

Sustainability Report 2023

# Review & Reflect



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# Acknowledgment of Country

**Toyota Motor Corporation  
Australia acknowledges the  
Traditional Owners of Country  
throughout Australia and  
recognises their continuing  
connection to land, waters, and  
community. We pay our respects  
to the Traditional Owners of  
Country and their cultures, and  
to Elders both past and present.**

# About this report



# Introducing this year's report theme: 'Review & Reflect'

## Welcome to Toyota Australia's 17th annual sustainability report.

This year represents an important step in our journey, as we have reflected on our progress to date and are expanding our Environment Social and Governance focus to reinforce the sustainability of our business in the future.

Reflection has been an important step in our evolution, enabling us to evaluate our progress to date and consider how we will meet the diverse and changing mobility needs of the Australian community in the longer term. In the last financial year, we have taken steps to further integrate sustainability across business functions. However, we know that we need to remain focused on accountability and responsibility, as these are the foundations on which we build trust and deliver the Toyota promise of Quality, Durability and Reliability (QDR).

The information within covers the period 01 April 2022 to 31 March 2023 ('reporting period'), in alignment with the Japanese financial year. Toyota Australia ownership remained unchanged during this period.

This report presents the sustainability activities and performance of Toyota Motor Corporation Australia Limited ('Toyota Australia' or 'TMCA') including Lexus Australia, a division of Toyota Australia. Unless specifically mentioned, it does not cover the activities of our affiliated dealerships or Toyota Financial Services Australia, which are separate entities.

To view our previous sustainability reports, visit the Toyota Australia website – and for questions, please contact us [here](#).

### OUR GLOBAL COMPANY VISION

Sustainability has been part of Toyota's DNA from our inception. Our global business, led by Toyota Motor Corporation ('TMC', our parent company), is underpinned by a respect for people, and a commitment to kaizen (continuous improvement). We action these commitments through the Toyota Way, which has led us to transform from manual operations to sophisticated production systems, and now to mobility ecosystems.

### OUR REPORTING AMBITIONS OVER THE NEXT THREE YEARS

1

#### WE ARE INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

Far from being an afterthought, we are working to integrate sustainability into our operations through our company Hoshin and the refinement of our decarbonisation strategy. We are aligning sustainability communications with our vision and mission. By putting sustainability front and centre, we explain our impact clearly and cohesively.

2

#### WE'RE LISTENING TO STAKEHOLDERS, AND FOCUSING ON WHAT MATTERS MOST

Our reporting now centres on engagement with our stakeholders and shines a light on the issues flagged as most important. We're openly sharing how we're tracking towards our goals, year-on-year – and we want to be held accountable.

3

#### NO MATTER HOW TOUGH IT GETS, WE WON'T BACK DOWN

Providing a balanced picture of our sustainability progress is essential, and we'll share both our successes and failures. We know there will be complex issues we need to tackle, but we're tackling them head on. And we welcome your feedback as we strive to evolve, learn, and grow.

4

#### TRANSFORMING OUR INDUSTRY ISN'T SOMETHING WE CAN DO ALONE

We appreciate the strength of partnerships, and are collaborating with industry stakeholders to drive transformative initiatives, overcome challenges and create systemic change.

5

#### IT'S TIME TO TAKE ACTION AND MAKE AN IMPACT

As you'll see in this report, our priority is understanding and measuring the true impact of our business activities – and taking steps to mitigate any negative consequences. Our progress will be monitored closely, and we look forward to sharing it with you.

# Welcome to our year in review

## Message from the President & CEO

At Toyota, our mission is to create happiness for all through our vision of creating mobility for all, connecting us all with the freedom to move and be moved.

Core to our business' culture is a respect for people, which means we consider mobility in a broader light. We don't just sell vehicles; we strive to increase the availability of high-quality mobility opportunities – whether by developing technology for people with disabilities or creating social mobility and inclusion opportunities for people in remote and regional communities.



Through our products, services, and partnerships, Toyota Australia has enabled mobility across our nation for decades, providing diverse solutions for people in remote and regional communities and cities, ensuring no one is left behind.

Mobility requires us to think ahead, be progressive and continually adapt to our changing context – and the same goes for sustainability.

In the last financial year, our operations have been influenced by several major challenges, from the worsening effects of climate change to the rise of cyber-attacks on Australian businesses. These shifts reinforce the need for us to take responsibility and accountability as a business and respond to our rapidly changing world in the right way.

So, this year, we carefully considered our position on sustainability, seeking input from internal and external stakeholders on where they believe our sustainability priorities should lie. In response to this consultation, we are refreshing our business-wide sustainability strategy, which we look forward to sharing in next year's report, alongside our decarbonisation roadmap. We have also included sustainability as one of six strategic priorities within our 2030 Direction.

Toyota Australia's efforts are underpinned by our core values, which are reflected in our 17 years of sustainability disclosure and early commitment to hybrid electric vehicles. As we stand on this strong basis of disclosure and a commitment to sustainability, we know that the future for our business relies on the strength of our people and partnerships, and the use of innovation. By leveraging these strengths, we can develop a range of mobility solutions that meet the needs of our diverse community while inspiring pride in our people.

**MATTHEW CALLACHOR,**  
TOYOTA AUSTRALIA PRESIDENT & CEO

“Ever since its foundation, Toyota has been committed to a mission of **‘producing happiness for all’** – for ourselves, our teams, our dealers, partners, customers, the broader community ...everyone.”

# Setting the scene



# Our global targets and progress

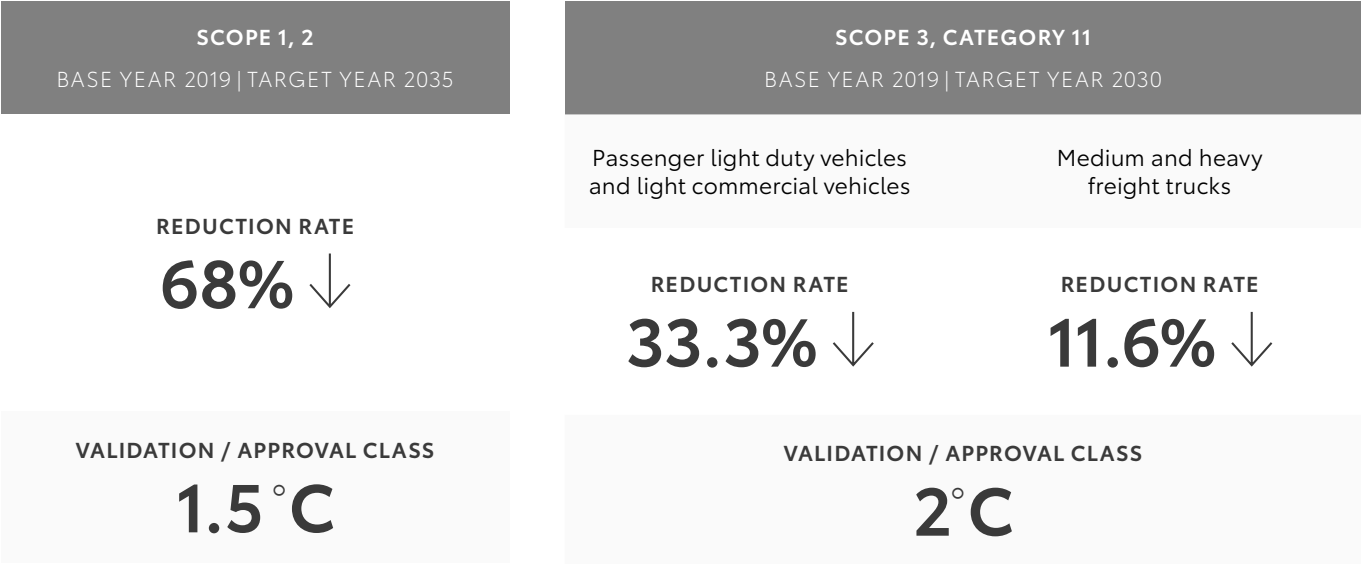
## At a **global level**, one way in which Toyota pursues environmental sustainability is through our Environmental Challenge 2050.

Launched in 2015, the challenge focuses on six key goals linked to prominent environmental issues, and adopts a life cycle approach to address climate change, resource consumption and recycling and nature.

TMC stepped up its commitment to the environment in September 2022, setting greenhouse gas (GHG) emissions reduction targets that were approved and validated by the Science Based Targets initiative.

These targets cover scope 1, 2 and vehicle tailpipe emissions in scope 3 (within scope 3, category 11 of the GHG Protocol). Then, in April 2023, TMC announced its intention to reduce average GHG emissions from vehicles sold worldwide by over 50% by 2035 (on a 2019 baseline). For detailed global data, please refer to the [Toyota Sustainability Data Book](#).

### Toyota Motor Corporation approved Science-Based Target



### ADAPTING OUR APPROACH IN AUSTRALIA

While Toyota Australia’s overall sustainability direction is set by TMC, not all the goals above are directly applicable to our business.

This is due to differences in our business operations – primarily the fact that we no longer manufacture vehicles in Australia – and our desire to take a holistic approach to sustainability that covers our environmental, social and governance impacts. As we continue to transform into a mobility company and adapt to the changing needs of our stakeholders and communities, we have been reflecting on what Toyota Australia’s approach to sustainability should look like and how it connects to our global direction.

We are continuing to develop an Australia-specific sustainability strategy, including decarbonisation targets, to ensure clear alignment between our unique business and global commitments.

# About Toyota Australia

## Who we are

OUR BUSINESS AT A GLANCE

Toyota Australia is a wholly owned subsidiary of TMC.

TMC is a publicly listed company and the largest vehicle manufacturer in Japan. Lexus Australia is managed as a separate division, and Toyota Australia wholly owns Revolution, a software development and implementation business.

Our corporate headquarters are in Port Melbourne, Victoria, and we have regional offices throughout Victoria, New South Wales, Queensland, and South Australia. In Western Australia, Toyota Australia distributes Lexus-branded vehicles to dealers, and Toyota-branded vehicles are distributed by Toyota Western Australia (TWA), which operates as an independent company. In all other states and territories, Toyota Australia is responsible for both Lexus and Toyota vehicle distribution to dealers. The network of Toyota and Lexus franchised dealers extends across all Australian states and territories.

Toyota Australia serves a diverse customer base consisting of private, business, not-for-profit, rental and government customers. The Toyota vehicles sold in Australia are imported from our affiliates overseas and our customers are supported by our local network of experienced dealers, operating under independently owned franchise agreements.

Toyota Australia interacts with a network of stakeholders and business partners. This network provides our customers with greater convenience in meeting their mobility needs, and we are working on ways in which we can continue to improve our product and service delivery.

WHERE WE OPERATE

Darwin Parts and Distribution <sup>1</sup>

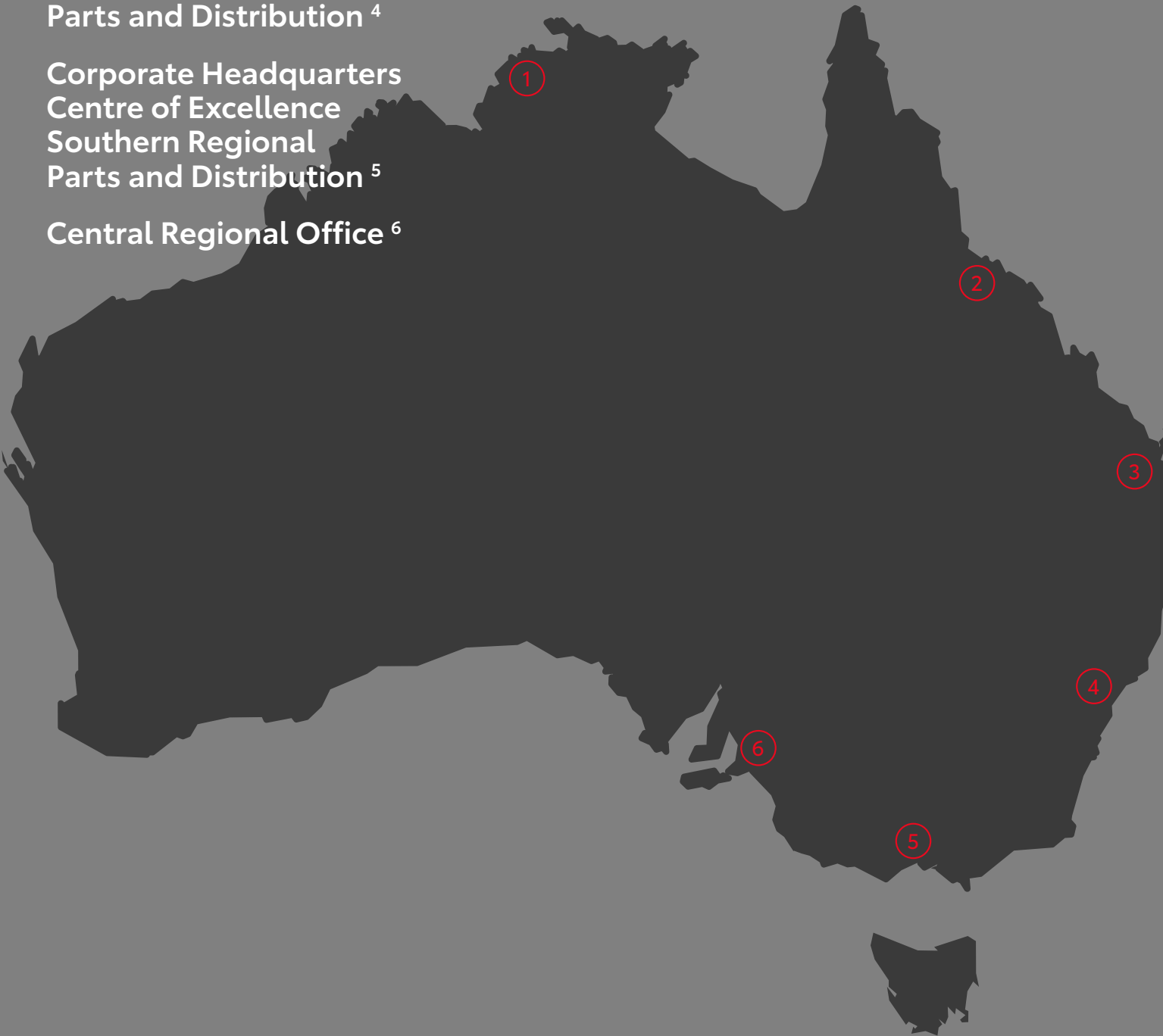
Townsville Regional Office <sup>2</sup>

Northern Regional Office Parts and Distribution <sup>3</sup>

Eastern Regional Office Parts and Distribution <sup>4</sup>

Corporate Headquarters Centre of Excellence Southern Regional Parts and Distribution <sup>5</sup>

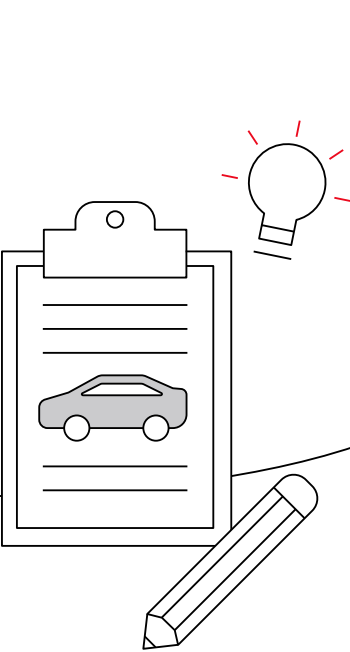
Central Regional Office <sup>6</sup>



# Our value chain

PRODUCT DEVELOPMENT

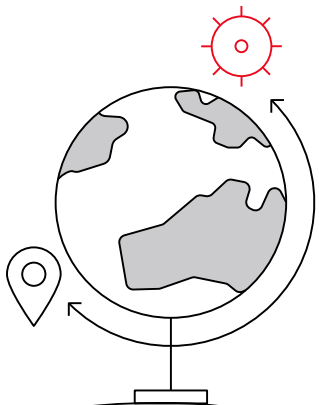
Research, planning and design  
(TMC and other Toyota affiliates)



Our Product Planning and Development division (PPD) has a team of designers and engineers in Australia, retaining a strong hand in designing, selecting and customising vehicles to meet the unique needs of the Australian market.

MANUFACTURING AND CONVERSIONS

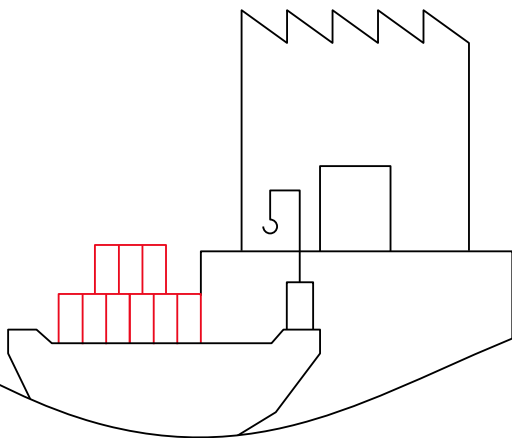
(TMC and other Toyota affiliates)



Toyota Australia vehicles are manufactured by TMC in Japan and Toyota affiliates in Thailand, the United States of America, Indonesia, and Austria. Toyota Australia’s conversions and accessories division performs local development to suit market needs in Australia.

LOGISTICS

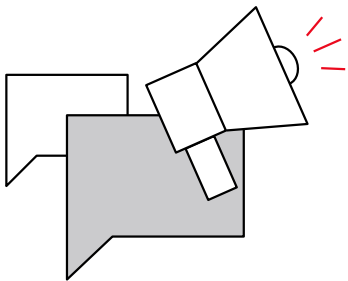
Import, storage, and distribution  
(Toyota Australia and third- party logistics company)



Toyota Australia imports vehicles and sources vehicle parts both internationally and locally. Toyota Australia distributes vehicles and parts to dealerships located throughout Australia. Our Toyota Part Centres (TPCs) manage this distribution and work to reduce their environmental footprint by improving packaging recyclability.

SALES AND MARKETING

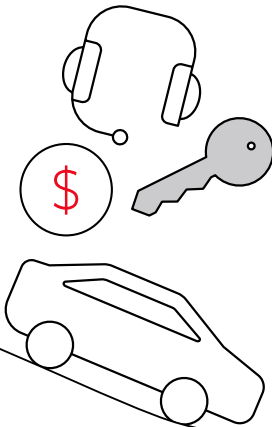
(Toyota Australia)



Toyota Australia promotes the Toyota and Lexus brands through marketing and communication channels, particularly through our trusted dealer network. We serve fleet customers directly through Toyota Australia or our specialised fleet dealerships.

VEHICLE USE

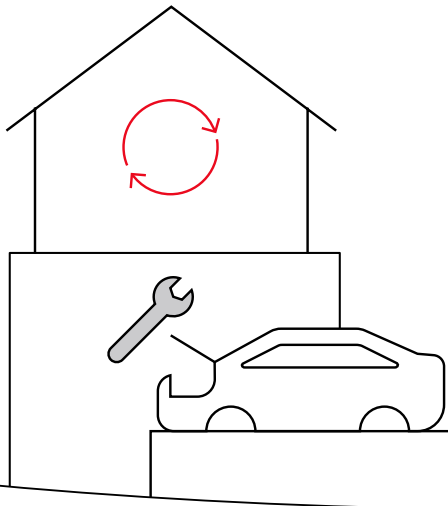
(Toyota Australia customers)



With our partners, Toyota Australia and Toyota Finance Australia aim to provide an end-to-end service throughout our customers’ Toyota journey, including customer service, sales, finance, insurance, and vehicle servicing.

END OF LIFE

Used vehicles (Toyota Australia and third parties)



Customers can purchase Toyota Certified Pre-Owned Vehicles, which provides Toyota certified pre-owned warranty, instant car valuation and Toyota genuine service to support their peace of mind. We also recycle the batteries from hybrid vehicles, with battery recycling incentives offered through our Toyota and Lexus dealers around Australia.



# How we operate

Toyota Australia’s operations are guided by plans that work together across short-term, medium-term, and long-term horizons to inform our strategy.

Our vision is “To connect us all with the freedom to move and be moved”, and it’s supported by six strategic priorities: one of which is sustainability.

While sustainability has always been a priority, formally integrating it into our strategy communicates its importance to our people and our stakeholders.

Our annual plan (also known as Company Hoshin) outlines the annual objectives and targets related to our strategic priorities, supporting the achievement of our 2030 direction.

↑

PRODUCING HAPPINESS FOR ALL

VISION

To connect us all with the freedom to move and be moved

VALUE CHAIN ECOSYSTEM

A holistic business ecosystem to enable industry transformation.

PARTNERSHIPS

Partner with expert businesses in other areas to ensure the best solutions for our customers.

SUSTAINABILITY

Protect and further create value for our business, community, society and planet.

TEAM TOYOTA AUSTRALIA

Expanding our capabilities and creating a collaborative culture to enable a flexible and agile workforce.

BRAND EXPANSION

Toyota Group brands expand beyond pure ‘automotive’.

DIGITAL CONNECTIVITY

A customer focused front-end, back-end and connected platforms.

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# Our governance structure

Our approach to sustainability governance sits within our overall governance framework, with a standing sustainability agenda item included in our Executive Management Committee meeting at least quarterly and discussed regularly at General Manager Committee meetings.

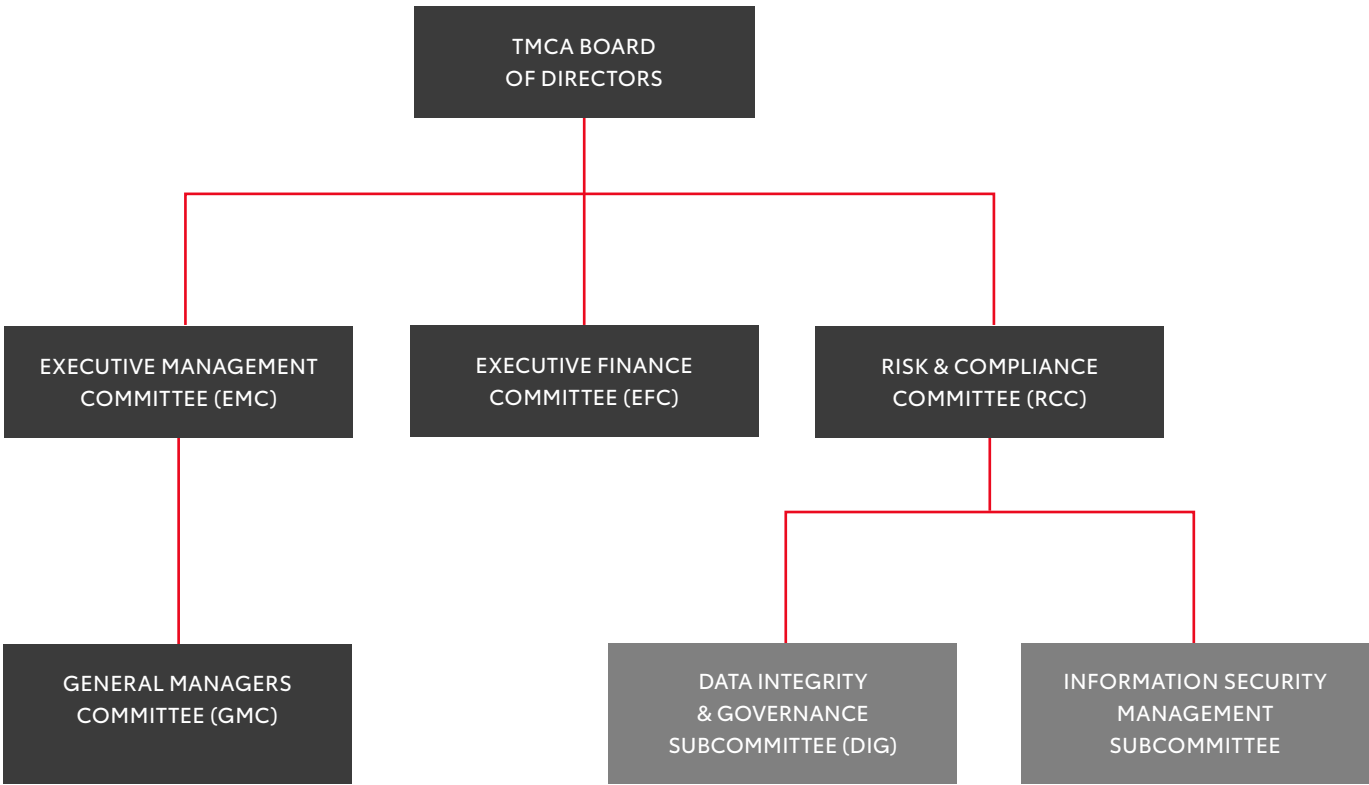
The image on the following page depicts our governance structure, followed by a table outlining the responsibilities of our governance committees.

The only changes to our governance structure within the reporting period related to a change in reporting lines for John Pappas and Michael Rausa, and the establishment of our new Data Integrity & Governance committee. This is a subcommittee of the Risk & Compliance Committee, created to address the increasing importance of data privacy and security.

It is responsible for providing enterprise-wide direction and guidance to responsibly collect, manage, use, and dispose of customer and employee data.

For more details on Toyota Australia’s Directors, please see the [Appendix](#).

TOYOTA AUSTRALIA’S GOVERNANCE STRUCTURE



# Governance explained

## TOYOTA AUSTRALIA GOVERNANCE COMMITTEES

GOVERNANCE COMMITTEES	MEETING FREQUENCY	MEMBERS	RESPONSIBILITIES
Board of Directors	Three times per year	Six directors, listed on opposite page	<ul style="list-style-type: none"><li>Establish a robust governance framework, set strategic direction, and provide alignment with TMC and learnings from the global approach</li></ul>
Executive Management Committee (EMC)	Monthly, chaired by the President and CEO	Toyota Australia Executive members and Non-Executive members from Toyota Finance Australia, Toyota New Zealand and Toyota Motor North America	<ul style="list-style-type: none"><li>Decision making and endorsement</li><li>Monitor key organisational structural changes</li><li>Provide input into and approval of Toyota Australia’s strategic direction and budgets</li><li>Direct, monitor and assess Toyota Australia’s performance against strategic and business plans</li><li>Approve and monitor capital management</li><li>Receives monthly reports from GMC on operational issues related to Hoshin plans</li><li>Regular discussion on sustainability topics</li></ul>
Risk & Compliance Committee (RCC)	Bi-monthly, chaired by VP of Guest, Aftersales & Corporate Operations and Finance Operations	Toyota Australia Executive members and General Counsel	<ul style="list-style-type: none"><li>Assist the Board to fulfil its risk management and oversight responsibilities</li><li>Act with due care and diligence in relation to:<ul style="list-style-type: none"><li>Risk management, including risks related to sustainability</li><li>Internal and external audits</li><li>Compliance and maintaining ethical standards</li><li>Fraud</li><li>Information security management</li></ul></li></ul>
General Managers Committee (GMC)	Weekly, chaired by Toyota Australia General Counsel	General Managers from across Toyota Australia’s business units	<ul style="list-style-type: none"><li>Ensure collaboration and strategy alignment across divisions</li><li>Monitor and manage the implementation of strategic company-wide projects</li><li>Manage resources to support Hoshin and Company projects</li><li>Translate operating Hoshin into divisional strategies and priorities</li><li>Provide a forum for operational issues to be escalated for higher consideration</li><li>Facilitate learning and cross-divisional collaboration</li></ul>



## BOARD COMPOSITION

FY23 DIRECTORS	NAME	ROLE	APPOINTMENT DATE
	Matthew Callachor	Toyota Australia President and CEO	1 June 2018
	Michael Rausa	Vice President, Guest, Aftersales & Corporate Operations and Finance Operations	1 April 2021
	Sean Hanley	Vice President, National Sales & Marketing & Franchise Operations	1 January 2021
	Akitoshi Takemura	Chair and Toyota Motor Corporation Regional CEO	1 January 2022
	Kane (Takayuki) Kanno	Vice President, New Business Solutions & Product Planning Operations and Chief Coordinating Executive	1 January 2022
	John Pappas	Chief Executive, Lexus Australia	1 January 2022
		Director - Toyota Finance Australia Ltd	1 March 2022
		Vice President, Information, Digital & Corporate Services Operations	1 January 2023



# Our stakeholders

Engaging with our stakeholders is key to the success of our business – and in FY23, listening to their needs has been a key priority.

By understanding diverse perspectives and collaborating with others, we can drive far greater outcomes than we can alone. Opposite is an overview of our key stakeholders. More detail on each group can be found in the relevant sections of this report.

TEAMMATES

The foundation of our success.

CUSTOMERS

The reason for our existence. Meeting their mobility needs is at the core of our business.

DEALERS

Vital to our business, and our customers’ primary touch point.

SUPPLIERS

Essential to our value chain and help us deliver on our commitments.

COMMUNITIES

A core stakeholder for our business, our society and the planet.

GOVERNMENT

Working with all levels of government is critical to meet Australian mobility needs in the safest and most sustainable way.

TMC & AFFILIATES

Actively collaborate to deliver products focused on QDR.

# What matters

# Materiality process

In 2023, Toyota Australia undertook a comprehensive materiality review.

Our aim: to understand the topics that are most significant to our business and define clear priorities for the next three years.

Our material issues are those that currently or could significantly impact people, the economy, and the planet, and they’re the topics most important to our stakeholders. These issues also align to the Global Reporting Initiative (GRI) standards, allowing us to report with reference to this framework.

OUR PROCESS

To identify our material issues, we sought a wide range of inputs and diverse perspectives via a thorough sustainability review. This encompassed research on five organisations from a similar industry or with ambitious sustainability strategies, media results related to Toyota Australia and sustainability over the last year, and a review of internal documents, policies and previous materiality assessments.

For the first time, we also conducted an internal teammate survey, external interviews and an external partner survey to explore perceptions of sustainability at Toyota Australia. Taking all this information on board, we developed a materiality long list. This was analysed and prioritised, according to the significance factors outlined by the GRI. The result: a list of material issues ranked according to their potential impact.

WHAT WE LEARNT

For external stakeholders, environmental issues ranked highest, including Toyota Australia’s transition to a lower carbon future, and how we’re addressing waste across the vehicle lifecycle.

Internally, Teammates place health, safety and wellbeing as their top priority, and they want to see sustainability training that enables them to act on these topics at home and in their roles.

Across the board, stakeholders expect Toyota Australia to share clear targets and initiatives on emissions reduction, to lead the shift to lower emissions by offering accessible and affordable products, and to expand sustainability-related partnerships.

Finally, all stakeholders believe that Toyota Australia could communicate its sustainability impacts and actions more clearly and effectively.

KEY STATS

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Teammates surveyed

25

External partners surveyed

06

External interviews conducted

STAKEHOLDERS WE ENGAGED

Parts suppliers

Local council members

Dealer partners

Corporate customers

Toyota Community Trust Board Member





# 2023 Materiality topics

PRIORITY LEVEL

- Highest impact
- Most Important
- More Important

The table below sets out the material issues we have defined as most significant to Toyota Australia at this point in time. They have been prioritised according to the GRI significance factors, with the associated GRI indicators provided.

MATERIALITY TOPIC	DEFINITION	APPLICABLE GRI STANDARD
<b>Low carbon transport transition</b> Highest impact	Transitioning our core products and services to lower carbon alternatives.	GRI306: Waste GRI301: Materials
<b>Vehicle lifecycle and waste management</b> Highest impact	Reducing the end-of-life impact of our vehicles by exploring recycling and reuse options.	GRI301: Materials GRI306: Waste
<b>Data privacy and security</b> Highest impact	Maintaining and improving strong data privacy and security protocols in line with global best practice, to protect customers' safety.	GRI418: Customer Privacy
<b>Product safety and quality</b> Highest impact	Maintaining the safety and quality of our vehicles to minimise road-related casualties and enhance the durability of our vehicles.	GRI416: Customer Health and Safety
<b>Business transition and diversification</b> Highest impact	Exploring the future of our business model and revenue streams, using our core capabilities as the foundation for our innovation.	N/A
<b>Climate risk resilience</b> Most Important	Ensuring that our business operations and supply chain are resilient to climate risks and able to adapt, and that we can disclose our climate risk exposure and management plans.	GRI305: Emissions GRI301: Materials
<b>Customer experience, satisfaction, and impact</b> Most Important	Putting customer experience at the heart of everything we do. Creating inclusive solutions for our customers to access mobility and meet their needs. Normalising and responding to customers' demands for sustainable options.	GRI417: Marketing and Labelling
<b>Diversity, equity, Inclusion and belonging</b> Most Important	Striving to make TMCA a workplace in which all Teammates feel included, valued, and free to bring their authentic selves to work.	GRI405: Diversity and Equal Opportunity GRI406: Non-Discrimination
<b>Ethics and integrity</b> Most Important	Maintaining excellent corporate governance processes and performance and the highest levels of integrity in everything we do. Communicating transparently as a business on our impacts and sustainability activities.	GRI205: Anti-Corruption GRI206: Anti-Competitive Behaviour GRI415: Public Policy
<b>Innovation</b> More Important	Innovating our core products and services and integrating sustainability into our innovation processes.	N/A

MATERIALITY TOPIC	DEFINITION	APPLICABLE GRI STANDARD
<b>Positive community impact</b> Most Important	Serving the communities in which we operate and creating shared value through our products and services, creating employment opportunities and collaborating with community partners.	GRI413: Local Communities GRI202: Market Presence GRI203: Indirect Economic Impacts
<b>Regulatory engagement and compliance</b> Most Important	Remaining compliant with legislation in our jurisdiction.	GRI407: Freedom of Association and Collective Bargaining GRI408: Child Labour GRI409: Forced or Compulsory Labour GRI411: Rights of Indigenous Peoples
<b>Strong strategic partnerships</b> Most Important	Maintaining strong strategic relationships with our dealers and partners to serve our customers and introducing sustainability-related products to grow our market share and value proposition.	N/A
<b>Supply chain risks</b> Most Important	Assessing and mitigating environmental and social risks in our supply chain, including our modern slavery risks, through ongoing supplier engagement.	GRI204: Procurement Practices GRI308: Supplier Environmental Assessment GRI414: Supplier Social Assessment
<b>Teammates health, safety, and wellbeing</b> Most Important	Protecting employee health and safety and enabling Teammates to improve their physical and mental wellbeing.	GRI403: Occupational Health & Safety
<b>Biodiversity</b> More Important	Identifying and mitigating the impact of our supply chain on biodiversity, particularly considering the impact of lithium mining.	GRI304: Biodiversity 2016
<b>Digitalisation</b> More Important	Exploring what digitalisation means for our business and value proposition.	N/A
<b>ESG communication and integration</b> More Important	Integrating ESG across our business and decision-making processes. Developing our approach to ESG and engaging our people and stakeholders on sustainability.	GRI2: General Disclosures
<b>Operational environmental impacts and greenhouse gases</b> More Important	Improving the environmental impact of our business operations, including reducing our greenhouse gas emissions by optimising business travel and employee commuting.	GRI305: Emissions GRI302: Energy
<b>Teammates engagement, development &amp; retention</b> More Important	Providing opportunities for our people to grow in their roles and retaining talent.	GRI404: Training and Education GRI401: Employment GRI402: Labour / Management Relations
<b>Transport infrastructure transformation</b> More Important	Supporting the infrastructure to ensure a sustainable mobility future.	GRI302: Energy GRI305: Emissions

# Evolving our approach to disclosure and strategy

**Sustainability is certainly not a new concept for Toyota Australia – but we are continuing to evolve our approach.**

**The theme of this year's sustainability activity and report is to review and reflect on the progress achieved to date, and next year we will focus on resetting our approach for the future.**

As part of this evolution we will share our integrated sustainability strategy, which will detail our overall sustainability ambition as well as our targets, and initiatives.

Our strategy will create clearer alignment of how our activities create positive impact for our Teammates and stakeholders and will be the basis for reporting our progress year-on-year.

# Environment



# Low carbon transport

## WHY IS LOW CARBON TRANSPORT SO IMPORTANT?

As a vehicle distribution and sales company, one of our most significant negative impacts is vehicle tailpipe emissions. These constitute the biggest part of our carbon footprint.

**We know that as one of Australia’s largest car brands, we need to play a role in reducing tailpipe emissions nationally – and this is why low carbon transport was ranked one of the top five ‘most material’ topics in our 2023 Materiality Assessment.**

For us, our transition to decarbonisation needs to be about more than just emissions reduction – we need to ensure that no one is left behind, regardless of their location or needs. So, we are taking a multi-pathway approach to developing a range of low-carbon solutions and technologies (including plug-in hybrid electric vehicles, battery electric vehicles, hydrogen fuel cell vehicles and hybrid electric vehicles) that meet the diverse needs of our customers. With this approach, we can secure the future of our business while supporting better climate outcomes for Australian communities.

This transition is complex and won’t happen overnight. However, using a science-based approach, we will work to gain a greater understanding of our data and develop a roadmap for our products in Australia that aligns with our global Science Based Targets.

Already, changes to our product mix are underway, such as the battery electric and plug-in hybrid Lexus models in Australia – and we are planning to launch the first battery electric Toyota model in Australia in 2024.

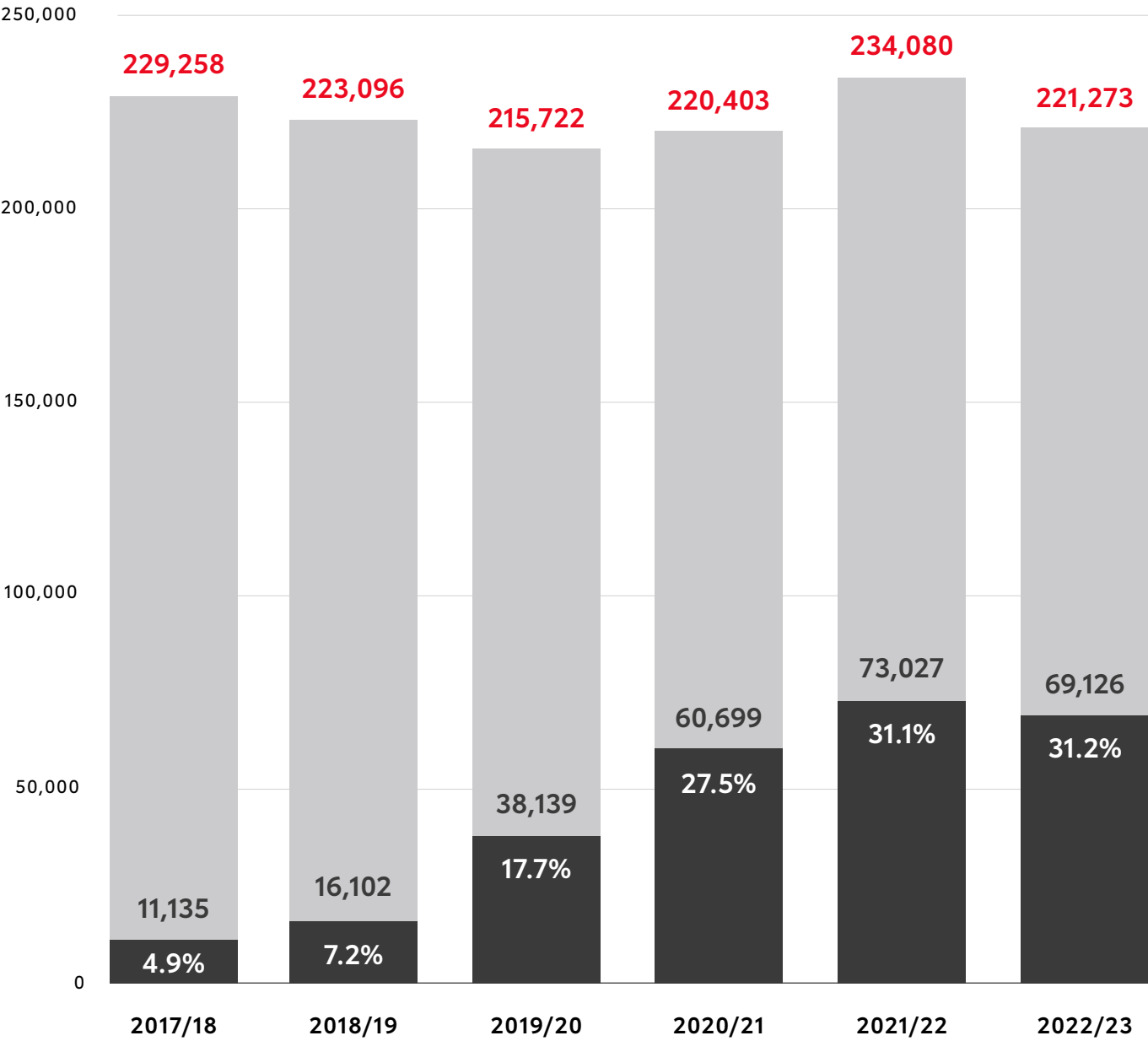
The chart on the following page shows how our sales mix has transitioned from internal combustion engine to hybrid, battery electric and hydrogen vehicles year-on-year – maintaining progress despite limitations in supply.

Our ambition is to further catalyse this shift through our decarbonisation strategy, bringing our customers with us on the journey. Now, it’s time to take a step back to review our approach – calculating our baseline and using data and science to develop a decarbonisation strategy that drives emissions reductions across our operations, products and beyond in collaboration with our supplier and dealer partners.

We will share our decarbonisation strategy, decarbonisation targets and the pathway to achieve it in next year’s report.

Unless specifically stated otherwise or the context requires a different interpretation, references to “emissions” in this section primarily refer to “CO<sub>2</sub> emissions”.

**Sales of hybrid, battery electric (BEV) and fuel cell electric (FCEV) vehicles as proportion of total sales (Toyota and Lexus combined)**



# Supporting the regulation that enables product transition

An important part of our strategy for bringing lower carbon products to market is the role of regulation in supporting this transition.

Toyota Australia is a member of the Federal Chamber of Automotive Industries (FCAI) industry group, and our External Affairs team engages with the FCAI and government on mobility policy direction. We support the FCAI’s advocacy position, welcoming the policy certainty that mandatory ambitious, achievable, and technology-agnostic fuel standards would provide. Toyota Australia also supports the FCAI Voluntary CO<sub>2</sub> Emissions Standard, which in the absence of a mandatory standard, currently tracks brands’ average vehicle emissions against the Standard’s stretch target.

**Our position is that tailpipe reduction will be achieved through a multi-pathway approach, supporting our varying customer needs and the vast geographical landscapes in Australia.**

There are different levels of infrastructure available to remote communities, regional centres, and high-density capital cities – which is why one technology cannot meet every person’s mobility needs. While battery electric vehicles will play an ever-increasing role in this global strategy, we believe this is a more inclusive and equitable approach that leaves no one behind in the process. Some stakeholders have been critical of this position, and we respect and welcome diverse voices on this very complex issue.

Toyota Australia supports the National Electric Vehicle Strategy, and over the past financial year both Toyota and Lexus made submissions to the National Electric Vehicle Strategy consultation paper. We also continue to support a technology-agnostic approach to the federal Government’s Fuel Efficiency Standard (FES) with the focus on decarbonisation rather than a particular technology. We support CO<sub>2</sub> targets that stretch us but are achievable, and fuel efficiency standards that are suitable for Australian market conditions. We have participated in the development of the Fuel Efficiency Standards this year as part of its consultation process.



# A new team, dedicated to decarbonisation

We have been measuring, reducing, and disclosing our emissions from our operations since 2007. However, emissions related to scope 3, especially products, comprise our biggest emissions impacts and are complex and challenging to tackle. To drive action on our product emissions we need to integrate planning, measurement, and action on decarbonisation across our entire business.

**To drive this action, Toyota Australia set up a new Carbon Neutrality team within the New Business Solutions division, focused on developing our decarbonisation target and Australia-specific roadmap, while bringing our Teammates on the journey with us.**

This cross-functional team comprises people with the right skills to take on this challenge, including strategy development, communications and stakeholder engagement, technical calculations and direction setting. The team’s first step in developing a decarbonisation strategy has been to understand the current state and assist in collecting the data needed to estimate our emissions baseline. A group of cross-functional ‘carbon ambassadors’ is also being established to build engagement around the program and to aid in carbon data collection and implementation of emissions reduction initiatives.



# The end-to-end impact of our cars

**Vehicle manufacturing is resource and energy intensive. As a business that sells these products, it is essential that we consider the way those products are made: their origin and composition, the materials used in their manufacturing, and their end-of-life treatment.**

We also recognise that vehicle lifecycle and waste management is important to our Teammates, customers and community as this area scored in the top five material topics across all stakeholder groups in the materiality assessment.

While Toyota Australia has limited control over design decisions (as our vehicles and parts are manufactured offshore by TMC and affiliates), we do contribute to the process.

Our local vehicle evaluation testing team explore a broad range of environmental conditions in Australia, providing data to TMC that is reflective of those experienced globally.

We recognise that we can also reduce our end-of-life impacts by thinking more carefully about the vehicles we bring to market in Australia, and by participating in recycling initiatives that promote the reuse of components.



AT A GLOBAL LEVEL TOYOTA IS WORKING TO INCREASE THE RECYCLABILITY OF PRODUCTS THROUGH TWO KEY INITIATIVES:

1

**Toyota Global 100 Dismantlers project** driven by TMC, focuses on designing vehicles to be easy to dismantle and establishing facilities where they can be efficiently treated and recycled.

**The goal:** to reduce impacts on local communities and the environment. One component of design that has been reworked with these aims in mind are the wiring harnesses shown below, which can now be separated more easily.

Models launched in the last financial year which include the new wiring harness include the Land Cruiser, Corolla Cross, Lexus NX, Lexus UX300e, Lexus LX. See image below.

2

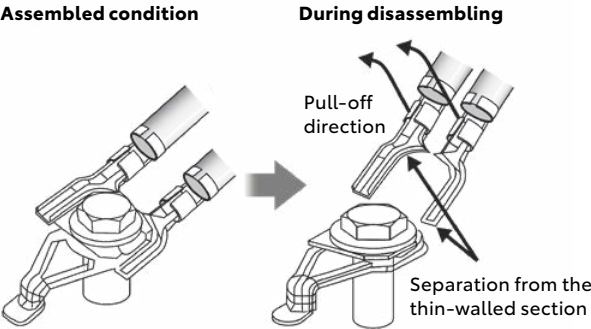
**Toyota Global Car-to-car recycle project**, also led by TMC, is an initiative through which vehicle parts and materials are recovered at the end of their lifecycle and are recycled into identical parts – aiming for closed-loop recycling.

Toyota Australia is not yet actively engaged in these global initiatives, although more involvement is planned in the future.

Examples of Easy-to-dismantle design

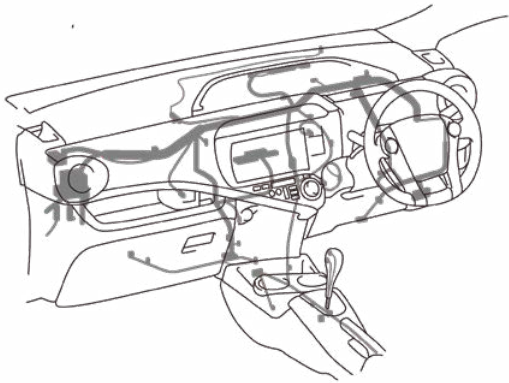
**Wiring Harness:  
Use of Pull-tab type Ground terminal**

It is designed to be easily dismantled: simply pulling it like the lid of a can.



**Wiring Harness:  
Layout Innovation**

Wiring harness can be separated with minimal interference to other parts.



AT A LOCAL LEVEL

In the domestic market, Toyota Australia is also working to establish the systems and processes to enable resource recycling from vehicles. We know this is a problem that cannot be solved alone, so we collaborate with strategic partners and industry groups, including the FCAI.

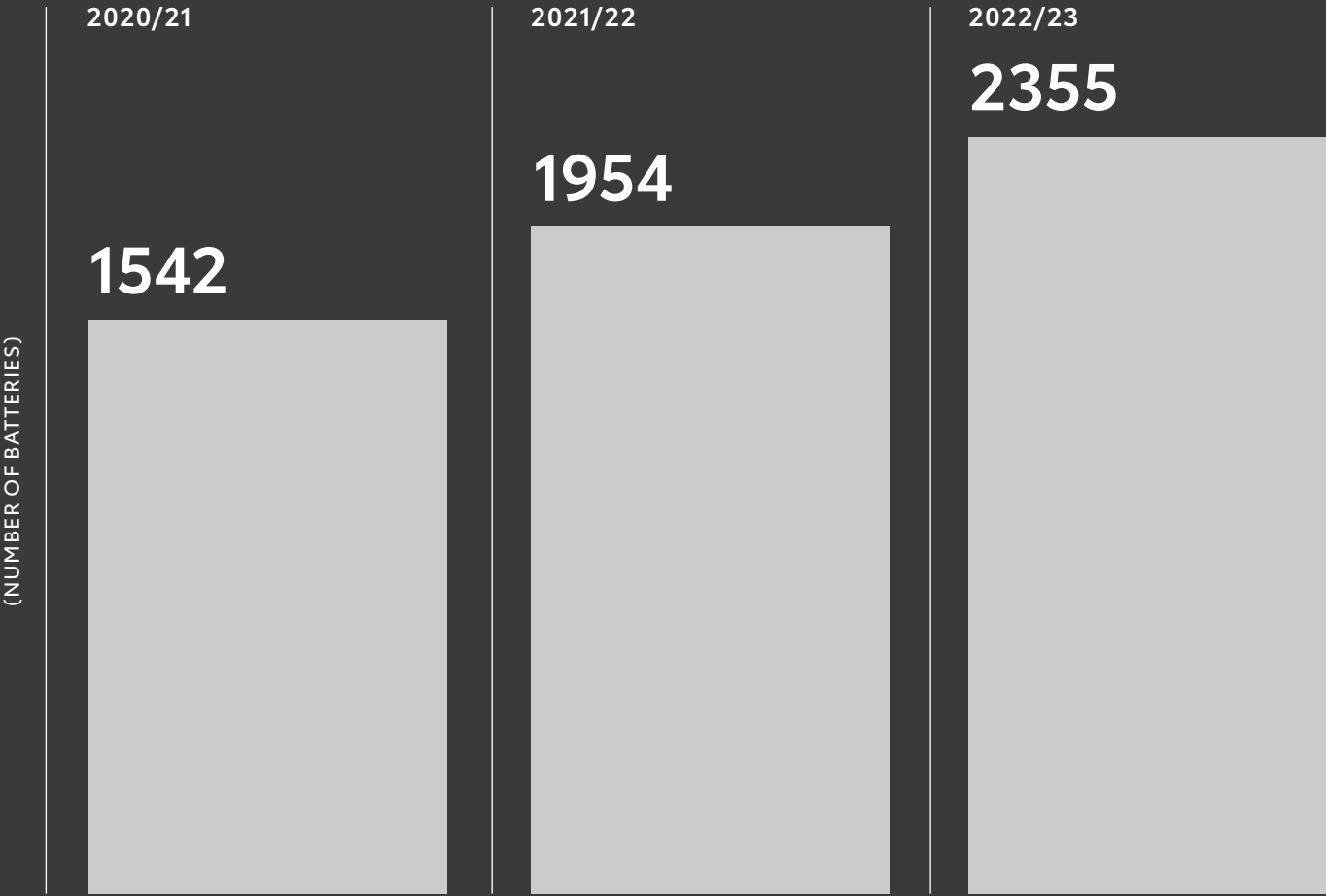
We are proud to contribute to industry-wide initiatives via our membership of the FCAI. We actively participated in the FCAI-MTAA (Motor Trades Association of Australia) End-of-Life Vehicle Stakeholder Committee, which was established in 2022 under the Department of Climate Change, Energy, the Environment and Water (DCEEW) National Product Stewardship Investment Fund. This activity aimed to develop options for an end-of-life vehicle product stewardship scheme.

A phased approach to establish a co-regulatory End of Life Vehicle (ELV) treatment regime was recommended, with a proposal to establish an industry-based FCAI ELV Working Group to continue and expand on the members' engagement beyond the original stakeholder committee.

While these actions are good first steps towards better end-of-life management of vehicles and parts in Australia, we recognise a need to expand our efforts on this topic.

Hybrid batteries recycled

Toyota Australia also has a scheme incentivising customers to return their used hybrid batteries to their local Toyota or Lexus dealer, in exchange for a \$100 cash rebate or \$500 discount on a new battery. Due to the increase in hybrid electric vehicle sales, uptake has subsequently increased since the schemes inception.



# Reducing our operational impacts

OUR EMISSIONS FOOTPRINT

At Toyota Australia, we have been estimating our greenhouse gas emissions impact for several years. This year, we deepened this understanding of the footprint by using a broader range of data inputs to fill existing gaps with informed estimates.

This activity forms part of a larger decarbonisation program that will enable us to set and achieve a localised emissions reduction target. See the case study in ‘Low carbon transport’ for more details.

Through the decarbonisation program, Toyota Australia will continue to refine its approach to data collection and emissions calculation in line with the spirit of Kaizen, while maintaining alignment with the GHG Protocol.

Our emissions footprint has been calculated using our new methodology and is shown below, alongside previous years’ emissions. Observations for this year include:

Scope 1 emissions fell overall primarily due to adopting a different measurement methodology for fugitive emissions (i.e. refrigerants) compared to previous years.

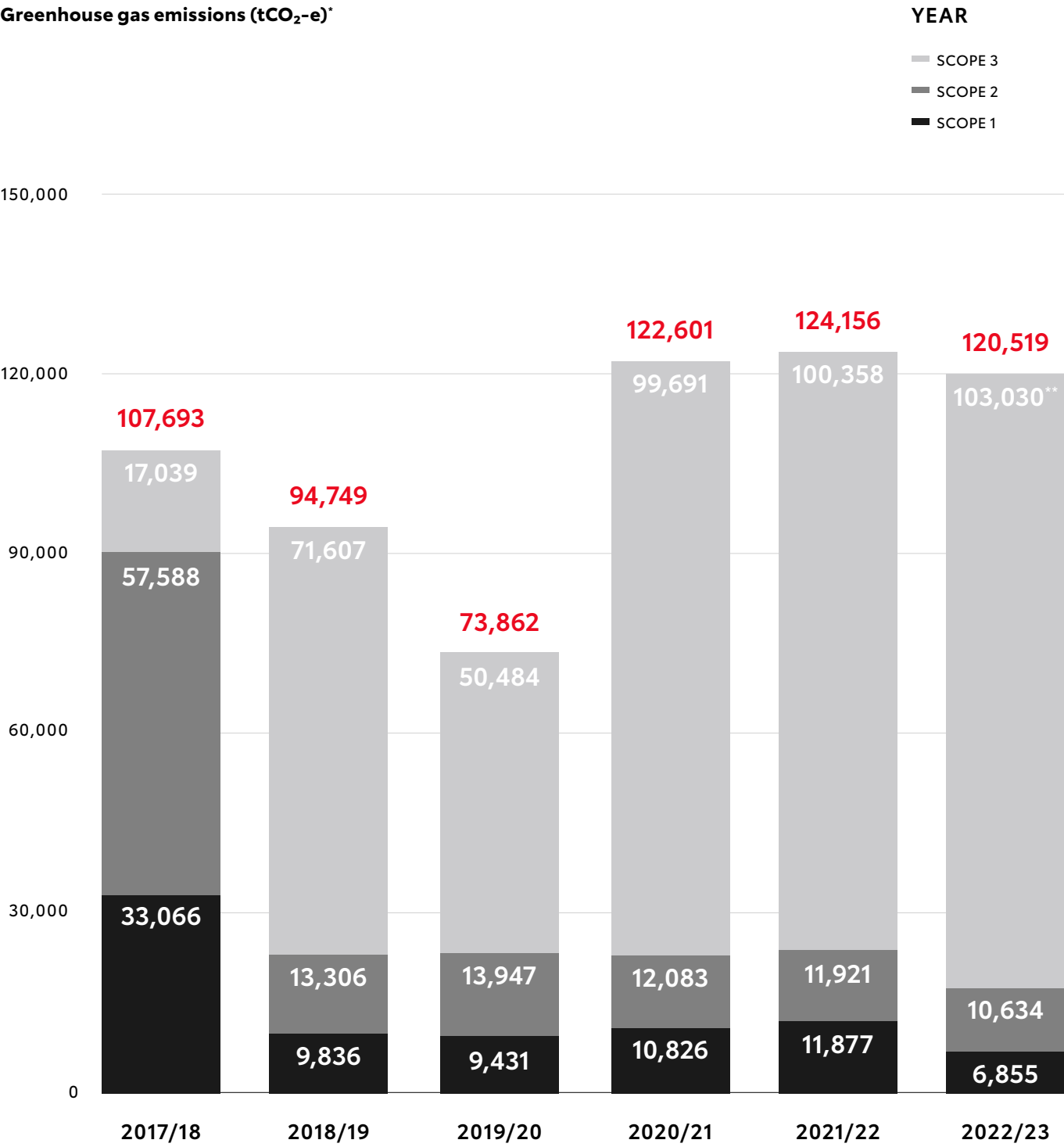
However, less significant increases were driven by higher fuel use due to two factors; Teammates with fleet vehicles increased their driving post COVID-19, and new onsite operations at Altona now include fuelling vehicles prior to delivery to the dealer network in the region.

Despite increased onsite activity, our scope 2 emissions decreased due to greater overall solar electricity generation as our infrastructure continues to expand.

Our scope 3 emissions increased due to greater year-on-year coverage – using informed data estimates on activities such as operational waste, employee commuting (in non-fleet vehicles), working from home and downstream transport.

Purchased goods and services has been excluded from the year-on-year comparison table opposite as we further refine our calculation methodology. Other scope 3 emission sources we will include in the next report are, use of sold products (i.e. vehicle emissions), end-of-life treatment and franchises (i.e. our dealer network).

Greenhouse gas emissions (tCO<sub>2</sub>-e)\*



\* From FY14–FY18, Toyota Australia 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, Toyota Australia no longer meets the NGER Act reporting threshold.

\*\* Please see the “Emissions sources inclusion table” in the Appendix for more details.

We are currently using the results of our footprint to inform our decarbonisation strategy and in mitigation modelling – estimating the emissions reduction impact of decarbonisation initiatives across our operations, products and partnerships.

In next year’s report we are aiming to disclose all categories within our footprint alongside our planned decarbonisation strategy.

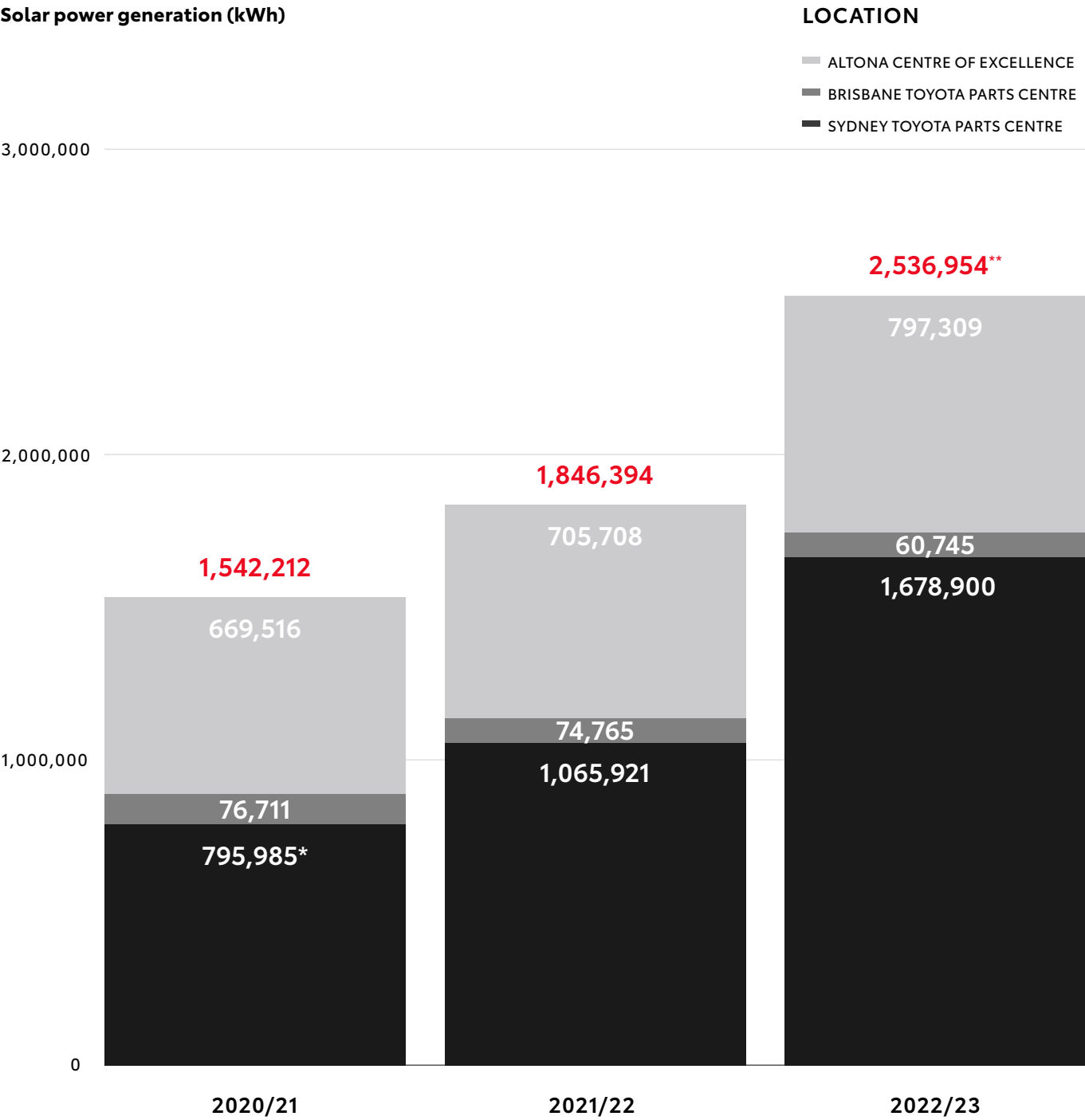


USING MORE RENEWABLE ENERGY

Last year we began work on the installation of a 3.074MW rooftop solar system at the Toyota Parts Centre at Altona in Victoria – and in the last few months of FY23, this system was gradually ‘turned on’. Comprising 7883 panels and 24 inverters, the new system utilises the whole rooftop area, including the new dock, and is 3.5 times larger than the system already installed in Sydney.

Generating an estimated 4.1GWh per year, this annual solar production will make a significant contribution to reducing our reliance on grid sourced electricity.

**Generation of solar energy across three of our sites offsets the equivalent of approximately 1948 tonnes CO<sub>2</sub>e over the year.**



\* Estimated generation using 2018 and 2019 monthly average from August to March. The amount has been estimated due to issues with on-site monitoring equipment preventing accurate data collection. COVID-19 restrictions meant that work to repair data loggers was unable to take place for up to six months.

\*\* ERO Moorebank is a leased site, therefore the solar power generated is not included in the total reported.

Operational waste

FY23 WASTE DATA HIGHLIGHTS

Below is the data on waste and the downstream impacts of our operational waste management. Data was gathered for each operational site, measuring mass (tonnes) of waste for each waste stream. Data was unavailable for the following sub-sites:

- Toyota Parts Warehouse in Sydney
- Eastern Regional Office
- Revolution Parramatta Office

In these cases, an estimation was calculated using the average emissions per full-time equivalent employee of the sites with known waste tonnage.

A total of 2,600 tonnes of waste went to landfill, including general, organic, hazardous, inert, and wood waste (i.e., treated timber pallets). All other waste streams, comprising 9,360 tonnes of material, were recycled including 8,400 tonnes of wood, paper/ cardboard, soft plastics, and comingled recycling.

Greenhouse gas emissions from landfill waste totalled 1,300 tCO<sub>2</sub>e, and from recycled materials totalled 714 tCO<sub>2</sub>e. It was assumed the recycled wood is repurposed, therefore leaving no emissions impact.

For a full breakdown of our waste figures by composition please see the [Appendix](#).



\* General, organic, hazardous, inert, and wood waste (i.e., treated timber pallets).

\*\* Wood, paper/cardboard, soft plastics, and comingled recycling.

# Climate risk and resilience



TAKING RESPONSIBILITY & BUILDING RESILIENCE

**While we are developing a plan to mitigate our emissions impact as a business, we also need to identify, measure and report on our material climate-related risks and opportunities.**

**This will enable us to better predict physical climate risks and extreme weather events, while also future proofing our business from transition risks – keeping us accountable in the face of changing regulations and climate-related compliance requirements.**

Currently, as a wholly owned entity of TMC, our approach to managing and reporting on climate-related risks and opportunities happens at a global level, with TMC providing climate-related financial disclosures in response to the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD).

However, with mandatory federal climate reporting requirements on the horizon, we recognise a need for Toyota Australia to establish an approach to measuring, monitoring, and reporting on our climate-related financial risks, opportunities, and impacts.

The new federal reporting standard will be based on ISSB IFRS S1 and IFRS S2 (which supersedes the Taskforce for Climate-Related Disclosures (TCFD) standards).

To meet the requirements of this standard, Toyota Australia will review our current sustainability and climate-related disclosures against the new frameworks and agree on a process to meet compliance, while maturing our approach to climate risk and resilience.



# Social

# Customer safety and quality

Since the inception of TMC in Japan, our aim has been to create safe and reliable vehicles in line with our promise of Quality, Durability and Reliability (QDR) – and now, as Australia’s largest automotive brand, we’re conscious this is a more important issue than ever. By delivering safer, better-quality cars, we can help more Australians to stay safe on the roads every day.

Every day, we push our engineering and technology to be better, smarter, and safer – with every Toyota and Lexus vehicles subject to rigorous testing and development with Australian conditions in mind.

## HOW WE MANAGE PRODUCT QUALITY AND SAFETY

At Toyota Australia, our global commitment to QDR is supported by a culture of transparency and accountability, where Teammates are encouraged to communicate honestly and take responsibility for their actions. Through our dedicated Quality Learning Centre, Teammates have a space dedicated to building this awareness and culture.

Product evaluation and testing is managed by our Vehicle Evaluation team, part of our Product Planning and Design (PPD) division. Given our extreme and wide-ranging road conditions, Australia has been identified as an ideal place to develop vehicles – and vehicles are often tested years before launch to ensure the QDR of the final product matches expectations.

Product quality is managed by Toyota Australia’s Guest First Division, who are responsible for applying global quality commitments to local operations through activities such as managing product recalls and fulfilling warranty claims.

All our products come with a 5-year unlimited kilometre warranty in line with our belief in the quality of our vehicles.\*

\*New Vehicle Warranty is for 5 years from date of first delivery (unlimited kms). Commercial use vehicles are 5 years from date of first registration or 160,000km (whichever occurs first).

**IMPROVING SAFETY FEATURES WITH INTELLIGENCE**

Toyota Safety Sense (TSS) and Lexus Safety System+ are intelligent safety packages designed to support safe driving and help protect drivers and passengers. By adding the latest generation of TSS and Lexus Safety System+ to more and more vehicles, we’re helping more Australians stay safe on our roads.

- Safety features include:**
- Pre-collision Safety System – reducing risk of frontal collision
  - Road Sign Assist – alerting drivers to changes in the speed limit
  - Lane Departure Alert and Lane Trace Assist – alerting and correcting drivers who start to drift
  - Active Cruise Control – assisting drivers to manage speed
  - Automatic High Beam – minimising glare for safer night-time driving.

## PRODUCT RECALLS

When we identify safety or other flaws in existing models, we act quickly to contact customers and remediate affected vehicles. We are committed to timely recalls in line with our responsibilities under the Australian Consumer Law and the FCAI’s Code of Practice for automotive safety recalls. To prioritise the safety of all affected customers, we communicate recalls across many channels, including on the Toyota and Lexus websites, through dealer notifications, press advertisements, letters to customers, and government notifications.

During FY23, Toyota and Lexus vehicles were involved in eleven recall campaigns affecting 45,370 units. Further details of the breakdown of these recalls can be found in our [Appendix](#).

Ongoing recalls from previous years also continued to be resolved. The Department of Infrastructure, Transport, Regional Development and Communications website contains all recall information, by category and brands. Details can be found at <https://www.vehicle recalls.gov.au>.

## CLASS ACTIONS

**Diesel Particulate Filter (DPF) class action**

This class action was commenced in the Federal Court of Australia in September 2019<sup>1</sup>.

The Applicants allege that, in supplying certain HiLux, Fortuner and Prado vehicles fitted with a 1GD-FTV/2GD-FTV engine with a diesel particulate filter (DPF) system, Toyota Australia:

- Failed to comply with the acceptable quality guarantee in the Australian Consumer Law; and
- Engaged in misleading or deceptive conduct.

The Lead Applicant and the other group members sought damages or compensation from Toyota Australia.

A first instance judgment was handed down in favour of the Applicant. Toyota Australia filed an appeal against the first instance decision on 10 June 2022<sup>2</sup>. The Full Court of the Federal Court of Australia handed down its decision on 27 March 2023. Toyota Australia filed a special leave application in the High Court of Australia on 24 April 2023. The Lead Applicant, has also asked the High Court of Australia for special leave to appeal the decision of the Full Federal Court. The class action is still underway.

**Takata airbags class action**

Since 2013, Toyota Australia has been voluntarily recalling certain Toyota and Lexus vehicles produced between 2000 and 2016 due to them being fitted with potentially faulty Takata airbag inflators. In 2017, a class action<sup>3</sup> related to these airbags began against Toyota Australia and several other car brands. Toyota Australia and all other parties involved in the class action, except for Volkswagen, entered into a settlement agreement, which was approved on 29 June 2022.

**Emissions class action**

This class action was commenced on 19 October 2022 in the Supreme Court of Victoria<sup>4</sup>. The Lead Plaintiff and the group members allege that Toyota Australia has breached the Australian Design Rules due to the fitment of an emissions defeat device in certain diesel vehicles. The plaintiff alleges consequential breaches of various Australian laws including misleading and deceptive conduct in contravention of the Australian Consumer Law.

<sup>1</sup> Kenneth John Williams & Anor v Toyota Motor Corporation Australia Limited (Federal Court Proceeding No. NSD1210/2019)  
<sup>2</sup> Toyota Motor Corporation Australia Limited v Kenneth John Williams & Anor (Federal Court Proceeding No. NSD462/2022)  
<sup>3</sup> Louise Haselhurst v Toyota Motor Corporation Australia Limited (New South Wales Supreme Court Proceeding No. 2017/00340824)  
<sup>4</sup> Adam Peter Rowe v Toyota Motor Corporation Australia Limited (Victoria Supreme Court Proceeding No. S ECI 2022 00313)

DRIVING CUSTOMER SATISFACTION

At Toyota Australia, we approach our customers with sincere hospitality, in line with our Toyota Way value of ‘Respect for People’.

To drive greater customer satisfaction, we engage with our customers regularly through our multiple call centres, through which they can raise queries or concerns, and provide feedback. Our digital presence, which includes our website, product websites and social media channels, also allows us to keep customers updated about our business and products.

We measure customer satisfaction by tracking Net Promoter Scores and Customer Satisfaction Index associated with sales and service in our dealerships. The results for FY23 are shown on the following page for Toyota and Lexus products, showing that satisfaction has increased year-on-year for Toyota and Lexus customers.

	2021/22	2022/23
Net Promoter Score (Sales)*	83.6	83.8
Net Promoter Score (Service)^	70.4	71.3
Customer Satisfaction Index (Sales)	94.1%	94.5%
Customer Satisfaction Index (Service)	91.2%	91.3%
	112,853	58,373
	<sup>^</sup> Toyota Service Advantage Service Surveys completed	<sup>*</sup> Private and Bronze Fleet Sales Surveys completed

LEXUS RESULTS	2021/22	2022/23
Net Promoter Score (Sales)	87.0	88.9
Net Promoter Score (Service)	79.3	80.3
Customer Satisfaction Index (Sales)	95.1%	95.6%
Customer Satisfaction Index (Service)	92.8%	93.1%
	2,962	2,480
	Lexus Sales Surveys completed	Lexus Sales Surveys completed
	9,090	9,451
	Lexus Service Surveys completed	Lexus Service Surveys completed

# Our Teammates

HEALTH, SAFETY & WELLBEING

As an employer, we are fundamentally responsible for creating a supportive and safe environment for Teammates and preventing harm in the workplace which is also in line with our value of ‘Respect for People’.

This year, we were pleased to achieve our target of zero category 1 or 2 injuries, but we recognised the need to identify ways of measuring physical and psychological wellbeing in order to track progress in a more holistic way. We will report progress against this in next year’s report.

For further details of our health and safety performance in FY23 please see our [Appendix](#).

Our ISO certification and what it means

Toyota Australia’s occupational health and safety system is certified to ISO45001:2018 – a standard that helps ensure we achieve our health & safety objectives, continually improve our performance, and meet our legal obligations.

During the reporting period, an external review of our safety system and practices was conducted in line with the ISO Standard. Due to the decentralisation of our operating structure in recent years, major non-conformances were found including but not limited to document control and training.

To resolve these non-conformances, we are introducing the following countermeasures, which we feel confident will improve our internal health and safety practices:

- Review, restructure, and simplification of all OHS policies and procedures with accessibility and consistency in mind.
- Clarification of roles and responsibilities in risk management and development of a new company-wide online incident notification and risk assessment system. With more consistent risk management approaches across the business, incidents will be easier to track, identify and record. The system will be rolled out in the next reporting year.

This audit was carried out alongside our routine health and safety management, which includes mechanisms such as our Risk and Compliance committee, and monthly reporting of day-to-day health and safety issues (which are escalated to senior management as necessary).

Supporting better mental health at work

To support good mental health in the workplace, our Employee Assistance Program provides free and confidential 24/7 in-person or online counselling and health services to both Teammates and their families. We continue to go beyond the industry norm, offering Teammates six consultations with a psychologist, six consultations with a nutritionist, four sessions with an exercise physiologist and one consultation with a financial adviser.

In October 2022, Toyota Australia also ran its annual Mental Health Month with the theme of “nominate a mental health hero”. After a challenging time, we wanted to reconnect as we returned to work. So, we asked Teammates to nominate a colleague who champions mental health – whether it’s by breaking down the stigma around mental health, supporting others, or being there to listen. Twenty Teammates were recognised throughout the month.

# Investing in our people

Building capability across the organisation is essential for us in our transition from an automotive manufacturer to a mobility company.

As we develop our sustainability strategy, capacity development and training will be necessary to elevate our team’s sustainability knowledge and ensure that our strategies are successfully implemented.

INITIATIVES DURING THE REPORTING PERIOD

Leadership management training

We offered a new management development program to support a talent pool for future leadership progression. The program involved ten Toyota Australia middle managers, four Toyota Finance Australia employees and two Toyota New Zealand employees, who were selected for their leadership potential.

The training challenged participants to consider the future of our industry, questioning how we can apply our skills and Toyota tools to necessary business transformation problems. Sessions were held virtually and group-based activities supported building capacity and connections across teams and regions.

One challenge identified during the trial was the need for participants to balance the training commitment with their existing workloads. We will address this by reviewing program design.

Upskilling our people

Upskilling and retraining our Teammates are key focus points in our shift to a mobility company to enable broader skills development, on-the-job learning, career progression and retention of staff. This year, the average hours of training per employee was 24.76 hours, an increase from 20 hours in the previous year. This can largely be attributed to the new leadership management training offering and an increased uptake in Global Content Training programs that our new starters are expected to complete in their first 18 months of employment, and to build on throughout their career at Toyota. Global Content Training ensures a common language across all Toyota affiliates globally and allows our Teammates to effectively develop a problem solving mindset.

Toyota Australia also supports career development via our annual performance review process, which all Teammates participated in last financial year. This process involves managers working with their direct reports to plan for ongoing individual skill development over the year. Teammates can create Individual Development Plans to help them meet the requirements of their current role, improve their soft skills, and realise their career aspirations. Priorities can focus on enhancing an existing strength or improving skills where Teammates have a gap in their capabilities.



# Teammates showcase top-notch skills

During November 2022, over 100 Teammates across our Toyota Parts Centres (TPC) in Sydney, Melbourne and Brisbane took part in our local skills contest – which involves stepping up to be tested on fundamental warehouse skills with the objective of improved quality outcomes for customers. We have been running our local skills contest for some time, but this was our first one held face-to-face since 2019 due to COVID-19 interruptions.

Each contestant competed in three categories, all of which are essential to the smooth running of our TPCs:

- **Picking:** selecting the right part from the warehouse storage location and sending it to the right customer at the right time
- **Binning:** a receiving function which allocates the right part to the right place in storage
- **Check-sorting:** a quality gate that sits in between picking and dispatch.



Contestants were excited to meet in person and competition was friendly but fierce – with prizes on offer including a study trip to Japan for first place winners, and generous vouchers for second and third place winners.

**After showing off their skills, the top three contenders from each TPC were flown to Melbourne to take part in the fast-paced finale, which was live-streamed to a large audience.**

TPC skills contests are a joint initiative between our Aftersales and People and Culture divisions. They form an important part of our TPC Reward and Recognition Program, which aims to promote innovation, kaizen, group and individual performance.







ENGAGING WITH AND REWARDING  
OUR TEAMMATES

Toyota Australia Teammates (full time, part time and casual) have access to a range of benefits which include:

- Access to free fitness classes, personalised training programs and onsite personal instructors via our wellness centres at Corporate HQ and Altona
- Access to virtual learning sessions to support more effective workplace behaviours (e.g., time management)
- A private health insurance rebate to support Teammates and their families to stay well at a lower cost. This is only accessible to Teammates whose employment is not covered by an enterprise agreement
- Free flu vaccinations onsite at Corporate HQ and Altona.

When significant operational changes are made at Toyota Australia, we give all employees reasonable notice. Toyota Australia also supports worker rights to organise, to fairly manage the relationships between the company and employees.

In FY23, 29.4% of our Teammates were covered by one of Toyota Australia’s two current enterprise agreements. The agreements provide for clear processes for significant operational changes and consultation periods of up to ten weeks.

Working conditions of those not covered by an enterprise agreement are determined by their employment contracts and organisational policies and procedures.

In FY23 92% of employees responded to our annual Employee Engagement and Enablement Survey and our engagement score was 76%.

THE CHALLENGE OF RE-ENGAGEMENT

We know that for Toyota Australia to continue to succeed, we need to find more effective ways to engage and empower our workforce.

Each year, we conduct an annual Employee Engagement and Enablement Survey, which gives Teammates the opportunity to share their feedback about what we’re doing well, and where we need to do better.

This year’s results have declined across the board since FY22 (from an 82% engagement score in FY22 to a 76% engagement score this financial year and a 72% enablement score in FY22 to a 68% enablement score this financial year).

This result was partly expected as employee engagement declined across corporate Australia influenced by the adjustment to a new way of working following impacts from the COVID-19 pandemic.

Many Teammates needed to rebuild connections following this disruption, and in response Toyota Australia held the inaugural Teammates conference ‘Beyond Tomorrow Together’ – bringing all our Teammates together in person for the first time ever.

The table below outlines the key areas for improvement that surfaced from our survey and the actions that Toyota Australia plan to take.

We are looking at ways to make our action planning process more robust. We plan to migrate to a new survey provider and platform in the next financial year. This platform will enable us to target areas for improvement and communicate and monitor follow-up actions more effectively.

AREA FOR IMPROVEMENT	HOW TOYOTA AUSTRALIA IS RESPONDING
Continue elevating diversity and inclusion	Launching an inclusive leadership pilot program and unconscious bias training and continue addressing opportunities for continuous improvement.
Improving turnaround time for decision-making	Improving internal buy-in process by identifying the right stakeholders from the start and refresher training on when to use Toyota tools effectively.
Addressing poor performance	Managing perceptions of poor performance management by creating awareness on the process and improving performance feedback process.
Increasing happiness for all	Organising a divisional volunteering / social contribution activity.

# Diversity, Equity, Inclusion and Belonging

**Australia is a very diverse country so our workplace needs to reflect an increasingly high level of safety and inclusion for people of all genders, ages, abilities, backgrounds, and cultures. Diverse perspectives don't just strengthen our culture, they give a rich variety of inputs and ideas – including unconventional ways of thinking that will fuel our evolution as a business.**

At Toyota Australia, we have a robust Diversity, Equity, Inclusion & Belonging strategy that fosters and encourages a culture of respect, understanding and connection. To be effective in this space, we have four Employee Resource Groups that focus on key areas of Diversity including: Gender Equality, First Nations, Disability Advisory and LGBTQI+. We continue to embed diversity, equity and inclusion which will support a greater sense of belonging among Teammates.

Gender balance is still an issue that our industry is working towards, and our business is no exception. We recognise that we need to address structural barriers that have resulted in a gender imbalance across all levels of management, most noticeably at the executive level. We will continue to develop and deploy initiatives to build greater diversity within our leadership and across all of our teams.

On the other hand, we have seen an increase in male Teammates taking advantage of our gender-neutral policies to take parental leave. With 56 males, 30 females and 1 unspecified taking parental leave during the period, this is reflective of the gender proportion across all Teammates.

This year we continued our existing female sponsorship program, which pairs six high-potential employees with a General Manager sponsor for 12 months to develop their career pathway.

# Attracting more female employees to Toyota Australia

**One of our recruitment team's targets is to achieve 40% female representation across Toyota Australia by 2025.**

In FY24, TMCA will undertake a recruitment and retention study to better understand the barriers that are standing in our way. This will involve analysing the perception of our brand in the market and of the breadth of roles that we offer, while exploring options like recruitment partnerships, which may help us access female talent and remove any bias from our recruitment processes. The study will also look at the reasons why female employees leave the organisation.

**From FY24, TMCA plans on making our career progression process more transparent and putting a gender lens on every recruitment and retention process in our business.**

To support this, we are continuing our partnership with Work180 who are helping to ensure we have policies and benefits in place to support women's careers. These include:

- Gender neutral parental leave policies
- Fourteen weeks paid parental leave at full salary for primary carers, in addition to government funded parental leave
- Four weeks paid parental leave for secondary carers
- Continuation of superannuation payments while on both paid and unpaid parental leave (up to 38 weeks)
- Domestic and family violence leave above legislated requirements.

The gender pay gap is an issue we are exploring, and we will share our progress next year.



NURTURING DIVERSE TALENT

Toyota Australia’s 2025 DEIB strategy sets out targets we’re working towards.

FY23 REPRESENTATION

LGBTQI+  
5.4%

First Nations  
0.8%

Disability  
4.0%

Female  
35.0%

TAKING ACTION AS A TEAM

To promote diversity of thought across our business, we’ve established the DEIB Council with the goal to advocate for diversity in our workplace and facilitate the implementation of initiatives that promote a positive culture.

This group is made up of Teammates from all levels across the business, representing various cultural backgrounds, age groups and genders. Teammate-led DEIB Action Teams drive ground up action with the sponsorship of the Council.



TO PROMOTE GENDER EQUALITY

- Held our fourth annual Women’s Conference to build connections between women across the business
- After a successful pilot program in 2021, established a female mentoring program where professional staff could sign up to be mentored by middle and senior managers across our business
- Ran a Female Leadership Program for a cohort of six high performing women in the business who were selected to receive leadership training and support over a 12-month period
- Celebrated International Women’s Day 2022
- Conducted a recruitment and retention study (See p.66)
- Participated in Movember 2022, in support of men’s health.



TO RECOGNISE FIRST NATIONS PEOPLE

- Commenced planning for Toyota Australia’s first Reconciliation Action Plan (RAP)
- Held initiatives for National Reconciliation Week and NAIDOC Week
- Provided financial support to several of our indigenous partners through our social contribution activities.

PROMOTING INCLUSION MEANS ACTING AGAINST DISCRIMINATION

During the reporting period, Toyota Australia received one complaint of discrimination. We completed a thorough investigation which resulted in disciplinary action against the accused employee. We implemented follow up actions to address the related workplace behaviour associated with this instance of discrimination. This matter is now closed.



TO RAISE AWARENESS OF DISABILITY

- Continued to run an employee focus group
- Recognised the International Day of People with Disability 2022
- Commenced development of a Disability Action Plan
- Launched a Workplace Adjustment Procedure, enabling Teammates with disability to request workplace adjustments such as AUSLAN/captioning, assistive tech, adjustment to communication styles or ergonomic equipment.



TO SUPPORT THE LGBTQI+ COMMUNITY

- Promoted IDAHOBIT (International Day Against Homophobia, Biphobia and Transphobia) 2022
- Celebrated and raised funds for Minus 18 on Wear It Purple Day 2022 in expression, celebration, and support of LGBTQI+ communities
- Worked towards the launch of Gender Affirmation leave enabling Teammates to take paid leave from work to undergo the process of gender affirmation.

# Celebrating International Day of People with Disability 2022

In December 2022, Toyota Australia held an event to raise funds and build awareness of people who live with disabilities, both visible and invisible.

Attended by more than 100 Teammates in person and over 50 virtually, the highlight was a lunchtime panel discussion between Ryley Batt (Australian Paralympian), one of our own Teammates who lives with a physical disability, and a KPMG partner talking about their experience with dyslexia.

In addition to hearing the experiences of panel members, attendees engaged with representatives from Vision Australia, Brite, and Paralympics Australia. The event also featured a Toyota globally developed 'tilt and turn' seat concept that can be modified to many Toyota vehicles.

# Our partners

At Toyota Australia, we recognise that we can't achieve our ambitions alone – we're proud of the strategic partnerships we've built across our dealer network, supply chain and beyond.

## OUR DEALER NETWORK

The Toyota Australia dealer network is vital to our business, they are our customers' primary touch point, and we support dealers' operations in a range of different ways.

In addition to regular meetings between Toyota Australia and Dealer Principals, Toyota Australia conducts regular 'National Dealer Conferences', during which we provide updates on new products being introduced into the Australian market. Our dealer partners are also involved in all decision making that impacts them via the National Toyota Dealers Association (NTDA). This is a dealer-led consultative body that provides oversight to the NTDA subcommittees.

We conduct a dealer satisfaction survey annually across both the Toyota and Lexus dealer networks. The dealer satisfaction results for the Lexus network increased from 8.52 to 9.10, making Lexus number one in dealer satisfaction amongst all participating automotive companies. Satisfaction of Toyota dealers declined from 8.44 to 8.05, resulting in Toyota's ranking falling from fifth to sixth. We are addressing this decline by setting quality action items against key focus areas identified in the survey.

All corporate, warehouse and dealer operations employees (including Lexus and subsidiary companies) have access to our free, confidential and independent third-party managed anonymous hotline through which they can report any concerns about unethical behaviour by Toyota Australia and its subsidiaries, and by any Toyota and Lexus dealerships. Toyota Australia has a responsibility to investigate all calls and any report made is allocated to our Risk and Compliance and People & Culture team as appropriate. In terms of supporting wellbeing, we encourage dealers to follow our lead and provide employees with access to Employee Assistance Programs.

During the reporting period, our dealer partners were also invited to have their say on the sustainability topics we should focus on as part of the stakeholder engagement process supporting our materiality assessment (see 'Materiality matters'). Ongoing dealer engagement and partnership will be instrumental in achieving shared sustainability outcomes and progress. We continue to improve the ways in which we share knowledge and support dealers to integrate sustainability into their own operations as we move forward together.

## Building engagement with dealer staff

At the end of 2023, there were over 13,000 dealer staff employed across Australia at Toyota and Lexus dealerships. To support our corporate mission for "Producing Happiness for All", Toyota Australia introduced Toyota Engage: an online platform accessible to all dealer staff that enables them to access benefits, news and rewards to enhance the connection dealer staff have with Toyota Australia.

In 2023, we introduced a 'Behind the Scenes' competition that provided dealer staff an opportunity to win a tour at Toyota's state of the art Centre of Excellence in Altona, Victoria. Since its introduction, 23 staff from across the country have participated, reaching both rural and metro dealer staff and across different roles within the dealership. This has allowed dealer staff to connect with Toyota Australia and to observe first-hand how Toyota supports its dealer network with transforming from a car company to a mobility company.

The experience included a tour of its product centre, hydrogen fueling station, conversion and centralised services and an opportunity to drive our vehicle line up at the Autodrome - Toyota Australia's local testing and driving track.

BUILDING A STRONGER SUPPLY CHAIN

**Due to the supply and distribution challenges that our business has faced over the past 12 months, our supplier mix and supplier relationships have significantly changed.**

Therefore, a key focus for us this financial year was to enhance existing operational relationships with suppliers by aligning expectations on supply chain performance. This process provided a shared opportunity to learn about our supply chain, and sought to learn from the supplier engagement practices of our Toyota colleagues in the US and Europe.

We also focused on re-establishing best contacts for each supplier, to ensure that we can reach out to the right person regarding specific issues, such as when new clauses are introduced into our contracts.

Looking ahead, we plan to engage more and more with suppliers, partnering to improve our collective sustainability performance.

**Understanding upstream risk**

Throughout FY23, one of our key supply chain challenges was fluctuating demand for car parts and accessories. Volumes can swing drastically, which means we need to be flexible and adaptable. This year, our buying team, forecasting team and suppliers have worked even more closely together to better forecast changes in demand, and understand each manufacturer’s capacity.

Through this approach, we can build a more resilient supply chain that can more effectively manage customer expectations.

Cost transparency has been another challenge. Due to high inflation and supply chain costs, there have been cost increases from suppliers which we need to understand and validate. Using our commodity tool, we have been able to get more data visibility on a range of commodities to assist with evaluating these commercial requests from suppliers. We have also completed a supplier segmentation analysis that we intend to use to plan our Supplier Relationships Framework with key suppliers through procurement or business areas.

**A snapshot of our spend**

One way we mitigate supply chain risk and build resilience is to work with a high proportion of Australian suppliers, who are governed by Australian legislation such as the Fair Work Act. Approximately 93% of our suppliers are Australian entities or have Australian operations (i.e. a combination of globally affiliated and locally owned companies). Our transactions with these companies represents approximately 98% of overall spend.

We aim to maintain a network of suppliers geographically close to our operations where possible, to build supply chain resilience, optimise efficiency, and help reduce travel emissions.

**In FY23, 54% of our local suppliers were Victorian, 30% were based in NSW and the remainder spread across the rest of Australia to support our Regional Offices and Sales & Distribution network to dealers in each state.**

The information in this section refers to third party suppliers of parts, accessories, and services. This does not include the manufactured vehicles or parts we source through TMC or other Toyota affiliates.

**Understanding & managing our supply chain risks**

Our Supplier Minimum Standards contain environmental, safety and quality requirements – enabling us to gain insight into suppliers’ operations and practices, assess their sustainability performance, and encourage reducing greenhouse gas emissions across our supply chain.

Our Parts & Accessories team also conducts an annual conflict minerals survey to confirm no conflict minerals exist in our supply chain, as part of a global initiative led by TMC. New or existing parts and accessories suppliers are screened via a sustainability questionnaire when they take part in a new sourcing activity or as part of a Supplier Capability Assessment. However, there is scope for this to be done more consistently across our supplier base.

To further explore this, we are collaborating with our global affiliates to share best practices, with a view to standardising a more robust screening procedure across our supplier base. Based on this collaboration we are assessing the feasibility and value of introducing a Supplier Code of Conduct, third party risk assessment and monitoring of suppliers, and the introduction of supplier sustainability targets.

There have been no negative environmental impacts reported to the Procurement team within Toyota Australia’s supply chain during FY23.

**Spotlight on Modern Slavery**

Modern slavery risks are particularly high in raw materials extraction and manufacturing industries. It can be challenging to establish full transparency and traceability, especially with suppliers based overseas who operate under different labour laws. Although we do not have direct control over our suppliers’ operations, Modern Slavery requirements are embedded into our Supplier Minimum Standards since FY23.

**In FY23 we issued our annual supplier questionnaire on modern slavery to 1227 suppliers and advanced new initiatives to improve supplier data. In FY23 we received a 30% response rate to our supplier questionnaire, a significant increase from 7% last year and representing 47% of our supply chain spend. We are making progress towards our goal of assessing all first-tier suppliers by the end of FY25.**

We are currently preparing to onboard a due diligence platform which will automate the survey process and analytics, as well as tapping into an external sanctions database to improve overall risk assessment and tracking. We believe that this will improve our ability to both assess and communicate with our suppliers.

Training sessions of the previous Fraud and Ethics training program, which included human rights and modern slavery content, were conducted during the reporting period. We recently launched more in-depth modern slavery training, specifically designed for our contract managers, legal and procurement teams. An awareness video was also shared with Teammates during a Governance Week activity.

[Our latest Modern Slavery Statement](#), which was issued to the Australian Government through the Australian Border Force, outlines our approach in more detail.



# Our community

At Toyota Australia we have a long history of supporting communities in the locations in which we live, work, and operate – both within Australia and internationally. This commitment is strongly aligned with our Toyota Way values. We use our capability and resources to enrich communities in two ways:

1

SOCIAL CONTRIBUTIONS

Where Toyota Australia and our Teammates contribute their money and time to causes that matter to us.

2

COMMERCIAL SPONSORSHIPS

Where we support organisations through community partnerships and sponsorships activities.

Community support/donations related to commercial sponsorships are not counted towards our social contribution goals as they are part of the overall TMCA marketing strategy.

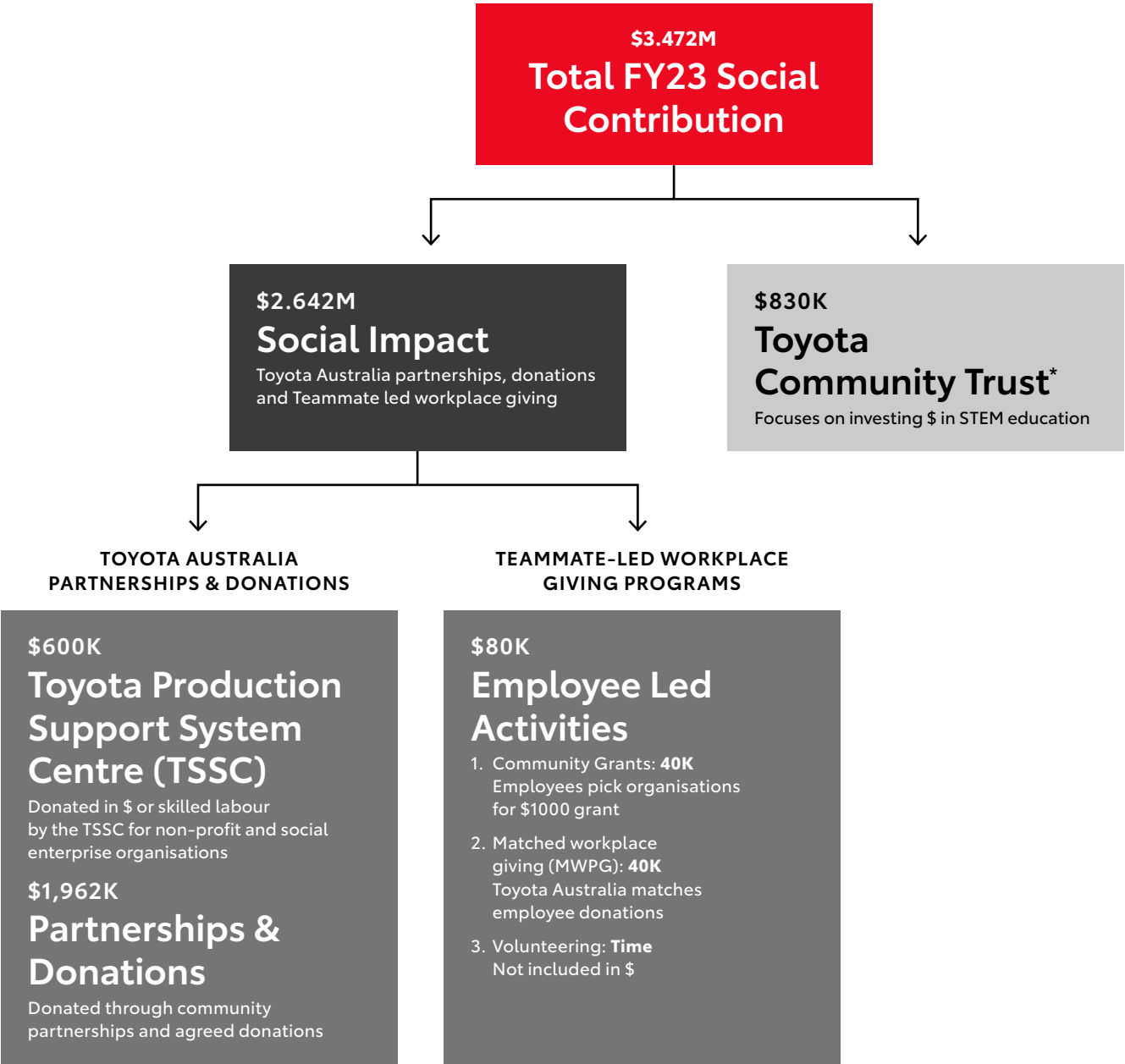
## SOCIAL CONTRIBUTIONS

In October 2022, a new framework for community funding was endorsed that shifted our focus to mobility and carbon neutrality projects through social impact partnerships. This is now formalised in our 2022-2025 Social Impact Strategy and Social Impact Policy, both of which guide our social impact activities. We want to work towards increasing our contribution to communities, while simultaneously encouraging Teammates to contribute in a way they are passionate about.

Looking ahead, our goal is to continue giving through donations but also expand our thinking to encompass our social impact as an organisation. We want to work towards greater donation spend, while simultaneously using our business expertise to solve real world mobility and carbon neutrality problems. This will generate greater value to society and have a larger social impact than donations alone.

## GIVING BACK IN FY23

In FY21 our President declared a target of **1% of pre-tax profits to be donated to social contribution and community impact programs each year**. The visual below outlines the structure of our community giving and the breakdown of the FY23 social contribution across our community activities.



\* Separate entity but wholly funded/owned by Toyota Australia (Considered as Toyota Australia activity)

# Toyota Australia partnerships and donations

TOYOTA PRODUCTION SYSTEM SUPPORT CENTRE (TSSC)

USING OUR SKILLS AND SYSTEMS  
TO DRIVE SOCIAL IMPACT

This reporting year 17% of Toyota Australia’s annual 1% social contribution came from work completed by experienced Teammates in our TSSC, a team in our People and Culture division that spends a portion of their time on projects. The TSSC team work with not-for-profit organisations and social enterprises to develop people to solve an identified business need. Using the proprietary Toyota Production System (TPS) process and knowledge sharing to solve these problems,

the TSSC team support these organisations to cultivate a culture of continuous improvement that supports sustained organisational change. The long-term aim of this program is to create positive societal impact through building the capability of community-focused organisations to make a difference.

TSSC PROJECTS FY23

ORGANISATION	WHAT WE SUPPORTED
Teach for Australia (x2)	Standardising process for onboarding teachers into program
Fruit2Work	Fruit hamper picking and delivery on time
Worldview Tech	Timely service delivery of data destruction of IT assets
Green Collect	Implemented TPS core principles and visual management
South Eastern Primary Health Network (SEPHN)	Reduction of backlog of referrals for psychological care
Beacon Laundry	Pre-construction layout support
Our Big Kitchen (OBK)	Meal preparation and scheduling
South Port Day Links (SPDL)	Transport solutions for elderly citizens
P&G Paper Tubes	Relocation of equipment to new facility for making paper tubes
Latitude - Directions for Young People	Homelessness support services, problem solving support

This year, our Product Planning and Development team also leveraged their capabilities to work with Engineers Without Borders on two shared projects to solve real-world societal problems. ([See case study](#) on the following page, outlining one of the projects).

\$ Monetary  
t Time  
+ In Kind

PARTNERSHIPS AND DONATIONS

EDUCATION

GO Foundation

\$150K | \$  
Support to provide education scholarship for First Nations youth.

ROAD SAFETY EDUCATION

Rotary Youth Driver Awareness

\$350K | \$  
Funding RSE’s Rotary Youth Driver Awareness (RYDA), a practical road safety program for young drivers and their passengers focussed on building cognition, social competency and resilience while motivating low risk behaviours. Delivered to 40,000 students every year across Australia and New Zealand.

HEALTH & HUMAN SERVICES

Natural disaster donations

\$200K | \$  
Lord Mayors Distress Fund (WA) Givit (VIC + NSW).

CIVIC & COMMUNITY

Engineers Without Borders

130K | t  
Developed solar trailer for First Nations rangers, and human powered washing machine for Vanuatu community.

Research - Disability Mobility Conversion

\$298K | t  
Completion of an assisted mobility study.

OTHER

TMCA Regional Office Activities

\$150K (est.) | \$  
Local community group investment (various, e.g. footy club raffle).

Council Grants

\$60K | \$  
Providing equipment and resource grants to Hobsons Bay City Council and City of Port Phillip for sporting equipment to clubs and scout groups and electronic devices for community volunteers.

The Torch

\$25K | \$  
Supported exhibition for First Nations people in or recently released from prison system.

TSSC

\$600K | t  
Various projects (See table on page 75).

Friends of Lower Kororoit Creek (FOLKC)

\$4K | \$  
Provide vehicle maintenance support.

Racing Together

\$50K | \$  
Supporting First Nations youth to enter motorsport industry.

Bicycles for Humanity Melbourne

\$95K | +  
On-site storage for ‘prep and pack’ bikes for third world communities.

Paralympics Australia Equipment Fund

\$150K | \$  
Funding equipment for athletes.

Alex Makes Meals

\$300K | t  
Toyota Australia bistro staff prepare and deliver meals with AMM.





## Designing the washing machine Vanuatu needs

In 2019, the Vanuatu Government announced a plan to ban single use nappies, which are one of the biggest contributing factors to waste in Port Vila. Since then, work has begun on sustainable alternatives: a washable, reusable nappy, and a washing machine that can be used by community members who don't have access to electricity.

This year, Toyota Australia's Product Planning and Design (PPD) division teamed up with Engineers Without Borders Australia (EWB Australia) to design a washing machine that will fit the bill – plus deliver additional environmental and social benefits.

When EWB Australia approached Toyota Australia, they had already developed a prototype of a non-electric washing machine together with their not-for-profit partner Field Ready. The prototype named 'The Tumble Drum' was powered by a manual hand crank, and while it had benefits, the design required iteration. Our PPD team applied for funding to pursue the initiative via the Toyota Social Impact Project program and were granted \$120K in time and materials.

**Working with EWB Australia, our PPD team developed a second prototype, featuring a stationary outer drum and an inner drum that rotates through the water and cleans the clothes. Operated by pedal power (using gear mechanisms from second hand bicycles that are readily available) it drastically reduces manual labour.**



The wash process is also much quicker – around 30 minutes per cycle compared to the 3-4 hours an average Vanuatu caregiver would spend washing their household's laundry. The second prototype also uses a minimal amount of water to effectively wash clothes, making it more efficient and effective. When tested by Mamma's Laef (a local washable nappy manufacturer) in Shefa Province, the response was very positive.

While initially conceived as a solution for households, the new prototype will be piloted in a community context – as many households had expressed interest in paying for their washing to be done if there was a cost-effective solution. Individuals interested in running a community laundry will be given the opportunity to purchase a machine via a loan agreement facilitated through a social enterprise that would also support training and maintenance.

Source: UN Environment Program 'Perspectives', Issue No 43: 'Solutions to social and environmental impacts of disposable diaper waste in Vanuatu'.



# Teammate-led workplace giving programs

EMPLOYEE-LED ACTIVITIES

Since 2013, our Teammates have donated \$200K to 253 charities. These donations were then matched by Toyota Australia.

TOTAL DONATED BY TEAMMATES + TOYOTA AUSTRALIA SINCE 2013

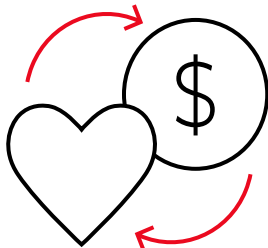
400K

CHARITIES

253

TEAMMATE DONATIONS IN 2023

\$40K



MATCHED WORKPLACE GIVING BY TMCA IN 2023

\$40K

89

VOLUNTEERS

608

HOURS

Also this year 89 Teammates volunteered with charities including Ronald McDonald House, RSPCA, Foodbank South Australia, Dandelion Support Centre, and Port Philip Eco Centre.



# Teammates take the lead

Toyota Australia enables purpose-led workplace giving by supporting our Teammates to decide what is important to them and amplifying their impact.

MATCHED WORKPLACE GIVING (MWPG)

In FY23 we again committed \$40K to match employee charity donations made using their pre-tax earnings (up to \$1000 per employee). Since the program was launched in 2013, our people have donated over \$200k to 253 charities, and we have matched this dollar-for-dollar, doubling the impact.

EMPLOYEE COMMUNITY GRANTS

Another way our people are engaged in our social impact journey is via our Employee Community Grants program, through which Teammates can apply for grants to support their chosen community organisations. In FY23, \$40K was allocated to this program, and it was split across 40 randomly selected, employee-nominated organisations. Since 2013, we have funded \$400K in grants to employee-nominated organisations.

VOLUNTEERING

We listened to our Teammates, and in December 2022, adjusted our volunteer leave procedure so Teammates can volunteer anywhere they want (previously they were restricted to a pre-approved list). We've seen a positive increase in participation as a result; from 23 Teammates volunteering 224 hours in FY22 to 89 Teammates volunteering 608 hours in FY23. This time was taken as paid volunteer leave, and spent volunteering at charities including Ronald McDonald House, RSPCA, Foodbank South Australia, Dandelion Support Centre, and Port Philip Eco Centre.

SPOTLIGHT ON THE TOYOTA COMMUNITY TRUST

The Toyota Community Trust (TCT) was established following the closure of Toyota's Australian manufacturing operations as a \$32 million endowment. TCT is a discretionary trust managed by the (voluntary) Directors of Toyota Community Foundation Australia Pty Ltd (TCFA). It is wholly owned by Toyota Australia, but operates as a separate entity.

Directors are appointed for two years by Toyota Australia and currently include:

- Mike Rausa (appointed as the inaugural Director of TCFA in 2017 and reappointed as a Director in 2022)
- John Chandler (previous Vice President at Toyota Finance Australia, appointed as a TCFA Director in 2020)
- Vera Ignjatovic (a leader in paediatric medical research and innovation, who was appointed as a TCFA Director in 2021).

The goal of the Trust is to leave a legacy that would provide long term benefits to the Australian community by encouraging and enabling more young Australians to pursue further study and careers in STEM. The initial focus of support was in the Western suburbs of Melbourne (the former home of Toyota's Australian manufacturing plant), however the Board recognised that it was important to broaden its focus and address STEM challenges at a national level.

TCT currently funds projects that assist students pursuing STEM studies to overcome socioeconomic barriers, and supports teachers to strengthen their STEM teaching skills.

This year, TCT built on previous initiatives to mentor students and invest in the capabilities of STEM teachers. A highlight was funding the In2Science Mentor Leaders Program, that involved aspiring STEM career university students to learn from industry professionals, including from Toyota Australia Teammates' mobility expertise and knowledge.

To facilitate ongoing engagement with TCT's work we also ran our annual Beneficiary Day, which was attended by five organisations that have been granted funding in the last year. The day included a tour of Toyota Australia's design area and a drive experience at the Autodrome, providing people in the STEM education industry the chance to ask questions and build connections.

# Toyota Community Trust

TOTAL GIVEN THIS YEAR

\$830K

## In2Science

\$120,000

Support Mentor Leaders Program – connecting STEM graduate mentors (who volunteer mentor in secondary schools) with their own professional mentors.

## Teach for Australia

\$120,000

Support Leadership Development Program for STEM teachers.

## Little Scientists

\$120,000

Support STEM education facilitator in early learning centres.

## Science Gallery Melbourne

\$120,000

Support First Nations STEM excursion program – high schools visit gallery to learn from First Nations facilitators.

## Western Chances

\$105,448

Provide scholarships to disadvantaged secondary and tertiary students, enabling them to pursue STEM qualifications and professional development.

## Schools Plus

\$100,000

Support low socio-economic primary schools to sustain STEM subject uptake through primary and into high school.

## Smith Family

\$100,000

Support Young Information and Communications Technology (ICT) Explorers Accelerator Program – address digital literacy divide in low socio-economic schools by providing hardware and mentoring.

# Commercial sponsorships with heart

## Beyond our annual contributions, Toyota Australia continued to support the community through several partnerships in FY23, outlined below.

### DOING ‘GOOD FOR’ GRASSROOTS SPORT

Toyota Australia is proud to support grassroots sporting clubs through our ‘Good for’ programs, through which we’ve donated over \$15 million to local footy and cricket clubs since 2008. This year we ran two initiatives under the program:

1. The ‘Good for Footy’ raffle in partnership with the Australian Football League (AFL). 2022 was the first year we ran a single coordinated national raffle, increasing the number of prizes and the funds that could legally be raised. Our aim was to raise \$1 million for 700 AFL clubs, and we managed to raise \$1.05 million for 629 clubs.
2. The ‘Good for Cricket’ raffle in partnership with Cricket Australia. Our goal was to raise \$1 million for 800 cricket clubs, and we managed to raise \$975,000 for 987 clubs. With a 14% increase in sales compared to the previous season, a 26% spike in club involvement and growth across all states, it was our most successful cricket raffle to date.

The key challenges for all fundraising activities are their reliance on time-poor volunteers to drive ticket sales and the rising cost of living which has impacted the discretionary spending of many people in our communities.

### NATIONAL TREE DAY

Toyota Australia has supported Planet Ark’s National Tree Day for a long time – and over the last 20 years we have contributed to the planting of 26 million native plants by millions of Australians. This year was no exception, with 152 Toyota Dealers and 9% of Dealer staff taking part. We promote this event via internal engagement events; however, uptake remains a challenge, and we fell short of our targets of 200 Dealer participants and 20% employee engagement.

### TAMWORTH COUNTRY MUSIC FESTIVAL

At Tamworth Country Music Festival we sold 20,000 hats and pins to raise over \$50,000 for Lifeline New England West, which will help train counsellors for the new crisis centre in Tamworth.

### COWBOYS COMMUNITY FOUNDATION & COWBOYS HOUSE

This year, Toyota Australia continued to support Cowboys Foundation & Cowboys House who provide accommodation in Townsville for Aboriginal and Torres Strait Islander students from disadvantaged North Queensland communities. We also provide Cowboys House with a Toyota Commuter bus to enable transport to and from school for the students, opening up better access to education.

### TOUR DE CURE

Lexus has been proud to partner with Tour de Cure since the charity’s inception in 2007, an organisation which has raised \$108 million to-date for cancer research through inspirational tours and events across Australia.



# Governance

# Data security

Protecting our customers’ personal information is a core part of our responsibility as a business and is essential in maintaining customers’ trust, particularly as we evolve into a mobility company.

We know there are significant benefits to new technologies in our industry, such as connected and automated vehicles, which enable a better driver experience. However, these developments rely on the transfer of large amounts of data across networks – which means our digital infrastructure must be increasingly secure and resilient.

This financial year, we continued to strengthen our overall data management practices and governance in two ways.

Firstly, we established the Data Integrity and Governance (DIG) Committee that is responsible for overseeing our data strategy, standards, expectations, and responsibilities for managing data and information assets. Secondly, we regularly review our policies and procedures to ensure they’re as effective as possible.

Our internal security and infrastructure transformation project also improved the security and reliability of our IT environment through:

- Testing data backup processes
- Bringing our Wi-Fi network up to current standards so it’s more reliable and easier to support
- Introducing a new security scanning tool software
- Moving to a single sign-on verification method for Teammates
- Strengthening the security of vendor access to our online environment
- Continuing to remove unsupported and legacy platforms from our environment.

Toyota Australia manages data privacy and security through a combination of strong policies, strategic activities, stakeholder involvement, risk mitigation, and constant monitoring. This approach ensures that our data protection activities are dynamic, effective, and in sync with the growing world of cyber threats and best practices.

In future, we plan to evolve and strengthen our data privacy and security safeguards. We are prepared to manage the challenges of tomorrow’s digital landscape while keeping the highest standards of data protection by embracing technology, establishing a culture of awareness, partnering with experts and being adaptable.

## DATA COMPLIANCE

When it comes to protecting people’s personal information, we’re aiming to establish data protection that’s both sustainable and of a world-class standard. We recognise the importance of being open and honest with customers about how their information is collected and being used (even when it’s on an aggregated or de-identified basis). We are committed to giving customers the ability to control the collection of their information (for example, by providing the option to opt out of paid connected services). Maintaining our customers’ privacy must always be considered when we develop new products and services both here and globally by TMC.

## OUR POLICIES

Toyota Australia’s data governance policies and procedures support our corporate data protection program. Meanwhile, our publicly available Privacy Policy and Frequently Asked Questions provides our external stakeholders with detailed information about how we collect, use, and disclose personal information in accordance with the Australian Privacy Principles. This includes the requirement to obtain customers’ consent for any sensitive information collected unless we are otherwise allowed or required by law to collect that information.

In FY23, Toyota Australia had zero notifiable data breaches or related complaints.

We continue to improve our framework in place that outlines how any data breaches are investigated, managed, and reported to Australian regulators, which complies with the Notifiable Data Breaches Scheme under the Privacy Act 1988 (Cth).

# Ethics and integrity

## ENSURING INTERNAL COMPLIANCE WITH OUR POLICIES

As legislative requirements intensify in all facets of society, ethical operations are increasingly important to demonstrate. For this reason, we’ve clearly articulated the standards that we uphold in the Toyota Code of Ethics.

Toyota Australia Teammates receive formal Ethical Behaviour training on our Conflict of Interest, Fraud and Corruption Control, Code of Ethics, Whistleblower Protection and Modern Slavery Policies on a two-year rolling basis. This helps to ensure that our Teammates work in line with Toyota Australia’s values and commitments, identify scenarios which would breach our policies, and understand their obligations to disclose where they may have a conflict of interest.

This year, we built on our previous work by delivering training on our Code of Ethics, as well as our Fraud and Corruption Policy. We’ve also commenced uplift activities to raise awareness of policies – ensuring staff access the right information to make accurate, timely and ethical decisions. The Code of Ethics was also promoted in our Policy Month bulletin to all Teammates.

We manage our regulatory and ethical compliance through our Risk and Compliance Committee, which maintains both the risk and compliance registers. Our compliance register monitors suspected and actual reports of non-compliance incidents and tracks their status from actions taken to when investigations are finalised and incidents are closed.

## GOVERNANCE PROGRESS WITHIN THE REPORTING PERIOD

During the last financial year, we conducted a stock take of all Toyota Australia policies, reviewing their content and relevance and making updates as necessary.

## FY23 CODE OF ETHICS TRAINING HIGHLIGHTS



55 management staff completed face-to-face Ethical Behaviour training.



164 of our 165 managers have now completed the training in the last two years.



248 non-managers also completed online Ethical Behaviour training as part of our two-year rolling cycle.

All policies are accessible to Teammates on our intranet – aiming to further drive teammate compliance, accountability, and responsibility.

We are committed to promoting integrity and ethical conduct. If current or former Teammates, dealers and contractors, suppliers, or their family members, have concerns about Toyota Australia’s business conduct, they can contact a third party-operated whistleblower hotline without fear of reprisal.

## IN THE REPORTING PERIOD, TOYOTA AUSTRALIA HAD:

- No investigations required for risks related to corruption in our operations
- No significant corruption-related risks identified
- Zero confirmed incidents of corruption
- Zero confirmed incidents in which employees were dismissed or disciplined for corruption
- Zero confirmed incidents when contracts with business partners were terminated or not renewed due to corruption-related violations
- Zero public legal cases regarding corruption brought against the organisation or our employees during the reporting period.

In the reporting period, Toyota Australia made no political donations, and there were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.

In 2023, a new Toyota Global Code of Conduct will be launched. To complement this new standard, we plan to update our Toyota Australia’s Code of Ethics, which all Teammates will be trained on by the end of the next reporting year.

## Toyota Australia continues to operate in line with the following internal policies:

- Code of Ethics
- Risk Management Policy and Procedure
- Conflict of Interest Policy
- Fraud and Corruption Control Policy
- Health and Wellbeing Policy
- Diversity and Inclusion Policy
- Environment Policy
- Procurement Policy
- Procurement Engagement Policy
- Supplier Use Procedure
- Supplier Minimum Standards
- Modern Slavery Policy
- Whistleblower Protection Policy
- Information Security Management System Policy
- Social Impact Policy
- Ringi (Delegation Authority) Policy

## And is aligned with a range of external charters, standards and principles:

- Occupational Health and Safety (OHS) National Audit Tool for OHS Management Systems certified to AS/NZS ISO 45001:2018
- Environmental Management System ISO14001 (Port Melbourne Office and Altona Toyota Parts Centre)
- Federal Chamber of Automotive Industries (FCAI) Codes of Practice for:
  - Access to Service and Repair Information for Motor Vehicles
  - Conducting an Automotive Safety Recall
  - Motor Vehicle Advertising
  - Recycling of Traction Batteries
  - Automotive Data and Privacy Protection
  - New Vehicle Receiving and Inspection Procedures
  - Electromagnetic Compatibility Code
  - Technical Statement on EV Charging Standards for Public Recharging infrastructure
- Australian Hydrogen Council
  - Social Licence Principles
  - Regulatory Principles
- Self-Insurance (Victoria)

# Compliance

**In an evolving regulatory environment, with greater expectations around sustainability emerging, Toyota Australia continues to provide an industry voice to government, and advocates for policy and investment that will support the transition to a lower-carbon transport sector.**

Working with governments is critical to delivering the safest and most sustainable vehicle mobility for Australians. Our External Affairs team closely monitors policies, issues and developments related to our sector so we can constructively engage with governments. We support governments to enhance road networks through research, connected vehicle trials, road safety initiatives, and through our contribution to policy discussions through Toyota Australia and (FCAI) advocacy (see ‘[Low Carbon Transport](#)’ section for more details).

In FY23, we have continued to engage with government both through our External Affairs department and associations including the Committee for Economic Development of Australia (CEDA), and the Australian Industry Group.

## MANAGING ENVIRONMENTAL RISK

We take care to ensure our operations comply with all applicable regulatory requirements – and the Environmental Management System (EMS) in use across our Corporate Headquarters in Port Melbourne and Toyota Parts Centre in Altona are certified to ISO 14001 standards.

However, since we ceased manufacturing operations in Australia, our risks have changed. The decentralisation of our business operations led to inconsistent application of our policies, as mentioned in the ‘Health, Safety and Wellbeing section’, and a greater reliance on contractors which reduced our internal knowledge base on responsibilities associated with environmental risks.

Having identified room for improvement in our EMS and wanting to make it more relevant for our post-manufacturing operations, we have started updating our EMS in line with ISO 14001. The system will be rolled out across all Toyota Australia operations for the first time, recognising the shared accountability and responsibility that is required across the whole business for environmental risks or incidents.

We also want to equip Teammates to proactively identify and mitigate environmental risk, and level up environmental risk management practices across the board (including by contractors). The new EMS system will be accompanied by a revamped Environment Policy, updated procedures for all Toyota Australia operations, and a network of EMS reps in place across the business. We anticipate this all to be rolled out in FY24.

In November 2022, there was one reportable incident: a diesel spill on an internal road at Altona on Dohertys Road. No definitive cause could be found, the spill was cleaned up with no impact to nearby Kororoit Creek, and the Environmental Protection Authority was notified.

## MODERN SLAVERY

For detail on how we manage modern slavery risk, please refer to our latest [Anti-Modern Slavery Statement](#), and our ‘Spotlight on Modern Slavery’ in the ‘Our partners’ section of this report.

# Appendix





# Data tables

## Reducing our environmental impact

Sales of hybrid and zero tailpipe emissions vehicles (Toyota and Lexus combined)

SOURCE	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Hybrid Sales	11,135	16,102	38,139	60,699	73,027	69,126
Total Sales	229,258	223,096	215,722	220,403	234,080	221,273
Hybrid % of total sales	4.9%	7.2%	17.7%	27.5%	31.1%	31.2%
BEV* vehicles #	0	0	0	0	72	68
FCEV^ vehicles #	0	0	0	15	17	9

\* New to 2021/22 with introduction of Lexus UX 300e Battery Electric Vehicle (BEV).  
^ Hydrogen Fuel Cell Electric Vehicle (FCEV) Mirai figure includes sales to large fleet customers, Toyota Australia’s company fleet and KINTO.

GRI 302-1 Solar power generation (kWh)

LOCATION	2020/21	2021/22	2022/23
Sydney Toyota Parts Centre	795,985*	1,065,921	1,678,900
Brisbane Toyota Parts Centre	76,711	74,765	60,745
Altona Centre of Excellence	669,516	705,708	797,309
TOTAL	1,542,212	1,846,394	2,536,954

\* Estimated generation using 2018 and 2019 monthly average from August to March. The amount has been estimated due to issues with on-site monitoring equipment preventing accurate data collection. COVID-19 restrictions meant that work to repair data loggers was unable to take place for up to six months.  
\*\* ERO Moorebank is a leased site, therefore the solar power generated is not included in the total reported.

GRI 305 -1, 305-2 & 304-3 Greenhouse gas emissions (tCO<sub>2</sub>-e)

SOURCE	2017/18*	2018/19	2019/20	2020/21	2021/22	2022/23
Scope 1	33,066	9,836	9,431	10,826	11,877	6,855
Scope 2	57,588	13,306	13,947	12,083	11,921	10,634
Scope 3	17,039	71,607	50,484	99,691	100,358	103,030**
TOTAL	107,693	94,749	73,862	122,601	124, 156	120,519

\* From FY14–FY18, Toyota Australia 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, Toyota Australia no longer meets the NGER Act reporting threshold. This table reflects the baseline.  
\*\* Please see the “Emissions sources inclusion table Emissions sources inclusion table” below for more details.

GRI 305 FY23 emissions sources inclusion

	INCLUDED	PLANNED	OMITTED
Scope 1	Fuels combustion Fugitive emissions (Refrigerants)		
Scope 2	Purchased electricity		
Scope 3	Capital goods Fuel and energy related activities Upstream and downstream transport and distribution Waste generation Business travel Employee commuting (in non-fleet vehicles)^ Upstream leased assets*	Purchased goods and services^^ Use of sold products End-of-life treatment of sold products Franchises (dealerships)	Processing of sold products** Investments***

Downstream Transportation and Distribution is not in scope as TMCA are responsible for all transport and distribution to customers, therefore emissions are captured in Scope 3, Category 4: Upstream Transportation and Distribution.  
^ Estimated using state-based commuting assumption  
^^ Goods and services – calculated this year but excluded from disclosure due to refinement process – to be included in Sustainability Report 2024  
# Estimated using Climate Active framework for state-based assumptions.  
\* Upstream Leased Asset emissions had been included within the emissions boundary in previous reports. Its inclusion was triggered in the initial boundary assessment as TMCA leases assets from third parties. The emissions of these leased assets, however, have been captured in Scope 1 & 2 of the FY23 and previous years’ inventories as the operational control is used as the consolidation approach for the GHG inventory. \*\* Omitted as not applicable so not in scope of Toyota Australia’s organisational boundary.  
\*\*\* Within scope but no owned investments by Toyota Australia.

## Reducing our environmental impact continued

GRI 306 – 4  
FY23 waste diverted from landfill by composition

TYPE	TOTAL (TONNES)
Paper/cardboard Recycling	576
Soft plastics	186
Comingled Recycling	198
Wood recycling	8,400
TOTAL	9,360

GRI 306 – 5  
FY23 waste disposed by composition

TYPE	TOTAL (TONNES)
General waste to landfill	1,480
Organics	26
Inert mixed waste	473
Hazardous waste	13
Wood waste	609
TOTAL	2,601

## Customer safety and quality

GRI 303-3 FY23 recalls breakdown  
In the reporting year there were 11 recall campaigns in total.

CAMPAIGN #	BRAND	UNITS AFFECTED	DATES
XGG20 mechanical safety issue with shock absorber, potential for loss of vehicle control	Lexus	371	26 April 2022
XGG17 software multi-media safety issue, potential for driver distraction	Lexus	1,122	26 April 2022
XGG22 software safety issue with Vehicle Stability Control system, potential for loss of vehicle control	Lexus	662	26 April 2022
XGG22 software safety issue with Vehicle Stability Control system, potential for loss of vehicle control	Toyota	18,347	26 April 2022
XGG05 manufacturing issue with seat-frames not complying with Australian Design Rules, increase risk of injury to rear seat passengers in event of collision	Toyota	5,417	15 June 2022
XGG50 software safety issue, Lane Trace Assist (LTA) steering feature may not operate as intended, may reduce level of maintaining vehicle position in centre of lane	Lexus	1,937	7 Sept 2022
XGG53 software issue in the Body Control Module (BCM) affecting headlamps, does not comply with Australian Design Rules	Lexus	1,972	12 Sept 2022
XGG56 software issue, the Electronic Parking Brake (EPB) may not operate as intended	Lexus	958	12 Sept 2022
XGG60 software error, during sudden acceleration the Hybrid System may fail to engage a safety feature	Toyota	298	17 Oct 2022
XGG73 manufacturing defect, the front passenger and driver seat belt service parts used as replacements on certain vehicles may not operate as intended	Toyota	16	21 Nov 2022
XGG71 design of the fuel tank vent tube assembly, possibility it could develop a stress related crack and fuel leak over time	Lexus	14,270	12 Dec 2022
TOTAL		45,370	

# Our Teammates

GRI 2-7 & 2-8 Workforce overview at 31 March 2023

EMPLOYMENT TYPE	FTE			EMPLOYEE HEADCOUNT		
	MALE	FEMALE	UNSPECIFIED	MALE	FEMALE	UNSPECIFIED
Part-time employees	5	25	-	8	34	-
Full-time employees	1083	430	1	1083	430	1
Part-time contractors	2	4	-	3	5	-
Full time contractors	84	30	-	84	30	-
TOTAL HEADCOUNT*	1174	489	1	1178	499	1

\* 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, 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.

GRI 2-7 Employment by type at 31 March 2023\*

EMPLOYMENT TYPE	FTE			EMPLOYEE HEADCOUNT		
	MALE	FEMALE	UNSPECIFIED	MALE	FEMALE	UNSPECIFIED
Permanent	949	380	1	951	389	1
Fixed term	114	69	-	115	70	-
Contract	86	34	-	87	35	-

\* These figures do not include employees who are on leave of longer than eight weeks, apprentices, tour guides, expatriates and inpatriates.

GRI 405 – 1 Percentage female employees by category

		2019/20	2020/21	2021/22	2022/23
Exec	Board	0%	0%	0%	0%
VP	Vice Presidents	0%	0%	0%	0%
M1	General Managers	13%	14%	16%	31%
M2	Senior Managers	23%	22%	27%	24%
M3	Managers	20%	19%	21%	25%
P1	Senior Professionals	29%	31%	32%	32%
P2	Professionals	48%	50%	51%	49%
All others	Staff (other levels including contractors)	24%	17%	29%	19%
TOTAL		29%	28%	29%	30%

GRI 401-1 Total new employees hired during the reporting period

REGION	FTE	HEADCOUNT
Male employee	94	94
Male contingency	28.63	29
Female employee	63.74	64
Female contingency	14.6	15
TOTAL	200.97	202

# Our Teammates continued

GRI 2-7 Employees by location (excluding contractors)

BY LOCATION	FEMALE	MALE	UNSPECIFIED	TOTAL
Expats	3	11	-	14
NSW	41	169	-	210
NT	1	6	-	7
QLD	17	112	-	129
SA	7	22	-	29
VIC	395	772	1	1168
TOTAL	464	1092	1	1557

GRI 401-3 Parental leave taken by gender

2022/23			
FEMALE	MALE	UNSPECIFIED	TOTAL
30	56	1	87

GRI 401 Employee engagement and enablement survey results (% favourable)

BY LOCATION	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Engagement	78	79	78	81	82	76
Target	74	78	79	78	81	82
Enablement	66	67	65	70	72	68
Target	64	68	69	65	70	71
Response rate %	-	-	85	95	93	92

GRI 403 - 9 Work-related injuries

	2021/22	2022/23
Lost Time Injury*	16	15^
Disease	0	0

\*Work injury resulting in the inability to work for at least one rostered working day or shift after an incident. Neither of these injuries are a category 1 or 2 injury.

Note: Prior to 2022 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.

^Warehouse has conducted the refresher for manual handling training, and it has helped to reduced the LTI. However, SRCS operations has started the operations around Oct 2022 and it has contributed some LTI. Most of LTI comes from TMCA operational areas (TCON/TPC/PPD/SRCS).

Our partners

GRI 204 Number of suppliers

BY LOCATION	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Service parts and accessories	100	134	135	95	71	72	62
Other goods and service	1513	1800	1531	1361	1127	1174	1189
TOTAL	1613	1934	1666	1456	1198	1246	1251

GRI 204-1 Supplier spend (\$ billion)

BY LOCATION	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Service parts and accessories	0.3	0.4	0.3	0.3	0.3	0.3	0.3
Other goods and service	0.9	0.9	0.9	0.9	0.8	0.8	0.9
TOTAL	1.2	1.3	1.2	1.2	1.1	1.1	1.2

GRI 204-1 Proportion (%) of suppliers based in Australia

Breakdown per state	%
% in Victoria	54%
% in New South Wales	30%
% other	16%
TOTAL	93%

Dealer Satisfaction Index

	2019/20	2020/21	2021/22*	2022/23
Toyota	8.5	8.5	8.4	8.1
Lexus	9.1	9.1	8.5	9.1

\*Note: correction of figures for 2021/22 period.

Our community

GRI 201-1 Profits, sales and taxes paid (includes Toyota and Lexus vehicles)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Net profit after tax (million)	137	206	129	332	249.5	137
Sales (number)	229,258	223,096	215,733	220,403	234,090	217,069
Net sales ( billion)					10.1	9.7
Tax paid (million)					95.7	103

GRI 201-1 Community contributions (\$ million)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Toyota community activities	1.6	1.6	2.2	1.91	2.46	2.64
Toyota Community Trust	0.2	0.9	0.6	0.75	0.93	0.83
TOTAL	1.8	2.5	2.8	2.66	3.39	3.47

GRI 413-1 Community contributions by category (\$)

	2019/20	2020/21	2021/22	2022/23
Environment	\$8,000	\$0	\$0	\$0
Road Safety	\$350,000	\$350,000	\$350,000	\$350,000
Education	\$1,141,000	\$1,199,000	\$1,229,000	\$980,000
Health & human services	\$573,000	\$370,000	\$320,000	\$200,000
Civic & community	\$100,000	\$108,000	\$853,000	\$1,112,000
Other (TSSC & matched giving, regions)	\$640,000	\$640,000	\$640,000	\$830,000
TOTAL	\$2,812,000	\$2,667,000	\$3,392,000	\$3,472,000

GRI 413-1 Community contributions: Volunteer leave

2021/22		2022/23	
People	Hours	People	Hours
23	224	89	608



# External engagement

## GRI 201-4 Financial assistance received from the government

2017/18	2018/19	2019/20	2020/21*	2021/22	2022/23
\$36.347M	\$12.491M	\$1.714M	\$20.912M	\$1.513M	\$0

\* 2020/21 includes \$18 million in JobKeeper payments, which Toyota Australia has since returned to the Federal Government

## POLITICAL LOBBYING

Toyota is apolitical and does not make political contributions.

# Information on Directors

## GRI 2-9

The qualifications, experience and responsibilities of Toyota Australia’s current Directors are detailed below.

NAME & QUALIFICATIONS	EXPERIENCE	CURRENT ROLE
<b>Matthew Callachor</b> Bachelor of Business, Marketing	<ul style="list-style-type: none"><li>Joined Toyota Australia in 1982. Worked as National Sales &amp; Marketing Executive Director. Formerly General Manager of Lexus Planning Division, Lexus International. Vice President, Toyota Australia (1/6/2016 – 31/12/2017)</li><li>Director – Federal Chamber of Automotive Industries (FCAI) (effective 1/1/2018), appointed Chairperson on 27/5/2020</li><li>Director – Toyota Finance Australia Ltd (effective 2/11/2017) and SCT Pty Ltd (effective 1/1/2018)</li><li>Non-Executive Director – Toyota New Zealand Ltd (effective 1/7/2020)</li></ul>	<ul style="list-style-type: none"><li>President and Chief Executive Officer (effective 1/6/2018)</li></ul>
<b>Akitoshi Takemura</b> Bachelor of Foreign studies, Major in Arabic Diploma of Executive Management Program	<ul style="list-style-type: none"><li>Joined TMC in 1994. Worked as Head of Toyota operation – Lexus India at Toyota Kirloskar Motor India (01/01/2014 – 31/12/2017)</li><li>Formerly, General Manager in Middle East &amp; Central Asia Division (01/06/2018 – 31/12/2021)</li></ul>	<ul style="list-style-type: none"><li>Chair Toyota Motor Corporation Australia</li><li>Chair and Toyota Motor Corporation Regional CEO (effective 1/1/2022)</li></ul>

NAME & QUALIFICATIONS	EXPERIENCE	CURRENT ROLE
<b>Michael Rausa</b> Bachelor of Engineering (Mechanical)	<ul style="list-style-type: none"><li>Joined Toyota Australia in 1985. Formerly Senior Vice President of Purchasing in TMAPEM, General Manager in Purchasing Division, Divisional Manager of Product Development Division, Senior Divisional Manager of Purchasing &amp; Engineering, Production Control and Quality Divisions, Executive Director Corporate Services (to 31/12/2017), Vice President – Product &amp; Corporate Operations (to 31/12/2019), Vice President – Regional and Guest Operations (to 31/12/2021)</li><li>Director – Toyota New Zealand Limited (Non-resident) (to 30/06/2020), Hydrogen Mobility Australia Pty Ltd (to 31/08/2020), SCT Pty Ltd Company Secretary (to 31/12/2019)</li></ul>	<ul style="list-style-type: none"><li>Vice President, Guest, Aftersales &amp; Finance Operations (effective 01/04/2021)</li><li>Chair, Toyota Community Foundation Australia Pty Ltd (effective 2017)</li><li>Director, SCT Pty Ltd (effective 1/01/2020)</li><li>Director/Chair, Revolution Pty Ltd (effective 01/04/2020)</li></ul>
<b>Sean Hanley</b>	<ul style="list-style-type: none"><li>Joined Toyota Australia in 1989. Held various Toyota management &amp; executive positions within regional operations, new vehicle sales, parts &amp; accessories, and regional management in locations around Australia</li><li>Formally Chief Operating Officer – Lexus Australia (2013), Vice President – National Sales &amp; Marketing Operations (to 31/3/2021)</li></ul>	<ul style="list-style-type: none"><li>Vice President, National Sales &amp; Marketing &amp; Franchise Operations (effective 1/1/2021)</li></ul>
<b>John Pappas</b> Bachelor of Engineering (Mechanical)	<ul style="list-style-type: none"><li>Joined Toyota Australia in 1997. Formerly, General Manager of National Sales and National Marketing, Vice President of Information &amp; Digital Services Operations in (effective January 2022)</li><li>Area Operations General Manager (Singapore / Brunei) and Sales &amp; Marketing Regional Fleet General Manager, TMAP-MS (2015-2016)</li></ul>	<ul style="list-style-type: none"><li>Vice President, Information, Digital &amp; Corporate Services Operations (effective 01/01/2023)</li><li>Chief Executive, Lexus Australia (effective 1/1/2022)</li><li>Director – Toyota Finance Australia Ltd (effective March 2022)</li></ul>
<b>Kane (Takayuki) Kanno</b> Bachelor of Business Accounting	<ul style="list-style-type: none"><li>Joined TMC in 1999. Worked in Product Planning division and Global Lexus Products (1/4/1999 – 31/12/2008)</li><li>Executive Coordinator at Toyota Motor Sales USA (1/1/2009 – 31/12/2012)</li><li>Group Manager in Product Planning at TMC. (1/1/2013 – 31/03/2016), in Lexus brand management (1/4/2016 – 30/11/2017)</li><li>Worked as Project Manager in Secretariat Division (1/12/2017 – 31/3/2018). Worked as Project General Manager in Middle East &amp; Central Asia Division (1/4/2018 – 31/12/2021)</li></ul>	<ul style="list-style-type: none"><li>Vice President of New Business Solutions &amp; Product Planning Operations</li><li>Chief Coordinating Executive (effective 1/1/2022)</li></ul>

GRI index

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	The organisation and its reporting practices		
	2-1	Organisational details	P17
	2-2	Entities included in the organisation's sustainability reporting	P08
	2-3	Reporting period, frequency and contact point	P09
	2-4	Restatements of information	N/A
	2-5	External assurance	P111
	Activities and workers		
	2-6	Activities, value chain and other business relationships	P19
	2-7	Employees	P59
	2-8	Workers who are not employees	P63 and 97
	Governance		
	2-9	Governance structure and composition	P24
	2-11	Chair of the highest governance body	P25
	2-12	Role of the highest governance body in overseeing the management of impacts	P25
	2-13	Delegation of responsibility for managing impacts	P25
	2-15	Conflicts of interest	P86
	2-19	Remuneration policies	P63
	2-20	Process to determine remuneration	P63
	2-21	Annual total compensation ratio	P100

GRI STANDARD	DISCLOSURE		LOCATION
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	P11
	2-23	Policy commitments	P88
	2-24	Embedding policy commitments	P87
	2-26	Mechanisms for seeking advice and raising concerns	P87 and 70
	2-27	Compliance with laws and regulations	P87
	2-28	Membership associations	P89
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	P27
GRI 3: Material Topics 2021	3-1	Process to determine material topics	P33
	3-2	List of material topics	P33
GRI 201 Economic Disclosures	201-1	Direct economic value generated and distributed	P74
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	P71
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	P88
	205-2	Communication and training about anti-corruption policies and procedures	P87
	205-3	Confirmed incidents of corruption and actions taken	P87
GRI 206: Anti competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	P87



GRI index continued

GRI STANDARD	DISCLOSURE		LOCATION
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	P48
	305-2	Energy indirect (Scope 2) GHG emissions	P48
	305-3	Other indirect (Scope 3) GHG emissions	P48
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	P42
	306-2	Management of significant waste related impacts	P42
	306-4	Waste diverted from disposal	P95
	306-5	Waste directed to disposal	P95
GRI 308: Supplier a Assessment 2016	308-1	New suppliers that were screened using environmental criteria	P71
	308-2	Negative environmental impacts in the supply chain and actions taken	P71
GRI 403: Occupational Health and Safety 2018	401-1	New employee hires and employee turnover*	P97
	401-3	Parental leave	P65
	403-1	Occupational health and safety management system	P59
	403-2	Hazard identification, risk assessment, and incident investigation	P59
	403-6	Promotion of worker health	P60
	403-8	Workers covered by an occupational health and safety management system	P59
	403-9	Work-related injuries	P100
	403-10	Work-related ill health	P100
	404-2	Programs for upgrading employee skills and transition assistance programs	P60
	404-3	Percentage of employees receiving regular performance and career development reviews	P60

GRI STANDARD	DISCLOSURE		LOCATION
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	P99
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	P68
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	P71
GRI 415: Public Policy	415-1	Political contributions	P87
GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	P55
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	P55 and P96
GRI 417: Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	P56
	417-3	Incidents of non-compliance concerning marketing communications	P56
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	P88

# 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 2023 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 2022 to 31 March 2023, unless stated otherwise in the text. This work was performed using Materiality Counts’ assurance methodology to AA1000AS v3, AccountAbility’s Assurance Standard issued in August 2020.

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 AA1000 AccountAbility Principles (AA1000AP, 2018):

- Adherence to the AA1000AS v3 principles of materiality, inclusivity, responsiveness and impact.
- Reliability of performance information for material issues (ranked high: “highest impact”): low carbon transport transition, product safety and quality, vehicle life cycle and waste management and data privacy and security.

## 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 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 2023 Sustainability Report adheres to the AA1000AS v3 principles of materiality, inclusivity, responsiveness and impact and reports reliable performance information, based on the limitations outlined above, for 1 April 2022 to 31 March 2023. 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: External stakeholder engagement in the materiality process, via interviews with the local council, suppliers, dealers, a customer and the Toyota Community Trust
- Inclusivity principle: Internal stakeholder assessment of the material topic longlist, materiality matrix and material issue prioritisation via an internal materiality workshop
- Responsiveness principle: Clear basis for the Report, providing strong connectivity between stakeholder views and Report content in What matters to us and About this report
- Impact principle: Consideration of impact in the materiality process through the questions asked of stakeholders in their interviews and via the survey completed
- Performance information: Balanced reporting, including completeness on recall campaigns and honest narrative on which scope 3 emissions cannot yet be reported and why.

## Areas for improvement:

- Materiality principle: Explanation of quantitative issue rankings allocated as part of the materiality process, in particular the progression from stakeholder interviews, survey responses, desktop review and materiality workshop to issue positions in specific quadrants on the consolidated materiality matrix
- Inclusivity principle: Continuous improvement in external stakeholder interviews to also include different levels of government, TMC and affiliates, interest groups and industry bodies
- Responsiveness principle: Invitation of stakeholder feedback on Report coverage of what is most important to them, via the materiality process and noted in the Report, About this report
- Impact principle: Provision of more granularity on stakeholder rankings of Toyota Australia’s impact in relation to each issue and how it feeds into the quantitative materiality results
- Performance information: Clarity of reporting, such as the distinction between TMC and Toyota Australia’s roles, for example TMC’s responsibility for vehicle design. This also applies to the difference between scope 1, 2 and 3 emissions, often complex for Report users, for example how employee commuting can result in both scope 1 and scope 3 emissions and why.

Materiality Counts congratulates Toyota Australia on its continued commitment to sustainability reporting with this, its 17th Sustainability Report.



**JO CAIN,**  
**EXECUTIVE DIRECTOR, MATERIALITY COUNTS,**  
23 February 2024, 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.



## COPIES OF THE REPORT

The 2023 Sustainability Report can be viewed online at [www.toyota.com.au/sustainability](http://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 contact us [here](#).

## CONTACT

### Head Office

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