



Hi-Tech Lubricants Limited

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UNITED NATIONS GLOBAL COMPACT

Hi-Tech Lubricants Limited COMMUNICATION ON PROGRESS 2016

15TH OF AUGUST 2016

Period covered by your Communication on Progress (COP)

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CEO STATEMENT OF CONTINUED SUPPORT

15.08.2016

With sincerity and compassion, I reiterate that Hi-Tech lubricants limited duly supports the Ten principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

The Communication on Progress of the year 2016 clearly describes our initiatives that have been taken towards improving and integrating Global Compact defined principles into our business culture, strategies and daily operations. We also affirm our commitment 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. The lubricants we are marketing in Pakistan are manufactured by the world renowned M/s SK Corporation, South Korea. 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.

5. Human Rights PRINCIPLES

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 devoted to UNGC Human Rights principles as reflected within our Code of Conduct. Our Code of Conduct upholds 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 has successfully planned and developed Health & Safety Environment Policy which has been implemented and is monitoring optimum standards of hygiene, safety and general working conditions for our personnel and ensures compliance with applicable requirements. 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. To ensure fair governance, quality work practices and an ethically congenial environment, HTL, as a company listed on Pakistan Stock Exchange has adopted and is in complete compliance with the Code of Corporate Governance, a comprehensive internal Code of Conduct and all other applicable laws and regulations.

However, to mitigate constantly emerging risks of illegal or unethical practices such as non-compliance of legal and regulatory frameworks, insider trading, misconduct and malpractices, HTL in accordance with the Code of Corporate Governance, has devised and implemented a detailed policy to manage the risks of “*Whistle-blowing*”. This policy will not only address the aforementioned risks but will also safeguard the interests of our employees to freely communicate their genuine concerns in relation to any illegal or unethical practice being carried out to the Company.

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.

2. Measurement of outcomes:

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

- **Disciplinary Committee Formulation:**

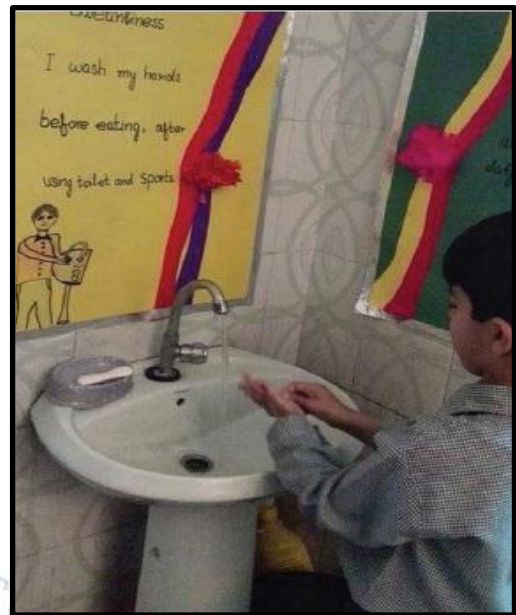
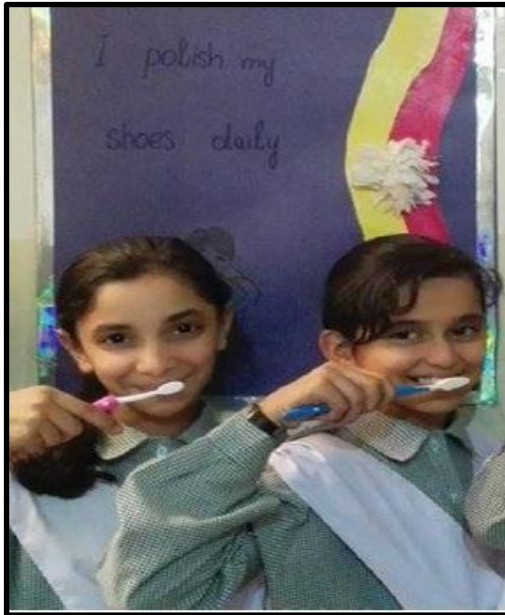
Disciplinary Committee which was formulated in 2014 is now active in handling all kinds of grievances to smooth the working environment. The purpose of formulation of this committee is to make sure that Human Rights of each employee are protected, maintained and upheld at all levels.

- **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.

1. BE CLEAN, LIVE HEALTHY CAMPAIGN AT ILMGAH

Under the supervision of the School Management, the students of IIMGah were engaged in an activity that underlined the importance of cleanliness and personal Hygiene. The students participated in a drill as how to wash hands properly and what is the correct way to brush teeth.



This act was done realizing that the habits learnt or followed at young age can easily get embedded into one's personality and that the importance of hygiene should never be overlooked. HTL stresses that such good practice needs to be adopted and strictly followed in our country where health issues are one of the major concerns.

- **MAKE PAKISTAN POLIO FREE**

HTL in collaboration with Rotary International Club, Lahore observed Polio Immunization Day at Ilmgah, where the children under 5 were given polio vaccines by the ROTARY Team Members. This was organized to stand with the world in the global fight to eradicate Polio.





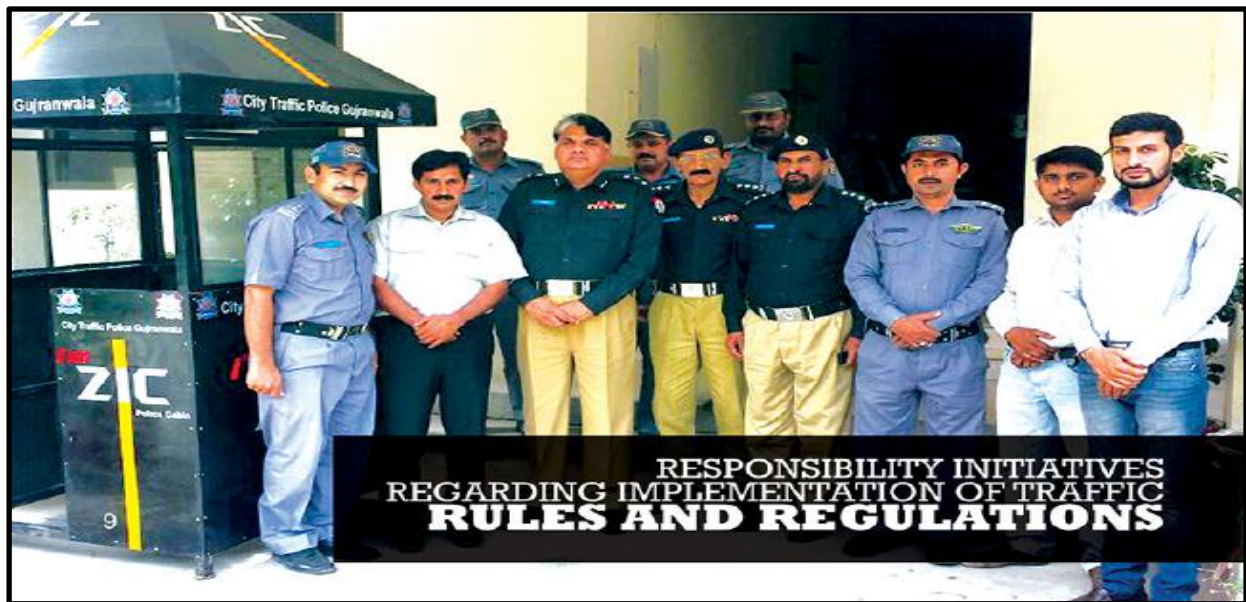
The action taken under this perspective is to stay with the nation continued commitment and progress towards ending polio from root. The proper coverage was given from the Rotary platform through social media.

- **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.

- **Extending Collaboration with City Police**

HTL (ZIC Motor Oil) has always been at the forefront when it comes to Corporate Social Responsibility initiatives regarding implementation of Traffic rules and regulations. Collaborating with traffic police in different cities in Pakistan ZIC has extended this collaboration to the city of Gujranwala as well as by sponsoring police cabins to be placed throughout the city of Gujranwala in order to assist our law abiders perform their duties to the best of their capabilities. This initiative was formally launched at CTO office Gujranwala in the presence of CTO Gujranwala and officials from ZIC Lubricants.



- **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.

2. 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. HTL has been frequently volunteering for the RAHBAR Program of THE CITIZENS FOUNDATION, almost every quarter. In 2016, This participation has been extended to KARACHI and SOUTH region HTL employees. HTL proudly connects the philosophy of its Great Business to employee engagement activities. HTL encourages its employees to be equally productive in contributing to humanitarian services.



3. Hi-Tech Lubricants providing mobility through wheels

HTL is consistently working towards having a Sustainable Corporate social culture. During the year 2016, HTL has gained the momentum in advancing for the corporate sustainability through several major initiatives.

Hi-Tech Lubricants limited sponsored company branded wheel chairs for the disabled during a CSR conference which was organized at University of Management and Technology in Collaboration with the Dreams Team the art of living.



HTL is passionate on doing more considerable work with honest dedication towards the welfare affairs. HTL emphasis on setting up a positive mind set for these special ones and to treat the disabled as equals. They should not be left behind or pampered as specials but should be given equal opportunities in the challenging job market to prove their potentials.

4. Blood Donation campaign for Thalassemia Patients

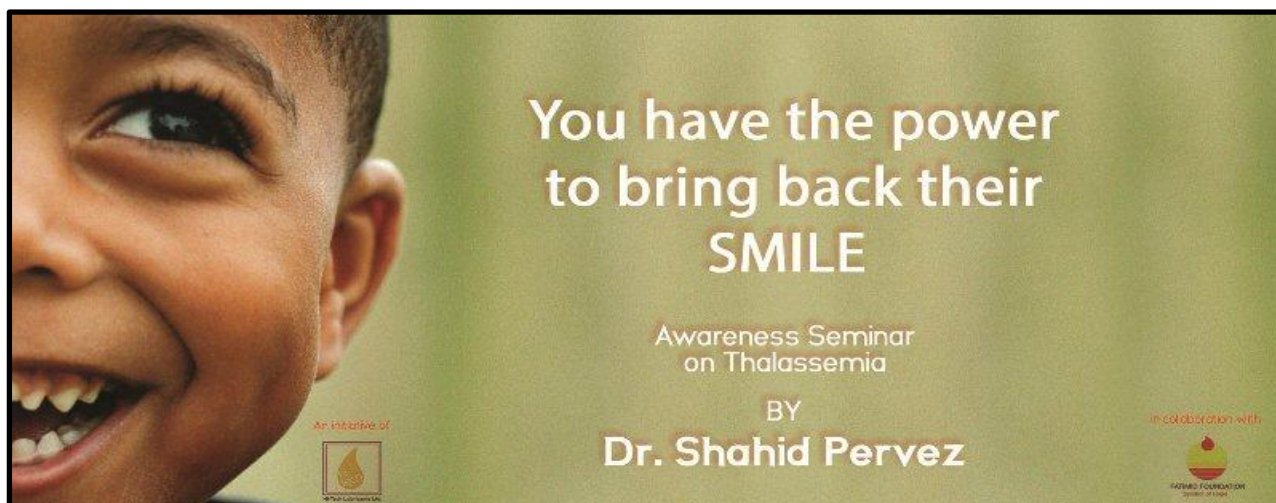
Hi-Tech Lubricants Limited in collaboration with Hussaini Blood Bank organized a blood donation activity in Karachi office in support to help the Thalassemia patients. During the activity Hussaini blood bank team also highlighted the benefits of donating blood. According to the health experts, **approximately 5,000 children are diagnosed with thalassemia-major, every year in Pakistan. HTL is confident** that it may be our small contribution within our capacity but the cause is huge and we will always be charged up whenever there will be a humanitarian call.





AWARENESS SESSION AND BLOOD DONATION DRIVE TO SUPPORT FATIMID FOUNDATION for THALASSEMIA PATIENTS.

Similar initiative was taken by HTL in Lahore, in collaboration with Fatimid Foundation to help gather maximum Blood Bags for the Thalassemia patients. During the activity, an awareness session about Thalassemia and other related ailments was conducted.



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.



- **HSE Trainings Series**

HTL focuses on enhancing its business success by reducing risks and adding values to its services and people. Organization wide training series has been designed for 2016, to act in accordance with the ISO 14001 (Environment Management Systems) and OHSAS 18001 (Occupational Health & Safety) Standards. Following to this HTL has so far conducted following learning sessions on;

- First Aid & CPR
- Manual handling & Injury prevention Skills
- Defensive Driving
- **Fire Evacuation Drill - *Know the roots of fire safety- enjoy the fruits of duty***

HTL management is consistent in its efforts to promote HSE culture in the company. It focuses on educating and explaining HSE rules and regulations to employees.





At the same time, HTL compels its employees to have essential practical knowledge about emergency handling procedures to minimize the harmful consequences of injuries and occupational illness. Continuing the HSE training series, Fire Evacuation Drill was conducted in Lahore lead by the external facilitator Mr. Hassan Zahid in collaboration with the administration department. The corporate office staff along with the Board of Directors also participated in the drill. The training provided the employees with must to-do guidelines associated with emergency evacuation procedures.

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 wellbeing 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

- **HSE training on Environment Awareness & Energy Conservation**

To comply with the ISO 14001 (Environment Management Systems standards, HTL arranged a productive learning session on Environment Awareness & Energy Conservation for its employees. The session gave a practical realization to the participants about the fragility of our environment and the importance of its protection. The session educated the audience by defining practical framework as how to identify ways to reduce the organization's environmental impact and energy costs.



TO ACT RESPONSIBLE IS OUR CORE VALUE

PLANTATION DRIVE

To act responsible is our core value. it is an integral part of Hi-Tech Lubricants Limited. We aim to inspire people to think responsibly, conserve nature and strengthen communities by dedicating time. Taking this vision forward, HTL initiated a tree plantation drive at Faisalabad's various Government High Schools. The activity took along a clear message to "lend a hand & save our land". The initiative was a successful in making to realize students how important



plants are for a healthy and clean environment. As Trees are the best natural defense system against air pollution, they keep us safe from the effects of poor air quality and we can breathe

fresh air. HTL conceptualize that Tree plantation should be adopted in our life style and not a one-time campaign.

1. BEACH CLEAN UP ACTIVITY

HTL believe that protecting the environment is important to every person's survival. In this regard, the management of Hi-Tech initiated a cleanliness drive in support to preserve our mother nature.



The first ever initiative in this perspective was taken by HTL at Sea view, Clifton Karachi in collaboration with a local school. The activity was an opportunity for the staff members and for the students to contemplate the importance of the environment while participating to help clean the seashore. The effort was surely an indication towards educating students the vitality of a healthier environment and promoting to have an attitude of responsibility for our Planet.

2. HTL TEAM ISLAMABAD ENTHUSIASED FOR CLEAN PAKISTAN

Hi-Tech Lubricants Limited operational from Islamabad, organized the activity at the park, surrounding Faisal Mosque for CLEAN PAKISTAN initiative. The banners chanting "keep the Capital Clean, Keep Pakistan Green" clearly pointed at the ardent need to aware people about the damage being caused to our natural beauty due to their carefree attitude about maintaining cleanliness outside their homes.

It was encouraging to see families and children highly motivated and taking interest in the activity. They not only helped our HTL Team in collecting garbage but also took a vow in support for conserving our natural environment and assured to take our message wherever they go.



3. OBSERVED EARTH HOUR WITH WWF PAKISTAN

Being the member of World Wild Federation-Pakistan and realizing that Earth Hour is the biggest and most recognizable environmental event to combat climate change HTL participated in the launching ceremony of EARTH HOUR 2016.

This participation ensured huge awareness among masses and felt the importance to observe the Earth hour 2016 by switching off lights for one hour from 8:30 to 9:30 in the evening.

4. 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.



5. 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 has deployed less energy by replacing the energy

savers with SMD (Surface Mount Device) – LED (Low Emission Diode) Technology. HTL believes that by making small changes now, in the way we live we can avoid huge changes in the future.

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.

- **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.



ALONE WE CAN DO SO LITTLE TOGETHER WE CAN DO SO MUCH

~HELEN KELLER~