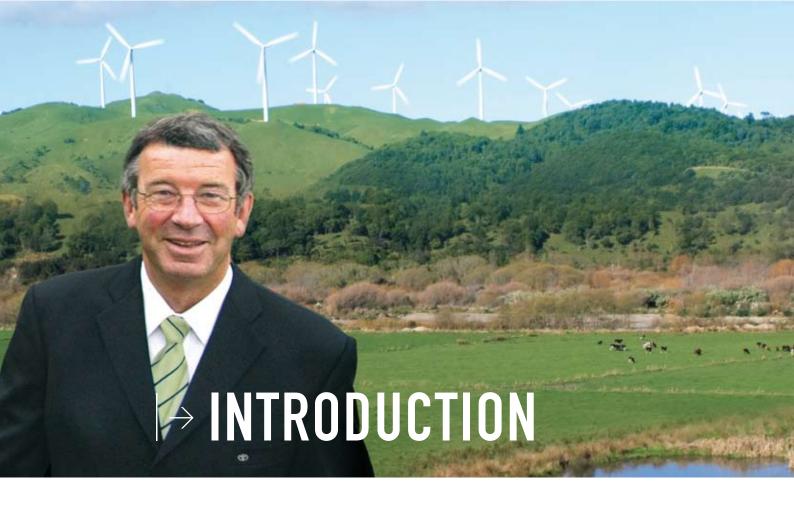
EVERYDAY

TOYOTA'S COMMITMENT TO NEW ZEALANDERS





This is our second Sustainability Report (or Triple Bottom Line Report) and, as such, it reports on Toyota New Zealand's environmental and social responsibility and business achievements over the past two years. We are

This "Everyday" publication attempts to connect some of the diverse threads that are weaved into the fabric of Toyota New Zealand.

proud that this report is being released at a time when we are celebrating 20 years in succession as the leading motor vehicle franchise in New Zealand and enjoying record business results. But as much as we are pleased with these business achievements we are even more proud

of the wider contribution to New Zealand that we have been able to facilitate. This contribution is driven by a number of values (or threads) that binds us together as a Toyota franchise.

For example, our commitment to preserving the unique "kiwi" lifestyle is a thread. Protecting our precious natural environment is another. Respecting our customers, our staff, our dealers and all the people of New Zealand is an important thread. As is our commitment to continuous improvement in all that we do in business and in the community.

Providing high quality products and leading the way for sustainable motoring are core business threads. And you will discover many more when you read this publication.

Some threads reflect a long term commitment to causes such as WWF dating back a quarter of a century or our continuing support for Team New Zealand over five campaigns and two decades. Other threads reflect more recent responses to new societal needs such as our support for the Life Education Trust and Parents Inc. All of them weaved together in this "Everyday" publication.

We hope you enjoy it.

lab Juli

Bob Field Chairman

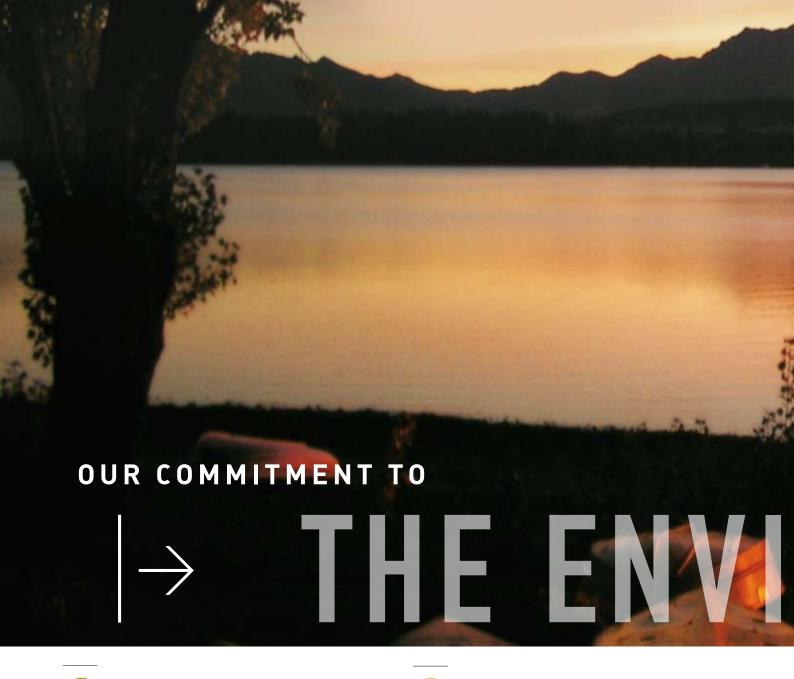
Toyota New Zealand

EVERYDAY

TOYOTA'S COMMITMENT TO NEW ZEALANDERS

OUR COMMITMENT TO THE ENVIRONMENT	1 Our Products	06	
	2 Our Practices	10	
	3 Our Partnerships	14	
	4 Our Promotion	16	
OUR COMMITMENT TO SOCIAL RESPONSIBILITY	1 Our Customers	20	
	2 Our Community	22	
	3 Our Employees	26	
	0ur Country	28	
OUR COMMITMENT TO BUSINESS EXCELLENCE	1 New Vehicles	34	
	2 Used Vehicles	36	
	3 After Sales	38	
	Nealer Network	1.2	





OUR PRODUCTS

Toyota is committed to meeting customer needs in a sustainable way with environmentally friendly technology and maximum use of recycled products. Our key achievements include:

- | → Taking a comprehensive lifecycle approach to vehicle design which assesses the environmental impact at every stage of a vehicle's life.
- ⇒ Being the first to introduce hybrid technology to the New Zealand market in 2002.
- → Being the industry leader in fuel efficient and low emission vehicles and the average fuel economy of the vehicles we sell in NZ has improved by 13% since 2002.
- → Having our used vehicle refurbishment centre as the largest in New Zealand and the first in the world to be ISO14001 certified.

OUR PRACTICES

Toyota is committed to minimising the environmental footprint of our franchise operations in New Zealand. Our key activities and achievements include:

- → A company wide strategy to measure and reduce our carbon dioxide emissions (CO2).
- → The purchase of carbon credits to offset remaining CO2 emissions and make our operations carbon neutral.
- → A specialist Environment Officer to plan and manage our activities.
- → A comprehensive environmental management programme at Toyota dealerships.
- → Using bio fuel from waste dairy products to run our motorsport series and company fleet.



OUR PARTNERSHIPS

Toyota is committed to working with specialist partners to conserve New Zealand's natural environment and promote sustainable mobility. Our key partnerships include:

- → Over 25 years sponsorship of the Worldwide Fund for Nature (WWF NZ).
- → Foundation member of the New Zealand Business Council for Sustainable Development.
- → Member of the Sustainable Business Network (SBN).
- → Foundation sponsor of the SBN GreenFleet programme.

OUR PROMOTION

Toyota is committed to raising awareness of environmental issues and more sustainable choices. Our key activities include:

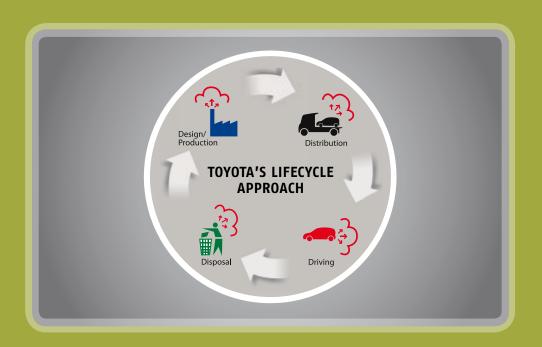
- → Our executive and environmental staff regularly promote sustainable mobility at industry, media and public events.
- → We share our knowledge and experience at regular customer workshops to help other New Zealand companies.
- → Our responsible purchasing policy encourages our suppliers to reduce their environmental impact.
- → We actively engage our staff in environmental improvement with newsletters, events and an annual bonus linked to CO2 emissions.

OUR PRODUCTS

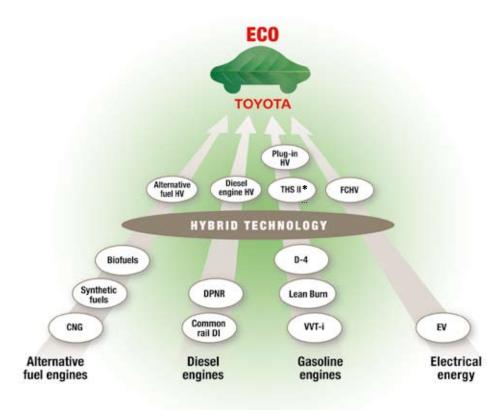
OUR PRACTICE

OUR PROMOTION

OUR PARTNERSHIPS



TOYOTA IS COMMITTED TO MEETING CUSTOMER NEEDS IN A SUSTAINABLE WAY WITH ENVIRONMENTALLY FRIENDLY TECHNOLOGY AND MAXIMUM USE OF RECYCLED PRODUCTS.



*Toyota Hybrid Synergy Drive

TOWARDS THE ULTIMATE ECO-CAR

Toyota led the way towards sustainable mobility with the launch of the revolutionary Prius hybrid in 1997. Toyota's Hybrid Synergy Drive system combines the power of a petrol engine with the torque and clean energy of an electric motor to dramatically reduce fuel consumption and emissions. It now features in a growing number of Toyota and Lexus models, and global sales of Toyota hybrids passed the one million mark in 2007.

*models available as at 2007



Hybrid technology is now well established as a key step towards the ultimate eco car of the future (which will most likely be powered by hydrogen fuel cells which create electricity and only emit water), and Toyota is already developing the next generation of hybrid vehicles which will include diesel and plug-in hybrids.

TOYOTA'S LIFECYCLE APPROACH

Toyota's approach to sustainable mobility goes far beyond just the driving stage. Toyota is focused on reducing the environmental impact of it's vehicles at every stage of their life - from design and production through to distribution, driving and eventual disposal.

Follow a Toyota through its life on the following pages to learn more about our comprehensive approach to sustainable mobility.



DESIGN / PRODUCTION



ISO 14001

All Toyota manufacturing facilities are accredited to ISO14001 environmental management standard and all plants work to aggressive targets to reduce energy and natural resource use as well as waste and emissions.

Toyota uses its considerable purchasing power to encourage suppliers to develop more sustainable products and practices. Suppliers are required to achieve ISO14001 as well as other voluntary actions to reduce their environmental impact.

In New Zealand, our Thames plant (which refurbishes vehicles under the Signature Class brand) is ISO14001 accredited - a world first for a used vehicle refurbishment facility.



Toyota engineers anticipate the environmental impact of a vehicle at every stage of its life during the design stage.

Environmental, cost and performance data for every component and material are entered into a revolutionary computer design tool called Eco-VAS which our engineers use to model scenarios to achieve aggressive environmental targets, as well as other key design objectives.







Using the Eco-VAS tool in the design stage engineers were able to significantly reduce the environmental footprint of the Prius.



Chlorine and Bromine-free

in all wiring, harnesses and insulation materials which facilitate recycling

- Light-weight body parts

 → lead has been reduced by a third (lead-free parts include the radiator, heater core, wire harness coverings and fuel tank)
- The bonnet and roof are made from Aluminium

PVC content

PVC resin has been reduced to 1/10 of the amount used in a conventional car (wire harness shields, door trims and car undercoat painting)

Recycled materials

Toyota reuses shredder dust recovered from the recycling of cars (used in dash and floor silencer materials)

Designed for Recycling easy-to-dismantle features are incorporated into the design (hole and pull strings for the wire harnesses, ground terminals and junction blocks)

Toyota Super Olefin Polymer

this thermoplastic has excellent recoverability and does not deteriorate even after repeated recycling (bumpers, grille, door sill and windscreen base)

Reducing air resistance

an aerodynamic body shape (including wheel spats and smooth floor panels) reduce air drag to maximise fuel economy

Toyota eco plastics

Toyota is piloting the use of bio-plastics in cars (spare tyre cover and floor mats)



DISPOSAL

Toyota's lifecycle design approach has led to the development of innovative recycling technologies and materials to increase recyclability and reduce the use of resources in production and impact of Toyota vehicles on the environment at the disposal stage.

Within Japan Toyota measures it's environmental impact in the distribution stage (for example packaging, CO2 emissions, etc). Toyota distributors outside of Japan are required to adopt strong environmental management systems.



In New Zealand Toyota will start to measure CO2 emissions from our parts and vehicle distribution in 2007, and will work actively with freight providers to reduce the environmental impact from our distribution network.

Toyota New Zealand imports its vehicles on the Toyofuji shipping line which is Toyota owned. The modern fleet of specially designed car carriers look different from conventional ships and that is because they incorporate the latest fuel saving technologies for sea freighting. Transporting Toyotas on these innovative ships means we can operate with a third less fuel compared to conventional shipping.







Toyota's revolutionary Hybrid Synergy Drive now features in a growing number of Toyota and Lexus models, available in NZ as new vehicles or under Toyota's Signature Class brand.



As well as leading the way with hybrid technology Toyota is constantly improving conventional petrol and diesel engines to increase efficiency and reduce emissions.

In New Zealand we have the widest range of vehicles available including compact fuel efficient vehicles, and commercial vehicles which feature the latest 'common rail' clean diesel technology. Our models are amongst the most fuel efficient in the market and the average fuel economy of all the vehicles we sell in NZ has improved by 13% since 2002.

- For more info on fuel economy and emissions of our models: www.toyota.co.nz/sustainability
- For more info on Hybrid Synergy Drive: www.hybridsynergydrive.com



The maintenance and servicing of vehicles also has an environmental impact. To reduce the volume of waste generated at this stage (and reduce costs for Toyota owners) Toyota has extended service intervals, developed super long life fluids and funded equipment to recycle and recover materials.

In addition all Toyota dealers follow a comprehensive environmental management programme which goes beyond local authority requirements.

 For more info on Toyota dealer environmental management: www.toyota.co.nz/sustainability

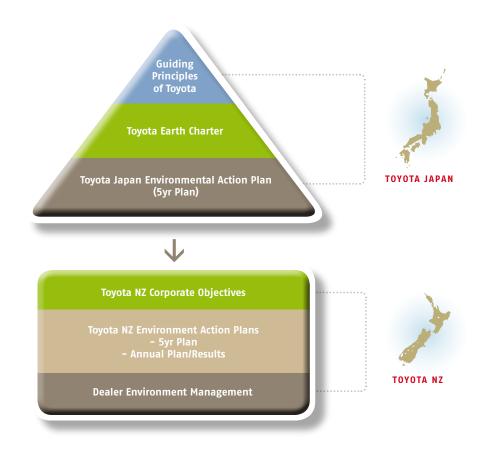




OUR PRODUCTS OUR PARTNERSHIPS OUR PROMOTION



TOYOTA IS COMMITTED TO MINIMISING THE ENVIRONMENTAL FOOTPRINT OF OUR FRANCHISE OPERATIONS IN NEW ZEALAND.



ENVIRONMENTAL MANAGEMENT

In 1992 Toyota published its Earth Charter which formalised the values embraced by the company since its foundation and placed environmental management as a top priority.

Toyota has led the way in developing environmentally friendly vehicles, however our environmental efforts go much wider to encompass how we run our business, and how we can contribute towards a more sustainable society.

We develop comprehensive Environmental Action Plans on annual and five year cycles. These plans are implemented by our Environment Officer Tristan Lavender, and include every aspect of our operations in New Zealand:

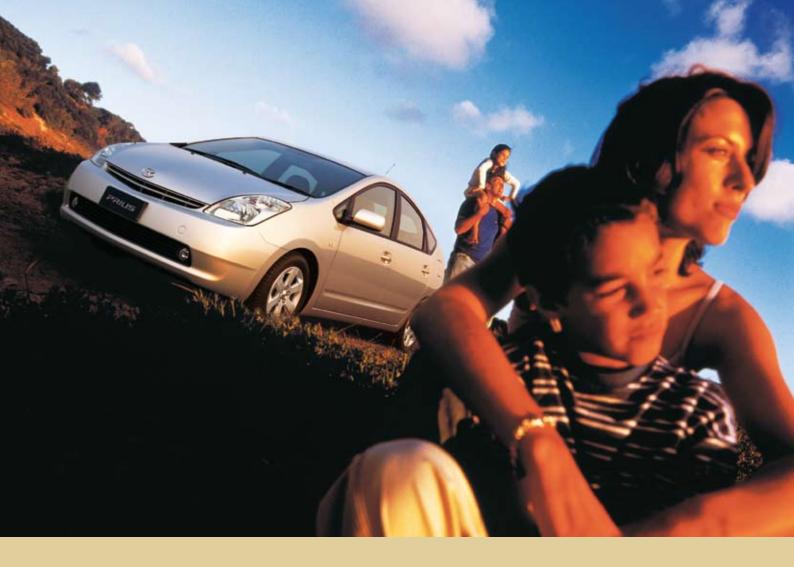
- | → energy consumption and carbon emissions
- | → waste management and recycling
- $|\rightarrow$ supplier procurement
- $|\rightarrow$ sales and marketing
- $| \rightarrow$ Toyota dealers and other business partners

Each area has specific actions and performance measures which are regularly reviewed by senior management.

"We have an ambitious action plan with over a hundred projects and it's great for me to work for a company that takes its responsibility so seriously"

Tristan Lavender, Environmental Officer (Toyota NZ)





MANAGING OUR GREENHOUSE GAS (GHG) EMISSIONS

Climate change is the biggest environmental crisis facing humanity today, and Toyota believes a collective response is urgently needed.

Toyota led the way in the New Zealand's automotive industry with a company-wide strategy to measure and reduce its carbon dioxide (CO2) emissions. Highlights from recent activity include:

- ⇒ an energy audit in 2007 identified a number of opportunities to reduce our building power use and a working group has been established to implement improvements and introduce more efficient technologies.
- → our Signature Class plant achieved a 6% reduction in electricity compared to 2006
- → other power use remained stable despite a 40% increase in the size of our warehouse

We encourage all staff to consider what individual everyday actions they can take to reduce energy use, and staff focus on these issues has been heightened by linking part of the team bonus to an emissions reduction target. Examples of recent staff initiatives include:

- → introducing on-line used vehicle auctions for our dealers to reduce business air travel
- → combining meetings and utilising video conferencing to reduce air travel
- > selecting energy efficient equipment
- → turning off lights and computers when not in use

As a final measure, we offset all remaining CO2 emissions from our operations under the CarboNZero® programme.



We were an early adopter of this scheme in 2005 and were certified carbon neutral in 2007. Under this scheme, organisations must measure and manage their carbon dioxide emissions, and offset remaining emissions by purchasing carbon credits to fund native forest regeneration and renewable energy projects.

The programme is underpinned by extensive scientific research and procedures for handling and cancelling carbon credits, to the highest international standards.

RESPONSIBLE PURCHASING

Comprehensive environmental management means looking beyond the boundaries of our own operations to our wider supply chain.

We have developed a 'Responsible Purchasing' policy which includes environmental criteria in every purchasing decision we make and encourages our suppliers to improve their environmental performance. In addition to meeting traditional expectations of quality, service and price we give preference to suppliers and products with better social and environmental credentials.

RESOURCE EFFICIENCY AND WASTE MINIMISATION

Part of our broader corporate responsibility to society is to use resources wisely and reduce waste from our business activities. For many years we have had an active 'zero waste' programme at our head office and we report our energy and water usage, waste and recycling volumes across all of our sites to ensure 'what gets measured, gets managed.'

USE OF BIOFUELS

The use of biofuels in motor vehicles has become controversial because ethanol sourced from crops (e.g corn, maize) is not always sustainable and can have an adverse impact on food prices.

Toyota supports the use of biofuels and in New Zealand this includes ethanol produced from whey, a milk waste product from the cheese making process.

Toyota's company fleet operates on a 10% ethanol blend (E10) and the Toyota Racing Series operates on E85. The ethanol is supplied by Fonterra.

ENVIRONMENTAL MANAGEMENT AT TOYOTA DEALERS

We work with our dealer network to reduce the environmental impact of vehicles during servicing and maintenance.

All dealers are required to appoint an 'eco champ' to plan and manage environmental activities around four key areas within the dealership:

- $\mid \rightarrow$ Compliance with regulations
- → Proper treatment of hazardous wastes
- | → Proper treatment of waste water
- | → Proper recovery of air-conditioning gases (CFC/HFCs)

Every year dealers complete an environmental audit which identifies improvement areas and counter-measures.

OUR PRODUCTS OUR PRACTICES OUR PARTNERSHIPS OUR PROMOTION



TOYOTA IS COMMITTED TO WORKING WITH SPECIALIST PARTNERS TO **CONSERVE NEW ZEALAND'S NATURAL ENVIRONMENT AND PROMOTE** SUSTAINABLE MOBILITY.





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

Wild places define New Zealand and WWF-NZ campaigns to protect these landscapes and their unique bio-diversity. Toyota's long standing sponsorship of WWF-NZ helps facilitate a broad range of activity.

WWF-NZ Executive Director Chris Howe says

"Toyota's support is invaluable. The positive connection with Toyota spans 25 years and has various levels – from a long commitment to the board, to funding our project and campaign work, through to use of Toyota's call centre which records sightings of Maui dolphins. Even the loan of two hybrid cars are important in allowing WWF to get out and about and spread the word," \ Chris Howe, WWF-NZ Executive Director

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

> communities to take local action. This can be immensely rewarding as WWF's new publication "Not Just Trees in the Ground" suggests. This research presents the social and economic benefits that arise when community groups, business interests and local government come together with a common goal.

encourages people to connect with their environment and supports

www.wwf.org.nz

The critically endangered Maui dolphin.

OUR PRODUCTS

OUR PRACTICES

OUR PARTNERSHIPS

OUR PROMOTION

OUR PROMOTION



TOYOTA IS COMMITTED TO RAISING AWARENESS OF ENVIRONMENTAL ISSUES AND MORE SUSTAINABLE CHOICES.

PUBLIC AND CUSTOMER PROMOTION

Our executive and environmental staff speak regularly at industry and public events, and we sponsored the 'Trailblazer' (Large Business) category in the 2007 NZI National Sustainable Business Awards. We take every opportunity to share our 'sustainable mobility' vision to increase awareness of environmental issues.

We hold regular worskhops with our large fleet customers to share our knowledge and experience and add value to their own sustainability efforts, and we have a sustainable purchasing policy which support our suppliers to consider their environmental impact.

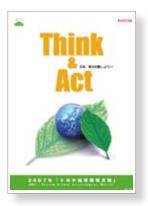
STAFF PROMOTION

We actively engage our staff in environmental improvement with newsletters, events and an annual bonus linked to CO2 emissions.

We promote environmental action throughout the year, but a key event on our calendar is the 'Toyota Environment Month' in June every year, when we make an extra effort to step up our individual and company commitment at work or home. Highlights of Environment Month activity include:

- | → fuel saving driving tips
- | → car pooling programmes for staff
- | → local school poster competitions
- $| \rightarrow$ e-waste collections (cell phones, computers, etc)
- $|\rightarrow\>$ home energy saving advice
- |
 ightarrow staff giveaways of energy efficient lightbulbs (and discount purchase offer)
- $| \rightarrow$ staff giveaways of 'Ecostore' products





We also have an active staff Environment Committee which focuses on community activities, and since 2001 has supported 'Clean Up New Zealand' week by joining forces with pupils from a nearby school to collect and recycle litter.





OUR CUSTOMERS

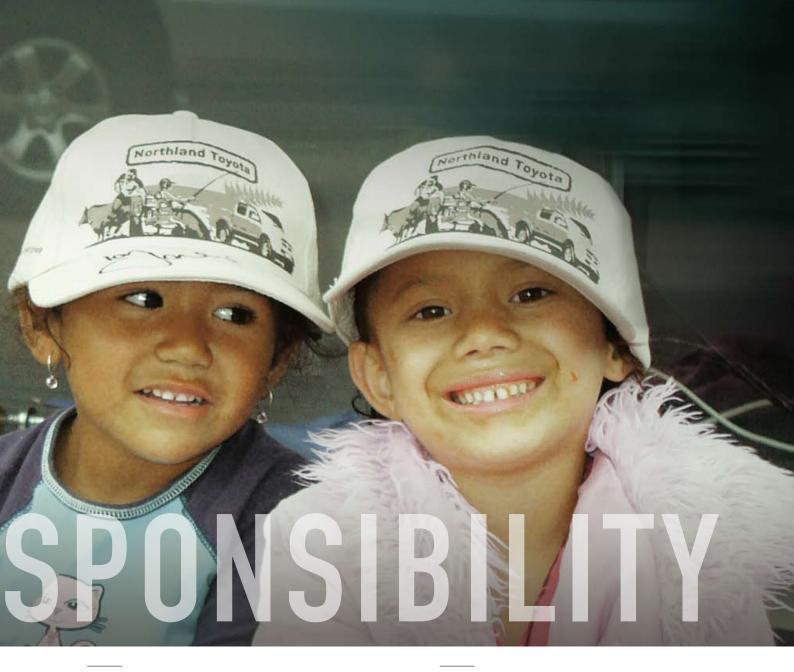
Our customers are the first priority in all our business strategies. Our customers have made Toyota the biggest selling vehicle franchise in New Zealand for 20 years in succession. We support them with:

- → An industry leading range of products and
- $\mid \rightarrow$ Independently owned community dealers throughout the country.
- → A Customer Dialogue Centre which provides excellent customer service.
- → A lifetime support structure for every Toyota.

OUR COMMUNITY

Our corporate theme of 'Everyday People' is a visual representation of our commitment to the local communities in which we operate. We help to celebrate and protect the unique 'Kiwi' lifestyle that is the backbone of our community. Some of our specific activities include:

- |
 ightarrow Grassroots Rugby bringing community rugby to television audiences.
- $| \rightarrow$ Optinats a strong and supportive environment for young sailors.
- |
 ightarrow Parents Inc making life better for parents and their kids.
- $\mid \rightarrow$ Life Education Trust promoting health and self esteem in children.



OUR EMPLOYEES

Our employees consistently rank Toyota as one of the best workplaces in New Zealand in an annual survey. Our workplace encourages all employees to reach their full potential within a caring, supportive and fun environment that includes:

- ⇒ Free medical insurance for all staff and their families.
- $|\rightarrow$ A subsidised pension plan for all staff.
- → Generous cafeteria, staff purchase and long service benefits.
- → Regular open communication sessions for all staff.

OUR COUNTRY

Kiwi success on the world stage brings honour to all New Zealanders, including our customers, our employees and the wider community. We take pride in assisting talented New Zealanders to achieve world class performances with key initiatives such as:

- → Team New Zealand bringing America's Cup benefits back home.
- → Toyota Racing Series developing the next international driving star.
- $|\rightarrow\>$ Young Rider of the Year developing the next Olympic champion.
- |
 ightarrow Lexus Song Quest developing the next international opera star.

- 4

OUR CUSTOMERS
OUR COMMUNITY
OUR EMPLOYEES
OUR COUNTRY



OUR CUSTOMERS ARE THE FIRST PRIORITY IN ALL OUR BUSINESS STRATEGIES. OUR CUSTOMERS HAVE MADE TOYOTA THE BIGGEST SELLING VEHICLE FRANCHISE IN NEW ZEALAND FOR 20 YEARS IN SUCCESSION.



Customers can voice their opinions, raise any concerns, or seek information with a specialist team - Toyota's Customer Dialogue Centre (located in Palmerston North).

The team manages around 3000 monthly contacts.

A series of customer satisfaction surveys are sent to customers at the point of vehicle delivery and servicing intervals to gauge their satisfaction levels. Each survey is analysed to determine opportunities for further improvement.

→ Jocelyn Goodman TOYOTA CUSTOMER DIALOGUE CENTRE

The Corolla success story is perhaps the best example

of Toyota's commitment to continuous improvement and customer satisfaction. On the announcement of Corolla's tenth iteration this year, Toyota received many personal letters from appreciative Corolla owners who have been driving a succession of Corollas over several decades.

Whilst this customer loyalty is the cornerstone of Corolla's long standing sales success, Toyota has never taken it for granted because loyalty has to be earned customer by customer based on individual ownership experiences.

"The Dialogue Centre is about ensuring that the service we are providing is impeccable so that at a customer's first call a resolution is achieved." | Vanessa Millard, Toyota Customer Dialogue Centre

COMMUNITY

OUR CUSTOMERS OUR COMMUNITY OUR EMPLOYEES OUR COUNTRY



OUR CORPORATE THEME OF 'EVERYDAY PEOPLE' IS A VISUAL REPRESENTATION OF OUR COMMITMENT TO THE LOCAL **COMMUNITIES IN WHICH WE** OPERATE. WE HELP TO CELEBRATE AND PROTECT THE UNIQUE 'KIWI' LIFESTYLE THAT IS THE BACKBONE OF OUR COMMUNITY.



GRASSROOTS RUGBY

Club Rugby is the foundation of all New Zealand Rugby and rugby clubs serve valuable roles as community centres throughout the country.

Those at the top of their game had to start somewhere and that's where their local Rugby Club has played a large part in the development as a player and a person, says GrassRoots rugby producer Graeme Veitch.

"The total dedication by thousands of young, and not so young, men and women to attend training on

cold winter evenings can only be admired by all...then they turn out weekend after weekend to do battle on the Rugby fields of our country to uphold the pride and tradition of their club," says Veitch.

"Grassroots rugby is the glue, the one single thing that joins us together as a nation. Someone once said, if you establish solid foundations then they will support what is built on top" | Graham Veitch

He says it is not about the winning or losing, or the hope of one day being an All Black; its simply about playing this great game of ours.

For over 100 years a mere handful of these battles were televised and then only some of the Club finals... then nearly a decade ago along came Toyota GrassRoots Rugby.

Now all 21 weeks of the Club Rugby season receives on air coverage and this has helped to preserve the rich sporting and community traditions of GrassRoots Rugby.

TOYOTA AND YACHTING - NOVICE TO MEDALS

Toyota's support of yachting in New Zealand stretches not only the test of time, but also across the length and breadth of the sport. From novice, to youth development, to Olympic medals and beyond that to Americas Cup, Toyota remains a loyal supporter says yachting New Zealand Chairman Des Brennan.

Great New Zealand sailors begin at the novice level and this is evident through the interest and enthusiasm of many young sailors who compete at this level, develop, and move on to Olympic level.

"Talent identification at youth level is the role of the Yachting New Zealand High Performance Academy which selects those with top results, commitment and the right attitude." | Des Brennan

"Each year up to 200 ambitious nine to 15 years olds

compete at the Optimist National Championships supported by Toyota. The top five sailors go on to represent New Zealand. In 2007 the kiwi's produced a record result with the top placed boy, top placed girl and winning the overall team trophy at the Optimist World Championships."

Providing coaching, sport science and general support, the Academy aims to create winning performances on the international stage by laying the foundations for talented sailors to develop skills and gain experience. The ultimate goal of any Academy sailor is an Olympic medal.

Brennan says Yachting New Zealand acknowledges and greatly values the sustained commitment of Toyota to sailing, which requires the harmonious function of man and machine – passion and technology.

LIFE EDUCATION TRUST

Corporate social responsibility in partnership with a charity focused on giving young people of New Zealand a positive health-based education and knowledge - is at the heart of Life Education Trust New Zealand's philosophy.

Chief Executive Peter Cox said "Life education talks to children about respect for themselves, one another and the environment."



The trust reaches around 213,000 pre, primary and intermediate school children each year.

"Toyota's sponsorship is visible. They deliver on their promises and let us get on with what we know has to be done. Toyota New Zealand are a key sponsor in supporting the national office provide vital services to our community trusts and educators." | Peter Cox, Chief Executive

"We are a health resource for pre-school, primary and intermediate students that links to the current health and physical education curricula using multi-sensory teaching techniques to encourage all learning styles."

"Toyota's increasing support has a direct impact on children. It has allowed us to reach more children the intermediate-aged

children. By the end of 2007, more than 6000 children in this impressionable age bracket in the Auckland region alone will have benefited from Life Education Trust" - an initiative Cox claims would not have happened without the support from Toyota.

LEXUS SONG QUEST



Another significant investment in the Arts has been in the sponsorship of the Lexus Song Quest.

Following 23 Mobil Song Quests spanning half a century, Lexus New Zealand assumed sponsorship for New Zealand's oldest and most prestigious song contest.

"The prestige of winning the prize is the part of being amongst the honours list next to the opera greats who before have claimed the title" | Phillip Rhodes

A biennial event in the arts calendar, the Lexus Song Quest focuses on



artistic development for New Zealand's most talented young classical

singers. Previous winners include Dame Kiri Te Kanawa, Dame Malvina Major, Johnathan Lemalu and Anna Leese.

The latest in the list of winners was 28 year old baritone Phillip Rhodes.

Since winning the title he has catapulted into the international stage and claims the win to have opened doors almost immediately... doors that would not have been opened otherwise.

In 2008 Rhodes will move to Cardiff - to the Cardiff Academy for a year long course where he will concentrate on musical and vocal aspects of performance tutored by some of opera's greats, including Dame Kiri Te Kanawa.



PARENTS INC.

Helping make New Zealand a nation that grows great kids is a simple vision of lan Grant's – the founder of Parents Inc.

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.

Toyota New Zealand endorses and supports the good work of Parents Inc and shares their focus on family safety. Toyota's involvement reflects the shared philosophy of making New Zealand a better place by growing great kids and producing television series of parenting "hot tips".

"Parents Inc. is about building families that last the distance. A bit like a Toyota really – they last – they are reliable – we encourage parents to be there for there children and to be reliable positive role models and builders of their children's lives." | Bruce Pilbrow, Parents Inc. CEO

"The spin off from the airing of the television 'hot tips' has been fantastic" – Parents Inc CEO Bruce Pilbrow said..." especially from Toyota publicly showing support for our organisation and what we stand for – I love the connection with Everyday people and what that represents in New Zealand – we are now part of the Toyota legacy and we are very proud of that."

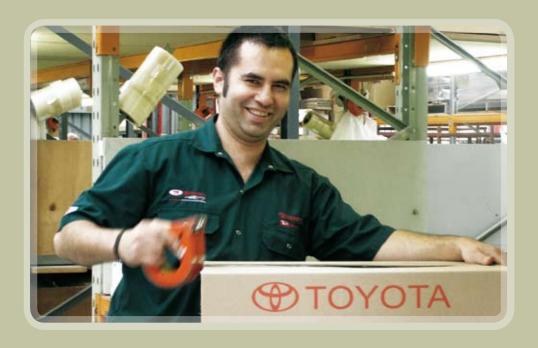
lan Grant, his wife Mary and a team of presenters travel nationwide delivering the Hot tips seminars for parents, 'Attitude' programmes in High schools and No Sweat Parenting.

Through these non threatening seminars, people gain the insights they need to live healthy, meaningful lives. It is hoped the seminars will give people the skills to take control of the atmosphere in their own homes families and relationships.

"At Parents Inc. we believe you only have one shot at parenting so make it your best. When Toyota release a car on the market it is so obvious they have the same motivation – do everything with excellence and make your one shot your best shot!"

UR EMPLOYEES

OUR CUSTOMERS
OUR COMMUNITY
OUR EMPLOYEES
OUR COUNTRY



OUR EMPLOYEES CONSISTENTLY
RANK TOYOTA AS ONE OF THE
BEST WORKPLACES IN NEW
ZEALAND IN AN ANNUAL SURVEY.
OUR WORKPLACE ENCOURAGES
ALL EMPLOYEES TO REACH
THEIR FULL POTENTIAL WITHIN
A CARING, SUPPORTIVE AND FUN
ENVIRONMENT.





We celebrate the diversity of people and lifestyles that make New Zealand such a rich and positive country - and our team are as diverse as the hundreds of thousands of New Zealanders who choose Toyota.

Toyota New Zealand operates from three locations: National Customer Centre (Palmerston North), Thames Vehicle Operations, and Auckland

Toyota New Zealand has been participating in the Unlimited Best Place to Work in New Zealand survey since 2000, and has been a finalist in the last three annual surveys.

The survey is an independent annual employee survey that benchmarks companies against the best.



FLEET TECHNICIAN



 $|
ightarrow \;$ Marilyn O'Halloran OFFICE SERVICES



| → Jared Burns TECHNICAL TRAINER



→ Geoff Russell TEAM LEADER NATIONAL PARTS WAREHOUSE

OUR CUSTOMERS OUR COMMUNITY OUR EMPLOYEES OUR COUNTRY



FOR NEW ZEALAND - AMERICA'S CUP

KIWI SUCCESS ON THE WORLD STAGE BRINGS HONOUR TO ALL NEW ZEALANDERS, INCLUDING OUR **CUSTOMERS, OUR EMPLOYEES AND** THE WIDER COMMUNITY.



UNCONDITIONAL SUPPORT

The America's Cup is the world's oldest and most prestigious sporting trophy and by competing with distinction in this contest Team New Zealand has brought honour to all New Zealanders. In fact Team New Zealand is arguably the most successful America's Cup team of all time having now competed in the last four finals and winning two of them.

"Toyota New Zealand is the only major sponsor to have stayed staunchly loyal to Team New Zealand since the 1992 campaign and Toyota will continue that support for the sixth successive campaign in 2009. Whilst the entry of high profile and well financed challengers in recent years has pushed up the cost of participating in the America's Cup it has been offset by a growing global audience and the continuing strong interest demonstrated by New Zealanders.

It was disappointing that Team New Zealand lost the 2007 America's Cup Final in the most closely contested match of the modern era but their outstanding performance recaptured the hearts of

all New Zealanders and reinforced Toyota's belief in this team. Huge economic benefits have accrued to New Zealand from the positive exposure surrounding the 2007 Cup and the New Zealand government is to be commended for recognising this by renewing their generous financial support for the team.

Toyota also shares with Team New Zealand a common commitment to continuously improve performance levels and to foster a close team environment based on mutual respect for people. These shared values and commitments have resulted in a close affinity between the two teams and both teams draw strength from each other in a variety of ways," said Mr Field.

Emirates Team New Zealand Managing Director Grant Dalton said "The partnership has always been more than just Toyota as a sponsor, often requesting strategic input to management, drawing motivation from Toyota's winning ways and sometimes just good old fashioned advice."

He said Toyota is part of the Team's culture which is reflected in the fact that most team members drive Toyota's and promote the product amongst their peers and the international sailing community.



YOUNG RIDERS SERIES



Young riders are groomed from an early age in competitions that produce not only excellent competitors but motivated adults.

The Toyota Young Riders Series is an important part of the national showjumping scene in

New Zealand for young riders up to the age of 21. The series is the precursor for those wanting to go on to an international level.



"The Toyota Young Rider Series provides young people with a good grounding at grassroots level and a stepping stone to international success. Many of the riders coming through the ranks of Young Riders will later go

"Toyota's philosophy of continuous improvement and respect for people ensures they take pride in assisting talented New Zealanders achieve world class performances."

Jeremy Olphert, Chairman of Showjumping New Zealand.

on to compete at Olympic level", says Jeremy Olphert Chairman of Showjumping New Zealand.

It is important in the development of riders that they compete amongst their age levels before joining the ranks of more senior competition he says.

For the past five years Toyota have partnered with the series and as Jeremy Olphert puts it are committed to youth and putting back into the community.

"There is a synergy with the young rider series appealing to kids and Toyota's fundamental philosophy," he says.

TOYOTA RACING SERIES



Toyota has made a long term commitment to support this major series which began in 2005 and has now completed three seasons.

The Toyota Racing Series has National Championship and Premier Gold Star racing status with premier events such as the New Zealand Grand Prix and the Lady Wigram Trophy.

Barry Thomlinson, category manager for the Toyota Racing Series says "since its introduction the new TRS class has already given a huge boost to single seater racing in New Zealand providing many local and international

"It is particularly rewarding to see some of these young drivers progress in their careers knowing we have had some part to play in their success. At just 15 years of age Brendon Hartley from Palmerston North won the very first TRS race at Timaru in 2005. His performance secured him a test with the Red Bull Junior Driver Development

squad, and he won leading the European Formula Renault Championship in his first season."

According to TRS Manager, Barry Thomlinson, New Zealand's southern hemisphere location has provided many international drivers the opportunity to race in their off season.

racers the opportunity to springboard into the International racing circuit."

"Our fields are very competitive and our local talent pool is deep, this and the relevance of this formula to European formula has drawn drivers from all over the world; countries represented include Australia, USA, Britain, Italy, Bahrain and Denmark."



New Zealand has a proud history of producing top single seater drivers, our trio of Formula One drivers, Chris Amon, Bruce McLaren and Denny Hulme in the 6os and 7os to current day stars Scott Dixon, Jonny Reid and Matt Halliday competing in IRL and A1GP.



In addition to Hartley, we can also boast some young emerging stars; Chris van der Drift and Wade Cunningham who have both raced in the Toyota Racing Series and now winning races internationally.

"Now moving into the fourth season an exciting development for TRS is the introduction of our 85% ethanol blend fuel



- an output of the dairy industry and a sustainable energy source for 2007-2008 series.

Ethanol fuel has given power and torque improvements and therefore acceleration through the rev ranges and it will deliver an increase in performance delivered throughout the power range while delivering overall environmental benefits."

By utilising lightweight componentary and latest developments in aerodynamics and chassis design the TRS cars are faster around the race circuit than the Super V8 series but they use a fraction of the fuel that V8s use. Add to this the use of 85% ethanol

"We have seen several of our young drivers join the series from junior categories and show their talent in the more powerful and technically challenging TRS cars.

Barrie Thomlinson, Manager of the Toyota Racing Series

biofuel and TRS is arguably the most sustainable motorsport on the planet.

Toyota is also planning to reduce the total footprint of the series by using E85 and offset the carbon emissions from the series in 2008.

Chris Amon – ex formula one driver supports the move to E85 and says he can see Toyota leading the way.



NEW VEHICLES

Toyota has been the new vehicle market leader now for 20 years in succession. This leadership has been built on our commitment to customer satisfaction for every customer, everyday.

- → Luxury vehicles under the Lexus brand.
- → Affordable vehicles under the Daihatsu Brand.
- → A full range of new vehicles under the Toyota brand.
- | → A strong commitment to product safety, low emissions and fuel economy across all of our brands.

USED VEHICLES

Toyota is committed to providing the best quality/best value used vehicles under our Signature Class brand. We recognise that most New Zealanders buy their vehicles second hand and deserve the same level of manufacturer's commitment as to new car buyers:

- → Our used vehicles are refurbished through our world class Thames Refurbishment Centre.
- → Our wide range of used vehicles include imports and New Zealand new vehicles.
- → We provide a two year factory warranty with unlimited mileage on Signature Class Vehicles.
- Our used vehicle customers have the same access to customer support services as our new vehicle customers.



AFTER SALES

The number of Toyota vehicles in New Zealand has increased three fold over the past 25 years and we are committed to providing all of our customers with the best after sales service and range of after sales products:

- → We have a lifetime commitment to Toyota customers for parts supply.
- → We have a Customer Dialogue Centre which provides excellent customer service.
- → We offer a range of extended warranties and service plans to suit individual customer needs.
- → We offer a range of Finance and Insurance products through Toyota Financial Services.

DEALER NETWORK

To optimise our service to customers in their communities, Toyota New Zealand has appointed a national network of independently owned dealers who share our commitment to total customer satisfaction. We support dealers to deliver this objective by:

- |
 ightarrow Training for best practise in customer service, business processes and technical skills.
- | → Having an active dealer excellence programme, the centrepiece being the annual Toyota Dealer Awards.
- $| \rightarrow$ Delivering a comprehensive range of franchise support systems in marketing, technical advice, finance and business planning.

NEW VEHICLES

USED VEHICLES AFTER SALES DEALER NETWORK





TOYOTA HAS BEEN THE NEW **VEHICLE MARKET LEADER NOW** FOR 20 YEARS IN SUCCESSION. THIS LEADERSHIP HAS BEEN **BUILT ON OUR COMMITMENT TO CUSTOMER SATISFACTION FOR** EVERY CUSTOMER, EVERYDAY.



Toyota's track record shows we are focused on not only meeting international standards but exceeding them. The people who are the toughest assessors of our vehicles are our own staff. Each vehicle must undergo rigorous inhouse testing to meet our Global Outstanding Assessment criteria with the goal of exceeding any current safety or emission standards that are required around the world. What this means is that Toyota designs and builds vehicles to meet or exceed – usually exceed – any current safety standards that are available around the world.

Our built in quality is reflected in Toyota's success in independent international tests such as the New Car Assessment Programme (NCAP) awards in which our Lexus IS250, Toyota Avensis and Prius achieved the maximum five star status.

NEW VEHICLE SALES - LEXUS



Lexus is not only a brand associated with quality, luxury and style but also as a company offering superior levels of customer satisfaction.

The Lexus brand reputation has grown quickly internationally, gaining a number of international accolades and awards, including the flagship model LS460 being named 2007 World Car Of The Year.

Take a high performance petrol engine and team it with electric energy and the result is the Lexus Performance Hybrid. The Lexus range has three vehicles with this highly sophisticated system, the GS450H, RX400H, and LS600hL.

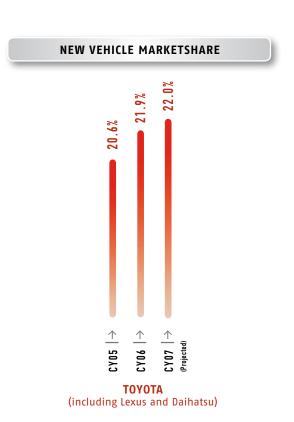
The focus of Lexus design efficiency is to build a vehicle that is exceptionally lean in its use of raw materials, its fuel, and its impact on the environment, while pushing the boundaries of performance, luxury and quality.

NEW VEHICLE SALES - DAIHATSU



In 2002 Toyota New Zealand and its dealer network assumed responsibility for the Daihatsu brand applying the same high levels of customer service to the brand. Daihatsu complements Toyota's model range with an affordable, fuel efficient and low emission range of vehicles.

AROUND 22%* OF NEW VEHICLE SALES WENT TO TOYOTA APPROXIMATELY 21,900* OF CUSTOMERS PURCHASED OUR VEHICLES FIVE MODELS – COROLLA, HILUX, CAMRY, YARIS AND HIACE – ACCOUNT FOR OVER 72%* OF OUR SALES THE REMAINING 27%* OF SALES ARE SPREAD ACROSS A RANGE OF VEHICLES DESIGNED TO SATISFY EVERY MOTORING NEED. *based on projected 2007 sales Total Toyotas (including Daihatsu and Lexus) on the road in New Zealand = 700,000



NEW VEHICLES

USED VEHICLES

AFTER SALES

DEALER NETWORK



WE RECOGNISE THAT MOST NEW ZEALANDERS BUY THEIR VEHICLES SECOND HAND AND DESERVE THE SAME MANUFACTURER'S COMMITMENT AS NEW CAR BUYERS. WE ARE COMMITTED TO PROVIDING THE BEST QUALITY/BEST VALUE USED VEHICLES UNDER OUR SIGNATURE CLASS BRAND.



The establishment of Signature Class used vehicles 10 years ago created a unique facility for refurbishing used vehicles at the former assembly plant in Thames. All used vehicles that proceed through this facility undergo a comprehensive inspection and assessment before refurbishment.

It created a unique team - a workforce that had over many years achieved world leading standards in assembly

and been fully entrenched in the Toyota quality culture with a commitment to keeping the Thames community thriving.

This award winning facility recently became the first used vehicle operation in the world to qualify for

During the past decade, the team have changed over 99,309 tyres, replaced 24,823 brake pads, re-sprayed 310, 297 panels and used 165,492 litres of paint!

ISO14001 certification from its stringent requirements for the implementation and maintenance of measures to preserve the environment.

The facility already had ISO9001 certification which recognises improved efficiency, better customer service, reduced waste and lower costs.

These are yet more milestones for the Thames centre, previously rated one of the best Toyota assembly plants in the world, and winner of the New Zealand Quality Award Foundation's inaugural national quality award.

Thames Operations Manager Peter Manning said achieving the two ISO creditations were in line with Toyota's efforts to preserve the environment while providing people with high quality, reliable, warranted and affordable used vehicles from a source they can trust.



AFTER SALES

NEW VEHICLES USED VEHICLES AFTER SALES DEALER NETWORK



THE NUMBER OF TOYOTA VEHICLES IN NEW ZEALAND HAS INCREASED THREE FOLD OVER THE PAST 25 YEARS AND WE ARE COMMITTED TO PROVIDING ALL OF OUR CUSTOMERS WITH THE BEST AFTER SALES SERVICE AND RANGE OF AFTER SALES PRODUCTS.



Customer service doesn't cease when you buy a vehicle. What happens long after that initial first glow of ownership is as important to Toyota as the original decision to buy. This is another reason why Toyota has the largest number of vehicles on New Zealand roads.

Standing behind you, your vehicle and the dealer network are the National Parts Centre and the Customer Dialogue Centre.

- |→ Toyota New Zealand and the Toyota Dealer Network supply genuine parts and accessories: designed, tested and backed by Toyota.
- | → Toyota's National Parts Centre in Palmerston North supports Toyota's market leadership in Parts and Service through the Toyota Dealer Network.
- | → You won't be kept waiting for parts our unrivalled delivery service means 95% of orders are available the same day in metropolitan areas, and overnight elsewhere.
- → Training of all Toyota technicians is centralised. On average each of the 450 Toyota Dealer Technicians receives 20 hours' training per year by Toyota New Zealand in addition to their dealer-based training.
- | → Toyota will airfreight parts from overseas suppliers for urgent customer orders (only for the 5% of cases which can't be supplied off the shelf).
- | → Manufacturer-backed extended warranties offer protection against sudden and unexpected mechanical or electrical failure well after the vehicle's original warranty has expired.
- | → Toyota offers a competitive range of vehicle insurance, leasing and finance products.



WAREHOUSE EXPANSION

The company generates 1.5 tonnes of recyclable waste each week, and an area has now been designated for the weighing and collection of waste. Rain water is also collected and fills a couple of tanks, one for its vehicle wash bay and another as back up storage and fire safety.

Toyota's national parts distribution warehouse has nearly doubled its size since the frist building was built in 1977.

Starting with a building of 9,000 square metres at a time when there were 63,000 Toyotas on New Zealand roads it was soon expanded and re-named the

National Customer Service Centre in 1991. It now housed all of Toyota's after sale functions including parts operations, training, technical support, customer care and the o800 number.

With the new expansion, Toyota was able to incorporate environmentally friendly initiatives into its layout.



TOYOTA FINANCIAL SERVICES

In New Zealand Toyota Financial Services (TFS) is the largest motor vehicle manufacturer owned finance company, offering a full range of motor vehicle financial services, including vehicle financing and leasing, fleet management and insurance products and services.

TFS's total lending of over \$700 million, and their AAA/Aa1 credit rating reflect the strength of the Toyota Motor Corporation and this produces significant flow on benefits for their customers.

Our AAA rating means that Toyota Financial Services has a higher credit rating than all of the major trading banks and this means that we can provide the very safest source of funds for car buyers. It also means that we can provide highly competitive lending rates.

"These days, stability and consistency are rapidly becoming prized assets in any business relationship."

Brent Knight, Toyota Financial Services CEO

Toyota New Zealand and Toyota Financial Services operate as sister companies in New Zealand and by working closely together can provide customers with a unique "one stop shop" when buying a car from a Toyota franchise dealer.

EALER NETWORK

NEW VEHICLES USED VEHICLES AFTER SALES **DEALER NETWORK**



TO OPTIMISE OUR SERVICE TO CUSTOMERS IN THEIR COMMUNITIES, TOYOTA NEW ZEALAND HAS APPOINTED A NATIONAL NETWORK OF INDEPENDENTLY OWNED DEALERS WHO SHARE OUR **COMMITMENT TO TOTAL CUSTOMER** SATISFACTION.



With over 85 outlets in the Toyota dealer network spanning the length and breadth of New Zealand we believe the best customer service can be delivered in each community by independently owned dealerships these

dealerships employ over 1500 staff, including Toyota trained. There are 450 Toyota trained technicians in the Toyota network who are committed to a Right First Time work ethic.

Toyota Dealers have the latest and most comprehensive service information for customers' vehicles. Our dealers also have specialist tools and computer diagnostic equipment not available to non-network garages.

On average each received 20 hours training per year by

Toyota New Zealand in addition to their dealer based training. The productivity and quality of the workmanship delivered through the network are designed to provide the most cost efficient customer service available.

Dealers have the technical backup of Toyota New Zealand-including technical experts, Japanese translation resource, and the property of theand links into Japan service information databases.

Our dealers have been established to provide a one stop shop service to customers. This includes finance, insurance, new and used vehicles, new and used parts, Warrant of Fitness's, accessories, warranties and service plans.

CUSTOMER FOCUSSED DEALER UPGRADE

Since 2006 Toyota's dealer network has been under a facility upgrade programme. By the end of 2008 the majority of Toyota's dealers will be touched the new customer focussed upgrade.

Throughout the production of the signage, waste has almost been eliminated with all the surplus pieces of material used to make pylons, facia and exterior signs.

"The overall intention is to provide a sense of warmth and openness and to be more welcoming to customers. It will also ensure the Toyota dealership visiting experience is memorable and enjoyable to our current customers and will assist in creating new ones," says Peter Carrington, the Toyota man behind the re-imaging.

The upgrade programme is a huge investment by Toyota and its dealer network who recognise the need to provide customers with a superior experience when visiting Toyota dealerships.



"Toyota represents a brand of good value - the new upgrade programme is like a long term additive to keep dealerships fresh and moving forward in a competitive environment." Graham Rush, Director, Brand Partners

|→ Dion Woison











→ Stuart Goodman

→ Murray Baker BUSINESS PLANNING

BUSINESS IS ONLY SUSTAINABLE IF THE SOCIETY IN WHICH IT OPERATES IS SUSTAINABLE.

TOYOTA EMBRACED THIS PHILOSOPHY LONG AGO.



Toyota National Customer Centre, Palmerston North



 $| \rightarrow \mbox{ Alistair Davis} \\ \mbox{ CHIEF EXECUTIVE OFFICER}$

One of the cornerstones of The Toyota Way is that decisions should be made with the long term outcomes in mind even if this is at the cost of short term profitability.

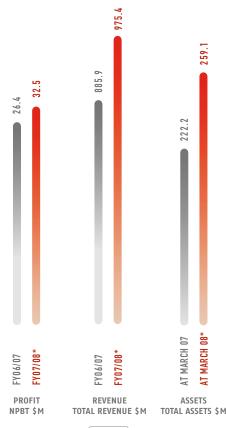
Toyota needs to be financially sustainable to enable it to contribute in the ways which have been highlighted in this report.

Our financial sustainability is maintained by covering the cost of capital and securing sufficient returns to keep investing in business and meeting needs of customers and society.

Accordingly, Toyota New Zealand is more concerned with the long term issue of sustainable mobility for New Zealanders than short term profitability. However, after many years of lean returns during restructuring, and Toyota's recent investment through the expansion in facilities to accommodate growth and Information Technology (IT) requirements, Toyota New Zealand is now enjoying record profitability – proving that taking the long term view will ultimately be rewarded."



Customer Dialogue Centre, Palmerston North



*Forecast

A Car Owners Guide to Reducing Carbon Emissions

The following simple tips can help to reduce fuel usage and costs by up to 30%.



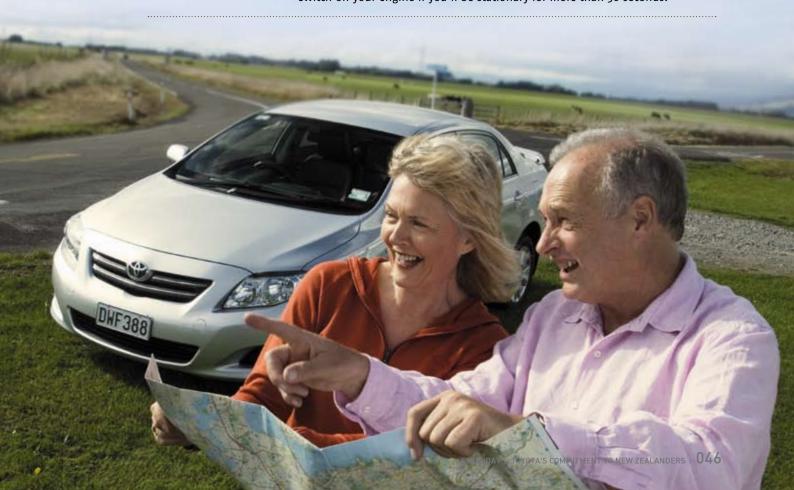
- Don't buy a bigger car than you need.
- · Buy the most fuel efficient car you can.



- **Before you travel:** Avoid using your car for short journeys walk or cycle instead.
 - If you need to drive, combine trips (e.g. your trip from work with food shopping to save time and fuel.)
 - Plan journeys to avoid congested routes and busy hours of the day.
 - Travel light by removing your roof rack and unnecessary weight from your boot.
 - Arrange to travel with family, friends or work colleagues when convenient.
- Maintenance:
- · Check your tyre pressure regularly.
- Service your car at intervals recommended by your owner's manual.

Driving:

- · Drive smoothly and change gears early.
- · Anticipate traffic flow to maintain a more consistent speed.
- · Only use your air conditioning when necessary.
- Switch off your engine if you'll be stationary for more than 30 seconds.



Toyota is proud to be associated and support our community through the following partnerships. If readers of this report wish to support them, we have the following contact details for you.



09 525 9727 phone:

office@nzbcsd.org.nz email: website: www.nzbcsd.org.nz NZ Business Council for Sustainable Development

P 0 Box 1665 Shortland Street Auckland New Zealand



04 499 2930 phone: info@wwf.org.nz email: website: www.wwf.org.nz

> mail: WWF New Zealand P 0 Box 6237 Wellington New Zealand



phone: email: website: mail:

09 361 1471 mail@yachtingnz.org.nz www.yachtingnz.org.nz Yachting New Zealand P 0 Box 91 209 AMSC Auckland New Zealand



phone: 0800 45 43 33 email: enquiries@lifeed.co.nz www.lifeeducation.org.nz website: Life Education Trust P 0 Box 2717 Wellington

New Zealand



0800 53 56 59 phone: email: info@parentsinc.org.nz www.parentsinc.org.nz website: mail: Parents Inc. P 0 Box 37708 Parnell Auckland

New Zealand



phone: 09 826 0954 mark@sustainable.org.nz email: website: www.greenfleet.org.nz mail:

GreenFleet P 0 Box 15677 New Lynn Auckland New Zealand



phone: 09 826 0394

office@sustainable.org.nz email: website: www.sustainable.org.nz mail: Sustainable Business Network

P 0 Box 15677 New Lynn Auckland New Zealand

