



Sustainability Report 2016

TOYOTA

SUSTAINABILITY REPORT 2016

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MESSAGE FROM THE PRESIDENT

Each day that we work in Toyota we do it with the same passion as we have done it since 1997, with a long-term project that seeks to produce increasingly better vehicles, which cooperate with the sustainable development of society.

In our 14th Sustainability Report we present the most important results that we have achieved during 2015, relying on the bases of our company: continuous improvement and respect for people, pillars of the Toyota Way. We are convinced that our way of doing things leads us to grow more and more each day.

We have finished the most important investment project of Toyota in recent years - expanding our plant in Zárate with an investment of more than US\$ 900 million, generating over 1,000 new jobs and becoming the platform for the production of the Hilux and SW4 vehicles for Latin America. We have also opened the first Visitors Center for the automotive industry in Argentina: a space open to the community that seeks to transmit the culture and values of our Company, a clear example of our open-door policy. In order to contribute to the sustainable development of societies and the protection of the environment, in 2015 Toyota Motor Corporation developed an ambitious series of environmental objectives to be achieved by 2050, which aims to further optimize the production, manufacturing vehicles that carry people in the safest way and with the least possible environmental impact.

To achieve these objectives in the long term, we have developed the Sixth Five-Year Environmental Action Plan of Toyota Argentina, which was implemented in April 2016 and will continue until the end of March 2020. During this period, several actions will be ca-

ried out to achieve specific objectives in relation to water, energy, CO₂, waste and volatile organic compounds.

The protection of biodiversity is one of the most important goals, in which Toyota Argentina is already working through the project for the hooded grebe conservation, a native bird to our country that dwells in the Patagonia and is in endangered, and the programs that are being carried out in our reserve, in the premises of the Industrial Plant of Zárate.

Our goal is to continue to work on the three lines of action of our Social Responsibility Policy: Environment, Road Safety and Education, seeking to give solutions to the needs of the community.

As leaders of the automotive industry, the requirement of these objectives brings about our own improvement. For this year and those to come, we will remain committed to build on the improvements of 2015. Through this Sustainability Report, I invite you to follow our performance as we move toward the fulfillment of the commitments we have made for 2050.

Many thanks.

Daniel Herrero
President of Toyota Argentina



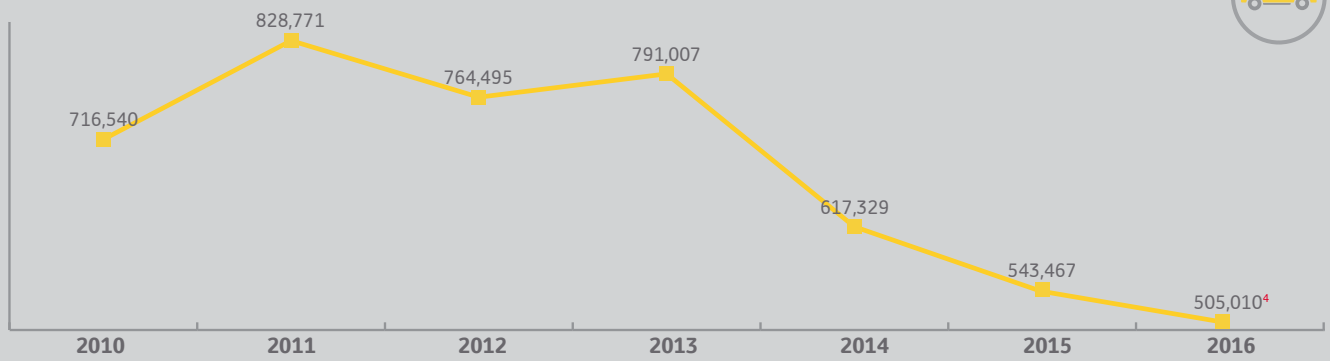
PERFORMANCE OF TOYOTA ARGENTINA

Concept	Unit	2010	2011	2012	2013	2014	2015	2016
Economic Performance								
Total market ¹	Vehicles	716,540	828,771	764,495	791,007	617,329	543,467	505,010 ⁴
Units sold ¹	Vehicles	81,999	83,842	112,800	120,529	130,764	115,622	117,702 ³
Domestic market ¹	Vehicles	33,012	36,197	49,301	56,187	62,511	67,785	71,147 ³
Export market ¹	Vehicles	48,987	46,925	63,499	64,342	68,253	47,837	46,555 ³
Units produced ¹	Vehicles	70,032	68,929	93,570	94,468	95,959	76,322	77,180 ³
Income ²	Thousands of pesos	7,060	8,871	10,730	17,543	22,703	30,950	32,529
Environmental Performance								
Emissions ³	t CO ₂ /vehicle	0.231	0.215	0.212	0.206	0.185	0.179	0.421
Energy consumption ³	GigaJoules/vehicle	3.4	3.5	3.2	3.2	3.08	3.2	4.55
Waste ³	Kilograms/vehicle	17.70	17.58	16.46	17.38	16.19	15.77	20.16
Water consumption ³	Cubic meters / vehicle	4.68	4.00	3.15	3.39	2.96	2.65	2.10
Social Performance								
Collaborators ³	People	3,133	3,452	4,014	4,316	4,498	4,751	4,865
Turnover rate ³	%	6	6	5.7	5.93	8	4.82	2,4
Social investment ²	Millions of pesos	2.5	4.3	5.1	6.3	9	4	6

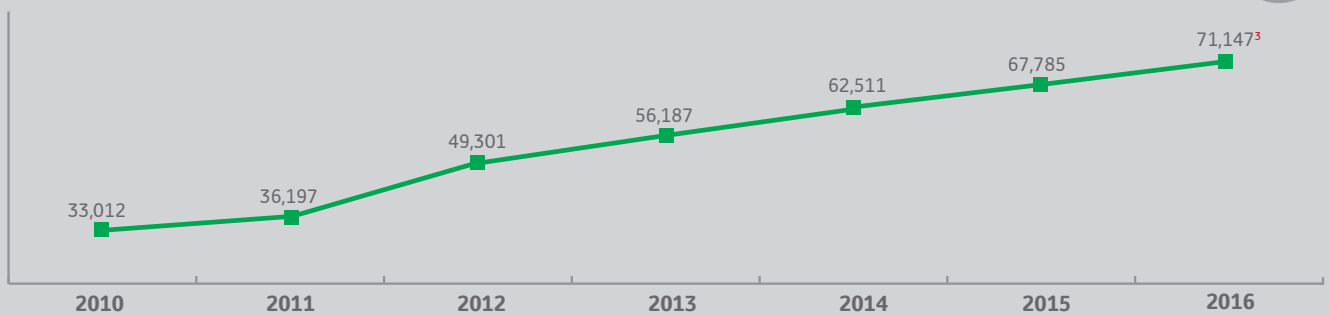
¹ Source: Association of Automotive Makers (ADEFA), by 31 December of each year. ² Annual Report and financial statements of Toyota Argentina S.A., for the financial period ended 31 March of each year. ³ By 31 March of each period. ⁴ Projection for 2016

PERFORMANCE OF TOYOTA ARGENTINA

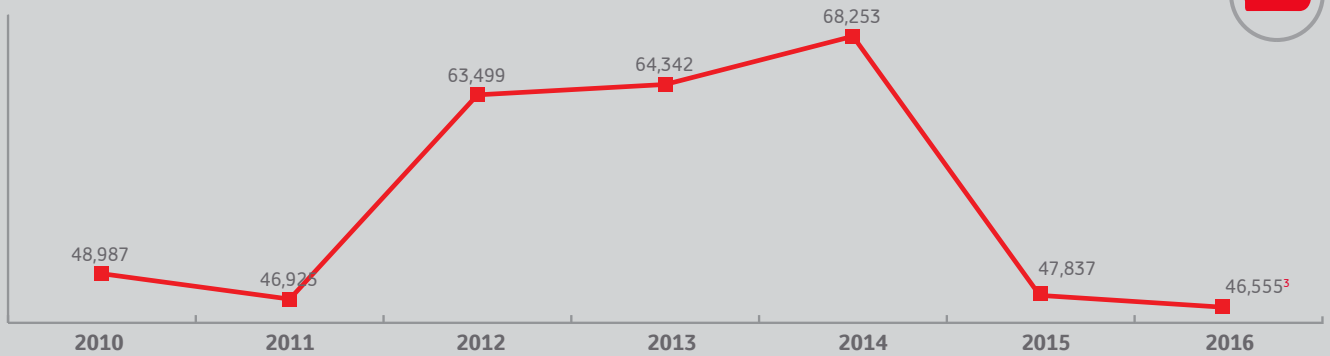
TOTAL MARKET / Vehicles¹



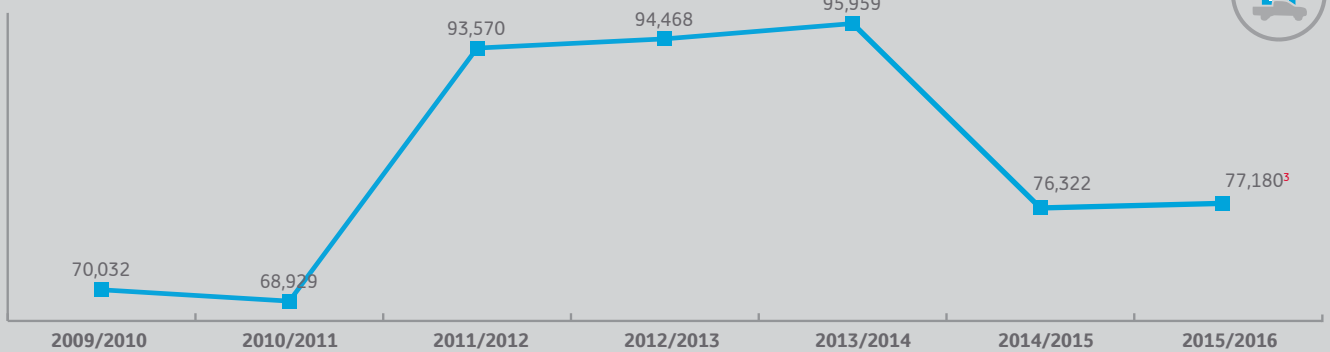
DOMESTIC MARKET / Vehicles¹



EXPORT MARKET / Vehicles¹



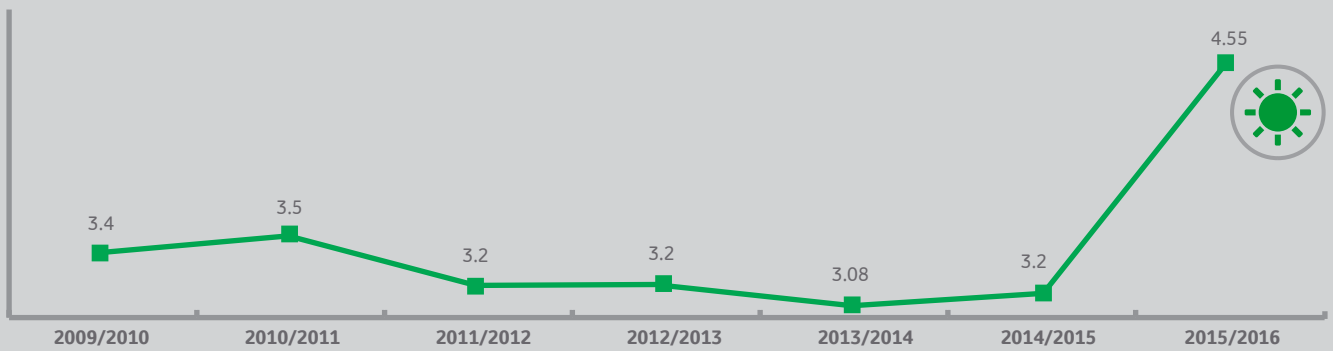
UNITS PRODUCED/ Vehicles¹



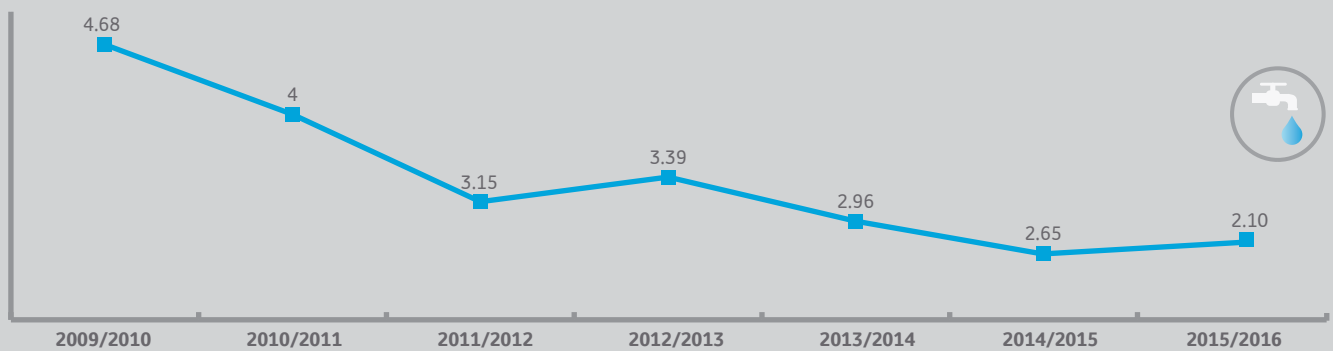
¹ Source ADEFA, by 31 December of each year. ³ By 31 March of each period. ⁴ Projection for 2016

PERFORMANCE OF TOYOTA ARGENTINA

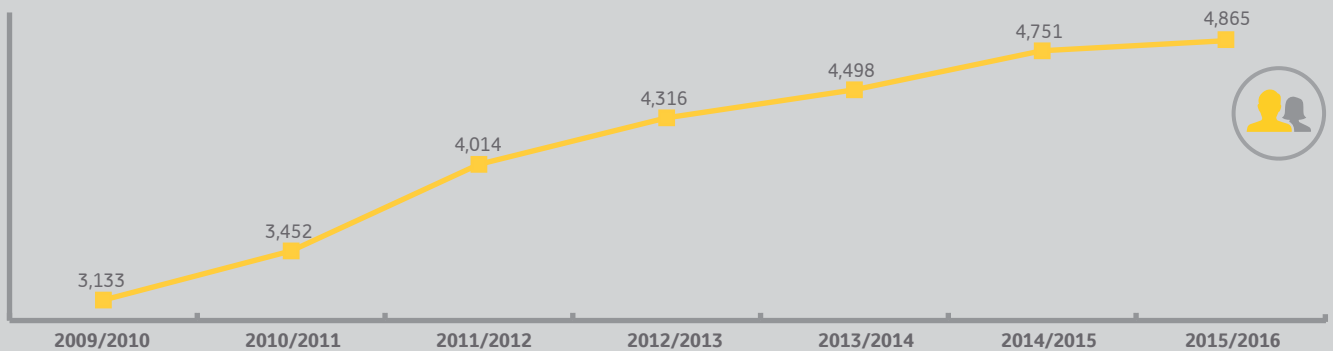
ENERGY CONSUMPTION / GigaJoules per vehicle³



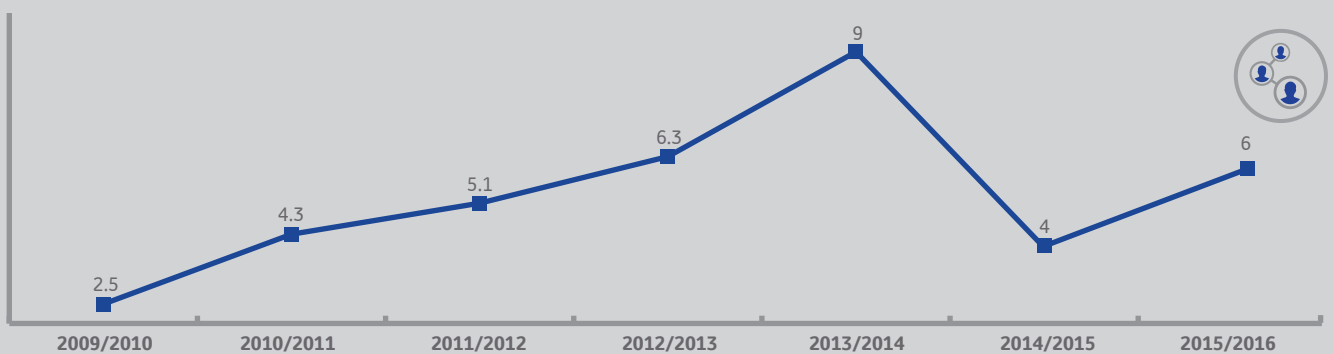
WATER CONSUMPTION / Cubic meters per vehicle³



COLLABORATORS³



SOCIAL INVESTMENT / Millions of pesos²



² Annual Report and financial statements of Toyota Argentina S.A., for the financial period ended 31 March of each year. ³ By 31 March of each period.



01

ABOUT TOYOTA



Toyota shares a working philosophy based on two pillars: continuous improvement and respect for people. Supported by a long-term vision, it accepts the challenges to achieve its dreams.



1933 was the foundation year of Toyoda Automobiles

344,000 collaborators all over the world

10,083,783 vehicles were produced in the world by Toyota*

In **1997** Toyota Argentina was founded

4,865 collaborators in Argentina

77,180 were manufactured in Argentina

66,261 Pick ups Hilux were marketed in Argentina*

10,350 pick ups SW4 were marketed in Argentina*

New models of Hilux and SW4 produced in the Plant of Zárate

* For the period of 12 months ending 3/31/2016

GLOBAL VISION

GRI indicator: G4-56

The Toyota Global Vision, is a statement of the values and methodologies set to exceed customers' expectations and thus be rewarded with a smile.

It is the foundation to operate as a global company, guided by a common corporate culture, whose values are contained in the Toyota Way.

Vehicles	2013/2014	2014/2015	2015/2016
Produced	10,117,274	10,285,546	10,083,783
Sold	9,980,000	10,231,000	10,151,000

Figures by 31 March of each period.

344,000
collaborators

54 subsidiaries in
28 countries

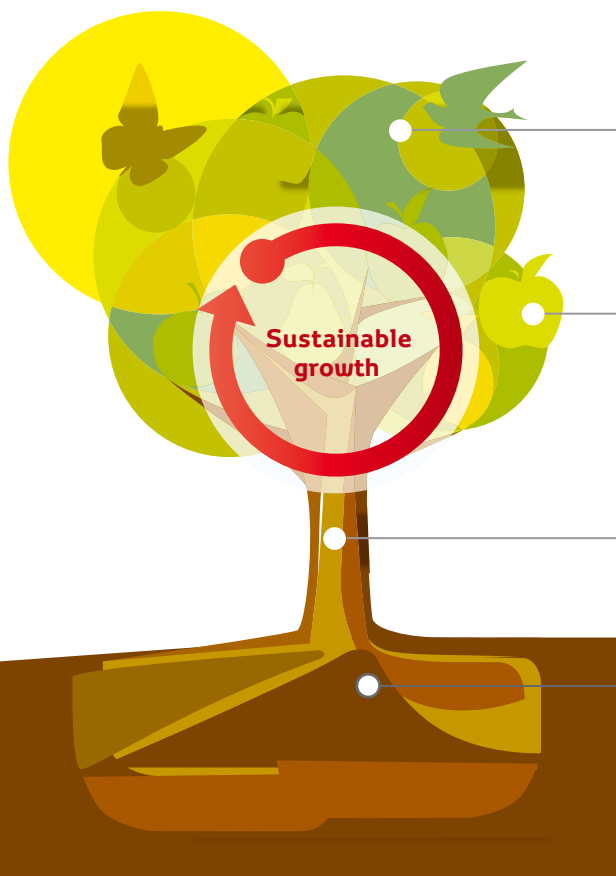
Presence in
+170 countries

10,151,000
units sold each
year

The tree as a symbol of the Global Vision

The tree roots represent the shared values, the way of doing things (Toyota Way); the outcome is the product Toyota offers to its clients, (always better vehicles jointly with enriching the life of the communities

where it operates). In turn, the trunk is the underlying support of Toyota, i.e. the stable base of the business.



Fruits **Enriching the life of the community**

Contributing to the community
Contributing to the future of mobility

Fruits **Always Better Cars**

Developing vehicles that exceed the expectations of the consumer

Trunk **Stable base of business**

Roots **Toyota Values**

5 principles of Toyota
The guiding principles in Toyota Toyota Way



Opening ceremony of the Zárate plant expansion, in March 2016. From left to right: Hitoshi Takahashi (executive vice president), Steve St. Angelo (CEO for Latin America and the Caribbean) Seiichi Suro (executive vice president of TMC), Noriteru Fukushima (Ambassador of Japan) and Daniel Herrero (president of Toyota Argentina)

TOYOTA ARGENTINA

GRI indicator: G4-3, G4-5, G4-6, G4-7, G4-8

The Toyota Argentina S.A. plant began to operate in March 1997 and was the third in Latin America. It manufactures and assembles the Hilux and the SW4 pick ups, as well as auto parts, components and accessories for the sale, distribution, marketing and export of products designed or authorized by Toyota Motor Corporation (TMC). In addition to the Hilux and SW4 pick ups, Toyota offers, in the sedan segment, the Corolla, the Camry and the Prius 3rd generation, the first hybrid vehicle in Argentina. In the segment of the compact cars, the Etios model is marketed. The plant is located in Zárate, province of Buenos Aires, and the commercial and administrative offices are located in Martínez, province of Buenos Aires. Toyota Motor Corporation is the controlling company of Toyota Argentina and has 99.99% share of the capital of the latter.

“... more than congratulating the people of Toyota for the expansion of this factory, for this factory and for those that will come, I want to thank you for having believed in our country. Many years ago, they decided to support this talent, our capacity, and because of what we have been showing is that they have continued supporting us...”

PRESIDENT MAURICIO MACRI IN THE OPENING OF THE EXPANSION OF THE TOYOTA PLANT IN ZÁRATE

Opening of the plant expansion (140K Project)

In March 2016, the expansion of the production plant was completed, which will make it possible to progressively achieve the manufacture of 140,000 units per year. With an investment of U\$S 800 million, the construction was completed in two years, reaching a area of 347,760 m², including buildings and logistic yards, and TASA is placed as production and export base for the models Hilux and SW4 for Latin America. The opening of the expansion was attended by the President of the Nation, Eng. Mauricio Macri, the Executive Vice President of Toyota Motor Corporation, Mr. Seiichi Sudo, the Heads of Toyota, the Governor of the province of Buenos Aires, Lic. Maria Eugenia Vidal and other national, provincial and municipal authorities.



Seiichi Sudo, Executive Vice President of TMC

Dimensions of Toyota Argentina

GRI indicator: G4-9, G4-10, G4-11, G4-EC2



Concept	2014/ 2015	2015/ 2016
Total assets *	11,105	17,855
Total liabilities *	9,420	17,812
Equity *	1,685	43
Sold units **	128,812	117,702
Units produced **	94,024	77,180
Collaborators	4,751	4,865
Union personnel (%)	78.4	79

* Annual Report and Financial Statements of Toyota Argentina S.A. for the year ended 31 March 2016, presented on a comparative basis with the previous year.

** For the period of twelve months by 31 March of each year. Source Toyota Argentina, units sold to dealers plus exports.

Acknowledgements

In 2015 Toyota Argentina was acknowledged among the 10 leading companies for its management aiming at the sustainability in the AmCham Entrepreneurship Award.

Marketed Models

Material aspect: 4, 8, 10, 15, 21
GRI indicator: G4-4, G4-EN27

Toyota Argentina is a platform for the production and export of commercial vehicles for Latin America.

To date, Toyota Argentina has produced over 950,000 units in its Zarate industrial plant.

Gas Emission Standards

At present, Argentina is governed by the Euro 5 standard for the new models (Full Model Change) and Euro 4 for models in production.

As from 2018 all models shall comply with the Euro 5 standard, which is more strict than the Euro 4, mainly reducing the limits of polluting gas emissions of vehicles.

Sold units

Hilux CKD Euro 4 	66,261		Land Cruiser Prado CBU Euro 4 	31	
SW4 CKD Euro 4 	10,350		Prius CBU Euro 4 	-	
RAV4 CBU Euro 5 	211		Corolla CBU Euro 5 	17,181	
Camry CBU Euro 5 	36		Etios CBU Euro 5 	23,609	
Land Cruiser 200 CBU Euro 4 	14		86 CBU Euro 5 	7	

CBU (Complete Built Up): imported vehicles produced abroad. CKD (Complete Knock Down): vehicles manufactured in Argentina, with national and foreign technologies, components and parts. Euro 4 or 5: fulfilled standard of combustion gases emission level. For the period of twelve months by 31 March 2016, Source Toyota Argentina, units sold to dealers plus exports.



The pick up Hilux is characterized by its quality, durability and reliability

RELEASES

NEW HILUX

The new 2016 Hilux, the eighth generation of the model manufactured in Zárata redefined the concept of robustness to maintain and improve its legendary characteristics of quality, durability and reliability.

NEW SW4

The new Toyota SW4 is a vehicle with its own identity that represents a true SUV, distinguished by its renewed interior and exterior design, great comfort, innovative equipment, new engine and transmissions, great off-road capability and a complete safety equipment.



The SW4 is the leader SUV in its segment

Leading the way: always better vehicles

Toyota constantly works to develop propulsion technologies that help to reduce the environmental impact; thus, the hybrid technology emerged, allowing the use of renewable energy such as electric power or hydrogen.



Hybrid technology

First automotive company approved in hybrid technology

Always better vehicles



Vehicles powered by hydrogen

Using hydrogen as a fuel to generate electricity

- > *Mitigation of environmental impacts.*
- Decrease in emissions of carbon dioxide (CO₂).*
- No emission of carbon dioxide or contaminants.*

TECHNICAL TALK: MIRAI

To continue to disseminate the experience of Toyota in innovative technologies and friendly with the environment, in June 2015 a technical talk was held to go into detail about the propulsion system of the future through its flagship model, the Toyota Mirai, propelled with hydrogen. The presentation was led by the executives of Toyota Motor Sales, United States, Jim Pisz and Craig Scott, who commented on the advantages and the performance of this technology, apart from answering questions from the audience.



Toyota safety systems

Toyota is working on the development of active safety technologies. One of them was designed to avoid or reduce collisions in a wide range of speeds.

They will be offered as two packs called Toyota Safety Sense, in its 'C' versions for compact vehicles and 'P' for medium and high range vehicles, combining a laser radar or a radar of millimetric waves, respectively, and a camera, which gives rise to a high level of confidence and performance.

Toyota 2015 Environmental Challenge

TOYOTA 2050 ENVIRONMENTAL CHALLENGE



In order to contribute to the sustainability, Toyota Motor Corporation has developed an ambitious series of environmental objectives intended to be achieved in the next 35 years.

With regard to key global challenges such as climate change, water scarcity, resource depletion and loss of biodiversity, the Toyota 2050 Environmental Challenge aims at reducing the impact during the manufacture and driving of vehicles.

The 2015 Environmental Challenge consists of six different goals in three areas:

- > *Increasingly better vehicles*
- > *Increasingly better manufacture*
- > *Enrichment of the community lives*

On the other hand, as a fundamental step to achieve these objectives in the long term, we announce the Sixth Five-Year Environmental Action Plan of Toyota, which will be implemented from April 2016 to the end of March 2020.

CHALLENGE 1	CHALLENGE 2	CHALLENGE 3
CHALLENGE 4	CHALLENGE 5	CHALLENGE 6



02

ABOUT THIS REPORT



The commitment to sustainability is present in the corporate culture, each business area and it is an essential part of the corporate management model of Toyota Argentina.



Stakeholder engagement.
Sustainability context.
Exhaustiveness.
Materiality.

14th

Sustainability Report

GRI G4

Essential option

30

Material aspects identified by the stakeholders

PARAMETERS OF THE REPORT

GRI indicator: G4-13, G4-17, G4-22, G4-23, G4-28, G4-29, G4-30, G4-31, G4-32, G4-33

The Sustainability Report 2016 of Toyota Argentina has been prepared in accordance with the G4 guide of the Global Reporting Initiative -GRI- Essential option. It is issued annually and covers the period from 1 April 2015 to 31 March 2016. It shall be referred to throughout the document as 2014/2015 Report. This is the 14th edition of the Toyota Argentina Sustainability Report. Neither the existence of significant limitations in its scope or in its coverage nor significant effects to the restatement of the information from previous years have been identified. The last report issued was the Sustainability Report 2015. The information contained in this Sustainability Report does not include data from the subsidiary that is part of the consolidated financial statements of Toyota Argentina S.A., which is detailed below:

Company	Share %
Argentina S.A. de Ahorro para fines determinados	95

Section 9 includes the index that facilitates the location of the contents of this report, which has been subjected, for the fourth consecutive year, to an external verification process. The assurance report is included in the same section.

The CSR Committee is the point of contact for any query or suggestion.

rse@toyota.com.ar

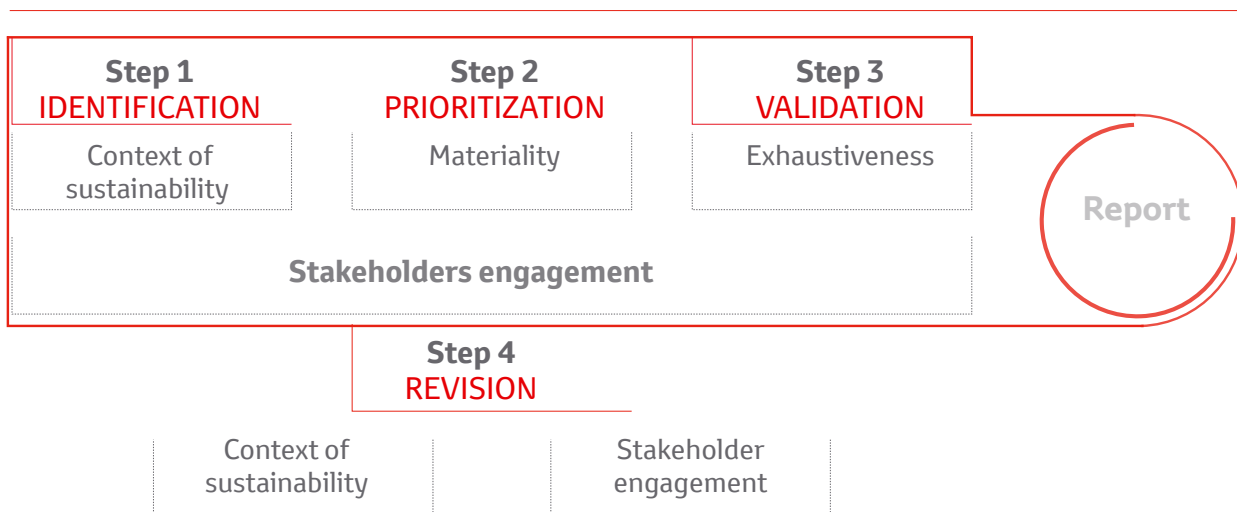
This document is presented in a full digital version that can be downloaded from www.toyota.com.ar

14th Sustainability Report





ISSUES >> ASPECTS >> INFORMATION ABOUT THE MANAGEMENT APPROACH + INDICATORS



MATERIAL ASPECTS AND COVERAGE

GRI indicator: G4-18, G4-19, G4-20, G4-21

One of the main aspects in the process of elaboration of a Sustainability Report has to do with the definition of those material aspects that will be communicated by the Organization. In this regard, the Global Reporting Initiative offers a series of principles designed to be used in a combined form, in order to

define the content of this report. The process of definition of material aspects and the preparation of the Sustainability Report involve the stages detailed below, which were carried out by the Social Responsibility team and the CSR Committee.

MATERIAL ASPECTS IDENTIFIED

Nº	Relevant aspect	Aspect impact		Section
		Internal	External	
1	Emissions	x	x	5
2	Effluents and waste	x		5
3	Employment	x		6
4	Indirect economic consequences and local employment generation	x	x	6, 7
5	Water consumption	x		5
6	Energy consumption	x		5
7	Employability programs	x		6
8	Safety measures		x	6
9	Environmental awareness programs		x	5, 6
10	Customers' health and safety		x	8
11	Occupational health and safety	x	x	6, 7
12	Health program		x	6
13	Road safety programs		x	6
14	Local communities		x	6
15	Environmental regulatory compliance	x		5
16	Regulatory compliance	x		7
17	Non discrimination	x	x	6, 7
18	Quality of products and services	x		7, 8
19	Environmental investments	x		5
20	Economic performance of the organization	x		7
21	Mitigation of environmental impact of transport	x		1, 5, 7
22	Use of materials	x		5
23	Training and education	x	x	6
24	Diversity and equal opportunity	x		6
25	Prevention of child labor		x	6
26	Freedom of association and collective bargaining	x		6
27	Disability	x		6
28	Mitigation of environmental impact of transport	x	x	5
29	Impact on biodiversity	x		5
30	Prevention of forced labor		x	6



03

STAKEHOLDER ENGAGEMENT



Toyota seeks to contribute to create a prosperous society and to reach sustainable development, producing always better cars, establishing long-term relationships with stakeholders and improving the quality of life of the community.



CORPORATE CITIZENSHIP The Company helps create a more prosperous society and reach sustainable development

Dialog channels with stakeholders groups








5 dimensions

It comprises the system of analysis: responsibility, influence, closeness, dependency and representation

IDENTIFICATION AND DIALOG WITH STAKEHOLDERS

GRI indicator: G4-24, G4-25, G4-26, G4-27

Since the beginning of its operations, Toyota Argentina has created and maintained different spaces for communication and dialog with its stakeholders. In order to identify the main stakeholders, the Company is aligned to the new G4 Guide of the Global Reporting Initiative, and to the AA1000SES Guide of Accountability, where influence, closeness, dependency and representation are weighed according to responsibility. In this sense, the following stakeholders have been identified:

GROUP	COMMUNICATION AND DIALOG CHANNEL	GROUP	COMMUNICATION AND DIALOG CHANNEL
SHAREHOLDERS 	Annual Report and Financial Statements Sustainability Report Shareholders Meeting Events and meetings Press releases	LOCAL COMMUNITY 	Biannual diagnosis of the needs of the Community Training programs in secondary schools and universities institutions Visits and meetings with managers of educational institutions, where the community's needs are evaluated Interaction with municipal authorities of Zarate and Campana Involvement in social initiatives Direct contact with various NGOs
UNION AND SECTOR REPRESENTATIVES 	Argentine Automotive Transport Mechanics and Allied Staff Union (SMATA) Association of Metalworking Industry Supervisors of the Argentine Republic (ASIMRA) Health and Safety Committee (COHISE) Association of Automotive Makers (ADEFA) Financial Community Assurance Companies Competitors	COLLABORATORS 	Two-way communication system Suggestions system and quality circles Ethics Committee and Ethics Channel Face to face communication (business meetings, lunch and breakfast with directors, open tables, special talks) Newsletters, "Desde adentro" magazine, intranet, corporate e-mailing and billboards and corporate TV
DEALERS 	Argentine Republic Toyota Dealers Association (ACTRA) Sales and after sales training programs, evaluation surveys for each activity Report and audits for the Environmental Management System under ISO 14001 Environmental risk audits Customer service annual convention	GOVERNMENTAL ENTITIES 	Participation in chambers and governmental associations Meetings with national, provincial and municipal authorities
SUPPLIERS 	Service rendering manual for contractors and subcontractors Green Procurement Guidelines Training activities and evaluation surveys Valor CSR+ Competitiveness Program CSR Guide for suppliers	CUSTOMERS 	Customer Service Center Satisfaction and quality surveys Early Detection and Early resolution (EDER) activities Contact with dealers Social networks and corporate website



“PAREd” project artists’ first mural

BIANNUAL DIAGNOSIS ON THE NEEDS OF THE COMMUNITY

Every two years, Toyota Argentina performs a diagnosis on the needs of the community of Zárate, where they are also surveyed on their expectations toward the company. With such information new social investment initiatives and programs are reinforced and developed.

In relation to the expectations surveyed, these are the most important aspects that emerged:

1. Insecurity
2. Health
3. Unemployment

In relation to corporate image the main results were:

- Good image in the community, primarily with regard to the fact that it is an industrial company that generates employment

- Low level of the community awareness of Toyota's social investment programs
- The community demand greater involvement on the part of the Company
- The main negative aspect, in relation to the image of the organization, refers to the communication of the health care of employees

On the basis of this diagnosis, new initiatives were implemented and some existing programs were reinforced and/or reformulated:

- Active support to the Virgen del Carmen Hospital
- Development of the plant Visitors Center
- Actions linked to reinforce health programs with the collaborators and their communication
- Toyota Project
- New building for the School No. 38 of Azul
- “PAREd” Project
- Works in the parish Nuestra Señora de Fátima



04

CORPORATE GOVERNANCE, ETHICS AND INTEGRITY



The commitment of Toyota Argentina with a transparent and ethical performance, oriented to sustainability, is driven from its senior directors and reinforced daily. To do this, it develops ethics policies and sustains mechanisms to ensure their compliance.



Toyota Way

It is based on the continuous improvement and respect for the people

The **7** statements of the Principles Guide reflect the philosophy, values and methodologies worldwide of the organization

600
people trained on prevention of money laundering and financing of terrorism

CSR Committee

Action axes in material of Social Investment:

- **Environment**
- **Road safety**
- **Education for employability**

59
complaints received and resolved by the Ethics Committee

CORPORATE GOVERNANCE

Vision and Mission

Toyota Argentina is aligned with the global mission and vision of Toyota Motor Corporation:

Our Mission

“Reach sustainable growth as a basis to supply Latin America, exceeding our customers’ expectations, with competitive costs and making a contribution to the community”.

Our Vision

“Leading the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people. Through our commitment to the quality, the constant innovation and respect for the planet, we aspire to exceed the expectations and to be rewarded with a smile. We will fulfill our challenging goals thanks to the talent and passion of our collaborators.”

Management Structure

GRI indicator: G4-34, G4-39, G4-LA12

The Board of Directors is in charge of decision-making. The board members are employees of Toyota Argentina or Headquarters, appointed by the Stockholders Meetings according to their skills and competences. Its members, by 31 March 2016, are:

Name	Executive position	Position
Daniel A. Herrero*	President	President
Stephen St. Angelo Jr.	CEO	Full Director
Masashi Asakura		Full Director
Hitoshi Takahashi	Executive vicepresident (TMC)	Full Director
Gustavo M. Salinas	Sales Manager	Full Director
Masahiro Inoue		Full Director
Takeshi Yamakawa	Finance & Accounting (TMC)	Full Director
Kenji Mochida		Deputy Director

Strategic planning

GRI indicator: G4-DMA, G4-2, G4-14, G4-35, G4-48

Hoshin Kanri is a working system adopted by Toyota all over the world and it is defined as the activities carried out with the cooperation of all the organization in an efficient way, in order to meet medium and long term objectives and the short-term management plan, on the basis of the Hoshin.

The hoshin is a system to create an organization able to reach a sustained high performance.

Company's Hoshin

Establishing a mutual cultural understanding on safety, health and environment, aiming at zero accident.

Toyota Argentina President's Hoshin

Consolidating Toyota Argentina as a good corporate citizen, contributing to the society and the local community.

Corporate Affairs Division's Hoshin

Achieve a continuous promotion of environmental and social responsibility projects, contributing to Toyota's reputation.

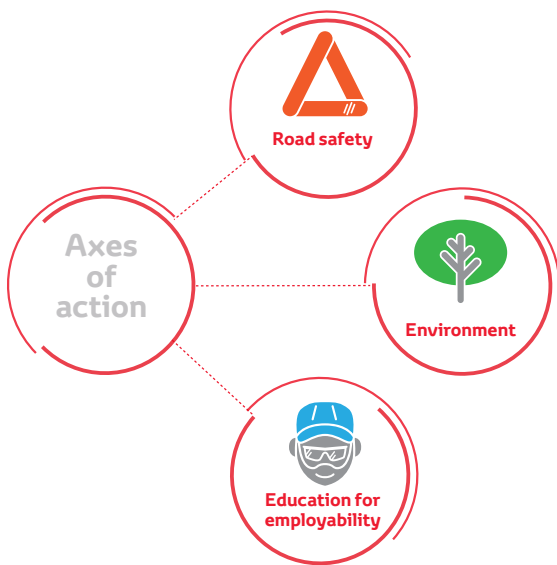
Social responsibility and community Area's Hoshin

Develop, coordinate and organize the Company's CSR activities jointly with the different stakeholders, as part of a unified system focused on the three action axes of Toyota Argentina.

Corporate social responsibility policy and structure

The main objective of this policy is to contribute to create a prosperous society and to reach sustainable development. Toyota Argentina makes it extensive to its value chain, promoting the fulfillment of all the laws, regulations and social guidelines applicable in our country, and the practice of the management based on the respect for the people and continuous improvement.

As per the actions regarding Social Investment, Toyota Argentina works upon three main axes:



These axes pay special attention to the Zárate community by fostering a constant dialog with the different local institutions and organizations.

Corporate Social Responsibility Committee

It sets an action plan coordinated among the areas involved and report the actions performed. The members of the CSR Committee are:

President of Toyota Argentina

Corporate Social Responsibility

Human Resources

Corporate Affairs

Commercial

Plant management

Environmental Affairs

Industrial Safety and Health

Procurement

Finance and accounting

The Corporate Social Responsibility area is linked to the CSR Committee and is responsible for the preparation of the Sustainability Report, which is carried out with the collaboration of all the Company's sectors.





Decision-making

At Toyota Argentina, decision-making stems from consideration and thorough analysis of risks, contingencies and available backup methods. All relevant issues that arise from the different meetings are submitted to the Executive Committee and to the Board of Directors for discussion for discussion and approval, thereby providing effective communication and internal handling of decisions.

Board of Directors Meetings (BOD)

Key Meetings (KM) Toyota Operational Meeting (TOM)

Production

This sector, the largest of the organization as it encompasses the greatest number of people, functions and support from other areas, holds a weekly production meeting, which gathers all participating managers of production and all support areas.

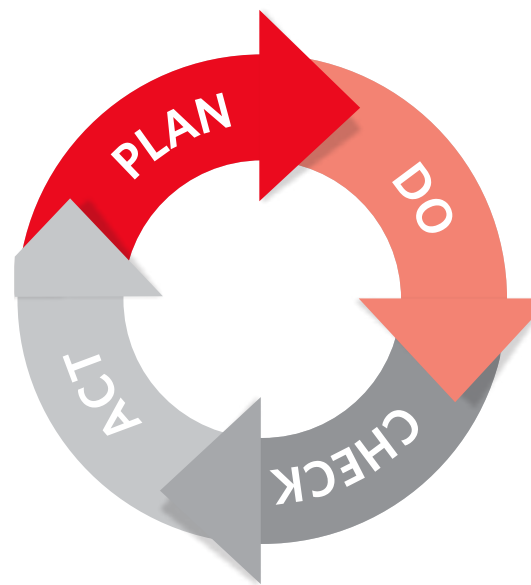
Weekly Production Meeting (WPM)

Asakai
(daily meetings, all the mornings)

Yuichi
(daily meetings, all the afternoons)

Plan-Do-Check-Action Cycle

All reports are prepared following the Plan-Do-Check-Action method; i.e. reporting of issues, causes, countermeasures and future actions.



- Plan** *Strategy and action plan design*
- Do** *Plans implementation*
- Check** *Analyze results*
- Action** *Take appropriate action*

Crisis Committee

The Crisis Committee is composed of members of the Board of Directors and of the Legal, Institutional Relations, Government Relations and Human Resources areas, as well as by those responsible for the areas involved in the issue for which the Committee has met. Its function is to analyze and raise countermeasures in response to an unusual event that may affect both the local and the collaborators' community.

- Chamber of Corporations, (IDEA)
- Interindustrial Committee for the Preservation of the Environment in Campana and Zárate (CICACZ).
- Association of Automotive Makers (ADEFSA)
- Argentine Industrial Union (UIA)
- Industrial Union of Zárate (UIZ)
- AcercaRSE
- IRAM (Argentine Institute for Standardization and Certification)

0 <zero>
incidents reported in the period 2015-2016.

Commitment to External Organizations

GRI indicator: G4-15, G4-16

- Chamber of Exporters of the Argentine Republic (CERA)
- Chamber of Public Limited Companies

ETHICS AND INTEGRITY

Toyota Argentina has the Toyota Way and the Toyota Principles Guide that, together, create a clear commitment to sustainable development in the corporate culture and guide its management.

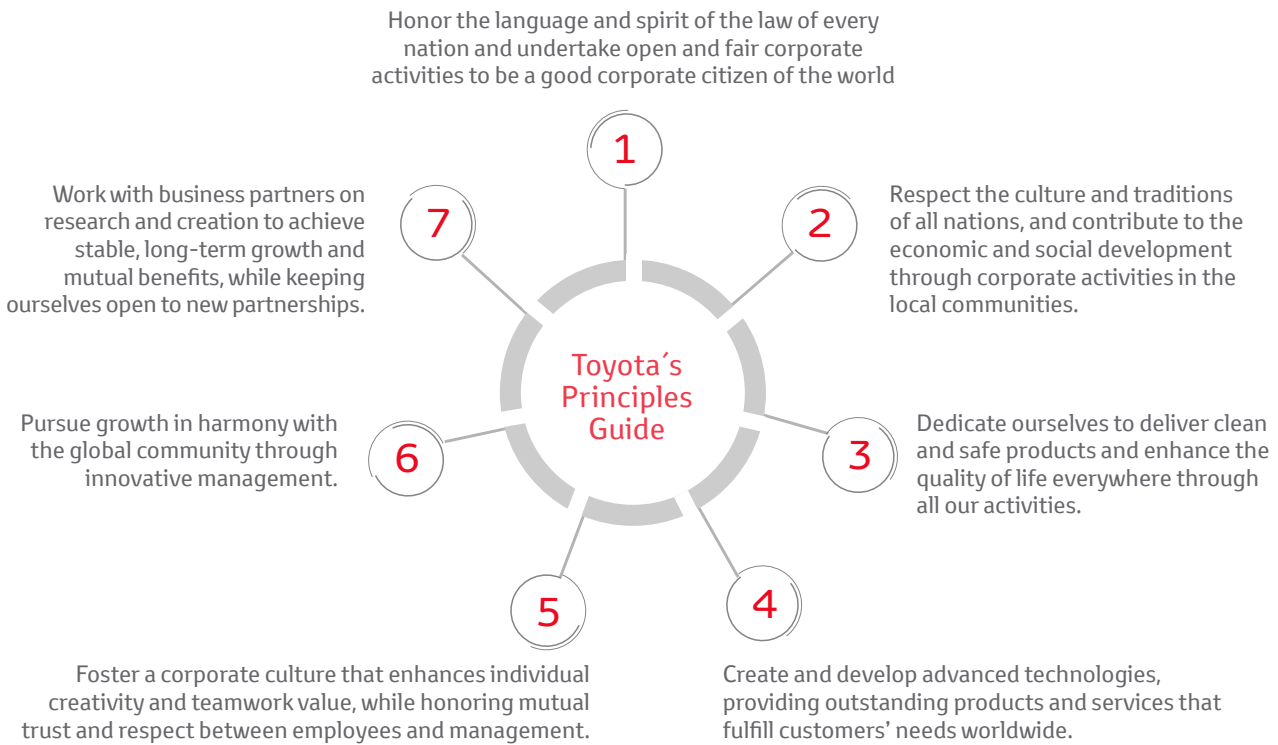
Values – Toyota Way

The Toyota Way is a guide for all the people of the organization. It expresses the shared values and defines how the collaborators should work and behave to give value to their stakeholders. It is based on two pillars: continuous improvement and respect for people.



Toyota's Principles Guide

All TMC's affiliated companies are based on Toyota's Guiding Principles. The principles reflect its philosophy, values and methodologies at the global level.



It is on these principles that the Toyota Global Vision and the Policy Corporate Social Responsibility (CSR) were designed which, together with the Toyota Way and the Code of Conduct, set the guidelines for the activities carried out by more than 344,000 people (globally), and more than 4,800 at Toyota Argentina S.A.

Code of Conduct

GRI indicator: G4-41, G4-56

The Code of Conduct summarizes the fundamental concepts and describes the concrete guidelines which, together with the Toyota Way, constitute a key tool to carry out commercial operations and foster a transparent and responsible working environment. It is given to all the new members of the Company, which implies that they take knowledge of it and that they commit to its strict observance.

Ethics Channel and Committee

GRI indicator: G4-57, G4-58

100%
of the complaints received were duly addressed and resolved.

Ethics Channel. It allows collaborators to communicate or denounce irregularities and is managed by an external vendor, which guarantees the anonymity of all complaints received.

- Free telephone line: 0800-888-1880
- Website: www.canaltoyota.kpmg.com.ar
- E-mail: canaltoyota@kpmg.com.ar
- Fax: 011-4316-5800 addressed to "Canal Toyota"
- Request personal interview 0800-888-1880
- Letter to: Canal Toyota | Bouchard 710, Piso 6 | (C1106ABL) CABA

All employees receive training on the operation of these mechanisms at the moment of joining the Company.



Ethics Committee. It is composed by the Legal and Internal Audit areas; it analyzes each claim received through the Ethics Channel. During the period between 1 April 2014 and 31 March 2015, 59 complaints were received, which were duly addressed and resolved.

59 complaints received.

- 59 resolved
- 24 the facts alleged were proven
- 35 the facts alleged were not proven
- 02 dismissals
- 20 corrective measures, internal control improvement
- 01 others

Anti-corruption Policy

Employees

Value chain

Anti-bribery guide for suppliers and business partners

Compliance Committee

As a complement to the above policies, and upon the decision of the Company Board, a Compliance Committee was created, which is composed by the top management and representatives of seven areas of the Company. Its function is preventative, and has the objective of detecting violations and irregularities in legal matters.

PLAFT System

Toyota Argentina is strongly committed to the prevention of money laundering and financing of terrorism and to do so it actively collaborates with the national authorities and the competent and recognized international agencies.

From the area of the Prevention of Money Laundering and Financing of Terrorism (PLAFT - in the Direct Sales sector), we work in the development and implementation of the prevention system, in order to comply with the requirements set forth by the Financial Intelligence Unit (FIU).

- PLAFT Policies Manual
- PLAFT Procedures Manual
- Internal communication system of unusual transactions (COMI)
- Risk matrix
- Continuous training of all collaborators

During the reported period the following activities were carried out:

- 331 collaborators trained via e-learning
- 30 days of on-line training for the entire network of Toyota dealerships. 161 administrative employees and sellers participated
- 32 hours of in person training for the network of Toyota dealerships. Attended by 59 people
- On-line training course for officers of dealers compliance. 51 members of the dealers' Board were registered
- More than 600 people trained on the prevention of Money Laundering and Financing of Terrorism



05

ENVIRONMENTAL PERFORMANCE AND MANAGEMENT



For Toyota Argentina, the commitment with the environment is a philosophy and a constant source of inspiration for all of the processes which make up its operations.



88.6%

recyclability that reflects the efficiency of the Environmental Management System

Global Eco Award

3 kaizens shortlisted

TOYOTA 2050 ENVIRONMENTAL CHALLENGE

CHALLENGE 1	CHALLENGE 2	CHALLENGE 3
CHALLENGE 4	CHALLENGE 5	CHALLENGE 6

ENVIRONMENTAL MANAGEMENT SYSTEM

Material aspect: 1, 2, 5, 6, 15, 19, 21, 22, 28, 29

GRI indicator: G4-DMA, G4-EN27

Toyota Argentina is strongly committed to a sustainable environmental performance, and to this end, it developed its own environmental management system (EMS), which is certified under the ISO 14001 since 1999 and is managed by the Department of Environmental Affairs.

The EMS allows you to identify and control the environmental aspects of the organization under a standardized system, in which the audits are essential for its maintenance and improvement. Regularly external audits are performed and, prior to them, internal audits are performed with trained personnel for this activity.

> Toyota Argentina has actively participated, in conjunction with the Argentine Institute of Standardization and Certification (IRAM) and other organizations, in the revision of the standard ISO 14001 version 2015, forming the Commission of Environmental Management Systems (SC1), responsible for the adoption of the standard in the country.

ENVIRONMENTAL ACTION PLAN

Material aspect: 11, 12, 16

Every 5 years, Toyota's global objectives are set in this plan, and all the plants worldwide commit to it by signing it locally.

> 6th Environmental five-year Plan of Toyota The objectives of environmental performance for the period 2016 - 2020 were defined.








In the environmental five-year plan, the main actions to be implemented in that period were defined, so as to achieve the objectives established in relation to the key indicators of:

- water
- energy
- carbon dioxide (CO₂)
- waste
- volatile organic compounds

From the area of Environmental Affairs, the information obtained from each area within the Company is consolidated, analyzed and managed.

ENVIRONMENTAL PERFORMANCE

ENVIRONMENTAL PERFORMANCE INDICATORS, KPI 2015/2016

Performance Indicators	Measurement unit	Result	Target value	Compliance
 Consumo de energía	GigaJoules/vehicle	4.55	4.57	✓
 Emmissions	Kilograms CO ₂ /vehicle	420.69	429.73	✓
 Electricity consumption	Kilowatts-hour/vehicle	581.92	597	✓
 Natural gas consumption	Meters ³ /vehicle	58.31	59	✓
 VOCs emissions	Grams/m ² (painting)	34.26	34.70	✓
 Industrial water consumption	Meters ³ /vehicle	2.10	2.50	✓
 Waste generation	Kilograms/vehicle	20.16	19.65	✗

✓ Objective achieved ✗ Objective not achieved

> Values by 31 March 2016. In the period 2015/2016, the project of expansion of the plant was carried out by adapting it to the manufacture of the new model Hilux, and increasing the capacity of manufacture to 140,000 units per year. This work resulted in greater consumption of energy by the activities, which also explains the increase in the total emissions of CO₂.

TOYOTA 2050 ENVIRONMENTAL CHALLENGE



In order to contribute to the sustainability, Toyota Motor Corporation has developed an ambitious series of environmental objectives to be achieved in the next 35 years.

CHALLENGE 1	CHALLENGE 2	CHALLENGE 3

Zero CO₂ emissions in new vehicles

90% reduction of the global average of CO₂ emissions of new vehicles by 2050, in relation to the global average of Toyota in 2010.

Zero emissions of CO₂ in the product life cycle (manufacture, transport, use and final disposal)

Elimination of CO₂ emissions, including materials, parts and manufacturing of the life cycle of vehicles.

Zero emission of CO₂ in the factories

Zero CO₂ emissions in all factories by 2050.

CHALLENGE 4	CHALLENGE 5	CHALLENGE 6

Minimize and optimize the use of water in the production

Promote the effective management of waste water and minimize the water consumption, taking into account the conditions of each country and region.

Establish a society based on the recycling culture and disseminate the technologies of Japan

Promote the global deployment of recycling technologies and treatment of vehicles for scrapping, developed in Japan with two recycling projects in 2016.

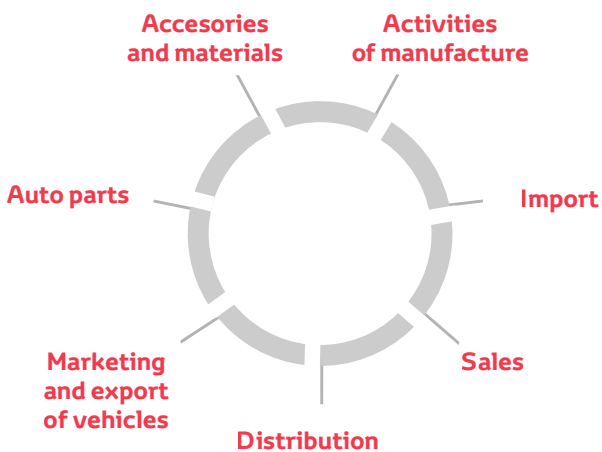
Establish a future society in harmony with nature

Promote the deployment, on a global scale, of conservation activities beyond the Toyota Group and its partners, establishing in 2016 three projects for the future, related to forestry, fellowships and environmental education.



Environmental Policy

Being aware of the importance of the protection of the environment, the care for the health and safety of workers, the environmental policy is integrated to the occupational health and safety policy, which covers all of the processes which make up the operations.



Energy

GRI indicator: G4-EN4, G4-EN6

The energy consumption is monitored and permanently reduced through the implementation of improvement actions, the incorporation of new technologies and the use of renewable energy. The main sources of energy consumption in the Zárte plant are electric energy (indirect energy) and natural gas (direct energy).

4.55 GJ/vehicle (it includes the consumption of electrical energy and thermal energy).

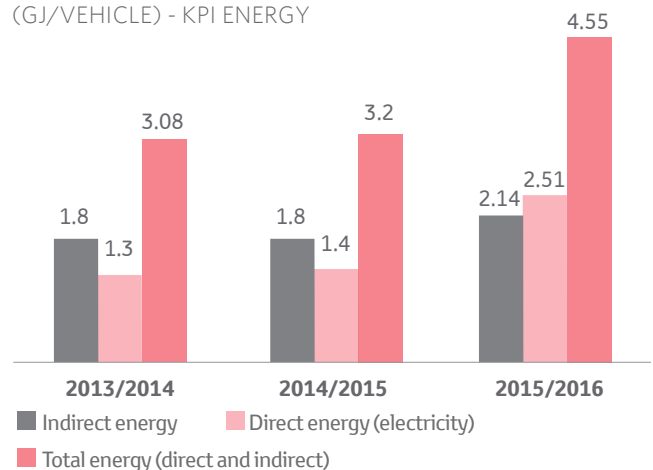
581.92 kWh/vehicle.

58.31 Nm³/vehicle.

Concept	2013/2014	2014/2015	2015/2016
Direct energy (electricity)	1.8	1.8	2.14
Indirect energy	1.3	1.4	2.51
Total energy (direct and indirect)	3.08	3.2	4.55

Figures in gigaJoules per vehicle, by 31 March of each period.

ENERGY CONSUMPTION/PRODUCTION BY SOURCE (GJ/VEHICLE) - KPI ENERGY



Total Energy Consumption

GRI indicator: G4-EN3

The following table consolidates the total energy consumption of production activities and non-productive activities, which include, in the period 2015/2016, the activities considered as external to the production process, the expansion of the parts depot, logistic park and PPO (Post Production Operation : different types of final accessories are installed to the vehicle).

Concept	2013/2014	2014/2015	2015/2016
Direct energy (electricity)	174,266	179,495	228,124
Indirect energy	194,917	185,412	210,041
Total of energy (direct & indirect)	369,183	364,907	438,165

Figures in gigaJoules by period, by 31 March of each period.

During the period 2015-2016, Toyota Argentina went through different processes of change necessary to be able to adapt the plant to the production requirements, a process that is known by its description in Japanese Henkaten . This included the installation of new equipment, the development of new processes and working overtime, impacting on the reduction of the volume of production compared to the previous year. All these issues impacted directly on the environmental performance indicators of the company. Despite these changes, the energy saving activities that started in the previous period, continued but focusing on the new equipment and processes, doing Yokoten to reduce the impact from the beginning of operations.

Reduction of energy - Kaizen energy

Toyota is continuously evaluating alternatives to reduce the consumption of the necessary energy for the production of vehicles. During the reported period, the following results were obtained:

Description of the activity	Kaizen result (kWh/vehicle)
Decrease the amount of fluorescent tubes in UT -control room- by installing artifacts with LED	0.11
Shutdown of press engines in free pass	0.519
Installation of Tip forming in robot cells of main body	0.2115
Change of traditional lights for LED (west canopy)	0.582
Line lights off in breaks in charge of GLs (Engines)	0.028
Replacement of the mercury steam lights by energy saving lights (Engines)	0.06
Shut off of air supply to plant in sectors without consumption during the non-production hours	0.285

Renewable Energy Project

Framed in the challenge of Toyota Environmental Challenge 2050 to eliminate the CO₂ net emission in their industrial plants, Toyota Argentina is in the process of implementing a pilot environmental project of Renewable Energy. It consists of equipping the Visitors Center of TASA with photovoltaic solar panels, so that a percentage of the energy consumption of the building is supplied with the energy generated with the those panels which, in the future, will be installed on the roof of the Visitors Center.

A Solar Tree with educational purposes has also been installed in the garden of the aforementioned building. It captures the sunlight energy, then it is stored in a battery of our Hilux pick-up, and at night it feeds the garden lighting circuit. It should be noted that the metal structure of the Solar Tree was developed by the kaizen sector of Toyota Argentina, who designed its creative design using reused material from the plant.

Emissions of carbon dioxide (CO₂)

GRI indicator: G4-EN19, G4-EN20, G4-EN21

Below, emissions are reported in terms of tons of CO₂ per vehicle, separating the analysis of the generation of emissions, corresponding to the thermal and electrical energy, from the volume of production.

Concept	2013/2014	2014/2015	2015/2016
Tons of CO ₂ /vehicle	0.277	0.275	0.421
Change in relation to the previous period (%)	-3	-1	65

Figures in tons of CO₂ per vehicle, by 31 March of each period.

Emissions due to natural gas consumption (scope 1)

GRI indicator: G4-EN15

These emissions are derived from the combustion of natural gas and liquefied petroleum gas (LPG) at the Zárate plant, during the production of vehicles, and the consumption of natural gas in nonproductive activities, which mainly correspond to the heating system in the buildings and canteens of both the industrial plant and commercial offices.

Concept	2013/2014	2014/2015	2015/2016
Tons of CO ₂ per year	8,017.11	8,236.94	8,839.47

Scope 1 emissions are calculated following the GRI guidelines, applying a conversion coefficient for natural gas of 39.01 GJ/1,000 m³ and an emission factor equivalent to 1.951 t CO₂/1,000 m³.

Emissions due to electricity consumption (scope 2)

GRI indicator: G4-EN16

These emissions are generated as a result of the electricity consumption at the industrial plant during the production of vehicles and also during non-production activities. The emissions are estimated by applying the emission factor of the Argentine Electricity Grid, calculated by the Secretariat of Environment and Sustainable Development of the Nation.

It is applied the operation margin, ex post year 2014, equivalent to 0.527 tCO₂/MWh*. This factor shows the emissions produced in the Argentine Electricity Grid for the production of electric energy between January and December, 2014.

Concept	2013/2014	2014/2015	2015/2016
Tons of CO ₂ per year	25,335	26,252	33,364

Emissions due to logistics and staff transfer (scope 3).

Logistics emissions

GRI indicator: G4-EN17, G4-EN30

Toyota Argentina measures and monitors CO₂ emissions in logistics, generated as a result of the transportation of production parts, vehicles and spare parts.

The collection of this information is carried out together with suppliers, taking into account the fuel consumption, the kilometers covered and the volume of the load transported in each operation.

Staff transfer

These emissions are measured and monitored together with the supplier in charge of the staff transfer, from and to Zárate Plant, who monthly reports the kilometers covered, plus the kind and quantity of fuel consumed and CO₂ emissions.

CO₂ EMISSIONS (TONS/YEAR)

Concept	2013/2014	2014/2015	2015/2016
Logistics	37,073	37,950	39,398
Staff transfer	4,181	4,553	5,104

Variations in 2015/2016, in relation to the previous report, correspond to measurement settings, which include emissions from logistics of imported and exported parts of production and also emissions from local logistics of parts of production, logistics of vehicles and spare parts.

VOCs emissions

Volatile organic compounds (VOCs) are the volatile fraction of substances composed of hydrocarbons that emit solvents, paints, some adhesives and sealants.

VOLATILE ORGANIC COMPOUNDS (GRAMS/M²)

Concept	2013/2014	2014/2015	2015/2016
Grams per meter ₂ painted	35.56	34.69	34.26

VOCs Volatil Organic Compounds

CONSOLIDATED TABLE OF CO₂ EMISSIONS BY SCOPE

Alcance	2013/2014	2014/2015	2015/2016
Scope 1	8,017.11	8,236.94	8,839.47
Scope 2	18,199.25	17,438.25	23,675.78
Scope 3 (Logistics)*	37,073	37,950	39,398
Scope 3 (Staff)	4,181	4,552	5,104

Figures by 31 March of each period., in tons of CO₂ per year.

VOLATILE ORGANIC COMPOUNDS VOCs (GRAMS/M²)

Period	target	Real
2012/2013	36.30	36.31
2013/2014	36.65	35.56
2014/2015	35.10	34.69
2015/2016	34.70	34.26

Figures by 31 March of each period.

Reduction of VOCs emissions – Kaizen VOCs

During this period the following activities for reducing VOCs emissions were implemented:

Description of the activity	Kaizen Result (grams/m ²)
Painted in P/S booth, fuchidori method (change in the painting orientation. Optimization of on/off of application)	0.15
Introduce water-based thinner for cleaning	0.15
Standardization of cleaning procedures with solvent. Reduction of the use in general cleaning	0.05

Air quality

Due to the production processes that emit gases and particulate material to the atmosphere, the monitoring and measurement of the gaseous emissions in chimneys are carried out at the plant in Zárate. The monitoring of air quality is also carried out. It is performed according to the permission in force of Toyota Argentina in relation to the Regulatory Decree No. 3,395 of Law No. 5,965 of the Provincial Agency for Sustainable Development.

Effluent and waste treatment

GRI indicator: G4-EN22, G4-EN23, G4-EN24, G4-EN25

Effluents

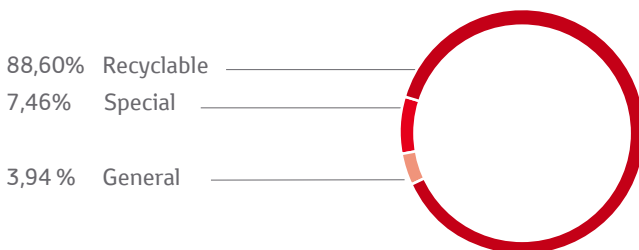
The effluent treatment plant has a physical-chemical system which has a leaning plates spacer, with a capacity of 45 m³/h and a new biological reactor with a capacity of 55 m³/h, and a post-treatment system (sand filter) which reduces the content of dissolved solids, improving the quality of treated and discharged water, which is constantly measured through the laboratories of Toyota. According to the results, operating decisions are made taking into account the compliance with legal requirements before discharging the processed effluents. In Toyota Argentina monitoring of water quality is carried out on a regular basis in order to comply with the legal parameters required by the enforcement authority. They are performed in the discharge end of the treated effluent, in the wells for the supply of underground water and in the groundwater wells.

Toyota Argentina established its limit values, taking into account the standards of the headquarters and the ones determined by the Water Authority of the province of Buenos Aires (ADA) in the Resolution 336/2003, using the most rigorous value of both standards. Monthly, a laboratory authorized by the Provincial Agency for Sustainable Development performs the legal monitoring of the effluent. As an internal requirement, a campaign of additional monitoring of these points is carried out in order to improve the monitoring of indicators.

Waste

The basis of waste management lies in the classification at the source point, as each waste requires a different type of treatment. When collecting them, they are identified by sector and type by means of a bar code. In the area for temporal waste accumulation, they are identified and weighed to control the type and amount of waste generated by each area.

DISTRIBUTION BY TYPE OF WASTE



WASTE GENERATION BY TYPE OF DISPOSAL / TREATMENT

Type of waste (primary classification)	Type of waste (secondary classification)	Kilograms generated	Kilograms per vehicle treated and/or recycled	Disposal and treatment
Special	Special (solid & liquids)	2,874,734	37.19	Safety dump incineration
General	Non special industrial	1,519,680	19.66	Landfill
	Metal	31,525,359.61	407.88	
Recyclable	Paper and cardboard	1,631,854.92	21.11	Recycled
	Plastic & Nylon	468,064.5	6.06	
	Wood	153,098.50	1.98	
	Solvent	125,132	1.62	
	Oil	22,404	0.29	
	Blending	212,029	2.74	
	Batteries	21,794	0.28	The components are recycled and sold to a battery supplier of TASA

Waste generated	2013/2014	2014/2015	2015/2016
Kilograms per vehicle (Production)	16.19	15.77	20.16

WASTE RECYCLABILITY RATE (%)

Concept	2013/2014	2014/2015	2015/2016
Recyclability rate	90	88	88.60

88.6% is the recyclability rate of that reflects the efficiency of the Environmental Management System.

WASTE MANAGEMENT RESULTS (ARS)

Concept	2013/2014	2014/2015	2015/2016
a) Income for recycling	13,420,367	23,704,647	50,161,781.91
b) Total cost	11,561,401	20,449,103	34,536,187.27
UTILITY (A-B)	1,858,966	3,255,544	15,625,594.64

Figures by 31 March of each period.

Water resources

GRI indicator: G4-EN10

Toyota Argentina is constantly working to improve its production processes to reduce the use of water.

Consumption	2013/2014	2014/2015	2015/2016
Cubic meters per vehicle	2.96	2.65	2.10

These consumption levels refer to the productive processes of the plant during the manufacturing of vehicles (industrial water or production water) and to sanitary uses (non-production water). Among the productive processes, the one that consumes more water is the painting of vehicles, therefore the Painting Engineering sector permanently conducts countermeasures regarding the aggregate of water:

Type of water	Countermeasure 2015/2016
High conductivity	Reutilization of water for cleaning filters strainers and magnetic bars of PT
DI phosphate	Expansion of the 2 nd stage of water reutilization plant
DI of the ED process	Reduction of mouthwash flow in the ED processes

With regard to the preservation of the resource, in order not to saturate the aquifer from which water is drawn for human consumption (80 meters under ground), Toyota Argentina gets water from the Hipopuelche (128 meters depth), thus avoiding the intensive exploitation of groundwater.

Water consumption reduction - Kaizen water

The reutilization plant is intended to reduce the well water consumption, and it was developed by the areas: Plant Engineering, Utilities and Environmental Affairs.

> During 2015, the reutilization plant enabled the Company to save 7,955,000 liters of water.

PRODUCTION WATER CONSUMPTION (M³/VEHICLE)

Period	Target	Real
2013/2014	3.00	2.96
2014/2015	2.66	2.65
2015/2016	2.50	2.10

CONSOLIDATED TABLE OF WATER CONSUMPTION PER SOURCE (M³)

GRI indicator: G4-EN8

Source	2012/2013	2013/2014	2014/2015	2015/2016
Under ground	693,524	638,308	644,159	411,044

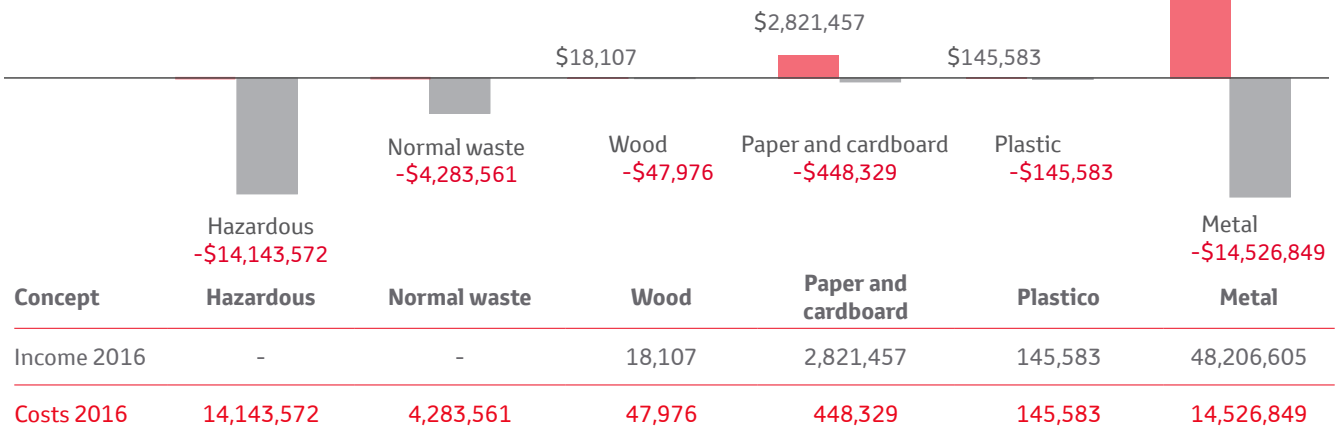
Figures by 31 March of each period.

Waste treatment and recycling

GRI indicator: G4-EN22, G4-EN23, G4-EN24, G4-EN25

NET INCOME AND COSTS FOR WASTE TREATMENT AND RECYCLING (ARS)

\$48,206,605



Composting area

It consists in the treatment of organic waste from the production of food and pruning. This is a biological process carried out by microorganisms under controlled conditions of humidity, temperature and ventilation, that allow the transformation of organic waste into a stable product, which does not cause any kind of risk.

The elaboration of the compost is done through the use of static aerobic stacks. This methodology has obtained a 14% more compost than in the same previous period.

Although the compost does not contain any kind of dangerous substances which can contaminate the soil, monitoring is done in the near groundwater wells for a greater control. Currently, the obtained compost is used as a fertilizer in the forest reserve and the green areas of the plant.

At the same time, the laboratory analysis of sludge from the sewage treatment plant began. Based on the results, and according to the regulations in force, it is sought to process this material. For this reason, alternatives and technologies referring to the composting of biological sludge are being evaluated.

GENERAL WASTE IN THE CANTEEN

In this period, new pilot tests for the composting of food leftovers in the dining room -not just of vegetables used in the preparation- were initiated to reduce general waste generation, with a 100% increase of the material treated in the composting plant.



Environmental abnormalities

An environmental abnormality is a situation not complying with Toyota's internal standards, which has or may have a negative impact. In order to find out the origin of the abnormality, address the failure generating it and avoid repetition, standardized procedures are carried out to report and analyze them.

These procedures are performed by the staff involved in the event and by the Environmental Affairs Department.

During the period under analysis, there have only been minor situations and of low significance during the operation of the plant.

ENVIRONMENTAL ABNORMALITIES (APRIL 2015 - MARCH 2016)

Type of abnormality	Description	Root cause	Countermeasure
Spill	Diesel fuel spillage is observed within the containment area due to its spillage inside the refueling equipment (pump).	It was discovered that one side cover of the fuel sender was loose. The spillage of diesel came from there. The camping bolts securing the cover were swept away due to the pressure caused by the diesel fuel inside a faulty fuel sender.	The complete fuel sender was replaced, since the replacement of the cover was not enough, because the body of the fuel sender had its threads swept away. In addition, the instructions for the dispatch of diesel fuel and for the actions to be taken in the event of an anomaly were updated.

Chemical management system

GRI indicator : G4-EN1

The control of common chemicals is always a priority for the protection of the environment, and the workers' health and safety. For over 10 years, Toyota Argentina has had a list of materials to control, which establishes 2 large groups of chemicals:

- Prohibited substances
- Hazardous substances

For a new chemical to be acquired by Toyota Argentina, it must comply with the internal procedure for the purchase of chemicals, which establishes the requirements of each sector involved in the purchase.

The area of Industrial Safety must ensure the safe use of the chemical as regards the personal protection elements of the collaborators, and it must also check if the person is trained for its use.

In this way, Toyota Argentina performs a tripartite evaluation (Environmental Affairs, Industrial Safety and Medical Service), in order to minimize the operational risks in the use of chemicals.

- Procurement
- Environmental Affairs
- Industrial Safety
- Medical Service



Educational and recreational reserve

GRI indicator: G4-EN11, G4-EN12, G4-EN13

This reserve, within the premises of the industrial plant in Zárate, aims at protecting the flora and fauna for conservation purposes and providing education opportunities. In this reserve, the creation of forests with exotic species for carbon dioxide (CO₂) capture, is combined with the recreation of elements of the original landscape of the region with native species: grasslands, tala forests, willow forests, ceibo forest, and wetlands, which are ecologically valuable and biologically diverse.

The industrial plant in Zárate and the commercial offices in Martínez, Buenos Aires, are neither located nor adjacent to a protected or non-protected area of high biodiversity value. The industrial plant is located in an area intervened and modified by men long before its installation in 1997.

Since 1909, Zárate has been considered a city whose growth as an industrial pole started consolidating as from the '30s, with the development of the paper industry, meat processing plants and later, the chemical industry. However, Toyota Argentina does not have a census of autochthonous species previous to the plant installation allowing the evaluation of changes or impacts on the local biodiversity.

Environmental expenses and investments in 2015/2016

GRI indicator: G4-EN31, G4-EN29

Expense / Investment	Pesos
Expenses for waste treatment and disposal	17,517,534.97
Expenses for environmental insurance	108,527.14
Cleaning labor costs, including spillage remedy costs	16,304,784.30
Expenses for the certification of environmental management system	49,250
Investments on environmental improvement projects. Month Environment Forest Reserve	50,000
Investments on environmental improvement. Refitting of forest screens Croacia St. and Route 9	489,490
Total environmental expenses and investments	34,519,586.41

No claims, significant penalties or fines have been received due to failure to comply with the environmental regulations.

Global Eco Award

The Global Eco Award is a ceremony in which the best environmental *kaizens* of all subsidiaries of TMC are selected. It has a local, a regional and a global instance that is carried out in Japan.

In the 2015 local edition, held on 22 June, Toyota Argentina elected the best of 3 *kaizens*, preselected in an internal selection. The winner turned out to be a *kaizen* from the Paint Area, called Reduce VOC Fast, whose improvement was a significant reduction of VOCs emissions in the paint booth through changes in the work methods that involve the use of solvent.

> Second place for the Reduce VOC Fast *kaizen*

On 22 June, the regional contest was carried out, where Toyota Argentina, Toyota do Brasil (TDB) and Toyota de Venezuela (TDV) participated. On this occasion, Toyota Argentina got the second place with the Reduce VOC Fast *kaizen*, after having won the contest for two consecutive years. The jury for the selection was composed by the presidents, vice presidents and plant directors of Toyota Argentina, Toyota do Brasil (TDB) and Toyota de Venezuela (TDV), with the special participation of the CEO of Toyota for Latin America and the Caribbean, Mr. Steve St. Angelo. In this way, the collaborators of Toyota Argentina show their commitment with the environment and continuous improvement.

Toyota's vehicles components

GRI indicator: G4-EN1

The components are calculated on the basis of the control vehicle; this is the most representative vehicle in terms of the number of vehicles produced in the plant, which have undergone changes with regards to the previous period, due to the launch of the new generation of Hilux and SW4. In this sense, we are working on the calculation of components of materials for each model, which will be finished in the next report.

Material	kg/vehicle (2014/2015)
Pressed Steel	816.88
Forged Steel	176.57
Stainless Steel	15.01
Cast Steel	28.41
Aluminum	12.65
Plastic	67.64
Urethane	12.26
Fibers	11.46
Rubber	55.63
Copper	9.48
Lead	16.23
Platinum	0.0010
Glass	5.30



06

SOCIAL COMMITMENT



The organizational culture of the Company is based on the long term. People are the most important asset for the Company and the determining factor of its growth.

Toyota Argentina seeks to be a good corporate citizen contributing to the sustainable development of the communities where it operates. To this end, it carries out activities and programs based on three axes: environment, road safety and education for employability, working with the community to understand and respond to their needs.



New Visitors Center

1,677

students and 30 schools participated in the program Environmental awareness

Zárate Hospital

\$ 2.5 million invested
250 collaborators participated
1,600 hours of volunteering

Toyota and You Kids

**27 students,
360 hours**

in the project Toyota-Pescar Center

Hooded grebe
collaborates with the conservation of this endangered species

Toyota Institute

LINK WITH THE COMMUNITY

Material aspect: 7, 9, 12, 13, 14

Toyota Argentina seeks to be a good corporate citizen contributing to the sustainable development of the communities where it operates. To this end, it carries out activities and programs based on three axes, working with the community to understand and respond to their needs:

- Environment
- Road safety
- Education for employability



Environment

GRI indicator: G4-S01, G4-EN14

Toyota Argentina works to contemplate the environmental impact of the vehicle throughout its life cycle and to develop programs that mitigate its impact and enrich the life of the communities in which it is immersed.

Environmental awareness in primary schools

Since 2004, the Company carries out this program for 5th year students, to raise their awareness about the importance of taking care of the environment in the daily actions, through educational workshops in schools.

12,000
children trained since 2004.



Hitoshi Takahashi, executive vice president, and other participants during the afforestation of Parque Central in Zárate

Topics covered

- Separation and classification of waste
- Global warming
- Water care and biodiversity conservation

In this edition students were invited to submit a project about the species in the area and investigate those which are not currently seen so frequently in their natural environments.

Concept	2014/2015	2015/2016
Plays	40	40
Primary schools	20	30
Students	1,500	1,677

Figures by 31 March of each period..

30 schools
from Zárate, Campana and Capital Federal

Afforestation activity in Zárate

As part of its commitment to the community of Zárate and on the occasion of World Environment Day, Toyota Argentina participated in an afforestation day in the city. The meeting was held at “Parque Central Urbano” in Zárate, where the town Mayor, Osvaldo Cáffaro, and students from School No. 29 and School No. 33 from the area, together with managers of Toyota Argentina, carried out the afforestation of the place that covers 5 hectares.

The activity consisted in the planting of 200 trees: tipas and lapachos -native species- and it is part of the Environmental Awareness in Primary Schools Program.





Nesting of the hooded grebe in El Cervecero lagoon, Patagonia

Biodiversity Program

Hooded grebe conservation project

As part of the environmental challenges 2050 and with the purpose of contributing to the sustainability and the preservation of biodiversity, Toyota Argentina supports the Aves Argentinas Association in the project for the hooded grebe conservation.

The program aims to preserve this native bird in our country that is critically endangered and that lives only in the Argentine Patagonia.

In February 2016, a trip was made to the Patagonia National Park -in the northwest of the province of Santa Cruz- with journalists, to publicize the project and achieve a greater awareness on the conservation of the environment and of this species.

More information: www.avesargentinas.org.ar

Facebook: [Salvemos al Macá Tobiano](#).

About the hooded grebe

The hooded grebe (*Podiceps gallardoi*) is a diver that inhabits lakes and lagoons of the Patagonian plateau, 700 meters above the sea level during the reproductive period (November to March). In winter, due to the fact that a big area with water in which it dwells freezes, it crosses the Patagonian steppe toward the Atlantic coast and the estuaries of Santa Cruz, Coyle and Gallegos rivers. With a low number of records in Chile, where it is an occasional species, it is considered endemic in Argentina. It builds its nests in lagoons and lakes with vinagrilla, a macrophyte plant, (*Myriophyllum elatinoides*). It feeds on small invertebrates such as snails (*Lymnaea*), and amphipods, with which it feeds its offspring. It lays two eggs, although it only breeds one pigeon in each egg-laying. After it was discovered in 1974, the number of birds was estimated at 4,000. At present, studies indicate that the number would not exceed 700. It has been declared as a Provincial Natural Monument (Provincial Law No. 2582).



Hooded grebe conservation project



Hooded grebe



Education for Employability:

GRI indicator: G4-S01

Improving the employability of young people and adults jointly with education is a commitment on the part of Toyota Argentina with the community. In this respect, programs with national, provincial, regional and local educational authorities are designed, and then they are developed in different educational institutions.



Toyota Center Project

“Doing something that will help to change the world that surrounds us”

The Toyota Center addresses education as a means of social integration. To do so, it provides low income young people personal and labor training to create employment opportunities.

27 students were selected, among 68 candidates, from 6 public secondary and junior secondary schools, where technical content is not taught.

27 students.
360 hours of class time.

The students worked intensely for 10 months, but the project was not completed, their insertion in the labor market and/or their beginning at university should be facilitated.

They carried out cultural visits

Plaza de Mayo, the Cathedral, the Cabildo, the Colón Theater, the UBA Faculty of Law and the National Museum of Fine Arts

They visited the facilities of the **Club River Plate**

They camped in the scout field of **Flandria**

Art project for the School of Secondary Education N° 20 of Zárate

Practices in **Toyota Argentina**

Automotive Technical Education Improvement (META) Program

This is a project, which is aimed at students of 6° year (between 2 and 4 students per school), of professional practices with technical training, which seeks to integrate the work of the schools with the dealers, stimulating the employability of students, strengthening the technical education with a view to create a chain of growth in each city where Toyota Argentina is present.

At the end of the project, the dealers can hire students who completed the experience.

In 2015, three new technical schools, located in Venado Tuerto, Río Cuarto and Corrientes participated.

Period	Dealers	Schools	Interns	Hired
2008/2009	3	3	12	4
2009/2010	10	16	65	6
2010/2011	14	19	72	10
2011/2012	14	22	84	13
2012/2013	16	25	90	11
2013/2014	13	19	67	8
2014/2015	13	19	70	6
2015/2016	17	23	88	6
Total	100	146	548	64

Program of Introduction to the World of Work



The dynamics of the program, together with the Junior Achievement foundation, consists in providing the students with tools to identify experiences and capacities that will facilitate the future process of introduction into the world of work.

Values of the program: commitment, responsibility and work value.

Concept	2014/2015	2015/2016
Courses	25	25
School districts	6	9
Mentors	9	9

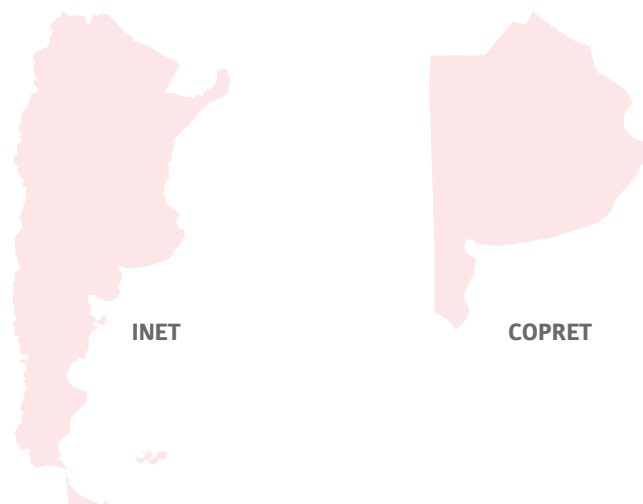
Period	Schools	Students
2010	6	500
2011	8	562
2012	9	657
2013	6	507
2014	8	735
2015	9	707
2016	9	682
Total	55	4,350

Figures by 31 March of each period.

Technical education schools participating in the program: No. 1, 2, 3, 4 y 5 from Zárate, No. 1 from Baradero, No. 1 and 2 from Escobar and No. 2 from Derqui.

Program for allocation of fiscal credit

Toyota Argentina promotes the presentation of educational projects in national technical schools, within the rules to allow the use of part of tax contributions to finance them, through the Provincial Council of Education and Work in the Province of Buenos Aires, and the National Institute of Educational Technology.



	2014/2015	2015/2016
INET		
Schools	18	14
Millions of pesos	2.89	3.28
COPRET		
Schools	19	14
Millions of pesos	1.08	1.89

The funds are used for equipment, teacher training activities and improvement of facilities.

Toyota Institute

It has been created to consolidate and expand the company's work in education with its collaborators, suppliers, dealers, and the community, with the academic support of public and private universities.

Technical degree for qualified industrial operator



This course is given jointly with the Professional Center 402 of Garín.

Concept	2014/2015	2015/2016
Attendees	56	156
Graduated	40	91

Toyota industrial plant internship program

The internship program is a proposal with high impact on the local community that seeks to improve employability, implementing support plans and training sessions together with regional technical schools to create internships.

Concept	2014/2015	2015/2016
Students	25	40
Schools	4	4

Patronage

This initiative relates to the regime of cultural promotion according to Law 2,264 of the city of Buenos Aires. Through it, taxpayers enrolled in the gross income tax can contribute directly to cultural projects.

Concept	2014/2015	2015/2016
Selected project	Argentinian music for piano II (project 2235)	2 nd . festival Konex
Amount given (pesos)	101,253	812,335

Figures by 31 March of each period.



Road safety

GRI indicator: G4-S01

Toyota Argentina road safety programs aim at working on the concept of safe driving and in the prevention of traffic accidents. This is directly achieved by the active participation of teenagers and parents and indirectly, through broadcasting.

Toyota and You program



Since 2007, Toyota Argentina has carried on its road safety program, called Toyota and You. Driving safely is in our hands, a free itinerant activity of safe driving, aimed at young people with driver's license and to their parents.

The main differential aspect of the program is the use of technology and simulators to replicate real risk situations in daily driving. Through this experience, drivers acquire -in safe conditions and before the eyes of the professional instructors- driving tools that then will be part of their skills and that can hardly be acquired without any risk in the daily driving.

The program begins with an introductory talk, and then participants carry out practices that include an impact simulator, braking exercises, distractions, slalom (it allows to know the vehicle behavior in case of sudden changes of direction: load transfer and pendulum effect).



Toyota and You Kids. Program activities

Toyota and You Kids

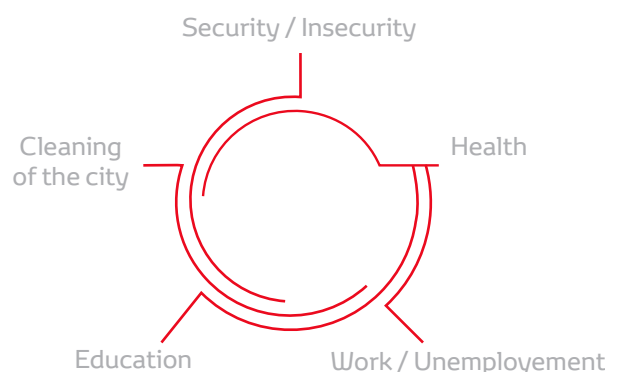
During the editions of this year, which took place in the towns of Baradero, Campana and Zárate, 3,370 children participated together with 447 parents and teachers and in total, since the beginning, i.e. through its 10 editions, the program succeeded in raising awareness to 11,500 children.

3,370 children and 447 parents participated.

Toyota and You Kids aims at raising awareness and educating children of 5 to 9 years old about the proper behavior in the street and the knowledge and respect for the rules and traffic signs. Thus, since 2012, the program provides theoretical and practical concepts that allows children to be better pedestrians and to be able to correct their parents in their driving habits. This is achieved by combining an actors' show, practice in a mobile road safety education park and other recreational activities and/or workshops on road safety.

Commitment to the community

Following a philosophy of dialog and openness, the needs of the local community are listened to and social investment programs are implemented. Thus, in 2014 an assessment was made in the community in Zárate to know their main needs and evaluate the knowledge of the social investment activities undertaken by TASA. The results were considered in the planning of the social investment programs for 2015. The main concerns were:





A new pediatric sector at the General Hospital Virgen del Carmen, in Zárate.

Works in social institutions

General Hospital Virgen del Carmen

Every year, Toyota Argentina collaborates with this hospital through various actions and donations. From the biannual survey of the needs of the community, noting that one of the priorities was the health and taking into account that it is the only 24 hour ER for pediatrics in Zárate, decided to build a new pediatric sector with renewed clinics and a waiting room. The work required a total investment of \$2,500,000 and consisted in the construction and development of 220 m². Together with SMATA, a corporate volunteering was organized involving 250 collaborators that painted clinics, corridors and external spaces.

The investment made and the participation of 250 collaborators who donated 1,600 hours of labor, reaffirm the commitment of the company with the community of Zárate.

\$2,500,00 invested.

250 collaborators participated and more than 1,600 hours of volunteering.



Daniel Herrero and Steve St. Angelo participated in the volunteering at the Zárate Hospital



“PARed” project artists’ first mural

School No. 38 of Azul

Toyota Argentina opened the new building for the School No. 38 of Paraje Campomar in Azul, province of Buenos Aires. The construction was added to the existing facilities and was a joint work with the Toyota official dealer Catriel Mapú and the NGO Azul Solidario with the aim of uniting efforts to improve the local rural education.

During the event the Kindergarten R.I.M.M No.15 was also opened and there was a papal blessing for the two buildings opened.

“*...Toyota is proud to support the communities and promote their development. This shows our firm belief that education is essential for a sustainable growth...*”

STEVE ST. ANGELO, CEO OF TOYOTA FOR LATIN AMERICA AND THE CARIBBEAN

PARed Project (Artists Network Project)

Toyota Argentina together with the official dealer Federico S.A. presented the first activity of their Artists Network Project, PARed, in Saavedra neighborhood. This muralism initiative in schools seeks to provide a new art space for students and emerging artists that, through their works, collaborate in the cultural enrichment of the community in order to take art as a way of learning.

Two murals in the schools No.6 Manuel Dorrego and No. 21 Coronel Cornelio Saavedra were made. The directors, teachers and students of the institutions and authorities of Toyota Argentina and the dealer Federico S.A. were present.

Assisted by students of 5th grade, the murals were created by the local artists, Alan Myers, Eugenia Mendoza, Germán Paino, Jiant, Nicolás Rodríguez, Sebastián Strikic, Sebastián Vendrell, Valeria Arrieta and Viktor Narsh.



Opening of the facilities at School No. 38 of Azul



PARed project, art as a way of learning



Steve St. Angelo, CEO of Toyota for Latin America and the Caribbean, during the last edition of the Dream Car Art Contest program

Dream Car Art Contest Program

Since 2004, Toyota Motor Corporation has developed the art contest The car of your dreams, as part of the initiatives with the community. The action invites children under the age of 16, from throughout the world, to share their ideas on the future of mobility, to promote their interest on cars and the importance of having a dream.

Under the premise “Every great idea is born from a dream,” Toyota stimulates creativity and defies imagination of the next generation of great inventors, thinkers and dreamers.

In Argentina, it has been held since 2012 and is one of the social responsibility actions focusing on the strengthening of the family bond to generate a space of rapprochement, education and commitment.

The Dream Car Art Contest has two stages:

- The first one is a national contest, in which all Toyota’s affiliated companies participate and select 9 drawings (3 per category). The winning drawings are selected by a jury composed of Toyota Argentina CEO, plastic artists, designers, opinion leaders, art teachers and dealers’ managers.
- The second one takes place in Japan, where there is a global selection, with the winning drawings of the national contests.

Concept	2014/2015	2015/2016
Dealers	41	41
Public schools in Zárate	41	60
Drawings	7,700	9,065

Figures by 31 March of each period.



Participant in the Dream Car Art Contest program



A happy participant!

Dream Car book: images to dream



Dream Car Book; one of the authors next to her creation

With the aim of generating a piece of communication of cultural value, for the first time in the region, Toyota Argentina developed the Dream Car book. In its 48 pages, it shows a

drawing per province, where each protagonist author tells us, in a brief outline, what their dreams, concerns and realities are. The book also gathers all the drawings that are national winners of the contest of the 3 editions developed in Argentina.

The project also works together with the NGO La Revisita Multicultural, which collaborated with the development of the communication piece by selecting the drawings and collecting the information of the children.

The 1,000 copies were distributed among employees (local and headquarter managers), network of dealers, opinion leaders, chambers and courts of the public and educational sector, and also they became a recognition space for the winners and their families.

9,065

drawings received from around the country.

78 workshops

on Eco Drive and Responsible Driving in primary schools of Zárate, Campana and the city of Buenos Aires.

AcercaRSE program

During 2015, for the third consecutive year, the program La basura sirve (“Waste is useful”) was implemented, which deals with aspects of waste separation and recycling with primary school students. This year the program was expanded to schools of Campana.

Apart from having a positive impact on the local environment, this program generates the schools awareness and commitment, since at the end of every year, they receive a recognition to their performance. In 2015, the cycle of open talks for the community was also launched, with the conference Rethinking our community by Darío Sztajnszrajber, which was attended by more than 350 people from local communities.

As every year, we have worked jointly with the network of dealers, who took the contest to the schools and social organizations in their areas of influence.

To learn more and view the winning drawings of the last edition, visit www.toyota.com.ar

Concept	2015/2016
PET packages collected (kg)	6,050
Participating students	4,870
Schools involved	17

Figures by 31 March of each period.

Toyota Argentina participates in this program together with other 20 companies of Zárate, which have been working jointly since 2009 to promote the local development of Zárate and Campana, with the technical support of the Inter-industrial Committee of Conservation Campana-Zárate, of the General Inspectorate of Schools, and the secretariats of the environment of both municipalities.



Collection of food during the Family Fest 2015

Emergency Assistance

Toyota Argentina collaborates with nearby communities in weather emergency situations, with the purpose of coordinating with its value chain to multiply the effort made. It works in partnership with the NGO SAR -Argentine Body of Rescue- through the loan of vehicles for rescues. Collections are organized among employees and, in partnership with the Red Cross (Zárate), needs are identified and the delivery of the items is coordinated. The affected employees and their families are helped.

Family Fest Collection

Every year, the company organizes a meeting, which is attended by its collaborators and families. In the last meeting, held at the end of 2015, all the participants took part of an initiative that collected more than 5,000 kilograms of non-perishable food, which were delivered to 5 children soup kitchens in the city of Zárate.



Collection of food for the soup kitchens of Zárate during the Family Fest of the Company





Visitors Center of the industrial plant of Zárate

Visitors Center

The Visitors Center was opened to create a space that will strengthen the strong ties that unite the Company with communities, transmit the philosophy of the organization in a clear and friendly way and publicize the Toyota Production System.

Through a specially designed tour, visitors learn about the history of Toyota in the country and in the world, get to know the most important concepts as regards safety, quality and continuous improvement, as well as sports activities and programs of corporate citizenship that the company develops in Argentina.

They can also see the first Hilux manufactured by Toyota Argentina and the sequence of changes carried out until the design of the new model.

The tours at the Visitors Center are complemented with guided visits to the production line to know, from the inside, how the Hilux is manufactured, leader pick-up of the Argentine market.

VISITORS AT ZÁRATE PLANT

Visits of	Visitors 2015/2016
Educational institutions	1,064
Community	125
Organizations	59
People invited by Toyota Argentina	867
Employees	400

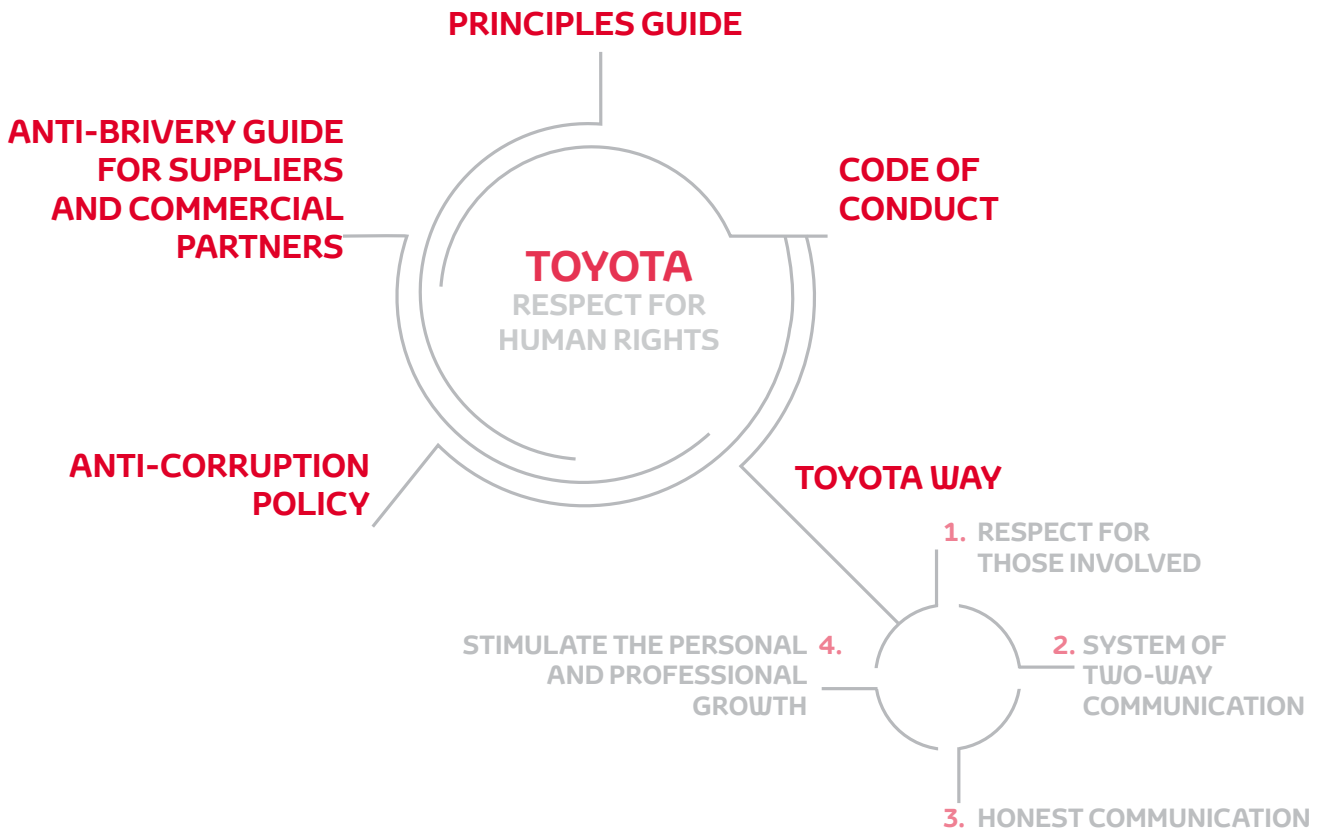
Figures by 31 March 2016.



LINK WITH COLLABORATORS

Material aspect: 3, 6, 11, 17, 23, 24, 25, 26, 27, 30

GRI indicator: G4-HR3, G4-HR4, G4-HR5, G4-HR6, G4-DMA



Toyota Way is the moral base to share the common values with all the business units around the world. Its concepts go beyond languages and nationalities, and are applicable to any territory and society.

- *Internal inequalities are not tolerated*
- *There is no difference between a female and a male worker's salary*
- *Freedom of association and effective recognition of the right to collective bargaining are also respected*
- *Worthy salary to all the Company's members**

During the reported period, there have been no discrimination incidents in the Company, and neither risks of infringement or threatening to the freedom of association and the right to benefit from collective agreement have been identified nor significant risks of incidents of child labor and episodes of forced labor.

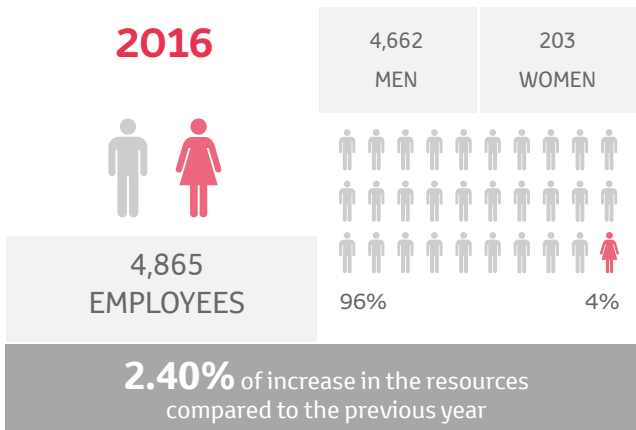
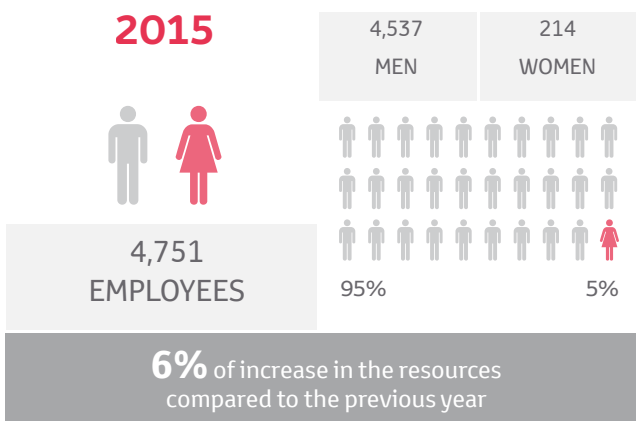
* The minimum wage offered by Toyota Argentina exceeds 2.5 times the Argentine Minimum Wage, corresponding to the period from April 2015 to March 2016.

Composition and evolution

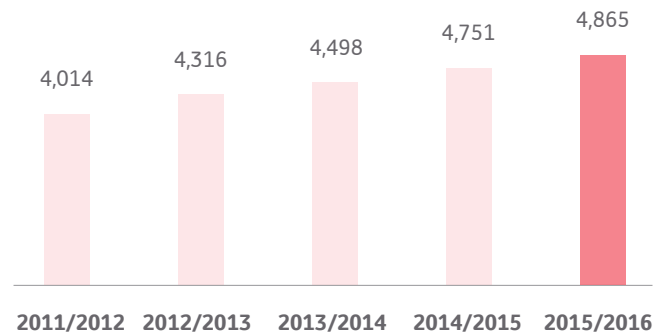
GRI indicator: G4-LA1, G4-LA4, G4-LA8, G4-LA12, G4-10

Toyota Argentina is strongly committed to its collaborators, aligned to the principles and values known as Toyota Way and Toyota Guiding Principles.

Distribution by gender (%)	2014/2015	2015/2016
Women	5	4
Men	95	96



EVOLUTION OF THE RESOURCES



Workplace %	2014/2015	2015/2016
Martínez	2	2
Zárate	98	98

Type of contract %	2014/2015	2015/2016
Permanent	95	97
Temporary	5	3


Notice periods are governed by the current Argentine laws. Likewise, the Company prioritizes the protection of labor sources when organizational changes and/or economic difficulties arise.

Distribution by age (%)	2014/2015	2015/2016
Older than 50 years old	2	2
Between 30 and 50 years old	58	65
Younger than 30 years old	40	33

Figures by 31 March of each period.



PROFESSIONAL CATEGORY AND GENDER (%)

 MEN	2014/2015	2015/2016
Executives and managers	2	2
Mid-level managers	3	4
Group leader and Team leader	19	19
Team member	63	63
Analysts and administrative posts	12	12
 WOMEN		
Executives and managers	2	22
Mid-level managers	6	7
Group leader and Team leader	0.04	1
Team member	7	7
Analysts and administrative posts	84	83

66% of the company's top managers are Argentinean.

AVERAGE SENIORITY (YEARS)

By gender	2014/2015	2015/2016
Women	7	8
Men	7	7
By workplace		
Zárate	7	7
Martínez	8	8

TURNOVER RATE *

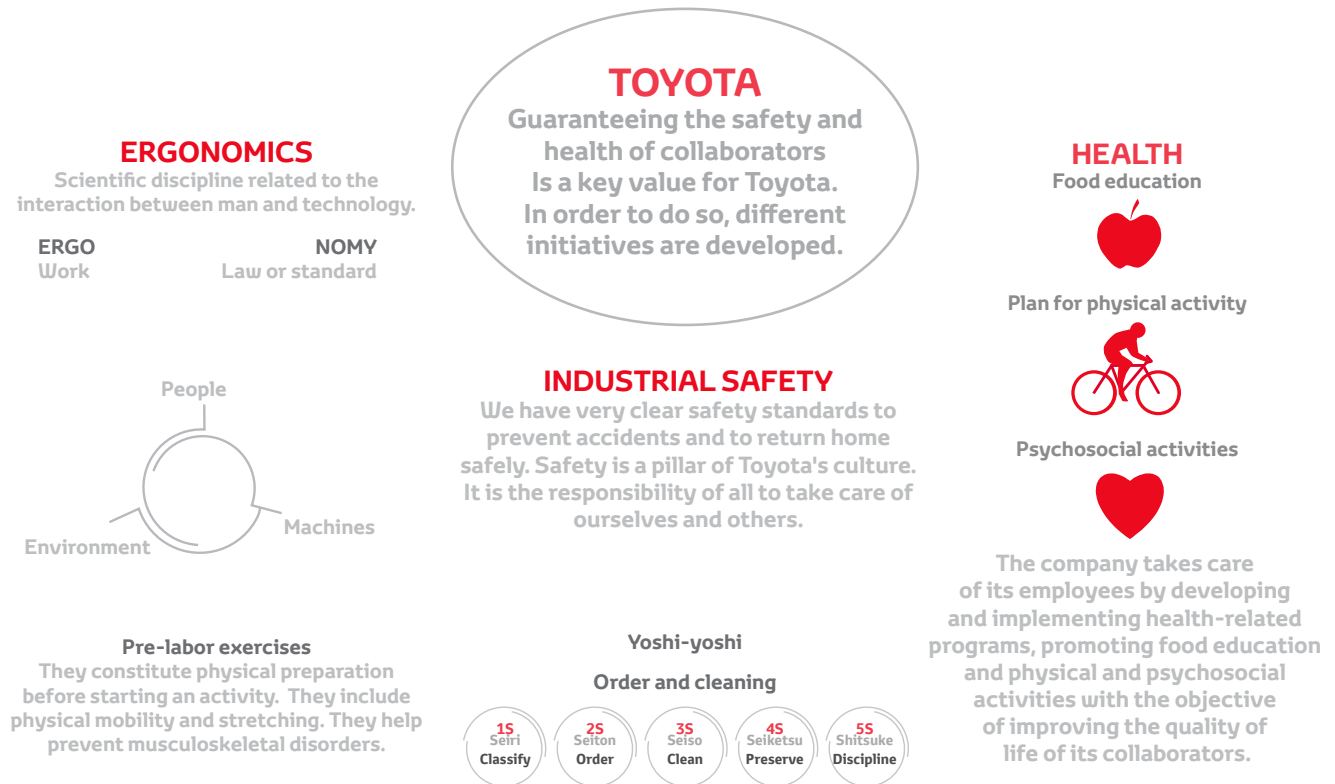
By gender	2014/2015	2015/2016
Women	0.29	0.37
Men	4.53	4.50
By workplace		
Zárate	4.71	4.75
Martínez	0.11	0.12

Figures by 31 March of each period.

* Calculation method: the quotient between the number of terminations for the year and the total staff at the closing of the fiscal year.

People's safety and health

GRI indicator: G4-LA5, G4-LA6, G4-LA7, G4-LA8



Safety and Health Management System

The area of Safety and Industrial Hygiene (OSHMS - Occupational Health and Safety Management System) is responsible for, among other issues, the following activities:

- Regular follow-up and analysis of safety conditions
- Evaluation and ergonomic improvement in workplaces
- Prevention of accidents and professional diseases
- Early detection of potential accident risk and countermeasures to be taken
- Promotion of the compliance with the internal and legal rules on safety and hygiene
- Training to all staff on safety and industrial hygiene

Following are the main indicators of the Company's safety and health management system for the reported period:

Risk evaluation	2014/2015	2015/2016
%	98	44
Plan	627	688
Current	615	306
Decreased risk range		
%	100	84
Plan	31	25
Current	31	21

Figures by 31 March of each period.



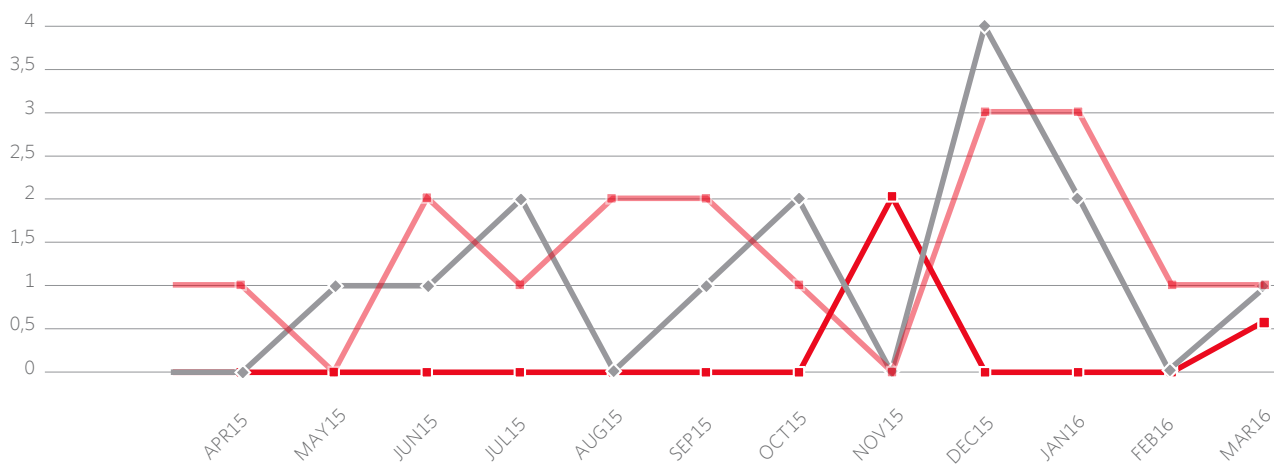
Concept	2014/2015	2015/2016
Worked hours	10,762,953	12,027,685
Accidents with working days lost	4	3
Accidents without working days lost	3	14
Fatality	0	0

ACCUMULATED ACCIDENT FREQUENCY INDEX:

2013/2014 0.20
2014/2015 0.37
2015/2016 1.41

Figures by 31 March of each period.

NUMBER OF ACCIDENTS



WITHOUT working days lost	0	0	0	0	0	0	0	2	0	0	0	1
WITH working days lost	0	1	1	2	0	1	2	0	4	2	0	1
AKACHIN	1	0	2	1	2	2	1	0	3	3	1	1

Cases without working days lost: they require a medical treatment greater than first aid. **Cases with working days lost:** severe injury, prolonged absence due to the complexity of the medical treatment required by the injury. **Akachin:** (Japanese trademark) means first aid; they are very minor, slight cases, which are limited to first aid.



Participants in the course ergonomics in the workplace

Hygiene and Safety Committee

Collective agreements subscribed with SMATA contemplate the prevention of risks, the provision of work items and the creation of an Accidents Prevention, Industrial Ecology and Health, Safety and Hygiene Committee (COHISE).

100% of the issues detected in the COHISE were resolved. Without delayed activities in any plant sector.

> All workers within collective agreements are represented in the Hygiene and Safety Committee (COHISE).

ORGANIZATIONAL STRUCTURE OF COHISE

Regular participants

- SMATA's representatives
- TASA's Industrial Safety representatives
- TASA's Human Resources representatives

Special participants

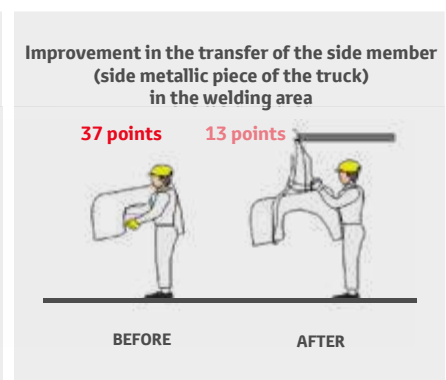
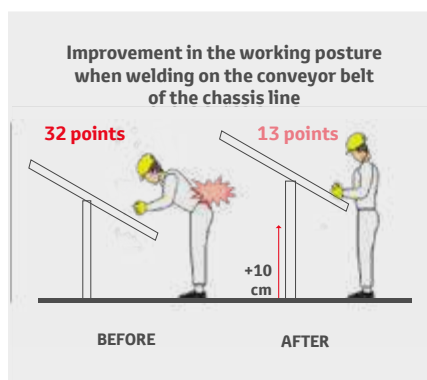
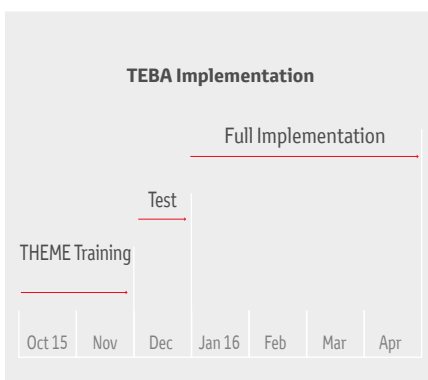
- Internal claim committee members
- SMATA's delegates
- TASA's Industrial Safety technicians
- TASA's sector heads

Ergonomics

In 2015 a new method of evaluation which considers the ergonomics in the workplace was implemented: TEBA (Toyota Ergonomics Burden Analysis). To do this, a course involving different areas was held:

- 6 SMATA's representatives
- 8 safety-related representatives
- 7 safety staff
- 2 Management staff
- 2 consultants
- 2 specialized instructors

Ergonomic improvements were implemented in the plant, where posture in welding and assembly areas, among others, was improved.



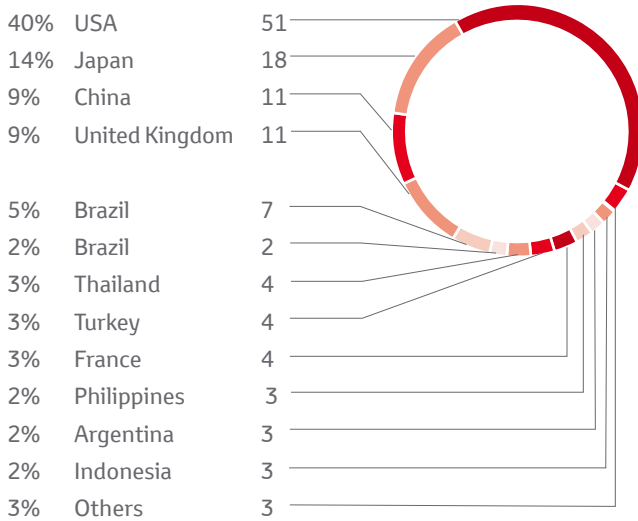


Yokoten

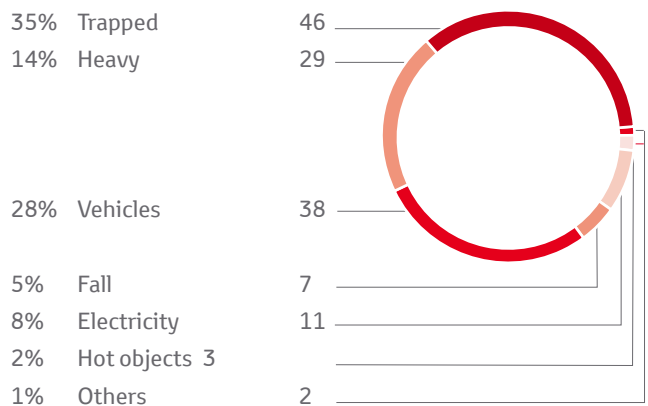
It is a Japanese concept that involves the replication of a successful countermeasure in a new place. Taking this concept, the countermeasures of the incidents that occur in other parts of the world are implemented and are carried out in the industrial plant.

> During the period 2015/2016:
 96 opportunities detected to apply countermeasures
 89 are developed effectively
 07 were in the implementation process

REGION - TOTAL REPORTS 136



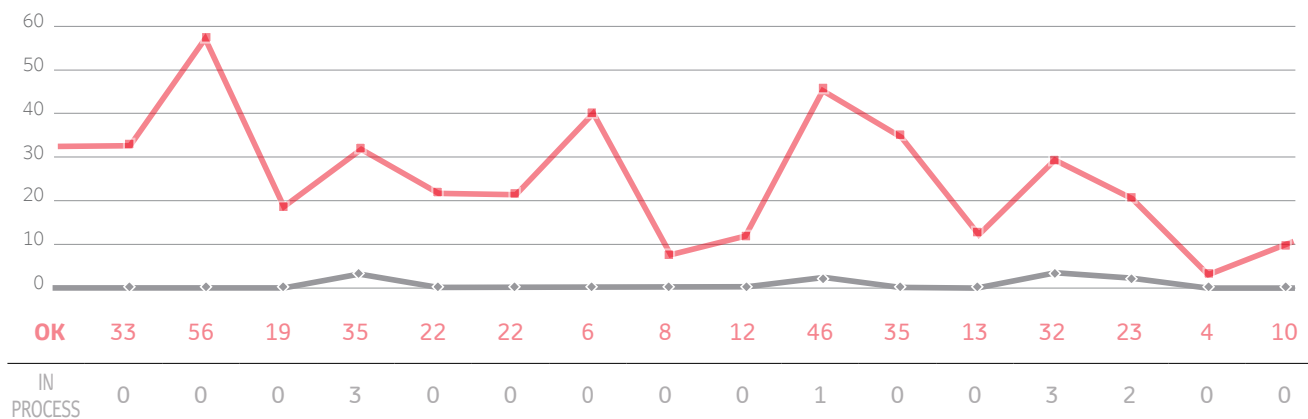
REGION - TOTAL REPORTS 136



YOKOTEN EN TASA



IMPLEMENTED IMPROVEMENTS



Health promotion

Medical service

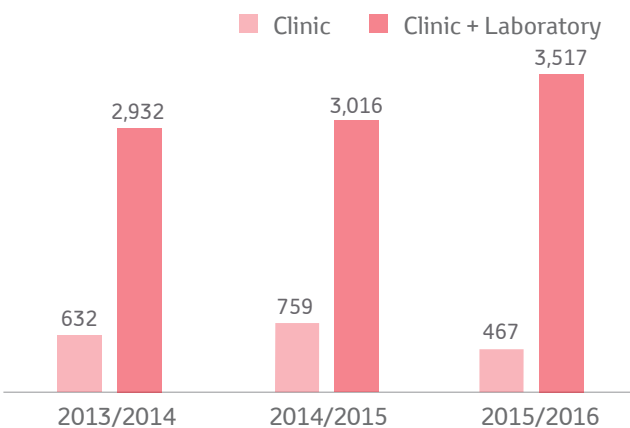
With a specialized medical staff, traumatologists and emergency doctors, this service has the necessary equipment and professional staff to provide all our collaborators with immediate medical assistance.

Regular medical examinations

Each year, regular medical examinations that include studies requested by law, related to workplace are carried out in the work centers, Zárata and Martínez (audiometry, spirometry, x-rays, etc.). Additionally, all the staff (union and non-union) undergo complementary studies (chest x-ray, electrocardiogram, complete blood workup and a detailed clinical examination).

Once the results are received, the Medical Service of Toyota makes an appointment with the personnel to return them, giving priority to those cases with some pathology to be treated in the short/medium term, and performs the appropriate follow-up.

EVOLUTION OF REGULAR EXAMINATIONS



Healthy eating

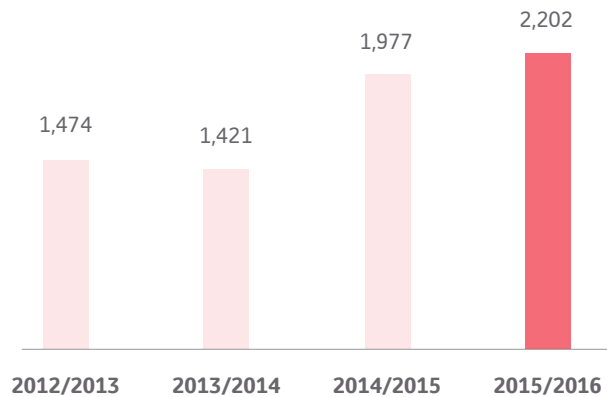
Toyota offers a menu planned by nutritionists, with the aim of providing a balanced diet to all its collaborators.

In November 2015, low-calorie options were established (with low-calorie fruit and desserts). Monthly, the number of diners who choose this new healthy option has been increasing.

Influenza Vaccination Campaign

Annually, the Company provides to all its collaborators the possibility of getting vaccinated against the flu, free of charge and in their workplace. The graph shows the evolution and scope of this initiative.

EVOLUTION OF INFLUENZA VACCINATION CAMPAIGN



Figures by 31 March of each period.

Comprehensive Health Plan

In October 2015, a comprehensive health plan was launched, based on 3 fundamental pillars: *Your Wellbeing*. Advice and recommendations for a healthy diet to the collaborator and their family. *Your Movement*. The importance of physical exercise. *Your Mind*. Having an active mind is crucial for the whole body to work in harmony.

Taking into account these pillars, information is provided and different activities are developed, focusing on physical activity, psychosocial activity and eating habits.

- Improve the physical capacity of the TASA members
- Transmit and raise awareness on the benefits of a balanced diet and its importance in the prevention of various risk factors
- Develop a greater sense of belonging, commitment and motivation on the part of the employee and their family
- Improve the performance and quality

Running Team

As part of the comprehensive health plan, in February 2016, a training team was launched, the Toyota Running Team, in Zárata and Martínez.

Health Day

During the Family Fest 2015, we shared, through informative stands, family games and shows, the healthy actions that are carried out, together with advice on health and wellbeing to promote and strengthen a healthy lifestyle in the employee and their family.

Benefits for collaborators

To increase the satisfaction and motivation of the collaborators, corporate profits are reviewed and continuously evaluated. Some of them are:

- Additional life insurance
- Prepaid medical care for the collaborators who are not included in the union social security and for their family group
- Canteen service
- Nursery reimbursement
- Transportation services to and from the Zárate plant
- Road safety programs

Annually, in December, road safety campaigns are conducted as part of, precisely, the safety month. The area of Social Responsibility accompanies this initiative with awareness-raising activities, carried out in 2015, together with Systems Reid and Bridgestone

companies, in which 250 employees of Martínez and Zárate participated. The specific objectives were:

- Contribute to the decrease of the levels of accidents through awareness-raising
- Provide concepts of defensive driving on the eve of the holidays and festivals
- Incorporate actions, for the collaborators, in the activities for the safety month

Human resources development

GRI indicator: G4-LA9, G4-LA10

Taking the Toyota Way as the basic foundation, the talents of the collaborators of Toyota are developed through a program based on the on-the-job training:

- Challenge
- *Genchi genbutsu* (go and see)
- *Kaizen* (continuous improvement)
- Respect
- Teamwork

Training workshops and programs for human resources

	DESCRIPTION	TRAINED* PEOPLE	TRAINING HOURS
INDUCTION COURSE	In the induction courses the philosophy of Toyota and quality standards, safety, environment and Kaizen (continuous improvement) are transmitted	279	4,264
GENERAL TRAINING OF PLANT STAFF	Twice a year, the industrial plant ceases its production to perform maintenance and develop new projects, and the intensive training of the production staff is carried out	339 (517 in 2014/2015)	
LEADERS TRAINING PROGRAM	The course aims at developing specific skills and competences to strengthen the internal leaderships aligned to the Toyota philosophy	235	13,099
TRAINING IN OTHER TOYOTA COMPANIES (ITC)			
LANGUAGE TRAINING	The main objective of the program is the transfer of knowledge between subsidiaries of Toyota worldwide **	16 (15 in 2014/2015)	21,696
	The offer in language training, aligned to the annual detection of training needs, covers: English, Portuguese, Japanese and Spanish	195	17,341

* Figures by 31 March of each period.

** Between April 2015 and March 2016, 16 collaborators of Toyota Argentina, took part of the ICTs program. In Toyota Japan, 13 people; in Toyota Thailand, 2 people and Toyota Brazil, 1 person.

Industrial Management Diploma

This training, which is done together with the Technological Institute of Buenos Aires (ITBA) is oriented to plant engineers and high-level administrative employees that need to acquire management skills, taking into consideration the competitive, technological and business environment of the industry.

Concept	2014/2015	2015/2016
Enrolled	79	90
Completed the program	70	76

Figures by 31 March of each period.

Training on operational skills and production skills contest

During 2015 and the first quarter of 2016, the Technical Training Center (CET) moved to the new building of the Toyota Institute, and had to suspend the edition of the production skills contest 2015. From 2016, in order to promote the continuous improvement of the operational skills of the collaborators, the CET incorporated, in the current year, a phase prior to the Production Skills Contest, which is called Operational Skills Training. In the previous editions of the contest, the most skillful collaborators of the production sectors were selected based on objective classification criteria. This year, with the incorporation of the Operational Skills Training, the participants will expand their knowledge and skills that will be applied in their workplaces and at the same time, they will be in a better position to be selected for the contest.

> Those who achieve the first and second place in each category of the Production Skills Contest, will represent TASA in international contests and will receive important awards.

Technical Training Center (CET)

This training center, which is internally called CET, is a functional area that depends on the Toyota Institute. Its functions are to:

- Provide training in basic skills to the collaborators of the productive sectors of Press, Welding, Paint, Injection, Plastic Part Paint, Assembling, Engines, Material Handling and Maintenance
- Promote the implementation and strengthening of the Toyota Production System (TPS), mainly in productive areas, encouraging the correct use of management tools and the implementation of the key principles that govern the organization
- Organize the Operational Skills Training program and the Production Skills Contest

Toyota Institute

The Toyota Institute has classrooms for training and a multi-purpose room that centralizes all the basic skills dojos of the CET, which were located, before, in four different sites of the plant.

The new space of the CET has an area of 1,560 m² and it includes the dojos of Press, Welding, Paint, Injection, Plastic Part Paint, Assembling, Engines, Material Handling, Quality Control and Maintenance.

> The new space of the Toyota Training Center covers 1,560 m².



Internal communication

In TASA, we work to build labor relations based on mutual trust and respect, encouraging teamwork and promoting the understanding of Company affairs and the business, through a fluid communication with the collaborators.

Internal communication allows transmitting the Company's values and challenges, in order to promote the active participation of collaborators, who express their objectives and enhance their growth potential.

Performance evaluation system

GRI indicator: G4-LA11

Our performance evaluation system is known as the two-way communication system. It is a tool to create dialog spaces where to clarify objectives and plan development opportunities.

This system is one of the main internal communication channels that takes into account:

- Contribution of the collaborator to the compliance of set goals (evaluation of objectives)
- Development of the attitudes and skills used to comply with their role (competence evaluation)

All participants receive feedback on their annual performance, and improvement areas are agreed for the following year.

The stages that make up this system are:

- Definition of objectives
- Evaluation
- Moderation
- Feedback

> For the period reported, performance evaluations were conducted to 100% of the staff, union and non-union.

Face to face Communication

Business meetings

Each member of Toyota is an important part of the success of the company, so these business meetings are held with the purpose of sharing the market situation, short and long term strategies and the way each team can contribute to achieve the proposed goals.

> 88% of the participants considered the activity between excellent and very good. The meetings were attended by 96% of the production sector.

Breakfast and lunch with Directors

Monthly breakfasts and lunches are organized between the collaborators and the President of the Company. They aim at facilitating dialog, generating opinion exchange and seeking for joint solutions to common issues. During the period reported, 320 collaborators participated.

Concept	2013/2014	2014/2015	2015/2016
Number of meetings	22	19	20

Figures by 31 March of each period.

> 67% of the participants considered this activity between excellent and very good.

162 meetings of Open Tables

These are dialog instances, without an agenda, in which the plant managers meet with their collaborators to openly listen and talk to them. The emerging issues that need to be monitored are recorded and, when resolved, feedback is given to the collaborator, as a closing point.

SPECIAL CAMPAIGN

In 2015, Toyota had major challenges, so that the assurance of quality to ensure the customers' satisfaction was a priority. ENTENDIDOS was a campaign of internal communication that aimed at continuing to internalize the basic notions about quality in the daily work. The topic was addressed from an entertaining side, inviting the collaborators

to participate in a contest of music songs containing this subject. 22 songs from the office and production staff were submitted; the finalists had the opportunity to film their video clip in a professional way and play live at the Family Fest before more than 13,000 people. Nearly 5,000 collaborators chose the winner, during the annual quality exhibition.



Special Talks

In order to disseminate certain topics quickly to all the staff, they are convened to special talks or general assemblies, in which the plant manager or the President give an important message to the employees.

Other internal communication channels

- Intranet
- Corporate e-mailing
- Billboards
- Terminals with touch screen technology in the canteens
- House organ *Desde Adentro*
- Monthly Newsletter
- Corporate TV
- Five-minute talks at the plant
- En línea, a daily publication with all the production news

Internal opinion survey

Since 2007 and every two years, the organization has conducted an anonymous internal opinion survey to all the staff. It is carried out by an external consultancy to ensure transparency and confidentiality. The survey seeks to know the views of the collaborators to continue on the path of continuous

improvement, with their participation. In this edition, and under the slogan We are all protagonists and create the atmosphere in TASA, a motivational campaign was conducted to encourage participation. Representatives of each sector integrated the graphic parts and videos to generate identification. Once the survey was completed, the results of each question were shared massively and it was reported, in detail, about each group, even heads, to facilitate the development of specific action plans by area.

Safety Measures

GRI indicator: G4-HR7, G4-HR3, G4-HR5, G4-HR6

Toyota Argentina hires a private safety service, which works in the Martínez offices and the Zárate plant. 100% of safety staff of Toyota Argentina are trained on human rights issues. All safety staff attends a basic general training course when they join the company, pursuant to Law 12,297 of the Province of Buenos Aires. The 12-hour course deals with human rights issues. Also, training is provided pursuant to resolution 1,207/2012, which establishes that every guard must attend a biannual content update course, which includes a 4-hour Human Rights module.



07

ECONOMIC PERFORMANCE



Toyota Argentina carries out programs and activities to contribute to the development of the Community, deepening the commitment to both its staff and their families, as well as to the local environment and its educational and public institutions, respecting the environment, sensitizing the community, suppliers and dealers.



New Hilux

Launch of the eighth generation of the model manufactured in Zárate

2nd edition of in the supply VALOR program chain of Toyota Argentina

117,702

in 2015/2016 sold units

92%

of the suppliers are sourced locally

40%

of purchases are to local suppliers

46,555

units exported

0.15

was the index of accidents occurred per million of hours worked



Collaborators of Toyota Argentina sign the first of the new Hilux produced in Zárate during October 2015

FINANCIAL AND ECONOMIC INFORMATION

Material aspect: 4, 16, 20

The Automotive Industry in Argentina

The evolution of the automotive industry in 2015 was different, if the domestic market and the performance of the variables related to the foreign demand for vehicles are analyzed independently.

On the one hand, the performance of the domestic market was similar to that of 2014 and was determined by the level of supply of vehicles. While the domestic demand remained relatively stable, the limitation was given by the limited availability of units due to the continuity of the restrictions on access to foreign currency for the importation of vehicles and automobile parts.

The collapse of the Brazilian demand was the main reason for the fall in external sales of vehicles, 31% in relation to 2014, therefore, for the lowest level of automotive production, 12% compared to 2014. By 2016, it is expected a new setback in the level of registrations of vehicles. The domestic market would reach 600,000 units, which represents a drop of 9% compared to 2015. In turn, the level of the Argentine production of vehicles will continue being determined by the evolution of the demand from Brazil, a market that presents no favorable prospects in the short term.

Launches and news

Launch of Hilux

In November 2015, the official launch of the Hilux 2016 was carried out. The new Hilux, the eighth generation of the model manufactured in Zárate, redefined the concept of robustness to maintain and improve its legendary DNA of quality, durability and reliability and, in turn, to be more occupant-oriented and to be easier to drive than ever. In response to the needs of each type of customer, either for intensive work, recreational use or multipurpose, 12 different versions of Hilux available for each requirement were presented.

Launch of SW4

In December 2015, Toyota Argentina presented the new SW4, the Sport Utility Vehicle (SUV), a sport utility vehicle that has been the market leader for the last ten years, produced in its plant in Zárate, province of Buenos Aires. The new Toyota SW4 is a vehicle with its own identity that represents a true SUV, distinguished by its renewed interior and exterior design, great comfort, innovative equipment, new engine and transmissions, great off-road capability and a complete safety equipment.

Direct Economic Value Generated and Distributed

GRI indicator: G4-EC1, G4-EC4, G4-PR9

The following table of Direct Economic Value Generated and Distributed (EVG&D), proposed by the Global Reporting Initiative, shows the capital flow among the different stakeholders. During the reporting period there have been no significant fines* due to non-compliance with the

regulations** regarding the supply and the use of products and services of the organization.

* For this indicator, a fine that exceeds 500,000 pesos is considered significant.

** Consumer Protection Law.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED*

Concept	Stakeholder	2014/2015	2015/2016
Economic value generated			
Income from ordinary activities	Customers	30,690	34,190
Sales of properties, plant and equipment	Others	268	14
TOTAL ECONOMIC VALUE GENERATED		30,950	34,204
Economic value distributed			
Operating costs	Suppliers	29,895	31,511
Salaries and employee benefits	Collaborators	2,344	3,227
Payments to capital suppliers	Financial suppliers	182	739
Paid rates and taxes	Government	1.269	363
Investment in the community**	Community	4	6
TOTAL ECONOMIC VALUE DISTRIBUTED		32,694	35,846
ECONOMIC VALUE RETAINED		(1,744)	(1,642)

* In million Argentinean pesos. They come from the Annual Report and Financial Statements of Toyota Argentina S.A. for the year ended 31 March 2016, submitted on a comparative basis.

** This concept includes donations and the expenses incurred for the development of CSR programs.

Figures by 31 March of each period.

Governmental incentives

Pursuant to Law 10,547, Toyota Argentina S.A. has been benefited from an Industrial Promotion System, for the expansion of the industrial plant located in Zárate.

As a result, the Company has been exempted from paying turnover tax —100% during 10 years— on the invoicing increase resulting from the production of the exempted plant.

Due to this scheme, during the reporting period (1 April 2015 to 31 March 2016), Toyota Argentina was exempted from the payment of gross income by \$106,161,710.24.

Free competition

During the reported period, there has not been a case filed before the National Commission for the Defense of Competition.

Nevertheless, there is a claim promoted in January 2008 against various companies that exploit automotive dealers in the province of Tierra del Fuego; in August 2015 the Federal Chamber of Comodoro Rivadavia left without effect the decision of the Secretariat of Internal Trade, to understand that there was neither a merit to consider nor the existence of unlawful conduct, nor the existence of agreement among the sanctioned automotive terminals. In September 2015, the National State filed a special appeal. Nevertheless, the likelihood for the appeal to be granted is low, since the tort would refer to the consideration of the issues of fact and evidence the Chamber pondered, and that by definition are excluded from the extraordinary instance.

VALUE CHAIN

Material aspect: 4, 11, 17, 18, 21

Suppliers

GRI indicator: G4-12, G4-EC9, G4-LA10, G4- HR4, G4-HR5, G4-HR6, G4-HR10

At the global level, Toyota applies three fundamental principles in the relationship with suppliers:

1. Equal conditions

Offer fair opportunities to all suppliers without distinction of nationality or size. The selection of a supplier is only based on the evaluation of the strengths, quality, technological capacity and the reliance on timely delivery, as well as the willingness to work on continuous improvement (*Kaizen*).

2. Mutual benefit based on mutual trust

Establish longterm and mutually beneficial relationships. Toyota promotes permanent communication with its suppliers.

3. Economic local contribution - good corporate citizen

Contribute to the development of local communities, promoting local production of vehicles and actively fostering the local purchase of spare parts and materials.

SUPPLIERS BY ORIGIN

Concept	2014/2015		2015/2016	
	Millions of pesos	%	Millions of pesos	%
Number of suppliers	1,333*	100	3,721	100
Local suppliers	1,247	94	3,432	92
Foreign suppliers	86	6	289	8

PURCHASES BY ORIGIN

Concept	2014/2015		2015/2016	
	Millions of pesos	%	Millions of pesos	%
Local suppliers	9,633	41	24,586	46
Foreign suppliers	13,725	59	28,953	54
Total	23,358	100	53,539	100

Figures by 31 March of each period.

During the reported period, risks of freedom of association, cases of child exploitation and/or episodes of forced labor were not identified in suppliers.

Valor CSR+ Competitiveness Program



In 2015, the second edition of the VALOR Program was launched in the supply chain of Toyota Argentina, implementing training and consulting activities in a group of suppliers auto part dealers previously selected by the company.

In this opportunity, it was developed in coordination with the group of CSR of the Association of Suppliers of Toyota Argentina (APTA) and the work plan had two main phases:

- A first instance of training, in charge of a team of professionals provided by VALOR, on fundamental concepts of sustainable management and its scope, with emphasis on the management of risks and opportunities, the competitiveness of companies and the management of its stakeholders
- In the second phase of intensive counseling, the different dimensions of the CSR as corporate governance, social investment, environmental management, labor practices, communication and reporting were the issues addressed

First edition *	Second edition **
Amic Metalúrgica	Albano Cozzuol
Denso Argentina	Hutchinson
Elhymec	Industrias Maro
Esteban Cordero	Inergy Automotive
Ferrosider	Irauto
Industrias Guidi	Master Bus
Metalsa Argentina	Toyota Tsusho
Master Trim de Argentina	Plastic Omnium
Testori	Ventilum
Vutek Argentina	Cookins
Yasaki Argentina	
Faurecia	
Crafmsa	

* It closed in June 2014 .

** It began in March 2015 and ends in June 2016.

“The aim of the initiative, in its second edition, is to strengthen the value chain, increase the operational efficiency and build successful and lasting relationships between the parties involved”

Fernando Passarelli, coordinator of VALOR

Training activities

Safety Training

The training activities included:

Safety Training

- Detection and identification of the risks Stop 6
- Use of different tools to improve the safety conditions

Expansion of the Toyota Production System (TPS)

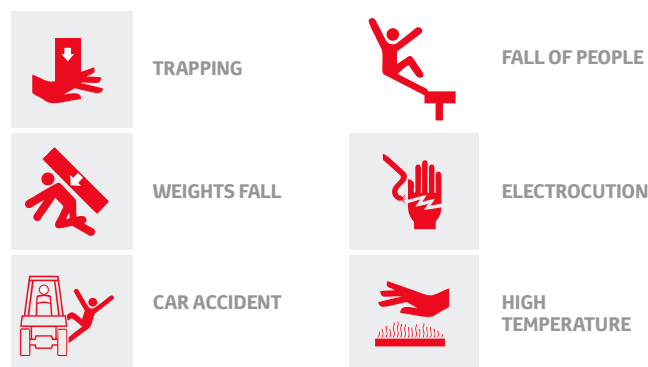
- Training of key people from the suppliers, in the Toyota Production System, JI (Job Instruction) and Problem Solving
- They also took part of the training program for the suppliers enrolled in the Association of Suppliers of Automotive Terminals (APTA)

Detail	2014/2015	2015/2016
Suppliers with Stop 6 risk map	42	44
Suppliers with countermeasures plan	29	42

Figures by 31 March of each period.

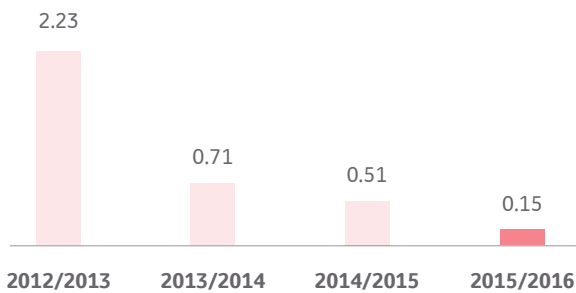
These activities enable the suppliers to reduce by 92% the possibilities of accidents in their worksites.

STOP 6 RISK IDENTIFICATION



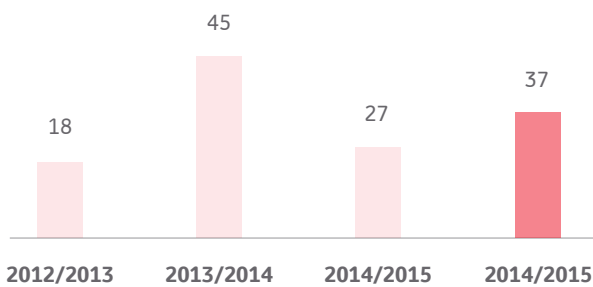


EVOLUTION OF THE FREQUENCY INDEX*



* Number of accidents per million of man-hours worked.

Expansion of the Toyota Production System (TPS) (Number of companies)



Green Procurement Guidelines

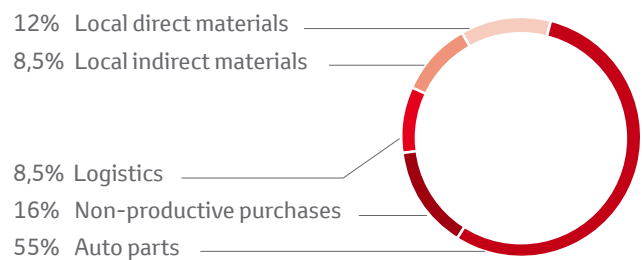
Toyota promotes the continuous improvement of the environmental performance of its suppliers, developing a Green Procurement Guide. This guide includes specific environmental requirements, depending on the area and the materials delivered by each supplier. Toyota encourages suppliers to create and implement environmental management systems necessary to improve their activities to preserve the environment and to reduce environmental risks. In

addition, all productive suppliers must obtain and maintain the ISO 14001 certification or a similar environmental management certificate issued by an external certification organization.

Concept	2014/2015	2015/2016
Suppliers certified under ISO 14001	81	94

Figures by 31 March of each period.

PERCENTAGE OF CERTIFIED SUPPLIERS, BY TYPE OF MATERIAL SUPPLIED



Toyota Argentina's CSR Guide

This guide shares the guidelines to understand and deepen the understanding of the responsibilities that, as companies, they have before society, observing the rules and laws, and developing their own policies in order to differentiate themselves as good corporate citizens. Through this policy, Toyota Argentina encourages its suppliers to adopt these initiatives, deepening and extending them to their own suppliers.

Acknowledgements

In 2016 Toyota Argentina held the 14th edition of its Supplier Convention, to acknowledge the companies that work with them. Authorities of TMC and Toyota Argentina together with 82 suppliers participated in the event.

Concept	2014/2015	2015/2016
Supplying companies	73	82

Figures by 31 March of each period.

The awarding process was divided into three categories (Quality, Logistics and Costs) and a special distinction for the contribution to the Project 640A. In turn, each category was divided into Certificate and Excellence.

Also, the prize for the best supplier of 2015 was awarded, resulting from the best combination of the three categories evaluated. The winners were:

Best Supplier of the Year

Jtekt Automotive Argentina S.A.



Quality Category

Certificate: Cibié Argentina, Metalsa Argentina, Testori, Ventalum

Excellence: Bridgestone Argentina, Inergy Automotive System Argentina, Next Print, Plimer, Suefa, Une

Logistics Category

Certificate: Inergy Automotive System Argentina, Matrimet, Polimetal, Spicer Ejes Pesados, Yazaki Argentina

Excellence: Amic, Bridgestone, Johnson Control do Brasil, Felko, Fric Rot – División Escapes, Fric Rot – División Amortiguadores, Fundemap, Industrias Maro, Metagal, Next Print, Pilkington, Plimer, Suefa, Testori, Une, Ventalum

Costs category

Certificate: 3M Argentina, Cibié Argentina, Crafmsa, Metalúrgica Roma, Pirelli, Plimer, Polimetal, Testori

Excellence: Brembo Argentina, Irauto, Metalúrgica Raei, Rubol, Sánchez y Piccioni, Une

Contribution to the project 640A (Production preparation contribution award)

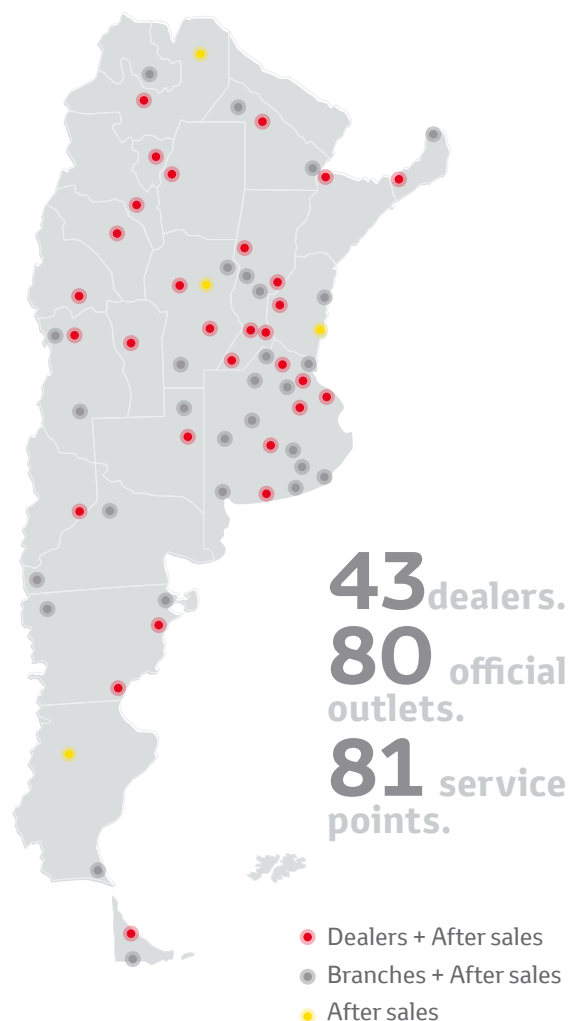
Aisin Automotive, Brembo Argentina, Bridgestone Argentina, Brose do Brasil, Denso do Brasil, Industrias Guidi, Intexar Automotive System, Irauto, Metalsa Argentina, Metalúrgica Raei, Metalúrgica Roma, Plimer, Polimetal, Rubol, Sánchez y Piccioni, Sumitomo Rubber do Brasil, Testori and Toyota Boshoku Argentina.

Special awards were also given to two suppliers for promoting safety culture at their companies with a strong involvement on the part of their authorities. The outstanding cases were: Industrias Maro and Johnson Matthey Argentina.

Dealers Network

GRI indicator: G4-EC9, G4-LA10, G4-PR1

The official dealers are the strategic partners of Toyota Argentina, since they constitute the visible face of the Company and make direct contact with customers. Toyota Argentina develops training programs and activities to optimize the quality of the service and assistance to customers.



Commercial and environmental training programs and workshops

	DESCRIPTION	PARTICIPANTS
	It is mandatory in nature and has three levels at which theoretical and practical concepts are provided	1,530
	Oriented to the exchange of best commercial practices among dealers of Toyota's official network	60
	They are conducted with the support of universities and external consultants to increase and optimize the levels of management of dealers	45
TRAINING FOR COMMERCIAL ADVISORS	Through a complex system of audits, mystery shoppers and mystery callers, it is a quality program that aims to standardize the basic processes of the commercial operation in each dealer, in order to provide a service of excellence that improves the customer experience significantly	85%¹
TRAINING FOR HEADS AND MANAGERS	It defines the quality and customer service standards that must meet a Toyota dealer in all after sales areas	89
TRAINING FOR DIRECTORS/OWNERS		
TOYOTA COMMERCIAL STYLE (TCS)	It aims at fixing it right the first time and at assuming the commitment to establish the best diagnosis protocol in the shortest possible time and adjusted at a minimum cost.	112²
TOYOTA SERVICE MANAGEMENT (TSM)**	Training course aimed at the soft areas of management motivated by the dynamics of the market and particularly in the new challenges of the growth of the units in operation	54
FIX-IT-RIGHT ACTIVITIES (FIR) **		
TRAINING FOR AFTER SALES MANAGERS OF THE DEALERS' NETWORK **	The objectives of the program are oriented to raise awareness in the After Sales Managers, on the need to increase the development of their professional potentiality to lead work teams, from a point of view of an effective leadership	46
AFTER SALES MANAGERS' TRAINING OF THE DEALERS' NETWORK**		
KAIZEN PROMOTER COURSE **	It aims at developing a person who can lead and promote <i>Kaizen</i> activities at the dealership and deal with the monitoring and enforcement of the standards established in the various after sales programs	53
KAIZEN CIRCLES ACTIVITIES IN THE DEALERS' NETWORK **		
ACTIVIDADES DE PROMOCIÓN PARA LA FORMACIÓN DE CÍRCULOS KAIZEN **	Comprised of dealer's employees, who are trained, advised and guided continuously in this methodology by the authorities of the dealer, with the support of the Dealer <i>Kaizen</i> area of the Customer Service Department	20 Kaizen circles
DEALER ENVIRONMENTAL RISK AUDIT PROGRAM (DERAP)		
ISO 14001 CERTIFICATION	A space for dealers to share their experiences and proposals for improvement in processes, foster the exchange of ideas and actions carried out that serve the development of after sales service	<i>Kaizen Marathon</i> <i>Visit of dealers to the Plant</i> <i>Trip to Chile of the 8 best Kaizen Circles of the network</i>
	The objective of the DERAP program is to bring the dealer in the care of the environment in their after sales operations	81 Service points
	It promotes the ISO 14001 certification in all its dealers.	99% <i>Certified workshops</i>

¹ % of dealers certified in TCS. During the reported period two new official dealers were added, which are in the process of certification.

** After Sales Training Programs with Dealers 2 May 2015, at the Training Center of the plant in Zárate. 49 people participated, amongst whom were after sales managers of 41 network dealerships and members of the After Sales Subcommittee ACTRA. December 2015, in Parque Norte, in the city of Buenos Aires, participating 63 people, amongst whom were after sales managers of 40 network dealerships, members of the After Sales Subcommittee ACTRA and the Customer Service Department of the Company.



08

QUALITY MANAGEMENT SYSTEM



Toyota Argentina builds the quality of its products and services on the basis of standardized work and with the commitment to meet the expectations of its customers through the continuous improvement.



CUSTOMER FIRST, QUALITY FIRST

7%
the claims for vehicles decreased compared to the previous period

95.4% of the sales customers and
96% of the after sales customers would buy a Toyota again

58,586
suggestions received from collaborators

651
Quality circles

created in Toyota Argentina from 1 April 2015 and 31 March 2016

50%
of quality circles refer to safety

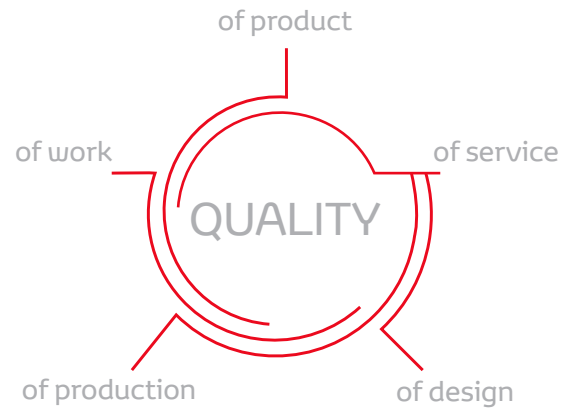
QUALITY IN PRODUCTION AND CUSTOMER SERVICE

Material aspect: 10 / 18

Toyota Production System

GRI indicator: G4-PR1, G4-DMA

The Toyota Production System is a management philosophy aimed at optimizing all the production processes to achieve the highest quality products, at the lowest possible cost, with shorter lead times and achieving greater customer satisfaction.



This system emphasizes continuous improvement, waste (Muda) disposal and the value of the employees' commitment, who work together in the supply chain. It boosts excellence in the manufacture, thus producing what is necessary, at the exact time, with the best quality and at a competitive price. Graphically, this system sets its foundations in the standardized work and *kaizen*.

How does it work?

Troubleshooting a fault in the production line is a prize, since in this way we prevent the fault from getting bigger. When a fault is detected, each worker—even the one who has just joined the company— has the possibility to pull a cord at the plant, thus stopping the whole production line. Automatically, the supervisor approaches the place where the cord was pulled in order to evaluate the dimension of the fault and tries to fix it.

In this way, we prevent faults to pass to the next process, ensuring quality development during the whole production process.



Just in time means to produce only what is necessary, at the exact time and the necessary quantity. This allows the production and dealer distribution systems to be flexible and guarantees each customer to purchase a vehicle with the desired specification and color and in the shortest timeframe possible. Thus, a balanced production sequence is programmed and stocks are minimized.

Quality in customer service

GRI indicator: G4-PR5

National contest on technical skills and customer service

In October 2015, the company carried out the 18th edition of this competition to assess the skill, the ability and the professionalism of the sellers and technicians and the ability of service advisors to meet the requirements in the dealer network.

Through this contest, the Company aims at increasing, each year, the motivation and the professionalism of sellers, technicians and service advisors of its after sales network. Toyota is a pioneer in developing this kind of activity in Argentina, where all the players involved in the relationship with customers are evaluated and awarded according to their performance, thus promoting the *Kaizen* culture in all the customer service processes.

Customer Service center

The customer service area is responsible for receiving and concentrating the direct communications between the Company and its end users. In the reported period, the following results were obtained:

Concept	2014/2015	2015/2016
Queries received by phone, Web and social networks (%)	100	100
Correspond to savings plans	219	501
Information requests responded	14,729	21,028
Information requests responded on start of savings plans	2,748	9,670

Figures by 31 March of each period.

Customer satisfaction surveys

Sample surveys are carried out on the phone in order to evaluate customer satisfaction in the sales and after sales processes by an external consultancy.

They are essential for the continuous improvement of the processes relative to the diagnosis, monitoring and product control. During the reported period, 800 customer satisfaction and 300 FIR surveys were made per month on the after sales process, and 400 surveys per month were made for the sales process.

95.4% of sales customers and 96% of after sales customers would buy a Toyota again.

Quality Audit Survey (QAS)

Each year, Toyota Argentina carries out telephone interviews to its customers about vehicles with a maximum use of 3 months, in order to learn about their satisfaction and/or nonconformities with the vehicle.

All the results obtained are analyzed together by the Quality, Engineering and Commercial areas. We set priorities and work on the nonconformities, in order to improve the quality of the current and future models. The survey includes aspects related to:

- Design
- Manufacture
- Specifications
- Service
- Sales and after sales

SMART meetings

SMART meetings (Market Analysis Response Teams) aim at analyzing customer's inquiries and/or claims, trying to solve the problems as soon as possible.

Customer claim settlement - EDER (Early Detection and Early Resolution)

The Customer Quality Department works for the quick detection of issues stated in the customers' claims, related to quality problems in the Hilux and SW4 models. Each claim derives in a joint investigation with the involved areas, to quickly settle claims and repair vehicles in the dealers' network.

Customer Claim Reduction

The Customer Quality Department monitors all the warranty claims, sorting and classifying them. All the claims are analyzed to detect occurrence trends, define the problems with the highest number of cases or with a rapid increase of claims and get evidence from new issues.

CLAIM REDUCTION INDEX

Concept	2014/2015	2015/2016
% reduction in cases per vehicle, compared to the previous period	14	7

Suggestions and Quality Circles

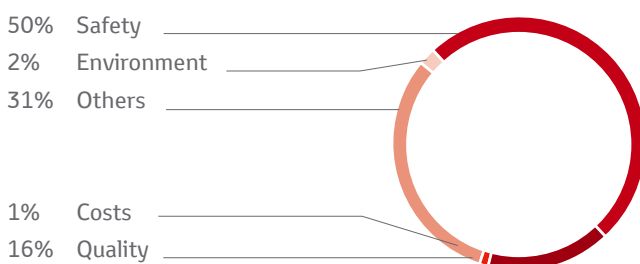
Toyota Argentina fosters these activities to improve processes, understanding that progress is achieved through the input of each collaborator.

Suggestions System

It consists of the identification of a specific problem in the process or sector where the collaborator or group of collaborators work, offering a viable countermeasure. Each suggestion receives a certain number of points, which are later converted into economic prizes.

Concept	2014/2015	2015/2016
Suggestions received	50,991	58,586
Increase compared to the previous period (%)	10	15
Average of suggestions per person	15	15
Participation index (%)	86	88

DISTRIBUTION OF SUGGESTIONS BY SUBJECT



Quality Circles (QC)

This activity is an example of the continuous improvement spirit and teamwork for the solution of problems, where the participation of collaborators is a distinct point.

Concept	2013/2014	2014/2015	2015/2016
Collaborators Participating In the activity	3,073	2,836	3,269
Quality circles	636	615	651

Figures by 31 March of each period.

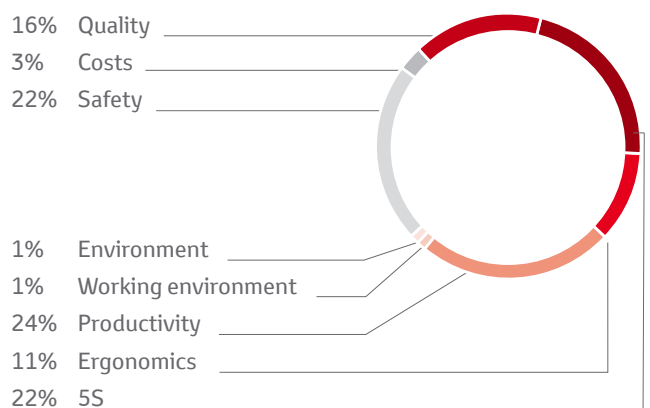
18th Quality Control Circle Convention (QCC)

In June 2015, this activity was held in the Zárate plant with the participation of the 10 best circles of the company, which presented their work to the senior directors of Toyota Argentina.

Mercosur and global convention

In August 2015, Toyota Argentina organized the 12th Mercosur Convention, where the best circles of Argentina, Brazil and Venezuela participated. And in October, the QCC Global Convention took place in Japan, coordinated by TMC, Toyota Argentina's parent company, where the best quality circles of all affiliated companies participated.

QUALITY CIRCLES BY TOPIC





09

CONTENT INDEX GRI G4



GENERAL BASIC CONTENTS	PAGE	DESCRIPTION
STRATEGY AND ANALYSIS		
G4-1	3	Statement of the main responsible of the decisions of the importance of Sustainability for the organization and the strategy to address it
G4-2	22	Describe the main effects, risks and opportunities
ORGANIZATION PROFILE		
G4-3	9	Name of the organization
G4-4	10	Most important brands, products and services of the organization
G4-5	9	Location of the organization
G4-6	9	Countries where the organization operates
G4-7	9	Nature of ownership and legal form
G4-8	9	Markets the company serves
G4-9	10	Determine the scale and dimensions of the organization
G4-10	10, 55	Composition of the employees of the organization
G4-11	10	Percentage of employees covered by collective bargaining agreements
G4-12	69	Describe the organization's supply chain
G4-13	15	Significant changes that have taken place during the period, regarding size, structure, property, among others
G4-14	22	Indicate how the precautionary principle addresses the organization, if applicable
G4-15	25	Make a list of the charters, principles or other external initiatives of an economic, environmental and social nature the organization subscribes or has adopted
G4-16	25	Make a list of national or international associations and organizations to which the organization belongs
MATERIAL ASPECTS AND COVERAGE		
G4-17	15	Make a list of the entities contained in the consolidated financial statements of the Organization, and indicate if any of these entities do not appear in the report
G4-18	16	Describe the process that has been followed to determine the content of the report and the coverage of every aspect
G4-19	16	Make a list of the material aspects that were identified during the process of defining the content of the report during the process of defining the content of the report
G4-20	16	Indicate coverage of each material aspect within the organization
G4-21	16	Indicate coverage of each material aspect outside the organization
G4-22	15	Describe the consequences of the reformulation of the information provided in previous reports and its causes
G4-23	15	Point to any significant change in the scope and coverage of each aspect regarding previous reports

GENERAL BASIC CONTENTS	PAGE	DESCRIPTION
STAKEHOLDER ENGAGEMENT		
G4-24	19	Draw up a list of the stakeholder groups linked to the organization
G4-25	19	Indicate basis for identification and selection of stakeholders with whom to engage
G4-26	19	Describe the approach of the organization on the participation of stakeholder groups
G4-27	19	Indicate what key issues and challenges have emerged as a result of the participation of stakeholder groups and describe the assessment performed by the organization
REPORT PROFILE		
G4-28	15	Report object period
G4-29	15	Date of the last report
G4-30	15	Reporting cycle
G4-31	15	Provide a point of contact to resolve the doubts that may arise in relation to the content of the report
G4-32	15	Indicate which option the Organization has chosen" in accordance" with the Guide; facilitate the GRI Index of the chosen option and the reference to the external verification report, if applicable
G4-33	15	Describe the organization's policy and practices in force with regard to the external verification of the report
GOVERNANCE		
G4-34	22	Describe the governance structure of the Organization and the committees of the highest governance body
G4-35	22	Describe the process by which the highest governance body delegates its authority to the top management and certain employees in economic, environmental and social issues
G4-39	22	Indicate whether the person who chairs the highest governance body has also an executive position
G4-41	26	Describe the processes by which the highest governance body prevents and manages potential conflicts of interest
G4-48	22	Indicate which is the highest level committee or office that reviews and approves the organization's Sustainability Report and ensures that all material aspects are reflected
ETHICS AND INTEGRITY		
G4-56	8, 26	Describe the values, principles, standards and rules of the Organization, such as codes of conduct or codes of ethics.
G4-57	26	Describe the internal and external mechanisms of advice to achieve a lawful and ethical behavior, and to consult the the issues related to the integrity of the organization, such as telephone advice or help lines.
G4-58	26	Describe the internal and external mechanisms of complaint of unethical or illicit behavior and matters relating to the integrity of the organization

INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	DESCRIPTION
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INFORMATION ON THE MANAGEMENT APPROACH

G4-DMA	22	Description of the management approach adopted by the Organization for material aspects
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CATEGORY: ECONOMY

Material aspect: **economic performance**

G4-EC1	68	Direct economic value generated and distributed.
G4-EC2	10	Economic consequences and other risks and opportunities for the activities of the organization that are derived from the climate change
G4-EC4	68	Economic aid granted by government bodies

Material aspect: **procurement practices**

G4-DMA	22	Description of the management approach
G4-EC9	69	Percentage of expenses in locations where significant operations are developed corresponding to local suppliers

CATEGORY: ENVIRONMENT

Material aspect: **materials**

G4 - DMA	13, 22, 29	Description of the management approach
G4-EN1	38, 40	Materials by weight or volume

Material aspect: **energy**

G4-DMA	13, 22, 29	Description of the management approach
G4-EN3	32	Internal energy consumption
G4-EN4	31	External energy consumption
G4-EN6	31	Reduction of energy consumption

Material aspect: **water**

G4-DMA	13, 22, 29	Description of the management approach
G4-EN8	36	Total water collection by source
G4-EN10	36	Percentage and total volume of water recycled and reused

INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	DESCRIPTION
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Material aspect: **biodiversity**

G4-DMA	13, 22, 29	Description of the management approach
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G4-EN12	39	Description of significant impacts of activities, products, and services on biodiversity in protected areas or high biodiversity non-protected areas
G4-EN13	39	Habitats protected or restored
G4-EN14	42	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk

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G4-DMA	13, 22, 29	Description of the management approach
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G4-EN16	33	Indirect greenhouse gas emissions by the generation of energy (Scope 2)
G4-EN17	33	Other relevant indirect greenhouse gas emissions (Scope 3)
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G4-EN27	10, 29	Mitigation of environmental impact of products and services

Material aspect: **regulatory compliance**

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INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS	PAGE	DESCRIPTION
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Material aspect: **transport**

G4-DMA	13, 22, 29	Description of the management approach
G4-EN30	33	Significant environmental impact of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce

Material aspect: **general**

G4-DMA	13, 22, 29	Description of the management approach
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SUBCATEGORY: LABOR PRACTICES AND DECENT WORK

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G4-LA1	55	Total number and rate of new employee hires and employee turnover by age group, gender, and region

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G4-DMA	22, 54	Description of the management approach
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G4-LA6	57	Type and rate of injuries, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender
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INFORMATION ABOUT THE MANAGEMENT APPROACH AND INDICATORS		
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G4-LA12	22, 55	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity
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G4-HR3	54	Total number of incidents of discrimination and corrective actions taken
Material aspect: freedom of association and collective bargaining		
G4-DMA	22, 54	Description of the management approach
G4-HR4	54, 69	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights
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G4-DMA	22, 54	Description of the management approach
G4-HR5	54, 69	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
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G4-DMA	22, 54	Description of the management approach
G4-HR6	54, 69	Operations and significant suppliers identified as having significant risk for incidents of forced labor, and measures to contribute to the elimination of all forms of forced labor
Material aspect: safety measures		
G4-DMA	22, 54	Description of the management approach
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Material aspect: local communities		
G4-DMA	22, 54	Description of the management approach
G4-SO1	42, 44, 45, 47	Percentage of operations with implemented local community programs, impact assessments, and participation of the local community

**INFORMATION ABOUT
THE MANAGEMENT
APPROACH
AND INDICATORS**

PAGE DESCRIPTION

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G4-DMA	22, 75	Description of the management approach
G4-PR1	72, 75	Percentage of significant products and services which health and safety impact have been evaluated to promote improvements

Material aspect: **product and service labeling**

G4-DMA	22, 75	Description of the management approach
G4-PR5	76	Results of surveys to measure customer satisfaction

Material aspect: **regulatory compliance**

G4-DMA	22, 75	Description of the management approach
G4-PR9	68	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations



Independent Safety Report

Messrs. President and Directors of
Toyota Argentina S.A.
Av. Eduardo Madero 1020, Piso 5
Ciudad Autónoma de Buenos Aires, Argentina

Introduction

We have been hired by the Directors of Toyota Argentina S.A. to perform a limited assurance engagement on certain information contained in the Sustainability Report 2016 for the FY between 1/04/2015 and 31/03/2016. The preparation of the Sustainability Report 2016 is the responsibility of the Company Board. Our responsibility is to issue a Limited Independent Assurance Report on the Sustainability Report 2016 with the scope hereby detailed.

Information Subject to Analysis

Our limited assurance work consisted in the revision of the following information contained in the Sustainability Report 2016:

- Key indicators detailed in the attached annex;
- The self-statement made by Toyota Argentina S.A. declaring it has complied with the basic contents recommended in the Guide for the elaboration of sustainability reports of the Global Reporting Initiative", version G4 (hereinafter "GRI G4") as an essential approval option.

Board's Accountability

The Board of Directors of Toyota Argentina S.A. is responsible for:

- The content of the Sustainability Report 2016;
- Having established as a criterion for the Sustainability Report 2016 the guidelines of GRI G4 and those indicated in the Sustainability Report 2016;
- Carrying out the measurement of performance based on the GRI G4 guide;
- The design, deployment and maintenance of internal controls to ensure that the preparation of the information subject to analysis is free of material errors, whether due to fraud or error; and
- Maintaining adequate records to support the information process.

Responsibility of the Intervening Professional

Our responsibility is to express an independent conclusion, based on our limited assurance procedures, about the existence of any item that may have called our attention for us to indicate that the information on sustainability, identified in the section "Information Subject to Analysis", contained in the Sustainability Report 2016 has not been expressed, in all significant aspects, in accordance with the criteria for the submission of the information. We conducted our work in accordance with the Technical Resolution No. 35 of the Argentine Federation of Professional Councils in Economic Sciences (FACPCE) in regard to the International Standards of Security Commitments 3000 (ISAE 3000): "Assurance engagements others than audit or review of historical financial information". This standard requires that we plan and do our work to obtain a degree of limited assurance on the sustainability information reached by our report.

Independence and Quality Control

We have conducted our work in accordance with the independence standards set forth by the Code of Ethics of the International Federation of Accountants (IFAC).

Our company maintains, in accordance with the International Standard of Quality Control 1 (ISQC 1), a global quality control system that includes documented policies and procedures in relation to compliance with ethical requirements, professional standards and applicable regulations.

Summary of the Work

Our procedures include the review, on the basis of selective-base tests, of the evidence relating to the information of sustainability under the scope of our Report. It also includes an assessment of the significant estimates or judgments made by the

Board to prepare for such information. The procedures to obtain information were more limited in comparison with an audit and therefore the level of assurance is less than that which would have been obtained from an audit or reasonable assurance work .

Our work consisted, among other procedures, in:

- Evaluating the design of the key processes and controls to monitor, record and report the selected information. Our work does not include the testing of the effectiveness of the operational controls for the period under analysis;
- Carrying out tests, on a selective basis, to verify the accuracy of the information submitted;
- Conducting interviews with management and directors to evaluate the implementation of the GRI G4 guidelines;
- Inspecting, on selective basis , the documentation to corroborate the manifestations of the management and directors in our interviews;
- Reviewing the GRI summary table to consider the management statement in relation to the implementation of the GRI G4 guidelines.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Non-financial information is subject to limitations as opposed to financial information, given its nature and the methods used to determine, calculate, sample or estimate values. The qualitative interpretations of relevance, materiality and accuracy of the data is subject to individual assumptions and criteria.

We have not carried out any work on information submitted for previous periods or in relation to objectives and future projections. We have not carried out any work outside the scope agreed, and therefore our conclusion is limited only to the sustainability information identified and revised.

Conclusion

On the basis of the work described in this report, nothing called our attention or made us think that the data subject to analysis, included in the Sustainability Report 2016 of Toyota Argentina S.A., concerning the period between 1/04/2015 and 31/03/2016, has not been prepared, in all material aspects, in accordance with the GRI G4 guidelines and with the records and files that served as a basis for its preparation.

Autonomous City of Buenos Aires, August 17, 2016



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Annex - Indicators subject to revision

Indicator GRI	Description
EC1	Direct Economic Value Generated and Distributed
EC9	Percentage of expenses in places with significant operations corresponding to local suppliers
EN1	Materials by weight or volume.
EN3	Internal energy consumption
EN8	Total water collection by source .
EN11	Own, rented or managed operative facilities adjacent, containing or located in protected and non-protected areas of a high biodiversity value.
EN16	Indirect greenhouse gas emissions by the generation of energy (Scope 2)
EN22	Total water discharge by quality and destination .
EN27	Mitigation of environmental impact of products and services
EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
EN30	Significant environmental impact of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce
EN31	Total environmental protection expenditures and investments by type.
LA1	Total number and rate of new employee hires and employee turnover by age group, gender, and region
LA5	Percentage of workers who are represented in formal safety and health committees for the management and employees established to help monitor and advise on programs of occupational safety and health
LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by professional category
LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority, group membership, and other indicators of diversity.
HR3	Total number of incidents of discrimination and corrective actions taken
HR4	Identification of significant operations and suppliers in which freedom of association and the right to invoke collective agreements may be infringed or threatened, and measures taken to defend those rights.
HR5	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor
HR6	Operations and significant suppliers identified as having significant risk for incidents of forced labor, and measures to contribute to the elimination of all forms of forced labor
HR7	Percentage of safety personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations
SO1	Percentage of operations with implemented local community programs, impact assessments, and participation of the local community.
PR1	Percentage of significant products and services which health and safety impact have been evaluated to promote improvements
PR5	Results of surveys to measure customer satisfaction
PR9	Cost of the fines for breaching the regulations and legislation relating to the supply and use of products and services

SUSTAINABILITY REPORT 2016

This sustainability report has been published by:

TOYOTA ARGENTINA S.A.

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PWC Argentina

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GLOSSARY

TERM	DEFINITION
<i>Jikoutei Kanketsu</i>	Build quality in each process
<i>Jirutsuka</i>	Ability to operate and be administered with self-sufficiency
JIT	Just In Time
JS	Head of Section
JT	Head of Shift
<i>Kanban</i>	Tool used for the supply of parts to the line with the objective of producing what is required, when it is required and in the quantities required
KPI	Key Performance Index
Kz	<i>Kaizen</i> (continuous improvement)
Lead Time	Time that elapses between the order and the delivery of the vehicle to the customer
OSHMS	Occupational Safety and Health Management System
PAD	Plant Administration
PDCA	Plan, Do, Check, Action. Deming improvement cycle
PS	Problem Solving
QA	Quality Assurance
QC	Quality Control
QC Seven Tools	7 quality tools
QCC	Quality Control Circles
<i>Seiketsu</i>	Preserve
<i>Seiri</i>	Classify
<i>Seiso</i>	Clean
<i>Seiton</i>	Order
SGA	Environmental management system
<i>Shitsuke</i>	Discipline
Pull System	Pull the production Use only what you need
SMATA	Union of Mechanics and Related Workers of the Automotive Transport
Stop Six	Classification of accidents which, by their potential severity, may be fatal
Takt Time	Production time for the component or a vehicle
TASA	Toyota Argentina Sociedad Anónima
TASA QMS	Toyota Argentina Sociedad Anónima - <i>Quality Management System</i>

TERM	DEFINITION
TBP	Toyota Business Practices
TCS	Toyota Communication Skills
TDB	Toyota do Brasil
TL	Team leader
TM	Team member
TMC	Toyota Motor Corporation
TPM	Total Production Management
TQM	Total Quality Management
Troubleshooting	Standardized method to resolve problems that occur in the products or processes
TW	Toyota Way
<i>Yokoten</i>	Apply the same <i>kaizen</i> to other processes
<i>Yoshi Yoshi</i>	Visual check that is performed with the hands in each pedestrian crossing
<i>Muda</i>	<p>Without added value - waste: Those production elements that do not add value to the product and that only increase the cost:</p> <ul style="list-style-type: none"> • Overproduction <i>Muda</i> • Transport <i>Muda</i> • Stock <i>Muda</i> • Correction <i>Muda</i> • Wait <i>Muda</i> • Processing <i>Muda</i> • Movement <i>Muda</i>
<i>Andon</i>	Electronic visual control panel - electronic board which illuminates to immediately see the current status of work operations. It allows supervisors take rapid remedial action when a problem arises. In addition, some andons provide instructions (quality checks, change of cutting tools, and parts for transport) and provide information on the progress of the job.
<i>Pokayoke</i>	<p>Devices that detect irregular situations in a production process before they occur, or once they occur, stop the machinery or equipment and prevent the production of defective products:</p> <ul style="list-style-type: none"> • Those that avoid errors through operators, and those that detect errors through an operator and offer notice • Those who look for defects in products and prevent other processes on those products to continue
STDW	Standard work The Toyota Production System organizes the work around human movements and creates a sequence of efficient production without <i>Muda</i> . The standardized work is composed of three elements: Takt Time, the work sequence and the standard existence in process
TPS	Toyota Production System - It seeks the optimum modernization of the system with the complete elimination of <i>Muda</i> (non-value added) and is directed to build quality in the development processes while recognizing the principle of reducing cost. It includes the necessary technology to to achieve such goals. The two subsystems that support it are: Just in time and <i>jidoka</i>

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