



Hi-Tech Lubricants Limited

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UNITED NATIONS GLOBAL COMPACT

Hi-Tech Lubricants Limited COMMUNICATION ON PROGRESS

15TH OF AUGUST 2015

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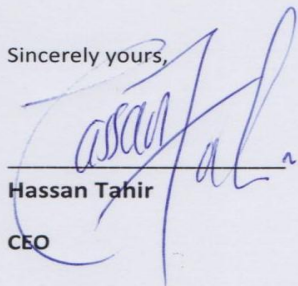
CEO Statement of Continued Support

15.08.2015

I am pleased to confirm that Hi Tech Lubricants Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Hassan Tahir

CEO



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Our Mission

“Earning customer satisfaction through provision of quality services to our client system by employing state of the art technologies and processes and by investing in our stakeholders”

Our Vision

“Delivering Products & Services for Client Satisfaction”

Our Corporate Values

Respect – We value people

Quality – We make you ask for us

Integrity – We provide the real deal

Responsible – We value our community



About Us

Hi-Tech Lubricants is ISO 9001:2008 Certified Company. Hi-Tech Lubricants is a part of the MAS group of companies and has been marketing lubricants in Pakistan for the last 20 years. We have been hitherto focusing marketing efforts mainly in the retail markets and our performance in industrial sector has been satisfactory and our products are available in more than seventy-two stations in Pakistan through our network of distributors. Our products have established a sound reputation among the distribution channels and our ultimate consumers. With a well trained marketing team, we provide quality service to our clients and our product availability in Pakistan level and along the major transportation routes is of definite advantages to our product users. The lubricants we are marketing in Pakistan are manufactured by the world renowned M/s SK Corporation, South Korea. SK has the single largest Petrochemical Chemical Complex in the world, having the state art upstream and downstream manufacturing facilities. SK facilities and its products have the required ISO approval i.e. ISO 9002 and the coveted Environment Management System ISO 14001.

In the Lubricant Sector, SK enjoys an enviable position as it is the single largest producer for VHVI Base Oil. This base is used for SK producing Lubricants and is also exported to leading multinational lubricant blenders.

Our experience in grass root marketing, the strong and motivated field force and extensive network of



distributors all over the country enable us to offer strong marketing base for launching new products in Pakistan.

Hi-Tech Achievement: Hi-Tech Lubricants Limited declared as UNGC Champion for the UN Global Compact Pakistan Business Excellence Award 2013-14. Global Compact Network Pakistan acknowledged and declared Hi-Tech Lubricants Limited as an intensively active participant in “Living the UN Global Compact Business Excellence Contest 2013-14”. During the year 2013 Hi-Tech Lubricants Limited joined hands with the United Nations Global Compact Network in Pakistan with an aim to make a change in the Pakistani Community. This recognition proved its commitment towards Corporate Social Responsibility and other founding principles of UNGC.



5. Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses Assessment, Policy and Goals

5.1. Assessment, Policy and Goals:

We are committed to UNGC Human Rights principles which are reflected within our Code of Conduct. Our Code of Conduct has been designed and created to uphold the international Human Rights principles as a whole. The following policies stated within our Code show our compliance with the above mentioned principles.

Clause 1 Personal Maintenance: Employer and employees shall collectively encourage the work environment where all of us can practice the organizational values and job goals both effectively and efficiently.

Clause 2 Health & Safety Environment Policy: Hi-Tech is planning to develop, implement and monitor optimum standards of hygiene, safety and general working conditions for our personnel and ensure compliance with applicable requirements. HTLL's HSE policy shall be shared with internal & external stakeholders, develop and deploy SMART objectives and implement HSE Manual and SOPs using an internal structure. Moreover, we emphasize on mitigation of health loss, continual health and safety awareness via staff trainings and ensure an overall healthy and safe environment.

Clause 3 Anti-Bullying and Discrimination: we have a zero tolerance policy for any type of intimidating or offensive environment. We are committed to maintaining a non-discriminatory workplace, free of



bullying. Acts or threats of intimidation, sabotage, physical or mental harm, terrorization and similar activities are not tolerated.

Clause 4 Sexual Harassment at Workplace: We practice Zero Tolerance for sexual harassment, physical or mental, that contributes to a sexually offensive environment for either male or female.

Clause 5 Fraud, Deception, Dishonesty, Bribery & Corruption: Hi-Tech upholds its value of never indulging in any fraudulent or dishonest act with its employees or any third party. We do not get involved in bribery or corruption to retain the reputation for a long time. We do not choose business partners who indulge in such activities. We do not give, receive, ask for or permit anyone else to give bribes or undertake any corrupt activities to win new business share, retain existing MAS business or to further our interests.

Clause 6 Whistle blowing Procedure: Hi-Tech respects the need to report any unfair, dishonest and corrupt practices by the employees. We have established disciplinary guidelines based on which a disciplinary committee has been formulated. We do not dismiss an employee for whistle blowing.

Clause 7 We are a Socially Responsible Business: Hi-Tech upholds its value of treating everyone fairly, equally and also valuing diversity within the workplace while carefully practicing human rights. We are a socially responsible corporate citizen, providing opportunities to make desired changes within the community.

We have developed robust policies and we try to make sure that our third party contractors or business partners reflect the same ethos in Human Rights principles as ours. We conduct businesses with entities that do not actively violate the International Human Rights standards. We deal with suppliers that uphold Human Rights and promote the same to them through our business operations with them.

5.2. Measurement of outcomes:

In the past 13 months Hi-Tech has achieved measurable improvements in our processes, systems and culture.

- **Disciplinary Committee Formulation:** Disciplinary Committee which was formulated in 2014 is now active in handling all kinds of grievances to smooth the working environment. The purpose of formulation of this committee is to make sure that Human Rights of each employee are protected, maintained and upheld at all levels.
- **Bi-Annual Management Reviews:** As per our annual strategic review, our best practice involves bi-annual management review meetings for valuation of our operational procedures and



development of each avenue within Hi-Tech. A mid annual and annual meeting consisting of the BOD and all departmental leads takes place for the regular review of all company operations and business growth. Regular meetings also take place among the management for similar purposes.

- **Employee Engagement for Community**

service: Since becoming the member of UNGC, Hi-Tech has become actively involved in community CSR activities. During the month of March 2015, Hi-Tech re-partnered with The Citizen's Foundation, a one of a kind not-for-profit organization with nearly 200 schools for the underprivileged throughout Pakistan. A selected team of volunteers was deployed to their assigned TCF schools for prime purpose of bringing a positive change within the society.



- **Iimgah School Achievement:** Iimgah School is a project of Sabra Hamida Trust (SHT), a direct beneficiary for MAS Group. It is indeed a matter of great pride for us that the Iimgah school students of Class 5 topped in the Pakistan Examination Commission Results 2015 and stood first amongst other schools of the same area. It is indeed very satisfying to find Iimgah growing better. It is overwhelming for the management that the school is successfully contributing in transforming the underprivileged children into productive and useful members of the community.



- **SETTING UP MEDICAL CAMP AT IIMGAH:** We strongly believe that Children whether be of any societal class, represent the future of any country and ensuring their healthy growth and development ought to be a prime concern of all societies. To contribute towards improving the health of the students of Iimgah, a medical camp was setup in its own premises. It was assisted by the kind and generous team of dedicated doctors from Fresh nursing facility, Shadman, who aim to provide personalized care with dignity. Ms. Edit Kopinski the care manager (FnF) from Hungry showed her deepest care and affection for the students of Iimgah. She encouraged the efforts being made by the Hi-Tech Lubricants Limited management for a philanthropic cause. During their visit every student was thoroughly examined and suggested with medicine and proper treatment.





Some of the students were diagnosed eye sight issues and were recommended specialized treatment. Chairman Hi-Tech Lubricants Limited Mr.

Shaukat Hassan made immediate efforts and managed their appointment with Prof[®] Muhammad Lateef Chaudhary, a renowned ophthalmic surgeon at Lahore Medicare centre.



- **Helmet For All Campaign:** In 2014-15, a Helmet for All campaign was implemented alongside Traffic Police Lahore with the objective of Creating awareness about benefit of wearing helmet among motor bike drivers. It was implemented through City Traffic Police Lahore Education Wing.

- **REGULATING SYSTEMS FOR MOVING**

WHEELS: Over a year now, Hi-Tech Lubricants Limited (ZIC) has liaison with the City Traffic Police Department to help accelerate their efficiency towards their obligations on road. In this concern, Hi-Tech has created a fellowship with the City Traffic Police to regulate and systemize the traffic operations 24/7.



- Traffic cones have been provided to discipline the Heterogeneous traffic flow in Lahore and to segregate the driving lanes and keep the flow smooth.
- For better view of driving indicators from the distance, wide yellow information reflector boards have been installed on GT Roads, with clear note "Heavy Traffic Vehicles (HTV) not allowed"
- Keeping the duty officers safe from the scorching sun and from heavy showers proper sitting cabins with sheds have been built and umbrellas are distributed among road duty staff.
- To educate people about the standard rules for driving and safety as par internationally, Hi-Tech intensified on coaching basic art of driving to new learners. Thus, an initiative for a



state of the art school was taken and now every month this school is producing 200 skillful drivers efficient to operate both types of vehicles (HTV, LTV).

- Digital cameras were provided to vigilance branch to keep a regular check on duty staff round the clock.

- **Hi-TECH SPONSORED for ROTARY SPORTS FESTIVAL FOR SPECIAL SCHOOLS:**

Hi-Tech is passionately supporting communities and causes through charitable giving and volunteering. Hi-Tech is not only taking joint initiatives with the general bodies but also independently engaging in purposeful corporate Social Responsibility. For this humanitarian purpose Hi-Tech partnered with Rotary international management in Lahore and organized sports festival for special children from all over the Punjab. **1100** children from various special schools were witnessed on the event. We believe that being disable should not mean being disqualified from having access to every aspect of life. The core objective was to recognize the special children and encourage them to live an exceptional life beyond these challenges. It was an opportunity offered to Rotarian families to participate in a healthy activity, build fellowship and show their keen affection for special children.



- **Rehabilitation of IDPs:**

Amongst other economic contributions, we also took our immediate response for the support of internally displaced people of Waziristan and other affected areas. Hi-Tech distributed

Ration Packages containing Rice, Flour, Tea, Suga, Spices, Milk and other basic amenities to IDP families in Bannu. We believe that contributing for IDPs in their testing times can be considerably helpful in mitigating IDPs miseries and will go a long way in their rehabilitation process.





- **Flood Relief Activities**

The 2014 cyclone that lashed Pakistan's south-western coast crippled life in the affected areas especially in Baluchistan. While it may be impossible to prevent disaster and

misfortune from happening, it is possible to provide relief. Hi-Tech believes it is our duty to do so. Hence, for the relief of flood victim the flood material was delivered to them door to door, and at different locations near affected villages.



6.0. Labor Principles

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

6.1. Assessment, Policy and Goals:

It is our goal to have a high rate of employee satisfaction and low sickness. Hi-Tech is continually developing its employee workforce and protection measures through employee trainings. We believe in the safety and protection of our employees especially those employed on the field for providing oil and gas services. As well as our warehouse staff responsible for storage and maintenance of our products.

It is part of Hi-Tech' vision and policy to recruit and hire employees without discrimination of race, color, religion, sex, age, language, physical condition etc. and treat them equally with respect to compensation and opportunities for advancement and career growth, including promotions & transfer. Ours is a culture of zero tolerance against any such discrimination and with an open door policy for all old and new employees.

Various occupational hazards are associated with the nature of the work that Hi-Tech is engaged in. We provide appropriate medical attention in the event of serious incidents and subsequent



injuries to personnel. We follow best practice through the provision of medical insurance to employees and their families that covers medical issues, assets and business risk.

6.2. Measurement of Outcomes:

On a continual base, Hi-Tech is committed to achieve measurable improvements in our processes and systems with regard to UNGC Labor Principles.

- **ERADICATING CHILD LABOR THROUGH PROVISION OF EDUCATION:**

Our company is directly involved in abolishing child labor through the provision of education to those children of Green Town area, Lahore who have no other means of acquiring education to score a bright future for themselves. Iimgah School is involved in this community development project since 2011.



- **Grievance Handling and Harrasment policy:** We have reviewed and updated our Harassment and Grievance policy procedures for fair and confidential resolution of all such related conflicts. As previously discussed, our Audit and Human Resources Divisions have joined hands to create a transparent and accountable system through Disciplinary Committee. The committee ensures fulfillment of all accountability requirements throughout their appeals procedures. We have also ensured that our employees are aware of these procedures and the routes they can take to get their complaints addressed and resolved.

7.0. Environmental Principles

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

7.1. Assessment, Policy and Goals

Within the scope of our business activities, Hi-Tech understands the value and worth of a sustainable environment. We are committed towards saving energy and using minimum resources for our activities to save national resources. Our environmental activities and following policy is reflective of our support towards UNGC environmental principles.



- **Environmental Policy:** Our Code of Conduct clearly states that “we actively make efforts to create and maintain a clean and sustainable green environment.”

We take responsibility for people and the environment. We are committed to the well being of our employees and to the care of our environment. We conduct business activities in a way that is safe for our employees, our contractors, visitors to our sites, the communities we operate in, and our environment. We protect the environment by preventing or minimizing the environmental impact of our activities and products through appropriate design, distribution and disposal practices.

7.2. Measurement of Outcomes:

Hi-Tech has established standardized processes for measurable improvements in our environmental processes, systems and culture. These procedures and policies lie at the core of our products and development.

- **Our Environment Friendly Products:** Our products are standardized so as to decrease their hazardous affect on the environment. Our products are certified as being environment friendly.

Our brand provides ILSAC (International Lubricants Standardization and Approval Committee) approved lubricants which show Environment Friendly characteristics as mentioned below:

1. More fuel economy.
2. Low wear rate of engine metallic parts which can destroy the environment
3. Low SAPS (Sulphated Ash, Phosphorus and Sulphur)
4. Maximum emission control system (exhaust gas catalytic converters) protection
5. Compatible with CAFE (Corporate Average Fuel Economy) Laws
6. Low engine smoke generation



- **Plantation Activity:**

During March 2014-15, MAS continues to preserve the beauty of nature by planting seasoned plants in the schools and colleges of various districts of Punjab. The activity initiated from the management at Corporate Offices and Warehouse within Lahore.



- **THINK ACT SAVE:** To be “socially responsible” means to address the core problems of our planet and the leading one at present .i.e. Global warming. In this regard DO WHAT’S RIGHT. TURN OFF THE LIGHTS campaign was launched. We chose low-energy solutions wherever possible, buying energy efficient bulbs. It was a positive energy that led us to realize that we can play our part in rescuing the planet by saving energy by the least 10% each month. Because, we believe “EVERY BIT HELPS”.

- **Fire Safety Session:** Fire safety training was conducted at Corporate Office and Lahore Warehouse. The objective is to educate & simultaneously train staff in first response for various forms of fires and to become aware of first response wardens. The training workshop was conducted with practical exposure to fire and how to respond to it. Hi-Tech believes it is essential for all of our employees to remain well equipped with actions that should be taken for our environment’s protection.



- **Technical Seminars/Community Knowledge Sharing Sessions:** In order to decrease pollution through our products, we also generate events to share the efficient use of our products with minimum environmental damage through our product professionals. The objective of these seminars is to spread awareness in the community regarding the safety of engine and



- environment. These seminars are intended towards Mechanics, Oil Changers, Transporters, Rent a cars, Heavy Duty Transport, Army Engineers and Institutional Transport. We have been proudly carrying out this initiative since 2003. City wise seminars are conducted throughout Pakistan imparting awareness of lubricants efficiency and knowledge to the external stakeholders. A post analysis is done at the end of all knowledge sharing sessions through the initiative of the speaker. Feedback is collected from the audience, and a dynamic Q & A session verifies the extent of impact generated. General awareness regarding environmental protection is provided to engine oil users and regular visits to various service centers ensure practical effectiveness of the knowledge shared through implementation at these service centers. FWO (Frontier Works Organization) provided us with a letter of appreciation in return for our hard work and efforts with them in this regard.
- **ENVIRONMENTAL PROTECTION ASSESSMENT:** A site inspection regarding construction of Hi-Tech Blending Plant was done by the Environmental Protection Agency and the EIA report was generated. The inspection was made considering all environmental aspects during the construction phase of the project. It is overwhelming to share that after reviewing the Environmental Impact Assessment (EIA) report, Site inspection report of District Officer (environment), the environmental protection agency has accord its approval for the construction of Hi-Tech Blending Plant at Sundar, Lahore.
- **USE of SMD-LED Technology:** Realizing that Global warming is one of the biggest problems the world is facing today Hi-Tech acts responsible to avoid its causes. Hi-Tech intends to use less energy by replacing the energy savers with SMD (Surface Mount Device) – LED (Low Emission Diode) Technology. We believe that by making small changes now in the way we live we can avoid huge changes in the future.

WE SUPPORT

8. Anti-Corruption Principles:

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

8.1. Assessment, Policy and Goals:

Our Code of Conduct has a specific clause for “FRAUD, DECEPTION, DISHONESTY, BRIBERY & CORRUPTION” as detailed below”

“Hi-Tech Lubricants Limited upholds its value of never indulging in any fraudulent or dishonest act with its employees or any third party. Fraud basically means to deceive or to act dishonestly



or to abuse your power or position to take advantage of an individual or the company assets. We do not get involved in bribery or corruption to retain the reputation for a long time. We do not choose business partners who indulge in such activities. We do not give, receive, ask for or permit anyone else to give bribes or undertake any corrupt activities to win new business share, retain existing MAS business or to further our interests.”

8.2. Measurement of Outcomes:

According to UNGC Anti-Corruption Principle, Hi-Tech has been trying to achieve measurable improvements in our related processes and systems.

- **Code of Conduct Review:** A complete Review of all our HR Policies and Code of Conduct was carried out during 2014 to update and develop them up to the par of international Code and HR standards.
- **Audit Department:** We have an effective Anti-Corruption check and balance system in place through our Internal Audit and Planning Department. This system overviews all business Operations and supply chain procedures to make sure that we are 100% in compliance with the ISO standards.
- **Inventory Transparency Check System:** Our Market Audit and Procurement teams jointly follow a Transparency check procedure for gifts procurement from our inventory or external market. A trade scheme is announced firstly based on point value. Gifts are allocated based on those points (purchase bars of our product). A claim listing all gifts is forwarded to the market audit department who verify the list and offer the complete list of existing gifts within our inventory to the procurement department. Then these items are procured from within our inventory through the above mentioned transparency check procedure.

9. Summary:

Through our various activities, sessions and implemented processes, we continue our journey towards the acceptance, implementation and development of the 10 UNGC Principles relating to Human Rights, Labor, Environment and Anti-Corruption within our operations. Our future outcome is related to furthering this developmental process and to publish our next Communication on Progress (COP) with a broader spectrum of initiatives with a more strengthened foothold within the area of Corporate Social Responsibility.