Discrimination	HR4	Total number of incidents of discrimination and action taken.	72
Child Labour	HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child Labor.	73
Forced and Compulsory Labor	HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	74
Product Responsibility Performance Indicators:			
Customer Health and Safety	PR1	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.	75

Square Knit Fabrics Limited
Square Fashions Limited

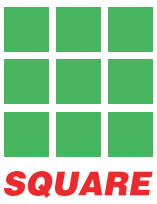
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