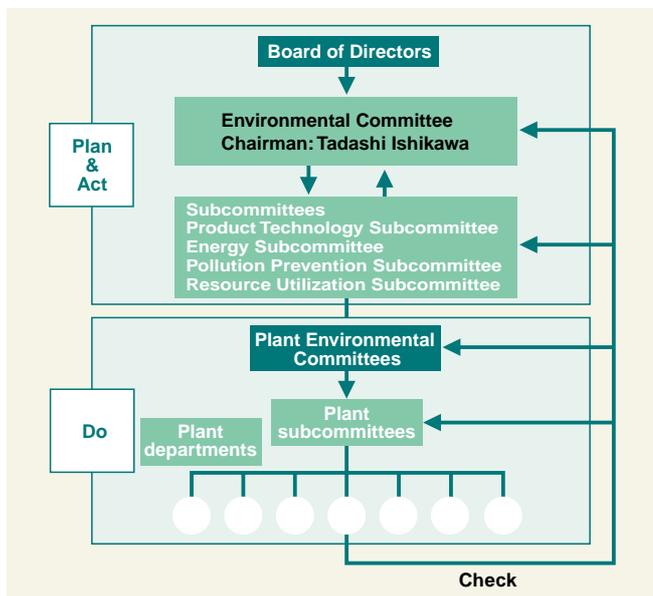


## Environmental Management

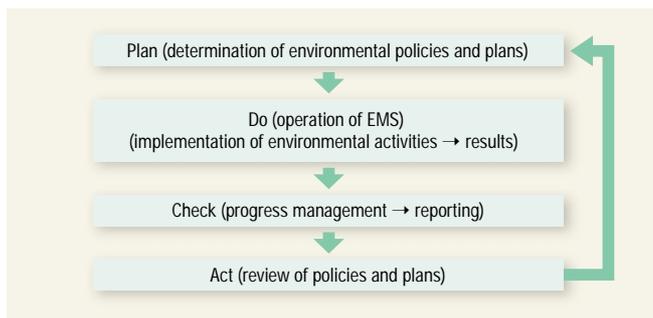
**Toyota Industries is continually striving to improve its EMS through the implementation of measures that are consistent with the true spirit of environmental management.**

Toyota Industries places environmental activities among its highest priorities as a means of fulfilling the company's social responsibility and achieving sustained corporate growth. The EMS ensures that concrete activities take root and are continually improved and implemented. Toyota Industries' EMS has expanded to other branches of the company beyond manufacturing, and now encompasses such areas as product development and its management and services divisions. Toyota Industries is fully committed to promoting measures that are consistent with the true spirit of environmental management, and to ensuring that each of its employees recognizes the fundamental relationship that exists between their work and the environment.

### Organizational Framework for Environmental Management



### Plan, Do, Check, Act (PDCA) Cycle



## Organization

In order to successfully promote environmental management, Toyota Industries recognizes that its company-wide policies and plans must encompass every plant and branch within the company, to be carried out by each of its employees. The company's Environmental Committee is chaired by the president and is responsible for determining the company's environmental policies and plans, as well as verifying the results of its environmental activities. The committee is assisted by four subcommittees that provide guidance on specialized areas relating to the company's products and manufacturing activities. In accordance with the policies and plans of the Environmental Committee, the Plant Environmental Committees and Plant Subcommittees operate the company's EMS at each plant and implement specific activities that lead to concrete results.

### EMS

Toyota Industries has operated its EMS since 1996, with the aim of sustaining and continually improving its environmental management efforts. Presently, the company has acquired ISO 14001 certification for all of its plants in Japan. Since FY 2001, Toyota Industries has expanded the scope of areas requiring ISO 14001 certification to encompass its product development, management, and services divisions. (For more information about the ISO 14001 certification status of Toyota Industries, please refer to p.56.)

### Environmental Audits

Toyota Industries conducts regular internal environmental audits and receives an annual external environmental audit performed by an external audit organization. The company carefully studies the results of these audits in order to continually improve its EMS and its environmental performance.

The external environmental audit performed in FY 2003 concluded that the company's EMS at each plant was being suitably maintained and continuously improved. In terms of areas for improvement, the external audit identified the need for a better understanding and an increased use of indirect environmental impact assessments on the part of Toyota Industries' management and services divisions. Currently, the company is working to address these shortcomings.

Toyota Industries also conducts in-house training in order to develop internal environmental auditors who possess sufficient knowledge and are capable of properly executing internal audits that will lead to improvements within the company. (For more information about this topic, please refer to p.50.)

### Environmental Audit Results

ISO 14001 Requirements	Shortcomings Noted		Observations and Minor Nonconformities
	Minor Nonconformities	Observational Notes	
Environmental policy	0	0	—
Planning	1	6	Adoption of indirect impact assessments not yet widespread
Implementation and operation	1	7	Infrequent identification of management items for document control and emergencies
Checking and corrective action	0	5	Deficiency in implementing corrective action and internal audits
Management review	0	0	—
Total	2	18	—