



**United Nations Global Compact  
Communication on Progress 2010-11**

H.E. Ban Ki-moon,  
Secretary General,  
United Nations,  
New York, NY 10017  
USA

Date: 08<sup>th</sup> September, 2011

Dear Mr. Secretary-General,

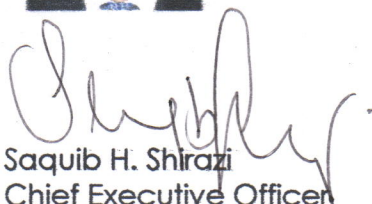
I am pleased to confirm that Atlas Honda Limited supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to advance those principles within our sphere of influence. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals. Atlas Honda Limited will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within one year of joining the Global Compact, and annually thereafter according to the Global Compact COP policy.

As this was a new area for us and the organization was not geared towards it, we regret that we have lagged behind in the reporting requirements. We are committed towards the goals and principles of Global Compact and undertake to meet the reporting requirements in future.

Sincerely yours,



  
Saquib H. Shirazi  
Chief Executive Officer

**Atlas Honda Limited**

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## **Principle 1 To support and respect the protection of Internationally proclaimed Human Rights**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<b>Safety</b>	<b>Safe Working Conditions</b>	<ul style="list-style-type: none"> <li>We ensure that our employees are provided with a safe working environment. Personal Protective equipments are provided as per job requirements</li> <li>We implement the Japanese 5s concept. These five elements mainly focus on improving cleanliness and working condition. Top management conducts 5s inspection of the plant &amp; workplaces against the set standards at regular intervals</li> <li>Periodic checkups of fire extinguishers, fire alarms and smoke detectors etc</li> <li>Employees are insured while travelling either locally or internationally</li> <li>We conduct Safety, 5s and environment training &amp; Safety related activities like fire fighting drills and awareness trainings</li> <li>Safety committee is in operations for making the company's environment safe wherein frequency of accidents and safety issues are noted.</li> </ul>
	<b>Employee Personal Safety</b>	<ul style="list-style-type: none"> <li>First Aid boxes are provided in all shops/departments for first aid treatment in case of injury.</li> <li>Safety wears like safety glasses, safety shoes, gloves and breathing masks are provided to employees as per requirement.</li> <li>Training on personal safety delivered from time to time at all levels</li> <li>Trainings &amp; Drills on Fire Fighting &amp; Fire Hydrant conducted periodically.</li> </ul>
	<b>Customer Care</b>	<ul style="list-style-type: none"> <li>We ensure safety for our customers by introducing a new concept of Safety and Traffic Education Mobile Van in Pakistan.</li> <li>Awareness programs are conducted in collaboration with Provincial Police Department to educate the customers about safety riding.</li> </ul>
	<b>Road Safety campaigns</b>	<ul style="list-style-type: none"> <li>Awareness programs and training/workshops are conducted to teach the riders how to drive safely.</li> </ul> <p>Training on road safety conducted in collaboration with Punjab Police including awareness on Good Rider Attitude, Responsibilities of Rider, Driving License , etc</p>





<b>Health</b>	<b>Healthy Environment for Employees</b>	<ul style="list-style-type: none"><li>• Our company has green areas that we maintain to a high level of excellence. Our efforts have been recognized by different Horticultural Associations.</li><li>• Clean and filtered water is provided to all employees for drinking</li><li>• A recreation room is available to make the employees involved in healthy activities.</li><li>• A separate facilities are provided for female employees.</li></ul>
<b>Industrial Relations &amp; Employees</b>	<b>Health &amp; Education</b>	<ul style="list-style-type: none"><li>• Our Company meets and exceeds the requirements laid down in the factories Act, which includes Hygiene, Environment, Vaccination etc</li><li>• We have common canteen for all employees where hygienic food at subsidized rates is served.</li><li>• Under the Social Security Ordinance and Educational CESS we make contributions to the institutions for educational assistance to the children of workers.</li><li>• Life insurance is provided to all employees</li><li>• Hospitalization insurance is provided to employees.</li></ul>
	<b>Fair and Equal Opportunities</b>	<ul style="list-style-type: none"><li>• We are an equal opportunity employer and recruit employees regardless of sex, cast and religion. We consider every employee member of "AHL Family" and provide equal development opportunities.</li><li>• We have a strong blend of Honda global philosophy with the tradition of Pakistan. We promote uniformity in every function from same uniform appearance to every technical knowledge we provide to our employees.</li><li>• Female employees are working in different functions like Marketing, Production Planning, Supply Chain, Material management, Finance, Human Resource, Administration &amp; services.</li></ul>
	<b>Healthy entertainment activities for employees</b>	<ul style="list-style-type: none"><li>• To enhance team work, AHL organizes Family Day every Year which gives the opportunity to all employees to come together and meet each other with the intention to promote healthy entertainment activities and to promote AHL Family culture.</li><li>• Every year company arrange picnic for employees to enjoy and to involve in entertainment activities which eventually increase teamwork and coordination among all employees.</li></ul>





### **Training & Development**

### **Appreciation for achievements**

### **Preventing forcible displacement of individuals**

### **Employee policy for disabled persons**

- Alamayar circle convention is arranged every year.
- Sports activities are also arranged for all employees. Sports competitions are also arranged for females
- We provide training related to the employees core responsibilities and skills. We send our employees for outsourced trainings for polishing their skills for further development.
- We also send our employees to world renowned business schools like Harvard, INSEAD, LUMS & IBA.
- Enhancement of education with Master and Diploma Courses and continuously delivering in-house trainings to our employees as well.
- Alamayar circle convention is held every year to appreciate the best improvement done in any area. Winners are sent to domestic and foreign tours.
- Best Attendance Allowance of cash amount is given to non-management employees having full attendance at the end of year
- Long service awards are given to employees for service of 15, 20, 25,30,35,40 years in terms of gold medal as per their service tenure.
- Outstanding employees are recognized in published News Flash Quarterly. Counseling and development opportunities. We have working examples of employees rising from junior to senior key executives positions.
- Displacements according to prescribed Labor Law. There is no reported case of forcible displacement till now
- Our company follows the Workmen Compensation Act in matters related to disability. Alternate jobs are assigned to employees who suffer disabilities.





**Principle 2:**

**To avoid complicity with human rights abuse.**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<p><b>Ethics</b></p>	<p><b>Our Vision &amp; mission aspire the company to be very quality oriented and standard following.AHL expects its employees to enhance the standard by quality:</b></p> <p><b>Code of Ethics</b></p>	<ul style="list-style-type: none"> <li>• Maintaining a high level of integrity in all business relationships, both inside and outside the company.</li> <li>• Fostering the highest standards of conduct and competence amongst those for whom they are responsible.</li> <li>• Ensuring transparency in business transactions, and rejecting any business practice which might deemed to be improper.</li> <li>• Promoting fair business practices and ensuring compliance with regulatory and legal requirements.</li> <li>• AHL has developed Code of Ethics for every employee to follow.</li> <li>• Statement of Ethics is signed by each employee.</li> <li>• Compliance with Company Act/ Labor Law.</li> <li>• We believe in open environment and respect for all.</li> <li>• Every year the Code of Ethics is reviewed for any updation.</li> </ul>
<p><b>External Public</b></p>	<p><b>Technical development of dealers &amp; vendors</b></p>	<ul style="list-style-type: none"> <li>• Technical Training &amp; workshops are conducted for dealers, vendors, suppliers &amp; service dealers.</li> <li>• In-house trainings are conducted for service dealers, parts dealers and motorcycle dealers.</li> <li>• Workshops are conducted periodically for technology enhancement of dealers &amp; vendors.</li> <li>• Vendor &amp; dealer conference are also conducted periodically.</li> <li>• Different awards are given to winners.</li> </ul>





**Principle 3:**

**To uphold the freedom of association and the effective recognition of the right to Collective Bargaining**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<p><b>Industrial Relation and Employees</b></p>	<p><b>Freedom of Association</b></p> <p><b>Workers are able to form a trade union of their choice without fear of intimidation</b></p> <p><b>Using collective bargaining for addressing working conditions and terms of employment and relations</b></p> <p><b>Union Charter Signing</b></p> <p><b>Freedom of union to protect employee interests without management recrimination</b></p>	<ul style="list-style-type: none"> <li>• The company complies with the applicable laws. Employees are free to join any trade Union of their choice.</li> <li>• AHL has two registered trade Unions including one CBA.</li> <li>• CBA along with their members coordinate with the management for improving peaceful working environment and other issues.</li> <li>• The Union has the right to negotiate for its demands related to working conditions as per the Industrial Relations Act.</li> <li>• On the expiry of the last agreement on 31.07.2010 by CBA &amp; management, a new agreement is signed with effective from 01.08.2010</li> <li>• Union activities are governed by the Standing Ordinance 1968 and IR Act.</li> <li>• The company complies fully with the law for all cases pertaining to disciplinary action and termination of employees, including any members of the union.</li> </ul>





**Principle 4:**

**To eliminate all forms of forced or compulsory labor.**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<p><b>Employees</b></p>	<p><b>Employment Contracts states terms and conditions of service, nature of employment, freedom to leave and any penalties associated with departure or cessation of work.</b></p> <p><b>Record for checking lowest wage rate against regulated amount</b></p> <p><b>Third party audit of suppliers/contractors/ vendor labor conditions</b></p>	<ul style="list-style-type: none"> <li>• Employment contracts don't violate any human rights or labor laws.</li> <li>• Employee &amp; employer can terminate the contract within the notice period</li> <li>• Exit interviews are taken to solicit feedback from the employee.</li> <li>• All workers in the company are above minimum wage as specified by the government and are paid competitively according to market conditions.</li> <li>• Employer is responsible for encouraging and ensuring all vendors and contractors to fulfill their legal requirements.</li> </ul>
<p><b>Business Partners</b></p>	<p><b>Vendor/Supplier selection</b></p> <p><b>Vendor, Supplier and Business Partnership contract. Contracts are executed with suppliers after they confirm that they are not using any form of forced labor in the supply chain</b></p>	<ul style="list-style-type: none"> <li>• Suppliers are selected after they confirm the legitimacy of their labor practices and no forced labor.</li> <li>• All contracts of our vendor, suppliers and business partners have this provision that they are not using any form of forced labor.</li> </ul>





**Principle 5:**

**To effectively abolish child labor.**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
Employees	<p>Following Child Labour Laws</p>	<ul style="list-style-type: none"> <li>All our employees are in the category of adult persons in accordance with the Factories Act and no under-age employee is hired.</li> <li>To prevent under-age hiring, at the time of their induction, the ages of all employees are confirmed through their Matriculation Certificate or National Identity Card.</li> </ul>
	<p>Third party audit of Labour conditions</p>	<ul style="list-style-type: none"> <li>Regular third party audits are conducted by the Labor Directorate which covers health and safety, working hours and environment and other requirements of the Labor Laws.</li> <li>All contractors are liable to fulfill their social security and human rights requirements as prescribed by different laws, including prohibition of under-age workers.</li> </ul>
External Public	<p>Suppliers/contractors, vendors and other business partners' pre-qualification requirements regarding human rights and child labor</p>	<ul style="list-style-type: none"> <li>Company's employees visiting suppliers and vendors are encouraged to observe and report non-compliance with any laws to the Company's management.</li> </ul>

**Principle 6:**

**To eliminate discrimination in employment and occupation.**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
Employees	<p>Equal Opportunities for women and minorities</p>	<ul style="list-style-type: none"> <li>AHL endeavors to be an Equal Opportunity Employer. Females and minorities are given equal opportunities.</li> </ul>
	<p>Career Plan: Discrimination in staff promotions</p>	<ul style="list-style-type: none"> <li>Hiring and promotions are done on merit &amp; professional performance and qualification.</li> </ul>
	<p>Maintenance of the Code of Ethics</p>	<ul style="list-style-type: none"> <li>Code of Ethics document is signed by all employees.</li> </ul>
	<p>HR aims to analyze possible violations of the Code and directs the most serious cases to senior management for action</p>	<ul style="list-style-type: none"> <li>In the periodically management meetings, serious violations are highlighted.</li> </ul>
External Public	<p>Apprenticeship/Internship / Technical Education Programs</p>	<ul style="list-style-type: none"> <li>AHL has established technical training institutes for training employees in the trade of motorcycle repair in various places.</li> <li>In-house trainings are arranged for internships and apprenticeship programs.</li> </ul>





**Principle 7:**

**Companies should support a precautionary approach to environmental challenges.**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<p><b>Environment Management</b></p>	<p><b>AHL follow Environmental Policy</b></p> <p><b>Safety And Traffic</b></p> <p><b>Education</b></p> <p><b>Energy Saving</b></p> <p><b>Waste Reduction</b></p>	<ul style="list-style-type: none"> <li>• Reduce &amp; prevent the generation of waste and pollution in our production system</li> <li>• Establish management program to promote energy conservation and reduce waste</li> <li>• Comply with requirements of environmental legislation and local regulations as a responsible corporate citizen</li> <li>• Promote relevant environmental protection knowledge and training through education.</li> <li>• AHL has introduced a unique concept of safety &amp; traffic education Mobile Van in Pakistan.</li> <li>• Training on Road Safety conducted in collaboration with Punjab Police including awareness on Safety Riding Attitude, Responsibilities of Good rider</li> <li>• AHL has reduced the use of energy and resources making shift towards zero emission based on green factory</li> <li>• Energy saving unit installation</li> <li>• HVAC, lights and fans optimum utilizations</li> <li>• Exhaustive reduction in waste and loss at both plants by improving in recovery of thinner for cleaning purpose.</li> <li>• Improvement in coating efficiency for VOC reduction</li> <li>• Installed a water recycling unit on the fuel tank welding line enabling to recycle 132 gallons/minute</li> <li>• Treatment plant discharged water re-used for gardening</li> </ul>
<p><b>External Public</b></p>	<p><b>Protect economic</b></p> <p><b>Livelihood of communities</b></p>	<ul style="list-style-type: none"> <li>• AHL has always contributed in the betterment of the underprivileged people in many ways.</li> <li>• In the Flood relief efforts AHL along with Atlas Group of companies, contributed 20 million to Federal &amp; Provincial governments and Pakistan Army.</li> <li>• Contribution in kind by way of food, medicine, cash disbursements and shelter etc. given to affected people costing Rs. 30 million.</li> <li>• The Company donated two community water filtration plants at SKP which will provide the locals with clean water.</li> </ul>





**Principle 8:**

**Companies should undertake initiatives to promote greater environmental responsibility.**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<p><b>Environmental Responsibility</b></p>	<p><b>Under Company's code of ethics:</b></p> <ul style="list-style-type: none"> <li>- Continuous improvement in management of its environmental impact.</li> <li>- To promote environmental care, increase understanding of environmental issues and disseminate good practice.</li> </ul> <p><b>Introducing, certifying and continually improving environmental management systems</b></p> <p><b>Training Programs</b></p> <p><b>Energy Conservation reduction in per unit usage of utilities</b></p>	<ul style="list-style-type: none"> <li>• Code of Ethics is signed by all employees for compliance of environmental policy during their employment tenure.</li> <li>• ISO 14001 Certified.</li> <li>• HSE committee is formed and working for promoting safe working environment and conduct periodic meetings.</li> <li>• Training program of HSE (Health, Safety &amp; Environment) are conducted on periodically basis.</li> <li>• Except for basic lighting, all lights are turned off during lunch hour.</li> </ul>





**Principle 9:**

**Companies should encourage the development and diffusion of environmentally**

MANAGEMENT SYSTEMS	ACTIONS	PERFORMANCE
<b>Environmentally-Friendly Technology</b>	<b>Implementation of Environment friendly Technology</b>  <b>Environment friendly Product certification</b>  <b>Support vendors for environment friendly technology transfers</b>	<ul style="list-style-type: none"><li>• Maximize use of environmental friendly parts for motorcycle manufacturing</li><li>• Japanese technology has been adopted.</li><li>• Honda manufactured 4 stroke smoke free motorcycles</li><li>• All products are environment friendly certified under the environmental laws of the country</li><li>• Introduction of Euro II compliance engines</li><li>• Recently launched Euro II CD-100 and Euro II CG 125 Deluxe</li><li>• All products of Honda are fuel efficient</li><li>• We assist our vendors in obtaining Technical Assistance Agreements with foreign manufacturers, organize study tours and plant visits abroad, arrange technical drawings, assist in improving their manufacturing processes.</li></ul>



