

## **UNGC COP REPORT 2015**

***Agriauto became a participant of the UN Global Compact in April 2006 & this Communication on Progress is seventh in continuation.***

***It's a pride to be a part of corporate social responsibility plan and performance as it addresses a wide variety of social, community, workplace, human rights and environmental aspects.***



The ten guiding UNGC principles serve as a base for improvement of work environment and quality of work life. Efforts are in hand to come up to the expectations and a lot of improvement initiatives at operational and strategic level have already been taken. I am pleased to inform that last year, in collaboration with “Kaikoh, Japan”, a world class Effluent Water Treatment Facility is being installed (about 98% completed) at our plant so as to ensure environment friendly approach which is our top most priority.

Being a member of the UN Global Compact it is our moral duty to pursue our goals correctly in line with the government policies and prevailing laws of the land. We are committed and feel self-responsible to all legal compliances, may it be in the field of safety, security, health and internal and external environment. AIL believes in continuous development in all operation processes which can only be achieved through development and entire satisfaction of Human Resource.

With the implementation of well ascertained policies and their pursuit in true spirit can help us to attain/ sustain continuous growth in the present challenging global business environment.

***Fahim Kapadia***  
***Chief Executive***

## *Corporate Profile*

Ever since its inception in 1981, Agriauto Industries, has progressively built its reputation for high quality and cutting-edge products, backed by sound technological knowledge and state of the art equipment.

Being in auto industry survival depends on continuous improvement and innovation to meet the market demands. Agriauto has been successfully coming up to the expectations and is forthcoming to meet the challenging demands. Last year, the company took the lead to manufacture manual type windows regulators under license from Shiroki, Japan and this year targeting to achieve power windows regulator by enduring efforts of design and development department.

Besides product development, Agriauto has a great concern about environment protection by using all its abilities and modern gadgets. To protect the environment from hazardous industrial waste, the company is in the process of completing a state of the art Effluent Water Treatment Plant to treat/recycle industrial waste. This will pave the way for achieving the certifications for Environment: 14001-2004 and Occupational Health and safety: 18001-2007.

The company ensures its production quality under the technical collaboration of world's renowned auto sector companies such as KYB Corporation, Japan, Gabriel Ride Control, USA, AISIN and Shiroki, Japan, which has added to the Company's technical versatility and human resources enrichment to world class standards. Our core products are:

- Shock absorbers and struts in KYB & Gabriel Design (Oil & Gas)
- McPherson Suspension Assembly
- Motorcycle Parts i.e. Pipe Fork/ Case damper/ Piston Rod
- Steering Boxes (Tractors)
- Door Hinges for 4-Wheelers
- Camshafts (Tractors)
- Stamping Parts (Instrument Panel / Body Parts)
- Windows Regulator (manual)
- M/Cycle Shock Absorbers ( Yamaha)

The company's primary focus is its customers, providing them with high quality products. The company remains committed towards its objectives to be market leader in auto parts manufacturing.

# ***HUMAN RIGHTS***



## **Principle # 1.**

**Business should support & respect the protection of internationally proclaimed Human Rights.**

## **Principle # 2.**

**Business should make sure that are not complicit with Human Rights Abuse.**

**Respecting and supporting human rights remains one of the most challenging areas of AIL. Our policies, practices and system support this principle in entirety.**

## **CONTINUED SUPPORT TO EDUCATIONAL INSTITUTES**

### **a) Girls School at Hub:**

Agriauto takes pride in contributing towards educational enhancement in the under-privileged areas. At present the company is providing support to educational institutions where needy/ unprivileged students are being taught. With the efforts of school management and positive support from the Agriauto, the Government Girls school Hub is now among the top educational institutions in the locality. The company remains socially committed and contributed to local educational institutions as under in year 2015:-

- ✧ **Distribution of School Uniform (800 Nos) for poor students of Govt. Girls Secondary School Rs. 659,000/-.**



✧ **Donated Following Items to Govt. Girls Secondary School at Hub to establish computer lab:**

- a. **Computer Sets**
- b. **Electric Water Cooler**



### **c) The Garage School**

The Garage school is devoted toward providing better education to the underprivileged. To support them in this noble cause, donated an amount of Rs. 50,000/-

### **SUPPORT TO THE POOR WIDOWS / FAMILIES AT HUB**

This year, rations and other utility items were provided to **700 widows & families**, through representatives of local communities worth **Rs. 349,300/-**.



## **WELFARE OF PERSONNEL**

- ✧ **Distributed Ration to all workers Rs. 2,210,207/-**

### **Health Support.**

- ✧ **Donated an amount of Rs. 100,000/- to Mushed Hospital to increase the level of health services / training of the hospital staff through specialized personnel.**
- ✧ **Donated an amount of Rs. 50,000/- to Indus Hospital (New).**

### **Other Activities.**

- ✧ **Donated an amount of Rs. 2,255,000/- to Mohammad Ali Habib Welfare Trust.**
- ✧ **Donated an amount of Rs. 4,000,000/- to Habib Educational Trust.**
- ✧ **Donated an amount of Rs. 225,000/= to RCKD Education Endowment Fund.**
- ✧ **Donated an amount of Rs. 200,000/= to Sindh Institute of Urology & Transplantation.**
- ✧ **Donated an amount of Rs. 100,000/= to Burhani Blood Bank & Transfusion Centre.**
- ✧ **Donated an amount of Rs. 100,000/= to Dar-ul-Sukun.**
- ✧ **Donated an amount of Rs. 100,000/= to Kidney Centre.**
  
- ✧ **Donations to Earthquake Victims Through Pak Suzuki Motor Co.**
- ✧ **Donations to Markaz-e-Umeed.**
- ✧ **Donations to Layton Rahmatullah Benevolent Trust.**
- ✧ **Donations to BACERA.**

## **LEGAL COMPLIANCE ON EMPLOYMENT**

- ✧ **Compliance of labor laws and non discrimination policy is being followed in true spirit.**
- ✧ **The minimum wages as per Government notification is being complied i.e. Rs: 12,000/ per month.**
- ✧ **The company is an equal opportunity employer and merit remains the sole criteria of selection and employment processes.**
- ✧ **Compliance to under age / child labor policy as per government regulations is ensured in true spirit and no one is employed below the age of 18 years.**

## **SYSTEMS IN PLACE**

- ⤴ **Code of Self and Business Conduct.**
- ⤴ **Strict application of gender policy provides female team associates with good working environment and development opportunities.**
- ⤴ **Safety and Health Policy in place.**
- ⤴ **A free medical/ eye camp was held for medical/eye check up of employees.**



## **OUT COMES**

The policies/SOP being followed by the company, clearly reflects the company approach towards social and legal compliance and holds a positive position in the community and stakeholders and the image of the business has considerably improved.

- ⤴ **Increase in literacy level of the company.**
- ⤴ **Better health of the workforce.**
- ⤴ **Improved hygiene & sanitation.**
- ⤴ **Enhanced enthusiasm and motivation of the workforce.**

# **LABOUR STANDARDS**

## **Principle # 3.**

**Businesses should uphold freedom of association & effective recognition of the right of collective bargaining.**

Freedom of speech, communication and open door policy is encouraged at all levels. It really improves the internal environment of the work place. Agriauto provides excellent working environment to its Junior Team Members focusing on providing freedom of association and the rights of collective bargaining to all its junior team members.

## **VARIOUS ACTIVITIES**

- ✧ **As per IRO 2012, AIL - Union Elections for the period of 2015-16 was successfully held.**
- ✧ **Certification for CBA office bearer received from National Industrial Relation Commission Islamabad.**
- ✧ **Successfully concluded CBA Charter of demand for the years 2015-2016.**
- ✧ **All important decisions by the management are disseminated to the workers in special Monday Morning Assemblies & their voices are given true importance.**

CBA representatives contribute positively in various policy decisions, such as:

- ✧ **Transport Committee.**
- ✧ **Medical Grant Welfare Loan**
- ✧ **Safety, Health & Environment.**
- ✧ **Provident Fund.**
- ✧ **WPPF Committee.**
- ✧ **Employee Grievance Handling**

In addition, several benefits are being provided to workers every year:

- ✧ **Attendance / Service Awards**
- ✧ **Performance of Hajj and Umrah**
- ✧ **Death Grant**
- ✧ **Welfare Loan**
- ✧ **Marriage Loan**
- ✧ **Two Motorcycles every year**
- ✧ **Many other initiatives are taken from time to time, keeping workforce motivated and satisfied.**

## **OUT COMES**

- ⤴ **Excellent Industrial harmony prevails.**
- ⤴ **Excellent work environments without any strike/ work loss throughout the year 2015.**
- ⤴ **Very low turnover shows highly committed and motivated workforce.**
- ⤴ **Open door policy enhanced confidence to voice workers concerns if any towards the management.**

### **Principle # 4.**

**Business should support the elimination of all forms of forced and compulsory labor.**

The management is committed and abides by all the industrial laws prevailing to ensure freedom of work force. AIL business operations are in line with prevailing labor laws. The labor laws are being monitored by the relevant government agencies .

## **SYSTEM IN PLACE**

- ⤴ **Merit is the sole criteria.**
- ⤴ **Employment letters are issued to all employees with terms & conditions.**
- ⤴ **Job descriptions are provided to all team-members**
- ⤴ **Exit Interview Form is in place to get the insight/ problems being faced by the workers.**

## **OUT COMES**

- ⤴ **Objection free HR audit of Employee motivational / Development and training activities conducted by TS-Auditor.**
- ⤴ **Employee Satisfaction Survey revealed high level of satisfaction amongst workforce.**
- ⤴ **Defined job descriptions, has helped in increasing productivity and reduced conflicts amongst team-members.**

**Principle # 5.**

**Business should support the effective abolition of child labor.**

In Agriauto industries no child labor is employed and strict policy on abolition of child labor is in place & HR Department ensures strict adherence to the relevant laws.

**SYSTEM IN PLACE**

- ⤴ **Computerized National Identity Card is the sole criteria for induction to any work force. (issued to citizen attaining age of 18 years).**
- ⤴ **SAP/ ERP application maintains check on employment record.**
- ⤴ **All vendors / suppliers are discouraged to employ under age workers.**

**OUT COMES**

- ⤴ **No incident of child labor has been reported.**
- ⤴ **Legal compliance.**

**Principle # 6.**

**Business should support the elimination of discrimination in respect of employment and occupation.**

At Agriauto follows the strict criteria of enrolment. Discrimination of all kind i.e. ethnic, religious and gender based is discouraged at all levels of hiring. Merit driven policy is being followed as per code of ethics/conduct.

**Employment of Women JCWs:**

- ⤴ **53 Lady JCWs were hired for different operations of production.**

**SYSTEM IN PLACE**

- ⤴ **Human Resource Recruitment policy is well defined and forbids any type of Gender / Race discrimination at workplace.**
- ⤴ **The company has employed disabled workers as per the legal requirement**

## OUT COMES

- ⤴ **Diversified work force exists.**
- ⤴ **Our 'Best Practices' helps in maintaining high moral and satisfaction of Employees.**

## ***ENVIRONMENT STANDARD***

### Principle # 7.

**Business should support a precautionary approach to environmental challenges.**

## SAFETY TALKS

Safety and health is given due importance as the multiple operations dictate solid and accident free approach at workplace. Risk evaluation at each machine was conducted with a view to remove and place safety checks in place. Besides evaluation 3100 man/hrs training was imparted on safety and health issues. The training has developed awareness & sense of responsibility in each person to conduct all procedures in a harmless routine.





### **Principle # 8.**

**Businesses should undertake initiatives to promote greater environment responsibility.**

### **SHE STEERING COMMITTEE**

Every month Safety, Health & Environment (SHE) steering committee meeting is held.

### **WATER TREATMENT PROCESS**

In compliance to environment policy, a state of the art Effluent Water Treatment Plant facility has been developed at the factory to treat all kinds of effluents like sewage, chrome water and oily water. With the introduction of this facility environment friendly waste will be out gated. To establish this facility a baseline study was carried out for Effluent water Treatment process (7 days study extended up to 15 days for measuring flow rate and sampling of waste water for testing from 5 different sampling points). On the basis of the study, a well reputed organization "Kaikoh Japan" was contacted for technical assistance and project is being completed at a cost of Rs. 53 Million.

## Study -Effluent water Treatment



## Effluent Treatment





### **FIRE FIGHTING & MOCK DRILLS**

Periodically, fire-fighting trainings and mock drills are conducted to evaluate preparedness of employees, specially the employees selected to be part of Emergency Response Team (ERT).

### **INTRODUCED FIRE FIGHTING TROLLEY & TRAINING EMERGENCY RESPONSE PROCEDURES.**





### **OUT COMES**

- ✧ Greener surrounding raises better sense of well-being among the employees, thereby, increasing individual's efficiency.
- ✧ Zero accidental absenteeism in last six months
- ✧ No complaints from adjoining localities
- ✧ Pollution free work atmosphere.

### **Principle # 9.**

**Business should encourage the development and diffusion of environmentally friendly technologies.**

Agriauto is making every effort in development and utilization of environmental friendly technologies. The environment and earth day was celebrated and tree plantation was carried out.

## **PLANTATION – ENVIRONMENT/EARTH DAY**



## **SMOKE & FUMES FREE ENVIRONMENT IN PLANTS**

By placing blower in Chrome plant and TCT machines, all fumes and smoke are properly exhausted, keeping the work environment free from all forms of smoke and fumes.

# ***ANTI - CORRUPTION***

## **Principle # 10.**

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

Agriauto monitors all its business transaction with internal and external stakeholders to eliminate malpractices.

### **SYSTEM IN PLACE**

- ⤴ Adherence to code of ethics and statement of compliance.
- ⤴ Our HR department strictly follows no discrimination policy against race, gender and religion, while hiring at all levels.
- ⤴ All cases involving unethical practices / corruption are monthly reported to Group Administration.
- ⤴ With the implementation of SAP (ERP Software) all operational / financial activities are properly recorded, ensuring transparency.
- ⤴ All procurement activities are centralized
- ⤴ Strict implementation of Accounting Standards as applicable in Pakistan
- ⤴ Compliance with regulations of Security & Exchange Commission of Pakistan.

### **OUT COMES**

- ⤴ Employees are enjoying healthy work environment.
- ⤴ No Irregulatory has been conveyed by the internal / external auditors.