

OUR STAKEHOLDERS

STAKEHOLDERS ENGAGEMENT

Based on the Global Vision Guidelines, TKM identifies and engages with a wide range of stakeholders on the issues that affect the company's operations and also the stakeholders. TKM has a diverse group of stakeholders that are directly or indirectly impacted by its operations. The stakeholders comprise of customers, employees, dealers, local community & society, suppliers & business partners, government & regulatory authorities and TMC.

During the Reporting year, an external agency was appointed to conduct a detailed internal stakeholder Engagement. The process involved identification of Stakeholders (direct internal, indirect internal, direct external and indirect external stakeholders) to each division individually. This engagement also helped in mapping the existing engagement mechanisms and issues and challenges faced by each division.

Following table details regarding the method, mode and frequency of engagement that exists at TKM for each of the key stakeholders and the benefits to the business and the stakeholder.

KEY STAKEHOLDERS	METHOD	ENGAGEMENT FREQUENCY	MODE	BENEFITS TO BUSINESS	BENEFITS TO STAKEHOLDERS
Customers	VOC [Voice of customer];	Daily interaction through Dealer Network.	Formal	Product Quality Improvement & Enhance Customer loyalty	Customer Satisfaction
	Customer meets;	Annually			
	Customer Satisfaction Surveys;	Need based/ Annually			
	Customer Feedback through Centralized call centres: 18004250001 (Talk to Toyota Toll free number) and through www.Toyotabharath.com website	Based on Customers/ Daily interaction through Dealer Network			
Employees	Round Table Meeting	Weekly	Formal & Informal	Healthy Relations with Employees and Union	Better Woking Condition & Job Satisfaction
	Direct communication	Periodic / Weekly			
	Opportunity with Sr. Mgmt. (Skip level meetings)	Quarterly			
	Performance Review Level-up group HR meeting	Quarterly			
	Employee Engagement Survey – ‘Morale Survey’	Bi-annual			
	The annual Talent Hunt event	Annual			
	Union Meetings	Bi-weekly			
	Employee training and development	Annual			
	News Letter	Quarterly			
	Rewards and Recognition	Annual			
Dealers	Dealer Visits	Monthly	Formal	Better Quality & Improving Delivery performance Capacity Building	Profitability & Customer satisfaction
	Top Management visit to Dealer outlets	Monthly			
	Special Training programme	Quarterly			
	DERAP	Quarterly			
	Kaizen Programme	Monthly			
	Dealer councils meetings	Twice a Year			
	Dealer councils Sub Committee Meetings	Quarterly			
	Dealer Satisfaction Survey	Once in a Year	Carried by JDP		
	Dealer Employee Satisfaction Survey	Once in a Year	TKM		
Local Community & Society	Meeting with Local Community	Need Based	Formal/ Informal	Healthy relations with Local community	Employability, Livelihood
	Community Need Assessment				
	Public Hearing				
	Employee volunteering programmes				
	Impact Assessment	Annual			
	Social Satisfaction Study	Annual			



KEY STAKEHOLDERS	METHOD	ENGAGEMENT FREQUENCY	MODE	BENEFITS TO BUSINESS STAKEHOLDERS	
Suppliers	Annual Supplier Meet	Annual	Formal	Strong Relationship building with Suppliers, Ontime delivery of parts & Alining Suppliers towards Toyota Way	SQPCH development & Global Recognition
	Business Convention Meeting	Monthly			
	Top Management Visits to Onsite Supplier Centre	Monthly			
	TKSA: Quality Circle Competition	Annual			
	Sharing Best Practices	Need Based			
	Kaizen Festival	Annual			
	Promotional Activities	Need Based			
	Top Management Visits to other Supply Centre	Need Based			
	Cross Functional meeting with OSS teams	Monthly			
	OSS Steering Committee meeting	Monthly/ Quarterly			
	Team Toyota Safety Committee meeting	Biannual			
TMC	Regular Meetings & Communication	Need Based/ Periodic	Formal	Streamlining of Product & Process improvement	Efficient Process & Business Management
Government & Regulatory Authorities	Meetings in Industry Forum, KPI reports	Monthly /Need Based/ Periodic	Formal	Timely Clearances; Successful Operations and Business Continuity	Compliance to regulations

MATERIAL ISSUES

Lean Manufacturing ensures that driving towards the overall organizational strategy by constant review of processes to the stakeholders. The materiality issues are identified through stakeholder engagement - identification of the issues of concern to both the stakeholders (direct and indirect) and the company. The material issues are derived at by reviewing and prioritizing

stakeholders' concerns, Sector/ Industry challenges, peer reports and issues faced by peer companies included Indian and Global Automotive Companies.

The issues which are of highest material significance to the sustainable development of the company are summarized in materiality matrix: a three-point scale of high, medium and low importance.

SIGNIFICANCE TO THE STAKEHOLDERS						
	HIGH					
SIGNIFICANCE TO THE COMPANY	LOW	MEDIUM	HIGH			
	HIGH		<ul style="list-style-type: none">• Road Safety• Employee training and development• Scope 3 emission/carbon footprint• Public policy and regulatory framework	<ul style="list-style-type: none">• Customer satisfaction• Product/ component quality• Product Safety• Occupational health and safety• Supply chain and Vendor Engagement• Environmental impacts of manufacturing – emission• Corporate Governance• Community development• Employee satisfaction• Material optimisation		
		MEDIUM	<ul style="list-style-type: none">• Biodiversity	<ul style="list-style-type: none">• Non discrimination & human rights• Child labour and forced labour• Product labelling• Waste management• Grievance Redressal	<ul style="list-style-type: none">• Water and Energy conservation• Sustainable business growth	
		LOW		<ul style="list-style-type: none">• Environmental impacts of products• End of life recovery of vehicles• Business Ethics	<ul style="list-style-type: none">• Research & Development	

KEY PERFORMANCE PARAMETERS

ENVIRONMENTAL PERFORMANCE	TARGETS ACHIEVED	2012-13	2011-12
Total Water Usage (m ³ / Veh)	3.6 % reduction	4.72	4.9
Hazardous Waste Generation (Kg / Veh)	24.95 % reduction	4.51	6.01
LPG Usage (Kg / Veh)	4.4 % reduction	23.95	25.07
Suppliers (core) compliant with ISO14001	100% of suppliers	100%	78%
Dealerships compliant with ISO14001	67% of dealerships	67%	70%

SOCIAL PERFORMANCE	2012-13	2011-12	2010-11
Number of employees (Permanent, Contract employees & Trainees)	10275	9839	7735
Turnover rate for employees	1.8%	3.6%	2.5%
Community Investments (through Community Spirit and Community Sponsorships) in Million INR	72.32	72.8	108.3

ECONOMIC PERFORMANCE	2012-13	2011-12	2010-11
Units Manufactured ((Plant 1 and Plant 2)	189387	161326	83841
Units Imported as CBU (Completely Built Unit)	175	689	681
Net Profit after Tax in Million INR	(-)63	(-)268	2216

SUSTAINABILITY CHALLENGES, RISKS & OPPURTUNITIES

#	SUSTAINABILITY CHALLENGES / RISKS / OPPORTUNITIES	PROCESS TO IDENTIFY	STRATEGIES TO ADDRESS
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RISK / CHALLENGES

1	Adverse currency impact	Periodic impact analysis by Finance	Localization & focus on exports
2	Sluggish auto market growth rates & Increasing New Competition Launches	SWOT Analysis process	Enhance marketing & brand promotion strategies like value added services, Launch of Etios MMC
3	Impact on supplier & dealer due to decrease in volume & increase in OEM component prices	SWOT Analysis process	Formation of Exclusive Supplier support centre to support supplier development in Safety, Quality, Production, Cost and Human development.
4	Adverse Government policies & regulations	SWOT Analysis process	Interaction with Government through CII & SIAM

OPPORTUNITIES

1	Expand Sales in semi urban & Rural areas.	SWOT Analysis process	Dealer network expansion Rural penetration to increase sales
2	Enhance profitability through Expanding export operations.	SWOT Analysis process	Explore possibility of Exporting Products & Parts to SAARC & Other countries.

