

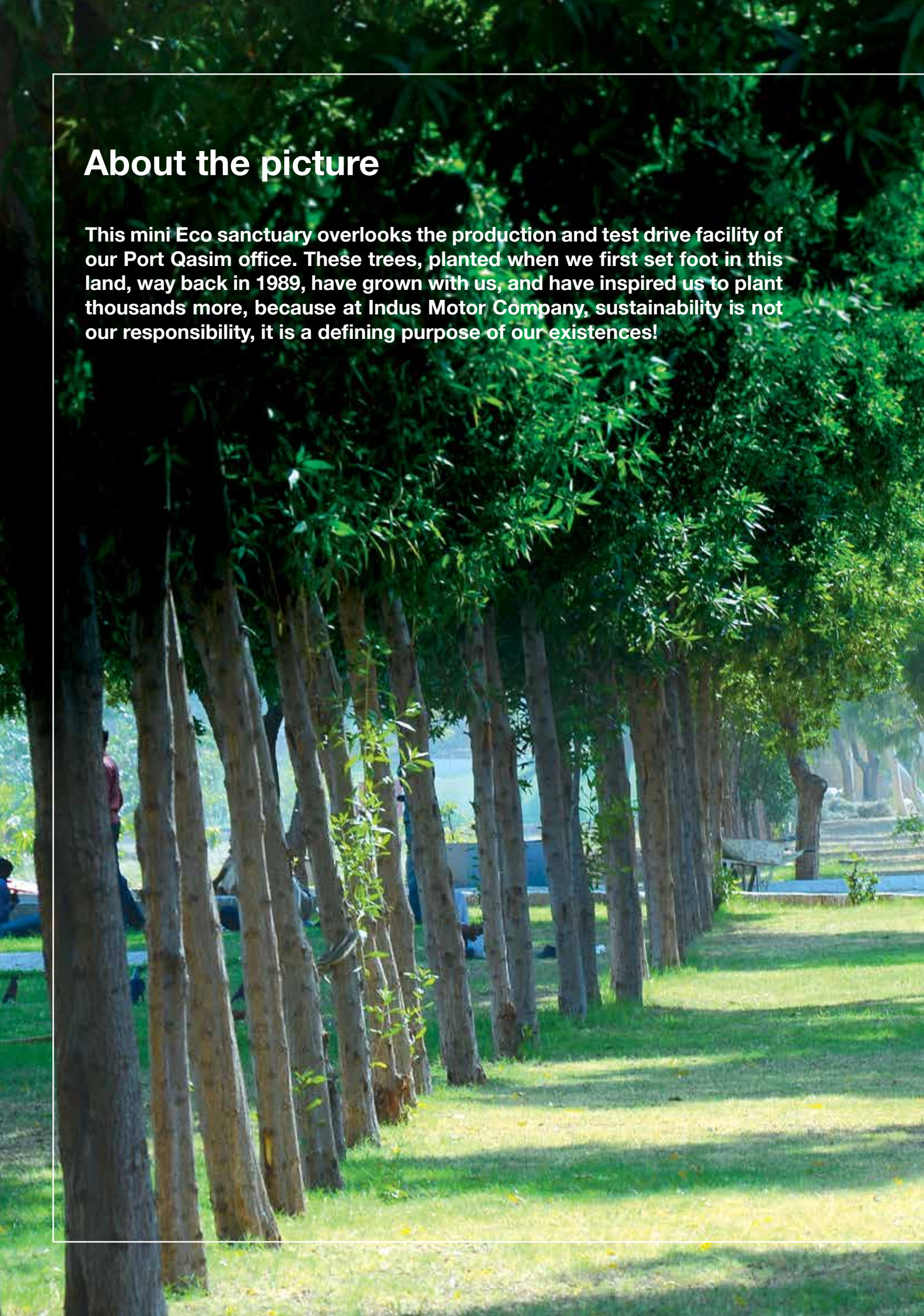
indus motor company ltd.

sustainability
report
2016



About the picture

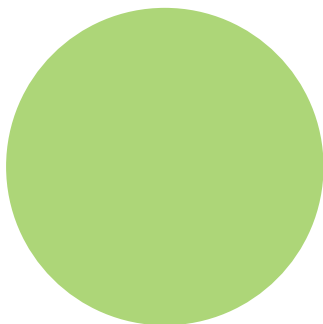
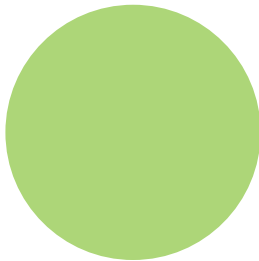
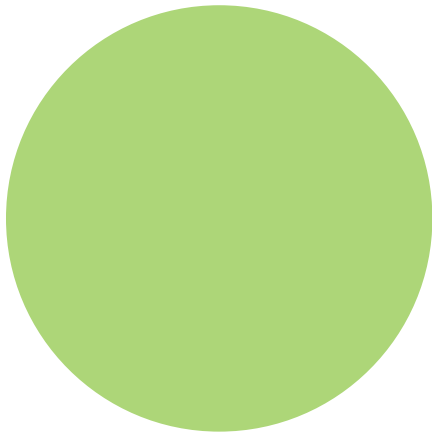
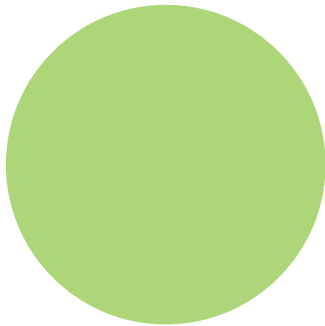
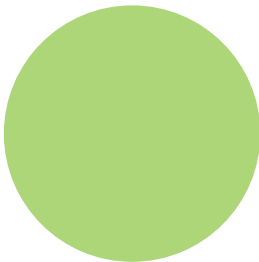
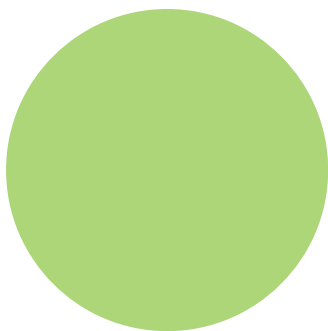
This mini Eco sanctuary overlooks the production and test drive facility of our Port Qasim office. These trees, planted when we first set foot in this land, way back in 1989, have grown with us, and have inspired us to plant thousands more, because at Indus Motor Company, sustainability is not our responsibility, it is a defining purpose of our existences!



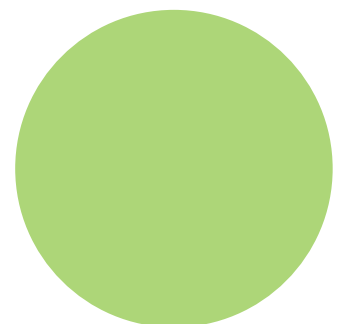
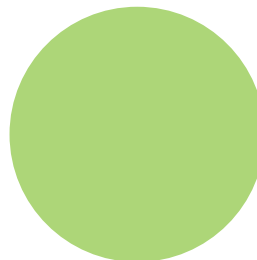
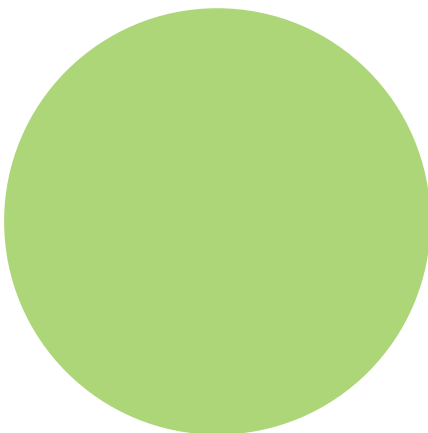
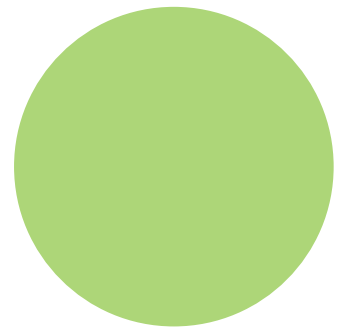
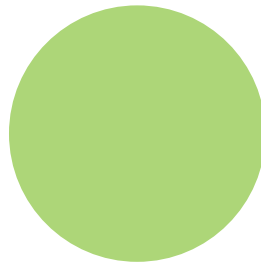
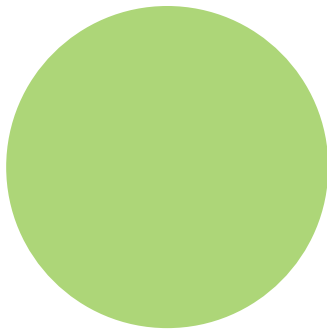


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Our relationship with the society



Parvez Ghias
CEO

As a key player in the automotive industry, we are mindful of how our decisions and actions impact the long term performance and affect the people, places and resources associated with our operations. We endeavor to meet this corporate responsibility by taking a sustainable approach towards all aspects of our business by minimizing the negative and maximizing the positive social and environmental impacts through stakeholder engagement. It implies that as an organization, we are willing to listen and discuss issues of interest to our valued stakeholders

and are prepared to consider changing ourselves as a result of this engagement.

By embedding sustainability considerations within our strategies and the company goals, we seek to enhance efficiency, improve the management performance, ensure accountability, create an all-round positive impact of our operations and reduce the risks that could derail us from achieving the goals. Here, we are guided by our core values built on strong foundations of the House of Habib and

Toyota Motor Corporation, and hold ourselves to the highest standards of integrity and transparency, all the time recognizing that how we do business is as important as why we do business.

Strong financial performance is a key to our long-term success and we achieved it in an emphatic way for the FY15 as outlined in the Chairman's Review portion of the annual report. Here, I wish to share few major highlights on how we managed our resources and relationships in ways that delivered value to all of our stakeholders.

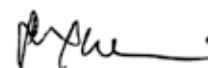
- Added over 500 new jobs that supplemented livelihoods of families dependent on their income
- Pledged Rs 100 million each to Patient Aid Foundation and Habib University as 25th Anniversary gift to Karachi towards quality health care and education for the deserving
- Established 1st Toyota Body and Paint Training Center at AMAN-TEC for development of vocational skills amongst the youth
- Reduced CO₂ emissions footprint by 1,200 metric tons annually and facilitating Pakistan Economic Forum research on water situation for Karachi in support of the climate change initiatives
- Won JICA (Japan International Cooperation Agency) support for funding the relaying a portion

of the national highway construction that will benefit road users on traffic safety and congestion

- Enhanced customer engagement on social media for sharing information about products and services, tracking trends and gauging satisfaction levels

During the year, our achievements won acclaim from some of the country's esteemed institutions. The Karachi Stock Exchange, the Management Association of Pakistan and the Consumer Association of Pakistan, once again recognized our performance and engagement with the society through prestigious award presentations, which is a matter of great pride for us and we laud the efforts of employees and business partners for their contributions.

Finally, we wish to convey our gratitude to everyone in our value chain for their continuous support. The stellar results we achieved for the year would not have been possible without the guidance of our partners, TMC, TTC and HOH. we look forward to similar support to meet the challenges that lie ahead.



Parvez Ghias
Chief Executive

IMC About



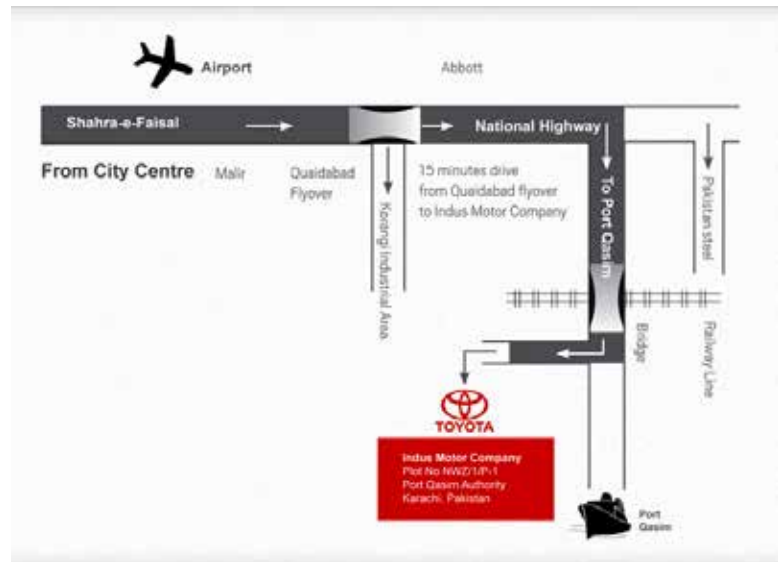
IMC was incorporated in 1989 as a joint venture company between the House of Habib of Pakistan, Toyota Motor Corporation and Toyota Tsusho Corporation of Japan.

The Company manufactures and markets Toyota brand vehicles in Pakistan. The main product offerings include several variants of the flagship 'Corolla' in the passenger cars category, 'Hilux' in the light commercial vehicles segment and the 'Fortuner' Sports Utility Vehicle.

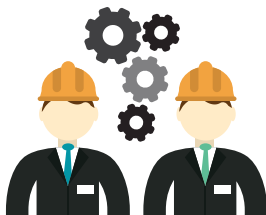


The Company invests heavily in training its 2,300 plus workforce of team members & management employees and creating a culture of high performing empowered teams working seamlessly across processes in search of quality and continuous improvement.

The manufacturing facility and offices are located at a 105 acre site in Port Qasim, Karachi,



The Company has played a major role in the development of the entire value chain of the local auto industry and is proud to have contributed in poverty alleviation at the grass root level by nurturing localization that, in turn, has directly created thousands of job opportunities and transferred technology to over 60 vendors supplying parts. IMC is also a major tax payer and significant contributor to the GOP exchequer



IMC has made large scale investments in enhancing its own capacity and in meeting customer requirements for new products. Today, Corolla is the largest selling automotive brand model in Pakistan and it also has the distinction of being # 1 in Toyota's Asian market.



is simply dummy text of the printing and typesetting industry. Lorem Ipsum has been the industry's standard dummy text ever since the 1500s, when an unknown printer took a galley of type and scrambled it to make a type specimen book. It has survived not only five centuries, but also

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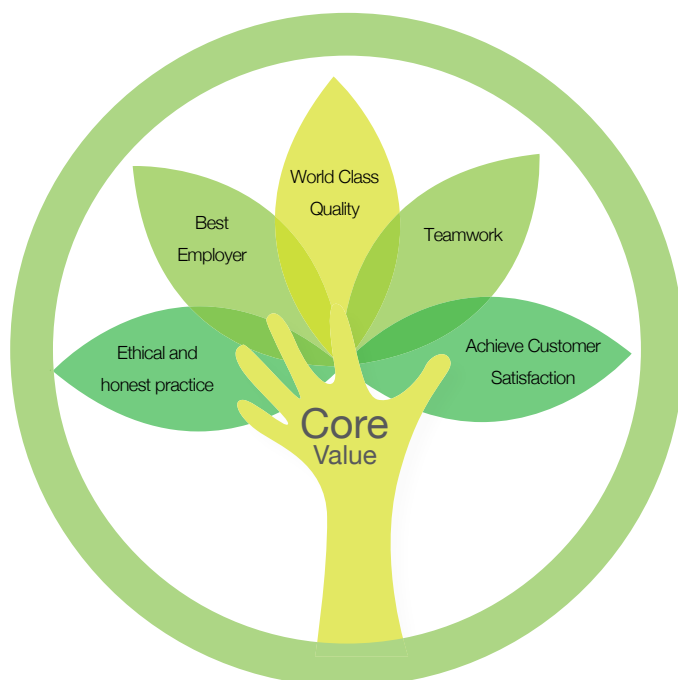
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VISION

Our Vision is 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

Action, Commitment and Teamwork for becoming # 1 in Pakistan means a committed team to make Indus # 1 in Pakistan



The Toyota Way

With the rapid growth, diversification and globalization of Toyota in past decades, the values and business methods that propelled Toyota to its phenomenal success have been identified and defined as the Toyota way. These values have been passed on through generations of Toyota employees and are closely adhered to across Toyota Global network.

The Toyota Way clarifies the values and business methods that all employees should embrace in their day to day activities. It is supported by two main pillars, Continuous improvement and Respect for people.

Following the spirit of the Toyota Way, we at IMC are never satisfied with the status quo and are always striving to bring about improvements in our operations by putting forward new ideas. Our creative suggestion system enables each and every employee to propose process or product improvement and is allowed to bring about improvements.

Worth noting

At IMC, Kaizen submission rate is 100% meaning every employee makes some form of suggestions every year.



TOYOTA



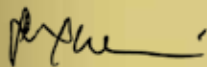
INTEGRATED MANAGEMENT SYSTEM POLICY

IMC'IMSPANRev.0

INDUS MOTOR COMPANY LTD.

We as a team at Indus Motor Company are committed to comply with the requirements of our Integrated Management System and to endeavor to continuously improve upon it in order to.

- Manufacture high Quality Products.
- Generate Customer Satisfaction.
- Provide Service to the Society
- Maintain Market Leadership
- Identify and avoid/mitigate those environmental aspects which have negative environmental impacts_ Comply with all applicable legal, regulatory and other requirements related to Environment, Health and Safety
- Assist society by making the environment more friendly.
- Design and maintain facilities, establish systems. provide training and conduct operations in a manner that safeguard people and property.
- Identify, evaluate and mitigate health risks related to our operations that potentially affect our employees, contractors and the public

A handwritten signature in black ink, appearing to be 'Rajesh'.

Chief Executive Officer
Date

TOYOTA



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A handwritten signature in black ink, appearing to be 'R. K. Singh'.

Chief Executive Officer
Date

Our Stakeholders: for Those We Serve

Defining the ideal form of the company for each stakeholder and the outline for the future it should take in order to realize the Global Vision

We aim to exceed expectations and be rewarded with a smile. We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way” as we set out in the Global Vision. That means, we will sincerely listen to the voices of every stakeholder - customers, employees, business partners, shareholders, and global society/local communities, and respond to those expectations. The expression “Global Vision for Those We Serve” is our way of organizing and explaining the thoughts constituting the Global Vision in relation to stakeholders. It is Toyota’s resolve to meet challenging goals step by step to see the smiles and happiness of everyone including customers and beyond.



Global Society/Local Communities

Reduce environmental burdens through lifecycle by developing various eco-friendly vehicles and technologies and making them prevail. As a good corporate citizen, respect the culture and customs of every nation and contribute to social development. Be aware of responsibilities of developing and producing vehicles and contribute for realization of new mobility society free from traffic accidents and congestion.

- Environment
- Health and wellbeing
- Safety
- CSR



Employees

Create working environments for various employees to work proudly and with loyalty and confidence in fulfilling their potential, which realize their self-growth



Customers

Provide safe and reliable vehicles that inspire enthusiasm at affordable prices. Listen sincerely to customer voices and continue to reinvent ourselves through sufficient information disclosure and dialogue.



Shareholders

Ensure sustainable growth by fostering the virtuous circle;

- Always better cars
- Enriching lives of communities
- Stable base of business



Business Partners

Contribute for economic development of local communities with open stance to new suppliers and dealers and through sustainable growth based on mutually beneficial business relationships with dealers/distributors and suppliers.

SUSTAINABLE DEVELOPMENT GOALS



Our Environment

The ever increasing environmental degradation, with challenges of energy deficiency, food shortages, deforestation, and rapidly increasing carbon footprints indicate an alarming need for a sustainable and comprehensive management of the environment. IMC is committed to preserving the environment and the prevention of pollution from its activities and operations, and to protect the employees and workplaces from hazards of pollution. The Management strongly believes in following environmentally sustainable practices pertaining to the management of gaseous emissions, particulate matter, noise levels, effluents and solid waste.

Toyota Environmental Philosophy:-

Toyota's Environment philosophy is based on minimizing the adverse impact of business operations on the environment. In its commitment of being a good corporate citizen, Toyota aims to not only reduce the impact on environment, but to take measures to improve the environment for society.

The Fifth Toyota Environmental Action Plan



Beginning in FY2011, Toyota's 5th Environment Action Plan streamlined actions from two points of view: environmental risks and business opportunities in corporate operations and environmental initiatives expected of a company towards the decade between 2020 and 2030.

Under the 5th 5 year action plan, efforts for environmental sustainability were consolidated under the three priority themes:

- (1) Contribution to a low-carbon society,
- (2) Contribution to a recycling-based society
- (3) Environmental protection and contribution to a harmony with nature society.

IMC Action plan

Recognizing cultural and demographic diversity that exists among different Toyota affiliates, Toyota requires each affiliate to achieve its environmental targets in a manner realistic and relevant to their respective conditions. In line with the Toyota five year action plan, IMC has devised and implemented an elaborate plan to facilitate the attainment of environmental goals. IMC efforts have yielded measurable results in ensuring sustainability through its value chain.

Reducing Carbon Footprint

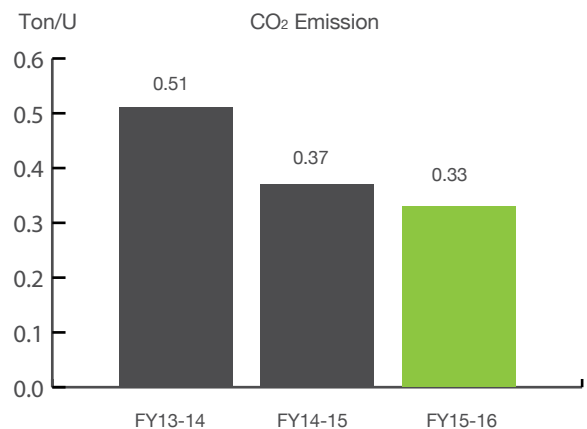
Global warming an imminent environmental threat faced by the world today. Rising carbon emissions due to industrial and human activities are causing rapid rise in global temperatures, leading to climate change, irregularity in rainfall and rising sea levels. IMC fully complies to all national air emissions standards.

Air Emission Readings					
S.No	KPI	Equipment	Parameters	NEQS Limits	'2016
1	Air Emissions	Gas Generator	Sox (mg/N.m3)	1700	Nil
			Nox (mg/N.m3)	400	215
			CO (mg/N.m3)	500	656

In order to reduce its carbon footprint, IMC has made conscious efforts, ranging from increasing awareness to investing in greener technologies and business processes. By substituting fossil fuel reliant technologies with more sustainable ones, IMC has successfully reduced carbon emissions every successive year.

Worth Noting

By implementing solar panels, Variable Frequency Drive (VFD) motors and LED lights, IMC has been successful in reducing 1655.25 tons of CO₂ Emission



CO ₂ Reduction By IMC			
Activity		Cost saving (PKR) per Year	Reduction in CO ₂ per Year
1	Installation of LED Lights	30 million	1544 ton
2	Solar PV installation	1.5 million	110 ton
3	VFD Installation For Compressor Motor	2,55,150	1.25 ton

Waste Management

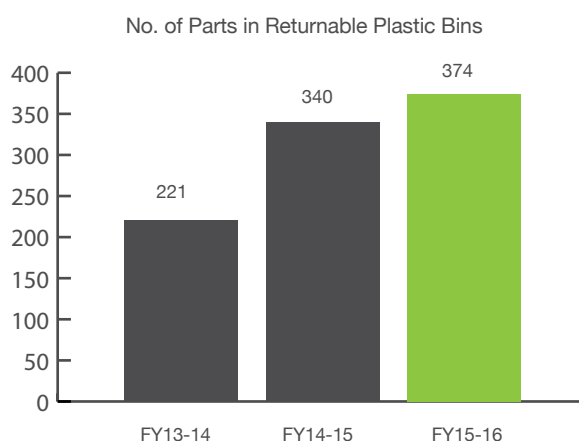
With excessive usage and dwindling resources, prudence in resource consumption is becoming an increasingly important practice. Due to their inefficient use, resources often go to waste and often are rendered useless

Assuming its social responsibility, IMC is driven towards responsible consumption, unifying its efforts under the philosophy of “consume with care”. A number of kaizens are being taken by IMC not only to save the resources of earth but also to save the environment. Efforts to achieve recycle based society include proper disposal of waste and use of returnable bins instead of carton boxes.

IMC has been working for proper disposal of hazardous waste at priority level and has achieved its goal of zero non-compliance and compliant. IMC is positive to give its maximum contribution in establishing recycle based society.

WASTE CATEGORY	WASTE	DISPOSAL METHOD
HAZARDOUS WASTE	Paint sludge	Incineration
	Phosphate sludge	
	Chemical sludge	
	Caustic sludge	
	Waste water sludge	
	Used oil	Re-process
	Empty chemical containers	Recycle
	Used batteries	
E-WASTE	Used led, energy saver & tube lights	Recycle
	Chemical solvent (thinner)	
NON-HAZARDOUS WASTE	Steel	Recycle
	Wood	Reuse

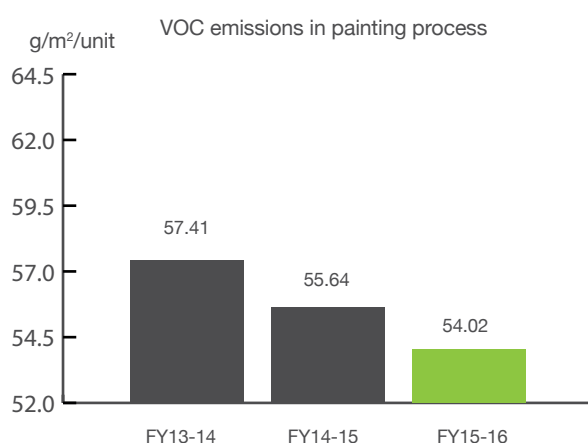
IMC has implemented the usage of returnable bins in place of hard carton boxes. Such plastic boxes can be reused a number of times, resulting in cost savings and benefits to the environment. IMC is saving an approximate 151,277 tons of carton boxes per month, equivalent to the saving 23,297 trees.



Volatile Organic Compounds (VOCs)

Volatile Organic Compounds (VOCs) are carbon-based chemicals that evaporate easily at room temperature. They diffuse in air and pose various short- and long-term adverse health hazards, besides causing damages to the environment.

IMC has taken some steps not only to reduce the level of human exposure but also to reduce VOCs from environment. A noteworthy measure in reducing the Voc emission is the use of electrostatic guns in paint shop instead of conventional pressure feed guns. Additionally, IMC has deployed thinner recycling facilities in paint shop that enables reuse of thinner, thereby enabling IMC to reduce thinner consumption



Worth Noting

Conventional guns have low transfer efficiency of around 40% to 60%, whereas the electrostatic guns have transfer efficiency of 60% to 80%. The increased efficiency also results in less amount of VOC to be discharged in the environment.

Increase transfer efficiency	20%
Reduce paint consumption	20%
Reduce VOC	8%

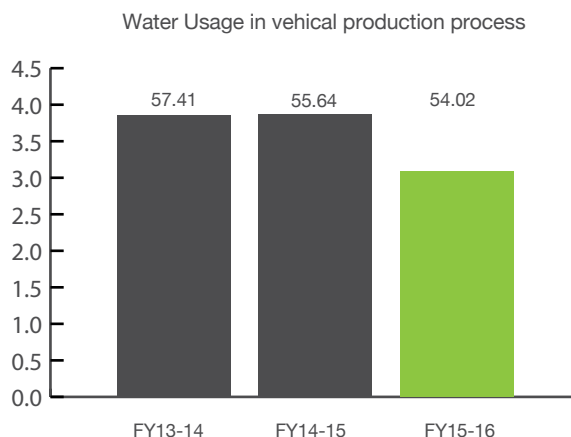
Water Conservation

The life giving resource is perhaps the most threatened of all natural resources due to increasing industrial and human activity. IMC strives to make extreme prudent usage of water, and has made efforts to reduce water consumption and improve the quality of effluent water to minimize impact on human, animal, plant and aquatic life.

Waste water generation & Treatment

IMC remains committed to optimizing its water usage and is constantly exploring ways to reduce water consumption. IMC treats waste water that is generated through production activities at its in-site waste water treatment plant. This treated water is utilized for gardening and horticultural purposes, sustaining the hundreds of thousands of trees and plants at IMC facilities.

IMC follows national environment quality standards and is fully compliant on all standards. Periodically, independent tests are carried out by external testing agencies to assess parameters such as PH value, chemical oxygen demand (COD), total suspended solids (TSS), and total dissolved solids in treated water. Daily internal monitoring also takes place using the state of art testing equipment to assess the water quality being delivered every day.



Worth noting

Treating water involves the use of various chemicals that require careful handling. Such chemicals are stored in specially designed, seepage resistant tanks that prevent soil and ground water contamination.

Chemical Management & Control

Production and operation activities require usage of various chemicals which, if handled carelessly, can afflict severe damage on environment and human health. IMC has an elaborate chemical management and control system.

Elimination of banned chemical usage

IMC ensures strict compliance with the Toyota's global chemical management system and the government's chemical control laws. Banned or restricted chemicals used in production activities have been replaced with suitable, non hazardous alternatives. Over the years, IMC has attained full compliance with chemical control laws and presently, there is zero legal non-compliance.

Response to accidental spillage

Recognizing the fact that accidents and mistakes are an inevitable part of Business activities, IMC chemical management teams are fully equipped to mitigate any unfortunate event, in line with the belief that prior prevention and proactive approach is better than contingency management. IMC has trained task force to handle any spill and their trainings/drills are periodically conducted. Furthermore, spill kits are readily available at every major location and their usability is periodically monitored.

Toyota Global Environment Management System

The Toyota Global Environment Management System(GEMS) facilitates identification and monitoring of activities that impact environment and minimizing that impact through implementation of environment friendly practices. G-EMS involves setting targets for environmental compliance and evaluation of environmental performance and probing environment non-compliance through audits.



Environment Monitoring

Environmental Audits form the core of GEMS. Audits identify environmental impact of production and business activities, expose risk areas, and provide areas for improvement. Toyota performs annual internal and external audits of its affiliates. In order to facilitate resolution of environmental issues, environmental management best practices are shared across Toyota network.

Under GEMS, environmental parameters such as waste water, air emissions, noise and under-ground water quality and chemical usage are actively monitored.

ENVIRONMENT Management

Toyota requires management of the monitored environmental parameters. Specific targets are set for each environmental parameter such as reduction of volatile Organic Compounds (VOC) in environment, conservation of water, preventing ground water contamination, treatment of waste water and phasing out of banned chemicals levels.

SUSTAINABILITY/ JIRITSUKA

Jiritsuka level is a tool for measuring the performance of Toyota affiliates and effectiveness of Toyota GEMS system. Toyota performs yearly audits and the awarded scores determine the Jiritsuka level of Toyota affiliates. IMC stands at level three, which depicts a "stable" position in terms of environment management.



Safety & Wellbeing

IMC is committed to provide for a safe work environment to all its employees and to ensure the safety of all its business partners and collaborators. Holding human welfare as sacred, IMC makes efforts to prevent all accidents and injuries through the active participation of every employee as well as improvement of infrastructure and development of behavior that takes safety to heart.

Our Safety Philosophy:

- Safety is everyone's responsibility,
- All accidents are preventable,
- All employees are empowered to stop any unsafe job or act, and
- No task is so important that risk of injury to people is justified

At Indus Motor Company Ltd. "SAFETY will Always TAKE PRECEDENCE OVER PRODUCTION"

Promotion of safety culture

1. Behavioral aspects

IMC is a sprawling industrial oasis where man, machine and method combine to bring to life some of the most iconic cars of the world. With massive machinery, potential safety hazards are mitigated through behavior standardization into a culture that governs individual behavior while present at each facility.



2. Safety Trainings

In view of the unique and diverse job natures of employees, it is essential to develop a sense of responsibility towards personal and collective safety. Various types of safety trainings are imparted to employees. Some are general safety trainings other are more specific and tailored to the respective job nature.

These trainings have proved effective in creating safety mind and promoting safety culture. Some general training include, firefighting training, safety dojo training, first aid training and work at height training.



3. Fire Prevention and Detection

IMC is fully prepared to handle any unforeseen crisis that can possibly threat the safety and wellbeing of its people. Response to fire outbreak is particularly important and IMC has developed a comprehensive Sop for preventing and dealing with fire related incidences. Besides developing evacuation plan, IMC has trained various employees and designated them as fire fighters. Every area in IMC is well supplied with response kits such as fire hydrants, hoses and extinguishes. A dedicated, in house developed fire truck is also present around the clock to respond to any distant or out of range area. Mock drills are a regular feature at IMC.



Safety Month 2016

Safety months are organized to promote safety awareness among employees. During this month, various activities are carried out to promote safety culture such as safety trainings and line side safety circles. Safety audits are also carried out and safety souvenirs are distributed to remind people of the importance of safety.



Our Employees

Employee Training, Education and Recognition

All too often, others inspire and instill renewed spirit in us through their ideas and their empathy. At IMC, we aim to inspire and motivate employees with experiences and ideals that broaden and enhance their skills capacity to excel, thereby enable them to uncover new concepts and ideas.

Talent development takes many forms at Indus, from conceptual training and education to experiential training sessions for key functional areas. To ensure a cutting edge, world-class workforce, IMC trains, educates and recognizes employees so that they are successful contributors to IMC's success. Our performance management and career development philosophy is that the employees should be engaged, aligned and excited about their career and make meaningful contributions to the company's success.

Diversity and Inclusion

As a joint venture company, we embrace and respect the diverse cultures of our employees and believe that innovation comes from the diversity of perspectives and individual thought that an inclusive, inspiring culture helps to foster. It is with these distinct attributes that make our organization an innovative and rewarding place to work. We treat all employees on an equal basis, regardless of physical, financial or social characteristics, and we do not tolerate harassment of any kind. We respect their individuality and human rights and provide them with workplaces where they can work with a high level of motivation.

As an equal-opportunity employer, we encourage gender diversity at all levels of our operations and ensure the wellbeing of all the workforce members through an environment conducive to conflict-free functioning. We pride ourselves for inducting female staff at production shop levels, besides having women present in official and managerial role. (Testimony of a female ATM/TM)

During the fiscal year 2015-16, a number of employees received various certifications under Toyota's Global Train the trainer initiative. The number of Toyota Certified professionals at IMC, thus, continues to grow and we aim to continue to impart trainings to our employees to create a workplace culture that facilitates teamwork and sharing of knowledge, both tacit and explicit.



Pride and Loyalty

Creating an inspiring and rewarding workplace is fundamental to IMC's talent recruitment and retention strategy. We provide an exceptional and inspiring workplace involves recognizing people for a job well done. Every year, competition of Quality Control Circle held across its network that gives an opportunity to employees to compete and present their kaizen initiatives reflecting their identification of work site issues and their resolution through rigorous analysis to improve productivity, safety, quality, cost and overall the work place. This concept of being in charge of and responsible for your own area is a testament to IMC's culture of empowerment of its people and generates a sense of pride and ownership of their work and work environment.

Strong Relations between Labor and Management

The approach of mutual trust and respect between labor and management at IMC is symbolized by the healthy industrial relations climate that has jointly led the company and its workforce see through different phases, industry and macro environment challenges with a positive, mature and result oriented mind set ensuring stable employment and a healthy, fair and conducive work environment. At IMC, we truly believe in the Toyota Way and its two pillars - Continuous Improvement and Respect for People because we realize that in the end, it is our people who make the difference.

Management Development Program

Training	Management Trainee	AM / Engineer	DM/ Manager	Senior Manager	GM / SGM	Director
Orientation	●	●	●	●	●	●
Fundamental Skill Training	●	●				
Toyota Way	●	●	●	●	●	●
PDCA – Plan Do Check Act	●	●	●	●	●	●
A3 Report	●	●	●	●	●	●
Toyota Business Practice		●	●	●	●	●
Managerial Skills		●	●	●	●	●
Marketing Strategy			●	●	●	●
Leadership Grid			●	●	●	●
Advance Management Program				●	●	●
Management Development Program				●	●	●

Respecting Diversity and Human Rights to provide all employees with Workplaces where they can fulfil their potential

Well Being

Efficiency and productivity of the workforce is highly depended upon their well being. To ensure wellbeing of employees, IMC strives to provide for a healthy and conducive environment. IMC conducts health surveillance, awareness sessions and vaccinations for its workers. IMC also conducts 5S patrol walks to ensure the clean and healthy conditions of its various shops, plant and office facilities.



Our Customers

Provide Customers with high-quality, reliable products, we sincerely listen to Customer voices and continue to reinvent ourselves through sufficient information disclosure and dialogue



A satisfied and a happy customer is privilege we are humbled to have. Is there a gap between the “great cars” Toyota thinks of and the expectations of our customers? Are they satisfied with our current services? To be able to respond to the constantly changing expectations of customers and society, we listen to customers’ voices with sincerity and continually work on improvement. We never forget that the support of various stakeholders has made Toyota what it is today; we value the relationships of trust we have built; and we work toward continuing to provide accurate and appropriate communication and respond transparently and promptly to be a company that is continually trusted.

Basic Concepts of Quality

Quality is achieved through the integration of Development, Design, Purchasing, Production and After-sales Service. Each is indispensable in the delivery of satisfactory quality to customers. We continue to aim to put the concepts of “Customer First” and “Quality First” into practice and to respond to the expectations of customers and society. That is why every member across our operations maintains high consciousness, and takes ownership and the responsibility of striving for continuous improvement and the enhancement of customer confidence and trust by cooperating closely with one another.

Quality Award

IMC received Toyota Motor Asia Pacific’s Quality Achievement Award 2014-15 for superior efficiency at the Assembly line. IMC’s consistent year of success in winning Quality award depicts the confidence Toyota has in IMC’s Capabilities to produce quality vehicle and the 3rd consecutive award will help further improve customer satisfaction. Such achievements are a result of cohesive teamwork and could not materialize without the combined efforts of Service, Production, Product Development and Quality Assurance & Quality Control departments.

Consumer Choice Award 2015

The Consumer Association of Pakistan's "Consumer Choice Award" is one of the most prestigious awards presented annually to organizations recognized solely on the basis of consumers' choice and preference. Indus Motor won the Consumer Choice Award in the category of Best Car for the year 2015 for the Corolla Gli, which is IMC's flagship product. It is a testament of the faith, trust and confidence of our valued customers in IMC's ability to deliver quality products to customers and ensure the best possible after-sales services.

Customer Delight Workshop

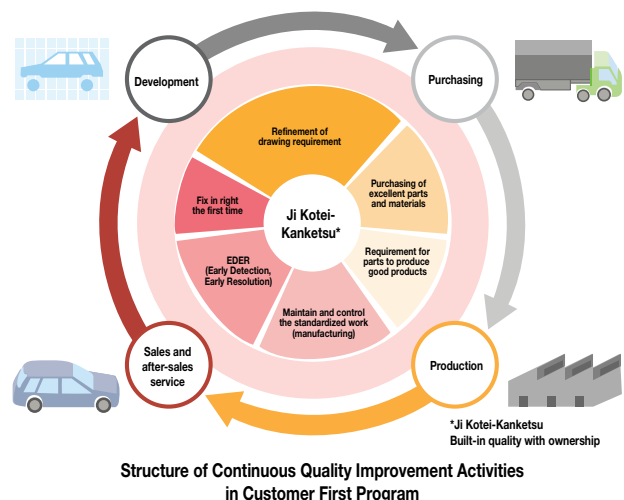
In an effort to instill the "Customer First" principle across the Toyota Sales and after sales network, Toyota Customer Delight Workshop (TCDW) is held every year. By stressing on customer satisfactions as top priority, IMC ensures the development of "customer first" mindset among its employees and frontline staff, who continue to understand the customers exhaustively so that their expectations are not just met, but exceeded. The workshop involves participants across Sales, Service, Parts and Customer Relations function. The Workshop helps in building strong cross-functional co-ordination across the four departments. 3S + CR department presence also fosters the concept of being ONE TEAM focusing collectively on achieving ONE DREAM, Delighting Customers!

Customer Satisfaction Survey

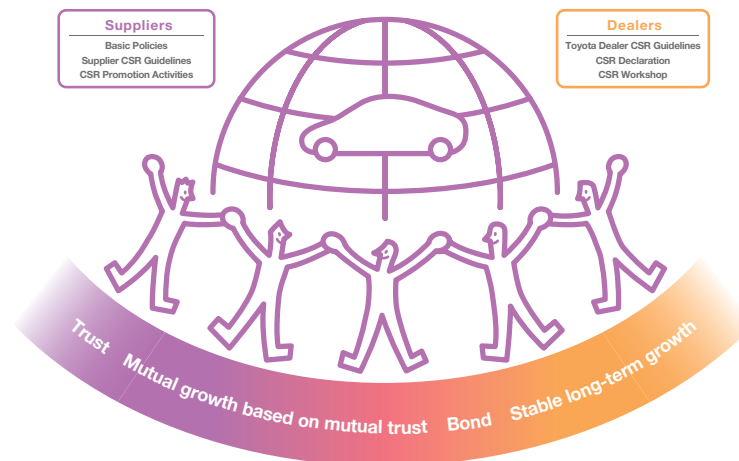
Our Biannual Customer satisfaction survey has shown trust and satisfaction on services provided by Toyota 3S dealerships in the country. Improvements in results from the previous wave (12) prove that the efforts of the entire IMC team at delivering superior value to customers in delighting and motivating them is strengthening the relationship.

Customer Assistance Centre

Our customer assistance centre is the busiest communication channel between customers and dealers. IMC Customer Assistance Center (CAC) facilitates more than 36,000 customers' calls seeking different product inquiries and complaints every year. CAC was initiated at IMC in 2008 and since then has been continually evolving to upgrade operations to provide timely and quality assistance to our valued customers. Members work diligently so that each opinion voiced by our customers is processed and addressed promptly with input of all cross functional departments.



Our Business Partners



Openness | Contribution to Local Communities

Toyota takes an integrated approach to “making better cars” and providing “better services” with many business partners including suppliers and dealers. Though business activities are ever more globalized, but we continue to share the Toyota principles and vision and “work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.” We build mutual trust with business partners in each region and contribute to the happiness of people working there as well as regional economic growth.

Basic Concept of Business Partners

In order to contribute to society through automobile manufacturing and put into practice the principle of “Customer First,” it is necessary to implement various activities in a spirit of cooperation and share principles with our business partners. In addition to steadily pursuing open and fair business activities and conventional ones including CSR activities, Toyota is committed to working to achieve better quality in terms of safety and confidence to secure higher customer satisfaction, in further united cooperation with its business partners including suppliers and dealers.

Toyota’s Basic Purchasing Policies

We endeavor to ensure stable, long-term purchasing of the best products in the world at the lowest prices and in the most speedy and timely manner. In order to achieve this, we believe that the most important task in purchasing is the creation of relationships in which suppliers do business on an equal footing based on mutual respect, thus building firm bonds of trust and promoting mutual growth and development. Toyota’s global purchasing activities based on close cooperation revolve around the following three policies making up the Basic Purchasing Policies.

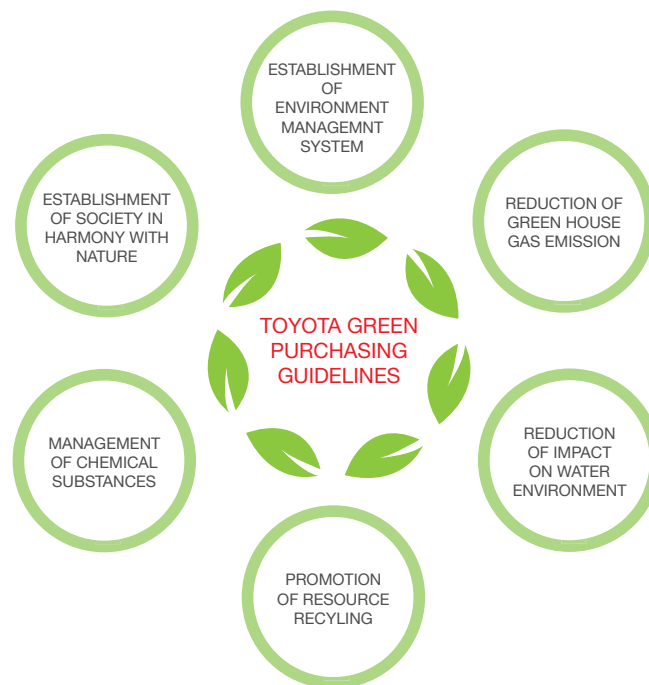
1. Fair competition based on an open-door policy
2. Mutual benefit based on mutual trust
3. Contribution to local economic vitality through localization: good corporate citizenship

Collaboration with Suppliers

We recognize that our future growth and sustainability is reliant on having capable and dependable local parts manufacturers. Sourcing the components from domestic market reduces the exposure to exchange rate fluctuations and strengthens Pakistan's economy. Consequently, Rs 30 billion worth of parts were sourced from Tier 1 local suppliers in FY15 and this amount is set to increase as we pursue greater localization. In addition, IMC supported some 500 tier 2 and tier 3 suppliers indirectly and continues to work closely with the Engineering Development Board and the local industry to implement supplier improvement initiatives aimed to achieve quality alignment with the outside world so that Pakistan's automotive industry becomes globally competitive.

Green Purchasing Guidelines:-

Toyota's Green Purchasing Guideline (GPG) encourages our suppliers to undertake environmental initiatives in order to contribute towards Toyota's Vision for a better environment. IMC confirms to Toyota's Green Purchasing Guidelines and procures only from suppliers that comply with environment laws, regulations and requirements as laid out in Toyota GPG. IMC monitors environmental activities of the suppliers and supports them in adopting environmental friendly practices.



Relations with Dealers

Our sales dealership network is the front line where Toyota's 'Customer First' principle will be directly observed. Toyota and its dealers always work as one to enhance customer satisfaction based on a strong relationship of trust, close two-way communication, the superiority of Toyota products and services, and shared value. A fundamental principle of Toyota is 'Customer First, Dealer Second, and Manufacturer Third.' Based on its policy of 'Customer First,' we believe that dealer success, which ultimately leads to the growth of Toyota, is achieved by boosting support for dealer initiatives to improve customer satisfaction through the implementation of PDCA (Plan, Do, Check, and Act), as well as by being committed to meeting the customer and dealer expectations.

Environment sustainability is a shared and a collective responsibility that warrants collaboration across the value chain. Dealers are one of the most important part of IMC value chain, responsible for disseminating the Toyota experience throughout the country. Since Dealership network is strewn across the country, promotion of environment friendly activities at dealership can bring significant, measureable impact on the environment. Promotion of eco-friendly activities at dealerships also enables IMC to convey its message of environment sustainability to the masses.

IMC has implemented a Dealer Environment Risk assessment Program (DERAP) program of Toyota to achieve sustainable operations at dealership end.

Dealer Environmental Risk Audit Program (DERAP)

Dealer Environmental Risk Audit Program (DERAP) represents a minimum requirement of environmental risk management for Service Workshops at dealers. To achieve Environmental Standards at Toyota Dealerships. Green Dealer concept is introduced for DERAP (Dealer Environmental Risk Audit Program) Certified workshop to provide solution for Toyota Dealerships in Pakistan to achieve Environmental standards, step-by-step, focusing on;

- Framework to measure the consumption of natural resources.
- Aggressive Promotion of 3R (Reduce, Re-use, Recycle) Concept.
- Waste Management Techniques
- Promoting Green Environment
- Employee Education & Awareness
- Availability of Safety Equipment & Emergency Response



Worth noting

Currently eighty seven percent (36 dealerships) dealerships are DERAP certified while remaining are under process.

Environment Initiatives at Dealerships

A fundamental requirement of green dealership program is responsible disposal of Hazardous waste. Dealerships collect their hazardous waste and store it in a temporary designated place. It is then collected by government certified contractor for proper disposal. This ensures environmental compliance and IMC periodically checks and evaluates the environment activities at dealerships, identifying areas for improvement. IMC dealers are required to treat their drainage water that may contain impurities such as oil and other contamination by using a three layer oil-water separator. The oil is then sent for recycling through a government certified contractor. Chlorofluorocarbons (CFC) and hydro chlorofluorocarbons (HCFC) are refrigerants that are principally responsible for depilation of ozone layer. Realizing its responsibility, IMC has deployed CFC/HFC recovery equipment for the recycling and recovery of air conditioning gas at the dealerships that ensure that such gases are not discharges in the atmosphere.





2015 Suppliers Convention | Dealer Conference

We held our annual signature events to recognize our nationwide suppliers and dealers for their contributions and emphasizing the need to continuously enhance quality and delighting customers with experience that they cherish.

Worth noting

Presently, more than half of IMC suppliers are ISO certified while the remaining suppliers are going through process of certification. IMC will soon achieve its goal of 100% EMS ISO 14001 compliance at suppliers.

Our Shareholders

Ensure sustainable growth by fostering the virtuous circles, always better cars, enriching lives of communities, stable base of business

IMC basic management principle is to benefit the society through its business activities while realizing common growth founded on long-term perspective. The three key components of Toyota's financial strategy are 'growth, efficiency and sustainability

Growth

From the viewpoint of growth, IMC plans to implement forward looking investments to respond to structural shifts in demand ensure long term sustainable growth. (Show Commercial line pictures)

Efficiency

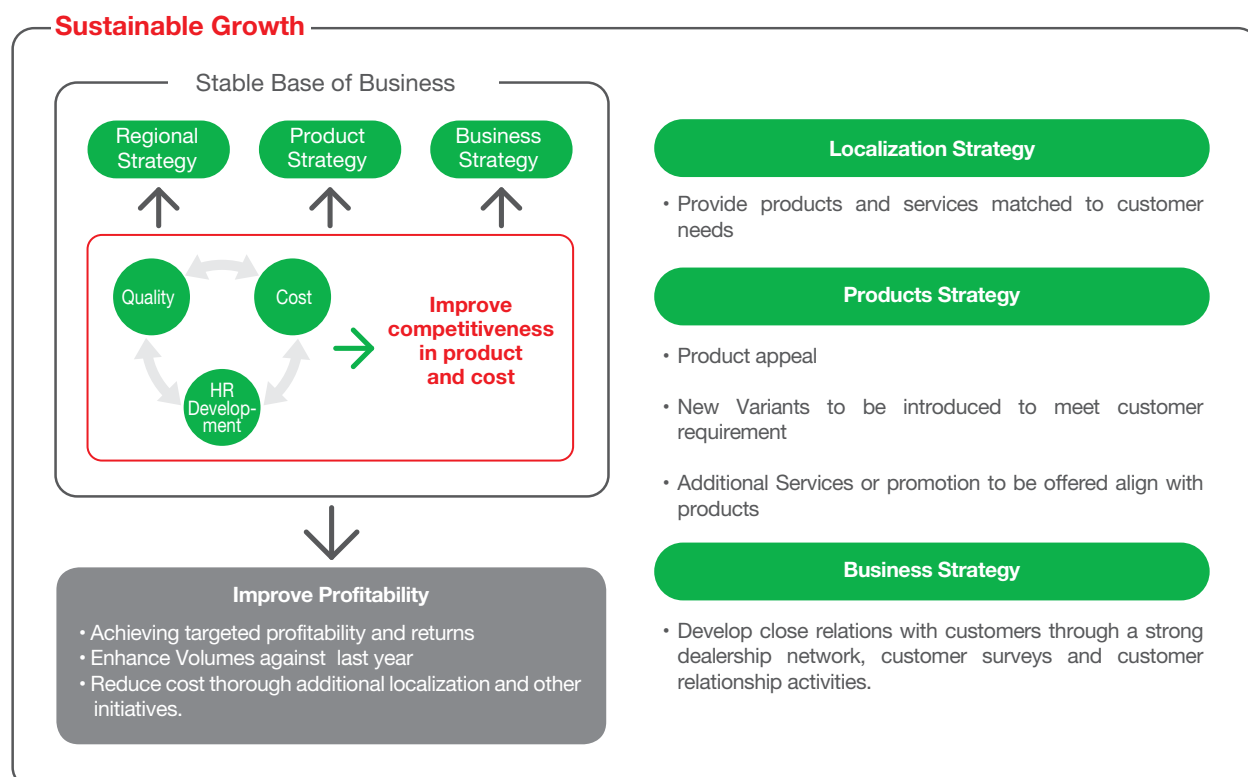
On efficiency, IMC constantly maintains focus on cost reduction efforts and increasing level of localization. (Kaizens)

Sustainability

And in view of anticipated medium to long term growth in the automotive sector, we believe maintaining adequate liquidity is essential in terms of stability, retaining funds for future capital expenditure for long term growth and maintaining improved cash flows. (Dividend Payout trend)

Quarterly Analyst Briefings

Regular sessions were held with the security analysts to update on quarter end performance and market environment.



Key Components of Financial Strategy

Enhancing corporate value through Long Term Stable growth

- Growth : Sustainable growth through continuous forward looking investments
- Efficiency : Improving profitability and enhance cost reduction efforts
- Stability : Maintaining a solid financial base

Dividends

Benefitting Shareholders is one of our top management priorities

IMC strives to continue paying dividends while giving due consideration to factors such as the business results in each term, investment plans and cash reserves.

Relationship **with community**

As an entity that strives to becoming a major change agent, IMC takes its association within its community very seriously. From making environment i.e. renewable resources better, to supporting capacity development at grassroot levels, IMC has pursued a massive CSR imperative under the guise of Concern beyond cars.

ENVIRONMENT – Embracing Greener Practices

Embracing renewable methods of doing business have made us a responsible ethical entity which is significantly aware of its impact on society and the environment. As an organization with we aim to do everything in our power to help safeguard our surrounding environment so that our future generations have a chance at leading better, more fulfilling lives.

Ensuring a Cleaner, Greener Tomorrow

As part of its directives with regard to preservation and improvement of the environment, both on the company's premises as well as in its surrounding areas, IMC has engaged in numerous initiatives that aim to reduce the adverse effects of pollution in the environment.

Tree Plantation Drives: Apart from adopting greener business practices, IMC also extensively engages in tree plantation activities. As a symbolic gesture towards the importance the company gives towards maintaining a green environment, every guest visiting IMC is invited to plant a tree at company premises. Under this practice, IMC has several acres of area covered with greenery.

Worth Notion

IMC is the first automobile company in Pakistan to initiate the use of eco-friendly gas, R-134a, for air conditioners in cars.

A major part in ensuring efficient preservation and protection of the environment is the spread of awareness. We believe that by involving members of the civil society, we can achieve our goal of a clean and sanitary environment on a much larger scale. For this purpose, IMC has conducted numerous education and awareness drives in schools, colleges and universities across the province in the hopes of educating young minds on the importance of an environment that is clean and green.

Toyota School Environment Program (2010-2011)

In partnership with WWF-Pakistan, Indus Motor Company launched the Toyota School Environment Program 2010-11 in Aug 2010 to enhance environmental awareness amongst school-going children by engaging them in hands-on environmental education activities.

The program was conducted in three stages, beginning with Schools Registration, going on to Workshops, Awareness-Raising Sessions and 3D Model Making in schools to finally end with the Nature Carnival 2011, which was organized on the 30th of January at the PAF Museum with the official endorsement of the Ministry of Environment.

The Nature Carnival event offered a wide range of activities that were both exciting and informative for students as well as competitions on environmental issues for school children to participate in. Nearly 120 schools across Karachi gave presentations on various themes like:

- Say No to plastic bags
- Animals and Plants of Wetlands
- Impact of Air and Water Pollution on Health
- Industrial Waste and Solid Waste Management
- Threats to Blind Indus Dolphin
- Global Warming & Climate Change
- Organic Farming
- Kitchen Gardening and
- Adopt a Tree

The project was a major success as it rose awareness amongst all 25,000 participants who attended on key environmental challenges of the country thereby instilling a sense of individual responsibility in the future generation of Pakistan.

INNOVATION – Being a Change Agent

Corporations have as much of a role in enabling change as embracing change. The future holds many challenges and for a prosperous future, we need to instill in our youth the desire and ambition to utilize their potential and achieve greatness, thereby contributing their best to Pakistan.

Enabling Others to Dream Big

Our goal has been, and always will be, to encourage innovation and creativity in every process and ultimately enable Pakistanis to work out home grown solutions for the biggest everyday challenges. For this purpose, we have partnered with a number of institutions and organizations that are committed to the development and growth of young talent in Pakistan. These are:

Cross Sector Collaboration

Recognizing the need to become partners in progress, IMC has collaborated with various Entities in promoting sustainable and scalable initiatives for the development of the society. Based on the concept of shared value, IMC has partnered with renowned entities to power initiatives that have made visible impact on the society.

Shell ECO Marathon

Shell Global initiative of promoting comprises of energy and petrochemicals companies. With around 92,000 employees in more than 70 countries and territories, Shell helps meet the world's growing demand for energy in economically, environmentally and socially responsible ways.

IMC recognizes Shell's objective of ensuring a cleaner, more energy-efficient environment and lauds its efforts to instill the drive within young professionals. For this purpose, it has been collaborating with the company for the implementation of the Shell Eco-Marathon.

The objective behind this initiative is to find better ways of transporting the growing number of people and goods around the globe. As part of this commitment, Shell hosts three Eco-marathon events around the globe each year. The Eco-marathon challenges student teams from around the world to design, build and test ultra energy-efficient vehicles. The winners are teams that go the furthest using the least amount of energy. The events spark debate about the future of mobility and inspire young engineers to push the boundaries of fuel efficiency.

Battle of the Brains

An initiative developed by Indus Motor Company itself, this is a competition that enables aspiring managers and leaders of Pakistan to use their creativity and propose solutions for real life business challenges. Each year, students from various business schools are invited to participate and are assessed for their creativity and soundness of idea.

INJAZ Pakistan

Founded in 2012, INJAZ Pakistan, an initiative of the Aman Foundation, works to bridge the gap between the educational field and the marketplace through co-curricular programs that aim to empower the youth. In collaboration with INJAZ Al Arab, INJAZ Pakistan mobilizes the private sector to help create a new generation of motivated and professional graduates. Members of the business world are selected to volunteer for training sessions in school classrooms in order to train the youth in areas of work readiness, entrepreneurship and financial literacy — thus narrowing the gap between students and the corporate world.

IMC joined hands with INJAZ Pakistan to equip students and aspiring professionals with the necessary skills and knowledge that will help them carve their own niche once they enter the professional arena. Besides providing material support, IMC employees regularly provide advisory and career counseling support to students regarding career choices and personal development.

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Community Uplift–Helping Others to Help Themselves

IMC takes a keen and active interest in the welfare of the communities that are in the immediate vicinity of its plant and facilities, as we see these communities as our neighbors. It has adopted several villages around its manufacturing unit at Port Qasim. Through integrating various social uplift programs, the company aims at meeting basic needs in three broad areas – Health (a healing touch), Education (igniting minds) and Livelihoods (infusing self-dependence). Our involvement becomes all the more necessary since a large part of these settlements comprise of underprivileged people.

Ensuring a Quality Lifestyle for All

IMC is involved in working to uplift these communities and to bring betterment and greater opportunity to the future generations in these circles, with activities that range from distribution of food, provision of medical facilities to long-term opportunities and channeling of youth through development and sports initiatives.

Food and Nutritional Support

IMC follows a regular practice of food distribution to neighboring villagers. Initiated in May of 2005, this activity is still a mainstay of our CSR efforts and has been developed to include several distinct segments:

- Weekly distribution of lunch to 1000 or more people
- Food distribution during the holy month of Ramzan (with packages of staple food items such as wheat flour, rice, cooking oil and sugar distributed to nearly 150 families of deprived neighboring communities)

The areas targeted for this food ration distribution drive include Abdullah Goth, Mamoo Machi Goth and Usman Khaskili Goth.

Apart from this, IMC ensures that residents belonging to each neighboring village/town engage in cleanliness practices that ensure sanitary housing conditions for themselves as well as their families. In addition to this, IMC assures the provision of dowry for families with girls of marriageable ages so as to help them avoid any financial distress.

Assistance for IDPs of Natural Disasters

IMC has been at the forefront for assistance of Internally Displaced Persons (IDPs) as a result of natural disasters such as earthquakes and floods. IMC has coordinated with the Natural Disaster Management Authority (NDMA) on multiple occasions in order to ensure the provision of ration as well as bare essentials such as blankets, clothing and medicine to people affected by natural disasters in areas such North Waziristan, Gujrat and Baluchistan.

More recently, IMC dispatched relief goods as well as logistic support the earthquake hit areas in Chitral. IMC deployed its sturdy all road pickup vehicle Hilux to transport goods as well as lend logistic support.

Health & Safety—Creating Healthier Lives

Indus Motor Company understands that its responsibility as an organization goes way beyond than just manufacturing cars for people to get from A to B. As a socially responsible citizen, IMC believes it needs to play its part in maintaining, developing and improving its society in order to put Pakistan on the track towards progress and growth.

Moving the Way Forward

IMC has always been aware of its responsibility towards disadvantaged communities and members of underprivileged sections of society, therefore it attempts to execute plans geared towards ensuring the availability of adequate resources such as clean drinking water as well as encouraging the adoption of healthy practices such as washing hands before and after every meal.

In addition, our plan also involves making substantial improvements to the surrounding infrastructure so that driving becomes a fulfilling and satisfying experience rather than just an exhausting chore. Our responsibility is towards our customers; hence, we actively try to ensure the safety of not only the individuals driving our vehicles, but also the people who come into contact with them. As a result, we have initiated the implementation of several road safety measures that help to create awareness amongst members of society in order to reduce the total number of traffic accidents and help create a safe environment for all road users.

Road Safety

Road Traffic Injury Research Project (RTIRP)

Road Traffic Injury Research Project has been acknowledged at the highest level and now has the patronage of the United Nations through the World Health Organization (WHO) and the Government of Pakistan as part of the Decade for Road Safety 2011-2020 programme which aims to close the gap between overall accidents and the country's population growth rate.

The aim of our Road Traffic Injury Research Project (RTIRP) was to reduce the overall number of injuries occurring as a result of road accidents by identifying and eliminating factors deemed as direct causes. As part of this project, several steps have been undertaken in order to ensure the effective fulfillment of its objectives. These include:

- **Facilitation of Medical Treatment:**

A number of our representatives have been stationed at different hospitals around the city, namely Liaquat National Hospital, Aga Khan Hospital, Abbasi Shaheed Hospital, Civil Hospital and Jinnah Postgraduate Medical Centre. These hospitals have been identified as the top 5 hospitals with an inflow of the most cases of traffic injuries. Representatives are charged with facilitating injured patients in getting immediate medical treatment. In addition, they are required to take down relevant information, such as age, vehicle number, time and area of accident, in order to maintain a database that helps to seek out various 'black spots'. A report is then drafted every month in which these 'black spots' are highlighted along with the necessary rectifications on how to overcome them.

- **Construction of Road Signs & Signals:**

There are various areas facing an extreme shortage of proper road signs and traffic signals designed to help drivers on the road. In order to reduce the possibility of accidents, IMC has put up a number of road signs and traffic signals at various turning points, thereby reducing the overall rate of traffic injury.

- **Road Safety Education & Training:**

A major part of our initiative to reduce overall traffic injury involves educating sections of society about the dangers of not following traffic rules and the importance of overall road safety. For this purpose, we at IMC have implemented the Family Education Services in which we have targeted households and schools with the objective to educate and train individuals on the best way to be safe while on the roads. Nearly 250 schools have been targeted for this education drive to be conducted annually for the next 3 years.

As a result of this scheme, a number of plans were implemented and organized in various locations around the city, including:

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As a result of this scheme, a number of plans were implemented and organized in various locations around the city, including:

- Toyota Road Safety Art Contest
- Toyota School Road Safety Campaign
- Road Safety Research Project 2006-2011
- National Road Safety Conference

Apart from this, IMC has encouraged a substantial number of its dealerships to implement similar programs geared towards the promotion of road safety, thus expanding our overall outreach.

Toyota – Research on Traffic Congestion

Traffic congestion is rapidly becoming one of Karachi's most serious problems. Not only is it an inconvenience to the people of the city, but it also results in excessive fuel consumption; a major issue in our already energy-deprived economy. In order to put a number on the total economic and social cost of this matter, IMC initiated a research project titled, "Toyota – Research on Traffic Congestion" (T-RTC) in collaboration with the NED University of Engineering & Technology, Karachi. The first of its kind in the history of Pakistan, this report helps companies determine the overall influence traffic congestion has on its budgeting in terms of the total cost borne by them due to traffic delays. In addition, it facilitates relevant city and federal governments in maintaining a database of such information and ultimately taking corrective measures to help resolve the problem.

So far, the T-RTC project has attained numerous achievements in terms of the collection of relevant information on various spots vulnerable to traffic congestion. In its first phase, the T-RTC team has already completed sufficient amounts of traffic-related data on a particular section of the National Highway via traffic monitoring cameras. The second phase of the project involved the collection of estimated "Value of Time" (VOT) from road users travelling through various parts of the Port Qasim area. The 'Value of Time (VOT) estimation methodology is based on a questionnaire-based survey which, according to a recently drafted report of T-RTC;

"...is used to model commuters' mode of choice for their daily trips. The multinomial logit model is estimated for this purpose in which modal cost and modal travel time parameters are used. The ratio of the co-efficient of these parameters provides the VOT value for individuals choosing different types of travel methods."

Together with the NED research team and by implementing relevant traffic parameters over the course of 12 months, IMC was able to reduce copious amounts of research to the following key findings:

Road design capacity is overwhelmed by a very high volume of cars, resulting in increased congestion, especially during peak hours. For example, the traffic volume during this time stands at 3,500 vehicles per hour whereas the road design capacity is suited to accommodate 3,400 vehicles per hour.

The overall distance between the Star Gate intersection and the Steel Mills intersection is, at most, 17 minutes, provided the vehicle's speed is 40 km per hour. Yet, it takes up to 30 minutes on average daily, resulting in a time-loss of 13 minutes per trip. Excessive wastage of time and fuel are direct results of these issues.

HealthCare Facilities

IMC donates regularly to a range of hospitals, blood banks and health care institutions in Pakistan. Each institution provides high quality and affordable health-care to those in need. These include:

- Indus Hospital
- Jinnah Postgraduate Medical Centre
- Aga Khan University Hospital
- Shaukat Khanum Cancer Hospital
- Various Blood Banks

Aside from all this, IMC, together with the Japan International Cooperation Agency (JICA) and the Aman Foundation, has helped create a strong network of ambulances for the purpose of attending to emergencies with immediate and on-the-spot medical treatment in any part of the city. It has even managed to set up numerous medical camps in 3 of its surrounding locations each week where residents of each locality can get a proper medical consultation absolutely free of cost.

IMC has engaged in numerous drives thereby showing its commitment towards improving the overall health

Environmental Awareness & Reporting

IMC has divided its environmental awareness program into two scopes, internal communication and external communication. Internal communication consists of steering committee meetings, sub-committee meetings and internal trainings. On the other hand, external communications consist of environmental social contribution activities and environmental reports. In both areas, IMC is playing its role in order to spread awareness about environmental needs and responsibilities among masses.

SHE Steering Committee

The Committee meets on a monthly basis and keeps a close eye on companywide Safety, Health and Environment (S.H.E) statistics, KPI trends, relevant local laws compliance, promulgating drive and focus on S.H.E. right from the top; enabling Management to have a first hand feel of S.H.E issues prevailing on the shop floor and ways to resolve them via efficient and swift decision-making. The S.H.E Committee, chaired by the CEO, formulates the overall policies and S.H.E framework for the company.

Environment Education Program

Environmental trainings are the necessary to create awareness among workers. Trainings prepare them not only for protection of environment but also build environmental friendly minds. IMC conducted a number of internal environmental trainings which empower its employee to identify and control any environmental non-compliance. These trainings consist of general awareness training at the time of induction, internal training of ISO 14001 and spill management trainings. Environment subcommittee meetings are also the part of environment education program addressing different environmental issues, creating awareness and discussing action items to minimize the impacts on environment.

Enculturation

Awareness on environment and desired behavior is key to promoting pro social behavior among employees. In order to ensure a truly safe and secure environment, support and collaboration from employees is crucial. Through effective communication and expressed actions, IMC has instituted an organization culture inherently engrained in betterment and wellbeing of all around us.

Worth noting

Campaign against substance consumption
Safety precautions (Stop point call), Safety Circles,
Environmental Awareness (Earth hour, World environment day, Earth Hour)



Environment Month

IMC every year celebrates environment month to foster a sense of awareness and responsibility towards environment. Different activities are carried out such as trainings, audits and screening of informative videos from across the Toyota network. The Month long event also involves competitions and distribution of souvenir among IMC team members. In the Fiscal year 2016, the environment month was celebrated in June under the theme “Let’s do it for the future – Toyota global environment Challenge 2050”. The event started with the management renewing their pledge towards environment. Training of ISO 14001, emergency response to spill was imparted to IMC Team members. An internal audit of ISO 14001 was also successfully done. An art competition for children titled as “draw green competition” was carried out and the best entries were awarded as winners and an eco photo contest was arranged whereby IMC team members clicked the winning photographs that raise environment consciousness

Publications

IMC publishes and releases various forms of communications and reports every year. The most comprehensive report, the Annual Report, is published annually. The internal Newsletter, Inspire, is issued periodically featuring the achievements and success stories of the employees.



The Way Forward:

The Way Forward:

The future holds many challenges. With issues of climate change, urban gigantism, population explosions and increasing sociopolitical uncertainty, the need for organizations to collaborate and contribute towards the betterment of the society is more pressing than ever before.

For its part, IMC remains committed to working towards a sustainable environment. Believing that continuous change is the only permanent thing, IMC continues to engage with society, peer industries and its stakeholders for creating visible, scalable social ventures.

Toyota Global Vision

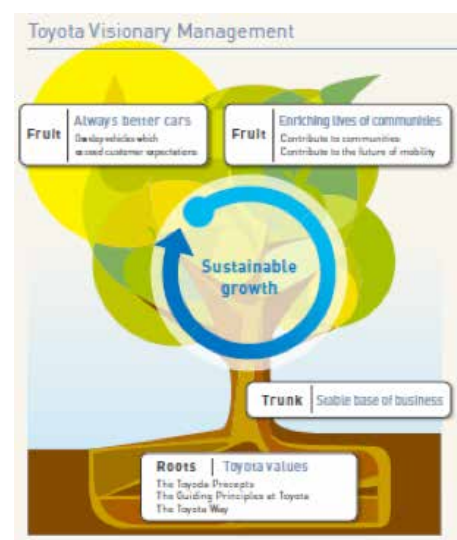
Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people. Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

We will meet our challenging goals by engaging the talent and passion of people, who believe there is always a better way.

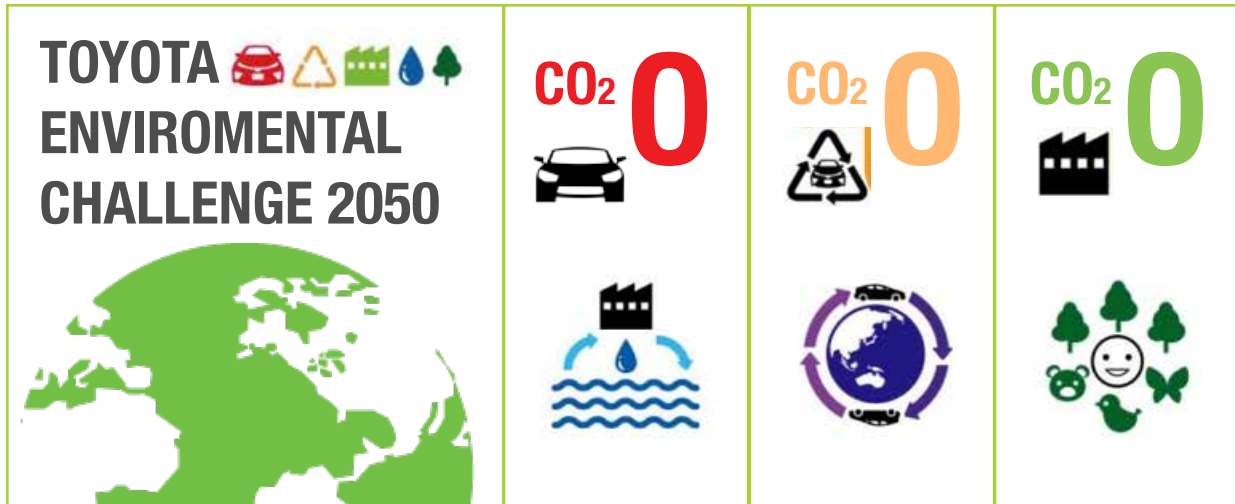
The Sixth Toyota Environmental Action Plan

Activities to be implemented in FY2016–2020 in order to meet the six challenges in the Toyota Environmental Challenge 2050 are outlined in the Sixth Toyota Environmental Action Plan.

In formulating the plan, environmental activities were categorized according to the three priority themes of the Fifth Plan: “contribution to a low-carbon society,” “contribution to a recycling-based society,” and “environmental protection and contribution to a harmony with nature society.” Embracing these three themes, Toyota will contribute to the sustainable development of society and the planet by ensuring harmony with the global environment in its monozukuri (manufacturing), kurumazukuri (car-making) and delivery of products and services.



Toyota Environment Challenge 2050



Six Challenges of Toyota

To move toward a net positive impact rather than just trying to reduce negative factors to zero, Toyota has set itself six challenges. All these challenges, whether in climate change or resource and water recycling, are beset with difficulties, however we are committed to continuing toward the year 2050 with steady initiatives in order to realize sustainable development together with society.



Our Ecology

We aim to do everything in our power to help safeguard our surrounding environment so that our future generations have a chance at leading better, more fulfilling lives.

As part of its directives with regard to preservation and improvement of the environment, both on the company's premises as well as in its surrounding areas, IMC has engaged in numerous initiatives that aim to reduce the adverse effects of pollution in the environment.

Tree Plantation

Apart from adopting greener business practices, IMC also extensively engages in tree plantation activities. As a symbolic gesture towards the importance the company gives towards maintaining a green environment, every guest visiting IMC is invited to plant a tree at company premises. Under this practice, IMC has several acres of area covered with greenery.

Promotion of Plantation at suppliers

Our business partners are an integral part of our value chain and are involved in many of our aspects, including environment management. Promotion of environmental activities at suppliers is necessary for building harmonize and sustainable society. Tree plantation activities are carried out by plantation is the dire need of the global environment. It is significant in reducing carbon foot print as well. IMC promotes plantation in its suppliers and encourages them for planting more trees



Toyota School Environment Program (2010-2011)

In partnership with WWF-Pakistan, Indus Motor Company launched the Toyota School Environment Program 2010-11 in Aug 2010 to enhance environmental awareness amongst school-going children by engaging them in hands-on environmental education activities.

The program was conducted in three stages, beginning with Schools Registration, going on to Workshops, Awareness-Raising Sessions and 3D Model Making in schools to finally end with the Nature Carnival 2011, which was organized on the 30th of January at the PAF Museum with the official endorsement of the Ministry of Environment.

The Nature Carnival event offered a wide range of activities that were both exciting and informative for students as well as competitions on environmental issues for school children to participate in. Nearly 120 schools across Karachi gave presentations on various themes like:

- Say No to plastic bags
- Animals and Plants of Wetlands
- Impact of Air and Water Pollution on Health
- Industrial Waste and Solid Waste Management
- Threats to Blind Indus Dolphin
- Global Warming & Climate Change
- Organic Farming
- Kitchen Gardening and
- Adopt a Tree

Over 25,000 students participated in the program, instilling a sense of individual responsibility in the future generation of Pakistan.

Innovation and creativity

Our goal has been, and always will be, to encourage innovation and creativity in every process and ultimately enable Pakistanis to work out home grown solutions for the biggest everyday challenges. For this purpose, we have partnered with a number of institutions and organizations that are committed to the development and growth of talent in Pakistan.

Shell ECO Marathon

Shell Global initiative of promoting cars that conserve fuel and subsequently the environment resonates to a large extent with Toyota's global vision of developing greener cars. To meet the world's growing demand for energy in economically, environmentally and socially responsible ways, Shell's ECO marathon invites youth to develop cars that go further on lesser fuel.

IMC supports Shell Eco marathon by sponsoring projects from leading universities of Pakistan. This involves providing material and knowledge assistance to the students to develop cars in Pakistan that compete in the Global Event.

Battle of the Brains

An initiative developed by Indus Motor Company itself, this is a competition that enables aspiring managers and leaders of Pakistan to use their creativity and propose solutions for real life business challenges. Each year, students from various business schools are invited to participate and are assessed for their creativity and soundness of idea. The participants develop plans for the initiative

INJAZ Pakistan

Founded in 2012, INJAZ Pakistan, an initiative of the Aman Foundation, works to bridge the gap between the educational field and the marketplace through co-curricular programs that aim to empower the youth. Members of the business world are selected to volunteer for training sessions in school classrooms in order to train the youth in areas of work readiness, entrepreneurship and financial literacy — thus narrowing the gap between students and the corporate world.

IMC joined hands with INJAZ Pakistan to equip students and aspiring professionals with the necessary skills and knowledge that will help them carve their own niche once they enter the professional arena. Besides providing material support, IMC employees regularly provide advisory and career counseling support to students regarding career choices and personal development.

Pakistan Innovation Foundation (PIF)

IMC's year long support to Pakistan innovation fund saw the first 'Open Innovation' competition that encouraged Pakistanis from all walks of life to come up with innovative solutions to Pakistan's development challenges. The nationwide challenge was launched to promote the practice of creativity and innovation in Pakistan's manufacturing sector.

The challenge invited creative minds from all over Pakistan to come up with unique and innovative ideas in two critical domains. The first challenge was to develop a replicable, scalable and marketable product or process that enhanced productivity reduced energy requirement or reduced industrial waste by at least 33%.

The second challenge was to develop an innovative product, service, or tool that complemented or enhanced the utility of a manufactured product and which had a compelling market potential and cost performance profile for rapid commercialization in Pakistan.

Literacy Support.

Over the years, IMC has pursued extensive education support program aimed at improving access to quality education at all levels, from primary education to higher education and vocational education.

The Citizens' Foundation Schools (TCF)

The Citizens' Foundation is perhaps one of the very few not-for-profit institutions, dedicated to the spread of high quality and affordable education, which has enabled many children to realize their potential and grow to create successful futures for themselves and their families.

In appreciation of the significant its contribution to the development of human capital in Pakistan, Indus Motor Company has supported TCF by donating two school buildings to the Foundation; one in Hyderabad, the other in Baseera, Muzaffargarh. Both areas have primary school premises constructed on land donated by the Habib Group in 2006 and are currently involved in the spread of quality education to nearly 360 children belonging to villages in the vicinity. Each school houses a playground for extra-curricular and sports activities leading to development of valuable skills in the children.

Toyota Goth Education Program

Under the Toyota – Goth Education Program, Indus Motor Company provides educational support to the underdeveloped and poor communities in the vicinity of the company's operations.

Initiated in 2008, the program aims to spreading literacy, encourage positive social and mental upbringing and give hope for a better future. It enrolls 50 children every year. So far, 250 children have been enrolled and are studying.. Full support is being provided by IMC to all enrolled students so that they may meet their educational expenses, like school fees, books and stationery, uniform, school bags, shoes, etc.

Habib University Foundation

Recognizing the need to support higher education, we have lent extensive support to Habib University Foundation for the development of a world class engineering and liberal art institution in Karachi. The Habib University is a unique, one of a kind institution that delivers quality education with a liberal art core. IMC's contribution includes financial assistance as well as knowledge exchange through participation as keynote speakers, knowledge sharing and experiential learning.

Promoting Physical Education

To promote physical education, IMC and Toyota sponsored a state of the art Toyota gymnasium at the Habib Public School in Karachi. The fully equipped gymnasium as well as donations to Habib University worth Rs. 100 million over the course of 5-years.

IMC also supports sporting events across the academia, with frequent collaborations with schools, colleges and sporting events for underprivileged areas.

COMMUNITY UPLIFT – Helping Others to Help Themselves

IMC takes a keen and active interest in the welfare of the communities that are in the immediate vicinity of its plant and facilities, as we see these communities as our neighbors. It has adopted several villages around its manufacturing unit at Port Qasim. Through integrating various social uplift programs, the company aims at meeting basic needs in three broad areas – Health (a healing touch), Education (igniting minds) and Livelihoods (infusing self-dependence). Our involvement becomes all the more necessary since a large part of these settlements comprise of underprivileged people.

Ensuring a Quality Lifestyle for All

IMC is involved in working to uplift these communities and to bring betterment and greater opportunity to the future generations in these circles, with activities that range from distribution of food, provision of medical facilities to long-term opportunities and channeling of youth through development and sports initiatives.

Food Security and Nutritional Support

Being mindful of the averse impacts of malnutrition on physical and mental health, we strive to support underprivileged areas with nutritional support. Distribution of prepared meals, along with distribution of ration are carried out in the neighboring communities

Apart from this, IMC ensures that residents belonging to each neighboring village/town engage in cleanliness practices that ensure sanitary housing conditions for themselves as well as their families.

Assistance for IDPs of Natural Disasters

IMC has been at the forefront for assistance of Internally Displaced Persons (IDPs) as a result of natural disasters such as earthquakes and floods. IMC has coordinated with the Natural Disaster Management Authority (NDMA) on multiple occasions in order to ensure the provision of ration as well as essentials such as blankets, clothing and medicine to people affected by natural disasters in areas such as North Waziristan, Gujrat and Baluchistan. More recently, IMC dispatched relief goods as well as logistic support the earthquake hit areas in Chitral. IMC deployed its sturdy all road pickup vehicle Hilux to transport goods as well as lend logistic support.

Safer Roads

In addition, our plan also involves making substantial improvements to the surrounding infrastructure so that driving becomes a fulfilling and satisfying experience rather than just an exhausting chore. Our responsibility is towards our customers; hence, we actively try to ensure the safety of not only the individuals driving our vehicles, but also the people who come into contact with them. As a result, we have initiated the implementation of several road safety measures that help to create awareness amongst members of society in order to reduce the total number of traffic accidents and help create a safe environment for all road users.

Road Traffic Injury Research Project (RTIRP)

The aim of our Road Traffic Injury Research Project (RTIRP) was to reduce the overall number of injuries occurring as a result of road accidents by identifying and eliminating factors deemed as direct causes. The Toyota Road Traffic Injury Research Project has been acknowledged at the highest level and now has the patronage of the United Nations through the World Health Organization (WHO) and the Government of Pakistan as part of the Decade for Road Safety 2011-2020 program which aims to close the gap between overall accidents and the country's population growth rate.

- **Facilitation of Medical Treatment:** A number of our representatives have been stationed at different hospitals around the city, namely Liaquat National Hospital, Aga Khan Hospital, Abbasi Shaheed Hospital, Civil Hospital and Jinnah Postgraduate Medical Centre. These hospitals have been identified as the top 5 hospitals with an inflow of the most cases of traffic injuries. Representatives are charged with facilitating injured patients in getting immediate medical treatment. In addition, they are required to take down relevant information, such as age, vehicle number, time and area of accident, in order to maintain a database that helps to seek out various 'black spots'. A report is then drafted every month in which these 'black spots' are highlighted along with the necessary rectifications on how to overcome them.
- **Construction of Road Signs & Signals:** There are various areas facing an extreme shortage of proper road signs and traffic signals designed to help drivers on the road. In order to reduce the possibility of accidents, IMC has put up a number of road signs and traffic signals at various turning points, thereby reducing the overall rate of traffic injury.
- **Road Safety Education & Training:** A major part of our initiative to reduce overall traffic injury involves educating sections of society about the dangers of not following traffic rules and the importance of overall road safety. For this purpose, we at IMC have implemented the Family Education Services in which we have targeted households and schools with the objective to educate and train individuals on the best way to be safe while on the roads. Nearly 250 schools have been targeted for this education drive to be conducted annually for the next 3 years.

As a result of this scheme, a number of plans were implemented and organized in various locations around the city, including:

- Toyota Road Safety Art Contest
- Toyota School Road Safety Campaign
- Road Safety Research Project 2006-2011
- National Road Safety Conference

Apart from this, IMC has encouraged a substantial number of its dealerships to implement similar programs geared towards the promotion of road safety, thus expanding our overall outreach.

Toyota – Research on Traffic Congestion

Traffic congestion is rapidly becoming one of Karachi's most serious problems. Not only is it an inconvenience to the people of the city, but it also results in excessive fuel consumption; a major issue in our already energy-deprived economy. In order to put a number on the total economic and social cost of this matter, IMC initiated a research project titled, "Toyota – Research on Traffic Congestion" (T-RTC) in collaboration with the NED University of Engineering & Technology, Karachi. The first of its kind in the history of Pakistan, this report helps companies determine the overall influence traffic congestion has on its budgeting in terms of the total cost borne by them due to traffic delays. In addition, it facilitates relevant city and federal governments in maintaining a database of such information and ultimately taking corrective measures to help resolve the problem.

HealthCare Facilities

IMC believes that quality and affordable health-care is a fundamental human right. Fueled by this belief, IMC supports various healthcare institutions to provide healthcare support to the underprivileged people of the society.

- Indus Hospital
- Jinnah Postgraduate Medical Centre
- Aga Khan University Hospital
- Shaukat Khanum Cancer Hospital
- Various Blood Banks

Cross sector collaborations, namely with Japan International Cooperation Agency (JICA) and the Aman Foundation, have helped improve access to healthcare via a strong network of ambulances for the purpose of attending to emergencies with immediate and on-the-spot medical treatment.

Childhood Blindness Prevention Program

Early action can prevent blindness, an impairment that afflicts many people and created economic and social burden for the families. In order to ensure children get the required treatment that will help save them from permanent blindness, Indus Motor Company, together with leading NGO, Mother & Child Care Clinics, has set up eye-camps in several villages inhabiting its surrounding areas. Teams visiting Razzaqabad, Abdullah Goth & Yousuf Goth have provided its young residents with free screenings, spectacles, and even basic eye treatment absolutely free of cost.

So far, around 2,000 children up to 15 years of age have been screened in the program at a pilot investment cost of PKR 575,000. Surgical treatment of cataract, ptosis, and squint is carried out by the Memon Medical Institute, Karachi (a panel hospital of the Mother & Child Care Clinic).

Husaini Hematology and Oncology Trust

Indus Motor Company makes an annual donations worth to the Husaini Haematology and Oncology Trust in order to help facilitate its operations. Founded by the late Dr. Hasan Ali Vajid in 1979, the trust is renowned for its commitment towards serving the community with high quality medical services, irrespective of caste, creed, race or color. The Husaini Hematology and Oncology Trust operates six state-of-the-art and not-for-profit divisions.

- Husaini Blood Bank
- Husaini Thalassemia Center
- Husaini Hemophilia Center
- Husaini Institute of Hematology
- Husaini Diagnostic Lab
- Husaini Pharmacy

Marie Adelaide Leprosy Centre

Continuing on its mission to rid the society of such ills, the Indus Motor Company also donates to the Marie Adelaide Leprosy Centre (MALC). The Marie Adelaide Leprosy Centre is a not-for-profit organization with a strong network of up to 157 control centers across the country, thus enabling people residing in remote locations to gain access to high quality medical services. The Marie Adelaide Leprosy Centre, run by Dr. Ruth Pfau, a sister of the Society of Daughters of the Heart of Mary, has been working in close coordination with the government to help eliminate debilitating diseases such as leprosy, tuberculosis and blindness from such areas. All medical services provided through the Marie Adelaide Leprosy Trust are provided free of charge, irrespective of race, ethnic origin or religion.

