



Indus Motor Company Ltd.

SUSTAINABILITY REPORT 2023

Beyond
Beyond
Beyond
Beyond
Beyond
the road

**THERE'S
NOTHING MORE
REWARDING
THAN
GIVING BACK
AND MAKING A
DIFFERENCE
IN THE LIVES
OF PEOPLE**



The kids of Saleh Muhammad Goth in Karachi, holding their admission chits at TCF campus.



as human beings

we each have a responsibility to

Care for humanity

Ramazan rations distribution at Nadee Goth, Karachi
Photographed by Muhammad Arshad, IMC CSR

about the Report

and commitments thereof.

Scope and Boundary

The Report covers information about IMC's activities and impacts for the period commencing July 1, 2022, and

This is our 8th Sustainability Report and has been prepared in accordance with GRI Sustainability Reporting Standards. The Report also complies with UNGC's Ten Principles on Human Rights, Labor, Environment and Anti-corruption and demonstrates our contributions

ending June 30, 2023. The Report does not include information about subsidiaries, associated companies and joint ventures.

Report Content and Methodology

The Report's content is derived taking into consideration our engagement with stakeholders, our impacts on the economy, environment and society, and the requirements of UNGC's Ten Principles. See page 42 for information about the process of defining report content and material topics.

The information and data included in the Report are derived from existing management systems.

The quantitative data is based on scientific measurement on an actual basis. However, where data was not

available, estimation has been used. The data collection and measurement techniques are applied consistently over the periods. The revisions/restatements made in the reported information to correct the errors are mentioned in the relevant section where revisions/restatements have been carried out. There were no changes in the reporting period or scope and the list of material topics.

The Sustainability Report is published annually to share information about sustainability initiatives, activities and impacts. This report also contains information about how our activities support different Sustainable Development Goals (SDGs) and contains links to the relevant SDGs on respective pages. The report is published in 9th December 2023.

The report is not externally assured. IMC has plans to get external assurance of the Report in the future. However, the Report has been reviewed by the S.H.E. Steering Committee – the highest decision-making forum on sustainability issues at IMC. The GRI content index is available on page 146.

This Report is available in print and online at www.toyota-indus.com. In case of any questions relating to the Report, you may reach us toll-free at 0800 11123.



Key Performance Highlights



32,696
units
MANUFACTURED

2022
72,438 units

31,602
units
SOLD

2022
75,611 units

Rs 177.7 Billion
NET SALES

2022
Rs 275 Billion

Rs 9.7 Billion
**NET PROFIT
AFTER TAX**

2022
Rs 15.8 Billion

215,277
GJ
**ENERGY
CONSUMPTION**

2022
378,828 GJ

11,158
Metric Tons
**GHG
EMISSIONS**

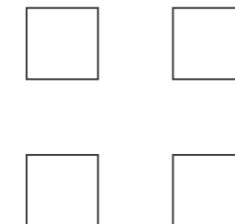
2022
21,396 GJ

167
ML/per year
**WATER
CONSUMPTION**

2022
294 ML/per year

Rs 256 Million
COMMUNITY INVESTMENT

2022
Rs 182 Million



Targets 2025

Emissions



| | |
|---------------------|-------------------------------|
| Interim Target 2023 | 21,779 |
| Progress 2023 | 11,158 |
| Target 2025 | 35% reduction from 2014 level |

Energy



| | |
|---------------------|--------------------------------|
| Interim Target 2023 | 259,497 |
| Progress 2023 | 215,277 |
| Target 2025 | 5.5% reduction from 2022 level |

Water



| | |
|---------------------|-------------------------------|
| Interim Target 2023 | 4.64 m3/unit |
| Progress 2023 | 4.57 m3/unit |
| Target 2025 | 10% reduction from 2014 level |

Waste



| | |
|---------------------|---|
| Interim Target 2023 | Hazardous Waste 492 MT |
| | Thinner Recycling Rate 35% |
| Progress 2023 | Hazardous Waste 279 MT |
| | Thinner Recycling Rate 40% |
| Target 2025 | Hazardous waste reduction by 20% from 2022 level |
| | Thinner Recycling Rate to increase from 30% to 45 % |

Health & Safety



| | |
|---------------------|-------------|
| Interim Target 2023 | < 1 |
| Progress 2023 | 2 |
| Target 2025 | Zero Injury |

Employee Volunteerism



| | |
|---------------------|------------------|
| Interim Target 2023 | 1,587 |
| Progress 2023 | 2,524 |
| Target 2025 | 2,500+ man-hours |

Training



| | |
|---------------------|-------------------|
| Interim Target 2023 | 151,333 |
| Progress 2023 | 37,599 |
| Target 2025 | 250,000 man-hours |

Gender Diversity



| | |
|---------------------|---------------------------------|
| Interim Target 2023 | 61 |
| Progress 2023 | 57 |
| Target 2025 | Increase by 25% from 2022 level |

Road Safety



| | |
|---------------------|---|
| Interim Target 2023 | 50,000 |
| Progress 2023 | 53,000 |
| Target 2025 | Outreach to 300k pax, mostly younger generation, through awareness sessions |



the continuous search for improvement



about the
Cover

Eager to start a new life, these out-of-school children of Saleh Mohammad Goth, Karachi, hold admission chits to a TCF school under Indus Motor's flagship Toyota Goth Education Program (T-GEP).

Photographed by Muhammad Arshad, CSR Indus Motor.

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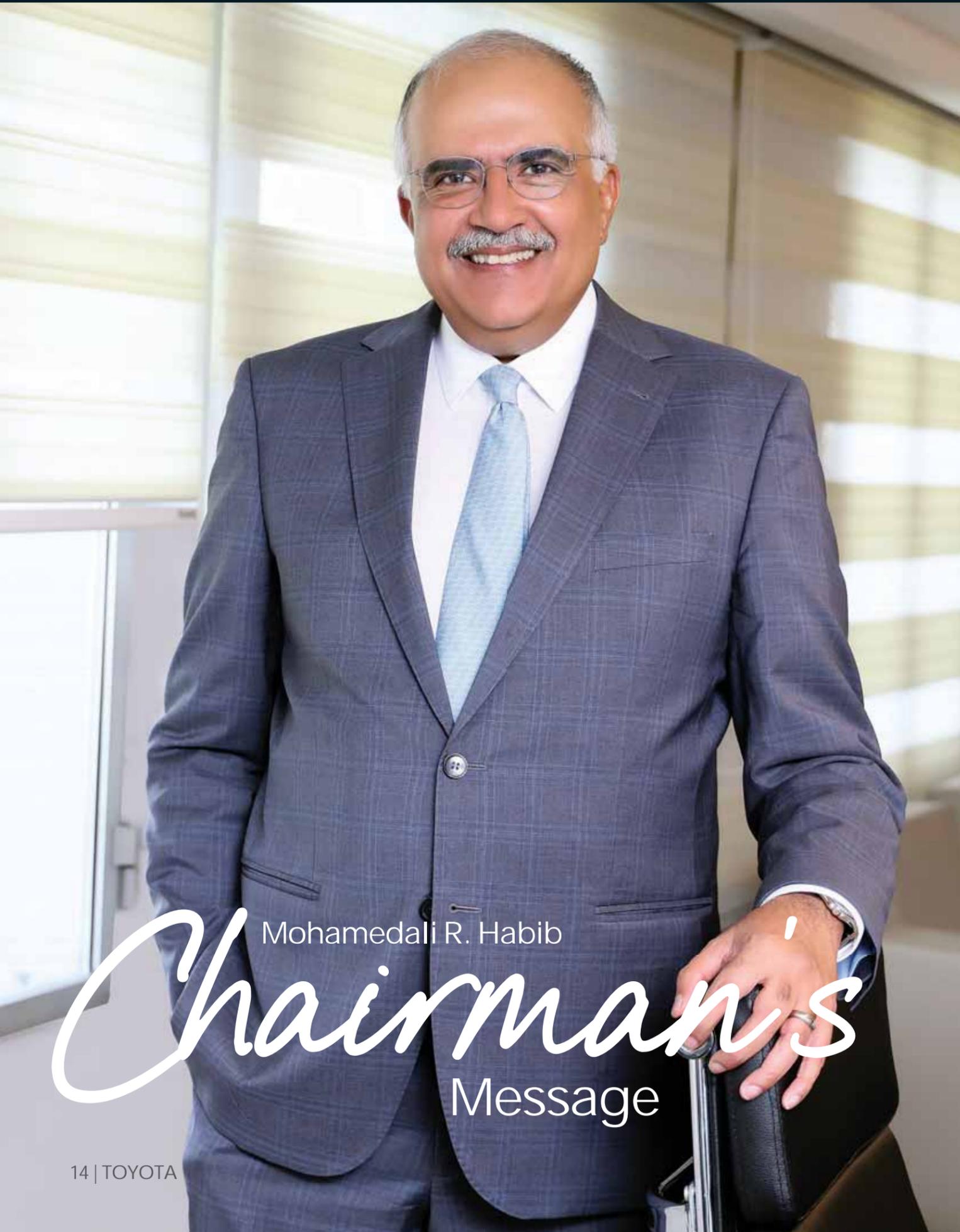
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contents

Overview





Mohamedali R. Habib

Chairman's Message

Dear Stakeholders,

The global economy continued to face challenges on many fronts with higher inflation, increased policy rates, continuing international conflicts and extreme weather-related events. This continues to test the World's economic and social systems.

In 2023, Pakistan's economy was impacted by these tough global conditions, coupled with major PKR devaluation, high inflation, declining exports leading to rising current account deficits. Import restrictions, consequently impacting supply chains, were imposed. The automobile industry suffered greatly due to the unavailability of parts, leading to multiple plant shutdowns.

IMC's economic performance was significantly impacted by adverse economic conditions in 2022-2023, resulting in a substantial decrease in vehicle sales, production, and profitability. However, our organizational resilience enabled us to sustain operations and we continued to develop features and products for our valued customers. Our economic performance plays a pivotal role in achieving our strategic goals and contributing to economic and sustainable development. Despite the challenges, IMC remains committed to contributing to the socio-economic development and uplifting of underprivileged communities. We continued to support communities in flood-affected areas, promote education and technical skills, and endorse healthcare initiatives.

According to the World Economic Forum Global Risk Report 2023, five out of the top ten risks over the next two years are related to climate action failure and adoption. Our operational activities, products and value chain, impact climate change and we are dedicated to managing and reducing our environmental footprint. Our performance against environmental targets demonstrates our commitment. Furthermore, we sustained our plantation drive, with over 830,000 saplings planted towards our goal of 1 million trees.

Our success as a leading brand and our contribution towards economic development demonstrates our dedicated team's commitment. In these challenging times, we continued to offer market-based remuneration, continued to invest in upskilling and promoting a conducive, safe, and productive work culture. Our employees also continue to volunteer for community benefits, dedicating their time and skills. Over the year, our team volunteered 2,524 working hours for flood relief operations and other CSR interventions.

As a partner in economic development and a responsible corporate citizen, we reiterate our commitment to play our part in the economic development of the country and in creating a sustainable future for all.

Mohamedali R Habib



Ali Asghar Jamali

Chief Executive's Message

Dear Stakeholders,

Higher inflation and policy rates globally, along with the Russia-Ukraine conflict and supply chain disruptions due to geopolitical conflicts, have resulted in an economic slowdown in 2023. This trend is expected to continue and affect the global economy in 2024 as well. Moreover, the challenges of climate change, including floods, fires, and droughts, are anticipated to impact global economic growth in the coming years.

Pakistan's economy faced various challenges, including higher policy rates, soaring inflation, balance of payment crises, and massive floods. As a result, economic growth slowed significantly, and it is projected to reach 2% in 2024. This economic slowdown has had a significant impact on all industries, including automobiles, due to the non-availability of parts, leading to multiple plant shutdowns. The automobile industry experienced a challenging year in terms of sales, production, and profitability. The prolonged restrictions on importing parts from the previous year are expected to pose production challenges in the coming year.

Our vehicle sales decreased to 31,602 units due to massive currency devaluation and inflation during the year. The net profit after tax for the year was 9.7 billion, representing a decrease of 39% compared to the previous year. Despite challenging conditions, we continued to invest in our plants, production processes, and technologies to offer new features and products for our customers. During the year, we launched our plan to manufacture the first "Make in Pakistan" Hybrid Electric Vehicle (HEV), with the highest level of localization. We are investing over US\$100 Million in upgrading plants and producing 4th generation HEV technology-based products, which will result in a reduction of fuel import and contribute to carbon neutrality.

The failure to take action on climate change and adoption risks present both challenges and opportunities for our industry. We are committed to managing the environmental footprint of our operations and value chain by adopting cleaner technologies and process efficiency measures. We are improving the fuel efficiency of our existing products and also investing in introducing a Hybrid Electric Vehicle (HEV). Our environmental practices are aligned with the "Toyota Environmental Challenge 2050" to reduce our environmental footprint as close to zero as possible. During the year, our energy consumption decreased by 163,551 (43%) GJ and emissions decreased by 10,238 (48%) Mt due to reduced production and multiple non-production days.

Our work culture and people's commitment are integral to achieving our strategic objectives and ensuring customer satisfaction. Our quality work practices serve as a benchmark and are shared with the industry through the CERB SDGs leadership program. We are committed to maintaining a conducive and productive workplace through training and education, and providing competitive benefits. Health and safety are top priorities at IMC, evidenced by 7,445,159 safe man-hours at our plant and our support for the Pakistan Road Safety Coalition for Safer Roads. Sustainable practices at IMC entail a sustainable value chain, and we are dedicated to promoting sustainable practices in our value chain by supporting our dealers and suppliers through policies, guidelines, and training.

We allocated PKR 256 million in 2023 towards community development, uplifting and promoting education, and improving health for underprivileged communities. In line with our vision of "Concern Beyond Cars," we are committed to continuing our interventions in defined thematic areas of education, healthcare, 5S, and road safety.

We pledge to support the "Ten Principles" of the United Nations Global Compact (UNGC) and the Sustainable Development Goals (SDGs) of the United Nations.

Ali Asghar Jamali

1989

December

Incorporated as a Joint Venture Company between the House of Habib, Pakistan, Toyota Motor Corporation and Toyota Tsusho Corporation, Japan

1993

April

Plant inauguration

1993

May

Launch of the first 7th generation Toyota Corolla with 30 local parts

1996

January

Launch of Toyota Hilux

1996

April

Launch of Corolla Diesel

1997

October

25,000th vehicle line-off

2002

February

Launch of the 9th generation Corolla with 469 local parts

2000

May

50,000th vehicle line-off

2000

March

Launch of Daihatsu Cuore

2003

September

100,000th vehicle line-off

2004

December

Launch of Toyota Camry (CBU)

2005

June

150,000th vehicle line-off

2005

September

Launch of Toyota Hilux IMV 4x4 (CBU)

2006

November

Mr. Akio Toyoda (EVP, TMC) visited IMC production facilities

2006

December

250,000th vehicle line-off

2007

September

Start-up Cogen plant

2007

November

Line off Hilux IMV, Toyota's sturdy workhorse

2008

August

Start-up Press Shop

2010

October

Line-off the 1st Hilux 4x4 Double Cabin

2008

August

Launch of the 10th generation Corolla with 582 local parts

2012

July

Discontinuation of Daihatsu Cuore

2012

November

500,000th vehicle line-off

2013

February

Line-off of the 1st locally manufactured Fortuner

2013

December

Launch of Toyota Prius Hybrid (CBU)

2014

September

Launch of the 11th generation Corolla with 777 local parts

2016

November

Launch of new Hilux Revo

2017

January

Launch of new Fortuner

2017

November

NCAT Machine installed in Passenger Car

2017

November

750,000th vehicle line-off

2018

January

New paint shop inauguration

2018

September

Launch of RUSH (CBU)

2018

October

TRD inauguration at Dealerships

2015

January

Celebrated IMC's Silver Jubilee

2019

November

Celebrated IMC's 30th year incorporation

2019

April

Robots Installation in Paint & Weld Shops

2019

June

Launch of Hiace (Deluxe) CBU

2020

April

Launch of Toyota Yaris

2021

March

Highest Production: 6,700+ units Highest Sales: 6,700+ units

2021

April

4.5 MWp Solar Photovoltaic Plant inaugurated

2022

May

Celebrated One-Million vehicles line-off

2023

US\$ 100 Million invested to produce the first 'MAKE IN PAKISTAN' Hybrid Electric Vehicle with highest localised content

CORPORATE PROFILE



The outcome of a joint venture between certain companies of the House of Habib of Pakistan, Toyota Motor Corporation (TMC), and Toyota Tsusho Corporation (TTC) of Japan, Indus Motor Company Limited (IMC) was incorporated in 1989, to manufacture and market the Toyota brand vehicles in Pakistan. These include several variants of the flagship Corolla and Yaris in the passenger car segment, Hilux in the light commercial vehicle segment, and Fortuner in the sports utility vehicle segment.

The Company's manufacturing facility and offices are

located at a 109.5 acre site in Port Qasim, Karachi. Connected with customers through a dedicated network of 55 independent authorized dealerships across the country, IMC has been diligently serving its customers end-to-end for over 33 years and has sold more than 1.06 million CKD/CBU vehicles during this time.

It has also demonstrated impressive growth in terms of volumetric increase; from a modest beginning of 20 vehicles per day production in 1993, the daily production capacity of

the Company has now increased to 288 units (with overtime) per day, on double shift basis. This has been made possible through the development of human talent embracing the "Toyota Way" of quality and lean manufacturing.

The Company's biggest asset is its human resource. With a strength of 3,129 employees, IMC invests heavily in training the team members and management employees, as well as creating a culture of high performing and empowered

teams that work seamlessly across the various processes in search of quality and continuous improvement.

Net sales for the FY 2022-23 were Rs. 177.7 billion, with a capitalization of Rs. 61 billion at year-end. See pages 144, 145, 178 and 194-195 of our Annual Report 2023 for details about assets, sales breakdown, and beneficial ownership. The total number of vehicles sold during FY 2022-23 was 31,602 units. There were no significant changes in the ownership and structure of operations at IMC or its supply chain during the year.



Product *Lineup*

The Toyota Global Vision of enriching lives through mobility in the most responsible way enlightens our commitment to manufacturing sustainable and safe products to help transition to a low-carbon economy.

IMC continues to invest in the latest technology in order to harness the forces of efficiency. Having invested millions in meeting customer expectations, IMC continues to expand its bouquet of ever-trustworthy modes of resourceful transportation. Nothing can beat the Toyota Corolla which to date holds the top position in the C-Segment sedan category maintaining its legacy over the years. And now Yaris is the 2nd leading vehicle in the B-segment Sedan category.

Building on innovation, and having launched the Toyota Hilux REVO Rocco and Fortuner Legender in FY 2021-22, the Company launched the Gazoo Racing Sport (GR S) brand in Pakistan with two variants – Fortuner GR-S and Revo GR-S in FY 2022-23. The aerokit variant of the Yaris with the brand name of Yaris AERO was launched in FY 2022-23 as well. IMC, in addition to marketing locally assembled vehicles, also markets imported vehicles with warranty and after-sales support through its widespread dealer network. IMC is working to manufacture the first Make in Pakistan, Hybrid Electric Vehicle (HEV), with the highest level of localisation and has invested over US\$100 Million. The 4th generation HEV technology shall result in a reduction of fuel import and lead towards carbon neutrality.

CKD range



Corolla



Yaris



Revo



Fortuner



Hilux

CBU range



Camry



Land Cruiser Prado



Hiace Deluxe



Land Cruiser 300



Coaster

Beyond

the philosophy

Corporate Sustainable Philosophy

*Mukshpuri Trek, Dunga Gali
Photo courtesy: Youth Impact*

Tree *of* LIFE

The tree has been used to symbolise the **Toyota Global Vision** from **roots to fruits**. The tree is a symbol of natural strength, useful and sustainable, something that continues to grow and flourish year after year.



Sustainable Growth

Roots

Toyota Values

- The Toyoda Precepts
- Guiding Principles at Toyota
- The Toyota Way

Trunk

- Stable base of business

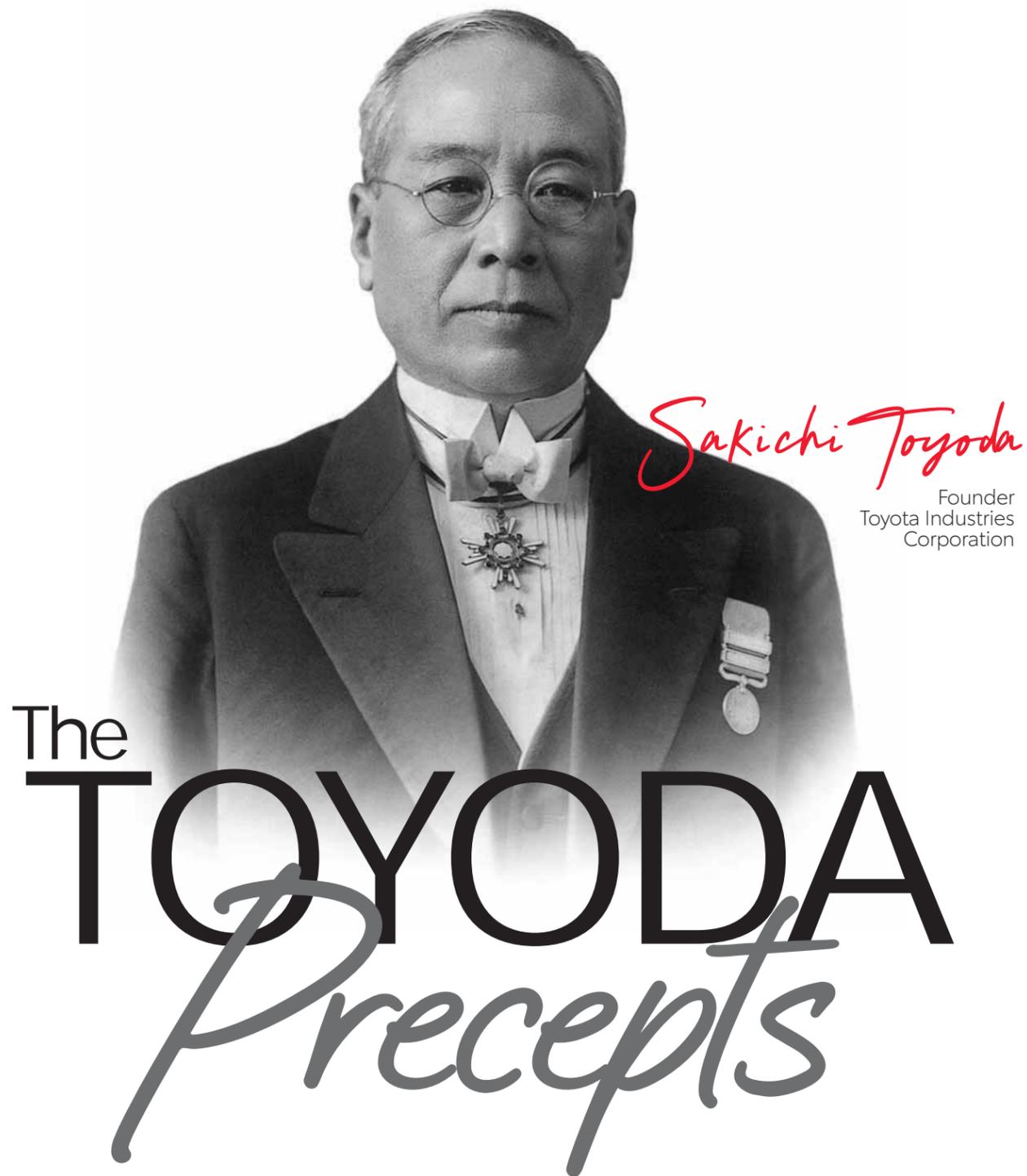
Fruits

Always better cars

- Develop vehicles which exceed customer expectations

Enriching lives of communities

- Contribute to communities
- Contribute to the future of mobility



Founder
Toyota Industries
Corporation

Guiding Principles at TOYOTA

Since the Company was founded in 1937, Toyota Motor Corporation and its subsidiaries have continuously striven to contribute to the sustainable development of society and the earth through the provision of high-quality and innovative products and services.



Honor the language and spirit of the law of every country and region, and undertake open and fair business activities to be a strong corporate citizen of the world.



Respect the culture and customs of every country and region, and contribute to economic and social development through corporate activities in their respective communities.



Dedicate our business to provide clean and safe products and to enhancing the quality of life everywhere through all of our activities.



Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.



Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honoring mutual trust and respect between labor and management.



Pursue growth through harmony with the global community via innovative management.



Work with business partners in research and manufacturing to achieve stable, long term growth and mutual benefits, while remaining open to new partnerships.

- 1 | Always strive to build a homelike atmosphere at work that is warm and friendly.
- 2 | Always be studious and creative, striving to stay ahead of the times.
- 3 | Always be faithful to your duties, thereby contributing to the Company and to the overall good.
- 4 | Always have respect for spiritual matters, and remember to be grateful at all times.
- 5 | Always be practical and avoid frivolousness.

Corporate Sustainability Philosophy



Our corporate sustainability philosophy is derived from the Toyota Global Vision. Toyota Global Commitment to producing happiness for all while creating mobility for all and our values and innovation strategy steer our sustainability approach. "Concern Beyond Cars" manifests our commitment towards sustainability, focusing to drive sustainability in the automobile sector and contribute towards the socio-economic development of our communities and underprivileged section of the society, as well as managing impacts on the people, environment and ecology.

Being an automobile company offering mobility solutions, we have impacts on the economy, environment and society through our activities, business relationships, operations and product use. Our sustainability strategy focuses on better management of impacts throughout our operations, supply chain and product use while providing day-to-day mobility solutions to society.

“creating
happiness for all



Akio Toyoda

We make cars. Let's make ever-better cars, and make our customers happy. We must not forget that, even though we have become a global automotive manufacturer, one of our unwavering principles is putting the customer first. Let's not be caught up in immediate profits, but let's review how we do our business and look forward again. If we take one step forward in our own way, I believe it will open up for us a future.

Our DNA

Humility

عاجزی

جس نے بنایا ہمیں ہر روز بہتر انسان

Hardwork

انتھک محنت

جس نے دیا صلح ہمیں ہماری قابلیت کا

Positive thinking

مثبت سوچ

جس نے ہمیں دشواریوں کا ڈٹ کر سامنا کرنا سکھایا

Determination

قوت ارادہ

جس نے رکھی کامیابی کی وہ پہلی بنیاد



leave no one behind

As a signatory to the UN Global Compact, IMC supports the Sustainable Development Goals and our social responsibility initiatives are accordingly aligned.

Toyota considers environmental and social issues of paramount importance to improving our future society, and constantly seeks to enhance governance to build strong relationships with all its stakeholders. As such, at IMC, our prime focus areas remain on education, health, road safety, environment and natural calamities.

SDGs & IMC

Sustainable Development Goals are a blueprint for a sustainable future urging the governments, private sector, and civil society to join hands to solve the world's most pressing issues for a sustainable world. The increasing inequalities, food insecurity and rising climate-related catastrophes require concrete actions before it's too late to achieve the underlying SDGs goals and targets.



Toyota Motor Corporation's (TMC) approach toward SDGs is manifested in Toyota's Aim which is supported by initiatives in three key areas of environment, society and working people.

Aim - Producing happiness for all individuals in the era of diversification, with a YOU perspective that sees the other side of the story.

Initiatives - Promoting initiatives based on the desire of working for the benefit of others, which has been passed on since our founding.

The initiatives are focused on:

- global environment ▪
- a happier society ▪
- working people ▪

Toyota Motor Corporation has transformed into a mobility company offering improved value to its stakeholders and making a contribution towards sustainable

development. Toyota's approach to producing safe, reliable, and environment-friendly vehicles, adapting CASE, pursuing socially contributory activities, tackling human rights issues, and promoting diversity serves as a guiding pillar for affiliates' approach toward SDGs.



Our approach towards SDGs is aligned with Toyota Motor Corporation's approach. We support SDGs and UNGC's "Ten Principles" being a member of UNGC.

Our activities directly or indirectly impact all SDGs. Our work on renewable energy, "Million Tree Plantation Drive", a productive and safe workplace, respecting human rights, working for the betterment of communities, and promoting safe driving habits support different SDGs. The SDGs icon appears in relevant sections of the Report where IMC's activities have contributed toward SDGs. However, we are aware that a focused approach towards SDGs helps to make a more meaningful contribution. We are committed to refining our

approach to relevant SDGs and aligning our actions and programs with these SDGs.



The SDG leadership program was launched by Pakistan Business Council's Centre for Excellence in Responsible Business (CERB) in the year 2020 to build the capacity and capability of businesses on SDGs by sharing the best practices of industry leaders. IMC has been recognized as the industry leader for SDG 8 (Decent Work and Economic Growth) under this Leadership Program. IMC partnered with CERB to share its practices on decent work with the corporate sector. IMC has participated in two programs under this initiative to share key attributes of the Toyota Production System (TPS) for quality and efficiency and the policies, procedures, and systems at IMC to support women's empowerment and provide a decent and safe working place. We are committed to sharing the best practices related to SDG 8 with the program participants and industry.

Contribution toward
Sustainable
 Development

We Toyota Motor Corporation and our subsidiaries, have inherited the spirit of *Toyoda Precepts* since our foundation, and have aimed to create a prosperous society through our business activities, based on the *Guiding Principles at Toyota*. In 2020, based on these Principles, we compiled the *Toyota Philosophy* and set the mission of *producing happiness for all*. We aim to be *the best company in town* that is both loved and trusted by the people. We will contribute to the sustainable development of our society/planet by promoting sustainability, as we have, under the *Toyota Philosophy*, based on the Sustainability Fundamental Policy and individual policies.

Customers

- Based on our “Customer First” philosophy, we develop and provide innovative, safe, and outstanding high quality products and services that meet a wide variety of customer demands to enrich the lives of people around the world. (Guiding Principles: 3 and 4)
- We will endeavor to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the letter and spirit of each country and region’s privacy laws. (Guiding Principle: 1)

Employees

- We respect our employees and believe that the success of our business is led by each individual’s creativity and solid teamwork. We support personal growth for our employees. (Guiding Principle: 5)
- We support equal employment opportunities and diversity and inclusion for our employees. We do not discriminate against them. (Guiding Principle: 5)
- We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. (Guiding Principle: 5)
- We respect and honor the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labor. (Guiding Principle: 5)
- Through communication and dialogue with our employees, we build and share the value “Mutual Trust and Mutual Responsibility,” working together for the success of our employees and the company.
- We recognize our employees’ right to freely associate, or not to associate, complying with the laws of the countries and regions in which we operate. (Guiding Principle: 5)
- Management of each company takes leadership in fostering a corporate culture and implementing policies that promote ethical behavior. (Guiding Principles: 1 and 5)

Business Partners

- We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust. (Guiding Principle: 7)
- Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or scale of the company, and evaluate

them based on their overall strengths. (Guiding Principle: 7)

- We maintain fair and free competition in accordance with the letter and spirit of each country and region’s competition laws. (Guiding Principles: 1 and 7)

Shareholders

- We strive to enhance corporate value while achieving stable and long-term growth for the benefit of our shareholders. (Guiding Principle: 6)
- We provide our shareholders and investors with timely and fair disclosure on our operating results, financial condition and non-financial information. (Guiding Principles: 1 and 6)

Environment

- We aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our vehicles and operations on climate change and biodiversity. We strive to develop, establish, and promote technologies that enable the environment and economy to coexist harmoniously, and to build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation. (Guiding Principle: 3)

Community

- We implement our philosophy of respect for people by honoring the culture, customs, history, and laws of each country and region. (Guiding Principle: 2)
- We constantly pursue safer, cleaner, and improved technologies that satisfy the evolving needs of society for sustainable mobility. (Guiding Principles: 3 and 4)
- We do not tolerate bribery of or by any business partner, government agency, or public authority, and maintain honest and fair relationships with government agencies and public authorities. (Guiding Principle: 1)

Social Contribution

- Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society. (Guiding Principle: 2)

TOYOTA 2050 ENVIRONMENTAL CHALLENGE

| | | | |
|--|---|--|--|
| <p>Challenge 1</p>  <p>New Vehicle Zero CO2 Emissions Challenge</p> | <p>Challenge 2</p>  <p>Life Cycle Zero CO2 Emissions Challenge</p> | <p>Challenge 3</p>  <p>Plant Zero CO2 Emissions Challenge</p> | <p>Challenge 4</p>  <p>Challenge of Minimising and Optimising Water Usage</p> |
|--|---|--|--|

In 2015, Toyota announced the Toyota Environmental Challenge 2050 with the aim of realizing a sustainable society. The aim of the Toyota Environmental Challenge 2050 was to continue to tackle challenges from a long-term perspective of the world, 20 and 30 years ahead. In order to achieve the Toyota Environmental Challenge 2050, in 2018, Toyota set the 2030 Milestone and set the 2025 Targets in 2020. Toyota will take concrete action under these short-to medium-term measures, contributing to the realization of a sustainable society.

Challenge 5



Challenge of Establishing a Recycling-based Society and Systems

Challenge 6



Challenge of Establishing a Future Society in Harmony with Nature

Further information regarding contributions to the SDGs through companywide business activities, is available in the "SDGs Initiatives" section on Toyota's global website.

Toyota is committed to reducing its environmental impact by identifying the risks and opportunities and contributing to the sustainable development of society and the Earth through all areas of its business activities. Toyota encourages its partners to look for opportunities to support these initiatives at the local level to contribute to solving environmental issues and coexist in harmony with nature.

Moving towards a society where people, cars, and nature can co-exist in harmony



genchi . . .
 . . . genbutsu
go and see for yourself

The Toyota Way

Our Commitment

Policies

Our policies manifest our commitment to responsible business conduct following applicable laws, and regulations and managing our impacts on the economy, environment, and people. Toyota Motor Corporation's Guidelines and Toyota Production System (TPS) along with international best practices articulate our policies and sustainability programs. The policies are approved by the Board and are applicable to our operations, employees, and value chain partners. The policies and changes/updates are communicated to relevant parties through circulars/emails. All policies are available on the intranet while the code of conduct, safety and energy policies are available on <https://toyota-indus.com/corporate/>.

We understand that the impacts of our activities, operations, and business relationship require sustainability initiatives not only in our operations but also in our value chain. The policies relevant to the value chain are communicated to value chain partners. We work with our value chain partners to promote sustainable practices to enhance positive impacts while reducing negative impacts. See pages 70 & 74 for details about our sustainability initiatives in the value chain.

The "Toyota Way" sets the standards expected from Toyota affiliates and is implemented in the true spirit at IMC. Our integrated management systems policy, health, and safety policy, environmental policy, and code of conduct are the cornerstone of our commitment to being a responsible corporate entity and set the principles for our business activities and the conduct of our workforce. We are aware of the precautionary principle of Article 15 of the Rio Declaration and are committed to fulfilling our responsibility towards risk management in business planning and product development. Further information about our policies and management systems for managing impacts in different areas is available in different sections of the report.

Embedding policies

We embed the commitment to responsible business conduct and Toyota Motor Corporation Guidelines into our policies and procedures to guide our employees in day-to-day activities. The responsibility for integrating the commitments into policies, implementing, and reviewing the policies lies with the Chief Executive. To keep up-to-date regular sessions on policies, especially the code of conduct are conducted for employees and value chain partners. Moreover, compliance with the policies and procedures is ensured through internal audits and external review and certification which are discussed in management approaches for material topics throughout the report.

Remediating negative impacts

IMC is committed to managing its negative impacts through a proactive approach which includes early identification of negative impacts along with the severity and scale of the impact to devise appropriate remediation plan for managing the impact. The first step is to avoid the activities causing negative impacts and in cases where negative impacts are unavoidable, we work to reduce the severity and scale of the impact through our own actions as well as actions of the value chain partners where such impact occurs.

The two key principles of TPS: Just-In-Time and Jidoka are the cornerstones of our approach to efficient resource utilization and managing our impacts while increasing the productive potential of our workforce. These principles require that we make only what is needed, when it is needed and, in the quantity, it is needed, resulting in eliminating waste, including wasted time and effort. Jidoka means 'automation with a human touch. It is based on corrective action and requires that as soon as a problem is identified, production should stop and immediately take action to resolve the issue. We have a grievance system in place where the affected parties can file complaints which are carefully reviewed and resolved through appropriate measures and the outcomes are communicated to the affected stakeholders.

Stakeholders' Engagement

Approach to Engagement

Our primary stakeholders include shareholders, customers, dealers, suppliers, employees, the government, and the community. Stakeholders are identified on the basis of dependence, responsibility, influence, diversity, and involvement. We prioritize stakeholders on the basis of willingness to engage, relationships and influence. Relevant departments engage stakeholders throughout the year to identify concerns, develop strategies and report the issues and responses to the management. Senior management review the engagement process and outcomes on a regular basis and processes are updated where required.

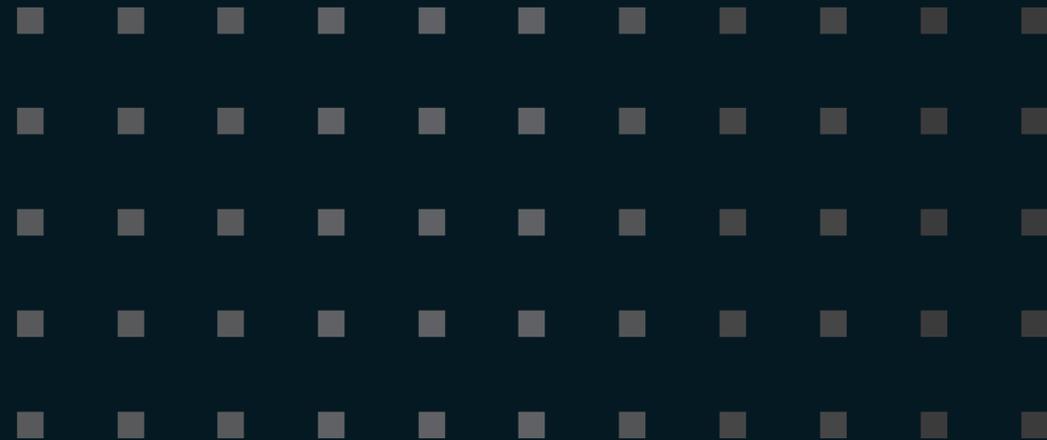
| Stakeholder Group | Engagement Method | Frequency | Concerns | Our Response |
|---------------------------------------|--|---------------------|---|--|
| Shareholders and providers of capital | Annual General Meeting (AGM)/Extra-Ordinary General Meeting (EOGM), Corporate Affairs Department | Ongoing | Financial returns and sustainability initiatives | Innovation and investment for plant upgradation to provide sustained economic returns and interventions in the fields of education, health and skill development for community uplift |
| Customers | Surveys, Customer Assistance Centre, Customer Relations Department, Customer First Department | Ongoing | Customer safety, product specification and product quality, product availability, prices and delivery time | Continuous investment in plant upgradation, ensuring customer health and safety in product design and production to provide quality products at competitive prices |
| Toyota Motor Corporation | Review meetings and involvement in IMC management and operations, Toyota global initiatives and forums | Ongoing | Compliance with globally-shared metrics, including health and safety, environment and community development | Ensuring compliance with Toyota Motor Corporation's metrics through continuous learning from international network |
| Dealers | Dealer surveys, focus groups, meetings, trainings and conferences | Ongoing | Product delivery mechanism, compliance with IMC requirements and Dealers' training and support | Provision of training on compliance requirements and product attributes for improving customer experience at Dealerships. Improving product delivery mechanism |
| Suppliers | Supplier meetings, quarterly workshops, supplier surveys and annual supplier conference | Ongoing | Technical support to suppliers, carrying out supplier site quality checks and product safety | Provision of technical support to suppliers and focus on health and safety initiatives, carrying out supplier site quality checks to improve quality of parts and reduce rejection at suppliers' end |
| Employees | Staff meetings, trainings, performance appraisal, annual get-togethers, consultation with employees' representative groups and employee satisfaction surveys | Ongoing | Operational performance and productivity, training and education opportunities and employee health and safety | Continuous investment in training and education of workforce and maintaining excellent health and safety standards for a safe and productive workplace especially in the wake of COVID-19 |
| Community | On-site visits, surveys and focus group meetings | Ongoing | Education, health, and skill development for community uplift | Committed to keep contributing 1% pretax profit of preceding year on education, health and skill development for community uplift |
| Government and industry groups | Meetings, annual reports and focus groups | Ongoing/ Need basis | Sustainable automobile sector and compliance of laws and regulations | Compliance with applicable laws and regulations and consultation with industry groups for a sustainable automobile sector |
| Media | Interviews, briefings, articles and press releases | Ongoing/ Need basis | Insights on business, market and industry and financial performance | Provide regular updates on business developments, operational performance and information relating to automobile industry and launch of new products |

Materiality Analysis

Material topics represent the most significant impacts of our operations and business relationships on the economy, environment, and people. The materiality analysis helps us to properly allocate our resources, manage the risks and develop effective business strategies.

We identify the actual and potential positive and negative impacts of our activities and business relationships through assessments, impact studies, and consultation with stakeholders. The impacts are assessed to determine the significance of the impacts. The negative impacts are assessed by taking into account the severity of actual and potential impacts and the likelihood of potential negative impacts. The positive impacts are assessed by taking into account the scale and scope of the actual positive impact and the scale and scope as well as the likelihood for potential positive impacts. The impacts are prioritized on the basis of significance and analysis against a threshold to determine the most significant impacts. These

prioritized impacts are grouped into topics for reporting. We engage with stakeholders including Toyota Motor Corporation and industry experts to validate the final list of prioritized topics. The S.H.E Steering Committee approves the list of material topics. Material topics are updated on regular basis to incorporate the major changes in the external environment or at IMC and actively contribute towards sustainable development. IMC has a plan to refresh the list of material topics in 2024. There was no change in the list of material topics in this report except the removal of material topic compliance from the list of material topics which has been shifted to general disclosures in the GRI standards 2021 update.



Material Topics

| Material Topic | Relevant SDGs | Impacts |
|-----------------------------------|---------------|---|
| □ Economic performance | | Positive impacts through sustained economic returns, contribution to the economy, payments to the workforce and suppliers and well-being of society |
| □ Material | | Negative impacts through use of depleting finite materials |
| □ Energy | | Negative impacts through increased emissions and climate change |
| □ Emissions | | Negative impacts through increased emissions and climate change |
| □ Water | | Negative impacts through use of freshwater on availability of freshwater and water scarcity |
| □ Effluents and waste | | Negative impacts of waste handling, incineration, dumping and transporting of hazardous and non-hazardous waste on environment and human health |
| □ Health and safety | | Negative impacts of operational activities and products on the health and safety of the workforce and customers |
| □ Employment and labour relations | | Positive impacts through diversified workforce for better productivity and compliance with laws, international charters, and conventions |
| □ Marketing and labeling | | Positive impacts through provision of customer-centric product information and compliance with laws and regulations |
| □ Human rights | | Positive impacts by respecting human rights of employees and other stakeholders and compliance with laws, international charters, and conventions. Negative impacts by disrespecting human rights in business relationship and supply chain |
| □ Procurement practices | | Positive impacts by providing opportunities through localization and promotion of sustainability practices in supply chain |
| □ Training and education | | Positive impacts through capacity building and enhancing creative potential of workforce to increase productivity |
| □ Anti-corruption | | Positive impacts by reducing risks of economic imbalance and compliance with laws, international charters, and conventions |
| □ Supply chain impact | | Positive impact through promotion of sustainability practices in the supply chain. Negative impacts of supply chain activities on environment and society |
| □ Local communities | | Positive impacts through socio-economic development of communities and provision of healthcare, education, and food to needy communities |
| □ Indirect economic impact | | Positive impacts through community uplift by infrastructure investments, skill development and jobs in the supply chain. |

Beyond Beyond Beyond the vision



*Markhor leadership hike during rainstorm at Paye Meadows, Shogran
Photo courtesy: Youth Impact*

Corporate Governance

VISION

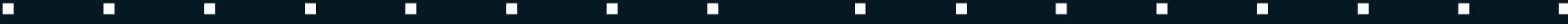
To be the most respected and successful enterprise, delighting customers with a wide range of products and solutions in the automobile industry with the best people and the best technology.

MISSION

IMC's mission is reflected in the Company's slogan Action, Commitment and Teamwork to become # 1 in Pakistan.



*The Markhor 2023 campsite at Paye Meadows, Shogran
Photo courtesy: Youth Impact*



CORE VALUES

Respect & Corporate Image

Customer Satisfaction

Production & Sales

Quality & Safety

Best Employer

Profitability

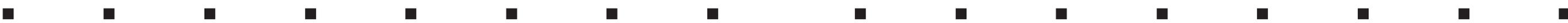
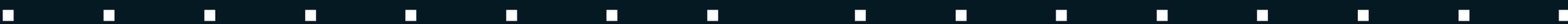
World class production quality

Achieving the ultimate goal of complete customer satisfaction

Being seen as the best employer

Fostering the spirit of teamwork

Inculcating ethical and honest practices



CODE of CONDUCT



- Conflict of interest Any personal interest, which may affect or might reasonably be deemed by others to affect an employee's impartiality, should be declared upfront in writing. The company property must not be used for personal work unless specific permission is obtained. Each staff member is employed in the company on a full-time basis and therefore, they are not to be involved, directly or indirectly, in any vocation, business or commercial activity. Any departure from this can only be made with the written permission of the Chief Executive Officer.
- Confidentiality & accuracy of information The confidentiality of information received in the course of business must be respected and never used for personal gain; information given in the course of business must be honest and never designed to mislead. Further, all company affairs are to be treated as confidential and should not be discussed with third parties during service with the company and after leaving service.
- Gifts All members are forbidden to accept gifts or borrow money from another member of the company or from a distributor, dealer, vendor or a customer. Personal gifts given or received beyond norms of business etiquette, which are likely to improperly influence business decisions, must be avoided.
- Proper recording of funds, assets, receipts & disbursements All funds, assets, receipts and disbursements should be properly recorded in the books of the company. In particular, no funds or accounts should be established or maintained for purposes that are not fully and accurately reflected in the books and records of the company.
- Health & safety Every staff member should take reasonable care to ensure the health and safety of himself/herself and others who may be affected by his/her acts at work. Staff members should not tamper with or misuse any item provided by the company to secure the safety, health and welfare of its staff and for the protection of the environment.
- Environment To preserve and protect the environment, all staff members should: Design and operate the company's facilities and processes so as to ensure the trust of adjoining communities; promote conservation of resources, waste minimization and the minimization of the release of chemicals/gases into the environment; strive continuously to improve environment awareness and protection.
- Workplace harassment The staff will maintain an environment that is free from harassment and in which all employees/Directors are equally respected. This means any action that creates a hostile or offensive work environment; such actions include, but are not limited to, sexual harassment and any disparaging comments based on gender, religion and race or ethnicity.
- Company image All staff members must avoid participating in any political activity or in such personal behavior during or after office hours, which may bring disrepute to the company.
- Legal proceedings It is essential that a staff member, who becomes involved in legal proceedings, whether civil or criminal, should immediately inform his superior in writing.

customer
FIRST

makes the customers' hearts go

waku-doki

Our Governance



Our robust governance structure drives our continued success, competitive advantage and is vital for transparent and responsible business operations. The governance structure is based on the requirements of the Companies Act 2017, Code of Corporate Governance for listed companies, applicable regulations and local laws, and Toyota Guiding Principles. Our sound governance structure strengthens our commitment to high ethical standards of integrity, transparency, accountability, and compliance with applicable laws and regulations. An integrated management system and code of conduct govern our management practices for delivering sustained economic performance and meeting customer expectations.

Board of Directors

The Board of Directors consists of ten Directors, out of whom three Directors represent Toyota Motor Corporation and Toyota Tsusho Corporation of Japan. Four Directors are Non-Executive Directors, three are Executive Directors and three are Independent Directors including one female Director. The Independent Directors meet the criteria of Independence under the Companies Act 2017. The Board Members are elected every three years and any casual vacancy is filled by the Board of Directors as per applicable laws and regulations. The responsibility for developing, approving, and updating the vision, mission, values, strategies, and policies rests with the Board. The Chairman of the Board is a Non-Executive Director. See page 40 of the Annual Report 2022-23 to read more details about the profile of the Board of Directors.

Board and Other Committees

The Company's Board of Directors is the highest governing body responsible for the implementation of corporate governance policies and procedures and for reviewing overall Company performance against defined objectives. The Board is assisted by various Board Committees which help the Board to effectively focus on important issues requiring deliberation and discharging its duties in an effective manner. These Board Committees have their own mandate, objectives, and responsibilities and meet as required to oversee the business in specific areas. The Committees report their activities to the Board of Directors and prepare the Board Meeting agenda for their respective areas.

The Board Committees are Audit Committee, Human Resources and Remuneration Committee, Ethics Committee and Share Transfer Committee. The Management Committees comprise Investment Committee, Marketing Technical Coordination Committee, ACT#1 Management Committee, and Safety, Health and Environment (S.H.E) Steering Committee. The Board Committees are supported by the executive-level committees which report to the Board Committees and assist in discharging their obligations. See page 48 of the Annual Report 2022-23 to read more details about Board Committees, their structure and meeting frequency.

Managing Impacts

The Board of Directors is the highest body responsible for managing the impacts of IMC operations and defining sustainability initiatives and overseeing progress. The Board has delegated the responsibility of managing the impacts and implementing the sustainability initiatives to the Chief Executive. The Management Committee "S.H.E. (Safety, Health, and Environment) Steering Committee" which is headed by the Chief Executive is responsible for the initiation, execution, and control of sustainability activities. The S.H.E Steering Committee also develops overall sustainability policies covering health, safety, and the environment. The Committee meets on a monthly basis to discuss, evaluate and guide the sustainability efforts within the organization and in the supply chain. The Board members and the executives regularly participate in conferences, and training to keep them apprised about developments on economic, environmental and social fronts and sustainable development.

Cross-functional teams are responsible for implementing the policies and procedures, managing the impacts in their respective areas as well as reviewing and reporting performance against targets. The responsibility for sustainability reporting is delegated to the cross-functional team headed by Senior Manager CSR & Corporate Communication who reports to the Chief Executive.

The sustainability reporting team members in the respective departments act as sustainability champions to promote sustainability in IMC. The sustainability performance is reviewed on a continuous basis and corrective actions are taken on a need basis via efficient and swift decision-making.

The impact of products and activities, performance against targets, and the strategies proposed by the S.H.E Steering Committee are discussed and endorsed at Board meetings.

Remuneration and Performance Evaluation

The Human Resources and Remuneration Committee, a sub-committee of the Board recommends human resource management policies to the Board. The Board self-evaluates its performance against defined goals and objectives. The Directors' remuneration is determined by the Board itself and no external consultants are involved in determining the remuneration. The Non-Executive Directors (including Independent Directors) are paid only a fee for attending Board meetings and Board Committee meetings, in line with the policy. The Chief Executive and Executive Directors are paid remuneration determined and recommended by the aforesaid committee and approved by the Board/shareholders.

The Human Resources and Remuneration Committee also recommends the selection, evaluation, compensation and succession plan of the CEO and Senior Management employees who directly report to the CEO. The Committee assess the performance of the executive team against defined objectives and KPIs while

making recommendations about remuneration. The ACT #1 Management Committee support the Committee and is responsible for the monitoring of organizational KPIs and stewardship of financial performance every month. It also reviews departmental targets and accomplishments achieved during the month. The review of performance includes performance on environmental and social targets and impact management.

Conflict and Critical Concerns

IMC Code of Conduct strictly prohibits conflict of interest and requires that in case of conflict, it should be reported upfront in writing. The Code of Conduct is briefed to all Directors and employees in orientation sessions and later on through specific sessions on the Code of Conduct to refresh their understanding of the Code.

The Code of Conduct is applicable to all employees and Directors. In case of conflict at the Board level, the Director does not take part in voting on such matters where he/she has an interest. The information about the Directors' cross-board membership and related party transactions is disclosed in the Annual Report 2022-23.

The critical concerns are communicated to the Board through the Chief Executive. IMC has an investor relations policy and investor grievances mechanism to report their concerns. In addition, a whistle-blowing mechanism is in place where the stakeholders can file complaints about unethical behaviour and non-compliance with IMC policies, procedures, and applicable laws. The mechanism can also be used to seek advice about organizational policies, practices, and about ethical behaviour. The Ethics Committee of the Board has the responsibility of overseeing ethical policies and compliance by the Company. It provides expeditious actions on disclosures of wrongdoing. The Ethics Committee also reviews and investigates incidents of whistle-blowing.



Risk & Compliance

Toyota's Principle "Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good citizen of the world" is the guiding pillar of our risk and compliance mechanism.

Our external environment poses risks and opportunities, affects our operations and financial performance, and informs our strategies to ensure business continuity in uncertain times and maintain competitiveness. The external environment remained tough on account of the balance of payment crises leading to restricted imports, political uncertainty and conflicts, high inflation, and policy rates at local and global levels. These factors have strongly affected our operations, and supply chain partners resulting in multiple plant shutdowns on account of the non-availability of parts due to import restrictions. The demand for all products category remained low due to the volatile external environment. Economic instability, foreign exchange crises, higher inflation, and policy rates, import restrictions, and low disposable incomes are major risks for our economic growth in the coming year. These risks are expected to result in decreased product demand in the next year.

Climate change remained one of the major risks for business operations in the near future and decreased product demand over the longer run. The emissions from internal combustion along with an increased number of on-road vehicles are the major issue for our sector. The push towards Electric Vehicles appears as an alternative to traditional combustion engines, however, the higher prices of the electric vehicles and lack of supporting infrastructure are the major hurdles in phasing out internal combustion vehicles in Pakistan.

In this scenario, a move towards Hybrid Electric Vehicles is deemed more appropriate for the Pakistan market.

We have been working to launch a new Hybrid Electric Vehicle in Pakistan to position ourselves with future development in the market. See pages 84-85. In addition to moving towards Hybrid and Electric Vehicles, improvement in fuel efficiency and reduced emissions from internal combustion vehicles is necessary. IMC constantly reviews the policy developments on this front and makes continuous upgradation of plants to position ourselves in the competitive market. The climate risk coupled with increased fuel price and developments in fuel-efficient vehicle technologies, offer opportunities as well as significant risks for us.

Managing the risks, associated impact and capitalizing opportunities requires review and bifurcation of the risks and opportunities. Our Risk Management system assesses risks and opportunities in the context of the broader political and macroeconomic environment faced by IMC and divides these risks into categories of strategic, regulatory, financial, operational, reputational, and sustainability risks. The Audit Committee reviews the risks and recommends the course of action to the Board for review and discussion in Board meetings. Based on the discussion in the Board meetings, appropriate strategies are formed and adopted to manage these risks effectively. In addition, the ACT #1 Management Committee reviews government regulatory affairs including macro-economic situations which results in the formation of the Company's strategy and risk management policies.

The Toyota Guiding Principles, along with applicable laws and regulations, are applied in the true spirit to comply with requirements from Toyota, local laws and regulations and to meet our stakeholders' expectations. Our activities and our relationships with our supply chain partners are governed by our strong internal compliance culture. Our Risk Management System is aligned with TMC's Toyota Global Risk Management Standards (TGRS) which defines risk as the effect of uncertainties in meeting the expectations of stakeholders while heading towards the achievement of the corporate vision. The Risk Management strategy and responsibilities are designed and communicated to the respective process owners to address risks at operational as well as strategic levels, which has resulted in better risk reporting and management.

We are subject to various laws and regulatory controls, voluntary initiatives relating to taxes and duties, employment practices, health, safety and environment, product safety and marketing communications. Our approach to Risk Management and compliance is preventative and is primarily focused on compliance with applicable laws, regulations and voluntary codes and initiatives. The Risk Management approach is constantly reviewed internally and externally through audits and external certification of management systems. Based on the review results, the approach is adjusted accordingly to achieve the desired outcomes. During the year, no significant fines or non-monetary sanctions for non-compliance with the laws and regulations occurred.

Commitments & External Initiatives

We are committed to the following and support the external international initiatives, charters, and principles mentioned below:



IMC is a member of various industry associations. It does not hold any position in these associations and only provides support through sponsorships and participation in various programs organized by the following organizations:

- [Karachi Chamber of Commerce and Industry](#)
- [Federation of Pakistan Chambers of Commerce and Industry](#)
- [Overseas Investment Chamber of Commerce and Industry](#)
- [Pakistan Automotive Manufacturers Association](#)
- [Pakistan Business Council](#)
- [Bin Qasim Association of Trade and Industry](#)
- [Landhi Association of Trade and Industry](#)

ACCOLADES



Mr Jonas Erlandsen, Senior Lead South Asia, Maritime Anti-Corruption Network, presenting the award to IMCs Mr Asad Abdullah, Head of Corporate Communication & CSR and Member of Board UN Global Compact Network Pakistan



1st Prize

*Living the Global
Compact Best Practices
Sustainability
Award 2022*

Multinational Companies

UN Global Compact
Network Pakistan

Warranty Reduction Achievement Award 2022
Toyota Daihatsu Engineering & Manufacturing Co. Ltd

Quality Person Award 2023
Toyota Daihatsu Engineering & Manufacturing Co. Ltd

Best Corporate Excellence Award 2021
Automobile Assemblers Category
Management Association of Pakistan

Best Sustainability Report Award 2021
ICMAP & ICAP

Customer Delight Excellence Award 2022
Toyota Motor Asia Pacific

Customer Delight Kaizen Evolution Award 2022
Toyota Motor Asia Pacific

Environmental Excellence Award 2022
National Forum of Environment & Health

Environment, Health & Safety Award 2021
The Professionals Network

'Mobility for All' Award 2022
Toyota Motor Asia Pacific

of

Social Responsibility Award 2021
Shaukat Khanum Memorial Cancer Hospital

Corporate Social Responsibility Award 2023
Community Development & Services
National Forum of Environment & Health

Beyond
Beyond
Beyond
Beyond
Beyond

the economy

Flywheel Sub Assembly
Infinity Engineering, Lahore

Economic Performance



**MAKE IN
PAKISTAN**

Revolutionising
the country's

**AUTOMOTIVE
LANDSCAPE**



“Whenever you randomly touch a Corolla, there is a 90% chance that you will touch a local part”

MAKE IN PAKISTAN

an ode to

Localisation

Axle Assembly
Agriauto Industries Ltd., Hub

Economic *Performance*

To pursue sustainability strategies and play our role in the economic development of Pakistan, steady and healthy economic performance is vital. Healthy and sustained economic returns empower us to endure during the prevailing tough economic conditions, provide competitive salaries and benefits to our workforce, payments to our supply chain partners, invest in new technologies, offer improved products and work for the betterment of communities. The year 2022-23 remained a tough year for the automobile industry in Pakistan on account of the non-availability of foreign exchange leading to restrictions on imports, dwindling exchange rate parity of PKR to USD, and increasing inflation and policy rates. These factors affected our economic performance during the year and are expected to prevail in the next financial year as well.

Integrated Management System, policies, and objectives, along with Toyota's Guiding Principles and the "Toyota Way" are the guiding pillars for managing economic performance and meeting goals and targets. Our operations have direct and indirect economic impacts attributable to our activities of car assembling and sales of parts and services. Direct economic impacts are the payment of dividends, markup, duties and taxes, employment opportunities, salaries and benefits to employees, local procurement and investing in our communities. IMC's indirect economic impacts are increased investments in the allied sectors, new jobs in the supply chain, skill development in automobile and allied sectors, and an increase in productivity of different economic sectors through our mobility solutions and economic development in areas adjacent to the plant site.

Corruption results in human rights violations and weakens the rule of law. IMC is a signatory to UNGC's "Ten Principles" and has a strict policy to curb corrupt practices in its operations and relationship with its supply chain partners. Risk Management System along with policies and procedures exists to combat corruption risks in our operations.

The IMC Code of Conduct prohibits corrupt practices and compliance is regularly reviewed through the Internal Audit. Internal audits are carried out on a regular basis and the results are communicated to the Board Audit Committee for appropriate action. In 2022-23 all operations were reviewed for risks related to corruption and no incident of corruption occurred. The new workers are briefed on anti-corruption policies and procedures during orientation sessions. Moreover, training on the Code of Conduct, which includes anti-corruption policies, is regularly carried out throughout the year for management and workers. The policy on anti-corruption is communicated to supply chain partners as a part of the code of conduct for suppliers.

The Board of Directors is the highest body responsible for the economic impact of IMC operations. The objectives, policies and targets are discussed and approved by the Board of Directors. The Board has delegated the execution of policies and decision-making on day-to-day Company affairs to the Chief Executive. The economic performance is reviewed on a quarterly basis at Board meetings and appropriate actions are taken by the Board. See pages 65 and 144 of Annual Report 2022-23 to read more details about Board meetings and financial statements.

Due to tough economic conditions, plant shutdowns and increased product prices due to currency devaluation, have resulted in decrease in the number of units sold and revenues. The profit has also decreased on account of reduced sales. The revenue decreased by 35% to Rs.177.7 from Rs. 275.5 billion compared to the previous year ended June 30, 2022. The profit after tax decreased by 39% to Rs 9.7 billion from Rs 15.8 billion posted for the same period last year. See pages 55-58 and 70-73 of the Annual Report 2022-23 for detailed information on financial review and performance for the year 2022-23.



COROLLA
CROSS.

The *First*



HYBRID ELECTRIC VEHICLE

with the **highest ever**

localised content

Economic Value Generated & *Distributed*

| | 2023 | 2022 | 2021 |
|--|----------------|----------------|----------------|
| (Rupees in Million) | | | |
| Direct Economic Value Generated | | | |
| ▪ Revenues | 252,200 | 362,837 | 232,199 |
| | 252,200 | 362,837 | 232,199 |
| Economic Value Distributed | | | |
| ▪ Business partners | 147,417 | 226,517 | 142,995 |
| ▪ Employees | 3,558 | 4,124 | 2,911 |
| ▪ Capital providers | 7,775 | 10,133 | 9,219 |
| ▪ Government | 85,409 | 110,066 | 69,183 |
| ▪ Community | 256 | 182 | 74 |
| | 244,415 | 351,022 | 224,381 |
| Economic Value Retained | 7,785 | 11,815 | 7,817 |

The Auto Development Policy 2021-26 governs the auto sector in Pakistan and provides different incentives to the auto industry. However, during the year, IMC did not receive any financial assistance from the government.

▪ Financial Implications of Climate Change

Climate change poses risks and opportunities for our business in the form of phasing out combustion engine vehicles to reduce emissions, offering hybrid as well as electric vehicles and investing in cleaner technologies. The climate change risks related to our business include both transition and physical risks.

▪ Transition Risk

Transition risks related to our business include policy and technology risks in the form of policy change to phase out the combustion engines and move toward hybrid and eclectic vehicles and introduction of new and improved technologies affecting our plants and supply chains.

▪ Physical risk

Physical risks related to our business are chronic in nature. The rising temperature affects our operations, transport needs, and employee safety in the form of

higher costs to mitigate the adverse impacts.

Climate-related opportunities related to our business include the introduction of hybrid electric vehicles, resource efficiency to reduce the environmental impacts and costs, adopting of renewable energy sources and new technologies and procedures to become a more resilient organization.

Currently, we do not have a mechanism to calculate the financial implications of climate change.

▪ Organization's Defined Benefits

IMC provides different defined benefits to the workforce, including Provident Fund and Pension Fund. Employees contribute 10% of their basic salary to the Provident Fund and the same proportionate amount is contributed by IMC on a monthly basis. IMC contributes 9% of the basic salary of employees to the Pension Fund. A separate Pension Fund is maintained to meet the liabilities of the pension. 144% of pension plan liabilities are expected to be met by the Pension Fund Assets based on the actuarial assumption made in June 2023. The Provident Fund balance is paid when an employee leaves the organization. During the year, IMC spent Rs 134 million on defined benefit plans compared to Rs 125 million in 2021-22.



Your wellbeing is our priority,
stay happy and healthy!



• learn it • know it • live it •

OUR Dealers

Dealers

represent our brand in the marketplace, provide products and services, manage customers' expectations, and help achieve customer satisfaction. Our Dealerships' activities result in direct and indirect impacts in the form of payment of taxes, provision of employment, use of energy and water, discharging emissions and effluents, supporting communities, and compliance with applicable laws.

We have 55 authorized Dealerships nationwide which are independently owned and controlled. All our products and services, including new cars, spare parts, and services (maintenance) are offered at our authorized Dealerships. Toyota Sure (T-Sure) service is also offered at our Dealerships where customers have the option to purchase reliable, certified used cars or exchange them in order to upgrade their existing vehicles. At year-end, there are 43 Dealerships with T-Sure facilities across the country.

To maintain a leading position in the competitive automobile market, and ensure exceptional services and experience at Dealerships, we maintain a close liaison with our Dealers. We support our dealers through workshops, training, dealer certification programs, Kaizen projects and provision of guidance for operational improvements and enhancing the customer's experience of our Dealerships. Dealer surveys/audits are conducted by third-party auditors against defined performance metrics. Based on surveys/audit results, corrective actions are planned and communicated to dealers to overcome shortcomings. An annual Dealers' Conference is organized to recognize the dedication and commitment of our dealers. Those dealers delivering exceptional performance against defined KPIs are presented with awards at the conference.

To ensure the continuous skill enhancement of its technical service staff, Toyota has implemented a sophisticated human resource development program. This year, over 23,000 man-hours were dedicated to TEAM-21 trainings, resulting in the establishment of trained Toyota Diagnostic Master Technicians at every 3S dealership.

TEAM-21 trainings cover all aspects and standards mandated by Toyota Motor Corporation, Japan, with the goal of annually

equipping both new and experienced technicians with the "Fix it Right the First Time" concept. These trainings aim to facilitate seamless and delightful experiences for our valued customers. Additionally we provide specialized training for our corporate clients and fleet service technical staff, ensuring they stay abreast of the Company's latest practices and developments.

23,000 man-hours in **training**


Promotion of Sustainability Practices at Dealerships

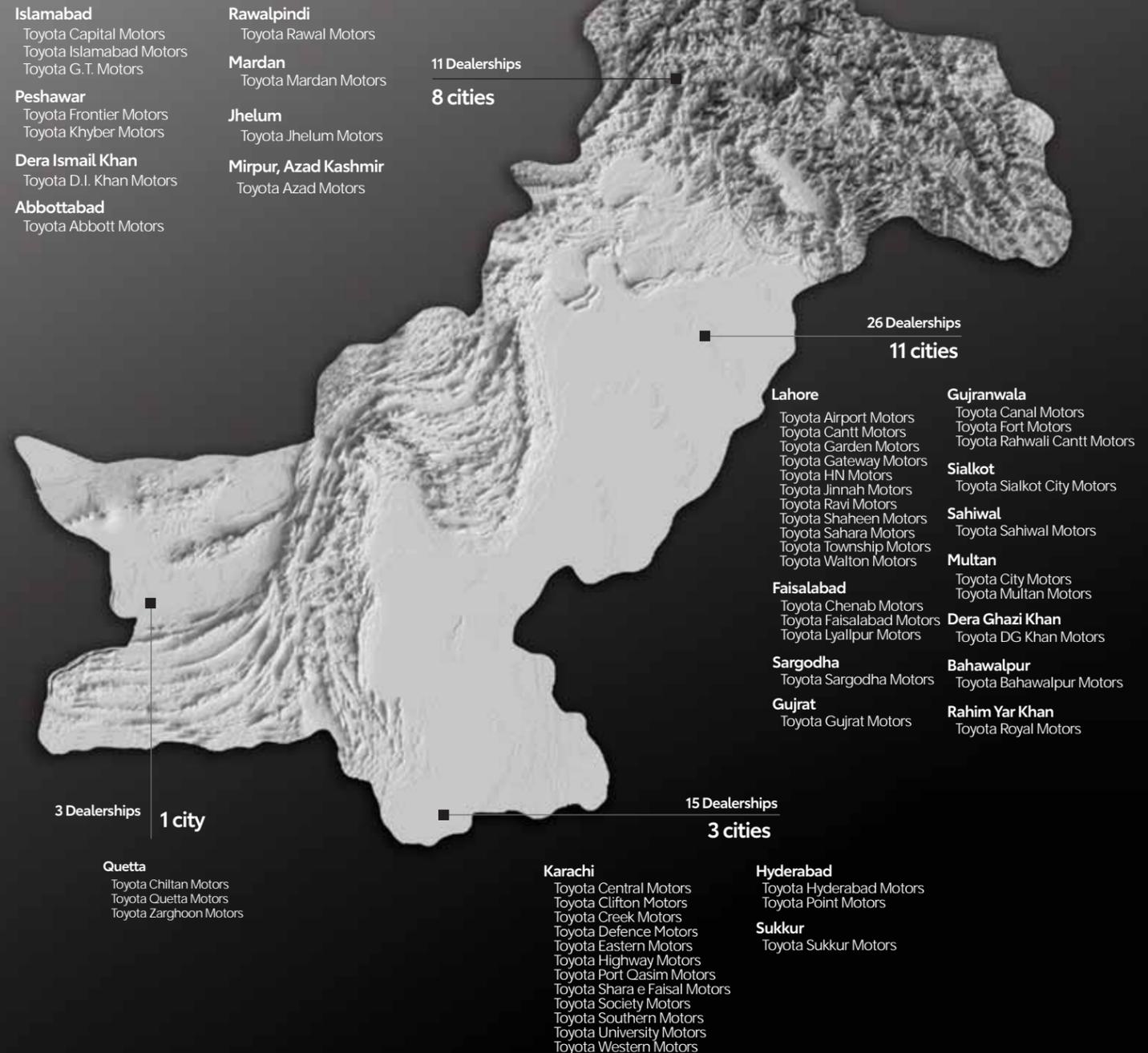
The impact of our operations, activities and business relationships requires holistic management of impacts at our operations and in the value chain including at Dealerships. We support our Dealerships through best practices on health and safety, environmental management, labour relations and human rights, and managing societal impact as well as through training. These practices have resulted in effective management of our value chain impact.

Introduction of AP-ECO Standards

The Toyota Environmental Challenge 2050 reaffirms Toyota's commitment to reducing the environmental burden of automobiles to as close to zero as possible while developing measures to contribute to a positive impact on the Earth and its societies.

Toyota initiated the AP-ECO program to ensure the implementation of the Environmental Management System at Dealerships with a strong focus on CO2 reduction, waste management reduction, water usage reduction, and improvement in the handling of hazardous chemicals. 3R activities i.e., Reduce/Reuse/Recycle are ensured and promoted at all Toyota Dealerships in order to deliver the vision of 2050 and contribute to the betterment of the environment and community. IMC has 50 of its Dealers certified as per AP-ECO standards. These standards ensure that the Dealerships are as environment-friendly as the values set by Toyota for all its Dealers in the Asia-Pacific Region.

fifty-five 3S authorised dealerships in 23 cities



our Suppliers

Our operations continuity and ability to meet product demand depend on the timely supply of parts and materials. Global supply chains are still recovering from the effects of COVID-19 and the Ukraine-Russia war. In Pakistan disruption in the supply chain on account of import restrictions has badly affected our production schedules which is expected to continue next year. To overcome these disruptions and run the plant, we are working with our partners to manage the supply of materials and parts as far as possible.

Our collaboration with supply chain partners takes into account their overall strengths and working on sustainability. Our development programs for supply chain partners, not only create financial benefits for our partners but also help in securing a competitive advantage in the market.

We procure materials and services from international as well as local suppliers. Our procurement is mainly categorized into:

- Sourcing of CKD and CBU from Toyota Motor Corporation and parts from abroad
- Direct and indirect purchasing of locally manufactured parts and materials to produce vehicles
- Locally procured service parts and accessories to support after-sales service
- Purchasing of goods and/or services to support the operations, maintenance services and corporate services

Local product-related suppliers are OEM-level automotive part suppliers in the categories of resin, rubber, electrical, sheet metal, assembly and others. Our local suppliers are located in Sindh, Punjab and Balochistan. We have a total of 54 Tier-I parts and consumable suppliers. Our supply chain is highly labour-intensive, involving a manual to the semi-automated production line. Total payments to our supply chain partners on account of the purchase of goods and services were Rs. 147,417 million in 2022-23, which was 35% less compared to 2021-22. During the year, procurement from local suppliers was 40% compared to 29% in 2021-22.

A localization program was launched with the inception of our operations to promote industrial development, new technologies, job creation, skill development and economic development of the country. Our product development and supply chain teams work closely with supply chain partners to assist them to follow and meet Toyota standards of safety and quality. Close collaboration, support and long-term relations with the supply chain partners have led our suppliers to invest in fully dedicated production lines to manufacture high-tech parts for our products. Our new Toyota Corolla consists of 659 parts and components manufactured locally. The prolonged efforts for the development of local industry have created opportunities for the export of automotive parts to other countries.



Exhaust Pipes
Loads Ltd., Karachi

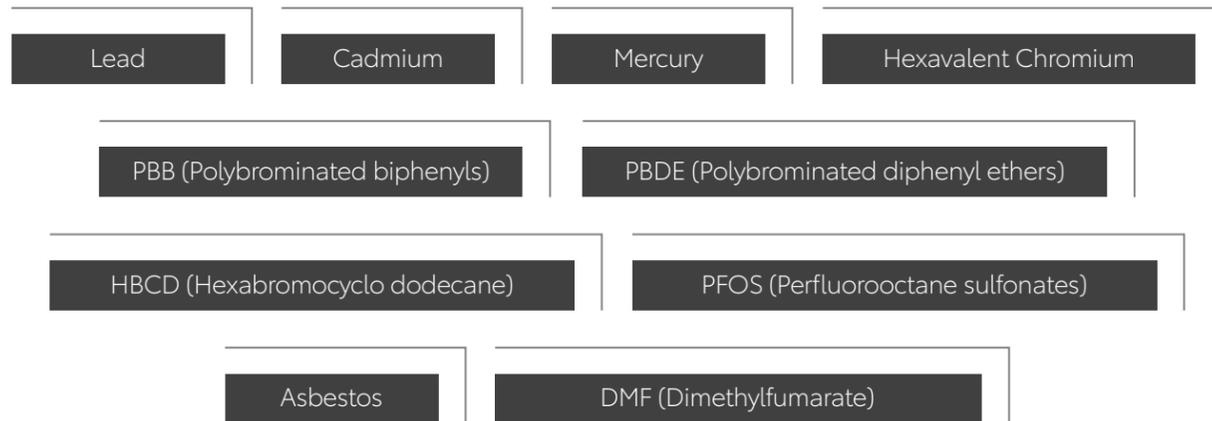
▪ **Promotion of Sustainability Practices at Suppliers**

Toyota Quality Standards, sustainability guidelines, 'Just-In-Time' techniques and Kaizen culture to reduce parts rejection and bring improvement in business processes and profitability, serve as the guiding principles for sustainability management at our suppliers. We work closely with suppliers on the Kaizen (continuous improvement) culture and compliance targets to ensure conformity to all applicable laws and regulatory requirements. The Product Development Department promotes sustainable practices and conducts regular assessments to ensure that all suppliers are in line with IMC's vision, strategy, and targets. Based on the assessments, necessary actions are planned and implemented.

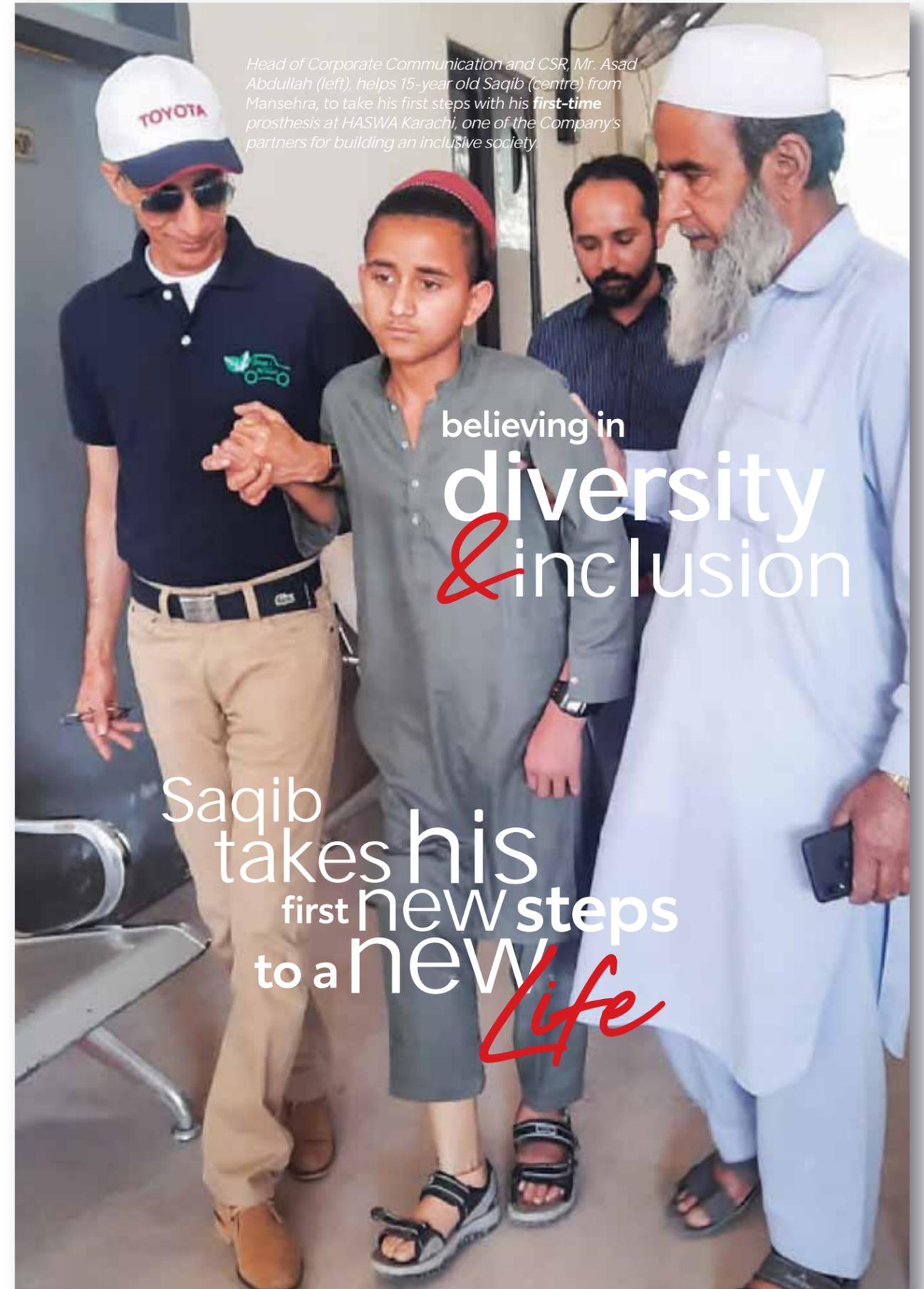
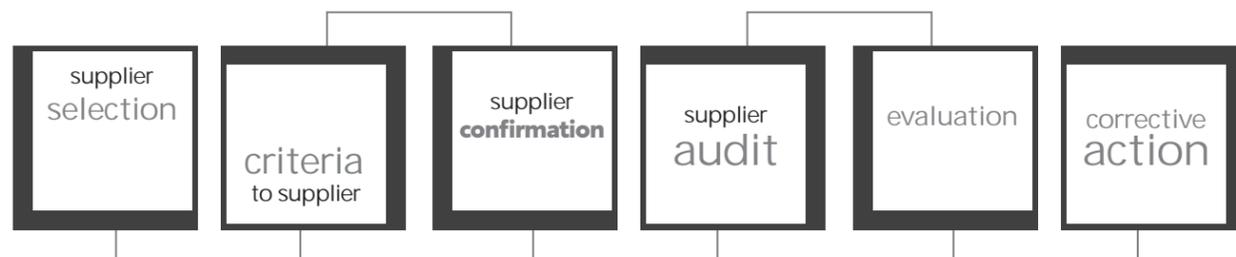
▪ **Toyota Green Purchasing Guidelines (GPG)**

Toyota Green Purchasing Guidelines serve as a guiding pillar for the management of the environmental footprint of our supply chain, reducing the impact of suppliers' operations and establishing a society in harmony with nature. 37 of our suppliers are ISO 14001-2015 certified.

Returnable trolleys for supplying parts to IMC are used by suppliers to eliminate packaging material. Our Green Purchasing Guidelines restrict the following substances for packaging materials according to the Toyota Technical Standards TSZ0001G "management, practice latest edition of the environmental load material":



IMC strictly follows fair labour practices and complies with applicable labour laws. Our supply chain partners are also required to follow fair labour practices and ensure compliance with applicable labour laws. We do not engage with suppliers who have child labour and forced and compulsory labour in their operations. We have environmental assessment criteria for the selection and monitoring of our suppliers. All new suppliers are selected through a process involving short-listing, screening against our existing criteria and confirmation from suppliers for compliance with these criteria. The monitoring is carried out through suppliers' audits and evaluation against KPIs, followed by agreed actions for improvement.



Head of Corporate Communication and CSR, Mr. Asad Abdullah (left), helps 15-year old Saqib (centre) from Mansehra, to take his first steps with his first-time prosthesis at HASWA Karachi, one of the Company's partners for building an inclusive society.

believing in
diversity & inclusion

Saqib takes his first new steps to a new *Life*

every customer experience an,



ichi-go ichi-e

*an encounter that only happens once in a life time,
reminding to treasure every movement, for it will never recur*

OUR CUSTOMERS

TOYOTA
**KNOWS its
customers**
Best!

Toyota Way in Sales and Marketing (TWSM), Toyota Service Marketing (TSM) and Toyota Global CR Standards are the basis of our approach to customer management and are applicable at IMC and at all our Dealerships. Our customers expect high-quality products meeting safety and comfort requirements. A detailed need and feedback analysis is conducted during manufacturing and after sales to handle safety, quality, and comfort issues. We have inherited a culture of “hansa renkei” (cross functional collaboration) and Kaizen (continuous improvement) from Toyota which helps to make constant development of our products for delivering exceptional customer experience. Moreover, we regularly engage with customers through the Customer First Department and our Dealerships to better understand customers’ requirements and expectations which helps us to meet their expectations and improve the experience of our products and services.

An integrated technology platform GENESIS is in place across Dealerships nationwide for improved customer experience and handling grievances on the most relevant product and service aspects. We have a dedicated customer assistance centre where customers can call toll-free for any enquiry or complaint they may have and be assured of quick response/resolution. The input is constantly monitored and forwarded to relevant departments for swift action as per need.

The Customer First Department offers a complete ownership experience to our customers. Our Dealerships provide genuine spare parts and quality services to customers which not only increases customers’ satisfaction but also builds more trust in the Toyota brand. We regularly organize campaigns on product safety and inspection of vulnerable parts. Safety campaigns help our customers to better manage their vehicles and meet our prime objective of ensuring the safety of our customers, vehicles and the public.

Customer feedback is essential to measure satisfaction levels related to products, parts and services. Regular customer satisfaction surveys are conducted to gauge customer satisfaction and to ensure continuous support to our customers. Customer Satisfaction Index research is conducted throughout the course of a year to collect data to evaluate our performance on key indicators and to pinpoint areas of improvement. Similarly, the Sales Satisfaction Index is a measurement criterion of satisfaction level for customers who purchase Toyota vehicles from authorized Dealerships to assess areas that require improvement. The Customer Relations Department, with the support of related departments, constantly endeavours to launch and execute creative ideas to improve the satisfaction rate.

Automotive MARKET and TOYOTA brand

Our continued success as a market leader over the last 33 years is the result of our strong brand and leadership. The brand strength, competitiveness, and ability to provide safe and quality products are the key distinguishing factors in the competitive automobile market and challenging economic environment.

Toyota's core global values which require compliance with applicable marketing communication and advertisement laws and voluntary codes guide our marketing activities. Our brand management strategy requires that accurate and reliable information on product features, services and practices is disseminated to our customers and other stakeholders. We ensure compliance with our strategy through an internal review process to confirm that only accurate information on products and services is shared. We endeavour to form a lasting relationship with our customers by offering peace of mind and a unique buying experience of owning and driving a Toyota vehicle.

Our Customer First approach from Toyota, working on localization, creating new jobs and skills and contributing to economic development, coupled with our work for the promotion of technology among engineering graduates and spending on local communities, has made Toyota a leading and trusted brand in Pakistan.

We are committed to continuing our activities for the betterment of our stakeholders and strengthening our brand in the competitive market. The brand strength is monitored through surveys across our value chain partners and industry-wide business. The strategies are adjusted accordingly for delivering a better customer experience and maintaining brand strength.

The safety of vehicles and our customers is one of the topmost priorities at Toyota. In line with the 'Safety First' philosophy, IMC provides detailed information to customers on product attributes, safe use, environmental impact and disposal of the products. The Owner's Manual incorporates information regarding driver and passenger safety, vehicle features and technical and maintenance information. The details about the source, safe use and disposal of the product are also provided for Toyota Genuine Parts and Toyota Genuine Motor Oil. Toyota Genuine Motor Oil is blended as per TMC's guidelines which are benchmarked on the American Petroleum Institute (API) and the Society of Automotive Engineers (SAE) International standards.

Dealerships regularly organize safety campaigns to communicate safety features information and product attributes.

All our products are subject to compliance with the law and voluntary guidelines. Compliance is assessed on a regular basis. During the year, there were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and marketing communications, including advertising, promotion, and sponsorship. Moreover, no complaints of breach of customer privacy occurred during the year.



Beyond

Beyond zero

Environmental Performance

Steering

Pakistan towards

**CARBON
NEUTRALITY**

and embracing

**SUSTAINABLE
TRANSPORTATION**

for a Greener Planet



COROLLA

CROSS HEV

MAKE IN PAKISTAN

*Calculation based on 30k units volume

Environmental Performance

Our operations, products, and value chain activities impact the environment through the use of resources, the discharge of emissions, wastewater, and waste. Our activities of pressing (stamping), welding, assembly, and painting along with emissions from the use of vehicles contribute to the most burning issue of climate change. Automation and improvement in production processes at IMC has reduced environmental impact and resulted in economic benefits. Automated digital manufacturing and robotic processes are expected to further reduce the negative impacts. However, the product use impact can only be managed and reduced through a joint effort from all the related parties including the government and oil refineries to upgrade the fuel standards in Pakistan. The higher standard will increase fuel efficiency with reduced emissions. Moreover, the promotion of EV and electricity mix favouring the use of renewables is expected to result in reducing the environmental impact of vehicles. Our work on launching hybrid electric vehicles (HEV) in Pakistan is expected to further reduce our environmental footprint. HEVs provide more economical and environmental solutions along with excellent fuel efficiency leading to a reduction in emissions and carbon dioxide which eventually result in a positive climate change.

Toyota's Guiding Principles and Toyota Global Environmental Challenge 2050 guide our strategies and policies for environmental management. The Environmental Policy also serves as the basis for new investments in technologies and the upgradation of existing facilities. We have a Five-Year Plan which is implemented to manage the environmental footprint of our operations.

The Safety, Health, and Environment (S.H.E) Committee which is headed by the Chief Executive is responsible for

environmental management at IMC. The Committee mandate includes developing guidelines, and procedures, reviewing performance against targets, taking appropriate decisions, and fixing responsibility for the environment, health, and safety-related issues. The Manager S.H.E is responsible for the implementation and monitoring of compliance with policies and applicable laws. Our production plant is ISO14001:2015 certified which helps in the early identification of risks and opportunities and make appropriate decisions accordingly. Regular training is organized on health, safety, and environmental topics related to our operations to update the knowledge of our workforce and equip them with new skills. Our approach to environmental management is proactive to reduce our environmental footprint through the adoption of cleaner technologies and efficient management of resources not only at our operations but also at our value chain partners. We work with our value chain partners to reduce the impact of their operations by taking appropriate steps in line with our Environmental Policy and guidelines.

See pages 70 and 74 for more details about our work in the value chain.

The management approach is evaluated through external recertification audits, Toyota Global Environmental Management System audits, internal performance reviews against targets, and compliance with applicable laws. Appropriate corrective actions are taken based on the audit findings, where required. IMC's commitment to keeping its environment targets 20% below legal requirements, along with its continuous spending on environmental management, has resulted in zero non-compliance with environmental laws and regulations in 2022-23.

“ make the earth a place where all life can co-exist in harmony.”

Using Natural Resources

Materials Use

We, at IMC, are committed to using natural resources in a sustainable manner for delivering economic returns while meeting customers' expectations. Different materials and chemical substances are used in vehicle production. The major categories of materials are metals, plastics, elastomers, textiles, natural materials, fuels, consumable liquids, electronics, ceramics, glass, and other compounds and non-dimensional materials.

- [Metals](#)
- [Plastics, elastomers, textiles, and natural materials](#)
- [Electronics, ceramics, glass, and other compounds](#)
- [Fuels and consumable liquids](#)
- [Non-dimensional materials](#)

The calculation of the weight of materials used in the production of vehicles involves enormous work while taking into consideration the number of materials and the complex nature of materials. However, we are endeavouring to identify and report the weight of different materials used in the production of our products.

We constantly explore opportunities to use more sustainable materials, including recycled and renewable materials, where possible. However, no recycled material was used in production processes during the year. IMC does not reclaim products and their packaging materials.

Addressing Climate Change

Challenge 3



Plant Zero CO2 Emissions Challenge

Climate change is ranked as one of the biggest challenges and risks faced by humanity. Heat waves, devastating floods, droughts and fires are not only leading to economic loss but also affecting the socio-economic context in different parts of the world.

Urgent action is required at government and private sector levels to manage the negative environmental impacts to reducing climate adaptation costs. The provision of enabling environment through climate-friendly policies is critical for the private sector to pursue cleaner technologies and develop climate-friendly products.

IMC is fully committed to using energy efficiently and converting energy sources to renewables and low-carbon technologies in our operations and value chain to reduce our environmental footprint. See pages 89 and 90 for our work on using renewable energy and Million Tree Plantation Drive.

IMC Environment Month

June is celebrated as the environment month at IMC to apprise employees about social responsibility towards the environment. The training and awareness sessions are organized to share knowledge about climate change, its impacts, the effects of the loss of ecosystems on human life, and actions to protect the planet. The ideas to promote sustainability practices are invited from the workforce and included in different competitions.

TOYOTA Global Environment Month

In accordance with the UN General Assembly's 1972 declaration proclaiming June 5 as "World Environment Day,"

Toyota designated June as "Toyota Environment Month" in 1973.

This year, we will observe Environment Month by pushing June forward as a period to learn about the current situation of the automotive industry, consider what Toyota should do now going forward to bequeath a beautiful hometown to future generations and put it into practice.

Each country in the world has set relatively challenging targets to reduce greenhouse gas (GHG) emissions. At the G7 Hiroshima Summit, reduction targets were mentioned, not only for new vehicles but also for those owned and already on urban roads. As an intermediate target to achieve net zero in 2050, it also mentioned scope to reduce GHG emissions from owned vehicles in G7 countries by more than 50% by 2035 relative to the 2000 level.

To achieve carbon neutrality, we must set targets toward reform and drive initiatives forward while wishing for future global happiness and peace. It is also crucial to be aware of what we can do right now and accumulate such actions.

Please take this opportunity to hold discussions in each workplace, unite and collectively propel reform.

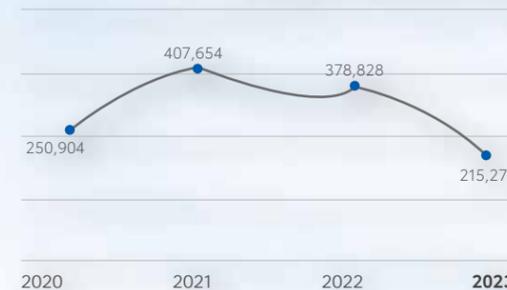
— Mr. Kaita, President
CN Advanced Engineering
Development Center
Toyota Motor Corporation

Energy Use and Shifting to Low Carbon Resources

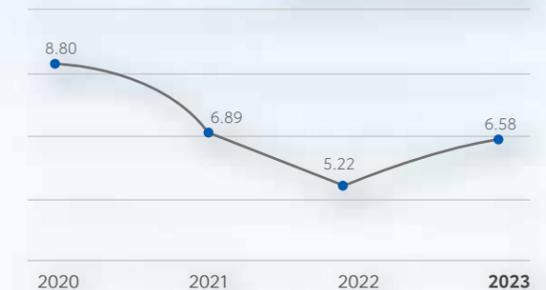
Our strategy focuses on the adoption of new techniques, technologies, low carbon resources, and efficient processes at our facilities to reduce our energy consumption and related GHG impact. Our assembly plant design helps to maximize the use of natural light during the daytime to reduce energy use along with LED energy-efficient bulbs which are installed throughout the plant. Moreover, a Combined Heat & Power System (CHP) has been installed to reuse the heat produced during energy production.

| | Unit | 2023 | 2022 | 2021 | 2020 |
|---|---------|----------------|----------------|----------------|----------------|
| Energy Consumption | | | | | |
| Energy consumed within organization – Non-renewable | GJ | 199,552 | 359,016 | 392,764 | 248,622 |
| Energy consumed within organization – Renewable | GJ | 15,725 | 19,812 | 14,890 | 2,282 |
| Total energy consumption | GJ | 215,277 | 378,828 | 407,654 | 250,904 |
| Energy used per vehicle produced | GJ/unit | 6.58 | 5.22 | 6.89 | 8.80 |
| Energy saving per year | GJ | 12,034 | 19,876 | 17,783 | 19,821 |

Energy Consumption (GJ)



Energy Consumption per Vehicle Produced (GJ)



Toyota Daihatsu Engineering and Manufacturing (TDEM) guidelines were used in the calculation of energy figures. Energy consumption per vehicle includes both renewable and non-renewable energy consumption. The energy saving figure includes electricity saved by using solar panels installed at the IMC plant, installation of LED lights throughout the facility, and absorption chillers installed in the plant.

Natural gas and electricity used at our plant are the main energy sources and the largest contributor to Greenhouse Gas (GHG) emissions. We have a Co-Generation capacity of 6 MW to cater for our energy usage in line with future growth strategies. The energy consumption during the year decreased by 163,551 GJ compared to the previous year mainly on account of Non-Production Days, lesser production of vehicles, and multiple initiatives to optimize utilities consumption. The energy used per manufactured vehicle increased to 6.58 GJ/unit compared to 5.22 GJ/unit in 2021-22. IMC is working to reduce the energy requirement of its vehicles and is in the process of launching hybrid vehicles in the coming year.

Moving Towards Renewable Energy

Green technologies in the form of onsite photovoltaic technology are used at IMC to reduce GHG emissions, improve the energy mix of our operations and reduce energy consumption from conventional sources.

The current installed capacity of onsite solar power is 4.5MW. The share of solar energy in our total energy consumption was 7% compared to 5% in 2021-22. The shifting to solar power has resulted in reduced emission of 2,243 tons of CO2 compared to 2,250 tons of CO2 in 2021-22. IMC is Pakistan's first company to install one of the largest roof-top mounted solar Photovoltaic (PV) plants and the biggest solar PV plant in the automobile industry in Pakistan in line with its goal of achieving carbon neutrality. It is also the first such unit in the Toyota Asia-Pacific region.

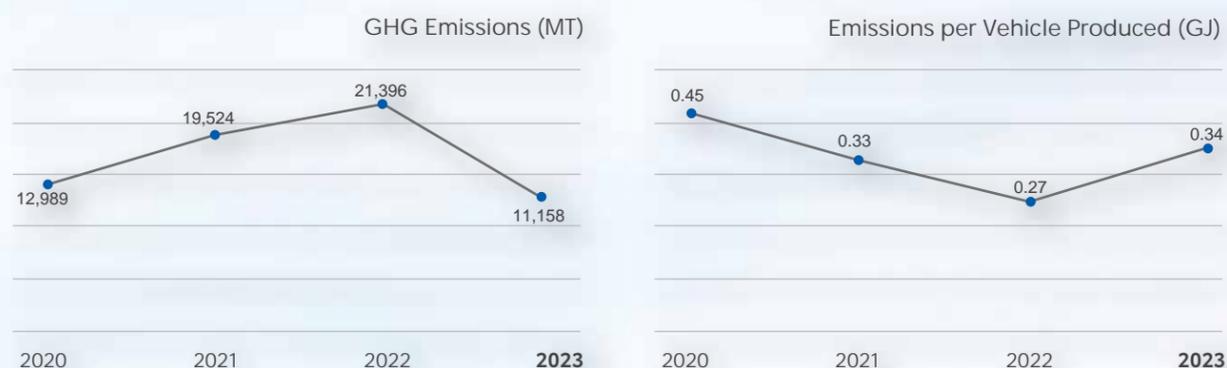
Greenhouse Gases Emissions

Greenhouse Gases (GHG) emissions are a major cause of climate change. We are pursuing cleaner technologies and efficient processes to reduce greenhouse gases emitted from our operations. The Kaizen and Just-in-Time techniques have helped us to reduce emissions over the years along with savings in the shape of reduced delivery cost of parts and efficient operations.

Our use of natural gas and electricity in production activities are the major contributors to our GHG emissions. We are currently monitoring our Scope-I emission from our operations. We do not have significant Scope II emissions and currently are not measuring these emissions. The Scope III emissions including emissions of employees commuting to work, business travelling and transportation of materials to plant and products to dealers through value chain partners were not measured during the year due to the non-availability of reliable data. In line with the Toyota Environmental Challenge 2050, we have in place a Zero CO2 strategy to reduce emissions over the long run. Our initiatives of reducing energy use through efficient lighting systems and installing Solar PV have resulted in reduced electricity use and CO2 emissions over the years. Moreover, our manufacturing plant not only uses highly efficient power generators but also utilizes the heat produced by these generators via absorption chillers and support cooling requirements; this ultimately reduces emissions significantly.

| | Unit | 2023 | 2022 | 2021 | 2020 |
|--|---------|--|--------|--------|--------|
| Emissions | | | | | |
| ■ Greenhouse Gases emissions (Scope I) | Mt | 11,158 | 21,396 | 19,524 | 12,989 |
| ■ Emissions per vehicle produced | Mt/unit | 0.34 | 0.27 | 0.33 | 0.45 |
| ■ Reduction in emissions | Mt | 10,590 | 10,015 | 9,607 | 9,274 |
| ■ Emissions of ODS | Mt | Nil | Nil | Nil | Nil |
| ■ NOx, SOx and other significant air emissions | Mt | NOx, SOx and other significant air emissions within SEQS limits. | | | |

CO2, CH4, N2O gases are included in the calculation of CO2 emissions and emission reduction. There were no bio-genic emissions during the year. TDEM and SEQS guidelines were used for emission calculations.



During the year, the GHG Scope I emissions decreased by 10,238 Mt on account of decreased production and plant shutdown. However, the emissions per vehicle produced increased to 0.34 Mt compared to 0.30 Mt in 2021-22. The emissions' intensity decreased due to Non-Production Days, lesser production of vehicles, and multiple initiatives to optimize utilities consumption.

Other significant emissions comprise Volatile Organic Compounds (VOCs) in processes using solvents, paints, sealers, or hydrocarbon-based chemicals. The emissions are reducing over the years as a result of Kaizen's (continuous improvement) activities of cartridge reduction for low share colour, introducing new chemicals to replace washing thinner for overall cleaning, reducing robot gun distance, and adjusting on/off spray for robot paint loss reduction.

Million Tree Plantation Initiative



The World Economic Forum Global Risk Report 2023, shows two out of the first five risks for the next two years and four out of the first five risks for the next ten years are climate-related risks making climate risks a top priority in the short and long term. According to the WEF risk report, "climate mitigation failure", "climate change adaptation failure", and "Natural disasters and extreme weather events" rank as the top three most severe risks. Climate change has resulted in extreme weather patterns, heat waves, droughts, and devastating flooding in various parts of the world affecting economic growth and damage to infrastructure and human lives.

Climate-related financial risks of physical and transitional nature are also requiring businesses to identify the relevant risks and design appropriate strategies to effectively manage these risks.

Our environmental management policy covers climate risk management in our operations and we are committed to playing our part to meet the climate change impact. Pakistan's Billion Tree Tsunami program launched in 2014 was lauded globally and referred to as an example of fighting climate change. The objectives were to cope with climate change impact, climate-related disasters, and loss of valuable lives. Pakistan is embarking on an ambitious plan to plant 10 billion trees across the country by 2023, in order to restore landscapes while providing the much-needed employment. The project entailed

both planting and naturally regenerating forests and serving as a pilot for other countries.

IMC pledged a "Million Tree Plantation Drive" across Pakistan to support the Government's initiative and inspire the corporate sector in Pakistan. This Plantation Drive benefited both environmentally and economically and support different SDGs. Only indigenous trees which are beneficial to our environment were selected under this drive, and in order to ensure the sustainability of the trees planted, local communities were engaged. Moreover, all our Dealerships enthusiastically joined hands with IMC for nationwide implementation.

Over a period of four and half years, Indus Motor Company has planted more than 830,000 tree saplings across Pakistan, primarily in Karachi.

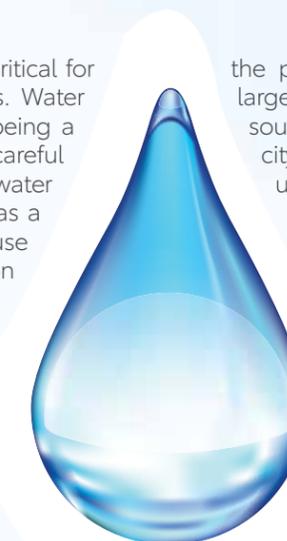


830,000+ tree saplings planted

Using Water Efficiently

Availability of fresh and clean water is critical for human health and business operations. Water scarcity poses a risk to business and, being a shared resource, requires careful management. Our approach to water management takes into account water as a shared resource with communities. We use water in painting and other production processes which puts a responsibility on us to manage the water in an efficient way. Over time, we have been working to reduce the consumption of fresh water with the 3R concept of Reduce, Recycle and Reuse and to manage our impact on water.

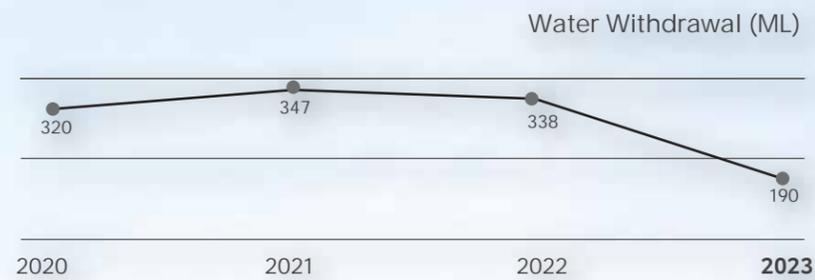
Water is sourced from canals from Keenjhar Lake which has a capacity of 650 hm³. We have an agreement with the Karachi Water and Sewage Board for extracting water which is measured by flow meters installed at



the point of extraction. Keenjhar Lake is the second largest freshwater lake in Pakistan and an important source of drinking water for Thatta District and Karachi city. Keenjhar Lake has been declared a Ramsar site under the Ramsar Convention and a wildlife sanctuary. The lake is home to winter migratory birds and a breeding area as well. The water extracted does not significantly affect the water source keeping in view the capacity of the source. We do not withdraw water from water-stressed areas. We are persistently exploring technologies and defining water consumption targets to increase water efficiency at our plants in line with the Toyota Environmental Challenge 2050. We also work with our supply chain partners to reduce the overall impact on fresh water. The used water is recycled to reduce the intake of fresh water. Water withdrawal decreased to 190 ML during the year, compared to 338 ML during 2021-22.

Water withdrawal by source in ML/year

| | 2023 | 2022 | 2021 | 2020 |
|--|------------|------------|------------|------------|
| ▪ Surface water | | | | |
| ▪ Freshwater (≤1,000 mg/L Total Dissolved Solids) | 190 | 338 | 347 | 320 |
| ▪ Other water (>1,000 mg/L Total Dissolved Solids) | - | - | - | - |
| ▪ Ground water | | | | |
| ▪ Freshwater (≤1,000 mg/L Total Dissolved Solids) | - | - | - | - |
| ▪ Other water (>1,000 mg/L Total Dissolved Solids) | - | - | - | - |
| Total water withdrawal | 190 | 338 | 347 | 320 |



Water consumption

| | 2023 | 2022 | 2021 | 2020 |
|---------------------------|------|------|------|------|
| ▪ Total water consumption | | | | |
| ▪ ML/year | 167 | 294 | 309 | 285 |

Water withdrawals are recorded with the help of flow meters. SEPA and Toyota standards are used for the measurement of water consumption.

Wastewater and Water Discharge

Water discharged from operations and the waste thinner are properly treated to reduce the pollutant level in discharged water to acceptable levels as prescribed by SEPA. A state-of-the-art wastewater treatment plant, which is based on Apple Edge technology from KABUTA Japan, is installed at our plant for the effective treatment of wastewater generated from our operations. Treated wastewater is being used for horticulture purposes only and is not suitable for human consumption.

Water withdrawal by source in ML/year

| | 2023 | 2022 | 2021 | 2020 |
|--|-----------|-----------|-----------|-----------|
| ▪ Surface water | | | | |
| ▪ Freshwater (≤1,000 mg/L Total Dissolved Solids) | 20 | 35 | 29 | 28 |
| ▪ Other water (>1,000 mg/L Total Dissolved Solids) | 3 | 8 | 9 | 7 |
| Total | 23 | 43 | 38 | 35 |

Managing Waste

Our operational activities result in different types of hazardous and non-hazardous waste which is strictly handled as per environmental policy. The input material consists of metals, plastics, elastomers, textiles, natural materials, electronics, ceramics, glass, other compounds, fuels and consumable liquids and non-dimensional materials. These are used in assembling operations and result in different types of waste which are segregated into hazardous and non-hazardous waste. The non-hazardous waste is disposed of as well as sold to third parties. The non-hazardous waste consists of domestic waste, scraps, plastic trim, wood, iron, general items, hardware, steel cutting, and metal covers. The hazardous waste consists of oil drums, batteries and paint shop waste including paint sludge and thinner. We regularly monitor paint consumption to control sludge generation. The water extracted from the sludge is filtered, treated, and used for gardening purposes. A new water treatment plant was installed last year to increase the capacity of the treated water substantially and the ability to withdraw more water from sludge, therefore, retaining more water content and reducing the weight of the sludge.

The used-up thinner is collected and processed through a heating process to separate the thinner and the contaminants. 30% of the thinner is recycled onwards. We are working to increase the recycling of thinner by 45% by 2025. The solid waste and oil are stored in a safe place for disposal by government-approved contractors. The hazardous waste is being disposed of through approved contractors on a daily basis. The reuse/reprocess landfill and onsite storage quantities are on an estimated basis. To improve waste management and reduce waste in the supply chain and in IMC operations, we use returnable trolleys for supplying parts to IMC. This has resulted in eliminating packaging material from our supply chain and packaging waste handling and disposal at IMC.

The waste-related impacts include health and safety risks, and soil and water contamination risks. IMC strictly follows applicable legal requirements regarding waste handling and disposal to effectively manage waste-related impacts. Regular training is provided to staff on the workshop floor to reduce waste and effectively handle the inevitable waste.

No waste is diverted from disposal except thinner due to product quality and safety requirements

| | 2023 | | | 2022 | | | 2021 | | | 2020 | | |
|--------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|-----------------|------------------------------|----------------------------|
| | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal | Waste generated | Waste diverted from disposal | Waste directed to disposal |
| Waste composition | | | | | | | | | | | | |
| Hazardous | 279 | - | 279 | 557 | - | 557 | 298 | - | 298 | 181 | - | 181 |
| Non-Hazardous | 2,489 | 2,029 | 460 | 5,476 | 4,774 | 702 | 4,870 | 4,168 | 702 | 2,860 | 2,276 | 584 |
| Total Waste | 2,768 | 2,029 | 739 | 6,033 | 4,774 | 1,259 | 5,168 | 4,168 | 1,000 | 3,041 | 2,276 | 765 |



TOYOTA - 5S Ecological Conservation Program



5S PROGRAM

5S is a workplace organizing method and systematic form of visual management that uses a list of five Japanese words: seiri, seiton, seisō, seiketsu, and shitsuke. These have been translated as "Sort", "Set in order", "Shine", "Standardize" and "Sustain". It is a simple step-by-step methodology to ensure that workspaces and resources

are arranged and maintained in an orderly manner, thereby enhancing productivity, and reducing waste. Furthermore, 5S allows it to function at peak capacity with minimal interruptions in service.

Taking advantage of United Nations Association of Pakistan (UNAP) online outreaching capability, this year again IMC organized the 5S Ecological Conservation Program 2023 in which the "Kaizen" mindset was also inculcated in the contents of online training. In the seven-month sessions, a total of 16,639 participants attended the sessions and showed their willingness to apply the 5S concepts in their daily lives, while they felt that they became more aware of their surroundings with 80% of the participants were willing to engage in activities such as tree plantations. Video on Plastic Pollution was also screened in all the sessions.

16,630+ participants trained

5S Clean-up Drive Post Independence Day

To create a sense of ownership, respecting our national symbol and upholding its sanctity and dignity, IMC continued its initiative to collect the leftover flags after the Independence Day celebrations for the fifth year.



Volunteers from IMC & TGEP students give a thumbs up after the engaging activity



5S

Philosophy

| | | | | |
|---------------|------------------------|----------------|-------------------------|---------------------|
| 整理 | 整頓 | 清掃 | 清潔 | 躰 |
| Seiri Sort | Seiton Set in order | Seiso Shine | Seiketsu Standardise | Shitsuke Sustain |



#IMCFC2022



CONGRATULATIONS TO THE
Champions!

Beyond the people

Our People & Communities

Our People



Our

people's knowledge, skills, experience, and commitment are key to our continued success as a leading automobile brand. The need for a skilled, trained, and diversified workforce has increased tremendously in a challenging external environment, due to increased competition, stringent economic conditions, and the launch of new technologies. At, IMC, we provide an enabling workplace to our workforce where people from different backgrounds and with different ideas and beliefs are valued and motivated to deliver to their maximum potential. Our Human Resource strategy focuses on attracting suitable people, providing them with a healthy environment and training them to successfully showcase their abilities.

Human Resource initiatives are guided by Kaizen, a commitment to continuous improvement towards business growth – which requires every team member to join the team and to be trained to practice the Toyota Way – to develop our workforce capacity, knowledge and skills.

The responsibility for implementing policies and reviewing the performance of labour practices and human rights at IMC rests with the Head of HR. The Safety, Health and Environment department is responsible for monitoring and ensuring health and safety and safe working conditions at IMC. We regularly review the policies and practices of labour, human rights and health and safety through meetings at the unit level, function level, department level and corporate level. Our performance is externally reviewed through safety audits and certification of systems and required changes are made in policies and procedures based on the results of the reviews. During the year, we remained committed to ensuring that our operations follow, protect and respect labour laws, human rights laws, declarations and international conventions.

Workforce Profile

Our workforce figures are for the year ended June 30, 2023



Workforce by employment contract, by region

| | Permanent | Temporary | Total |
|-------------|-----------|-----------|-------|
| ▪ Karachi | 3,104 | - | 3,104 |
| ▪ Islamabad | 8 | - | 8 |
| ▪ Lahore | 15 | - | 15 |
| ▪ Multan | 2 | - | 2 |
| Total | 3,129 | - | 3,129 |

Workforce by employment contract, by gender

| | Male | Female | Total |
|-------------|-------|--------|-------|
| ▪ Permanent | 3,072 | 57 | 3,129 |
| ▪ Temporary | - | - | - |
| Total | 3,072 | 57 | 3,129 |

Workforce by employment type, by gender

| | Male | Female | Total |
|-------------|-------|--------|-------|
| ▪ Full-time | 3,072 | 57 | 3,129 |
| ▪ Part-time | - | - | - |
| Total | 3,072 | 57 | 3,129 |

Hiring & Attrition



| | | |
|---------|-----|-----|
| ▪ < 30 | 300 | 95% |
| ▪ 30-50 | 14 | 4% |
| ▪ > 50 | 3 | 1% |
| Total | 317 | |



| | | |
|----------|-----|-----|
| ▪ Male | 295 | 93% |
| ▪ Female | 22 | 7% |
| Total | 317 | |



| | | |
|-------------|-----|------|
| ▪ Karachi | 314 | 99% |
| ▪ Islamabad | 1 | 0.3% |
| ▪ Lahore | 2 | 0.7% |
| Total | 317 | |



| | | |
|---------|-----|-----|
| ▪ < 30 | 281 | 86% |
| ▪ 30-50 | 40 | 12% |
| ▪ > 50 | 6 | 2% |
| Total | 327 | |



| | | |
|----------|-----|-----|
| ▪ Male | 309 | 94% |
| ▪ Female | 18 | 6% |
| Total | 327 | |



| | | |
|-------------|-----|-----|
| ▪ Karachi | 325 | 99% |
| ▪ Islamabad | 2 | 1% |
| ▪ Lahore | - | - |
| Total | 327 | |

The figures for hiring and attrition relate to the financial year 2022-23. The hiring and turnover rates were 10% and 10.48% respectively, compared to the hiring and turnover rates of 30% and 24% respectively, in the previous year. The hiring and attrition ratios are in accordance with industry ratios.

826 number of workers who were not employees of IMC work at IMC. These workers perform support services including janitorial etc.



IMC's young team attending the
**LEADERS'
XPEDITION**
at Khanpur Dam

evolving through
**capacity
building**

Employees' Satisfaction



Our focus is to provide a productive and safe work environment for our workforce to exhibit their potential and contribute towards brand success in a decent manner. We regularly engage employees to measure employee satisfaction and identify areas of improvement to meet our HR objectives and targets. The details of engagement with employees are available on page 41 "Stakeholder Engagement". We encourage employees to pursue high standards of business ethics and safety according to the company's core values; communicate candidly by giving bad news first and extend respect to people. IMC is rated high by employees on work environment and level of job satisfaction as per the bi-annual TMC morale survey.

The Pakistan Business Council acknowledged IMC's leadership position in ensuring decent working conditions and has nominated IMC as a leader for SDG 8 "Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all". Under this program, IMC shares the best practices with peer companies to inspire the industry for meeting SDG 8 targets and ensuring decent working conditions. Refer to page 35 for further details of this initiative.

IMC complies with the applicable laws, regulations, and international charters in the areas of employment practices, labour practices, and human rights. Workers are free to form associations for representing them in collective bargaining with the management as per applicable laws. 33.2% of our workforce is covered by the Collective Bargaining Agreement (CBA). Employees are informed about any operational changes affecting them well before time. However, the notice period is not mentioned in the agreement. Our operations are free of child labour and forced or compulsory labour. Our supply chain partners also comply with the applicable laws in these areas and no non-compliance was reported at our supply chain partners.

IMC is the only automobile plant in Pakistan which has installed a spot-cooling system at its plant to provide a comfortable workplace and enhance workforce productivity.

We provide competitive market-based salaries and benefits to our workforce, enabling them to deliver to their full potential. Our ratio of basic salary and remuneration of women to men is 1:1 as the salary is based on merit only. IMC does not discriminate between workers on the basis of gender, religion, and association and no incident of discrimination was reported during the year.

Employees by gender, age, and minority group

| | Minority Group | | Age Group | | |
|--------|----------------|------------|-----------|-------|-----|
| | Muslim | Non-Muslim | <30 | 30-50 | >50 |
| Male | 97.41% | 0.77% | 19% | 67% | 8% |
| Female | 1.76% | 0.06% | 3% | 2% | 1% |

Employees by employment category, gender, age, and minority group

| | Gender | | Minority Group | | Age Group | | |
|------------|--------|--------|----------------|------------|-----------|--------|-------|
| | Male | Female | Muslim | Non-Muslim | <30 | 30-50 | >50 |
| Management | 32.18% | 0.07% | 31.58% | 0.67% | 6.07% | 22.95% | 3.23% |
| Staff | 67.75% | - | 67.59% | 0.16% | 49.18% | 17.93% | 0.64% |

Individuals in governance bodies by gender, age, and minority group

| | Gender | | Minority Group | | Age Group | | |
|--------------------|--------|--------|----------------|------------|-----------|-------|-----|
| | Male | Female | Muslim | Non-Muslim | <30 | 30-50 | >50 |
| Board of Directors | 90% | 10% | 70% | 30% | - | 30% | 70% |

Employee Benefits

The following benefits are provided to full-time employees, including management and staff.

| Benefits | Management | Staff |
|--------------------------------|------------|-------|
| Life Insurance | Yes | Yes |
| Healthcare | 100% | 100% |
| Disability/invalidity coverage | Yes | Yes |
| Retirement provision | Yes | Yes |
| Nutrient dense meal | Yes | Yes |
| Air-conditioned pick and drop | Yes | Yes |

The Employee Care Program is in place for creating a friendly working environment where employees are recognized and valued. Under this program, special events/birthdays are celebrated to make employees feel valued and recognized and impart a sense of belonging.

IMC provides maternity leave to all eligible employees as per applicable laws. 371 female employees were eligible for parental leave, out of which 3 female employees availed maternity leave in 2022-23 compared to 3 female employees who availed maternity leave in 2021-22. 100% of employees who availed of maternity leave in 2021-22 returned to work. The return-to-work and retention rate of employees was 100%. The employees who took maternity leave and returned to work remained employed for more than 12 months after their return to work.

Employees' Financial Assistance

IMC provides financial assistance to its employees and apprentices in their hour of emergency financial needs, particularly for medical purpose which is not covered under health insurance. The scheme is being run in collaboration with the Mohammed Ali Habib Welfare Trust of the House of Habib (HOH) and is regulated by the HR department through a joint Financial Assistance Committee of IMC and HOH. Employees are provided with non-repayable financial support in emergencies.

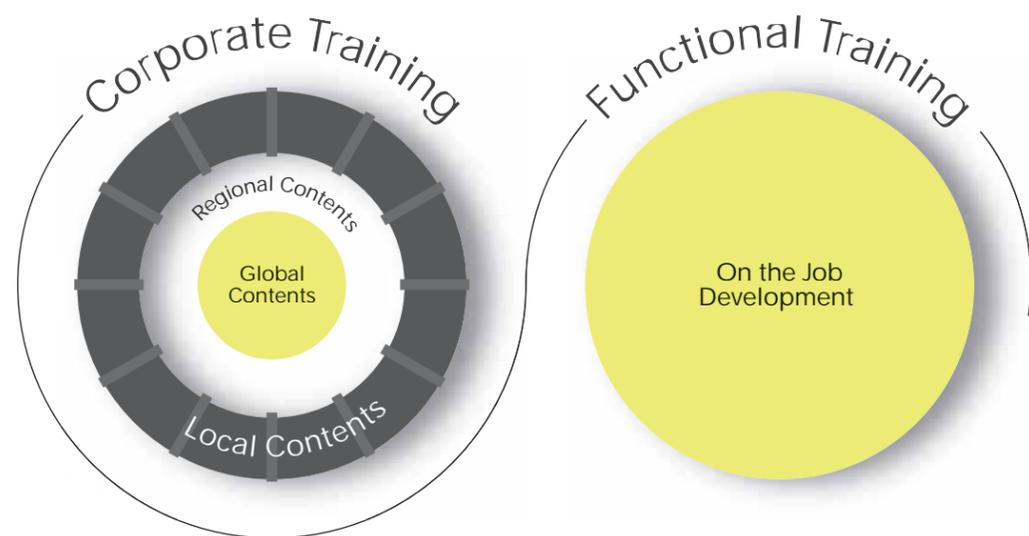
Training & Education

Equipping the workforce with the required level of skills requires extensive training and technical education. Our training is based on the global contents of Toyota and the most fundamental and best business practices which have contributed to Toyota's success. The training programs are designed to increase the knowledge, skills, and attitude of our employees while taking into account the employee position and role for preparing them for future challenges.



Striking
a healthy
work-life
balance

*Team Members enjoy a game of basketball
at the newly constructed Recreation Centre*



Focused on learning and development to:

- Communicate Toyota programs
- Company policies and practices including Code of Conduct
- Customer First approach in every interaction

Workers are regularly rotated to different jobs to equip them with cross-functional skills. All the workers are provided with role-based and skill-based training at the time of rotation or promotion

The training focuses on both technical and soft side competencies to help employees not only to equip themselves with the required skills but also build decision-making capabilities. Our Inter-Company Transfer (ICT) program, involves assigning IMC employees to Toyota affiliates in Japan, Thailand, and Singapore and also the other way around. The ICT program helps in employees' development and value addition to the Company through knowledge and skills gained during their relocation to overseas operations. It provides employees with an enriching platform to learn in a new environment while also demonstrating their skills in regional Toyota setups in a multicultural environment.

However, the training focused on enhancing employee skills to help continued employability in the industry.

During the year, 37,599 man-hours were spent on training compared to 102,238 man-hours spent in 2021-22.



• Apprenticeship Program

Our Apprenticeship Program builds the technical knowledge, skill development, and availability of the workforce for the automotive industry. The young matriculate students are inducted and nourished via classroom lectures and hands-on experience to turn them into talented technicians. The program benefits apprentices in learning technical skills and assists in securing reasonable livelihood opportunities.

Encouraging feedback has been received on the performance of employees in the ICT programs, indicating the skill and ability of the Pakistani workforce as well as the IMC culture and system.

The right blend of the trained and experienced workforce is critical for continued success and maintaining a leadership position. Our training and development programs supplement our approach to succession planning and ensure the achievement of our corporate objectives. We conduct regular reviews against defined objectives to ensure the effectiveness of training and identify the areas for improvement. Moreover, all our employees receive regular performance and career development reviews. IMC does not provide transition assistance programs.



Health & Safety

We are committed to creating and strengthening a safety culture within our operations and in our supply chain. Our health and safety culture includes safety rules, procedures, and practices to create awareness of safety practices. All business processes are designed according to our safety policies, rules, and requirements of the Environmental Protection Act, Industrial Relations Act, National Environmental Quality Standard (NEQS), and Occupational Safety & Health Management System (OSHMS) which is Toyota's global standards based on ISO 45001. The health and safety system covers all activities and operations of IMC. The agreements with the labour union also cover topics of health and safety of the workforce.

Safety culture at IMC is practised through effective communication and reinforcing a variety of channels including engaging all employees and contractors in understanding and adhering to safety programs and policies. Workers from each shop at the IMC plant participate in regular safety circles (focus groups). The work-related hazards are identified through viewpoints, guidelines, and audits. Moreover, workers are encouraged on a routine basis to participate in group-based activities of HIRA (Hazard Identification and Risk Assessment). Safety competitions are arranged and winners of the activity are awarded, while selected themes are shared globally within Toyota.

Moreover, training for hazards identification (KY Training) is provided to all employees and refreshers are also conducted to refresh their knowledge.

Safety is a top priority
at IMC and we are
committed
to creating and
strengthening a
safety
culture
within **our** operations and
in our supply chain
partners

The S.H.E. Department and shop safety window persons perform the risk assessment on shop processes. The hierarchy of controls is applied to eliminate safety hazards from processes. Workers can report work-related hazards and hazardous situations to the immediate supervisor of the shop through "Hiyari Hatto" (Near-miss Reporting), under which members submit hazards-related information on a monthly basis to the S.H.E. Department and get incentives for best hazards identification. Our safety principle from IMC Safety Policy empowers all employees to stop any unsafe job or act. No reprisals are made against workers for stopping work. An accident investigation SOP, genba, is performed to make an accident investigation report. The report is shared companywide and with other affiliates to learn reflection so that recurrence can be avoided. Toyota's management tools are used to improve and enhance safety within operations. We believe in KAIZEN and continuously look for further improvement. The activity of JISHUKEN (Identification of areas requiring ongoing focus) helps to stimulate KAIZEN. The workers are trained in occupational health and safety through organizing regular training. The training includes Basic Safety Awareness, Safety DOJO (Accidents Simulators), KY (Hazards Identification), Work at Height, LOTO, Low Voltage, Driving Safety, etc.

Our health and safety management practices are focused on zero fatalities and injuries. Occupational health services are provided to ensure the health and safety of the workforce. Our health and safety management system includes ergonomics to eliminate and reduce work burden and posture-related hazards.

Pulmonary Function tests and Audio Metry tests of shop floor workforce are being undertaken by professorial physicians regularly every year. Hepatitis vaccination for food handler staff is mandatory to ensure workers' health. Moreover, for catering to health emergencies of the workforce, a First-aid Centre has been established which is available on a 24/7 basis. IMC believes that a healthy workforce is critical for business continuity and promotes worker health by offering medical insurance to workers and their families. The workers are also encouraged to adopt a healthy lifestyle.

2023 Trainings

- Basic Safety & Environment Awareness
- Work at Height
- Low Voltage Electrical Work
- Construction Safety Management
- Ergonomics Evaluation
- 5S Awareness Session
- Chemical Spillage Control
- Fire Fighting

Health and Safety Committees

The Health and Safety culture is strengthened through health and safety committees. These committees include representatives from management and employee covering all workforce. The safety committee meetings are held regularly at various levels where issues related to health and safety are discussed and actions to improve health and safety conditions are taken as per need. The following meetings are organized on a daily, bi-monthly, and monthly basis.

- Daily Asakai (morning) Meeting, to address safety issues and activities progress and presentation for any kaizen
- Sub-Committee Meeting, with working-level shop safety PICs (bi-monthly)
- Steering Committee Meeting, with top management (monthly)

Monthly safety bulletins are circulated companywide and safety instructions are displayed on the canteen LED screens. Moreover, Top Management campaigns (Mass Awareness) are regularly carried out to create awareness about safety.

We formulate a 5-Year Action Plan in line with the Toyota Environment Challenge 2050 to continue with our safety, health, and environmental objectives. Globally, Toyota monitors each company against its standards and records its performance. Being a Toyota affiliate, IMC also adheres to all standard operating procedures and strictly monitors Injury Free Rate as per the direction of Toyota Motor Corporation.

All our products and services are regularly reviewed for their health and safety impact during the design, production, service delivery, and product use phases. There were no incidents of non-compliance with the health and safety impact of products or services.

▪ **Safety Month 2023**

Safety

Month is observed each year in April to reinforce the commitment to safety. During the whole month, various activities – safety walks, safety audits and training, including firefighting training, fire simulation evacuation drills, screening of safety videos and awareness sessions – are organized. Moreover, during the month, special safety audits are carried out to check compliance with policies and procedures to enforce the safety system. Competitions are also organized to encourage members for executing safety KAIZENs in their processes.

▪ **4S + Discipline Management System**

5S PMRS

has been revamped into 4S+Discipline Management System with additional emphasis on creating an ownership mindset along with other work management tools. The system creates a culture of keeping the rules, visualising, and communicating to understand. One of the key principles of this system is “Zenin Sanka” which demonstrates the importance of participation by every individual, especially higher management, with a clear policy.

Injury Rate

| | 2023 | 2022 | 2021 | 2020 |
|--------|------|------|------|------|
| ▪ LWD | 0 | 0 | 0 | 0 |
| ▪ NLWD | 2 | 1 | 0.47 | 0.5 |

In line with our commitment to the health and safety of our workforce and operations, no Lost Work Day (LWD) injury occurred during the year. Minor Non-Lost Work Day (NLWD) injuries occurred. All Non-Loss Work Day injuries occurred in non-production areas. The NLWD consists of sharp parts handling and processing related cut injuries. These hazards are addressed by multiple measures including cut-resistant PPEs, sharp edge interference elimination and safety guards. IMC does not record loss workday injuries and Non-Loss Workday injuries for contractors.

Toyota's global safety standards (Safety-PMRS) are used to record injuries. IMC does not take into account first-aid cases in calculating injury rate and as per the direction of Toyota Motor Corporation, we monitor and take quick action for first-aid cases.

However, fatalities are included in the injury rate. Lost day calculation takes into account the workday schedule and the count begins on the day after the incident. A total of 7,445,159 work hours were recorded at IMC in 2022-23.

The work-related hazards posing a risk of high-consequence injury are fire, machine injury, and cut injury hazards. These hazards are identified through internal fire and machine risk assessment audits, external fire risk assessment by external auditors, 4RKY participation activity of shops, routes, and risk assessment for driving safety, process safety audit, viewpoints, and HRD. IMC organizes competition amongst shop workers in the safety month for the best 4RKY (HAZARDS) identification. The participants are awarded cash rewards and a trophy is given for the best hazard identification.

No work-related ill health or fatality occurred during the year. The work-related hazards posing ill health risks are paint fumes and high-noise operations. These are identified through the application of Toyota Guidelines and Standards and PPEs are provided to workers. The Safety, Health, and Environment department regularly conducts PPEs compliance audits and ensures yearly health checkup of pulmonary, respiratory, and audiometry test for high-risk members is conducted.





empathy begins
with understanding
life from another person's

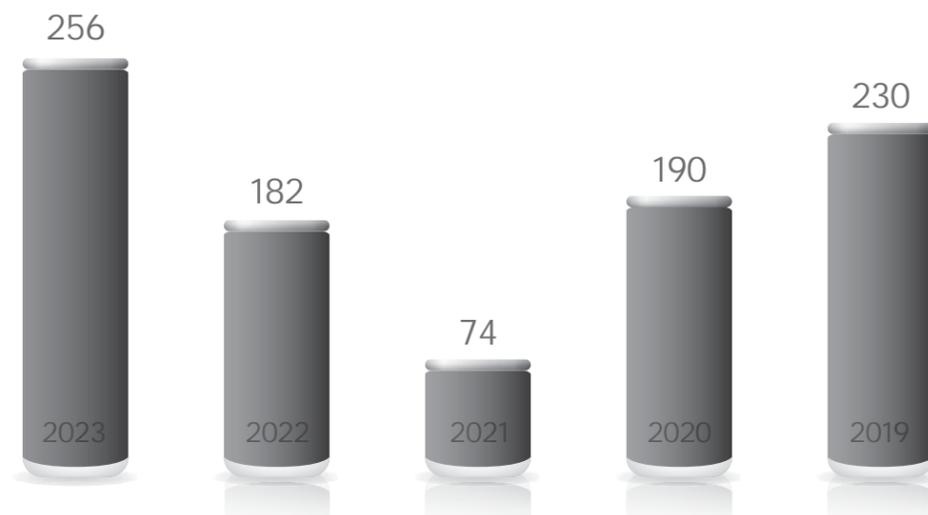
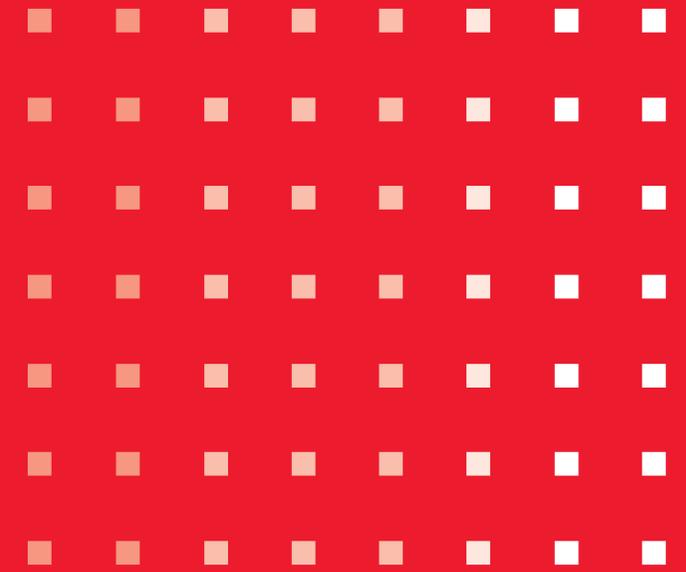
perspective

*Displaced "harees" of the devastating floods of 2022, in rural Khipro, Sanghar
Photographed by Mr. Asad Abdullah, IMC Head of Corporate Communication and CSR*

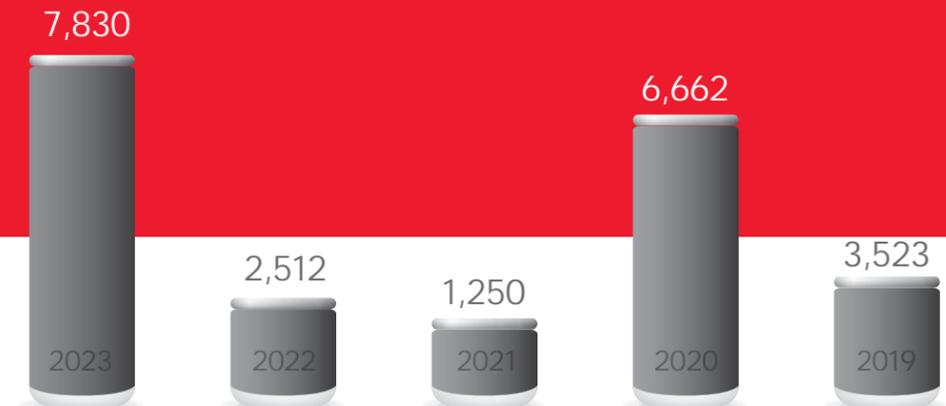
Our Communities



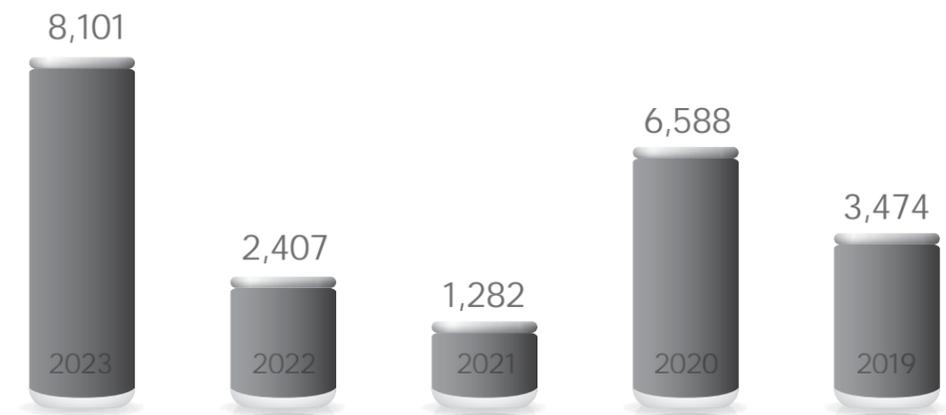
Rs **930+** million
CSR Spend
 in 5 years



CSR Spend
Million PKR



CSR Spend / unit produced



CSR Spend / unit sold

We understand that our success and leadership position is not only the result of our exceptional economic performance and achieving highest customer satisfaction levels but also of our role as a responsible corporate citizen taking care of communities and investing in the country's socio-economic development. Our work in communities is planned to improving and uplifting our societies not only through our mobility products but also through our activities and investments in the areas of education, health, sports, skill development and road safety. Toyota's Guiding Principles and CSR Policy guide our CSR Policy to pursue social contribution activities that help strengthen communities and contribute to the enrichment of society. The IMC CSR Policy also takes a lead from Toyota's Global Vision of enriching lives around the world through the concept of monozukuri (production), creating jobs, developing people, and contributing to society.

Our CSR activities are planned on the basis of need assessment of the communities and input from non-profit associations in defined areas. A senior management executive supported by a team is responsible for need assessment, program design, implementation, and sustainability of the intervention in defined areas. The plant-site community is engaged regularly to understand the requirements and identify the areas for possible intervention. The identified programs are reviewed in line with the Company's CSR policy. The CSR function with the support of the Administration department ensures smooth implementation of the programs. The monitoring of CSR activities is carried out regularly and the results are reviewed against defined objectives and relevant adjustments are carried out. No impact assessment of the CSR interventions was conducted during the year. Based on our work with communities, we have determined that there was no significant actual or potential negative impact of our operations in local communities around the plant site. IMC annually contributes 1% of its pretax profit of the preceding year towards community investment.

• **Neighboring Communities Uplifting Program**

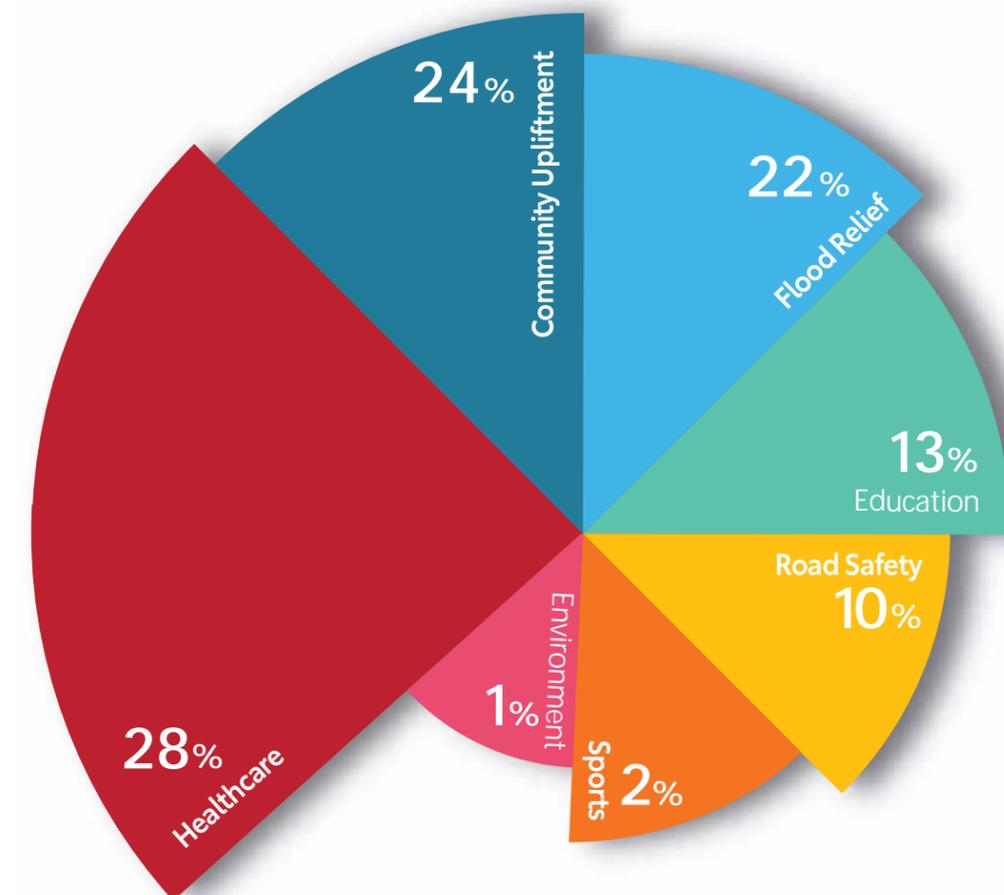
At Indus Motor Company, our Neighboring Communities Uplifting Program reflects our dedication to creating a positive and sustainable impact on society. We remain committed to empowering communities, fostering education, and addressing social challenges, contributing to the development and growth of the nation as a responsible corporate entity. Our approach to this program is a holistic one; encompassing a wide range of CSR activities and projects which are one of their own kind in their originality and uniqueness. From taking care of immediate needs (Food & Health) to early childhood education (T-GEP), our program is intended to become sustainable once the community is empowered enough to sustain these initiatives. Indus Motor currently supports six *goths* (villages) neighbouring the company.



for the
happiness of someone
other than ourselves

2023 *Spend*

Rs **256M** :: ::



EVERY child
yearns to learn.

Toyota Goth Education Program

Stewarding
our less priveledged
towards a brighter

future

The kids of Saleh Muhammad Goth, Karachi,
holding their admission chits at TCF campus

• Education

We believe that education is the only tool that can transform the down-trodden community to a new dimension. Educated societies are essential for economic development, good health and well being and prosperity. Through our **Neighbouring Community Uplifting Program**, we are focused to provide basic education to the children of underprivileged communities and promote technology to students for pursuing their technological ambitions. Partnerships with different institutes help to bring academic excellence, harnesses leadership potential and understand diverse perspective.

The issue of out-of-school children in Pakistan hinders economic development on account of the non-availability of an educated and skilled workforce. The issue exists mostly in underprivileged communities on account of poverty, hunger, and lack of resources. IMC is playing its part to curb this issue and has partnered with The Citizens Foundation (TCF) for imparting quality education from the grassroots level on the outskirts of Muzaffargarh and Hyderabad and also to its neighbouring communities around the plant site. IMC makes contributions to bringing academic excellence to higher studies and has been regularly supporting the Habib University.

• Toyota Goth Education Program

The Company's flagship social initiative, the **Toyota-Goth Education Program (T-GEP)**, run in collaboration with The Citizens Foundation for the 15th running year now, was initiated under IMC's **Neighbouring Community Uplifting Program**, for providing quality education from the grass-root level, to the economically disadvantaged out-of-school children living in goths (villages) neighbouring IMC, providing full financial support for elementary and secondary school education.

To accommodate out-of-school children, during the year, we have expanded T-GEP enrolment to a wider number of children from the current strength of 300 students to 500 students for the academic years 2023-24, studying at five TCF campuses located at Karachi.

Rs **92 M**
endowment fund

In addition to the T-GEP initiative, the Company also operates three TCF facilities at Karachi, Hyderabad and Muzaffargarh where around 1,100 students are studying through a Rs 92 million endowment fund and an annual grant. The campuses at Hyderabad and Muzaffargarh have been built by IMC.

During the year, around 200 children from different villages were selected for enrolment for next academic year beginning August 2023.

• Youth Leadership Conference

The Markhor, is Pakistan's first wilderness-based Youth Leadership Conference run by the award-winning not-for-profit organization, Youth Impact, which is the brain-child of its founder, Abdul Samad Khan. The Markhor Conference is a five-day, all outdoors program held at an off-the-beaten track location. The winter setting for the Markhor 2022 was the picturesque Khanpur Dam in KPK, about an hour's ride from Islamabad.

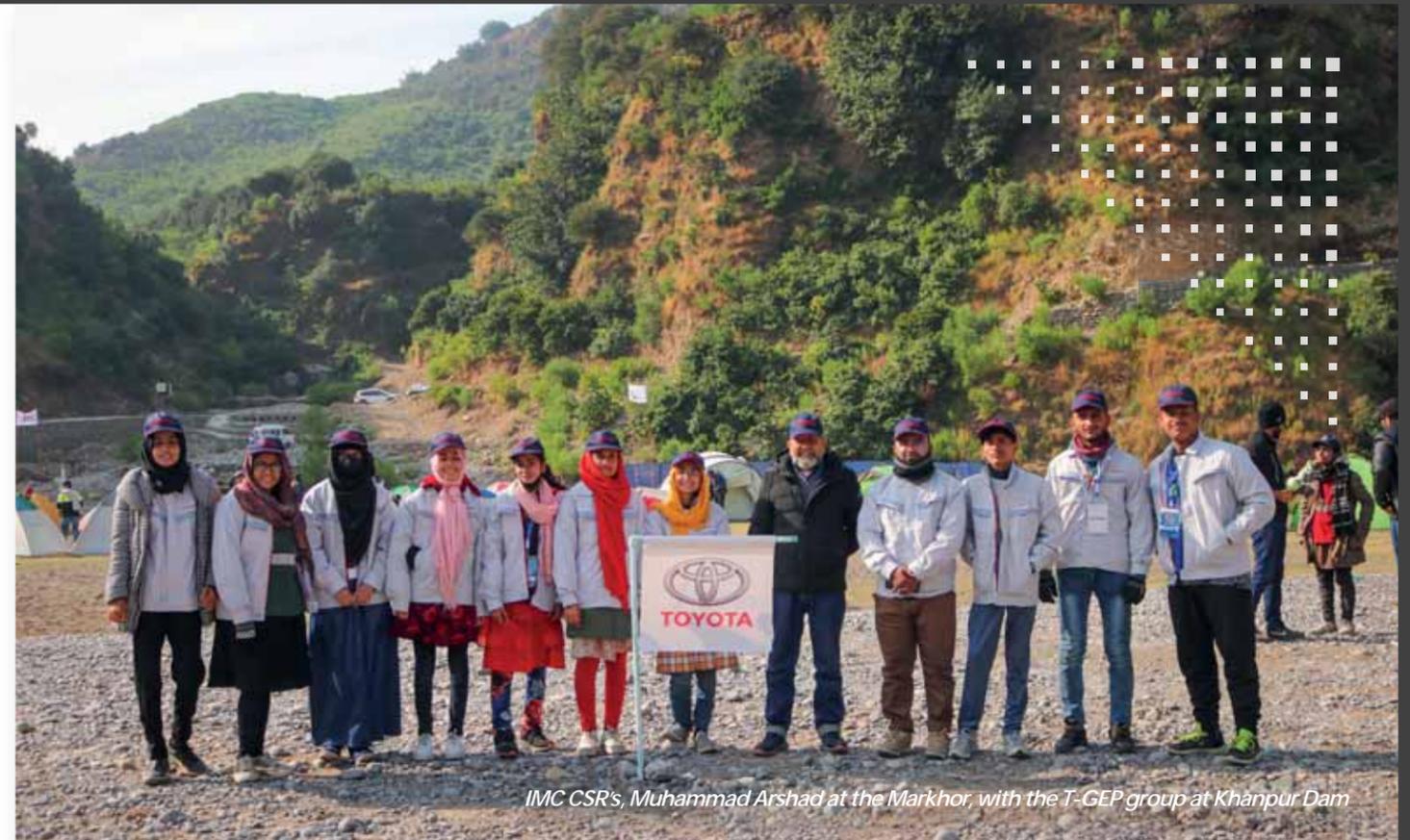


Group diversity is Markhor's unique stamp. To see the around 70 young kids, belonging to different regions, religions and socio-economic backgrounds, in their full

element, was a visual treat. The elaborate themes were #WorldofPossibilities and #ItsTheTime, which focused on how leadership and management methodologies were forced to evolve and adapt in the face of challenges the COVID-19 pandemic brought on.

IMC has been a regular sponsor for the Markhor since 2014, however, this was the third consecutive year that IMC has sponsored students studying under its flagship Toyota Goth Education Program (T-GEP) – run in tandem with The Citizens Foundation - which functions under the **Neighbouring Community Uplifting Program**. This time it was a group of 10 students, eight of them girls - coming from economically disadvantaged communities, residing in Abdullah Goth, one of the villages neighbouring IMC and supported by it - and branded as the official Women Leaders Partner.

Three of these T-GEP students received awards for *Best Mini Project* and *Best Tribe*.



IMC CSR's, Muhammad Arshad at the Markhor, with the T-GEP group at Khanpur Dam

Stimulating Technical Education

• Toyota – Technical Education Program

the objective is to provide **service-to-society** by familiarizing the young generation with the latest **automobile technology** & **creating employment opportunities**

The Toyota Technical Education Program (T-TEP) is Toyota Motor Corporation's flagship program to support its worldwide affiliates to train and develop human resources in their local communities by establishing a long-term affiliation with running vocational institutes. The objective is to provide Service-to-Society by familiarizing the young generation with the latest automobile technology, creating employment opportunities, and also to bridge the gap of trained automobile technicians in the country.

T-TEP was launched in Pakistan in the year 2000 and is currently running at four institutes in Karachi, Lahore, and Islamabad. A three-year certification is offered under the program which enables students to pursue a successful career in the technical field. The Toyota philosophy and methods are the cornerstones of this program. IMC has contributed an amount of Rs. 75 million to four T-TEP institutes across Pakistan in terms of training, tools and equipment, and other development activities. Since the beginning of T-TEP in Pakistan, IMC has trained 56 instructors successfully and invested around 1 million man-hours, graduating 4,397 students who got employment opportunities both within Pakistan and abroad.



IMC Road Safety Leaders pose with their pledges during the Global Road Safety week

*"I am a
Safety
Leader"*



روڈ سیفٹی

ہر فرد

کی ذمہ داری ہے

- Some Road Safety Leaders pledging to be road aware
- during the [UN Global Road Safety Week](#) at IMC

• Road Safety

Road safety is taking a serious turn in Pakistan and addressing it is not any one person's job. It is a shared responsibility. With the rapid expansion of motorization, traffic safety in Pakistan has become a serious concern that has witnessed a sharp rise in road traffic-related fatalities and injuries. An estimated over 27,500 people die annually in the country and another 50,000 end up with some disability. As **Safety Leaders**, Toyota values safety, be it the Company's products or safety on roads.

Toyota's ultimate goal is to reduce fatalities from traffic accidents to zero. To realize this, in addition to developing safe vehicles, it is essential to educate people i.e drivers and pedestrians, and to ensure safe traffic infrastructure such as roads and traffic equipment.

• Toyota Road Safety Program

In a dynamic collaboration between NED University and IMC, groundbreaking research is underway to dissect the most congested and accident-prone thoroughfares in Karachi. This comprehensive study serves as a beacon, illuminating areas of concern that warrant urgent attention from local authorities. The focal points of investigation, including the National Highway, Rashid Minhas Road, and Sher Shah Suri Road, have undergone meticulous evaluation, with the ultimate aim of forging a safer urban landscape.

The **Road Safety Leader Campaign** emerges as a pioneering initiative, spanning the entirety of Pakistan. This digital undertaking beckons individuals to take the pledge of adhering unwaveringly to safety protocols and traffic mandates.

It's more than just a pledge; it is an understanding propelled by a road safety quiz, effectively fostering a culture of conscientiousness.

According to the World Health Organization (WHO), approximately 1.35 million lives are lost every year due to road traffic accidents globally. The resonance of the **7th International UN Road Safety Week** is to reverberate caution on the roads, as well as to make use of helmets and seatbelts. The collective fervor of numerous IMC departments bore testament to their resolute commitment.

A luminary figure in the realm of road safety, Mr. Niaz Malik, also the **Brand Ambassador for Road Safety** at Indus Motor, conducted a Zoom session. His deeply personal narrative of a fateful episode of driving apathy, where he momentarily slept behind the wheel, subsequently leading to paralysis from the neck down. His narrative serves as a sobering reminder of the stakes we face on the road.

The **Toyota Sure Used Cars Gala** seamlessly weaves awareness into engagement. This is where the IMC team got to interact at a customer level, as well as join hands with dealerships in terms of road safety outreach. Similarly, engagement was created at a student level at Kingston College in Lahore. This holistic approach to safeguarding lives on the road underscores the commitment of the entire community.

Tools like social media, newspapers, as well as mass text message campaigns have been used to remind people of the importance of safety features, that can help save a life. In this symphony of collaboration, research, and awareness, we're sculpting a tomorrow where our roads are safer, our journeys more secure, and our collective responsibility paramount.

• **Toyota Road Improvement Project**

The vehicular traffic in Karachi is increasing rapidly, resulting in excessive traffic congestion, emissions, higher fuel consumption and loss of productive time. Furthermore, the lack of traffic law enforcement, reckless driving and deficiencies in road infrastructure lead to a higher number of accidents and the loss of precious lives. Toyota Road Improvement Project (TRIP) is a collaborative project, between NED University and Indus Motor. The initiative is a proven collaboration harnessing the road safety expertise of academia and relevant stakeholders to develop and implement community and city-based interventions designed to contribute to reducing deaths and injuries on the road. The project has formed the basis

for evaluating traffic problems, developing data-led, rigorously evaluated, cross-sectoral engaged and sustainable solutions and implementing the proposed solution through stakeholders from relevant authorities. The prime objectives of the program are "Reducing Traffic Congestion" and "Improving Road Safety" with deliverables of Road Stretch Evaluation, App Development on Road Safety, and awareness sessions in schools.

• **Road Safety Awareness Campaign**

In addition to research works on Toyota Road Improvement Project, IMC is also promoting various road safety and inclusion campaigns. IMC engaged Mr. Niaz Malik as IMC's Celebrity Endorser and Brand Ambassador for Road Safety to create road safety awareness. On a series basis, eleven episodes of the video "Learning from the Back Seat" have been released on all our social media handles, whereas Text messages on Road Safety are sent to Toyota lovers.

• **Sponsoring Road Safety Conference of CAP**

IMC sponsored the 6th Consumer Road Safety Conference of The Consumers Association of Pakistan held on January 26, 2023. The conference was focused on creating awareness of road safety and recommending actions to promote and ensure road safety. Indus Motor Company participated in the conference and sponsored the conference along with other automobile players.

• **Health initiatives**

Our health care initiatives are designed to ensure healthy and safe societies which are vital for peace, economic development, and prosperity. Our interventions in this field focus on the provision of basic health facilities to the neighbouring underprivileged communities at their doorstep. In addition to our health initiatives for communities, we regularly donate to hospitals, blood banks, and other healthcare institutions which provide life-care and healthcare services to the underprivileged.

Let's Meet with *Niaz Malik!*

IMCs Ambassador
for Road Safety

from accident to *advocacy*

How Indus Motor & Niaz Malik work to mitigate road accidents

Niaz Malik, Brand Ambassador for Road Safety at Indus Motors, talks to SouthAsia in this exclusive interview.

Could you shed light on your accident and how has it impacted your life since?

The memories of that day are still vivid in my mind. I remember it was July; Ramadan was ending, and I was visiting a team member in Chakwal who had lost his father, to pay my condolences. I was extremely fatigued and jetlagged after forty hours of travel from China, but did not think much of it and drove anyway.

It was on the way back, that I dozed off behind the wheel and my car veered off the road and plummeted down a cliff into a valley. It is still a very dark and painful memory. I suffered severe injuries to my neck and spinal cord that left me paralyzed from the neck down and confined to a wheelchair. This incident proved to be a life changing experience for me and that is why I keep advocating road safety because it can transform your life in an instant.

I had to leave my job, concentrate on my recovery, re-evaluate the purpose of my life. It gave me a stark awareness with regard to my priorities moving forward. After that I started my management consulting firm which advises CEOs and large groups in Pakistan with regard to their strategic endeavors, and how to deal with turbulent times, uncertainty, growth, and inclusion at workplace. This major life change encouraged me to become more involved in community initiatives and found my sanctuary in spirituality. Now I spend more time with my family and people who matter in my life as I learnt that nothing lasts forever. The whole experience stirred something humane in me which made me less of a professional and more of a human being who believes that we should live and enjoy each moment of our lives.

How has it changed you as a person ever since?

Now that my life has been turned over on its head, I have learnt to dwell upon things that I once overlooked and deemed a waste of time. I am a lot more patient; forgiving of the things I cannot control, and forgiving of my own flaws. My journey has made me a more tolerant and an accepting human.

I believe we always have to give our endeavors our 100% effort, and the result will come at the right time. This is why I dedicate my time to road safety, mobility, and inclusion. More people need to realize how arbitrary life is, and precaution is key.

When did you decide to become an advocate of Road Safety and the Road Safety Ambassador for Indus Motors?

My accident changed my life in ways I could not have even imagined. I wanted to speak up for the cause, to be able to share the awareness amongst community and act as a catalyst for change.

Indus Motors has, for years, been a prominent flag-bearer of Road Safety in Pakistan. Their motto "Concern Beyond Cars" is self-explanatory. The Toyota Road Safety Program is a comprehensive initiative launched by Toyota Motor Corporation to promote safe driving practices and reduce the number of accidents on roads worldwide and of course, in Pakistan. The program includes a variety of activities, such as driver education and training, research on vehicle safety technologies,

It is their "Be A Safety Leader" initiative under their Road Safety Program that piqued my interest. IMC encourages everyone, young and old, to become Toyota Safety Leaders. The motive behind their road safety initiatives is what led to my official onboarding as IMC's official Brand Ambassador for Road Safety.

Can you tell us about Indus Motors "Be a Safety Leader" campaign and what motivated you to join their drive and passion for Road Safety?

All advocacy efforts require communities and groups to collectively work together to solve problems. Working together with IMC is helping me reach the masses. Being a staunch advocate of road safety, I felt that my passion and drive to inculcate the sense of safety in every person on the road strongly resonates with IMC as they are working towards a safer transit system already. Together, we are designing our road safety messaging and initiatives to create awareness in society of this important aspect, reduce traffic accidents and help create a safe environment for all road users. I am proud to be an IMC Road Safety Leader.

IMC's initiatives are intended to create agents of change under the banner of Road Safety Leaders and raise public awareness of this critical issue, reduce traffic accidents, and contribute to the creation of a safe environment for all road users. IMC has taken a leadership role in the field of road safety and has pioneered several research projects to address this issue. Their dream of having a safer Pakistan immensely resonates with me. My ability to understand the problem firsthand and then provide required solutions based on my own experiences motivates me. I want to express my gratitude to Indus Motors' CEO Ali Asghar Jamali and Head of Corporate Communication & CSR, Asad Abdullah with whom I have had the immense pleasure of their acquaintance.

It is due to the shared drive and passion that I wholeheartedly accepted their Brand Ambassadorship for their Road Safety Initiatives.

What is IMC doing for road safety awareness and how much time do you think will it take to 'fix' Pakistan's Road Safety issues?

It goes without saying that the road safety issues will take quite some time to fix and effort from all of us. We must realize that it is a long-term

project which involves the combination of different stakeholders, our own attitude, and our willingness to obey the law.

By becoming more aware, patient, and firm understanding that we must change ourselves while we drive. We are dedicated to become agents of change. At IMC we have engaged the government and different institutions to take this seriously. It cannot happen overnight but we have set the targets of reducing accidents, and saving lives, and have a comprehensive plan at each level with the government.

Using smart technologies and platforms to promote road safety activities, IMC has also partnered with NED in a massive research project that pinpoints and identifies high accident-prone spots spanning ten major arterials in Karachi whilst also creating traffic safety awareness through campaigns, amongst children and young adults. These types of collaborations will undoubtedly benefit Pakistan for generations to come. Speaking of generations, one of IMC's most prominent campaigns is 'Learning

from the Back Seat', a digital campaign spread over eleven informative videos. We strongly believe children to be the best Road Safety Leaders. Nurturing these children results not only in them influencing the decisions of adults around them, but these same children will grow up, instilled with the awareness of road safety. Thus, creating a growing, sustainable and cascading generation of Road Safety Leaders.

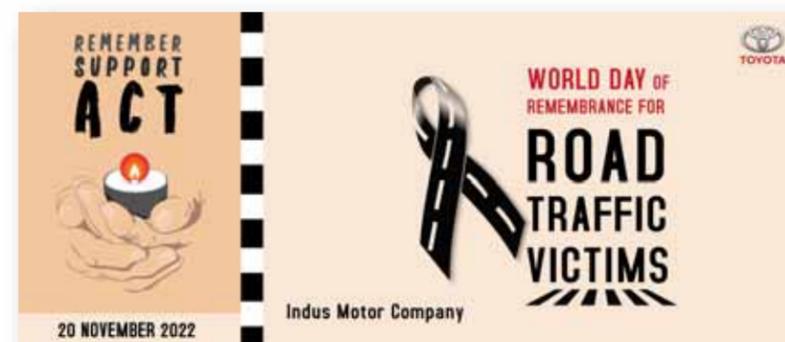
Another significant development was when IMC signed a pact with the International Road Federation (IRF) based in Switzerland, together with a group of leading private sector companies in Pakistan. IRF is a world-recognized authority on road safety. Together with IRF, IMC intends on combining the experience and expertise of both organizations to increase awareness of road safety and reduce road accidents in Pakistan. In addition, there are many other initiatives that have either been taken or are in the pipeline.

What advice would you give to the masses for road safety?

Road safety affects us every day, the minute we get out of our house. We can only be safe if we are mindful of it, we can only be safe if we truly understand its spirit. It comes by being patient, obeying the traffic rules, giving way, and try not to be in haste each time we get on the road. You must learn how to drive safely, understand your vehicle and understand the pedestrian laws. Please take it from me; someone who has been through the unthinkable. Always be careful on the road and obey traffic rules. Your actions always have consequences and can change someone else's life or your own forever.

— This interview was originally published in the US award winning SouthAsia magazine

World Day of Remembrance for Road Traffic Victims



The World Day of Remembrance for Road Traffic Victims, is observed globally on the third Sunday of November each year. It is a high-profile global event to remember the many millions who have been killed and seriously injured on the world's roads and to acknowledge the suffering of all affected victims, families and communities – millions added each year to countless millions already suffering.

tagline, **Road Safety is Every Person's Responsibility.**

The company's Chief Executive's message on this World Day emphasized that road safety is not any one person's job rather a collective effort and aimed at being mindful of traffic rules and as responsible citizens, to do our part to make the roads of Pakistan safer whilst also paying tribute to the dedicated emergency response crews, police and medical professionals, who deal daily with the traumatic aftermath of road crashes.

In Pakistan, Road Safety has taken a very serious turn, one that has witnessed a sharp rise in traffic related fatalities and serious injuries. The United Nations has declared the years 2021 to 2030 as the new Decade of Action for Road Safety, setting the ambitious target of reducing road traffic deaths and injuries by at least 50%. To reign in the deaths and injuries caused by road accidents occurring on a daily basis, IMC has embarked on an ambitious Toyota Road Safety Program, under the

Community Services

Weekly Cooked Food Distribution

Our commitment to community well-being extends beyond education and skill development. Through various community service initiatives, we strive to address the basic needs of underprivileged communities. On a daily basis, cooked meals are distributed, free of cost, through Saylani Welfare Trust and Safaid Posh Dasterkhwan in villages supported by IMC. Additionally, during the month of Muharram, we initiated the same service of providing cooked food to 1,100 underprivileged community members daily for 52 days.

117,500+
persons impacted



Ration Distribution during Ramazan

1,300
families impacted

Recognizing the importance of social and economic determinants of health, we provided ration distribution to village communities supported by IMC in need, in collaboration with Saylani Welfare Trust.

Childhood Blindness Prevention



After a successful Childhood Blindness Prevention campaign run last year on World Sight Day, in partnership with Al-Ibrahim Eye Hospital (AIEH), that targeted school going children studying at The Citizens Foundation (TCF) campuses in neighbouring villages supported by IMC, this year again the 'Love Your Eyes' campaign expanded its scope, this time also reaching out to out-of-school children and adults in addition to school going kids, living in these communities.

1,800+
persons screened in 10 villages



The Childhood Blindness Prevention Program functioning under IMCs *Neighbouring Community Uplifting Program*, aims to mitigate the risk of blindness and visual impairment, pervasive amongst both school going and out-of-school children and adults belonging to low socio-economic communities, residing in adjoining villages supported by the Company.

Eleven free vision screening camps in nine villages were setup for out of school children and adults. The three major problems that surfaced post screening were cyclo refraction (blurred vision and abnormal sensitivity to light); squint and, amblyopia (poor vision commonly in one eye).



Those with refractive error were provided free spectacles and medicines wherever needed, whilst patients requiring further treatment/surgery were referred to AIEH. The two exciting aspects of this collaboration with AIEH, is capacity building and more importantly, creating awareness of childhood vision impairment, which will have far reaching results in the communities.

Weekly Free Medical Camps

Free Medical Camps are being organized three times a week on a regular basis to provide basic health care treatment to the neighbouring underprivileged community. In 2020, the Saylani Welfare Trust was entrusted to run the Medical Camps with additional facilities for Blood Sugar Tests, Blood Pressure Tests, and referring serious patients to hospitals on its panel. During the year, more than 2,900 patients were treated for various seasonal illnesses such as Respiratory Tract Infection, Gastroenteritis and other general health problems arising from lack of immunity. The medicines were distributed free of cost.

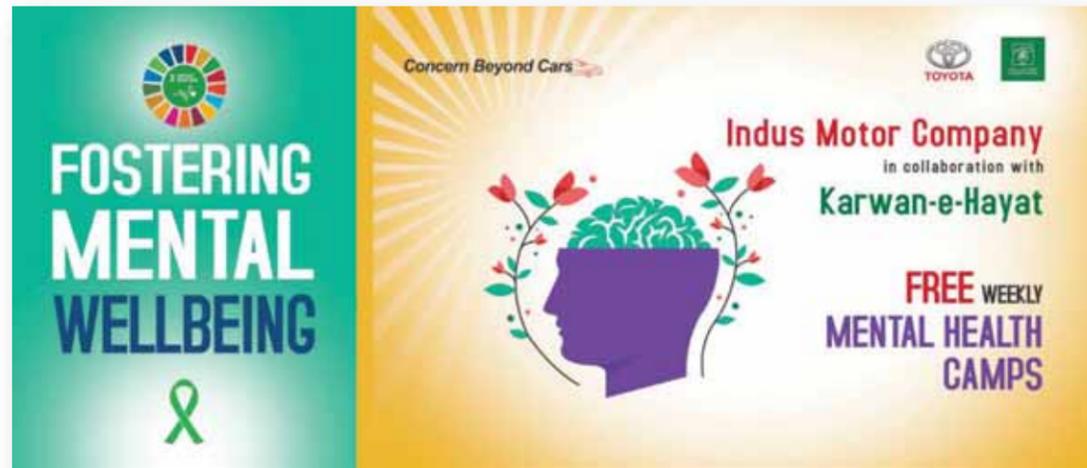
30,200
persons treated



Free Psychiatric Health Camps

Mental health is the most neglected and under-served area of public health. The dearth of basic understanding of psychiatric disorders coupled with the social stigma attached to it, sadly prevents people from seeking the care they need. In a country of 240 million, Pakistan has only five specialized mental institutions or one psychiatrist for 500,000 people.

2,900
persons receiving treatment



IMC under its Neighbouring Community Uplifting Program, has partnered with *Karwan e Hayat*, for carrying out free psychological health-related camps for the economically disadvantaged communities. An important element of this arrangement is educating and creating better awareness on the importance of good mental health in the same way as we care for our physical health.

Karwan e Hayat, a not-for-profit institution, is the

country's largest psychiatric care hospital and for the last four decades has been at the fore-front in providing quality psychiatric and rehabilitation services to the most neglected, mentally ill patients in Pakistan, at absolutely no cost. Since 2016, IMC has been extending psychiatric medical services - free of cost - to the underserved communities, residing in village communities located in the company's vicinity and supported by it.

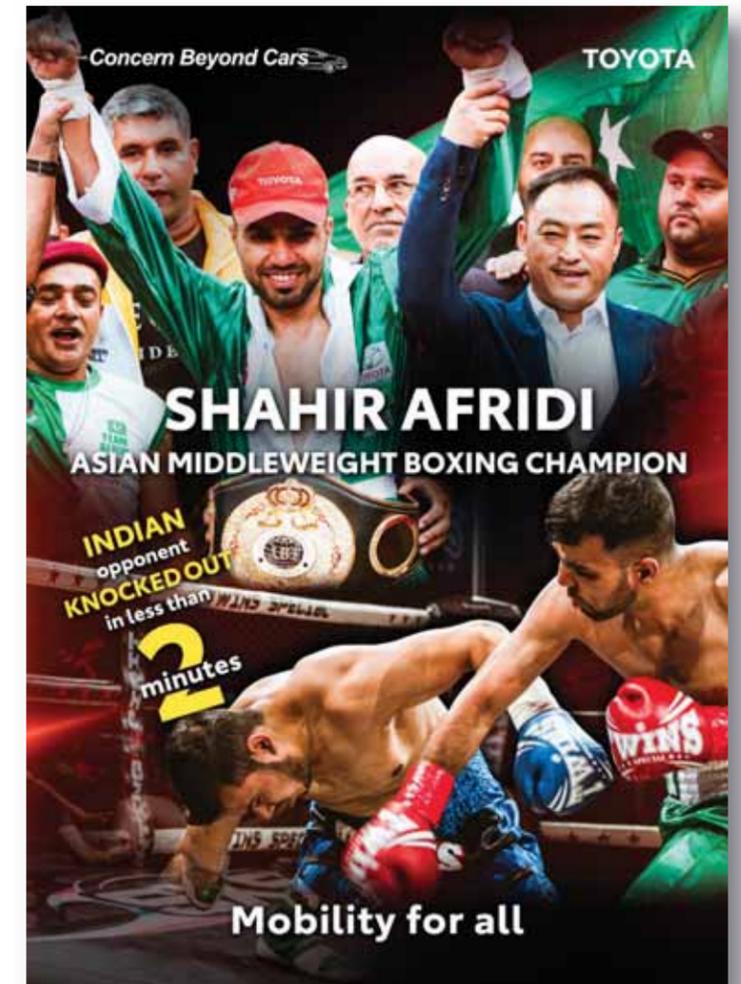
Realising a young boxer's dream

The 2030 Agenda for Sustainable Development acknowledges sport as an important enabler of sustainable development, recognizing the growing contribution of sport to the realization of development and peace in its promotion of tolerance and respect and the contributions that it makes to the Sustainable Development Goals.

In line with Toyota's transformational vision, Mobility for All and the creation of a more inclusive and sustainable society, IMC in its endeavor to foster opportunities for young talented individuals, supported a young emerging boxer from Karachi, Shahir Afridi, in his quest to defend his Asian Title at the Asian Boxing Federation (ABF) Championship in Bangkok, Thailand.

The 27-year-old Pakistani boxing prodigy, Shahir Afridi has won accolades both nationally and internationally. His boxing career took off in 2020 and given his limited experience, boasts an impressive boxing record of 4-0-1 (Wins-Losses-Draws). He won the Asian Middleweight Title in May last year and subsequently accepted the challenge from his Indian counterpart to defend his Asian Title at the Asian Boxing Federation. The highly anticipated fight was Shahir's first title defense for his ABF title and in less than two minutes into the first round, he knocked-out his Indian rival.

Shahir currently also serves with the Rapid Response Force, Sindh Police.



"I am aiming to compete in the Welterweight class and have set myself a target to raise my current world ranking of 1.5 to 3.0, till next year end. This will then put me in a position to eventually go for the World Title which is my ultimate goal."





“In one word,
I would say the experience was
intense.”

I just could not
fathom the pain and
suffering, till the time
I was actually there,
on the ground.

— Asad Abdullah
Head of Corporate Communication
& CSR, Indus Motor

*Inundated fields and communities
after the 2022 floods that caused
massive devastation in rural Khipro, Sindh*

Photographed by Asad Abdullah

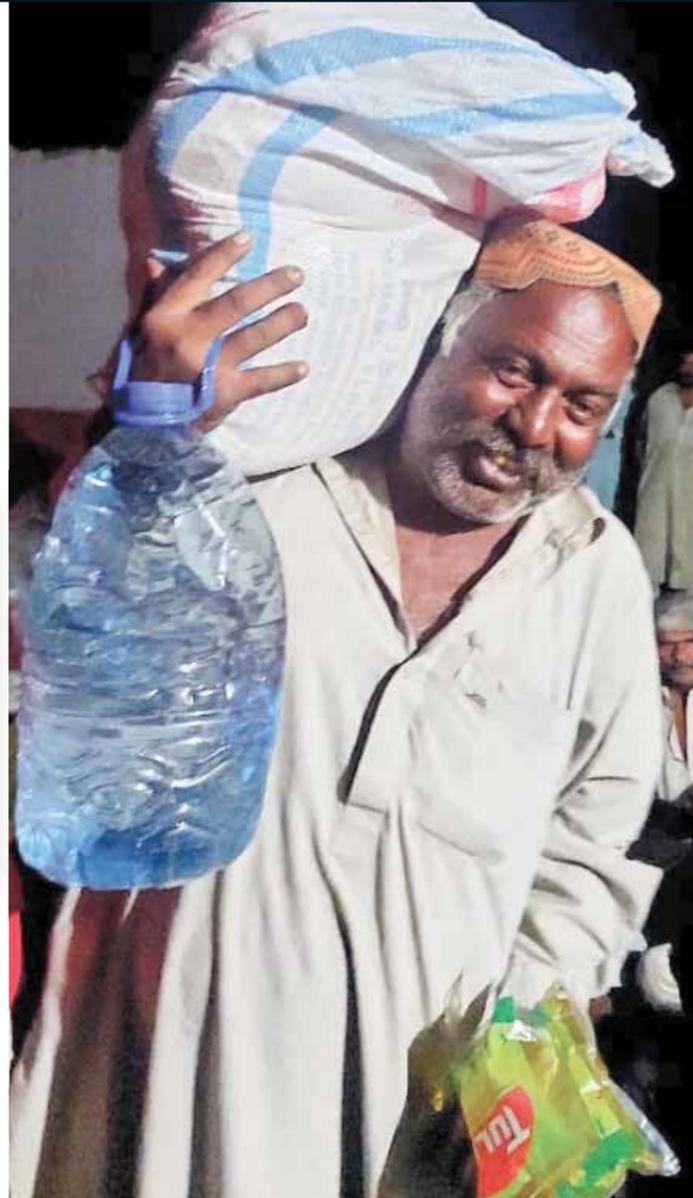
Humanitarian Disaster Relief

■ Operation Flood Relief 2022

Pakistan has been hit with the worst ever natural calamity in its 75-year history. The torrential rains of 2022, followed by flash flooding, caused widespread devastation spanning the entire country. Villages wiped out, thousands of lives lost, millions left homeless, the destruction has been catastrophic which is very sad and painful. Under our CSR program, Concern Beyond Cars, the company undertook the Operation Flood Relief 2022 with a team of volunteers, reaching out to around 3,000 families in rural Sanghar and Sukkur, both located in Sindh.



Between August 31st and September 10th, two teams, led by IMC's Corporate Communication & CSR, Asad Abdullah and the other one by Muhammad Arshad, headed out with a total of twelve volunteers, for Khipro (Sanghar) and the outskirts of Sukkur, respectively. Our partner, Saylani Welfare Trust (SWT), organised and transported essential supplies which included dry rations, bottled water, tents, tarpaulins, mosquito nets and repellent to the locations and distributed by IMC members themselves. The relief operation also included Medical Camps, also set up by SWT at different locations.



IMC CSR's Muhammad Arshad with his Flood Relief team in Rohri, Sukkur

Employee Volunteering

Today more and more customers like to do business with socially conscious organisations. Likewise, employees, potential hires, and especially younger workers increasingly want to work at companies that pursue diversity, equity and inclusion (DEI). Volunteer experiences must be seen as meaningful in order to create a natural draw for employees. With this mind, IMC formulated a structured volunteering platform. The main objectives of the program are:

- Expand awareness of IMCs social contribution initiatives to a wider audience within IMC
- Sensitize employees to giving back to communities and provide a platform to engage
- Foster meaningful employee engagement
- Promote transparency and communication
- Help uplift brand image as a responsible corporate entity committed to giving

2,524
volunteer hours



IMC CSR's Muhammad Arshad with his team of volunteers for national flag 5S activity

The Company's social contribution initiatives are focused on Toyota's three global priority fields i.e. education, environment conservation and traffic safety. In addition, healthcare, livelihood opportunities for the less privileged, sports, etc. are also some of the Company's social contribution areas. During the year, both management and non-management employees actively participated in the social initiatives IMC undertakes.

To this end, IMC has partnered with several NGOs (not-for-profit organisations). Employees have the opportunity to volunteer time for any social initiatives undertaken by the Company.

Giving Back to *Communities*

Health

| | |
|---|--|
|  | Rs 35,000,000 Third and last tranche against a Rs 60 million pledge for its under-construction facility at Karachi |
|  | Rs 17,000,000 Second tranche against a Rs 60 million pledge for its under-construction facility at Karachi |
|  | Rs 12,000,000 Annual running of Surgical Complex at JPMC Karachi |
|  | Rs 5,000,000 For operational expenses |
|  | Rs 3,000,000 Running cost of ChildLife Resuscitation Room at the Children's ER (Emergency Room) at the Pakistan Institute of Medical Sciences (PIMS), Islamabad, providing Tele- medicine support |
|  | Rs 1,050,000 For prosthetic limbs for poor children and adults |

Education

| | |
|---|--|
|  | Endowment Fund: Rs 92 million |
|  | Rs 4,000,000 For operational expenses of TCF Indus Motor Company Campus I, Muzaffargarh. The facility has been constructed by Indus Motor Company |

| | |
|---|---|
|  | Rs 20,000,000 For Habib University's operations |
|  | Rs 500,000 Running of the Recycle Research Lab setup last year |
|  | Rs 1,000,000 |

Disaster Relief

Flood Relief Operation 2022 | **Rs 30+ Million**





The Way Forward

*The Markhor 2015 at Mukshpuri Top
Photo courtesy: Youth Impact*

The Way *Forward*

Pakistan's

difficult economic conditions

on account of significant currency devaluation, higher policy and inflation rates and macro-economic and political instability are major challenges for the automobile sector in the coming year. In addition to these challenges, climate change risks leading to heatwaves and massive rains and floods, and geopolitical tension are expected to affect businesses. These challenges are posing growth risks and require setting up resilient business models. We understand these issues and are fully committed to playing our role in economic development while taking guidance from the Toyota Vision, Toyota Guiding Principles and best practices in corporate governance and sustainability management.

This year, remained a tough one for the automobile sector due to multiple plant shutdowns on account of import restrictions and balance of payment crises. The situation is expected to prevail in the coming year leading to a low level of production and sales.

Apart from the issue of part availability, the increased inflation and reduced disposable incomes of the customers are also expected to contribute to lower sales. However, we are committed to making investments in clean technologies, energy resources and efficient energy management in line with the "Toyota Environmental Challenge 2050". Our investments will help us to reduce the costs as well as the environmental footprint of our operations and supply chain partners and to meet our target of net zero impact.

Our human capital is our strength to maintain brand leadership and meet customers' expectations in these difficult times. We are committed to providing decent and safe working conditions, nourish them with training and education, and provide market-based remunerations and benefits. We are committed to supporting our supply chain partners, providing guidance and training to manage their environmental footprint and making contributions for the benefit of society.

We are committed to continuing engagement with our stakeholders, working for the uplifting of our under-privileged communities through investment in education, health and livelihood generation, and promoting skill development and sports for healthier societies. Moreover, we are committed to sharing our sustainability practices and impact with our stakeholders and keep following and supporting:

- "Ten Principles" of the United Nations Global Compact
- Global Reporting Initiatives Sustainability Reporting Standards
- Sustainable Development Goals



*The Markhor conference at Paye Meadows, Shogran
Photo courtesy: Youth Impact*

Let's do
our part
to **save**
THIS planet
because there is
NO planet 'B'

Annexures

GRI content index

The GRI content index serves as a navigation tool to locate the content within the report. The GRI Standards together with the related disclosures are listed and each disclosure is referred to the relevant page in this Sustainability Report or other publicly available source.

| | |
|--------------------------------|--|
| Statement of use | IMC has reported in accordance with the GRI Standards for the period July 01, 2022 to June 30, 2023. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Sector Standard | No sector standard is available for our sector. |

| GRI Standard/ Other Source | Disclosure | Omission | | | |
|---------------------------------|--|-----------|----------------------------|--------------------------|-------------|
| | | Location | Requirement (s) Omitted | Reason | Explanation |
| General Disclosures | | | | | |
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 20 | | | |
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| | 2-3 Reporting period, frequency, and contact point | 4-5 | | | |
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| GRI Standard/ Other Source | Disclosure | Omission | | | |
|---|--|-----------|----------------------------|--------|-------------|
| | | Location | Requirement (s) Omitted | Reason | Explanation |
| General Disclosures | | | | | |
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| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 67 | | | |
| | | | | | |
| GRI 203: Indirect Economic Impacts 2016 | 203-1 Infrastructure investments and services supported | 116-139 | | | |
| | 203-2 Significant indirect economic impacts | 116 | | | |
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| GRI Standard/ Other Source | Disclosure | Omission | | | |
|-------------------------------|------------|----------|----------------------------|--------|-------------|
| | | Location | Requirement (s) Omitted | Reason | Explanation |

Materials

| | | | | | |
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| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 86 | | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 87 | a (i)&(ii) | Information unavailable/incomplete | Information is not available as required by GRI Standards. |
| | 301-2 Recycled input materials used | 88 | | | |
| | 301-3 Reclaimed products and their packaging materials | 88 | | | |

Energy

| | | | | | |
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| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 89 | | | |
| | 302-2 Energy consumption outside of the organization | 89 | a, b, c | Information unavailable/incomplete | IMC does not calculate the energy consumption outside the organization due to the non-availability of reliable data. |
| | 302-3 Energy intensity | 89 | | | |
| | 302-4 Reduction of energy consumption | 89 | | | |
| | 302-5 Reduction in energy requirements of products and services | 89 | a, b, c | Information unavailable/incomplete | Information is not available as required by GRI Standards. |

Emissions

| | | | | | |
|-----------------------------|---|----|-----|------------------------------------|---|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 86 | | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 90 | | | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | - | a-g | Information unavailable/incomplete | Information is not available as required by GRI Standards. |
| | 305-3 Other indirect (Scope 3) GHG emissions | - | a-g | Information unavailable/incomplete | IMC does not calculate the scope III emissions outside the organization due to the non-availability of reliable data. |
| | 305-4 GHG emissions intensity | 90 | | | |
| | 305-5 Reduction of GHG emissions | 90 | | | |
| | 305-6 Emissions of ozone-depleting substances (ODS) | 90 | | | |
| | 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 90 | a-c | Information unavailable/incomplete | Information is not available as required by GRI Standards. |

| GRI Standard/ Other Source | Disclosure | Omission | | | |
|-------------------------------|------------|----------|----------------------------|--------|-------------|
| | | Location | Requirement (s) Omitted | Reason | Explanation |

Water

| | | | | | |
|-----------------------------------|---|--------|--|--|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 86, 91 | | | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 91 | | | |
| | 303-2 Management of water discharge-related impacts | 91 | | | |
| | 303-3 Water withdrawal | 92 | | | |
| | 303-4 Water discharge | 92 | | | |
| | 303-5 Water consumption | 92 | | | |

Waste

| | | | | | |
|-----------------------------|--|--------|--|--|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 86, 93 | | | |
| GRI 306: Waste 2020 | 306-1 Waste generation and significant waste-related impacts | 93 | | | |
| | 306-2 Management of significant waste-related impacts | 93 | | | |
| | 306-3 Waste generated | 93 | | | |
| | 306-4 Waste diverted from disposal | 93 | | | |
| | 306-5 Waste directed to disposal | 93 | | | |

Supply Chain Impacts

| | | | | | |
|---|--|-------|------|------------------------------------|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 74-75 | | | |
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 76 | | | |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 76 | a, e | Information unavailable/incomplete | Information is not available as required by GRI Standards. |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 76 | | | |
| | 414-2 Negative social impacts in the supply chain and actions taken | 76 | a, e | Information unavailable/incomplete | Information is not available as required by GRI Standards. |

Employment and Labor Relations

| | | | | | |
|-----------------------------|--|-----|--|--|--|
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 98 | | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 99 | | | |
| | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 103 | | | |
| | 401-3 Parental leave | 103 | | | |

| GRI Standard/ Other Source | Disclosure | Omission | | | |
|--|--|------------------|----------------------------|------------------------------------|---|
| | | Location | Requirement (s) Omitted | Reason | Explanation |
| GRI 402: Labor Management Relations 2016 | 402-1 Minimum notice periods regarding operational changes | 102 | | | |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 102 | | | |
| | 405-2 Ratio of basic salary and remuneration of women to men | 102 | | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 102 | | | |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 102 | | | |
| Health and Safety | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 98, 108 | | | |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 108 | | | |
| | 403-2 Hazard identification, risk assessment, and incident investigation | 108-109 | | | |
| | 403-3 Occupational health services | 109 | | | |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety | 108-109 | | | |
| | 403-5 Worker training on occupational health and safety | 109 | | | |
| | 403-6 Promotion of worker health | 109 | | | |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 76, 108, 124-129 | | | |
| | 403-8 Workers covered by an occupational health and safety management system | 108 | a (i),(ii) & (iii) | Information unavailable/incomplete | IMC does not maintain information required by GRI Standards. It will be reported in 2024. |
| | 403-9 Work-related injuries | 110-111 | b | Information unavailable/incomplete | IMC does not maintain information required by GRI Standards. It will be reported in 2024. |
| | 403-10 Work-related ill health | 111 | b | Information unavailable/incomplete | IMC does not maintain information required by GRI Standards. It will be reported in 2024. |
| GRI 416: Customer Health and Safety 2016 | 416-1 Assessment of the health and safety impacts of product and service categories | 110 | | | |
| | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 110 | | | |

| GRI Standard/ Other Source | Disclosure | Omission | | | |
|--|--|----------|----------------------------|------------------------------------|---|
| | | Location | Requirement (s) Omitted | Reason | Explanation |
| Training | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 98 | | | |
| GRI 404: Training and Education 2016 | 404-1 Average hours of training per year per employee | 106 | a (i) | Information unavailable/incomplete | IMC does not maintain information required by GRI Standards. It will be reported in 2024. |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | 106 | | | |
| | 404-3 Percentage of employees receiving regular performance and career development reviews | 106 | | | |
| Human Rights | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 86 | | | |
| GRI 408: Child Labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 102 | | | |
| GRI 409: Forced or Compulsory Labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 102 | | | |
| Local Communities | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 116 | | | |
| GRI 413: Local Communities 2016 | 413-1 Operations with local community engagement, impact assessments, and development programs | 116-139 | | | |
| | 413-2 Operations with significant actual and potential negative impacts on local communities | 116 | | | |
| Marketing and Labeling | | | | | |
| GRI 3: Material Topics 2021 | 3-3 Management of material topics | 81 | | | |
| GRI 417: Marketing and Labeling 2016 | 417-1 Requirements for product and service information and labeling | 81 | | | |
| | 417-2 Incidents of non-compliance concerning product and service information and labeling | 81 | | | |
| | 417-3 Incidents of non-compliance concerning marketing communications | 81 | | | |

UNGC- COP



| PRINCIPLE | STATEMENT | PAGE NO. | GRI STANDARDS DISCLOSURE |
|--------------|--|--------------------------------|--|
| Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights. | 116-139 | 413-1, 413-2 |
| Principle 2 | Businesses should make sure that they are not complicit in human rights abuses. | 116-139, 76 | 413-1, 414-1, 414-2 |
| Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. | 102 | 2-30, 402-1, 407-1 |
| Principle 4 | Businesses should uphold the elimination of all forms of forced and compulsory labor. | 102 | 409-1 |
| Principle 5 | Businesses should uphold the effective abolition of child labor. | 102 | 408-1 |
| Principle 6 | Businesses should uphold the elimination of discrimination in respect of employment and occupation. | 99, 102, 103, 106 | 2-7, 2-8, 401-1, 401-3, 404-1, 404-3, 405-2, 406-1, |
| Principle 7 | Businesses should support a precautionary approach to environmental challenges. | 70, 87, 89, 90, 92 | 201-2, 301-1, 302-1, 303-3, 305-1, 305-2, 305-3, 305-6, 305-7 |
| Principle 8 | Businesses should undertake initiatives to promote greater environmental responsibility. | 54, 76, 87, 88, 89, 90, 92, 93 | 2-27, 301-1, 301-2, 302-1, 302-2, 302-3, 302-4, 303-3, 303-4, 303-5, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 306-5, 308-1 |
| Principle 9 | Businesses should encourage the development and diffusion of environmentally friendly technologies. | 89, 90 | 302-4, 305-5 |
| Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery. | 40, 53, 67 | 2-23, 2-26, 205-1, 205-2 |

Sustainable Development Goals Index

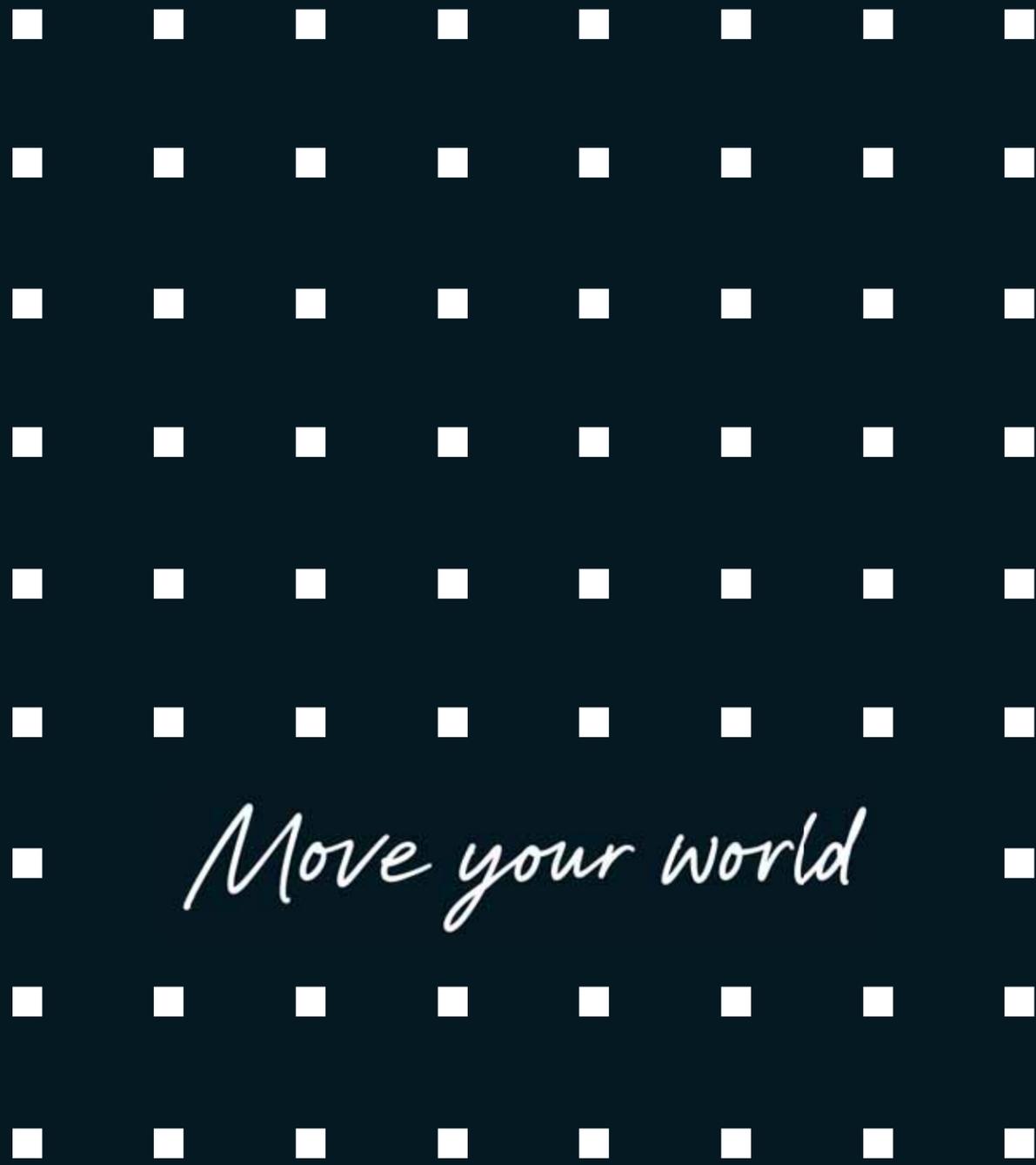
| SDGs | PAGE NO. | GRI STANDARDS DISCLOSURE |
|--|--|---|
| End poverty in all its forms everywhere | 116 | 203-2, 413-2 |
| End hunger, achieve food security and improved nutrition and promote sustainable agriculture | 70, 116-139 | 201-1, 203-1, 203-2, 413-2 |
| Ensure healthy lives and promote well-being for all at all ages | 90, 93, 108, 110-111, 116 | 203-2, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 403-8, 403-9, 403-10 |
| Ensure inclusive and quality education for all and promote lifelong learning | 52, 106 | 2-17, 404-1 |
| Achieve gender equality and empower all women and girls | 52, 70, 76, 99, 102, 103, 106, 116-139 | 2-9, 2-10, 201-1, 203-1, 401-1, 401-3, 404-1, 404-3, 405-1, 405-2, 406-1, 414-1, 414-2 |
| Ensure access to water and sanitation for all | 92, 93 | 303-3, 303-4, 303-5, 306-1, 306-2, 306-3, 306-4, 306-5 |
| Ensure access to affordable, reliable, sustainable, and modern energy for all | 70, 89, 116-139 | 201-1, 203-1, 302-1, 302-3, 302-4 |
| Promote inclusive and sustainable economic growth, employment, and decent work for all | 70, 76, 87, 88, 89, 92, 99, 102, 103, 106, 108, 110-111, 116 | 2-7, 2-8, 2-30, 201-1, 203-2, 301-1, 301-2, 301-3, 302-1, 302-3, 302-4, 303-5, 401-1, 401-2, 401-3, 402-1, 403-8, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 405-2, 407-1, 408-1, 409-1, 414-1, 414-2 |
| Build resilient infrastructure, promote sustainable industrialization, and foster innovation | 70, 116-139 | 201-1, 203-1 |
| Reduce inequality within and among countries | 102, 116 | 203-2, 405-2 |

Sustainable Development Goals Index

| SDGs | PAGE NO. | GRI STANDARDS DISCLOSURE |
|---|--------------------------------------|---|
|  11 SUSTAINABLE CITIES AND COMMUNITIES Make cities inclusive, safe, resilient, and sustainable | 116-139 | 203-1 |
|  12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns | 75, 81, 87, 88, 89, 90, 93 | 204-1, 301-1, 301-2, 301-3, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-6, 305-7, 306-1, 306-2, 306-3, 306-4, 417-1 |
|  13 CLIMATE ACTION Take urgent action to combat climate change and its impacts | 70, 89, 90 | 201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4 |
|  14 LIFE BELOW WATER Conserve and sustainably use the oceans, seas, and marine resources | 90, 93 | 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5 |
|  15 LIFE ON LAND Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss | 90, 93 | 305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5 |
|  16 PEACE, JUSTICE AND STRONG INSTITUTIONS Promote just, peaceful, and inclusive societies | 40, 52, 53, 54, 67, 76, 81, 102, 110 | 2-9, 2-10, 2-11, 2-12, 2-15, 2-20, 2-23, 2-26, 2-27, 205-1, 205-2, 205-3, 406-1, 408-1, 414-1, 414-2, 416-2, 417-2, 417-3 |
|  17 PARTNERSHIPS FOR THE GOALS Strengthen the means of implementation and revitalize the global partnership for sustainable development | 35 | Not applicable |

Glossary and Acronyms

| | |
|--------|---|
| AP-ECO | Asia Pacific Ecology |
| ASEAN | Association of Southeast Asian Nations |
| ATM | Apprentice Team Member |
| CBA | Collective Bargaining Agent |
| CBU | Complete Built Unit |
| CFCs | Chlorofluorocarbons |
| CKD | Completely Knocked Down |
| COP | Communication on Progress |
| CSR | Corporate Social Responsibility |
| GHG | Green House Gases |
| GRI | Global Reporting Initiative |
| GEMS | Global Environment Management System |
| GJ | Giga Joule |
| HFCs | Hydrofluorocarbons |
| ISO | International Standards Organization |
| LWD | Lost Work Day |
| NLWD | Non-Lost Work Day |
| MAP | Management Association of Pakistan |
| MPX | Multiplex Communication System |
| MW | Mega Watt |
| NFEH | National Forum for Environment and Health |
| NGO | Non-Governmental Organization |
| NVH | Noise, Vibration and Harshness |
| OICCI | Overseas Investors Chamber of Commerce & Industry |
| OEMs | Original Equipment Manufacturers |
| SDGs | Sustainable Development Goals |
| SEQS | Sindh Environmental Quality Standards |
| SEPA | Sindh Environmental Protection Agency |
| TDEM | Toyota Daihatsu Engineering & Manufacturing |
| UNGC | United Nations Global Compact |



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