



## **United Nations Global Compact**

### **Agriauto Industries Limited Communication on Progress 2008**



#### **Message from the Chief Executive Officer**

In continuation with our belief that the adoption of the ten UNGC principles will improve the quality of work life in our company through fair and equitable treatment for all, I am pleased to inform that different strategic and operational level initiatives have been taken which have immensely contributed in improving the working environment and morale of our team members.

Being a member of the UN Global Compact has further benefited the company in enhancing its corporate image with all the stake holders and projecting us as a responsible entity committed to excellence.

We remain committed to the United Nations Global Compact and its ten principles focusing on developing a better work environment for sustenance and growth of the business.

**Qazi Ebadullah Khan  
Chief Executive  
Agriauto Industries Limited**



### **Principle-1**

**To support and respect the protection of internationally proclaimed human rights**

***Agriauto is fully committed towards supporting and respecting the internationally proclaimed Human Rights within the sphere of its activities.***

#### **a) OHS activities:**

The focus of the Management on OHSE activities has been enhanced and the following measures have been taken to improve the overall work environment:

##### **1) OHS Audits:**

- Extensive Internal & External OHSE audits are conducted, wherein the following aspects are assessed on regular basis:
  - Accessed Safety Culture in the company through checking of present safety procedures and measures being implemented
  - Use of Personal Protective Equipment by workers
  - Evacuation system in case of Fire
  - Training in OHSE of workers, supervisors and operational staff
  - Timely and Objective Reporting of Incidents
  - Safety orientation plan for new inductees

This activity improves the overall preparedness in the company, moreover reinforces the Management's commitment towards having a safe work environment.

##### **2) Policy Documents:**

- Manual for Health and Safety is regularly updated and implemented in letter and spirit.

##### **3) Training in OHSE:**

- Courses on OHSE were conducted in-house and team members were sent on regular training and refreshers to improve their understanding and response in case of accidents etc.
  - Operational Staff    60% - 70%
  - Supervisory Staff    85%
  - Management Staff    45%





- **Training areas:**

- 5S
- Developing a Safety Culture - Role and Responsibilities of Supervisors
- In-House Training on Use of PPE's, Safety Equipment
- Fire Safety
- Physical Fitness and General Awareness of peculiar illness/diseases - Murshid Hospital
- Emergency Preparedness & Response
- General Health & Personal Hygiene
- First Aid
- Hepatitis B, C, HIV Awareness and Prevention
- Hazardous Material, Use and Preventive Measures

**4) Medical & Health Camps:**

- Free Eye & Medical Camp by Murshid Hospital are conducted on twice a year.
- Immunization of Workers (once a year) against infectious diseases
- Regular General Health Check-Ups of Workers and Staff employed on hazardous jobs
- Provision of milk to Workers employed on hazardous tasks



**5) Mock Drills:**

- Mock drills / Demo in Fire Fighting are conducted to evaluate the level of preparedness amongst team members

**6) Committee on OHSE:**

- OHSE Committee comprising of Workers and Supervisors is actively involved in carrying out In-House Training Sessions on Health Awareness, Safety, Hygiene and Protection of Environment.



- Dissemination of Safety & Health Information through talks, distribution of Health and First Aid Cards and display of information by posters / charts placed at different places in the Factory.
- Development and improvement of a safety culture within AIL.

### **7) Adoption of Girls School at Hub:**

- Agriauto has been supporting a Girls School at Hub, wherein efforts are made to increase the educational standards and improve the facilities at the school. Following assistance is being extended on a regular basis:

- Training of Teachers in Computers (14) & English (15)
- Equipping the Computer & Science laboratory.
- Provision of books and stationeries to poor students.
- Provision of Uniforms to needy students.
- Improvement of premises.
- Provision of water and gas supply.



### **8) Improvement in facilities at Jam Ghulam Qadir Hospital at Hub:**

- The company has been supporting the Jam Ghulam Qadir Hospital at Hub to improve its medical facilities and infrastructure.

### **9) Donations to Trusts/Institutes**

- The company recognizes its responsibility as a social partner with the rest of the community and the stake holders and contributes actively towards the institutes/trust and NGOs working for human cause including health and social welfare.
- Donations worth Rs. 1.23 Million have been given last year to various institutes and Trusts.





**10) Support to the Poor Widows/families at Hub:**

- The company provides regular assistance and help to the poor widows of Hub and surroundings, in the shape of rations/utility items every year. This year to rations and other utility items were provided to 70 widows & families

**11) Provision of Rations to Junior Team Members:**

- In order to provide relief to our Team Members, rations were distributed amongst all workers in the month of Ramadan.

**12) Industrial Relations and Team Members:**

- The company judiciously follows the legal requirement in respect of employment and no team member is paid less the minimum wages as specified in Labour Laws.
- The company is an equal opportunity employer and merit remains the sole criteria of selection and recruitment processes.
- Strict compliance is ensured so that no labour is employed below 18 years of age.
- To enhance the level of motivation all junior team members, following activities have been conducted as social operating mechanism in the company:
  - AIL Inter Departmental Cricket and Football Tournaments
  - Cricket Match with Thal Engineering
  - Eid Millan Party for all Team Members
  - Celebrated HOH Family Day
  - Picnic for all Junior Team members at Kalri.
  - Distribution of Mango to all team members on 'Mango Day'
  - Distributions of dates to all team members during Ramzan.
  - Distributions of Oranges to all team members 'Orange Day'





### **13) Elimination of Literacy:**

- The company has taken a challenge to eliminate literacy amongst its workers. The company regularly arranges education classes for them. Every year Ten to 15 employees undertake such classes. Last year Ten workers were educated and they appeared and passed their Matriculation exams.
- 10 JTM's appeared for SSC Part-II examination under Adult Literacy program.

### **14) Food & Hygiene:**

- The company ensures that the employees are provided clean and hygienic conditions. Same food is prepared for Executives Staff as well as the workers and all employees dine together in an air-conditioned canteen.

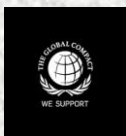
### **15) Policies & Procedures**

- Policy documents are revised on a regular basis to introduce modern practices in the company and are audited during ISO and TS audits. HR and Safety Manuals are updated and disseminated to Team Members during Morning and Weekly Production Meetings.
- Equal Opportunity for progression, training and development is provided to all team members.
- Strict implementation of gender policy provides female team members with good working environment and progression opportunities.

### **Outcomes:**

- The policies/SOP followed by the company has positively impacted on the community and stakeholders and the image of the business in their eyes has considerably improved.
- Increase in literacy level of the company.
- Better health of the workforce.
- Improved hygiene & sanitation.
- Overall a happy and satisfied workforce.





## **Principle-2**

### **To avoid complicity with human right abuse**

***Agriauto is committed towards ensuring that AIL remain free from any Human Right abuse at all levels.***

#### **Vision and Values:**

- The company believes and upholds its core values and ensures its implementation at all levels. Regular value sessions by EVC with new entrants provides a good understanding of the company cultures, its values and future direction.
- Systems are formulated in a manner that they provide immediate feedback of any non compliance or deviation from the company polices and this aspect is strictly monitored by all Departmental Heads.
- Morning and Weekly Production Meeting provide an integrated structure to monitor employee satisfaction levels.

	<b>VISION</b>
A world class manufacturer and supplier of high entry barrier automotive components providing competitive returns to all stakeholders.	
<b>VALUES</b>	
<b>Respect</b>	Interact respectfully with all people, living creatures and things; it increases their life & contribution
<b>Sense of Urgency</b>	Do it now; velocity creates winners; prioritize to be effective; focus on customer's needs
<b>I am WE</b>	Complementing and strengthening each other we can do anything; together we win; communicate effectively
<b>Leap</b>	Bench mark; think high and pursue it; Monitor your progress frequently

<b>Innovate</b>	Pursue knowledge, embrace changes; quest for simple, innovative solutions; conscious concern for improvement
<b>Listen</b>	Listen with all senses open; be accessible, be receptive; hearing is learning and knowledge
<b>Cost down</b>	Drive cost down for competitiveness; Add customer value not cost
<b>Shun Bureaucracy</b>	Make things happen; no buck passing; results are important not reasons
<b>Fairness</b>	Merit is the only criteria; create win-win situations
<b>Be Bold</b>	Take timely decisions; delegate authority & empower; exhibit entrepreneurship; own mistakes, praise others
<b># 1 Q, S, 5S</b>	Create 'wah' work environment, and 'wow' service & quality; safety is a pre-requisite to work

#### **Code of Ethics and Corporate Governance:**

- The company and its management religiously follow the code of ethical conduct and the code of corporate governance.





- Every year the Code of Conduct is reviewed and statement of ethics is signed by every team member.

### **Principle-3**

#### **To uphold the freedom of association and the effective recognition of the right to collective bargaining**

***Agriauto is committed towards providing an excellent working environment to Junior Team Members focusing on providing freedom of association and the rights of collective bargaining to all its junior team members.***

- In Agriauto, the company culture has been developed in a manner that all senior and junior team members work together towards achieving the vision of the company.
- Remuneration structures are in accordance with market compensation benchmarks and provide good facilities to its team members.
- An effective system exists where agreement with CBA is concluded every two / three years to the satisfaction of the CBA.
- Conversations with workers are regularly held every Monday in the morning assemblies.
- Mutual dialogue is carried out with workers at plants once a month to listen to their problems and solve them.
- The company has formed following committees in which the CBA actively participates and through proactive policy decisions, maintains good industrial relations within the company:
  - Canteen Committee.
  - Transport Committee.
  - Medical Grant Welfare Loan
  - Safety, Health & Environment.
  - Provident Fund.
  - WPPF Committee.
  - Employee Grievance Handling
- Following facilities are provided to all workers as per CBA agreement:
  - Out door Lunch





- Delivery Allowance
- Medical Grant
- Sports Fund
- Picnic Fund
- Attendance Award
- Performance of Haj and Umra
- Death Grant
- Welfare Loan
- Marriage Loan
- Two Motorcycles every year
- Enhancement of Education

Moreover, through provision of the following, a motivated and satisfied team is focusing on continuous improvement

- Woolen Jersey/Jackets every year
- Two Soaps per month to all workers
- Service Awards
- Uniform
- Safety Shoes
- Milk for all hazardous job performers
- Canteen
- Transport

**Outcomes:**

- A highly motivated and satisfied workforce.
- No major grievance brought to the notice of management.
- An environment of free communication exists.
- No labour cases in court since last Ten years.
- A happy and healthy industrial relations environment.

**Principle-4**

**To eliminate all forms of forced and compulsory labour**

***Agriauto forbids all forms of forced and compulsory labour in the areas of its influence.***

- Through the company policies, good Industrial Relations forced and compulsory labor has been eliminated
- Team Members exit interviews are conducted which are reviewed by the senior management and employee turnover, absenteeism and training is regularly presented and reviewed in the Management meetings to evaluate the present status of workforce satisfaction.



#### **Principle-5**

#### **To effectively abolish child labour**

***Agriauto forbids all forms of child labour in the areas of its influence.***

- In accordance with company policies, the entry age of employment is above 18 years of age and we ensure that no child labour is inducted in Agriauto Industries. The age at the time of induction is ascertained through Computerized National Identity Card.
- Agriauto ensures that all its supply chain and vendors are not employing any child labour as per its policies.

#### **Principle-6**

#### **To eliminate discrimination in employment and occupation**

***Agriauto is committed towards providing equal employment opportunities to all based on merit without discriminating on race, gender etc.***

- Agriauto through its recruitment policy has underlined that merit is the sole criteria for selection. It does not discriminate in respect of employment and occupation in terms of sect, caste, creed or gender.
- The company has employed disabled workers as per the legal requirement.

#### **Principle-7**

#### **Companies should support a precautionary approach to environmental challenges**

***Agriauto is fully committed to provide a safe working environment focusing on elimination of environmental contamination.***

- Agriauto has been involved in the following activities to provide a safe working environment to its team members.
  - Water Treatment Plant for neutralization for Chromium has been installed keeping the environment friendly and safe.
  - Active participation in UNGC Global Compact activities and talks organized by EFP.





- Provision of pure drinking water to all through Reverse Osmosis (RO) Plant
- Laying of new sewerage lines in the Plants
- Elimination / Reduction of contamination in the Plants through the following measures and training:
  - Change of Plant Layout – Machinery is placed in open environment to reduce contamination
  - Assembly Cells have been made fully ventilated
  - Washing of all manufactured parts has helped in reducing product contamination.
  - Machine Filters are regularly replaced to improve working environment
  - Waste Disposal System has been developed and is strictly monitored
  - Regular training of all Supervisory and Operational Level Staff in proper usage of machines and PPEs. Furthermore, work instructions and proper use of PPE is highlighted through posters / charts in all Plants
  - Strict monitoring of all OHSE procedures and use of Safety Charts in all Plants.
- Agriauto believes in greener surroundings. Extensive plantation of the area has been carried out. During last year 853 plants have been planted in and around the factory premises at Hub.

#### **Principle-8**

**Companies should undertake initiatives to promote greater environment responsibility**

***Agriauto is fully committed in providing an environmentally responsible workforce***

- Agriauto through its in-house awareness campaigns has developed an understanding amongst its team members about safe environment and their respective role in this endeavor.
- Regular in-house training and through self explanatory posters in Plants the awareness level has increased.





#### **Principle-9**

**Companies should encourage the development and diffusion of technologies**

***Agriauto is mindful in development of environmentally friendly technologies***

#### **Reverse Osmosis Plant:**

- Agriauto has installed a Reverse Osmosis plant for provision of pure drinking water to the employees.

#### **Sewerage Lines:**

- For efficient disposal of effluents new sewerage lines have been laid.

#### **Treatment Plant for Neutralization of Chromium:**

- Installation of Treatment plant to neutralize hazardous effects of Chromium discharged from the plants.

#### **Principle-10**

**Business should work against corruption in all its forms, including extortion and bribery**

***Agriauto is focused towards elimination of all kinds of corruption through effective implementation of its code of conduct and corporate governance***

Agriauto through strict implementation of its code of conduct, statement of ethics and best practices and corporate governance policies has minimized corruption in all its forms within its area of influence and amongst its stake holders.