Toyota do Brasil

2014

Sustainability Report

TOYOTA

SUMMARY

REPORTING ON OUR PERFORMANCE

Toyota do Brasil presents the main facts and events in fiscal 2013/2014 in its sixth Sustainability Report. There were some key achievements for the company during the year, such as the result of the first year of sales of its hybrid model, the Prius, opening up new horizons for mobility in the Brazilian automotive market, and the laying of the cornerstone for the new engine factory in Porto Feliz (São Paulo). Also worthy of note were the commemorations for the fifth anniversary of the Fundação Toyota do Brasil and the first year of the Parque Natural Municipal Corredores da Biodiversidade nature park in Sorocaba (São Paulo).

In line with the company's commitment to continuous improvement and respect for people, this report follows the guidelines set forth by the Global Reporting Initiative (GRI), a multistakeholder organization that proposes a global standard for reporting company information that is not exclusively financial. As such, the report presents indicators that show the company's impacts and practices in the environmental, social and economic dimensions.

Toyota uses this document as a key communication tool through which it may transparently and objectively present its 56 year-old commitment to the country's development and the relations of trust it has built up with its customers, commercial partners and other stakeholders.

Enjoy reading it!

LONG-TERM STRATEGY

Particularly worthy of note in the company's business model is the emphasis on finding ways to continuously improve Toyota products and to enhance life for communities

In 2011, the Toyota Motor Corporation (TMC) developed the Toyota 2020 Global Vision, a long-term business strategy for all its operations – production units in 28 countries and sales operations in more than 160. The Global Vision identifies Toyota's corporate values and sets forth the company's direction based on the spirit of *monozukuri* (manufacture), in line with the Toyota Way philosophy (*read more on page 16*).

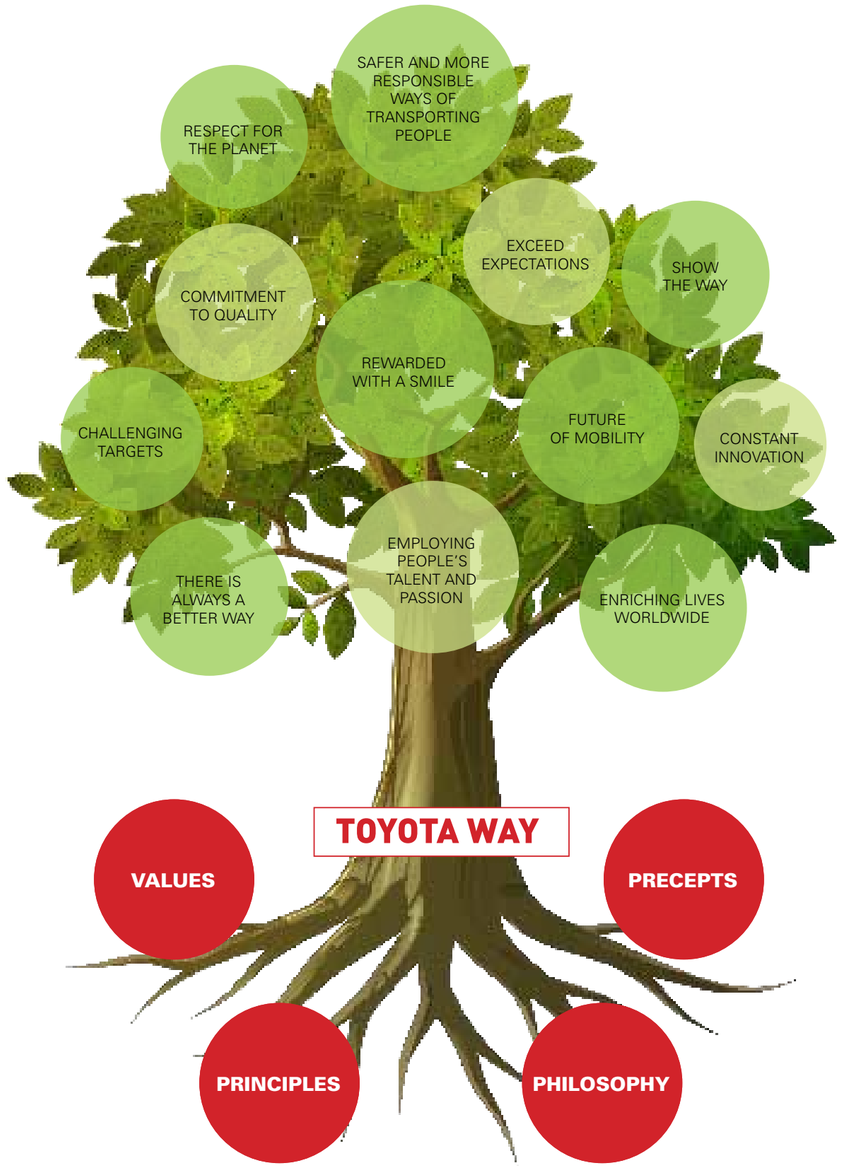
The goal is to build a path that leads to the manufacture of better and better vehicles and products and that enhances life in communities all over the world through the provision of safer and more responsible means of transporting people.

The company created an ambiance and a structure that enables people to smile when they choose a Toyota, based on the principle that results are only achieved through the efforts of each employee – a fundamental element in building sustained growth.

Regional autonomy is valued as part of the Global Vision. The head office provides the direction, the "what to do". The "how to do it" is determined locally, with support for the independent activities in each place.

Symbolized by a tree, the Toyota 2020 Global Vision seeks to place the company in the forefront of mobility in the future, focused on technological advances, engaging people and employees and identifying new possibilities for intelligent networks that employ information technology to optimize the use of natural resources.

The Vision is presented from the roots to the fruit. Its principles are represented by the roots – everything the company does grows from this single base. These roots support the tree trunk, which symbolizes the strength and the stability of company operations.It is only based on this that work yields fruits, represented in the 12 principles that make up the Vision (*see the box and illustration*).
GRI 1.2; 4.8; 4.11



THE 12 PRINCIPLES OF THE TOYOTA 2020 GLOBAL VISION

Show the way
Toyota will take the lead. We will take advantage of opportunities and invest in the future.

Future of mobility
We will develop new forms of transportation and seek new ways of connecting technology with people.

Enriching lives around the world
Through the concept of monozukuri (manufacture), we will create jobs, develop people and contribute to society.

Safer and more responsible ways of transporting people Safety is our number one priority – for our employees and our customers. Nothing is more important.

Commitment to quality
We will constantly raise our standards of trust, credibility and customer satisfaction.

Constant innovation
Our goal: "Better and better cars". We will continue to reinvent ourselves, introduce new technologies and stay ahead of the competition.

Respect for the planet
We will show consideration for the planet in everything we do. We will research and promote systems and solutions that do not harm the environment.

Exceeding expectations
Our mindset will be to anticipate and fulfill the needs of those whom we serve.

Rewarded with a smile
The best expression of customer satisfaction is a smile. We will be grateful and appreciative in everything we do.

Challenging goals
Our purposes are elevated and we work together... this is what we are.

Engaging people's talent and passion
The power of our organization stems from the skills and differences of our employees and business partners... solving problems and creating new ideas.

There is always a better way
The spirit of *kaizen* – achieving higher levels and facing the challenge of finding the best way to do everything we do... every day.

TOWARDS THE FUTURE

In 2013, the company maintained its investments, boosting business expansion and driving the development of Brazil

Toyota has been in Brazil since 1958, when it installed its first factory outside Japan here. Since then, our commitment to customer satisfaction and development have become a management prerequisite. In fiscal 2013/2014, we maintained our cycle of business expansion, with advances that reflect the company's future vision and the contribution it wants to make to the country.

During the year, TDB reaped the fruits of its investments in the domestic market. The Etios, the Corolla and the company's other models achieved **record sales of 176,000 units**, 55% up on 2012. This led to an increase in share in the Brazilian market from 3.1% to 4.6% in 2013.

In parallel, various accomplishments made 2013 a special year for the company, its employees, business partners and other stakeholders. **In Porto Feliz**, in the state of São Paulo, we laid the cornerstone for our **future engine plant**, initiating the construction of what will be Toyota's fourth industrial operation in the country – and the second to be built in the space of just five years.

Responsible for the domestic production of engines, an important move towards compliance with Brazil's new automotive regime (Inovar-Auto), the venture will generate 700 jobs and streamline the company's logistics operations due to its proximity to the plants in Sorocaba and Indaiatuba where the Etios and Corolla models are assembled. In addition to the engine plant, we are attracting new suppliers. One example is Aisin, which is expanding its plant in Itu, where it will produce manual gearboxes for Toyota from 2016, generating another 300 jobs for Brazilians.

At the end of the fiscal year, we celebrated the fifth anniversary of the Fundação Toyota do Brasil. In addition to established projects such as the Blue Macaw and Cultural Trails, we expanded the Ambientação program in Sorocaba and stepped up dialogue with the Toyota APA Costa dos Corais community, further reinforcing the bonds of trust we seek to build.

In the environmental area, we maintained our focus on reducing pollutant and greenhouse gas emissions, energy and water consumption and waste generation, in line with the Toyota 2020 Global Vision and the Toyota Environmental Action Plan. In the year we decreased our CO2 emissions per vehicle produced by 13.7%; with respect to waste, we reached the mark of 12.51 kg/vehicle. Our advances in water management led us to win the **Fiesp Water Reuse and Conservation Award,** with projects that will ensure water savings of 41,000 m³ per year. This work was assisted by the South America Environmental Committee, a group which meets every six months to assess the environmental performance of Toyota's regional operations

2013 also saw the end of the first fiscal year in which the Sorocaba plant was in full operation. This enabled the company to evaluate the environmental results of the ecofactory concept implanted since construction of the facility was initiated. We now expect to be able to define precise targets and commitments and boost company performance, aligned with the Toyota philosophy of continuous improvement (*kaizen*). The same concept will be applied to the São Bernardo do Campo plant, which is undergoing a revitalization process.

Last but not least, we celebrated the arrival and the consolidation of the Prius hybrid model in the company's national dealer network. As part of the Toyota's future vision, we see sustainable mobility as the natural path for the industry, fulfilling consumers' needs with environmentally sound leading edge technology.

With more than 4 million units commercialized worldwide, the Prius represents a first step in this direction by alternating the use of electricity and fuel, resulting in emissions and fuel consumption far below average. The product is a perfect reflection of the Toyota way of doing business – always striving for efficiency and reliability based on a long-term vision.

In the coming pages we detail our results, commitments, and perspectives on these and other subjects. And we present our targets and the strategic drivers – both global and local – which will enable us to continue to grow together with Brazil. A commitment to sustainable development is a principle that the Toyota family applies to all its stakeholders – from the customer to the supplier.

Enjoy reading it!

Koji Kondo
President, Toyota do Brasil

PROFILE

TOYOTA

With factories, offices, logistics centers and dealers in 26 states and the Distrito Federal, the company has been in Brazil for more than five decades

Toyota do Brasil (TDB) ended the fiscal year (March 2013 to April 2014) with further investments in Brazil, where the company's first plant outside Japan was opened in 1958. Construction was begun on the engine factory in Porto Feliz (São Paulo). This will represent the nationalization of yet another stage in the vehicle manufacturing process. Similarly, the company announced the transfer of its corporate offices to the São Bernardo do Campo (São Paulo) plant, which will be modernized, enabling it to receive new high technology vehicle assembly lines in the future. **GRI 2.1**

In 2013, the company celebrated the fifth anniversary of the Fundação Toyota do Brasil, the company's social arm which implements actions aimed at promoting sustainable development and civic awareness. We also commemorated the first year of the Parque Municipal Corredores de Biodiversidade – the first conservation area in Sorocaba (São Paulo), opened by TDB as part of the compensatory measures for the installation of its plant in the municipality (*read more on page 47*).

The Toyota Motor Corporation (TMC), based in Japan, has production facilities in 28 countries and sales operations in another 160. In fiscal 2013/2014, 10.2 million new vehicles came off the company's assembly lines worldwide, 5.3% more than in the previous year. Sales actually totaled 10.13 million (an increase of 4.5%). Global leader in the sedan segment, TMC produces vehicles that are known for integrating safety, reliability, efficiency and cutting-edge technology, such as the Corolla, Hilux, Camry and Prius. **GRI 2.2; 2.5; 2.7; 2.8**

Faced with the challenges of urban mobility, TMC contributes to the quest for intelligent solutions, with a focus on technologies provoking lower environmental impacts – such as hybrid and electric vehicles. In Brazil, the company entered this segment in 2013 with the official launch of the Prius in the Toyota dealer network. **GRI 2.2**

Toyota do Brazil adopts the head office's global guidelines. The Brazilian operation also deals with the permanent challenge of achieving higher environmental efficiency in it operations and throughout the life cycle of its products, in line with the philosophy of continuous improvement *(kaizen)*.

VALUED BRAND

In 2013, Toyota's market value was estimated at US$ 29.6 billion, an increase of 21% over the previous year. The survey, which has been conducted for nine years by the consultancy MilwardBrown, showed that Toyota is the most valuable car maker in the world.

AWARDS

GRI 2.10

The value of the Toyota brand may be perceived through the awards it has won. The company won the 2014 Best Cars survey in the categories "Environment" and "Most Satisfied Customer". The award is promoted by Motorpress Brasil, which publishes the magazine *Carro* and maintains the *Carro Online* website. The study involved a direct vote by 3,650 readers. There were also awards for specific models.

Etios

- The 2013 Etios was elected the best buy between R$ 27,000 and R$ 30,000 by the magazine *Quatro Rodas.*

- The sedan was elected 2013 Compra Certa (Right Buy) in the category "Family R$ 30,000", by the magazine *Car and Driver.* It was also considered the best compact sedan by the newspaper *Diário do Nordeste.*

Prius

- For the second year running, the electric hybrid model led the 2013 Consumer Reports ranking. This is a North American organization specialized in product tests. The ranking shows the best value in new cars sold in the United States.

RAV 4 2.0

- The model came in first place in the Midsize SUV/Crossover category in the 2014 Compra do Ano (Buy of the Year) ranking published by *Motor Show* magazine. Among the 259 models presented only 15 were elected by the publication's readers. The winners received the Motor Show label and will be able to display it until November 2015.

PORTO FELIZ

During the fiscal year, Toyota started construction of its fourth industrial unit in Brazil: the engine plant in Porto Feliz (São Paulo) in a plot occupying 872,500 m^2. With investments of around 1 billion, the plant will produce 1.3 and 1.5 liter engines for the compact model Etios, produced in Sorocaba (São Paulo) and is expected to generate around 700 jobs.

In the future, it will also house an engine production line for the Corolla, which is made in Indaiatuba (São Paulo).

The new unit will be aligned with the ecofactory concept applied in Sorocaba. This will involve reducing waste generation and CO_2 emissions, expanding the use of rainwater and investing in the preservation of native forest areas.

The site of the plant was chosen to facilitate Toyota's logistics operations, since the plant will supply engines to our factories at a distance of approximately 30 kilometers from Porto Feliz. When the plant is inaugurated in 2016, it will have an initial production capacity of 70 thousand engines a year. This may be expanded to 200,000/year.

TDB IN 2013 GRI 2.3; 2.4; 2.8

GLOBALLY

Founded in Japan in 1937 by the Toyoda family

IN BRAZIL

First unit inaugurated in 1958

ADDRESS
Avenida Piraporinha, 1111 – Bairro Planalto – São Bernardo do Campo (São Paulo)

SALES

116,163 units

PRODUCTION(2013)

129,653

EMPLOYEES

5,385

Around **100 SIGNIFICANT SUPPLIERS**

DEALERS

145 dealerships in the North (11), Northeast (20), Southeast (69), South (30) and Midwest (15) of the country.

SITES

- São Bernardo do Campo (São Paulo) - plant
- Indaiatuba (São Paulo) - plant
- Sorocaba (São Paulo) – plant
- Guaíba (Rio Grande do Sul) – distribution center
- Vitória (Espírito Santo) – distribution center
- Votorantim (São Paulo) – parts distribution center
- Brasília (DF) – representative office
- São Paulo (São Paulo) – commercial office

SBC REBORN PROJECT GRI 2.9

The Toyota plant in São Bernardo do Campo (São Paulo) is undergoing extensive transformations. At the beginning of 2015, all corporate operations will be transferred from the Centro Empresarial Nações Unidas (Cenu) building in South São Paulo to the São Bernardo unit in order to integrate and simplify the subsidiary's structure. This will involve a modernization project to align the unit with the ecofactory concept in place in Sorocaba (São Paulo). A museum should also be installed by 2017 in recognition of the unit's importance in TDB's history in the country.

OPERATIONS AND PRODUCTS

TDB's portfolio for the Brazilian consumer comprises acclaimed products and the company's investments in pioneering innovative technologies

Toyota do Brasil has three production units, in Indaiatuba (São Paulo), São Bernardo do Campo (São Paulo) and Sorocaba (São Paulo); two vehicle distribution centers, one in Guaíba (Rio Grande do Sul) and the other in Vitória (Espírito Santo); a parts distribution center in Votorantim (São Paulo); a representative office in Brasilia (Distrito Federal); and a commercial office in the city of São Paulo (São Paulo).

The company's 5,385 employees man these sites. Additionally, Toyota has a network of 148 dealers in 26 states plus the Distrito Federal, responsible for commercializing its vehicles. **GRI 2.3, 2.7**

In addition to its own models, TDB commercializes Lexus, Toyota's premium brand focused on luxury, high-performance vehicles.

LEADER

The Corolla is the best-selling vehicle worldwide, according to the consultancy Focus2Move, specialized in advanced research into the global automotive market. In 2013, the model reached a record of 1,182,250 units sold. The ranking also includes four other Toyota models among the top 20 best sellers worldwide in 2013: Camry (5th), with 791,815 units sold; Hilux (12th), with 627,025; the sports utility vehicle RAV 4 (16th), with 535.360; and the Prius (18th), with 534,564 units.

TOYOTA MODELS COMMERCIALIZED IN BRAZIL*
GRI 2.2

	CARACTERÍSTICAS
Corolla	Launched in 1966, it is the global best seller in the midsize sedan category. Toyota launched the 2015 model in 2014. The design of the Novo Corolla is based on two concepts: Keen Look, which reflects the new visual identity of Toyota vehicles and is an expression inspired by the look of a high performance athlete; and Under Priority, where the lower positioning of the front grill ensures greater aerodynamic efficiency and greater protection in the event of accidents. There are three versions of the new model available, with different engine and gearbox options: GLi 1.8, XEi 2.0 and Altis 2.0.
Etios	The new 2014 line, available in hatch and sedan versions, continues to present differentials such as internal space, low maintenance costs and low fuel consumption. The hatch model, for example, does 13 kilometers on one liter of gasoline.
Hilux	The 2014 versions of the single and crew cab Hilux pickup truck come with ABS brakes, airbags and individual seats as standard. The diesel-powered crew cab model also has a high-density polyethylene bed liner as standard equipment.
SW4	The top versions of the SRV 2014 line come equipped with a new multimedia system which, in addition to the GPS navigator, has Digital TV and a DVD player with the controls on the steering wheel, offering all the convenience of a private cinema.
Camry	This is Toyota's premium sedan, equipped with a Dual VVT-i24V V6 engine producing 277 hp at 6,200 rpm, as well as and xenon dipped lights.
RAV4	The 2014 model maintains the power trains developed by Toyota, combining drivability, speedy responses and low fuel consumption. In accordance with Inmetro measurements, the RAV4 2.0 liter and 2.5 liter engines received a grade "A" in fuel efficiency.

* With the exception of the Corolla and the Etios, all the models are manufactured by Toyota subsidiaries outside of Brazil. The list does not include Lexus vehicles (LS460L, ES350, IS-250, IS-250 F-Sport, CT200h and RX350) because the Lexus operation is not incorporated into the scope of this report.

PRIUS: ONE YEAR ON THE BRAZILIAN MARKET

With global hybrid sales standing at more than 7 million, Toyota celebrates one year of Prius sales in Brazil. Committed to developing technologies that promote sustainable mobility, the company launched the first Prius in 1997, with the objective of producing a car prepared for the challenges of the 21st century .

The Prius is equipped with two engines, one electric and the other internal combustion, that work together to optimize fuel consumption. The technology in the vehicle transforms the energy generated by braking into electricity, which is stored in the battery and provides enough power to drive the car and to assist the internal combustion engine.

At speeds of up to about 40 kph the electric engine works by itself. At higher speeds, the car's intelligent system understands that the driver needs more power and the internal combustion engine is activated automatically.

With Toyota's innovative Hybrid Synergy Drive, it is possible reduce CO2 emissions by approximately 44% compared with a conventional car with the same sized engine The Prius also consumes less fuel, doing up to 25 km with a single liter of gasoline.

Another important point is recycling. Certain parts are injection molded, using materials of vegetable origin. Up to 85% of the vehicle may be recycled *(see more in the infographic on page 55).*

In addition to being sold to the public, the Prius is also being incorporated into a number of public authority vehicle fleets. Through partnerships aimed at disseminating hybrid technology in the country, a number of models are part of the Distrito Federal traffic department (Detran) fleet. The model is also in use in the fleet of the Pernambuco Social Defense Department (Secretaria de Defesa Social). **GRI EN6**

PERFORMANCE AND OUTLOOK

Driven by recent product launches and a buoyant market, Toyota do Brasil enjoyed its best sales ever in fiscal 2013/2014

The Brazilian automobile market had its best results ever in 2013, with a total of 3.74 million vehicles produced – a 9.9% increase over the previous year, according to the national car makers' association Anfavea (Associação Nacional dos Fabricantes de Veículos Automotores). This performance was driven by exports, by agricultural machinery and by the substitution of imported vehicles with Brazilian ones.

Brazil is the fourth biggest market in the world and the seventh biggest producer, according to Anfavea. Currently the country has 29 car, heavy vehicle and agricultural machinery manufacturers, with 61 industrial units located in 46 municipalities across ten states. The industry accounts for almost 25% of the country's industrial GDP and 5% of overall GDP, with revenues of over US$ 100 billion.

Against this backdrop, Toyota do Brasil increased its space in the domestic market, with growth in market share from 3.1% in 2012 to 4.6% in 2013. The company had record sales of 176,081 units, 55% up over 2012, when 114,000 were sold. **GRI 2.8**

This result was driven mainly by the compact Etios model with 62,000 units of the hatch and sedan versions sold. This was followed by the acclaimed Corolla, with 54,000 units sold, and by the Hilux, leader in the pick-up segment (diesel models) with sales of 43,000 units. The SW4 (12,000), RAV4 (4,500), Prius (324) and Camry (225) also broke records in their categories.

On a global level, TMC reached the historical market of 10,117,274 vehicles produced in 2013, a 2.1% increase over the previous year. Of this total, 5.8 million were manufactured outside of Japan, an increase of 6.1% compared with 2012. This was the second year running that the manufacturer recorded production increases in its subsidiaries.

Further growth is projected for 2014. Anfavea projects a 0.7% growth in production in Brazil and 1.1% growth in vehicle licensing.

Toyota estimates that its global production will reach 10.4 million vehicles and the company intends to sell 10.3 million units, with respective growth rates of 3% and 4% compared with 2013.

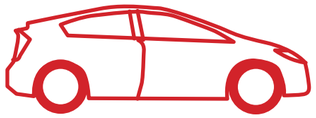
BUSINESS IN BRAZIL

176,081 units sold, the company's best result ever in the Brazilian market

55%
increase in Brazil compared with 2012

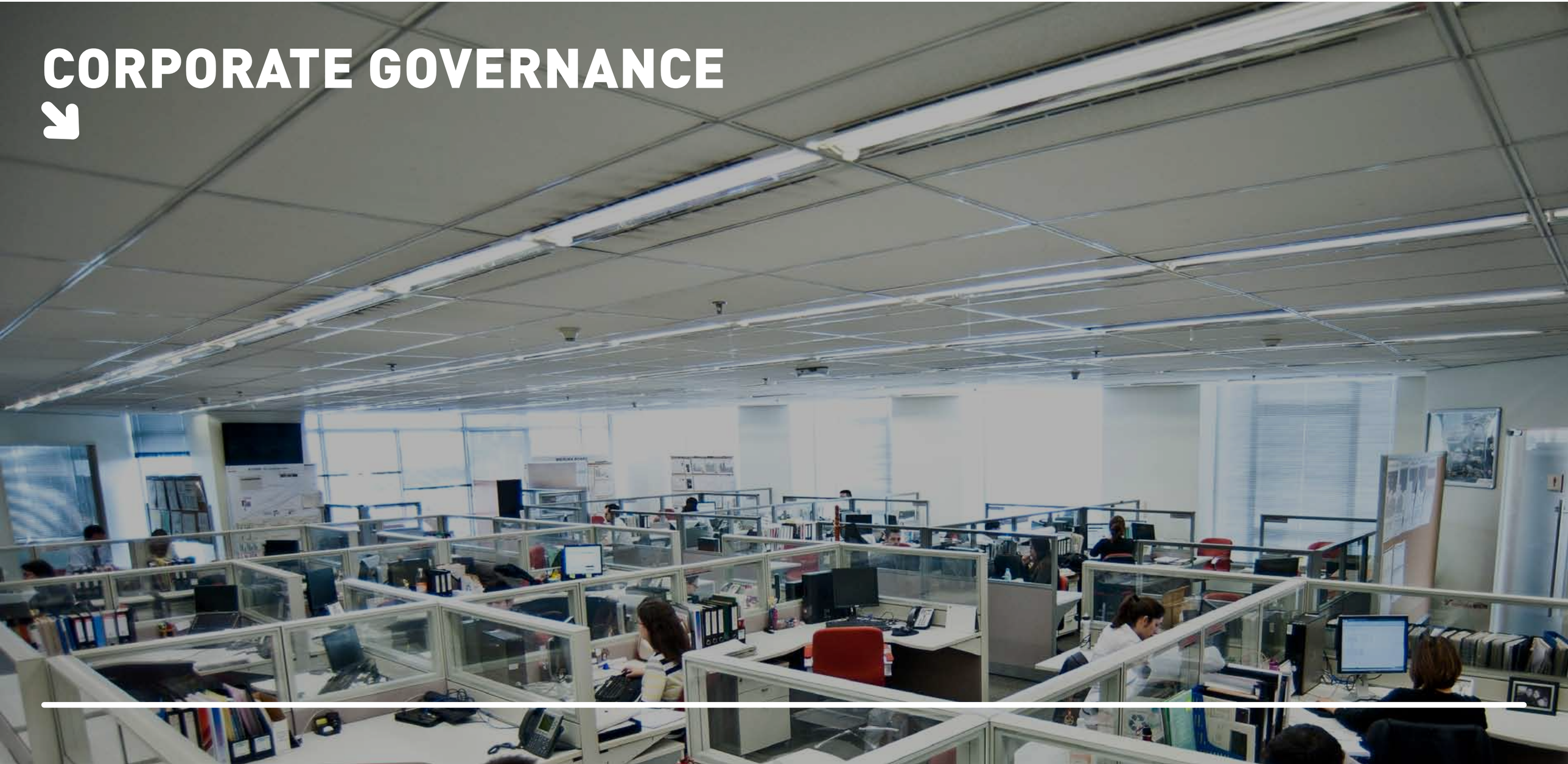
TARGETS FOR FISCAL 2014/2015

10.3 million units sold globally



3% to 4%
organic business growth

CORPORATE GOVERNANCE



NEW LEADERSHIP

In line with the organization's new global challenges, the structure was modified and now includes a CEO for Latin America and the Caribbean

Toyota started 2014 with a new president for Brazil: Koji Kondo substituted Shunichi Nakanishi, who led TDB for three years and has now returned to the head office in Japan. Kondo, who has worked for the company for 26 years, assumed control of the operation with the challenge of consolidating Toyota's image as a good corporate citizen that contributes to Brazilian society and reinvests its earnings in the country.

The executive's mission also includes ensuring ongoing customer satisfaction. In parallel with his new position as president of Toyota do Brasil, Koji Kondo was also named senior advisor to Toyota Argentina.

Kondo reports to Steve St. Angelo, Toyota chief executive officer (CEO) for Latin America and the Caribbean and chairman of TDB, who assumed this position in April 2013. Based in São Paulo, St. Angelo is responsible for Toyota businesses in 45 countries. He also reports to TMC as managing officer.

In line with the Toyota Motor Corporation's global vision, the CEO is committed to building a company that is prepared for the future and will have the autonomy to invest and grow even further in Brazil.

Steve St. Angelo
Chairman of Toyota do Brasil and CEO for Latin America and the Caribbean

Koji Kondo
President of Toyota do Brasil

Luiz Carlos Andrade Jr.
Executive Vice President - Commercial

Takaaki Masuda
Executive Vice President - Industrial

Hideaki Hayashi
Finance Director

Percival Maiante
Human Resources and Corporate Planning Director

STRUCTURE

A privately-owned company, the governance structure of Toyota do Brasil (TDB) is aligned with Toyota Motor Corporation guidelines. This ensures responsible and transparent decision making, alignment with standards of ethics, conduct and management, as well as compliance with the law. **GRI 2.6**

Two bodies coordinate corporate management in Brazil: the Board of Directors (BOD) and the Executive Committee.The former comprises the *chairman*, the president, the Finance, Commercial and Industrial vice presidents and a secretary. The Executive Committee, consisting of the vice presidents and the statutory and non-statutory directors selected by the BOD, is responsible for analyzing improvement projects in the operations and communicating them to leaders. This involves the constitution of groups – Functional Meetings – that address areas such as purchasing, finance, corporate, commercial, engineering, quality and production, assessing proposals related to corresponding areas. The main document orienting management is the Authorization Policy, which sets forth the responsibilities and attributions of Toyota do Brasil. **GRI 4.1; 4.2**

There are no independent or non-executive members in this structure, whose responsibilities are to coordinate important decision making, analyze business performance and to draft strategy. Decisions may be taken solely by the BOD, in which case local decisions are communicated to TMC, or with the prior approval from the head office. The selection of executives is in function of their experience and the needs of the company. These are reviewed annually in meetings between the leaders of Toyota do Brasil and the head office. **GRI 4.3; 4.7; 4.9**

The ongoing relationship between the Brazilian operation and the head office, TMC, ensures that TDB applies all standard practices locally. In Brazil, for example, the company adopts the guidelines of the Sarbanes-Oxley (SOX) Law, a reference in auditing, internal controls and compliance. Every year internal audits are conducted on company processes. TMC also conducts on-site visits and monitors the efficiency of internal controls via audit reports.

ETHICS AND BUSINESS CONDUCT

To ensure integrity and ethics in all professional and team activities, TDB has a Code of Conduct. The document sets forth the company's commitments, including compliance and transparency in relations with governments, clients, suppliers and dealers, among other stakeholders. The main issues addressed are diversity, human rights, anti-corruption measures, prevention of conflicts of interest and ethical deviations. **GRI 4.6; 4.8; HR2**

Revised periodically, a virtual version of the document is available on the company intranet. The contents are addressed in training sessions and internal communications. All newly admitted employees receive a summarized print version, together with the company's Internal Regulations. The most recent campaign to reinforce use of the code was in March 2013.

Monitoring, analysis and any dealings related to the Code are conducted by a structure consisting of the Internal Audit area, the Ethics Committee and the Ethics Channel. These are coordinated or supervised by TDB senior management and, when necessary, with support from the head office.

Via telephone, email or internet, the Ethics Channel receives, analyzes and clarifies reported cases of conflicts or interest, disclosure of confidential information, robbery or fraud. The Ethics Committee, coordinated by the directors of the Legal, Administrative, Human Resources and Audit areas makes reports which are sent directly to the president and the director of Human Resources. The exception is cases where the report is against the president or a vice president, in which case TMC becomes responsible for any decision. **GRI 4.6**

Every year the performance and behavior of Toyota do Brasil senior management are appraised, taking into consideration targets, participation in the results, personal skills and alignment with the Toyota Way. The process, which also includes a self-appraisal, is similar to the one applied to all other employees. **GRI 4.10**

REMUNERATION PRACTICES

The remuneration of the members of the BOD and the Executive Committee is fixed and is in accordance with the salary established in individual work contracts. Only the president of Toyota do Brasil and some statutory directors receive variable remuneration. **GRI 4.5**

TOYOTA WAY

STRATEGY AND MANAGEMENT MODEL

Combining tradition and experience, TDB adopts a business philosophy oriented to customer satisfaction, respect for people and continuous improvement

Toyota's global activities are oriented essentially by two tools: the Toyota Way, used from decision-making through to company relations with stakeholders, and the Toyota Production System (TPS).

The former, adopted formally in 2011, is a policy based on TMC values and principles and comprises management and business methods whose best practice guidelines are aimed at promoting continuous improvement and respect for people.

The purpose of the Toyota Production System is to meet customer needs in the shortest time possible, at the lowest cost and with the highest possible level of quality. The TPS constitutes a global reference, principally because of its dissemination of the concept of lean manufacturing.

A key element in the TPS is the concept of kaizen – or continuous improvement –, which should be put into practice routinely, eliminating losses and wastage. The principle is aligned with Toyota socio-environmental strategy, which establishes the responsible use of natural resources, risk management and operational security. **GRI 4.11**

THE PILLARS OF THE TOYOTA WAY GRI 4.8; 4.11

Continuous improvement	**Challenge**– to build a long term perspective, facing challenges with courage and the creativity to make our dreams come true.
	Kaizen – to improve our business operations continuously, focused on innovation and evolution.
	Genchi genbutsu – in Japanese, "going to the source", looking for and finding the concrete facts in order to make the right decisions, build consensus and achieve our targets, sparing no efforts.
Respect for people	**Respect** – to make every effort to build mutual understanding and trust.
	Team work – encouraging each employee's personal and professional growth, sharing development opportunities and maximizing individual and team performance.

TPS GRI 4.8, 4.11

CRITERIA

Quality Assurance
Ensuring that only quality units proceed to subsequent stages of the process, preventing the breakdown of the production chain.

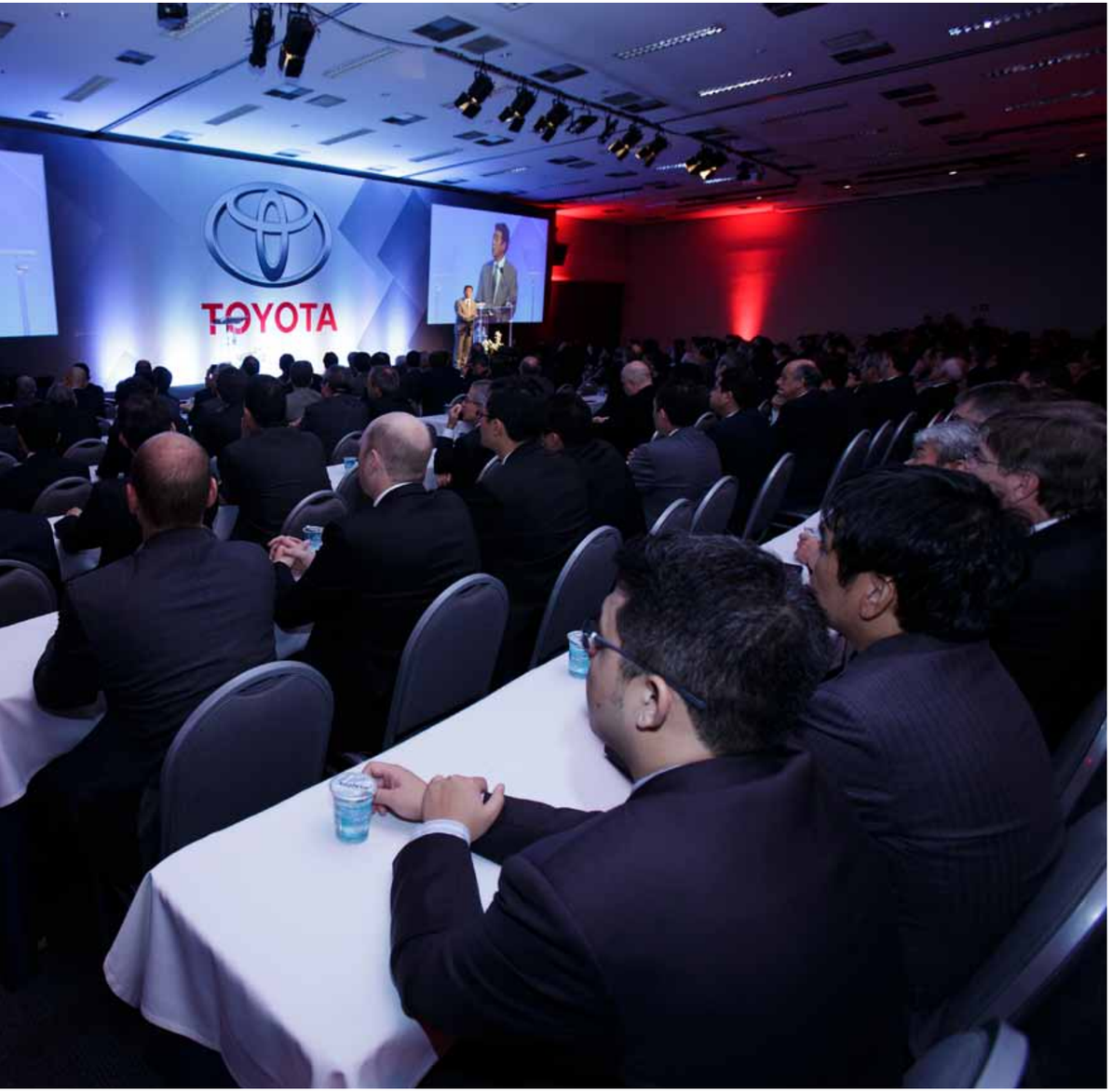
Production Flexibility
The capacity to adapt to changes in demand, both in quantity and in variety.

Respect for the Human Condition
Incentivize the creativity and the innovation potential of the individual and value team work. Honor mutual trust and respect between employees and management

INTEGRATED PHILOSOPHIES

Just in Time Production – to produce and transport precisely what is needed, in the right quantity and at the right time.

Jidouka – a concept proposing 100% quality in part production.
It is also a basic principle for not allowing a defect or failure to proceed in the process without being identified. Upon discovering an anomaly, the employee should stop production so that the problem may be rectified.



STRATEGIC PLANNING
GRI 1.2

Every fiscal year the a Toyota Motor Corporation establishes *hoshins,*strategies that should be followed, monitored and assessed by the senior leadership. Oriented by the Toyota Way and the business model, as well as the 2020 Global Vision, the *hoshins* are adapted to local and regional realities, establishing targets aligned with the company's management priorities.

In the environmental area, the company also has the Toyota Environmental Action Plan, a strategic plan which sets forth the company's main environmental indicators and targets. This plan is reviewed every five years and the pillars are determined based on TMC strategies and the Toyota 2020 Global Vision. The most recent version covers the period from 2011 to 2015 (*read more in Environment and Eco-efficiency, page 19).*

HOSHINS
GRI 4.8; 4.11; 1.2

Regional *hoshin* (Latin America, Middle East and Africa)	Create an automotive market based on "good products and affordable prices" and build the bases for the future, reinforcing the company's structure.
	Promote the use of a wider variety of technologies in the plants, reduce the costs of models produced locally, use flexible supply systems and develop KD businesses
	Begin studies for new businesses in the emerging markets and work consistently in countries with growing markets
Brazilian *Hoshin* (TDB)	Rebuild our business structure to survive the high costs in the Brazilian market
	Develop measures to manage changes in the business environment
	Develop universal actions with all employees to obtain sustainable growth
	Use the resources available to reach maximum efficiency in the regional operations

ENVIRONMENT AND ECO-EFFICIENCY

MANAGEMENT CHALLENGE

The company strives to manage its risks and control its natural impacts in the manufacturing and administrative operations and in the production chain.

Key elements in the Toyota business model, the principles of continuous improvement (*kaizen*), reduction of waste (*muda*) the smallest variation (*mura*) underpin management at TDB. With a combination of more efficient processes and new technologies driven by heightened team awareness, the company strives to reduce the business' natural impacts and control the risks associated with it.

Management is coordinated based on the indicators established in the Toyota Environmental Action Plan, currently in its fifth version (2011-2015). This plan emerged from the junction of a series of Toyota guidelines, including the Global Vision, the Earth Charter (launched in 1992 and revised in 2000) and the Toyota Guiding Principles (formulated in 1992 and revised in 1997).

The Action Plan contains both short and medium term targets and is monitored by the Environment team, aimed at direct operations and in some cases, at the value chain. To put the pillars of the company's environmental policy into practice, in Brazil it has its Environmental Management System, which is inspired by the Toyota Way and by the ISO 14001 standard.

Fiscal 2013/2014 presented a series of challenges. It was the first full year in which the Sorocaba plant in São Paulo was included in the scope of the environmental indicators. Developed according to the ecofactory concept, the plant made a positive contribution to mitigating the environmental impacts generated by the industrial operation.

CONTRIBUTING TO A LOW CARBON SOCIETY

Energy efficiency and controlling CO2 emissions from production and logistics, as well as measures to produce vehicles that consume less.

GHG EMISSIONS

Production

TARGET* 112.5 kg/vehicle produced
RESULT 93.6 kg/vehicle

LOGISTICS

TARGET* 395 kg/vehicle produced
RESULT 379 kg/vehicle

CONTRIBUTING TO A SOCIETY ORIENTED TO RECYCLING

Control over waste generation and water consumption. In packaging, measures to reduce the use of raw material.

WASTE GENERATION

Production

TARGET* 12.74 kg/vehicle
RESULT 12.51 kg/vehicle

PACKAGING CONSUMPTION - Logistics

TARGET* 7.2 t/vehicle
RESULT 7 t/vehicle

CONTRIBUTING TO A SOCIETY IN HARMONY WITH NATURE

Control over volatile organic compounds (VOCs), raising supplier awareness about forbidden substances and control over Substances of Concern (SoCs) in production.

VOC EMISSIONS

TARGET* 33.89 kg/m² of vehicle area **RESULT** 23 grams/m² of vehicle

ENVIRONMENTAL MANAGEMENT

Promote efficient management of operations, involving employees, subsidiaries and business partners – such as suppliers and dealers.

ISO 14.001

- All TDB plants certified
- Another 8 suppliers and seven dealers certified in 2013, totaling 65% of the dealer network and over 92% of company suppliers aligned with the standard

* Targets for fiscal 2013/2014.

ACTION PLAN: ENVIRONMENTAL TARGETS 2011-2015

- Zero cases of legal non-compliance and complaints
- Zero accidents
- Reduce energy consumption by 4% against 2012
- Reduce VOC emissions by 4% against 2012
- Reduce industrial waste generation by 4% against 2012
- Reduce water consumption by 4% against 2012
- Reduce CO_2 emissions in logistics by 3% against 2012*
- Reduce waste generation from packaging by 3% against 2012
- Obtain ISO 14.001 certification for all suppliers
- Monitor CO_2 emissions in the supplier chain
- Legal compliance for 100% of the dealer network, including waste management and adaptation to changes in legislation on recycling automobiles
- 100% of dealers certified in the Dealer Environmental Risk Audit Program (Derap)
- Obtain ISO 14.001 certification for 40% of dealers
- Collect key performance indicators from ISO 14.001 certified dealers
- Publish sustainability report annually

* Reduction target for part, raw material and product transportation

LOW CARBON SOCIETY

At TDB, the carbon management pillar is associated with the efficient use of energy sources – from the production process through to the actual vehicles, including the logistics for end products. Given higher energy consumption and CO_2 emissions, one of the causes of climate change, Toyota seeks to help combat global warming by reducing emissions at every stage of the vehicle life cycle.

PRODUCTION

Regarding greenhouse gas emissions, even with the new unit in Sorocaba, there was a decrease from 108 kg of CO_2 equivalent in fiscal 2012/2013 to 93.6 kg CO_2e in fiscal 2013/2014, considering emissions per unit produced. **GRI EN18; EN26**

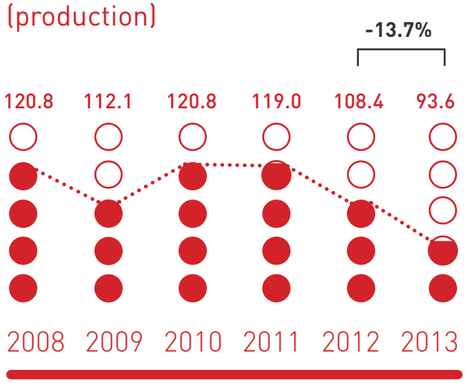
Total energy consumed, taking into account the three manufacturing units, was 498,953 GJ, an increase of 135,205 GJ over the previous fiscal year, also caused by higher production. Even so, on a consumption per unit produced basis, there was a reduction of 1.09 GJ per vehicle. **GRI EN3**

In São Bernardo do Campo (São Paulo), worthy of note are two improvements related to reducing energy consumption: improvements in the thermal treatment process and reduced compressed air pressure in the welding sector. At Indaiatuba, the highlight was the project to reduce natural gas consumption, with savings of 43%. At the Sorocaba plant, the major initiatives were the *kaizens* to reduce natural gas consumption in the paint shop and electricity savings from improvements to the bodywork robots. **GRI EN26**

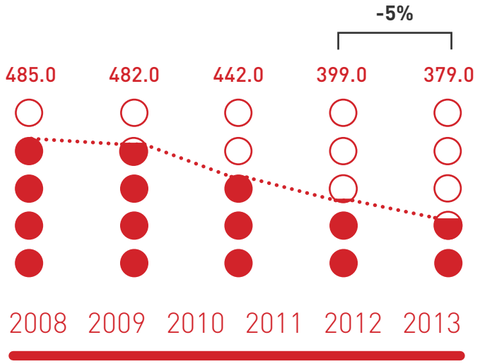
LOGISTICS

In 2013, TDB reduced its CO_2 emissions from logistics operations by 9.2 metric tons. This was due to the introduction of efficiency improvements in volumes and routes and control over the distances covered on alternative highways. The company adopts a series of measures to reduce its carbon footprint over the product life cycle. These include the adoption of alternative modes of transport for distribution, international logistics projects and the installation of suppliers close to the plants.

KG OF CO_2 PER UNIT PRODUCED (production)



KG OF CO_2 PER UNIT PRODUCED (logistics)



DIRECT ENERGY PURCHASED AND CONSUMED (GJ) GRI EN3

	2011	2011 per vehicle	2012	2012 per vehicle	2013	2013 per vehicle
Natural gas	107,440	1.59	130,490	1.48	210,587	1.50
LPG	15,650	0.23	15,078	0.17	12,351	0.09
Electricity **GRI EN4***	177,300	2.60	218,180	0.17	276,015	1.97

** Up to fiscal 2011/2012, TDB reported electricity consumption data as being from a renewable source. After a revision, from fiscal 2012/2013 the company started to consider that electricity purchased from the grid has diverse sources, and it is not possible to accurately identify which is used to generate the electricity consumed by Toyota. The Brazilian energy grid, which TDB uses, comprises 59% non-renewable sources (39.3 % from petroleum and derivatives, 12.8 % natural coal, 5.6% mineral coke and 1.3% uranium) and 41% renewable sources (16.1 % sugarcane biomass, 12.5 % hydraulic and electricity, 8.3 % timber and vegetal coke and 4.2% lixivia and other renewable sources). Source: Balanço Energético Nacional 2014 (https://ben.epe.gov.br/downloads/S%C3%ADntese%20do%20Relat%C3%B3rio%20Final_2014_Web.pdf).*

ENERGY SAVED (GJ) GRI EN5

	2011	2012	2013			
			SBC	IDT	SOR	TDB
Improvements in conservation and energy efficiency	891	352.87	165.5	3,049.1	1,494.3	4,708.896
Process redesign	305	5,620.8	298.3	1,037.9	688.8	2,024.997
Equipment modernization	480	2,263	45.3	855.8	3,101.2	4,002.302
Changes in employee behavior	-	-	-	-	4,110.1	4,110.1
TOTAL	**1,676**	**8,236.7**	**509.08**	**4,942.8**	**9,394**	**14,846.3**

GHG EMISSIONS*((t CO_2e) GRI EN16

DIRECT	2011	2012	2013
Tractors and forklifts NG	214.00	513.20	793.30
Tractors and forklifts LPG	693.00	883.63	722.44

INDIRECT	2011	2012	2013
Electricity generation, purchased heat or steam **GRI EN4****	1,950.50	7,537.97	10,938.73
TOTAL DIRECT AND INDIRECT EMISSIONS	**2,857.50**	**8,934.80**	**12,454.47**

* The calculations are based on natural gas consumption and the conversion factor determined by Cetesb (CO2 emissions inventory).
** Until fiscal 2011/2012, TDB reported emissions data relative to acquired electricity as direct emissions. From fiscal 2012/2013, the company has followed the Global Reporting Initiative (GRI) recommendation, including them in the scope of indirect emissions.

ORIENTATION TO RECYCLING

Waste and water management at Toyota is focused on reducing, recycling and reusing. In addition to reducing the volume of materials discarded in production processes, including solid waste and effluents, the company promotes proper disposal and engages its suppliers. Currently, more than 99% of internal solid waste is recycled.

Production

In fiscal 2013/2014, through measures such as the reduction of paint residues, the total decrease in waste generation was 1,800 metric tons, equivalent to 12.51 kg per vehicle produced. The target for the year was 12.74 kg.

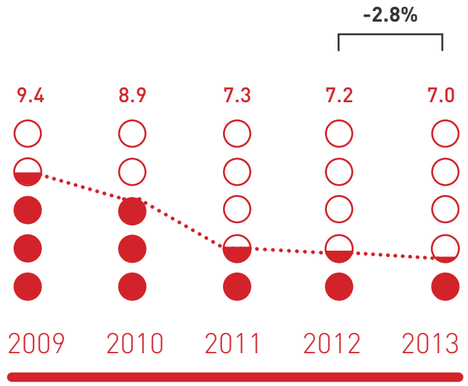
The company generated a total of 26,613.94 metric tons of non-hazardous waste, more than the 23,874.25 metric tons generated in 2012/2013, the increase being due mainly to the new plant. To reduce impacts, in Sorocaba a project to recover PVC mass from vehicle production was developed.

With respect to hazardous waste, there was an overall 35,640 kg/year reduction in the generation of paint sludge (removal of humidity); the reduction at Sorocaba was 4,607 kg, while the Indaiatuba plant had a decrease of 31,033 kg/year. At the latter plant, sludge treatment was improved with a change in chemical products, further boosting the reduction. At São Bernardo do Campo, the measures to reduce impacts included a project which reduced hazardous waste generation by 26%. **GRI EN22; EN24; EN26**

Logistics

To reduce the use of materials in logistics processes, TDB implanted measures such as the reuse of packaging from suppliers and increases in the number of parts shipped in the same package. This led to a drop of 220 metric tons /year. Overall, packaging consumption decreased by 0.2 kg per volume shipped (in m³).

KG OF PACKAGING PER M³ OF CARGO TRANSPORTED



WEIGHT OF WASTE TRANSPORTED AND TYPE OF DISPOSAL (T) •GRI EN22; EN24•

NON-HAZARDOUS WASTE	2011	2012	2013
Composting	182	316.32	405.62
Recycling	9,.411	23,375.34	25,735.02
Landfill	151.3	182.6	204.95
Others (tanks and fat tanks)*	-	-	180
TOTAL	**9,744.3**	**23,874.25**	**26,525.59**

HAZARDOUS WASTE	2011	2012	2013
Recovery	155	188.15 t	157.68
Co-processing	603	746.28 t	1,213.31
Incineration (medical)	-	0.04	0.22
Recycling (paints, solvents, lubricant oils etc.)		10.2	236.5
TOTAL	**758**	**944.67**	**1,578.72**

* All sewage is disposed of in local wastewater treatment plants.

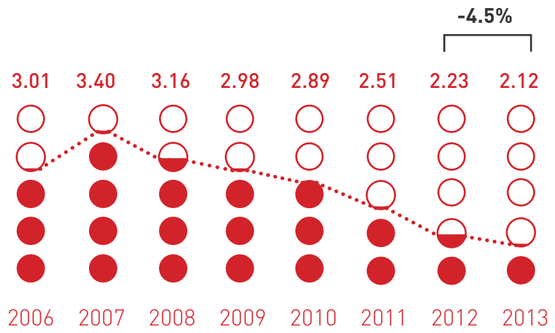
Water

Year on year TDB has been striving to reduce its water consumption per vehicle produced In 2013/2014, the company once again managed to bring the rate down, from 2.81 m³/vehicle to 2.12 m³/vehicle. With respect to absolute consumption, volume grew 87,092.97 m³, totaling 334,644.97 m³ due to the entry into operation of the Sorocaba plant. **GRI EN8**

However, based on the ecofactory concept, the new unit helped reduce consumption per unit produced. Kaizens were undertaken in the water supply system for bathrooms, as well as in rainwater reutilization processes, leading to a 0.12 m³/vehicle reduction in water consumption. **GRI EN26**

Another company priority is wastewater discharge. The company returns water used in the manufacturing processes to the public network after physical-chemical treatment in the wastewater treatment plants. The total water discharged by TDB in fiscal 2013/2014 was 202,273.4 m³, higher than the 141,706 m3 discharged in the previous year, due to the new operation in Sorocaba. **GRI EN21**

WATER CONSUMPTION
(M³ PER UNIT PRODUCED)



WATER CONSUMPTION BY SOURCE * (M³)
GRI EN8

	2011		2012		2013	
	TDB per vehicle	TDB	TDB per vehicle	TDB	TDB per vehicle	TDB
Ground water	2.5	169,348	17.4	153,884	1.18	164,907
Public or private utilities	0.7	51,364	1.06	93,668	0.94	169,738
TOTAL	**3.2**	**220,712**	**2.81**	**247,552**	**2.12**	**334,645**

* For the water consumption indicator, TDB considers the consumption of all the units, dividing it by the number of vehicles produced in Indaiatuba and Sorocaba (São Bernardo do Campo is not included in the scope because it produces parts, not automobiles).

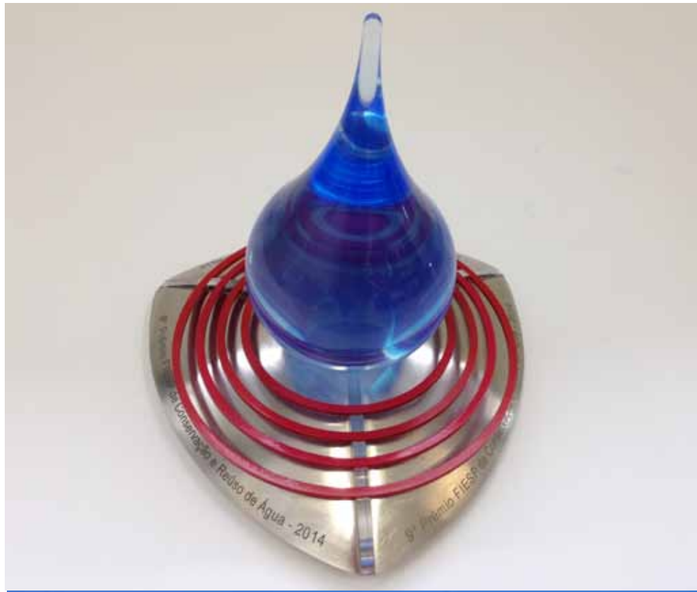
RECOGNITION OF PERFORMANCE
GRI EN26; 2.10

TDB won the Fiesp Water Reuse and Conservation Award (Prêmio de Reúso e Conservação de Água), promoted by the São Paulo State industry Association (Federação das Indústrias do Estado de São Paulo). The award was given because of the company›s water reduction and management projects.

As a sign of the company›s concern about this issue, it organized major *kaizens* in the São Bernardo do Campo, Indaiatuba and Sorocaba plants. Together, these enabled water savings of 41,000 m³ per year.

The measures include:

- exchange of the Painting Ultrafiltration system (IDT);
- elimination of the deionized water bath and improvements to the paint spray system (IDT);
- elimination of overflow in the paint shop deionized water storage tank (IDT);
- optimization of use of sprays in the paint shop baths (SOR);
- installation of conductivity meter in the bodywork chilling tower (SOR);
- reuse of water in ED painting (SBC);
- use of rainwater in toilets (SOR).



SOCIETY IN HARMONY WITH NATURE

To reduce the impacts of its processes on air quality and climate change, TDB also invests in controlling atmospheric emissions. Volatile Organic Compounds, comprising substances which may worsen air quality, are a major concern, particularly in our painting processes.

The main improvements adopted in this area were the substitution of thinner-based paint with water-based paint and the introduction of a methodology which eliminates one of the oven stages in the painting process at Sorocaba.

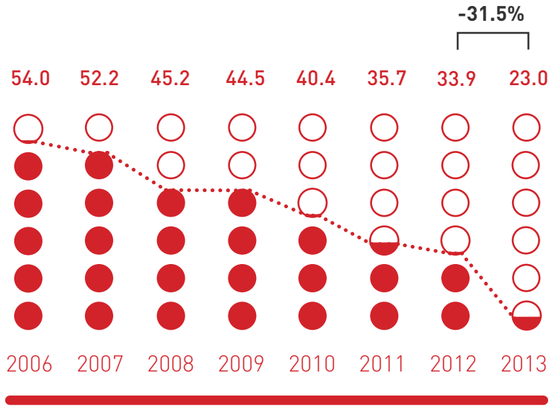
As a result, VOC emissions in fiscal 2013/2014 were reduced by 31.5% to 23 grams per m² of vehicle area. Overall emissions were 305.81 metric tons, higher than the 272.75 metric tons in the previous year, again due to the Sorocaba operation.

The continuous improvement (kaizen) initiatives were aimed at mitigating the impacts of the Indaiatuba and Sorocaba plants. The main *kaizens* included the elimination of sash black painting (door frame) and the introduction of high throw electrodeposition. **GRI EN20; EN26**

SoCs: engaging business partners
During the fiscal year, TMC updated its list of Substances of Concern (SoCs) –items which Toyota is seeking to eliminate from its production process and also from the composition of the vehicles, packaging and replacement parts. The scope was expanded from four to 11 substances, which is driving a number of improvement plans in the direct operation and in the supplier chain.

In addition to the engagement and support measures for companies that supply TDB with parts and inputs (*read more on page 35)*, TDB launched the 2013 edition of the Environmental Purchasing Guide, which lists the compounds banned, as well as the environmental management requirements imposed by the company.

VOC EMISSIONS PER UNIT OF PAINTED AREA (G/M²)



ENVIRONMENTAL MANAGEMENT

Since fiscal 2011, the company has run initiatives aimed at achieving the targets established in the Toyota Environmental Action Plan for the production and sales areas, among others, with a focus on environmental management systems and practices. To maintain the company's long-term perspective, work on the action plan for the next five years (2016-2020) has already begun. This will pave the way for the period 2020 to 2030.

One of the main targets, ISO 14.001 certification for the manufacturing plants was maintained and achieved. Similarly, another seven dealers and eight suppliers were certified in fiscal 2013/2014.

Yet another important measure is the adoption of the ecofactory model which, in line with global Toyota business philosophy will serve as a guide for all the new plants in the country. Sorocaba completed its first full fiscal year of operation, enabling identification of the results and indicators associated with improvements in production. Additionally, units such as Porto Feliz already have best socio-environmental practices incorporated their into construction plans.

MORIZUKURI: POSITIVE ENVIRONMENTAL LEGACY

Since its foundation, Toyota has had a policy of developing its businesses in a manner that contributes towards a better society, underpinned by three pillars which guide its ventures: technology, social contribution and *monozukuri* (sustainable plant).

As part of this commitment, the responsible use of natural resources is supported by the concept of *morizukuri* (which translates literally as "create forest"). This consists of building factories in harmony with nature, valuing local biodiversity and planting forests around the unit. These forests use the region's original vegetation and develop much more rapidly than native forests.

With 40,000 species becoming extinct on the planet every year, actions such as Toyota's are aimed at building self-sustaining habitats which are suitable for local conditions. An artificial increase in quantity is not enough to guarantee the survival of these forests; it is necessary to recuperate and protect the ecosystem to provide conditions which permit the development of living beings. Biodiversity is not protected by planting just any tree; it is necessary to chose the most suitable species for that particular environment, the same being true where animals are concerned.

Developed by Akira Miyawaki, a teacher at the Yokohama National University and director of the Japanese Center for International Ecology Studies, the method enables forestry development capable of surviving without human maintenance until the next Ice Age – in other words, for another 9,000 years. The morizukuri does not need human intervention: the surviving flora undergoes changes over time, becoming stable vegetation.

With Professor Miyawajuki's method, the time required for the forest to develop decreases from an original average of 100 to 200 years to between 10 and 20 years. After being applied to Toyota operations in Japan, India and Thailand, this tool is now being used in Brazil, involving more than 5,000 employees and their families in the planting of 130,000 seedlings in the period from 2011 to 2012.

Today the forest surrounding the Sorocaba plant has reached a height of over 5 meters, and local biodiversity has begun to flourish. The company expects to apply the same methodology at the Porto Feliz factory in São Paulo. Through this type of measure, Toyota seeks to protect biodiversity in the areas in which it operates, recovering forests which will guarantee a much more prosperous future for all living creatures.

MORIZUKURI STAGES

1. Research to select species
This involves the selection of plants that are ecologically suited to the region, as well as studies of planting conditions.

2. Preparation of seedlings
In Sorocaba, 103 species of seeds were acquired. These were planted in pots until they grew to a height of 30 cm.

3. Preparation of mounds
This involves preparing the earth to provide the layer necessary to enable the plants' roots to absorb nutrients and water.

4. Planting ceremony
The seedlings grown in the pots are planted in the region where the forest will grow, the high density of the seedlings and the mixture of species provoke competition among the plants, ensuring rapid development.

ENVIRONMENTAL PROTECTION GRI EN13

Toyota maintains three environmental protection projects in Sorocaba, where it has a unit. The Área Verde (Green Area) project, comprising 56.93 hectares of restored land with a further 22.2 hectares yet to be restored. Another project is the Manejo de Conservação da Fauna (Fauna Conservation Stewardship) project. This covers a 10 hectare area and is run in partnership with Biométrica. The third is the Parque Municipal Corredores da Biodiversidade. This 62.5 hectare biodiversity protection project involves a partnership with the Fundação Toyota do Brasil, the Sorocaba city government, the local environment department and Ideas (*read more on page 47*).

INVESTMENTS AND SPENDING ON ENVIRONMENTAL PROTECTION (R$) GRI EN30

	2011	2012	2013
Cost of waste disposal, emissions treatment and mitigation	**1,076,000**	**9,621,573**	**4,466,929**
Waste treatment and disposal	1,058,000	586,573	4,272,802
Emissions treatment	18,000	6,000	194,127
Depreciation of specific equipment and spending on materials and maintenance and operational services, as well as on personnel engaged in these activities	-	8,671,000	-
Environmental responsibility insurance	-	358,000	-
Environmental prevention and management costs	**434,500**	**369,873**	**1,213,458**
Personnel used in education and training	7,500	8,700	5,550
External environmental management services	395,000	279,709	988,471
External certification of management systems	32,000	81,464	34,009
TOTAL	**1,510,500**	**9,991,446**	**5,680,388**

STAKEHOLDERS

DIALOGUES FOR DEVELOPMENT

Relationships with company stakeholders are based on transparency, ethics and contributions to the country

In day-to-day business, Toyota has significant influence over the lives of thousands of Brazilians, including commercial partners, customers and other stakeholders. Understanding the relevance of its impacts and its responsibility for contributing to the country's development, the company invests in creating channels to forge closer ties with these groups.

In 2008, the Toyota operations in Brazil and Argentina undertook a process to identify the stakeholders of the corporate brand. Since then, the company has focused its strategies on four groups and six stakeholders responsible for attributing value to the brand and impacting the automobile sector. These are: customers, dealers, suppliers, employees, communities and governments.

TDB's business philosophy puts the customer and customer satisfaction in first place. However, the company also pays careful attention to the other links in the value chain, including a focus on environmental management and quality for suppliers and dealers; Fundação Toyota do Brasil investments; support for industry solutions and public mobility policies, the government area; and managing people, with a recent emphasis on improving the internal climate. **GRI 4.15, GRI 4.16, GRI 4.17**

TOYOTA AND ITS STAKEHOLDERS GRI 4.14

Brand builders
- Employees
- Suppliers
- Advertising agencies
- Banco Toyota and Toyota Compañia Financeira de Argentina S.A. (TCFA)
- Dealer associations (Abradit and Actra)
- TMC/shareholders
- Toyota subsidiaries
- Dealers
- Customers

Brand endorsers
- Press
- Universities
- Opinion leaders
- Employees' families
- Customers
- NGOs

Sector regulators
- Government authorities

Sector representatives
- Industry associations (Anfavea in Brazil; Adelfa in Argentina)
- Financial community
- Insurance companies
- Competitors
- Unions

CUSTOMERS

The management model prioritizes providing customers with the best possible experience, from acquisition of the vehicle to post-sale service

In line with Toyota Motor Corporation guidelines, TDB sees its customers as a crucial element in achieving the 2020 Global Vision. From treatment at the dealership to post-sale service, the company works on developing training, communication channels and research to maintain the company's reputation.

In a competitive environment, Toyota's main focus is on maintaining service quality throughout the vehicle life cycle, as well being fully accountable to its consumers.

With the higher sales volume, there was an increase in customer contacts. Even so, TDB managed to decrease the rate of complaints per number of vehicles sold through the Complaint Reduction project – which involved a series of improvements in structure and in communication channels.

A series of measures was taken in 2013, such as an increase in team members, the creation of a division of engineers to meet the demands of digital media (*Reclame Aqui* (Complain Here and Facebook) and the introduction of a new communication channel with the dealer network to help prevent and to deal with complaints at the dealers.

Today the Call Center (SAC in the Portuguese acronym) consists of 30 people, including third-party professionals and specialized engineers to handle more complex issues. The Center may be contacted by telephone (0800-703-0206), email (clientes@sac.toyota.com.br), by post or digitally. The main reasons for contact include dealer attitude, parts logistics, doubts about performance, guarantee policy and safety items.

The time limit for providing a position or resolving cases is 48 hours, but Toyota is investing in streamlining its response times. In 2013, the average response time for the SAC information team was 4 minutes and 17 seconds; for the complaints team it was 5 minutes and 55 seconds. This was slightly lower than the 2012 rate, but within the stipulated target of 7 minutes.

For four years Toyota do Brasil has provided a serviced based on visits by a team member for more complex cases (*genchi genbutsu*). In accordance with the company's system to act preventively upon identification of a problem with products (*see more in Quality and Safety on page 51*), there were 77 cases in which this format was adopted during the year.

2014/2015 TARGETS

↘

11% Reduction
in complaints

3 Dealers with pilot customer relationship structures

Chat – Implantation of new contact option with the TDB call center

MONITORING SATISFACTION GRI PR5

Customer Satisfaction Index
This is calculated on a daily basis by Ibope which surveys 19% of the customers acquiring new vehicles, asking them to rate the sales process – from the first contact through to delivery of the product. In 2013, the indicator was 9.58 on a scale from 1 to 10 – beating the target of 9.3 set for the year.

Post-sale
Since 2008, the area has conducted a monthly survey to measure customer satisfaction with post-sale services in the dealer network. At the end of 2013, the target of an average of 9.2 had been exceeded.

Call Center
Call center service quality has been assessed by customers since 2011. With 48,000 contacts up until the end of 2013, the survey indicated a 76% satisfaction rate, 12% dissatisfied and 12% indifferent, achieving the 70% target set for general complaints or highly complex cases during fiscal 2013/2014.

TOYOTA CUSTOMER CARE

	2011	2012	2013
Sales	99,553	116,621	176,084
CPUs (transport paid in dealer network)	797,165	786,200	865,237
Contacts	47,313	47,605	50,391
Information	38,210	36,285	38,573
Complaints	9,103	11,320	11,818

TRAINING IN CUSTOMER CARE

Customer care representatives in the dealer network and TDB Post-sales managers take part in periodic training and refresher courses focused on risk management and consumer rights. In 2013, 140 SAC representatives, corresponding to 90% of the team, took basic, intermediate or advanced level programs in nine different groups. During the year, distance training on Toyota's "Customer First" philosophy was initiated, reaching 191 SAC attendants.

DEALERS

Relations with the dealer network are aimed at ensuring more efficient operations and qualified services

Aware of its role in developing and qualifying its value chain, Toyota do Brasil seeks to maintain close relations with its network of 148 dealers. Located in 26 states and in the Distrito Federal, the dealers are a crucial link with the end consumer. They also provoke their own socio-environmental impacts which must be managed in alignment with company standards and policies.

As part of the network expansion plan, during the year seven new dealerships were inaugurated, in Palmas (Tocantins), Araguaína (Tocantins), Ananindeua (Pará) and Natal (Rio Grande do North). In April, another dealership opened in Campina Grande (Paraíba). The period was challenging due to the competitiveness in the industry, especially in the compact segment. Because of this, performance indicators were implanted for network managers. These were monitored and communicated to the company.

Toyota maintains direct relations with its dealers to manage routine business. It also relates to them via the dealer association Abradit (Associação Brasileira de Distribuidores Toyota). Other channels of contact include meetings with leaders, as well as a website, an internal TV circuit, a chat network and Radar Toyota, which provides dealers with training videos.

SUPPORT IN ENVIRONMENTAL MANAGEMENT

To replicate continuous improvement throughout the chain, TDB implanted its Dealer environmental risk audit program (Derap). Since 2006, the initiative has provided dealers with support in the adoption of risk control and efficiency measures. Based on specific requirements (see box), business partners adopt best practices and receive audits.

At the end of fiscal 2013/2014, 142 of the 143 dealers were compliant with standards – equivalent to over 99% of the network. The approved dealers are monitored and audited by the TDB environmental team.

Another goal is to encourage dealers to obtain ISO 14.001 certification, thus attesting to the existence of structured environmental management systems at the dealerships. At the end of the fiscal year, 93 of the 143 units– 65% of the network – had obtained certification, against a target of 66%.

As a reflex of the good relations the company maintains with its dealers, in 2011 TDB started to collect and monitor indicators for electricity and water consumption, waste generation and CO_2 emissions at the dealerships with ISO 14.001 certification. The company also organizes the collection of batteries, tires and other parts related to the product life cycle (*read more on page 54*).

TO PARTICIPATE IN DERAP GRI 4.11; 1.2

- have a person responsible for environmental matters at each dealership;
- have an environmental policy, a declaration of compliance with the legislation in force and a commitment to the implementation of environmental improvements;
- manage hazardous waste properly (oils, filters and batteries);
- use oil and water separators;
- use vehicle air conditioning gas recycling machines to prevent emissions harmful to the ozone layer.

DESTINED FOR EXCELLENCE

TDB develops a series of initiatives to transmit the company's essence and its business philosophy to dealership employees.

Sales Training Program
With the twin goals of improving commercial relations and retaining talent, this program aimed at customer-facing consultants and managers contains face-to-face and remote modules and is delivered at three levels: Certified, Expert and Master.

The targets set were achieved before the end of the fiscal year (*see table*). Additionally, face-to-face training sessions were organized for the launch of the Etios Cross (in September de 2013), involving 130 participants. The training for the new 2015 Corolla was attended by all managers, sales consultants and trainers (1,600 people).

Toyota Sales Way (TSW)
This program trains and certifies the dealers' sales teams. During the fiscal year, sales processes were reviewed due to the competitiveness of the automotive market. Similarly, the training modules were updated, particularly worthy of note being Commercial Management module 1, which addresses the main sales indicators, including a score card that measures the efficiency of the sales process. All sales managers and all *kaizen* leaders – who coordinate continuous improvement measures in the dealer network - took part.

At the end of the period, 135 dealers had been certified in the TSW and 16 were implementing the program. Certification is valid for one year and must be renewed in accordance with annual audits.

Skill Contest
This is a competition organized by the Post-Sales area. It is aimed at motivating and recognizing dealership employees based on service quality and business performance. The winners take part in a ceremony in Japan. The 19th Brazilian edition took place in São Paulo in 2013, with six employees receiving awards.

Toyota Dealer Management Program
Organized by the Instituto de Ensino e Pesquisa (Insper) in São Paulo, the program prepares successors for the dealer network. The course includes classes in the United States and a period in Japan and addresses diverse aspects of management as well as Toyota values and guidelines. Since 2008, there have been four groups totaling over 120 people. The fifth group comprises 35 participants, encompassing successors and executives.

RESULTS OF SALES TRAINING PROGRAM

	CERTIFIED	EXPERT	MASTER
Sales consultants	91% (target 90%)	72% (target 65%)	28% (target 20%)
Sales managers	87%	77%	Not held*

* At final stage of development.

2014/2015 TARGET

↘

100%
recertification rate in the TSW for dealers

SUPPLIERS

Engaging the supply chain in a commitment to quality, compliance and operational excellence

TDB's relations with its suppliers are focused on developing the industry, driving eco-efficiency in the production chain and guaranteeing the quality of the end product. Currently, the company has relations with 100 companies responsible for supplying materials, inputs and services which are essential for production. In 2013, more than 30% of the chain was involved in environmental, safety, quality and productivity improvement measures.

To ensure transparent and ethical relations with these suppliers, Toyota has a Purchasing Policy underpinned by three principles: fair competition and an open door policy; mutual benefit based on trust; and contribution to the vitality of the local economy. Relations with suppliers are also governed by the Environmental Purchasing Guide and the Corporate Responsibility Guide.

These documents reaffirm the company's commitment to preventing abuses to human rights and in labor practices, such as the use of child or slave labor. **GRI HR6; HR7**

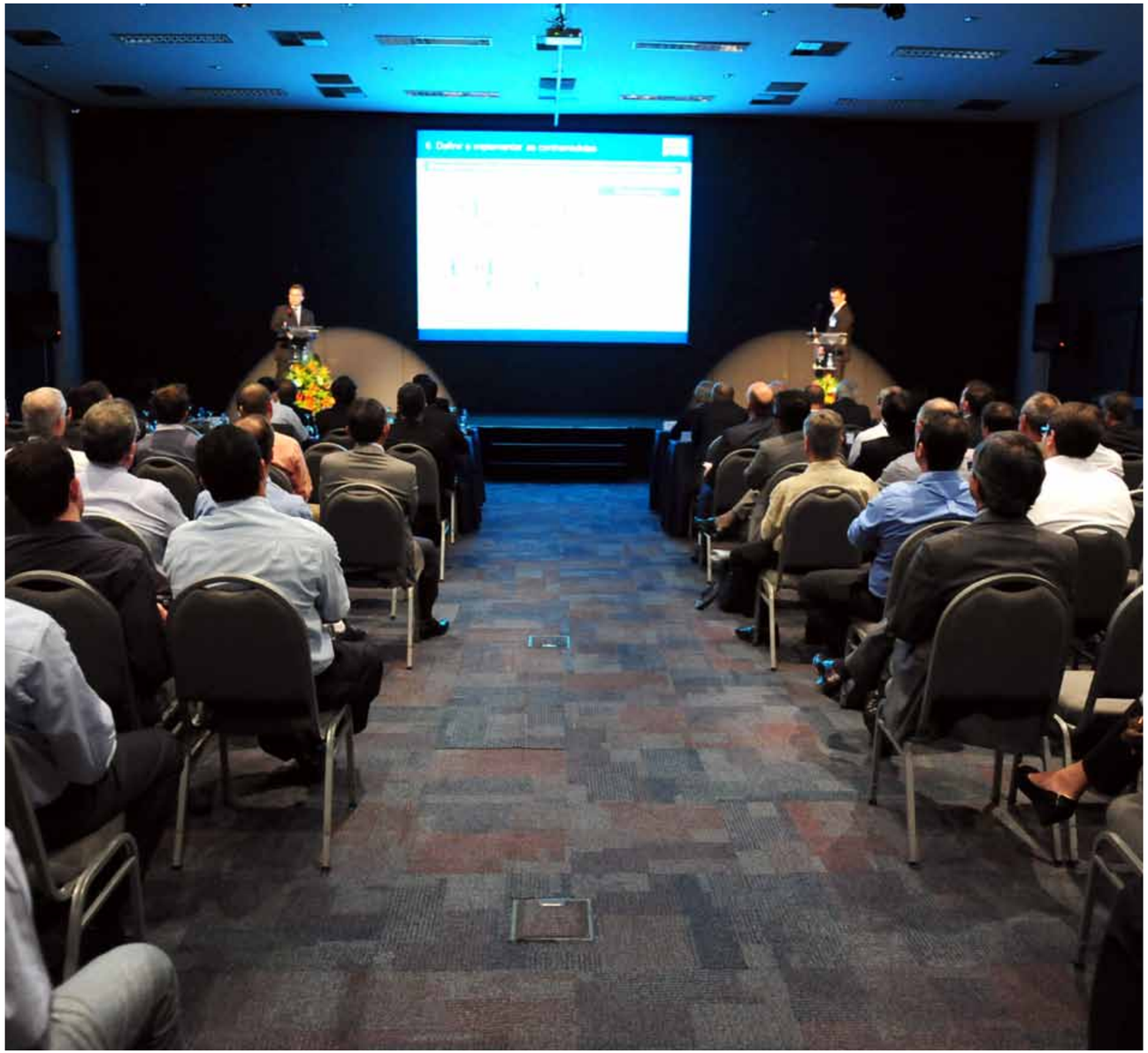
The partner selection process entails assessment of the following criteria: quality; logistics process; costs of inputs and services; management capacity and capacity to meet demand; ISO 14.001 certification, as well as compliance with the Toyota do Brasil Environmental Purchasing Guide. The location of suppliers is not a formal criterion; all companies with their headquarters in the country are considered to be local. To support the development of the regions in which it operates, whenever possible Toyota seeks to buy parts, materials and equipment locally. **GRI EC6**

In addition to the supplier park at the Sorocaba plant, domestic production of engines when the Porto Feliz plant is opened will drive local development. In 2013, a future parts supplier started work on the construction of a plant in the same municipality, generating employment and income for the region.

Toyota, through the Brazilian Automotive Suppliers Association (Brasa) organizes meetings and provides guidance on continuous improvement (*kaizen*), efficiency, waste reduction, quality and eco-efficiency, in addition to promoting training in the Toyota Production System (TPS), safety and the environment.

Another measure of supplier engagement is the company's annual supplier convention which in 2013 recognized the work done by some 20 companies. During the fiscal year, the Brasa Corporate Social Responsibility Committee was created with support from Toyota in the definition of targets and management priorities.

The company has its Jishuken, a program focused on continuous process improvement, particularly in quality and efficiency. In 2013, there was a 10% increase in participation at the three different levels of the program (basic, advanced and *ji-kotei kanketsu* – JKK). During the fiscal year, 58 suppliers received training, including the JKK and TPS programs.



CHALLENGE FOR 2014/2015 ↘

Reduction
in supply chain costs to ensure financial sustainability

All
suppliers ISO 14.001 certified

ENVIRONMENTAL MANAGEMENT IN THE CHAIN

At the end of fiscal 2013/2014, more than 92% of Toyota suppliers in Brazil had obtained ISO 14.001 certification. This number was higher than the previous year (87%) but still below target for the year, which was to have all partners certified. The company is working to ensure that the entire supplier chain is certified in environmental management.

EMPLOYEES

Intrinsic to the Toyota Production System, respect for people is demonstrated through the company's training, security and development measures

Toyota do Brasil is committed to respecting its employees and to promoting a safe and healthy work environment that stimulates professional growth. For this reason the company focuses on developing its leaders and employees, promoting improvements in the internal climate.

In fiscal 2013/2014, the headcount reached 5,254 people. As part of the company's expansion plans for Brazil, including full operation at the plants in Sorocaba and Porto Feliz and the prospect of the production of a new vehicle in the country, the work force is expected to grow steadily. All employees are contracted under Brazil's CLT labor regime, and 99% of employees are of local origin (from communities close to the operations). **GRI LA1; EC7**

Through the Human Resources Planning and Development program, the company sets targets that guide personnel development actions. During the fiscal year, worthy of note was the organization of another climate survey, the implementation of new TDB development programs and discussions about Pro WIN.

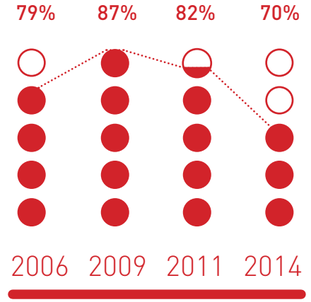
The measures are aligned with the implantation of a strategic plan for the Human Resources area based on the 2020 Global Vision, which in Brazil is focused on ensuring employee satisfaction. The idea is to combine pride at being part of Toyota with the perception that the company actively seeks to offer employees development opportunities.

Held in February 2014, three years after the last edition, 70% of the work force or 3,679 people participated in the climate survey.

The favorability rate indicates the need to boost the employees' level of satisfaction. The major positive points in the assessment are pride in working for the company and the perception that working at Toyota has a special meaning. The more negative results include internal promotion and employee recognition. **GRI PR5**

As part of the solution to the issues identified, TDB will reinforce alignment with corporate philosophy by implementing the Toyota Way for Management, a global program in which all employees review the company's values and principles. In April 2014, 12 Brazilian employees were certified by the Toyota Institute in Japan.

CLIMATE SURVEY – PARTICIPATION RATE



CHALLENGE FOR 2014/2015

Increase employee satisfaction through leadership and career management

DEVELOPMENT FOR EXCELLENCE

Seeing opportunities to develop employees as a way to drive efficiency, retain talent and reinforce continuous improvement (*kaizen*), TDB organizes programs focused on technical qualifications and active team engagement in process changes.

For the main employee body, one of the principle training actions is the Toyota Business Practices (TBP) methodology, which is applied to problem solving. Split into a theoretical phase and a practical one in which the concepts are applied in the work routine, the TBP was in place throughout the fiscal year.

Other incentives include the pursuit of improvements and process innovations. In this sense, TDB has had its Suggestions Program in place since the 1990s. In this program, employees make proposals for kaizens, with salary bonuses for the employees whose proposals are accepted. During the fiscal year, the company received 38,159 suggestions in the industrial area and another 6,134 from administrative personnel.

With a similar goal, the QC Circle forms sector leaders in collective training programs aimed at promoting continuous improvement. Based on Plan-Do-Check-Act or PDCA methodology, the circles promote innovation, team work and rapid, objective decision making.

DEVELOPMENT AND LEADERSHIP

In addition to the implementation of a development plan, to be continued in the next fiscal year, in 2013 the company refined a series of projects aimed at valuing employees and retaining talent.

At Toyota do Brasil, promotion is one of the main instruments through which the company recognizes employee alignment with its values. In 2013 alone, there were 223 promotions for salaried employees and more than 500 among hourly paid workers. All leadership roles are performed by employees from inside the company and trained in the New Leader Development Program.

During the year, 29 section heads and supervisors, 4 charge hands and 23 candidates for team leader graduated from the program. The program consists of a theoretical component as well a period of on the job development.

Also worthy of note during the year was the implementation of Pro WIN, a program which focuses on improving employees' knowledge and skills in the processes in which they work. The program was expanded gradually during the year, promoting discussions and workshops in every area of the company.

INDICATORS*

EMPLOYEES GRI LA1

BY FUNCTIONAL LEVEL	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
President and VPs	4	0	7	0	7	0
Directors	11	0	10	0	12	0
Management	177	8	202	8	205	14
Chief/coordination	157	18	103	21	112	20
Tech./supervision	142	2	232	2	217	1
Administrative	883	309	982	354	912	357
Operational	2,634	15	3,184	15	3,202	13
Third parties*	14	15	52	15	91	10
Apprentices	99	47	141	63	126	56
Interns	8	16	22	12	12	18
Total by gender	4,129	430	4,935	490	4,896	489
TOTAL	**4,559**		**5,425**		**5,385**	

* Data presented by fiscal year (FY 2013: April 2012 to March 2013; FY 2014: April 2013 to March 2014; etc.)

BY TYPE OF CONTRACT	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Fixed term	0	1	7	10	14	28
Permanent	4,129	429	4,928	480	4,882	461
Total by gender	4,129	430	4,935	490	4,896	489
TOTAL	**4,559**		**5,425**		**5,385**	

BY TYPE OF EMPLOYMENT	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Full-time	4,117	410	4,913	478	4,884	471
Half-time	12	20	22	12	12	18
Total by gender	4,129	430	4,935	490	4,896	489
TOTAL	**4,559**		**5,425**		**5,385**	

BY REGION	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
South	7	2	6	1	11	4
Southeast	4,121	428	4,927	489	4,883	485
Midwest	1	0	2	0	2	0
Total by gender	4,129	430	4,935	490	4,896	489
TOTAL	**4,559**		**5,425**		**5,385**	

DIVERSITY GRI LA13

GENDER (%)	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Directors	100%	0%	100%	0%	100%	0%
Management	96%	4%	96%	4%	94%	6%
Chief/coordination	90%	10%	83%	17%	85%	15%
Tech./supervision	99%	1%	99%	1%	100%	0%
Administrative	74%	26%	74%	26%	72%	28%
Production	99%	1%	100%	0%	100%	0%
Apprentices	68%	32%	69%	31%	69%	31%
Interns	33%	67%	65%	35%	40%	60%
TOTAL	**91%**	**9%**	**91%**	**9%**	**91%**	**9%**

DISABLED PERSONS (%)	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Directors	9%	0%	10%	0%	8%	0%
Management	2%	0%	1%	0%	0%	0%
Chief/coordination	0%	1%	4%	0%	5%	0%
Tech./supervision	5%	0%	3%	0%	3%	0%
Administrative	6%	4%	7%	5%	7%	6%
Production	3%	0%	2%	0%	2%	0%
Apprentices	-	-	0%	0%	0%	0%
Interns	-	-	0%	0%	0%	0%
TOTAL	**-**	**-**	**-**	**-**	**3%**	**1%**

BLACKS (%)	2013		2014	
	MEN	WOMEN	MEN	WOMEN
Directors	0%	0%	0%	0%
Management	0%	0%	0%	0%
Chief/coordination	0%	0%	1%	0%
Tech./supervision	1%	0%	4%	0%
Administrative	1%	0%	1%	0%
Production	2%	0%	2%	0%
Apprentices	2%	0%	2%	1%
Interns	3%	0%	0%	0%
TOTAL	**2%**	**0%**	**2%**	**0%**

DIVERSITY GRI LA13

AGE GROUP (%)

	2012			2013			2014		
	UNDER 30	BETWEEN 30 AND 50	OVER 50	UNDER 30	BETWEEN 30 AND 50	OVER 50	UNDER 30	BETWEEN 30 AND 50	OVER 50
Directors	0%	73%	27%	0%	70%	30%	0%	32%	68%
Management	4%	80%	16%	4%	77%	19%	3%	77%	20%
Chief/coordination	4%	93%	3%	4%	93%	3%	2%	92%	7%
Tech./supervision	10%	82%	8%	3%	91%	6%	2%	91%	7%
Administrative	53%	45%	2%	50%	48%	2%	41%	57%	2%
Production	47%	51%	2%	50%	48%	2%	52%	46%	2%
Apprentices	100%	0%	0%	100%	0%	0%	100%	0%	0%
Interns	100%	0%	0%	100%	0%	0%	100%	0%	0%
TOTAL	**46%**	**49%**	**5%**	**47%**	**50%**	**3%**	**46%**	**51%**	**3%**

COMPOSITION OF GOVERNANCE BODIES

	2013		2014	
	MEN	WOMEN	MEN	WOMEN
Gender (%)	100%	0%	91%	9%
Negros (%)	0%	0%	96%	4%
Disabled persons (%)	0%	0%	69%	31%

AGE GROUP

	2013			2014		
	UNDER 30	BETWEEN 30 AND 50	OVER 50	UNDER 30	BETWEEN 30 AND 50	OVER 50
Disabled persons (%)	47%	50%	3%	46%	51%	3%

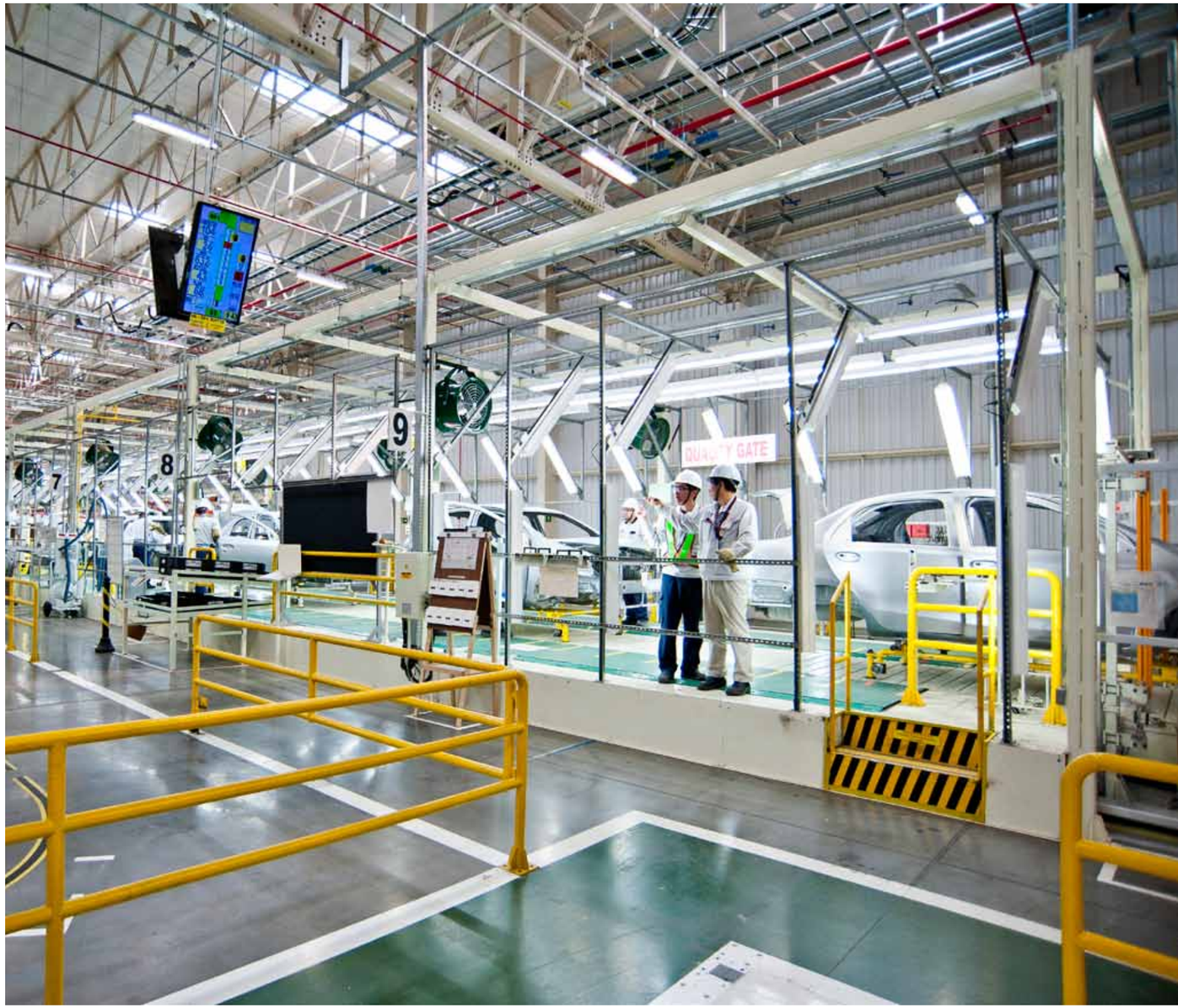
TURNOVER GRI LA2

TERMINATIONS	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total by gender	294	44	312	66	543	98
TOTAL	338		378		641	

HIRES	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total by gender	1,009	169	1,082	146	467	99
TOTAL	1,178		1,228		566	

HIRE RATE	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total by gender	24.4%	39.3%	21.93%	29.80%	9.54%	20.25%
TOTAL	25.84%		25.86%		10.51%	

TERMINATION RATE	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Total by gender	7.1%	10.2%	6.32%	13.47%	10.08%	20.04%
TOTAL	7.4%		7.0%		11.90%	



TURNOVER GRI LA2

HIRES BY AGE GROUP	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
Under 30	878	917	120	374	85
Between 30 and 50	295	159	25	85	14
Over 50	5	7	0	8	0
Total by gender	**1,178**	**1,083**	**145**	**467**	**99**
TOTAL	**1,178**	**1,228**		**566**	

TERMINATIONS BY AGE GROUP	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
Under 30	176	177	45	321	84
Between 30 and 50	150	110	21	195	14
Over 50	12	25	0	27	0
Total by gender	**338**	**312**	**66**	**543**	**98**
TOTAL	**338**	**378**		**641**	

HIRE RATE BY AGE GROUP	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
Under 30	42.68%	18.58%	24.49%	7.60%	17.40%
Between 30 and 50	12.7%	3.22%	5.10%	1.70%	2.90%
Over 50	3.97%	0.14%	0.00%	0.20%	0.00%
Total by gender	**-**	**21.94%**	**29.59%**	**9.50%**	**20.20%**
TOTAL	**25.8%**	**51.53%**		**29.70%**	

TERMINATION RATE BY AGE GROUP	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
Under 30	8.56%	3.59%	9.18%	6.60%	17.20%
Between 30 and 50	6.46%	2.23%	4.29%	4.00%	2.90%
Over 50	9.52%	0.51%	0.00%	0.60%	0.00%
Total by gender	**-**	**6.33%**	**13.47%**	**11.10%**	**20.00%**
TOTAL	**7.4%**	**19.80%**		**31.10%**	

TURNOVER GRI LA2

HIRES BY REGION	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
South	-	1	0	6	3
Southeast	1,177	1,080	146	461	96
Midwest	-	1	0	0	0
Northeast	-	-	-	-	-
North	-	-	-	-	-
Total by gender	**1,177**	**1,082**	**146**	**467**	**99**
TOTAL	**1,177**	**1,228**		**566**	

TERMINATIONS BY REGION	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
South	-	1	0	1	0
Southeast	338	311	66	542	98
Midwest	-	0	0	-	-
Northeast	-	-	-	-	-
North	-	-	-	-	-
Total by gender	**338**	**312**	**66**	**543**	**98**
TOTAL	**338**	**378**		**641**	

HIRE RATE PER REGION	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
South	-	14.29%	0.00%	9.10%	0.00%
Southeast	25.82%	19.94%	2.70%	11.10%	1.80%
Midwest	-	50.00%	0.00%	0.00%	0.00%
Northeast	-	-	-	-	-
North	-	-	-	-	-
Total by gender	**-**	**84.23%**	**2.70%**	**20.20%**	**1.80%**
TOTAL	**25.8%**	**86.93%**		**22.00%**	

TERMINATION RATE BY REGION	2012	2013		2014	
		MEN	WOMEN	MEN	WOMEN
South	-	14.29%	0.00%	6.70%	0.00%
Southeast	7.4%	5.85%	1.24%	10.02%	1.80%
Midwest	-	0.00%	0.00%	-	-
Northeast	-	-	-	-	-
North	-	-	-	-	-
Total by gender	**-**	**20.14%**	**1.24%**	**16.72%**	**1.80%**
TOTAL	**7.4%**	**21.38%**		**18.52%**	

HEALTH AND SAFETY

By means of its Occupational Safety and Health Management System based on the international OHSAS 18.001 standard, Toyota seeks to guarantee the well-being and quality of life of employees. This involves seven stages:

- activities survey;
- risk assessment;
- improvements to equipment and to activities;
- organization of operational standards;
- education and training;
- observation of activities;
- feedback to employees.

Other preventive measures adopted are safety patrols, focused on finding *kaizens*; mandatory training on workplace safety; monthly meetings in manufacturing units; and the occupational accident and fire prevention committees (Cipas). TDB has a target of reducing the number of accidents by 50% over the next three years.

RATES* GRI LA7

EMPLOYEES	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Injury rate	1.08**	0	1.38**	0	0.93	0.02
TOTAL DAYS LOST	**0**	**0**	**0**	**0**	**6.31**	**0**

THIRD-PARTIES	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Injury rate	0.26	0.17	0.33	0.08	0.09	0.14
TOTAL DAYS LOST	**0**	**0**	**0**	**0**	**0.34**	**0.16**

EMPLOYEES + THIRD - PARTIES	2012		2013		2014	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Injury rate	1.34	0.17	1.71	0.08	1.02	0.16
TOTAL DAYS LOST	**0**	**0**	**0**	**0**	**6.65**	**0.16**

* There were no cases of fatal accidents in the three years reported
** Data corrected in relation to the previous sustainability report.

INTRA-COMPANY TRANSFERENCE (ICT)

18 employees participated in the interchange program with the TMC headquarters in Japan during fiscal 2013/2014. Additionally TDB received three employees from Toyota in Argentina.

LABOR RELATIONS

The company's Labor Relations area is responsible for union relations and for informing union leaders about corporate decisions. Dialogue was maintained with the metalworkers' unions of Sorocaba and Region, ABC and Campinas with the objective of safeguarding employees' rights. **GRI LA5; 4.4**

GOVERNMENTS AND PUBLIC AUTHORITIES

Local development, more efficient vehicles and incentives for sustainable mobility are among the main questions in debate

Transparent dialogue with government and the public authorities is one of the principles underpinning the work done by the Corporate Affairs area. By participating in industry associations, supporting the enhancement of regulatory frameworks and incentives for sustainable mobility – a critical issue for the industry –, the company seeks to reinforce its contribution to the country. Particularly worthy of note in fiscal 2013/2014 were the company's efforts to conclude the environmental licensing process and initiate work on the new engine plant in Porto Feliz (São Paulo).

TDB relates to public authorities either directly or through the associations that represent the industry, Anfavea (Associação Nacional dos Fabricantes de Veículos) and the Automotive Engineering Association (AEA). **GRI SO5**

To forge closer relations at federal, state and municipal level, in addition to the head office structure in São Paulo, TDB has Government Affairs teams in Brasilia (DF), Indaiatuba (São Paulo) and Sorocaba (São Paulo). The latter two were formed in 2013 to strengthen dialogue with local governments. **GRI SO5; 4.12; 4.13**

During the year, Toyota maintained its participation in discussions of the issues on the Brazilian automotive industry agenda, of particular interest being aspects of urban mobility, reduction of vehicle emissions and recycling in accordance with the country's national solid waste policy. The main highlight was the beginning of discussions on tax reductions for the importation and assembly of hybrid vehicles – a first step towards consolidating this segment in the Brazilian market.**GRI SO5**

Influenced by the January 2013 introduction of the Inovar-Auto program aimed at driving innovation and development in the auto industry, the company advanced in the implantation of measures to strengthen domestic production in the industry.

One of the main measures is the construction of the engine plant in Porto Feliz (São Paulo), the Toyota Group's first in Latin America. With an initial production capacity of 70,000 units a year, the plant will consume investments of R$ 1 billion and will be Toyota's fourth manufacturing unit in the country.

AUTO OIL

Coordinated by the Automotive Engineering Association in Brazil, Auto Oil is a research program involving auto makers, the University of São Paulo (USP), the Federal University of Paraná (UFPR), Brazil's national petroleum agency, ANP, and Petrobras. During 2013/2014, around 160 tests were conducted with vehicles and engines using different energy sources to map intelligent solutions for controlling vehicle emissions and promoting efficiency, with the goal of improving air quality and reducing fuel consumption. **GRI 4.12**

HYBRID TECHNOLOGY: MOVING TOWARDS SUSTAINABLE MOBILITY

GRI SO5

Due to its concern about creating alternatives for sustainable mobility, Toyota assumed the challenge of developing automobiles that reduced consumption of fossil fuels, atmospheric pollution and greenhouse gas emissions. In 1997, the company launched the Prius in Japan, becoming the first auto maker to offer hybrid technology on a commercial scale.

Since then, the Prius has been an icon in this segment. It is now in its third generation with over 3.5 million units sold worldwide – more than 1.5 million of them in the United States.

In 2013, the company decided to introduce the Prius in Brazil (*read more on page 11*). By mid-2014 approximately 400 units had been sold, with over 100 participating in a hybrid taxi pilot project in the city of São Paulo (São Paulo).

With the intention of introducing vehicles using new automotive technologies into the country, the industry association Anfavea presented an incentive proposal to the federal government. Hybrid vehicles were the first to be selected in this proposal, with a reduction in import taxes that has a powerful impact on the price for the consumer.

The measure approved by the federal government is aligned with the targets established under the Inovar-Auto regime and with Toyota's vision of global mobility (*see more on page 4*). Discussions continue at municipal and state level, including the proposal of incentives for the technology in order to boost public awareness and the use of hybrid vehicles.

COMMUNITIES (FUNDAÇÃO TOYOTA)

In five years, Toyota has invested R$ 5.8 million in social development, education and environmental preservation projects

Five years ago, the Fundação Toyota do Brasil was created to provide a focus, unify and expand the environmental conservation and civic development measures the company has promoted since its arrival in Brazil in 1958. The measures are concentrated in three major areas: defense of the environment and the biomes in Brazil (particularly the Atlantic Rainforest); education, civic awareness and environmental responsibility; and cooperation and humanitarian aid in the event of natural catastrophes. GRI SO1

The foundation oversees national and local projects with investments totaling R$ 5.806 million from 2009 to 2014. In fiscal 2013/2014 alone the company invested R$ 2.772 million, counting both direct investments and those enabled via tax incentives (such as the Rouanet law).

During the period, internal restructuring resulted in some local projects being managed by the Government Affairs area. The objective is to bring the company closer to the community and to public authorities to ensure greater integration and scale.

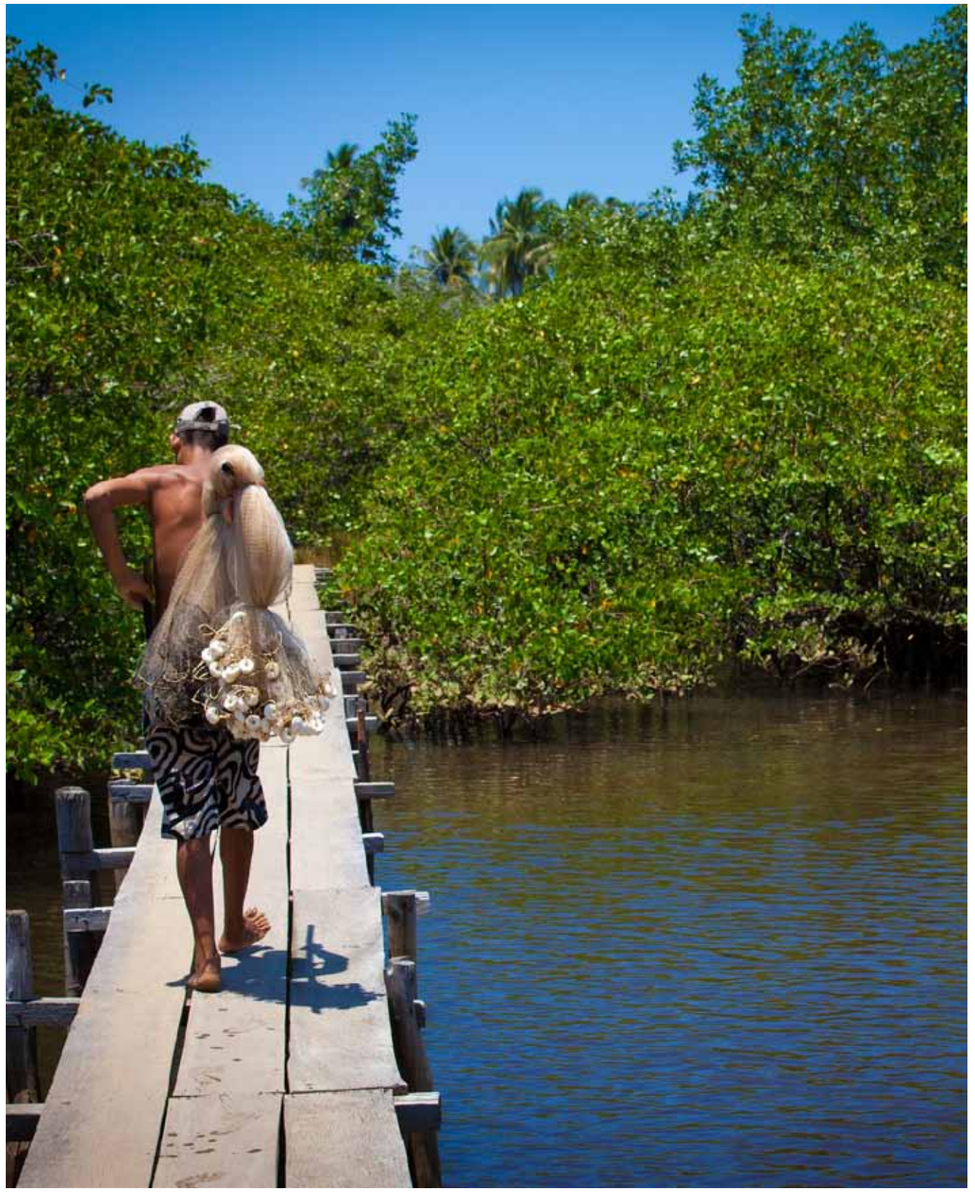
To commemorate the fifth anniversary of the foundation, in April and May 2014 TDB organized an internal contest revolving around the projects Toyota sponsors. Around 5,000 employees took part. The prizes for the winners were four trips to see the projects in action in diverse regions of the country.

CORREDORES DA BIODIVERSIDADE (BIODIVERSITY CORRIDORS): ONE YEAR OF ACTIVITIES

As part of the mandatory environmental commitments assumed by Toyota as a condition for installing its plant in Sorocaba (São Paulo), the Parque Natural Municipal Corredores da Biodiversidade was inaugurated in fiscal 2013/2014. The 600,000 hectare area received investments totaling R$ 2 million from TDB. The park's main function is to provide full protection for the typical flora and fauna in the region. Elaborated by specialized Toyota technicians in partnership with the local environmental department, the park has a series of trails, and permits visits with monitors as well as cultural programs. The park celebrated its first year open to the public in June 2014.

NATIONAL PROJECTS

Arara Azul (Blue Macaw)
Focused on supporting and protecting the Pantanal biome in Mato Grosso do Sul, the Blue Macaw Project has been in place since 1989. Currently the project monitors 3 thousand birds living in 455 nests spread over 57 farms in the region. In the 1990s, specialists estimated the blue macaw population at only 1,500. With Toyota's support, there are now around 5 thousand of the species. In fiscal 2013/2014, 133 nests were monitored, 83 eggs were laid during the reproduction period and 57 chicks were born. In 2013, the Fundação Toyota do Brasil finalized the implantation of a Sustainability Center for the Instituto Arara-Azul in Campo Grande (Mato Grosso do Sul). The center's mission is to promote the financial sustainability of the project, to encourage tourism and to receive researchers and students from Brazil and abroad.



2014/2015 TARGETS

Initiate education and information plan in the Costa dos Corais Environmental Protection Area

Continue environmental education plans with schools in the region of the protection area

Toyota APA Costa dos Corais
This project conducted in partnership with the Fundação SOS Mata Atlântica is focused primarily on conserving the coral reefs, protecting the mangrove swamps, preserving the habitat of the manatee and promoting the sustainable development of the Costa dos Corais Environmental Protection Area (APA in the Portuguese acronym). The project covers 413,000 hectares, ranging over eight municipalities in Alagoas and three in Pernambuco. Fiscal 2013/2014 saw the continuity of the actions in the management plan, including alignment of the program with the organizations involved; meetings organized with the local community; and socio-environmental training for more than 540 people, including teachers, councilors and residents.

Pantanal Expedition

Developed in partnership with the Instituto SOS Pantanal, the project maps best health, safety and environmental practices. A distance of 14,000 kilometers was covered by a Toyota Hilux SRV 4X4 pickup truck along ten routes in the Upper Paraguay Basin and the Pantanal region. The diagnoses and data collection resulted in the production of a best practices guide, a documentary, the publication of a photography book and the organization of a series of exhibitions.

LOCAL PROJECTS

Cultural Tracks

In partnerships with institutions and local governments in the cities in which TDB has operations, the project fosters local traditions with support for music, theater and dance presentations, workshops and art exhibitions. A total of 350,000 people have benefited since 2009. During the period, activities were organized in the municipalities of Indaiatuba (São Paulo), Guaíba (Rio Grande do Sul), Sorocaba (São Paulo) and, for the first time, Porto Feliz (São Paulo).

Ambientação (Environmental Awareness)

Organized in Indaiatuba (São Paulo), Guaíba (Rio Grande do Sul) and Sorocaba (São Paulo), Ambientação promotes development for students and communities using problem-solving tools based on the Toyota Business Practices (TBP). The benefits promoted include cost reductions and economy of natural resources (energy and water) in schools. More than 415,000 people have been reached by the project since 2008. For the first time ever, the project was extended to Guaíba and Sorocaba in 2013 and 2014. This involved a total of six months' work in conjunction with municipal schools, the Pastoral do Menor, the Military Police (in Sorocaba) and the Toyota Suppliers Association. In the next fiscal year, Ambientação is expected to be extended to the Sorocaba city government.

RESULTS IN INDAIATUBA

R$ 70,000
in savings for the public coffers by Ambientação

50%
Reduction in natural resource consumption in the participating schools

Vitrine Cultural

This project involved the restoration of the Casa do Juiz in Guaíba (Rio Grande do Sul). This is a cultural space that serves as a center for the provision of tourist information and promotion of regional development by organizing exhibitions, workshops and related activities. The center has received more than 105,000 visitors.

Toyota Dream Car Art Contest

The foundation has supported this contest, aimed at promoting artistic creativity among students from 6 to 15 years of age, for two years. In the second edition in 2013, more than 2,000 drawings of dream cars were judged, from which nine were selected to compete in the international stage of the contest with entrants from around 80 countries.

Third Sector Project

Conducted in partnership with the Indaiatuba city government, this pilot project sought to develop a new concept for the third sector with a view to strengthening institutional links between companies, governments and civil society. A series of meetings was conducted between TDB and the local government over a two-year period. Worthy of note in fiscal 2013/2014 were the training programs for NGOs and the start-up of the Solidarity Tax program - to channel the proceeds from individual and corporate tax incentives to non-governmental organizations.

QUALITY AND SAFETY

PRIUS (INFOGRAPHIC) [55]

TECHNOLOGY AT THE CUSTOMER'S SERVICE

The company invests in new technologies, in innovation and in complying fully with regulatory and industry frameworks affecting the business

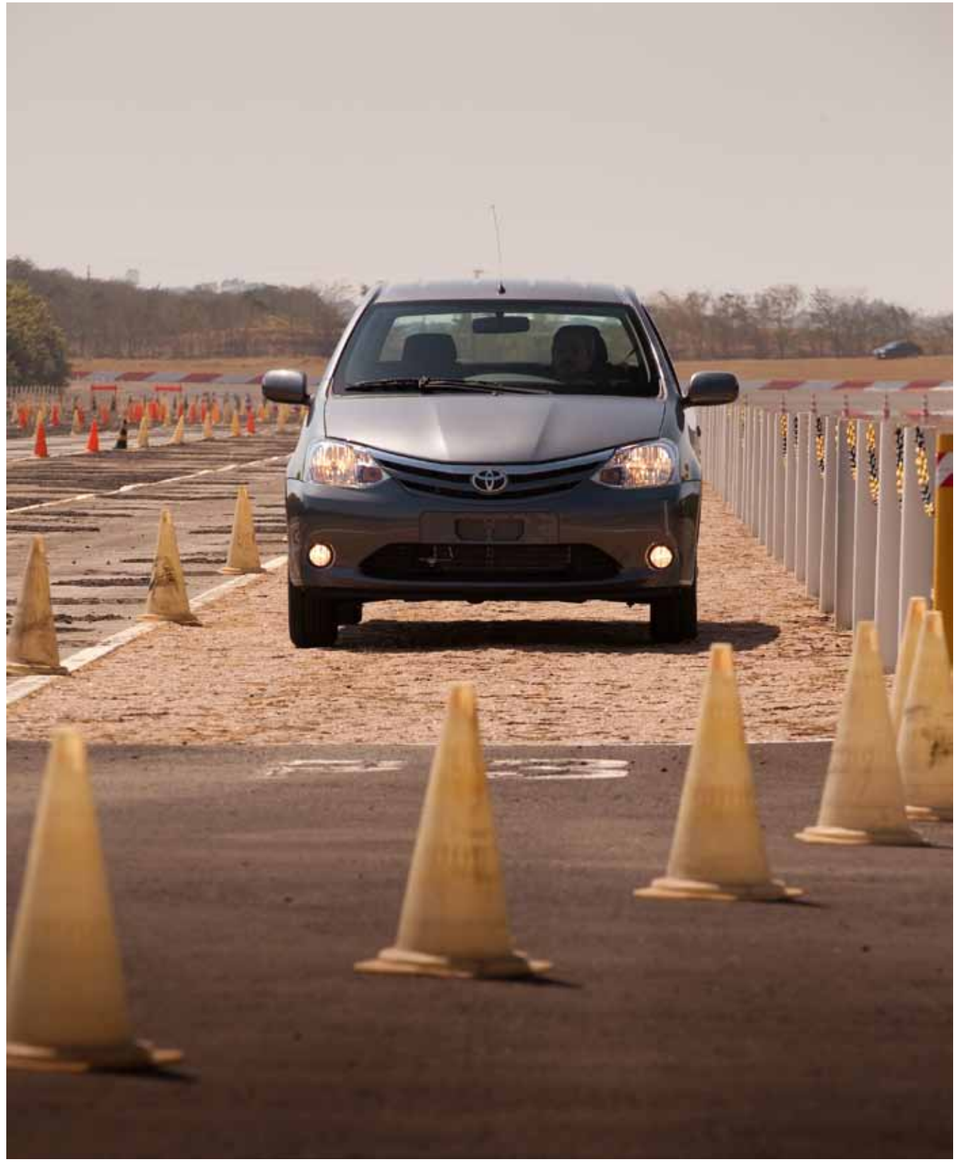
With a history stretching back seven decades, Toyota has earned its customers' trust through the reliability, quality and durability of the vehicles it produces. To maintain its reputation and leadership, the company invests in new technologies, in innovation and in complying fully with regulatory and industry frameworks.

Guided by the principles of the Toyota Production System (TPS), TDB invests to ensure processes free of risks, waste and defects, offering the consumer safe and reliable end products. A key principle is continuous improvement (*kaizen*), used to combat a critical issue in the automotive industry – accidents, mechanical failures and breakdowns. The company is also highly attentive to communications with its customers, with a permanent focus on problem solving. **GRI PR1**

As a result of the product recalls in 2009 and 2010, the TMC headquarters established a Special Committee for Global Quality, which assesses and defines compliance measures and manages the company's reputation. In Brazil, the company has Swift Market Analysis Response Teams (Smart), comprising consultants and engineers responsible for analyzing problems identified by users of Toyota cars.

Always proactive, TDB usually anticipates any changes in legal requirements, offering items that ensure greater comfort and safety for drivers as standard equipment. An example was the installation of double airbags on all Toyota models before this became mandatory in the country. Other technologies include the seat belt alarm in the Etios, disk brakes on all four wheels in the Corolla and the progressive deformation of vehicle bodywork and collapsible steering columns in both models to ensure driver and passenger safety in the event of a collision. **GRI PR1**

As a result, the company receives very positive evaluations. One example is Latin NCAP, which performs independent assessments of new vehicles in Latin America and the Caribbean in collision and other types of tests. The new Corolla, launched in fiscal 2013/2014, received a 5-star rating, the highest score possible (in the previous edition, the Corolla had scored 4). The Etios maintained its 4-star rating. **GRI PR1**



PREVENTION

As part of its commitment to quality, during the fiscal year TDB promoted 3 recalls. One of the largest, in February 2014, involved 94,200 units of the Hilux, SW4 and RAV4 in the country. This was due a possible defect in the activation of the airbags.

GREATER EFFICIENCY IN DISPOSAL GRI PR1

As a question of principle Toyota do Brasil combines lower impact processes with parts and end products that are more efficient in terms of post-use disposal. In May 2014, president Dilma Rousseff approved law n° 12.977, which regulates the post-use dismantling and disposal of terrestrial motor vehicles. This poses a challenge for companies the size of Toyota, since they need to adapt their production processes and to collaborate in the development of a recycling chain in the industry.

Through organizations such as the Brazilian automotive engineering association AEA, TDB has sought to participate in industry discussions. For example, in 2012 this association launched a handbook on vehicle recycling.

In line with TMC guidelines, there is a recycling project for the Corolla, which facilitates the dismantling of the vehicle at the end of its working life. The upholstery in the vehicle is made of resin, and the central dashboard is made from TSOP (Toyota Super Olefin Polymer), a recyclable material developed by Toyota itself.

Another key area is the recycling of components such as tires, batteries, air conditioning gases and oil filters. Since 2008, TDB has had a program with its dealer network for the first two items. Since then, more than 2 million kg of batteries have been disposed of, an annual average of 350,000 kg. Around 65,000 tires are collected per year and sent to authorized recyclers.

REDUCTIONS IN EMISSIONS AND FUEL CONSUMPTION GRI PR3, EN6

As part of industry commitments and global corporate guidelines, Toyota do Brasil is committed to increasing the efficiency of its vehicles, with a focus on reducing emission factors and fuel consumption. Its success in this area is demonstrated via two assessments: the Ibama Nota Verde (Green Score) program, and the Inmetro Brazilian vehicle labeling program (PBEV or Programa Brasileiro de Etiquetagem Veicular).

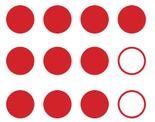
The former classifies vehicles on a scale from 1 to 5 stars, according to a data base provided by the manufacturers which encompasses items such as carbon monoxide (CO) emissions, non-methane hydrocarbon (NMHC) and nitrogen oxide (NOx) emissions, as well as the type of fuel the vehicle uses.

The PBEV labeling program is a voluntary initiative which classifies vehicles from A to E in terms of fuel consumption. In fiscal 2013/2014, the Conpet energy efficiency label was incorporated into the program for vehicles reaching the highest levels of efficiency.

The TDB models Corolla, Etios and Prius (see tables) achieved extremely positive results. In 2014, 12 Toyota models received PBEV labels, representing 76% of the company's vehicles. Toyota's target was 49%.

RESULTS NOTA VERDE

Corolla 1.8
Corolla 1.6
Hilux 2.7 and 4.0



RESULTS – PBEV

	OVERALL CLASSIFICATION	CLASSIFICATION IN CATEGORY	CONPET LABEL
Etios Hatchback 1.3	B	A	Yes
Etios Hatchback 1.5	B	A	Yes
Prius	A	A	Yes
Etios Sedan 1.5	B	A	Yes
Corolla 1.8	B	A	Yes
Novo Corolla 1.8	B	A	Yes
Novo Corolla 2.0	B	A	Yes

THE FUTURE OF MOBILITY: THE TOYOTA VISION GRI 1.2; 4.11

Available in the TDB dealer network since 2013, the Prius represents the first step towards implanting technologies that diversify energy sources, thus reducing urban pollution, the demand for fossil fuels and the climate impacts of automobile transportation.

Once the challenges related to infrastructure, geography and the country's regulatory framework in the country have been overcome, the Brazilian market may expect to see some of the novelties already in place in Europe and in the Far East.

The Toyota Motor Company has a vision of the future based on three mobility resources adapted in accordance with human needs (see chart). The first step is the use of electric vehicles, particularly for short journeys.

For short, medium and long distance passenger transportation the company is betting on hybrids, which can alternate between the use of fossil fuels and electricity, substantially reducing pollutant emissions, which is the case of the Prius.

Lastly, as an option for the future, TMC is investing in hydrogen fuel cell powered vehicles. With a Toyota model scheduled for launch by 2015, the company sees this segment as an economically feasible route towards high capacity, low environmental impact transportation.

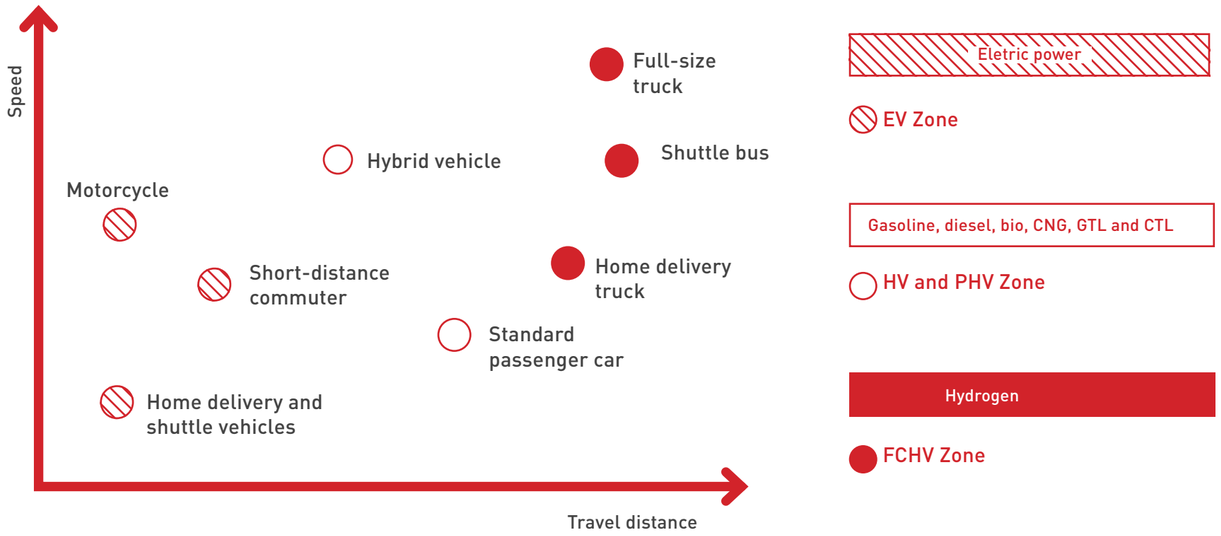
Since the launch of the Prius in the Brazilian market, hybrid technology has been gaining ground in the industry and in discussions with governments and industry associations. One of the major challenges is to boost the competitiveness of these models in the market by means of tax exemption and incentives (*see more on page 46*).

THE WAY FORWARD

For Toyota, sustainable mobility is a challenge to be faced in three ways: investing in electric, hybrid and hydrogen-powered vehicles. Each technology offers solutions for specific consumer needs, helping to reduce vehicle emissions and urban pollution.

TECHNOLOGY DRIVING MOBILITY

HOW TOYOTA SEES THE FUTURE OF THE AUTOMOTIVE SECTOR



GLOBAL SALES OF TOYOTA HYBRID MODELS

	TOTAL
1997	323
1998	17,656
1999	15,255
2000	19,026
2001	36,928
2002	41,337

	TOTAL
2003	53,292
2004	134,687
2005	234,945
2006	312,519
2007	429,415
2008	429,740

	TOTAL
2009	530,110
2010	690,187
2011	628,989
2012	1,219,098
2013	1,279,407
TOTAL	**6,072,923**

PRIUS

Toyota's Hybrid Synergy Drive (HSD) technology automatically charges the battery using the energy generated when the car brakes

ELECTRIC ENGINE
Power: 82 hp
Torque: 21.1 kgf.m

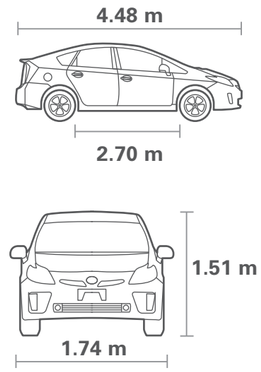
INTERNAL COMBUSTION ENGINE
1.8L VVT-i 16V DOHC, 4 cylinder engine with electronic fuel injection (EFi)
99 hp /5,200 rpm
Torque: 14.4 kgf.m / 4,000 rpm
Cubic capacity: 1,798 cc

INTERNAL COMBUSTION + ELECTRIC 134 hp

Recycling
95% recoverable /
85% recyclable
95% reused (components of high voltage battery

Consumption A
Brazilian vehicle labeling program (PBEV)

Lower emissions
In 14 years, HSD technology has enabled avoidance of 26 million metric tons of CO2 emissions



Tank: 45 liters

HEAD-UP-DISPLAY
A display (HUD) projects key information onto the base of the windshield

TRANSMISSION
Continuously variable transmission (CVT) with joystick-style lever permits smooth continuous decreases and increases in speed

AERODYNAMIC DESIGN
Designed to minimize air resistance, reducing fuel and electricity consumption

4 DRIVING MODES
- Normal (two engines)
- EV (only electric engine)
- ECO (reduced fuel consumption)
- Power (25% more response in acceleration)

3D DISPLAY
Activated by a control on the steering wheel, it provides information in the center of the dashboard

SAFETY
- Seven airbags
- Disk brakes on all four wheels with ABS (anti-lock braking system) and EBD (electronic brake force distribution)
- Vehicle stability control (VSC)
- Electronic traction control (TRC)

Low speed: electric engine

Normal speed: electric and internal combustion

Acceleration: battery helps internal combustion engine

Deceleration/braking: electric engine generates power

Upon stopping: engine turns off automatically.

REPORTING PROCESS

REPORTING PROCESS

In its sixth socio-environmental report, the company provides customers and business partners with information on its financial and non-financial performance

Toyota do Brasil (TDB) observes the principles of transparency about its performance and balance in the information it provides in its Sustainability Report.

Once again based on Global Reporting Initiative (GRI) guidelines, the document contains 41 indicators presenting the organization's social, environmental and economic results – with emphasis on fiscal 2013/2014. Additionally it provides information on company performance in the production chain and the projects supported by the Fundação Toyota do Brasil. **GRI 3.1; 3.3**

The scope of the report is all the company's units in Brazil, including factories, offices and logistics centers, for the period from April 1st, 2013 to March 31st, 2014. The scope does not include the operations of the Lexus division. As in the previous year, TDB achieved self-declared application level B in accordance with GRI G3.1 guidelines. Any restatements of indicators and metrics are informed in notes or in the text. **GRI 3.6; 3.8; 3.9; 3.10**

The definition of the content took into account guidelines and reports issued by the TMC headquarters, industry references and GRI principles, as well as interviews conducted with managers and leaders in key areas. There are no restrictions or restatements of information in this report that could affect understanding. **GRI 3.5; 3.7; 3.11**

The objective of this report is to provide information for TDB's diverse stakeholder groups. It also represents a period of adaptation enabling the company to prepare to adopt the new GRI G4 guidelines.

GRI INDEX

The Toyota do Brasil GRI 2014 Sustainability Report meets the requirements for GRI G3.1 application level B

PROFILE INFORMATION

STRATEGY AND ANALYSIS

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
1.1	Message from president	●	5
1.2	Description of main impacts, risks and opportunities	◖	5, 18, 54

PERFIL ORGANIZACIONAL

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
2.1	Name of organization	●	7
2.2	Main brands, products and services	●	7, 10
2.3	Operational structure	●	9
2.4	Location of organization's headquarters	●	9
2.5	Countries in which organization and its main operations are located	●	7
2.6	Nature of ownership and legal form	●	15
2.7	Markets served	●	7
2.8	Scale of organization	●	7, 9, 12
2.9	Main changes in reporting year	●	9
2.10	Awards received in reporting period	●	8

PARAMETERS FOR THE REPORT

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
3.1	Reporting period	●	57
3.2	Date of previous report	●	2013
3.3	Reporting cycles	●	57
3.4	Contact details	●	relatoriodesustentabilidade@toyota.com.br
3.5	Process for definition of report content	●	No materiality process was undertaken in fiscal 2013/2014. However, TDB has studies which indicate who the business's main stakeholder groups are, responding to the topics and expectations associated with them. Additional information on page 57.
3.6	Report boundary	●	57
3.7	Declaration about specific limitations to scope or boundary of report	●	57
3.8	Basis for elaboration of report	●	57
3.9	Data measurement techniques and bases of calculations	●	57
3.10	Restatement of information from previous reports	●	57
3.11	Significant changes in comparison with previous years	●	57
3.12	GRI summary	●	58
3.13	External assurance	●	This report was not submitted for external assurance.

GOVERNANCE, COMMITMENTS AND ENGAGEMENT

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
4.1	Governance structure of organization, including committees of highest governance body	●	15
4.2	Presidency of highest governance body	●	15
4.3	Non-executive independent members of highest governance body	●	15
4.4	Mechanisms for shareholders and employees to make recommendations to the board	●	TDB offers employees diverse channels such as Comunicação 2 Vias, which is part of the performance appraisal process and permits mutual analysis of targets between leaders and subordinates; the Ethics Channel; area meetings; the Toyota Informa newsletter, Corporate Message, an event organized by the Human Resources area; and Breakfast with the President. Further information on page 15.
4.5	Relationship between remuneration and economic and socio-environmental performance	●	TDB executives and department heads have a profit share scheme based on the achievement of targets related to the hoshins (strategic planning), which include environmental and business performance. Further information on pages 15 and 45.
4.6	Processes to prevent conflicts of interest	●	15
4.7	Qualifications of members of highest governance body	●	15
4.8	Relevant declarations of mission, values, codes and principles	●	15, 17
4.9	Responsibility for implanting economic, environmental and social policies	●	15
4.10	Self-assessment processes for highest governance body	●	15
4.11	Explanation of whether and how the organization applies the precautionary principle	●	17, 54
4.12	Charters, principles and initiatives developed externally	●	46
4.13	Memberships of domestic / international associations	●	46
4.14	List of stakeholders engaged by organization	●	30
4.15	Basis for identification and selection of stakeholders engaged	●	30
4.16	Approach to engaging stakeholders	◖	In fiscal 2013/2014, no materiality process was undertaken. However, TDB has studies which indicate who the business's main stakeholder groups are, responding to the topics and expectations associated with them. Additional information on page 30.
4.17	Main themes and concerns raised by stakeholder engagement	◖	In fiscal 2013/2014, no materiality process was undertaken. However, TDB has studies which indicate who the business's main stakeholder groups are, responding to the topics and expectations associated with them. Additional information on page 30.

PERFORMANCE INDICATORS

ECONOMIC PERFORMANCE

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
DMA	**Management approach**	●	35, 37, 60
MARKET PRESENCE			
EC3	Fulfillment of pension plan and benefits obligations	●	Subsidized by the company, Toyota Previ has been in place since the end of 2010. Participation is voluntary, local and open to all active employees, with a defined contribution. More than 3,900 employees are in the plan. Contributions vary in accordance with salary band: 1% (up to R$ 6,042.05); 3%, with option for 1% or 2% (R$ 6,042.06 to R$ 11,220.95); 6.5%, with option for 3%, 4% or 5% (R$ 11,220.96 to R$ 20,715.60); and 8%, with option for 6%, 5% or 7% (R$ 20,715.61 and above).
EC6	Policies, practices and proportion of spending on local suppliers	●	35
EC7	Local hiring	●	Although TDB does not have a formal policy of local hiring, this is in fact the case. The company favors recruiting workers from communities close to the operations. At the end of fiscal 2013/2014, 95% of managers were local. For TDB, senior managers play key roles and hold responsibility for strategy and operational results. Local community is understood to be people living in the neighborhood of TDB units, and adjacent municipalities.

ENVIRONMENTAL PERFORMANCE

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
DMA	**Management approach**	●	
ENERGY			
EN3	Direct energy consumption discriminated by primary source	●	22, 23
EN4	Indirect energy consumption by primary source	●	23
EN5	Energy saved due to improved conservation and efficiency	●	23
EN6	Initiatives to supply low energy consumption products	●	11, 53
WATER			
EN8	Total water withdrawn by source	●	25
EN10	Percentage and total volume of water recycled and reused	●	Toyota does not reuse water directly from the wastewater treatment process.
EMISSIONS, EFFLUENTS AND WASTE			
EN13	Habitats protected or restored	●	28
EN16	Total direct and indirect greenhouse gas emissions	●	23
EN18	Initiatives to reduce greenhouse gas emissions and reductions obtained	●	22
EN19	Emissions of substances harmful to the ozone layer, by weight	●	TDB does not emit substances harmful to the ozone layer.
EN20	NOx, Sox and other significant atmospheric emissions	●	26
EN21	Total water discharged by quality and destination	●	25
EN22	Total weight of waste, by type and disposal method	●	24
EN23	Number and total volume of significant spillages	●	There were no significant spillages in the period covered by the report.
EN24	Weight of waste transported considered hazardous	●	24
PRODUCTS AND SERVICES			
EN26	Initiatives to mitigate environmental impacts	●	22, 24, 25, 26
COMPLIANCE			
EN28	Monetary value of significant fines and total number of sanctions resulting from non-compliance with legislation	●	There were no sanctions or fines in the reporting period.
GENERAL			
EN30	Total investment and spending on environmental protection	●	28

SOCIAL PERFORMANCE – LABOR

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
DMA	**Management approach**	●	
EMPLOYMENT			
LA1	Total number of workers, by type of job, work contract and region	●	37, 39
LA2	Total number and turnover rate of employees by age group, gender and region	●	42, 43, 44
LA3	Comparison of benefits provided for full time and for temporary employees discriminated by significant unit	●	The Toyota benefit package includes health insurance, life insurance (covering invalidity or incapacity), subsidized medicines, fuel vouchers, maternity/ paternity leave, private pension, dental plan and internal restaurants. Employees at the São Paulo, Votorantim and Brasilia units receive meal vouchers. At Sorocaba and Vitória, employees receive food vouchers. The company does not offer transport vouchers, but does provide buses for the industrial units and a travel allowance for the head office. Conditions are different for third-parties, temporary and part-time employees, and interns.
RELATIONS BETWEEN LABOR AND GOVERNANCE			
LA4	Percentage of employees covered by collective bargaining agreements	●	95.58% of our employees are covered by collective bargaining agreements.
LA5	Description of notices provided (times and procedures)	●	Generally employees receive at least three weeks notice of changes.

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
OCCUPATIONAL HEALTH AND SAFETY			
LA6	Percentage of employees represented in formal health and safety committees	●	Overall, 1.68% of the employees were represented in the CIPA accident prevention committees. There is also representation on the Safety Patrol (1.6%), risk survey (3.06%), emergency prevention (11.10%) and foremen and leader safety (6.09%) committees.
LA7	Occupational injury, disease, days lost, absenteeism and mortality rates by region and gender	◖	45
LA8	Disease-related educational and risk prevention and control programs	◖	Toyota organizes programs related to education/training in risk prevention and control, as well as treatment for employees. These activities (such as campaigns, talks and internal communications) are only for direct employees, not for third-parties, family members or community members, for example.
DIVERSITY AND EQUALITY OF OPPORTUNITY			
LA13	Breakdown of groups responsible for corporate governance and discrimination of employees by functional category, gender, age group, minorities and other diversity indicators	●	40, 41
LA15	Return to work and retention rates after paternity leave, by gender	◖	In 2013, 274 male employees and 22 female employees took paternity leave. The retention rate after the leave was 98.91% for the men and 100% for the women.

SOCIAL PERFORMANCE- HUMAN RIGHTS

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
DMA	**Management approach to human rights related performance**	●	
MANAGEMENT APPROACH			
HR2	Percentage of contracted companies and critical suppliers submitted to human rights related screening and measures taken	●	Around 100 suppliers are considered significant. There are no human rights clauses on Toyota's contracts. For this reason, there is no information on percentage of suppliers refused or required to fulfill performance requirements. Further information on page 35.
NON DISCRIMINATION			
HR4	Total number of cases of discrimination and measures taken to correct and mitigate new cases	●	At TDB there were no cases of discrimination in the work environment. For this reason no corrective measures were required.
CHILD LABOR			
HR6	Identification of business units and suppliers in which significant risk of child labor exists and measures taken	◖	There was no screening for child labor.
FORCED /SLAVE LABOR			
HR7	Identification of business units in which significant risk of forced or slave labor exists and measures taken	◖	There was no screening for forced or slave labor.

SOCIAL PERFORMANCE – PRODUCT RESPONSIBILITY

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
DMA	**Management approach to social performance**	●	
PUBLIC POLICIES			
SO5	Positioning and participation in development of public policy	●	46
SO6	Financial contributions to political parties, politicians or related institutions	●	Toyota does not make financial contributions/donations to political parties, politicians or associated institutions.
COMPLIANCE			
SO8	Description of significant fines and total number of non-monetary sanctions from non-compliance with laws and regulations	●	During the period there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations.

SOCIAL PERFORMANCE – PRODUCT RESPONSIBILITY

INDICATOR	DESCRIPTION	REPORTED	PAGE/RESPONSE
DMA	**Management approach to product performance**	●	
CUSTOMER HEALTH AND SAFETY			
PR1	Assessment of product and service impacts on health and safety	◖	52, 53
PR2	Cases of non-compliance related to health and safety	●	No cases were recorded in 2013.
PR3	Type of product and service information required by the organization's labeling procedures	●	53
PRODUCT AND SERVICE LABELING			
PR5	Results of surveys measuring customer satisfaction	●	32, 37

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