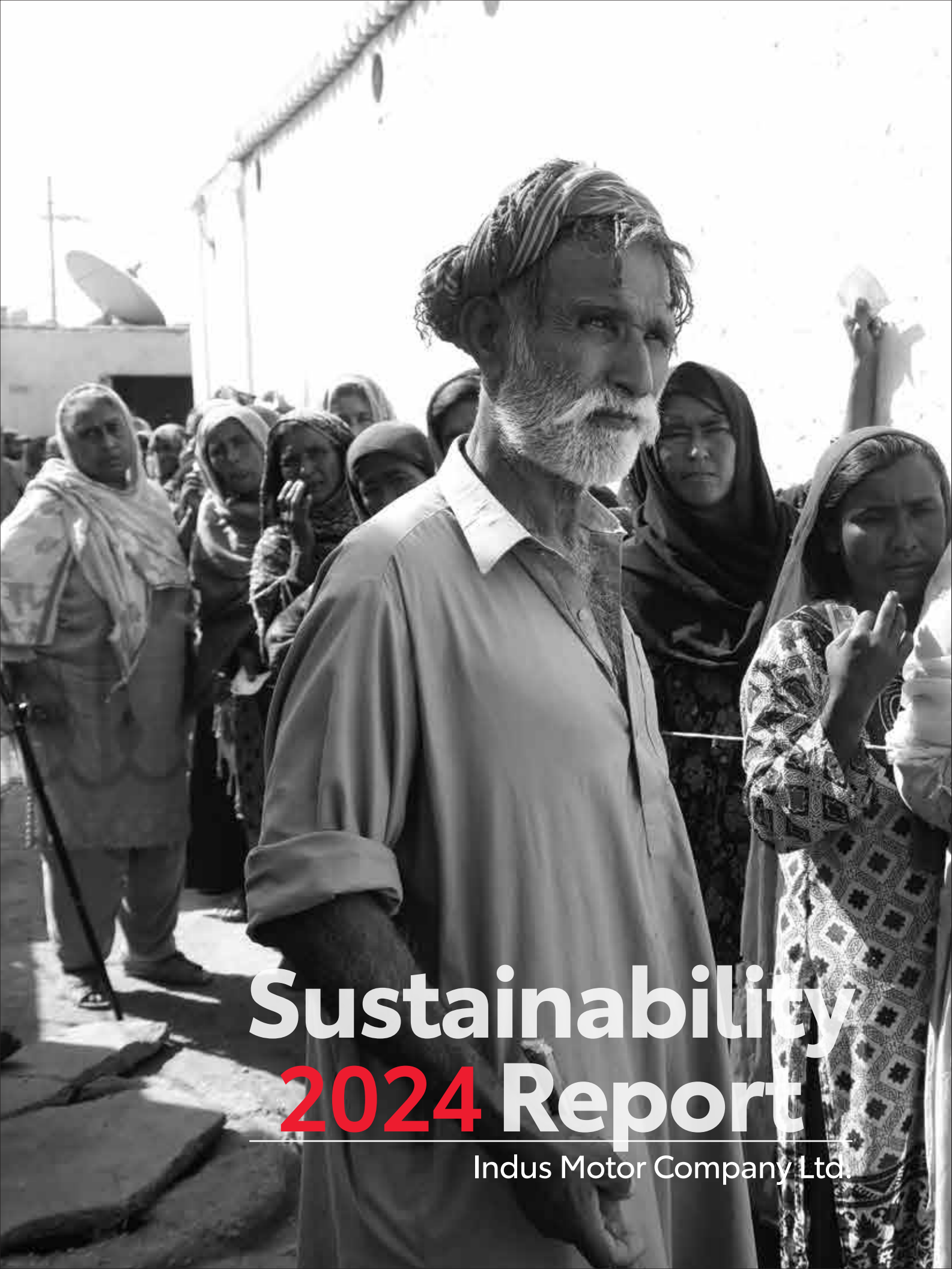




Sustainability 2024 Report

Indus Motor Company Ltd.

continuing the **Spirit** of

**MO
NO
ZU
KU
RI**

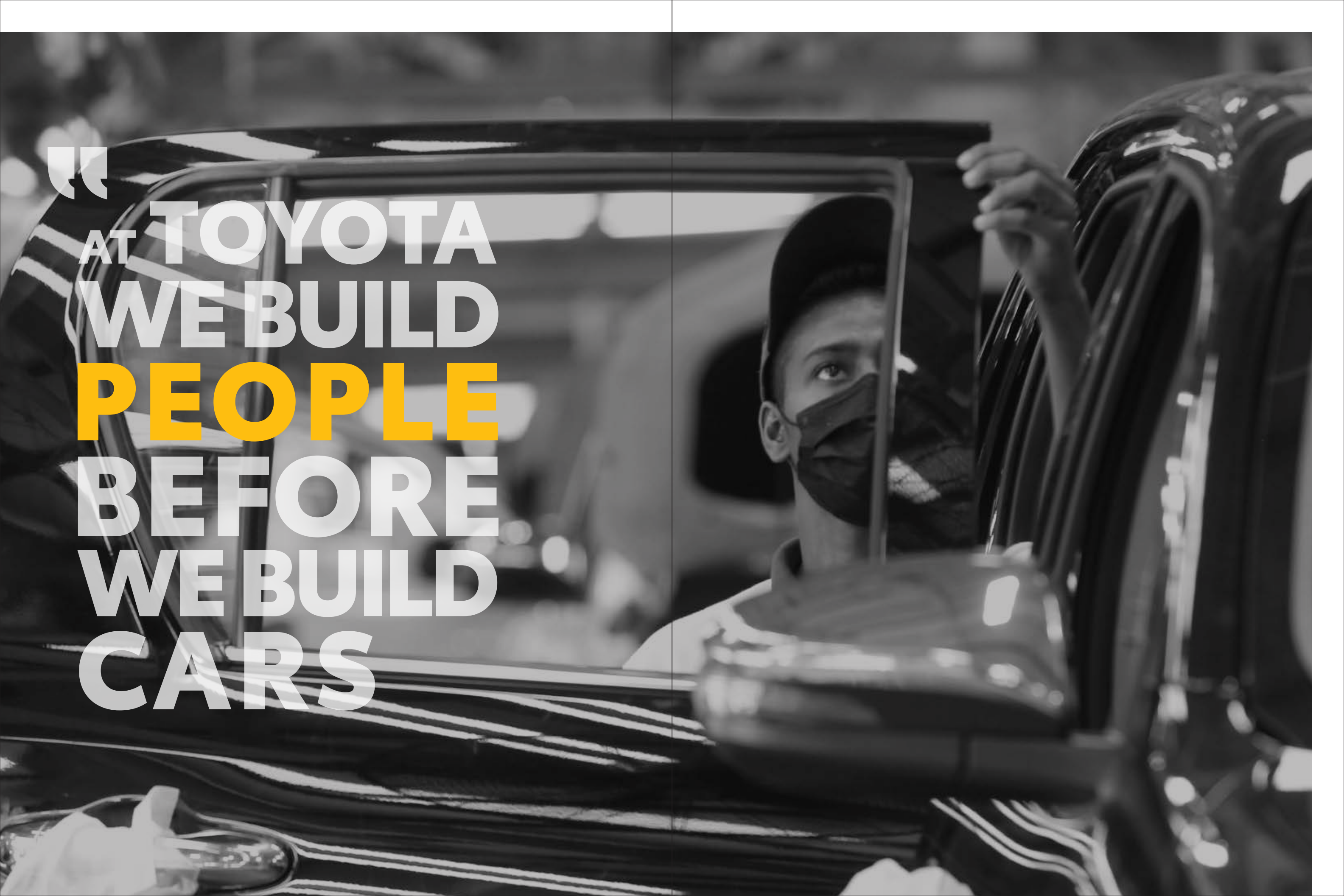


The essence of
monozukuri
lies in the
dedication
to meticulous
craftsmanship
and the relentless
pursuit of
perfection

IMC begins its journey to
sustainability by extending
unparalleled Japanese craftsmanship
to **people** – employees, communities,
and customers. The commitment to
inclusivity, equity, and shared
prosperity sets a foundation where
every **hand** joins to build a
sustainable future.

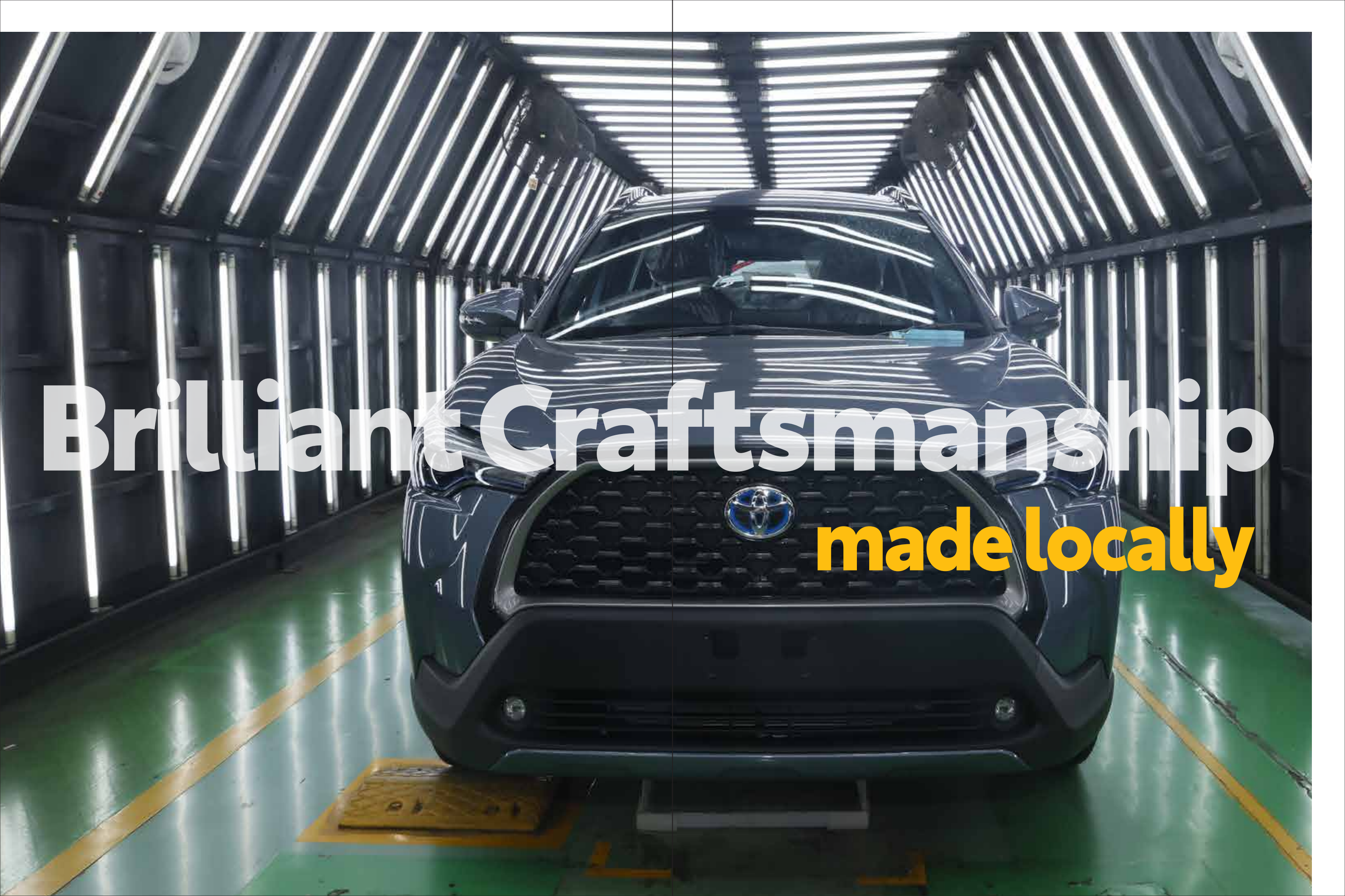


honouring
HANDS that
hold our story
together



“

AT TOYOTA
WE BUILD
PEOPLE
BEFORE
WE BUILD
CARS



Brilliant Craftsmanship
made locally

monozukuri

innovation center

integrating modern technologies with traditional craftsmanship

This year Indus Motor's commitment to Innovation and societal impact has been exemplified through the inauguration of Monozukuri Innovation Center. This state-of-the-art facility embodies our dedication to advancing manufacturing excellence and driving social progress. Through initiatives focused on Karakuri, Automation, Digitalization, and Artificial Intelligence, we are empowering our workforce with cutting-edge technologies and knowledge. By fostering a culture of continuous improvement and creativity, our trained Team Members are not only enhancing Toyota's operational efficiency but also contributing to the broader advancement of Pakistan's automotive industry. The Monozukuri Innovation Center stands as a beacon of our vision to integrate modern technologies with traditional craftsmanship, benefiting both our company and society at large through sustainable human resource development and innovative manufacturing practices.

Karakuri Implementation

an ancient secret to
modern-day
productivity

The Company's approach to "karakuri" goes beyond mere tradition; it embodies a philosophy of continuous improvement deeply rooted in our manufacturing ethics. Inspired by the engineering marvel of mechanical puppets/dolls, we have embraced a Karakuri kaizen philosophy. This philosophy empowers our teams to innovate with simple, energy-efficient designs that enhance ergonomics and productivity on our production lines. Karakuri's reliance on gravity, springs, and basic mechanical principles ensures minimal energy consumption, aligning with our commitment to carbon neutrality in manufacturing. For instance, we have implemented low-cost mechanical devices that streamline processes such as delivering components when and where they are needed, minimizing strain on operators and preventing them from musculoskeletal disorders that eventually result in improved quality and productivity.

Indus Motor Company is committed to advancing manufacturing innovation in Pakistan through collaborative efforts with Habib University. Together, we aim to empower the next generation of engineers by engaging faculty and final-year students in practical industrial solutions under the "Make in Pakistan" initiative. One notable project includes the development of an Autonomous Tow Truck for efficiently transporting bumpers from shop to assembly, addressing one of our longest routes with enhanced safety, quality, and productivity. This initiative will not only optimize operational efficiency and reduce costs but will also cultivate a skilled workforce, reinforcing IMC's position as a leader in automotive manufacturing excellence.

Automation

shaping the future
through collaboration
with universities

Digitalisation & AI

revolutionizing
manufacturing with
cutting-edge
technologies

We are at the forefront of digitalization and artificial intelligence, collaborating closely with our IT team to pioneer transformative projects. In digitalization, we have implemented real-time feedback system, significantly reducing the response lead time in case of abnormalities. Unlike traditional shift-end defect reporting, our system enables immediate feedback and automated analysis, allowing for swift corrective actions to enhance product quality. Additionally, the introduction of a QR code scanning system for Fixed-route compliance has improved area management by ensuring comprehensive 5S checks, addressing previous issues of oversight. Moreover, the integration of Head-view mounted and Eye Tracking cameras has standardized inspection processes, facilitating precise audits and ensuring thorough inspection of previously inaccessible areas by tracking the actual retina movement of inspector to ensure whether he is actually looking at the checkpoint or not. Now, we are advancing towards AI-based

vehicle inspection at the vehicle performance inspection line, promising unparalleled accuracy and consistency in quality assurance processes. Furthermore, our forthcoming digital iBoard will empower Group Leaders with prioritization tools, optimizing workflow management and further elevating our standards of operational excellence. These initiatives highlight Indus Motor Company's dedication to pioneering technologies that will ease the burden on our members which will eventually aid in uplifting quality assurance.



Training & Development

unleashing
creative
potential

For the training and development of Karakuri expertise, we have established a Karakuri Dojo featuring 19 simulators that illustrate ways to enhance ergonomics, quality and productivity. This initiative is complemented by an in-house curriculum designed by our engineering team, aimed at cultivating craftsmanship skills among Team Members and engineers. The objective of this training is to foster creative thinking and competitiveness within our teams. Participants learn to identify and implement Karakuri solutions to support manufacturing reform activities. Our goal is to train 100% of our workforce in 3 years, offering a blend of theoretical knowledge and hands-on experience. Upon completion, trainees are required to execute a project at the line side, integrating their newly acquired skills into practical applications. Furthermore, these kaizens are valued and recognized by our top management, including the

CEO and Technical Directors, which boosts team motivation. This recognition serves to enhance kaizen activities across the organization, promoting continuous improvement in our operations. Additionally, we will extend training to group companies and suppliers, sharing our expertise to promote industry-wide growth and collaboration.

about the report

This 2024 Sustainability Report, published on 15 January 2025, is our ninth edition, demonstrating our ongoing dedication to sustainable environmental, social, and governance performance.

This report outlines our adherence to reporting frameworks, including the Global Reporting Initiative (GRI) and the United Nations Global Compact (UNGC)'s "Ten Principles." The report also considers the requirements of International Financial Reporting Standards (IFRS) S1 and S2. It connects the reported information with the United Nations Sustainable Development Goals (SDGs) to provide a clear view of our sustainability performance and contribution towards SDGs. We have widened our reporting framework this year in consideration of adopting the ESG guidelines recently issued by the SECP and PSX. While most of the requirements of the SECP and PSX ESG disclosures are covered by GRI disclosures, additional information is provided where the GRI standards do not cover it.

Scope and Boundary

The report provides a comprehensive overview of our sustainability performance from July 1, 2023, to June 30, 2024. It does not cover information related to subsidiaries, associated companies, or joint ventures.

Report Content and Methodology

The report's content is derived from our

engagements with stakeholders, our impacts on the economy, environment and people, and the risks and opportunities expected to affect our financial performance and prospects over different time horizons. It also considers the requirements of UNGC's "Ten Principles." Refer to page no. 55 for details on defining report content and material impacts, risks, and opportunities.

The information and data in the report are obtained from existing management systems. Quantitative data is based on actual scientific measurements, but estimation has been used where data is unavailable. The data collection and measurement techniques are consistently applied over time. Any revisions or restatements made to correct errors in the reported information are mentioned in the relevant section. There were no changes in the reporting period, scope, or list of material impacts, risks and opportunities.

The report has not been externally assured. However, the Safety, Health & Environment (SHE) Steering Committee has reviewed it for accuracy and alignment with our sustainability goals. We plan to have the report externally reviewed in the future.

For any questions or feedback on the report, please contact the sustainability team at feedback.sustainability@toyota-indus.com



performance highlights

19,599
units
Manufactured

2023
32,696 units

21,063
units
Sold

2023
31,602 units

Rs **15.1** Billion
**Net Profit
After Tax**

2023
Rs 9.7 Billion

Rs **152.5** Billion
Net Sales

2023
Rs 177.7 Billion

218,557
GJ
**Energy
Consumption**

2023
215,277 GJ

8,538
Metric Tons
**GHG
Emissions**
(Scope I)

2023
7,629 Metric Tons

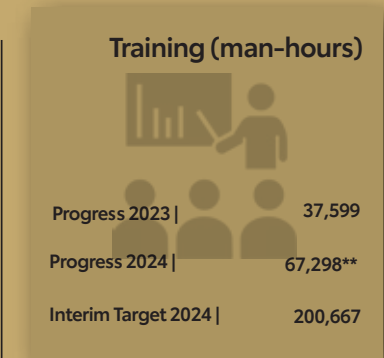
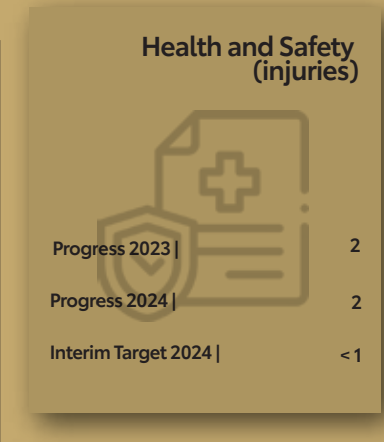
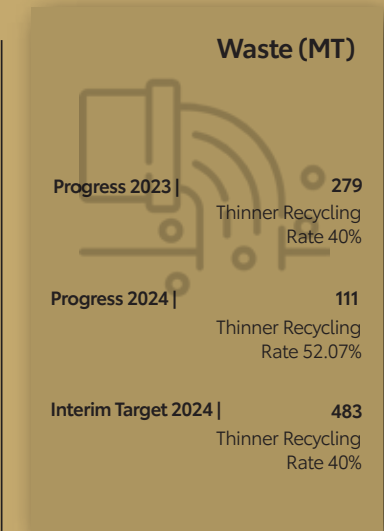
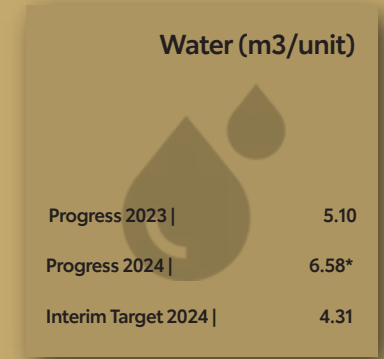
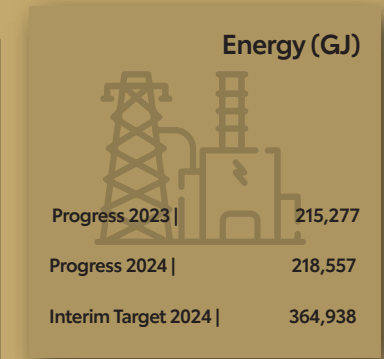
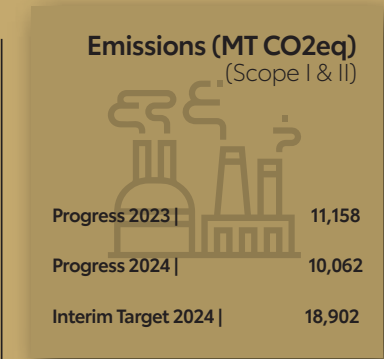
129
ML/year
**Water
Consumption**

2023
167 ML/year

Rs **168** Million
Community Investment

2023
Rs 256 Million

performance against targets



The macroeconomic shifts in the country have influenced business dynamics and production levels, rendering the 2025 targets redundant. We are establishing new targets for 2030, which will be detailed in next year's report.

*The variances resulted from reduced production levels and plant shutdowns during the year.
** Due to economic instability and production cutdowns resulting from decreased market demand, IMC has temporarily halted the Apprentice Team Member (ATM) programme. This has led to a significant deviation from the Training target.

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A scenic photograph of a snowy mountain landscape. In the foreground, a river flows through a valley covered in deep snow. A small, traditional building with a tiled roof is visible on the left. The background features steep, snow-covered mountains and dense evergreen forests. Overlaid on the right side of the image is a large red circle with several concentric red lines radiating from its center. The word "overview" is written in white, bold, lowercase letters within the red circle.

overview

*Chasing Snow Leopard Expedition,
Brown Bear Forest, Kaghan Valley
Photo courtesy: Youth Impact*

Move your world

Chairman's
Message

Dear Stakeholders,

As we present Indus Motor Company's 2024 Sustainability Report, I take immense pride in reflecting on a year marked by innovation and our commitment to sustainable development. This report is a testament to our dedication to driving positive change across environmental, social, and governance dimensions while maintaining the highest standards of operational excellence.

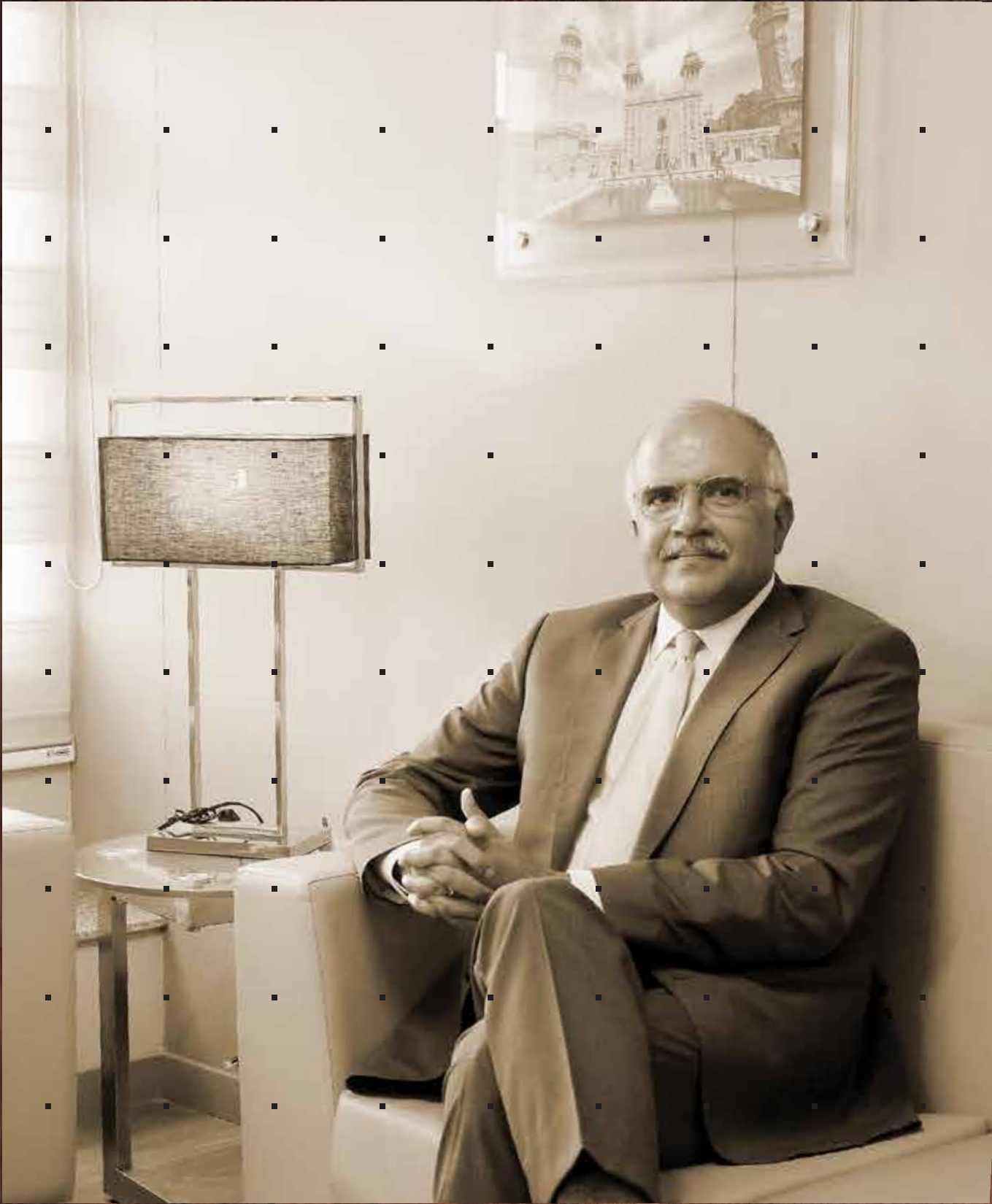
The year brought unique challenges, including economic pressures and shifts in consumer behaviour. Yet, it reinforced our resolve to lead the way in sustainable mobility solutions. The launch of the Toyota Corolla Cross, Pakistan's first locally manufactured hybrid electric vehicle, symbolises our efforts to deliver cutting-edge technology that aligns with global environmental goals. This milestone demonstrates our commitment to reducing our carbon footprint and contributing to energy security.

Sustainability is deeply embedded in IMC's ethos. Guided by Toyota's Environmental Challenge 2050 and the United Nations Sustainable Development Goals, we have taken significant steps toward enhancing resource efficiency, reducing emissions, and fostering community well-being. This year's highlights feature substantial decreases in greenhouse gas and significant reductions in greenhouse gas emissions, energy use, and water consumption, resulting from reduced production and efficiency improvement initiatives. Our substantial community investments highlight our dedication as a responsible corporate citizen.

However, sustainability is not a destination—it is a journey. Looking ahead, we will continue to innovate and adapt, leveraging the strength of our people, partnerships, and purpose. Our efforts to align with ESG guidelines and adopt advanced reporting standards reflect our proactive approach to meeting stakeholder expectations and future challenges.

We are not merely constructing vehicles but also establishing a legacy of responsibility, progress, and shared value for future generations. As a partner in economic development and a committed corporate citizen, we reiterate our dedication to contributing to the country's economic growth actively and to fostering a sustainable future for everyone.

Chairman

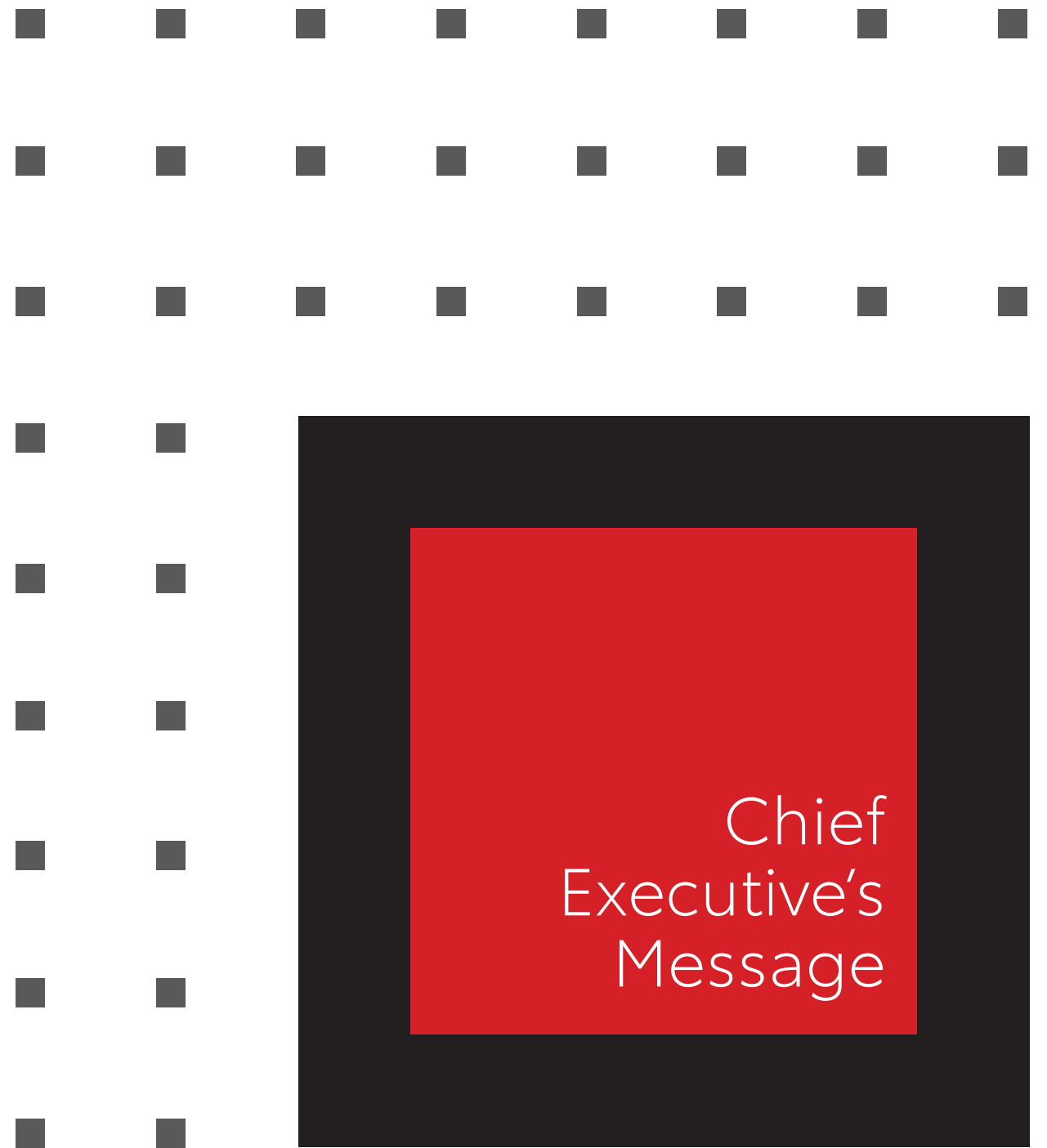


Mohamedali R. Habib
Chairman

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go and see for yourself

The Toyota Way





Ali Asghar Jamali
Chief Executive

Dear Stakeholders,

I am honoured to present the 2024 Sustainability Report, highlighting Indus Motor Company's dedication to operational excellence and sustainable growth. The past year has been pivotal as we encountered challenges and embraced opportunities to reinforce our status as Pakistan's automotive sector leader.

Our operational performance demonstrates our resilience and capacity for innovation in a rapidly changing landscape. Despite economic uncertainties and supply chain challenges, we achieved an impressive 55.67% growth in net profit after tax, totalling PKR 15.1 billion. This accomplishment reflects the agility and commitment of our teams, who have upheld our core values of quality, safety, and customer satisfaction.

On the sustainability front, we have made notable strides towards reducing our environmental impact. The launch of the Toyota Corolla Cross, Pakistan's first locally manufactured hybrid electric vehicle, marked a pivotal achievement in our journey towards carbon neutrality. In addition, we recorded a significant 23% reduction in greenhouse gas emissions compared to the previous year, alongside ongoing energy and water efficiency improvements. These accomplishments align with our vision of creating a greener future and underscore our commitment to Toyota's Environmental Challenge 2050.

Beyond environmental goals, our commitment to social responsibility remains steadfast. Through initiatives focusing on education, skills development, community welfare, and road safety, we continue to contribute meaningfully to the socio-economic uplift of the communities we serve. This year, we invested PKR 168 million in community development projects, reflecting our belief in shared-value creation. Our employees dedicated 2,500 hours to community development projects, highlighting our commitment to being a socially responsible organisation.

Looking ahead, we are determined to build on this momentum. Our focus remains on embedding sustainability deeper into our business model, innovating to meet evolving customer expectations and driving the adoption of eco-friendly mobility solutions. As we work towards our 2025 targets, we will continue to align our operations with global best practices, ensuring that IMC remains a trusted partner in Pakistan's progress.

While developing innovative solutions that advance our business and promote a sustainable, inclusive future, we commit to upholding the United Nations Global Compact's "Ten Principles" and the Sustainable Development Goals (SDGs) in our operations and value chain.

Chief Executive

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 of Hilux IMV, Toyota's sturdy workhorse

2008

August

Start-up Press Shop

2010

October

Line-off of 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

December

Launch of Toyota Prius Hybrid (CBU)

2014

September

Launch of the 11th generation Corolla with 777 local parts

2013

February

Line-off of the 1st locally manufactured Fortuner

2015

January

Celebrated IMC's Silver Jubilee

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

2019

June

NCAP Compliance 100% Dual Airbag vehicles

2019

June

CSR Spending above Rs 1 Billion (accumulative)

2019

June

Record highest production 65,346 units (Sales 66,211 units)

2019

November

Celebrated IMC's 30th year incorporation

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

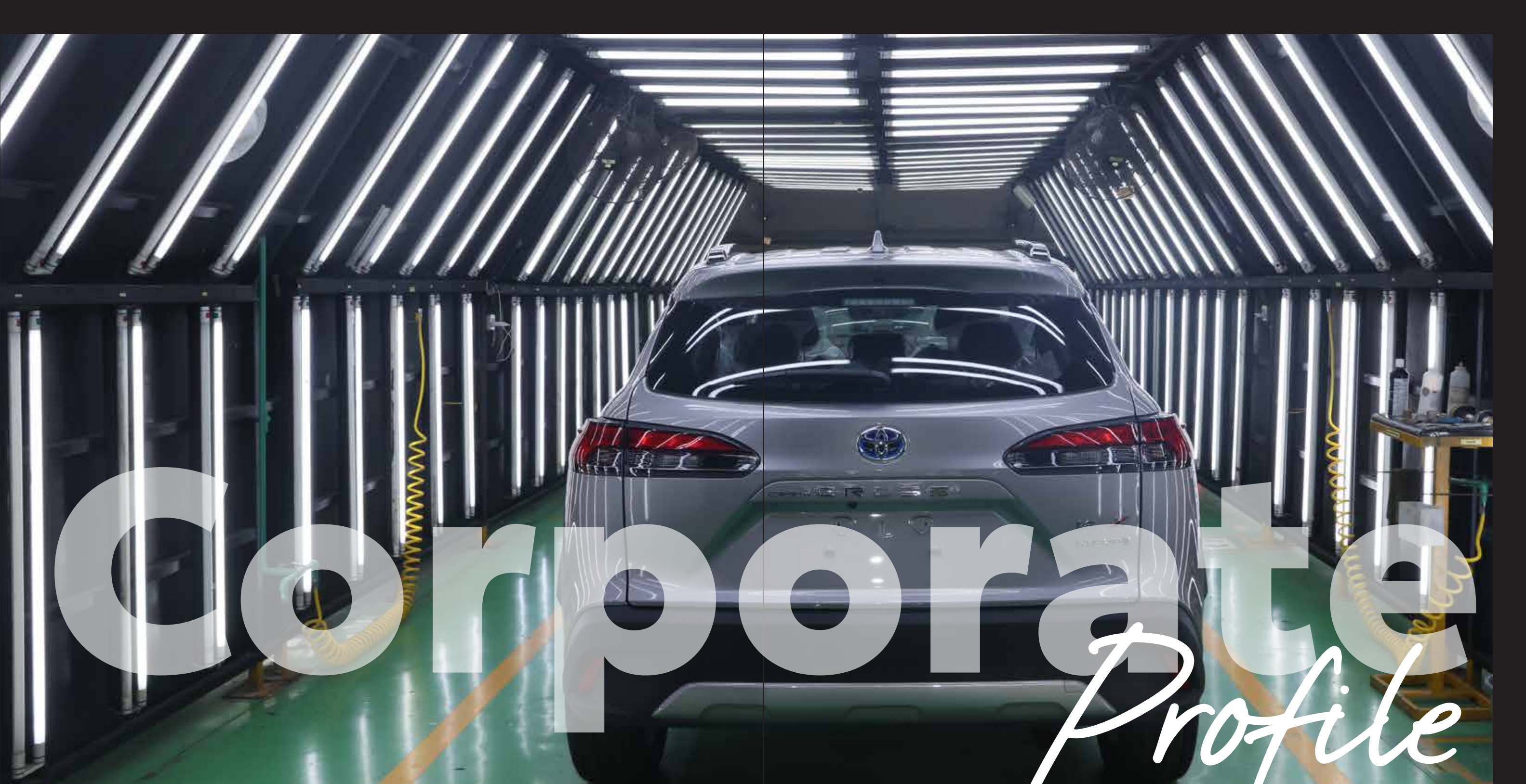
2023

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

2024

Dec

Line-off of the first MAKE IN PAKISTAN Corolla Cross HEV with highest localised content



Indus Motor Company Limited (IMC) is a joint venture between certain companies of House of Habib of Pakistan, Toyota Motor Corporation (TMC), and Toyota Tsusho Corporation (TTC) of Japan. Incorporated in 1989, IMC manufactures and markets 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 and Corolla Cross in the sports utility vehicle segment. IMC's

manufacturing facility and offices are located at a 109.5-acre site in Port Qasim, Karachi. The product is delivered to end customers nationwide through a strong network of 57 independent authorized 3S dealerships nationwide. Over 34 years since its inception, IMC has sold more than 1.1 million CKD/CBU vehicles. 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 IMC has now

increased to 288 (with overtime) units per day. This has been made possible through the development of human talent embracing the Toyota Way of quality and lean manufacturing.

IMC has made large-scale investments to enhance its capacity and meet customer requirements for new products. The Toyota Corolla continues to reign as the best-selling sedan in the 'C segment' sedan category. With the availability of multiple variants for these models,

they have succeeded in their respective segments in the Pakistani automobile market. Furthermore, in FY 2023-24, IMC launched the Toyota Corolla Cross, the First Make in Pakistan, a hybrid electric vehicle with the highest-ever localised content.

No significant changes occurred in the ownership and structure of operations at IMC or its supply chain during the year.

Toyota's Global Vision, which aims to enhance lives through responsible mobility, guides our dedication to producing safe, reliable, and environmentally friendly products to facilitate the shift to a low-carbon economy.

IMC remains committed to leveraging cutting-edge technology to drive efficiency and innovation. IMC has made significant investments to surpass customer expectations and expand its range of reliable and versatile vehicles. The Toyota Corolla continues to dominate the C-segment sedan category and maintain its strong legacy. Furthermore, the Yaris has emerged as the second top performer in the B-segment sedan category, further solidifying IMC's position in the market.

At IMC, we recognise the need to embrace a sustainable and eco-friendly approach as social challenges grow. Considering these factors, IMC launched the locally manufactured "Corolla Cross" in 2024, marking Toyota's entry into Pakistan's hybrid electric vehicle (HEV) market. The Corolla Cross is the first Make-in-Pakistan hybrid electric vehicle, with the highest level of localization under the investment of a hundred million dollars. This crossover SUV combines the brand's renowned reliability with modern hybrid technology, offering greater fuel efficiency and reduced emissions. With the introduction of the Corolla Cross, Toyota aims to meet the growing demand for eco-friendly vehicles while maintaining its leadership in the automotive industry. The 4th generation HEV technology will result in a reduction in fuel imports and lead to carbon neutrality.

In addition to catering to local vehicle demand, IMC offers imported models backed by warranties and comprehensive after-sales support through its extensive dealer network.

Product Lineup

CKD range

TOYOTA Corolla

TOYOTA Yaris

TOYOTA Revo

TOYOTA Cross^{HEV}

TOYOTA Fortuner

TOYOTA Hilux

TOYOTA Camry

TOYOTA Land Cruiser Prado

TOYOTA Land Cruiser 300

TOYOTA Coaster

TOYOTA Hiace Deluxe

CBU range



**"It's not
just about
the job it's
about the
people you
work with."**



HANDS that
build our
PHILOSOPHY

Team Member at IMC Weld Shop

TOYOTA GLOBAL VISION



Fruits

Always better cars

- Develop vehicles which exceed customer expectations

Enriching lives of communities

- Contribute to communities
- Contribute to the future of mobility

Sustainable
Growth



Tree of Life

Trunk

- Stable base of business

Roots

Toyota Values

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

Toyota will lead the future mobility society, enriching lives around the world with the safest and most responsible ways of moving people. Through our commitment to quality, pursuit of innovation, and respect for the planet, we strive 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.

This 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, which continues to grow and flourish yearly.

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 IMC and to the overall good.

4

Always be practical and avoid frivolousness.

5

Always have respect for spiritual matters, and remember to be grateful at all times.

TOYODA



Sakichi Toyoda

Founder, Toyota Industries Corporation

Precepts

Guiding Principles at TOYOTA

Since its inception in 1937, Toyota Motor Corporation has been dedicated to fostering sustainable growth and environmental responsibility. Through the consistent delivery of innovative and superior products and services, Toyota and its affiliates have endeavored to make a positive impact on society and the planet. Toyota's Guiding Principles are the foundation of IMC's corporate management philosophy, guiding its path toward sustainable development.

1

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.

2

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

3

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

4

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

5

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

6

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

7

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

Corporate Sustainability Philosophy

Our corporate sustainability philosophy is based on the Toyota Global Vision, which focuses on promoting happiness and mobility for everyone. This vision, combined with our core values and innovation strategy, has guided our approach to sustainability. Our "Concern Beyond Cars" initiative demonstrates our strong commitment to advancing sustainability in the automotive industry while also supporting socio-economic development within our communities, particularly for marginalized groups. This initiative encompasses our efforts to manage the effects on individuals, the environment, and the wider economy.

As an automotive company focused on delivering mobility solutions, we recognize the extensive effects of our operations, business relationships, and product usage on the economy, environment, and society. Our sustainability strategy aims to carefully tackle these impacts by improving how we manage our operations, supply chain, and product use, all while maintaining the delivery of essential mobility solutions to society.

Considering the escalating challenges posed by climate change, alongside increasing pressures from various stakeholders—including investors and regulatory bodies—to incorporate sustainability-related risks and opportunities into our governance framework and strategic initiatives, we are undertaking a comprehensive evaluation of sustainability-related risks and opportunities at IMC. This thorough assessment will not only facilitate the identification of key sustainability factors but also assist us in developing a robust strategy tailored to effectively manage the potential impacts of these risks and opportunities on our business model, supply chain, and long-term growth prospects. By embedding these considerations into our strategic planning process, we aim to ensure that we can navigate the complexities of sustainability while striving for sustainable economic returns, enhancing our resilience and competitiveness in the market.

The Sustainable Development Goals (SDGs) are global aims that tackle the planet's most urgent challenges. They aim to build a sustainable future for everyone via cooperation among governments, businesses, and civil society. The goals target critical issues, including climate change, food security, access to clean water, and quality education, employing a comprehensive approach that acknowledges the links between economic, social, and environmental advancements necessary for enduring sustainability.

SDGs & TMC

Toyota Motor Corporation's commitment to the SDGs is reflected in its vision, "Toyota's Aim," driven by initiatives focused on three key areas: the environment, society, and its workforce.

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 to work for the benefit of others has been passed on since Toyota's founding. The initiatives include:

- Initiatives for the global environment ■
- Initiatives for a happier society ■
- Initiatives for working people ■

Toyota Motor Corporation has transformed into a mobility company, providing increased value to its stakeholders while contributing to sustainable development. IMC is dedicated to producing safe, reliable, and eco-friendly vehicles, following its Connected, Autonomous, Shared & Electric (CASE) concept, participating in socially responsible initiatives, addressing human rights issues, and promoting diversity. These principles serve as a guiding framework for its affiliates in supporting the Sustainable Development Goals (SDGs).

SDGs & IMC

We are fully committed to advancing SDGs through our strategic initiatives and business practices. As an affiliate

of Toyota Motor Corporation, we align our efforts with global sustainability priorities, focusing on producing environmentally friendly vehicles, promoting energy efficiency, and reducing our carbon footprint. We also prioritize social responsibility by supporting local communities, fostering diversity, and upholding human rights. Through these actions, we contribute to society's well-being and ensure our role in promoting sustainable development in Pakistan.

The SDGs icon appears in relevant sections of the report where IMC's activities have contributed toward SDGs.

SDG Leadership Program

In 2020, the Pakistan Business Council's Centre for Excellence in Responsible Business (CERB) launched the SDG leadership programme to deepen businesses' understanding of the Sustainable Development Goals (SDGs) by highlighting the best practices of industry leaders. IMC has been recognised as a frontrunner in SDG 8 (Decent Work and Economic Growth) as part of this initiative. Collaborating with CERB, IMC has shared its approaches to decent work with the corporate sector. IMC participated in two programmes under this initiative, concentrating on the key components of the Toyota Production System (TPS) for enhancing quality and efficiency and on policies and practices that promote women's empowerment and guarantee a safe and decent workplace. We remain committed to disseminating best practices related to SDG 8 to the broader industry.



TOYOTA

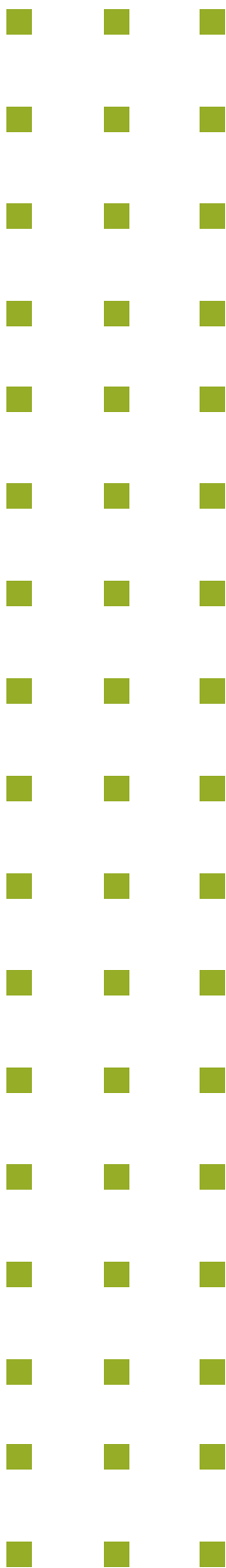
Sustainability

Fundamental

Policy

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 IMC.

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 IMC, 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

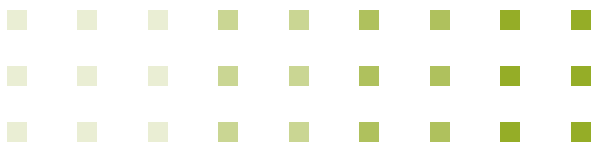
We implement our philosophy of respect for people by honoring the culture, customs, history, and laws of each country and region. (Guiding Principle: 2)

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)



We **aim** to be
the **best**
company
in town that is
both **loved &**
trusted by the
people



Challenge 1



New Vehicle
Zero CO2
Emissions
Challenge

Challenge 2



Life Cycle
Zero CO2
Emissions
Challenge

Challenge 3



Plant
Zero CO2
Emissions
Challenge

TOYOTA ENVIRONMENTAL CHALLENGE 2050

Challenge 4



Challenge of
Minimising and
Optimising
Water Usage

Challenge 5



Challenge of
Establishing a
Recycling -
based Society
and Systems

Challenge 6



Challenge of
Establishing a
Future Society
in Harmony
with Nature

Toyota has been committed to protecting the global environment since establishing the Toyota Earth Charter in 1992 (revised in 2000) and formulating the first Environment Action Plan in 1993. Every five years, Toyota rolls out an action plan to ensure that all Toyota affiliates implement environmentally responsible actions.

Toyota introduced the Toyota Environmental Challenge 2050 in 2015. This challenge aims to realize a sustainable society by addressing global environmental concerns, including climate change, water scarcity, resource depletion, and biodiversity loss. Toyota is implementing strategies aligned with these six challenges to minimize the adverse environmental effects of production and vehicle operation, striving to achieve near-zero impact while positively contributing to society. To realize the Toyota Environmental Challenge 2050, IMC has established short-to-medium-term targets and is actively pursuing initiatives to advance a sustainable society.

The 2030 target is a milestone set by Toyota to achieve the Toyota Environmental Challenge 2050. It includes milestones for the six challenges, including reducing CO2 emissions, minimizing water

usage, and establishing a recycling-based society. Toyota aims to achieve annual total electrified vehicle sales of 5.5 million units, including sales of 1 million or more Battery Electric Vehicles (BEVs) and Fuel Cell Electric Vehicles (FCEVs), by 2030. This will help reduce CO2 emissions by 35 per cent over 2010.

Toyota's 2030 targets are ambitious yet achievable, as IMC has a long history of innovation and a commitment to sustainability. Toyota aspires to meet its goals and create a more sustainable future by collaborating with its suppliers, customers, and other stakeholders.

Toyota is firmly committed to reducing its environmental impact by identifying risks and opportunities and contributing to the sustainable development of society and the Earth through all areas of its business activities. Toyota strongly urges its partners to actively seek out opportunities to support these initiatives locally, address environmental challenges, and effectively achieve harmonious coexistence with nature.



Policies

Our policies demonstrate our dedication to responsible business practices by complying with applicable laws and regulations while addressing economic, environmental, and social impacts. Toyota Motor Corporation's guidelines, the Toyota Production System (TPS) and global best practices shape our policies. The Board approves these policies, which apply to our operations, employees, and partners throughout our value chain. We communicate updates and changes through circulars, emails and trainings. All policies can be found on the intranet, and the code of conduct, safety, and energy policies are accessible at <https://toyota-indus.com/corporate/>.

We understand that our operations and business relationships create effects that require sustainability efforts across our entire value chain. We share relevant policies with our partners and work alongside them to foster sustainable practices. This strategy is designed to enhance positive impacts while reducing negative ones. For more information about our sustainability initiatives in the value chain, please see pages no. 99 and 104.

The "Toyota Way" sets the standards for Toyota affiliates and is fully supported at IMC. Our policies on integrated management systems, health and safety, the environment, and our code of conduct are the cornerstone of our dedication to responsible corporate practices, influencing our business operations and employee behaviour. We follow the precautionary principle outlined in Article 15 of the Rio Declaration to ensure thorough risk management in our business planning and product development. For more information about our policies and management systems that address impacts in various areas, please see the relevant sections of this report

Embedding policies

We incorporate our dedication to responsible business practices and the Toyota Motor Corporation Guidelines into our policies and procedures to guide our employees and value chain partners. The Chief Executive is responsible for integrating these commitments into our policies, supervising their execution, and conducting reviews. We hold regular sessions to inform employees and value chain partners about the policies, especially the code of conduct. Compliance with these policies is ensured via internal audits, external reviews, and certifications, as outlined in the management strategies for key topics throughout the report.

Remediating negative impacts

IMC is dedicated to addressing its negative impacts through a proactive strategy that involves the early identification and assessment of both the severity and scale of these impacts to develop effective remediation plans. Our initial step is to prevent activities that could cause negative impacts. When such impacts are unavoidable, we focus on mitigating their severity and scale through our own measures, as well as by collaborating with value chain partners where necessary.

The two fundamental principles of the Toyota Production System (TPS)—Just-in-Time and Jidoka—form the basis of our approach to optimising resource use and managing impacts while enhancing workforce productivity. Just-in-Time ensures that we produce only what is needed, when it is needed, and in the exact quantity required, thereby eliminating waste, including time and effort. Jidoka, or 'automation with a human touch', emphasises the importance of addressing problems immediately; production should halt as soon as an issue is detected to implement corrective actions. Additionally, we have established a grievance system allowing affected parties to submit complaints, which are thoroughly reviewed and resolved with appropriate measures, and the outcomes are communicated to the relevant stakeholders



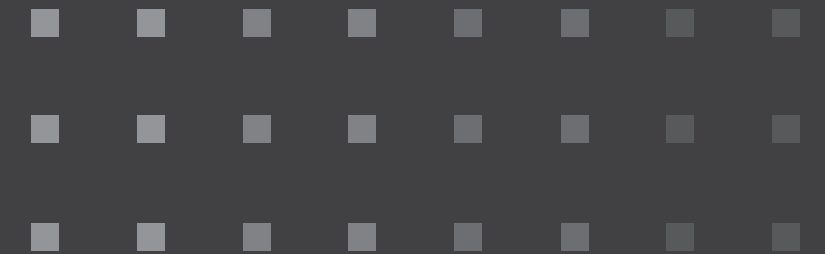
Approach to engagement

Our key stakeholders encompass shareholders, customers, dealers, suppliers, employees, governmental agencies and the community. Stakeholders are categorized based on dependency, accountability, influence, diversity and engagement level. We rank them according to their readiness to participate, the nature of our relationships, and their degree of influence. Relevant departments interact with stakeholders consistently throughout the year to address concerns, formulate strategies, and communicate issues and responses to management. Senior management routinely evaluates the engagement process and outcomes, adjusting the procedures as necessary.

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, new products, market competitiveness and sustainability initiatives	Innovation and investment to launch new and improved products for sustained economic returns and community investments
Customers	Surveys, phone calls, 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, launching new and improved products, ensuring customer health and safety during design and production and providing 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	New products, compliance with IMC requirements and Dealers' training and support	Provision of training on compliance requirements and product attributes for improving customer experience at Dealerships
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, training and education opportunities and employee health and safety	Investment in training and education of workforce and maintaining excellent health and safety standards for a safe and productive workplace
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 and government for a sustainable automobile sector
Media	Interviews, briefings 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

Never give up

the search for continuous improvement



We identify material topics for the report, considering the significant impacts of our activities, business relations, and products on the environment, economy, and people. These material matters form the basis for the report content. They are assessed annually to reflect significant changes in the external environment or at IMC and ensure the relevance of our sustainability strategy.

The process involves identifying material topics by assessing the actual and potential positive and negative impacts of our activities and business relationships through evaluations, impact studies, and stakeholder consultations. The risks identified in the risks register were also considered to determine the material matters for the sustainability report.

We evaluate these impacts to assess their significance. For negative impacts, we analyse both the severity of current and potential effects and the chances of their occurrence. Regarding positive impacts, we look at the scale, scope, and likelihood of actual and potential benefits. We then prioritize these impacts according to their significance and

analyse them against a threshold to identify the most pressing issues. The prioritized impacts are categorized into topics for reporting. We work with stakeholders, including Toyota Motor Corporation and industry experts, to confirm the final list of material issues. The SHE Steering Committee of IMC approves the material topics.

In 2024, we voluntarily started working on adopting the IFRS sustainability standards (S1 and S2) by identifying the sustainability-related risks and opportunities for IMC. This year, we are showcasing the risks and opportunities related to our existing material topics, which will be refined to meet IFRS S1 and S2 requirements in future reports.

Identifying
Material
Impacts,
Risks and
Opportunities

Material Topic	Relevant SDGs	Impact, Risk and Opportunity	Value Chain
■ Economic performance	 	Impact Positive contribution to the economic development, higher payments to the shareholders, workforce and suppliers and well-being of society	Own operations
■ Material	 	Impact Negative impacts on the eco-system through use of depleting finite materials Risk Reduction in the availability of key materials can lead to increased prices and supply risks resulting in non-production days, decreased revenues, increased cost of capital and risk profile.	Own operation, Upstream
■ Energy	   	Impact Negative impacts through increased emissions and climate change Opportunity Embracing cleaner technologies and transitioning to low-carbon energy sources can lead to lower emissions, reduced energy expenses, and enhanced profitability and resilience.	Own operations
■ Emissions	    	Impact Negative impacts through increased emissions and climate change Risk Market and regulatory risks to set emission targets and reduce emissions aligned with Paris Agreement can lead to increased costs, reduced margins and stranded assets.	Own operations, Downstream
■ Water	 	Impact Negative impacts through use of freshwater on availability of freshwater and water scarcity	Own operations,
■ Effluents and waste	   	Impact Negative impacts of waste handling, incineration, dumping and transporting of hazardous and non-hazardous waste on environment and human health Risk Failure to improve resource efficiency in production processes, including reducing waste and recycling waste can lead to reduced availability of critical materials, low margins and profitability.	Own operations, Downstream
■ Health and safety	  	Impact Negative impacts of operational activities and products on the health and safety of the workforce and customers Risk Product safety incidents can harm brand reputation, lower revenue and growth opportunities, and elevate an organization's risk profile and capital costs.	Own operations, Downstream

Material Topic	Relevant SDGs	Impact, Risk and Opportunity	Value Chain
■ Employment and labour relations	   	Impact Positive impacts through diversified workforce for better productivity and compliance with laws, international charters, and conventions	Own operations
■ Marketing and labeling	 	Impact Positive impacts through provision of customer-centric product information and compliance with laws and regulations	Own operations, Downstream
■ Human rights	  	Impact Positive impacts by respecting human rights of employees and other stakeholders and compliance with laws, international charters, and conventions Negative impacts where violation of human rights in business relationship and supply chain	Own operations, Upstream, Downstream
■ Procurement practices	 	Impact Positive impacts by providing opportunities through localization and promotion of sustainability practices in supply chain	Own operations, Upstream
■ Training and education	   	Impact Positive impacts through capacity building and enhancing creative potential of workforce to increase productivity	Own operations,
■ Anti-corruption		Impact Positive impacts by reducing risks of economic imbalance and compliance with laws, international charters, and conventions	Own operations,
■ Supply chain impact	  	Impact Positive impact through promotion of sustainability practices in the supply chain. Negative impacts of supply chain activities on environment and society Risk Increasing geo-political uncertainty, increasing regulations around the globe to cut greenhouse gas emissions can result in supply chain disruptions, increased costs and reduced margins	Own operations, Upstream
■ Local communities	  	Impact Positive impacts through socio-economic development of communities and provision of healthcare, education, and food to needy communities.	Own operations,
■ Indirect economic impact	  	Impact Positive impacts through community uplift by infrastructure investments, skill development and jobs in the supply chain.	Own operations, Upstream, Downstream



HANDS
that support
our **VISION**

**CORPORATE
GOVERNANCE**

IMC Team proudly parade the
Make in Pakistan logo

to be the most

RESPECTED

& **successful** enterprise

delighting

customers with a wide range of

products & solutions

in the **AUTOMOBILE** industry
with the

best PEOPLE

and the **best**

TECHNOLOGY.

IMC'S mission
is reflected in the
s l o g a n
**ACTION, COMMITMENT
& TEAMWORK**
to become number 1
in **PAKISTAN.**

action.

commitment.

teamwork.

ACT#

- Respect & corporate image
- Customer satisfaction
- Production & sales
- Quality & safety
- Best employer
- Profitability

CORE values

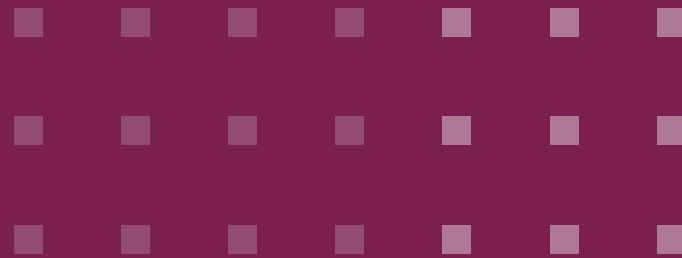
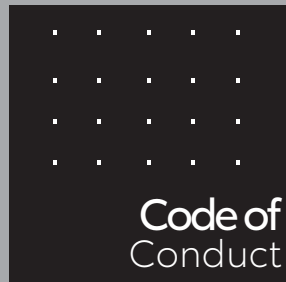
BEING SEEN AS
**THE BEST
EMPLOYER**

WORLD CLASS
**PRODUCTION
QUALITY**

ACHIEVING THE
ULTIMATE GOAL OF
**COMPLETE
CUSTOMER
SATISFACTION**

INCULCATING
**ETHICAL
AND HONEST
PRACTICES**

FOSTERING THE
**SPIRIT OF
TEAMWORK**



■ Anti-Harassment

A system to provide a safe and dignified working environment for all, free from any kind of harassment, abuse or intimidation, thus promoting higher productivity and better quality of life at work.

■ Conflict of Interest

All employees are required to disclose any personal interests that could affect impartiality, upholding the highest standard of integrity. They must refrain from being involved, directly or indirectly, in any vocation, business or commercial activity without written approval from designated authority.

■ Confidentiality

All company matters remain confidential, both during and after employment. Employees are obligated to protect and not disclose proprietary information, unless legally required or approved by the Board.

■ Health & Safety

We are committed to ensuring the health and welfare of its staff following the philosophy of Zero Accidents. Employees are responsible for taking reasonable care to ensure the health and safety of self and others who may be affected by acts at work, fostering a secure work environment.

■ Environmental, Social and Corporate Governance (ESG)

We are committed to upholding global best practices for ESG, emphasizing environmental impact, stakeholder relations, governance, embracing digitalization, promoting philanthropy, and reporting targets.

An efficient use of resources allows us to prevent waste and minimize hazards, in alignment with laws.

■ Anti-Bribery

Conduct business in accordance with all applicable laws, rules & regulations and at the highest ethical standards. A zero-tolerance approach to bribery and corruption, upholding all the rights to defying them.

■ Whistle Blowing / Speak Up System

An independent, confidential and neutral system for reporting any type of behavior or misconduct within the organization.

■ Insider Trading

All members are prohibited from indulging in insider trading on the basis of unpublished price sensitive information, subject to exceptions given in section 128 of the Securities Act, 2015 and enforces compliance with all relevant laws and company's policies, if any, on prohibition of insider trading.

■ Diversity & Inclusion

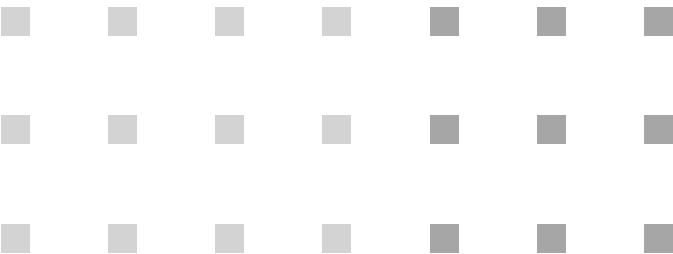
A diverse and inclusive Board and management, leading equal employment opportunities for all employees regardless of cultural, racial, gender, caste, or religious backgrounds, and cultivates a discrimination-free work environment that is devoid of harassment and intimidation.

■ Understanding of Legal Duties

The staff members are entrusted to promptly bring any instances of non-compliance or violations, whether involving IMC, fellow Board members, or employees, to the attention of the Board for necessary action.

PEOPLE
DON'T
GO TO TOYOTA TO
WORK, THEY
GO THERE TO
THINK

-Taiichi Ohno



Our robust governance framework, anchored in the Companies Act 2017, the Code of Corporate Governance, and the Toyota Guiding Principles, fosters transparent, accountable, and ethical business practices. This framework empowers us to maintain a competitive advantage and deliver sustainable value to our stakeholders. Our integrated management system and code of conduct further reinforce our commitment to compliance and integrity, enabling us to provide sustainable economic performance and meet customer expectations consistently.

Board of Directors

The Board of Directors comprises ten members, three representing Toyota Motor Corporation and Toyota Tsusho Corporation of Japan. Among the Directors, five are Non-Executive, two are Executive, and three are Independent. Board members are elected every three years, with any casual vacancies being filled by the Board following applicable laws and regulations. The voting results are not shared publicly. The Board is responsible for developing, approving, and updating IMC’s vision, mission, values, strategies, and policies. The Chairman of the Board is a Non-Executive Director. For more information on the Board of Directors profiles, refer to pages 58 to 63 of IMC Annual Report 2023-24.

Board and Other Committees

IMC Board of Directors serves as the highest governing body, overseeing the implementation of corporate governance policies and procedures and reviewing IMC’s overall performance against established objectives. The Board is supported by various Committees, which enable it to focus on critical issues requiring thorough consideration and ensure the effective fulfilment of its duties. Each Committee operates with its mandate, objectives, and responsibilities, convening as necessary to oversee specific business

areas. These Committees update their activities to the Board and help shape meeting agendas in their particular areas.

The Board Committees include the Audit Committee, the Human Resources and Remuneration Committee, and the Ethics Committee. The management committees are the Investment Committee, the Marketing Technical Coordination Committee, the ACT#1 Management Committee, and the Safety, Health, & Environment (SHE) Steering Committee.

These Board Committees are supported by the Executive Level Committees, which report to them and aid in fulfilling their responsibilities. For more information about the structure of the Board Committees, please see pages from 68 to 69 of IMC Annual Report 2023-24.

Sustainability Governance

Board’s Oversight of Sustainability-related Impacts, Risks and Opportunities

The Board of Directors, as IMC’s governing body, establishes the overarching sustainability strategy and oversees its implementation. The Chief Executive, acting as the Board’s delegate, oversees the implementation of these initiatives.

The SHE Steering Committee, chaired by the Chief Executive, is crucial in implementing sustainability initiatives. This committee formulates detailed policies, conducts frequent assessments of sustainability performance, and guarantees that IMC’s actions align with its broader sustainability goals, considering both its impacts and related sustainability risks and opportunities in the external landscape. To keep up with new trends and best practices, Board members and Executives engage in specialized training programs and industry conferences.

Management Role in Managing Sustainability-related Impacts, Risks and Opportunities

Cross-functional teams are tasked with implementing sustainability initiatives within their areas, overseeing related risks, opportunities, and impacts, and tracking performance against set benchmarks. A cross-functional team led by the Senior Manager of CSR & Corporate Communications is responsible for sustainability reporting and reports directly to the Chief Executive.

IMC continuously reviews and evaluates its sustainability performance. Swift and decisive corrective actions are taken to rectify any deviations from set targets. Recommendations from the SHE Steering Committee, which include product impact assessments, performance metrics, and strategic initiatives, are routinely presented to the Board for discussion and approval.

Remuneration and Performance Evaluation

The Human Resources and Remuneration Committee, a sub-committee of the Board, is responsible for recommending human resource management policies to the Board. The Board conducts a self-evaluation of its performance against established goals and objectives. The Board sets Directors’ remuneration without the involvement of external consultants. Non-Executive and Independent Directors receive only an attendance fee for Board meetings following the policy.

As the sole Executive Director, the Chief Executive receives remuneration that is determined and recommended by the Remuneration Committee and approved by the Board or shareholders.

The Human Resource and Remuneration Committee is also responsible for recommending the selection, evaluation, compensation, and succession plans for the CEO and senior management employees who report directly to the CEO. When making remuneration recommendations, the Committee evaluates the executive team’s performance against set objectives and KPIs. To support this process, the ACT#1 Management Committee monitors organizational KPIs and oversees financial performance monthly. It also reviews departmental targets and achievements for the month, including performance on environmental and social goals and impact management.

Gender Pay Gap Statement

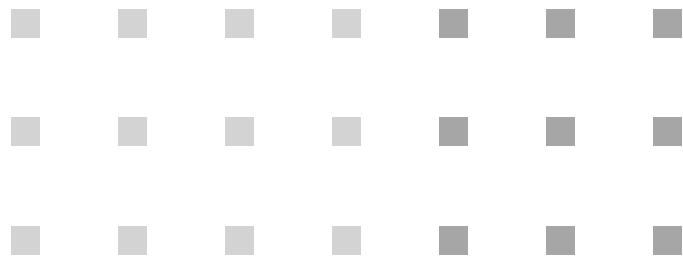
The Mean and Median gender pay gap for the year ended June 30, 2024 is 5.5% and 11.4%, respectively.

Conflict and Critical Concerns

The IMC Code of Conduct strictly prohibits conflicts of interest and requires that any such matters be reported in writing immediately. This Code is communicated to all directors and employees during orientation sessions and reinforced through periodic sessions to refresh their understanding.

The Code applies to all employees and directors alike. In the event of a conflict at the Board level, the concerned director refrains from voting on matters where they have a vested interest. Details about directors’ cross-Board memberships and related party transactions are disclosed in the IMC Annual Report 2023-24.

Critical concerns are communicated to the Board through the Chief Executive. IMC has an investor relations policy and a grievance mechanism for investors to report their concerns. Additionally, a whistle-blowing mechanism allows stakeholders to report unethical behaviour or non-compliance with IMC’s policies, procedures, and applicable laws. This mechanism can also be used to seek advice on organisational policies, practices, and ethical conduct. The Ethics Committee of the Board oversees IMC’s ethical guidelines and ensures compliance. It acts promptly on disclosures of wrongdoing and is tasked with reviewing and investigating whistle-blowing incidents.



Toyota's principle of ethical corporate citizenship, which emphasises respect for the law and fair business practices, is the cornerstone of our risk and compliance framework.

Our external environment presents risks and opportunities that can significantly impact our operations, financial performance, and strategic direction. Climate change, coupled with advancements in vehicle technology and a rising number of on-road vehicles, presents opportunities and challenges for our business and sector.

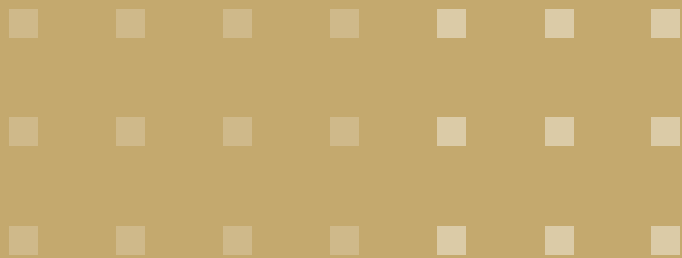
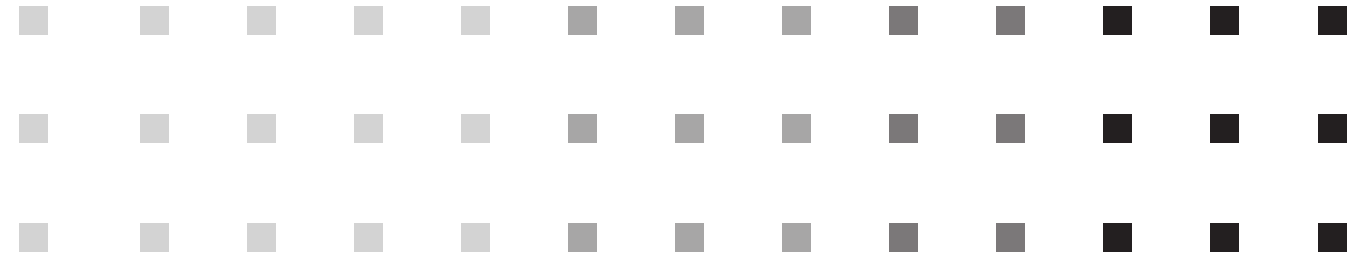
IMC employs a thorough risk management framework to assess broader political and macroeconomic risks. The Risk Management System recognises diverse risks linked to IMC's business activities, encompassing strategic, regulatory, financial, operational, reputational, and sustainability risks.

Our risk management system is aligned with Toyota's Global Risk Management Standards (TGRS), which define risk as the potential impact of uncertainty on stakeholder expectations and our corporate vision. We have implemented a robust risk management strategy that is communicated to relevant stakeholders and addresses risks at both operational and strategic levels. This approach has led to improved risk reporting and management.

The Management Committee assesses the risks alongside departmental objectives, targets, and performance. Strategies are devised and executed to mitigate the effects of identified risks.

IMC consistently assesses risks linked to sustainability, particularly emphasising Environmental, Social, and Governance (ESG) aspects. However, this evaluation shall be revised to align with the IFRS S1 and S2 requirements in future reports. The risk evaluations have highlighted climate-related risks, particularly those concerning the effects of regulatory changes. IMC implements various strategies to tackle these risks. For further details, see Page 87 of the IMC Annual Report 2023-24.

We are subject to a complex regulatory landscape, including laws and regulations related to taxes, employment, health, safety, environment, product safety, and marketing. Our risk management approach is proactive and focused on compliance with applicable laws, regulations, and voluntary standards. We conduct regular internal and external audits to assess our compliance efforts and make necessary adjustments. During the reporting period, we experienced no significant fines or non-monetary non-compliance-related sanctions.



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



MC is a member of several industry associations and contributes to their initiatives through sponsorships and engagement.

- 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



HANDS
that humbly
accept
ACCOLADES

Highest Taxpayers
Award
Federal Board of Revenue

Top 25 Companies
Award
2022
Pakistan Stock Exchange

Business Leader
Award
2024
Institute of Chartered Accountants of Pakistan

Corporate Excellence
Award
2024
Automobile Assembler Category
Management Association of Pakistan

Best Corporate & Sustainability
Award
2023
Institute of Chartered Accountants of Pakistan and Institute of Cost & Management Accountants

Clean Energy Transition & Community Impact
The Professionals Network

CSR Initiatives
National Forum of Environment & Health

WALL of FAME

Development Leadership
Award
Ministry of Planning, Development & Special Initiatives

Annual Environment Excellence
Award
2023
National Forum of Environment & Health

20-Year Association with NFEH
Award
2023
National Forum of Environment & Health

Best Environmental Practices, Solid Waste Treatment & Disposal, Water Treatment
Award
The Professionals Network

Quality Person
Award
Toyota Daihatsu Engineering & Manufacturing

Customer Delight Excellence Award Silver
Award
Toyota Motor Asia Pacific

Warranty Kaizen
Award
2023
Toyota Daihatsu Engineering & Manufacturing

Value Chain
Award
2023
Toyota Motor Asia Pacific

A black and white photograph of a car manufacturing plant. In the foreground, a worker wearing a white polo shirt with "INDUS MOTOR COMPANY" on the back, a cap, and gloves is working on the rear of a silver SUV. The car is on an assembly line. In the background, other workers and cars are visible. A large red circular graphic with concentric circles is overlaid on the left side of the image. Inside the red circle, the text "HANDS that help run our ECONOMY" is written in white.

HANDS that
help run our
ECONOMY

A photograph of a car chassis on an assembly line, illuminated by blue and white lights. The text 'an Ode to' is overlaid in a white script font on the left side of the image.

an
Ode
to

**MAKE IN
PAKISTAN**

Indus Motor Company
is the proud custodian of

MAKE IN PAKISTAN

pioneering the local
engineering base development
in the country & investing for the

localisation

of parts in creating value
for the country.



روزگار ممکن بنایا

2.5M

افراد کے لئے

**direct & indirect jobs by the auto industry*

Indus Motor Company has contributed massively towards the establishment of the local automobile industry in the country by creating its complete **value chain**

450K
PEOPLE EMPLOYED

35
TECHNICAL
ASSISTANCE
AGREEMENTS

53 SUPPLIERS
supplying parts worth
270M
PKR
daily for 300 units

57 3S DEALERSHIPS
pan Pakistan

85B contribution to
NATIONAL
EXCHEQUER
PKR

Our VALUE CHAIN

Pivotal to
MAKE IN PAKISTAN
are our extended family of
DEALERS,
SUPPLIERS
& **most of all our**
CUSTOMERS
who **give meaning**
to what we do



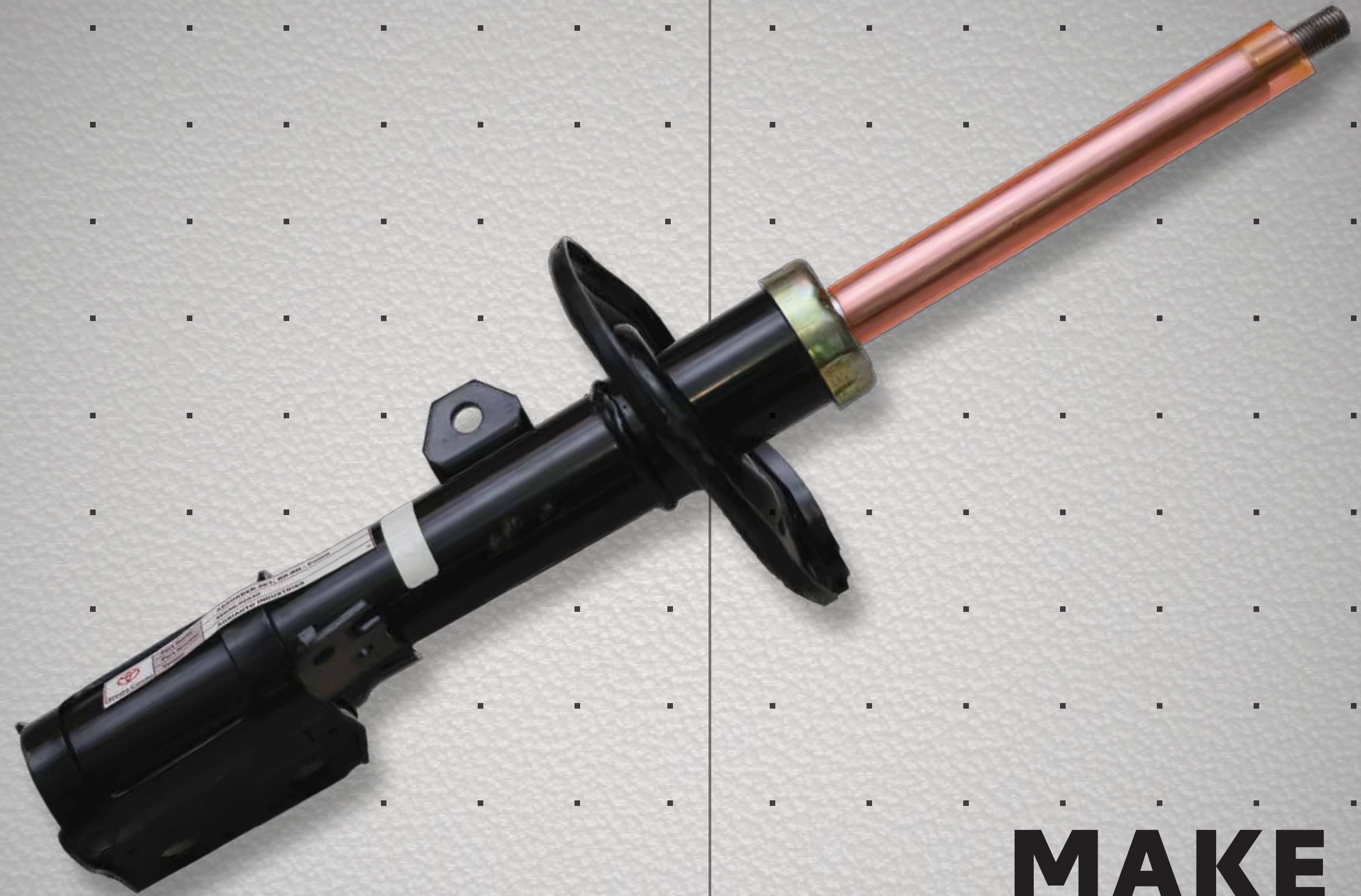
Together, these elements uphold Toyota's commitment to Pakistan's growth, making its value chain the backbone of the country's localization movement.

the Spirit of

exquisite
craftsmanship

precision
engineering

cutting-edge
artistry

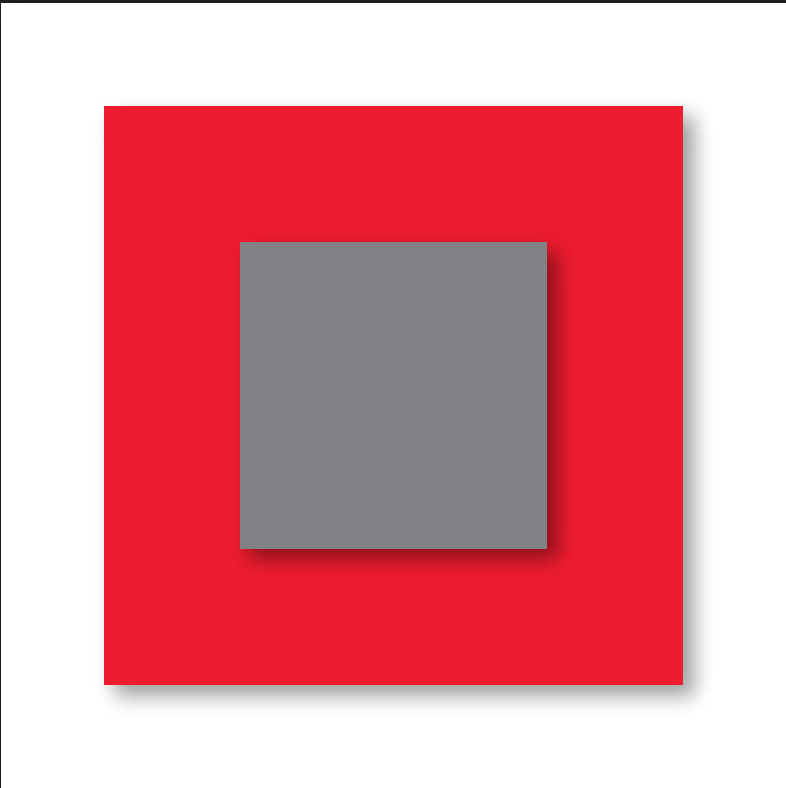


Absorber Assembly
Agriautos Industries Limited, Hub

**MAKE IN
PAKISTAN**

‘WHENEVER YOU
RANDOMLY *touch*
COROLLA, there is
a **90%** CHANCE
THAT YOU
WILL TOUCH A
LOCAL PART





Strong and consistent financial performance is crucial for upholding our sustainability goals and aiding Pakistan's economic development. Solid economic returns empower us to tackle intricate economic challenges, fairly compensate our employees, assist our supply chain partners, invest in cutting-edge technologies, provide excellent products, and make a positive difference in our communities.

Our Integrated Management System, policies, objectives, Toyota's Guiding Principles, and the Toyota Way are foundational for managing our economic performance and achieving our goals. Our automotive assembly, genuine parts & lubricants, and services operations have direct and indirect economic impacts. Directly, we contribute through dividend payments, taxes, job creation, employee compensation, local procurement, and community investments. Indirectly, we stimulate economic activity in related sectors, create jobs in our supply chain, enhance skills in the automotive industry, and boost productivity across various sectors through our mobility solutions and local economic development initiatives.

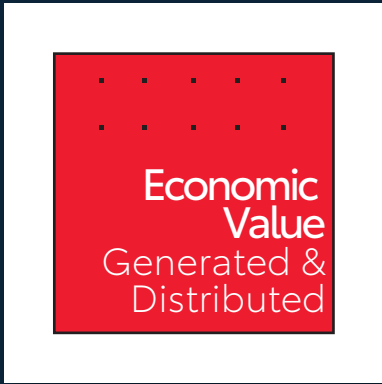
Corruption damages human rights and weakens the rule of law. As a dedicated signatory to the UN Global Compact's Ten Principles, IMC is committed to fighting corruption in our operations and supply chain. Our Risk Management System and policies and procedures aim to reduce corruption risks. The IMC Code of Conduct forbids corrupt practices, and adherence is strictly overseen via regular internal audits, with the results reported to the Board Audit Committee for further action. During the 2023-24 fiscal year, we evaluated all operations for potential corruption risks and found no incidents. New hires are

trained on anti-corruption measures as part of their orientation, and all employees receive continuous training on the Code of Conduct. Additionally, we share our anti-corruption policy with our supply chain partners, incorporating it into their supplier Code of Conduct.

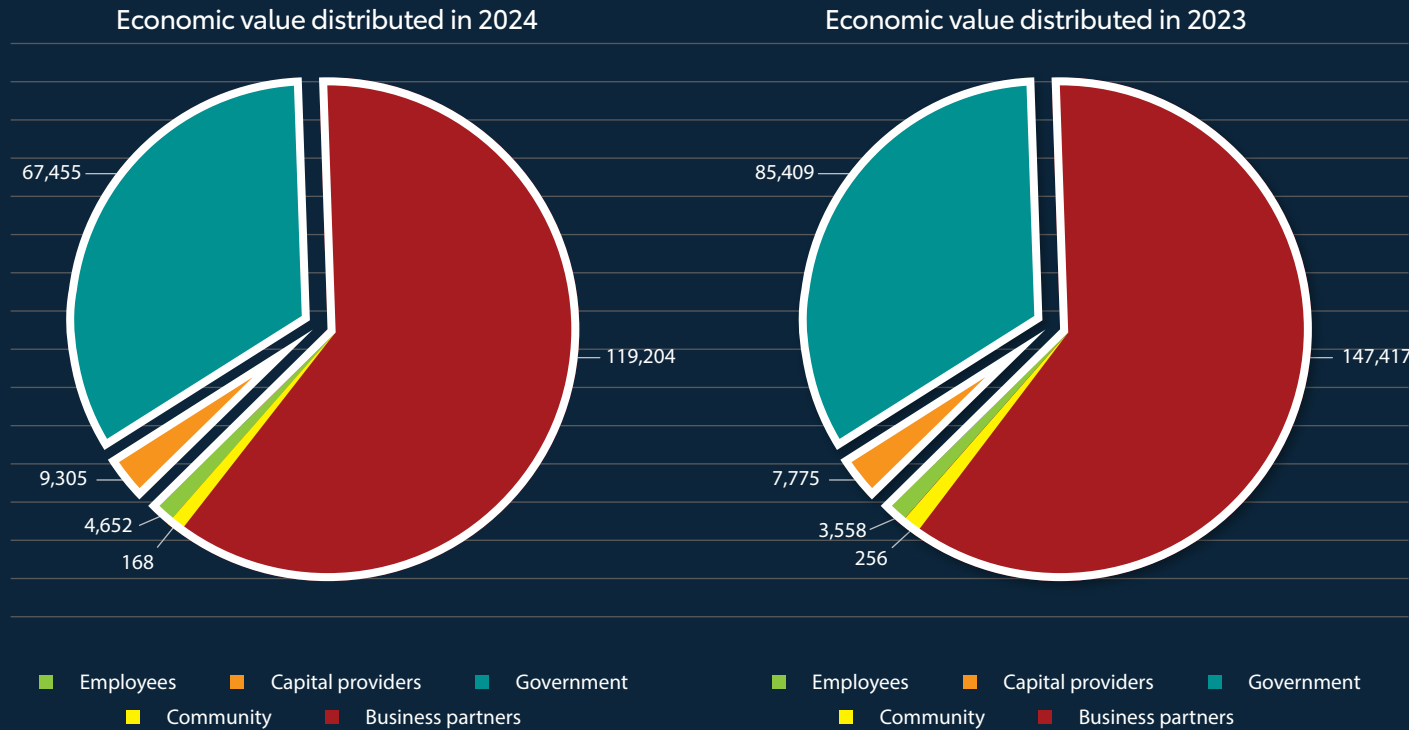
The Board of Directors manages IMC's economic performance by approving its objectives, policies, and targets. Although the Board delegates daily operations to the Chief Executive, it retains ultimate responsibility for economic outcomes. Economic performance is reviewed quarterly in Board meetings, leading to necessary actions. For further details about the Board of Directors and its meetings, see pages from 58 to 67 of IMC Annual Report 2023-24.

The fiscal year 2023-2024 brought a challenging operating environment marked by economic and political uncertainties intensified by ongoing import restrictions. Supply chain issues led to multiple plant closures and workforce reductions. Concurrently, consumer spending shifted towards essential items, which reduced the demand for automobiles. Rapidly evolving consumer preferences, technological advancements, and stringent regulatory requirements heightened cost pressures, making developing affordable small cars challenging and hindering vehicle exports.

Due to challenging economic conditions, including plant shutdowns and increased product prices resulting from currency devaluation, IMC experienced a decline in sold units and revenues for the fiscal year ending June 30, 2024. Revenue for the year decreased by 14.18% to Rs. 152.5 billion from Rs. 177.7 billion in the previous year. Meanwhile, profit after tax increased by 55.67% to Rs. 15.1 billion from Rs. 9.7 billion. For a comprehensive analysis of IMC's financial performance during this period, see pages from 202 to 203 of IMC Annual Report 2023-24.



	2024	2023
	Rupees in Million	
Direct Economic Value Generated		
▪ Revenues	212,755	252,200
	212,755	252,200
Economic Value Distributed		
▪ Business partners	119,204	147,417
▪ Employees	4,652	3,558
▪ Capital providers	9,305	7,775
▪ Government	67,455	85,409
▪ Community	168	256
	200,782	244,415
Economic Value Retained	11,971	7,785



The Auto Development Policy 2021-26 regulates Pakistan's automotive sector and offers various incentives to the industry. However, IMC did not receive any financial support from the government during the year.

Financial Implications of Climate Change

Climate change poses risks and opportunities for our business, especially as we move away from combustion engine vehicles toward lower emissions. This transition enables us to provide hybrid electric vehicles and invest in cleaner technologies. However, we also encounter climate-related risks, including transition risks tied to adapting to new regulations and physical risks resulting from the effects of climate change.

Transition Risk

Our business faces transition risks related to policy and technology, primarily due to ongoing efforts to replace combustion engines with hybrid and electric vehicles. These risks include the emergence of new technologies that may affect our manufacturing processes and supply chains.

Physical Risk

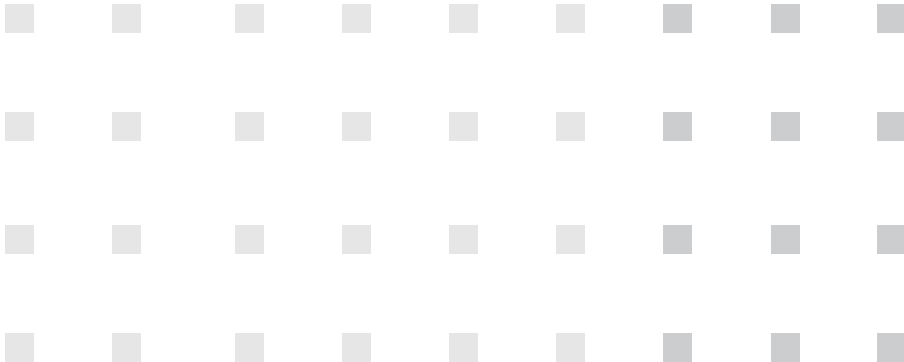
The physical risks linked to our business are chronic. Higher temperatures affect our operations, transportation requirements, and employee safety, resulting in higher costs for managing negative impacts.

Conversely, climate-related opportunities encompass the rollout of electric and hybrid vehicles, improving resource efficiency to reduce environmental impacts and costs, and integrating renewable energy sources alongside innovative technologies and methods to create a more resilient organisation.

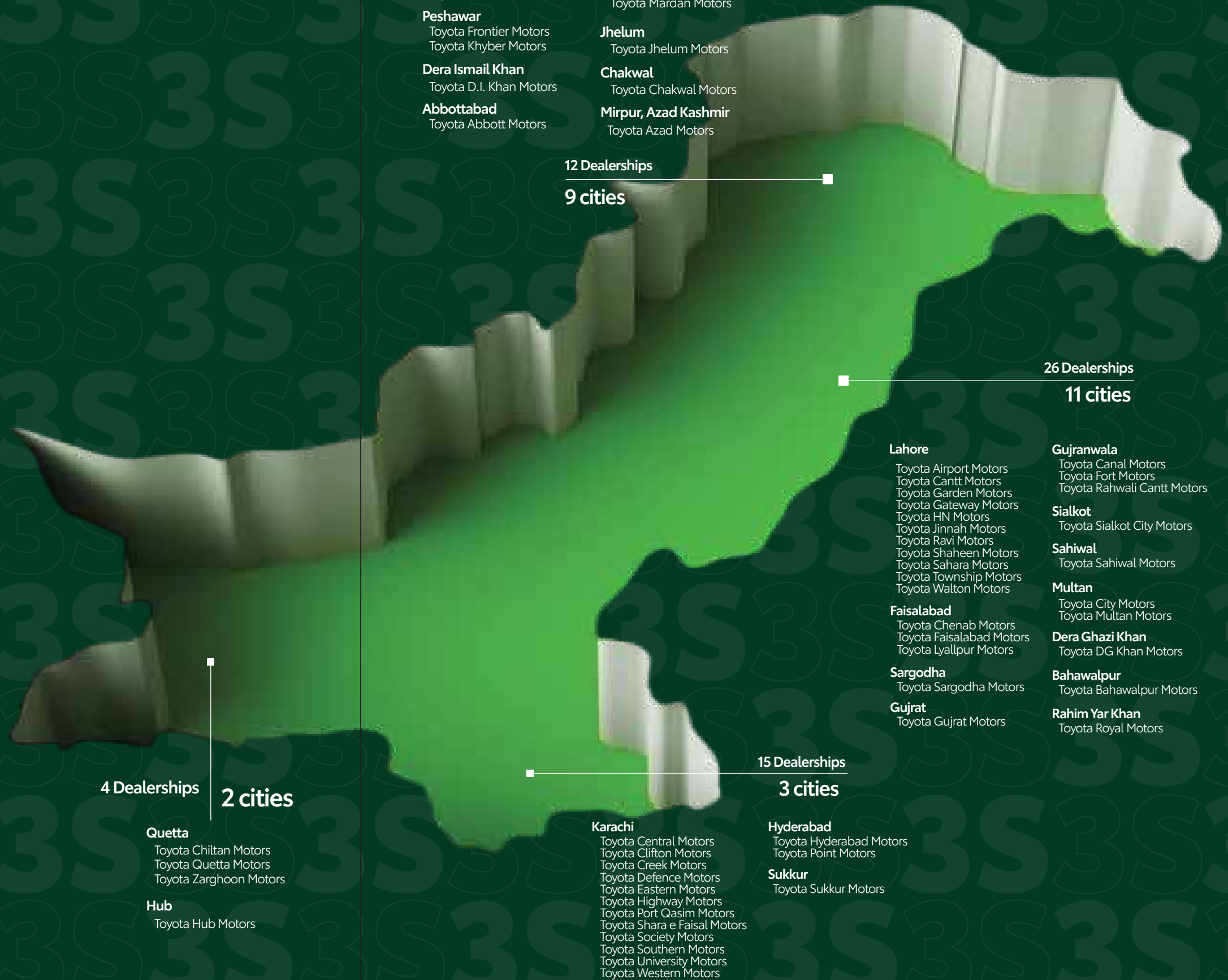
At present, we lack a mechanism to assess the financial implications of climate change.

Organization's Defined Benefits

IMC offers various defined benefits to its workforce, including a Provident Fund and a Pension Fund. Employees contribute 10% of their basic salary to the Provident Fund, matched by an equal monthly contribution from IMC. Additionally, IMC contributes 9% of employees' basic salaries to the Pension Fund, which is maintained separately to cover pension liabilities. Based on actuarial assumptions made in June 2024, the Pension Fund is expected to meet 24% of its liabilities through its assets. The balance in the Provident Fund is paid out to employees upon their departure from the organization. The value of defined benefit plan obligations is Rs. 11.265 million, compared with Rs 10.366 million in 2022-23.



7 Dealerships in 25 Cities





Our Dealers

Dealers represent our brand in the marketplace by providing products and services, managing customer expectations, and enhancing overall customer satisfaction. Their actions have both direct and indirect effects, such as paying taxes, creating jobs, consuming energy and water, emitting pollutants, discharging effluents, supporting local communities, and complying with relevant laws and regulations.

IMC operates a nationwide network of 57 independent dealerships across 25 cities. These dealerships provide a wide variety of Toyota products and services, including new vehicles, genuine parts, and expert maintenance. For the used car sector, our dealerships offer Toyota Sure (T-Sure) services, allowing customers to either purchase certified used cars or trade in their current vehicles for newer models. During the year, 54 dealerships across the country are operating T-Sure facilities to uphold

Toyota's high standards of reliability and performance. Today, T-Sure stands as a reputable name in the Pakistani used car market, achieving a record certification of 8,319 units this year.

To sustain our position as industry leaders and provide outstanding customer service at our dealerships, we cultivate strong partnerships with our dealers through a range of initiatives. We assist them with workshops, training, certification programs, and guidance on operational improvements. Moreover, IMC evaluates dealership performance based on defined metrics, and take corrective actions based on the findings. We also acknowledge and celebrate our dealers' commitment at an annual conference, recognizing those who consistently surpass performance standards.

To ensure its technical service staff remains highly skilled, Toyota has established a comprehensive training programme. This year, over 24,520 man-hours were invested in TEAM-GP (Toyota Education And Management System-Global Program) training, leading to the certification of trained Toyota Diagnostic Master Technicians at each of our 3S dealerships.

24,520
man-hours in
TEAM - GP training

TEAM - GP

The environment has changed significantly in terms of advancements in vehicle technology and features. In response to this, the quick development of technicians and efficient human resource development program are necessary. Based on these requirements, TEAM-GP is developed.

TEAM-GP uses online learning materials focusing on self-learning. Hence it is possible for a technician to learn at his own speed. This can be used as a preparation before the group training so that in group training practical activity can be effectively used for skill development. TEAM-GP enables quick analysis of technicians learning and aims to achieve effective training operation to develop high quality technicians.

Training programs are designed to meet Toyota Motor Corporation's standards, equipping both new and experienced technicians with the approach of "Fix it Right the First Time." The goal of this training is to boost customer satisfaction through efficient and seamless service. Additionally, we provide specialized training to our corporate clients and fleet service technicians, ensuring they stay informed about the latest company practices and advancements.

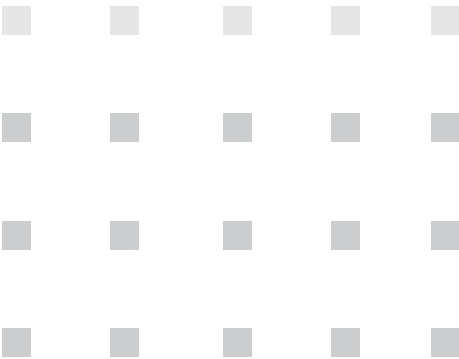
Promotion of Sustainability Practices at Dealerships

Our business operations and practices affect the environment and society. In response, we apply extensive management strategies throughout our operations and the value chain, including our dealerships. We assist our dealerships with advice on health and safety, environmental management, labour relations, human rights, and social impact. These initiatives have successfully managed our overall environmental and social footprint. These collaborative initiatives have created a more sustainable and responsible value chain, reducing potential negative effects and nurturing positive relationships with our stakeholders.

Introduction of Asia Pacific Ecology (AP-ECO) Standards

Toyota's Environmental Challenge 2050 outlines IMC's dedication to minimizing automobiles' environmental impact and contributing positively to the planet and its communities.

Toyota's AP-ECO initiative seeks to establish effective environmental management practices at dealerships, concentrating on minimizing CO2 emissions, waste, and water consumption while enhancing the handling of hazardous chemicals. This program encourages 3R efforts (Reduce, Reuse, Recycle) across all Toyota dealerships to advance IMC's environmental vision for 2050, fostering a healthier planet and community. IMC has certified 53 of its dealerships according to AP-ECO standards, ensuring their compliance with Toyota's environmental principles in the Asia-Pacific region.



CUSTOMER
FIRST

□ □ □ □ □ □ □ □
makes the customers' hearts go

Waku-Doki

MARKET PAKISTAN

an ode to localisation

Revolutionising
the country's
automotive
landscape

The timely availability of parts and materials is crucial to maintaining operations and meeting product demand. Ongoing supply chain disruption due to global conflicts and stringent import restrictions in Pakistan has resulted in a substantial decline in production output and a notable cost increase. To address these challenges and support plant operations, we are working closely with our partners to manage the supply of materials and components.

Our collaborative approach with supply chain partners prioritises sustainability and mutual benefit. We work closely with them to leverage their strengths and support their implementation of environmentally responsible practices. By providing financial incentives and targeted development programmes, we enhance their long-term economic stability and equip them with the skills and knowledge necessary to gain a competitive advantage in the market. This mutually beneficial partnership fosters a sustainable and resilient supply chain.

Our procurement involves sourcing materials and services from both international and local suppliers. We primarily focus on:

- Procuring Completely Knocked Down (CKD) and Completely Built Up (CBU) units from Toyota Motor Corporation and imported parts.
- Directly and indirectly, purchasing locally manufactured parts and materials for vehicle production.
- Sourcing locally produced service parts and accessories to support after-sales services.
- Purchasing goods and services to support our operations, maintenance, and corporate services.

our Suppliers

Our local suppliers are OEM-level automotive parts suppliers specialising in resin, rubber, electrical, sheet metal, casted parts, and other components. Located in Sindh, Punjab, and Balochistan, we have 53 Tier-I parts and consumable suppliers. Our supply chain is primarily labour-intensive, utilising manual and semi-automated production lines.

In 2023-24, total payments to our supply chain partners for goods and services amounted to Rs 119,204 million, representing a 19% decrease compared to the previous year (Rs 147,417 million). This reduction was primarily driven by underutilised production capacity which has also resulted in procurement from local suppliers falling to 36% in 2023-24 compared to 40% in 2022-23.

Investing in Localisation

Our localisation programme, initiated alongside our operations, aims to foster industrial growth, introduce new technologies, create jobs, enhance skills, and contribute to the country's economic development. Our product development and supply chain teams collaborate closely with supply chain partners to ensure that they adhere to Toyota's safety and quality standards. Through strong partnerships and long-term relationships, we have encouraged our suppliers to invest in dedicated production lines for manufacturing high-tech parts. The newly launched Toyota Corolla Cross features the highest level of localised content. Our sustained efforts to develop the local industry have created opportunities for exporting automotive parts to other countries.

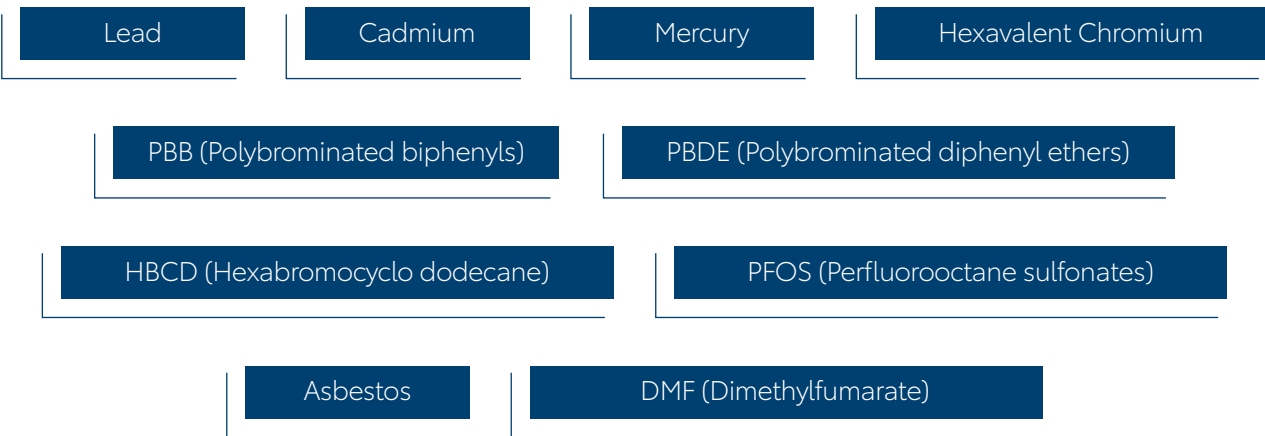
Promotion of Sustainability Practices at Suppliers

Our suppliers adhere to Toyota Quality Standards, sustainability principles, Just-In-Time methods, and a Kaizen culture to reduce part rejection, streamline business procedures, and boost profitability. We engage with suppliers to nurture a Kaizen culture and ensure they comply with all pertinent laws and regulations. Our Product Development Department advocates for sustainable practices and carries out regular evaluations to confirm that suppliers align with IMC's vision, strategy, and goals. Based on these evaluations, we make necessary adjustments to uphold these standards, planning and executing appropriate actions accordingly.

Toyota Green Purchasing Guidelines (GPG)

Toyota's Green Purchasing Guidelines serve as a cornerstone for managing the environmental footprint of our supply chain. By implementing these guidelines, we aim to reduce the environmental impact of our suppliers' operations and contribute to a harmonious relationship between industry and nature. The certification of 41 (FY'23: 37) suppliers under ISO 14001-2015 signifies a notable achievement in pursuing a more sustainable and environmentally responsible supply chain.

We have established a returnable trolley system to reduce packaging waste from suppliers. Furthermore, IMC's Green Purchasing Guidelines ban the use of the specific substances listed below in packaging materials, in accordance with the Toyota Technical Standards TSZ0001G. These initiatives support our broader efforts to lessen our environmental impact.



IMC is committed to ethical and fair labour practices throughout its supply chain. IMC adheres to applicable labour laws and prohibits child labour, forced labour, and compulsory labour in its operations or those of its suppliers. IMC has established environmental assessment criteria for supplier selection and monitoring to ensure compliance. New suppliers undergo a rigorous evaluation process, including shortlisting, screening against IMC's criteria, and confirmation of compliance. Ongoing monitoring involves supplier audits, KPI evaluation, and agreed-upon improvement actions. This comprehensive approach demonstrates IMC's dedication to responsible sourcing and sustainable business practices.



every customer experience an



ichi-go ichi-e

*an encounter that only happens once in a lifetime, reminding
to treasure every moment, for it will never recur*

our Customers

The Toyota Way in Sales & Marketing (TWSM), Toyota Service Marketing (TSM), and Toyota Global CR Standards shape our approach to customer management. IMC takes a proactive stance in addressing safety, quality, and comfort concerns during both manufacturing and after-sales. Our culture of Hansa Renkei (cross-functional collaboration) and Kaizen (continuous improvement) emphasizes dedication to product development and outstanding customer experiences. IMC gains insights into their needs and expectations by engaging with customers through our Customer First Department and dealerships, allowing us to provide products and services that surpass customer satisfaction.

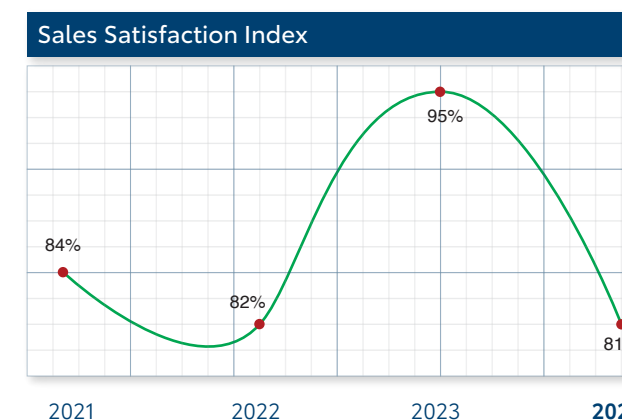
Our GENESIS technology platform delivers a cohesive customer experience across all dealerships nationwide, streamlining the management of inquiries and complaints. Moreover, our dedicated Customer Assistance Center provides toll-free support, guaranteeing quick responses and resolutions to customer issues. Feedback gathered through these channels is carefully tracked and sent to the appropriate departments for prompt action.

TOYOTA
knows its
customers
Best!

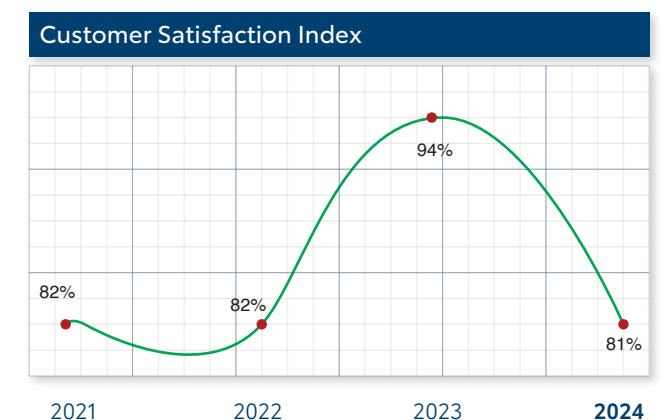
Our Customer First Department is dedicated to providing a comprehensive ownership experience. Our dealerships supply genuine spare parts and lubricants, and quality services to boost customer satisfaction and foster trust in the Toyota brand. We frequently organize safety campaigns to inform customers about vehicle maintenance and advocate for road safety. These efforts reflect our dedication to safeguarding our customers, their vehicles, and the general public.

IMC considers customer feedback essential for assessing satisfaction levels regarding its products, genuine spare parts and lubricants, and services. IMC regularly conducts customer satisfaction surveys covering nationwide dealerships to understand customer sentiment and maintain strong support. Throughout the year, it also performs Customer Satisfaction Index (CSI) research to gather data, assess performance on critical indicators, and pinpoint improvement areas. Moreover, the Sales Satisfaction Index (SSI) evaluates satisfaction levels among customers purchasing Toyota vehicles from authorized dealers, offering valuable insights for further enhancements. The Customer Relations Department collaborates with other teams to pursue innovative strategies to boost overall satisfaction rates.

The CSI and SSI have decreased by 13% and 14%, respectively, compared to FY2022-23. The decline in satisfaction indexes is primarily attributed to supply constraints at Tier-1 levels, caused by regional supply disruptions and port congestion. These issues impacted timely delivery of vehicles and parts to some customers. However, IMC has taken countermeasures to improve supply chain and ensure customer delight.



SSI Primary Attributes
Loyalty Towards Dealership
Delivery Experience
Dealer Facilities
Purchase Experience



CSI Primary Attributes
Service Initiation
Service Advisor
Service Facility
Service Quality
Loyalty Towards Service

AUTOMOTIVE MARKET and

TOYOTA brand

IMC has maintained its position as a market leader for over thirty years, reflecting its robust brand identity and strategic direction. The brand's persistent dedication to providing safe, high-quality products and its competitive advantage have allowed IMC to succeed in the tough automotive industry and ever-changing economic landscape.

Our marketing efforts align with Toyota's fundamental global values and adhere to relevant laws and voluntary guidelines. We emphasize accuracy and dependability in our brand messaging, ensuring stakeholders are informed correctly about our products and services. We ensure the precision of all marketing content through internal review processes. Our dedication to customer satisfaction goes beyond mere product ownership, providing peace of mind and a distinctive driving experience.

Toyota's steadfast dedication to customer satisfaction has been fundamental to our success in Pakistan. By operating locally, creating jobs, developing skills, and making economic contributions, we have established a robust brand presence while actively contributing to the country's technological progress. Our focus on engineering education and community development initiatives further highlights our commitment to the welfare of our stakeholders. To keep our brand at the forefront of the competitive market, we regularly assess brand strength through thorough surveys spanning our value chain and the industry. By strategically adjusting our methods, we aim to provide outstanding customer experiences and retain our status as a trusted and respected brand in Pakistan.

Safety is Paramount at Toyota

To ensure the well-being of our customers and the environment, we provide comprehensive information on product attributes, safe usage, environmental impact, and proper disposal. Our Owner's Manuals offer detailed guidance on driver and passenger safety, vehicle features, technical specifications, and maintenance

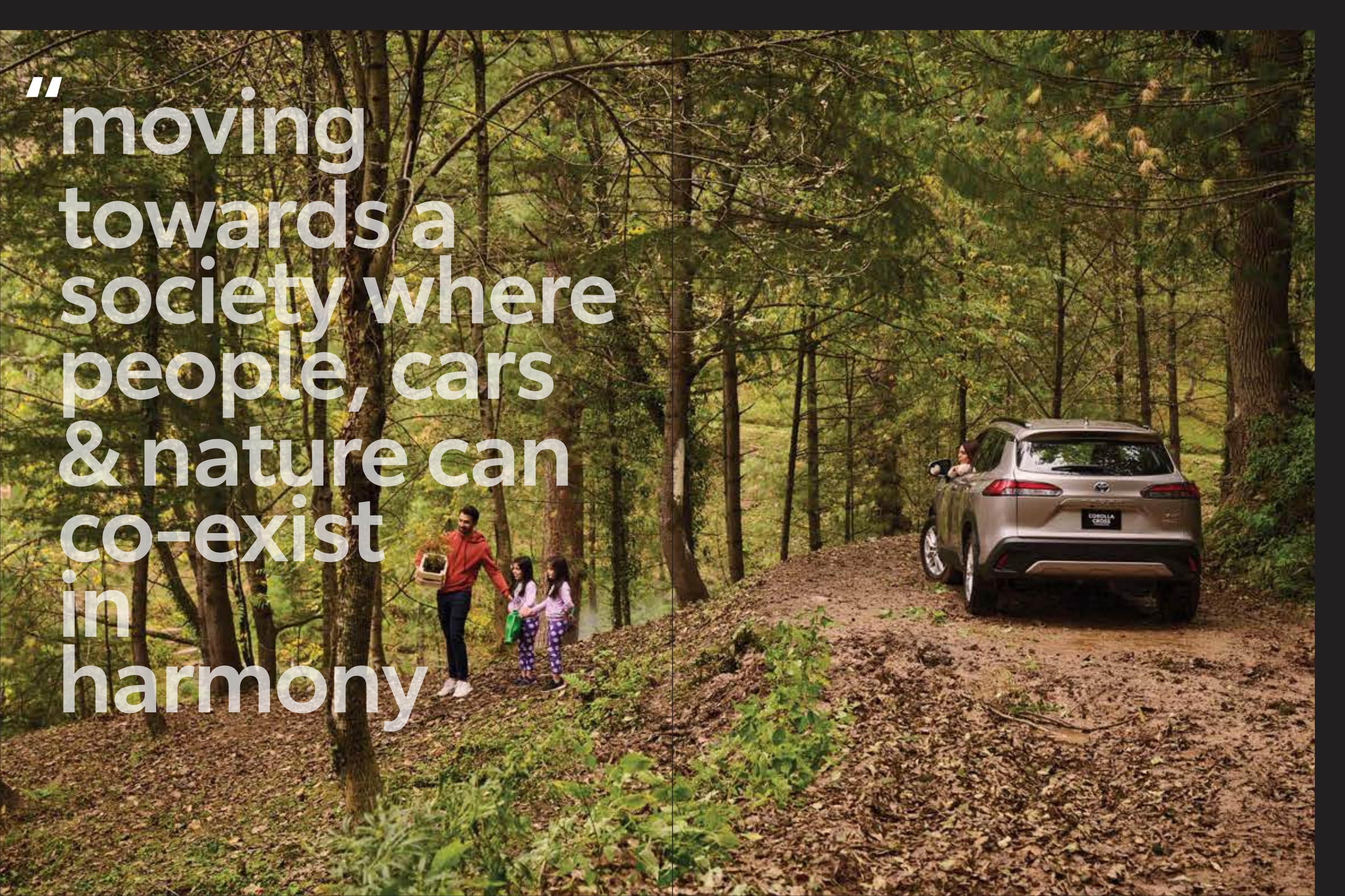
requirements. We also share information regarding the source, safe use, and disposal of Toyota Genuine Parts and Toyota Genuine Motor Oil. The latter is formulated according to stringent TMC guidelines, adhering to the highest industry standards set by the American Petroleum Institute (API) and the Society of Automotive Engineers (SAE) International.

Dealerships frequently conduct safety campaigns to educate customers about vehicle safety features and product attributes. We are committed to strict compliance with all applicable laws and voluntary guidelines. Regular assessments ensure that our products and marketing practices adhere to these standards. Throughout the year, there was no reported non-compliance with regulations regarding product and service information, marketing communications, or customer privacy.

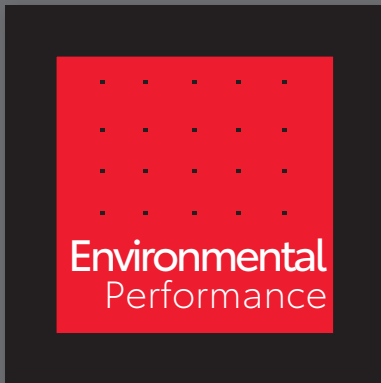
A group of people wearing blue rain ponchos are gathered in a snowy forest. The scene is overlaid with a large red circular graphic that contains the text 'HANDS that sustain our ENVIRONMENT'. The background shows snow-covered trees and a snowy ground.

HANDS that sustain our **ENVIRONMENT**

*Chasing Snow Leopard Expedition,
Brown Bear Forest, Kaghan Valley
Photo courtesy: Youth Impact*



“moving
towards a
society where
people, cars
& nature can
co-exist
in
harmony



Our operations have environmental impacts primarily due to resource use, emissions, wastewater discharge, and waste generation. Activities such as pressing, welding, assembly, and painting, along with emissions from vehicle usage, exacerbate the pressing issue of climate change. However, we have made strides in reducing our environmental footprint while gaining economic benefits through automation and process improvements. Integrating advanced technologies like automated digital manufacturing and robotics will mitigate adverse effects further. However, addressing the environmental impact of product usage requires a joint effort involving the government, oil refineries, and other stakeholders to enhance fuel standards in Pakistan. Improved fuel quality can enhance fuel efficiency and reduce emissions.

The recent launch of our Hybrid Electric Vehicles (Corolla Cross) in Pakistan marks a significant step toward minimising our carbon footprint. These vehicles offer a cost-effective and eco-friendly solution, delivering remarkable fuel efficiency and lower emissions, enhancing our commitment to combating climate change.

The Toyota Guiding Principles and the Toyota Global Environmental Challenge 2050 guide our environmental management. These principles underpin our strategies and policies, inform new technology investments and upgrade facilities. Our comprehensive Five-Year Plan provides a roadmap for managing the environmental impact of our operations.

The SHE Steering Committee, chaired by the Chief Executive Officer of IMC, oversees environmental practices at IMC. It develops guidelines, evaluates performance, makes decisions, and assigns

responsibilities for SHE-related issues. The SHE Manager is tasked with enforcing and monitoring compliance. Our facility, certified under ISO 14001:2015, promotes proactive risk management while regular training ensures our workforce is well-prepared. We are dedicated to reducing our environmental footprint through cleaner technologies and resource-efficient practices in both our operations and value chain. We partner with value chain associates to minimize their environmental impact, ensuring compliance with our Environmental Policy and guidelines.

See pages no. 121 and 123 respectively for more details about our work in the value chain.

IMC showcases its commitment to environmental excellence by conducting thorough evaluations, such as external recertification audits, Toyota Global Environmental Management System assessments, internal performance reviews, and compliance checks. The insights gained from audits inform corrective measures aimed at fostering continuous improvement. IMC achieved zero non-compliance with environmental laws and regulations during 2023-24.

Materials Use

At IMC, we are committed to responsibly using natural resources to achieve economic success while meeting customer needs. Our vehicle production requires a variety of materials and chemicals. Essential material categories encompass metals, plastics, elastomers, textiles, natural materials, fuels, consumable liquids, electronics, ceramics, glass, and other compounds and non-dimensional materials.

Here are some of the most common materials used in car construction:

- Metals
- Plastics, elastomers, textiles, and natural materials
- Electronics, ceramics, glass, and other compounds
- Fuels and consumable liquids
- Non-dimensional

Calculating their weight is complicated due to the diverse and complex materials used in vehicle manufacturing. However, IMC has been working to identify and share, in future, the weights of the various materials incorporated into our products

We continuously seek opportunities to integrate more sustainable materials into our production, prioritizing recycled and renewable resources whenever possible. However, this year, we did not use any recycled materials in our manufacturing processes except thinner & water. Furthermore, IMC does not currently reclaim products or their packaging materials.

Addressing Climate Change

Climate change represents a significant danger to humanity, causing heat waves, severe floods, droughts, and wildfires that result in substantial economic losses and social disruptions worldwide. The government and private sectors must take immediate action to counter these harmful environmental effects and lower climate adaptation expenses. Establishing a supportive atmosphere through climate-friendly policies is vital to motivate the private sector to embrace cleaner technologies and create resilient products to climate change.

IMC focuses on reducing our environmental footprint by effectively utilizing energy and shifting to renewable and low-carbon sources across our operations and value chain. For more information on our initiatives, including our commitment to renewable energy and the Million Tree Plantation Drive, please see pages no. 99 and 104.

Global Environmental Management System

IMC adheres to the Global Environmental Management System (G-EMS), designed by Toyota for environmental protection and a sustainable future, which is aligned with global targets set by SBTi. Recently, IMC members attended a Train the Trainer session organised by Toyota Motor Asia in Thailand to train trainers for G-EMS, strengthen compliance and conduct in-house sessions.

WWF Green Office Training

IMC collaborated with WWF to enhance environmental management across our offices by launching the Green Office Program. We organized a comprehensive training session for our members to foster awareness and establish a framework for promoting eco-friendly practices throughout IMC.

IMC's Environment Month

January is marked as Environment Month at IMC, promoting our eco-friendly initiatives throughout the organization. This year, besides expanding our green belts and planting trees, we focused on minimizing waste and upcycling efforts. This month, several training sessions were held to engage a broader audience and raise awareness. We also inaugurated an in-house composting area that transforms food waste and tea waste into organic fertilizer, which enriches our soil and boosts our green initiatives across IMC.

Using natural resources

BEYOND ZERO



TOYOTA

Achieving Zero, and adding new value beyond it

Toyota is a mission driven company, committed to making efforts to pass on our beautiful "Home Planet" to the next generation in the best possible condition. Towards this aim, Toyota is helping to resolve the negative environmental impacts caused by mobility issues and faced by individuals and overall society and bring them to zero. Toyota calls this "Achieving Zero." Furthermore, Toyota is also looking to go "Beyond Zero," attempting to create and provide greater value to the environment, by continuing to diligently seek ways to improve lives and society for the future.

Taking this opportunity, I would like to thank all of you for your strong efforts to realize this commitment throughout the life-cycle stages of our products, from the design and development to the end of life of our products, thereby minimizing the negative impact to our precious planet by taking responsibility and making continuous improvements.

In addition, as we move towards reducing our carbon footprint, I do want to mention that we can do more at our workplace. There are always new ideas or better ways of doing our jobs that can reduce our corporate carbon footprint such as reducing unnecessary consumption, reusing or upcycling materials, growing some plants, eating local or plant-based food, reducing food waste and water consumption etc.,

With these small daily habits (called "Atomic" habits), which you can start in this Environmental Month, each of us can truly make a difference for our planet and for future generations.

Masahiko Maeda
CEO of Asia Region
Toyota Motor Corporation

Energy Use and Shifting to Low Carbon Resources

Our approach utilises cutting-edge techniques, technologies, low-carbon resources, and efficient processes to reduce energy usage and related greenhouse gas emissions.

In alignment with the Toyota Environmental Challenge 2050, we are dedicated to implementing green technologies to decrease GHG emissions and enhance our energy mix through ongoing improvements in operational processes. We have installed onsite photovoltaic technology to lower energy use from traditional sources and boost the ratio of green energy. The total installed capacity of our onsite solar power is approximately 6.6MW, which contributes to our energy mix and reduces the factory’s carbon footprint by over 1,200 tons annually, based on current volumes, while also lowering energy costs. We continue to prioritize the use of the eco-friendly gas R-134a in vehicle air-conditioning systems over CFC-12.

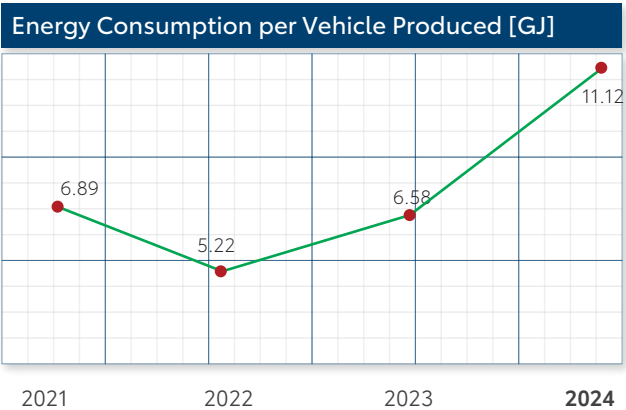
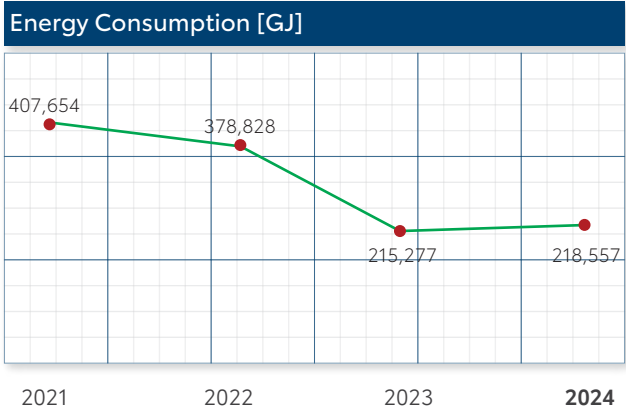
Our assembly plant is designed to maximize natural light and utilise LED lighting, minimising energy consumption. Furthermore, a Combined Heat & Power (CHP) system effectively repurposes waste heat produced during energy generation.

Energy Consumption	Unit	2024	2023	2022	2021
▪ Energy consumed within organization – Non-renewable	GJ	204,287	199,552	359,016	392,764
▪ Energy consumed within organization – Renewable	GJ	14,270	15,725	19,812	14,890
Total energy consumption	GJ	218,557	215,277	378,828	407,654
▪ Energy used per vehicle produced	GJ/unit	11.12	6.58	5.22	6.89
▪ Energy saving per year	GJ	16,777	12,034	19,876	17,783

Energy consumption figures were calculated using the Toyota Daihatsu Engineering and Manufacturing (TDEM) guidelines, encompassing renewable and non-renewable energy sources. The energy savings reported include the electricity generated by solar panels installed at the IMC plant, the installation of LED lights throughout the facility, and the implementation of absorption chillers.

our onsite solar power contributes to our energy mix, reducing the factory’s carbon footprint by over **1,200 MT annually**

Natural gas and electricity are the primary energy sources at our plant, contributing significantly to greenhouse gas (GHG) emissions. Our 6 MW co-generation capacity supports our energy needs and aligns with future growth plans. Energy consumption has slightly increased by 3,280 gigajoules compared to the previous year, primarily due to the new product line-off and extreme weather conditions. Similarly, the energy used per manufactured vehicle increased to 11.12 gigajoules per unit in 2023-24, compared to 6.58 gigajoules per unit in 2022-23.



Shifting Towards Renewable Energy

IMC is Pakistan’s first company to install one of the largest rooftop-mounted solar photovoltaic (PV) plants and the biggest solar PV plant in Pakistan’s automobile industry, aligning with its goal of achieving carbon neutrality. It is also the first such unit in the Toyota Asia-Pacific region.

To optimize its energy portfolio, reduce greenhouse gas emissions, and lessen dependence on traditional energy sources, IMC improved its installation of photovoltaic technology this year. The onsite solar power capacity has grown to 6.6MW from last year’s 4.5MW. The share of solar energy in our total energy consumption was 6.5% compared with 7% in 2022-23. The shift to solar power has reduced emissions of 3,524 tons of CO2 compared to 2,243 tons of CO2 in 2023-24.

IMC became the first automobile OEM to implement net metering at maximum allowable capacity. With an existing system of 6.6 MW—significantly higher than the 1 MW limit for net metering—we undertook a thorough journey, examining the relevant regulations and identifying unique opportunities while adhering to established frameworks. We sought necessary approvals by collaborating with various organizations at senior management levels and ultimately modified our system to incorporate net metering. Although this demanding process spanned two years, it profoundly impacted our system, enabling seamless transitions to Karachi Electric (KE) supply during emergencies and enhancing operational resilience. This achievement greatly enhances our system, saving more than PKR 40 million annually and having a payback period of less than a month. It also decreases CO2 emissions by over 300 tonnes annually. IMC continues to lead in sustainable energy solutions, setting new standards of excellence in the automotive industry.

Switching to Synthetic Natural Gas

Given Pakistan’s energy issues and gas scarcity, IMC is adopting Synthetic Natural Gas (SNG) as a strategic, long-term solution. SNG, created by mixing vaporized Liquefied Petroleum Gas (LPG) with air, produces a gas that closely mimics natural gas. With its higher heating value, energy density, and favorable air-to-fuel ratio, SNG serves as an effective alternative for external combustion applications, enabling the use of existing natural gas infrastructure for a smooth transition. By implementing SNG, IMC reinforces its dedication to sustainability and reliability, as it is eco-friendly, generating no hazardous waste and producing fewer greenhouse gas emissions than other fuels. Moreover, it minimally affects soil, water, and underground resources.

Greenhouse Gases Emissions

Greenhouse gas (GHG) emissions play a crucial role in climate change. At IMC, we are dedicated to implementing

cleaner technologies and optimising processes to reduce GHG emissions associated with our operations. Adopting Kaizen and Just-in-Time methods has significantly cut emissions and led to notable savings through reduced delivery costs and enhanced operational efficiency.

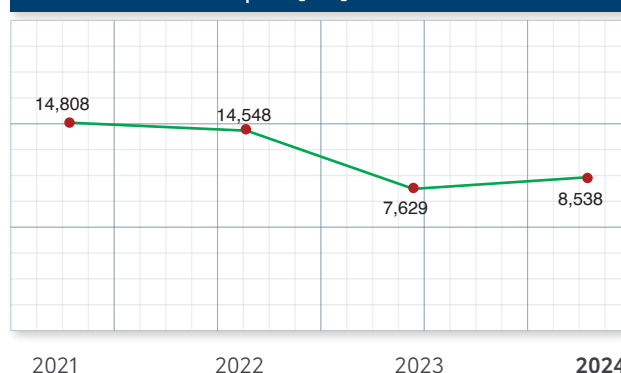
Natural gas and electricity are vital components of our production processes and significant contributors to our greenhouse gas (GHG) emissions. We monitored Scope 1 emissions from our operations until last year and started tracking Scope 2 emissions this year. Next year, we plan to measure and report Scope 3 emissions.

In alignment with the Toyota Environmental Challenge 2050, we have adopted a Zero CO2 strategy to achieve long-term emissions reduction. Initiatives such as energy-efficient lighting systems and solar PV installations have reduced electricity usage and CO2 emissions. Additionally, our manufacturing plant employs highly efficient power generators and utilises waste heat through absorption chillers, further reducing emissions.

	Unit	2024	2023	2022	2021
Emissions					
▪ Greenhouse Gases emissions (Scope I)	MT	8,538	7,629	14,548	14,808
▪ Greenhouse Gases emissions (Scope II)	MT	1,524	3,529	6,848	4,716
▪ Total Greenhouse Gases emission	MT	10,062	11,158	21,396	19,524
▪ Emissions per vehicle produced (Scope I)	MT	0.44	0.23	0.20	0.25
▪ Total Emissions per vehicle produced	MT/unit	0.51	0.34	0.30	0.33
▪ Total Reduction / (Increase) in emissions	MT	1,096	10,238	(1,872)	(6,535)
▪ 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 CO2e emissions and emission reduction. There were no biogenic emissions during the year. TDEM and SEQS guidelines were used for emission calculations.

GHG Emissions Scope-I [MT]



Emissions Scope-I per Vehicle Produced [MT]



During the year, the GHG Scope-I emissions increased by 909 Metric Tons (MT) due to reasons such as plant facility extension, internal electricity generation on account of high price from K-Electric, civil work and construction projects inside the plant. Further, despite ongoing efforts to reduce emissions, the Scope-1 emissions per vehicle produced increased to 0.44 (MT/vehicle) compared to 0.23 (MT/vehicle) in 2022-23 mainly on account of less production volumes due to economic situation in the country.

Volatile Organic Compound (VOC) emissions from processes involving solvents, paints, sealers, or hydrocarbon-based chemicals constitute a substantial portion of our emissions. Continuous improvement initiatives, including cartridge reduction for low-demand

colours, new solvent alternatives, optimisation of robot gun distance, and adjustments to spray settings, have significantly reduced VOC emissions over the years.

In December 2023, IMC successfully launched the Toyota Corolla Cross, Pakistan's first locally produced hybrid electric vehicle (HEV) with innovative features, aiming to promote cleaner and more efficient cars in Pakistan. The innovative features of this model have contributed to its initial market success and received exceptionally positive feedback from customers. While pursuing electrification, we are committed to improving fuel efficiency and reducing emissions from our existing internal combustion vehicles. By closely monitoring policy changes and investing in plant upgrades, we aim to remain competitive in the evolving market.

The World Economic Forum Global Risk Report 2024 underscores the critical nature of climate change, ranking it as a paramount concern for both the near and long term. Climate-related risks occupy two of the top ten positions for the next two years and five of the top ten positions for the next ten years. The report identifies "Extreme Weather Event", "Pollution", "Critical Change in Earth Systems", "Biodiversity Loss & Ecosystem Collapse", and "Natural Resource Shortcoming" as the five most severe risks. The far-reaching consequences of climate change, including extreme weather patterns, heatwaves, droughts, and flooding, are being felt globally, adversely affecting economic growth, infrastructure, and human well-being.

The escalating financial risks associated with climate change, both physical and transitional, necessitate businesses to identify and manage these risks proactively. Our environmental management policy encompasses climate risk management within our operations, reflecting our commitment to contributing to climate change mitigation.

IMC has reached a notable achievement in its environmental efforts, having planted more than 870,000 saplings through its Million Tree Plantation Drive, which began in 2018. This ambitious undertaking is in line with Pakistan's wider Billion Tree Tsunami initiative, a national endeavor aimed at restoring landscapes and addressing climate change.

The Million Tree Plantation Drive not only supports the nation's ambitious objectives but also aligns with the UN Decade of Ecosystem Restoration (2021-30), which aims to prevent, stop, and reverse global ecosystem degradation. Through the planting of these saplings, IMC plays a pivotal role in restoring ecosystems and addressing climate change. This Drive also supports various Sustainable Development Goals (SDGs), including (13) Climate Action, (15) Life on Land, and (17) Partnerships for the Goals. We carefully selected indigenous trees to maximize environmental benefits, and actively involved local communities to ensure long-term sustainability. Additionally, our dealerships enthusiastically collaborated with IMC to implement this initiative across the country.

The Million Tree Plantation Drive has positively impacted local communities, providing employment opportunities and improving air quality. The saplings will grow into trees, absorbing carbon dioxide and providing shade and habitat for wildlife. IMC's commitment to environmental sustainability is evident through its participation in this vital initiative.

 **Million Tree
Plantation Drive**

 **Million Tree
Plantation Drive**

870K+
trees planted

"We never know
the worth of
water till the
well is dry

Using water
efficiently

Access to fresh, clean water is crucial for human health and business activities. Water scarcity adversely affects businesses, and as a shared resource, it requires careful management. Our strategy treats water as a community resource, highlighting our commitment to responsible water use. We use water in different production processes and as utility water. Over the years, we have consistently aimed to decrease freshwater usage by applying the 3R principles: Reduce, Recycle, and Reuse, thus lessening our impact on water resources.

Our water supply comes from canals linked to Keenjhar Lake, a 650 million cubic meters freshwater reservoir. We have a contract with the Karachi Water and Sewage Board (KWSB) for water supply, and the KWSB monitors the supply through flow meters. Keenjhar Lake, Pakistan's second-largest freshwater lake, is a crucial drinking water source for Thatta District and Karachi City.



Reduce

Apply
manufacturing
Kaizen



Reuse

Efficient
use of
water



Recycle

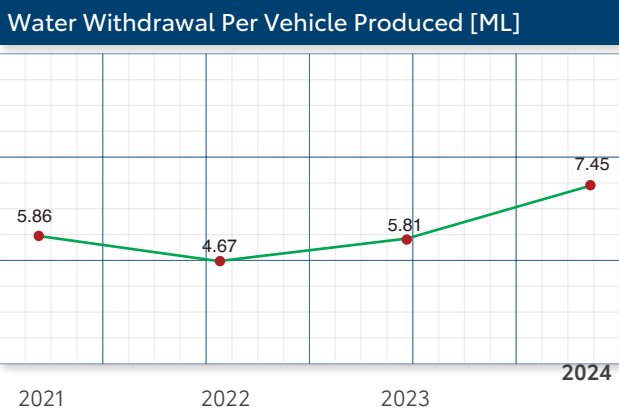
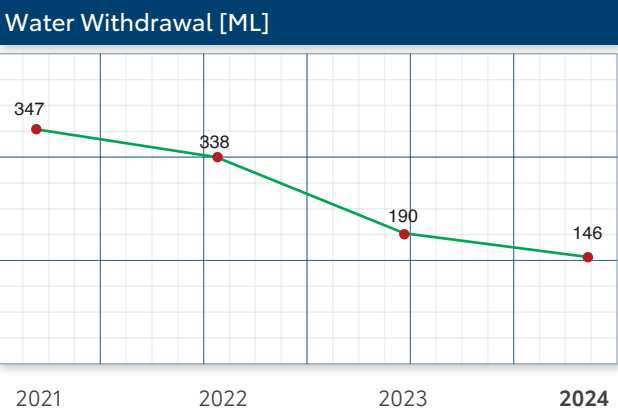
Wastewater
treatment

Keenjhar Lake is recognized as a Ramsar site under the Ramsar Convention and serves as a wildlife sanctuary. It provides essential habitat for winter migratory birds and a breeding ground. We meticulously manage our water extraction practices to minimize the impact on the lake's capacity, ensuring we do not withdraw water from areas experiencing water stress. We actively seek innovative technologies and establish ambitious water consumption goals to improve water efficiency at our facilities and support the Toyota Environmental Challenge 2050.

Furthermore, we collaborate with our supply chain partners to minimise their impact on freshwater resources. Recycled water is utilised to reduce freshwater intake. Water withdrawal decreased to 146 million litres during the year, compared to 190 million litres in 2022-23.

Water withdrawal by source in ML/year

	2024	2023	2022	2021
Surface water				
▪ Freshwater (≤1,000 mg/L Total Dissolved Solids)	146	190	338	347
▪ 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	146	190	338	347



Water consumption

	2024	2023	2022	2021
▪ Total water consumption ML/year	129	167	294	309

Water consumption is carefully tracked with flow meters. To ensure precise measurement, we comply with SEPA and Toyota standards.

Wastewater and Water Discharge

Wastewater released from our operations, along with used thinner, undergoes thorough treatment processes to guarantee that pollutant levels conform to or surpass SEPA standards. Our facility boasts a state-of-the-art wastewater treatment plant that

employs Apple Edge technology from KABUTA Japan, ensuring efficient treatment of the wastewater produced during operations. The processed water is designated solely for horticultural applications and is unsafe for human consumption.

Wastewater Discharge in ML/year

	2024	2023	2022	2021
Surface water				
▪ Freshwater (≤1,000 mg/L Total Dissolved Solids)	14	20	35	29
▪ Other water (>1,000 mg/L Total Dissolved Solids)	3	3	8	9
Total	17	23	43	38

Our operations produce a range of hazardous and non-hazardous waste streams, which we handle meticulously in line with our environmental policy. The raw materials involved in our assembly processes—including metals, plastics, elastomers, textiles, natural materials, electronics, ceramics, glass, compounds, fuels, and consumable liquids—result in various types of waste. These wastes are deliberately sorted into hazardous and non-hazardous categories. Non-hazardous waste, which includes domestic waste, scraps, plastic trim, wood, iron, general items, hardware, steel cuttings, and metal covers, is disposed of or sold to third parties.

Hazardous waste comprises oil drums, batteries, and waste from paint shops, such as paint sludge and thinner. We closely monitor paint use to limit sludge production. The water extracted from sludge is filtered and treated before being reused for gardening. Last year, we set up a new water treatment facility to enhance significantly our treated water capacity, allowing us to recover more water from sludge, which reduces its weight and saves water resources. Used thinner is collected and

subjected to a heating process to separate it from impurities, with thirty per cent of the thinner recycled afterwards. Hazardous waste, including solid waste and oil, is securely stored for disposal by authorised contractors. We estimate the amounts of reused/reprocessed materials, landfill contents, and onsite storage. Apart from thinner, which is kept for product quality and safety reasons, no waste is redirected from disposal.

To enhance waste management and reduce waste throughout our supply chain and IMC operations, we utilise returnable trolleys for parts delivery. This initiative has eliminated packaging material from our supply chain, streamlining packaging waste handling and disposal at IMC.

Waste-related issues encompass health and safety hazards, along with the risk of soil and water pollution. IMC rigorously follows relevant legal standards for managing and disposing of waste to mitigate these risks effectively. Ongoing training is offered to workshop and floor personnel to encourage waste minimization and ensure proper waste management practices.

	2024			2023			2022			2021		
	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 (MT)												
Hazardous	111	-	111	279	-	279	557	-	557	298	-	298
Non-Hazardous	2,136	1,700	436	2,489	2,029	460	5,476	4,773	703	4,167	4,168	702
Total Waste	2,247	1,700	547	2,768	2,029	739	6,033	4,773	1,260	4,465	4,168	1,000

Managing waste



5S Clean-up Drive

Post Independence Day

National flags are symbols of a nation's pride and sovereignty. They represent the values, history, and aspirations of a people. To foster a sense of national pride, respect the sanctity of our national symbols, and uphold their dignity, IMC continued its initiative to collect leftover flags after Independence Day celebrations for the sixth consecutive year. Over 60 IMC employees and TGEF graduates volunteered to participate in the drive, rallying under the slogan "Uphold the Sanctity of Our National Flag". These dedicated individuals traversed predetermined routes across the city to gather discarded flags and bunting strewn along roads and open spaces.

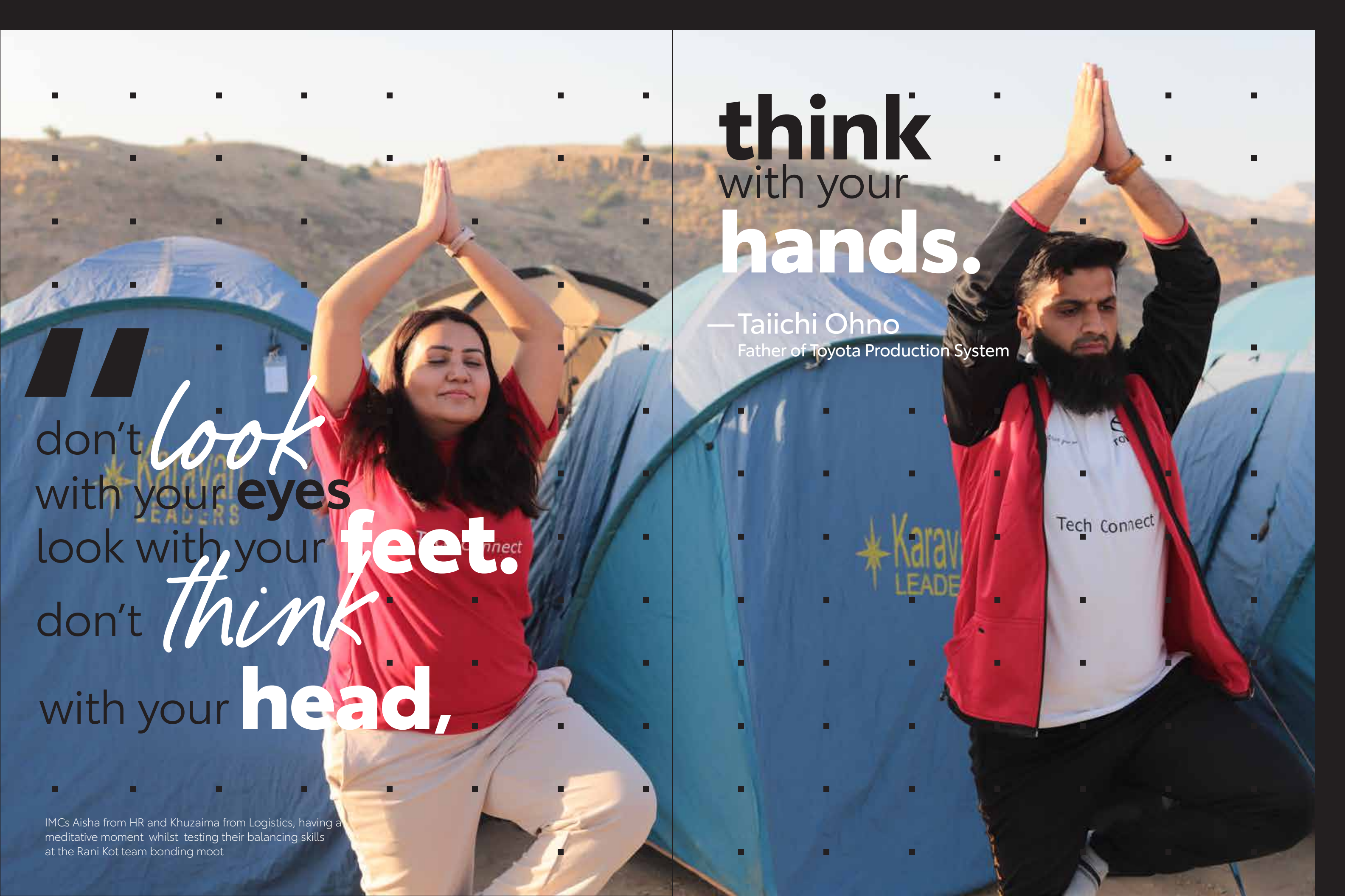
Collecting discarded flags demonstrates our respect for the national symbol and contributes to maintaining its dignity. It is a small but meaningful act that helps preserve the integrity of our national identity.



Volunteers from IMC & TGEF students gather at the company before heading off for the activity



...it's all about our people



think
with your
hands.

— Taiichi Ohno
Father of Toyota Production System



don't *look*
with your **eyes**
look with your **feet.**
don't *think*
with your **head,**

IMCs Aisha from HR and Khuzaima from Logistics, having a meditative moment whilst testing their balancing skills at the Rani Kot team bonding moot



Our people's knowledge, skills, experience, and commitment are instrumental to our continued success as a leading automobile brand. The demand for a highly skilled, trained, and diverse workforce has intensified in today's challenging external environment, characterised by increased competition, economic pressures, and technological advancements. At IMC, we foster an inclusive workplace where individuals from diverse backgrounds and perspectives are valued and motivated to reach their full potential. Our Human Resources strategy emphasises attracting suitable talent, providing a conducive work environment, and investing in training to equip our employees with the necessary skills to excel.

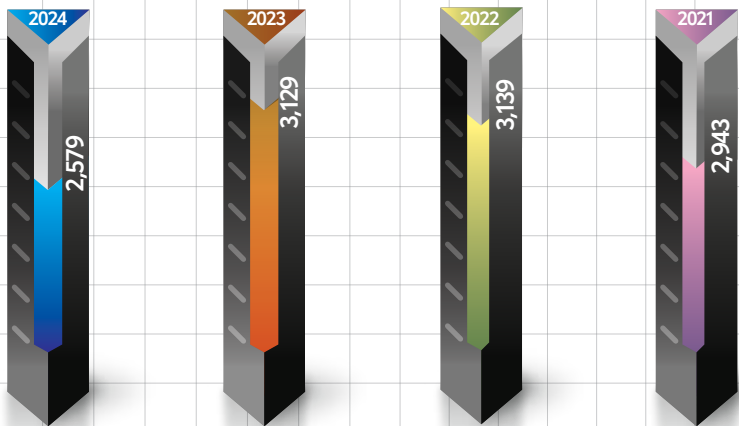
Our Human Resources initiatives are guided by Kaizen, a philosophy of continuous improvement that drives business growth. This approach necessitates actively participating and training every team member in the Toyota Way to foster workforce development, enhance knowledge, and cultivate essential skills.

The Head of HR is responsible for implementing policies and assessing the performance of labour practices at IMC. The Head of HR plays a pivotal

role in overseeing key areas such as performance management, rewards management, and employee engagement. This involves designing and implementing performance appraisal systems that align with organizational goals, ensuring employees are consistently motivated and recognized for their achievements. The Head of HR also develops competitive and equitable reward programs, including compensation and benefits strategies, to retain top talent. Additionally, they focus on fostering a positive workplace culture through employee engagement initiatives that enhance morale, productivity, and overall job satisfaction.

The SHE department at IMC monitors and enforces health, safety, and safe working conditions. We regularly review labour, human rights, and health and safety policies and practices at various levels, including unit, function, department, and corporate. External safety audits and system certifications offer valuable insights for adjusting policies and procedures. Throughout the year, we remained committed to ensuring our operations comply with and uphold labour laws, human rights legislation, declarations, and international conventions.

Workforce Profile



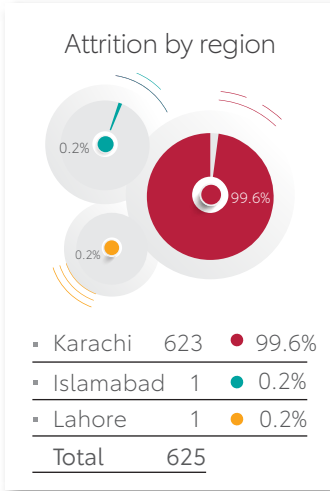
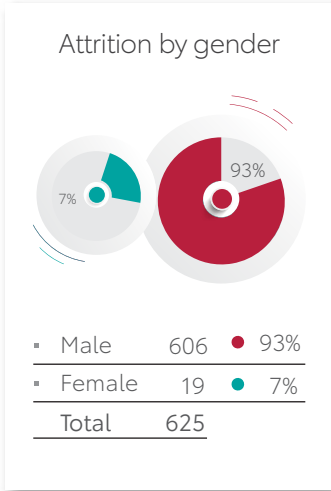
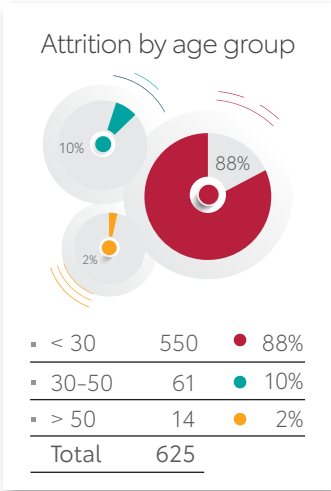
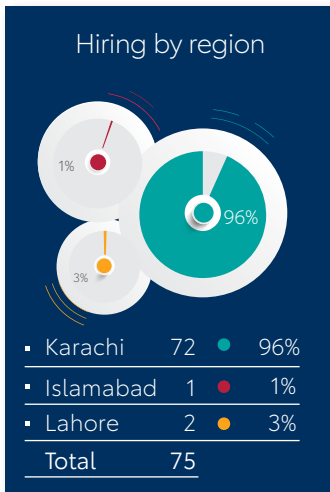
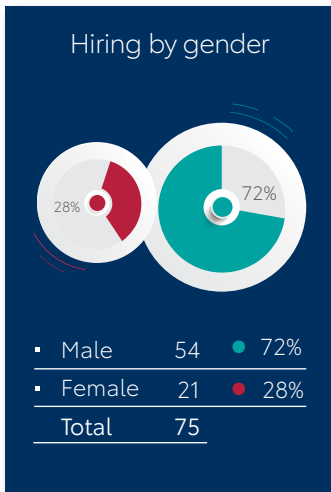
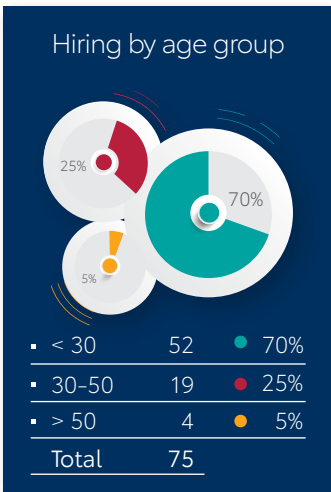
Our workforce figures are for the year ended June 30, 2024.

Workforce by employment contract, by region			
	Permanent	Temporary	Total
▪ Karachi	2,550	-	2,550
▪ Islamabad	11	-	11
▪ Lahore	16	-	16
▪ Multan	2	-	2
Total	2,579	-	2,579

Workforce by employment contract, by gender			
	Male	Female	Total
▪ Permanent	2,520	59	2,579
▪ Temporary	-	-	-
Total	2,520	59	2,579

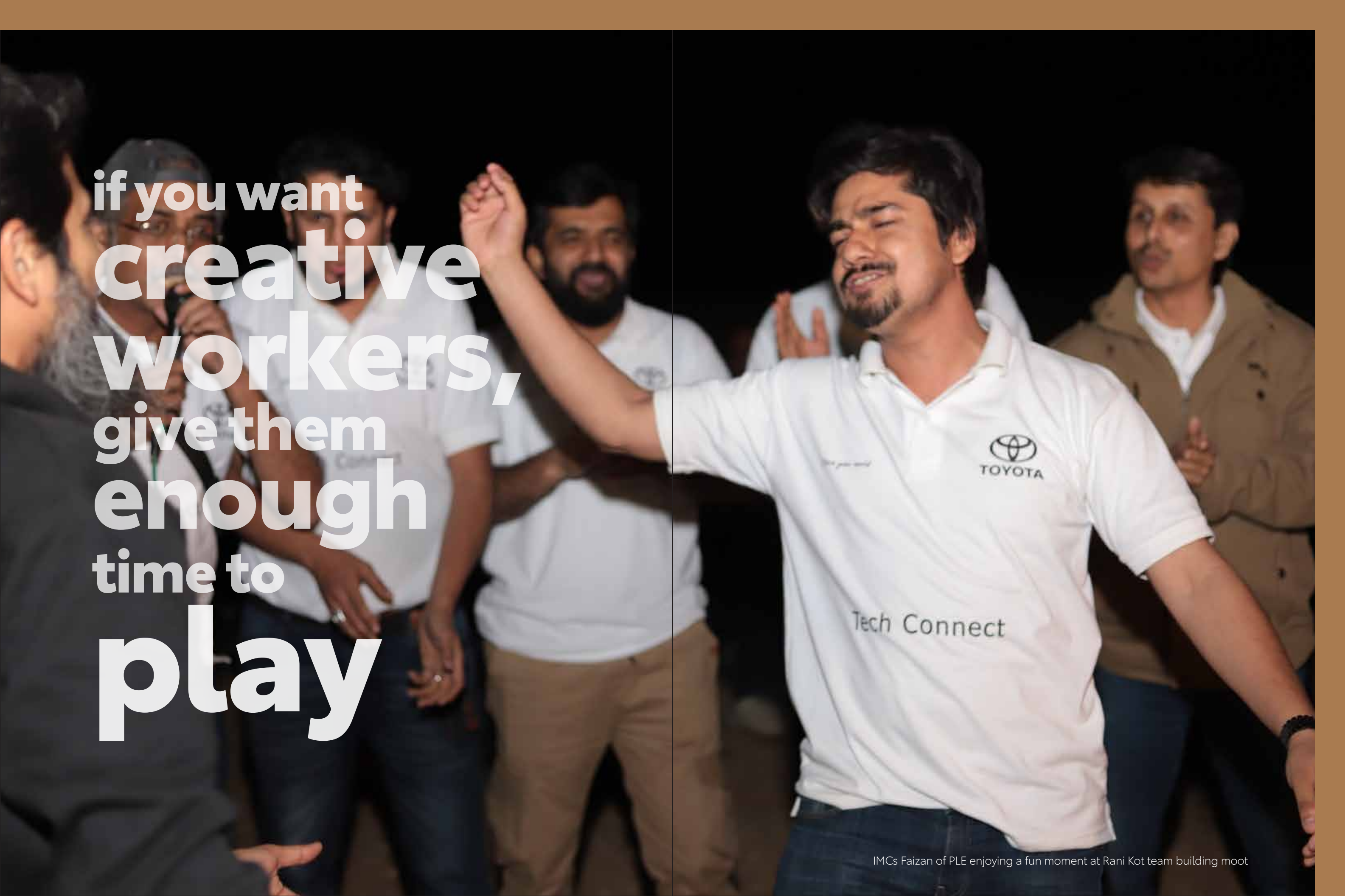
Workforce by employment type, by gender			
	Male	Female	Total
▪ Full-time	2,520	59	2,579
▪ Part-time	-	-	-
Total	2,520	59	2,579

Hiring and Attrition



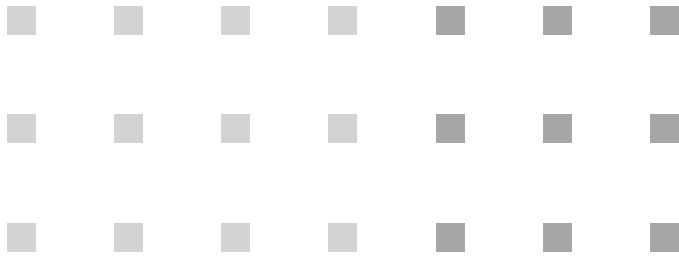
The figures for hiring and attrition relate to the financial year 2023-24. The hiring and turnover rates were 2.9% and 8.3% compared to those of 10% and 10.48% in the previous year. The hiring and attrition

ratios are consistent with industry ratios. 734 workers who were not employees of IMC work at IMC. These workers perform support services, including janitorial services, etc.



if you want
**creative
workers,**
give them
enough
time to
play

IMCs Faizan of PLE enjoying a fun moment at Rani Kot team building moot



We are dedicated to creating a positive and secure workplace that allows our employees to flourish and supports the brand's success. As outlined on page no. 53, "Stakeholder Engagement," we regularly connect with employees to assess satisfaction and pinpoint opportunities for improvement. We advocate for a culture centred on ethical behaviour, safety, transparent communication, and mutual respect.

The employee engagement survey is conducted once every two years through an external party to ensure objectivity and transparency in assessing employee satisfaction and engagement levels. Based on the survey results, the HR department analyzes areas with relatively lower scores and organizes focus group discussions to gain deeper insights into employee concerns. These sessions help identify specific issues, and the HR team then develops targeted action plans to address the feedback, ensuring continuous improvement in employee engagement and overall workplace culture.

IMC is a trailblazer in Pakistan's automobile sector. It implemented a spot-cooling system to enhance workplace conditions and increase productivity. The Pakistan Business Council has acknowledged IMC as a frontrunner in promoting SDG 8, which focuses on sustainable economic growth and decent work.

IMC recognizes the advantages of diversity, equity, and inclusion in its operations and is actively working to increase the involvement of women in its workforce. Currently, women make up 2% of the overall workforce.

IMC also shares its best practices with other companies to encourage the industry to embrace comparable standards. For further details, please see page no. 45.

IMC is dedicated to maintaining international standards concerning employment practices, labour conditions, and human rights. Workers can form labour unions and engage in collective bargaining with management, as legally permitted. A notable percentage of the workforce, 40%, participates in a Collective Bargaining Agreement (CBA). Employees receive prior notice about operational changes that may impact them, although the exact notice period is not stated explicitly in the agreement. IMC firmly prohibits child labour, forced labour, and compulsory labour in its operations and ensures that its supply chain partners follow these standards as well. There have been no reported instances of non-compliance among supply chain partners.

IMC provides competitive, market-based compensation and benefits to its workforce, enabling employees to reach their full potential. IMC ensures gender parity in basic salary and remuneration, with compensation based solely on merit. IMC strictly prohibits discrimination based on gender, religion, or association; no such incidents were reported during the year.

IMC's **Employee Care Program** fosters a supportive & inclusive workplace environment where employees feel valued & recognised.

Employees by gender, age, and minority group

	Minority Group		Age Group		
	Muslim	Non-Muslim	<30	30-50	>50
Male	97.41%	0.77%	25%	65%	6%
Female	1.76%	0.06%	2%	1%	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

IMC offers a comprehensive benefits package to all full-time employees, including managers and staff. This package includes a range of perks and entitlements designed to enhance employee well-being, job satisfaction, and overall quality of life. These benefits may include, but are not limited to, healthcare coverage, retirement plans, professional development opportunities, and other supplementary allowances.

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
Maternity Leaves	Yes	Yes

IMC's Employee Care Programme fosters a supportive and inclusive workplace environment where employees feel valued and recognised. The programme includes initiatives such as celebrating special occasions and birthdays to create a sense of belonging and camaraderie among employees.

IMC provides maternity leave to all eligible female employees in line with legal requirements. During the fiscal year 2023-24, a total of 2 female employees qualified for maternity leave, utilizing this benefit. All employees who took maternity leave in the 2023-24 fiscal year successfully returned to work, achieving a 100% return-to-work rate. Additionally, every returning employee remained with IMC for over 12 months after maternity leave, underscoring its dedication to employee retention and professional advancement.

Employees' Financial Assistance

IMC provides financial support to employees and apprentices who encounter unexpected financial difficulties, especially for medical costs not covered under health insurance. This initiative is conducted in partnership with the Mohammed Ali Habib Welfare Trust of the House of Habib (HOH) and managed by a joint Financial Assistance Committee. Employees can access non-reimbursable funding to meet immediate needs.

Training and Education

IMC emphasizes ongoing learning and growth to prepare its workforce with essential skills for future challenges. Our training initiatives, in line with global Toyota standards and best practices, aim to improve employees' knowledge, skills, and mindset. These programs are customized for specific roles and positions, ensuring employees are ready for future opportunities and responsibilities.

IMC's training programs emphasize technical and soft skills, equipping employees with essential competencies to improve their decision-making. The Inter-Company Transfer (ICT) program presents valuable chances for IMC employees to gain international experience by working with Toyota affiliates in Japan, Thailand, and Singapore, and vice versa. This initiative fosters personal and professional development, allowing employees to gain new knowledge and skills while supporting the global Toyota network. The positive feedback regarding ICT participants' performance highlights the abilities of the Pakistani workforce and the strength of IMC's culture and systems.

IMC proudly became a key participant in Toyota Motor Corporation's Global Skill Up Training (GST) initiative in 2023. This program has provided 126 IMC employees with the opportunity to receive extensive training while working

full-time on TMC's production lines in Japan. These employees are expected to bring their newly acquired skills back to IMC, fostering continuous improvement within our operations after their one-year training period concludes.

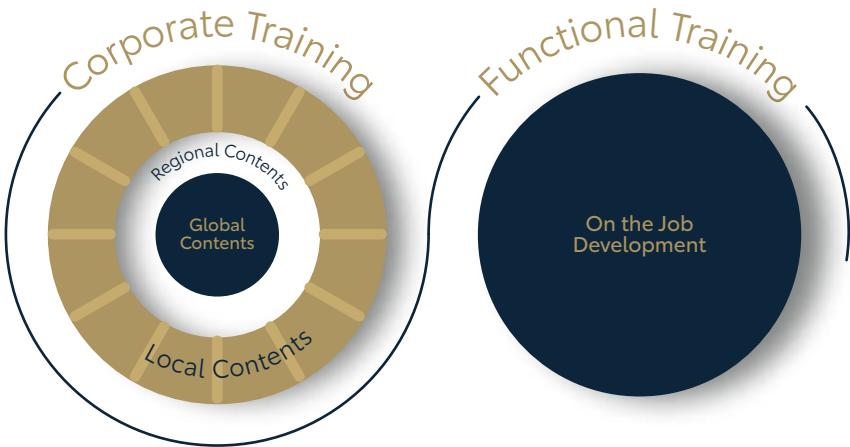
Selection for the program is highly competitive, with candidates undergoing a rigorous screening process. Participants receive comprehensive training in TMC's work culture and the Japanese language, ensuring they are well-prepared for their roles.

The GST program is not only enhancing the professional reputation of Pakistan and its workforce but also positively impacting the national economy. The trainees earn salaries in foreign currency, contributing to remittances that come into Pakistan.

In the next fiscal year, approximately 200 new trainees will join various Toyota plants across Japan, continuing the legacy of skill development and economic contribution.

A talented and experienced workforce is crucial for sustaining a leadership role and ongoing success. IMC's training and development initiatives aim to facilitate succession planning and meet corporate goals. Frequent performance evaluations and career development conversations guarantee that employees possess the essential skills and knowledge. While IMC does not offer specific transition assistance programs, it prioritizes employee development through comprehensive training programs, including e-learning modules, to enhance skills and ensure long-term employability within the industry and beyond. These e-learning programs offer flexible and accessible learning opportunities, allowing employees to stay up-to-date with the latest industry trends and continue their professional growth.

During this year, 67,298 man-hours were spent on training compared to 37,599 in 2022-23.



- 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.



Global Skill up Training



Global Skill Training (GST) is a new initiative started by Toyota Motor Corporation, Japan, allowing employees to work in Japan to enhance their skill set. The purpose of GST Type B is to experience and understand the high level of TMC's "genbarryoku" and criteria while optimizing global DHC. GST trainees are expected to complete assigned work on the production line at TMC Plant and learn "Genba" in TMC manufacturing, focusing on five main missions: Safety, Quality, Cost, Production, and Human Resource Management. So far, 77 trainees have been sent to Japan, with 8 Team Members having successfully completed the traineeship and 69 still on assignment. In the next fiscal year, approximately 200 trainees will join different Toyota plants in Japan.

Apprenticeship Program

IMC's Apprenticeship Program aims to cultivate skilled technicians for the automotive sector. It offers motivated youth a thorough training experience that merges classroom instruction with practical application. Beyond imparting technical expertise, this program also enhances apprentices' chances of landing rewarding career opportunities.

TAHIR

Tahir

Sr Team Member
Assembly Repair



Courtesy – **INSPIRE**, an Indus Motor Company publication

M eet the thirty something young Pathan from Mardan and father to a 13-year old, flashing his perfect pearly whites as he sits down with us for a chat. The shy yet confident Tahir Khan from Assembly Repair, and second time winner of TDEMs, 1st in Asia Pacific Region, Quality Person Award, proudly flaunts his plaque and the Casio Edifice strapped around his wrist, as he narrates his story.

Tahir joined IMC as an ATM in 2006 in Assembly Repair moving up to a Senior Team Member, gaining mastery in his area over the years. "Back home, whilst studying, believe it was class V, I also worked afternoons at an auto garage after school where I saw customers, practically every day, complaining about their cars; that left me wondering what it was that caused so many to show their annoyance. Somehow, this experience remained etched on my memory." Little did Tahir know then, that his childhood experience had laid the foundation for what was to come later in life.

Talking about what it was that got him 2024s First in Asia Pacific, Quality Person Award, he happily recalls, "It was a pleasant March morning and I was

behind the wheel of this black Toyota Yaris, on a routine test. As I left the shower test area and was about to enter the rattle strip, I noticed through the windshield a speed breaker ahead. In reality, there was none since I have tested many cars on that strip and know it like the back of my hand. I reported the matter to my supervisor and it was later found that the windshield had a defect, a 1.5 foot "windshield blur", as we call it, which had it not been caught and reported could have had serious repercussions."

When asked what could have possibly happened had the defect outflow gone unnoticed, he confidently responded, "The customer driving the car would have to resort to sudden braking owing to the defected windshield, resulting in a serious accident. In addition to this, it would have brought a bad name to the product and IMC too".

Now that's truly impressive to see that our Team Members, are very conscious and living upto Toyota's **Customer First, Quality First, Safety First** philosophy, all in one. Great going Tahir. Congrats and keep it up!

Quality Person *Award* 2024

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



IMC follows Toyota Daihatsu Engineering and Manufacturing's (TDEM) Occupational Safety and Health Management System (OSHMS), which applies to all Toyota OEMs to manage health and safety systems efficiently. Protocols and rules are set for every occupational health risk to protect workers' health. These protocols comply with Toyota's global standards and OSHMS guidelines.

IMC fosters a strong safety culture by prioritising effective communication and reinforcing safety programmes and policies across all levels of the organisation. All employees and contractors actively understand and adhere to these safety standards.

Hazard Identification and Workers' Participation

Regular safety circles, or focus groups, are conducted with workers from each shop at the IMC plant to identify and address work-related hazards. Workers are also encouraged to participate in group-based Hazard Identification and Risk Assessment (HIRA) activities. To further enhance safety awareness, IMC organises safety competitions and rewards winners. Selected safety themes are shared globally within the Toyota network. Additionally, all employees receive regular training on hazard identification Kikin Youchi (KY) Training and refresher courses to maintain their knowledge.

The SHE Department, in collaboration with shop safety representatives, conducts regular risk assessments of shop processes. The hierarchy of controls is applied to eliminate or mitigate safety hazards. Employees are empowered to report work-related hazards and hazardous situations to their immediate supervisors through the "Hiyari Hatto" (Near Miss Reporting) system. Monthly submissions to the SHE Department are incentivised to encourage active participation. Our Safety Policy emphasises the importance of stopping unsafe work. Employees can halt any unsafe job or action without fear of reprisal. Following accidents, a thorough investigation utilises the Genba (actual

place) principle.

The investigation report is shared company-wide and with other Toyota affiliates to learn from mistakes and prevent future occurrences. We utilise Toyota's management tools, such as KAIZEN, to continuously improve safety performance. JISHUKEN, a tool for identifying areas requiring improvement, stimulates a culture of continuous improvement.

Health and Safety Training

Regular Training programmes enhance employees' knowledge of occupational health and safety. These programs cover many topics, including essential safety awareness, safety DOJO simulations, hazard identification (KY), work at heights, lockout-tagout (LOTO), low-voltage safety, and driving safety.

Occupational Health Services

Our main objective is to ensure that there are no workplace fatalities or injuries. We offer extensive occupational health services to protect the health and well-being of our employees. To reduce work-related strain and injuries, we integrate ergonomic principles into our health and safety management system.

IMC prioritizes the health and well-being of its workforce by implementing various health and safety measures.

- Regular Health Check-ups: Medical professionals conduct pulmonary function tests and audiometry tests annually to monitor the health of shop-floor workers.
- Preventive Healthcare: Mandatory hepatitis vaccinations are provided to food handlers to ensure food safety and worker health.
- Emergency Response: A 24/7 first-aid center is available on-site to address immediate health emergencies.

- Comprehensive Healthcare: IMC offers comprehensive medical insurance coverage to employees and their families, promoting a healthy workforce.
- Healthy Lifestyle Promotion: IMC encourages employees to adopt healthy lifestyles and provides necessary support and resources, including a newly established Recreation Center

Health and Safety Committees

IMC fosters a strong health and safety culture through active workers' participation in Health and Safety Committees. These committees, composed of management and worker representatives, meet regularly to discuss health and safety concerns and implement necessary improvements. Meetings are held at various levels and frequencies, including daily, bi-monthly, and monthly, to ensure continuous monitoring and improvement.

- Daily Asakai (Morning) Meeting to address safety issues, progress of activities, and presentation for any kaizen.
- Sub-Committee Meeting with working-level shop safety PICs. (Bi-Monthly)
- Steering Committee Meeting with Top Management (Monthly).

IMC enhances its safety culture with several initiatives. Monthly safety bulletins are shared across IMC, and safety guidelines are prominently featured on LED screens in the canteen. Moreover, top management frequently carries out mass awareness campaigns to strengthen safety messages and foster a culture of safety.

Health and Safety Performance

Injury Rate				
	2024	2023	2022	2021
▪ LWD	0	0	0	0
▪ NLWD	2	2	1	0.47

IMC is committed to prioritising the health and safety of its workforce. During the 2023-24 fiscal year, we successfully recorded zero Lost Work Day (LWD) injuries. A limited number of Minor Non-Lost Work Day (NLWD) injuries occurred in non-production areas related to handling sharp parts. To mitigate these risks, we have implemented various measures, including the use of cut-resistant PPE, the elimination of sharp edges, and the installation of safety guards.

IMC, in alignment with Toyota's global safety standards (Safety-PMRs), does not record LWD or NLWD injuries for contractors. Additionally, cases of First Aid are not included in our injury rate calculations, as per the directives of Toyota Motor Corporation. However, fatalities are included. Lost day calculations are based on IMC's workday schedule, commencing on the day following the incident. In the 2023-24 fiscal year, IMC recorded 6,271,566 work hours.

High-consequence injuries at IMC are primarily associated with fire, machine, and cut injury hazards. These hazards are identified through internal and external audits, including fire and machine risk assessments, KY participation activities, process safety audits, and regular inspections. To encourage proactive hazard identification, IMC organises safety competitions during Safety Month, where shop workers compete to identify the best KY hazards. Winners are recognised with cash rewards and trophies to promote a culture of safety.

During the year, IMC experienced no work-related illnesses or fatalities. Potential health risks, such as exposure to paint fumes and high noise levels, have been identified using Toyota Guidelines and Standards. To mitigate these risks, appropriate PPE is provided to workers. The SHE department at IMC regularly conducts PPE compliance audits and ensures annual health check-ups for high-risk employees, including pulmonary, respiratory, and audiometry tests.

Performance Evaluation

TDEM auditors conduct regular audits, encompassing all safety areas to verify adherence to our Key Performance Indicators (KPIs), system requirements, and controls as set by the OSHMS standards. These audits are performed with the utmost thoroughness, and the results are reported to top management.

To ensure long-term sustainability, we have developed a 5-Year Action Plan aligned with Toyota's Environment Challenge 2050. This plan outlines our commitment to safety, health, and environmental objectives. As a part of the Toyota Group, IMC adheres to strict global standards and closely monitors its injury-free rate, which aligns with Toyota Motor Corporation's directives.

We conduct regular reviews of our products and services throughout their lifecycle, from design to use, to assess their potential health and safety impacts. We have not identified any non-compliance with health and safety regulations or standards to date.

Safety Month 2024

In January, this year's Safety Month featured a variety of activities, promotions, appreciation events, and workshops aimed at fostering greater engagement among our team in building a safety culture at work. It started with a commitment from leadership to communicate the importance of safety for the IMC family in all aspects.



Throughout the month, we achieved full member participation in activities such as hazard hunting, promoting a safety culture, conducting audits, hosting training sessions, organizing quizzes, and running kaizen competitions, which concluded with rewards for top participants.



5S & 5 Fixed Activity

The five pillars of 5S—Sort (Seiri), Set in Order (Seiton), Shine (Seiso), Standardize (Seiketsu), and Sustain (Shitsuke)—offer a framework for organizing, cleaning, developing, and maintaining a productive work environment. They establish a foundation that fosters self-discipline among our workforce. To enhance this initiative, IMC is implementing 5 Fixed activities throughout the plant. This year, we have broadened the scope to include the entire premises and actively promote these activities across the organization. Regular 5 Fixed competitions create a competitive atmosphere, driving improvement in all possible areas.

The 5 Fixed training dojo at IMC Training Centre is designed to impart knowledge and improve the skills of our members, thereby facilitating the growth of this activity nationwide. In conjunction with the training and model areas, we have cultivated Trainers for 5 Fixed who contribute to development and area assessments, elevating the activity to new heights.



4S+ Discipline Management System

To improve our workplace organization and efficiency, we have shifted from the 5S system to a 4S+Discipline Management System. This updated system highlights the importance of fostering an ownership mindset and includes more work management tools. By prioritizing adherence to rules, enhancing visual communication, and promoting understanding, we aim to establish a culture centered on discipline and continuous improvement. A fundamental concept of this system is Zenin Sanka, which stresses the significance of active involvement from all organizational levels, especially from upper management.



"Even the
smallest act of
caring for another
person is like a
drop of water – it
will **make ripples**
throughout the
entire pond."



empathy
begins with
understanding
life from

another
person's
perspective

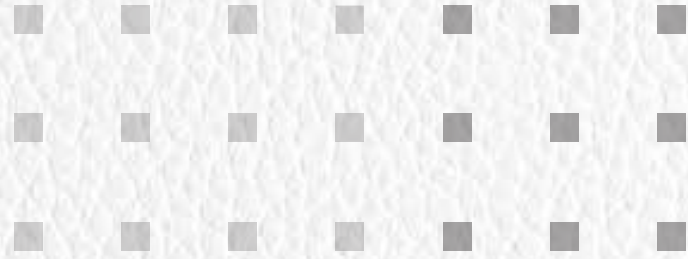
The seniors of Mamu Mallah Goth maintaining discipline during IMCs Ramazan Ration Distribution Drive

LEAVE
no
one
BEHIND



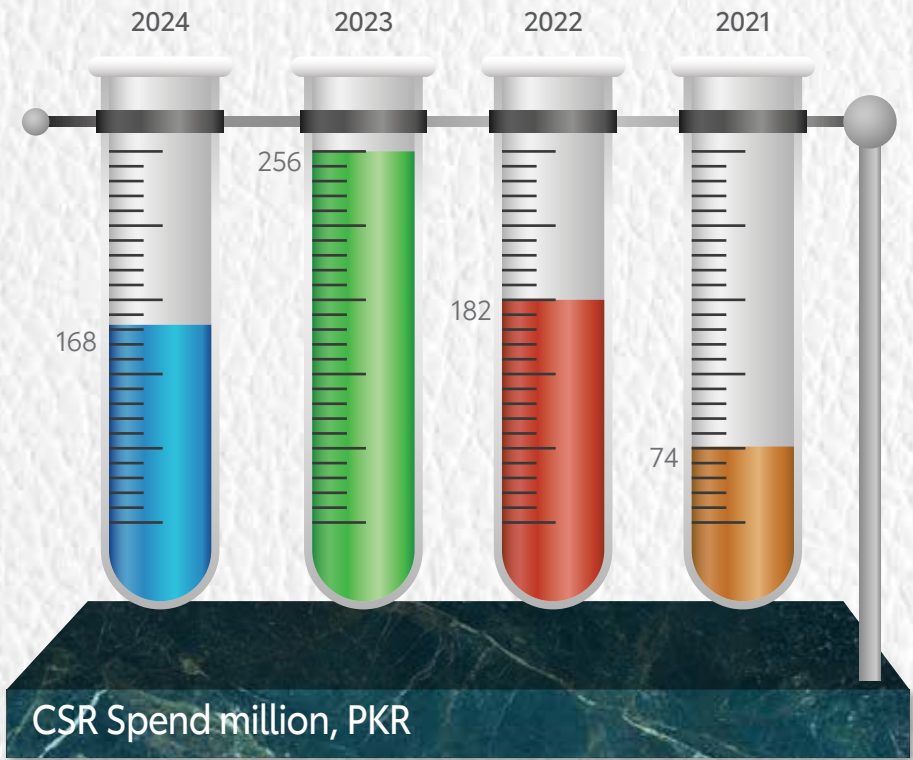


communities
we
serve

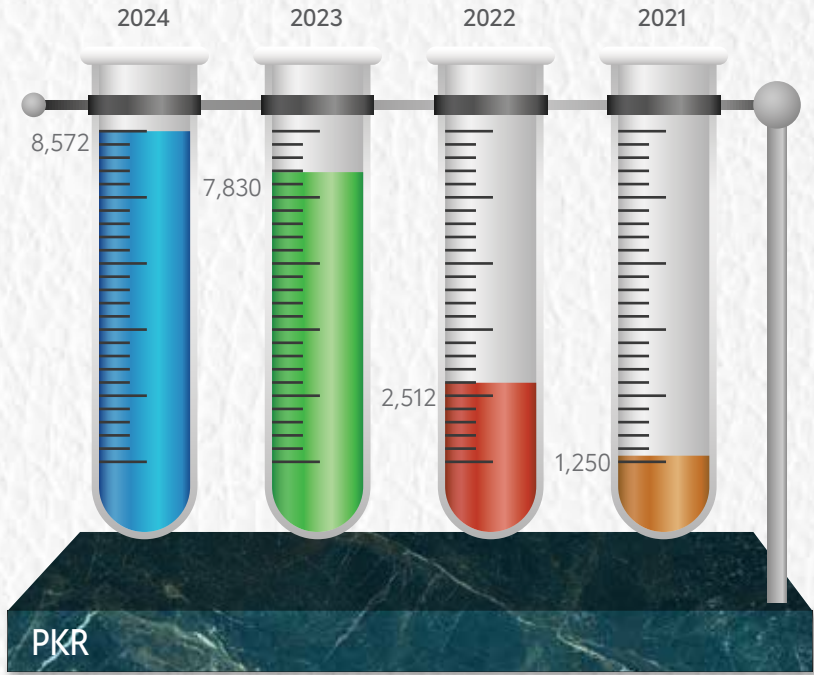


Rs **680M**

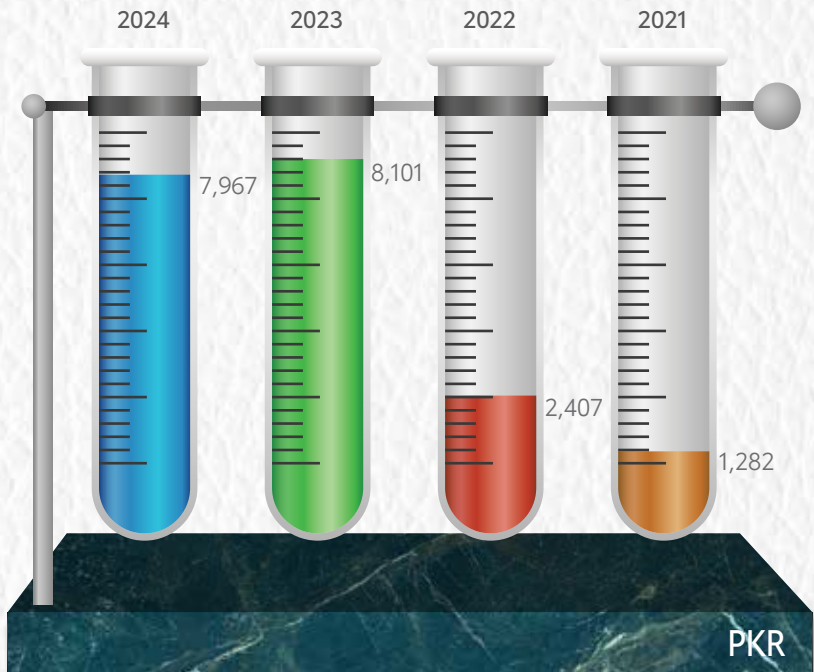
CSR Spend over 4 years



CSR Spend per unit produced



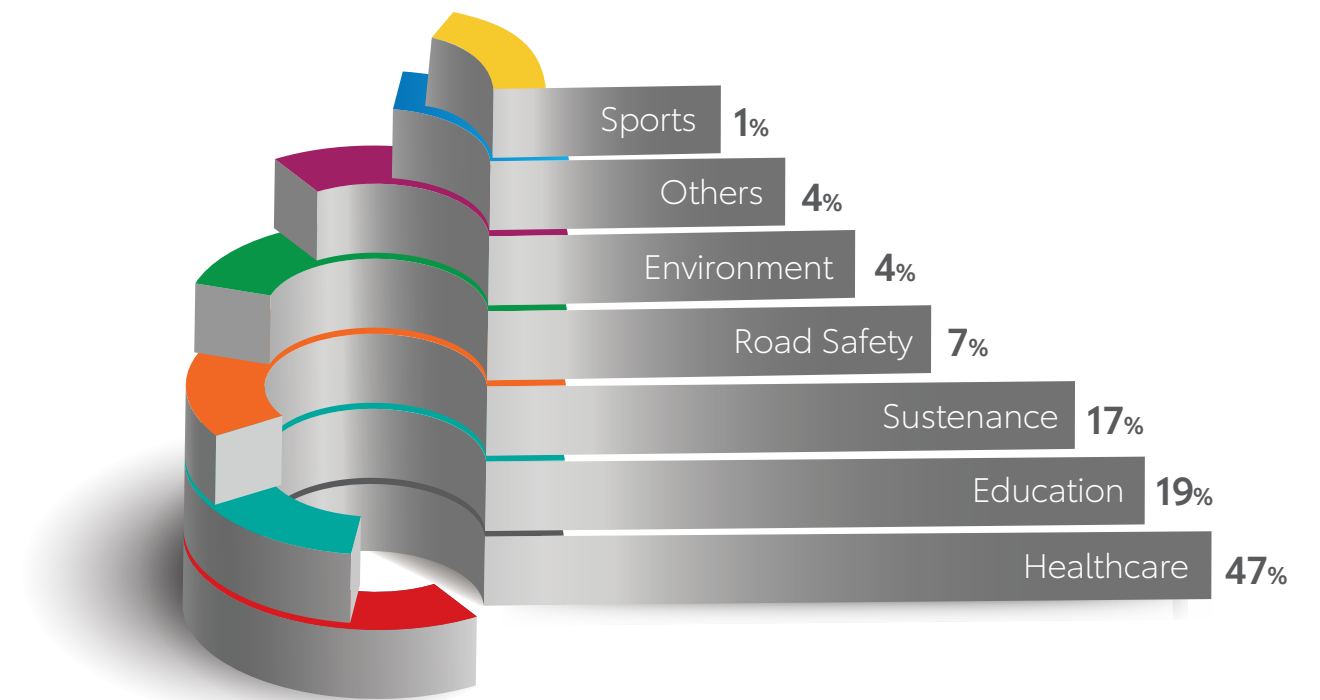
CSR Spend per unit sold



Our leadership and success stem from not only outstanding economic results and customer satisfaction but also our commitment to being a responsible corporate citizen. We prioritize the well-being of communities and socioeconomic development through initiatives designed to enhance societies with our mobility products, alongside investments in education, health, sports, skill development, and road safety. Guided by Toyota's Guiding Principles and CSR Policy, we focus on community enhancement and societal enrichment. Additionally, IMC's CSR Policy reflects Toyota's Global Vision of improving lives through monozukuri (production), job creation, human development, and societal contributions.

Our CSR activities are carefully organised based on community needs assessments and feedback from non-profit organizations in specific regions. A senior management executive and a committed team manage the assessments, program development, execution, and sustainability efforts in these areas. Regular interactions with the local community provide a clear understanding of their needs and possible intervention opportunities. The proposed programs undergo thorough review to ensure they align with IMC's CSR policy. In partnership with the Administration department, the CSR function ensures effective program execution. Consistent monitoring of CSR activities and evaluations against set objectives allows for necessary modifications. Although no formal impact assessment occurred this year, our continuous community involvement indicates that our operations have not caused any significant actual or potential adverse effects on local communities. Annually, IMC dedicates 1% of its previous year's pre-tax profit to community investments.

the '24 SPEND



Rs **168M**

REFLECT

Toyota Goth Education Program

We firmly believe education is the key to elevating struggling communities into a new realm. Educated societies are vital for economic growth, health, well-being, and prosperity. Our Neighbouring Community Uplifting Program aims to provide foundational education to children from underprivileged backgrounds while encouraging students to pursue their technological aspirations. Collaborations with various institutions foster academic excellence, nurture leadership skills, and promote an understanding of diverse perspectives.

In Pakistan, the problem of out-of-school children impedes economic growth due to the need for a well-educated and skilled workforce. This challenge is particularly prevalent in disadvantaged communities, stemming from issues like poverty, hunger, and limited resources. IMC is actively addressing this concern by collaborating with The Citizens Foundation (TCF) to provide quality education in underserved areas on the fringes of Muzaffargarh and Hyderabad, extending to nearby communities around the plant site. Furthermore, IMC fosters academic excellence in higher education and consistently supports Habib University.

Stewarding our less privileged towards a brighter future



IMC Head of CSR and Corporate Communications, Mr. Asad Abdullah with the kids from TCF campus at Moosa Goth, Karachi.

Indus Motor Company's flagship initiative, the Toyota-Goth Education Program (T-GEP), continually enhances the lives of its beneficiaries. Now in its 16th year and conducted in partnership with The Citizens Foundation, the program was launched as part of IMC's Neighboring Communities Uplifting Program. It aims to offer quality education from the grassroots level to economically disadvantaged out-of-school children residing in the low-income goths (villages) surrounding IMC. Both elementary and secondary school education are provided. The program's success is evident in the notable rise in T-GEP enrolment, which has increased from 300 to 500 students across five campuses for the 2023-24 academic year.

Alongside the T-GEP initiative, IMC runs three TCF facilities in Karachi, Hyderabad, and Muzaffargarh, catering to approximately 1,100 students supported by a Rs 92 million endowment fund and an annual grant. IMC established the campuses in Hyderabad and Muzaffargarh.

Rs **92 M**
endowment
fund

At IMC, innovation is essential to our mission. The Markhor is Pakistan's inaugural wilderness-based Youth Leadership Conference (YLC), organized by the acclaimed non-profit Youth Impact, founded by Abdul Samad Khan. This five-day outdoor event takes place at a unique location. This year, the Markhor showcased the breathtaking beauty of Siri Paye, Shogran.

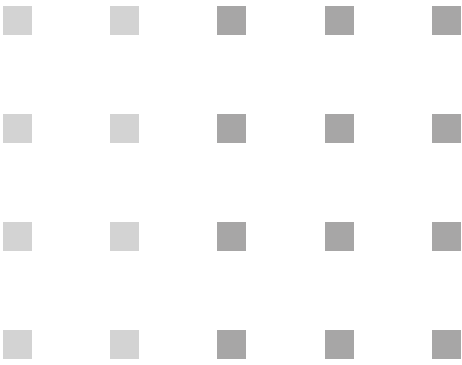
Community Uplifting Program. This year, 10 students participated in the program, including 08 girls, all hailing from economically disadvantaged communities in Abdullah Goth, a village neighbouring IMC. Among the T-GEP participants, Shoaib-ur-Rehman was honoured with the Markhor Icon Award.



Wilderness-based Youth Leadership Conference

Diversity among groups is Markhor's distinctive hallmark. Over 60 children, hailing from various religions and socio-economic backgrounds, immersed in their activities, created a vibrant visual spectacle. The intricate themes embraced the spirit of #HarjawanhaiPakistan.

Since 2014, IMC has actively supported Markhor, marking the fourth consecutive year of sponsoring students through the flagship Toyota – Goth Education Program (TGEP) in partnership with The Citizens Foundation, part of the Neighbouring

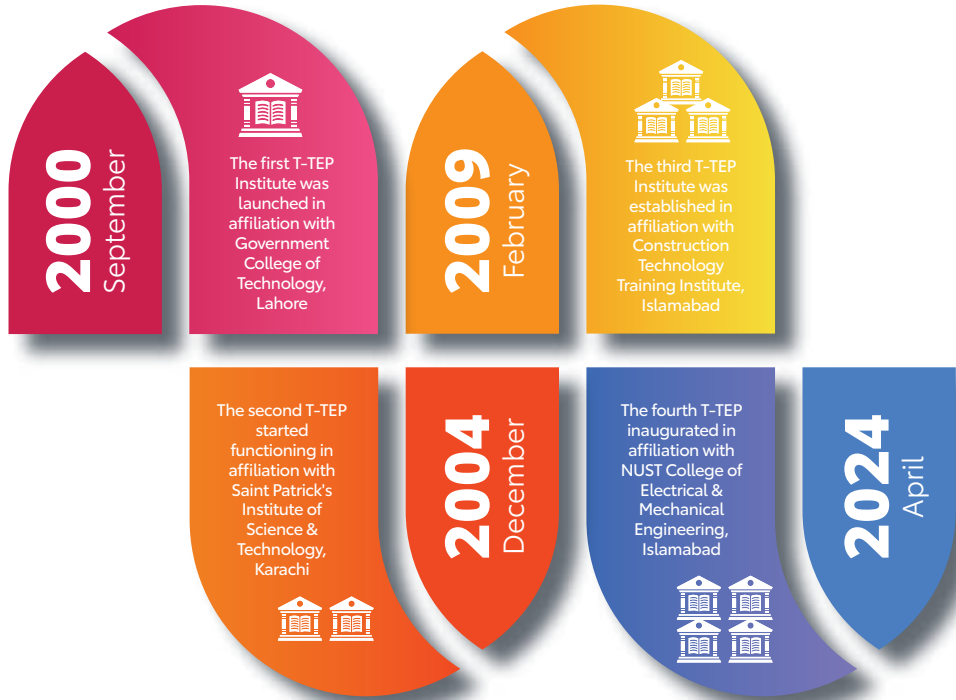


Toyota – Technical Education Program

Stimulating Technical Education

The Toyota Technical Education Program (T-TEP) is a worldwide initiative to cultivate skilled talent within local communities. By collaborating with vocational schools, T-TEP equips young people with training in cutting-edge automotive technologies, generating

instructors, contributed more than 102,400 man-hours and graduated 1,116 students who have found employment opportunities locally and abroad.



job opportunities and alleviating the industry's need for qualified technicians. This initiative aligns with Toyota's dedication to social responsibility and sustainable development.

T-TEP was established in Pakistan in 2000 and currently functions in four institutes in Karachi, Lahore, and Islamabad. This three-year certification program, grounded in Toyota's principles and practices, provides students with essential technical skills to thrive in the automotive sector. IMC has allocated Rs. 114.3 million to these institutes for training, equipment, and various development projects. Since its launch, T-TEP has trained 26

Inauguration of T-TEP Facility at NUST College of Electrical and Mechanical Engineering, Islamabad

The 4th T-TEP facility was inaugurated on April 18, 2024, at NUST College of Electrical and Mechanical Engineering, Islamabad. IMC generously released Rs. 21.5 million to support this new T-TEP initiative. This substantial funding was utilized to procure essential training equipment, tools, instructional materials and relevant literature. It will help enhance the T-TEP program's overall capacity and effectiveness. Mr. Abdul Rab, Director Sales, Marketing & CFD, Indus Motor Company and Maj. Gen.Saeed, Director General Project, NUST cut the ribbon of this new facility.

cooked food
distribution

122,845
persons
impacted



Food security poses a significant challenge for disadvantaged communities, and its importance is growing due to recent floods and rising global food prices. IMC recognizes its duty to assist these vulnerable populations.

Since the beginning of our operations, we have been assisting vulnerable communities by delivering nutritious cooked meals to their homes and distributing rations during Ramadan. Through our Food Distribution Program, we can directly

engage with marginalized community members. This allows us to understand their broader needs and work towards their overall upliftment. Approximately 20,000 households benefit from this program on average. In addition to community support, IMC, through Saylani Welfare Dastarkhawn, serves individuals daily by providing nutritious meals in Karachi and donating to Safaid Posh Dastarkhawn. A total of 122,845 people benefited in FY 2023-24 from our weekly Food and Ration program.

medical
camps

28,500+
persons treated

Free Medical Camps are held three times a week to offer primary health care to the underprivileged community nearby. In partnership with the Saylani Welfare Trust, these camps featured Blood Sugar and Blood Pressure Tests and referrals for severe patients to affiliated hospitals. Throughout the year, patients received treatment for various seasonal ailments, including Respiratory Tract Infections, Gastroenteritis, and other common health issues arising from low immunity. Medicines were provided at no cost. Over 28,500 patients benefit in FY 2023-24 from weekly free medical camps.



psychiatric
health camps

5,100
persons
treated

Rapid urbanization has transformed traditional, community-oriented lifestyles into more isolated nuclear family units. This shift has contributed to a rise in mental health issues, such as depression, anxiety, schizophrenia and bipolar disorder. Since 2016, IMC has offered free psychiatric services to underserved communities of seven villages in IMC vicinity. These services include bi-monthly free medical camps, counselling, follow-up care and public awareness campaigns about mental health conditions and epilepsy. More than 5,100 individuals have received treatment at these camps during 2023-24.



ration distribution
during ramzan

1,200
families impacted

Recognizing the importance of social and economic determinants of health, IMC provided rations during Ramadan, to village communities supported by the Company, in collaboration with Saylani Welfare Trust.





**'REMEMBER
YOUR
HELMET'**



Move your world

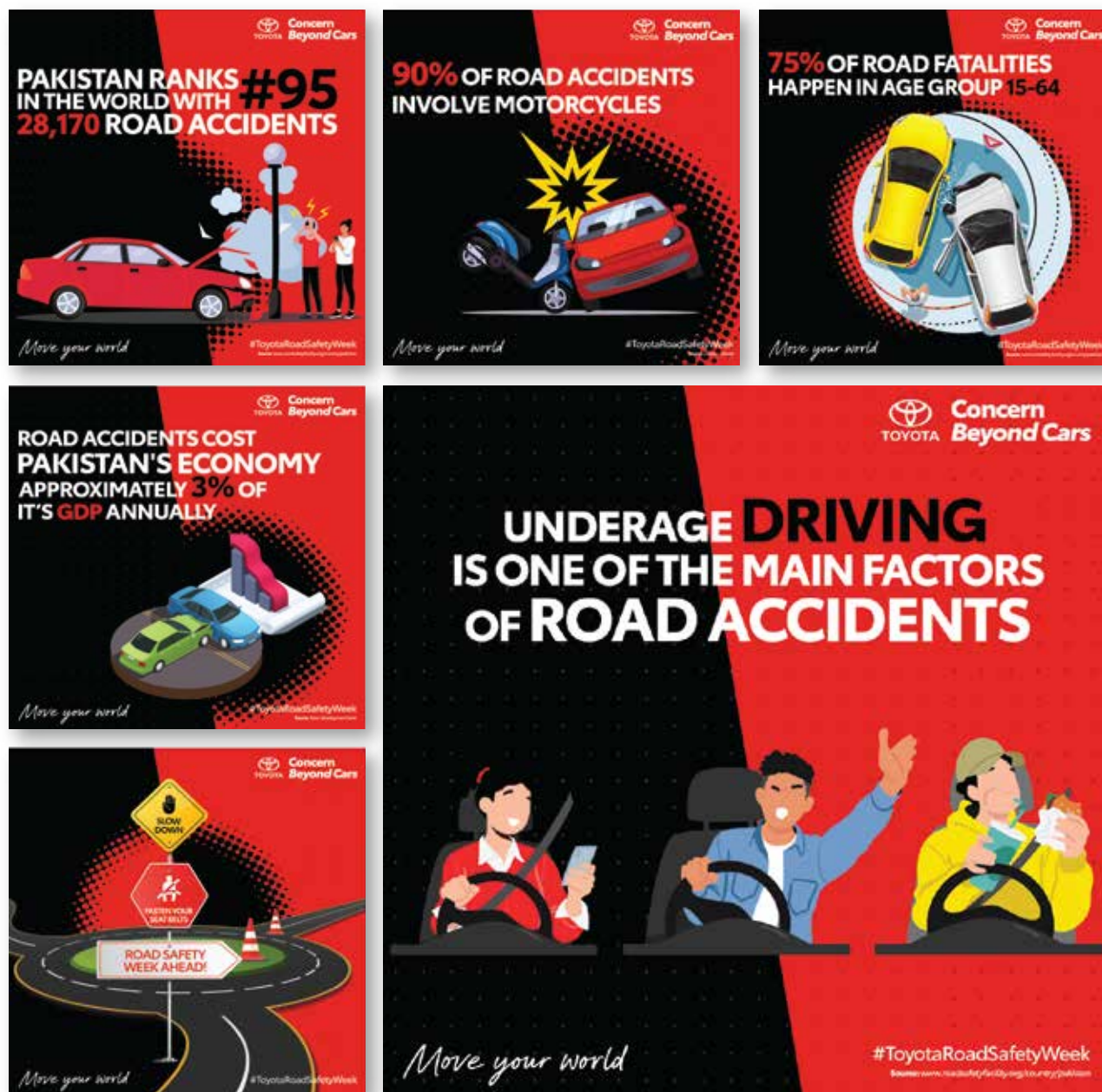
**"ROAD
SAFETY
IS EVERY PERSON'S
RESPONSIBILITY"**

**MAKE YOUR PLEDGE,
MAKE A DIFFERENCE**



**'FASTEN
YOUR SEAT
BELT'**





Road safety is a collective obligation for all Pakistanis. This issue is taking a grave turn, with an estimated 27,500 deaths and an additional 50,000 individuals suffering disabilities each year. As motorization multiplies, traffic safety in Pakistan has emerged as a significant concern, marked by an alarming increase in fatalities and injuries related to road traffic. Safety is a core value for Toyota's products and road users.

Our ultimate objective is to eliminate fatalities from traffic accidents. To achieve this, we focus on creating safe vehicles and emphasise the importance of educating drivers and pedestrians while ensuring that traffic infrastructure, including roads and equipment, is secure.

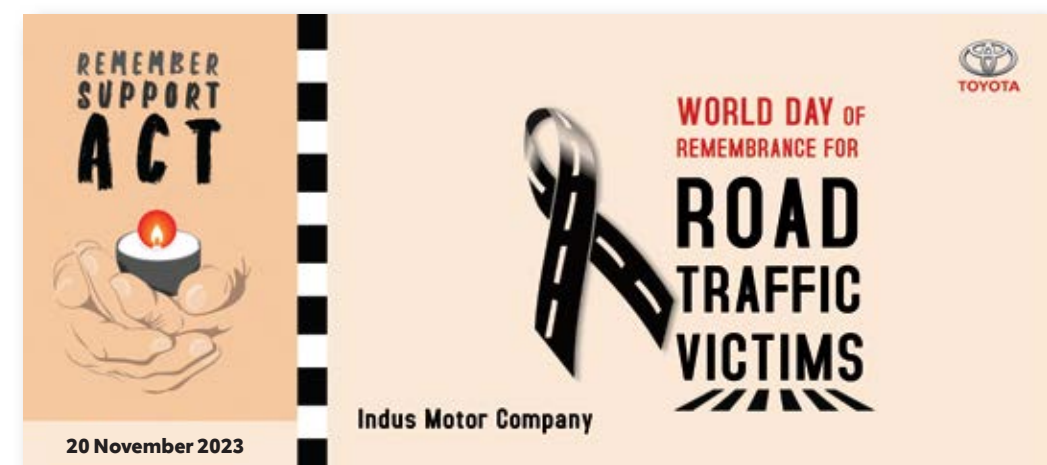


TOYOTA ROAD SAFETY PROGRAM

A collaborative effort between NED University and IMC is producing innovative research through the Toyota Road Improvement Project (TRIP), aimed at analyzing Karachi's most congested and accident-prone roads. This extensive study acts as a guide to highlight critical areas needing immediate action from local authorities. Key areas of focus, such as the National Highway, Rashid Minhas Road, and Sher Shah Suri Road, among others, have been carefully assessed, to create a safer urban environment.

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

World Day of Remembrance for Road Traffic Victims



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 tagline, Road Safety

The World Day of Remembrance 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

is Every Persons Responsibility.

The company's Chief Executive's message on this World Day emphasized that road safety is 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



Global Road Safety



TOYOTA

I AM A SAFETY LEADER

a ray of HOPE

Pakistan has one of the world's highest child mortality rates. According to UNICEF, over 1,000 children below the age of 5 years die every day, 80% owing to preventable causes.

Seeking out communities which have been untouched by healthcare services, over-looked by the public sector and unable to access private care, ChildLife Foundation is providing the full spectrum of medical care from emergency rooms, to primary clinics, down to preventive practices, providing every child with quality and affordable healthcare facilities, absolutely free of cost.



IMC Head of Corporate Communications & CSR, Mr. Asad Abdullah, handover donation towards life-saving equipment to CEO ChildLife Foundation, Mr. Ahson Rabbani

In 2022, the ChildLife Foundation transformed the emergency care facility at PIMS Hospital, Islamabad, from a 12-bed ER to a 30-bed world-class and fully equipped emergency care facility. Since then, the Children's Emergency Room has treated 250,000+ children from Rawalpindi, Islamabad and adjoining towns and cities and across Khyber Pakhtunkhwa, Azad Kashmir, Gilgit Baltistan, and Punjab, who now have access to timely quality care. Over 12,000 of the most critically ill children - categorized as Priority 1 patients - have been saved through Indus Motor Company supported life-saving equipment in the state-of-the-art Resuscitation Room and subsequent support in the form of life saving medicines. By providing timely, quality treatment, ChildLife-managed ERs have significantly reduced child mortality rates and ensured that no child - in particular, the underprivileged - is denied urgent medical care, irrespective of their race, gender or religion. 80% of the children treated at the PIMS Resus Room were under the age of 5 years which included around 3,000 neonates.

Two-thirds of the population live in rural areas and cannot easily travel to the bigger cities to get timely emergency care. Today, technology has helped bridge this gap, making quality emergency care accessible to children through remote consultations. ChildLife Foundation's Telemedicine Satellite Centers (TSCs) empowers children to receive the necessary help close to their homes. The physician-to-physician emergency care consultation model guarantees that the right treatment is given to the child, mitigating the problems caused by lack of trained healthcare staff in rural areas. It also ensures knowledge-sharing and capacity building of on-ground medical staff for wider and long-term benefits.

Mobility for All



With incredible confidence, 12-year-old Erum Bibi from Rahim Yar Khan, takes her first steps with her first-ever pair of prosthesis at the HASWA Artificial Limb Centre, Karachi.

Diversity is about embracing

In Pakistan, at least 20 million individuals live with disabilities, with 7 million unable to leave their homes, many due to the lack of funds for prosthetic support. Children with physical disabilities, especially those from low-income families, deserve equitable opportunities to lead fulfilling lives, access education, and contribute positively to society. In March 2023, IMC partnered with the Healthcare and Social Welfare Association (HASWA), and within a year, provided prosthetic limbs to 26 children and 32 adults from the provinces of Gilgit Baltistan, KPK, Punjab, and Sindh.



IMC Head Corporate Communications & CSR, Mr. Asad Abdullah joins the 12 children and Mr. Francis Doherty, Director Deaf Reach with the "I Love You" sign

one another's uniqueness

In Pakistan, about 1.25 million deaf children exist, but less than 5% are in school. To provide education for economically disadvantaged children with sensory impairments, Indus Motor Company partnered in September 2023 with Deaf Reach, Karachi campus, a charity dedicated to educating deaf children and creating social impact. The aim is to educate 12 girls and 12 boys, ages 5 to 8, with a 50:50 gender ratio, from kindergarten through secondary school. Deaf Reach empowers disadvantaged deaf youth through comprehensive education, skills training, job placement, and sign language development, fostering lasting change for them and their families.



The IMC employee volunteerism program encourages employees to engage in social initiatives, helping to attract talent and fulfil stakeholders' expectations for a socially responsible organization.

The primary goals of the program are:

- Increase awareness of IMC's social contribution initiatives among a broader audience within the organization
- Encourage employees to contribute to their communities and offer a platform for engagement.
- Cultivate significant employee involvement.
- Enhance transparency and communication.
- Support the improvement of the brand image as a responsible corporate entity dedicated to giving back.

2,500
volunteer
hours

All employees engaged in IMC's initiatives throughout the year, collaborating with various NGOs. Employees are encouraged to volunteer for these initiatives.

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

TOYOTA

SHAPED BY PAKISTAN

ARSHAD NADEEM | ATHLETICS

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START YOUR IMPOSSIBLE



This year, the automobile sector faced significant challenges due to numerous plant closures and workforce reductions linked to import restrictions and disruptions in the supply chain. Strengthening political stability and improving inflation metrics are expected to aid economic resilience. These developments would benefit the automobile industry, facilitating its much-needed revival. We are dedicated to investing in clean technologies, energy solutions, and efficient energy management, which aligns with the "Toyota Environmental Challenge 2050." Such investments will not only help us lower costs and lessen our environmental impact. Still, they will also allow us to achieve our ambitious goal of net zero impact across our operations and supply chain.

Pakistan's economic environment has started to show macroeconomic stability, indicating promising growth prospects and enhanced

business sentiment. However, climate change threats like heatwaves, intense rainfall, flooding, and persistent geopolitical tensions are significant challenges businesses face. Companies need to implement resilient business models to overcome these obstacles and secure sustainable growth. We understand the seriousness of these challenges and are resolute in our dedication to supporting Pakistan's economic progress while following the principles outlined in the Toyota Vision, Guiding Principles, and established best practices in corporate governance and sustainability management.

Our human resources are the foundation of our brand leadership and our capability to fulfil customer demands, especially during challenging periods. We strive to create a positive workplace that emphasizes safe and equitable conditions, promotes employee growth through training and

The Road Ahead

education, and offers competitive pay and benefits. Additionally, we are devoted to aiding our supply chain partners by equipping them with guidance and training to manage their environmental footprint and make a positive societal impact.

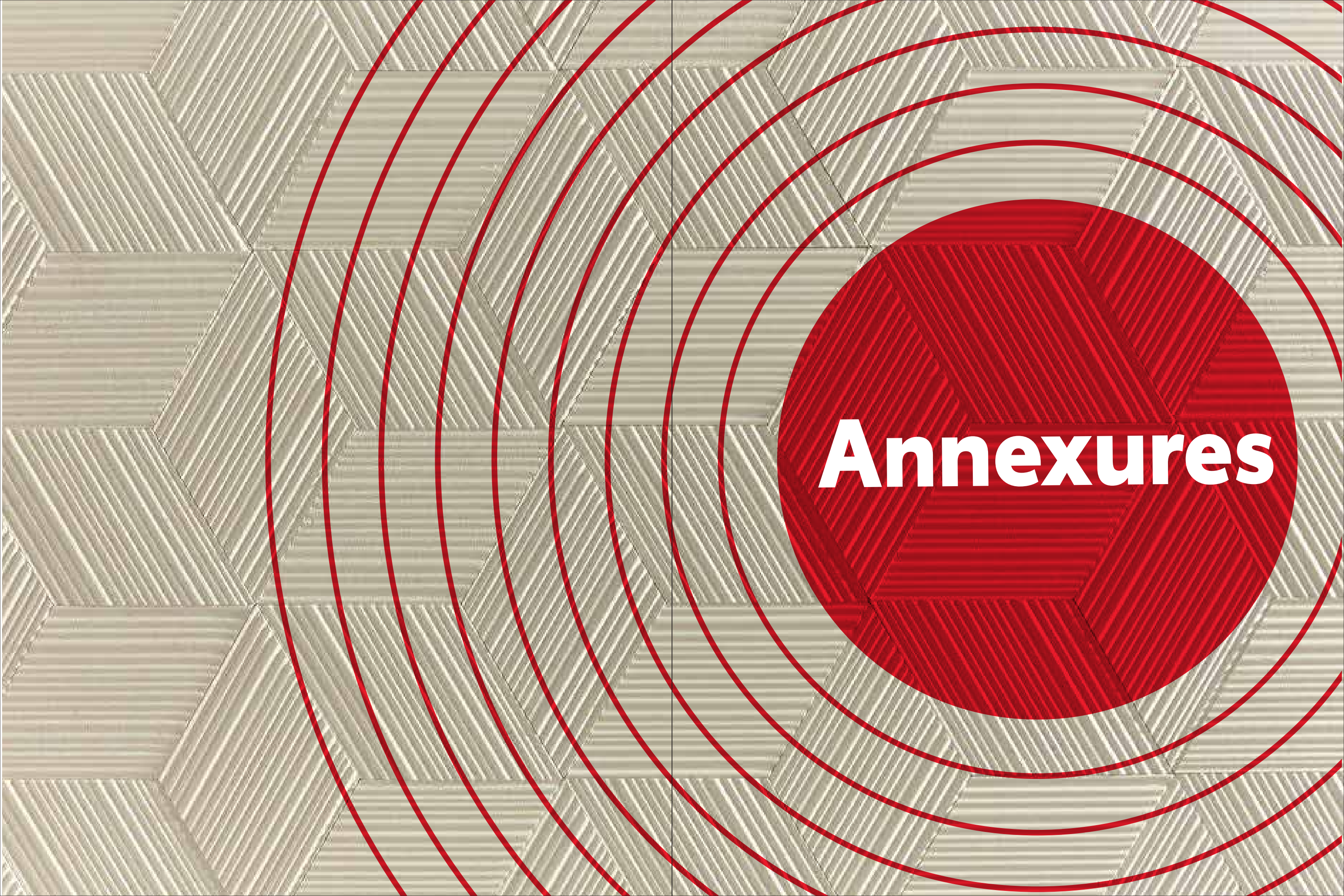
We are dedicated to maintaining continuous engagement with our stakeholders and striving to support underprivileged communities by investing in education, healthcare, livelihood generation, and promoting skill development and sports. We aim to foster healthier societies, leading to a more equitable and prosperous future.

Furthermore, we are committed to transparently

communicating our sustainability efforts and their impact to our stakeholders while supporting specific sustainability initiatives and organisations:

- "Ten Principles" of the United Nations Global Compact
- Global Reporting Initiatives Sustainability Reporting Standards
- Sustainable Development Goals
- ESG Guidelines of both the Pakistan Stock Exchange and the Securities and Exchange Commission of Pakistan

Chasing Snow Leopard Expedition,
Brown Bear Forest, Kaghan Valley
Photo courtesy: Youth Impact



Annexures

GRI

content index

The GRI content index serves as a navigation tool to locate the content within the report. The GRI Standards and 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, 2023 to June 30, 2024.
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
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GRI Standard/ Other Source	Disclosure	Omission			
		Location	Requirement (s) Omitted	Reason	Explanation
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Indirect Economic Impacts					
GRI 3: Material Topics 2021	3-3 Management of material topics	93			
	203-1 Infrastructure investments and services supported	155-174			
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	93			
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	204-1 Proportion of spending on local suppliers	105			
Anti-corruption					
GRI 3: Material Topics 2021	3-3 Management of material topics	93			
	205-1 Operations assessed for risks related to corruption	93			
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	93			
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GRI Standard/ Other Source	Disclosure	Omission			
		Location	Requirement (s) Omitted	Reason	Explanation

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GRI 3: Material Topics 2021	3-3 Management of material topics	116			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	117			
	301-2 Recycled input materials used	117			
	301-3 Reclaimed products and their packaging materials	117			

Energy

GRI 3: Material Topics 2021	3-3 Management of material topics	116			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	120			
	302-2 Energy consumption outside of the organization	120	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	120			
	302-4 Reduction of energy consumption	120			
	302-5 Reduction in energy requirements of products and services	120	a, b, c	Information unavailable/incomplete	The information is not available as per GRI requirements.

Emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	116			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	121			
	305-2 Energy indirect (Scope 2) GHG emissions	121	a-g		
	305-3 Other indirect (Scope 3) GHG emissions	121	a-g	Information unavailable/incomplete	IMC does not calculate the energy consumption outside the organization due to the non-availability of reliable data.
	305-4 GHG emissions intensity	121			
	305-5 Reduction of GHG emissions	121			
	305-6 Emissions of ozone-depleting substances (ODS)	121			
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	121			

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

Water

GRI 3: Material Topics 2021	3-3 Management of material topics	116, 125			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	125			
	303-2 Management of water discharge-related impacts	125			
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	303-4 Water discharge	126			
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Waste

GRI 3: Material Topics 2021	3-3 Management of material topics	116, 127			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	127			
	306-2 Management of significant waste-related impacts	127			
	306-3 Waste generated	127			
	306-4 Waste diverted from disposal	127		Information unavailable/incomplete	The information is not available as per GRI requirements.
	306-5 Waste directed to disposal	127		Information unavailable/incomplete	The information is not available as per GRI requirements.

Supply Chain Impacts

GRI 3: Material Topics 2021	3-3 Management of material topics	104-106			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	106			
	308-2 Negative environmental impacts in the supply chain and actions taken	106	a, e	Information unavailable/incomplete	IMC does not collect such information due to non-availability and reliability.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	106			
	414-2 Negative social impacts in the supply chain and actions taken	106	a, e	Information unavailable/incomplete	IMC does not collect such information due to non-availability and reliability.

Employment and Labor Relations

GRI 3: Material Topics 2021	3-3 Management of material topics	132			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	133			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	137			

GRI Standard/ Other Source	Disclosure	Omission			
		Location	Requirement (s) Omitted	Reason	Explanation
GRI 402: Labor Management Relations 2016	401-3 Parental leave	137			
	402-1 Minimum notice periods regarding operational changes	136			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	137			
	405-2 Ratio of basic salary and remuneration of women to men	136			
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	136			
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	116, 143			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	143			
	403-2 Hazard identification, risk assessment, and incident investigation	143			
	403-3 Occupational health services	143			
	403-4 Worker participation, consultation, and communication on occupational health and safety	143			
	403-5 Worker training on occupational health and safety	143			
	403-6 Promotion of worker health	143			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	100, 106, 166-167			
	403-8 Workers covered by an occupational health and safety management system	143	a(i) to (iii)	Information unavailable/incomplete	IMC does not maintain information required by GRI Standards. It will be reported in 2025.
	403-9 Work-related injuries	144	b	Information unavailable/incomplete	IMC does not maintain information required by GRI Standards. It will be reported in 2025.
	403-10 Work-related ill health	144	b	Information unavailable/incomplete	IMC does not maintain information required by GRI Standards. It will be reported in 2025.
GRI 416: Customer	416-1 Assessment of the health and safety impacts of product and service categories	144	b	Information unavailable/incomplete	IMC does not maintain information required by GRI Standards. It will be reported in 2025.

GRI Standard/ Other Source	Disclosure	Omission			
		Location	Requirement (s) Omitted	Reason	Explanation
Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	144			
Training					
GRI 3: Material Topics 2021	3-3 Management of material topics	132, 138			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	138	a (i)	Information incomplete	IMC does not maintain information required by GRI Standards. It will be reported in 2025.
	404-2 Programs for upgrading employee skills and transition assistance programs	138			
	404-3 Percentage of employees receiving regular performance and career development reviews	138			
Human Rights					
GRI 3: Material Topics 2021	3-3 Management of material topics	132			
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	136			
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	136			
Local Communities					
GRI 3: Material Topics 2021	3-3 Management of material topics	155			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	155-174			
	413-2 Operations with significant actual and potential negative impacts on local communities	155			
Marketing and Labeling					
GRI 3: Material Topics 2021	3-3 Management of material topics	111			
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	111			
	417-2 Incidents of non-compliance concerning product and service information and labeling	111			
	417-3 Incidents of non-compliance concerning marketing communications	111			

PRINCIPLE	STATEMENT	PAGE NO.	GRI STANDARDS DISCLOSURE
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	155-174	413-1, 413-2
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	106,155- 174	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.	136	2-30, 402-1, 407-1
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labor.	136	409-1
Principle 5	Businesses should uphold the effective abolition of child labor.	136	408-1
Principle 6	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	132, 133, 136, 137, 138	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.	95, 117, 120, 121, 126	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.	72, 106, 117, 120, 121, 126, 127	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.	120, 121	302-4, 305-5
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	52, 71, 93	2-23, 2-26, 205-1, 205-2

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SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	93, 155	203-2, 413-2
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	93,94,155-174	201-1, 203-1, 203-2, 413-2
	Ensure healthy lives and promote well-being for all at all ages	93, 121, 127, 143, 144	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	70, 138	2-17, 404-1
	Achieve gender equality and empower all women and girls	70, 94, 106, 133, 136, 137, 138, 155-174	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	126, 127	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	94, 120, 155-174	201-1, 203-1, 302-1, 302-3, 302-4
	Promote inclusive and sustainable economic growth, employment, and decent work for all	93, 94, 106, 117, 120, 126, 132, 133, 136, 137, 138, 143, 144	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	94, 155-174	201-1, 203-1
	Reduce inequality within and among countries	93, 136	203-2, 405-2

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SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	Make cities inclusive, safe, resilient, and sustainable	155-174	203-1
	Ensure sustainable consumption and production patterns	105, 111, 117, 120, 121, 127	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
	Take urgent action to combat climate change and its impacts	95, 120, 121	201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-4
	Conserve and sustainably use the oceans, seas, and marine resources	121, 127	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-1, 306-3, 306-5
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	121,127	305-1, 305-2, 305-3, 305-4, 305-5, 305-7, 306-3, 306-5
	Promote just, peaceful, and inclusive societies	52, 70, 71, 72, 93, 106, 111, 136, 144	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
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	-	Not applicable

Glossary & Acronyms

AP-ECO	Asia Pacific Ecology
ASEAN	Association of Southeast Asian Nations
ATM	Apprenticeship Team Member
CASE	Connected, Autonomous, Shared, and Electric
CBA	Collective Bargaining Agent
CBU	Complete Built Unit
CFCs	Chlorofluorocarbons
CKD	Completely Knocked Down
COP	Communication on Progress
CSR	Corporate Social Responsibility
ESG	Environment, Social and Governance
GHG	Green House Gases
GRI	Global Reporting Initiative
GEMS	Global Environment Management System
GJ	Giga Joule
HFCs	Hydrofluorocarbons
IFRS	International Financial Reporting Standards
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
PSX	Pakistan Stock Exchange
SDGs	Sustainable Development Goals
SHE	Social, Health and Environment
SECP	Securities and Exchange Commission of Pakistan
SEQS	Sindh Environmental Quality Standards
SEPA	Sindh Environmental Protection Agency
TDEM	Toyota Daihatsu Engineering & Manufacturing
UNGC	United Nations Global Compact
YLC	Youth Leadership Conference

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