

GLOBAL COMPACT

Pakistan Local Network



● **Progress Communication Issue No. 5
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● **Annual Report 2008 - 2009**

Global Compact on the move in Pakistan



In the first meeting of World Signatories to Leadership Statement on Caring for Climate held at Geneva on 20th October 2008, Pakistan was acknowledged for giving the highest number of Signatories. Mr. Fasihul Karim Siddiqi, Director Hinopak Motors and Secy. Global Compact Pakistan Local Network who represented Pakistani business in meeting is photographed with the Notable World Signatories Mr. George Kell UN Global Compact head, Mr. Claude Fussler Director C4C and Leaders from UNEP and WCBSD also seen in the picture.

GLOBAL COMPACT PAKISTAN LOCAL NETWORK ACTIVITIES ANNUAL REPORT JANUARY 2008 TO JUNE 2009 (CHRONOLOGICAL ORDER)

- **22.01.2008** Annual Global Compact Pakistan Local Network Meeting held along with a workshop on "Realizing the role of ILO Tripartite Partners in Promoting Principles of Global Compact. The First Local Network publication launched containing:
 - Global Compact Awareness Survey Report
 - Sharing Best Practices in Global Compact Principles Implementation / CSR among Pakistani Companies
 - Annual Report of Global Compact Pakistan Local Network
- **29.02.2008** 4th Business Talk CSR event on "CSR - As a Global Responsibility for Business Survival and sustainability" held at Philips Electrical Industries of Pakistan Limited.
- **05.03.2008** Training Program on "COP" held for the member organizations due for annual reporting.
- **19.03.2008** 5th Business Talk CSR event on Global Compact Principles and COP held at Hotel Pearl Continental Peshawar, the first ever in NWFP province.
- **26.03.2008** Network participation in GCLN Kickoff Meeting regarding Network Sustainability held at Bangkok.
- **25.04.2008** 6th Business Talk CSR event on "Building Business Advantage based on UNGC Principles on Environment" held at Thal Engineering Limited Karachi. 6 Companies made presentation on this list.
- **02.05.2008** 7th Business Talk CSR event on Global Compact Principles – The new Business Dimension for Competitive Advantage" held at Hotel Serena Quetta, the first ever in the province of Baluchistan.
- **06.06.2008** 8th Business Talk CSR event on Global Compact Principles – The new Business Dimension for Competitive Advantage" held at Packages Ltd Lahore, the first ever in the province of Punjab.
- **16-18 June 08** Participated in the Regional Network Meeting at Korea. MOU between Local Network & RBI signed for on strategic partnership for promoting Global Compact in Pakistan.
- **21.6.2008** COP Assistance Workshop held in collaboration with EFP
- **30.7.2008** 9th Business Talk CSR event held on "Forced Labor Elimination" at Lahore Chamber of Commerce in collaboration with EFP & ILO.
- **1.08.2008** 10th Business Talk CSR event held on "Forced Labor Elimination" at Faisalabad Chamber of Commerce in collaboration with EFP/ILO
- **10.09.2008** 11th Business Talk CSR event on Gender Empowerment held at Peshawar, Pearl Continental Hotel, in collaboration with EFP/ILO.
- **8.10.2008** Meeting with administration Addressing faculty of University of Central Punjab on PRME of Mr. Siddiqi, Secretary GCPLN and Ms. Amber Waheed (RBI).
- **18.10.2008** 12TH Business Talk Meet the Press & Media Event on "Caring for Climate: The Business Leadership Platform in which Policy Statement on C4C adopted 15 Pakistani Companies signed the Leadership Statement on Caring for Climate.

GLOBAL COMPACT PAKISTAN LOCAL NETWORK ACTIVITIES**JANUARY 2008 TO JUNE 2009****(CHRONOLOGICAL ORDER)**

- 20-21 Oct '08 Network participated in first meeting of world signatories to Caring for Climate held at Geneva on 20th Oct, 2008.
- 21.10.2008 Network participated in the Annual Network Forum held at Bonn Germany on 21-22nd October, 2008.
- 5.11.2008 13th Business Talk CSR event on Elimination of Bonded Labor held at Peshawar Chamber of Commerce & Industry in collaboration with EFP/ILO.
- 13.12.2008 14th Business Talk CSR Event on Bonded Labor - a violation of Human Rights Seminar at Hyderabad in collaboration with EFP/ILO and Hyderabad Chamber.
- 15.1.2009 National IR Conference held by EFP/ILO in which a book on "Core Labor Standard : Legislation & Initiatives in Pakistan" was launched by Global Compact Pakistan Local Network in Collaboration with EFP.
- 24.2.2009 15th Business Talk CSR on "Embracing the Core Labour Standard through Organizational Strategies & Policies" in collaboration with EFP/WEBCOP and RBI at BASF Pakistan (Pvt) Limited.
- 16.3.2009 16th Business Talk CSR on "Global Compact Tool for Meeting Challenges in Turbulent Times" at Hinopak Motors Ltd, Karachi.
- 29.5.2009 17th Business Talk CSR on "CSR in difficult times" organized by GCPLN in collaboration with EFP and Asia Strategy Institute at Hinopak Motors Limited, Karachi.
- 8.6.2009 & 10.6.2009 Network participated in the Annual Network Forum held at Istanbul Turkey on 8th and 10th June, 2009. Also participated in the 5th Communication on Progress (COP) Workshop Talking the Walk: Guidance of Human Rights, Anti corruption Reporting.
- 11.6.2009 Network participated in Regional Global Compact Local Network Workshop in Istanbul.
- 12-14 June 2009 The Network participated in the Global Convention on Climate Security held at Palampur, India.

ANNUAL NETWORK "BUSINESS TALK CSR" MEETINGS

"Business Talk CSR" meetings as series of learning events "started by Global Compact Pakistan" in September 2007 has proved to be a successful initiative. After the 1st event of the Seminar held on 11th September, 2007 in which "Business Talk CSR" Meeting was launched, proceedings of 11 Business Talk CSR Meetings have been reported and published in the Networks Progress Communication Bulletins issues 2, 3 and 4.

The current Bulletin contains reporting on Business Talk CSR Meetings Nos. 12 to 17 held during the period October 2008 to June 2009.

12th Business Talk CSR Meet the Champions on "Caring for Climate" The Business Leadership Platform"

The 12th Business Talk CSR Meeting was an occasion to meet the champions "On Caring for Climate, at the Business Leadership Platform organized on Saturday the 18th October, 2008 at 06:00pm. to 07:30pm. at the Newports Institute of Communication and Economics. The event was attended by the representatives of the Companies who signed the Caring for Climate Business Leadership Statement besides a large number of Network members, academia, workers and government representatives, media and the press.

After an address of welcome by Ms. Huma Bukhari, Vice Chairperson Newports Institute of Communications & Economics, Mr. Syed Raza Ali, Director Finance of NICE made a presentation on "Caring for Climate: The Business Concern" highlighting the magnitude of issues and concerns of Pakistani business in the area of Climate Change,

This was followed by the inaugural address by Mr. Ashraf W. Tabani President of the Employers Federation of Pakistan and the Steering Committee of the Network. Mr. Tabani called for a combined effort and collaborative action on the part of every individual, industry, workers and the Government at National and Sectoral levels, for developing comprehensive long term and effective performance frameworks suiting our needs and environment and level of development to make markets work for the climate in particular policies and mechanisms required to achieve the objectives.

Mr. Karamat Ali, Director PILAR, Mr. Mohammad Ahmed, Chairman Pakistan Workers Federation and Mr. Ahsanullah Khan CEO Ahsan & Amjad Infotech presented the workers, employers and professional perspectives on Climate Change.

Mr. Fasihul Karim Siddiqi Secretary Global Compact Pakistan Local Network presented a "National Policy Statement on Caring for Climate" by Pakistan business which was adopted unanimously. The Policy Statement is being separately published in this issue.

The Chief Guest of the occasion Mr. Al Taqi Provincial Minister for Environment Government of Sindh speaking on the occasion congratulated the participating companies particularly the signatories to the Leadership Statement on Climate Change and appreciated their demonstration of commitment for combating the impact of Climate Change.

He assured full support of the Government to the efforts of the private sector and expressed the hope that joint public-private initiatives at the level of the Province of Sindh may be worked out for creating general awareness on the issues of Climate change among general public and stakeholders. The meeting rounded off with a vote of thanks.

13th "Business Talk CSR". "Event on Elimination of Bonded Labour" held at Peshawar.

13th Business Talk CSR event in collaboration with the Employers' Federation of Pakistan and the ILO was held on 5th November, 2008 at Sarhad Chamber of Commerce & Industry Peshawar. Mr. Saifullah Chowdhry presented an overview of International Labour Standards concerning Bonded Labour. An overview of national legislation, Supreme Court decisions and employers & Business Perspective on Bonded Labour was presented by Mr. Fasihul Karim Siddiqi.

Mr. Jahanzeb Durrani, Inspector Labour Deptt. Government of NWFP presented a paper on combating Forced Labour: Policies, Strategies and Tools for Engagement" while Mr. Wasim Ayaz Representative Skill Development Council Peshawar presented his remarks urging that a focus on Skill Development among youth could help the stakeholders in combating the issues of forced labour. An interactive session took place among stakeholders on various issues of bonded labour in NWFP for jointly combating the emerging consequences.

Mr. Haji Mohmamad Asif, the president of Sarhad Chamber of Commerce and Industry in his closing speech appreciated the initiative of social dialogue on this important subject which he thought will go a long way in a creating desired sensitization on the subject among the stakeholder who freely and frankly discussed the local scenario with a view to developing a joint plan of action for combating bonded labour in the province which was also growing centre for business & industry in this otherwise highly neglected province.

14th "Business Talk CSR event on Bonded Labour—A violation of Human Rights Seminar at Hyderabad

14th Business Talk CSR event was held in collaboration with EFP and ILO on the theme of "Bonded Labour --- a violation of Human Rights". The event was held on 13th December 2008 at Hyderabad Chamber of Commerce & Industry. Mr. F. K. Siddiqi Secretary of the Network presented his Key Note address focusing on Bonded Labour as a human rights issue which must attract the attention of business as well as the Civil Society.

Mr. Siddiqi asked the professional managers to critically analyse their HR practices and to include preventive steps as a part of their HR policies for sensitizing managers on this issue.

Mr. Abdul Latif Nizamani, General Secretary Pakistan Workers Federation, Hyderabad Region, gave workers perspective on the subject while Mr. Qamar Sheikh Advocate made a presentation on the "Role of Legal Fraternity in the Elimination of Bonded Labour in Pakistan".

Mr. Nizam Muhammad Joyo Project Manager NRSP spoke on the Rehabilitation of Freed Bonded Labour and Testimony by bonded labour victims.

Dr. Ghulam Hyder President GRDO representing Civil Society spoke on the Role of Civil Society in the elimination of bonded labour in Pakistan.

Mr. Shafiq Ahmed Qureshy, President Hyderabad Chamber in his presidential address assured that the business community in Hyderabad was fully prepared to play their role in addressing bonded labour as a human rights issue and demanded that collective initiative needs to be organized for combating bonded labour issues.

The event was attended by a large number of employers, workers, government representatives including a good number of forced bonded labour whose interaction with civil society was very useful in developing an understanding on the need of developing a Code of Conduct to define relationship between employers and workers and to eliminate the damage caused by the role of third parties such as labour contractors in the issue.

15th "Business Talk CSR Meet on Embracing the Core Labour Standards through Organizational Strategies & Policies"

The 15th Business Talk CSR Meet on the theme of "Embracing the Core Labour Standards through Organizational Strategies & Policies" was organized on Tuesday 24th February, 2009 at BASF Pakistan (Pvt) Limited, Karachi.

Ms. Shahana Kaukab Head of Human Resource, BASF Pakistan in her welcome address presented an overview of BASF practices of putting Core Labour Standards into effect. Mr. F. K. Siddiqi, Director HR, Hinopak Motors Limited in his key note address focused on issues and challenges at the enterprise level in embracing core labour standards and opined that it was time that application of Core Labour Standards in enterprises finds a place in discussions of the Board Room in view of the importance for the success of organizations business strategies and future results. Mr. U. R. Usmani, Chief Operations Officer, Singer Pakistan Limited apprised the participants on the deliberations of the Tripartite Labour Conference concerning Industrial Relations & Consolidation of Labour Laws while Mr. Ahsanullah Khan, Chairman WEBCOP focused on consensus building and need for integrated linkages by business for lifting its social face by embracing core labour standards in the day to day working culture of their organizations.

The Global Compact's effort in publishing the book under the title "Core Labour Standards Initiatives & Legislation in Pakistan" was widely acclaimed as a pioneering act for sensitizing the stake holders on the issues related to core labour standards in Pakistan. The event was followed by interesting question/answer session.

16th "Business Talk CSR Moot on COP and Global Compact Tool for Meeting Challenges in Turbulent Times".

16th Business Talk CSR Moot on COP and the theme of Global Compact Tool for meeting Challenges in Turbulent Times was organized by Global Compact Pakistan Local Network in collaboration with Employers Federation of Pakistan, WEBCOP and RBI on Monday 16th March, 2009 at Hinopak Motors Limited, S.I.T.E, Karachi.

The meet comprised of two sessions. The 1st session was a COP Workshop in which Mr. Sheheryar Piracha of Indus Motors Company made a presentation of IMC's COP which was declared as a Notable COP by Global Compact head quarters. The presentation was very interesting and informative to serve as a guide for members in preparation of their COPs.

In the second session, Mr. F. K. Siddiqi, Secretary GCPLN made a presentation on "Theory of Change" introducing it as 14D Strategic Planning Tool Kit for the first time to its members.

The Theory of Change introduced in the last Regional Network Meeting at Bangkok was a very powerful method of evolving the roadmap for bringing change and was highly appreciated by participants who desired the need for such presentations at the enterprise level as they find it very helpful for enterprises even for developing their business plans.

17th "Business Talk CSR on CSR in Difficult Times

17th Business Talk CSR moot was organized on the current theme of "CSR in Difficult Times" on Friday 25th May, 2009 from 04:00 to 05:30 pm at Hinopak Motors Limited.

Mr. David Watson of Asia Strategy Institute, a veteran British CSR Consultant who has recently been traveling to and from Pakistan undertaking CSR activities including CSR training was the guest speaker.

In his inspiring address, Mr. Watson presented various dimensions of CSR and explained its relevance to organizations in the current difficult times when organizations were otherwise facing the financial crunch. Hinopak Motors representative Mr. Khurram Abrar made a presentation on Hinopak's initiatives in CSR inspite of its difficult times which was highly appreciated as a living example depicting the theme of the Meeting.

Mr. Ashraf W. Tabani died on 16th July, 2009 and this address turned out as his last message to our Network Members

**INAUGURAL ADDRESS DELIVERED
BY MR. ASHRAF W. TABANI,
PRESIDENT EMPLOYERS' FEDERATION OF PAKISTAN AT
12TH BUSINESS TALK CSR: MEET THE PRESS AND MEDIA ON
"CARING FOR CLIMATE-THE BUSINESS LEADERSHIP PLATFORM"**

- Distinguished member of the Global Compact Pakistan Local Network
- Distinguished representatives of business media, workers, NGOs & Civil Society.
- Ladies & Gentlemen

It is my privilege to address this most select gathering of intellectuals, media, government workers, NGOs and Civil Society which has assembled here today under the banner of UN Global Compact Pakistan Local Network to deliberate upon the challenge of Climate Change which is the result of global overloading due to human activity with its contribution of fossil fuels and forest destruction. It is apprehended that if the issue is not addressed, these changes will have deep impact on the way human live on the planet and how business operate. This will push the poorest countries and our societies will be thrust into a much deeper crisis which will affect every one.

In the words of AlGore, "we must understand the connections between the Climate crisis and the afflictions of poverty, hunger HIV AIDS and other pandemics. As these problems are linked, too must be their solutions. We must begin by making the common rescue of the global environment the central organizing principle of the world community".

As you are aware the Caring for Climate: The Business Leadership Platform was launched by the UN Secretary General at the Global Compact Leaders summit in 2007 as voluntary global initiative that seeks to mobilize the business community to develop solutions that reduce climate risk while at the same time create value for the company. The initiative was jointly developed by UN Global Compact, the UN Environment Program (UNEP) and the World Business Council for Sustainable Development (WBCSD).

On 23rd July 2008 Mr. Claude Fussler, Program Director Caring for Climate addressed a letter to the Global Compact Pakistan Local Network requesting us to approach the Global Compact Signatory Companies in Pakistan for signing the Leadership Statement on C4C thus enabling them to place their effective voice in UN Global Compact's effort for global mobilization of business in addressing C4C issues.

It is very gratifying for me to learn that 15 member Companies of our Global Compact Local Network have signed the Caring for Climate Leadership Statement so far which is very encouraging response from Pakistani business. This augurs well in sending a strong message to the rest of the business world that in spite of the multidimensional socio economic crisis in which Pakistan is presently engulfed, the Pakistani business is fully conscious and prepared to play its role effectively in mitigating climate risk and threats which it poses to our long term survival. With our small actions and initiatives at micro and macro level, our enterprises can be able to make major cuts in their CO₂ emissions, energy conservation and related areas and achieve the high magnitude of our national targets in months and years rather than half a century.

What is needed however is a combined effort on the part of every individual, industry, workers and the Government. Today's meeting therefore is good start to demonstrate our alertness on the issue. I call upon you to work collaboratively at national and sectoral level to develop comprehensive long term and effective performance frameworks suiting our needs and environment and level of development to make markets work for the climate in particular policies and mechanism required to achieve the objectives.

I wish to congratulate the Local Network for taking this pioneering initiative. I particularly felicitate the first 15 member organizations of our Network for signing the Leadership Statement on Caring for Climate thus opening the way for many organizations to follow.

Our Local Network is going to participate in the 1st World meeting of Caring for Climate Signatories being held at Geneva on 20th and 21st October 2008 and the Annual Local Network Forum Meeting being held in Bonn from 21st - 23rd October 2008 when achievement and initiatives of Pakistani business enterprises in both Caring for Climate and the Global Compact Initiatives will be highlighted.

I look towards carrying forward this arduous journey so that together we can ensure a sustainable basis for our socioeconomic growth so vital for our survival and the survival of our children in the world tomorrow.

I thank you.

**"NATIONAL POLICY STATEMENT" ON
CARING FOR CLIMATE
ADOPTED BY PAKISTANI BUSINESS
AT 12TH BUSINESS TALK CSR MEETING KARACHI**

The Signatories of UN Global Compact and members of Global Compact Pakistan Local network Joined by the representatives of Press, media, employers and Workers Federation, academia and civil society assembled at Newports Institute of Communication & Economics Karachi this the 18th October 2008 do hereby express their serious concern on the increasing threats posed by the adverse effect of Climate Change.

Being fully mindful of the fact that early, bold and comprehensive action to Climate Change is absolutely necessary and that business must take action to reduce their Carbon Footprint and to develop innovative solutions.

Recognizing that Climate Change is an issue requiring urgent and extensive action on the part of governments, business and citizens if the risk of serious damage to global prosperity and security is to be avoided.

Further recognizing that Climate change poses both risks and opportunities to all parts of the business sector, everywhere, and that it is in the interest of the business community, as well as responsible behavior for companies and their associations to play a full part in increasing energy efficiency and reducing carbon emissions to the atmosphere and, where possible, assisting society to respond to those changes in the climate to which we are already committed.

We the signatories of the Global Compact Pakistan Local Network 12th Business Talk CSR Meeting / Making UN Global Compact Happen DECLARE OUR SINCERE RESOLVE:

For Taking practical actions to increase the efficiency of energy usage and to reduce the carbon burden of our products, services and processes.

For working collaboratively at the national & sectoral level and in close consultation with the business community and civil society to develop comprehensive, long-term and effective legislative and fiscal frameworks designed to make markets work for the climate, in particular policies and mechanisms intended to achieve the above objectives.

For building effective public-private partnerships to respond to the climate challenge with a view to support business and civil society led initiatives, especially in relation to research and development, deployment and transfer of low carbon energy technologies and practices.

For seeking international cooperation wherever possible aimed at providing a robust global policy framework within which public and private investments in building a low carbon economy can be made, as well as seeking financial and other support for realizing our own climate and adaptation targets whilst achieving poverty alleviation, energy security and natural resource management.

We further extend an open appeal to stakeholders to work collaboratively on joint initiatives between public and private sectors and through them achieve a comprehensive understanding of how both public and private sectors can best play a pro-active and leading role in meeting the climate challenge in an effective way.

Hinopak's Approach in Reporting Initiatives Complying with United Nations Global Compact (UNGC) Principle 10 on "Anti-Corruption"

**Presentation made at COP workshop, Istanbul by
Mr. Fasihul Karim Siddiqi, Director Hinopak Motors Limited**

Hinopak Motors Limited, Pakistan's premier truck and bus manufacturing company, publicly professes and actively engages in corporate social responsibility (CSR) initiatives that are also in line with its adoption of the UNGC's 10 principles on human and labor rights, environment and anti-corruption.

The UNGC recently held a series of activities in Istanbul, Turkey and Hinopak, through its Director and Board Advisor on HR/CSR and Pakistan Global Compact Local Network Secretary, Mr. Fasihul Karim Siddiqi, was fortunate to share its "Anti-Corruption" reporting framework and anti-corruption initiatives in the 5th Communication on Progress (COP) Workshop held on 10th June 2009 in the same city. The company shared the limelight with giant concerns like Siemens of Germany, Aramex of Jordan, and GE of USA.

Leadership & GC/CSR Framework

The company's success in carrying out and sustaining its Global Compact and CSR initiatives can easily be attributed to a well entrenched leadership providing keen oversight of all related activities. To this end, Hinopak's GC-CSR Committee was formed in 2007, just months after the company's voluntary subscription to the UNGC principles in May, 2006. The Committee's unequivocal support stems from the Terms of Reference that include:

- review and approval of CSR activities
- monitoring specific areas like: compliance and good governance, environment management, creating safe and decent workplace, social activities, local community contributions, etc.
- monitoring GC internalization and implementation
- CSR and GC action reporting

This deeply-rooted leadership may be likened to a strong tree providing manifold benefits and from which sources of strength may be drawn. Specifically, Hinopak's "anti-corruption" tree of initiatives complying with UNGC's Anti-Corruption is illustrated as follows:

In keeping with the UNGC COP reporting guidelines highlighting the three main elements Commitment, Implementation and Monitoring, Hinopak neatly presented its business case, to the delight of the workshop participants.

Commitment

Without an explicit profession of commitment, no initiative will succeed. At Hinopak, anti-corruption commitment is directly or indirectly expressed in various documents publicly and internally communicated like Annual Report, Social Responsibility Report and other external/internal documents. They are also communicated through other avenues like physical display of the document, awareness programs, etc.

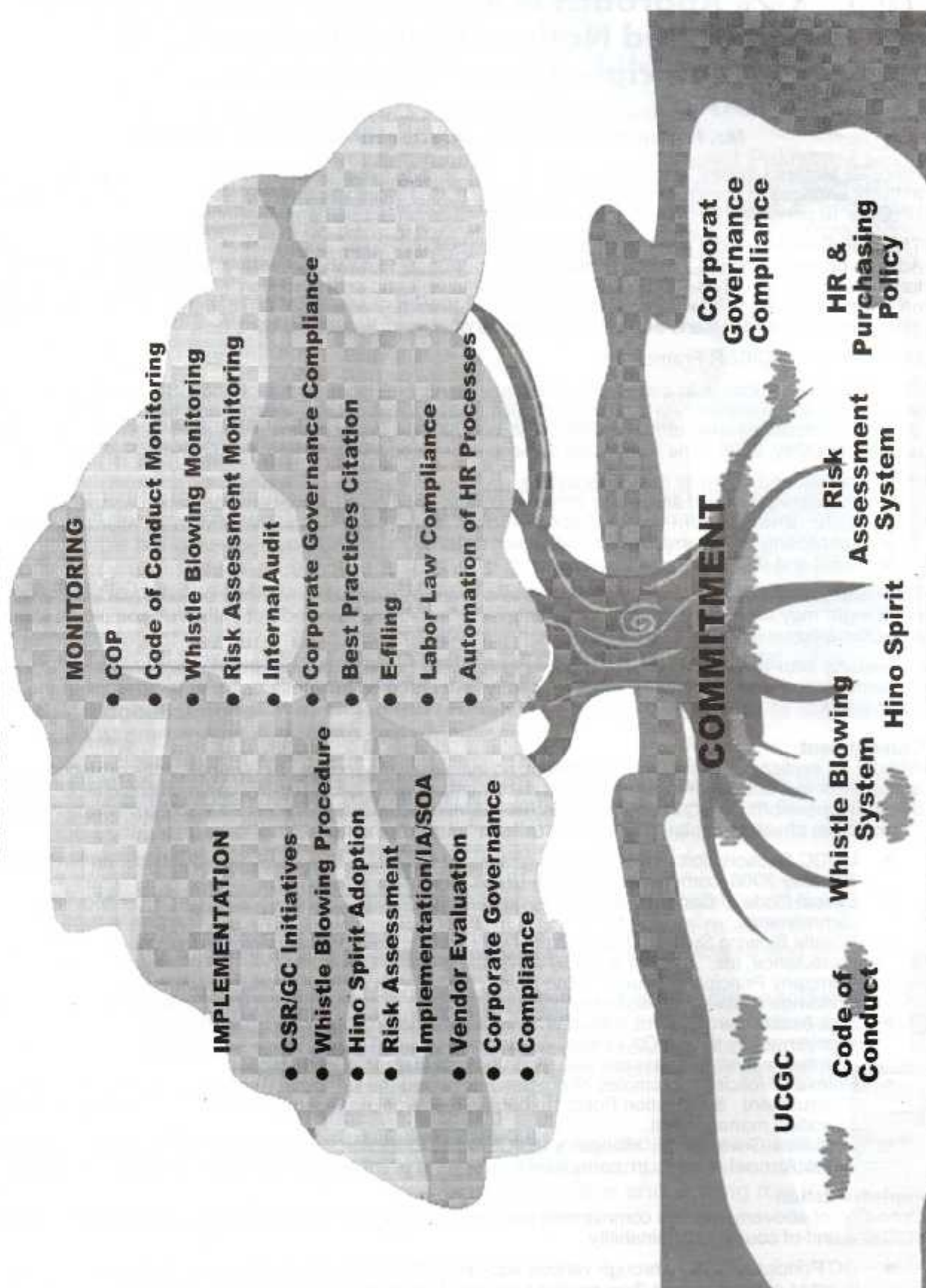
- UNGC Subscription. Through the signature of Hinopak's Director & Board Advisor on HR and CSR on 30th May 2006, commitment to all 10 UNGC principles was made.
- Ethical Code of Conduct. Signed by company's MD/CEO, Clauses 2,3,8 and 11 reflect anti-corruption commitment.
- Whistle Blowing System. Formal framework adopted to report any violation to Code of Conduct principles, fraudulence, etc. System is led by a Whistle Blowing Committee.
- Company Principles/Values. "Hino Spirit", the generic code of conduct adopted by all Hino affiliated worldwide contains a specific principle/value relating to anti-corruption, i.e. "Sincerity- the value of Integrity."
- Risk Assessment System. Hinopak being an affiliate of Hino Motors, Japan and Toyota Motor Corporation is governed by the J-SOX (Japanese-Sarbanes Oxley) Act for which and internal control framework was adopted, a system to assess and report potential areas of corruption.
- Relevant Policies. Examples of policies relevant to the Principle 10 cited by Hinopak include the "Recruitment & Selection Policy" in human resource management and "Vendor Policy" in material operation management.
- Corporate Governance. Hinopak's MD/CEO and Chairman signed a statement available in the company's latest Annual report, in compliance with requirements of the Code of Corporate Governance.

Implementation

Execution of abovementioned commitment took the same path while ensuring linkage with the company's core business and of course, sustainability.

- GC Principles/CSR. Through various sub-committees, GC principles and CSR projects are implemented in areas of environment (free service tune-ups, tree plantations, awareness programs, environment movie shows, etc), safety & health (safety equipment, use of PPEs, OHSAS certification, etc.), human resource development (renovation of a government school, scholarship, book and uniform donations, etc.) among

HINOPAK'S INITIATIVES COMPLYING WITH UNGC PRINCIPLE 10 ON "ANTI-CORRUPTION"



others. GC Principle 10-related aspects include measures protecting all stakeholders' interests, e.g. adoption of gender equality policy, continuous improvements, compliance with core labor standards, etc.

- **Ethical Code of Conduct/Whistle Blowing System.** A simple procedure was established to guide employees in airing their complaints/suggestions with regard to the breach of the Code. Although it can be done verbally, whistle blowing forms in both English and local languages were designed and made accessible to employees.
- **Company Principles/Values.** Continuous reminder is fulfilled through training and orientation program of new employees. Wherever feasible, the value of integrity is embedded in policies. There has been a recognition of employees demonstrating the value before and is currently in the pipeline.
- **Risk Assessment.** Internal Audit Department ensures function-wise control self-assessment (aside from their own audit) following the J-SOX framework.
- **Relevant Policies.** Examples include vendors being assessed through a comprehensive evaluation form before qualifying to do business with Hinopak, employment and promotion of candidates/employees through merit-based evaluation, etc.
- **Corporate Governance.** Hinopak follows international accounting standards, local corporate governance and other statutory requirements in all its financial accounting and reporting procedures. External auditors routinely ensure compliance.

Monitoring

As in the PDCA (Plan-Do-Check and Act) quality management system cycle that Hinopak routinely follows, regular and constant follow-throughs are given emphasis to ensure that all GC/CSR initiatives are carried out, documented and reported.

- **GC Principles/CSR.** Self-monitoring is complemented by Hinopak participation in third-party assessments. For the GC principles, Hinopak's second COP was timely submitted. Regular participations in GC/CSR competition(s), participations in local network business talks, exchanging lessons learned with other best practice companies and coordination with UNGC Office boosted the company's vigilance of its commitment initiatives.
- **Ethical Code of Conduct.** Employees' understanding and commitment to the Code is monitored through periodic checks. The Code is re-circulated and employees are instructed to review and re-affirm their commitment through signatures or other documented confirmations.
- **Whistle Blowing System.** Monthly/periodic meetings of the Whistle Blowing Committee ensure that all whistle blowers' complaints/suggestions are looked into, acted upon if necessary and reported accordingly.
- **Company Principle/Value.** All Hino Spirit trainings/awareness programs are recorded and reported. Other human resource areas where this is applicable like recognition program, policies, performance management, etc. are revisited.
- **Risk Assessment.** All internal assessment are reviewed, analyzed, summarized and annually reported to the parent company (Hino Motors, Japan) through a certification signed by Hinopak's MD/CEO.
- **Relevant Policies.** Internal/external audits ensure adherence to stated policies/systems relevant to the anti-corruption principle. Production of "objective evidence" is one audit principle that Hinopak is aware of and therefore, ready for- not just in words but in spirit.
- **Corporate Governance.** Systematic monitoring through the company's external auditors, A.F. Ferguson and Co. ensures compliance with the Code of Corporate Governance. An attestation is submitted by the external auditors for public and other stakeholder consumption.

Anti-Corruption Best Practices

Continuous efforts to fulfill anti-corruption commitment has resulted to process improvements and creation of foolproof measures like computerization of sales tax payments, register-keeping of labor inspections, automation of HR processes like payroll, attendance, etc. These processes either prevent personal contacts, data tampering/manipulation-- therefore ensuring integrity.

Recognition

Hinopak's sincere efforts to fulfill GC Principle 10 were recognized through a 2008 CSR award pertaining to consumer protection, given by Helpline Trust, Pakistan's premier consumer protection agency.

Summary & Challenges

It is imperative, based on the guidelines set by the UNGC's Reporting Taskforce Committee on 10th Principle, that all three elements-- commitment, implementation and monitoring, be considered. They not only provide a logical sequence of doing things to fulfill any company's commitment but serve as the outline for communicating the company's efforts in this area.

Anti-corruption is a critical and controversial, "no-go" area. Although challenges abound in meeting the requirements of this Principle, it is not impossible and all stakeholders including society in general would benefit from a carefully-thought, pragmatically-executed and followed-through program.

At Hinopak, the way forward includes redefining its commitment to the principle by explicitly including other stakeholders, reviewing current policies and systems to embed this principle wherever possible, extensive communication of the principle to engage all stakeholders, supporting regional/international conventions relating the anti-corruption, and recognition of employees and other stakeholders demonstrating this principle.

HOLISTIC RESPONSE TO CLIMATE CHANGE

**STATEMENT BY MR. FASIHUL KARIM SIDDIQI
DIRECTOR HINOPAK MOTORS LIMITED &
SECRETARY, GLOBAL COMPACT PAKISTAN LOCAL NETWORK
AT THE GLOBAL CONVENTION ON CLIMATE SECURITY AT PALAMPUR,
HIMACHAL PRADESH, INDIA 12TH - 14TH JUNE. 2009**

Combating Climate change has been taken up as a Challenge by the business, Government and Civil Society and the movement is gradually gaining momentum in Pakistan.

The Global Compact Pakistan Local Network is the body of around 65 business organizations which have subscribed to the 10 principles of Global Compact concerning human right, labour, environment, and anti corruption. Challenged in June 2008 at the Regional Asian Network meeting held at Korea, the Network formally launched "Caring for Climate" -- The Business Leadership Platform in July 2008 and by the time of the First Summit of Caring for Climate signatories held at Geneva on 20th October, 2008, 15 Pakistani Companies from among the network members mostly national enterprises, volunteered to sign the Caring for Climate Leadership Statement showing their commitment to promote and integrate Caring for Climate initiatives at their respective enterprise level and in enterprises within their sphere of influence. These enterprises have drawn up their plans of action for acting individually and collectively to take proactive measures for combating Climate Change.

The Government is equally alive to the problem and is in the process of developing a national policy in this respect. One example is the current forest policy.

Pakistan with only 2.5% of the land area is in the categories of countries of low forest cover that is under 10% of land area. Under the latest national forest policy we must increase forest cover to 6% by 2015. In the National Year of Environment 2009. Our Government is to plant 70 million tree saplings. Under our Environmental Policy, Pakistan has decided to introduce Euro II Technology in all vehicles produced in the country and Environmental laws are being made more stringent to make the industry and business respond to challenge of Climate Change. Resorting to alternative energy, water recycling programme, massive waste disposal and management system, installation and similar initiative reflect government's resolve to carry the initiative within the constraints of National economy.

The Civil Society on the other hand needs to be energized in a big way. NGOs and academia are taking up awareness campaign sensitizing common man and business managers on preventive actions such as change to accredited green power option installing solar hot water system, installing solar panels, using energy efficient white goods, using a triple-A rated shower head, use of energy efficient light globes, checking fuel efficiency of car etc.

In order to develop a coherent communication strategy, there is however an urgent need to coordinate among isolated actions and initiatives by business, academia, NGOs, Civil Society and its integration with Governments National Policy so as to contribute to achieving the millennium objective "to reduce our CO2 emissions by 70% by 2050".

we wish to assure that Pakistani business is proud to join the human chain formed at this historic Palampur event on the occasion of the Global Convention on Climate Security and demonstrate its commitment to take all initiatives possible within its resources to combat the challenge of climate change.

