

SUSTAINABILITY REPORT 2011

SUSTAINABLE
GROWTH



SUSTAINED
VALUES

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

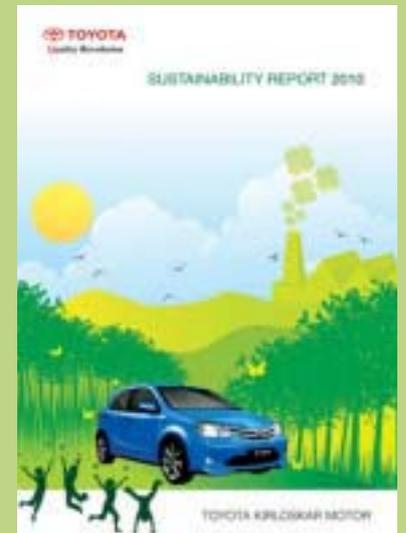
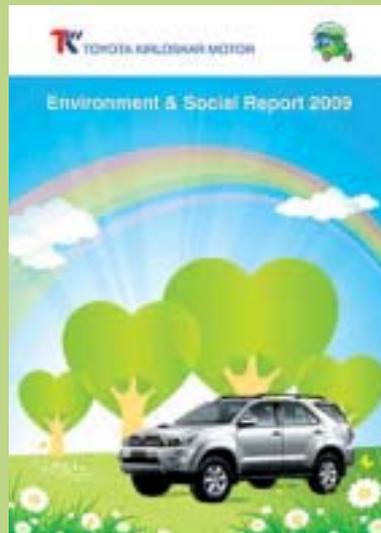
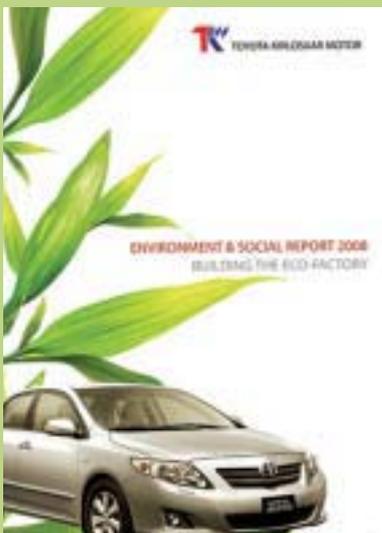
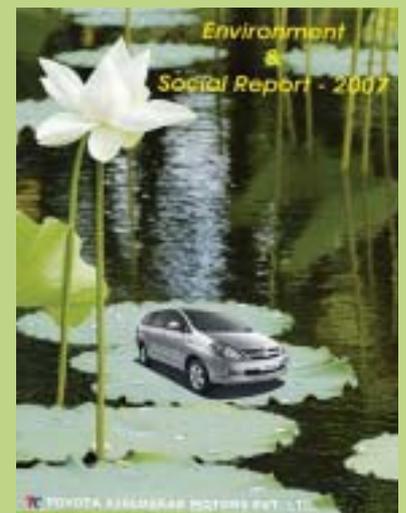
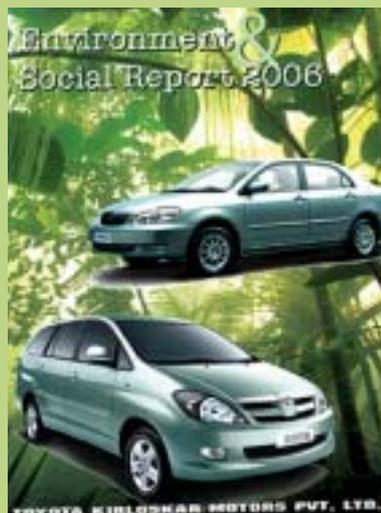
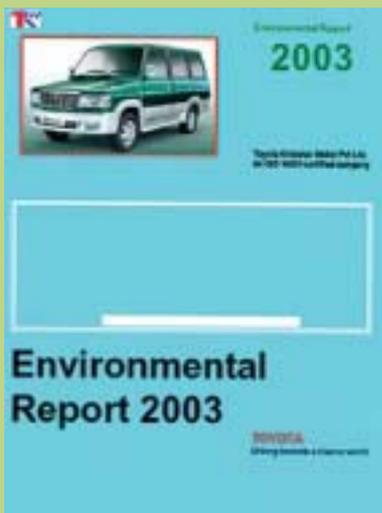
have opened our doors to an all-round perspective of our efforts towards sustainability using the G3.1 guidelines as a foundation to the reporting approach. Since our last Sustainability Report in 2010, we have established exhaustive organization to consolidate data from all stakeholders.

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

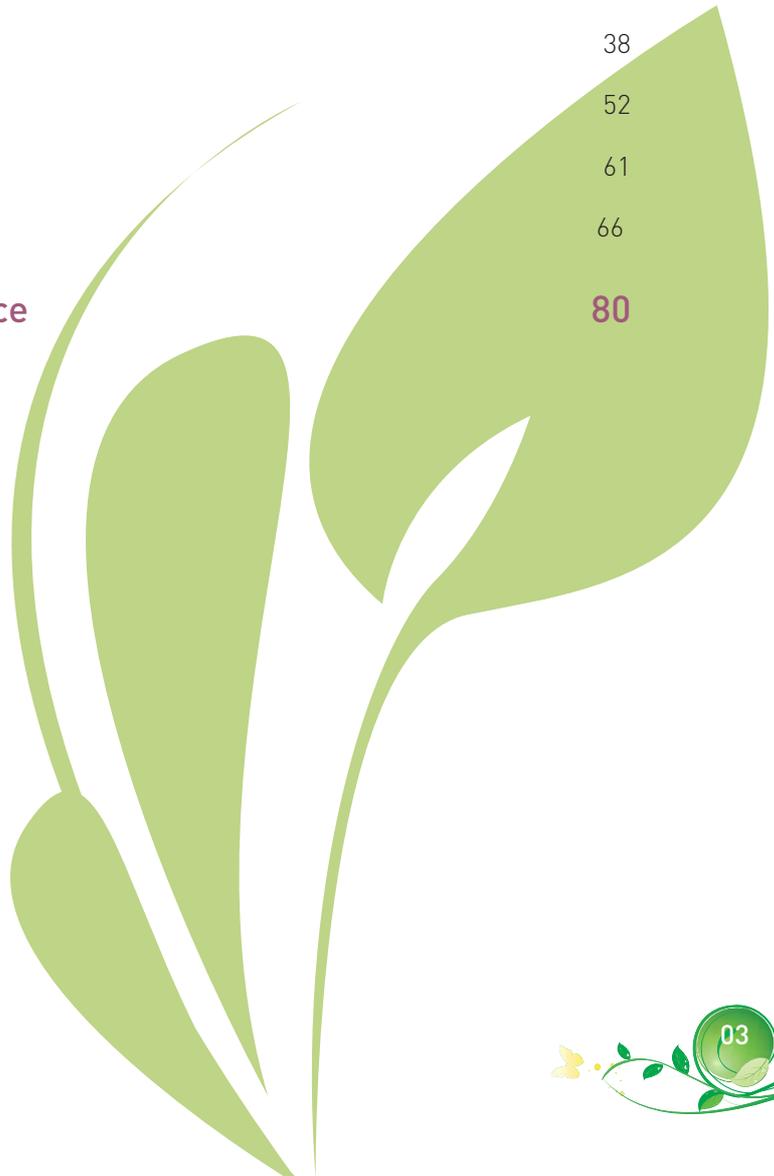
An online copy is available at: <http://toyotabharat.com/in/en/environment/index.asp>



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.

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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.

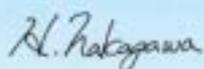
In the third year, the Greenathon III (Lighting a Billion Lives) was an even bigger success lighting up more than 1.4 lakh lives in rural India. This initiative has produced a large wave of energy across India.

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



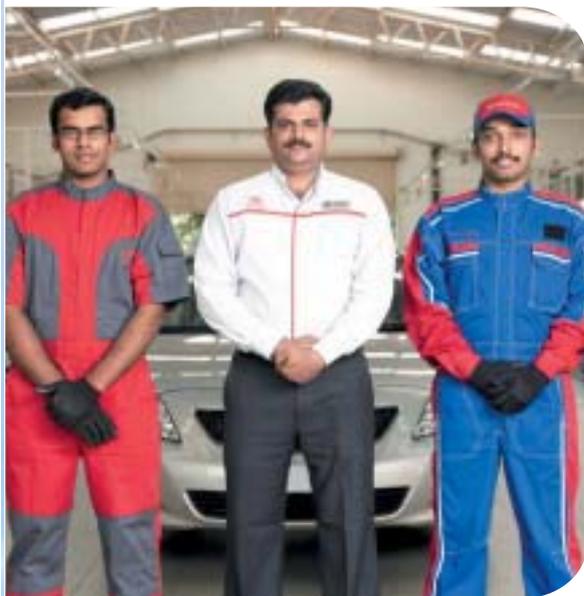
Hiroshi Nakagawa,
Managing Director



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



TOYOTA
CORPORATE
SUSTAINABILITY PHILOSOPHY



Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

Toyota Global Vision

The "Toyota Global Vision" announced in March 2011, is an articulation of what kind of company we want to be - what kind of company we ought to be. It clarifies our value, "we want Toyota to be a company that customers choose and brings a smile to every customer who chooses it." The 'Toyota Global Vision' is a distillation of our resolve at Toyota forward the future.

Rewarded with a smile by exceeding your expectations

"Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

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

Toyota Visionary Management

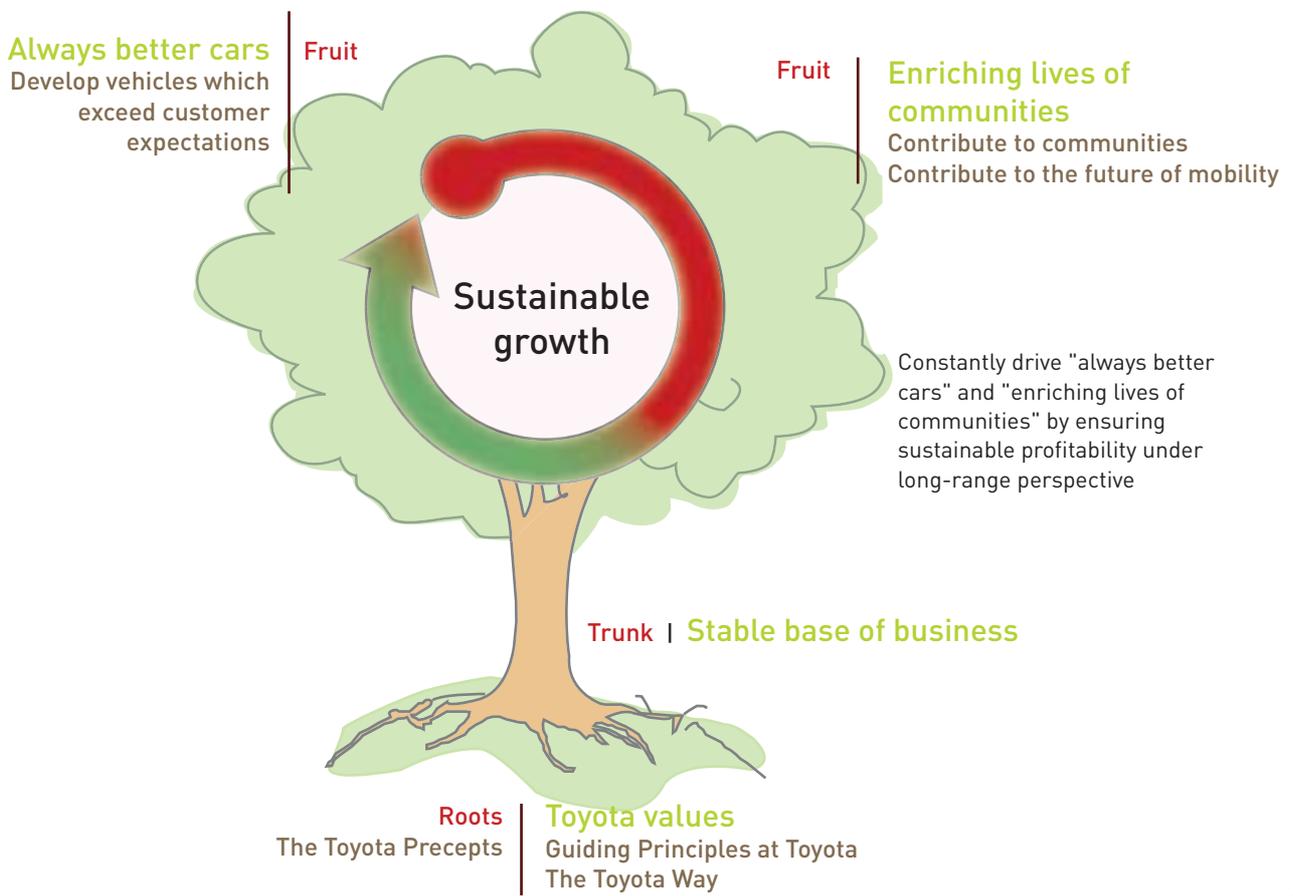
The roots of the tree are the shared values that have steered Toyota from the beginning and underlain our monozukuri. They are values expressed in the Toyota precepts, in the Toyota Guiding principles and in the Toyota Way, which are the basis of our business.

customers is creating "always better cars" and enriching lives of communities. Though the efforts, we aim to become an admired and trusted company in the various regions where we conduct business.

The trunk of the tree, underlying support for Toyota's creating products that earn smiles from our

customers, is stable base of business. Toyota's business activities are based on the concept, ensure sustainable growth by fostering the virtuous circle. Always better cars → Enriching lives of communities → Stable base of business.

'Fruit' that Toyota provides for



The Toyota Earth Charter

The Toyota Earth Charter (formulated in 1992, revised in 2000) is based on the Guiding Principles at Toyota formulated in 1992 (revised in 1997), and embodies Global Toyota's comprehensive approach to environmental issues. The Toyota Earth Charter has been adopted by about 530 affiliates worldwide to date.

The Toyota Earth Charter

BASIC POLICY

- **Contribution toward a prosperous 21st century society:** Contribute towards a prosperous 21st century society. Aim for growth that is in harmony with the environment, and set as a challenge the achievement of zero emissions throughout all areas of business activities.
- **Pursuit of environmental technologies:** Pursue all possible environmental technologies, developing and establishing new technologies to enable the environment & economy to coexist harmoniously.
- **Voluntary actions:** Develop a voluntary improvement plan, based on thorough preventive measures and compliance with laws, that addresses environmental issues on the global, national and regional scales, and promotes continuous implementation.
- **Working in Cooperation with Society:** Build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation including governments, local municipalities, related companies and industries.
- Develop and provide products with top-level environmental performance
- Pursue production activities that do not generate waste
- Implement through preventive measures
- Promote businesses that contribute toward environmental improvement
- **Business partners are partners in creating a better environment**
Cooperate with associated companies
- **As a member of society**
Actively participate in social activities
 - Participate in the creation of a recycling-based society
 - Support government environmental policies
 - Contribute also to non-profit activities
- **Towards better understanding**
Actively disclose information and promote environmental awareness.

ACTION GUIDELINES

- **Always be concerned about the environment:** Take on the challenge of achieving zero emissions at all stages, i.e., production, utilization, and disposal.

ORGANIZATION IN CHARGE

- **Promotion by the Toyota Environment Committee which consists of top management (chaired by the president)**

Toyota Guiding Principles

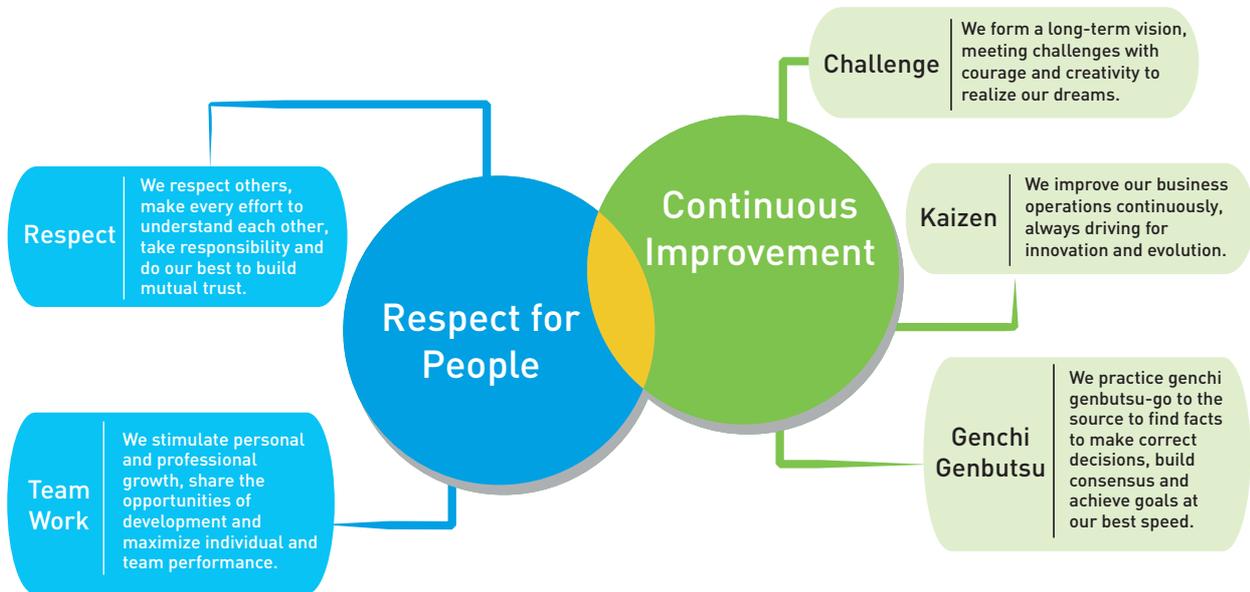
Toyota's guiding principles, which were adopted in 1992, define the mission of Toyota and the value the company delivers to stakeholders.

- 1** Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good citizen of the world.
- 2** Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the community.
- 3** Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all 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 individual creativity and teamwork, while honouring mutual trust and respect between labour and management.
- 6** Pursue growth in harmony with the global community through innovative management.
- 7** Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits while keeping ourselves open to new partnerships.



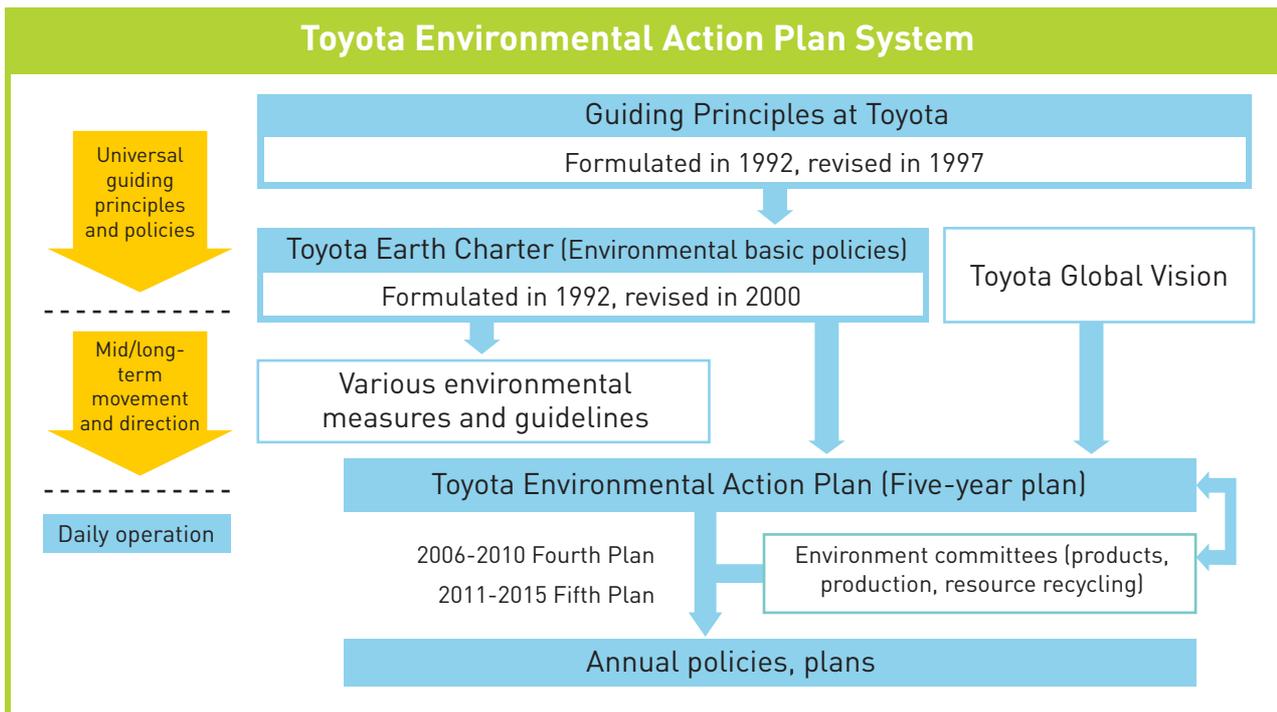
Toyota Way

The "Toyota Way", which embodies values, beliefs, principles and business methods at Toyota, is supported by two pillars: respect for people and continuous improvement. Together, they define how the people of Toyota treat others and perform their duties in order to deliver the company's values to customers, shareholders, associates, business partners and the global community.



Toyota Environmental Action Plan

In accordance with the Toyota Earth Charter, Toyota Motor Corporation (TMC) has formulated the Fourth Toyota Environmental Action Plan, a five-year plan with medium-term goals covering the period from 2006 to 2010 to facilitate the promotion of environmental initiatives by each company.



COMPANY PROFILE



Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Company Profile

Toyota Kirloskar Motor Private Limited (TKM) is a joint venture between Toyota Motor Corporation and the Kirloskar Group, set up for the manufacture and sales of passenger cars and auto parts across India. Toyota Motor Corporation, Japan, holds eighty nine percent of the equity while Kirloskar Systems Ltd, India, holds eleven percent.



Toyota Kirloskar Motor's manufacturing plant is in Bidadi, on the outskirts of Bangalore City. It is spread across 432 acres and has an output capacity of over 1,84,000 vehicles per annum. Commercially, Toyota Kirloskar Motor has more than 150 independently owned dealerships spread across 96 cities.

TKM manufactures the Innova,

Corolla Altis, Fortuner and Etios model vehicles. The Fortuner has been the best selling model in the SUV segment in India in 2010-2011. Also the Innova has been the best selling model in the MPV segment for the past six years in succession. We also import and sell the Camry, Land Cruiser, Prado and Prius models as CBUs [Completely Built Units] throughout our dealer

network in India.

Toyota's most anticipated new small car, the Etios was first launched in December 2010. The Etios has been very well received and is expected to form a substantial part of the product market share for TKM.

During the reporting period, TKM has commissioned the second plant at the Bidadi location. Plant II began manufacturing of the small and mid size range passenger cars from December 2010 onwards. During the reporting period, the new plant started the production of Etios model passenger cars [both hatchback and sedan].



A notable feature of the newly commissioned plant is that it has been built based on the "Eco-factory" concept in keeping with the global drive to minimizing the environmental impact from the manufacturing operations.

Product Line-up



● **ETIOS Liva**
QClass HATCH: LIVE TOMORROW TODAY.



● **ETIOS**
QClass: World First, India First ...My first



● **Corolla Altis**
Genius Inside - Gorgeous Outside



● **Innova**
Drive to precious times

● **Fortuner**
Presenting: The Art of Power



● **Prius**
Leading the Hybrid revolution: shaping the future of cars



● **Camry**
Luxury beyond Excellence



● **Land Cruiser**
The Pride of the World



● **Prado**
All-terrain Luxury



1. Corolla Altis ,Innova, Fortuner, Etios & Etios Liva model automobiles (manufactured in India)
2. Camry, Prado, Land Cruiser 200 and Prius (imported into India as Completely Built Units)
3. Manufacturing / Trading of service parts for the above models

Key Milestones of Toyota in India:

Initiated as a successful joint venture between the Japanese Toyota Motor Corporation and the Indian Kirloskar group, TKM has emerged as a key player in the automobile industry over the past decade.

Toyota Kirloskar Motor took off in India with humble beginnings in the MPV segment and within a

decade has diversified into the mid-range luxury and SUV segments. As a first of its kind venture by Toyota, TKM has started the

manufacture of Toyota's small car in India.



A bird's eye view of the Toyota Kirloskar Motor, Bidadi manufacturing facility

TKM is situated in the Bidadi Industrial Area, which has been earmarked by the Government as an industrial area development project. No natural biodiversity habitats are affected by the location of the manufacturing facility.



Legend:

1, Toyota Technical Training Institute [TTTI]

2, National Parts Centre [NPC]

3, Test Track

4, Afforestation Zone

5, Plant 1

6, Plant 2

7, On-Site Supplier's Park [OSS]



Awards and Accolades



TKM was awarded the BEST EXPORTER AWARD for 2010-11 by the Federation of Karnataka Chambers of Commerce and Industry.

The award was received by Mr. Shekar Viswanathan Deputy Managing Director, TKM from Mr. Anup K Pujari, IAS, Director General of Foreign Trade.

TKM won the Golden Peacock Environment Management Award 2010 in the Automobile Sector category in recognition of its significant achievements in Environment Management System. Mr. Mahesh N Salkar, Vice President, TKM received the award from Mr. Ola Ullsten, Former PM, Sweden and Chairman, World Council For Corporate Governance, and Dr. Madhav Mehra, President, WCFCG [left]



TKM won the CII-ITC SUSTAINABILITY AWARD 2010 for the second consecutive year in the Large Business Organizations category in recognition of significant achievement in Environment, Social and Economic dimensions.

Mr. Parameswaran Balakrishnan, General Manager (HRD) TKM received the award from Mr. Pawan Kumar Bansal, Honorable Union Minister for Water Resources and Parliamentary Affairs, Government of India.

TKM was awarded the Best Safe Industry [Large Scale Industries Category] by Department of Factories and Boilers, Government of Karnataka.

The award was received by Mr. Raju B Ketkale, General Manager, TKM from the Honorable Minister of State for Labour Mr. BN Bache Gowda.



Corporate Governance

TKM recognizes that good governance is a sine qua non for sustainability. The value statement, code of ethics and internal control mechanisms define our value system and reflects our culture and commitment to the values of corporate governance.

Toyota Kirloskar Motor promotes a culture of high ethical standards, integrity, transparency and accountability in all our business

transactions and in compliance with all laws and regulations. The company has established internal control mechanisms to ensure the observance of the norms of corporate governance and believes in a system driven performance with the highest priority given to these systems.

TKM Vision & Mission

To enhance the quality of daily operations, inculcate a unique

corporate culture that values innovative ideas, continuous improvements and nurtures a commitment to the environment and to also build long standing relationships with the stakeholders to remain a trusted corporate citizen, TKM faithfully abides by the following Vision and Mission statements.



Vision

- Delight our customers through innovative products, by utilizing advanced technologies and services
- Ensure growth to become a major player in the Indian auto industry and contribute to the Indian economy by involving all stakeholders
- Become the most admired and respected company in India by following the Toyota way
- Be a core company in global Toyota operations

Mission

- Practice ethics and transparency in all our business operations
- Touch the hearts of our customers by providing products and services of superior quality at a competitive price
- Cultivate a lean and flexible business model throughout the value chain by continuous improvement
- Lead Toyota's global operations in the emerging mass market
- Create a challenging workplace that promotes a sense of pride, ownership, mutual trust and teamwork
- Create an eco-friendly company in harmony with nature and society

Through these activities establish a superior brand image in India.

Toyota Kirloskar Motor Private Limited Policy for 2011-12

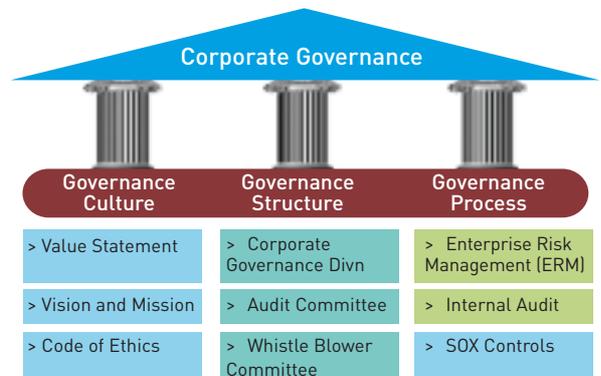
"Q (Quantity) & Q (Quality)"

- To maximize customer happiness through quality products & service.
- To achieve sustainable profit through conscious effort of all stakeholders and strategic product development.
- To establish robust corporate governance & promote the awareness.
- To optimize & secure all stakeholders capability through collaborative projects based on the Toyota Way.
- To develop agile & flexible workforce through systematic human development.
- To Enhance Toyota image in the society through Eco products & CSR activities.

Challenge the aftermath of Japan crisis.....

Corporate Governance Environment

TKM has initiated bold steps to enhance the corporate governance environment. During 2010 a high level task force was formed to assess the governance status and recommend a revamp of the system. The committee submitted its report in December 2010. Based on the report, a Corporate Governance [CG] Division was formed. The task of the CG division is to establish good governance in the company and educate all stakeholders. In this context many initiatives are being taken. The CG environment in TKM is depicted in the schematic at right.



Value Statement

HONESTY
I will be honest to my profession in spirit, word and action.



HUMILITY
I am proud about myself and I will treat everyone with same respect that I expect.



HARMONY
I will work with team spirit and will not live at the cost of others.



COURAGE
I will work for continuous improvement to lead from the front amidst all adversities.



ACCOUNTABILITY
I will take ownership for all my actions.



TKM has released the value statement for the company after due deliberations and with the understanding of all stakeholders. These are the core values that are to be cherished and imbibed by its members at all times in their personal and professional life. The value statement was released by the senior management involving all functional heads. An oath is taken by all team members to inculcate these values.

Code of Ethics

Toyota Kirloskar Motor has a comprehensive Code of Ethics based on the guiding principles of Toyota. The values along with Code of Ethics go a long way in establishing the company as a good corporate citizen. The code clearly charts out the manner in which the employees of the company should interact with internal and external environment

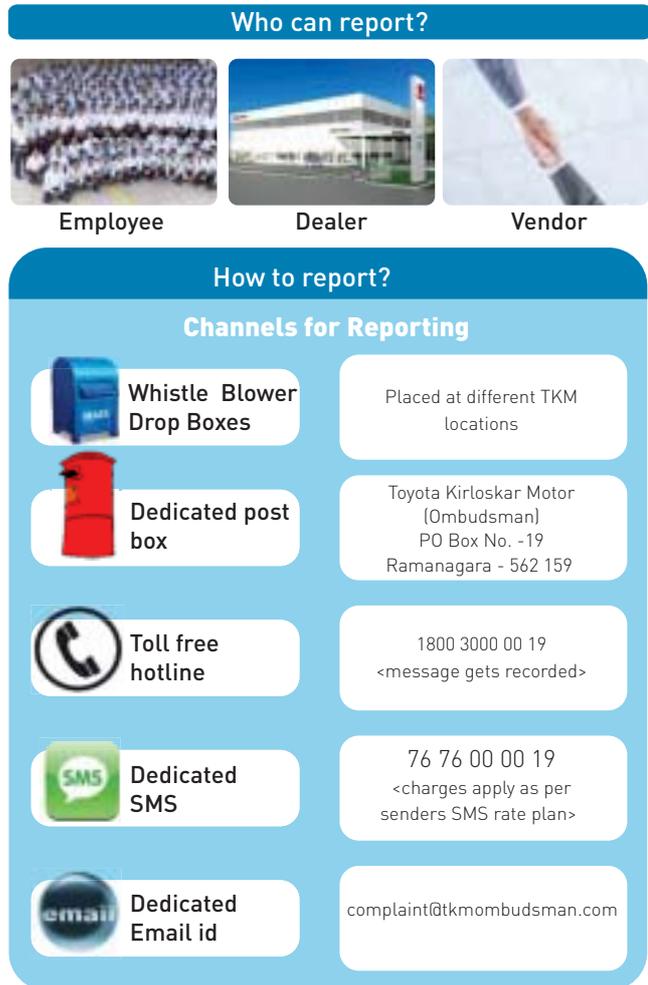
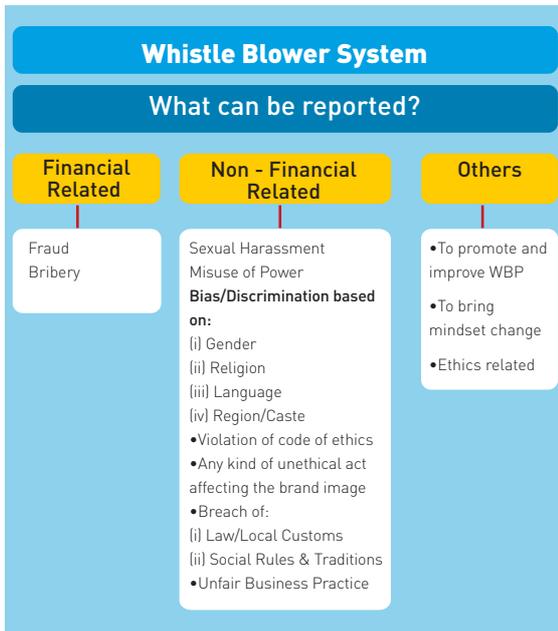
- superiors, subordinates, suppliers, dealers, local community, public and government. The broad areas of coverage are legal compliance, conflict of interests, mutual trust and team work.

Internal Control Mechanism

TKM practices a risk-based, focused, internal audit system. TKM uses the services of an external audit firm so that the independence of the auditor is maintained. Critical issues of audits are reported to the Audit Committee on a half yearly basis, enabling the management to take corrective actions. TKM also conducts SOX audit as a part of Toyota Motor Corporation's global audit requirement.

Whistle Blower Policy: Effective implementation of Whistle Blowing System

As a company which encourages and respects professionalism, honesty, integrity and ethical behaviour, a "Whistle Blowing System" is in place at Toyota Kirloskar Motor to give an opportunity to all stakeholders to fearlessly report any unethical behavior noticed by them. The scope of coverage is vast, channels provided for reporting are many and an ombudsman has been appointed to receive and investigate the issues with the advice of a Whistle Blowing Committee consisting of the senior management.



Board of Directors

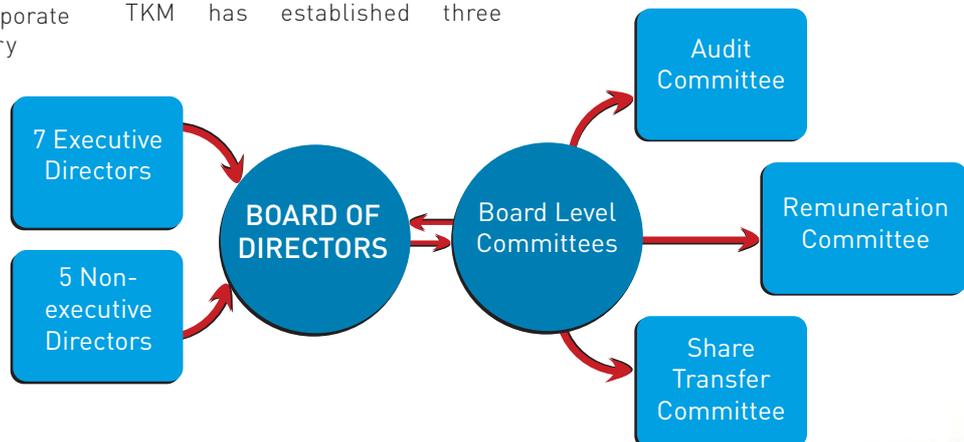
The Board of Directors at Toyota Kirloskar Motor forms the highest governing body, which is responsible for corporate governance and represents the interests of our stakeholders. The Board provides strategic guidance and frequently reviews corporate policies, regulatory compliance, significant management decisions and overall performance of the organization.

The Board comprises of seven executive directors and five non-executive directors who meet at least once in every three months. The Board of Directors provide direction to the management on labour

practices, corporate social responsibility, environmental and sustainability initiatives. Further, the Board plays a vital role in overseeing the compliance of legal and operational requirements.

TKM has established three

important committees at the Board level to review significant policies and activities and make recommendations in their respective areas.

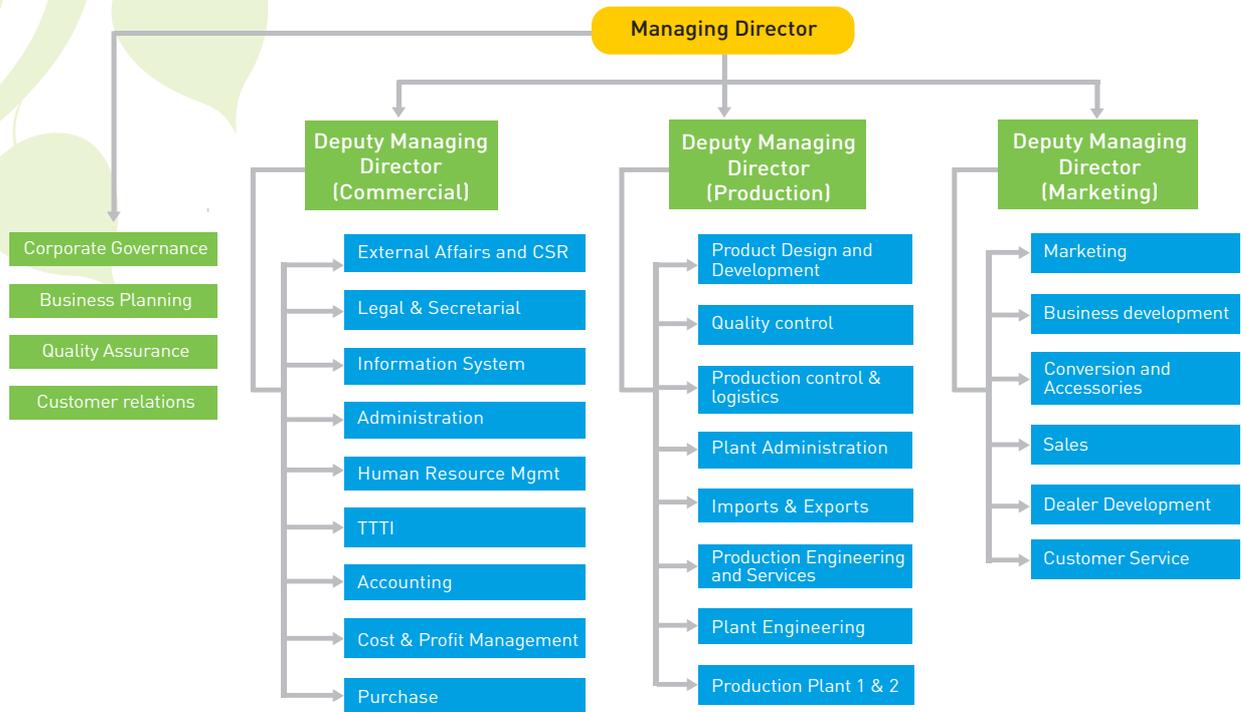


TKM's Hierarchy:

Toyota Kirloskar Motor has a strong organization that takes up sustainability initiatives and

promotes them effectively. The organization is mainly divided under three heads, namely Commercial,

Marketing and Production. The details have been mentioned in the chart below.



Stakeholder Engagement

Any individual or organization affected by Toyota Kirloskar Motor's operations, or whose activities affect our sustainability trends is perceived as a key stakeholder of the organization. Following is a schematic representation of the perceived Stakeholders of TKM.



ENVIRONMENT

PERFORMANCE



Earth-conscious

Deploy leading edge technologies in a growing range of models with respect for the planet and people.

Environment Performance: Treading a Greener Path

Toyota Kirloskar Motor has focused on achieving harmony between its manufacturing activities and the environment, based on the concept of 'A plant that optimally utilizes natural resources while operating in harmony with the natural environment.'

In concurrence with Toyota's Environment Action guidelines, TKM has come up with its own set of initiatives towards promoting sustainability at the manufacturing site in India. This section elucidates the activities taken up at the manufacturing site at Bidadi, Bangalore in detail.

Toyota EMS Concept:

The Toyota EMS (Environment Management System) holds the key to environment management efforts across Toyota affiliates and at TKM alike.

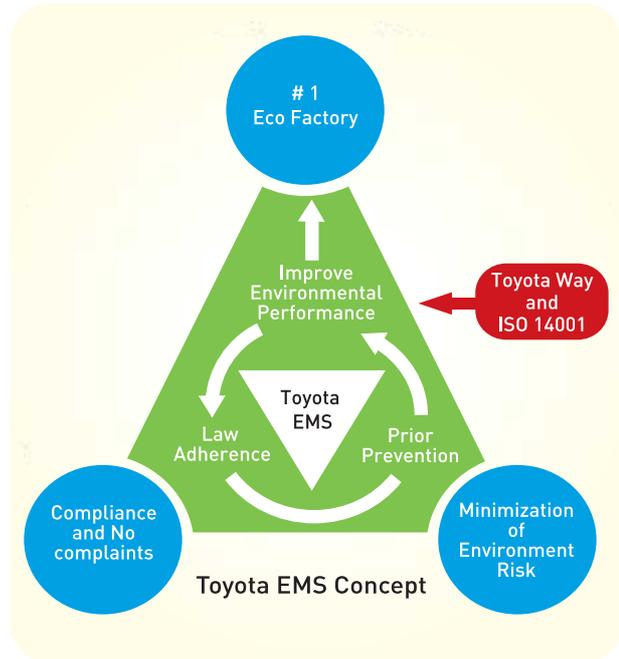
Toyota EMS concept is applied to drive a continuous performance improvement cycle in line with corporate policies and strategies and site specific objectives. The key elements of the EMS system are 'compliance/no complaints' and 'environment risk mitigation'.

The Environment Management System (EMS) has been used effectively in order to achieve the objectives of environment policy. EMS forms the backbone of our commitment towards reducing our carbon footprint and we have been re-certified for ISO 14001:2004.

In a pioneering effort, TKM has been strongly promoting ISO 14001 certification among its suppliers and dealers.

The core idea is to promote environment friendly operations among all our stakeholders. In a significant achievement, TKM has been successful in promoting ISO 14001 to 78 percent of its suppliers and more than 84 percent of its dealers in 2009-2010.

The external auditing agency has awarded TKM with zero non-compliance for five successive years for the highest degree of abidance to EMS (ISO 14001:2004).



TKM Environment Policy

As a good corporate citizen, we are committed towards the protection of the environment by minimizing impact on environment through pollution prevention, conservation of natural resources and continual improvement.

To support this commitment, our policy is to:

Proactively promote environmental awareness and knowledge among Team Members through continual education and job specific training.

Ensure compliance with legal as well as other requirements to which our company subscribes.

Establish and review environmental objectives and targets annually to ensure better environmental performance through proactive continual improvement activities.

Establish programs and conserve energy, natural resources, flora, fauna and build a green environment, within and surroundings as a part of our policy.

We recognize the importance of continual improvement in environment performance while creating economic growth and maintaining competitive advantage. We are committed to

this philosophy and it is our hope that, you, our Team Members, suppliers, customers, dealers and neighborhood share our commitment in preserving a very valuable resource - OUR ENVIRONMENT.

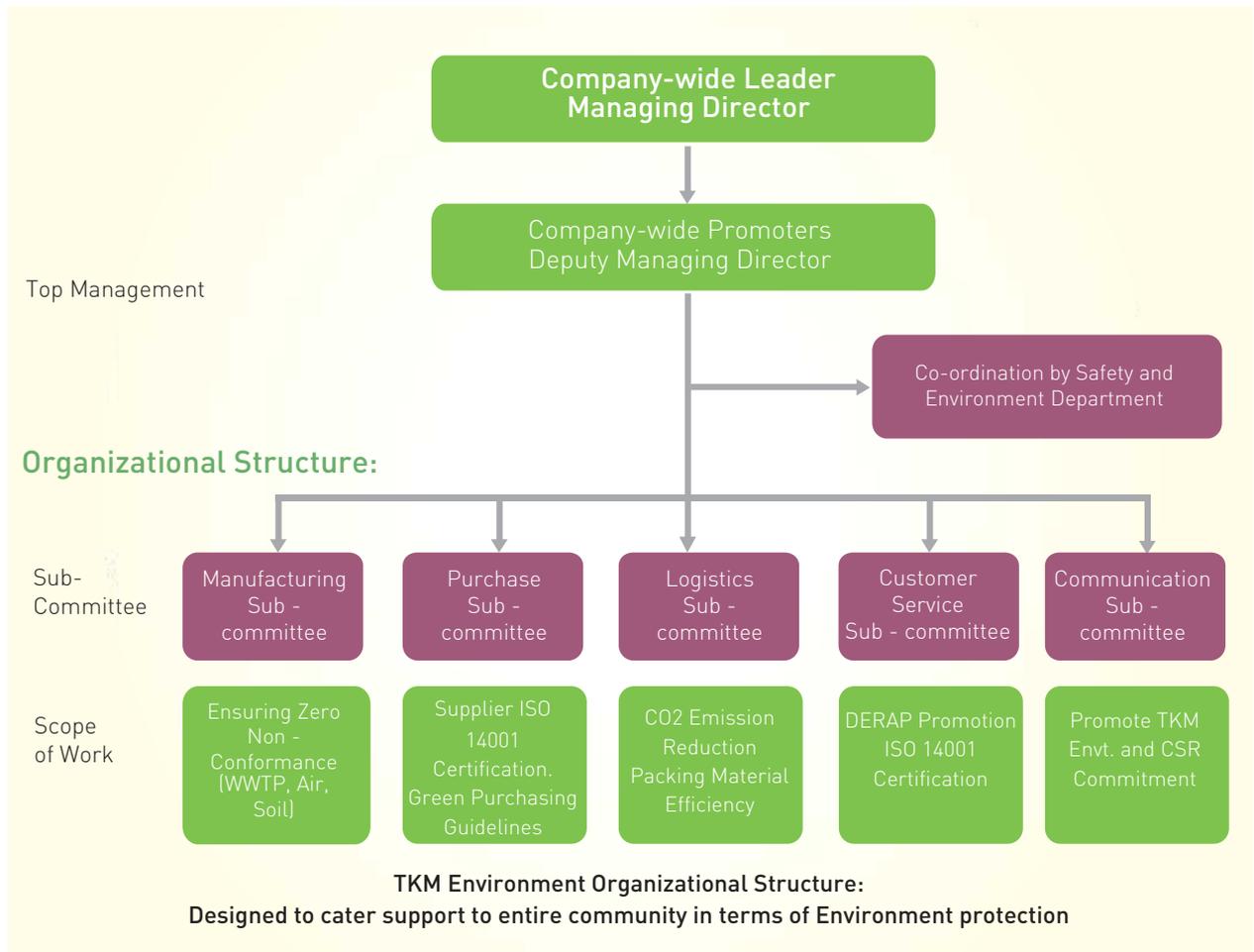


TKM Environment Committee

A strong set of basic principles and values guided by the Toyota Earth Charter leads TKM in its continuous efforts to operate in harmony with nature. TKM's environment initiatives are constantly furthered by the top management, which have made TKM the frontrunner in the region.

TKM's Environment Committee is headed by the Managing Director, and constantly guided by the Deputy Managing Director, division heads and incorporated by individual department heads and department representatives. The Environment Committee comprises

representatives from all functions across the organization. A team of environment engineers centrally co-ordinates the progress of environment related activities of the plant along with the environment sub-committees.



Environment Performance Management

With the aim of operating in harmony with nature, TKM aims to utilize resources wisely and reduce waste from its operations. We have been reporting our resource utilization and waste generation data from our site in our annual sustainability publications.

To guide our actions in this direction, the TKM Environment Policy commits us to control

pollution and reduce energy at every possible opportunity. We continuously strive to minimize our carbon footprint and improve our environment.

Our periodic internal audits and external audits have strengthened our environment management system. Our environmental performance under various key indicators in the last three years is

summarized in the following sections.

Note: The key performance indicators are quantified by units which are usually based on the per unit measurement over the entire year.

TKM Five Year Environment Action Plan

TKM's Environment Committee, in the course of planning and managing the organization's environment performance, has been implementing five-year-plans since

inception. These five year environment action plans are intended to serve as the guidelines for all activities from an environment perspective. The table

gives details of the various action items and goals, and the performance data for the reporting period.

Action Item	Specific action items & Goals	5yr action plan status - FY2010	
		Target	Actual
Reduce CO ₂ emissions in production and logistics activities of each country and region.	Production:		
	Energy Reduction	4% Redn.	4% Redn.
	Reduction in electricity consumption. (Purchased+generated) (kwh/veh) 20% based on Current year status	512 kwh/veh	493 kwh/veh
	Reduction in LPG consumption. (kg/veh) 20% based on Current year status	27.84 kg/veh	25.91 kg/veh
	Reduction in energy. (Total of Electricity + LPG in GJ/veh) 20% based on Current year status.	3.22 GJ/veh	3.1 GJ/veh
	Logistics :		
	Reduction in emission of CO ₂ /unit 15% reduction based on 2006 values	0.55 ton/veh	0.54 ton/veh
Promote the effective use of resources to further contribute to the realization of a recycling based society	Production:		
	Increase Yield ratio	69%	71.8%
	Haz Waste reduction	4%	4%
	Reduction in generation of Hazardous waste (kg/veh). 20% based on Current year status Chemical sludge+Phosphate sludge+Paint sludge)	7.6 kgs/veh	7.03 kgs/veh
	Non-Hazardous Waste Reduction	2%	2%
	Reduction in generation of Non Hazardous waste (Miscellaneous solid waste) by 20% based on Current year status	14.41 kgs/veh	25.51 kgs/veh
	Logistics :		
Reduction of packaging and wrapping materials	100% returnable packaging for all local parts		
Initiatives to promote water conservation	Reduction of water consumption by 10% based on current year status (m ³ /veh)	2%	2%
		4.46 m ³ /veh	3.9 m ³ /veh
Initiative to reduce VOC emissions	VOC reduction	48.5 gm/m ²	41.6 gm/m ²

Production Trends and Environment

The market condition for Toyota vehicles in the Indian automobile sector was favorable in 2009-10 and has been positive in 2010-11 also, consistent with the global and local automobile markets.

This has a direct influence on environment performance

parameters as they are related to fixed manufacturing demands. During the reporting period, the production volumes showed an upward trend representing an increase in resource consumption in terms of increased energy and resource use and an increase in waste generation.

During the reporting period, the production trends saw a marginal increase due to the addition of the new small car, Etios in the newly commissioned plant. TKM intends to ramp up the production volumes while minimizing environmental impact.



Resource Consumption Efficiency

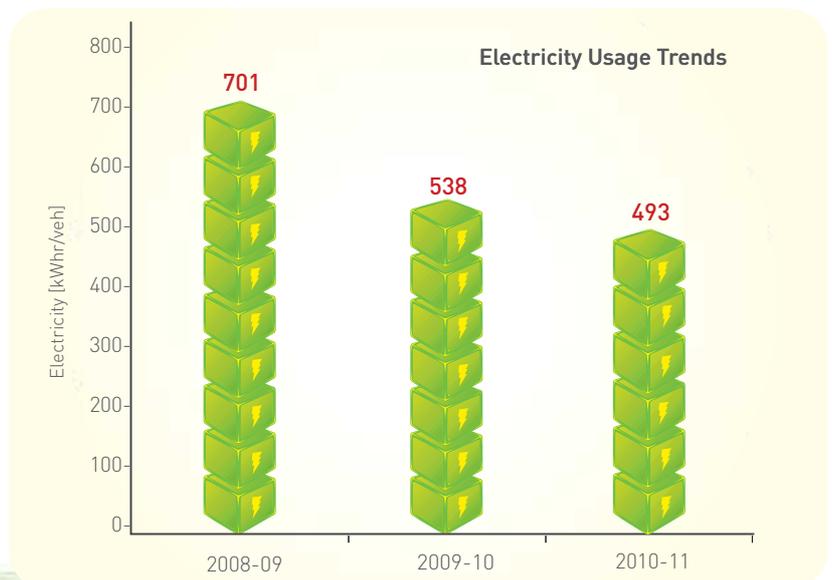
Energy and resource conservation form the basic responsibility of any corporate aspiring to be sustainable. Balancing the ever increasing consumption of resources and the consequent CO₂ emissions with economic development is a major hurdle towards achieving environmental sustainability. TKM promotes energy conservation activities at the manufacturing plant by embracing the five year action plan which sets the annual reduction targets for all environment parameters.

Managing these factors and studying their effects on the environment to stay eco-friendly is a vital part of our Environment Management System. We carefully track trends and usage statistics in concurrence to the saying 'what gets monitored, gets managed'. We also make every effort to reduce resource and energy consumption and limit waste generation.

Electricity

TKM's electricity consumption in the production area has decreased as compared to last year. By the end of 2010, the average amount of

energy required to produce a vehicle decreased by 8.3 percent to 493 kWh per vehicle. In 2010-11, TKM focused on energy saving activities along with optimum plant capacity utilization.



Some of the key kaizens [minor but continuous improvement initiatives] during the reporting period were:

- 1) Variable frequency drive (VFD) installation for varying load requirements
- 2) Illumination standardization

and optimization

- 3) Separation of high and low pressure compressed air lines in the plant

During the reporting period, TKM has cut down on its inhouse electricity generation, in this case

diesel generators, resulting in a decrease in on-site CO₂ emissions. This is after the onset of the dedicated 220kV power supply provision from the Karnataka Power Transmission Company Limited [KPTCL] grid.

Water

During the reporting period, the specific water consumption for production decreased by 12 percent as compared to the previous year, to reach a minimum of 2.9 m³ per vehicle. Water usage levels, like those for energy, were affected by the increase in production volume. Considerable efforts were made towards monitoring and standardizing variable and fixed load consumption.

TKM continued to target the elimination of unnecessary water usage through kaizen and by the

implementation of best process technology such as membrane bio-reactor (MBR) and reverse osmosis (RO) treatments that allow the recycling of wastewater.

Water Conservation

The process of treated waste water recycling for production processes has been in place at Toyota Kirloskar Motor's Plant I and will be continued in Plant II as well. The second plant will have a water recycling rate of up to 40 percent. The recycling process employs a

membrane bio-reactor [MBR] and a reverse osmosis unit.

In a unique effort at the new plant, emphasis is made on segregating the waste streams from the source based on strength of the waste water and to treat them accordingly. This has ensured that there are no fluctuations during treatment and treated waters are well compliant to disposal requirements. We also ensure that water use for operations does not affect water sources adversely.



Steel

Steel, historically has been the true driver for industrialization across the globe. It forms the major raw material used in the automobile industry. A car's body has to be the epitome of safety, stability, durability and consistency. Steel usage also has an environment impact,

particularly with respect to resource consumption and global warming.

Steel Yield Improvement

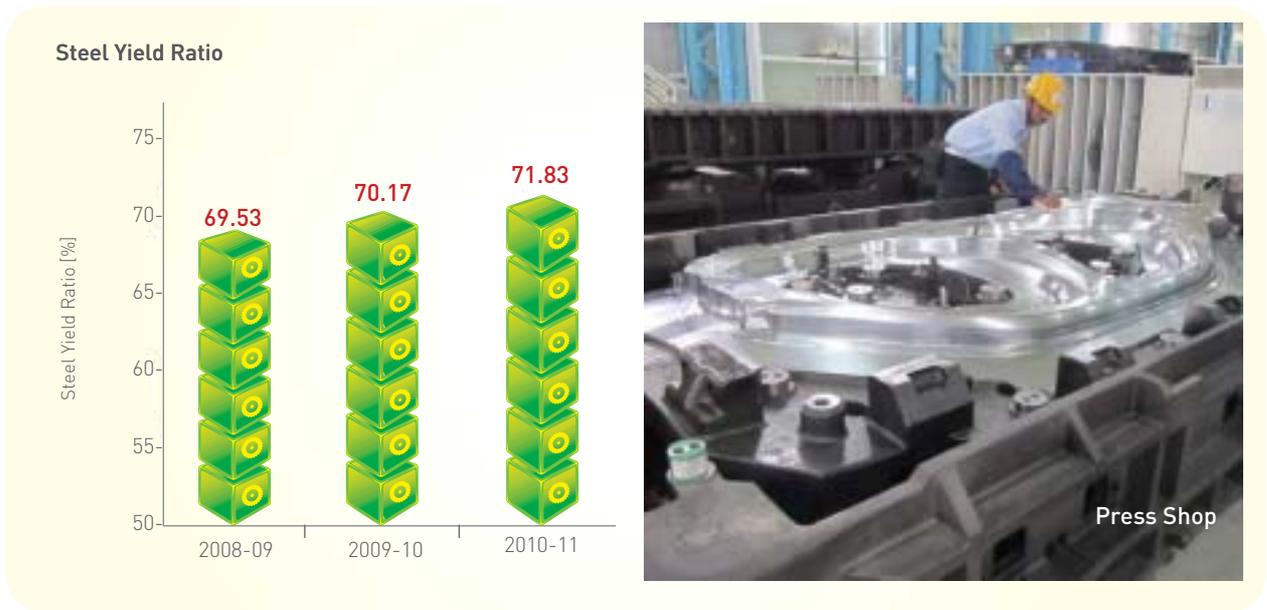
Steel has been a very substantial raw material for the passenger car automobile industry where it

constitutes up to 23 percent of the weight of the final finished product. The use of steel at TKM begins with de-coiling and cutting processes, both of which are carried out by an on-site supplier.

TKM's objective in reducing Steel wastage is to reduce the carbon footprint from steel manufacturing. As a result of an inhouse study on existing utilization patterns and brainstorming sessions with team members, suppliers and the steel manufacturers came up with ideas to increase steel yield ratio. Steel

yield refers grossly to the ratio of steel that goes into the making of the automobile to the total steel procured. The team devised a three-tier solution that consists of kaizen or continuous improvement at various levels, namely the TKM's press shop, the steel supplier and non-auto parts suppliers and

manufacturers. The changes implemented in these kaizens have led to the reuse of approximately 180 tonnes of steel and a significant reduction of CO₂ emissions every year. We manage material usage by maximizing utilization efficiency and not through the use of recycled materials in products.



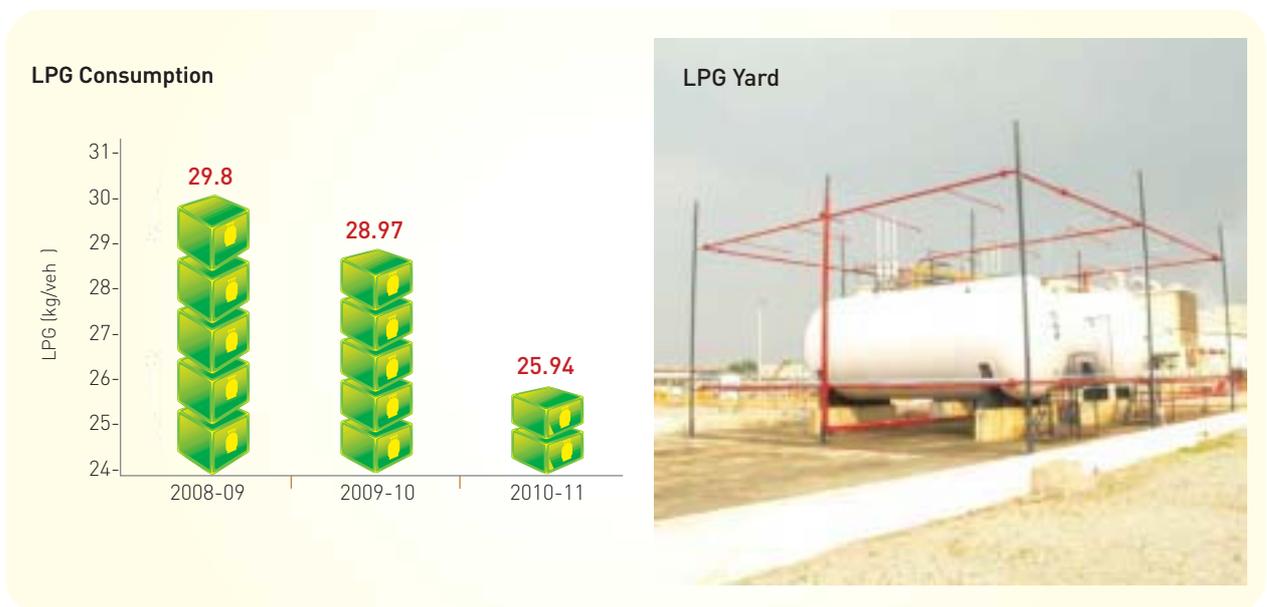
Liquefied Petroleum Gas (LPG)

Liquefied Petroleum Gas (LPG) serves as the prominent primary energy source for heating in ovens and boilers at TKM. We have been able to sustain a decreasing per unit consumption trend as

compared to the last financial year.

Optimization of oven start-up and shut down has been one of the path-breaking improvements that were taken up during the reporting

period. Though we do not employ any renewable sources of energy, we have processes and work cultures in place to ensure maximum possible reduction of energy use.



Minimizing Effluents, Emissions and Waste

Emission Reduction: Volatile Organic Compounds:

While there is no mandatory legislation for mitigation of VOC emissions, it has been a part of Toyota's global environment policy to reduce VOC emission from the

painting process. With this end in view, we have introduced water-borne paint technology at the new production facility, Plant II. Further, the use of regenerative thermal

oxidizers (RTO) ensures destruction of VOCs emitted from painting operations.



Waste Minimization

TKM has resolved not to add to the growing global quantities of waste through reduction and recycling of waste material. We aim to achieve zero hazardous waste to landfill consistent with the Toyota earth charter.

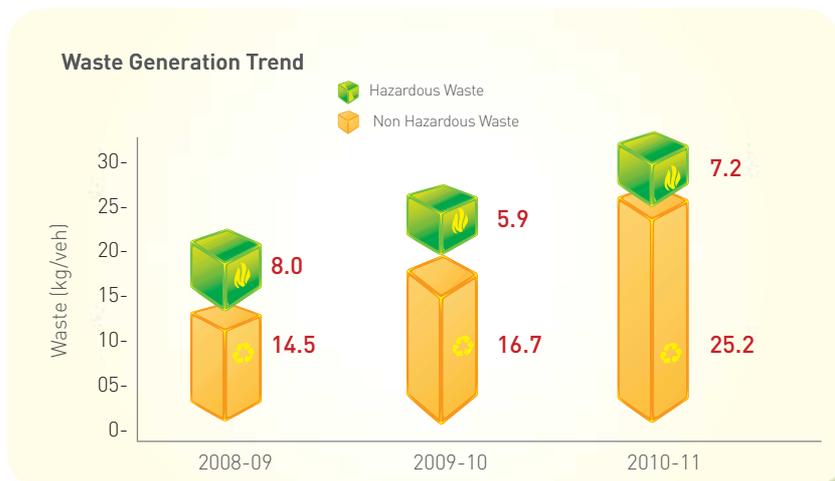
We have been sending hazardous wastes to co-process at the cement plant to realize the philosophy of "zero hazardous waste to landfill". Other initiatives towards hazardous waste reduction include the establishment of a solar drying facility to reduce excess moisture content in hazardous wastes.

There has been an increase in the non-hazardous waste quantity resulting from the introduction of a new production facility and a new model. With the introduction of the Etios, the packing material waste contributed to the increase in non-

hazardous waste. However, we would like to draw the reader's attention to the fact that the waste under this category is subjected to complete material recovery and/or recycling.

We strictly comply with the legal requirements restricting trans-boundary movement of hazardous

wastes. TKM also has no history of accidental spills or has had any action taken against it for non-compliance with environmental laws and regulations.



Success Stories: Environment Conservation initiatives

TKM has been promoting energy conservation initiatives to continuously improve the environment performance. This section shall elucidate some of the

key kaizen [continuous improvement activities], most of which have been initiated by the working group members themselves. Generation of such

high value adding kaizens by the grassroots level work groups indicate the high degree of human development among the workforce.

Energy Saving in MBR operation through reduction of blower running pressure

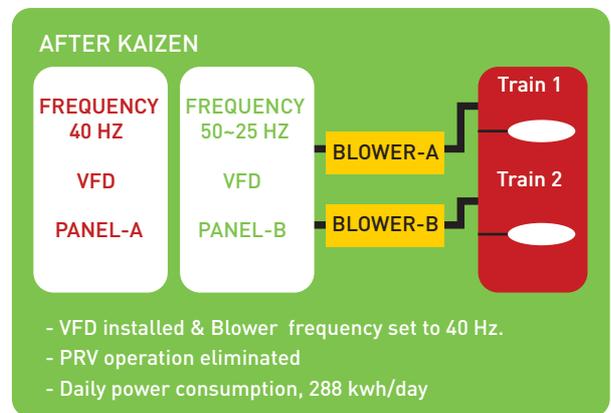
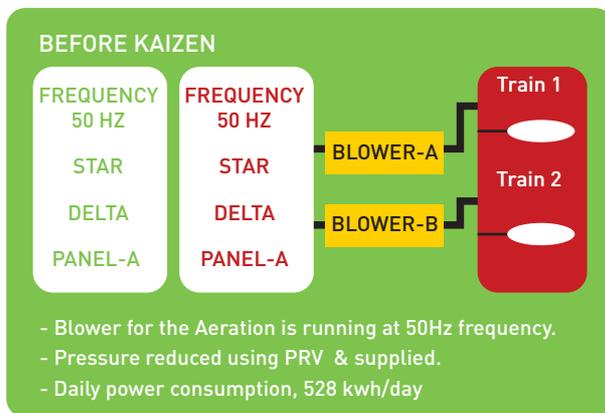
The waste water treatment step involving advanced but energy consuming Membrane Bio reactor [MBR] involves air blowers running 24x7.

There are continuous variations in MBR air pressure requirements

which is conventionally fulfilled by Pressure relief valves [PRV], by maintaining the supply pressure.

VFD is installed to supply air at required pressure. This is achieved by setting the frequency of motor using VFD.

Owing to the variable requirements of the wastewater flow and oxygen requirements, the implementation of Variable frequency drives has yielded excellent results in power saving and process control alike.

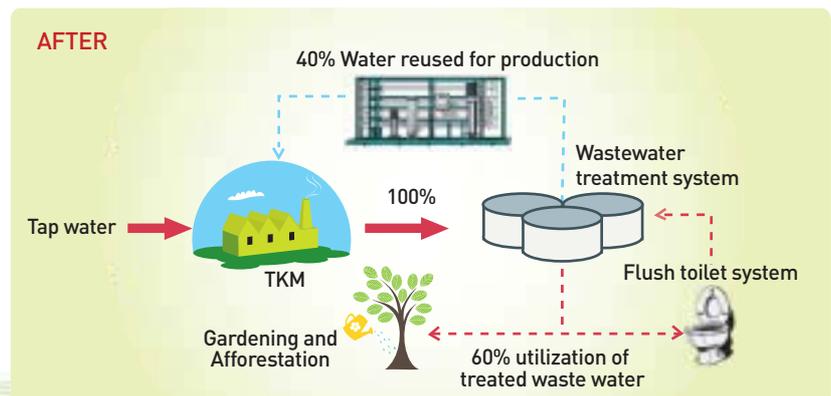
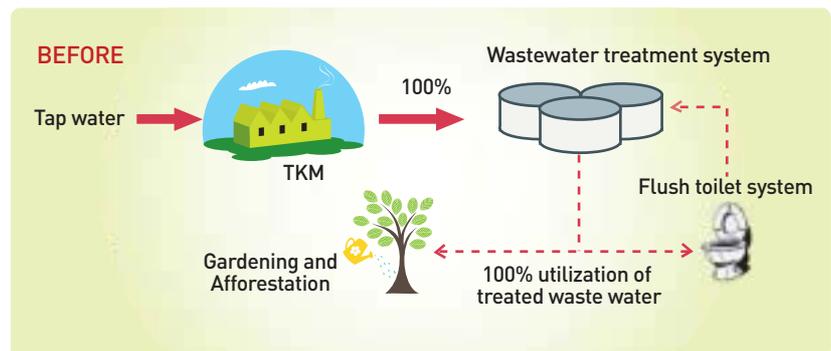


Water Conservation initiative

Toyota Kirloskar Motor, has been continuously promoting water conservation efforts in all processes. Towards this end, many kaizens have been implemented to ensure that TKM adheres to its "Zero Discharge" policy. In order to utilize the treated water effectively, measures like re-use in toilet flushing, irrigating the mass afforestation project and gardening.

As major sustainable plant initiative, we have implemented the MBR [Membrane Bio Reactor] and RO [Reverse Osmosis] in our existing and new plants.

Since the RO treated wastewater meets the quality requirements as that of freshwater, it is being currently being re-used back into the production process. Recycle ratios up to 40% are being taken up, thus reducing the wastewater output to 60% of the original.



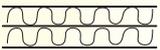
Waste reduction by Reducing the Ply of Packaging material

Used packing materials form a major portion of waste in parts logistics activities.

In this kaizen thickness of carton box was reduced while keeping the

strength constant. This kaizen involves reduction of excess layers of Kraft paper from 5 ply to 3 ply, while being consistent with strength requirement of the packing material.

This change in packing material specification yielded significant reduction in waste generation quantities with virtually zero investments.

	 <p>Before : 5 Ply</p>		 <p>After : 3 Ply</p>	
<p>1st layer - Paper Sheet 2nd layer - Flute 3rd layer - Paper Sheet 4th layer - Flute 5th layer - Paper Sheet</p>				<p>1st layer - Paper Sheet 2nd layer - Flute 3rd layer - Paper Sheet</p>

Establishment of Solar Sludge Drying Facility

- Toyota promotes the policy of "Zero Hazardous wastes to Landfills".
Towards this initiative, TKM has been disposing its hazardous wastes through an innovative process of "co-processing" at ACC Cement kiln at Wadi, Gulbarga.
- Unwanted excess moisture content in the hazardous waste sludges pose load in terms of

higher Haz. Waste volumes and cost of disposal.

Towards reducing this excess residual moisture content, TKM has implemented both source moisture reduction kaizens and establishment of Solar Sludge Drying Facility, which works on the principle of Greenhouse Effect.

This is a zero energy consuming process which is estimated to

reduce excess moisture by up to 40%.



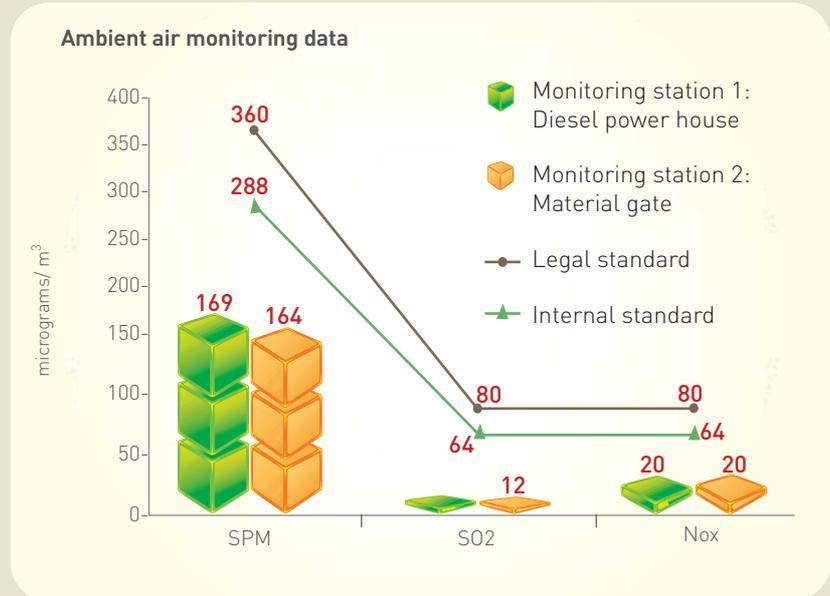
Environment Legal Compliance

While carbon emissions form the largest part of emissions from manufacturing, oxides of nitrogen and sulphur and particulate matter are also considered relevant to environmental performance. The following graph gives data regarding these emissions along with permissible limits.

The TKM plant at Bidadi has been a zero discharge facility. All the pollution levels are well within the limits set by Consent for Operation (CFO) document provided by the regulatory authority [Karnataka State Pollution Control Board]. The CFO covers all aspects of the allowable discharge of effluents under the Water (Prevention and Control of Pollution) Act of 1974 and emissions under the Air (Prevention and Control of Pollution) Act of 1981.

We strictly comply with the legal requirements restricting trans-boundary movement of Hazardous wastes. TKM also has no history of

accidental spills or has had any action taken against it for non-compliance with environmental laws and regulations.



Environment Day Celebration



Environment conservation awareness promotion through banner display



Environment conservation awareness promotion through placard display



Environment Day commitment to all members by Top Management



Environment Quiz for Team Members



Workplace environment kaizen competition and audit by Management



Emission check campaign



Plant visit by neighboring community school children



Rainwater harvesting awareness seminar involving neighboring industries



Environment awareness street-play to students of neighboring community



Exhibition to create awareness in organic farming, indoor gardening and herbal medicine

No-Paper Day Celebration

A day every month is dedicated towards promoting awareness and minimizing the paper consumption at TKM during the reporting period. This activity has been initiated by the General Administration group which has yielded good results.



Monthly awareness promotion by General Administration group



Commitment campaign

TKM Afforestation

Afforestation activity at Toyota Kirloskar Motor initiated as part of Sustainable Plant initiatives. In the year 2009 TKM initiated the activity with the objective to spark the Eco-Mind concept among team members and all the stakeholders.

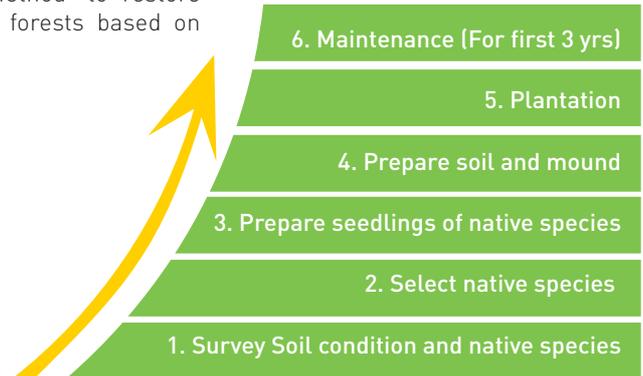
Our aim is to address the challenge, that our forests are

facing today and promote a sustainable society through Afforestation efforts.

Our Message: Treat Our Existing Ecosystem Sacredly.

The entire initiative is based on the 'Dr. Miyawaki Method' to restore and reconstruct forests based on

the concept of "Potential Natural Vegetation", which helps in creating the "perfect forest" by planting with native species so as to create biodiversity and aid food chain and ecology.



Team members involved in the Afforestation Event at TKM



TKM and KSPCB officials at the Afforestation Event at TKM



School children involved in the Afforestation Event at TKM



Top Management at the Afforestation Event at RPMEC (Regional Parts and Manpower Excellence Center), Pune



School children involved in the Afforestation Event at RPMEC, Pune

Afforestation at TKM - Bidadi



Saplings Planted -
1,20,900 nos

Plantation status



21st June 2009



21st June 2011

SOCIAL PERFORMANCE



Enriching lives around the world

Generate stable employment and participate in mutually beneficial business relationships with suppliers and dealers.



CUSTOMERS



EMPLOYEES



COMMUNITY



BUSINESS
PARTNERS



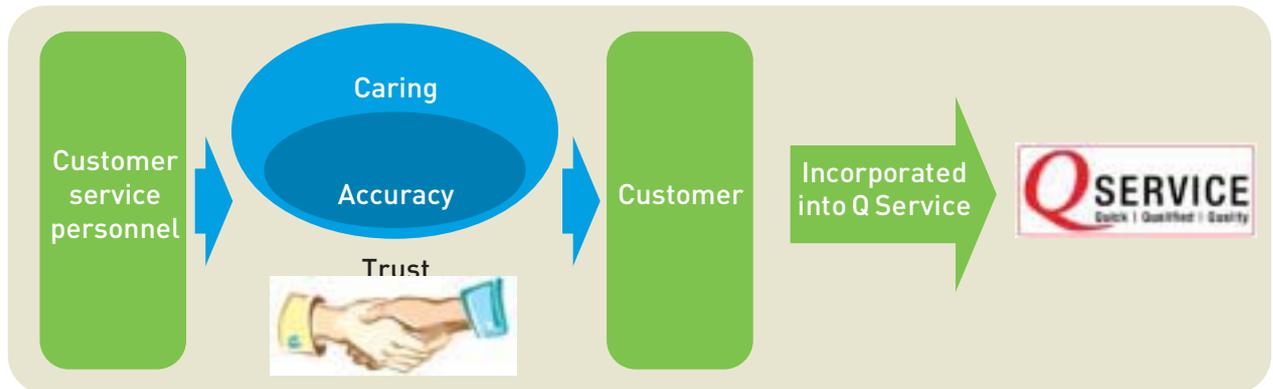
Social Performance: Customers

Customer Service Policy

TKM has clear vision to become most "customer heart touching company in India".

We at Toyota Kirloskar Motor, practice TMC Customer Service Policy: Accuracy + Caring = Trust. We have taken it forward through

our Q Service, keeping human touch as one of the prime factor in India.



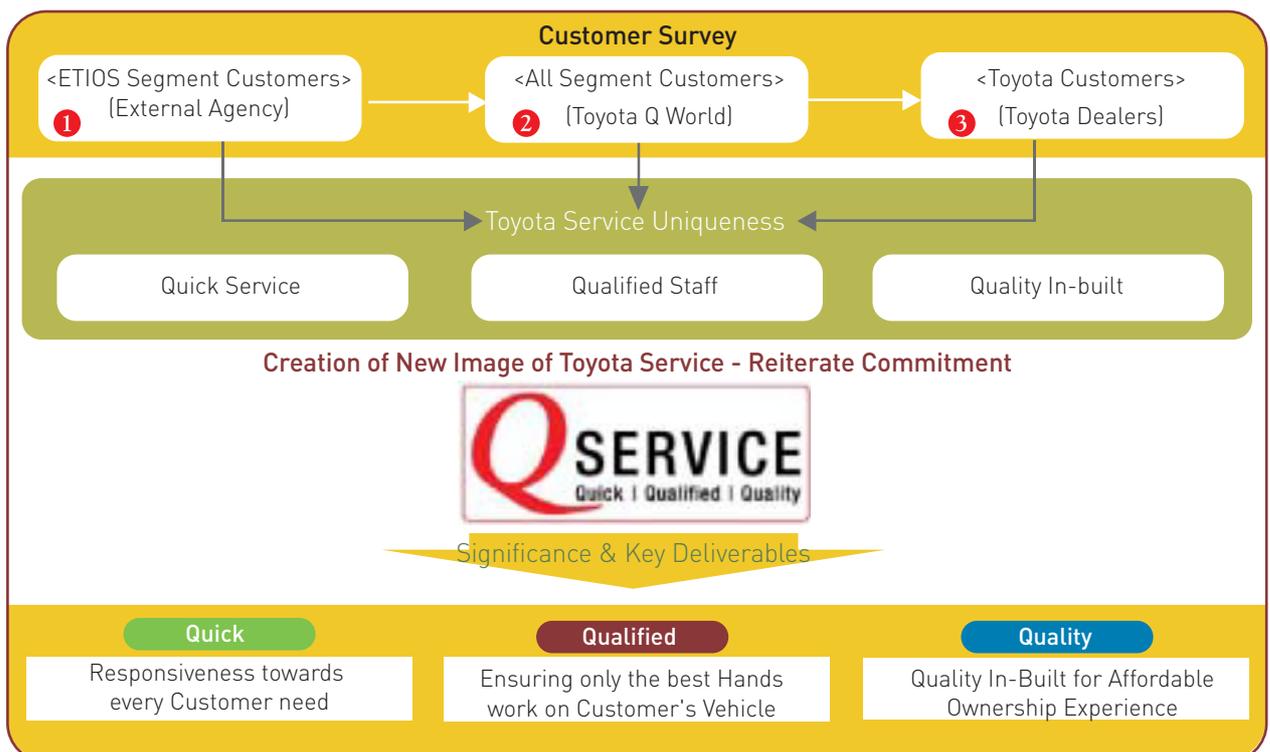
Q Service

Toyota Kirloskar Motor has designed Q Service, a service philosophy which is established as a part of our approach to delivering quality products and service. Q Service revolves around three main pillars – "Quick", "Qualified" and "Quality". These primary attributes are inculcated to create service differentiation, enhance corporate

brand image and reinforce quality processes which Toyota is known for.

Why "Q Service"?

- Promote 'Toyota Quality Service' in line with 'Quality Revolution' Image
- Appeal 'Toyota Uniqueness' which only Toyota can provide under 'Q-Class





Quick



Road Side Assistance:

TKM designed the concept to provide assistance to the distressed customers who are immobilized due to certain problems in the vehicle like functionality problem, accident etc., by providing immediate repair or towing the vehicle to the nearest dealership or providing support to the customer due to the immobility of the vehicle.



Express Maintenance - 60 min service:



Express Maintenance was derived from the concept of TPS (Toyota Production System), To reduce the service lead time to the [to deliver the serviced vehicle to customer by 60 minutes] customer and to establish the lean system in dealers which will increase the productivity and profitability.

This feature adopted at dealer locations aims to deliver a vehicle brought in for service to the customer within one hour and to reduce vehicle unusable time for customers due to periodic service.

evolutionary - Customer Relationship Building [e-CRB]:

e-CRB was introduced to provide "One Class Above" experience to our esteemed Customers and retain them for Life. e-CRB provides unique Sales and Service experience to enhance customer delight, resulting in a higher customer satisfaction index. All our dealer service facilities are equipped with e-CRB tools such as Sales Process Management [SPM], Service Management Board and Customer Service Satisfaction Board [CSB]. With the unique features of e-CRB, TKM has expanded the programme to more than 125 Dealer locations.





Qualified

Gain (T-TEP & Job Portal)

Train (MDPP & Ladder Prg.)

Retain (Skill Contest & Emp. Satisfaction survey)

Promote (Star award & Team Performance Award)

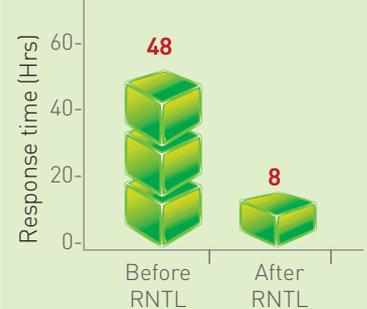
Service Team Support

Toyota has introduced concept of Service Team support to customers in a Quick, Quality and Qualified manner.

This Team is deployed across India as Residential National Technical Leader (RNTL) to support Toyota

dealers in ensuring quality service to our customers. Also, RNTL support helps for product development and new product innovation based on customer requirement into the market. Finally, RNTL Team plays vital role to increase brand image in the eyes of the customers.

Reduction in customer response lead time



Before Condition:

> Before RNTL deployment, to grab the customer voice and requirement leadtime taken was 48 hours

After Condition:

> After introduction of RNTL leadtime reduced to 8 hours and increased customer satisfaction.

1. Presently, RNTL are deployed in 8 location across India.

North	South	West	East
1. Ludhiana	1. Bangalore	1. Mumbai	1. Kolkata
2. Delhi	2. Hyderabad		
3. Lucknow	3. Chennai		

2. Each RNTL takes 8 Toyota dealers and quick grasping of customer queries. Later, reports to head office with less time.



Residential National Technical Leader (RNTL) attending Customer at dealership

RNTL listening and understanding the Customer Voice

RNTL supporting dealers and guiding the technician about diagnosis activity

RNTL carrying the work on the vehicle.

Delivery of vehicle after "Quality Check" to Customer



Quality

Cost of Ownership

Dealer Facility

Staff Courtesy

Fix It Right

No to Counterfeit

Counterfeit parts in the Indian market have become a cause for major concern. A recent study conducted by the Indian Market Research Bureau (IMRB) endorsed by the Society of Indian Automobile Manufacturers (SIAM) suggests that India has become a global hub for counterfeit parts. Today, the estimated size of the counterfeit market in India is said to account for between 32% and 47% of the parts industry. This has motivated Toyota Kirloskar Motor Private Limited to start an anti-counterfeit campaign. Illegal sales of non-genuine parts such as oil filters, fuel filters, air filters, engine oil, and coolant were decreasing Toyota Kirloskar Motor market share despite an increase in part sales. To counter this trend, TKM chose to focus on promoting awareness by educating their customers so they could enjoy a safe driving experience.



CSI Improvement

JD Power Survey on Customer Satisfaction Index (CSI):

Toyota operations and standards are designed in line with our concept of 'Customer First'. We have tied up with JD Power Asia Pacific to conduct internal customer satisfaction surveys. The survey results are shared with all concerned stakeholders and actions are taken to improve customer satisfaction.

JD Power surveys customers of all automobile manufacturers for their satisfaction towards vehicle service experience. They bring about the survey result in form of Customer

Service Index (CSI). Toyota CSI score for 2010 is 777, an increase in 23 points over previous year.

Various initiatives were taken towards improving Customer Satisfaction under the program Sarvottam 850+ (Best Customer Service in Town), most of them already covered under Q-Service.



Initiatives to enhance customer satisfaction

Customer First Exhibition

The 'Customer First' exhibition is 3rd annual event held at TKM to enhance in-house, suppliers design and manufacturing quality. The content focused on Toyota's Customer First activities, and quality improvement best practices. Also available to participants were video tapes presenting opinions "straight from the customer" and on Toyota's approach to quality entitled Everyone Has Their Part to Play in Guaranteeing Quality. The comments and opinions straight from customer had a tremendous impact or that they intended to take on board the best practices in their own workplace, showed a high level of interest towards quality improvement.



Endurance Trial: Customer usage and adaptability to Indian road conditions

Endurance Trial is a program conducted during the initial stages of a product launch. Conditions specific to Indian roads are taken into consideration and products are tested in these conditions to identify concerns due to the road conditions and attributes unique to India. Early feedback is provided to the design process for necessary early corrective action measures.



Endurance trials extend to the extreme terrains of India

Recognitions for Toyota Q-Class

Innova Ranked No.1 in MUV/MPV segment in initial quality by JD Power Asia Pacific for sixth consecutive year.



Fortuner Ranked No. 1 in SUV segment.



Towards cleaner and safer mobility

As stated in the Environment Policy, we understand the need for minimizing the impact of vehicles on the environment and its influence on the climate change and biodiversity.

We practice concepts of reducing, eliminating, improving and innovating to sustain and improve the environment in all aspects of the product's life cycle.

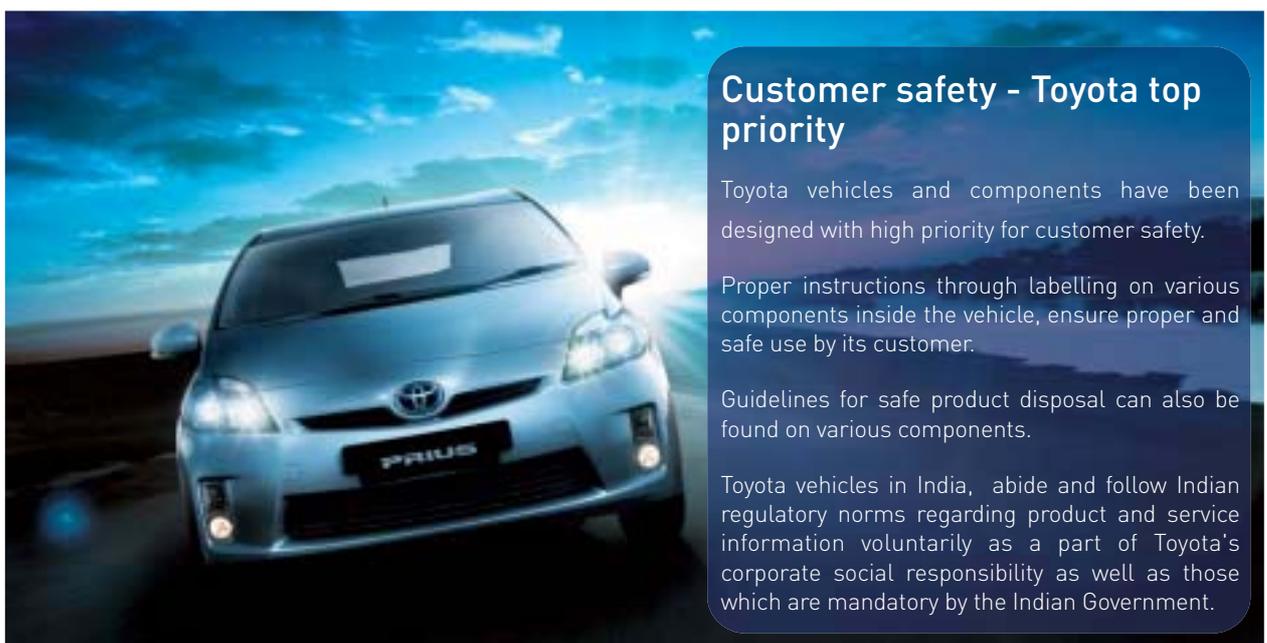
Clean and green Toyota products and services

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 switching to substances with less environmental impact.

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



Customer safety - Toyota top priority

Toyota vehicles and components have been designed with high priority for customer safety.

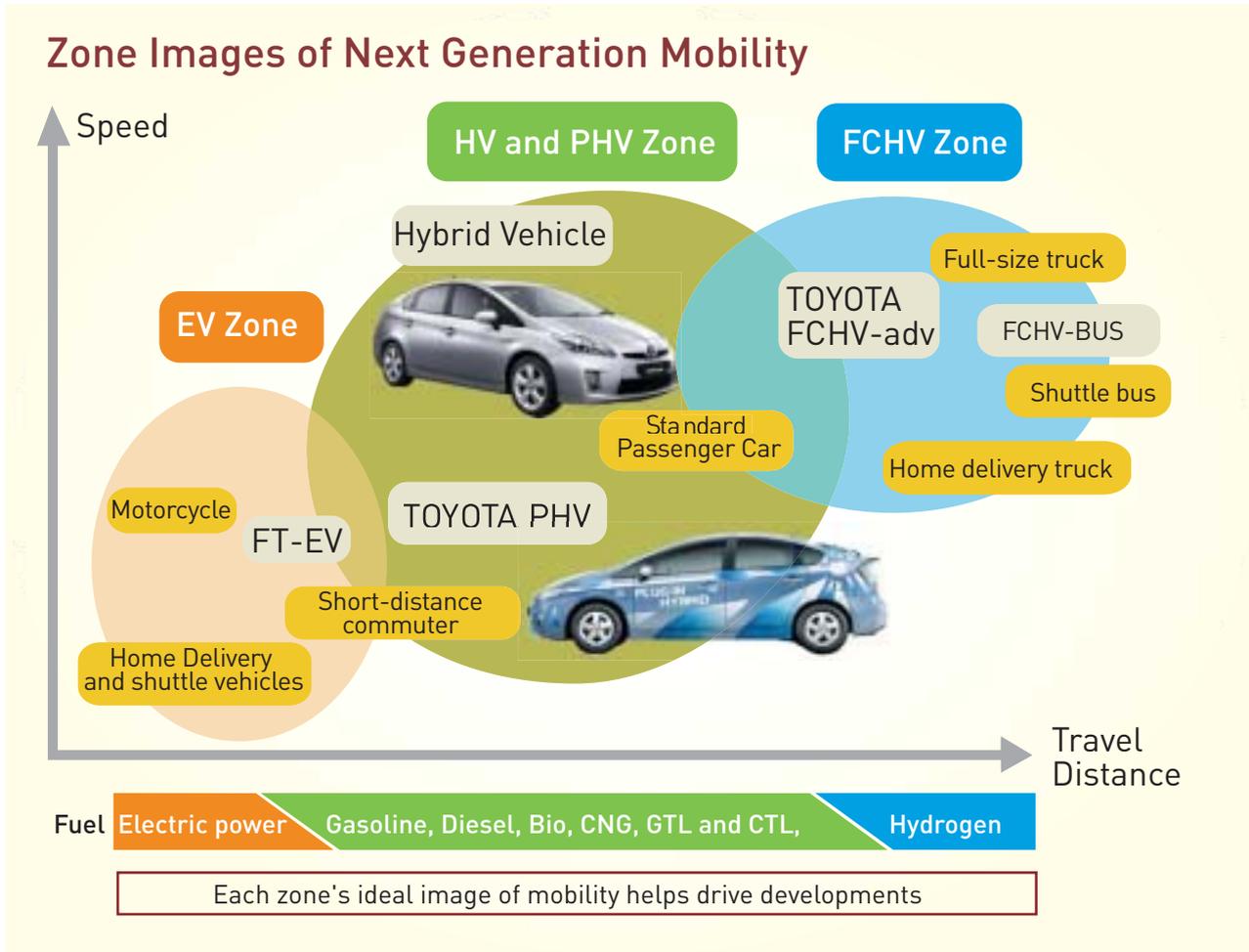
Proper instructions through labelling on various components inside the vehicle, ensure proper and safe use by its customer.

Guidelines for safe product disposal can also be found on various components.

Toyota vehicles in India, abide and follow Indian regulatory norms regarding product and service information voluntarily as a part of Toyota's corporate social responsibility as well as those which are mandatory by the Indian Government.

Toyota's Vision of Sustainable Mobility

" Without focusing on Environmental, Energy and Safety Measures there can be No Future for Motor Vehicles." - Katsuaki Watanabe, Vice-Chairman, Ex-President, Toyota Motor Corporation



Innovation...the key to sustainable development

Toyota believes that Sustainable mobility creates a society that harmonizes mobility, people and the planet.

Toyota business practices have always been promoting development of society with focus on environment, energy and safety while manufacturing automobiles.

Toyota has always been on the forefront and industry leader to develop environment friendly vehicles, which go a long way in

protecting the planet's natural resources and create a greener environment for our future generations.

"TODAY for TOMORROW"

With the rapid industrial growth and advances in technology and also population growth have led to growth in automobile ownership, there has been a rapid increase in the consumption of fossil fuels.

In the continuous endeavour to reduce the consumption of fossil fuels and protect the environment by making greener vehicles, Toyota is

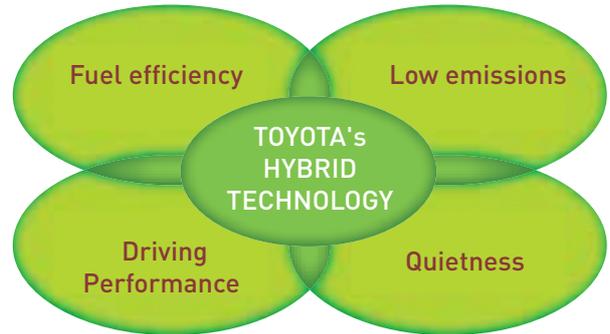
working on the development of alternative energy sources, to assist in reducing CO₂ emissions which cause global warming and improve air quality.

Toyota envisions to create "Eco cars" by developing environment friendly technologies and the Toyota hybrid technology, which is the core of eco car development.

Toyota is enhancing the adoption of 'hybrid technology' across its product range and also in various countries across the globe. Toyota positions hybrid system as the 21st Century's core environmental technology for Sustainable mobility.

Toyota Hybrid Synergy Drive

Toyota's goal of hybrid synergy drive development



Toyota's hybrid synergy drive is a series parallel hybrid system and adopts the best of series hybrid and parallel hybrid system.

Hybrid synergy drive is a combination of electric motor and a gasoline engine and selectively uses the same to take advantage of their key attributes.

Hybrid synergy drive delivers

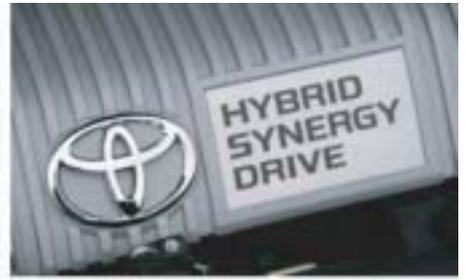
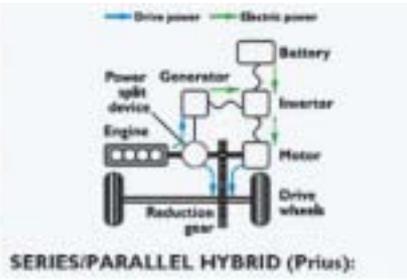
excellent fuel efficiency, exceptional quietness, low emissions meeting world's most stringent regulations without compromising on performance and driveability.

The Toyota Hybrid System II (THS-II) uses the motor to start up the vehicle and operate it at low speeds, and then switching seamlessly to the engine when a certain speed has been reached.

One of the main characteristics of the THS-II is that it can also be operated as an electric vehicle.

Another characteristic of THSII is that it employs a regenerative brake system that converts the kinetic energy generated during deceleration into electricity when the brakes are applied and recovers and stores that energy for reuse as a source of drive power.

Toyota Prius: Advancing the Green Revolution



With a Gasoline-Electric Hybrid Drive, which is a 'Series-Parallel' combination delivering a continuously variable ratio of engine/motor power to wheels.

Toyota Prius Milestones



1995 Prius Concept



1st Generation Prius (1997 - 2003)



2nd Generation Prius (2004 - 2009)

3rd Generation Prius (2010 - Present)



Key Milestones of Toyota Prius

1996	Prius Hybrid Concept displayed in Tokyo Motor Show	2006	Cumulative Prius sales top 500,000 vehicles
1996	1st Generation Prius launched in Japan	2007	Plug in Hybrid using a modified NiMH battery pack testing commences
1998	Prius wins Car of the Year Award Japan	2008	Prius cumulative sales Reach 1 million vehicles
2000	Prius sales begin in Europe	2009	3rd Generation Prius debuts in 2009 North American International Auto Show
2000	Cumulative Prius sales top 50,000 vehicles	2009	Toyota Prius launched in Malaysia, Philippines & Latin America, Costa Rica
2001	Prius launched in United States & Australia	2009	Prius wins Car of the Year Award Japan
2002	Prius sales top 100,000 vehicles worldwide	2009	Prius Plug-In Concept shown at various auto shows
2004	2nd Generation Prius launched	2009	600 Plug-in hybrid vehicles made available for leasing in Japan, U.S. & Europe
2004	Prius wins North American Car of the Year Award & International Engine of the Year Award	2009	Prius cumulative sales reach 2 million units
2005	Production of the Prius for the Chinese market begins	2010	Toyota launches 3rd Generation Prius in India
2005	2005 European Car of the Year		

Facts about Prius :

- The name ' Prius' is the Latin word for 'prior' or 'before'
- The world's first mass-produced gasoline-electric hybrid car
- Prius is sold in more than 50 countries and regions, with its largest markets being those of Japan , United States and Europe
- For Second Generation Prius, Toyota filed 530 patents
- The Prius is the most fuel efficient gasoline car currently sold in the U.S. according to the United States Environmental Protection Agency
- United States EPA and California Air Resources Board (CARB) also rate the Prius as among the cleanest vehicles sold in the United States based on smog forming and toxic emissions
- In United States, it is classified as a SULEV (Super Ultra Low Emissions Vehicle) and is certified by California Air Resources Board as an "Advanced Technology Partial Zero Emission Vehicle" (AT-PZEV)
- U.S. produces more than half the Prius sold worldwide
- 3rd Generation Prius uses a new range of plant-derived ecological bioplastics made from the cellulose in wood or grass instead of petroleum.
- 3rd Generation Prius is designed with an aerodynamic body design with the coefficient of drag of 0.25 Cd.
- For 3rd Generation Prius, Toyota filed over one thousand patents during the development

It has been 12 years since Prius, the world's first mass-produced hybrid car, was launched.

Toyota now offers 12 hybrid passenger vehicles, including Prius [As of April 2010]

As of April' 2010, over 2.5 million Toyota hybrids have sold in Japanese and international markets.

Toyota has contributed to reductions of CO₂ emissions by an approximate 14 million tonnes to date.

Moving Forward towards Greener Tomorrow - Toyota Prius for India

Toyota is committed towards bringing the latest technologies in India and help in reducing the carbon footprint.

In addition to fuel efficient and less emission emitting gasoline and diesel engines, Toyota has introduced the globally renowned Hybrid technology in India.

Toyota introduced the 3rd generation Prius in India at the Auto Expo in December 2010 and has been on sales since then.

Toyota Prius has a class leading fuel efficiency of 23.91 km /lit (as tested by Indian Test Agency)



Toyota Etios "World First, India First, My First" Toyota's 'Monozukuri' Philosophy to Contribute to Society

Monozukuri: Application to production of automobiles

Toyota's Guiding Principle: Contributing to society through making products that are useful to society.

Toyota has always pursued a sustainable method of making cars - more safe, more reliable, environment friendly and comfortable.

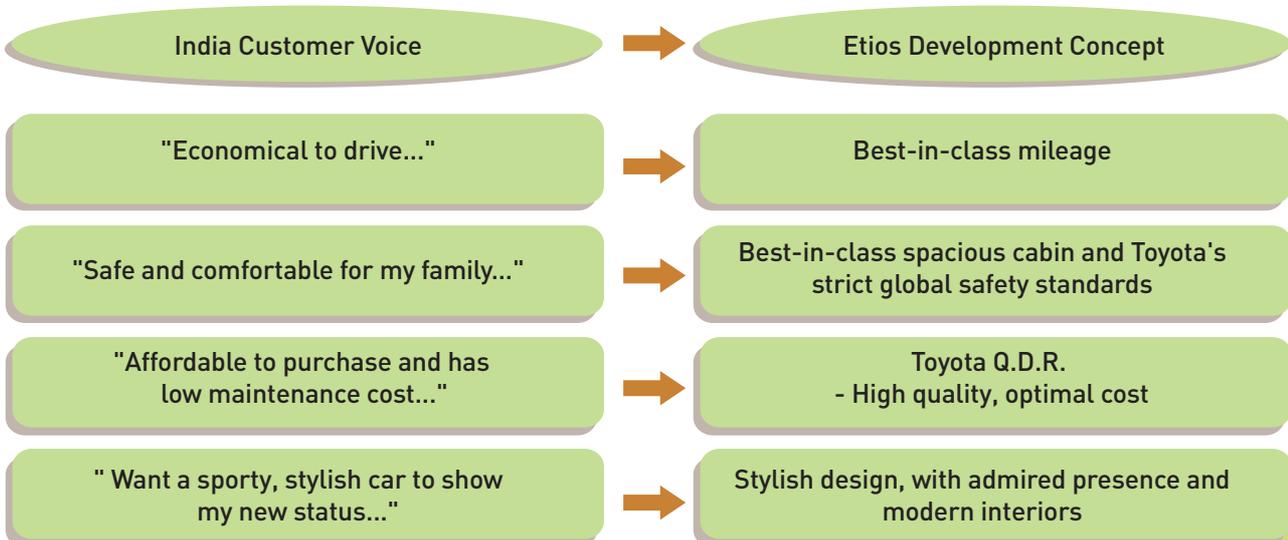
The challenging task is to grasp the

future of motorization and to make cars that would contribute and change society, not only in developed countries but also emerging countries like India, where due to tremendous growth in economy has lead to increasing use of cars.



Etios - Toyota's Sustainable Car for Emerging India

Amongst the emerging countries, competition in India is very intense and there was a need to provide high quality, safe & affordable cars, meeting the local needs.



Best mileage



Newly Developed 1.5 L, 16 valve DOHC engine with a mileage of 17.6 Km / Lit [As per test agency under Rule 115 of CMVR, 1989]

Toyota QDR



Anti-corrosion steel



Powerful AC with clean air filter

Modern, stylish design



True sedan - spacious and compact



Instrument panel designed like an aircraft cockpit

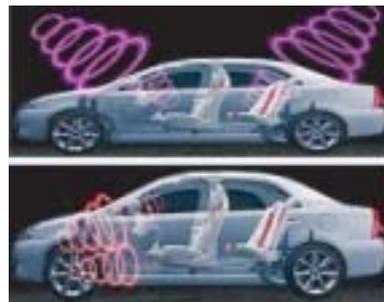
Most spacious



Smartly designed ergonomic interior with flat rear floor

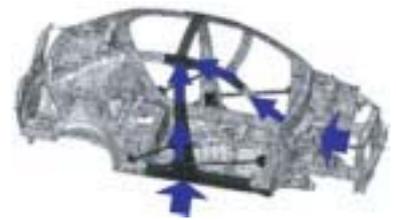


Unbeatable boot capacity (595 L)



Reduced wind and engine noise

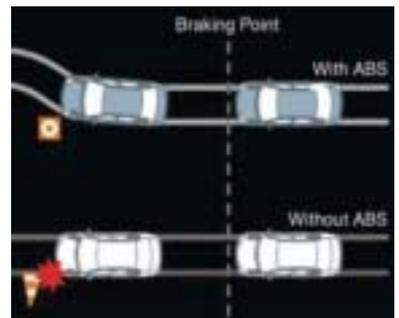
Safety on par with the best



Energy absorbing body



Driver and passenger airbags



ABS with EBD



Etios: Car For India, By India, From India

The Etios or EFC (Emerging Frontier Concept) as the project was internally called, is a first country project for India. The Etios has been designed exclusively for India and is manufactured completely in India.

In addition, to meeting all set India development requirements, Etios was designed to meet Bharat Stage - IV emission norms and also other regulatory Indian norms.

For India: Toyota understood the needs and aspirations of the customers by asking their requirements and expectations by directly visiting their homes, understanding their life styles and also through Focused Group Interviews (FGI).

Indian Road Surface Conditions, Traffic & Parking Conditions, Passenger Loading Conditions & India Unique Environmental Conditions were thoroughly Studied in India, Jointly alongwith TKM & TMC Designers to Make a Vehicle - **For India.**

By India: To make the Etios affordable and within the reach of the mass Indian customer, despite retaining Toyota Quality, Durability and Reliability (Q.D.R.), and also meeting customer expectations - maximum emphasis was laid to

localization of maximum components and also local production know-how was utilized in engineering the vehicle.

Involvement of TKM and TMC (Toyota Motor Corporation) engineers along with India suppliers through close communication, co-ordination, Genchi confirmation from the start of the project and through-out every phase of the project led to timely feedback from design to development - **By India.**

From India: For Etios to meet the set conditions in terms of production, sales and service, the existing Toyota supplier database, sales and service distribution network was enhanced. Supplier operations development in the vicinity of TKM, in the new supplier park was set-up to immediately cater to TKM needs at the right time and at

low cost.

A new green manufacturing facility was set up for Etios production which employed nearly 2000 people along with plans to localize engine and transmission in future with its affiliates and further create new employment.

Etios has been designed and developed with excellent engineering and performance that is simple in construction, keeping the vehicle light in weight, hence offering best fuel efficiency and yet being very spacious, safe and adhering to Toyota's strict quality parameters.

Etios is a product which is a perfect balance of performance, cost and quality, which was first made in India, will be produced in other countries and will also be exported - **From India.**

Etios has lead to growth for TKM, its suppliers, dealers, service partners leading to job creation, human resource development and enhancement of industrial growth leading to economic development.

This is in fulfillment of Toyota's Monozukuri guiding principle of contribution to society.



Customer home visit



Customer Focused Group Interview (FGI)



Traffic conditions



Parking conditions



Road surface conditions



India has unique environmental conditions (extreme cold to extreme hot)



Passenger loading conditions

Recognition to TKM's Quality Customer Service

Customer Service Excellence Award - 2010 (Silver Category)



TKM receiving Customer Service Excellence Award from Mr.K. Masumoto, Managing Officer, TMC

Special Award by TMC



Special Award shared in presence of Kidokoro san, Sandeep Singh san and CSG Management

Appreciation for Record Parts Sales by TMAP-MS



Mr Suwito Kua [Deputy General Manager-ASMDTMAP] presenting special award to CSG-Top Management on 24th March'11



Centralized Toyota Dealership Management System (CTDMS)

TKM was using the Toyota Dealership Management System (TDMS) in dealerships. This was a standalone system, limited to individual dealers. The magnitude of dealer expansion necessitated a more sophisticated system, which ultimately resulted in the CTDMS.

The Centralized Toyota Dealership Management System (CTDMS), as the name states, ensured that

dealership management was centralized to allow TKM complete data access. It allowed all dealers across India to be connected to TKM so that updates could be obtained in real time. Similarly, dealers with multiple outlets could also view the status of each of their outlets, or all outlets collectively.

With limited dealerships, a

personal touch was easier - people could be sent for training, to continuously check on Sales and Marketing, to verify whether issues were present, and so on. Enquiry management and conversion to sales was also much easier with fewer dealers. Similarly, ensuring a uniform customer experience across every dealership was a less complex task.

ETIOS Launch in India

Year 2011 witnessed a major milestone of Toyota in India: the launch of Etios. The unique feature about the Etios was that, it was launched first in India. With this launch, the Indian automobile sector had a new player in the mid size B segment passenger market with the launch of Etios. The launch was taken up in two stages. First, at the manufacturing plant, where the first vehicle was symbolically handed over from Manufacturing Deputy Managing Director; Mr. S Tomonaga to Marketing Deputy Managing Director; Mr. Sandeep Singh.

In the second stage Etios was launched to the market at Palace Grounds, Bangalore in presence of Mr. Akio Toyoda, President of Toyota Motor Corporation.



ETIOS launch at the Manufacturing Plant at Bidadi, Bangalore



ETIOS launch at Palace Grounds, Bangalore

Social Performance: Employees

Human Rights

We "Work with business partners in research and manufacture to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships."

- Toyota Guiding Principles

Toyota Kirloskar Motor considers human rights to be of utmost importance in every activity, process and associations. During 2010-11, TKM expanded its capacity by establishing one more plant. All machinery and technology that is procured by TKM is sourced from reputed global suppliers/vendors who follow internationally accepted norms and standards on Human Rights.

All contracts for the construction and setting up of units include safety, health, and environment related human rights clauses. Our management ensure proper implementation of Human Rights compliance. Systems are established to ensure compliance of our Policies and Standards, through rigorous and periodic audits by Safety, Health, Environment, Human Resources and Legal teams.

Our approach to managing human

rights is as follows:

- ♥ We abide by all the laws of the land - Union and State Governments.
- ♥ Our businesses are vertically integrated across several Divisions that follow Toyota Kirloskar Motor policies and standards.
- ♥ We position our senior officers to ensure adherence to fair labor practices.
- ♥ Government appointed officials routinely inspect our units to ensure relevant labor and factory acts, which, inter alia, provide for the necessary SHE (Safety, Health and Environment) and labor practice standards.
- ♥ Execution of Toyota Kirloskar Motor's human rights policies is obligatory for all service providers /suppliers /vendors operating within our establishments

During the period 2010-11, 5011 construction workmen reporting to 45 contractors were involved in the establishment of the second plant. Every such member was covered under applicable clauses of human rights, safety, health and environment. Our commitment towards these clauses ensured total compliance of the applicable policies and procedures.

Employees

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

-Toyota Guiding Principles

Human resources are considered the most important asset of the organization. We trust our team members, provide opportunities for personal growth, foster the realization of their abilities, and compensate all individual contributions fairly. Team members exercise their abilities and take responsibility for improving the Company and contributing to its growth.

We believe in bringing on board team members who have the competency to be a part of the team and contribute towards organizational vision and most importantly self development. Opportunity is open to both men and women with respect to the local laws and necessary qualifications. TKM works with diverse communities, which is in a way the representation of the variety and diversity in India. Our employees hail from different geographical regions and vary in age.



With Toyota Motor Corporation playing a big role in product development and our business practices, the Japanese expatriates join hands with their Indian counterparts at TKM

The following tables indicate the types and diversity of employees at TKM. Our hiring policies are non-discriminatory in nature. As of March 31st 2011, the organization had a total of 88 female employees and 4965 male employees, i.e. a total of 5053 permanent employees.

TKM's Compensation policy is structured based on factors like organizational position, performance, market rates etc., Compensation structure is the same for men and women across the same pay bands as "equal pay for equal work" is practiced in TKM.

About 62% of the employees are covered by collective bargaining agreements. A Memorandum of Settlement is entered into between Union and Management every year.

A minimum notice period of 14 days, as per law is followed in case there are any significant operational changes.

Code of Conduct

We carry out periodic reviews/assessments to ensure that all employees at the factory follow the laid down policies and procedures. All contractors and regional offices are reviewed twice a year. Efficient impartment of training and accepting employees into the organization has ensured that during the period 2010-2011 there has been no incident of discrimination on grounds of race, color, sex, religion, political opinion, national extraction, or social origin as defined by the ILO, or other relevant forms of discrimination involving internal and/or external stakeholders across operations. Further, during the reporting period there were no reported incidents of violation of the Code of Conduct. This includes violation of human rights, incidents of child labour or violation of indigenous rights.

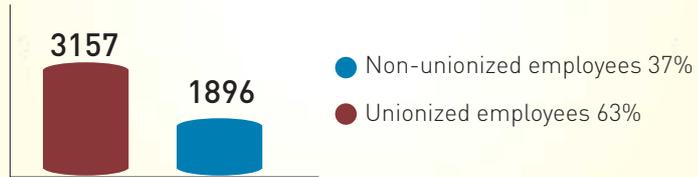
Types of Employees

Sl. No.	Particulars	Number
1	Permanent employees	5053
2	Temporary employees	2682
	Total	7735



Unionized and Non-Unionized Employees

Sl. No.	Particulars	Number
1	Unionized employees	3157
2	Non-unionized employees	1896
	Total Permanent employees	5053



Details of recruitment during the 2010-2011 financial year

Sl.No.	Location	Female			Male		
		2010	New TMs in 2011	Total as on 31st March 2011	2010	New TMs in 2011	Total as on 31st March 2011
1	Bidadi	43	11	54	3728	893	4621
2	Other Locations	34	1	34	304	47	344
	Total	77	12	88	4032	940	4965

Other Locations refers to: UB city office, IS, Kolkata, Mumbai, Pune, Delhi, Manesar, Ludhiana, Lucknow, Chennai and Hyderabad.

Employee Turnover

Sl. No.	Employee Turnover	2010-11 (%)
1	Grade-8 (Unionized Category)	0.7%
2	Grade-7 and above (Non-Unionized Category)	5.3%
	Overall company	2.46%

Freedom of Association and Collective Bargaining

Team Members have freedom to form association. As part of the collective bargaining process, Union and Management enter into a Memorandum of Settlement once a year. Issues related to human rights and welfare of the employees are discussed and decided.

Management and Union are like two wheels of a car. Both must cooperate with each other and move towards an agreed goal. Towards realizing this dream, every team member

must put in continuous efforts with a vision of making a global car. For this to happen, the two entities have made a joint declaration:

- ♥ We will take leadership and responsibility, in contributing to the development of the Automobile Industry and thereby the Indian Economy
- ♥ We will strive to build strong relationship between Labor and Management, based on "Mutual trust and respect"

- ♥ We will work towards making a company environment, which will foster Team Spirit and provide an opportunity for all members to realize their fullest potential
- ♥ We will strive to bring about prosperity to the enterprise and thereby achieve long term stable employment and consistent improvement in the quality of life of our employees

Grievance Redressal Mechanism

Toyota Kirloskar Motor has a defined grievance redressal mechanism in place. Every supervisor interacts with his team members on a regular basis to understand any grievances that

may exist. Our mechanism is a multi dimensional approach where responsible departments / individuals convene at pre-defined intervals to analyze and address reported issues. No cases

pertaining to violation of Human Rights were filed during the period 2010-11.

The following table lists the various grievance redressal mechanisms that TKM has in place:

SN.	Channel	Attendees	Formal or Informal	Frequency
1	Morning Meeting	HOD+Team mates	Formal	1 / Day
2	Workplace Committee Meeting	Shop Mgr+Shift DM+ECMs+ERO	Formal	1 / Month
3	One-to-One	Supervisor+TM	Formal	Need-based
4	Employee Relations Officers (ERO)	ERO+TM	Formal	Need-based
5	ECM+Plant+HR	HR+ECMs+Plant Mgt	Formal	1 / Month
6	Union Weekly	HR+Prod.HOD+Union	Formal	1 / Week

Toyota Kirloskar Motor is committed to maintaining the laid down redressal system and the designated attendees are required to be present at their respective modes of engagement.



Joint declaration anniversary celebration

Training and Education



Training Policy

Human Development in Toyota Kirloskar Motor is directly associated with the growth of the organization. All human development programs aim at ensuring lifelong learning of the employees. On an average, every employee is trained 3 man-days per year.

Training is followed by a performance appraisal in our performance management system. The system grasps the abilities and characteristics of each employee accurately and objectively, to develop and maximize the utilization of personnel through performance appraisals. TKM maintains and raises employee morale by implementation of a robust performance-based reward system.

TKM has a regimented philosophy towards learning and development of its personnel. It is through this philosophy that facets other than job related competencies are unified. Induction training lays importance on the "Toyota Way" which is the threshold for a new employee to blend into the organization and understand our practices that will help improving productivity and

complement his/her position with the organization vision. All employees undergo formal training as part of induction about the organization's policies and procedures on human rights issues and their applicability to the employees' work.

- TKM has a defined Training Work Life Plan to meet the career needs for each employee
- Training is imparted to every employee based on the Work Life Plan
- Standard training programmes containing Global Contents are imparted to the employees as prescribed by Toyota Motor

Corporation

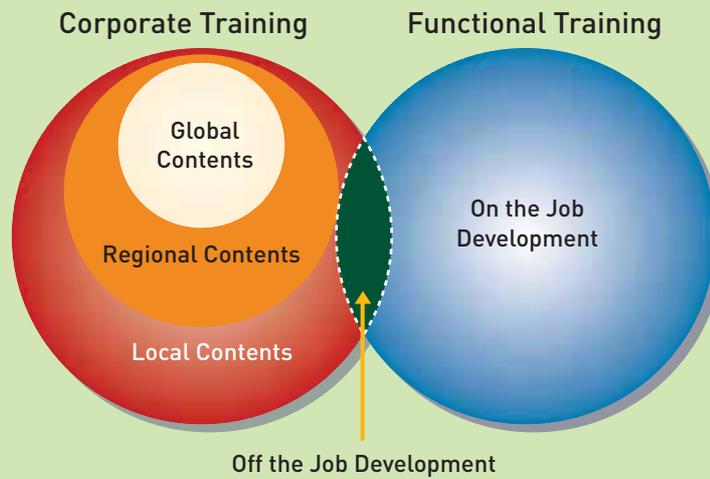
- At every level, training need is assessed and training is imparted to the employees
- Training on safety and environment is imparted to all contractors
- Safety Dojo (Simulated training) is imparted in technical areas where its deemed to improve learning quality and safe working conditions.

Learning and Development

Objective: "To develop competency of all Toyota members, step by step from mid to long term perspective"



Types of Training in TKM



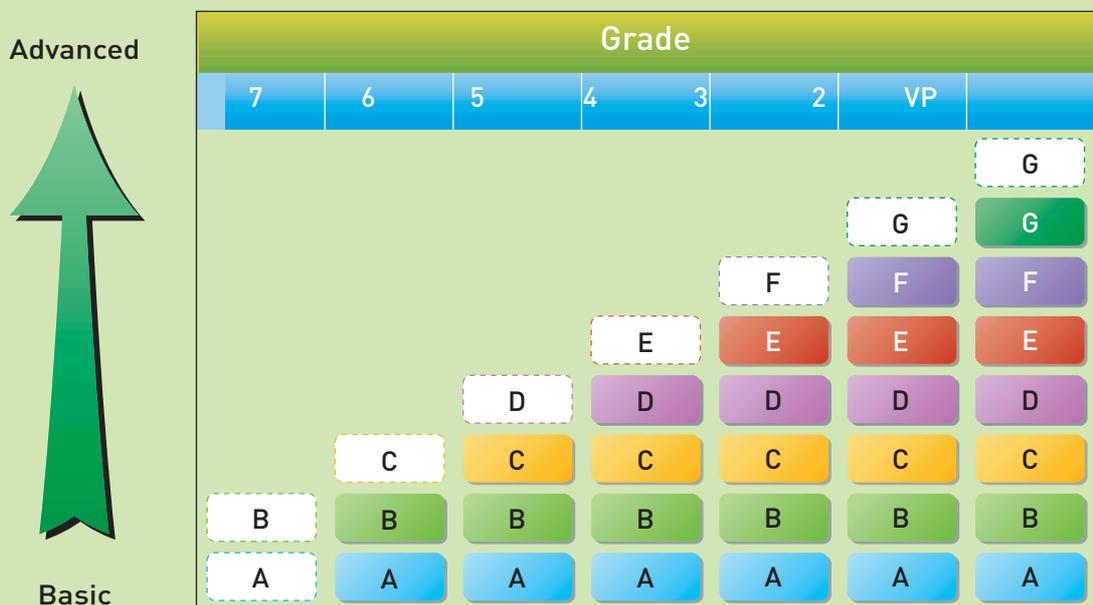
Managed by HR

- Applied to all TMs by cascading-top down approach
- Role/level based training at appropriate time of work life

Managed by Function

- Applied to all members in the function based on specific job competencies actions in that function

TKM Corporate Training Content - Image



- Training is based on TKM competency model
- Training is based on grade
- Training is delivered in Specific Order (from basic to advanced. For e.g. A->B->C)
- Training is connected to HR Systems (Future Direction)
- Training content development will be based on needs identified in Competency appraisal

Work life plan

The training path of team members (TMs) is planned through Work Life Plan (WLP)

The objective of WLP is to:

- Provide overall image to TMs about developmental opportunities available at different point of the career
- Develop competencies of all TMs in 3 steps - Learn, Grow and Lead.

It is based on the TM's role competency/skill requirement specific to one's grade. There are separate WLPs for -

- TMs working in production area (Plant Side WLP)
- TMs working in non production area (Office side WLP).

There are two types of program

1. Mandatory - Culture building programs for all members (including lateral hires - like Toyota Way, Toyota Business Practices etc.)
2. Role specific programs that are specific to role only.

As an important rule all security personnel who are posted at TKM's business units, receive formal training on the organization's policies, human rights issues and their application to security. Currently, five security personnel are employed directly. More than

200 security personnel man the factory premises, all of whom are trained in policies and human rights issues.

Creative Suggestion Scheme

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

- Making a better product
- Enhancing product safety
- Increasing efficiency
- Optimizing costs

"Good Thinking Good Products" - these words of Sakichi Toyoda are the baseline for team members to provide ideas. We believe in combining the creative ability of our Team Members to make products which improve customer satisfaction.

Quality Control Circle

- Quality Control Circle (QCC) is an activity of a group of people in the same workspace. The circle members come together to solve problems according to basic QC principles, QC steps and QC tools.

- QCC helps to generate ideas and implement recommendations made by circle members. In the process, it helps to improve their capabilities and facilitates good communication at the workplace.

Quality control circles

387	402	203	330
2008	2009	2010	2011



Highlights of Creative Suggestion Scheme

- Since inception, 6,59,991 suggestions implemented
- Average 54,999 suggestions per year
- About 1,67,128 suggestions implemented in 2010

Ekiden 2010: Run Maadi...Run!

As a part of employee's health promotion activities, the marathon event in line with Toyota Motor Corporation's Ekiden was organized at TKM. Running and relay competitions for employees are organised during this event



Women's day celebration at TKM:

Women's day was celebrated at TKM with the intention of appreciation and motivation of working women at TKM.



Kalothsava at TKM:

The annual Talent Hunt event is focused on fostering ethnic and cultural activities for the employees and their families. Eminent musicians and artists are involved during this event.



Occupational Health and Safety

"Safe work, reliable work, skilled work - Safe work is the door to all work, lets pass through this door" - Eiji Toyoda.

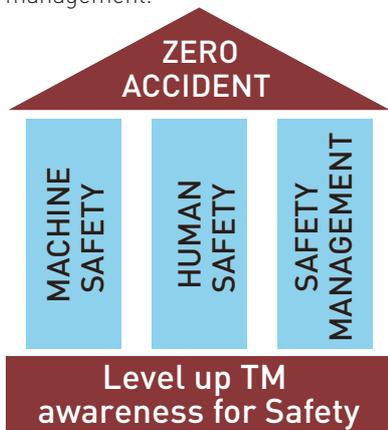
Safety Policy

- Be the best company of safety and health
- Safety first, and make the work place free from accident
- Make work place free from health hazards

Safety Commitment

Ensure Zero accident at Toyota or in its group companies and stakeholders.

Since accidents are due to unsafe act and unsafe condition, we strongly believe the following are the 3 pillars of safety: Machine safety, Human safety and Safety management.



Safety house concept

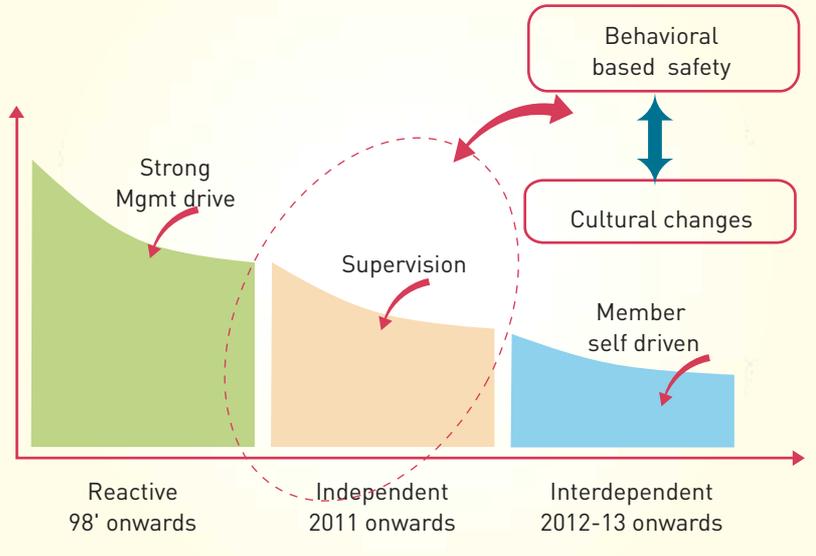
Human Safety

Human safety is the state of mind towards knowledge, mind and sense. Therefore, safety knowledge is inculcated through DOJO training (simulation based training). This is for the member to feel the real impact of risk in the work area.

Our unique small group activity promotes member's safety sense and team work through group identification and brainstorming for countermeasure implementation and sustenance.

TOYOTA KIRLOSOKAR MOTOR

Behavioral based safety plan for safety culture promotion



Safety sense is the KY (Kiken Yochi: danger prediction) ability or the capability of risk identification. Members' KY ability are strengthened through members' involvement in safety suggestion schemes like Hiyari hatto (safety suggestion scheme).

Safety culture, the base for an organization and indeed practicing of safety culture makes oneself safe anywhere and anytime.

It is basically the fundamentals of attitude which one can practice and preach.

Elements such as 3 point finger

check during crossing, no mobile usage while walking, no hands in pocket while walking, holding handrails at stairs etc.

Achieving safety culture from independent to inter-dependent is challenging phase which our focuses are into.

All Team Members are educated related to seasonal and serious diseases such as dengue, H1N1, malaria and common fevers. In addition, Toyota Kirloskar Motor conducts extensive anti-smoking campaigns and provides counseling and annual medical check ups.



Safety promotion for member's safety mind level-up

Machine Safety

Our machine safety not only determines the presence of safety items, it also covers the functionality of the inbuilt safety. This is confirmed in periodical basis by our expert team and also cross confirmed by the expert group from TMC, Japan.

The entire process and result are managed through KPIs, consolidated as Plant Management Requirement (PMR) for Safety and monitored by management in periodical basis for level up and sustenance.

Being a leader in safety we also preach what we practice to all our stakeholders. Our stakeholders including group companies, Supplier chain, dealer network and Contractor Organization are also party for our performance curves in safety. Therefore our experience in safety is transformed to our stakeholders for a better safety management at their side also.

The year 2010 was a challenging year since amidst the Production, project activities was also in peak for the small car plant.

In spite of the Projects challenges such as dynamic work environment, high attrition rate of Contractor members and high risk activities an achievement of 15 million safe man-hours without any fatal/serious accident.

To conclude, safety is never ending mission, the more you dig, the more you get.



Safety training for all levels of workforce is ensured

Safety Committee

In the interests of having a healthy, efficient, work force, TKM has a safety committee in place. As mentioned earlier, the safety committee adopts a top down approach, which means that the management is fully involved in safety activities. The committee reviews the key performance indicators (KPI) and awards are given to team members in recognition of adherence to the existing safety policies. It also conducts workplace safety observation activities and supplier company safety audits.

Health Promotion Activities

We at TKM believe that healthy environments, healthy processes and healthy people are imperative in the running of an efficient organization. The sanitation and hygiene conditions undergo regular reviews as do food and water quality. In addition, TKM promotes health programmes in the local committee and is also involved in

family welfare programmes.

Workers undergo periodic medical examinations. Management of body mass index (BMI), hygiene and behavior and regular, job specific exercise routines are part of TKM's programme to ensure healthy living. We also have "quit smoking" and "quit drinking" drives for those employees that use these substances.

Very often certain jobs involved in processes within the organization serve to cause physical stress to the human body. TKM attempts to quantify these with a numerical value and ensure that all process remain below a certain threshold value. Importance is given to ergonomics management in all processes, particularly for the lower back and upper limb area that are most likely to be affected in the course of work. Work environment is constantly monitored to effectively manage illumination, noise, dust and gas, temperature and vibration.



Management involvement in workplace safety confirmation

Social Performance: Community

Toyota Kirloskar Motor assesses social contribution through regular interaction with local government bodies and the peoples' representatives. We also conducted a survey in the year 2005-06 to understand its impacts on the local community. Stakeholders, i.e., local community, local government and government departments are involved in planning and implementing social development programmes such as the distribution of education materials to local community. This programme is conducted in collaboration with the government education department and the local panchayats, who help in identifying the prospective recipients of these benefits. Involvement in such programmes is not limited to stakeholders and team members. Top management also gets involved in social activities organized by TKM.

Road Safety

India has road network 42.36 lakh Kms of road ways making 2nd largest road network in the world. In spite of focus on road infrastructure by state and central govt, development of road is not in pace with increased vehicle population.

India today has over 102 million registered vehicle on road with two wheel segment accounting for 76% and passenger vehicle for 14%. India's vehicle population underwent the second largest growth rate up to 8.9%.

In India, about 90,000 people are



TSEP activity as covered more than 4,50,000 students till date

killed and over 4.5 lakh people get injured every year in road accidents. As motorization increases, road safety has become a prime concern in Indian Cities, underlining the urgency of road safety measures.

Concern of the vulnerable group should be addressed by priority. Transportation studies have revealed that the vulnerable group constitutes pedestrians, school children, aged people, public transportation and bicyclists. In most cases, accidents occur either due to carelessness or due to lack of road safety awareness. Road safety education is still in its nascent stage in India and through TSEP, TKM aims to sensitise children from a young age.

Toyota Safety Education Programme (TSEP) an interactive learning programme on Road safety specially designed for the children in the age group of 10-15 years.

- Phase 1: 2007-2008: On a Pilot

Basis TSEP launched in Bangalore, covering 20,000 school children.

- Phase II: 2008-2009: TSEP launched on a nationwide in 5 cities - Delhi, Mumbai, Kolkata, Chennai and Bangalore covering 100,000 school children.
- Phase III: 2009-2010: TSEP introduced sustainability module in all 5 cities to sustain this activity, under this teachers are trained on specially designed manual to impart education to school children, covering 100,000 school children.
- Phase IV: 2010-11: TSEP tied up with Traffic Warden Organization, a Volunteer wing of Bangalore Traffic Police to cover additional 150,000 children. TSEP to sustain further introduced the Road Safety Club activity on a pilot basis in Bangalore, covering 5 schools and 2000 school children.



- Phase V: 2011-2012: TSEP is extended its reach to one new city - Hyderabad covering 20,000 school children.

With these, till date we have touched to more than 4,50,000 school children through road safety education. Added to this, we also conduct Road Safety Week in the month of January in collaboration with the Police dept in all locations.

Civic and Community

Sanitation Program: Health and hygiene plays a very important role in one's individual and social lives. Sanitation is one of the basic determinants of quality of life and human development index. Good sanitary practices prevent contamination of water and soil and thereby prevent diseases.

TKM joined hands with Manchanayakanhalli Gram Panchayat in achieving total sanitation of 6 villages in and

around Bidadi plant, constructing 310 individual households' toilets.



Water Tank Construction: With the aim of overcoming the acute water shortage faced by the residents of Ramanagara town, Toyota Kirloskar Motor has constructed two water

tanks with a total capacity of 1.5 million liters.



Help during Natural calamities: Toyota Kirloskar Motor treats helping victims of natural calamities as a responsibility. Team members have played an integral part in assisting those affected by these disasters.

Education and skill development

Education is the process of gaining information about the surrounding world. It gives us the knowledge and develops in us a perspective of looking at life. TKM promotes education and skill development to make people more employable.

Toyota Technical Training Institute (TTTI):

Toyota Technical Training Institute (TTTI), a center of design excellence, inspiration, ambition, creativity and automotive passion, held its 2nd Convocation on July 30, 2011. The institute presented academic degree to the students - second batch - on the successful completion of its 3 year training course (2008-11). A total of 62 students graduated from TTTI and 55 percent of the students received fellowships for academic excellence. The convocation was graced by Dr. D. Veerendra

Heggade, Dharmadhikari, Sri Kshetra Dharmasthala. He toured the facilities at the institute and also spent time interacting with the students. This programmes trains the students to be skilled world

class technicians in auto manufacturing and plant administration thereby increasing their employment prospects.



Convocation graced by Dr. D Veerendra Heggade of Sri Kshetra Dharmasthala

In addition to making quality automobiles, TKM believes in proactively contributing to society by consolidating the knowledge and know how within the organization to develop capable human resources and thus contribute to the development of a prosperous society. TTTI is one of the brightest outcomes of this aspect of the company. The institute was built with a vision to support intelligent students from economically poor backgrounds, coming from various parts of Karnataka and make them employable. The institute is a fully residential school concentrating on theoretical, practical and physical training as part of the students including Fellowships which are provided to deserving students to promote excellence. Furthermore, TKM encourages potential



Visit to the Training Centre

graduates of TTTI to join the company as team members. The courses involve training at TKM plant where students are exposed to the practical experience of the

applying the world renowned Toyota Production System to the various manufacturing processes. All the first batch students got selected in TKM itself.



Convocation ceremony



Felicitation of Dr. D Veerendra Heggade by Mr. Nakagawa, MD



Best in its class training facilities prepare industry-ready technicians

Books and Bags Distribution:

Every year Toyota Kirloskar Motor distributes books and bags to local government school children. As of

2010-11, this programme benefited more than 7000 local school children from 102 schools. This is a

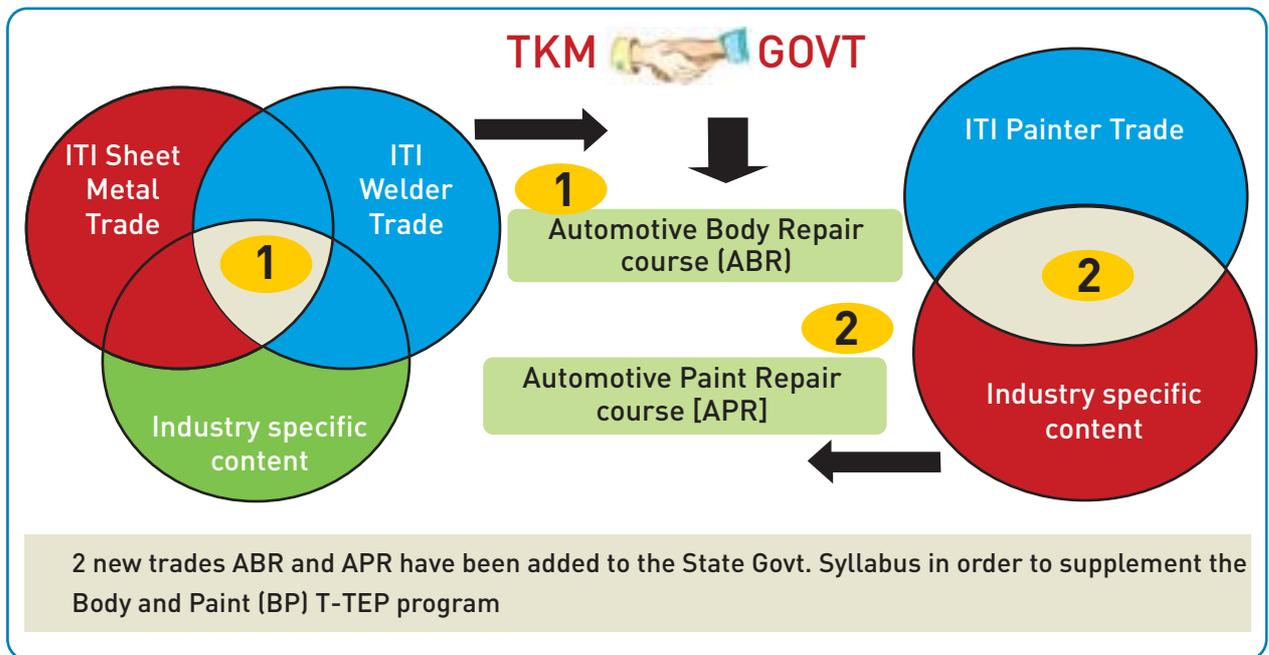
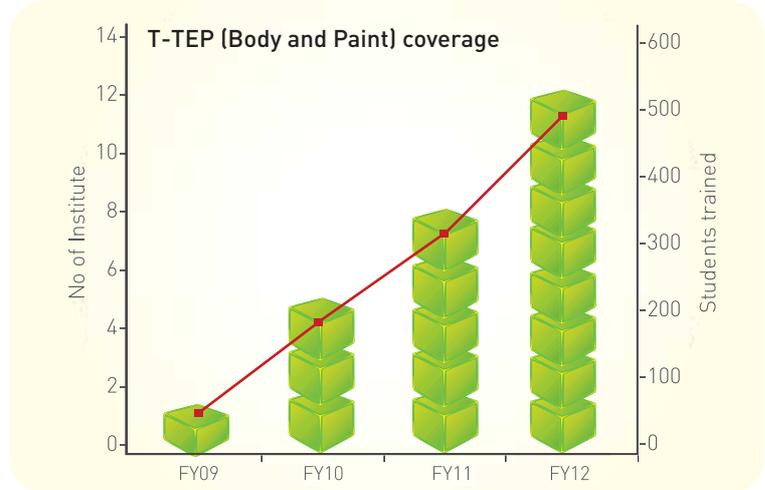
continuous activity, covering 10 additional schools every year.



Books and Bags Distribution ceremony

Toyota Technical Education Programme (TTEP):

TTEP is aimed at imparting advanced skill training on automobile technology to the students of Industrial Training Institutes. Under this programme, 19 ITI's (Industrial Training Institutes) in General category and 5 ITI's in the Body and Paint category across India are being supported by TKM. For the first time in India, a course on body and painting has been introduced by us in these institutes. Nearly 2000 students from these institutes have benefited from this programme. More than 650 students undergo training on the latest automotive technology and service techniques every year. These trained students are also given a job opportunity in Toyota dealerships.



World Class Training to create Skilled Industry- ready technicians



Inauguration of the TTEP institute in 2010-11

Health and Human Services:

Toyota Kirloskar Motor supported two health camps in Byramangala & Shyanmangala. Around 1000 people benefited from this camp. The focus was on eye & general health

checkups for school children, general public's. Toyota Kirloskar Motor supported the camp by providing spectacles and dark goggles to patients. Apart from the

public, 150 government school children were also benefited by this programme.



Health check campaign reaching more than 1000 beneficiaries

Art and culture:

Toyota Classics: Toyota Classics is a live musical concert performed by an international orchestra. The objective of the concert is to contribute to the local culture by bringing the world's leading classical ensembles and orchestras to the people of Asia. TKM hosted Toyota classics in 2008 for first time in India held at NCPA, Mumbai, where the Vienna Operetta Orchestra played live in concert and featured special guest Dr. L Subramaniam - The Paganini of Indian classical music. The proceeds of the concert was donated to, 'Save the Children' India, an organization working towards the empowerment of the disadvantaged children and women and Mehli Mehta Foundation.



Performance by Padmashree Dr. Kadri Gopalnath

For the second time Toyota Classics organized in 2010, held at NCPA in Mumbai and, The Orchestra Citta Di Firenze from ITALY and the Indian artist Padmashree Dr. Kadri Gopalnath performed at the concert.

The proceeds of the concert were donated to Child Rights and You - CRY and Mehli Mehta Music Foundation.



Citta Di Firenze Orchestra performance



Mrs. Geetanjali Kirloskar presenting the cheque

Social Performance: Business Partners

Business Partners

We at Toyota Kirloskar Motor perceive our suppliers and dealers as equal stakeholders in our drive towards sustainability. For TKM, suppliers are the hands that sustain our business continuity where as dealers are the face of TKM. In this section we shall brief you upon the sustainability initiatives taken up along with our business partners during the reporting period.

Suppliers

In our drive to build the perfect automobile, selecting the components that go into it becomes a key criterion for success. At TKM we believe that an innovative, capable, and cost competitive supplier base is critical to the viability of the Indian automotive industry.

Suppliers form a preliminary part of our product building process. We work towards mutual growth and success with our supplier partners.

This is necessary for ensuring the high quality standards maintained in Toyota vehicles. To build a reliable vehicle, the parts that go into making it have to be reliable and it is with this understanding that we deeply involve ourselves with the supplier's production process.

We promote sustainable production practices among our suppliers by providing technical know-how to enhance productivity, and support in areas where suppliers can inculcate best and sustainable practices.



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 time possible.

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.

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

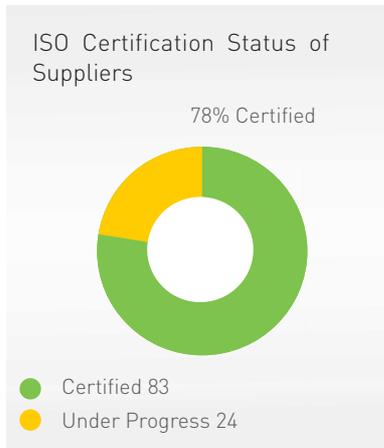
Toyota's global standard promotes the elimination of substances of environment concern. Hexavalent

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 SOCs can be very toxic even in small concentrations.



Acquisition of ISO 14001 Certification:



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.

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.



TKM Top management visit to Supplier facility as a part of TPS implementation review

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. TKM, through its Supplier's Association is jointly working to expand and enhance TPS culture among all Toyota suppliers.

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 QCC activity reviewed by TKM top management



Supplier Kaizen Festival activity reviewed by TKM top management

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.

The Supplier Kaizen Festival is organized every year to create a platform to showcase the best practices or innovations that have been carried out by the suppliers. TKM also takes the opportunity to appreciate supplier activities at this event.

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.

Integrated Safety Committee meeting involving Supplier Partners

In March of 2010, Toyota Kirloskar Motor held a kick off meeting to expand its Safety Culture among all

stakeholders. TKM's top management, suppliers, dealer partners and contractors attended it. Later during the reporting period, we held the first Company-wide Safety Committee Meeting (CSCM) involving all suppliers and dealers.

Current activities include basic safety management in terms of model plant establishment, human development of key persons and basic activities for suppliers and dealers.



Integrated Safety Committee Meeting involving Supplier Partners

Special Story: On-Site Suppliers Park

Towards improving the quality and efficiency of sourcing parts, On-site Suppliers (OSS) Concept was introduced to establish suppliers in close proximity to the manufacturing unit. This has been a breakthrough process in eliminating a range of superfluous resource use and improving efficiency. The focus and ambition for OSS is to have more than 80% of the purchasing to take place in and around Toyota Kirloskar Motor.

Primarily suppliers of large, bulky parts as well as suppliers who offer multiple variants of parts are chosen for this undertaking. An added advantage to OSS is that assistance with infrastructure and

amenities were provided by TKM, including land, power, and water. The last key consideration was that these suppliers should be on-site suppliers and not on-site stock suppliers.

Initiating OSS Implementation

Setting up OSS in TKM required intensive activities. Merely inviting suppliers to set up workspaces in TKM was not enough. OSS working methods had to be in line with TKM's production method as a whole, in keeping with the Toyota Way. To do so, this task was entrusted to the Plant Administration Division - the TPS

department - to establish the required work culture.

Some of the activities conducted by the TPS department to ensure smooth establishment of OSS were:

- Understanding the suppliers' setup
- Preparation of a road map to align supplier working methods with the Toyota Production System
- Training suppliers in the Toyota Way
- Implementation of the Toyota Production System at Supplier's facility



Glimpses of OSS Steering committee meeting and visit to the Supplier facility

Training Suppliers in the Toyota Way

It was important for TKM to help potential OSS understand the Toyota Way and the Toyota Production System (TPS). One of the key aspects of the Toyota Production System was to eliminate waste (muda) of

- Over-production
- Operator and machine motion
- Operator and machine waiting (down time)
- Conveyance
- Processing
- Inventory (raw material)
- Correction (rework and scrap)

Eliminating waste is a discernible aspect of Toyota Production System. Similarly, these concepts

will need to receive equal importance from suppliers to facilitate smooth transition to OSS.

To achieve this transition, the thinking way for OSS was Training the Supplier Project Expert (SPE).

SPE development was an important aspect of establishing OSS, a representative from each supplier was identified for training at TKM.

This intensive training was conducted over a period of one year, to help suppliers understand TPS and work on establishing the practices in their on-site facilities.

The Thinking Way for OSS was that the suppliers were no longer six separate entities, but part of the TKM family following their integration into the OSS park.



Establishing TKM practices in existing supplier premises

As a first step, establishing TKM practices in OSS was a challenge, so TPS activities were conducted at the existing supplier plant to ensure that there would be acceptance of changes in the working methods. Showcasing new, efficient working

methods to suppliers allowed them to understand the benefits of working with TPS. It also helped to smoothen the transition from being an off-site to on-site suppliers.

Thus, the Supplier Project Expert (SPE) development platform was established to deliver this essential knowledge to suppliers. These SPEs, in turn, would be required to train their team members among the suppliers, thus driving and

sustaining TPS in the OSS park.

EFC - Supplier meet

Toyota Kirloskar Motor conducts EFC-Supplier meet to create common awareness among EFC suppliers for service parts operation and to establish efficient service parts operation flow for EFC.



Representatives from Suppliers



SOBO Concept explanation through Logistics Game



Suppliers Feedback [Kojima San from TOKARIKA]

Regional Parts and Manpower Excellence Centre (RPMEC) Establishment at Pune

RPMEC, Pune was established with the aim of customer satisfaction improvement through:

- To establish strong supply chain foundation to enhance customer satisfaction and logistics efficiency
- To support suppliability to west zone dealers by reducing lead time
- To reduce dealer parts stock and support for future volume growth
- Reduction in lead time from 4 to 2 days
- Reduction in stock amount at dealer: 33%

Key Parameters	Before Scenario	Current Scenario
Average L/T for supply	3 ~ 6 Days	1 ~ 3 Days
Despatch Frequency (Dealers)		
Daily Twice	0	09
Daily	34	25
Supply Lead Time (Hrs)		
< 24 Hrs	0	21 (62%)
< 24 ~ > 48 Hrs	16 (47%)	09 (26%)
> 48 Hrs	18 (53%)	04 (18%)
Total	34	34



Inauguration of RPMEC Pune

Social Performance: Business Partners

Dealership

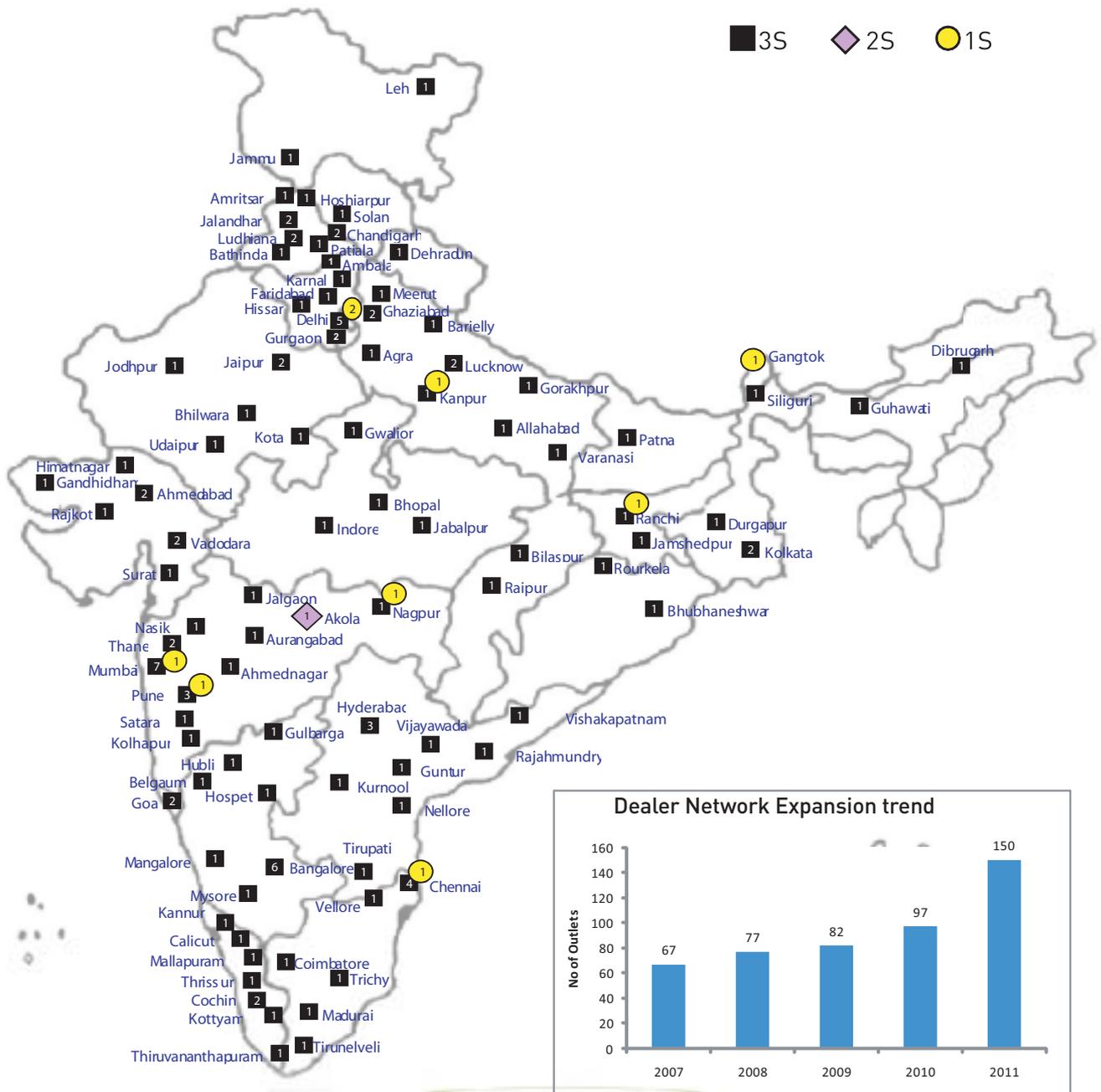
Toyota automobile dealers are the primary point of contact for the company's customers. Toyota Kirloskar Motor ensures that rigorous quality standards and

sustainable work processes are adopted by dealers to reflect the values and beliefs of the company. The company works constantly with dealers to ensure maximum

customer satisfaction by initiating and conducting three-sixty-degree communication and suggestion programs.

Service Network Expansion

To enhance the capacity and provide convenience for customers, thus achieving the highest levels of operational efficiency



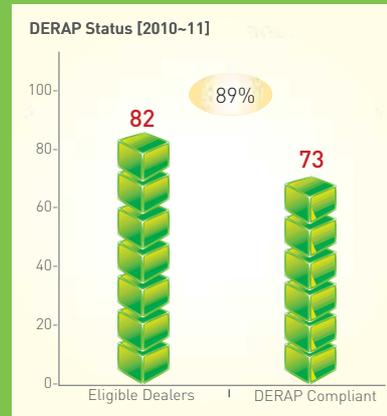
Dealer Environmental Risk Audit Programme (DERAP)

This is a program designed by the Toyota Motor Corporation to ensure efficient environment risk management for dealer workshops. It has five important aspects of environment management i.e.

- 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 AC gas.

This program is an indication of TKM's perseverance towards influencing stakeholders in making informed sustainable decisions and building policies in alignment with our sustainable goals. We are dedicated towards ensuring 100 percent dealer compliance with this policy.



ISO 14001 Certification at Dealerships:

As a first step, establishing TKM encourages its dealers to implement Environment Management System (EMS) at dealerships. One of the tools used for this is ISO: 14001 certification. Toyota Kirloskar Motor strongly recommends that its dealers go for the certification, as it ensures awareness among all members at all levels at the dealerships. A

standard operating procedure is established at dealerships to visualize ISO certification status, surveillance audit and certification expiry date.

Eligible dealers refer to the dealerships which are sufficiently old enough and stabilised over a period of time.



Training Camp for Polytechnic students at Toyota Dealerships



Introduction and presentation about the company Profile.



Sharing Information to Students we care for environment



Awareness promotion on salient features of Toyota Dealerships



Refresher training programs to dealership technicians on concurrent new technologies



To motivate Technicians at Dealerships, regular training programmes are conducted and followed by setting test.

Encouraging Technicians by rewarding with prizes for qualifying in each test.



Health camps organized by Dealerships for employees and their families, particularly for workshop members, Housekeeping and Pantry workers.



Zonal Star Service Advisor: Selection will be done based on the performance analysis.

Motivation Activity for Employees at Toyota Dealerships



Provide cycles to washing staff



Employees towards health and social well being



Annual get together party for employees and their families

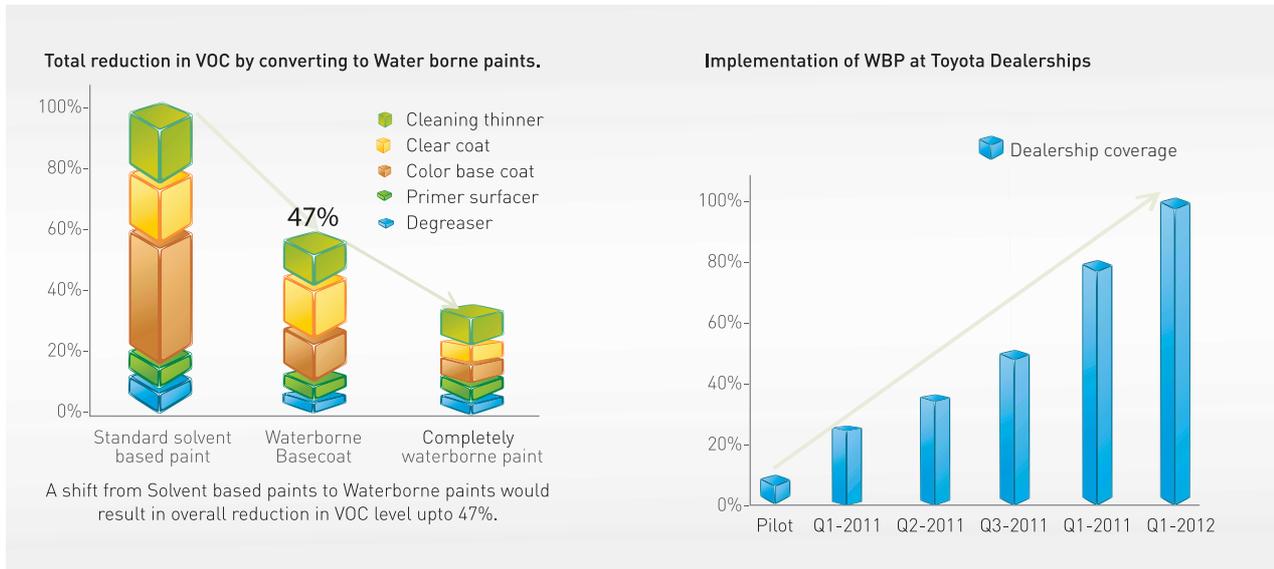


Water Borne Paints

After the successful implementation of WBP at the new Etios Plant, TKM has implemented the similar painting process at few of its dealer locations. This practice

minimizes the effects of VOC's to the environment. The use of water borne paints in Toyota Dealerships will be introduced in multiple phases. Our target is to implement

the use of water borne paints in all Toyota dealerships by the end of the FY 2012.



Environmentally responsible operations at Toyota Dealerships

A Toyota Kirloskar Motor dealership is set up using a responsible framework as the foundation towards building a sustainable facility. The key practices followed to ensure efficient waste management and hazard reduction are as follows:

- We activate a dealership facility with minimum availability of a 3-stage separator to treat the water used for washing vehicles in the



Wastewater treatment facilities at dealerships

dealership, as the disposed water may contain mud and detergents. Effluent treatment plants and sewage treatment plants are also being established in many dealerships to reuse the water for gardening, sanitation and other activities that can utilize recycled water.

- The waste generated at dealer locations are categorized into non bio-degradable, bio-degradable and



Waste segregation and safe disposal

metal waste. These wastes are collected separately, by category, in specified containers for recycling or appropriate disposal.

- In the paint preparation stalls of the body and paint workshop, a dust collection system is being implemented to make the workshop free of paint particles and thus ensure a cleaner working environment



State-of-the-art body and paint facilities at dealerships

Go green Movement:

The Movements seeks to give a human face to environmental issues; empower people to become active agents of sustainable and equitable development; promote an understanding that communities are pivotal to changing attitudes towards environmental issues; and advocate partnership, which will ensure that all nations and people enjoy a safer and more prosperous future.

Office spaces are constantly

developing and incorporating new technologies to operate businesses and meet growing needs. These technologies, more often than not, run off some form of energy which adversely affects the environment. TKM has adopted the Green Building concept at the new dealership at Sahibabad and upcoming dealership at Noida to reduce these impacts.

The green buildings incorporate the following green features:

- Use of energy efficient and eco-friendly equipment

- Use of recycled and environmental friendly building materials
- Quality indoor air quality for human safety and comfort
- Efficient use of water
- Use of renewable energy
- Effective controls and building management
- Effective use of existing landscape



Distribution of a sapling along with the newly purchased vehicle at Toyota dealerships



Environment commitment display at Toyota dealerships



Under Deck Insulation for Energy Efficiency



Solar Geyser for Energy Efficiency

Environment Month activities:

June 5th of every year is World Environment Day. TKM makes it a point to observe this and take the opportunity to raise awareness throughout the organization about environmental issues.

The Movements seeks to give a human face to environmental issues; empower people to become active agents of sustainable and equitable development; promote an understanding that communities are pivotal to changing attitudes towards environmental issues; and advocate partnership, which will ensure that all nations and people

enjoy a safer and more prosperous future.



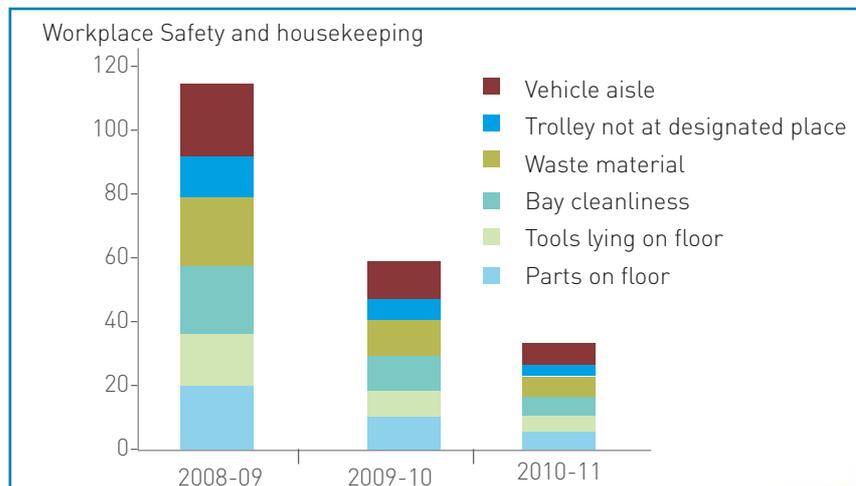
Celebration of Forest Day



Celebration of Environmental Day on 5th Jun 2011 with Customer

Safety Campaign at Dealership:

First time of its kind an Safety campaign exclusive for Body and Paint shop was organised at Toyota Dealership with following objectives to bring about a cultural mindset change in Body and Paint shop towards ensuring 5S at work-place, Motivate Body and Paint members to work in a team towards maintaining 5S at workshop and finally involving dealer top management in sensitizing Body and Paint members on 5S and Safety.



Save India's Coast

India's coastal area stretches approximately 6000km wide, of which just half remains undestroyed. This is being considered as one of the biggest disasters facing India's environment. Toyota Kirloskar Motor has partnered with NDTV for the "Save India's Coastline" initiative, a set of activities that are undertaken to address various



conservation and restoration efforts. NDTV -TOYOTA "Coastal Express" yacht travelled along India's coastline to report on the facts and impacts on beaches. The Yacht travelled on a 45 day campaign and covered 8-10 major coastal areas and helped transform several beach stretches. The initiative aims to petition the government to take action to save India's beaches.



Greenathon - III

The NDTV-Toyota Greenathon is an event conceptualized by NDTV and TKM to raise money to support TERI's initiative - Lighting a Billion Lives which aims at providing solar power to villages without electricity. Over 1.6 billion people in the world lack access to electricity of which around 25 per cent are in India alone. For these people, life comes to a standstill after dusk. The Greenathon is a 24-hour live telethon played across the NDTV network, combining elements of celebrity performances and

interviews, green activities across India, reports on environment, green pledges by celebrities, politicians and the common man.

In Year 1, we raised funds to light up 56 villages and in Greenathon 2, the event resulted in 115 villages being provided with solar power. The latest edition was implemented with a high benchmark and with increased efforts and planning it turned out to be bigger and greener than the previous editions as it expanded its reach internationally.

It received an overwhelming response and garnered support from different parts of the world, including the country's leading corporates, celebrities, musicians, environmentalists, NGOs and educational institutions.

- Total no. of villages adopted: 580
- Total Donations in Rupees : 11.6 Crore
- Total no. of lives lit : 1.43 Lakh



Toyota Green award

A first-of-its-kind award in India, Green Awards aim to recognize excellence in all sections of the society - Rural, Urban, Corporate, Domestic, Educational Institutions and Resident Welfare Associations. New Delhi, After the huge success of Greenathon I and II, Toyota in partnership with NDTV announced the Green Awards to encourage, acknowledge and award the Champions of the Earth for environmental leadership (globally) contributing most towards protecting our environment.





Toyota 'Q' World – an exclusive auto show:

Customers across India got an opportunity to see the Toyota Etios concept and an exciting array of Toyota vehicles that were showcased, exhibiting Toyota quality and technology.

Customers got the touch and feel of Toyota range of cars with advanced and environment friendly technology



Toyota Q-world glimpses

ECONOMIC PERFORMANCE



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

Economic Performance

Our commitment to product excellence has once again shown in the form of our financial turnover. The reporting period saw a rise in turnover by over 35%. The fiscal year 2010-2011 was a great year for Toyota Kirloskar Motor as the healthy growth of economy showed on our financials. The downturn during the year 2008-2009 due to

the global economic crisis resulted in a heightened drop in automobile sales in India, TKM utilized the economic reforms during the subsequent years to ramp up sales.

TKM built an additional plant to increase output capacity. The Etios, produced at the new plant, contributed significantly to the

growth numbers during the reporting period. Increase in sales units along with continuous process improvements were the key highlights for optimizing financial results during the year.

Key Financial Data			
Particulars		2010-2011	2009-2010
Total Revenue	Rs. Mil	78,378	57,901
Profit before Tax	Rs. Mil	3,523	4,752
Profit after Tax	Rs. Mil	2,216	3,093
Total Assets	Rs. Mil	36,365.1	5,768
Shareholder's Equity	Rs. Mil	7,000	7,000
Basic/ Diluted Earnings Per Share	Rs.	3.17	4.42

Product / Services	Market Share [in respective segments] [%]			Production / Outputs*		
	08-09	09-10	10-11	08-09	09-10	10-11
1. INNOVA	34	32	31			
2. COROLLA	27	23	28	46,251	63,269	75,099
3. FORTUNER	-	54	71			
4. ETIOS	-	-	2			
5. CAMRY	9	6	5			
6. PRADO	4	25	7.4	492	504	689
7. LAND CRUISER	-	2	1.5			
8. PRIUS	-	-	2			

Toyota Kirloskar Motor manufactures Innova, Corolla Fortuner and Etios brand models on-site, and imports and markets Prius, Land Cruiser, Prado, Camry models in India. The production data for all these vehicles is presented in this section

GRI Sustainability Reporting Guidelines G3.1

This report is developed with the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines as a framework to report sustainability data. To locate the fundamentals and information contained within the guidelines, use the index below. For a detailed explanation of the indicators, visit the GRI website.

Indicator	Description	Page/Remarks	Indicator	Description	Page/Remarks
Strategy and Analysis			Commitments to External Initiative		
1.1	Statement from the MD	04	4.11	The precautionary approach or principle	NA
1.2	Description of key impacts, risks and opportunities	04	4.12	Externally developed charters, principles, or other initiatives	07,08,09
Organizational Profile			Stakeholder Engagement		
2.1	Name of the organization	11	4.14	List of stakeholder groups engaged by the organization.	21
2.2	Primary brands, products, and/or services	12	4.15	Basis for identification and selection of stakeholders	21
2.3	Operational structure of the organization	11	4.16	Approaches to stakeholder engagement	21,39,41,54, 62-64 68,70,71,74,77
2.4	Location of organization's headquarters	11	4.17	Topics and concerns that have been raised through stakeholder engagement	21,54, 40,41
2.5	Number of countries where the organization operates	11	Materials		
2.6	Nature of ownership and legal form	11	EN1	Materials used by weight or volume	26,27,28
2.7	Markets served	11	EN2	Percentage of materials used that are recycled input materials.	27
2.8	Scale of the reporting organization	11,53,81	Energy		
2.9	Significant changes during the reporting period	04,16,51,78	EN3	Direct energy consumption by primary energy source.	26,28
2.10	Awards received in the reporting period	16	EN5	Energy saved due to conservation and efficiency improvements	30
Report Parameters			Water		
3.1	Reporting period for information provided	02	EN8	Total water withdrawal by source	27
3.2	Date of most recent	02	EN9	Water sources significantly affected by withdrawal of water	27
3.3	Reporting cycle	02	EN10	Percentage and total volume of water recycled and reused	30
3.4	Contact point for questions regarding the report or its contents	02	Biodiversity		
Report Scope and Boundary			EN11	Land with activities in areas of high biodiversity value	14
3.5	Process for defining report content	02	EN12	Significant impacts on biodiversity in protected areas	34,35
3.6	Boundary of the report	02	EN13	Habitats protected or restored.	34
3.7	State any specific limitations on the scope or boundary of the report	02	EN14	Strategies for managing impacts on biodiversity	34
3.8	Basis for reporting on joint ventures, subsidiaries, leased, facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	NA	EN15	IUCN Red List species in areas affected by operations	None
3.10	Re-statements of information provided in earlier reports	NA	Emissions, Effluents, and Waste		
3.11	Significant changes from previous reporting periods	02	EN17	Other relevant indirect green house gas emissions by weight	32
GRI Content Index			EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	29
3.12	Standard Disclosures table	82	EN20	NO, SO, and other significant air emissions by type and weight	32
Governance, Commitments, and Engagement			EN21	Total water discharge by quality and destination	32
Governance			EN22	Total weight of waste by type and disposal method	29
4.1	Governance structure of the organization	19,20	EN23	Total number and volume of significant spills.	29
4.2	Chair of the highest governance body	19,20	EN24	Weight of waste deemed hazardous and percentage of transported waste shipped internationally	29
4.3	Members of the highest governance body	20	EN25	Water bodies and related habitats significantly affected by discharges of water and runoff	27
4.8	Internally developed statements	17,18			
4.9	Identification and management, of economic, environmental, and social performance	18,19			

SUSTAINABILITY REPORT 2011

Indicator	Description	Page /Remarks	Indicator	Description	Page /Remarks
Products and Services			Equal Remuneration for Women and Men		
EN26	Initiatives to mitigate environmental impacts of products and services	68,67,73 75,76	LA14	Ratio of basic salary and remuneration of women to men	53
Compliance			Local Community		
EN28	Noncompliance with environmental laws and regulations.	29	S01	Operations with implemented local community engagement, impact assessments, and development programs	78
Investment and Procurement Practices			S09	Operations with negative impacts on local communities	NA
HR1	Contracts that include clauses incorporating human rights concerns	52	S010	Prevention and mitigation measures with negative impacts on local communities	NA
HR2	Suppliers, contractors and other business partners that have undergone human rights screening	52	Corruption		
HR3	Training on policies and procedures concerning aspects of human rights	55	S03	Training in organization's anti-corruption policies and procedures	19
Non - Discrimination			S04	Actions taken in response to incidents of corruption	NA
HR4	Total number of incidents of discrimination and corrective actions taken		Public Policy		
Freedom of Association and Collective Bargaining			S05	Public policy positions and participation in public policy development and lobbying	NA
HR5	Actions taken to support the right to exercise freedom of association and collective bargaining	54	S06	Financial and in-kind contributions to political parties, politicians, and related institutions	NA
Child Labor			Compliance		
HR6	Incidents of child labor, and measures taken to contribute to the effective abolition of child labor		S08	Significant fines and number of non-monetary sanctions for noncompliance	NA
Forced and Compulsory Labor			Customer Health and Safety		
HR7	Incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		PR1	Health and safety impacts of products and services	38,39,41
Security Practice			PR2	Incidents of non-compliance concerning health and safety impacts of products and services	NA
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	57	Product and Service Labeling		
Indigenous Rights			PR3	Type of product and service information required	41
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.		PR4	Incidents of non-compliance concerning products and service information	NA
Assessment			PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	39
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.		Marketing Communications		
Remediation			PR7	Incidents of non-compliance concerning marketing communications	NA
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	None	Customer Privacy		
Employment			PR8	Complaints regarding breaches of customer privacy and losses of customer data	NA
LA1	Total workforce	53	Compliance		
LA2	Total number and rate of new employee hires and employee turnover	54	PR9	Noncompliance with laws and regulations concerning the provision and use of products and services	NA
Labor/Management Relations			Economic Performance		
LA4	Percentage of employees covered by collective bargaining agreements	54	EC1	Direct economic value generated and distributed	81
LA5	Minimum notice period(s) regarding operational changes	54	EC4	Significant financial assistance received from government	NA
Occupational Health and Safety			Market Presence		
LA6	Total workforce represented in formal joint management-worker health and safety committees	60	EC6	Policy, practices, and proportion of spending on locally-based suppliers	70
LA8	Education, training, counseling, prevention, and risk-control programs regarding serious diseases	59	Legend NA - Not Applicable		
Training and Education					
LA10	Average hours of training per year	55			
LA11	Programs for skills management and lifelong learning	55			
LA12	Regular performance and career development reviews	55			

A New Chapter in Toyota History

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