



**2009 SUSTAINABILITY REPORT**  
Toyota's commitment to New Zealanders



A close-up photograph of a person's hand holding a small, vibrant red seedling in dark, rich soil. The hand is positioned in the lower right quadrant of the frame, with the fingers gently cradling the seedling. The background is a blurred, dark blue-grey, suggesting an outdoor setting. The overall mood is one of care and growth.

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# Chairman & CEO Message

They say that being a citizen of the 21st century means being answerable to the future – and that applies to corporations as well as individuals.



Alistair Davis (left) and Bob Field (right)

**When school children in 2050 look back on the history of our times we will be judged not only on what we achieved but by what we left undone. And for several years now we have observed with growing concern that global economic growth was rapidly becoming unsustainable – with alarming growth trends in population, energy demand and greenhouse gas emissions just a few of the mounting threats to future generations.**

Until the financial crisis arrived in 2008 few people predicted that the circuit breaker for this unprecedented growth would be a systemic failure of the financial markets. But in the fullness of time the global financial crisis may be judged favourably for its role in delivering a wake up call to governments, to businesses and to individuals that the 20th century 'business as usual' approach was unsustainable in the 21st century.

This publication is Toyota NZ's third Sustainability Report (SDR) which reflects our social commitment to the local community, our contribution to preserving the natural environment as well as our achievements in business excellence.

Whilst corporate reporting on sustainability has only become a widespread practice in recent years we are proud that the underlying sustainability objectives have been embodied in Toyota's Guiding Principles for more than two decades – well before sustainability reporting became popular.

Accordingly Toyota NZ has been a long term contributor to many aspects of our local society and natural environment – including a quarter of a century partnership with the World Wide Fund for Nature in New Zealand (WWF-NZ), a founding member of the Business Council for Sustainable Development more than a decade ago and a sponsor of Team New Zealand for close to two decades.

We were the first to introduce hybrid technology to the New Zealand motor industry and have exciting plans to widen our range of hybrids and continue to lead the motor industry both in overall sales volume and in the expansion of fuel efficient and low emission vehicles.

As a company we operate world class standards for sustainable business practices, including a company wide carbon zero rating and we have successfully provided staff incentives to reduce our carbon footprint. Our Thames operation is ISO14001 certified

and we are progressively implementing environmental standards across the whole company. But our real strength in sustainability is the fantastic team of employees and dealers who collectively form the Toyota team in New Zealand.

But we are not perfect, we can and will do better both individually and as a company. Our motivation to do better comes from our parent company's guiding principles, it comes the commitment of the local Toyota team and it comes from our desire to contribute to New Zealand's exciting future as a clean and green country under the branding of 100% Pure New Zealand.

Whilst sustainability has been at the core of Toyota NZ's strategy for decades we strongly believe the future will judge us on what we do rather than what we say. Accordingly this publication is a chronicle of our actions rather than words. We hope you enjoy it.

**Bob Field**  
Chairman

**Alistair Davis**  
CEO

TOYOTA NZ

# Scope of the Report

This is Toyota NZ's third Sustainability Report. It covers our environmental, social and economic activities and results for 2008 and the projected calendar year 2009 unless otherwise stated.



Our first two Sustainability Reports, were published in 2005 and 2007 respectively, both covering two year periods.

There were no significant changes in the nature of the activities of Toyota NZ during the reporting period.

Our key target audiences for this report are internal and external stakeholders. They include employees, dealers, customers, suppliers, government, educational institutions, media, Toyota Motor Corporation and other businesses that have an interest in sustainability and reporting.

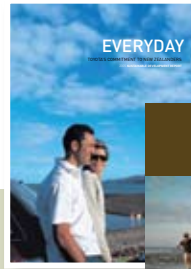
Data has been collected and reported for all Toyota NZ sites including the Thames Vehicle Operations, Port of Entry facility in Auckland and the corporate headquarters at Toyota's National Customer Centre in Palmerston North. Data covers the 2008 and projected 2009 calendar years, unless otherwise stated. The previous Sustainability Report covered the period 2006/2007.

This report has been developed using the Global Reporting Initiative G3 guidelines. The G3 guidelines provided a useful framework for examining the environmental, social and economic aspects of Toyota NZ's performance to be included in the report.

We have broadened the scope of the report this year to include wider coverage of information in these areas.

The report applies the GRI framework which means that we have undertaken the G3 Profile and Management Approach disclosures and reported on all core indicators.

A GRI Index is located on page 54.



**We welcome your feedback on this report. Please email to [editor@toyota.co.nz](mailto:editor@toyota.co.nz)  
An online copy is available at [www.toyota.co.nz/sustainability](http://www.toyota.co.nz/sustainability)**

*believe*

# VISION AND STRUCTURE



# Toyota NZ at a Glance

Toyota's leadership is built on a strong commitment to customer satisfaction.



## Who We Are

Toyota NZ has been the market leader in the New Zealand automotive industry for the past 21 years. Toyota NZ is a wholly owned subsidiary of Toyota Motor Corporation, Japan (TMC). TMC is Japan's largest vehicle manufacturer and now the largest automotive company in the world. Toyota NZ employs 220 people and around 1500 more are indirectly employed in our supplier and dealer network. We also offer a range of Finance and Insurance products through Toyota Financial Services, a sister company to Toyota NZ.

Toyota NZ has a national network of 34 independently owned dealers covering the expanse of New Zealand.

## Where We Are

Our corporate headquarters are based at our National Customer Centre (NCC) in Palmerston North. In addition we have a Port of Entry (POE) facility and a corporate office in Auckland and our used vehicle (Signature Class) refurbishment plant in Thames.

## What We Do

Toyota NZ is the leading motor vehicle franchise in New Zealand.



**Corolla** – No.1 in overall sales 2008 and 2009



**Hilux** – No.1 Commercial model for 26 years

↘ *Toyota has 25% of the vehicles on New Zealand roads with a car park of over 665,000 vehicles.*

We sell new vehicles, used vehicles, parts and deliver customer service throughout New Zealand via our independently owned dealer network.

Two Toyota models have been the mainstay of the new vehicle Toyota range in New Zealand and the backbone of the franchise we have today: Hilux and Corolla. Hilux has been the biggest selling commercial model in New Zealand since 1982, holding leadership for the past 26 years in succession and representing around 60% of our commercial sales. Similarly, Corolla has been the core model of the passenger range

accounting for over 40% of our passenger car sales. Hiace and Camry are also important models, with the revolutionary Prius hybrid model also holding a significant place within the range.

As well as a wide range of new passenger and commercial Toyota vehicles, Toyota NZ is also committed to provide the best quality and best value used vehicles under the Signature Class brand. Signature Class is a dedicated used vehicle brand refurbished by Toyota and backed by a comprehensive warranty that provides customers with a similar level of manufacturer's commitment as new car buyers.

Toyota also distributes the luxury Lexus brand of vehicles and a small range of Daihatsu vehicles.

And whether you buy one of our new or Signature Class vehicles, our commitment to support you through the life of your vehicle is unmatched by any other brand in New Zealand. That's why more Toyota owners buy Toyota again than any other brand and why 25% of cars on New Zealand roads are Toyotas.

# Key Milestones



→ 60s

Consolidated Motor Distributors (CMD) was established as a joint venture between Cable Price Downer Ltd and Wright Stephenson and Coy Ltd holding the Toyota franchise for New Zealand. Local assembly was undertaken by independent contract assemblers in Thames and Christchurch. Initial dealer representation was based on corporate networks.

→ 70s

Toyota Motor Corporation takes initial shareholding, in CMD renaming it to Toyota New Zealand. Toyota NZ purchased the former contract assembly plants in Thames and Christchurch, and a Palmerston North facility for parts distribution.





# 80s



Toyota Motor Corporation progressively bought out local shareholders. Later the dealer network was restructured from a corporate governed body to independently owned businesses. In 1988, Toyota NZ achieved market leadership for the first time, based mainly on locally assembled vehicles.

# 90s



The National Customer Service Centre was then established in the Palmerston North facility. Local assembly plants in Christchurch and Thames were closed due to the removal of import licensing and tariffs. Head Office was moved to the National Customer Centre in Palmerston North. Toyota NZ developed its used vehicle import business. The Used Vehicle refurbishment Centre was established, first in Christchurch and then moved to Thames. Signature Class and SBT used vehicle branding were launched. There was a successful transition from local assembly to the importation of overseas assembled vehicles during this time period, while still maintaining the market leadership position.

# 00s



Toyota NZ became the Daihatsu distributor in New Zealand. Dealers sites were refreshed with a major facilities refurbishment. In 2007 Toyota celebrated 20 years of market leadership in New Zealand.

# Performance and Highlights



## environmental performance

- 34% reduction in power usage\*
- 45% reduction in CO<sub>2</sub> from air travel\*
- 40% reduction in paper\* \*from 2006 base



## social performance

	2008	2009
Number of Employees	235	220
Turnover rate for employees	12.6%	7.6%
Nationalities Represented	13	13



## economic performance

	2008	2009 PROJECTED
<b>RETAIL SALES VOLUME</b>		
Toyota	21,457	15,530
Lexus	459	370
Daihatsu	1,487	300
Prius	362	464
Net Profit (08/09 and 09/10 fiscal years)	\$2.8m	\$2.8m

## Awards and Achievements

Recognition of Toyota NZ's achievements in 2008/2009 include:



As the number of Toyota vehicles in New Zealand has increased threefold over the past 25 years, there is a commitment to provide customers with a range of after sales service and products through parts supply, 24 hour customer assistance, extended warranties and service plans.

- Leadership in the passenger, commercial and overall markets (called the 'triple crown') for the 21st year in succession
- Leadership of the commercial sector for 26 successive years with Hilux
- Corolla – the number one selling car in 2008 and 2009
- Finalists in top 10 in the Unlimited/JRA Best Places to Work survey (medium category)
- Our Customer Dialogue Centre was awarded Manawatu Contact Centre of the Year (<50 seats) 2008 and Vito Ikenasio won the Team Leader of the Year award in 2008 and 2009
- Amongst top five companies in Massey University's Corporate and Social Environmental Responsiveness Survey
- For the third consecutive year we achieved carbon neutral operations under the Landcare CarbonZero certificate program
- ISO9001:2000 accreditation for Toyota National Customer Centre
- Winner of the Readers Digest Trusted Brand Automotive Category in 2008 and 2009 as voted by New Zealand readers
- Toyota Land Cruiser won SUV of the Year in the AMI/ New Zealand Autocar Car of the Year Awards 2008

# Our Values

Toyota NZ's performance in New Zealand and our corporate culture are driven by Toyota's Guiding Principles and the Toyota Way. In New Zealand, we reflect these global values through our Believe branding and our eight Believe statements.

## Toyota's Guiding Principles

Toyota's Guiding Principles underpin our management policy for all our Global operations. These principles, which were adopted in 1992 and revised in April 1997, reflect our commitment to fairness in all corporate activities the provision of clean, safe and innovative products, and respect for the environment and culture of the communities in which we operate.

**Honour** the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good citizen of the world.

**Respect** the culture and customs of every nation and contribute to the economic and social development through corporate activities in the community.

**Dedicate** ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all activities.

**Create** and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.

**Foster** a corporate culture that enhances individual creativity and teamwork, while honouring mutual trust and respect between labour and management.

**Pursue** growth in harmony with the global community through innovative management.

**Work** with business partners in research and creation to achieve stable, long term growth and mutual benefits while keeping ourselves open to new partnerships.

## The Toyota Way

Toyota's Guiding Principles are supported by the Toyota Way. The Toyota Way guides the way we work at Toyota NZ. There are two foundation pillars of the Toyota Way: **Continuous Improvement** – we always seek ways to improve our business; and **Respect for People** – we respect our people and recognise that success only comes from the efforts of individuals and through teamwork.

### Continuous Improvement

#### Challenge

Build a long term vision and meet challenges with courage and creativity.

#### Kaizen

Continuously improve our business operations always striving for innovation and evolution.

#### Genchi Gebutsu

Go to the source to find the facts to make decisions to build consensus and achieve goals as quickly as possible.

### Respect for People

#### Respect

Respect others, take responsibility and do our best to build trust.

#### Teamwork

Stimulate personal and professional growth, share opportunities of development and maximise individual and team performance.

# believe

*Believe is more than an advertising campaign - it's Toyota NZ's culture and values brought to light through our branding. It's objective is to hold up Toyota NZ's values to be inspirational and to define what it means to be a New Zealander.*

1



*We believe everyday's an opportunity to improve*

2



*We believe if you dream it, you can do it*

3



*We believe a better tomorrow starts today*

4



*We believe in respecting others*



Toyota's actions are guided by a core set of beliefs, which are the differentiating point for customers, staff, in our products and our service. Toyota in New Zealand expresses these beliefs in practical ways.



5

6

7

8



We believe in trying to make a difference



We believe in working together



We believe good things stand the test of time



We believe in going the extra mile



## The Toyota Promise:

### WE MUST NEVER STAND STILL.

Where others might rest, Toyota will move forward and seek out the opportunity to do even better. Toyota products and services will represent the finest in quality and value, to improve life for our customers, while respecting the earth's limited resources. Our efforts will be guided by two principles: Continuous Improvement and Respect for People.



### THIS SIMPLY MEANS THAT:

We honour our customers as welcome guests and serve them in the manner they desire.

We respect the time and priorities of our customers and colleagues.

We practice the belief that "there is no best, only better."

Together we will bring this commitment to life at every opportunity, for every customer.

# Our Stakeholders

Toyota NZ's stakeholders are all those people who are affected by, or affect our operations. By listening and working with those on whom we have an impact, we can continue to achieve positive and mutually beneficial outcomes from our activities.

STAKEHOLDER GROUP	EXAMPLES OF ENGAGEMENT ACTIVITIES IN 2008/09 (ytd)
<p><b>Customers</b> Based on our philosophy of Customer First, we develop and provide innovative, safe and high-quality products and services that meet a wide variety of customers' needs to enrich the lives of people around the world.</p>	<p>Customer Satisfaction Index Provision of dealer training to improve customer satisfaction</p>
<p><b>Employees</b> Toyota NZ recognises that its workforce is integral to the success of its business and strives to foster a culture that enhances continuous improvement through individual creativity and teamwork.</p>	<p>Gallap Q12 Survey Program Best Places to Work Survey Toyota Way Index</p>
<p><b>Business Partners</b> Our business partners include suppliers and dealers and we work with them to develop long-term relationships to realise mutual growth based on mutual trust.</p>	<p>All dealer sites compliant in 5 key areas of environmental management identified by TMC/Toyota NZ Developed Responsible Purchasing Guidelines National Technician Skills Contest National Service Advisor Skills Contest National Dealer Awards for Excellence</p>
<p><b>Community</b> This includes both local community members as well as the national population that are affected by our operations.</p>	<p>Community sponsorships Corporate sponsorships such as Emirates Team New Zealand, WWF, Toyota Racing Series and Grass Roots Rugby Published Sustainability Report &amp; Believe magazine</p>
<p><b>Toyota Motor Corporation</b> Toyota NZ is a wholly owned subsidiary of Toyota Motor Corporation</p>	<p>Three of Toyota NZ's Board of Directors are TMC Executives Regular liaison on product, quality, and sales and marketing</p>

**Public Policy:** Toyota contributes to public debate via means such as written submissions on a broad range of issues of public interest, including those relating to industry and environmental matters. Contributions on issues relating to policy development are pursued on the basis of their perceived impact on the organisation and industries, and such activities are undertaken both independently and via the Motor Industry Association, the industry body.

Toyota NZ did not make any donations to political parties during the reporting period.

**Contribution towards sustainable development:** Toyota adheres to the 'Contribution towards Sustainable Development' policy developed by Toyota Motor Corporation. This statement conveys Toyota's commitment to contributing to sustainable development in harmony with society and the global environment, with the emphasis on all stakeholders. Toyota NZ believes that engagement with its full range of internal and external stakeholders enhances our contribution to sustainable development.

# Governance and Accountability

For Toyota NZ, governance means going above and beyond observing laws and regulations. It means putting in place systems to ensure that integrity and corporate ethics underpin all our operations.



Toyota NZ has a program to comply with Toyota Motor Corporation's Sarbanes-Oxley (SOX) requirements. SOX is an annual requirement for companies listed on the US Stock Exchange to ensure there are rigid processes and controls in place to ensure the accuracy and reliability of corporate financial statements. Toyota NZ has recently completed the second audit for SOX.

Results confirm that all items identified during the testing process have been fully remediated resulting in 100 percent compliance. The last financial year saw Toyota NZ focus on improvements to its control environment with a particular focus on enterprise risk management. Segregation of duties and system access controls were also enhanced.

By implementing strict corporate governance and compliance procedures Toyota NZ aims to ensure it is in compliance with laws and regulations. The company did not receive any fines for significant non-compliance in 2008/09, and no significant incidents of corruption have been reported or found in the reporting period.

**Board of Directors:** Toyota NZ has a board of seven Directors, three of whom are Executive Directors. Board members are selected based on their qualifications, experience, performance and industry knowledge and are appointed by Toyota Motor Corporation.

**Performance:** The CEO of Toyota NZ and senior executives of Toyota Motor Corporation review the performance of Directors and the board as a whole against annual objectives and key performance indicators under the Toyota Global Assessment Performance framework. During the period covered by this report the Board of Directors have met four times per year.

Toyota NZ has five key committees responsible for assisting the board in carrying out its responsibilities and to enable due consideration of complex issues in the areas of corporate governance, information technology, human resources, environment, and health and safety.

### 1 Internal Process Committee

In discharging the board's responsibilities in corporate governance, the Internal Process Committee oversees the implementation of a framework of risk management and reviews the effectiveness of controls/compliance processes in relation to the company's activities.

It provides a formal forum for communication between the board and senior management in relation to risk management, compliance activities, internal audit requirements and ethical conduct requirements.

### 2 Corporate Affairs Committee

The Corporate Affairs Committee assists the company discharge its responsibility to exercise due care, diligence and skill in relation to the company's financial affairs, and compliance with applicable laws and regulations.

It assists the company to discharge the board's responsibilities in relation to human resource issues and provide focus, vision and strategies to enhance people relationships.

It provides a forum through which top management can promote a company wide consistent approach to key human resource issues.

It promotes a collaborative approach to career planning and development across operating divisions.

MEMBER	COMPANY	APPOINTED
R L Field (Chairman)	Toyota NZ	1986
A Okabe	TMC	2003/2009
A G Davis (Managing Director)	Toyota NZ	2004
S Teramoto	Toyota NZ	2006
B I Knight	TFS	2007
P D Carroll	Toyota NZ	2008
T Sasaki	TMC	2009

**Board of Directors in 2008/09:** Executives are compensated based on the market and performance. Executive remuneration is subject to annual review and is composed of a fixed salary payment and an incentive programme, based on the achievement of organisational targets in the financial year.

### 3 Environment Committee

The Environment Committee assists the company to discharge its responsibilities in relation to environmental issues. The main objectives of the Committee are to:

- Ensure senior management leadership and involvement in environmental matters.
- Develop strategy and share information across the organisation.
- Oversee management of Toyota NZ's Five Year Environment Plan.

### 4 Information Technology Review Committee

The Information Technology Review Committee assists the Company to discharge its responsibilities towards effective, efficient, and acceptable investment in, and the use of IT in Toyota NZ.

Its main objectives are to:

- Ensure that IT plans, policies and procedures are implemented and followed in an efficient and cost effective manner.
- Evaluate IT proposals to ensure they align with Toyota NZ's objectives and funding requirements.
- Monitor the performance of approved proposals to ensure achievement of intended benefits.
- Monitor the manner in which Toyota NZ is reviewing IT compliance and conformance.

### 5 Health and Safety Committee

The Health and Safety Committee assists the company to discharge its responsibilities in relation to health and safety. The main objectives of the Committee are to:

- Ensure that senior management provides leadership and is involved in health and safety issues.
- Review the performance of all areas of the business in relation to health and safety.

## Risk Management

Risk management at Toyota NZ is integrated into the corporate planning process. By adopting this focus, risk management is embedded in Toyota NZ's culture. The vision is for an integrated planning management process that seamlessly incorporates risk into all objectives, targets and results analysis. Progress to date has seen the completion of a high level design of the process and development of a risk footprint for certain high risk areas.

**Toyota Code of Ethics:** Toyota NZ's Code of Ethics and code of corporate compliance is distributed to all employees.

Employees, contractors and agents of Toyota NZ are expected to:

- Obey the law
- Be honest in word and deed
- Respect community values
- Be responsible
- Perform their duties consistent with the Code of Ethics
- Use good judgement in avoiding any action that could create a conflict between personal, company and community interests.





## 2009 TOYOTA NZ EXECUTIVE GROUP



**ALISTAIR DAVIS**  
Managing Director and  
Chief Executive Officer



**SHINOBU (TERRY) TERAMOTO**  
Senior Executive  
Director

### NEW VEHICLES



**STEVE PRANGNELL**  
General Manager

### USED VEHICLES



**SPENCER MORRIS**  
General Manager

### AFTER SALES



**PAUL CARROLL**  
Executive Director &  
General Manager

### FINANCE & LEGAL



**JOHN FOWKE**  
General Manager



## 2009 TOYOTA NZ MANAGEMENT GROUP

**ALISTAIR DAVIS**  
Managing Director &  
Chief Executive Officer

**SHINOBU (TERRY) TERAMOTO**  
Senior Executive  
Director

**STEVE PRANGNELL**  
General Manager  
Sales & Operations

**JOHN FOWKE**  
General Manager  
Finance

**PAUL CARROLL**  
Executive Director &  
General Manager  
After Sales

**SPENCER MORRIS**  
General Manager  
Used Vehicles

**Roy Trimbel**  
Manager  
Direct Retail  
Sales

**Warwick Harvie**  
Manager  
Franchise  
Development

**Neeraj Lala**  
Manager  
Dealer Sales &  
Operations

**Jamie Aberdein**  
Manager  
Training

**Andrew Davis**  
Manager  
Information  
Services

**Will Kennedy**  
Manager  
Accessories &  
Extra Care

**Dave Rhodes-Robinson**  
Manager  
Customers &  
Environment

**Steve Boyce**  
Manager  
Logistics &  
Motorsport

**Mark Young**  
Manager  
Marketing

**Debbie Pattullo**  
Manager  
Lexus

**Kerry Walker**  
Manager  
Dealer Operations

**David Moir**  
Manager  
Finance

**Ross O'Dea**  
Manager  
Parts

**Mark Rounthwaite**  
Manager  
Service Operations

**Peter Manning**  
Manager  
Used Vehicles  
Operations

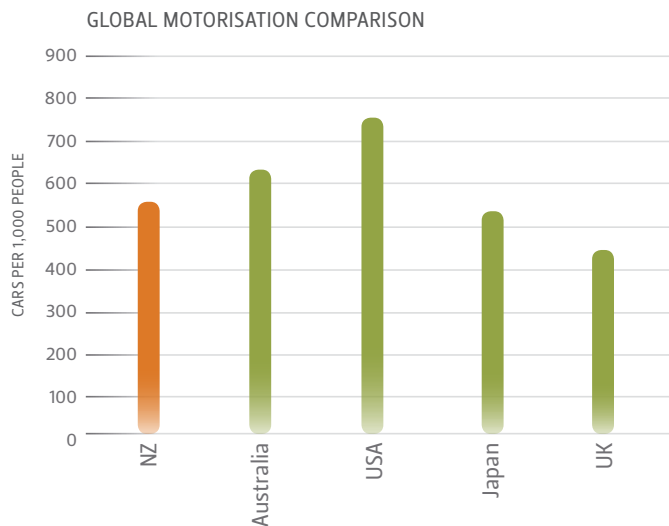
# Sustainability Challenges...

The internal combustion engine revolutionised personal mobility, but there are a number of significant issues that need to be addressed moving forward.

**Energy and Climate Change:** The majority of transport today still uses the cheap fuels that result from the distillation of oil. This dependence is unsustainable both because oil reserves are finite and because burning fossil fuels generate greenhouse gas emissions, which increase the instability of our climate. Road-based transport currently accounts for 20% of worldwide greenhouse emissions and 16% of New Zealand's emissions, and levels are increasing.

**Air Quality:** Harmful vehicle exhaust pollutants such as nitrogen oxide, carbon monoxide, and particulate matter are responsible for many respiratory and cardiovascular health problems. These contribute to the premature mortality of approximately 500 New Zealanders every year, and a further 800 suffer serious illness.

**Resource Use and Efficiency:** There are 2.5 million cars on New Zealand's roads and over 700 million cars worldwide. Vast quantities of materials and resources are consumed in their production and maintenance, and indirectly in the provision of road transport infrastructure.



NZ motorisation (cars/1000 people) is increasing. Toyota NZ operates in a mature market and growth in new vehicle sales is limited by high motorisation and limited growth in new vehicle sales.

**Waste:** Associated with resource use is the downstream impact of waste. Motor vehicles contain plastics, metals, glass and a range of hazardous fluids, gases and heavy metals. Poor depollution and recycling practices can pose an environmental or social risk, take up valuable space in landfills and waste precious resources which could be reused.

**Safety:** Over 200 people in New Zealand die every year in car accidents, and an estimated 1.2 million people worldwide. Many more suffer serious injuries.

**Congestion:** New Zealand has one of the highest levels of car ownership in the world, with over 500 vehicles per 1000 people. And whilst our population

is relatively small, many urban centres still suffer from traffic congestion. This wastes time, money and fuel, and generates unnecessary urban pollution; in the Auckland region alone the annual cost to our economy is 1% of GDP.

Toyota and the wider car industry is working to address these impacts, but with many more cars on the road in the future the challenge is significant. At current rates, the distance travelled on New Zealand roads will increase by 40% by 2040. Globally, vehicle ownership will rise steeply to an estimated 1.5 billion cars within the next 10 years; over twice the number on the roads today! So the challenge is to balance our insatiable desire for mobility with the social and environmental impacts that cars create.

➤ *The environment section of this report summarises what Toyota is doing to tackle these issues.*

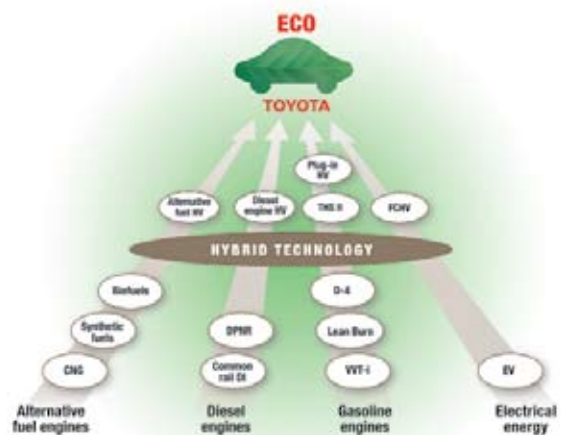
# and Toyota's Vision

Toyota's vision of sustainable mobility is of an 'eco car' which has no negative environmental and social impacts.



*"The era of re-inventing the automobile is nearly upon us"* TMC President Akio Toyoda 2009

TOYOTA'S VISION OF SUSTAINABLE MOBILITY



The commercial success of the Prius Hybrid is an important step towards this goal and has given this highly competitive industry the confidence to invest in alternative engines and fuels, and compete on environmental performance for the first time. This is leading to improving standards across the industry, as it's in the arena of technological innovation where the industry excels and can make a real difference.

Any vision of sustainable mobility must address the serious challenges outlined on the previous page.

**Energy and Climate Change:** We are advancing in a range of vehicle technologies to power cars which don't depend on oil and don't emit greenhouse or other harmful exhaust emissions. In the short term this includes improving conventional engines and expanding the number of hybrid vehicles. Looking to the future we are trialling plug-in and electric vehicles which utilise power from the grid, and hydrogen fuel cell cars.

**Resource Use and Efficiency:**

Cars of the future must be fully recyclable, use fewer resources in their manufacture and generate no waste at the end of their lives. We are designing cars which maximise the reuse of all materials, eliminate hazardous substances and incorporate greener materials such as bioplastics.

We will continue to integrate leaner, more sustainable practices across our manufacturing plants and sales operations, and encourage our employees, business partners, suppliers and customers to do the same.

**Safety:** Our ultimate goal is to eliminate traffic accidents, deaths and injuries. We are working on a range of advanced safety technology which detect potential collisions, and protect drivers, passengers and non-car road users.

**Congestion:**

Alleviating traffic congestion is an important objective in realising a sustainable mobility society. Toyota encourages employees to commute using mass transit, bicycles or on foot and is reviewing its freight delivery system. It also supports business efforts promoting advanced transport planning in cooperation with urban designers.

The future is uncertain, and meeting the challenge of sustainable motoring will require collective efforts by automakers, fuel suppliers, governments and customers, but by being at the forefront of this important change we can play a positive role in society and respond to new commercial opportunities as they arise.

## Hybrid Technology

Hydrogen vehicles are not yet economically viable and electric vehicles currently have range limitations (and if powered by electricity generated from coal power plants are indirectly responsible for significant emissions of CO<sub>2</sub>).

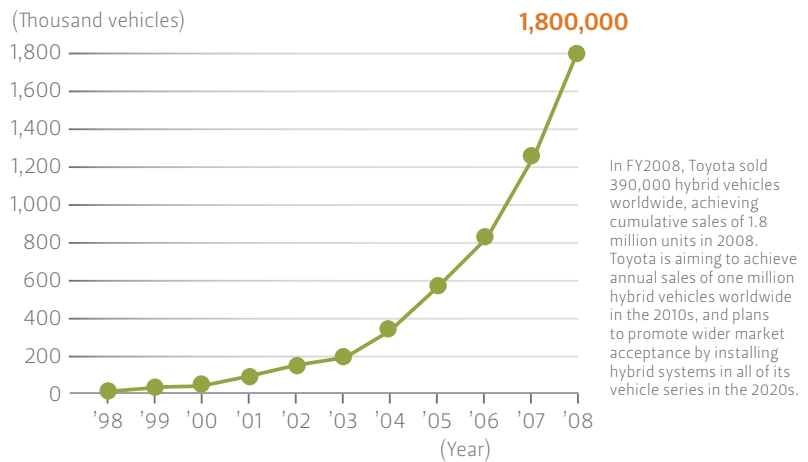
Hybrid and plug-in hybrid technologies offer a vital transition towards the cleaner motoring technologies of the future by dramatically reducing fuel use and emissions, and are capable of using conventional petrol and diesel fuels, as well as biofuels, electricity or hydrogen.

Toyota's medium term solution is to offer hybrid models throughout its product range by 2020. Seven hybrid cars are currently available in New Zealand, and in 2010 we will introduce the Camry Hybrid and trial the Plug-in Prius Electric Hybrid.

Over 1.8 million hybrid vehicles have been sold worldwide by Toyota, resulting in an estimated reduction of 10 million tCO<sub>2</sub>.



CUMULATIVE NUMBER OF HYBRID VEHICLES SOLD WORLDWIDE

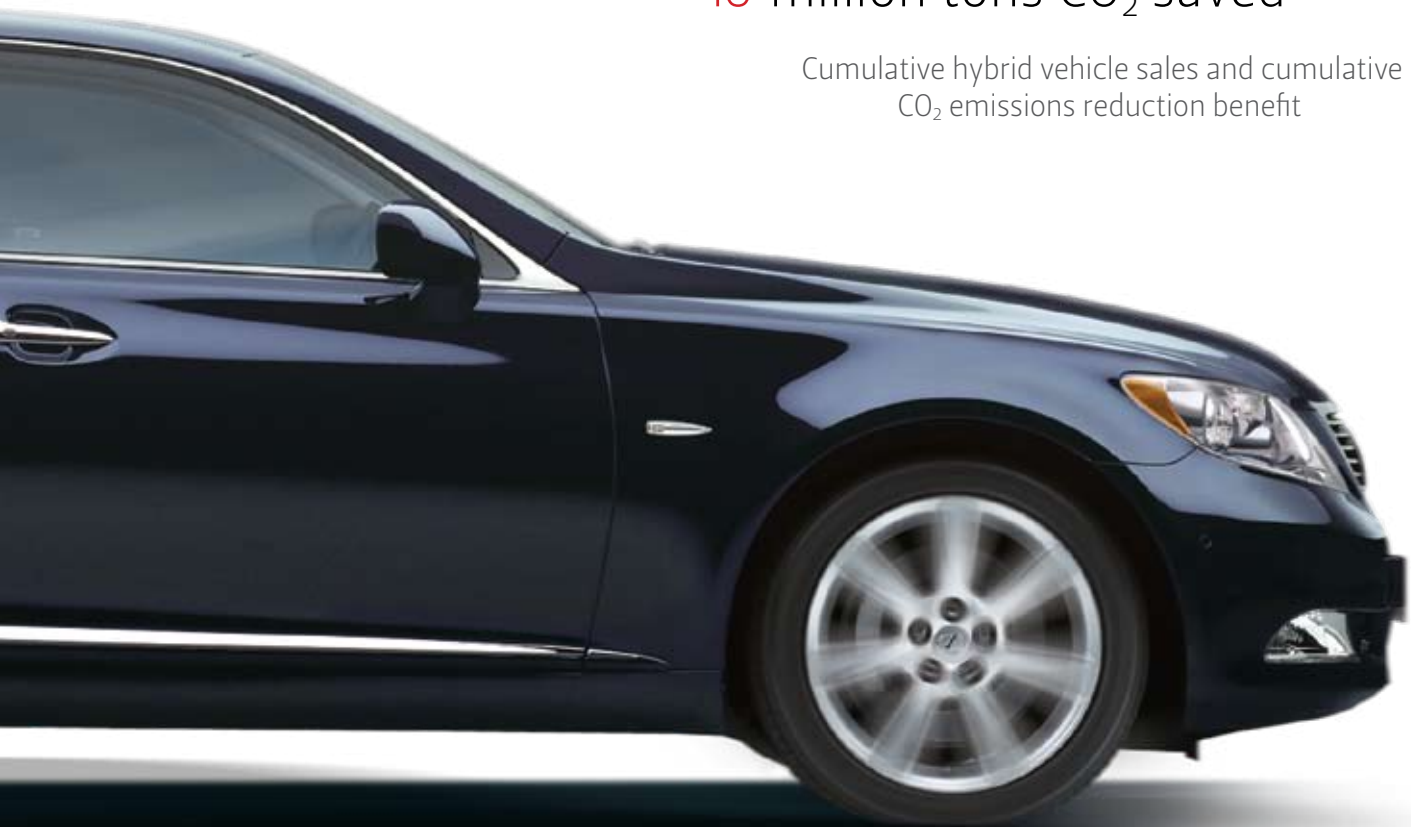


1.8 million vehicles sold

10 million tons CO<sub>2</sub> saved



Cumulative hybrid vehicle sales and cumulative CO<sub>2</sub> emissions reduction benefit





## Case study: Prius - revolutionising the car industry

Prius was the world's first mass-produced hybrid vehicle when it was first launched in 1997, and represented the biggest technological revolution in the auto industry since the internal combustion engine.

Prius uses about half the fuel of a conventional car of the same size and produces significantly less 'emissions per unit' than petrol and diesel vehicles. This saves millions of tonnes of on-road CO<sub>2</sub> emissions and fuel every year, but also translates into significantly less energy and emissions being expended in extracting, processing and distributing the fuel (Well-to-Pump impacts).

Prius required huge new investment costs and was a significant business risk for Toyota, with success far from guaranteed. However, with cumulative sales since 1997 exceeding 1.4 million units and the 3rd Generation Prius being launched this year in over 80 countries, it has had immense influence on the car industry.

It's success has redefined Toyota's brand image. Market research shows that Toyota is regarded as an industry leader for its environmental activities providing a new competitive edge, attracting new customers and increasing loyalty and retention. This hasn't gone unnoticed by an industry constantly on the look out for strategic advantages. In 2005, General Motors Vice Chairman said "The manifest success of the Prius caused a rethink on everybody's part."

Hybrid propulsion is encouraging other manufacturers to meticulously focus on refining the fuel economy of conventional engines (such as 'clean diesels') and lower emissions. Some are adopting parts of the hybrid system such as start-stop and regenerative energy technologies. Meanwhile with Prius sales encouraging Toyota to expand its hybrid line-up, others were persuaded that it was time to develop their own hybrid technology (now with less market risk).

**PLUG-IN PRIUS:** Each successive model of Prius raises the bar on environmental performance for competitors. During 2010, 500 plug-in Prius will be launched in Japan, the US and Europe, and three plug-in Prius will be trialled in New Zealand to evaluate the vehicle in real life conditions. These utilise electric power for short and medium range trips and are charged up from the grid over night. For longer trips the system reverts to the normal hybrid petrol-electric system.

*We believe a better tomorrow starts today*



# ENVIRONMENT



# Energy & Climate Change

In 2006, Toyota NZ introduced a company-wide strategy to measure and manage our energy use and greenhouse gas emissions (GHG). In addition, we offset our remaining emissions under the Landcare carboNZero program.

## Vehicle GHG Emissions:

The World Business Council for Sustainable Development's Mobility 2030 Report concludes that of the four factors\* influencing transport related greenhouse gas emissions in the medium term, only reducing 'per vehicle energy use' is likely to offer any real solution to mitigating transport's contribution.

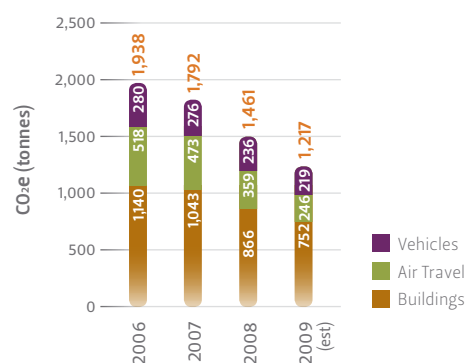
We are continually increasing efficiency by improving conventional engines, transmissions and aerodynamics, and reducing vehicle weight. However, hybrid powertrains offer the most substantial gains and our investment is the largest by any vehicle manufacturer as we are progressively introducing more hybrids across our model range.

FUEL EFFICIENCY AND EMISSIONS OF TOYOTA NZ VEHICLES 2009

	MOST EFFICIENT	BEST SELLING	LEAST EFFICIENT
Combined fuel economy (L/100km)	3.9 (Prius)	7.4 (Corolla GX Hatch AT)	14.8 (Lexus LX570)
CO <sub>2</sub> emissions (g/km)	89	173	350

But the seriousness of climate change also requires an industry wide response. Although the government abandoned plans to introduce a voluntary CO<sub>2</sub> reduction on new car sales in 2009, we will continue our efforts to meet the original average weighted sales target of 170g of CO<sub>2</sub>/km by 2015 by introducing more efficient cars.

TOYOTA NZ CORE EMISSIONS



## Core Operational Energy Use and Emissions:

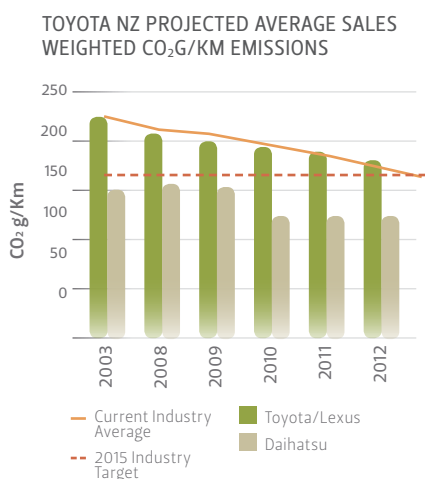
We are making significant efforts to reduce the carbon emissions generated by our daily business activities. Our priority is to reduce energy consumption by improving efficiency and to offset remaining 'unavoidable' emissions.

In 2008, Toyota NZ core operational activities produced a total of 1,302 tonnes of carbon dioxide equivalent emissions (tCO<sub>2</sub>e), accounting for around 80% of our total measured emissions.

Since 2006 (our baseline year), power usage has reduced overall by 34% (388 tCO<sub>2</sub>e), with most significant reductions at the NCC and Thames sites. These savings have been achieved despite an expansion in our parts warehouse, increasing vehicle sales and productivity in the period 2006–2008. Thames energy use fell further in March 2009 with the completion of new paint ovens which use substantially less power.

We did not achieve any reduction at our Auckland locations. Although staff at these locations practice energy efficiency, we lease space from other businesses which also occupy the site so we have limited control on overall power use.

**Buildings:** Toyota NZ uses a combination of electricity, reticulated gas and LPG across its operational sites. A wide range of energy conservation initiatives have been adopted including modifying our heating and cooling systems, and introducing more efficient lighting and electrical appliances. These efforts are on going.



\* i) volume of transport activity;  
 ii) model mix;  
 iii) continued dominance of fossil fuel;  
 iv) per vehicle energy use.



✎ *Our flight related CO<sub>2</sub> emissions (for both domestic and international business trips) have **reduced by 45%** compared to 2006.*

**Green energy:** In 2006 we set an objective to source renewable electricity at our main sites. Existing contract terms prevented this from being realised until the start of 2009. Now however, our Head Office and Thames plant obtain all their electricity (and around half their overall power) needs from renewable suppliers, and we will review extending this to our other sites prior to contract renewals.

In 2008 we assessed the potential for installing two wind turbines at our Head Office. Although promising, these plans were suspended due to the looming financial crisis.

**Business Travel:** Business travel is both a major company expense and generator of carbon emissions, and whilst eliminating all business travel is not possible, we've been looking at how we can lessen its impact.

**Air travel:** For air travel, an obvious first step has been to reduce the number of trips. Our company travel policy questions the need to fly and asks employees to look at alternatives first, such as using video conferencing or combining meetings into a single trip. These measures have reduced our flight-related CO<sub>2</sub> emissions (for both domestic and international business trips) by 45% so far this year, compared to 2006.

We measure all Toyota NZ staff business flights as well as those by our national network of independently owned franchise dealerships. As one of the first New Zealand companies to request flight CO<sub>2</sub> data from its travel agency in 2006, we were instrumental in developing and testing a suitable reporting system, which the agency now uses with 60 of their other clients.

#### ENERGY SAVINGS VERSUS BUSINESS PRODUCTIVITY

Even though we sold a record number of vehicles, our overall power consumption has fallen substantially since 2006, resulting in a 25% drop in kWh per vehicle.

Over the same time period, our Thames Plant improved per unit energy efficiency by 24%.

Meanwhile our Parts Warehouse and Vehicle Workshop (at our Head Office) expanded the size of the total building area (m<sup>2</sup>) by 34%, but power consumption fell, giving an energy reduction of 50% in kWh per m<sup>2</sup>.

	2006	2007	2008	% CHANGE 2006-08
kWh per unit sold	151.6	139.5	113.9	-25%
kWh per unit (Thames)	438.6	371.6	332.9	-24%
kWh per m <sup>2</sup> (Head Office & Parts Warehouse)	149.8	90.4	73.9	-50%



#### Company car fleet and fuel use:

There has been a steady decline in company fleet fuel use and CO<sub>2</sub> emissions since 2006. This has been achieved by removing less efficient vehicles from the available choice of company cars and offering greater incentives on cars with better fuel economy. And to raise the fuel efficiency of staff owned cars, a larger purchase discount is provided on hybrid or other fuel efficient (<6.5L/100kms) cars.

### Case study: Earth Hour

Earth Hour™ is held on the last Saturday in March each year.

This annual global event is organised by WWF in over 88 countries and more than 4,000 cities. In a symbolic gesture of concern over climate change, lights are turned off for one hour and governments, businesses, communities and individuals are asked to consider what simple actions they can take to curb carbon emissions and reduce their reliance on fossil fuels.

As well as being an active participant in 2008, by turning off lights at our Head Office and Thames plant, we also promoted this year's event as one of its sponsors.







gas is burnt to power a wastewater treatment plant and provide surplus energy to the national grid, whereas under normal conditions it would leak into the atmosphere.

The project is verified by external auditors, ensuring credits have been created during a specified period and in line with clear compliance and monitoring systems.

As part of the carboNZero process, we convert our total annual energy consumption into a total tonnage of CO<sub>2</sub> and purchase carbon credits, from projects which mitigate carbon emissions. In the past, this purchase has supported native forest regeneration, but more recently, we've bought credits from Palmerston North City Council (PNCC).

The PNCC operate an innovative landfill to gas project which captures harmful methane gas (25 times more potent than CO<sub>2</sub>) produced from rotting rubbish. This

*Case study: Toyota NZ partners with local council over carbon credits*

## Carbon Neutrality



We offset our remaining emissions by purchasing an equivalent number of carbon credits under the carboNZero programme.

carboNZero is recognised internationally as a leading greenhouse gas measurement and reporting system. It is underpinned by rigorous scientific research and verification processes for measuring, managing, reducing and offsetting emissions. Now in our third consecutive year, Toyota NZ was the first car company in New Zealand to be carboNZero certified.

In addition to our core emissions, we also measure emissions across other areas for the purposes of carboNZero certification. They include the following which collectively represent around 20% of our measured emissions.



**Bulk Fuel and Oil:** This is held on site to service our cars at Thames and our Head Office; and comprises around 10% of our carbon emissions.

**Toyota Racing Series Fuel:** We record the (85% Ethanol) fuel used by the fleet of racing cars and also their transport around the country to the track venues.

**Dealer Incentive Trip flights:** Dealer sales reward trips take place every two years to international destinations.

**Sponsorship Cars:** We measure the kilometres travelled from the organisations and individuals we sponsor, which fell by around 75% in 2008.

**Press & Demo Cars:** New cars are loaned to journalists for them to assess. We measure the total kms during this time. In 2008 we launched many new models so this nearly doubled compared to the previous year to around 3% of our total emissions. In 2009 Toyota held the first New Zealand carboNZero vehicle launch for its 3rd generation Prius: emissions were offset for the venue's energy use, vehicle freight travel, launch logistics, speakers and participants.

**Exclusions:** We are continuing to scrutinise our operations for other contributory emission sources, and determine how best to measure them. See below table for current exclusions.

### SCOPE OF TOYOTA NZ CARBONZERO MEASUREMENT

	BUILDINGS	AIR TRAVEL (NZ & INTERNATIONAL)	VEHICLES & FUEL	FREIGHT
<b>1. Core emissions</b>	<ul style="list-style-type: none"> <li>Head Office/Warehouse</li> <li>Thames Vehicle Plant</li> <li>Auckland Sales Office</li> <li>TRS Office/Warehouse</li> <li>Wellington Sales Office</li> </ul>	<ul style="list-style-type: none"> <li>Toyota NZ employee business travel</li> <li>Dealer business travel</li> </ul>	<ul style="list-style-type: none"> <li>Toyota NZ company car fleet</li> <li>Courtesy cars</li> </ul>	
<b>2. Other inclusions</b>		<ul style="list-style-type: none"> <li>Incentive trip travel (dealer &amp; Toyota NZ employees)</li> </ul>	<ul style="list-style-type: none"> <li>Sponsorship cars</li> <li>Press &amp; demo cars</li> <li>Rental cars</li> <li>Bulk fuel and oil</li> <li>TRS racing fuel</li> <li>TRS car freight</li> </ul>	
<b>3. Exclusions (not collected)</b>	<ul style="list-style-type: none"> <li>HFC air conditioning</li> <li>Waste</li> <li>Paints &amp; solvents</li> </ul>		<ul style="list-style-type: none"> <li>Couriers</li> <li>Taxis</li> </ul>	<ul style="list-style-type: none"> <li>New vehicle</li> <li>Used vehicle</li> <li>Parts and accessories</li> </ul>

Notes: • Core emissions are measured monthly to track progress in relation to a year end CO<sub>2</sub> staff bonus target.  
 • carboNZero calculations and offsets include emission sources 1.& 2.  
 • Exclusions refer to complex areas of data collection, which we have not yet resolved.

# Air Quality

Vehicle exhausts pollute the air with a range of emissions, which cause health problems in many urban areas. This is best tackled by introducing more stringent emission and fuel standards and improving engine technologies which trap air pollutants or use less fuel.



Acceptable limits for exhaust emissions are defined by differing international standards, and recent national fuel standards are gradually lowering sulphur and particulate levels: new vehicles must currently meet Euro IV standards, and from January 2010 used diesel vehicles will need to meet a minimum exhaust emission standard, known as Japan 05.

Advanced petrol and diesel engine technologies and exhaust systems now

capture many air pollutants. However, their performance can be thwarted by poor quality fuels.

Using less fuel therefore is the better option. By utilising on-board 'regenerative' electrical power hybrids offer much cleaner propulsion than conventional combustion engines. And at low speeds in slow traffic a hybrid car can run on electric power alone, producing no harmful emissions.

# Substances of Concern

A range of Substances of Concern (SoC) are contained in motor vehicles, including heavy metals and chemicals, which can have detrimental effects on human and ecological health.



Toyota aims to exceed international requirements to minimise or eliminate their use such as the European Union's voluntary REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) regulation and the PRTR (Pollutant Release

and Transfer Register) law and shift to substances with less impact. In 2008, lead, mercury, cadmium and hexavalent chromium were eliminated at all major production plants.

### **Volatile Organic Compounds (VOC):**

VOCs are chemicals which evaporate when they are exposed to air and can have harmful environmental and health effects. They occur in many common household items and may be released from paints, solvents, sealers and hydrocarbon based chemicals used in car interiors. Toyota has reduced cabin VOC levels in all new vehicles launched or re-designed since 2008, and complies with industry standards.

The only source of such air discharges from our New Zealand operations is at our Thames site where used vehicles are re-painted. Panels are sanded down, a primer applied to provide corrosion protection, then two top coats applied by spraying in a sealed booth.

An independent assessment concluded that the emissions from the site were minor, with most complying well within regulation guidelines. Air discharge modelling indicated that only odour and methoxy propyl acetate concentrations might have a limited potential to exceed guidelines, but that these would be mitigated with the scheduled replacement of the old painting booths in March 2009.

# Resource Use & Efficiency

Our focus is on reducing the environmental and social impacts from vehicles at every stage of their life cycle – from design and production through to distribution, driving and eventual disposal.

## Toyota Globally

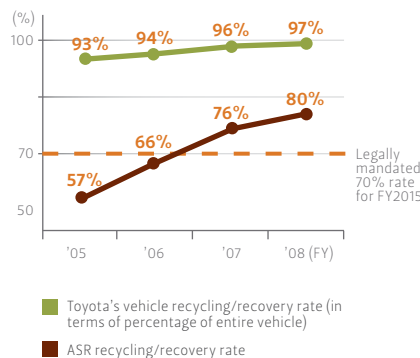
TOYOTA LIFECYCLE DESIGN PROCESS



**Resource Use in Vehicles:** All Toyota vehicles are designed with eco-efficiency in mind at every stage of their life. Toyota engineers use a revolutionary design tool, called the Eco-Vehicle Assessment System (Eco-VAS), to anticipate the environmental impacts of every component and material at each life cycle stage. Design modifications can then be made before a car goes into production. Eco-VAS design technologies improve resource reuse to lower each vehicle's demand on resources. These include:

- 'Easy-to-Dismantle' features such as harness pull strings and easy drain tanks which speed up disassembly of old cars
- Use of shredder residue from scrapped cars as a sound absorbing material in new cars
- Complete redesign of some vehicles to include less materials and component parts, and reduce overall weight
- Easy-to-recycle materials such as plastics which can be repeatedly recycled without loss of quality
- Eliminating substances of concern such as lead, mercury and hexavalent chromium
- Innovative materials including bioplastics, which use less petroleum than conventional plastics

TOYOTA'S VEHICLE RECYCLING/RECOVERY RATE AND ASR RECYCLING/RECOVERY RATE



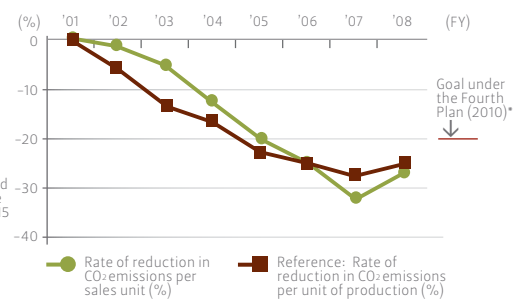
■ Toyota's vehicle recycling/recovery rate (in terms of percentage of entire vehicle)  
■ ASR recycling/recovery rate

**Vehicle Recyclability:** Toyota has been steadily working to increase the proportion of each vehicle that can be recycled, and a number of innovative technologies enable parts and materials to be easily recovered, reused and recycled.

In 2007, Toyota achieved a vehicle recycling/recovery rate of 97%, exceeding a company target set in 2003. Note however that this rate applies to vehicles in Japan. The more limited recycling infrastructure in New Zealand means that approximately 75% (by weight) of vehicles are recycled.

These activities at both ends of the vehicle life cycle reduce the demand on natural resources.

RATE OF REDUCTION IN GLOBAL CO<sub>2</sub> EMISSIONS PER SALES UNIT



In FY2007, as a result of these efforts, Toyota reduced its CO<sub>2</sub> emissions per sales unit by 32% compared to the FY2001 level, which surpassed the original goal of a 20%.

\*Per sales unit

**Production Plant Efficiency:** All Toyota vehicle plants are ISO 14001 certified. This means each site is annually audited to maintain good environmental practice and meet on going targets to reduce energy and CO<sub>2</sub> emissions, water use, waste, and pollution. In addition, Toyota is rolling out new 'Sustainable Plants' worldwide, a new generation of manufacturing facilities with the most advanced production technologies and environmental measures.



## Case study: Tsutsumi 'Sustainable Plant'

All Toyota Prius are manufactured at the Tsutsumi Plant in Japan, one of the world's most environmentally advanced vehicle facilities.

**Energy:** Each assembly process takes just 66 seconds, producing a finished car every minute. Natural lighting and 50,000m<sup>2</sup> of solar panels account for half of the Plant's power needs and, together with an efficient gas co-generation system, have reduced CO<sub>2</sub> emissions by over 50% since 1992. Staff conduct regular energy patrols and a control system modifies electricity levels with production.

**Cleaner air:** Roof top gardens and 50,000 native trees with high nitrogen absorption rates have been placed around Tsutsumi. Photocatalytic paint on external walls produce active oxygen in sunlight and break down air pollutants into harmless molecules.

**Water and wastewater:** Tsutsumi uses 5,000 tonnes of river water a day, which is purified before being returned to the river five times cleaner than when it was extracted. Water use has fallen by 15% since 2003 and is extensively recycled to minimise impacts to communities and wildlife during dry seasons.

**Waste:** Waste to landfill has been eliminated; incinerated waste cut by 82%; and total waste reduced by 25% since 2003.

**Performance monitoring:** Tsutsumi is ISO 14001 certified with on-going reduction targets for all resources, emissions, waste and hazardous substances.

## Toyota in NZ

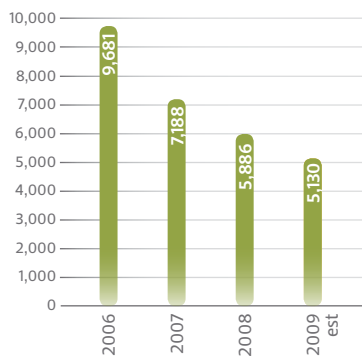
**Toyota NZ Activities:** Our used vehicle refurbishment plant in Thames is also ISO14001 certified, and works to maintain and continuously improve the efficiency of resource use, emission levels and waste disposal.

All our sites implement recycling and waste reduction activities. Where possible at Thames, recycling is carried out on site, such as with the solvent recovery and reuse from the painting process, whilst waste oils and used coolant are stored for collection by a registered waste management company. In our Head Office and Parts Warehouse a range of wastes from spare and damaged car parts, packaging and office maintenance, are sorted on site into separate bins. Recycled materials include metals, plastics, paper and cardboard, polystyrene, wood, batteries, paint tins, glass and fluorescent bulbs.

**Paper:** Paper requires large quantities of energy, water and chemicals in its manufacture and supply chain and by using less we can lessen these indirect environmental impacts. Between 2006 and 2008 we reduced our overall office paper use by 40%. By the end of 2009 we expect to have cut use at our Head Office by 47%.

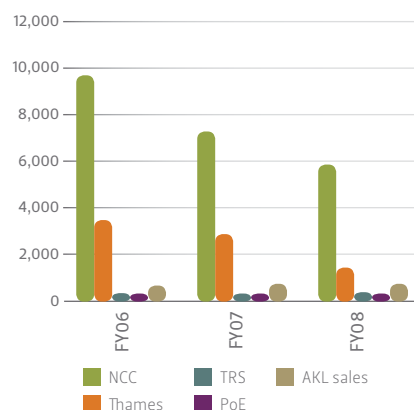
As for the paper we do use, we ensure it has high standards of environmental stewardship. We use post consumer recycled copier paper produced under the Eco Management and Audit Scheme (EMAS) and ranked at the top of the Ministry for the Environment's paper rating. Our letterhead paper and envelopes are process chlorine free, and made from 50% recycled paper by an ISO 14001 supplier. All our marketing publications are ECF and FSC certified using an EMAS and mineral-free inks.

HEAD OFFICE/PARTS WAREHOUSE PAPER USE



TOYOTA NZ TOTAL PAPER USE

(Note: AKL Sales Office use is estimated)



**Parts Packaging:** Vehicle parts are often packaged to protect them in transit to dealers around the country.

In 2008 we began monitoring the amount of packaging material we purchase for the first time. However we've been focused on avoiding excessive packaging for many years: supplier cartons and bags are reused for sending parts out, shredded office paper is used to protect parts, orders are consolidated, and many small parts are bundled together and sent to dealers in strong plastic returnable containers, rather than being individually wrapped. And because cardboard is by far our largest packaging purchase we have selected all boxes and cases to be made of recycled cardboard.



**Challenges:** We face on-going challenges in the monitoring of our waste: 'waste to landfill' data at our Head Office is standardised by the number of bin collections (regardless of whether the bin is full or not), whereas at Thames it is estimated by weight. This doesn't account for any month by month variation and prevents us accurately measuring both our total landfill waste or any changes over time.

And quantifying the many materials we recycle can be problematic because the receiving companies are often small and without adequate staff resources to accurately record the tonnage collected.

Toyota NZ uses certified waste management companies for the safe disposal and reuse of hazardous wastes but to date we have not weighed this material.

We will review this data collection in 2010 to see how it may be improved.

*Case study: Paper saving in our Parts Department*

In 2007 our parts ordering service went electronic, which was both better for business and better for the environment.

Previously around 1,800 orders were received by fax every day, and invoices and packing statements were printed out and sent later.

Now it all happens electronically, which saves at least 4,000 sheets of paper a year, as well as envelopes, mailing costs and staff time.

TOYOTA NZ PARTS PACKAGING (BY SUPPLIER)



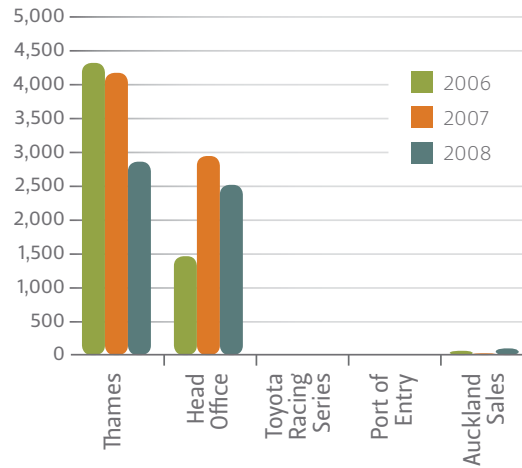
New Zealand is a country with good levels of rainfall, so the importance of water conservation hasn't always been recognised. However, with urban and agricultural demand rising, and uncertainties over future weather patterns, there is a growing appreciation of water resources. Furthermore, large quantities of energy are required for the treatment and reticulation of water, so using less water means less energy is indirectly consumed by our operations.

**Water Use:** All our water is from municipal water sources and we used a total of 5,509m<sup>3</sup> in 2008 or 21m<sup>3</sup> per working day. No water is currently reused or recycled. Water consumption is now in 2009 highest at our Head Office where we use over 9m<sup>3</sup> a day, up from around 6m<sup>3</sup> in 2006. It has also risen significantly at our Auckland Sales office, by 33%.

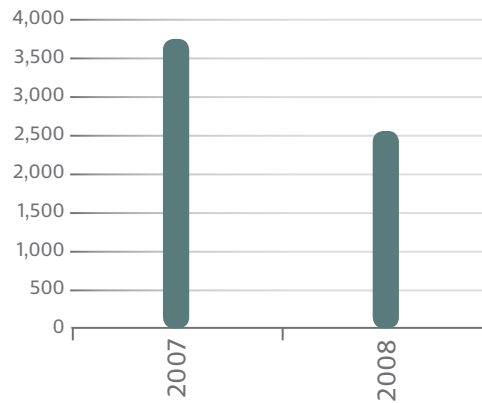
Limited water reserves on The Coromandel require restrictions for domestic users and holiday makers during the height of summer. This isn't required at our Thames site, but using water efficiently is nonetheless responsible business practice. Water use here is 2,865m<sup>3</sup> has dropped by 1,452m<sup>3</sup> or 33% since 2006, largely due to the upgrade of our Paint Facility and removal of a wet back system.

**Wastewater:** Total water discharged at Thames has been recorded since 2007. Outflow fell by 1,172m<sup>3</sup> in 2008 to 2,578m<sup>3</sup>. Wastewater is treated on site before entering the sewer system, and is periodically tested to ensure it meets the Trade Waste Consent.

WATER CONSUMPTION 2006-2008 ACROSS TOYOTA NZ SITES



THAMES WASTEWATER DISCHARGE (M³)

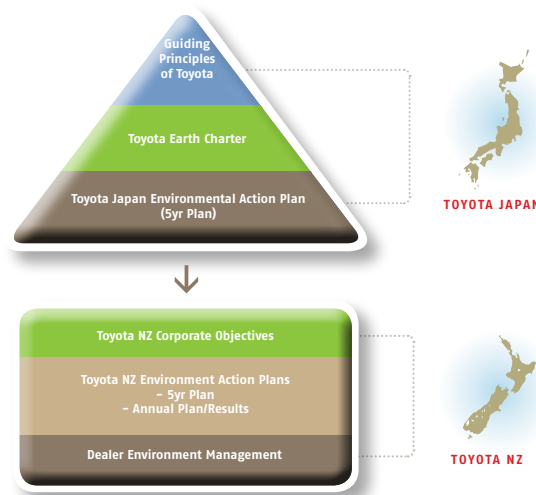


# Environmental Management

Since 1992 when Toyota published its Global Earth Charter, environmental management has been a priority for Toyota NZ.

In 1992 Toyota published its Earth Charter, and established environmental responsibility as a management priority. This principle is integrated into the development of all vehicles, across every aspect of our business operations and our wider links with local communities.

Environmental activities are set out in comprehensive 5 year Environmental Action Plans, which are coordinated by Toyota Motor Corporation's Environmental Affairs Division in Japan. The current Plan focuses on energy and climate change; recycling of resources; substances of concern; and atmospheric quality.



## Toyota Earth Charter

### I. Basic Policy

- 1. Contribution towards a prosperous 21st century society**  
Contribute toward a prosperous 21st century society. Aim for growth that is in harmony with the environment, and set as a challenge the achievement of zero emissions throughout all areas of business activities.
- 2. Pursuit of environmental technologies**  
Pursue all possible environmental technologies, developing and establishing new technologies to enable the environment and economy to coexist harmoniously.
- 3. Voluntary actions**  
Develop a voluntary improvement plan, based on thorough preventive measures and compliance with laws, that addresses environmental issues on the global, national, and regional scales, and promotes continuous implementation.
- 4. Working in cooperation with society**  
Build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation including governments, local municipalities, related companies and industries.

### II. Action Guidelines

- 1. Always be concerned about the environment**  
Take on the challenge of achieving zero emissions at all stages, i.e., production, utilization, and disposal  
(1) Develop and provide products with top-level environmental performance  
(2) Pursue production activities that do not generate waste  
(3) Implementation thorough preventive measures  
(4) Promote businesses that contribute toward environmental improvement
- 2. Business partners are partners in creating a better environment**  
Cooperate with associated companies  
(1) Participate in the creation of a recycling-based society  
(2) Support government environmental policies  
(3) Contribute also to non-profit activities
- 3. As a member of society**  
Actively participate in social actions
- 4. Toward better understanding**  
Actively disclose information and promote environmental awareness

### III. Organization in Charge

Promotion by the Toyota Environment Committee which consists of top management (chaired by the president)

Each Toyota manufacturing plant and sales office around the world reports its progress annually, and we employed a full-time Environmental Officer at Toyota NZ in 2005 to achieve our local objectives. He reports to a senior management Environmental Committee and liaises with the regional Asia Pacific Environmental Committee.

Our company governance and management policies stress the importance of abiding by regulations and safe practice, so every care is made to prevent accidents and spillages, including training in operating and emergency procedures. During this reporting period there have been no spills or fines for non-compliance with environmental regulations at any of our premises.

ISO 14001 is an internationally recognised environmental management standard. It identifies potential environmental risks and impacts, and processes that can be put in place to reduce them.



All Toyota manufacturing facilities are ISO 14001 certified and in New Zealand, our Thames plant became the first used vehicle refurbishment facility in the world to gain accreditation.

We have developed close relationships with our business partners, such as suppliers and dealers, and encourage them to integrate sustainability principles into their own operations and supply chains. This reduces our indirect business impacts and the environmental footprint of each car.

In 2009 a dealer/Toyota NZ workgroup was formed to focus on environmental management at dealers. The group is studying a local environmental management system for our dealer sites. And we are advocates for protecting the natural environment and encouraging more sustainable practice in the wider business community, which we support through a number of non-automotive partnerships.

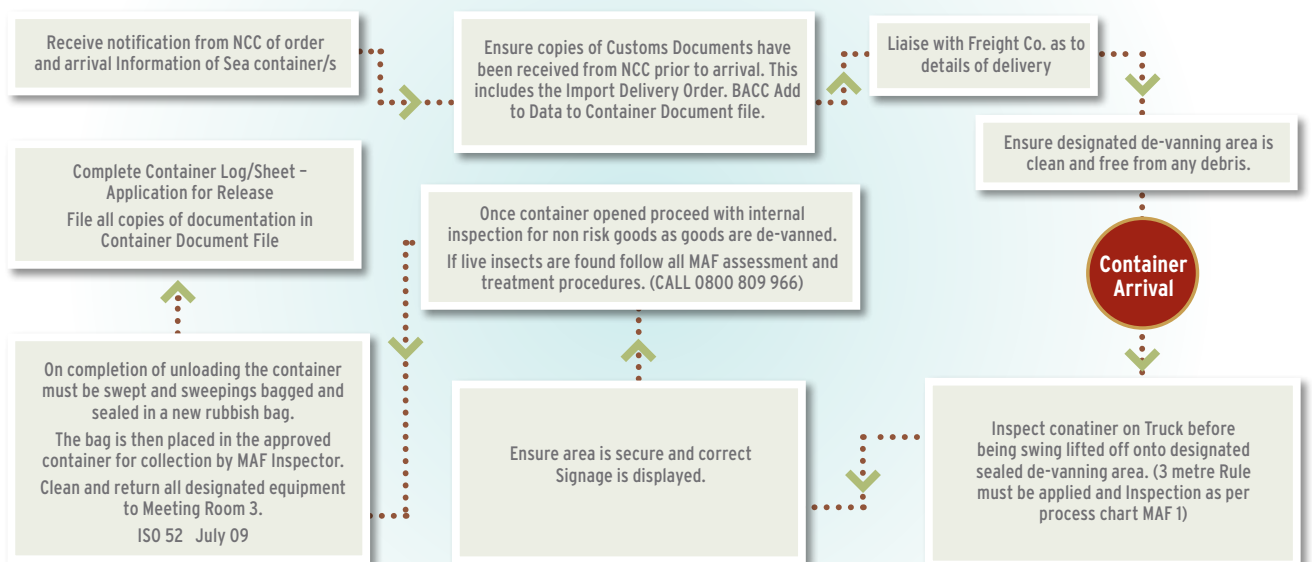
## Managing Risks to Biodiversity

We import thousands of cars and car parts from overseas every year. If any one of these carried a pest species it could pose a threat to our endemic wildlife and agricultural economy.

Used vehicles are regularly inspected by MAF officials at the dockside. At Thames and our Parts Warehouse standard bio-security unloading and unpacking procedures are followed by qualified staff. If required, fumigation occurs in well ventilated areas to avoid any risk to human health.

In the last three years, only one of 250 containers received at our Warehouse has been contaminated with live pests. This originated in Thailand and was shipped to us early in 2009. A MAF approved company destroyed the pests and we have instructed our suppliers in Thailand to treat their containers and review their procedures prior to shipping. No further breaches have occurred. No contaminated containers or cars have been received at Thames.

TOYOTA THAMES VEHICLE OPERATIONS PROCESS FLOW MAF SEA CONTAINER – BIOSECURITY CHECK





# Employee Participation

Toyota NZ encourages our employees and families to get involved in environmental activities.

**Toyota Environment Month:** In June every year 'Environment Month' is promoted across Toyota's international operations. All 280,000 employees are encouraged to get involved, magnifying individual actions into a sizable cumulative, global effort.

In 2008 we celebrated New Zealand as host country of the United Nations 'World Environment Day', with staff wearing green shirts as a gold coin fundraiser for World Wide Fund for Nature (WWF-NZ). We also supported Palmerston North City Council's week long challenge to walk and cycle to work, sponsored local school competitions and a 'One Planet' exhibition at the city museum. And a company sponsored prize draw offered two employees the opportunity to learn more about WWF-NZ's grassroots projects. Winners Karen Willis and Mike Shaw visited the Matakana Island Environment Group in the Bay of Plenty who work to help preserve the island's wetlands for native fish, and iconic birds such as the Royal Spoonbill and endangered Banded Dotterel.

In 2009 we promoted home energy saving measures and staff joined the Department of Conservation to plant over 1,200 native Spinifex to stabilise vulnerable sand dunes at Tangimoana beach in the Manawatu.

**Annual Staff Bonus:** In 2007 we introduced a CO<sub>2</sub> incentive to our annual team bonus, as a means of involving all employees in the common objective of shrinking company carbon emissions. Three measures were selected which staff can directly influence: business air travel, building power consumption and company car fuel use, with a target set against the previous year's total. And after steady year-on-year rises in energy use, a reduction of 8% was made in 2007 and 18% in 2008. At the end of this year, we expect a further cut of 17%; a total reduction of 37% compared to our 2006 base year.



Mike Shaw and Karen Willis



**Environmental Awareness:** At staff meetings and via internal e-newsletters and emails we promote many simple ways to make a difference at work. This has included reminders to turn off computers and unnecessary lights, fuel saving driving tips, discouraging unnecessary printing and encouraging more information to be circulated on the intranet. When hard copies are required, many employees now print double sided A5 formatted documents, rather than one-sided A4. Others make their own notepads from used copier paper, which has gone uncollected from printers.

Within the office, clear signage and coloured bins encourage staff to segregate their waste into what can and cannot be recycled rather than throw away all rubbish. Food scraps from our café are utilised as supplementary feed by a nearby pig farm.

## Case study: Paper coffee cups

Paper coffee cups are used for an average of 10 minutes before being thrown away. In 2007, we phased them out from our cafeteria after conservatively estimating that around 30,000 cups and lids were used at our Head Office alone every year.

This immediately eliminated a large amount of unnecessary, bulky and often messy waste.

But that's not all: we also ensure the coffee we put in the cup is fair trade™ certified and the milk is organic.



ANNUAL STAFF CARBON PERFORMANCE BONUS

	2007	2008	2009 (EST)	% CHANGE SINCE 2006
CY Target	-10%	-5%	-5%	n/a
CY Actual	-8%	-18%	-17%	-37%
tCO <sub>2</sub> saved compared to previous year	146	330	246	n/a

# Sustainability Partnerships

Toyota is involved in partnerships worldwide to promote environmental responsibility. Here in New Zealand our partnerships are focused on conserving our unique biodiversity and promoting the adoption of more sustainable business practices.



**World Wide Fund for Nature (WWF-NZ):** Toyota NZ has supported WWF-NZ funding their work in four main areas: marine protection, community initiatives, climate change awareness and environmental education. We also provide three hybrid vehicles and manage the WWF Sightings Network from our customer dialogue centre, recording sightings of the endangered Maui's dolphin.



**Sustainable Business Groups:** We are members of the **Sustainable Business Network (SBN)** and **Business Council for Sustainable Development (NZBCSD)**, which encourage responsible business practice and supportive government policy. In 2009, Toyota NZ was invited to join **Business New Zealand's (BNZ)** new Sustainable Business Forum to help develop practical tools to help businesses adopt better practices.

We are a foundation member of SBN's **GreenFleet** programme which encourages everyone to use the most appropriate transport system for their needs and promotes a range of integrated transport measures such as better urban planning, investment in public transport and bicycle lanes, fuel efficient cars and workplace travel plans to lower emissions and ease traffic congestion.

## Suppliers

**Greener Supply Chains:** Toyota purchases from thousands of suppliers every year. Internationally Toyota requires all vehicle suppliers to adhere to its Green Purchasing Policy and encourages them to obtain ISO 14001 environmental accreditation, meet high standards of employment, health and safety, and human rights.

Here in New Zealand we implemented a Responsible Purchasing Policy in 2006 covering our wider non-vehicle expenditure – such as office paper, office furnishings, energy suppliers and electrical appliances. This also includes

our service contracts, for example our cleaning company has assisted our efforts to turn off lights around the office in the evening and to ensure rubbish is correctly bagged for recycling or landfill.

We are reviewing this policy to see how the contract process might be strengthened further in departments' decision making.

**Vehicle Freight:** Vehicles are shipped to New Zealand on the Toyofuji shipping line, owned by our parent company Toyota Motor Corporation. This fleet of modern ships uses a third less fuel than conventional sea freight.

Once they are here the distribution of vehicles is handled by an independent road haulage company. In order to better understand the associated environmental impact, we began measuring monthly car deliveries in August 2008. However, the fuel data we gather isn't yet robust enough for us to calculate reliable emissions data, and we are working on ways to better reflect variables such as the proportion of Toyota vehicles on a truck shared with non-Toyota cars, over varied distance and delivery routes.

**Vehicle Parts Freight:** Efficient packing and loading of spare parts and accessories can reduce the number of delivery runs, saving money, fuel and CO<sub>2</sub> emissions. However, measuring the environmental impact from these trips is an extremely complex task. Parts of many sizes and shapes share

freight loads on an assortment of transport types (such as air, truck and van) and sometimes on different segments of the same delivery trip.

To better understand these difficult freight issues, a new logistics team has been set up at Toyota NZ to review alternatives to the current distribution network. In the meantime, we are encouraging our freight company to continue introducing fuel efficiency measures. We expect to be able to clarify these areas in our next Report.



The Langham Hotel, Auckland

**Green Hotels:** For sometime we have been asking hotels the actions they make to minimise their environmental impact, so that they could help us reduce the impacts of our business travel. However, the initial responses were disappointing – very few had environmental policies and those that did often couldn't back them up with concrete actions.

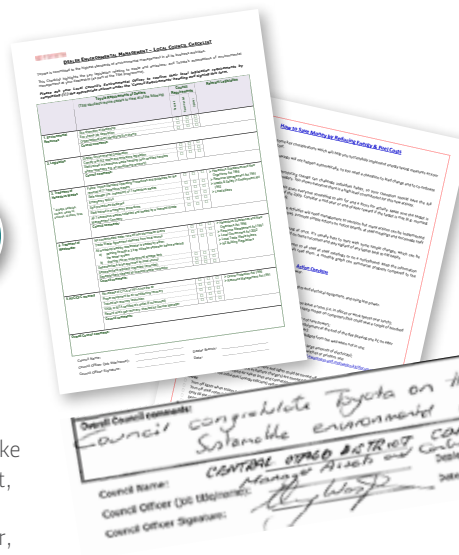
In 2007 we began giving preference to hotels with credible environmental programmes. We evaluated the hotels we traditionally used for business travel and selected the top performers, such as The Langham in Auckland and Novotel branded hotels who participate in the GreenGlobe certification programme.

## Our Dealers

Toyota dealers are independent franchise businesses, and we work closely with them to encourage environmentally and socially responsible practices when vehicles are being serviced and repaired.

In 2009 we introduced a regular training schedule to ensure new staff are taught environmental procedures. We also extended dealer environmental management activities to include monitoring energy consumption and fuel usage, and reporting the activities they have implemented to manage CO<sub>2</sub> emissions. A voluntary reduction target of -10% was suggested for each site.

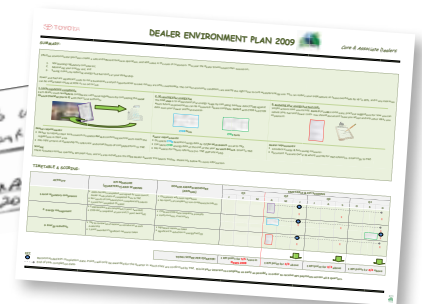
In 2010 we will trial a local environmental management certification system at Toyota dealers to provide a comprehensive and structured framework for their on-going environmental activities.



### SINCE 2005 WE HAVE SURVEYED DEALERS ANNUALLY ACROSS FIVE TARGET AREAS:

1. Assigning staff to manage environmental responsibilities at the dealer.
2. Confirming the dealership meets their local council's environmental regulations.
3. Safe treatment and recycling of vehicle servicing wastes, such as used oil, oil filters, car batteries, and tyres.
4. Regular maintenance of wastewater traps for the proper treatment of drainage water.
5. HFC/CFC gas recovery from vehicle air conditioning systems, by a qualified technician.

**ALL DEALERS NOW MEET THESE STANDARDS.**



Yellow-eyed penguins are unique to New Zealand. They are found along the southeast coast of the South Island and neighbouring sub-Antarctic Islands. Unfortunately today they are the rarest of all the world's penguins, primarily due to habitat destruction and pest predation. Cooke Howlison Toyota, in Dunedin, has been a proud sponsor of The Yellow-eyed Penguin Trust since 1989. It provides the Trust with a Toyota Hilux 4x4 for their field work: fencing to protect nests from wandering stock, using indigenous plants to create shelter and better nesting sites, and pest control often in the Trust's remoter reserves. The Hilux is also a useful tool for raising awareness of the penguin's plight. The truck's colourful design is seen throughout the region at fundraising campaigns, local community presentations, festivals, conferences and school visits.

**Case study: Cooke Howlison Toyota Sponsors the Yellow Eyed-Penguin Trust**



# SOCIAL RESPONSIBILITY



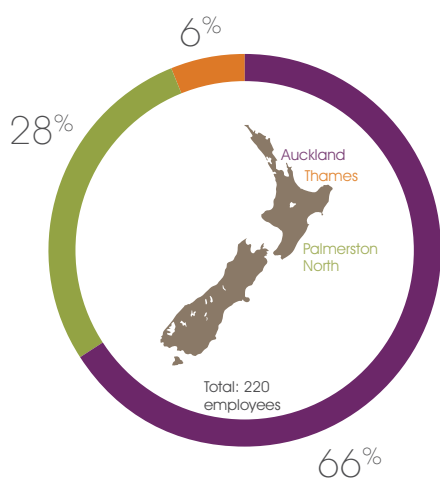
# Our Employees

Our employees consistently rank Toyota as one of the best workplaces in NZ. Our workplace encourages all employees to reach their full potential within a caring, supportive and fun environment with a focus on maximising their strengths.

We strive to create a working environment that is supportive – one that is based on mutual trust and respect and one where innovation and continuous improvement are encouraged. Our employees are fundamental to our success.

## Workforce Profile

We have 220 employees in New Zealand across three regions.



There is a dynamic mix of cultures, ages, religions and beliefs represented across our employees.

Nationalities Represented	13
Average Age	42 years old
Gender Mix	70% Male 30% Female
Average Length of Service	9.2 years

Toyota NZ has fostered a corporate culture that encourages teamwork, and people to work together to solve problems. The success of our culture is reinforced by the company's low staff turnover rates. In 2008 our staff turnover rate was 12.6%, compared to a national average of 21%.

## Remuneration and Benefits

All Toyota NZ employees are collectively covered by the Employment Relations Act 2000, and additionally the Health and Safety in Employment Act 1992.

Both Acts apply in New Zealand to the workplace and govern the main rights and obligations of employers and employees as well as promoting the preventing harm to workers, within a healthy and safe environment.

Toyota NZ employees are entitled to four weeks annual leave per year (in accordance with the Holidays Act 2003). In addition Toyota NZ grants additional long service entitlements on completion of continuous service milestones as follows;

- 10 days after 5 years
- 15 days after 10 years
- 20 days after 15 years
- 25 days after 20 years
- 25 days after 25 years
- 25 days after 30 years
- 25 days after 35 years
- 25 days after 40 years



In accordance with the Act, Toyota NZ employees are entitled to additional leave such as sick leave, bereavement leave, parental leave (which is also covered by the Parental Leave and Employment Protection Act 1987), and leave for Jury Service, which is actively encouraged.

Each employee is covered by an employment contract which covers issues like;

- Hours of Work
- Retirement
- Redundancy
- Leave
- Health and Safety



**Benefits:** Within each employee contract, benefits are also outlined. All Toyota NZ staff are entitled to:

- discounted staff purchases for them and their families (including new and used vehicles and parts)
- staff loans (via Toyota Financial Services)
- medical insurance
- subsidised cafeteria (in Palmerston North)
- free car parking
- a company contribution of four per cent to KiwiSaver (non pension plan members only). Prior to KiwiSaver being introduced in 2008, after having completed one year of service, Toyota Employees were invited to join a Group Pension Plan scheme, of which many remain contributing members. In effect, KiwiSaver now takes place of this scheme to new employees.

- Toyota NZ also supports employee study (in addition to the employee's fulltime work) provided the study undertaken is relevant to their current/future roles or development and is approved by their General Manager. Study fees and leave are also granted, as long as the employee successfully passes the paper.

Other benefits include:

- Performance related bonuses
- Paid maternity and paternity leave
- Employee assistance programme that offers confidential counselling
- All employees are free to join a union
- All employees may be members of KiwiSaver

**Remuneration:** Each year, Toyota NZ undertakes salary surveys, where all salaries are benchmarked against three national surveys, Employment

Manufacturer's Association, Hays Salary Survey and Cubix. These provide a snapshot of salaries and employment market trends across Australia and New Zealand, which allows us to position ourselves competitively.

All Toyota NZ employees are covered by workplace agreements which ensure fairness of workplace conditions. The processes, policies and systems in place for achieving these aims are distributed to employees and are available on the company intranet.

The workplace agreements and corporate policies cover issues including:

- Occupational Health and Safety
- Flexible working hours
- Anti-discrimination policies
- Performance reviews

## Case study: Top Technicians rewarded

Toyota's top technicians and service advisors tough it out every two years to vie for the claim the title at the Toyota National Skills awards held at the National Customer Centre in Palmerston North.

Two titles are contested to name the top four in each area following lead up semi-finals and a written exam.

Scott Smith from Tasman Toyota, New Plymouth won the top technician title when the competition was last held in 2008 and Sharon Wood from South Canterbury Toyota, Timaru was awarded as best service advisor.

In the final of the competition, contestants completed written tests before four technicians went head to head to fix simulated faults in vehicles, and service advisors were tested in real life customer situations, with actors and actresses playing the customer.

Under the watchful eyes of independent UCOL judges, the technicians are marked on their approach and ability to solve the problems specially created in various Toyota vehicles. Service advisors are judged on their ability to handle difficult customer scenarios. First time entrant, Sharon Wood admitted it was a daunting experience and didn't know what to expect on the day. Scott Smith, a second time entrant, used his past experience and trusted his 10 years mechanical experience and extensive training in the past six months to get him through.

It is intended that both winners will travel to Japan this year to watch the Toyota Japan national skills competition, as the event they were to travel to in 2008 was postponed.

➤ Since 2004, Toyota NZ has been amongst the Top 10 in the Best Places to Work Survey (Medium-Large Workplace Category).

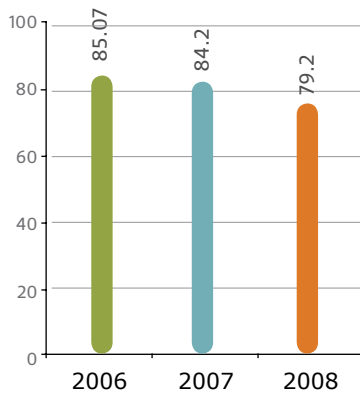
## Employee Satisfaction

In order to understand the views of our employees, we undertake comprehensive annual workplace staff surveys. These surveys provide us with a clear picture about the level of employee engagement and satisfaction on a regular basis.

Toyota NZ has participated for the past eight years (2000–2008) in the Unlimited/JRA Best Places to Work Survey (New Zealand's largest annual survey of workplace climate and employee engagement).

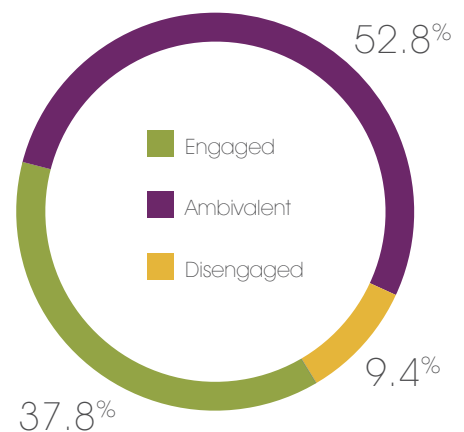
In this survey, employees are asked to complete a confidential assessment about their workplace which then allows us to benchmark our results against other New Zealand companies. From the results we can identify key drivers that impact on employee engagement, develop action plans and review areas of that require improvement.

**Overall Workplace Rating** One of the key ways to measure staff satisfaction is to look at whether staff believe the organisation is a good place to work or not.



KEY TO THE RATINGS	
>80%	Very Good,
75–80%	Good,
70–74%	Average,
65–69%	Below Average,
<65	Poor

## STAFF ENGAGEMENT



ENGAGED BY LENGTH OF SERVICE	
1–2 yrs	26.3%
2–10 yrs	32.5%
10–14 yrs	36.8%
15+	70.6%

## Case study: Internal promotion from within



Steve Prangnell is a long term employee of Toyota NZ and started in 1978 at Wrightcars Toyota in Christchurch as an apprentice technician. After finishing his apprenticeship, he moved to used vehicle sales in 1982. In 1983 he moved to Toyota NZ in Christchurch where he began assembling Land Cruiser and Hilux. In 1985 he was promoted to Team Leader and moved in 1987 into supply and purchasing, becoming the Assistant Manager in 1988. In 1990 Steve joined the Johnsonville team where he was appointed Supply Supervisor then becoming National Supply Manager in 1993 with the additional responsibilities of new vehicle allocation and vehicle operations in 1995. In 1997 Steve closed down the supplier network at the same time the plant was decommissioned then moved to Palmerston North's National Customer Centre where he kept the same role and took on direct sales as well. In 2002, Steve moved into the used vehicle area, and was promoted to General Manager of the Used Vehicle Division in 2003. In 2005 Steve had a shift to General Manager of Sales and Operations for Toyota, Lexus and Daihatsu – where he remains today.



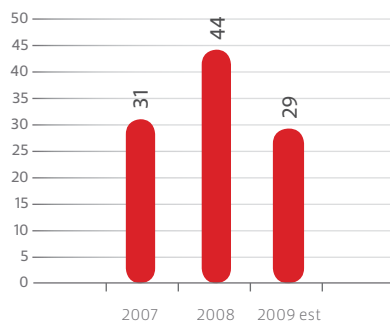
## Health and Safety

Toyota NZ is committed to improving Health and Safety practices within the company by ensuring all employees are provided with a healthy and safe work environment.

Five percent of the staff are involved in Health and Safety Committees with representation from a range of departments. The committees meet every two months and take the lead in helping to promote and encourage staff to comply with current legislation and provide a forum for discussion and information to staff relating to health and safety issues.

Targets and objectives are set and reviewed each year.

NUMBER OF WORKPLACE INJURIES REPORTED 2007 - 2009



As part of the goals set, Toyota NZ is committed to eliminating OOS injuries through the continuing involvement of a qualified physiotherapist on site several times a year to educate staff on safe seating and working practices.

Toyota NZ has achieved and retained tertiary status within the Workplace Safety Management Practices, a programme run by ACC. This includes staff participation to ensure that good processes and procedures are documented and implemented in the work place.

Employees are encouraged to identify and report hazards within their areas, and new ideas and initiatives are welcomed. Health and Safety newsletters provide an informative update to staff each year.

We have had a number of initiatives at Toyota NZ that have contributed to maintaining a happy, healthy and safe environment;

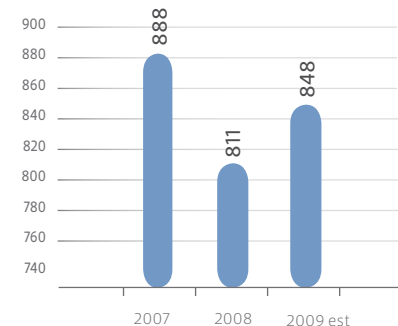
- New inline water coolers to replace bottle coolers. This has minimised the possibility of environmental contaminants.
- Non slip coating put onto the office foyer (atrium) tiles to minimise slips and trips by staff on wet days.
- Full upgrade and regular monitoring of air conditioning system to provide a comfortable air flow within the office area.
- Quarterly safe seating reviews, by a physiotherapist specialising in seating and safe work practices. All new employees have an assessment within the first month of employment, and there is continued monitoring of any employees that had previous issues.
- Implementing procedures for the prevention of swine flu which has minimised the number of lost workdays by staff. This includes the purchase of hand sanitisers, thermometers, face masks and information given to staff to help reduce the risk of infection.
- Staff were encouraged to stay off work if they exhibited any flu-like symptoms to prevent the possible spread of infection. Staff suspected to be unwell were taken aside and their temperature taken. Where there were abnormalities, staff were kept away from work and guidelines have been



published on the company intranet. Ultimately, due to the responsiveness of the company, we minimised the number of lost working days.

- Contractors guide and regulations manual. This has been an extra document created and implemented in the Parts Distribution Warehouse to inform contractors of Toyota NZ's Health and Safety requirements while visiting or working on site.

NUMBER OF DAYS SICK LEAVE TAKEN 2007-2009





## Well Being

Toyota fosters a family atmosphere and encourages involvement in social activities and programmes to support employees and their family's health and wellbeing.

- An initiative we have implemented is a confidential counselling service. This can be conducted off site and is available to all employees and their families.
- Prior to the winter season all employees are offered free seasonal influenza vaccine, and local medical teams come on site to administer the vaccinations.

Toyota NZ provides opportunities to help employees build relationships with their colleagues within and outside the workplace.

- An annual fireworks display where a corporate facility is available for staff and immediate family members to watch a supervised fireworks display at Manfield Park.
- Additionally, a summer family picnic day is held in Palmerston North, where staff are able to bring their young families for a fun day with games and organised races, challenges and recreational activities.
- Toyota NZ has participated in the Relay for Life, which is a community based event raising awareness of cancer. The team takes on the challenge of walking / running a course for 24 hours, raising money for cancer research.



- An area has been landscaped within the park like surroundings of Toyota NZ in Palmerston North location for staff to have allocated areas for the growing of vegetables. Raised gardens have been constructed by the company and basic tools and implements provided for their use. This staff led initiative is led by experienced gardeners who are coaching and teaching those who may never have participated in this activity before.

## Training

Toyota NZ has a strong desire to not only recruit and retain the best people but to provide career development opportunities that make it an employer of choice. Toyota is proud to be a learning organisation. The Toyota Way and Toyota Business Practises Program, which emphasise continuous improvement, innovation, and sharing opportunities to develop, is the foundation of our training programs.

Toyota NZ has fostered a learning environment where corporate and dealer staff are encouraged to continuously up skill and educate, either through the Technical Training Curriculum, or through a management development programme and Business Training Curriculum. These work in conjunction with a qualification framework which encourages employees to stay within the franchise.

Examples of some of the Business Training Courses include;

- Toyota Business Practices
- Customer Handling Skills
- Telephone Handling Skills
- An Induction programme

- Toyota Sales Power and Recruitment
- Retention and Team Management for Dealers

Some of these business courses are conducted in house by Toyota's owned trained Trainers.

Key initiatives within our training program involve the incorporation of a training management database where training requirements including travel and accommodation can be measured and tracked. On-line registrations enable participants to register for courses and post course assessments are managed electronically for further convenience. Participant satisfaction levels are measured following each course, as well as the course effectiveness.

Visual control boards have been set up to monitor the stages of developing business training programmes, to ensure targets are being met. For dealer and participant convenience, an electronic business training course catalogue has been developed.



NUMBER OF PEOPLE ATTENDING COURSES

	2008	2009 ytd
Number of attendees	2,106	1,523
Training hours	24,649	17,515
Average hours per employee (incl. dealer staff)	14 hours	11 hours

## Responsible Marketing

Toyota NZ's marketing activities focus on raising awareness and promoting our products and services and our Brand. This activity is critical to maintain and grow our leadership position in the market.

Toyota NZ has a well developed process in place to ensure that marketing and advertising information is accurate and not misleading, is legal, decent, fair, honest and truthful.

They include;

**Internal Review:** Internal checks are made to ensure that advertising complies with the advertising standards set within New Zealand and governed by the Advertising Standards Authority.

**External Review:** Our suppliers and advertising agencies are well appraised of current practices and laws and ensure standards and codes of advertising are appropriately adhered to.

**Dispute Resolution:** Toyota NZ has a well established mechanism in place to ensure any advertising related complaints are handled quickly and transparently.

During the reporting period 2008 and 2009, there have been two reported complaints received by the Advertising Standards Authority in relation to Toyota NZ advertising;

- a web banner was inadvertently live after the campaign offer had expired. This was a media booking error.
- a Lexus television commercial had a disclaimer showing 'overseas model shown' and appeared on the wrong side of the road. The ASA deemed the disclaimer unclear.



Your Grandparents



Your Parents



You



**The 3rd Generation can make the difference.**

A lot can happen in a generation. These photos of an Alaskan glacier, taken 65 years apart, prove it. That's why the Prius produces just 89gms of CO<sub>2</sub> per km and consumes only 3.9L per 100kms\*. So now it really is up to you.

\*ADR 81/02 combined

The all new 3rd Generation  
**PRIUS**

# Our Customers

Toyota NZ's number one objective is to deliver industry leading customer service to create customers for life. In 1992 we established the National Customer Centre in Palmerston North to help our dealers deliver on that promise.



*"We believe in working together with our Toyota partners to develop enduring relationships and make a positive difference for our customers".*

*Toyota Customer Dialogue Centre mission statement*



In 2009 we launched 'Toyota Touch' – a web-based customer contact system where dealers can select and personalise templates for customer communications (e.g. sales, follow-up letters, service reminders, sales fliers, customer magazines) which are mailed from a central mail house. This has significantly improved the efficiency and consistency of communications to customers.

It was revolutionary at the time, and now over 15 years later in 2009 the National Customer Centre still bears testimony to Toyota's commitment to customers throughout their ownership lifecycle.

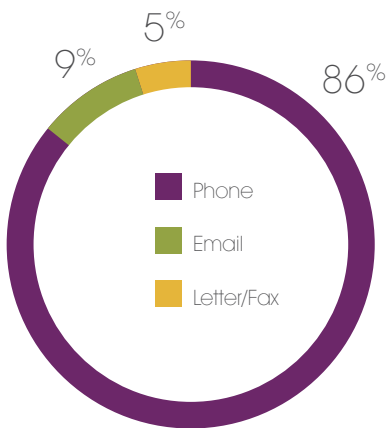
While many car companies have reduced their customer support resources in New Zealand we have continued to grow our parts, service and dealer training commitment to support our growing customer numbers, and we are the only car company in New Zealand with a purpose built customer centre.

**Customer Dialogue Centre:** Our award winning Customer Dialogue Centre provides 24/7 support to our customers. Our customer relations team take responsibility for customer issues from start to finish, and are fully empowered to address issues

quickly and work with dealers and other teams within Toyota NZ to develop creative and personalised solutions for each customer.

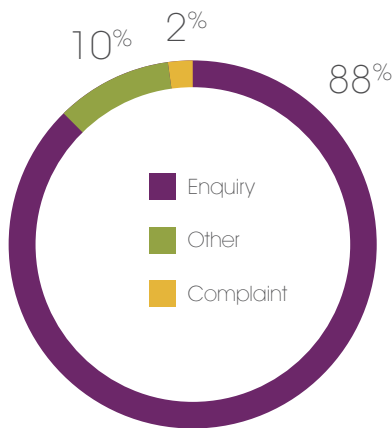
We work hard to keep customers coming back, taking a long-term view of their value to us and our dealers. While it's not always possible to fully meet customers' expectations we are confident that we are treating our customers fairly and with respect, and it's rare that customers feel the need to take their case to other forums.

Supporting the customer relations team is the customer database team who are focused on proactive customer contact and retention strategies over the ownership lifecycle – for example customer satisfaction surveys (CSI), safety campaigns, marketing offers, customer/dealer research and sales and service and communications from dealers.



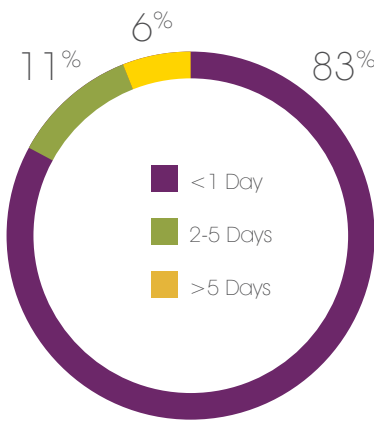
**CONTACTS BY CHANNEL**

We focus on quality not quantity – our customer representatives get around 1700 contacts per month and they take responsibility for customer cases from start to finish.



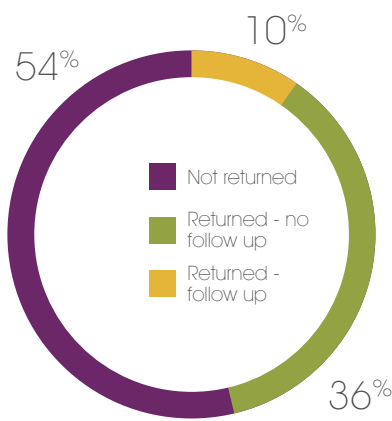
**CONTACTS BY TYPE**

We deal with a wide range of enquiries – from simple information requests right through to complicated technical cases.



**DAYS TO CLOSE**

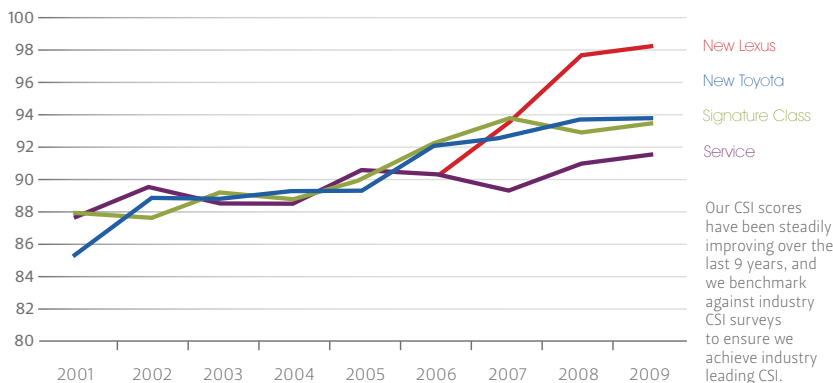
On average we close a case 1.5 days after they start – although some of the more complicated cases can take longer to work through with our customers, dealers and other departments at Toyota NZ. A key element in reducing the time to close cases was the appointment of a technical/product specialist to the Customer Dialogue Centre staff in 2009.



**CSI SURVEY ACTIVITY**

We send out around 29,000 Customer Satisfaction Index surveys every year to vehicle and service customers, and feed back customers' comments and scores to dealers to help them improve their customer experience.

**CUSTOMER SATISFACTION INDICES (CSI)**



**Case study: Vito Ikenasio - Team Leader, Customer Dialogue Centre**

“What I enjoy most about working in the Customer Dialogue Centre (CDC) is definitely that feeling of being a member of a larger family with common value add goals! It's about being respected for your input and the value that your unique talents bring to the role – for me, this is incredibly motivational and instils immense pride in what I do. Having come from more traditional contact centres with greater staff numbers, flashing call waiting queue boards and highly measured call outputs has meant a positive shift in pace for me as well as a renewed awareness/appreciation for a more contained and focussed service quality with a “human touch”.

Alongside this is the philosophy of continuous improvement (kaizen) which provides my team and I with a supported foundation from which to leverage our success from. We are constantly seeking ways of being more efficient in our processes, and always seek to create growth opportunities that will build functional capability within the team and ultimately benefit the success of our end customer.

Working for a company like Toyota that is deeply committed to its philosophies and values is not only exciting and enjoyable – it's an absolute privilege!”

# Our Product

Toyota globally adopts a comprehensive approach to achieving the elimination of traffic casualties.

## Product Safety

Toyota is advancing initiatives in the areas of both active and passive safety as well as to educate and raise awareness of drivers, pedestrians and other members of the public regarding traffic safety thereby creating a safer traffic environment.



## Active and Passive Safety

In vehicle development, Toyota's safety technologies can be broadly classified as either active safety or passive safety. Passive safety seeks to reduce the extent of injuries sustained after a collision, while active safety seeks to reduce the likelihood that a crash will even occur at all. The basis for active safety is ensuring driving stability by detecting conditions that could lead to a collision and assisting the driver in manoeuvring to avoid an accident.

Toyota NZ has adopted a comprehensive safety programme for its passenger range adopting Anti-Lock Braking (ABS), air bags and Vehicle Stability Control (VSC) as standard specification across our passenger range.

- Vehicle Stability Control (VSC), another active safety feature included, is responsible for controlling traction while cornering.
- Toyota's philosophy on passive safety is to minimise the extent of collision injuries by combining vehicle body structures that securely protect occupants during collisions and absorb the impact with equipment that provides effective protection to occupants.
- Developing this type of vehicle body structure and safety equipment requires both actual collision testing and computer simulation technology.
- Toyota globally conducts many collision tests to ensure to develop collision safety body structure, pedestrian protection, and whiplash injury-reduction capabilities.



The all new third generation Prius is packed full of active and passive safety features to ensure the best possible safety for both the driver and occupants.

The advanced airbag system includes a total of nine airbags, including driver and front passenger's front and side airbags, front and rear curtain shield airbags, and a driver's knee airbag are standard for both new Prius models.

Active front headrests are used in both front seats to reduce the possibility of whiplash injury in a rear collision. This system uses a mechanical linkage to move the headrest up and forwards so that in a rear collision the headrest can more effectively cushion the occupants' head.

Prius' new state of the art braking system combines brake by wire technology and regenerative braking. Within the braking system is an emergency braking system. This system flashes the LED brake lamps to warn drivers behind when emergency braking is occurring allowing for drivers to react up to 0.7 seconds faster, helping to avoid potential rear-end collisions.

An Anti-lock Brake System (ABS), Electronic Brake Force Distribution (EBD) Brake Assist (BA), electronic Traction Control (TRC) and Vehicle Stability Control (VSC) are included as part of Toyota's standard safety package within new Prius.

New third generation Prius also includes three ALR/ELR rear seat seatbelts. All three rear seatbelts have child seat tether anchor points as well as two ISO fixing points.

The Prius i-Tech has the added features of a pre-crash safety system with dynamic radar cruise control.

The pre-crash safety system alerts the driver if a collision is likely, then reacts by retracting the front seatbelts and arming the pre-crash brake assist system to improve braking performance. If the driver doesn't apply the foot brake, this system can step in, applying the brakes to reduce potential damage and injury. Using a millimetre wave radar located behind the front grille, Prius can scan the road up to 120 metres ahead, constantly searching for obstacles.

Linked with the pre-crash safety system, Prius i-Tech features a dynamic radar cruise control system. This advanced style of cruise control automatically detects vehicles ahead, adjusting speed to maintain a safe following distance. When the road ahead clears, Prius will automatically accelerate to return to the pre-set speed.

Prius i-Tech also includes an advanced Intelligent Parking Assist (IPA) system. Able to detect available parking spaces then automatically guide you into tricky reverse parks, all you need to do is maintain speed with the foot brake.

Toyota Prius has an all-new platform and redesigned front and rear suspension for improved active safety, handling agility, stability and ride comfort.

*Case study: Prius exhibits advanced safety features*

## Special Service Campaigns

In the reporting period, five Special Service Campaigns (SSC) were initiated by Toyota NZ, and four by Toyota Motor Corporation, Japan. New Zealand law places responsibility on the importer and trader of used vehicles to ensure that vehicles are safe, and they are therefore responsible for making certain that vehicles are rectified.

Given New Zealand's open market conditions there are many Toyotas imported by private importers and legally it is their responsibility to advise their customers of SSC's.

However, even though we did not import those vehicles, Toyota NZ informs those customers of any SSC's, and in the case of safety related campaigns, will even pay for any repairs.

Once a decision has been made to instigate a SSC, appropriate Government departments are consulted and customers are contacted by letter. We then monitor repairs completed and in many cases will write to customers again or ask our dealers to follow up.

### SAFETY ACROSS PASSENGER RANGE

	NCAP SAFETY	VEHICLE STABILITY SYSTEM	AIRBAGS			
			FRONT	SIDE	CURTAIN	KNEE
YARIS	*****	✓*	✓	✓	✓	D
COROLLA	*****	✓	✓	✓	✓	D
PRIUS	*****	✓	✓	✓	✓	D
AVENSIS	*****	✓	✓	✓	✓	D
CAMRY	*****	✓	✓	✓	✓	D
AURION	*****	✓	✓	✓	✓	D
PREVIA	*****	✓	✓	✓	✓	D
RAV4	*****	✓*	✓	✓*	✓*	D*
HIGHLANDER	Not tested	✓	✓	✓	✓	D
LAND CRUISER PRADO	*****	✓*	✓	✓*	✓*	
LAND CRUISER 200	Not tested	✓	✓	F+R	✓	D+P

The table shows the high degree of safety evident across the Toyota passenger model range in New Zealand as at Nov 1, 2009

\* On some models, but not across entire range

KEY:  
D = Driver  
P = Passenger  
F+R = Front & Rear

# Our Community

Toyota NZ believes in working together with key partners and sponsors to contribute to local communities in New Zealand.



## Team New Zealand – The America's Cup

Team New Zealand's international accomplishments inspire Kiwis to pursue challenges on a world scale and bringing honour to our nation and share the belief that if you dream it you can do it.



The America's Cup is the world's oldest and most prestigious sporting trophy. Team New Zealand is arguably the most successful America's Cup team of all time having now competed in the last four finals, winning two of them. Toyota have been proud partners with them for 18 years along this journey.

*"We believe in working together"*



## Toyota Racing Series

Toyota NZ made a long term commitment to support Toyota Racing Series (TRS) back in 2005, and has now completed five successful seasons.

Starting with the aspiration to promote and grow single-seater racing in New Zealand, TRS is now a major motorsport series with National Championship and Premier Gold Star racing status alongside other premier events, such as the New Zealand Grand Prix. This has provided a stepping stone to groom many of New Zealand's young emerging stars such as Brendon Hartley, Chris van der Drift, Earl Bamber and Wade Cunningham who have all raced in the Toyota Racing Series and are now winning races internationally.

Along with technological breakthroughs, the biggest success story of the series is the training ground it offers young drivers as they aspire for seemingly impossible seats on the international circuit. We believe if you can dream it you can do it, and we've seen this in many TRS participants.



## Grassroots Rugby



Club rugby is the foundation and heart of all kiwi rugby, and rugby clubs serve valuable roles as community centres throughout the country.

Nearly a decade ago Toyota Grassroots Rugby began. Toyota Grassroots Rugby is a long-running weekly television series that covers local club rugby at its best, at 'grass roots' level.

We recognise that the boys and girls at the top of their game had to start somewhere, and that's where their local club rugby played an integral role.

Standing the test of time, 21 weeks of Club Rugby season receives on air coverage helping to preserve the rich sporting and community traditions of Grassroots Rugby.





## World wide Fund for nature



World Wide Fund For Nature, more widely known as 'WWF', is a global organisation that aims to educate the next generation about the importance of managing our precious environment more sustainably, and resources communities in vital backyard conservation. They work at an international level to aid sustainable development, and like Toyota are committed to New Zealand, for New Zealand.

Toyota NZ has proudly supported WWF New Zealand for over 25 years.

Since 2008 Toyota has also been involved in a WWF initiative called Earth Hour, where businesses, communities and individuals were called upon to turn out their lights for one hour, at the same time locally, around the globe. Earth Hour made a bold, profound statement to world leaders on climate change, and sent the message that we must all start to make more of an effort to reduce carbon emissions.

Over the past two years Toyota's funding has enabled WWF to campaign and carry out research on climate change, and promote the careful management of natural resources and endangered species.

Toyota is involved in partnerships worldwide to promote environmental responsibility. Here in New Zealand, our partnerships are focused on conserving the environment and promoting sustainable mobility.

WWF encourages people to connect with their environment and supports communities to take local action. Toyota NZ value the social and economic benefits that arise when community groups, business interests and local government come together with a common goal to make a difference.

**Parents Inc.**  
GROWING GREAT KIDS



## Parents Inc

Helping make New Zealand 'a nation that grows great kids' is the single minded vision and goal of Ian Grant – the founder of Parents Inc, and a dream supported by Toyota NZ.

Increasing parenting skills is the key driver behind his organisation that reaches over 100,000 parents and an equal number of high school students every year with its range of programmes, aimed at making a difference in people's lives.

We are pleased to have the opportunity to align ourselves with an organisation that has a genuine, passionate commitment to putting families first.

A team of presenters travel nationwide delivering 'Hot Tips' seminars for parents, 'Attitude' programmes in high schools and 'No Sweat Parenting' classes.

Through these non-threatening seminars, people gain the insights they need to live healthy, meaningful lives. The seminars develop and reinforce skills to take control of the atmosphere in the participants own homes families and relationships.

We believe a better tomorrow starts today. Parents Inc, with the support of Toyota, quietly go about transforming this belief into reality.



## Toyota Optimist Nationals

Toyota NZ has been involved with sailing at a sponsorship level for over 17 years, with our relationships both with professional and grassroots level yachting organisations.

From our long association with the America's Cup Regattas we recognise and value the imperative role that competitions such as the Toyota Optimist National Championships



offer young sportspeople. It is in these training waters that world class sailors are made, who go on to showcase New Zealand to the world.

An extraordinary amount of time and effort is put into the annual regatta by enthusiastic organisers and locals who get involved. The event showcases the sport to large crowds and always gains international recognition.

Toyota believes that by assisting our ambitious young boaties today, they will go on to reinforce New Zealand as a sailing nation in the future.



# ECONOMIC



# Economic Performance

Despite tough economic conditions Toyota will continue to work towards building long-term economic growth to fulfil its obligations to its broad range of stakeholders as well as its shareholder Toyota Motor Corporation.

Toyota needs to be financially sustainable to enable it to contribute in the ways which have been highlighted in this report. Our financial sustainability is maintained by covering the cost of capital and securing sufficient returns to keep investing in business and meeting the needs of our customers and society.

Toyota NZ contributes to the economy through direct and indirect employment, direct purchasing and capital investment. The skills and expertise we have introduced and developed have been dispersed throughout the motor industry.



## Key Financial Data

	2006/07	2007/08	2008/09	2009/10 PROJECTED
Net Profit After Tax	\$19.3m	\$22.3m	\$2.8m	\$2.8m
Sales Revenue	\$755.1m	\$849.4m	\$775.0m	\$830.0m
Capital Expenditure	\$13.2m	\$4.2m	\$4.6m	\$2.1m
Total Assets	\$233.8m	\$258.5m	\$243.4m	\$223.0m

## Challenges

2008 ended with a positive new vehicle result despite the increasingly difficult market conditions amidst a global recession. The market was down approximately 5% on the previous year, but we grew our sales by an equivalent amount and achieved our sales target, market leadership for the 21st year and also set a new all time sales record.

2009 saw the market reach rock bottom in the second quarter. Since then, industry sales have lifted, however sales volumes are still a third down on two years ago prior to the credit crunch and global recession. With generally higher vehicle prices and customers more careful about their spending, we can anticipate continuing challenging conditions. Despite the tough economic

conditions rising unemployment and the general global economic recession, Toyota in New Zealand is remaining positive, addressing the economic climate through proactive financial controls and reducing marketing and capital expenditure.

Toyota NZ is more concerned with the long term issue of sustainable mobility for New Zealanders than short term profitability.

# Sales and Product Highlights

2008 was an all time volume record for Toyota NZ (23,403 new and 6,671 used vehicles)

## Market Share

Toyota has benefited from car buyers migration to trusted brands with our share growing during the economic recession while less stable competitors have fallen away.



## Prius Sales



2009 saw the introduction of the 3rd generation Prius hybrid, with even lower fuel economy and emissions than its revolutionary predecessors. Globally Prius hybrid sales since launch now number over 1.4 million.

2008 → 362

2009 OUTLOOK → 464

## Signature Class



The economic conditions have seen a shift from new vehicles to used vehicles across the market. Our Signature Class range has been well positioned to take advantage of the customer preference for premium used vehicles from trusted suppliers.

2008 → 3,024

2009 OUTLOOK → 3,174

## Sales Volume

NEW VEHICLE SALES VOLUME	2008	2009 Outlook
Toyota	21,457	15,530
Lexus	459	370
Daihatsu	1,487	300
NEW VEHICLE SALES VOLUME	6,671	7,350

## TOYOTA MARKET SHARE

	1999	2004	2009 (ytd)	CHANGE (10yrs)
TOYOTA	17.5%	18.4%	21.9%	+4.4%
FORD	16.4%	16.3%	12.4%	-4.0%
MITSUBISHI	11.2%	9.1%	4.9%	-6.2%
HOLDEN	10.9%	15.7%	10.2%	-0.6%
HONDA	4.2%	5.6%	4.1%	-0.1%
NISSAN	10.4%	7.3%	6.4%	-4.1%
MAZDA	3.5%	5.5%	7.9%	+4.4%
HYUNDAI	5.3%	2.9%	7.0%	+1.7%
SUZUKI	2.6%	1.3%	5.1%	+2.5%
OTHER	18.0%	17.8%	20.1%	+2.1%

## Toyota's in Top 10 Selling Vehicles (2008)

1<sup>st</sup>  
TOYOTA COROLLA



2<sup>nd</sup>  
TOYOTA HILUX



7<sup>th</sup>  
TOYOTA CAMRY





Toyota's Parts Distribution Warehouse has been working on reducing freight and packaging as a percentage of revenue by consolidating and improving order packing. All packaging is reused where appropriate for domestic packaging. The result of this has meant an increased use of recyclable packaging and reusable bins, and less but larger packages being sent.

Consolidating dealers orders within the Parts Distribution Warehouse has enabled significant dollar savings in terms of delivery and packing costs as % of revenue, cost savings are estimated to sit at round \$450,000 per annum.

All paper is recycled from on site operations and shredded and reused as packaging. Other cardboard, plastic and metals are recycled and picked up by external recycling companies.


*Case study: Order Consolidation - Parts Distribution Warehouse*

# Toyota New Zealand Global Reporting Index

Toyota NZ has used the Global Reporting Initiatives G3 guidelines to prepare this report. The Global Reporting Initiative is considered to be the world's leading framework for sustainability reporting. For more information please see [www.globalreporting.org](http://www.globalreporting.org)

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2.4	Location of organisation's headquarters	7
2.5	Number of countries where organisation operates	7
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3.2	Date of most recent previous report	5
3.3	Reporting cycle	5
3.4	Contact point for the report	5
3.5	Process for defining report content	5
3.6	Boundary of the report	5
3.7	Limitations on the scope or boundary of the report	5
3.8	Reporting on joint ventures and other entities	n/a
3.9	Data measurement techniques	5, described throughout the report
3.10	Explanation of re-statements	n/a
3.11	Significant changes from previous reporting periods	5
3.12	Table of standard disclosures	GRI table, 54
3.13	External assurance	Toyota NZ has not opted to get this sustainability report externally audited at the time of print
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4.12	Externally developed economic, environmental, and social charters	19,21,27,48
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4.15	Basis for identification and selection of stakeholders	14
4.16	Approaches to stakeholder engagement	14
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EC2	Financial implications of climate change	n/a
EC3	Organisation's defined benefit plan	35,36
EC4	Significant financial assistance received from government	n/a
EC5	Standard entry level wage/local minimum wage	n/a
EC6	Locally based suppliers	34
EC7	Procedures for local hiring	n/a
EC8	Development and impact of infrastructure investments and services	22
EC9	Indirect economic impacts	51, 52
EN1	Materials used by weight or volume	27
EN2	Percentage of materials used that are recycled input materials	27
EN3	Direct energy consumption by primary energy source	23
EN4	Indirect energy consumption by primary source	23
EN5	Energy saved due to conservation and efficiency improvements	23, 24, 25
EN6	Initiatives to provide energy-efficient or renewable energy based products and services	23, 24, 25
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	23, 24, 25
EN8	Total water withdrawal by source	30
EN9	Water sources significantly affected by withdrawal of water	30
EN10	Water recycled and reused	30
EN11	Land in biodiversity habitats	n/a
EN12	Impact on biodiversity rich areas	n/a

GRI Indicator	Page number/comments	
EN13	Habitats protected or restored	n/a
EN14	Managing impacts on biodiversity	32
EN15	IUCN Red List species	n/a
EN16	Direct and indirect greenhouse gas emissions	23, 24, 25
EN17	Other indirect greenhouse gas emissions	23, 24, 25
EN18	Initiatives to reduce greenhouse gas emissions	23, 24, 25
EN19	Emissions of ozone-depleting substances	35
EN20	NOx, SOx, and other significant air emissions	26
EN21	Total water discharge	30
EN22	Weight of waste by type and disposal method	28, 29
EN23	Significant spills	31
EN24	Weight of hazardous waste	29
EN25	Biodiversity rich water bodies	n/a
EN26	Impacts of products and services	18,23-30
EN27	Products sold that are reclaimed	n/a
EN28	Fines and sanctions for non-compliance with environmental laws and regulations	31
EN29	Impacts from transport	18
EN30	Total environmental protection expenditures	n/a
LA1	Workforce	35
LA2	Employee turnover	35
LA3	Benefits for full-time employees	35,36
LA4	Percentage of employees covered by collective bargaining agreements	35,36
LA5	Minimum notice period for operational changes	36
LA6	Workforce represented in formal health and safety committees	16,38
LA7	Absentee rates and injuries	38
LA8	Programs for serious diseases	38
LA9	Health and safety in formal trade union agreements	38
LA10	Training per employee	39
LA11	Career and skill development programs	41
LA12	Employee performance reviews	37
LA13	Workforce by diversity	35
LA14	Salary ratio by gender	35, 36
HR1	Investment agreements with human rights considerations	Not available due to lack of information available
HR2	Supplier screening on human rights	Toyota NZ does not screen suppliers on human rights
HR3	Employee training on human rights	
HR4	Total number of incidents of discrimination and actions taken	There were no reported cases of discrimination in the financial year
HR5	Risk to freedom of association and collective bargaining	16
HR6	Risk of child labour	Toyota NZ complies with all laws relating to deployment of child labour
HR7	Risk of forced or compulsory labour	There are no operations within Toyota NZ that have significant risk (or any risk) of forced or compulsory labour
HR8	Security personnel trained in human rights	n/a
HR9	Incidents involving indigenous people	There have been no incidents
SO1	Managing impacts on communities. 42-47	46,47,48,49 (maybe moved to 28,29)
SO2	Analysis on corruption. There are protocols in place to monitor and detect relevant activities.	There are protocols in place to monitor and detect relevant activities.
SO3	Employees trained on corruption	All employees are provided with Toyota NZ's Code of Ethics when they commence employment and are provided training & guidance on the Toyota Way principles
SO4	Actions in response to corruption	15,16
SO5	Public policy positions and lobbying	15
SO6	Political donations	14
SO7	Anti-competitive behaviour, anti-trust and monopoly practices.	There has been no legal action taken against Toyota NZ in the reporting period in these areas
SO8	Fines and sanctions for non-compliance with laws and regulations.	42
PR1	Life cycle stages of products and services	23,27
PR2	Non-compliance with regulations on health and safety impacts of products and services	42,44,45
PR3	Product and service information	45
PR4	Non-compliance with regulations and voluntary codes on product and service information.	42,44,45
PR5	Customer satisfaction	40,41
PR6	Marketing communications	42
PR7	Non-compliance with regulations and voluntary codes on marketing communications	42
PR8	Complaints on breaches of privacy	Any privacy matters arising in the reporting period have been dealt with by Toyota NZ in accordance with the law
PR9	Monetary value of significant fines	15



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better tomorrow  
starts today.

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