



Environmental Action Plan Revision

Under the basic guideline to "Work through our business activities, to build a wholesome global environment and an affluent society while also offering products that are clean, safe, and of superior quality," Toyoda enacted its First Environmental Action Plan in March 1993, thereby engaging in the protection

of the global environment. However, from the perspective of forming a society capable of sustainable growth, environmental responsiveness has become more important than ever. Embracing environmental soundness as a crucial business issue as the 21st century approaches, Toyoda has

completely revised its Environmental Action Plan to achieve harmony with the environment and contribute to the formation of a recycling-oriented society through top level management on a Groupwide basis.

Basic Guidelines for Corporate Activities

- Abide by the spirit of internal and external rules and regulations as well as undertake our activities fairly and transparently
- Respect the culture and customs of the countries and regions in which we work and contribute to their economies and societies
- Work through our business activities, to build a wholesome global environment and an affluent society while also offering products that are clean, safe, and of superior quality.
- Endeavor to be ahead of the times in R&D and create new value-added to offer products and services that satisfy our customers
- Based on mutual trust between management and labor as well as the acceptance of responsibility, work to develop the individuality and ability of each employee, and create an atmosphere where we can draw fully on the Company's capabilities and resources



Third Environmental Action Plan (Fiscal 2001 to 2005)

■ Environmental Policies

1. Conduct corporate activities that are considerate of the environment at every stage of the product's life cycle, from development through design, production, use, and disposal, so as to provide clean and safe products to society and the environment.

2. Strive to intensify environmental management, including that of consolidated affiliates, for the further advancement of corporate activities that support environmental protection.

3. Conduct social contribution efforts, information disclosure, and knowledge promotion through wide-ranging cooperation with society on environmental protection with the ultimate aim of achieving a better global environment.

■ Action Guidelines

1. Develop and provide clean products with minimal environmental impact

- (1) Thoroughly implement environmental considerations in development and design
- (2) Promote Green Procurement

2. Promote manufacturing that strives for zero emissions

- (1) Further reduce environmental impact through resource and energy conservation

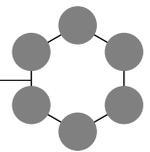
- (2) Voluntary goal setting, execution, and monitoring through the Environmental Committee

3. Expansion of environmental management systems

- (1) Strengthen cooperation between the Company and its affiliates and transaction partners
- (2) Firmly grasp environmental protection expenses and their effectiveness

4. Active participation in public environmental protection efforts as an upstanding corporate citizen

- (1) Engage in the formation of a recycling-oriented society
- (2) Thoroughly implement active information disclosure and communication with local communities



Third Environmental Action Plan

Action Guideline	Item	Action Policy
1. Develop and provide clean products with minimal environmental impact (1) Thoroughly implement environmental considerations in development and design (2) Promote Green Procurement	Improved fuel efficiency	▽ Achieve best-in-class fuel efficiency in all countries and regions and reduce CO ₂ emissions ▽ Improve fuel efficiency and reduce CO ₂ emissions through the development of technologies essential to energy conservation
	Reduced exhaust emissions	▽ Appropriately respond to individual usage environments
	Development of clean energy vehicles	▽ Promote effective introduction of vehicles to the market while considering their usage conditions ▽ Develop clean products that meet market needs
	Improved recyclability	▽ Promote recyclable designs to contribute to the goal of a 95% recycling rate by fiscal 2015 ▽ Expand the use of recyclable materials
	Control and reduction of volumes of substances with environmental impact	▽ Lead the world with global control of chemical substances
	Noise reduction	▽ Further reduce all noise sources in automobiles and forklifts
	Prevention of global warming due to automobile air conditioners	▽ Develop compressors that are compatible with new alternative coolants to HFCs
	Thorough implementation of environmental assessment at the development and design stages	▽ Conduct prior assessments of all environmental impact throughout products' life cycles, from the very first stages of development and design
	Strengthened cooperation with transaction partners	▽ Promote environmentally sound Green Procurement through strengthened cooperation with transaction partners
2. Promote manufacturing that strives for zero emissions (1) Further reduce environmental impact through resource and energy conservation (2) Voluntary goal setting, execution, and monitoring through the Environmental Committee	Global warming preventative measures	▽ Active promotion of CO ₂ reduction initiatives CO ₂ : Reduce total emission volume by 5% of fiscal 1990 levels by fiscal 2005 year-end (10% by fiscal 2010) ○Promote thorough energy saving programs ○ Develop CO ₂ reducing production technologies
	Intensified control and reduction of substances with environmental impact	▽ Heighten proper control and voluntary reduction of chemical substances used in production processes PRTR: Reduce total emission volumes of targeted substances by 50% of fiscal 1998 levels by fiscal 2005 year-end VOCs: Promote total emission volume reduction and reduce emissions from paint-coating lines by 50% of fiscal 1998 levels by fiscal 2005 year-end
3. Expansion of environmental management systems (1) Strengthen cooperation between the Company and its affiliates and transaction partners (2) Firmly grasp environmental protection expenses and their effectiveness	Waste reduction and resource conservation	▽ Reduce waste for achievement of zero emissions Zero emissions: elimination of landfill disposal at all plants by fiscal 2003 Promote paperless operations through the advancement of internal IT network systems
	Curtailed water usage	▽ Engage in water saving initiatives
	Logistics streamlining	▽ Improve transport efficiency and promote CO ₂ reduction and resource conservation through the reduction of packing materials
	Expansion of environmental management systems	▽ Organize fundamental policy development and administration systems for Group companies ▽ Attain ISO 14001 certification at all Group companies
4. Active participation in public environmental protection efforts as an upstanding corporate citizen (1) Engage in the formation of a recycling-oriented society (2) Thoroughly implement active information disclosure and communication with local communities	Efforts for the formation of a recycling-oriented society	▽ Participate in public efforts aimed at the achievement of a 95% recycling rate by 2015
	Promotion of social contribution activities	▽ Expand communication with local communities and participate in greenery activities
	Promotion of public relations activities and information disclosure	▽ Expand environmental communication activities



Results of the Second Environmental Action Plan

For each item of its Second Environmental Action Plan, enacted in fiscal 1996, Toyota set annual goals aimed at the ultimate fulfillment of all goals by fiscal 2000, the final year of the plan. As a result of its efforts, nearly all goals have been met, as detailed in the table below.

	Action Policy	Fiscal 2000 Goals	Fiscal 1999 Goals	Results
1. Establish the necessary internal systems	① Organization of an environmental management and auditing system <ul style="list-style-type: none"> Organization of a management system based on ISO 14001 certification attainment Implementation of internal auditing 	<ul style="list-style-type: none"> Certification at all domestic manufacturing plants Auditing conducted at each plant 	<ul style="list-style-type: none"> Certification at three plants Conducted once at each plant for a total of six sessions 	<ul style="list-style-type: none"> Hekinan, Kyowa, and Obu plants attained certification, completing domestic certification Auditing conducted once at each plant and twice each at the Hekinan and Kyowa plants for a total of eight times
	② Organization of a system for prior environmental assessment	<ul style="list-style-type: none"> Organize prior LCA systems for principal products 	<ul style="list-style-type: none"> Prior inspection systems at the production preparation stage 	<ul style="list-style-type: none"> LCA systems introduced and implemented Prior inspection systems established at production preparation stages Preuse inspection systems for chemical substances upgraded
2. Manage our business activities with concern for the environment	③ Development of environmentally sound products	<ul style="list-style-type: none"> Further reduction of engine exhaust emissions Improve energy efficiency of all components 	<ul style="list-style-type: none"> Further reduction of engine exhaust emissions Improve energy efficiency of all components 	<ul style="list-style-type: none"> Cleaner exhausts achieved for forklift and automobile diesel engines Superior fuel efficiency achieved for automobiles through the development of a variable capacity compressor Electric power consumption with air jet loom reduced
	④ Reduction of environmental impact	<ul style="list-style-type: none"> Strengthen voluntary chemical substance controls and reduce emission volumes 	<ul style="list-style-type: none"> PTRR business compliance VOC reduction 	<ul style="list-style-type: none"> Pilot business organization established Paint and thinner emissions reduced
	⑤ Promotion of energy consumption	<ul style="list-style-type: none"> Stabilize CO₂ emissions at fiscal 1990 levels 	<ul style="list-style-type: none"> Total CO₂ emission volume: 101,471 tons 	<ul style="list-style-type: none"> Total CO₂ emissions volume reduced to 93,515 tons through introduction of co-generation systems and fuel conversion Reduction to 92% of fiscal 1990 levels achieved
	⑥ Restrain the volume of waste and promote the reuse of resources	<ul style="list-style-type: none"> Reduce waste to 75% of fiscal 1990 levels 	<ul style="list-style-type: none"> Total waste emission volume: 14,000 tons 	<ul style="list-style-type: none"> Total waste emission volumes reduced to 9,500 tons 82% of fiscal 1990 levels, through the recycling of metal shavings and the introduction of waste liquid condensation equipment
	⑦ Logistics streamlining	<ul style="list-style-type: none"> Enhance efficiency through improved routes Promote resource conservation in packing and packaging materials 	<ul style="list-style-type: none"> Enhance efficiency through improved routes Promote resource conservation in packing and packaging materials 	<ul style="list-style-type: none"> Transport routes improved and mixed shipments implemented Forklift component packing materials simplified
	⑧ Environmental consideration in overseas operations	<ul style="list-style-type: none"> ISO certification at overseas facilities Support through personnel exchanges 	<ul style="list-style-type: none"> Attain ISO certification at two facilities 	<ul style="list-style-type: none"> MACI and TIEM certified
	⑨ Employee training programs	<ul style="list-style-type: none"> Expand training programs through monthly environmental topics in in-house newsletter Expand training programs through management training program 	<ul style="list-style-type: none"> Publish six features Hold two training sessions 	<ul style="list-style-type: none"> Seven features, including one on environmental management published in in-house newsletter Five training sessions held, including training for newly appointed managers
	⑩ Development of PR Activities	<ul style="list-style-type: none"> Maintain environmental campaigns through participation in community environmental events 	<ul style="list-style-type: none"> Publish environmental report Participate in environmental events 	<ul style="list-style-type: none"> Environmental reports published Company participated in the November Kariya Industrial Festival
3. Contribute to society	⑪ Promotion of forestry preservation and planting activities	<ul style="list-style-type: none"> Expand factory gardens Promote paperless operations 	<ul style="list-style-type: none"> Expand factory gardens Promote paperless operations 	<ul style="list-style-type: none"> Tree planting and care for natural surroundings of factories promoted Bamboo forests tended at Toyoda City's Nature Observation Park
	⑫ Promotion of social contributions	<ul style="list-style-type: none"> Support technological research for environmental protection Support employee volunteer activities 	<ul style="list-style-type: none"> Grant five financial support packages Support six volunteer programs 	<ul style="list-style-type: none"> Donations made to Keidanren's Nature Preservation Fund. Support given to four causes, including the Committee for Dialogue on Chubu Area Development and Water Resources Support provided for the Kenaf Project and 11 other programs including Wild Rabbit-Eared Iris Community Nature Preservation activities