

CODE OF ETHICS

CONTENTS

Foreword	02
1. Introduction	03
2. Objects	04
3. Basic Code	04
4. Specific Code	05
5. Whistle Blowing	08
6. Record Keeping	08
7. Press Briefing	08

FOREWORD

Toyota Globally stands for ethical practices and quality products. Among these two the ethical practices weigh more on Toyota's policy. Toyota Kirloskar Motor Pvt. Ltd. has published the "Code of Ethics" in 1999 which is aligned with the Principles and Philosophy for which our Parent Company - "Toyota" stands for. The document has undergone many changes since its initial publication and we are making one more attempt for improvement.

I would like to ask each one of you to be aware that you are an essential contributor to the success of the Company. The world is geographically inter connected resulting in borderless trade and global competition which has also brought with it many facets to world-class business. Toyota Kirloskar Motor wishes and aims to become the most Admired and Respected Company locally as well as globally. Accomplishing this goal requires that each one of us is aware of our Principles & Philosophy, reputation in the society ,the gratitude we owe to customers, society and respect for law of the land. Therefore, each one of us must act in a "***steadfast, sure-footed and thorough***" way, and take a decision in our day-to-day work keeping in mind utmost interest of the organization with common sense. I request all Team Members to read, understand and apply the "**Code of Ethics**" in your personal, family and work life decisions to uphold the values for which we stands for.

Date: 11-05-2016



Akito Tachibana
Managing Director
Toyota Kirloskar Motor Pvt. Ltd

1. INTRODUCTION

Toyota Kirloskar Motor (TKM) aims to become most respected and admired Company. This goal has to be achieved by Team Members (here in after referred to as “TMs”) by demonstrating highest values. The code of ethics paves the path the team has to tread while achieving their goal. The path followed should be transparent without any harm to any of the stakeholders or environment.

Before proceeding on to the heart of code of ethics it is our duty to refresh ourselves the Vision and Mission statement of TKM:

1.1 COMPANY'S VISION

- i. Delight our customers through innovative products, by utilizing advanced technologies and services.
- ii. Ensure growth to become a major player in the Indian Auto Industry and contribute to the Indian economy by involving all stakeholders.
- iii. Become the most admired and respected Company in India by following the Toyota Way.
- iv. Be a core Company in global Toyota operations.

1.2 COMPANY'S MISSION

- i. Practice ethics and transparency in all our business operations.
- ii. Touch the heart of our customers by providing products and services of superior quality at a competitive price.
- iii. Cultivate a lean and flexible business model throughout the value chain by continuous improvement.
- iv. Lead the Toyota global operations for the emerging mass market.
- v. Create a challenging workplace which promotes sense of pride, ownership, mutual trust and teamwork.
- vi. Create an eco-friendly Company in harmony with nature and society.

THROUGH THESE ACTIVITIES ESTABLISH SUPERIOR BRAND IMAGE IN INDIA.

1.3 Five Main Principles

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

2. OBJECTS

Code of ethics provides guidelines to TMs, in all categories regarding the promotion and practice of ethical business practices. In today’s business environment, it has become imperative to pursue and practice highest ethical standards, which is more relevant to us in view of the business expansion and growth.

The codes of ethics for TMs are generally of two categories. The first, the basic codes, which are more general in nature and the second, the code of ethics covering specific areas in relation to jobs performed by TMs.

3. BASIC CODE

3.1 Comply with Laws and Regulations

TKM will comply with applicable laws, internal Company Policies, Rules & Regulations. Company will abide by sound social norms, take appropriate action against any illegal or criminal acts or acts in violation of the Company’s policies or rules. TKM will not make any exceptions to this commitment, regardless of whether an unlawful act is carried on “in the interest of the Company” or carried out under the instructions of one’s superior. Every member shall respect and obey the laws of the land and laws of the country they transact with. Ignorance of law will not be an excuse. When in doubt, the TMs should be transparent with the law enforcers and shall obtain legal guidance, depending on the severity of the matter.

3.2 Be aware of local customs, social rules, traditions

TMs shall function in harmony with the local people. TMs should respect the local customs, social rules and traditions of the society in which they function. TMs shall deal with the local people with due respect and always ensure the reputation of TKM is upheld in the society.

3.3 Practice the “Values”

TKM has established “Values” for the Company and its stake holders. TMs should adhere to the following core values of the Company:

Honesty	I will be honest to my profession in spirit, word and action
Humility	I am proud about myself and I will treat everyone with same respect that I expect
Harmony	I will work with team spirit and will not leave at the cost of others
Courage	I will work for continuous improvement to lead from front amidst all adversities
Accountability	I will take ownership for all my actions

4. SPECIFIC CODE

4.1 The Work Culture

Company, being a part of global Toyota Organization, follows the basic work philosophies of Toyota Motor Corporation, Japan. Therefore every employee is expected to follow the Company's work culture that is derived from the "Toyota Way". Toyota Way includes the key elements of "Continuous Improvement" and "Respect for People". Company's success depends on the collective efforts of all employees who perform their jobs following Toyota Way. For example, every employee is expected to work with a good spirit of method, analyze issues with "Genchi Gembutsu" approach, create own and team's 'Business Plan' using "Hoshin Kanri" method and promote employee growth through good OJT and OJD.

4.2 Safe Products:

For an Automotive manufacturing Company, the pursuit of safer vehicles is always one of its main challenges and task. TKM endeavors in cooperation with our suppliers and dealers, to engage in design, production, quality control and after sales services in order to deliver its customers vehicles those possess sophisticated safety levels under various conditions and those provide a comfortable experience of driving.

4.3 Comply with Working Regulations

- a. TM Shall strictly adhere to and comply with all the applicable Labour Laws, Employment Laws, Service Rules and Regulations of the Company from time to time.
- b. TM Shall have respect for all religions and castes. They shall not abuse other religions or castes in derogatory terms. The religious practice of each TM is completely private affair. However, every employee shall ensure one's religious practices do not affect the work. They shall also not indulge in promoting any religion nor establish any form of worships in the workplace. They shall not discriminate fellow Team Members based on caste, creed, color, religion, sex or social status.
- c. Every employee of the Company shall in his / her business conducts / comply with all applicable laws and regulations.

4.4 Environment Preservation

TKM dedicates itself to provide sturdy, trendy and safe products and enhancing the quality of life everywhere through all its activities. TKM regards environmental issues as one of the Company's major challenges and takes environmental impact into consideration at all life-cycle stages of its vehicles, including development, production, usage and disposal.

TM shall be aware, practice and comply with the Environmental Policy of the Company at all times.

TMs activities must also be planned in such a way that total environment inside and outside the work place should be protected as per Company's Environment Management System.

4.5 Customer First:

- a. Based on a "Customer First" philosophy, TMs shall always grasp the need of customers and take action to satisfy customers' requirement.
- b. TM's will always give a smiling, timely and accurate response to customers and dealers.
- c. Shall be fair in all their dealings with the customers and dealers.
- d. Shall not indulge in any unfair trade practices and shall maintain a high level of integrity and reputation in conforming to trade practices within the ambit of law of the land.
- e. Shall not indulge in any sort of cartels with the competitors or price fixation along with competitors.
- f. Shall not publish or cause to publish materials or advertisements with false or exaggerated claims.

4.6 Develop Technology & Engineering

TKM wants to be the most respected and admired Company by touching the heart of customer. Hence, all the TMs who are involved in production process, quality, and research must know and understand and use the most advanced technology and knowledge to produce outstanding products and services that touch the heart of customers.

TMs shall conform to all Standards of Quality and shall dedicate to provide genuine and safe products and enhance the quality of life everywhere.

4.7 Protect Company's Assets

- a. Toyota employees are governed by the Confidentiality Management Policy according to which, no employee can disclose confidential or proprietary information to a third party without proper written authorization.
- b. Even after leaving the Company, former employees have a continuing obligation to safeguard confidential and proprietary information

- c. Toyota has established many an automobile Units. It owns tangible and intangible assets that are indispensable and invaluable to its successful operation. Company takes all necessary actions to protect and effectively use those assets for the benefit of the Company. Members shall take care of and protect the assets of the Company and shall be personally responsible for those assets of the Company which are entrusted to them.

4.8 In relation with Suppliers, Dealers or Contractors

i. To practice fair transaction

- a. Shall comply with all contractual obligations of the Company in all transactions with Customer, Dealer, Supplier, Service Provider etc.
- b. Shall adopt an Open-Door Policy and be fair, transparent and have sincere attitude towards transactions with Suppliers, Contractors and Service Providers as equal partners of business and make effort to establish mutual trust for a long term business relations.
- c. Shall make sourcing and pricing decisions on a fair competitive basis taking into consideration Quality, Cost and Delivery.
- d. Shall make every effort to effect purchases at the most possible competitive price, without compromise on quality and specifications.

ii. To avoid conflict of interest

All TMs shall ensure that conflict of interest, if any arising out of factors like having a business interest in another organization, doing business with friends and relatives, insider trading etc, will not affect the interests of the Company in any way and where such interests are involved, they shall make proper disclosure to the Management.

An employee of the Company shall not without the prior approval accept employment or a position of responsibility with any other Company nor provide any service for a consideration.

iii. To ensure conformance of Law / Regulations

- a. Shall effect purchases of goods/services only after due conformance to internal regulations and tax laws like Entry Tax, Sales Tax, Customs, Excise, RBI Regulations. Shall not deal with anyone who does not comply with the law of the land.
- b. Shall avoid doing business with those who violates laws like Child Labour Abolition Act, Environment laws or any other enactment in force from time to time.

4.9 In relation with Government

TMs shall deal with the Government Authorities and Public Servants with due respect, shall extend co-operation to, and maintain cordial relations with, the Government Authorities and Local Authorities.

5. WHISTLE BLOWING:

TKM has revitalized the Whistle Blowing System (WBP) during 2011. The new system gives an opportunity to stake holders (Employees, Vendors and Dealers) to report any fraud/ corruption/ bribery issues noticed by them and which would affect the brand image of the Company or which would put the Company in an embarrassing situation including financial loss to the Company.

Main features of the revitalized system are:

- a. Establishment of six channels for reporting
- b. Creation of Corporate Governance Website of the Company
- c. Appointment of Ombudsman to receive & investigate the issues reported
- d. Setting up of Whistle Blowing Committee to review and take action based on the report of Ombudsman

6. RECORD KEEPING

The legal, secretarial and financial records shall be maintained in a proper, truthful and accurate manner. These include but not limited to minutes of Board Meeting, Shareholder Meeting, Accounting Records like vouchers, journals, ledgers, cost records, budget approvals, Financial Statements and Management Information Reports. This rule is also applicable to records generated in all other areas like Information systems, Production, Human Resources, QC etc.

7. PRESS BRIEFINGS

TMs are not authorized to make any statement to the press unless authorized to do so. In case any TM receive queries / surprise calls from press, one should be careful enough to transfer the calls to authorized officials in the Company.