



UN GLOBAL COMPACT  
COMMUNICATION ON PROGRESS 2008 - 9



**Trusted not to compromise**



## GLOBAL COMPACT COMMUNICATION ON PROGRESS

<u>Company Name:</u> Pakistan Cables Limited	<u>Date:</u> 25 September 2009
<u>Address:</u> B-21, S.I.T.E., Karachi - 75700 Pakistan	
<u>Contact Name:</u> Mr. Muhammad Fayyaz, Manager Industrial Relations	<u>Number of Employees:</u> 458
<u>Contact Name:</u> Mr. Fahd K. Chinoy, Product Manager GWC	<u>Sector:</u> Construction & Engineering
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### Brief Description of Nature of Business



Pakistan Cables Limited, the country's oldest and most reputable cable manufacturer, was established over 5 decades ago in 1953 in collaboration with BICC, UK. In the subsequent five decades, Pakistan Cables has earned a reputation as a market leader in the industry and a company that does not compromise on quality. Consequently, the company has gained a position as being the premier cable manufacturer in the country. Pakistan Cables has been listed on the Karachi Stock Exchange since 1956.

Pakistan Cables' manufacturing facilities and head office are located in Karachi on an 11.5 acre site. This site also houses a 2MW gas fired tri-generation power plant, which



allows the company to be self reliant for its electricity needs. Pakistan Cables has regional office in Lahore and branch offices in Rawalpindi, Multan, Abbottabad, Peshawar and Quetta. The company's distribution network covers more than 50 cities all over Pakistan.

The company is engaged in the manufacture of wires, cables and conductors in both copper and aluminium. In addition, Pakistan Cables also produces copper rod and aluminium extrusion profiles. Given its focus on quality, Pakistan Cables continuously reviews and improves the effectiveness of its Quality Management System in line with objectives of achieving higher productivity, uncompromising quality and maximum customer satisfaction.

In 2008 / 9, Pakistan Cables had a total turnover of USD 42 million. The Company has been a regular winner of the Karachi Stock Exchange's Top 25 Companies Award, most recently winning the award in 2004, 2006 & 2007. Pakistan Cables has also been recognized as a winner of the Brands of the Year Award in 2007 & 2008.

#### Statement of Support

I am pleased to confirm that Pakistan Cables Limited supports the ten principles of the Global Compact in respect to human rights, labour rights, the protection of the environment and anti-corruption. With this communication we express our continued intent to support and advance those principles within our sphere of influence. We continue to commit to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company and undertake to make a clear statement of this commitment both to our employees, partners, clients and to the public. We support public accountability and transparency and will report on progress made in a public manner.

This communication on progress outlines how we have been applying the ten principles of the Global Compact, as well as our plans for the future.

Kamal A. Chinoy  
Chief Executive  
Pakistan Cables Limited



## PRINCIPLE 1: BUSINESS SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS

## PRINCIPLE 2: BUSINESS SHOULD ENSURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES

### Our Commitment or Policy

Excerpts from Pakistan Cables' Statement of Ethics & Business Practices:

- The Company recognizes its social responsibility and will contribute to community activities as a good corporate citizen.
- The Company is committed to recruit and promote employees on merit and provides safe and healthy working conditions for all its employees. It also believes in maintaining good communications with employees.



### System

Pakistan Cables' business strategy is based on ensuring respect for human rights, which is explicitly stated in its "Statement of Ethics & Business Practices".

Protecting the health and safety of our people and ensuring a healthy working environment is of great importance to Pakistan Cables. The Company is committed to working towards designing a workplace that minimizes work related risks and occupational health and safety. We have well established policies and management



systems on the wide range of health, safety and environmental issues we encounter in our operations.



The Company provides training to all its employees to safely perform their duties with the objective of preventing occupational injuries, illness and loss due to accidents. Safety culture is endorsed through training sessions on handling of safety equipment, safety related rehearsals, fire fighting drills, incident investigation and reporting, etc. Medical facilities are also provided to all employees and the Company operates an on-site dispensary with a full time doctor.

### Activities

1. The Code of Conduct for Good Governance and Ethical Practices was approved by Pakistan Cables' Board of Directors on August 1, 2002 and the Statement of Ethics & Business Practices has been signed by all the Directors and management employees of the company.
2. Pakistan Cables has initiated the process towards getting the certification for Occupational Health & Safety Assessment Series (OHSAS-18001) in 2009.



3. Pakistan Cables' premises has been divided into zones and each zone has been assigned with designated HSE Team Leaders.
4. In this regard Pakistan Cables is undertaking a comprehensive analysis of the risks and hazards that exist within the factory premises. Risk mitigation will then be carried out to ensure a safe working environment for workers and management staff.



5. Protective clothing and equipment is available to workers. This is being upgraded to meet the standards required by OHSAS-18001.

6. Pakistan Cables provides on-site medical services to all employees and has an ambulance available on the premises in case of any accident.

#### Measurable Results or Outcomes

1. Upward trend in awareness on safety issues within the management and workers.
2. Expectation of reduced lost time accidents and minor incidents in 2009
3. No complaint indicating violation of human rights / gender sensitive policy within the enterprise was received.

#### [PRINCIPLE 3: BUSINESS SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING](#)

#### Our Commitment or Policy

Pakistan Cables as an organization never limits or tries to limit the legal activities of its worker's union and workers are free to discharge their legal responsibilities and duties without any fear. Our management policy is not to interfere, while providing any assistance if requested by the worker's union. At Pakistan Cables all of our workers are free to express their associations and have the rights to participate in collective bargaining process.

Excerpt from Pakistan Cables' Statement of Ethics & Business Practices:

- The Company is committed to recruit and promote employees on merit and provides safe and healthy working conditions for all its employees. It also believes in maintaining good communications with employees.

#### System

1. Reasonable time is set for management and labour to meet and negotiate a labour agreement.
2. Agreements are concluded after every two years through bilateral negotiations and are normally finalized within 3 to 4 months.



## Activities

1. The agreement containing specific provisions covering wages, working conditions, compensation & benefits are signed after every two years as a result of Management – Union bilateral negotiations on the Charter of Demands.
2. Union elections are held annually as per legal requirements.

## Measurable Results our Outcomes

1. Employees working with Pakistan Cables are secure in terms of workplace and social security. Our employees are provided opportunities for personal growth through Pakistan Cables' training and development program. All employees enjoy freedom of expression and employee feedback is valued at the company. For instance Suggestions/ Comments Box have been installed at different locations in the factory. This allows employees to express their thoughts about numerous issues, while having the option to remain anonymous.
2. The process of Collective Bargaining through bilateral negotiations has continued for more than five decades and as a result 27 agreements have been signed & successfully implemented since 1956, including the latest agreement which was signed on June 28, 2008.

## PRINCIPLE 4: BUSINESS SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

### Our Commitment or Policy

Pakistan Cables is committed to abide by all relevant local Labour Laws and ILO Conventions on Forced and Compulsory Labour.

### System

1. All workers are issued appointment letters per West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance 1968, in which terms and conditions of the employee service are clearly mentioned.
2. Exit interviews of all employees who leave the company are conducted wherein they can freely express their views about company's policy, work environment or any grievances.



1. On the first day of joining all new employees first report to HR Department, where they are welcomed and acquainted with general company policies with a view to develop a satisfied, efficient and productive workforce.
2. Job Descriptions / Work instructions are properly defined and communicated to the employees by the concerned department head.
3. All records pertaining to the terms and conditions of the job, job descriptions / work instructions are properly maintained by HR Department.

#### Measurable Results our Outcomes

- Pakistan Cables' HR Department maintains / updates all relevant record of the employee beginning from Appointment to Separation.
- All Important documents are properly maintained such in a way that this information can be retrieved as and when required from our Personnel Database.

#### PRINCIPLE 5: BUSINESS SHOULD SUPPORT THE ABOLITION OF CHILD LABOUR

##### Our Commitment or Policy

- Pakistan Cables is Committed for complete abolition of Child Labour within the Company in light of ILO Convention and Local Labour Laws.







- Entries of below 18 years are strictly prohibited in PCL premises and minors are only allowed inside the premises with special permission (in order to avoid risk of any mishap).
- All job candidates, even apprenticeship trainees, are required to submit their Computerized National Identity Cards (CNIC) at the time of interview (in order to verify age of the applicant).

#### Activities

- Candidates not having CNIC are not entertained / considered for employment.
- Notice that PCL is Child Labour Free is displayed at factory entrance.

#### Measurable Results our Outcomes

- As result of strict scrutiny and security checks, no underage person can work in PCL.

#### PRINCIPLE 6: BUSINESS SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

#### Our Commitment or Policy

- PCL firmly believes in equal opportunity for all its employees and treat its employees with respect without any bias on cast, creed, ethnicity, gender or faith.

#### System

- At Pakistan Cables no preference is given on the basis of gender, religious or ethnic background at the time of employing or promoting the employees. Therefore, the only criterion is for any candidate for employment or promotion.

#### Activities

- Since PCL is an equal opportunity employer, therefore every effort is made while hiring / promoting workforce that there is no discrimination on any grounds.



Measurable Results our Outcomes



- As a result of our sincere and continuing efforts with regard to complete elimination of discrimination, we have employees of both genders and from various casts & religions in PCL, who are happily working at the company.

#### PRINCIPLE 7: BUSINESS SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

##### Our Commitment or Policy

Excerpt from Pakistan Cables' Statement of Ethics & Business Practices:

- The Company is committed to run its business in an environmentally sound and sustainable manner and promote preservation of the environment.

##### System

Pakistan Cables is currently undergoing the process of achieving certification of ISO-14001 and is aspiring to be the first company in Pakistan's cable manufacturing sector to achieve this certification.

The Company has invested in its own combined cycle 2 MW Tri-Generation Power Plant, with waste heat recovery and vapor absorption chillers. As a result Pakistan Cables is able to more efficiently utilize gas and electricity, thus ensuring energy conservation and reducing carbon emissions.

##### Activities

1. Plant operations are strictly controlled to maintain safe environment for workers as well as the surrounding community.
2. Several measures have been taken to control pollution and to maintain a clean, green and healthy environment which includes prevention of process gas emission into the atmosphere, recycling of waste heat and continuous efforts to improve greenery and maintain a clean environment in and around the factory through horticulture, better housekeeping, etc.



WE SUPPORT

Measurable Results our Outcomes



1. All potentially hazardous material is monitored by the Company to ensure that best practices are followed in environmental protection. For example, any anodizing waste is neutralized prior to discharge.

2. Energy Conservation: After installation of tri-generation system based on combined cooling, heating and power with 2MW engines coupled with installation of vapor absorption chillers, Pakistan Cables has improved the efficiency of electricity and gas consumption.

#### PRINCIPLE 8: BUSINESS SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

#### PRINCIPLE 9: BUSINESS SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

#### Our Commitment or Policy

Excerpt from Pakistan Cables' Mission Statement:

- To assist in the socio-economic development of Pakistan by being good corporate citizens.

#### System / Activities

1. Pakistan Cables will be enhancing its approach to Health, Safety and Environment issues with the certification of OHSAS 18001 & ISO 14001. As such, the company intends to have a comprehensive system in place to proactively address all such issues.

2. Pakistan Cables sells environmentally friendly products. The company is in the business of producing the highest quality wires and cables in Pakistan. Due to the high quality raw materials utilized in our products and our focus on quality, our cables result in conservation of electricity. All our copper cables utilize

LME "A" Grade 99.99% pure copper. The purer the copper, the less energy is lost while it is being transmitted and distributed. As such, Pakistan Cables plays a crucial role in conserving energy in a country that faces critical electricity shortages.

3. Pakistan Cables also produces aluminium profiles / sections that are used in the construction of homes / buildings / offices etc. Aluminium sections are an alternative to wood and are therefore more environmentally friendly (Eg. reduction in deforestation).



4. As the Company is concerned about the wellbeing of all its stakeholders it informs and educates electricians about electrical safety and precautions through regular communications.

#### Measurable Results our Outcomes

1. Zero neighbor complaints due to regular monitoring, self assessments and compliance with environmental standards.
2. Brands of the Year Award in two categories / brands:
  - Pakistan Cables for Wires & Cables
  - Alum-Ex for Aluminium Extrusions
3. HSE Orientation and Training in progress
4. Greenery and plantation inside and within the vicinity of the factory.



5. Pakistan Cables continues to play an active role in supporting social sector programs and has always been at the forefront in its recognition and responsibility towards meeting society needs. The Company's efforts mainly focused on the areas of health and education. Pakistan Cables evaluates in detail each organization that it supports and contributes towards. During the year the company made a contribution towards the following organizations:

- WWF Pakistan
- Layton Rehmatullah Benevolent Trust
- Amir Sultan Chinoy Foundation
- The Kidney Centre
- SAARC Women's Association



Pakistan Cables has also sponsored “The Amir Sultan Chinoy Chair” for the Institute of Educational Development at the Aga Khan University Hospital.

In addition, the Company gave large discounts on its products to charitable organizations and philanthropic projects throughout the year.

#### PRINCIPLE 10: BUSINESS SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

##### Our Commitment or Policy

Excerpt from Pakistan Cables’ Statement of Ethics & Business Practices:

- The Company is committed to comply with all laws and regulations. The Board and Management are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility and not to transgress them. If in doubt they are expected to seek advice. The company believes in fair competition and supports appropriate competition laws.
- The Company does not support any political party or contributes funds to groups whose activities promote party interests. The Company will promote its legitimate business interests through trade associations.
- The Company is committed and fully adheres to the reliability of financial reporting and transparent transactions.
- Employees must not use company information and assets for their personal advantage. Conflict of interest should be avoided and disclosed where they exist and guidance sought.

Excerpt from Pakistan Cables’ Mission Statement:

- To operate ethically while maximizing profits and satisfying customers needs and stakeholders interests.

##### System / Activities

1. Orientation given to all new employees emphasizing on the importance of ethics in order to impart on all our employees that anti-corruption attitude of the Company.



2. Company focus on transparency and disclosure is evident in all its communications to the public or to any Government authorities, including financial reporting, annual reports, company websites, tax returns and marketing activities

### Measurable Results our Outcomes

Pakistan Cables is recognized as a company and a brand that in accordance with its slogan is "Trusted not to compromise" on quality and ethics.