

Environmental Management System

Organization

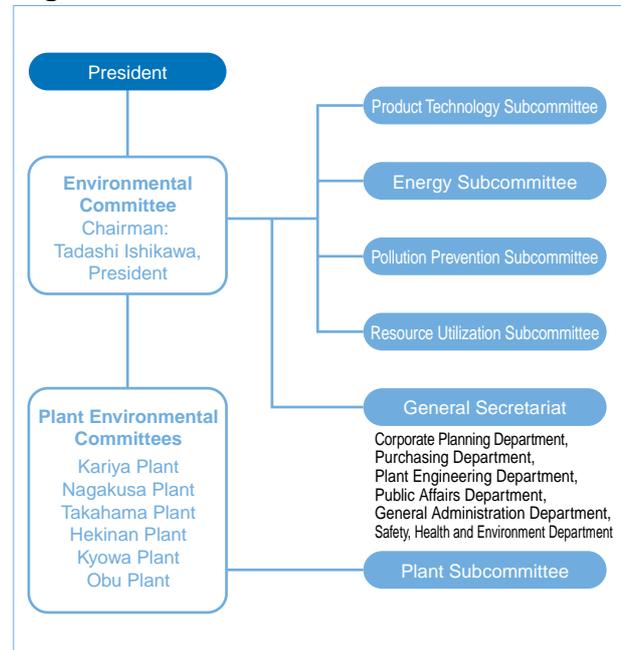
To promote environmental conservation activities throughout the company, the Environmental Committee, chaired by the president, makes decisions on corporate environmental policies and follows up on important environmental activities taken.

Furthermore, to promote activities associated with key issues, we developed four specialized subcommittees which stand below our Environmental Committee. They are the Product Technology, Energy, Pollution Prevention, and Resource Utilization subcommittees.

To smoothly implement the policies and decisions of the committee and subcommittees at each production site, each plant maintains its own Plant Environmental Committee, chaired by the environment conservation director, and specialized subcommittees to handle environmental activities.

In order to strengthen environmental communications and public contributions, we dissolved the Communications and Public Relations Subcommittee in FY 2001 and have incorporated the Public Affairs Department and the General Administration Department into the General Secretariat for the Environmental Committee.

Organization (As of July 1, 2002)



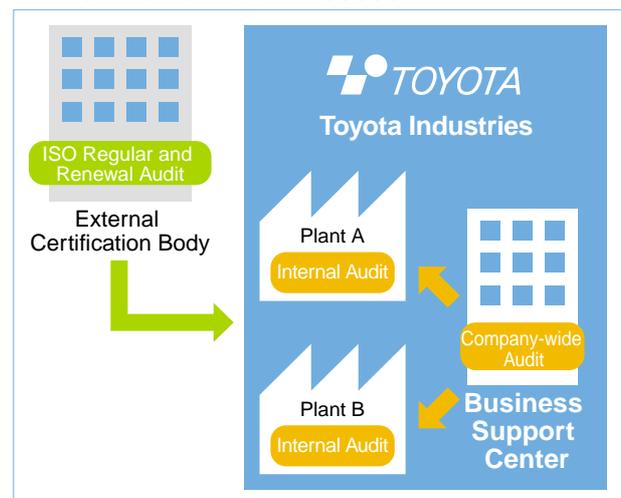
Environmental Audits

At Toyota Industries, we not only undergo regular ISO audits but also check our environmental conservation activities by conducting voluntary audits within the company based on our environmental management system.

Within the company there are two types of environmental audits. One type is an internal "self-check" audit performed at the plant level. The other is a company-wide audit, performed for all of the plants, planned by the Business Support Center (BSC) and performed by a team of qualified individuals within the company.

During FY 2001 the internal and company-wide audits were performed four times and five times, respectively. Due to the increased stringency of the internal audits, we were judged to have no major problems in our system with only three cases of minor incidents and thirty-one observational notes in the ISO regular and renewal audit performed.

Environmental Audit Process



Environmental Education and Awareness Program

It is important for our environmental conservation activities that every employee is aware of what impact our company may have on the environment and what they can do to help.

Therefore we provide our employees with environmental education, training, and awareness activities.

ISO 14001 Audit Cases Reported

ISO 14001 Requirements	Minor Incidents	Observational Notes	Total
Environmental policy	0	0	0
Planning	1	9	10
Implementation and operation	0	7	7
Checking and corrective action	0	11	11
Management review	2	4	6
Total	3	31	34

"Checking and corrective action" improvements are required to achieve the target of reducing plastic waste.

Environmental Education

At Toyota Industries, we supply multi-level environmental education for all employees based on the environmental management system at the plant level, as well as company-wide ISO 14001 internal auditors' training.

Employees are divided into groups according to position (workers, supervisors, and managers), and thoroughgoing courses are systematically tailored to each group.

In addition to general education, we also train personnel who work with important environmental-related equipment to handle any emergency that may have a significant impact on the environment.

The company-wide ISO 14001 internal auditors' training is carried out to nurture environmental management system auditors and prepare leaders to guide the company's environmental conservation activities. In FY 2001, eight training sessions were held and a total of 155 employees became qualified internal auditors.

Awareness Program

To further environmental activities and promote environmental awareness within the company, every year, we invite external specialists to conduct seminars.

For FY 2001, we invited the general manager of the environment division of Toyota Motor Corporation, Mr. Kiyoshi Masuda. He addressed the importance of environmental management in his lecture entitled, "Toyota Environmental Management in the 21st Century."

Because this lecture covered a topic which is crucial to consolidated environmental management, we invited members of our subsidiaries and affiliates to take part in the event as well. As a result, many directors from our group companies participated.

Consolidated Environmental Management

To ensure that our environmental efforts extend beyond the parent company, we are working to establish a consolidated environmental management system that covers all of our subsidiaries and affiliates in the entire group.

In March 2001, we held an explanatory meeting for our subsidiaries and affiliates and now all of them have implemented the development of an environmental management system. Moreover, to assist in implementing environmental management systems in our group companies, we have provided them with environmental education. We are willing to continue this assistance in the future. In addition, four more domestic group companies acquired ISO 14001 certification in FY 2001.



Training for Emergency Situations

Environmental Management System Auditors

		FY 2000	FY 2001
CEAR registration	Lead auditors	1	1
	Auditors	1	1
	Provisional auditors*	11	12
Within the company	Internal auditors	353	508

*This also includes those that passed the auditor training course.



Environmental Seminar



Environmental Education at a Subsidiary

Environmental Management System

ISO 14001 Certification

Our Progress

■Progress towards ISO 14001 Certification Including Product Design and Development

Since the Nagakusa Plant acquired certification in 1997, all six of our plants except for the Higashichita and Higashiura plants were ISO 14001 certified in the production sector by March 2001.

We strove to expand our existing ISO 14001 certifications for production to product design and development in FY 2001. In the course of the October 2001 renewal audit for the Kariya Plant, the technical departments of the Textile Machinery Division and the Compressor Division acquired certification that included product design and development for the first time. The technical departments of the Engine Division, located in the Hekinan Plant, and the TOYOTA Material Handling Company, located at the Takahama Plant, also acquired certification that included product design and development in November and December, respectively. These certifications led to RvA*¹ certification, an authoritative accreditation.

We will continue to strive for certification including product design and development in the vehicle technical department and the Kyowa Plant in the future.

In FY 2001 our headquarters acquired ISO 14001 certification. The Higashichita and the Higashiura plants expect to acquire certification by March 2003.

■Our Efforts toward ISO 14001 Certification in Product Design and Development

Using the methods below, the technical departments of the Textile Machinery, Compressor, and Engine divisions, as well as TOYOTA Material Handling Company, were able to acquire ISO 14001 certification.

• Evaluation of Environmental Aspects of Products and Establishment of "Guidelines for Evaluating the Environmental Impacts of Products"

To acquire ISO 14001 certification in product design and development, it is necessary to identify environmental aspects of products and then select significant environmental aspects. Therefore, the Product Technology Subcommittee issued "Guidelines for Evaluating the Environmental Impacts of Products," and implemented a prior assessment system at the development stage of every technical department.

We use the identified significant aspects to plan environmental management programs as well as environmental objectives and targets. Using Design Review (DR) we are always checking their progress. With DR we also research the needs of the customer, market information, and the various environmental laws and regulations related to our products.

• Publication of List of Environmental Regulations and Environmental Regulation News

The Product Technology Subcommittee compiled a list of identified environmental regulations as well as the latest regulation news and published an environmental regulations newsletter. The list and newsletters contain resources on recycling, environmentally preferable purchasing, eco-labels and a list of substances of concern useful for all of our divisions.

Environmental Regulation News



• Environmental Regulations

In every division we promote the identification of the rules and regulations concerning the environment of our products, as well as the regulations of ISO 14001 and other environmental requirements.

• Training for Designers and Internal Auditors

To ensure designers' proficiency, the Product Technology Subcommittee administered training and then a test on substances of concern guidelines and recycling design guidelines for designers in TOYOTA Material Handling Company and the Kyowa Plant. The designers that passed the test were registered and a series of training standards were issued.

Internal auditor training that incorporates content required for product design and development so as to enable audits of those fields has been carried out twice. This has permitted the training of internal auditors in the product design and development fields, making continual improvement in the future a possibility.



Internal Auditor Training

*1 RvA is the abbreviation of Raad voor Accreditatie, a Dutch institution of certification.

Subsidiaries and Affiliates' Progress in ISO 14001 Certification

In FY 2001, four of our domestic subsidiaries and affiliates (Tokyu Co., Ltd., ST Liquid Crystal Display Corp., Nishina Industrial Co., Ltd., and Tokaiseiki Co., Ltd.) acquired ISO 14001 certification. Among our overseas subsidiaries, Toyota Industry (Kunshan) Co., Ltd., Kirloskar Toyoda Textile Machinery Ltd., and TD Deutsche Klimakompressor GmbH also acquired certification. Except for BT Group, acquired as a subsidiary in FY 2000, all of our overseas production facilities acquired the certification.

From a consolidated environmental management point of view, we fully support all subsidiaries and affiliates in their efforts to achieve ISO 14001 certification in the future.

Companies/Facilities that Have Acquired ISO 14001 Certification and Date

Category	Company/Facility	Location	Certification Date	
Toyota Industries' Plants and Offices in Japan	Nagakusa Plant	Obu, Aichi	October 1997	
	Kariya Plant	Kariya, Aichi	October 1998 (October 2001 ^{*1})	
	Takahama Plant	Takahama, Aichi	December 1998 (December 2001 ^{*1})	
	Hekinan Plant	Hekinan, Aichi	November 1999 (November 2001 ^{*1})	
	Kyowa Plant	Obu, Aichi	January 2000	
	Obu Plant	Obu, Aichi	March 2000	
	Kariya Plant (Headquarters)	Kariya, Aichi	October 2001	
Domestic Consolidated Subsidiaries	TIBC Corporation	Obu, Aichi	January 2000	
	Tokyu Co., Ltd.	Niwa-gun, Aichi	November 2001	
	ST Liquid Crystal Display Corp.	Chita-gun, Aichi	January 2002	
	Nishina Industrial Co., Ltd.	Kamiminochi-gun, Nagano	January 2002	
	Tokaiseiki Co., Ltd.	Iwata, Shizuoka	March 2002	
Overseas Consolidated Subsidiaries	Toyota Industrial Equipment Mfg., Inc.	U.S.	June 1999	
	Michigan Automotive Compressor, Inc.	U.S.	June 1999	
	Toyota Industrial Equipment, S.A.	France	January 2001	
	Toyota Industry (Kunshan) Co., Ltd.	China	October 2001	
	Kirloskar Toyoda Textile Machinery Ltd.	India	January 2002	
	TD Deutsche Klimakompressor GmbH	Germany	March 2002	
	BT Group	BT Industries AB	Mjölby, Sweden (PT ^{*2})	November 1997
			Mjölby, Sweden (MT ^{*3})	November 1997
		BT Raymond Inc.	Brantford, Canada	March 1999
			Greene, U.S.	February 2001

*1 Acquisition in product design and development sectors

*2 PT is the abbreviation of Powered Truck and refers to a specialized plant for powered trucks.

*3 MT is the abbreviation of Manual Truck and refers to a specialized plant for hand pallet trucks.

ISO 14001 Acquisition Pending

Category	Company/Facility	Location	Target Certification Date
Domestic Plants	Higashichita Plant	Handa, Aichi	By March 2003
	Higashiura Plant	Chita-gun, Aichi	By March 2003
Domestic Consolidated Subsidiaries	Taikoh Transportation Co., Ltd.	Kariya, Aichi	October 2002
	Izumi Machine Mfg. Co., Ltd.	Obu, Aichi	November 2002
	Iwama Loom Works, Ltd.	Niwa-gun, Aichi	March 2003
Overseas Consolidated Subsidiaries	BT Group	BT Products AB	Antwerp, Belgium
		Lift-Rite Inc.	Brampton, Canada
	BT Raymond Inc.	Cesab Carrelli Elevatori S.p.A.	Bologna, Italy
		Muscatine, U.S.	By March 2003