

# TOYOTA MOTOR PHILIPPINES CORPORATION



*Towards an  
Ever Better Tomorrow*

2018 SUSTAINABILITY REPORT

# ABOUT THE REPORT

This report showcases Toyota Motor Philippines Corporation's (TMP) accomplishments and initiatives in promoting sustainable growth not only for the company but also for the society.

Aligned with the Toyota Global Vision announced in March 2011, the contents of the report are arranged according to the three elements of the Toyota Visionary Statement:

- Always Better Cars;
- Enriching Lives of Communities; and –
- Stable Base of Business.

This report also gives an overview about TMP's Marketing and Manufacturing operations, as well as the company's environmental initiatives, CSR activities, and financial performance.

## PERIOD COVERED

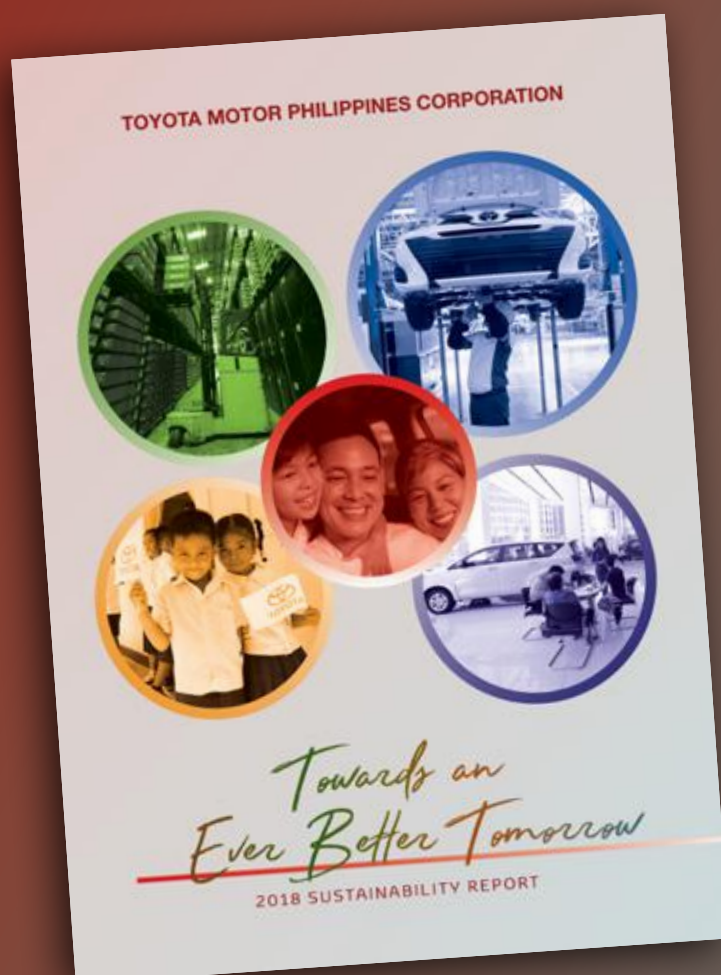
This report covers highlights of TMP's 2016 and 2017 initiatives.

For some company information on products, dealer network and major milestone events, the status update as of October 2018 has been included.

This report is available in digital version only, which can be accessed in TMP's website ([www.toyota.com.ph](http://www.toyota.com.ph)).

## SCOPE OF REPORT

The report contains TMP's initiatives with mention of its dealers and suppliers, as well as Lexus dealership operations.



## ABOUT THE COVER

The cover shows representations of TMP's various stakeholders – our employees, suppliers, dealers, customers and the society. This illustrates how TMP drives its entire value chain in contributing ***“Towards an Ever Better Tomorrow.”***

TMP believes that growth and progress can only be attained with each member working towards a common goal. Being in the business of providing mobility solutions, TMP, together with its suppliers and dealers, commits to provide better products and better customer service in the years to come. As we grow further, we will remain steadfast in ensuring to always give back towards the upliftment of society.

# 2018 SUSTAINABILITY REPORT

## “Towards an Ever Better Tomorrow”

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# MESSAGE FROM THE PRESIDENT

***“...we shall move as a company in steady cadence to achieve our aspirations in creating a better future for society.”***



As 2018 marks TMP's 30<sup>th</sup> Anniversary, we look back to our company's rich history marked with victories and challenges. While this report covers achievements in the past 2 years (2016 and 2017), you will find that the initiatives discussed here are very much aligned with our advocacy to better serve our customers and to further strengthen Toyota's value chain in the country, in support of developing the Philippine automotive manufacturing industry.

With continued trust from our customers, Toyota's sales performance remains stellar as manifested in our achievement of the Triple Crown status in the country for 16 consecutive years, as well as attainment of Top 9 ranking among Toyota's distributors globally in the past few years. Of course, these achievements were only made possible through the strong support of our different stakeholders in the value chain with whom TMP is truly grateful!

Our strong relationship with each member of our value chain drives TMP to always look for ways to become better as an organization. As we continue with our business operations in the years to come, we shall endeavor to further create a positive impact – giving added value to our customers and enriching the lives of many more Filipinos. As our 30<sup>th</sup> Anniversary theme explicitly expresses, we shall continue to provide “Always Better Cars, Always Better Lives”.

With such a commitment, we shall move as a company in steady cadence to achieve our aspirations in creating a better future for society. While challenges are sure to come our way, I firmly believe that our passion for continuous improvement and the support of all our stakeholders will help see us through and ensure realization of our goals.

**SATORU SUZUKI**

# Toyota Global Vision

The 'Toyota Global Vision' announced in March 2011, is in articulation of what kind of company we want to be — what kind of company we ought to be. It clarifies our value, "we want Toyota to be a company that customers choose and brings a smile to every customer who chooses it." The 'Toyota Global Vision' is a distillation of our resolve at Toyota for the future.

## Rewarded with a smile

by exceeding your expectations

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Through our commitment to quality, constant innovation and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

We will meet challenging goals by engaging the talent and passion of people, who believe there is always a better way.

## Backdrop and Progress

In the backdrop of this vision, there is our fall into the red after the Lehman Brothers collapse, as well as our reflection over a series of quality problems.

To unite all Toyota together to advance our efforts for the recovery of business performance, we came to realize the necessity of having a dream or a path that we should take that all people who work for Toyota could have in common, one that would define what kind of company we want to be — what kind of company we should be.

We also keenly felt the importance of making what kind of company we are and what kind of values we hold known to all customers. Based on our ideal for Toyota, the members of our team gathered to discuss and finalize the vision. This is a distillation of our resolve at Toyota.

## Toyota Visionary Management

The image of a tree has been chosen to symbolize the Toyota Global vision — its "roots to fruits."

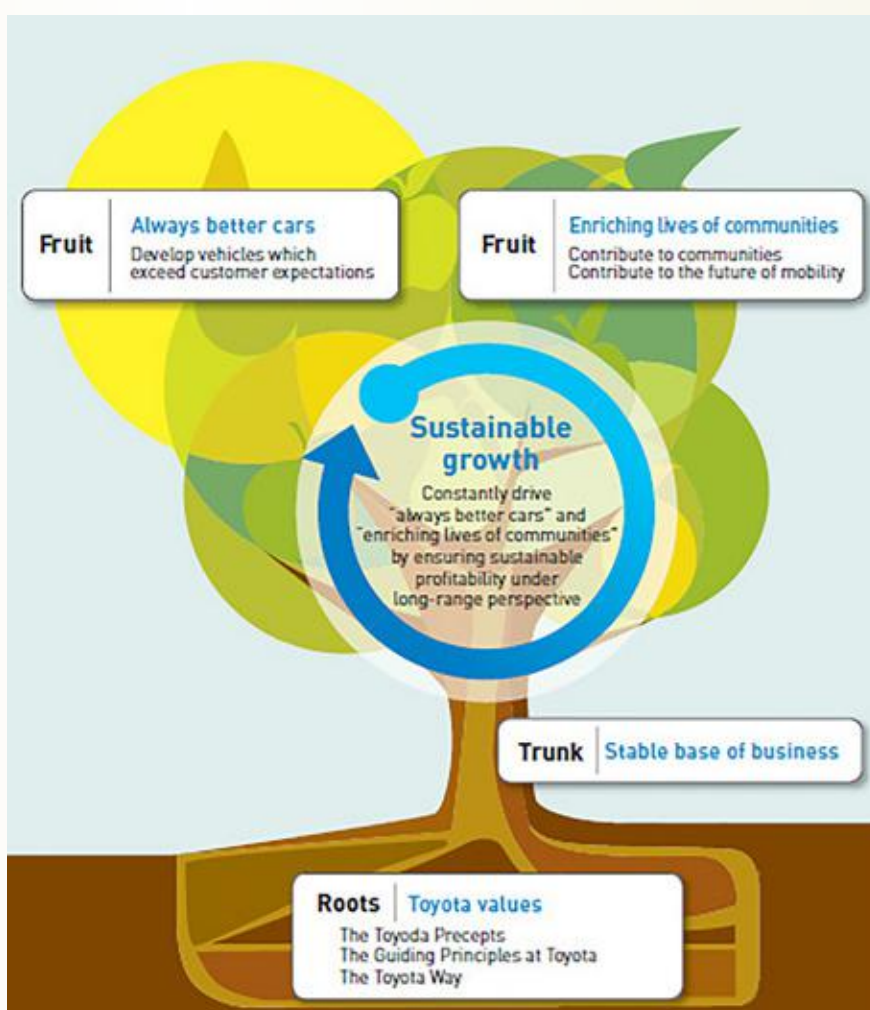
The roots of the tree are the shared values that have steered Toyota from the beginning and that have underlain our *monozukuri*. They are values expressed in the Toyota Precepts, in the Guiding Principles at Toyota, and in the Toyota Way, which are the bases of our business.

The "fruit" that Toyota provides for customers is creating "always better cars" and enriching lives in communities.

Through the efforts, we aim to become an admired and trusted company in the various regions where we conduct businesses.

The "trunk" of the tree, the underlying support for Toyota's creation of products that earn smiles from our customers, is the stable base of our business.

Toyota's business activities are based on the concept of ensuring sustainable growth by fostering the virtuous circle, **Always better cars → Enriching lives of communities → Stable base of business.**





# THE BUSINESS OF TOYOTA



*New facade of TMP's main building and head office in Santa Rosa, Laguna*

## CORPORATE PROFILE

TMP is the largest automotive company in the country, with the widest vehicle line-up of 20\* Toyota models. It has 68\* dealers nationwide, including Lexus Manila, Inc.

TMP was incorporated on August 3, 1988 as a joint venture of the following business entities:

- A.) GT Capital Holdings, Inc. (51%)
- B.) Toyota Motor Corporation (34%)
- C.) Mitsui & Co., Ltd. (15%)

TMP's head office and manufacturing plant are located inside the 82-hectare Toyota Special Economic Zone (TSEZ) in Santa Rosa City, Laguna. TSEZ is also home to a number of investors performing strategic roles in the manufacture and export of automotive products to ASEAN, Japan and other parts of the world. The Marketing Office of TMP is located at the 28<sup>th</sup> and 31<sup>st</sup> floors, GT Tower International, Makati City.

TMP currently produces the best-selling Innova and Vios. Its existing manufacturing plant has the capacity to produce over 55,000\* units per year on two-shift production operations.

TMP operates with ten (10) organizational units: Marketing, Manufacturing, Production Control & Logistics, General Administration, Comptrollership, Treasury, Purchasing, Corporate Affairs, Vehicle Logistics and Affiliate Operations Support & Audit.

The company has over 1,800-strong workforce, composed of office and production Team Members.



## OUR VISION

To be the No.1 automotive company where GREAT PEOPLE work as a TEAM to provide the BEST products and service to our CUSTOMERS

## OUR MISSION

Driven by the will to serve, we, hereby, commit ourselves:

- To dominate our markets through dynamic selling and timely delivery of attractive products, with excellent customer service and continuous product improvement.
- To produce vehicles and components of outstanding quality, using advanced technology, continuously improving methods and environment-friendly processes while maintaining safe working conditions.
- To sustain Company profitability, stability, productivity, and growth by efficiently engaging in effective financial and resource management for the collective gain of the Toyota Family and the society we serve.
- To sustain Team Members' morale and productivity by developing their full potential and total well-being, and by establishing mutual trust, mutual responsibility and harmony through open communication.

\*as of October 2018

# TOYOTA PRODUCT LINE-UP

\*as of October 2018

## PASSENGER CARS

### Sub-compact

*Vios*



### Low-Cost

*Wigo*



### Compact

*Corolla Altis*



### Hatchback

*Prius c*



### Medium

*Camry*



### Performance

*86*



*Prius*



*Yaris*



## COMMERCIAL VEHICLES

### Multi-Purpose

*Innova*



*Avanza*



### Sports Utility

*Rav4*



*Rush*



*FJ Cruiser*



*Fortuner*



### Pick-Up

*Hilux*



*Land Cruiser*



*Prado*



### Utility Van

*Alphard*



*Hiace*



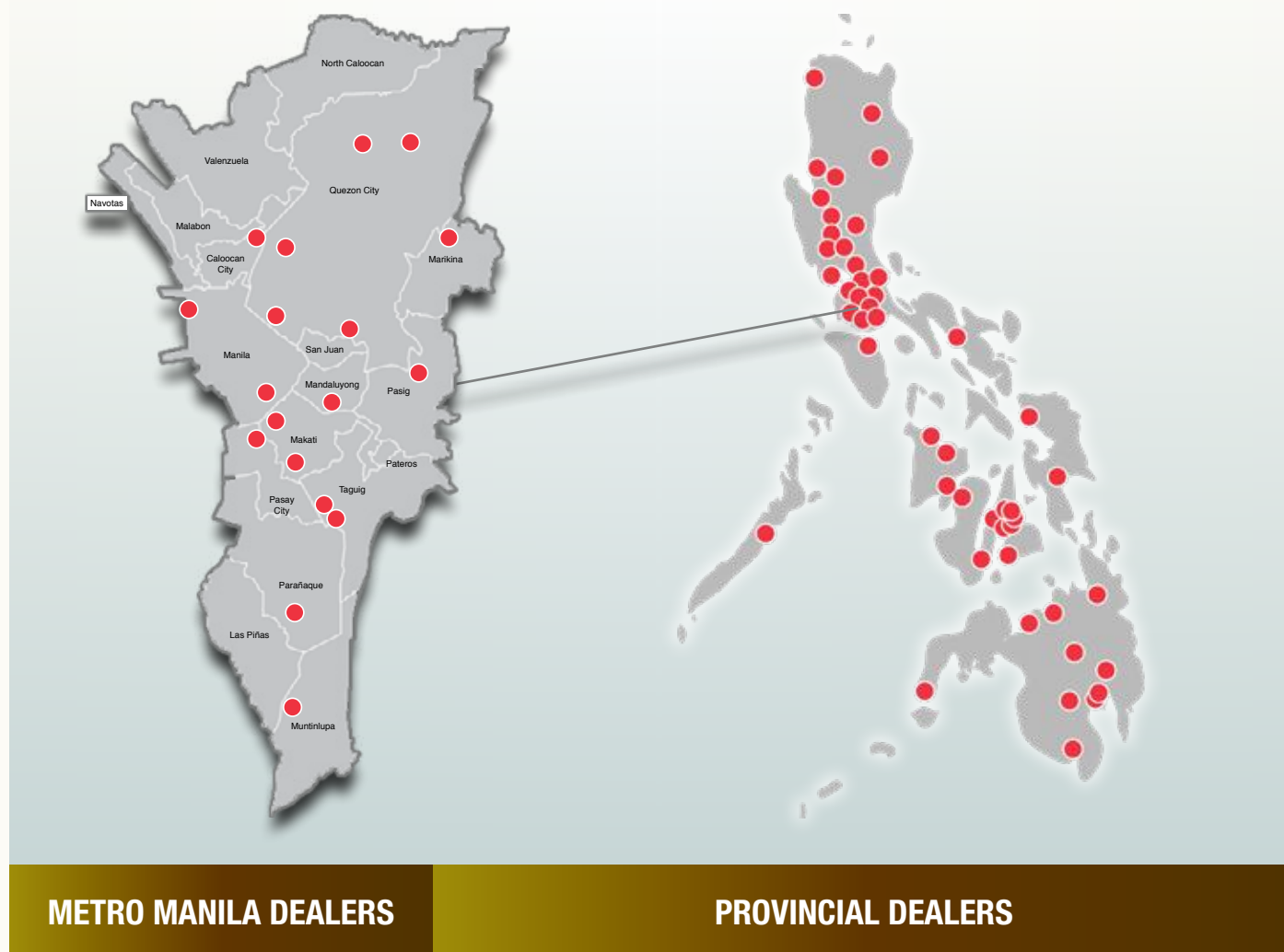
### Bus

*Coaster*



## DEALER NETWORK: Total of 68

\*as of October 2018



### METRO MANILA DEALERS

### PROVINCIAL DEALERS

1. Toyota Abad Santos, Manila
2. Toyota Alabang, Inc.
3. Toyota Balintawak, Inc.
4. Toyota Bicutan, Parañaque
5. Toyota Commonwealth, Inc.
6. Toyota Cubao, Inc.
7. Toyota Fairview, Inc.
8. Toyota Global City, Inc.
9. Toyota Makati, Inc.
10. Toyota Manila Bay Corp.
11. Toyota Marikina Service Station
12. Toyota North EDSA
13. Toyota Otis, Inc.
14. Toyota Pasig
15. Toyota Pasong Tamo, Inc.
16. Toyota Quezon Avenue, Inc.
17. Toyota Shaw, Inc.
18. Lexus Manila, Inc.

1. Toyota Aklan, Inc.
2. Toyota Angeles, Pampanga, Inc.
3. Toyota Bacoar, Cavite, Inc.
4. Toyota Baguio City
5. Toyota Bataan, Inc.
6. Toyota Batangas City, Inc.
7. Toyota Butuan City
8. Toyota Cabanatuan City, Inc.
9. Toyota Cagayan De Oro City, Inc.
10. Toyota Calamba, Laguna, Inc.
11. Toyota Calapan City
12. Toyota Calbayog, Samar
13. Toyota Camarines Sur, Inc.
14. Toyota Cebu City, Inc.
15. Toyota Dagupan City, Inc.
16. Toyota Dasmariñas-Cavite
17. Toyota Davao City, Inc.
18. Toyota Dumaguete City
19. Toyota General Santos, Inc.
20. Toyota Iloilo, Inc.
21. Toyota Ilocos Norte
22. Toyota Iligan City
23. Toyota Isabela, Inc.
24. Toyota Kidapawan City
25. Toyota Lapu-Lapu, Cebu
26. Toyota La Union

27. Toyota Lipa, Batangas, Inc.
28. Toyota Mabolo, Cebu, Inc.
29. Toyota Mandaue North, Cebu
30. Toyota Mandaue South, Cebu
31. Toyota Marilao, Bulacan, Inc.
32. Toyota Negros Occidental  
(formerly Toyota Bacolod City)
33. Toyota Matina Davao, Inc.
34. Toyota Plaridel, Bulacan
35. Toyota Puerto Princesa City, Inc.
36. Toyota Roxas City
37. Toyota San Fernando,  
Pampanga, Inc.
38. Toyota San Jose del Monte,  
Bulacan
39. Toyota San Pablo, Laguna, Inc.
40. Toyota Santa Rosa, Laguna, Inc.
41. Toyota Silang, Cavite
42. Toyota Tacloban, Leyte, Inc.
43. Toyota Tagbilaran City
44. Toyota Tagum City
45. Toyota Talisay, Cebu
46. Toyota Tarlac City
47. Toyota Taytay Rizal, Inc.
48. Toyota Tuguegarao City
49. Toyota Valencia City
50. Toyota Zamboanga City



## AWARDS & RECOGNITION

TMP continued to reap new awards and recognitions in 2016 and 2017 for its outstanding product lineup, economic contributions and Corporate Social Responsibility.

### PRODUCT AND SERVICE EXCELLENCE



*TMP and Lexus receives Automobile of the Year Award (Photo courtesy of Sunshine Television)*

TMP has once again dominated the Auto Focus People's Choice Awards (AFPCA) in 2017. AFPCA hailed both the Fortuner and Lexus RX350 as the "Automobile of the Year" for the Standard category and Luxury category, respectively. The results came from a unique scoring system that attributes to 80% public votes and 20% unit sales. Other Toyota and Lexus vehicles were also recognized in their respective segments.

In 2017, TMP also received the following awards from different organizations recognizing Toyota's product excellence and motorsport event, as shown in the table on the right.

Awarding Body	Award	Vehicle/Marketing Event
2017 Auto Focus Media's Choice Awards (AFMCA)	Best Design: Standard Category	Toyota Innova - MPV (Multi-Purpose Vehicle)
	Best Engine Performance: Standard Category	Toyota Innova - MPV
	Best Value-for-Money: Standard Category	Toyota 86 - Sports Car
	Best Design: Premium/ Luxury Category	Toyota Alphard - Van
	Best Engine Performance: Luxury/Premium Category	Toyota Alphard - Van
	Best Value-for-Money: Premium/Luxury Category	Toyota Land Cruiser 200 - Large SUV/Crossover
2017 Carmudi (CAGI) Awards	Carmudi Smart Money Award	Toyota Wigo
Topgear Stig Awards	Best in Motorsport	Toyota Vios Cup

Last February 2017, Toyota Motor Corporation (TMC) awarded TMP the Marketing Award for Excellence in recognition of the following sales achievements in 2016 – highest sales record, improvement in share ranking, increase in market share and achievement of Nenkei target.

*In photo receiving the awards are former TMP Senior Vice President Ariel Arias, TMP Senior Executive Vice President David Go, TMP Vice Chairman Alfred V. Ty, TMP President Satoru Suzuki, TMC Managing Officer Hiroyuki Fukui and TMP Executive Vice President Kei Mizuguchi.*



In the area of after-sales, TMP received the Customer Service Excellence Award (CSEA) – Silver Award from TMC and Toyota Motor Asia Pacific (TMAP). This was to recognize outstanding results in the areas of Distributor Fundamentals, CS Improvement, Technical Service and Quality, Service Capacity and Operations, Parts Logistics, and Value Chain.

## ECONOMIC CONTRIBUTION

The city government of Santa Rosa, Laguna recognized TMP as the Top Tax-paying Manufacturer during the 12<sup>th</sup> Lion Awards for Business in 2016. The prestigious award is given to top taxpayers among businesses entities that contribute to Santa Rosa's robust fiscal performance.

*In photo, receiving the trophy, is TMP First Vice President Rommel Gutierrez flanked by (from left) Laguna First District Representative Arlene Arcillas, Santa Rosa City Mayor Danilo Fernandez and Vice Mayor Arnold Arcillas.*



## CORPORATE SOCIAL RESPONSIBILITY

TMP continues to be a strong partner of the City of Santa Rosa's environmental programs. During the City's Environment Awards Day last 2016, the Company was recognized for its long-time commitment in the "Sikad-Lakad-Takbo para sa Kalikasan" activities (SILAKBO) during Earth Day celebration.

*In photo are (from left) Santa Rosa City Mayor Danilo Fernandez, TMP First Vice President for manufacturing Alden Sapit, Laguna Governor Ramil Hernandez, TMPF Assistant Vice President Ronald Gaspar and Laguna First District Representative Arlene Arcillas.*



In 2017, TMP was recognized by the Society of Philippine Motoring Journalists (SPMJ) for its outstanding efforts in Corporate Social Responsibility (CSR). TMP bagged the top awards in three categories in the first SPMJ "Driven to Serve" CSR Awards.

Category	Award	CSR Program
Education & Training	Platinum Award	Toyota Motor Philippines School of Technology
Community Development	Platinum Award	Toyota-City of Santa Rosa-Gawad Kalinga Village
Environment	Gold Award	Philippine Peñablanca Sustainable Reforestation Project



*In photo are (from left) TMP First Vice President for Corporate Affairs Rommel Gutierrez, TMP Corporate PR Manager Ruth Ison, TMP Tech Marketing and Promotions Head Vitaliano Mamawal III, TMP Marketing First Vice President Cristina Arevalo, Employers Confederation of the Philippines (ECOP) President Edgardo Lacson, TMPF Assistant Vice President Ronald Gaspar and TMP Marketing Officer Jade Sison.*



## SPECIAL FEATURE:

## Toyota Vios under the Government's CARS Program

With over P5 Billion investments under the government's Comprehensive Automotive Resurgence Strategy (CARS) Program, Toyota aims to enable new automotive manufacturing capabilities in the Philippines and help the industry boost its competitiveness in the ASEAN region.

In June 2016, TMP was registered under the CARS Program with the New Vios as participating model. With the support of Toyota Motor Corporation or TMC (Japan), TMP has embarked on major investments in both in-house and out-house production of 352\* total local parts, equivalent to a 22%\* increase in total local parts.



\*as of end-July 2018

### Participating Vehicle Model:



THE ALL-NEW  
**VIOS**

### Investments:

**P5.53 Billion**  
(Vehicles + Parts Production  
as of May 2018)

### New In-house Parts Manufacturing Capabilities:\*\*

- 3000-ton Plastic Injection System
- 1600-ton A0 Servo Press Machine
- Stamping Dies
- New Hemming Technology

\*\*major equipment for press and resin parts

## PRODUCTION TECHNOLOGY & TECHNICAL SKILLS TRANSFER

TMP and its suppliers are expected to have significant new capabilities at par with Toyota Global Manufacturing standards in the production of large plastic and press parts under CARS:

- Localization of large press parts, including the Side Member, equivalent to 57% of the total body shell (by weight)
- Localization of large plastic parts with complex designs such as instrument panel and center console

TMP also made substantial investments in manpower training for the acquisition of skills needed to handle these new production technologies.



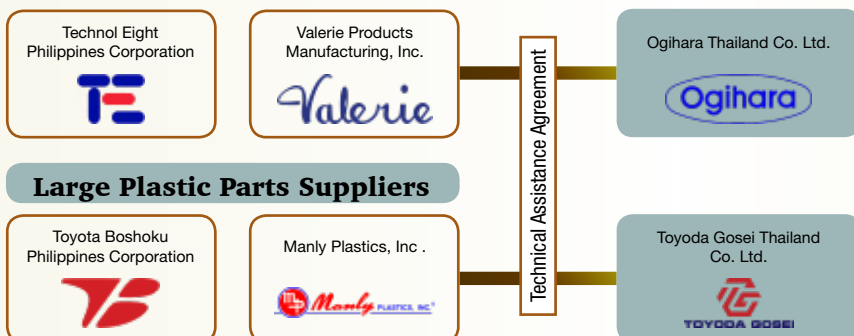




## DEVELOPING LOCAL SUPPLIERS' CAPABILITY

Thirty four (34) local parts manufacturers were confirmed as direct suppliers for the New Vios. Of these, four (4) were approved as participating parts makers under TMP's CARS Project.

### Body Shell Parts Suppliers



With the support of TMP, some of these suppliers obtained Technical Assistance Agreements (TAA) with Toyota suppliers in Thailand to improve their quality performance and close technical capability gaps in the areas of tooling development, parts testing, welding set-up and parts assembly experience.



In July 2018, TMP introduced the All New Toyota Vios to the public through a series of events, which celebrated the full implementation of TMP's project under the Comprehensive Automotive Resurgence Strategy (CARS) Program.

Since its introduction in the Philippine market in 2003, the Vios has captured the hearts of many Filipinos, making it the best-selling passenger car in the country with over 250,000 unit sales. The popularity and success of the Vios made it the ideal choice for TMP's entry into the program.



**Ceremonial Roll-off at TMP Santa Rosa, Laguna**  
July 19, 2018

(From left) TMP Vice Chairman Alfred Ty, Toyota Motor Corporation Deputy Plant General Manager of Motomachi Plant Takeshi Makino, DTI Secretary Ramon Lopez, TMP Executive Vice President Tomohiro Iwamoto, Laguna 1st District Representative Arlene Arcillas and Santa Rosa City Mayor Danilo Ramon Fernandez



**Media & Dealer Launch at Okada Casino & Hotel**  
July 20, 2018

(From left) TMP Executive Vice President Kei Mizuguchi, Toyota Motor Corporation Chief Engineer Takamoto Suzuki, TMP President Satoru Suzuki, TMP Senior Executive Vice President David Go, and TMP Senior Vice President Jose Maria Atienza

## SPECIAL FEATURE:

# Toyota Celebrates 30 Fruitful Years in the Philippines

August 3, 2018 marks TMP's 30<sup>th</sup> Anniversary. With such a significant milestone, TMP is not only commemorating its rich history, but more importantly to reaffirm its commitment to always be better.

## ALWAYS BETTER CARS

Over the last 30 years, TMP has always imbibed the legendary Toyota Way. One of the pillars of the Toyota Way is kaizen or continuous improvement this is why TMP always strives to find better ways to do things. Always Better Cars is the application of this idea to Toyota products. TMP will always strive to make better vehicles, not just because the company can, but because of the company's commitment to improve the lives of partners, suppliers, customers and every single Filipino out there.

## ALWAYS BETTER LIVES

Toyota is not just about cars...it's about improving lives through mobility. TMP always finds new ways to improve its actions and make a better world. This process starts with TMP Team Members, to its customers and eventually, the community...as TMP does its best to contribute to the country's progress.

Today, as TMP looks towards the future, the company shall carry on with more passion and dedication so that it could always deliver not only better cars, but more importantly, better lives.



(From left) Special Assistant to the Philippine President Bong Go, Department of Trade and Industry Secretary Ramon Lopez, Department of Finance Secretary Carlos Dominguez III, Executive Secretary of the Philippines Salvador Medialdea, President of the Republic of the Philippines Rodrigo Roa Duterte, TMC President Akio Toyoda, TMP Vice Chairman Alfred V. Ty, Mitsui & Co., Ltd. President & CEO Tatsuo Yasunaga, TMC Vice Chairman Shigeru Hayakawa, TMP President Satoru Suzuki





Lexus has been redefining what the world expects from a luxury automotive experience. From its trademark reliability to class-leading refinement, Lexus is constantly raising the bar and setting higher standards.

## LEXUS VISION

Our vision is to create amazing experiences by transforming function into emotion, performance into passion, and technology into imagination.

## THE AMAZING DIFFERENCE

What sets Lexus apart from other luxury brands is our daring originality. We are courageous in accepting challenges others deem irreconcilable, and provocative in our ideas and solutions.

With a new era of brave designs, exhilarating performances, imaginative technologies and our hallmark takumi craftsmanship, Lexus is driving a new relationship between man and machine.

## ANTICIPATING YOUR NEEDS

Lexus is deeply committed to delivering superior quality in all that we do. Our business model is based on treating every customer like a guest in our own home.

This means providing the highest quality of attention and care at every level, from design conception to dealership and from purchase to service.

Called omotenashi, this unique culture outlines our human-centered approach to everything we create.

## THE LEXUS EXPERIENCE

Lexus is more than great quality, more than sculpted metal and fine interiors – more than just a vehicle. Lexus is an amazing passionate experience. When performance touches your soul, when technology truly amazes – that is the Lexus experience.

People who are characterized by passion and creativity, and who constantly question the status quo – these are the people who will truly appreciate the Lexus experience.



In 2009, the Lexus brand was introduced in the Philippines. Since then, the brand has become more prominent and continues to draw a following among the affluent. Lexus Manila, Inc. is located at 3402 corner, 34<sup>th</sup> St., North Bonifacio Global City, Taguig City.



# THE LEXUS IS

## DEFINING CHANGE, REMARKABLE DIFFERENCE



The Lexus IS has always been a crowd-pleaser in the luxury car arena. With a daringly sporty styling direction and an aggressive engine to back up its looks, the IS is definitely the epitome of beauty on the inside and out.

In 2016, Lexus has decided to take the IS up a notch and give it a new spin. Most prominent in the new IS is the transformation of its entire front fascia, which is highlighted by new headlamps, large air intakes in the front bumper, and an evolved spindle grille. Its engine, on the other hand, remains as powerful as its predecessor – still powered by a 3.5L engine that comes with a smooth-shifting 8-speed automatic transmission. This makes the new IS the same high-performance sedan that people have come to love, but with a sportier look to match its fierce engine and exciting performance.



Lexus unveiled the new IS last November 28, 2016.

In photo are former TMP Senior Vice President for Marketing Ariel Arias, TMP Senior Executive Vice President Dr. David Go, TMP President Satoru Suzuki, LMI Consultant for External Affairs Daniel Isla, LMI Executive Vice President Yuichiro Suzuki, and LMI President Raymond Rodriguez.



# Experience Amazing with the new LC 500

In 2017, the all-new LC 500 was introduced in the Philippine Market. More than just a dream-come-true, the LC is a symbol of change. A change in the design and engineering process of the brand, and a change in the brand's fabric. The LC makes the strongest statement yet about the brand's direction, and serves as the halo model to steer the brand towards that direction.

The LC's visual appeal is defined by its athletic aerodynamic shape. Its sensual curves, emotional forms, and wide, low stance make for a highly-functional and passionate package. The LC's front fascia features a powerful interpretation of Lexus' signature spindle grille, with a radical new 3D mesh design. The "L"-shaped daytime running lights rest below a new Triple LED headlamp unit specially designed to include one of the industry's thinnest projectors.

The heart of the LC is derived from a high-revving 5.0-liter naturally-aspirated V8 engine, which was selected for its smooth, linear throttle response and emotional engine sound. Helping power transfer to the wheels is a key design feature of the LC: its 10-speed automatic transmission, which is the first ever in a luxury automobile.



The LC 500 was launched last August 10, 2017.  
In photo are (from left) TMP Senior Executive Vice President Dr. David Go, TMP President Satoru Suzuki, TMP Vice Chairman Alfred V. Ty, LMI President Raymond Rodriguez, LMI Executive Vice President Yuichiro Suzuki, and former TMP Senior Vice President for Marketing Ariel Arias.

# Always Better Cars

Over the years, the demand for Toyota vehicles continues to grow.

After reaching new heights and setting new milestones in 2017, Toyota's drive to provide ever-better cars and ever-better service to its customers only becomes stronger. For this reason, TMP finds ways to ensure that every need of its customers are met.





## EVER-IMPROVING PRODUCT LINEUP

In 2016 and 2017, TMP introduced new vehicles & improved models of well-loved Toyotas in the Philippine market to cater to the customer's specific needs for mobility.



**Fortuner**

*January 14, 2016*



**Innova**

*February 24, 2016*



**Vios**

*August 22, 2016*



**Yaris**

*August 22, 2016*



**86**

*September 10, 2016*



**Prius**

*September 14, 2016*



**Corolla Altis**  
December 7, 2016



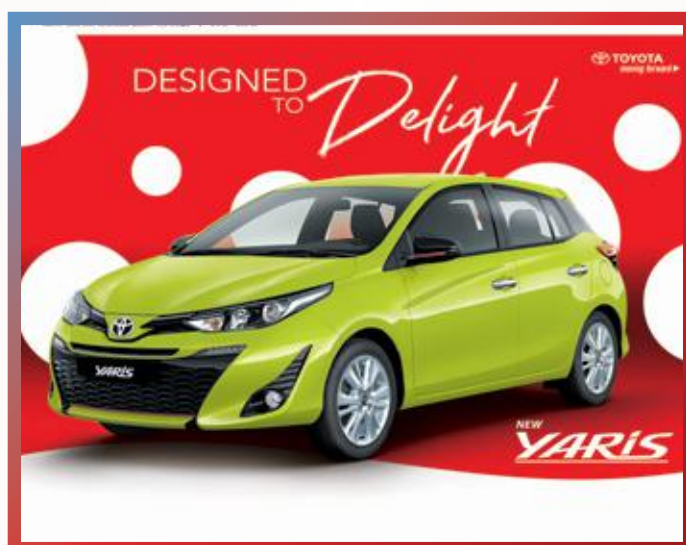
**Wigo**  
May 2017



**Coaster**  
May 2017



**Prado**  
October 2017



**Yaris**  
December 2017



## EVER-GROWING NETWORK

With motorization on the upswing, Toyota ensures that customers have a good buying and service repair experience. To make it more convenient for our customers, more dealers are opened nationwide to bring Toyota closer to them.

Three (3) new dealerships were opened in 2016 and eleven (11) more in 2017. By the end of 2017, Toyota has a total of 63 dealer outlets, including Lexus Manila.



### **Toyota Tarlac City**

*February 20, 2016*



### **Toyota Bataan, Inc.**

*April 8, 2016*



### **Toyota Bacoar, Cavite**

*July 21, 2016*



### **Toyota Angeles, Pampanga**

*March 6, 2017*



### **Toyota Matina, Davao**

*March 17, 2017*



### **Toyota Talisay, Cebu**

*May 26, 2017*





**Toyota Calbayog, Samar**  
May 27, 2017



**Toyota Ilocos Norte**  
July 8, 2017



**Toyota Aklan, Inc.**  
July 11, 2017



**Toyota Santa Rosa, Laguna, Inc.**  
August 17, 2017



**Toyota Kidapawan City**  
August 18, 2017



**Toyota Mabolo, Cebu, Inc.**  
October 17, 2017



**Toyota Lapu-Lapu, Cebu**  
November 27, 2017



**Toyota Iligan City, Inc.**  
December 29, 2017

## GREAT VALUE FOR EVERY PURCHASE

TMP continues to provide convenient and affordable means for customers to experience owning a Toyota.



In 2012, TMP introduced the Toyota Certified Used Vehicles (TCUV) program to provide customers with an alternative means to purchase a Toyota vehicle. The TCUV program offers high-quality and reliable used vehicles. Vehicles under this program undergo an intensive inspection process before it gets certified. The TCUV program also offers trade-in for clients to replace their used car with a newer model.



Owning a pre-owned Lexus vehicle is also made available through the Lexus Certified Pre-Owned Vehicles (LCPOV) Program. Lexus Manila has been implementing the program since 2012.

In 2017, TMP concentrated in the process improvement of the TCUV program. Current processes were reviewed and evaluated to further enhance the TCUV operations of the dealers. New activities, such as Performance Monitoring Standardization and Centralized Retail Operations, were introduced and implemented to TCUV Dealers for the advancement of the TCUV operations. Currently, there are 17 Retail and Sourcing TCUV dealers in the network. These dealers offer both selling and sourcing operations to the customers. In addition, 10 dealers have TCUV sourcing activities in their dealership. Below is the list of TCUV Dealers in the network:

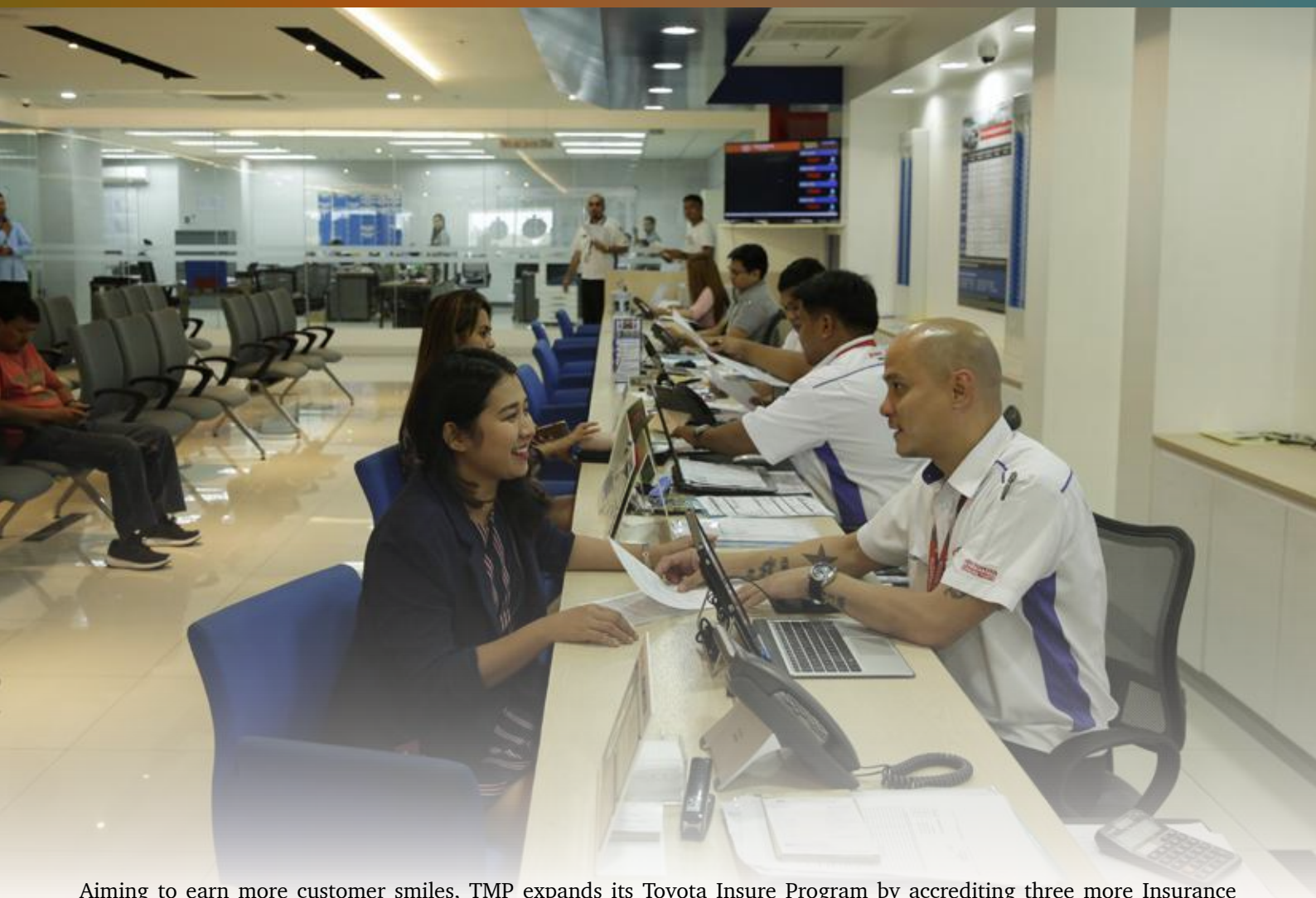
TCUV OUTLETS	
Vehicle Assessment & Retail Outlets <sup>1/</sup>	Vehicle Assessment Outlets <sup>2/</sup>
<ol style="list-style-type: none"> <li>1. Toyota Balintawak</li> <li>2. Toyota Bicutan Parañaque</li> <li>3. Toyota Iloilo City</li> <li>4. Toyota Alabang</li> <li>5. Toyota Pasong Tamo</li> <li>6. Toyota Global City</li> <li>7. Toyota Calamba, Laguna</li> <li>8. Toyota Cebu City</li> <li>9. Toyota Dagupan</li> <li>10. Toyota Quezon Avenue</li> <li>11. Toyota Batangas City</li> <li>12. Toyota Cagayan de Oro City</li> <li>13. Toyota San Pablo, Laguna</li> <li>14. Toyota Manila Bay</li> <li>15. Toyota Plaridel, Bulacan</li> <li>16. Toyota Pasig</li> <li>17. Toyota Tacloban</li> </ol>	<ol style="list-style-type: none"> <li>1. Toyota North EDSA</li> <li>2. Toyota Otis</li> <li>3. Toyota Marilao, Bulacan</li> <li>4. Toyota Makati</li> <li>5. Toyota Mandaue South, Cebu</li> <li>6. Toyota Mandaue North, Cebu</li> <li>7. Toyota Abad Santos, Manila</li> <li>8. Toyota Dasmariñas</li> <li>9. Toyota Cubao</li> <li>10. Toyota Marikina</li> </ol>

<sup>1/</sup>Dealers with existing Toyota Certified Used Vehicle Program Facility

<sup>2/</sup>Dealers with capability to assess, purchase car and offer trade ins, but no Toyota Certified Used Vehicle Program Facility for retail

TCUV PERFORMANCE		
KPI	2016	2017
Vehicle Assessments	12,875	12,443
Vehicle Trade-In	1,604	1,643
Used Car Sales	1,982	1,725





Aiming to earn more customer smiles, TMP expands its Toyota Insure Program by accrediting three more Insurance Companies, on top of Charter Ping An Insurance and Malayan Insurance.



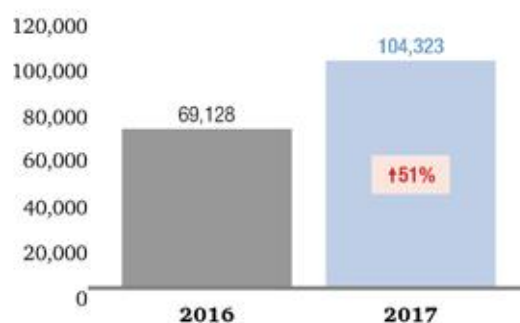
### INSURANCE PARTNERS

1. Charter Ping An Insurance
2. Malayan Insurance
3. FPG Insurance
4. People's General Insurance
5. Stronghold Insurance

Toyota Insure Program is an exclusive insurance service offered to customers who are buying a new vehicle and who are renewing their insurance policies. With the growing number of partners, new policies sold increased by 51% compared to its 2016 level.

Aside from its increasing number of sales, Toyota Insure is also geared towards providing better quality service to each customer with its competitive rates and quick approval of claims.

### Toyota Insure Availments



## SPECIAL FEATURE:

# Toyota Safety Campaign

Toyota advocates for a society with zero casualties from traffic accidents. For this reason, Toyota promotes its safety initiatives under these three (3) Pillars: People, Vehicles, and Traffic Environment.

In the Philippines, TMP heightened its safety campaign by raising more awareness about Toyota vehicles' safety features, as well as promoting safety consciousness while driving.

Prior to the campaign, all dealer Marketing Professionals have been equipped with know-how about the safety features of each Toyota vehicle. As a new vehicle is turned over to a customer, its safety features are thoroughly explained to them.

Moreover, a "Safety Kit", containing a brochure and CD on road safety tips, is given to each customer to take home. The collaterals introduced "THUMS" (Total HUMAN Model For Safety) – Toyota's crash test dummy – who is also Toyota's model for road safety to remind motorists on the importance of wearing a seat belt while driving. "Lessons from THUMS" can be seen at dealer showrooms through a safety wall mural, in print ads, and in TMP's official social networking sites.

Aside from these safety tips from THUMS, TMP continued its other programs that help Toyota owners keep their vehicles safe. Among these include raising awareness on the use of Toyota genuine parts to ensure the safety and efficient performance of Toyota vehicles. Likewise, TMP's Toyota Motorist Assistance Campaign (TMAC) Program offers free maintenance to Toyota owners during Holy Week & November holidays to ensure that their vehicles are safe and road-worthy for long travels.



## Who is THUMS?

THUMS - or Total HUMAN Model For Safety - could be one of the smartest crash test dummies ever. He can't talk, but he can tell you a whole lot about what happens during a vehicle crash. That's because THUMS has a bone structure, ligaments and tendons, which help Toyota's researchers analyze, in detail, the impact to vital organs such as the heart, lungs and liver during a simulated crash. Thanks to THUMS' vital organs, Toyota has been able to re-create and study situations that are closer to real-world conditions. The result is enhanced safety in Toyota's cars to give you and your passenger's peace of mind.



## SPECIAL FEATURE:

# TMP Sets New Sales Records, Ranks 9<sup>th</sup> in Global Sales

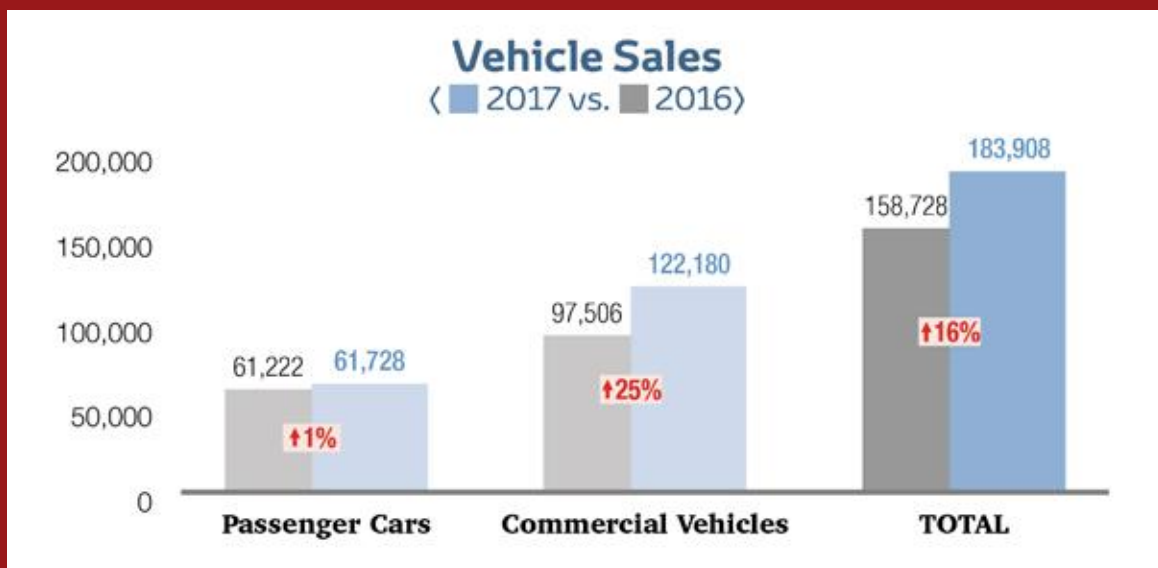


Toyota remains to be the automotive leader in the Philippines with 183,908 units sold in 2017. This was a significant increase from its 2016 sales record with 16% growth.

This led TMP to achieve its 16<sup>th</sup> consecutive Triple Crown: No. 1 in Passenger Car Sales, No. 1 in Commercial Vehicle Sales, and No. 1 in Overall Sales. On top of these milestones, TMP ranked 9<sup>th</sup> in Sales Performance among all Toyota distributors worldwide. The well-loved, locally-produced Vios and Innova continued to be number 1 in their respective vehicle segments.

TMP owes its success to the unwavering support of its entire value chain. As demand for better mobility continues, TMP will remain committed to deliver better products and services to its customers.

## SALES PERFORMANCE HIGHLIGHTS



2017 Toyota Best-selling Vehicles	
MODEL	CATEGORY
Vios	Best-selling Sub-Compact Passenger Car (since 2013)
Camry	Best-selling Medium Passenger Car (since 2002)
Wigo	Best-selling Low-Cost Passenger Car (since introduction in 2014)
Hiace	Best-selling Utility Van (since 2011)
Fortuner	Overall Best-selling Vehicle in 2017 Best-selling Commercial Vehicle Best-selling Sport Utility Vehicle (LO) (since 2014)
Innova	Best-selling Multi-purpose Vehicle
Hilux	Best-selling Pick-up (since 2015)

## EVER-BETTER SERVICE

Toyota's commitment to provide ever-better vehicles and services is stronger than ever. Given this, TMP is now more attentive in listening to the voice of its customers to further improve operations and ensure customer delight.

After the record-breaking sales of TMP in 2017, Toyota's customer paid units serviced (CPUS) showed 14% growth from its 2016 level.



## STRENGTHENING OPERATION FUNDAMENTALS

Toyota places importance in strengthening fundamentals in operations, especially in the areas of After-Sales Service, Safety and Environment.

### Improved Service Capacity at Dealer Outlets

With the immense growth of the auto industry, TMP's dealer network engaged in improving and expanding its service centers to better accommodate the after-sales requirement of customers. Existing facilities improved workshops and increased services bays, while other dealer outlets expanded by opening new service centers.

#### COMPLETED IN 2017

##### New Service Centers

1. Toyota Shaw Service Center
2. Toyota North EDSA Service Center

##### Improved Facilities

1. Toyota Balintawak, Inc.
2. Toyota Dasmariñas, Cavite
3. Toyota General Santos, Inc.
4. Toyota Iloilo, Inc.
5. Toyota Bicutan, Parañaque
6. Toyota Manila Bay Corp.



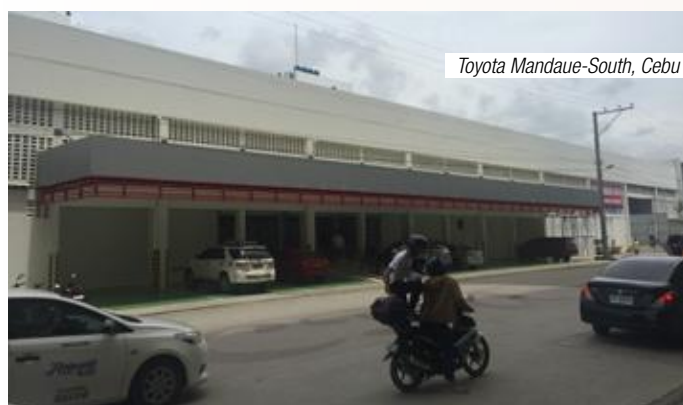
Toyota Shaw Service Center



Toyota North EDSA Service Center



Toyota Davao City, Inc.



Toyota Mandaue-South, Cebu



## Enhanced Safety Mindset

Safety remains on top of Toyota's priority for all its Team Members and customers, which is why behavioral safety seminars were introduced in dealer operations in 2017, such as the Defensive Driving and Power Tools & Equipment Handling Training.

To further ensure that safety is being practiced in dealership work areas, Periodic Safety Rounds are being done daily by identified "Anzen" or Safety Leaders per department.

In July 2017, TMP also introduced the Safety Month Campaign in all dealer operations to address the need to elevate safety as the number one priority in all aspects of their operations.

## Better Environmental Practices

Toyota aims to create a more sustainable community in all locations of its dealerships by contributing to the preservation and protection of the environment. Dealers do such by ensuring compliance to environmental regulations set by the Government and Toyota Global. TMP recognizes all efforts of the dealer network in pursuing greener operations during the annual Dealer Environment, Safety and Health (DESH) Conference.

All dealers are also highly encouraged to acquire the ISO14001:2015 certification, which is a testament to Toyota's advocacy of ensuring sustainable environmental practices in the total value chain.

TMP also urges employees at the dealerships to participate in activities like tree-planting and river/coastal clean-up to actively take part in caring for the planet.

## Enhanced Vehicle Maintenance Services

In 2017, TMP introduced new and enhanced programs to ensure customer delight in every service touch point.

The **Express Maintenance Service (EM)** – Toyota's 1-hour complete Periodic Maintenance, was made even-better by incorporating **Air Care Service** – Toyota's 1- hour Aircon Maintenance – all completed in just one hour. This aims to further extend convenience to our customers while maximizing the bay productivity in the dealerships. Currently, Air Care in EM is available in selected dealership nationwide.



The **Toyota Genuine Engine Flush** was also introduced to clean gasoline engines by effectively removing sludge and carbon deposits. It is best to avail this product every other oil change.



Lexus Manila, Inc. also leveled up their customer engagement program through the introduction of the **Lexus Premium Aircon Care** - a 1-hour car aircon evaporator cleaning service for Lexus units, without dismantling the dashboard.

## Improved Choices for Customization

All Toyota frontliners were further trained in handling customer queries about Toyota Products. TMP crafted the Product Information Guide in 2017 to serve as guide for Marketing Professionals, Accessories Counter Salesman and Service Advisors as regards providing adequate and useful information about **Toyota Genuine Accessories (TGA)** – its advantages and benefits versus non-genuine accessories counterpart.

TMP also strengthened the promotions of the TGA and **Toyota Racing Development (TRD)** products by coming up with new and updated promotional materials. These help customers get the information they need in order to aptly choose from a wide variety of products, suited for their vehicle customization needs.



TGA Products



TRD Products



The TGA Display counter was also improved after TMP introduced the TGA Display Guidelines in all dealerships. The TGA Display focused on the segregation of TGA and non-TGA products, as well as proper labeling of genuine accessories. This aims to eliminate confusion on the display and provide an easier identification of TGA products for the customer.





SPECIAL FEATURE:

## Heart-Racing Fun Continues in Vios Cup

Vios Cup continues to bring fun and excitement in Philippine Motorsports on its 3<sup>rd</sup> and 4<sup>th</sup> year. With more racers and a new class to compete in, the Vios Cup brought fiercer competition that made fans shout for thrills.

### SEASON 3

TMP introduced fifty-five (55) racers to compete in three (3) categories: Super Sporting Class, Sporting Class, and Celebrity / Promotional Class, on the 3<sup>rd</sup> Season of Vios Cup. The Super Sporting Class features the top 20 drivers from all divisions based on scores from previous races. TMP brought the excitement to Clark International Speedway in Pampanga for leg 1, 3 and 4 of the race while, leg 2 of the race was held at Filinvest City, Alabang.

Dominating the 4-leg Super Sporting Class race was Allan Uy of Toyota Quezon Avenue and took home a brand-new Toyota Vios. Meanwhile, Estefano Rivera placed second with a prize purse of Php 200,000 and Basti Escalante placed third with a prize purse of Php 100,000. Steve Bicknell of Toyota San Fernando topped the Sporting Class category earning him a Php 150,000 cash prize, while Gerard Loy lands on the second place with Php 100,000 cash prize.



*Vios Cup Season 3 racers parade at the Clark International Speedway in Pampanga*



*In photo are (from left): former TMP Marketing Executive Vice President Yohei Murase, Vios Cup Season 3 overall Champion Allan Uy and TMP President Satoru Suzuki. (Photo courtesy of Mark Jesalva, topgear.com.ph)*



## SEASON 4

In Season 4, motorsports fans and car enthusiasts continued to witness the thrill of it all at the Clark International Speedway in Pampanga, where a total of sixty (60) racers competed in Super Sporting Class, Sporting Class, Celebrity, and Promotional Class.

Topping the Sporting Class category was Mark Sy of Toyota San Pablo, taking home with him a Php 150,000 cash prize. Tonton Ramos took the second spot in the same category with Php 100,000 cash prize. For the coveted Super Sporting Class race, Daniel Miranda of Team Obengers was hailed the champ after the exciting 4-leg race. He took home a brand new Toyota Vios. Coming in second was Gerald Loy and winning a prize purse of Php 200,000, while placing third was Allan Uy with a prize purse of Php 100,000.

The 2016 Vios Cup was made possible through partnerships with Bridgestone and Rota, supported by Motul, TRD, Brembo, Denso, AVT, OMP and Tuason Racing. In 2017, Total Excellium was added as one of the main sponsors of Vios Cup.



*Toyota Vios Cup Season 4 Racers*



*Toyota Vios Cup Season 4 Winners*



## IMPROVING MANUFACTURING OPERATIONS

Guided by its mission to provide better mobility to people, TMP ensures that the products the company offers do not only suit the needs and lifestyle of customers, but that these are also made with built-in quality.



As the leading automotive company in the country, there is a constant challenge for TMP and its Team Members to cope with the growing market demand for new vehicles. In 2017, TMP has set a new production record of 61,954 vehicles, surpassing its 2016 level by 13% or almost 7,000 units.

To cope with such demand, TMP adjusted its production line to make process turnaround time faster. Several process improvements were implemented and Team Members' training was intensified. As a result, production quality output was not only maintained despite the volume growth, but even improved significantly compared to previous year. In fact, TMP was recognized as the most improved vehicle manufacturer in terms of quality in the recent Asia Pacific Shipping Quality Audit (AP SQA) Meeting in Thailand.

## PRODUCTION EFFICIENCY

While TMP strives to maintain higher productivity in manufacturing operations, occasional machine breakdowns have affected production line efficiency. Given this, TMP continues to address such scenarios through repair and replacement of equipment, as well as strengthening of regular maintenance check-up activities for all machines.



## SAFETY FIRST

Safety has always been a top priority in TMP's manufacturing operations. Over the years, TMP has been constantly firming up its safety culture by inculcating in its Team Members that Safety is "a way of life", rather than just compliance. Having recorded 6 accidents in 2016, TMP was challenged and driven to level up the safety consciousness of all Team Members and contractors alike. With everyone rallying to the cause, safety performance improved with accidents recorded down at only 2 cases at the end of 2017.

To further strengthen the Company's safety culture, a five-year safety roadmap was developed and implemented. This included reinforcing TMP's Safety Education modules, leveling up Team Members' *Kiken Yochi* (hazard prediction) ability, and standardizing risk assessment procedures. Through the roadmap, TMP aims to fully align all TMP-initiated safety programs with Occupational Safety and Health Management Systems (OSHMS) guidelines by year 2020.

## MANUFACTURING PERFORMANCE HIGHLIGHTS

KPI	2016	2017
<b>Production Volume</b>		
No. of units produced (Vios, Innova)	55,028	61,954
<b>Quality Performance (Shipping Quality Audit)</b>		
Defect-per-unit (DPU) Level	0.20	0.13
<b>Production Line Efficiency</b>		
Efficiency rate	94.8%	94.4%
<b>Production Safety Performance</b>		
Non-Lost Work Day (NLWD)	3	2
Serious near Miss	2	0
Lost Work Day (LWD)	1	0





# Environmental Policy and Advocacy

It has always been part of Toyota's commitment to grow the business sustainably while giving high regard to environment protection and conservation. As such, proactive steps are carried out to make sure that every stage in Toyota's business operations can be pursued with less carbon footprint, while adding more value to society.



## GLOBAL TOYOTA ENVIRONMENTAL CHALLENGE 2050

Toyota believes in creating a sustainable society by incorporating environmental initiatives in every aspect of its business operations. In 2015, Toyota launched the Environmental Challenge (TEC) 2050 to serve as guide in achieving zero environmental impact in all aspect of its operations, and create a net positive impact to contribute to a better society.

Guided by the TEC 2050, TMP shall continue to implement environmental programs in line with the global challenges and its corporate environmental policy.



### TMP Environmental Policy

1. TMP will strive to meet all regulatory, legislative and other requirements pertinent to environmental protection, and will set and comply with internal standards and aim to achieve the established environmental objectives.
2. TMP is committed to seek continuous improvement in environmental performance and develop ways to prevent pollution. These will be achieved by:
  - Minimizing energy and other resource consumption to reduce or eliminate emission to the environment and minimize quantity for disposal, as well as lessen waste contamination;
  - Minimizing environmental load of volatile organic compounds and prohibited chemical substances; and—
  - Minimizing environmental effect of new materials, work processes, and other plant manufacturing changes through prior assessment of its environmental impact and encourage Environment Management System (EMS) implementation at dealers and suppliers.
3. TMP shall promote and maintain environmental awareness to its Team Members and contractors, and continuously educate them of the best environmental management practices in their respective work assignments.
4. TMP shall cultivate community awareness by providing better environmental information and shall continue to support and participate in all environmental activities auxiliary to automotive manufacturing





Challenge 1 pertains to New Vehicle Zero CO<sub>2</sub> Emissions Challenge. Over the years, Toyota continues to improve its gasoline and diesel engine technology for better fuel efficiency and lower emissions. Being at the forefront of designing vehicles that would have zero or less impact to

the environment, Toyota introduced its flagship eco-friendly vehicles – the Prius and the Mirai. In the Philippines, the Prius is made available to customers who want to lessen their motoring carbon footprint.

In the following pages, the discussion of the TEC 2050 will be according to the following sequence:

1. TMP's environmental initiatives in its manufacturing operations:
  - Challenge 3 (Plant Zero CO<sub>2</sub> Emissions);
  - Challenge 4 (Using Less Water and Optimizing Water Usage); and-
  - Challenge 5 (Establishing a Recycling Bases Society and Systems).
2. Suppliers' and Dealers' environmental initiatives – Challenge 2 (Life Cycle Zero CO<sub>2</sub> Emissions)
3. Participation of TMP Team Members and nearby communities in environmental activities – Challenge 6 (Establishing a Future Society in Harmony with Nature)

## Compliance with Government Regulations and Global Toyota Standards

### Regulatory, Legislative and Other Requirements Pertinent to Environmental Protection

TMP ensures that it complies with all regulatory requirements necessary to continue operations. In 2017, TMP renewed the following permits and licenses:

Permit / Certificate	Certifying Organization
Chemical Control Order	Department of Environment and Natural Resources (DENR)
Treatment Storage & Disposal Certificate	
Discharge Permit	Laguna Lake Development Authority (LLDA)
Water Rights	National Water Resources Board (NWRB)

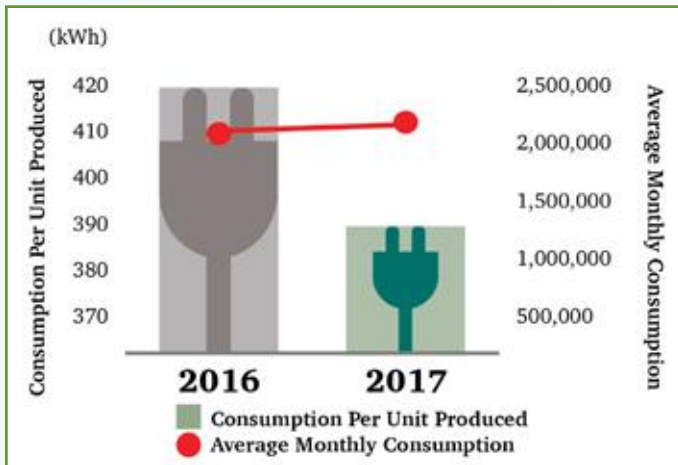


### Using Energy Efficiently

The manufacturing process uses different sources of energy, such as electricity, Liquefied Petroleum Gas (LPG) and Diesel. TMP understands that using these energy

sources results to emission of CO<sub>2</sub> in the air, hence the Company's strengthened commitment to use these efficiently.

SUMMARY OF RESOURCE CONSUMPTION, EMISSION, AND WASTE PERFORMANCE				
ENERGY		2016	2017	VARIANCE
	Electricity (in kWh)			
	Average Monthly Consumption	1,911,225.83	2,002,134.92	5%
	Consumption Per Unit Produced	416.77	387.80	(7%)
	LPG (in kg)			
	Average Monthly Consumption	54,205.14	58,166.39	7%
	Consumption Per Unit Produced	11.82	11.27	(5%)
	Diesel (in L)			
	Average Monthly Consumption	20,510.79	27,030.23	24%
	Consumption Per Unit Produced	4.84	5.24	8%
EMISSIONS		2016	2017	VARIANCE
	VOC Emissions Per Unit Produced (in ton-CO <sub>2</sub> )	45.91	43.99	(4%)
	CO <sub>2</sub> Emissions Per Unit Produced (in g/m <sup>2</sup> )	0.27	0.25	(6%)
WATER		2016	2017	VARIANCE
	Average Monthly Consumption	16,532.73	17,016.57	3%
	Consumption Per Unit Produced	3.61	3.3	(9%)
WASTE		2016	2017	VARIANCE
	Target Max. Generation Per Unit Produced	5.7	6.32	10%
	Actual Generation Per Unit Produced	6.69	9.75	46%
	Average Monthly Generation	27,924.63	50,336.54	80%



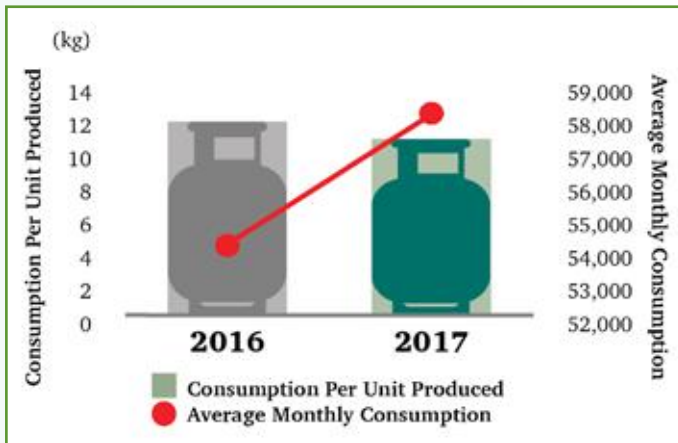
### Electricity Consumption

In 2017, TMP increased its average monthly consumption by 5%, but the consumption per unit produced decreased by 7% as compared to previous year. This is equivalent to a reduction off .02 ton CO<sub>2</sub> emission per unit.

TMP continues to implement the Energy ABC Activity, where machines in the manufacturing line are generally classified into three types based on their ideal energy requirement:

- Type A : machines that need energy during production time only;
- Type B : machines that need energy during both production and non-production time
- Type C : machines that need energy all the time, even on holidays.

The Energy ABC Activity aims to reduce electricity consumption in the manufacturing line by ensuring that only necessary machines are in operation at a given time.



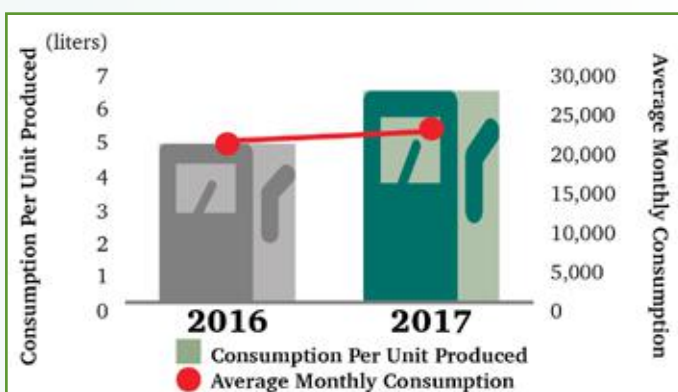
### LPG Consumption

LPG is mostly used in Painting to dry off the applied paint in cars by using ovens.

Due to high volume production, TMP's LPG consumption slightly increased by 7% in 2017. However, consumption per unit produced decreased by 5% from its 2016 level.

This reduction may be attributed to the following activities implemented in 2017:

- Standard time of start-up during start of production;
- Shut-off of oven during 1-hour lunch time; and
- Early shut-off of oven at the end of production.



### Diesel Consumption

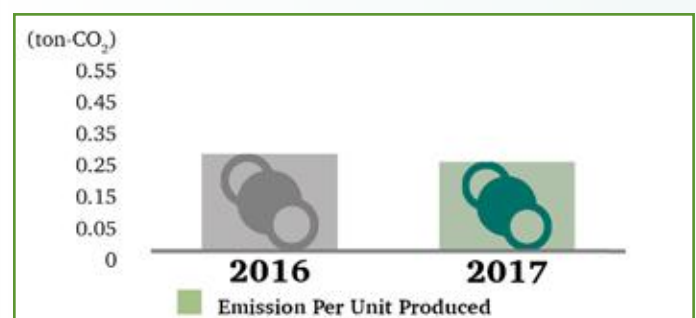
Diesel is consumed in TMP's four (4) generator sets used as a back-up source of energy in case of power interruption. Likewise, the two (2) Boilers in TMP's Painting Shop also use diesel to produce steam as required in their process.

TMP's average monthly consumption as well as consumption per unit produced increased by 24% and 8%, respectively.

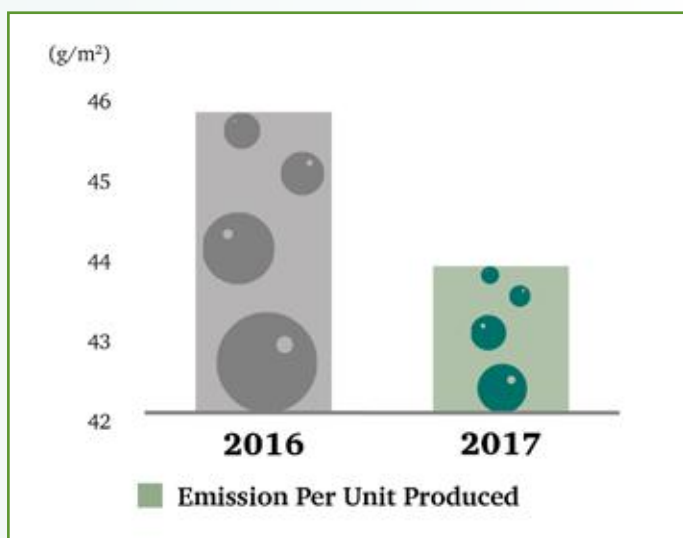
## Reducing CO<sub>2</sub> Emissions

In 2017, TMP managed to lessen the CO<sub>2</sub> emission per unit produced by 6% from its 2016 level.

With the goal of achieving zero CO<sub>2</sub> emission in Plant Operations by 2050, TMP continues to carefully monitor its emissions to the environment through continuous improvement in its operation.







## Minimizing the Environmental Load of Volatile Organic Compounds and Prohibited Chemical Substances

Aside from monitoring CO<sub>2</sub> emitted, TMP also checks its Volatile Organic Compounds (VOC) emissions in the painting process of vehicle production.

TMP implemented the following activities in order to reduce its VOC emissions in 2017:

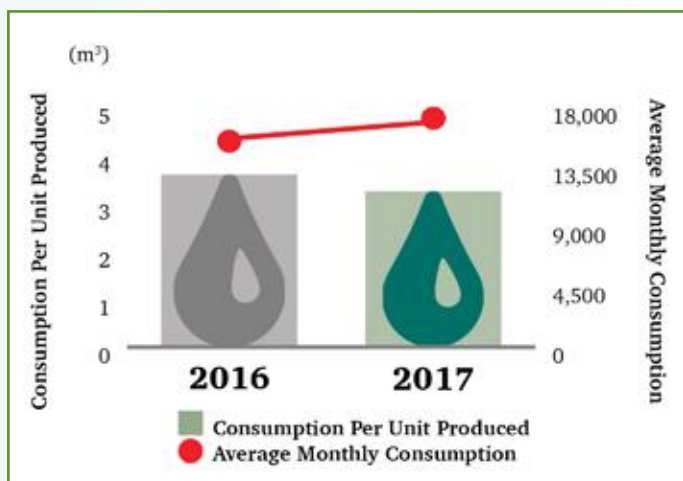
- Installation of paint restrictor on paint sprayer to regulate paint consumption;
- Ensure paint quality improvement for lower repaint units; and –
- Recycling of used thinner to clean manufacturing equipment, such as paint robot parts

As a result of these activities, TMP's VOC emissions decreased by 4% in 2017.

## CHALLENGE 4 Challenge of Minimizing and Optimizing Water Usage



In automobile manufacturing, water is used in painting, forging and other processes. Even a small reduction can create a big impact on the environment. To achieve this, Toyota aims to reduce the amount of water used in its operations and treat used water before returning it to the earth.



## Using Less Water

In 2017, TMP's average monthly water usage increased by 3%, while water consumption per unit produced decreased by 9%.

TMP continues to find ways in managing its water resource by implementing the following activities:

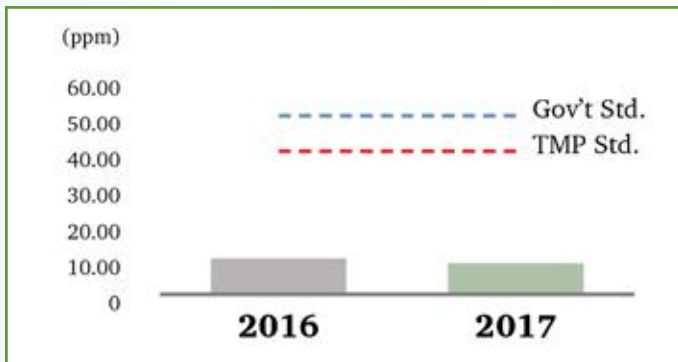
- Use of recycled and treated water in cleaning bumper and small parts jig; and -
- Weekly monitoring of water leaks in production area.

## Standards for Waste Water Effluent

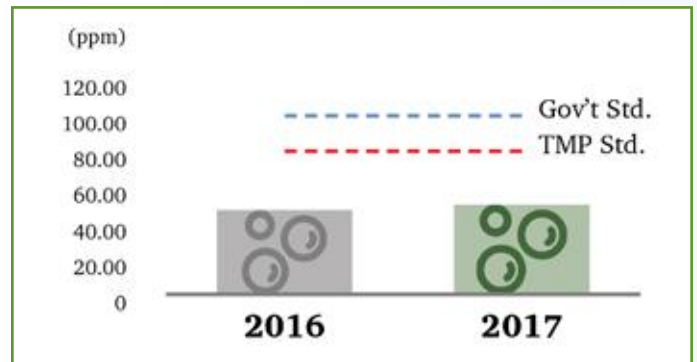
Aside from reducing water consumption, TMP also treats its used water to avoid pollution of the Laguna Lake. Through TMP's Waste Water Treatment Plant (WWTP), all of the water used inside the plant and offices are processed to guarantee compliance in the following parameters: Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), pH level, Oil and Grease and Heavy Metals. The Laguna Lake Development Authority (LLDA) also closely monitors all water discharges from TMP.

In 2017, there were no significant findings of contamination in TMP's waste water discharge. All parameters were in compliance with LLDA's and TMP's standards.

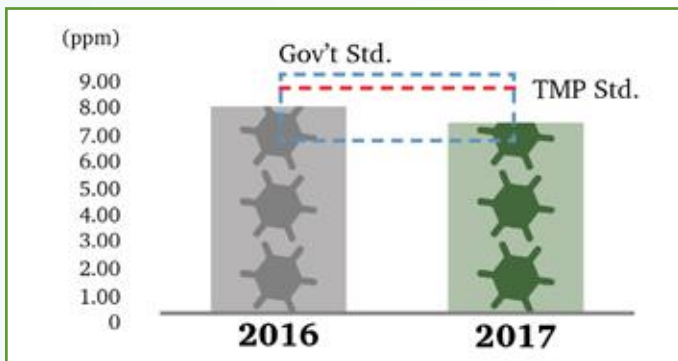
## WASTE WATER EFFLUENT PARAMETERS



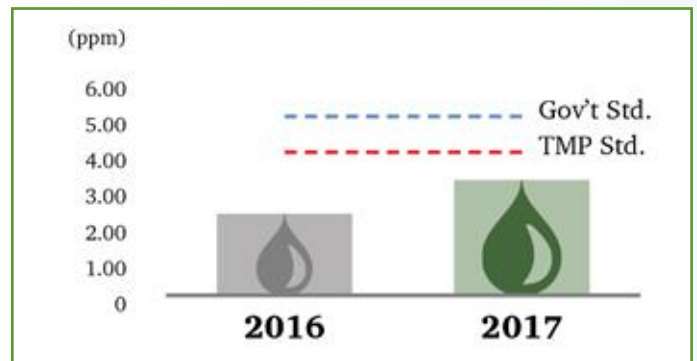
**Biochemical Oxygen Demand (BOD5)**



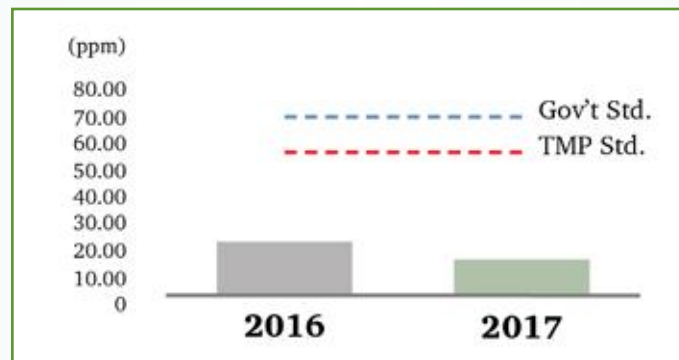
**Chemical Oxygen Demand (COD)**



**pH Level**

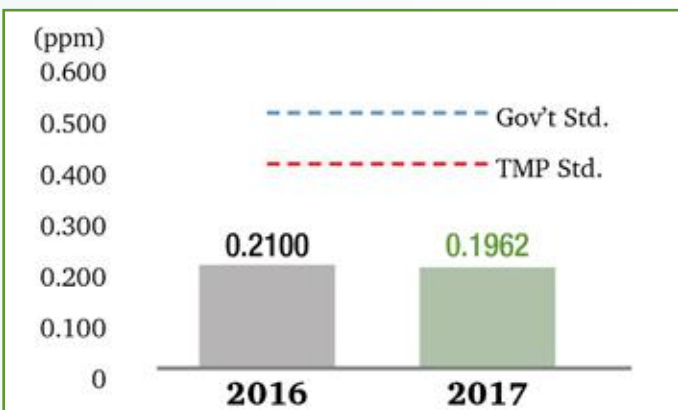


**Oil & Grease**

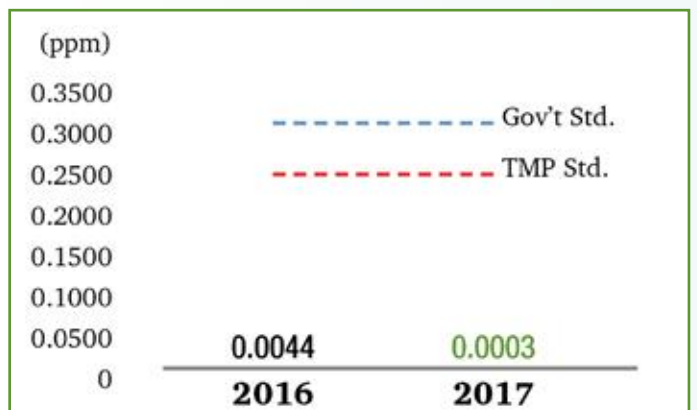


**Total Suspended Solids (TSS)**

## HEAVY METALS



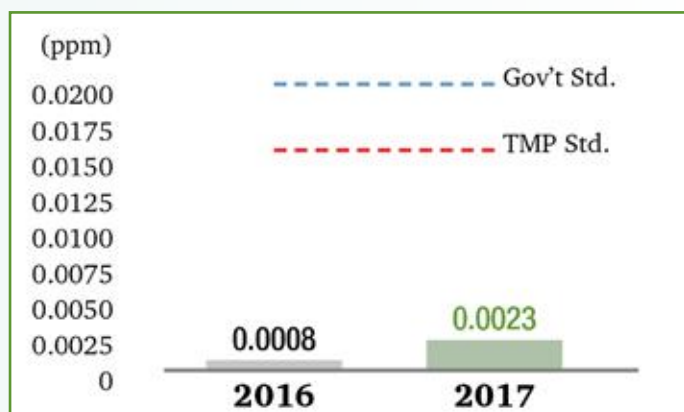
**Nickel**



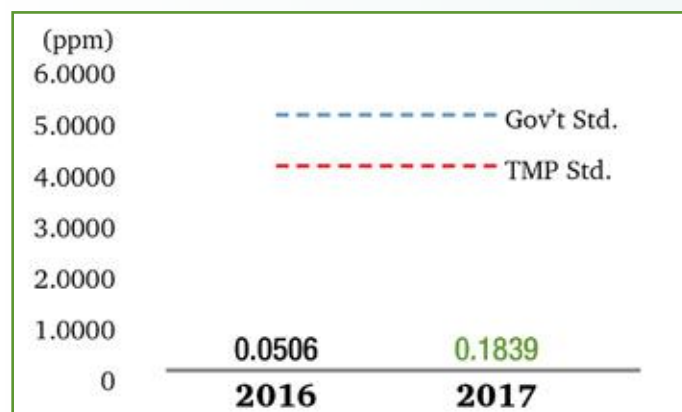
**Lead**



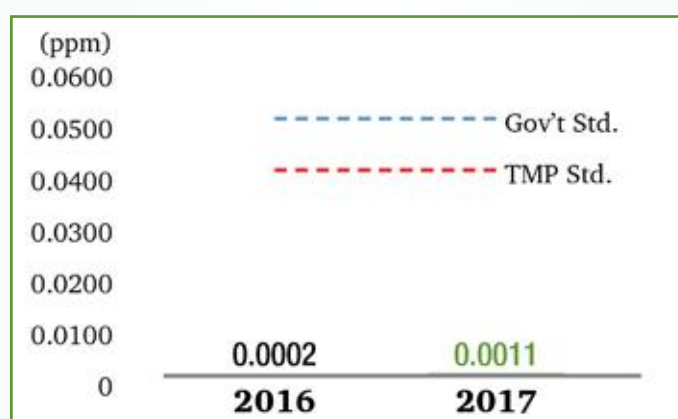
### HEAVY METALS (cont...)



Chromium



Zinc



Cadmium

## CHALLENGE 5

### Challenge of Establishing a Recycling-based Society and Systems

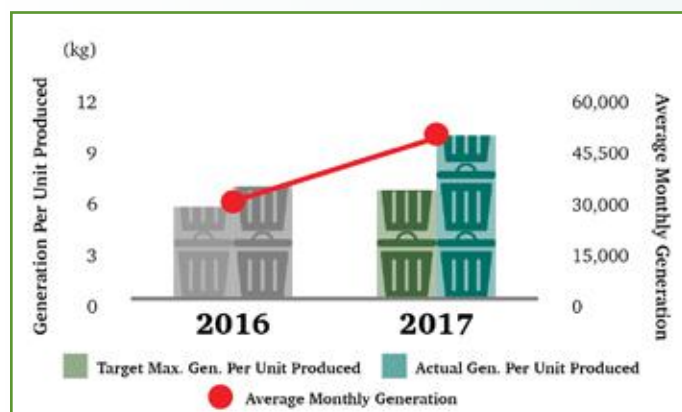


To improve resource efficiency toward an ideal resource-recycling based society, the TEC 2050 suggests the utilization of eco-friendly materials, make use of parts longer, develop recycling technology and make vehicles from the materials of end-of-life vehicles. Keeping these in mind, TMP finds ways to contribute towards the achievement of this goal.

### Reducing Waste

In 2017, TMP's average monthly waste generation and waste generation per unit produced increased by 80% and 46% respectively, compared to previous year. However, most of these are packaging wastes, which are recyclable.

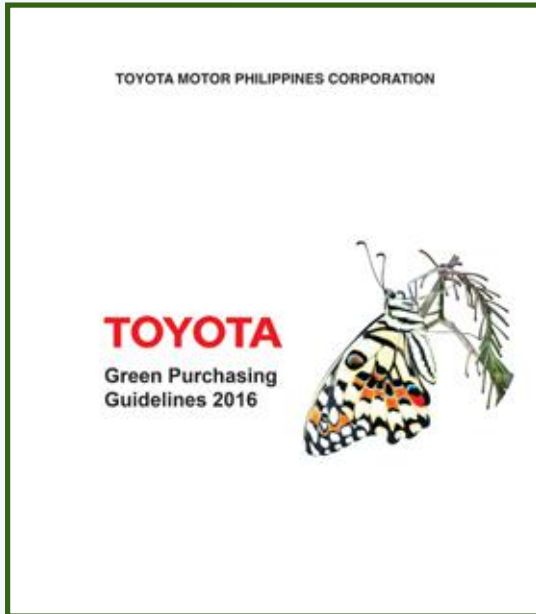
Hazardous wastes such as sludge, oil, thinner and batteries are turned over to a third party service provider for treatment and proper disposal; while TMP's general wastes, such as packaging materials, office wastes and food wastes are properly segregated and disposed.



## CHALLENGE 2

### Life Cycle

### Zero CO<sub>2</sub> Emissions Challenge



### Greening the Value Chain

Aside from improving its own manufacturing operations, Toyota also involves its entire value chain in order to reduce its carbon footprint and ultimately achieve zero CO<sub>2</sub> emission by 2050.

In order to ensure proper environmental management, TMP requires all of its suppliers to abide by Toyota's Green Purchasing Guidelines. Under this, suppliers are obligated to acquire and maintain ISO 14001 certification. They are also required to ensure the environmental compliance of all products and raw materials delivered to TMP. This includes the elimination of Substances of Concern (SoCs) in all parts and components. Moreover, suppliers are encouraged to continuously enhance their respective environmental performance and introduce initiatives that reduce CO<sub>2</sub> emission, VOC emission, water consumption, solid waste generation, and pollution discharge. Suppliers are also enjoined to take measures in their logistics operations to reduce CO<sub>2</sub> emission and packaging materials.

One supplier that has shown exemplary performance in reducing CO<sub>2</sub> in its operations is International Wiring Systems Philippines Inc. (IWSP). IWSP, TMP's wiring harness supplier for Vios and Innova, committed to reducing their energy consumption and CO<sub>2</sub> emission by at least 6% in relation to production volume. To achieve this target, IWSP implemented several kaizen activities in their operations. Among these include IWSP's installation of energy-saving devices in air conditioning units which reduced harmonics in the system and improved power consumption.

Another activity by IWSP was the transition from conventional lighting to a more efficient and environment-friendly lighting. IWSP replaced conventional fluorescent lights with LEDs and Solatubes in its production line and warehouse facility. Likewise, conventional perimeter lighting were replaced with solar-powered lights.



*Conventional Fluorescent Lamp (36W) & LED Tube (16W-22W)  
at IWSP Manufacturing Plant*

For the dealer network, they, likewise, implement their own environmental initiatives in order to contribute to the achievement of the TEC 2050. Among these include having a waste water treatment facility (WWTF) or sewerage treatment plant (STP), as well as an air pollution control facility at their paint booths. Some dealers have also started investing in various environment-friendly facilities and fixtures such as green walls, inverter type air-conditioners, LED lighting system, and solar panels.





*Toyota Lipa Solar Panels on roof of the building*



*Toyota Lipa Exhaust Filter*

In 2017, Toyota Makati Inc., acquired its ISO 14001 certification. Acquiring such a certification is aligned with Toyota's advocacy of ensuring sustainable environmental practices in the total value chain, engaging various stakeholders in minimizing carbon footprint by reducing emissions in their operations, as well as raising awareness about environmental conservation.

Several Toyota Dealerships also passed their ISO 14001 Certification last year:

1. Toyota North EDSA
2. Toyota Marilao, Bulacan
3. Toyota San Fernando, Pampanga
4. Toyota Plaridel, Bulacan
5. Toyota Tarlac
6. Toyota Isabela
7. Toyota Cabanatuan
8. Toyota Dagupan
9. Toyota La Union
10. Toyota Baguio
11. Toyota Calamba, Laguna



*Toyota Makati, Inc. President Ariel Arias (left) receives ISO Certificate from AJA Registrars Ltd. President Paul Bagatsing*

TMP holds the annual Dealer Environment, Safety and Health (DESH) Conference to recognize Pollution Control Officers (PCO), Safety Officers (SO) and dealer management for their outstanding performance on environment, safety and health in their respective operations. In 2017, thirty-six (36) dealers were also awarded with the Toyota DESH Excellence Award for achieving 100% compliance with the Dealer Environmental Management System (DEMS) and Dealer Safety Management System (DSMS).



*TMP and Toyota Dealer Officers during the 2017 DESH Conference*



## CHALLENGE 6

### Challenge of Establishing a Future Society in Harmony with Nature

Toyota engages in tree-planting activities, environmental conservation and education activities to achieve its ultimate goal of establishing a society where people and nature co-exist in harmony.

Toyota has been celebrating “**Toyota Environment Month**” in the month of June to rally employees to take action in their communities by organizing and participating in activities related to environmental awareness and conservation. As part of the celebration in 2017, TMP launched new activities to further enhance environmental consciousness among its various stakeholders.

TMP launched the **2017 Eco Fair**, an exhibit highlighting TMP’s environmental initiatives in its value chain, as aligned with the Toyota Environmental Challenge (TEC) 2050.

Through the Eco Fair, TMP was able to increase awareness about the Company’s environmental initiatives. Team Members, representatives from suppliers and dealers, as well as students from the Santa Rosa community, were taken on an Eco Tour of actual facilities inside the Toyota Special Economic Zone (TSEZ) that highlight TMP’s environmental best practices.

The Eco Fair included a Prius display, highlighting lower CO<sub>2</sub> emission of vehicles with Hybrid Technology. Inside manufacturing, TMP presented how painting operations decreased CO<sub>2</sub> emissions through the installation of the Boiler Feedback Controller, a mechanism which ensures optimum efficiency in boiler combustion. As regards water resource management, TMP showcased its Waste Water Treatment Plant to ensure that the water discharge is safe to be used in watering plants inside Toyota’s facility, as well as safe to be released to Laguna Lake. Just beside the waste water treatment plant is a “Green Home” model made from manufacturing plant’s scrap materials, aimed at promoting recycling even in our own homes. Moreover, a 10-hectare forest with a seedling nursery inside the Toyota Special Economic Zone testifies about Toyota’s commitment in creating a facility surrounded by nature.



**2017 Eco Fair Launch.** (from left) TMP Executive Vice President Tomohiro Iwamoto, TMP President Satoru Suzuki, TMP Senior Executive Vice President David Go and TMP Senior Vice President Luis Marcelino officially open the 2017 TMP Eco Fair



Elementary students tour inside the Green Home



Joining Toyota's resolve to expand forests and preserve biodiversity globally, TMP launched the **All Toyota Green Wave Project** in the Philippines. Under this initiative, tree-planting activities will now be carried out with a concerted effort among members of the value chain. During the launch, a total of ninety (90) participants, composed of TMP Team Members, representatives from suppliers, dealers and students from TMP's adopted school planted a total of five hundred (500) trees in two locations – inside Toyota's facility in Santa Rosa (150 saplings) and at TMP's adopted forest in Makiling Botanic Gardens (350 saplings).



*Team Members, suppliers, dealers and students from TMP's Adopted School plant trees during the launch of the All Toyota Green Wave Project*



*Waste Management and Segregation Seminar*

In engaging the Santa Rosa community to take care of the environment, TMP conducted a Waste Management and Segregation Seminar at the Toyota – City of Santa Rosa – Gawad Kalinga Village, where 75 local residents participated. Aided by the fifteen (15) trash segregation bins donated to the community, the seminar showed participants the benefits of segregating wastes.





SPECIAL FEATURE:

## Toyota Autoparts Philippines supports TEC 2050

Toyota Autoparts Philippines, Inc. or TAP has always been inspired by Toyota's vision of a future wherein people and nature coexist in harmony. This is why TAP makes it a priority to sustain collaborative initiatives such as planting trees, environmental conservation in surrounding areas, and environment education to "enrich lives of communities."

For nine (9) consecutive years, TAP has been celebrating the Toyota Global Environment Month every June. Since it was first launched in 2009, TAP has actively campaigned for a cleaner and pollution-free environment for the current and future generations.

In June 2017, TAP's environment group conducted an event supporting the Toyota Environmental Challenge (TEC) 2050. With the theme, "**Let's do it for the future!**", the activity aims to educate and increase awareness about the six (6) Toyota Environmental Challenges and other environmental issues currently facing the workplace and the community.

TAP prepared a month-long promotion, holding various activities such as **Tree-planting Activity, Bike For A Cause, Environment Quiz Contest, Social Media Eco Photo Contest, Suppliers CO<sub>2</sub> Reduction Education and TAP Mini Eco Park Tour, and Ecological Fair**. During the tree-planting activity held at Brgy. Inchican Elementary School, Silang, Cavite, TAP has engaged a total of 145 individuals which include team members, suppliers, government and school officials.



*Tree planting activity held last June 26, 2017 at Brgy. Inchican Elementary School, Silang, Cavite*

### CORPORATE PROFILE

TOYOTA AUTOPARTS PHILIPPINES, INC.\* is the first manual transmission hub outside Japan by Toyota Motor Corporation. It was established on August 3, 1990, and is currently a joint venture of Toyota Motor Corporation, Aisin Seiki Co., Ltd. (Aisin), and Toyota Motor Philippines Corporation.

Its products include manual transmissions (5- and 6-speed types) used for Innova, Hilux and Fortuner; as well as Constant Velocity Joints (CVJ) used for Corolla Altis and Vios.

About 95% of TAP's products are exported to various Toyota affiliate companies in the Asia Pacific region, South Africa and South America. The remaining 5% is allocated for local production of Innova and Vios.

\*TAP will be renamed Toyota Aisin Philippines, Inc.. Aisin increased its equity participation and will take lead in managing the company's business operations as its subsidiary.





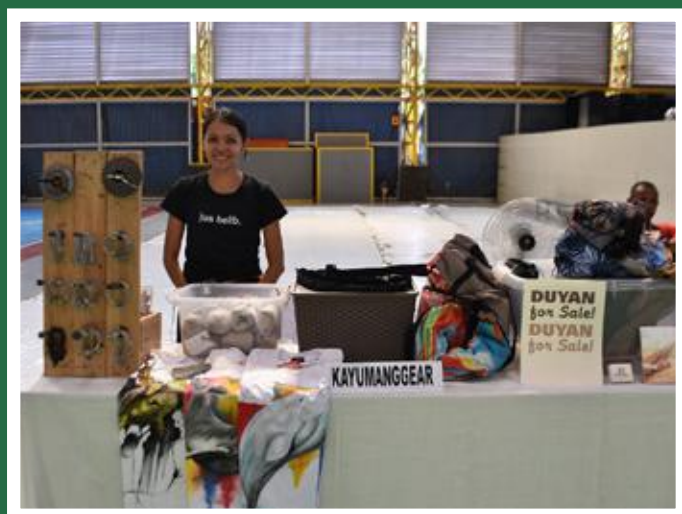
Another activity was the **“Bike For A Cause,”** which aims to raise awareness of team members and neighboring communities in reducing CO<sub>2</sub> emissions while promoting a healthy lifestyle through biking. Participants contributed a small monetary amount to be used for environmental projects such as the mini “Eco Park.”

This event was participated in by TAP bikers, led by TAP president Hiroshi Fukutani and TAP environmental director Allan Cantal. The enthusiastic bikers conquered the 21-kilometer Cardiac Trail in Silang, Cavite.



2<sup>nd</sup> TAP Bike For A Cause held last June 26, 2017

Furthermore, TAP held the **Ecological Fair** to promote environment-friendly products and concepts of recycling. The guest exhibitors showcased products like charcoal briquettes, re-purposed bicycle parts, bags made out of juice packs (by a livelihood organization in Santa Rosa, Laguna), recycled metals from Junk Art, and organic products from Gourmet Farms. There were also two exhibits from TAP team members, showcasing bonsai plants, as well as vermicomposting and organic pesticides efforts by TAP’s Admin Facility Grounds and Maintenance Group. The fair was attended by a total of 186 registered visitors.



An exhibitor at the 2017 Ecological Fair



Junk metal parts turned into an art piece



# Environmental Performance Highlights

(as of December 31, 2017)

<b>Regulatory &amp; Legislative Compliance</b>	0 non-compliance 49/49 DERAP-compliant dealers
<b>ISO14001 Certification</b>	TMP: ISO 14001:2004 <sup>1/</sup> Suppliers: 59/60 ( <i>mandatory compliance</i> ) Dealers: 16/63 ( <i>voluntary compliance</i> ) (1) Toyota Dasmariñas-Cavite (2) Toyota Abad Santos, Manila (3) Toyota Davao City; Toyota Davao City Body & Paint Center (4) Toyota Tagum City (5) Toyota Makati, Inc. (6) Toyota North EDSA (7) Toyota Marilao, Bulacan (8) Toyota San Fernando, Pampanga (9) Toyota Plaridel, Bulacan (10) Toyota Tarlac (11) Toyota Cabanatuan (12) Toyota Dagupan (13) Toyota La Union (14) Toyota Baguio (15) Toyota Calamba, Laguna (16) Toyota Isabela
<b>Pollution Control Officers</b>	TMP: 1 Environment Managing Head & 2 Pollution Control Officers Dealers: 52 Pollution Control Officers
<b>Achievement of Main Environment Performance Indicators (<i>per unit produced</i>)</b>	
	<i>vs. 2016 level</i>
<b>CO<sub>2</sub> Emissions</b>	6% decrease
<b>Water Consumption</b>	9% decrease
<b>VOC Emissions</b>	4% decrease
<b>Waste Generation</b>	46% increase
<b>Elimination of Substances of Concerns (SoCs)</b>	TMP: 100% Export Parts Suppliers: 100%

<sup>1/</sup>currently undergoing re-certification for ISO14001:2015 version



# Enriching Lives of Communities

Through the years, Toyota has always given emphasis on the importance of sustainable development. As we continue to grow Toyota's business in the country, we will ensure that it will also be felt by our various stakeholders and the communities we serve.



## CONTRIBUTION TO ECONOMY

It has always been Toyota's mandate to be a positive impact to society wherever it conducts business. In the Philippines, TMP ensures that the company contributes to the economy as its operations create added value to every member of its value chain, as well as the communities it supports. With the robust growth of the automotive market, TMP continues to flourish enabling the company to infuse more investments in the country to support its business requirements. These investments lead to capability-building through technology transfer and create employment opportunities for more Filipinos. As such, Toyota's sustained success in the country has facilitated the company's contribution to government revenues through payment of duties and taxes.

Cumulative Summary of Economic Contributions	
Toyota Group Investments (1989-2017)	Approximately Php 58 Billion
Total Taxes Paid (1989-2017)	Estimated Php 293 Billion
Employment (Toyota Suppliers & Dealer Network)	Over 55,000 Employees
Procurement from local suppliers	Approximately Php 182 Billion <i>2017: Php 15.81 Billion</i>
Toyota Group Auto Parts Exports (Since 1997)	Approximately US\$ 13.6 Billion  2017: US\$ 911.38 Million <i>(Accounts to 25% of Total PH Auto Parts Exports)</i>
Total Vehicle Sales (1989 – 2017)	1,430,848 units (CKD: 46.6% of total vehicle sales) <i>2017: 182,657 units (CKD: 61,168; CBU: 121,489)</i>
Total Vehicle Production (1989 – 2017)	767,593 units <i>2017: 61,951 units</i>

As of end-2017, TMP's investments reached approximately Php 58 Billion. The company has employed over 55,000 individuals in its manufacturing plant and office, as well as in the supplier and dealer network.

In its commitment to fulfill its financial obligations to the government, TMP has paid approximately Php 293 Billion in duties and taxes.

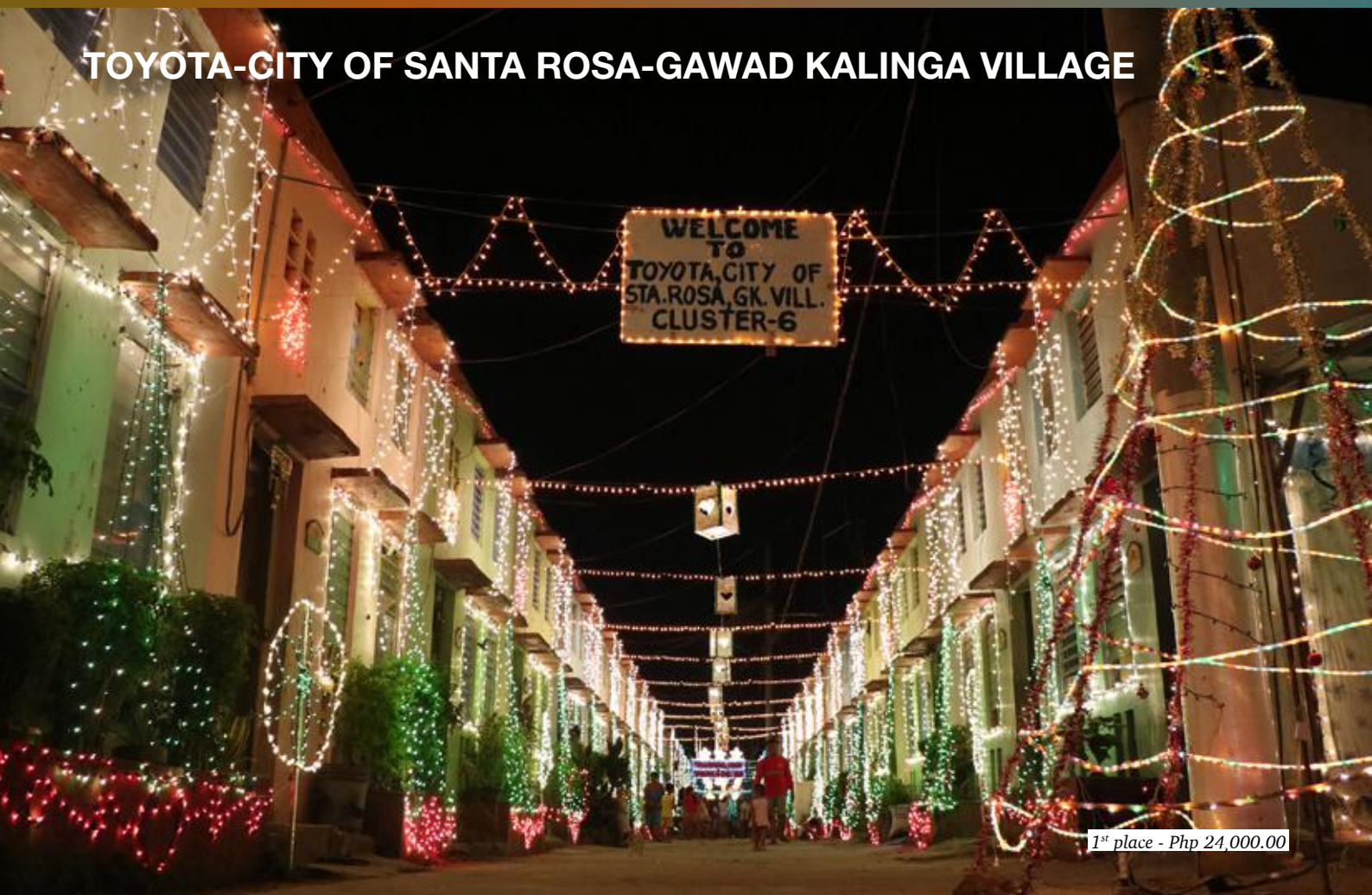
As regards exports activities, the Toyota Parts Complementation Scheme enables the export of parts and components from the Philippines to fourteen (14) Toyota production bases worldwide. As of end-2017, the Toyota Group has generated export sales of US\$ 13.6 Billion.

To further assist the Toyota Group with its exports operations, the Toyota Motor Philippines Logistics, Inc. (TLI) was established in 2016. TLI is TMP's wholly-owned subsidiary that provides export logistics and support services to Toyota suppliers in the Philippines. TLI was registered with PEZA as ELSE or EcoZone Logistics Enterprise.





## TOYOTA-CITY OF SANTA ROSA-GAWAD KALINGA VILLAGE



1<sup>st</sup> place - Php 24,000.00

### 2017 CHRISTMAS DECORATION CONTEST

Christmas in the Philippines is a much-anticipated and celebrated season. Houses are decorated and lit up with different sorts of lights and accessories during this time of the year. Since 2016, residents of the Toyota-City of Santa Rosa-Gawad Kalinga Village spruce up their houses to participate in the Toyota-sponsored Christmas Decoration Contest. The activity helps promote camaraderie among residents and turn the village into a local attraction in the City of Santa Rosa during the Christmas season.

The Toyota-City of Santa Rosa-Gawad Kalinga Village came to fruition in 2013 with 160 socialized housing units constructed through TMP's initial donation of Php 20 Million, in partnership with the City Government of Santa Rosa, Laguna and Gawad Kalinga (GK) Development Foundation. TMP continuously supports further development of the GK community through various programs of Toyota Motor Philippines Foundation (TMPF). Through the proceeds of past Toyota Classics charitable concerts, TMP donated Php 3 Million to establish a 300-sq.m. Multi-purpose Hall, and another Php 1 Million as funding for a chosen community livelihood project.



2<sup>nd</sup> place - Php 20,000.00



3<sup>rd</sup> place - Php 16,000.00





TOYOTA MOTOR PHILIPPINES  
SCHOOL OF TECHNOLOGY

## TOYOTA MOTOR PHILIPPINES SCHOOL OF TECHNOLOGY

In its four years of operations, Toyota Motor Philippines School of Technology (TMP Tech) has already made its mark as one of the premier technical schools in the country that mobilizes skills development and employment opportunities for the Filipino youth. By providing quality and holistic automotive education, TMP Tech is able to nurture individuals to become highly-competent automotive professionals as they join Toyota's local and global service network.

### New Toyota Technicians Join the Local Dealer Network

In 2017, two batches finished TMP Tech's banner program – the 2-year Toyota General Job Automotive Servicing Course. In June and November, a total of 275 new graduates successfully completed the prescribed curriculum of Technical Education and Skills Development Authority (National Certification Levels I-IV) and Toyota's Technical Education for Automotive Mastery in the 21<sup>st</sup> Century or TEAM 21 instruction. Having acquired extensive on-the-job exposure at local Toyota dealers, most of TMP Tech's graduates were employed in Toyota's network and became full-fledged automotive technicians.



*TMP Tech bestows Special and Technical Excellence Awards to Batch 5's (from left) Henry Lee King (Best in Underchassis System), Jonathan Mesina (Best in Engine System), Charmane Nacario (Leadership Awardee), Mark Lester Rosales (Best in Drive Train System), and John Rey Entatano (Technical Excellence Awardee - Bronze Medalist)*



*Batch 4 Class of 2017*



*Batch 5 Class of 2017*





STATP Batch 6



STATP Batch 7

## More Globally-Skilled Filipinos

The Specialized Toyota Automotive Training Program (STATP) produces highly-skilled technicians who will be employed by Abdul Latif Jameel Imports & Distribution, Co., Ltd. (ALJID) in the Kingdom of Saudi Arabia. In 2017, 53 young Filipinos successfully completed the program.

The STATP is an intensive course equivalent to acquiring a “Diagnosis Technician Level” in the Global Toyota framework. To attain such level, trainees are equipped in school and competencies are further reinforced through hands-on learning at local Toyota dealerships.

The students who take the STATP undergo a stringent process of selection, through which only the most qualified students are chosen from six partner schools accredited under the Toyota Technical Education Program (T-TEP), which includes TMP Tech.

ALJID recognizes the high quality of Filipino technicians that is why it has partnered with TMP long before TMP Tech was established. Under TMP’s Specialized Automotive Training Program (SATP), ALJID has already employed 108 technicians. TMP turned over the training program to TMP Tech in 2013 under the STATP banner.

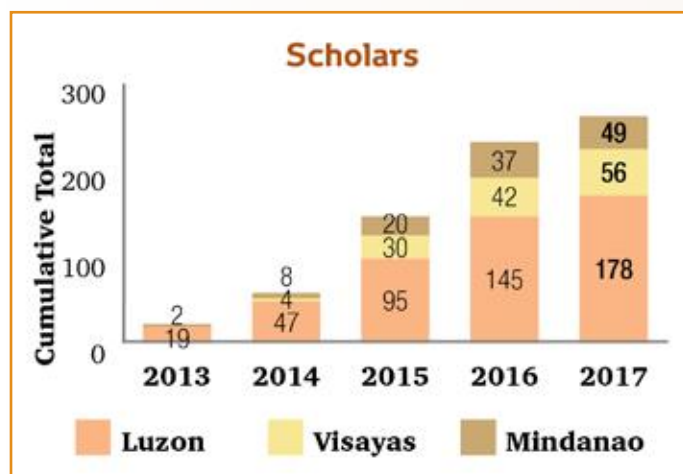
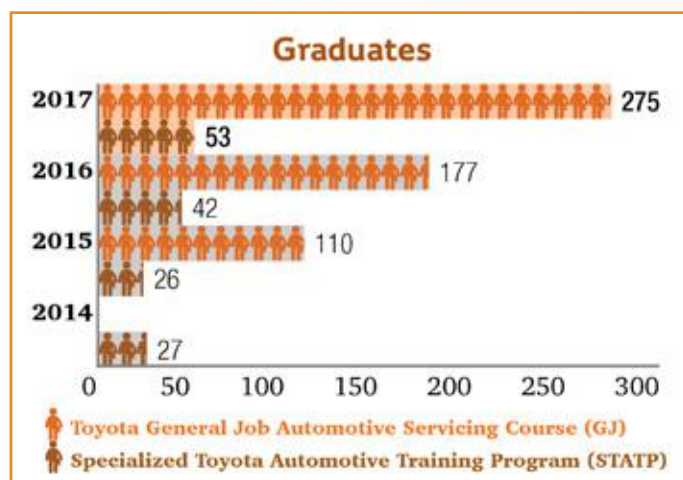
## TMP TECH HIGHLIGHTS

In 2017, TMP Tech has so far recorded the largest number of graduates in a single year. As of end-December 2017, graduates’ statistics are as follows.

- Graduates: Total of 710 since 2014  
GJ - 562  
STATP - 148
- Scholars: Total of 283 since 2013



Graduate scholars of TMP Tech Batch 5 Class of 2017 together with their sponsors from Toyota dealers and partner organizations, as well as TESDA, TMP and TMP Tech officers







Free medical services given by Makati Medical Center doctors

## TOYOTA MOTOR PHILIPPINES FOUNDATION

As TMP's social & humanitarian arm, Toyota Motor Philippines Foundation (TMPF) continues to serve more Filipinos through its various Corporate Social Responsibility (CSR) programs.

### HEALTH

From 1992 to 2016, TMPF has held 52 Medical and Dental Outreach Programs (MDOP) which have benefited a total of 101,697 constituents from the cities of Parañaque, Taguig and Santa Rosa, where Toyota has facilities.

Services Provided in MDOP	
<b>Surgical</b>	Circumcision, removal of cysts, skin tags
<b>Dental</b>	Tooth extraction, oral prophylaxis
<b>Pharmacy</b>	Medical supplements, prescription medicines



Free dental services given by dentists of Makati Dental Chapter

When TMP consolidated its manufacturing operations in Santa Rosa, Laguna in 2005, the annual MDOP has since been held in the city. However, with the much-improved health services being provided by the local government, TMPF has taken the initiative to shift to surgical services. Starting 2018, TMPF will hold surgical missions for pre-screened constituents of Santa Rosa.



## EDUCATION

TMPF continues its advocacy in providing quality education to its beneficiaries.

### AUTOMOTIVE EDUCATION PROGRAM

The **Automotive Education Program (AEP)** was established by TMPF in partnership with TMP's Customer Service Operations. Through this program, scholars under the AEP are given the opportunity to study automotive-related courses in TMPF's 20 partner schools and work in Toyota dealerships after graduation.

One of TMPF's successful graduated scholars is Mr. Alfredo Aquino. Alfredo was a graduate from Lingayen Technological Institute, one of TMPF's partner schools. Aquino finished the course Auto Diesel General Job Technician course in 2001. He is now an In-house Trainer at Toyota Dagupan.

As of end-2017:

- Total of 119 TMPF active scholars
- Total of 898 TMPF graduated scholars since 1990

TMPF, for its part, not just helps its scholars but also upgrades its partner schools' facilities by donating engine simulators. In 2017, TMPF donated 2 engine training simulators (4AFE Gas Engine and 2L Diesel Engine) to Aurora Polytechnic College (APC). Likewise, professors' knowledge and training techniques are also upgraded by immersing them on the latest Toyota technology.



*"TMPF's scholarship program helped me personally and professionally. It has led me to a more stable profession, and I don't have to worry anymore about my job's security. To be an employee of Toyota is not just an employment opportunity...it is an honor to learn the Toyota principles, core values, and apply them in my daily life and routines."*

—ALFREDO AQUINO



(From left) TMPF AVP & Operations Manager Ronald Gaspar, TMP Tech Executive Officer Jose Ma. Aligada, TMPF Treasurer Blesilda Rodriguez, TMPF President Dr. David Go, Aurora Polytechnic College Founder Sen. Edgardo Angara and APC Administrator Ilovita Mesina

## ADOPT-A-SCHOOL PROGRAM

Toyota Motor Philippines Foundation (TMPF) continues to support the development of its adopted school, Pulong Sta. Cruz Elementary School (PSCES), through various interventions that support improvement of the academic aptitude, as well as the health and wellness, of students and teachers.

### Stimulating Academic Excellence

In 2017, Toyota Motor Philippines Foundation (TMPF) held the annual **“Lakbay Aral”** Educational Tour for PSCES students. Forty-three (43) Grades 3-6 students participated in the educational tour where they visited historic landmarks such as the Fort Santiago and the Rizal Monument which represents parts of the life and persona of the country’s national hero, Dr. Jose Rizal. The students were also shown how arts and crafts-making, live rondalla and folk dances were done at the Museo Pambata.

Side-by-side with “Lakbay Aral” was another activity held annually – the **“Toyota’s Quest for the Best” Quiz Bee**. Twenty eight (28) students from Grades 3 to 6 participated in the competition. They answered questions on various subjects like Mathematics, Science, English, HEKASI, Current Affairs and special trivia lifted from the Lakbay Aral. Quiz champions and runners-up per level received medals, certificates and cash prizes.

As of end-2017:

- Lakbay Aral: Total of 397 students have joined since 2009
- Quiz Bee: Total of 252 students have participated since 2009

Another addition to TMPF’s various interventions for PSCES is the **Computerization Project** which started in 2016. Consisting of three phases, this project aims to transform PSCES to a “Digital School” by 2018 and make it the first digital Public Elementary School in Santa Rosa City. Phase 1 (Make All Classrooms Digital) aims to equip the classrooms with LED TVs to aid the teachers in explaining the lessons and engage the students more through visuals. Phase 2 (Link All Digital Classrooms) targets to provide the school with a strong internet connection through a WiFi network setup. Lastly, Phase 3 (Shift to a Content-Oriented Digital Learning Environment) intends to upgrade the teachers’ and students’ information technology skills.

As of end-2017 (Under Phase 1 of Computerization project):

- Total of 30 LED TVs installed in PSCES classrooms
- Total of 54 units of Notebook computers were delivered



*PSCES students inside the Museo Pambata during the “Lakbay Aral” Educational Tour*



*PSCES students during the “Quest for the Best” Quiz Bee contest*



*LED TVs being used in classrooms*



*Turnover of notebook computers to PSCES*



## Supporting Health and Wellness

Understanding the need for good health and proper nutrition for better learning of students, TMPF launched the **“Pasiglahin ang Estudyanteng Pinoy” (PEP) Feeding Program** in 2013 in partnership with Kabisig ng Kalahi Foundation. Every year, TMPF sponsors 60 PSCEs students from Grades 1 to 3. Together with TMPF is the Tulungan Network of Toyota Employees (T-NOTES), Toyota’s volunteer group, which also started to sponsor 30 students since 2015. These students were fed with nutritious meals and were regularly monitored for weight improvement. The PEP Feeding Program was concluded in 2017.



*TMPF Assistant Vice President Ronald Gaspar (back, center) with PSCEs students during a feeding activity*

*TMPF held a feeding activity during the Closing Ceremony of the program*

As of end-2017:

- Total of 360 students have benefited from the feeding program since 2013 (TMPF: 300 students; T-NOTES: 60 students)

Committed to the goal of further ensuring good health for better learning of PSCEs students, TMPF launched the **“Oh My Gulay – Tanim sa Kinabukasan” (OMG-TSK) Vegetable Project** in 2016. This project aims to teach students the importance of eating vegetables for better health through planting and consumption. For this project, teachers and students were taught how to plant and grow vegetables. To further promote this new practice, the school developed its own vegetable garden. The vegetable garden’s produce will be cooked and will serve as supplement to TMPF’s Feeding Program.



*“Oh my Gulay” – Tanim sa Kinabukasan” Vegetable Project Launch at PSCEs*



*Parents of PSCES students during their vegetable gardening training with members of East-West Seed Foundation*

To pass on the knowledge and practice of planting and eating vegetables from school to home, the parents of the students were also taught how to plant vegetables for their family's consumption. For their take-home tools, East-West Seed Foundation gave them Urban Gardening kits.

To support the medical needs of its adopted school, TMPF sponsors the **Annual Physical Examination (APE)** of the faculty and staff of PSCES, which provides free comprehensive check-up and free laboratory services like blood and urine tests, chest x-ray, and electrocardiogram (ECG) test. On top of the APE, TMPF also sponsors other health services as requested by PSCES such as Pneumococcal vaccinations held in 2016, as well as mammography services provided in 2017.

In 2017:

- APE - Total of 92 PSCES employees served

In 2017:

- Mammography Service - Total of 23 female employees served



*2017 APE for PSCES faculty and staff*



*TMPF-sponsored "Mammo Van" is stationed at school premises for the female faculty and staff of PSCES and Pulong Sta. Cruz National High School (PSCNHS)*



## Refurbishing School Facilities

TMPF annually participates in the “**Brigada Eskwela**” program of the Department of Education (DepEd). This program aims to make public schools more conducive for learning. Before the start of every school year, TMPF supports PSCES in achieving this goal by providing cleaning and painting materials. TMPF also brings in scholars and staff from Toyota Motor Philippines School of Technology (TMP Tech), one of its partner schools, to help repair and repaint PSCES’ facilities.

In 2017:

- Sponsored over P70,000.00-worth of cleaning and painting materials for refurbishment of school’s facilities
- Total of 20 Toyota volunteers



## ENVIRONMENT

The **Toyota Adopt-A-Forest Project** is a collaborative effort between Toyota and the University of the Philippines Los Baños Foundation, Inc. (UPLBFI) which was launched in August 2012. Since then, TMPF has been conducting tree-planting activities at the 10-hectare Makiling Botanic Gardens (MBG) inside UPLB. In 2017, TMPF gathered its scholar-volunteers and planted 200 saplings, on top of the 150 saplings planted by Toyota’s Dealer Network as support to the All Toyota Green Wave Project, a global initiative of Toyota Motor Corporation (TMC) which aims to help preserve and sustain Mother Earth’s ecosystems for future generations through various environmental activities.





SPECIAL FEATURE:

## 2016 Toyota Classics: “Music That Moves Lives”



*In photo (from left) are Pulong Sta. Cruz Barangay Captain Constancia Dones, Region IV-A Department of Education Regional Director Diosdado San Antonio, Representative of 1st District of Laguna Hon. Arlene Arcillas, Pulong Sta. Cruz National High School Principal Edwinda Talavera, TMP President Satoru Suzuki, TMAP-MS Vice President Hiroyoshi Kobayashi, TMP Foundation President Dr. David Go, former TMP Executive Vice President Yohei Murase.*

On October 27, 2016, TMP organized the 27<sup>th</sup> Toyota Classics. For this musical concert, the ensemble composed of highly-acclaimed pianist Pamela Tan-Nicholson, violin soloist Vasko Vassilev and the Baltic Neopolis Orchestra from Poland performed and gave modern twists to various classical pieces. Joining them were Filipino talents Morisette Amon and Jed Madela who rendered their own versions of various classical pieces from the musicals “Cats”, “Man of La Mancha” and “West Side Story.”

Likewise, the young and talented singers from our home-grown group Loboc Children’s choir also performed and sang “The ASEAN Harmony” brilliantly with the orchestra.

Php 3-million worth of Toyota Classics proceeds were donated to Pulong Sta. Cruz National High School (PSCNHS) to fund a school-wide Computerization Project that would help level-up the academic aptitude of students through digital learning.



**2016 Toyota Classics Beneficiary**

*LED TVs and laptops are used in classrooms as part of the Computerization Project for the school*



## CSR CUMULATIVE PERFORMANCE HIGHLIGHTS

### FLAGSHIP PROJECTS

#### Toyota-City of Santa Rosa-GK Village

- Php 20 Million donated in 2012 for the construction of 160 houses
- Php 3 Million donated in 2014 for the construction of the Multi-purpose Hall
  - The Multi-purpose Hall serves as an area for holding meetings, seminars, values formation and livelihood activities for the residents; it was inaugurated in 2016
- Php 1 Million donated in 2015 to support Livelihood activities of the residents

#### Toyota Adopt-a-Forest

As of end-2017:

- Reforested 4 hectares of the 10-hectare Reforestation area
  - Over 6,000 seedlings/saplings planted
- Developed 1 hectare of the 3-hectare Toyota Palm Garden
  - Planted over 1,000 palm trees
- Inaugurated Toyota Environment Education Theater (TEET) in 2016
  - About 27,000 MBG visitors use the facility annually
- Involved Toyota stakeholder groups in tree-planting initiatives
  - Over 2,000 trees planted

#### Toyota Motor Philippines Foundation

### HEALTH

#### Medical and Dental Outreach Program

- 101,697 patients served from Parañaque, Taguig and Santa Rosa cities since 1992

### EDUCATION

- 6 Toyota Technical Education Program (TTEP) Partner Schools
- 20 Automotive Education Program (AEP) Partner Schools
- 898 Graduated TMPF Scholars since 1990
- 119 Current TMPF AEP Scholars<sup>1/</sup>

<sup>1/</sup>continuing scholars + new scholars as of December 2017

## 2017 CSR AWARDS & RECOGNITION

### FROM DEPED REGION IV-A

The Department of Education (DepEd) Region IV-A CALABARZON Schools Division of Santa Rosa City awarded a Certificate of Recognition to Toyota Motor Philippines Foundation (TMPF) to recognize its various support initiatives to its adopted school, Pulong Sta. Cruz Elementary School (PSCES), under DepEd's Adopt-a-School program.



### FROM SOCIETY OF PHILIPPINE MOTORING JOURNALISTS (SPMJ) “DRIVEN TO SERVE” AWARD

The Society of Philippine Motoring Journalists (SPMJ) is a non-profit organization which consists of broadcasters, editors and journalists who cover automotive events and stories (print, broadcast, online). Through the “Driven to Serve” award, SPMJ gives recognition to automotive manufacturers with excellent Corporate Social Responsibility (CSR) programs.



Award	Category	Program
1) Platinum	Education & Training	Toyota Motor Philippines School of Technology
2) Platinum	Community Development	Toyota-City of Santa Rosa-GK Village
3) Gold	Environment	Peñablanca Sustainable Reforestation Project



# Stable Base of Business

The building blocks of every organization are the people who are bonded together by shared values and working towards a common goal to produce sustainable results. In Toyota, Team Members exercise the “Toyota Way,” which guides each one to always do better in their respective lines of work.

In moving the company towards further progress, its human resource must be adequate, competent and passionate to toe the line. Hence, ample opportunities are provided by TMP to create a conducive work environment where Team Members can grow in and with the company. As they continue to contribute in creating added value to business, it is also TMP’s goal to make available opportunities for a fulfilling career for the long-term.

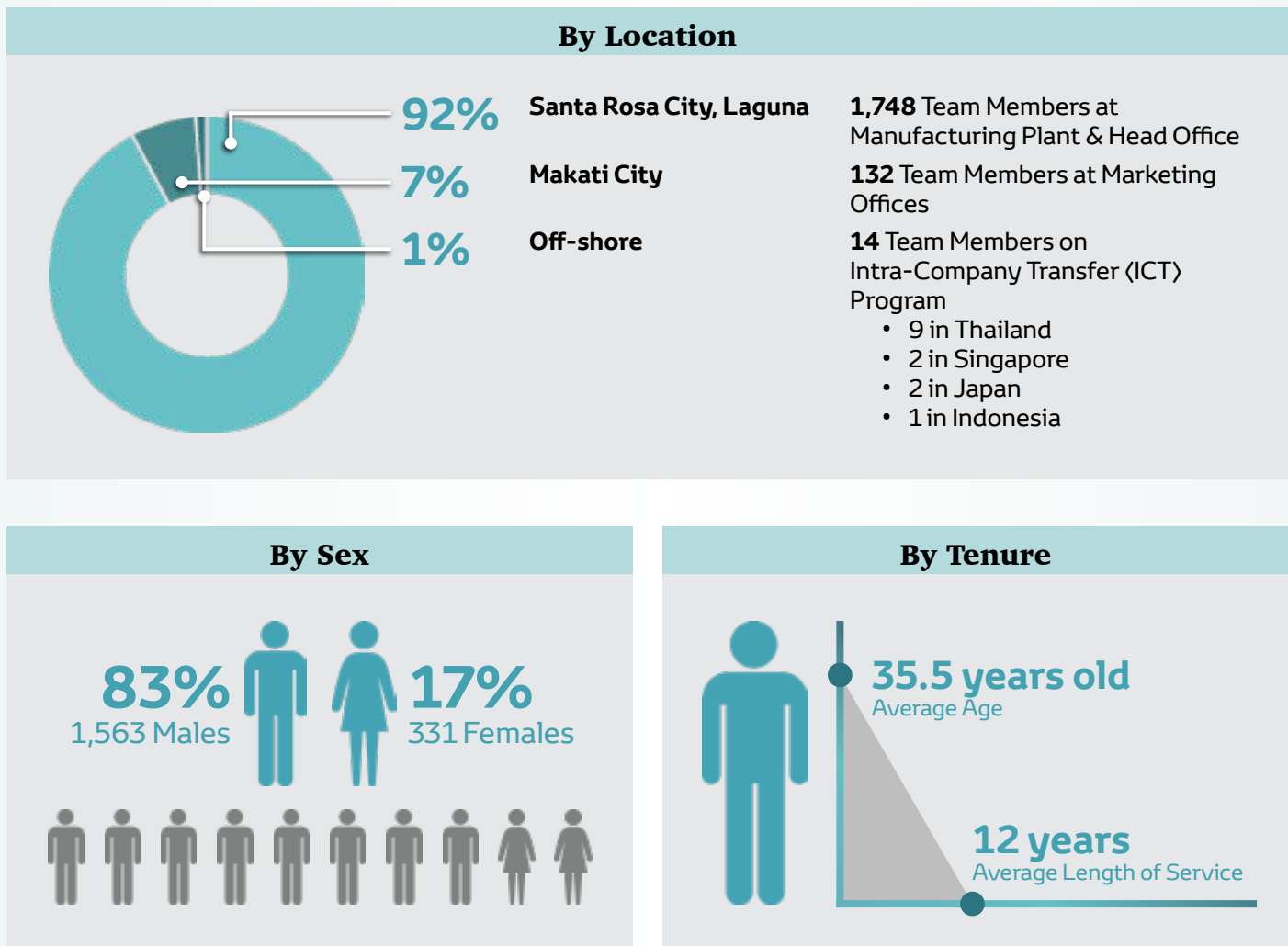


## BEHIND THE WHEEL

In the ultimate interest of bringing customer satisfaction, Toyota always recognizes the vital role its Team Members play in contributing to the company's success. It is a shared principle that every car owned by a Toyota customer is carefully and proudly made by people who are holistically developed and highly-motivated in their work. Hence, TMP keeps on finding ways to ensure the professional and personal growth of its human resource. As it places Teamwork and Respect For People at the heart of its business, TMP cultivates an "always better" workplace to promote long-term employee fulfillment.

### MANPOWER PROFILE

As of end-2017, TMP has 1,894 regular and probationary Team Members.



TMP's training system lays an inclusive track for every team member, which allows one to see the big picture of Toyota's business and develop capabilities beyond the scope of required job function. By investing yearly on training and continuing education, TMP creates a wellspring of highly-capable professionals and dedicated leaders who can establish a stronger foundation for Toyota's business as they develop a fulfilling career for the long term.

### DEVELOPING A TOYOTA MINDSET

#### Team Members Training

As soon as a Team Member is employed in TMP, he is immersed in Toyota's basic values, principles and practices in doing business. A comprehensive training curriculum is implemented and guides one accordingly as he progresses on the job.



Toyota Global Content training programs for all TMs include:

<b>1 Toyota Way Foundation (TWF)</b>	<b>***AFTER ATTAINING REGULAR EMPLOYEE STATUS***</b>
<p>TWF is a program on the set of behaviors that all Toyota Members follow when doing business. Toyota Way is a foundation built on a distinct set of philosophy and values. It is shared by all people of Global Toyota and is applied in every country and function.</p>	
<b>2 Plan Do Check Act (PDCA)</b>	<b>4 Ji Kotei-Kanketsu (JKK)*</b> <p>JKK is Toyota's method in building in quality and ownership in each work process. This explains how standardization can ensure a good process to provide good output for customers.</p>
<p>PDCA elaborates Toyota's work processes, aimed at creating sustainable improvements in performance and project management.</p>	
<b>3 Building Consensus through A3 Reports (A3)</b>	<b>5 Toyota Business Practices (TBP)</b> <p>TBP is an extensive training program on Toyota's daily problem-solving methodology, which effectively puts the philosophy, values, approach and tools into practice.</p>
<p>A3 is a course on Toyota's communication tool conventionally used to inform, generate input, get approval and build consensus among stakeholders.</p>	

Ji Kotei-Kanketsu (JKK)\* has been cascaded to all Team Members starting 2015.

## Leaders Training

In the spirit of continuous improvement, Leaders are required to go through several courses which focus on further developing their respective teams and efficiently managing projects for the achievement of corporate goals. Toyota Global Content training programs for Leaders are as follows:



### On-the-Job Development (OJD)

OJD is Toyota's method of developing the coaching and mentoring skills of Leaders.

### Toyota Management Training Program (TMTP)

TMTP aims to introduce Toyota's Management Framework by maximizing work outcomes and developing Toyota Managers through Toyota Way principles.

### Hoshin Kanri (HK)

HK is a session on Toyota's management system that enables the Company to translate the Company vision into business targets and actions, and develop the organization for sustained performance in all functions and at all levels.

## DEVELOPING FUTURE LEADERS

As a high-potential Team Member takes his transition to a leadership position, advanced training interventions allow him to further develop his strengths and capabilities so that he will be ready to assume bigger challenges later on. As future leaders of the company are groomed, TMP is then assured of a pool of dynamic strategists and decision makers who will drive the company's growth to the next level.

## Local Development

For high-potential and high-performing Team Members, TMP devised a fast-track development scheme called **Leadership Advancement Program** or **LeAd**. Here, superiors apply one-on-one coaching and mentoring to prepare their identified subordinates for immediate deployment in leadership positions. The Team Member attends both internal and external trainings to acquire additional technical and management competencies. Moreover, LeAd normally requires job rotation or participation in job immersion to achieve a more holistic understanding of concerned functions.

## Regional Development

Annually, TMP selects Team Members from the ranks, who are specialists in their fields, to be sent to different Toyota offices across Asia to undergo the **Intra-Company Transfer** or **ICT**. This development program is a project-based personnel exchange among Toyota affiliates that aims to make use of global human resources to support overseas affiliates in achieving self-reliance through development of local staff. The ICT allows the participants to benchmark best practices from other Toyota affiliates, which they would eventually cascade to other Team Members and apply in their local operations when they return home from their assignments. In 2017, nine (9) TMP Team Members were sent either to Singapore, Thailand, or Indonesia while three (3) foreign nationals from Asia Pacific affiliates have been assigned in TMP.

To prepare identified division-level successors, especially those of Vice President (VP) to First Vice President (FVP) level, TMP employs the **Executive Development Program (EDP)**. This program focuses on the career development of TMP's current crop of leaders by deploying them in several programs that hone their leadership skills and broaden their knowledge and experience in their respective operations. Leaders who are in the EDP undergo development through ICT assignment, inter-company rotation, mentoring, and management and function training. In 2017, there were 10 Leaders who participated in this program.

Designed for senior executives, other regional programs are the **Management Development Program** (for VPs) **Leadership Development Program** or **LDP** (for FVPs). Held in Thailand and Japan, respectively, these programs aim to develop managerial perspective, especially in regional and cross-functional thinking, deepening the understanding of the Toyota Way.

Introduced by Toyota Motor Corporation, the **Global Career Development Program (GCDP)** is an online development tool created to promote and enhance leadership development by providing opportunities for discussion between superiors and subordinates and grasping career aspirations of future Global Toyota executives. Conducted annually by Toyota regional offices, the GCDP captures the participants' profiles and aspirations, which are used as input in regional and global Toyota succession planning. As GCDP is a career-planning tool for Toyota executives, all senior-level TMP executives participate in GCDP. As of end-2017, there are 12 Leaders participating in this program.



**MICHAEL ANGELO ANTONIO**  
Vice President  
Purchasing Planning Department

ICT Duration:  
July 2014 to June 2017 (TDEM)  
July 2004 to June 2006 (TMC)

Host Company:  
Toyota Daihatsu Engineering & Manufacturing  
(TDEM), Thailand;  
Toyota Motor Corporation, Japan

Home Company:  
Toyota Motor Philippines Corporation

*"During my first ICT assignment (in TMC) when I was still a young buyer of TMP, the training was focused on sourcing activity. However, on my next assignment in TDEM, my responsibility was much bigger in terms of scope. It helped me understand 'purchasing' from a regional perspective through exposure in regional purchasing activities. It improved my management skills in Purchasing Planning functions."*

*"Through my regional exposure, I was able to gain knowledge in strategic planning in Price Review and Localization that I can share in TMP"*



**TEERAVANICH LOABOONSUP**  
Vice President, Parts Department

ICT Duration:  
July 2016 to June 2018

Host Company:  
Toyota Motor Philippines Corporation

Home Company:  
Toyota Daihatsu Engineering &  
Manufacturing Co., Ltd. (TDEM)

*"When I left TDEM [in Thailand], I was a General Manager for two departments: Procurement and Supply, and Asia Pacific Jiritsuka. My assignment in the Philippines will help me become a better coach, both here and in Thailand."*

*"Here, I work closely with the customer, which adds up to my professional knowledge. My assignment helps me improve my social skills because of the warm and friendly people that I communicate with every day."*



## ENHANCING COMMUNICATION AND CAMARADERIE

Behind every milestone that the company achieves is a synergy of people exerting time, ideas and energy. In collaboration with labor groups, these social activities aim to build a lasting culture of communication, camaraderie and unity in TMP.

### REGULAR ACTIVITIES

#### General Assembly with the President



*Team Members gather together in the new gymnasium*

#### Birthday Luncheon with the President



*A birthday celebrator receives a birthday cake*

#### Info Time



*Manufacturing Team Members are briefed on the current issues that affect TMP's business*

#### T-Bitzers



*A Team Member checks on TMP's official intranet portal for company updates and announcements*

### SPECIAL CELEBRATIONS

#### TMP-LMC Sports Fest



*Opening of 2017 Sportsfest at the Toyota Activity Center, participated in by all company divisions*



*Individual sport competitions held at Toyota Administrative Services Center*



*Ekiden 5K Run*

#### Interest Groups Exhibit





### Summer Outing: “Water Festival”

May 6, 2017, Club Manila East, Taytay, Rizal



### Christmas Party: “TMP Groove It”

December 9, 2017, Toyota Activity Center



### TMP FIT (Facebook, Instagram, Twitter): Info-In-A-Click

In order to establish an additional channel of communication for Team Members, TMP introduced the “TMP Fit.” This is a multi-platform social media network where information on corporate events and activities are made available on Facebook, Instagram and Twitter to generate interest among employees online. TMP Fit aims to promote safety and health, emergency preparedness, and a general work culture that fosters team spirit and recognizes employee contributions. Its online pages also provide links to the company’s official sites for plant tour, retirement program and marketing activities for interactive sharing.



## Special Feature: Most Outstanding Leaders and Team Members & Shop of the Year

### Igniting a Culture of Excellence

As it regards its Team Members to be its most valuable assets, TMP held the Most Outstanding Leaders & Team Members (MOLT) and the Shop of the Year (SOTY) Awards Night in March 2017 to honor the individuals and groups who have exhibited exemplary performance in the workplace and significantly contributed to the attainment of the Company's goals. The awardees are a testament to Toyota's commitment to excellence, quality and continuous improvement as they have passionately dedicated their time and effort in ensuring that TMP delivers quality products and services to its customers. Moreover, these MOLT and SOTY winners not only demonstrate exceptional skills and talent at work, but also serve as good role models inside and outside TMP.



**THE 2017 MOLT AWARDEES.** (From left) FRANCIS ALBERT BENITEZ (Rank & File - Direct Production Category), LARRY TEJANO (Manager Category), ARNEL JAVIER (Group Head Category), MAY ROSARIO (Supervisor Category), PATRICIA ALEXIS HECHANOVA (Rank & File - Office-Assigned Category), JAMIL CABARRUBIAS (Rank & File - Indirect Production Category), ADOLFO BINAUHAN (Team Leader Category), and FELINO LESCANO, JR. (Group Leader Category)

### MOST OUTSTANDING LEADERS & TEAM MEMBERS (MOLT)

Since its launch in 2006, the goal of TMP's MOLT Program has not changed: To recognize Team Members who have exhibited outstanding work performance and attitude, and whose character is worthy of emulation. All Team Members vying for this award go through a rigorous screening process conducted by TMP's executives who evaluate nominees based on the following criteria: Quality of Work, Attendance, Kaizen, Safety, Peer Recommendation, Extraordinary Accomplishments, and Leadership (for leaders). Each MOLT awardee receives a trophy, cash prize, and a recreational package.



**THE 2017 SOTY AWARDEE.** Members of TMP's WELDING 2 Section receive their awards from officers of TMP and Labor Management Council. WELDING 2 Section is also given a special award for being Number One in Shipping Quality Audit & Final Inspection Quality Performance.

### SHOP OF THE YEAR (SOTY)

In line with TMP's commitment to ensure safe and efficient vehicle production, SOTY was launched in 2016. This program aims to emphasize the importance of having teamwork and kaizen spirit in order to achieve a common goal.

To be Shop of the Year, Production-based sections in TMP must qualify in the preliminary screening stages where they shall be evaluated based on their efficiency in the following key performance indicators (KPIs): Safety, Quality, Productivity, Cost, Environment, Knowledge and Skills Development, Maintenance, and Logistics. The three sections with the highest scores shall then advance to the Final Stage where sectional leaders undergo thorough

interviews to attest to their group's achievements and significant contributions to TMP's production operations. The section that scores the highest in this stage is named "Shop of the Year" and takes home a trophy and cash prizes. Special awards were also given to sections who were Number One in the following aspects: Shipping Quality Audit & Final Inspection, Warranty Claims Reduction, Cost Reduction and Production Efficiency. All winners received plaques and cash prizes.

## STRENGTHENING TEAM MEMBERS' SAFETY MINDSET

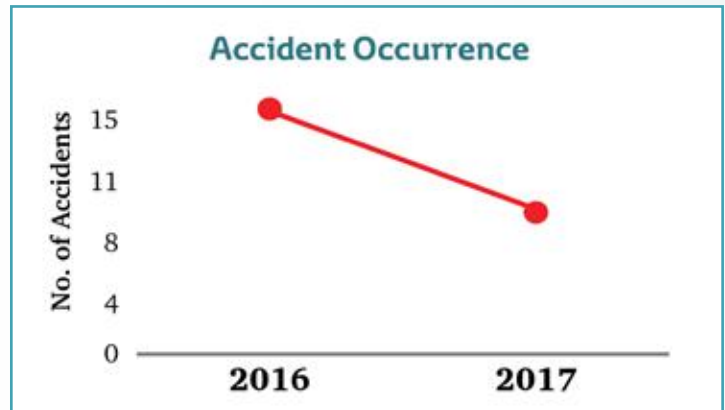
Safety remains to be Toyota's number one priority in all aspects of its operations. With high accident occurrences in 2016, TMP became more aggressive in further raising the safety consciousness of Team Members through various trainings.

### SAFETY TRAININGS

The Behavioral Based Safety Training is a two-day mandatory training tailor-fitted to TMP's operations. This is designed to influence Team Members' actions towards safer outcomes, ideally by preventing an accident or injury. A third party safety training organization, which is accredited by the Department of Labor and Employment (DOLE), conducts this training in TMP.

The **Globally Harmonized System on Chemical Labelling Training** is patterned after DOLE's rules and regulations in chemical handling. This is conducted by a third party safety training organization, which is attended by Team Members, representatives from the Toyota Suppliers Club, contractors and TMP Tech instructors who handle chemicals in their processes.

Other safety trainings that are conducted regularly include: Defensive Driving Training for Team Members who use company vehicles in their operations, Safety Leadership Training, Basic Occupational Safety and Health (BOSH) Training made available to safety leaders per shop, and Hazardous Workplace Training, which is part of Toyota's goal to achieve zero accidents in the workplace.



### SAFETY MONTH ACTIVITIES

During the annual celebration of Safety Month in July, TMP holds contests and activities that focus Team Members' attention to their own safety while doing their day-to-day tasks.

In 2017, a **Safety Town** was setup in TMP's Safety Dojo where games were designed to provide knowledge about accidents at work and how to prevent them from happening.

Players must give information about different accident scenarios and answer safety questions in order to get a prize. Team Members were encouraged to participate in these games as they learn about safety and have fun at the same



Team Members participating in Safety Town



Another activity, the **Safety Chase**, was held to develop a sense of teamwork and unity in pursuing and achieving safety in the workplace. The team relay had five (5) pit stops with different safety activities to accomplish. Teams must answer and do the assigned tasks correctly before moving on to the next stop. All of the challenges aim to reiterate the different roles of safety in all aspects of the business operations.

## SAFETY DOJO IMPROVEMENTS

TMP's **Safety Dojo** serves as a venue for Safety-related trainings, such as preventing the Stop 6-type accidents, which were identified as most likely to cause death and disability of the Team Member:

1. caught in / pinched by machine
2. contact with heavy objects
3. vehicular accident
4. falling accident
5. electrocution
6. contact with hot object

TMP further equipped the Safety Dojo with added facilities and equipment to simulate a hazardous workplace. During trainings in the Safety Dojo, prevention of accidents are demonstrated so that Team Members learn how to work safely in such an environment.



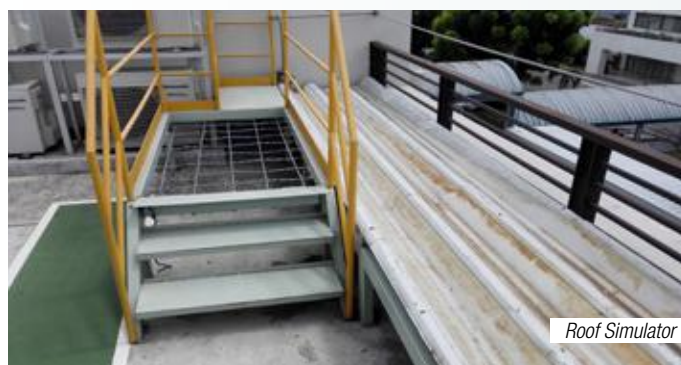
Scaffold System



Climbing at Height



Fall Protection Equipment



Roof Simulator



High Place Structure



Safety Harness Simulation Area

## ENSURING EMERGENCY PREPAREDNESS

TMP continued to prepare for emergency situations by educating its Team Members through drills and exercises.

In 2017, TMP's Facilities and Risk Management (FRM) Group conducted three (3) training exercises simulating earthquakes and fire. These emergency drills aim to:

- Review and evaluate the effectiveness of the existing Emergency Evacuation and Response Procedures, and to determine necessary adjustments to procedures to improve performance; and –
- Give Team Members an opportunity to practice emergency procedures in a simulated but safe environment.



Duck, Cover and Hold



Moving to Assembly Area



Man count at the Assembly Area

Team Members and contractors are taught evacuation strategies and responses when a calamity hits while they are in their respective work areas.

In 2017, TMP further improved its Earthquake Drill, with the inclusion of accounting of people at the designated assembly area as part of the standard procedure. TMP's average evacuation time for the Earthquake Drill was standardized at 5 minutes.

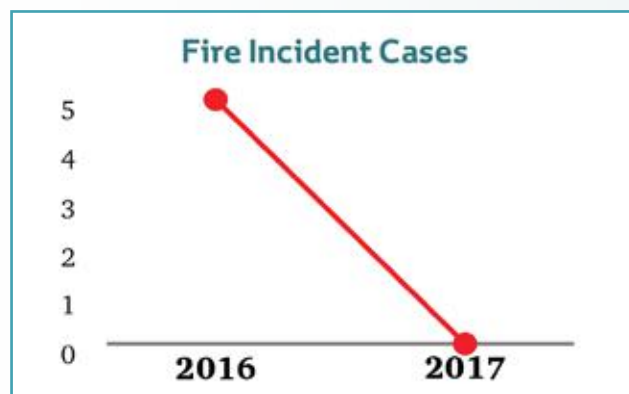
Due to the increase of fire incident cases in the previous years, TMP's Fire Drill was given high priority in 2017. The Fire Drill duration averaged 19 minutes, while average evacuation time improved from 10 minutes to 5 minutes in 2017.

TMP also upgraded its Fire Detection and Alarms System (FDAS) to provide a more reliable system in case of emergencies.

TMP registered zero case of fire incident in 2017, which may be attributable to the regular preventive maintenance and check-up of equipment in the manufacturing plant, as well as the removal of combustible items in high-risk areas, such as in Welding and Painting Shops.

Earthquake Drill	2016	2017
Drill Duration	15 mins.	24 mins.
Average Evacuation Time	5 mins.	5 mins.

Fire Drill	2016	2017
Drill Duration	19 mins.	19 mins.
Average Evacuation Time	5 mins.	5 mins.



## PROMOTING A HEALTHY LIFESTYLE

Team Members' wellness remains of prime importance to the sustainability of the business. Because of this, TMP continues to promote a healthier lifestyle for all.

TMP provides an extensive Health Maintenance Organization (HMO) coverage under Medicaard to its Team Members to support their medical needs. On top of this, Toyota also conducts an **Annual Physical Examination (APE)** and **Executive Check-ups** to monitor Team Member's physical condition. Findings are then analyzed and brought to the attention of Team Members for further medical assessment and advice from the doctor. Team Members may also consult with doctors/nutritionist at the medical clinic as needed.

Every November during the Wellness Month, Team Members are encouraged to live a healthier lifestyle through a series of lectures conducted during lunch breaks. Health care and pharmaceutical booths are also made available during the Wellness Fair to give information about healthy living.

Wellness Month Seminars	
2016	2017
1. Hypertension 2. Heart Diseases 3. Diabetes Mellitus 4. Proper Nutrition	1. HIV/AIDS 2. Celebrating Life Without Prohibited Drugs 3. Stress Management and Smoking Cessation





Team Members lining up at the RiteMed Booth



Seminar about HIV/AIDS



Free consultation provided by TMP's wellness partner

In 2017, a Blood-Letting activity was also held during the Wellness Month. Around 50 Team Members donated blood their help save lives. This activity was made possible in partnership with St. Luke's Medical Center.



Blood-letting activity



## SPECIAL FEATURE: The All-New Toyota Activity Center

In 2017, TMP constructed the All-New Toyota Activity Center (TAC) to provide its Team Members with an improved facility where they can pursue their own sports and fitness activities.

The new facility now has a bigger space for Team Members to play sports. This is one of TMP's efforts to promote an active lifestyle among its employees. The facilities are available for use during the Team Member's free time.

TMP equipped the All-New TAC with the following sports facilities:

### BALL GAMES

Basketball Courts  
Volleyball Courts  
Badminton Courts  
Futsal Pitch

### INDOOR GAMES

Darts and chess  
Table Tennis  
Billiards

### PHYSICAL CONDITIONING

Fitness Gym  
Group Exercise

The All-New TAC also serves as a venue for Team Members to assemble during special corporate events, such as:

- General Assembly with the President
- Anniversary Celebration
- Production Roll-Off Ceremony
- CSO Skills Olympics
- Corporate Christmas Party
- Sports Tournament

Aside from these, a music studio has also been developed to provide a venue for Team Members with musical talents to hone their abilities.





## HR PERFORMANCE HIGHLIGHTS

Since 2002, the TMP Workplace Survey (TWS) has been utilized as one of the tools to measure Team Members' satisfaction. Conducted every two years, the TWS helps the Company get a better understanding of how Team Members perceive TMP as an employer.

In 2016, overall satisfaction showed an improvement from 4.17 to 4.24 (on a scale of 1 to 5, 5 being the highest). Areas that showed the most remarkable improvement in the survey were Employee Satisfaction, Sense of Ownership, and Vision, Mission and Values.

Under Employment Satisfaction, Team Members scored benefits and reward system as the most improved. It is also worth noting that Sense of Ownership grew stronger, as Team Members take pride that their personal efforts contribute to the success of the Company. In terms of Vision, Mission and Values, survey showed that Team Members put a high value on management's fairness, transparency, and genuine concern for Team Members.

	2014	2016	Improvement
<b>Employee Satisfaction</b>	4.01	4.10	<b>0.09</b>
<b>Group Performance Dynamics</b>	3.98	4.06	0.08
<b>Quality of Life</b>	4.35	4.38	0.03
<b>Relationship</b>	4.05	4.13	0.08
<b>Sense of Ownership</b>	4.51	4.60	<b>0.09</b>
<b>Vision, Mission, Values</b>	4.22	4.31	<b>0.09</b>
	2015	2016	Improvement
<b>Leadership*</b>	4.03	4.11	0.07
<b>TOTAL</b>	<b>4.17</b>	<b>4.24</b>	<b>0.08</b>

*\*The TMP Workplace survey is conducted every 2 years, except for the Leadership aspect which is done annually*

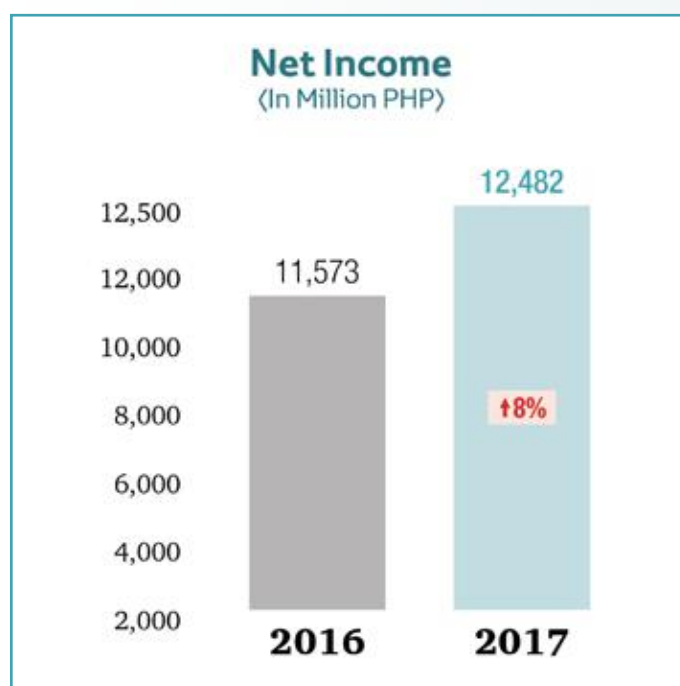
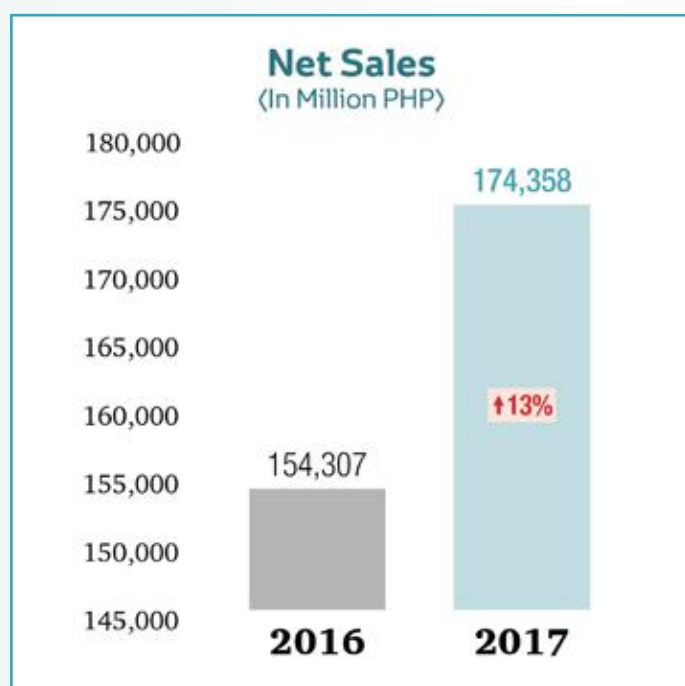
After tallying the survey, feedback sessions are done to validate the results. After which, results are processed to come up with countermeasures and/or improvements that would help TMP better care for its Team Members.



## FURTHER ENHANCING FINANCIAL STRENGTH & COST COMPETITIVENESS

TMP continues to fortify its position as market leader in the local automotive industry, achieving its 16th consecutive Triple Crown and setting a new sales record of 183,908 units sold in 2017, with 38.9% market share.

Given its strong sales, TMP's financial performance in 2017 remained robust. TMP's 2017 Net Sales amounted to Php174.36 Billion, growing by 13% compared to previous year. Likewise, TMP's Net Income achieved 8% growth, reaching over Php 12.48 Billion in 2017.



## FINANCIAL PERFORMANCE HIGHLIGHTS

(In Thousand Pesos)	2016 (Audited)	2017 (Audited)	Variance % (+/-)
<b>Net Sales</b>	<b>154,307,025</b>	<b>174,358,388</b>	<b>20,051,363</b>
Cost of Goods Sold	(134,996,124)	(154,137,890)	19,141,766
Total Expenses	(4,259,672)	(4,813,504)	553,832
Interest and Other Income-net	6,482	336,010	329,528
Income before income tax	15,057,711	15,743,004	685,293
Provision for income tax	(3,484,557)	(3,260,611)	(223,946)
<b>Net Income</b>	<b>11,573,154</b>	<b>12,482,393</b>	<b>909,239</b>
Total Assets	30,805,421	34,223,226	3,417,805
Total Liabilities	15,526,545	18,049,642	2,523,097
Stockholders Equity	15,278,876	16,173,584	894,708



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