

About the Report

This report elaborates Toyota Kirloskar Motor [TKM] Pvt. Ltd. India's, sustainability initiatives from April 2010 to March 2011. TKM's manufacturing facility is located at Bidadi, Karnataka. The content of this report is drawn primarily from instances and processes applicable to the fiscal year 2010-2011, and wherever necessary dates back to the financial year 2008-09. Toyota Kirloskar Motor published its first annual report in 2003 dedicated to environment initiatives and has been publishing sustainability reports since 2010.

Transparency and accountability are among top priorities of Toyota Kirloskar Motor. With this edition, we

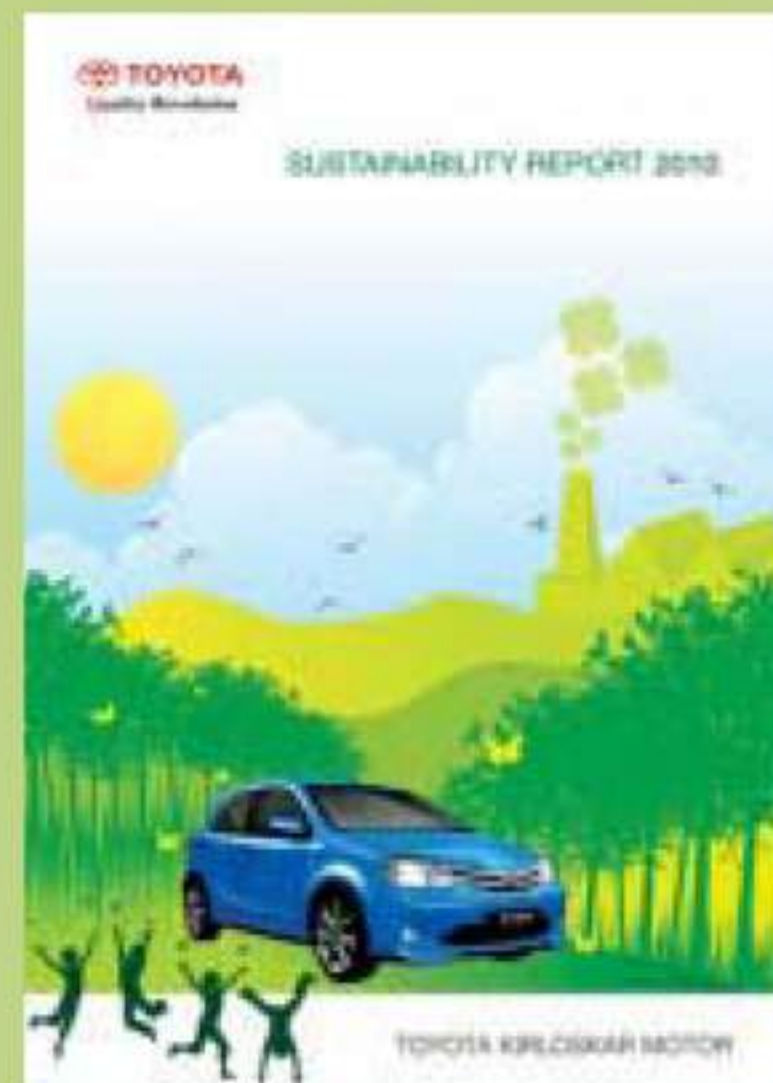
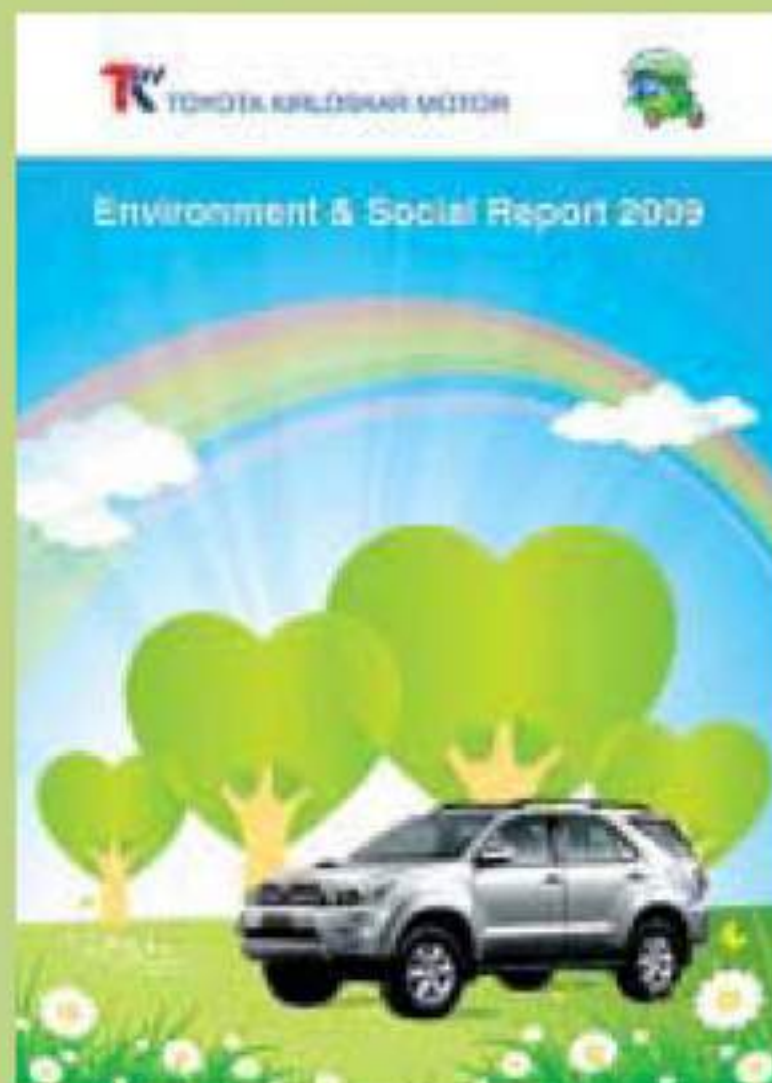
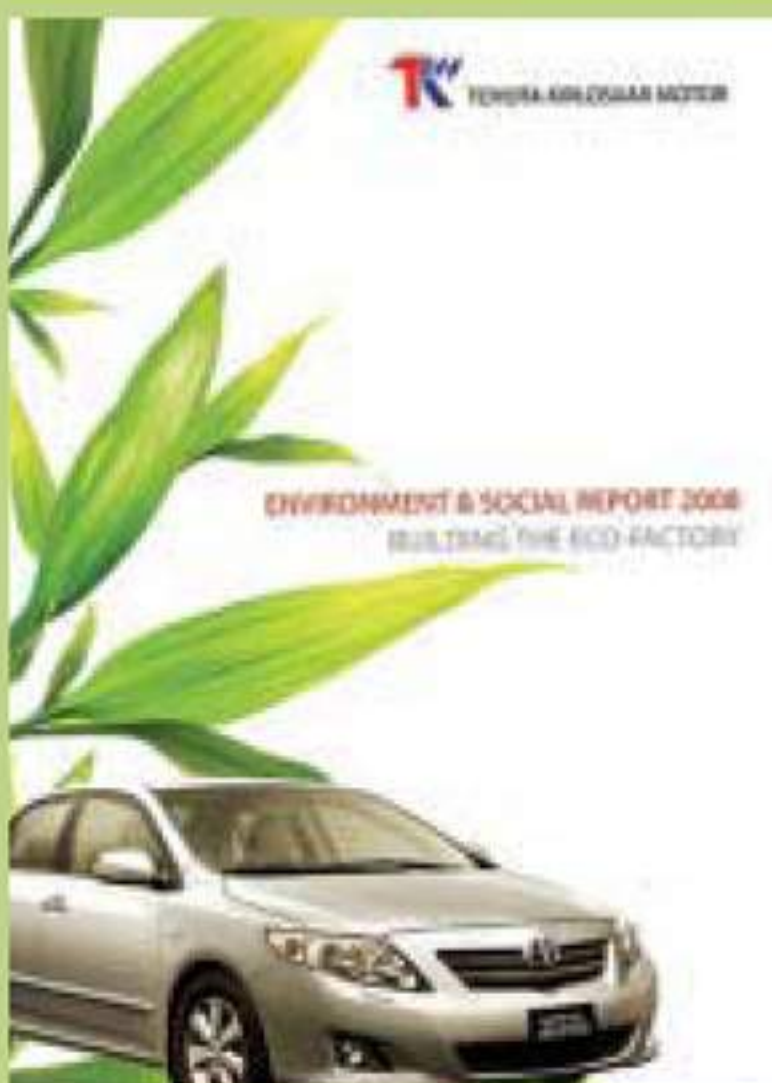
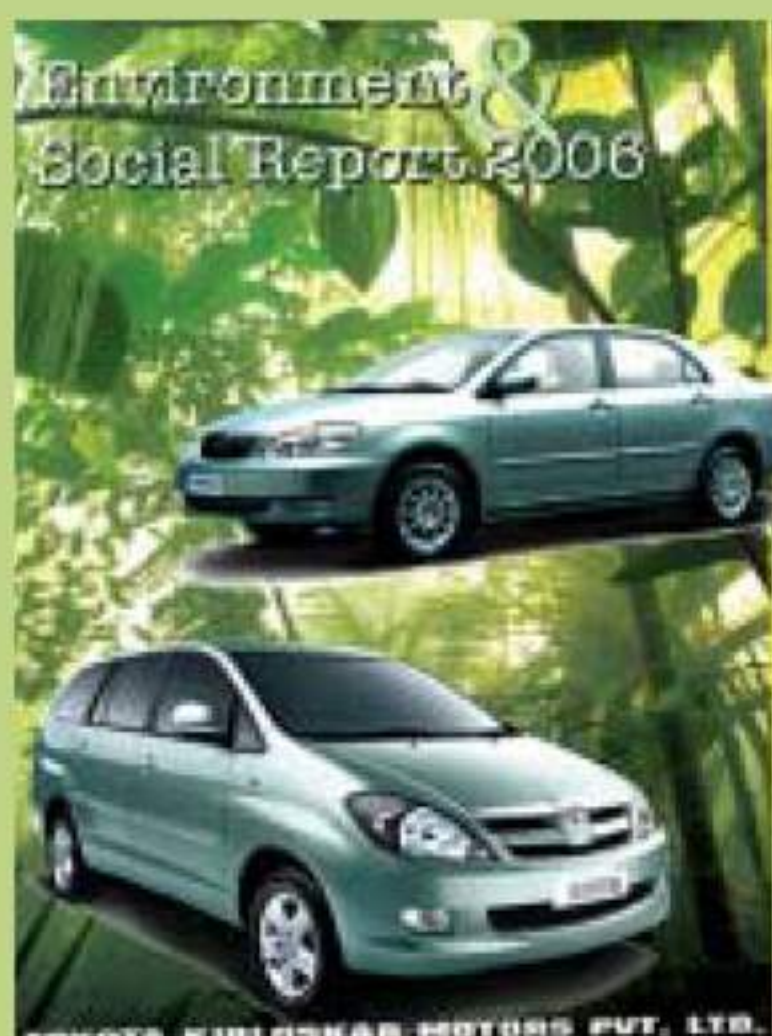
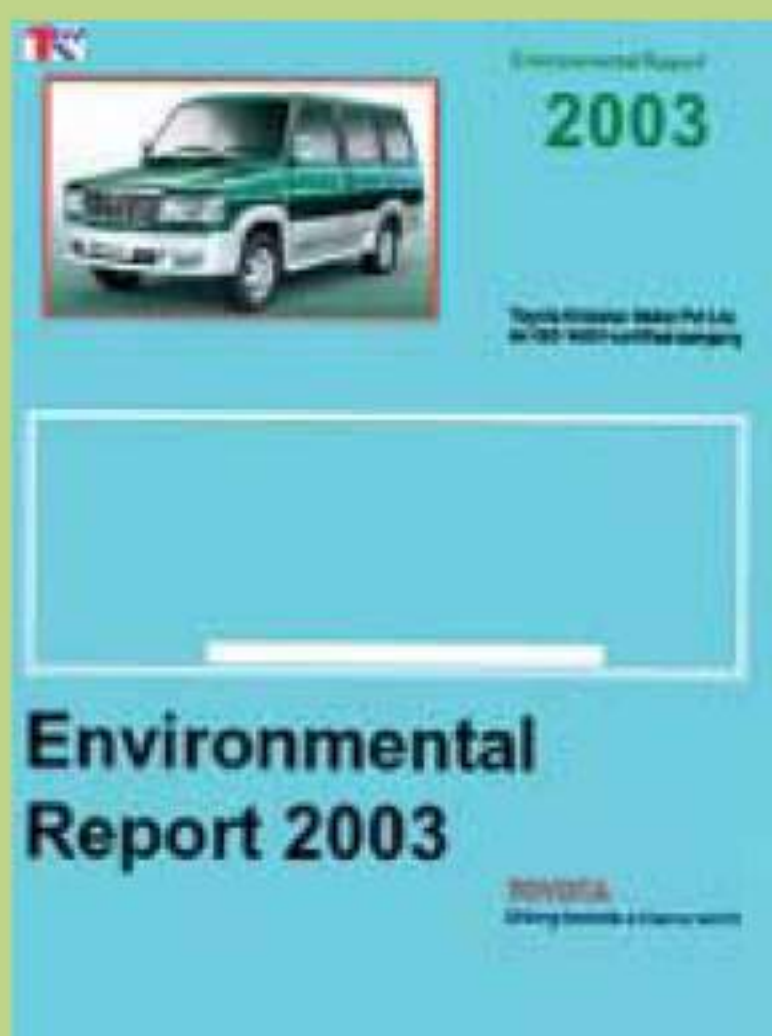
have opened our doors to an all-round perspective of our efforts towards sustainability using the G3.1 guidelines as a foundation to the reporting approach. Since our last Sustainability Report in 2010, we have established exhaustive organization to consolidate data from all stakeholders.

We understand that stakeholders play a crucial role in the success of our business. We have processes in place to obtain frequent feedback from stakeholders about satisfaction and expectation levels. This forms the key criteria in determining process improvements and work life enhancement.

The target audiences for this report are our internal and external stakeholders comprising our employees, suppliers, dealers, customers, government, educational institutions, the media, local community, Toyota Motor Corporation and other organizations that are deemed to influence sustainability initiatives.

We welcome your feedback on this report. Please email us at: eco@toyota-kirloskar.co.in

An online copy is available at: <http://toyotabharat.com/in/en/environment/index.asp>



Cover design: The tree on the cover represents the Toyota Global Vision. The tree metaphor is employed to show the kind of company Toyota wants to be; the roots (Toyota values) enable Toyota to generate the fruits (always better cars, enriching lives of communities), and the trunk (stable base of business) is reinforced.

Message from the Managing Director

Challenge the Aftermath of Japan Crisis... "Q" (Quantity) and "Q" (Quality)

I take this opportunity to express my hearty thanks to our stakeholders, for the continuous support. Also, on behalf of Team Toyota India, I would like to express our sympathies to all who have suffered through the great tragedy of tsunami in Japan. I am touched by the support offered by our team members, customers and business partners as we dealt with the crisis. I offer my sincerest gratitude to all.

With the launch of Etios and Etios Liva, 2011 has been a year of jump-up for Toyota India operations. TKM saw a sharp rise in the complete operation cycle, in terms of plant capacity, workforce, production units, suppliers and dealers. The support of our employees and business partners are the primary reasons for this achievement. I take this opportunity to welcome all our new customers, suppliers and dealer partners into the Toyota family. I am sure our customers are delighted with the Toyota Q-Class experience.

Our current annual policy of "Q (Quantity) and Q (Quality)" also enunciates our constant drive and commitment towards sustainability in spite of adversities.

With the growing business, we are aware of our increased responsibility towards environment protection. We intend to mitigate our environmental impact and establish cleaner and greener manufacturing operations. We have planted more than 125,000 saplings in our journey towards creating a company that operates in harmony with nature. Our journey continues and we would like to expand our afforestation activity across our suppliers, dealers and to the local community also.

We have brought in 7 suppliers into our OSS [On-

Site Supplier's] Park to enhance operational efficiency, to eliminate logistics CO₂ emissions and packing material.

We have been promoting eco-friendly technologies beyond our premises to our stakeholders also. The implementation of water borne painting at the body and paint [B&P] workshops at Toyota dealerships stands out as a good example of our commitment to sustainable growth.

Continuing our mission to disseminate technical skills among local community, the successful graduation of the second batch of students from our in-house CSR initiative, Toyota Technical Training Institute is yet another highlight in TKM's CSR journey.

In the third year, the Greenathon III (Lighting a Billion Lives) was an even bigger success lighting up more than 1.4 lakh lives in rural India. This initiative has produced a large wave of energy across India.

The need for sustainability has reminded us that we can sustain environment, social and economic performance in more ways than we could imagine. We strive for constant enhancement of the lives of our business partners and the community at large. We will continue with innovating ways to tread a greener path for our future generations.

I thank my colleagues, the suppliers, dealers and all our stakeholders for their continuous efforts in meeting every challenge with speed, flexibility and cooperation in our journey towards sustainability.

I am pleased to present the 7th edition of the Sustainability Report for 2011 and welcome your feedback.

Let's grow together



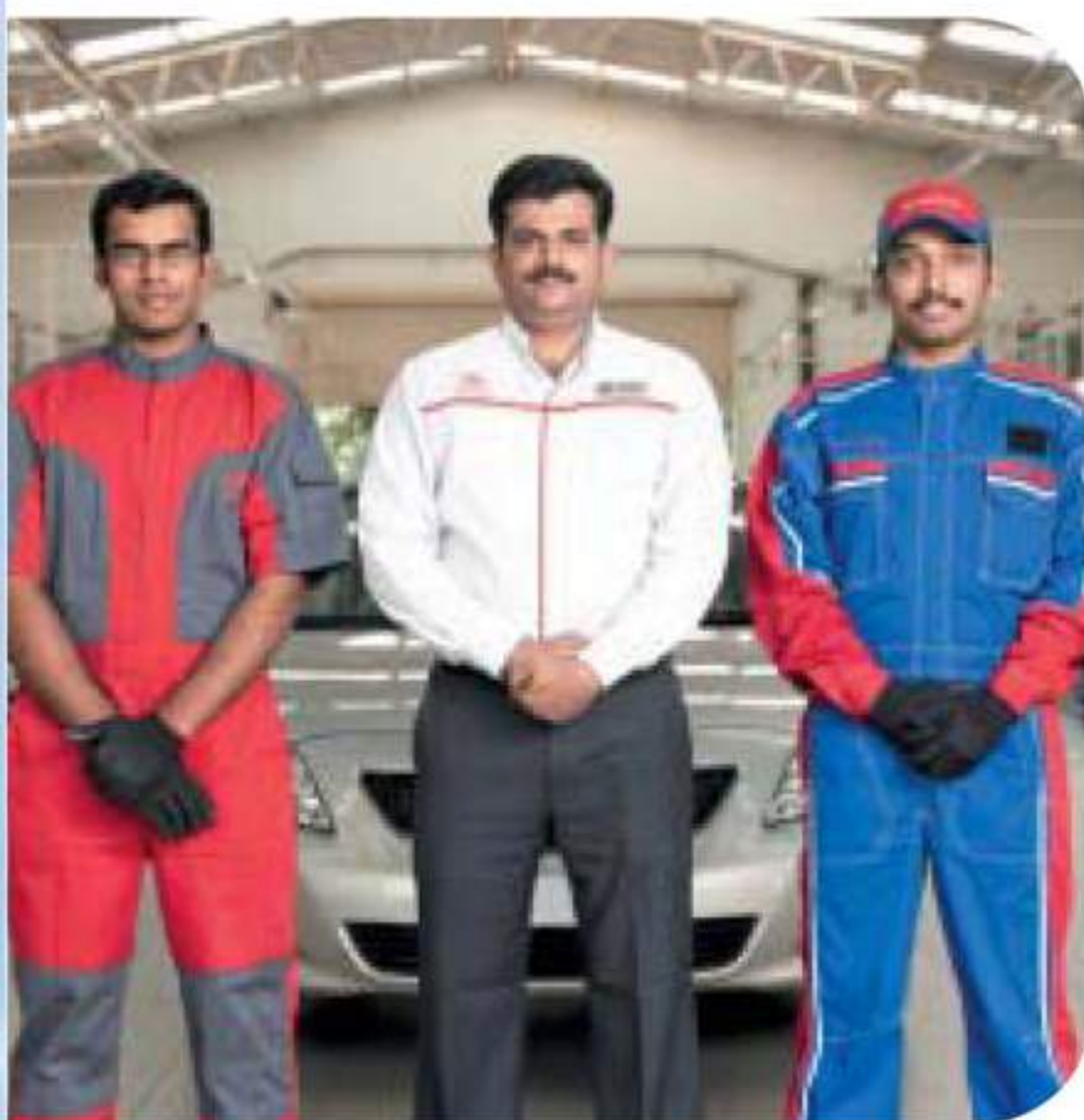
Hiroshi Nakagawa,
Managing Director



Key highlights

Environmental performance

- 8 % reduction in manufacturing power consumption
- 12 % reduction in manufacturing water consumption
- 84 % coverage of dealerships compliant with ISO14001
- 78 % coverage of suppliers (core) compliant with ISO14001



Social performance	2009	2010	2011
Number of employees	3,511	5,637	7,735
Turnover rate for employees	3.7%	2.8%	2.5%

Economic performance	2009	2010	2011
Units Manufactured	46,251	63,269	75,099
Units Imported as CBU	492	504	689
Net Profit after Tax [Rs. in Mil]	1,226	3,093	2,216

