

Companies' Best Practices on Long-Term Foreign Direct Investment Within APEC Economies

Company Write-up

Toyota Motor Thailand

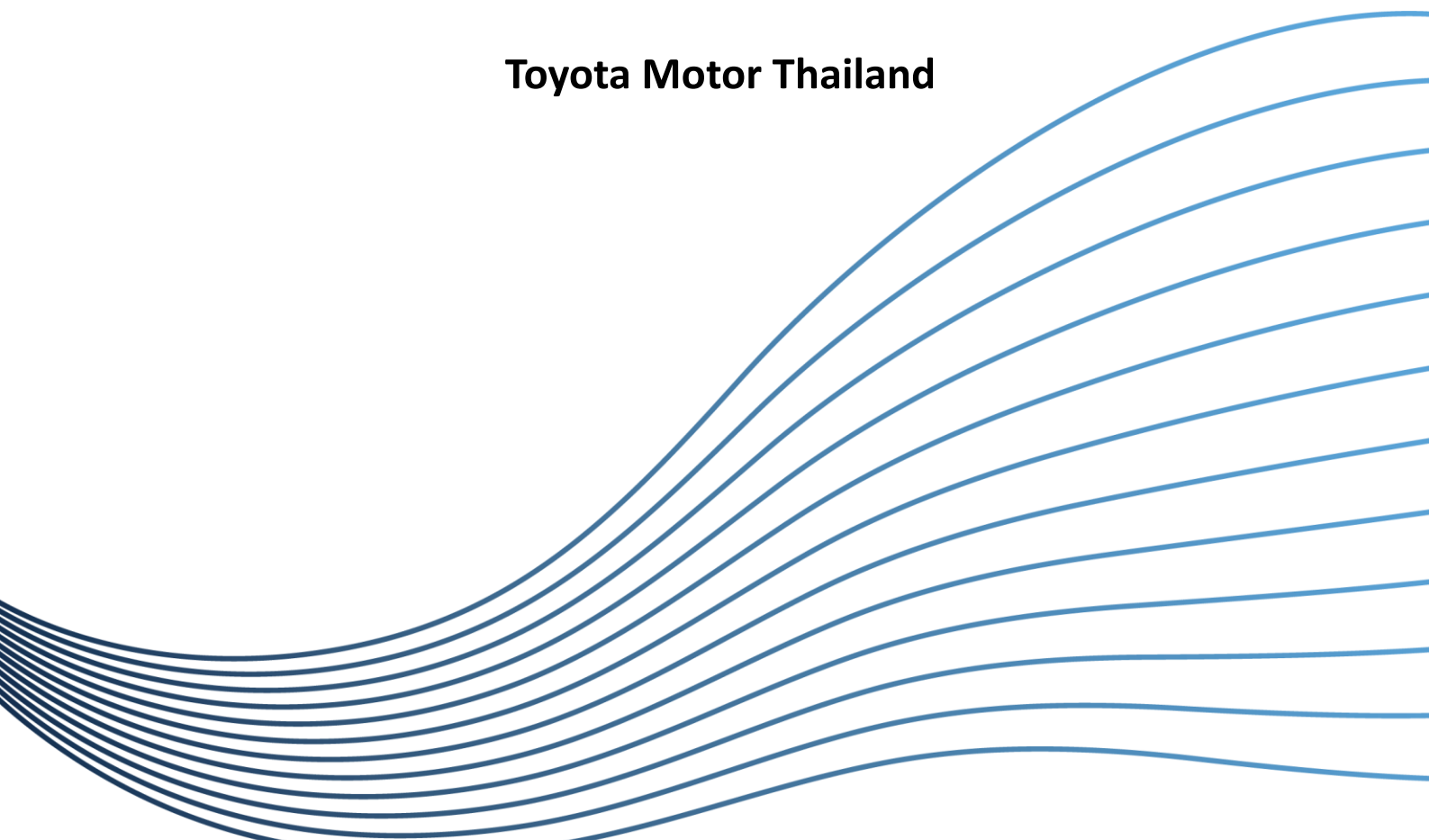


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1. OVERVIEW OF SELECTED FDI PROJECTS / COMPANIES

1.1 TOYOTA MOTOR THAILAND (TMT)

COMPANY DETAIL		Continuity
		TMT’s six-decade presence in Thailand exemplifies its commitment to long-term investment, innovation, and sustainable growth. Established in 1962 as a modest sales company, TMT has become a cornerstone of Thailand’s automotive industry, solidifying its identity as the "Detroit of Asia." Its transformation spans six eras, from early localization to globally competitive vehicles and eco-friendly innovations. Key milestones include three advanced manufacturing plants, a 96% localization ratio (i.e., percentage of a vehicle’s components or parts sourced and manufactured domestically), and exports to over 120 economies with an annual export value of approximately USD 5 billion. Investments like R&D centers have cemented Thailand’s role as a global automotive hub, contributing 3.4%–4.3% of GDP. By aligning with global trends and local needs, TMT fosters resilience, innovation, and sustainable development while driving economic progress.
Toyota Motor Thailand (TMT)		
Origin:	Japan	
Industry:	Automotive	Relationship TMT’s commitment to fostering strong relationships is deeply embedded in its CSR framework, focusing on People, Prosperity, and Planet. Guided by Toyota’s Global Vision, TMT translates these pillars into impactful initiatives that address environmental, social, and economic needs while aligning with the United Nations SDGs. Notable efforts include the Ban Pho Plant, a global model for sustainable manufacturing, and community-driven projects like Toyota Green Town Ayutthaya, which promote environmental education and quality of life. Through its Toyota Social Innovation (TSI) initiative, TMT empowers local businesses and SMEs, fostering economic growth and resilience. Programs like the Big Brother 50 and Business Accelerator enhance SME competitiveness, while road safety campaigns such as Toyota White Road create safer communities. By combining strategic partnerships, environmental leadership, and stakeholder engagement, TMT exemplifies its role as a responsible corporate citizen, driving sustainability, economic progress, and community well-being across Thailand.
PRESENCE IN HOST ECONOMY		
Est. Year:	1962	
Head Office:		
Samrong Tai Phra Pradaeng, Samut Prakan		
Entity:		Human Resource Development TMT's approach to human resource development emphasizes local job creation, workforce training, career progression, and diversity and inclusion. Since 1964, TMT has significantly contributed to Thailand's automotive sector creating 275,000 jobs directly, representing ~ 34 to 39% of Thailand’s automotive workforce, and supporting 5.6 million across the industry. Localization efforts have strengthened supply chains and boosted employment, while TMT’s workforce training, rooted in the Toyota Way, equips employees with skills for long-term growth. Structured career development pathways and retention programs ensure employee engagement and readiness for leadership roles. The Asia Pacific Global Production Center furthers regional skill development, and partnerships with universities highlight TMT’s commitment to external workforce development. TMT's DE&I initiatives foster inclusivity, supporting diverse demographics and implementing impactful programs, including groundbreaking support for employees with disabilities. This holistic strategy underscores TMT’s dedication to empowering its workforce and sustaining Thailand’s position as a leading automotive hub.
No of Employees:		
 11,700+		
Main Production Facility Location:		
- Samrong Tai, Phra Pradaeng, Samut Prakan - Gateway City Industrial Estate, Hua Samrong, Plaeng Yao - Lat Khwang, Ban Pho, Chachoengsao		

2. DETAILS AND KEY FINDINGS OF INDIVIDUAL CASE STUDY

2.1 TOYOTA MOTOR THAILAND (TMT)

2.1.1 Continuity

Investment Longevity

TMT has been a cornerstone of Thailand's automotive industry for over six decades, exemplifying a steadfast commitment to long-term investment and growth. Established in 1962, TMT began as a modest sales company and has since evolved into a vital contributor to Thailand's industrial economy. The inauguration of its first automobile assembly plant in Samrong Nua in 1964 marked the beginning of its transformation into a leading player in the sector. Today, TMT operates three advanced manufacturing facilities (see **Figure 1**) and holds a pivotal role in both domestic and global automotive markets.

Figure 1: Manufacturing Facilities

MANUFACTURING FACILITIES			
	Samrong Plant	Gateway Plant	Ban Pho Plant
			
	1964	1996	2007
Annual Est. Capacity	240,000 units	300,000 units	220,000 units
Specialization	The Samrong Plant specializes in producing the Toyota Hilux pickup truck and Fortuner SUV for the domestic market	The Gateway Plant focuses on manufacturing passenger cars, including the Camry, Corolla, Yaris, Yaris Ativ, and C-HR	The Ban Pho Plant is dedicated to producing the Toyota Hilux, primarily for export to over 90 economies worldwide

Source: Toyota Motor Corporation Press Release¹

“ Our facilities have expanded over the years to meet the growing demand from both local and export markets... With three plants, our current production stands at ~560,000 units annually, leaving room for further growth within our existing capacity. ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

TMT's six-decade presence in Thailand can be categorized into six distinct stages of development (see *Figure 2*), each illustrating its strategic efforts to address local and global market demands and foster sustainable growth:

- **1st Era (1962–1972: The Establishment Era)**

TMT was established in 1962, and by 1964, it had inaugurated its first automobile assembly plant in Samrong Nua, Samut Prakan, focusing on localizing production through CKD (completely knocked down) parts. This era laid the foundation for local automotive manufacturing, supported by government incentives to encourage localization over imports.

- **2nd Era (1973–1982: The Development Era)**

TMT expanded by building its second plant in Samrong Tai, introducing cutting-edge technologies like assembly lines, robotic welding, and advanced anti-rust paint systems. These innovations marked Thailand's first high-tech automotive production facility, meeting rising customer demand.

- **3rd Era (1983–1992: The Localization Era)**

TMT partnered with Siam Cement Group to establish Siam Toyota Manufacturing Co., focusing on increased production capacity and the use of 45% domestically sourced parts. By the end of this era, TMT had achieved a production volume of over 500,000 vehicles and significantly advanced local industrial capabilities.

- **4th Era (1993–2002: The Liberalization Era)**

Under government policies promoting Thailand as Asia's "Detroit of Asia," TMT established its third plant at Gateway, Chachoengsao, focusing on passenger car manufacturing. By 1996, TMT had produced 1 million vehicles and introduced models like the Toyota Soluna, designed with over 70% local content.

- **5th Era (2003–2012: The Globalization Era)**

TMT launched the Innovative International Multi-purpose Vehicle (IMV) project, emphasizing the production of globally competitive pickup trucks and eco-cars, solidifying Thailand's position as a global export hub. This era saw exports reaching 1 million units annually, a remarkable achievement considering Thailand's total annual car production peaked at approximately 2.45 million units in 2012². With exports accounting for a substantial portion of this production and a localization ratio surpassing 90%, TMT's global influence became increasingly evident.

- **6th Era (2013–Present: The Environmental Innovation Era)**

TMT expanded its Gateway plant further and introduced initiatives such as hybrid vehicles, carbon neutrality programs, and the Toyota Social Innovation (TSI). With a localization ratio of 96% and a substantial contribution of 3.4%–4.3% to Thailand's GDP, TMT continues to lead in sustainable automotive innovation.

Figure 2: TMT History



Source: Materials shared by TMT during field study

Building on its six-decade journey of growth and innovation, TMT has established itself as a vital export hub within Toyota's global network, shipping vehicles to over 120 destinations worldwide, including key APEC economies such as Australia; Indonesia; Japan; and Malaysia (see **Figure 3**). With an export volume of 379,044 units in 2023³ and an average annual export value of ~USD 5 billion, TMT plays a pivotal role in fostering regional integration within APEC through its extensive supply chain and export activities. By connecting Thailand's automotive industry with these economies, TMT not only strengthens trade links but also supports the broader economic integration of the region. Additionally, within the ASEAN region, TMT stands out as a cornerstone of Toyota's operations, contributing 63% of the region's total production capacity. Additionally, TMT's share of 56% of Toyota's total ASEAN exports reflects its efficiency and leadership, further solidifying Thailand's role as a manufacturing and export powerhouse in the automotive sector.

Figure 3: Export Operation



Source: Materials shared by TMT during field study

“ The Ban Pho Plant is the only facility in the world exporting vehicles to Japan, a feat no other company has achieved due to Japan’s exceptionally high-quality and specification requirements. This accomplishment truly highlights the superior quality and standards upheld by TMT. ”

– (Mr. Thanusak Manatmonkong, Acting Vice President of the Ban Pho Plant)

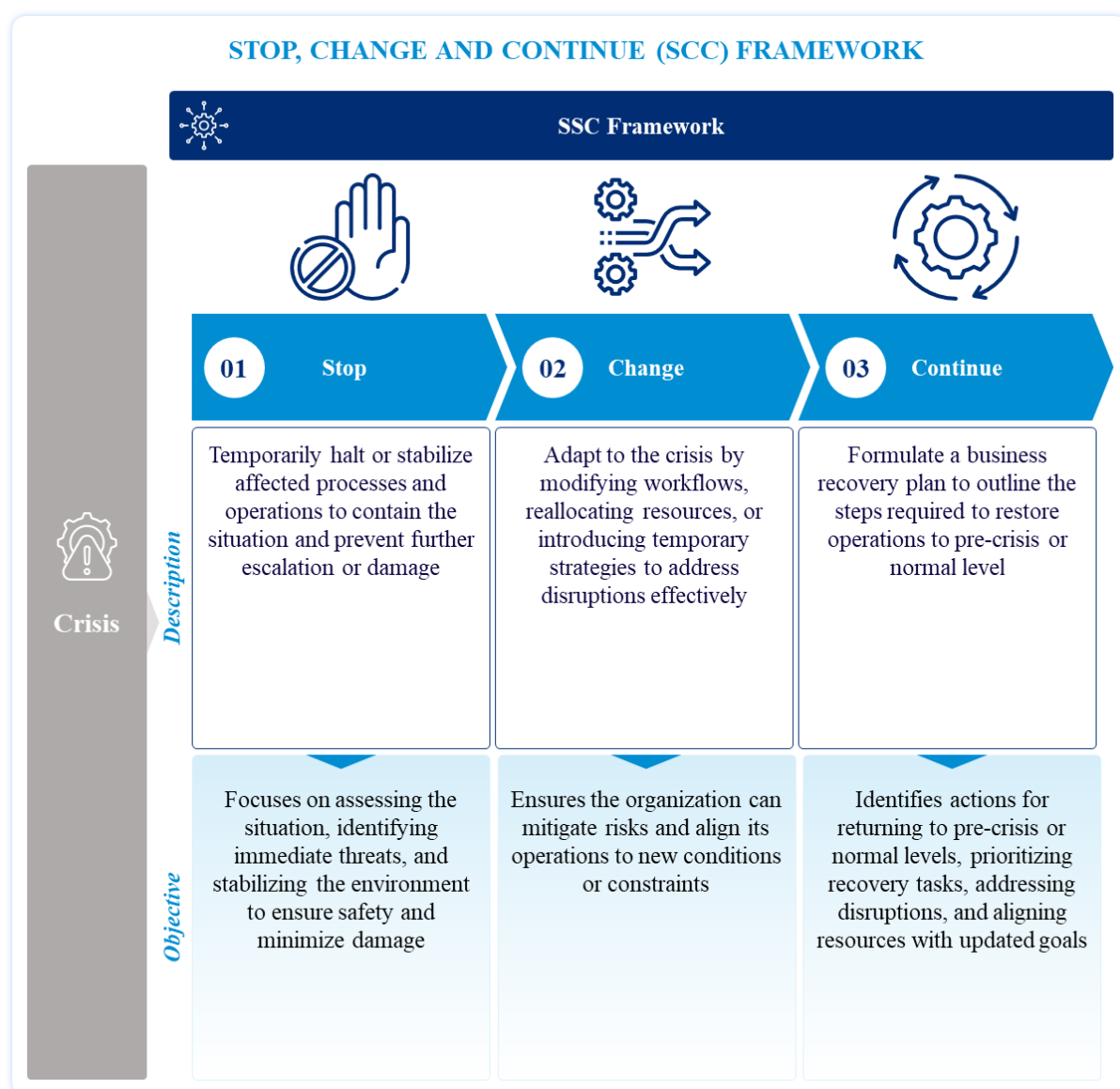
TMT’s investment longevity in Thailand underscores its unwavering commitment to fostering sustainable growth and driving economic progress. From its modest beginnings as a sales company to becoming a global powerhouse with state-of-the-art manufacturing facilities and an extensive export network, TMT has consistently evolved to meet the demands of both local and international markets. Contributing significantly to Thailand’s identity as the "Detroit of Asia," TMT has played a key role in establishing the economy as a manufacturing and export hub for the automotive industry. TMT’s six-decade journey serves as a testament to its dedication to innovation, localization, and long-term value creation, benefiting Thailand, the ASEAN region, and the global automotive sector.

Resilience and Adaptability

TMT has consistently demonstrated exceptional resilience and adaptability, ensuring operational continuity and responsiveness in the face of challenges. Central to this success is its robust Business Continuity Plan (BCP), which outlines predefined protocols to safeguard core operations during crises. The plan incorporates annual scenario planning, along with assessments of risk scenarios and impact factors, ensuring comprehensive preparedness and effective mitigation strategies. Complementing the BCP is the dynamic "Stop, Change, and Continue" (SCC) framework (see **Figure 4**), which enhances TMT's ability to adapt swiftly to

disruptions. Together, these structured approaches provide a solid foundation for long-term continuity and stability, even in the most challenging circumstances.

Figure 4: SCC Framework



Source: Interview with TMT's Management and Working Team

The SCC framework complements the BCP by introducing a real-time, action-oriented layer to the crisis management process. By pausing or stabilizing affected operations to prevent further escalation or damage ("Stop"), modifying workflows or reallocating resources to address immediate challenges ("Change"), and formulating a business recovery plan to guide operations back to pre-crisis or normal levels ("Continue"), the SCC framework ensures flexibility and responsiveness in dynamic situations. Together, these approaches form an integrated system that enables TMT to manage disruptions effectively, develop actionable recovery plans, and uphold its commitments to stakeholders while striving for operational excellence.

“ *The SCC framework enables us to pause, prepare, and adapt when faced with a crisis. For instance, in the finance department, we apply this framework to reassess budgets. As part of the process, we may identify and cut non-priority expenditures to realign resources and address the challenges effectively... Alternatively, in the case of mid- and long-term plans, some initiatives may need to be delayed to adapt to new conditions and ensure alignment with the organization's revised priorities.* ”

– (Mr. Nuntawat Srivaratachkul, Vice President of Corporate Affairs & Ms. Warajit Yomsatieankul, Acting Vice President of Accounting & Finance)

TMT enhances resilience and adaptability through regular quarterly updates, keeping employees informed about potential challenges, among other key updates. These sessions prepare employees to navigate challenges and opportunities, fostering a shared understanding and strengthening organizational cohesion for greater agility. Additionally, in supply chain management, TMT leverages its expertise in lean operations to navigate fluctuations and respond swiftly to disruptions. By minimizing waste and recalibrating operations efficiently, TMT ensures robust measures are in place to sustain operations during crises. This commitment to lean principles cultivates a culture of agility, enabling TMT to remain resilient and uphold its commitments in the face of unpredictable challenges.

“ *Our TPS system emphasizes lean production and efficient resource utilization, with a strong focus on managing fluctuations, particularly within the supply chain. A key term we often use is 'strong Goguchi' (a robust and responsive production control system), enabling us to swiftly adapt to changes in demand and material supply... As we regularly revise forecasts and adapt production plans, we are better equipped to manage inventory fluctuations, making our system more robust in times of crisis.* ”

– (Mr. Sripongs Photralux, Acting Vice President of Gateway Plant)

The value of these frameworks and approaches has been consistently demonstrated through TMT's ability to navigate significant disruptions over the decades. A recent example is the COVID-19 pandemic, during which TMT faced plant closures. At the time, the SCC framework was effectively implemented. In the finance department, budgets were categorized into high, medium, and low priorities, with low-priority items being cut. TMT also communicated with employees, requesting consideration of a 50% reduction for high- and medium-priority expenditures. Despite these challenges and budget constraints, TMT upheld its commitment to employee welfare by continuing to pay 100% - 90% of salaries, even for employees unable to work during the closures, reflecting its dedication to its workforce. This decision underscores TMT's resilience and adaptability, balancing financial adjustments with the need to support its workforce.

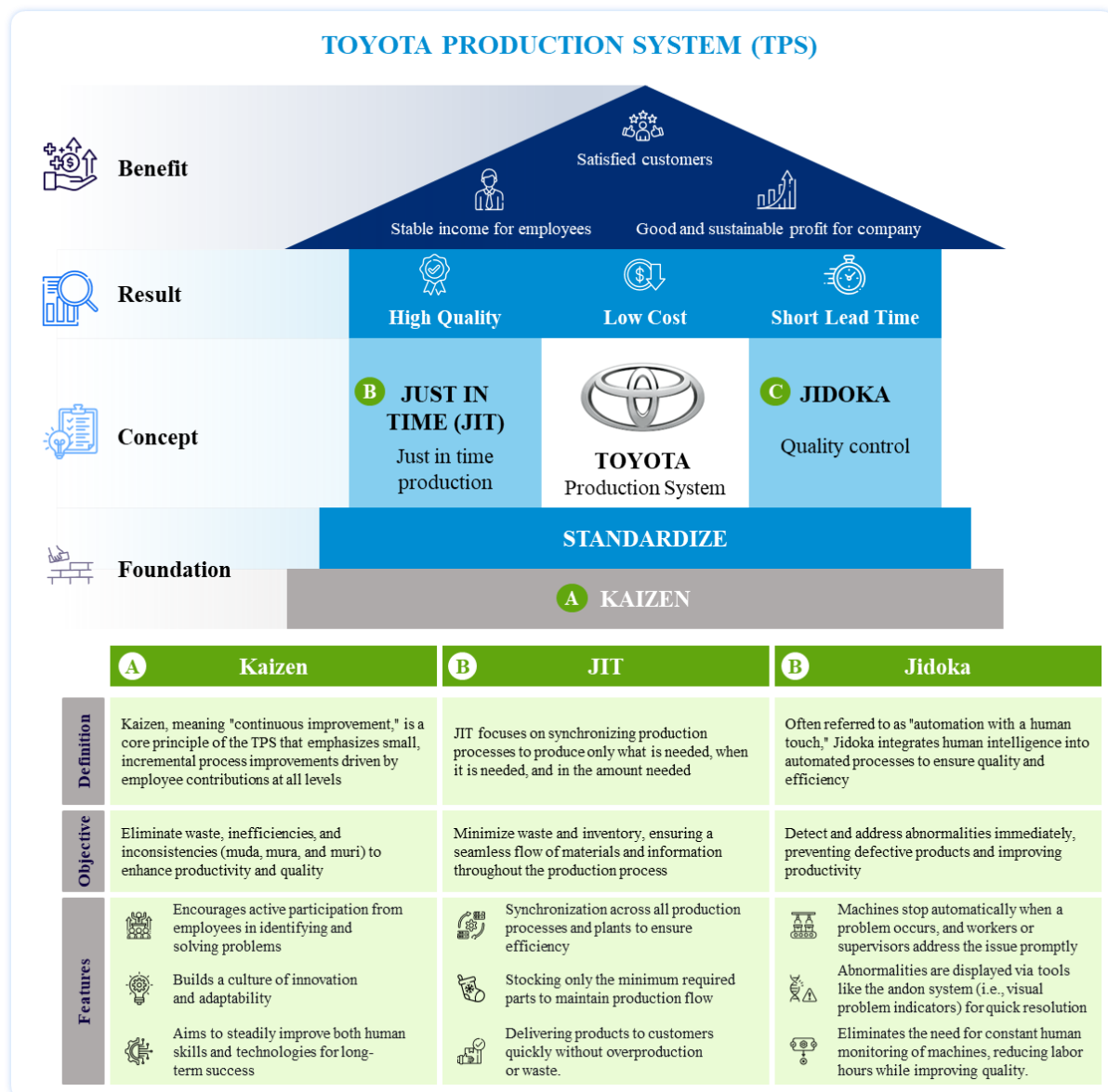
“ *Under Thai law, we were only required to pay 75% of salaries during COVID-19. However, understanding the significant financial impact this might have on our employees, we chose to provide 100% - 90% instead, while being transparent that prolonged closures could necessitate a shift to the 75% threshold.* ”

– (Mr. Nuntawat Srivaratachkul, Vice President of Corporate Affairs)

Operational Consistency

At the core of TMT's operational consistency is the Toyota Production System (TPS) (see **Figure 5**), a globally renowned framework designed to achieve high quality, low costs, and short lead times while ensuring long-term sustainability. Rooted in the philosophy of waste elimination and efficiency, TPS reflects Toyota's commitment to operational excellence and continuous improvement, known as Kaizen.

Figure 5: Toyota Production System (TPS)



Source: TMT Website⁴

TPS is built on two central pillars: Just-In-Time (JIT) and Jidoka, supported by the foundational principles of standardization and Kaizen. JIT ensures production is synchronized with demand by focusing on making only what is needed, when it is needed, and in the amount needed. This minimizes waste, optimizes inventory management, and enables a seamless production flow. Jidoka, often described as "automation with a human touch," integrates human intelligence into automated processes to detect and address abnormalities immediately. By allowing machines to stop automatically when issues arise and enabling workers to intervene promptly, Jidoka ensures built-in quality and prevents defects from progressing through the production line.

“ *TMT leverages the Toyota Production System (TPS), along with its quality-first principle and problem-solving methodologies, to foster operational excellence not only within its facilities but also across its entire supply chain network.* ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

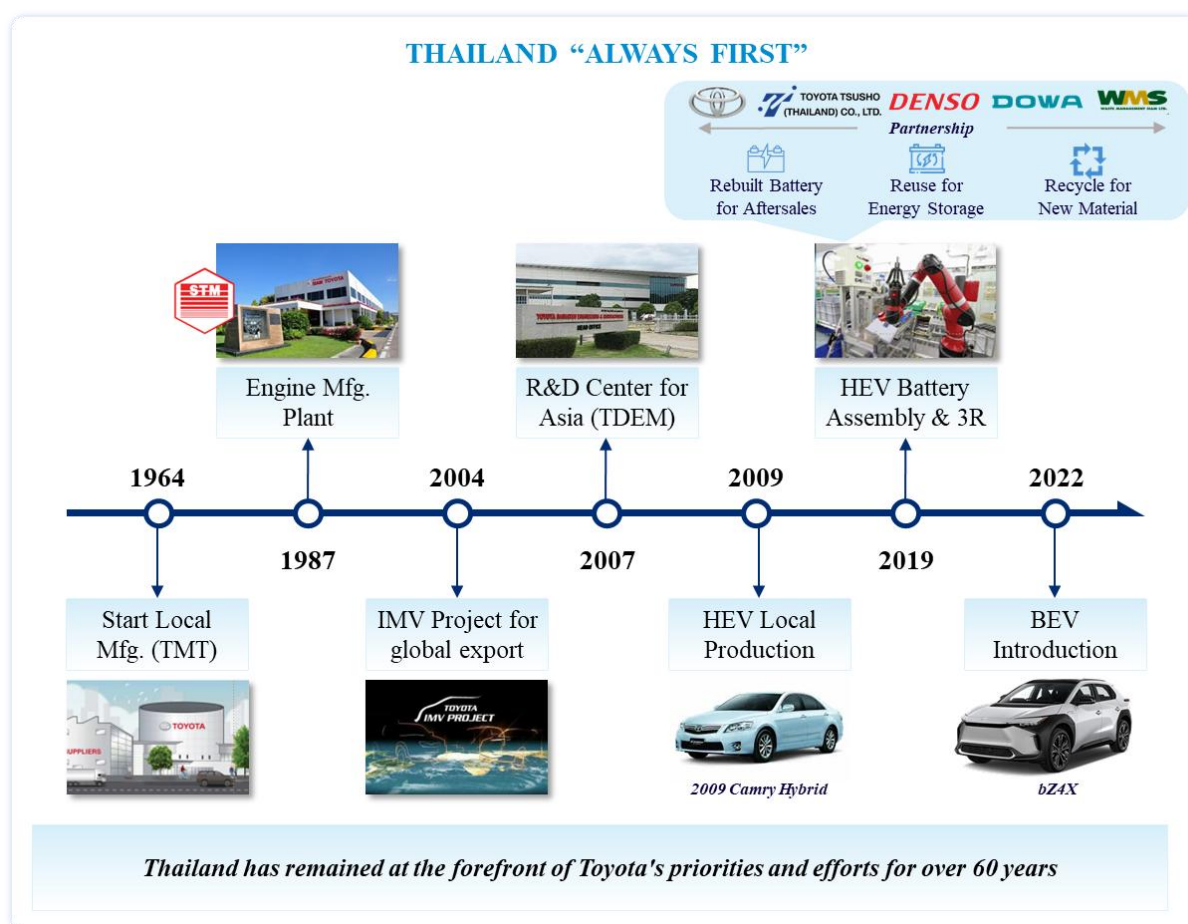
Kaizen, the cornerstone of TPS, involves daily incremental improvements across all operations. By engaging employees at every level to identify inefficiencies and implement solutions, TMT fosters a culture of adaptability and innovation. This approach not only reduces waste but also continuously refines processes, ensuring that the production system evolves to meet dynamic market demands and challenges. TMT has revised and adapted its JIT system to better respond in times of crisis, learning from past experiences such as the 2011 Thailand floods (*discussed further in Resilience and Adaptability*). This adaptation has made TMT more resilient to supply chain disruptions and better equipped to handle unexpected challenges.

The successful implementation of the TPS has enabled TMT to achieve high product quality, cost efficiency, and reduced lead times, delivering exceptional value to customers. This operational excellence is further evidenced by TMT's attainment of multiple certifications, including ISO 14001 for environmental management, which has been awarded to its Gateway, Samrong, and Ban Pho assembly plants. Additionally, 98 Toyota Service Centers have been granted ISO 14001 certification for environmentally friendly operations, with the goal of ensuring all service centers achieve this certification. These accomplishments highlight TMT's commitment to adhering to international standards, ensuring sustainability, and maintaining responsible manufacturing and service practices.

Additional Investments

TMT has showcased its unwavering commitment to Thailand's growth through substantial investments. In the past 10 years alone, Toyota has invested ~USD 7 billion⁵ into TMT and is expected to invest a further ~ USD 1.4 billion in the next 5 years⁶. Guided by the Thailand "Always First" philosophy, Toyota Corporation, through TMT, has demonstrated unwavering dedication to the economy over the past advanced 60 years by establishing three advanced manufacturing plants and making substantial investments in infrastructure, research and development, and sustainability initiatives (see **Figure 6**). These strategic investments underscore TMT's dedication to aligning with Thailand's aspirations to become a global leader in the automotive industry while reinforcing its pivotal role within Toyota's global operations.

Figure 6: Thailand “Always First” Philosophy



Source: Materials shared by TMT during field study

One of TMT's key investments is the Toyota Daihatsu Engineering & Manufacturing (TDEM) R&D Center, which establishes Thailand as a hub for cutting-edge automotive innovation tailored to regional needs. Another pivotal investment is the IMV Project (Innovative International Multi-purpose Vehicle), launched to develop and produce versatile, cost-effective vehicles designed for global markets. Thailand serves as a central production hub for the IMV Project, supporting the manufacturing of key models such as the Toyota Hilux and Fortuner for both domestic use and global export. This initiative not only strengthens Thailand's role in Toyota's global supply chain but also generates significant economic activity through local sourcing and job creation.

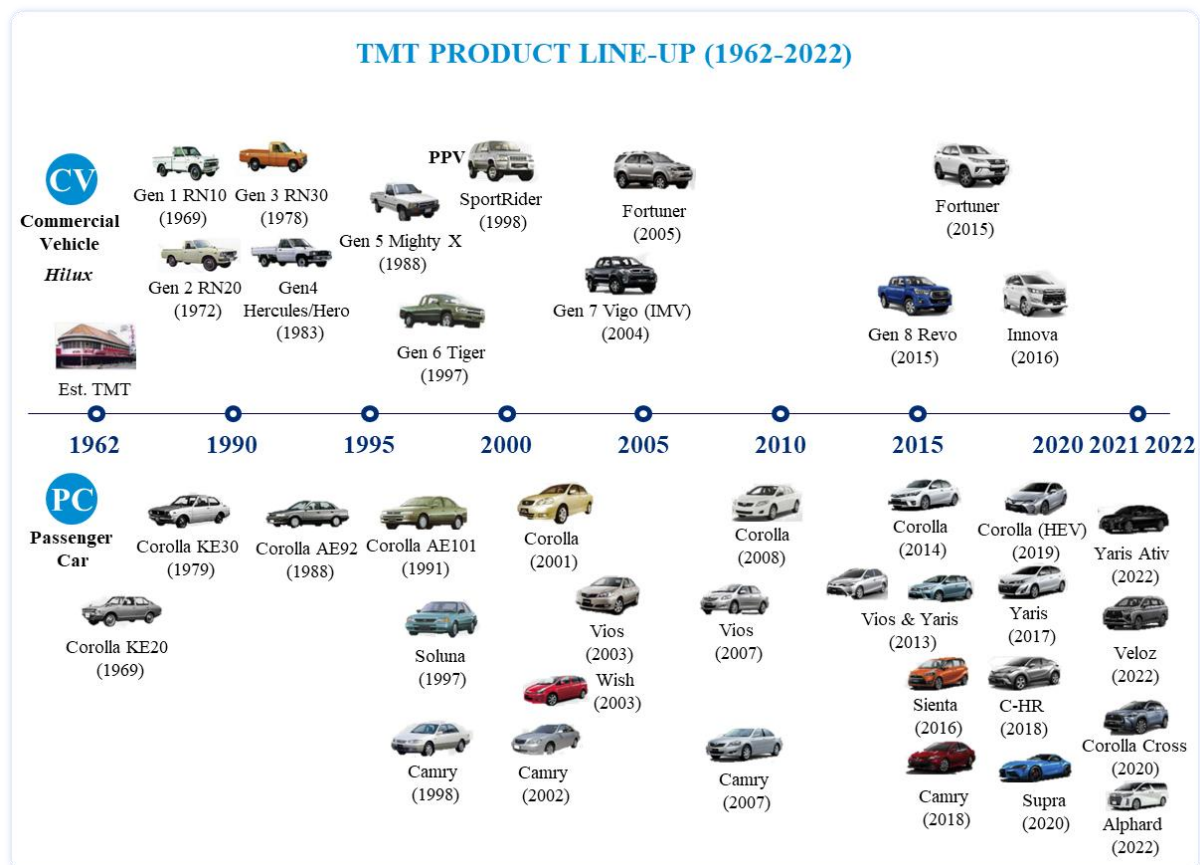
“ During the globalization phase, TMT transformed Thailand into Toyota's global production hub, spearheading initiatives like the IMV project, which produced internationally celebrated vehicles such as the pickup trucks, the product champion of Asia. ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

In addition to these investments, TMT has directed considerable resources toward green initiatives, including the Hybrid Electric Vehicle (HEV) Battery Assembly Plant and the 3R (Rebuild, Reuse, Recycle) program. These efforts advance sustainable production practices and build a green ecosystem in Thailand, aligning with global trends toward environmental sustainability. Together, these investments highlight TMT's proactive approach to fostering innovation, sustainability, and long-term value for Thailand.

The full extent of the impact of TMT's commitment to investment is evident in its robust lineup of vehicles, which has evolved significantly over the years (see **Figure 7**). Since 1962, TMT had introduced a diverse range of models, showcasing its commitment to innovation, environmental sustainability, and addressing evolving market needs. This continuous introduction of new vehicles underscores TMT's unwavering dedication to supporting Thailand's growth, solidifying its role as a key driver of economic activity, technological advancement, and sustainable mobility in the region.

Figure 7: TMT Product Line-up

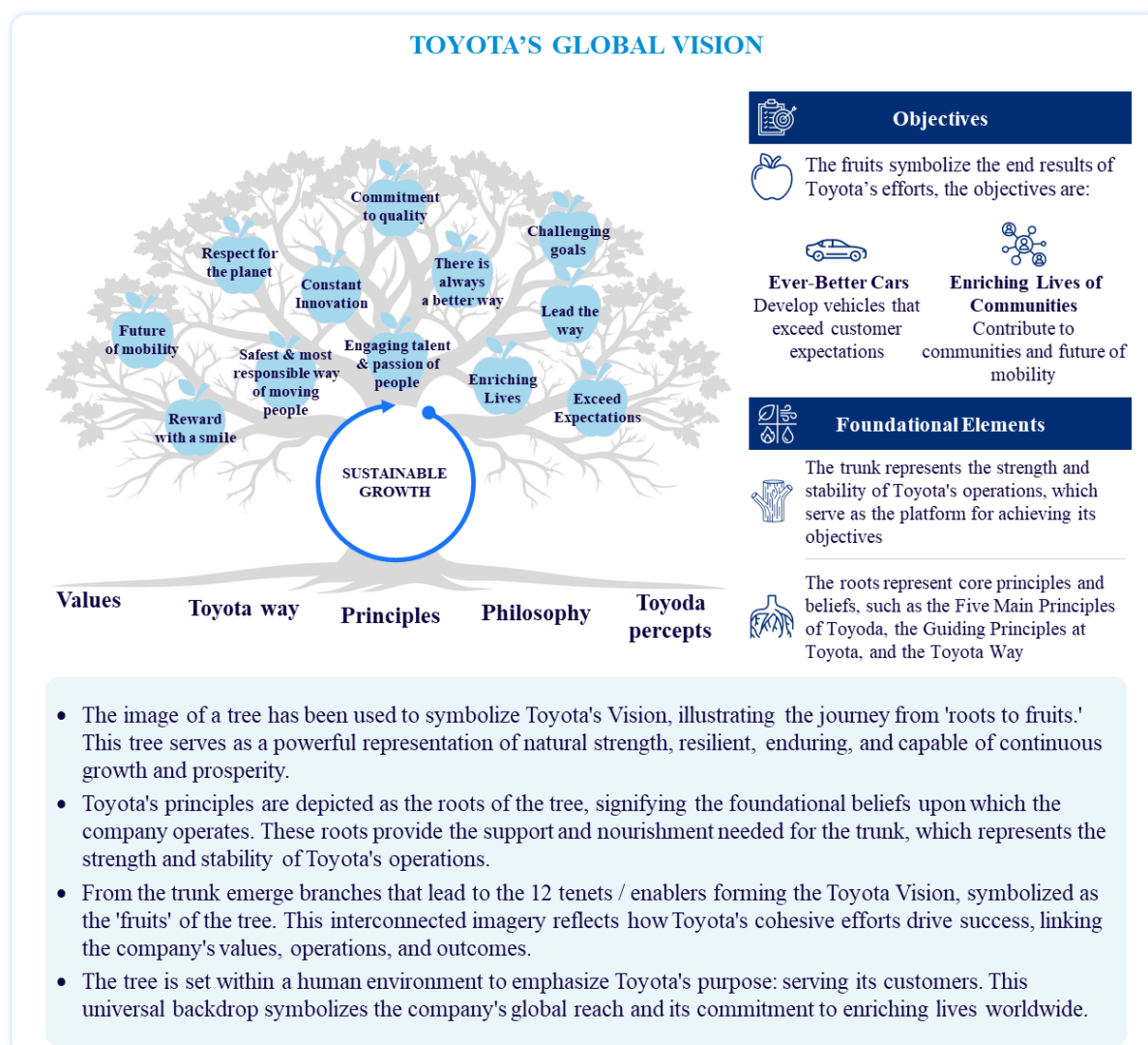


Source: Materials shared by TMT during field study

Industrial Impact

TMT has played a pivotal role in transforming Thailand's industrial landscape, guided by Toyota's global vision (see **Figure 8**) symbolized by the metaphor of a tree. The roots represent Toyota's foundational principles, including quality, innovation, and sustainability, while the trunk reflects the stability and strength of its operations. The fruits embody the tangible outcomes of these efforts, such as economic contributions, technological advancements, and societal benefits that enrich communities.

Figure 8: Toyota's Global Vision



Source: Materials shared by TMT during field study

This philosophy highlights Toyota's long-term approach to growth, emphasizing both operational excellence and broader contributions to society and industry. In Thailand, TMT has demonstrated this vision through significant investments in advanced manufacturing, research and development, and sustainable practices. These efforts have translated into ~USD 1 billion in investments by the Toyota Group, an accumulated production volume exceeding 12.69 million units as of 2022, and the creation of 5.6 million jobs across the automotive industry. TMT's activities also contribute approximately 3.4 to 4.3 percent of Thailand's GDP, underscoring its pivotal role in Thailand's economic and industrial growth.

“ TMT's production capacity accounts for approximately one-third of Thailand's total automotive output, making Toyota the largest contributor to the economy's automotive industry compared to other manufacturers. Additionally, Toyota's high localization rate ensures significant benefits for Thai society, including job creation and local economic development.

”

– (Mr. Sompol Tanadumrongsak, President at Thai Automotive Parts Manufacturers Association (TAPMA))

“ *TMT supports Thailand across various dimensions. It nurtures strong relationships with local communities, earning their trust and admiration. Economically, TMT contributes through income distribution, knowledge transfer, and the development of local businesses. Environmentally, it demonstrates a commitment to sustainability with initiatives focused on carbon neutrality and ecological care.* ”

– (Mr. Dusit Anantarak, Director of the Information and Communication Technology Center of the Office of the Permanent Secretary of the Ministry of Industry)

In addition to its economic contributions, TMT has played a key role in strengthening Thailand's automotive ecosystem, particularly through the development of a robust network of suppliers. With over 2,400 suppliers, including 525 Tier 1 and 1,760 Tier 2 companies, TMT has driven this growth by fostering knowledge-sharing, supporting innovation, and implementing capability-building programs. This approach has enabled local suppliers to meet international standards and significantly enhanced their competitiveness. Moreover, this extensive network underpins the creation of millions of jobs across the industry and has contributed to TMT achieving a high localization ratio¹ of 96% in 2022. By integrating suppliers into its operations and elevating their standards, TMT reinforces Thailand's position as a key player in the global automotive industry, demonstrating the far-reaching impact of its guiding principles.

“ *Our relationship with Toyota has been exceptionally smooth, with TMT making significant efforts to coexist harmoniously with Thai society. This is evident in TMT's substantial investment of resources and manpower to develop suppliers, elevating them to world-class standards.* ”

– (Mr. Chawat Trangadisaiikul, Managing Director at Bangkok Metropolis Motor Co., Ltd., TMT's Parts Supplier)

TMT's approach to supplier development is methodical and comprehensive. Through targeted knowledge transfer, training programs, and ongoing support, TMT equips suppliers with the tools to enhance production processes, improve quality control, and achieve operational excellence. These efforts not only bolster the competitiveness of individual suppliers but also enhance the overall efficiency and resilience of Thailand's automotive supply chain. By cultivating a culture of continuous improvement and ensuring alignment with international standards, TMT enables suppliers to adapt seamlessly to evolving industry requirements and global market dynamics.

“ *TMT continuously supports suppliers at all levels, including Tier 1, Tier 2, and beyond, by promoting various educational programs to enhance key aspects such as quality. For example, TMT facilitates training in the Toyota Production System (TPS), which has been highly instrumental in strengthening operations, especially during times of crisis.* ”

– (Mr. Chawat Trangadisaiikul, Managing Director at Bangkok Metropolis Motor Co., Ltd., TMT's Parts Supplier)

¹ Localization ratio refers to the proportion of locally produced parts used in a product, and is calculated from the ratio of local parts to total cost of parts used in assembly

“ TMT has played a significant role in enabling Thailand's suppliers to enter the export market by introducing Japanese expertise and sharing systems such as TPS, Kaizen, and others with local suppliers. As a result, Thailand has become globally recognized for its high-quality standards. ”

– (Mr. Sompol Tanadumrongsak, President at Thai Automotive Parts Manufacturers Association (TAPMA))

Figure 9: TMT New Vision and Mission



Source: Materials shared by TMT during field study

Complementing its industrial development, TMT has systematically embraced digital transformation. The launch of T-Connect in 2020 exemplifies this commitment - a comprehensive mobile application that consolidates multiple customer service platforms. This digital initiative integrates services like G-Book, Toyota Privilege, T-Mex, and Find My Car into a single, user-centric platform⁷. By leveraging digital technologies, TMT is transforming traditional automotive services and advancing Thailand's digital mobility landscape, demonstrating consistent efforts towards their long-term goal of digital transformation.

As a "Mobility Enabler", TMT continues to drive initiatives in electrification, decarbonization, and digitalization, ensuring the industry evolves to meet future challenges. By staying true to its core values and fostering long-term growth, the company delivers meaningful economic, technological, and societal contributions to Thailand's development.

2.1.2 Relationship

CSR Initiatives

Toyota's Global Vision emphasizes a holistic approach to sustainability, particularly through the objective of "Enriching Lives and Communities" as shown in **Figure 8**. This vision underscores Toyota's commitment to environmental sustainability and societal well-being, serving as a guiding principle for all its global operations and initiatives. TMT translates this global vision into action through its "A Mobility Enabler" vision, specifically Mission #3: "Accelerate carbon-neutral effort along product life cycle," and Mission #4: "Conduct business to create people happiness and serve SDGs" (see **Figure 9**). These missions reflect TMT's steadfast dedication to addressing local environmental challenges and enhancing the well-being of communities, embodying Toyota's broader values at a local level.

Building on this foundation, TMT has developed a comprehensive framework aligned with the United Nations Sustainable Development Goals (SDGs), focusing on the key pillars of People, Prosperity, and Planet (see **Figure 10**). This framework highlights improving lives, driving economic growth, and fostering environmental stewardship, with Partnership serving as the essential enabler for achieving these goals. At its core is the vision to "Act as a mobility enabler to promote happiness and social sustainability."

Figure 10: CSR Framework



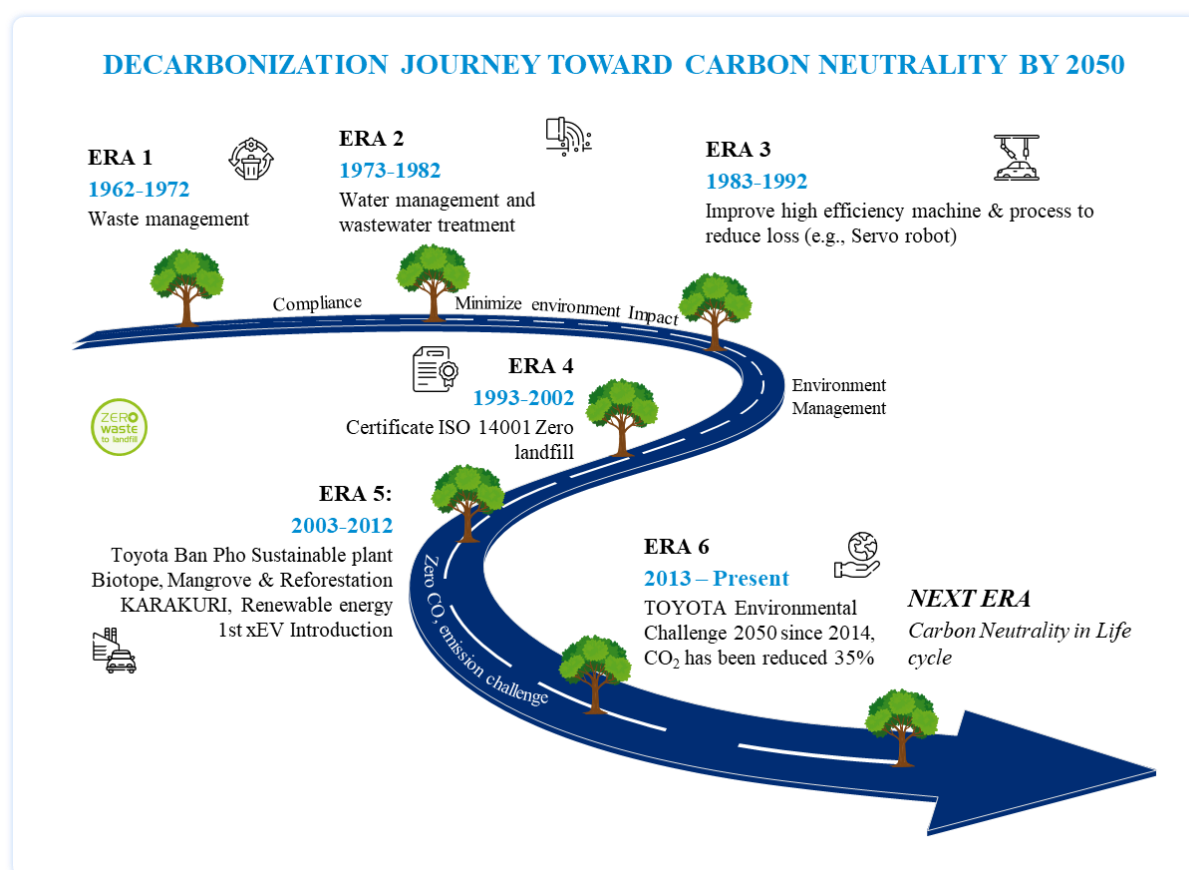
Source: Materials shared by TMT during field study

“ Through this framework, TMT focuses on three core components of CSR: the environment, the economy, and the community. Our initiatives include programs like road safety under the 'people' component and supporting grassroots communities through the Toyota Social Innovation (TSI) initiative under the 'community' component. ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

Focusing on the key pillar of Planet, TMT has consistently advanced its environmental initiatives through distinct phases, demonstrating its commitment to addressing key environmental challenges and supporting Thailand's carbon neutrality goals. Over the decades, TMT's efforts have evolved, progressing through six distinct eras that reflect the company's growing focus on sustainability and innovation as shown in **Figure 11**.

Figure 11: Decarbonization Journey Toward Carbon Neutrality by 2050



Source: Materials shared by TMT during field study

Zooming into Era 5, a standout achievement is the establishment of the Ban Pho Plant, a testament to TMT's unwavering commitment to sustainability. This facility embodies Toyota's vision of integrating advanced sustainable practices and innovative technologies to address environmental challenges. Recognized as one of Toyota's five "Sustainable Plants" worldwide, the Ban Pho Plant exemplifies TMT's leadership in promoting environmentally friendly practices and reducing its environmental footprint.

“ The Ban Pho Plant is one of only five Toyota Sustainable Plants worldwide, alongside facilities in Japan; the UK; the USA; and France. This plant adopts sustainable practices, including energy reduction, the use of renewable energy sources, and fostering harmony with nature. ”

– (Mr. Thanusak Manatmonkong, Acting Vice President of the Ban Pho Plant)

Central to the Ban Pho Plant's sustainability efforts is the Cheewa Panavet Biodiversity and Sustainability Learning Center (See **Figure 12**). This center features a dedicated learning facility that promotes environmental education and awareness. The center encompasses several key components:

- **Eco Forest:** Developed using the sustainable forest method of Prof. Dr. Akira Miyawaki of Yokohama National University, an internationally recognized expert in forestry, this area now hosts over 43 plant species with a tree survival rate exceeding 90%, demonstrating successful reforestation efforts.

- **Toyota Biotope:** As Thailand's first ecological zone replicating diverse forest ecosystems, the biotope provides a habitat for over 218 species of living organisms, fostering biodiversity and ecological balance.
- **Royal Commemoration Exhibition Building:** This facility includes exhibits on environmental projects initiated by the Thai royal family and features displays on ecosystems, using the Bodhi tree, a local species and symbol of Ban Pho, as a focal point.

Figure 12: Cheewa Panavet Biodiversity and Sustainability Learning Center



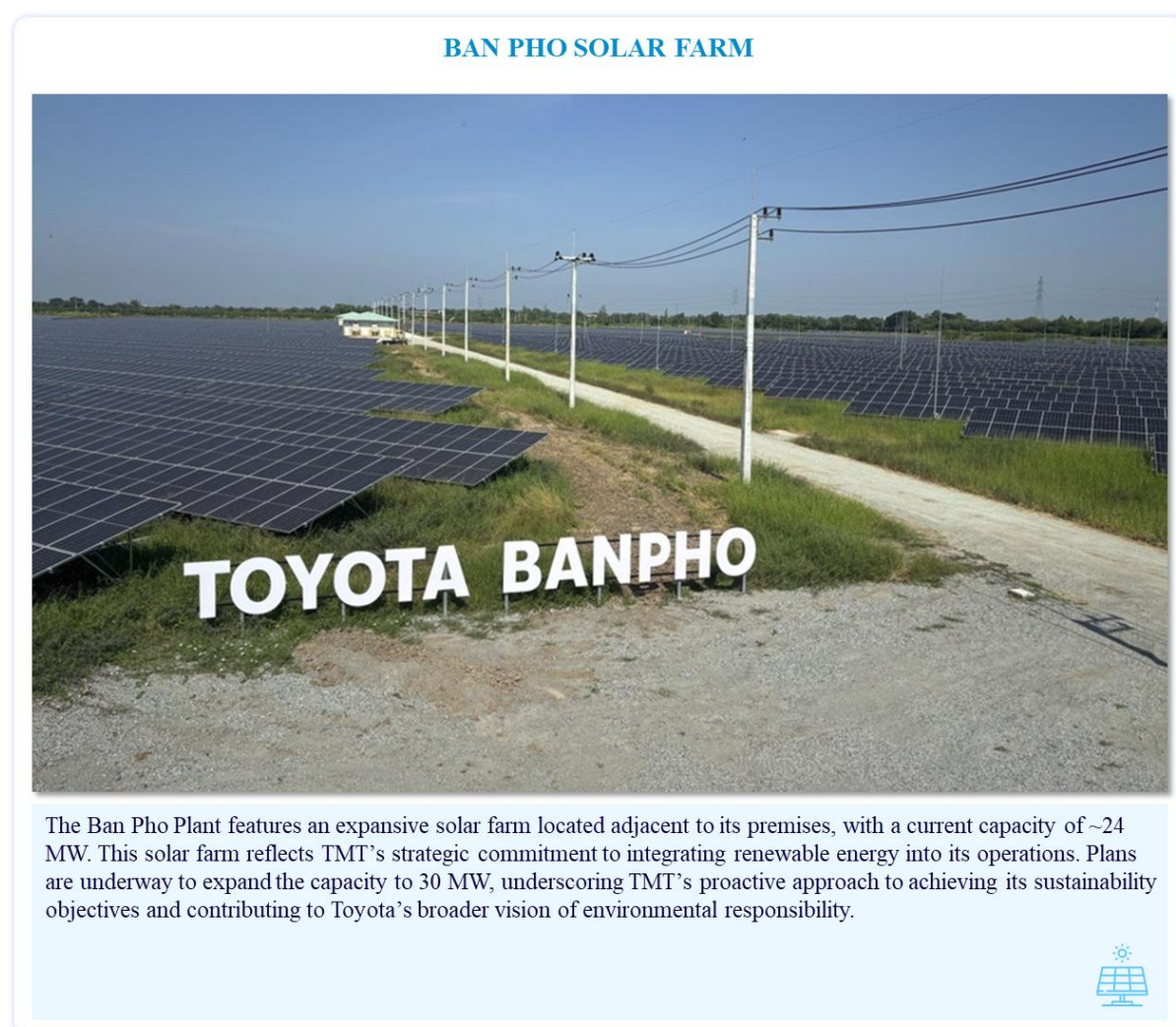
Source: Materials shared by TMT during field study

Additionally, the Ban Pho Plant exemplifies TMT's dedication to renewable energy through strategic and innovative initiatives aimed at reducing its carbon footprint. Central to these efforts is the integration of renewable energy sources, including an expansive solar farm (see **Figure 13**) and a network of rooftop solar panels, which together supply ~65% of the plant's energy needs. With plans to further expand the solar farm's capacity and optimize energy efficiency, TMT is steadily advancing toward its ambitious goal of making the Ban Pho Plant carbon neutral by 2030, positioning it as a benchmark for environmentally responsible manufacturing. As the industry moves towards the local economy's long-term goal of carbon neutrality by 2050⁸, with automotive companies adopting similar goals, TMT stands out as an automotive player that has taken concrete steps to achieve this ambitious goal, as exemplified by the Ban Pho Plant

“ *At the Ban Pho Plant, we aim to achieve zero carbon emissions by 2030 through three core activities: reducing energy consumption, increasing the use of renewable energy, and utilizing eco-forests for carbon absorption.* ”

– (Mr. Thanusak Manatmonkong, Acting Vice President of the Ban Pho Plant)

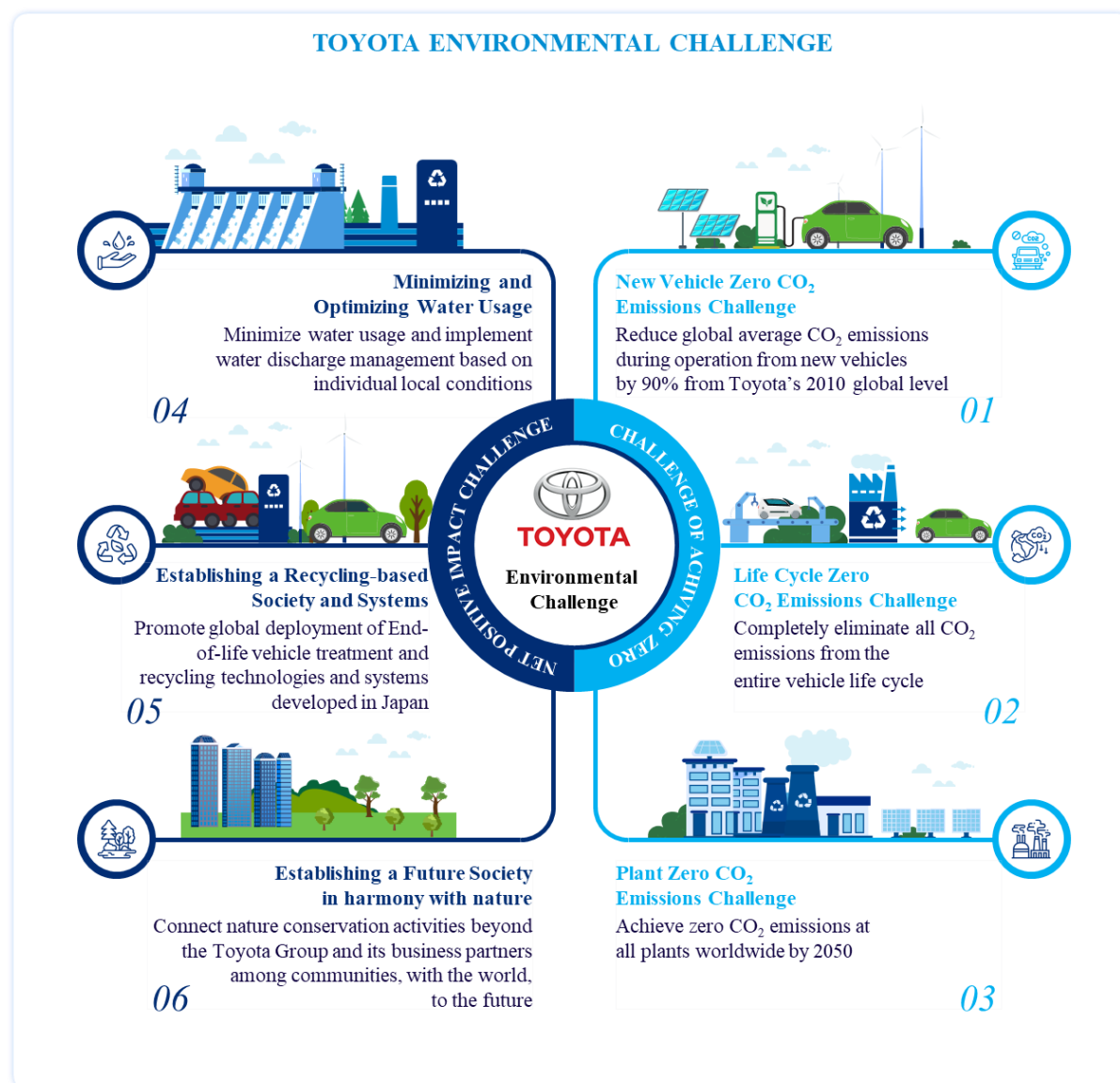
Figure 13: Solar Farm at Toyota Ban Pho



Source: Materials shared by TMT during field study

Delving into Era 6, TMT aligns closely with Toyota's global vision for sustainable development and environmental responsibility, as outlined in the "Toyota Environmental Challenge 2050" (see **Figure 14**). This era represents a pivotal phase in TMT's journey, marked by an intensified focus on achieving ambitious environmental goals. The Toyota Environmental Challenge 2050 provides a strategic framework centered around six key challenges, including reducing CO₂ emissions across the vehicle lifecycle, minimizing water usage, achieving zero waste to landfill, and promoting biodiversity. These challenges aim to achieve "zero" environmental impact while contributing positively to sustainable development, showcasing Toyota's long-term dedication to a greener, more sustainable future.

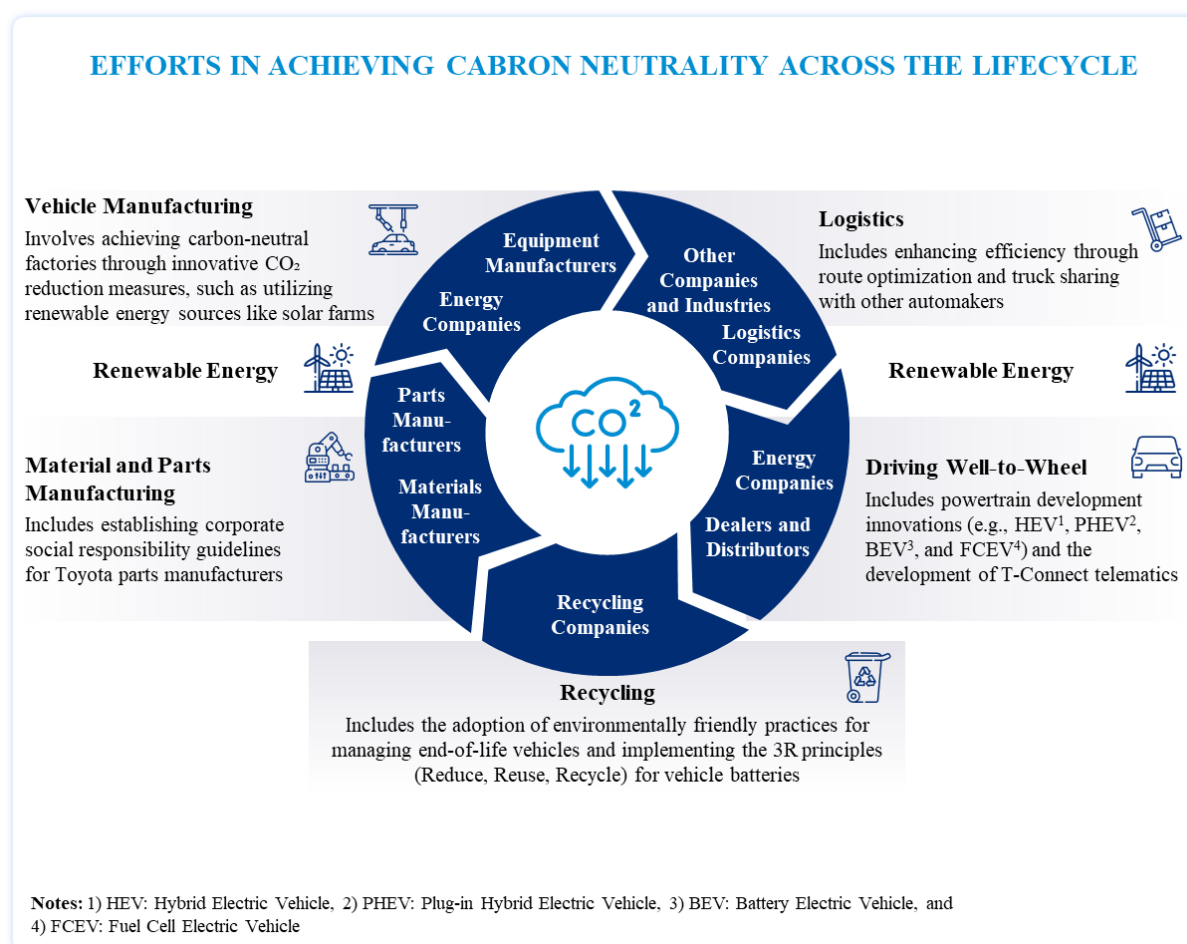
Figure 14: Toyota Environmental Challenge 2050



Source: Toyota Motor Corporation Environmental Report 2018⁹

TMT is actively addressing the six challenges outlined in the Toyota Environmental Challenge 2050 through targeted initiatives that not only enhance its operations but also benefit Thai society as a whole (see **Figure 15**). These efforts align TMT's operations with Toyota's global sustainability goals while addressing Thailand's unique environmental priorities.

Figure 16: Efforts in Achieving Carbon Neutrality Across the Lifecycle



Source: Materials shared by TMT during field study

Community and Stakeholder Engagement

TMT's commitment to community and stakeholder engagement is deeply embedded in its CSR pillars of People and Prosperity, which guide its efforts to contribute to the betterment of society and the environment. Through these pillars, TMT actively promotes initiatives that support education, sustainability, and economic development, demonstrating its dedication to creating a positive impact in the communities it serves.

“ TMT has received widespread recognition for its CSR efforts, ranking first in CSR awareness surveys, particularly in Thailand's Northeast region, with over 50% awareness. This reflects the strong societal impact of TMT's community-focused initiatives. ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

Focusing on the People pillar, TMT has implemented a variety of initiatives aimed at enhancing environmental awareness and quality of life while reinforcing its commitment to community and stakeholder engagement. A prime example is the Toyota Green Town Ayutthaya (see **Figure 17**), established in 2018 as the first environmental learning center outside TMT's factories. Developed in collaboration with the Thai government and the Thailand Environment Institute (TEI), this center integrates Toyota's environmental management practices while empowering local communities to adopt sustainable practices, showcasing how targeted efforts can enhance quality of life.

Figure 17: Toyota Green Town Ayutthaya

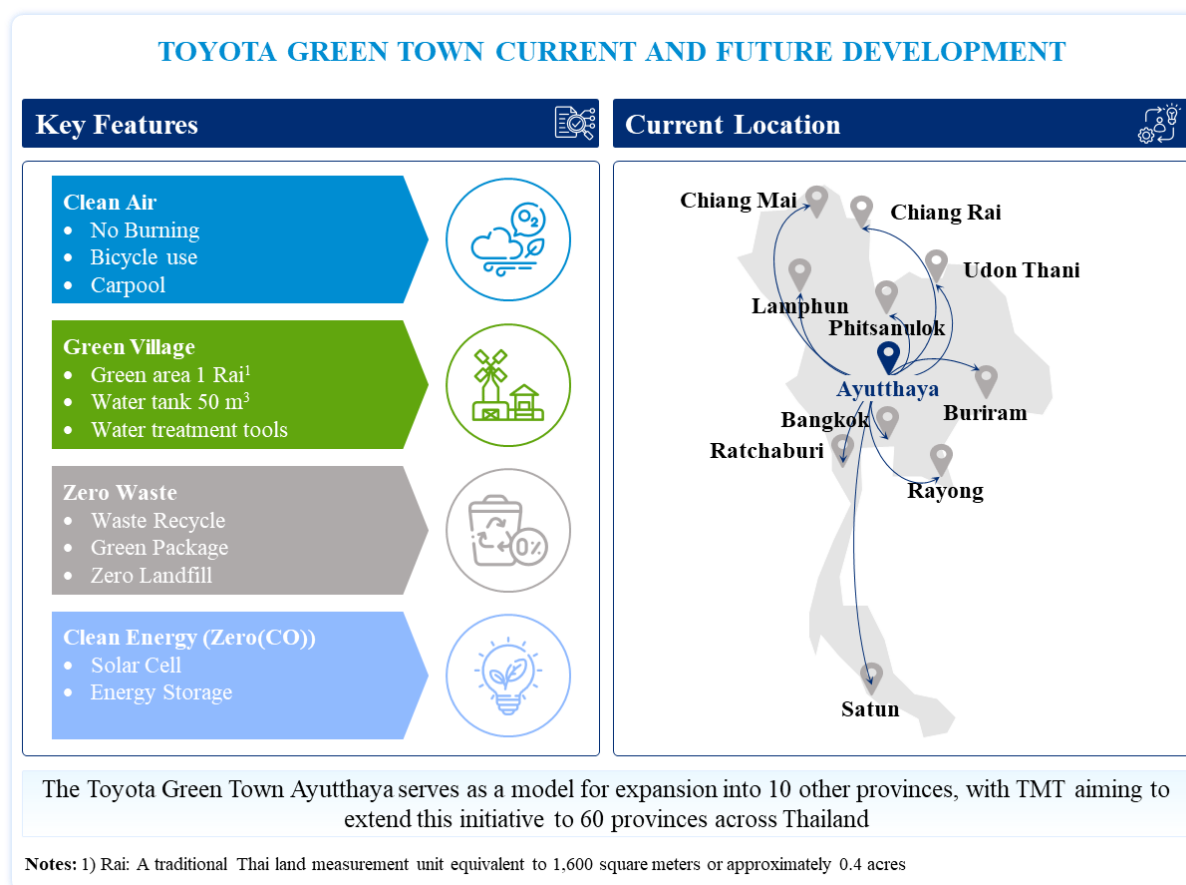


Source: TMT Website¹¹

Building on this foundation, TMT has expanded similar initiatives to 10 provinces across Thailand, with a goal of reaching 60 provinces (see **Figure 18**). The expansion is guided by a set of strategic site selection criteria to ensure maximum impact and alignment with TMT's sustainability goals:

- **High Units in Operation (UIO) City Areas:** Focusing on urban regions with a high number of vehicles currently in use, making them ideal for raising awareness and amplifying corporate communication about sustainable practices.
- **Tourism Potential in Less Visited Areas:** Prioritizing regions with untapped tourism opportunities to stimulate local engagement and promote sustainable development, while aligning with the Thailand Board of Investment (BOI) criteria to drive economic growth in underrepresented areas.
- **Environmental Communities:** Targeting communities with strong environmental engagement to showcase best practices in sustainability and inspire wider adoption of eco-friendly initiatives.

Figure 18: Toyota Green Town Development



Source: Materials shared by TMT during field study

TMT's sustainability initiatives demonstrate a systematic approach to environmental responsibility, focusing on strategic site selection and stakeholder collaboration to support Thailand's sustainable development objectives.

“ *The Toyota Green Town Ayutthaya project, established as the first environmental learning center outside TMT's factories, showcases TMT's collaboration with local communities to promote sustainability and environmental stewardship.* ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

Moreover, TMT exemplifies its commitment to the People pillar through the Toyota White Road safety campaigns (see **Figure 19**). Launched in 1988, this initiative focuses on three key

factors: human, vehicle, and road, with the objective of reducing accidents, fostering a culture of traffic safety, and promoting greater awareness across communities. A key highlight of the campaign is the establishment of White Road Theme Parks, where children engage in interactive and enjoyable traffic safety education, cultivating responsible behaviors from a young age. This initiative reflects TMT's dedication to community well-being and stakeholder engagement by collaborating with schools, parents, and local organizations to create safer roads and a more informed society.

Figure 19: Initiatives Under the Toyota White Road Safety Campaign



Source: Materials shared by TMT during field study

Delving into the Prosperity pillar, TMT has developed a strategy aimed at effectively engaging with local businesses and communities to ensure its initiatives resonate with a wide audience. This strategy, centered around the concept of "Co-Create," emphasizes sharing Toyota's success factors to promote a sustainable economy (see **Figure 20**). Specifically targeted at small and medium-sized enterprises (SMEs), this approach focuses on building partnerships, fostering trust, and empowering businesses to thrive in a competitive environment.

Figure 20: Approach to Local Business Engagement



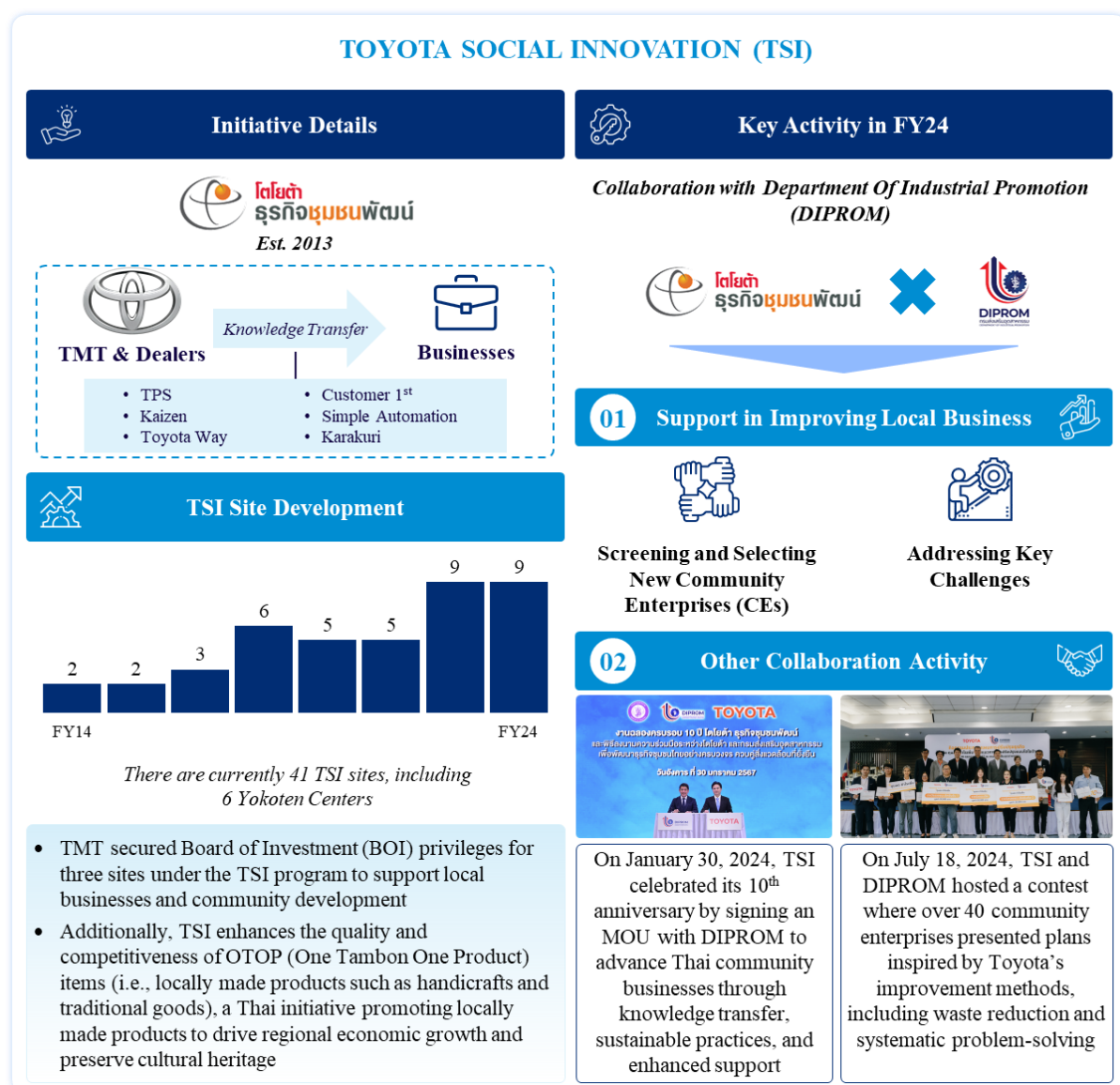
Source: Materials shared by TMT during field study

This initiative is closely aligned with Thailand's 13th National Economic and Social Development Plan (NESDC 2023–2027), which emphasizes enhancing the competitiveness of SMEs, fostering inclusive economic growth, and promoting regional and community development. By helping SMEs grow and thrive, TMT's strategy contributes directly to these goals, supporting Thailand's broader ambition of building a sustainable and equitable economy. Through this alignment, TMT ensures that its initiatives not only benefit individual businesses, but also drive the economy's socio-economic progress.

As seen in **Figure 20**, a key part of this strategy is the Toyota Social Innovation (TSI) initiative, which seeks to modernize entrepreneurs and empower community businesses to foster sustainable development within Thai society (see **Figure 21**). Designed to support local communities, TSI places a strong emphasis on strengthening SMEs as vital contributors to Thailand's economy. By addressing their needs and challenges, TSI helps these businesses

enhance their competitiveness, build resilience, and adapt to changing market dynamics, ultimately contributing to the economic sustainability and growth of local communities. Currently, there are 41 TSI sites, representing the businesses being supported under this initiative, which act as both beneficiaries and active participants in implementing Toyota's methodologies (see *Figure 22*).

Figure 21: Toyota Social Innovation (TSI)



Source: Materials shared by TMT during field study

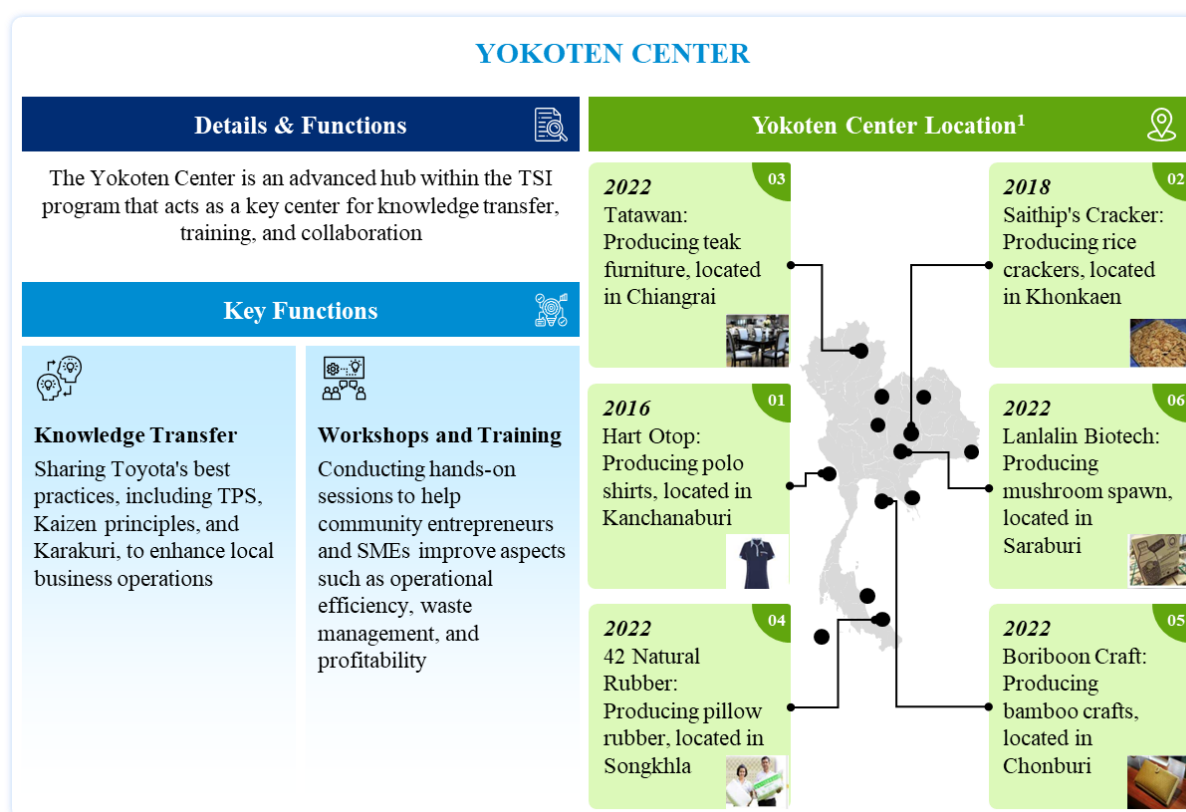
Figure 22: TSI Success Story – Lanlalin Biotech



Source: TMT TSI Article on Lanlalin Biotech¹²

A central element of TSI is the Yokoten Center, which acts as a hub for knowledge-sharing and collaboration (see **Figure 23**). The Yokoten Center plays a pivotal role in facilitating the transfer of Toyota's expertise to local businesses and communities. It offers workshops, training programs, and access to educational resources that enable SMEs and other stakeholders to learn from Toyota's best practices and innovations. This hands-on approach equips participants with the tools needed to implement sustainable and efficient practices in their operations.

Figure 23: Yokoten Center



Source: Materials shared by TMT during field study

“ We utilize the Yokoten Centers as extensions of the Toyota Center, welcoming local businesses and offering them opportunities to learn the Toyota principles at these facilities.

”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

Moreover, to further develop SMEs, TMT collaborates with the Thai Chamber of Commerce on initiatives such as the Big Brother 50 and Business Accelerator programs. The Big Brother 50 initiative, launched in 2016, is a partnership involving TMT and 23 major companies aimed at enhancing SME competitiveness across Thailand. As a mentor, TMT shares its expertise in areas such as production management and quality control to help SMEs improve efficiency and adopt modern business practices. Similarly, TMT participated in Season 4 of the Business Accelerator program, a collaboration with 12 leading companies focused on equipping SMEs for the demands of modern trade, where TMT served as a committee member in the final pitching process. Together, these programs highlight TMT's commitment to fostering innovation, strengthening local businesses, and supporting sustainable economic growth.

TMT's initiatives under the People and Prosperity pillars demonstrate its strong commitment to community and stakeholder engagement, fostering sustainability, well-being, and economic growth. Programs such as Green Town, White Road, the Toyota Social Innovation initiative, and collaborations with the Thai Chamber of Commerce empower communities, strengthen partnerships, and drive sustainable development, all while aligning with Thailand's goals.

Company Reputation / Stakeholder Satisfaction

TMT has established itself as a leader in corporate reputation and stakeholder satisfaction through its commitment to transparency, continuous improvement, and meaningful engagement. This strong standing is reflected in the annual Corporate Image Evaluation (CIE) survey, conducted in collaboration with NielsenIQ since 2012, which serves as a comprehensive measure of TMT's performance. The survey gathers insights from 1,500 respondents across various regions of Thailand, including Greater Bangkok, Central, North, Northeast, and South, ensuring a diverse and representative sample.

“ *To ensure its communications and activities remain effective, TMT collaborates with NielsenIQ on the Corporate Image Evaluation (CIE) survey, monitoring key KPIs such as the Corporate Brand Equity Index and the CSR Index.*

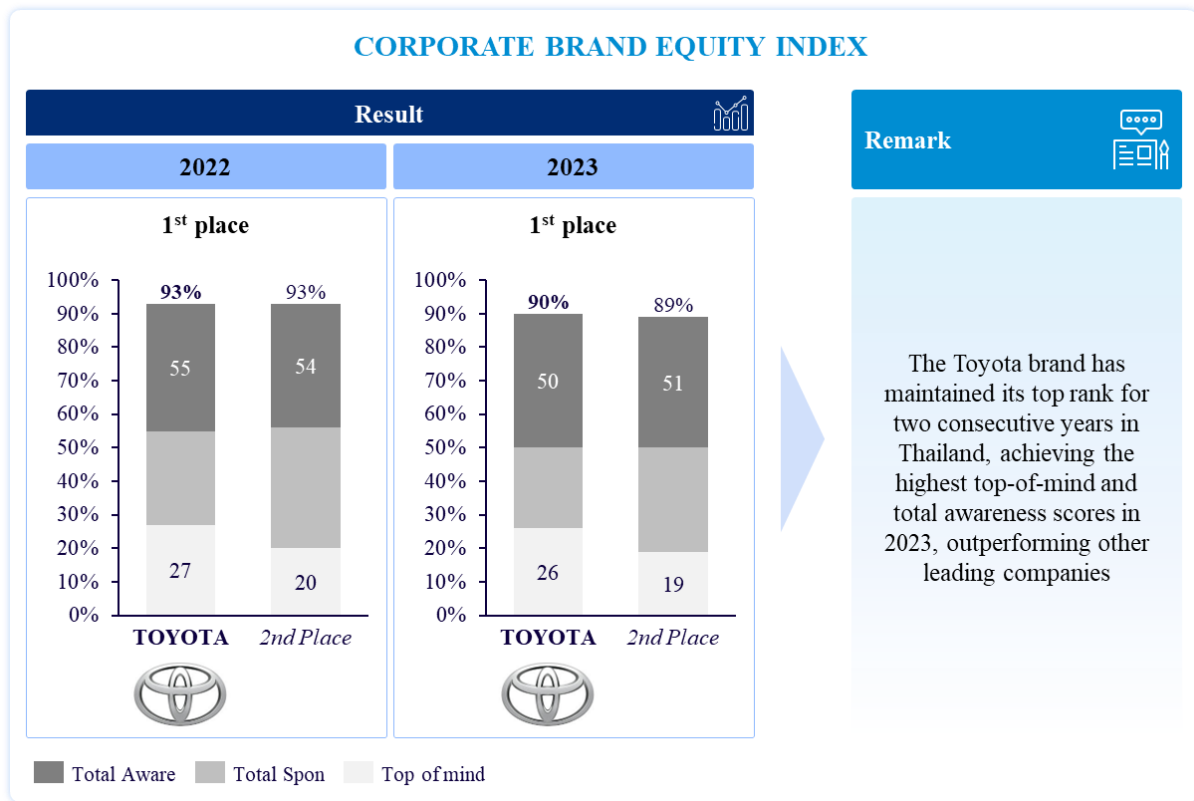
”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

The survey evaluates two key areas: the Corporate Brand Equity Index, which assesses brand awareness and trust, and the CSR Index, which measures public perception of TMT's social responsibility initiatives. Together, these insights enable TMT to align its efforts with stakeholder expectations while continuously enhancing its reputation and engagement across all fronts. This ongoing initiative highlights TMT's dedication to staying attuned to stakeholder needs and maintaining its position as a trusted and socially responsible company.

Firstly, the Corporate Brand Equity Index focuses on key indicators such as total brand awareness, spontaneous recall, and top-of-mind recognition. In 2023, the Toyota brand achieved the highest scores across all these metrics, consistent with its performance in 2022, ranking as the best even among other leading brands in Thailand (see **Figure 24**). This reflects TMT's ability to effectively communicate the Toyota brand's value proposition and maintain a strong presence in the minds of stakeholders. The survey results highlight that TMT's reputation is built on its consistent delivery of high-quality products and services, as well as its long-standing trustworthiness among Thai consumers.

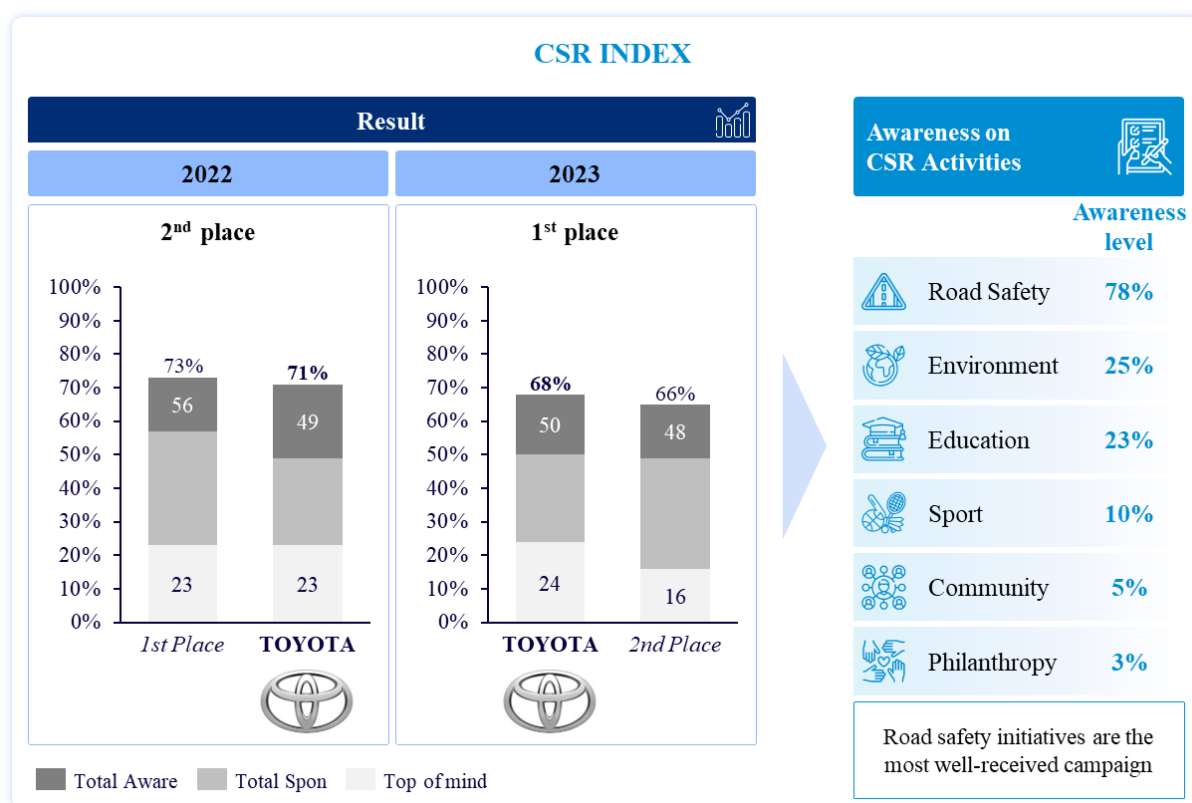
Figure 24: Corporate Brand Equity Index



Source: Materials shared by TMT during field study

The CSR Index, another critical component of the CIE survey, measures public perception and awareness of a company's corporate social responsibility efforts. In this area, TMT has emerged as an industry leader, improving from second place in the previous year to achieving the highest level of CSR awareness in 2023 (see **Figure 25**). This recognition is driven by impactful initiatives, including road safety campaigns that promote traffic safety education and environmental initiatives such as the Toyota Green Town, which address sustainability at the community level. Among these efforts, the road safety campaigns are the most well-received, showcasing TMT's strong alignment with public priorities.

Figure 25: CSR Index



Source: Materials shared by TMT during field study

TMT's strong corporate reputation and stakeholder satisfaction are a testament to its dedication to understanding and addressing public expectations through transparent, impactful, and data-driven initiatives. The consistent top rankings in both the Corporate Brand Equity Index and the CSR Index highlight TMT's ability to effectively represent the Toyota brand, foster trust among stakeholders, and lead with purpose in corporate social responsibility. By leveraging insights from the annual CIE survey and continuously refining its strategies, TMT ensures that its efforts remain relevant and impactful. This commitment not only reinforces TMT's position as a trusted and socially responsible company, but also underscores its role in driving sustainable progress and meaningful engagement across Thailand.

Conflict Resolution Mechanisms

TMT places proactiveness and transparency at the core of its conflict resolution mechanisms, enabling the company to address potential issues effectively before they escalate. This approach fosters trust and collaboration among stakeholders, including regulatory authorities, local communities, employees, and industry partners, ensuring harmonious and productive relationships across all levels.

A key demonstration of TMT's proactive approach lies in its responsiveness to regulatory changes. Following Thailand's COP26 commitment to achieve net-zero emissions by 2050, TMT swiftly aligned its strategies with economy-wide goals for electrification and sustainability. In addition to its initiatives under the Planet pillar of the CSR framework, TMT, along with other major Japanese automakers, announced a USD 4.3 billion investment over the next five years to accelerate the transition to electric vehicles (EVs). This investment focuses on expanding EV production capacity, including electric pickup trucks, in alignment with the Thai government's policy to convert a third of the economy's vehicle production to EVs by 2030. By participating in this initiative, TMT reinforces its position as a leader in sustainable innovation and demonstrates its role as a key partner in advancing Thailand's environmental and industrial transformation.

Proactiveness also defines TMT's engagement with local communities. For instance, during flooding incidents near one of TMT's plants, even though the factory was not directly responsible, TMT stepped in to assist. The company actively participated in creating sandbags to help fight the flood, provided resources to mitigate the impact, and worked closely with local governments and community leaders to coordinate relief efforts. This three-way collaboration between TMT, local authorities, and the community exemplifies the company's commitment to resolving issues proactively and ensuring the well-being of its neighbors.

Transparency is equally integral to TMT's operations, particularly in its relationship with employees. The company fosters a culture of mutual trust and respect through open dialogue with its workforce, facilitated by the Toyota Thailand Workers' Union. Regular discussions and negotiations ensure alignment between management and employees, creating a collaborative work environment. This strong relationship has earned TMT recognition as an outstanding establishment in labor relations and welfare for 20 consecutive years in 2022¹³.

“ *Each year, we engage in negotiations with our labor union, which typically presents demands focused on monetary matters and employee well-being... Before these demands are finalized, we work closely with the union, sharing essential information such as revenue figures and future plans. The union then holds internal hearings among its members to refine and shape their proposals.*

”

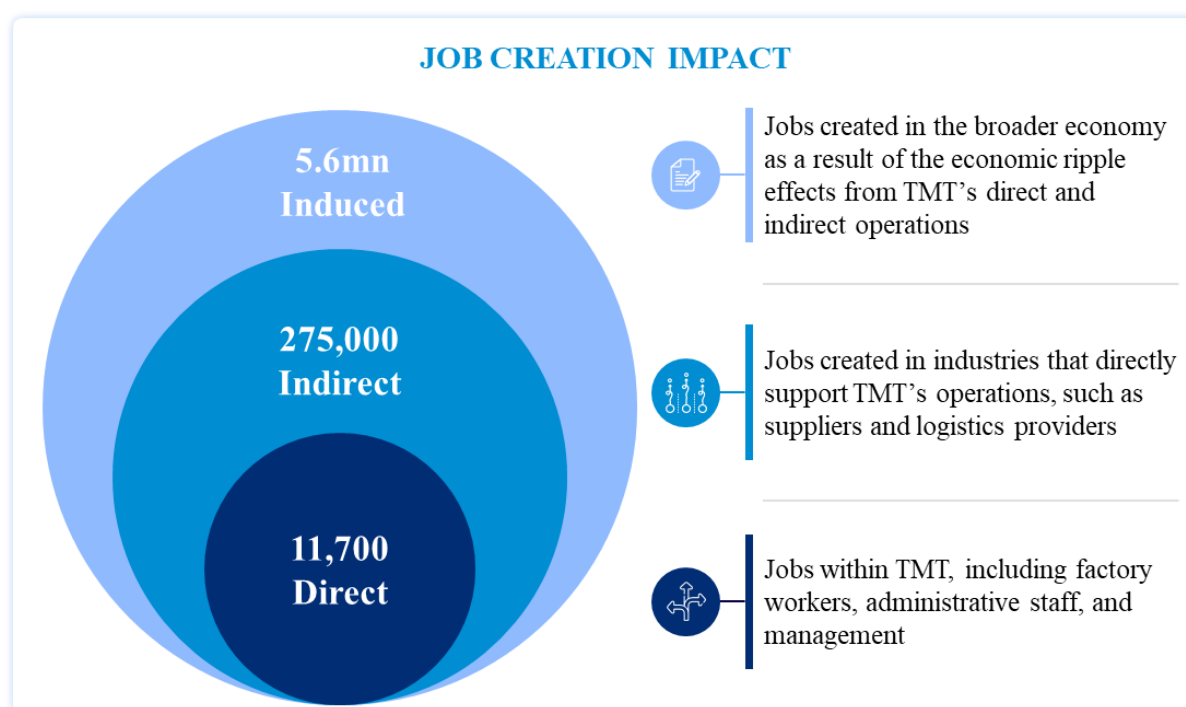
– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

Through its focus on proactive engagement and transparent communication, TMT has established itself as a trusted and responsible corporate citizen. By anticipating challenges, maintaining open dialogues, and fostering collaboration among stakeholders, TMT not only mitigates potential conflicts, but also reinforces its leadership in sustainability, community development, and employee relations, solidifying its role as a model for responsible business practices in Thailand.

2.1.3 Human Resource Development

Local Job Creation

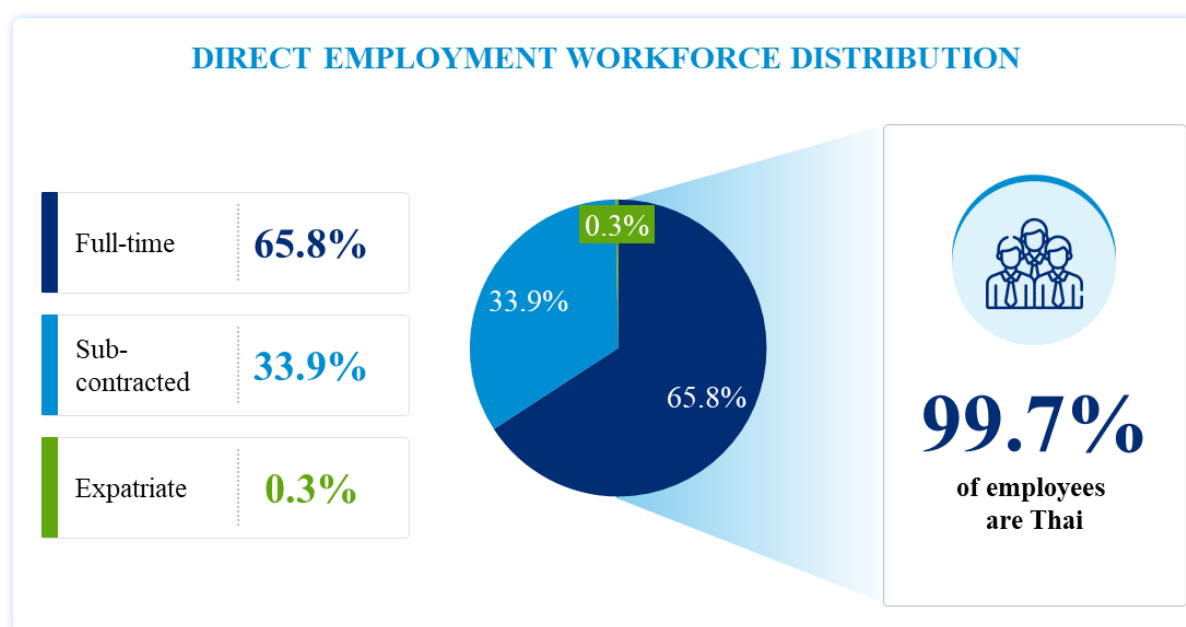
Since its establishment in 1962, TMT has significantly contributed to job creation and economic growth in Thailand's automotive sector (see **Figure 26**). As of 2024, TMT's operations have significantly contributed to the automotive industry's employment landscape, supporting a total of 5.6 million jobs across the broader sector. Within TMT's own ecosystem, indirect employment reaches approximately 275,000 jobs, reflecting its extensive impact across supply chains and related industries.

Figure 26: Job Creation Impact

Source: Materials shared by TMT during field study

In the case of indirect employment, this includes key players along the supply chain, such as local suppliers, whose growth has been closely linked to TMT's increasing localization efforts. By raising localization levels from around 20% in the 1970s to over 95% by 2022, TMT has created significant demand for domestically produced parts and components. This mutually reinforcing relationship has strengthened the supplier network, boosted employment opportunities, and solidified Thailand's position as a leading automotive hub.

Zooming into direct employment, TMT's journey highlights impressive growth and local impact. Starting with just 300 employees, TMT has grown into one of Thailand's largest employers, with a current workforce of approximately 11,700. Of this, 99.7% are Thai citizens (see **Figure 27**), demonstrating TMT's steadfast commitment to providing stable and meaningful employment opportunities that directly benefit local communities and strengthen Thailand's economy.

Figure 27: Direct Employment Workforce Distribution

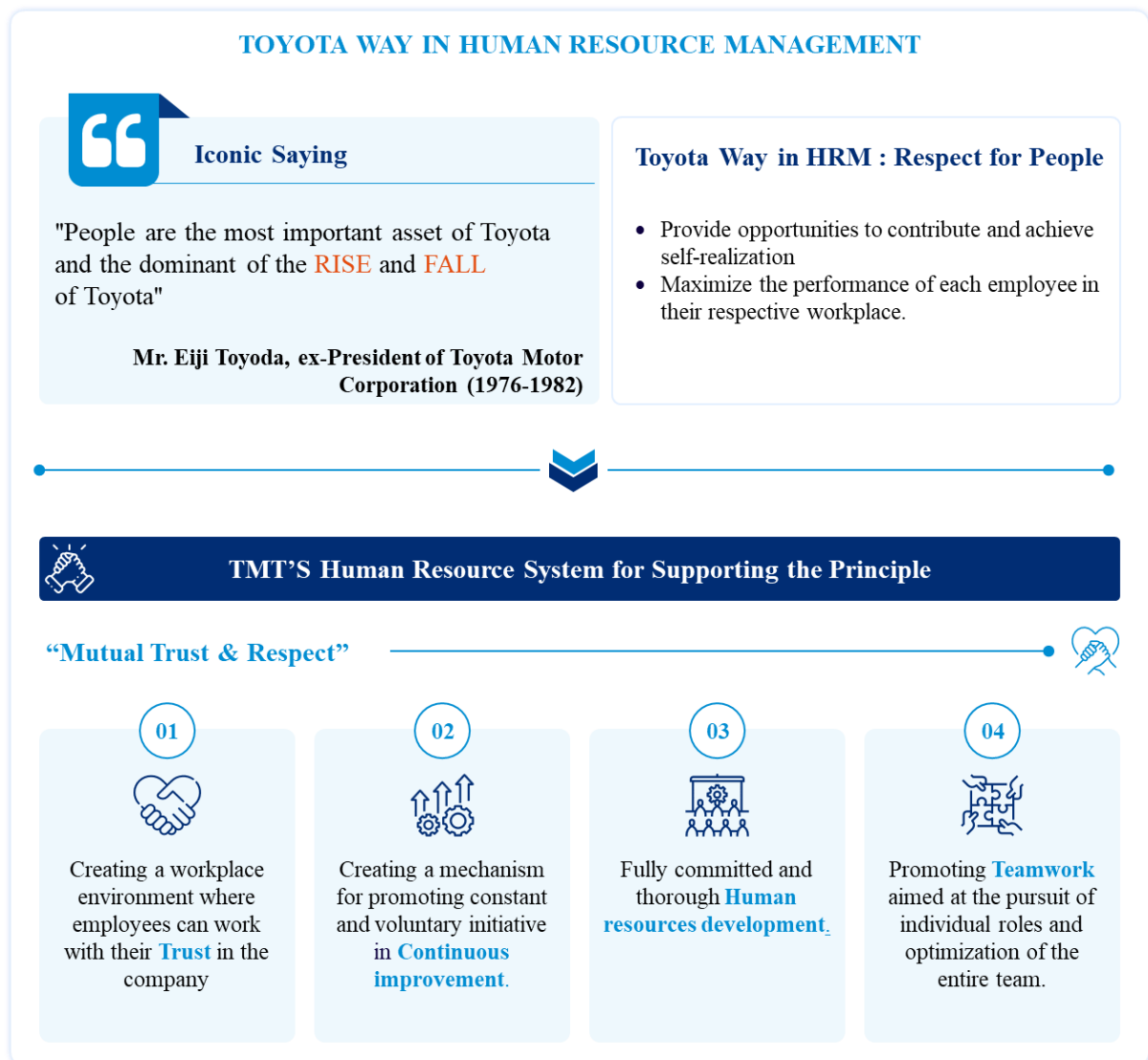
Source: Materials shared by TMT during field study

TMT's contributions to job creation extend beyond mere numbers, reflecting a deeper commitment to fostering sustainable economic growth and local empowerment. By driving localization, supporting supply chain development, and creating stable employment opportunities, TMT has not only bolstered Thailand's automotive industry but also played a pivotal role in enhancing the livelihoods of thousands of Thai individuals and families. This enduring impact underscores TMT's role as a cornerstone of Thailand's economy and a key driver of the economy's position as a leading automotive hub in ASEAN.

Local Workforce Training & Skills Development

TMT's approach to workforce training and skills development is deeply rooted in the Toyota Way in Human Resource Management, which emphasizes the principle of "Respect for People" (see **Figure 28**). As articulated by Mr. Eiji Toyoda, this philosophy underscores that people are the most valuable asset, shaping the rise or fall of the organization. Guided by this principle, TMT is committed to providing opportunities for employees to contribute meaningfully and achieve self-realization while maximizing their performance in their respective roles. This philosophy forms the cornerstone of TMT's efforts to empower its workforce and ensure sustainable organizational growth.

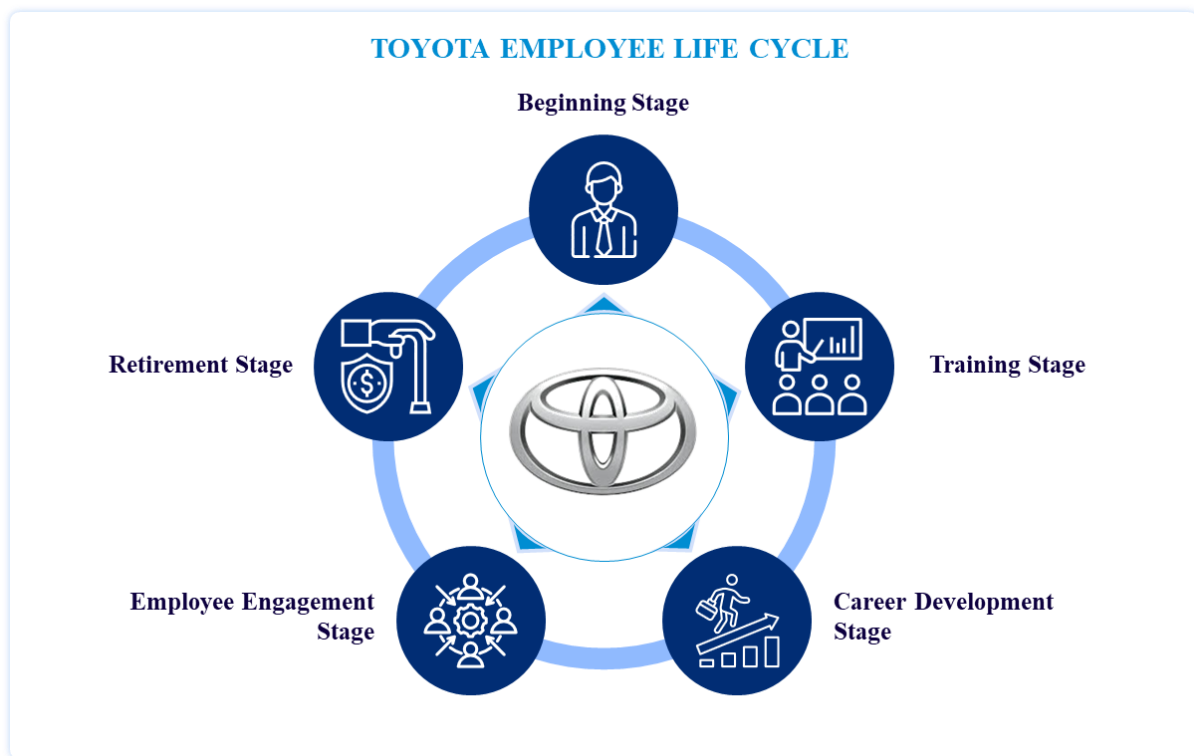
Figure 28: Toyota Way in Human Resource Management



Source: Materials shared by TMT during field study

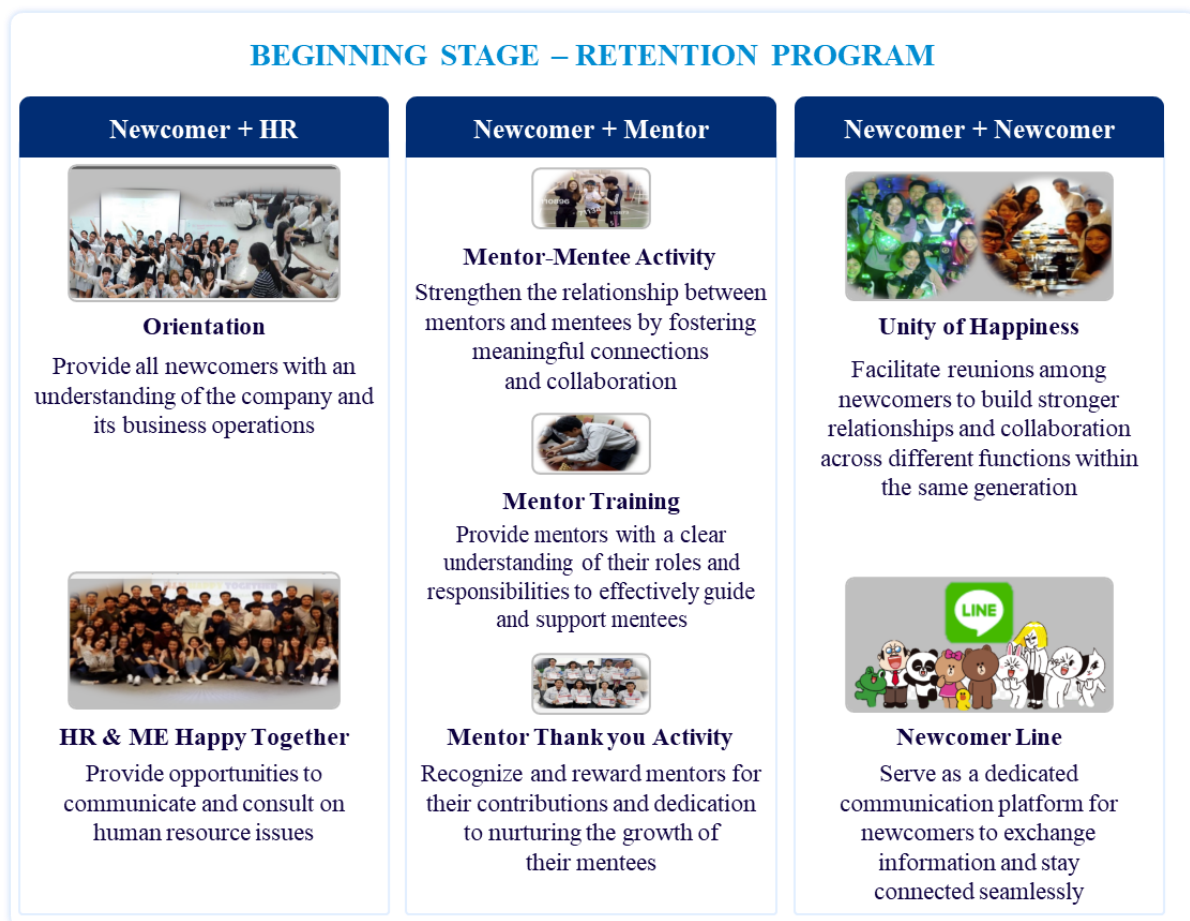
To translate this philosophy into actionable practices, TMT has established an HR system built on Mutual Trust and Respect, creating a framework that guides its approach to workforce management and development. This system fosters a supportive environment through four key initiatives (see **Figure 28**), ensuring that employees are empowered and valued at every stage. The Toyota Employee Life Cycle seamlessly integrates this HR system, demonstrating how these principles are applied across the various phases of an employee's journey (see **Figure 29**).

Figure 29: Toyota Employee Life Cycle



Source: Materials shared by TMT during field study

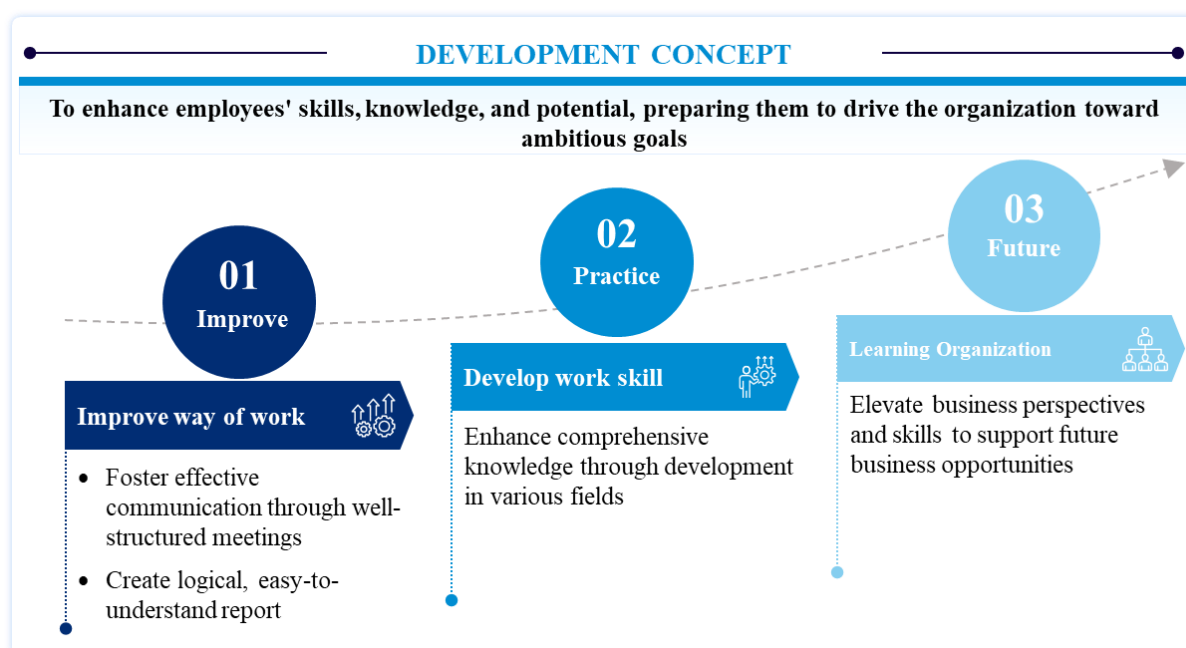
Zooming into the Beginning Stage of the Toyota Employee Life Cycle (see **Figure 29**), TMT's Retention Program (see **Figure 30**) exemplifies how the HR system fosters trust and mutual respect from the outset. This program is designed to seamlessly integrate newcomers into the organization by focusing on three key areas: building strong connections with HR, fostering mentor-mentee relationships, and encouraging peer collaboration among new employees. Together, these initiatives ensure that employees feel supported, valued, and aligned with TMT's culture and goals, setting the stage for long-term engagement and professional growth.

Figure 30: Retention Program

Source: Materials shared by TMT during field study

Additionally, TMT's Training Stage (see **Figure 29**) builds on the foundation established during the Beginning Stage by enhancing the skills, knowledge, and potential of employees to prepare them for challenging goals. This stage follows the Toyota Development Concept, which focuses on three progressive steps: improving work processes, practicing skill development, and fostering a learning organization for future growth (see **Figure 31**).

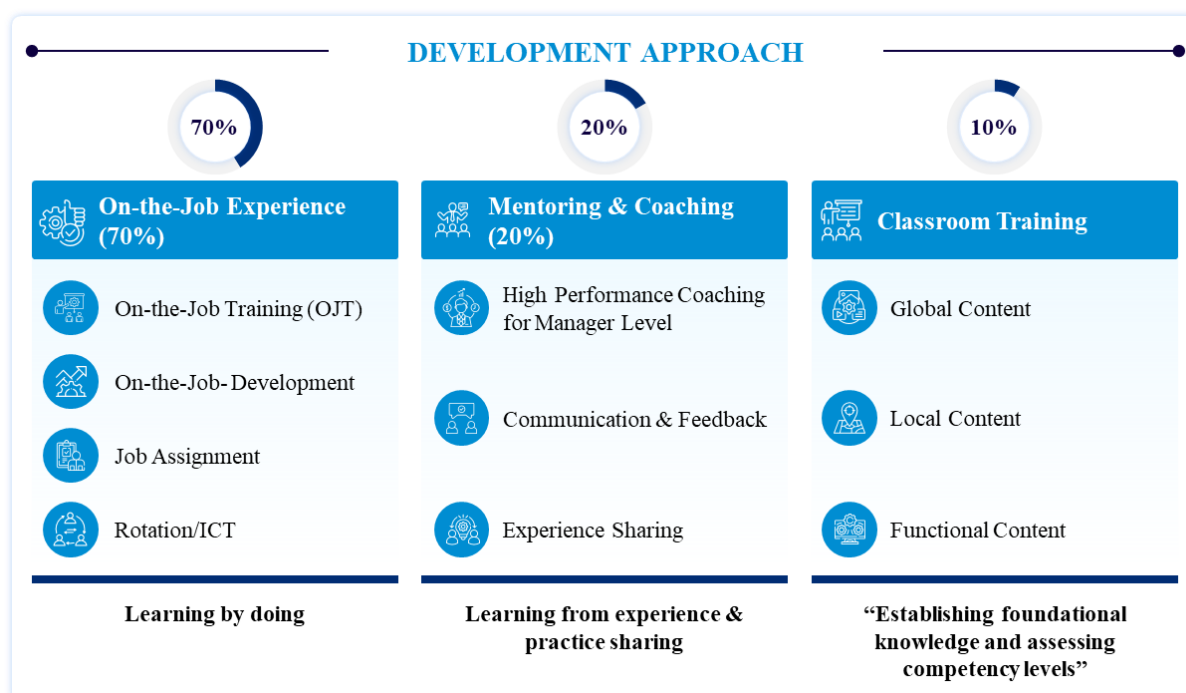
Figure 31: Development Concept



Source: Materials shared by TMT during field study

Through a balanced approach comprising 70% on-the-job experiences, 20% mentoring and coaching, and 10% classroom training, TMT ensures comprehensive employee development (see **Figure 32**). By integrating global, local, and functional content, along with high-performance coaching and hands-on learning, TMT equips its workforce with the tools to thrive while reinforcing the company's commitment to sustainable growth and innovation.

Figure 32: Development Approach



Source: Materials shared by TMT during field study

Complementing this training approach, TMT has established a Career Development Structure that identifies and addresses specific areas for improvement across different roles and levels. This structured program combines Toyota's principles with targeted competency-based and functional training to develop well-rounded employees. By focusing on critical areas such as leadership, problem-solving, and functional expertise, the framework ensures employees are equipped to meet organizational needs while fostering personal growth. Together, the Training Stage and Career Development Structure create a cohesive pathway for employees to progress within TMT, further strengthening the company's commitment to long-term workforce development and business excellence.

Expanding its commitment beyond its own workforce, TMT further demonstrates its dedication to workforce training and skills development through the Asia Pacific Global Production (Training) Center (AP-GPC), located at the Ban Pho Plant in Thailand. The AP-GPC serves as a regional hub for skill development and production training, supporting Toyota affiliates across eight economies (see **Figure 33**). Established to address regional production challenges, the center delivers specialized training programs designed to build foundational skills, enhance safety and quality awareness, and develop problem-solving capabilities for addressing abnormalities in production processes. By acting as a regional hub, the AP-GPC reflects TMT's leadership role in workforce and production development across the Asia Pacific region, further solidifying its position as a driver of excellence within Toyota's global network.

“ *The Asia Pacific Global Production Center (AP-GPC) serves as a skill training hub, preparing employees and suppliers for production roles while enhancing workforce capabilities across the region.* ”

– (Mr. Krit Nilsang, Project General Manager of AP-GPC)

Figure 33: AP-GPC



Source: Materials shared by TMT during field study

Additionally, TMT demonstrates its commitment to developing the external workforce beyond the Toyota Group by fostering partnerships with 36 local universities, including Chulalongkorn University, Thammasat University, and the Thai-Nichi Institute of Technology. These collaborations include providing equipment, know-how, and internship opportunities to students, as well as financial support through scholarships. Highlighting TMT's long-standing partnership with the Thai-Nichi Institute of Technology, which began with the university's establishment in 2007, a key initiative is the annual donation of five scholarships to deserving students, underscoring TMT's commitment to education and skill development.

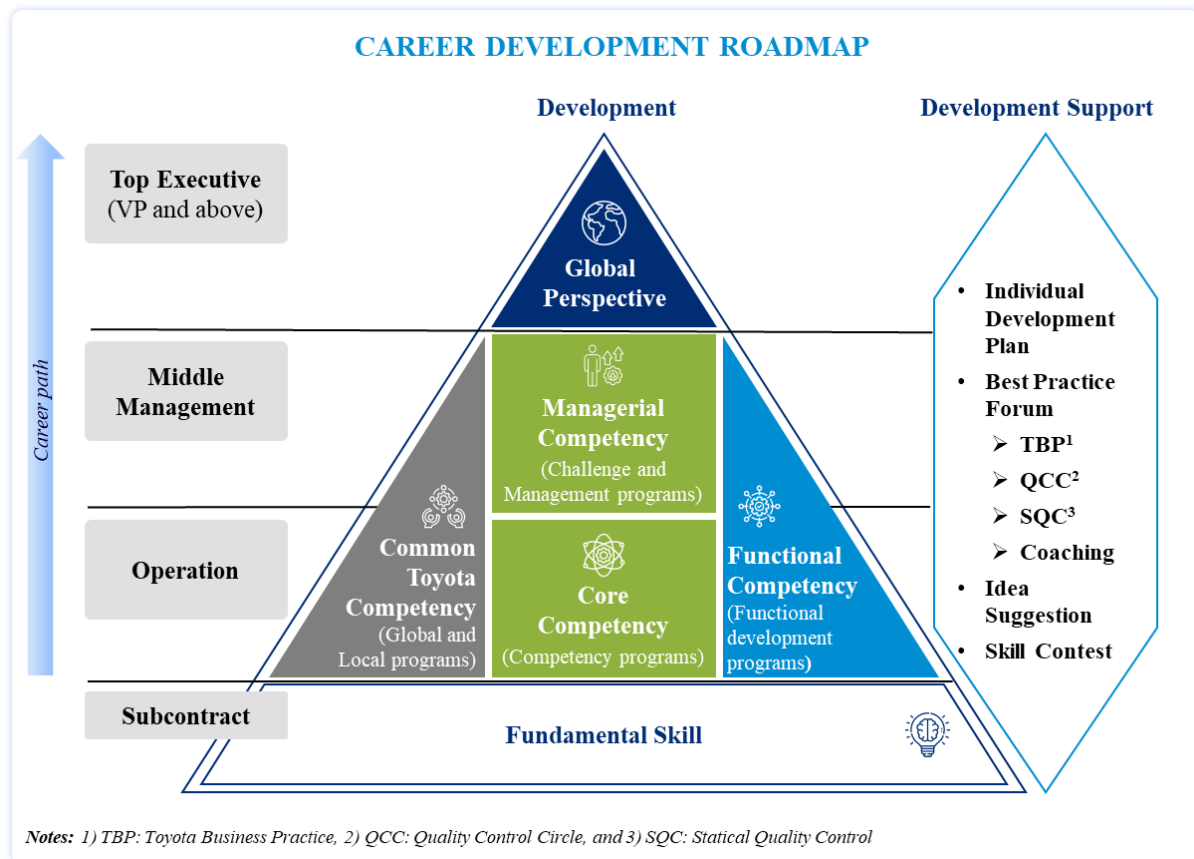
“ TMT has supported us since the establishment of our university and has played a vital role in our development... Whenever we seek assistance, TMT is always willing to support and open to discussions on collaborations, having never rejected any of our proposals to date. ”

– (Mr. Mahunnop Fakkao, Head of Automotive Engineering at Thai-Nichi Institute of Technology)

Career Progression

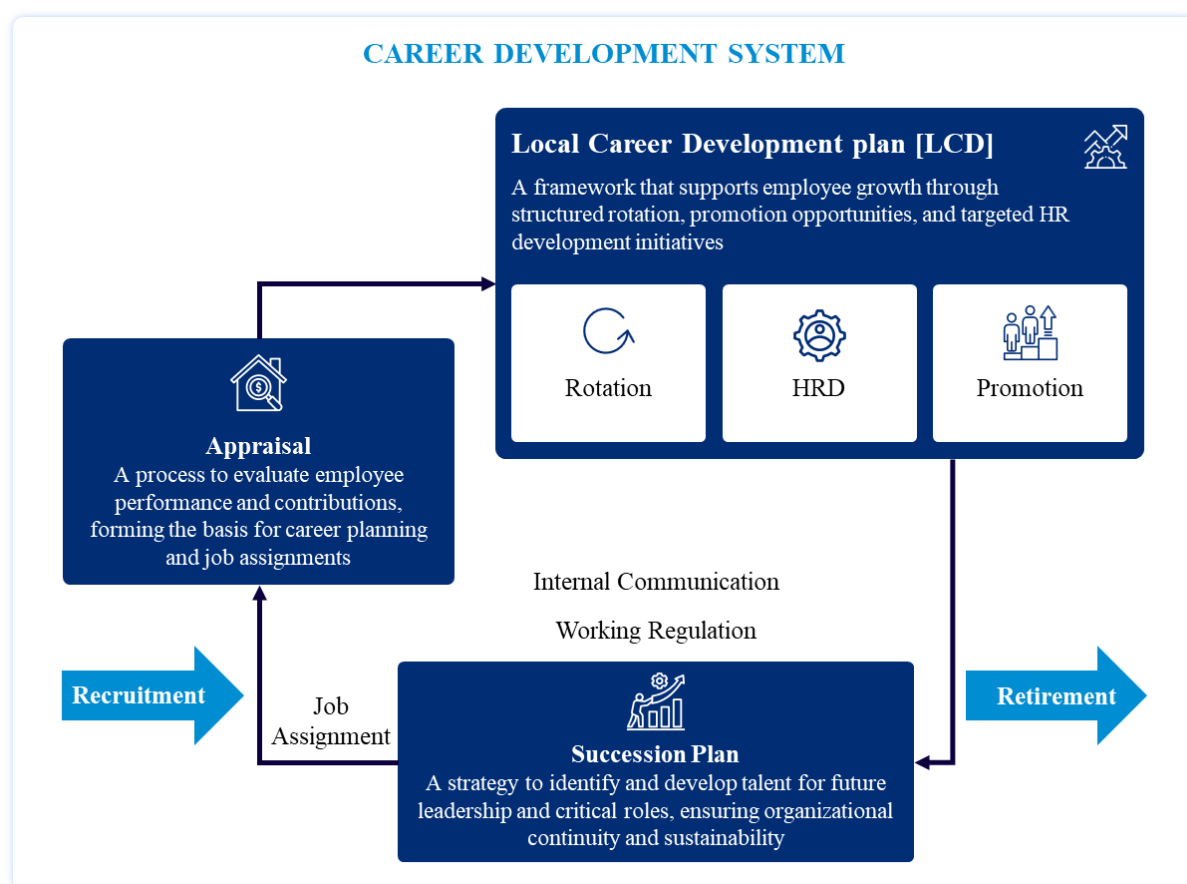
Zooming in on the Career Development Stage of the Toyota Employee Life Cycle (see **Figure 29**), TMT employs a clear and structured framework to align employees' growth with the organization's needs. This framework is represented by a pyramid model, which outlines the skills and competencies required at various organizational levels, offering a roadmap for employees to advance their careers (see **Figure 34**).

Figure 34: Career Development Roadmap



Source: Materials shared by TMT during field study

To enable employees to progress within the pyramid framework, TMT has established a robust Employee Career Development System (see **Figure 35**). This system acts as the engine that drives progression within the pyramid, integrating key processes such as appraisal and local career development planning (LCD) to provide structured opportunities for growth. The LCD framework emphasizes rotation, promotion, and human resource development (HRD), ensuring employees gain diverse experiences and build the skills required to advance. Additionally, succession planning plays a critical role in preparing employees for leadership roles, ensuring a steady talent pipeline while supporting their long-term aspirations.

Figure 35: Career Development System

Source: Materials shared by TMT during field study

Together, the pyramid model and the Career Development System form a cohesive pathway, with the pyramid defining the competencies needed at each level and the Career Development System providing the mechanisms to achieve them. TMT reinforces this synergy through development tools such as individual development plans, best practice forums, and skill contests, fostering a culture of continuous learning and improvement. This interconnected framework empowers employees to thrive in their roles and supports TMT's long-term success by cultivating a skilled, future-ready workforce.

“ TMT integrates training with mechanisms such as rotation, promotion, succession planning, and appraisal, ensuring employees are holistically developed to meet evolving organizational needs.

”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

Additionally, career progression at TMT is complemented by robust support for employee well-being, as reflected in the Employee Engagement Stage of the Toyota Employee Life Cycle (see **Figure 29**). TMT enhances employee engagement through a comprehensive approach that addresses three key dimensions: Happy Physical, Happy Mental, and Happy Money.

- **Happy Physical** focuses on initiatives that promote employees' physical health and well-being, ensuring they are fit and energized to perform at their best (see **Figure 36**).

- **Happy Mental** emphasizes fostering a positive and supportive work environment, enabling employees to feel valued, motivated, and emotionally resilient (see **Figure 37**).
- **Happy Money** reflects TMT's commitment to financial well-being, ensuring fair compensation and financial stability that align with employees' contributions (see **Figure 38**)

Figure 36: Happy Physical



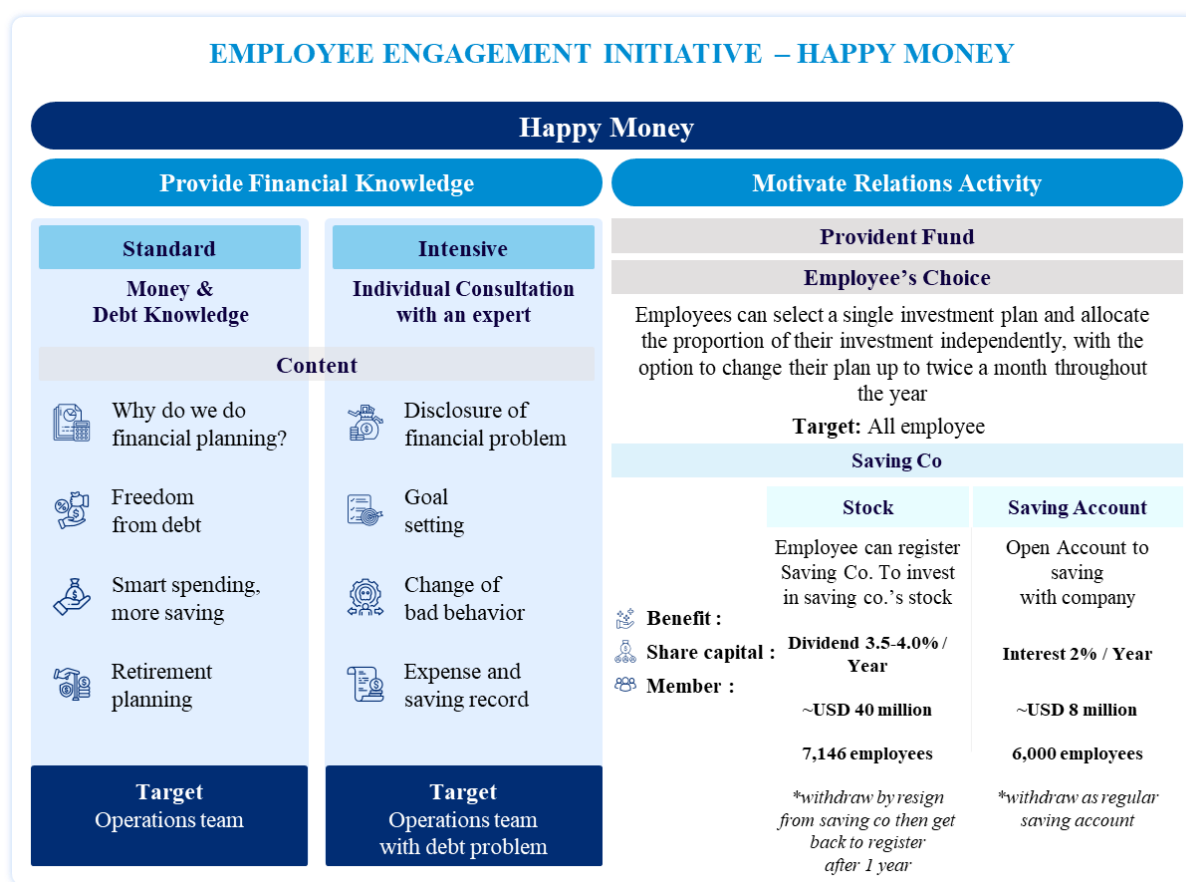
Source: Materials shared by TMT during field study

Figure 37: Happy Mental



Source: Materials shared by TMT during field study

Figure 38: Happy Money



Source: Materials shared by TMT during field study

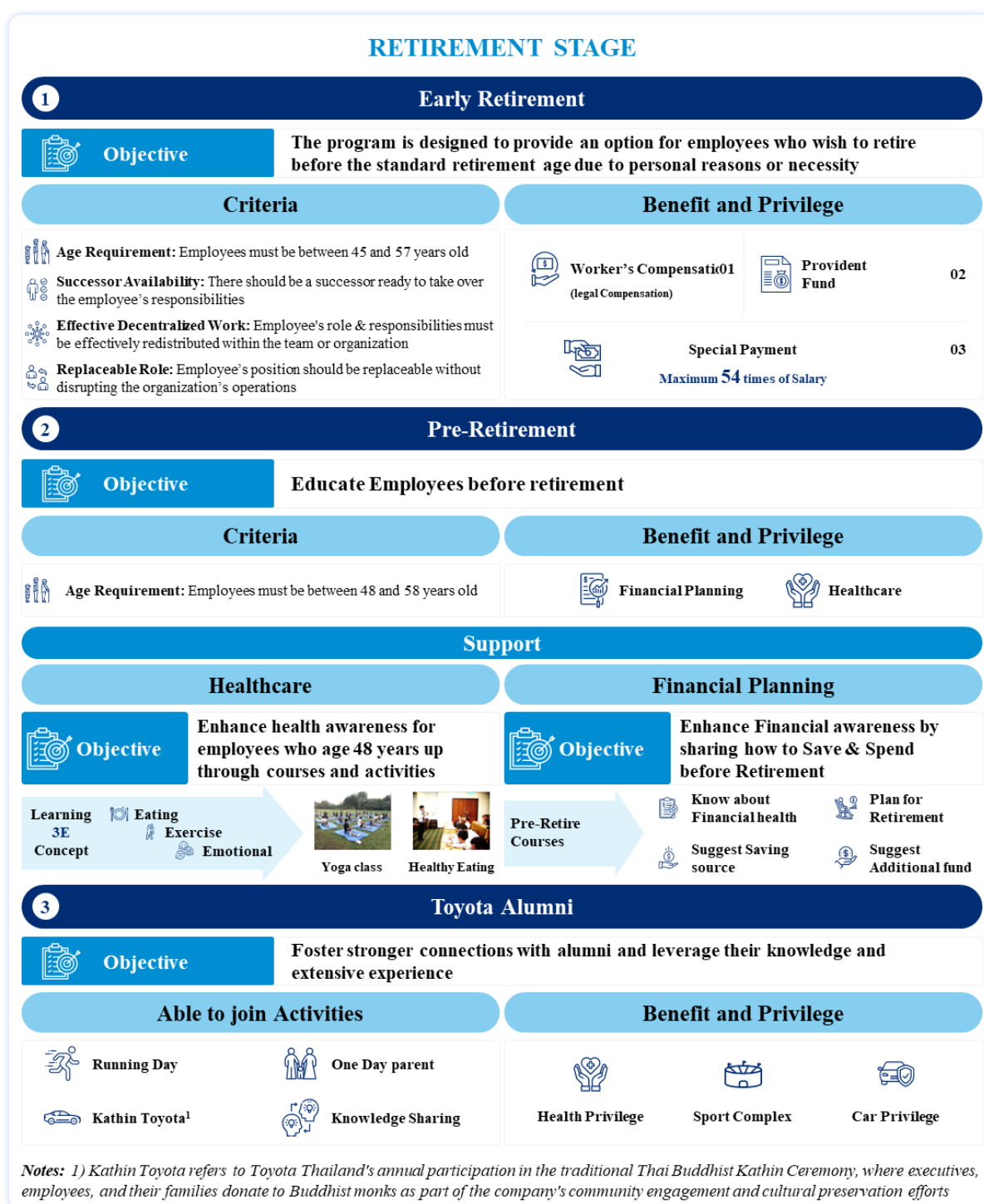
“ We are proactively working to support our employees' well-being... For instance, our financial education program was introduced after our HR team identified a growing issue of employee debt, which was impacting their quality of life.

”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

To complement the Career Development and Employee Engagement Stages, TMT's approach to the Retirement Stage of the Toyota Employee Life Cycle ensures employees are supported as they transition into retirement while continuing to leverage their experience and expertise. This stage includes a structured pathway that comprises Early Retirement, Pre-Retirement, and Toyota Alumni, each designed to meet the diverse needs of retiring employees and their post-retirement engagement (see **Figure 39**).

Figure 39: Retirement Stage



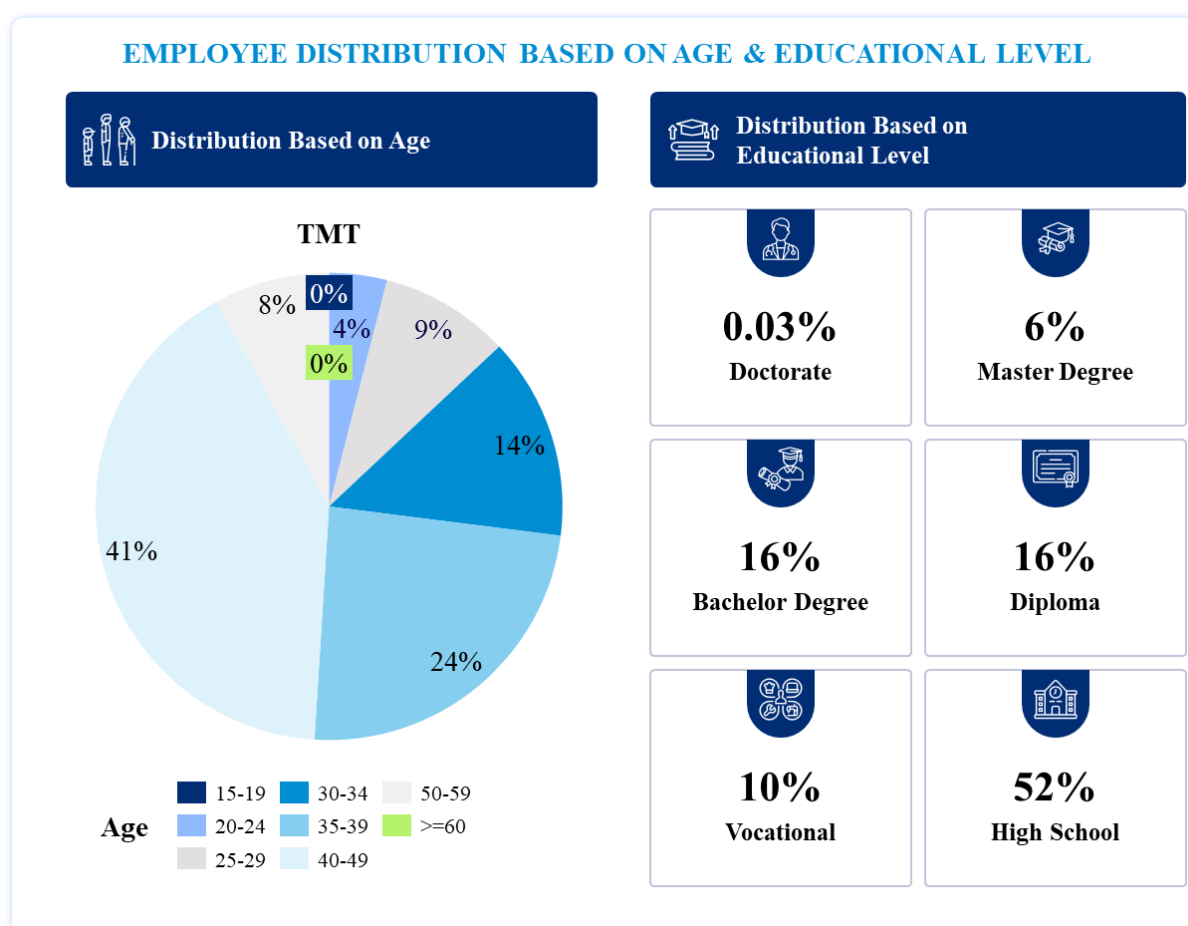
Source: Materials shared by TMT during field study

TMT's holistic approach to employee development, engagement, and retirement reflects its unwavering commitment to its workforce throughout every stage of their career journey. By integrating a clear career development roadmap with robust engagement initiatives and a structured retirement framework, TMT ensures its employees are equipped to grow, contribute, and transition with dignity and purpose. This comprehensive strategy not only empowers employees to thrive professionally and personally but also reinforces TMT's reputation as a people-centered organization, driving long-term success and organizational excellence.

Workforce Diversity and Inclusion

TMT demonstrates a strong commitment to diversity and inclusion through its workforce composition and broader initiatives. Evidence of TMT's diversity is visible in its employee demographics, as shown in the age distribution and educational backgrounds (see **Figure 40**). A significant proportion of TMT's workforce falls within the 40–49 age group, representing 41% of employees, with younger and older age groups also well-represented. In terms of education, TMT employs individuals with diverse qualifications, with 52% holding a high school education and 10% vocational training, reflecting its openness to talent from varied educational backgrounds.

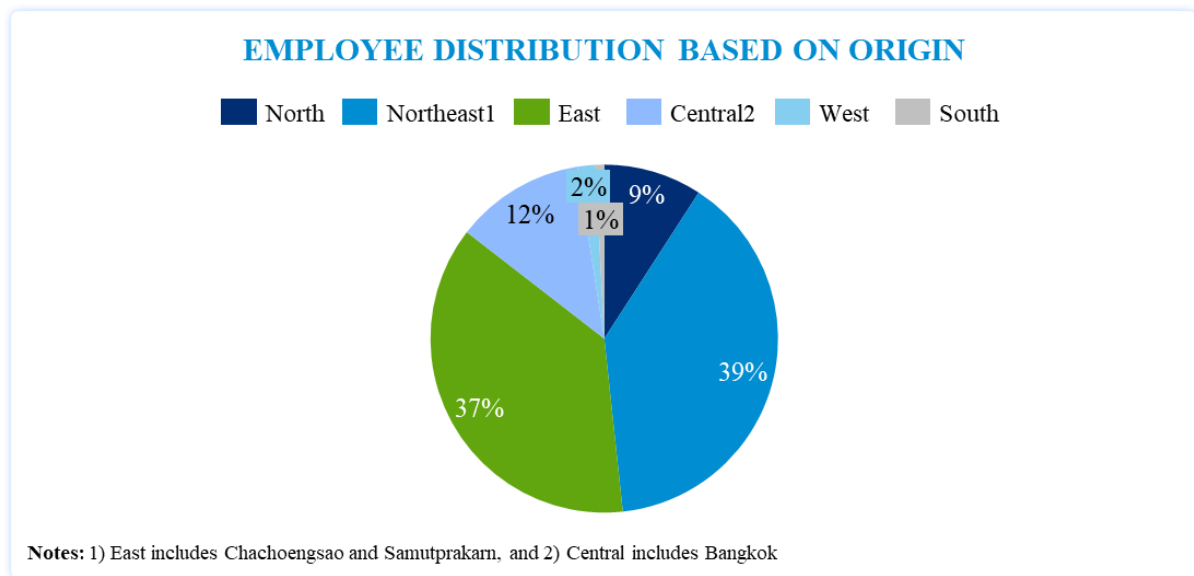
Figure 40: Employee Distribution Based on Age & Educational Level



Source: Materials shared by TMT during field study

Geographically, TMT's workforce originates from across Thailand, showcasing its ability to attract talent from different regions. Notably, a large proportion of employees hail from the Northeast and East regions, while the remaining workforce is distributed across other regions (see **Figure 41**). This widespread representation highlights TMT's inclusive approach to recruitment, ensuring opportunities are accessible to individuals regardless of their location.

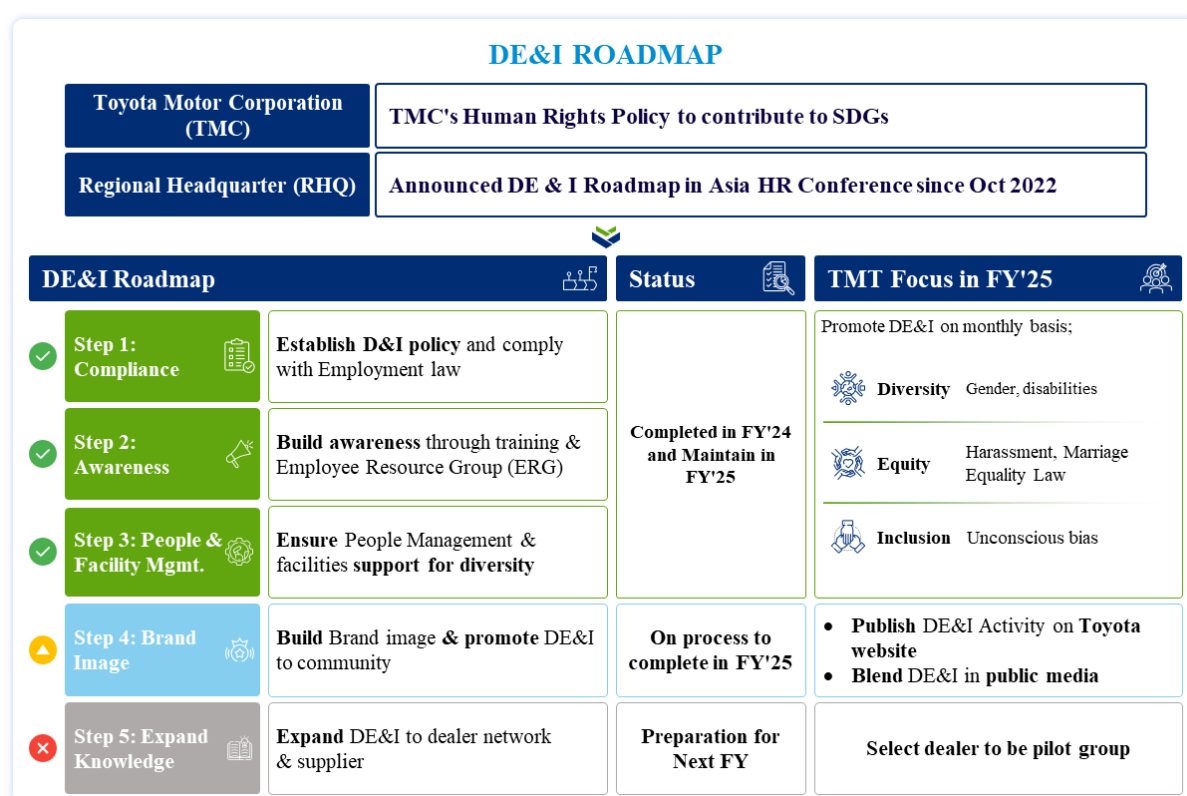
Figure 41: Employee Distribution Based on Origin



Source: Materials shared by TMT during field study

However, TMT's commitment to diversity goes far beyond demographic representation. It has established its own Diversity, Equity, and Inclusion (DE&I) Roadmap, which outlines clear steps to foster a more inclusive workplace (see **Figure 42**). Key achievements include the completion of foundational goals, such as establishing a DE&I policy (Step 1), raising awareness through training programs (Step 2), and ensuring that people management and facilities actively support diversity (Step 3).

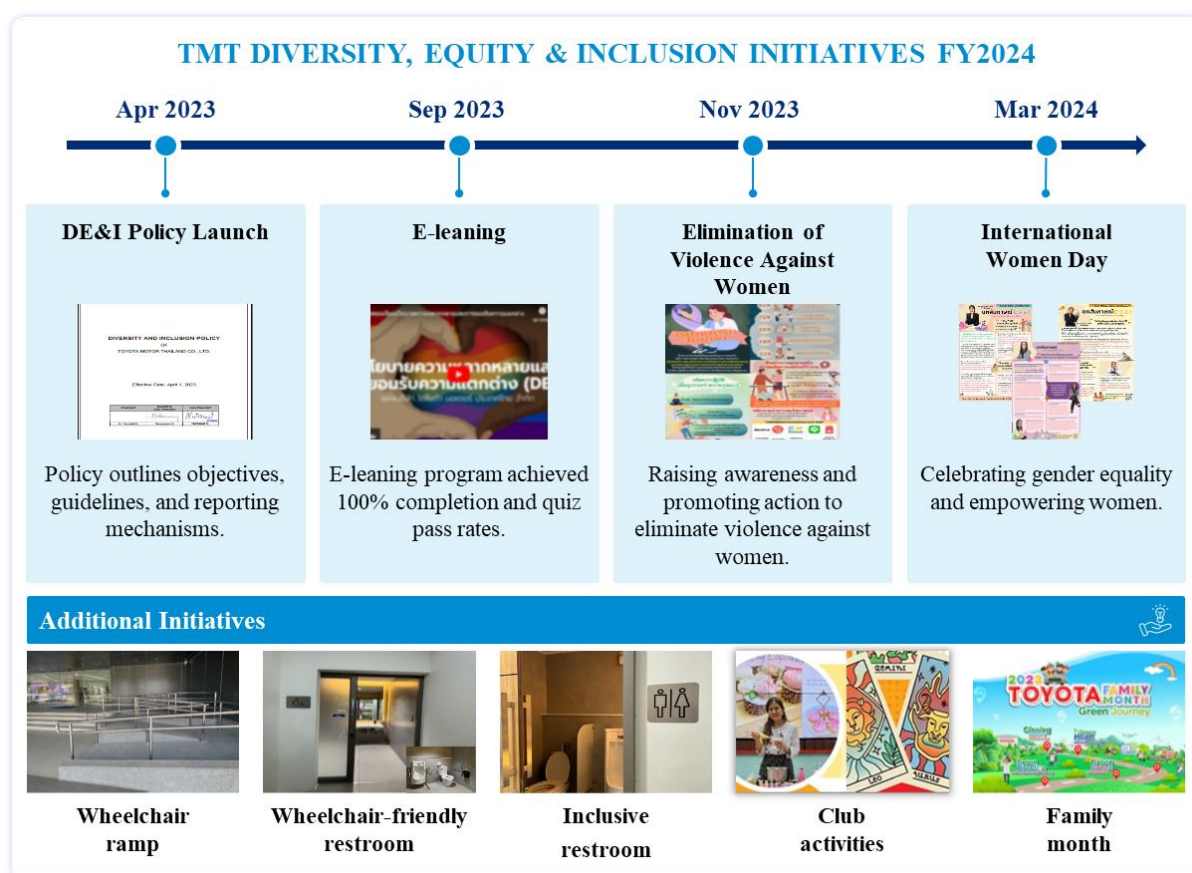
Figure 42: DE&I Roadmap



Source: Materials shared by TMT during field study

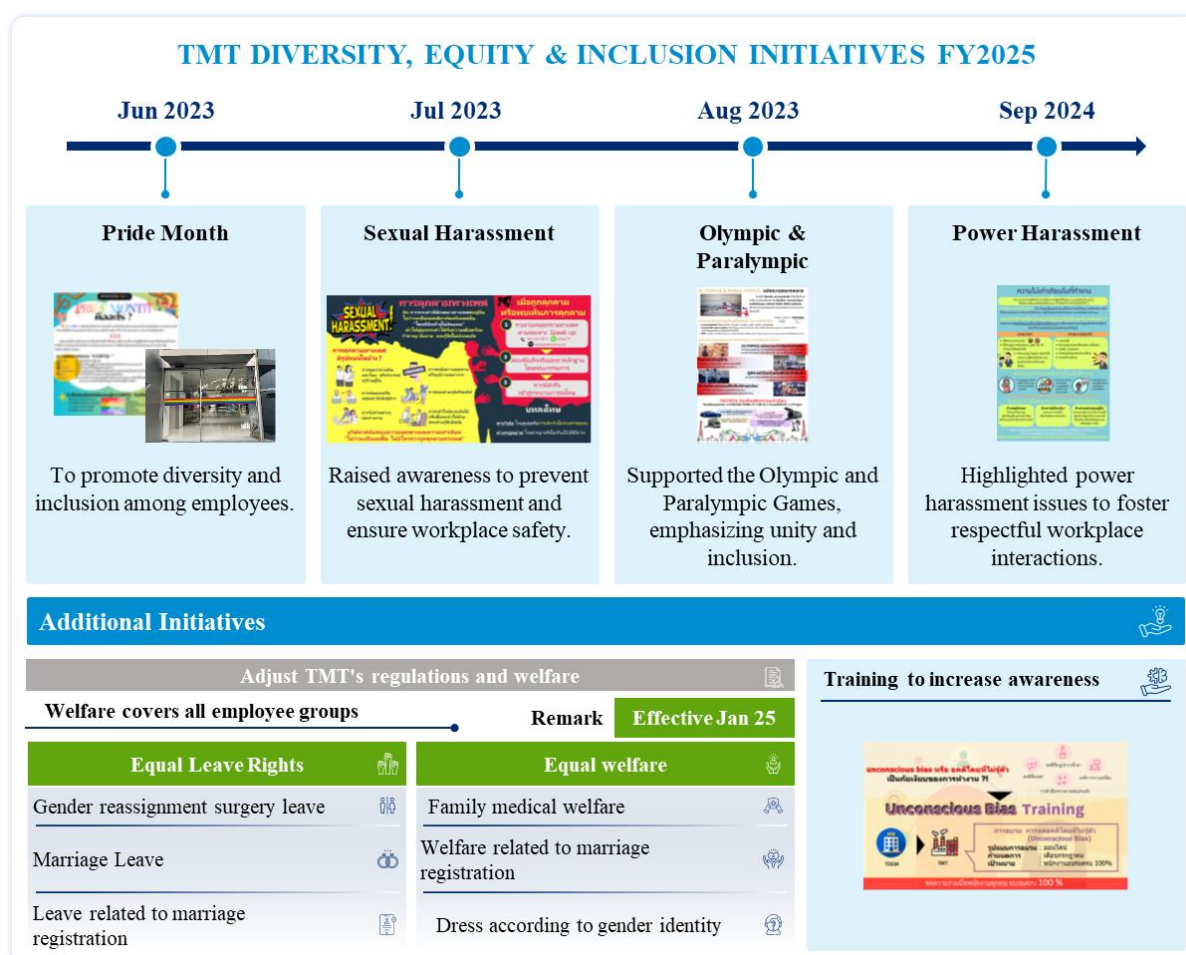
TMT has progressively advanced its Diversity, Equity, and Inclusion (DE&I) efforts through a series of impactful initiatives. In FY24, foundational steps such as launching a DE&I policy, enhancing awareness through training, and upgrading facilities laid the groundwork for a more inclusive workplace (see **Figure 43**). Building on this, FY25 saw the introduction of monthly campaigns, expanded inclusive welfare policies for employees, and unconscious bias training, further embedding inclusivity into TMT's culture and practices (see **Figure 44**). These initiatives collectively demonstrate TMT's dedication to creating a workplace that embraces diversity and equity at all levels.

Figure 43: DEI Initiatives for FY2024



Source: Materials shared by TMT during field study

Figure 44: DEI Initiatives for FY2025



Source: Materials shared by TMT during field study

Zooming in on the diversity aspect of TMT's DE&I framework, the company demonstrates a remarkable commitment to supporting people with disabilities, including its employees. While this aligns with government regulations (i.e., one disabled employee per 100 employees)¹⁴, TMT's efforts go above and beyond mere compliance, showcasing an impressive dedication to fostering inclusivity and addressing individual needs.

“ We comply with the policy on hiring people with disabilities. Currently, TMT employs 7 individuals with disabilities. For the remaining required ratio, the government allows us to provide alternative support, such as sponsoring occupational training courses. ”

– (Mr. Teerawat Sumranrat, Deputy General Manager of Corporate Planning Department)

A standout example involves an employee who became paralyzed in the lower body after a commuting accident outside of work. TMT not only retained the employee but also provided extensive support, including a customized car equipped for hand operation to ensure mobility. Additionally, TMT committed to covering the car's lifetime expenses, such as maintenance, engine oil, and insurance. This example highlights TMT's dedication to creating an inclusive environment that transcends mere compliance, reflecting a profound respect for individual needs and diversity.

TMT's forward-looking approach sets the stage for transformative change, with plans to build its DE&I brand image (Step 4) and extend DE&I initiatives into its dealer network and supplier base (Step 5). These ambitious efforts underscore TMT's unwavering commitment to embedding diversity, equity, and inclusion across its operations and partnerships. By driving these initiatives, TMT not only establishes itself as a leader in fostering an equitable and inclusive workplace but also inspires a ripple effect of inclusivity throughout its ecosystem. Through this bold and proactive roadmap, TMT is not just embracing workforce diversity but also cultivating a thriving, empowered community where every individual can excel.

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