

ABOUT THE REPORT

Toyota Kirloskar Motor Private Limited is proud to present the fourth Sustainability Report for the FY 2012-13 to all its stakeholders. This report represents the performances of TKM operations in India - Plant 1 and Plant 2 located in Bidadi Industrial Area, Bangalore. The Plant 2 has been included in the report scope for the first time.

The report has been prepared in accordance with Global Reporting Initiative (GRI) 3.1 framework. This report covers the economic, environmental, social performances and the sustainability strategic dimensions. The report is taking through the initiatives, activities and tasks implemented during the reporting period.

We welcome your valuable feedback and suggestions on this report sustainability@toyota-kirloskar.co.in

TOYOTA CORPORATE SUSTAINABILITY PHILOSOPHY

YOUR SATISFACTION OUR COMMITMENTS

VISION, MISSION AND VALUES

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.

VALUES

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 the same respect that I expect.

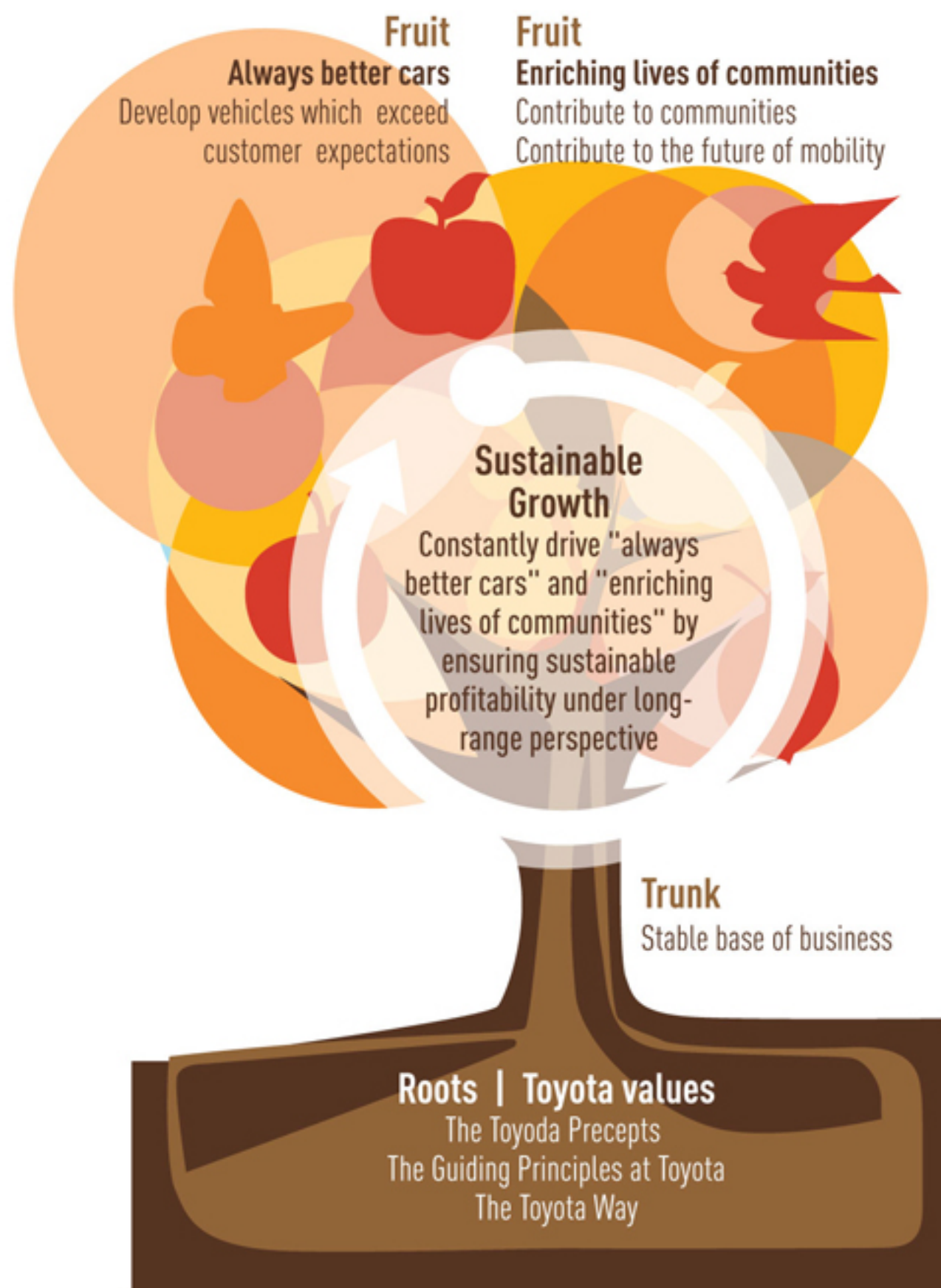
Harmony: I will work with team spirit and will not live at the cost of others.

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

Accountability: I will take ownership for all my actions.



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 Toyoda precepts, in the Toyota Guiding principles and in the Toyota Way, which are the basis of our business.

'Fruit' that Toyota provides for 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.

TOYOTA GUIDING PRINCIPLE

- 1** Honour 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 fulfil 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

GUIDING PRINCIPLES AT TOYOTA

The Guiding Principles at Toyota (adopted in 1992 and revised in 1997) reflect the kind of company that Toyota seeks to be in light of the unique management philosophy, values, and methods. Toyota, together with its consolidated subsidiaries, hopes to contribute to sustainable development through its corporate activities based on understanding and sharing of the Guiding Principles at Toyota.

The Guiding Principles at Toyota (adopted in 1992 and revised in 1997) define the mission of Toyota and the value company delivers to the stakeholder.



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.

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 address environmental issues on the global, national and regional scales, and promote 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.

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.

- Develop and provide products with top-level environmental performance
- Pursue production activities that do not generate waste
- Implement through preventive measure
- 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:

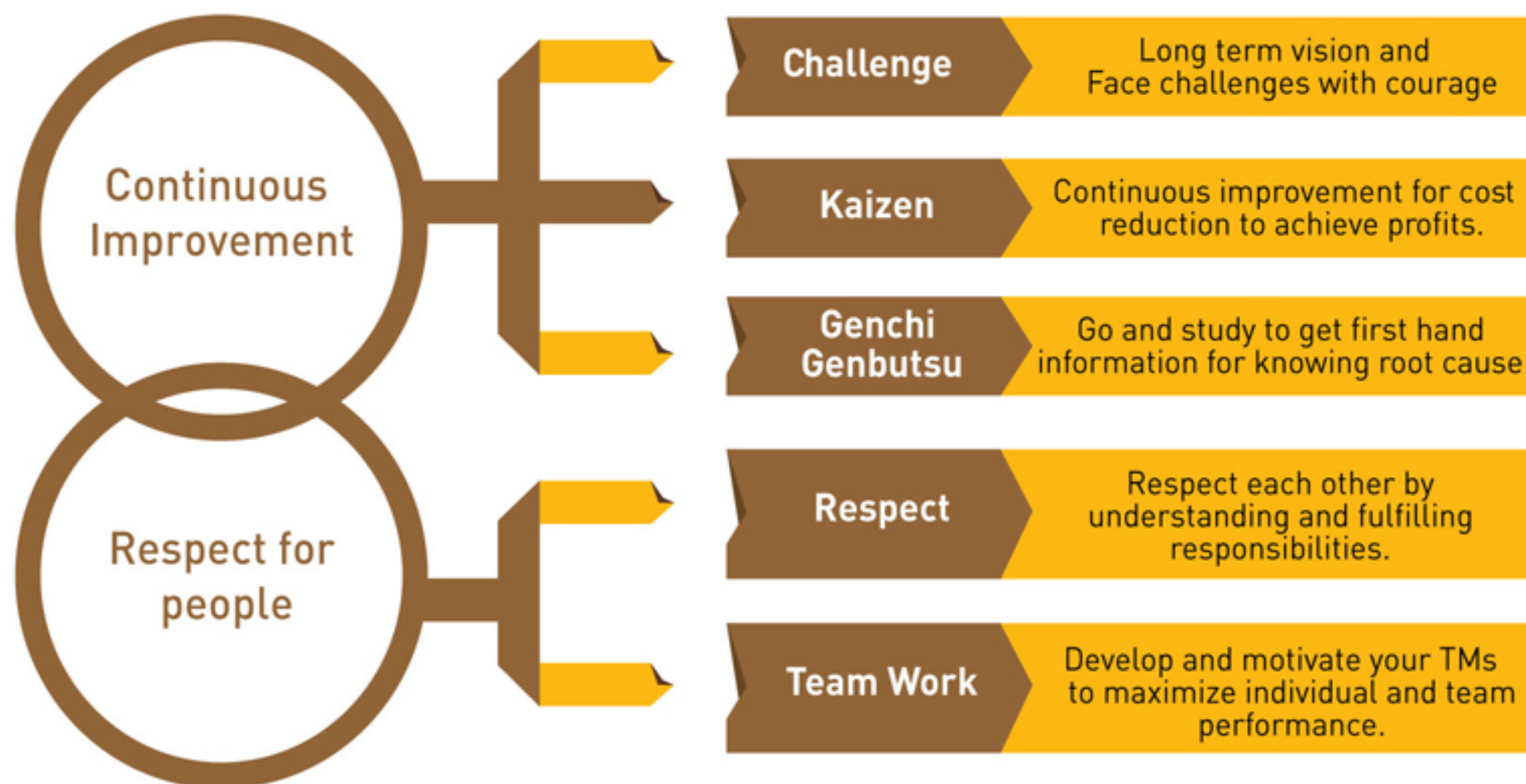
- Actively participate in social activities
- Participate in the creation of a recycling-based society
- Support government environmental policies
- Contribute also to non-profit activities
- Towards better understanding: Actively disclose information and promote environmental awareness.

ORGANISATION IN-CHARGE

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



TOYOTA WAY



The Toyota Way is an ideal, standard and a guiding beacon for the people of the global Toyota organization. It expresses the beliefs and values shared by all of us.

The Toyota Way is based on the Guiding Principles at Toyota, which defines the mission of Toyota as a corporation and the values the company delivers to customers, shareholders, associates,

business partners and the global community. It defines how people of Toyota perform and behave in order to deliver these values. It functions as the automatic nervous system for Toyota organizations.

The Toyota Way is supported by two main pillars. They are "Continuous Improvement" and "Respect for People". We are never satisfied with where we are and always improve our business by putting forth out best ideas and efforts. We respect people and believe the success of our business is created by individual efforts and good team work.

TOYOTA ENVIRONMENTAL ACTION PLAN

The Toyota Earth Charter, the company's action policy for the global environment, was formulated in 1992, and the Toyota Global Environmental Action Plan, which embodies the Toyota Earth Charter, facilitates all the global environmental initiatives. Beginning 2011, Toyota promotes its activities based on the Fifth Toyota Environmental Action Plan that shows the corporate vision and the direction of Toyota.

TKM's environment performance is detailed out in the 5-year Environment Action Plan, through which annual environment plan is formulated, percolating to activities and programmes that are implemented at the plant level.

