

Statement of Continued Support



Chief Executive Officer

The purpose of joining the UN Global Compact was to demonstrate the company's will and resolve to pursue the business norms and values with a focus on society and the environment we operate within.

On signing upon the UN Global Compact in Dec-2005, Agriauto Industries Limited has committed itself, to embrace the ten underlying principles which form the basis in improving its corporate practices.

The company gives due weightage to improving the quality of work life of its employees and other stakeholders which is ensured through fair and equitable treatment to all so that they are in a position to contribute their best and to the advantage of the business.

I have firm belief that the adoption of these ten principles, which serve as the guidelines in improving the image of the company in both the corporate world and amongst the stake holders, would go a long way in sustenance and growth of the business.

The company therefore takes pride in being a signatory of UNGC and stands fully committed in its resolve to promote the good practices that have been inspired by these ten principles.

Qazi Ebadullah Khan
Chief Executive

Brief description of nature of business

Agriauto Industries Limited is a public limited company incorporated in 1981 and quoted on the stock exchange. The company is one of the leading automotive components manufacturers in the private sector and the first company in Pakistan to acquire TS16949 certification. Technical Collaborations with leading international companies have added to the company's technical versatility. The product range covers both original equipment manufacturers (OEM) and after market.

Quality control is maintained at all stages of manufacturing. The company follows international standards i.e. B.S.S., S.A.E, ASTM, JIS, ISO & TS-16949, as the basis of quality control program. Agriauto's production lines are backed by well-equipped standard room and have persistently sought to consolidate technological and product excellence. Agriauto is a part of the prestigious House of Habib Group.

Milestones

➤ Incorporated	1981
➤ Gasket & Sleeve Manufacturing	1981
➤ TAA with Zypher Camshaft for Manufacturing	1984
➤ Listed on Stock Exchange	1984
➤ TAA with Gabriel Ride Control Inc. (USA)	1987
➤ Steering Box Manufacturing	1989
➤ TAA with Kayaba (Japan)	1994
➤ ISO-9002 certification	2000
➤ Pipe Fork/Case Damper Manufacturing	2002
➤ Motor Cycle Shocks	2004
➤ ISO 9001:2000 certification	2005
➤ TS-16949 certification	2005
➤ TAA with AISIN Japan	2006

Technical Collaborations

- Gabriel Ride Control Inc-USA
- Kayaba Industry Co. Ltd - Japan
- AISIN Japan

Our Customers

- Indus Motor Company (Toyota, Daihatsu & Hilux)
- Dewan Farooq Motors (Hyundai & Kia Motors)
- Hino-Pak Motors (Hino Trucks)
- Al-Ghazi Tractors Limited (Fiat tractors)
- Millat Tractors Limited (Massey Ferguson tractors)
- Pak Suzuki Motor Co. (Suzuki vehicles)
- Sindh Engineering (Dong Feng trucks)
- Adam Motors Co. Ltd.
- Atlas Honda (Honda motorcycle)
- Master Motor Corporation. (Chinese trucks)
- Dawood Yamaha Limited (Yamaha motorcycle)
- Sazgar Engineering Works (Chinese tri-wheelers)
- AASA Automobile Company (Chinese 2 wheelers)
- Habib Motorcycle Limited (Chinese 2 wheelers)
- Sohrab Motorcycle (Chinese 2 wheelers)
- Metro-Hi-Tech. (Chinese 2 wheelers)
- Karakoram Motors. (Chinese 2 wheelers)

Our Products

- Shock Absorber
- McPherson Assembly
- Steering Box Body
- Camshafts
- Pipe Forks for motorcycles
- Motorcycle Shock Absorber
- Cylinder Head
- Gaskets
- Engine Sleeves
- Door Locks & Hinges

Manpower

- Management Staff 107
- Junior Team Members 390

Our Vision and Core Values

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

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

Principle-1	Business should support and respect the protection of internationally proclaimed human rights
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The company is committed to and supports and respects the protection of Internationally proclaimed Human Rights within the sphere of its influence.

Actions Taken

Adoption of Girls School at Hub

Agriauto has also undertaken voluntarily the task of supporting a Girls School at Hub. The company remains actively involved in enhancing the educational standard of the school and improving the conditions. Following assistance/help have been provided : -

- a. Providing teachers training.
- b. Equipping the computer & Science laboratory .
- c. Provision of books and stationeries to poor students.
- d. Provision of Uniforms to needy students.
- e. Improvement of premises.
- f. Provision of furniture items/boards for the classes.
- g. Provision of water and gas supply.
- h. Renovations of new premises to accommodate primary classes.





Improvement in facilities at Jam Ghulam Qadir Hospital at Hub

The company has made efforts to improve the facilities of Jam Ghulam Qadir Hospital at Hub with mutual consultation of the hospital authorities. Following equipment/help was provided to Hospital during Feb-08.

- a. Medical equipment for OT and Emergency wards.
- b. Provision of generator to the hospital.
- c. Improving general conditions of the hospital.



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. Following donations were given last year: -

SI #	Name of Welfare Institute
1	Kehkashan Model School
2	Family Educational Services Foundation
3	The Patients' Welfare Association (Murshid Hospital)
4	Burhani Blood Bank & Transfusion Centre
5	Sindh Institute of Urology & Transplantation
6	Muhammad Ali Habib Trust
7	Alamgir Welfare Trust International
8	SOS Children Village of Sindh
9	Sahara for Life Trust
10	Hawa Hussain Elementary Memorial School
Total Amount Donated Rs. 1,100,000/=	

Donation to people affected due to floods in Balochistan

The company is conscious of its moral obligations towards community. The company provided support in cash to the victims of the floods in Balochistan during Oct/Nov-07.

Support to the Poor Widows/families at Hub

The company provides assistance and help to the 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 60 widows & families.

Legal Compliance on Employment

- ❖ The company is fully committed and complies with the labour laws prevalent and all the legal requirements of employment.
- ❖ The company ensures that no one is paid below the minimum wages, as laid down in the 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.

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.

Health & Safety

The company lays particular emphasis on the well being and health of its employees. The company arranged free medical and Eye camp for its employees on 27-04-2007.

Following were treated :-

• No of Employees visited camp	249
• Check-up and Distributed Medicines	233
• Eye Test	197
• Sugar Test	142
• Distributed eye Glasses	148





The company had embarked upon its Immunization program. All the employees were inoculated for following :-

- Infectious Hepatitis.
- Typhoid.

Physically Fitness

To be physically fit and healthy, the general rules of health are followed and practiced by all.

- Daily PT.
- Sports activities/Competitions.
- In door games.

Dining Together

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.

Systems

Comprehensive policies and SOPs on following are in place.

- Employment
- Promotion Policy
- Attendance Procedure
- Leave Entitlement
- Medical
- Safety & Health
- Reward and Recognition
- Training and Development
- Welfare Loan
- Resignation/Retirement
- Discipline
- Salaries/Wages
- Bereavement

Outcomes

1. 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.
2. Increase in literacy level of the company.
3. Better health of the workforce.
4. Improved hygiene & sanitation.
5. Overall a happy and satisfied workforce.

Principle-2	Business should ensure that they are not complicit in human rights abuses
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1. The company ensures that it is not complicit in Human Resource abuses and that there are no violation of Human rights. The company believes and upholds its core values and ensures it is followed by its supply chain. The system of internal controls are sound in design and is affectively implemented and monitored.
2. The company and its management religiously follow, the code of ethical conduct and the code of corporate governance.
3. Weekly morning meetings of the company are held for a free interaction of management and employees. Respective plant incharges carry out monthly meetings with their workmen to know their problems & difficulties and resolve them speedily.

Principle-3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining
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1. The company is fully committed to provide excellent remuneration, and privileges to its employees.
2. An effective system exist where agreement with CBA in concluded every three years to the satisfaction of the CBA.
3. Conversation with workers are held every Monday in the morning assemblies.
4. Mutual dialogue is carried out with workers at plants once a month to listen to their problems and solve them.
5. The company has formed following committees :-
 - o Canteen Committee.
 - o Transport Committee.
 - o Medical Grant Welfare Loan
 - o Safety & Health.
 - o Provident Fund.
 - o WPPF Committee.

Following facilities are provided to all workers as per CBA agreement :-

- o Out door Lunch
- o Delivery Allowance
- o Medical Grant
- o Sports Fund
- o Picnic Fund
- o Attendance Award
- o Performance of Haj and Umra
- o Death Grant
- o Welfare Loan
- o Marriage Loan
- o Two Motorcycles every year
- o Enhancement of Education
- o Woolen Jersey/Jackets every year
- o Two Soap per month all workers
- o Service Awards
- o Uniform
- o Safety Shoes
- o Milk for all hazardous job performers
- o Canteen
- o Transport

Outcomes

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

Principle-4	Business should support the elimination of all forms of forced and compulsory labour.
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1. The company is fully supportive to the principle for elimination of all forms of forced and compulsory labour.
2. The company respects the rights and freedom of its workforce.

System

HR policies on employment.

Principle-5	Business should support the effective abolition of child labour.
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1. 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 Computerised National Identity Card.
2. Agriauto ensures that all its supply chain and vendors are not employing any child labour.

System

HR policies on employment.

Principle-6	Business should support the elimination of discrimination in respect of employment and occupation.
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1. Agriauto firmly believes that merit should be the sole criteria for selection and enrolment. It does not discriminate in respect of employment and occupation in terms of sect, caste, creed or gender.
2. The company has employed disabled workers as per the legal requirement.

System

Employment Policy

Principle-7	Business should support a precautionary approach to environmental challenges
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Agriauto is fully aware of the environmental challenges.

Refurbishing of Paint Shop

- Refurbishing of paint shop in Shock Absorber Plant to reduce air pollution.
- Improvements in exhaust system and screen were made.

Reduction in Contamination

Efforts are made to reduce contamination in the plants through following measures :-

- Tank cleaning once a month.
- Covering rod end to protect threads from buffing, dust accumulation.
- Cleaning of Shafts on regular basis.
- Measurement methods have been improved.
- Tube working process has been improved.

Greener Surroundings

Agriauto believes in greener surroundings. Extensive plantation of the area has been carried out. During last year 1200 trees have been planted in and around the factory premises at Hub.

Principle-9	Business should encourage the development and diffusion of environmentally friendly technologies.
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The company is mindful in development of Environmentally friendly technologies.

Reverse Osmosis Plant

We have 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

The company is in the process of installing a 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.
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Agriauto firmly believes in wiping out the corruption and malpractices; and strictly follows its code of ethics. The CSR policy of the company entails the standards expected by the company and prohibition of bribery, and provides general guidance on honestly and fairly dealing with its suppliers and customers.

In this context, all the Management Staff are required to sign on a "Statement of Ethics & Business Practices" the contents of which are reproduced below :-

1. Respect all human beings and all living and inanimate things.
2. Conduct business in compliance with all laws of the land.
3. Comply with all rules and system in the Company.
4. Maintain confidentiality of records and privileged information.
5. Not to undertake any work or assignment outside of company without written permission of the Chief Executive.
6. Provide products and services of the highest quality.
7. Exhibit highest standards of personal integrity and professional and personal conduct.
8. Not to propagate false or misleading information.
9. Perform assigned duties to the best of my ability.
10. Conserve resources and protect the environment.
11. Comply with safety, health, and security regulations.
12. Avoid racial, ethnic, religious, and political discussions at work.
13. Report unethical and illegal activities to my superior.
14. Take decisions in Company's best interests.
15. Not to use company property or services for personal benefits.
16. Demonstrate courtesy, respect, honesty, and fairness.
17. Be accountable for Company funds under my charge.
18. Exhibit, good attendance and punctuality.
19. Dress in business like attire/company uniform.
20. Never carry firearms or weapons to work.
21. Maintain loyalty to the organization and pursue its objectives.
22. Strive for personal growth and development all the time to improve my performance.