



COMMUNITY



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At TKM, sustainability is at the core of our business operations. In order to be sustainable, we also must have sound business fundamentals. Sustainability of business therefore includes not merely economic sustainability but social and environmental sustainability.

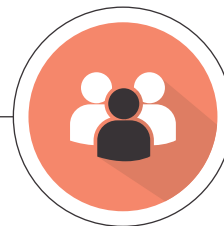
CSR is different from routine philanthropy since it creates value for society as well as business. It is an opportunity for the business to be responsible while being profitable.

CSR at TKM is not only a compliance but it's being socially responsible and hence, TKM is doing CSR from 2003 onwards. We have been focusing on various areas – Supporting primary education through supply of educative materials at government schools, safe drinking water facilities to communities, make children a responsible road users, conduct eco conscious drive across all stakeholders, support national mission of Skill India and Swachh Bharat and Swachh Vidyalaya and many others.

Our CSR operations have gained momentum we are trying to have a long term impact on our business. We, at TKM, continuously work towards assessing the social return on investment created in community through setting a clear metrics which are based on ROI concepts.

At TKM, we believe to grow with society.

OUR COMMUNITY



Community activities and the concept of Corporate Social Responsibility have long been ingrained in our DNA. Over the years, we have made significant progress in our core thrust areas of Sanitation, Education, Skill Development, Health and Hygiene, Road Safety, Environment and Arts and Culture. Through our CSR initiatives we have been striving to create an impact on the communities in the neighborhood of our businesses, across the country in urban as well as in rural areas. In our constant endeavor to build a sustainable partnership with society, we have scaled up existing projects, taken up newer initiatives and exited from those that have been taken over by the stakeholders involved.

Toyota Kirloskar Motor recognizes the strong synergy between business and society and has always aspired to create 'Real Value' for the marginalized through its CSR activities.

The Corporate Social Responsibility programs of TKM are focused on addressing the real needs of the community. They generate both a societal benefit as well as a business benefit, while allowing for sustainable and credible corporate philanthropy. Our need assessment has helped identify priorities for community improvement, that help us develop more effective strategies for generating social and environmental community benefits.

TKM has involved all the key stakeholders during planning, implementation and monitoring stages of each program. All the initiatives are taken up after discussion with the local community and the relevant stakeholders.

With the New Companies Act 2013 and Corporate Social Responsibility Rules, 2014, and the schedule VII, our efforts only got dovetailed with added institutional strength to our strong foundation. Our deep insight and commitment for CSR has made us appreciate the various challenges that exist in the third sector, but at the same time we have ensured that every rupee spent not only reaches the last person but also creates the required change. We achieve this through strategic interventions and stringent monitoring processes. Hence, our focus has always been on supporting quality projects that deliver value.

As a company we are aware that our business impacts millions of people every day. We acknowledge our responsibility towards our stakeholders, including the communities near our business locations and also the deprived and marginalized, living in rural areas. We are involved in community engagement activities to the best of our capacity, with strong impact

assessment mechanisms in place. All the above mentioned verticals are also part of the Schedule VII under the New Companies Act 2013 and Corporate Social Responsibility Rules, 2014.

TKM has set up a CSR Committee which also publishes a report that is carried in the company's annual report, detailing all our CSR activities with the corresponding CSR spends, the composition of CSR committee, and reasons for not spending the allocated CSR amount in the FY 2014-15.

TKM considers the community as an important stakeholder and an integral part of our core business. Senior management and the CSR team conduct regular periodic meetings in rural areas with the Panchayat members to offer support for their village level requirements. TKM also participates in the local village events as a part of community engagement programs, and also conducts informal meetings with other officials, key leaders and the local government to understand their unique requirements and update them on the progress of activities.

We consider the government as an important stakeholder in CSR, and hence a strategic approach is adopted to maintain and strengthen the relationship with the governance. TKM engages with the local government and district administration to identify the local requirements, secure an approval of the community engagement programs, and to seek administrative support for smooth implementation of those programs, however, staying strictly apolitical. TKM does not make any contributions towards any political parties either financially or through contributions in kind.

PLAN

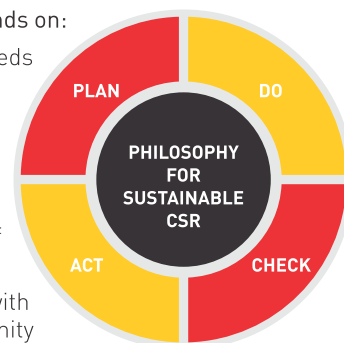
CSR Activities depends on:

- ▶ Analyzing the needs
- ▶ Feasibility study

DO

Need-based implementation of prioritized activities

- ▶ In consensus with the local community
- ▶ Involving the stakeholders
- ▶ Sustaining the activity



CHECK

- ▶ Monitoring evaluation of the programme by using effective implementation tools

ACT

- ▶ Improvization of the existing and plan for the new activity

CSR POLICY**VISION**

Be a socially committed corporate by building vibrant communities in harmony with nature. Aiming to become the most admired company in India. Meet customer expectation and be rewarded with a smile.

**STEP TOWARDS
SUSTAINABILITY**

SOCIAL

Contribute to the development of the society by:

- ▶ Imparting technical education
- ▶ Raising road safety awareness
- ▶ Promoting art and culture
- ▶ Developing local communities through sustainable activities

ECONOMIC

Developing a harmonious relationship with society by contributing towards various community development activities.

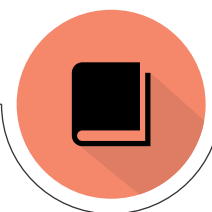
ENVIRONMENT

Undertaking measures to protect and safeguard the environment through effective eco initiatives.

BUSINESS

Complying with externally imposed social and environmental standards and conducting our business operations with honesty and integrity.

SAFETY AND EDUCATION

**ROAD SAFETY AWARENESS PROGRAM**

Road safety is emerging as a major social concern in the country. With an average mortality rate of 1,00,000 road accident deaths, the statistics are mind boggling. The frequency of traffic collisions in India is amongst the highest in the world. In most cases, driver distraction has been noted as the cause of the increased safety risks.

Interventions are generally much easier to identify in the modern road safety paradigm, whose focus is on the human tolerances for serious injury and death. Hence defensive driving courses are very important for road safety.

TKM contributes to this cause by organizing defensive

driving training to drivers on the roads with special focus on vehicle handling, economical driving techniques, safe tips and passenger safety.

DISTRIBUTION OF SCHOOL SUPPLIES TO GOVERNMENT SCHOOL CHILDREN

Education is the best hope of children everywhere for breaking free from the circle of poverty. Yet, even school supplies are hard to come by for many children. TKM volunteered to help plug this need for poor children to continue their studies and encourage their ambition for learning by distributing school supplies to 8500 children across 108 government schools.

SANITATION

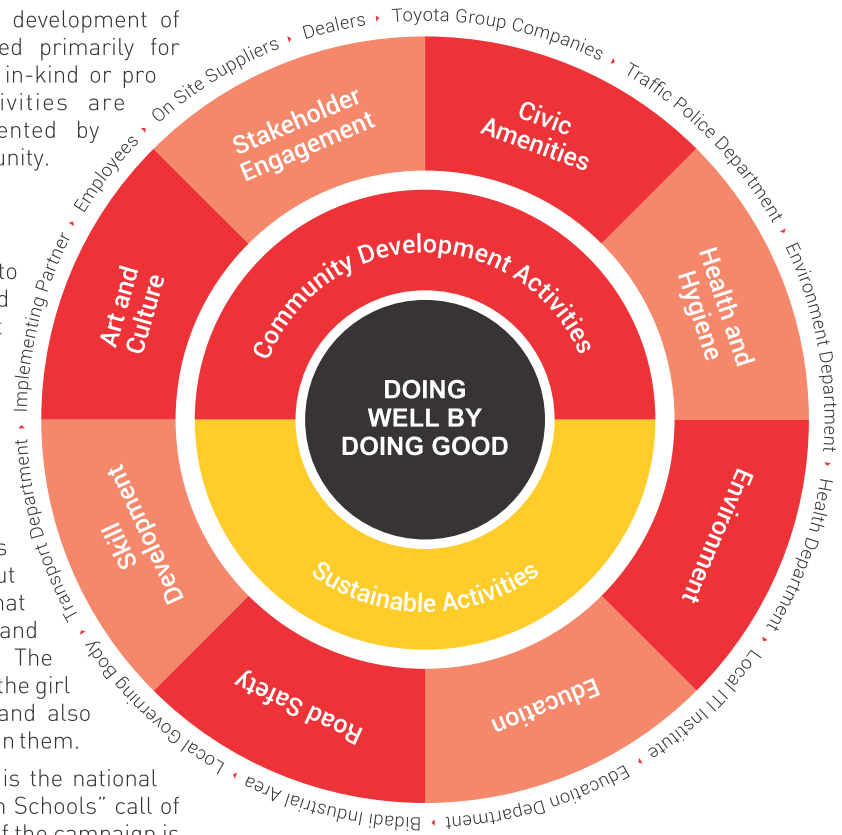


TKM is continually investing in the development of infrastructure and services provided primarily for public benefit through commercial, in-kind or pro bono engagements. These activities are thoroughly planned and implemented by consciously involving the local community.

GIRL CHILD SANITATION FACILITY

Sanitation and hygiene are the key to child survival, development and growth. Improved sanitation has yet to reach 2.6 billion people in the developing world – almost 980 million of which are children under 18 years of age. However, in India, one in four girls does not complete primary school, compared with one in seven boys. It has been observed that lack of sanitation facilities has been a major cause for high dropout rates among girl students. Schools that have water and sanitation attract and retain students, particularly girls. The solution to ensuring the education of the girl child is to build toilets in schools and also ensure there are resources to maintain them.

'Swachh Bharat: Swachh Vidyalaya' is the national campaign driving "Clean India: Clean Schools" call of the Modi government. A key feature of the campaign is to ensure that every school in India has functioning and well maintained water, sanitation and hygiene facilities. This Government's National Campaign supports Girl Child Sanitation in India. Taking a step further towards protecting the dignity of girl child, TKM is constructing sanitation units at schools identified by the Government in three locations across India to realize the mission 'Clean India - Clean School'. To date, around 500 toilets have been constructed through this program.



“The previous school was in a very bad condition, TKM took the initiative of building the school completely. This has encouraged the school children to attend the classes and even their parents send them without any inhibition.”

Mr. Kumaraswamy
Block Education Officer,
Ramanagara

CASE STUDY

WATER PURIFICATION UNIT

Water in the Byramangala region is highly polluted as a result of the release of industrial and sewage pollutants into Vrishabhavathi River which finally get collected in the Byramangala reservoir. This results in the water here being highly contaminated by heavy metals in underground water channels.

An analysis of underground water sample revealed increased Total Dissolved Solids (TDS) levels and chemical contamination in the water. During an interaction with the local Community Health Centre and Gram Panchayat, it was observed that people were affected by water-borne diseases including Cholera, and other serious illnesses such as Guinea worm disease, Typhoid, and Dysentery.

Toyota decided to address the concerns of local community by establishing large scale community based water purification units at Byramangala, Ittamadu, Bidadi and Manchanayakanahalli in partnership with the local Gram Panchayat.

An NGO was roped in to help in creating awareness on health and hygiene, for conveying the benefits of safe drinking water to the community through distribution of pamphlets, door-to-door campaigns and public announcements.

TKM Water Purification Unit- A Sustainable Model

TKM liaised with local Gram Panchayat to procure land for setting up the water purification unit, to seek access to the water source and power to run the unit. Co-ordinating with the local government, TKM made an one-time investment in setting up the water purification unit. This unit hosts a six step filtration process with reverse osmosis technology and exposure to UV rays to deliver IS10500 standard

potable water. Currently, each unit has a purification capacity of 1000 liters per hour and caters to over 40,000 people across 42 villages.

A nominal fee is collected towards maintenance of the unit and to ensure it is sustainable.

Along with the Gram Panchayat, TKM has also entered into a Memorandum of Understanding (MoU) with an NGO, to assist in implementation and maintenance of the unit, and help in alleviating the water contamination issue by providing insights on safe drinking water to the local communities.

Communities have not only realized the immediate benefits of having access to clean water - from improved health and well-being, but also have benefitted by investing in full ownership of that center. In addition to reducing instances of water-borne diseases, providing better access to improved water quality confers many other diverse benefits ranging from the easily identifiable and quantifiable to the more intangible and difficult to measure. Also, the initiative has enhanced TKM's image amongst the local community.



WATER PURIFICATION UNIT



“Initially, no corporates used to take measures to bridge the gap in providing medical facilities to local community. TKM has done lot of work in health related issues like renovation of primary health centre, conducting camps etc.”

Dr. Niveditha,
Bidadi, Primary Health Centre

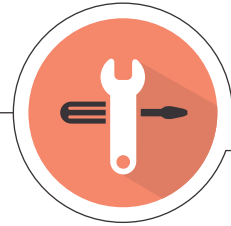


“Getting access to potable water was a concern, now we have water tanks which has been the source of drinking water, thanks to Toyota Kirloskar Motor for listening to our request.”

Ms. Nandaprabha
Gram Panchayat Member,
Manchanayakanahalli

TOYOTA TECHNICAL TRAINING INSTITUTE

(TTTI)



Toyota Kirloskar Motor established the Toyota Technical Training Institute (TTTI) in 2007 with a philanthropic motive. It intended to support the intelligent but financially challenged candidates of rural Karnataka who are unable to pursue higher studies after SSLC. More than 90% of the candidates are children from agriculture-dependent families.

TTTI offers a three-year full time residential course within the state of art facility. It offers a course on automobile manufacturing practices which is classified into four trades - namely, Automobile Weld, Automobile Assembly, Automobile Paint and Mechatronics (Plant Maintenance). The course is split into six semesters, and concentrates exclusively on the holistic development of the students.

TTTI's curriculum is divided into different domains - Knowledge, Skill and Body and Mind. Knowledge Training concentrates on the Communication, IT skill, Technical subjects like Production Technology, Machine Design etc.

The Skill training area is equipped with world class infrastructure, in line with today's automobile industry technology. Students undergo vigorous skill training specially developed with the support of Toyota Technical Skill Academy (Japan). In addition to workshop training, students are exposed to 1600/6336 hrs on-the-job training on the production line at TKM.



TTTI selects maximum of 64 students every year for this course. The selection is based on parameters such as: Entrance Examination, Physical Test + Skill Test + Interview, Medical Check and Antecedent Verification.

WORLD SKILL CONTEST

World Skill Contest is the collective voice for skills excellence and development in vocational, technological and service oriented careers around the globe.

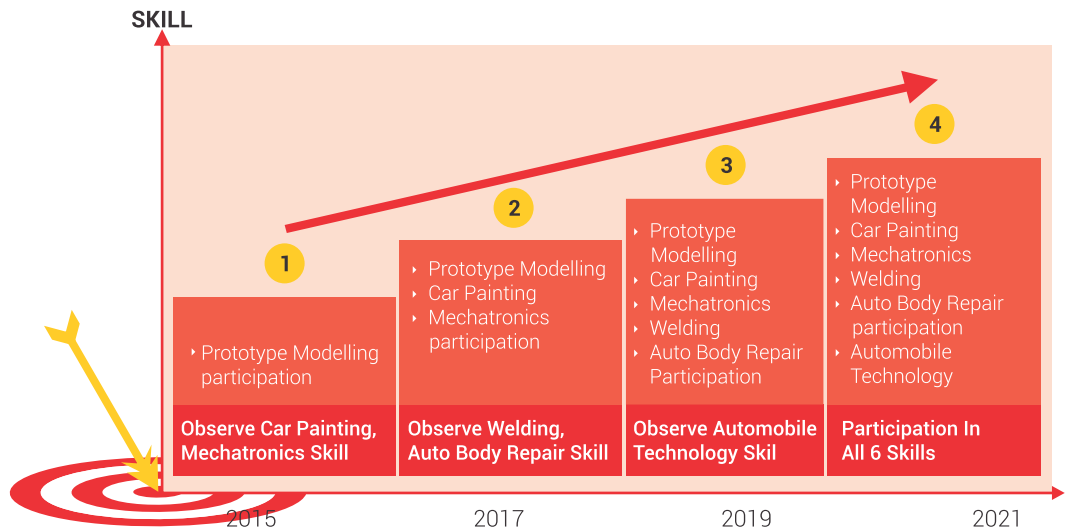
This contest promotes the benefits of and need for skilled professionals through grass-root community projects, skill competitions and knowledge exchange. They show how important skills education and training is for youth, industries and society, by challenging young professionals around the world to achieve excellence in the skill of their choice.

Two out of the sixty four students at TTTI, were short listed to take part in the National Skill Competition and the winner will represent India in the World Skill Contest. The internal selection process was graced by Mr. Naomi Iishi, Managing Director, TKM, Mr. Ravi Kharabanda, Technical consultant from National Skills Development Corporation and the top management of TKM.

The World Skill Contest thus provides a sustainable platform for skill movement and human development.



TTTI'S FUTURE PLAN FOR THE WORLD SKILL CONTEST



AUTOMOBILE AWARENESS TRAINING PROGRAM

The TTTI conducted an Automobile Awareness Training program at the Assembly shop. It included basic automobile and transmission training for the PES members to improve their knowledge and enhance the efficiency at work.

The Automobile Awareness Training offered by TTTI training helped us understand various working parts of vehicle. We also understood the repercussions of vehicle parts failure and its effects on equipment parameters. We can now easily identify the issue of vehicle parts failure as the training gave us sufficient knowledge about the vehicle and working of its internal parts. We are thankful to the entire TTTI team for providing such an excellent training, Thank you.

- Participant, Automobile Awareness Training Program

SUCCESS STORY

Ananth Kumar T A, a mechatronics student of 2009 Batch, from Chittoor, Andhra Pradesh, got employment at TKM post his graduation at TTTI. He is now financially supporting his family and has been a reason for their pride and joy. His family in Chittoor lived under one roof with no agricultural land to sustain. Due to mounting financial constraints, the entire family of five moved to Bangalore to seek a living. His father worked as a vegetable vendor and the mother as a maid-servant.

With a bright mind like his, Ananth excelled in his studies and ultimately obtained a scholarship from his school. On completion of his 10th grade, Ananth had to choose between pursuing his education or joining hands with his parents to be a bread-winner for the family. An acquaintance informed him of TTTI and supported him through the application process. An

excellent academic record along with the right attitude towards life fetched him admission into TTTI and subsequently a job at TKM. He is now doing well for himself professionally.

