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Vision

Market leader in the motorcycle industry, emerging as a global competitive centre of production and exports.

Mission

A dynamic growth oriented company through market leadership, excellence in quality and service and maximizing export, ensuring attractive returns to equity holders, rewarding associates according to their ability and performance, fostering a network of engineers and researchers ensuing unique contribution to the development of the industry, customer satisfaction and protection of the environment by producing emission friendly green products as a good corporate citizen fulfilling its social responsibilities in all respects.

Code of Conduct

Obeying the Law

Atlas Honda Limited (the Company) is committed to comply with the laws and regulations of Pakistan.

Human Capital

The Company is committed to:

- Create a working environment where there is mutual trust & respect;
- Be an equal opportunity employer;
- Provide safe and healthy working conditions for all employees. It neither uses nor supports the use of any form of forced, compulsory or child labor.

Consumers

The Company is committed to:

- Provide products which consistently offer value in terms of price and quality.
- Promote safe practices throughout value chain from distributors to end users. It is committed to provide customers with products and services that are safe and reliable.

Shareholders

The Company conducts its operations in accordance with principles of good corporate governance.

Business Partners

The Company is committed to establish mutually beneficial relations with its suppliers, customers and business partners. In its business dealings, it expects its partners to adhere to business principles consistent with its own.

Community Involvement

The Company strives to be a trusted corporate citizen and, as an integral part of society, fulfill its responsibilities to the societies and communities in which it operates.

Public Activities

The Company:

- Co-operates with government and other organizations in the development of proposed legislation and other regulations, which may affect its legitimate business interests.
- Neither supports political activities nor contributes funds to promote such activities.
- Is committed to promote activities for safe driving.

The Environment

The Company is committed to:

- Make continuous improvements in the management of its environmental impact and to the long-term goal of developing a sustainable business.
- Work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Innovation

The Company is committed to fair competition and supports development of appropriate competition laws.

Business Integrity & Anti - Corruption

The Company does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain.

No employee may offer, give or receive any gift or payment, which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to the management.

Its accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All of the Company's employees are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to the Company.

Compliance – Monitoring – Reporting

Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by the Audit Committee.

Any breach of the Code must be reported in accordance with the procedures specified by the management.

The Board expects employees to bring to their attention, or to that of the senior management, any breach or suspected breach of these principles.

Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

About this Report

Reporting period	Financial year 2017 (April 01, 2016 to March 31, 2017)
Reporting cycle	Annual
Date of publication	May 29, 2017
Available version	Online and printed versions are available in English. Online version can be accessed from www.atlashonda.com.pk
Report scope & boundary	The information, data and financial information related to Atlas Honda Limited (hereinafter referred to as ‘the Company’) for the financial year 2017 is included. The report does not contain information on the sustainability impacts of associated companies.
Report content	The contents of this report are based on the results of stakeholders’ engagement and the Global Reporting Initiative G4 guidelines requirements. All material aspects, which are important to the Company’s business strategy, represent the impacts on economy, environment and society, and are of interest to different stakeholders and the Company, have been included in this report.
Global Reporting Initiative (GRI)	The report is GRI G4 “In accordance – core”. The GRI content index is available on page 60.
Assurance	<p>The report was externally reviewed by Corporate Social Responsibility Centre Pakistan (CSRCP), an independent reviewer, in compliance with the GRI G4 Sustainability Reporting guidelines and ISAE 3000 (2003) standard.</p> <p>The statement of independent review describing the activities carried out and the expression of opinion is provided on page 58.</p>
Contact for feedback	<p>The Company values feedback and welcomes comments on its reporting. For any questions or suggestions, please get in touch with the sustainability team.</p> <p>Address: 1-McLeod Road, Lahore-54000</p> <p>Phone: +92-42- 37225015-17, 37233515-17</p> <p>Email: ahl.suggestions@atlashonda.com.pk</p>

Corporate Social Responsibility Highlights 2017



CEO Message on Sustainability

“The success of Atlas Honda Limited is not only defined by the Company’s Financial Performance, but also by the quality of its products and services, the talent and dedication of its workforce, the integrity of the Company’s actions and relationships with all the stakeholders.”

Atlas Honda Limited’s origins can be traced back to being the pioneering manufacturer of quality motorcycles in Pakistan. The Company has a unique history of over five decades in the motorcycle industry. Atlas Honda Limited has always been a Company oriented towards the long term, which has resulted in the Company’s successful past and present — and we hope to achieve the same in future.

Being in the motorcycle manufacturing business, the Company is significantly contributing to the society by expanding the freedom of mobility generation after generation. However, the business is also related to and affects a number of social and environmental issues including global climate change, energy and resource shortages, traffic accidents and congestion. The Company is working to gain a deep understanding of each of these issues through communications with local residents and various other stakeholders and is making serious efforts to contribute to the society by making motorcycle ownership socially desirable and acceptable.

During the year 2016-17, the Company made further strides in key areas of sustainability. The Company’s focus on sustainability is underpinned by a strong understanding that conducting our business in a responsible and sustainable manner is vital to maintain our position as the leading motorcycle manufacturer in Pakistan. Across the value chain, the Company takes the holistic view. We look at how our initiatives affect the Company across the business cycle, as well as how they affect our customers, suppliers and the industry. As an industry leader we believe that this vision best serves our customers, shareholders and the communities we engage with.

Our production teams devote considerable efforts to reducing carbon emissions, improving energy consumption, enhancing waste management techniques, creating safety awareness and improving fuel efficiency of products. Developing human resources is the foundation of the Company’s philosophy and ethos. This in turn helps contribute to the development of sustainable communities and societies.

In every aspect the Company is governed by the “Atlas Way” that embodies the Chairman’s dreams and value system. With the same aspirations as our founder, we hope to build an automobile industry in Pakistan that can contribute to and coexist with a sustainable society.

I would also like to specifically mention the contributions of our partner, Honda Motor Company. Honda’s proactive participation and constant guidance have always been a source of learning and inspiration. With continued encouragement of our stakeholders, we hope to help develop an industry, which continues to balance the need of a sustainable society with that of our planet’s habitat.



Saquib H. Shirazi
Chief Executive Officer

Karachi: April 28, 2017

About the Company

Atlas Honda Limited is a public limited company listed on the Pakistan Stock Exchange. The Company is engaged in manufacturing of motorcycles in Pakistan. The Company operates within Pakistan and its registered office is located at Lahore. The details about the Company’s associates, products & services, awards received during the year and commitments & strategic memberships can be found from Annual Report 2017 of the Company. The specific sections for the relevant information have been mentioned in the GRI content index produced on page 60 of this report.

Corporate Social Responsibility Framework

The corporate social responsibility focuses on crafting long-term values, leading to provide a level playing field for future generations to meet their needs. This goal can only be attained through the efficient use of available resources, commitment to creating sustainable products and solutions, and treating the environment and people equitably and with respect. The Company commits itself to act as a responsible business focusing to play its part in its sustainable development. The commitment of doing business in a sustainable way sets the Company apart from its competitors, leading to customer satisfaction, appreciation, brand recognition and increasing product demand.

The Company is guided by its sustainability framework while making efforts for creating sustainable value for all its stakeholders. The framework is a reflection of the Company’s philosophy of Corporate Social Responsibility and focuses on the following six key areas:

- a) Governance
d) Society
- b) Environment
e) People
- c) Customers
f) Vendors

The Company’s framework is a product of the Atlas Group’s fundamental business doctrine - the “**ATLAS WAY**”. It comprises of the principles of the “**ATLAS CULTURE**” and the “**ATLAS SYSTEMS**”.

The principles of the **Atlas Way** cover all departments, operations, activities and aspects of business and provide ideal guidelines for their progressive development. The ultimate goal is to obtain excellence in operations and quality in products without compromising the protection of environment and interests of society at large. The Atlas Way teaches the Company to pursue operational and financial results while maintaining environmental quality and social responsibility.

Atlas Systems

- Management by Objectives (MBO) to align activities towards agreed company goals.
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared values) for the Company.
- Inducting and retaining competent and skilled staff - right man for the right job.
- Using BCG model for strategic direction.
- Creating value through implementation of internal controls (SOPs and policy manuals).
- Management development to produce performers, organization builders and strategists.
- Active participation in management meetings for continuous performance improvement.
- Ensuring accuracy and control of information / data through efficient MIS.
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention.

Atlas Culture

- Corporate governance.
- Respect, Recognition and Reward.
- Value of time.
- Recruitment and career advancement based on integrity, merit, experience and skills.
- Education and training of staff and descendants.
- Self reliance.
- Leading by example.
- Humility and Excellence.
- Living within one's means, saving for the future and donating for good cause.
- To be happy and healthy.

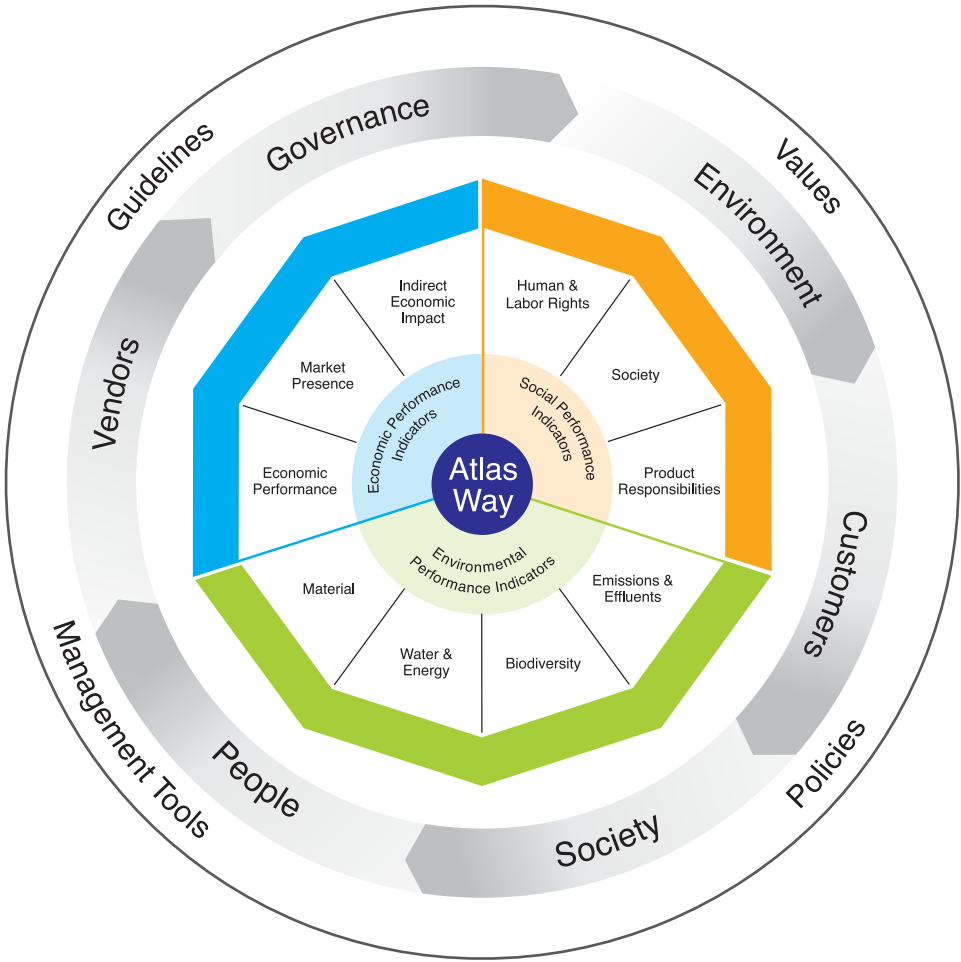
شائین کا جہاں اور
(We Look Beyond Horizons)

The Company ensures adherence to the best practices in the sustainability reporting through application of its framework. The most widely used guidelines, the GRI G4 guidelines, are used by the Company for communicating its impacts to the stakeholders.

The procedures adopted in the **Atlas Culture** and the **Atlas Systems** completely align the Company's areas of sustainability framework with the three performance categories given in the GRI guidelines.

The Company's sustainability framework defines the way we do business and is supported by a suite of policies, guidelines, values and management tools. It commits the Company to consider and take responsibility for the longer term economic, social and environmental implications of its decisions and to work in partnership with all the stakeholders across the automotive value chain to maximize positive impacts.

The following diagram summarizes the Company’s framework and approach to sustainability:



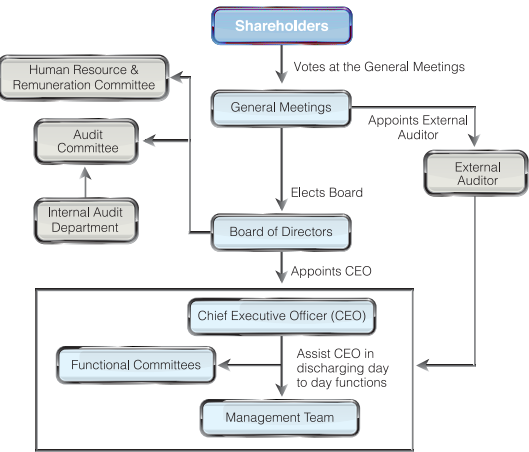
Governance

By anchoring integrity in the corporate culture as a fundamental value, the Company has established a corporate governance system to maintain business transparency which is the key to maintain the trust of investors and stakeholders.



Corporate Governance Structure

The corporate governance structure of the Company provides a comprehensive framework to enhance accountability to shareholders and other stakeholders, ensures timely and accurate disclosures of all material matters, deals fairly with shareholders’ and other stakeholders’ interests, and maintains high standards of business ethics and integrity. The highest decision making is carried out at the shareholders’ meetings, supported by the Board of Directors which performs an oversight and supervision of the management’s execution of duties.



Corporate Governance Structure

Structure of the Board

The Company has a strong and dynamic Board with the right blend of skills to deliver and further develop its strategies. Presently, the Board comprises of eight Directors, including four non-executive Directors, three executive Directors and one independent Director. Non-executive Directors are elected to enhance the supervisory function of the Board from an objective standpoint, for increasing transparency of the management and advise by utilizing their management experience from different industries. Out of the eight, six Directors have either obtained certificate of Directors’ Training Program or are exempted from the requirement of Directors’ Training Program as per the clause 5.19.7 of the Code. Whereas, the remaining two Directors will undertake the Directors’ Training Program within the stipulated time.

The Chairman is responsible for the overall discharge of the Board’s duties. The office of the Chairman and the Chief Executive Officer (CEO) are separate and the Chairman is a non-executive Director.

The Chairman of the Board of Directors is selected from within the Board. The Board may from time to time establish committees, to assist it by focusing on specific responsibilities in greater detail than is possible for the Board as a whole, reporting to the Board and making any necessary recommendations. The statute requires the Board to formulate Audit Committee and Human Resource & Remuneration Committee.

The Company has not defined any quota for women, ethnic majorities or age group for the Board of Directors. The members of the Board hold significant position in other companies, the details of which can be found in the Director’s profile section of the Annual Report 2017. The Directors are elected for the period of three years by the shareholders in General Meeting of the Company. The Board may also appoint any individual as a Director to fill a casual vacancy occurring on the Board. The process of election and appointment is governed in accordance with the statutory requirements laid down by SECP and regulations of the PSX.

Prior to appointment, each Director is required to disclose, to the Board their other significant commitments. This disclosure facilitates the assessment of their capacity to effectively discharge their duties and responsibilities. Each Director undertakes that they are able to discharge the assigned responsibilities in an efficient manner.

The Directors are required to seek consent from the Board prior to being appointed to, or acquiring any material financial interest in, any enterprise which competes, likely to compete or has a significant business relationship with the Company, unless that situational conflict can be managed as per provision of the Companies Ordinance, 1984 and rules and regulations of the SECP and the PSX. During the year, there were no such transactions of material nature with the Directors which are in conflict of interest with the Company.

Committees Reporting to the Board

Each Board Committee has a written ‘Terms of References’ outlining its duties and responsibilities. The Committees report on their activities and results to the Board of Directors. The table below summarizes the terms of reference, number of members and frequency of meetings of the Committees of the Board.

Committee	Roles and Responsibilities of the Committee	Number of Members	Frequency of Meeting
Audit Committee	<ul style="list-style-type: none">Monitors the integrity of the financial statements and reporting and makes recommendation to the Board for its approvalOversight of external auditor: to consider findings and recommendations arising from the external audit processReview of the Company’s compliance procedures to ensure adherence to applicable legal and regulatory standards and to the Company’s internal policiesMonitoring the effectiveness of the internal control processes and the internal audit function of the CompanyOversight of risk management	Three	Quarterly
Human Resource and Remuneration Committee	<ul style="list-style-type: none">Recommending Human Resource management policies to the BoardRecommending to the Board about selection, evaluation, compensation and succession planning of CEO, VP, CFO, Company Secretary and Head of Internal AuditConsideration and approval of recommendations for key management positions who report directly to CEO and VP	Three	Once a year

Board’s Role in Shaping Sustainable Policies

The principal purpose of the Board is to provide leadership to the Company in a manner that promotes its long-term success, thereby maximizing value for the stakeholders. The Board sets the direction for the Company’s values, ethics & business policies and practices leading to strategy development, growing shareholder value, oversight & control and corporate governance. All the strategic plans, budgets, capital expenditures, investment proposals and matters of strategic importance are approved by the Board. However, some of the decisions are taken in the General Meetings of the Company as per the requirement of the Companies Ordinance, 1984. The Board also provides direction on sustainability policy,

and sustainability initiatives to enhance the positive impacts and reduce the negative impacts on the economy, environment and society. The execution of the Board’s directives and policies is carried out by the respective management teams and performance is reviewed by the Board. The Board also oversees operating & financial performance, risk management & internal controls and compliance with legal requirements.

The Chairman, in collaboration with the Company Secretary and senior management, is responsible to ensure that the Board members are provided, at all times, with the information necessary for them to effectively discharge their duties and responsibilities.

On appointment, Directors take part in an “Induction Program” to broaden their knowledge and understanding of the business. The Directors are also encouraged to attend courses which provide information and training relating to their duties, responsibilities, powers and potential liabilities. The Company Secretary arranges an appropriate Director’s Training Program in line with the mandatory requirements of the Code of Corporate Governance.

Management Remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive Directors except fee for attending the meetings. In order to retain the best talent, the Company’s remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of the Directors and CEO in 2016-17, please refer note 34 of the Financial Statements.

Board’s Performance Evaluation

The evaluation of Board’s role of oversight and its effectiveness is a continual process, which is appraised by the Board itself. The core areas of focus are:

- Alignment of corporate goals and objectives with the vision and mission of the Company;
- Strategy formulation for sustainable operation;
- Board’s independence; and
- Evaluation of the Board’s Committees’ performance in relation to discharging their responsibilities set out in respective terms of reference.

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

Roles and Responsibilities of the Chairman and CEO

The Chairman’s role is primary to guide long-term strategic planning for the Company including:

- Presiding over the Board and ensuring that all relevant information has been made available to the Board;
- Defining the Company’s philosophy and objectives;
- Safeguarding shareholders’ interest in the Company;
- Responsible for building the Company’s image nationally and globally;
- Ensuring the appropriate recording and circulation of the minutes of the meeting to the Directors and Officers entitled to attend the Board meetings;
- Major spokesman of the Company, responsible for liaison with the senior most levels of the Federal and Provincial Governments;
- Overseeing the Company’s macro approaches and public relations in the broad sense, including its relations with public organizations and other companies; and
- Commitments and de-commitment of strategic investments.

The CEO is responsible for reporting the Company’s performance to the Board of Directors. The CEO is responsible for all matters pertaining to the operations of the Company under the overall direction of the Board of Directors. His responsibilities include:

- To plan, formulate and implement strategic policies;
- To build and maintain amicable relations with government departments, trade associations and regulatory bodies;
- To ensure the achievement of productivity and profitability targets and that the Company operates efficiently;
- To ensure that the chain of command in the Company is clear to facilitate the maintenance of discipline, the roles and duties of all managers clearly define their functions to ensure accountability;
- To ensure that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- To maintain a regular review of duties and functions of the staff to ensure that there are no duplications of efforts in office methods and

procedures and that all operations are carried out efficiently and economically;

- To ensure that technical information made available to the Company under Technical Service or Royalty Agreements are used solely in the manufacturing of approved products and the staff of the Company maintains strict confidentiality of such information;
- To ensure that the Company’s interests and assets are properly protected and maintained and all the required Government obligations are complied in a timely manner;
- To maintain close liaison with the Government, customers, suppliers and sales offices;
- To chalk out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole;
- To pay all Government dues on or before due date and obtain all refunds due from the Government.
- To ensure that proper succession planning for all levels of hierarchy exist in the Company and is constantly updated;
- To ensure proper functioning of the Management Committees of the Company of which he is the Chairman;
- To prepare and present personally to the Board of Directors the following reports/details:
 - Annual business plan, cash flow projections and long term plans.
 - Budgets including capital, manpower and overhead budgets along with variance analysis.
 - Quarterly operating results of the Company in terms of its operating divisions & segments.
 - Promulgations or amendment of the law, rules or regulations, accounting standards and such other matters as may affect the Company.
 - Reviewing performance against budgets / targets, revenue and capital expenditure,

profits, other administration, commercial, personnel and other matters of importance to the Company.

- To ensure welfare and training of the staff in accordance with the Company’s policy and government regulations that are applicable from time to time;
- To always keep the line of communication open with the competitors for taking joint actions for mutual benefits;
- To be responsible for publicity of the Company’s products consistent with the Company’s image and with a view to maximizing sales;
- To ensure that open, progressive and game free atmosphere is created among employees giving them a sense of participation and providing them with an opportunity to give their best;
- To ensure that every employee is treated equally as an individual regardless of his designation; career development is on merit basis and each employee is helped to develop pride of performance through continuous study and training so as to form a team in which all levels of employees work together with common goals to strengthen the position of the Company;
- To ensure that the Company operates with minimum staffing and paperwork.

Committees Reporting to the CEO

The CEO is supported by four functional committees that facilitate him in the performance of his duties. These committees meet frequently and ensure implementation of sustainability framework in various aspects of the Company’s operations. The implementation of the framework is ensured by various departmental heads who report the activities and progress to these committees. Input is also acquired from associated third parties through the Company’s processes of stakeholders’ engagement. The implementation of sustainability framework is frequently monitored by Internal Audit function along with the annual assurance from an independent expert before reporting the results to the stakeholders.

Committee	Roles and Responsibilities of the Committee	Number of Members	Frequency of Meeting
Management Committee	<ul style="list-style-type: none"> Reviewing and forwarding long term plans, capital and expense budget, development and stewardship of business plans Maintaining healthy environment Providing advice to the CEO in the normal course of business 	Thirteen	Monthly
Business Ethics Committee	<ul style="list-style-type: none"> Effective communication and reinforcement of ethical values, best practices in the business Ensuring compliance with our 3R principles (Respect, Reward and Recognition) 	Nine	Twice a year
Treasury Committee	<ul style="list-style-type: none"> Oversight of day to day treasury & investment matters Approval of short term investment decisions Ensuring subsequent approval of all the decisions by the Board 	Three	Monthly
Risk Management Committee	<ul style="list-style-type: none"> All risks are defined and mitigated on a timely basis in accordance with the well-structured risk management processes 	Three	Monthly
Environment, Health, Safety and Security Committee	<ul style="list-style-type: none"> Ensures compliance with the applicable Environmental, Health, Safety and Security (EHS&S) laws and regulations 	Six	Monthly
Social Responsibility Committee	<ul style="list-style-type: none"> Ensures compliance with Social Performance Governance Framework 	Five	Quarterly

Risk Management

The Company has enterprise-wide risk management processes for identifying, evaluating and managing the principal risks faced by the Company. The Board is responsible for the Company's systems of internal

control and risk management and for reviewing each year the effectiveness of those systems. The key features of the enterprise-wide risk management and internal control process includes:

- The Audit Committee, on behalf of the Board, considers the effectiveness of the internal control procedures during the financial year. It reviews reports from the internal and external auditors and reports its conclusions to the Board.
- A Risk Management Committee is responsible for reviewing the key risks and the strategies to mitigate/ counter these risks.
- The Company's Internal Audit function carries out the continuing assessments of the quality of risk management and control, reports to the management and the Audit Committee on the status of specific areas identified for improvement and promotes effective risk management in the lines of business processes. During the year, the Committee discharged its responsibilities and reported the following:
 - The Company's internal audit function which reports to the Audit Committee, performed independent audits of selected controls through desktop reviews and on-site re-performance of tests to ensure compliance with pre-defined policies and procedures.
 - The composition of the Audit Committee meets all applicable independence requirements.
 - Each member is equipped with professional qualifications and skillful experience and one member has expert knowledge of finance and accounting.
 - The Audit Committee has approved the annual audit plan for the internal audit function and reviewed its reports. Audit Committee also assisted in overseeing relevant manuals, policies and important accounting principles applied by the Company.
 - The Audit Committee reviewed all interim and annual financial reports before they were published.
 - The Audit committee also ensured that all new and relevant International Accounting Standards were duly adopted and all applicable International Accounting Standards were duly followed in the preparation of Financial Statements of the Company.

- The Audit Committee monitored the effectiveness of the internal controls, including risk management, concerning the financial reporting and proactively proposed improvements to the control environment.
- The Audit Committee has implemented a procedure to review and approve all transactions with the related parties.

The Company's risk management system helps in timely identification, prioritization and management of sustainability impacts, risks and opportunities. The Company's sustainability efforts are focused in areas which have significant impacts on economy, environment and society, are important according to business objectives and identified through stakeholders consultation. These areas include health and safety, emissions, energy usage, community investments and economic impacts. The Social Responsibility Committee regularly reviews the topics identified by risk management system and takes necessary actions, if required.

Compliance and Integrity Management

The Company's policy requires all their Directors and employees to comply with all applicable laws. Legal compliance systems and processes have been intensified during the year to mitigate the risk of non-compliance with the laws.

The Company's Code of Conduct (the Code) provides guidelines on 14 ethical standards. It covers issues such as bribery and corruption, fraud, insider trading, legal compliance, conflicts of interests, human rights and discrimination. The code includes a commitment to conduct our business with due regard to the interests of all our stakeholders and the environment. The Code requires compliance with all applicable laws and regulations as a minimum standard. In essence, the guidelines to the code of ethics outline The Company's approach to ethics management, which includes all elements recognized as best practice in ethics management. The Code guides interactions with all the stakeholders, including employees, vendors and customers.

The Code is reviewed annually and any changes therein are approved by the Board. The Code is communicated to all the employees, vendors, service providers and customers and is available on the Company's website.

Whistle Blowing Policy

The Company values an open dialogue on integrity and responsibility in its actions with its employees. The Company investigates all alleged breaches of the Code and applies appropriate measures when complaints turn out to be substantiated. The Company encourages employees to report their views on processes and practices to their manager or the Business Ethics Committee. These reporting mechanisms are part of the complaints procedure and are described in the Company's Code.

The violations reported through the whistle blower procedure are investigated by internal audit function. Information regarding any incident is reported to the Audit Committee. The reports include measures taken, details of the responsible Company function and the status of any investigation. During the year 2016-17, no alleged breaches of the Code were reported.

Privacy and Data Protection

The stakeholders are understandably concerned about how their personal information is used and shared, and they want to feel confident that data communicated or stored online is secure. The Company works regularly to enhance robust processes and systems that protect customers and employees data and to raise awareness about the importance of data protection and privacy through its IT Governance Policy which is summarized below:

- The members of Management Committee are responsible for required compliance in their respective functional areas, at all locations.
- The General Manager-IT is responsible for its implementation, maintenance, compliance and for suggesting new areas as per technology enhancement.

Conflict of Interest Policy

The Company has a policy in place ensuring that any conflict of interest should be properly disclosed, recorded and addressed, upholding the interests of the Company. In line with the provisions of Companies Ordinance, 1984, every Director requires to disclose his interest in writing to the Company Secretary, in respect of any contract/appointment, etc. Such disclosures are circulated to the Board,

interested Directors do not participate in voting on the said resolution and it is properly recorded in the minutes of the Board meeting and also entered in the statutory register maintained for this purpose. More details are available in the Code.

Insider Trading

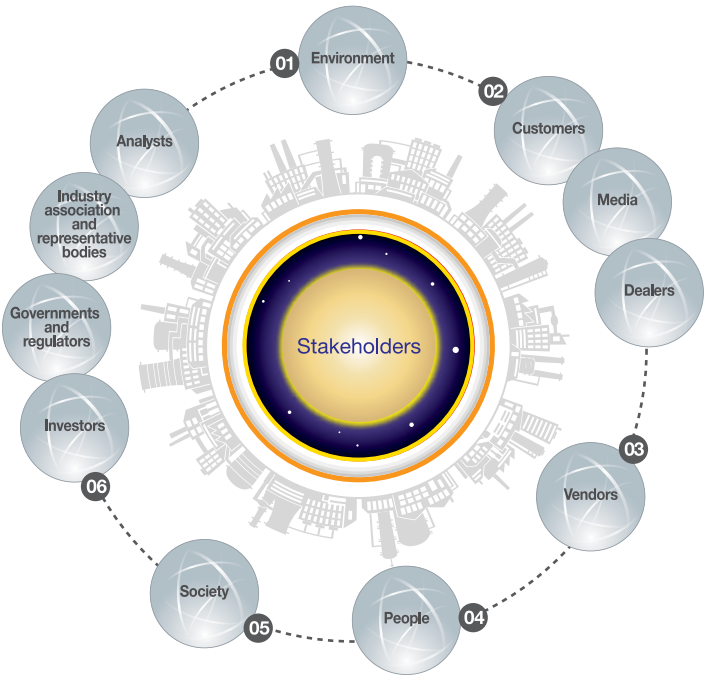
The Company has a clearly defined policy relating to the insider trading which requires all the relevant employees to maintain confidentiality of inside information at all times. The purpose of this policy is to set forth guidelines on purchase or sale of securities while in possession of inside information. The Company has complied with the requirements issued by SECP, relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list. Moreover, according to the policy, no employee shall transact directly or indirectly in the Company's securities while in possession of inside information.

Stakeholder Management

Embedding sustainability has consciously evolved through a systemic engagement with stakeholders. The Company defines stakeholders as those who are potentially affected by its operations or who have an interest in or influence the Company's business.

The stakeholders are identified and prioritized on the basis of number of factors including the nature of relationship, proximity, willingness to engage etc. The identified stakeholders are then consulted through respective departments for gaining input on topics which are of prime interest to the stakeholders or which can significantly affect the stakeholders. The Company's range of stakeholders includes employees, customers, suppliers, investors, non-governmental organizations, governmental institutions, analysts, media, education & research institutes and society at large. It is crucial for the Company to engage with these groups to understand their expectations and concerns.

The Company deepens its relationship with stakeholders by considering their interest and engaging them by following methods:

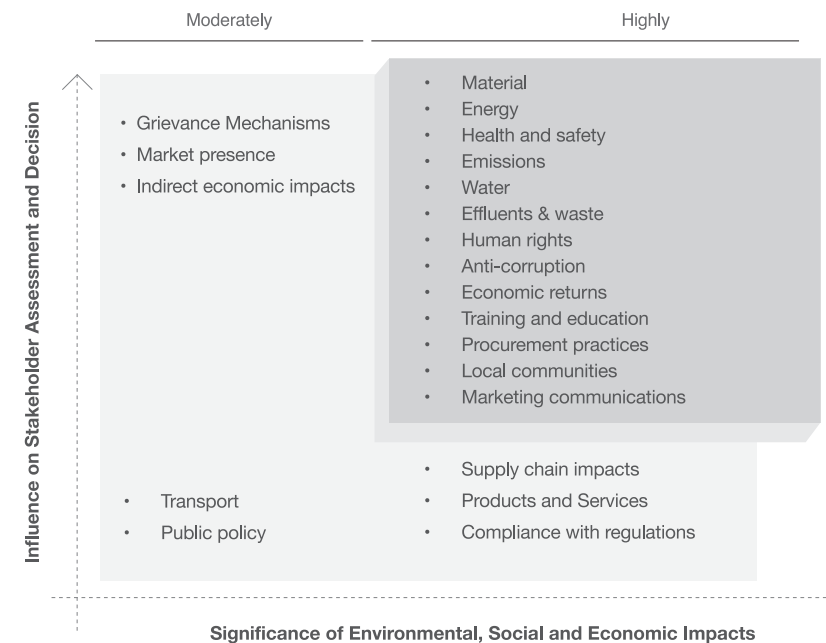


	WHO WE ENGAGE	HOW WE ENGAGE	OUR FOCUS	HOW WE RESPOND
01	Local communities, environmental protection agencies and environmental NGOs.	Ongoing <ul style="list-style-type: none">• External environmental audits and impact assessments.• Meetings, consultations and collaborations with interest groups.	Establish a truly sustainable business framework and eco-friendly policies & procedures.	Taking initiatives for reducing energy consumption, disclosing and managing carbon emissions and other environmental protection measures.
02	Customers Final consumers of the Company's products.	Ongoing <ul style="list-style-type: none">• Regular communications through sales dealers, service and warranty centres, conferences and exhibitions, customer events and seminars.• Dedicated customer care section on the Company's website and call centre.	Product excellence through performance and product quality, cost and delivery, prompt after sales service and product information.	<ul style="list-style-type: none">• Produce high quality products.• Ensure reliable product supply.
	Media Representatives from print, online broadcast and social media.	Ongoing <ul style="list-style-type: none">• Media releases, briefings, presentations, facebook page and interviews.	A broad range of issues reflecting all stakeholders' interests.	<ul style="list-style-type: none">• Develop robust relationship with the media.• Share information to deepen understanding of the Company's business.
	Dealers Distributors of the Company's products.	Ongoing <ul style="list-style-type: none">• B2B links connecting dealers to the Company.• Dealers training and continuing education programs. Annual <ul style="list-style-type: none">• Dealers' Convention.	Open and transparent business opportunities, and return on investment.	Nurture and protect these partnerships so that we learn from and support each other to achieve mutually beneficial results and outcomes.

	WHO WE ENGAGE	HOW WE ENGAGE	OUR FOCUS	HOW WE RESPOND
03	Businesses that provide key manufacturing support system.	Ongoing <ul style="list-style-type: none"> Multiple audits and sites visits to ensure their development and enhance their quality. B2B Portal for vendors. Annual <ul style="list-style-type: none"> Vendor Conventions and Vendor Excellence Awards (ALAMAYAR). 	<ul style="list-style-type: none"> Shared development, supply chain sustainability. Fair and reasonable contract terms and on time payment. 	<ul style="list-style-type: none"> An opportunity to compete for business on the basis of clear and transparent procedures and evaluation criteria. Mutually beneficial relationships in which all parties integrate their talent, resources and efforts to exceed expectations.
04	Core assets who implement every strategic and operational decision of the management.	Ongoing <ul style="list-style-type: none"> Open and continuous communication through immediate supervisors, management and intranet. Employee newsletters and general communications. Channel of Whistle blowing. Training and development programs. Bi-annual <ul style="list-style-type: none"> Appraisal discussions regarding performance and evaluation. 	<ul style="list-style-type: none"> Fair remuneration and benefits, personal development, training and health & safety. Clarity about roles and responsibilities, goals, performance management and development. 	<ul style="list-style-type: none"> Provide benchmarked competitive remuneration and benefits packages. Enforce stringent safety measures. Provide ongoing training and education options. Encourage open communication between employees and managers.
05	Local Community and Neighborhood	Ongoing <ul style="list-style-type: none"> Seminars and awareness campaigns for social issues including road safety, healthy livelihood, education and welfare. Internships, management trainee programs and factory visits of members & students from local communities. 	Employment and business creation, support for social infrastructure and programs for environmental performance.	<ul style="list-style-type: none"> Undertake community development programs in key areas of need. Support various sports, arts, cultural and skills development initiatives.
06	Investors Individuals, corporate and other organizations that have invested capital in the Company.	Ongoing <ul style="list-style-type: none"> Dedicated webpage for investors. Notices, circulars, announcements and interim reports. Annual <ul style="list-style-type: none"> Annual General Meeting. Annual reports. 	Sustained returns on investment through strategic and organic growth, sound risk management and exemplary governance practices.	<ul style="list-style-type: none"> Strong leadership who provide strategic direction and who lead by example. Focus on good corporate governance and ethics.
	Governments and regulators Governments and regulatory authorities at Federal and Provincial levels and Stock Exchange	Ongoing <ul style="list-style-type: none"> Filing of statutory forms, documents, prescribed returns, assessments and other information as per applicable regulations. Participation in government initiatives, regulation and policy working groups. 	Compliance with legal and regulatory requirements and adhere to policies and guidelines.	<ul style="list-style-type: none"> Comply with and report transparently on existing regulations. Contribute to the economy by paying taxes and royalties as well as creating jobs.
	Industry association and representative bodies Auto sector specific association and various business councils	Ongoing <ul style="list-style-type: none"> Representation in activities of local trade and industry associations, meetings, visits and training programs etc. Providing periodical operational data. 	Compliance with all regulations and playing constructive role in protecting the interest of the members of associations and representative bodies.	<ul style="list-style-type: none"> Constructive participation in key business and industry initiatives within the constraints of legal frameworks and requirements.
	Analysts Debt and equity analysts, socially responsible investment analysts and corporate governance analysts.	Ongoing <ul style="list-style-type: none"> Notices, circulars, announcements and news releases. Interim and Annual Financial and Sustainability Report. 	Financial, non-financial performance including corporate governance and sustainability.	<ul style="list-style-type: none"> Respond promptly to queries. Share information to deepen understanding of the Company's business.

Influence on Stakeholder Assessment and Decisions

Materiality Matrix



The stakeholders' engagement is carried out throughout the year by respective departments. The outcomes of the engagement along with internal analysis from the the Company risk management system forms the basis for materiality determination for the sustainability report. Above mentioned table shows the topics identified as material based on the materiality analysis.

The matrix is divided into areas to demonstrate the topics which can highly/moderately influence the stakeholder assessment and decisions and have significant/moderate impacts on the economy, environment and society.

The prioritization of the topics is based on materiality analysis for non-financial risks as per GRI G4 guidelines. The severity, likelihood, and relevance to business objectives and stakeholder interests were the guiding principles in materiality analysis. The Social Responsibility Committee analyzes the risks associated with each material topic and recommends actions for prevention, mitigation or maximization of the positive impacts.

Grievance/Feedback System

The Company believes in protecting the interest of its investors and shareholders. The shareholders can give their feedback in the General Meetings of the Company. In addition, the Company also encourages their feedbacks and suggestions to have a good understanding of the shareholder's view on different operations and decisions of the Company. Accordingly, it has constituted a "Grievance/Feedback System" that aims to resolve all of their complaints/queries on timely basis.

A designated e-mail address has been created namely investor.relations@atlashonda.com.pk to facilitate investors in submitting their queries/grievances and feedbacks. In addition to the aforementioned email address, complaints and suggestions can also be received in writing, duly addressed to the Company Secretary. All grievances/queries are resolved and communicated to the investors on timely basis after due verification procedures.

Environment

It is crucial for a company to sustain business while taking responsibility of the environment and its limited resources. Measures are taken to identify and mitigate the direct and indirect environmental effects of the Company's activities, as well as those of business partners throughout the value chain.



Management Approach

The Company views environmental stewardship as a key social responsibility alongside product safety and quality. By setting clear objectives and advancing concrete environmental initiatives in line with our Environment Policy and Honda (Global) Environmental Vision, we follow the principles of reduce, reuse, recycle and responsible disposal. The Company pursues needed technologies and processes to help minimize the impact of its products on people and communities throughout their lifecycle while ensuring environment friendliness. Cutting-edge technologies and effective environmental management measures help us to minimize the negative effects of motorcycle production on the environment and on resources.

The Company is also implementing green policies at all its locations, including business partners and improving awareness for protecting the environment through continuous training and development programs.

In recognition of our healthy environment practices, we have been awarded with Corporate Social Responsibility Award for the year 2016 by National Forum for Environment & Health.

Environment Management System

The Company seeks to minimize the environmental impact of its business activities through product life cycle analysis via a comprehensive Environment Management System (EMS). The pursuit of these environmental sustainability goals is blazing a trail of ongoing improvement of environmental performance. EMS allows the Company to organize and analyze, in a timely manner, the impacts of various environmental issues on its business, particularly climate change and energy, and to develop and execute specific measures for addressing such issues.

Pursuing its vision of environment protection, the Company objectively assesses its current environmental problems, analyzes the kinds of risks and opportunities they represent, and responds in various ways. The Company is promoting environmental initiatives in both business activities and product development, as not only this helps mitigate risks to our business continuity, but this also presents opportunity to create and expand new business opportunities.

Regulatory compliance is fundamental to the production and in-use performance of the Company products, and to the continuance of the Company's operations. The Company has developed a comprehensive framework for identification and compliance of requirements of

various local regulations (Pakistan Environment Protection Act 1997, Factories Act 1934 etc.) and international standards (ISO 14001: 2004, Honda Environment Performance Standards etc.)

The Company considers it essential to engage in such business activities and decide & execute specific measures, having sufficiently assessed these risks and opportunities.

In order to ensure compliance with requirement of EMS, scheduled and surprise internal audits are conducted during the year. Moreover, annual environmental audit was also conducted by independent third party who revealed zero non-compliance with applicable regulations and standards. Further, no grievances about environmental impacts were filed through our formal grievance mechanisms during the reporting period.

To support effective operation of EMS, the Company has developed an Environment Policy for the promotion of protection of environment as follows:

Environment Policy

Compliance	Comply with requirements of environmental legislation and local regulations as a responsible corporate citizen.
Effluents & Waste	Reduce and prevent the generation of waste and pollution in our production system and its safe disposal.
Natural Resource Preservation	Establish management program to promote energy conservation and reduce water consumption.
Knowledge and education	Promote relevant environmental protection knowledge and activities through education and training.
Kaizen – Continuous Improvement	Initiate and extend environmental improvement activities from the Company itself to its business partners including parts manufacturers, general suppliers and dealers.

Product Life Cycle Assessment

The Company procures various parts and materials through the manufacturing process, utilizes natural resources, including various raw materials, water, energy and chemical substances, among others, to provide products to its customers. Such business

activities result in environmental impacts at each stage in the process. The Company continues to provide highly value-added products and services while at the same time seeking to understand the environmental impacts resulting from its business activities and implementing the measures to reduce such impacts.

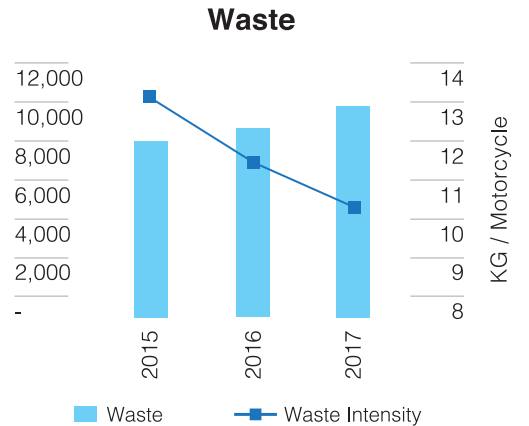
Life Cycle Stages	Factors considered to impact the environment	Major initiatives in each domain
Product Development	<ul style="list-style-type: none"> Greenhouse gases Exhaust emission Raw materials Noise / Vibration Substances of concern 	<ul style="list-style-type: none"> Energy and resource conservation Zero waste and emissions initiatives
Purchasing	<ul style="list-style-type: none"> Greenhouse gases Raw materials Waste Water use 	<ul style="list-style-type: none"> Promote “Green Purchasing” Environmental management Energy conservation at suppliers Resource conservation
Production	<ul style="list-style-type: none"> Wastewater Exhaust emission Noise / Vibration Substances of concern 	<ul style="list-style-type: none"> Environmental management Energy and resource conservation Zero waste and emissions initiatives
Transportation	<ul style="list-style-type: none"> Greenhouse gases Waste 	<ul style="list-style-type: none"> Environmental management Increased transportation efficiency Use less packaging Use returnable container
Sales and Service	<ul style="list-style-type: none"> Greenhouse gases Removed parts CFCs Waste 	<ul style="list-style-type: none"> Promote “green dealers” Environmental management Increase energy efficiency Do more for environmental conservation
Product recycling (3Rs)	<ul style="list-style-type: none"> Greenhouse gases End-of-line products 	<ul style="list-style-type: none"> Increase parts collection, reuse and recycling Properly process end-of-life products Provide technical support for recycling
Administration	<ul style="list-style-type: none"> Greenhouse gases Waste 	<ul style="list-style-type: none"> Environmental management Energy conservation Use resources effectively Social contribution activities

Material, Effluents & Waste

The Company has incorporated sustainability criteria into its development, procurement of raw materials and development of new formulae and application. The materials having high impact on the environment are monitored in pursuance of the Company's environmental policy.

The major raw materials used in vehicle manufacturing are steel, coils, ferrous and non-ferrous castings, paints and thinners. The Company sources a large number of finished components used in assembly operations from various suppliers. The Company strives for material optimization, efforts for which start at product development stage. The material usage is periodically reviewed at the manufacturing stage and various initiatives are undertaken to further reduce material use through reuse and re-engineering. However, no recycled material was used for the production during the year.

Further, the Company wastes include waste water, scraps Iron, high Biochemical Oxygen Demand, Chemical Oxygen Demand, Chloride, oil & grease etc. The Company uses waste water treatment plants to control the water contamination as per "National Environmental Quality Standards" before releasing it into sewerage drains. The remaining waste and effluents are discharged through incineration, recycling, landfill and sale to legitimate contractors at certified waste disposal facilities. During the year, 9,908 tons of waste was released with the reduced intensity of 10% per motorcycle. There were no significant spills during the year.

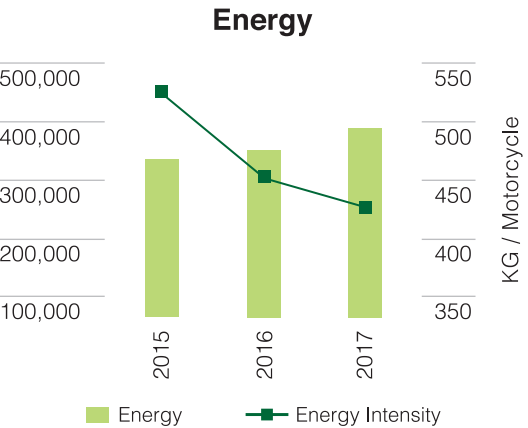


Energy

The energy consumption during the year was 407,958 GigaJoules (GJ). Energy consumption has increased due to increase in production. However, the energy consumption per motorcycle has decreased.

Energy Conservation Initiatives

The Company is taking various energy conservation measures in production processes, introducing highly efficient equipment and adopting energy saving lighting. Due to effective energy conservation measures, the energy consumption per motorcycle has been reduced by 7% from 476 KiloJoules (KJ) to 443 (KJ) per bike. During the year, total energy conservation was 5,359 GJ with the help of following initiatives:



Renewable Energy Source

Solar Panels have been installed which will generate 230KW of clean and renewable energy. This will reduce the use of conventional non-renewable energy sources due to which annual CO₂ emission will reduce by 269 tons.



A view of the solar panels installed at the Company's plant.

Fuel Efficient Diesel Generator

Installation of new fuel efficient diesel generator has resulted in 7% reduction in diesel consumption for power generation. The new diesel generator has fuel consumption of 0.280 L/KWH as compared to 0.302 L/KWH of previous generator. This will result in saving of 180 KL diesel per year, which will result in energy saving of 2510 GJ /year and 172.45 ton/year reduction in CO₂ emissions .



A view of the fuel efficient diesel generator installed at the Company's plant.

Energy Efficient Air Compressor

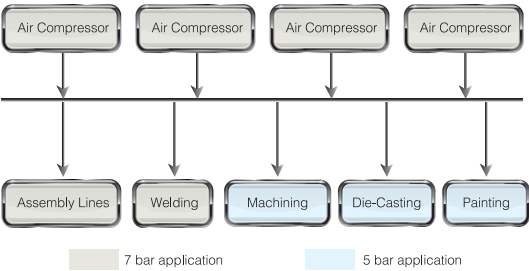
An energy efficient air compressor has also been installed in the Sheikhpura Plant which would expectedly bring 898 GJ (9%) of saving in energy and 570 tons/year reduction in CO₂ emission.



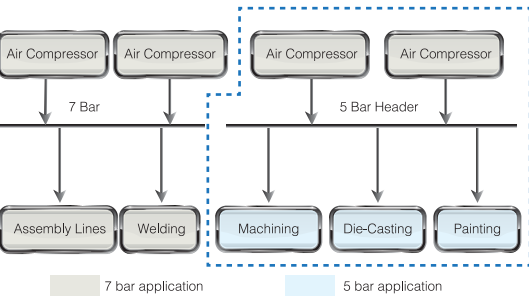
A view of the energy efficient air compressor installed at the Company's plant.

Another area which improved compressed air efficiency is the installation of separate air headers. Previously, common compressed air pressure was being supplied to all areas, whereas, different areas require different air pressures. For this purpose, separate air headers have been installed for 5 bar and 7 bar air pressures. This further reduced the CO₂ emission by 110 tons/year.

Before



After



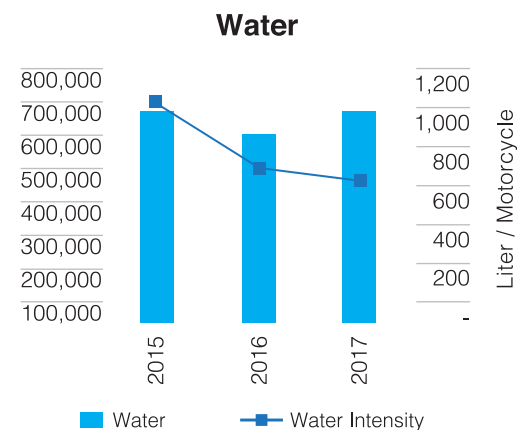
Installation of LED Lights

In order to reduce the energy cost in assembly plant, LED lights have been installed. Previously, fluorescent tube lights and mercury bulbs were used for illumination which consumed more energy. 50% of old lights have been replaced with LED lights. Furthermore, arrangements have also been made to utilize sky light during daytime hours to reduce the usage of conventional lighting sources. These arrangements will reduce the energy consumption by 1951 GJ/year and CO₂ emission by 251 ton/year.

Water

The Company is making progress in assessing and understanding its overall water footprint, which helps to identify impacts across the value chain. Being a leader in industry, the Company recognizes that efficiency is not the only relevant measure. The water quality, water security and access to water and sanitation also impact our supply chain and our business, affecting everything from the availability of raw materials to the health and well-being of workers and their communities. Most of the water consumed is drawn from earth which is not designated as a protected area whereas the size or volume of the water body cannot be estimated reliably. Additionally, there were no significant spills during the year.

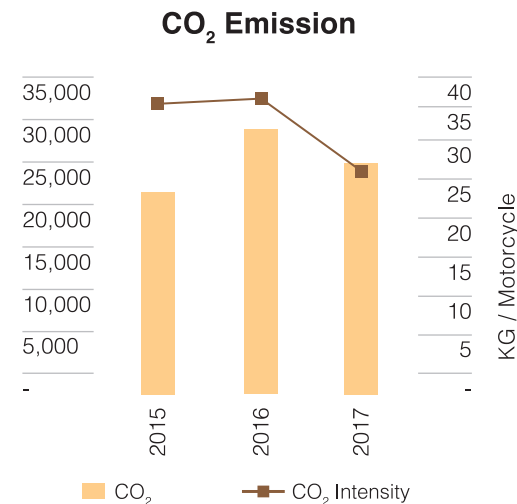
During the year, 657,124 cubic meter water was consumed with a reduced intensity of 8% per motorcycle as compared to the last year. The Company returns water that it uses for manufacturing processes to the environment at a level that supports aquatic life and agriculture. The Company recycles waste water for garden and landscape irrigation. During the year, 52,560 cubic meters (8%) of the water was recycled.



Emission

The Company is actively committed to minimizing the impact of its manufacturing operations on the global environment, including waste generation, air and water pollutant releases, energy and natural resource consumption, and emissions of greenhouse gasses, primarily CO₂. All products of the Company comply with EURO II standards of carbon emission, in addition to being in compliance with Pakistan Standards for

Quality Control in respect of CO₂ emission, noise levels and smoke. The emissions during the year were 25,644 tons of CO₂, which was 8,597 tons less as compared to last year in terms of production.



Biodiversity

The Company pays close attention to biodiversity as an issue relating to environmental conservation, because its business activities can have an impact on vital natural resources. Resource exploitation, runaway development, pollution, climate change - these and many other impacts of human activities threaten biodiversity. As a manufacturer of personal mobility products, the Company sees its business activities as being most closely associated with the growing environmental impacts resulting from emissions of greenhouse gases (GHGs) and various other pollutants. Minimizing the environmental impacts that result from its business activities and products represents the greatest contribution that the Company can make to preserve and promote biodiversity. This awareness challenges us to develop more environmentally responsible technologies and make continuous improvements in the environmental performance of our operations. Both of our manufacturing plants are located in industrial areas, away from the protected areas, with low biodiversity. Tree-planting and water-recycling initiatives at both plants, demonstrate the deep roots of the Company's commitment to environmental conservation and living in harmony with the local communities.

Winning Accolades

For Corporate Social Responsibility

Atlas Honda Limited remains committed to maintain highest standards while resiliently meeting economic and environmental challenges for sustained operations. Acknowledging its efforts for identifying, measuring and reporting key information with utmost transparency and credibility, the Company's Sustainability Report, 2015 stood fourth at the "Best Corporate and Sustainability Report Awards 2015", jointly organized by ICAP and ICMAP.

Additionally, the Company earned distinction with two awards at the "6th NFEH's Corporate Social Responsibility Awards 2017" in the categories of "CSR Report, Research & Publications" and "Environment & Waste Management/Recycle" for its best efforts.



Customers

Over the years, the automobile sector has transformed people's lives, by offering them mobility, convenience and the pleasure of riding. With the support of its associates, the Company provides mobility to customers through its quality products.



Management Approach

The Company is committed to offer quality products focusing on customer safety aspects with minimal impacts on the environment. It delivers value to customers based on its brand philosophy, through every touch point with customers, in terms of quality of products, after-sales service, and communication with the customers. It believes that automakers have an important responsibility to constantly offer quality products meeting comfort and safety standards. We aim to safeguard mobility for the generations to come via safety training of customers to provide them with an ownership experience that exceeds their expectations and makes them feel the brand, maintaining a special bond with them.

Product Life Cycle Assessment

The Company is focused to meet the most progressive needs for mobility, reducing environmental impact of its products and ensuring excellent levels of performance. In its effort to ensure the sustainability of its products, the Company takes into account the entire life cycle, which comprises the design, procurement of raw materials, production, proper use of the product by customers, and final disposal and/or recycling of the components and raw materials.

During the year, the health and safety impacts of all products were assessed for improvement.

Product Quality

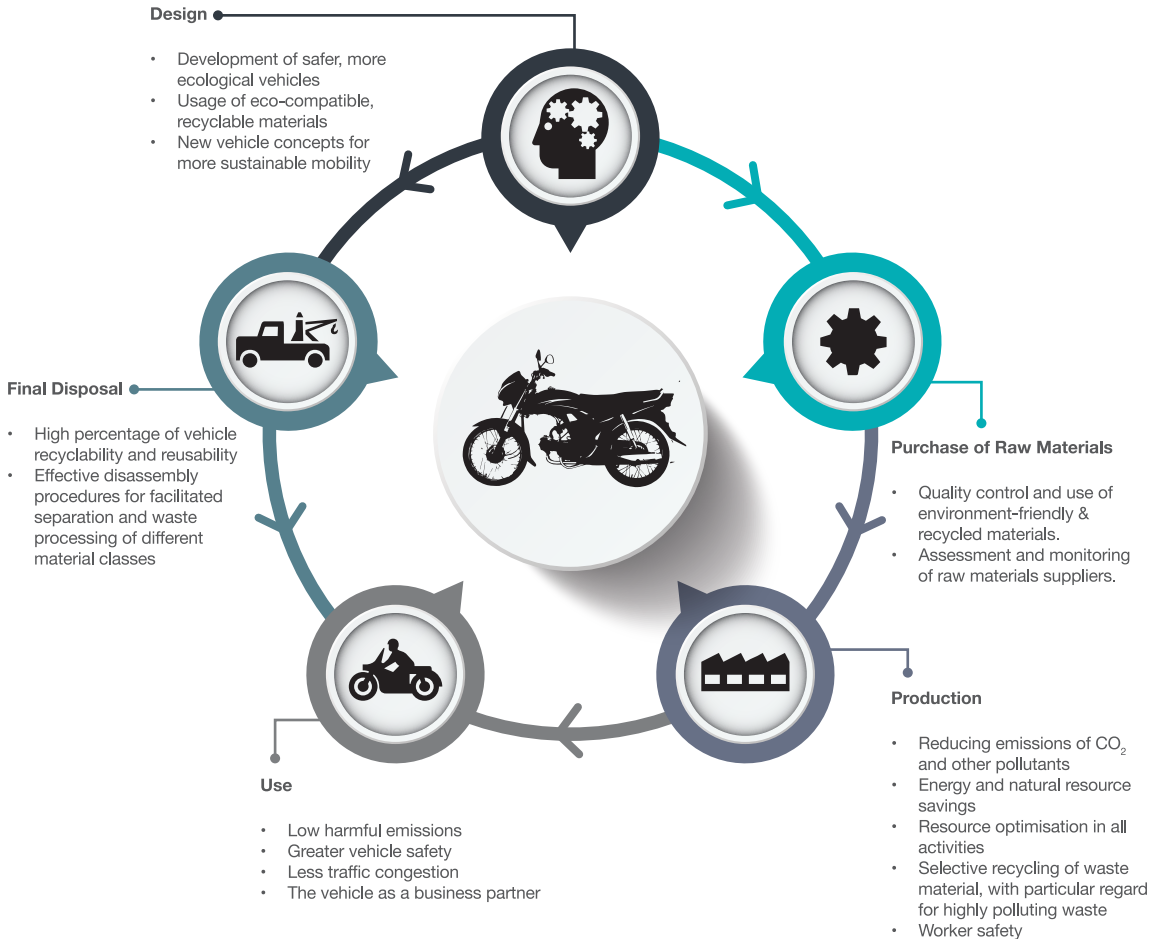
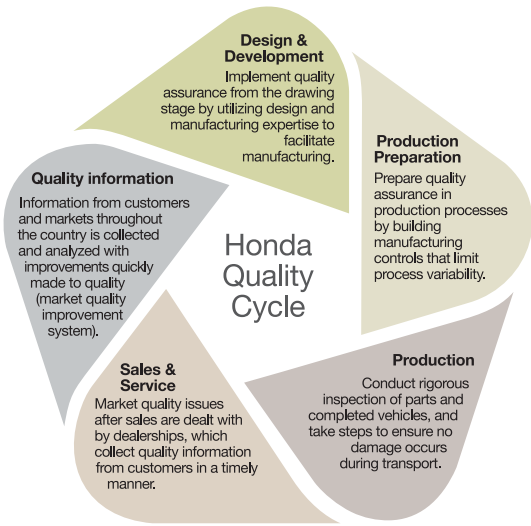
Atlas Honda Limited aims to be a Company trusted by its customers by addressing quality as a company-wide issue. The Company seeks to provide top-level quality to its customers at every stage, from the planning of new vehicles through development, manufacturing, distribution and sales to after-sales service. The Company validates that manufacturing processes deliver vehicles that meet customer expectations. To enhance the philosophy of cooperation and focus on solving problems, the Company continues to evaluate vehicle performance after its sales and use this information to develop and implement effective solutions.

Honda's Quality Cycle

Our global partner, Honda Motor Company follows a uniform quality strategy worldwide. In order to live up to their high quality standards, quality assurance activities are governed by a central body at cross band level.

By applying and reflecting design and development expertise at the production preparation and production (mass production) stages, we are able to deliver enhanced quality through the creation of drawings designed to facilitate manufacturing, as well as develop manufacturing control techniques that limit process variability.

Post-sale, swift improvements are being made to product quality based on an analysis of customer feedback; these improvements are reflected in our know-how for the next round of design and development.



Quality Improvement Programs

The Following initiatives were taken during the year to evaluate quality and customer contentment:

Quality Improvement Initiatives	
Program	Objective
Vendor Improvement Program (VIP)	To establish Quality Management System (QMS) at vendor end to control process rejections and improve quality management skills of suppliers.
Service Instructor Quality Program (SIQP)	To foster high quality, dedicated service staff and standardized training delivery across the Company as per Honda standards. Future trainers are trained to achieve proficiency in training, communication skills and key instructional abilities.
Training of service and dealers Staff	A one day training program, to improve their skills of judging problems pertaining to a claim, to ensure timely and efficient rectification.
Quality Control (QC) Foreman Course	A two day program to understand how to put into practice the quality control techniques and approaches needed in quality assurance activities in manufacturing.

Customer Safety

Global Safety Slogan-Safety for Everyone

"Honda dreams of a collision-free mobile society where our customers, and everyone sharing the road, can safely and confidently enjoy the freedom of mobility".

As exemplified by the remarks of our global partner & founder of Honda, Soichiro Honda that "as long as we are handling a mode of transportation, we are entrusted with human lives".

The Company's activities in education and awareness form an important contribution to its efforts to foster road safety knowledge. Education and awareness measures, such as road safety campaigns, road safety lectures and community outreach programs continue to influence the attitudes and behaviors of all road users. For increasing safety consciousness, the Company performed following activities:

Safety Riding School

The safety riding school is established in collaboration with City Traffic Police, Lahore continued to educate and train young riders for improving riding skills, road signs knowledge & information regarding electrical and mechanical maintenance. In 2017, 16,000 license applicants received valuable training of safety riding out of which 1,495 candidates were certified with best performance. 1,000 female riders successfully completed training program. This includes training of 115 wardens as "Master Trainer" who will act as trainer for other females.



A view from the safety riding trainings conducted for female students.

Safety Lecture

Safety lectures have always been an important feature of road safety program. Every year, the Company engages different institutes, universities and colleges

to hold these lectures that impart useful information and helps to reduce accidents in future. This year safety riding sessions were organized for staff of Nestle and USAID.

Lectures and practical demonstration of safe motorcycle riding from qualified instructors contributed to deeper understanding of traffic safety of more than 1,500 participants. This year more than 12,800 students from 15 colleges benefited from these lectures. Strong emphasis was placed on following the traffic regulations, using the helmets and other safety measures to ensure safe riding.



A view of the safety lectures conducted for riders.

Safety Riding Awareness Campaigns

The Company with combined efforts of traffic police department created awareness about the use of indicators, back view mirrors and importance of helmet. These are most important safety measures by a motorcyclist which can reduce the risk of accidents and it also protects rider from any serious injury.

This campaign was conducted in Lahore and Islamabad in which 250,000 pamphlets were distributed. Moreover, 500 helmets were distributed in Lahore and Gujranwala, and 1,700 side view mirror and 4,700 lights were checked and replaced in Lahore, Chakwal, Rawalpindi and Islamabad.



A view from the safety awareness campaigns carried out by the Company.

Distribution of Calendars

As part of the safety awareness drive and to further emphasize the importance of safety, for the year 2017, the Company chose "Safety First" as a theme for its calendars. The calendars included information which aimed at raising awareness about traffic lights, use of helmets, overtaking, responding to mobile-phone while riding, one-wheeling, use of headlights, speed limits, speed breakers, rash riding, use of horn & indicators and keeping distance from other vehicles. The calendars were distributed widely amongst customers and other stakeholders.



A picture of Calendar 2017, designed to promote safety.

Marketing and After Sales

Aiming to maintain its brand and special tie with its customers, the Company promotes advertising activities. The Company reached more than 20,000 customers through distribution of leaflets, brochures, floats and other activities. Moreover, the Company promotes the use of genuine spare parts and accessories, and ran various campaigns to spread awareness among the customers to avoid the use of counterfeit parts.

Marketing Communication and Anti-competitive Behavior

Due to the increase in social media communications, the Company facilitates its customers by providing information and purchasing support services by staying connected through the Company's website, Facebook, twitter and Instagram. The Company's online presence enables it;

- To stay connected with customers round the clock;
- To help customers in locating the nearest dealers;
- To provide customers with detailed information pertaining to product features and cost.

The Company makes sure that its advertisement content does not depict anti-competitive behavior and intentions, and abstains from any kind of

malicious, offensive or anti-social content in all its marketing communications at the mass and local levels. The product of the Company are neither banned nor prohibited in the country.

Furthermore, no incidents of non-compliance with regulations and voluntary codes concerning the product labeling, provision and use of product & marketing communications, including advertising, promotion and sponsorship have been reported.

Product & Service Labeling

For product information and display, the Company not only complies strictly with local laws and regulations, but also places strong emphasis on safety, human rights, environmental issues, and ethical standards.

An owner's manual is provided to each customer with the purchase of a product, it contains all information relating to safety, operation and maintenance of the vehicle. At the time of vehicle delivery, technical features of the vehicle are explained to the customer.



A picture of the owner's manual provided to customers at the time of purchase of the Company's products.

Customer Privacy

The Company has implemented B2B system to administer, control and store data centrally for smooth functioning of business. Stringent privacy guidelines are in place to ensure security of critical data pertaining to the customers. The Company has also developed business continuity and disaster recovery plan to ensure business continuity.

Due to the above mentioned precautionary measures, no instance of non-compliance pertaining to breach of customer privacy and loss of customer data has been reported in the year 2016-17.

Customer Feedback

The Company is aware of the fact that customer expectations and inputs are critical for bringing improvements in vehicle quality and make it more user friendly. The Company collects the data on customer complaints and expectations through evaluations by external survey institutions, market surveys and visits to dealerships.

Believing that listening closely to customers' voice is the foundation for developing better products. The Company maintains a track of turnaround time in which complaints were resolved. In order to ensure the effective operations of call center, the Company also conducted customer contact center training for 132 service and contact center staff of Lahore, Gujranwala, Rawalpindi & Multan regions. During the year 2016-17, the customer contact centers satisfactorily responded a total of 6,597 calls received from customers regarding complaints, comments and information about the product.

During the year, we conducted a customer satisfaction survey for customers who had received after-sales service from a dealer in order to ascertain levels of customer satisfaction in the service domain. The survey method involved a design enabling minute measurements of satisfaction for each part of the service process at a dealer, with the survey findings used to provide guidelines for each dealer. While comparing these guidelines with actual practices at the dealers, efforts are being made to make improvements toward better service quality by implementing a Plan-Do-Check-Act (PDCA) cycle.

Dealer's Convention

The Company works to provide all its dealerships with information on mid and long-term strategies, products, and services in a timely manner. To cultivate relationships of trust, the Company strives to deepen communication among dealerships and between dealerships and Atlas Honda, via various Sales, Service and Parts Dealers' Conventions. During the year, the Company also organized 10 conventions having participation of 7,500 dealers.

At the Company, dealers are fore-front sales force and each dealership is vitally important to the continued success of the Company in the market. Therefore, the Company recognizes a group who consistently

represents the brand well and delivers customers, a high level experience when selling the vehicles. To further enrich their skills, the Company has organized various training sessions. These trainings were attended by 9,600 service staff, 742 warranty and other dealer and 2,715 general mechanics.



A view of the dealers convention 2017.

Free Checkup, Oil Change & Test Rides

Customer relationship building activities like free checkup camps, test rides and oil change activities were organized at different locations throughout the year to strengthen the Company's bond with customers and address their concerns. In 2016-17, 50,000 customers were served at free checkup camps and 232 oil change camps were held.

In another initiative, mega free checkup camps were arranged on 23rd March, 2017, approaching more than 80,000 customers through 720 free checkup camps across 340 towns to further strengthen the bond with customers.



A view of free checkup, oil change and test rides carried out during the year.

Pakistan Auto and Parts Show 2017

The Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) organized Pakistan Auto Show 2017 at the International Expo Centre, Karachi from 3rd-5th March 2017. The event was aimed at showcasing the achievements of Pakistan's automotive industry and auto parts manufacturing sectors. The Company presented its comprehensive product portfolio and communicated sustainability messages about its products to the customers during the event.



A view of the Pakistan Auto Show at Expo Centre, Karachi.

Product Financing

With the main objective to make the product easily available to the customers, the Company entered into strategic alliances with six reputable banks namely Habib Bank Limited, Meezan Bank Limited, United Bank Limited, MCB Limited, Khushali Bank Limited and Standard Chartered Bank, Pakistan. Various Ijarah/ lease products, credit card and easy installments products have been designed in order to provide the customers with Honda motorcycles at affordable pricing and rates.



Signing ceremony of agreement with MCB Bank Limited.

Society

The community initiatives are guided by same principles and business values that also guide the business. As a responsible corporate citizen, the Company engages with local communities and makes investments for the betterment of the society.



Management Approach

The Company is committed to fulfill its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored to meet the needs of the local communities. In order to ensure that its business activities contribute to the building of a sustainable society, the Company is focused to create a positive difference in communities through working with local partners and supporting the active involvement of its employees.

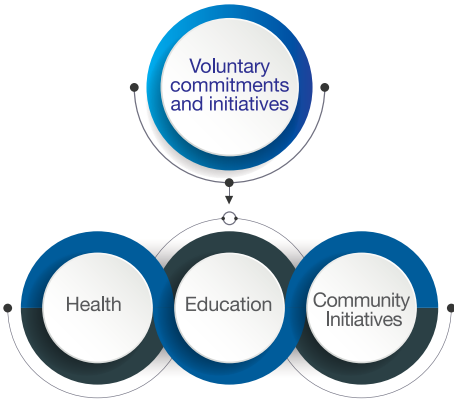
The Company has policies and procedures in place to combat corruption and fraudulent activities and focus on education and development of local communities. Further, the Company is extremely cautious of any negative impact that its activities may have on the society and has formal grievance mechanism in place to report grievances. The grievances can be filed with manager operations at plant sites. During the year, there were no grievances filed regarding the Company’s impact on society.

Analysis of risks related to corruption is a continual process at the Company and the management tolerates no corrupt practices. The Company’s Code of Conduct contains explicit requirement about Business Integrity and Anti-corruption, which every employee is obliged to adhere. The Company has dedicated internal audit department to implement the risk management systems. The department directly reports the findings to the Board Audit Committee for taking appropriate action. All business units were analyzed on this aspect and no incidence of corruption was reported during the year.

Furthermore, the Company has adopted a preventive compliance approach and fostered a corporate culture that requires stoppage of potential breaches of any provisions of laws and regulations. Owing to this approach, in the reporting year, there were no significant fines or non-monetary sanctions for non-compliance.

Voluntary Commitments & Initiatives

The Company’s social contribution activities are underpinned by the pillars of health, education, and community initiatives.



Health

The Company aims to play its role for improving health of people associated with the Company and of the overall community. During the year following initiative was taken:

Blood Donation Campaign

The Company encourages its employees to contribute towards the welfare of the society. To provide them with an opportunity to do so, the Company in collaboration with a not-for-profit organization organized a three-day blood donation camp, wherein, 96 associates from different departments volunteered to donate blood for those in need.



A view of the blood donation camp organised at the Company's Karachi plant in March 2017.

Education

The education creates opportunities and opens doors to a promising future. The Company believes that improving access to education is one of the most long-lasting investments it can make for society and itself. Therefore, it is utilizing its resources in a variety of education projects with a view of promoting interest for education and awareness and also ability to look

beyond the working world and go through life with an open mind. Accordingly, the following activities were carried out during the year:

Support to Vocational Training

The Company provides job-specific technical training sessions to various institutes that impart hands-on knowledge of the Company’s operations and management functions. During the year, more than 931 students of various Vocational Training Institutes and Government Technical Training Institute attained the industrial and technical skills. For the purpose, the Company has a predefined methodology of the training program with budgeted resources and time to attain optimal results from such sessions.



Diploma students of Aman Tech during their visit of the Company for analyzing the production proces.

Paid Internships

To aid university students with experience and redefined processes, the Company offered internship programs to the students of renowned universities including NED, NUST, Quaid-e-Azam, IoBM, SZABIST, BZU, IBA Sukkur, Bahria University, Iqra University and University of Punjab. These programs are enriched with curriculum learning as well as corporate exposure. During the year, 170 students successfully completed the program and gained industry knowledge that will help them in their future studies.



Students from Quaid-e-Azam and Bahauddin Zakaria University.

Fun Learning

The learning about safe travel and traffic practices at an early age is essential. To develop awareness about safe travel and traffic practices among children, the Company arranged fun learning sessions for students of elementary classes. Puzzles, pictures for coloring and other features with easy to understand information were used to make learning fun. Information material on safe riding with illustrations is also available on the Company’s website.

Speech Competitions

Recognizing that formal speech and debate offers a means for students to learn, share insights and exercise analytical and oratorical skills, the Company in affiliation with Islamabad Traffic Police organized a Speech Competition in the National Library, Islamabad in which college and university students took part. With around 400 students in the audience, the event was aimed at raising awareness regarding safety issues amongst youngsters. The topic was “Road Safety - Everybody’s Responsibility” to highlight the need for understanding the role of each member of the society, especially youth, for reducing the rate of accidents.



A view of the speech competition organised to raise awareness about riding safely.

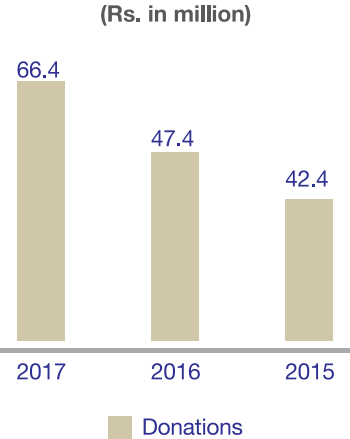
Community Initiatives

The Company collaborates with a variety of stakeholders to address complex social issues, leveraging shared strengths to carry out effective initiatives. With a common vision, the Company conducts activities to respond to needs everywhere it operates.

Donation

The Company’s commitment to donations and sponsorship is a key part of its corporate identity and reflects the desire to fulfill its corporate social responsibility. It supports Atlas Foundation, a welfare and charitable organization to promote education,

health and development of youth, to share prosperity with the people, and to build a society where people can lead satisfying lives. To achieve these objectives, every year, the Company donates at least one percent of its profits to the Atlas Foundation. In 2016-17, the Company made a contribution of an amount of Rs. 66.4 million. In line with the Company's guiding principles, it does not donate to political parties, party-affiliated foundations or representatives of the political arena.



WOW Rally

To empower women by imparting them with the requisite skill-set needed to increase their mobility and secure their independence, the Company in association with local bodies participated in Lahore WOW (Women on Wheels) Rally, a project of Punjab Government. Further, the Company's qualified instructors provided free riding lessons and trainings to 1,015 female motorcyclists to get the most from their vehicles.



Women riding motorcycles during the Women on Wheels rally held in Lahore.

Grow Your Own Food

In Pakistan, malnutrition is widespread among all ages. Despite a largely agrarian economy, many rural and urban families live below the poverty line. Achieving better health and overall wellbeing requires a fundamental understanding of the methods to overcome malnutrition. Under this slogan, the Company created awareness of hygienic food and nutrition. The Company conducted the Green Pakistan Program with schools and colleges to create consciousness in the young generation for home farming. Students were taught through lectures and practical training about gardening and home farming. More than 3,500 students of renowned institutes like, City School, Begum Rana Liaquat Ali Khan and others were equipped with techniques for plantation.

Keeping in view the importance of clean and healthy environment, the Company ensures upkeep of horticulture at its facilities. Attractive seasonal flora and lush green lawns maintained at its plants, were recognized as the best plantation by the Horticulture Society of Pakistan in March 2017.



Mr. Faisal Iqbal (General Manager - HR, Admin & Corporate Affairs) being presented with 1st prize for Best Lawn and Rose Garden.

Pridor Eco Mileage Challenge

The Company organizes Pridor Eco Mileage Challenge whereby contestants were facilitated to compete for the longest distance while conserving fuel. This activity is conducted to raise awareness regarding preservation of scarce natural resources while educating participants in an exciting manner. It not only covers guidance for riding in a manner that provides better mileage with least fuel cost but also the tips for riding safely.



Winners of the Pridor Eco Mileage Challenge 2016.

Workshop Development at SOS Training Institute

The SOS Technical Training Institute provides deserving boys and girls in the community with an opportunity to engage in vocational training in fields such as automobile engineering and electrical engineering. Demand driven technical education and vocational training is provided by experienced instructors, using teaching, practicing equipment and laboratories. Since after its establishment in 2010, the Institute has helped 400 trainees to break the cycle of poverty, earn a decent & dignified living and develop themselves into productive members of the society. Moreover, 80 students are in the process of being

trained in the current batch. To support the Institutes' efforts and play its part, the Company has provided various tools and equipment for training of the underprivileged children.



A view of the workshop established in collaboration with SOS Training Institute.

Promoting Sports

The promotion of sports activities is not only important for developing healthy individuals in a society but it also serves as a means of joy and entertainment for the society. In line with strengthening women empowerment in the country, the Company sponsored Women Kabaddi team's participation in 3rd Asian Kabaddi Championship held at Tabriz, Iran.

People

People are the fundamental element that allows the Company to persist in the face of challenges posed by growth and competition. The commitment to establish a workplace that maximizes performance and cultivates innovation and team spirit is guided by the Atlas Way.



Management Approach

Adhering to the Group Chairman's vision "Organization development through Self Development" and the "Atlas Culture", The Company invests significant resources to develop and retain the talent needed to keep it at the forefront. Through a robust Human Resource Management Strategy, the Company focuses on human resource development by providing safe and productive work environment, harnessing employee capabilities and nurturing team building. The Company's strategy seeks to align Human Resource needs with business objectives through a fair reward system, periodic performance management, strategic employee resourcing, compliance with human rights laws and the provision of equal opportunity to its employees. The Company's approach for managing human capital is based on nurturing leadership among employees by encouraging employee engagement at all levels, identifying talent for succession and investing in employee development. The Company's performance is constantly evaluated through employee surveys and participation in awards. In recognition of its employment practices, the Company has been awarded as "Best Employer" by the Employees Federation of Pakistan on August 2, 2016.



Mr. Faisal Iqbal (General Manager - HR, Admin & Corporate Affairs) receiving the Best Employer Award.

Recruitment & Selection

The Company envisions its people as strategic partners in success and affirms its vision of long term development of human resources. Recently, we have announced expansion plans which require recruiting diversified talent and retaining existing human resources to meet the desired objectives. In this context, the human resource management practices become more crucial as support is required for strategic expansion plans while managing existing operations. Further, the Company aims to increase the proportion of women in management and executive positions to a suitably prominent extent in the near future. However, it is a challenge for the entire

auto industry to attract women in sufficient numbers. The Company also encourages job opportunities for persons with disabilities. At present, the Company has employed 23 persons with disabilities. During the year, no incident of discrimination was reported.

Diversity and Inclusion

Honoring and embracing diversity & inclusion drives broad employee engagement, innovation and business success. The Company has created an inclusive environment where employees are empowered to achieve their highest potential and contribute to the Company's success. Its efforts foster an environment of openness and inclusion where employees can contribute according to their skills and capabilities.

The Company views diversity as the collective makeup of a variety of attributes, backgrounds, cultures, identities and ideas that people bring with them to the workplace and everywhere else. These may be informed by but are not limited to race, color, religion, gender, age, national origin, disability, veteran status, gender identity, or any other characteristic protected by applicable law.

All appointments across all levels are made on the basis of the Company's need, vacancies and merit, without any discrimination. For hiring workers, equal weightage is given to candidates from across the country. We also support the recruitment and qualification of local personnel as a way of developing the local communities and regions in which we operate. This applies at Sheikhupura plant and regional offices of the Company where locals are employed by the Company.

Talent & Career Development

The Company paves the path to a distinguished career of its employees by focusing on their training and development as a crucial part of its philosophy. It provides a broad range of opportunities for its employees from on-the-job learning and mentoring programs to trainings and courses. It follows 70/20/10 principle, which states that the most impactful development and 70 percent growth occurs in the context of an individual's performance in their current job, while 20 percent impact is achieved through coaching and 10 percent impact is achieved through formal training. Moreover, succession planning is an inevitable part of the Company's strategy and practices. The talent and career development programs of the Company are designed to produce performers, organization builders, strategists and leaders.

In response to nurturing potential talent for succession, the Company supports its employees to participate in various in-house, national and international training programs including training under HIDA, SIQP, SQM and CATIA programs. We also provide support for higher education and management courses at renowned business schools such as Harvard Business School and INSEAD. The Company's endeavors for employee trainings and development during the current year are as follows:

External trainings (No. of persons)	138
Internal trainings (No. of persons)	363
Trainings days	1,067
No. of hours spent for trainings	8,536
Average training days per employee	2



Mr. Umair Mukhtar (Company Secretary and Manager Tax & Legal) receiving certificate in the closing ceremony of HIDA Training Program.

Performance Appraisal & Reward System

The Company performance appraisal and reward system recognizes high achievers with higher benefits. The performance appraisal is carried out through one on one career meetings twice a year between supervisors and their staff. The evaluation results are used as a reference for effective company-wide positioning of personnel. The process integrates on the job performance of an individual and professional development with financial rewards. During the year, all employees went through performance appraisal.

The employees are provided with a comprehensive total reward package twice a year including compensation, retirement benefits, health care benefits, transportation allowances, company provided vehicles, fuel allowances and much more. The Compensation plans are aligned with the local markets and are competitive and equitable. These include a common bonus plan for all management and non-management employees. An employee remuneration survey was also carried out where packages offered to its employees were

benchmarked against packages offered in similar positions across the automotive industry. The survey also took into account individual performance and experience as well as the relative performance of the Company.

The Company also recognizes the value of retaining long serving employees by awarding long service award, gold medals to employees reaching 15 years of service and beyond. A gold medal of a weightage equal to years of employee's service is provided to the employee as a gesture of appreciation of his/her long term association with the Company.

The Company only provides full-time employment and does not offer part-time employment. The terms and conditions offered to regular and contractual staff is almost same except provident fund membership. The Company strictly complies with minimum wages regulation as per applicable laws at all locations. No distinction is made in remuneration and benefits paid to male and female employees.

Employee Engagement & Connectivity

The Company supports creation of a high performing work environment by ensuring a balance between personal and professional lives of its employees. At the Company, we believe in creating a culture of inclusion and well-being to inspire employees' engagement for better workforce productivity. The Company organizes various activities such as family day, picnic, sports and other recreational activities, which provide employees an opportunity for leisure. During the year, the following events were organized to create employee engagement and team building:

Atlas Premier League (Cricket Tournament)

The sports not only refresh the individuals but are an effective source of team binding and building. During the year, a cricket tournament "Atlas Premier League" was organized at Karachi and Sheikhupura in the month of February 2017.



Atlas Stars celebrating their victory at Atlas Premier League Tournament.

Annual Picnic

The Company organized an annual picnic event in the month of June 2016 to add up to the employees' satisfaction through extracurricular activities.

Atlas Sports Festival

The Company also organized an annual sports festival in the year ended March, 2017 in which different departments of the Company competed against each other in various games such as Tug of War, Bag Race, Badminton, Table Tennis and Volley Ball etc.

Health and Safety Management System

The Company is committed to safeguard the health and safety of the employees, contractors and visitors. The health and safety aspects are documented in contracts and agreements with the trade union. The risks of injury, death or ill-health of employees and those who work with the Company is a fundamental concern for us and have a significant consideration on our operations. The Company is striving to create a dynamic working environment that is conducive to the mental and physical well-being of its employees.

The responsibility for health and safety impacts rests with the General Manager Human Resource. The management approach comprises of health and safety policy, procedures and guidance documents. The health and safety committees are operational at each plant as per applicable laws and best available practices. The meetings of these committees are held on a regular basis to monitor health and safety issues and recommend improvements.

The Company took the following measures during the year to improve employees' "health mindsets" and encourage employees to manage their own health:

- To address various health, safety and environment related issues regular HSE flyers mails were disseminated. To date, topics covered include updates on rain emergency, earthquake, road safety rules, etc.
- During the year, 63 fire training, safety riding and basic first aid training sessions were conducted to familiarize associates with an emergency action plan. 1,031 associates from various departments actively participated in these activities. The training on handling fire extinguisher, fire blanket and fire hydrants were also organized.



A view of training on fire fighting held at Karachi plant.

- 57 informal sessions of TBT (Tool Box Talk) were organized. The HSE issues including general electric safety, slip trip, use of PPE's, firefighting, first aid, safe work practices, rain emergency, harmful aspects of pan, gutka & chalia, and mobile phone hazards were discussed. A total of 1,446 associates attended the TBT sessions.

Human Rights & CBA Relations

The Company is aware of its role and responsibilities with regard to human rights and doing its utmost to mitigate any negative human rights impacts. To this end, the Company has continuously reinforced key management practices including: a guarantee of voluntary labor, observance of working hours, respect for diversity and workplace health and safety. These key areas are defined and incorporated in the "Atlas Way" and the "Atlas Culture" which defines the Company's commitment to abide by the internationally recognized fundamental principle of human rights and working standards of the International Labor Organization (ILO).

The Company human rights policies reinforce freedom of employment, prohibition of discrimination, freedom of association, the right to collective bargaining, prohibition of child labor, right to appropriate remuneration, regulated working times, and compliance with work and safety regulations.

In line with our Human Resources policies, the employees and the Company respect each other's views and endeavor to promote mutual understanding. Maintaining a relationship of mutual trust, the employees and the Company make every effort to engage in sincere discussions about any issues that might arise or exist. Moreover, an appropriate notification period is set, in advance, in the case of implementation of important corporate measures that have a marked impact on the employees.

The Company does not endorse any form of child labor and strictly complies with local regulations concerning legal minimum age requirements for work permits. The Company has a mechanism of periodical evaluation of its vendors for any possible violation of human rights. The Company has no child labor in the Company nor is aware of any cases with its suppliers. No complaints concerning violation of human rights were reported during the year.

The Company also recognizes and respects the freedom of its employees to associate with labor

unions under local laws. It establishes a constructive dialogue and engages in negotiations or consultation as required with labor unions at both of its plants.

Moreover, in line with our labor laws, all remuneration and benefits for a normal working week are in line with the enforceable statutory minimum with no distinction between the male and female employees. When setting collectively agreed pay, the employer and the trade union ensure that starting pay is in line with minimum rates of pay.

Employee Composition



Vendors

Vendor sustainability standards serve as the basis of all relations. Partnerships with vendors are regularly monitored to ensure the standards are complied. This allows sustainable growth built on a foundation of mutual trust and cooperation.



Management Approach

The Company is aware that long term success cannot be achieved without reliable business partners. The business process integration involves collaborative work between buyer and vendors, joint product development and shared continuous information flow which in turn assist to achieve the best product flows. The Company's approach to supply chain management is supported by our strategic, tactical and operational framework and decisions. The Company's core focus areas are parts quality, vendor development and environmental and social performance of our vendors.



The Company aims to build transparent and reliable relationships with our vendors and manage procurement in an open manner, while sharing objectives from a long-term and global perspective. The Company carries out transactions under the principle of free competition with rational evaluation criteria, and seeks mutual benefit with vendors. Having a global outlook, the Company carries out procurement in the regions that best suit its operational needs.

Vendor development is another important part of the Company's supply chain philosophy. The Company prefers to build where it sells and to buy where it builds. This enables its products to be more competitive because these are the built to suit unique local requirements and conditions that drive customer enthusiasm and brand loyalty.

Further, the Company aims to expand the scale of its product life cycle analysis to better understand where

the greatest environmental impacts occur in the supply chain and to evaluate monitoring tools and engagement opportunities to strengthen the supplier relationships around sustainability efforts.

The Company's supply chain is based on the philosophy of 3A's of supply chain which are:

- 1) **Agility:** The Company can quickly respond to any change in demand.
- 2) **Alignment:** The Company supply chain designs its strategies aligned with the Business Plan department of the Company.
- 3) **Adaptability:** The Company tries to keep updated with the latest tools, technologies and methodologies of modern era.

Vendor Screening & Communication

Selecting and Screening Vendors

The Company's select and approves vendors based upon their ability to provide quality parts, technology and innovation on a competitive basis. The Company gains input for sourcing decisions not only from Supply Chain departments but also from Production, Commercial, Logistics, and Finance departments. The Company also seek to identify and work with companies that have standards that are aligned or consistent with the Company's Procurement and Production Practices. The Company is committed to ensure that its supply chain respect labor rights, human rights and engage in productive practices for society. The Company is not aware of any significant actual or potential negative impacts of its operations or suppliers on labor practices, human rights and society. Moreover, the Company is also not aware of any cases where the Company or its suppliers have instances of child labor and forced or compulsory labor.

Vendor Diversity

The Company recognizes that a diverse supply base is an integral part of our overall growth and success, providing fresh perspectives that lead to cutting-edge innovations and accelerated business development. Having a diverse supply base is crucial to deliver our promise to help the world move well. The Company's committed to work with and develop vendors by creating business opportunities and initiatives that enable diverse vendors to grow into profitable and sustainable enterprises. The Company continues to foster productive relationships with entrepreneurs from a wide range of backgrounds to meet the customers' needs and expectations.

CSR Guideline to Vendors

Given the mounting social expectations towards CSR activities, we believe it is essential to share "Honda's approach to CSR" with our vendors, who are key Honda business partners, and to work together as one team to promote CSR initiatives. Towards this end, Honda published the "Vendor CSR Guidelines." The Company expects that these Guidelines will help the vendors in maintaining a shared understanding of CSR, to carry out CSR initiatives proactively, and to continue growing together as companies that society wants to exist.

Business to Business Communication Portal

The open, honest and transparent communication with fair, honorable and consistent behaviors is a key component in establishing strong, lasting relationships with the vendors. The Company has established several forums for engagement at all levels of the organization, including regional vendor meetings, business unit reviews, quarterly business update calls, and participation in vendor and industry association events.

Additionally, B2B link has been established between the Company and its vendors in the span of continuous improvement. By this exertion, the Company Supply Chain and its vendors work together to mutually promote business environment improvements and it is aimed at maximizing customer satisfaction. It leads us to achieve:

- Real time communication.
- Paperless Environment.
- On-Time receiving and delivery.
- Improvement in efficiency and effectiveness of the Supply Chain.

One the other hand, this portal enables the Company to evaluate and appraise the vendors on the basis of standardized quality, timely deliveries, cost competitiveness and financial reliability.

Part Quality

The Company aims to keep its customers' trust by emphasizing the importance of quality throughout its supply chain. To achieve this objective, the Company bind the vendors to establish and operate a company-wide quality assurance system. Apart from the Company's vision to procure inspection free parts, the vendors validate that their manufacturing processes deliver parts that meet the drawings accurately and achieve 0.1% rejection target for

incoming parts. During the year, the following activities were carried out to achieve quality objectives:

Vendor Improvement Program (VIP)

The Company launched Vendor Improvement Program few years ago to improve quality and operations at the vendor end. This program focuses on following six core areas:

- Drawing & Specification Control
- Dies & Tool Management
- In Process Inspection System
- Incoming Inspection
- Final Inspection System
- Warranty Analysis System

Vendors selected under this program are passed through series of checks and reviews. The certificates are awarded at the end of VIP and vendors are reviewed and audited each year for recertification. The continuous follow up is made by VIP designated team which comprises of supply chain and quality department associates. During the year, 18 vendors were analyzed and assessed under the VIP.

ALA MAYAR Quality Event

ALA MAYAR Quality Event is a participatory management technique that enlists the involvement of employees and vendors in solving problems, value addition and introducing innovation related to their own jobs. Circles are formed for both the Company and the vendor's employees working together in an operation who meet at intervals to discuss problems of quality and to devise solutions for improvements.

Last year 26th ALA MAYAR convention was held and awards were distributed on 24th March 2016 at the Company Annual Vendor Conference 2016, where all of the Company's vendors participated. Around 108 themes were presented by vendors in the context of improvement in the areas of quality and manufacturing innovations. Three best themes each from Karachi and Shaikhupura plants were awarded on the basis of pre-defined criteria.

Supplier Quality Management

To further proceed to achieve the goal of 0.1% rejection level, Supplier Quality Management (SQM) is the extension of the VIP. It addresses and emphasizes to establish a process of providing high quality that satisfies and exceeds the expectations of Honda product users. During the year, 30 vendors were trained under this program.

Vendor Development

Capacity Expansion

Focusing on the Business Enhancement and Expansion, the Company Supply chain encourages its vendors to invest in their manufacturing capacities, facilities and modern technology. The objectives of these investments are to support the increase in the Company market share and a good and attractive return on vendor's investment.

A total of 135 vendors from all over Pakistan participated in the Company's Capacity Expansion Inauguration Ceremony held on October 20, 2016 at Sheikhpura Plant graced by participations of Mr. Takahiro Hachigo President & CEO and other top officials of Honda Motor Company. In the event numerous vendors were awarded for standing along with the Company to achieve desired expansion targets. This year, an investment of Rs. 0.61 billion was made by vendors in the purchasing and up gradation of their plants, machines and accessories for capacity expansion.



Capacity expansion inauguration ceremony held in October, 2016.

Localization

The Company believes in developing and strengthening vendor's competencies along with manufacturing capacities. For the purpose, the Company played a major role in providing technological and financial assistance, resulting in enhancement of engineering skills and creation of thousands of job. The Company continues to support the vendors in every possible way and conducted various programs for improving their quality and capacity.

Goshi Thang Long Auto Parts Co. Ltd. (Vietnam) Plant Visit

This year vendors involved in manufacturing for Steel Metal & Chrome plating parts visited Goshi Thang

Long Auto Parts Co. Ltd. (Vietnam) Plant. During their visit, they had the opportunity for developing good understanding of high quality manufacturing processes, plating operations and increasing their efficiency and effectiveness.



Vendors' visit to Goshi Thang Long Auto Parts Company Limited in Vietnam.

Environmental and Social Performance

The Company is committed to reduce the environmental footprint of its supply chain, as well as its vehicles and operations while encouraging social performance at the vendor end. The Company's goal is to share leading energy, GHG emission, water reduction initiatives and human right practices implemented in its own manufacturing plants, enabling the vendors to replicate best practices, minimize their impacts on the environment and society and to be accountable for their sustainability performance.

Guidelines to Vendors

To ensure Environmental and Social Performance at vendor end, following guidelines are issued to vendors:

- Establish and monitor a company-wide environmental management system.
- Prevent climate change via reducing GHG emissions.
- Optimize packaging and establish efficient logistics operations in order to reduce waste disposal and transport emissions.
- Prevent pollution and contamination of air, water, soil, etc.
- Enforce proper disposal of waste and implement optimum recycling of waste and disposals etc.
- Compliance with laws and regulations along with commitment to protect human rights.

Emission Reduction Caravan

From 2014 onwards, the Company undertook a vendor initiative in the area of CO₂ emissions reduction control, the 'Emissions Reduction Caravan' at Atlas Honda Limited. The Company believes in The Three Realities Principle – of which the first step is “going to the actual place.” In this spirit, the Supply Chain engineers are working in close coordination with vendors to control their environmental footprint. The Company's engineers provide technical guidance to vendors for process improvements focusing on production efficiency, energy conservation, material recycling and reuse and reduction in CO₂ emission.

In total 38 vendors from both plants, covering 76% of total purchasing amount participated in “Emission Reduction Caravan”. The target was to reduce 1% CO₂ Emission by each vendor. Resultantly, the reduction has been successfully achieved in direct emission of burning of fossil fuels, indirect emission of purchased electricity, purchased goods and transportation respectively.

Optimizing Packaging

The Material Management Department focuses on designing, procuring and optimizing packaging to best suit the items being moved and the transport mode involved. The packaging has environmental impacts throughout its life cycle, including material use, transport emissions and waste disposal. The Company's experiences over time have confirmed to us that the best strategy for eliminating waste and optimizing efficiency is to use durable, returnable packaging. This generally means the development of robust plastic containers that can survive years of repeated re-use.

The Company's standard range of packaging not only protects its contents but also allows maximum storage density during transportation. Packaging of new parts before the full-volume launch of any product is reviewed, to assess any improvement opportunities.

Logistics Operations

The Company's supply chain operations manage the safe and efficient transport of parts and components from the vendors to our manufacturing plants (“inbound” freight), and the logistics operations ensure the same for finished vehicles from the plants to dealerships (“outbound” freight). With activities coordinated regionally, its responsibilities include

designing and operating the transportation networks, and devising high-quality and efficient packaging to protect materials in transit.

The freight emissions are influenced by a wide and complex range of inter-related factors, including the mode of transport, the efficiency of the equipment used and the design of the freight network. The Company's find the most effective ways of achieving reductions are through:

- Improving the design and operations of the transportation networks
- Increasing vehicle utilization
- Increasing the use of greener modes of transport, such as rail and water

Environmental Impact Assessment Survey

The Company participated in environmental impact assessment survey developed by Honda Motors Japan. 38 vendors were surveyed for environmental assessment on the following grounds and resultantly none of the selected vendors were identified as having significant actual and potential negative environmental impacts.

- Direct & Indirect GHG Emission
- Green Purchasing Guideline
- Chemical Substance Management
- Environmental Management System
- Energy Conservation Guidelines
- Water Resources Guidelines
- Pollution Prevention Guidelines
- Biodiversity Guidelines

3rd ATAI Environmental Conference 2016

The Company took part in the ATAI environmental conference 2016 which was held in the mid of May 2016 in Bangkok, Thailand. Honda's Joint ventures and its subsidiaries from the ASIA OCEANA region, comprises of 8 countries and 17 companies participated in this conference. The representatives presented the CO₂ Emission Reduction Activities that were conducted on their selected vendors. The CO₂ emission reduction target was 1% per year and on an average all the selected vendors achieved it successfully.



A view from the 3rd ATAI Environment Conference 2016.

Human Rights and Working Conditions

The Company is committed to respecting human rights everywhere its operates. The Company's human rights and working conditions program is an integral part of our efforts to develop a more sustainable and ethical supply chain. The Company aims to ensure that everything it makes – or that others make for it – is consistent with local laws and our own commitment to protecting human rights. The following guidelines are issued to the vendors for addressing human rights and working conditions related concerns:

- Eliminate discrimination in any aspect of employment based on race, ethnicity, nationality, religion, gender, or other characteristics.
- Ensure zero harassment in the workplace on the basis of race, ethnicity, and nationality of birth, religion, gender, or other characteristics.
- Avoid employment of child labor who does not meet the legal minimum working age of each country and region.
- Avoid practicing forced labor. Guarantee that all labor is working voluntarily and that employees are free to leave their jobs.
- Comply with the laws & regulations regarding minimum wages, overtime, wage deductions, performance-based pay and other remuneration.

- Comply with the laws & regulations regarding the setting of employees' working hours (including overtime) and the granting of scheduled days off and paid annual vacation time etc.
- Ensure a safe and healthy working environment for all associates. This is our priority and we aim to prevent any accident or injury.

Conflict Minerals Background

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) adopted the final rule to implement reporting and disclosure requirements concerning conflict minerals, as directed by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The congressional mandate was designed to further the humanitarian goal of ending violent conflict in the Democratic Republic of the Congo (DRC) and adjoining countries.

The Company's Approach Towards Conflict Minerals

The Company's approach to managing conflict minerals compliance is consistent with the supply chain sustainability approach, and are working closely with the vendors to increase supply chain transparency. The Company has removed layers from the smelters and refiners in its supply base, therefore, it must survey the direct vendors and request our vendors, in turn, to survey their vendors until the point many layers down in the supply chain where the smelters or refiners of the 3TG (tantalum, tin, tungsten, and gold) are known. Once the smelters or refiner are identified and reported to the Company, it works with a cross-industry group called Conflict-Free Sourcing Initiative (CFSI) to determine if the smelters reported by the supply chain have been confirmed to be conflict free. In order to be confirmed as conflict free, the smelters and refiners must pass an independent third-party audit.

The results from this year's survey confirmed that the Supply chain is based on Conflict Free Sourcing with no black vendors.

Definition, Methodology and Scope

The Sustainability Report is issued by the Company to disseminate information about its economic, environment and social impacts to its stakeholders, enabling them to make informed decisions.

This section provides a methodology guide and information on the scope of the report. The information and data contained in this Sustainability Report relates to financial year 2017 (April 01, 2016 to March 31, 2017). The data presented in the report includes all plants and offices of the Company and does not include data on the associated companies.

The quality of the information presented in the report is supported by compliance with applicable reporting principles for defining report content and quality of the report as per GRI G4 guidelines.

The compilation of data has been done on the basic scientific measurement and on actual basis. However, estimations are used where actual data is not available. The usage of estimation is mentioned at respective places in the report.

The data measurement techniques are same as used for the previous year. There has been no change in the reporting period, scope, boundary or measurement methods applied in the Report. There are no changes that can significantly affect the comparability of data from period to period. The previous years' figures have been regrouped/ rearranged wherever found necessary to conform to this year's classification.

The Sustainability Report preparation is part of an annual reporting process subject to independent review and approval of approving authorities. The Company makes every effort to ensure the accuracy of the data. However, figures may be updated on time to time basis. The online version of the Sustainability Report will be considered the most current version and takes precedence over any previously printed version.

The Sustainability Report is:

- prepared by the sustainability reporting team that coordinates and engages relevant functions;
- approved by the Board of Directors;
- subject to an independent review by Corporate Social Responsibility Centre Pakistan (CSRCP) an independent reviewer, in compliance with the GRI-G4 Sustainability Reporting guidelines, and the ISAE 3000 (2003) standard.
- published and freely available for download from the company website through following link; (<http://atlashonda.com.pk/investor-relations/financial-reports/>)

The last Sustainability Report published in printed form was made available on June 2, 2016.



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Independent Assurance Statement for the Atlas Honda Limited Sustainability Report 2017

Corporate Social Responsibility Centre Pakistan (CSRCP) performed an independent review of the Atlas Honda Limited (AHL) Sustainability Report 2017, which was prepared 'in accordance' with Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines' Core option. The objective of the critical independent review is to provide AHL's Management with an independent opinion about the quality of the report and the adherence to principles of Inclusivity, Materiality, and Responsiveness.

Responsibility of AHL and of CSRCP

The Management of AHL is responsible for the preparation of the Sustainability Report and for the information and statements contained within it. The Management is responsible for determining the Sustainability goals, performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to express independently a conclusion on the Sustainability Report as defined within the scope of work to The Management of AHL only in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the report is entirely at its own risk.

Scope of Assurance

CSRCP was asked to express an opinion in relation to the review scope, which includes the following aspects:

- Review of the policies, initiatives, practices & performance described in the non-financial - qualitative and quantitative information (sustainability performance) reported and referenced in the report.
- Evaluation of the disclosed information in the report covering the systems and the processes, which AHL has in place for adherence to the reporting principles set out in GRI G4 Sustainability Reporting Guidelines.

- Adherence to ISAE 3000 (Revised) to provide limited assurance on performance data within the Sustainability Report.
- Adherence to the principles of Inclusivity, Materiality and Responsiveness.

Assurance Methodology

Our activities included a desk review of the final draft report. We communicated with AHL to determine the accuracy and authenticity of report content, data points, methodologies and policies around the organization's social, environmental & economic data and activities.

Our procedures on this engagement included:

- Critical review of the Sustainability Report 2017 and respective Content Index to check consistency and adherence to GRI's General and Specific Standards Disclosure Guidelines
- Evaluation of report adherence to the in accordance: Core option
- Analysis of the report content against principles of Inclusivity, Materiality and Responsiveness
- Elaboration of an adjustment report
- Final review of the report content

The work was planned and carried out to provide limited, rather than absolute assurance and we believe that the desk review of the AHL Sustainability Report completed by CSRCP provides an appropriate basis for our conclusions.

Opinion

Evaluation of Alignment to the GRI G4 Sustainability Reporting Guidelines

AHL declares the report to be in compliance with GRI's G4 'in accordance'- Core option. CSRCP checked the report in terms of consistency and made a series of recommendations to provide detailed responses to the disclosures, which have been accepted by the company. Based on the rectifications and acknowledging the fact that the DMA's answer

and specific standard disclosures need a more detailed disclosure in future reports, we can confirm that the report is attending the above mentioned 'in accordance' option, giving a complete overview of AHL's sustainability governance and management systems in place to report on a relevant set of disclosures related to the identified material Aspects.

Main Conclusions on Adherence to Principles of Inclusivity, Materiality and Responsiveness

Inclusivity – addresses the stakeholders' participation in the process of developing and implementing a transparent and strategic sustainability management process.

- AHL report addresses how company identifies and engages with different stakeholders, including AHL focus for engagement and AHL response. The material issues emerging from the stakeholder engagement were collected, prioritized and the results are fairly reflected in the report.

Materiality – issues required by stakeholders to make decisions on the organization's economic, environmental and social performance.

- Material issues have been identified by AHL in a Materiality Matrix which considers the influence on stakeholder assessment and decisions and the significance of environmental, social and economic impacts, using a commonly accepted approach. The parameters of risks and opportunities were considered in the materiality determination process, which makes the process more focused on prioritizing issues relevant to AHL.

Responsiveness – addresses the action taken by the organization as a result of specific stakeholders' demands.

- AHL has appropriate policies and externally certified quality, environmental and health & safety management systems, which involves a high level of analysis of risks, non-compliance and corrective actions.
- Sustainability management at AHL maintains high

level support, conforming AHL's commitment to address sustainability challenges, stakeholder concerns, and promoting sustainable practices in its supply chain.

Statement of conclusion

Based on the scope of our work and the assurance procedures we performed using the ISAE 3000 (Revised) assurance standard, we conclude that nothing has come to our attention that causes us to believe that the information in AHL's Sustainability Report 2017 is in all material aspects not fairly stated.

We confirm that the report is aligned with the requirements of the GRI G4 Sustainability Reporting Guidelines and reports its material topics in an adequate manner. In our opinion AHL has appropriate systems for the collection, aggregation and analysis of data presented in the report.

Limitations and Exclusions

Excluded from the scope of our work is any verification of information relating to:

- Physical verification of data, content of AHL's Sustainability Report;
- Positional statements (expression of opinion, belief, aim or future intention of AHL) and statements of future commitment.

Statement of independence, impartiality and competence

CSRCP operates strict conflict of interest checks and has confirmed our independence to work on this engagement with AHL. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the report. CSRCP is a consulting firm specialized in sustainability. The review team has the required combination of education, experience, training and skills for this engagement.

Islamabad, May 22, 2017

Muhammad Arfan Nazir,
Director,
Corporate Social Responsibility Centre Pakistan.

Muhammad Imran,
Muhammad Imran & Co.,
Cost & Management Accountants Pakistan.
ICMAP Membership # 1382

G4 Content Index

The following table has been provided to help the reader in locating content within the document that relates to specific GRI-G4 indicators. Each indicator is followed by reference to the appropriate pages in 2017 Sustainability Report or other publicly available sources.

Key

SR = Paper Sustainability Report 2017
AR = Annual Report 2017

General Standard Disclosure

DMA and Indicators		Publications	Page
Strategy & Analysis			
G4-1	Statement from the Chairman and the CEO	SR	6
Organizational profile			
G4-3	Name of the organization	SR	7
G4-4	Primary brands, products, and/or services	SR, AR	7, 20
G4-5	Location of the organization's headquarters	SR	7
G4-6	Countries where the organization operates	SR	7
G4-7	Nature of ownership and legal form	SR, AR	7, 101
G4-8	Markets served	SR, AR	7, 20
G4-9	Scale of the reporting organization	SR, AR	7, 20
G4-10	Workforce characteristic	SR	49
G4-11	Employees covered by collective bargaining agreements	SR	48
G4-12	Organization's supply chain	SR	52
G4-13	Changes in organization's size, structure, ownership or its supply chain	SR	52
G4-14	Precautionary approach to risk management	SR	16
G4-15	Externally developed charters, principles or initiatives to which the organization subscribes	SR	7
G4-16	Membership in associations or organizations	SR	7
G4-17	Entities included in the organization reports	SR	4
G4-18	Process for defining the report content and aspect boundaries	SR	21
G4-19	Material aspects identified in defining report content	SR	21
G4-20	Material aspects within the organization	SR	21
G4-21	Material aspects outside the organization	SR	21
G4-22	Restatements of information provided in earlier reports	SR	57
G4-23	Significant changes from previous reporting periods in scope and aspect boundaries	SR	57
G4-24	Stakeholder groups engaged by the organization	SR	18-21

DMA and Indicators

Publications

Page

Strategy & Analysis			
G4-25	Identification and selection of stakeholders to engage	SR	18-21
G4-26	Organization's approach to stakeholder engagement	SR	18-21
G4-27	Key topics collected through stakeholder engagement	SR	18-21
Report profile			
G4-28	Reporting period	SR	4
G4-29	Date of the last report	SR	4
G4-30	Reporting cycle	SR	4
G4-31	Contact point for questions regarding the report	SR	4
G4-32	GRI Content Index	SR	60-66
G4-33	External assurance	SR	4
Governance			
G4-34	Governance structure	SR	12-13
G4-39	Executive power of the Chairman	SR	12
G4-40	Nomination and selection processes for the highest governance body and its committees	SR	12
G4-41	Process for avoiding conflicts of interest	SR	18
G4-51	Remuneration policies for the highest governance body and senior executives	SR	14
G4-52	Process for determining remuneration	SR	14
G4-56	Organization's values, principles, standards and norms of behavior	SR	2-3

Specific Standard Disclosures

Economic

Publications

Page

DMA and Indicators			
Material aspect: economic performance			
G4-DMA	Generic Disclosures on Management Approach	SR, AR	9, 24
G4-EC1	Direct economic value generated and distributed	AR	52
G4-EC3	Coverage of the organization's defined benefit plan obligations	AR	86
Material aspect: market presence			
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-EC5	Ratios of standard level wage compared to local minimum wage	SR	47
G4-EC6	Proportion of senior management hired from the local community	SR	46
Material aspect: procurement practices			
G4-DMA	Generic Disclosures on Management Approach	SR	52
G4-EC9	Proportion of spending on local suppliers	SR	53

Environment		Publications	Page																																			
DMA and Indicators																																						
	Material aspect: materials																																					
G4-DMA	Generic Disclosures on Management Approach	SR	24 & 26																																			
G4-EN1	Materials used																																					
	<table><tr><th>Material</th><th>Unit</th><th>2017</th><th>2016</th><th>2015</th></tr><tr><td>Ferrous casting</td><td>Met</td><td>63,596</td><td>55,377</td><td>44,200</td></tr><tr><td>Non-ferrous casting</td><td>Met</td><td>8,474</td><td>8,262</td><td>6,645</td></tr><tr><td>Oil, paints and lubricants</td><td>Met</td><td>210</td><td>161</td><td>161</td></tr><tr><td></td><td>Kl</td><td>1,211</td><td>845</td><td>845</td></tr><tr><td>Rubber</td><td>Met</td><td>5,582</td><td>4,886</td><td>4,001</td></tr><tr><td>Plastic</td><td>Met</td><td>4,000</td><td>3,484</td><td>2,791</td></tr></table>	Material	Unit	2017	2016	2015	Ferrous casting	Met	63,596	55,377	44,200	Non-ferrous casting	Met	8,474	8,262	6,645	Oil, paints and lubricants	Met	210	161	161		Kl	1,211	845	845	Rubber	Met	5,582	4,886	4,001	Plastic	Met	4,000	3,484	2,791		
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G4-EN2	Percentage of materials used that are recycled input materials	SR	26																																			
	Material aspect: energy																																					
G4-DMA	Generic Disclosures on Management Approach	SR	24																																			
G4-EN3	Energy consumption within the organization	SR	26																																			
G4-EN5	Energy intensity	SR	26																																			
G4-EN6	Reduction of energy consumption	SR	26																																			
	Material aspect: water																																					
G4-DMA	Generic Disclosures on Management Approach	SR	24																																			
G4-EN8	Water withdrawal	SR	28																																			
G4-EN9	Water resources significantly affected	SR	28																																			
G4-EN10	Water recycled and reused	SR	28																																			
	Material aspect: biodiversity																																					
G4-DMA	Generic Disclosures on Management Approach	SR	24																																			
G4-EN11	Operational sites in, or adjacent to,protected areas and areas of high biodiversity value	SR	28																																			
	Material aspect: emissions																																					
G4-DMA	Generic Disclosures on Management Approach	SR	24																																			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	SR	28																																			
G4-EN18	Greenhouse gas (GHG) emissions intensity	SR	28																																			
G4-EN19	Reduction of greenhouse gas (GHG) emissions	SR	28																																			
	Material aspect: effluents and waste																																					
G4-DMA	Generic Disclosures on Management Approach	SR	24																																			
G4-EN22	Water discharge	SR	26																																			
G4-EN23	Waste disposal	SR	26																																			
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Others	Met	nil	nil	nil																																		
G4-EN24	Total number and volume of significant spills	SR	28																																			

Environment		Publications	Page
DMA and Indicators			
	Material aspect: compliance		
G4-DMA	Generic Disclosures on Management Approach	SR	24
G4-EN29	Fines and sanctions for non-compliance with environmental regulations	SR	24
	Material aspect: supplier environmental assessment		
G4-DMA	Generic Disclosures on Management Approach	SR	24 & 52
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	SR	52
G4-EN33	Significant environmental impacts in the supply chain	SR	52
	Material aspect: environmental grievance mechanisms		
G4-DMA	Generic Disclosures on Management Approach	SR	24
G4-EN34	Grievances about environmental impacts	SR	24

Social		Publications	Page
Labor practices and decent work			
DMA and Indicators			
	Material aspect: employment		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-LA1	Number and rates of new employee hires and employee turnover	SR	49
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR	47
	Material aspect: labor/ management relations		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-LA4	Minimum notice period(s) regarding operational changes	SR	48-49
	Material aspect: occupational health and safety		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-LA5	Workforce represented in health and safety committees	SR	48
G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR	48
	Material aspect: training and education		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-LA9	Training per employee	SR	47
G4-LA11	Percentage of employees receiving regular performance and career development reviews	SR	47

Social		Publications	Page
Labor practices and decent work			
DMA and Indicators			
	Material aspect: equal remuneration for women and men		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-LA13	Ratio of basic salary and remuneration of women to men	SR	47
	Material aspect: supplier assessment for labor practices		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	SR	52
G4-LA15	Significant impacts for labor practices in the supply chain	SR	52

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DMA and Indicators			
	Material aspect: non-discrimination		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-HR3	Incidents of discrimination and corrective actions taken	SR	46
	Material aspect: freedom of association and collective bargaining		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-HR4	Risks to the right to exercise freedom of association and collective bargaining	SR	49
	Material aspect: child labor		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-HR5	Operations identified as having significant risk for incidents of child labor	SR	49
	Material aspect: forced or compulsory labor		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-HR6	Operations identified as having significant risk for incidents of forced or compulsory labor	SR	52
	Material aspect: supplier human rights assessment		
G4-DMA	Generic Disclosures on Management Approach	SR	52
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SR	52
G4-HR11	Significant human rights impacts in the supply chain	SR	52

Society		Publications	Page
DMA and Indicators			
	Material aspect: human rights grievance mechanisms		
G4-DMA	Generic Disclosures on Management Approach	SR	46
G4-HR12	Grievances about human rights impacts	SR	49
	Material aspect: local communities		
G4-DMA	Generic Disclosures on Management Approach	SR	40
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	SR	41-43
	Material aspect: anti-corruption		
G4-DMA	Generic Disclosures on Management Approach	SR	40
G4-SO3	Operations assessed for risks related to corruption	SR	40
G4-SO5	Confirmed incidents of corruption and actions taken	SR	40
	Material aspect: public policy		
G4-DMA	Generic Disclosures on Management Approach	SR	40
G4-SO6	Total value of political contributions	SR	42
	Material aspect: anti-competitive behavior		
G4-DMA	Generic Disclosures on Management Approach	SR	32
G4-SO7	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	SR	35
	Material aspect: compliance		
G4-DMA	Generic Disclosures on Management Approach	SR	40
G4-SO8	Fines and sanctions for non-compliance with laws and regulations	SR	40
	Material aspect: supplier assessment for impacts on society		
G4-DMA	Generic Disclosures on Management Approach	SR	52
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	SR	52
G4-SO10	Negative impacts on society in the supply chain and actions taken	SR	52
	Material aspect: grievance mechanisms for impacts on society		
G4-DMA	Generic Disclosures on Management Approach	SR	40
G4-SO11	Number of grievances about impacts on society	SR	40

Product responsibility		Publications	Page
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	Material aspect: customer health and safety		
G4-DMA	Generic Disclosures on Management Approach	SR	32
G4-PR1	Product and service categories for which health and safety impacts are assessed for improvement	SR	32
	Material aspect: product and service labeling		
G4-DMA	Generic Disclosures on Management Approach	SR	32
G4-PR3	Product and service information	SR	35
G4-PR4	Incidents of non-compliance with regulations concerning product and service information & labeling	SR	35
G4-PR5	Results of surveys measuring customer satisfaction	SR	35-36
	Material aspect: marketing communications		
G4-DMA	Generic Disclosures on Management Approach	SR	32
G4-PR6	Sale of banned or disputed products	SR	35
G4-PR7	Incidents of non-compliance with regulations concerning marketing communications	SR	35
	Material aspect: customer privacy		
G4-DMA	Generic Disclosures on Management Approach	SR	32
G4-PR8	Substantiated complaints regarding breaches of customer privacy and losses of customer data	SR	35
	Material aspect: compliance		
G4-DMA	Generic Disclosures on Management Approach	SR	32
G4-PR9	Significant fines concerning the provision and use of products and services	SR	35

Glossary and Acronyms

Acronym	Description	Acronym	Description
3TG	Tungsten, Tin, Tantalum, Gold (minerals)	LCA	Life Cycle Assessment
AGM	Annual General Meeting	LPG	Liquefied Petroleum Gas
AMP	Advance Management Program	LUMS	Lahore University of Management Science Meter
B2B	Business to Business	M3	Cube
CEO	Chief Executive Officer	MIS	Management Information System
CFO	Chief Financial Officer	MTO	Management Trainee Officer
CO ₂	Carbon di Oxide	MW	Mega Watt
CoCG	Code of Corporate Governance	NED	NED University of Engineering & Technology
CSR	Corporate social Responsibility	NGO	Non-government Organization
DO	Dissolved Oxygen	NOx	Nitrogen Oxides
EHS & S	Environment, Health, Safety and Security Executive	NUST	National University of Science & Technology
EMBA	MBA	PAAPAM	Pakistan Association of Automotive Parts and Accessories Manufacturers
EMS	Environment Management System	PNCA	Pakistan National Council of Arts
EOGM	Extra Ordinary General Meeting	PTCL	Pakistan Telecommunication Limited
GHG	Green House Gases	QA	Quality Assurance
GJ	Gigajoule	QC	Quality Control
gm/km	Gram per Kilo meter	RO	Reverse Osmosis
gm/m	Gram per Meter	SECP	Securities and Exchange Commission of Pakistan Ltd.
GRI	Global Reporting Initiative	SNG	Synthetic Natural Gas
HBS	Harvard Business School	SZABIST	Syed Zulfiqar Ali Bhutto Institute of Science & Technology
HR	Human Resource	UET	University of Engineering and Technology
IBA	Institute of Business Administration	USAID	United States Aid
ISAE	International Standard on Assurance Engagement	VIP VOC	Vendor Improvement Program Volatile Organic Compound
IT	Information Technology	VP	Vice President
KJ	Kilo Joules		
KWH	Kilo Walt Hour		

Feedback Form

Sustainability Report 2017

Details of information provided on issues covered in the report

☐ Comprehensive

☐ Adequate

☐ Not adequate

Clarity of the information provided in the report

☐ High

☐ Medium

☐ Low

The quality of design and layout of the report

☐ Excellent

☐ Good

☐ Average

Your comments for adding value to the report

Name :

Designation :

Organization :

Contact Details :

Telephone :

Please mail your feedback to :

Email: ahl.suggestions@atlashonda.com.pk

The Company Secretary
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AFFIX
POSTAGE

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