



Social Performance

During the last decade, Toyota Kirloskar Motor has expanded its production and made advances in order to satisfy the needs of Indian customers buying Toyota vehicles. As the business grew, the company has contributed jobs and trade to the local economies in the country, enabling it to re-invest the profits earned from growth into green technologies and other community development initiatives for the future.

Social Performance - Customer



Special Feature: Quality Issues and Action

With the prime ideology of 'Customer First', TKM has made continued efforts to understand safety and quality objectives from a technological and professional standpoint and has been able to achieve them in material terms. However, in recent months, there have been several quality and safety concerns related to the use of Toyota products in several regions of the world.

Toyota has looked at this issue as an opportunity for renewal and improvement. We at TKM have also followed the same in India. We have taken this opportunity to encourage every employee to address the issues proactively by re-examining and recommitting to principles such as customer first, the customer's perspective and Genchi Genbutsu (on-site, hands-on experience). The specific

actions are outlined in this section:

Response in India:

Toyota in India strives to deliver quality products to its customers but has also been concerned about the recall of Toyota vehicles worldwide. This did not affect Toyota's operations in India as the concerned models are not sold or manufactured in India. As a proactive measure, in-line with the establishment of the Global Quality Committee by TMC, the India Quality Committee has been formed to enhance the quality and to respond to customer requirements dynamically.

India Quality Committee has been launched at TKM in order to achieve a customer interface that is based on safety and confidence. This is in concurrence with the establishment of the Special Committee for Global Quality chaired by the TMC President, Akio Toyoda. A series of approaches were implemented

to address a deterioration in information gathering and inconsistencies that arose in information sharing practices between the headquarters, the regional offices and dealerships.

Objective for Establishment of the Special Committee for Global Quality

Review all the working steps from the customer's perspective, through the new interface, and reinforce the quality assurance system:

- Development
- Procurement (suppliers)
- Production
- Engineering
- Sales and service

The purpose of the Committee is to listen more respectfully than ever to customers from every region. This demonstrates the company's concerted commitment to a fundamental review of our operational attitudes and our aim of establishing a customer interface in every business sector across Toyota's entities worldwide. The improvement plans worked out by the Committee will be verified and assessed by four external advisors as well.

Key Objectives Identified by the Special Committee for Global Quality

- Early Detection and Early Resolution (EDER) based on customers' opinions
- Human resource development that reinforces our Customer First approach
- Assessment by outside experts
- Product development focused on customer safety and confidence
- Independence of quality management activities in each region of the world

India Quality Committee

Quality concerns are an important issue in India as the EFC project is the first major project for Toyota after the global recall and quality safety issues. The small car project has been a unique project with many new points - the first country of launch, a completely new model, new plant, new segment, new suppliers and new dealers.

Hence, special activities

have been taken up to ensure a 'Quality Revolution', to reinforce customer confidence in India and the Asia Pacific region alike.

The India Quality Committee is being headed by Mr. Hiroshi Nakagawa, MD, TKM and reinforces customer confidence by promoting activities required to ensure a 'Quality Revolution'.



Proceedings at the IQC activities

Customer First Exhibition

Based on our philosophy of harmonious growth, Toyota Motor Corporation is committed to passing on to TKM the DNA of the Toyota Way, which is defined by our 'Customer First' approach. This approach has helped us form successful relationships with our suppliers and dealers and develop a solid business base in India.

The 'Customer First' exhibition was organized at TKM to motivate the suppliers and the in-house team to design and manufacture quality through flexibility and cooperation keeping the customer in mind. This event provided an opportunity to strengthen the concept of always keeping the customer first, among our key stakeholders, namely employees and suppliers.



Glimpses of the Customer First Exhibition (Top left picture: Visit by Hon. Home Minister of Karnataka State to the exhibition)

Special Feature: Jikotei Kanketsu (JKK): Built - In Quality with Ownership

In the area of quality, which is the key focus of the customer first policy, TKM has been promoting company-wide Customer First (CF) activities, with the goal of meeting the expectations of customers and society at large, based on an enhanced awareness of relevant issues. The focus of these activities in 2009-2010 was Jikotei Kanketsu*.

*Jikotei Kanketsu is the concept of a defect-free process completion to ensure that no defective product leaves the production process.

This activity is aimed at enhancing the Team member's Quality Mind Awareness through 'Jikotei Kanketsu' (Built-In Quality through ownership).



JKK activity review by the TKM Top Management

Product Environment Stewardship: Changing Environment Scenario

The rapidly growing population and economic development are leading to a depletion of natural resources which is causing environmental degradation. The absence of required natural resources can retard the process of socio-economic development. Changing the consumption pattern has led to a rising demand for energy. The final outcome of degradation is air pollution, global warming and severe climate change.

Toyota in India:

Toyota India understands the need for minimizing the impact of its vehicles on the environment and the effects it has on climate change and biodiversity. It believes in reducing its impact with the following concepts:

Reducing, Eliminating,
Improving and
Innovating

Innova Ranked **#1 in MUV/MPV** segment
in Initial Quality by JD Power Asia Pacific for
FIFTH CONSECUTIVE YEAR.



Elimination of Substances of Concern (SOC)

Chemical substances of concern like Lead, Mercury, Cadmium, and Hexavalent Chromium have a serious impact on the environment and human health. Toyota initiated the elimination of SOC elements

and switched to substances with lesser impact on the environment.

All Toyota products in India (parts and vehicles) are SOC free.

Based on our Guiding Principles, Toyota India takes Initiatives to develop and Promote Technologies which contribute to the Protection as well as the Development of Society.

Minimizing Environmental Impact through Eco - Friendly Engines and Vehicles

Products and Services

As a responsible vehicle manufacturer, Toyota is engaged in developing a broad array of improvements in fuel efficiency and vehicle emissions. Toyota India is working on lowering the environmental impact of its vehicles through the latest emission regulations for its

engines. All Toyota vehicles meet the Bharat IV emission norms applicable in India since April 2010.

Improving Gasoline and Diesel Engine Technology

As the main automotive fuel is petroleum based, Toyota

strives to continuously build more fuel efficient vehicles without compromising the pleasure of driving. We continue to make improvements in gasoline and diesel engine technology as it will remain the mainstay for the next few decades. Power trains that run on a variety of power sources, including fuel efficient gasoline engines use Toyota's VVT-i technology and its common rail direct



Bharat IV Compliant : Toyota D4-D [Diesel] and VVT-i Engines [Petrol]

Toyota VVTi Engine

VVT-i (Variable Valve Timing with Intelligence) is an automobile variable valve timing technology developed by Toyota. VVT-i which was introduced in 1996 varies the timing of the intake valves by adjusting the relationship between the camshaft drive (belt, scissor-gear or chain) and the intake camshaft. Engine oil pressure is applied to an actuator to adjust the camshaft position. Adjustments in the overlap

time between the exhaust valve closing and the intake valve opening results in improved engine efficiency.

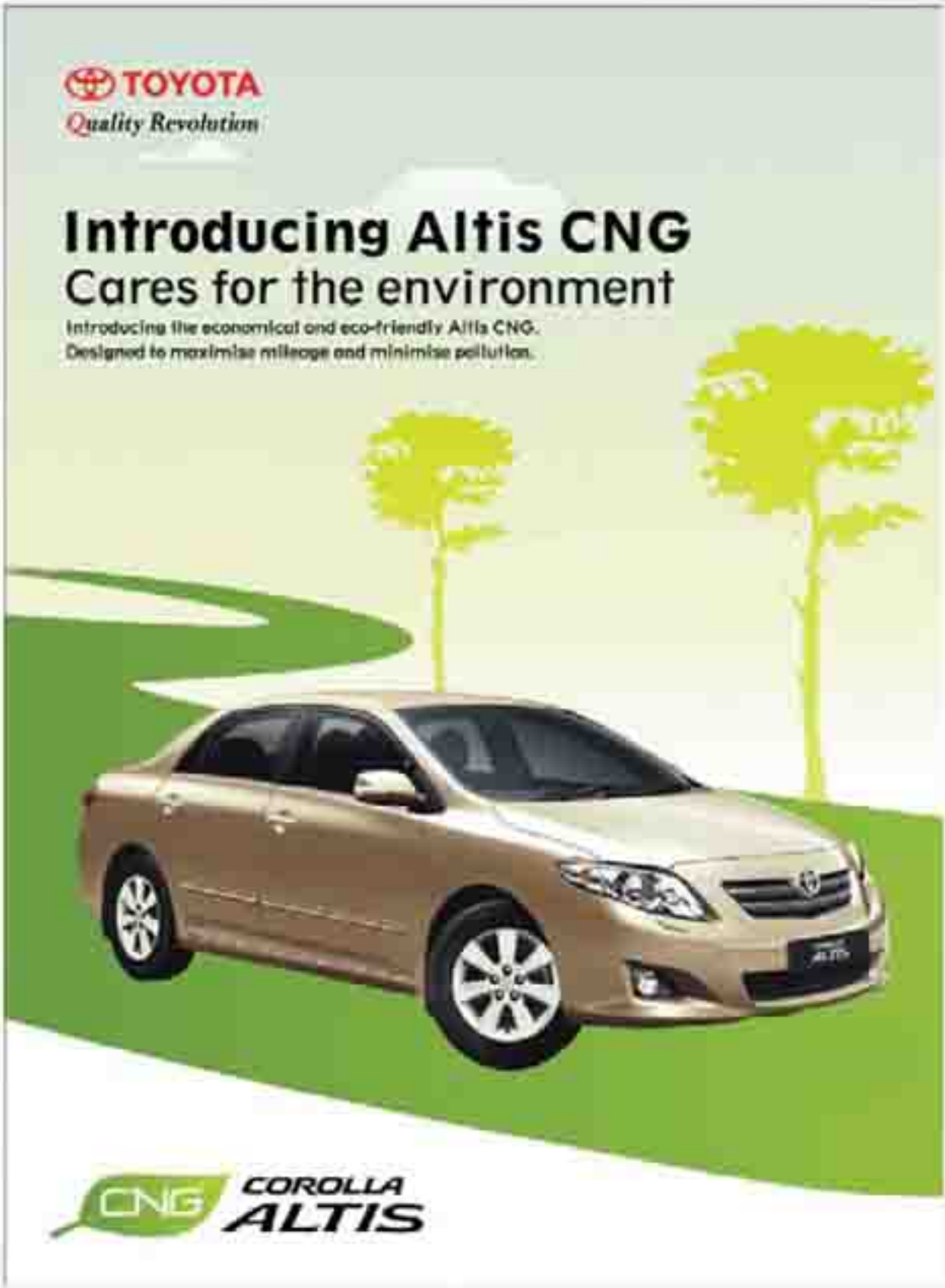
Toyota D4D Engine

D-4D stands for Direct Injection 4 Stroke Common Rail Diesel Engine. It is a combination of the direct injection and common rail diesel injection systems and has been designed to provide higher output power, better fuel economy, lower exhaust emissions and lower noise

and vibrations than conventional diesel engines. Toyota D-4D engines provide smooth and linear torque and also high power outputs. The D-4D's rev range is also wider than normal which is very useful and further enhances the driving experience. Toyota uses VVT-i technology for its gasoline range of vehicles in India, including the Innova, Corolla and Camry. The D-4D range of common rail direct injection engines is used in the Innova, Fortuner, Land Cruiser Prado and also the LC 200.

Moving Forward :

With the Government of India enhancing the use of the cleaner fuel, CNG, Toyota India introduced the alternate fuel CNG powered Innova and Corolla in 2009-2010.



CNG Innova and Corolla Altis showcased at Delhi Auto-Expo in January 2010



Social Performance - Employees



TKM perceives that human resource is the most valuable asset to the organization. The ultimate objective of human resource management is to establish mutual trust and responsibility between the company and its employees.

Towards realizing this goal, TKM has imbibed the following four point requisite in its activities while engaging with our employees who are our key stakeholders:

- Maintain secure working conditions
- Safe working environment
- Fair evaluation and proper treatment
- Creating an environment for human resources development

Basic Statistics in relation to the Current Status of Employment

The entire workforce based on the type of employment, employment contract, and region.

a. Type of employees

Sl. No.	Particulars	Number
1	Permanent employees	4109
2	Temporary employees	1528
Total		5637



- Temporary employees 27%
- Permanent employees 73%

b. Unionized and Non-unionized employees

Sl. No.	Particulars	Number
	Unionized employees	1624
	Non-unionized employees	2485
Total		4109



- Unionized employees 40%
- Non-unionized employees 60%

c. Female Vs. Male employees

- In India, the workforce in the automobile manufacturing industry has always been male dominated and there are very few women.
- The local applicable laws do not permit women to work between 7 pm and 6 am.
- However, since the company works in shifts, female team members are accommodated in the shift from 8:45 am to 5:30 pm.

Gender-wise Employment Ratio

Female	2%
Male	98%

Rate of employee turnover

Compared to the industry average of 12 percent, TKM's employee turnover has been very much under control.

Sl. No.	Employee Turnover	2009 %
1	Grade-8 [Blue-Collar]	1.5%
2	Grade-7 and above [White-Collar]	3.4%

TKM does not have any part-time employees. Benefits are provided to full-time employees as per the law of the land. From the mid to long-term point of view, benefits and welfare facilities are provided to all full-time employees.

TKM's Labor Management: Providing equal opportunity to all

TKM strongly practices the principle of mutual trust and team work in issues concerning labor management. This involves maintaining thorough communications and promoting fair evaluation and treatment for all.

TKM ensures that there is no discrimination in terms of race, religion, caste, sex, national origin or any other factor deemed unlawful by the applicable laws and regulations. Activities like recruitment, promotion, compensation, benefits, training and the use of facilities are provided to all employees and the policies are also equally applied at all levels.

The following is a brief description of the significant labor management practices at TKM:

1. Coverage under collective bargaining and freedom of association:

About 40 percent of the employees are covered by collective bargaining agreements.

Sl. No.	Particulars	Number	%
1	Unionized employees	1624	40%
2	Non-unionized employees	2485	60%

A minimum notice period of 21 days, as per the law is followed in case there are any significant operational changes.

Team members play a vital role in ensuring health and safety at the workplace. They are involved in the following programs to promote a safe workplace:

- Morning safety meeting (KYT)
- Safety pledge before work
- Kaizen activities to improve safety
- Safety Committees
- Workplace Committees



Occupational Health

No occupational diseases have been reported due to workplace conditions.

All team members are educated periodically about various diseases.

Key issues covered under occupational health and

safety promotion activities include:

- Common fevers, H1N1, dengue, malaria and other epidemic infection preventions
- Smoking de-addiction campaign
- Health awareness during induction training

- Counselling
- Annual medical check-up campaign

Ensuring the safety and health of team members is given the utmost importance during formal agreements with trade unions.



Joint Declaration signing by Employees Union representative [Left: Mr. Deepak RS] and Top management [Right: Mr. H Nakagawa, MD-TKM]

All human development programs aim at ensuring a lifelong learning. A Work Life Plan is designed to meet the career needs of all team members.

The entire workforce is reviewed regularly on its performance and career development. The following is a brief overview of the methodology used:

The company grasps the abilities and characteristics of each employee accurately and objectively, to develop and maximize the utilization of personnel through performance appraisal.

TKM also maintains and raises employee morale by properly evaluating and rewarding their abilities and their contribution to the company.

The opportunity is open to both men and women in the

composition of governance bodies and the breakdown of employees per category according to indicators of diversity. TKM works with diverse communities with people of different ages, religions and from different geographical regions.

Wages

- The salary for men and women are equal in the same categories. Equal pay for equal work is practiced at TKM.
- Toyota's objective is to raise employee morale and heighten productivity by providing wages, which balance the three aspects of company cost, employee livelihood, and the market price of labor.
- The wages are determined after accurately

comprehending the impact it has on the company and its employees, based on local labor practices and characteristics of the labor market. The benefits, working hours and welfare facilities, along with the wages are comprehensively reviewed from time to time.

- TKM reinforces the company's basic philosophy of mutual trust and responsibility and recognizes its team members as the most valuable resource of the company. We strive to provide long-term stable employment and to maintain and improve working conditions balanced with the growth of the company.
- TKM complies with local laws and regulations as far as the local minimum wage is concerned. We have a standard entry level wage that is competitive with comparable market levels. This secures the required human resources and fosters a sense of security among the employees.
- Based on the local labor practices and characteristics of the labor market, TKM determines the elements such as job classifications, positions, length of service, inflation and commodity prices which are reflected in the wage system.

Local hiring policies

- As a hiring policy, first of all, a clear-cut clarification of the capabilities and skill sets required for employment is determined.
- The human resources division has an established hiring policy. According to this policy, the hiring activities are carried out from a company-wide perspective.
- Quantity: Hiring the optimal number of personnel, based on mid to long-term business plans.
- Quality: The hiring is based on a comprehensive perspective including specialized abilities with mid to long-term potential.

The following are the activities conducted while TKM is hiring:

- Conduct PR activities (Advertising)
- Establishment of a selection method according to the capabilities and skill sets required
- Securing objectivity and fairness within the selection process
- Selection process
- Induction training and placement

Employee Development Programs: Creative Suggestion Scheme

The Creative Suggestion Scheme (CSS) is a concrete example of the effort Toyota makes to utilize the ideas of each employee to build the finest automobile possible. Through this system, the team members of Toyota take it upon themselves to resolve the questions and problems that occur at work - to do Kaizen. We strive to receive ideas/recommendations for

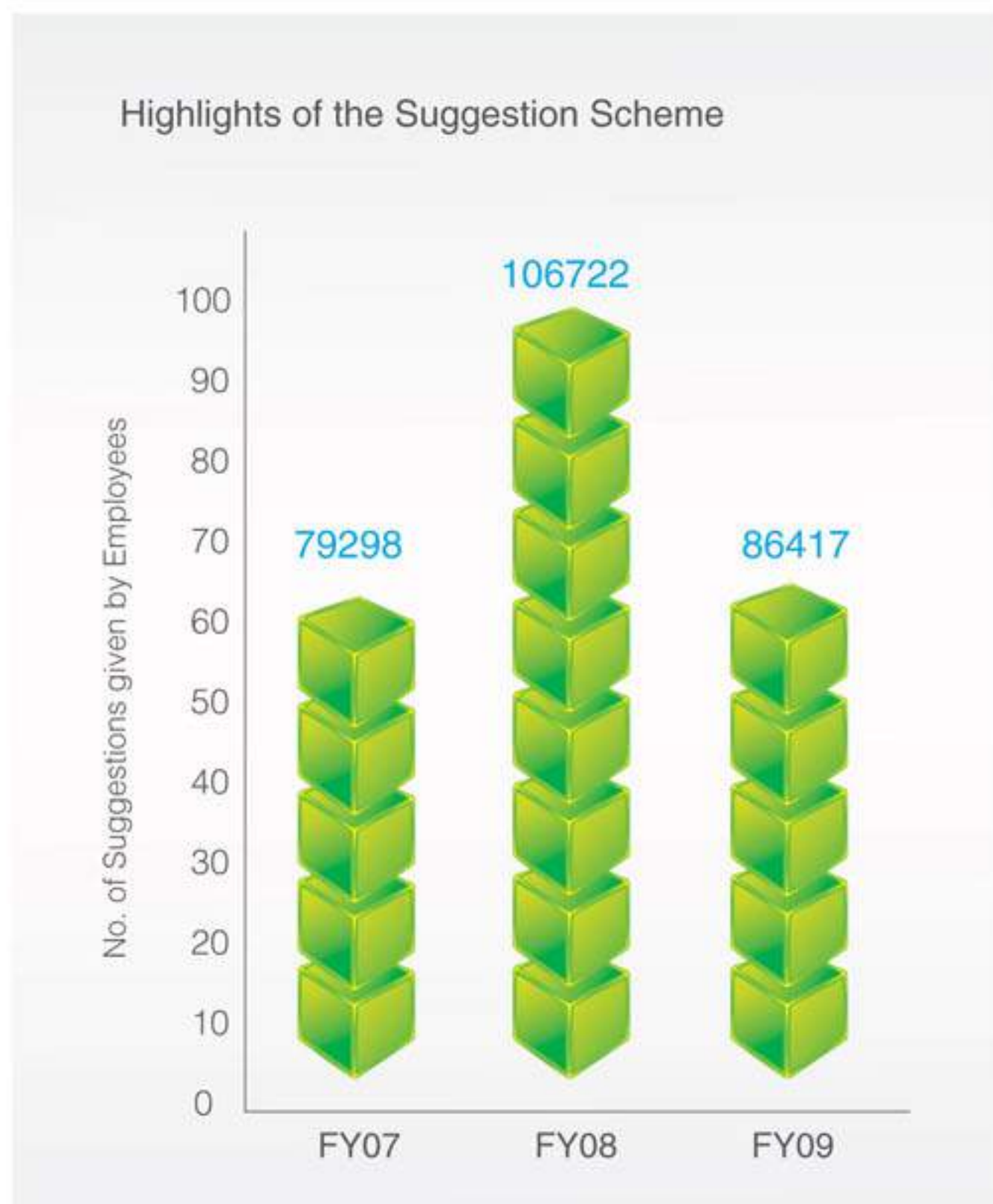
- Making a better product
- With greater safety

- In an easier, more efficient way
- At a lower cost

'Good thinking, good products' (words by Sakichi Toyota) is the baseline for team members to provide their ideas/recommendations. We believe in combining the creative ability of our team members to make products which will satisfy our customers. On an average, 6000 suggestions are implemented every month at TKM.

Highlights of the Suggestion Scheme

- Since its inception 4, 92,863 suggestions have been implemented!
- An average of 44,000 suggestions per year!
- About 86,000 suggestions implemented in 2009!



QCC Activity Review by TKM Top Management



External recognition by CII to TKM QCC Team

Employee Development Programs: Quality Control Circle

- Quality Control Circle (QCC) is an activity of a group of people in the same workplace. The circle members come together to solve problems according to the QC basic principles, QC steps and QC tools.
- QCC helps to generate ideas and implements the recommendations made by circle members. In the process, it helps to improve their capabilities and facilitates good communication at the workplace and ensures a better workplace.

The company takes every measure to prevent corruption in all its business units. Until now there have been no such violations.

- All employees are educated on the organization's anti-corruption policies and procedures.
- As part of the induction program, anti-corruption policies and procedures are explained to all employees.
- The whistleblower policy is in place to create awareness on corruption issues.
- Until now, no incident of corruption has been reported.
- No incidents of legal actions for anti-competitive behavior, anti-trust, and monopoly practices have been reported until now.
- TKM strives to ensure a 100 percent legal compliance of all local laws and regulations.

Assessment of effectiveness of deployment of resources for the benefit of the community.

TKM assesses its corporate social responsibilities through a regular interaction with the employees, local government bodies and people's representatives. We also conducted a survey in 2005-2006 to understand the impact of our contributions on the local community.

All the stakeholders including the local community, local government and government departments are involved in planning and implementing social development programmes.

For example: The government education department and the local Panchayats are involved in identifying beneficiaries and distributing education materials to the local community. Similarly, all activities are planned and implemented with the involvement of the stakeholders. The company leadership is always the guiding force behind all activities. The Top Management of the company also actively participates in the activities implemented by TKM.

Social Performance - Society



Books and Bags distribution at the Local community schools

Community Development Initiatives

At TKM, every effort is made to contribute to society. Toyota believes in helping people improve the quality of life in their

communities. With the objectives of our parent company, Toyota Motor Corporation in mind, TKM partners with organizations, schools, universities and other businesses to support community development programs. TKM has

a clear vision of growing with the society and is also focused on the welfare of its neighborhood. The following are the major efforts/activities undertaken by the company in this regard.

Education

Education plays an important role in shaping our future. Toyota is promoting education by supporting local school children.



- Residential School: TKM has re-constructed a residential school which houses 50 students mainly belonging to economically weaker sections at Byramangala, near TKM's plant in the Bidadi Industrial Area.
- Books and bags distribution: Every year TKM distributes books and bags to local school

children. As of 2010, this programme benefited more than 5000 local school children from 85 schools. This is a continuous activity, covering an additional ten schools every year. TKM has also contributed library books and laboratory equipment to educational institutions and also built the infrastructure needed.

Skill Development and Technical Training:

Toyota Technical Training



Institute (TTTI): This institute is a state-of-the-art facility which provides a three-year, full-time course on automobile technology, free of cost to rural students who have passed their higher

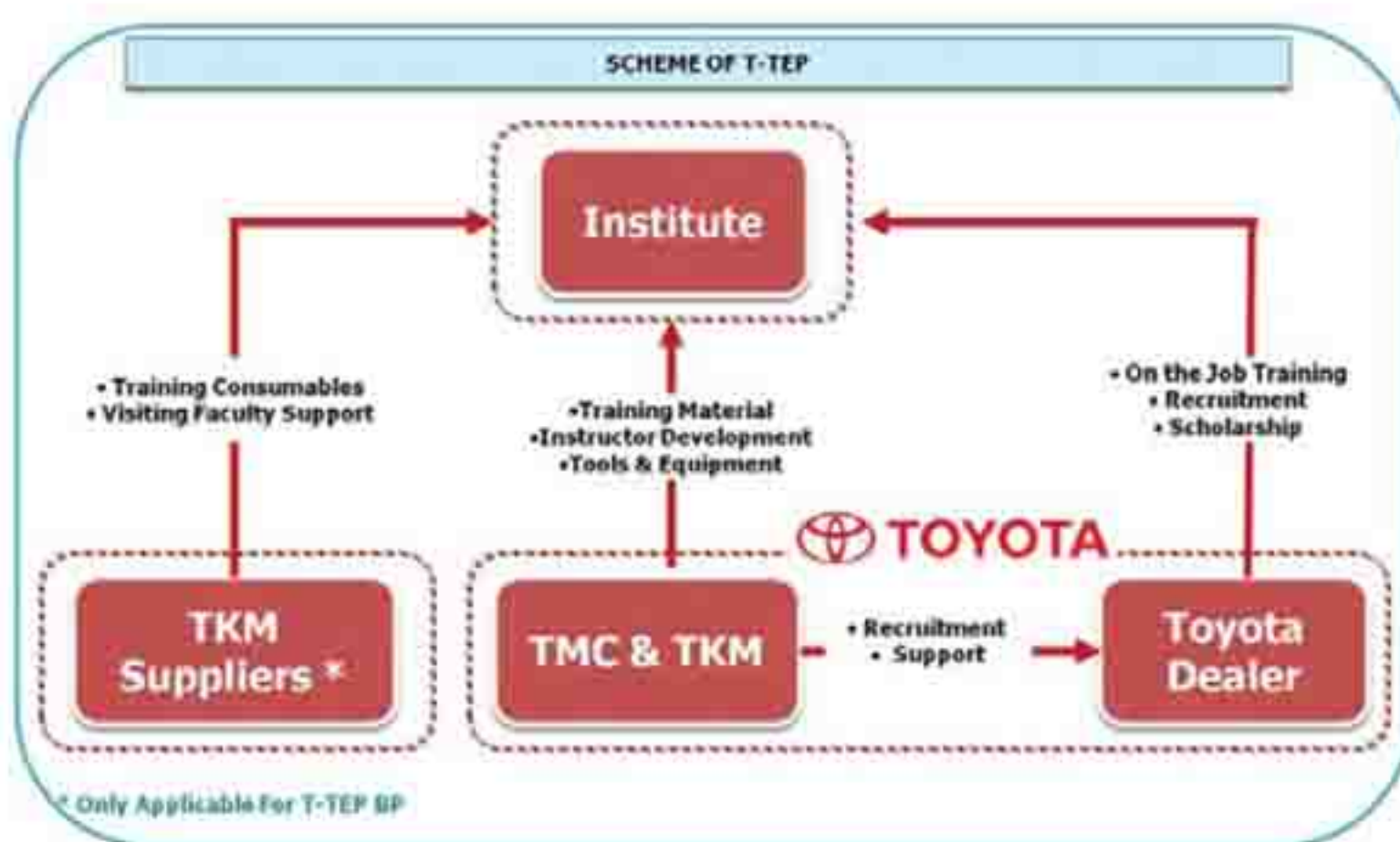
secondary education. The institute is fully focused on training only the rural youth in Karnataka and successful candidates are given job opportunities. It was

started in 2007 and takes in 64 students per year. 192 students have undergone training as of now and a new batch of 64 students joined in August 2010. The first batch graduated in 2010.



[Top] Dr. APJ Abdul Kalam, Former President of India, addressing the first batch of graduating students
Glimpses of the Graduation Ceremony and the Plant visit by Dr. APJ Abdul Kalam

Toyota Technical Education Programme (TTEP):



This programme is focused on training the Industrial Training Institute (ITI) students across the country in advanced automobile technology. The successful

candidates are given job opportunities at Toyota dealerships.

For the first time in India, a course on Body and Painting is introduced at an institute in 2009.

The total no. of institutes implementing T-TEP: 18

The total no. of students who have participated in the T-TEP course: 428

Traffic Safety:



Glimpses of TSEP activity along with Bangalore Traffic Police

Keeping in mind the growing traffic conditions in cities, Toyota has now started to create awareness on traffic safety among school children through the Toyota Safety Education Programme. The Toyota Safety Education Programme (TSEP) is an interactive learning programme on traffic safety specially designed for children in the age group of 6 to 12 years.

- In 2009-2010, TSEP was conducted in five metros (Delhi, Mumbai, Chennai, Bangalore and Kolkata) covering 100,000 children.
- In the current year 2010-2011, the TSEP plans to continue in the same cities with special modules to sustain the programme. Partnering with

the city traffic police to educate school children on road safety, the forming of TSEP clubs in schools (which was already implemented in the previous years but needs to be continued) and extending the TSEP reach through Toyota dealerships are some of the modules.

Sanitation programme for the local community



Sanitation program inauguration



One of the 310 Project beneficiaries

TKM has conducted a survey on the needs of the local community around the plant and it was observed that some villages did not have the basic toilet facilities in their homes. TKM considered this problem and addressed the issue

by implementing a sanitation programme for the local community around the factory catchments area. TKM is supporting the local community by constructing 310 individual toilets for each household in six villages

under the Manchanayakanahalli Gram Panchayat. By this activity, the Manchanayakanahalli Gram Panchayat will achieve total sanitation and will qualify for the presidential award for total sanitation in a Gram Panchayat.

Environment



Plant visit by Local school children



Glimpse of Science fair organized

At Toyota, the commitment to the environment extends beyond our products. Whether it is planting trees or organizing seminars on rainwater harvesting for the local Panchayats, TKM is working towards making the local community a better place.

As part of the environment month celebration, TKM conducts several

activities in the local community such as

- Painting and quiz/project competitions for the local school children in Ramanagara where winners are awarded prizes.
- Organizing a TKM plant visit for school children to educate

them on environment conservation.

- Distribution of fruit bearing plants to all participants of the Environment Day event.
- Involving team members and conducting plastic free campaigns in the local areas.

Help During Natural Calamities:

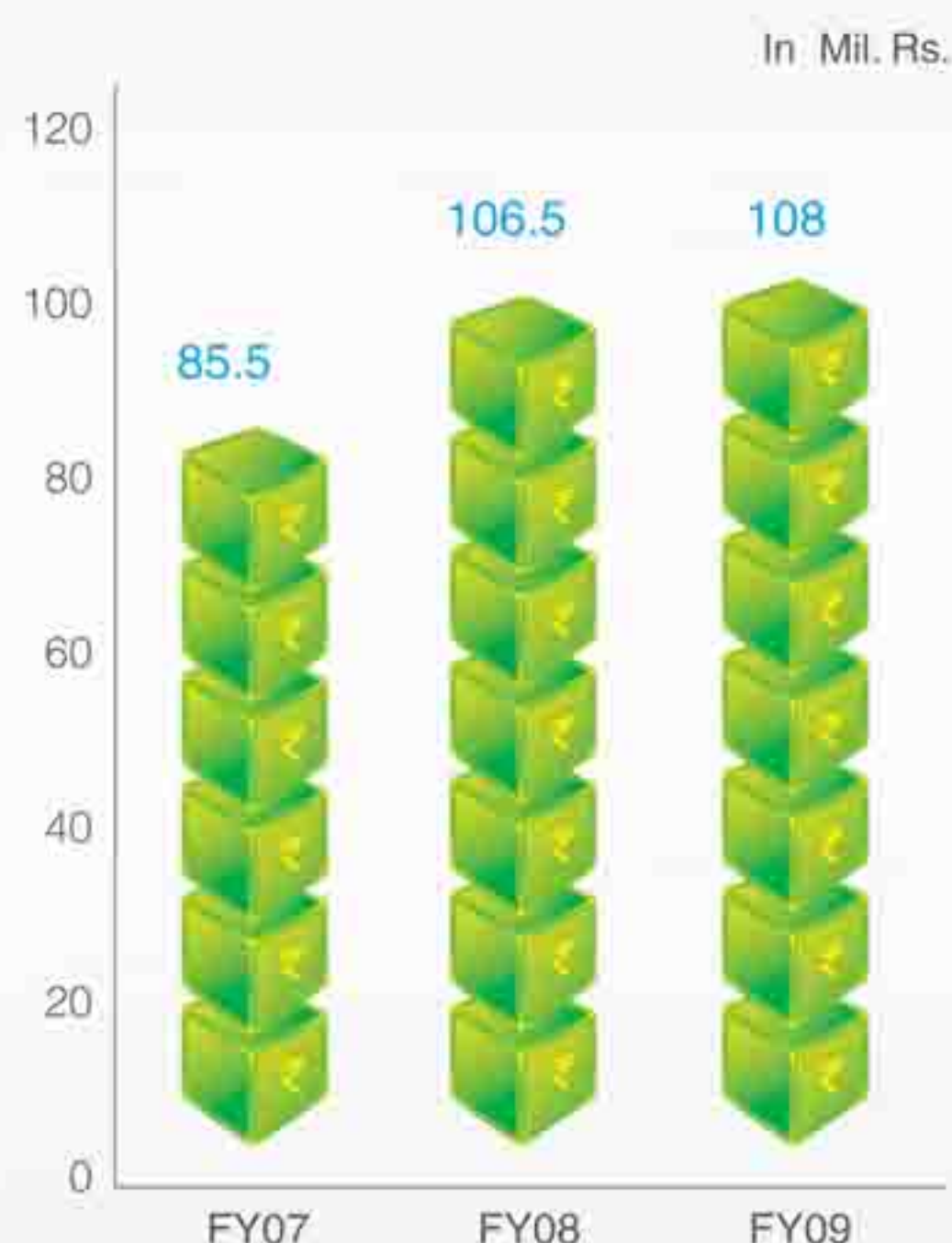


Handing over to Chief Minister of Karnataka [Mr. BS Yediyurappa - 3rd from left]

TKM contributed Rs. 20 million and a day's salary of all its employees to the Karnataka Chief Minister's Relief Fund towards relief and rehabilitation for the North Karnataka flood affected victims in 2009-2010.

TKM contributed Rs. 1 million to the Andhra Pradesh Chief Minister's Relief Fund towards relief and rehabilitation for the Andhra Pradesh flood affected victims in 2009-2010.

TKM's CSR Activity Expenditure



Social Performance - Business Partners



Dealerships



Toyota does not just limit the environment protection efforts to its own premises but encourages its associates, both suppliers and dealers to also do their bit. In India, TKM has been actively involved from the very beginning in expanding its corporate social responsibilities. As a part of our global commitment, our dealers also take part in protecting the environment by minimizing the impact of their activities on the environment through pollution control, conservation of natural resources and continual improvement.

Dealer Environmental Risk Audit Program (DERAP) - Sustenance Tool

Complementing the ISO 14001 certification, this programme is designed by TMC to ensure the minimum requirement of environment risk management at dealer workshops. DERAP encompasses five crucial aspects of environment management;

- Presence of environment promotion staff

- Declaration of abidance to law
- Proper storage and treatment of hazardous waste
- Proper treatment of drainage water
- Proper recovery of HFC (AC gas)

Against the set target of 80 percent by TMC, more than 90 percent of TKM dealerships have achieved compliance with this programme. This is further driven by kaizen or continuous improvement both by the dealers and TKM.

One of the biggest challenges faced by TKM dealers is the safe disposal of hazardous waste. At the dealer level the hazardous wastes have been identified and stored safely. However, the mechanism to collect it from there for incineration/recycling is not adequately established in India at present. To help its dealers overcome this plight, TKM has initiated efforts to identify

authorized collectors of hazardous waste. Meanwhile with a three year plan, we will be able to achieve an effective and efficient EMS system at all dealerships.

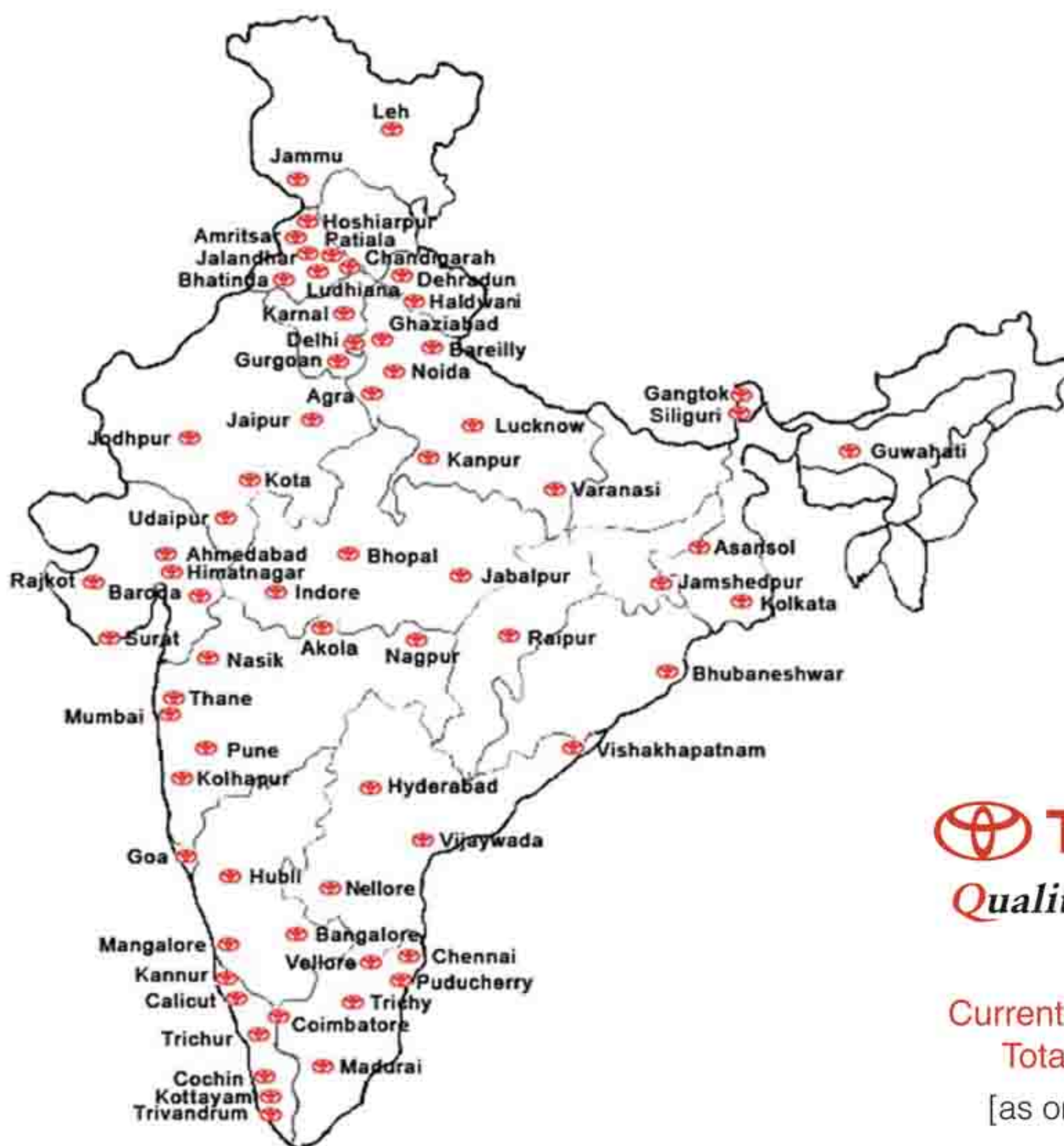
Dealer ISO 14001 Certification Promotion

TKM supports its dealers to maintain a very effective Environment Management System

(EMS). ISO 14001 certification recommended by TKM to its dealers, acts as a tool to structure the effectiveness of the EMS implementation at dealerships. As of now more than 70% of our TKM dealerships are ISO certified. At remaining new dealerships it is in progress. It has helped in creating awareness about Environment conscious function at the dealerships.



Nippon Toyota Dealership at Kerala received commendation certificate from Kerala State Pollution Control board for its best Environmental Practices & sustained efforts towards pollution control

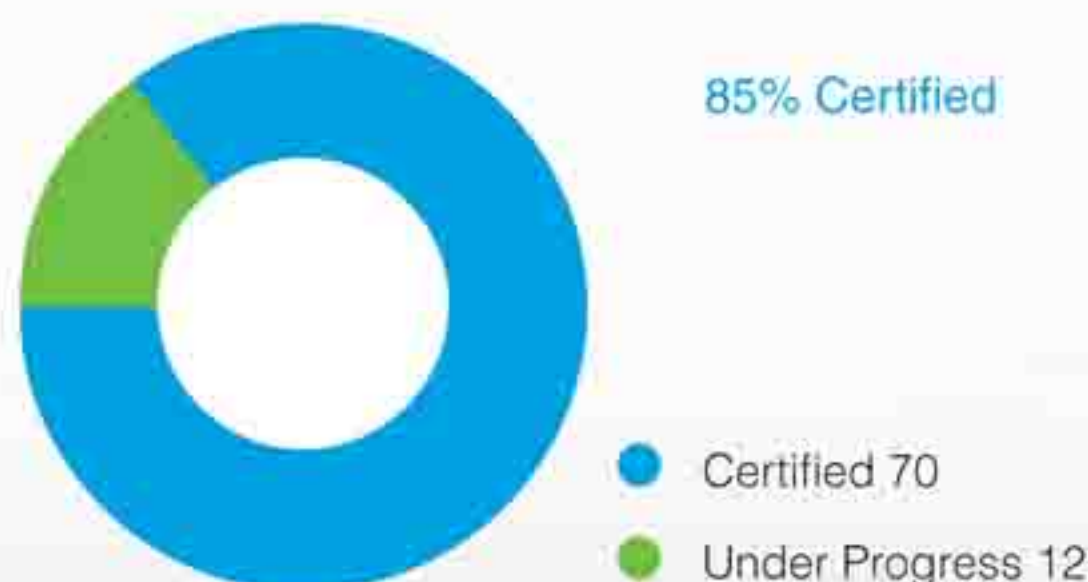


TOYOTA
Quality Revolution

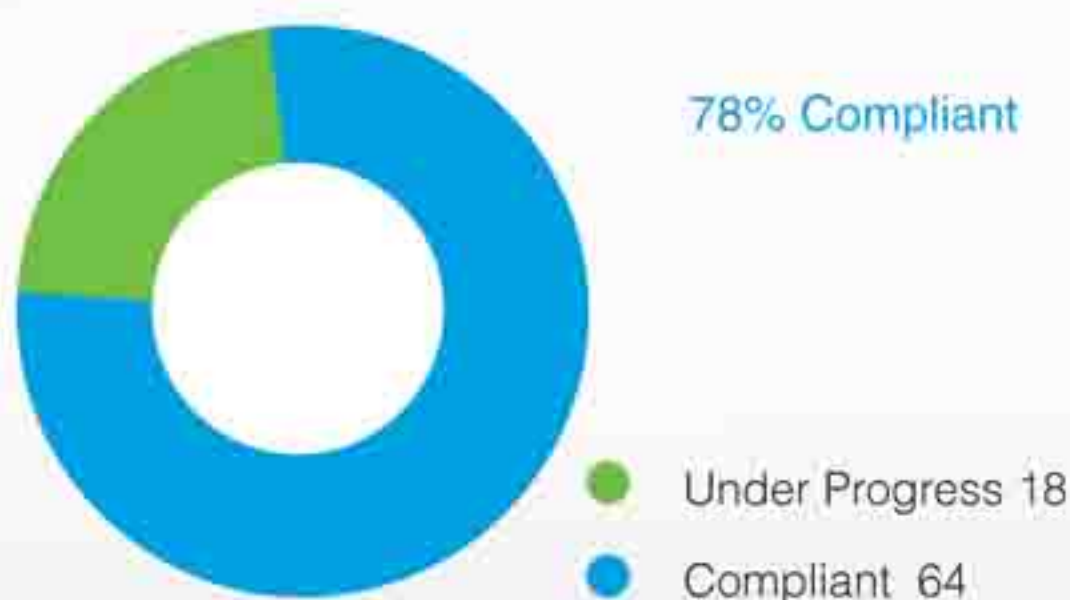
Current Dealer Network
Total : 82 Outlets
[as on March 2010]

ISO Certification Status of Suppliers [Core]

ISO Certification Status



DERAP Compliance Status



Voluntary Environment Initiatives Taken/Achievements by the Dealership

TKM dealers actively participate in various initiatives taken by the government as well as other bodies like SIAM towards environment conservation. The free pollution check campaign by SIAM on the World Environment Day and the 'Say No to Plastic'

campaign in Uttaranchal are some of the activities that TKM has participated in.

Such initiatives are duly acknowledged by the government too. For example, Nippon Toyota in Kerala has been awarded by the State Pollution Control Board for three consecutive years.

Customer Recognition

The effort of TKM and its dealers

towards preserving the precious environment is appreciated by its customers as well. The customers gain confidence in their dealers not only because of the eco-friendly products but their service too. Activities like safe disposal of discharged automotive batteries are actively supported by the customers. TKM has further plans to enhance awareness about environment conservation among its customers through its dealerships.

Promotion of best environment practices at dealership facilities through DERAP



Wastewater Treatment



Safe collection & Recycling of Waste Oil Plant



Segregation & Collection of Waste & recycling

Dealer Level Corporate Social Responsibility Activity

- Until today, TKM has conducted CSR activities at the company level only (Clean Bangalore, flood relief, village adoption etc.)
- As more than 50 percent of Toyota vehicles are driven by chauffeurs, they are the potential interest group for TKM's CSR activities
- Drivers are a strong link between the service team and owners and also influence the CSI ratings based on their experience and feedback to owners
- With the view of reaching out to a larger audience before the launch of Etios and also as a brand building activity, there is a need to conduct CSR activities at the dealer level
- Dealers have also started customer retention activities for drivers, as a reflection of the seasonal service campaigns

Proposal:

Conduct CSR activities for drivers with the theme 'Health, Safety and Education'.

Activity Details:

Activity duration: A total of seven days in May 2010 (after 10th May 2010) Target Drivers ~10,000



Toyota Q-Promise

Towards our aspiration of taking Toyota closer to our customer's heart, we have launched the "Toyota Q-Promise" campaign. Toyota Q-Promise is to assure Toyota Quality for delightful ownership with the core theme of "Customer First".

TOYOTA
Quality Revolution

Q Promise

WE TO UNDERSTAND YOUR NEEDS



To make the journey special, we first commit to understand the roads.
The latest technology, with the greatest understanding.

WE PROMISE TO REMAIN COMMITTED TO QUALITY



Commitments have to be honoured, in every breath, with every step.
100% quality through the Toyota Production System.

WE PROMISE TO BE



Reassurance is someone is there for y
The promise of whatever you

Safety Awareness Program at dealership

Background

- As per the study regarding the 4S and safety conditions at all dealerships, much improvement is required.
- At the dealer technical conference held on November 26, 2009, TKM showcased the

importance of 4S and safety.

- As a part of the safety awareness program, Ravindu Toyota (Bangalore), Lanson Toyota (Chennai) and Harsha Toyota (Chennai) started an in-house safety program by conducting the 'best slogan' contest.

Purpose

- To encourage and motivate team members to take the required safety precautions at work.
- To follow safety rules at the dealership.

Best Slogan Award: The slogan is displayed at all key areas of the dealership to educate team members about safety.



Use safety process and prevent Accident!

Ravindu Toyota:
Winner: Mr. Gopalappa



Develop the safety measures today; See the healthy world tomorrow.

Lanson Toyota:
Winner: Mr. Narayana Pillai and Mr. Elayaraja



No safety know pains; Know safety no pains.

Harsha Toyota:
Winner: Mrs. Selvanayagi

Best Practice at Vehicle Washing Area: Galaxy Toyota (Azadpur-Delhi)



The professional uniform of the washing team indicating area of work.



Floor mat cleaning and drying done as per TKM recommendations.



Good 4S condition of the washing area.

omise

Our **Quality** comes from putting
our **Customer First** in everything we do.

WE PROMISE TO LIVE UP TO YOUR TRUST



Knowing that you, no matter what, assistance need it.

WE PROMISE TO LIVE UP TO YOUR TRUST



For our customers, Toyota means 'Bharosa'. Over 4 lakh happy customers in just 10 years.

WE PROMISE TO KEEP YOU SAFE



When it comes to protecting our loved ones, nothing can be left to chance.

9,000+ component safety checks.

WE PROMISE A GREEN TOMORROW



Mother Nature has nurtured us all, it's time we showed our gratitude. Sustainable afforestation programmes that go beyond planting trees.

WE PROMISE TO NURTURE TALENT



Because every child is born with dreams in his eyes. Toyota Technical Training Institute for the less privileged.

Watch out for **TOYOTA** ETIOS

Business Partners - Suppliers



The automotive sector is subject to enormous global pressures to improve product quality whilst at the same time reducing cost. These pressures impact car manufacturers and that has strong effects on the flow to suppliers. An innovative, capable and cost competitive supplier base is critical to the viability of the Indian automotive industry. Toyota Kirloskar Motor has almost 3500 suppliers, of which 82 are original

equipment (OE) suppliers.

Toyota has been propagating and undertaking initiatives to all its consolidated subsidiaries around the world, to contribute to the harmonious and sustainable development of society and the earth. Toyota expects its business partners to support this initiative and comply fully with all applicable laws, regulations and societal norms both in Japan and overseas and conduct activities

with the utmost respect to everyone.

TKM has been enabling its suppliers to ensure the long-term and stable procurement of the best products at the lowest prices in the most speedy and timely manner. TKM also ensures periodical reviews and confirms the status of implementation of the activities described in the guidelines.

TKM Purchasing Policy.

Toyota Kirloskar Motor's fundamental approach to building business relationships has not changed since the foundation of the Toyota Motor Corporation (TMC) 70 years ago. The company's approach is articulated in the Purchasing Mission. A supply based company that gains the respect and trust of society while remaining competitive and long-term provides a stable procurement of the best products at the best prices and in the best

1. Fair competition based on an open-door policy

Fair competition based on an open door policy supporting TKM's aim of continuously improving the supplier base and preparing a solid foundation for the future.

2. Mutual benefit based on mutual trust.

Mutual benefit based on mutual trust ensuring that the purchasing activities are managed by equal business partners and result in an even stronger interdependent relationship based on openness and honesty.

3. Contributing to the local economic vitality and being a good corporate citizen.

Toyota aspires to be a good corporate citizen by contributing to local economies and societies thus contributing to the company's vision even in these challenging times.

Supplier Development programs: Towards Sustainable Supplier Base

Toyota Basic Approach to supplier : "SUPPLIER PARTNER"

Supplier development programs are designed to give a sense of Partnership to the supplier, through which we can work along with supplier partners.

We at TKM, work jointly with Supplier to implement Toyota Production System. The scope of implementation is not constrained to Toyota's Business, but we

promote to implement the same to entire scope of supplier operation irrespective of customer.

With this, Toyota's Stable and sustainable supplier base can contribute to the growing Auto Industry in tern to the country's economy.

Toyota Production System [TPS] promotion initiative

TPS is the key to the success of Toyota operations worldwide.

Toyota is promoting TPS implementation at suppliers to enhance their productivity and achieve mutual growth. Toyota Kirloskar Motor, through its Supplier's Association is jointly working to expand and enhance TPS culture among all Toyota suppliers.



Training to Supplier group and TKM Top Management Visit to Supplier facility as a part of TPS implementation review

Quality Circle Competition: To Bring out the Best in the Suppliers

Quality Circle Concept: The supplier team solves the identified problem in their respective companies.

Gemba QCC: Judges will visit participating companies to understand their implementations and also guide the QCC team for further improvement.

Regional QCC: All companies assemble to present their presentations. Regional winners are decided and awarded.

Final QCC: Regional winners will compete in the finals. The winners will then be decided and awarded.



Supplier activity review by TKM Top Management



QCC awarding

Kaizen Festival : Kaizen festival is an exhibition where the suppliers display their best kaizen [process improvements] under one roof. Three of the best kaizens will be awarded during Annual Supplier Meet.



Glimpse of Supplier Kaizen festival and information sharing

Showcase visits : Sharing the best practices of identified companies among regional suppliers.

The identified suppliers will be visited by nominated members from quality, production, & engineering groups of TKM to understand and implement the best practices.

Overseas visit : To benchmark the Supplier's Association activities at TMT / TMMIN. To enhance TPS implementation and other activities at showcased suppliers.



Benchmarking visit to TMT [Toyota Motors Thailand]

Safety promotion among supplier companies:

TKM has been promoting mutually beneficial safe working practices among its supplier groups as a part of the CSR activities. The basic approach is to promote awareness and inculcate safe working conditions among the members to avoid accidents.



Glimpses of Supplier group training on Occupational Health and Safety

Environment Initiatives

Green Purchase Guidelines

Comprehensive environmental management means looking beyond the boundaries of our own operations to the wider supply chain. TKM has adopted the 'Green Purchasing Guidelines' policy which includes the environmental criteria in every purchasing decision we make and encourages our suppliers to improve their environmental

performance. In addition to meeting traditional expectations of quality, service and price we give preference to suppliers and products with better social and environmental credentials.

Reduction in the use of Substances of Environmental Concern

Toyota's global standard promotes the elimination of substances of environment concern. Hexavalent

Chromium, Cadmium, Lead and Mercury have been eliminated from almost all parts of the Innova, Corolla and Fortuner at TKM.

Although, there is no requirement or law regarding the end of a vehicle's life in India, we at TKM have proactively taken up in early elimination. This aims at creating a better and safe environment for the future generations to come as the SOC's can be very toxic even in small concentrations.



Acquisition of ISO 14001 Certification:

ISO Certification Status of Suppliers

98.64% Certified



- Certified 74
- Under Progress 1

Toyota Kirloskar Motor undertakes the systematic management of environmental preservation activities and works to continuously improve them. TKM

requests that all suppliers create the systems necessary to carry out environmental preservation activities and constantly improve them. To do this suppliers are requested to acquire the ISO 14001 certification.

Environmental initiatives related to suppliers business activities:

In addition to the initiatives taken by Toyota Motor Corporation (TMC), Toyota Kirloskar Motor (TKM) has set ambitious targets to work on various environmental improvement activities. Suppliers delivering parts, raw materials and supplementary materials should also take an active approach to environmental initiatives as a part of their business activities.

- Compliance with environmental laws and regulations
- Enhancement of environmental performance

Reduction of CO₂ Emissions and the use of packing and wrapping materials in logistics:

The transportation of goods results in the consumption of energy and reducing this consumption of energy becomes a major issue. Thus, TKM undertakes active measures to reduce CO₂ emissions (energy consumption) in logistics. TKM is also working to reduce the use of packaging and wrapping materials. The suppliers involved are also requested to implement environmental measures in their logistic activities.