





## Scope of this report

This is Toyota Motor Corporation Australia Limited's (Toyota Australia) tenth sustainability report. It details our performance for the 12 months from 1 April 2015 to 31 March 2016, corresponding with the Japanese financial year.

It covers the activities and performance of Toyota Australia, as detailed in the section of this report titled About Toyota Australia. Lexus Australia is a division of Toyota Australia.

The information relating to the operations of dealerships is not covered in the report, nor are the operations of Toyota Financial Services Australia or Toyota Technical Center Australia.

Information related to two dealerships – Sydney City Toyota and Sydney City Lexus – had been included in prior reports, as both were previously owned by Toyota Australia. However, they were sold by Toyota Australia in 2014/15 with all Toyota and Lexus dealers operating as independently owned franchises as of the end of March 2015.

There were no significant changes to our size, structure, ownership or supply chain during the reporting period. Senior management changes at Toyota Australia and Lexus Australia are detailed on [page 49](#) of this report. We relocated our central region office in South Australia from Edwardstown

to Adelaide Airport, and in March 2015 announced our intention to relocate the New South Wales parts centre to Oakdale South, Horsley Park, which is expected to be fully operational by mid-2018.

We have restated information previously published relating to the number of Toyota and Lexus vehicles sold in Australia each year. The figures have been updated to include all our domestic Toyota and Lexus sales (including company fleet sales, which were not always included in previous years despite contributing to our sales volume). We have also subtracted export sales figures as they do not contribute to our domestic sales results.

We released our previous sustainability report in September 2015, for the period 1 April 2014 to 31 March 2015. Copies of previous reports are available on our website and questions can be directed to [sustainability@toyota.com.au](mailto:sustainability@toyota.com.au).





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## President's message

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Toyota Australia has made significant progress on a number of key items throughout the 2015/16 financial year.

As we prepare to cease building cars by the end of 2017, a lot of work is being done to manage our exit, continue business as usual and develop our future business model.

Our aim is to ensure that our transition to a national sales and distribution company is as smooth as possible.

We understand that when we stop manufacturing it will mark the end of a once thriving local industry and, inevitably, the end of many jobs. That is why we are committed to providing our employees with as much certainty about their future as possible.

A key part of this commitment took place at the end of 2015 when we advised our employees whether they have a role in the 2018 structure.

For those who will not continue in the company, we are giving them the opportunity to receive individual career advice and company sponsored training. We want to make sure that when they leave Toyota Australia, they are confident within themselves and have a clear path ahead of them.

For those continuing at the company, they have two years to train and secure the knowledge transfer to ensure a seamless transition.

At the same time as we manage our exit, we must carefully balance our current and future business needs.

For me personally, I have been incredibly proud of our employees during the transition period. Regardless of whether they will continue with Toyota in the future or not, everyone has remained absolutely committed and dedicated to their jobs.

There is no doubt that this helped us achieve strong results in the 2015 calendar year.

Toyota was the market leader for the 13<sup>th</sup> consecutive year with 206,236 new vehicle sales and the Corolla was the country's best-selling car for the third year in a row. In further good news, Lexus achieved an all-time sales record on the back of great product, sales and marketing strategies.

This was a great result for us and proves that we are continuing to head in the right direction. However, the upcoming changes to our business have given us a once in a lifetime opportunity to transform our company even further.

To guide us through this journey we have established a clear vision for the future and that is to be the automotive company of tomorrow, today.

We must focus on being a customer – or as we like to call it, a 'guest' - focused organisation and ensure that we are delivering products and services that exceed our guests' expectations.

To ensure we continue to offer world-class vehicles, we have already added three new functions to our business in 2016 following the closure of Toyota Technical Center Australia - vehicle evaluation, multimedia and customer quality engineering.

This marks the beginning of our company-wide transformation and I have no doubt that as we continue to enhance our business offerings, Toyota Australia will remain a formidable force in the future.

**Dave Buttner**  
President



## Sustainability at Toyota

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Toyota was founded on the principles of sustainability. The company continuously strives to contribute to the sustainable development of society through the manufacture and provision of innovative and quality products and services.

Toyota acknowledges that, while motor vehicles provide a range of mobility solutions, they affect a number of social and environmental issues. The company aims to seek harmony and balance between people, society and the global environment, while contributing to sustainable development through manufacturing.





## About Toyota Australia

Toyota Australia is a leading manufacturer, distributor and exporter of vehicles, operating under the Toyota and Lexus brands.



### FOUR KEY OPERATING ARMS

We are a wholly owned subsidiary of Japan's Toyota Motor Corporation (TMC). Our Australian corporate headquarters is located in Port Melbourne, Victoria and we have a manufacturing plant in Altona, Victoria.

Our operations are divided into four key operating arms: sales and marketing, corporate services, product planning and development, and manufacturing and purchasing. Lexus Australia is managed under sales and marketing.

The majority of Toyota Australia's sales and marketing operations are located at our Woollooware Bay, New South Wales facility. We also have regional offices in all mainland Australian states except Western Australia, where an independent company distributes Toyota-branded vehicles on our behalf. Toyota Australia distributes Lexus-branded vehicles in Western Australia.

The vehicles we sell are either imported from overseas Toyota plants or manufactured in Australia. Our customers include private buyers, and private and government fleets.

We also export vehicles manufactured in Australia to Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates, Yemen, Thailand, New Zealand and the South Pacific Islands.

Our customers, or 'guests' as we prefer to call them, are serviced by our extensive network of dealers, which are independently owned under franchise agreements. As at 31 March 2016 there were 209 Toyota dealers responsible for a total of 279 dealer outlets employing 12,820 people, and 19 Lexus dealers responsible for 24 outlets employing 507 people.

Following our announcement in February 2014 that we would stop manufacturing cars and engines in Australia by the end of 2017, our focus during 2015/16 was on managing our transition from an Australian automotive manufacturer, sales and distribution company to a national sales and distribution company.







## TOYOTA MOTOR CORPORATION

### Global CSR policy - Contribution towards sustainable development

We, Toyota Motor Corporation and our subsidiaries, take initiative to contribute to harmonious and sustainable development of society and the earth through all business activities that we carry out in each country and region, based on our guiding principles.

We comply with local, national and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity.

In order to contribute to sustainable development, we believe that management interacting with its stakeholders (customers, business partners, employees, shareholders and global society/ local community) is of considerable importance, and we will endeavour to build and maintain sound relationships with our stakeholders through open and fair communication. We expect our business partners to support this initiative and act in accordance with it.

## Our commitment to sustainability

### GLOBAL COMMITMENT

Toyota's global commitment to sustainability is best articulated through our seven guiding principles, established in 1992. The principles reflect a commitment to fairness in all corporate activities, the provision of clean, safe and innovative products, and respect for the environment and the culture of the communities in which we operate.

The principles are to:

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 the 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 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 value, 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.

The principles also form the basis of our global corporate social responsibility (CSR) policy – contribution towards sustainable development.

They also provide the foundation for our global vision, adopted in 2011. The Toyota Way (which articulates the company's two foundation pillars: continuous improvement and respect for people) and the Toyota code of conduct detail the values and behaviours expected of employees as they put the principles into practice. Details are available on the TMC website at [www.toyota-global.com/sustainability/csr/csr/index.html](http://www.toyota-global.com/sustainability/csr/csr/index.html)



## AUSTRALIAN COMMITMENT

Toyota Australia's vision, mission and strategic direction reflect Toyota's global vision and guiding principles, and provide the foundation for our business in Australia.

The President's goals are Toyota Australia's aspirational goals. They encourage and support the mindset of continuous improvement and respect for people, the fundamental platforms of the Toyota Way.

Responsibility for sustainability lies with Toyota Australia's board of directors and executive team. Board committees have specific sustainability accountabilities, and the executive team have responsibility for delivery of key sustainability programs including employee health and safety, and environmental management. Details of board and management responsibilities are provided on [page 48](#) of this report.

## OUR APPROACH TO SUSTAINABILITY REPORTING

Sustainability reporting provides us with the opportunity to disclose to our stakeholders how we are managing our key economic, environmental and social issues. We believe that honest and transparent reporting helps build trust, motivates employees and gives us the opportunity to show that we understand the issues of interest and concern to all our stakeholders.

### TOYOTA AUSTRALIA VISION, MISSION AND GOALS

#### VISION

**MOST RESPECTED AND ADMIRABLE COMPANY**

#### MISSION

**WE DELIVER OUTSTANDING AUTOMOTIVE PRODUCTS  
AND SERVICES TO OUR GUESTS, AND ENRICH OUR  
COMMUNITY, PARTNERS AND ENVIRONMENT.**

#### PRESIDENT'S GOALS

**0**

**ZERO HARM**

**#1**

**RESPECTFUL TRANSITION  
LAST CAR = BEST GLOBAL CAR  
GUEST-CENTRIC MINDSET  
PRODUCT DESIRABILITY  
MARKET LEADERSHIP**

It provides us with a platform to demonstrate Toyota's commitment to measuring, monitoring and continually looking for improvement opportunities, as detailed in Toyota's global guiding principles and articulated in the Toyota Way.

Our approach to sustainability reporting is guided by the Global Reporting Initiative's (GRI) G4 sustainability reporting guidelines. We report in accordance with GRI G4 core reporting requirements. An index detailing our response to the GRI indicators is located on [page 53](#).

We believe external and independent assurance provides stakeholders with confidence that we are reporting our sustainability performance transparently and accurately. A statement from our external assurance provider is located on [page 52](#).

## KEY SUSTAINABILITY ISSUES

A key feature of the GRI G4 guidelines is an emphasis on identifying and reporting on those sustainability issues or opportunities that are material to the business and our stakeholders. Material issues are defined as those that could make a major difference to an organisation's performance as well as those that are considered important to stakeholders.

While the GRI G4 does not provide a prescriptive approach to undertaking an assessment of material issues, it does provide guidance on the process.

We undertook a materiality assessment to understand the key issues to be included in this report. The assessment included a review of peers, media, industry, an employee survey and internal





**THIS REPORT  
COVERS ALL  
THOSE ISSUES  
IDENTIFIED  
AS HIGHLY  
MATERIAL.**

documents including the President's annual address to employees, the risk register, policies and procedures, and the corporate strategy. Due to time pressures from our business transition, we chose not to interview management or external stakeholders as part of this assessment.

This report covers all those issues identified as highly material. This includes commentary on why the issue is important and how it is being managed as well as performance information.

For each issue we have assessed the issue boundary, or where the impact occurs. Impacts occurring within Toyota Australia are those that affect our company and our employees. Impacts occurring outside of Toyota Australia may affect one or more of our key stakeholders.

Material issues may change from year to year. This can be driven by a range of factors such as external pressures in relation to a particular issue or internal focus on realising an opportunity or mitigating a risk.

Product safety, which was identified as a material issue in our 2015 report, further increased in importance in 2016. This was largely due to external stakeholders and peers placing increased importance on this issue, as well as increased media focus on safety. This focus from all stakeholders primarily resulted from the recall relating to faulty airbags manufactured by Takata, a supplier of airbags to vehicle manufacturers internationally.

Vehicle emissions were not identified as material in the 2015 report. However, in 2016 this issue increased in importance, particularly for external stakeholders. This was largely driven by increased public and media interest in vehicle emissions testing resulting from inaccurate and misleading reporting from other manufacturers.

The issue of supplier support, which covers supplier development and programs to support the viability of the supply chain, was considered highly material in 2015. However, with programs

already underway to support suppliers, this issue was not viewed as critical in 2016.

Dealer support has increased in importance as we work with them to create and implement a framework that is focussed on delivering a more guest-centric approach.

Community partnerships, though still very important, were not deemed to be as material in 2016. The issue of workforce engagement, a material issue in 2015, is now captured under training and development, the key mechanism for engaging employees during this period of change.

An issue newly ranked as highly material in 2016 was energy use and greenhouse emissions, which increased in ranking due to the focus of peers on this issue.

For the purpose of this report, we have grouped material issues under subject headings which also reflect the key focus areas of Toyota Australia's 2015/16 corporate plan.



## Our material issues and issue boundaries

Issue	Definitions	Issue boundaries						
		TMC	Toyota Australia	Customers	Dealers	Suppliers	Community	Government
<b>Economic performance</b>	Achieving financial targets and identifying and maintaining market share	●	●		●	●		
<b>Business transition</b>	Importance of managing the business transition including new business structure, employee transition, and knowledge capture and management	●	●		●	●		●
<b>Guest experience</b>	Guest-focussed organisation, improving the end-to-end experience of the guest	●	●	●	●			
<b>Employee health and safety</b>	Managing health and safety risks, and employee wellbeing		●				●	
<b>Product safety</b>	Safety of vehicles, including new safety initiatives and managing counterfeit parts. Effective management of any product recalls	●	●	●	●	●	●	
<b>Labour relations</b>	Ability and importance of managing labour relations and potential for disputes		●	●	●	●		●
<b>Vehicle emissions</b>	Meeting tailpipe CO2 and NOx emissions limits and responding to public sentiment and regulatory changes	●	●	●			●	●
<b>Innovation</b>	New technologies and innovations around hybrid and electric vehicles, and other environmental innovations relating to vehicles	●	●	●	●			
<b>Environmental management</b>	Systems in place to manage environmental risk		●				●	
<b>Energy use and greenhouse gas emissions</b>	Measuring and managing energy and greenhouse gases associated with production	●	●				●	
<b>Environmental compliance</b>	Abiding by required and relevant legislation		●	●	●	●		●
<b>Compliance obligations</b>	Legislative and regulatory compliance	●	●					●
<b>Training and development</b>	Building the capability of the current workforce and managing the loss of employees (and their knowledge and expertise) following the decision to stop manufacturing		●				●	●
<b>Dealer support</b>	Embedding the Franchise of the Future business model		●		●			



## ENGAGING WITH STAKEHOLDERS ON SUSTAINABILITY ISSUES

Our board of directors and Toyota Australia management consider our key stakeholders to be:

- > Our shareholder – Toyota Motor Corporation
- > Employees
- > Guests
- > Dealers
- > Suppliers
- > Community groups
- > Government

Our code of ethics, which includes our code of conduct, provides a statement of duty specific to each group and details the behaviours expected when engaging with each stakeholder group.

### Toyota Motor Corporation

Toyota Australia is a wholly owned subsidiary of TMC. The extremely close relationship between Toyota Australia and our parent company is illustrated by the high level of interaction between the two organisations at all levels.

In addition to TMC representation on our board, there is also strong interaction between TMC, Toyota Australia and Toyota affiliates (both in our region and globally). This interaction is particularly visible in the context of knowledge sharing and performance improvement, both foundation principles of the Toyota Way.

### Employees

Our workforce is located across Australia, with the majority of our employees based at our manufacturing site in Altona, Victoria, and we engage with them through both formal and informal mechanisms.

From a corporate perspective, engagement ranges from a company-wide annual presentation by our President to regular directors' briefings and follow-up focus group sessions. There are also divisional meetings and regular team meetings.

We also place significant emphasis on employee engagement at our Altona manufacturing facility. The Altona plant consists of seven shops that run two shifts daily. Before each shift, there is a pre-start production meeting. Each month, employees from our shops attend a more detailed briefing session. Every quarter, production employees attend a director's address between shifts, which is followed by employee focus groups to confirm the intended message has been understood effectively.

### Guests

Our approach to engaging with guests was given a renewed focus in 2015 with our Franchise of the Future (FOF) strategy aimed at transforming Toyota Australia and our dealers towards a more guest-centric culture. More information can be found on [page 27](#).

One of the first changes we made as part of FOF was to replace the word 'customers' with 'guests'. The reason for this change is because we want our dealers to treat each customer as if they are a guest in their own home. The catalyst driving this change is the belief that the guest is, and should



### COMPANY NEWS



### WEATHER



### SOCIAL MEDIA FEEDS




### CONNECTING WITH EMPLOYEES

In April 2015, we launched a new intranet site - The Engine Room - to provide employees with information in a more engaging and easy-to-navigate format. The new site contains company news, online newsletters, questions and answers, and social media feeds, as well as an improved search function.

It also includes, via Toyota TV, video interviews with Toyota executives, the latest Toyota advertisements and product launch information.





**IT IS ESSENTIAL  
THAT WE  
CONTINUE TO  
SUPPORT OUR  
SUPPLIERS AND  
MAINTAIN THE  
VIABILITY OF  
THE SUPPLY  
CHAIN.**

be, at the heart of Toyota Australia and the dealer network does.

Our main point of contact with guests is through our dealer network. Dealers are supported by Toyota Australia's guest experience centre and the Lexus customer assistance centre, which provide a platform for communication with guests on issues ranging from new vehicle launches to vehicle recalls.

We measure guest satisfaction through a range of metrics, including via a guest satisfaction program that surveys guests who either purchased or serviced their vehicles at a Toyota dealership.

### Dealers

While independently owned, our dealer network is integral to our success, providing an interface between Toyota Australia and our guests.

The FOF program involves extensive engagement between Toyota Australia, our dealers and their employees. While in the past Toyota dealers were mainly rewarded for achieving monthly sales targets, from January 2015 we implemented a new dealer incentive program to focus on guests and guest experience. [Page 28](#) has more information.

### Suppliers

It is essential that we continue to support our suppliers and maintain the viability of the supply chain. We have an extensive supplier development program and regularly interact with suppliers on a range of issues. Information about our supplier support strategy can be found on [page 16](#) as well as examples of formal engagement including our annual supplier conference and supplier awards.

## Community

The Toyota Community Foundation (TCF) provides the basis for our partnership and engagement with the community. Through the TCF we support community organisations and encourage employee involvement. More information on our community activities is located on [page 30](#) of this report.

## Government

Engaging with all levels of government on a regular basis is an important part of our approach to managing policy announcements and their potential implications for our business.

Our approach is to engage with government either directly or through the Federal Chamber of Automotive Industries (FCAI) to enable the consideration of issues specific to Toyota Australia and the automotive industry in public policy decisions.

Toyota Australia's government affairs department is in regular discussions with federal and state governments on a wide range of public policy issues.

Toyota Australia President Dave Buttner also meets with politicians and government department representatives in Canberra approximately three times a year. He provides updates on issues regarding our business transition, including local production performance, the DRIVE program and employee engagement activities, as well as automotive policy.

## INDUSTRY ASSOCIATIONS AND MEMBERSHIPS

Toyota Australia is a member of the following industry associations and groups:

- > Australian Industry Group
- > Centre for Corporate Public Affairs
- > Committee for Economic Development of Australia
- > Federal Chamber of Automotive Industries
- > Victorian Employers' Chamber of Commerce and Industry
- > Melbourne Chamber of Commerce
- > Green Building Council of Australia
- > Growth Fund National Governance Committee (Federal Government)
- > Western Local Automotive Transition Taskforce (Victorian Government)

### Federal Chamber of Automotive Industries

The FCAI is the peak body for the automotive industry in Australia. Toyota Australia President, Dave Buttner was elected President of the FCAI in May 2015. He served on the FCAI Board for the previous two years.

Andrew Willis, Toyota Australia's Manager Government Affairs, Trade and Environment Policy, is a Director of the FCAI.



## Economic impacts

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Our future business success is fundamentally connected to our ability to successfully transition to a national sales and distribution business. Our focus during 2015/16 was to develop our new business model, build the organisational structure to support the model and establish a transparent selection process.





## Economic performance

Sound economic performance involves more than achieving financial targets and maintaining market share. It also recognises the broader role we play through our community programs, supplier support activities, capital investment, manufacturing and export programs, and payments of taxes.



**TOP SELLING  
AUTOMOTIVE  
BRAND**

**\$236m**

**AFTER TAX  
PROFIT**

### FINANCIAL PERFORMANCE

Toyota Australia posted an after-tax profit of \$236 million for the 2015/16 financial year. This represented an increase of 22 per cent from the previous financial year, where we recorded an after-tax profit of \$194 million.

Strong vehicle sales across all major segments contributed to these results, with 209,252 Toyota and Lexus vehicles sold locally and 64,605 vehicles exported during 2015/16.

The company incurred restructuring costs of \$81 million in 2015/16 resulting from our decision to stop manufacturing and consolidate corporate operations by the end of 2017. We expect that impairments relating to asset write-downs and provisions for redundancy payments will continue until the end of 2017.

### Profit and sales

	Net profit after tax (\$M)	Net sales (\$B)
<b>2015/16</b>	<b>\$236</b>	<b>\$8.8</b>
2014/15	\$194	\$8.2
2013/14	-\$437	\$8.4
2012/13	\$144	\$8.9
2011/12	-\$32.6	\$7.2

### MARKET SHARE

Maintaining market share is critical to our business success. Our Franchise of the Future (FOF) program focusses on delivering exceptional guest experiences so that we can create Toyota fans for life and, as a result, retain and grow our position as the top-selling automotive brand in Australia. More information about FOF is on [page 27](#) of this report.

The Federal Chamber of Automotive Industries (FCAI) collects information on vehicle sales. Its annual report on the Australian market revealed that Toyota was the country's top-selling automotive brand in the 2015 calendar year, with 17.8 per cent of the market (206,236 sales). Toyota has maintained this position for thirteen years in a row.

Australia's best-selling car in 2015 was the Toyota Corolla (42,073 sales), with the Toyota HiLux (35,161) ranked third.

Toyota was the number one brand in every state and territory across Australia, as the local automotive industry outperformed general economic conditions to achieve an all-time high of 1.155 million new-vehicle registrations.

Lexus achieved its best year of sales in Australia in 2015, with 8,690 deliveries, a 24.1 per cent increase on the 2014 total. Lexus introduced eight new models to the local market in 2015.

### Number of Toyota and Lexus vehicle sold in Australia\*



\*Toyota financial year – 1 April to 30 March

We have restated information previously published relating to the number of Toyota and Lexus vehicles sold in Australia each year. The figures have been updated to include all our

domestic Toyota and Lexus sales (including company fleet sales, which were not always included in previous years despite contributing to our sales volume). We have also subtracted export sales figures as they do not contribute to our domestic sales results.





### DID YOU KNOW?

Australians bought 1,155,408 new passenger cars, SUVs and commercial vehicles in the calendar year 2015: the highest sales ever. This was 3.8 per cent higher than 2014 sales.

The Australian Capital Territory, New South Wales, Queensland, Tasmania and Victoria all saw growth in 2015, with sales up 4.4, 6.9, 5.4, 12 and 4.2 per cent respectively, compared to 2014. Sales fell in the Northern Territory (4.3 per cent), South Australia (-0.8 per cent) and Western Australia (-7.9 per cent).

Private sales increased by 3.7 per cent compared to 2014 and business sales increased by 4.9 per cent. Government purchases declined 1.4 per cent.

Source: Federal Chamber of Automotive Industries

**3.8%**

**HIGHER SALES  
THEN 2014**

**3.7%**

**PRIVATE  
SALES**

## VEHICLES MANUFACTURED

The Altona plant manufactures Camry, Camry Hybrid and Aurion vehicles. During 2015/16, we produced 95,204 vehicles, compared with 88,470 the previous year. We also produced 101,428 engines during the period.

### Number of vehicles manufactured at Altona



Toyota Australia has made a significant investment in the new-look Camry and Camry Hybrid model. Investment in the new-look Camry totalled \$108 million, which includes \$23.6 million from the Australian Government and a contribution from the Victorian Government. Both cars will be in production until the company stops manufacturing by the end of 2017. More information about the release of the new-look Camry is on [page 34](#).

## VEHICLES EXPORTED

Our export program plays a significant role in our overall business, with 64,605 vehicles exported to the Middle East, New Zealand and South Pacific Islands during 2015/16.

### Number of vehicles exported from Altona

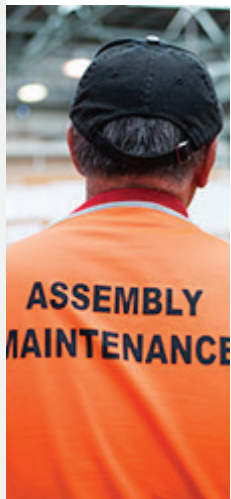


Toyota Australia also began exporting to Thailand and Iraq for the first time in 2015, shipping the new-look Camry to these markets.

Exports account for approximately 68 per cent of Toyota Australia's production.

## DID YOU KNOW?

Powertrain (engine manufacturing shop) employees at our Altona plant identified 77 kaizen (improvement opportunities) in 2015, of which 84 per cent were implemented, resulting in a total saving of \$9.35 per engine manufactured.



## GOVERNMENT FUNDING

In 2015/16 Toyota Australia received \$19.2 million from state and federal governments through manufacturing co-investments, the supplier productivity and capability program (SPCP) and clean technology investment program (CTIP). This compares with \$7.8 million in 2014/15, \$71 million in 2013/14 and \$72 million in 2012/13. Government funding was high in years when key projects were being either planned or implemented. These projects included model upgrades (requiring plant and facility upgrades), plant upgrades and new plant facilities (such as the new engine facility).

We also received a research and development tax credit of \$956,447 from the eligible research and development expenditure of \$9,564,471.

Toyota Australia does not provide political contributions.

## LUXURY CAR TAX

In July 2016, Toyota Australia announced it would again pass on to guests the full benefits of a higher luxury car tax threshold. The move reflects and continues the similar position held by Toyota Australia in 2015.

Toyota Australia continues to reiterate our opposition to the tax. We believe it is an unfair impost on motorists and the automotive industry because it applies only to vehicles and not to other high-end goods.

In 2015, more than 13,500 new Toyota and Lexus vehicle owners in Australia were impacted by the tax.



## ONE TOYOTA – SPREADING THE NEWS

In April 2015, we released the first edition of our company-wide newsletter – ONE Toyota – that will be published 10 times a year.

This newsletter is part of our overall strategy to enhance our communication with employees.

Each edition we provide staff with sales and production updates, a message from our President and promote our key achievements. There are employee profiles, a list of upcoming events and Project ONE updates. Our intention is to provide employees with an understanding of the many activities taking place across the company.



## Business transition

Toyota Australia has made many difficult decisions in the past few years. To begin, in 2014 we announced that we would close our Altona manufacturing plant by the end of 2017. This was followed by announcements in 2015 that all corporate functions would be consolidated to Melbourne, that there would be a significant overall reduction of corporate support roles, and that the four major Toyota parts centres located around the country would undergo significant reforms to improve global competitiveness.

After manufacturing ceases, we expect our workforce will reduce from around 3,900 to approximately 1,300 people. Our DRIVE program, detailed on [page 23](#), was established to support employees through these changes.

During 2015/16 we continued to implement Project ONE, which oversees our business transition program, as well as two other key programs – FOF and Project PACE – both aimed at strengthening our future business model.

Our focus for 2016/17 is to continue to deliver a smooth and respectful transition, and to concentrate on our guest-centric approach to engaging with guests and dealers.

## PROJECT ONE

### PROJECT ONE

Project ONE was established to manage the transition and reflects the company's aspiration to be one Toyota and to:

- > Share the one vision
- > Share the one culture
- > Share the one dream
- > Ultimately maintain our position as the number one car company.

During 2015/16, the Project ONE team was tasked with finalising Toyota Australia's new structure and business functions, which was communicated to employees in May 2015.

The new structure took into account the future size of Toyota Australia, the type of work required, the balance between management levels and the number of employees, global benchmarking for companies of a similar size, ability to respond to guests' needs and employee feedback.

The 2018 corporate structure was developed in line with future business requirements, and staff roles have been classified as award or non-award, taking into account the descriptions in the current workplace agreement.

Another key task was to establish the selection process to fill roles in the new structure. During 2015/16, employees were advised whether their role would continue in the new structure or become redundant. Those with redundant roles could choose to accept a redundancy package at the end of 2017 or be considered for a new role in the new structure. If unsuccessful, they would receive redundancy at the end of 2017.

Other key Project ONE activities undertaken during the year included understanding and addressing property and infrastructure needs, as well as implementing processes to capture business knowledge prior to people leaving the company.

With the sales and marketing function relocating from Sydney to Melbourne in 2017, knowledge capture has been a priority. By the end of 2015/16, approximately 50 per cent of processes had been documented, with a goal of completing the remainder by mid-2016.



## PROJECT PACE

Project PACE – parts centre evolution – was launched in February 2015 to improve the competitiveness of Toyota parts warehouses, which face many challenges including the threat of parallel parts, the rise of non-genuine parts, reduced market growth and a decline in market share as a result of increased competition.

Across the world, Toyota sets performance benchmarks for key operational areas including parts centres. Project PACE is focussed on achieving those global benchmark levels in four key areas: safety, quality, lead time and productivity. In 2015, we concentrated on addressing key performance indicators in these areas. We also introduced shift changes, new uniforms, improved communication and safety dojos (training area) in all warehouses.

Underpinning this is a vision to maximise guest loyalty and satisfaction by ensuring parts centres have the right part, in the right place, at the right time.

## SUPPLIER SUPPORT

Suppliers play a vital role in supporting vehicle production at our Altona manufacturing plant. It is essential that we work to maintain the supplier base in order to keep building vehicles and engines until late 2017.

With automotive manufacturing ending in Australia for Toyota and other vehicle producers, we want to help suppliers identify and realise future opportunities to maintain their viability. Toyota Australia's \$15 million five-year supplier development fund runs from 2013 to 2018, and includes a federal government contribution of \$5 million, as announced in 2013.

The supplier development team works closely with suppliers to help them improve their business processes and profitability. This culture of kaizen (continuous improvement) is a key principle of the Toyota Production System (TPS) which underpins our supplier productivity and capability program.

Our annual supplier awards provide an opportunity to formally recognise and thank suppliers who have demonstrated outstanding performance across a range of categories critical to the successful operation of our supply chain. The awards started in 2003, with some suppliers being formally recognised on multiple occasions since then.



## SUPPLY CHAIN ENVIRONMENTAL ASSESSMENTS

As part of Toyota Australia's ongoing commitment to supporting our supply chain, the Toyota supplier development team introduced free voluntary environmental kaizen (improvement) assessments for suppliers.

The first of these assessments took place at TI Automotive in February 2016 and involved a site visit from one of Toyota's environmental engineers to review their factory operations.

The visit produced a number of kaizen (improvement) projects, including lowering air supply pressures, isolating old air valves and reviewing the lighting layout on the production floor. These low-cost and easy-to-implement actions will assist our suppliers to maintain their competitiveness in this time of transition for the automotive industry. Further assessments are planned for 2016/17.





## SHARING TOYOTA PRODUCTION PRINCIPLES ACROSS AUSTRALIA

We were proud to announce a new program in March 2015, aimed at helping Australian not-for-profit organisations and small to medium sized business.

The Toyota Production System Support Centre Australia (TSSC-AU) is based on the Toyota Production System, which is aimed at increasing productivity and reducing waste.

We are now only the second group globally to be sanctioned by our parent company, TMC to share TPS with organisations outside of Toyota's supply chain.

This new business stream will take our unique system and project management skills and make them available across the community.

It will build upon the model of TPS training we have been undertaking through our supplier development program, in which we work with local suppliers and at least one non-automotive entity each year to increase productivity in the workplace. As part of this program we worked with St Vincent's Private Hospital in Melbourne to reduce the time to fill medication packs from 210 minutes to 34 minutes while reducing cardboard waste to landfill by 95 per cent.

We have also been working with Northern Health in Melbourne's northern region, to improve patient flow in their health service emergency departments.

## Our suppliers

Toyota Australia categorises supply chain into three main groups:

- > Indirect purchasing (IP): Indirect purchases of goods and/or services to support the operation and maintenance of all buildings, plant and equipment, in addition to all corporate services
- > Direct purchasing (DP): Locally procured components and raw materials required for the manufacture of locally built vehicles
- > Service parts and accessories (SP&A): Locally procured service parts and accessories to support aftermarket sales.

### Value of buy (\$ billion)

	IP	DP	SP&A
<b>2015/16</b>	<b>0.8</b>	<b>1.3</b>	<b>0.3</b>
2014/15	0.8	0.9	0.3
2013/14	1.3	0.9	0.2
2012/13	1.2	1.0	0.3
2011/12	1.0	1.1	0.2
2010/11	0.8	1.5	0.3

### Number of suppliers

	IP	DP	SP&A
<b>2015/16</b>	<b>1,483</b>	<b>53</b>	<b>109</b>
2014/15	1,527	59	119
2013/14	1,464	62	98
2012/13	1,299	67	101
2011/12	1,507	73	117
2010/11	1,596	71	128

No new suppliers were engaged in 2015/16.

## Employees

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As we undergo our business transition, employees face many challenges including relocation, training for new roles and moving from employment with Toyota Australia. Our aim is to make this a respectful transition and create an environment where employees feel secure, engaged and prepared for their next step.

We will continue to drive a safety mindset by maintaining our goal of zero harm for employees and stakeholders.





## OUR EMPLOYEES

3,928	3,903	76
<b>TOTAL EMPLOYEES*</b> (excluding contractors)	<b>FULL-TIME EQUIVALENT**</b>	<b>CONTRACTORS</b>

\* **Total employees:** This number covers all Toyota Australia employees including full-time employees, part-time employees, employees on fixed-term contracts, and casual and temporary employees. It also includes employees on leave of more than eight weeks, apprentices, casual tour guides, expatriates (Toyota Australia employees who are working overseas at affiliate Toyota locations), inpatriates (employees from Toyota affiliates working at our locations) and TMC subsidised employees.

\*\* **Full-time equivalent (FTE):** Part-time and casual employees are counted according to the proportion of full-time hours they work. For example, if an employee works four days a week they are considered 0.8 FTE.

## Permanent/ fixed-term/ contract (full-time equivalent)

3,380	360	76
<b>PERMANENT</b>	<b>FIXED-TERM</b>	<b>CONTRACT</b>

\* Note these figures do not include 163 (FTE) employees who are on leave of longer than eight weeks, apprentices, tour guides, expatriates and inpatriates.

**Gender**  
(percentage of actual headcount not including contractors)

♀	♂
16%	84%
<b>FEMALE</b>	<b>MALE</b>

## Employees by location (FTE not including contractors)

3,196	543	110	26	22	6
<b>VIC</b>	<b>NSW &amp; ACT</b>	<b>QLD</b>	<b>SA</b>	<b>EXPATS</b>	<b>NT</b>



## Employee health and safety

We recognise our responsibility for managing the health, safety and wellbeing of our employees, contractors and visitors. We are committed to providing a safe and healthy working environment as highlighted by our President's goal of 'zero harm'.



**SERVICES  
INCLUDE  
ADVICE ON  
HEALTH,  
NUTRITION,  
WORK/LIFE  
BALANCE  
AND OTHER  
WELLBEING  
TOPICS**

### HEALTH AND SAFETY MANAGEMENT

Our company-wide health and safety management system, certified to the standard OHSAS 18001, provides the framework for health and safety management at Toyota Australia.

Our Victorian work sites also comply with the national audit tool (NAT). As we are a self-insurer in Victoria, we are audited by Victoria's WorkCover Authority every three years. An external assessor also audits us against the NAT every nine months.

The manufacturing team also participates in Toyota's global safety management system, known as plant management requirement simplified (PMRs).

Our approach to health and safety also reflects the principles of the TPS, which aims to eliminate waste and the potential for overload, in addition to promoting consistency. Employees from each shop at the Altona manufacturing plant participate in regular quality circles (focus groups) which promote jishuken (identification of areas requiring ongoing focus) to help stimulate kaizen (continuous improvement).

A manufacturing safety dojo (training centre) also operates at Altona. The dojo assists the manufacturing areas to establish and maintain the systems necessary for compliance and to support safety training.

### MANAGERS' HEALTH AND SAFETY TRAINING

Our corporate compliance committee has mandated that all managers (levels one to four) must complete online health and safety management training annually. This is to help managers understand their responsibilities, including legal responsibilities, with regard to health and safety. Completion of the training also enables compliance with the NAT requirements.

### HEALTH AND SAFETY COMMITTEES

All our employees are represented by health and safety committees which operate at every site except Darwin, where the manager attends the Brisbane committee meetings to keep the site up-to-date.

Committees consist of elected health and safety representatives and management representatives, and provide a mechanism for employees to raise and discuss issues directly with management. The committees meet quarterly as a minimum requirement; however, most meet monthly. Approximately five per cent of our workforce, or around 200 employees (based on actual headcount), participate in the committees.

### EMPLOYEE ASSISTANCE PROGRAM

Toyota Australia has systems in place to provide a range of professional services to help employees and their families deal with work and life issues. These services include advice on health, nutrition, work/life balance and other wellbeing topics.

There is also short-term counselling support for personal, financial or work-related issues through a range of coaching strategies. Services are free, for a limited number of consultations, and are voluntary, independent and confidential.

### FOCUS AREAS IN 2015/16

#### Health and safety management

During the reporting period, there was a focus on managing a range of health and safety issues including the importance of following procedures and reporting injuries, behavioural issues and on-site traffic safety.

In 2015/16, we took steps to reinforce the requirement that all employees must follow safety procedures and standardised work practices.

During the year, we also reiterated the requirement to report all injuries, incidents and near misses as part of our corporate incident reporting and investigation procedure. Reporting all injuries, incidents and near misses helps Toyota in the analysis and yokoten (sharing of information) process. Early reporting also allows for early intervention treatment via our medical centre, as well as enabling the group leader to be involved and manage the situation from the outset.





As part of our commitment to provide all employees with a safe workplace free from inappropriate or unwelcome behaviours, we have a standard of behaviour that all employees are expected to adhere to at all times.

A workplace relationship training DVD was issued to award employees in March 2016. The aim of the DVD was to help employees understand their obligations under the workplace relationship policy and procedure. Non-award employees were invited to specific training sessions.

Another area of focus was to emphasise our site traffic rules, applicable to all employees, contractors and visitors.

### Health and wellbeing

We are expanding our focus on health and wellbeing activities in 2016, through a program promoting better health and improved work/life balance. It involves health consultations, gym memberships, yoga, healthy canteen options, fresh fruit, Ekiden running race, Around the Bay in a Day cycle race and more. Information about the program is issued to employees through employee bulletins and on the intranet.

Employees can voluntarily access a free onsite health consultation as part of the program. This involves a confidential 30-minute health check administered by a qualified health professional who checks blood pressure, cholesterol and glucose levels, and provide advice on any health and lifestyle issues.

### Health and safety communication

In addition to specific employee bulletins and newsletters, we launched a new intranet site in 2015. As part of this initiative the corporate health and safety page was improved and now contains links to relevant government authorities, acts and regulations as well as frequently used occupational health and safety documents and key contacts.

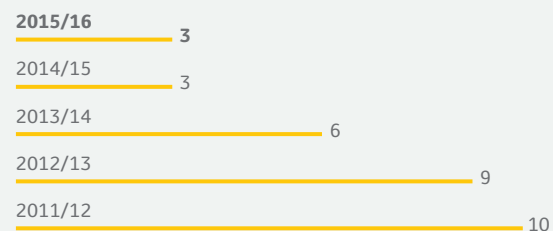
## 2015/16 HEALTH AND SAFETY PERFORMANCE

### Lost time injuries

A lost time injury is defined as any work injury, occupational illness or musculoskeletal disease resulting in the inability to work for at least one rostered working day or shift after an incident. This includes muscle, tendon and other soft tissue disorders, eye disorders, hernias and hearing loss. The lost time injury frequency rate measures the number of lost time injuries for every one million hours worked.



### Lost time injury frequency rate



There were no workplace fatalities involving Toyota Australia employees in the reporting period.

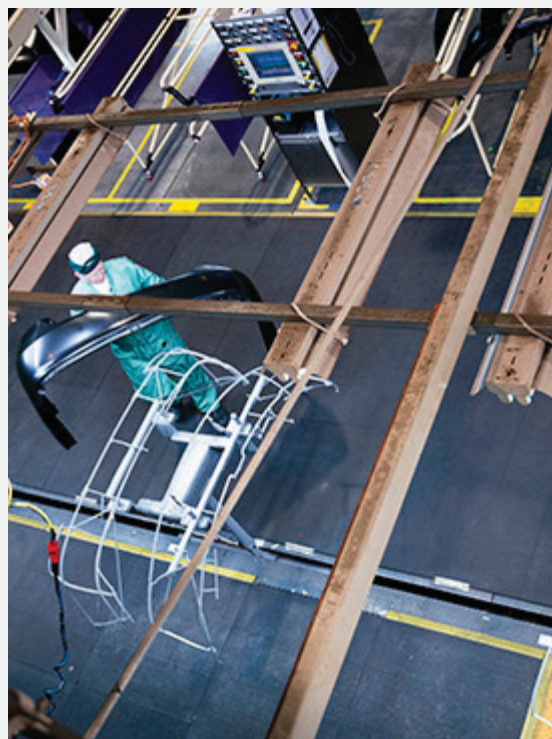
### Absenteeism

Total absentee hours for the reporting period were 260,848, or 66.41 hours per employee. This is based on the FTE headcount of 3,928 employees as at 31 March 2016 and does not include contractors. It represents unmanaged absence hours including both paid and unpaid sick leave and carers' leave.

This was a decrease compared with the 2014/15 results of 295,259 total absentee hours, or 76 hours per employee.

### Cooling towers

In November 2015, we received notification that a cooling tower near the paint shop had recorded a slightly high legionella reading following monthly testing. The reading of 73 CFU/mL was considered low risk, with more than 1,000 CFU/mL considered high risk. As required by public health regulations, we immediately disinfected the cooling tower. A second sample, taken two days later, confirmed the disinfection of the legionella bacteria.





## Training and development

Our decision to stop manufacturing by the end of 2017 significantly impacts our employees. A key focus of training and development is to help those employees transitioning to new roles outside Toyota Australia, while supporting current business operations.

Our approach to training and development can be divided into two key areas: ongoing activities aimed at continually developing the skills of our employees; and activities designed to re-skill employees to help them in their new roles after the manufacturing closure.



### DRIVE

We established DRIVE (dedicated, ready, individualised, vocational and energised) to support employees across the business with comprehensive career development as part of our company transformation.

DRIVE centres are located at Altona and Port Melbourne in Victoria, and Wollongong Bay in New South Wales. They provide employees with information, resources, access to training and further education. They also provide job-seeking and preparation support for employment post-2017, as well as information for employees considering starting a small business or considering retirement.

By March 2016, more than 1,300 employees had registered with the DRIVE program, with 200 having approved individual career plans. Career plans are developed with the assistance of case manager consultants from the DRIVE team. These plans are the result of months of meetings, research and discussion to allow employees to be as prepared as possible for their future careers.

We held more than 50 seminars in Melbourne and Sydney in 2015/16, covering career options in industries such as finance, defence, telecommunications, building and construction, transport and nursing.

Toyota Australia is supporting employees who are training in a diverse range of careers including teaching, nursing, small business ownership, bookkeeping, truck and train driving, and building inspecting.

During the year, eight members of the DRIVE team graduated with a Certificate IV in Career Development, the first group of employees who have successfully reskilled as part of the DRIVE program.

In addition to formal training, employees can also access online training via the DRIVE portal. There are more than 600 courses covering areas such as project management, communication skills and the Microsoft Office software suite.

Also on offer are programs aimed at upskilling employees. These programs run throughout the year for employees looking to improve their language, literacy, numeracy and computer skills. We also ran workshops on building networks, developing personal resilience and utilising online networking platforms.

Information about different industries, including salary expectations, is provided to employees on the DRIVE online portal and in the DRIVE newsletter. Launched in March 2016, the DRIVE newsletter provides employees with regular and targeted updates on DRIVE activities. We also respond to employee questions via email and collate all the questions and answers each month so we can make them available to all employees.

DRIVE is not just for employees looking for their next job. It also offers a comprehensive program for employees who will be retiring. The program is open to employees aged 55 or over at 30 June 2017 and covers a range of topics including financial planning.

DRIVE has established key performance indicators that are reported to the board, senior management, DRIVE steering committee and other stakeholders.



## EMPLOYEES BUSTING BUREAUCRACY

The bureaucracy busting team (BBT) was established to do just that - bust bureaucracy.

The team, along with other volunteers, tackled three processes in 2015/16. These related to streamlining labour recruitment, reviewing the travel booking system and purchasing spare parts.

After establishing that it was taking an average of 124 days to recruit a new employee, the team used process mapping to drill down into areas of waste and was able to eliminate 33 days from the process, bringing recruitment time down to 91 days.

The team assessing the travel booking system used process mapping to understand how employees book travel. They documented potential problems and identified short and long-term counter-measures.

Following the review of spare parts purchasing, the team established a new database and also addressed ergonomic risks resulting from the difficulties in manual handling of parts.

Removing waste and continuous improvement are the platforms of the Toyota Way.

## ONGOING TRAINING AND DEVELOPMENT

We divide ongoing training and development into four key areas:

- > Delivery of global Toyota programs to enable the understanding and practice of company values and methods worldwide
- > Manager and leadership training
- > Training specific to operations
- > Training for dealer and service providers

We also support job-specific training, often involving on-the-job training, short courses and seminars, or further education.

Regular performance and career development reviews are conducted for all award and non-award employees in professional, technical and supervisory roles. We also have annual team member assessments for award employees in the non-trades, apprentice and trades classifications, including manufacturing, parts centres and company fleet.

## Apprenticeships

As at the end of March 2016, we employed 24 apprentices at our Altona manufacturing plant.

Earlier in 2015, we announced that we would expand our partnership with the Bendigo Kangan Institute. In addition to supporting the Automotive Centre of Excellence in Docklands, we now support a similar facility in Bendigo, providing people from central Victoria with the opportunity to participate in this apprentice training scheme.



## Industrial relations

Industrial relations is an important issue for Toyota Australia, given our highly unionised workforce.

Seventy-one per cent of our employees (2779.7 full-time equivalent employees) are covered by the 2015 Toyota Australia Workplace Agreement, which came into effect in April 2015.

### REDUNDANCY PROGRAM

As we move towards the closure of the Altona manufacturing plant by the end of 2017, many of our employees will be eligible for redundancy packages.

Our general workplace agreement for award employees details the redundancy package that was announced in May 2014 and a minimum notice period of two to four weeks, depending on years of service.

Our 2015 workplace agreement outlines the consultation process for significant operational change. This is a maximum 10 week consultation period.

In March 2015 we announced a voluntary redundancy program for Toyota parts centre employees as a result of excess headcount with no immediate forecast of increased labour needs. Twenty-eight employees across all parts centres accepted a voluntary redundancy.

In January 2016 we provided advanced notice of a voluntary redundancy program to take effect in May 2016. The program was open to permanent direct employees only.

### TRACKING EMPLOYEE ENGAGEMENT

Each year we run a comprehensive annual employee engagement and enablement survey, which provides valuable information regarding employee sentiment about Toyota Australia and allows us to understand our performance relative to other companies.

The survey took place in October 2015, with results showing that employee engagement and enablement had improved compared with the previous year and that we had exceeded our target for each area.

#### 2015 engagement and enablement survey results

		Engagement	Target	Enablement	Target
Toyota Australia	2015	72	69	61	60
	2014	69		60	
Benchmarks	Australia companies	71		65	
	Global automotive companies	71		63	
	Global high performing companies	77		71	

### BONUS PAYMENT

In recognition of employees' efforts during 2015/16, a \$250 bonus payment was made to eligible award employees based on the company achieving its financial target. Eligible award employees were also given the opportunity to receive an additional bonus of up to \$750 if they participated in programs such as quality control circles and certain targets were achieved.

Non-award employees are given bonuses based on a combination of individual and company performance.

We acknowledge that, despite some difficult announcements during the year, employees continued to demonstrate their commitment to Toyota Australia, particularly in preparing for the launch of the new-look Camry, in the positive results from the manufacturing shipping quality audit and through productivity improvements in the parts centres.



## Guests, dealers and community

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We recognise that to grow our market share we need to revitalise our approach to guest engagement. In addition to offering an extensive range of vehicles, in conjunction with our dealers we are developing and implementing a guest-centric approach to differentiate ourselves in a crowded market.

We also appreciate the important role we play more broadly in society and work to realise the expectations of our parent company, TMC, that we are active participants and supporters of the community.





## Guest experience

### FRANCHISE OF THE FUTURE

During 2015/16, Toyota Australia made a new commitment. We would now refer to our customers as 'guests'. The aim is to generate a cultural shift among our employees and our dealers to put guests at the centre of our business.

This commitment, to put guests at the forefront of everything we do, is the fundamental platform of our FOF strategy. It means that we have moved away from a purely sales target model to one where guest satisfaction is the core measure.

Changes in the market, principally pressure on guest satisfaction, declining market share (since peaking in 2008 at 23.6 per cent, our market share has dropped to 17.8 per cent in 2015), reduced brand awareness and diminishing guest loyalty are the key drivers behind FOF.

FOF has changed the way we work with our dealers, who have transitioned from a targets culture towards a guest-centric culture, with success measured by a guest satisfaction index, net promoter score (NPS) and monthly sales. The NPS reflects the number of guests willing to refer family and friends to Toyota.



### RIISING SALES AND SERVICE STANDARDS

Each year we measure how dealers are performing regarding guest service.

An independent survey of Toyota vehicle owners asked them to rate their level of satisfaction with their experience at Toyota dealerships during the past year.

A record-breaking two-thirds of Toyota Australia's entire dealer network were awarded the maximum five-star customer-service rating in 2015.

144 of the company's 209 participating dealerships - 69 per cent - attained the maximum rating for both sales and service. This was an improvement from 88 dealers, or 42 per cent of the network, in the previous year.



### BUILD YOUR OWN TOYOTA

In 2015/16 we launched Showroom360, a virtual technology platform aimed at enhancing guests' experience, which will be rolled out to all Toyota Australia dealerships.

Showroom360 is an engaging interactive experience allowing guests to build their own Toyota vehicle virtually by browsing models, grades, colours and even by adding accessories in photo-real computer graphic images.

The highly advanced tool collects detailed vehicle information and assists dealer sales staff within the showroom environment.

## Dealer support

At the end of 2015/16, there were 209 Toyota dealers, with 279 outlets, and 19 Lexus dealers, with 24 outlets. The Toyota dealer network employs nearly 13,000 people and the Lexus dealer network just over 500.

793  
FACE TO FACE  
TRAINING  
SESSIONS

‘POWER UP’  
NATIONAL  
DEALER  
MEETING

### DEALERS OF THE FUTURE

Dealers are key to the success of our FOF strategy. We are working with them to create a guest-centric mindset across Toyota Australia.

The Toyota Institute Australia (TIA) is responsible for dealer training and capability development for the Toyota and Lexus dealer network. During 2015, the TIA team coordinated and rolled out 793 face to face training sessions throughout Australia as well as significant online training, totalling 328,576 training hours.

TIA offers courses on aftersales, sales, professional development, Toyota for life and management qualifications.

In May 2015, dealers from across the country gathered at Toyota Australia’s ‘Power Up’ national dealer meeting at the Melbourne Convention Centre. The meeting gave dealers the opportunity to view the new-look Camry, and our refreshed passenger model line-up. We also used the event to further explain and reinforce our new way of doing business under FOF.



### DEALER NATIONAL SKILLS AWARDS

Each year we hold an automotive skills development program to reward and recognise top-performing Toyota dealer employees for their expertise across technical, sales and customer service competencies.

Participants in the national skills development program begin by completing online quizzes before progressing to the regional finals and ultimately the national final. In 2015 there were 30 national finalists, from a significant number of entrants.

The program aims to challenge all involved and help develop new and innovative training for the next generation.

Prizes are presented to the winning diagnosis technician, technician, service advisor, guest experience manager, parts sales person and sales walk-around.





## DEALER MANAGEMENT PROGRAM


During 2015/16, 19 employees from dealers across Australia and New Zealand completed the future dealer leaders program and received an Advanced Diploma in Management.


TIA, together with the Australian Institute of Management, developed the program, which combines theoretical and practical training aimed at developing the core competencies required to be a dealership leader.


This program is our peak training program for senior managers within dealerships. It recognises that the future success of our dealerships depends on careful succession planning and strategic planning requiring specific skills and knowledge.


**TOYOTA FOR LIFE**


**5 x Quality Standards**

  
 Respect

  
 On Show

  
 Professional

  
 Efficient

  
 Continuous Improvement

**Culture & Behaviour**

## TOYOTA FOR LIFE

The Toyota for life (TFL) dealer standards program was designed to encourage dealers to create a culture of outstanding guest experiences. There are two elements to the standards program: the TFL quality standard and the TFL criteria.

The five TFL quality standards – respect, on show, professional, efficient and continuous improvement – are designed to guide and drive behaviours.

The TFL criteria are everyday standards that cover dealership and employee practices and processes. They are monitored by dealerships and Toyota Australia and cover a range of areas including culture and behaviour, ethics, advertising and vehicle maintenance.

Dealers from across Australia also attended Toyota Australia's new-look Camry roadshow, which was also held in May. The two-day event, held at Melbourne's Flemington Racecourse and other locations across the regions covered by Toyota Australia, provided another opportunity to appraise the new-look Camry.

The Toyota Australia franchise development team also worked with dealers across Australia to update dealer facilities. This has included showroom upgrades, new guest lounge amenities, environmental initiatives and new signage.

## Community commitment

Toyota Australia has a long tradition of supporting the community at both local and national levels. Toyota globally views the community as a key stakeholder, and community investment and support play a crucial role in our social license to operate.

**\$2.0M**  
IN COMMUNITY  
CONTRIBUTIONS  
IN 2015/16.



### TOYOTA AUSTRALIA'S COMMUNITY INVESTMENTS

We use the London Benchmarking Group to measure our community contributions and have aligned our community investment reporting with its methodology and definitions.

#### Annual community contributions



### MANAGING COMMUNITY CONTRIBUTIONS

Our community partnerships and investments are managed through the framework of the Toyota Community Foundation (TCF).

The TCF consists of two key pillars. The first represents community sponsorships and promotions, and is managed by our sales and marketing division. The second involves three funds – the local community fund, the workplace giving fund, and the social development fund.

The second pillar is managed by Toyota Australia's corporate affairs division with the support of a foundation endorsement panel and 12 employee champions appointed from across the company for three years. Employee champions meet six times a year to discuss and make recommendations on how Toyota Australia will support community groups.

#### Community sponsorship and promotions

We support a wide range of iconic Australian activities and organisations including the Australian Football League, Cricket Australia and the Australian Paralympic Committee, as well as cycling, triathlon, surfing and snow sports. We are also a key partner of the Tamworth Country Music Festival.

In 2015, we became a silver business partner of Business Chicks, a national organisation that brings people together to support women in business.

### Local community and employee fund

Toyota Australia's local community and employee fund provides \$20,000 grants annually to each of the three local councils where we have significant operations. These are the City of Port Phillip in Victoria, where Toyota's Port Melbourne head office is based; Sutherland Shire in New South Wales, where our Woollooware Bay office is located; and the City of Hobsons Bay, where our Altona manufacturing plant is located.

The community grants support environmental groups, business mentoring programs and training for community organisations.

In 2015, the City of Port Phillip Council allocated \$12,000 to the provision of \$1,000 equipment grants to local community groups, and the remaining \$8,000 to the Toyota mentoring program. Participants in the mentoring program worked with two independent business mentors selected by Council, who provided guidance and advice in areas of need.

The Sutherland Shire Council, which matches Toyota's \$20,000, awarded eight \$5,000 grants to local community groups including Multiple Sclerosis Limited.

Hobsons Bay Council used its \$20,000 for equipment grants to support 25 community groups including Autism Spectrum Australia, Multiple Sclerosis Limited, Williamstown Junior Football Club and Friends of Lower Kororoit Creek.



We also support the Toyota community spirit gallery (TCSG) through the local community and employee fund. The gallery's 2015 exhibition showcased the work of a trio of photographers who spent three weeks at the Altona manufacturing plant capturing our people, processes and production facilities in action.

Since its inception in 2004, the gallery has provided space for more than 1,000 emerging artists to show their work.

We also have an employee grants program which provides employees with the opportunity to nominate a community organisation to receive a \$1,000 grant. In 2015/16, we received 90 grant applications from employees, from which 40 community organisations were selected. Recipients included primary schools, kindergartens, the Country Fire Authority and Rotary Clubs.

Since the program began in 2013, we have awarded 95 grants totalling \$95,000 to community groups across Australia.

### Employee workplace giving fund

The workplace giving fund focusses on disaster relief and the workplace giving program.

Disaster relief usually involves a corporate response and employee giving, where Toyota Australia matches employee contributions.

Toyota Australia also offers workplace giving where employees can donate to charities from their pre-tax salary through the payroll system.

In August 2015, we launched matched workplace giving, with Toyota Australia matching employee donations to an eligible charity up to \$1,000 per employee per year.

In 2015/16, employees and Toyota Australia contributed over \$56,000 to charities via workplace giving, with the company matching \$26,000 since August 2015.

The top five charities supported by employees were:

- > Police and Community Youth Clubs NSW
- > World Vision Australia
- > The Smith Family
- > Medecins Sans Frontieres Australia
- > PLAN International Australia.



### ROAD SAFETY EDUCATION

We support Road Safety Education Australia (RSEA) through the social development fund.

RSEA is a not-for-profit that supports the development of a road safety culture, contributing to a reduction in road trauma.

During 2015/16, our support helped educate more than 50,000 year 11 students in Australia and New Zealand.

We also shared skills, networks and knowledge, which we hope will sustain the organisation into the future and help it achieve its vision to be the premier road safety educator in Australia to reduce the incidence of youth road trauma.

As of the end of March 2016, the program had been delivered to 410,000 students.



## LEGACY PROJECT AT KOROROIT CREEK

After significant consideration and reviewing a range of opportunities, in 2015 we announced our decision to contribute \$1.8 million towards the construction of a pedestrian and bike path along Kororoit Creek, Altona North.

Our funding will support the construction of two kilometres of a seven-kilometre path which will connect the Coastal Trail at Cherry Lake, Altona, with the Federation Trail in Brooklyn.

The Kororoit Creek shared trail will be a legacy for the community from Toyota, marking the end of manufacturing at the Altona North site, which backs onto Kororoit Creek.

The creek has been revitalised over the past 10 years by the Hobsons Bay City Council and the Friends of Kororoit Creek, which Toyota Australia has supported.

## Social development fund

The social development fund supports initiatives in traffic safety, environment and education such as Road Safety Education Australia.

## Employee volunteering

During 2016, the TCF and the manufacturing operating arm launched an employee volunteering pilot. This pilot provides opportunities for manufacturing employees to volunteer for a day to participate in an organised group volunteering activity.

A selection of group volunteering activities were organised with approximately 10 places per activity, allowing for one employee per shop or department within the manufacturing operating arm.

The first volunteering activity was held in March at the Friends of Westgate Park in Port Melbourne. Nine employees from manufacturing spent the day spreading mulch in a new wetlands area and planting 450 new plants to support revegetation of the park. The second activity involved employees sorting donations for the Brotherhood of St Laurence.



## Vehicles

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We are committed to providing the Australian market with quality products that exceed expectations.

From a local manufacturing perspective, this requires that we maintain the quality of vehicles manufactured at Altona and the viability of our supply chain. We also want to grow our business by providing customers with desirable products.





## Vehicle manufacturing

Our manufacturing plant, located in Altona, Victoria, is where we produce Camry, Camry Hybrid and Aurion vehicles for sale in Australia and to export markets overseas.

Toyota Australia is one of only nine Camry manufacturing plants in the world, and one of just five that produces the Camry Hybrid.

In 1986, New Zealand became the first export destination for Camrys manufactured in Australia. Exports make up approximately 68 per cent of vehicles built at Altona, with the majority going to the Middle East where Saudi Arabia is our biggest export market.

### DID YOU KNOW?

Hundreds of employees across Toyota Australia have participated in the Camry car borrowing program. Not only is it an opportunity to test the car; it also provides employees with the chance to provide feedback on the locally built vehicle. Any problems or potential defects are reported and checked by our quality control division to help enable our last car to be our best car. During the car borrowing activity, employees drove more than 250,000 kilometres.



### LAST CAR, BEST CAR

In April 2015, Toyota Australia unveiled the last model to be built at our Altona manufacturing plant - the new-look Camry.

Along with the facelift Aurion, the new-look Camry and Camry Hybrid will be in production until manufacturing stops by the end of 2017.

Having built more than 3.2 million Toyota vehicles locally since 1963, this marks the end of an era in the Australian automotive industry. A special ceremony was held to mark the event, attended by employees and key stakeholders.

As part of Toyota's commitment to continuous improvement, we aim to achieve the best safety, quality and efficiency results when compared to other Camry-manufacturing plants around the world. Our aim is to make the last car we produce at Altona our best car.

The new-look Camry includes new safety features such as the pre-collision safety system.

This upgrade reaffirms Toyota's commitment to Camry, which is now in its 22nd straight year as Australia's best-selling mid-size car.





## 2015 THE YEAR OF THE CAMRY

In 2015:

- > Sales up 25.4 per cent
- > 27,654 Camry sedans sold
- > Best-selling car in Australia in December with 5,321 sales – record monthly sales for Camry four cylinder
- > Australia's best-selling hybrid with 5,881 sales

## Our vehicles

### VEHICLE SAFETY

Our safety technology program has been working towards a society with no traffic accidents, while our environmental technology program designs automobiles for tomorrow's eco-friendly driving using cutting-edge hybrid, electric and fuel cell technology.

Vehicle safety is a key issue for our stakeholders, Toyota Australia and Toyota globally. Customers want the comfort of knowing that they are driving vehicles designed with safety as the top priority.

Toyota strives to provide the safest vehicles possible for the Australian automotive market. Our focus is to prevent or mitigate the likelihood of accidents, while reducing potential impacts if an accident does occur.

Toyota globally invests billions of dollars in the latest safety innovations. Extensive detail is provided on the Toyota global website at [www.toyota-global.com](http://www.toyota-global.com) and on the Australian website [www.toyota.com.au](http://www.toyota.com.au).

All Toyota products sold in Australia are tested for safety compliance. We have processes in place to ensure all vehicles supplied to the market have received the required Australian Government compliance approvals. To do this we work with a range of stakeholders including the FCAI's technical committee, in addition to federal and state departments of transport.

We recognise the Australasian New Car Assessment Program's (ANCAP) rating system as providing an effective measure for automotive safety. ANCAP is a subsidiary of the global New Car Assessment Program and has corresponding bodies across the world which implement its crash-testing program. ANCAP works on a five-star rating system, where ratings depend on various test results.

Toyota is committed to having all new model Toyota and Lexus vehicles sold in Australia capable of achieving five stars. In 2015, the HiLux and Fortuner were each awarded a five-star rating under ANCAP.

The ANCAP standard will be transitioning to align with European requirements by 2018. Toyota Australia is working closely with ANCAP to understand and be ready to address the new conditions.

The Toyota global website [www.toyota-global.com](http://www.toyota-global.com) details the latest developments in environmental technology, safety technology, intelligent transport systems and smart grids, as well as the latest developments in vehicles powered by hydrogen fuel cells.

Information about Toyota and Lexus vehicles sold in Australia, including specifications and safety features, can be found on our website at [www.toyota.com.au](http://www.toyota.com.au) or [www.lexus.com.au](http://www.lexus.com.au).

## Recalls

We follow the FCAI's code of practice for safety recalls. This comprehensive process includes dealer notifications, press advertisements, letters to impacted customers and government notification. We also publish information on our website.

During 2015/16, we were involved in 14 recall campaigns, which includes recalls resulting from faulty airbags produced by manufacturer Takata. Recalls associated with the faulty airbags began in 2014/15 as part of a global recall campaign that has affected millions of vehicles produced by multiple major vehicle manufacturers.

Information on all Australian product recalls, by category and brands, can be found on the Australian Competition and Consumer Commission's recall site: [www.recalls.gov.au](http://www.recalls.gov.au).

## DID YOU KNOW?

According to a new report by the OECD and the EU's Intellectual Property Office (*Trade in counterfeit and pirated goods: Mapping the economic impact (OECD/European Union Intellectual Property Office, April 2016)*), imports of counterfeit and pirated goods make up around 2.5 per cent of global imports, with fake car parts from Asia a growing part of that trade.



## COUNTERFEIT PARTS

Toyota Australia's 2015 investigations into counterfeit parts resulted in an online supplier recalling counterfeit brake pads. The brake pads, falsely advertised as Toyota Genuine parts, were found to contain asbestos, which has been banned from use in Australia since 2003.

Toyota Australia confirmed that the same supplier sold other counterfeit parts, including spiral cables (a critical connection between a vehicle's electrical systems and its airbags), water pumps and wheel bearings.

In May 2016, a massive haul of counterfeit Toyota car parts, a significant proportion of which was destined for sale in Australia, was uncovered in Guangzhou City in south-east China in a raid conducted by Chinese police acting on information provided by Toyota Australia.

Around 33,000 fake parts with an estimated retail value of over \$1 million were seized, including everything from filters, cables and seals to safety-critical items such as airbags, brake master cylinders and brake pads.

The counterfeit parts were produced in a large-scale manufacturing facility, and authorities also identified around 55,000 packages branded in the style of Toyota Genuine Parts, complete with barcodes and serial numbers.

Information leading to the Guangzhou raid resulted from Toyota Australia's Federal Court proceedings against two local retailers selling dangerously inferior counterfeit airbag components.

Counterfeit parts are a significant issue in Australia, which can pose safety risks. The FCAI has established a website, [www.genuineisbest.com.au](http://www.genuineisbest.com.au), to help address the problem and keep consumers' vehicles safe.



## Innovation

TMC has a long history of supporting innovation. In 2015 it reinforced that commitment with the announcement of a US\$1 billion (A\$1.4 billion) plan to boost research into artificial intelligence, robotics and aggregated consumer data to address society's future mobility challenges.

TMC will make the initial investment over the next five years to establish, staff and conduct operations at the Toyota Research Institute Inc., a new company that is helping bridge the gap between fundamental research and product development. The company began operations in January 2016. It is headquartered in Silicon Valley, near Stanford University, with a second facility near the Massachusetts Institute of Technology (MIT).

The latest investment is in addition to an existing US\$50 million (A\$70 million) investment over the next five years to establish joint fundamental artificial intelligence research centres at MIT and Stanford.



### SAFETY INNOVATION AND AUTOMATED DRIVING

TMC has been testing a new automated vehicle called Highway Teammate, with the aim of launching related products around 2020.

In addition to demonstrating the capabilities of next-generation safety technologies, the vehicle represents Toyota's view of the evolving driver-car relationship in the age of artificial intelligence.

Highway Teammate has been tested on Tokyo's Shuto Expressway during a series of manoeuvring trials covering a variety of automated functions.

Highway Teammate, a modified Lexus GS, features equipment that enables automated driving on highways from the on-ramp all the way through to the off-ramp. It uses on-board technology to evaluate traffic conditions, make decisions and take action during highway driving. This includes merging onto or exiting highways, maintaining or changing lanes, and maintaining inter-vehicle distances.

To engage automated operation, the driver switches to automated driving after passing through a toll gate and entering a highway on-ramp. Highway Teammate is able to pinpoint its position using highly accurate road map data. It also uses multiple external sensors to recognise nearby vehicles and hazards, and selects appropriate routes and lanes depending on the destination. Based on these data inputs, Highway Teammate then automatically operates the steering wheel, accelerator and brakes to achieve the appropriate speed and driving lines in much the same way as a person would drive.



### FUEL CELL VEHICLES

Toyota has been developing fuel cell vehicles in-house for more than 20 years and in 2015 unveiled the Mirai, our first commercially available fuel cell vehicle which is currently available in Japan, North America and Europe.

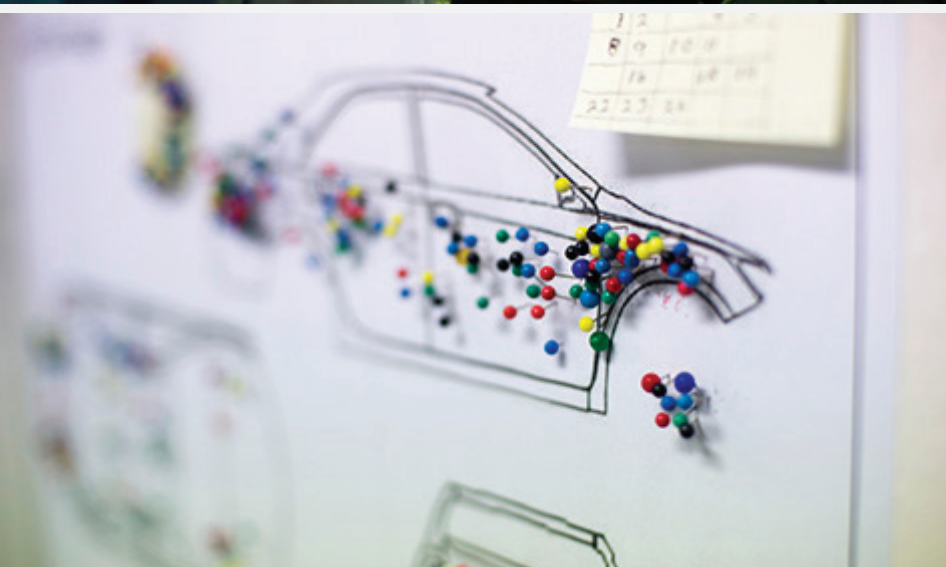
The Mirai, which means "future" in Japanese, uses the Toyota fuel cell system (TFCS), which features both fuel cell and hybrid technology. TFCS is more energy efficient than internal combustion engines and emits only water vapour when driven.

It has a cruising range of approximately 550 kilometres and a hydrogen refuelling time of approximately three minutes.

Toyota Australia predicts that the commercial sector will play a vital part in the roll-out of fuel cell vehicles in the future.

As part of this vision, refuelling stations would be located in depots across the country to help fast-track the implementation of this new technology.

Toyota Australia acknowledges that we are not yet in a position to introduce this technology in Australia as we first need the relevant infrastructure.



## Vehicle emissions

Tailpipe emissions include methane-based and non-methane based hydrocarbons, particulate matter, carbon monoxide and nitrous oxides.

The European Union has developed a set of Euro Standards designed to limit emissions of pollutants such as carbon monoxide and oxides of nitrogen from motor vehicles. The latest Australian standard, ADR 79/04 Emission Control for Light Vehicles, requires manufacturers to comply with the Euro 5 Standard. The Euro 5 Standard was applicable to all new models less than 3.5 tonnes from 1 November 2013 and will apply to all models from 1 November 2016.

All of our vehicles meet or exceed Australian design rules as part of our commitment to reducing air pollution emissions.

During 2015/16, there was significantly more public and media interest in vehicles emissions as a result of inaccurate and misleading reporting from some European and other manufacturers.

Globally, Toyota continues to implement new technologies and develop vehicles to reduce CO<sub>2</sub> emissions through improved vehicle fuel efficiency and the use of alternative fuel sources. We have committed to reduce vehicle CO<sub>2</sub> emissions by 90 per cent, in comparison with 2010 levels, by 2050 as detailed in Toyota's global environment challenge 2050 on [page 41](#).

From an Australian perspective, our approach is to work with government and industry regarding standards and policy in the local context. We support a mandatory vehicle CO<sub>2</sub> emissions standard suitable for the Australian market.

The federal government produces a green vehicle guide that provides customers with information regarding the fuel efficiency and CO<sub>2</sub> emissions of all new vehicles in Australia. The guide can be accessed at [www.greenvehicleguide.gov.au](http://www.greenvehicleguide.gov.au).



## Environmental management

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Toyota globally has a vision with environmental and societal responsibility at its core. Even after we cease manufacturing by the end of 2017, environmental duty and accountability will remain cornerstones of our business in Australia.





## Our framework for environmental management



**THE TOYOTA  
GLOBAL VISION,  
STRESSES THE  
IMPORTANCE OF  
'RESPECT FOR  
THE PLANET'**

### THE GLOBAL CONTEXT

Toyota's philosophy and policies on the environment are based on our guiding principles, as detailed on [page 5](#) of this report. Company-wide environmental policies and initiatives were formulated as the Toyota earth charter, which is shared among Toyota affiliates around the world. The Toyota earth charter is located on TMC's website at [www.toyota-global.com/sustainability/environment/management/philosophy/](http://www.toyota-global.com/sustainability/environment/management/philosophy/)

The Toyota environmental challenge, released in 2015, aims to move Toyota to a net positive impact rather than reducing negative impact to zero. It is supported by the sixth Toyota environmental action plan. In formulating the plan, environmental activities were categorised according to the three priority themes of: contribution to a low-carbon society, contribution to a recycling-based society and environmental protection and contribution to a harmony with nature society. The plan is located on TMC's website at [www.toyota-global.com/sustainability/environment/plan/sixth\\_plan/](http://www.toyota-global.com/sustainability/environment/plan/sixth_plan/)

The Toyota global vision also stresses the importance of 'respect for the planet'.

### AT TOYOTA AUSTRALIA

Toyota Australia's framework for environmental management provides a basis for continual improvement and innovation, particularly at our Altona manufacturing plant, which covers 76 hectares next to Kororoit Creek.

While Toyota Australia's environmental plan is guided by TMC's global vision and environmental action plan, we also have our own environmental policy and annual plan, which are implemented through Toyota Australia's environmental management system (TEMS), which combines the requirements of ISO 14001 and the TPS.

At Altona, environmental management is driven by the two key principles of the TPS – 'just in time' and jidoka. The TPS principle of 'just in time' means making only what is needed, when it is needed, and in the amount that is needed, thus eliminating waste, including wasted time and effort. Jidoka refers to 'automation with a human touch' and is based on corrective action, which means as soon as a problem is identified, production stops and action is immediately taken to rectify the issue.

There is a dedicated environmental team on site at the Altona manufacturing plant, while a corporate environment committee monitors overall company performance.





## TOYOTA ENVIRONMENTAL CHALLENGE 2050

In 2015, TMC launched the Toyota environmental challenge 2050, outlining its commitment to go beyond zero environmental impact to achieve a net positive impact.

Addressing key global environmental issues such as climate change, water shortages, resource depletion and degradation of biodiversity, the Toyota environmental challenge 2050 aims to reduce the negative impact of manufacturing and driving vehicles. The challenge is composed of six individual challenges across three areas: ever-better cars, ever-better manufacturing and enriching lives of communities.

Activities to be implemented in order to meet the six challenges are outlined in the sixth Toyota environmental action plan, which can be found on TMC's website at [www.toyota-global.com/sustainability/environment/plan/sixth\\_plan/](http://www.toyota-global.com/sustainability/environment/plan/sixth_plan/)

Toyota Australia's 2016/17 environment plan details how we will support the environmental challenge 2050.

### Ever-better cars

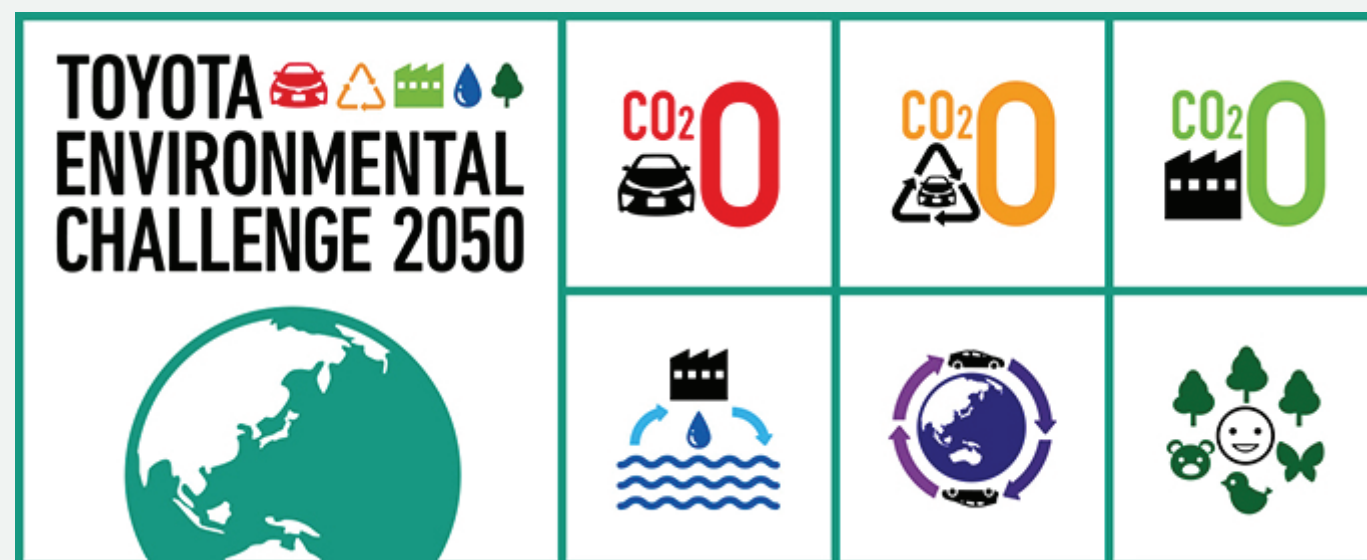
- Challenge 1:** New vehicle zero CO2 emissions challenge to reduce vehicle CO2 emissions by 90 per cent, in comparison with 2010 levels, by 2050
- Challenge 2:** Life-cycle zero CO2 emissions challenge to reduce to zero all CO2 emissions included in the processes of materials production, and disposal and recycling of vehicles

### Ever-better manufacturing

- Challenge 3:** Plant zero CO2 emissions challenge to achieve zero CO2 emissions at our plants through developing and introducing low-CO2 technologies with 'kaizen' (continuous improvement), adopting renewable energy sources and utilising hydrogen energy
- Challenge 4:** Minimising and optimising water usage challenge through comprehensive reduction of the amount of water used and comprehensive water purification and returning it to the earth

### Enriching lives of communities

- Challenge 5:** Establishing a recycling-based society and systems challenge through improved efficiency, longer lasting parts, eco-materials and recycling end-of-life cars into new cars
- Challenge 6:** Establishing a future society in harmony with nature challenge through environmental education and conservation activities



## Environmental compliance

TEMS provides the framework for us to manage our environmental risks and legal compliance, and promote continuous improvement. It is certified to the international environmental management standard ISO 14001 at four key sites:

- > Our manufacturing plant and company fleet and vehicle servicing garage at Altona, Victoria
- > Corporate headquarters in Port Melbourne, Victoria
- > New South Wales parts centre
- > Corporate office in Woollooware Bay, Sydney.

An external provider conducted a surveillance audit of TEMS at our Altona, Port Melbourne and Woollooware Bay sites during the reporting period.

TEMS is centred on three pillars:

- > Zero non-compliance and complaints
- > Soil and groundwater protection
- > Resource reduction.

The system is benchmarked globally with Toyota affiliates.

Our manufacturing plant in Altona has an accredited environmental licence, issued to Toyota by Victoria's Environment Protection Authority (EPA) in 2004. The license requires us to meet key criteria across five key areas: general conditions, discharge to air, discharge to water, discharge to land and amenity (odour, noise and waste).



### NATIONAL TREE DAY

One of the actions from the sixth Toyota environmental action plan is to *promote nature conservation activities by connecting regional conservation activities with the region and community.*

This comes to life through our annual support of National Tree Day, an event organised by Planet Ark in partnership with Toyota Australia and our dealer network, who provide on-the-ground support at local community tree planting sites Australia-wide.

In July 2015, Toyota employees teamed up with the Friends of Lower Kororoit Creek and Hobson Bay City Council to plant more than 2,000 indigenous trees and shrubs at Harris Reserve, Altona North. During the activity, we also announced our commitment to provide \$1.8 million towards the construction of a shared trail along the creek for pedestrians and cyclists. More information on this initiative is located on [page 32](#) of this report.

In Sydney, Planet Ark and Toyota Australia hosted an event at Sydney Park for hundreds of people who planted more than 6,000 native seedlings, some of which were endangered species, in an effort to re-establish native flora and fauna.

Overall, Australians planted 1.3 million trees as part of National Tree Day, bringing the total number of trees planted to over 22 million, involving 3.5 million participants since the campaign began in 1996.

Toyota also supported Planet Ark's research into the importance and value of getting out into nature. The research report *Needing trees: The nature of happiness* uncovered distinct relationships between our health and wellbeing, and being outdoors, with nine out of ten Australians reporting that being among nature made them feel relaxed and happy. Conversely, the research found that Australians now spend, on average, over 90 per cent of their time indoors.



Based on Toyota Australia's classification of environmental risks, there were no significant incidents in 2015/16 requiring notification to the EPA. There were also no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

We are also compliant with the National Pollutant Inventory (NPI) and National Greenhouse and Energy Reporting Scheme (NGERS). Details of information contained in our NGERS report can be found on [page 45](#) and our NPI report can be accessed at [www.npi.gov.au](http://www.npi.gov.au).

Risk minimisation underpins our compliance approach, specifically in the areas of chemical control, and ground water and soil contamination. This approach reflects the precautionary principle as detailed in Principle 15 of the United Nation's Rio Declaration on Environment and Development, which states that where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.

The Altona plant goes beyond Australian legal minimum requirements for chemical control, so that chemicals used in parts for locally built vehicles meet strict overseas recycling standards. The Altona site's list of banned chemicals has been developed from European and Japanese environmental protection standards.

We monitor groundwater through 17 wells at our Altona site, with testing undertaken annually. There are extensive controls and monitoring in place for soil and groundwater contamination prevention.



### SHARING ENVIRONMENTAL KNOWLEDGE

We have a number of processes to share environmental knowledge with stakeholders to facilitate kaizen (continuous improvement).

As a Toyota compliance requirement, all Toyota affiliates share environmental incident reports, and we review and implement countermeasures to mitigate risks and improve performance.

The same process of yokoten (sharing ideas) is also applied to industry partners and in 2015 we hosted an environmental tour for the Australian Industry Group.

In 2015, we developed an environmental kit for employees that they could use at home to measure their own energy use. The kit includes thermometers, flow meters, lux meters and power meters.

We also joined with City West Water and Hobsons Bay City Council to conduct free water and energy assessments for small business to help them improve their environmental performance and reduce costs. In 2015/16, we conducted more than 22 assessments with local schools and small businesses.

We also conducted an information session for suppliers as detailed on [page 16](#).



### ENVIRONMENTAL AWARDS

Each year Toyota Australia recognises the best environmental improvement projects at the Altona manufacturing plant. Each of the seven shops at Altona presents an environmental kaizen (continuous improvement) activity which demonstrates a continued reduction in CO<sub>2</sub>, water, waste or volatile organic compounds. The winners are then entered in Toyota's global environment awards.

In 2015, Toyota Australia received a global platinum award from TMC for best waste performance, recognising our ongoing commitment to compliance requirements as well as year-on-year waste reduction. In receiving the award Toyota Australia demonstrated the best waste reduction performance of all 51 Toyota manufacturing plants globally.



## Energy use and greenhouse gas emissions

### ENERGY USE

Electricity and natural gas used at the Altona manufacturing site are our two main energy sources, and the largest contributors to our greenhouse gas emissions.

Electricity and natural gas consumption at Altona were slightly higher than in previous years due to increased production volumes in 2015/16. However, energy used per vehicle manufactured decreased. This resulted from kaizen (continuous improvement) energy reduction activities and the implementation of initiatives identified during the energy treasure hunt. The energy treasure hunt facilitated a concentrated effort on identifying and reducing day-to-day energy waste at our Altona manufacturing site. More details are available in our 2015 sustainability report.



### Energy use

Item / Year*	2015/16	2014/15	2013/14	2012/13	2011/12
Production electricity use – MWh	83,808	80,182	86,851	83,188	82,924
Production electricity use – kWh/ vehicle manufactured**	880	907	847	837	891
Production gas use – GJ	526,129	490,019	531,252	534,900	502,540
Production gas use – GJ/ vehicle manufactured**	5.5	5.5	5.2	5.4	5.4

\* Resources used for vehicle production and the Altona site offices. Does not include resources used at the parts and accessories, or garage facilities located at Altona.

\*\* Electricity and gas used per vehicle manufactured is based on 95,198 vehicles manufactured at our Altona site from April 2014 to March 2015. This is the number of cars that have been built and come off the production line, known as 'line-off'. The figure of 95,204 reported in the *economic impacts* section of this report refers to 'final-finish', which includes 'line-off' plus cars stored in the buffer for testing and checking before being customer ready.



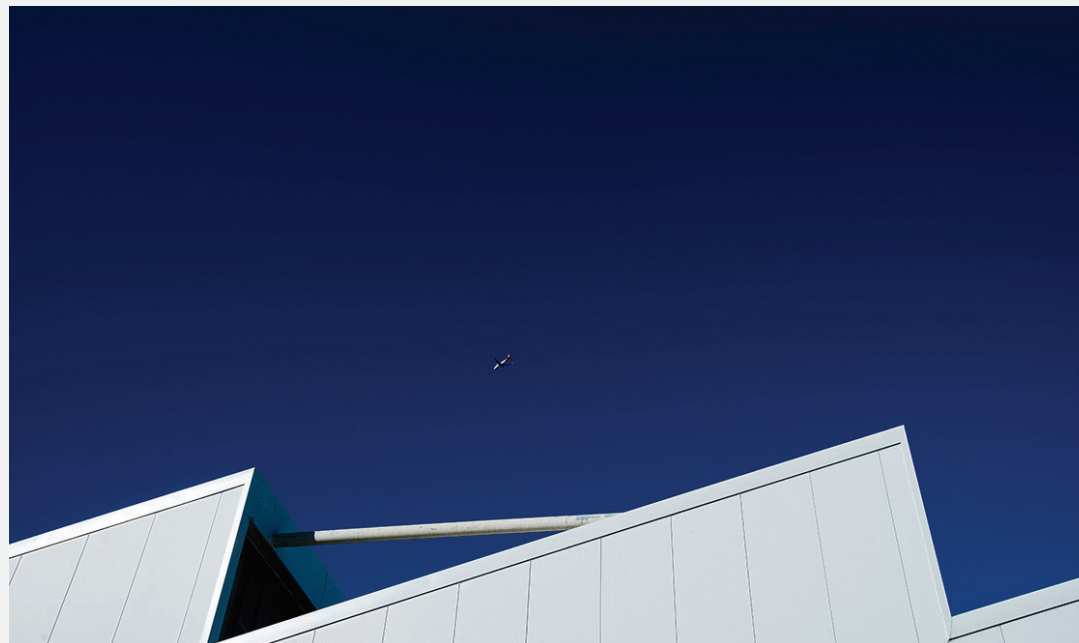


## GREENHOUSE GAS EMISSIONS

We understand that climate change is an issue of concern and importance to stakeholders. We aim to reduce our contribution to climate change through the identification and management of best practice energy use, as detailed in the previous section of this report.

We measure energy use and associated greenhouse gas emissions at the Altona plant for the Toyota financial year (1 April to 31 March) for comparison with other Toyota manufacturing plants and to measure performance against set targets. However, the greenhouse information contained in this report is for 1 July 2014 to 30 June 2015, to align with the federal government's National Greenhouse and Energy Reporting Scheme (NGERS).

The majority of our emissions come from electricity and gas used across the manufacturing site. There are also emissions associated with transport at the site. Volatile organic compounds (VOCs) are released in processes using solvents, paints, sealers or hydrocarbon-based chemicals. The largest source of VOCs at Toyota is paint used in vehicle production at Altona. We also use petrol to test engines at the plant.



### Greenhouse gas emissions

	2014/15*	2013/14*	2012/13	2011/12	2010/11
Total TMCA tCO <sub>2</sub> -e	144,893	144,416	153,270	147,070*	164,772
Electricity tCO <sub>2</sub> -e	110,828	112,315	117,238	112,343	124,339
Gas tCO <sub>2</sub> -e	26,765	24,970	27,866	26,463	30,534
Transport tCO <sub>2</sub> -e	4,364	4,189	4,290	5,237	6,591
VOC tCO <sub>2</sub> -e	999	1,133	1,740	963	1,011
Engine testing tCO <sub>2</sub> -e	1,937	1,809	2,118	2,063	2,247

\* Data does not include Sydney City Lexus Waterloo, Sydney City Lexus Darlinghurst, Sydney City Toyota and the Sydney City pre-delivery centre. For comparison, in 2013/14 combined emissions from these sites were 3,125 tCO<sub>2</sub>-e, with all emissions from electricity use.



## WATER USE

The majority of water used at our manufacturing plant in Altona is sourced from municipal or city water suppliers. We also collect water in seven rainwater tanks for use in sanitary facilities, on-site garden watering, and clearing and topping up the sludge pool.

Water consumption at Altona was slighter higher than in the previous year due to increased production volumes in 2015/16. However, water used per vehicle manufactured remained constant. This resulted from our continued focus on kaizen (continuous improvement) opportunities to reduce water use and the realisation of the benefits of new bio treatment technology introduced at the paint shop, as detailed in our previous sustainability report.

### DID YOU KNOW?

TMC and the International Union for Conservation of Nature (IUCN) announced a five-year partnership in May 2016 to support deeper understanding of threats to biodiversity and global food suppliers. This represents a significant step to achieving the IUCN's goal of doubling the number of species assessed by 2020, providing a more comprehensive picture on the state of global biodiversity. The project supports Toyota's environment challenge 2050.



### Water use

Item / Year*	2015/16	2014/15	2013/14	2012/13	2011/12
Total production water use kL	333,900	312,103	353,784	377,165	355,611
Total production water use kL/ vehicle manufactured**	3.5	3.5	3.5	3.8	3.8

\* Resources used for vehicle production and the Altona site offices. Does not include resources used at the parts and accessories, or garage facilities located at Altona.

\*\* Water used per vehicle manufactured is based on 95,198 vehicles manufactured at our Altona site from April 2014 to March 2015. This is the number of cars that have been built and come off the production line, known as 'line-off'. The figure of 95,204 reported in the economic impacts section of this report refers to 'final-finish', which includes 'line-off' plus cars stored in the buffer for testing and checking before being customer ready.



## Corporate governance and compliance

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The first of the Toyota guiding principles states that Toyota will “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.” This sets the tone for our corporate governance and compliance framework which underpins Toyota Australia.

## Corporate governance at Toyota

Toyota Australia has well-established governance structures and systems in place, including risk management frameworks, fraud and corruption controls, and a comprehensive code of ethics and code of conduct.

Overall accountability for corporate governance rests with Toyota Australia's board of directors, which has overall responsibility for Toyota Australia's short- and long-term performance.

### BOARD OF DIRECTORS AND BOARD COMMITTEES

In May 2015, Toyota Australia Chairman Max Yasuda reaffirmed his commitment to the company and announced he would stay on in his role until at least the end of 2017. He also reaffirmed the board's commitment to facilitating as smooth a transition as possible as we cease manufacturing and become a national sales and distribution company.

The Board met 11 times during the reporting period.

Five new directors were appointed during the reporting period. They were Shinya Kotera, Hiroyoshi Ninoyu, Kunihiro Wataishi, Tetsuo Mori and Takuo Muto.

Six directors resigned during the reporting period. They were Toshiro Hidaka (resigned April 2015), Yoshihiro Uozumi (resigned April 2015), Atsushi Fukuda (resigned April 2015 as alternate for T Hidaka), Kunihiro Wataishi (resigned April 2015 as alternate director for Y Uozumi), Shigehito

Watanabe (resigned December 2015) and Atsushi Fukuda (resigned December 2015 as alternate director for S Kotera).

The three non-resident directors also have alternates to represent them when required.

Since 31 March 2016, there has been one new appointment to the board, with Matthew Callachor announced as a director in May 2016, effective 1 June 2016.

The board has established board committees to assist it in discharging its responsibilities and allowing for detailed consideration of complex issues.

There are three board committees: the corporate compliance committee, human resource committee and Toyota product committee. Board committees are supported by a range of management sub-committees such as the environment committee, which reports to the corporate compliance committee.

### Members of the board of directors as of 31 March 2016

Directors	Appointment
<b>Masahide Yasuda</b> (Chairman)	1/06/07
<b>David Buttner</b> (President)	1/05/02
<b>Christopher Harrod</b>	1/01/10
<b>Anthony Cramb</b>	1/01/13
<b>Michael Rausa</b>	1/01/13
<b>Tetsuo Mori</b>	1/01/16
<b>Naoki Fujioka</b>	1/01/15
<b>Alistair Davis</b> (non-resident director)	1/07/10
<b>Shinya Kotera</b> (non-resident director)	1/05/15
<b>Hiroyoshi Ninoyu</b> (non-resident director)	1/05/15
<b>M Gillard</b> (associate director)	1/07/13
<b>Alternative directors</b>	
<b>David Buttner</b> (alternate for Alistair Davis)	
<b>Takuo Muto</b> (alternate for Shinya Kotera)	
<b>Kunihiro Wataishi</b> (alternate for Hiroyoshi Ninoyu).	



## TOYOTA AUSTRALIA MANAGEMENT

Outside the reporting period, in May 2016, Toyota Australia announced a management restructure with the appointment of Matt Callachor as Vice President, effective 1 June 2016. In his new role, he will be responsible for overseeing Toyota Australia's non-manufacturing operating arms, which include sales and marketing, product planning and development, corporate services, and finance. He will report directly to President Dave Buttner.

This restructure will allow Chairman Max Yasuda and President Dave Buttner to focus on strategic matters and long-term planning, while Mr Callachor will focus on day-to-day operations of his areas of responsibility.

The company also appointed Peter McGregor as new Chief Executive for Lexus Australia, effective 1 January 2016. Mr McGregor succeeds Sean Hanley who was Chief Executive of Lexus Australia for three years and who has been appointed to a key sales role with Toyota.

## Compliance

We are subject to legislative and regulatory controls covering a wide range of issues including employee health and safety, environmental impacts, product safety and advertising standards. Health and safety, and environmental compliance are detailed on [pages 20](#) and [42](#) respectively.

We aim to comply with all relevant laws and voluntary codes including the Competition and Consumer Act 2010 and the FCAI's Voluntary Code of Practice for Motor Vehicle Advertising. One complaint regarding a Toyota LandCruiser television commercial was made to the Advertising Standards Board under the Australian Association of National Advertisers (AANA) Code of Ethics. The complaint was upheld, with a determination that Toyota modify or discontinue the offending portion of the advertisement.

Toyota Australia did not record any significant fines or non-monetary sanctions for non-compliance with laws and regulations during the reporting period.

## External charters

In addition to internal codes and charters, such as our code of ethics and code of conduct, we also acknowledge externally developed charters, principles and other initiatives including:

- > Environmental Management System ISO 14001
- > Occupational Health and Safety (OHS) National Audit Tool for OHS Management Systems
- > OHS ISO 18001
- > Self-insurance (Victoria only)
- > The Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines
- > AANA Code of Ethics
- > FCAI Voluntary Code of Practice for Motor Vehicle Advertising
- > FCAI Voluntary Code of Practice for Recalls
- > FCAI Code of Practice for Access to Service and Repair Information for Motor Vehicles

## Awards

During the reporting period, Toyota Australia and Lexus Australia received the following awards and acknowledgements.

13

YEARS IN A ROW  
TOP SELLING  
AUTOMOTIVE  
BRAND

MOST  
REPUTABLE  
COMPANY

MOST TRUSTED  
CAR BRAND

### TOYOTA AUSTRALIA

#### Australia's top-selling automotive brand

Toyota was Australia's top-selling automotive brand in the calendar year 2015, with 17.8 per cent of the market (206,236 sales). Toyota has maintained this position for thirteen years in a row.

#### Top position on Corporate Reputation Index 2015

We reclaimed our title as Australia's most reputable company, climbing from fourth place in 2014 to first place in the 2015 annual Corporate Reputation Index. We previously ranked first in the 2013 index.

The index is part of a global study conducted by research consultants AMR in conjunction with the Reputation Institute. In addition to measuring overall reputation, the study also measures how Australians feel about each company on seven individual drivers of reputation: products and services; innovation; workplace; citizenship; governance; leadership; and financial performance.

#### Readers Digest most trusted Australian car brand

We completed an uninterrupted 10-year stretch as the most trusted car brand in Australia, as determined by an annual survey of more than 2,000 Australians conducted for Reader's Digest. The survey asks participants to rate companies over a range of factors, including reliability, innovation, quality and affordability.

### LEXUS AUSTRALIA

#### 2015 Roy Morgan Customer Satisfaction Awards

For the second consecutive year, Lexus won the automotive category of the annual Roy Morgan Customer Satisfaction Awards. The awards, announced in February 2016, are based on Roy Morgan's single-source survey, which is made up of information from approximately 52,000 Australians over the past 12 months.



# Glossary

Japanese references	
Dojo	Training centre
Genchi Genbutsu	Going to the source to find out the facts to make decisions; building a consensus to achieve goals with speed
Jidoka	“Automation with a human touch”; the productive interaction between employees and automated manufacturing processes
Jishuken	Management driven kaizen activity where management members identify areas in need of continuous improvement and spread information through the organization to stimulate kaizen activity
Kaizen	Continuous improvement of business operations; always driving for innovation and evolution with purpose
Yokoten	Sharing information
General references in the report	
tCO <sup>2</sup> -e	Tonnes of carbon dioxide equivalent
FCAI	Federated Chamber of Automotive Industries
FOF	Franchise of the Future. Toyota Australia’s business transformation strategy aimed at changing the culture and operations of Toyota Australia, Toyota Finance Australia and the dealer network
Project ONE	Project ONE is Toyota Australia’s strategic plan, reflecting our aspiration to share one vision, one culture, one dream, and to ultimately maintain our position as the number one car company
Project PACE	Project Parts Centre Evolution. A key element of our transformation strategy aimed at revolutionising our Toyota parts centres to meet Toyota best practice
TMCA	Toyota Motor Corporation Australia
TMC	Toyota Motor Corporation
Toyota Guiding Principles	The seven Guiding Principles, which were adopted in 1992, define the company’s mission, values and behaviours, and underpin Toyota operations around the world
TPC	Toyota Parts Centre
TPS	Toyota Production System. TPS is a world renowned method of manufacturing that has underpinned Toyota’s continued success as an automotive manufacturer in Japan and around the world. TPS methodologies have also been adopted by other industries including health, finance and defence
The Toyota Way	The Toyota Way was introduced globally in 2001 to articulate the long standing values of the company. It is based on Toyota’s seven guiding principles which define the values and behaviours expected from Toyota employees. Central to the Toyota Way are two platforms – continuous improvement and respect for people

# Assurance

## Scope of Work

Materiality Counts was engaged by Toyota Australia to provide independent Type 2 moderate assurance of its 2016 Sustainability Report (the Report). This assurance report was prepared for Toyota Australia and its stakeholders. The Report covers Toyota Australia's operations from 1 April 2015 to 31 March 2016, unless stated otherwise in the text. This work was performed using Materiality Counts' assurance methodology to AA1000AS (2008), AccountAbility's Assurance Standard. To do this, Materiality Counts interviewed a number of personnel and reviewed relevant information from Toyota Australia in Port Melbourne, Sydney and the Altona manufacturing plant. Data collation processes were reviewed, including sighting a sample of original records, interrogating spreadsheets and re-performing some calculations. The following subject matter was evaluated against criteria defined in Assurance Principles Standard AA1000APS (2008) and Guidance for AA1000AS (2008) Assurance Providers:

- > Adherence to the AA1000AS (2008) principles of materiality, inclusivity and responsiveness.
- > Reliability of performance information for material issues (ranked high): employee health and safety, product safety, innovation, vehicle emissions and dealer support. Material issues ranked high are included in the limited assurance scope as part of a rolling program.

## Materiality Counts' Independence

Toyota Australia was responsible for preparing the Report. Materiality Counts was responsible for expressing assurance conclusions in line with the scope of work agreed with Toyota Australia. During the reporting period, Materiality Counts did not work with Toyota Australia on other consulting engagements. Materiality Counts is an independent consultancy specialising in Sustainability and Integrated Report development and assurance, materiality determination, stakeholder partnerships and strategy development.

## Our Conclusion

Materiality Counts concludes that, based on the scope of work and related limitations, for the specified subject matter, Toyota Australia's 2016 Sustainability Report adheres to the AA1000AS (2008) principles of inclusivity, materiality and responsiveness and reports reliable performance information, based on the limitations outlined above, for 1 April 2015 to 31 March 2016. In addition, Materiality Counts has provided a management report to Toyota Australia.

## Key Observations

Based on the scope of work, and without affecting our assurance conclusion, Materiality Counts makes the following observations:

Good practice:

- > Materiality principle: The materiality process provides useful analysis of the movement of issue rankings year-on-year, with a breakdown for internal and external stakeholders.

- > Inclusivity principle: External stakeholder views are considered in the materiality process using inputs such as a pulse survey and industry scanning.
- > Responsiveness principle: Changes to the importance of issues to stakeholders from last year to this year are identified through the materiality process, along with supporting reasoning, in particular for product safety, vehicle safety, supplier support and community partnerships, facilitating responsiveness in the Sustainability Report.
- > Performance information: Data contributors demonstrated a high level of awareness, commitment, responsiveness and openness in sharing information during the assurance process.

## Areas for improvement:

- > Materiality principle: The basis of weightings for each of the eight inputs to the materiality process would benefit from more clarity given the solely desktop approach taken this year.
- > Inclusivity principle: A representative sample of stakeholder interviews would enhance the materiality process, in particular what individual issues mean to stakeholders.
- > Responsiveness principle: Feedback from a representative sample of stakeholders on whether or not the Report covers the issues of most importance to them would add value.

- > Performance information: An internal verification process would improve consistency between publicly available data and data included in the Sustainability Report, for example product recall data. Internal verification would also ensure that data has been provided for the correct reporting period, namely financial year rather than calendar year, for example dealer training.

Materiality Counts congratulates Toyota Australia on its continued commitment to sustainability reporting.



Jo Cain, Executive Director, Materiality Counts,  
30 August 2016, Melbourne, Australia

Materiality Counts has prepared this statement for Toyota Australia in accordance with the standard practised by members of the consulting profession performing this type of service at the same time. No other warranty, express or implied, is given by Materiality Counts as a result of the provision of this statement. To the extent permitted by law, this statement is provided for informational purposes only, without the right to rely, and Materiality Counts will not be liable for any reliance which may be placed on this statement by a third party. This statement may not be used by any third party without Materiality Counts' express written permission.

## Materiality Counts



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# GRI index

Indicator	Description	Section in report
<b>General Standard Disclosures</b>		
<b>Strategy and analysis</b>		
G4-1	Provide a statement from the most senior decision-maker of the organisation (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability	<i>President's message</i>
<b>Organisational profile</b>		
G4-3	Report the name of the organisation	<i>Sustainability at Toyota</i>
G4-4	Report the primary brands, products, and services	<i>Sustainability at Toyota</i>
G4-5	Report the location of the organisation's headquarters	<i>Sustainability at Toyota</i>
G4-6	Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	<i>Sustainability at Toyota</i> <i>Economic</i>
G4-7	Report the nature of ownership and legal form	<i>Sustainability at Toyota</i>
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	<i>Sustainability at Toyota</i> <i>Economic</i>
G4-9	Report the scale of the organisation	<i>Economic</i> <i>Employees</i>
G4-10	Total number of employees	<i>Employees</i>
G4-11	Report the percentage of total employees covered by collective bargaining agreements	<i>Employees</i>
G4-12	Describe the organisation's supply chain	<i>Economic</i>
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	<i>Report scope</i> <i>Governance and compliance</i>
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation	<i>Environmental impacts</i>
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	<i>Governance and compliance</i>
G4-16	Memberships of associations (such as industry associations) and national or international advocacy organisations	<i>Sustainability at Toyota/ Our stakeholders</i>

<b>Material aspects and boundaries</b>		
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents	<i>Report scope</i>
G4-18	Explain the process for defining the report content and the aspect boundaries	<i>Sustainability at Toyota</i>
G4-19	List all the material aspects identified in the process for defining report content.	<i>Sustainability at Toyota</i>
G4-20	For each material aspect, report the aspect boundary within the organisation	<i>Sustainability at Toyota</i>
G4-21	For each material aspect, report the aspect boundary outside the organisation	<i>Sustainability at Toyota</i>
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	<i>Report scope Economic</i>
G4-23	Report significant changes from previous reporting periods in the scope and aspect boundaries	<i>Sustainability at Toyota</i>
<b>Stakeholder engagement</b>		
G4-24	Provide a list of stakeholder groups engaged by the organisation	<i>Sustainability at Toyota/ Our stakeholders</i>
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	<i>Sustainability at Toyota/ Our stakeholders</i>
G4-26	Report the organisation's approach to stakeholder engagement	<i>Sustainability at Toyota/ Our stakeholders</i>
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	<i>Sustainability at Toyota/ Our stakeholders</i>
<b>Report profile</b>		
G4-28	Reporting period (such as fiscal or calendar year) for information provided	<i>Report scope</i>
G4-29	Date of most recent previous report (if any)	<i>Report scope</i>
G4-30	Reporting cycle (such as annual, biennial)	<i>Report scope</i>
G4-31	Provide the contact point for questions regarding the report or its contents	<i>Report scope</i>
G4-32	Report the 'in accordance' option the organisation has chosen	<i>Sustainability at Toyota</i>
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report	<i>Sustainability at Toyota</i>
<b>Governance</b>		
G4-34	Governance structure of the organisation including committees of the highest governance body	<i>Corporate governance and compliance</i>



<b>Ethics and integrity</b>		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	<i>Sustainability at Toyota Corporate governance and compliance</i>
Specific standard disclosures		
<b>Disclosures on management approach</b>		
G4.DMA	Report on why an Aspect is material. Report on how the organisation manages the material Aspect. Report on the evaluation of the management approach.	
<b>Category: Economic</b>		
Aspect: Economic performance		
G4-DMA		<i>Economic impacts</i>
G4-EC1	Direct economic value generated and distributed	<i>Economic impacts (Operating costs, employee wages and payment to providers of capital are not included in the report)</i>
G4- EC4	Financial assistance received from government	<i>Economic impacts</i>
Aspect: Indirect economic impacts		
G4-DMA		<i>Economic impacts</i>
G4-EC8	Significant indirect economic impacts, including the extent of impacts	<i>Economic impacts</i>
<b>Category: Environmental</b>		
Aspect: Energy		
G4-DMA		<i>Environmental management Sustainability at Toyota</i>
G4-EN3	Energy consumed within the organisation	<i>Environmental management</i>
Aspect: Water		
G4-DMA		<i>Environmental management</i>
G4-EN8	Total water withdrawal by source	<i>Environmental management</i>
Aspect: Emissions		
G4-DMA		<i>Environmental management</i>

G4-EN15	Direct GHG emissions	Environmental management
Aspect: Compliance		
G4-DMA		Environmental management
G4-EN29	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental management
<b>Category: Social</b>		
<b>Sub category: Labor practices and decent work</b>		
Aspect: Labor/ management relations		
G4-DMA		Employees
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective bargaining agreements	Employees
Aspect: Occupational health and safety		
G4-DMA		Employees
G4-LA 5	Percentage of total workforce represented in formal joint management-worker health and safety committees	Employees
G4- LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism and total number of work-related fatalities, by region and by gender	Employees
Aspect: Training and education		
G4-DMA		Employees
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing careers endings	Employees
G4-LA11	Percentage of employees receiving regular performance and career development reviews	Employees
<b>Sub category: Product responsibility</b>		
Aspect: Customer health and safety		
G4-DMA		Vehicles
G4-PR1	Percentage of significant products and service categories for which health and safety impacts are assessed for improvement	Vehicles
Aspect: Product and service labelling		



G4-DMA		<i>Detailed product information can be found on the Toyota Australia website at <a href="http://www.toyota.com.au">www.toyota.com.au</a> Corporate governance and compliance/ Compliance</i>
G4 - PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling	<i>Detailed product information can be found on the Toyota Australia website at <a href="http://www.toyota.com.au">www.toyota.com.au</a></i>
Aspect: Marketing communications		
G4-DMA		<i>Corporate governance and compliance</i>
G4 - PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling	<i>Corporate governance and compliance</i>



## Contact

### COPIES OF THE REPORT

The 2016 sustainability report and supporting documentation can be viewed online at [toyota.com.au/toyota/sustainability](http://toyota.com.au/toyota/sustainability).

### FEEDBACK

Please provide us with your feedback so we can continue to improve on our approach to sustainability and reporting. If you have any comments, ideas or questions, please visit [toyota.com.au/toyota/sustainability](http://toyota.com.au/toyota/sustainability) or email [sustainability@toyota.com.au](mailto:sustainability@toyota.com.au) to provide feedback.

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# TOYOTA

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