



Sustainability Report **2023**



TOYOTA MOTOR PHILIPPINES CORPORATION

In 2022, Toyota Motor Philippines Corporation (TMP) made a bold move by publicly announcing its Plant Carbon Neutrality target set for 2035, a major step for the company towards contributing to the ultimate goal of Net Zero by 2050. This initiative is part of Toyota's global commitment to a sustainable planet, focusing on achieving Carbon Neutrality on a larger scale.

Together with other Toyota affiliates worldwide, TMP will employ multiple pathways to vehicle electrification and decarbonization strategies, ensuring a sustainable future for all its stakeholders. This approach covers the entire vehicle life cycle, leaving no one behind on the journey towards a cleaner, greener planet.

“For TMP...Plant Carbon Neutrality by 2035 is possible. We have 13 years left before our deadline, and we are working continuously to achieve 100% RE [Ratio]...”

TMP President Atsuhiko Okamoto said at the inauguration of the expanded TMP Solar Array, during the Toyota Global Environment Month celebration in June 2022.

TMP Sustainability Report

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Toyota Motor Philippines School of Technology, Inc.

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Sustainability Report Overview

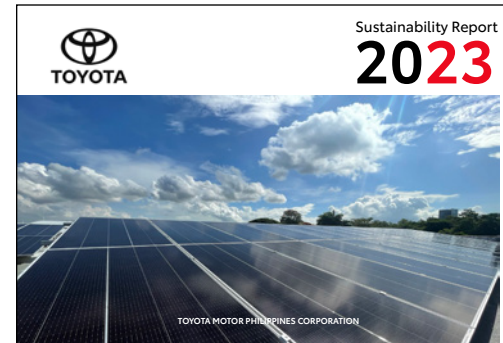
About the Report

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

The contents of the report are divided into four main sections, covering sustainability management approaches and topic-specific disclosures.

1. Promoting Sustainability;
2. Environmental Performance;
3. Economic Performance; and–
4. Social Performance.

In the beginning of the report, an overview of TMP's business in the country, including its latest product line-up, services, as well as dealer and supplier networks, is provided.



Editorial Policy

The Sustainability Report explains TMP's sustainability approach and policies for ESG initiatives along with practical cases and numerical data, as a medium for specialists and those who are particularly interested in sustainability issues.

Since 2016, the Sustainability Report, which had conventionally been released annually. Updated versions are released whenever necessary so that the information can be disclosed in a timely manner.

Period Covered

Focusing mainly on the results of initiatives implemented during the previous fiscal year, the contents are updated as necessary throughout the year.

Scope of Report

This report introduces the initiatives and activities of TMP, some of its wholly-owned subsidiaries, local dealers and suppliers in the Philippines. The scope of data covered is described in each section.

For some company information on products, services, supplier network, dealer network and major milestones, the status updates as of July 2023.

Publication

This report was published by TMP in July 2023. Including previous years' publications, this report is available in digital version on TMP's website (www.toyota.com.ph/sustainability).

 toyota.com.ph/sustainability

Reporting Standards and Framework

This report follows the standards set by the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and United Nations Sustainable Development Goals (UN SDGs). The report also has references to the International Integrated Reporting <IR> Framework, covering topics and non-financial disclosures that are important to TMP and its stakeholders. Each section of the report references the relevant framework code.

External Assurance

TMP's environmental, social, and economic data reported herein are submitted and validated in the annual integrated report of GT Capital Holdings, Inc. (GTCAP), TMP's local parent company.

For the latest [GTCAP 2022 Integrated Report](#), GTCAP engaged an external assurance service provider to validate the company's non-financial data for sustainability reporting. The process involved desk reviews, interviews, sample-based data checks and site visits at GTCAP and its material operating companies' headquarters including TMP. The assessment of TMP's environmental, social, and economic data was conducted between January and April 2023.

DISCLAIMER. This report includes not only past and current facts pertaining to TMP and other companies within the scope of coverage of the report, but also plans and targets at the time of its publication as well as forecasts based on management policies and strategies. These targets are assumptions or determinations based on information available at the time they are stated, and the actual results of future business activities and events may differ from the forecasts due to changes in various conditions. In cases where information provided in prior reports is corrected or restated and in cases where material changes occur, the details thereof will be indicated in this report. The readers' understanding about this point would be appreciated.

GRI 102-50-51

About the Report

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Overview of Toyota Motor Philippines Corporation



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About the Report

Editorial Policy

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Company Name	Toyota Motor Philippines Corporation
President and Representative Director	Atsuhiko Okamoto
Company Address	Toyota Special Economic Zone, Santa Rosa-Tagaytay Highway, Barangay Pulong Sta. Cruz Santa Rosa City, Laguna 4026, Philippines
Founded	August 3, 1988
Main Business Activities	Automotive and parts manufacturing, distribution and sales
No. of Employees (as of end-Dec. 2022)	Total Workforce: 3,742 Permanent Employees: 1,846

Board of Directors

1. Mr. Alfred V. Ty (Chairman)
2. Mr. David T. Go (Vice Chairman)
3. Mr. Atsuhiko Okamoto (President)
4. Mr. Salvador C. Medialdea
5. Mr. Amando M. Tetangco Jr.
6. Mr. Carmelo Maria L. Bautista
7. Mr. Vicente Jose S. Socco
8. Mr. Jose Maria M. Atienza
9. Mr. Yasuhiro Kutsuki
10. Mr. Masando Hashimoto
11. Mr. Toshiyuki Kojima

Corporate Philosophy

For details of Toyota's Global Vision & Philosophy, please see TMC's official website.

global.toyota/en/company/

Company Vision and Mission

For details of TMP Vision and Mission, please see official website.

toyota.com.ph/company-profile

Affiliates and Subsidiaries

Toyota dealers involved in the distribution and servicing of Toyota products:

- Toyota Bicutan Paranaque, (100%)
- Toyota Makati, Inc. (100%)
- Toyota San Fernando Pampanga, Inc. (55%)
*including Toyota Plaridel, Bulacan, Toyota Tarlac City



Lexus Manila, Inc. (75%)

A dealer of Toyota's luxury vehicle division located in Taguig City



Toyota Aisin Philippines, Inc. (5%)

A local manufacturer of manual transmission for TMP and overseas Toyota affiliates



Toyota Financial Service Philippines Corporation

A financing and leasing services provider for Toyota dealers and quasi-bank regulated by the BSP



Toyota Mobility Solutions Philippines, Inc. (100%)

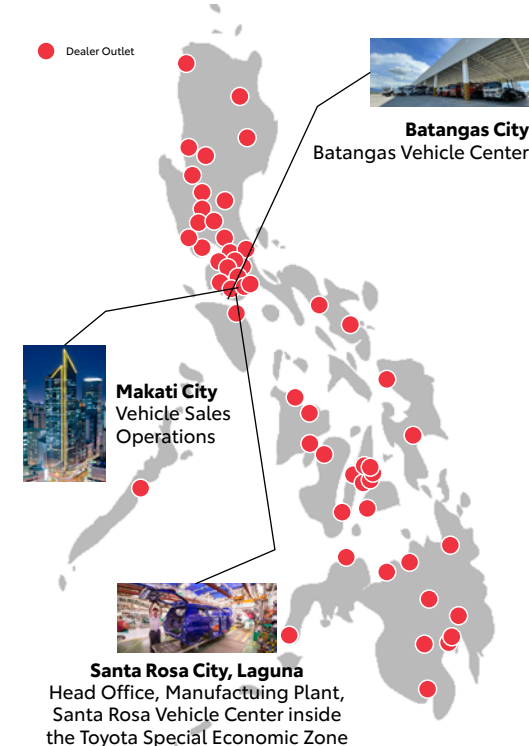
An integrated mobility solutions provider, offering a suite of technology and data-driven systems and applications that can improve efficiency in transportation of people and goods, resulting in optimum resource utilization



Toyota Motor Philippines Logistics, Inc. (100%)

A Philippine Economic Zone Authority or PEZA-registered Ecozone Logistics Service Enterprise (ELSE) providing warehousing and logistics services to cater to the needs of Toyota affiliates

LOCATION OF OPERATIONS



TMP Network Workforce

71,000

(TMP, Dealers, Suppliers)



No. of Vehicles Produced

49,862

(FY 2022)



No. of Vehicles Sold

174,106

(FY 2022)

Local 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.

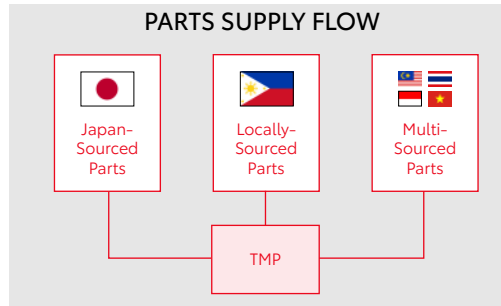
Locally-sourced Parts

Commodity	Parts	Suppliers
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
Conversion Vehicle		2
Total		45

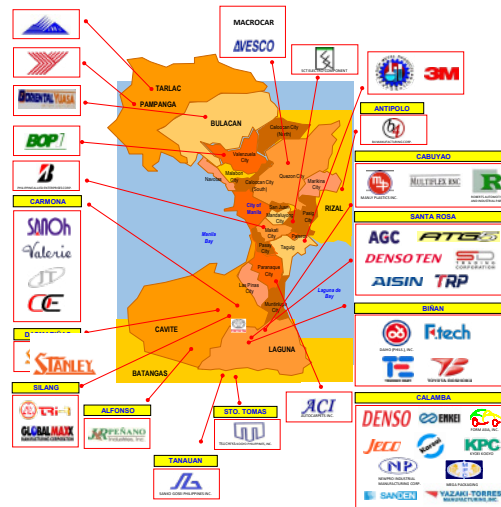
45 Locally-sourced Part Suppliers

377 Indirect Material Suppliers

104 Toyota Suppliers Club Members



LOCALLY-SOURCED PARTS SUPPLIERS LOCATION MAP



Global Supply Chain Network

The Toyota network continues to provide critical support to the local automotive industry and the global parts supply chain. Exports of Original Equipment Manufacturer (OEM) parts produced by 13 Toyota Export Suppliers amounted to USD 1.05 billion in 2022, contributing to 33% of the total Philippine exports of automotive parts and components.

These Toyota Export Suppliers supply OEM parts and accessories to numerous global destinations. The majority of the exportation of OEM parts for the Toyota Global Network is exclusively handled by Toyota Motor Philippines Logistics, Inc., or TLI, a wholly-owned subsidiary and warehousing and logistics services arm of TMP. Currently, TLI exports to over 30 destinations on five continents. Top destinations in 2022 included Thailand, Brazil, South Africa, Taiwan, and Pakistan.

TLI's Toyota Global Network Export Destinations

77%	Asia	31 Export Destinations	Top Countries
7%	South America		1. Thailand
7%	Africa		2. Brazil
3%	Australia		3. South Africa
3%	Europe		4. Taiwan
3%	Zealandia		5. Pakistan

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 Phils. Corp.	Tarlac City, Tarlac	Wiring Harness
12	Sumi Philippines Wiring Systems Corp.	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

Dealer Network

**72 Toyota
Dealer Outlets
Nationwide**

**+1 Lexus
Dealer Outlet**

+5 Service Centers

- Toyota Alabang Service Center
- Toyota Davao City Body & Paint Center
- Toyota Davao City Service 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



Toyota

1. Toyota Abad Santos, Manila
2. Toyota Alabang, Inc.²
3. Toyota Balintawak, Inc.²
4. Toyota Bicutan, Parañaque²
5. Toyota Commonwealth, Inc.
6. Toyota Cubao, Inc.
7. Toyota Fairview, Inc.
8. Toyota Global City, Inc.²
9. Toyota Makati, Inc.²
10. Toyota Manila Bay Corp.²
11. Toyota Marikina Service Station
12. Toyota North EDSA
13. Toyota Otis, Inc.
14. Toyota Pasig²
15. Toyota Pasong Tamo, Inc.²
16. Toyota Quezon Avenue²
17. Toyota Shaw, Inc.
18. Toyota Valenzuela, Inc.

Lexus

1. Lexus Manila, Inc.

Provincial Dealers

Luzon

1. Toyota Albay
2. Toyota Angeles, Pampanga, Inc.
3. Toyota Bacoor, Cavite, Inc.²
4. Toyota Baguio City
5. Toyota Bataan, Inc.²
6. Toyota Batangas City, Inc.²
7. Toyota Calamba, Laguna, Inc.²
8. Toyota Calapan City, Inc.²
9. Toyota Camarines Sur, Inc.
10. Toyota Dagupan City, Inc.²
11. Toyota Dasmariñas-Cavite
12. Toyota Ilocos Norte
13. Toyota Iloilo, Inc.²
14. Toyota Isabela, Inc.
15. Toyota La Union^{1,2}
16. Toyota Lipa, Batangas, Inc.²
17. Toyota Lucena City, Inc.
18. Toyota Marilao, Bulacan, Inc.
19. Toyota Nueva Ecija, Inc.
20. Toyota Plaridel, Bulacan²
21. Toyota Puerto Princesa City, Inc.
22. Toyota San Fernando, Pampanga, Inc.¹
23. Toyota San Jose del Monte, Bulacan
24. Toyota San Pablo, Laguna, Inc.²
25. Toyota Santa Rosa, Laguna, Inc.^{1,2}
26. Toyota Silang, Cavite²
27. Toyota Subic, Inc.
28. Toyota Tarlac City
29. Toyota Taytay, Rizal, Inc.²
30. Toyota Tuguegarao

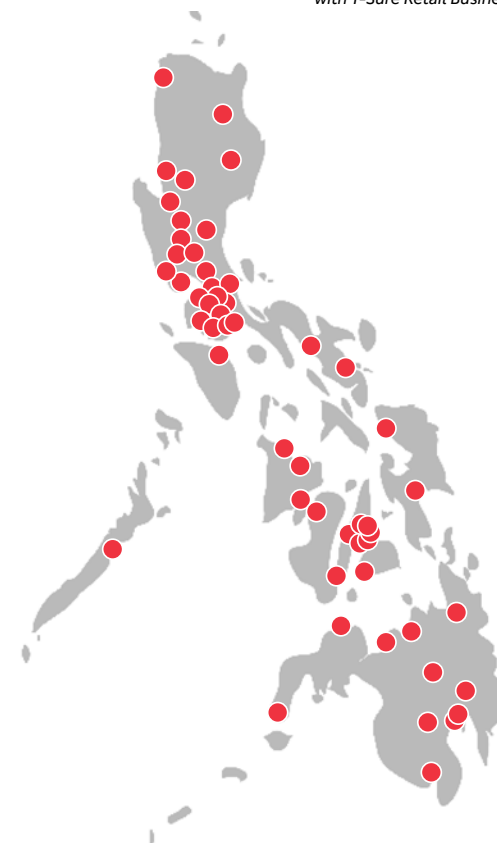
Visayas

1. Toyota Aklan, Inc.
2. Toyota Calbayog, Samar
3. Toyota Cebu City, Inc.²
4. Toyota Dumaguete City
5. Toyota Lapu-Lapu, Cebu²
6. Toyota Mabolo, Cebu, Inc.²
7. Toyota Mandaue North, Cebu²
8. Toyota Mandaue South, Cebu^{1,2}
9. Toyota Negros Occidental
10. Toyota Roxas City
11. Toyota Tacloban, Leyte, Inc.²
12. Toyota Tagbilaran City
13. Toyota Talisay, Cebu²

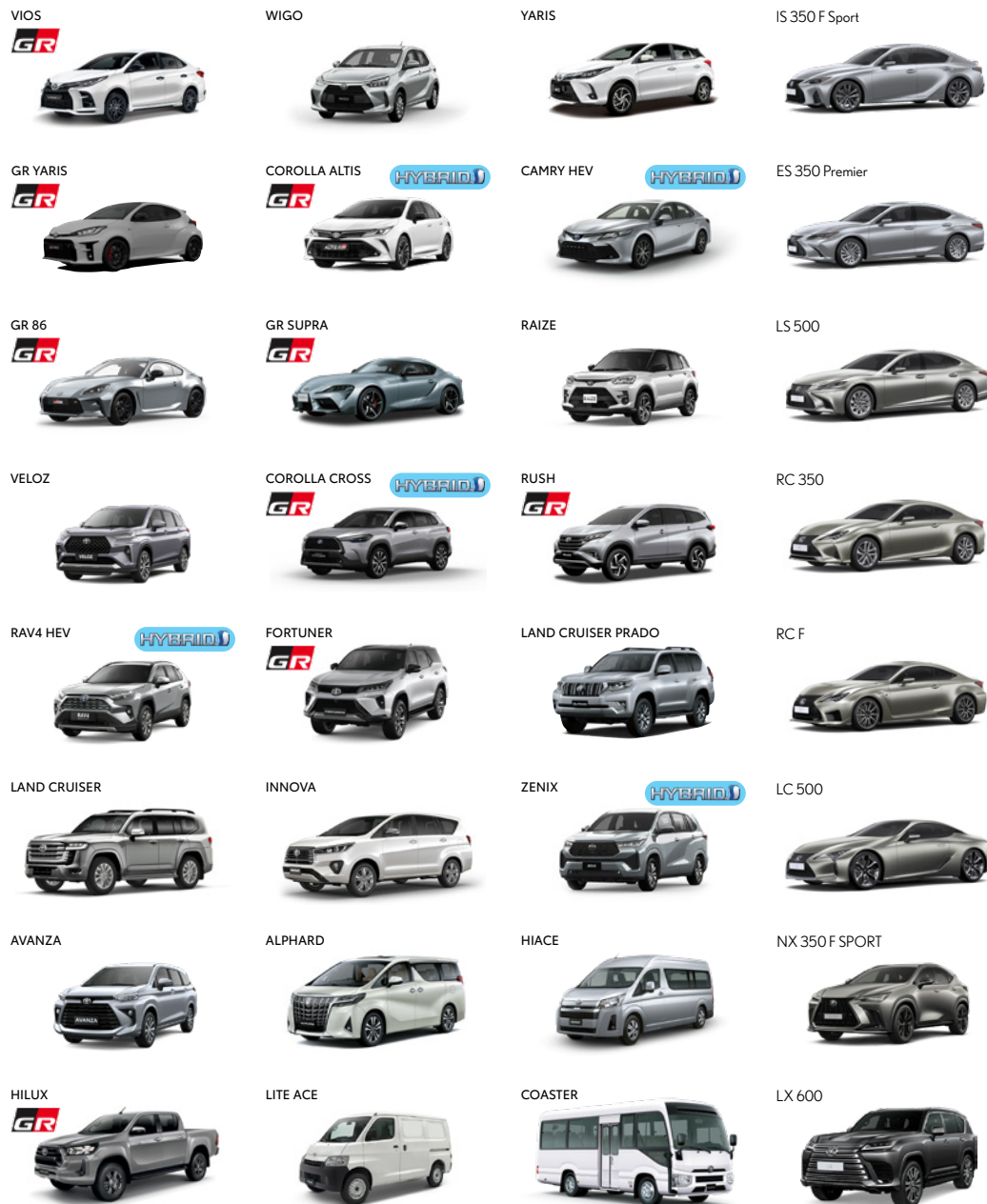
Mindanao

1. Toyota Butuan City
2. Toyota Cagayan De Oro City, Inc.²
3. Toyota Davao City, Inc.¹
4. Toyota Dipolog City
5. Toyota General Santos, Inc.
6. Toyota Iligan City, Inc.
7. Toyota Kidapawan City
8. Toyota Matina, Davao
9. Toyota Tagum City
10. Toyota Valencia City, Inc.
11. Toyota Zamboanga City

¹with Lexus Accredited Service Center
²with T-Sure Retail Business



Toyota Model Line-up



Lexus Model Line-up



Value Chain Offerings (Services)

T-SURE

Previously known as Toyota Certified Used Vehicle (TCUV), T-Sure offers an alternative to consumers who are looking for worry-free car purchase options without compromising quality, value, safety, and excellent service



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



Message from the President

Dear Stakeholders,

I am deeply honored to share the remarkable achievements of TMP in the past year and the exciting things to come as we help create a sustainable future for all of us. I am proud to say that we, at TMP, have risen up to the many challenges in the 'new normal' and achieved outstanding results to realize a full post-pandemic recovery.

TMP has been in the Philippines for over three decades now, achieving recently the milestone of selling 2 million Toyota vehicles in the country. We owe it to our loyal customers the record-breaking 50% market share, which is an incredible feat in our history considering the challenges that we faced in the past years.

Our success can be attributed to our commitment to delivering high-quality vehicles, innovative solutions, and excellent customer service. We have launched exciting new models including the All-new Toyota Raize, Avanza and Veloz designed for varying lifestyles of individuals. The Toyota Lite Ace also returns as an all-new model designed to better serve various purposes of local businesses. These models have been received warmly by our customers, and we are confident that they will prove to be reliable mobility options for many Filipinos.



ATSUHIRO OKAMOTO
TMP President

Of course, we recognize that our success is not solely ours to celebrate. We owe much of our accomplishments to our stakeholders, our partners, and our customers. Your invaluable support helped us deliver on our promises, and we are grateful for the trust you have placed in our brand.

Looking ahead, TMP is committed to promoting environmental sustainability through our Carbon Neutrality drive. Toyota's overall goal is to achieve global carbon neutrality by 2050, as we adopt multiple pathways approach towards this end.

With our commitment to "Leave No One Behind," we will provide a range of electrified vehicles, including the Hybrid Electric Vehicles which we continue to make more accessible for more Filipinos. Our approach allows our customers to select cleaner and greener mobility options that best suit their needs and preferences while contributing towards decarbonization efforts. We believe that the impact of clean technology can be felt only with its wide adoption across global markets, and we aim to serve as a pacesetter for the whole industry in driving sustainable mobility.

Finally, I would like to express my sincere gratitude to you for your unwavering support to TMP. Together, we have achieved so much, and I am confident that we will continue to excel in the years to come.

Thank you and *mabuhay!*

Promoting Sustainability


Fundamental Approach

Aim:

- Contributing to the creation of a prosperous society through our business activities based on the Guiding Principles at Toyota while continuing to uphold the spirit of the Toyoda Principles, which we have inherited since our foundation
- Aiming to be the "best company in town" that is both loved and trusted by local people to achieve the mission of "Producing Happiness for All" under the Toyota Philosophy compiled in 2020
- Contributing to the sustainable development of our society and planet by promoting sustainability under the Toyota Philosophy

Initiative:

- Advancing TMP initiatives based on Toyota's global Sustainability Fundamental Policy and individual policies and guidelines

 [TMC Sustainability Fundamental Policy](#)

Materiality (Key Issues)






Identifying key issues to sustainably enhances our own corporate value while contributing to society in view of the ever-changing social trends, external voices, and increasingly diversified, complicated issues.

Materiality Assessment Process

TMP reviews its ESG performance based on internationally recognized sustainability standards to determine material issues. It also considers its contributions to the objectives of Toyota (as a multinational company) and GTCAP, TMP's parent company. By this, TMP strives to be comprehensive and coordinated.

TMP is geared towards continuously improving its sustainability management in the years to come by conducting desk reviews of industry trends and literatures, incorporating stakeholder inputs through surveys and consultations, and utilizing other relevant performance frameworks.

As indicated in the table below, TMP lists down its material topics for 2022, annotating the new and refreshed items accordingly. Additionally, TMP has reflected the linkage of these key issues with its own priority United Nations Sustainable Development Goals (SDGs) to enhance its efforts towards sustainable development.

Material Topic	TMP's Priority SDG					Discussion/ Page No.
						
Environmental						
Biodiversity					✓	p. 17
Climate Action					✓	pp. 9, 12
CO ₂ Emissions*					✓	pp. 9, 12-18
Energy					✓	pp. 13-15, 18
Environmental Compliance				✓		p. 11
VOC Emissions					✓	pp. 16, 18
Waste				✓		p. 17-18
Water				✓		pp. 16, 18
Social						
Diversity and Equality*			✓			p. 19
Employment	✓		✓			p. 19
Human Rights			✓			p. 20
Labor Relations			✓			p. 20
Local Communities	✓	✓	✓			pp. 24-25
Marketing and Labeling*						p. 23
Non-discrimination			✓			p. 20
Occupational Health and Safety	✓		✓			p. 22
Product Safety and Quality*						p. 23
Training and Education		✓				p. 21
Economic						
Economic Performance			✓			p. 26
Indirect Economic Impact			✓			p. 27

*Improved or newly added topics versus previous year's report (2022 TMP Sustainability Report)

GRI 102-47

Fundamental Approach

Initiative

Materiality

UN SDGs

Strategic Overview



Toyota Global's SDGs

Aim:

- Producing happiness for all individuals in the era of diversification, with a "YOU perspective" that sees the other side of the story

Initiative:

- Promoting initiatives based on the desire of working for the benefit of others, which has been passed on since Toyota's founding



TMC SDGs, Initiatives

TMP's Priority SDGs

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 five priority SDGs, which are reported with recent accomplishments in no particular order.



SDG 3: Good Health

TMP prioritizes the holistic well-being of its Team Members as well as the communities it belongs to. Its importance is highlighted through its sustained and new initiatives on physical and mental welfare of internal and external stakeholders during the COVID-19 pandemic.

98% of vaccinated workforce
101,798 patients served
 under the sponsored medical, dental,
 and surgical operations for various
 communities since 1992

SDG 12: Responsible Consumption and Production

As the whole automotive industry takes an optimistic COVID exit outlook, TMP remains steadfast in ensuring responsible business operations. As vehicle production and sales pick up again, TMP keeps 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 CO₂ emissions by 2035 (previously 2050), TMP follows a clear roadmap of actions on this commitment to the planet. TMP welcomed the challenge of 'Plant Carbon Neutrality,' geared to execute it through expanded use of renewable energy, and process and technological optimization for energy efficiency. The Company even aimed at utilizing 100% renewable energy for its manufacturing operations prior to 2035.

Zero CO₂ emissions 2035 target for TMP Manufacturing plant

SDG 4: Quality Education

As education empowers individuals and enables future employment, TMP has made it a core focus of its social contribution efforts. Through its flagship programs, TMP offers scholarships, improves basic education in its adopted school, and provides world-class tech-voc training for Filipino youth.

1,292 graduate technicians and
926 scholar recipients at TMP School
of Technology since 2013
1,104 graduates through the Toyota
Automotive Education Program

SDG 13: Climate Action

Continuous burning of fossil fuels releases greenhouse gases, particularly CO₂, causing the global warming and the potential for environmental disasters. Organizations are urged to prevent and reverse the effects.

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, including TMP, 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 to come.

SDG 8: Decent Work and Economic Growth

TMP is a staunch supporter of the local automotive manufacturing industry which has great multiplier effect to the economy. TMP's business alone impacts the employment of thousands individuals across the country. With value-creating investments, the industry is boosted with capabilities that will stay for the long-term.

64,000-strong workforce in the
local Toyota value chain network
Php5.8 Bn investments for
local manufacturing capabilities under
TMP's CARS Project

Zero CO₂ emissions target for vehicle life cycle by 2050

20 Toyota and Lexus Hybrid Electric Vehicle models introduced in the Philippines since 2009;
 2,134 units sold in 2022

Net Positive impact to the planet through environmental protection and resource conservation initiatives

108 hectares of adopted reforestation sites, including extremely biodiverse Verde Island Passage and Sierra Madre, under 4 ongoing National Greening Program partnerships;
 Over 100,000 trees and mangroves planted since 2015 under the All-Toyota Green Wave Project

Strategic Report

External Environment and Outlook

The Philippine government aims for 6-7% economic growth in 2023, driven by investments in infrastructure and social services, and strong consumption and investment demand. However, risks like the ongoing pandemic, global economic uncertainties, inflation, and tightening interest rates may hinder reaching the higher end of the target.

For Environment, the demand for sustainable practices is expected to surge, urging businesses to integrate sustainability into their strategies.

Digital transformation presents promising opportunities as businesses recognize the benefits of digitalization, investing more in technologies to improve operations, customer experiences, and competitiveness.

As the Philippines moves closer to the upper middle-income status threshold and given its lower vehicle penetration compared to other ASEAN countries, the automotive industry foresees a continued increase in motorization. To meet this growing demand, TMP aims to expand its product range in highly sought-after market segments and introduce more hybrid models in line with Toyota's global electrification strategy.

Key Risks

Information & Cyber Security Risk:

Improper handling of phishing emails can potentially introduce viruses into the system, resulting in the loss of information and system failure.

Market and Exchange Risk: The volatility of foreign exchange and interest rates, as

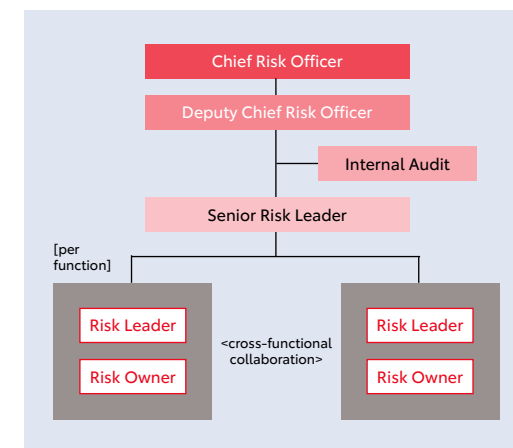
well as inflation's impact on the prices of raw materials, freight, and other factors, can affect the company's Operating Profit (OP). This can lead to reduced profitability and increased financial statement volatility, making it challenging to evaluate the organization's financial well-being.

Supply Issue: Disruptions in the availability of critical materials and components, resulting in delays in production and a reduction in output which may have adverse effects on sales.

Risk Management

The primary objective of the Risk Management Policy is to provide Team Members with guidance on effectively addressing potential risks related to the business in line with the overall corporate goals.

This policy sets forth a systematic method for recognizing, assessing, strategizing, and overseeing risks that are in accordance with the Toyota Global Risk Management Standard.



Business Strategy

Short-term Objective: Strengthen business fundamentals towards competitiveness and sustainability		
Strategy	KPIs and Targets	2022 Achievements
Maintain leadership in the Philippine market	<ul style="list-style-type: none"> No. 1 ranking in passenger car, commercial vehicle, and overall sales (Triple Crown Achievement) 	<ul style="list-style-type: none"> Achieved the 21st consecutive Triple Crown 50% Market Share
Cost management to cushion the impact of COVID-19 pandemic	<ul style="list-style-type: none"> Stable revenue growth 	<ul style="list-style-type: none"> 41% year-on-year growth in revenues in 2022 compared to 2021
Strengthen fundamentals	<ul style="list-style-type: none"> Overall safety, quality, efficiency competitiveness Performance excellence through the Philippine Quality Award's (PQA) principles of Total Quality Management 	<ul style="list-style-type: none"> Achieved all Safety KPIs, including Zero Fire Incident and Zero Critical Incident Recorded highest shipping quality in TMP history, ranking 2nd among Toyota Asia manufacturing affiliates
Long-term Objective: Boost local manufacturing		
Participation in the Philippine government's CARS program with the Toyota Vios	<ul style="list-style-type: none"> 200,000 Vios units produced by 2026 (starting 2018) Positive impact to manufacturing output and national economy 	<ul style="list-style-type: none"> Achieved 70% of the 200,000 CARS volume requirement having produced 32,397 Vios units in 2022
Transformation of traditional business (automotive manufacturing and distribution)	<ul style="list-style-type: none"> No. 1 ranking in customer satisfaction and retention Introduction of 'new mobility solutions' based on the areas of Connected Cars, Autonomous Driving, Shared, Electrified (CASE) Wider demographic reach leading to less urban congestion and balanced economic growth nationwide MSMEs reached to support operational efficiency and overall growth 	<ul style="list-style-type: none"> Introduction of the all-new Lite Ace, TMP's first and only model in Light Commercial Vehicle (LCV) segment intended for the MSMEs Incorporation of Toyota Mobility Solutions Philippines, Inc., a wholly-owned subsidiary offering mobility-related services anchored on CASE
Organizational transformation	<ul style="list-style-type: none"> Increased number of experts and trainers National recognition for being "one of the best employers/workplaces in the Philippines" 	<ul style="list-style-type: none"> Recognized by the PAG-IBIG Fund as one of the "Top Private Employers" for South Luzon
Decarbonization and multi-pathway electrification	<ul style="list-style-type: none"> Zero carbon dioxide emissions at TMP's manufacturing plant by 2035 100% Renewable Energy (RE) use before 2035 HEV product line-up expansion across various segments 	<ul style="list-style-type: none"> Expansion of full rooftop solar power system from 1 MW to 1.46 MW, acquiring the capability to generate 2 Million kWh of renewable energy per year, or 7-10% of TMP's total energy requirements Boosted TMP manufacturing plant's maximum RE ratio to 23% in 2022 using both onsite and offsite power sources Addition of Rav4 Hybrid and Corolla Altis GR-S HEV in the Toyota HEV product line-up

Environmental Performance

Fundamental Approach

Aim:

- Reduce the environmental footprint and contribute to the sustainable development of society and the world throughout all areas of our business activities
- Build close, cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation

Initiative:

Toyota Earth Charter

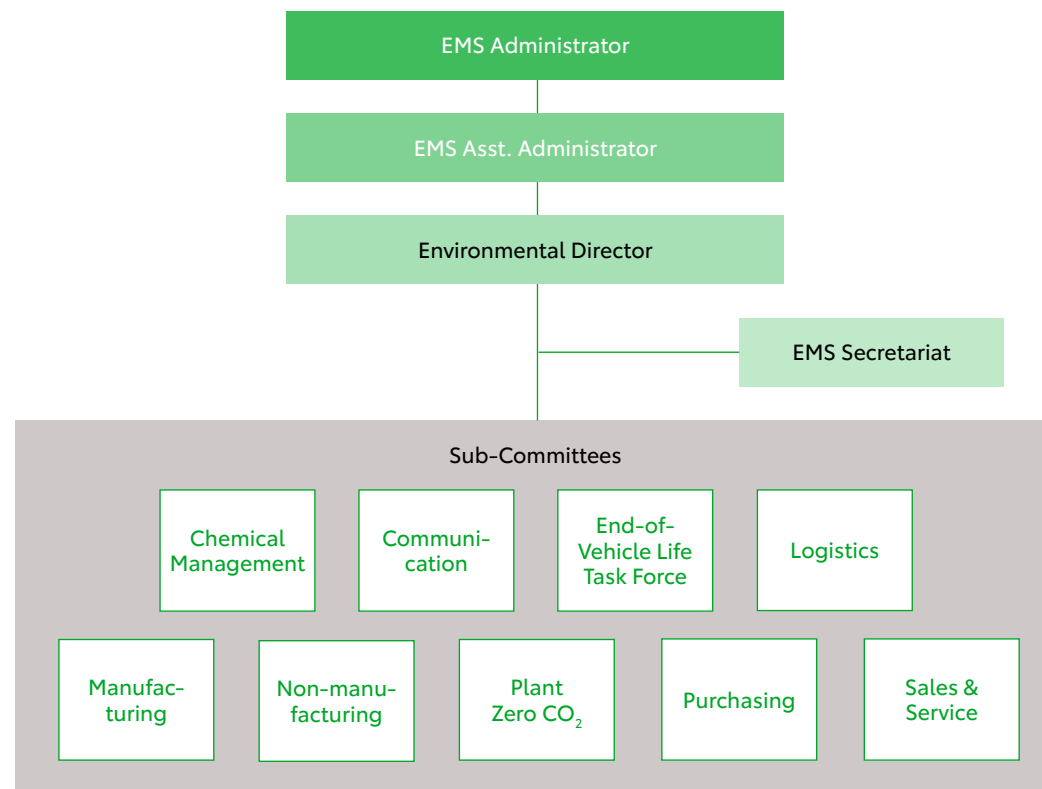
- Conducting continuous environmental initiatives since the 1960s
- Established the Toyota Earth Charter in 1992 (revised in 2000)
- Formulated long-term initiatives for the global environment by 2050 as the Toyota Environmental Challenge (TEC) 2050 in 2015, subsequently advancing various initiatives centered on this

Environmental Management System (EMS)

TMP remains focused in accomplishing its commitments under the TEC 2050. Aside from this global direction, TMP is also involved in planning, implementing and monitoring environmental activities through its 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.

Organizational Structure



Compliance

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"> • Permit to Operate • Environmental Compliance Certificate – Expansion • Permit to Transport • Treatment Storage Disposal Permit
Laguna Lake Development Authority (LLDA)	<ul style="list-style-type: none"> • LLDA Clearance – Expansion • Discharge Permit
National Water Resources Board	<ul style="list-style-type: none"> • Water Rights Permit

GRI 303-5; 305-1-3, 5; 306-1-5; 307-1

Fundamental Approach

Environmental Management System

Compliance

Toyota Environmental Challenge 2050

Environmental Data

TEC 2050

Toyota has been continuously following trends and customers' opinions and considering what issues should be focused, and working on environmental issues with new ideas and technologies in anticipation of future issues. However, global environmental issues such as climate change, water shortages, resource depletion and loss of biodiversity are

continuing to grow and increase in seriousness every day.

Toyota formulated the TEC 2050 in October 2015 and the 2030 Milestone in 2018 so that each affiliate can face these challenges from a long-term perspective of the world 20 and 30 years ahead. By establishing a vision and implementing specific measures in collaboration with key partners around the world, Toyota pursues the development of a sustainable society.



TEC	Objective	2030 and 2035 Milestones (Global)	2050 Goal	UN SDGs being addressed					
				6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND
	Achieve CN for GHG emissions throughout the entire vehicle life cycle by 2050	<ul style="list-style-type: none"> By 2030: Reduce global average CO₂ emissions (TtWg/km) from new vehicles by 35% or more, which may vary depending on market conditions 	Achieve Zero CO₂ Emissions				✓	✓	
	Achieve CN for average GHG emissions from new vehicles by 2050	<ul style="list-style-type: none"> By 2030: Reduce average GHG emissions from new vehicles Passenger Light Duty Vehicles and Light Commercial Vehicles - by 33.3% Medium and Heavy Freight Trucks - by 11.6% By 2035: Reduce average GHG emissions by more than 50% from new vehicles (compared to 2019 levels) 			✓			✓	
	Achieve zero CO₂ emissions at global plants by 2050	<ul style="list-style-type: none"> By 2035: Achieve CN for CO₂ emissions from production at plants 			✓	✓		✓	
	Minimize water usage and implement water discharge management according to individual local conditions	<u>By 2030:</u> <ul style="list-style-type: none"> Complete water quantity measures at the 4 Challenge-focused plants in North America, Asia and South Africa Complete water quality impact and measures at all of the 12 plants where used water is discharged directly to river in North America, Asia and Europe Disclose information appropriately and communicate actively with local communities and supplier 	Achieve a Net Positive Environmental Impact	✓					
	Promote global deployment of End-of-life vehicle treatment and recycling technologies and systems developed in Japan	<u>By 2030:</u> <ul style="list-style-type: none"> Complete establishment of battery collection and recycling systems globally Complete setup of 30 model facilities for appropriate treatment and recycling of End-of-life vehicles 				✓	✓		
	Connect the reach of nature conservation activities among communities, with the world, to the future	<u>By 2030:</u> <ul style="list-style-type: none"> Realize Plant in Harmony with Nature (12 in Japan and 7 in other regions) Contribute to biodiversity conservation activities in collaboration with NGOs and others Expand initiatives both in-house and outside to foster environmentally conscious persons responsible for the future 					✓		✓

Life Cycle Zero CO₂ Emissions Challenge

While motorization is expected to continue as the Philippine economy grows, TMP takes on the challenge to reduce the CO₂ that are indirectly emitted across its value chain.

Scope 3 Emissions

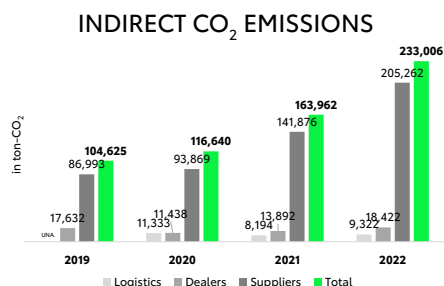
TMP's Scope 3 CO₂ emissions come from logistics operations, as well as electricity and fuel consumption from both supplier and dealer networks.

The processes that largely contribute to carbon footprint are the delivery of Toyota vehicles by outsourced logistics service providers using car carrier trucks, automotive parts production and delivery, as well as sales and service operations at Toyota dealerships nationwide.

2022 Indirect Emissions that occurred in TMP's Value Chain

Logistics	9,321 ton-CO ₂
Supplier Network	205,262 ton-CO ₂
Dealer Network	18,422 ton-CO ₂

233,005 ton-CO₂
2022 Scope 3 Emissions
(42% higher vs. 2021)



Value Chain Decarbonization

With the huge support and strong involvement of its stakeholders, such as logistics service providers, suppliers, and dealers, it is possible for TMP to reduce the CO₂ emissions throughout the entire life cycle of every Toyota vehicle.

Logistics 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 system is the construction of Batangas Vehicle Center (BVC) which started operating in July 2021. One of the objectives of this is to reduce 128 kilometers of 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 nationwide.

In 2022, the total CO₂ emissions in TMP's logistics operations is 9,321 tons.

Supply Network

In greening the supply chain, TMP implements the Toyota Green Purchasing Guidelines to its suppliers. Part of that is the requirement for suppliers to obtain and maintain ISO 14001 certification. Currently, 52 out of 53 closely monitored suppliers are certified.

Toyota Green Purchasing Guidelines

To further support sustainability, TMP also encourages suppliers to reduce CO₂ emissions, water consumption, solid waste, and the use of harmful substances through the implementation of green initiatives. Additionally, suppliers are encouraged to become environmental stewards by participating in tree-planting and coastal clean-up activities.

As electricity consumption is a major contributor to CO₂ emissions, TMP supports its suppliers in procuring renewable energy through the Department of Energy's Green Energy Option Program (GEOP).

Currently, eight (8) TMP suppliers are utilizing renewable energy for their electricity needs. Out of these suppliers, four (4) are at 100% RE ratio as of end-2022.

Coupled with other energy-saving activities, the total CO₂ emissions of the TMP supplier network in 2022 amounted to 205,262 tons.



International Wiring Systems Philippines achieves 100% RE ratio in 2022

Dealer Network

The dealer network operations continue to expand with the market, and TMP monitors its environmental compliance with all Toyota and government regulations

through the ECO Dealership Program. Apart from complying with Toyota's standards, all dealers are also encouraged to attain ISO 14001 certification. As of end-2022, 71 dealers are already certified in compliance with these international standards.

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 LEDs for lighting and inverter-type air conditioning units, as well as the installation of solar energy facilities. Same as with the TMP suppliers, the dealers are encouraged by TMP to participate in the DOE's GEOP for further reduction of CO₂ emissions.

In 2022, the Toyota Dealer Network comprised 8% of the indirect CO₂ emissions of TMP's value chain.

New Onsite RE Dealer Facilities:



Toyota Talisay, Cebu (149 kW)



Toyota Lapu-lapu (97.5 kW)

New Vehicle Zero CO₂ Emissions Challenge



Vehicle Electrification

TMP conducts sales across the Philippine islands. It is important to offer options of a variety of vehicles to satisfy the different needs of the countries and regions with diverse economic conditions, energy and industrial policies, and customer needs.

As an alternative to conventional Internal Combustion Engine vehicles, TMP offers an expanded array of Hybrid Electric Vehicles (HEV). The HEV technology can seamlessly switch from using gasoline engine to electric motor to power the vehicle, ultimately reducing emissions.

As TMP continued to introduce new HEV models in its product line-up, it sold a cumulative total of 2,134 HEVs in 2022. TMP is the first automotive company to introduce the HEV technology in the market with the Toyota Prius back in 2009.

HEV Model Introduction Timeline

2009	Toyota Prius HEV*
2012	Toyota Prius c HEV*
2014	Lexus NXh Executive; Lexus NXh Premier
2019	Toyota Corolla Altis HEV Lexus LSh; Lexus RXh
2020	Toyota Corolla Cross Lexus ISh Executive; Lexus ISh Premier
2021	Toyota Camry HEV Lexus ESh; Lexus NXh
2022	 Toyota Rav 4 HEV  Toyota Corolla Altis GR-S HEV Lexus NX 350h; NX 350h Premier UX 250h Premier; UX 250h F SPORT ES 300h Luxury

*unavailable/discontinued offering

Plant Zero CO₂ Emissions Challenge

TMP has taken significant steps to reduce the carbon footprint of its manufacturing plant, which produces two of the country's bestselling models: the Vios and Innova.

Scope 1 Emissions

The company constantly monitors its direct CO₂ emissions at various controllable sources, such as the manufacturing plant's diesel-fueled generators and boilers, LPG-fueled ovens at the painting shop, and company-owned vehicles. Progressive reduction targets are set to ultimately achieve a goal of zero CO₂ emissions. TMP optimizes every possible manufacturing process, using simple machines or alternative energy resources. If necessary, the company invests in new technology or facilities after a thorough study.

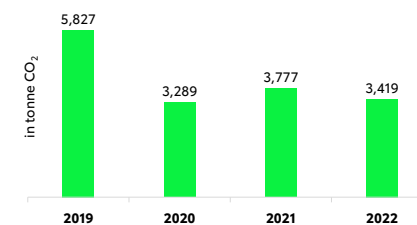
In 2022, in spite of higher production volume, TMP's direct CO₂ emissions was 9% lower than in 2021 and 41% lower than in 2019 (pre-pandemic).

TMP Plant Carbon Neutrality (PCN)

In a bid to tackle climate change, Toyota pledged in 2021 to make all its manufacturing plants carbon neutral by 2035. This target is 15 years ahead of the previous goal of TEC 2050. To achieve this global target, Toyota intends to introduce new methods for painting, coating, and casting that will significantly reduce or eliminate CO₂ emissions. Additionally, Toyota will maximize the use of renewable energy from both onsite and offsite sources to power its plants.

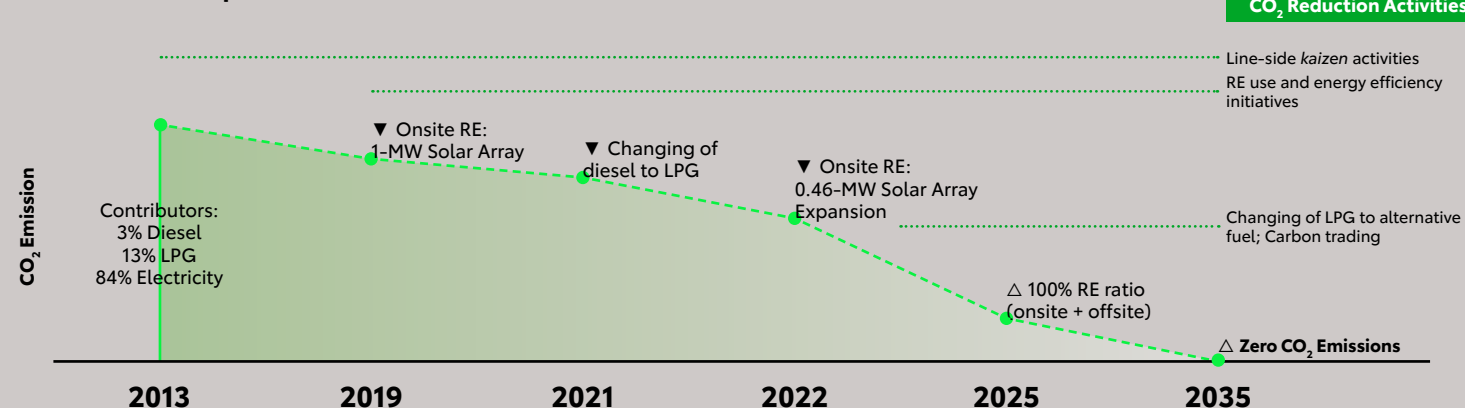
In line with this global goal, TMP has intensified its efforts to reduce or eliminate its manufacturing plant's Scope 1 and 2 Emissions from the 2013 levels. TMP's approach is to elevate its renewable energy usage and adopt energy-efficient solutions for its production operations. Like other Toyota manufacturing plants overseas, TMP is also committed to reaching PCN by 2035. This will also involve a two-pronged approach, including maximizing renewable energy usage while continuing to implement sustainable production solutions.

DIRECT CO₂ EMISSIONS



3,419 ton-CO₂
2022 Scope 1 Emissions
(9% lower vs. 2021)

TMP's PCN Roadmap



Use of Renewable Energy

In boosting its PCN effort, TMP expanded the solar facility that powers its manufacturing plant and head office. The existing 1-MW Solar Array was augmented with 0.46 MW to further the Company's minimum Renewable Energy (RE) ratio.

With as much as 2 million kilowatt-hours of derivable clean energy per year using the entire 1.46-MW Solar Array, TMP's onsite RE will contribute to 7-10% of the total energy requirement for manufacturing & non-manufacturing operations.

TMP invested over a total of Php94 million for the project. As a result, the Company will reduce its emissions by as much as 1,400 ton-CO₂ per year, equivalent to 2.9 million trees planted over 20 years.

On top of these onsite RE investments, TMP is also exploring offsite power sources to decarbonize the rest of its electricity requirements.



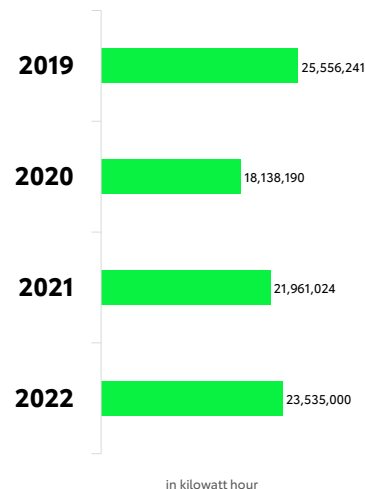
Ceremonial Switch-on Ceremony. In photo (from left) are TMP Vice Chairman Dr. David Go, TMP President Atsuhiko Okamoto, Meralco Vice President and Head for Corporate Business Group Ma. Cecille Domingo, and MSpectrum Chief Operating Officer Patrick Henry Panlilio.

Energy Saving

A major focus in achieving energy-efficient manufacturing operations is on 'line-side kaizen'; locally-initiated improvements. While electricity saving has cost benefits, TMP aims to drive bigger results in terms of CO₂ reduction. Although production is expected to pick up with the post-pandemic economic recovery, the plant continues to mitigate the impact of high electricity consumption by increasing its renewable energy ratio.

In 2022, TMP's electricity consumption increased by 7% due to higher production volume. However, compared to pre-pandemic levels in 2019, this consumption is still 8% lower.

ELECTRICITY CONSUMPTION

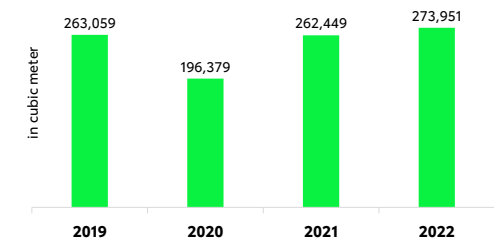


Challenge of Minimizing and Optimizing Water Usage

TMP's overall water consumption in 2022 increased by 34% from 2021. 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.

WATER CONSUMPTION



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

TMP has two units of Rainwater Collector Tank that can hold 21 cubic meters (m³) of rainwater. One tank supplies 3 m³ for car-washing motorpool vehicles. The other tank, which was installed in 2022 at the Scrapyard, has a 4-m³ capacity. This is used to collect rainwater for cleaning waste drums and forklifts.

Overall, TMP harvested and consumed 25 m³ of rainwater from all tanks in 2022.



Drums cleaned using rainwater at the Scrapyard

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 and 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 and use of a Mobile Water Tanker.



Mobile Water Tanker

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 Management

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.

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).

In 2022, there was no recorded violation at any sampling sources within TMP.

2022 Air Emission Test Results

	Government Standard	Total Suspended Particles	Particulate Matter	Nitrogen Dioxide	Sulfur Dioxide	Carbon Monoxide
		<300 mg/Nm ³	<150 mg/Nm ³	<1,500 mg/Nm ³	<1,500 mg/Nm ³	<500 mg/nm ³
Stationary	Equipment					
	Boiler 1	✓	✓	✓	✓	✓
	Boiler 2	✓	✓	✓	✓	✓
	Gen Set 1-6	✓	✓	✓	✓	✓
Ambient	Oven 1-3	✓	✓	✓	✓	✓
	CBU Yard 5	✓	✓	✓	✓	✓
	Storage Area	✓	✓	✓	✓	✓
	Motorpool	✓	✓	✓	✓	✓
	Main Gate	✓	✓	✓	✓	✓

Legend: ✓ = Passed

Waste Management

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

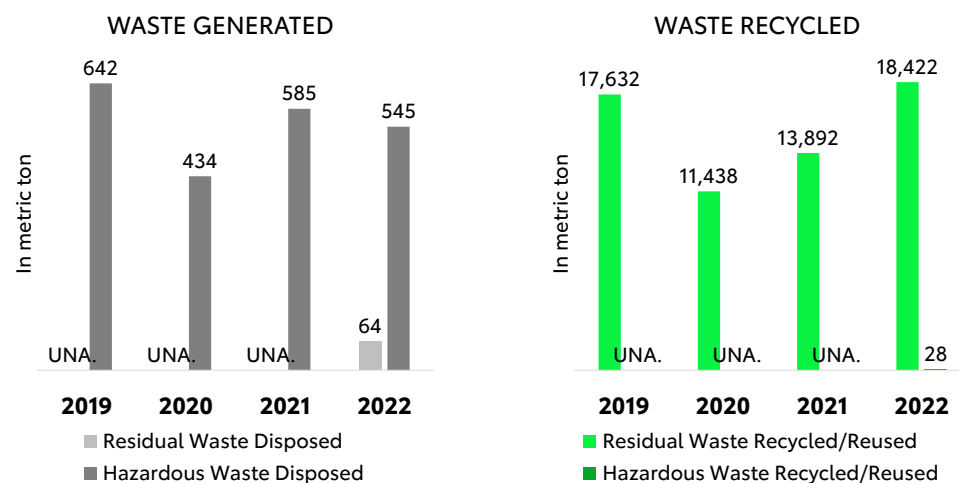
TMP generates Residual, Recyclable, and Hazardous Wastes. All of these must be handled accordingly as mandated by the Republic Act 9003 (Ecological Solid Waste Management Act) and Republic Act 6969 (Toxic Substance and Hazardous and Nuclear Waste Control Act).

In 2022, a total of 64 metric tons (t) of Residual Wastes was generated.

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 2022, around 4,890 t were accumulated, a slight 1% increase from 2021 and 3% increase from the pre-pandemic (2019) level.

TMP's Hazardous Wastes are properly hauled, treated, stored and disposed to a sanitary landfill. In 2022, a total of 545 t was generated. This was a 9% decrease from 2021 despite higher production volume, and a 17% decrease from the pre-pandemic (2019) level. On the other hand, twenty-eight (28) metric tons were recycled.

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



*UNA. = unavailable/measures not yet placed or established

Challenge of Establishing a Future Society in Harmony with Nature

Since 2015, TMP has been implementing the "All Toyota Green Wave Project," a global initiative that aims to connect the company's internal network (including TMP team members, dealers, and suppliers) to nature and communities. This initiative highlights the importance of nature conservation activities such as local tree-planting, mangrove-planting, coastal and river-side clean-up.

Biodiversity Conservation

As part of its commitment to biodiversity, TMP planted native and fruit-bearing trees to cover a 50-hectare area in the tail-end of the Sierra Madre mountain range in Siniloan, Laguna. According to the University of the Philippines Los Baños, this ecosystem is home to numerous endemic flora and fauna species. Additionally, the Sierra Madre has one of the country's oldest forests and serves as a natural barrier against typhoons due to its extensive coverage on the east side of Luzon.

In another event, TMP partnered with the DENR - Provincial Environment and Natural Resources Office (PENRO) in Cavite to plant 10,000 trees in the Company's 40-hectare adopted tree-planting region in Maragondon, Cavite.

Furthermore, TMP helped protect the coastlines of Calatagan and Lian municipalities in Batangas by planting mangroves. These efforts were aimed at conserving the Verde Island Passage, which serves as the Center of the Center of Marine Shorefish Biodiversity across the globe.

In total, TMP and its dealers planted over 70,000 tree seedlings and mangrove propagules on various locations in 2022.



TMP Team Members plant native and fruit-bearing tree species to reforest a portion of Sierra Madre in Siniloan, Laguna.



TMP president Atsuhiko Okamoto spearheads the mangrove-planting activity and the Company's participation in the International Coastal Clean-up Day in Calatagan, Batangas.

Location	No. of Tree Seedlings/ Mangrove Propagules
Siniloan, Laguna (NGP)	10,000
Maragondon, Cavite (NGP)	10,000
Calatagan, Batangas (NGP)	5,000
Lian, Batangas (NGP)	1,000
Batangas Vehicle Center, Batangas City	750
TMP Dealers' sites & others	43,300
70,050 tree seedlings and mangrove propagules planted in 2022 (TMP + Dealers)	

Zero Single-use Plastics by 2030

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.

TMP implements a company-wide banning 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.

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.

Environmental Data

A

CO₂ Emissions GRI 305-1~3, 305-5

	Unit	2021	2022	% Variance
Scope 1	ton CO ₂	3,777	3,419	-9%
Per vehicle produced	ton CO ₂	12.91	14.58	13%
Scope 2	ton CO ₂	11,637	13,580	17%
Scope 3	ton CO ₂	163,962	233,005	42%

B

Energy GRI 302-1

	Unit	2021	2022	% Variance
Electricity Consumption	MWh	21,961	23,535	7%
Monthly average	MWh	1,830	1,961	7%
Per vehicle produced	kWh	450	470	4%

Renewable Energy

Onsite RE utilized	MWh	1,196	1,303	9%
Cost savings from RE*	Mn Php	8.60	11.27	31%

Diesel Consumption	L	524,952	270,897	-48%
Monthly average	L	43,746	22,575	-48%
Per vehicle produced	L	10.77	5.43	-50%

Gasoline Consumption	kg	126,317	147,974	17%
Monthly average	kg	10,526	12,331	17%
Per vehicle produced	kg	2.59	2.97	15%

LPG Consumption	kg	737,875	834,371	13%
Monthly average	kg	61,490	69,531	13%
Per vehicle produced	L	15.13	16.73	11%

C

Waste GRI 306-4~5

	Unit	2021	2022	% Variance
Residual Waste Disposed	t	una.	64	--
Monthly average	t	una.	5.33	--
Per vehicle produced	kg	una.	1.28	--
Residual Waste Recycled	t	4,862	4,890	1%
Hazardous Waste Disposed	t	585	533	-9%
Hazardous Waste Recycled	t	una.	28	--

D

Water GRI 303-3, GRI 303-5

	Unit	2021	2022	% Variance
Fresh Groundwater Withdrawn	m ³	262,449	273,951	4%

E

VOC Emissions GRI 305-7

	Unit	2021	2022	% Variance
Direct VOC Emissions	t	351.609	398.976	13%

Conversion Factors

Referenced Emission Factors:

Electricity	0.577 ton-CO ₂ per MWh	IEA 2013
Diesel	2.675 ton-CO ₂ per kL	IPCC
LPG	2.8261 ton-CO ₂ per kL	IPCC

Others:

Cost Savings from RE	Onsite RE Utilized in kWh x *2022 Meralco Average Electricity Price in Php per kWh
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Social Performance

GRI

401-1~3; 402-1; 403-6; 404-1~2;
405-1~2; 406-1; 412-2; 413-1

Employment

Diversity & Equality Metrics

Human Rights and Non-discrimination

Labor Relations

Training and Education

Developmental Programs

Occupational Health and Safety

Product Safety and Quality

Marketing and Labeling

Local Communities

Employment

TMP takes into account the workforce composition and other work dynamics to ensure optimal distribution of human and intellectual capital in various operational areas. This approach fosters a conducive workplace that promotes career growth and satisfaction for all team members.

Having operated in the manufacturing and distribution sector for over 30 years, TMP's predominantly male workforce is primarily engaged in vehicle production.

Total Workforce	3,742
Permanent Employees	1,846
Temporary Employees	1,896
Non-guaranteed Hour Employees	0
Full-time Employees	3,742
Part-time Employees	0
Support Staff	0

New Hires and Turnover Demographics

New Hires by Gender	
Female	41 (39%)
Male	64 (61%)
New Hires by Age Group	
Under 30 y.o.	98 (93%)
30-50 y.o.	7 (7%)
Over 50 y.o.	0 (0%)
Turnover by Gender	
Female	36 (30%)
Male	86 (70%)
Turnover by Age Group	
Under 30 y.o.	40 (33%)
30-50 y.o.	33 (27%)
Over 50 y.o.	49 (40%)

Diversity & Equality Metrics

Gender	
Female	362 (20%)
Male	1,484 (80%)
Age Group	
Under 30 y.o.	473 (26%)
30-50 y.o.	1,164 (63%)
Over 50 y.o.	209 (11%)
Nationality	
Filipino	1,828 (99%)
Japanese	18 (1%)
Rank	
Rank & File	1,126 (61%)
Junior Management	483 (26%)
Middle Management	111 (6%)
Senior Management	21 (1%)
All in Management Position	720 (39%)
Board Diversity	
Female Directors	0 (0%)
Male Directors	11 (100%)
Under 30 y.o.	0 (0%)
30-50 y.o.	2 (17%)
Over 50 y.o.	9 (83%)

Salary and 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	
Rank & File	1:1
Junior Management	1:1
Middle Management	1:1
Senior Management	1:1

Parental Leaves

Total number of employees that were entitled to and took parental leave, by gender	
Female	17
Male	54
Total number of employees that returned to work in the reporting period after parental leave ended, by gender	
Female	17
Male	54
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	
Female	17
Male	54
Return to work and retention rates of employees that took parental leave, by gender	
Female	100%
Male	100%

Benefits provided to full-time employees that are not provided to temporary or part-time 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 and 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 communication channel for an employee to anonymously or confidentially report specific fraud-related violations (e.g. whistleblowing).

Another program on human rights awareness promotion is the continuous run of the TMP Code of Conduct Orientation for new hires and leaders, as well as several modules of the Leadership Coaching Series for leaders.

Human Rights Training Hours	20 hours
Team Members Trained	22%

0
number of recorded incident
of discrimination

Labor Relations

There are two (2) 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.

As in previous negotiations between TMP Management and these labor unions, 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.

¹CBA provisions are also applicable to confidential or non-union certified Team Members except for member-specific terms.

CBA Coverage ¹	100%
Percentage of Union Members	86%
Percentage of Union-eligible Rank-and-file Team Members	95%

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

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

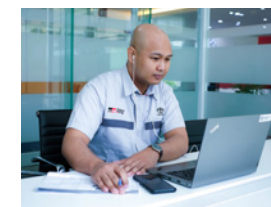
When new Team Members start their journey with TMP, they are introduced to the 'Toyota Way' which will serve as their foundation. This development phase covers substantial hours of corporate training programs focusing on Toyota Core Values in a classroom or workshop simulation, as well as the close guidance 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 2022, as part of TMP's digitalization strategy, TMP launched its new Learning Management System (LMS) called 'TMP e-Learning,' an online learning platform which can be accessed by Team Members anytime, anywhere with any mobile device. It uses software application and web-based technology designed for the creation, delivery and tracking of online courses and programs.



A Team Member using the TMP e-Learning to access self-paced learning programs such as Toyota Way 2020 and Cybersecurity Awareness

2022 Average Training Hours²

Gender	
Female	8 hours
Male	4 hours
Age Group	
Under 30 years old	10 hours
30-50 years old	3 hours
Over 50 years old	2 hours
Rank	
Rank & File	4 hours
Junior Management	8 hours
Middle Management	2 hours
Senior Management	1 hour

8,997 hours
total
training hours²

5 hours
average training
per Team Member²

²Data exclude the number of respective external training hours rendered by Team Members from various departments.

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.

Leadership Development Programs

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.

Program:	Positioned to be assumed:
Leadership Advancement Program (LeAd)	Section Head
Management Development Program (MDP)	Department Head
Executive Development Program (EDP)	Division Head

Exposure to 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 2022, 6 ICTs from TMP were dispatched and were continuing their assignment in Japan, Singapore and Thailand where Toyota's global and regional headquarters are located.

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

mentoring (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.

As the global COVID-19 pandemic situation improved, deployment of GS Trainees was resumed. TMP sent sixteen (16) Filipino Team Members to Japan in 2022.

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 "TMP 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.

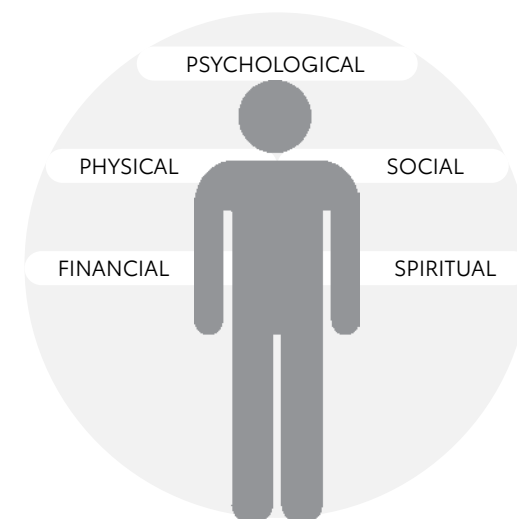
In 2022, there were 47 Team Members who reached their retirement.



2022 Retirees during the company's appreciation program

Country	ICT		GST
	Out-bound	In-bound	
Japan	1	0	16
Singapore	2	0	0
Thailand	3	0	0
Total	6	0	16

Pre-retirement Interventions



Before Interventions

- Financially-dependent
- Oblivious about retirement
- Clueless about what to prepare for

After Interventions

- Financially-independent
- Empowered/Contented
- With well-planned life

Occupational Health & Safety

Fundamental Approach

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.

Safety and Disaster Risk Mitigation

With its Team Members as the most valuable asset, it is imperative to maintain a safe, healthy, and conducive workplace. TMP stays committed to constantly sharing the importance of having a safety mindset through company-wide activities related to fire, earthquake and workplace safety.

- 1. Industrial Firefighting Trainings** – aims to train emergency responders, security personnel, and service contractors the basics of fire safety.
- 2. Earthquake Drill** – equips Team Members with the proper behavior and evacuation response during an earthquake.
- 3. Safety Month Activities** – aims to reinforce the value of workplace safety to Team Members every year.

KPI	Units	2022
Work-related Fatalities - Employees	No. of fatalities	0
Work-related Fatalities - Contractors	No. of fatalities	0
Lost-Time Injury Frequency Rate - Employees	LITR	0
Lost-Time Injury Frequency Rate - Contractors	LITR	0

TMP continuously monitors the number of incidents under each six internal Toyota Safety Key Performance Indicators (KPIs). In 2022, TMP scored zero incidents in six areas, namely Fatal Accident, Stop 6 Type Injury, Lost Work Day Case, Total Injury Case, AP All Toyota Fatal Accident (Regular Employees & Outsourced Manpower), and Fire.

In terms of workplace safety, 2022 proved to be a remarkable year as it recorded zero fatalities and a total of 2,448 safety training man-hours throughout the year.



Industrial Firefighting Training



Earthquake Drill

Mental Health Promotion

Apart from promoting the importance of having a safety mindset, TMP also emphasizes the value of mental health. The COVID-19 pandemic has drastically changed humans' lifestyle and mentality. This was evident with the rising cases of people who have developed anxiety problems during the pandemic.

In 2021, TMP's Team Relations Section launched the Mental Health Program (MHP), to raise awareness and provide mental health care through intervention activities to Team Members who need them. TMP dedicated October as the 'Mental Health Month' for this program and the conduct of special activities.

On its third year, the 2022 Mental Health Month was celebrated with the theme "Happiness for All," focusing on HAPPY—Heal, Acquire, Pursue, Partake and Yield. For each focus point, month-long engagement activities such as talks, yoga sessions, and an art contest was conducted to remind Team Members to become more aware and practice self-care.

COVID-19 Prevention

Vaccination Program

The COVID-19 pandemic situation continued to improve in 2022. TMP, for its part, achieved 99.8% vaccination rate of the company's population. However, during this period, different variants of the virus started to emerge. Realizing this new challenge, TMP further ensured its Team Members' protection by offering first and second booster shots for them and their families.



Vaccination Dose	Ratio of Population
Primary Dose(s)	99.8%
First Booster	91.8%
Second Booster	21.5%

Product Safety and Quality

The Toyota brand has always been associated with safety and quality everywhere in the world.

Following Toyota's International quality standard, TMP adheres to the Toyota Quality Management (TQM) System. This is based on Toyota's principles of 'customer first,' kaizen or 'continuous improvement,' and 'total participation.' TQM System is universal for all Toyota affiliates globally, strictly applied across all functions including Safety and Quality.

When it comes to product safety, TMP strongly abides by the Philippine National Standards. Parts and components of

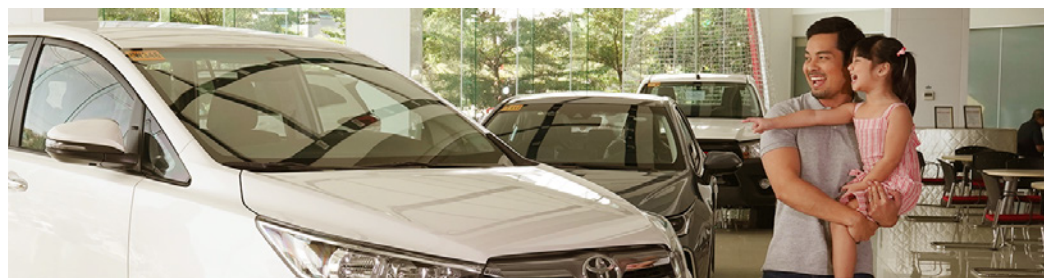
Toyota vehicles such as safety belt, safety glass, pneumatic tires, and lead-acid batteries undergo testing conducted by the respective part/component manufacturers.

Moreover, some vehicle models are submitted for voluntary New Car Assessment Program (NCAP) for Southeast Asia (ASEAN), which follows the Euro Standards for its test procedures and safety rating system. The ASEAN NCAP's system evaluates Adult Occupant Protection, Child Occupant Protection, and Safety Assist.

As of end-2022, there were eleven (11) vehicle models that received NCAP ratings. Nine (9) of them, which is 38% of the Toyota models in TMP's product line-up, have 5-star rating.

TMP Products with ASEAN NCAP Ratings

Rating	Model	Test Date	Tested Variant's Origin	Reference
5 Stars	Camry	December 2018	Thailand	https://aseancap.org/v2/?p=4461
	Corolla Cross	September 2020	Thailand	https://aseancap.org/v2/?p=5092
	Corolla Altis	November 2019	Thailand	https://aseancap.org/v2/?p=4896
	Fortuner	August 2020	Thailand	https://aseancap.org/v2/?p=5099
	Hilux	August 2020	Thailand	https://aseancap.org/v2/?p=5080
	Innova	August 2020	Indonesia	https://aseancap.org/v2/?p=5122
	Rush	April 2018	Indonesia	https://aseancap.org/v2/?p=4146
	Veloz	February 2022	Indonesia	https://aseancap.org/v2/?p=5541
4 Stars	Vios	November 2017	Thailand	https://aseancap.org/v2/?p=3919
	Avanza	July 2013	Thailand	https://aseancap.org/v2/?p=3410
	Wigo	November 2017	Thailand	https://aseancap.org/v2/?p=3659



Even Toyota dealerships uphold the same commitment to quality. Sixty-six (66) out of 73 of TMP's dealers for both Toyota and Lexus have the Department of Trade and Industry (DTI) Bagwis Accreditation. The DTI-Bagwis Program gives due recognition to establishments that uphold the rights of consumers and exemplify responsible practices.

TMP's commitment to quality and safety continues to translate into customer satisfaction. In 2022, its recorded average satisfaction level of customers with new vehicle purchases hit 97%. Meanwhile, average satisfaction level of customers with vehicle servicing reached 95%.

Customer Satisfaction Score (CSAT)

KPI	Target Respondents	2020	2021	2022
Sales Satisfaction Index	New Car Customers	97%	97%	97%
Customer Satisfaction Index	Service/After-sales Customers	95%	95%	95%

Marketing and Labeling

Being a world-renowned brand, Toyota protects its image by being principled in its marketing and advertising activities. Truthfulness, responsibility, and ethics are at the heart of TMP's advertising materials.

TMP upholds truth. Different internal departments align and check its advertising materials to verify the accuracy of their product information and imagery, so they faithfully meet customer expectations.

It takes extra steps to ensure its branding and communications guidelines, policies, and expectations of quality are followed at all times. Marketing and advertising departments of authorized dealerships are periodically trained. Through its marketing services, dealer development, and sales training teams, it monitors its presence in social media. Toyota reinforces its positive brand image to the best of its ability.

In 2022, TMP has no significant incidents of non-compliance related to marketing and labeling.



TMP's out-of-home advertisements as seen at a street in Pasig City

Local Communities

Toyota Motor Philippines Foundation

TMP Foundation (TMPF) is the social and humanitarian arm of TMP, which aims to effect continuous positive change onto its stakeholders, one step at a time, through its various Corporate Social Responsibility (CSR) initiatives focusing on Health, Education, Environment and Community Service.

TMPF Programs 2022 Highlights

Health

Medical-Surgical Outreach Program (MSOP)

TMPF's Medical-Surgical Outreach Program (MSOP) started in 2018 to serve those who need immediate out-patient surgical services in Santa Rosa City, Laguna.

In 2022, two outreach runs were conducted. The first run was held in June, wherein 23 patient beneficiaries with cases of Cholecystolithiasis, Goiter and Hernia were served. The second run, held in November, focused on treating 10 patient beneficiaries with thyroid problems. Prior the surgical procedures, all patients underwent careful screening and evaluation.



Surgical operation at Our Lady of Peace Hospital, Parañaque City

Community Service

TMPF continued to provide humanitarian assistance to its nearby communities through "Bayanihan" activities and provision of rice sacks to those who were severely affected by typhoon Paeng.



Donation to Typhoon Paeng victims

Education

Automotive Education Program (AEP)

With the goal of improving the Filipinos' quality of life through education, TMPF and TMP's Customer Service Operations (CSO) Group established the Automotive Education Program (AEP) in 1990. The AEP is part of 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.

Through scholarship grants, opportunities to learn automotive technical knowledge and skills are provided to chosen students from AEP's 20 partner schools. Upon completion of the course, graduated scholars may work at Toyota dealerships nationwide. In 2022, ninety-nine (99) scholars graduated from the program.

Adopt-a-School Program

For Pulong Sta. Cruz Elementary School (PSCES), TMPF's adopted school, classes have started to go back to normal in 2022. To further equip the school, TMPF donated a multi-functional printer to be used for the printing of learning modules which will be distributed to the students.

Supporting Health and Wellness

TMPF continues to monitor the health and welfare of PSCES faculty and staff through the Annual Physical Examination (APE). The APE includes Complete Blood Count (CBC), Urinalysis, Fasting Blood Sugar (FBS), Uric Acid Test, Visual Acuity, Electrocardiogram (ECG). During the APE, medicines were also donated based on the doctors' prescriptions. In 2022, a total of 98 PSCES faculty members and staff were served.

Refurbishing School Facilities

Since 2009, TMPF has been supporting the Department of Education's annual 'Brigada Eskwela' which is held every year. In 2022, TMPF continued its assistance in maintaining the favorable learning environment and facilities of PSCES by donating painting and sanitation materials and sponsoring the repair of tables and chairs of its kindergarten classroom.



Donation of multi-functional printer



PSCES faculty member together with TMPF's physician during an APE consultation



Donation of sanitation materials

TMPF Programs Cumulative Highlights

Pillar	Program	Year Started	Contributions
Health	Medical and Dental Outreach Program (MSOP)	1992	101,734 beneficiaries served from the cities of Paranaque, Taguig and Santa Rosa
	Medical-Surgical Outreach Program (MSOP)	2018	Served 64 beneficiaries from the City of Santa Rosa
Education	Automotive Education Program (AEP)	1990	<ul style="list-style-type: none"> 20 partner schools; among these, 6 are Toyota Technical Education Program (T-TEP) Partner Schools 1,104 Graduated TMPF Scholars
	Adopt-a-School Program (at Pulong Santa Cruz Elementary School)	2009	<ul style="list-style-type: none"> 308 student participants in the Toyota Quest for the Best Quiz Bee 490 student participants in the 'Lakbay Aral' Educational Tour
	Computerization Program	2016	Provision of the following for the benefit of 3,000 students of PSCES: <ul style="list-style-type: none"> 30 LED TVs installed in all PSCES classrooms 54 units of notebook computers 46 units of laptop computers during pandemic Internet (Wi-Fi) connection Robotic kits Learning modules, books Teachers' trainings
Environment	Coastal/River Clean-up Activities	2007	Participation in 26 coastal and river clean-up activities
	Mangrove and Tree-planting Activities	2016	Planted 75,539 trees composed of native, fruit-bearing, flowering and mangrove propagules
	Toyota Adopt-a-Forest Project (at Makiling Botanic Gardens)	2013	<ul style="list-style-type: none"> 10-hectare reforestation area 1,304 native palm trees planted inside the 3.5-hectare Toyota Palm Garden
Community Service	Toyota-City of Santa Rosa-GK Village		<ul style="list-style-type: none"> 8,000 sqm land area Turned over 160 houses to Santa Rosa City constituents Built a Multi-purpose Hall inside the village Provided funds for livelihood support to residents Held Bayanihan Activities
	Disaster Relief		<ul style="list-style-type: none"> Provided funds for purchase of 1,000 retractable tents to Mindanao earthquake victims Provided 900 meal packs to DOTR personnel to to Department of Transportation's (DOTR) Free Ride Service Program during the pandemic Donated 150 sacks of rice to affected families to to victims of typhoon Paeng

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 TMP Tech started in 2013, it has been a premiere automotive school for students who aim to gain employment in the local and global Toyota Networks, particularly in the field of after-sales service.

Global Opportunities

In 2022, TMP Tech completed its pilot dispatch of automotive technicians it trained for TMC and Hino Motors, Ltd. (Hino) dealerships across Japan. Sixty-four (64) TMP Tech graduates were deployed starting March, as soon as Japan further eased its borders for foreign technical professionals.

TMP Tech continues to see the potential for Filipino talents in the international arena as demand for highly skilled automotive technicians remain high globally. To date, hundreds of graduates have been employed overseas, including those who completed the training programs for global partners in Japan, the State of Qatar, and the Kingdom of Saudi Arabia.



TMP Tech graduates (front, middle) gainfully employed at Toyota Corolla Aiho in Aichi, Japan

1,292 graduates
since 2013

926 scholars
since 2013
(120 scholarship recipients in 2022)



176 new graduates from Batch 12 and 13 of the Toyota General Job Automotive Servicing Course

Upgrading Tech-voc Education

TMP Tech hosted at its facilities in Santa Rosa City, Laguna a week-long technical training for the representatives of 13 Asian member countries, including the Philippines, of intergovernmental organization, Colombo Plan Staff College (CPSC). This activity is part of the "Training of Trainers on Automotive Technical Professionals" (TTATP) under a tripartite collaboration among TMP Tech, CPSC, and TMPF, aimed at upgrading technical-vocational education and training or TVET systems in Asia and the Pacific region.

TMP Tech's role is to share its expertise for enhanced joint activities for TVET, research, cross-country faculty and staff exchange, and human resource development.



TVET trainers from 13 nations in Asia and the Pacific regions attended TTATP at TMP Tech

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.

In the past years, the COVID-19 pandemic wrought havoc on sales and production operations across industries. However, the effects of this crisis were mitigated at TMP by implementing a comprehensive set of health and safety measures to protect its valuable workforce. Despite the challenges, the company remained steadfast in maintaining a highly productive workforce and a competitive edge in the market, without having to resort to any Team Member layoffs.

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. The unwavering commitment to quality excellence also ensured that Toyota customers nationwide continued to enjoy top-quality products and services without any drawbacks.



An aerial view of TMP's Manufacturing Plant inside the Toyota Special Economic Zone in Laguna

Economic Performance

Economic Value Generated (EVG)

In 2022, TMP's consolidated revenues amounted to Php181.16 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.

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

2022 EVG
Php181.16 Billion
(▲41% vs. 2021)

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 2022, TMP's EVD amounted to Php207.88 Billion. These were channeled through TMP's operating costs, employee wages and benefits, payments to providers of capital, payments to government, and community investments.

2022 EVD
Php207.88 Billion
(▲47% vs. 2021)

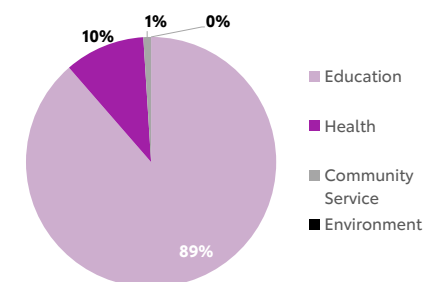
Operating Costs	174.16
Employee Wages and Benefits	3.03
Payments to Providers of Capital	5.91
Payments to Government	23.84
Community Investments	0.94

Community Investments

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.

The Foundation, together with TMP, continued to transition into the "New Normal" in 2022, providing more focus on Education and Health with activities that aimed to improve its adopted school's quality and level of learning, health status and facilities.

2022 RESOURCE ALLOCATION



GRI 201-1; 203

Direct Economic Value Generated

Direct Economic Value Distributed

Community Investments

Direct and Indirect Economic Impact

Direct and Indirect Economic Impact

Automotive Resurgence through TMP-made Vios

With over Php5 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.

Investments:
Php5.58 Billion
(Vehicle + Parts Production as of
end-December 2022)

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)



Vios side member produced at TMP's A Zero-class press stamping shop

Participating Parts Makers in TMP's CARS Project

Body Shell

- F Tech Philippines Manufacturing, Inc.
- Technol Eight Philippines Corporation
- Valerie Products Manufacturing, Inc.

Plastic Parts

- Manly Plastics, Inc.
- Toyota Boshoku Phils. Corp. (TBPC)

Strategic Parts

- Denso Philippines Corporation



Vios door trim production at TBPC

Catering to the Market Needs

In 2022, TMP enters the Light Commercial Vehicle market segment with the launch of the all-new Lite Ace designed to support the small business sector or MSMEs in the country. This returning vehicle model caters to the needs of small entrepreneurs, particularly those who are engaged in the delivery and transport services.

The Lite Ace can haul up to 600 kg of goods and has a spacious cargo area, making it perfect for small businesses. It also comes with a comfortable cabin and efficient fuel consumption for cost savings.

TMP hopes that the Lite Ace will contribute to the growth and success of MSMEs which are considered the backbone of the local economy.



TMP officers during the launch of the all-new Toyota Lite Ace in Quezon City

Driving Growth with New Mobility Solutions

Toyota Mobility Solutions Philippines (TMSPH), a wholly-owned subsidiary of TMP was launched in August 2022 to provide mobility-related services in the local market. TMSPH will primarily work with micro, small and medium-sized enterprises of various industries that are crucial in driving economic growth.

TMSPH is to provide safety and comfort for Filipinos with its Vehicle Usership (VU) platforms for individuals and businesses alike. The company has so far unveiled a range of services which include the fleet-connected service, on-demand shuttle booking app, car sharing or rental, logistics matching service, fleet management service, and full operating vehicle leasing.



TMSPH inauguration ceremony held on August 12, 2023 at the Grand Hyatt Manila, Taguig City

Financial Performance Highlights

	2019	2020	2021	2022	YOY Growth	3Y CAGR (pandemic recovery)
Sales Revenues (in Php Billion)	159.31	91.8	120.26	171.74	43%	37%
Net Income (in Php Billion)	9.06	3.25	5.91	5.4	-9%	29%
Total Assets (in Php Billion)	31.23	39.4	38.78	38.09	-2%	-2%
Total Equity (in Php Billion)	12.91	6.81	9.99	9.41	-6%	18%
Retail Vehicle Sales (in units)	162,011	100,019	129,667	174,106	34%	32%
Vehicle Production (in units)	54,028	35,226	48,758	49,862	2%	19%

Awards and Recognitions

TMP sustained significant economic contributions in 2022, recording a full-year retail vehicle sales of 174,106 units, which is 34% higher than the previous year and 107% of pre-Covid 2019 sales levels. This accomplishment reaffirms Toyota's dominance in the passenger car, commercial vehicle, and overall market segments, with an all-time high market share of 50%.

TMP also achieved a significant milestone of selling two million vehicles since starting operations in the Philippines in 1988, solidifying its position as the top automotive brand in the country.



In addition to its impressive sales figures, TMP received various awards and recognitions for its active efforts in promoting excellence and contributing to the economy. As one of the two past recipients of the prestigious Philippine Quality Award for Performance Excellence, the Department of Trade and Industry - Competitiveness Bureau gave special recognition to TMP during the PQA 25th anniversary.



Best Practice Sharing. In photo above (from left) are DTI - Competitiveness Bureau Director Lilian Salonga, TMP President Atsuhiro Okamoto, TMP Chairman Alfred V. Ty, and DTI Secretary Alfredo E. Pascual during the PQA 25th Anniversary celebration where TMP shared its best practices in Total Quality Management with public and private organizations.

The company was also awarded as one of the "Top Private Employers" in South Luzon by the Pag-IBIG Fund, becoming the first automotive company to receive this award.

TMP furthers its contribution to the economy by remitting a total of Php16.5 Billion in duties and taxes to the government in the first half of 2022 alone. This contribution helped the agency in the achievement of its collection targets, making it a significant contributor to the Philippine government's revenue. For this, TMP was recognized by the Bureau of Customs (BOC) during the Port of Batangas' (POB) 65th founding anniversary celebration for its significant revenue contribution through payments to the government.

TMP's various CSR initiatives during the Covid-19 pandemic also earned the company recognition from the Society of Philippine Motoring Journalists, receiving the Gold Award in both the Covid-19 Response and Education categories. These initiatives included 'Mobility Support to Covid-19 Healthcare Frontliners' and 'Support to Basic Education Learning Continuity Plan of Adopted School,' further highlighting TMP's vital contribution to the community.



SPMJ CSR awards received by TMP

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TOYOTA MOTOR PHILIPPINES CORPORATION