

TOYOTA

Sustainability Report 2020



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About Toyota Australia

Toyota believes that anything is possible when we’re free to move. We have been advancing vehicle technology in Australia for 60 years, but we’re only getting started. At Toyota Australia, our vision is to create innovative mobility solutions for all Australians. We’re here to help you start your impossible.

Toyota Motor Corporation Australia Limited (‘Toyota Australia’ or ‘TMCA’) is a wholly owned subsidiary of Toyota Motor Corporation (TMC), a public listed company and Japan’s largest vehicle manufacturer. TMCA’s structure comprises three operating arms: National Sales and Marketing Operations, Product and Corporate Operations, and Regional Operations. Lexus Australia is managed as a separate division.

Our presence in Australia includes ten offices in mainland Australian states except Western Australia, with our corporate headquarters located in Port Melbourne, Victoria. In Western Australia, TMCA distributes Lexus-branded vehicles, but Toyota-branded vehicles are distributed on our behalf by an independent company.

The vehicles we sell in Australia are imported from our Toyota affiliates overseas. Our customer base is varied and includes private, rental, government fleets and private buyers known as ‘guests’. We support our customers through our extensive network of skilled dealers, which are independently owned under franchise agreements.

About this report

This is Toyota Australia’s 14th Sustainability Report. It details our business and environmental performance for the 12 months from 1 April 2019 to 31 March 2020, corresponding with the Japanese financial year, also referred to as the reporting year.

This report focuses on the activities and performance of Toyota Australia and includes Lexus Australia as a division of Toyota Australia. The operations of our dealerships are not covered in the report, nor are the operations of Toyota Financial Services Australia, which is a separate entity. There were no changes to the ownership of TMCA during the reporting period.

This report references the Global Reporting Initiative (GRI) Standards 2016, as detailed in the GRI index (p. 76). Elements of the International Integrated Reporting Framework (IR) have also been drawn on to complete this report.

We released our previous Sustainability Report in October 2019 for the period 1 April 2018 to 31 March 2019. There are two restatements from our 2019 Sustainability Report. These can be found in the data tables section of this report. Copies of previous reports are available on our [website](#) and questions can be directed to sustainability@toyota.com.au.

A statement from our external assurance provider is located on [p. 74](#).

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President and CEO Statement

There is no doubt 2020 has been a challenging year, with the COVID-19 global crisis having a significant impact on business, retail, our working lives, and most importantly, to family and friends. We are navigating through uncharted waters, where the situation is fluid and little is certain.

Amidst the challenges of COVID-19, Toyota Australia has reached a significant milestone this year, celebrating 60 years of operations. From unassuming beginnings when we sold 69 cars in the first nine months of trading, to being the only car company in Australia to have sold 200,000 cars in a single year. We have maintained our position as the top selling automotive company in Australia for the 17th consecutive year and we are transforming to become the most admired mobility business.

It was back in 2016 when we introduced our 2025 vision, "Creating Innovative Mobility Solutions for All Australians". Since then, we have been adapting our strategies to reduce CO₂ targets to fulfil our customers environmental aspirations, and ultimately our responsibility as corporate citizens.

At Toyota, we are at the cutting edge of electrification, with our strategy built on hybrid vehicles and other alternative powertrain technologies such as hydrogen-powered fuel cells. In the current day, hybrid models play into the mindset of the consumer by offering competitive pricing, fuel savings and vehicle performance across a number of our model range, and in 2020 alone we have sold over 37,000 hybrids September year to date.

This year we also completed the first stage of our Hydrogen Centre at the Toyota Centre of Excellence in Altona, Melbourne. This centre is a step towards us meeting our target of zero CO₂ emissions from our sites and vehicles by 2050 and aligns with our drive to promote sustainable mobility.

Globally, Toyota has also been refocusing on mobility and emphasising on new technologies. Developments such as Woven City, a fully integrated and connected ecosystem powered by hydrogen fuel cells, will allow us to maintain our leading position in the automotive sector. Here in Australia, we will take elements of this work and procure the components that suit our customer's needs.

We have a leading role in the transition to a decarbonised future, and the recent announcement of a new voluntary CO₂ standard by the Federal Chamber of Automotive Industries confirms our commitment to electrification, strongly aligning to Toyota's environmental action plans and our pursuit of growth in hybrid vehicles.

Whilst we currently find ourselves in uncharted territory, our focus remains on our people. We are placing emphasis on our employee's and dealer's mental health, along with supporting our customers as they face challenges as a result of COVID-19.

I am confident that through the strength of One Toyota that we will come out of this storm stronger. COVID-19 will pass, and we will get through this together.



Matthew Callachor

Matthew Callachor
President and CEO
Toyota Australia

Toyota celebrates 60 years of helping build Australia

Toyota celebrated 60 years of operations in Australia in 2019, marking the 60th anniversary of the first official imports of Toyota vehicles into the country by Thiess Toyota.

In 1959, Thiess, a subsidiary of construction company Thiess Holdings, became the official Queensland distributor for Toyota commercial vehicles - making Australia the first official export market for the Japanese brand.

To commemorate this proud heritage, Toyota Australia embarked on a year-long social history project to tell the stories of the pioneers, the innovators, the adventurers, the communities and everyday Australians that built post-war Australia into what it is today - with a helping hand from Toyota.

These are stories of enduring hardship on the land, of exploration into new territories, of determination to be the fastest on the track, of innovation to build the best and they will be told by those who were there.

Toyota's origins in Australia began in 1958, after Thiess became the first Australian company to win a construction contract on the huge Snowy Mountains

Hydro-Electric Scheme. The company's owner, Leslie Thiess, had privately imported about a dozen LandCruisers to use on the site. He was so impressed with the vehicle's capability in the harshest terrain that he applied to Toyota in Japan to become an official distributor.

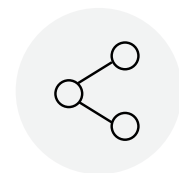
The LandCruiser's tough capability set the scene for its ongoing role in helping Australia grow and thrive. The vehicles proved their mettle in some very extreme conditions and word quickly spread, particularly in regional areas. Toyota vehicles helped enable entrepreneurs and explorers in a range of human endeavour from agriculture to science, tourism and construction build businesses and operations in the some of the harshest environments and remotest corners of this country. In 2018, Toyota sold its one millionth LandCruiser in Australia, and their popularity has been such that the Toyota LandCruiser Club celebrates its own 50th anniversary this year.



Our sustainability context

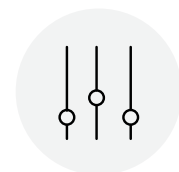
The automotive industry is experiencing a pivotal transition, propelled by a variety of disruptive forces. Demographic trends, increased congestion in cities, environmental and climate impacts, are influencing how consumers interact with vehicles. Market disruptors such as rideshare services are growing and provide consumers with a convenient alternative to vehicle ownership. Technological innovations are spurring competition to achieve the most environmentally sustainable and connected mobility products. Toyota is committed to being a leader in not just responding to, but shaping these trends towards a low-emission mobility future.

Some of the trends shaping our future direction include:



The sharing economy

Many customers are looking to the 'sharing economy' for mobility solutions. In cities in particular, more options are becoming available for short-term vehicle use, or ridesharing. These alternatives appeal to customers as affordable options that reduce the strains of vehicle ownership in built-up areas.



Customer preferences

Online purchasing is becoming increasingly popular, and this has been accelerated by the impact of COVID-19. However, we find that most customers still want an in-person interaction when purchasing a vehicle. Our dealers are the touch point for our customers, and our partners in providing ideal mobility solutions for our customers. Meanwhile, our customers now live in a world of constant connectivity through devices and apps that are seamlessly integrated in vehicles.



Connected, autonomous vehicles

Vehicles with autonomous capabilities are developing rapidly and have the potential to increase safety on the roads. While not a current reality in our product range, connected, autonomous vehicles are a constant in our forward-thinking.



Life cycle environmental impacts

We recognise the need to address climate change and other pressing environmental challenges. We understand how vehicles contribute to these challenges. Therefore, Toyota is driven to apply our skills in design and innovation to reduce emissions and other impacts from vehicle production, use, and end of life.



Large and unique fleet market

Around half of our sales are to government and business buyers. With sustainability goals of their own, these customers are important partners in accelerating the take-up of innovative vehicle technologies.

Aligning to UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs), agreed by 193 countries in September 2015, set out the key challenges for the global community to address in the coming decade. These challenges include issues related to poverty, inequality, climate change, environmental degradation, peace and justice.

Toyota Japan is working on initiatives that contribute to the sustainable development of a global society through all its business activities. Toyota Australia business activities are aligned to these initiatives.

Throughout the report we highlight how Toyota Australia initiatives, directly and indirectly align with particular SDGs.

Through businesses

Improving value by adopting our CASE framework. Connected, Autonomous/Automated, Shared and Electric.

Safe and reliable

Zero deaths and injuries from traffic accidents
Comfortable and congestion-free travels
Accessibility to means of transportation for all
Spread of cars serving also as power sources
Use of hydrogen to promote energy diversification

Environment

Zero CO₂ emissions
Recycling/reuse of resources



By social contribution activities

Aiming to become a reliable corporate citizen



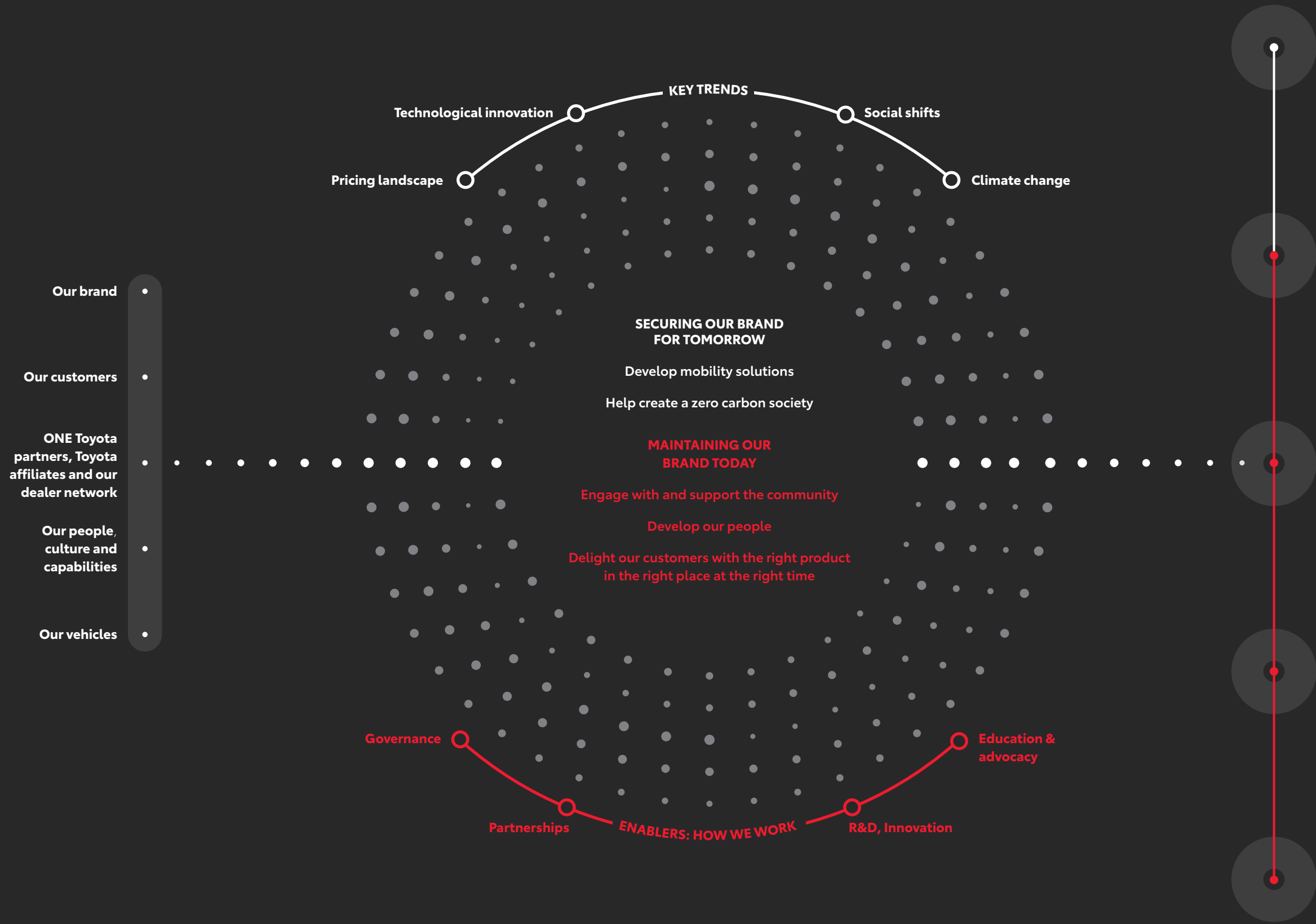
Enhancing environmental, social and corporate governance

Tackling human rights issues
Promoting diversity



How we create value

What we draw on



The value we create

- Designing the future**

Our vehicles' emissions (and their production and disposal) contribute to climate change and other environmental impacts. In line with the Toyota Environmental Challenge, we work constantly to minimise these impacts. Through innovation, partnership, advocacy and education, we are helping to realise a future of Connected cars, Autonomous/ Automated driving, Sharing and Electric ('CASE').
- Ever better vehicles**

We deliver the vehicles Australians need, with more Toyotas on the road than any other vehicle. Our vehicles create Toyota fans for life, because of our ability to develop and manufacture vehicles with technological features that meet the needs of our customers. Our customers and their needs are always our focus.
- Enriching communities**

Toyota Australia is embedded in the Australian community through trust in our vehicles, and wide-ranging engagement. We support grassroots to elite sport; local communities and not-for-profits. Our vehicles are also involved in congestion and traffic accidents, so we constantly work towards safer vehicles and a future of equal access to mobility.
- Building capabilities**

We build skills and careers. Our work on building capabilities internally is reflected in our community investment, with a focus on sharing our knowhow with Australian not-for-profits and small businesses through the Toyota Production System Support Centre (TSSC), and building the STEM skills that we will depend on in our future employees.
- Wide-reaching economic impacts**

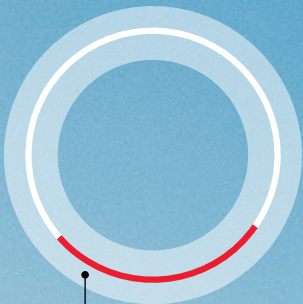
Our business is at the heart of an ecosystem of dealers, suppliers and partners. Our vehicles keep thousands of Australian businesses on the road, with a low total cost of ownership. Our community investment contributes to the not-for-profit economy. We are helping to build the skills and technologies for the economy of the future.

Toyota 2019/2020 Performance

Designing the future

100,000+

Australian hybrid vehicle sales
(cumulative)



17%

Australian hybrid vehicle sales (%)

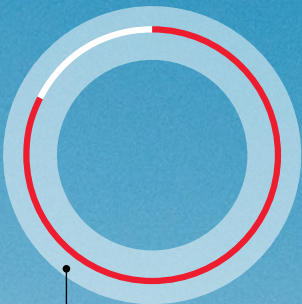
Ever better vehicles

215,722

Toyota vehicle sales

RAV4

CarsGuide 2019 Car of the Year



82.6

Net Promoter Score – sales

Car Service
Gold Winner

Reader's Digest Quality Service
Award 2020

Toyota
Hybrid RAV4

Drive Car of the Year

10 vehicles

Hydrogen fuel cell vehicle –
Mirai demonstration model

Ranked #1

Most trusted automotive company – Annual Trusted Brand Survey

Stage 1 complete

Hydrogen Centre

1,156kW

Solar capacity – Australia wide

Enriching communities

\$2.8 million

Community contributions

Building capabilities

1,722

Toyota employees
(headcount of full-time, part-time,
employees and contractors)

78

Employee engagement score

65

Employee enablement score

29%

Female representation in workforce

21

Lost time injuries

Wide-reaching economic impacts

60 years

Toyota operations in Australia

224

Toyota and Lexus dealerships

13,501

Toyota and Lexus dealer employees

8.23

Dealer satisfaction index



\$8.37 billion

Net sales

\$129 million

After-tax profit

\$1.2 billion

Supplier spend

1,456

Number of suppliers



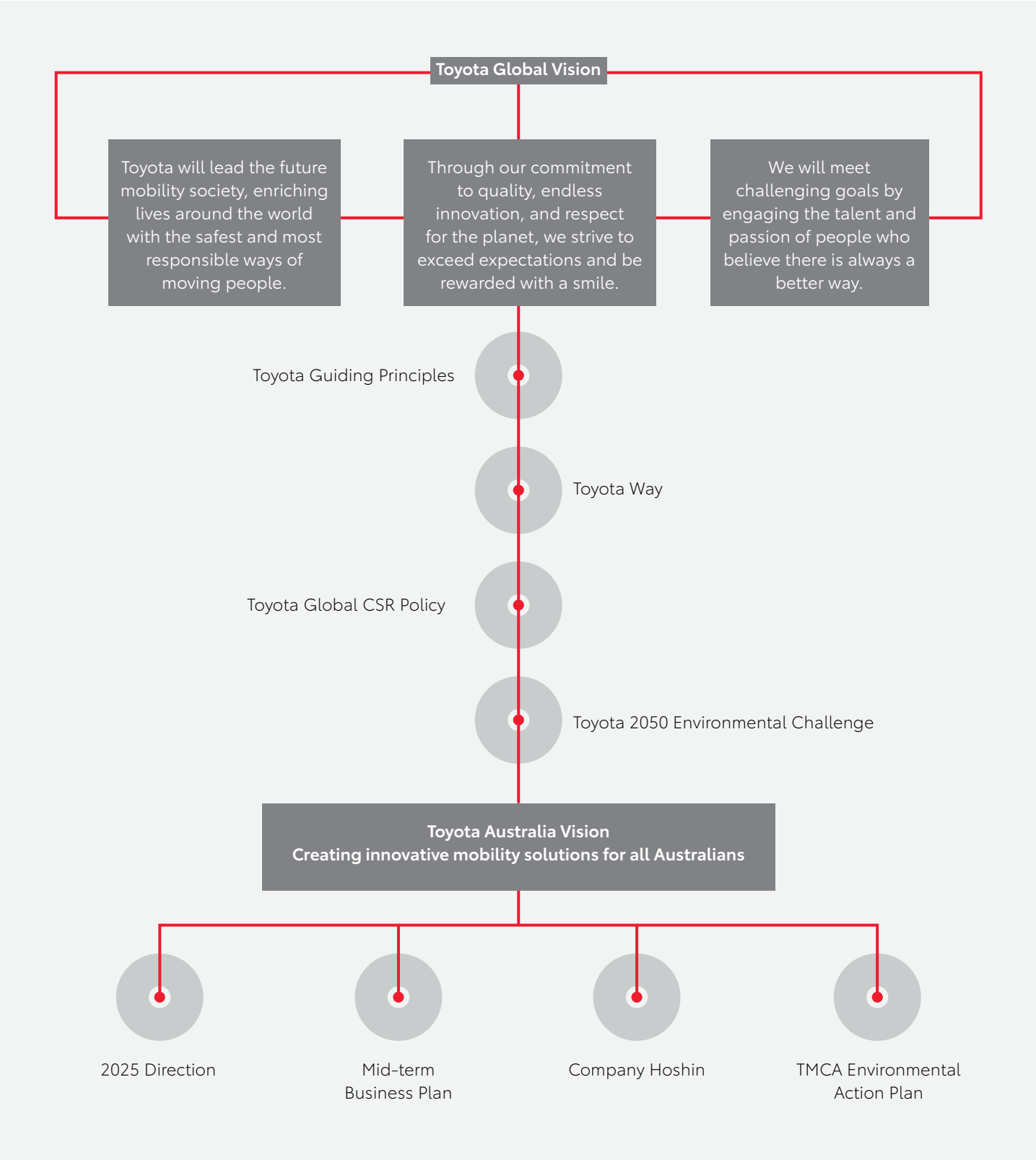
Our approach to sustainability

Since its foundation in 1937, globally, Toyota has strived to contribute to the sustainable development of society and the planet through its business operations. It's a principle that we have continued since Toyota Australia started in 1963 and has helped to cement our position as Australia's leading automotive company.

Motor vehicles greatly expand the freedom of mobility. However, we recognise that they also have some less desirable impacts on our society and the environment. With this in mind, sustainability is embedded throughout Toyota Australia's approach, from our vision to our Company Hoshin.



Overview of sustainability at Toyota Australia



Our Guiding Principles

The decisions we make, the way we treat our employees and customers, and our involvement in local communities are all informed by the **Toyota Guiding Principles**. These principles, which have been in place since 1997, build on the five main principles set down by our founder, Sakichi Toyoda, in 1935.

1. Honour the language and spirit of the law of every nation and undertake open and fair business activities to be a good corporate citizen of the world.
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in their respective communities.
3. Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
5. Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honouring mutual trust and respect between labour and management.
6. Pursue growth through harmony with the global community via innovative management.
7. Work with business partners in research and manufacture to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

The Toyota Way

We apply these principles to every aspect of our day-to-day work through our simple framework ‘The Toyota Way’:

Continuous improvement

Challenge	When we embrace a challenge, we also commit ourselves to challenging what we know and do to complete it. This means we have to approach each challenge, not only with creativity, but also with courage.
Kaizen	Kaizen is the essence of continuous improvement. It is a way of thinking which encourages and empowers everyone to identify where and how even small changes can be made to benefit the business, their team or their individual performance.
Genchi Genbutsu	“Going to the source” – is about checking the facts yourself, so you can be sure you have the right information you need to make a good decision.
Respect for people	It is important everyone is respected both for what they contribute and who they are. That includes their ideas and their cultural and personal beliefs. Through ‘Respect’ we accept personal responsibility for what we do and build mutual trust and understanding with those around us.
Teamwork	Successful teamwork is about everyone understanding our goals and working together to achieve them. Every member of a team is given the opportunity to do their best and the accountability to achieve results. We strive to give them stable employment and opportunities to develop their skills, responsibilities and commitment as individuals and committed team members.

Toyota Global Corporate Social Responsibility (CSR) Policy

In 2005, TMC announced the ‘Contribution toward Sustainable Development’, an interpretation of the Guiding Principles at Toyota that takes into consideration Toyota’s relations with stakeholders. This was revised in 2008 to become a CSR Policy. The policy takes into account subsequent environmental changes and increased societal interest in CSR. TMC CSR global policy feeds in to TMCA business activities.

Toyota Environmental Challenge 2050

In October 2015, Toyota set out a bold plan involving six challenges to achieve zero CO₂ emissions and a net positive impact on the environment and society by 2050. In Australia, these translate in our TMCA Environmental Action Plan.



Toyota Australia’s vision

Toyota’s Guiding Principles, the Toyota Way and the global vision are the foundation of Toyota Australia’s **2025 direction**, which is our roadmap to ‘Creating innovative mobility solutions for all Australians’. This vision will be achieved through our three strategic priorities:

- Creating an innovative **product** range that reduces CO₂ emissions

- Expanding the positive **customer** experience and offering mobility solutions
- Leveraging our **brand** strengths.

In order to translate our vision into action, we have established key performance indicators (KPI) with targets for each financial year. These targets are monitored, measured and feed into our **Mid-term Business Plan** and **Company Hoshin**.

The **Mid-term Business Plan** is our five year whole-of-company action plan that outlines the product line-up and the profit outlook for the business.

Our **Company Hoshin** is TMCA’s annual strategy which outlines our objectives and targets and aligns with our 2025 vision. The 2020 Hoshin establishes activities and indicators against four key objectives:

- People first and zero harm (safety)
- Customer-focused organisation
- Business model for sustainable growth
- Realise year 3 of 2025 Direction (product, customer, brand).

The Hoshin is widely communicated throughout the organisation at the beginning of each financial year, and guides the activities of all employees, from management to frontline staff.

Governance

Toyota Australia is overseen by a focused and experienced Board, who brings combined experience of over 128 years with Toyota worldwide. The Board of directors comprises of two Toyota Australia executives and two Toyota Motor Corporation executives.

The Board’s key functions are to:

- Agree on TMCA’s strategic direction and ensure this is aligned with the interests and values of our parent company
- Oversee TMCA’s risk management and its compliance obligations, guided by the Risk and Compliance Committee.

The Board met twice during the reporting period.

Board membership as at 31 March 2020

Directors	Role	Appointment
Matthew John Callachor	TMCA President and CEO	1 June 2016
Tetsuo Mori	TMCA Treasurer and Chief Coordinating Executive	1 January 2016
Nobuhiko Murakami	TMC non-resident director	1 January 2018
Mitsuhiro Amo	TMC non-resident director	1 January 2019

Governance committees

TMCA Governance Committees are shown below.

While the Board sets the strategic direction for TMCA, implementation is led by our seven-member Executive Management Committee, which meets monthly and is chaired by the President and CEO.

The **Risk** and **Compliance Committee** reports directly to the Board, and is comprised of six senior TMCA members, chaired by a TMCA director. The committee takes responsibility for all risk, compliance, ethics and

governance-related matters for TMCA. It maintains our risk register, in line with our risk management framework. The register is reviewed bi-monthly to ensure TMCA are able to recognise and respond quickly to any potential issues. The committee met six times during the reporting period.

The Sustainability and Environment Committee oversee the Environmental Action Plan which stipulates how we are tackling each challenge set out in the Environmental Challenge 2050. This committee meets bi-annually, is comprised of our Executive leadership team, and reinforces the importance assigned to these topics.

Operational structure

Toyota Australia has three operating arms:

- 1. National Sales and Marketing Operations
- 2. Product and Corporate Operations
- 3. Regional and Guest Operations.

Each arm is led by a Vice President, and supported by Chief Coordinating Executive in-patriates from TMC, who provide close liaison between TMC and Toyota Australia. During the reporting period, a new Vice President was appointed to the Product and Corporate Operations arm.

Lexus Australia is managed as a separate division.

Compliance

One of Toyota’s Guiding Principles is to ‘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’. TMCA views compliance activities as a vital part of running a safe and ethical organisation. Our Code of Ethics and Code of Conduct provides the basis for our approach to conducting our business ethically. These can be viewed on the [TMC website](#).

During the reporting period, TMCA did not record any significant fines or non-monetary sanctions for non-compliance with laws and regulations.

We strive to respond quickly and openly to any issues that may impact our customers or the broader community, in accordance with our principle of respect for people. We also seek to keep our customers and community well informed through our TMCA website, which provides the latest news including recall updates. The issues we addressed during the reporting period can be found in more detail on [p. 64](#).

Toyota Australia is committed to encourage and support ethical conduct and foster a positive and open environment. Fraud and corruption are not tolerated, we maintain robust global, and local policies and controls to manage any issues ethically. We encourage the reporting of actual or suspected wrongdoing through our whistleblower protection policy. The policy sets out the kinds of reporting that are covered, the reporting mechanisms, and a free independent third-party phone line.

TMCA is currently working on initiatives to ensure employees within our supply chain are properly protected in line with the **Modern Slavery Act 2018** (Cth) (see further [p. 52](#)).

External codes and charters

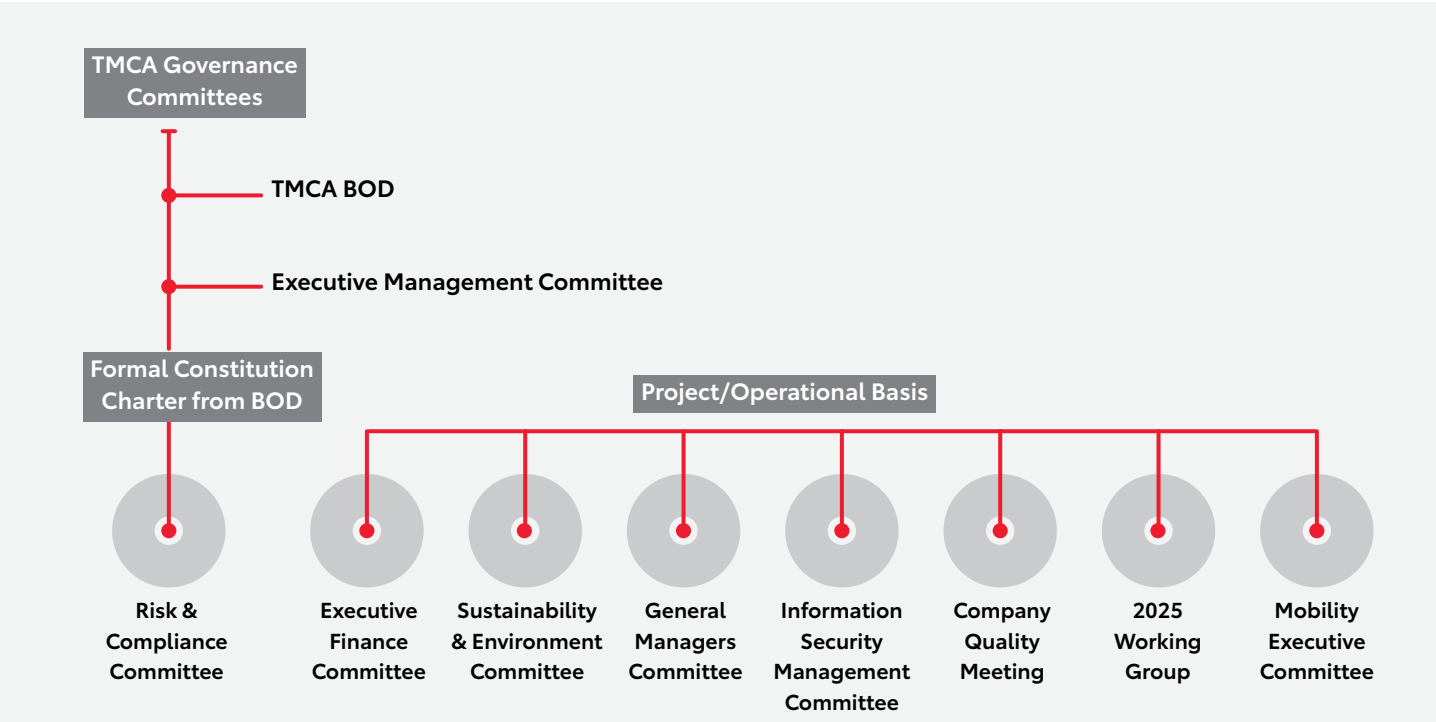
In addition to our internal values and policies, Toyota Australia is aligned to various external charters and principles, including:

- Occupational Health and Safety (OHS) National Audit Tool for OHS Management Systems OHS ISO 18001
- Self-Insurance **(Victoria)**
- Environmental Management System ISO 14001 **(Port Melbourne Office and Melbourne Parts Centre, Altona)**
- Federal Chamber of Automotive Industries (FCAI) Code of Practice for:
 - Motor Vehicle Advertising
 - Conduct of an Automotive Safety Recall
 - Access to Service and Repair Information for Motor Vehicles
 - Technical Statement on EV Charging Standards for Public Recharging Infrastructure
- Australian Hydrogen Council:
 - Social Licence Principles
 - Regulatory Principles

Industry associations and memberships

We remain an active and supportive member of a range of automotive industry associations and other groups, this includes:

- Australian Industry Group
- Committee for Economic Development of Australia
- Federal Chamber of Automotive Industries
- Victorian Employers’ Chamber of Commerce and Industry
- Committee of Melbourne
- Green Building Council of Australia
- CitySwitch Green Office program
- TAKE2 Signatory
- Australian Hydrogen Council
- ITS Australia
- Pro Bono Australia
- Philanthropy Australia



Our material sustainability topics and stakeholders

In accordance with our core principle of continuous improvement, we focus on the environmental, social and governance issues that are most important to our business and our stakeholders.

Our materiality process

Each year we assess our material sustainability topics through a process guided principally by the Global Reporting Initiative Standards (GRI) 2016. We conducted a desktop review of **internal** documents from Toyota Australia, TMC, and **external sources** including our peers, the media, industry bodies and non-government organisations (NGOs). Through this process we identified relevant topics and assessed their relative importance to Toyota Australia's business performance and to its stakeholders.

We also assessed our impacts against the United Nations SDGs taking into account both our actual and potential ability to either create positive impacts or to mitigate negative impacts.

The resulting material topics are outlined below, categorised according to the 'capitals' of the Integrated Reporting framework. Our most material topics are shown in bold.



Zero carbon transition

Operational environmental impacts
Vehicle life cycle



Community investments and partnerships

Customer engagement and satisfaction

Dealer engagement

Indirect social and economic impacts
Supply chain sustainability



Mobility

Automated driving and intelligent transport systems
Sharing services
Data privacy and security
Advocacy and lobbying



Product safety and quality



Employee health, safety and wellbeing

Employee engagement
Diversity and inclusion
Employee planning and development
Labour relations



Our value chain

TMC designs vehicles appealing to customers, focusing on quality, innovation and respect for the planet. Investment in innovation and research enables Toyota to be at the forefront of current and future advances in vehicle technology.

Although TMCA imports vehicles from Toyota affiliates, we retain a strong hand in designing, selecting and customising vehicles to meet the unique needs of the Australian market. TMCA has a role to play in selecting models, taking into account Australian legislation and industry regulations, customer preferences, and TMCA's overall strategic objectives.

TMC promotes the development and introduction of low-CO₂ technologies, daily kaizen, utilisation of renewable energy and use of hydrogen at all production plants, in keeping in line with Toyota Environmental Challenge 2050.

TMCA sources vehicles from Austria, Japan, Thailand, and the United States, while parts are sourced internationally and locally. TMC and TMCA policies encourage sustainable and efficient shipping and logistics of our products and parts to reduce our carbon footprint.

TMCA has four warehouses located nationally for parts storage. They are equipped with systems to bring in warehouse efficiencies, minimising both safety risks and damage to parts.

We work with our distribution partners to move vehicles and parts around the country to Toyota dealers. The Toyota Production System (TPS), provides efficient processes that also minimise the carbon footprint of transporting vehicles. This system is supported by sophisticated planning, alignment and cooperation between TMCA and our dealer network so that our consumers can access the right product when and where they require it.

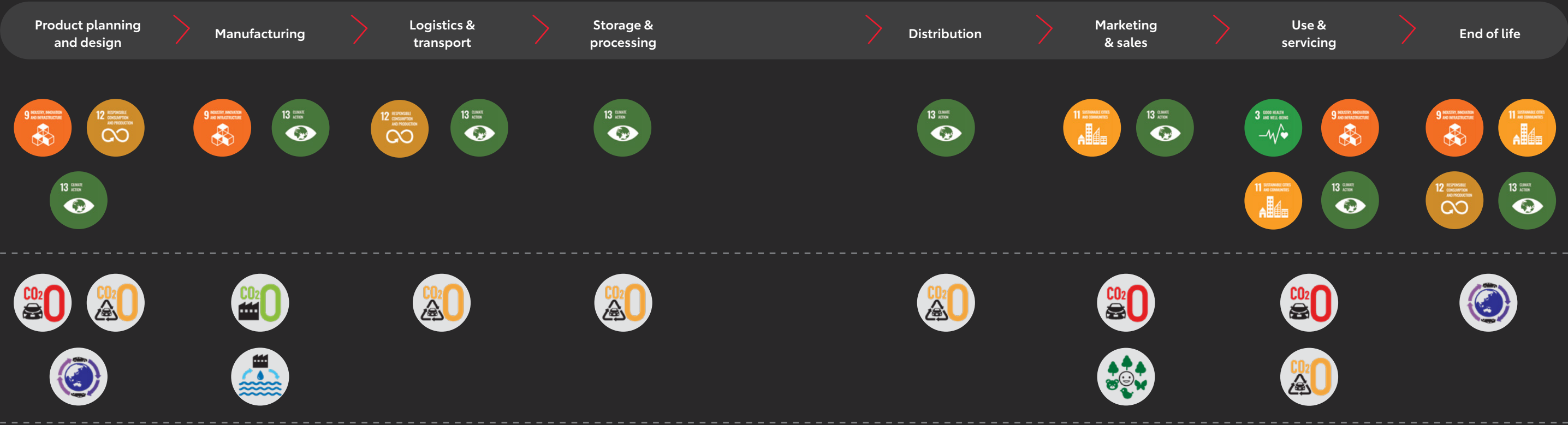
TMCA promotes the Toyota and Lexus brand through different marketing and communication channels. We also work closely with our dealers to promote our brands.

Our primary sales channel is through national dealerships, while our customers also have the option of purchasing online. We serve our fleet customers directly and via our specialised fleet dealerships.

We connect with our customers using many different tools and channels throughout the lifecycle of a Toyota vehicle. These tools enable consumers to be informed and educated about the product they are using. Delivery is through dealerships, our Guest Experience Centre, and multiple online platforms. Customers can now view vehicle specifications, book a test drive and make purchases from our dealers online.

Toyota dealerships nationally provide vehicle servicing for our customers. TMCA works with our dealers to manage the environmental impacts through their operations.

TMC mitigates some environmental impacts through its vehicle design and life cycle processes. The Toyota Global 100 Dismantlers project and Toyota Global Car-to-Car Recycle Project are two global projects initiated by TMC to minimise the environmental impacts of vehicle end of their life. TMCA has implemented a Hybrid Vehicle Battery Recycling Program and most of our dealers work with tyre recyclers that are members of Tyre Stewardship Australia (TSA).



Our stakeholders

In accordance with our key pillar of respect for people, we believe in the importance of listening and responding to the interests of our stakeholders. Toyota Australia endeavours to build and maintain sound relationships with our stakeholders through open and fair communication. We expect our business partners to support our principles and our efforts towards sustainable development. Our key stakeholders are outlined below.

We work to provide our customers with high quality experience in all interactions with Toyota Australia. Our dealers are the primary touchpoint with our customers across Australia. TMCA's Guest Experience Centre enables communication by telephone, email and social media. In order to further engage with customers, we have platforms such as the myToyota app, our Australian website and our publication GoPlaces.

Customers

Toyota Motor Corporation (TMC)
Toyota Australia is actively and constantly connected with our parent company. Two Toyota global executives sit on our board, and TMC 'inpatriates' work alongside each operational arm leader to liaise with TMC. We work with TMC on policy development, strategy and product planning as well as sharing best practice for our improvement.

We have longstanding formal relationships with a number of community organisations across Australia, and also engage directly with a wide range of organisations for specific interactions.

Community

We engage with our Toyota dealers through regular bulletins, forums and our annual National Dealer Conference, 'Franchise of the Future' program and the National Toyota Dealers Association.

Dealers

We communicate with our employees through forums, monthly Toyota Torque meetings, and the annual President's Address. Our intranet and employee bulletins keep employees up to date on all relevant information including updates on product launches and events. We aim to build capability through forums, training, on-the-job development, and internal rotations.

Employees

Government
Through our government affairs team, we engage with the government at all levels across Australia through face-to-face meetings, to stay connected on current issues and topics relevant to the automotive sector and Toyota Australia activities. We also engage through the Federal Chamber of Automotive Industries (FCAI) and other industry bodies.

Suppliers
Our most significant suppliers are Toyota affiliates. We directly engage with all suppliers regarding relevant issues. Our supplier selection process and interactions are guided by our procurement policy and Purchasing Environment Handbook.

Environment
Our efforts to curb negative environmental impacts are driven by The Toyota Environment Challenge 2050. Our efforts are reinforced by affiliations with organisations including the Green Building Council of Australia, City Switch Green Office program, TAKE2 and Planet Ark.



COVID-19 impacts

The COVID-19 crisis unfolded largely after the reporting period. However, given its significant impacts, we address it briefly here.

As the COVID-19 pandemic reached Australia, our number one priority was the safety and wellbeing of everyone in the TMCA family. We also took measures to ensure the sustainability of our business by working through a number of business continuity plans.

TMCA's crisis management team met frequently to discuss matters and develop contingency plans. The team comprised of the TMCA executive committee, general managers, and representatives from key business areas such as human resources, internal communications, marketing and public relations.

We set up policies and procedures to respond to and communicate about the impacts that COVID-19 would have on our employees including:

- Health and safety protocols for access to each TMCA site and office
- Health and safety directions for staff working from the office
- Travel ban for employees, including supplier and dealer visits
- Employee wellbeing
- Staff sentiment surveys
- Take-home meals and groceries shopping
- Family violence and working from home
- Smart working options.

Our workstyle (see p. 58) enabled us to rapidly change our ways of working on a large scale, so that 85% of staff commenced working from home from mid-March 2020. Employees were provided access to office equipment as required, and a complete workstation assessment and checklist was conducted by all employees to ensure everyone is working in a safe environment.

Mental wellbeing of our staff is currently a priority for TMCA, and we are supporting our staff virtually, through resilience programs, kids club activities and online physical programs. We are constantly communicating with our employees encouraging them to take advantage of our Employee Assistance Program that provides free access to, professional and confidential psychology service that can be used for any personal or work-related issues.

The automotive sector, as many others, will face unique hurdles in the new operating environment after the COVID-19 pandemic. Apart from the safety and wellbeing of our staff, foreseeable issues include geographic discrepancies, supply chain challenges, talent issues, and larger macro-economic and social shifts in our community's approach to mobility. Toyota is confronting the uncertainty and potential long-term economic impacts of the pandemic. We are regularly assessing how customer experiences will change, how the needs of the automotive sector may shift, and how we can maintain and leverage our position as Australia's trusted automotive brand.



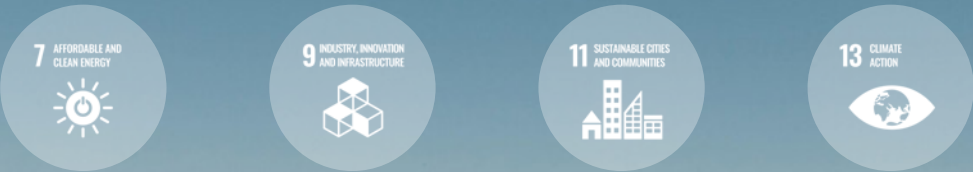
Preparing over 150 meals a day in the Toyota Kitchen for healthcare workers throughout Melbourne in partnership with Alex Makes Meals.



Using our design, technology and production expertise to protect the medical community from the COVID-19 virus by developing and manufacturing face shields

Helping create a zero-carbon society

Since the introduction of the Prius hybrid, Toyota has been leading the shift to lower emission vehicles. We are driven by the Toyota Environmental Challenge 2050 to reduce our vehicles’ emissions, from production, to use, through to end of life. In Australia, we are actively working to increase the share of hybrid sales, while also looking ahead to other forms of electrification, including hydrogen vehicles.



Toyota Australia recognises that climate change is both a concern of our customers and other stakeholders, and a key responsibility of the automotive sector. Transport is Australia’s third largest source of emissions, with roughly half those emissions coming from cars, so we have an important role to play.

Our approach is guided by the global Toyota Environmental Challenge 2050 (see [p. 13](#)). The first three challenges relate to achieving zero CO₂ emissions:

CHALLENGE 1
New vehicle zero CO₂

- 15m

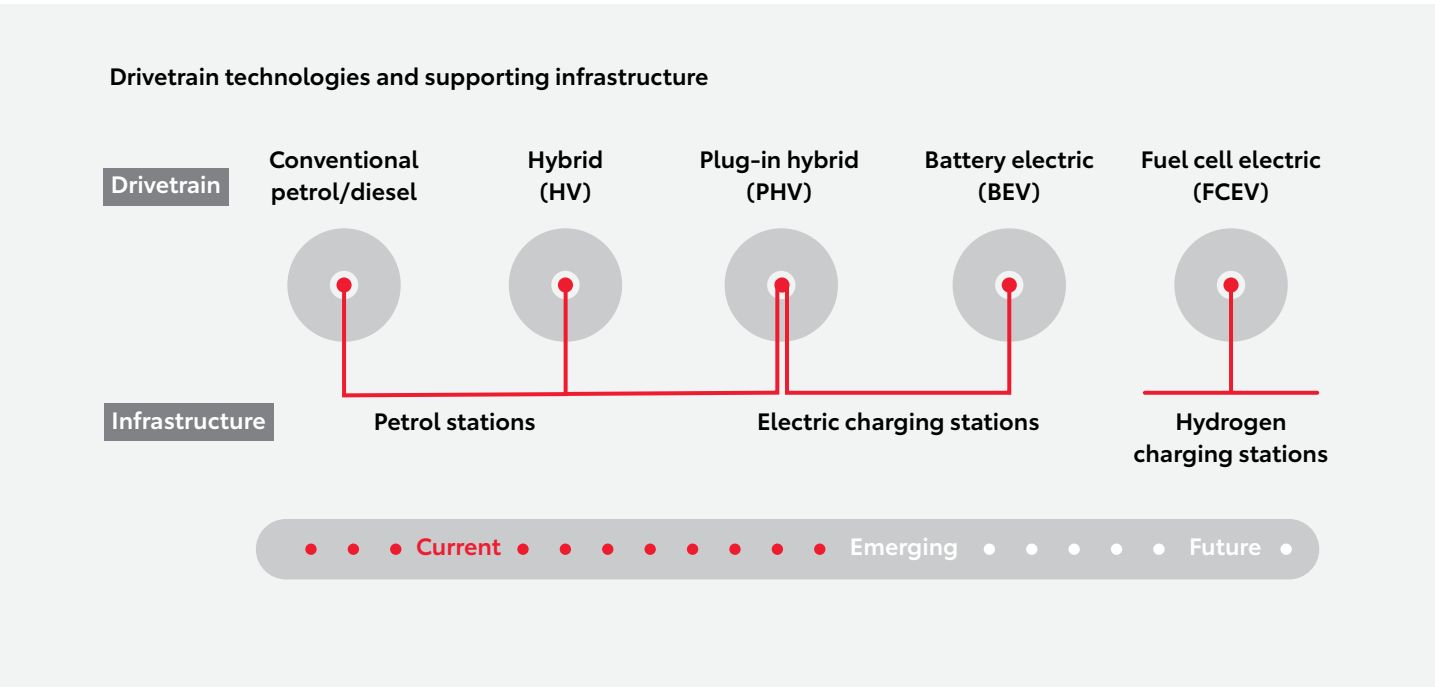
As of January 2020, Toyota have sold more than 15 million hybrid electric vehicles worldwide since the launch of Prius in 1997.
- 40

Approximately 40 hybrid models are now available from Toyota and Lexus in Australia, and even more globally. Over 100 million fewer tonnes of CO₂ emissions since 1997 thanks to worldwide sales of hybrid electric vehicles.

In Australia, as a sales and distribution company, our focus is on Challenge 1. Vehicle tailpipe emissions are the most material emissions source during the lifecycle of our vehicles. While our vehicles are all imported, TMCA has a role to play in selecting models, taking into account Australian legislation and industry regulations, customer preferences, and TMCA’s overall strategic objectives.

We believe that hybrid vehicles are currently the best way to achieve rapid reductions in Australia’s vehicle emissions. Meanwhile, TMC is also working to reduce the emissions from our conventional vehicles looking at alternative options such as fuel cell electric vehicles. Electrification is a core pillar of our ‘CASE’ framework for the future: Connected, Automated, Shared and Electrified.

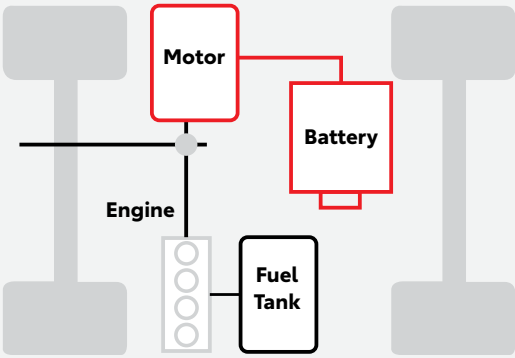
While we look to a zero-carbon future, our current reality is that the majority of our customers continue to choose vehicles powered by internal combustion. In July 2020, the Federal Chamber of Automotive Industries (FCAI), of which we are a member, announced a new industry-led reporting system, the FCAI CO₂ Emissions Standard, which sets out industry and brand CO₂ emissions reduction targets at 2030. We are working to ensure that all our vehicles comply with this standard, and as part of our 2019 Mid-term Business Plan we have considered the financial implications, risks and opportunities of doing so.



Hybrid vehicles

Hybrid vehicles combine traditional combustion engines with electric motors to reduce reliance on CO₂ intensive fuel use. Hybrids offer our customers lower fuel costs over the life of the vehicle, while delivering improved performance, and are supported by existing infrastructure and regulations.

Hybrids obtain energy from petroleum but use an electrical system to improve fuel efficiency.

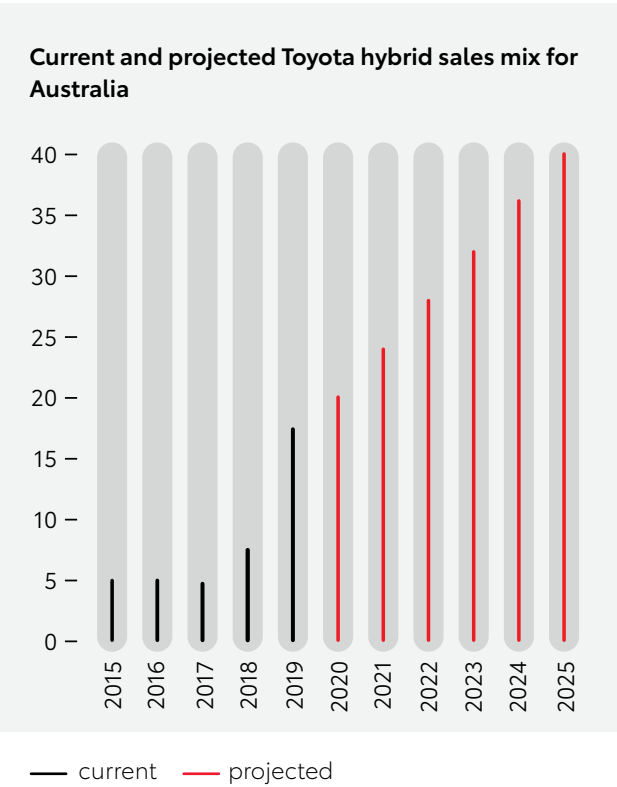


In 2017, Toyota Australia established targets to rapidly increase hybrid sales. In 2019/2020, we achieved 17% hybrid sales, and are on track to exceed our target of 20% this year. Our aim is to increase this to 40% by 2025. Our approach to achieving our targets is threefold:

- Internal **leadership**: shining a light on hybrids and making it a priority across Toyota, through a top-down approach across the whole organisation and ensuring a strong and consistent message is delivered to stakeholders.

- Dealer **capability**: Increasing dealer power to sell hybrids through dealer training and engagement, ensuring a hybrid focus with Toyota sales consultants.
- Customer **brand power**: We are building consumer awareness of our hybrid vehicles through mainstream media, leveraging key sponsorships with sport and pop-up events, and putting a focus on PR by amplifying hybrid models in launches.

In April 2019, Toyota celebrated the milestone of 100,000 Hybrid vehicles sold in Australia. In the same month we launched our first Hybrid SUV in Australia the RAV4 joining the Camry Hybrid, Corolla Hatch Hybrid, Prius, Prius C and Prius V to form the broadest **line-up of electrified vehicles offered by any company in Australia**. We expect to add more hybrid models by the end of 2020.



Toyota and Lexus hybrid range



All-New Yaris



Corolla



Corolla Sedan



Camry



Prius



Prius v



RAV4



C_HR



Lexus RX



Lexus LS



Lexus CT



Lexus IS



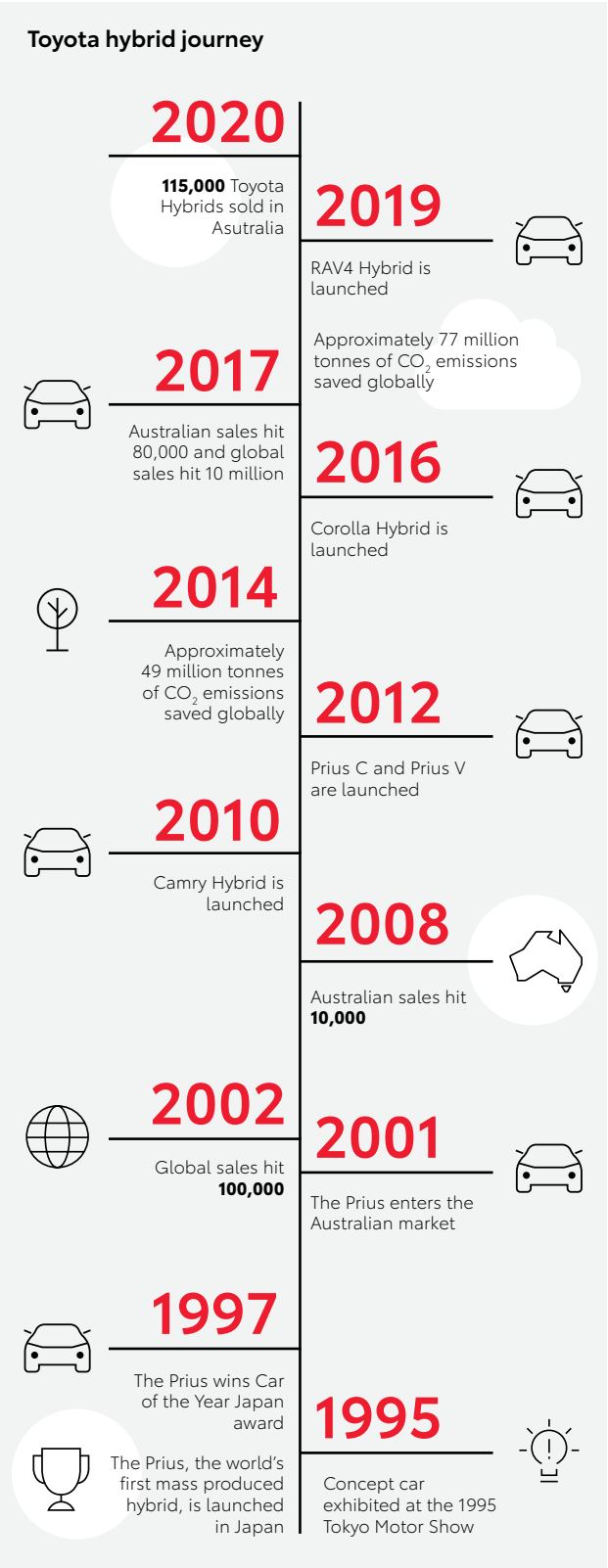
Lexus ES



Lexus NX



Lexus LC



In August 2019, TMCA launched Toyota Hybrid Cavalcade campaign, an Australia-wide series of inspiring and educational events to bring Hybrid technology awareness to life.

The Hybrid Cavalcade made its way through regional Australian towns throughout the year, dispelling common myths about Hybrid vehicles and providing information on the critical role these sustainable vehicles can play in shaping regional Australia's transportation needs.

The launch involved events at dealerships and the Hybrid Cavalcade making appearance at a variety of major regional events as it made its way through rural and regional areas. Each event had a collection of interactive, fun, educational and engaging activities designed to draw people into the Hybrid space, enabling them to learn more about the Hybrid technology and its benefits.



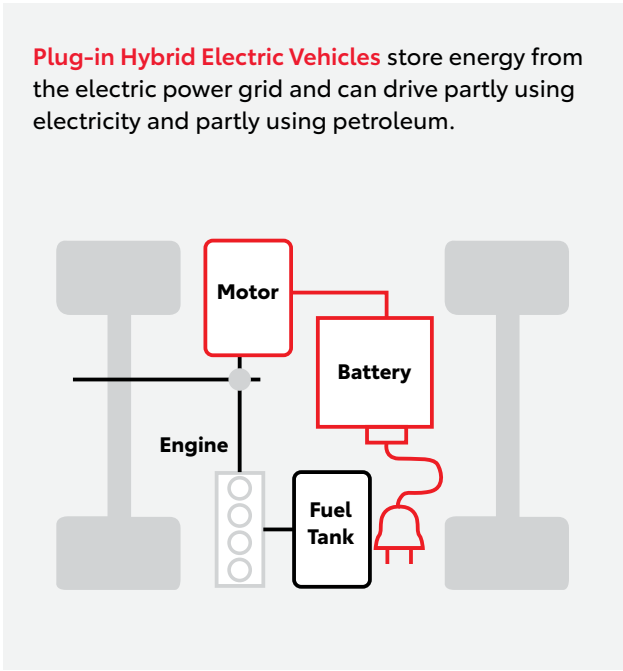
Hybrid Cavalcade launch in Townsville



Hybrid Cavalcade made its way on-field with a lap around the ground prior to the NRL game between North Queensland Cowboys and Brisbane Broncos

Plug-in vehicles

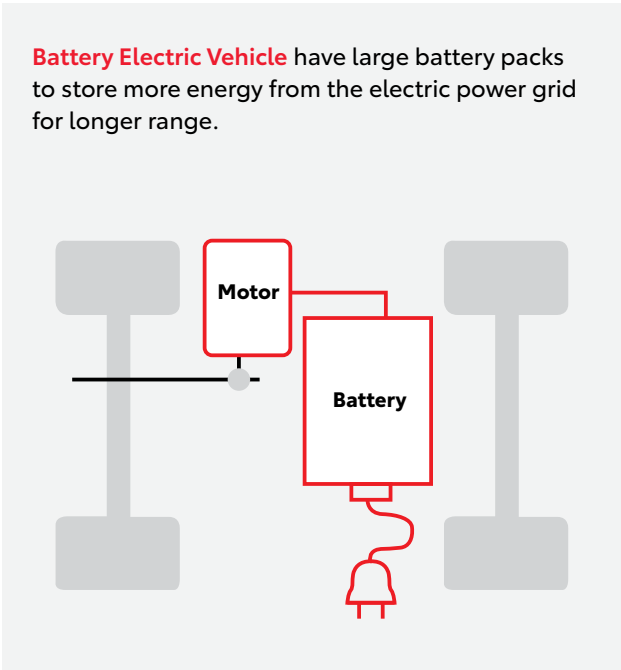
Plug-in hybrids, supplement hybrid technology with a rechargeable battery. Renewable electricity can be used to power the battery for everyday commutes, while a high-efficiency petrol engine enables longer driving range.



Battery electric vehicles (BEVs) are exclusively battery powered and can produce zero emissions if charged using energy from renewable sources.

In October 2019, Toyota global announced the launch of an ultra-compact battery electric vehicle, to be available in Japan from late 2020. The next-generation mobility solution is designed to provide short-distance mobility, while limiting impact on the environment. It is particularly aimed at Japan's ageing society, to provide freedom of movement to people at all stages of life, in line with our aim to 'Start your impossible'.

Meanwhile, the Ultra-compact BEV Concept Model for Business is designed for business applications that include repeated short-distance trips and parking. The vehicle serves as a 'mobile office' with three modes to support travelling, working and taking breaks using the vehicle.



Toyota is developing both these technologies but has not yet introduced them into the Australian market. Public charging infrastructure across Australia has increased by over 400% since 2017, now comprising 1,930 electric vehicle charging stations. While this is encouraging, the nation's infrastructure, and supportive policy, acts as a barrier to the widespread deployment of plug-in and battery electric vehicles, together with the higher cost of the vehicles.

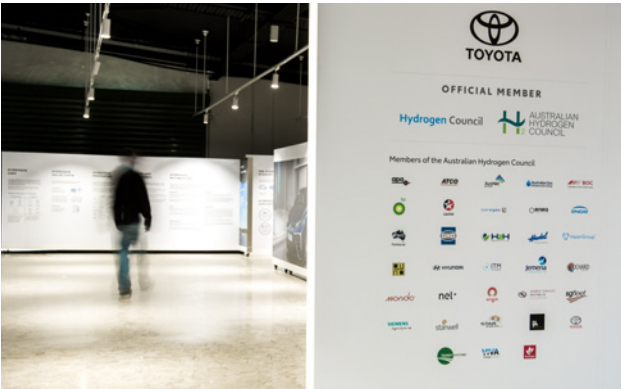
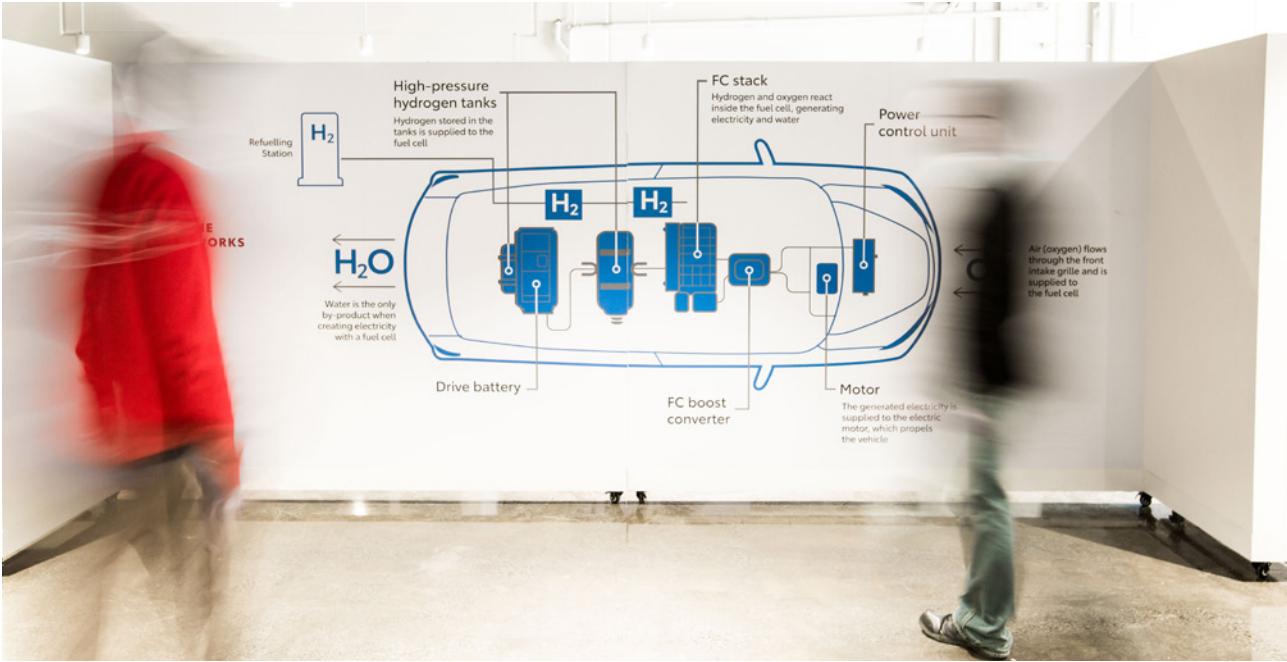


Hydrogen fuel cell vehicles

Fuel cell electric vehicles (FCEVs) are powered by hydrogen, which can be derived from renewable sources. FCEVs are quiet and can be refuelled as quickly as a petrol or diesel vehicle. The latest models have a range of approximately 500 kms. Like plug-in vehicles, they require specific refuelling infrastructure which is yet to be developed in Australia.

Toyota believes that hydrogen offers a compelling proposition for the mobility sector. It is highly efficient, zero carbon, and emits only water. There are currently no commercially available hydrogen fuel cell vehicles in Australia. However, Toyota is undertaking Australia's first public fuel cell electric vehicle trial, the Mirai Loan Program. The program is aimed to normalise this exciting new technology through "real world" usage. A fleet of ten Mirai vehicles were available in Victoria during 2019/20, providing a great opportunity for Toyota to engage with a range of organisations on this new technology. Moreland City Council, Transurban and the Australian Gas Infrastructure Group (AGIG) and many more organisations have benefitted from participating in this program, with an increasing level of interest to

participate. Toyota's Senior Engagement and Education Specialist, Troy D'Souza explained, "Despite the advanced technology inside the Mirai, it drives just like a traditional vehicle. It is refuelled at a service station site in the same way as a petrol or diesel vehicle, however it uses hydrogen gas instead. Currently, our focus is on education and inviting people to our ARENA (Australian Renewable Energy Agency) supported Hydrogen Centre in Altona will allow us to show how this technology works, and how it can benefit communities locally and nationally. Visitors to the Hydrogen Centre will be given an educational experience into this technology, which will provide to clear understanding of the safety and overall benefits of hydrogen fuel cells. We are also expanding our Mirai program into Western Australia, with another fleet of Mirai vehicles destined for Fortescue Metals and ATCO Gas later this year. This program will also support their own long-term hydrogen projects and transition to zero emissions mobility. TMCA sees such work with government, industry and other stakeholders as an opportunity to fast-track the development of the renewable refuelling infrastructure required to support the widespread sale of fuel-cell vehicles.



Toyota Hydrogen Centre

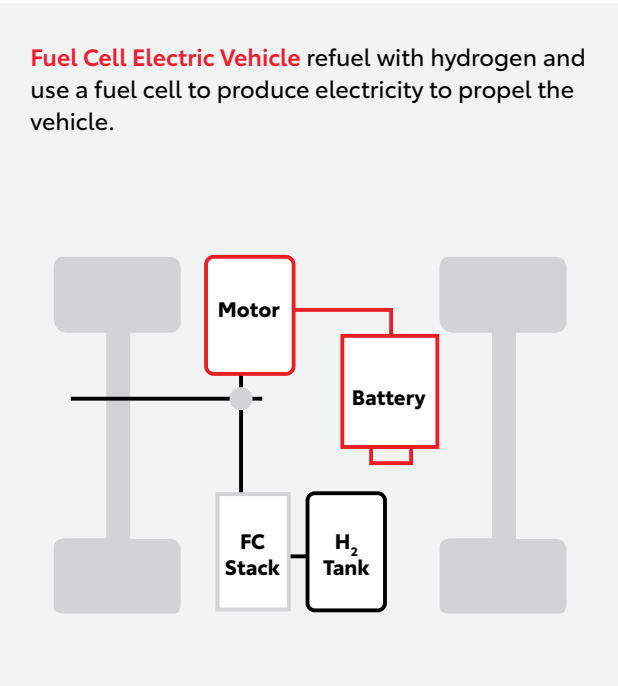
Hydrogen Centre

As part of our commitment to a hydrogen future, Toyota has been developing a \$7.4 million Hydrogen Centre at our former manufacturing site in Altona. In early 2020, we unveiled the first stage, including an education facility that demonstrates how hydrogen fits into a future of mobility. Troy D'Souza, Senior Engagement and Education Specialist highlighted, "These initiatives are all about building awareness and understanding of the technology rather than selling vehicles. Our aim through these engagement activities is that we want to expose the technology to the public to learn and experience hydrogen fuel cell technology.

Unfortunately, the Hydrogen Demonstration Plant grand opening has been delayed due to COVID-19 restrictions, however we are focused on maintaining the interest and building momentum." The remaining stages of the project will include a hydrogen production and refuelling centre that will be able to fill a vehicle in just three to five minutes.

The project is being supported by \$3.1 million in funding from ARENA.

Further information on the remediation of the Altona site can be found on [p. 67](#).



Cnr Natalie Abboud, Moreland City Council, with the Mirai FCEV



Woven City, prototype city of the future

As a flagship example of our actions to contribute towards a zero-carbon society, Toyota is developing a prototype ‘city of the future’ at the base of Mt Fuji in Japan. ‘Woven City’ will be a fully connected city, powered by hydrogen fuel cells.

Envisioned as a ‘living laboratory’, the city will serve as home to full-time residents and researchers who will be able to test and develop technologies such as autonomy, robotics, personal mobility, smart homes and artificial intelligence in a real-world environment. People, buildings and vehicles will connect and communicate through data and sensors.

The city looks to demonstrate the infrastructure potential behind developing technologies. The design will be fully sustainable, with mostly wooden buildings, solar photo-voltaic rooftops, native vegetation and hydroponics. Residences will be equipped with the latest in human support technologies, such as in-home robotics to assist with daily living. All vehicles will be fully autonomous and zero-emission, including the Toyota e-Palette.

The site will initially house 2,000 people, with construction set to commence in 2021.

Fuel efficiency

Since vehicles with internal combustion engines still comprise the majority of our sales, we work constantly to improve the fuel efficiency of our range. In Australia, we are constrained in this aim by the current fuel standards.

TMCA has been working with FCAI on developing tailpipe emissions standard for industry. Toyota Australia supports a policy-led move to high-octane, low-sulphur fuel in line with global standards. We also advocate for emissions standards to distinguish between passenger cars and light commercial vehicles as well as off-road SUVs.

Our position is that policies for low-emission vehicles should balance:

- CO₂ and pollution reduction
- Choice and support for consumers through appropriate price signals
- Reasonable timeframes to allow manufacturers to respond

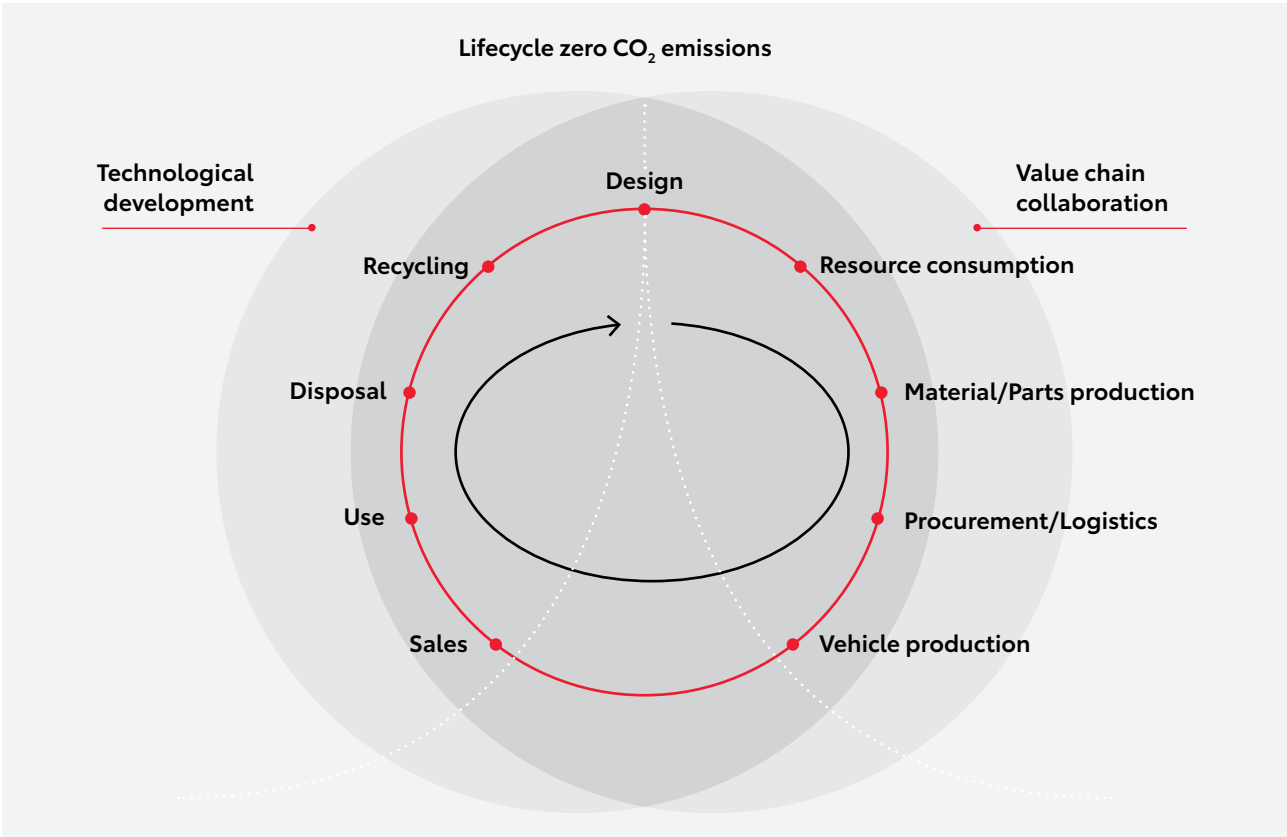
We acknowledge that petrol and diesel vehicles also emit air pollutants such as nitrogen and sulphur oxides, particulate matter and other hydrocarbons, and we aim to minimise these through design.



CHALLENGE 2
Lifecycle zero CO₂

We are working on more environmentally friendly vehicle designs that use raw materials with lower emissions. We are designing vehicles with fewer parts. We are making greater use of biomaterials from renewable sources and making our vehicles easier to dismantle and recycle.

25% By 2030, we aim to reduce CO₂ emissions by 25% or more over the entire vehicle life cycle, compared to 2013 levels.



TMC promotes environmental management in product development through the Eco-Vehicle Assessment System (Eco-VAS). Eco-VAS is a comprehensive assessment system used by TMC, that allows to understand the environmental impacts throughout the entire vehicle development process including, production, use and disposal. Within this system TMC conduct Life Cycle Assessments (LCAs) on vehicles, which assesses impacts on the environment at all stages including materials and parts manufacturing, vehicle assembly, driving, maintenance, disposal, and recycling.

Although emissions have been reduced for next-generation vehicles while they are being driven, for some models, the amount of CO₂ emitted during the manufacturing process may increase, due to the materials used. Toyota aims to reduce emissions not only during use but throughout the vehicle life cycle. Our approach to this is twofold, through technological development and value-chain collaboration.

In Australia, TMCA has continued to improve its understanding of our CO₂ emissions as a sales and marketing organisation. **This year, for the first time, we completed an emissions value chain assessment to identify Scope 3 emission sources** (all indirect emissions of our organisation, including both upstream and downstream), and established boundaries for our organisation's activities. **This assessment considered 15 categories of Scope 3 emissions, going beyond emissions relating to waste generated and business travel, considered by many organisations, to also look at such sources as purchased goods and services, employee commuting and franchisees.** Our scope 1, 2 and 3 emission sources are included based on their materiality, relevance, stakeholder expectations and data availability, and we are continually improving data quality and robustness of the calculation method aligned to the global Greenhouse Gas Protocol.

We have been developing a detailed operational emissions trajectory aligned to the 2030 milestones that are part of the 2050 Challenge. Our ambition is to continue to expand our measurement and reporting to capture the entire emissions value chain.

TMCA contributes to reducing lifecycle impacts through our battery recycling program, which has been operating since 2013. Through our dealerships, customers are rewarded with a rebate for each battery returned for recycling. **98 per cent of our hybrid batteries are reclaimed. Almost every component of a Hybrid High Voltage (HV) battery can be recycled.**

You can read more about Toyota global's approach in its [Sustainability Data Book](#).



Toyota globally is working to improve the manufacturing process for our vehicles to reduce the emissions produced. We are making facilities more energy-efficient and adopting renewable energy sources such as solar and wind, and low-carbon power such as hydrogen energy.

By 2030, TMC's goal is to reduce CO₂ emissions from global plants by 35 per cent compared to 2013 levels. So far, we have seen decreases in total CO₂ emissions per unit produced. TMCA promotes energy saving measures through our facilities. Our current solar capacity across Australia is 1,156 kW across three locations: Altona Centre of Excellence, and Toyota Parts Centres in Sydney and Brisbane. Our plans to be progressed in FY21 include a new solar expansion for the Altona Hydrogen Centre (87kW) and Sydney TPC (~150kW).

Our new parts warehouse in Sydney is designed to 5-star Green Star performance standards with plans to reduce site electrical consumption to net zero emissions by the end of 2020. Our new Eastern Regional Office (ERO) facility based in Sydney is housed in a 5 Star Green star and 5 Star NABERS rating rental property. TMC supports and signed the recommendations announced by the Task Force of Climate-related Financial Disclosures (TCFD). TMCA will analyse the risk and opportunities resulting from climate change, taking into consideration the TCFD recommendations and conduct appropriate information disclosures.



Toyota Parts Centre in Western Sydney.

Developing mobility solutions

Mobility plays a central role in the lives of all Australians, enabling access to employment, education and social opportunities which enhance the wellbeing of individuals and the economic growth of our nation. Recognising the changing expectations of our customers, Toyota is transitioning from a traditional automotive company to a mobility company, investing significantly in innovation, partnerships and advocacy – on a mission to give all Australians the freedom to move.



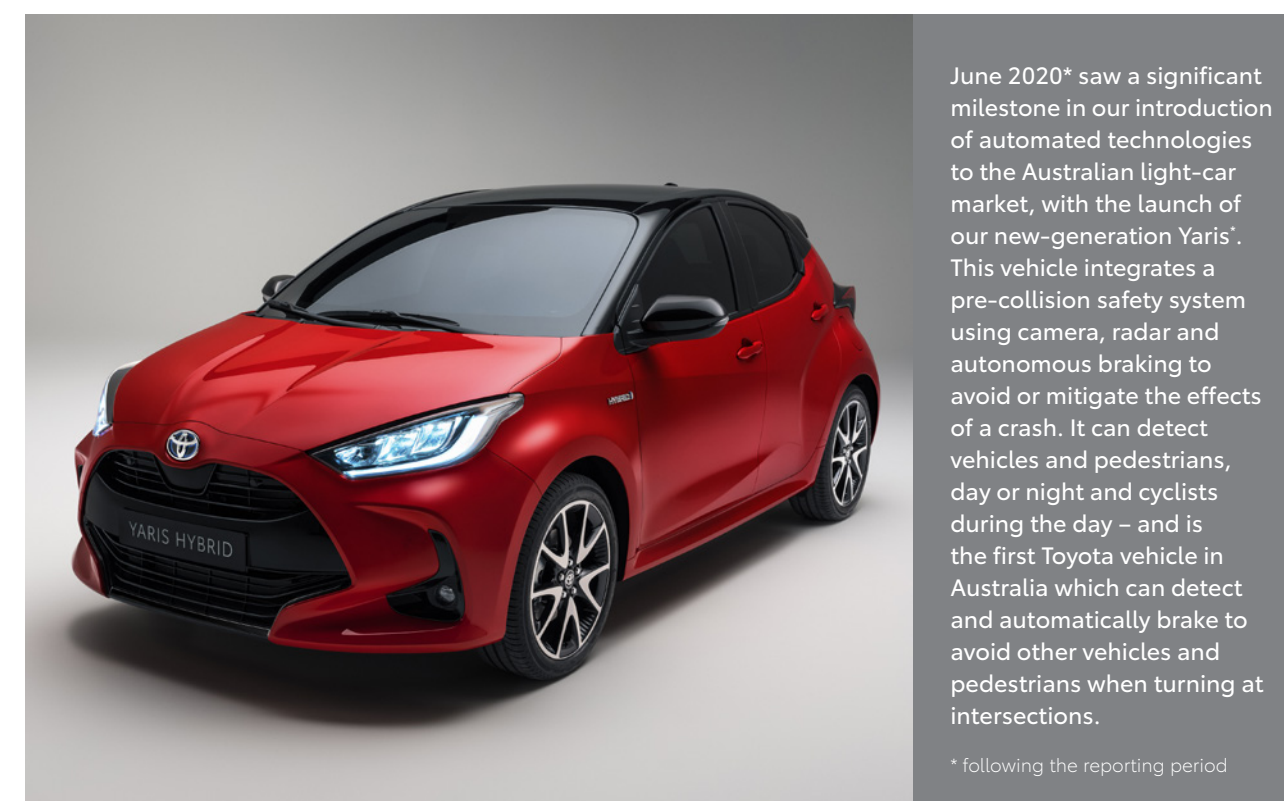
We are seeing a shift in the way that Australians view their relationship with vehicles and transport. While requirements for affordability, quality and safety remain constant, consumers are increasingly looking for ways to reduce their environmental impact, as well as demanding more flexibility in the way they move and greater personalisation of services. At the same time, traditional models of mobility are being disrupted with changes in technology and innovative business models offering new and more effortless ways of moving using autonomous, connected and shared mobility services. Toyota embraces this challenge as an opportunity to be a leader in this societal shift.

As part of our transition towards our 2025 direction, Toyota Australia is preparing for the introduction of connected vehicle technology to its range of vehicles. The aim of this investment will provide Toyota customers with functionalities such as automatic collision notification, stolen vehicle tracking system and connecting vehicle diagnostic to the dealer network providing Toyota customers with a safer driving experience.

Automation and intelligent transport systems

The introduction of automation is a 'once-in-a-century' change for the automotive industry. Automation exists on a spectrum, from vehicles that reduce the need for driver input by using cameras and sensors to see other vehicles or objects, to those which cooperate with nearby vehicles and infrastructure, sending and receiving messages, and enabling them, for example, to see round corners.

Automated driving systems have the potential to warn drivers about road hazards, eliminate human errors, improve traffic flow by providing real-time information, and increase road network efficiency. In doing so, Toyota believes they have the potential to benefit all of society – helping to greatly reduce traffic fatalities and injuries, reshape cities, reduce emissions, improve the productivity of urban centres and enable mobility for everyone.



June 2020* saw a significant milestone in our introduction of automated technologies to the Australian light-car market, with the launch of our new-generation Yaris*. This vehicle integrates a pre-collision safety system using camera, radar and autonomous braking to avoid or mitigate the effects of a crash. It can detect vehicles and pedestrians, day or night and cyclists during the day – and is the first Toyota vehicle in Australia which can detect and automatically brake to avoid other vehicles and pedestrians when turning at intersections.

* following the reporting period

*Driver assist feature only. Unavailable outside Australia or if service is disabled/terminated. Only operates under certain conditions. Check your Owner's Manual for limitations.



In our own operations, Toyota Australia, in partnership with Toyota Material Handling Australia and Toyota Fleet Management, has been working to introduce automation to our Altona warehouse, through a fleet of autonomous Autopilot vehicles that will become operational in 2020. These vehicles will apply driverless technology to achieve conveyance, towing, lifting, to autonomously place product and pick orders for customers. They include leading safety systems, scanners and obstacle detection to minimise risk and safety issues. They will also deliver energy efficiency and low maintenance costs via lithium-ion battery technology and automatic charging.

Toyota is investing significantly in innovation, programs and partnerships for ‘Connected, Autonomous/ Automated, Shared, and Electric’ technologies at a global and local level. New Toyota Australia vehicles will soon be fitted with a localised embedded Telematics service, which will be based on global connected vehicle architecture. This feature will focus on providing safety and security, enhancing Toyota customer experience.

Toyota Australia has been actively trialling Cooperative Intelligent Transport Systems (C-ITS) over the past two years, through two collaborations (see right). The trials demonstrate our commitment to partnerships in advancing C-ITS in Australia, as these technologies by their nature depend on the cooperation of multiple parties.



Concept/Prototype vehicle shown. Not available for purchase.

October 2019, Toyota Motor Corporation introduced the “LQ”, a concept vehicle that leverages advanced technology to build an emotional bond between car and driver.

LQ is equipped with automated driving capabilities and Yui, a powerful artificial intelligence-powered interactive agent designed to learn from the driver and deliver a personalised mobility experience.

Toyota Australia partners for road-safety projects

Victoria

Over 2018–2020, Lexus Australia has partnered with the Victorian Government in a two-year trial of connected-vehicle technology aimed at reducing road trauma.

The Victorian trial tested cellular-based communications technology designed to reduce traffic accidents while managing traffic flow to reduce congestion, fuel consumption and emissions.

Two specially-equipped Lexus RX 450h F Sport luxury SUVs were fitted with the ‘Cellular V2X’ technology, which included:

- Electronic Emergency Brake Light
- Red Light Violation Warning
- Right Turn Assist
- In-Vehicle Speed Warning
- Slow & Stopped Vehicle Warning
- Curve Speed Warning

Queensland

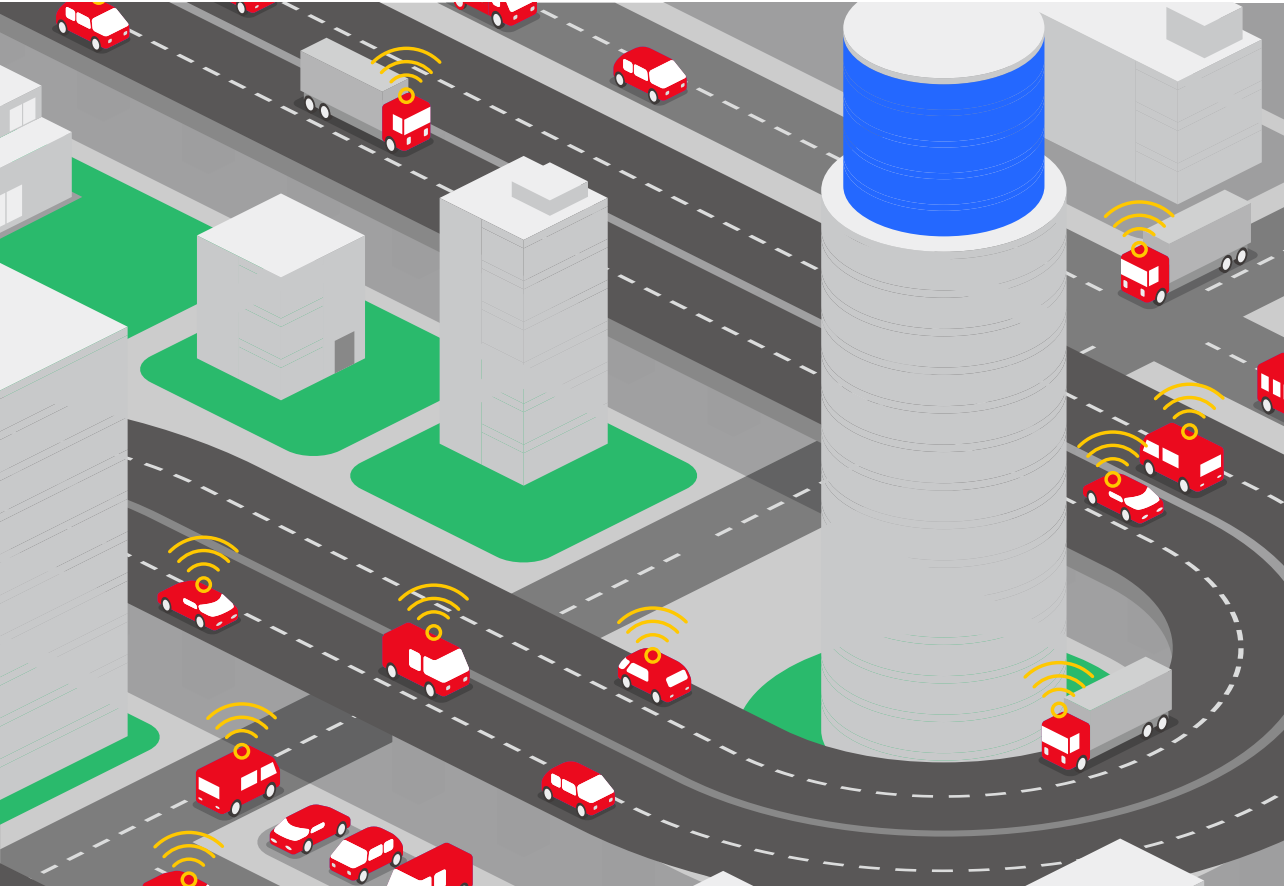
Toyota Australia is reinforcing its leadership in automotive safety by participating in Australia’s largest on-road connected-vehicle project, aimed at eliminating crashes or mitigating their effects.

The Queensland Government’s Ipswich Connected Vehicle Pilot is a ground-breaking development that enables sensors installed at 29 intersections to ‘talk’ to vehicles equipped with Dedicated Short-Range Communications (DSRC) technology.

Two Lexus RX 450h F Sport SUVs have been fitted with **Cooperative Intelligent Transport Systems**, which provides drivers with advance information of road conditions including changes to speed limits, hazards on the road ahead and even that a pedestrian will be crossing a nearby intersection. They join 500 cars owned by the general public that have been fitted with the technology.

The trial will gather data on safety scenarios involving vehicle-to-vehicle connectivity, such as emergency electronic braking warnings and slow or stopped vehicle warnings. The Lexus Australia engineering team, working closely with the Queensland Government, will assess the effectiveness of intelligent transport systems while expanding our understanding of driver acceptance of these technologies.

Lexus Australia is proud to contribute to a project that, as well as being designed to save lives, can also reduce congestion, cut fuel consumption and help the environment, all while making driving more enjoyable.



Toyota’s Research Institute Advanced Development (TRI-AD)

In December 2019, Toyota Research Institute-Advanced Development, based in Japan, began full-scale operations. The institute is a partnership between Toyota, Aisin, Denso and the US-based Toyota Research Institute (TRI) established in 2018 to unify and strengthen Toyota’s software capabilities, particularly for automated driving and advanced safety.

One example of leading technology developed through TRI-AD is its ‘Mobile Teammate Concept’ which will allow users to enjoy the benefits of automated driving technologies while still allowing them to drive safely, enjoyably, and freely when they wish. It is being developed based on two approaches:

- **Guardian** mode uses technology to observe both road and driver conditions. With subtle nuance Guardian augments a driver’s situational awareness and sharpens their driving skills, intervening only when necessary to protect the vehicle from a potential crash.
- **Chauffeur** mode takes responsibility for all driving tasks. It combines Toyota’s renowned reliability and craftsmanship with cutting-edge advancements in machine learning and artificial intelligence (AI).

From January 2021, TRI-AD will expand and improve its operations through a new holding company, ‘Woven Planet Holdings’ and two operating companies. This group will accelerate the evolution of human-centred mobility with a more agile software-first development process.

Sharing services

The automotive sector, in common with other sectors of the global economy, is seeing increasing demand for sharing services. The impacts of population growth and urbanisation have created congestion and reduced access to parking in urban centres. At the same time, consumers concern over climate change and environmental pollution has increased. Ride sharing and car sharing have become increasingly popular as an affordable, convenient and environmentally friendly alternative to individual car ownership. Toyota is exploring and embracing shared mobility as an opportunity.

Toyota Share

In October 2019, TMC announced the rollout of Toyota Share - a nationwide car sharing service in Japan provided by Toyota dealers and Toyota rental and leasing branches. Customers can unlock and use Toyota vehicles as and when they need to travel.

Data privacy and security

We recognise that with deployment of automated and connected technologies, we have a responsibility to set up and maintain appropriate systems to support cyber security, and to manage customer information in line with our privacy obligations. For information on our approach see [p. 65](#).

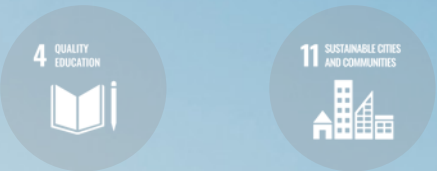
Collaboration and advocacy

Mobility services are inherently interconnected with the communities they serve, and as society moves towards greater automation and sharing of mobility services, this interconnection will only increase. Our vision for mobility cannot be realised by one company alone. The development and deployment of these innovative technology solutions and business models requires engagement, collaboration, advocacy and education with a range of stakeholders. We are determined to play a leading role in the evolution of mobility, working collaboratively with our peers, and partnering with start-ups, IT and telecommunications companies to develop the necessary technologies. We are also working with state and federal governments to think through complex questions of infrastructure and regulation. In parallel, we are continuing to educate the public about the possibilities of connected and automated transport systems.

See also our advocacy towards a zero-carbon economy, [p. 22](#).

Enriching communities

Toyota has a long history of engaging with and supporting the communities in which we live, work, and operate. We're a part of Australian society, and we work constantly to have a positive impact on Australia's people and environment. We support local and international sport, STEM education, not-for-profit initiatives, matched giving, and disaster relief, and have a particular commitment to the communities in which we operate.



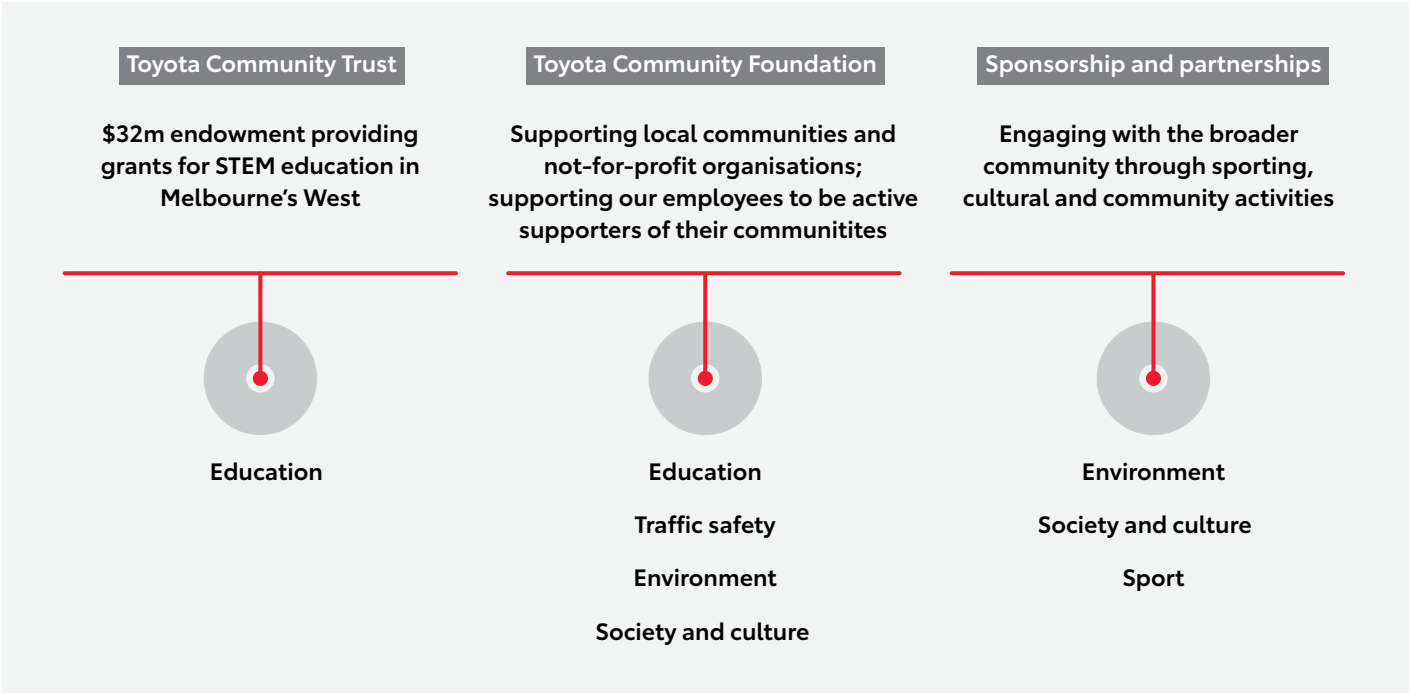
Community investments and partnerships

Two of our Toyota Guiding Principles are the starting point for our focus on community investment and meaningful partnerships:

- Contribute to the economic and social development through corporate activities in the community

- Pursue growth through harmony with the global community through innovative management.

We support a wide variety of activities through three main channels, with priority focus areas that reflect those of Toyota globally.



Toyota Community Trust and Toyota Community Foundation for reporting period	Contribution (\$)
Environment	8,000
Road safety	350,000
Education	1,141,000
Health & human service	573,000
Civic & community	100,000
Toyota Production System Support Centre (TSSC) and matched giving	640,000
Total	2,812,000

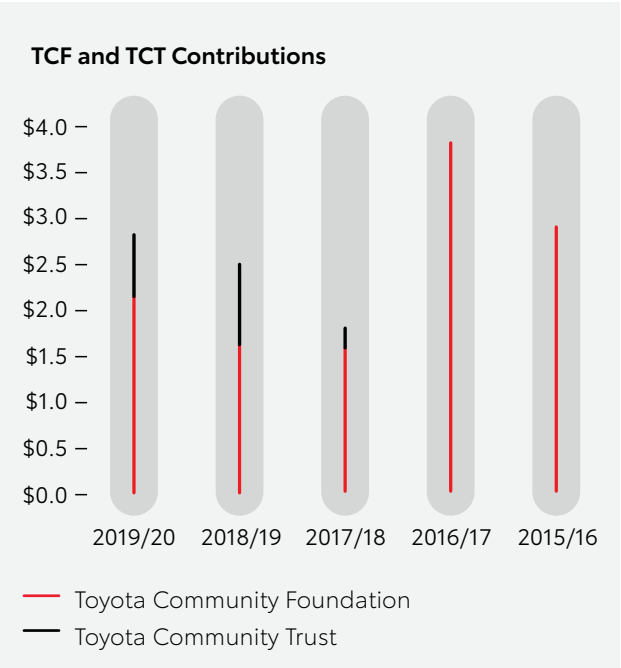
Toyota Community Trust

The Toyota Community Trust (TCT) was established in 2017 with a \$32 million endowment, to honour our legacy of local manufacturing in Australia. This trust is discretionary and managed by the Directors of the Toyota Community Foundation Australia Pty Ltd (TCFA), a 100% owned subsidiary of TMCA.

The aim of the trust is to inspire and support young people in Melbourne to pursue further study and careers in science, technology, engineering and maths (STEM). It focuses on:

- Addressing barriers to students pursuing STEM-related studies
- Providing students with access to quality learning environments and experiences
- Supporting teachers to strengthen their STEM teaching skills
- Addressing gaps between studies offered and employer needs.

While Toyota Australia has a long history of supporting community organisations, the trust marks a significant step-change in our support. Since its inception in October 2017, the Trust has been able to provide over \$1.8 million in grants to 21 beneficiaries.



During the reporting period, the Trust was proud to announce another eleven grant recipients. The initiatives all target school children, and engage with local students through a range of programs, workshops, camps, educational experiences, and collaboration with universities. Examples of the work supported through TCT can be seen on our [website](#).



NASA scientist inspiring GEMS

Ecolinc is a specialist STEM (Science, Technology, Engineering and Mathematics) learning facility established by the Victorian Government. The Toyota Community Trust provided a grant to fund a two-day GEMS (girls in engineering, mathematics and science) conference for more than 120 year 9 and 10 students, held at the Toyota Centre of Excellence in Altona. Proceedings commenced with a keynote presentation from NASA scientist Jessica Raw, and included a STEM panel discussion by women working in software development, biomedical science, chemical engineering and research innovation. The conference also included group presentations on career pathways; industry visits; careers expo; and access to a range of online tools to assist with career pathways.



Makers Empire 3D Printing in Schools – ‘Learning by Design’

Makers Empire developed a software program specifically for primary school students that allows them to bring STEM projects to life in 3D. Funding for the project was provided by a \$60,000 Toyota Community Trust grant that enabled two teachers from eight different primary schools in Melbourne’s western suburbs to complete Makers Empire’s ‘Learning by Design’ course.

This project provided students with the opportunity to develop STEM skills in a fun and engaging way, acquire life-long skills in design and critical thinking, and gain relevant technology expertise. At the end of 2019, students from the participating schools came together to showcase their achievements through the program and their application of 3D printing technology.

Toyota Community Foundation

Through the Toyota Community Foundation (TCF), we partner with a range of relevant stakeholders to provide funding and support for our key focus areas:

- Traffic safety
- Education
- Environment
- Local communities where we operate.

The Foundation is overseen by a TMCA executive and supported by the community champions committee from across the company. Our focus areas and actions are guided by a set of principles focused on community capacity building. These include:

- Addressing the needs of local communities
- Supporting the objectives of all parties, and exchanging value beyond financial support and branding
- Building strong relationships with long-term benefits
- Providing opportunities for our employees and dealers to participate.

TCF annually invests \$2 million back into the community, has fostered over 400 local and national partnerships, and has provided over \$200,000 in-kind support. More details on TCF activities can be found on our [website](#).

Toyota Production System Support Centre (TSSC) Australia

The TSSC was established in 2016 as a means for us to share our knowledge of the Toyota Production System (TPS) with targeted not-for-profit organisations and small businesses. TPS is our global system of problem solving that is embedded at every level of the organisation. It evolved from our long manufacturing experience and is grounded in a philosophy of continuous improvement and respect for people.

We work closely with selected organisations through workplace support and training workshops, and share ideas to help our partners stay competitive and preserve jobs or support more people in need. Examples of TSSC’s work can be seen on the [website](#).



TSSC support for Western Chances

TMC’s global corporate initiative ‘Start Your Impossible’ envisions a more inclusive and sustainable society. We embrace this vision in our community partnerships, such as Toyota’s support to Western Chances through the Toyota Community Trust. Through this partnership, Toyota supports 85 scholarships annually to remove financial barriers to STEM and other studies.

Western Chances awards tailor-made merit-based scholarships to talented and motivated young people from the West of Melbourne whose circumstances prevent them from attaining educational or career opportunities. They also offer programs and networks to recognise, nurture and celebrate this young talent to help them reach their full potential. However, within their assessment processes, the Western Chances team were being

faced with high numbers of applications received with missing or incomplete documentation, placing a high administrative burden on their small team, causing delays, and increasing assessment processing time.

Western Chances reached out for support, and over a four-month period the TSSC team helped to introduce TPS tools that allowed the Western Chances team to establish clearer work standards, along with visual tools to track the team’s progress and priority for all applications, motivating them to complete assessments in a timely manner.

By the end of the project, the average scholarship assessment lead-time had reduced by 57% and the number of applications received with incomplete supporting documents reduced by 87%. The improvements allowed the team to award a record number of scholarships in 2019 to meet the increased demand for support.

Local council grants

In Port Melbourne and Altona, where TMCA has significant operations we provide an annual equipment grant to each local council. These can be used at the councils’ discretion for a range of initiatives including providing family services, support for grassroots communities, recreational clubs and creative groups.

Road Safety Education Australia

We believe our role in keeping Australians safe on our roads extends beyond the quality of our vehicles. Since 2010, we have partnered with **Road Safety Education Australia** (RSE), which provides evidence-based road safety education. RSE’s flagship Rotary Youth Driver Awareness (RYDA) program reaches over 50,000 teenagers across the country every year, supporting teachers with the tools to help their students become active, responsible road citizens.

Schools Plus

Toyota Australia partners with the national charity Schools Plus to provide grants to five schools and scholarships for disadvantaged local schools and students in Sutherland Shire, where our sales and marketing office was located for many years. The partnership is intended to maintain a lasting legacy to benefit the community following our departure in 2017. Since its inception, Toyota have supported twenty annual scholarships for year 10 and 11 students, and focused funding on five different school projects.

Friends of Lower Kororoit Creek

We continue to invest in the local environment at Lower Koroit Creek through annual grants to help maintain the health of the local fauna, and honour a long association with the creek that runs beside our former plant in Altona, now the Toyota Centre of Excellence. Together with the Friends of Lower Kororoit Creek and Hobsons Bay City Council, Toyota employees and their families have helped plant more than 40,000 trees and shrubs in the area.

Employees

We believe in supporting the individual passions and causes that are close to our employee’s hearts. Our matched workplace giving program enables employees to donate to an eligible charity, with Toyota matching this donation up to \$1,000 per employee, with an annual

budget cap. Since 2014, more than \$200,000 has been donated to 92 charities selected by our employees.

Each year, we also provide up to 40 employees with an opportunity to win a \$1,000 grant towards a non-profit community group they actively support. Since the program began in 2012, we have given out almost \$200,000 in grants to organisations including local sporting clubs, kindergartens, and organising a swimming carnival for children living with a disability.

Bushfire relief

We feel deeply for those Australians affected by the devastating bushfires during 2019/2020 and praise the tireless and courageous efforts of emergency services and military support who battled catastrophic conditions. To show our support, TMC and TMCA made a joint donation pledge of \$573,000 to the Australian Salvation Army to assist their efforts both during the immediate crisis and over the longer term to help local communities recover.

Our response to natural disasters in Australia is guided by our Disaster Relief Policy, introduced in 2012. This helps ensure our response is effective and reaches those that need it most.

NRL Cowboys House

Established in 2017, NRL Cowboy House provides supported accommodation for up to 104 young Aboriginal and Torres Strait Islander students from some of North Queensland’s most remote and educationally disadvantaged communities, enabling them to access quality secondary education opportunities. Toyota Australia and the North Queensland Toyota Dealers are long-standing supporters of the North Queensland Toyota Cowboys and the Cowboys Community Foundation.

During the reporting period, this support continued with the donation of a Toyota Corolla Hatch Ascent Sport for fundraising.

Toyota is also creating real-life opportunities for one young House student through a school-based traineeship with dealer Mike Carney Toyota.

Sponsorships and partnerships

In addition to our philanthropic activities, Toyota Australia is a proud sponsor and participant in a range of sporting, cultural and community events. These relationships emulate Toyota's Guiding Principles, support our brand presence in the community, and are an important way for us to engage with and contribute to the economic and social development of the Australian communities in which we live, work, and operate.



Australian Football League

Premier Partner since 2004

Toyota Australia has extended its long-term sponsorship of the Australian Football League (AFL) until at least the end of the 2023 season, taking one of Australia's most high-profile partnership deals to 20 years. Our commitment to the game is also pursued through our official automotive partnership with the AFL Women's Competition, and our ongoing 'Toyota Good for Footy program'. Good for Footy focuses on growing the engagement in AFL throughout our communities, no matter your age, gender, or experience. Our annual national raffle has raised millions of dollars that help support grassroots footy around Australia, and we cover all administrative costs so that all proceeds go directly to the clubs.



National Tree Day

Partner since 1999

In 2019, Toyota Australia celebrated 20 years of partnership with National Tree Day by rallying together our dealer network, students and local communities to contribute to the 25 million trees planted to date. We had a record number of Toyota Dealers register this year, with 218 hosting and supporting activities all around Australia.



Toyota Country Music Festival

Supporter for over 25 years



Cricket

Partner since 2012

Our annual 'Toyota Good for Cricket' Raffle has raised \$5 million since 2008 and helped over 500 local clubs from every state and territory. A recent focus has been on enabling more women in Australia to play the game they love, and we have supported this through providing a 'Toyota Good for Cricket' women's kit to 100 local cricket teams around Australia.



TGRA 86 Series

Previously known as the Toyota 86 Racing Series, this Australia wide one-make series race has been held since 2016. It is an exciting platform for talented drivers to demonstrate and develop their skills on some of Australia's best racing circuits, and ensures that the driver's talent, rather than team budget, is key to winning glory.



Adelaide Crows

Major Partner Since 1991



North Queensland Cowboys

Principal Partner since 2003



Olympic and Paralympic Games

Partner since 2015

Toyota is a worldwide partner of the Olympic Games and Paralympic Games, providing mobility services and logistics expertise for the planned 2020 games. Sadly, the games have been postponed, but Toyota will continue to be a partner and support the success of the Olympics when they are set to return in 2021. See more about our innovations for the Games on our global [website](#).

Wide-reaching economic impacts

The success of our business is interwoven with the success of our dealers and suppliers, who play an integral part of our value chain. Our position as Australia's leading automotive brand means that we have a responsibility, and the capability, to contribute to society through our business activities. Through respect for people and continuous improvement, our aim is to make a positive difference through our direct and indirect impacts.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



Business performance

Toyota Australia posted an after-tax profit of \$129 million for the 2019/20 financial year, with sales of \$8.37 billion from 215,722 Toyota and Lexus vehicles. Our profit dropped from \$206 million in the 2018/19 financial year, reflecting increased costs associated with tighter market conditions, a tax adjustment relating to prior years, and continued capital investments.

RepTrak has been rating the sentiment of the general public towards Australia's largest companies for over a decade. In 2020, Toyota Australia was again ranked as Australia's most reputable automotive company, and third most reputable company overall.

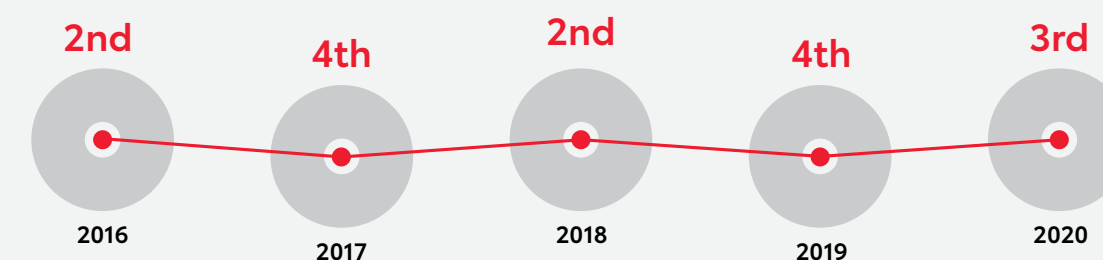
Government funding

In 2019/20, we received \$1,714,213 in government funding. This included:

- \$1 million in relation to the final growth fund payment, a government initiative to support new jobs, investment and economic growth in response to closure of Australian vehicle production facilities.
- \$714,213 was received as investment, research and development credits.

Our government funding has declined significantly as we completed our transition from local manufacturing.

Toyota's ranking in RepTrak's most reputable company list



Source: Reputation Institute

We are proud to maintain our position as the country's top selling brand for the 17th consecutive year. HiLux maintained its position as the top-selling vehicle for the fourth consecutive year; Corolla was awarded Australia's most popular passenger car for the seventh year straight; and Lexus set an annual sales record of 9,612 vehicles in 2019. While vehicles sales reduced by 3.3% during the 2019/20 financial year, We performed well compared to an overall industry decline of 9.1%.

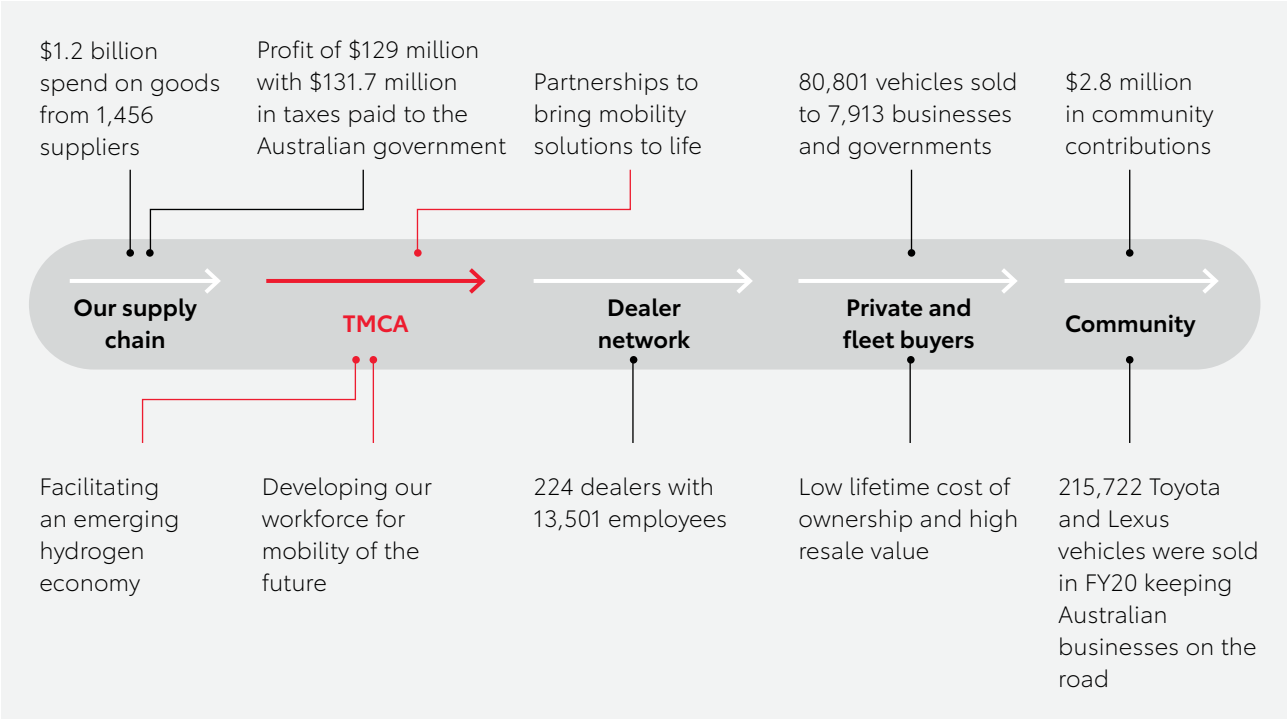
Toyota reported zero incidents of non-compliance with marketing regulations, and zero incidents of non-compliance with Australian laws and regulations during the reporting period.

The Australian Renewable Energy Agency (ARENA) announced that it would provide funding of \$3.1 million towards our new Hydrogen Centre (see [p. 29](#)). This funding was not received during the reporting period.

Toyota Australia does not provide political contributions. For further information on how we engage with government entities, please see [p. 20](#).

Indirect social and economic impacts

Toyota Australia has wide-reaching impacts on the Australian economy and society:



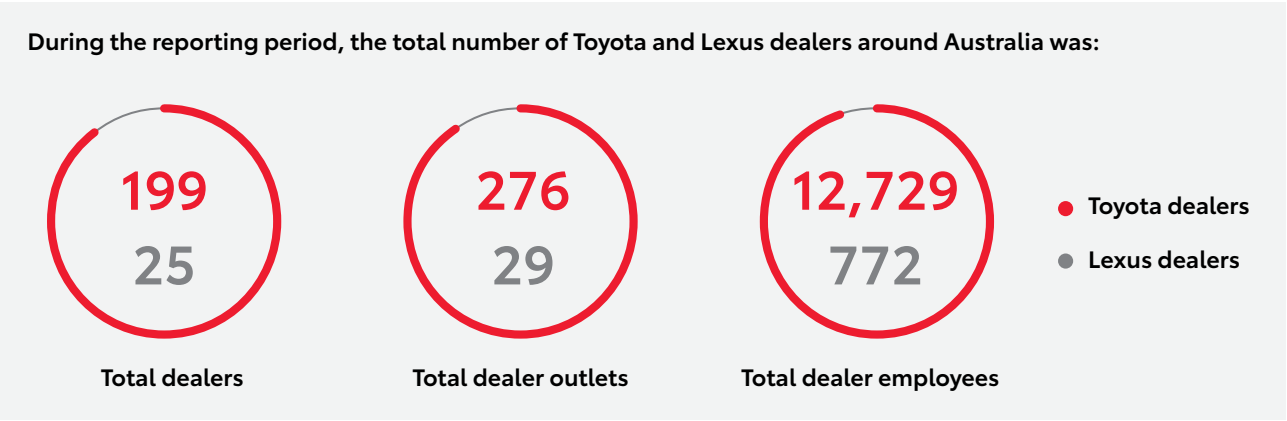
Dealer engagement

Being a ‘customer focused organisation’ is one of our key objectives, and we cannot achieve that without the support of our dealer network, who are at the front line of customer engagement.

knowledgeable team that can provide our customers with the best experience possible.

As we work towards our company vision, we also support our dealers to maintain their own financial, social and environmental sustainability (see further below).

We are in constant communication with our dealerships across Australia to develop a cohesive, connected and



• Dealer, dealer outlet and employee numbers for Toyota and Lexus as at Sept 2020. Employee numbers can include duplication due to some personnel holding multiple positions. Every effort has been made to remove this duplication to establish the correct total number of employees.

TMCA formally engages with our dealers through the National Toyota Dealers Association (NTDA), which also includes our sister company Toyota Finance Australia. The NTDA meets three times annually and provides a forum for us to share our values and strategy with our dealers. Seven sub-committees and one working party including NTDA directors also meet three times annually, focusing on continuous improvement in specific areas from product launches to parts and service.

In 2019/2020, the DotCom and Systems sub-committees were combined to form the Digital Ecosystem sub-committee, due to the interconnected nature of their work, and a new subcommittee was established on Mobility, to reflect Toyota’s strategic direction.

We also support our dealers through the ‘Toyota for Life’ Quality Standards, which translate the Toyota values to the specific circumstances of dealers and reinforce a customer centric culture:

Respect	treating customers with honesty, integrity and transparency.
On show	a commitment to high standards in every way, from the car yard to personal appearance.
Efficient	making sure everything we do is designed to meet customers’ needs, delivered in a timely and professional manner.
Professional	we’re committed, consistent and well trained in order to take ownership of everything we do with our customers.
Continuous improvement	never relaxing the search for ways to better the operation and service for the customer.

We also support our dealer network to improve their efficiency and profitability through business-focused initiatives. These include Business Improvement Forums, dealer benchmark reporting, and developing individual dealership capability plans that focus on guiding dealers to improve their efficiency and effectiveness.

We offer our dealers a range of training opportunities throughout the year, conducted in person by regional trainers, or via eLearning. During the reporting period, dealers participated in an average of 5.65 hours of training, including:

Product development	Understanding our product range through product and sales training, with a focus on hybrid offerings
Retail development	Business, management and leadership skills
Service & technology development	Technical skills, including servicing hybrids

Our dealers are critical partners in delivering our ambitious sales targets for hybrid vehicles and helping to create a zero-carbon economy. We support them through our marketing campaigns and specific dealer training.

During the reporting period, we further engaged with our dealer network via:

- launch of a Manager’s Toolkit providing fundamental HR resources to help dealerships build people and culture processes
- joint Dealer/TMCA Retail Talent Subcommittee focused on attraction and retention of retail employees
- educating and supporting dealers to comply with the **Vulnerable Workers Act**
- dealer benchmark reporting
- individual capability plans to help dealers improve their efficiency and effectiveness.

We provide dealer employees access to discount vehicles, health insurance, and our corporate superannuation fund, Toyota Super.

Dealer sustainability

We encourage our dealers to join us in meeting the Toyota Environmental Challenge 2050. We set dealer environmental standards, and provide guidelines on managing waste, water and energy efficiency. Solar panels are now mandatory for all new dealership facility developments.

TMCA TUNE project for Dealer Network

TUNE is a proprietary dealer management system initiated by TMCA to improve efficiency for our dealer operations. TUNE aims to help our dealers to meet ever changing customer expectations through accelerated innovation. The reach of the TUNE is measured in terms of the percentage of sales coming from dealerships using the system, which has exceeded 40%. On 1 April 2020, TMCA acquired Revolution Software, which developed TUNE, further facilitating its roll-out.

This year, we conducted benchmarking of dealerships, including a range of site visits to assess gaps in current management systems and identify potential efficiencies in energy usage and sources. Following this exercise, we are developing improved methods of environmental data collection and analysis at our dealerships through the Dealer Environmental Risk Audit Program (DERAP).

We also recognise dealers who strive for a high standard and continuous improvement in environmental performance through the **Toyota Facilities and Environmental Award**.

All Toyota dealers are encouraged to rate their satisfaction with Toyota through the Dealer Satisfaction Index, based on an annual survey conducted by a third party. These results are taken seriously by Toyota, and we actively implement follow-up support activities to address any issues:

Dealer satisfaction index scores

	2019	2018
Toyota score	8.23	8.46
Lexus score	8.93	7.07

Toyota Australia recognises excellence throughout our business with the Toyota President’s Award for Excellence. In 2019, 15 dealers from around Australia received these awards for their exemplary performance. Their achievements were celebrated via video conference in May 2020, due to COVID-19 restrictions.

Supply chain sustainability

Our vehicles, service parts and accessories are sourced from Toyota affiliates as shown on [p. 53](#).

Some parts and accessories are sourced locally, particularly larger items such as trays or bull-bars that are used to customise our utility vehicles for the Australian market. We also purchase various goods and services that support our operations, including IT equipment and services, and creative services for marketing and advertising. During the reporting period we spent \$1.2 billion on goods and services from 1,456 suppliers (see [p. 70](#) for comparative data).

We support the viability of our suppliers through development programs, and ensuring the supply process is streamlined and responsive to the market.

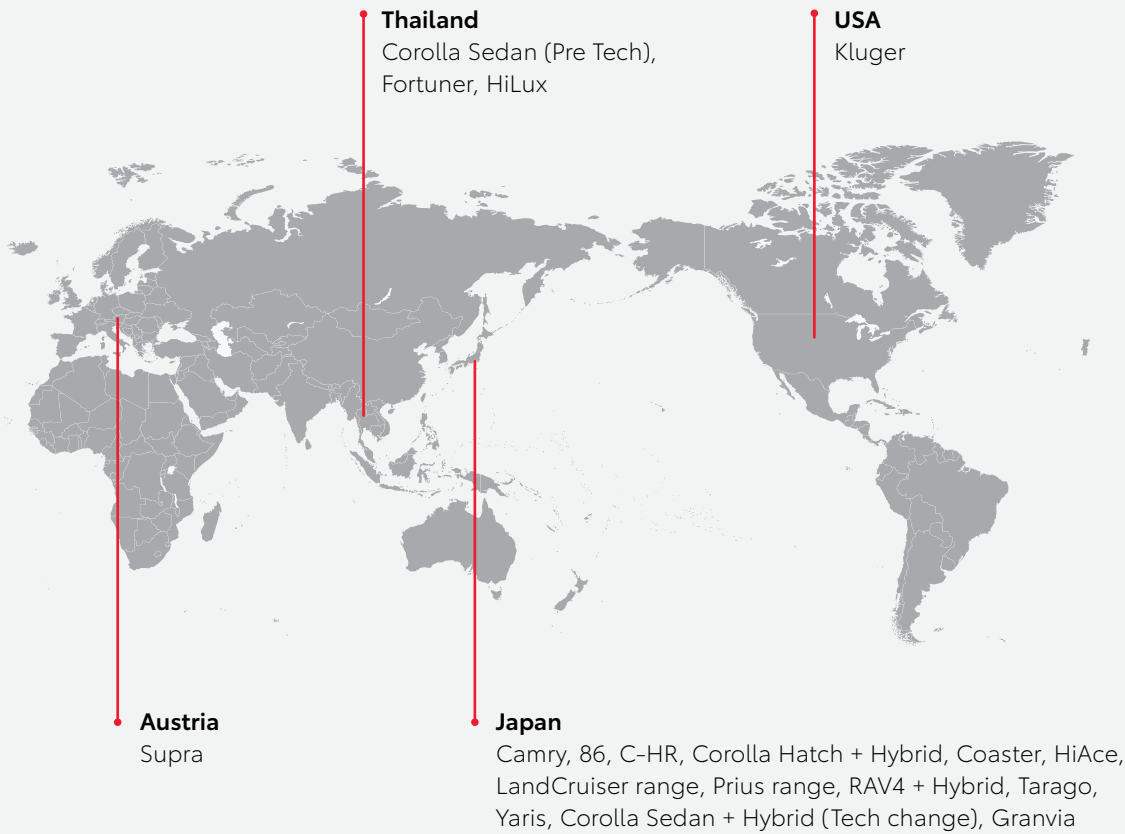
We also work actively with our suppliers to ensure our supply chains are well managed in relation to environmental impacts and human rights issues. We screen new and existing suppliers based on our Purchasing Environment Handbook (2016), which requires some suppliers to have ISO14001 certification, and sets out guidance for the management of chemicals and greenhouse gas emissions. Suppliers are screened when they participate in a new sourcing activity, or for key suppliers in service parts & accessories (SP&A) as part of Supplier Capability Assessment. We also require suppliers to annually complete a Conflict Minerals Survey.

Our principle of respect for people extends to all individuals in our employment and wider supply chain. TMCA and TMC comply with local, national and international laws and regulations, and we conduct our business operations with honesty and integrity as part of our commitment to be the most respected and trusted car manufacturer in the world.

Automobiles are comprised of approximately 30,000 parts, and because the supply chain is extremely broad and deep, Toyota is aware that preventing adverse impacts on human rights in our supply chain is a theme we should prioritise. TMC has a policy for responsible mineral sourcing to address the issue of conflict minerals.

Toyota Australia is committed to eliminating modern slavery risks within its supply chain and is currently taking steps to achieve this. These include working with Toyota Japan to establish a Global Program for Modern Slavery across the Toyota brand. Toyota Australia is currently preparing its first modern slavery statement in line with the Modern Slavery Act 2018, which will be submitted in December 2020.

Our vehicles, service parts and accessories are sourced from Toyota affiliates as follows:



Developing and supporting our people

A workforce that has the tools and opportunities to embrace their creativity and grow their skills will in turn drive innovation for our business. Diversity in our people will also foster diverse ways of thinking and enable us to connect with our customers in a more meaningful way. We strive to embed this way of thinking through our policies and actions and create a workplace culture that enables our people to start their own impossible.



During the reporting period Toyota Australia's workforce numbered 1,395 permanent and 323 temporary employees. We hired 149 new employees and farewelled 229. Further detail on our people numbers can be found on [p. 71](#).

Our approach to developing and supporting our people is underpinned by our principles of **respect for people** and **continuous improvement**, and our Hoshin objectives of **people first** and **zero harm**.

Employee health, safety and wellbeing

The health, safety and wellbeing of our employees is a constant focus for Toyota, and the basis for fostering an engaged, enabled, and diverse workforce.

TMCA sites have an active health and safety committee, including qualified health & safety professionals, management and other representative employees. Senior management are informed on current health and safety matters and are issued a monthly safety report. Critical health and safety issues are immediately escalated to our Risk and Compliance Committee (RCC).

All incidents that occur to either employees or contractors, including those not resulting in injury, must be reported as part of our policy and procedure. TMCA centralises all incident reports on the National Injury Register, which is used to report all injury statistics to the RCC. During the reporting period we had 21 lost time injuries, and no fatalities or serious injuries to employees or contractors.

Our managers receive health and safety management training, focusing on physical and psychological safety. Our work sites comply with the National Audit Tool (NAT), one of Australia's most comprehensive safety requirements, audited by an external assessor every 12 months. We are also audited by Victoria's WorkCover Authority every three years.

In line with our principle of **continuous improvement**, we are currently enhancing:

- Our monitoring program for the management, handling and storage of chemicals and hazardous substances

- Contractor management procedures and practices
- Technological improvements to enhance our safety management system
- Targeted strategies to minimise fatigue risk
- Improving physical & mental wellbeing.

During COVID-19, the health and safety of our employees has been our top priority. See [p. 21](#) for the steps we have taken.

Global health and safety measures

TMC is currently developing a global occupational safety and health management system (OSHMS). Along with unique regional requirements, TMC has established global requirements based on ISO 45001. Toyota also hold an annual global meeting for managers from all regions responsible for safety and health, providing a platform to share information on best practice and measures to address common issues.

Wellbeing

We support the health and wellbeing of our people through initiatives such as subsidised health insurance, health checks and flu vaccinations, as well as a range of programs and events to keep our employees happy and healthy at work. Toyota has a long term health & wellbeing strategy in place and undertakes an annual survey to understand and evaluate the status of its employee wellbeing. This keeps our strategy 'live' and relevant.

Services offered during the reporting period included:

- Professional and confidential psychology services, delivered by qualified and registered psychologists
- Nutritional and physical exercise support services delivered by appropriately qualified personnel (dietitians and exercise physiologists)
- 'Mentally healthy workplace' workshops for managers
- Facilitated employee conversations for RUOK day
- On-site bootcamp, boxfit, yoga, and massage initiatives
- September Step Challenge.

Employee engagement

An engaged and empowered workforce brings innovative thinking and a commitment to quality. Our policies, training, and internal initiatives are aligned to this aim, providing our employees with opportunities to achieve personal fulfilment through their work and social contribution.

We keep our finger on the pulse by conducting an annual engagement and enablement survey. During the reporting period, our engagement score again exceeded the benchmark for global high-performing companies. However, our scores declined slightly from the previous year, and we did not achieve our target for either measure.

Areas of focus to improve our score include more consistency across the organisation in flexible working arrangements, greater attention to diversity and inclusion, better preparing new managers for their role, improving communication between departments and also improving employee understanding of career paths available to them.

To reward our high performers and those that demonstrate behaviours consistent with our cultural framework, TMCA employees are remunerated with fixed and variable pay components. We also provide generous superannuation in excess of legislated requirements. Additionally, we provide fringe benefits to our employees from our partnerships, such as discounted AFL memberships, discounted fuel

opportunities through our relationship with Caltex, or exclusive workout videos prepared for our team by the Toyota Ambassador and AFLW star Katie Brennan. Our internal system to recognise colleagues’ efforts, ‘Toyota Legends’, provides a simple and fun way to say ‘thanks’ to others for doing a great job and for demonstrating behaviours that are aligned to our cultural values.

Diversity and inclusion

Embracing our unique differences in gender, age, nationality, disability, sexual orientation and cultural beliefs contributes to employee engagement. Diversity of thinking enables diversity of solutions, which will contribute to our transition, towards a mobility company.

Our first diversity and inclusion policy commenced in November 2019 and will be reviewed on an annual basis. Our approach includes leadership training, specific strategies for gender balance, Bring Your Kids to Work day, and a disability awareness program. This year we held a ‘Champions of Change’ disability awareness workshop with Dylan Alcott, a wheelchair tennis player.

TMCA is proud to be an active member of the Diversity Council of Australia (DCA), an independent not-for-profit peak body that is leading diversity

and inclusion in the workplace. DCA provide access to unique research, events, comprehensive resources and unrivalled expertise across the diversity and inclusion spectrum.

Gender balance

Toyota Australia has an important role to play in changing the landscape of gender diversity in the automotive industry. The current ratio of female employees at TMCA is 29%. We have set specific gender balance targets for TMCA to achieve 40% overall female population by 2025.

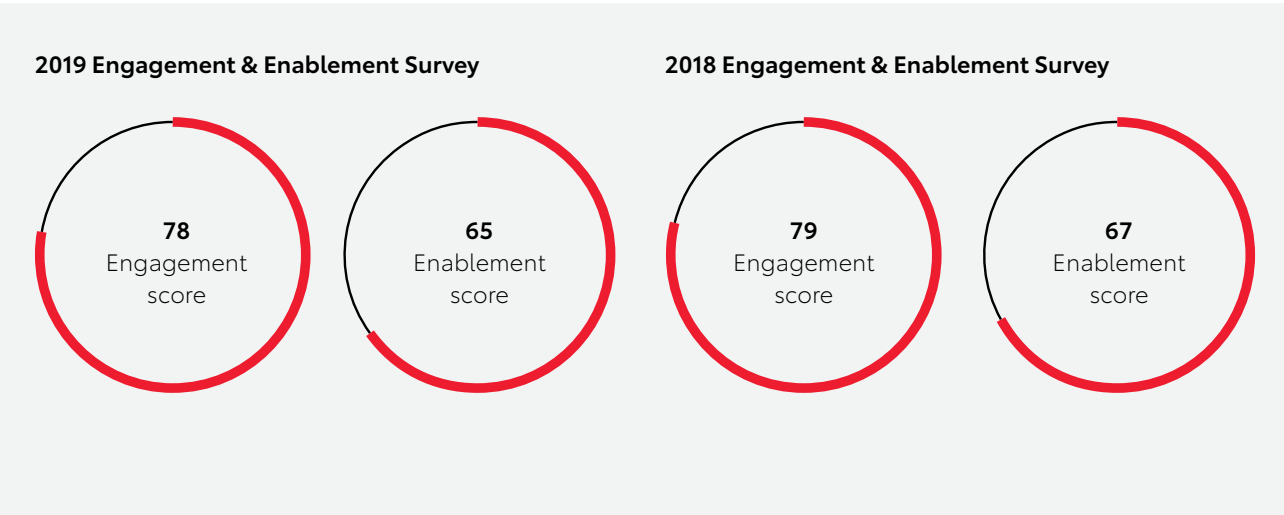
A key step towards this is championing flexible working arrangements (see further below). We also take seriously our role in supporting those who may be experiencing family and domestic violence, by offering a range of services through our official leave procedure.

Further details on Toyota’s performance and approach to gender balance can be found in our report to the [Workplace Gender Equality Agency](#).

TMCA recognised as ‘Endorsed Employer for Women’ by Work180

Work180 is a global jobs network, that provides job applicants with a transparent directory of endorsed employers who support diversity, inclusion and equality. Work180 assessed Toyota’s human resources policies against more than 30 strict criteria before recognising us as an ‘Endorsed Employer for Women’. Our highlighted achievements include:

- Flexible work options
- Turnover rate 6.17%
- 14 weeks paid primary carers leave
- Community grants
- Return to work programs
- Wellbeing initiatives/facilities
- Annual Women’s Conference



* excludes contractors/contingent workers



Annual Toyota Women’s Conference Australia

Toyota’s second annual Australia Women’s Conference was held on 3 May 2019. The theme was ‘start your impossible’. The event included a range of special guest speakers including the Honourable Julia Gillard.

The conference brought together almost 200 participants from TMCA, Toyota Financial Services, our dealer network and international affiliates, and was livestreamed across Australia.

The event created opportunity for thoughtful discussion and networking across the business.

Flexibility

In recent years, we have been supporting our employees to work flexibly and have seen the benefits for our employees and our business outcomes. Our people remain connected through ‘Workstyle’, a long-term commitment from Toyota to allow our people to work where and when it suits them.

Our flexible working policy was updated in September 2019, and will be reviewed annually. It outlines formal and informal arrangements available to our employees, including flexible hours, compressed working week, time-in-lieu, working from home, part-time, and job sharing. The policy is supported by our formal flexible

working arrangement procedure, and informal flexible working arrangement guidelines.

These agile working practices and IT systems enabled us to respond quickly to the impact of COVID-19 on our people and business (see further [p. 21](#)).

Parental leave

We support the journey of all parents at TMCA through our gender-neutral parental leave policy. This offers leave options for both primary and secondary carers and includes measures to ensure the transition back to work is a smooth and positive. During the reporting period, 27 female and 43 male employees used our

parental leave options, and no employees left the business after returning from parental leave (see [p. 71](#)).

Work conduct

As an employer, we have a duty to protect and support our employees. We are confident that all inappropriate and work-conduct incidents are managed and reported appropriately through our workplace policies.

During the reporting period, TMCA received three reports of discrimination. One incident was raised anonymously via a complaint hotline, investigated internally, found to be unsubstantiated, and no further action was taken. The second and third incidents are currently the subject of formal proceedings commenced in the Victorian Civil and Administrative Tribunal – Human Rights Division.

Employee planning and development

Our industry is changing fast, and we need a team equipped with the skills to shape a future of zero-carbon mobility. We invest in developing our people through ongoing training and diverse work experiences.

We offer a range of professional, management, and leadership development programs for both individuals and teams. These include online courses, face-to-face workshops, and publicly available programs across a range of topics from Toyota-specific content, to mental health awareness for managers, to communication skills for graduates. During the reporting period, the average hours of official training completed across all roles at Toyota Australia was 4.7 hours.

Work experiences are just as important as training; our formal promotion and rotation program provides employees with exposure to diverse roles across our business, which both develops their skills and builds valuable cross-functional expertise.

Toyota is committed to strategically sourcing the best talent to meets our changing business needs, providing fair and transparent recruitment guidelines, and ensuring effective and efficient on-boarding of all employees. In January 2020, we developed a talent acquisition procedure to support the talent acquisition policy launched in January 2019. Every two years, we

support the emerging workforce through our graduate recruitment program.

We provide regular performance reviews to support our employees’ career journey. During the reporting period, 100% of our professional employees and 87% of our warehouse employees participated in our annual performance review process.

This year, we ran a ‘360’ degree feedback process for our top two levels of management, compiling multiple perspectives from managers, direct reports and peers, for development purposes. Pilot programs to date have been favourable and a reflection was conducted in August 2020.

TMCA’s intra company transfer (ICT) program enables our staff to obtain skills, training and development opportunities at other Toyota affiliate companies overseas. In the reporting period, 19 staff members participated in the ICT program.

Labour relations

We acknowledge that collective bargaining has an important role in the fair management of relationships between businesses and employees. Currently 26% of our employees are covered by Toyota Australia’s 2018 Workplace Agreement (WPA), which provides a clear process for any significant operational change and a maximum 10-week consultation period.

TMCA also has a redundancy (non-award employee) procedure that sets out the processes and entitlements applicable when an employee’s position is no longer required by TMCA. This procedure ensures that both Toyota and employees are provided with clear guidance and an understanding of employee rights and entitlements in the instance of a redundancy.

During the reporting period, professional outplacement services were provided to a limited number of employees facing job loss. The DRIVE program, originally created to support employees affected by our transition away from manufacturing in Australia, is currently being re-developed to assist current employees with career management and to help with potential future skill shortages.

Delighting our customers

We aim to delight our customers in all aspects of their relationship with Toyota and to create Toyota fans for life. We believe that engaged and satisfied customers are fundamental to long-term business sustainability and take a customer-centric approach to all aspects of our business. A core principle of our business is kaizen, or continuous improvement, recognising that there is always a better way and ensuring the satisfaction of our consumers remains top priority.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We understand that customer satisfaction comes from the superior design, dynamics and customisation of our vehicles, as well as our ability to get the right product to our customers at the right time. Our customers also value high standards of service, including ease of communication with us, and responsiveness. We also know that, with more Toyota's on the road in Australia than any other brand, product quality and safety remain essential and a key contributor to our position as a trusted brand in Australia.

Customer engagement and satisfaction

Our aim to be a customer-focused organisation, forms a core part of our **Company Hoshin** and 2025 vision, and is integral to our culture. Putting customers first is enshrined in our long-standing Guest Charter, and this focus has been rewarded by our customers with a range of accolades:



Reader's Digest
Quality Service Award 2020
Car Service Gold Winner



Readers Digest
Trusted Brand – Winner
Cars Category 2020



Drive Car of the Year
Toyota Hybrid RAV4



CarsGuide 2019 Car of the Year
RAV4



Leading automotive company (12th time)
BrandZ™ Top 100 Most Valuable Global Brands 2019



Trusted Brands Australia
Most trusted automotive company
Annual Trusted Brand Survey

We are also proud of our achievements at 'Australia's Best Car Awards' for 2019, winning in five out of thirteen categories.



RACV's Tim Nicholson (right) presents Toyota Australia's Sean Hanley with Australia's Best Car awards



Australia's Best Car awards won by Toyota.

Product design and customisation

Our Australian customers require a range of vehicles to suit their needs across a variety of settings, from the urban environment, to rugged outback terrain. While all vehicles are imported from Toyota affiliates, Toyota Australia retains a strong hand in designing, selecting and customising vehicles. We have a team of over 150 designers and engineers dedicated to creating vehicles that meet the unique needs of the Australian market.

We are increasingly giving our customers the ability to customise their vehicles through a wide range of colours and genuine accessories. We also have advanced capabilities to create fully customised vehicles for particular purposes. For example, we are able to serve the demanding vehicle needs of the agricultural and mining industry, helping contribute to Australia's rural and regional economy.



Drive Car of the Year Awards

Toyota’s hybrid RAV4 was crowned 2019 Car of the Year in Drive’s prestigious annual motoring awards. The hybrid RAV4 – also named best mid-size SUV – won the award ahead of 19 other category winners. The current-generation RAV4, launched in May last year, is now Australia’s best-selling SUV, offering customers a renewed sense of style, performance, refinement, advanced safety features and driving dynamics.

A second Toyota hybrid, a top-of-the-line Camry SL, was named best medium car, while Toyota’s reborn GR Supra sports car and the ‘king of the road’ turbo-diesel. LandCruiser 200 Series VX topped the judging in their competitive sets.

Delivering the right product in the right place at the right time

We maintain a physical presence right across Australia through our extensive dealer network. Managing a consistent and timely flow of vehicles across the country is achieved through the Toyota Production System, which provides efficient processes that also minimise the carbon footprint of transporting vehicles. This system is supported by sophisticated planning, alignment and cooperation between Toyota Australia and our dealer network so that our customers can access the right product when and where they require it.

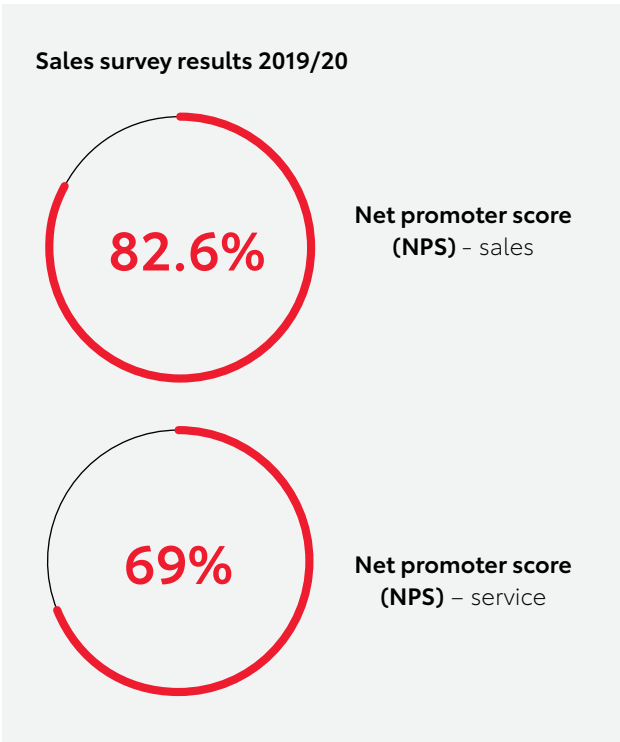
Fleet sales

Toyota Australia’s fleet customers comprise almost half of all vehicle sales. These customers include large and small businesses, not-for-profit organisations and government organisations. We serve these customers directly and via our specialised fleet dealerships. We aim to build collaborative, transparent partnerships with our fleet customers, gaining a deep understanding of their business so that we are able to add real value, and are proud to provide fleet management to some of the most successful companies in Australia.

Many of our fleet customer have an active focus on reducing their carbon footprint. This can be achieved through hybrid vehicle usage, car sharing to enable multiple drivers to access the fleet, and utilisation of mobile technology to track vehicle and driver behaviour. This makes them valuable partners on our own journey towards zero carbon mobility.

Customer service

Toyota’s vehicle service network aims to be the most trusted in the country. We actively pursue this by ensuring staff have good problem-solving skills, and are trained to provide customers with an engaging and positive experience.



Toyota Australia’s NPS results provide valuable insight into our customers, experience and the loyalty that exists in our customer relationships. We take these results seriously and are constantly reviewing how to improve the customer experience.

As we live in an increasingly connected and digital world, we must emulate this in the way we engage with our customers through multiple touchpoints and rapid responses. We support our customers through a range of channels to ensure everyone has the opportunity to interact in a way which is most convenient for them. This includes through dealerships, our Guest Experience Centre, and multiple online platforms. Customers can now view vehicle specifications, book a test drive and make purchases from our dealers online.

The myToyota app makes owning a Toyota a seamless experience, offering online access to a range of vehicle support and rewards offerings.

myToyota app enhances our customers’ driving experience with the following benefits:

- Daily fuel discounts at participating Caltex service stations (conditions apply)
- Rewarded with exclusive offers and competitions ranging from sporting tickets, hotels and more
- Easy online service booking, including access to their digital logbook
- Stay connected and up to date on the latest recall information

For details, visit my.toyota.com.au



Product safety and quality

Toyota develops and manufactures vehicles with technological features that meet the needs of our customers. That is the reason our customers trust our brand and become Toyota fans for life.

We maintain this reputation with the Toyota Warranty Advantage – a minimum five-year manufacturer warranty for all new Toyota vehicles, which is in addition to customers’ rights under the Australian Consumer Law statutory consumer guarantees. It provides private buyers with unlimited kilometres coverage. The Toyota Warranty Advantage provides a 60-day money-back guarantee for any failure that prevents the vehicle being driveable, and for any failure which has had multiple unsuccessful repair attempts, within 60 days of collecting the new vehicle.

This year we continued to expand the availability of Toyota Safety Sense (TSS) advanced technologies across our vehicles, with most new Toyota vehicles now including these technologies. TSS is an active safety package designed to support safe driving practices

Free Access to Safety Software

Toyota has expanded its commitment to global road safety by making software for its virtual crash-test dummies freely available to competitors and researchers.

Known as THUMS (Total Human Model for Safety), Toyota’s proprietary software is designed to facilitate detailed computer analysis of the impact of collisions on vehicle occupants and pedestrians during crash-testing. This supports research and development of safety technologies including seatbelts, airbags and vehicle structures that help reduce the risk of injury.

THUMS is now used under licence worldwide by more than 100 vehicle manufacturers, parts suppliers, universities, research institutions and others. THUMS will be made freely accessible to everyone from January 2021, with no need for a licence, helping to further enhance safety across the automotive industry.

and help protect drivers, passengers, road users, and pedestrians from harm.

Information about the safety features of Toyota and Lexus vehicles sold in Australia can be found on our website at www.toyota.com.au or www.lexus.com.au.

Customer Service Exercise

In October 2018, we launched a Customer Service Exercise (CSE) to remedy potentially faulty diesel particulate filters (DPF) on certain HiLux ute, Fortuner and Prado vehicles with a 1GD-FTV or 2GD-FTV diesel engine. This involved proactively contacting all owners of potentially affected vehicles and giving them the opportunity to present their vehicle at their convenience and have the CSE performed free of charge. We have also extended our warranty on the DPF system to ten years from the first delivery date of the vehicle when new, with no limitation of kilometres, and have worked in conjunction with our parent company from a design perspective to ensure that this issue does not arise in new vehicles going forward.

Recalls

We approach any safety recall on our vehicles in line with Australian Consumer Law and the Federal Chamber of Automotive Industry’s Code of Practice for automotive safety recalls. This comprehensive process includes dealer notifications, press advertisements, letters to impacted customers and government notification. We also publish up-to-date information on our website and provide avenues for customers to contact us with any concerns.

During the reporting period, Toyota and Lexus vehicles were involved in 14 recall campaigns due to potential faults. Information on all Australian product recalls, by category and brands, can be found on the Australian Competition and Consumer Commission (ACCC) recall site: www.productsafety.gov.au/recalls.

Takata airbags

Since 2013, Toyota Australia has been voluntarily recalling certain Toyota and Lexus vehicles produced between 2000 and 2016 that carried potentially faulty airbag inflators manufactured by Takata. The issue has

affected 100 million vehicles globally, and has caused 29 reported deaths and over 320 injuries.

The Takata airbags include an inflator propellant that has been found to degrade over time when exposed to moisture. This degradation causes the propellant to inflate with too much explosive force, causing dangerous sharp metal fragments to be expelled.

Following an Australian Competition and Consumer Commission (ACCC) safety investigation, the Australian Government issued a compulsory recall notice in February 2018 for all vehicles potentially affected by faulty Takata airbag inflators. The compulsory recall requires suppliers of affected vehicles to replace all defective Takata airbags in Australian vehicles by 31 December 2020.

We continue to work closely with the ACCC in relation to our obligations under the Recall Notice, and since September 2019 all affected Toyota and Lexus vehicles are now under active recall. The Recall Notice has requirements for percentage completion rates as set out in the [Quarterly Completion Schedule](#). The required rate to 31 March 2020 was 75%; as at that date our actual completion rate for both Toyota and Lexus models was 91%.

We attempt to contact affected customers via mail, phone, SMS, emails, myToyota app and face-to-face visits, urging them to bring their affected vehicles in for free repairs at the nearest Toyota Dealership. In the case of the most serious ‘alpha’ defects and other categories which Toyota has reclassified as critical, we request owners immediately stop driving their vehicle and arrange for free towing to our service centres for replacement parts. In cases where owners choose not to respond to us, we have tried to reach them through face-to-face visits to ensure their airbags are replaced as soon as possible. We ask owners to advise us immediately of updates to contact information through 1800 987 366, via their dealer, or by completing an online form.

Toyota owners can review affected vehicles through the following avenues:

- Toyota Australia [website](#)
- myToyota app

- Product Safety Australia [website](#)
- Industry-wide online checker [website](#).

We note that in January 2020 Toyota Australia commenced a voluntary recall in relation to another type of Takata airbag known as NADI.

In November 2017, a class action was commenced in the Supreme Court of New South Wales against Toyota in relation to the recalled Takata airbags. Toyota denies the allegations and is defending the class action, in which the trial is set to commence on 3 May 2021.

For further information on Toyota recalls and our approach to supporting our customers, please see our [website](#).

Data privacy and security

We recognise our role in protecting our customers’ personal information, particularly as we move towards connected mobility. There are significant benefits to new technologies in our industry, but we take a precautionary approach when introducing them, to ensure that any personal information collected is appropriately managed and secure.

[TMCA’s Privacy Policy](#) sets out our approach to the collection, use and disclosure of our customers’ information, in accordance with Australian Privacy Principles. This includes a requirement to obtain customers’ consent for any sensitive information collected.

TMCA’s Information Security Management System Policy is based on ISO/IEC 27001:2013 Information Security Management. This system covers both third-party information held by TMCA, and TMCA information held or managed by others. This is managed by the Information Security Management Committee, which regularly reviews the current systems and processes to identify opportunities for improvement and reports directly to the Executive Team.

Our framework to investigate, manage and notify Australian regulators of any data breaches complies with the Notifiable Data Breaches Scheme under the **Australian Privacy Act (1988)** (Cth). There were no notifiable data breaches during the reporting year.

Managing our environmental impacts

Toyota globally has ambitious goals to reduce the impact of its products and operations on the planet. We aim not only to mitigate our own impacts on the environment, but to use our knowledge and experience to permanently improve the footprint of our industry through innovative technology and ambitious targets.



Toyota Australia is currently developing our own 2050 environmental roadmap, based on the Toyota Environmental Challenge 2050 (see [p. 13](#)). This translates into our three-year Environmental Action Plan which is implemented through our Toyota Environmental Management System (TEMS).

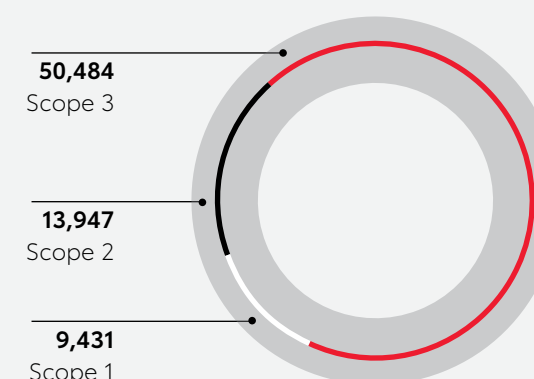
Our environmental policy governs our approach to minimising our environmental impact as an organisation, and commits to:

- Zero non-compliance and complaints
- Minimising environmental risks
- Best in-class regional and global environmental performance
- Continued improvement in line with the Toyota Environment Challenge 2050.

Toyota Australia holds ISO14001 (International standard on environmental management systems) compliance of our TEMS at our Corporate Headquarters in Port Melbourne and Altona Toyota Parts Centre (TPC). We plan to extend this to additional sites in 2021 and will also be updating our TEMS to align with the new Victorian environmental regulation to commence in July 2021.

Toyota Australia did not breach any environmental compliance laws across our sites or activities during the reporting period.

Greenhouse gas emissions. tCO₂-e



Details on inclusion of emissions sources and data quality is available on [p. 73](#).



Altona and Woollooware Bay

Following our transition from manufacturing in Australia, we have been decommissioning and repurposing our legacy sites, with an aim of achieving positive environmental impacts.

Onsite remediation works at our former Altona plant – now the Toyota Centre of Excellence – are complete, and we are proud of the results:

- An estimated 9,500m³ of prescribed waste soil was deferred from landfill
- Achieved the strongest level of remediation for a site 'Clean Up To Extent Practical' (as per the Environmental Protection Authority of Victoria)
- Almost 96% of manufacturing assets have been reused or recycled.

Our Woollooware Bay site required only minor remediation works, and was sold in 2020.*

*outside the reporting period

Data tables

Zero-carbon society

Sale of hybrid vehicles

Item/Year	2019/20	2018/19	2017/18	2016/17	2015/16
Hybrid sales	38,139	16,102	11,135*	11,864*	11,586*
Total sales	215,722	223,096	229,258*	209,995*	209,252*
Percentage of total sales	17.7	7.2	4.9*	5.6*	5.5*

*Restatement: 2019 report recorded hybrid sales, total sales and percentage of total sales incorrectly.

Enriching communities

Community contributions

	2019/20	2018/19	2017/18	2016/17	2015/2016
Toyota Community Foundation	\$2.2m	\$1.6m	\$1.6m	\$3.8m*	\$2.9m*
Toyota Community Trust	\$0.6m	\$0.9m	\$0.2m	n/a	n/a
Total	\$2.8m	\$2.5m	\$1.8m	\$3.8m*	\$2.9m*

* Up to 2016/17 we used the London Benchmarking Group methodology to measure our community investment, which includes ‘leveraged’ third party contributions. From 2017/18, we have aligned our external reporting with our internal global reporting, which includes only direct contributions. Our past contributions, calculated on the same basis, averaged \$700,000–\$1 million.

Community contributions by category, 2019/206

	Contribution (\$)	% of total
Environment	8,000	0.3%
Road safety	350,000	12.4%
Education	1,141,000	40.6%
Health & human service	573,000	20.4%
Civic & community	100,000	3.6%
Others (TSSC and matched giving)	640,000	22.8%
Total	2,812,000	

Category	Contribution	
Education	\$488,000	Schools Plus Legacy Program, Sydney
	\$653,000	Toyota Community Trust STEM activities
Road safety	\$350,000	Partnership with Road Safety Education Australia
Civic and community	\$40,000	Employee grants
	\$60,000	Council grants
Health & Human services	\$573,000	Bushfire relief contribution
Environment	\$8,000	‘Friends of Lower Koroit Creek’ grant
Other	\$40,000	Matched giving
	\$600,000	TSSC Toyota DNA projects
	In-kind:	Employee volunteering

Economic impacts

Profit and sales*

	2019/20	2018/19	2017/18	2016/17	2015/16
Net profit after tax (\$ million)	\$129	\$206	\$137	\$99	\$236
Sales (numbers)	215,722	223,096	229,258	209,995	209,252*

*includes both Toyota and Lexus vehicles

*Restatement: 2019 report recorded sales for year 2015/2016 incorrectly.

Government funding

	2019/20	2018/19	2017/18	2016/17
	\$1,714,213	\$12,491,065	\$36,347,076	\$40,350,000

Dealer Satisfaction Index*

	2019	2018	2017	2016	2015
Toyota	8.2	8.4	8.2	7.3	7.5
Lexus	8.9	7.1	8.4	8.7	7.6

* based on customer ratings of different aspects of their engagement with the dealership

Value of buy (\$ billion)

	2019/20	2018/19	2017/18	2016/17	2015/16
Service parts and accessories	0.3	0.3	0.4	0.3	0.3
Other goods and services	0.9	0.9	0.9	0.9	0.8
Total	1.2	1.2	1.3*	1.2*	1.1*
Direct purchase[^]			0.5	0.9	1.3
Total including Direct purchase			1.8*	2.1*	2.4*

[^]‘Direct purchase’ related to our manufacturing operations and is no longer applicable.
*Restatement: 2019 report recorded total supplier spend and total including direct purchases for year 2017/2018, 2016/2017 and 2015/2016 incorrectly.

Number of suppliers

	2019/20	2018/19	2017/18	2016/17	2015/16
Service parts and accessories	95	135	134	100	109
Other goods and services	1,361	1,531	1,800	1,513	1,483
Total	1,456	1,666	1,934	1,613	1,592
Direct purchase[^]			48	49	53
Total including Direct purchase			1,982	1,662	1,645
Number of new suppliers (included in Total above)	234	227	353	Not available	Not available

[^]‘Direct purchase’ related to our manufacturing operations and is no longer applicable.

Delighting our customers

Customer engagement and satisfaction

	2019/20*	2018/19	2017/18	2016/17	2015/16
Net promoter score	82.6	82.7	83.4	82.6	85.7
Guest satisfaction index	93.9	94.0	94.2	94.0	95.0

*Voice of Guest Program Sales Survey responses Apr 19 to Mar 20 average scores for 12-month period

Advocacy and lobbying

Toyota is apolitical and does not make political contributions

Our people

Workforce overview at 31 March 2020

	FTE	Employees
Part-time employees	25	36
Full-time employees	1,531.2	1,532
Part-time contractors	8.2	14
Full-time contractors	138.6	140
Total headcount*	1,703	1,722

* The headcount 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.

Employment type at 31 March 2019

	FTE	Employees
Permanent	1,385.7	1,395
Fixed term	170.5	173
Contract	146.8	154

Note: these figures do not include employees who are on leave of longer than eight weeks, apprentices, tour guides, expatriates and inpatriates

Employees by location (not including contractors)

	Employees
VIC	1,327
NSW	227
QLD	119
NT	6
SA	28
WA	2
Expats	13

Total new employee hires during reporting period by gender

Age group	FTE	Employees
Male	48.8	51
Female	94.7	96
Unspecified	2.0	2
Total	145.5	149

Total employee turnover during reporting period by gender

Age group	FTE	Employees
Male	80.4	82
Female	142.2	145
Unspecified	2.0	2
Total	224.6	229

Parental leave

	Female	Male
Parental leave taken	27	43
Returned to work after parental leave	12	43
Still employed 12 months after their return to work	12	43
Still on parental leave	15	0

Employee engagement and enablement survey results (%)

	2019	2018	2017	2016	Australian Companies	Global high performing companies
Engagement	78	79	78	74		
Target	79	78	74	72	66	74
Enablement	65	67	66	64		
Target	69	68	64	63	66	73

Employee by type and level

Current female percentage by category

Classification	Female representation (%)	
	2020	2019
Board	0	0
Vice-presidents	0	0
General Manager	13	7
Senior Manager	23	30
Manager	20	18
Senior Coordinator	29	32
Coordinator	48	46
Staff	24	49
Total	29	27

Health and safety

Injury classification	Total
Lost time injury*	21
Occupational disease^	0

* Work injury resulting in the inability to work for at least one rostered working day or shift after an incident. Note: Previously we reported Lost time injury frequency rate. In a post-manufacturing environment in which hours are not tracked, we are now just reporting lost time injury numbers.

^ Results from repeated or prolonged term exposure to agent or event

Environmental impacts

Greenhouse gas emissions, tCO₂-e*

Source	2019/20	2018/19	2017/18 (manufacturing)
Scope 1	9,431	9,836	33,066
Scope 2	13,947	13,306	57,588
Scope 3	50,484	71,607	17,039*
Total	73,862	94,749	107,693

*Parts and vehicle logistics only.

From FY14–FY18, TMCA was required to report under the NGER Act, but since the closure of Altona manufacturing facility, which reduced the company’s scope 1 and 2 emissions, TMCA no longer meets the NGER Act reporting threshold. This table establishes a new baseline for our operations as a sales, marketing and distribution company

Emissions Sources - Inclusion and Data Quality

	Included	Partial	Planned
Scope 1	Fuels	Refrigerants	
	Natural gas		
	LPG		
Scope 2	Electricity from grid		
Scope 3	Fuel and energy-related activities	Purchased goods and services	Capital Goods
	Upstream transportation and distribution	Waste generation	Processing of solid products
	Upstream leased assets	Business travel	Use of solid products
		Employee commuting	End-of-life treatment of solid products
		Downstream transportation and distribution	Franchises (dealerships)

Downstream leased assets included in franchises, and investments considered outside of organisational boundary.

Solar Power Generation, kWh

Location	2019/20
Sydney Toyota Parts Warehouse	849,641
Altona	680,728
Brisbane	77,967

Assurance statement

Materiality Counts Independent Assurance Report to Toyota Australia

Scope of Work

Materiality Counts was engaged by Toyota Australia to provide independent Type 2 moderate assurance of its 2020 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 2019 to 31 March 2020, unless stated otherwise in the text. This work was performed using Materiality Counts' assurance methodology to AA1000AS (2008), Account Ability's Assurance Standard. To do this, Materiality Counts interviewed Toyota Australia employees and reviewed relevant information and data collation processes, 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): low carbon transition, electric vehicles, product safety and quality, dealer engagement and employee health, safety and wellbeing. Material issues ranked high are included in the limited assurance scope as part of a rolling program. Community investment and partnerships is prioritised for 2021.

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 engagement and 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 2020 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 2019 to 31 March 2020. 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:** Conformance with the GRI Standard through the integration of impact assessment into the materiality process.
- **Inclusivity principle:** Consideration of internal stakeholder views in the materiality process through the materiality validation workshop.
- **Responsiveness principle:** Responsiveness to COVID-19 challenges faced by stakeholders with a section of the Report devoted to COVID-19 impacts.
- **Performance information:** Significant progress with greenhouse gas (GHG) emissions data collation using a digital environmental dashboard.

Areas for improvement:

- **Materiality principle:** More in-depth consideration of movement in material topic rankings from year-to-year, emphasised by the impact of COVID-19 on materiality.
- **Inclusivity principle:** Use of survey and stakeholder interviews as a key inclusivity technique, as external stakeholder inclusivity in the materiality process has been in decline since 2017.

- **Responsiveness principle:** Engagement of stakeholders for feedback on how effectively the Report covers the issues most important to them, in particular with the move to value creation.
- **Performance information:** Use of original source data for greater accuracy when developing the Report, rather than press releases and website information, involving specific data owners.

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



Jo Cain, Executive Director, Materiality Counts,
26 October 2020, Melbourne, Australia

Materiality Counts has prepared this statement for Toyota Australia in accordance with the standard practiced 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.



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Socioeconomic compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	Wide-reaching economic impacts



Copies of the report

The 2020 Sustainability Report can be viewed online at
www.toyota.com.au/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 email sustainability@toyota.com.au to provide feedback.

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