

TOYOTA MOTOR PHILIPPINES CORPORATION

# Sustainability Report

# 2022

**ACCELERATING  
MOBILITY**

**TOWARDS A SUSTAINABLE FUTURE**



Recipient of 2019 Philippine Quality  
Award for Performance Excellence

# ABOUT THE REPORT

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

The contents of the report are divided into three main sections, guided by the Global Reporting Initiative (GRI) Framework of management approach and topic-specific disclosures.

1. Economic Performance;
2. Social Performance; and–
3. Environmental Performance

This report also gives an overview of TMP's business in the country, including its latest product line-up, value chain services, as well as dealer and supplier networks.

## New Items

As the Company's reporting practice transitions from Sustainability Reporting to Integrated Reporting, TMP covers in this year's issue its **overview of corporate strategy** and priority **United Nations Sustainability Development Goals (SDGs)**. New material topics, guided by the GRI standards of disclosure, have been added as a result of materiality review.

Under corporate profile, an in-depth discussion of '**New Mobility Solutions**' is added. This includes new products and services introduced in 2021.

## Scope and Period Covered

This report contains TMP's initiatives and activities. It also has mentions of its dealers and suppliers.

It contains highlights of TMP's initiatives from January 2021 to December 2021. For some company information on products, services, supplier network, dealer network and major milestones, the status updates as of April 2022 are included.

## Publication

This report was published by TMP in May 2022. It is publicly available in digital version on TMP's website ([www.toyota.com.ph/Sustainability#](http://www.toyota.com.ph/Sustainability#)).

## About the Theme & Cover Page

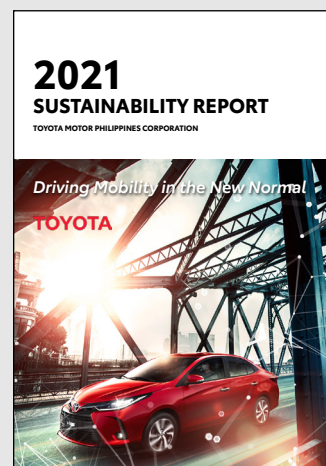


In view of the automotive industry's profound transformation, TMP lays out its actions that contribute to shaping a sustainable future for all its stakeholders. TMP believes it is possible in a society where man, automobiles, and the environment co-exist in harmony.

TMP has already accelerated its

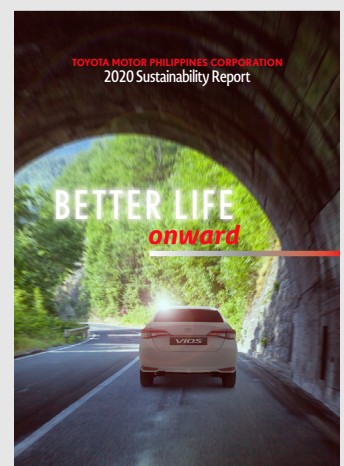
sustainability initiatives through its new mobility solutions and decarbonization efforts. With all these combined with post-COVID economic recovery, TMP is optimistic to do more and create a positive impact towards the development of Philippine society.

## PREVIOUS TMP & RELATED REPORTS



2021 TMP Sustainability Report

Access link:  
<https://bit.ly/3Dlu8Zl>



2020 TMP Sustainability Report

Access link:  
<https://bit.ly/38x59ww>



# CONTENTS

<b>i</b>	<b>About the Report</b>
<b>ii</b>	<b>Message of the President</b>
<b>iv</b>	<b>Toyota Global Vision, Toyota Philosophy</b>

## **1 WHO WE ARE**

<b>1</b>	Corporate Profile
<b>2</b>	Supplier Network
<b>3</b>	Global Supply Chain Network
<b>4</b>	Dealer Network
<b>5</b>	Product Line-up
<b>6</b>	New Mobility Solutions
<b>8</b>	Value Chain Services

## **9 OUR BUSINESS**

<b>10</b>	Strategic Overview
<b>11</b>	Materiality Process
<b>12</b>	Priority UN Sustainable Development Goals (SDGs)
<b>14</b>	GRI Content Index & Highlights

## **16 ECONOMIC PERFORMANCE**

<b>17</b>	Economic Contributions
<b>19</b>	2021 Highlights

## **20 SOCIAL PERFORMANCE**

<b>21</b>	Employment
<b>21</b>	Diversity
<b>22</b>	Human Rights & Non Discrimination
<b>22</b>	Labor Relations
<b>23</b>	Training & Education
<b>25</b>	Occupational Health & Safety
<b>28</b>	Local Communities

## **32 ENVIRONMENTAL PERFORMANCE**

<b>33</b>	TMP's Environmental Management System
<b>34</b>	Toyota Environmental Challenge 2050
<b>35</b>	• Challenge 1: New Vehicle Zero CO <sub>2</sub> Emissions
<b>36</b>	• Challenge 2: Life Cycle Zero CO <sub>2</sub> Emissions
<b>37</b>	• Challenge 3: Plant Zero CO <sub>2</sub> Emissions
<b>38</b>	• Challenge 4: Minimizing and Optimizing Water Usage
<b>39</b>	• Challenge 5: Establishing a Recycling Based Society and Systems
<b>40</b>	• Challenge 6: Establishing a Future Society in Harmony with Nature

## **41 Editorial Board**

# MESSAGE OF THE PRESIDENT

## TO OUR FELLOW STAKEHOLDERS:

Since its incorporation in 1988, Toyota Motor Philippines Corporation (TMP) has become the leading and largest **automotive company** in the Philippines.

When we refreshed our perspective from the traditional manufacturing and distribution business, we also moved on a wider landscape with more stakeholders we aim to reach and create value for. At present, we are revolutionizing the concept of *mobility* while remaining as a positive enabler of economic and societal development. It is our goal to also become the country's leading '**mobility company**.'



ATSUHIRO OKAMOTO  
TMP President

Our Team Members are always at the core of our organization's strength; that is why their health and safety is a priority. Through its **COVID-19 vaccination program**, TMP not only vaccinated 99% of its Team Members but also their families and the Company's outsourced manpower to achieve stronger immunity. TMP's support and intervention also expanded through a strengthened Mental Health Program. On the other hand, our Dealer and Supplier Team Members achieved herd immunity against COVID-19.

The year 2021 also gave us an optimistic view of the automotive industry's path to full recovery. TMP's 2021 sales increased by 30% from 2020. We successfully maintained our leadership position with **46.3% local market share** – the highest recorded in TMP's history, and the highest in the ASEAN region. Such a performance helped us secure TMP's **20<sup>th</sup> consecutive Triple Crown**, being number 1 in passenger car sales, commercial vehicle sales, and overall sales.

We closed the year with flying colors as the national government bestowed TMP the prestigious **2019 Philippine Quality Award (PQA) for Performance Excellence**. It is the highest level of national recognition for exemplary organizational performance.

In the midst of numerous challenges, such as the fast-evolving market conditions and COVID-19 threat, TMP will not be wavered in its goal to create customer smiles through its brand of customer experience. This is the same resolve of Toyota anywhere in the globe as it undergoes a once-in-a-century transformation to become a total mobility solutions provider.

We offer our profound gratitude to our dear **Toyota Customers** and the Filipino people who continue to trust us. You have always been our constant inspiration to become better to build a more sustainable society for all of us and the next generations to come.

I would like to thank all the members of **Team Toyota Philippines** – our TMP Team Members, Dealer Network, Supplier Network – who continue to work hard to overcome hurdles, make new milestones, and bring mobility and happiness for all.

Thank you and *mabuhay*!

# TOYOTA GLOBAL VISION

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

Through our commitment to quality, ceaseless innovation, and respect for the planet, we strive 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.

## TOYOTA PHILOSOPHY

### FOUNDING SPIRIT

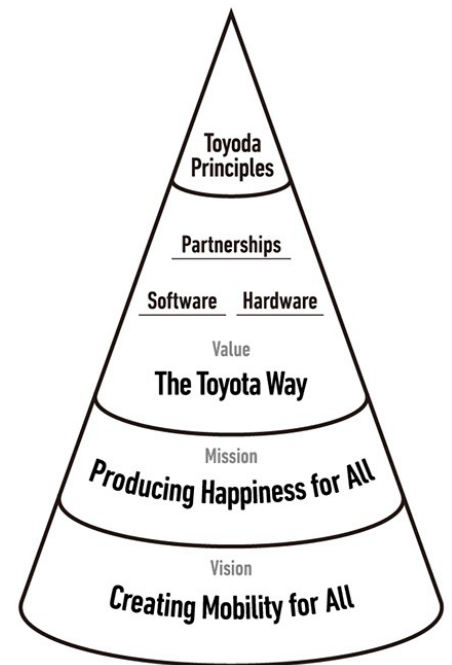
#### TOYODA PRINCIPLES: FIVE MAIN PRINCIPLES OF FOUNDER SAKICHI TOYODA

- Always be faithful to your duties, thereby contributing to the company and to the overall good.
- Always be studious and creative, striving to stay ahead of the times.
- Always be practical and avoid frivolousness.
- Always strive to build a homelike atmosphere at work that is warm and friendly.
- Always have respect for spiritual matters, and remember to be grateful at all times.

### VALUE

## The Toyota Way

Combining software, hardware and partnerships  
to create unique value that comes from the Toyota Way



Philosophy Cone

#### Software

Applying imagination to improve society through a people-first design philosophy. Practicing Genchi Genbutsu to understand operations at their essence

#### Hardware

Creating a physical platform to enable the mobility of people and things. A flexible system that changes with the software

#### Partnerships

Expanding our abilities by uniting the strength of partners, communities, customers and employees to produce mobility and happiness for all

### MISSION

## Producing Happiness for All

We make the happiness of others our first priority.  
We make better products more affordable.  
We value every second and every cent.  
We give all our effort and offer all our ingenuity.  
We look forward, not backward.  
We believe the impossible is possible.

### VISION

## Creating Mobility for All

In a diverse and uncertain world, Toyota strives to raise the quality and availability of mobility. We wish to create new possibilities for all humankind and support a sustainable relationship with our planet.



# WHO WE ARE

## CORPORATE PROFILE

Toyota Motor Philippines Corporation (TMP) is the largest automotive company in the country, with the widest vehicle line-up of 24 Toyota models. It has over 70 dealers nationwide, including Lexus Manila, Inc., for its sales distribution and service centers.

TMP was incorporated on August 3, 1988 as a joint venture of GT Capital Holdings, Inc., Toyota Motor Corporation, and Mitsui & Co., Ltd.

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, while its newly inaugurated Batangas Vehicle Center is in Batangas City.

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

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

The company's regular and outsourced manpower is composed of 3,781\* Team Members.

*\*as of end-December 2021*

### TMP 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

### TMP 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



## SUPPLIER NETWORK

The supply chain plays an integral part in achieving sustainability of the company, especially with a rapidly-changing business environment. For Toyota, supplier development is essential in creating greater value for the automotive manufacturing industry which further contributes to economic vitality.

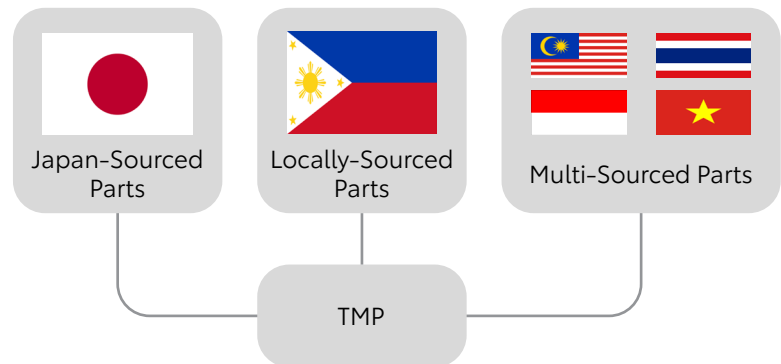
### TMP Supply Base

Toyota, as a multinational Japanese company, has a strong presence across the Asia Pacific region. But aside from having an access to overseas supplier network, Toyota in the Philippines recognizes the support of local suppliers whose businesses have potentials to become more competitive in the region.

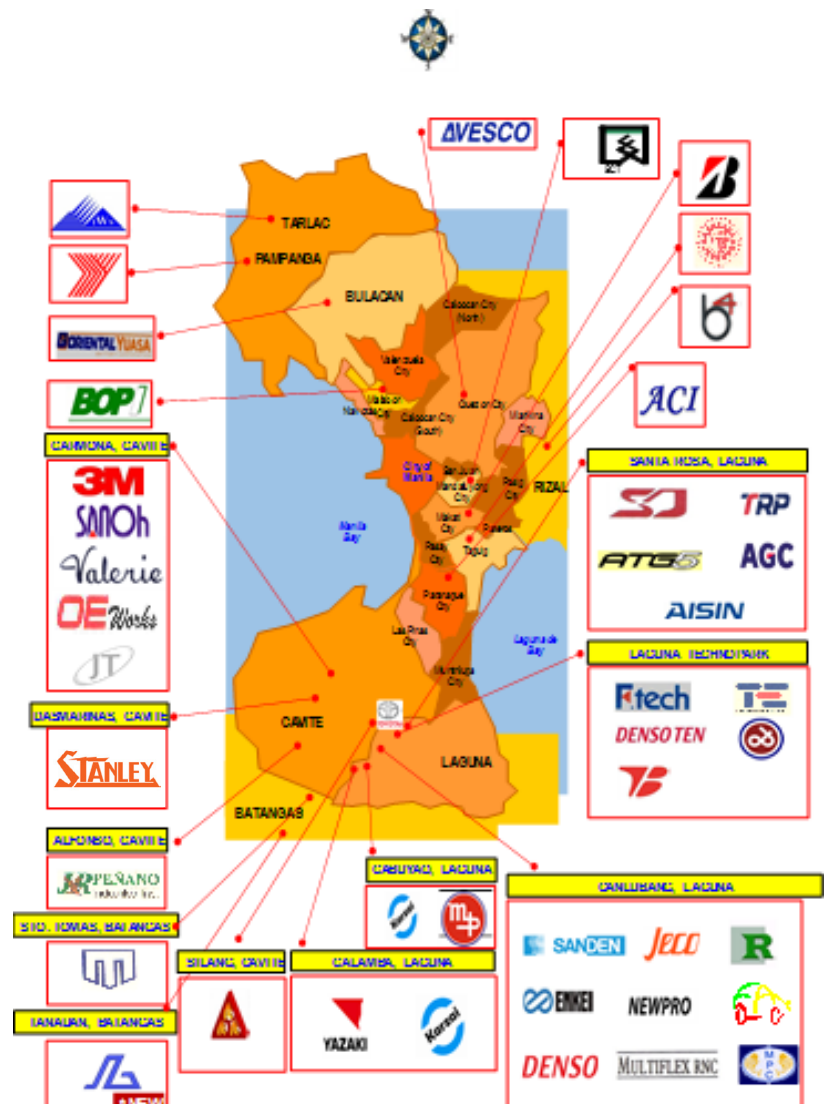
**43**  
**Locally-Sourced Part Suppliers**  
**455**  
**Indirect Material Suppliers**  
**103**  
**Toyota Suppliers Club Members**

*\*as of end-December 2021*

### Parts Supply Flow



### Locally-Sourced Parts Suppliers Location Map



### Locally-Sourced Parts

Commo- dity	Parts	No. of Sup- pliers
Electricals & Systems	Aircon, Clock, Wiring Harness, Meter Combination	11
Chassis	Tires, Alloy Wheel, Exhaust Pipe, Pedal, Fuel Tank, Brake Tubes, Asphalt Sheet	7
Interior	Seat Belt, Door Trim, Visor, Carpet Assy	7
Resin	Bumper, Instrument Panel, Cluster Lover	6
Stamped/ Forged	Reinforcement Instrument Panel Cluster, Hood Lock, Insulator	5
Rubber	Weather Strip, Hoses, Moldings	1
Others	Glass, Sticker, Battery	6
<b>Total</b>		<b>43</b>



## GLOBAL SUPPLY CHAIN NETWORK

The Toyota Network continues to provide a critical support to the local automotive industry and global parts supply chain. Exports of Original Equipment Manufacturer (OEM) parts produced by 13 Toyota Export Suppliers amounted to USD1.16 billion in 2021, accounting for 32% of the total Philippine exports of automotive parts and components.

These Toyota Export Suppliers supply OEM parts and accessories to numerous global destinations. Exports of OEM parts for the Toyota Global Network are exclusively handled by Toyota Motor Philippines Logistics, Inc. or TLI, a wholly-owned subsidiary of TMP. Currently, TLI exports to over 30 destinations in five continents. Top destinations in 2021 included Thailand, Pakistan, Brazil, South Africa and Indonesia.

TLI is a Philippine Economic Zone Authority or PEZA-registered Ecozone Logistics Service Enterprise (ELSE) located in Santa Rosa City, Laguna. Since its incorporation 2016, it has already established its role in Toyota's supply chain as a warehousing and logistics services provider, catering to the needs of Toyota affiliates worldwide.



TLI's sorting, packaging and vanning processes for multi-sourced parts bound overseas

### Toyota Export Suppliers

No.	Supplier Name	Location	Parts / Components
1	Aichi Forge Philippines, Inc.*	Santa Rosa City, Laguna	Steel Forged Products
2	Denso Philippines Corporation*	Calamba City, Laguna	Meter, Air-con, Radiator/E-fan, Sonar Sensor
3	Denso Ten Philippines Corporation*	Santa Rosa City, Laguna	Car Infotainment, Automotive Electronics
4	Jeco Autoparts Philippines, Inc.*	Calamba City, Laguna	Meter, Clock Assembly
5	JTEKT Philippines Corporation*	Malvar, Batangas	Bearing, Steering
6	Philippine HKR, Inc.*	Santa Rosa City, Laguna	Universal Joints, Gear Sleeves
7	Technol Eight Philippines Corporation*	Biñan City, Laguna	Stamped Parts
8	Toyota Aisin Philippines, Inc.*	Santa Rosa City, Laguna	Manual Transmission
9	TRP, Inc.*	Santa Rosa City, Laguna	Automotive Switches
10	EDS Manufacturing, Inc.	General Trias City, Cavite	Wiring Harness
11	International Wiring Systems Philippines Corporation	Tarlac City, Tarlac	Wiring Harness
12	Sumi Philippines Wiring Systems Corporation	Hermosa, Bataan	Wiring Harness
13	Yazaki-Torres Manufacturing, Inc.	Calamba City, Laguna	Wiring Harness

\*member of the Toyota Group; has business affiliation with Toyota Industries and Toyota Motor vehicle manufacturing facilities

### TLI's Toyota Global Network Export Destinations

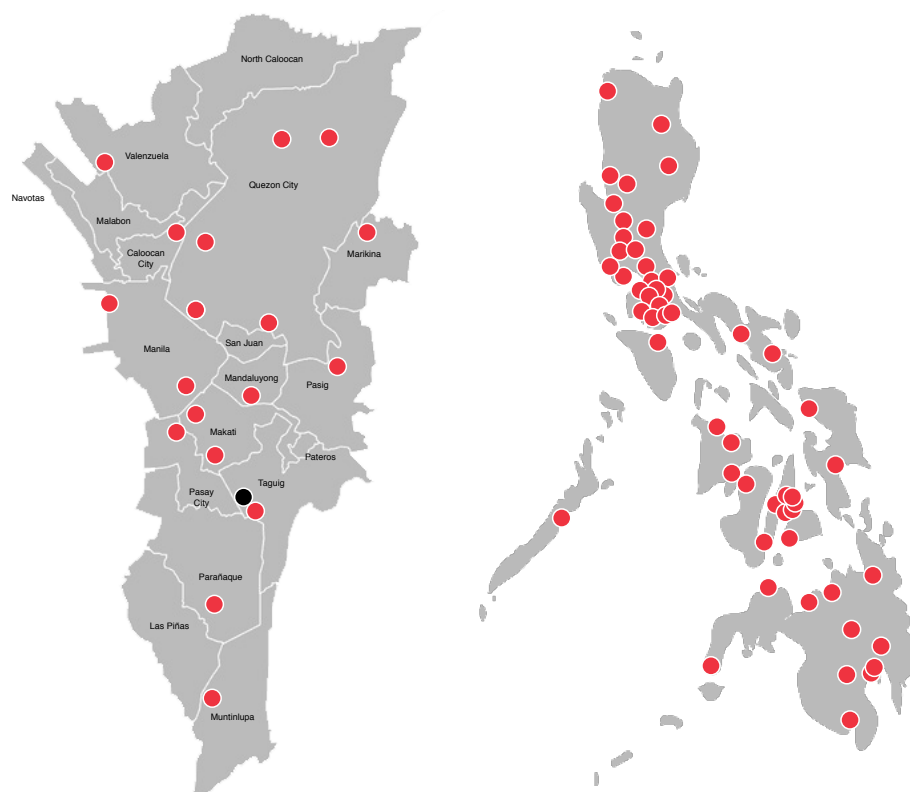


**33 Export Destinations**

**Top 5 Countries:**

Thailand  
Pakistan  
Brazil  
South Africa  
Indonesia

## DEALER NETWORK



**72 Toyota  
Dealer Outlets  
Nationwide**

**+1 Lexus  
Dealer Outlet**

### +4 Service Centers

- Toyota Alabang Service Center
- Toyota Davao City Body & Paint Center
- Toyota Negros Occidental Service Center
- Toyota North EDSA Service Center
- Toyota Shaw Service Center

### +3 Lifestyle Centers

- Toyota Lifestyle Center Cebu
- Toyota Mabolo Lifestyle Center Cebu
- Toyota Talisay Lifestyle Center Cebu

## METRO MANILA DEALERS

## PROVINCIAL DEALERS

### Toyota

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

### Lexus

1. Lexus Manila, Inc.

### Luzon

1. Toyota Albay
2. Toyota Angeles, Pampanga, Inc.
3. Toyota Bacoor, Cavite, Inc.
4. Toyota Baguio City
5. Toyota Bataan, Inc.
6. Toyota Batangas City, Inc.
7. Toyota Calamba, Laguna, Inc.
8. Toyota Calapan City, Inc.
9. Toyota Camarines Sur, Inc.
10. Toyota Dagupan City, Inc.
11. Toyota Dasmariñas-Cavite
12. Toyota Ilocos Norte
13. Toyota Iloilo, Inc.
14. Toyota Isabela, Inc.
15. Toyota La Union\*
16. Toyota Lipa, Batangas, Inc.
17. Toyota Lucena City, Inc.
18. Toyota Marilao, Bulacan, Inc.
19. Toyota Nueva Ecija, Inc.
20. Toyota Plaridel, Bulacan
21. Toyota Puerto Princesa City, Inc.
22. Toyota San Fernando, Pampanga, Inc.\*
23. Toyota San Jose del Monte, Bulacan
24. Toyota San Pablo, Laguna, Inc.
25. Toyota Santa Rosa, Laguna, Inc.\*
26. Toyota Silang, Cavite
27. Toyota Subic, Inc.
28. Toyota Tarlac City
29. Toyota Taytay, Rizal, Inc.
30. Toyota Tuguegarao

### Visayas

31. Toyota Aklan, Inc.
32. Toyota Calbayog, Samar
33. Toyota Cebu City, Inc.
34. Toyota Dumaguete City
35. Toyota Lapu-Lapu, Cebu
36. Toyota Mabolo, Cebu, Inc.
37. Toyota Mandaue North, Cebu
38. Toyota Mandaue South, Cebu\*
39. Toyota Negros Occidental
40. Toyota Roxas City
41. Toyota Tacloban, Leyte, Inc.
42. Toyota Tagbilaran City
43. Toyota Talisay, Cebu

### Mindanao

44. Toyota Butuan City
45. Toyota Cagayan De Oro City, Inc.
46. Toyota Davao City, Inc.\*
47. Toyota Dipolog City
48. Toyota General Santos, Inc.
49. Toyota Iligan City, Inc.
50. Toyota Kidapawan City
51. Toyota Matina, Davao
52. Toyota Tagum City
53. Toyota Valencia City, Inc.
54. Toyota Zamboanga City

\*Lexus Accredited Service Center

# PRODUCT LINE-UP

\*as of end-April 2022  
Hybrid badge - a Hybrid Electric Vehicle or is available in hybrid variant  
GR badge - a Toyota Gazoo Racing (GR) model or with GR-Sport variant

## PASSENGER CARS

### Sub-compact



Vios



### Entry Hatchback

Wigo



### Hatchback

Yaris



GR Yaris



### Compact



Corolla Altis



Prius



### Medium



Camry



## Performance

86



GR Supra



## COMMERCIAL CARS

### Multi-purpose

Innova

Avanza



### Utility Van

Alphard

Hiace



### Pick-up

### Bus



Hilux

Coaster



## Crossover & Sports Utility

Raize

Rush

Veloz



Corolla Cross



Fortuner

FJ Cruiser



Rav4

Prado

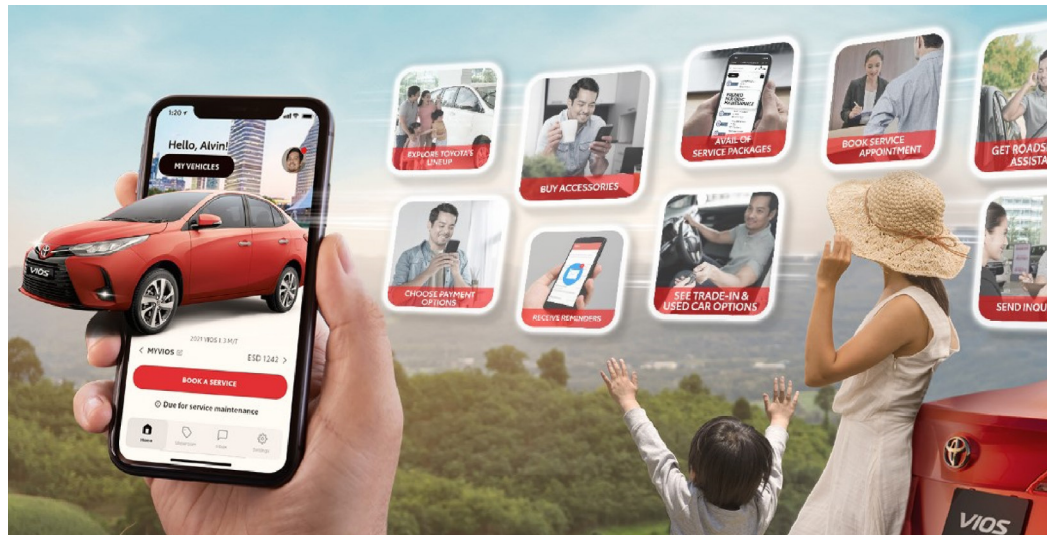
LC 300





# NEW MOBILITY SOLUTIONS

With the growth of digital economy aided by rampant digitalization, new technological breakthroughs have been introduced to serve the tech-savvy consumers and their evolving needs. The automotive industry is not exempt from this revolution. Toyota siezes this as an opportunity not only to grow as a business but also to be as relevant as possible with this new breed of customers.

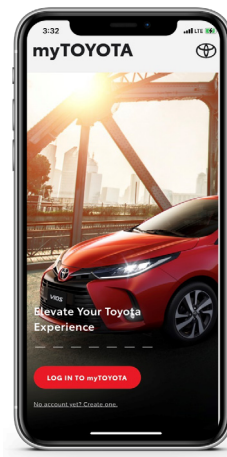


In realizing its vision to become a 'mobility company,' TMP aims at creating seamless digital experience with tools, products, and services designed to meet its customers' needs and adapt to emerging market trends. TMP continues its quest to capture the ideal 'customer experience' in both physical and digital channels.

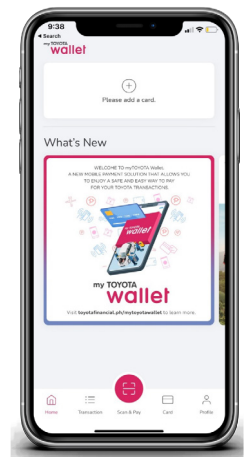
## myTOYOTA App

In 2021, TMP launched the 'myTOYOTA App' to provide access to customers' mobility needs right at their fingertips. The myTOYOTA app is a unified platform that provides Toyota customers the access to all information and services they need within an application for mobile devices. This also gives the capability and freedom to have an entirely different user experience with the Toyota vehicles.

This digital tool lets existing and would-be Toyota owners enjoy the full cycle of the Toyota life from exploring TMP's vehicle lineup to browsing the latest car deals, buying vehicle upgrades and packages, booking service appointments, and even renewing insurance policies, all through their mobile devices at any time.



myTOYOTA APP



my TOYOTA wallet

## myTOYOTA Wallet

Complementary to the myTOYOTA app is 'myTOYOTA Wallet,' a mobile application for easy and safe payments. It was created in partnership with Toyota Financial Services Philippines (TFSPH). In line with TMP's commitment to provide mobility for all, this platform addresses the customers' needs to safely and conveniently transact across the Toyota ecosystem.

## myTOYOTA Shuttle PH

Another mobility solution launched in 2021 is the 'myTOYOTA Shuttle PH.' This product is an on-demand shuttle booking system designed to address the emerging needs of the market for safer and more dependable mobility. The system's goal is to provide secure, comfortable, and reliable shuttle services for employees' daily travel to and from work. The myTOYOTA Shuttle PH eliminates manual management of shuttle systems for the administrator and optimizes the rider experience in their trips with added flexibility in the booking process.

With the system in place, the booking requirements are processed in order to get the best possible transport arrangement with regard to time and cost savings. This helps bridge the gap of companies wanting to deploy such a shuttle system without the know-how or resources to manage it.



myTOYOTA Shuttle PH

## Fleet Connected Service

Earlier in 2021, TMP introduced the Fleet Connected Service (FCS), a Global Positioning System or GPS-based system designed specifically for Toyota vehicles to assist business owners and operators in managing vehicle assets and optimizing productivity.

Through FCS, a user can track the vehicle's information such as real-time location, vehicle status, and driver behavior. This is made possible using a GPS device installed in a Toyota vehicle. It comes with a G-Fleet System through which fleet of vehicles can be monitored anytime using a computer or mobile device.

Currently, this system is compatible with 2016-to-present Avanza, Corolla Altis, Fortuner G, Hiace, Innova, Vios, and Wigo models, as well as 2018-to-present Rush model. Device installation is done by certified technicians at any authorized Toyota dealers nationwide.



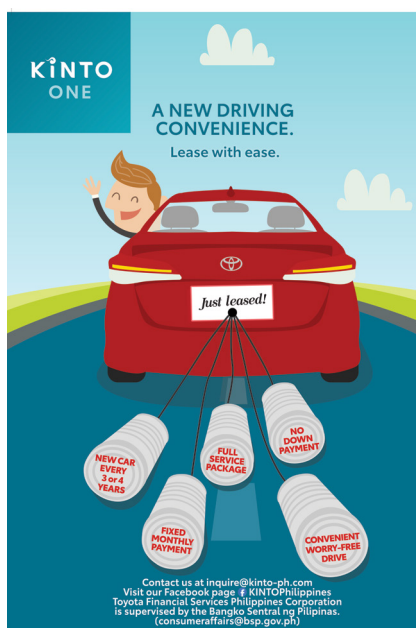
## Fleet Management Service

Committed to provide new mobility solutions, TMP took another step forward and launched the Fleet Management Service (FMS) in July 2021.

Understanding the challenges of work efficiency when it comes to managing a fleet, TMP offers to also take care one's fleet operations through this new product. The FMS can manage the complete life cycle of a fleet, from vehicle purchase to disposal. In turn, this allows an efficient management of a business owner or operator's resources and better day-to-day productivity.

The service package includes arrangements of LTO-related processes, such as registration renewal and transfer of ownership. With Toyota's connected device, it would notify the company's administrator when the vehicles are already up for preventive maintenance, and would schedule it easily. This service also covers driver training arrangement, insurance claiming and renewal processes, emergency roadside assistance, and disposal arrangement through the Toyota Certified Used Vehicle (TCUV) channels.

With FMS, a company is ensured with the Toyota Sure Advantage of quality, durability, and reliability, and cost efficiency through optimized fleet assets and operations.



### KINTO One

With continuously changing customer demands, Toyota geared up to provide a new customer experience for Filipino consumers who are exploring to shift from conventional car ownership to usership. Whether it is hassle-free personal transportation, moving of goods from point A to B, or the privilege of driving a new car every three or four years.

Since 2020, 'KINTO One,' a next-generation mobility service has been made available for those purposes. Launched by TFSPH, it allows customers to select from Toyota models and drive the car for three or four years. It has a full service lease package with no downpayment required.

The fixed monthly subscription already covers vehicle registration, annual comprehensive insurance, and regular periodic and preventive maintenance. Once the lease term is completed, the customer simply returns the vehicle to TFSPH and everything else is taken care of.



## VALUE CHAIN SERVICES



### TOYOTA FINANCIAL SERVICES

Offers a variety of vehicle financing solutions for customers



### TOYOTA INSURE

Exclusive insurance service program for those who are buying a new vehicle or renewing their insurance policies



### TOYOTA QUALITY SERVICE

Provides maintenance services and privileges for a worry-free and delightful ownership experience



### TOYOTA GENUINE PARTS

Offers parts of superior quality, made to fit the exact specifications of a Toyota vehicle



### TOYOTA GENUINE ACCESSORIES

Provides a 'waku doki' driving experience by offering a wide range of products for vehicle customization and merchandize in local dealer outlets



### TOYOTA CERTIFIED USED VEHICLES

Provides customers with an alternative means to purchase a Toyota vehicle by offering high-quality and reliable used vehicles or a trade-in option to replace used car with a new Toyota vehicle



# OUR BUSINESS

# STRATEGIC OVERVIEW

As a stalwart of Philippine automotive manufacturing, TMP seeks to maintain its leadership and strengthen its Economic, Environmental, Social, and Governance (EESG) impacts while proactively adapting to global trends in the automotive industry.

The COVID-19 pandemic has significantly altered the global business environment, prompting economic challenges and, at the same time, opening new opportunities for innovation. For TMP, it is a time to refocus on its fundamentals while ramping up digitalization initiatives and organizational transformation.

Preparing for post-COVID economic recovery and many years ahead, TMP sees vast opportunities as a company that will create and provide 'new mobility solutions.' TMP will further leverage its manufacturing capabilities and competitive advantages in its respective market. At this time of "a once-in-a-century period of transformation," TMP takes long-term sustainability and inclusive growth of all stakeholders into the core of its business.

## TMP STRATEGY

### **SHORT-TERM:**

Strengthen business fundamentals towards competitiveness and sustainability

Strengthening fundamentals

Maintaining leadership in the Philippine market

Cost management to cushion the impact of COVID-19 pandemic

- Continuous improvement (kaizen) activities under manufacturing quality and productivity
- Market-oriented new vehicle improvements and introductions
- Improved digital platforms for enhanced customer experience
- Innovation in customer satisfaction and retention programs
- Investment rationalization and cost optimization

### **MEDIUM-TERM TO LONG-TERM**

Boost local manufacturing

Transformation of traditional business (automotive manufacturing and distribution)

Organizational transformation

Decarbonization & electrification (xEV technologies)

- Brand transformation
- Value chain enhancement activities
- Development and introduction of 'new mobility solutions' for the Philippine market and society
- Continuous human resource development through skills mapping, training upgrade and faster knowledge deployment
- Work style innovation and process optimization
- Digital transformation
- Expanded use of renewable energy
- Investments in solar energy facilities for manufacturing operations
- Wider range of sustainable technologies including hybrid electric vehicle (HEV) technology

## TARGETS / PERFORMANCE INDICATORS

Overall safety, quality, efficiency and competitiveness	No. 1 in customer satisfaction and retention	Number 1 in passenger car, commercial vehicle, and overall sales	Stable revenue growth	Wider demographic reach leading to less urban congestion and balanced economic growth nationwide
Increased number of experts and trainers	National recognition for being "one of the best employers/ workplaces in the Philippines"	Zero carbon dioxide emissions at TMP's manufacturing plant by 2035	100% renewable energy use before 2035	HEV model line-up expansion across various segments

# MATERIALITY PROCESS

TMP uses the Global Reporting Initiative (GRI) Framework in assessing its materiality with regard to EESG issues that mostly affect its businesses and stakeholders.

In determining these issues, TMP reviewed its 2021 EESG performance and further examined its relationship and contributions to the corporate objectives of Toyota (as a global company) and GT Capital Holdings, Inc., TMP's holding company. Therefore, this report aims to discuss TMP's efforts in the holistic and coordinated initiatives of the aforementioned organizations on global sustainability.

TMP is also geared towards enhancing its EESG reporting practice by studying industry trends and peer experiences, adding stakeholders inputs in the materiality process, as well as using other frameworks and standards to measure the company's performance. For this cause, TMP established the connection of some topics to the Company's identified priority United Nations Sustainable Development Goals or SDGs (see page 8).

Listed below are TMP's 2021 Material Topics, which the Company deems relevant and continually addresses in present day.

Material Topic	TMP's Priority SDG	Discussion/ Analysis Page No.
<b>ECONOMIC</b>		
Economic Performance	SDG 8	p. 17
Indirect Economic Contributions	SDG 8	pp. 18-19
<b>SOCIAL</b>		
Employment	SDG 8	p. 21
Equality and Diversity	--	p. 21
Human Rights	--	p. 22
Non-discrimination	--	p. 22
Occupational Health and Safety	SDG 3	p. 25
COVID-19 Pandemic	SDG 3	p. 26
Training & Education	--	pp. 23-24
Local Communities (Social Contribution)	SDG 3, SDG 4	pp. 28-31
<b>ENVIRONMENTAL</b>		
Environmental Compliance	SDG 12	p. 33
Energy	SDG 13	p. 37
Emissions	SDG 13	pp. 35-37
Waste (Generation)	SDG 12	p. 39
Water (Consumption)	SDG 12	p. 38
Biodiversity	--	p. 40
Climate Action	SDG 13	p. 34

# SDG PRIORITIES

TMP has a strong awareness of its impact to the industry and communities it belongs to. Therefore, sustainability has been an important facet of its business strategy. It has managed its key company activities, as well as its value chain stakeholders, to be aligned with its focus on SDGs, which are closely connected to those of its parent companies. TMP identified its own priorities under five SDGs, which are reported with recent accomplishments in no particular order.



## SDG 8: DECENT WORK AND ECONOMIC GROWTH

## SDG 3: GOOD HEALTH

## SDG 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

## SDG 13: CLIMATE ACTION

## SDG 4: QUALITY EDUCATION

### 8 DECENT WORK AND ECONOMIC GROWTH



TMP's business in the country employs over 62,000 individuals across its value chain. This is largely comprised of its network of parts suppliers as well as automotive dealerships, which totaled to 73 dealers, including the newest addition – Toyota Lucena City, Inc. TMP alone supports a 3,700-strong manpower, which remained intact despite the continuing effects of pandemic. In fact, TMP recorded a 6% increase in manpower, mostly contributed by the recent establishment of the TMP Batangas Vehicle Center (BVC). The BVC is the newest facility in TMP's vast logistics distribution network to serve the future volume requirements. This 32-hectare vehicle logistics and processing center is situated six kilometers away from the Port of Batangas, generating jobs in the locality.

### 3 GOOD HEALTH



TMP prioritizes the holistic well-being of its Team Members, which is stressed further through its welfare programs and activities during the pandemic. Under the umbrella inoculation program of GT Capital Holdings, Inc., TMP conducted vaccinations for its employees. It was even extended to their family members and outsourced services employees to maximize safety in the workplace. By end-2021, the Company successfully achieved herd immunity with the roll-out of COVID-19 vaccines.



COVID-19 vaccination at TMP

Acknowledging the pandemic's toll not only on Team Members' physical health but also mental health, TMP introduced a company-wide initiative to create a support system for those who are suffering anxiety or in emotional distress. This program was complemented by strengthened sensing, engagement, and promotional activities on mental health, including in-house anxiety and stress management seminars and communication channels.

### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Despite two major lockdowns due to COVID case surges, TMP's production of 48,758 units in 2021 posed a significant 37% growth versus 2020, 90% back to the 2019 level. As the whole industry takes an optimistic COVID exit outlook, TMP remains steadfast in ensuring responsible practices in production and consumption, keeping in mind the ultimate goal of lessening its carbon footprint. Following suit from Toyota Global's fast-tracked Toyota Environmental Challenge 2050 (TEC 2050) to zero out carbon dioxide (CO<sub>2</sub>) emissions by 2035 (previously 2050), TMP ramped up its local roadmapping efforts to this commitment to the planet. TMP welcomed the challenge of 'plant carbon neutrality,' geared to execute it through: 1) expanded use of renewable energy, and 2) process and technological optimization for energy efficiency. The Company aimed at utilizing 100% renewable energy for its manufacturing operations prior to the 2035 deadline.



## 13 CLIMATE ACTION

## TOYOTA ENVIRONMENTAL CHALLENGE 2050

While climate action remains a pressing issue among nations and multinational corporations, Toyota's global take had already been comprehensively mapped out when it launched the TEC 2050 back in 2015. Up to now, the TEC 2050 ensures that awareness, consciousness, and actions are all integrated in the value chain, guaranteeing the active involvement of the supplier network, dealer network, and even customers. Some local parts suppliers of TMP have settled to 100% renewable energy purchase for their respective production operations, while some have embarked on collaboration to invest in solar energy facilities. Meanwhile, 71 Toyota dealers were certified under the ISO14001:2015 standards. The same expansive dealer network continued to support biodiversity enhancement through its nationwide seedling donations, mangrove planting and coastal clean-up activities. In 2021 alone, Toyota dealers planted and donated over 39,000 seedlings in various parts of the country.

Toyota customers are encouraged in the same goal through the expansion of environment-friendly vehicle options, particularly those equipped with Toyota's hallmark hybrid electric vehicle (HEV) technology. In 2021, TMP introduced in the local market another HEV model in the Toyota line-up (Camry) and additional four in the Lexus line-up (LSH, ESH, NXH, NXH Premiere).



*The new Camry Hybrid*



## 4 QUALITY EDUCATION

TMP continued its social contribution initiatives while making them more relevant with the recent challenges encountered by community stakeholders. Toyota supported its adopted communities to address their needs in transitioning to online modality of training and education.

In terms of basic education, TMP had prepared its adopted school, Pulong Sta. Cruz Elementary School (PSCES), for the new normal through the completion of TMP Foundation's Computerization Project back in 2018. Under this project, PSCES became the first public elementary school to be fully computerized in the CALABARZON region, significantly improving the school's performance. The project came handy for over 4,000 students and their teachers especially at the height of educational challenges of the pandemic. TMP Foundation further assisted PSCES by providing additional new laptops, printed modules, face masks, sanitary items, rice and grocery packages.



*A PSCES teacher conducting an online class*

In terms of tech-voc education, TMP's premiere automotive technical school – Toyota Motor Philippines School of Technology (TMP Tech) – continued its mission to develop automotive professionals for the local and global Toyota network. TMP Tech's automotive training curriculum was redesigned to address the physical limitations to learning. Scholarships and flexible payment schemes were also boosted during the pandemic to further assist the students. In 2021, there were 96 new students from various parts of the country who received scholarships.



TMP treads forward bearing a positive outlook for the automotive industry to gain its post-COVID recovery momentum. As it continues to transform its business as an automotive manufacturing company to a mobility company, TMP commits to help improve the way of life of more Filipinos. Through mobility, it seeks to create opportunities and bring happiness to the stakeholders and communities it serves.

# GRI CONTENT INDEX & HIGHLIGHTS

MATERIAL TOPICS									
GRI Standard	Disclosure		Discussion/ Analysis Page No.	Highlights					
				2021		2020	2019		
GRI 102: General Disclosures	102-1	Name of organization	p. 1						
	102-2	Activities, brands, products, and services	pp. 1, 5-8						
	102-3	Location of headquarters	p. 1						
	102-4	Location of operations	p. 1	Additional: Batangas City					
	102-5	Ownership and legal form	p. 1						
	102-6	Markets served	p. 4						
	102-7	Scale of Organization	p. 1						
	102-8	Information on employees and other workers	pp. 1, 21	3,781 total workforce	▲	3,578 total workforce	3,467 total workforce		
	102-9	Supply chain	p. 2						
	102-14	Statement from senior decision-maker	p. iii						
	102-47	List of material topics	p. 11						
	102-50	Reporting period	p. i	Jan - Dec '21		Jan - Dec '20		Jan - Dec '19	
	102-51	Date of most recent report	p. 41						
	102-53	Contact point for questions regarding the report	p. 41						
	102-55	GRI content index	pp. 14-15						
ECONOMIC									
GRI 201: Economic Performance	201-1	Direct economic value generated (EVG) and distributed (EVD)	p. 17	EVG: Php128.89 B	▲	EVG: Php97.84 B	EVG: Php166.34 B		
				EVD: Php141.24 B	▲	EVD: Php102.54 B	EVD: Php188.31 B		
SOCIAL									
GRI 401: Employment	401-1	New employee hires and employee turnover	p. 21	84 new hires	▼	88 new hires	72 new hires		
				7% turnover	▲	5% turnover	4% turnover		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 22						
	401-3	Parental leave	p. 22	100% return to work & retention rate		100% return to work & retention rate		100% return to work & retention rate	
GRI 402: Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	p. 22	30 days		30 days		30 days	
GRI 402: Human Rights Assessment	412-2	Employee training on human rights policies or procedures	p. 22	64 hrs., (3% of employees)	▲	48 hrs., (3% of employees)	78 hrs., (4% of employees)		
GRI 403: Occupational Health and Safety	403-6	Promotion of worker health	pp. 25-27						
GRI 404: Training and Education	404-1	Average hours of training per year per employee	p. 23	11.7 hrs.	▲	4.7 hrs.	15.9 hrs.		
	404-2	Programs for upgrading employee skills and transition assistance programs	p. 24						
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p. 21						
	405-2	Ratio of basic salary and remuneration of women to men	p. 21	1:1		1:1		1:1	
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	p. 22	zero incident		zero incident		zero incident	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	pp. 28-31						

## MATERIAL TOPICS

GRI Standard	Disclosure		Discussion/ Analysis Page No.	Highlights			
				2021		2020	2019
ENVIRONMENTAL							
GRI 303: Water and Effluents	Topic-specific disclosures						
	303-5	Water consumption	p. 38	262,449 Mil. m³		196,379 Mil. m³	263,059 Mil. m³
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	p. 37	3,777 tonne CO₂	▲	3,289 tonne CO₂	5,927 tonne CO₂ e
	305-2	Energy indirect (Scope 2) GHG emissions	p. 35	11,637 tonne CO₂	▲	9,611 tonne CO₂	13,542 tonne CO₂
	305-3	Other indirect (Scope 3) GHG emissions	p. 35	163,962 tonne CO₂	▲	116,640 tonne CO₂	104,625 tonne CO₂
	305-5	Reduction of GHG emissions	p. 37				
	Management approach disclosures		p. 39				
GRI 306: Waste	306-1	Waste generation and significant waste-related impacts	p. 39				
	306-2	Management of significant waste-related impacts	p. 39				
	Topic-specific disclosures						
	306-3	Waste generated	p. 39	888 tonne	▲	958 tonne	2,525 tonne
	306-4	Waste diverted from disposal	p. 39	4,862,365 tonne	▲	3,886,002 tonne	4,738,331 tonne
	306-5	Waste directed to disposal	p. 39	584,589 tonne	▼	434,338 tonne	641,514 tonne
	Management approach disclosures		p. 30				
	Topic-specific disclosures						
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	p. 30	Zero non-compliance		Zero non-compliance	Zero non-compliance



# ECONOMIC PERFORMANCE



# ECONOMIC CONTRIBUTIONS

TMP has always been committed towards making invaluable contributions to the local automotive industry and Philippine economy. Over the past decades, TMP's investments have driven innovation in the industry, continuous transfer of technology, skills improvement of workers, and employment opportunities.

The surges of COVID-19 cases in 2021 prompted brief and temporary stoppages of sales and production operations. Its impact was cushioned by TMP through established health and safety measures for its workforce. Despite the challenges, TMP maintained a productive workforce and a strong foothold in the market, ensuring consistent quality products and services for Toyota customers nationwide.

TMP, with its forward and backward linkages, remained resolute in value-creation for the benefit of not only the basic industries but also the industrial processes in many sectors.

## DIRECT ECONOMIC VALUE GENERATED (EVG)

TMP is consistently one of the top corporations in the country. In the latest 'Philippines Top 10 Corporations' by gross revenue ranking of the Security and Exchange Commission for the year 2019, TMP ranked 7<sup>th</sup> with Php160.6 billion consolidated revenues.

In 2021, TMP's consolidated revenues amounted to Php129 billion. These were generated through:

- locally-manufactured vehicle sales
- imported vehicle sales
- local sales of service parts
- services, and–
- export sales of Original Equipment Manufacturer (OEM) parts and service parts.

**Php129 Billion**  
EVG in 2021

## DIRECT ECONOMIC VALUE DISTRIBUTED (EVD)

In growing its business, TMP continue to invest in expanding domestic operations, boosting procurement from its local supply base. Likewise, economic activities are stimulated while necessary taxes and duties are remitted by TMP to the Government.

In 2021, TMP's EVD amounted to Php141 Billion. These were channeled through TMP's operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments.

**Php141 Billion**  
EVD in 2021

**Php10 Billion**  
Procurement from  
Local Parts Suppliers  
**Php15 Billion**  
Total Duties & Taxes Paid

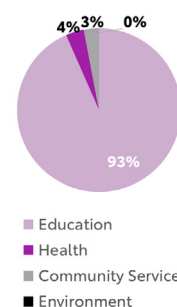
\*Financial figures reflected are un-audited as of end-March 2022

## Community Investments through CSR Initiatives

TMP and its social and humanitarian arm, Toyota Motor Philippines Foundation (TMPF), continue to contribute to society through various Corporate Social Responsibility (CSR) activities that are anchored on 4 pillars: Health, Education, Environment and Community Service.

As the country's COVID-19 situation continued to improve in 2021, TMPF was able to refocus on its pre-pandemic priority programs. The Foundation sustained its thrust in Education, providing scholarships and boosting the capability of its adopted school in the local community.

## 2021 Community Investments Allocation





## Toyota Vios under CARS Program

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

In June 2016, TMP was registered under the CARS Program with the Vios as participating model. With the support of Toyota Motor Corporation or TMC (in Japan), TMP embarked on major investments in both in-house and out-house production.

<b>Investments:</b> <b>P5.58 Billion</b> (Vehicle + Parts Production as of end-December 2021)	<b>P2.87 Billion</b> In-House Production	<b>P1.27 Billion</b> Out-house Production
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### Participating Vehicle Model:



### Participating Parts Makers in TMP's CARS Project:

BODY SHELL	PLASTIC PARTS	STRATEGIC PARTS
<b>F Tech Philippines Manufacturing, Inc.</b> 	<b>Manly Plastics, Inc.</b> 	<b>Denso Philippines Corporation</b> 
<b>Technol Eight Philippines Corporation</b> 	<b>Valerie Products Manufacturing, Inc.</b> 	
	<b>Toyota Boshoku Philippines Corporation</b> 	

### New In-house Parts Manufacturing Capabilities:

- Localization of large plastic parts - bumper & instrument panel
- Localization of large press parts (including Side Member) equivalent to 58.77% of total body shell (by weight)



1600-ton servo press machine for side member panel production



Resin injection moulding facility



Roller hemming robots



The BVC is the largest vehicle logistics and processing facility in the country.



An Integrated Management System is being used for real-time vehicle monitoring.

### Providing Best Quality Products & Excellent Customer Experience Nationwide

In September 2021, TMP inaugurated the Batangas Vehicle Center (BVC), one of the facilities in the Company's vast logistics distribution network to serve the future volume requirements. The BVC shortens vehicle handling time prior to inter-island transport from nearby Port of Batangas, serving the commitment to secure the promised delivery time and provide the best customer experience across the country. This streamlining ultimately contributes to quality assurance of vehicles for Toyota Dealers and customers.



A weather-proof structure for day and night vehicle loading/unloading. TMP is first among Toyota logistics facilities in the Asia Pacific region to adopt this design after Toyota in Japan.



A Sewage Treatment Plant for thorough waste water treatment prior to discharge to waterways

The BVC was constructed with sustainable features that prioritize human safety in each process and implement responsible practices for zero or net positive impact to environment.

# 2021 HIGHLIGHTS

## SALES MILESTONES

By end-2021, TMP captured 46.3% market share, the highest recorded in TMP's history. It is also the highest market share among Toyota affiliates in the ASEAN region.

TMP also ended 2021 on a high note with the achievement of its 20th Triple Crown. This means that TMP is still number one in terms of passenger car sales, commercial vehicle sales, and overall sales.



## NEW DEALERSHIPS



**Toyota Dipolog City**  
Inaugurated in June 2021



**Toyota Lucena City, Inc.**  
Inaugurated in November 2021

## Taking Quality to the Next Level

TMP was bestowed the **2019 Philippine Quality Award for Performance Excellence** by the National Government through the Department of Trade and Industry. It is the highest level of national recognition for exemplary organizational performance in terms of Total Quality Management.

TMP is the first company to achieve the highest level (Level 4) of award on its first try in the PQA Program 22nd Cycle. TMP is also the first automotive manufacturing company in the country to become a PQA recipient, and second Philippine organization in PQA's 22-year history to achieve Level 4.



*TMP President  
Atsuhiko Okamoto*



*DTI representatives together with TMP officers during the DTI's presentation of the award*





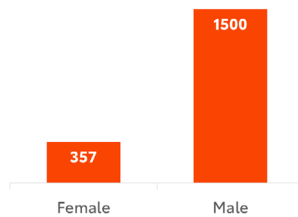
# SOCIAL PERFORMANCE

# EMPLOYMENT

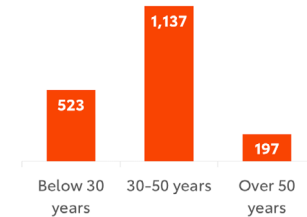
**3,781 Manpower**

*\*as of end-December 2021*

## Regular Manpower by Gender

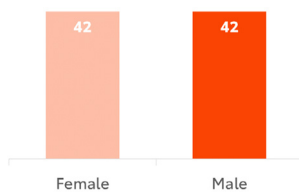


## Regular Manpower by Age Group

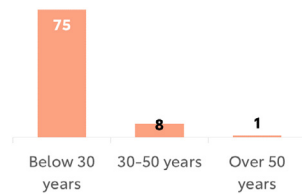


## NEW EMPLOYEE HIRES

Number by Gender

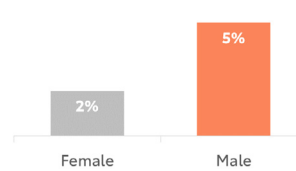


Number by Age Group

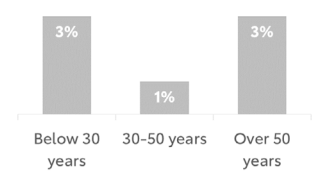


## EMPLOYEE TURNOVER

Percentage by Gender  
(of Total Employees)

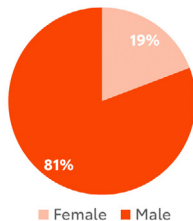


Percentage by Age Group  
(of Total Employees)

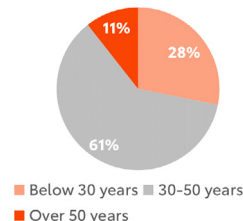


## DIVERSITY

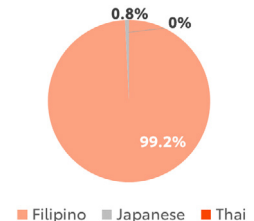
### Percentage by Gender



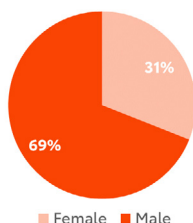
### Percentage by Age Group



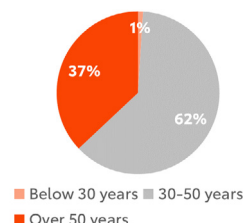
### Percentage by Nationality



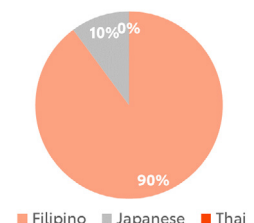
### Governance Body's Percentage by Gender



### Governance Body's Percentage by Age Group



### Governance Body's Percentage by Nationality



## Salary & Remuneration Ratio

Ratio of basic salary and remuneration of women to men

**1:1**

Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation

**1:1**  
Rank & File

**1:1**  
Junior Officer

**1:1**  
Middle Officer

**1:1**  
Senior Officer

## PARENTAL LEAVES

Total number of employees that were entitled to and took parental leave, by gender

71/71 Total	
16/16 Female	55/55 Male

Total number of employees that returned to work in the reporting period after parental leave ended, by gender.

71 Total	
16 Female	55 Male

Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender

71 Total	16 Female	55 Male
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Return to work and retention rates of employees that took parental leave, by gender.

100% Total	100% Female	100% Male
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## BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PARTTIME EMPLOYEES

- Group Life Insurance
- HMO, Chronic/Critical Illness, & Daily Hospitalization Income Benefit
- Disability and Invalidity Insurance Coverage (under Group Life Insurance)
- Paternity/Maternity Leave (government-mandated benefit)
- Retirement Plan
- Others:
  - Allowance (for transportation, medicine)
  - Gratuity / Financial Assistance (death, calamity, marriage, maternity, paternity)
  - Vehicle Acquisition / Car Plan
  - Service Loyalty Incentive
  - Perfect Attendance Incentive

## HUMAN RIGHTS & NON-DISCRIMINATION

'Respect For People' is one of the two main pillars of the Toyota Way values inculcated in every Toyota Team Member.

TMP ensures that respect for human rights and non-discrimination are constantly maintained at the workplace. Company policies, as well as TMP's Code of Conduct, are consistently enforced among Team Members for strict compliance.

To refresh the Team Members or brief them of any changes in the company policies or procedures, learning sessions and trainings are conducted. In 2021, as part of a regional initiative to promote respect and diversity in the workplace, TMP began its roll-out of a refresher activity for TMP's Responsible Reporting Program (TRRP) – an additional due process option in handling workplace cases or incidents wherein an employee can anonymously or confidentially report possible violations (e.g. whistleblowing). Another program on human rights promotion is the continuous run of the TMP Code of Conduct Orientation for new hires and leaders.

**31 hours**  
Human Rights Training  
**20%**  
Employees Trained

**0**  
number of recorded incident  
of discrimination

## LABOR RELATIONS

As in previous negotiations between TMP Management and TMP's labor unions,<sup>1</sup> mutual respect and understanding are always observed and enshrined in the Company's Collective Bargaining Agreement (CBA) with its unions. This is very evident in the past and recent CBAs between the Management and Labor wherein, among others, both parties agree to provide a reasonable amount of lead time to give advance notice (*nemawashi*) of thirty (30) days on any new or planned changes in the organizational structure, rules and regulations. This way, the Company can smoothly implement such changes by providing further background and rationale to employees for their support and better appreciation.

**30 days**  
minimum number of days' notice  
prior to implementation of  
significant operational changes

**90% CBA coverage<sup>2</sup>**  
(equivalent to union membership rate of  
total employees;  
95% of Rank & File Team Members,  
97% of Supervisory Team Members)

<sup>1</sup>There are two labor unions representing TMP's workforce: 1) the TMPC-Labor Organization (TMPCLO) for Rank & File Team Members, and 2) TMPC-Supervisory Union (TMPCSU) for Supervisory Team Members. Confidential and non-union certified Team Members are represented by the TMP-Labor Management Council (TMP-LMC) to address the gap in the employee representation and engagement of Team Members.

<sup>2</sup>CBA provisions are also applicable to confidential or non-union certified Team Members except for member-specific terms.



# TRAINING AND EDUCATION

Human capital remains as an important element in TMP's success. The company continues to invest in the development of its Team Members to enable them to adapt to the rapidly-evolving business landscape. TMP's approach to career development varies on certain levels and according to specific roles and functions.

## TEAM MEMBER TRAININGS

When new Team Members start their journey with TMP, they are introduced to the 'Toyota Way' which will serve as their foundation. This development phase covers substantial hours of corporate training programs focusing on Toyota Core Values in a classroom or workshop simulation, as well as the close guidance of superiors on the job.

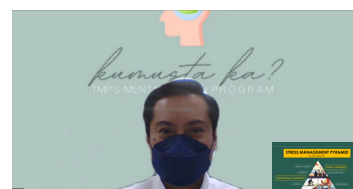
For leaders and tenured/regular Team Members, a ladderized training curriculum is designed to increase their knowledge and skills, usually in relation to Toyota's global business practices and standard ways of communication. For specific expertise and technical skills required in some functions, the company also invests in sending Team Members to external/public seminars.

The HR Department does not only evaluate training programs by the attendance rating and frequency, but more importantly by its applied impact to Toyota's productivity. The quality of turnout activities are assessed in report-out sessions using proposed concepts and actual projects implemented by Team Members in their respective areas and functions.

Moreover, post-training surveys are administered to get feedback and determine points for improvement. New training programs are also developed and implemented following the company's business focus and human development priorities.

In the second year of the COVID-19 pandemic, virtual training programs continue to be the main venue for learning opportunities in the new normal. Recognizing that we need to ask one another the very important question 'Kumusta Ka', new courses such as 'Managing Stress and Anxiety' and 'Strengths Discovery' were launched as part of the signature mental health program of TMP. These were aimed at creating a space to talk about mental health and further strengthening the coping mechanisms of Team Members amidst the pandemic.

*'Managing Stress and Anxiety,' facilitated by Team Relations Assistant Vice President Nelson Manglo, is under the umbrella of company-wide Mental Health Program – 'Kumusta ka?' – focused on establishing mental health awareness and understanding as well as providing intervention or assistance.*



*'Strengths Discovery' training program, conducted by Gallup-Certified Strengths Coach and Training Manager, Renee Leochico, aims to help Team Members discover their innate talents and develop their potential to empower them and build a high-performing workplace.*



TMP also aims to continuously provide the best collaborative learning experience to its Team Members both in pre-pandemic and pandemic situation. Training programs were condensed to help minimize screen fatigue and also redesigned and made even more engaging through the use of case studies, breakout sessions and new normal tools.

## 2021 Training Hours

	Training Hours	Participants	Average Training Hours
Rank & File	4,811	470	10.2
Leaders	3,462	237	14.6
<b>Overall</b>	<b>1,408</b>	<b>709</b>	<b>11.7</b>

**11.7 hours**  
Average Training per Team Member

## DEVELOPMENTAL PROGRAMS

TMP strengthens the organization by ensuring the availability and readiness of next generation of leaders.

Successors are identified for key leadership positions and will undergo respective developmental programs to broaden their competencies. The HR Department, in close collaboration with the concerned division, identifies the focus of training and development activities.

Generally, succession candidates follow a competency model that is holistic and progressively challenging, enabling them to enhance their management, leadership, and interpersonal skills. Methods used are through one-on-one coaching, mentoring, as well as participation in internal and/or external trainings. Depending on specific functional requirements the successor is being prepared for, he/she may also be required to undergo job rotation, immersion, job scope expansion, cross-functional assignment, or exposure to regional operations.

## EXPOSURE TO GLOBAL & REGIONAL OPERATIONS

TMP's close ties with its mother company in Japan and regional headquarters in Asia Pacific not only allow the transfer of technologies but also of talent and skills. Overseas training forms part of TMP's holistic career development, especially for its future leaders. Team Members who are selected to participate in various programs can broaden their knowledge in their specific function, immerse in Toyota's multinational scale of operations, and strengthen leadership potentials.

### Intra-Company Transfer (ICT) Program

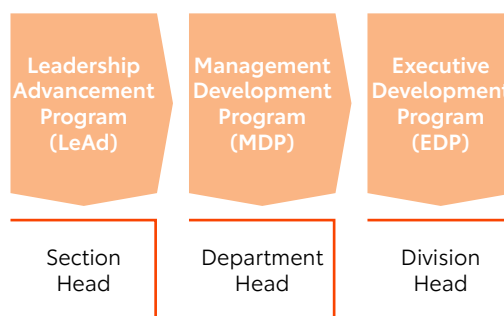
This development program is the formal channel for talent exchange among Toyota affiliates that aims to make use of global human resources to support overseas affiliates in achieving self-reliance through development of local staff. Designed mainly for Office Team Members, the ICT allows the participants to share and benchmark best practices among Toyota affiliates, which they would eventually cascade to their co-Team Members and apply in their local operations when they return home from their assignment.

In 2021, 25 IC Transferees from TMP were dispatched and were continuing their assignment in Singapore and Thailand (where Toyota's regional headquarters are located). Also, TMP received one (1) foreign

## Leadership Development Programs

Program:

Positioned to be assumed:



national as an inbound IC Transferee from Toyota Daihatsu Engineering & Manufacturing Co., Ltd.

### Global Skill-up Training (GST) Program

As a training program intended for Line Leaders, GST is on-the-job development which allows trainees to be immersed in TMC's plant operations. TMP's trainees are assigned as members in different manufacturing worksites in Japan to enrich their practical experience in the areas of safety, quality, productivity, teamwork and *mendomi* (mentoring). At the end of the program, the trainees are expected to have heightened awareness of a worksite with more sophisticated capabilities, as well as a strong sense of leadership and ownership in manufacturing operations.

Due to the continuing threat of COVID-19 pandemic, deployment of GS Trainees to Japan was temporarily paused in 2021.

Country	ICT		GST
	Outbound	Inbound	
Japan	0	0	0
Singapore	8	0	NA
Thailand	17	1	NA
<b>Total</b>	<b>25</b>	<b>1</b>	<b>0</b>

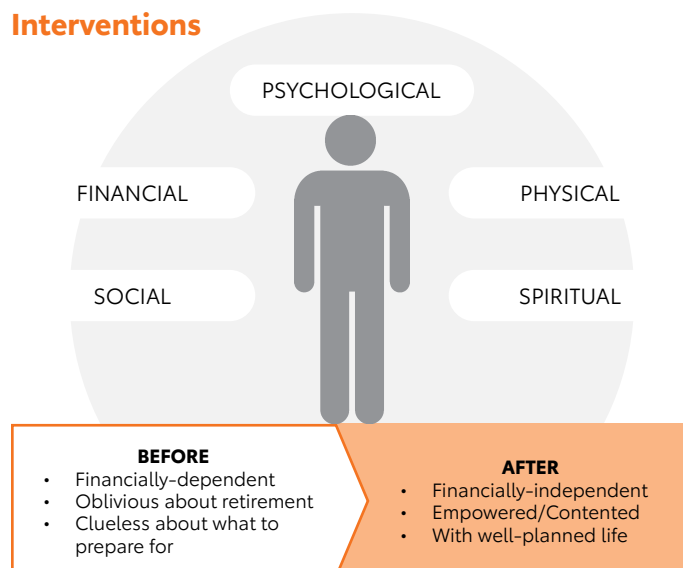
## EMPLOYEE RETIREMENT PREPARATION PROGRAM

Recognizing the increasing number of retirees every year, TMP devised a program that will better prepare Team Members for a more fulfilled and productive life even after employment in TMP.

Launched in 2016, the "Re-Tire Program" was designed for Team Members approaching the retirement age of 50 to cover several aspects of life planning: psychological, financial, physical, social and spiritual. From the age of 45, retiring Team Members are enlisted in various interventions and learning enrichment options in consideration of their personal interests. Every year, a recognition program is also dedicated to retirees to recognize their contributions to the company.

In 2021, there were 50 Team Members who retired.

### Interventions



# OCCUPATIONAL HEALTH & SAFETY

TMP's most valuable asset is its People. With Team Members' Safety and Health being the topmost priority, TMP, through its Safety and Health Section (SHS), aims to ensure an accident-free workplace by conforming to the Department of Labor and Employment's (DOLE) Occupational Safety and Health Standards (OSHS). Aligning with this, SHS conducts safety promotion activities guided by three (3) pillars:

Human Safety	Machine and Construction Safety	Worksite Safety
Level up each Team Member's safety awareness and mindset through trainings	Audit and inspection of machines/equipment using safety standards  Implementation of construction safety management by contractors	Establishment of standard procedures in respective operations to ensure a safe work environment

To further educate and help Team Members in preventing workplace hazards, SHS provides trainings related to Occupational Safety and Health (OSH):

1. **Defensive Driving Seminar** – for Team Members who use company vehicles in their operations to further improve their driving skills by anticipating risks and utilizing safe driving strategies
2. **Occupational Safety and Health Management System (OSHMS) Training & Workshop** – aims to promote awareness and prevention of unsafe acts and conditions in the workplace that are extended to every Team Member's household
3. **Lock Out, Tag Out, Try Out (LOTOTO) Training** – aims to prevent injury of servicing and/or maintenance employees due to the unexpected energization or startup of machines, equipment or processes after long periods of machine shut-off

A total of 1,784 safety training man-hours were dedicated to Team Members in 2021.

Training program	Number of participants	Training hours	Training man-hours
Defensive Driving Seminar	122	8	976
Occupational Safety and Health Management System (OSHMS) Training & Workshop	22	24	528
Lock Out, Tag Out, Try Out (LOTOTO) Training	35	8	280
<b>Total</b>			<b>1,784</b>

TMP continuously monitors the number of incidents under each Safety Key Performance Indicator (KPI). In 2021, TMP scored zero incidents in five (5) out of six (6) Safety Key Performance Indicators (KPI).

Safety KPI	Number of incidents
Fatal Accident	0
Stop 6 Type Injury	0
Lost Work Day Case	0
Total Injury Case	0
AP All Toyota Fatal Accident (Employee & Outsourced Manpower)	0
Fire	2

## Fire Prevention Month

Every year, TMP participates in the kick-off ceremony of Fire Prevention Month together with the Bureau of Fire Protection (BFP). In 2021, given the pandemic situation, TMP's Emergency Response Team (ERT) continued to spread awareness by disseminating informational paraphernalia and hold trainings regarding fire safety and firefighting to further equip its security personnel and ERT members.



Security personnel and new ERT members during the orientation and hands-on training about firefighting

### FIRE SAFETY TIPS FOR GENBA

March is one of the hottest months of the year and it marks the beginning of summer. It is also the month that has one of the most alarming fire incidents in the country.

<b>Fire extinguishers save lives</b> Ensure members are aware of fire extinguishers location, are readily available, and free from obstructions	<b>Ensure Wire Condition</b> Do not attempt to use devices/equipment with damaged wiring.
<b>Switch off devices</b> Unplug electrical devices when not in use, unless necessary.	<b>Product Safety and Quality</b> Only use BPS Certified items (with PS mark or ICC sticker). <small>* BPS - Bureau of Philippine Standards, PS - Philippine Standard, ICC - Import Commodity Clearance</small>
<b>Monitor the load</b> Avoid overloading electrical circuits and plugging many devices.	<b>Extension cord safety</b> Avoid putting cords where they can be damaged (under rug/furniture)

### IN CASE OF FIRE EMERGENCY

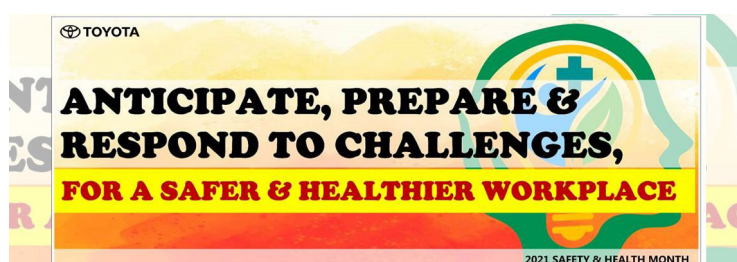
 <b>1. Alert nearby team members</b>	 <b>2. Extinguish fire if you can do so safely</b>	 <b>3. Fire not suppressed? Activate fire alarm.</b>	 <b>4. Call Emergency Hotline (8911)</b>
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Fire Prevention Month informative paraphernalia

## Safety Month

TMP Team Members celebrate Safety Month by participating in the following engagement activities:

- Safety Slogan Contest
- Video Making Contest
- Honor Your Safety Hero - this contest aims to recognize Team Members who exemplified and motivated others to work safe and smart, following the COVID-19 protocols set in the workplace.
- Wash It & You Got It! - to further reinforce the importance of the 20-second rule in handwashing to prevent COVID-19 disease, TMP initiated to find and reward Team Members who demonstrate and comply with this rule.
- Health Week - Every week, various health and nutrition-related videos regarding the different food and diet concerns that affect Team Members are shown to inform them of the importance and benefits of taking care of one's health.



2021 Safety Month theme



## Mental Health

In 2021, TMP added Mental Health to its priorities by celebrating the month of October as Mental Health Month. Related to this, Team Relations Section launched the “Kumusta Ka?” Program. Through Kumusta Ka, Team Members can freely share their day-to-day feelings and insights through “safe space” communication venues such as Kumustahan hotline, Kumustahan Facebook Page and e-mail.

Engagement activities such as trainings and talks were also introduced to promote awareness, understanding and coping mechanisms to address mental health problems.



## COVID-19 PANDEMIC EFFORTS

### Vaccination Program

TMP started its vaccination program for its Team Members and their families in July 2021. By end-2021, TMP successfully vaccinated 99% of the company’s Team Members, achieving herd immunity.



A health personnel from the City Health Office of Santa Rosa administers vaccination of a Team Member



Team Members receive their vaccination card at the in-house vaccination held at the Toyota Activity Center

### Workplace Prevention

TMP continues to implement the following rules and activities to monitor and ensure Team Members’ health.

1. Rapid Antigen Testing
2. Health Monitoring through accomplishment of Online Daily Health Declaration (ODHD)
3. Work from Home Scheme
4. Company-wide Disinfection and Sanitation
5. Workplace Rules and Procedures
  - Wearing of face mask
  - Proper washing and sanitizing of hands
  - Keeping of at least 1 meter distance from other Team Members
  - Observing silence
  - Following limit number of persons allowed in a specific area
6. Facebook Page for Health Concerns

# LOCAL COMMUNITIES

## TOYOTA MOTOR PHILIPPINES FOUNDATION (TMPF)

TMPF, as TMP's social and humanitarian arm, continues to be ever-present to serve the needs of the society through its Corporate Social Responsibility (CSR) initiatives focusing on Health, Education, Environment and Community Service.

### HEALTH

#### Medical-Surgical Outreach Program (MSOP)

From 1992 to 2016, TMPF was able to provide medical assistance to the residents from the cities of Paranaque, Taguig and Santa Rosa through the Medical-Dental Outreach Program (MDOP). In 2018, having observed that the local government units (LGUs) are already capable of providing medical and dental healthcare to its constituents, TMPF, in partnership with Makati Medical Center (MMC), changed its focus from providing medical to surgical services. Hence, the Medical-Surgical Outreach Program or MSOP was launched. Under the MSOP, free and immediate relief for urgent health concerns which require surgery are provided. Cases with fast recovery time such as (but not limited to) Cholecystolithiasis, Hernia and Goiter are evaluated before the procedures are done.

In 2021, seven (7) patient-beneficiaries from the City of Santa Rosa were accommodated and underwent surgical procedures.



*MMC doctors performing surgery on a patient-beneficiary*

### EDUCATION

#### Automotive Education Program (AEP)

Recognizing the role of education in elevating the quality of life, TMPF, in partnership with TMP's Customer Service Operations (CSO), launched the Automotive Education Program (AEP) in 1990. The AEP helps to further expand the Toyota Technical Education Program (T-TEP), a global program of Toyota Motor Corporation (TMC) in Japan which provides its partner institutions with automotive training packages. The purpose of the AEP is to provide opportunities for scholars to learn automotive technical education through its 20 partner schools. Upon completion of the course, graduated scholars may work at Toyota dealerships nationwide. Thirty four (34) scholars graduated from the program in 2021.

Aside from providing educational and employment opportunities, TMPF also donates automotive equipment to schools to promote knowledge and technical know-how.



*Donation to  
Don Bosco College, Inc.*



*Donation to Justice Cecilia Munoz Palma  
Senior High School*



*Donation to Sinalhan Integrated High School*



## Adopt-a-School Program

The Department of Education (DepEd) launched the Adopt-a-School Program as a call to the private sector to support education. Since 2004, TMPF has been providing assistance to its adopted school, Pulong Sta. Cruz Elementary School (PSCES), through activities and programs focused on the students' and teachers' health, learning, infrastructure maintenance and safety. In preparation for SY 2021-2022, 550 learning module sets were provided to Grade 1 students, and 100 learning module sets to Kindergarten students. In addition, sanitation materials such as alcohol, disinfectants and germicidal soap were also donated as part of the Brigada Eskwela by the Department of Education (DepEd).



Turnover of sponsored learning modules for PSCES students



Donation of sanitation materials

## Supporting Health and Wellness

TMPF continues to monitor the health and welfare of PSCES faculty and staff through the Annual Physical Examination (APE). A total of 108 PSCES faculty and staff were served.

Sponsored APE Services
Complete Blood Count (CBC)
Urinalysis
Fasting Blood Sugar
Uric Acid Test
Visual Acuity
Electrocardiogram (ECG)



A PSCES faculty member undergoes blood extraction

## Refurbishing School Facilities

To assist PSCES in keeping its facilities conducive for learning, TMPF donated painting materials before the start of SY 2021-2022 as part of the annual Brigada Eskwela by the DepEd.



Turnover of painting materials

## ENVIRONMENT

### Development of Puerto Galera Biodiversity and Environmental Research and Outreach Center

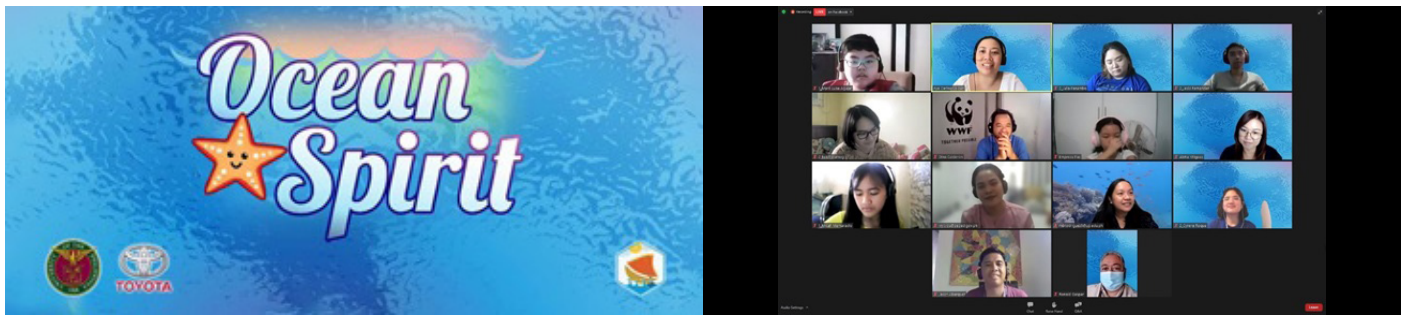
TMPF donated Php100,000 to the University of the Philippines Marine Science Institute (UPMSI) as part of its Php2.9 Million commitment for the construction of the Educational Exhibit Training Center at UP Puerto Galera Biodiversity and Environmental Research and Outreach Center in Oriental Mindoro. TMPF signed the Memorandum of Understanding (MOU) with UPMSI in 2020.



Turnover of donation to UPMSI



As part of the Toyota – UP Marine Science Institute (UPMSI) Biodiversity Project, the Ocean Spirit Game was launched on December 2, 2021. The Ocean Spirit Game is a personality quiz and screen share game about the different marine species of the Philippines. The game aims to highlight and promote the rich marine biodiversity in the country and the need for biodiversity conservation in a fun and entertaining way.



Virtual launch of Ocean Spirit Game

## COMMUNITY SERVICE

### COVID-19 Community Relief

TMPF provided humanitarian assistance to its nearby communities through the provision of rice and groceries during the Modified Enhanced Community Quarantine (MECQ) in 2021.



Donation to  
Brgy. Pulong Sta. Cruz



Donation to Pulong Sta. Cruz  
Elementary School (PSCES)



Donation to the Philippine  
National Police Santa Rosa  
Sub-station



Donation to the Toyota-City of  
Santa Rosa – Gawad Kalinga  
Village

### CSR Recognition & Accolades



#### From the Department of Education (DepEd)

TMPF received a Plaque of Appreciation from the DepEd during the Virtual Partners' Appreciation program via Facebook Live. The award was given to TMPF for its continued support to basic education especially the implementation of the Basic Learning Continuity Plan (BE-LCP).



#### From the League of Corporate Foundations

The League of Corporate Foundations (LCF) is a network of operating and grant-making corporate foundations and corporations that promotes and enhances the strategic practice of Corporate Social Responsibility (CSR) among its members. In a virtual ceremony, the LCF awarded a plaque of appreciation to TMPF for its 25 years of committed service and notable contribution to the practice and advancement of Corporate Social Responsibility (CSR) in the country.



# TOYOTA MOTOR PHILIPPINES SCHOOL OF TECHNOLOGY (TMP TECH)

TMP Tech is a technical-vocational training institution geared towards developing Filipino youth to become highly-competent Toyota automotive professionals. It was founded by TMP Founding Chairman George S.K. Ty and Toyota Motor Corporation Honorary Chairman Shoichiro Toyoda.

Since it started in 2013, TMP Tech has been a premiere automotive school for students who aim to join the local and global Toyota Network, especially in the field of after-sales service.

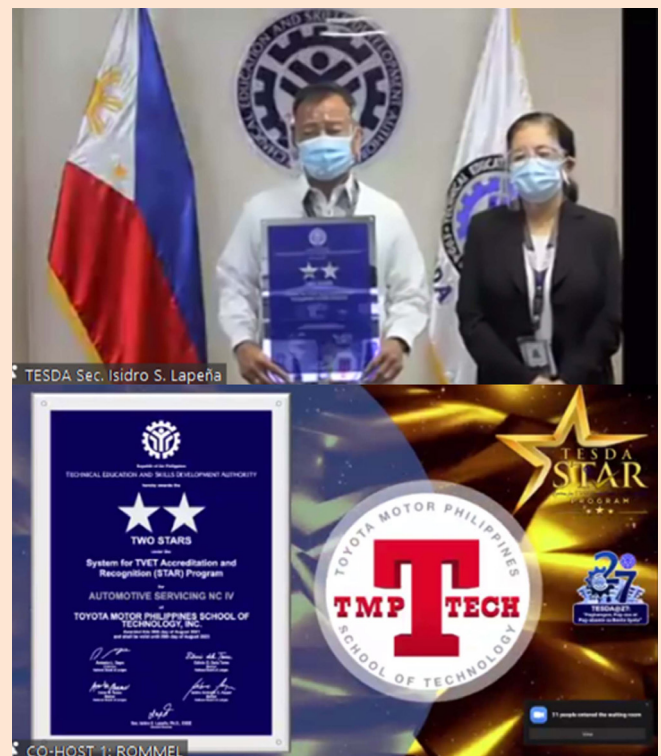


## Center of Technical Proficiency

TMP Tech received “Two Stars Award” from the Technical Education and Skills Development Authority (TESDA) for quality standards and course implementation of Automotive Servicing National Certification (NC) Level IV. The conferment was held during the 4th National Quality TVET Forum, wherein TMP Tech stood out as the sole recipient of the award among 338 TESDA-accredited automotive Technical-Vocational Institutions (TVIs) nationwide.

The Two Stars Award is the second highest distinction under the TESDA's System for TVET Accreditation and Recognition or STAR Program that aims to promote and uphold excellence among TVIs. While there was no recipient of Three Stars Award in 2021, five among TVIs in the Philippines have been conferred with the Two Stars Award. TMP Tech being the only awardee among TVIs with automotive course, affirms its standing as a “Center of Technical Proficiency” on the national level, made evident by its development and implementation of sound processes and procedures to establish a Quality Assurance System in NC training and assessment.

Despite the challenges brought by the COVID-19 pandemic, TMP Tech finds ways to continuously enhance its curriculum through collaboration with partners and adaptation of blended learning modality. With its recent partnership with Colombo Plan Staff College, an international governmental organization, TMP Tech instructors have been engaging in online training on global TVET standards with professionals from various Asian countries. Moreover, through various scholarship partners such as the Toyota Dealer Association and GT Foundation, Inc., the school has boosted its scholarship programs on top of its flexible tuition payment schemes for students facing economic difficulties.



*TESDA Secretary Isidro S. Lapeña presenting the plaque of “Two Stars Award” to TMP Tech*

**1,402 Graduates**  
since 2013

**731 Scholars** since 2013  
(96 scholarship recipients in 2021)



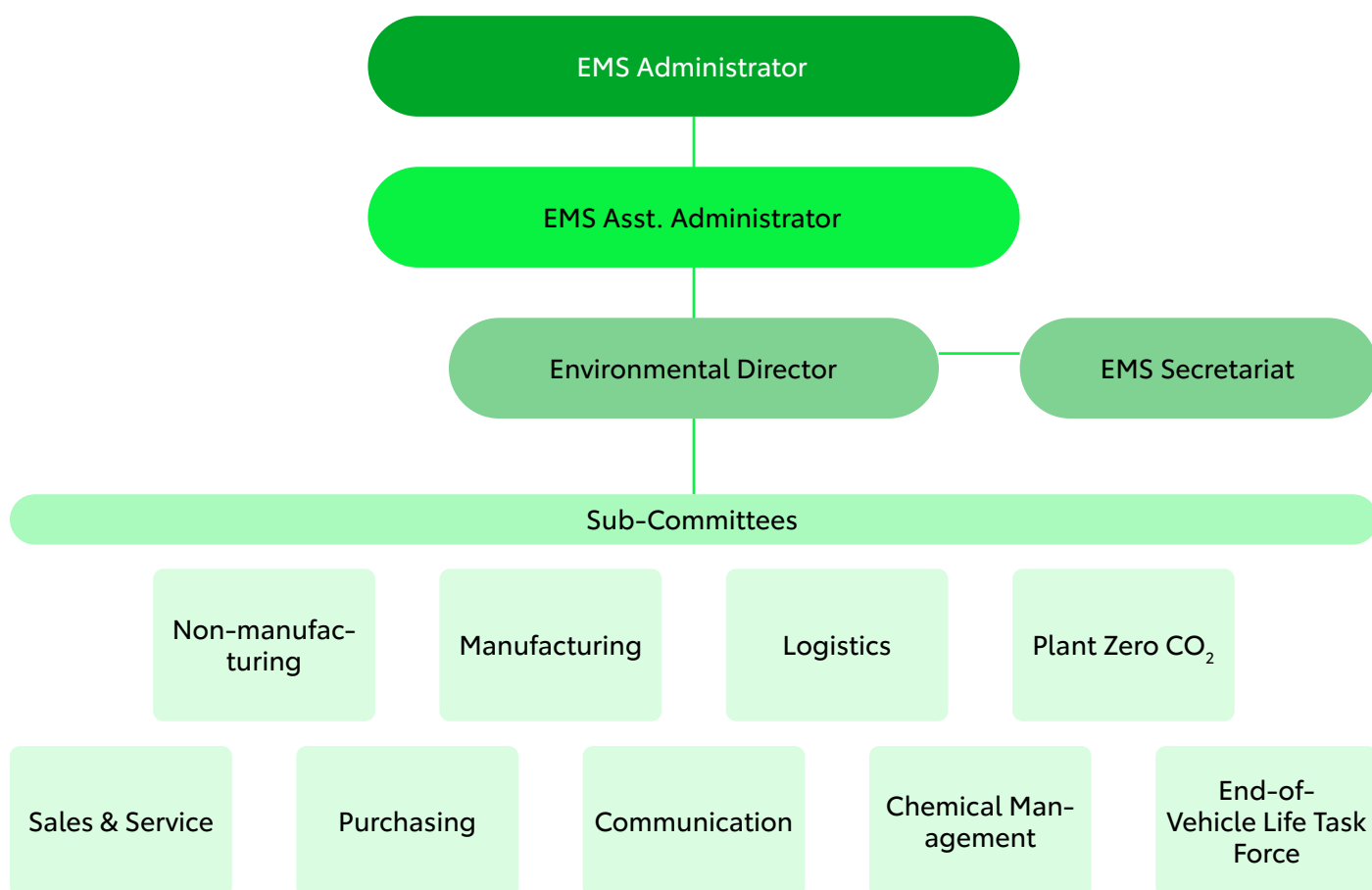
# ENVIRONMENTAL PERFORMANCE

## TMP'S ENVIRONMENTAL MANAGEMENT SYSTEM

TMP remains focused in accomplishing its commitments under the Toyota Environmental Challenge (TEC) 2050. Aside from this global direction, TMP is also involved in planning, implementing and monitoring environmental activities through its Environmental Management System (EMS).




In accordance with ISO 14001:2015, TMP's EMS was established to contribute to the protection of the environment and towards the continual improvement of the company's environmental performance. TMP's Environment Organization ensures that all facets of its operations continue to improve environmental initiatives that make the company more sustainable in the years to come.

### Company-wide Environment Organization



### Compliance with Government Regulations and Global Toyota Standards

TMP secures all regulatory requirements necessary to continue its operations. TMP has existing permits and licenses:

Certifying Organization		Permit/License
	Department of Environment and Natural Resources (DENR)	<ul style="list-style-type: none"> <li>• Permit to Operate</li> <li>• Environmental Compliance Certificate – Expansion</li> <li>• Permit to Transport</li> <li>• Treatment Storage Disposal Permit</li> </ul>
	Laguna Lake Development Authority (LLDA)	<ul style="list-style-type: none"> <li>• LLDA Clearance – Expansion</li> <li>• Discharge Permit</li> </ul>
	National Water Resources Board	<ul style="list-style-type: none"> <li>• Water Rights Permit</li> </ul>



# TOYOTA ENVIRONMENTAL CHALLENGE 2050

With the continuous burning of fossil fuels to power different industries, the presence of greenhouse gases—specifically carbon dioxide (CO<sub>2</sub>), in the atmosphere continue to rise. As an effect, global temperature also increases which could lead to catastrophic environmental disasters in the future. This emergency prompts an immediate response from different organizations to prevent these from happening and possibly reverse the effects of Global Warming for a more livable future.

Toyota is aware of its environmental impact, and has been continuously promoting a wide range of

initiatives to address increasingly severe global environmental issues, such as extreme weather, biodiversity depletion, and water shortages.

Through the Toyota Environmental Challenge (TEC) 2050, Toyota aims to go beyond zero environmental impact and achieve a net positive impact in the communities it serve. Toyota affiliates around the globe step up and work together with like-minded organizations to achieve the six (6) environmental goals and ultimately build a more sustainable future for the next generations.



In June 2021, Toyota Global made an announcement that it will make all its manufacturing plants carbon neutral by 2035, pulling forward its goal by 15 years from the TEC 2050. Part of this is a plan to introduce new technologies for painting, coating and casting, which will cut down or even eliminate CO<sub>2</sub> emissions of these processes. Toyota also will utilize RE from both onsite and offsite power sources.



I believe that achieving **carbon neutrality** means realizing a world in which all people living on this planet continue to live happily.

We want to help realize such a world. This has been and will continue to be Toyota's wish and our mission as a global company.

For that challenge, we need to reduce CO<sub>2</sub> emissions as much as possible, as soon as possible."

– AKIO TOYODA, TMC President





## NEW VEHICLE ZERO CO<sub>2</sub> EMISSIONS CHALLENGE


### HEV Technology Promotion

As an alternative to traditional motor vehicles, Toyota offers Hybrid Electric Vehicles (HEVs) to its customers, which emit lower CO<sub>2</sub> to the environment. The HEV technology was first introduced by Toyota in 1997, with the global launch of the Prius.

TMP continues to increase the public's awareness about the Toyota HEV Technology, its superior functionality over pure electric, and its practicality especially in a developing country's environment setting.

Today, TMP has the most expansive HEV product line-up with available five Toyota models and five Lexus models.

### Toyota & Lexus HEV Model Introduction Timeline

<b>2009</b>	Toyota Prius
<b>2012</b>	Toyota Prius c*
<b>2014</b>	Lexus NXh Executive Lexus NXh Premier
<b>2019</b>	Toyota Corolla Altis Lexus LSh Lexus RXh
<b>2020</b>	Toyota Corolla Cross Lexus ISh Executive Lexus ISh Premier
<b>2021</b>	 Toyota Camry Lexus ESh Lexus NXh

\*unavailable/discontinued offering

### 'Free Use of Prius'

As part of its internal activities during the Toyota Environment Month in June 2021, TMP launched the 'Free Use of Prius' program to increase Team Members' awareness about HEV Technology and its environmental advantages. Each participant had a chance to ride and drive the Prius and Prius c for an entire week. At the end of this program, 31 Team Members were able to take the vehicles to 5 different regions of the country.



A Team Member took the Prius c to as far as Aurora Province.



## LIFE CYCLE ZERO CO<sub>2</sub> EMISSIONS CHALLENGE

With the huge support and strong involvement of its stakeholders, such as logistics service providers, suppliers, and dealers, TMP is able to continuously reduce its CO<sub>2</sub> emissions throughout the entire life cycle of every Toyota vehicle.

### Indirect Emissions that occurred in TMP's Value Chain in 2021:

**163,962 tonne CO<sub>2</sub>**

<b>8,194</b>	<b>141,876</b>	<b>13,892</b>
Logistics Operations Emissions	Supplier Network Emissions	Dealer Network Emissions

### Logistics Management Optimization

TMP implements several *kaizen* or process improvement activities to optimize its logistics operations – from the transportation of raw materials and parts to the transportation of vehicles to the dealerships.

A major milestone in TMP's logistics operations is the construction of Batangas Vehicle Center (BVC) which started operating in July 2021. One of the objectives of this *kaizen* is to reduce the travel distance in transporting the Completely Built-up Units (CBU) or imported vehicles from and to the Port of Batangas. While fresh and quality vehicles are assured, TMP is also able to lessen the carbon footprint in delivering them to Toyota customers.

In 2021, the total CO<sub>2</sub> emissions in TMP's logistics operations is 8,194 tons.

### Logistics Kaizen Activities

Vehicle Transport Operation (Car Carrier)	<ul style="list-style-type: none"> <li>Reduction of CBU car carrier's travel from 71.3 kilometers to 5.6 kilometers</li> </ul>
Service Parts Delivery	<ul style="list-style-type: none"> <li>Delivery route consolidation for parts bound for Metro Manila and provincial dealers</li> </ul>
Parts Exports and Imports (Freight)	<ul style="list-style-type: none"> <li>Part-by-part Innova expansion from 49 to 720 part numbers</li> <li>Increase in reuse of parts container from 20% to 50%-60%</li> <li>Increase in container efficiency</li> <li>Increased utilization at the Port of Batangas</li> <li>Reduction of module containers by combining similar items</li> </ul>

## Greening the Supply Chain

As part of greening the supply chain, TMP requires its suppliers to obtain and maintain ISO 14001 certification. As of end-2021, 63 out of 67 TMP suppliers are already ISO-certified.

Under the Green Purchasing Guidelines, TMP also encourages the implementation of initiatives that help reduce CO<sub>2</sub> emissions, water consumption, solid waste, and the use of Substance of Concerns (SOCs). Moreover, TMP suppliers are fostered to become environmental stewards through their active participation in environmental activities that promote biodiversity such as tree-planting and coastal clean-up activities.

As electricity consumption is considered as the top contributor of CO<sub>2</sub> emission in the supply chain, TMP encourages its suppliers to engage in pooled procurement of Renewable Energy (RE) through the Department of Energy's (DOE) Green Energy Option Program (GEOP).

As of end-2021, eight (8) TMP suppliers were already utilizing Renewable Energy (RE) for their electricity requirements. With this transition and other energy-saving activities, TMP supplier network's total CO<sub>2</sub> emissions in 2021 amounted to 141,876 tons.

### TMP Suppliers Using 100% RE



Denso Philippines Corporation



Denso Ten Philippines Corporation



Hino Motors Philippines Corporation

## Dealer Network's Green Initiatives

TMP continues to monitor the environmental compliance of its dealer network with all Toyota and government regulations through the ECO Dealership Program.

Apart from compliance with Toyota's standards, the dealers are also encouraged to attain ISO 14001 certification. As of end-2021, 71 dealers are already ISO-certified.

The dealer network also contributes to the achievement of TEC 2050 through the implementation of numerous sustainable initiatives. Among these are the use of energy-saving equipment such as LED for lightings and inverter-type air conditioning units, as well as installation of solar energy facilities. Same as the TMP suppliers, the dealers are encouraged by TMP to participate in the DOE's GEOP for further reduction of CO<sub>2</sub> emissions.

In 2021, the Toyota Dealer Network contributed to 10% of the indirect CO<sub>2</sub> emissions of TMP's value chain.

### Newly ISO 14001-certified Dealers



Toyota Albay  
Certified on November 4, 2021



Toyota Taytay Rizal  
Certified on November 15, 2021

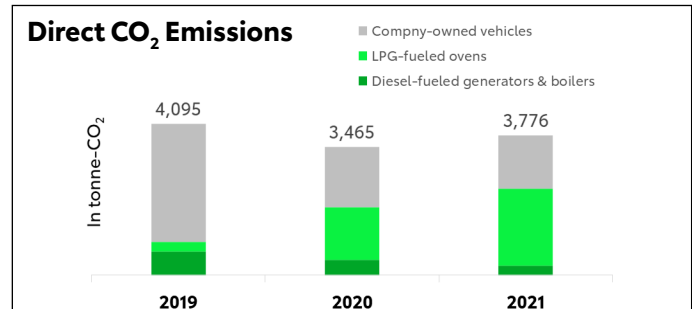


Toyota Cebu City  
Certified on November 26, 2021

TMP takes serious steps in reducing the carbon footprint of its manufacturing plant, which produces two of the country's bestselling models.

TMP's direct CO<sub>2</sub> emissions are constantly monitored at various controllable sources such as the manufacturing plant – diesel-fueled generators and boilers, and LPG-fueled ovens at the painting shop – as well as company-owned vehicles. Reduction challenge and targets are set progressively. To ultimately achieve zero CO<sub>2</sub> emissions, TMP optimizes every manufacturing process possible, may it be through the use of simple machines or alternative energy resource. If deemed necessary after a thorough study, investment in new technology or facility is made.

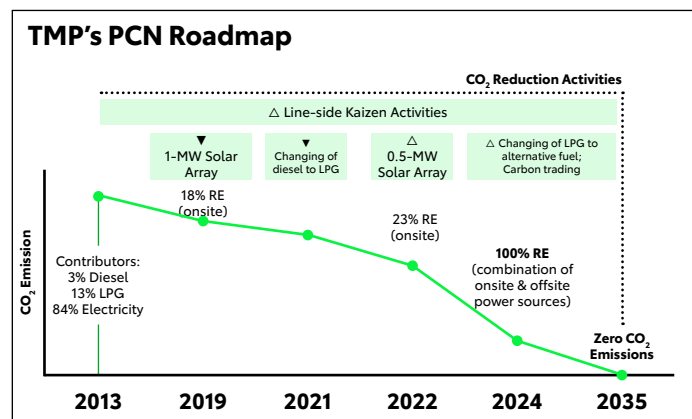
In 2021, while TMP's production volume was still 10% below than the 2019 (pre-pandemic) level, TMP's direct CO<sub>2</sub> emissions were further lowered by 35% versus 2019.



## TMP'S PLANT CARBON NEUTRALITY (PCN)

In June 2021, Toyota Global made an announcement that it will make all its manufacturing plants carbon neutral by 2035, pulling forward its goal by 15 years from the TEC 2050. Part of this is a plan to introduce new technologies for painting, coating and casting, which will cut down or even eliminate CO<sub>2</sub> emissions of these processes. Toyota will also utilize RE from both onsite and offsite power sources.

TMP's thrust in decarbonizing its manufacturing plant is also two-faceted. Following Toyota's global direction, TMP devised its roadmap to elevate its RE usage and continuously find energy efficiency solutions for production operations. Ultimately, TMP is also on its way to Plant Carbon Neutrality by 2035.



## Use of Renewable Energy

Since it started utilizing its 1-megawatt (MW) Solar Array in 2018, TMP has been able to offset 4-6% of its electricity requirement. In 2021 alone, TMP harvested 1.2 Million kWh worth of solar energy. This contributed to a total of 624 tonne CO<sub>2</sub> reduction in 2021.

TMP also started exploring offsite power sources to decarbonize the rest of its electricity requirement.

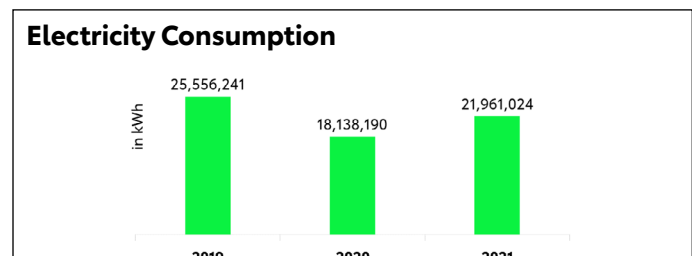


1-MW Solar Array on the roof of TMP's manufacturing plant

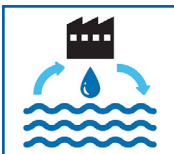
## Thorough Energy Saving

A major thrust in achieving energy-efficient manufacturing operations is 'line-side kaizen' or locally initiated improvement. In 2021, TMP significantly reduced its direct emissions through shifting of production boilers' fuel source from diesel to LPG.

While electricity saving has its cost benefits, TMP aims to drive bigger results in terms of CO<sub>2</sub> reduction. Albeit a 21% increase in electricity consumption in 2021 due to higher production volume, TMP still recorded a 14% decrease from the 2019 level.





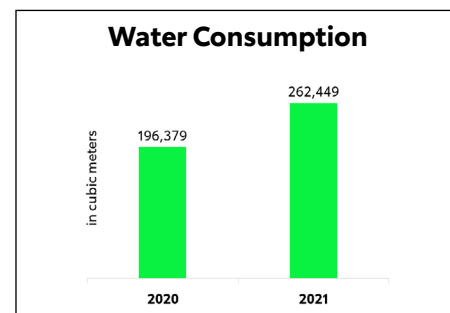


## CHALLENGE OF MINIMIZING AND OPTIMIZING WATER USAGE

TMP's overall water consumption in 2021 increased by 34% from 2020. This was led by higher production volume and gradual return to normal operations.

Through the use of Waste Water Treatment Plant, TMP can ensure that the water released back to the Laguna Lake is contaminant-free and compliant with all regulations pertaining to the following parameters: Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), pH level, Oil and Grease and Heavy Metals.

TMP continues to source from Santa Rosa City's underground water for its manufacturing operations. This water source, however, may become scarce by 2025, based on the study conducted by the World Wide Fund (WWF) for Nature. To mitigate the forecasted scenario, TMP started using alternatives such as rainwater and recycled water.



### Rainwater Harvesting Project

TMP installed its first Hybrid Rainwater Collector Tank in 2019. It can store up to three (3) cubic meters of rainwater which is used for car washing of motorpool vehicles.

In 2021, TMP added a second tank with a capacity of 18 cubic meters ( $m^3$ ). With this, rainwater is also collected from the roof and stored, which will then be utilized as supply in reverse osmosis (RO) water generation to be used for the plant's painting operations. From this tank, a total of 248  $m^3$  was collected and reused.



18- $m^3$  Hybrid Rainwater Collector Tank

### Water Recycling

Through the Wastewater Treatment Plant (WWTP), TMP's processed water is treated and recycled for refill of water in the man-made lagoon, replenishment of sludge pool at the painting maintenance shop, and watering of plants at the TMP Nursery & Toyota Forest.



The man-made lagoon was built to promote biodiversity for the nearby Toyota Forest.

To reduce the consumption of raw water, TMP extended the use of treated water to watering of plants and trees inside the company's premises through the fabrication of a Mobile Water Tanker.



The Mobile Water Tanker being used inside the company's premises





## CHALLENGE OF ESTABLISHING A RECYCLING-BASED SOCIETY AND SYSTEMS

As the demand for Toyota vehicles remains high in the country, managing air emissions and reducing wastes remain a challenge in automotive manufacturing. Nevertheless, TMP looks for better ways to implement a more sustainable waste management system in the company.

### AIR QUALITY

In its production operations, TMP uses boilers and ovens. There are also several units of diesel generator sets that serve as backup units in case of power interruption or failure. These equipment are subjected to regular emission sources sampling (at all stack sources and ambient sites) to ensure compliance to the Republic Act 8749 or Philippine Clean Air Act.

To date, there has been no recorded violation at any sampling sources within TMP.

#### 2021 Air Emission Test Results

Government Standard	Total Suspended Particles	Particulate Matter	Nitrogen Dioxide	Sulfur Dioxide	Carbon Monoxide
	<300 mg/Nm <sup>3</sup>	<150 mg/Nm <sup>3</sup>	<1,500 mg/Nm <sup>3</sup>	<1,500 mg/ Nm <sup>3</sup>	<500 mg/nm <sup>3</sup>

TMP remains committed in following all air emission parameters and keeping all equipment and facilities within the limits set by the DENR. On a quarterly basis, TMP reports its air emission sampling data through a 'Self Monitoring Report' submitted to DENR - Environmental Management Bureau (DENR-EMB).

Equipment		Legend: ✓ = Passed				
Stationary	Boiler 1	✓	✓	✓	✓	✓
	Boiler 2	✓	✓	✓	✓	✓
	Gen Set 1-6	✓	✓	✓	✓	✓
	Oven 1-3	✓	✓	✓	✓	✓
Ambient	CBU Yard 5	✓	✓	✓	✓	✓
	Storage Area	✓	✓	✓	✓	✓
	Motorpool	✓	✓	✓	✓	✓
	Main Gate	✓	✓	✓	✓	✓

### WASTE MANAGEMENT

TMP also maintains its environmental compliance through proper management of waste streams. This is applied in both manufacturing and non-manufacturing processes.

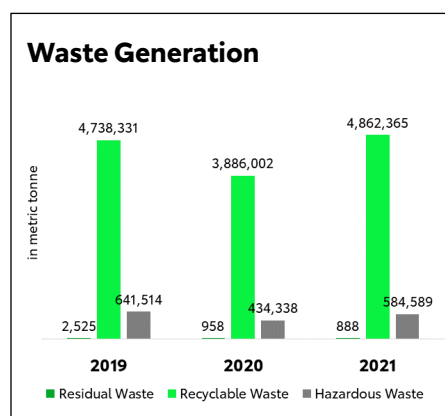
TMP generates Residual, Recyclable, and Hazardous Wastes. All of these must be handled accordingly as mandated by the Republic Act 9003 (Ecological Solid Waste Management Act) and Republic Act 6969 (Toxic Substance and Hazardous and Nuclear Waste Control Act).

In 2021, a total of 888 metric tons of Residual Wastes was generated, a 7% decrease from 2020 and a 64% decrease from 2019 (pre-pandemic).

TMP's Recyclable Wastes are also managed properly. With its scrap value, this type of waste is sold externally and only transported by a DENR-accredited hauler. In 2021, around 4.8 million metric tons were accumulated, a 25% increase from 2020.

TMP's Hazardous Wastes are properly hauled, treated, stored and disposed to a sanitary landfill. In 2021, a total of 584,589 metric tons was generated. This was a 35% increase from 2020 due to higher production volume, and a 9% decrease from 2019 (pre-pandemic).

For waste generated by Team Members, TMP promotes proper segregation (using color-coded trash bins) and 'Zero Single-use Plastics.'



2021 TMP Environment Slogan focusing on the reduction of single-use plastics in the workplace



## CHALLENGE OF ESTABLISHING A FUTURE SOCIETY IN HARMONY WITH NATURE

TMP continues to promote the importance of biodiversity by participating and conducting nationwide tree-planting and coastal clean-up activities.

Together with volunteers from TMP, Community Environment and Natural Resources (CENRO) – Calaca, Municipal Environment and Natural Resources (MENRO) – Lian, local government unit (LGU) of Lian and Lian Fisherfolk Association, Inc., TMP amplified its environmental conservation efforts in 2021 by planting 20,000 mangrove propagules inside the 10-hectare National Greening Program plantation in Lian, Batangas.

In a separate activity, 5,000 trees were planted inside TMP's 40-hectare adopted tree-planting area in Marogondon, Cavite, in partnership with the DENR – Provincial Environment and Natural Resources Office (PENRO) Cavite.

Furthermore, 500 trees were planted within the newly inaugurated Batangas Vehicle Center (BVC). Through all these biodiversity promotion efforts, a total of 25,500 trees were planted in 2021.

**25,500  
trees planted  
in 2021**

comprised of mangroves  
and fruit bearing trees



Aside from mangrove-planting, TMP volunteers also collected garbages on the shoreline of Lian, Batangas.



(Left) TMP president Atsuhiro Okamoto spearheaded the mangrove-planting.



Planting of fruit bearing trees at the BVC in Batangas City



Tree-planting at TMP's adopted area in Marogondon, Cavite

Toxic materials dumped into the seas and rivers harm all forms of aquatic life. With the goal of realizing "Plant in Harmony with Nature," TMP spreads awareness among its Team Members about the negative impacts of single-use plastics to the environment.

In 2021, TMP started its company-wide ban of selling and issuance of single-use plastics such as foam, plastic bags, straws and paper cups. This was also in compliance with the 'Zero Single-use Plastics' 2030 Target that Toyota set for the Asia Pacific Region.

### Single-use Plastics



### Eco-friendly Alternatives



TMP Team Members are encouraged to use more environment-friendly materials such as metal or wooden straws, reusable food containers and paper bags or eco bags.

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For questions regarding this report, please send an email to  
**[tmp.sustainability@toyota.com.ph](mailto:tmp.sustainability@toyota.com.ph)** or  
contact TMP's Corporate Affairs Group at **+63 2 8825 8888 local 8206**.







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