

Risk Management

Toyota Industries is involved in a variety of activities targeting risk reduction.

Toyota Industries' business activities involve various environmental and other latent risks. Environmental risks can range from regulatory infractions to pollution of the surrounding area caused by the use of substances of concern. Toyota Industries strives to practice risk management in all of its business activities by eliminating or minimizing these risk factors.

● Emergency Response

Toyota Industries' manufacturing activities currently necessitate the use of certain chemical substances that can have a profound impact on the environment if mishandled. As part of its emergency response efforts, the company identifies equipment that has a significant risk of causing a major impact on the environment. Toyota Industries also conducts drills and inspections to prepare for potential environmental accidents caused by this equipment.

The company has formulated in-house guidelines to direct its response in the event of an emergency such as the accidental release of hazardous chemicals or irregularities with wastewater management. The guidelines include various routine checklists that are used to identify possible problems and the appropriate emergency response procedures, and also to verify the availability and proper functioning of emergency supplies and equipment.

Toyota Industries has also requested that its suppliers take the necessary measures to prevent accidental release and to take appropriate measures in the event of an emergency.



Emergency Response Drill

● Compliance with Laws and Regulations

Toyota Industries' business activities are regulated under various laws such as the Air Pollution Control Law and the Water Pollution Control Law. The corporate center and business support center (CO/BS) is responsible for monitoring ongoing revisions to these laws, and the relevant information is communicated to the company's plants. In addition, Toyota Industries has established voluntary control values for the designated pollutants that are stricter than the control values prescribed by pollution prevention laws. The company also conducts routine monitoring to ensure strict regulatory compliance. Toyota Industries received no citations for environmental infractions during FY 2002.

■ Examples of Regulatory Compliance

Plant Wastewater

Toyota Industries conducts in-house analyses of wastewater treatment as part of its wastewater management program. These results are used to ensure regulatory compliance and prevent possible regulatory infractions.

Waste

Toyota Industries uses in-house procedures to require that the company conducts prior inspections of waste disposal methods and facilities before engaging the services of a waste disposal contractor. The procedure leads to appropriate disposal methods for industrial waste.

Applicable Laws and Regulations (in Japan)

Air Pollution Control Law, Water Pollution Control Law, Noise Regulation Law, Vibration Regulation Law, Offensive Odor Control Law, Electricity Utilities Industry Law, Waste Management and Public Cleansing Law, Poisonous and Deleterious Substances Control Law, Factory Location Law, Fire Service Law, Law Concerning Reporting, etc. of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in their Management (PRTR Law), Law Concerning the Promotion of Measures to Cope with Global Warming

Chemical Substances

Toyota Industries uses a prior assessment system to evaluate new chemical substances, in order to ensure compliance with the PRTR Law and other regulations. (For more information about chemical substance management, see p.30.)



Inspecting Facilities of a Waste Disposal Contractor

● Risk Communication

Toyota Industries formulated its Risk Communication Guidelines in April 2002 with the aim of promoting an active dialogue with interested parties and particularly with the local community. The Guidelines specify that each plant will hold regular meetings with members of the local community to disclose important information such as details of the chemical substance management implemented at plants and environmental data related to air, water and soil quality. (For more information about this subject, see p.40, "Working With the Community.")



Risk Communication Guidelines

● Update on Soil and Groundwater Measures

■ Regular Report

Toyota Industries is involved in ongoing efforts to survey and purify polluted soil and groundwater that resulted from its past use of trichloroethylene. Under the guidance of local government authorities, Toyota Industries began voluntary monitoring of soil and groundwater contamination. These results were made available to the public in April 2001. Since that time, Toyota Industries has been routinely monitoring pollution levels and reporting its findings to local government authorities and the local community.

In addition to efforts aimed at purifying and preventing the outflow of pollutants beyond its plant boundaries, Toyota Industries is involved in efforts to purify and recover contaminated soil found within the boundaries of its plants. These ongoing efforts are being conducted using the soil excavation method, the iron powder mixing method and the vacuum gas extraction method. Toyota Industries is committed to providing regularly updated information regarding its efforts to purify and recover contaminated soil.

■ Recurrence Prevention Measures

Since the discovery of soil and groundwater contamination resulting from the company's use of trichloroethylene, Toyota Industries has adopted measures aimed at preventing any recurrence of similar incidents. In February 2003, Toyota Industries formulated a new set of procedures for equipment installations with the aim of preventing soil contamination from occurring. These procedures specify that new storage facilities and piping for chemical substances are to be built above ground. In addition, the procedures contain new standards for equipment construction and methods for leakage prevention.

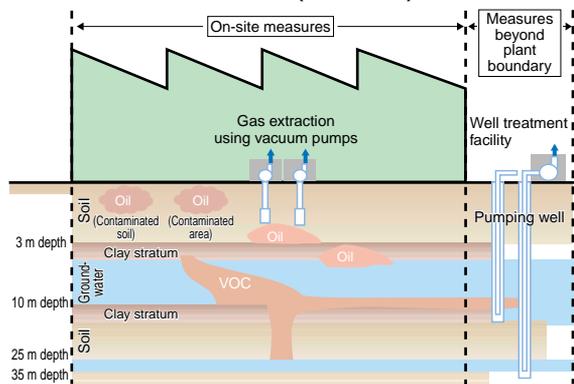
FY 2002 Trichloroethylene Readings

Plant	Average Reading Through FY 2002
Kariya Plant	1.46 mg/l
Kyowa Plant	1.59 mg/l

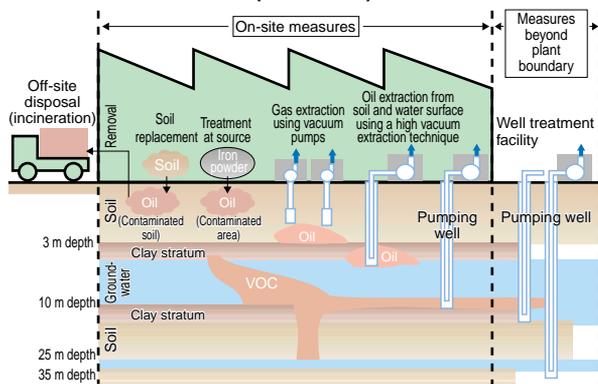
*No detectable trichloroethylene at other plants.
Reference value: 0.03 mg/l

Soil and Groundwater Purification

Previous Treatment Method (1998-2000)



New Treatment Method (2001-2002)



Spotlight Tokai Earthquake Preparations

Toyota Industries has created response manuals in preparation for the possibility of a serious earthquake occurring in the Tokai region.

In April 2002, Aichi Prefecture was officially designated as a potentially affected area in the event of a serious earthquake in the Tokai region. This official designation means that Aichi Prefecture has been targeted for upgraded seismic resistance measures. Since Toyota Industries and its plants are located in Aichi Prefecture, the company is currently conducting earthquake analysis for its building structures and is working to upgrade their seismic resistance. Toyota Industries also created a Crisis Response Manual and an Earthquake Response Manual that was published in February 2003. In addition, Toyota Industries plans to conduct detailed surveys and analyses to determine the potential environmental impact of a major earthquake and identify methods for preventing and counteracting the effects of a major earthquake. This will include creating a set of in-house guidelines for instituting earthquake-related measures.