

Bridging the Nation Together

Unity is integral to organizational success, but for us at Atlas Honda, national unity holds equally great importance. As part of its responsibility agenda, Atlas Honda has always carved ways to give back to the community it functions in. With countless preservation and donation initiatives, Atlas Honda continuously works to unite minds and hearts from the nation's corners.

The online version of the Sustainability Report and Financial Report is available at our site i.e. www.atlashonda.com.pk. Visit our site to learn more about our financial performance.

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Content

Vision

Market leader in the motorcycle industry, emerging as a global competitive center 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 ensuring 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 is committed to comply with the laws and regulations of Pakistan.

Human Capital

Atlas Honda Limited 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

Atlas Honda Limited is committed to:

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

Shareholders

Atlas Honda Limited conducts its operations in accordance with principles of good corporate governance.

Business Partners

Atlas Honda Limited 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

Atlas Honda Limited 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.
- It neither supports political activities nor contributes funds to promote such activities.
- Is committed for promoting activities for safe driving.

The Environment

Atlas Honda Limited is committed to:

- making 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

Atlas Honda Limited is committed to fair competition and supports development of appropriate competition laws.

Business Integrity & Anti - Corruption

Atlas Honda Limited 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 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 Atlas Honda Limited 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 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 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 2015 (April 01, 2014 to March 31st 2015)
Reporting cycle	Annual
Date of publication	May 25, 2015
Available versions	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 'AHL' or 'the Company') for the year 2015 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 G3.1 guidelines requirements. All material aspects, which are of interest to different stakeholders and AHL have been included in this report.
Global Reporting Initiative (GRI)	The report is GRI G3.1- B- Level report. The GRI content index is available on page 52.
Assurance	The report was externally reviewed by Corporate Social Responsibility Centre Pakistan (CSRCP), an independent reviewer, in compliance with the GRI G3.1 Sustainability Reporting guidelines and ISAE 3000 (2003) standard. The statement of independent review describing the activities carried out and the expression of opinion is provided on page 50.
Contact for feedback	The Company values feedback and welcomes the comments on its reporting. For any questions or suggestions, please get in touch with sustainability team. Phone: +92-42- 37225015-17 Email: ahl.suggestions@atlashonda.com.pk

CEO Message on Sustainability

“The hallmark of a successful business in the modern world is that it effectively translates its financial returns into sustainable value that extends beyond its own boundaries, touching the lives of all its stakeholders.”

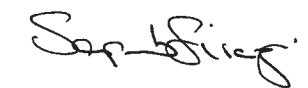
Human desire of pursuing innovation and improvement has triggered encouraging growth in recent times. Increasing population, improvement in human skills and mass production of goods resulted in increased utilization of planet resources. This, on the other hand, has some adverse effects on our surroundings, which if left unaddressed, will be detrimental to the future generations. Accordingly, it is of paramount significance that businesses view sustainability not as a charitable activity but as a high priority area integral to their own growth.

Being socially responsible should not only be limited to one's operations. The emphasis on sustainable value should extend beyond the doors of offices and the gates of the plants. Effective sustainable initiatives extend their benefits to all stakeholders involved. A good sustainability strategy focuses on protection of environment, safety of customers, satisfaction of employees, social development of host communities and shared growth with all business associates. It ensures that financial returns are shared with everyone thereby creating a positive change in their lives. These are the benchmarks that form the cornerstone of our business philosophy, the “ATLAS WAY”. We strive to achieve sustainable excellence in our operations and understand that sustainability has a direct relation to strong long term financial performance.

Being the largest motorcycle manufacturer in Pakistan, we are fully aware of the impacts a motorcycle has on the environment. Every year, we take various measures to reduce carbon emissions, improve energy consumption, enhance waste management techniques and improve fuel efficiency of products. We publish our sustainability report annually which captures our environmental, economic and social contributions guided by our principles.

I would like to specifically mention the contributions of our global partner, Honda Motor Company Limited, Japan. Their proactive participation and constant guidance has always been a source of inspiration. With continued encouragement of our stakeholders, we hope to build an industry of the future that can coexist with a sustainable society and planet.

Karachi: April 30, 2015



Saquib H. Shirazi
Chief Executive Officer

Sustainability 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 efficient use of available resources, commitment to create sustainable products and solutions, and treating the environment and people equitably and with respect. AHL commits itself to act as a responsible business focusing to play its part in sustainable development. The commitment of doing business in a sustainable way sets apart the Company from its competitors, leading to customer satisfaction level, appreciation, brand recognition and increasing product demand.

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

- Environment
- Society
- People
- Vendors
- Customers
- Governance

The Company's framework is a product of the Atlas Group's fundamental business doctrine, the "ATLAS WAY". It comprises of the principles of "ATLAS CULTURE" and "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 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.

شاہین کا جہاں اور
(We Look Beyond Horizons)

Atlas Systems

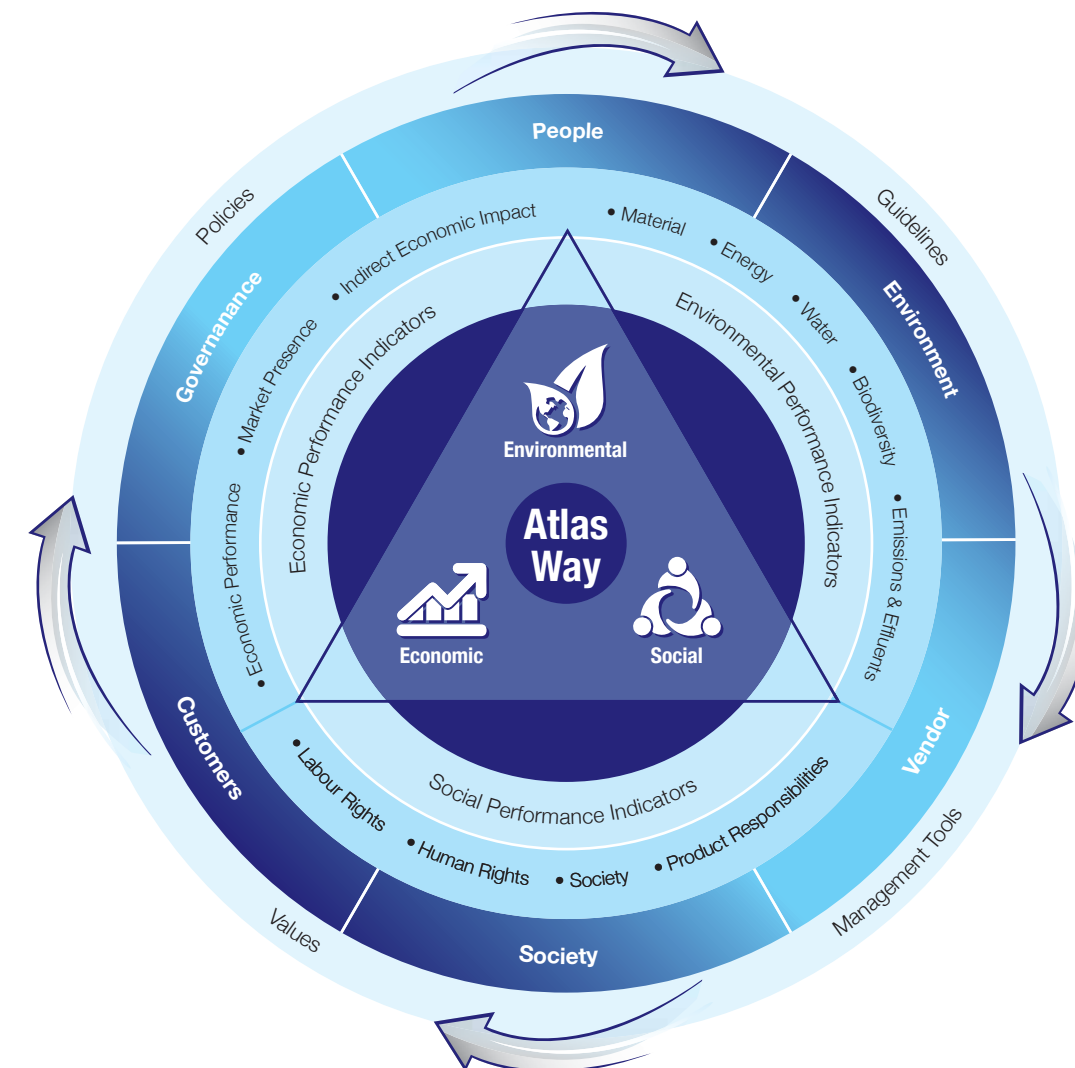
- Management by Objectives (MBO) to align activities towards agreed company goals.
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared values) for the company.
- Inducting and retaining competent and skilled staff - right man for the right job.
- Using BCG model for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

The Company ensures the adherence with the best practices in the social responsibility reporting through application of its framework. The most widely used guidelines of Global Reporting Initiative are used by the Company for communicating its impacts to its 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, guidance, 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 stakeholders across the automotive value chain to maximize positive impacts.

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





Governance

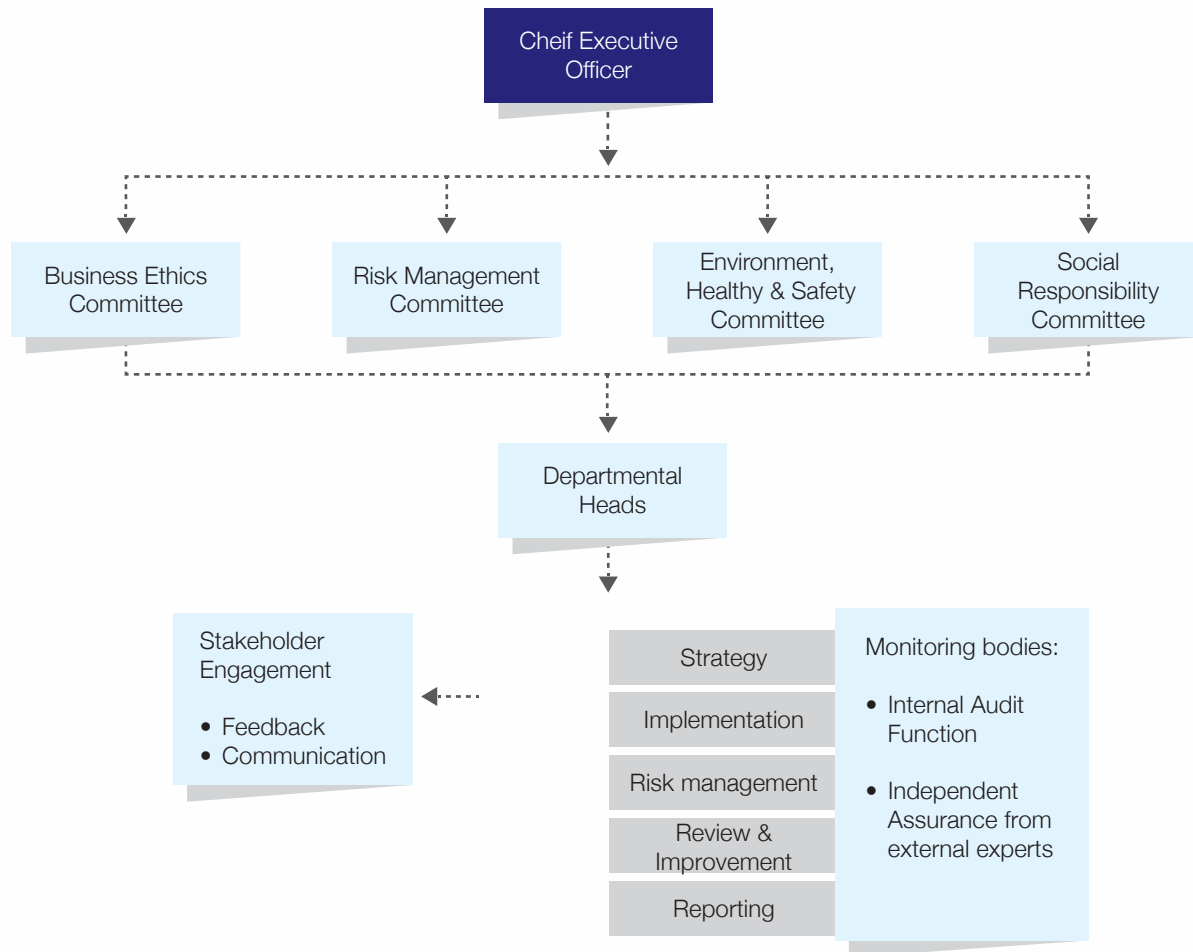
In order to be a sustainable company, Atlas Honda displays a high level of ethics and transparency, as well as a strong foundation for the organization. To continue earning stakeholder trust and to ensure compliance, Atlas Honda institutes a corporate governance system that maintains transparency and effectively manages risk.

Sustainability Governance Model

Corporate governance at Atlas Honda Limited goes beyond an interest in governance or need to fulfill regulatory requirements. The Company's corporate governance embraces the processes through which the corporate objectives are set and pursued in the context of the social, regulatory and market environment.

The governance of Atlas Honda is grounded on the basis of effective management policies and conforms to the accepted guidelines of all the respective stock exchanges of Pakistan as well as the Code of Corporate Governance issued by SECP.

The Chief Executive Officer (CEO) is responsible for reporting the Company's performance on sustainability to the Board of Directors. CEO is supported by four functional committees that facilitate him in 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 and annual assurance is also obtained from an independent expert before reporting of results to stakeholders.

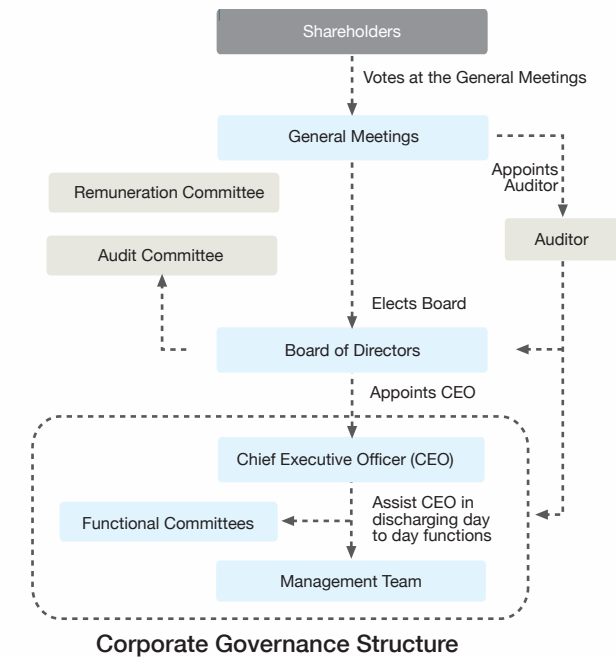


Balanced Governance Structure

With the General Shareholders' Meeting as its highest decision-making body, Atlas Honda Limited has built a corporate governance system centered on the oversight and supervision of management's execution of duties by the Board of Directors (the Board).

The Company's AGM was held on June 26, 2014. In addition to appointment of auditors, fixing their fees, adopting the financial statements, the shareholders adopted the following resolutions:

- Approved final cash dividend of Rs. 10 per share for the year 2014 as recommended by the Board.
- Approved change in Articles of Association of the Company to rationalize the qualification shares requirement of Directors.



Board and its Committees

The Company has a strong and dynamic Board with the right mix of skills to deliver and further develop its strategies. As of March 31, 2015, the Board comprises of eight directors, including five non-executive directors and one independent director.

The Chairman is responsible for the overall discharge of Board's duties. The office of Chairman and 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 and Remuneration Committee. 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 Committees also prepare the business of the Board of Directors in their assigned areas. The executive management has been delegated to the CEO for smooth operation of the Company's business who is assisted by various committees. The table below summarizes the roles and responsibilities, number of members and frequency of meetings of the committees.

Committees Reporting to Board of Directors



Terms of Reference

- Recommending Human Resource management policies to the Board
- Recommending to the Board about selection, evaluation, compensation and succession planning of CEO, VP, CFO, Company Secretary and Head of Internal Audit
- Consideration and approval of recommendations for key management positions who report directly to CEO and VP

Number of Members: Three

Frequency of Meeting: Twice a year

Terms of Reference

- Monitors the integrity of the financial statements and reporting and makes recommendation to the Board for its approval.
- Oversight of external auditor: to consider findings and recommendations arising from the external audit process.
- Review of the Company's compliance procedures to ensure adherence to applicable legal and regulatory standards and to the Company's internal policies.
- Monitoring the effectiveness of the internal control processes and the internal audit function of the Company.
- Oversight of risk management.

Number of Members: Three

Frequency of Meeting: Quarterly

Terms of Reference

- Reviewing and forwarding long term plans, capital and expense budget, development and stewardship of business plans
- Maintaining healthy environment
- Providing advice to CEO in normal course of business

Number of Members: Thirteen

Frequency of Meeting: Monthly

Terms of Reference

- Effective communication and reinforcement of ethical values, best practices in the business
- Ensuring compliance with our 3R principles (Respect, Reward and Recognition)

Number of Members: Nine

Frequency of Meeting: Twice a year

Terms of Reference

- All risks are defined and mitigated on a timely basis in accordance with the well-structured risk management process

Number of Members: Three

Frequency of Meeting: Monthly

Terms of Reference

- Oversight of day to day matters
- Approval of short term investment decisions
- Ensuring subsequent approval of all the decisions by Board

Number of Members: Three

Frequency of Meeting: Monthly

Terms of Reference

- Ensures compliance with applicable Environmental, Health, Safety and Security (EHS&S) laws and regulations

Number of Members: Six

Frequency of Meeting: Monthly

Committees Reporting to CEO



Terms of Reference

- Ensures compliance with Social Performance Governance Framework

Number of Members: Five

Frequency of Meeting: Quarterly

The directors are elected for the period of three years by the shareholders in the shareholders' meeting. The Board may also appoint any individual as a director to fill a casual vacancy occurring among the directors. The process of election and appointment is governed in accordance with the statutory requirements laid down by SECP and regulations of the respective stock exchanges.

Prior to appointment, each director is required to disclose to the Board their other significant commitments so as to enable an assessment of their capacity to effectively discharge their duties and responsibilities. Each director has undertaken that they are able to meet the time commitment expected of them for the purpose.

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 Stock Exchange. During the year, there were no such transactions of material nature with the Directors which are in conflict of interest with the Company.

Board Role in Shaping Sustainability Policy

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 its 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 matter of strategic importance are approved by the Board. However, some of the decisions are taken in Annual General Meeting of the Company as per the requirement of Companies Ordinance 1984. The Board also oversees operating and financial performance; risk management and internal controls; 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. Directors are also encouraged to attend courses providing 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 Directors take part in deciding his own remuneration.

For information on remuneration of directors and CEO in 2014-2015, please refer Note 35 of the Financial Statements.

Corporate Performance Evaluation

The evaluation of Board's role of oversight and its effectiveness is an iterative 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 operations;
- Board's independence; and
- Evaluation of Board's Committees performance in relation to discharging their responsibilities set out in respective terms of reference.

CEO's Performance Review

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

Duties of the Chairman & CEO

The Chairman's role is primarily 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 directors and officers entitled to attend Board meetings;
- Major spokesman of the Company, responsible for liaison with the senior most levels of Federal and Provincial Government;
- Overseeing the Company's macro approaches and public relations in the broadest sense, including its relations with public organization and other companies; and
- Commitments and de-commitment of strategic investments.

The CEO is responsible for all matters pertaining to the operation of the Company. His responsibilities include:

- Under the overall direction of the Board of Directors
- 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 agreed productivity and profitability targets.
- To ensure that the Company operates efficiently.
- To ensure that the chain of command in the Company is clear to facilitate the maintenance of discipline, the remits of all managers clearly define their functions to ensure accountability;
- To decide on selling prices and operate credit and discount policies.
- To prepare for the approval of the Board of Directors annual forecasts of plans for production, sales, profit, revenue & capital expenditure, manpower which fit into the long term business objectives and the overall strategic direction of the Company.
- To ensure that necessary coordination exists between various departments of the Company to achieve smooth and effective operations.
- Maintain a regular review of duties and functions of the staff to ensure that there is no duplications of efforts in office methods and procedures and that all operations are carried out efficiently and economically.
- Ensure that technical information made available to the Company under Technical Service or Royalty Agreements is used solely in the manufacture 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.
- To maintain the 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 ensure that proper succession planning for all levels of hierarchy exist in the Company and is constantly updated.
- To pay all Government dues on or before due dates and obtain all refunds due from the Government.
- To ensure proper functioning of the Management Committee of the Company of which he is the chairman.

- To prepare and present personally to the Board of Directors 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, rule or regulation, 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 Company products consistent with the Company 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 his 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 strengthen the position of the Company;
- To ensure that the Company operates with minimum staffing and paperwork.

Investor's Grievances / Feedbacks

The Company believes in protecting interest of its investors. In addition, the Company also encourages their feedbacks and suggestions to have a good understanding of the shareholder's view on difference 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. Company Secretary has been designated as the person responsible for handling investor grievances and feedbacks. The mechanism is summarized below:

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.

Sustainability Impacts, Risks & Opportunities

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, which is responsible for reviewing the key risks and the strategies to mitigate / counter these risks.
- The Company's Internal Audit function for carrying out the continuing assessments of the quality of risk management and control, report 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.

Work of the Audit Committee on Internal Controls and the Report of the Audit Committee.

- The Company's internal audit function has 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 experiences.
- The Audit Committee has approved the audit plan for the internal audit and reviewed its reports. Audit Committee 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 are 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.
- 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.

Compliance and Integrity Management

Atlas Honda 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 conducting 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 Atlas Honda's approach to ethics management, which includes all the elements recognized as best practice in ethics management. The code guides interactions with all stakeholders, including employees, suppliers and customers.

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

Whistle Blowing Policy

Atlas Honda Limited values an open dialog on integrity and responsibility in our actions with our employees. The Company investigates all alleged breaches of its code and apply 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 our code of conduct.

Violations reported through the whistle blower procedure are investigated by our internal audit function. Information regarding any incident is reported to the Audit Committee. Reports include measures taken, details of the responsible Company function and the status of any investigation. During the year 2014-15, no breaches of the Code of Conduct were reported.

Privacy and Data Protection

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. Atlas Honda works regularly to enhance robust processes and systems that protect customer and employee data and to raise awareness about the importance of data protection and privacy.

Stakeholder engagement

Embedding sustainability has consciously evolved through a systemic engagement with stakeholders. Atlas Honda Limited defines stakeholders as those who are potentially affected by its operations or who have an interest in or influence the Company's business. 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 AHL to engage with these groups to understand their expectations and concerns.

Atlas Honda Limited deepened its relationship with stakeholders through considering their interest and engaging them by following methods:

Stakeholder Group	Interest and Expectations	Engagement methods	How we respond to Stakeholders' Expectations
Environment	Communities and environment protection agencies.	Establish a truly sustainable framework of doing business, implement policies & procedures that are eco-friendly.	Ongoing <ul style="list-style-type: none"> External Environmental Audits and Impact Assessments. Meetings, partnerships and collaborations through relevant bodies.
Customers			
	Final consumers of the company's products.	Product excellence through performance and product quality, cost and delivery, prompt after sales service.	Ongoing <ul style="list-style-type: none"> Regular communications through: sales, service and warranty centers, conferences and exhibitions, customer events and seminars. Dedicated customer care section on company's website.
			<ul style="list-style-type: none"> Produce high quality products. Ensure reliable product supply.
Customers			
	Includes representatives from print, online broadcast and Social media.	A broad range of issues reflecting all stakeholder interests.	Ongoing <ul style="list-style-type: none"> Media releases, briefings, presentations, Facebook page and interviews.
			<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 Product. Their business provides the basis for our continued growth.	Open and transparent business opportunities Return on Investment.	Ongoing <ul style="list-style-type: none"> B2B Links connecting dealers to the Company. Dealers training and continuing education programs.
			<ul style="list-style-type: none"> Nurture and protect these partnerships so as to learn from and support each other to achieve mutually beneficial results.
Vendors			
	Includes businesses that provides key manufacturing support.	<ul style="list-style-type: none"> Shared development and supply chain sustainability. Fair and reasonable contract terms and on time payment. 	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 (ALA MAYAR.)
			<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 talents, resources and efforts to exceed expectations.

Stakeholder Group	Interest and Expectations	Engagement methods	How we respond to Stakeholders' Expectations
People	Core asset who implement every strategic and operational decision of the management.	Fair remuneration and benefits, personal development, training, health and safety of workforce. Clarity about their roles and responsibilities, goals, performance management and development.	Ongoing <ul style="list-style-type: none"> Open and continuous communication through immediate supervisors, management & 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.
Society	Local Community & Neighbourhood.	Employment and business creation, support for social infrastructure and programs and improved environmental performance.	Ongoing <ul style="list-style-type: none"> Seminars and awareness campaign for social issues including road safety, healthy livelihood, educations and welfare. Internships, management trainee programs and factory visits.
Stakeholder Group			
	Individuals, corporate, other organizations that have invested capital in the Company.	Sustained returns on investment through strategic and organic growth, sound risk management and exemplary governance practices.	Ongoing <ul style="list-style-type: none"> Dedicated page for investors on the Company's website. Notices, circulars and announcements. Annual: <ul style="list-style-type: none"> Annual General Meeting. Interim and annual reports.
Governments and regulators			
	Includes governments & regulatory authorities at Federal & Provincial levels & Stock Exchange.	Compliance to laws and regulatory requirements and adhere to policies and guidelines.	Ongoing <ul style="list-style-type: none"> Filing of statutory forms, returns, assessments and other information's as per applicable regulations. Participation in government initiatives and policy working groups.
			<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			
	Includes auto sector specific association and various business councils.	Compliance to all regulations and playing constructive role in protecting the interest of members of associations and representative bodies.	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.
			<ul style="list-style-type: none"> Constructive participation in key business and industry initiatives within the constraints of legal frameworks and requirements.
Analyst			
	Includes debt and equity analysts, socially responsible investment analysts and corporate governance analysts.	Analysts assess the financial performance of the Company. Increasingly, non-financial performance is also of interest, including corporate governance and sustainability.	Ongoing <ul style="list-style-type: none"> Notices circulars, announcements and news releases. Interim, Annual and Sustainability Reports.
			<ul style="list-style-type: none"> Respond promptly to queries. Share information to deepen understanding of the Company's business.

Environment

Atlas Honda is committed to being a leader in environmental responsibility. The Company strives to continuously improve energy efficiency, reduce emissions, and conserve resources throughout its operations. AHL also focuses on improving the energy-efficient performance of its products and collaborate with others to develop innovative ways that technology can address long-term sustainability challenges.



Management Approach

The environment management approach is based on the Company's sustainability framework and guides the respective departments for managing environmental impacts of the Company. A comprehensive Environment Management System (EMS) is in place that results in continuous collection of information and updating the Company's understanding of environmental issues and the risks and opportunities they present. This system also helps to organize and analyze in a timely manner the impacts of these issues, particularly climate change and energy; and to develop and execute specific measures for addressing them in line with precautionary approach. The Company is focused to follow the principles of reduce, reuse, recycle and responsible disposal and strictly complies with environmental standards for reducing its carbon footprint and exhaust emissions from operations. In order to further its environmental management, the Company is implementing green policies at all its location, including business partners and improving awareness for protecting the environment through continuous training and development programs.

In order to ensure compliance with requirement of EMS framework, scheduled and surprise internal audits are conducted during the year. Moreover annual environmental audits are also conducted by independent third parties to ensure non-compliance at zero level.

Environment Policy

Reduction and Prevention	Reduce and prevent the generation of waste and pollution in our production system.
Energy Conservation	Establish management program to promote energy conservation and waste reduction.
Compliance	Comply with requirements of environmental legislation and local regulations as a responsible corporate citizen.
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

Material

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 starts at model 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. Details of significant material usage are included in GRI 3.1 index.

Material Conservation

CNC machines in Engine Plant require hydraulic oil for its operations. Previously this oil was being scrapped after its useful life in CNC machines. However from current year, this oil is reused as cutting oil in non-critical operations. Resultantly, we have been able to reduce annual oil consumption by 3000 liters.

The Company also took several process improvements which resulted in extended use of tools. Engine Machining Plant is using several types of cutting tools for processing. Previously Drill Shank was scrapped after standard useful life. During the period instead of scrapping, it was used for grooving insert by making slight modifications. As a result of aforementioned activities, per unit tool and consumables cost have decreased from Rs. 965 per unit to Rs. 815 per unit.

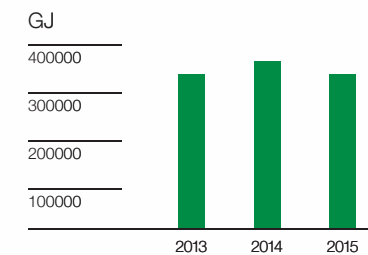
Additional contextual information

Atlas Honda Limited participation in 10th ASIA-OCEANA Technology Exchange forum organized by Honda Vietnam in Vietnam. The forum theme was discussion on ideas and technology for material efficiency.

The participants coming from different countries also shared their views on technology up-gradation, skill enhancement and future plans.



Energy Consumption



Energy

The energy consumption during the year was 337,701 GJ. The energy consumption figure includes 292,819 GJ of direct and 44,882 of indirect energy consumption mainly from purchase of electricity. The energy consumption during the year has decreased as compared to energy consumed in the year 2014. The reduction in energy consumption was achieved as a result of effective energy management and energy conservation initiatives.

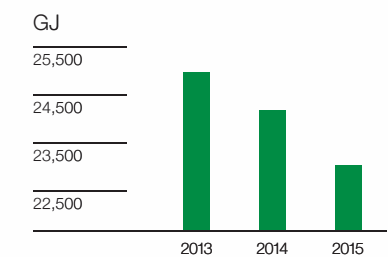
Energy Conservation Initiatives

During the year the Company has taken different energy conservation measures i.e. shifting of electrical load to efficient source of energy, economical use of air conditioners in engine plant, implementation of heat recovery project, re-engineering fuel tank paint process, use of flue gas analysers for burner tune up to maximise the combustion efficiency and installation of variable frequency drivers at different areas of waste water treatment plant. These measures resulted in considerable reduction in energy consumption and carbon emissions. 45,825 GJ of energy saved and 2,560 tons of CO2 emissions reduced during the year as a result of these measures.

Emissions

Atlas Honda 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. The emissions during the year were 23,114 ton of CO2. The emissions include 17,499 ton of CO2 direct and 5,615 ton of CO2 indirect emissions mainly from purchase of electricity. During the year the CO2 emissions has been significantly reduced as a result of continuous focus on emission management to improve the environmental footprint of the AHL.

Energy Consumption



Biodiversity

AHL recognizes that its products can have impacts on biodiversity, and believes that minimizing these impacts is the greatest contribution to biodiversity it can make. This awareness challenges us to develop more environmentally responsible technologies and make continuous improvements to the environmental performance of our operations. Both of our manufacturing plants are located in industrial areas, away from the protected areas, with low biodiversity. However, we are strongly focused to take steps to improve the impacts of our operations on biodiversity. Atlas Honda Ltd (AHL) initiated tree-planting activities in the local community to improve biodiversity and offset the effects of CO2 emissions from manufacturing. As part of this ongoing initiative, AHL planted more than 2,200 trees in the vicinity of its factory. As a result of this initiative, an estimated 48 metric tons CO2 are offset annually.

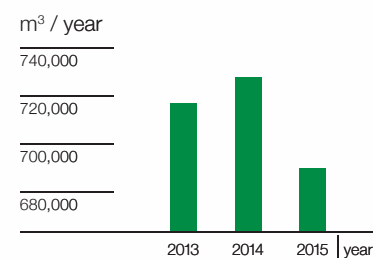
Water

AHL 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. 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.

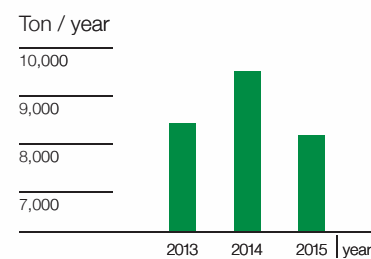
Keeping in view the importance of water, AHL took many initiatives to reduce the consumption of water. As a result of these measures the water consumption has been reduced significantly during the year. The details of some of the measures are as mentioned below;

- Water consumption reduced upto 72,000 m³/year by interlinking water draining route with water rinsing tanks, reducing the water flow (cubic meter per hour) by 60%;
- Water consumption reduced by 30,000 m³/year through modifications in cooling process at High Pressure Die Casting (HPDC) process;
- Injection of 85,000 m³/year of water in ground reservoirs through installation of rain water recharge wells. Previously only 10,000 m³/year of water was injected in ground reservoirs;
- Water consumption reduced by 37,800 m³/ year through use of recycled water in lavatory faucets.

Water Usage



Effluents and Waste



Effluents and Waste

The Company waste includes waste water, scrap Iron, High BOD, COD, 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 in to sewerage drains. The remaining waste and effluents are discharged through incineration, recycling, landfill and sale to legitimate contractors at certified waste disposal facilities.

Impact of Product and Services

All products of Atlas Honda comply with EURO II standards of carbon emission, in addition to being in compliance with Pakistan Standards for Quality Control in respect of CO emission, noise levels and smoke.

Green Initiatives

The Company carried out different activities under its green initiative program during the year. The details of activities are mentioned hereunder.

Green Procurement

Striving to reduce environmental impacts across its product life cycle, the Company is initially working to strengthen environmentally responsible purchasing practices through Green Procurement Initiatives, in line with the Honda (Global) Green Purchasing Guidelines. These initiatives focus on energy use, substances of concern, packaging waste, and CO2 emissions. Atlas Honda Limited encourages suppliers to adopt measures to reduce the environmental impact.

Slim Office

Atlas Honda Limited has been working actively to improve accuracy of CO2 emission data across its product life cycle. 'Slim Office', a software, has been developed by Honda (Global) to monitor its carbon foot print caused by its supply chain activities, including activities of its business partners across the globe. Being an advocate of Honda's 2020 Vision of CO2 reduction, the Company is actively engaged with its suppliers and vendors for implementation of 'Slim Office'. This would allow AHL to monitor CO2 emission patterns of its supply chain activities, plan corrective actions and to track the Company's progress against CO2 emission reduction targets.

During the year, our Supply Chain Team conducted various trainings and orientation sessions with vendor personnel, appraising them of benefits of Slim Office. In addition to monitoring our own footprint, it has raised awareness among our suppliers regarding environmental impacts of their operations, thereby allowing them to take actions necessary to reduce CO2 emission.

Emissions Reduction Caravan

From the year 2014, the Company undertook a supplier initiative in the area of CO2 emissions reduction control namely 'Emissions Reduction Caravan'. At AHL, we believe in The Three Realities Principle – of which the first step is "going to the actual place." In this spirit Supply Chain engineers are working in close coordination with major vendors and suppliers to control their environmental footprint. Our engineers provided technical guidance to suppliers for process improvements focusing on production efficiency, energy conservation, material recycling and reuse and reduction in CO2 emission.

Various initiatives were taken by vendors and suppliers towards contribution of environmental protection. Highlights include:

- Capacity enhancement by modifying existing design.
- Relocation of set up i.e. near to OEM or Customers
- Solar Panels Installation.
- Replacement with LED.
- Utilization of Natural Light.
- Infrared heating system instead of gas burners.
- Air leakages control.
- Insulation of burners for pointed heating.
- Less transportation.
- Plantation of Oxygen sources (Trees).





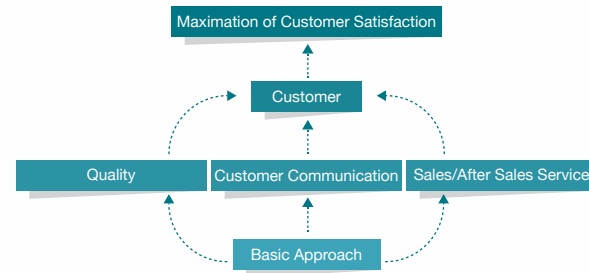
Customers

Aiming to provide customers with an ownership experience that exceeds their expectations and makes them feel the brand maintaining special bond with them, Atlas Honda delivers its unique value to customers based on its brand philosophy, through every touch point with customers, in terms of quality, products, sales, and after-sales service and human resources.



Management Approach

The Company is committed to make quality products focusing on customer health and safety aspects with minimal impacts on the environment. AHL emphasizes on ensuring safety training of customers to provide them with an ownership experience that exceeds their expectations and makes them feel the brand, maintaining special bond with them., Atlas Honda Limited delivers value to customers based on its brand philosophy, through every touch point with customers, in terms of quality of service and products, sales, and after-sales service and communication with customers.



Quality

Atlas Honda aims to be a company trusted by its customers by addressing quality as a companywide issue. The Company seeks to provide top-level quality to customers at every stage, from the planning of new vehicles through development, manufacturing, distribution and sales to after-sales service.

Keeping in view the importance of developing human resources capable of proactively finding / solving problems from a customer viewpoint and working for continuous improvement, quality control education is provided to employees. The Company conducted following programs during the year:

Quality Improvement Programs

Program	Objective
Service Instructor Quality Program (SIQP)	To foster high quality, dedicated service staff and standardize training delivery across the Company as per Honda standards. Future trainers are trained to achieve proficiency in training, communication skills and key instructional abilities.
Program on Quality Management by Overseas Human Resources and Industry Development Association (HIDA)	An overseas Quality Control Training Course to understand the concept necessary for managers to continuously improve the quality of team operations.
SQM	A one day program to understand the concept, processes and specialized techniques of problem solving, and apply them to daily operations, so as to obtain practical quality improvement abilities.
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.

Product Life Cycle Assessment

Evaluating the environmental compatibility of a vehicle requires an analysis of the emissions and use of resources throughout the entire life cycle. The standardized tool for this is the life cycle assessment, which examines all environmental effects, from the extraction of raw materials and vehicle production to product use and recycling. At Atlas Honda, life cycle assessments are used to evaluate and compare different vehicles, components, and technologies.

Atlas Honda Limited 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.

Marketing Communication

Aiming to become a "brand" maintaining special ties with its customers, the Company promotes advertising activities. 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. 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.

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.

Moreover, the Company promotes the use of genuine spare parts and accessories, and ran various campaigns to spread awareness among customers to avoid the use of counterfeit parts. The Company reached more than 5,000 customers through distribution of leaflets, brochures, floats and other activities

Believing that listening closely to customers' voices is the foundation for developing better products. The Company has initiated a fully operative inbound call center. Through this step, the Company responds to inquiries, opinions and requests from customers honestly, accurately and quickly, and also promotes information sharing to reflect customer voices in product development, sales and customer service. In order to ensure the effective operations of Call Center, the Company also conducted Customer Care Training for 50 service & customer care staff of Lahore, Gujranwala, Rawalpindi & Multan regions.

Atlas Honda Limited provides information and purchasing support for customers through website and social media. The purchasing support functions available at website are:

- Enabling customers to make appointments for visits and consultations at the Company's dealerships;
- Dealer search service that helps customers to find the nearest dealership;
- Complete product information, features and cost.

In 2014-15, surveys were conducted in all the regions of Pakistan to collect feedback on customer needs and demands to bring improvement in the products and services.

The Company also conducts customer surveys in collaboration with the Japanese surveyors annually. During the year 2014-15 the survey was conducted in the month of March 2015 in Rawalpindi and Lahore regions. The purpose of the survey was to analyze each customer opinion and reflect the results in operational improvements.

The Company has installed a Business to Business (B2B) System across its sales and service network to store and control data centrally. The Company has strict privacy guidelines and well laid out business continuity and disaster recovery plan



for critical data security including customer information, wherein all major and critical systems are mapped and a detailed contingency action plan is chalked out. There have been no complaints regarding breach of customer privacy and loss of customer data in the year 2014-15. Further, there have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.

Support to Dealers



Sales Dealers
Convention 2015

Atlas Honda Limited 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 the various Sales, Service and Parts Dealers' Convention. During the year, the Company held 9 conventions, attended by 7,500 participants. The Company also arranged Dealers' Family Gala during the year, which was attended by dealers, associates and their families enthusiastically.

To provide customers with honest, faithful advice for their automotive lifestyles, properly trained skillful mechanics and dealers are required. The Company responds to customer trust in maintenance quality and trainings are offered for dealers, service staff as well as second hand dealers and mechanics. The Company training programs are focused on technical and soft skill training for better customer interaction, understanding and fulfilling customer requirements. During the year, training were imparted to 1115 service staff, 246 warranty dealer, 734 general mechanics. Moreover, plant visits were also arranged for local dealers.

Atlas Honda offers a training program focusing on test rides for employees involved in sales activities to deepen their understanding of the spirits and philosophy that the Company incorporates into its products.

Customer Facilitation Measures

Model Showrooms

Atlas Honda Limited in collaboration with its dealers is working to create "Model Showrooms". The objective is not only to meet the global Honda standards, maintain 5S but also enrich the customer experience by incorporating the following aspects:

- Product layout that encourages customers to comfortably see, touch, and feel the attractive features of each product;
- Easily understandable display of customer's desired information;
- Comfortable shop environment featuring a sense of hospitality.

To ensure standardized look in these showrooms, the Company's team developed vendors and continuously followed up the progress, provided guidelines for renovation and supported the overall project. Till March 31, 2015, the Company has developed 20 model showrooms.



Model Showroom

Engine Warranty And Free Service

Atlas Honda Limited is committed to ensuring satisfaction of customers with their new vehicle. The Company aims its customers to be completely satisfied and invites them to return for all their service needs. Accordingly, following steps were taken during the year:

- The Company increased the engine warranty period from two years to three years. The step is aimed at making the motorcycles engines durable for the customers and thus extending the customer experience of enjoying the Atlas Honda motorcycles ride.
- The Company also increased the number of free services provided to the customer on the purchase of its motorcycles. Now, the Company offers three first free service cards from the earlier two.



Engine Warranty and
Free Service

Free Checkup, Oil Change And Test Rides

Customer relationship building activities like free checkup camps, test rides and oil change activities are organized at different locations throughout the year to strengthen the Company's bond with customers and address their concerns. In 2014-15, 11,700 customers were served at free checkup camps and 144 oil change camps were held.

In another initiative, mega free checkup camps were arranged on 23rd March, 2015 all across the country. Through these camps, the Company reached to more than 70,000 customers through 589 camps across 300 towns. Also, 8,900 customers also availed the free test rides.



Pakistan Auto-show 2015

Pakistan Auto-show 2015

The Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM) organized Pakistan Auto Show 2015 at the Expo Centre, Karachi. 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.

Product Financing

The Company has been actively working to make the product available to all classes of customers especially for those who want Honda Motorcycle but have financing constraints. The Company has during the year entered into various strategic alliances and MoUs with leading commercial banks to make Honda Motorcycles available to the customers on easy installments.



Society

Economic success and social responsibility go hand in hand. To Atlas Honda, responsible action means to get involved in the future of the society. The Company's community activities are guided by the same principles and business values that also guide its business. It aims to transform the natural resources of communities into revenue, competencies, infrastructure and jobs.

Management Approach

Atlas Honda Limited is committed to fulfill its responsibilities as a good corporate citizen through ongoing involvement in socially beneficial activities tailored to meet the needs of 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 focusing on education and development of local communities.

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. Accordingly, all business units were analyzed on this aspect and no incidence of corruption reported during the year.

Voluntary Commitments And Initiatives

The Company's social contribution activities are underpinned by the pillars of health, education, sports and community contributions.

Health

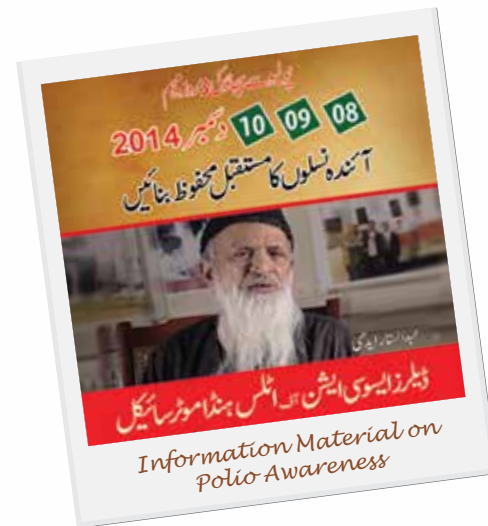
The Company aims to play its role for the improvement of health of people associated with the Company and of the overall community. Accordingly, following initiatives were taken to create awareness pertaining to health issues and mitigate the associated risks:

Blood Donation Campaign

In April 2014, the Company organized a three day blood donation camp at its Karachi plant in collaboration with Fatmid Foundation. Associates from all the department voluntarily participated in this activity and contributed their efforts towards a healthy society.

Polio Awareness Campaign

Over the years, the Polio disease has been remained a concern in Pakistan, mainly due to its unawareness among common people. In December 2014, the Company initiated the Polio awareness campaign with the support of its dealers and in collaboration with the City District Government, Lahore. The Company stressed upon the importance of polio vaccination campaigns through distribution of over 50,000 flyers. The flyers contained information about the Polio virus, its affects and advice to provide every child the vaccination of polio to end the polio virus in Pakistan. It also disseminated the slogan of National Government fighting against polio, saying "two drops of polio vaccine, every time, every child".



Education

Atlas Honda believes supporting young people is an investment in the future and generations to come. For the realization of a society where anyone can open the door to a better future, the Company is working to utilize its knowledge and technology base. The activities are as follows:

Support to Vocational Training

The Company supports vocational training programs to improve quality of training and upgrade technical skills of students. In 2014 -15, more than 900 students of various Vocational Training Institutes, Government Technical Training Institute and SOS Village attained the industrial and technical skill. The Company applies targeted methods and carefully designed curricula to ensure the continued high quality and efficiency of vocational trainings.



Support to Development Of Human Resources

To contribute to the development of human resources in communities, the Company offers the internship programs. During the year, the Company accepted 245 students for internship at its Karachi and Sheikhpura plant from various reputable universities, including NED, GIK and NUST.

Besides, guided factory visits were also provided to more than 1,500 students of renowned universities including IBA, NUST, NED, UET, IQRA, SZABIST. This allowed the students to understand how the manufacturing process of the Company operates and improve their knowledge by observing real working.

Community Initiatives

Atlas Honda Limited works with a variety of stakeholders to address complex social issues, leveraging mutual strengths to implement effective initiatives. With a common vision, the Company conducts activities to respond to needs everywhere the Company operates.

Humanitarian Support to Flood Affectees

Atlas Honda has always remained at forefront to provide assistance to people who have been affected by natural calamities. In September 2014, heavy monsoon rains and floods hit Punjab province, affecting more than 1.7 million of the population. The Company immediately extended its humanitarian efforts in the affected areas by distribution of food relief packages to more than 3,000 families.

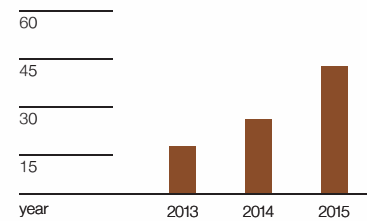
Promoting Sports

Atlas Honda Limited has initiated a youth oriented "Tennis Club". This initiative is aimed at talented children from economically challenged families to pursue their sports passion and improve their skills. The Company supported a ten member team by providing each player with complete kit including sport equipment and accessories. A twelve month training program has been designed under the guidance and coaching of professional trainers of tennis to impart the skills and foster their talent.

The Company also sponsored the "All Pakistan Women Cricket Tournament" at Kinnaird College Lahore. Students from different universities, media and general public attended this event. The winning team was awarded with the Honda CD Dream. The Company also availed this opportunity to impart training to players and visitors about the road safety and bike riding. The initiative also helped to encourage the sports activities in women and to teach them to fight with the challenges of the society.



Statement of donation



Donations

The social interventions are performed through Atlas Foundation, a welfare and charitable organization to conduct activities to promote education, health and the sound development of youth, to share prosperity with the people, and to build a society where people can lead satisfying lives. To support in the fulfillment of its objectives, every year, Atlas Honda donates at least one percent of its profits to the Atlas Foundation. In 2014 – 15, the Company contributed an amount to Rs. 42.4 million.

Green Pakistan Program

Green Pakistan program aims to create the awareness about the use of hygienic and nutritious food for a better living and health. Under this program, home farming was promoted by maintaining the vegetable garden in schools and colleges. Lectures were delivered; seeds and vegetables were distributed more than 3,000 students who participated in this program, including City School, Begum Rana Liaquat Ali Khan College and other students meet at family galas held at Expo Centre, Karachi.

Keeping in view the importance of clean and healthy environment, the Company ensures upkeep of horticulture in its facilities. Attractive seasonal flora and lush green lawns maintained at its Sheikhpura plant were recognized as the best plantation by an industrial organization by the Horticulture Society of Pakistan in March 2015.



Road Safety

Atlas Honda Limited aims to create vehicles that embody the "pleasure and richness of driving" while prioritizing customers' peace of mind through the pursuit of a high level of safety. For the Company, it involves promoting educational activities to raise safety awareness among drivers, pedestrians and the community. Toward the realization of a safer society with more mobility, the Company is involved in a wide range of activities with other stakeholders.

Safety Riding School

Safety riding school, 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 2015, 12,000 license applicants received valuable training of safety riding. 62 female riders successfully completed training program. This includes training of 5 wardens as "Master Trainer" who will act as trainer for other females.

Safety Lectures

Safety lectures have always been important feature of road safety program. Every year 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, USAID, Akzonobel and McDonalds. Lectures and practical demonstration of safe motorcycles riding from qualified instructors contributed to deeper understanding of traffic safety of more than 1,500 participants.

This year more than ten thousand students from 20 colleges benefited from these lectures. Strong emphasis was placed on following traffic regulations, using helmets and other safety measures to ensure safe riding.



Fun Learning

Children of elementary classes were also educated about safe driving. Puzzles, pictures for coloring and other features with easy to understand information were used to make learning fun. Information material on safety riding with illustrations is also available on the Company's website.

Safe Riding Awareness Campaign

Atlas Honda Limited with combined efforts of traffic police department created awareness of indicators, back view mirrors and importance of helmet. These are most important and cheap safety measures by a consumer of bike 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 200,000 purposefully designed pamphlets, 2,000 helmet in Lahore and Faisalabad and 1,000 side view mirror in Lahore. The event was covered by leading news channels that helped in disseminate the information and knowledge in wide spread.



People

Employees are the driving force for the sustainable growth of Atlas Honda Limited. The Company places great importance on establishing a workplace that maximizes the performance of all, instills innovation and cultivate team spirit. By unlocking their talent, AHL strives to bring to life its strategies and drive business results, while simultaneously valuing diversity and promoting equal opportunities for all employees

Management Approach

Atlas Honda Limited invests significant resources to develop the talent needed to keep the Company at the forefront of quality and customer satisfaction. The Company's management approach for managing its human capital is focused on ensuring equal opportunity employer-ship, continuously updating human resource policies in accordance with the best practices, compliance with human rights laws and initiatives, strict adherence to employee safety and labor laws, and training of employees in modern health and safety standards.

The Company's focus on creating a caring and inspiring working environment, valuing diversity and promoting equal opportunities for all employees is achieved through its robust 'Human Resource Strategy'. The strategy addresses the key aspects of human resource development such as our Code of Conduct, fair and objective performance management, talent management, succession planning and comprehensive training.

The Company works to build a strong engineering pipeline and attract top performers, and offer career development and work-life programs—from recruitment through retirement—that make the Company an employer of choice.

Employer of Choice

Atlas Honda Limited relies on the special skills and high commitment of its employees. The Company endeavors to reward its employees based on their performance but also keeps an eye on the industry trends, too. This is because where remuneration and the many fringe benefits are concerned, Atlas Honda Limited not only wants to act in a cost-effective way but be an attractive employer as well.

Accordingly, during the year, the Company conducted the industry wide remuneration surveys. Representatives from the other companies in the auto sector were invited at the Atlas Training Centre, Karachi where a comprehensive review was conducted to adjudge the market competitiveness of remuneration. Salaries were benchmarked against comparable roles at other companies of similar market capitalization, revenues and complexity. The review also took into account individual performance and experience, the relative performance of the Company and the remuneration policy operated across the industry as a whole.



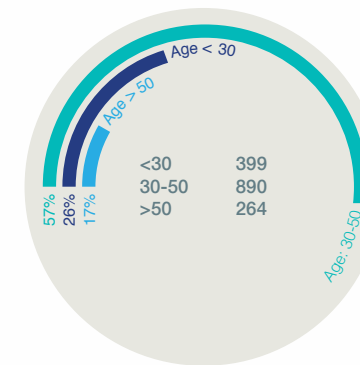
Atlas Honda Limited engages in regular communication with Group companies, and each Group company is working together to create further opportunities for interaction among personnel and cultivate a climate based on a shared point of view.

With this objective, the Company participated in the annual HR conference, held in May 2014 at Atlas Training Centre, Karachi.

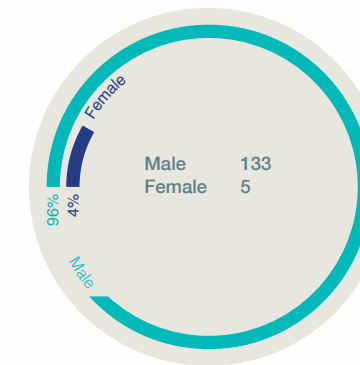
The theme of the conference was "EQ and the Atlas Way – Essential for HR Partnering". The conference proved to be a valuable learning forum and helped enhance the role of participants as business partners effectively

The Company also aims to create favorable working condition in order to promote balance between personal and professional lives of its people. In order to promote work life balance, the Company regularly arranges different activities including picnic, fun gala and sports activities. The employees actively participate in the events, interact with other in sports filed and release the stress and strain of working environment.

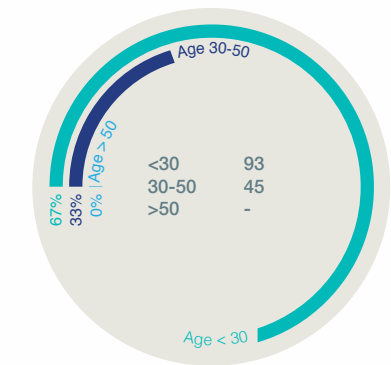
At Atlas Honda Limited, opportunities for formal communication are provided for all employees through one-on-one career meetings between supervisors and their staff, held two times a year. The evaluation results are used as a reference for effective company-wide positioning of personnel.



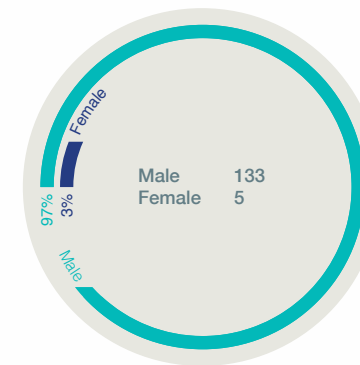
Workforce by age group



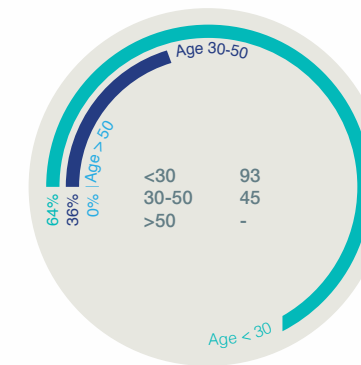
Hiring by Gender



Hiring by age group



Attrition by gender



Attrition by age group

AHL provides full time employment and does not offer part-time employment. Similar terms and conditions are offered to regular and contract staff except provident fund membership, leave fair assistance, which are offered only to regular staff.

Respecting Human Rights

The "Atlas Way" defines the Company's commitment to abide by internationally recognized fundamental principle of human rights and working standards of the International Labor Organization (ILO). The most important of these are freedom of employment, the prohibition of discrimination, the freedom of association and the right to collective bargaining, the prohibition of child labor, the right to appropriate remuneration, regulated working times and compliance with work and safety regulations.

Alignment with such principles provide a framework for critical reflection and continuous improvement in our endeavors to ensure that all employees are offered equal opportunities in every area, creating career and advancement opportunities in a culture that is free from discrimination and values diversity.

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 is not aware of cases of child labor in the company or with its suppliers. Similarly, the Company discourages any form of forced labor. Nor is the Company aware of any cases of forced labor in the Company. Moreover, no complaints concerning violation of human rights reported during the year.

CBA Relations

The Company recognized and respects the freedom of its employees to associate with labor unions under local law. Atlas Honda establishes a constructive dialogue and engages in negotiations or consultation as required with labor unions at both Karachi and Sheikhpura plants.

Occupational, Health & Safety

Atlas Honda Limited is committed to safeguard the health, safety and welfare of the people who work for the company. The risks of injury, death or ill-health to employees and those who work with the business is a fundamental concern of the Company, and have a significant consideration in its operations.

The health and safety committees are operational at each plant as per applicable laws and best available practices. The meetings of these committees held on regular basis to monitor health and safety issues and recommend improvements. The 100 % staff is represented in HSE committees.

During the year, the Company has taken special initiatives towards the promotion of Occupational health, safety and wellbeing of its employees and communities where it operates, some of them are as follows:

- Regular HSE Flyers mails are disseminated which address various issues for the promotion of occupational health and environmental concerns. To date, topics covered include Ebola Virus, Noise pollution, Chemical handling etc.
- During the year, 37 fire training sessions have been conducted to familiarize associates with an emergency action plan. Associates from various departments actively participated in these activities. Hands on training on handling Fire extinguisher, Fire blanket and Fire hydrant were also given.
- TBT (Tool Box Talk) Session has been introduced during the year in which various HSE issues are discussed via informal session during Tea breaks. 66 sessions were held during the year in which awareness about general electric safety, safe work practices, Ebola virus etc were imparted.
- Trainings on safe driving practices were given in which 80 associates were familiarized with various safety measures including traffic rules, speed limit.



Occupation, Health & Safety

Diversity And Equal Opportunity

The Company acknowledges that it takes people of different ideas, strengths and interests and cultural backgrounds to achieve its goals. All appointments across all levels are made on the basis of the Company's need, vacancies and merit of individuals, irrespective of gender, race, caste etc. For hiring workers, equal weightage is given to candidates from across the country. During the year, all employees received performance appraisal, irrespective of gender.

Furthermore, the Company has committed itself to increase the proportion of women in management and executive positions to a suitably prominent extent by near future. However, it is a challenge for the entire auto industry to attract women in sufficient numbers.

The Company is also conscious of the difficulties often experienced by people with disabilities in society and in the workplace, and makes every effort to ensure access to the Company's facilities and services through the provision of additional facilities, job criteria and appropriate training. The Company also encourages job opportunities for persons with disabilities. At present, the Company has 24 persons with disabilities in employment. During the year, no incidents of discrimination were reported.

Training and Succession Planning

Atlas Honda Limited is committed to safeguard the health, safety and welfare of the people who work for the company. The risks of injury, death or ill-health to employees and those who work with the business is a fundamental concern of the Company, and have a significant consideration in its operations.

The health and safety committees are operational at each plant as per applicable laws and best available practices. The meetings of these committees held on regular basis to monitor health and safety issues and recommend improvements. The 100 % staff is represented in HSE committees.

During the year, the Company has taken special initiatives towards the promotion of Occupational health, safety and wellbeing of its employees and communities where it operates, some of them are as follows:

The highlights of AHL's training and development initiatives are as follows:

External Training Programs	61
Internal Training Programs	75
No of persons trained in external trainings	119
No of persons trained in internal training	1543
No of days spent for trainings	2454
Average hours of training per year per employee	
No. of hours spent for trainings	14,632 hours
Average training days per employee	1.35 days
Average hours of training per year per employee	11 hours



Training & Succession Planning

The background of the slide features a close-up, artistic photograph of several interlocking teal-colored gears. The gears are positioned on the left side of the frame, with their teeth meshing together. The lighting is soft, creating a gradient from light teal to a darker teal, and highlighting the metallic texture of the gears. The right side of the slide is a plain, light teal background.

Vendors

We work closely with vendors to manage sustainability issues and improve performance throughout the supply chain and at every stage of the product life cycle.

Management Approach

AHL is aware that long term success can't be achieved without reliable business partners. The business process integration involves collaborative work between buyer and suppliers, joint product development and shared continuous information flow which in turn assist to achieve the best product flows. The Company approach to supply chain management is supported by its strategic, tactical and operational framework and decisions. The demand generation is Pull in nature and products are generated in response to customer orders and expectations, thus AHL-Supply Chain strategy defines, relative to its competitors, the set of customer needs that it seeks to satisfy through its products and services.

AHL's ambition is to build transparent and reliable relationships with its suppliers 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 suppliers. Having a global outlook, the Company carries out procurement in the regions that best suit our operational needs. The Company complies with all relevant laws and regulations, corporate ethics, and internal policies and regulations, while contributing to the international society and local communities by striving to take the lead in environmental protection, and reducing the impact of its operations on ecosystems.

Atlas Honda pursues customer satisfaction by creating innovative products and services that contribute to the development of society, according to our management philosophy, "The Atlas Way." In procurement activities, we establish firm partnerships with our suppliers based on fairness and transparency and aim to build a sustainable society by fulfilling social responsibilities with our suppliers.

Vendor focused initiatives

Vendor Improvement Program (VIP)

Atlas Honda vendor improvement program focuses on six core areas for bringing notable improvements in its supply chain and achieve global competitiveness. The vendors selected under this program go through series of checks and reviews. The certificates are awarded at the end of vendor improvement program and vendors are reviewed and audited each year for recertification. During the year, 24 vendors were analyzed and assessed under vendor improvement program.

Reducing Ghg Emissions In Supply Chain

Atlas Honda, in line with 2020 vision of Honda Motor Japan, is making effort to reduce the environmental impact by saving materials and energy used not only with Atlas Honda but also in the supply chain.

"Creating Products that maximize the joy of customers, with speed, affordability and low CO2". Vision 2020

The vision requires that each production base in Asia Oceana Region will have to achieve 1% Reduction Target in CO2 emission across its Supply Chain Activities.

Caravan Activities

Atlas Honda launched Caravan initiative to reduce the environmental footprint of its supply chain. AHL engineers visit suppliers' plants and propose improvements to reduced CO2 emissions by improving production efficiency. Atlas Honda has calculated the entire CO2 emissions associated across its entire supply chain, from upstream to downstream of its operations, based on the standards of the GHG Protocol. The CO2 emissions that were produced last year due to its supply chain activities were 63,373 tons and on an average the suppliers have achieved around 1% reduction as compare to the previous year.

Atlas Honda Ltd. has implemented this CO2 emission reduction activity on its 37 local selected suppliers who are contributing around 71% of purchasing of AHL in Supply Chain. During the year, two more suppliers have been inducted in this program to fulfill the criteria of covering 75% purchasing amount as required by Honda Motor Japan.

2nd ATAI Environmental Conference 2015

Atlas Honda took part in the ATAI environmental conference 2015 which was held in the mid of March 2015 in Bangkok, Thailand. Honda's Joint ventures and its subsidiaries from the ASIA OCEANA region, comprises of eight countries and 17 companies participated in this conference. The representatives presented the CO2 Emission Reduction Activities that were conducted on their selected suppliers. The CO2 emission reduction target was 1% per year and on an average all the selected suppliers achieved it successfully.



AALA MAYAR quality event

AALA 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.

The 24th AALA MAYAR event was held on 8th April 2014 at AHL where all of our vendors and employees participated. Around 55 themes were presented by vendors in the context of improvement in the areas of quality and manufacturing innovations. Three best themes were awarded on the basis of pre-defined criteria.

Conflict Mineral Activity

The term "conflict minerals" refers to minerals, namely tantalum, tungsten, tin and gold, the 3TG, originating in the Democratic Republic of the Congo (DRC) and adjoining countries in Africa. Armed groups in the DRC have been routinely committing inhuman acts in the process of taking control over the mines and forcing people to labor. The profit from the trade of these minerals, provided through the global supply chain, is alleged to be funding armed groups in that region.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, which was passed in 2010 in the United States, requires companies listed on the U.S. stock exchanges to disclose whether metals connected to conflict minerals are included in their products.

Honda Motor Japan required the company to comply with this regulation, seeing it as part of the social responsibilities of a company. In fiscal 2013, AHL incorporated compliance with conflict minerals regulations into its system for promoting procurement in line with its policy on conflict minerals. In order to further improve AHL initiatives, Atlas Honda plans to establish a management system, educate its supply chain, and support the voluntary CSR initiatives of its suppliers.

The Automotive Business, which receives numerous inquiries from customers, held briefing sessions for suppliers and conducted a conflict mineral survey during the year.

Definition, Methodology and Scope

The Sustainability Report 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 2015 (1st April 2014 to 31st March 2015). The data presented in the report includes all plants and offices of AHL and does not include data on the subsidiaries or 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 G 3.1 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 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. 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-G3.1 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 May 30, 2014

Independent Assurance Statement to the Board of Directors and Stakeholders

Corporate Social Responsibility Centre (CSRCP) was engaged by Atlas Honda Limited (AHL) to conduct an independent assurance of the Sustainability Report for the reporting period April 01, 2014 to March 31, 2015 in its printed form, which was prepared in accordance to GRI G3.1 Sustainability Reporting Guidelines.

Responsibility of CSRCP and of Atlas Honda Limited

The Management of Atlas Honda Limited have sole responsibility for the preparation of the Sustainability Report 2015. In performing our assurance work, our responsibility is to the management of Atlas Honda Limited; however our statement represents our independent opinion and is intended to inform all of Atlas Honda Limited stakeholders including its senior management.

Scope of Assurance

CSRCP was asked to express an opinion in relation to the assurance 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 Atlas Honda Limited has in place for adherence to the reporting principles set out in GRI G3.1.
 - Adherence to ISAE 3000 (2003) to provide limited assurance on performance data within the sustainability report.
 - Adherence to the principles of inclusivity, materiality and responsiveness.

The intended users of this statement are the management of Atlas Honda Limited and the readers of the Report.

Assurance Methodology

Our activities included a review of the report content against the principles of Materiality, Inclusiveness & Responsiveness. We communicated with Atlas Honda Limited 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:

- Review of the company's approach to stakeholder engagement;
- Verify the robustness of the data management system, information flow and controls;

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

Opinion

Inclusivity

Atlas Honda Limited was found to have a suitable approach in place to assist with the identification of and engagement with key stakeholder groups including government agencies, local communities, distributors, customers, and suppliers on key sustainability issues. The material issues emerging from the stakeholder engagement were collected, prioritized and the results are fairly reflected in the Report.

Completeness

The Report has fairly reported the Disclosures including the management approach, monitoring systems and sustainability performance

Materiality and Responsiveness

CSRCP reviewed Atlas Honda Limited's risk assessment processes and found that the risk assessments, review of external feedback and engagement with the stakeholders was undertaken to define issues for reporting.

Evaluation of Alignment to the GRI G 3.1 Guidelines

In our opinion, based on the scope of this assurance engagement, the non-financial - qualitative and quantitative information (sustainability performance) reported, including the referenced information provides a fair representation of the sustainability related strategies, management systems and performance. The Report meets the general content and quality requirements of GRI G3.1, i.e.

- Standard Disclosures: We reviewed the Standard Disclosures reported in this Report and we are of the opinion that the reported information generally meets the reporting requirements of GRI G3.1 guidelines.
- Performance Indicators: We reviewed the performance indicators reported in this Report and we are of the opinion that the reported information generally meets the disclosure requirements covering Generic Disclosures on Management Approach (DMA) and Performance Indicators.

Statement of Conclusion

The information contained in the 2015 Sustainability Report is reliable and complete; nothing has come to our attention that causes us to believe that the information reported is not fairly stated.

It is our opinion that Atlas Honda Limited has established appropriate systems for the collection, aggregation and analysis of data presented in the report.

We confirm that the Report is aligned with the requirements of the GRI-G3.1 guidelines and meets the requirements of declared application level.

Limitations and Exclusions

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

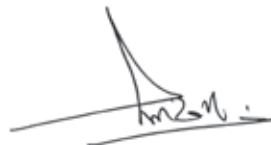
- Physical verification of data, content of Atlas Honda Limited's report;
- Positional statements (expression of opinion, belief, aim or future intention of Atlas Honda Limited's) and statements of future commitment.

Statement of Independence, Impartiality and Competence

CSRCP operates strict conflict of interest checks and has confirmed our independence to work on this engagement with Atlas Honda Limited. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the Report. The review team has the required combination of education, experience, training and skills for this engagement.



Dr. Amjad Ali
Director
CSRCP

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

G3.1 Content Index

STANDARD DISCLOSURES PART I: Profile Disclosures

Profile Disclosure	Disclosure	Status	Location of disclosure / Remarks
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Full	CEO Message on Sustainability
1.2	Description of key impacts, risks, and opportunities.	Full	Governance
2. Organizational Profile			
2.1	Name of the organization.	Full	Cover Page
2.2	Primary brands, products, and/or services.	Full	AR 2015 - Chairman Review
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Full	AR 2015 - Organization Chart
2.4	Location of organization's headquarters.	Full	AR 2015 - Company Information
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Full	The Company operates its business through Pakistan
2.6	Nature of ownership and legal form.	Full	AR 2015 - Pattern of Shareholding
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Full	AR 2015 - a) Chairman Review b) Notes to the Financial Statement
2.8	Scale of the reporting organization.	Full	AR 2015
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Full	Definition, Methodology & Scope
2.1	Awards received in the reporting period.	Full	AR 2015 - Chairman Review

Profile Disclosure	Disclosure	Status	Location of disclosure / Remarks
3.	Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Full	About this Report
3.2	Date of most recent previous report (if any).	Full	About this Report
3.3	Reporting cycle (annual, biennial, etc.)	Full	About this Report
3.4	Contact point for questions regarding the report or its contents.	Full	About this Report
3.5	Process for defining report content.	Full	About this Report
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Full	About this Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Full	About this Report
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Not Applicable	Not Applicable
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Full	Definition, Methodology & Scope
3.1	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Full	Definition, Methodology & Scope
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Full	Definition, Methodology & Scope

Profile Disclosure	Disclosure	Status	Location of disclosure / Remarks
3.12	Table identifying the location of the Standard Disclosures in the report.	Full	G3.1 Content Index
3.13	Policy and current practice with regard to seeking external assurance for the report.	Full	About this Report
4.	Governance, Commitments, and Engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Full	Governance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Full	Governance
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Full	Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Full	Governance
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Full	Governance
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Full	Governance
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Full	Governance
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Full	Vision, Mission & Code of Conduct

Profile Disclosure	Disclosure	Status	Location of disclosure / Remarks
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Full	Sustainability Framework
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Full	Governance
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Full	Sustainability Framework AR 2015 - Risk & Opportunity Report
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	Full	AR 2015
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Full	OICCI, MAP, KCC, PBC, PAMA
4.14	List of stakeholder groups engaged by the organization.	Full	Governance
4.15	Basis for identification and selection of stakeholders with whom to engage.	Full	Governance
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Full	Governance
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Full	Governance

STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)

G3.1 DMAs	Disclosure	Status	Location of disclosure / Remarks
Disclosure on Management Approach - Economic			
Aspects	Economic performance	Full	CEO Message on Sustainability
	Indirect economic impacts	Full	CEO Message on Sustainability
Disclosure on Management Approach - Environment			
Aspects	Materials	Full	Environment
	Energy	Full	Environment
	Water	Full	Environment
	Biodiversity	Full	Environment
	Emissions, effluents and waste	Full	Environment
	Products and services	Full	Environment
	Compliance	Full	Environment
Disclosure on Management Approach LA			
Aspects	Employment	Full	People
	Labor/management relations	Full	People
	Occupational health and safety	Full	People
	Training and education	Full	People
	Diversity and equal opportunity	Full	People
Disclosure on Management Approach HR			
	Non-discrimination	Full	People
	Freedom of association and collective bargaining	Full	People

Profile Disclosure	Disclosure	Status	Location of disclosure / Remarks
Aspects	Child labor	Full	People
	Prevention of forced and compulsory labor	Full	People
Disclosure on Management Approach SO			
Aspects	Local communities	Full	Society
	Corruption	Full	Society
	Compliance	Full	Society
Disclosure on Management Approach PR			
Aspects	Customer health and safety	Full	Customer
	Product and service labelling	Full	Customer
	Marketing communications	Full	Customer
	Customer privacy	Full	Customer
	Compliance	Full	Customer
STANDARD DISCLOSURES PART III: Performance Indicators			
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Full	AR 2015 - Statement of Value Addition and its Distribution
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Partial	Governance
EC3	Coverage of the organization's defined benefit plan obligations.	Full	People
EC4	Significant financial assistance received from government.	Full	The Company did not receive any financial assistance from the government

Indicator	Disclosure	Status	Location of disclosure / Remarks																												
Indirect economic impacts																															
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Full	Society																												
Environmental																															
EN1	Materials used by weight or volume.	Full	<table border="1"> <thead> <tr> <th>Material</th> <th>Unit</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Ferrous Material</td> <td>MT</td> <td>43,316</td> <td>44,970</td> </tr> <tr> <td>Non Ferrous Material</td> <td>MT</td> <td>6,479</td> <td>6,711</td> </tr> <tr> <td>Oil, Paints and Lubricants</td> <td>MT</td> <td>161</td> <td>198</td> </tr> <tr> <td>Rubber</td> <td>KL</td> <td>845</td> <td>899</td> </tr> <tr> <td>Plastic</td> <td>MT</td> <td>3,840</td> <td>4,013</td> </tr> <tr> <td></td> <td>MT</td> <td>2,735</td> <td>2,845</td> </tr> </tbody> </table>	Material	Unit	2014	2015	Ferrous Material	MT	43,316	44,970	Non Ferrous Material	MT	6,479	6,711	Oil, Paints and Lubricants	MT	161	198	Rubber	KL	845	899	Plastic	MT	3,840	4,013		MT	2,735	2,845
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EN5	Energy saved due to conservation and efficiency improvements.	Full	Environment																												
Water																															
EN8	Total water withdrawal by source.	Full	Environment																												
EN10	Percentage and total volume of water recycled and reused.	Partial	Environment																												
Biodiversity																															
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Full	Environment																												
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Partial	Environment																												
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Partial	Environment																												

Indicator	Disclosure	Status	Location of disclosure / Remarks
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Full	Environment
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Full	Environment
EN22	Total weight of waste by type and disposal method.	Full	Environment
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Partial	Environment
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	Full	None
Social: Labor Practices and Decent Work			
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Full	People
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Full	People
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Full	People
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Partial	People

Profile Disclosure	Disclosure	Status	Location of disclosure / Remarks
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Full	People
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.		People
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partial	People
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Full	People
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Full	People
Social: Human Rights			
Investment and procurement practices			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Partial	People
HR4	Total number of incidents of discrimination and corrective actions taken.	Full	None
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Partial	People

Indicator	Disclosure	Status	Location of disclosure / Remarks
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	Full	People
Prevention of forced and compulsory labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Full	People
Social: Society			
Local communities			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Full	Society
Corruption			
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Full	Society
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.		
SO4	Actions taken in response to incidents of corruption.	Full	Society
Anti-competitive behavior			
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Full	None

Indicator	Disclosure	Status	Location of disclosure / Remarks
Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Full	None
Social: Product Responsibility			
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Full	Customer
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Full	None
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Full	Customer
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Full	None
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Partial	Customer
Marketing communications			
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Full	Customer
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Full	None

Indicator	Disclosure	Status	Location of disclosure / Remarks
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Full	None
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Full	None

Glossary and Acronyms

Acronym	Description	Acronym	Description
3TG	Tungsten, Tin, Tantalum, Gold (minerals)	MW	Mega Watt
AGM	Annual General Meeting	NED	NED University of Engineering & Technology
AMP	Advance Management Program	NGO	Non-government Organization
CEO	Chief Executive Officer	NOx	Nitrogen Oxides
CFO	Chief Financial Officer	NUST	National University of Science & Technology
CO ₂	Carbon di Oxide	PAAPAM	Pakistan Association of Automotive Parts and Accessories Manufacturers
CoCG	Code of Corporate Governance	QA	Quality Assurance
CSR	Corporate Social Responsibility	QC	Quality Control
DO	Dissolved Oxygen	SECP	Securities and Exchange Commission of Pakistan
EHS & S	Environment, Health, Safety and Security	SGS	SGS Pakistan (Pvt) Ltd.
EMBA	Executive MBA	SNG	Synthetic Natural Gas
EMS	Environment Management System	SZABIST	Syed Zulfiqar Ali Bhutto Institute of Science & Technology
FBR	Federal Board of Revenue	TCF	The Citizens Foundation
GHG	Green House Gases	UET	University of Engineering and Technology
GJ	Giga Joule	URS	United Registrar of Systems
gm/km	Gram per Kilo meter	USAID	United States Aid
gm/m	Gram per Meter	VIP	Vendor Improvement Program
GRI	Global Reporting Initiative	VP	Vice President
HR	Human Resource		
IBA	Institute of Business Administration		
ISAE	International Standard on Assurance Engagement		
IT	Information Technology		
LCA	Life Cycle Assessment		
LPG	Liquefied Petroleum Gas		
LUMS	Lahore University of Management Science		
M ₃	Meter Cube		
MIS	Management Information System		
MTO	Management Trainee Officer		

Feedback Form

Sustainability Report 2015

Details of information provided on issues covered in the report

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 : _____

Tel : _____

Please mail your feedback to : Email: ahl.suggestion@atlashonda.com.pk