

Hinopak Environmental & Social Report 2014 -15

Hinopak Preserves the Shades of Green





■ About this report

Purpose:

We aim to share our Environmental and Social performances through this report, and how we are contributing for the betterment of the society.

Scope of the Report:

This report describes Hinopak's environmental and social activities. Environmental activities include reduction in environmental impact and other environmental protection efforts at each business stage, from the developing and designing of our trucks and buses, to procurement, production and logistics, to sale and disposal or recycling. We have set our commitment to be a responsible corporate entity and to manage our social & environmental issues conscientiously. We are working together with our stakeholders to build a safe, environment conscious Pakistan

Company Information:

REGISTERED OFFICE

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P.O.Box No. 10714
Karachi-75700, Pakistan
Tel: 111-25-25-25
Website: www.hinopak.com
Email: info@hinopak.com

Primary brands, products, and/or services:

Assembly, manufacturing and sales of Hino Trucks and Buses and Sales of Hino Genuine Parts.

Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures:

Hinopak is a subsidiary of Hino Motors Limited Japan and Toyota Tsusho Corporation.

Nature of ownership and legal form:

Public Limited Company.

Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

The company serves markets of Pakistan and some of the Middle Eastern & African countries.

Types of customers include:

Institutional customers
Commercial customers

Scale of the organization:

- Number of Employees as on December 31st, 2014. = 1022
- Net sales (April~December 2014) = Rs. 9.21 billion (Unaudited)
- Total capitalization = Rs. 0.155 billion (0% Debt, Surplus funds) (Unaudited)
- Quantity of Products Produced (April ~ December 2014):
 - Hino Chassis : 1,309
 - Bus and other specialized bodies : 1,251
 - Hilux Frame : 3,452

Awards / citations received during the reporting period:

1. EFP/ILO 'Occupational Health & Safety Best Practices Award 2014'.
2. The Professionals Network '4th Corporate Social Responsibility Award & Certificate of Excellence'.
3. UNGC 'Business Excellence Award'

Management Systems:

ISO 14001:2004 Certified

ISO 9001:2008 Certified

OHSAS 18001:2007 Certified

Affiliations / Memberships:

- Employers' Federation of Pakistan (EFP)
- Overseas Investors Chamber of Commerce & Industry (OICCI)
- Federation of Pakistan Chamber of Commerce and Industry (FPCCI)
- Management Association of Pakistan (MAP)
- Pakistan Automotive Manufacturers Association (PAMA)
- S.I.T.E. Association
- Pakistan Japan Business Forum (PJBF)
- Pakistan Society for Training & Development (PSTD)
- Marketing Association of Pakistan

Reporting period of information provided:

1st April 2014 ~ 31st December 2014, some initiatives carried out in March 2014 and Feb. 2015 are also included in this report.

Contact point for questions regarding the report or its contents:

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Keiichiro Utsumi
Managing Director & CEO
Hinopak Motors Limited

Message on Publication of Environmental and Social Report 2014

Welcome to Hinopak Environmental and Social Report for 2014. Our prime business is to provide reliable and safe transport to our customers with better quality trucks and buses. All businesses directly and indirectly impact environment, so does ours. In this report, we illustrate how we are addressing our environmental impacts and contributing in the development of a better society.

In keeping with the spirit of our corporate statement, "**RAISING THE BAR ON TOTAL SUPPORT**", we shall continue to pursue the change required to create new values, in order to help realize a sustainable society.

We as a Social Responsible Corporation take voluntary initiatives to improve our social, economic and environmental performance. We strive to enhance awareness level of employees and interested parties on environmental issues. Our efforts are guided by our 'Code of Conduct', which set the tradition to run this organization.

For Hinopak, 2014 was a profitable year, This improved business performance has not come at the expense of our environmental and social goals. A lot has been done for improving Health and Safety of our employees and stakeholders. We also ensured that minimum effect was done to the environment.

Our key environmental parameters are 'Energy Conservation, Water Conservation and Material Discard'. As per the directives from Hino Motors Japan, we are continuously monitoring and progressing in these parameters.

Hinopak is one of the few companies to have signed the UN Global Compact. Our Corporate responsibility report outlines the thought behind the measures, and details the action undertaken at various levels to make them tangible on ground projects. We have third party assessments of our initiatives, with the aim of getting an objective feedback so we can better our performance progressively."

We hope, to move forward with the same challenging spirit that makes Hinopak the market leader in Pakistan, and be a trusted company appreciated by all stakeholders.

This report has been publicized to enhance shareholder's understanding about Hinopak environmental activities. We look forward to hearing your comments and opinions.



■ Vision

The vision of Hinopak Motors Limited is to provide the society with safe, economical, comfortable and environment friendly means of transportation by manufacturing and supplying commercial vehicles and services.



■ Mission Statement / Corporate Strategy

To pursue our vision, we commit ourselves:

To our individual, institutional and international customers:

To deliver high quality, safe, durable, reliable, comfortable, environment friendly and economical products and services to their total satisfaction.

To our employees:

To foster corporate culture of mutual trust, respect for fundamental human rights at work, opportunities for professional growth and personal welfare so that they are proud of being a member of the "Hinopak Family".

To the community and our nation:

To contribute to economic and social development, by providing means of transportation and by progressive localization of the vehicles.

To the shareholders:

To act in compliance with the norms expected of a subsidiary of the Toyota Group.



■ Basic Principles of Hinopak

Code of Conduct

1. We develop and provide outstanding products and services that fulfill the demands of customers with sufficient attention given to safety and the environment and we aim to be an enterprise which has a significant presence in the commercial vehicle market.
2. We undertake open and fair corporate activities in conformity with the spirit and letter of the laws. We maintain sound and transparent relationships with governmental and administrative entities.
3. We build and maintain good communications with society as well as our stakeholders, and we are committed to accurate and timely disclosure of information.
4. We recognize that an environmental preservation activity is an integral part of our business, and we voluntarily and actively promote and engage in environmental preservation activities as an indispensable condition for Hinopak's corporate existence and activities.
5. We recognize the inherent dignity and fundamental human rights of all members of the Hino family and therefore respect and support the practice of human rights.
6. We actively promote and engage in philanthropic activities as a member of Hino Motors Ltd. And the Toyota Group, and as a good corporate citizen.
7. We respect the right of workers at the workplace and their right of freedom of association and the right to organize and bargain collectively. We believe in transparency, mutual trust and respect for each others' rights and obligations and need for bilateral dialogue and cooperation between employees and management for achieving decent work with safe and healthy work environment, growth and excellence in business performance.
8. We take a resolute stand against antisocial power and organizations, and we act in compliance with ethical standards and sound social values.
9. We respect and abide by the law of the land and applicable rules and the diversity of customs and culture and we contribute to development in the communities through our business activities.
10. We support the principles of Global Compact and expect our employees to embrace them in the work culture of our enterprise for sustainable growth and development.
11. We pledge to comply and enforce the basic principles of Hinopak's Code of Conduct and prevent its violation through the mechanism already in place for enforcing discipline, company wide. Any member of Hinopak family observing any violation or abuse of this code of conduct may bring the same to the notice of the Management Committee or the Audit Committee in writing, directly or through the suggestion boxes, for necessary consideration and action.



■ Hinopak Environmental Policy

Hinopak Motors Limited is committed to identify and implement means and measures that would result in minimum environmental impact from its products and every aspect of its business activities ranging from product development to production and servicing.

Our motto at Hinopak is:

"Strive for contributing to environment friendly products to our customers' satisfaction & support to environmental preservation activities for our employees and community, to the best of our ability." ***For this, we set objectives and targets to:***

Promote pollution prevention & reduce environmental impacts by proper handling and disposal of wastewater, solid waste, hazardous substances & gaseous emissions.

Conserve energy and other resources.

Comply with all the applicable legal and other requirements.

Improve environmental performance continually by reviewing objectives, conducting audits and management reviews under our Environmental Management System.

Educate, train and motivate employees and interested parties to conduct activities in an environmentally responsible manner and as per the company's environmental policy, which is also available to the public.

Managing Director & CEO



■ All Environmental Issues are Important...

A global perspective

Some are more important than others!

AIR Pollution: World's Worst Environmental Health Risk:

Unacceptable environmental, social and economic costs

There is an urgent need to reduce levels of air pollution globally. Although air quality measures have had positive result at some locations in the world, millions of people in both developing and developed countries die prematurely every year because of long-term exposure to air pollutants. The health of many more is seriously affected.

Most cities where outdoor air pollution is monitored do not meet the World Health Organization (WHO) guidelines for acceptable pollutant levels. People who live in these cities have increased risk of stroke, heart disease, lung cancer, chronic and acute respiratory diseases (including asthma) and other health problems. Indoor air pollution is another major cause of ill health and premature deaths, especially in developing countries.

Sources of air pollution include traffic (especially diesel vehicles), industrial sector (from brick making to oil and gas production), power plants, cooking and heating with solid fuels (e.g. coal, wood, crop waste), forest fires and open burning of municipal waste and agricultural residues.

The health impacts of air pollution are much larger than was thought only a few years ago. The World Health Organization (WHO) estimates that in 2012 around 7 million premature deaths resulted from air pollution, more than double of the previous estimates. The new estimate is based on increasing knowledge of air pollution-related diseases and use of improved air quality measurements and technology. According to WHO, outdoor air pollution caused 3.7 million premature deaths in 2012. Indoor air pollution is responsible for about 4.3 million premature deaths every year.



Effective policies and strategies to reduce air pollution work in many countries, emissions and concentration of harmful pollutants such as carbon monoxide, sulphur dioxide (SO₂) and lead are lower than a few decades ago. Many efforts to reduce air pollution go hand in hand with technological enhancements that also improve energy efficiency, thereby producing additional economic and environmental benefits. Although technology is available to make vehicles, agriculture, industrial installations, power plants, waste treatment and other sources less polluting, innovation and their adoption may take time. Moreover, progress in emission reduction per unit can often be outweighed by rapid increases in the number of units (e.g. vehicles).

Air pollution in developed countries has decreased in recent years, partly due to tighter emission controls, including on vehicles. Nevertheless, evidence suggests that road transport accounted for 50% of the cost of the health impact of air pollution, both death and illness, in the Organization for Economic Cooperation and Development countries in 2010 (or close to USD1 trillion). With the rapid growth of traffic in developing countries such as China and India, air pollution has outpaced the adoption of tighter vehicle emission standards. There is insufficient evidence to estimate the share of road transport in total health impact due to air pollution in developing countries.

The Global Fuel Economy Initiative is working to improve the fuel economy capacity of the global vehicle fleet. Successful international cooperation to phase out leaded petrol under the UNEP led Partnership for Clean Fuel and Vehicle (PCFV) and the more recent action to reduce PM_{2.5} emissions and promote a shift to low-sulphur fuels – suggest that the global fleet is becoming less pollutant. When the PCFV was launched in 2002 approximately half of the world's countries used leaded petrol. As of October 2013, only six countries were still using a small amount. The PCFV phase-out avoids an estimated 1.3 million premature deaths per year.

(Abstracted from UNEP-2014)



■ All Environmental Issues are Important...

A local perspective

Some are more important than others!

Top 07 Environmental Issues in Pakistan:

We should definitely like to see Pakistan without any environmental issue but currently there are lots of challenges. As we grow economically, we have to decide at this point in time that we ensure better quality of life. At the end of the day, when we have more money but our quality of life suffers and we can't breathe and drink pure water; then it is not worth it.

Now the Government must show a firm commitment to guarantee that as we grow, we also ensure that the quality of life of our citizens is made better and we, as a country, might be called an environment friendly country. Let us have a look at some of our burning environmental issues.

1. **Need for tree plantations in urban centers** – There is no doubt that planting trees help in maintaining good environment. Trees in urban centers help clean the environment and reduce pollution. Islamabad, for instance, is one of the most protected cities of the world with a lot of vegetation and clean healthy environment. So there is need to plant trees in other cities like Islamabad.

We do plant lots of trees every year but the problem is the nurturing of the plants. Trees must be considered as an essential item of environmental service. Even in our religion, trees have been given enormous importance.

2. **Cutting of forests** – A vast number of forest trees are being cut in northern areas for timber as well as fuel wood. People must not cut trees and use wood as fuel. There are various biodiversities, climate change and other environmental issues which are linked with forestry.

We must also develop the strategy for carbon financing at policy level. It is a very innovative instrument across the world. We must value the trees because trees absorb carbon dioxide from the air. Through this mechanism the developed countries of the world are going to provide financial aid in this regard. The government should announce the strategy to make sure that investment comes in and trees are treated as an environmental commodity not just as an item of fuel.

3. **Pollution from factories** – We need a cooperative compliance from the factories. The Federation of Pakistan Chamber of Commerce and Industry (FPCCI) should take a lead in this regard. It is the time to be strict with the industries that are not compliant. Now there's a lot of pressure on factories from law of the land and from buyers because buyers are not buying from the parties who are not meeting environmental criteria. After the implementation of WTO, we have to meet the environmental standards and unless we do that we cannot export our goods abroad.

Environment is going to be a non-tariff barrier for all our exports and sooner the industries realize this the better it would be for them. There is also pressure from the lenders; almost all the banks of the world say that the industries that don't meet the environmental criteria will not be given money. We must try to enforce the law of land and for that we have to start a voluntary self-monitoring program because it is not possible to send inspectors to every industry in the country. The industry owners should take the responsibility and provide data in this regard to relevant government agencies.

4. **Greenhouse effect & Pakistan** – The planet has been affected in current times with the greenhouse gasses which are detrimental to maintaining life and sustainable environment on earth. Pakistan is a very small contributor in greenhouse effect; Pakistan contributes only 0.2 % greenhouse gases of the whole world.



Pakistan is very much aware about it and has taken lead on this issue at the international level. Pakistan is a party to the "Kyoto Protocol", The Kyoto Protocol is a document signed by about 180 countries at Kyoto, Japan, in December 1997. The protocol commits 38 industrialized countries to cut their emissions of greenhouse gasses between 2008 to 2012 to levels that are 5.2 percent below 1990 levels. Pakistan needs to develop a strategy and attract investment to come to Pakistan on this issue. The industries in Pakistan should also be involved; if one actually invests in projects and get carbon credit that is going to be credited on commodity exchange. It is the first environmental commodity of the world and the predictions of the World Bank are that this market is going to be somewhere in the range of 5 to 10 billion dollars a year on exchange on this carbon emission.

5. **Carbon monoxide emissions in megacities** – Carbon monoxide emission levels in Karachi and Lahore have considerably exceeded WHO's recommended levels. It however happens only during crowded hours not 24 hours a day. We should be concerned about it and a Clean Air Program must be initiated to ensure safe level of carbon monoxide emissions especially in megacities.
6. **High Pollution in Karachi** – One can see so much pollution (noise pollution – air pollution) in the city. The main difference is of population; Karachi is a very crowded city, housing people from all parts of the country. Besides other dilemmas, we have the problems of transport and industrial pollution because we are economically growing very fast and all these issues arise from that. Karachi's main issue is air and noise pollution which again is linked with the increase in transport on the roads. Getting a car has become so easy with the emergence of bank-leasing options. It is a good sign as far as growing economy is concerned but on the other side, due to lack of infrastructure, pollution issue has increased, which is quite alarming. To tackle the situation we need to develop a 'Clean Air Program'. Major part of this program should include converting public transport on to CNG and removing 2 stroke engines as in rickshaws & converting them to 4 stroke engines etc.
7. **Running of old vehicles on the road** – It is also one of the causes of air pollution, as these cars are not discarded and thus add their share in increasing the pollution. The "Clean Air Program" should also include old vehicle retiring program. In developed countries the older the car gets the more tax they have to pay. This incentive urges them not to keep old vehicles on the road. In Pakistan, low income groups keep old vehicles that emit a lot of smoke. We also need to strengthen the motor vehicle testing program in which private sector should be invited to setup testing stations and it should be made mandatory for cars to get fitness certificate every year without which they should not be allowed to ply on roads.

By Tahir Hasnain On September 22, 2012



■ Introducing Environment Friendly Vehicles

Hinopak Motor's corporate philosophy is to contribute to the development of a more prosperous and comfortable society by providing a new set of values. Our corporate philosophy is based on the principles of customer satisfaction, employee development, progress of the community, and value for shareholders.

As we witnessed the advancement and development of the automobile industry, so we witnessed the increase in environmental contamination, especially air pollution. Air pollution carries significant risks for human health and the environment. Air pollution is not caused by the industries only, but we have also observed increase in Air Pollution due to vehicles and motorcycles.

One of the ways to control and reduce the pollution is by introducing clean vehicle and fuel technologies. Although Pakistan Environmental Protection Agency (PEPA) has set new legislation **S.R.O 72(KE) 2009 "National Environmental Quality Standard- for Motor Vehicle Exhaust and Noise"**, covering both new and used vehicles, we need to control it at the designing stage.

Euro II Emission standard was first introduced in 1992 for controlling the pollution level which was rapidly increasing due to exhaust gasses from different engines. The level of European emission of an engine is defined through testing the exhaust gasses of engine during performance. The basic objective of these emission standards is to reduce the intensity of hazardous gasses that pollute the environment

For Buses & Trucks Euro I & Euro II emission standard was introduced in 1992 & 1996 which restricts the exhaust gasses of engine as follows:

Tier	Date	Test	CO	HC	NOx	PM
Euro I	1992(<85KW)	49	4.5	1.1	8.0	0.612
	1992(>85KW)		4.5	1.1	8.0	0.36
Euro II	October 1996		4.0	1.1	7.0	0.25
	October 1996		4.0	1.1	7.0	0.15

In Pakistan, this standard was introduced in 2012, and Hinopak being the leader in heavy automobile industry, introduced Euro II vehicles on Oct. 22, 2014. These vehicles include rigid trucks, prime movers and buses, called 'green range' of commercial vehicles.

Although, the company had introduced new technologies, two issues remain unsolved. Most important is the availability of low sulphur content fuel in the company, which is currently not available in this region, and secondly, the lack of vehicle testing facilities.

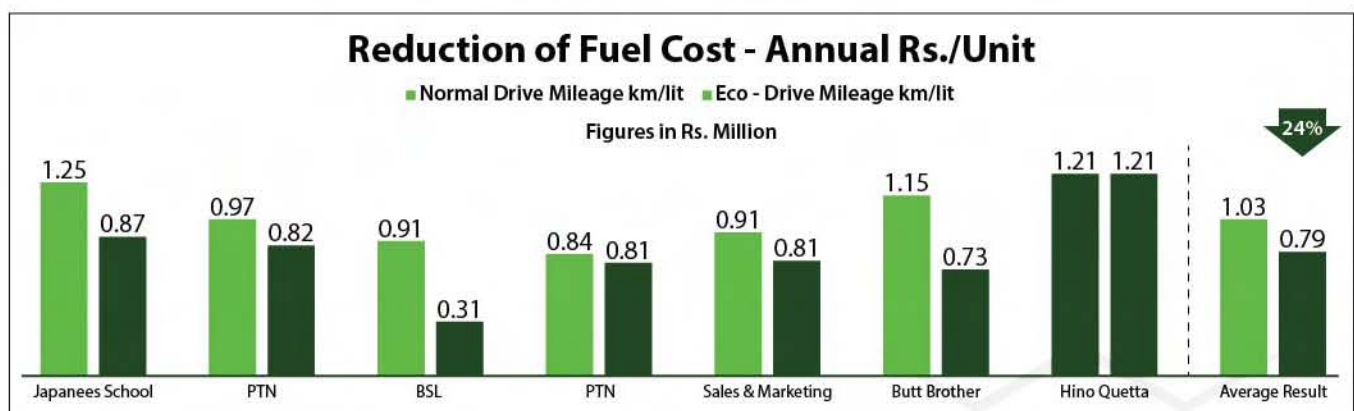
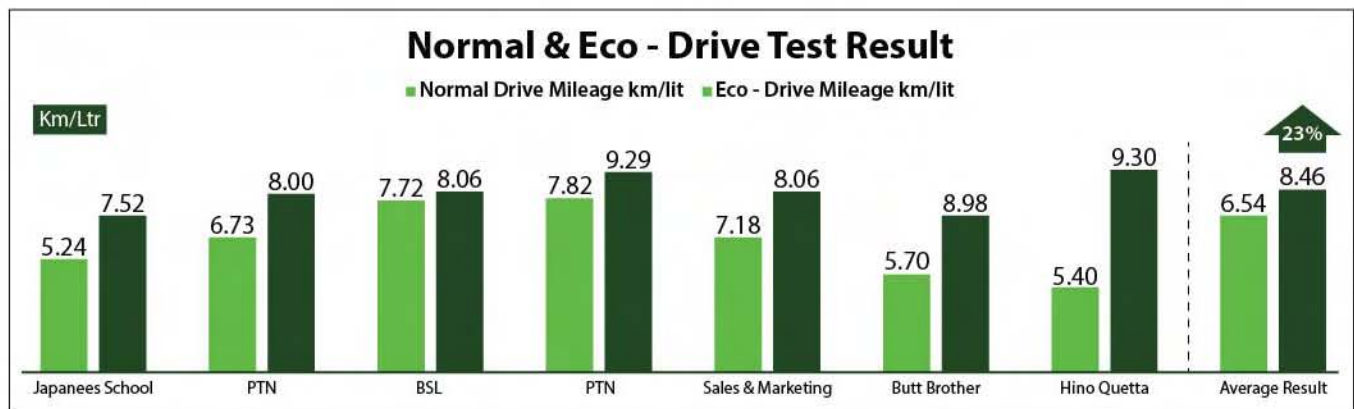


■ ECO-Drive

Eco-driving is a term used to describe energy efficient use of vehicles. It represents a driving culture of how to make the engine energy efficient. By implementing ECO-Drive techniques, one can easily control and reduce fuel consumption. It contributes in the reduction of GHG emissions, fuel cost savings, climate control, pollution reduction, as well as greater safety and comfort. With Eco-driving, driver will have more sense of responsible driving and a stress-free journey.

Hinopak organized its first ECO-Drive seminar for its valued customers in August. 2014. The main objective of this event was to educate the customers about the importance of adopting ECO-Drive techniques. Through these techniques, vehicle life can also be enhanced, thus it results in making customers' transport business profitable.

Both normal and Eco-Drive methods were applied on vehicles of 7 customers. The results showed increase in fuel mileage and reduction in cost. The company has decided to organize this event on annual basis.



■ Sharing Good Environmental Initiatives with Group Companies

In order to strengthen Environmental Management Systems and to promote Environmental culture, Hino Motors Japan organized Environmental Conference amongst its affiliated companies on a regular basis. The main purpose of this conference is to share good environmental practices.

This year, first Global Environmental Conference was held in Tokyo Japan. Participants from *Hino Motors Manufacturing USA, INC.*, *Hino Motors Canada*, *Hino Motors Manufacturing Indonesia*, *Hino Motors Vietnam*, *Hino Motors Manufacturing Colombia S.A.*, and *Hinopak Motors Limited* attended the three days session. Participants shared an overview of their business processes, Environmental kaizens related to CO2 reduction and Environmental Problems faced during daily activities. All the members actively participated in this conference, where open discussion was held, to help each other in improving their EMS systems.

Moreover, Hino Motors Japan introduced Hino Unique EMS System. It had been noted that companies don't know what to aim for and how to aim for after acquiring ISO 14001 certification. The main objective of the unique requirements is to achieve Toyota production environmental policy **"No legal violations or complaints occur," "minimizing environmental risks" and "enhancing environmental performance"**. A self evaluation check sheet was given to all participating companies, which gives a clear picture of one's environmental performance. Now, companies can easily identify their loopholes and can work to improve it.

The conference was a big success, where each and every participant learned from each other.



■ Enhancing Hinopak Image in Business Community

We at Hinopak recognize the importance of improving the relationship with our vendors beyond our business association. We look for areas where we can make a significant, long-term, systemic difference. This leads us to focus heavily on educating our stakeholders about HSE, which is essential to be successful in achieving our HSE goals. Over the past year we have developed a strategy to embed corporate responsibility and sustainability (CRS) into all our relationships with our interested parties.

Taking a responsible approach, through the year, we organized “Workplace Safety” awareness sessions for our vendors. The main objective of this was to educate our vendors on the importance of Workplace Safety in our lives and for the betterment of the industry. They were given a conceptual understanding about Workplace Safety, Hinopak HSE culture, and the advantage of involving employees for development of safety culture in the organization.

These sessions have been very successful, where all participants committed to implement these concepts in their workplace in order to minimize hazards and promote safety culture in their organizations

As per WHO, Karachi has one of the highest numbers of oral cancer cases in the world. This is due to the highest consumption of Paan, Gutka, Beetle Nuts, Naswar etc. in the city. All these items increase the risk of mouth cancer. As a socially responsible company, we organized an **‘Awareness session on Oral Cancer caused by Pan, Gutka and Chalia’** at our vendor premises. The session was conducted by renowned ENT specialist Dr. Qaiser Sajjad. Workers were educated about this deadly disease and its causes. The program was well appreciated by all participants.



■ Environmental Management

For continuously improving our activities:

Since the implementation of EMS system in June, 2001, we are continuously trying to bring improvement in our environmental performance by identifying environmental aspects associated with our processes, products and services and the related impact, setting yearly based objectives and targets, and applying ERIC-P approach to control their adverse effects. The structured EMS system is continuously reviewed and updated to improve and enhance environmental compliances, increase operational efficiency and contribute in the prevention of pollution.

As a responsible corporate citizen, we are complying fully with the legal and other requirements and reporting the results to concerned authorities on set intervals. The structured EMS system is regularly reviewed by the top management, in which appropriate decisions are recommended to improve environmental performance.

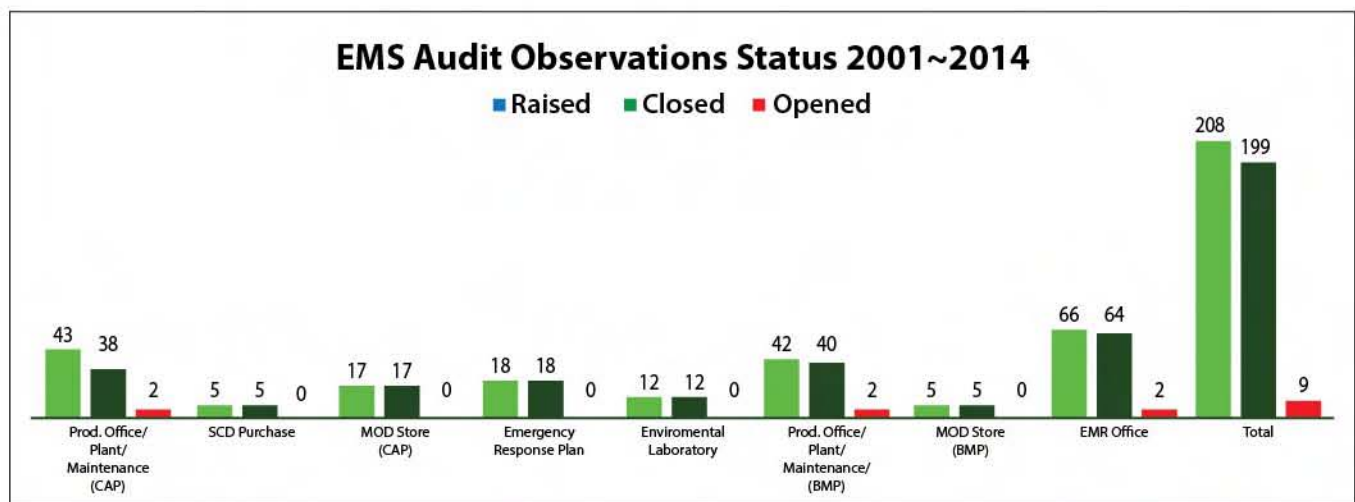
Risk Management:

We have an established system to identify environmental aspects associated with our products, processes and services, including planned or new developments, new or modified activities, products and services. These aspects and the related impacts are considered while setting objectives and targets and management systems. Our main environmental aspects relate to Energy Conservation, Material Discard and Water Conservation.

These aspects are reviewed at set intervals and communicated to all. Environmental aspects are displayed on our website 'www.hinopak.com'.

■ Checking the Systems Compliance through Audits

To ascertain whether the Environmental Management Systems conform to planned arrangements for environmental management including requirements of the standard, we have established a well organized Environmental Audit System in the company. The main objective is to determine how well the business complies with environmental laws and regulations and whether environmental activities, processes, services and management systems conform with audit criteria, and communicating the results to the top management. Both internal and external audits are conducted on annual basis.



■ Environmental Laws and Regulations

We ensure that all the legal and other requirements are taken into account during its operation and are regularly evaluated to monitor the effectiveness of their compliance. These include laws, regulations, and other requirement established at the federal, provincial, local and corporate levels that apply to the environmental aspects of the organization's activities, services and products.

■ Environmental Education

We firmly believe that all personnel, whose work has the potential to influence significant environmental aspects, are competent on the basis of appropriate education, training or experience. This includes those personnel working on its behalf i.e. suppliers and contractors.

It is the responsibility of HSE Department to plan and communicate annual 'Environmental Training Matrix/Calendar' to all the divisional heads. Departmental heads can also identify HSE related trainings through Training Need Assessment (TNA) during annual appraisal process.

During training, employees are made well aware of their roles and responsibilities and the potential consequences of departure from specified operating procedures.

The effectiveness of training imparted, is evaluated by the departmental heads on '*Training Management System*', Software.



■ Communication

Environmental conservation activities as well as proper communication among the employees and stake holders are essential to establish a sustainable society. It is one of the most significant tools for effective implementation of EMS system. A well recognized internal/external communication system has been developed to ensure that all those concerned are well informed about EMS Policies, procedures and applicable rules and regulations.

Two way communication with our principal Hino Motors Japan and relevant local government bodies is our ongoing practice. Information about company's EMS policy, aspects, progress and performance are shared through annual report, internal mails, bulletin boards and Hinopak website.

Till to date, no environmental related complaints have been received from any neighbors or interested parties.

■ Hinopak Celebrates Environment Month

Message:

From the President Hino Motors Japan

I would like to express my appreciation to everyone at Hino Motors and its group companies around the world for their cooperation in carrying out our ongoing environmental initiatives.

Together with our customers worldwide, we have been pursuing activities intended to reduce environmental impact, such as developing and selling fuel-efficient vehicles designed with the environment in mind, and holding Eco-driving seminars to promote environmentally conscious driving. We have also been undertaking various initiatives at our factories and offices for conserving energy, reducing CO2 emissions, and achieving other related objectives.

Environmental initiatives will become increasingly important in the future. So I would like us to aggressively pursue ambitious goals for reducing the environmental impact of all of the Group's operations spanning across manufacturing, sales and after-sales service, by further enhancing our environmental technologies and drawing on the knowhow and expertise we have built up in the past.

More than anything, we must always keep in mind the underlying purpose of the Hino Group: Our corporate mission, "to make the world a better place to live by helping people and goods get to where they need to go — safely, economically and with environmental responsibility — while focusing on sustainable development." The progress we make in our environmental initiatives is intended to realize this mission. In order to help ensure that the world — including the natural environment and human societies — is a better place to live, it is vital that each of us in the Hino Motors Group try to think and act from a broader and loftier perspective with a sense of ownership about everything we do.

Even in our everyday lives, we should make efforts to act in ways that benefit the environment. Personally, I have been trying to do my part in routine activities, like consciously cutting down on electricity and reusing shopping bags. I hope you, too, are taking such regular steps with consideration and awareness of how they relate to the global environment.

In keeping with our mission, I would like all of us in the Hino Motors Group to combine our efforts and take daily actions to help make the earth a better place to live for future generations to come.

Yasuhiko Ichihashi
President, Representative Director,
and Chairperson of the Hino Environment Committee
Hino Motors, Ltd.



■ Hinopak Celebrates Environment Month



Message:

From the Managing Director Hinopak Motors Limited

Today, on the World Environment Day, I would like to deliver an Environmental Message to all my Hinopak Family. As we all know, World Environment Day is celebrated on 5th June and it is our tradition to observe the whole month of June as environmental Month. On this occasion, I would like to appreciate all the members of Hinopak family for striving for environment friendly processes, products and environmental preservation.

World Environmental Day (WED) is observed on June 5th, to promote awareness on the importance of preserving our biodiversity, the need to identify problems related to the environment and the way to tackle environmental challenges that include climate change, global warming, disasters and conflicts, harmful substances, environmental governance, ecosystem management and resource efficiency.

There had been drastic economical growth and stability in last 20 years, which resulted in improvement in lives of millions of people across the world especially in Asia, Latin America – and in Africa. But this rapid economic growth has come with costs that traditionally rarely feature in national accounting. These range from atmospheric and water pollution to degraded fisheries and forests, all of which impact prosperity and human well-being.

At Hinopak, our prime business is to provide reliable and safe transport to our customers with better quality trucks and buses that can satisfy our customers in all respects comprising of Safety, Comfort, Environmental Protection and much more. We preserve our environment by reducing negative impact at all stages from development, procurement, production to service. We have brought improvement in the field of Energy Conservation, Waste Minimization, Water Conservation and Environmental Awareness. We are addressing these challenges through technological and process improvements.

Pakistan is a signatory to Kyoto Protocol; we subscribe to this protocol through our pledge to reduce carbon dioxide (CO₂) emissions. Hino Motors Ltd has taken initiative in achieving numerical targets under the Kyoto Protocol – a commitment, a promise, made to the world; by working on the reduction of carbon dioxide emission by improving fuel efficiency. We are, therefore, confident that we are leading the industry in improving this area.

As a market leader, we have to continually fulfill corporate and social responsibility to become an example for others. We are focusing on corporate social responsibilities by planting trees at public premises, educating employees' children on environmental preservation, conducting cleaning activities with local school students, and imparting Environmental Awareness Education to our business partners, including vendors and dealers.

We seek this opportunity to encourage and motivate participation of all interested parties in environmental activities as well as increase public awareness on environment for sustainable development.

It is high time we realized that environmental degradation puts our future in peril. Besides, we are supposed to hand over our common heritage to future generations. By celebrating World Environment Day, we remind ourselves and others of the importance of caring for our environment. Remember that every action counts.

Keiichiro Utsumi
Managing Director & CEO

■ Free Tune-up Camp

Every year, we have organized Free Tune-up camps at different locations all over Pakistan. During this activities, customer's drivers are educated on ECO-Drive technologies as well as how to improve fuel efficiency. Free smoke testing is also conducted to reduce and control vehicle emissions.

This year, we had arranged 10 Free Tune-up camp for our valued customers, in which, 276 vehicles were inspected and 75 customers were trained on ECO-Drive and fuel efficiency.

■ Employees Awareness through Posters Display

In order to educate employees about environmental preservation, posters on ***"Water Conservation & Global Warming, Raise Your Voice Not the Sea Level, Tree Plantation, Cleaning Activity etc"*** were displayed in both the plants.

■ Symbolic Tree Plantation Ceremony

Global warming is the result of excessive greenhouse gasses, created by burning fossil fuels and destroying tropical rainforests. Heat from the sun, reflected back from the earth, is trapped in this thickening layer of gases, causing global temperatures to rise. Carbon dioxide (CO₂) is a major greenhouse gas. Trees absorb CO₂, removing and storing the carbon while releasing the oxygen back into the air.

This year World Environment Day was celebrated by symbolic tree plantation ceremony, attended by our Top management, which showed their sincere commitment towards environmental conservation.

Moreover, Tree plantation activity was also held in a local School, where 20 trees were planted by School Management & Students.



■ Environmental Promotional Activities in School

Children are our future. It is our utmost duty to teach them about upcoming global challenges, and the consequences of ignoring these issues. Children should learn about their roles and responsibilities in environmental conservation.

In reference to this, a one day program was held at a local school. Presentation on Environmental Conservation was given to 100 students, along with the distribution of Hinopak's own customized ***"Learn Simple Ways to Save our Environment"*** book.

Moreover, cleaning activity was conducted, where 40 kg of waste was collected by students.



CSR Performance

Initiatives In Social Area

To communities

“HINO AAGAH!” Road Safety Awareness Program at S.I.T.E. Model School

Hinopak organized road safety awareness program for S.I.T.E. Model School children on 12th February and 2nd March 2015. The purpose of this program was to provide knowledge and create awareness amongst school children, related to road safety issues.

Employees from various divisions volunteered in this program. The program comprised of several activities like spellathon, GK quiz, and poster competition. Road safety awareness presentation was given by National Highways & Motorway Police and HSE. At the end of the program road safety oath was taken and prizes were distributed amongst winners.



Donation to Flood Victims in Punjab, Gilgit Baltistan (GB), Azad Jammu & Kashmir (AJK) regions.

Heavy monsoon rains and floods across Pakistan during the first week of September 2014 killed approx. 289 people. The rivers Chenab, Ravi, Sutlej and Jhelum overflowed and brought flash floods, which caused homes to collapse in Punjab, Gilgit Balistan (GB) and Azad Jammu & Kashmir (AJK) regions. Approx 44,092 homes were destroyed, leaving a large number of people homeless.

Hinopak responded immediately to this calamity and extended a helping hand to flood victims by providing dry food packets, utensils and comforters.

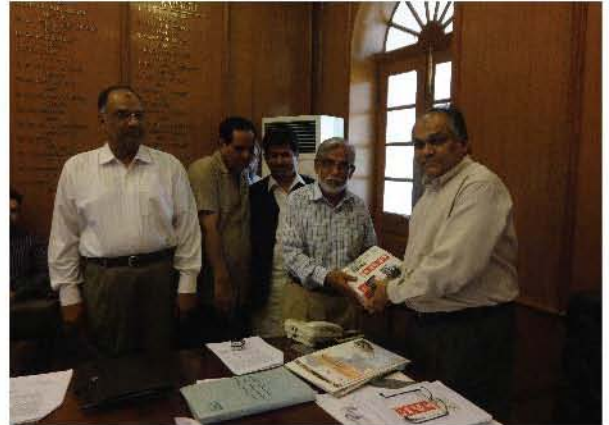


Distribution of Earthquake Awareness Pamphlets to Commissioner Karachi

As a precautionary measure for earthquake disasters and to create awareness amongst common people, Hinopak provided 6000 earthquake awareness pamphlets to Commissioner Karachi in July 2014.

Scholarships Given to Ten N.E.D. University Scholars

Continuing with our commitment to promote technical education, this year also ten technical scholarships were given to third year students of N.E.D. University of Engineering & Technology belonging to Mechanical, Industrial & Manufacturing and Automotive technologies.



Merit-based Scholarships to 107 Workers' Children

For the fourth year running, merit based scholarships were conferred upon 107 workers' children. This initiative was aimed at recognizing academic merit of the workers' children and for their future academic encouragement.

Students' Industrial Visits

This year 589 students and teachers belonging to various academic institutions of Pakistan visited Hinopak's assembly and manufacturing facilities. This initiative aimed at giving the students an opportunity to observe and learn about the internal working environment of Hinopak and aids them to learn outside the classroom environment.

Hinopak wins 1st Prize in Horticulture Competition

Hinopak every year participates actively in the horticultural activities and our horticultural team ensures that our gardens are well maintained and ready before Spring. This year Hinopak won the 1st prize in the office industrial garden competition which was organized by Horticulture Society of Pakistan.



To Employees

Sports & Recreation Activities for Employees

Tape Ball Cricket Tournament

To create a cohesive team culture across the company and promote inter-departmental cooperation, 20 teams played Hinopak Tape Ball Cricket Tournament.

Youth Program "CampAction" for Employees' Children

Hinopak organized two days' program "CampAction" for employees' children for exploring self, developing leadership skills, doing social projects and a "We Mindset".

This was the first ever camp organized by Hinopak, starting with female batch comprising of 18 participants, aged between 12 to 18 years. It was inspired by semi-wilderness where participants were exposed to various survival situations, experiential games, art work, post camp assignments and many other exciting modules.



Corporate Governance

'We must have the conviction and courage to change course, to take responsibility for our world and our people...'

(Ban- Ki-Moon, Secretary General of the United Nations)

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Commitment: We are committed to respecting and protecting the dignity of people in all its areas of operations. Hinopak is committed to avoiding complicity of human rights abuses in all its areas of operation.

Healthy & Safe Working Environment

1. No major accident reported in 2014
2. 1,610 training man-hours achieved under staff training on occupational HSE.
3. Introduction of a new concept of Complete Check Complete Find-out Activity (CCCCF-a) on company wide basis. Workers involvement through Safety Suggestion Cards.
4. Promoting workers participation in developing safety culture in the company by introducing Safety Trophy Competition on the shop floor. Two conferences were held during this reporting year.
5. Medical tests were done for employees working in high risk areas like Chemical Handlers/Food Handlers etc.
6. BMI tests of 878 employees were conducted to check their weight condition. Visceral Fat and Body Fat were also tested.
7. Health awareness session on 'Adverse Effect of Pan, Gutka & Chalia causing Oral Cancer' was organized in collaboration with ENT Specialist.
8. 160 employees working in high noise area went through Audiometric test in Patel Hospital.
9. Anti-dengue mosquito spray was done within and around the company premises. Also anti-dengue spray was done outside in collaboration with neighboring companies during the monsoon season.

EMPLOYEES

Labour-Management Relations

1. Nine employees (7 workers and 2 officers) were sponsored (\$2,870/- each; 90% of the total amount) for their religious pilgrimage (Hajj) in 2014. Selection of the recipient workmen and officers under this scheme was also through lucky draw. This year one more executive was added to the total number.
2. No strike or cessation in work or loss of work hours due to strike, go-slow or lockout reported during the reporting year.

STAKEHOLDER PARTICIPATION & ENGAGEMENT

1. Vendor's Convention was held in 2014 and was attended by representatives from 95 vendor companies.
2. Awareness programs on 'Work Place Safety' organized for vendors on regular basis.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labor;

Principle 5: The effective abolition of child labor; and

Principle 6: The elimination of discrimination in respect of employment and occupation

Commitment: We uphold freedom of association and the right of workers to collective bargaining. We are committed to the elimination of all forms of forced or compulsory labor (including child labor) in all areas of ours or our business partners' operations.

We advocate equal employment opportunities, diversity and inclusion in employment and occupation and prohibit any form of discrimination in employment terms and conditions.

INDUSTRIAL & EMPLOYEE RELATIONS

Freedom of Association

1. Our workers are represented by a registered Labor Union, namely Hinopak Motors Limited Employees Union, existing since the company's pre-Japanese ownership from 1969. Current membership to-date is 146, represented by the Collective Bargaining Agent.
2. 15th labor agreement was successfully reached and signed between CBA officials and Hinopak management.

ERADICATION OF CHILD LABOR

1. We continue to follow the under-age employment clause of the Factories Act 1934 for our workers and apprentices.
2. We have no record of underage employee/apprentice; youngest apprentice on board is 18 years old [minimum age is 14 years old according to Apprenticeship Rules 1966 (Sindh)].
3. Non-employment of child labor is ensured/checked through our 'Internal Vendor Evaluation Report'.

EMPLOYEES

Workforce Diversity

- Refer to GRI Indicator LA1 for Workforce profile (including workers).

Planned Initiatives for the Coming Years (under principles 3, 4, 5 & 6):

- Gender Harassment Program and Policy implementation



Environment

Principle 7: Business should support a precautionary approach to environmental challenges

Principle 8: Business should undertake initiatives to promote greater environmental responsibility; and

Principle 9: Business should encourage the development and diffusion of environment friendly technologies.

Commitment:

We take precautionary approach in meeting environmental challenges in all areas of operations; we are committed to avoiding and mitigating negative impact of all our activities on the environment. We are also committed to promote environmentally responsible thinking within the Hinopak family. We strive to increase our sphere of influence beyond our company by including all other stakeholders and ensure greater positive impact.

Environment Management Systems

1. Leadership Guidance & Legal Compliance
2. Top management reviews environmental performance on regular basis. HSE Objectives are reviewed and discussed on quarterly basis.
3. As per the requirement of Sind EPA, we are monitoring our Waste Water Effluents, Air Emissions, Motor Vehicles Exhaust, Ambient Air, Noise, and Drinking Water as required by S.R.O. 49(1)/2000, S.R.O 722(1)/93, S.R.O. 1062 (1)/ 2010, S.R.O. 1063(1)/ 2010, S.R.O. 1064(1)/2010 and S.R.O. 72(KE)/2009.
4. Key parameters (energy consumption, material discard, and water conservation) were reported to Hino Motors, Japan every month.
5. Compliance in all aspects has ensured a clean, green record (no warnings, no penalties) for Hinopak. Water release and air release were both within compliance levels

Hazardous Substance Control

- 92 chemicals checked against Chlorinated Organic Compound (COC), before entering Company premises. Any chemical containing this substance is carcinogenic in nature and is included in TOYOTA Banned Material List.

Communication, Awareness, Training

- Eco-bags were distributed among Hinopak employees' families during Hinopak Family Day, March 2014 to promote use of eco-bags and discourage use of polythene bags.
- During summer vacations 295 employees' children visited Hinopak during which environmental promotion activities were also conducted along with other activities.

Stop Global Warming

We are continuously decreasing our energy usage by adopting several strategies regarding energy conservation. These include:

- Installation of Energy Saver Bulb (80 W) in place of mercury light (400 W). No. of Lights 30.
- To maintain temperature up to 26°C for air conditioners.
- To switch off the LCDs / Monitors when not on seat.
- Replaced Florescent Tube Light (40 W) to LED Tube Lights (18 W) – number of lights installed 24.
- Louvers replaced with Glass windows (Energy saving FRP and window shop ongoing project).
- Every year, we conduct Air and Water leakage inspections to identify seepages and take appropriate actions to mitigate the problems. Moreover, equipment and machineries are constantly checked / maintained via Preventive Maintenance to ensure efficiency.



Anti-Corruption

Principle 10: Business should work against corruption in all its forms, including extortion and bribery.

Commitment:

We support the anti-corruption principle and are committed to continue our 'no-tolerance' policy to any corrupt practice

A. Ethical Guidelines

UNGC Subscription

Hinopak is very vocal about its UNGC subscription and commitment to all 10 principles. This commitment is communicated through publications, press releases, presentations, displays, annual report, COP report etc.

Hinopak Code of Conduct

1. Our basic Code of Conduct is still under revision to make it more comprehensive and explicit, as per the observation of the Board of Directors. However, Principles 2, 3, 8 and 11 are clear on our pledge to work against anti-corruption practices
2. The Code of Conduct was circulated again among all management employees to reiterate the standards of ethics presented in the Code.
3. Orientation of new hires includes briefing on basic Code of Conduct, Whistle Blowing procedure and the UNGC's principles.
4. The code of conduct is displayed on conspicuous places (e.g. notice boards) for our non-management staff. It has been translated in Urdu for better comprehension and understanding of workers.

Hinopak Whistle Blowing System

The Whistle Blowing Committee (WBC), leading in the oversight of our anti-corruption commitment, meets monthly as minimum requirement.

Similar to the previous years, during 2014-15 employees sent in their suggestions/grievances through the Whistle Blowing procedure and/or suggestion box. Accordingly, our MD/Chairman Whistle Blowing Committee addressed our employees' concerns.



GRI G3.1 Performance Indicators

Human Rights

Ref. Number	Performance Indicator	Performance
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	<i>All significant vendors and contractors undergo Human Rights screening (both at the time of induction and during the service tenure)</i>
HR4	Total number of incidents of discrimination and corrective actions taken.	<i>None</i>
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.	<i>None</i>
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.	<p><i>Suppliers: None*</i> <i>Vendors: 100%**</i></p> <p>*Due to the nature of the procurement process through suppliers currently in effect **Vendors are assessed through the 'vendor evaluation report'; ensuring no significant risks for incidents of child labour which is evaluated / ensured by regular visits by our team to the vendor's premises.</p>
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	<i>None</i>
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	<p><i>100% company processes confirm with the human rights requirements and the standards set forth by The Universal Declaration of Human Rights.</i></p> <p>Note: Comprehensive internal and third party external audits of company systems (e.g. J-SOX, ISO 14001, ISO 9001, OHSAS 18001 etc.) all endorse compliance with the set standards, including human rights</p>
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	<p><i>None</i></p> <p>Note: The grievances reported / filed through the formal grievance mechanism relate to other areas of operations but not human rights.</p>

Labor

Ref. Number	Performance Indicator	Performance
LA6	<p>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.</p> <p>Total number of incidents of discrimination and corrective actions taken.</p>	<p>Health, Safety & Environment Systems Steering Committee:</p> <p>General Secretary of CBA is a member of this committee and the General Secretary represents 100% workers (contractor's workers/permanent workers) to review compliance with the company policies relating to occupational HSE.</p>
LA8	<p>Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.</p>	<p>1,610 OHS training man-hours were achieved during the reporting year.</p> <p>Training and education of the workforce on risks associated with their concerned section/ shops. Moreover, different health programs were held to identify medical issues associated with employees. Some of the programs include:</p> <ul style="list-style-type: none"> - Comprehensive Medical Tests of Chemical Handlers and their appropriate treatments. - Medical Tests of Plant/ Admin Drivers, including Eye Testing, ECG, and CPC. - Medical tests conducted for Food Handlers to identify whether they are suffering from any contagious disease.
LA1	<p>Total workforce by employment type, and employment contract, broken down by gender.</p>	<p>Total workforce: 1022*</p> <p>Non-management contract / contractor's employees: 587 (all male)</p> <p>Non-management permanent: 146 (all male)</p> <p>Apprentices: 26 (male=25, female = 1)</p> <p>Management contract: 87 (male= 84, female= 03)</p> <p>Management permanent**: 176 (male= 165, , female= 11)</p> <p>Pakistani Nationals: 1017 (female= 15, male= 1002)</p> <p>Japanese Expats: 5 (all male)</p> <p>* As on Dec. 31, 2014</p> <p>** Including top management</p>
LA2	<p>Total number and rate of new employee hires and employee turnover by age group, gender, and region.</p>	<p>2014-15 *</p> <p>Total Hires: 17 (all male)</p> <p>Total Separations: 17 (all male)</p> <p>*Data for management staff only.</p>



LA15	Return to work and retention rates after parental leave, by gender.	Males*= 100%, Females*= 100% *Reporting period: June 2013 ~ April 2014
LA4	Percentage of employees covered by collective bargaining agreements.	15%
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Followed as per the requirement of applicable laws and terms of employment.
LA10	Average hours of training per year per employee by gender, and by employee category.	Management Employees: 78 (male and female) Non-management Employees: 16 (all male)
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Board of Directors: All male; 7 Japanese, 2 Pakistani nationals.

Product Responsibility

Ref. Number	Performance Indicator	Performance
PR5	Significant financial assistance received from government.	The following practices relating to customer satisfaction are in place: 1. Customer Satisfaction Index (CSI) Survey; done annually. 2. "Knocking the Door Project"; done monthly to visit customers at their door step. 3. Routine service camps 4. Training of Hino customers and drivers

Economic

Ref. Number	Performance Indicator	Performance														
EC4	Significant financial assistance received from government.	None														
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	<p>The following amount was expended by the Company (since 2008) for public benefit:</p> <table><tr><th>Year</th><th>Actual Spending (PKR)</th></tr><tr><td>2008-09</td><td>7,164,000</td></tr><tr><td>2009-10</td><td>1,024,000</td></tr><tr><td>2010-11</td><td>838,000</td></tr><tr><td>2011-12</td><td>1,023,000</td></tr><tr><td>2012-13</td><td>2,855,000</td></tr><tr><td>2013-14</td><td>1,597,250</td></tr></table> <p>Details on impact assessment mentioned in Human Rights-Stakeholders' Participation & Engagement.</p>	Year	Actual Spending (PKR)	2008-09	7,164,000	2009-10	1,024,000	2010-11	838,000	2011-12	1,023,000	2012-13	2,855,000	2013-14	1,597,250
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2011-12	1,023,000															
2012-13	2,855,000															
2013-14	1,597,250															

Environmental

Ref. Number	Performance Indicator	Performance
EN1	Materials used by weight or volume.	8900 kg approx. per unit <i>(for our standard bus model).</i>
EN3	Direct energy consumption by primary energy source.	1971 kg energy consumption during production process.

Society

Ref. Number	Performance Indicator	Performance
SO2	Percentage and total number of business units analyzed for risks related to corruption.	100% Divisions (currently nine) have been assessed for risks related to corruption. The Audit Committee, headed by the BOD Chairman, is responsible for periodic reporting on such risks to the Board of Directors.
SO4	Actions taken in response to incidents of corruption.	No incidents of corruption have been reported to date.
SO8	Monetary values of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	None.



Plant Overview Environmental Performance:

Improving Environmental Performance in our Company:

We are continuously improving environmental performances by setting goals in the area of Energy Conservation/ Material Discard and Water Conservation. We are effectively communicating our environmental initiatives to employees via training and other environmental awareness activities.

Reporting Period (April 2014 ~ March 2015)

Water Release (CAP)

Wastewater Discharge (Chassis Assembly Plant)					
Items	Official Regulation	Voluntary Regulation	Actual Condition		
			MAX	MIN	AVG
Water discharged [m3/month]	-	-	2932	2255	2476.6
Water discharged [m3/day]	-	-	116	86	101
pH	6~9	6.8~7.4	7.26	6.8	7.038
BOD [mg/l]	80	70	40	19.7	28.47
COD [mg/l]	400	300	85	34	60.2
SS [mg/l]	200	100	49	12	21.868
Oil [mg/l]	10	5	3.28	1.8	2.615
TDS[mg/l]	3500	3000	961	590	765

Water Release (BMP)

Wastewater Discharge (Body Manufacturing Plant)					
Items	Official Regulation	Voluntary Regulation	Actual Condition		
			MAX	MIN	AVG
Water discharged [m3/month]	-	-	1680	1280	1466.2
Water discharged [m3/day]	-	-	80	53	61.6
pH	6~9	6.8~7.4	7.78	7.05	7.256
BOD [mg/l]	80	70	64	20	32.3
COD [mg/l]	400	300	93	42	65.5
SS [mg/l]	200	100	31	10	18.9
Oil [mg/l]	10	5	5.49	1.3	2.819
TDS[mg/l]	3500	3000	1014	410	623.9

Air Emission (NOx [mg/Nm3])

Facilities	Official Regulation	Voluntary Regulation	Actual Condition		
			MAX	MIN	AVG
ED Oven	600mg/Nm3	100	17.92	4	10.2
Top Coat Oven	600mg/Nm3	100	5	1.24	3.5
Boiler	600mg/Nm3	100	39	30	34.8

Air Emission (NOx [mg/Nm3])

Facilities	Official Regulation	Voluntary Regulation	Actual Condition		
			MAX	MIN	AVG
Parts primer baking oven	600mg/Nm3	100	3	1.26	2.0
Paint baking oven	600mg/Nm3	100	8.74	1	3.9
Parts primer baking oven 2	600mg/Nm3	100	4.99	1	2.7

Air Emission (SOx [mg/Nm3])

Facilities	Official Regulation	Voluntary Regulation	Actual Condition		
			MAX	MIN	AVG
ED Oven	1700mg/Nm3	100	BDL	BDL	BDL
Top Coat Oven	1700mg/Nm3	100	BDL	BDL	BDL
Boiler	1700mg/Nm3	100	BDL	BDL	BDL

Air Emission (SOx [mg/Nm3])

Facilities	Official Regulation	Voluntary Regulation	Actual Condition		
			MAX	MIN	AVG
ED Oven	1700mg/Nm3	100	BDL	BDL	BDL
Top Coat Oven	1700mg/Nm3	100	BDL	BDL	BDL
Boiler	1700mg/Nm3	100	BDL	BDL	BDL

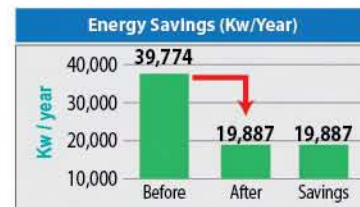
Promoting Environmental Kaizens Activities:

Minimizing Electricity Consumption:

High electricity consumption was found due to usage of normal tube lights. Which contributes in CO2 emissions.

By replacing florescent tube lights with LED lights, we have been able to reduce electricity consumption and contributed in CO2 reduction.

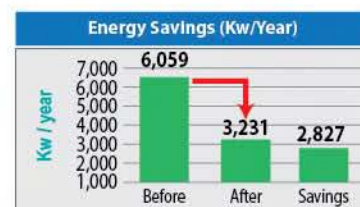
Electricity Consumption	Watt	Qty	Hrs	Days	Months	Kw/year
Florescent Light	40	465	9	22	12	44,194
LED Light	18	465	9	22	12	19887



Usage of natural illumination to improve Lux:

Low illumination was found in Press-Shop, also highlighted by the workers. As counter-measure, replaced some normal sheds of roof with FRP transparent sheds, resulting in better lux.

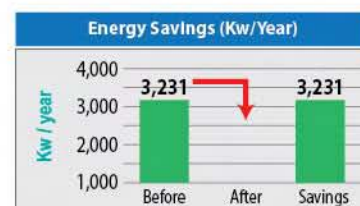
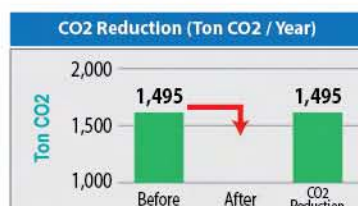
Electricity Consumption	Watt	Qty	Hrs	Days	Months	Kw/year
	85	30	9	22	12	6,059
	85	16	9	22	12	3,231



Effective utilization of sunlight:

In order to improve low illumination in Trim & Special Vehicle Shops, MS Louvers were replaced by transparent glass louvers. This contributed in improving light lux of these shops.

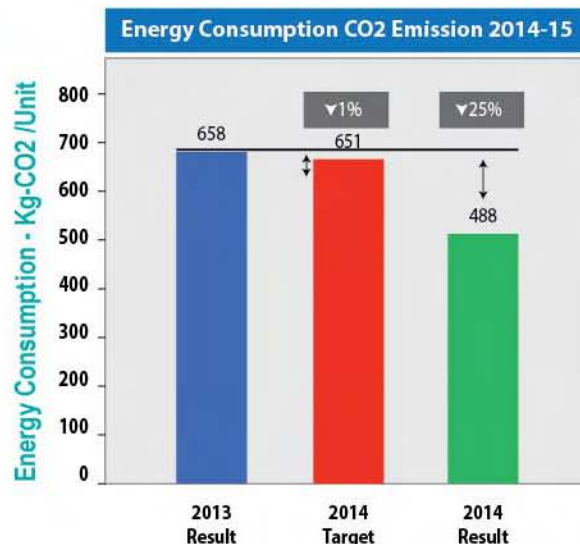
Electricity Consumption	Watt	Qty	Hrs	Days	Months	Kw/year
	85	16	9	22	12	3,231
	85	0	9	22	12	-



Overview of Environmental Key Parameter Indicators

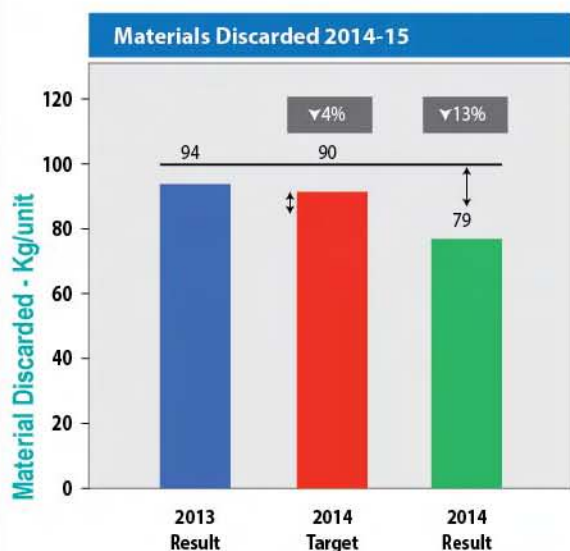
Energy Conservation:

One of the major aims of Hinopak Motors is to continuously reduce the CO2 emissions from its business operations, including non-production activities. As an automobile industry, the main contributors of CO2 emission are Electricity Consumption, Diesel Consumption and Natural Gas usage. Different activities are executed to control and reduce CO2 emissions resulting from these.



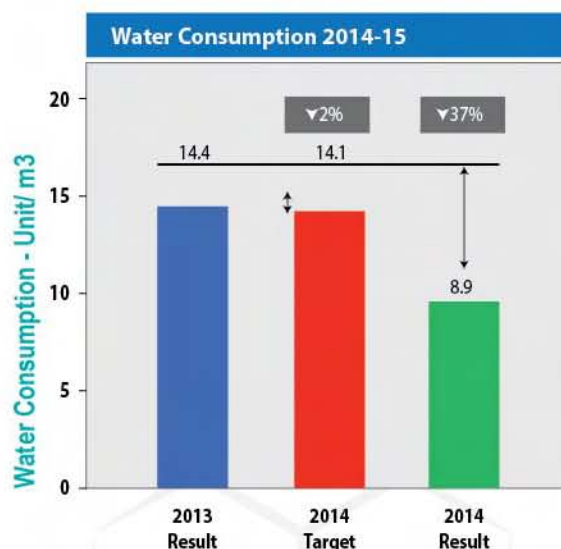
Material Discard:

Wastes generated from different processes are classified in hazardous and non-hazardous waste. As required by the system, all hazardous waste goes for incineration. Non-Hazardous waste like Iron, Wood, Steel, Aluminium etc are reused /recycled either in-house or outside.



Water Conservation:

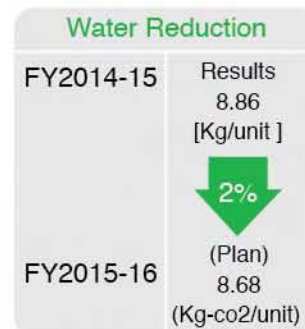
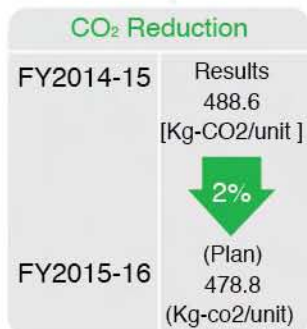
In order to control and reduce depletion of natural resources, we have taken different initiatives in reusing our process water. Moreover, regular checking & fixing of waterlines is done, to control leakages.



Future Plan

We recognize the importance of environmental sustainability. Our environmental initiatives comprises of implementing energy saving techniques, education and training of our employees and promoting environmental kaizens activities.

We are focusing our efforts where we can make the most meaningful difference in both environmental and social sustainability



■ Editorial Note

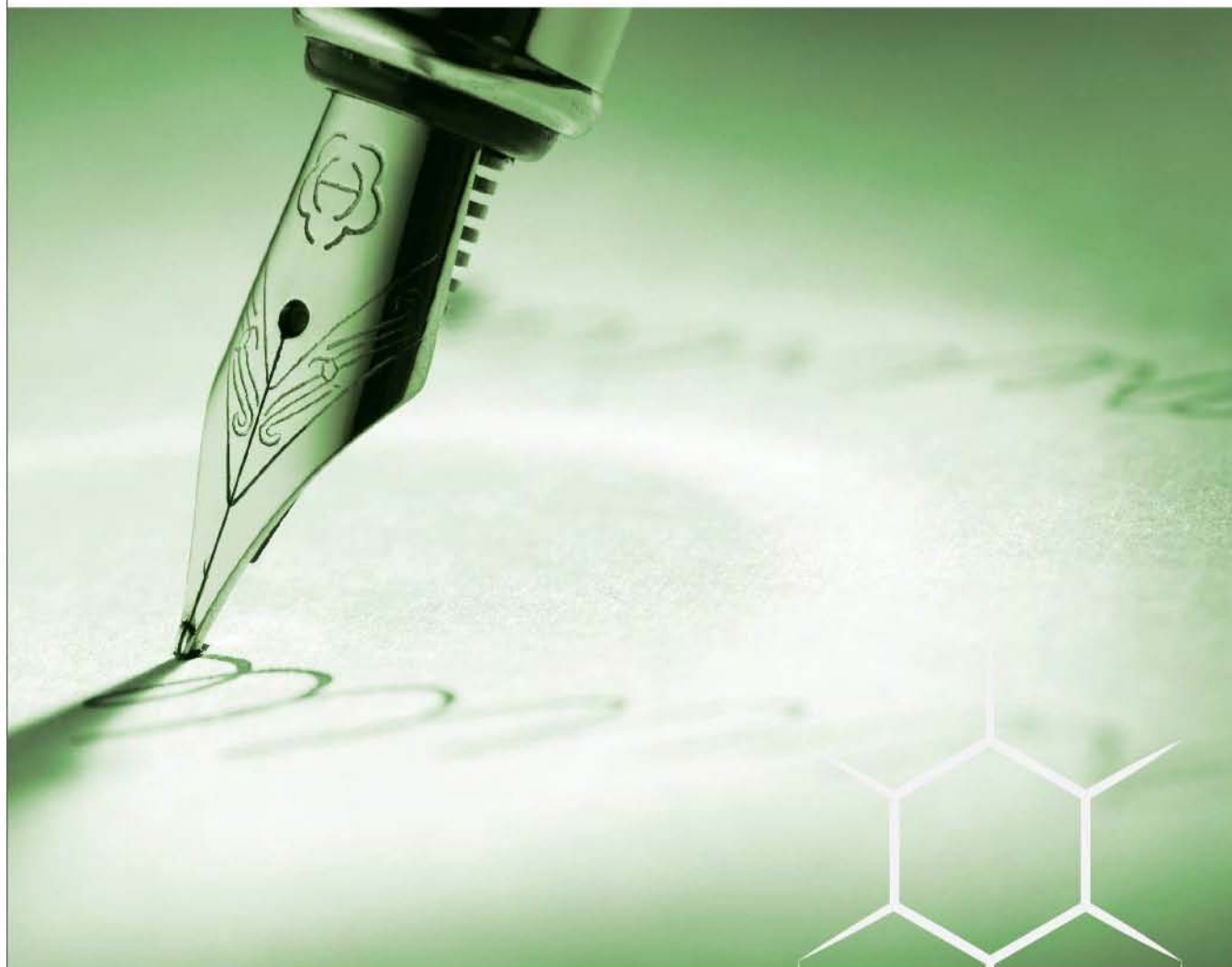
Editorial Note:

We thank you for perusing the Hinopak Environmental & Social Report 2014. We are publicizing this report with the aim of disseminating information on the environmental and social achievements. This report as well as other environmental initiatives may, also, be viewed at the Hinopak Motors Website: www.hinopak.com

In designing the layout and text, we considered to incorporate all related information important for our stakeholders and interested parties.

Environmental Management Representative
HSE Dept.

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