

MARKET SCENARIO

According to statistics, it has been noted that there are just about 19 cars for 1000 people in India. However, India is the second fastest growing automobile market in the world after China. This growing market not only makes India attractive for leading global automobile manufacturers, for Toyota, it represents an unlimited growth story.

With the rising demand and an increasing propensity to spend, the Indian customer's high expectations make the market competitive.

DATA METRICS

Methodologies followed: The data and figures in the report are actual numbers based on the methodology and standard management systems followed by our Environment, Health and Safety department and other departments, in line with industry practices. Our performance is reported on a year-on-year basis, comparing the current year's performance against the previous years.

OUR STAKEHOLDERS



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, suppliers, government and regulatory authorities and TMC.

Following table details the method, mode and frequency of engagement adopted by TKM with key stakeholders and the resulting benefits to the business and the stakeholder.

KEY STAKEHOLDERS	ENGAGEMENT			BENEFITS TO	
	METHOD	MODE	FREQUENCY	BUSINESS	STAKEHOLDERS
Customers	VOC [Voice of customer]; Customer meets; Customer Satisfaction Surveys; Customer Feedback cell; Dealer Visits	Formal	Need based, Daily interaction through dealer network	Product related risk mitigation	Customer satisfaction
Employees	Round Table Meeting; Periodic direct communication opportunity with Sr. Mgmt. (Skip level meetings); Performance Review; Kaizens; Level-up group HR meetings; Employee Engagement Survey – 'Morale Survey'; Rewards and Recognition; The annual Talent Hunt event; Union Meetings	Formal and Informal	Daily/ Weekly/ Monthly/ Quarterly/ Biennially and Annually	Healthy relations with employees and Union	Better working environment and job satisfaction
Dealers	Dealer meets; Dealer visits; Special training programmes; Dealer councils; Kaizen programme; Dealer Environment Risk Assessment Programme (DERAP).	Formal	Daily, Monthly, Quarterly and Annually	Better quality and improving delivery performance capacity building	Profitability and customer satisfaction
Local Community and Society	Meetings with local community; Need assessment; Public hearing	Formal and Informal	Need based	Healthy relations with local community	Employability, livelihood
Suppliers	Supplier Meets, BCM; Kaizen Festival; Quality Circle Competitions; ASM; Promotion and Awards	Formal	Monthly and Annually	Better quality and delivery performance	Profitability
TMC	Regular Meetings and Communication	Formal	Need based/ Periodic	Streamlining of product and process improvement	Efficient process and business management
Government and Regulatory Authorities	Regular meetings; Meetings in industry forums;	Formal	Need based/ Periodic	Timely clearances; Successful operations and business continuity	Compliance with regulations

MATERIAL ISSUES

SIGNIFICANCE TO THE COMPANY			
SIGNIFICANCE TO THE STAKEHOLDERS	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 » Non discrimination and 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 and Development

KEY PERFORMANCE PARAMETERS



ENVIRONMENT KPI DATA

ENVIRONMENTAL PERFORMANCE	2011-12	2012-13	2013-14
Total Water Usage (m ³ / veh)	4.9	4.72	3.74
Hazardous Waste Generation (Kg's / veh)	6.01	4.51	4.3
VOC Emission (gm's / m ³)	40.32	40.82	39.4
Suppliers (core) compliant with ISO14001	78%	100%	100%
Dealerships compliant with ISO14001	70%	67%	96%

SOCIAL PERFORMANCE	2011-12	2012-13	2013-14
Number of employees	9839	10275	8480
Turnover rate for employees	3.6%	1.8%	2.4%
Community Investments (Through Community Spirit and Community Sponsorships) in Million INR	72.8	72.32	49.57

ECONOMIC PERFORMANCE	2011-12	2012-13	2013-14
Units Manufactured (No's)	1,59,986	1,66,289	1,54,627
Units Imported as CBU (Completely Built Unit) (No's)	263	175	78
Net Profit after Tax in Million INR	(-) 268	(-) 63	(-) 629

