

## UN Global Compact Communication on Progress

### RASTGAR ENGINEERING COMPANY (REC) ISLAMABAD, PAKISTAN

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Since its inception in 1967, **Rastgar Engineering Company (REC)** has all 44 years along been following certain universally accepted ethical policies and practices relating to *haqooq-al-ibaad* (human rights). We have thus practically been abiding with the ten principles in human rights, labour, environment and anti-corruption areas, much earlier than 2000 when these were notified by the UN Global Compact. It was as simple as reiterating its commitment to the humanity when REC joined the Compact 4 years ago.

We, at REC, continue to strongly support and are fully committed to all the 10 Global Compact principles. Our employees take pride in the fact that there have been major achievements over the recent years in implementing the principles enhancing the image of Rastgar Engineering Company in the locality and business community. Our stance on these principles has regularly been communicated to all stake holders in various forms, which include:

- (a) Annual reports to share holders, creditors, bankers etc
- (b) Declaration on our website [www.rastgar.com](http://www.rastgar.com)
- (c) Defined Policies on Human Rights, Manpower, Environment and Anti-Corruption
- (d) Annually updated Employees Handbook
- (e) Standard Operating Procedures
- (f) Emails to our suppliers, customers and employees
- (g) Prominent Notices and Posters in our premises
- (h) Occasional written communications to all stake holders

Our policies on human rights, labour, environment and anti-corruption are widely published internally and externally. The policies are openly posted on REC Notice Boards, included in our website, partly included in our annual financial reports, and occasionally communicated to our stake holders as a refresher.

Our internal controls cover measuring of managers' performance against targets which encompass, besides efficient and profitable activities, production under ideal conditions conforming to all the 10 principles of UN Global Compact. Management Reviews also include consideration of all non-conformities about human rights, labour, environment and

anti-corruption matters. Strict remedial and preventive action, including reassessment of risks and opportunities, is taken and its effectiveness is considered in subsequent reviews.

We are strong believers in the universally accepted human rights and we take special care to ensure that we do not, even in a small way, indulge into the abuse of any human rights. As mentioned in our Corporate Social Responsibility, we believe our workers to be our most valued and precious asset. We do not discriminate between them on the basis of gender, race, faith or political beliefs etc. There is absolutely no concept of any child or forced labour in REC. All our employment is on mutual consent basis, and employees are at liberty to quit as per defined terms and conditions. In genuine cases, even the notice period may be waived to suit an individual.

These and other similar principles are categorically declared on our website under “Social Responsibility”.

All Rastgar Engineering Company suppliers / contractors are also expected to comply with the “Suppliers Code of Conduct.” which includes their employing only adult willing workers. All suppliers are expected to be knowledgeable of the business practices of their sub-suppliers and subcontractors to ensure they operate within the scope of this code. Our external auditors for environment, health, safety and social accountability management have full liberty to examine and measure the actual situations on ground, to talk to any and all employees, as well as to examine relevant documents to determine the extent to which all human rights are being respectfully followed. All employees are at liberty to bring to the Chairman or Directors notice in person any grievances about non-observation of human rights, in addition to channeling it through the Workers Representative or the department supervisors. We strictly abide by all relevant labour laws regulating the minimum wages, social security, old age benefits, safety, environments, health, compensation and working conditions.

As indicated in our earlier COP, achieving of SA8000-certified status within 2010 from external auditors was one of our 2010 targets. We are pleased to report having achieved that target after completion of audit by RINA of Italy. Our management and work force both take pride in reiterating that our relationships have been conflict free for years.

We are ISO 14001-certified since 2007. Our environment policy is self evident about our concern over emissions, wastes, and recycling aspects. Our employees are trained in conservation of all resources in general, and of water, power and natural gas in particular. Our trained internal auditors watch specially against any hazardous acts and carelessness, wasteful use of resources, including water and power. They are required to watch that water is conserved and does not flow waste through leakage or infructuous usage. Their reports are reviewed regularly by Management for effective remedial and preventive measures.

Our production and finance employees coordinate closely to ensure improvement in energy efficiency of products, services and processes. Steps have been taken this year to reduce the CO<sub>2</sub> gas usage and disposal of caked sand wastage through increased usage of green sand moulding system. Another achievement is the introduction of routing hot air from furnace through shower tanks where smoke, soot and heat are absorbed in water, instead of escaping in full in atmosphere. All our employees take enthusiastic part in the biennial plantation campaigns during which their awareness about climate changes is refreshed. We will continue improving the environments with more plantations, and caring for the plantation already made. We are committed to hand over a still better and greener environment to our future generations

Our search continues for better ways to conserve water, gas and power resources. We look forward eagerly to any opportunities for still more efficient use of the products, services and processes. We feel pride in the fact that performance-wise we are one of the best companies in the industry who abide by the principles and have also been quality-certified under TS 16949.

Practical steps have been taken to identify all occupational and safety hazards in REC to which our workers (and other assets) may be susceptible. Requisite precautionary measures, including emergency preparedness, first aid and fire-fighting equipment have been adopted for ready response / rescue in case of any untoward incident. Fire-drills are held to keep workers aware of their allotted roles in case of fire. In recognition of all these measures, REC was certified OHSAS 18001 compliant in 2009, which is a respectable addition to the REC distinctions. The risks and hazards are regularly reviewed for continual improvement in our emergency preparedness and response.

Rastgar Engineering Company, its employees, suppliers, and other stakeholders are committed to the highest standards of integrity, honesty, and fairness in all internal and external relationships. No Rastgar Engineering Company employee shall directly or indirectly accept or offer to pay bribes or kick-backs. We have adequate internal checks and balances to ensure that no employee is in a position to manoeuvre the events or circumstances towards any corruption. Transparency in engaging, employing and compensation payment of manpower obviates any corrupt practices in these fields. Multi-tiered checks in procurement, finance, accounts and audit reduce the chances of corruption virtually to Nil. We proudly claim that corruption is non-existent in Rastgar Engineering Company.

In order to demonstrate strictness in this matter, the employees are under obligation to deposit even token gifts like diaries, pens, calendars and other small items with the REC Administration Department. This small but important direction is a part of the Employees'

Hand Book, and all employees are annually reminded through email about this obligation. Copy of the latest reminder issued on 30 Dec 2010 is attached at the end.

Our internal checks include regular audit of 5-S cleaning activities of all the 4 zones by auditors from different zones. The auditors are provided external / internal training to keep them abreast of latest developments and techniques in all human rights, labour, environment and anti-corruption matters so that observance of these principles is critically examined during internal audits.

Continual improvement is the key word for all our policies, strategies and targets. We are conscious that despite our continued efforts to achieve the best possible status, there will always be room for further improvement. Overall grading of managers' performance between 3~4 (against 5 for best) is a regular reminder that efforts are needed constantly for continual improvement. Managers and workers both are encouraged to discuss openly where and how the improvements need to be targeted each year.

We ensure our workers' involvement, association and participation in all job-related deliberations to bring improvement in our working conditions, environment, productivity, profitability and compensations. There are Suggestion Boxes, as well as token rewards for useful suggestions from the employees, whether these are utilized or not.

Going beyond legal obligations, we have introduced following worker benefits purely from a humanitarian viewpoint:

1. Educational scholarships to workers' children
2. Financial support / pension to deceased workers' dependants
3. Special financial grants on dependents' marriage
4. Special paid leave on employee marriage
5. Special paid leave in case of family bereavement
6. Free meals to employees up to certain level, and subsidized meals to others
7. Reimbursement of extraordinary medical costs
8. Distribution of special Ramadan gift packages
9. Mark-up free loans to workers for purchase of motor cycles / bicycles

Occasional notices are posted in REC inviting applications for any other special grants. Pictures attached show:



برائے تمام مہمبھران! تاریخ: 28/07/2008

گزشتہ کی برسوں سے رستگار انجینئرنگ کمپنی ہر سال اپنے ایک بہترین مہمبھران کو حج کے لیے روانہ کرتی ہے۔ حج پائیسی کے تحت دو ذیل مہمبھران نے کئی کی طرف سے حج کی سعادت حاصل کی۔

1	محمد عمر فوطری	06	نہایت علی فوطری
2	محمد یوسف مشین شاپ	07	غلام رسول پٹین شاپ
3	میرا مجید فوطری	08	عظیم خان مانی
4	لال حسین میٹلک مشین	09	سہراب حمادی ریسپینسٹ
5	جاوید خان فوطری (ایب)	10	فوک لہرا انپانچ محمد بڑ

بیسر احمد فاروقی صاحب اور دیگر مہمبھران سے مشاورت کرنے کے بعد مجھے یہ تہاتے ہوئے بہت خوشی ہو رہی ہے کہ کئی نے اس سال ہرزاق صاحب کو حج 2008 کے لیے منتخب کیا ہے۔

ہرزاق صاحب کو حج 2008 کے لیے منتخب کیا گیا ہے۔ اس وقت ان کا شمار کئی کے انتہائی مہمبھران میں ہوتا ہے۔ اس نامزدگی پر ہم ہرزاق کو مبارکباد دیتے ہیں اور مکہ اور مدینہ کے مقدس سڑ میں ہماری ٹیک خواہشات ان کے ساتھ ہیں۔

سیف رستگار

**Selection of Workers by Hajj Committee for Hajj at Company Expense.**



**RASTGAR**  
ENGINEERING COMPANY (PVT.) LTD.

**رستگار**  
انجینئرنگ کمپنی

رستگار انجینئرنگ کمپنی کے ملازمین کے لیے  
حج کی سہولتوں کے بارے میں

28/07/2008

رستگار انجینئرنگ کمپنی ہر سال اپنے ایک بہترین مہمبھران کو حج کے لیے روانہ کرتی ہے۔ حج پائیسی کے تحت دو ذیل مہمبھران نے کئی کی طرف سے حج کی سعادت حاصل کی۔

1. محمد عمر فوطری  
2. محمد یوسف مشین شاپ  
3. میرا مجید فوطری  
4. لال حسین میٹلک مشین  
5. جاوید خان فوطری (ایب)

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سیف رستگار

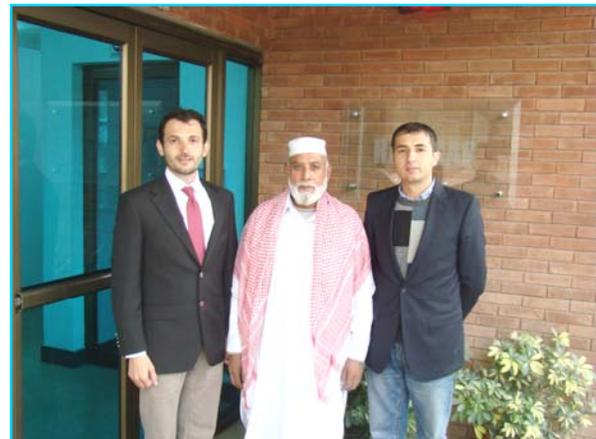
Member of  
UNITED NATIONS GLOBAL COMPACT

ISO 9001

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www.rastgar.com

ISO 14001

**Notice inviting applications For Extra Facilities**



**Welcome back from Hajj**



**Distribution of Bicycles among workers.**

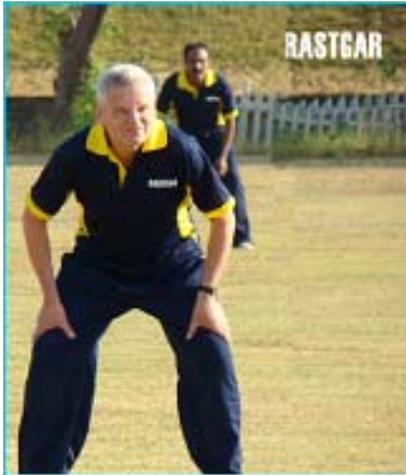


**Ramzan Food Packages being distributed among workers.**



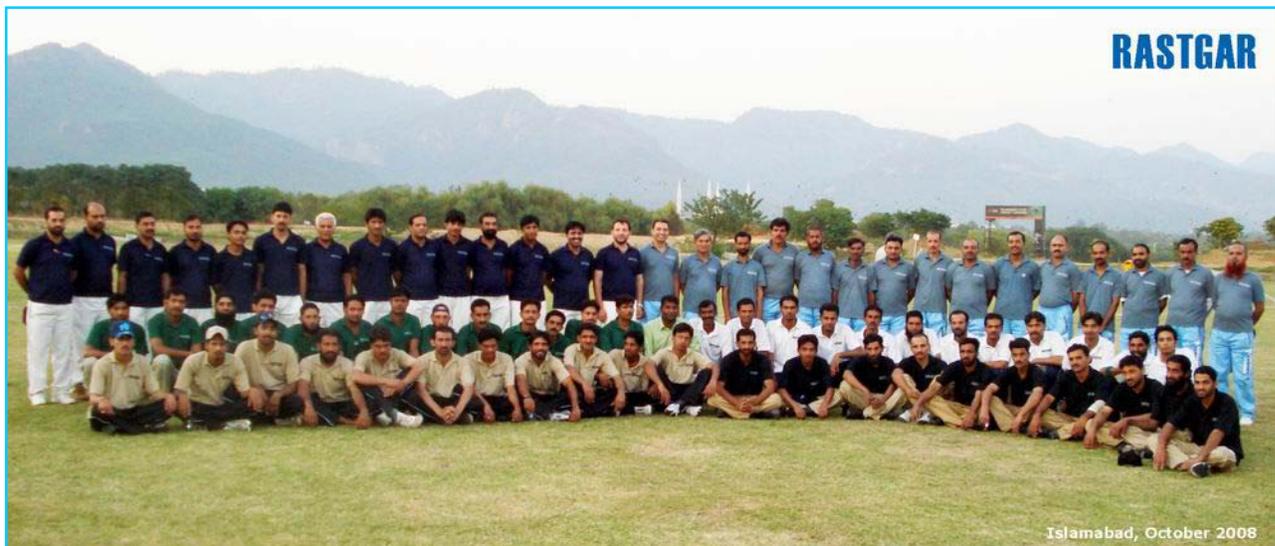
**Corporate Social Responsibility, 5S Principles and Golden Principles Notices.**

Foreign consultants are engaged occasionally to study in depth the current working conditions. They mix up freely with our work force, obtain first hand impressions and responses from them, and recommend measures for improving the work conditions, productivity and benefits through inculcating team spirit.



**English game, Swiss player, Islamabad Pakistan Ground.**

Last year's special cricket gala with six teams from within REC was followed this year with eight teams. A Swiss expert participated in this English game at Islamabad cricket ground.



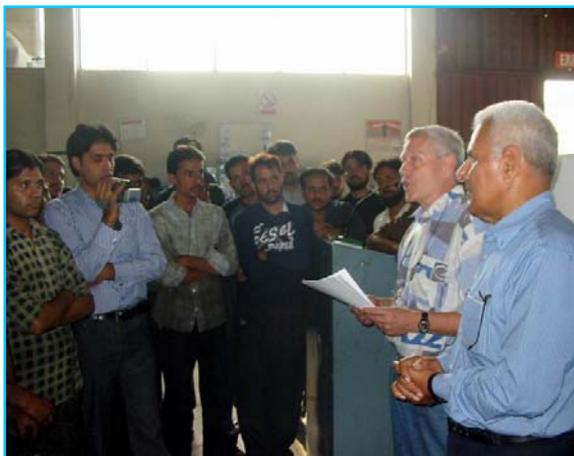
**REC Cricket Tournament 2008**



**REC Cricket Tournament 2009**



**The 2009 gala winner**



**Swiss Consultant addressing the workers and inviting suggestions**



### **German Expert training REC workers.**

Workers are encouraged to participate in various physical fitness, hiking, sight-seeing and cultural events. A record number of 230 workers went this year on sight-seeing tour of the nearby hilly areas. Workers take keen part in individual fitness events like rope climbing, short races, push-ups, sit-ups. Their groups competed for winning positions in 5 km Margalla Hills hiking event. They presented songs, improvised music, one-man shows, comic skits and other numbers to the pleasure of house-full audience.





**Picnic trip by 230 to mountains**



**Annual athletics day glimpses**



**Tree Plantation Day**



**Cultural Day audience**



**Cultural Day skit**

Believing firmly in equal opportunities for both the genders, we encourage females to compete for jobs in REC. Female employees in HR, Procurement and Finance departments are enjoying peaceful and harassment-free REC environments. We earnestly hope that they will prosper within REC and set example for others.

## Equal opportunity female employees



## Female staff in REC

After our ISO 14001 certification in 2007, we are continually taking measures to bring further improvements in our healthy green environments. Adoption of Japanese 5S



principles has brought about a lot of improvement in REC working environment. Our premises have been divided into 4 Zones for maintaining the standard environments; and Auditors from one zone carry out regular audit of other zones to ensure that everyone in REC is conscious of and attends to the respective responsibilities. Some pictures relating to this activity are attached.



**Safety, Health and 5S Posters/Notices in REC Premises.**

Practical steps have been taken to identify all occupational and safety hazards in REC to which our workers (and other assets) may be susceptible. Requisite precautionary measures, including emergency preparedness, first aid and fire-fighting equipment have been adopted for ready response / rescue in case of any untoward incident. Fire-drills are held to keep workers aware of their allotted roles in case of fire. In recognition of all these measures, REC has this year been certified OHSAS 18001 compliant, which is a respectable addition to the REC distinctions.



## Supplier Code of Conduct accompanying each Purchase Order

### Suppliers' Code of Conduct

REC is a responsible corporate citizen of Pakistan and adheres to various internationally accepted principles and standards on Human Rights, Work Force, Environment and Anti-corruption.

By accepting other terms and conditions of this P.O., the supplier further agrees that our business relationship is based on observance of Suppliers' Code of Conduct, whereby the Supplier will:

- Never offer or give any gifts, favour or entertainment in cash or kind to any REC employee.
- Report on 0333-5280502 or 0300-9554543 if any REC employee attempts implicitly or explicitly to receive any cash, gift or favour in exchange of favours like bid qualification, or business of any kind.
- Respect Human Rights / Labour laws, and never employ any child, unwilling, captive or forced labour; and never discriminate on any ground.
- Observe all possible good environment practices to make the earth a better place for future generations.
- Agree to audit by REC to ensure adherence to the above mentioned clauses.

**SAIF ALI RASTGAR**  
Finance & Human Resource Director  
**Rastgar Engineering Company (Pvt) Ltd.**  
Islamabad.