

Group-Wide Environmental Management

A group-wide effort to strengthen global environmental activities and promote environmental management

Group-Wide Policies

The Toyota Industries Group recognizes the need to conduct environmental activities on a group-wide scale as a means of contributing to the creation of a sustainable society. These activities must encompass the entire product life cycle, including the development, manufacturing, and sale of its products. To achieve these goals, the company has created the Toyota Industries Group Corporate Commitment to the Environment, with the aim of ensuring that each of its subsidiaries and affiliates carries out the same commitment to the environment.

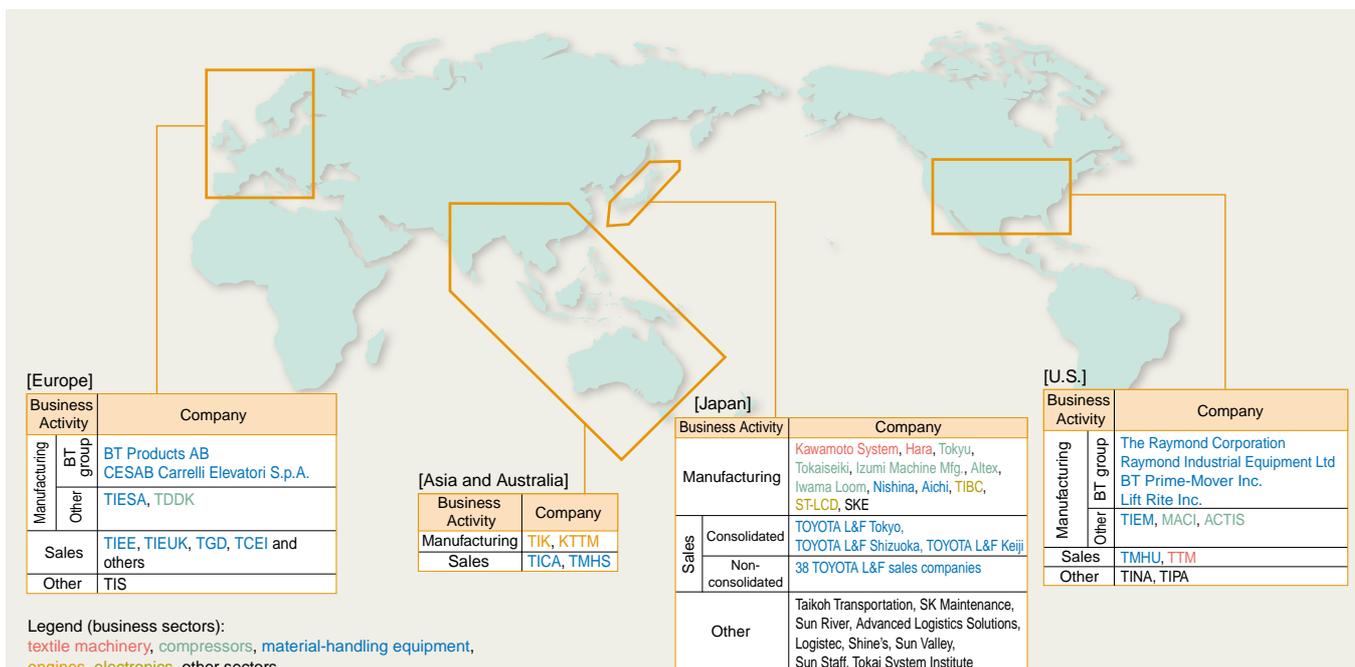
Scope of Activities

In previous years, the scope of Toyota Industries' group-wide environmental management system was limited to the parent company and its consolidated subsidiaries and affiliates accounted for by the equity method. However, the company has decided to expand this scope to include 38 of TOYOTA L&F sales companies* in Japan.

Requirements

Toyota Industries has established several levels of requirements for participation in its group-wide environmental management. The requirements vary, based on the environmental impact and risk factors presented by each company subject to the group-wide

Scope of Group-Wide Environmental Management (as of end of March 2004)



EMS. The company is committed to regularly checking the progress of these companies, in order to ensure that these requirements are being fulfilled, and to providing support where needed.

EMS

The establishment of an ISO 14001 based EMS is viewed as a prerequisite for these companies to successfully promote environmental activities. Toyota Industries provides a wide range of support activities that are aimed at promoting the acquisition of ISO 14001 certification by manufacturing-related companies, due to their significant impact on the environment. The company conducts briefing sessions on ISO 14001 requirements to assist in the creation of EMSs, and provides training to develop internal environmental auditors. Toyota Industries has set a goal that all of its manufacturing-related companies will have acquired ISO 14001 certification by FY 2005. (For more information about the ISO 14001 certification status of Toyota Industries' subsidiaries, please refer to p.56.)

Requirements for Companies Subject to Group-wide EMS

Business Activity	Requirement
Manufacturing	<ul style="list-style-type: none"> Establish EMS and acquire ISO 14001 certification (minimum requirement) Submit environmental data Submit reports on operating status of EMS Introduce environmental accounting and green procurement Receive external audits
	<ul style="list-style-type: none"> Establish EMS and acquire ISO 14001 certification (minimum requirement) Submit environmental data Submit reports on operating status of EMS
Sales	<ul style="list-style-type: none"> (Recommendation to establish EMS and acquire ISO 14001 certification) Establish EMS based on in-house guidelines and provide status reports
	<ul style="list-style-type: none"> (Recommendation to establish EMS and acquire ISO 14001 certification) Establish EMS based on in-house guidelines and provide status reports
Other	<ul style="list-style-type: none"> (Recommendation to establish EMS and acquire ISO 14001 certification) Establish EMS based on in-house guidelines and provide status reports

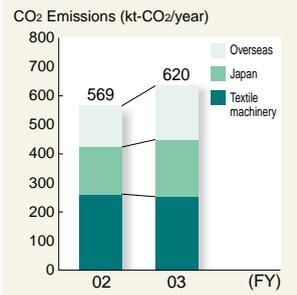
* Dealers who sell material handling equipment produced by Toyota Industries' TOYOTA Material Handling Company in Japan. "L&F" (Logistics and Forklift) refers to materials handling systems, industrial vehicles, and equipment.

Environmental Data Calculations

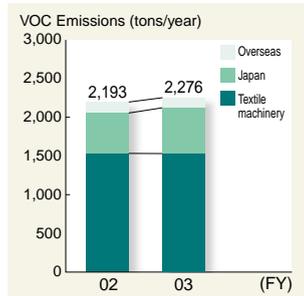
Toyota Industries has identified CO₂ emissions, VOC emissions, and industrial waste generation as major sources of environmental impact resulting from the business activities of the Toyota Industries Group. In response to this situation, the company has created in-house environmental performance data collecting guidelines that are used as the basis for calculating environmental data for major manufacturing-related subsidiaries and affiliates of the group. Toyota Industries has been tracking this data since FY 2002.

The group's output of CO₂ emissions, VOC emissions, and industrial waste uniformly increased during FY 2003. This trend arose from several factors, including major production increases by the company's domestic electronics-related plants and its casting business in China, as well as the expansion of its engine transmission business in India. In response to this situation, the Toyota Industries Group has made a commitment to clarifying the goals of its group-wide environmental activities, as it redoubles its efforts to reduce substances of concern.

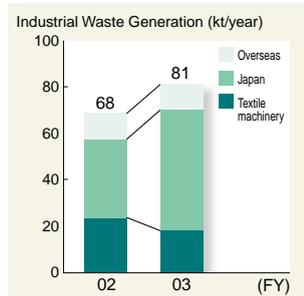
CO₂ Emissions



VOC Emissions



Industrial Waste Generation



Plant-related Activities

Environmental, Safety, and Health Workshop for Overseas Subsidiaries

In June 2003, Toyota Industries conducted a workshop with the participation of personnel from the health, safety, and environmental departments of its overseas manufacturing-related subsidiaries. The workshop included a summary presentation



Environmental Workshop for Overseas Manufacturing-related Subsidiaries

by Senior Managing Director Shiro Endo and information about the company's environmental, safety, and health activities. The workshop participants also took part in on-site observations of the company's domestic plants. The goal of the workshop was to encourage further activities and dialogue on a group-wide basis.

Green Procurement and Environmental Accounting

The adoption of green procurement and environmental accounting practices is viewed as an essential step toward promoting environmental management at each plant. During FY 2003,



Briefing Session

Toyota Industries conducted various briefing sessions concerning green procurement and environmental accounting at select domestic and overseas manufacturing-related subsidiaries and affiliates. The company intends to expand this program to encompass all of its major manufacturing-related subsidiaries and affiliates in the future.

EMS Assessments

Toyota Industries performed a series of assessments of its ISO 14001 certified plants during FY 2003, in order to address the ongoing need for better compliance with environment-related laws and to reduce the environmental risks of each plant. The assessments were specifically used to monitor the operational status of EMSs and to check the state of legal compliance at each plant. The information obtained from these assessments will be used to conduct future assessments of the environmental management performance at the company's subsidiaries and affiliates, which will enable Toyota Industries to provide assistance best suited to the needs of each individual company.



Assessment of EMS

Sales and Services-related Companies

In April 2003, Toyota Industries requested that its consolidated sales subsidiaries acquire ISO 14001 certification as a means of improving their current environmental activities. In the same month, the company conducted five workshops to assist its sales companies with their efforts to acquire ISO 14001



Workshop on Acquiring ISO 14001 Certification

certification. In January 2004, Toyota Industries conducted a briefing session on group-wide environmental management with the participation of 10 of its services-related subsidiaries in Japan.