Hinopak Environmental & Social Report 2007-08
Hinopak Motors Limited
Pollution...it could cost the earth
The mission of Hinopak is to provide the society with safe, economical, comfortable and environment friendly means of transportation by manufacturing and supplying commercial vehicles and services.
Hinopak Motors Limited

**Capital:**
124 million Rs. (as of December 31, 2007)

**No. of Employees:**
1415 (as of December 31, 2008)

**Products:**
Trucks, buses, special-purpose vehicles, commercial vehicles

**Bus and Truck Chassis Production:**
4465 units

**Bus and Truck Superstructures Production:**
2008 units

**Management Systems:**
ISO14001:2004 Certified
ISO9001 :2000 Certified

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**Net Sales**

<table>
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<th>Year</th>
<th>Rs. in Million</th>
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<tr>
<td>01</td>
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<td>02</td>
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<td>06</td>
<td>6392</td>
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<td>07</td>
<td>7827</td>
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Scope of the Report

This report describes Hinopak’s environmental and social activities which include the reduction in environmental impact at each business level, from development and designing of our trucks and buses to procurement, production and logistic and finally to its sale disposal or recycling.

Report Period

Though the report, generally describes initiatives taken during April 2007 ~ March 2008, some initiatives carried out until the time of report issuance are included as well.

Reference

This report has been prepared with reference to “The Hino Japan’s Consolidated Environmental Management Systems Guidelines”.

We look forward to get your impressions and comments about this report. It is also available on the Hinopak website www.hinopak.com. Our website also provides information on Hinopak’s environmental initiatives.

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All environmental issues are important…. a global perspective
some are more important than others

“Kick the Habit: Towards a Low Carbon Economy”

Our world is in the grip of a dangerous carbon habit. Throughout the tropics, valuable forests are being felled for timber and making paper, for pasture and arable land and, increasingly, for plantations to supply a growing demand for bio-fuels. This further manifestation of our carbon habit not only releases vast amounts of CO₂ but it also destroys a valuable resource for absorbing atmospheric carbon, further contributing to climate change. The environmental, economic and political implications of global warming are profound. Ecosystems – from mountain to ocean, from the poles to the tropics – are undergoing rapid change. Low-lying cities face inundation, fertile lands are turning to desert, and weather patterns are becoming ever more unpredictable.

The poor will be hardest hit by weather-related disasters and by soaring price inflation for staple foods, but even the richest nations face the prospect of economic recession and a world in conflict over diminishing resources. Mitigating climate change, eradicating poverty and promoting economic and political stability all demand the same solution: we must kick the carbon habit. “Kick the Habit; Towards a Low Carbon Economy”, recognizes the damaging extent of our addiction, and it shows the way forward.

The message of The World Environment Day 2008 is that we are all part of the solution. Whether you are an individual, an organization, a business or a government, there are many steps you can take to reduce your carbon footprint. It is a message we all must take to heart.

(Abstract of Message from Mr. Ban Ki-Moon, UN Secretary General on World Environment Day – 2008)
vision

“Total Customer Satisfaction, a set vision for the company. In pursuit new concepts have been introduced such as mobile workshops, 3S/2S dealership facilities, training and free service camps for the vehicle owners and drivers”.

mission

"The mission 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".

To achieve this mission, 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 in 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 of Companies and make a meaningful financial return to the shareholders.
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 customer satisfaction & support to environmental preservation activities for our employees and community, to the best of our ability”.

For this, we will 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.
basic principles of code of conduct

- We develop and provide outstanding products and services that fulfill the demands of customers and 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.

- We undertake open and fair corporate activities in conformity with the spirit and letter of laws. We maintain sound and transparent relationships with governmental and administrative entities.

- We build and maintain good communications with society as well as our stakeholders, and we are committed to accurate and timely disclosure of information.

- We recognize that an environmental preservation activity is an integral part of our business, and we voluntarily and actively promote and engage ourselves in environmental preservation activities as an indispensable condition for Hinopak's corporate existence and activities.

- 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.

- 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.

- 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 other's 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.

- We take a resolute stand against anti-social power and organizations, and we act in compliance with ethical standards and sound social values.

- We respect and abide 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.

- 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.

- 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.
code of ethics

Our focus on “PURPOSE” is guided by

Ambition

The power of dreams
• Pursue your dreams with courage, creativity and dedication.
• Grow through your work, live a meaningful life and realize your goals.
• Be passionately ambitious but coolly realistic.

Sincerity

The value of integrity
• Always be considerate, honest and reliable.
• Respect the law and social norms, aiming for harmony with society.
• Be a person of your word. Act as you say.

Social Awareness

The importance of altruism
• Work for the benefit of your customers and society as a whole.
• Be constantly aware of your responsibility in the local and global community.
• Protect the environment for future generations.

Our focus on “ATTITUDE” is guided by

Spirit of challenge

Lead the way to change
• Be alert and strive to make things happen.
• Have the courage to take risks in pursuing your objectives.
• Welcome competition as an opportunity to develop and refine your skills.

Spirit of flexibility

Respect diversity
• Through frank communication, contribute to shared goals and progress.
• Be open to differing opinions and have the courage to accept criticism.

• Develop a global perspective and be sensitive to the needs of others.

Spirit of professionalism

Be customer driven
• Know your customer’s needs, boost their satisfaction, reward them for their trust.
• Be a professional and earn the respect of your peers.
• Strive to be the best at what you do and take pride in the quality of your work.

Our focus on “ACTION” is guided by

Speed

Optimize opportunities
• Take time to make the best decision, then act quickly and decisively.
• Stay informed and plan your response in a constantly changing world.
• Find innovative yet simple solutions to achieve your objectives.

Initiative

Be proactive
• Gather the facts, analyze the situation and plan thoroughly.
• Find creative solutions and keep making improvements.
• Be committed to your ideals but flexible and open to change.

Cooperation

Be part of a team
• Tackle every task as a team, ignoring divisions of rank or status.
• Everyone should contribute equally, creating team synergy and strength.
• Inspire others through mutual encouragement and trust.
Hinopak aims for the continual year on year improvements in environmental performance delivered through positive management and wise investment.

We are pleased to announce the launching of our second Environmental & Social Report 2007-08. Every year, global environmental issues are growing in diversity and significance. Even though, we have entered the 21st century, society still faced a number of issues like “environment”. With regard to “environment”, it would not be an exaggeration to describe 21st century as the “Environment Century”. Indeed, by both society and from a business perspective, environmental issues are very high on the list of priorities. Environmental pollution, deforestation, global warming, and frequent occurrence of extreme weathers are the adverse effect of corporate and human activities exceeding the tolerance level of the earth itself. Our common goal is the prosperity and sustainable development of mankind, but this goal is threatened by the destruction of the global environment. Companies that impose greater environmental impacts should clearly recognize their social responsibilities.

This year, worldwide theme is ‘Climate Change’ focusing on moving towards a low carbon economy and lifestyle. Change in climatic condition is gradually becoming one of the most defining issue of the age. Nations, companies and communities are putting on special recognition on the greenhouse gas emissions and considering ways as how to reduce them, with a view to shape a better and healthier future. Promoting a low carbon economy involves steps towards improved energy efficiency, alternative energy sources and forest conservation in an eco-friendly manner.

Hinopak as a market leader has responsibilities to protect this beautiful earth for the next generation.

Therefore, it is natural for us to make actions for the environment preservation for sustainable development. We have actively approached to the environmental issues as an important business challenge, working towards energy conservation, minimizing waste, water conservation and environmental awareness to propagate clean and green atmosphere.

We hope that you will find this report interesting and informative, and we thank you for your continued interest and support to Hinopak Motors Limited.
The preservation of global environment is one of the most important issues we are facing today, and the resolution to this issue will require a formation of an environmentally sustainable society.

The rapid economic and industrial development in 21st century have generated great burden on environment, resulting in provoking the global warming, bringing climate change and the destruction of nature. In order to give beautiful irreplaceable environment to our future generation, we should have deeper understanding towards the environment, and establish goals to protect our limited resources and live in harmony with the environment. At Hinopak we strongly believe that “environment” is a vital component of corporate management. Our commitment to enhancing quality of life and protecting our earth is reflected in our Environmental Goals, which are set to address our key parameters, ‘Prevention of Global Warming (Reducing CO2), Material Discard and Water Saving’. Let us think and act as much as we can do to reduce CO2 starting from small things in our own life.

In 2007, we have reduced CO2 Emission by 9.13% and Water Consumption by 14.4% as compared to the set target of 2 and 3% respectively based on 2005 results. But ‘were not able to achieve the set target of 1.5% in reduction of Material Discard. The main reason is that 75% scrap is CKD over which we have no control. We are reviewing different strategies to adopt to manage this issue.

We believe our main assets are our employees and so we are providing continuous training to promote awareness of responsible behavior in connection with environmental protection procedures. We acknowledge that environmental problems are closely associated with business activities and we have to make continuous efforts to minimize these impacts in all stages of our business.

Through this report, Hinopak publishes the results of its environmental initiatives in clear and transparent manner. Thank you very much for taking the time to read the report; we would very much appreciate your feedback.

SUSUMU HONGO
Director Production & EMR
CSR Topics : Environment and Energy

An honest, sustained effort for harmonious coexistence with the earth that nurtures us.

Commercial vehicles are an essential sustain of today’s society, so it is our mission to supply trustworthy products and service to the world.

Because commercial vehicles, such as trucks and buses, form an essential sustain of our society, Hino Motors is earnestly addressing issues on how to protect the environment, including offering products with advanced environment friendly performance.

We are actively enhancing the environmental performance of our products to not only conform with existing regulations, but also to meet standards in advance of them being required. We are promoting global deployment of environmental management. We offer our customers a training course on fuel-efficient driving. We are continuing aid to organizations that are working to protect the local environment, which is closest to all of us. All of these activities are based on our mission and our corporate culture. Our mission is to contribute to the enrichment of society and its future by supporting the transportation of people and goods. Our corporate culture is to work honestly and consistently towards the realization of this mission.

Contributing to a cleaner environment through manufacturing

Hino Motors' Environmental Initiative Plan 2010 declares our aim to become the world’s best dieselpowered vehicle manufacturer in terms of low emissions and fuel efficiency. To attain this goal, the environmental performance of our products must be high. Our DPR system is an advanced clean diesel system that has taken many years to develop. It substantially reduces NOx and PM emissions, two major sources of air pollution. As a result, we have produced the first trucks in Japan, that achieve the highest ranking for low emission heavy-duty vehicles. Focusing on the connection between fuel efficiency and the environment, we have released vehicles in Japan that already conform to the 2015 Japanese Fuel Efficiency Standards.

Following our success in the mass production of the hybrid buses in 1991, we have been working on improving the hybrid system. The Hino Hybrid is the first light-duty truck and first hybrid truck to conform to the 2015 Japanese Fuel Efficiency Standards through its increased power, improved efficiency and decreased weight for the entire system in Japan. Furthermore, we are currently developing new systems that use hybrid technology. For example, we are conducting a practical trial of the IPT hybrid bus*1, designed with the goal of substantially increasing fuel efficiency by extending the time one can drive on electric power.

*1 Part of the Second Term Development and Application Promotion Activities for Next Generation Low-Emission Vehicles promoted by the Japan Ministry of Land, Infrastructure and Transport.

From the plant, to the highway, to the scrap yard – lightening the environmental load through the entire product lifecycle.

LCA (life cycle assessment)*2 is an index for quantifying the environmental load of a product throughout its lifecycle, from where trucks and buses are designed and manufactured, to where they are used, and then finally to where they are discarded. Looking at trucks on the basis of CO2 production, data shows that over 90% of the CO2 is produced when the trucks are in operation (see the graph on page 12). Therefore, it becomes very important to the global environment to examine how CO2 emissions can be decreased when the trucks are being used by our customers.

Conversely, fuel efficiency can vary by up to 30%, depending on the way a vehicle is driven. This makes the customer’s driving habit an important factor in improving the environmental performance of our vehicles.

In response to this, we have extended our efforts from manufacturing onto services. For example, we have commercialized the Hino Drive Master – a system which supports fuel-efficient driving, and have started a training course for fuel-efficient driving at our Customer Technical Center in Japan.

*2 Part of the Second Term Development and Application Promotion Activities for Next Generation Low-Emission Vehicles promoted by the Japan Ministry of Land, Infrastructure and Transport.
LCA provides guidelines for considering environmental performance at the design stage. For example, although aluminum can be used to decrease vehicle weight, the material requires considerable electric power for refining. We believe the environmental load should be evaluated on a global scale, reducing total emissions by considering both the decreased emissions due to decreased vehicle weight and the increased emissions associated with the production of the materials used to build the vehicle. Our plan is to further develop our use of LCA evaluation results, creating an LCA database, and applying this data to product development, so that we could bring our environment friendly manufacturing processes and service offerings to a higher level.

*2 LCA is a method for evaluating the environmental load of a product through its lifecycle: material production, manufacturing, use and disposal.

Studying comprehensively on various issues

As a company, we have many environmental issues to address. Many of the issues relate to the products themselves, others relate to the manufacturing site. Still others relate to the environmental link between our domestic and overseas basis. When we take global energy into consideration, the scope widens further. The global energy issues that directly relate to us include, for example, implementing the use of second generation bio diesel fuel, performing driving tests for fuel cell buses, and implementing heating and cooling systems to be used when a vehicle is stopped, to promote cutting of the engine at stops, rather than idling.

We think it is important to treat all these items as a whole, rather than resolving them one by one. Streamlining of production activities eliminates “muda,” “mura” and “muri” (the unprofitable, the unsteady and the unreasonable in Japanese) and allows us to achieve the right balance between productivity improvement and energy / resource-saving. Fuel-efficient driving without rapid starts and stops directly contributes to decreasing CO₂ emissions and to fuel saving. It also leads to safer driving.

Hino Motors recognizes the importance of participating in society in a positive way, by, for example, supporting those who are working to protect the environment. We realize that this is necessary for stopping the advancement of warming and environmental pollution that is happening on a global basis. Based on this recognition, the Hino Motors Green Fund was established in 1991 as a continuing project with the philosophy of “harmony with the environment of society”. The Fund subsidies various environmental activities on a constant basis, such as tree planting, protection of the natural environment, research and study of environmental protection, and environmental protection educational programs. The spirit of these activities stems from the concept of “thinking on a global basis and acting from the basics”.

In FY2006, aid was given in 14 cases and totaled ¥ 5,393,000. Since the fund was established, the total amount of aid given out has reached ¥ 163 million, given to a total of 254 cases.

At Hino Motors, in order to protect the environment and be able to pass it unspoiled to the next generation, we are encouraging our employees company-wide to participate in this effort.

Ratio of CO₂ emissions by lifecycle for trucks

- At disposal: approximately 0.01%
  (Example of improvements)
  • reuse*, rebuilding*
  • using renewable materials

- Producing raw materials: approximately 4.5%
  (Example of improvements)
  • using recycled materials
  • developing natural materials

- During maintenance: approximately 1.7%
  (Example of improvements)
  • extending parts life
  • changing to maintenance-free vehicles
  (Example of improvements)
  • training for fuel-efficient driving
  • converting to alternative fuels

- Manufacturing vehicles: approximately 1.4%
  (Example of improvements)
  • energy savings and material savings at the manufacturing stage
  • green procurement

*3 Basis for LCA Calculation: based on JAMA Guidelines
*4 Reuse of used parts without repair
*5 Reuse of used parts with replacement of worn components

Masanori Horiuchi
Manager,
Technical Management Division
The United Nations officially launched the International Year of Sanitation to accelerate progress for 2.6 billion people worldwide who are without proper sanitation facilities. In many regions, sewage flows directly into streams, lakes, rivers and wetlands affecting coastal and marine ecosystems, fouling the environment and exposing millions of children to disease. Particularly in the context of urbanization, domestic wastewater, sewage and solid waste improperly discharged raise a variety of concerns from providing breeding grounds for communicable diseases contributing to air, water and soil pollution. The results of poor waste management also contribute to a loss of valuable biodiversity.

Due to change in climate and improper distribution of water, water scarcity is observed throughout the world. Only 1% of the world's water is usable to us. About 97% is salty sea water, and 2% is frozen in glaciers and polar ice caps. Thus that 1% of the world's water supply is a precious commodity necessary for our survival. Dehydration (Lack of Water) will kill us faster than starvation (Lack of Food). Pakistan's current population is expected to grow about 221 million by the Year 2025. Pakistan has now essentially exhausted its available water resources and is on the verge of becoming a water deficit country. The quality of ground water and surface water is low and is further deteriorating because of unchecked disposal of untreated municipal and industrial waste water and excessive use of fertilizers and insecticides.

Similarly, human waste is the primary source of diarrhea pathogens. Around 1.2 million people, including 250,000 children below five years of age die of water borne diseases every year in the country. This can be reduced by improved sanitation. The loss of precious lives and its consequent socio-economic cost can be avoided only if supply of clean water is ensured and a simple hygiene practice is adopted by people. The doctors said that waterborne diseases like cholera, typhoid, gastroenteritis, hepatitis A and E had become a major problem in the country as water supply and distribution system has become obsolete.

Today on this 'World Water Day', we seek the opportunity to encourage our employees of taking some simple steps for hygiene promotions like hand washing, especially before taking meals and promote it in their families. Other steps are improving drinking water quality-by boiling, proper use and maintenance of water supply and sanitation system and changing hygiene behavior. Water conservation is another big issue they are motivated to adopt in daily life, and also encourage their children for taking such steps. These will reduce environmental burdens, increase sustainability of environmental resources allows for a healthier, more secure future for our children and preservation of our natural environment resulting in sustainable development.

SUSUMU HONGO
Director Production & EMR
**water for life:**

Water is crucial for sustainable development, including the preservation of our natural environment and the alleviation of poverty and hunger. The United Nations General Assembly, in December 2003, proclaimed the Years 2005 to 2015 as the International Decade for Action on ‘Water for Life’. This Decade is to promote efforts to fulfill international commitments made on water and water-related issues by 2015. These commitments include goals to reduce by half the proportion of people who are without access to safe drinking water, to stop unsustainable exploitation of water resources. It aims to develop water efficiency plans and to reduce by half, the proportion of people who do not have access to basic sanitation, by 2015.

At Hinopak, we firmly believe in the protection of environment for sustainable development. Keeping this in view, from this year we have decided to celebrate World Water Day (March 22, 2008). On the occasion, Mr. S. Hongo Director Production / EMR delivered a message. This message is also available on our website.

Awareness programs on Water Scarcity and Need for Clean Water for Healthier Society were held shopwise in both the plants. Moreover, messages in both English and Urdu were displayed all over the company, and World Water Day Calendars were distributed to all employees.

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**Message on World Water Day**

22nd March, 2008

We can’t defeat AIDS, Tuberculosis and any other infectious disease until and unless we win the battle for safe drinking water, sanitation and basic healthcare.
The preservation of global environment is the most important issue we face today, and the motion of this issue requires formation of an environmentally sustainable society. Addressing this challenge, ISO 14001 standard has been developed internationally to outline the requirements for an effective Environmental Management System.

As a responsible corporate company, Hinopak has adopted ISO 14001 standard to ensure effective environmental risk management and compliance across all its business activities, from designing to product sale. Specific EMS requirements for each of the various business activities are set for effective and efficient performance. These requirements include adoption of Hino Japan Environmental Charter, implementing SMART objectives, promotion of environmental action plans and commitment to facing environmental challenges resulting from changing business activities. The Environment Committee has proven itself to be highly effective in ensuring that environmental compliances are addressed on time, and Hino Family work together for sustainable development.

Approximately 80 new employees including workers were given orientation on EMS. This year, orientation was also organized for new top management.

INTERNAL AUDITOR TRAINING

In order to assess the effective implementation of Environmental Management System, internal auditors are developed through organized trainings. In these sessions, participants are explained about requirements of ISO 14001 standard, company policies and procedures, steps for conducting audits and audit report writing. Six auditors were given refresher training this year.

COMMUNICATION

We have established and developed internal/external communication system to ensure that employees are well aware of the purpose of complying with EMS Policy, procedures and value of achieving objectives and targets.

We ensure timely communication with our principal Hino Motors Japan and transmitting the relevant information to concerned employees. Environmental policy, aspects, progress and performance is spread via different means, like Environmental & Social Report, newsletter, financial annual reports, internal mails, bulletin boards and websites to our employees and stakeholders. We ensure timely communication with our principal Hino Japan and informing the same to concerned employees.

No environment related complaints have been received from interested parties this year.
PROMOTING ENVIRONMENTAL AUDIT

We conduct environmental audits on biannual basis to ensure that HPML environmental Management System confirm to the requirements of ISO 14001:2004 standard and improvements have been made to this system where necessary. Through these audits, we identify the areas where there is room for improvements and taking corrective action accordingly.

We have a team of qualified Lead Auditors and 7 Internal Auditors who apart from their regular job participate in audit execution as and when required. Two internal audits were conducted, in which altogether 21 minor NCRs and observations were highlighted. No major NCR was raised.

COMPLYING WITH ENVIRONMENTAL LEGAL AND OTHER REQUIREMENTS

At Hinopak, we are continuously working to reduce the environmental impacts caused by our business activities. We identify and evaluate all applicable environmental laws and regulations to ensure their compliance.

Hinopak employs a variety of techniques and information sources to track laws and regulations which include communication with federal and provincial regulatory agencies, local environmental magazines and web surfing. We ensure that information disseminates to concerned on timely basis and to both internal and external customers. As far as local environmental legislations are concerned, we are reporting waste-water effluents and air emissions data on biannual and quarterly basis to Sindh EPA on SMART software. The same is communicated to Hino Motors Japan on monthly basis. We make sure that if any non-conformance occur, is handled carefully and is communicated to all concerned.

INITIATIVES TO REDUCE ENVIRONMENTAL RISKS

We have a well-defined emergency, preparedness and response management system to identify and reduce risks associated with emergency situations. The main scope of the plan is to minimize injuries to personnel, protect the environment and prevent damage to company assets.

Administration Dept. ensures that essential information is communicated to appropriate personnel as quickly as possible. ERP has been developed to respond to emergencies like Fires, Smoke, Explosions, Spills (Raw Materials and Products) and Medical Emergencies. Different teams are also formulated like Fire-fighting Team; spill Control Team, Medical Team and Security and Communication Team. We organize ERP trainings for all employees as well as for our contractors working in HPML premises. Surveys are also conducted to identify unsafe practices; similarly effectiveness is checked via evacuation drills. State of the art equipments are installed companywide to ensure proper handling of emergency situations.
Hinopak is committed to environmental performance excellence, we strive to protect today for tomorrow. As a market leader dedicated to responsible operations, our goal is to strive operational activities by minimizing environmental impacts. The greatest environmental challenges for Hinopak is the reduction of CO2 emissions, hazardous waste, material consumption and pollutants (NOx, COx) from its production and products. We are already engaged in developing automotive vehicles and technologies aimed at reducing CO2 emissions. Essential developments include: the optimization of engine combustion, weight reduction and aerodynamic improvements.

Hino 500 Series Euro Standard Compliant Trucks are developed to change the concept of transportation and to facilitate a cleaner environment. With the most powerful engines and favorable carrying capacities, the product line is developed in a disciplined manner not only to optimize its performance but also to ensure that we have the requisite serviceability necessary to sustain the objective of changing the transportation concept.

Much progress has been made to reduce pollutant emissions by technological innovations made by our principal Hino Motors Japan. Our engines are powerful and fuel efficient, contributing to nature with a clean exhaust system. By meeting the EURO I emission regulation, these vehicles will have not only a very positive impact on ozone depletion and global warming threats but will also have an improved service life.

In an effort to contribute to the Kyoto Protocol objectives on reducing CO2, Hinopak has added another feature in its cap by introducing the first ever dedicated CNG bus manufactured in Pakistan. All these measures taken by Hinopak is in response to efforts being made by the Government for obtaining a cleaner environment and promotion of CNG as transport fuel. We strongly believe that it will benefit the nation in the long run by saving precious foreign exchange spent on import of fuel as well as reducing pollution and improving environment of our country. Here the key contributor will be the oil/fuel supply industry, providing support in their product development and fuel strategies.

In addition, improved traffic management, infrastructure and consumer/driver behavior could contribute for a major development. Training activities extend beyond our premises, as our customers, users, and public at large continue to benefit from courses like the SBTE-registered Motor Vehicle Training (MVT) Program and specialized courses for Automotive Mechanics & Technicians. Eco Driving (defensive and proper use of our products resulting in more fuel efficiency and environment protection). We have also launched our Mobile Training Service, now delivering field training at our customers’ and consumers’ doorsteps!

During production process and support operations, waste is generated. Support operations include facility maintenance, new facility development, renovation work, waste-water treatment plants, and administration and engineering offices. As committed in EMS Policy, Hinopak is committed to reducing waste generation and pollution, conserving resources and recycling waste material. Hinopak continues to evaluate and apply processes, practices, materials, or products that avoid, reduce or control pollution at its sources.

Hinopak will continue to strive for its valued customers to provide the best services and products, meeting all the quality standards in the most economical price. Hinopak firmly believes in providing a sound management system which can guarantee satisfaction to all concerned.

A wide responsibility for Environmental, Social and Societal challenges

The aim of performance must be to lead the company identifying its main internal and external challenges, be it to better assess its environmental impacts—be it to develop people’s aspirations and skills so they could bloom in the company and support the company’s evolutions and projects.
Hinopak celebrates environment month

Messages:

From The President Hino Motors Japan
I would like to deliver my environmental message to all employees, both at Hino Motors, Ltd. and group companies around the world on this year’s environmental month.

~Hino Group’s environmental preservation activities~
We, the Hino Group, are evolving rapidly from the ‘Hino of Japan’ to the ‘Global Hino’. As all of you know, the environmental issue is noticed all over the world, and we have responsibilities to protect beautiful earth for the next generation. Therefore, it is natural for us to make actions for the environment preservation for sustainable development. Hino group has actively approached to the environmental issue as an important business challenge. Evermore, we are going to make various actions, in the field of development of environmental-friendly products, reduction of the environmental burden in production sites, and environmental practice with all members of the whole Hino Group including suppliers and sales companies.

However, I must say with much regret that we still receive complaints from our neighbors. Therefore, during this year, “environmental emergency declaration” was announced. Based on the declaration, we will make actions to achieve no environmental complaints and no environmental violation, with a sense of urgency.

~My request for all employees~
In addition to the contribution to the environment through your work, gradual and continuing actions at work place or home “for example, energy-savings,” will bring about great success. I hope that all members of Hino Group will become respectable people who can think and act voluntarily. Even though your activity seems small but keeping it will be a considerable power that would change the societies. All of you are leaders. Please think about what you can do for the environmental issues, and make sure that you turn it into action, not for somebody, but for our own future.

Shoji Kondo
President, Hino Motors, Ltd.
Chairman, Hino Environment Committee

From The Managing Director Hinopak Motors
our pledge towards a better environment is once again affirmed by celebrating 5 June 08 as World Environment Day and June as World Environment Month. Taking this opportunity, I would like to thank all the Hinopak members for their interest in promoting environment friendly products and processes. Their contribution in energy conservation, minimizing waste, water conservation, environmental awareness etc. is well appreciated. The environmental awareness should be consistently followed and propagated to keep a clean and green atmosphere.

Since the year 2001, Hinopak is maintaining the environmental management system and will always continue to hold it in the same spirit and manner. Hinopak as a market leader has the corporate and social responsibility in fulfilling its commitment to reduce the environmental impacts at each stage of a vehicle life cycle from development to production and from sales to after sales service. It is our expectation that Hinopak family members will contribute towards continual environmental improvement.

This year too, Hinopak is emphasizing on the corporate social responsibilities by planting trees at Hinopak and public premises and by inviting school children for exhibiting environmental projects at its premises. Moreover, Hinopak has taken the lead in CSR activity by adopting a government school named Site Model School near Hinopak, whereby the school children will be facilitated in education with books, laboratory, computer room and other allied technical and social support. Let us seek this occasion to motivate and emancipate the contribution of all interested parties to promote awareness on environment for sustainable growth and development in the country.

Mr. Shoji Kondo, President, Hino Motors, Ltd. has delivered his message on the occasion, asking for a strong harmony and cooperation amongst the Hino overseas affiliated companies in Hino business which can be achieved globally by joint and increased environment influence in our products.

Hideya Iijima
Managing Director & CEO
Free Tune-up Camp

Keeping the trend, Hinopak organized 11 Free Tune-up Camps all over Pakistan to mark The World Environment Day. A ceremony was held in the Head Office where the Minister of Culture and Tourism, Government of Sindh was the chief guest.

Awareness on the importance of tuned engines, fuel efficiency and how to reduce maintenance cost was given to interested parties. Service brochures were also distributed. Altogether 158 Hino vehicles were tuned in 11 Camps.

Cleaning up Activity Around The Company

Clean-up activity was held on Saturday 28th June 2008. During the activity, areas around AOP & BOP Plants were cleaned. Following waste quantity collected accordingly.

i) Assembly Operation Plant: 2.214 tons
ii) Body Operation Plant: 1.714 tons
iii) S.I.T.E. Model School 0.267 tons

Employees and school students learned the need of clean environment and how it contributes in reducing pollution from the earth.

Awareness Program

Awareness was given to employees and interested parties by distributing;

i) Eco Driving Booklet in both English and Urdu
ii) Literature on different environmental issues in Urdu
iii) Hinopak Environmental and Social Report- 2007
Tree Plantation

Tree Plantation ceremony was inaugurated by Director Production/EMR, which was held in Hinopak and SITE Model School. 191 trees were planted in June 2008. Also the importance of tree plantation and its beneficial effects on environment were elaborated.

Project Exhibition On Environmental Issues

During The World Environment Month, two different schools displayed environmental project exhibition in Hinopak. Global environmental problems, their effect on daily life and their countermeasures were depicted through the posters and projects. It was interesting to note that S.I.T.E. Model School displayed 67% of their posters on Industrial Pollutions as most of them are residing near the vicinity of factories.

Environmental Auditing

Environmental Audit AP-14 was conducted to check and review the EMS Performance companywide, and to identify areas of improvements.

Environmental Patrolling

Environmental Patrolling has been started as per the directive from Hino Japan Environmental Division. This is our continuous program for system's development.

Screening “Inconvenient Truth”

The documentary movie Inconvenient Truth about global warming, was shown to employees in both English and Urdu during different sessions. This movie presented by former United States Vice President Al Gore, won “The Best Documentary Movie” in Oscar 2006 Award. This movie depicts the environmental problems specially global warming created by industrial development, and what efforts should be made to save the planet from the irrevocable change. More than 1000 employees watched this movie.

Distribution of ECO-Bags

Eco-bags were distributed to all employees to promote reduction of plastic bags from their daily routine activities. The employees were also informed about the adverse effect of plastic bags on their health and environment.

Employees Survey

Employee Survey was conducted to identify training need for non-management staff. A comprehensive exercise was made in which approximately 75% workers were interviewed. The analysis highlighted area wise specific trainings, like Handling of Hazardous Material, Energy Conservation, Significance Aspects / Impacts at the Work Place, etc. This will enable us to provide proper and required training awareness for the respective employees.
CSR Performance initiatives in social area

The creation of our CSR & Global Compact (GC) Committee is a step to ensure sustainability, as it provides the leadership to translate the CSR and GC framework to reality. CSR initiatives are chosen and linked with our Triple Bottom Line Mission. We believe that continuous progress monitoring, communicating our milestones and sharing our success stories guarantee further growth.
Our Approach towards Corporate Social Responsibilities (CSR):

We at Hinopak Motors Limited believe in contribution to the enrichment of society through better manufacturing and services. Our business activities have been carried out with an awareness of our social responsibility and the public interest, even before CSR became a major concern in the world. The Company’s philosophy framework focuses on developing relationship of trust with the Company’s many stakeholders, including shareholders, customers, suppliers and employees as well as protecting environment and promoting good governance practices.

In 2007, the Company established a CSR & Global Compact Committee to focus on activities towards a sustainable society.
We need business to give practical meaning and reach to the values and principles that connect cultures and people everywhere. With all the ten principles as described below.

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

**Global Compact**

**The Ten Principles**

**Human Rights**  
**Principle 1:** Businesses are asked to support and respect the protection of International Human Rights within their sphere of influence; and  
**Principle 2:** Make sure that their own corporations are not complicit in human rights abuses.

**Labour Standards**  
**Principle 3:** Businesses are asked to 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 labour;  
**Principle 5:** The effective abolition of child labour; and  
**Principle 6:** The elimination of discrimination in respect of employment and occupation.

**Environment**  
**Principle 7:** Businesses are asked to support a precautionary approach to environmental challenges;  
**Principle 8:** Undertake initiatives to promote greater environmental responsibility;  
**Principle 9:** Encourage the development and diffusion of environment friendly technologies; and  
**Principle 10:** Business should work against corruptions in all its forms, including extortion and bribery.

**Helping make globalization work for all**

The Global Compact is a voluntary initiative that seeks to advance universal principles on human rights, labour, environment and anti-corruption through the active engagement of the corporate community, in cooperation with civil society and representatives of organized labour. Hinopak feels honored to be one of the 52 participating business organizations from all over Pakistan. Our Director HR, PMD & CSR, Mr. Fasihul Karim Siddiqi, represented Pakistan at the Ministerial Dialogue Meeting with business leaders on the occasion of the High Level Segment of 14th UN Commission of Sustainable Development on 10th May, 2006 in New York.

**PRINCIPLE 1:**Our support for human rights has been an important focus of our commitment.  
- Adopted Code of Conduct (Good Governance and Ethical Practices) on January 2007, and signed by all employees every year.  
- Established a Whistle Blowing Mechanism to provide an outlet for registering human rights-related complaints.  
- Enclosed gender sensitive policy voluntarily by the company to ensure non-discrimination.

**PRINCIPLE 2:**
No complaint indicating violation of human rights / gender sensitive policy within the enterprise including its supply chain was received.  
- Asbestos roofing in our plants was replaced by concrete roof, its height was also increased to improve plant working conditions. Office temperature maintained/standardized at 28°C to avoid extreme temperatures.  
- Participated in this Year’s (2008) IBLF/UNDP World Business and Development Awards as a token of our support to UN’s Millennium Development Goals.  
- Health/Disease Management Awareness Programs being conducted from 2007 to-date with the help of medical professionals and leading hospitals for:  
  - Diabetes  
  - Heart Diseases  
  - Dangers of Eating Pan / Gutka (Betel Nut / Chemical-laced Chewable Stuff causing oral cancer  
  - HIV/AIDS  
  - Gastro-enteritis  
  - Hepatitis B & C  
  - Asthma  
  - Medical Camps on Blood, Sugar, Cholesterol Measurements and BMI Tests.
PRINCIPLE 3:
Our industrial relations system is based on three cardinal principles;
(1) Mutual trust and respect,
(2) Functional transparency and
(3) Non-interference in union matters have been successfully practiced over the past two decades.
• Wage and productivity agreements are negotiated through collective bargaining every two years.
• Eleven (11) agreements since 1986 have been reached in record time, i.e. within 4~7 days and concluded with an average of 35 days since 1986 (min. 5 days, max. 52 days) which is a feast in Pakistan’s labour-management landscape.
• No strike or cessation in work or loss of work hours due to strike or lockout in Hinopak history. Zero litigation cost in the company history.

PRINCIPLE 4:
We follow ILO conventions on labour, including Article 2 (1) of the ILO Forced Labour Convention, 1930 (C 29) ratified by Pakistan.
• Written job offers to employees
• Agreement with employees are signed
• Exit interviews are conducted and shared with top management & dept. heads.

PRINCIPLE 5:
• Potential employee’s age is checked through pre-employment procedure.
• Our vendors are evaluated to verify that no child labour is employed
• Apprentices are hired & trained to fulfill legal requirements.

PRINCIPLE 6:
Adopted Code of Conduct for Gender Justice at the Workplace voluntarily. We practice Hino’s value of “diversity”.

PRINCIPLE 7:
We highly support a precautionary approach to environmental challenges. Since long before our GC subscription, we have an environmental policy with a motto saying: “To strive for contributing to environment friendly products to our customer satisfaction and support to environmental preservation activities for our employees and community, to the best of our ability”.

We are the first company to get ISO 14001:2001 Certification in the automotive sector in Pakistan, are also the first Hino affiliate worldwide, to be so!
• Regularly plan risk assessment
• Conduct internal & external audits
• Self assessments, trainings and awareness programs.

PRINCIPLE 8:
Annual Environmental Management Action Plan is incorporated in our CSR overall key areas. Environmental Management Committee guide to accomplish our environmental objectives/initiatives.
• CO₂ Functional Waste - Water Treatment Plants
• Controlling and monitoring our factory emissions
• Neighbor’s zero complaints rate
• Observation of environment day/month
• Proper disposal of hazardous waste

PRINCIPLE 9:
Engine Smoke Bench Testing 100% conducted in-house, all vehicles rolling out of our plants are tested for their smoke emission behavior.
Tune-up / Service Camp Customers and users converge with their vehicles at our tune-up camps; vehicle performance is checked against specifications, especially emission and noise factors.
Customer Visit Regular visits to customers are conducted by our expert after-sales service personnel to ensure customer satisfaction.
Locally Produced / Manufactured CNG buses / vehicles in the country.

PRINCIPLE 10:
Code of Conduct on Ethical Behavior: An 11-Point Code calling all employees to observe ethical behavior set by the Company.
• Whistle Blowing Procedures & Committee. A method to report any irregularity was established and communicated to all, looked after by a Whistle Blowing Committee. (No irregularity has been reportedly received by our Whistle Blowing Committee since its inception).
• Suggestion Scheme. Suggestion boxes and other avenues used by employees to communicate related concerns are in the form of verbal feedback, e-mails and company intranet.
• New hires are oriented on this Code as well as the UNGC principles. Employees given periodic reminders/awareness sessions.
• Hinopak Motors Environmental & Social Report 2006-07.
Hinopak’s social & community development initiatives are marked by public-private partnership, further increasing our sphere of influence in sensitization and responsiveness to challenges afflicting community at large and more importantly, enhancing personal social responsibility awareness. Following projects completed by Hinopak show our strong commitment.

Renovation of SITE Model School (SMS)

Our major achievement this year, SITE Model School stands today as a symbol of our CSR, Global Compact and Millennium Development Commitments in the field of education and human resources development. An MOU with the City District Government, Karachi (CDGK), Federation of Pakistan Chamber of Commerce and Industries (FPCCI) and Committee for Monitoring Improvement in CDGK Schools (CMIS) in April 2008, saw the completion of the newly renovated / reconstructed SMS buildings in August 2008, now a learning centre for more than 800 students, out of which were 279 new admissions, a 50% improvement since school reopening – a tangible result of our pledge.

We have repaired/renovated the following
- 18 Classrooms (Primary, Secondary)
- Technical Training (rooms, equipment and training)
- Library
- Science Laboratory for Girls
- Auditorium
- Principal’s Office & Faculty Room
- Playground & Recreation Room
- Mosque
- Parking Shed

Apart from all above, more than 1,000 books were presented to school library as our initial token of commitment to help increase their knowledge base. We joined hands in cleaning and reviewing their old reading material and improved the condition of the library through renovation, tables and chairs.

The school and health centre entrance was given a new look, health, safety and functionality emphasized by heightening the area to avoid flooding within the school during monsoon seasons. Sewerage and drainage lines were repaired as part of this work.

Our gardeners created a greenbelt, not just enhancing the front look of the school but avoiding garbage and trash accumulation.

SMS students and faculty had been engaged in environmental activities. They participated in our Environment Month in June 2008 through a poster exhibition and competition clean-up activity.
Vendor Training

This year 16 vendors’ 756 personnel against 836 in 2007 were trained in subjects like 5-S, Safety, Inspection Techniques, Chronic Problem Investigation and TQM – exclusive of the daily visits our experts made to help them meet their quality requirements – apart from holding two Vendors Convention where we helped them set their 2008 objectives (MBO) followed by a joint mid-year review and refresher trainings on Safety, 5-S and Quality and most importantly, made them aware on Corporate Social Responsibility.

Educational Visits, Internships/Students’ Engagement

We increased our exposure to the academic sector by allowing regular educational plant visits, resulting to an estimated 300 students-teacher visitors from 14 educational institutions to-date. This year’s summer internship program produced 109 reports from 86 (70% technical) students representing 12 colleges & universities, mostly technical. Aside from practical exposure to work, interns were given briefings on practical aspects of quality, safety and professional career tips.

Scholarships

Another symbol of industry-education linkage, the “Hinopak Skill Promotion Scholarship” was offered to NED and Pak-Swiss Students. A similar scheme is underway for our workers’ children. Scholarships have been offered to 10 students of three technologies and six scholarships to Pak-Swiss Students.

Construction of Hinopak Community Health Centre (HCHC)

We built a primary health care facility equipped with furniture, medical equipment and medicines to facilitate SMS students, their family members and the whole locality. We now coordinate with the doctor and dispenser provided by FPCCI-CMIS to ensure that, patients’ primary medical needs are properly addressed.

Employee Welfare Through Sports Activities

With the improvement of our in-house recreational facilities in both plants, our employees are relaxed through inter-departmental sports competitions aside from enjoying active participations in external tournaments like cricket and table tennis etc.

Ziarat Earth Quake

HPML employees donated their one day salary to support their fellow countrymen at the time of grief and need. Company matched the funds so generated by the employees totally 1.67 million. CBA acted cordially to dispatch and distribute the goods among victims and their families in the vicinity of Ziarat and adjoining areas.
At our Assembly Operation Plant, we are improving environmental performance by setting goals in the areas of Energy / Water Conservation and Material Discard. In FY 2007, we have achieved targets by strictly following the action plans set forth. We are effectively communicating our environmental initiatives to employees via trainings and other environmental awareness activities. This year, we have also introduced environmental patrol system shopwise, and hope to improve the environmental plans through this exercise. We are regularly monitoring and reporting the legal compliance to Environmental Protection Agency. Moreover, Hinopak is constantly striving to keep up its environment friendly plant operation which is beneficial to employees and society.

**Plant Overview**

Address: D-2, S.I.T.E, Manghopir Road, Karachi.

Major Products: Truck and Bus Chassis Assembly

Employees: 299 (as of March 31, 2008)

Site Area: 447,081m²

Total Floor Space: 399,983m²

Total Capacity: 6000 Vehicles / Year

**Reporting Period: April 2007 - March 2008**

**Water Release**

<table>
<thead>
<tr>
<th>Items</th>
<th>Official Regulations</th>
<th>Measurements</th>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
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**Air Release**

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<th>Measurement Items</th>
<th>Official Regulations</th>
<th>Measurement</th>
<th>Actual Conditions</th>
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<tr>
<td>ED Oven (Natural Gas)</td>
<td>NOx</td>
<td>600 mg/Nm³</td>
<td>1/m</td>
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<tr>
<td></td>
<td>SOx</td>
<td>1700 mg/ Nm³</td>
<td>1/m</td>
<td>14  1  7.5</td>
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<tr>
<td>Top Coat Oven (Natural Gas)</td>
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<td>600 mg/Nm³</td>
<td>1/m</td>
<td>13  1  7</td>
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<tr>
<td></td>
<td>SOx</td>
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<td>1/m</td>
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<td></td>
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**CO₂ Emissions** (Kg/CO₂/Unit Production)

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<th>2007</th>
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**Material Discarded** (Kg/Unit Production)

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<th>2007</th>
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<td>239.5</td>
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**Water Consumption** (m³/Unit Production)

<table>
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<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tbody>
<tr>
<td>Actual Conditions</td>
<td>193</td>
<td>178</td>
<td>175</td>
<td>115</td>
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</table>
Body Operation Plant

Vehicle production impacts the environment across a wide range from local communities to the earth. As Hinopak is involved in the automotive industry and its impact through body fabrication of its products and production activities involve various environment pollution hazards. Therefore, we have set goals based on significant environmental impacts and have achieved them successfully this year. All personnel are working together to achieve energy and resource saving activities. We have introduced Environmental Patrol System to identify areas for improvements. We are also engaged in environmental improvements by effective communication and trainings to employees and interested parties. At the same time, we are reviewing our EMS on regular basis and take appropriate measures for continual improvements.

Plant Overview

Address: D-136, S.I.T.E, Manghopir Road, Karachi.
Major Products: Bus Bodies, Truck Bodies and Specialized Vehicles
Employees: 894 (as of March 31, 2008)
Site Area: 24,000m²
Covered Area: 22,927m²
Total Capacity: 700 Truck Bodies / Year
1200 Bus Bodies / Year

Naushad Riaz
Sr. GM & EMS Area Coordinator
Body Operation Plant

Reporting Period: April 2007 - March 2008

Water Release

<table>
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<tr>
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<td>Water discharged (m³/month)</td>
<td>-</td>
<td>1/m</td>
<td>2940</td>
<td>2024</td>
<td>2482</td>
</tr>
<tr>
<td>Water discharged (m³/day)</td>
<td>-</td>
<td>1/m</td>
<td>96.7</td>
<td>71.6</td>
<td>84.15</td>
</tr>
<tr>
<td>pH</td>
<td>6-9</td>
<td>1/m</td>
<td>7.31</td>
<td>6.91</td>
<td>7.11</td>
</tr>
<tr>
<td>BOD (mg/l)</td>
<td>80</td>
<td>1/m</td>
<td>62</td>
<td>35</td>
<td>46.5</td>
</tr>
<tr>
<td>COD (mg/l)</td>
<td>400</td>
<td>1/m</td>
<td>165</td>
<td>89</td>
<td>127</td>
</tr>
<tr>
<td>TSS (mg/l)</td>
<td>200</td>
<td>1/m</td>
<td>50</td>
<td>17</td>
<td>33.5</td>
</tr>
<tr>
<td>Oil (mg/l)</td>
<td>10</td>
<td>1/m</td>
<td>3.9</td>
<td>2</td>
<td>2.95</td>
</tr>
<tr>
<td>TDS (mg/l)</td>
<td>3500</td>
<td>1/m</td>
<td>802</td>
<td>440</td>
<td>621</td>
</tr>
</tbody>
</table>

Air Release

<table>
<thead>
<tr>
<th>Facilities</th>
<th>Measurement Items</th>
<th>Official Regulations</th>
<th>Measurement</th>
<th>Max</th>
<th>Min</th>
<th>Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parts Primer Baking Oven</td>
<td>NOx</td>
<td>600 mg/Nm³</td>
<td>1/m</td>
<td>49.5</td>
<td>49.5</td>
<td>49.5</td>
</tr>
<tr>
<td></td>
<td>SOx</td>
<td>1700 mg/Nm³</td>
<td>1/m</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Paint Baking Oven</td>
<td>NOx</td>
<td>600 mg/Nm³</td>
<td>1/m</td>
<td>25</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>SOx</td>
<td>1700 mg/Nm³</td>
<td>1/m</td>
<td>29</td>
<td>0</td>
<td>14.5</td>
</tr>
</tbody>
</table>

CO₂ Emissions

(Kg-CO₂/Unit Production)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>346.5</td>
<td>403.7</td>
<td>791.8</td>
<td>711.4</td>
</tr>
</tbody>
</table>

Material Discarded

(Kg/Unit Production)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>318.6</td>
<td>324.3</td>
<td>323.8</td>
<td>325.0</td>
</tr>
</tbody>
</table>

Water Consumption

(m³/Unit Production)

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.2</td>
<td>30.5</td>
<td>30.8</td>
<td>25.3</td>
</tr>
</tbody>
</table>

Hinopak Environmental & Social Report 2007-08
We recognize that the environmental progress is a continuous journey and constant efforts and improvements are solicited. Focus on improving the environmental preservation with reduction of CO₂ emissions, conservation of water resources and minimizing waste generation is required. It is believed that by this exercise, we can continue to sustain both the growth of our business and health of our environment. To achieve this we have established upstream goals.

<table>
<thead>
<tr>
<th></th>
<th>FY2005 (Results)</th>
<th>FY2010 (Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ Reduction</td>
<td>382.3 Kg/Million Sales</td>
<td>351.7 Kg/Million Sales</td>
</tr>
<tr>
<td>Waste Reduction</td>
<td>147.0 Kg/Million Sales</td>
<td>142.3 Kg/Million Sales</td>
</tr>
<tr>
<td>Water Reduction</td>
<td>13.2 Kg/Million Sales</td>
<td>12.4 Kg/Million Sales</td>
</tr>
</tbody>
</table>
We thank you for perusing the second Hinopak Environmental & Social Report 2007 - 08. 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 be viewed at the Hinopak Motors Website: www.hinopak.com

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

Environmental Management Representative
EMC Secretariat

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Fax: +92-021-2561389
“MOTTAINAI” spirit is a base for Environmental Preservation and Cost Reduction

Hinopak Motors Limited