



# Employee Management

## Management Approach

The Company ensures long-term employee development by seeking out the right employees, making the most of their talents, developing potential and ensuring employability. The Company strives to unlock the potential of human resources management and resultantly, add value to its business. A corporate culture guided by the principles of the Atlas Way (as described in Sustainability Strategy) forms the basis of the Company's efforts in this area.

The Company has policies in place covering all aspects of employment, including employee relations, training, equal opportunity and health & safety of its workforce. The Company fully complies with applicable labour and health & safety laws and regulations that prohibit forced, compulsory and child labour. The Company is committed to the observance of fair working conditions and human rights. Gender equality and respect for diversity is deep rooted in the Company's culture to encourage talented individuals with diverse backgrounds to demonstrate their full potential and evolve into leaders. The Company is continuously working to upgrade its human resources expertise, practices, systems, and service quality. As part of the Company's talent management, performance appraisals are carried out which help in identification of career development and training needs. This also helps the Company in ensuring a fair reward system. Further, the Company's performance is constantly evaluated through surveys and awards.

## Recruitment and Retention

To sustain its market leadership, the Company aims to attract,

recruit and retain the best talent. The Company's ability to offer unique opportunities, such as a diverse and supportive work environment, helps differentiate Atlas Honda from other employers and attracts high-performing professionals who are competent and highly skilled. Recruitment and retention of appropriate workforce becomes more crucial with the changing skillset requirements for which a uniform policy for hiring, job placement and development of existing human resource is implemented by the human resource department. A comprehensive "Employee Orientation Training Program / Onboarding Program" has been designed to provide an overview of the Company's culture and processes to all new joiners



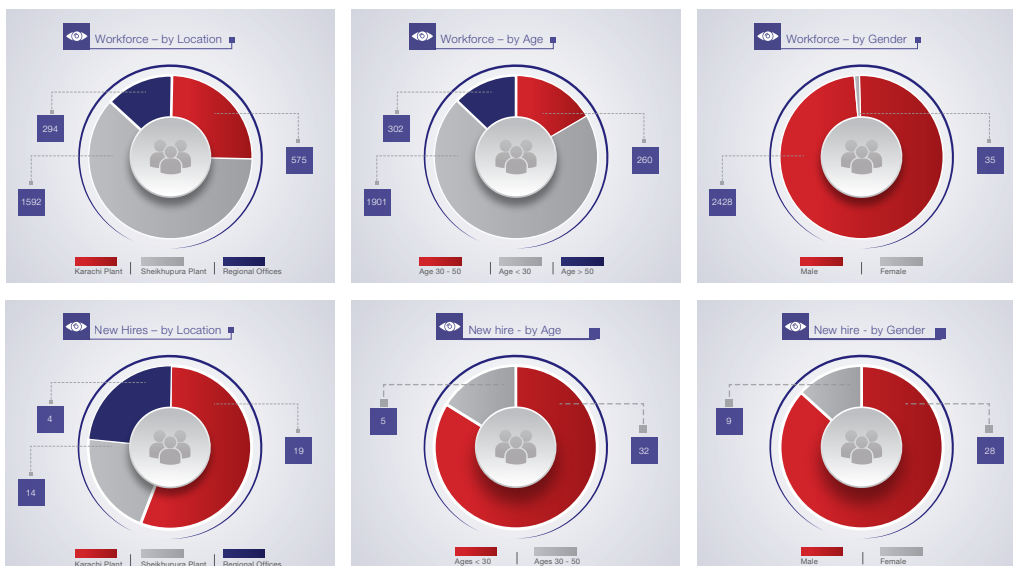
A view of recruitment drive

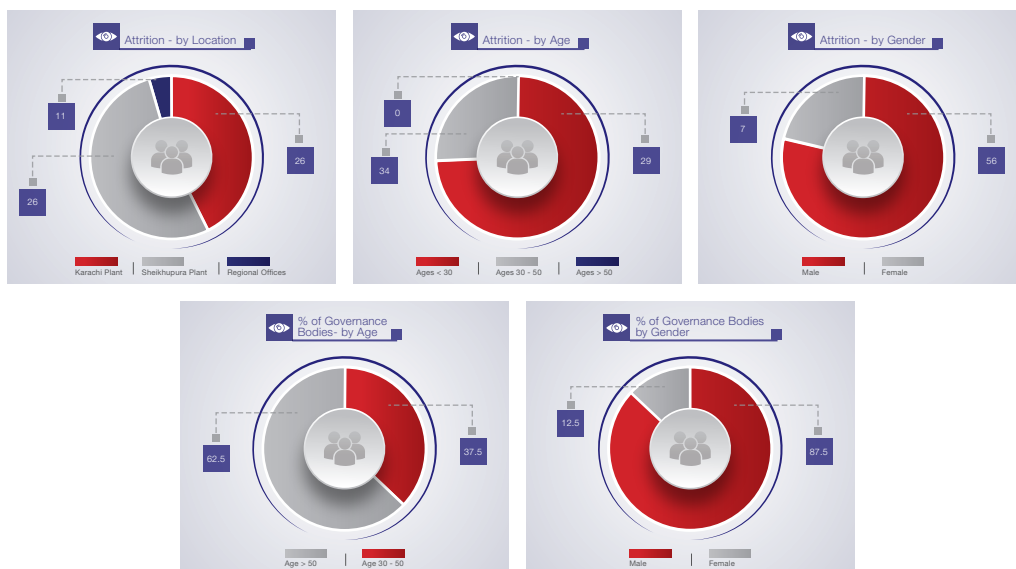


A view of recruitment drive

## Employee Composition

The Company's employees' composition is shown below. No major variations have been reported from last year. Further, the data has compiled by the Company's human resource department as per actual and no assumptions have been made. During the year, the hiring rate was 1.55% while the turnover rate was 2.56%.





6 DIVERSITY

### Diversity and Inclusion

The Company values equality, diversity and inclusion. Gender equality and empowering women lies at the heart of the agenda for sustainable development, which asserts gender equality as both a fundamental human right and a necessary foundation for a peaceful, prosperous and sustainable world. In this regard the Company has been pursuing a non-discriminative hiring mechanism. During the year, 24% of the new hires were females. Merit-based recruitment practices have been adopted and equal employment opportunities for all regardless of race, religion, gender, marital status and age or disability are being made available by the Company. During the year, no incidents of discrimination were reported. For hiring workers, equal weightage is given to candidates from across the country. The Company also focuses on recruitment and qualification of local personnel as a way of developing the local communities and regions in which it operates. No senior management employee at locations of significant operation is hired based on location or domicile and no specific quotas for women, specific nationalities, ethnic minorities, or special age groups, exist for senior management and Executive Committee.

The Company hires males and females with vast experiences, from different industry backgrounds, cultures, beliefs and ethnicities. This ensures that the Company is able to adapt to the changing needs of business. However, it is currently a challenge for the entire auto industry in Pakistan to attract sufficient number of female employees. Various initiatives are being undertaken to enhance the participation of women. During the year, 09 female executives were hired. Female and male staff is entitled to three-month and five day maternal leaves respectively. During the year under review, 4 female associates availed maternal leave while 300 male staff availed paternal leaves. 100% of the associates that availed maternal and paternal leaves returned to work and are currently working with the organization. The Company also supports creation of job opportunities for persons with disabilities through provision of additional facilities and appropriate training. Currently, 21 individuals, who are differently-abled, are working for the Company.

### Career Development and Training

The Company believes in the principle of "Organization Development through Self-Development" and places great emphasis on capacity and skill building. Life-long learning is promoted through the 70:20:10 formula, where 70% learning

comes from an individual's performance at their current job, 20% from coaching and 10% from formal training. Accordingly, the Company provides a broad range of opportunities to its employees in form of on-the-job learning, mentoring programs, trainings and courses. Such programs include various in-house, national and international programs. We support development at all levels – starting from career training through to further development of top management. The Company also provides support to its employees for higher education and management courses at renowned business schools such as Harvard Business School and INSEAD. Company also provides its employees

Internal Training Programs	27
No. of Persons trained in internal training	1,819 (Female: 12)
External Training Programs	24
No. of Persons trained in external trainings	89 (Female: 10)
Trainings days	2,330 (Female: 37)
Training hours	18,640 (Female: 298)
Average training hours per year per employee	7.6 (Female: 8.5)
Average training days per employee	0.9 (Female: 1.7)



transition assistance programs to facilitate in continued employability and the management of career endings resulting from retirement. A number of rotational programs are strategically and systematically implemented to give employees the experience needed to serve at management positions. The Company's efforts, during the year under review, for training and development of its management employees are presented in the table above.

### Performance Appraisal and Reward System

The Company adheres to all laws and regulations with regard to employee benefits, including minimum wages and separation benefits. Basic salaries and packages are set on the basis of education and experience of the employees and are not based upon gender discrimination. The ratio of basic salary and remuneration of women to men is one to one at AHL. Compensation packages offered are competitive and equitable and are in line with the industry benchmarks. These include salaries, bonus, health care benefits, transportation allowances, company provided vehicles, fuel allowances and retirement benefits. An employee's salary is adjusted based on the results of performance evaluations. The remuneration policy is approved by the Board of Directors which is reviewed from time to time to ensure that compensation packages are competitive and inline with the industry practice. This review of compensation policy is carried out internally by the Human Resource and Remuneration committee in liaison with relevant the Heads of departments. AHL pays its employees significantly higher salaries than the minimum wages at all of its locations. The ratio of standard entry level wage paid by AHL to minimum wage, is greater than 1.3 at all significant locations of the Company. The Company only provides full time employment and does not offer part time jobs.

All employees undergo performance appraisals twice a year which is conducted by their respective line managers. Annual Performance Appraisal is used as a basis for positioning of personnel within the Company and determination of annual increment. High performing individuals are promoted to higher grades and are awarded higher increments. The Company's performance management policy, under the Individual Development Program for management cadre employees, requires determination of areas of focus for internal and external trainings necessary for creation of future leaders.

AHL acknowledges and celebrates the unwavering commitment and exceptional contributions of its long-serving employees and firmly believes in recognizing and appreciating the dedication and loyalty displayed by its team members throughout their tenure with the organization. The Company recognizes their efforts through Gold Coin Appreciation Program, a heartfelt gesture designed to commemorate their invaluable services. In this regard, gold coins along with letter of appreciation were awarded to 270 Employees who have served the Company for fifteen, twenty and twenty-five years and to 17 retiring employees. The ceremony was held at SKP plant of the Company in which the senior leadership marked its presence.



A view of award ceremony for appreciation of long-serving employees



### Employee Engagement and Connectivity

The Company supports the creation of a high performing work environment by ensuring a balance between personal and professional lives of its employees. The Company believes in a culture of inclusion and well-being that inspires employee engagement for better productivity. For this, the Company organizes various activities such as family day, picnics, sports and other activities which provide employees an opportunity for leisure.



A view of recreational activities program arranged for employees

### Human Rights and Relations with CBA

The Company is responsible for creation of an environment free of discrimination and harassment, in which all individuals are treated with respect, equality and dignity and have equal opportunities. Human rights violations of any sort are not tolerated. Key management practices including: a guarantee of voluntary labour, observance of working hours, respect for diversity and workplace health and safety are continuously reinforced at the Company. The Human rights policy adopted by the Company follows the requirements of Universal Declaration of Human Rights (UDHR). Company carries out regular reviews of all its operations for violation of human rights. For this company has also established efficient grievances reporting system. During the year, no such violation of human rights policies and procedures has been identified or reported, resultantly no formal training for human rights policies and procedures was carried out. The Company makes every effort to engage in sincere discussions with its employees about any issues that exist or might arise. This helps in maintaining a relationship of mutual trust. Moreover, the Company complies with all local statutory and operational requirements with regard to the provision of information to employee representatives and employees.

Investment agreements include human rights clauses and undergo human rights screening. The Board of Directors approves all major investments and decision of the board is based upon financial, strategic and sustainability criteria, the last of which also includes human rights aspects. During the year, all the major investment agreements and contracts were subject to human rights screening.

One month notification period is allowed before implementation of any change that can have an impact on employees. For employees that are covered under CBA, such clauses are part of CBA agreements. The Company recognizes the rights of employees to set up their representation and carry out collective bargaining to regulate working conditions. Constructive dialogue, negotiations and consultations are carried out with labour unions, when needed, at both plants of the Company. All non-management employees are covered under CBA, which cover more than 9.4% of total permanent employees.

The Company strongly discourages any form of child labour and firmly complies with local regulations concerning legal minimum age requirement for work permits. The Company has a mechanism of periodical evaluation of its vendors for any possible violation of human rights. The Company does not have any child labour within its operations nor is it aware of any such cases at its suppliers. There were no complaints reported during the year related to violation of human rights. For the employees that are not covered under collective bargaining agreements, their working conditions and their roles and responsibilities are guided by internally developed Human Resource policies and procedures. No forced or compulsory labor exist at AHL.

## Health and Safety

The Company is committed to ensure the health and safety of its employees, contractors and visitors. The risks of injury, death or ill-health of Company's employees and those who work with the Company is a fundamental concern and have a significant impact on its operations. The Company is striving to create a dynamic working environment that is conducive to the mental and physical well-being of its employees. Issues relating to employee safety and health are managed in accordance with the Health, Safety & Environment policy of the Company at all its sites.

In this regard, health and safety management system has been implemented. Aspects related to this area are documented in contracts and agreements with the trade union. All workers are represented by the health and safety committee, Workers Council Committee established under Industrial Relationship Act and operates at facility level. Workers have appropriate representation in the committee. The committee is involved in development, implementation and evaluation of the health system. Monthly meetings of committees are conducted for monitoring and evaluation purposes. Health and safety committees are operational at each plant as per applicable laws and best available practices. Health and safety committees are responsible for identification and evaluation of Work-related hazards and the risks of ill health on a regular periodic basis and take counter measures adopted to minimize the risk and promote safe working environment. The meetings of the committee are conducted on monthly basis.

The formal agreements with the CBA cover health and safety related provisions and all the employees of the company come under the umbrella of extensive medical policy that has been formulated in the light of health and safety requirements of the Factories Act, 1934.

The responsibility for health and safety impacts rests with the General Manager Human Resource. Quality of health services is ensured through competent staff providing the services and regular periodic monitoring and evaluation of the services provided. The management approach comprises of health and safety policy, procedures and guidance which are established under the guidelines of ISO14001:2015 and ISO 45001:2018. These health and safety management system cover all the employees of the Company working at its premises. Incident reporting mechanism is defined in the work procedures of HSE and is followed rigorously. Workers are encouraged to report any risks and safety incidents and no reprisal action is taken against workers reporting any such incidents. The Company carefully tracks incidents and complaints received from stakeholders and

take prompt actions for resolution. During the year, no work-related ill health fatalities, or any other cases of significant injuries have been reported.

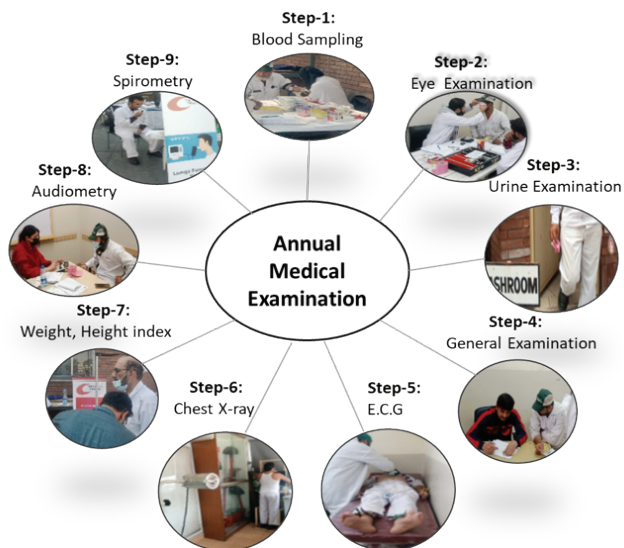
Company has established Job Hazard Analysis (JHA) which is essentially the assessment of routine or specific work activities and the workplace to establish whether adequate precautions are in place. In other words, it is the systematic identification of potential hazards in the workplace as a step to controlling the possible risks involved.

Job Hazard Analysis is an ongoing process. Based on the analysis of job processes carried out during the current year, employees of the Company do not face any major risk of occupational diseases nor did any such diseases occur related to the manufacturing processes of the Company.

Important guidelines derived from the HSE policy have been displayed at prominent places within the Company's premises to manage safe working environment. Workers' training on occupational health & safety has been the key factor in promoting safe working environment. Generic safety trainings, various fire training, basic first aid and specific work related hazards trainings are provided to workers on regular basis by competent and trained staff in local language which is easily understood by all the workers. Trainings are provided free of charge and during paid working hours. Effectiveness of training sessions is evaluated through post sessions feedback and mock exercises. Further, the Company undertook following steps to promote healthy mindset and evaluate the risks to health and safety of its safety amongst employees

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- To address various health, safety and environment related issues regular, HSE Flyers are disseminated. To date, topics covered include updates on Covid-19 prevention, rain emergency, earthquake and road safety.
- During the year 1-month Medical Examination activity performed for hazardous areas to ensure good health of associates and prevent them from disease in which 1,285 associates were tested through 9-step verifications: Blood test, Eye test, Urine test, Physical Examination, Chest X-ray, Heart ECG, Weight Measurement, Height index, Audiometry and Spirometry.



- “Stop for Safety Talk Program” was conducted by HSE department to create awareness. During the year, 84 training sessions were conducted by HSE department creating awareness about machine guarding, ergonomics, chemical safety, hazard identification HSE policy, lock out/tag out, general electric safety, fire prevention & emergency response planning, use of personal protective equipment, forklift safety and confined space safety. 1,290 associates participated in the training sessions.



- During the year, 24 training sessions on firefighting training and emergency evacuation were conducted in which 1,524 associates participated.



A view of recreational activities program arranged for employees

- “External training sessions” were conducted by HSE department through Standard Global Services (SGS) to create awareness. During the year, 6 training sessions were conducted by HSE department creating awareness about first aid, Fork lifter safety, Scaffolding inspection, ISO 45001 Lead Auditor, Risk Assessment, electrical & chemical safety, in which 172 associates participated in the training sessions.



A view of stop for safety talk program at SKP production facility