

3. Policies on Environmentally Preferable Purchasing

1) Purchasing Policies

Along with offering customers clean and safe products that are good for the global environment, Toyota Industries is also promoting environmental conservation activities that extend throughout the company's business operations.

Therefore, it is the basic policy of Toyota Industries to conduct what is termed "environmentally preferable purchasing" and purchase from suppliers who are conscious of the global environment.

Toyota Industries gives top priority to procurement from suppliers who establish environmental management systems and implement environmentally responsible measures in addition to conventional quality, cost, and delivery (QCD).

Item	Purchasing Policy	Request to Suppliers
Management	Priority given to procurement from suppliers who have established environmentally conscious management systems	Acquire certification of an environmental management system from a third-party authority.
Items purchased	Purchase parts, and raw materials with minimal environmental impact.	Manage and reduce the amount of substances of concern used. - Report detailed information on the content of specified substances of concern. - Pledge and enforce the nonuse of prohibited substances.

Toyota Industries offers better, clean, and safe products that can be happily and safely used by customers

As business partners in manufacturing

Suppliers who give consideration to the environment in their products



Toyota Industries, which is giving consideration to the environment in its all business activities from development to market release of its products

Manage and reduce the amounts of substances of concern
Establish an environmental management system

2) Outline of Requests to Suppliers

At Toyota Industries, in conducting environmentally preferable purchasing, we request that suppliers implement individual environmental measures based on their industrial classification. The table below contains our Industries specific Requests to Suppliers. If you have any questions, please contact the division you deal with or one of the offices listed on the back cover of this document.

	Item	Supplier				See page	Documents to submit	When to submit document	
		Products or components	Raw materials or indirect materials	Equipment, construction, cleaning, or landscaping	Logistics				
Environmental measures for supplier business operations	Compliance with environmental laws and regulations	○	○	○	○	6	On request by TICO		
	Establishment of an environmental management system through acquisition of third-party certification (ISO 14001, etc.)	○	○	○	○	6	EMS Certification Survey Form (Appendix 1)	*Every year in August when we obtain your company overview *Whenever it is requested	
	Improvement of environmental performance	Energy conservation, reduction of greenhouse gases	○	○	○	○	7	On request by TICO	
		Reduction/reporting of amounts of CO ₂ emissions from logistics				○	7	Logistics CO ₂ Emissions Report (Appendix 2)	Beginning of each month (Previous month's data)
		Effective use of resources	○	○	○	○	8	On request by TICO	
		Prevention of environmental risks	○	○	○	○	9	On request by TICO	
Environmental measures for components, raw materials, etc., used by TICO	Reporting of LCA and recycling data	○	◇			7 8	Component Manufacturing Environmental Data	On request by TICO	
	Noninclusion of prohibited substances	○	◇			9 10	Prohibited Substances Declaration (Appendix 3)	On inception of new business relationship	
	Management for substances of concern	Management, reduction, and reporting for substances of concern	○	◇			9	Information on substances of concern (material data sheets, IMDSs, evidence, etc.)	On request by TICO
				○			10	Material Safety Data Sheets (MSDS) and Raw Material Composition Reports	When planning adoption of a new raw material or indirect material
					○ (*)		10	On request by TICO	
		Voluntary inspection of control system for substances of concern	○	◇			9	Checksheet for Control Systems for Substances of Concern	On request by TICO

○: All suppliers

◇: Some suppliers only; on request by Toyota Industries

(*): For materials, chemical agents, etc., used by plants or equipment

Products or components

- Items which become a part of Toyota Industries products including OEM-products, service parts, service-use equipment, etc.
- Accessories authorized by Toyota Industries

Raw materials or indirect materials

- Raw materials or indirect materials for the foregoing products or components including adhesives, etc.
- Ancillary items for Toyota Industries products, including paint, putty, hydraulic oil, etc.
- Items used in production processes

Equipment, construction, cleaning, or landscaping

- Equipment (facilities), machinery, jigs, frames, etc., delivered to Toyota Industries
- Facility construction or equipment-maintenance construction performed on the grounds of Toyota Industries
- Cleaning operations or landscaping projects (including chemical agents) performed on the grounds of Toyota Industries

Logistics

- Transportation of components, products, materials, equipment, etc., under arrangements made by Toyota Industries