



*Pak Leather Crafts Limited*

## **MANUAL OF COMPLIACES**

**REQUIRED UNDER REGULATION 10 (3) & (4) OF  
CODE OF CORPORATE GOVERNANCE REGULATIONS, 2019**

**Reviewed & Revised  
7 October 2019**

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*Pak Leather Crafts Limited*

## **VISION**

We are striving to become a reliable source of high quality dyed leathers for international and local markets.

## **MISSION**

Tanning and manufacturing leather for glove, garments, bags and shoes. We manufacture leather for users who are looking quality and timely delivery. Our tannery is a valuable resource for manufacturers who wish to develop articles for future trends. We believe delivering high quality products has an intrinsic value and we wish to benefit from it the most possible.



*Pak Leather Crafts Limited*

## **CORPORATE STRATEGY**

To achieve our broad based mission, we at Pak Leather Crafts Limited have formulated following corporate strategy:

- Customer satisfaction is of prime importance and therefore leather is made from best quality skins of sheep and buffalos.
- To mitigate fluctuation in rates of raw material, we assure our presence both in local and foreign markets which helps to balance the cost.
- To counter electric load-shedding and electric breakdowns and to continue uninterrupted production our generator is capable to provide full required load.
- Balancing, Modernization and replacement of machinery is a continues process in the factory.
- We are conscious of environmental pollution and therefore have taken measures to keep the pollution level at its bear minimum.



*Pak Leather Crafts Limited*

## **CODE OF CONDUCT**

1. The Company's policy is to conduct business with honesty and integrity, and be ethical in all its dealings, showing respect for the interest of those with whom it has relationships.
2. The Company complies with all laws and regulations. All employees are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility, and not to transgress them. If in doubt, employees are expected to seek advice. The Company believes in fair competition, and supports appropriate competition laws.
3. The Company does not support any political party nor contributes to the funds of groups whose activities promote political interests.
4. The Company is committed to providing services that consistently offer value in terms of price and quality, and satisfy customer needs and expectations.
5. The Company is committed to run its business in an environment that is sound and sustainable. As a good corporate citizen, the Company recognizes its social responsibilities, and will endeavor to contribute to community activities for the betterment of the society as a whole.
6. The Company believes in and fully adheres to the principles of reliability and credibility in its financial reporting and in transparency of business transactions.
7. The Company is an equal opportunity employer. Its employee recruitment and promotional policies are free of any gender bias, and are merit and excellence oriented. We believe in providing our employees safe and healthy working conditions and in maintaining a strong channel of communication with them.

8. The Company expects its employees to abide by certain personal ethics, whereby Company information and assets are not used for any personal advantage or gain. Any conflict of interest should be avoided, and if where it exists, it should be disclosed and guidance sought.

9. The Company Board is to ensure that the above principles are strictly complied with, for which purpose the Board has constituted the audit committee to be supportive of compliance.



## **RISK MANAGEMENT POLICY**

### **INTRODUCTION**

Risk is as a chance or possibility of danger, loss, injury, government policies or other adverse consequences.

### **PURPOSE AND SCOPE**

This policy established the process for the management of risks faced by Pak Leather Crafts Limited (Company). The aim of risk management is to maximize opportunities and to minimize adversity.

It is the responsibility of all Board members, executives and staff to identify analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope or responsibility and authority.

### **OPPORTUNITIES**

Wet blue skins of sheep and buffaloes are easily available.  
Cheap skilled leather industry labour is available.

### **RISK MANAGEMENT**

The Board, its Audit Committee and executives should collectively connect to effective risk management. Board members have skills, knowledge and vast industry experience which enable them to identify and manage the key risks that are likely to arise. They are also steering the culture of an organization which promotes balance between risk and opportunities.

### **MAJOR BUSINESS RISK & MITIGATING FACTOR**

- i. **Operational Risk (Employee turnover amongst senior management position)**

Strong succession planning and HR policies, workplace environment, training, development and satisfaction survey may mitigate this risk.

**ii. Volatility in the international/Local price of Wet blue**

Well versed directors having buying experience along with a diversified supplier base and large volumes keep the company relatively insulated from volatility in prices of raw skins, wet blue and chemicals.

**iii. Technology Advancement**

In order to remain competitive and cost efficient, the Company continuously invests considerable amounts in chineries under its BMR Schemes.

**iii. Accidental loss of property and assets**

All property and assets are insured through reputable insurance company in order to safeguard against any unforeseen event of damage, fire etc.





## HUMAN RESOURCE MANAGEMENT POLICY

### **Policy:**

Human Resource Management Policy is integral part of the Company's business strategy. The Company is committed to build the better organizational culture that is shaped by the employees who demonstrate a deep belief in the Company's Vision and Values.

### **Procedure:**

The main Objectives of the Company's H.R. Management policy are based on the following:

- i. Promote the Company's Code of Conduct and disseminate the Code of Conduct throughout the Company and put on the Company's Website.
- ii. To prevents conflict of interest in their capacity as member of the Board, senior management and other employees of the company.
- iii. Selection of the right person, with the right experience, at the right time, offering right compensation.
- iv. Developing employer-employee relation to promote and encourage motivation and retention of the best employees.
- v. Encouraging and supporting concept of team-working and team-building techniques.
- vi. Recognizing and rewarding employees' contribution to the Company.
- vii. Making all reasonable efforts to achieve a high quality of work- life-balance.
- viii. Developing motivation for advancement of knowledge, skills and abilities for succession planning.



## **DIRECTORS REMUNERATION POLICY**

### **Policy:**

It is the policy of Idrees Textile Mills Limited (the Company) to remunerate the directors fairly. All compensations paid to directors are in compliance with the Companies Act ,2017, Code of Corporate Governance and other relevant laws of Pakistan. None of the directors is involved in approval of his remuneration, when his case is discussed in the board meeting

### **Procedure:**

Human Resource and Remuneration Committee is responsible to recommend the appropriate amount of remuneration for approval of the Board of Directors. As a guide the Company wished to compensate the directors in line with the directors of similar size of companies, are being compensated.

- The directors' remuneration policy aims to remunerate directors appropriately based on their commitment, qualifications and actual responsibility, ensuring it does not become an obstacle to their biases.
- The remuneration will consist of a monthly salary and other perquisites as determined by the board.
- The directors are entitled to reimbursement of any expenses they have incurred in connection with discharge of their duties as director.
- Directors are also entitled company maintained cars, reimbursement of medical expense, utilities expenses and security expenses etc.
- Non-Executive and independent directors are entitled, unless they forego, for a meeting fee for each meeting of the board and its committees as fixed by the Board. The Human Resource and Remuneration Committee shall review the structure of fee annually and recommend any change for the approval of the Board.

### **Applicable Taxed:**

The Company shall deduct applicable withholding taxes from the remuneration paid and perquisites provided to the directors.



## **COMMUNICATION POLICY AND SHAREHOLDERS' RELATIONS**

### **Policy:**

Pak leather Crafts Limited (the Company) recognizes the needs to engage with its shareholders and provide them with appropriate information at the appropriate times.

### **Procedure:**

The Company Secretary has the primary responsibility for communicating with shareholders. Information is communicated to shareholders through:

1. continuous disclosure to the stock exchange of all material information;
2. periodic disclosure through the annual report, half year report and quarterly reports;
3. notices of meetings and explanatory material;
4. holding of annual general meeting and/or extra ordinary general meeting;
5. communicating electronically, by post/courier or by print media, by the Company itself and through Company's Share Registrar; and
6. the Company's website at [info@pakleather.com](mailto:info@pakleather.com)

The Company believes that communicating with shareholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner.



## **HEALTH, SAFETY & ENVIRONMENTAL POLICY**

Pak Leather Crafts Limited (the Company) is committed to ensure a safe and healthful workplace and protecting the environment.

The company believes that safety and protecting the environment is good business practice and that all work-related injuries, illnesses, property losses and adverse environmental impacts are preventable to a great extent. The Company strictly practice the SOPs to protect from Covid pandemic. To fulfill this commitment, the Company:

- Implements all safety and security measures.
- Works actively to continuously improve health, safety and environmental performance.
- Encourages supervisors and workers to be individually responsible for identifying and eliminating hazards, preventing injury to themselves and others, and preventing adverse environmental impacts.
- Provides and maintain properly engineered facilities, plants and equipment.
- Minimizes waste generation, air emissions and other discharges from production activities to the environment.
- As a minimum, ensures regulatory compliance at all times. including but not restricted to :
  - I. Availability of firefighting equipment and training of its use.
  - II. Following to prescribed working hours and intervals.
  - III. Allowing periodical leaves.
  - IV. Sufficient ventilation, lavatories and emergency exits points.
- Hold contractors and third parties accountable for adhering to the Company's health, safety and environmental policy
- Hold supervisors accountable for ensuring and promoting a safe and healthful workplace and the protection of the environment within their areas of responsibility.



## **WHISTLEBLOWING POLICY & PROCEDURE**

### **PURPOSE AND SCOPE**

1. The purpose of this policy is to provide guidelines to establish an objective and impartial process for prevention, detection and remedial measures of unethical behavior, corruption and fraudulent activities that may cause damage to the Company's assets or reputation. This would ensure a safe, ethical and productive working environment free from any prejudice, harassment, fraud or other malpractices.

2. We encourage our employees, contractors, suppliers, customers and other stakeholders to question, discuss and share information regarding any suspected irregularities or non-compliances.

### **POLICY STATEMENT**

1. In order to ensure safeguarding of company's assets, reputation and business relationships, this policy encourages and enables all employees, contractors, suppliers, customers and other stakeholders of the Company to raise their concerns at the latest appropriate time.

2. Raising of concerns does not mean disloyalty to colleagues, subordinates or supervisor; rather it is a valuable contribution towards them and the company. This would prevent inequality, harassment or harmful trend of dishonesty, unlawful or unethical conduct.

### **COMPLAINT REPORTING & INVESTIGATION PROCEDURE**

1. If an employee, or any other stakeholder who believes that he has been a victim of discrimination, harassment, or becomes aware of any activity which is not in the best interests of the company or notices breach the Code of Conduct or law should immediately report the issue.

2. All complaints should be lodged or concerns should be raised in good faith. However, if it is found that the complainant made a false accusation out of a personal grievance or malicious intent, then disciplinary action may be taken against the complainant.
3. Confidentiality of all complaints would be ensured and appropriate remedial action would be taken after thorough verification/investigation of underlying facts and details.
4. Whistle blowing complaints can be raised directly approaching the Chief Executive Officer or by communication to him via email or through mailing address Plot 18 Sector 7A, Korangi Industrial Area, Karachi, Pakistan 75500.



## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **Policy:**

Pak Leather Crafts Limited (the Company) being a responsible corporate citizen is conscious for the welfare of the people in the society for fulfillment of its corporate social responsibility. The Company is to play its role to meet the needs of the society concerning health, safety, environment, employee relationship and social welfare, to the maximum of its capacity.

### **Strategy & Framework of CSR:**

The Company peruses the strategy on following guidelines to be a good corporate citizen:

1. The Company to contribute in the financial budgets of various philanthropy organizations serving the mankind in the health and education sectors, without any discrimination of cast, creed and faction.
2. Conduct business in a socially responsible and ethical manner and in compliance with the Law.
3. Contribute to the National growth by sharing Company's revenue with the nation in the form of duties and taxes.
4. Improve foreign reserves of the Country by earning foreign currency through exports.
5. Efforts on improving the social conditions of the employees of the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labour and forced labour etc.