

Environment Report













About the Cover The cover features three key elements: on the foreground we see TMP's locally-produced models (the Vios and Innova) and the icons for the Toyota Environmental Challenge (TEC) 2050, while on the background we see the winning photo from the 2016 Environment Month Photo Contest taken by a TMP Team Member, Mr. Rodel Habaña. The Vios and Innova are produced in TMP's manufacturing plant - an aerial photo of which is superimposed in the number "0" to highlight Toyota's global goal of achieving Zero environmental impact to society, as conveyed in the TEC 2050. The images below represent the six goals to be addressed in the TEC 2050, to which TMP commits to contribute and help achieve. The photo used in the background was entitled "It is not just beauty, but proof of rich biodiversity." The butterfly symbolizes the significance of preserving the environment for the long-term sustainability of Mother Earth. Because of the butterflies' sensitivity to climate and ecological changes, their presence serves as a good measure of how healthy our environment is. As an advocate of the environment, Toyota instills in its whole value chain a mindset that upholds environment conservation and enhancement. TMP believes that business should not only have a positive impact on the customers it serves. Moreover, TMP is also on a mission to further contribute to Mother Earth through its various environmental initiatives in

About the Report

The Toyota Motor Philippines Corporation (TMP) 2017 Environment Report intends to share TMP's advocacy in caring for the environment and consequently contributing to a sustainable society.

This report discusses TMP's environmental initiatives as aligned with the achievement of Toyota Environmental Challenge (TEC) 2050. TMP takes these challenges head on by engaging all stakeholders in its value chain to actively participate in ensuring that environmental targets are achieved.

This report is available in digital version only and can be accessed in TMP's official website (www.toyota.com.ph).

Period Covered

The data covered in this report will be for the period January – December 2016, unless otherwise stated.

Scope of Report

The report contains TMP's environmental performance and activities that contribute to environmental protection and conservation, with mention of environmental initiatives of TMP's dealers and suppliers.

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Front cover image by Rodel Habaña, winner of 2016 Eco Photo Contest

different aspects of its business operations, as well as

in its adopted communities.

Inner cover background image by Kerwin Dueno (TMP Team Member), winner of 2016 Ecoba-Boy Poster Making Contest

MESSAGE FROM THE PRESIDENT



Call to environmental action continues to gain momentum globally. With so many environmental issues facing the world today, it has become imperative for businesses to take responsibility in minimizing their carbon footprint.

Globally, Toyota has positioned the environment as a top management priority issue. As such, all affiliates are guided by the Toyota Environmental Challenge 2050, which was launched in 2015. It encompasses Toyota's goal of attaining zero environmental impact – not just in reference to its products, but also the processes in every stage of its operations.

As for Toyota Motor Philippines Corporation (TMP), I am deeply thankful to our various stakeholders in the value chain – our Team Members, Suppliers, Dealers – for embracing these challenges and exerting effort to contribute to the attainment of our environmental goals.

As you will read in this report, we are continuing our efforts in reducing our carbon footprint one step at a time, with everybody in synchronized cadence. TMP continues to strengthen its environmental programs company-wide, incorporating improvements and new technologies to enhance environmental performance. Likewise, our suppliers and dealers are doing the same in their respective operations. We also continue to promote environmental awareness in communities where we operate to engage them in our environmental advocacies.

While realization of zero environmental impact is, indeed, challenging, I strongly believe that it can be achieved with determination and perseverance. As we continue to carry on with our daily tasks, especially in implementing environmental programs and activities, let us not just do these for the sake of compliance. Rather, let us keep in mind that every action that we do today to care for the environment will not only contribute to the sustainability of Toyota as an organization, but it may leave a lasting impact on Mother Earth for future generations.

SATORU SUZUKI President

Toyota Global Vision

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

Rewarded with a smile

by exceeding your expectations

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

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

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

Backdrop and Progress

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

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

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

Toyota Visionary Management

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

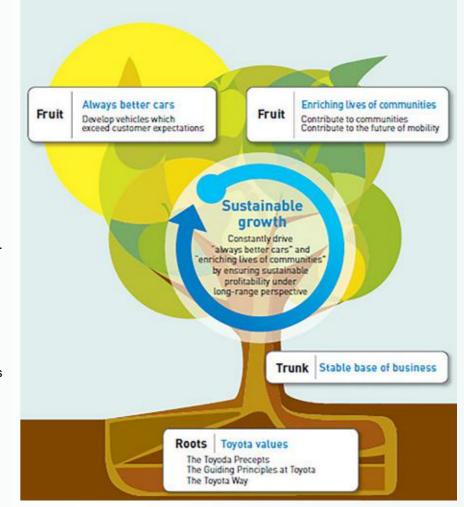
The roots of the tree are the shared values that have steered Toyota from the beginning and that have underlain our *monozukuri*. They are values expressed in the Toyota Precepts, in the Guiding Principles at Toyota, and in the Toyota Way, which are the bases of our business.

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

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

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

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



Prius c

Yaris

The Business of Toyota Toyota Special Economic Zone (TSEZ) Gate 1 along Santa Rosa-Tagaytay Highway

CORPORATE PROFILE

Toyota Motor Philippines Corporation (TMP) is the largest automotive company in the country, with the widest vehicle line-up of 21* Toyota models. It has 61 dealers* nationwide, including Lexus Manila, Inc.

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

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

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

TMP currently produces the best-selling Innova and Vios. Its existing manufacturing plant has the capacity to produce over 51,000* units per year on two-shift production operations.

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

of office and production Team Members.

The company has over 1,800-strong workforce, composed



OUR VISION

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

OUR MISSION

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

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

TOYOTA PRODUCT LINE-UP

Camry

PASSENGER CARS

Low-Cost

Medium



Sub-compact



Performance



86



Compact

Prius

Corolla Altis

Hatchback

COMMERCIAL CARS

Multi-Purpose



Avanza

Innova



Pick-Up



High-side Hilux

Hilux



Sports Utility



Prado



FJ Cruiser



Land Cruiser





Utility Van



Hiace



Previa



Bus



*as of October 2017

DEALER NETWORK: TOTAL OF 61

*as of October 2017



METRO MANILA DEALERS

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

1. Toyota Angeles, Pampanga, Inc.

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

PROVINCIAL DEALERS

- 26. Toyota Mabolo, Cebu, Inc.
 - 27. Toyota Mandaue North, Cebu
 - 28. Toyota Mandaue South, Cebu
 - 29. Toyota Marilao, Bulacan, Inc.
 - 30. Toyota Matina Davao, Inc.

 - 31. Toyota Plaridel, Bulacan
 - 32. Toyota Puerto Princesa City, Inc.
 - 33. Toyota Roxas City
 - 34. Toyota San Fernando, Pampanga, Inc.
 - 35. Toyota San Pablo, Laguna, Inc.
 - 36. Toyota Santa Rosa, Laguna, Inc.
 - 37. Toyota Tacloban, Leyte, Inc.
 - 38. Toyota Tagbilaran City
 - 39. Tovota Tagum City
 - 40. Toyota Talisay, Cebu
 - 41. Toyota Tarlac City
 - 42. Toyota Taytay Rizal, Inc.
 - 43. Toyota Zamboanga City

GLOBAL TOYOTA ENVIRONMENTAL CHALLENGE 2050

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

Guided by the TEC 2050, Toyota Motor Philippines Corporation (TMP) shall continue to implement environmental programs in line with the global challenges and its own environmental policy.



TMP Environmental Policy

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



CHALLENGE 1 New Vehicle Zero CO₂ Emissions Challenge

Challenge 1 pertains to New Vehicle Zero CO_2 Emissions Challenge. Over the years, Toyota continues to improve its gasoline and diesel engine technology for better fuel efficiency and lower emissions. Being at the forefront of designing vehicles that would have zero or less impact to the environment, Toyota introduced its flagship eco-friendly vehicles – the Prius and the Mirai. In the Philippines, the Prius is made available to customers who want to lessen their motoring carbon footprint.

Compliance with Government Regulations and Global Toyota Standards

Regulatory, Legislative and Other Requirements Pertinent to Environmental Protection

As per Company policy, TMP ensures that it complies with all regulatory requirements necessary to continue its business operations. TMP secures the following environmental permits and licenses:

Permit / Certificate	Certifying Organization
Permit to Operate	Department of Environement and Natural
Treatment Storage & Disposal Certificate (New)	Resources (DENR)
Discharge Permit	Laguna Lake Development Authority (LLDA)
Water Permit (Annual Water Charges)	National Water Resources Board (NWRB)

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

- 1. TMP's environmental initiatives in its manufacturing operations:
 - Challenge 3 (Plant Zero CO₂ Emissions);
 - Challenge 4 (Using Less Water and Optimizing Water Usage); and-
 - Challenge 5 (Establishing a Recycling Bases Society and Systems).
- 2. Suppliers' and Dealers' environmental initiatives Challenge 2 (Life Cycle Zero CO₂ Emissions)
- 3. Participation of TMP Team Members and nearby communities in environmental activities Challenge 6 (Establishing a Future Society in Harmony with Nature)

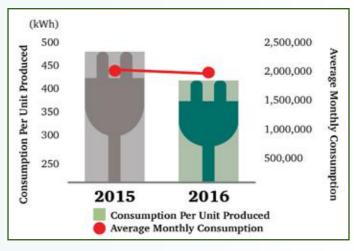


CHALLENGE 3Plant Zero CO₂ Emissions Challenge

Using Energy Efficiently

The manufacturing process uses different sources of energy, such as electricity, Liquefied Petroleum Gas (LPG) and Diesel. TMP understands that using these energy sources results to emission of CO_2 in the air, hence the Company's strengthened commitment to use these efficiently.

SUMMARY OF WASTE AND EMISSION BY MINIMIZING USE OF ENERGY AND RESOURCES			
ERGY	2015	2016	VARIANCE
Electricity (in kWh)			
Average Monthly Consumption	1,941,310.98	1,911,225.83	(2%)
Consumption Per Unit Produced	477.75	416.77	(13%)
LPG (in kg)			
Average Monthly Consumption	47,856.04	54,205.14	13%
Consumption Per Unit Produced	11.79	11.82	0%
Diesel (in L)			
Average Monthly Consumption	22,620.17	20,510.79	(9%)
Consumption Per Unit Produced	5.51	4.84	(12%)
iissions	2015	2016	VARIANCE
CO ₂ Emissions Per Unit Produced (in ton-CO ₂)	0.30	0.27	(11%)
VOC Emissions Per Unit Produced (in g/m²)	50.55	45.91	(9%)

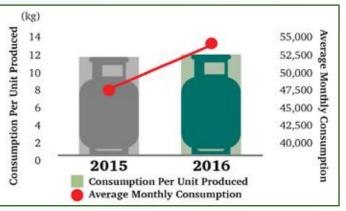


Electricity Consumption

While the need for electricity is constant in the production of vehicles, TMP continues to reduce its energy consumption by implementing several kaizen activities, such as:

- elimination of air leaks found in the production line through repair or replacement of damaged hose;
- air pressure for Paint Mixing Room agitation was lowered from 6.5 to 7.0 bar to 4.5 bar during nonproduction days; and –
- 32 watts fluorescent lamps were replaced with 16 watts LED lights at Paint Hospital.

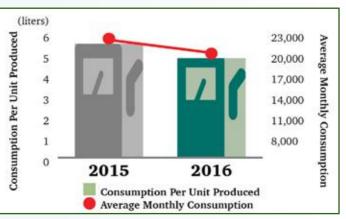
After implementation, TMP reduced its average monthly consumption by 2%, and the consumption per unit produced by 13%. This is equivalent to a reduction of .22 ton CO₂ emission per unit.



LPG Consumption

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

Due to high volume production, TMP's LPG consumption slightly increased by 13% in 2016. However, TMP maintained its LPG consumption per unit produced from its 2015 level.



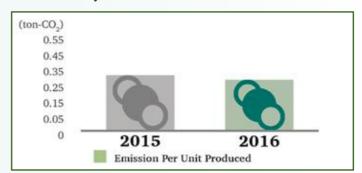
Diesel Consumption

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

TMP showed a significant decrease in diesel consumption in 2016 – with 9% and 12% decrease in average monthly consumption and consumption per unit produced, respectively. This resulted to a decrease of .01 ton CO_2 emission per unit.

This improvement may be attributed to setting washer tank temperature at 25°C and reducing boiler supply pressure according to the season:

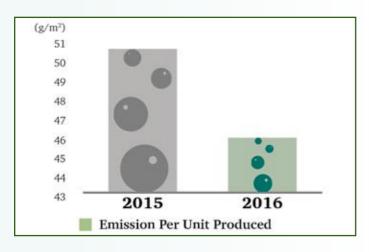
Hot/Dry Season: 45/70 to 30/40
Hot-Rain Season: 60/70 to 20/35
Dry Season: 65/70 to 20/35
Cold & Dry Season: 25/35



Reducing CO₂ Emissions

As a result of efficient energy use, TMP managed to lessen the ${\rm CO_2}$ emission per unit produced by 11% from its 2015 level.

With the goal of achieving zero CO₂ emission in Plant Operations by 2050, TMP continues to carefully monitor its emissions to the environment through continuous improvement in its operation.



Standards for Air Emission

TMP also monitors its air emissions according to the standards of the government and the US Environmental Protection Agency (USEPA).

Sampling of the ambient air, as well as emissions sampling at identified stationary sources is done via third party service provider. As a manufacturing plant, TMP uses boilers, ovens and generator sets, which can contribute to air pollution. Nevertheless, TMP regularly monitors these equipment to avoid contributing to air pollution. As of 2016, TMP has complied with all regulatory standards for air emissions.

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

Aside from monitoring ${\rm CO}_2$ emitted, TMP also monitors Volatile Organic Compounds (VOC) emissions from its manufacturing plant.

TMP's VOC emissions was reduced in 2016 due to the efficiency of thinner recovery in Painting operations. Recovered thinner are recycled and reused to clean manufacturing equipment, such as paint robot parts. From its 2015 level, TMP's VOC emission decreased by 9%.

AMBIENT AIR

Total Suspended Particulates (TSS)

(in mg/Ncu.m)	2016
Government Standard*	300.00
CBU Yard 5	24.81
Near Argoshield Storage Area	30.4
Motorpool	42.91
Main Gate	181.67

^{*} DENR Standard for all industries

STATIONARY SOURCES

Sulfur Dioxide (SO₂)

(in mg/Ncu.m)	2016
Government Standard*	1,500.00
Boiler 1	6.95
Boiler 2	6.88
ED Oven	7.46
Chassis Oven	6.53
Top Coat Oven	29.95

Carbon Monoxide (CO)

(in mg/Ncu.m)	2016
Government Standard*	500.00
Boiler 1	233.42
Boiler 2	4.35
UBM Gen Set	73.32
TASC Gen Set	321.57
Assembly Gen Set	148.13
CPD Gen Set	123.53
Painting Gen Set	212.87

* DENR Standard for all industrie

Particulate Matter (PM)

(in mg/Ncu.m)	2016
Government Standard*	150.00
Boiler 1	17.19
Boiler 2	0.38

Nitrogen Dioxide (NO_a)

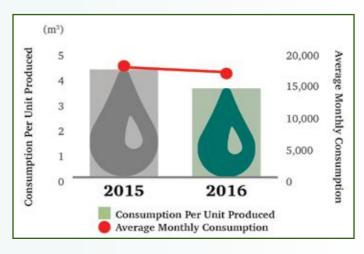
(in mg/Ncu.m)	2016
Government Standard*	1,500.00
Boiler 1	28.96
Boiler 2	54.81
UBM Gen Set	310.63
TASC Gen Set	246.86
Assembly Gen Set	311.23
CPD Gen Set	342.51
Painting Gen Set	277.85
ED Oven	3.3
Chassis Oven	17.59
Top Coat Oven	17.49

Challenge of Minimizing and Optimizing Water Usage



10

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



Using Less Water

TMP continues to improve its operations to use water efficiently by implementing the following:

- Minimizing consumption;
- Proper timing of tank regeneration;
- Control & management of Boiler operations;
- Repair of water leaks in Resin operations; and –
- Strict monitoring of Painting operations.

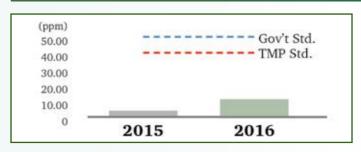
These activities led to a significant 8% reduction of TMP's average monthly water usage in 2016, while water consumption per unit produced also decreased by 18%.

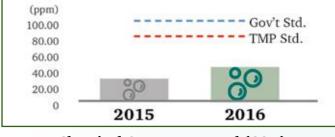
Standards for Waste Water Effluent

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

In 2016, there were no significant findings of contamination in TMP's waste water discharge. All parameters were in compliance with LLDA's and TMP's standards.

WASTE WATER EFFLUENT PARAMETERS





Biochemical Oxygen Demand (BOD5)

Chemical Oxygen Demand (COD)

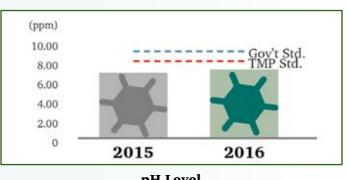


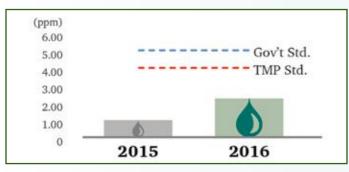
Total Suspended Solids (TSS)

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WASTE WATER EFFLUENT PARAMETERS (cont...)

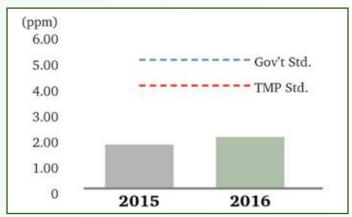


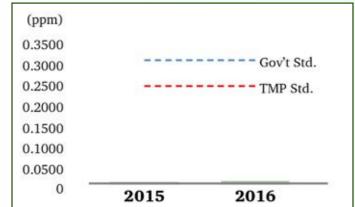


pH Level

Oil & Grease

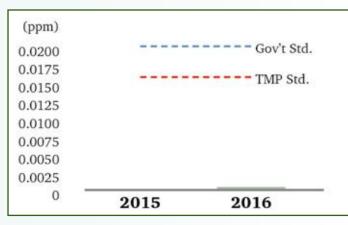
HEAVY METALS

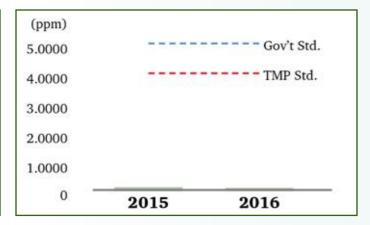




Nickel

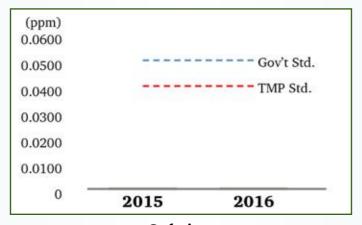
Lead





Chromium

Zinc



Cadmium

CHALLENGE 5

Challenge of Establishing a Recycling-based Society and Systems



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

Reducing Waste



TMP's average monthly waste generation increased by 13%, while the waste generation per unit produced increased by 10% in 2016. This was mainly due to the higher production volume in 2016. However, 94% of these wastes were recyclable.

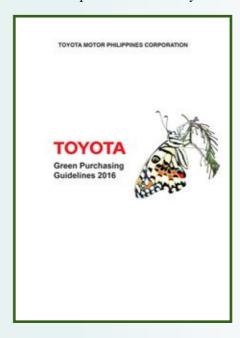
Hazardous wastes such as sludge, oil, thinner and batteries are turned over to a third party service provider for treatment and proper disposal. While TMP's general wastes, such as packaging materials, office wastes and food wastes are properly segregated and disposed.

CHALLENGE 2 Life Cycle Zero CO₂ Emissions Challenge



Greening the Value Chain

Aside from improving its own manufacturing operations, Toyota also involves its entire value chain in order to reduce its carbon footprint and ultimately achieve zero CO₂ emission by 2050.



To ensure proper environmental management, TMP requires all of its suppliers to abide by Toyota's Green Purchasing Guidelines. Under this, suppliers are obligated to acquire and maintain ISO 14001 certification. They are also required to ensure the environmental compliance of all products and raw materials delivered to TMP. This includes the elimination of Substances of Concern (SoCs) in all parts and components. Moreover, suppliers are encouraged to continuously enhance their respective environmental performance and introduce initiatives that reduce CO_2 emission, VOC emission, water consumption, solid waste generation, and pollution discharge. Suppliers are also enjoined to take measures in their logistics operations to reduce CO_2 emission and packaging materials.



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

One supplier that has shown exemplary performance in reducing CO_2 in its operations is International Wiring Systems Philippines Inc. (IWSP). IWSP, TMP's wiring harness supplier for Vios and Innova, committed to reduce their energy consumption and CO_2 emission by at least 6% in relation to production volume. To achieve this target, IWSP implemented several kaizen activities in their operations. Among these include IWSP's installation of energy-saving devices in air conditioning units which reduced harmonics in the system and improved power consumption.

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

To further help the supply chain towards improving their environment-friendly processes, TMP held an Environment Lineside Kaizen presentation where TMP's best practices in water consumption reduction, hazardous waste reduction, solid waste reduction and volatile organic compounds (VOC) reduction were shared. The TEC 2050 was also presented during the activity.



 $TMP\ Officers\ and\ suppliers\ during\ the\ 2016\ Environment\ Lineside\ Kaizen\ in\ TMP\ Manufacturing\ Plant$

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



Toyota Lipa Solar Panels on roof of the building



Toyota Lipa Exhaust Filter

In 2016, the Toyota Davao Group, which has dealerships located in Davao City, Tagum City, and Catitipan, Davao City, acquired its ISO 14001 certification, making the three (3) outlets as the first ISO 14001-certified automotive dealerships in Mindanao. Acquiring such a certification is aligned with Toyota's advocacy of ensuring sustainable environmental practices in the total value chain, engaging various stakeholders in minimizing carbon footprint by reducing emissions in their operations, as well as raising awareness about environmental conservation.

(From left) AJA Registrar Vice President Paul Bagatsing, Toyota Davao City (TDC) President Jose Lim III, TDC Executive Vice President Jose Lim IV, TMP Marketing Regulation and Certification Manager Benjie Dionela and TMP Marketing Technical Department Vice President Godofredo Arcangel, Jr.



Toyota Alabang, Inc. and Toyota Angeles Pampanga acquired the Leadership in Energy and Environmental Design (LEED) Certification, which recognizes the dealer's high standard for building design and sustainability.

TMP holds the annual Dealer Environment, Safety and Health (DESH) Conference to recognize Pollution Control Officers (PCO), Safety Officers (SO) and dealer management for their outstanding performance on environment, safety and health in their respective operations. In 2016, forty-eight (48) Toyota Dealers participated in the DESH Conference where they also shared best environmental, safety and health practices. Twenty-seven (27) Toyota Dealers were given the Toyota DESH Excellence Award for achieving 100% compliance with the Dealer Environmental Management System (DEMS) and Dealer Safety Management System (DSMS).



TMP and Toyota Dealer Officers during the 10th DESH Conference



CHALLENGE 6

Challenge of Establishing a Future Society in Harmony with Nature

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

TMP continues to promote environmental awareness among its value chain through the celebration of the Toyota Global Environment Month every June. In 2016, TMP launched activities promoting environmental awareness among its Team Members.

As part of the celebration, TMP launched the Eco Relay & tree-planting activity, Slogan-Making Contest, Eco Photo Contest, Ecoba-Boy Poster Making Contest, and Keep the Bottle Contest.

The Eco Relay game had the same concept as that of "Amazing Race", where participants were required to complete physical and mental activities. The activities in the six (6) stations were designed to promote environmental initiatives. After the Eco-Relay, participating Team Members proceeded to the Toyota Forest for a tree-planting activity which tangibly demonstrates their individual commitment in caring for the environment.



TMP Team Members run to Eco Stations during the eco-relay



Completing the TEC 2050 Puzzle in one of the Eco Stations



Tree-planting activity at the Toyota Forest inside the Toyota Special Economic Zone (TSEZ)

Contest	Winners
	"We care for nature, we build our future"
Slogan Making Contest	Rean Shane Mendoza Operations Support / PAD / Manufacturing
Eco Photo Contest	Rodel Habana MTS / PAD / Manufacturing
Ecoba-Boy Poster Making Contest	Kerwin Dueno Press / Production 1 / Manufacturing
Keep the Bottle Contest (Collection of Most Plastic Bottles from each Manufacturing Shop)	Painting 1 with 98.4 kg. of

TMP also educates the community through its annual On-the-spot Poster-Making Contest and Toyota Barangay Eco Science Tour (Toyota BEST) which are joined by selected elementary and high school students in Santa Rosa City. These activities aim to increase the environmental consciousness of the students. During the Toyota BEST, 52 students from its adopted school, Pulong Sta. Cruz Elementary School (PSCES), were taken on a tour inside TMP's environment-friendly sites such as, the Waste Water Treatment Plant and the Toyota Forest.



Total plastic bottles collected

TMP-wide: 404 kg.

"It's not just beauty, but proof of rich biodiversity" 2016 Eco Photo Contest Winning entry by Rodel Habaña



PSCES students at the Toyota Forest

Environmental Performance Highlights

(As of December 31, 2016)

Regulatory & Legislative Compliance	0 non-compliance 49/49 DERAP-compliant dealers	
ISO14001 Certification	TMP: ISO 14001:2004 Suppliers: 58/60 (mandatory compliance) Dealers: 3/52 (voluntary compliance) (1) Toyota Dasmarinas, Cavite (2) Toyota Davao City; Toyota Davao City Body & Paint Center (3) Toyota Tagum City	
Pollution Control Officers	TMP: 1 Environment Managing Head & 2 Pollution Control Officers Dealers: 49 Pollution Control Officers	
Achievement of Main Environment	Performance Indicators (per unit produced)	
	vs. 2015 level	
CO ₂ Emissions Water Consumption VOC Emissions Waste Generation	10% decrease 18% decrease 9% decrease 10% increase ¹ /	
Elimination of Substances of Concerns (SOCs)	TMP: 100% Export Parts Suppliers: 100%	

^{1/94%} of the wastes generated in 2016 were recyclable

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