



Sustainability Report 2017



2017 SUSTAINABILITY REPORT

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Cover photo

The cover illustration was inspired in this photo taken by MiuraMag in the Argentine Patagonia, during the crossing made to know the hooded grebe in February 2016. More information on page 44. It is a long-tailed meadowlark (*Sturnella loyca*), a medium-size fowl, with blackish and red feathers and a fairly long, sharp and straight bill. The tail is long and barred in grey-brown colors. While flying, the hidden feathers look white. This fowl lives in natural –or slightly modified with pastures– open fields and bushes of the Andes, Patagonia and mountains. The long-tailed meadowlark eats insects; seeds, sprouts, caulker and michai (*Berberis darwinii*) fruits and, sometimes, small vertebrates like lizards. While walking, this meadowlark goes round the ground searching for food; then, it sits on the top of herbs, bushes and rocks. The flight is low and for short distances. Source: Argentine fowls application. Digital field guide. Record author's name: Eduardo Haene.



MESSAGE FROM THE **PRESIDENT**

GRI Standard: 102.

Indicator: 102-14.



I am pleased to introduce our 15th Sustainability report, while we are writing a new chapter in the Argentine history, working on a philosophy based on continuous improving and respect for people.

In 2016, we inaugurated all the enlargement works of our plant in Zárate, for which we invested more than USD 800 million and created 1.000 new posts in all the value chain. This new milestone has taken place together with two large-scale events for the Company: we have reached 1 million of units produced since 1997 and opened 21 export markets in Latin America for our Hilux and SW4 vehicles.

On the other hand, it fills us with pride the recognition we have received from the American Chamber of Commerce in (AmCham) and the Argentine-British Chamber of Commerce, which have awarded us for our Sustainability Management and for our last Sustainability Report.

In this sense, this is the first report we prepare in compliance with the Global Reporting Initiative (GRI) Standards, Exhaustive option. This new application degree, which entailed a great effort from all the areas of our Company, reassures the commitment with all our stakeholders and ratifies our leadership regarding sustainability.

From Toyota Argentina, we are committed to create a sustainable value in the long term for all those who are related to our business and our communities. I invite you to know more about our last sustainability achievements and the new targets of the Company in this report.

Daniel Herrero
President
Toyota Argentina



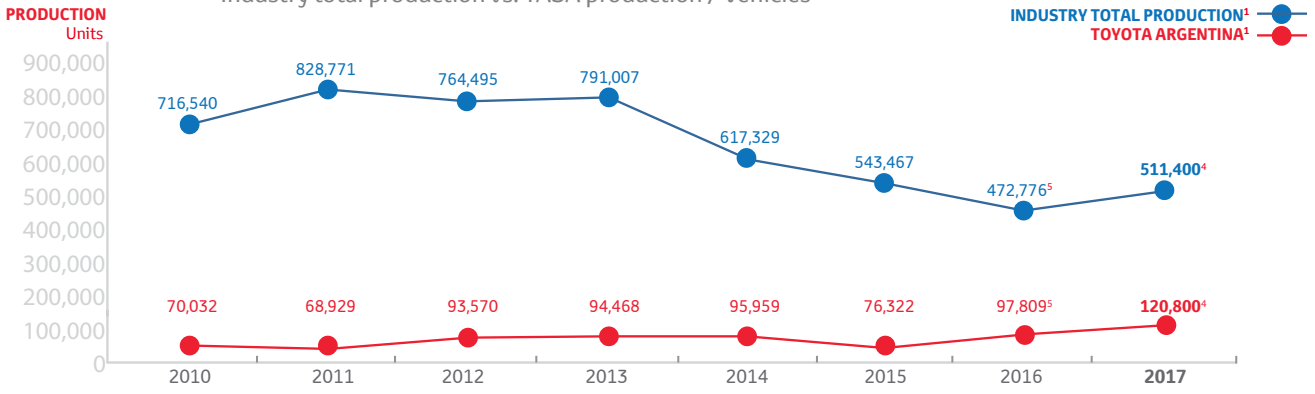
PERFORMANCE OF TOYOTA ARGENTINA

Heading	Unit	2010	2011	2012	2013	2014	2015	2016	2017
Economic performance									
Industry total production ¹	Vehicles	716,540	828,771	764,495	791,007	617,329	543,467	472,776 ⁵	511,400⁴
TASA units sold ¹	Vehicles	81,999	83,842	112,800	120,529	130,764	115,622	141,070 ⁶	174,700⁴
TASA Domestic market ¹	Vehicles	33,012	36,197	49,301	56,187	62,511	67,785	82,812 ⁶	92,000⁴
TASA Export market ¹	Vehicles	48,987	46,925	63,499	64,342	68,253	47,837	58,258 ⁶	82,700⁴
Units produced TASA ¹	Vehicles	70,032	68,929	93,570	94,468	95,959	76,322	97,809 ⁶	120,800⁴
TASA Income ²	Millions of pesos	7,060	8,871	10,730	17,543	22,703	30,950	32,529	58,198
Environmental performance									
Emissions ³	tons CO ₂ /vehicle	0.231	0.215	0.212	0.206	0.185	0.179	0.421	0.351
Energy consumption ³	Gigajoules/vehicle	3.4	3.5	3.2	3.2	3.08	3.2	4.55	3.76
Waste ³	kilograms/vehicle	17.70	17.58	16.46	17.38	16.19	15.77	20.16	17.62
Water consumption ³	meters ³ /vehicle	4.68	4.00	3.15	3.39	2.96	2.65	2.10	1.80
Social performance									
Collaborators ³	People	3,133	3,452	4,014	4,316	4,498	4,751	4,865	4,912
Turnover rate ³	%	6	6	5.7	5.93	8	4.82	2.4	2.08
Social investment ²	Millions of pesos	2.5	4.3	5.1	6.3	9	4	6	12

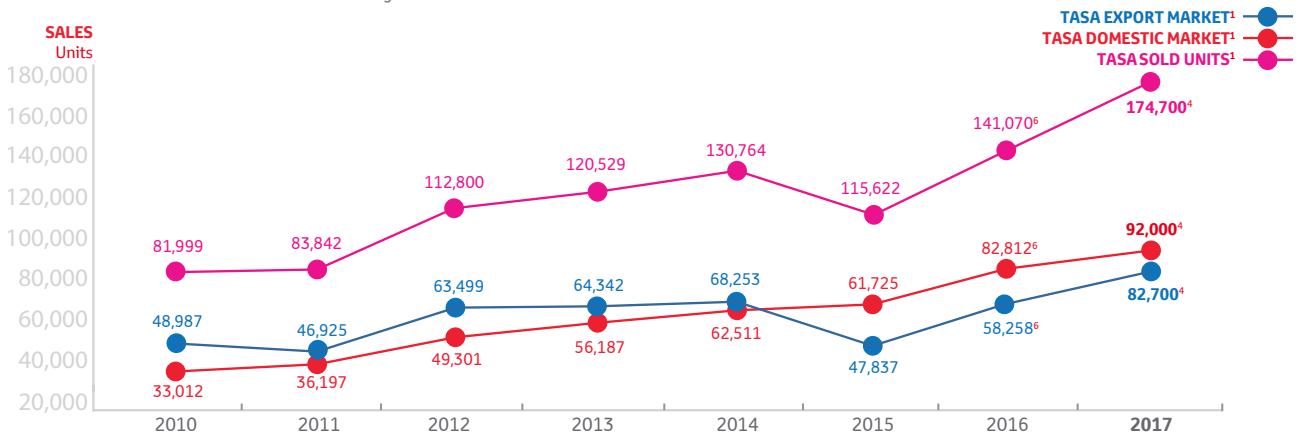
1. Association of Automotive Makers (ADEFA), as of December 31 of each year. 2. Annual report and financial statements of Toyota Argentina S.A., for the fiscal year ended on March 31 of each year. 3. As of March 31 of each period. 4. 2017 Projection. 5. Value modified with respect to the previous reports, since it corresponded to a projection, and in the present report, we include the real values as of December 31, 2016. 6. These values have been modified with respect to the ones detailed in the previous report, since in the present report we include the values as of December 31, 2016 (calendar year) Instead of March 31 (fiscal year).

ECONOMIC PERFORMANCE

Industry total production vs. TASA production / Vehicles

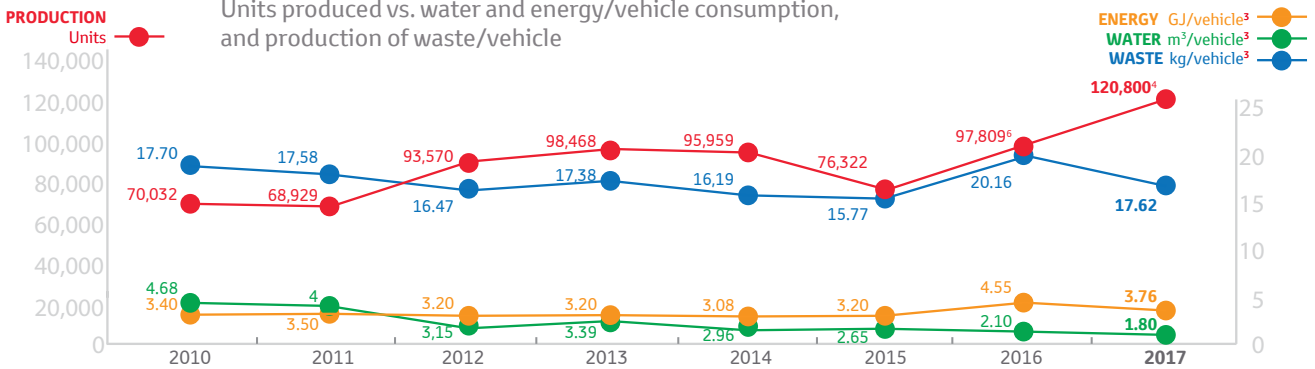


Total units sold by TASA¹



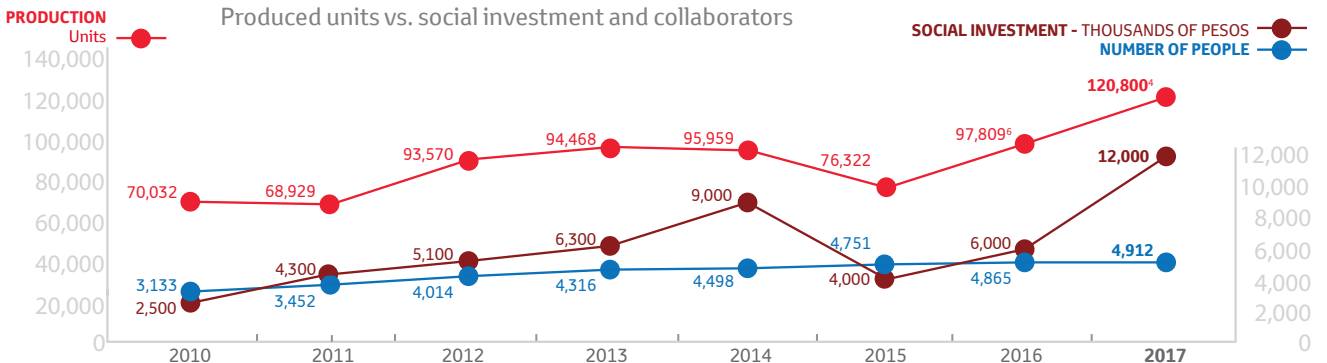
ENVIRONMENTAL PERFORMANCE

Units produced vs. water and energy/vehicle consumption, and production of waste/vehicle



SOCIAL PERFORMANCE

Produced units vs. social investment and collaborators



01

ABOUT TOYOTA

In Toyota Argentina, we share a work philosophy based on two pillars:
continuous improvement and respect for people.
With a long-term vision in mind, we accept challenges in order
to reach our dreams.



20 YEARS

of production
in Argentina

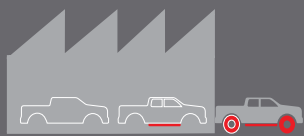


10,402,432

vehicles globally
produced by Toyota

104,854

in Argentina



364,445

global
collaborators

4,912

in Argentina



GLOBAL VISION

GRI Standard: 102.

Indicator: 102-16.

Through our global vision, we define the values and methodologies that govern our activities and build foundations that enable us to operate as a global company.

Thanks to the Toyota Way, all the Toyota Motor Corporation affiliates are guided by the same and common corporate culture, oriented to go beyond our customers' expectations to get a smile from each of them.

364,445 collaborators

53 affiliates in **30** countries

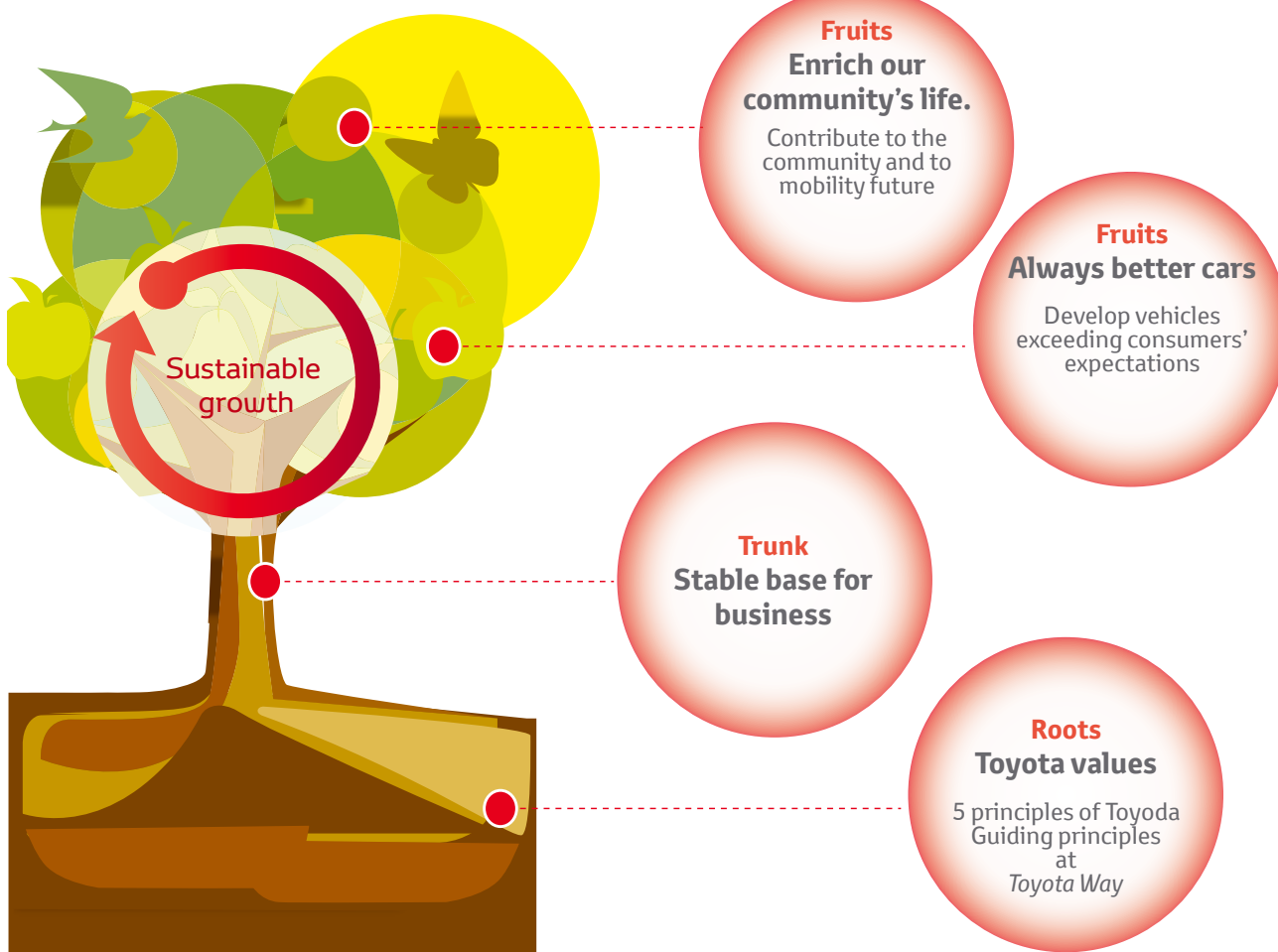
Presence in **+170** countries

10,251,000 sold units

Vehicles	2013/2014	2014/2015	2015/2016	2016/2017
Produced	10,117,274	10,285,546	10,083,783	10,402,432
Sold	9,980,000	10,231,000	10,151,000	10,251,000

By 31 March of each period.

The tree, a symbol of the global vision



TOYOTA ARGENTINA

Standards GRI: 102 and 103.

Indicators: 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 103-1, 103-2, 103-3.

Toyota Argentina's plant was inaugurated on March 21, 1997, it is the 29th in the world and the 3rd in Latin America. We manufacture and assemble the Hilux pick-ups and the SW4 model, as well as auto parts, accessories and components for sale, distribution, commercialization and export of products designed or authorized by Toyota Motor Corporation (TMC). In addition, in the sedan segment, Toyota offers the Corolla, Camry and Prius 4th generation, which is the first hybrid vehicle in Argentina. Within the compact segment, we commercialize the Etios and Yaris models.

On March 21, we celebrate 20 years working in Argentina, accumulating an investment of more than USD 2,000 million, thus developing a productive capacity of 140,000 units –70% of these units are allocated to export markets– and 4,912 employees. The plant is located in Zárate, Buenos Aires province, and the commercial and administrative offices are located in Martínez, Buenos Aires province. Toyota Motor Corporation is the controlling company of Toyota Argentina and has 90% interest in the latter.

“ I am very happy because today's dream has come true thanks to the good cooperation of the Argentine Government, unions like SMATA and ASIMRA, suppliers, distributors and employees who support one another and work as one family. This is good news and accounts for another fundamental step to position Toyota in Argentina and in Latin America as a base for the production and export of the Hilux and SW4 models.”

STEVE ST. ANGELO JR.

SENIOR MANAGING OFFICER OF TMC

CEO FOR LATIN AMERICA AND THE CARIBBEAN

PRODUCTION INCREASE AT ZÁRATE PLANT

In order to continue reassuring our positioning in the market, we have started to achieve our target: become the manufacturing and exporter base of Hilux and SW4 models for the whole region.

In this regard, in 2017 we increased by 30% the production volume in our Zárate plant which allows an increase of 47% in our exports and the creation of 300 new posts.

This new growth in production takes place as a result of the inauguration of the enlargement works of our Zárate plant, in which we have invested more than USD 800 million.

From now on and thanks to this enlargement, the Argentine plant is able to progressively increase the production capacity to 140,000 annual units.



Dimensions of Toyota Argentina

GRI Standard: 102.

Indicators: 102-7, 102-8, 102-41.

Heading	2014/2015	2015/2016	2016/2017
Total assests ¹	11,105	17,855	20,251
Total liabilities ¹	9,420	17,812	19,488
Stockholders' equity ¹	1,685	43	763
Collaborators ²	4,751	4,865	4,912
Staff under agreement (%) ²	78	79	74

1. Annual report and Financial Statements of Toyota Argentina S.A., as of 31 March each year.

2. Source: Toyota Argentina, as of March 31, each year.

AWARDS



In 2016, we received an important award for our management capacity, thus becoming the winners in the Corporate Management Oriented to Sustainability category in the 18th edition of the Corporate Citizenship Awards given by the American Chamber of Commerce in Argentina (AmCham). Besides, we have been recognized by our 2016 Sustainability Report in first position, during the fourth edition of the Awards Night celebrated by the Argentine-British Chamber of Commerce (CCAB). Likewise, we got the 5th position in the Merco Empresas ranking. This is done through a multistakeholder assessment, which evaluates the corporate reputation of the most important companies in the country.














Traded models

GRI Standard 201.

Indicator: 201-2.

» Toyota Argentina is a production and export platform of commercial vehicles for Latin America. We have produced 1,051,800 units at our Zárate plant.

Units sold (2016/2017)

Hilux CKD ⁴ Euro 4	34,393	
SW4 CKD ⁴ Euro 4	4,539	
RAV4 CBU ³ Euro 5	268	
Camry CBU ³ Euro 5	44	
Land Cruiser 200 CBU ³ Euro 4	18	
Yaris CBU ³ Euro 5	1,095	
Land Cruiser Prado CBU ³ Euro 4	23	
Prius CBU ³ Euro 4	2	
Corolla CBU ³ Euro 5	15,972	
Etios CBU ³ Euro 5	25,672	
86 CBU ³ Euro 5	11	

3. Complete Built Up (CBU): imported vehicles produced outside Argentina. 4. Completely Knock Down (CKD): vehicles manufactured in Argentina, with national and foreign technologies, components and auto parts. Euro 4 or 5: this emission standard for combustion gas levels has been complied with for a period of 12 months as of March 31, 2017. Source: Toyota Argentina, units sold to dealers.



The compact sedan Yaris was presented during 2016 in Argentina, thus entering the most dynamic segment of the market.

Gas emission standards

Since 2017, all passenger vehicles already comply with Euro 5 standard.

As of 2018, all the models will have to comply with this standard, which is stricter than the Euro 4, as it mainly reduces the limits of contaminant gas emissions of vehicles.

Releases

New generation of Prius

The fourth generation of Toyota Prius –the first hybrid vehicle of Argentina– arrived in our country fully renewed. This model has a new design, hybrid system and a platform based on the Toyota New Global Architecture (TNGA).



Etios Platinum 2016

In July 2016, we launched the new Platinum version, top-of-the-range Etios, which incorporates the new series equipment, new motorization technology, sound insulation improvements, suspension, safety and a renewed comfort equipment.

Yaris

We have added a new model to our line of compact vehicles: Yaris, produced in Thailand. The Yaris entered the most dynamic segment of the market, with its 5-door version, coupled with the 7-gear CVT automatic transmission. It has a 1.5 l motor and CV with Dual VVT-i technology, thus offering an excellent performance and outstanding fuel economy. The outer design of the Yaris is sleek and the front shows a sportive look. Five people can comfortably be seated thanks to its large inner space and its loading capacity is 326 dm³, the largest of this segment.

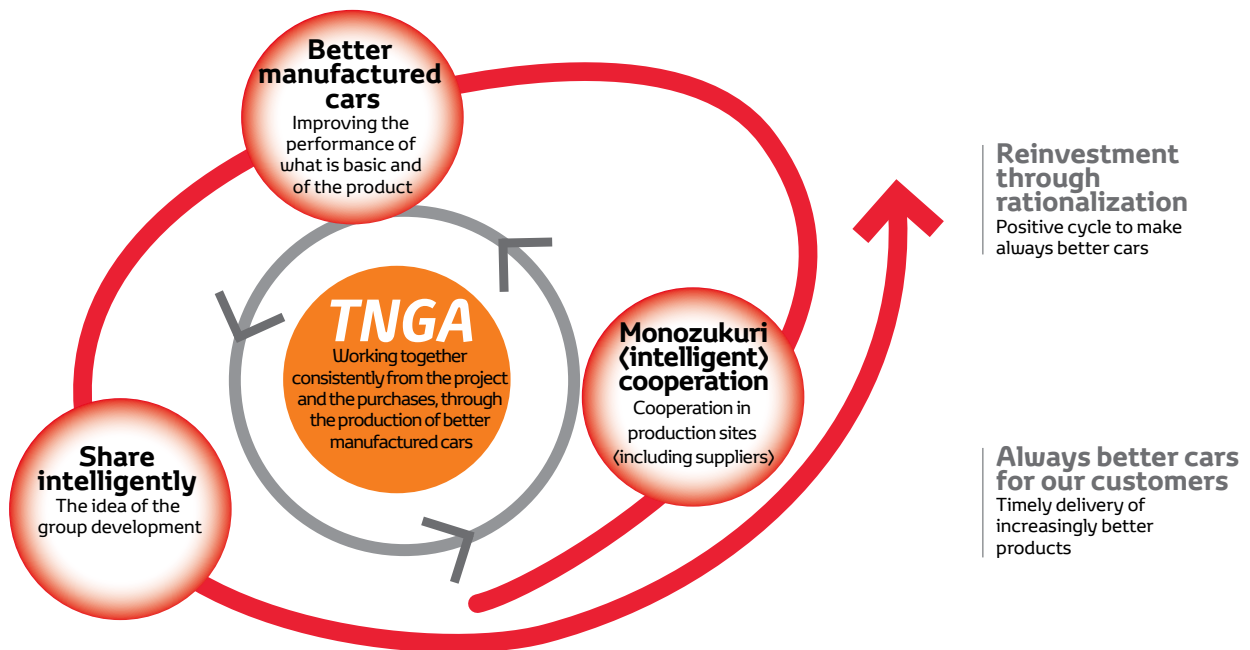
RAV4 2016

Since 2016, we have commercialized the new Toyota RAV4, which has now a new design. It has an even more robust and dynamic appearance, thus increasing the customer's thrill with a stylized upper grille, new logotype and a design that improves the aerodynamic behavior, engine cooling and pedestrian protection.

SW4 SR

As from July, 2016 the New SW4 SR for 5 passengers has been commercialized. This model is equipped with the new diesel motor 1GD (2.8 l), 177 CV and 420 Nm of torque and with manual transmission of 6 gears and Intelligent Manual Transmission (IMT).

Toyota New Global Architecture (TNGA): always better cars



Toyota has been working many years to keep producing better cars and satisfy our customers' needs worldwide. In this regard, we have undergone a structural reorganization called Toyota New Global Architecture (TNGA). This new structure allows us to produce even better cars in common platforms, in such a way that the industrial plants can have a greater flexibility to rapidly react to market changes.

Apart from improving our capacity to satisfy our customers' needs, this flexibility also entails costs savings that will be later invested in future technologies to produce even better cars and so on. As of the new Prius and towards year 2020, almost half of our vehicles will be globally produced in compliance with the TNGA.

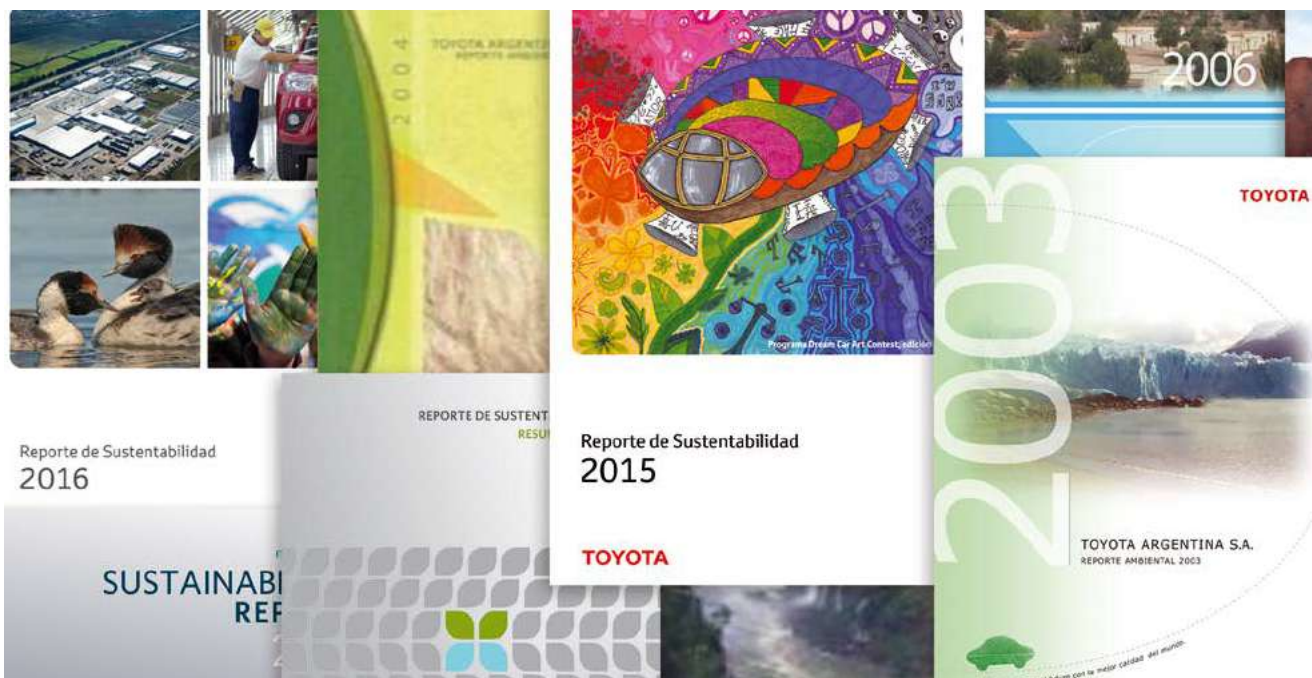
TOYOTA SAFETY SYSTEMS

The following stage of Toyota's active safety technology has arrived: Toyota Safety Sense. As cars are safer and more comfortable, Toyota has gone a step further towards a new dimension of integral safety, focusing on three main axes in order to prevent accidents. Although the key for safe driving lies in the driver, sometimes technology can also be used to avoid accidents. The axes are the pre-collision system, which analyzes the degree of risk, according to speed and the location of the

Toyota vehicle with respect to the other vehicles on the road and, in case of failure in brakes, the braking system is automatically activated; the lane departure warning system, which helps preventing maneuvers to depart from the lane without activating the corresponding turn light and the automatic high-beam headlamps, which automatically adjust the light scope to optimize night-time front visibility or to optimize forward visibility at night.

ABOUT THIS REPORT

Our commitment to sustainability is part of our corporate culture, it is present in each business area; essentially in our model of corporate management.



15TH
Report of Sustainability

GRI
 Standards
 EXHAUSTIVE
 OPTION

30
 aspects identified
 as materials by
 stakeholders

- STAKEHOLDERS INVOLVEMENT
- SUSTAINABILITY CONTEXT
- EXHAUSTIVITY
- MATERIALITY

REPORT PARAMETERS

GRI Standard: 102.

Indicators: 102-10, 102-45, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 102-54.

The 2017 Sustainability Report of Toyota Argentina was prepared in compliance with the Global Reporting Initiative (GRI) Standards, Exhaustive Option. It is issued every year and encompasses the activities performed in the period April 1, 2016 to March 31, 2017, and it is referred to as the 2016/2017 period throughout the report.

This is the 15th edition of the Sustainability Report and the last report that was published corresponds to 2016. We did not identify the existence of material limitations in the scope or coverage, as well as in the material effects on the re-statement of the information with respect to the information of previous years, except for particular remarks that are expressed throughout the report.

The information contained in this report does not include data of the subsidiary that is part of the

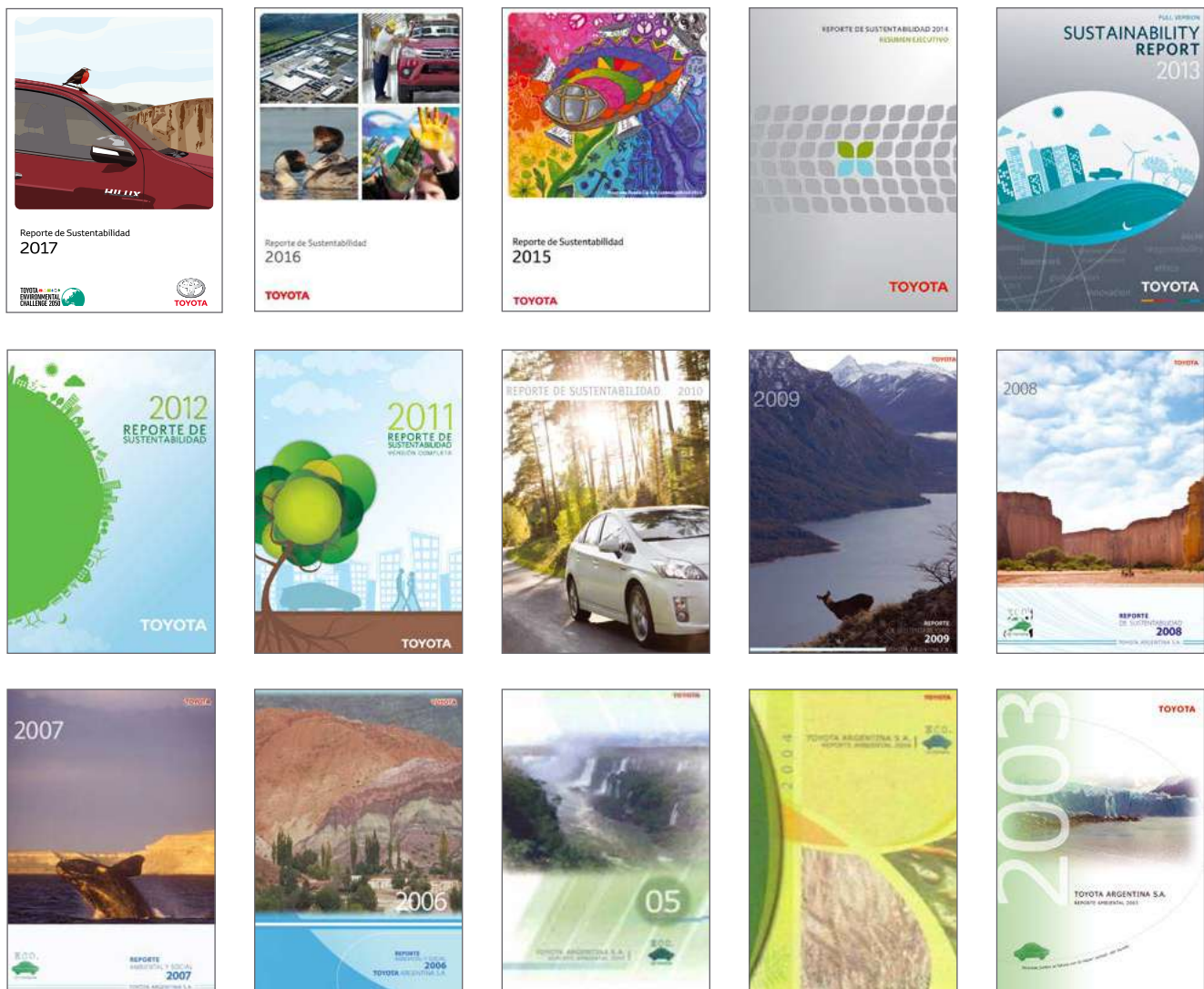
consolidated financial statements of Toyota Argentina S.A., which is detailed as follows:

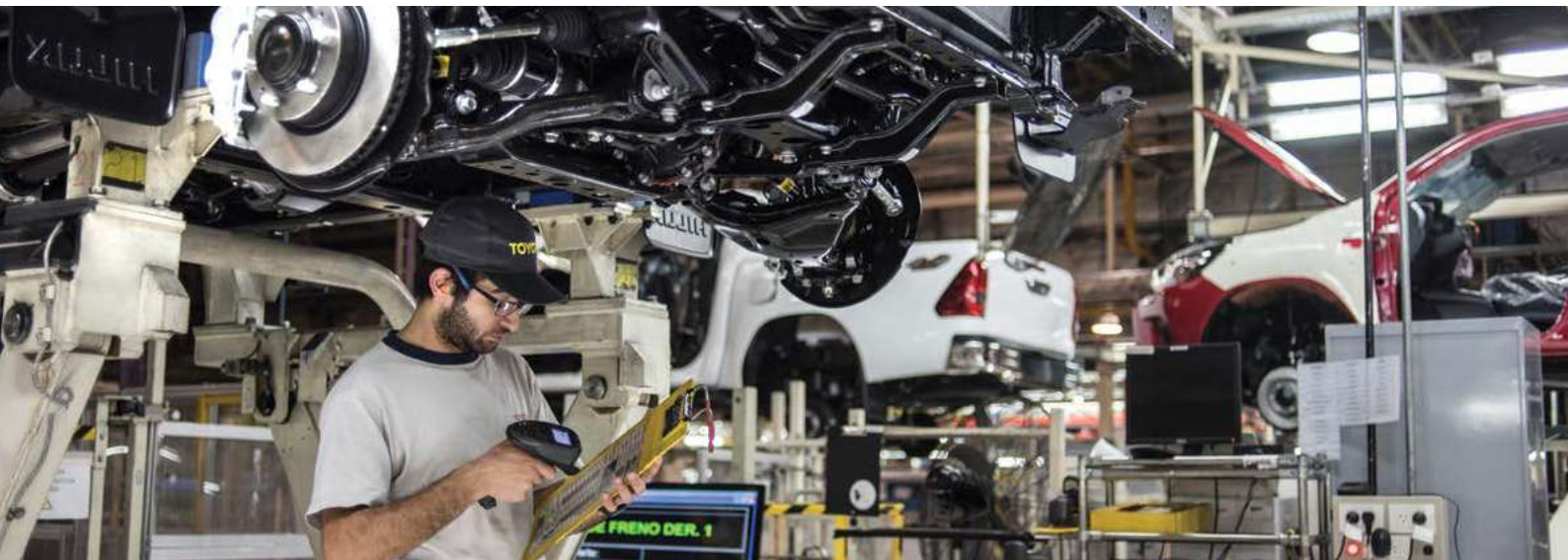
Company	% share
Argentina S.A. de Ahorro para fines determinados	95

Section 9 includes the index, which facilitates the search of the contents which have been submitted for the 6th 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 queries and suggestions. We invite you to send your comments on this report to rse@toyota.com.ar.

This report is available in digital format at www.toyota.com.ar.





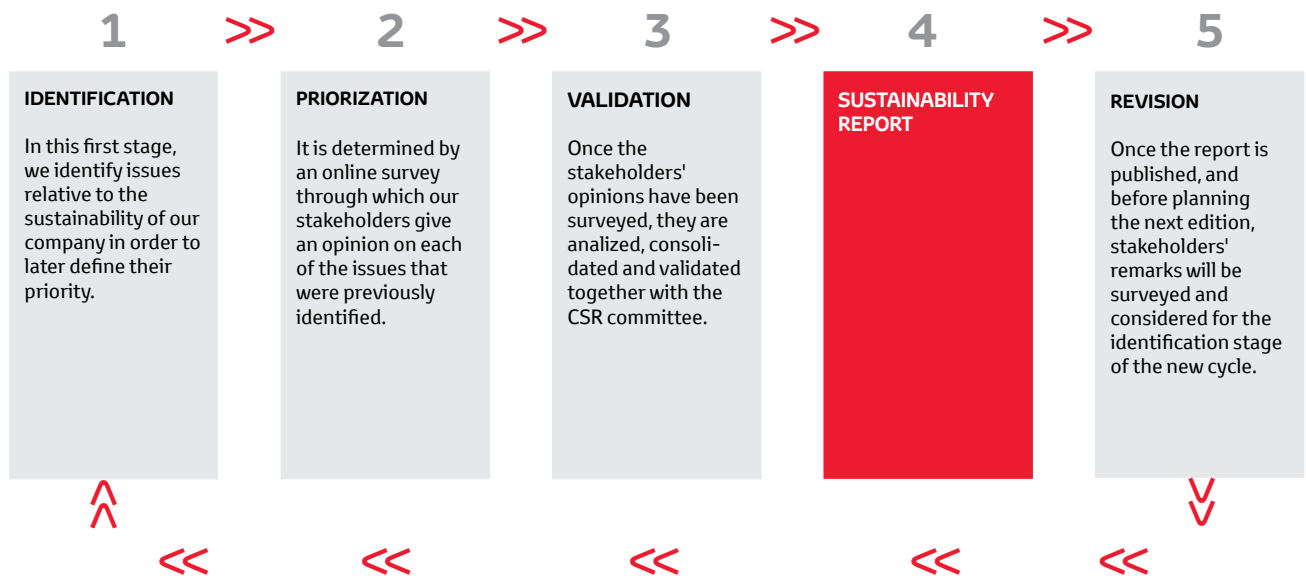
MATERIAL ISSUES AND COVERAGE

GRI Standards: 102, 103.

Indicators: 102-21, 102-46, 102-47, 103-1.

As we mentioned in our previous reports, one of the main aspects inherent to the preparation process is related to the definition of those material issues that will be communicated by the Company. In this sense, the Global Reporting Initiative offers a certain number of principles designed to be used in a

combined manner, in order to define the contents. The process for defining material issues and the preparation of the Sustainability Report contemplates the stages that are detailed as follows, which were carried out by the Social Responsibility and the CSR Committee team.



Material aspects identified

Nº	RELEVANT ASPECT	Section
1	Environmental compliance	Environmental performance
2	Effluents and waste	Environmental performance
3	Occupational health and safety	Social commitment and Economic performance
4	Quality and Customer Health and Safety	Quality management system
5	Emissions	Environmental performance
6	Water	Environmental performance
7	Law observance and socioeconomic regulations	Economic performance
8	Employment	Social commitment
9	Safety practices	Social commitment
10	Anti-corruption	Corporate governance
11	Market presence	Social commitment
12	Employability programs	Social commitment
13	Local communities	Social commitment
14	Economic performance of the Company	Economic performance, About Toyota and Social commitment
15	Disability	Social commitment
16	Labor/management relations	Social commitment
17	Child labor	Corporate governance and Economic performance
18	Non-discrimination	Corporate governance and Economic performance
19	Human rights assessment	Corporate governance and Economic performance
20	Training and education	Social commitment
21	Anti-competitive behavior	Economic performance
22	Forced and compulsory labor	Corporate governance and Economic performance
23	Biodiversity	Environmental performance
24	Diversity and equal opportunity	Social commitment and Corporate governance
25	Environmental evaluation of suppliers	Economic performance
26	Public policy	Economic performance
27	Energy	Environmental performance
28	Health programs	Social commitment
29	Customer's privacy	Quality management system
30	Materials	Environmental performance

STAKEHOLDERS INVOLVEMENT

03

Our aim is to help create a prosperous partnership and reach a sustainable development, always producing better cars, establishing long-term relationships with stakeholders and improving communities' quality of life.



5 dimensions to identify stakeholders

- Responsibility
- Influence
- Closeness
- Dependence
- Representation

CORPORATE CITIZENSHIP
The Company contributes to create a more prosperous partnership and reach sustainable development

BIANNUAL DIAGNOSIS OF COMMUNITY NEEDS









Open dialog channels with **stakeholders**



IDENTIFICATION AND DIALOG WITH STAKEHOLDERS

GRI Standard: 102. Indicators: 102-40, 102-42, 102-43.

From the very beginning of our transactions, we create and maintain different communication and dialog spaces with our stakeholders. In order to identify them, we align ourselves to the New GRI (Global Reporting Initiative) Standards and the AA1000SES Accountability Guide, where they are weighed according to their responsibility, influence, closeness, dependence and representation. In this sense, we identify our stakeholders with whom we maintain the following relationship channels:

GROUP	COMMUNICATION AND DIALOG CHANNEL
SHAREHOLDERS 	Annual Report and Financial Statements Sustainability Report Shareholders' Meeting Events and meetings Press releases
UNION AND INDUSTRY 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 Insurance Companies Competitors
DEALERS 	Association of Toyota Dealers of the Argentine Republic (ACTRA). Sales and after sales training programs. Surveys for each activity. Reports and audits of the environment management system under ISO 14001. Environmental risks audits. Customer Service Annual Convention.
SUPPLIERS 	Service rendering manual for contractors and subcontractors. Procurement environmental guidelines. Training activities and evaluation surveys. Value Program: CSR + Competitiveness. CSR guide for suppliers.
LOCAL COMMUNITY 	Biannual diagnosis on the community's needs. Training programs in schools and universities. Visits and meetings with directors of educational institutions to evaluate communities' needs. Interactions with the municipal authorities of Zárate and Campana. Involvement in social initiatives. Direct contact with different NGOs.
COLLABORATORS 	Two-way communication system Suggestions system and quality circles Ethic Committee and Ethic Channel Face-to-face communication (business meetings, lunch and breakfast with directors, open tables, special talks) Newsletters, "Desde adentro" magazine, intranet, corporate e-mailing, billboards and corporate TV.
GOVERNMENTAL ENTITIES 	Involvement in chambers and governmental associations. Meeting with national, provincial and municipal authorities.
CUSTOMERS 	Customer service center. Satisfaction and quality surveys. Early Detection and Early Resolution (EDER) activities. Contact with dealers. Social networks and corporate web.



BIANNUAL DIAGNOSIS OF THE COMMUNITY'S NEEDS

GRI Standards: 102, 103, 413.

Indicators: 102-29, 102-44, 103-1, 103-2, 103-3, 413-2.

Every two years, we perform a diagnosis of the needs in the community of Zárate where we also conduct a survey to evaluate the community's expectations towards the Company. The last diagnosis was carried out during 2016, and these are the most significant aspects:

- Insecurity
- Health
- Unemployment

As per the corporate image, the main aspects were:

- Good image in the community, mainly related to the fact that it is a company that creates jobs.
- We are perceived as a company that creates the most favorable positive impact and the one that carries out the largest number of actions for the benefit of Zárate.

- We count with an increasing and favorable image among the population (it grew 15% in positive image as compared to 2014).
- The greatest value is associated with job creation and the contribution of other benefits to the community.
- The results stress our corporate excellence, the manufacturing of excellent products, good salaries and benefits for the employees, with organization and growth vocation.
- People know, recognize and value our contribution to the community with the CSR programs we implement.
- The main negative aspect, related to the Company's image, refers to the communication of information related to the employees' health care.

CORPORATE GOVERNANCE, ETHICS AND INTEGRITY

04

Our commitment to an ethical and transparent performance, oriented to sustainability, is promoted by our top-level management and fostered daily. To that end, we develop ethical policies and mechanisms to comply with them.



Toyota Way

Based on continuous improvement and respect for people

GUIDING PRINCIPLES

7 statements that reflect our nationwide philosophy, values and methods

42
complaints
received
and resolved
by the Ethics
Committee

+600 people trained on
anti-money laundering and terrorist
financing

- Implementation of an integral risk system
- Creation of the Compliance Committee

CORPORATE GOVERNANCE

Material aspect: 24.

Vision and Mission

GRI Standard 102.

Indicator: 102-26.

>> We align ourselves to the global vision and mission of Toyota Motor Corporation.

Our mission

“Reach a sustainable growth as a supply base for Latin America, exceeding customers’ expectations, with competitive costs and contribute to the development of local communities”.

Our vision

“Lead the future of mobility so as to improve people’s lives all over the world, starting from the safest and most responsible way to drive them. Through our commitment to quality, constant Innovation and respect for our planet, we aim at exceeding expectations and being rewarded with a smile. We will achieve our challenging goals thanks to the talent and passion of our collaborators.”

Governance Structure

GRI Standards: 102, 405.

Indicators: 102-18, 102-22, 102-23, 102-24, 102-25, 102-27, 405-1.

The Board is in charge of decision making. Its members are employees of Toyota Argentina or of our headquarters, appointed by the Shareholders’ Meeting, according to their skills and competencies. The administration body is nominated and elected by our shareholders through a representative in the Shareholders’ Annual Meeting which is usually held in July every year.

Its 8 members are officers with a long professional track record in the company and have developed their experience in different areas and offices. By doing so, they hold those important positions due to their thorough knowledge of the business.

As of March 31, 2017, its members are:

Name	Executive position	Board position	Seniority in the Board (years)	Genre	Age (years)
Daniel A. Herrero	TASA President	President	6	Male	58
Stephen St. Angelo Jr.	Chairman	Full Director	3	Male	62
Masashi Asakura	None at TASA	Full Director	4	Male	59
Mariano Barriola	Plant Director	Full Director	Less than 1	Male	54
Ichiro Ota	Senior Director	Full Director	Less than 1	Male	53
Masahiro Inoue	None at TASA	Full Director	1	Male	54
Takeshi Yamakawa	Accounting & Finance Director	Full Director	3	Male	47
Tatsuya Shibata	Commercial General Coordinator	Deputy Director	Less than 1	Male	56

In order to continue strengthening the decision-making framework in all levels of our management and governance structure, during the reported period, we created the Corporate Governance and Compliance division, which will coordinate the process paying special attention to the expectations of our stakeholders and strongly supporting the transactions.

Likewise, this new division will promote the cooperation among the different business units and will contribute to the region-to-region and region to TMC communications, thus fostering the improvement of the compliance systems, in order to keep Toyota’s integrity as its most important cause, while contributing to its sustainable growth.

Compliance committee

GRI Standards: 102, 103.

Indicators: 102-30, 103-1, 103-2, 103-3.

Our Compliance Committee has been formally created in 2016 and its members include top-management directors and representatives of the principal risk areas of the company. It has a mainly preventive role and its goal is to detect non-compliance or infringements with the legal and corporate regulations within the company.

The committee meets every three months and debate the current issues related to regulatory non-compliance, main concerns to be dealt with, possible countermeasures and action plans.

During the reported period, we have implemented for the first time an integral risk analysis system and we have adjusted it to the international standards required by our headquarters.

Through the local implementation of Toyota Global Risk Management Standards (TGRS) program, the top management, with the help and support of the new structure of Compliance, has identified and evaluated the main risks that might negatively impact on the compliance with corporate targets and has promoted the relevant action plan in order to mitigate them.

Crisis committee

GRI Standard 102.

Indicators: 102-33 y 102-34.

The members of this committee comprise members of the Board and areas such as Legal, Compliance, Governmental Relations and Human Resources, as well as those parties responsible for the areas related to the issue for which the Committee has gathered. It analyzes and suggests countermeasures to face up to an unusual event that may affect both the local community and the collaborators' community.

The critical concerns of the divisions are reported to the governance body, depending on the level of importance, through different channels like the Board meetings, the Crisis Committee and periodical operational meetings called TASA Operational Meetings (TOM), in which the top management is also present.

3 incidents reported in the 2016-2017 period.
1 incident reported to the Crisis committee.
2 incidents reported in TOM.

Decision-making

GRI Standard 102.

Indicators: 102-15, 102-30.

All decisions made at Toyota Argentina become effective after having thoroughly considered and analyzed the risks, contingencies and the available safeguard methods. All the important issues resulting from the different meetings are escalated to the Executive Committee and the Board for discussion and approval, thus achieving an effective communication and internal debate of the decisions.

Board of Directors Meetings (BOD)

Key Meetings (KM)

Toyota Operational Meeting (TOM)

Production

This is the largest division of our company, since it comprises the greatest number of collaborators, functions and support of other areas. It holds a weekly production meeting in which all the production managers participate together with the support areas.

Weekly Production Meeting (WPM)

Asakai

(daily morning meetings)

Yuichi

(daily afternoon meetings)

Plan-Do-Check-Action Cycle

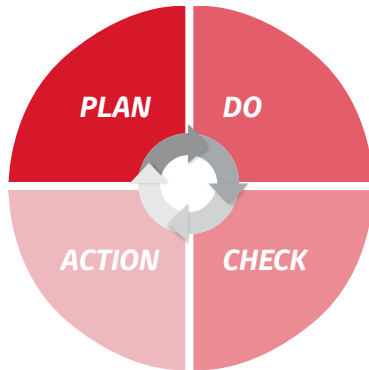
All reports are prepared using the Plan-Do-Check-Action method; i.e. the issues, causes, countermeasures and future actions are reported.

Plan Strategy and action plan design.

Do Plan implementation.

Check Result evaluation.

Action Take appropriate action.



Strategic Planning

GRI Standards: 102, 103.

Indicators: 102-11, 103-1, 103-2, 103-3.

The *hoshin kanri* is a working system adopted by Toyota globally and it is defined as the activities performed to achieve goals in the medium and long term and the goals set in the short-term management plan, on the basis of the *hoshin*.

» It is a system to create an organization able to achieve a high performance over the time.

Company Hoshin

Achieve a sustainable growth as a supply base for Latin America, exceeding the customers' expectations, while being competitive and contributing to the communities.

Toyota Argentina President's Hoshin

Consolidate 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 CSR activities 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

GRI Standard 102.

Indicators: 102-19, 102-20, 102-29, 102-30, 102-31, 102-32.

Its main goal is to help create a prosperous society and to achieve sustainable development. Toyota Argentina makes this extensive to its value chain, promoting full compliance with all the laws, regulations and social guidelines applicable to our country and implementing management based on respect for people and continuous improvement.

Regarding social investment, we work on three main axes:

- Environment
- Road safety
- Education for the employment

These axes are specially applied to the Zárate community, as we foster a constant dialog with the different local institutions and organizations.



CSR Committee

It sets an action plan coordinated among the areas and reports the actions performed. The CSR Committee is structured as follows:



The Social responsibility area coordinates the CSR Committee and is in charge of preparing the Sustainability Report, which is carried out with the cooperation of all the company's divisions.

Commitment to external organizations

GRI Standard 102.

Indicators: 102-12, 102-13.

Toyota Argentina belongs to and supports the following chambers and associations:

- Chamber of Exporters of Argentine (CERA)
- Chamber of Public Limited Companies
- Institute for the Argentine Business Development (IDEA).
- Interindustry Committee for the Preservation of Campana and Zárate Environment (CICACZ).
- Association of Automotive Makers of Argentina (ADEFA).
- Industrial Union of Argentina (UIA).
- Industrial Union of Zárate (UIZ).
- AcercaRSE.
- IRAM (Argentine Institute for Standardization and Certification) - Environmental systems commission.

ETHICS AND INTEGRITY

Material aspects: 10, 17, 18, 19, 22.

We are guided by the Toyota Way and the Guiding Principles that, together, set a clear commitment to the sustainable development of the corporate culture and orient our management.

Values – Toyota Way

CONTINUOUS IMPROVEMENT	Challenge	We have a long-term vision, facing the challenges with courage and creativity to achieve our dreams.	Long-term business management Law observance, economic and social development of communities and production of safe and quality vehicles.
	Kaizen	Continuously improve the operation of our business, always looking for innovation and evolution.	
	Genchi Genbutsu	We go to the source to find the facts that help us make the correct decisions, develop consensus and achieve our goals in the fastest possible way.	
RESPECT FOR PEOPLE	Respect	We respect the other, making an effort to understand him; we assume responsibilities and do our best to build mutual trust.	
	Teamwork	We stimulate personal and professional growth; we share opportunities for development and maximize individual and group performance.	

Guiding principles at Toyota

- 1** Honor the content and spirit of the laws of every nation and undertake open and fair policy activities to be a good corporate citizen of the world.
- 2** Respect the culture and traditions of all nations and contribute to economic and social development through corporate activities in the local communities.
- 3** Dedicate ourselves to deliver clean and safe products and enhance the quality of life everywhere through all our activities.
- 4** Create and develop advanced technologies, providing first-level products and services that fulfill customers' needs worldwide.
- 5** Foster a corporate culture to enhance individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.
- 6** Pursue growth in harmony with the global community through innovative management.
- 7** Work with business partners on research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

Our Global Vision and Corporate Social Responsibility (CSR) were designed on these principles which, together with the Toyota Way and the Conduct Code, guide the activities carried out by more than 364,000 people globally and more than 4,900 in Toyota Argentina.

Respect for the humans rights

GRI Standards: 103 & 412.

Indicators: 103-1, 103-2, 103-3, 412-1, 412-3.

The principle of respecting and honoring human rights is always present in a number of articles of the Code of Conduct of Toyota Argentina and it is one of the main values of the company at the moment of doing all our businesses.

In this sense, the Toyota Way is the moral basis of Toyota and its subsidiary companies to share common values with all the business units globally and it encompasses two major pillars: continuous improvement and respect for people.

Besides, the company actively and constantly promotes the development of all its collaborators, linking their personal growth with the performance and growth of the company.



Code of Conduct

GRI Standards: 102, 205, 412.

Indicators: 102-16, 102 -25, 205-2, 412-2.

The Code of Conduct summarizes the fundamental aspects and describes concrete guidelines so that, together with the Toyota Way, it may constitute a core tool for commercial transactions and promote a transparent and responsible working environment. Our Code of Conduct was developed in 2004 and it aims at creating and establishing general rules in order to prevent inappropriate conduct through the promotion of a suitable behavior and a praiseworthy conduct by all the company's collaborators. The new structure of Compliance seeks for the

observance of the Code of conduct compliance, while it trains the new members and collaborators of Toyota Argentina during the introductory course, so that they assume its strict compliance.

The number of members and collaborators that took the course amounted to 353 and the training time, to 5,120 hours.

Ethics Committee and Channel

GRI Standard: 102.

Indicator: 102-17.

Ethics Channel

It allows our collaborators to communicate or report irregularities and it is managed by an external supplier, which ensures anonymity.

Free telephone line 0800-888-1880

Web www.canaltoyota.kpmg.com.ar

e-mail canaltoyota@kpmg.com.ar

Fax 011-4316-5800
addressed to *Canal Toyota*

Personal interview 0800-888-1880

Letter to Addressed to: Canal Toyota,
Bouchar 710, piso 6°
(C1106ABL) CABA

All employees are trained on how this channel works when joining the company. Likewise, Compliance will cooperate in the constant and periodic promotions of the reporting channels, making them available to all employees and also to main suppliers and dealers.

Ethics Committee

It comprises the areas of Legal Affairs, Internal Audit and Compliance and Human Resources; it analyzes each reported issue received through the Ethics Channel.

Between April 1, 2016 and March 31, 2017, we received 42 reports, which were duly processed and resolved.

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

- 42 complaints received and resolved
- 25 alleged facts were proven
- 17 alleged facts were not proven
- 02 led to dismissals
- 23 corrective measures and internal control improvement

Non-discrimination, anti-corruption, forced and child labor

GRI Standards: 103, 205, 406, 408, 409.

Indicators: 103-1, 103-2, 103-3, 205-1, 205-3 406-1, 408-1, 409-1.

During the reported period, there was no discrimination incident in the company, and we did not identify risks in which freedom of association and the right to be bound to bargaining agreements might be infringed or threatened. There were no confirmed reports of child exploitation, forced labor or corruption either.

ANTI-CORRUPTION POLICY

Toyota Way

Code of Conduct

Anti-bribery guide for suppliers and commercial partners

Anti-corruption policy

In order to avoid practices that may entail a damage to the image of Toyota Motor Corporation and the other subsidiaries all over the world, our anti-bribery policy contains the guidelines established in the Code

of Conduct and translates them into basic conducts that are expected to be complied with by all our collaborators.

In that sense, it is stressed that we will not tolerate practices in which, through bribery or other inappropriate and/or disloyal measures, any employee may seek to benefit himself or the company.

We expect none of our collaborators to promise and/or give bribes, either directly or through third parties, in order to obtain or retain a business and/or a comparative advantage for TMC, TASA and/or any company of the Toyota group, whether he is a public officer or not, with the intention of influencing the action to achieve any of the mentioned benefits.

In turn, the Code of Conduct sets the necessary parameters of behavior to have relations with public and private entities and seeks to promote and highlight the values of ethics and integrity as the main pillars to carry out all our business.

AMLTF system

GRI Standard: 205.

Indicator: 205-2.

We are strongly committed to the anti-money laundering and terrorist financing and to that end, we actively cooperate with the competent and renowned international bodies.

Since 2014, from the AMLTF area, which reports to Legal Affairs, we have been working in the development and implementation of the mentioned prevention system, in order to comply with the requirements set by the Financial Information Unit (FIU). Our AMLTF system consists of the following tools:

- AMLTF Policy Manual.
- AMLTF Procedure Manual.
- Internal Communication System for Unusual Operations (COMI).
- Risk matrix.
- Continuous training of all collaborators.

During the reported period, more than 600 of our collaborators were trained on anti-money laundering and terrorist financing through e-learning.

ENVIRONMENTAL PERFORMANCE

05

Our commitment to the environment is a philosophy and a permanent source of inspiration in our operations. This has been framed within the Environmental Challenge 2050, which consists of a series of ambitious targets to achieve zero emission of CO₂ in our vehicles and throughout the value chain, so as to have a positive impact on our community and build a society in harmony with nature.



3

KAIZEN GROUPS OF TASA PARTICIPATED IN THE GLOBAL ECO AWARD

Eco Agua (paint maintenance) obtained a global recognition award from TMC



+64%
production
of compost plant
than the
previous year

TOYOTA      

ENVIRONMENTAL CHALLENGE 2050

ENVIRONMENTAL MANAGEMENT SYSTEM

Material aspects: 1, 2, 5, 6, 23, 27 and 30.

GRI Standard: 103.

Indicators: 103-1, 103-2, 103-3.

Toyota Argentina is strongly committed to a sustainable environmental performance and, to achieve it, we have developed our Environmental Management System (EMS), which is certified under the ISO 14001 standard since 1999.

The EMS allows us 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, there are external audits and prior to them, there are internal audits with trained staff.

The follow-up and verification of the compliance with the activities related to the EMS –by the top management level of Toyota– is carried out through the reports that are monthly submitted by the Environmental Committee of Production and, every six months, through the meetings of the South American Environmental Committee (SAEC) which gathers the environmental activities of the plants (Argentina, Brazil and Venezuela), to be reported and as a benchmarking tool among the companies.

» We actively participate in the review of the ISO 14001 Standard, version 2015, as members of the Environmental management system Committee, which is responsible for the adoption of the standard in Argentina.

» During the reported period, we have developed the processes and procedures for the transition to the new version of the standard. The next period, the EMS will be audited and certified under such version.

Environmental Action plan








In 2015, Toyota Motor Corporation developed the Environmental Challenge 2050, an ambitious series of environmental targets based on three axes:

- Always better cars
- Always better manufacturing
- Enrichment of the communities' lives

These three axes set our strategy with long-term vision. Locally, we assume these challenges and to achieve them, we developed the 6th Quinquennial Environmental Action Plan (2016-2020), which established the goals and the concrete actions for our key indicators¹: water, energy, CO₂ emissions, waste and volatile organic compounds. The area of Environmental Affairs consolidates, analyzes and manages the information received from each company division.

1. Key Performance Indicator (KPI).

ENVIRONMENTAL PERFORMANCE INDICATORS - KPI 2016/2017

Performance indicators	Measurement unit	Result	Target value	Compliance
 Energy consumption	Gigajoules/vehicle	3.76	4.47	✓
 Emissions	Kilograms CO ₂ /vehicle	351	259.46	✓
 Electricity consumption	Kilowatts-hour/vehicle	477.12	571	✓
 Natural gas consumption	Meters ³ /vehicle	49.73	57.56	✓
 VOCs Emissions	Grams/m ² (painting)	34.08	34.16	✓
 Industrial water consumption	Meters ³ /vehicle	1.80	2.00	✓
 Waste production	Kilograms/vehicle	17.62	19.58	✓

Values as of March 31, 2017.

✓ Achieved target

✗ Not achieved target

TOYOTA ENVIRONMENTAL CHALLENGE 2050



CHALLENGE 1



Zero CO₂ emissions in new vehicles

CHALLENGE 2



Zero CO₂ emissions in the product cycle of life

CHALLENGE 3



Zero CO₂ emissions in factories

CHALLENGE 4



Minimize and optimize the use of water in production

CHALLENGE 5



Build a society based on the recycling culture

CHALLENGE 6



Build a future society in harmony with nature

REDUCTION IN ENERGY CONSUMPTION AND CO₂ EMISSIONS

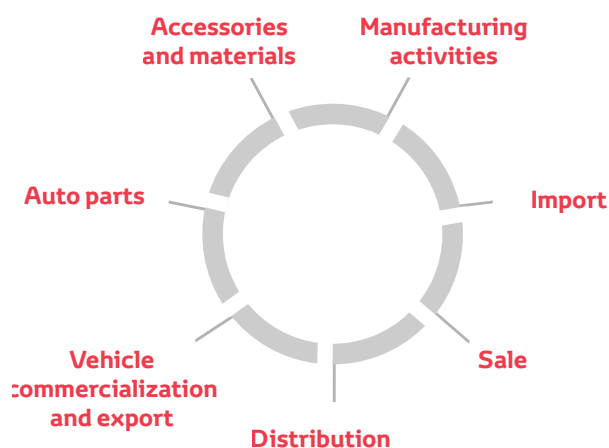
Energy consumption is a key indicator in our management. In order to achieve the set targets, we have developed action plans from all the divisions of the company, which encompass different activities:

- Building improvements to make the most of natural light.
- Process simplification, implementing devices that do not use energy and reducing production times.
- Technology change in productive processes (e.g., in the painting area).
- Installation of LED lights.
- Use of solar energy, both for the generation of electrical energy and for water heating.
- Improvements in the logistics of materials, parts, finished goods and people transfer.

As a result, there is a reduction in energy consumption and –accordingly– a reduction in CO₂ emissions.

Environmental policy

Aware of the environment protection and of the workers' safety and health care, the environmental policy has been integrated to the policy of occupational safety and health, which impact on all the processes of our operation.



During the reported period, we have been working on a new environmental policy in order to publish it in the next period.



ENVIRONMENTAL PERFORMANCE INDICATORS

Energy

GRI Standards: 103, 302.

Indicators: 103-1, 103-2, 103-3, 302-1, 302-2, 302-3, 302-4.

Energy consumption is subject to constant monitoring and reduction, through the implementation of improvement actions, the implementation of new technologies and the use of renewable energies. The main sources of energy consumption at the Zárte plant are electricity (indirect energy) and natural gas (direct energy).

3.76 GJ/vehicle.

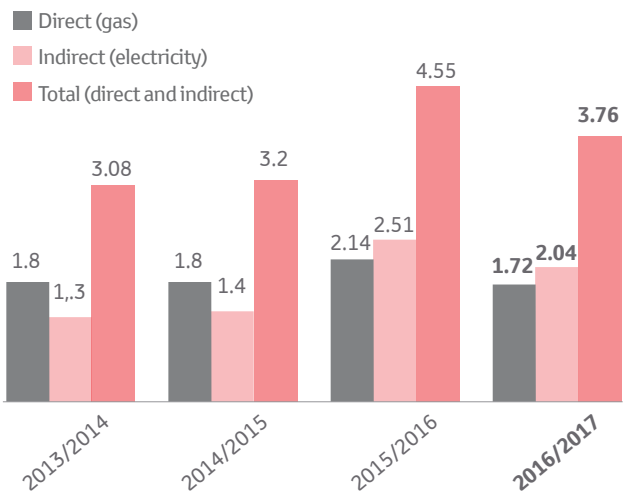
477.12 kWh/vehicle.

49.73 Nm³/vehicle.

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

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Direct energy (gas)	1.8	1.8	2.14	1.72
Indirect energy (electricity)	1.3	1.4	2.51	2.04
Total energy (direct and indirect)	3.08	3.2	4.55	3.76

Figures in gigajoules per vehicle, as of March 31 of each period.



Total energy consumption

The following table consolidates the total consumption of energy resulting from productive and non-productive activities, which include those considered external to the production process, the enlargement of the spare parts warehouse, the logistics parking lot and the Post Production Operation (PPO), where different types of final accessories are installed in vehicles).

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Direct energy (gas)	174,266	179,495	228,124	279,168
Indirect energy (electricity)	194,917	185,412	210,041	210,165
Total energy (direct and indirect)	369,183	364,907	438,165	489,333

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

Energy reduction. *Kaizen* energy

We permanently evaluate and implement alternatives oriented to reduce the energy used in the production of vehicles. During the reported period, we achieved the following results:

Activity description - Electricity	<i>kaizen</i> result (kWh/veh.)
Extractors of pre-treatment line were turned off after night shift production	2.11
Fans were turned off with timers	0.14
Lights inside ED, PS1, TC, Selectivity (paint process) stores were turned off	1.01
Electricity consumption was reduced by replacing the illumination system with led technology in north canopy and GPS	1.44
Photo cells under lucarnes were installed in the main premises	0.69
Mercury vapor lights replaced by low-consumption lamps (engines)	0.061
Plant air supply cut, in non-consuming divisions and during non-productive hours (2 nd stage)	0.285
Activity description - Gas	<i>kaizen</i> result (Nm ³ /veh.)
Power switch of ED oven (chassis plant) was adjusted	0.20
Turn-off optimization in paint process ovens during shift change	0.65
Minimization of the air volume processed in the air supply house (ASH) in Resin process	0.20

Carbon dioxide (CO₂) emissions

GRI Standards: 103, 305.

Indicators: 103-1, 103-2, 103-3, 305-1, 305-2, 305-3, 305-4, 305-5.

Below, we report the carbon dioxide emissions in tons per vehicle, which allows us to relate the emission generation and production volume. They result from the consumption of thermal and electrical energy for production.

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Tons CO ₂ /vehicle	0.277	0.275	0.421	0.351
Reduction /Increase respect to previous period (%)	-3	-1	+65	-16.6

Figures in tons of CO₂ per vehicle, as of March 31 of each period. For the calculation of the KPI we used the emission factors of the Argentine National Third Communication: natural gas, 1.936 tCO₂/dam³; fuel oil, 3.127 tCO₂/t; diesel oil, 3.771 tCO₂/t; national MC (mineral carbon), 2.441 tCO₂/t; imported MC (mineral carbon), 2.441 tCO₂/t; diesel oil density, 0.825 t/m³; for emissions due to electricity consumption, the operation margin ex post year 2015 is applied, which is equivalent to 0,535 tCO₂/MWh.

RENEWABLE ENERGIES PROJECT SOLAR PANNELS IN THE VISITORS CENTER

In order to stress our commitment to the environment and following the guidelines of the Environmental Challenge 2050, we developed a project to generate clean energy, which consists in the installation of solar panels on the roof of the Visitors Center building. The purpose is to satisfy a percentage of the electrical consumption coming from the building illumination system. To such end, the energy obtained through the 108 photovoltaic panels is transmitted to the internal network of the Zárate plant.



Emissions due to natural gas consumption (scope 1)

These emissions derive from the combustion of natural and liquefied petroleum gas (LPG) in the Zárate plant, during the production of vehicles and from the consumption of natural gas for non-productive activities that mainly correspond to the use of heating in the buildings and the canteen kitchen, both for the industrial plant and commercial offices.

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Tons of CO ₂ /year	8,017.11	8,236.94	8,839.47	10,081.12

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

Total emissions of scope 1 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 1.936 t CO₂/1,000 m³.

Emissions due to Electrical energy consumption (scope 2)

These emissions are generated as a result of the consumption of electrical energy, both in the industrial plant for the production of vehicles and during non-productive activities. Emissions are calculated in terms of the location, applying the emission factor of the Argentine electrical network, calculated by the National Secretariat of Environment and Sustainable Development.

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Tons of CO ₂ /year	25,335	26,252	33,364	31,208

Figures as of March 31 of each period.

For the 2016/2017 fiscal year, we applied the operation margin, ex post year 2015, equivalent to 0.535 tCO₂/MWh. It reflects the missions produced in the Argentine electrical network between January and December 2015 (published in November 2016). The emission factor of the electrical network has interannual variations, resulting from the operating conditions of the electricity markets, which are beyond the control of Toyota Argentina. For this reason, the factor used is not the same for all the periods.

Emissions due to logistic operations and personnel transfer (scope 3)

Logistic emissions

Logistic CO₂ emissions are generated as a result of the transportation of production parts, vehicles and spare parts. The collection of data is carried out together with suppliers, taking into account fuel consumption, kilometers covered and the load transported in each operation.

Personnel transfer

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

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Logistics*	37,073	37,950	39,398	49,359
Personnel transfer	4,181	4,553	5,104	5,876.19

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

* Variations in period 2016/2017, with respect to previous period, correspond to the increase in the volume and the inclusion of new export routes. It should be mentioned that due to the improvements implemented in the different areas of logistics, and considering the same routes than previous periods, 2016/2017 emissions were reduced by 6.3%.

CONSOLIDATED TABLE OF CO₂ EMISSION PER SCOPE

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Scope 1	8,017.11	8,236.94	8,839.47	10,081.12
Scope 2	25,335	26,252	33,364	31,208
Scope 3 (logistics)	37,073	37,950	39,398	49,359
Scope 3 (personnel)	4,181	4,553	5,104	5,876.19

Figures in tons of CO₂ per year.

VOCs emissions

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

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Grams per meter ² painted	35.56	34.69	34.26	34.08

Figures as of March 31 of each period, in g/m² painted per year.

» VOCs mean Volatile Organic Compounds.

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
2016/2017	34.16	34.08

Reduction of VOCs – Kaizen VOCs

During the reported period, we implemented the following activities for the reduction of VOCs emissions:

Description of the activity	Kaizen result (grams/m ²)
Reduction of painting processes in 070 and 1D6 colors	0.05
Reduction of the paint scrap in hoppers system	0.05
Thickness adjustment in metallic basis	0.02

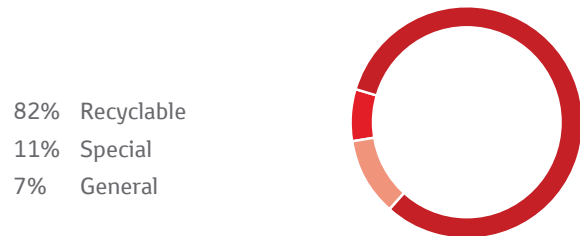
Waste treatment and recycling

GRI Standards: 103, 306.

Indicators: 103-1, 103-2, 103-3, 306-2, 306-4.

The basis of waste management lies in the separation at the source point, as each waste requires a different type of treatment. When collected, waste is identified by division through a bar code. In the area of temporary waste accumulation, we identify and weigh it in order to control the type and quantity generated by each area.

DISTRIBUTION PER WASTE TYPE



Heading	2013/2014	2014/2015	2015/2016	2016/2017
Kilograms per vehicle (production)	16.19	15.77	20.16	17.62

WASTE RECYCLABILITY RATE (%)

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Recyclability rate	90	88	88.60	81.84

Figures as of March 31 of each period.

81.84% is the recyclability rate that reflects the efficiency of the Environmental Management System.





WASTE GENERATION BY TYPE OF DISPOSAL / TREATMENT (2016/2017)

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 and liquids)	2,739,984	26.17	Safety dump / incineration	
General	Wood	393,017	3.75	Landfill	
	Non-special industrial	1,404,420	13.41	Landfill	
Recyclable	Non special	Metal	17,878,890	170.74	Recycled
		Paper and cardboard	409,691	18.08	
		Plastic and nylon	1,892,735	3.91	
		Electronics	9,336	0.09	
		Solvent	166,366	1.59	
		Oil	3,200	0.03	
	Special	Blending	292,960	2.80	Alternative fuel
		Batteries	54,219	0.52	The components are recycled and sold to a battery supplier of TASA

WASTE MANAGEMENT RESULTS (ARGENTINE PESOS)

Heading	2013/2014	2014/2015	2015/2016	2016/2017
a) Income for recycling	13,420,367	23,704,647	25,273,385,56 ¹	38,098,518
b) Total cost	11,561,401	20,449,103	34,536,187,27	38,904,293
ECONOMIC BENEFIT (a-b)	1,858,966	3,255,544	-9,262,801,71	-805,775

1. We corrected the reported value with respect to that published in the 2016 Sustainability Report, due to an error detected.

NET INCOME AND COSTS FOR WASTE TREATMENT AND RECYCLING 2016-2017 (PESOS)

Heading	Special		General		Recyclable	
	Solid and liquid	Non-special industrial	Wood		Special	Non-special
Income	0	0	0		171,264	37,927,254
Costs	6,934,081	3,499,592	979,335		1,150,344	7,210,409

Figures as of March 31 of each period.



Composting area

Composting is based on:

- The separation of organic waste from the food prepared at the plant canteens.
- The organic waste from the administrative buildings (mate and fruit remains).
- The waste from landscaping activities, due to the maintenance of the green areas located in the plant.

This waste is transformed in organic manure through a natural composting process called aerated static piles. Thus, we avoid the generation of general waste and the final disposition in a landfill.

» Compost production was increased by 64% with respect to the previous year.

This increase is due to the improvement in the management of waste sorting at the source. At present, the resulting compost is used as manure in the forest reserve and in the green spaces of the plant.

During the reported period, we continued with the analysis of the muds resulting from the treatment of wastewater. On the basis of the results, and according to the regulations in force, we seek for processing this material. To do so, we are evaluating the different alternatives and technologies referred to the composting of biological muds.

At the same time, we are implementing the classification of non-consumed organic waste. This practice has already been carried out in other Toyota's affiliated companies.

GREEN WALL IN COMPOSTING AREA

A green wall was implemented in the composting area of the plant. We decided to implement the vertical growth with an evergreen woody liana called *jasmín de leche* (*Trachelospermum jasminoides*), since its maintenance does not consume energy.

Benefits:

- Temperature regulation.
- Noise insulation.
- Insect repelling.
- Reduction of visual contamination.



Water resources

GRI Standards: 103, 303.

Indicators: 103-1, 103-2, 103-3, 303-1, 303-2, 303-3.

Committed to minimize and optimize the use of water in production, we are constantly working to improve productive processes.

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Cubic meters per vehicle	2.96	2.65	2.10	1.80

These levels of consumption are referred to the productive processes of the plant during the manufacturing of vehicles (industrial water or production water) and to the use of rest rooms (non-production water).

The most water-consuming process is painting. For this reason, the Painting engineering division constantly implements countermeasures to reduce water addition:

Type of water	2016/2017 Countermeasure
High conductivity	Reduction of water purges in cooling towers
Low conductivity	Change in the logic of spray application in ED processes
Reuse water	Improvement in reuse plant operation (2 nd stage)
DI of ED process	Rinse flow reduction in ED processes

Regarding the preservation of the resource, to prevent saturation of the aquifer that supplies water for human consumption (80 meters underground), Toyota Argentina gets water from the Hipopuelche aquifer (128 m depth), thus avoiding the intensive exploitation of groundwater.

Water consumption reduction - water Kaizen

The purpose of the reutilization plant is to reduce water well consumption, and was developed by the areas of Plant Engineering, Utilities and Environmental Matters.

» During the reported period, the reuse plant allowed us to save 5,692 m³ of water, which represents 1.26% of the total water consumption.

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
2016/2017	2.00	1.80

CONSOLIDATED TABLE OF WATER CONSUMPTION BY SOURCE (M³)

The following table consolidates the consumption of underground water in productive and non-productive activities.

Source	2013/2014	2014/2015	2015/2016	2016/2017
Underground	638,308	644,159	411,044	450,478

Figures as of March 31, of each period in cubic meters per year.





MONITORING OF AIR QUALITY AND INDUSTRIAL EFFLUENTS

Air quality

GRI Standards: 103, 305.

Indicators: 103-1, 103-2, 103-3, 305-7.

In the industrial plant of Zárate, due to productive processes that emit gases and particulate materials to the atmosphere, we monitor and measure the emissions from stacks. This control is performed

every six months, according to the dumping permit in force and in compliance with regulatory order No. 3395 of Law 5965 –Provincial Body for sustainable Development.

The tables below detail the results for the reported period:

AIR QUALITY - 1ST LEGAL CAMPAIGN 2016

Contaminant	Legal limit period	Position 1 (Upwind)	Position 2 (Upwind)	Position 3 (Downwind)	Position 4 (Downwind)
Butanol *	3,608 (roof)	Undetected	Undetected	Undetected	Undetected
Ethylbenzene *	130 (24 h)	Undetected	Undetected	Undetected	Undetected
Methyl ethyl ketone	390 (24 h)	Undetected	Undetected	Undetected	Undetected
Toluene	1,400 (8 h)	370	350	320	360
Isopropylbenzene	5,200 (8 h)	Undetected	Undetected	Undetected	Undetected
Benzene	0.096 (1 year)	Undetected	Undetected	Undetected	Undetected
Xylene	2,900 (8 h)	Undetected	Undetected	Undetected	Undetected

AIR QUALITY - 2ND LEGAL CAMPAIGN 2016

Pollutant	Legal limit period	Position 1 (Upwind)	Position 2 (Upwind)	Position 3 (Downwind)	Position 4 (Downwind)
Butanol *	3,608 (roof)	Undetected	Undetected	Undetected	Undetected
Ethylbenzene *	130 (24 h)	480	Undetected	Undetected	Undetected
Methyl ethyl ketone	390 (24 h)	Detected non-quantifiable	Detected non-quantifiable	Detected non-quantifiable	Detected non-quantifiable
Toluene	1,400 (8 h)	480	470	470	480
Isopropylbenzene	5,200 (8 h)	Undetected	580	570	560
Benzene	0.096 (1 year)	Undetected	Undetected	Undetected	Undetected
Xylene	2,900 (8 h)	580	Undetected	Undetected	Undetected

* The values corresponding to marked analytes correspond to guide levels, suggested in Air Toxics and Risk Assessment Calabrese, E.J. & Kenyon, E.M., Lewis Publishers Inc. USA, 1991. The other values are guide levels established in table B of appendix III of the REO 3395/96.

Effluents

GRI Standards: 103, 306.

Indicators: 103-1, 103-2, 103-3, 306-1, 306-5.

The effluents treatment plant has a physical and chemical system oriented to improve the quality of the treated and discharged water, which is constantly measured at the laboratories of Toyota. Based on the results, we make the operational decisions contemplating the compliance with the legal requirements, before discharging the processed effluent.

Periodically, we monitor water quality in order to comply with the legal parameters required by the application authority. The controls are made in the final discharge of the treated effluent, in the wells of underground water exploitation and in the phreatic

wells.

The plant has established limit values, considering the standards of the headquarters and those established by the Water Authority of the province of Buenos Aires (ADA), pursuant to Resolution 336/2003.

Toyota Argentina uses the most demanding of these standards.

As an internal requirement, we carry out an additional monitoring campaign of these items to improve the follow-up of the indicators.

Every month a laboratory authorized by the Provincial Body of Sustainable Development performs the legal monitoring of the effluent.

EFFLUENTS

Parameter	Unit	Maximum	Minimum	Average
Aluminum	mg/l	1	0.03	0.78
Arsenic	mg/l	0.1	0.01	0.08
Barium	mg/l	1	0.001	0.77
Boron	mg/l	0.7	0.2	0.43
Cadmium	mg/l	0.05	0.0005	0.04
Cyanides	mg/l	0.05	0.0125	0.04
Free chlorine	mg/l	0.4	0.08	0.15
Cobalt	mg/l	0.1	0.005	0.08
Copper	mg/l	0.1	0.002	0.08
Fecal coliforms	NMP/100ml	300	1.1	225.28
Total coliforms	NMP/ml	300	1.1	225.28
Conductivity	US/cm	3.990	2.480	2.994.17
Trivalent chrome	mg/l	0.1	0.01	0.08
Total chrome	mg/l	0.12	0.005	0.08
Hexavalent chromium	mg/l	0.1	0.01	0.08
D.B.O.	mg/l	5	5	5.00
D.Q.O.	mg/l	21.5	15	16.08
Phenolic substances	mg/l	0.05	0.01	0.04
Fluorides	mg/l	2.6	1.6	2.02
Total phosphorus	mg/l	0.5	0.18	0.44
Organic phosphorus	mg/l	0.5	0.18	0.44
Total iron	mg/l	1.25	0.05	0.25
Soluble iron	mg/l	0.1	0.007	0.08
Total manganese	mg/l	0.05	0.01	0.04
Soluble manganese	mg/l	0.05	0.01	0.04

Parameter	Unit	Maximum	Minimum	Average
Mercury	mg/l	0.001	0.0001	0.00
Nickel	mg/l	0.5	0.005	0.38
Nitrates	mg/l	144	26.9	111.38
Nitrites	mg/l	4.27	0.02	0.39
Ammoniacal nitrogen	mg/l	3	0.05	1.05
Organic nitrogen Kjeldahl	mg/l	3.3	0.3	1.89
Total nitrogen Kjeldahl	mg/l	4	1.9	2.73
Dissolved oxygen	mg/l	9.4	5.1	7.24
PCB	mg/l	0.000079	0.000079	0.00
pH	-	8.2	7.3	7.84
Lead	mg/l	0.05	0.001	0.04
S.A.A.M.	mg/l	0.5	0.5	0.50
Selenium (Se)	mg/l	0.05	0.001	0.04
Sedimentable solids 10 m	ml/l	0.1	0.1	0.10
Sedimentable solids 2 h	ml/l	0.1	0.1	0.10
Suspended solids	mg/l	10	10	10.00
Sulfides	mg/l	0.5	0.05	0.39
SSEE	mg/l	5	5	5.00
Temperature	°C	30.1	14.7	20.43
HTP	mg/l	0.5	0.2	0.38
Zinc	mg/l	0.5	0.014	0.38

ENVIRONMENTAL ABNORMALITIES

GRI Standard: 306.

Indicator: 306-3.

We refer to situations beyond the internal standards that have or may cause a negative impact. In order to know the origin of the abnormality, correct the error and prevent repetition, we implement standardized processes to report and analyze them. The involved staff and the Department of Environmental Affairs are in charge of such processes.

ENVIRONMENTAL ABNORMALITIES (APRIL 2016 – MARCH 2017)

Type	Description	Main reason	Countermeasure
Spill	Oil spill in the fiscal parking lot, due to the break of one of the main hydraulic hoses of the container. Approximately, 70 liters.	It was detected that one of the hydraulic hoses was defective or damaged.	A sensor was installed in the hydraulic lines. Likewise, the 100% of the hoses were included in the check service of the hydraulic hoses.
Spill	Hydraulic liquid spill contained in the parts that decant the scrap service box, during the supplier's removal operation. Approximately, 10 to 15 liters.	The scraped parts had not been previously unloaded. The process was established and reported for vehicles, but not for parts.	Users were instructed to discard equipment that may contain fluids. They must send the equipment without fluids. In case they cannot extract fluids, they should report the issue to the relevant division. In addition, all the pieces of equipment that –by default– contain fluids have been checked.

CHEMICAL MANAGEMENT SYSTEM

The control of the chemicals that are generally used is always a priority to protect the environment and the workers' health and safety.

For more than one decade, we have used a list of materials to be controlled, which is checked and updated every year. All the products that are considered chemicals, as well as any other hired service using such chemicals must be evaluated by the areas of Environmental Affairs, Industrial Safety and the Medical Service.

The Industrial Safety area must ensure that chemicals regarding personal protection items of collaborators are safe, and check whether the worker has been trained to use them. The Medical Service checks and approves taking into account the considerations for potential emergency cases.

Thus, we carry out a tripartite evaluation (Environmental Affairs, Industrial Safety and Medical Service) to minimize operating risks in the use of chemicals, ensuring the absence of substances that are prohibited or contaminant after the product cycle of life.

COMPONENTS OF TOYOTA VEHICLES

GRI Standards: 103, 301.

Indicators: 103-1, 103-2, 103-3, 301-1, 301-2, 301-3.

Components are calculated based on the vehicle control; in the reported period, we have taken as a basis the G-model, which is the best-selling model. The consumption of materials reported below only corresponds to local components.

Material	kg/vehicle (2016/2017)
Steel	842.682
Aluminum	117.96
Plastic	82.761
Lather	8.22
Fabric	15.08
Gum/Rubber	85.11
Copper	9.208
Lead	10
Leather	3.6
Glass	7.675



EDUCATIONAL AND RECREATIONAL RESERVE

GRI Standard: 103, 304.

Indicators: 103-1, 103-2, 103-3, 304-1, 304-2, 304-3, 304-4.

The reserve, located in the premises of the Zárate plant, aims at protecting and conserving the flora and fauna while providing educational opportunities. It has forest plantations with exotic species that capture carbon dioxide (CO₂) and the recreation of elements of the original landscape of the region with native species: pastures, tala trees, willows and ceibos, and wetlands of great ecological value and biological diversity.

Neither the Zárate industrial plant nor the commercial offices in Martínez are located or adjacent to any protected or non-protected high biodiversity area. The industrial plant is located in an area intervened and modified by man long before its installation in 1997. Since 1909, Zárate has been considered a city whose growth as an industrial pole began in 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 indigenous species previous to the plant installation that would allow the evaluation of changes or impacts on the local biodiversity.

ENVIRONMENTAL EXPENSES AND INVESTMENTS

GRI Standard: 307.

Indicator: 307-1.

Expense/investment	Argentine pesos
Waste treatment and disposal expenses	19,130,533.06
Environmental insurance expenses	112,653.87
Cleaning. It includes spill cleaning	19,683,804.47
Certification expenses for the environmental management systems	63,040
Investment in environmental improvement projects. Environment month. Forest reserve	92,630.80
Green spaces	87,700.00
Project for the installation of solar panels	772,522 + USD 87,754
Eco Challenge	416,540

In the reported period, we did not receive any significant claim, fine or penalty for the non-compliance of the environmental regulations in force. However, we have been inspected by the Provincial Body for Sustainable Development (OPDS), which derived in an explanation by Toyota.



GLOBAL ECO AWARD

GRI Standard: 102.

Indicator: 102-12.

The Global Eco Award has taken place since 2012, and it is granted to the best environmental *kaizen* works selected among all the affiliated companies of Toyota Motor Corporation. It has three phases: local, regional and global (Japan).

In the 2016 edition, 3 *kaizen* groups participated:

- Eco Water (Paint maintenance).
- Stop wasting (Paint).
- The green man (Frame).

The three teams that participated in the award did a great work, showing a strong commitment to the environmental management of the Company.

» **Eco Water** received the Silver award by TMC for the reduction in the consumption of water in the rails of the paint cabin.

Under the motto *Small actions, big changes!*, we keep on working in order to Improve Toyota's environmental performance.

SOCIAL COMMITMENT

We endeavor to be a good citizen, contributing to the sustainable development of the communities where we operate. To that end, we carry out activities and programs based on three axes: environment, road safety and education for employability, working with the community to understand and address its needs.



We support the **Aves Argentinas** (Argentine fowls) association and **Fundación Temaikèn** in the preservation of the endangered species



1,460 kids participated in the **Toyota and You Kids** program

830 students in the Introduction to the **Work World** program

1,619 students and 35 schools in the **Environmental Awareness** program

100%
of the issues

detected by the
COHISE were
settled

BONDS WITH LOCAL COMMUNITIES

Material aspect: 12,13, 28.

GRI Standard: 103.

Indicators: 103-1, 103-2, 103-3.

Environment

GRI Standard: 413.

Indicator: 413-1.



Within the framework of the Environmental Challenge 2050, we work to contemplate the impact of vehicles, throughout their cycle of life and to develop programs in order to mitigate their impact and enrich the lives of the communities we are immersed in.

Environmental awareness in primary-level schools

Since 2004, we have been carrying out this program for 5th year students, which aims at raising the level of awareness on the importance of daily environment care, through educational workshops in schools.

13,619
children trained since 2004.

Topics covered

- Waste separation and classification
- Global warming
- Water care and biodiversity conservation

Heading	2014/2015	2015/2016	2016/2017
Workshops	40	40	40
Primary-level schools	20	30	35
Students	1,500	1,677	1,619

35 schools
from Zárate, Campana and Mendoza.

Getting Closer program

Since 2009, we have been part of this initiative, together with other 20 companies in Zárate, to promote the development for local communities with the technical support of the Interindustry Committee for the Campana-Zárate Environment Conservation, reporting to the General Inspection of Schools, and to the environment secretariats of both municipalities. During 2016, we implemented for the fourth consecutive year the program La basura sirve (waste is useful), which covers aspects related to waste

classification and recycling with students of Zárate and Campana. Apart from impacting positively in the environmental quality, this initiative promotes the awareness and commitment of schools, since at the end of every year, students are given a recognition award for their performance.

In 2016, we also carried out a cycle on open talks to the community, with the conference of Sergio Sinay, with more than 350 participants from the local communities.

Heading	2013/2014	2014/2015	2015/2016	2016/2017
kg of collected PET	3,176	5,222	6,050	2,400
Students	4,476	4,900	4,870	7,500
Schools	13	17	17	11

Figures as of March 31 of each period.

Forestation in Zárate

As part of our commitment with biodiversity, we celebrate Earth Day and plant 100 native trees in Zárate, together with the citizens of the districts and 180 students from schools of Zárate. Afterwards, we had breakfast and there was an Argentine folklore show. In addition, to celebrate the World Environment Day, we called the students of the community to live a day together with nature in our Natural Reserve, located in our premises in Zárate. The authorities of the district were present together with the executives of Toyota Argentina, who planted native trees with the kids. This meeting also included educational workshops that belong to the “Environmental awareness in primary-level schools” program, which proposes to inspire the proactive attitude of kids for the preservation of the environment. In this case, the proposal was to know, together with Fundación Temaikèn, about the habits that enable the protection of the marsh deer, which is an endangered species that inhabits the delta of Zárate. In this awareness scenario, the Aves Argentinas Association gave talks focused on native plants, fowls and their ecosystem.

Biodiversity program

The program aims at protecting the hooded grebe, an indigenous fowl of our country, which is endangered and only inhabits the Argentine Patagonia.

In February 2017, we made our third trip with journalists to the Patagonia National Park, in order to know the projects and raise the level of awareness of the environment conservation and of this species.

The hooded grebe (*Podiceps gallardoi*) is a kind of plunging fowl that inhabits the lakes and lagoons of the Patagonian plateau, above 700 meters during the reproductive period (November to March). During winter months, as a large part of the water gets frozen, it crosses the Patagonian steppe and goes towards the Atlantic coast, to the estuaries of the Santa Cruz, Coyle and Gallegos rivers.

Although there are few records from Chile –where it is an occasional species– it is considered to be endemic in Argentina. The fowl builds its nests in lagoons and lakes using a macrophyte plant locally called “vinagrilla” (*Myriophyllum elatinooides*).

It eats small invertebrates as like snails (*Lymnaea*) and amphipods, with which the little grebes are fed. The hooded grebe lays two eggs, but only breeds a pigeon per delivery.

After the discovery of this species in 1974, its population was estimated in 4.000 individuals. At present, preliminary studies would indicate that there are no more than 800. It has been declared Provincial natural Monument (provincial Law 2582).



“ We are thankful for the support that Toyota Argentina has given us during these 3 years; it is a fundamental ally in the conservation of the hooded grebe. For us, it is essential to have a vehicle like this to carry out our fieldwork in adverse climates and in the diverse situations we face. The reliability of the Hilux pickup means that our team travels safely”

HERNÁN CASAÑAS, EXECUTIVE DIRECTOR OF THE “AVES ARGENTINAS” ASSOCIATION.

CAPTIVE REBREEDING PROGRAM



In order to establish a protocol for the breeding of the hooded grebe, during the previous season the “Aves Argentinas” Association managed to successfully breed an individual of silvery grebe. This implies an encouraging starting point, which allows projecting a sustainable number of fowls that represent an effective population effort. The experience finished with the successful liberation of an individual called Botija in its natural environment. In order to continue with the rebreeding project, we donated a power unit, which is necessary to improve the species reproduction.

More Information: www.avesargentinas.org.ar
Facebook: [Salvemos al Macá Tobiano.](#)

Project for the conservation of the marsh deer

We support Fundación Temaikèn in the project for the conservation of the marsh deer –a natural monument in Buenos Aires and Entre Río provinces– a vulnerable and endangered species.

This deer (*Blastocerus dichotomus*) is one of the largest land mammals of South America. It is approximately 2 m long, from head to tail, while the height is up to 1.20-1.30 m. The fur is reddish-brown and black in the legs. It is an herbivorous animal that eats grass in aquatic environments. The gestation lasts approximately 9 months and only one individual is born by delivery. The marsh deer is generally solitary, although it can be seen in couples or in small groups. During the day it is hidden among the pastures forming roosts or beds. The deer eats at sunset or during the night. It can easily walk through the marshes and it is a good swimmer.

Due to hunting and the modification of its habitat, it is restricted to some areas of Formosa, Chaco, Corrientes, Entre Ríos, Buenos Aires and also possibly Santa Fe. The most important populations are those found at the Iberá Marshes (Corrientes) and the Paraná River delta (Buenos Aires and Entre Ríos). The work of Fundación Temaikèn in the conservation



of this species is part of the program for the Recovery of Threatened Species. Its purpose is to contribute to the protection and recovery of HCV animals and generate essential information for the protection of indigenous endangered species of Argentina. More information: www.temaiken.org.ar

THE ONE MILLION UNIT DONATED TO THE NATIONAL PARKS ADMINISTRATION



During the one million unit ceremony, we gave a Hilux pickup to the National Parks Administration, which will be used in the conservation area. Some of the projects are related to the protection of endangered species, like the jaguar and the marsh deer, indigenous of Zárate. Eugenio Bréard, president of the entity, received this donation on behalf of the institution.

National Vice president, Gabriela Michetti, together with Eugenio Bréard (center) president of the entity, and Hitoshi Takahashi, Toyota officer, in the ceremony for the production of the 1,000,000 pickups at the Zárate plant.



Education for employability

GRI Standard: 413.

Indicator: 413-1.



Improving employability in young and adult people, coupled with education, is one of the commitments to the community. We design programs with national, provincial and regional educational authorities, which will be later developed in different educational Institutions.

Centro Toyota-Pescar project

The “Scholas en Toyota” program approaches education as a means for social Integration. To such end, it offers personal and working training to young people with scarce resources, in order to create opportunities for their inclusion in the labor market. We selected 24 students among 72 applicants, from 6 primary- and secondary-level public schools, where no technical content is covered.

24 students.
360 hours of tuition.

The students have been intensely working during 10 months, but the project has not finished since we must facilitate their inclusion in the labor market or the beginning of their university studies.

- They also paid cultural visits to: Plaza de Mayo (May Square), the Cathedral, the Cabildo (former town council), Colón Theater, School of Law (UBA) and the National Museum of Fine Arts.
- Art in Values project: through musical instruments. They visited a center for elderly people, where they spent their time playing music and reading books.

Improvement program for automotive technical education (META)

The program is oriented to 6th year students (between 2 and 4 students per school), who are in their professional practice cycle and receive technical training. It aims at integrating the work of schools with that of the dealers, thus stimulating students' employability and strengthening the technical education in order to create a growth chain in each city where we are present. At the end of the project, dealers can recruit students who completed the experience.

» In 2016, we finished a new technical school, located in Don Torcuato.

Period	Dealers	Schools	Interns	Recruited
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
2016/2017	17	22	91	--
Total	117	168	639	64

Figures as of March 31 of each period.

Introduction to the World of work program



Through this program –in alliance with Junior Achievement–, students are provided with tools to identify experiences and capacities that will facilitate the future process of introduction into the world of work.

» Program values: commitment, responsibility and the value of work.

Heading	2014/2015	2015/2016	2016/2017
Courses	25	25	24
School districts	6	9	8
Mentors	9	9	7

Period	Schools	Students
2010	6	500
2011	8	562
2012	9	657
2013	6	507
2014	8	735
2015	9	707
2016	9	682
2017	10	827

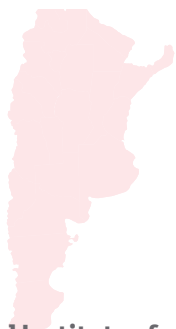
Figures as of March 31 of each period.

» Technical schools that participated in the program: School N° 1, 2, 3 and 4 of Zárate, N° 5 of Lima, N° 1 of Baradero, N° 1 of Escobar, N° 2 of Garín, N° 2 of Derqui, N° 5073 of Rosario de Lerma (Salta) and Colegio Plácido Marín of Boulogne.

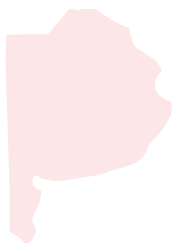


Fiscal credit allocation program

We promote the submission of educational projects in national technical schools, taking advantage of the regulations that allows them to use part of the fiscal contributions to finance them through the Provincial Council of Education and Work in Buenos Aires province and the National Institute of Technological Education.



National Institute of Technological Education (INET)



Provincial Council of Education and Work (COPRET)

INET	2014/2015	2015/2016	2016/2017
Schools	18	14	17
Millions of Argentine pesos	2.89	3.28	5.55
COPRET			
Schools	19	14	14
Millions of Argentine pesos	1.08	1.89	2.1

» Funds are used for equipment, teacher training activities and premises improvement.

Internships at Toyota plant program

It is a proposal to improve employability, with high impact on the community. The program implements supporting and training plans together with the technical schools of the region, to create learning posts. During the reported period, it was implemented with students of the Secondary-level Technical Schools N° 1, 2, 4 and 5 of Zárate.

Heading	2014/2015	2015/2016	2016/2017
Students	25	40	24
Schools	4	4	4

Patronage

This initiative is referred to the cultural promotion system pursuant to Law 2264 of Buenos Aires City. Through this system, the companies paying the turnover tax may contribute directly to cultural projects.

Heading	2014/2015	2015/2016	2016/2017
Selected project	Argentine music for piano II (project 2,235)	2 nd Konex festival	2 nd Konex festival of Classical music
Amount (ARS)	101,253	812,335	6,592,764

Figures as of March 31 of each period.





Road safety

GRI Standard: 413.

Indicator: 413-1.



Our road safety programs aim at working out the concept of safe driving in the prevention of traffic accidents. This is directly achieved with the active participation of teenagers and their parents, and indirectly, through diffusion.



Toyota and You program

Since 2007, Toyota Argentina has been carrying out the road safety program called “Toyota and You”. Driving safely is in our hands”, which is a free and itinerant activity for safe driving, aimed at young people with driver’s license and to their parents. The main differential 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 starts with an introductory talk, and then participants carry out practices that include an impact simulator, braking exercises, distractions, slalom (it allows to know vehicle behavior in case of sudden changes of direction: load transfer and pendulum effect).

12th edition of Toyota and You, Kids

The objective of Toyota and You Kids is to raise awareness and teach 5 to 9 year old children the proper behavior in the street and the knowledge and respect for the rules and traffic signs. Thus, since 2012 the program offers theoretical and practical concepts that allow children to be better pedestrians and to correct their parents’ driving habits. This is achieved by combining a show with actors, practices in a mobile road safety education park and other recreational activities and/or workshops on road safety. The 12th edition was held in San Pedro, with the participation of 1,460 kids plus parents and teachers. Since its inception, it managed to raise the level of awareness of more than 15,000 kids.

1,460 children
of 32 schools located in San Pedro
participated in this edition.



OUR COMMITMENT TO THE LOCAL COMMUNITY

Following the philosophy of dialog and openness, we heard the needs of the local community and implemented social investment programs.

Visitor Center

The Center opened its doors with the aim of creating a space conceived to strengthen the bonds that link our company to the community, transmit the philosophy in a clear and friendly way and share the Toyota emblematic production system.

With a specially design circuit, visitors can get to know more about Toyota's history in our country and the world, learn the most relevant concepts about safety, quality and continuous improvement, the sporting activities and the corporate citizenship programs that the company offers in Argentina. In addition, visitors are able to see the first Hilux pickup manufactured in Toyota Argentina and all the changes implemented until the last model was produced.

The activities are complemented with visits to the production line, in order to show from the inside how we manufacture the Hilux, the leading pickup of the Argentine market.

VISITORS IN ZÁRATE PLANT

Visits	Visitors 2015/2016	Visitors 2016/2017
Educational institutions	1,064	4,160
Community	125	540
Organizations	59	1.107
Invited people	867	1.426
Employees	400	500

Figures as of March 31 of each period.



PARed (Network Artists) Project

Together with the official dealer Federico S.A. and 5 artists, we painted a mural in the School N° 35, located in Zárate. This initiative is part of the PARed program, a project which we have been working on since 2015. The purpose is to provide a new art space for the community and emerging artists who, through their art collaborate with the cultural enrichment of kids. This experimentation space was conceived as a means of expression inside a more inclusive educational community. The main idea behind this initiative is that all of us can give, embellish and do something good for the society, thus positioning art as an integrating space. Within the frame of the agreement with Scholas Occurrentes, an educational welfare entity fostered by Pope Francisco, Toyota Argentina counts on its collaboration and shares one of the main action axes for social integration: to recover Art as an educational way. With the help of students of 5th year, the murals were created by the following local artists: Alan Myers, Eugenia Mendoza, Jiant, Sebastián Strikic and Sebastián Vendrell.

Everyone to school

The education campaign Todos al cole (Everyone to school) is an initiative of our employees together with Honda Motor Argentina and SMATA. During February 2016, we made a collection of school supplies and a group of volunteers of the companies visited the schools.

The activity was organized in four schools and two kindergartens. A thematic show was presented, focused on the importance of teamwork and environmental care, thus teaching kids to classify different types of

waste. Likewise, each student enjoyed an afternoon snack.

It was the first joint activity of these organizations and SMATA in the cities where both automotive companies are located: Campana and Zárate.

Christmas celebrations

We hosted 400 7-12 year old kids from homes and clubs located in the areas surrounding Zárate and Campana. The kids enjoyed a play, whose topic was environmental care. This is in line with the intention of the company to raise the level of awareness and promote a proactive attitude in the kids in order to take care and respect the planet. They also shared an afternoon snack and the event finished with the appearance of Santa Claus, who gave each of them a present.



Photography contest

During the celebration of the 162nd anniversary of the city, we organized the photography contest called Toyota junto a Zárate (Toyota together with Zárate), in which we invited the local inhabitants and the community in general to challenge their imagination and creativity through photography. Winners were given important prizes (IT devices).

Family fest collection

Every year, we celebrate a family day together with our work mates. In the last gathering, we collected 4,500 kilograms of non-perishable food, which were delivered together with the Red Cross to 5 children's canteens of Zárate.

Emergency Assistance

Toyota Argentina collaborates with the nearby communities in case of climate emergencies, in order to coordinate its value chain to multiply the effort made. It is a task we perform together with the NGO SAR –Argentine Rescue Brigade–, to which we lend vehicles for rescue activities. We make special collections among employees in alliance with the Red Cross (Zárate), identify needs and coordinate the delivery. We assist the rescued employees and their families.

JAPAN EMBASSY: DONATIONS TO ZÁRATE HOSPITALS

As part of the cooperation program in Argentina, the Embassy of Japan invited us to select social projects in the nearby communities. Thus, two health projects were identified for the community of Zárate, in line with the activities of corporate social responsibility and the requirements of the embassy.

We donated two new pieces of equipment to the Hospital provincial Virgen del Carmen in Zárate and to the Hospital Intermedio Municipal Dr. René Falaloro. The first equipment consisted in a C-arm X-ray system, which is used in multiple surgical procedures, both for diagnosis or therapy; especially, for traumatology and orthopedics, general surgery and pacemakers implants. The second corresponds to a mammography machine.



Daniel Herrero (right) and Eduardo Kronberg (left) of Toyota Argentina, along with a participant in the Dream car art contest.

Dream Car Art Contest

Since 2004, Toyota Motor Corporation has been organizing the art contest called The Car of your Dreams, as part of the initiatives with the community. The event invites kids 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 challenges the imagination of the next generation of great inventors, thinkers and dreamers.

In Argentina, the contest has been held since 2012, and is one of the CSR actions focused on strengthening family ties as a method to create a space for reconciliation, education and commitment.

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

Heading	2014/2015	2015/2016	2016/2017
Dealers	41	41	43
Public schools of Zárate	41	60	82
Drawings	7,700	9,065	12,182

INTER-SCHOOL CONTEST LAUNCH

In order to continue strengthening the ties with the community, in 2016 we launched a new modality in Zárate and Campana: Inter-school Stage. The participants can be students under 16 from the schools of both cities. The drawings have to comply with the same conditions and students also participate in the national contest. The winners

receive IT devices as a prize. 12,182 drawings were received from all Argentina. 80 theater plays were presented to raise awareness of environmental care. As every year, we work together with the dealer’s network who implements the contest in schools and in the social organizations of their areas of influence.

BOND WITH COLLABORATORS

Material aspects: 3, 8, 9, 14, 15, 16, 20, 24.

GRI Standard: 103.

Indicators: 103-1, 103-2, 103-3.

RESPECT FOR HUMAN RIGHTS

- > Respect for involved players
 - > Two-way communication system
 - > Honest communication
 - > Stimulate personal and professional growth
- >> Toyota Way
 - >> Guiding principles
 - >> Anti-corruption policy
 - >> Code of conduct
 - >> Anti-bribery guide for suppliers and commercial partners

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

- >> *Internal inequities are not tolerated.*
- >> *There is no difference between female and male worker's salary.*
- >> *Respect for freedom of association and effective recognition of the right to collective bargaining.*
- >> *Worthy salary for all the company's members.*

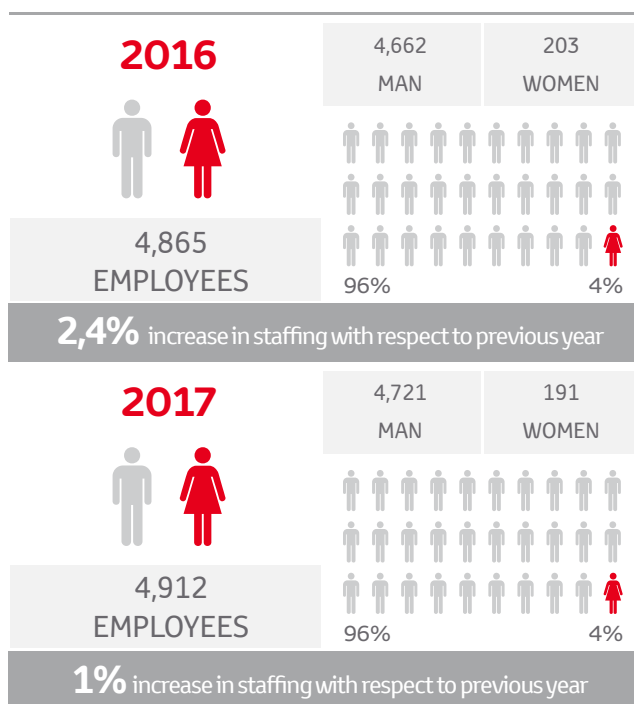
Composition and evolution

GRI Standards: 102, 202, 401, 402, 405.

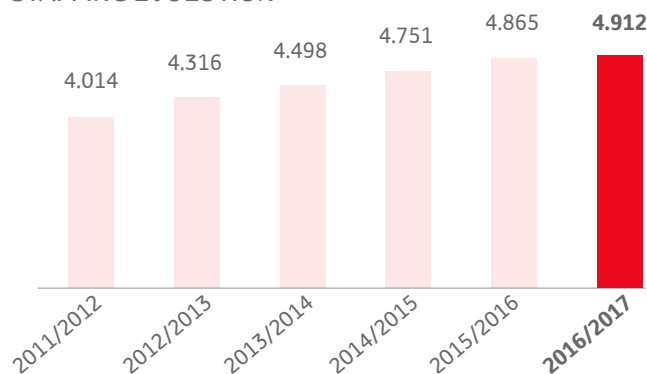
Indicators: 102-8, 202-2, 401-1, 401-2, 401-3, 405-1.

Toyota Argentina is strongly committed to our collaborators, which is in line with the principles and values known as the Toyota Way and the Guiding Principles at Toyota.

Distribution by gender (%)	2014/2015	2015/2016	2016/2017
Female	5	4	4
Male	95	96	96



STAFFING EVOLUTION



Figures as of March 31 of each period.

WORKPLACE

Place %	2014/2015	2015/2016	2016/2017
Martínez	2	2	2
Zárate	98	98	98
Type of contract %			
Permanent	95	97	95
Temporary	5	3	5

Notice periods are governed by the provisions of the current Argentine laws¹. Likewise, we prioritize the protection of labor sources when organizational changes and/or economic difficulties arise.



1. By the collective bargaining agreement, a 48-hour term is fixed for notice anticipation.

DISTRIBUTION BY AGE

Range (%)	2014/2015	2015/2016	2016/2017
Older than 50	2	2	2
Between 30 and 50	58	65	68
Younger than 30	40	33	30

Figures as of March 31 of each period.

PROFESSIONAL CATEGORY AND GENDER (%)

 MAN	2014/2015	2015/2016	2016/2017
Officers and managers	3	2	3
Middle management	3	4	4
Group leader and Team leader	19	19	19
Team member	63	63	63
Analysts and administrative employees	12	12	11
 WOMEN			
Officers and managers	2	2	3
Middle management	6	7	8
Group leader and Team leader	0.04	1	1
Team member	7	7	6
Analysts and administrative employees	84	83	82

70% of top managers are Argentinesans.

AVERAGE SENIORITY (YEARS)

By gender	2014/2015	2015/2016	2016/2017
Female	7	8	9
Male	7	7	8
By workplace			
Zárate	7	7	8
Martínez	8	8	9

TURNOVER RATE *

By gender	2014/2015	2015/2016	2016/2017
Female	0,29	0,37	0,26
Male	4,53	4,50	1,81
By workplace			
Zárate	4,71	4,75	1,97
Martínez	0,11	0,12	0,10
By age			
Older than 50	N/R	N/R	44
Between 30 and 50	N/R	N/R	49
Younger than 30	N/R	N/R	9

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

N/R: not reported.

HIRINGS²

By gender	2016/2017
Female	6
Male	349
By workplace	
Zárate	351
Martínez	4
By age	
Older than 50	271
Between 30 and 50	83
Younger than 30	1

2. In the reported period 355 collaborators were hired.

Figures as of March 31 of each period.

Remuneration

GRI Standards: 102, 103, 202, 405.

Indicators: 102-35, 102-36, 102-37, 103-1, 103-2, 103-3, 202-1, 405-2.

As we adhere to the values proposed by the Toyota Way, we promote a worthy salary for all the company's collaborators and the respect for equity. The process to determine the remuneration consists in a comparative analysis against market values provided by a consulting firm that works with Human Resources. We perform different analysis by category and gender in order to determine the market dynamics in each period of the year. In turn, internal equality is controlled in the whole company. There is no difference between a female or a male worker's salary; i.e., the minimum wage of men with respect to women is the same for each category. During the reported period, the minimum wage of Toyota Argentina exceeded by 2.4 times the Argentine Minimum Wage³. The remuneration policy for the highest governance body is composed of one monthly salary, a short- and a long-term bonus. As regards the top management, it comprises a monthly salary and a short-term bonus. The short- and long-term bonuses are linked to objectives related to different areas such as finance, production, sales, safety, customer service and human resources, depending on the role and the position. The compensations for dismissals are calculated pursuant to the Contract Employment Law, except for the cases in which some differential payment is agreed.

³. Calculated on the basis of the minimum salary of Toyota Argentina and the minimum wages corresponding to April 2017.



Benefits for collaborators⁴

GRI Standards: 103, 201, 401.

Indicators: 103-1, 103-2, 103-3, 201-3, 401-2, 401-3.

In order to increase our collaborators' satisfaction and motivation levels, corporate benefits are constantly reviewed and evaluated.

Some of the benefits are:

- Additional life insurance.
- Prepaid medical assistance for those collaborators and their families, not covered by the union's social security.
- Canteen service.
- Nursery reimbursement.
- Transportation service to and from the Zárate plant.
- Talks on road safety.
- Saving plans with discounts for employees.
- Discounts on the products commercialized by the company.
- Discounts on languages courses.
- Discounts on gyms.

9 **175**
WOMEN MEN

START THEIR MATERNITY OR PATERNITY LEAVE AND RETURN TO WORK UPON FINISHING THEIR LEAVE

RETURNED TO WORK AFTER FINISHING THEIR LEAVE

12 women⁵
175 men

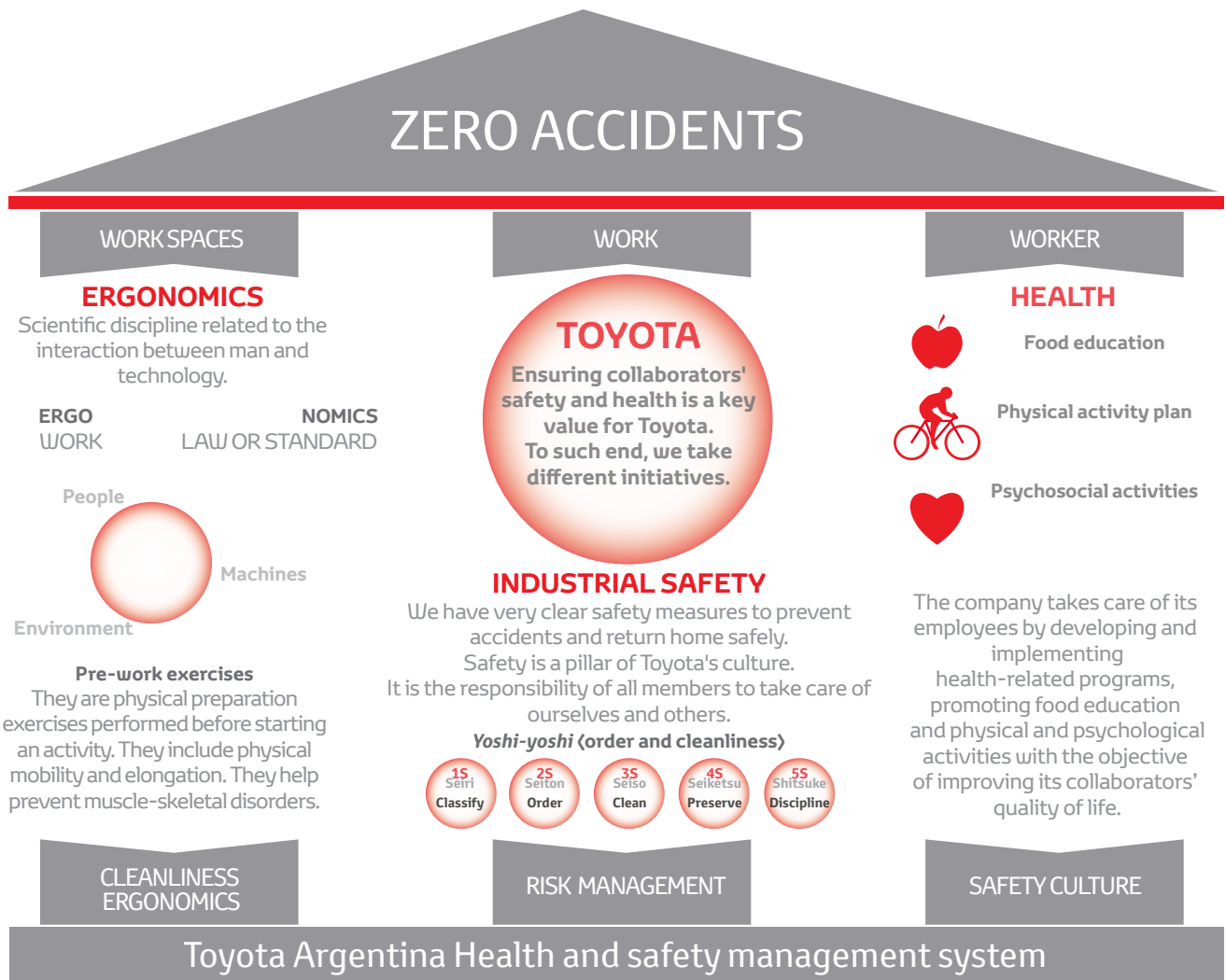
⁴. With respect to the retirement plan, the same complies with the requirement of the relevant Argentine regulations in force.

⁵. Represents the 9 women who started their leaves in the period plus 3, who had started before the reported period.

People's safety and health

GRI Standards: 103, 403.

Indicators: 103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4.



Health and safety management system

The Health and Safety area is responsible for the following activities:

- Periodical follow-up and analysis of safety conditions.
- Evaluation and follow-up of ergonomic improvements in workplaces.
- Prevention of professional accidents and diseases.
- Early detection of potential accident risks and countermeasures to be taken.
- Promotion of the compliance with internal and legal rules on health and safety.
- Training all staff in the field of industrial health and safety.

SAFETY PILLARS AT THE ZÁRATE PLANT

WORKER

The human aspect. We work to achieve the highest level of safety culture in our people.

WORK

The work. We analyze all the risks of the different posts and develop risk detection abilities and hazard assessment in our collaborators, including contractors.

WORKPLACE

The workplace. We prioritize workplace ergonomics, so as to work more comfortably and safely. We apply the 5S in our workplaces, thus creating light and clean environment.

These are the main indicators of the health and safety management system achieved in the reported period:

Risk evaluation	2014/2015	2015/2016	2016/2017
%	98	44	44
Plan	627	688	688
Current	615	306	306
Decreased risk range			
%	100	84	84
Plan	31	25	25
Current	31	21	21

Heading	2014/2015	2015/2016	2016/2017
Hours worked	10,762,953	12,027,685	11,930,884
Accidents with loss of working days ¹	4	3	2
Accidents without loss of working days ²	3	14	9
Akachin ³	31	17	13
Fatality	0	0	0

Figures as of March 31 of each period.

The information provided in the tables only applies to Toyota Argentina employees. We carry out a preliminary risk analysis (PRA) with contractors. In the reported period, we performed 3,100 PRA with contractors. The division by gender is not a representative variable to break down data considering the distribution between men and women.

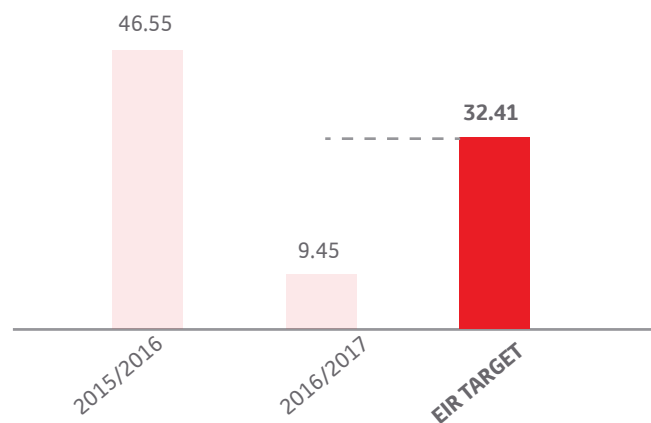
1. Severe injury, extended absence due to the complexity of medical treatment required by injury.
2. They require a medical treatment more complex than first aid.
3. Japanese trademark that means first aid; they are minor and slight cases.
4. It results from the sum of the cases with or without lost days, divided by the number of hours worked and multiplied by 1,000,000. The division by gender is not a representative variable to break down data considering the distribution between men and women for the indicator in question.
5. The EIR results from the sum of the major musculoskeletal disorders (need surgery or +90 days of recovery) and the minor musculoskeletal disorders (cases with +4 consultations to the medical service), over the worked hours multiplied by 1,000,000.

INDEX OF ACCUMULATED ACCIDENT FREQUENCY⁴



The EIR (Ergonomics Incident Rate) is our indicator on the most important professional diseases in our industry. It is focused on the musculoskeletal disorders⁵.

ERGONOMIC INCIDENT RATE (EIR)



3.1% was the work absenteeism rate⁶ during the 2016/2017 fiscal year.

6. The absenteeism calculation includes the staff under SMATA agreement. It does not include the staff that is not under the collective labor agreement, the one under the ASIMRA (supervisors) agreement and those employees with leaves longer than 12 weeks. Calculation method: absent people over HC, multiplied by the number of business days. The rate includes sick leaves related to the job (disease or accident), sick leaves not related to the post (disease or accident), legal or conventional leaves, unjustified absences and the early clocking out of work for health reasons. The division by gender is not a representative variable to break down figures, due to the distribution between men and women for the indicator in question.



Health and Safety Committee

The collective labor agreements entered into with SMATA and ASIMRA, contemplate the prevention of risks, the provision of work items and the creation of a Health, Safety, Hygiene, Accident Prevention and Industrial Ecology Committee, (COHISE).

COHISE ORGANIZATIONAL CHART

- » Regular members

 - SMATA representatives
 - TASA industrial safety representatives
 - TASA HR representatives

- » Special members

 - Claim internal commission members
 - SMATA delegate
 - TASA industrial safety technicians
 - TASA division heads

100%

of the issues detected in the COHISE were settled. No delays in the plant divisions.

» All the workers under labor agreement are represented in the COHISE.

Ergonomics

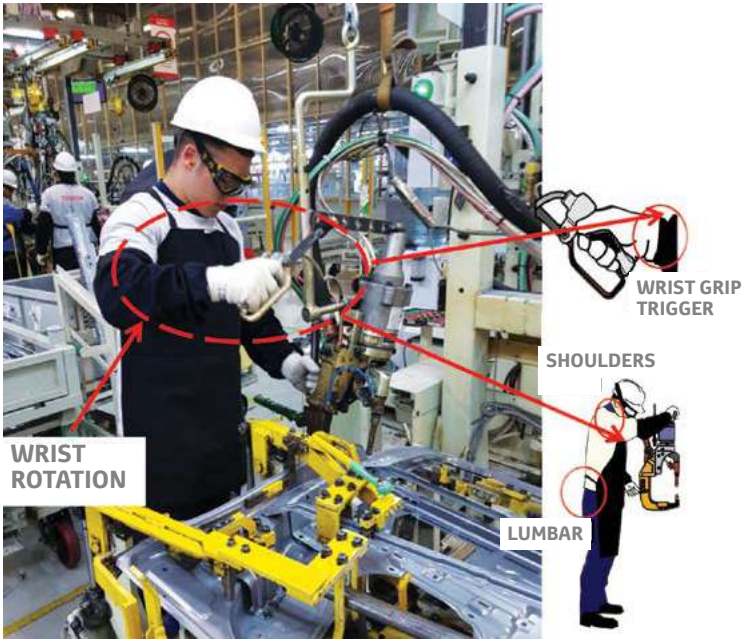
Once a month an Ergonomics Committee holds a meeting with the Plant Director and all the Production divisions, thus showing our commitment to workers' health care.

In order to work more safely each day in Toyota as well as at home, during the last six months we have reinforced the ergonomic conditions implemented since 2014 for each family member. For this reason, in all divisions –especially in the production line–, we implemented a new, internal safety protocol to develop tasks in a safer way during this year and the following ones. It is a new method called TEBA, which sets the parameter of action and prevention before incorrect body positions that may be adopted to carry out tasks at work or at home.

“In the Welding division, for instance, we applied this new method and modified absolutely all the posts for the improvement of the grips and the manipulation positions in the guns.”

MATÍAS CÁCERES, TEAM MEMBER

In the welding division, we implemented an improvement, regulating an ergonomic kit to improve the position of the arm and the wrist.



ISSUE

The bad position of the tool trigger prevents the correct position of the arm and the wrist.



KEY POINT

Regulate ergonomic kit to adopt the correct position posture.

A learning device was developed to adapt the current working conditions and demonstrate and understand which the unfavorable positions are.

Example: neck pain



Position at post.



Hypertension Hyperflexion



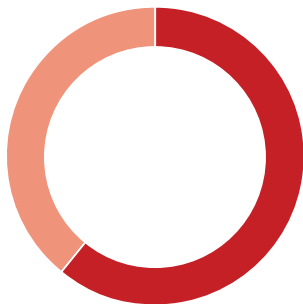
Simulation with ergonomic kit.

Yokoten

The *yokoten* is a Japanese concept that implies the replication of a successful countermeasure in a new place. Taking this concept, we replicated the countermeasures of the incidents that occur in other parts of the world and we implemented them in the industrial plant.

During the reported period, we detected 33 opportunities to apply countermeasures and efficiently developed 20, while the remaining 13 are being implemented.

61% Implemented
39% In process



Health promotion

Medical service

The medical service has a permanent staff working 24 hours, every day of the week. The facilities take approximately 485 m², and have the necessary equipment and professional staff to provide immediate medical assistance to our collaborators.

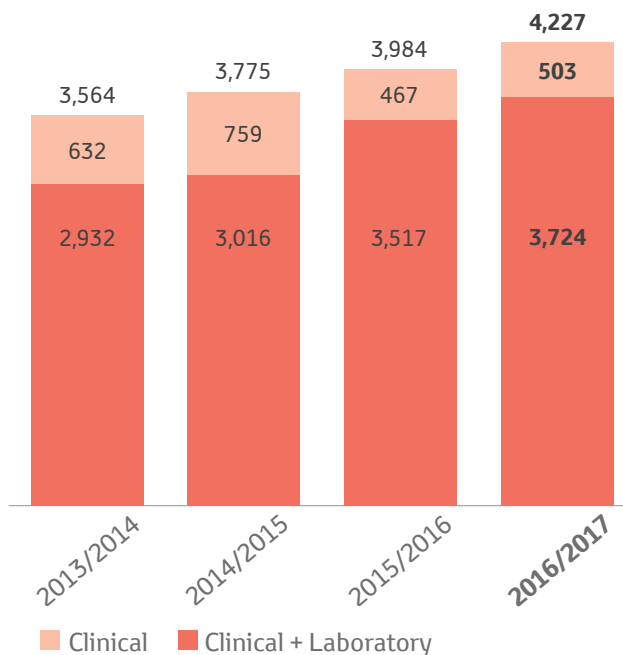
Health professional staff

MEDICAL COORDINATOR
KINESIOLOGY
TRAUMATOLOGY
NURSERY
DEPARTMENT OF PHYSICAL EDUCATION
CLINICIANS
PRIMARY CARE DOCTORS FOR PRODUCTIVE DIVISIONS
POSTS EVALUATOR DOCTOR
PLANT AMBULANCE SERVICE

Periodical medical checkups

Periodical medical checkups Each year, at the work centers (Zárate and Martínez) we carry out periodical medical checkups, which include the medical studies required by law according to the posts (audiometries, spirometries, X-Rays, etc.). Additionally, we conduct complementary studies (chest X-rays, electrocardiogram, complete blood test and full clinical examination) to all our staff (whether subject to the collective labor agreement or not). Once we receive the results, the medical service of Toyota dates the collaborator to return the studies, giving priority (within the 72 hours) to those cases with some pathology that may be treated in the short and medium term, plus the relevant follow-up.

EVOLUTION OF PERIODICAL MEDICAL CHECKUPS





Influenza vaccination campaign

Every year, we give our collaborators the opportunity to be vaccinated against influenza, for free and at their workplace. The table below shows the evolution and scope of this initiative.

Heading	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017
Vaccinated collaborators	1,421	1,977	2,202	2,646

Figures as of March 31 of each period.

Addiction prevention

In Toyota Argentina, we recognize that alcohol abuse, the use of medicines without medical prescription and other legal drugs constitute a major social problem. This impairs people's health and the quality of their lives and that of their families. Likewise, when they are at work, this impacts negatively on safety and work environment.

In the company, we take responsibility for developing integral efforts to approach such issues, stressing prevention and education. We organize campaigns of internal communication oriented to raise the level of awareness about the negative effect of alcohol, tobacco and drug consumption. When joining our company, all the employees are informed about the addiction policy. We have also established working areas free of tobacco consumption.

Health integral plan

Since October 2015, we have started an integral health plan based on 3 main pillars:

- Your welfare.
- Your movement.
- Your mind.

On the basis of these pillars, we provide information and develop activities focused on physical and psychosocial activities and eating habits.

Healthy Nutrition

We offer a menu planned by nutritionists whose objective is to provide a balanced diet to our collaborators. At the canteen we offer low-calorie meals (fruits and low-calorie desserts). Every month, the number of collaborators that opts for this new healthy alternative is increasing. At present, 17% of the staff has chosen it.

Gym

The company has 3 gyms at the plant –main: 1; secondary: 2– with the necessary equipment and professionals to carry out physical and health-care oriented activities.

Fitness program

We launched this program in order to have a prevention and improvement tool for the physical conditioning of collaborators who work in productive divisions. They are given grants to attend the company's gym or others to strengthen the limbs they use more in their daily tasks.

Psychosocial assistance process

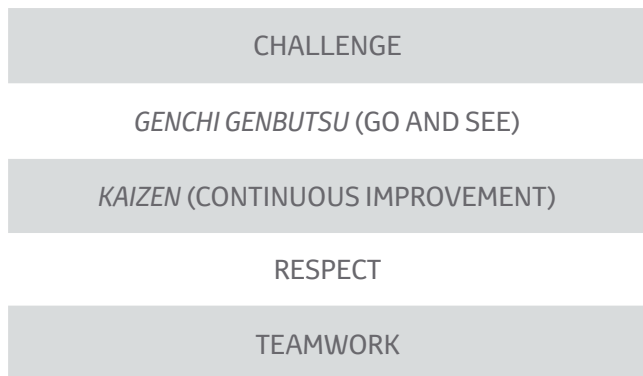
It is a free program that provides psychological support to all collaborators before a conflict and/or traumatic situation to restore their emotional balance, either at work or outside, improving their quality of life. The program is coordinated by two professionals who provide their services at the plant, at their offices or at home.

Human resources development

GRI Standards: 103, 404.

Indicators: 103-1, 103-2, 103-3, 404-1, 404-2.

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



Toyota Institute

Since 2007, we have arranged 5 training classrooms and 5 rooms for language teaching, apart from a multi-purpose room. In 2014, we decided to unify the training spaces and establish the Institute. In 2016, a new training space was created: the Training Center (CET), which takes up 1,560 m² including the dojos for stamping, welding, painting, injection and plastic parts painting, assembling, engines, material handling, quality control and maintenance. In addition, during that year, we built 650 m² for new training spaces and included the safety dojo, 3 new classrooms, 3 language rooms and 1 secretariat office to serve the new classrooms.

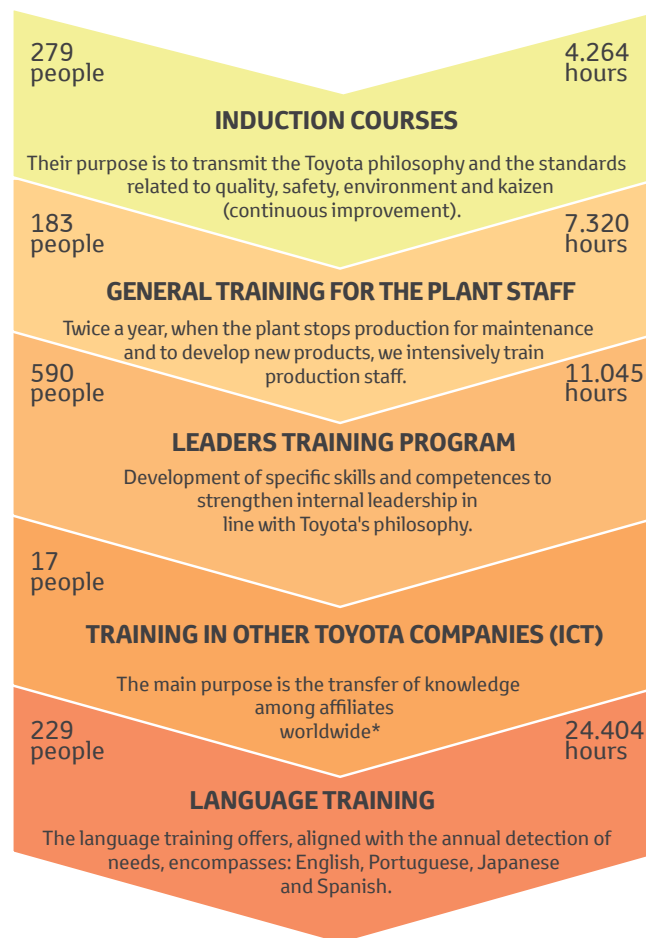
Undergraduate technical program for qualified industrial workers

>> 360 hours of training for both editions.

During the reported period, we organized the 8th and 9th editions of the technical program, which were developed during April-July and August-December, 2016.

Heading	2014/2015	2015/2016	2016/2017
Attendees	56	156	134
Graduated	40	91	126

Human resources training programs and workshops



Figures as of March 31 of the period.

* Between April 2016 and March 2017, 17 collaborators of Toyota Argentina participated in the ICTs program. In Toyota Japan, 14 people; In Toyota Thailand, 2 people and in Toyota Brazil, 1 person.

Average training by category	Training hours
Induction	
Officers and managers	3
Middle management	4
Team members	159
Analysts and administrative employees	113
General training of the team member	
Team member	183
Leader training program	
Team member	492
Team leader	92

Diploma in industrial management

This training program, that is carried out together with the Buenos Aries Technological Institute (ITBA) is oriented to plant engineers and top administrative staff, who need to acquire management skills taking into account the competitive, technological and business environment of the industry.

Heading	2014/2015	2015/2016	2016/2017
Enrolled	79	90	47
Graduated	70	76	45

Figures as of March 31 of each period.

Training program in operational and production skills contest

Our CET is a functional area that reports to the Toyota Institute, whose functions are oriented to staff training. The main activities are:

- Program in basic skills for collaborators of productive divisions like Stamping, Welding, Chassis, Paint, Plastic parts injection and painting, Assembling, Engines, Material management and Maintenance.
- Training program for operational skills and each of the stages of the Production skills contest.
- Maintenance training program.
- Training program for the Commercial and the Toyota Savings Plan (TSA) areas.

Considering all the activities, 1,414 people have been trained at the CET. The main activities are referred to basic production skills, production skills contest and the training program for maintenance.

At the beginning of 2017, we included the training programs of the Commercial area and those of the Toyota Savings Plan (TPA) to the CET. During 2017, we will develop new training plans and improve the division standards.

Training type	Trained collaborators
Production basic skills	
Admission	264
License issuance / Renewal	302
Special training	65
Retraining	66
Relocation	25
Training in operational skills + Skill contest	
Skill contest	178
Maintenance	
Type of training	N° of training activities 2016/2017
Lockout	335
Level up	179





Internal communication

GRI Standards 102, 404.
Indicators: 102-28, 404-3.

Toyota Argentina works to build working relations based on mutual trust and respect, foster teamwork and promote the understanding about the company affairs and the business, through a fluid communication with collaborators.

The internal communication management allows us to convey the company values and challenges, seeking for active participation by the collaborators, who express their questions and leverage the possibility of growth.

New performance evaluation system

Our performance evaluation system is known as the two-way communication system. It creates dialog spaces, in which the staff can clarify objectives and plan development opportunities. It is one of the main internal communication channels and comprises:

- Contribution of the collaborator for the compliance with fixed goals (objective evaluation).
- Development of attitudes and capacities used in the compliance with their roles (competence evaluation).

All the participants receive feedback on their annual performance and agree on improvement points for the next year.

The stages of this system are::

- Objective definition
- Evaluation
- Moderation
- Feedback

» For the reported period, we carried out a performance evaluation to 100% of our personnel -whether subject or not to the collective labor agreement?.

The evaluation by the highest governance body consists of two steps. First, each Director performs a self-evaluation of his objectives and then the top management analyzes them through a calibration process. Such process is carried out together with the President to comply with the annual objectives of each Director. This calibration is based on a pre-established distribution curve and on the self-evaluation of the results of the objectives set at the beginning of the fiscal year by each Director.

The evaluation is annual and, on the basis of the results, we establish the countermeasures for the items that have not yet reached the desired level and according to them, we set the objectives for the following year.

Face to face communication

Business meetings

Each member is important for the success of the company. For this reason we organize business meetings in order to share the market status, the short- and long-term strategy and in what way each team can contribute to achieve the proposed goals.

» 96% of participants considered the activity to be excellent and very good. 90% of attendance -staff and production division.

7. 20% of collaborators was promoted.

Lunch and breakfast with officers

Every month, we organize breakfast and lunch meetings with the collaborators and the President or Plant Director. They intend to facilitate the dialog, generating the exchange of opinions and seeking for joint solutions to common issues. During the reported period 144 collaborators participated in these activities.

Heading	2014/2015	2015/2016	2016/2017
Nº of meetings	19	20	12

Figures as of March 31 of each period.

>> 99% (+30% with respect to the previous fiscal year) of the participants considered that the activity development was between excellent and very good.

>> This year the objective was to achieve a greater diversity in the areas involved, and the resulting representatives reached 83%, which accounts for the diverse divisions of the company.

>> 92% of the 25 questions raised and registered by the participants during breakfast and lunch were resolved by December 2016.

206 meetings of open tables

They are dialog spaces –without agenda–, in which each plant manager meets with the different collaborators of his team to hear them and talk to them openly. The emerging issues that need to be followed up are registered and, when resolved, the collaborator is given feedback to close the process. In the reported period, 93% of the cases were closed.

Special talks

In order to quickly spread certain issues among collaborators, we organize special talks or general meetings in which the Plant Director or the President addresses a priority speech to employees.

Other internal communication channels

- Intranet
- Corporate e-mailing
- Billboards
- Touch screen terminal at the canteen
- *Desde Adentro*, our internal magazine
- Monthly newsletter
- Corporate TV
- Five-minute talks at the plant
- *En Línea*, a newspaper with all the news relative to production

Special campaigns

In 2016, we had great challenges at Toyota, after having been awarded the maximum prize to communication, the golden Eikon, for the Entendidos campaign. We presented a new project called: Toyota 5 Continents. It is an incredible challenge to make better cars, keeping quality as an essential and primary pillar to ensure our customer's satisfaction.

The project 5 Continents is an innovative experience, whose purpose was to make every time better cars, respecting the *Genchi Genbutsu* philosophy, i.e., visiting the site to make the right decision in order to make all our customers feel they can drive a Toyota vehicle in any way.

To that end, a technical team of the Toyota Gazoo Racing joined the engineers of each country for a tour all over the world and to evaluate in person the customers' needs in each terrain and with each vehicle.

From the internal communication area, we carried out an important campaign to promote the activity in order to keep the internal staff informed about the project in general and about the experience in Argentina in particular. Through our different channels: Hacemos (mailing), intranet, TV sets, En línea (newspaper), 5-minute talks and billboards we reported the progress and the different stages of the teams.

There was also a contest at the canteens, by which the participants had to answer questions about 5C challenges and participated in a raffle for a go-pro camera.

2017 Opinion survey



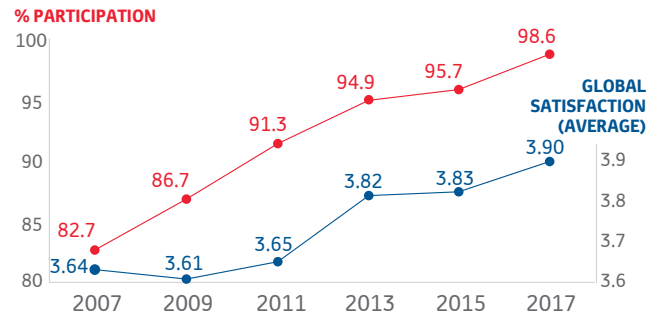
Since 2007, every two years we conduct an internal opinion survey addressed to all our collaborators. It is anonymous and made by an external consulting firm to ensure the transparency and confidentiality of data management.

This survey seeks to know the different viewpoints of the company's collaborators in order to go on covering the way to continuous improvement based on the company members' opinion.

During the reported period, we conducted the survey in February 2017. Under the slogan: All of us create Toyota Argentina's environment and working with the metaphor Climate guardians, the internal communication area organized a motivational campaign to foster participation.

Representatives from all divisions integrated the graphic pieces and videos to generate the identification and pregnancy of the object.

Once the campaign was over, the global results were shared with all the staff and detailed information of each group was given to the leadership level so that it would start specification action plans by area.



Security measures

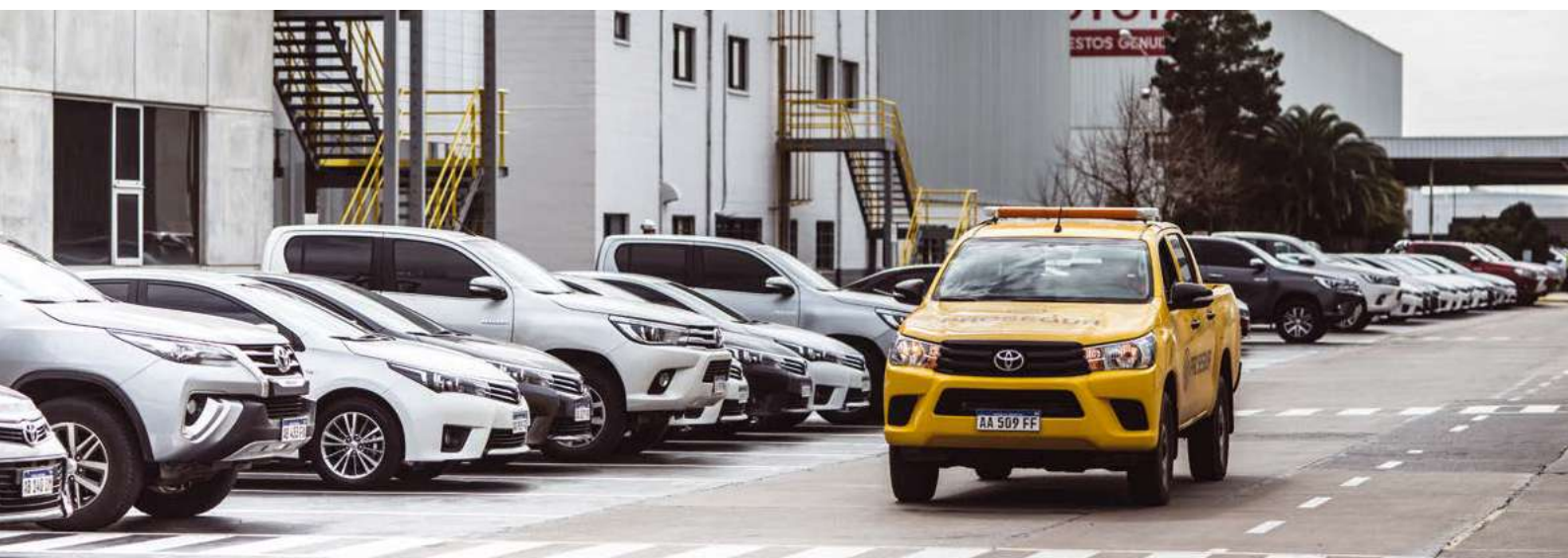
GRI Standards: 103, 410.

Indicators: 103-1, 103-2, 103-3, 410-1.

Toyota Argentina hired a private security supplier, which renders its services at the offices located in Martínez and at the Zárate plant.

>> 100% of Toyota Argentina safety staff has been trained in human rights aspects.

Pursuant to Law 12297 of Buenos Aires province, security staff attends a basic, general training course when joining the company. The 12-hour course deals with human rights issues. In addition, Resolution 1207/2012 provides that watchmen should take an upgrade course twice a year, which includes a 4-hour module on human rights.



ECONOMIC PERFORMANCE

We developed a sustainable and long-term growth project, by which we became a production and export base for Latin America. With an investment of more than USD 800 million for the 2013-2016 period, we enlarged the productive capacity of our Zárate plant to 140,000 units, thus creating new posts in the value chain and promoting community development.



LOCAL SUPPLIERS



89% OF THE TOTAL
66% FROM PURCHASES

82,700
exported
units

174,700

units sold in
2016/2017



0.08

index of accidents
occurred per million of
hours worked



FINANCIAL AND ECONOMIC INFORMATION

The automotive industry in Argentina

In 2016, the performance of the automotive sector was again pegged to the Brazilian scenario. Both demand and supply have been affected by the situation of the neighbor country.

On the one hand, the total number of car registrations increased by 8% in 2016 (reaching 712,000 units) in a recessive context and consumption fell at an aggregate level. The explanation of the growth in the domestic market is mainly due to the offer normalization, which was able to recover with the trade opening-up and the liberalization of the exchange market. Actually, vehicle imports increased by 36% in 2016, which was mainly due to exceeding volumes of the Brazilian industry (it was the main cause, with almost 50% of the market), while dealers sales increased 23% with respect to 2015. A higher level in the supply generated a high degree of competitiveness among the main brands, which entailed promotional actions to uphold sales, though giving in part of the network return. The bonuses on the final price and the zero-rate financing –or rates that were lower than those of the rest of the market– were the main ones, coupled with a strong downturn in the rise of vehicles price.

On the other hand, the automotive production dropped again in 2016 (-10% as compared to 2015), thus reaching the worst level of the last decade (473,000 units). Once again, the main reason of such fall was the collapse of the Brazilian demand (Brazilian automotive restrictions were reduced by 21% in 2016,

reaching 2 million units).

The Argentine shipments to the neighbor country decreased by 26% in 2016, while the fall in total vehicle exports was lower (-19%) due to the partial setoff of other export destinations of Latin America. For 2017, we foresee the domestic market to reach 800,000 units, which accounts for an expected 12% growth in the level of vehicle registrations (with respect to the previous year). However, as in 2016, the growth of the vehicle domestic demand will be mainly covered with an increase in exports but will not represent an increase in the local levels of activity.



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Material aspects: 14, 7, 21 y 26.

GRI Standards: 201, 419.

Indicators: 201-1, 419-1.

The following table of Direct Economic Value Generated and Distributed (DEVG&D)¹, proposed by the Global Reporting Initiative, shows the capital flow among the different stakeholders.

During the reported period, we did not receive significant fines² due to non-observance of the laws and regulations in the social and economic spheres³.

Heading	Stakeholder	2014/2015	2015/2016	2016/2017
Economic value generated				
Income from ordinary activities	Customers	30,690	34,190	58,199
Sales of properties, plant and equipment	Others	268	14	13
TOTAL ECONOMIC VALUE GENERATED		30,950	34,204	58,212
Economic value distributed				
Operating costs	Suppliers	29,895	31,511	48,971
Payroll and Benefits	Collaborators	2,344	3,227	5,001
Payment to capital suppliers	Financial suppliers	182	739	1,374
Charges and taxes paid	Government	1,269	363	2,133
Investment in the community ⁴	Community	4	6	12
TOTAL ECONOMIC VALUE DISTRIBUTED		32,694	35,846	57,492
ECONOMIC VALUE RETAINED		(1,744)	(1,642)	721

¹. In millions of Argentine pesos. They arise from the Annual Report and the Financial Statements of Toyota Argentina S.A., corresponding to the fiscal year ended on March 31, 2017, disclosed comparatively.

². For the purpose of this indicator, a significant fine is considered to be over ARS 500,000.

³. Consumer Protection Law.

⁴. This heading includes donations and expenses incurred in the development of CSR programs. Figures as of March 31 of each period.

Other economic and financial indicators

Heading	March 2016	March 2017	Variation
	Millions of pesos	Millions of pesos	%
Shareholders' Equity	42.69	763.40	1,688
Sales	33,969.26	58,198.32	71
EBITDA	1,736.14	3,819.45	120
Return and other ratios %			
EBITDA / Sales	5.1	6.6	29
EBITDA / Shareholders' Equity	4,066.6	500.3	-88
Return Index (ROE)	-97.5	1,688.1	1,831
(Net profit / Own funds)			
Dividends return (%)	-	-	-
Sales / N° employees (in M ARS)	7,032.97	11,812.12	68%

Public policy

GRI Standards: 103, 415.

Indicators: 103-1, 103-2, 103-3, 415-1.

The relation with the value chain is a distinctive aspect of Toyota, as we promote long-term relations, aiming at the development and growth of the company and the community. In this sense, we adopted a non-partisan stance –and focus on the progress of the civil society–, which frames our activities in order to ensure mutual sustainability. In order to achieve this goal, every three months we hold meetings with mayors and local authorities to set a common agenda of topics as employability, social and housing status, traffic and health. Besides, we work together with the national government to implement a working agenda including public sector expectations. The working areas have mainly two axes: a) auto parts location and b) contribution to our own trade balance (import/export). To ensure the continuity of the projects over the time, this agenda must –necessarily– be independent of the government in office, which allows us to keep our long-term vision on our projects. Thus, in Toyota Argentina we make no particular contributions to political parties.

Financial assistance received from government

GRI Standard: 201.

Indicator: 201-4.

Toyota Argentina has been benefited from the industrial promotion provided by Law 10547, due to the enlargement of the Zárate plant.

This benefit, exempt us from paying 100% of the gross income tax for a term of 10 years on the increase of the invoicing resulting from the total production generated by the benefited plant.

During the reported period (April 1, 2016 to March 31, 2017), we were exempted from paying ARS 199,558,003.70 for the gross income tax.

Likewise, at Toyota Argentina S.A., we enjoy the benefits of Law 26393 (Strengthening System for the Argentine Auto Part Industry). For the 2017 fiscal period, we have a credit with the government that amounts to ARS 665,362,281. Once the tax refund request has been submitted pursuant to the regulations, such amount will become liquid after the government approval.

Anti-competitive behavior

GRI Standard: 206.

Indicator: 206-1.

No case has been brought to the National Commission of Competition Defense.

However, there was a claim initiated in January 2008 –against different companies that manage dealers in Tierra del Fuego province–, which was reversed in August 2015 as the Federal Court of Comodoro Rivadavia annulled the Secretariat of Commerce decision due to lack of merit to consider the illicit behavior or the existence of consultation among the automotive terminals that had been penalized. In September 2015, the national State, filed an extraordinary appeal. Nevertheless, there is a low probability of success, as the offense would refer to the consideration of questions of matter and proof evaluated by the Court, which, by definition, are excluded from the extraordinary instance.

VALUE CHAIN

Material aspect: 3, 25, 17, 22 y 19.

Suppliers

GRI Standards: 102, 408, 409, 412.

Indicators: 102-9, 408-1, 409-1, 412-1.

Globally, we apply three fundamental principles in the relation with our suppliers:

1. Equal conditions

We offer fair opportunities to all our suppliers, irrespective of their nationality or size. The selection of our suppliers is exclusively based on the evaluation of the strengths of each of them, their quality, technological capacities and the trust in on-time deliveries, as well as their willingness to work on continuous improvement (*kaizen*).

2. Mutual benefit based on mutual trust

We establish long-term relations that are mutually beneficial and promote permanent communication with our suppliers.

3. Local economic contribution. Good corporate citizen

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

SUPPLIERS BY ORIGIN

Heading	2014/2015		2015/2016		2016/2017	
	Number	%	Number	%	Number	%
Suppliers ⁵	1,333	100	3,721	100	1,779	100
Local	1,247	94	3,432	92	1,602	89
Foreign	86	6	289	8	188	11

As it can be seen in the table above, 89% of our suppliers are local⁶. Moreover, 46% of them are located in the community in which we carry out our activities.

⁵ This value has varied during 2015/2016 due to 2 plant stoppages in July and October. This increased the number of active suppliers during such fiscal year.

⁶ It should be mentioned that the average term for the payment to local suppliers is 14 days. (Mercosur suppliers).

PURCHASES BY PROCEDURE

Heading	2014/2015		2015/2016		2016/2017	
	Millions of ARS	%	Millions of ARS	%	Millions of ARS	%
Local suppliers	9,633	41	24,586	46	29,485	66
Foreign suppliers	13,725	59	28,953	54	14,992	34
Total	23,358	100	55,539	100	44,477	100

Figures as of March 31, for each period.

In TASA, we analyze all our suppliers, contractors and other partners regarding human rights. In this sense, during the reported period, we did not identify in our suppliers any risks to free association and collective bargaining, child labor and/or cases of forced labor.

VALUE Program: CSR + Competitiveness

In 2016, we continued with the 2nd edition of this program in the supply chain of Toyota Argentina. Its goal is to increase competitiveness and market opportunities for small and medium-size enterprises (SMEs). After having completed the training and intensive consultancy, seven suppliers received technical assistance of professionals specialized in the following areas:



Assistance area	Assisted suppliers
Environment	2
Communication and report	2
Code of conduct	1
Supplier development	1
Logistics	1
Accident prevention	1

In this respect, we have achieved outstanding results, such as the preparation of the first sustainability reports of two SMEs, the implementation of workshops for the application of the Code of Conduct and a wide variety of measures to prevent accidents, reduce the environmental impact and, in general, to improve the competitiveness of the companies and, consequently the supply chain.

- Toyota Tsusho
- Cookins
- Maro
- Hutchinson
- Masterbus
- Irauto
- Plastic Omnium



Training activities

GRI Standard: 403.
Indicator: 403-2.

In order to achieve 0 accident in the supplier base, during 2016 we continued working intensively with them through training activities and visits to confirm corrective actions. The activities comprised:

Heading	Description
Training on safety	<ul style="list-style-type: none"> Detection and identification of Stop 6 risks. Use of different tools to improve safety conditions.
Expansion of the Toyota Production System (TPS)	<ul style="list-style-type: none"> Some key suppliers taken were trained in the Toyota Institute in Toyota Production System, Job Instruction (JI), Problem solving and Quick Change Tool (QCT). The staff members of the suppliers that belong to the Automotive Terminal Suppliers Association (APTA) also participated in the training program.

In addition, we kept on providing support so that each of them could design his Stop 6 risk map and an action plan to mitigate such risks. We visited suppliers to confirm the implementation of the improvements listed in the action plan and offer the necessary support.

Heading	2014/2015	2015/2016	2016/2017
Suppliers with Stop 6 risk map	42	44	48
Suppliers with countermeasures plan	29	42	47

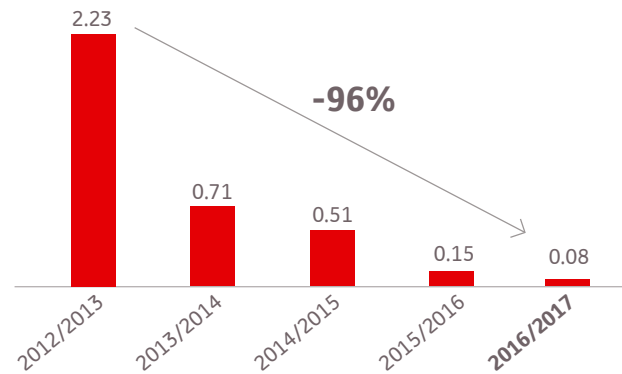
Figures as of March 31 for each period.

» These activities allow suppliers to reduce by 96% the possibilities of accidents in their working place.

STOP 6 RISKS IDENTIFICATION

	TRAPPING (driving, mechanical, electrical, pneumatic or hydraulic force)		FALLING OF PEOPLE (more than 2 meters)
	WEIGHTS FALL (more than 100 kg)		ELECTROCUTION
	CAR ACCIDENT		HIGH TEMPERATURE (more than 80 °C)

Incidents rate⁵ in the suppliers' base



Figures as of March 31 of each period.

5. Number of accidents occurred per million man-hours worked. Likewise, it should be mentioned that no accident was reported.



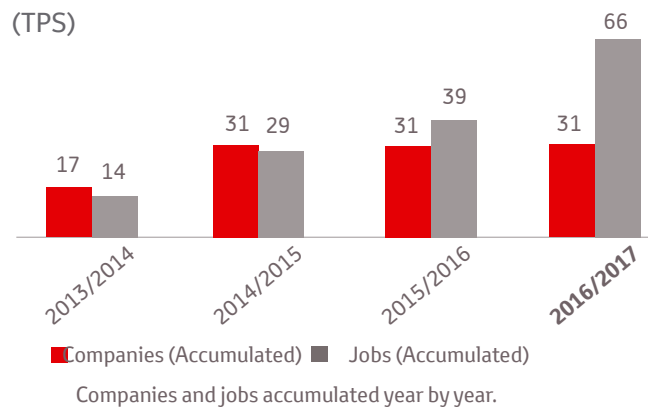
Expansion of the TPS tool

Through the Toyota Institute, we go forward in the training of key personnel for our suppliers in the Toyota Production System, Job Instruction (JI), Problem Solving, and this year we have implemented the Quick Change Tool (QCT) activity.

This training program also included the personnel of those suppliers who belong to the Automotive Terminal Suppliers Association (APTA).

TMC certified trainers were in charge of the program, which included theoretical and practical activities at TASA plant. In addition, and as part of the expansion method, trainees carried out interdisciplinary tasks with representatives of other suppliers in the plant of 4 host companies. Through mutual cooperation, a concrete improvement job is performed in those plants, strengthening the practical knowledge of the TPS tool. In this way, our philosophy reaches 31 companies, increasing significantly the number of works accumulated (66), while securing the application of the TPS in the value chain.

EXPANSION OF THE TOYOTA PRODUCTION SYSTEM (TPS)



During 2016, we continued with the implementation of the TPS in 8 companies, where the suppliers' development personnel work in company in order to implement the TPS and develop the middle and lower management of the suppliers involved. Thus, we could help 6 companies reach Level 1 (implementation of the pull system) and Level 2 suppliers (strengthening of the pull system). In this way, we continue with our development strategy for suppliers; mainly, those with local capital and especially, SMEs.

LEVEL 1

Implementation of the pull production system

Core focus

Improvement of the production system

LEVEL 2

Strengthening of the pull production system

Core focus

- Development of middle management
- Ability to settle issues

LEVEL 3

Application of the Toyota Production System (TPS), according to local circumstances

Core focus

Benchmark with industry leaders

Green Procurement Guidelines

GRI Standards: 103, 308.

Indicators: 103-1, 103-2, 103-3, 308-1, 308-2.

Through the Green Procurement Guidelines, Toyota Argentina promotes the continuous improvement of the environmental performance of our suppliers. This guidelines include specific environmental requirements by area and the materials supplied by each supplier. This year, we have done an update and included the TMC 2050 Environmental Challenge, thus expanding its scope to the whole product life cycle. From Toyota, we encourage our suppliers to create and implement the environmental management systems necessary to improve their activities, while preserving the environment and reducing environmental risk. In addition, all the productive suppliers must purchase and keep the ISO 14001 or a similar environmental management certificate issued by an external certification organization.

Heading	2014/2015	2015/2016	2016/2017
ISO 14001 certified suppliers	81	94	96

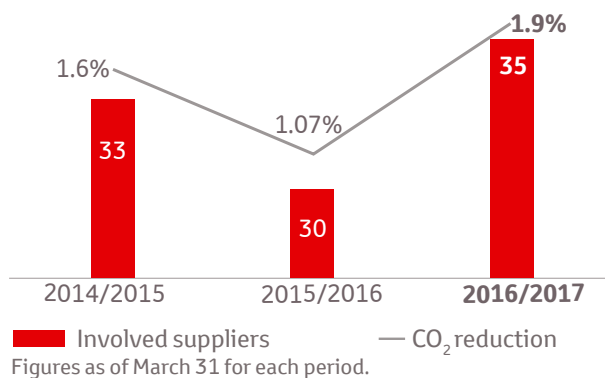
CERTIFIED SUPPLIERS, BY TYPE OF PROVIDED MATERIAL (%)

- 55% Auto parts
- 11% Direct material
- 16% Non-productive purchases
- 8% Indirect material
- 9% Logistics



Activity to reduce CO₂

During 2016, we continued working with our suppliers in order to reduce their carbon trace (emissions of greenhouse effect gases [CO₂eq]). 51% (35/67) of the suppliers submitted and implemented an annual improvement plan and reached a reduction of 1.9%. The participants are suppliers of Auto parts and Logistics.



Toyota Argentina CSR Guidelines

This guide presents the information to understand and raise the level of awareness on the responsibilities that, as a company, Toyota has *vis-à-vis* the society, by complying with the standards, observing laws and developing their own policies, which will allow them to differentiate as good corporate citizens. Through this policy, we encourage our suppliers to implement these initiatives in their activities, study them exhaustively and expand them to their suppliers.

For the fresh suppliers, Toyota has the New Supplier Evaluation Registry (NSER), which is used to evaluate, among others, aspects as safety management, environment and legal compliance.

Awards

In 2017, we held the 15th edition of the Annual Supplier Convention, to recognize the companies that work together with us. TMC and TASA authorities participated in the event, together with 83 suppliers.

Heading	2014/2015	2015/2016	2016/2017
Supplying companies	73	82	83

Figures as of March 31 for each period.

The awarding process was divided into three categories (Quality, Logistics and Costs) and two special recognition awards in Safety and Environment. In turn, each category was divided into certificate and excellence.



Likewise, the Best 2016 Supplier award was given to Brembo Argentina, as a result of the best combination of the three categories evaluated.



Steve St. Angelo (TMC Senior Managing Officer and CEO of Latin America and the Caribbean Region) and Daniel Herrero (TASA President), together with Juan José Pepa (CEO of Brembo Argentina).



Category: Quality

Certificate: 3M, Aisin, Amic, Autoneum, Axalta, Axion Energy, Bridgestone, Chemetall, Denso do Brasil, Felko, Ferrosider, Flex ´n Gate, GKN, PPG, Química True, Total, Toyoda Gosei do Brasil, Toyota Tsusho Argentina.

Excellence: C.G.R., Denso Argentina, Die Tech, Emu, Plimer, Raei, Stilo, Ventalum, Yazaki Argentina, Dunlop, Brose.

Category: Logistics

Certificate: Aisin, Axalta, Axion Group, Brose, C.G.R., Chemetall, Die Tech, Dunlop, Ferrosider, Intexar, Jtekt, Maxion Borlem, Maxion Fumagalli, PPG, Química True, Siderar, Total.

Excellence: Amic, Bridgestone, Felko, Fric Rot, Next Print, Plimer, Polimetal, Ventalum.

Category: Cost

Certificate: 3M Argentina, Amic, Fric Rot, Guidi, Inergy, Irauto, Intexar, Maro, Pilkington, Raei, Rubol, Testori, Toyoda Boshoku, Toyoda Gosei, Yazaki.

Excellence: Siderar, Stilo, Une, Vuteq.

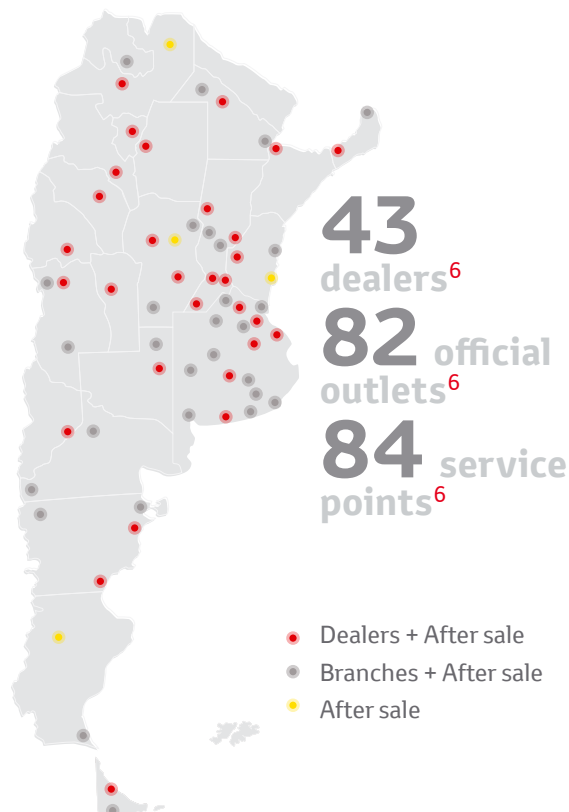
We also gave a special recognition award to two suppliers, due to their commitment to promote the safety culture in their companies. The awardees were Industrias Guidi and Toyoda Boshoku. Finally, a special recognition award was given to CRAFTMSA for its environmental management, due the greatest reduction of CO₂ emissions.

Dealers Network

Official dealers are our strategic partners as they constitute the visible face of the company and have direct contact with the customers in each area of the country. In this sense, they have their own mission and vision in line with those of Toyota Motor Corporation.

Visión. *Be the most admired car manufacturer, from the Customer's viewpoint, offering the best purchasing and repurchasing experience.*

Mission. *Overcome the Customer's expectation, through the image of a strong brand.*



⁶. Information by December 3, 2016.

Best in Town Program

In line with their own vision and mission, the Best in Town (BIT) program is developed under 6 main axes: performance and a preexisting *kaizen* philosophy.

- Selection of leader distributors among the dealers' networks; especially, those with an excellent performance and a preexisting *kaizen* philosophy.
- Multi-departmental teams organized to develop activities together with the distributor.
- Workshops to foster the exchange of ideas.
- Keep it simple.
- Always promote a performance oriented to the *kaizen* philosophy.
- Keep the desire to improve the customer's experience.

The purpose of this program is to review the transactions of the involved dealers in order to identify:

QUESTION	EXAMPLE
WHAT CAN BE ELIMINATED?	Unserviced customers (customer waiting room)
WHAT SHOULD BE REDUCED?	Quotation times
WHAT MUST BE INCREASED?	Brand identity (delivery areas)
WHAT IS MISSING?	Digital experience in showroom

BEST IN TOWN AT DEALERS': CUSTOMER SHOWROOM

CENTRO MOTOR: BEFORE



CENTRO MOTOR: AFTER



FEDERICO: BEFORE



FEDERICO: AFTER



Afterwards, based on the answers to these questions, we identify a series of activities in order to implement and replicate them in other dealers. During 2016, some tasks defined within the framework of the BIT program were:

- New areas for the delivery of vehicles and rooms for customers.
- Digital communication.
- Used cars offer.
- Mobile Technical Service.
- More feasible purchase experience.
- New products: tires.
- New products: batteries.
- Authentic products.
- Sales promotion.
- Body shop.
- Wow factor.

Toyota Mobile Technical Service

As a result of the BIT program, and always within the framework of continuous improvement, we have developed the Toyota Mobile Technical Service, in order to exceed our client's expectations, offering the best after sales experience, which may allow us to build a lifelong bond and ensure our brand image. This mobile workshop built on a Hino truck, has the necessary equipment and the appropriate staff – trained technicians– to provide the same services rendered by an official dealer that is far from the customer or located in remote or inaccessible areas. With this unit, it is possible to carry out maintenance service and any kind of minor repairs in situ. It is available for the whole range of Toyota vehicles, even those that are not under the guaranty period, and it is not necessary to take the vehicle to the dealer, thus providing the same quality assurance which is inherent to the brand official service points.

2016 Awards to excellence in operation

In March 2017, Toyota organized the Distributors' Meeting for Latin America and the Caribbean (LAC) in Dallas, USA, where we gave the awards to the distributors of the region in recognition for their performance reached in the commercial area during 2016.

Toyota Argentina S.A., was given the highest-level award (Diamond Prize), which is given to those distributors that had received the Gold Prize, both for sales and after sales, due to an outstanding performance in those two areas.

In addition, the other awards were given to the 10 best practices of the LAC (2016). From more than 800 works presented in the region, 4 cases corresponding to our distributors were awarded:



1st place. Virtual Briefcase for Sales Representatives.

Winning dealer: Derka y Vargas (Chaco). It is a web application that allows sales representatives to access all the tools to perform their daily work (schedule, KPIs, circulars, etc.)

5th place. Charger for electronic devices. Winning dealer: Autorosario (Rosario). The initiative consists in placing a totem in the waiting room, so that customers may charge their electronic devices, (mobile telephones, tablets, etc.) while they wait for their service.

6th place. Talks on environment in schools. Winning dealer: Tsuyoi (Comodoro Rivadavia). In this case, talks on the environment were given in schools. Besides, some activities for kids were carried out, including the design of gardens with recycled parts found at the dealers'.

8th place. Training for driving with an automatic gear box. Winning dealer: Kansai (CABA). Due to the launch of the automatic Etios, many customers of the segment were not familiar with this type of gear box. For this reason, we organized a driving clinic to teach clients to drive with an automatic gear box; especially, the Etios.

Commercial and environmental training programs and workshops

In order to offer the best purchase experience to our customers, we developed programs and activities to optimize the quality of our service and the customer service.

Programs	Description	Participants
Training of commercial advisors	It is compulsory and it is offered in three levels, in which practical and theoretical concepts are taught. Scope. Level 1: 79%; level 2: 75%; level 3: 56%.	382
Training for heads and managers	Oriented to the exchange of the best commercial practices in the Toyota commercial network.	60
Training for officers/owners	The 2 nd program, focused in new generations and developed with the postgraduate school of the ITBA is completed. It included a trip to Japan with a group of 20 people to attend the Discovery Toyota program.	45
Toyota Commercial Style (TCS)	Through a complex system of audits, mystery shoppers and mystery callers, this is a quality program to standardize the basic processes of commercial transactions at every dealer, in order to render an excellence service, improving significantly the customer's purchase experience.	40 ECT certified dealers
Courses for workshop heads of the dealers' network	Training course oriented to develop the necessary skills of the workshop managers, in order to effectively interact with colleagues and have a better management of teams.	46
Course for the parties responsible for the sale of accessories	The objective of this course is to offer those responsible for the sale of accessories the necessary skills to optimize the sale per unit.	45
Training of the after sales managers working in the dealers network	Module I: oriented to raise the level of awareness of after sales managers about the need to increase their potential to obtain a more professional commercial management.	44
	Module II: the main goal is to make the after sales manager understand that the development of his collaborators is essential to the success of the businesses and his management.	47
	Module III: the subjects were oriented to favor the integration and communication among managers, on the first day, and to the presentation and training relative to Yaris, on the second.	95
Course on delivery responsibility for 0 km vehicles	The purpose of this course is to keep the standards of the last years and improve the process of delivery of a 0Km as this represents a unique opportunity to build the best image in the first contact of the customer with our brand.	74
Course for Kaizen promoters	It aims at training an individual who will lead and promote Kaizen activities at the dealer's premises and will be in charge of the follow-up and compliance with the standards set in the different sales programs.	47
Course for appointment advisors of the dealer's network	This course aims at providing tools for an adequate management of the communication with the customer and the understanding of his needs.	53
Course for the safety responsible person working at the dealer's	This activity is oriented to raise the level of awareness on safety at the dealer's premises, understand the importance of safety and the headquarters guidelines, and present the safety evaluation guide.	53
Kaizen circle activities in the network	Their members are the dealers' employees who are continuously trained, advised and guided with respect to this methodology by the dealers' authorities, with the support of the Kaizen Dealer Development Area of the Customer Service Department.	11 Kaizen circles
Promotion activities for the training of Kaizen circles	It is a space for the dealers to expose their experiences and implement proposals in the processes, while fostering the exchange of ideas and actions taken, in order to streamline the after sales service.	Kaizen Marathon Trip to Costa Rica for best kaizen circles
Dealer Environmental Risk Audit Program (DERAP)	The purpose of this program is to introduce the dealer in the care for the environment within the framework of its after sales transactions.	81 service points
ISO 14001 Certification	TASA promotes the ISO 14001 certification among all its dealers.	81 certified workshops

QUALITY MANAGEMENT SYSTEM

08

We develop the quality of our products and services on the basis of standardized work and commitment to satisfy our customers' expectations through continuous improvement.



95.3% SALES CUSTOMERS
94.2% AFTER SALES CUSTOMERS
WILL REPURCHASE A TOYOTA VEHICLE

53,536
suggestions from
collaborators
40% safety
39% working
environment

**CUSTOMER FIRST,
QUALITY FIRST**



753 QUALITY CIRCLES

3,099 members
25% PRODUCTIVITY
21% SAFETY
20% QUALITY

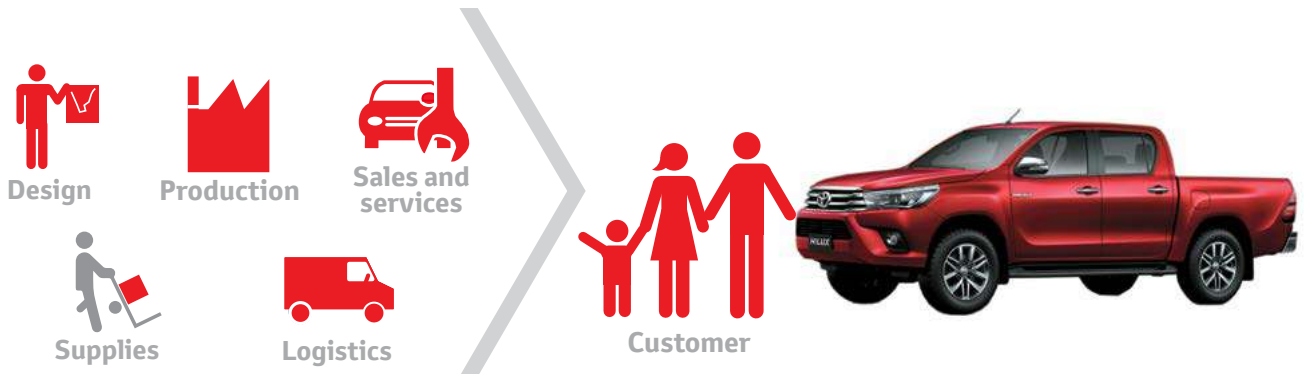
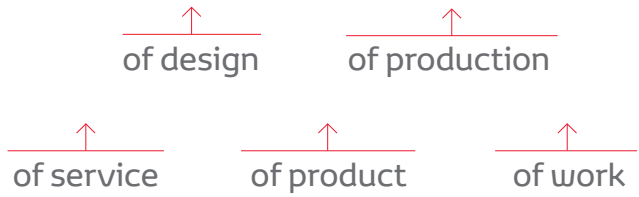
-11%

vehicles
claims

TOYOTA PRODUCTION SYSTEM

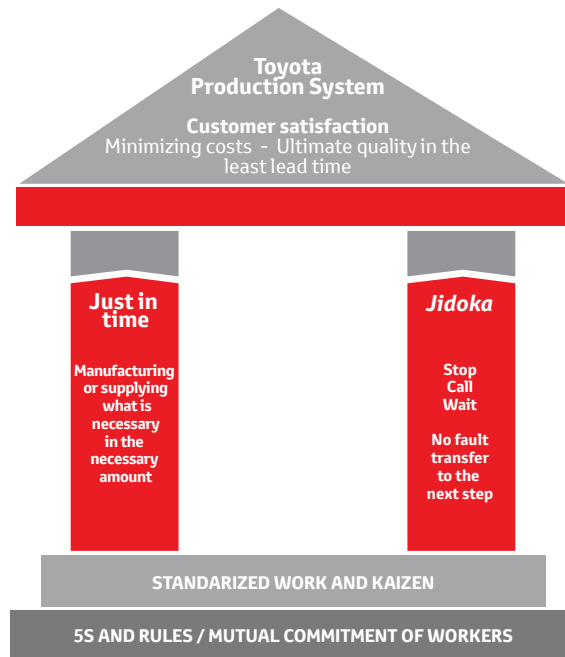
Toyota's Production System is a management philosophy oriented to streamline all the production processes to obtain the highest-quality products, at the lowest possible cost, in the least waiting time and achieving the highest level of satisfaction for our customers.

QUALITY



Just in time.

It means to produce only what is necessary, at the right time and in the necessary amount. It allows flexibility in the production and distribution system to dealers, while ensuring that each customer may purchase a vehicle with the desired specification and color and at the shortest possible time. Therefore, a balanced production sequence is programmed, thus minimizing stock.



Jidoka.

Troubleshooting in the production line means a reward, since this prevents the fault from getting worse. When detecting a fault, each worker—even the new one—has the possibility to pull the rope and stop the whole production line. Automatically, and depending on the place where he pulled the rope, the supervisor approaches to evaluate the issue and tries to settle it.

Improvement of each process

The system emphasizes continuous improvement, waste (*muda*) elimination and the value of the collaborators' commitment working together in our supply chain. We foster excellence in manufacturing, producing what is necessary, in a timely manner, with the best quality and at a competitive price. Graphically, this system is based in standardized work and *kaizen*.

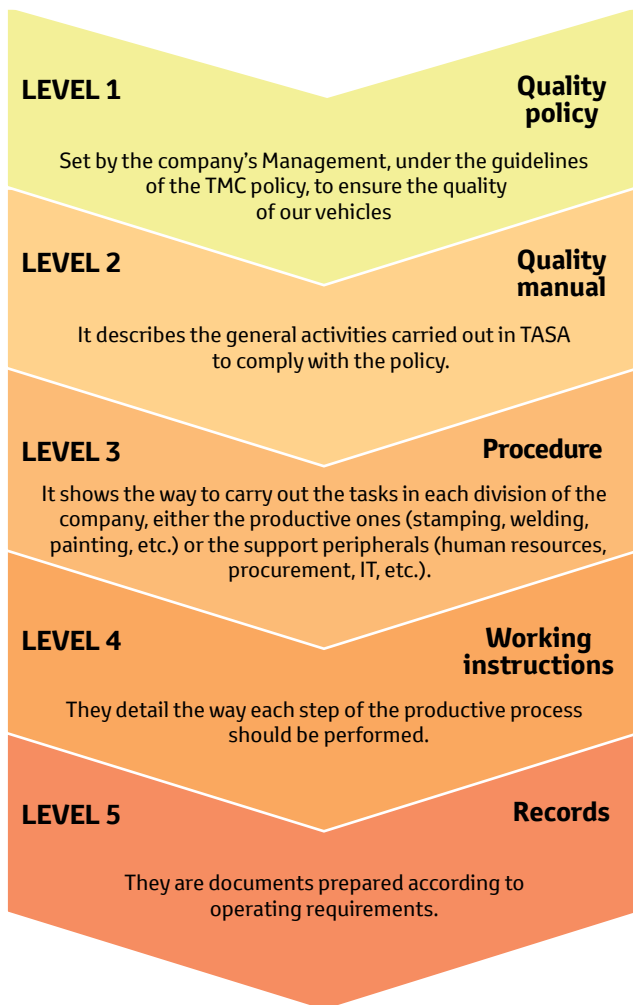
QUALITY MANAGEMENT SYSTEM

Material aspects: 4, 29.

GRI Standard: 103.

Indicators: 103-1, 103-2, 103-3.

It is the set of activities that interact with each other in an organized way to ensure the vehicle quality, based on 5 levels:



Customer service quality

GRI Standard: 102.

Indicator: 102-44.

Client's privacy

GRI Standards: 103, 418.

Indicators: 103-1, 103-2, 103-3, 418-1.

Through our Policy of Personal Data Protection, we strictly comply—and also demand our collaborators to comply—with the national regulation on data protection, in order to appropriately safeguard the information of all our customers, suppliers, employees and other stakeholders.

All our data bases are registered with the National Board of Data Protection. Likewise, according to our

philosophy, based on continuous improvement, we promote the constant training of all our employees, so that they are aware of the latest news related to data protection regulations and information security to learn and apply the best practices of the business in their respective jobs.

During the reported period, we have not recorded any claim from third parties or regulatory authorities relative to the violation of our customers' data privacy. Neither have we recorded any incident related to loss and/or theft of Information or data.

Customer's health and safety

GRI Standards: 103, 416.

Indicators: 103-1, 103-2, 103-3, 416-1, 416-2.

During the reported period, we did not register any case of non-compliance relative to regulations or voluntary codes referred to impact on the health and safety of our customers, even considering that safety is one of the fundamental pillars for our company.

Customer safety is a priority for Toyota and, in that sense, any manufacturing process is devised taking into account key points as (safety items, regulations, function, etc.) to be checked and secured in order to avoid the transfer of faults to the following process. In addition to this quality assurance network, each vehicle is 100% checked by our Inspection line, in which the following aspects are verified and tested:

- **CS Line (Customer Satisfaction Line).** It is a static checkup of the whole vehicle, to verify: painting, body fitting, specifications and damages in general.
- **VP Line (Vehicle Performance Line).** It comprises a dynamic checkup of the whole vehicle, to verify: breaks, steering rotation, alignment and dynamic operation of the vehicle in general.
- **Shower / Off line.** Water leaking and electrical systems are verified.

Once the foregoing checkups have been performed, vehicles are tested on ramp as the last verification item. In connection to imported vehicle, the quality assurance test is the same we perform at our plant, but vehicles are verified in the production line of the plant of origin.

In both cases (imported and national vehicles), we inspect their reception at the dealers and/or distributors, plus a pre-delivery inspection to troubleshoot damages resulting from unit logistic processes.

In this way, we ensure that the final product reaches our customers free from manufacturing defects, thus ensuring the quality and safety of the vehicles commercialized.

Notwithstanding the control measures we take at Toyota Argentina, as well as those taken for the imported vehicles, eventually it is feasible to detect some shortcoming or flaw in some of our vehicles. If so, we carry out a procedure whose goal is to inform the customer about the flaw his vehicle might have and, as a second step, to send the vehicle to a Toyota official dealer for a checkup or repair free of charge. In case we become aware of the existence of a possible flaw in a vehicle that is commercialized In Argentine, the company starts a special service campaign.

The first step is to report the possible flaw to the Secretariat of Homeland Commerce (National Directorate of Homeland Commerce, Directorate of Consumer Protection) and publish the issue in our campaign's web site. We also publish in newspapers -with wide circulation and distribute it nationwide- which the vehicles in question are and when/how the owners may go to such dealers for a checkup free of charge.

Thus, not only do we comply with the Consumer Protection Law (24240 and EO 1798/94) beyond expectation, but we also ensure our customers the perfect operation of our vehicles while always keeping their safety as a fundamental pillar.

Customer Service center

This area is in charge of receiving and concentrating the direct communications between the company and its end user. See below the results for the reported period:

Heading	2014/2015	2015/2016	2016/2017
Inquiries over the phone, on the Internet and social networks (%)	100	100	100
Level of service Calls answered before the telephone rang 3 times (%)	96	92.95	91.75
Settled cases (TASA+TPA)	2,169	2,827	3,576
Inquiries relative to the Saving Plan (TPA)	219	501	521
Number of information requests processed (TASA+TPA)	14,729	21,028	22,891
Number of information requests processed relative to the Saving Plan	2,748	9,670	10,388

Figures as of March 31 of each period.

Customer satisfaction surveys

They were carried out by an external consultancy firm over the phone and on a sampling basis, in order to evaluate customers' satisfaction during the sale and after sale processes.

Surveys are essential for the continuous improvement of diagnosis, monitoring and control processes. During the reported period, we conducted 900 customer satisfaction surveys: 753 Fix It Right (FIR) surveys per month for the after sale process, and 450 monthly surveys for the sales process.

95.3% sales customers
94.2% after sales customers
would repurchase a Toyota vehicle.



Quality Audit Service (QAS)

Every year, from Toyota Argentina we carry out telephone interviews to our customers on vehicles of up to 3 months of use, to evaluate their satisfaction and/or dissatisfaction.

All the results are analyzed together with the Quality, Engineering and Commercial areas. We establish priorities and work on the dissatisfactions in order to improve the quality in the current model and make new proposals. The survey includes aspects related to:

	Design
	Manufacture
	Specifications
	Service
	Sales and after sales

SMART meetings

The SMART (Market Analysis Response Teams) activities aim at analyzing the inquiries and claims made by customers, in order to settle issues in the fastest possible way.

During this activity, the representative of the after sales, technical administration, customer service and legal areas of TASA exchange information to find integral solutions to the issues posed by customers.

Customer claim settlement - EDER

The Customer Quality works for the quick troubleshooting and settlement of issues relative to quality in the Hilux and SW4 models. Same are analyzed in detail together with the related areas in order to provide ultimate satisfaction to the clients. Since the launching of the new Hilux and SW4 and with the incorporation of new export destinations, our Customer Quality department has established a permanent contact with these new distributors in order to get to know their expectations, thus allowing a better assistance.

CLAIM REDUCTION INDEX

Heading	2014/2015	2015/2016	2016/2017
Case reduction per vehicle with respect to the previous period (%)	14	7	11

Figures as of March 31 of each period.



National contest on technical skills and customer service

In November 2016, we organized the 19th National Contest of Technical Skills and Customer Service to evaluate the expertise, skill and professionalism of our sales representatives, technicians and the ability of our service advisors to meet the requirements of the dealers networking.

We are pioneers in developing this type of activities in Argentina, which allows us to increase the motivation and the professional level of our after sales collaborators every year. At the same time, through this contest, we evaluate and award all the players who participate in the relationship with our customers according to their performance and promote the kaizen culture in all our service processes.

The winners were:

Service advisor champion: Luis Gómez, Autonort dealer, Pilar.

Technician champion: Maximiliano Monzón, Zento dealer, Adrogué.

Commercial advisor champion: Fernando Matesich, Bosetti e hijos dealer, La Rioja.

SUGGESTIONS DNA QUALITY CIRCLES

Toyota Argentina fosters the implementation of suggestions and quality circle activities in order to develop the performance of our employees and improve processes, considering that continuous improvement is reached with the contribution of each collaborator.

Suggestions system

It is a proposal to identify a specific issue in the process or division in which our collaborator or group of collaborators work (up to 3 people), who suggest a viable countermeasure.

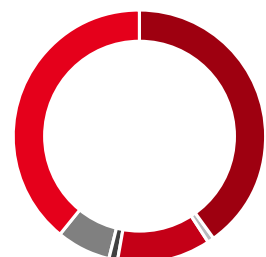
Suggestions are all those improvement proposals that were effectively implemented to be later evaluated inside the suggestion system. Each suggestion gets a certain number of points, which result in economic rewards. The points are allocated by supervisors once the suggestion has been evaluated and implemented.

Heading	2014/2015	2015/2016	2016/2017
Suggestions received	50,991	58,586	53,536
Increase with respect to the previous period (%)	10	15	-9
Suggestion average per person	15	15	15.03
Involvement index (%)	86	88	85

Figures as of March 31 of each period.

DISTRIBUTION OF SUGGESTIONS BY SUBJECT

- 40% Safety
- 39% Working environment
- 12% Quality
- 7% Productivity
- 1% Costs
- 1% Environment



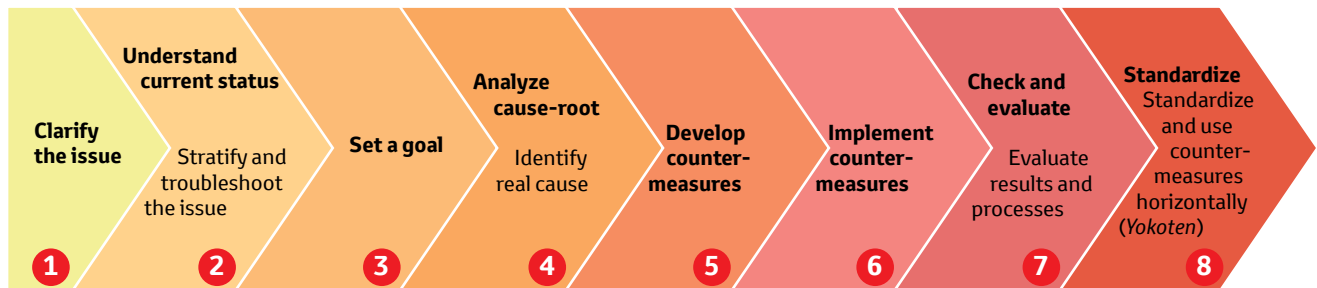
Quality Circles (QC)

This activity is an example of the continuous improvement spirit and team work for problem solving, where the involvement of participants (3-8 people) makes the difference.

This is achieved through group activities who seek to improve the performance in the workplace, thus contributing to the development of the company and its collaborators, through the resolution of complex problems they undergo and for which they use quality tools.

The general purpose is to enhance the individual abilities of the people and the company, to build an organization that is able to respond to the business world challenges with flexibility.

Issue settlement method



QUALITY CIRCLES AND NUMBER OF COLLABORATORS

Heading	2013/2014	2014/2015	2015/2016	2016/2017
Collaborators	3,073	2,836	3,269	3,099
Quality Circles	636	615	651	737

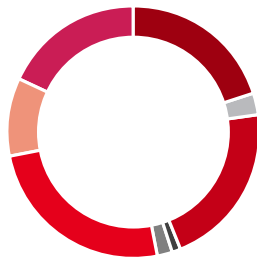
Figures as of March 31 of each period.

19TH QC CONVENTION

In June 2016, we organized this activity near the Zárate plant, in which the best 9 circles participated and showed their work to the top-level management of Toyota Argentina.

QUALITY CIRCLES BY SUBJECT

- 25% Productivity
- 21% Safety
- 20% Quality
- 18% 5S
- 10% Ergonomics
- 3% Costs
- 2% Working environment
- 1% Environment



MERCOSUR AND GLOBAL CONVENTION

In August 2016, Toyota Brasil organized the 13th Convention Mercosur, in which the best QC of Argentina, Brazil and Venezuela participated. In October 2016, the Global Convention of quality circles in Japan took place, coordinated by TMC, our headquarters, with the participation of the best quality circles of all Toyota affiliates.

GRI CONTENT INDEX

09



- GENERAL DISCLOSURES
- ECONOMIC PERFORMANCE
- MARKET PRESENCE
- ANTI-CORRUPTION
- ANTI-COMPETITIVE BEHAVIOR
- MATERIALS
- ENERGY

- EMPLOYMENT
- LABOR/MANAGEMENT RELATIONS
- OCCUPATIONAL HEALTH AND SAFETY
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- DIVERSITY AND EQUAL OPPORTUNITY

- WATER
- BIODIVERSITY
- EMISSIONS
- EFFLUENTS AND WATER
- ENVIRONMENTAL COMPLIANCE
- ENVIRONMENTAL EVALUATION OF SUPPLIERS
-

- NON DISCRIMINATION
- CHILD LABOR
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- SECURITY PRACTICES
- HUMAN RIGHTS ASSESSMENT

- LOCAL COMMUNITY
- PUBLIC POLICY
- CUSTOMER HEALTH AND SAFETY
- CUSTOMER PRIVACY
- SOCIOECONOMIC COMPLIANCE

GRI CONTENT INDEX

GRI Standard: 102,
Indicator 102-55

We have prepared the following content index according to the GRI Standards and the topics that arose as material from the work we performed.

GRI STANDARD	CONTENT	NUMBER OF PAGE OR URL	OMISSION
GENERAL DISCLOSURES			
GRI 102. General disclosures 2016	102-1. Name of the organization	8	
	102-2. Activities, brands, products and services	8	
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	102-4. Location of operations	8	
	102-5. Ownership and legal form	8	
	102-6. Markets served	8	
	102-7. Scale of the organization	9	
	102-8. Information on employees and other workers	9, 54-55	
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	102-10. Significant changes to the organization and its supply chain	13	
	102-11. Precautionary Principle of approach	22	
	102-12. External initiatives	23, 41	
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	102-14. Statement from senior decision-maker	3	
	102-15 Key impacts, risks and opportunities	21	
	102-16. Values, principles, standards and norms of behavior	7, 25	
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	102-18. Governance structure	20, 21	
	102-19. Authority delegation	23	
	102-20. Executive-level responsibility on economic, environmental and social topics	23	
	102-21. Consulting stakeholders on economic, environmental and social topics	14	
	102-22. Composition of the highest governance body and its committees	20-21	
	102-23. Chair of the highest governance body	20	
	102-24. Nomination and selection of the highest governance body	20	
	102-25. Conflicts of interest	20-21	
	102-26. Role of highest governance body in setting purpose, values and strategy	20	
	102-27. Collective knowledge of highest governance body	20	
	102-28. Performance evaluation of the highest governance body	65	

GRI STANDARD	CONTENT	NUMBER OF PAGE OR URL	OMISSION
	102-29 . Identifying and managing economic, environmental and social impacts	18-23	
	102-30. Effectiveness of risk management processes	21-23	
	102-31. Review of economic, environmental and social topics	23	
	102-32. Highest governance body's role in sustainability reporting	23	
	102-33. Communicating critical concerns	21	
	102-34. Nature and total number of critical concerns	21	
	102-35. Remuneration policies	56	
	102-36. Process for determining remuneration	56	
	102-37. Stakeholders' involvement in remuneration	56	
	102-38. Annual compensation ratio	56	Confidentiality issues
	102-39. Percentage increase in annual total compensation ratio	56	Confidentiality issues
	102-40. List of stakeholders groups	17	
	102-41. Collective bargaining agreements	9	
	102-42. Identifying and selecting stakeholders	17	
	102-43. Approach to stakeholder engagement	17	
	102-44. Key topics and concerns raised	18, 82	
	102-45. Entities included in the consolidated financial statements	13	
	102-46. Defining report content and topic Boundaries	14	
	102-47. List of material topics	14-15	
	102-48. Restatements of information	13	
	102-49. Changes in reporting	13	
	102-50. Reporting period	13	
	102-51. Date of most recent report	13	
	102-52. Reporting cycle	13	
	102-53. Contact point for questions regarding the report	13	
	102-54. Claims of reporting in accordance with GRI standards	13	
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GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION
MATERIAL SUBJECTS			
ECONOMIC PERFORMANCE			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	8, 22	
	103-2. The management approach and its components	8, 22	
	103-3. Evaluation of the management approach	8, 22	
GRI 201. Economic performance 2016	201-1. Direct economic value generated and distributed	70	✓
	201-2. Financial implications and other risks and opportunities due to climate change	9, 10, 29	✓
	201-3. Defined benefit plan obligations and other retirement plans	56	✓
	201-4. Financial assistance received from government	71	✓
MARKET PRESENCE			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	20, 56	
	103-2. The management approach and its components	20, 56	
	103-3. Evaluation of the management approach	20, 56	
GRI 202. Market presence 2016	202-1. Ratios of the standard entry level wage by gender compared to local minimum wage	56	✓
	202-2. Proportion of senior management hired from the local community	55	✓
ANTI-CORRUPTION			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	26	
	103-2. The management approach and its components	26	
	103-3. Evaluation of the management approach	26	
GRI 205. Anti-corruption 2016	205-1. Operations assessed for risks related to corruption	26	✓
	205-2. Communication and training about anti-corruption policies and procedures	26	✓
	205-3. Confirmed incidents of corruption and actions taken	26	✓
ANTI-COMPETITIVE BEHAVIOR			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	21	
	103-2. The management approach and its components	21	
	103-3. Evaluation of the management approach	21	
GRI 206. Anti-competitive behavior 2016	206-1. Legal actions for anti-competitive behavior, anti-trust and monopoly practices	71	✓

GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION
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GRI 103. Management approach	103-1. Explanation of the material topic and its Boundary	39	
	103-2. The management approach and its components	39	
	103-3. Evaluation of the management approach	39	
GRI 301. Materials 2016	301-1. Materials used by weight or volume	39	✓
	301-2. Recycled input materials used	39	✓
	301-3. Reclaimed products and their packaging materials	39	✓
ENERGY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	30	
	103-2. The management approach and its components	28, 30	
	103-3. Evaluation of the management approach	28, 30	
GRI 302. Energy 2016	302-1. Energy consumption within the organization	30	✓
	302-2. Energy consumption outside de organization	30	✓
	302-3. Energy intensity	30	✓
	302-4. Reduction of energy consumption	30-31	✓
	302-5. Reduction requirements of products and services	10	Unavailable information ✓
WATER			
GRI 103: Management approach 2016	103-1. Explanation of the material topic and its Boundary	36	
	103-2. The management approach and its components	28, 36	
	103-3. Evaluation of the management approach	28, 36	
GRI 303. Water 2016	303-1. Water withdrawal by source	36	✓
	303-2. Water sources significantly affected by withdrawal of water	36	✓
	303-3. Water recycled and reused	36	✓
BIODIVERSITY			
GRI 103: Management approach 2016	103-1. Explanation of the material topic and its Boundary	40	
	103-2 The management approach and its components	40	
	103-3. Evaluation of the management approach	40	
GRI 304. Biodiversity 2016	304-1. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	40	✓
	304-2. Significant Impacts of activities, products and services on biodiversity	40	✓
	304-3. Habitats protected or restored	40	✓
	304-4. UCN Red List species and national conservation list species with habitats in areas affected by operations	40	Unavailable information ✓

GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION	
EMISSIONS				
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	31-32, 37		
	103-2. The management approach and its components	28, 31-32, 37		
	103-3. Evaluation of the management approach	28, 31-32, 37		
GRI 305. Emissions 2016	305-1. Direct (Scope 1) GHG emissions	31-32	✓	
	305-2. Energy indirect (Scope 2) GHG emissions	31-32	✓	
	305-3. Other indirect (Scope 3) GHG emissions	31-32	✓	
	305-4. GHG emissions intensity	31	✓	
	305-5. Reduction of GHG emissions	31	✓	
	305-6. Emissions of ozone-depleting substances (ODS)		Unavailable information	✓
	305-7. Nitrogen oxides (NO _x), sulfur oxides (SO _x) and other significant air emissions	33, 37		✓
EFFLUENTS AND WASTE				
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	33, 38-39		
	103-2. The management approach and its components	28, 38-39		
	103-3. Evaluation of the management approach	28, 38-39		
GRI 306. Effluents and waste 2016	306-1. Water discharge by quality and destination	38	✓	
	306-2. Waste by type and disposal method	33, 34	✓	
	306-3. Significant spills	39	✓	
	306-4. Transport of hazardous waste	33, 34	✓	
	306-5. Water bodies affected by water discharges and-or runoff	38	Unavailable information	✓
ENVIRONMENTAL COMPLIANCE				
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	21, 28-29		
	103-2. The management approach and its components	21, 28-29		
	103-3. Evaluation of the management approach	21, 28-29		
GRI 307. Environmental compliance 2016	307-1. Non compliance with environmental laws and regulations	40	✓	

GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION
ENVIRONMENTAL EVALUATION OF SUPPLIERS			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	75	
	103-2. The management approach and its components	75	
	103-3. Evaluation of the management approach	75	
GRI 308. Supplier environmental assessment 2016	308-1. New suppliers that were screened using environmental criteria	75	✓
	308-2. Negative environmental impact in the supply chain and actions taken	75	✓
EMPLOYMENT			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	54, 56	
	103-2. The management approach and its components	54, 56	
	103-3. Evaluation of the management approach	54, 56	
GRI 401. Employment 2016	401-1. New employee hires and employee turnover	54, 55	✓
	401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees	56	✓
	401-3. Parental leave	56	✓
LABOR MANAGEMENT RELATIONS			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	54	
	103-2. The management approach and its components	54	
	103-3. Evaluation of the management approach	54	
GRI 402. Labor/Management relations 2016	402-1. Minimum notice periods regarding operational changes	54	✓
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	57-59	
	103-2. The management approach and its components	57-59	
	103-3. Evaluation of the management approach	57-58	
GRI 403. Occupational Health and Safety 2016	403-1. Workers representation in formal joint management-worker health and safety committees	59	✓
	403-2. Types of injuries and rates of injuries, occupation diseases, lost days and absenteeism and number of work-related fatalities	58	✓
	403-3. Workers with high incidence or high risk of diseases related to their occupation	58-59	✓
	403-4. Health and safety topics covered in formal agreements with trade unions	59	✓

GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION
TRAINING AND EDUCATION			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	63-64	
	103-2. The management approach and its components	63-64	
	103-3. Evaluation of the management approach	63-64	
GRI 404. Training and Education 2016	404-1. Average hours of training per year per employee	63	✓
	404-2. Programs for upgrading employee skills and transition assistance programs	63	✓
	404-3. Percentage of employees receiving regular performance and career development reviews	65	✓
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	20, 54, 56	
	103-2. The management approach and its components	20, 54, 56	
	103-3. Evaluation of the management approach	20, 54, 56	
GRI 405. Diversity and Equal Opportunity 2016	405-1. Diversity in governance bodies and employees	20, 54, 55	✓
	405-2. Ratio of basic salary and remuneration of women to men staff	56	✓
NON-DISCRIMINATION			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	25	
	103-2. The management approach and its components	25	
	103-3. Evaluation of the management approach	25	
GRI 406. Non-discrimination 2016	406-1. Incidents of discrimination and corrective actions taken	26	✓
CHILD LABOR			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	25	
	103-2. The management approach and its components	25	
	103-3. Evaluation of the management approach	25	
GRI 408. Child Labor 2016	408-1. Operations and suppliers at significant risk for incidents of child labor	26	✓
FORCED OR COMPULSORY LABOR			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	25	
	103-2. The management approach and its components	25	
	103-3. Evaluation of the management approach	25	
GRI 409. Forced or Compulsory Work 2016	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labor	26	✓

GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION
SECURITY PRACTICES			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	67	
	103-2. The management approach and its components	67	
	103-3. Evaluation of the management approach	67	
GRI 410-1. Security Practices 2016	410-1. Security personnel trained in human rights policies or procedures	67	✓
HUMAN RIGHTS ASSESSMENT			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	25	
	103-2. The management approach and its components	25	
	103-3. Evaluation of the management approach	25	
GRI 412. Human Rights Assessment 2016	412-1. Operations that have been subject to human rights reviews or impact assessments	25, 72	✓
	412-2. Employee training on human rights policies or procedures	25	✓
	412-3. Significant investment agreements and contracts that include human rights clauses or were submitted to human rights screening	25	✓
LOCAL COMMUNITY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	18, 43	
	103-2. The management approach and its components	18, 43	
	103-3. Evaluation of the management approach	18, 43	
GRI 413. Local Communities 2016	413-1. Operations with local community engagement, impact assessments and development programs	43-52	✓
	413-2. Operations with significant actual and potential negative impact on local communities	18	✓
PUBLIC POLICY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	71	
	103-2. The management approach and its components	71	
	103-3. Evaluation of the management approach	71	
GRI 415. Public policy 2016	415-1. Political contributions	71	✓
CUSTOMER HEALTH AND SAFETY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	82	
	103-2. The management approach and its components	82	
	103-3. Evaluation of the management approach	82	
GRI 416. Customer Health and Safety 2016	416-1. Assessment of the health and safety impacts of products and service categories	82	✓
	416-2. Incidents of non-compliance concerning health and safety of products and services	82	✓

GRI STANDARD	CONTENT	NUMBER OF PAGES OR URL	OMISSION
CUSTOMER PRIVACY			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	82	
	103-2. The management approach and its components	82	
	103-3. Evaluation of the management approach	82	
GRI 418. Customer Privacy 2016	418-1. Substantiated complaints concerning breaches of customer privacy and losses of customer data	82	✓
SOCIOECONOMIC COMPLIANCE			
GRI 103. Management approach 2016	103-1. Explanation of the material topic and its Boundary	21	
	103-2. The management approach and its components	21	
	103-3. Evaluation of the management approach	21	
GRI 419. Socioeconomic Compliance 2016	419-1. Non-compliance with laws and regulations in the social and economic area	70	✓



Informe de seguridad limitada independiente

A los señores Presidente y Directores de Toyota Argentina S.A.
Av. Eduardo Madero 1020, Piso 5
Ciudad Autónoma de Buenos Aires, Argentina
33-67913936-9

Introducción

Hemos sido contratados por los directores de Toyota Argentina S.A. (en adelante, "la Sociedad") para realizar un encargo de seguridad limitada sobre cierta información contenida en el Reporte de Sustentabilidad 2017 de Toyota Argentina S.A. (en adelante, "el Reporte") por el ejercicio finalizado el 31 de Marzo de 2017. La preparación del Reporte es responsabilidad del Directorio de la Sociedad. Nuestro trabajo, fue realizado por un equipo multidisciplinario.

Información sujeta a análisis

Nuestro trabajo de seguridad limitada consistió en la revisión de la siguiente información contenida en el Reporte:

- Indicadores claves detallados en la "Tabla de Indicadores GRI", identificados con el símbolo √.
- La manifestación realizada por el Directorio de Toyota Argentina respecto a que se ha cumplido con los contenidos básicos recomendados en los Estándares para la elaboración de reportes de sustentabilidad del "Global Reporting Initiative" (en adelante "Estándares GRI"), para una opción de conformidad exhaustiva.

El alcance de nuestra revisión incluye solamente la información contenida en la sección del Reporte a la cual se hace referencia en forma precedente, correspondiente al período iniciado el 1° de Abril de 2016 y finalizado el 31 de Marzo de 2017; por lo tanto, no hemos realizado ningún procedimiento con respecto a períodos anteriores o cualesquiera de los elementos incluidos en el Reporte 2017.

Criterios con los cuales fue preparado el Reporte 2017 (en adelante, "los Criterios")

Los indicadores claves detallados en la "Tabla de indicadores GRI", identificados con el símbolo √, y la manifestación realizada por el Directorio de la Sociedad respecto a que se ha cumplido con los lineamientos del GRI, fueron preparados de acuerdo con las recomendaciones y principios incluidos en los Estándares GRI, nivel Exhaustivo.

Límites inherentes

La información no financiera está sujeta a limitaciones propias distintas que la información financiera, dada su naturaleza y los métodos utilizados para determinar, calcular, hacer muestreos o estimar valores. Las interpretaciones cualitativas de relevancia, materialidad y exactitud de los datos, están sujetas a suposiciones y criterios individuales.

Responsabilidad del Directorio por la información incluida en el Reporte 2017

El Directorio de Toyota Argentina S.A. es responsable de la preparación de la información incluida en el Reporte, preparada de acuerdo con los Criterios identificados en forma precedente. Esta responsabilidad incluye el diseño, implementación y mantenimiento del control interno necesario para que dicha información se encuentre libre de errores significativos, ya sea por fraude o error.

Independencia y Control de Calidad

Hemos cumplido con las normas de independencia y otros requisitos

éticos incluidos en el Código de Ética para Contadores Públicos emitido por el Consejo de Normas Internacionales de Ética para Contadores, que se fundamenta en los principios fundamentales de integridad, objetividad, competencia profesional y debido cuidado, confidencialidad y conducta profesional.

Nuestra firma aplica las Normas Internacionales de Control de Calidad 1 y, por lo tanto, mantiene un sistema integral de control de calidad que incluye políticas y procedimientos documentados sobre el cumplimiento de los requisitos éticos, normas profesionales y los requisitos legales y reglamentarios aplicables.

Nuestra responsabilidad

Nuestra responsabilidad consiste en expresar una conclusión de seguridad limitada sobre la información incluida en el Reporte 2017 que se detalla en el apartado "Información sujeta a análisis" en función de los procedimientos de revisión que hemos realizado y de la evidencia que hemos obtenido. Hemos llevado a cabo nuestro trabajo de revisión de acuerdo con la Norma Internacional sobre Compromisos de Seguridad (NICS) 3000 emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB por su siglas en inglés), adoptada en Argentina mediante la Resolución Técnica N° 35 de la Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE), la cual exige que cumplamos con requerimientos de ética, así como que planifiquemos y ejecutemos nuestra tarea con el fin de obtener una seguridad limitada sobre si la información identificada en el apartado "Información sujeta a análisis", se encuentra libre de incorrecciones significativas.

Un trabajo de seguridad limitada implica la evaluación, en base a pruebas selectivas, del uso de los Criterios por parte de la Dirección de la Sociedad para la preparación de la información sujeta a análisis identificada en forma precedente, principalmente evaluando los riesgos de incorrecciones significativas en la preparación de dicha información debido a fraude o error y la presentación general de la información sujeta a análisis. Un trabajo de seguridad limitada es sustancialmente menor en alcance que un trabajo de seguridad razonable, tanto en relación con los procedimientos de evaluación de riesgos, el entendimiento del control interno, como los procedimientos que se realizan en respuesta a los riesgos identificados.

Los procedimientos realizados fueron basados en nuestro juicio profesional; incluyen indagaciones, la observación de los procesos realizados, la inspección de documentos, procedimientos analíticos, la evaluación de la idoneidad de los métodos de cuantificación y evaluación de las políticas utilizadas.

Nuestro trabajo consistió, entre otros procedimientos, en

- Evaluar el diseño de los procesos claves y controles para monitorear, registrar y reportar la información seleccionada. Nuestro trabajo no incluye el testeo de la efectividad de los controles operativos para el período bajo análisis.
- Realizar pruebas, sobre bases selectivas, para verificar la información presentada.
- Realizar entrevistas con la gerencia y altos directivos para evaluar la aplicación de los Estándares GRI.
- Inspeccionar, sobre bases selectivas, la documentación para corroborar las manifestaciones de la gerencia y altos directivos en nuestras entrevistas.
- Revisar la presentación de la información incluida en el Reporte.

Conclusión

Sobre la base del trabajo descrito en el presente informe, nada llamó nuestra atención que nos hiciera pensar que la información sujeta a análisis, incluida en el acápite "Información sujeta a análisis", no ha sido preparada, en todos sus aspectos significativos, de conformidad con los Criterios identificados.

Ciudad Autónoma de Buenos Aires, 5 de diciembre de 2017

PRICE WATERHOUSE & CO.
ASESORES DE EMPRESAS S.R.L.

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C.P.C.E.C.A.B.A. T° 1 F° 18
Dr. Norberto N. Rodríguez
Contador Público (UBA)
C.P.C.E.C.A.B.A. T° 209 F° 33

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Coordination and Contents Carolina Llamedo, Social Responsibility and Community Area, Toyota Argentina

External assurance PWC Argentina

Design Eduardo E. Neira & Asociados / www.eduardoneira.com.ar

Translation L&H / www.lyharg.com.ar

This report and the previous editions can be found at Toyota Argentina's web site: www.toyota.com.ar

Please send your inquiries and suggestions to rse@toyota.com.ar

Collaborators for this edition

Adrián Concilio	Edgard Mihalovich	Juan C. Guillerma	Martín Venturini
Adriana Cupaiulo	Edgardo Domínguez	Juan Corbalán	Matías Frontera
Agustín Striglio	Eduardo Kronberg	Juan I. Colombo	Matías Genoud
Alberto Martín López	Eduardo Villar	Juan Manuel Leo	Mauricio Carro
Alejandro Higa	Elicaris Mahiquez	Juan Ortega	Maximiliano D'Arruda
Alexa Livisky	Emilia Mizukawa	Julián Basone	Maximiliano García
Alfredo Álvarez Páramo	Fabián Miquelot	Julio Friedrich	Maximiliano Mouchet
Alfredo Cerra	Fabiana Guidi	Karen Filippi	Miguel Dejo
Alicia Segura	Fabiola Zandalazini	Kikuko Nishioeda	Mizuki Murakami
Andrea Ojuez	Federico Bosch	Leando Novellino	Natalia Botani
Andrea Pont Verges	Federico Horst	Leonardo Najmanovich	Natalia González
Andrés Barcos	Federico Razionale	Lucas S. Grimaldi	Nayla Zvokelj
Andrés Galdames	Fernando Barri	Luciana Romero	Nicolás Fernández Lavalle
Andrés Laber	Fernando Lema	Luciano Puentes	Orlando D. Acosta
Andrés Massuh	Francisco Recio	Luis F. López	Orlando Esquivel
Andrés Nagasaki	Francisco Rosello	Luis Moreyra	Pablo E. Carrasquedo
Aníbal Centurión	Franco Moraschi	Magdalena Saita	Pablo Morick
Ariel Firpo Karmazyn	Gabriela Carreño	Malena Llosa	Pablo Raposo
Ariel Sena	Germán Schnyder	Marcela Marino	Paola F. Marcolini
Atilio Figueiras	Guillermo A. Fernández	Marcelo Biasini	Patricia Di Renzo
Bruno Gugliuzzo	Guillermo Catelli	Marcelo Catino	Ramiro Elizaga
Carlos Cornejo	Guillermo Galeano	Marcia C. Briuschi	Ramiro Testa
Carlos Llera	Gustavo Aracama	María C. Antoine Tarrie	Ricardo Gómez
Caterine Castro	Gustavo A. Juárez	María E. Toledo	Roberto Hegglin
Cecilia Ruberti	Gustavo Joseph	María F. Bonanata	Rodrigo Levy
Claudio Corradi	Héctor Labado	María Inés Laplaza	Rodrigo Maisterrena
Claudio Monduri	Hernán Buonfante	María Paz Salazar	Santiago Roca
Claudio Cicchitti	Hernán Gambini	Marianela Santángelo	Santiago Sellart
Constanza Santa Cruz	Iara Ribadulla	Mariano Barriola	Sebastián Osella
Cristian Fusi	Ichiro Ota	Mariano Domenech	Sergio Cortabarría
Cristian Parodi	Ignacio Limpenny	Mariano Pérez	Silvana Schwarzmaier
Dafne Martin	Javier Repetto	Marina Couette	Silvina Olivera
Daiana S. Alonso	Javier Ruvolo	Marina Romano	Silvio Solís
Daniel Afione	Jessica Kaneko	Martín González	Takeshi Yamakawa
Daniel Herrero	Jonathan Calgaro	Martín Bianchi	Tatsuya Shibata
Daniel Padilla	Jorge Daffinoti	Martín Colombato	Vanesa Isabello
Dario Espinosa	Jorge Pinazo	Martín Lopiano	Vanesa Rodríguez
Diego Aiolfi	José G. García Allievi	Martín Rodríguez	Víctor H. Haffner
Diego Liborci	José H. Cárdenas	Martín Roldán	Wilson Bredle
Diego Prado	José Martínez	Martín Schmidt	

GLOSSARY

TERM	DEFINITION
ACTRA	Argentina Toyota Dealers Association
ADA	Water Authority
ADEFA	Association of Automotive Makers
ADP	National Parks Administration
<i>Akachin</i>	Japanese trademark, which means first aid. It refers to minor/negligible issues
AmCham	Chamber of Commerce of the United States
APTA	Automotive Terminal Suppliers Association
<i>Asakai</i>	Daily morning meetings
ASH	Air supply house
ASIMRA	Association of Metalworking Industry Supervisors of the Argentine Republic
BOD	Board of Directors
CABA	Autonomous City of Buenos Aires
CBU	Complete Built Up
CCAB	Argentine-British Chamber of Commerce
CEO	Chief Executive Officer
CERA	Chamber of Exporters of Argentina
CET	Technical Training Center
CICACZ	Interindustry Committee for the preservation of the Campana and Zárate environment
CKD	Complete Knock Down
CO ₂	Carbon Dioxide
COHISE	Health and Safety Committee
COMI	Internal Communication System for Unusual Operations
COPRET	Provincial Council of Education for Work
CRH	Quick Tool Change
CS line	Customer Satisfaction line
CV	Horse vapor power
CVT	Continuous Variable Transmission
DBO	Biological Demand of Oxygen
DERAP	Environmental Risk Audits
DQO	Chemical Demand of Oxygen
EBITDA	Earnings Before Interests, Taxes, Depreciations and Amortizations
ECT	Toyota Commercial Style
ED	Chassis Plant
EDER	Early Detection and Early Resolution
EIR	Ergonomics Incident Rate
FIR	Fix It Right
GD	Global Diesel

TERM	DEFINITION
<i>Genchi Genbutsu</i>	Go and See
GLP	Oil Liquefied Gas
GPS	Global Positioning System
GRI	Global Reporting Initiative
<i>Hoshin</i>	System to create an organization able to achieve a high performance, sustainable in time
<i>Hoshin kanri</i>	Activities to achieve medium- and long term targets, set in the management plan in the short time, on the basis of the hoshin
http	Oil Total Hydrocarbons
ICT	Intra Company Transferee
IDEA	Institute for the Business Development of Argentina
IMT	Intelligent Manual Transmission
IMV	Innovative Multipurpose Vehicle
INET	National Institute of Technological Education
IRAM	Argentine Institute of Standardization and Certification
ITBA	Technological Institute of Buenos Aires
JI	Job Instruction
<i>Jidoka</i>	Automatization with a human touch. It allows the process to have its own quality self-control
<i>Kaizen</i>	Continuous improvement
KM	Key Meetings
KPI	Key Performance Index
Lead Time	Time elapsed between the order and the delivery of the vehicle to the customer
LED	Light-emitting diode
META	Improvement program for the automotive technical education
Monozukuri	Manufacturing
<i>Muda</i>	Without added value, waste: Those production elements that do not add value to the products and only increase costs: <ul style="list-style-type: none"> • Overproduction <i>Muda</i> • Transport <i>Muda</i> • Inventories <i>Muda</i> • Correction <i>Muda</i> • Wait <i>Muda</i> • Processing <i>Muda</i> • Movement <i>Muda</i>
NSER	Evaluation Manual and New Suppliers' Register

TERM	DEFINITION
NGO	Non-governmental Organization
OPDS	Provincial Body for Sustainable Development
PCB	Polychlorinated Biphenyls
PET	Polyethylene terephthalate
PLAFT	Anti-Money Laundering and Counter-Terrorism Financing
PPO	Post Production Operation
PS	Problem Solving
PyME	Small and Medium-size Enterprise
QAS	Quality Audit Survey
QC	Quality Control
HHRR	Human Resources
ROE	Return on Equity
CSR	Corporate Social Responsibility
MBAS	Methylene Blue Active Substances
SAEC	South American Environmental Committee
<i>Seiketsu</i>	Preserve
<i>Seiri</i>	Classify
<i>Seiso</i>	Clear Clean
<i>Seiton</i>	Arrange
SGA	Environmental Management System
<i>Shitsuke</i>	Discipline
Pull System	Use only what is necessary
SMART	Market Analysis Response Teams
SMATA	Argentine Automotive Transport Mechanics and Allied Staff Union
SSEE	Ethyl Ether Soluble Substances
TASA	Toyota Argentina Sociedad Anónima
TGRS	Toyota Global Risk Management Standards
TMC	Toyota Motor Corporation
Headquarters in Japan	Toyota New Global Architecture
TNGA	Toyota New Global Architecture
TOM	TASA Operational Meeting
TPA	Toyota Saving Plan
TPS	Toyota Production System It seeks for the optimum streamlining of the system with the complete elimination of muda (no added value) and it aims at creating quality in the manufacturing processes, while it recognizes the principle of cost reduction. It includes the necessary technology to achieve such objectives. It is supported by two subsystems: Just in time and jidoka
UBA	University of Buenos Aires
UIA	Argentine Industrial Union

TERM	DEFINITION
UIF	Financial Information Unit
UIZ	Zárate Industrial Union
VEGyD	Generated and Distributed Economic Value
VOCs	Volatile Organic Compounds
VP line	Vehicle performance line
VVT-i	Variable Valve Timing Intelligence
WPM	Weekly Production Meeting
<i>Yokoten</i>	Apply the same <i>kaizen</i> to other processes
<i>Yoshi Yoshi</i>	Visual Check done with the hands in each crosswalk
<i>Yuichi</i>	Daily afternoon meetings

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ZÁRATE INDUSTRIAL PLANT

Production, Administration
and Logistics

Ruta 12 km 81

B28000FA Zárate

Buenos Aires province

Phone: +54-3487-443000

Fax: +54-3487-443300

COMMERCIAL AND ADMINISTRATIVE
OFFICES

Thomas Edison 2659, piso 2, edif. Este

B1640HSA Martínez

Buenos Aires province

Phone: +5411- 5194-4500

Fax: +5411- 5194-4519

TOYOTA