

Environmental Initiatives

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Sixth Environmental Action Plan

The results of our activities in fiscal 2020 showed steady progress across the board toward achieving respective targets for fiscal 2021.

Progress of Sixth Environmental Action Plan

With an eye to realizing a prosperous life in harmony with the natural environment through the establishment of a sustainable society, we formulated the Sixth Environmental

Action Plan for the period from fiscal 2017 to fiscal 2021 and are promoting activities according to the plan. Through activities undertaken during fiscal 2020, we made steady progress toward achieving respective targets for fiscal 2021.

Production Related

Establishing a Low-Carbon Emission Society							
Action Policies/Specific Actions		FY2020 Achievements				FY2021 Targets	
Reduce CO₂ emissions from production activities <ul style="list-style-type: none">•Develop and introduce production engineering technologies with lower CO₂ emissions•Reduce CO₂ emissions by fully implementing improvement activities on a daily basis•Develop innovative CO₂ reduction technologies that utilize clean energy•Manage greenhouse gases other than CO₂	CO₂ emissions	Subject	Scope	Control Items	Base Year (FY)	Achievements	Targets
			Non-consolidated	Total emissions	2006	-14%	-10%
			Global	Emission volume per unit of production*1	2006	-28%	-26%
		Non-consolidated			-33%	-30%	
Reduce CO₂ emissions from production-related logistics <ul style="list-style-type: none">•Improve transportation efficiency through such measures as modal shift and better cargo loading efficiency	CO₂ emissions from logistics		Non-consolidated	Emission volume per unit of production	2007	-36%	-28%

Establishing a Recycling-Based Society							
Action Policies/Specific Actions		FY2020 Achievements				FY2021 Targets	
Promote measures against resource depletion by recycling waste		Subject	Scope	Control Items	Base Year (FY)	Achievements	Targets
<ul style="list-style-type: none">Reduce the volume of discarded materials by taking action at the source, such as improving yields and other measuresPromote internal reuse						–44%	–27%
			Waste generation volume			Non-consolidated	–44%
Promote effective resource utilization in production activities							
<ul style="list-style-type: none">Reduce use of packaging materialsMonitor water input and output in each country/region and develop and promote appropriate measures							

Reducing Environmental Risk and Establishing a Society in Harmony with Nature							
Action Policies/Specific Actions		FY2020 Achievements				FY2021 Targets	
Further reduce emissions of substances of concern •Minimize the use of substances of concern by promoting efficient production activities		Subject	Scope	Control Items	Base Year (FY)	Achievements	Targets
		VOC*2 emissions	Non-consolidated (automobile body)	Emission volume per unit of production	2006	-36% (24g/m²)	-36% (24g/m²)



Link to initiative details.

Product Related

Sixth Environmental Action Plan Targets			
	Action Policies	Specific Actions	FY2020 Achievements
Establishing a Low-Carbon Emission Society	Reduce CO ₂ emissions through product and technology development	<ul style="list-style-type: none">Develop technologies that contribute to an even greater level of energy efficiencyDevelop products and technologies that respond to electrificationDevelop technologies to enable weight reductionReduce energy lossDevelop technologies for the realization of a hydrogen-based society	<ul style="list-style-type: none">Developed new vane-type compressorDeveloped next-generation electric compressorDeveloped new vehicleReduced air consumption of air-jet loomsDeveloped fuel cell lift truck
Establishing a Recycling-Based Society	Implement initiatives to promote 3R (reduce, reuse and recycle) design for effective resource utilization	<ul style="list-style-type: none">Reduce use of resources through longer product lifeReduce use of resources through standardization, modularization and reduction of componentsReduce use of resources through development of technologies to enable weight reduction and downsizingPromote reuse of components and resources	<ul style="list-style-type: none">Developed new DC-DC converterDeveloped next-generation engineDeveloped new AC inverterDeveloped fuel cell lift truck
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	Reduce emissions to improve air quality in urban areas in all countries and regions Manage chemical substances contained in products	<ul style="list-style-type: none">Develop engines that meet future regulationsInvestigate chemical substances contained in products and manage switching over of SVHC*3 and other substances of concern to other substances	<ul style="list-style-type: none">Developed next-generation engineSupported business partners in Japan for establishing a chemical substance management systemConducted survey on chemical substances contained in products

Others

Sixth Environmental Action Plan Targets			
	Action Policies	Specific Actions	FY2020 Achievements
Reducing Environmental Risk and Establishing a Society in Harmony with Nature	Augment activities related to protection of biodiversity	<ul style="list-style-type: none">Share the biodiversity guidelines across all Toyota Group companies and contribute to the expansion of a habitat for living organismsFormulate and promote plans to link activities and connect green zones by undertaking activities for conservation of biodiversity throughout the Toyota Industries Group, including at consolidated subsidiaries in and outside Japan	<ul style="list-style-type: none">Participated in All Toyota Green Wave ProjectDevised biodiversity conservation action plan within Toyota Industries premises
Promoting Environmental Management	Augment and promote consolidated environmental management	<ul style="list-style-type: none">Build a global environmental management system and promote related activities to:<ul style="list-style-type: none">Comply with environment-related laws in each country and regionFormulate a medium-term plan based on visualization of environmental risks and conduct activities to prevent risks from occurringEnhance risk communication with relevant organizations and local residentsAchieve the highest-level environmental performance in each country and regionEnforce strategic environmental management that integrates environmental activities and business activities	<ul style="list-style-type: none">Promoted mitigation activitiesInspected environmental risks at production bases in JapanIntroduced Reporting System for Improvement in Sustainability Engagement (RISE)
	Enhance education and enlightenment activities	<ul style="list-style-type: none">Extend the scope of Toyota Industries' enlightenment activities to consolidated subsidiaries in and outside JapanGive back to society the outcomes of enlightenment activities	<ul style="list-style-type: none">Held various events during Environment Strengthening Period (from June to August)Provided education on environmental management
	Promote environmental activities in collaboration with business partners	<ul style="list-style-type: none">Ensure compliance with laws and regulations and improve environmental performance based on the Environmentally Preferable Purchasing Guidelines	<ul style="list-style-type: none">Held briefing sessions for business partners in JapanHeld an environment-related liaison meeting of bases in China
	Improve eco-conscious brand image	<ul style="list-style-type: none">Pursue higher brand image through proactive information disclosure	<ul style="list-style-type: none">CDP*4 climate change: ranked A (on a performance band of A to F)CDP water security: ranked A- (on a performance band of A to F)Received a Minister of Economy, Trade and Industry award in the Energy Conservation Grand Prize program (Nagakusa Plant)

*1: We manage emissions in each business by using either unit of production or unit of sales as a basic unit of emissions. The weighted average of reduction rates of all businesses is used as our management index.

*2: Volatile Organic Compounds

*3: Substances of Very High Concern

*4: An international NGO running a project in which institutional investors work together and request companies around the world to disclose their strategies against climate change and greenhouse gas emissions data



Link to the action plan.

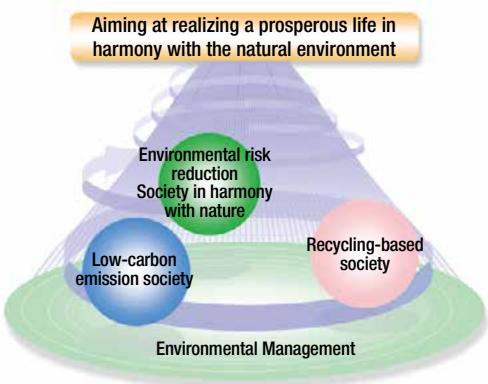
Details of the Sixth Environmental Action Plan are available at our Website.

Vision for Environmental Activities

We have defined our aspirations in 2050 and launched the Sixth Environmental Action Plan in fiscal 2017.

Global Environmental Commitment

As one tenet under our Basic Philosophy, Toyota Industries works to contribute to regional living conditions and social prosperity and also strives to offer products and services that are clean, safe and of high quality. Accordingly, in February 2011, we established the Global Environmental Commitment, a specific environmental action guideline, to be shared and implemented throughout the Toyota Industries Group. The entire Toyota Industries Group will dedicate concerted efforts



Notional Diagram of Global Environmental Commitment

to realizing a prosperous life in harmony with the natural environment.

Aspirations in 2050 and the Sixth Environmental Action Plan

Following the 2015 adoption of the Paris Agreement, an international framework for action against climate change, the establishment of a low-carbon emission society has become a global common goal. For Toyota Industries as well, the need to take further proactive measures is growing as global environmental issues continue to become of greater concern, with more people becoming increasingly conscious about the environment.

Under the circumstances, in 2016 we defined our aspirations in 2050. The Global Environmental Commitment, which represents our basic approach to environmental activities, specifies four action themes, namely, 1) establishing a low-carbon emission society; 2) establishing a recycling-based society; 3) reducing environmental risk and establishing a society in harmony with nature; and 4) promoting environmental management. As a milestone toward achieving our aspirations in 2050, we have formulated the Sixth Environmental Action Plan, a five-year plan for the period from fiscal 2017 to fiscal 2021, and will resolutely undertake activities in accordance with the plan.

an external lecturer for upgrading the quality of our internal audits. The curriculum covered a method to audit on-site environmental management, which is one of the priority audit items for fiscal 2020, and participants accordingly learned required skills.

Environmental Audits

Toyota Industries implements annual internal environmental audits as well as external audits carried out by an independent third-party institute.

In fiscal 2020, the external review identified no non-conformance issues. The review, however, pointed out some matters that could potentially constitute non-conformance

at one plant. We have been making improvements regarding these matters and sharing details with other plants.

We continued to conduct internal audits under the mutual, interdivisional audit system. We strived to upgrade our auditing capabilities by organizing audit teams with the dual goals of fostering the development of auditors and increasing audit efficiencies. In the area of audits, our focus was placed on environmental policy management and on-site environmental management, and we clarified how much each business division contributes to overall environmental management and checked if there are any environmental risks in each division.

Establishing a Low-Carbon Emission Society

We position the curbing of global warming as our most crucial environmental task. We have been working to reduce CO₂ emissions in our global business activities and at the same time accelerate our efforts to develop more environment-friendly products.

Our Approach

For Toyota Industries, dealing with global warming is not just a “risk.” It also presents “opportunities” in doing business to both differentiate ourselves by leveraging our technology-based product appeal and conduct eco-conscious production activities.

In our aspirations in 2050, we set a goal of establishing a zero CO₂ emissions society on a global basis and have been making efforts in various fields. In the area of product development, our focus includes electrification and increasing the fuel efficiency of engines. In production activities, promoting thorough energy savings and utilizing renewable energy and hydrogen are the two pillars of our activities. As specific efforts, we will adopt solar and other renewable energy sources and effectively utilize hydrogen while thoroughly eliminating wasteful use of energy in production processes and increasing the efficient use of energy.

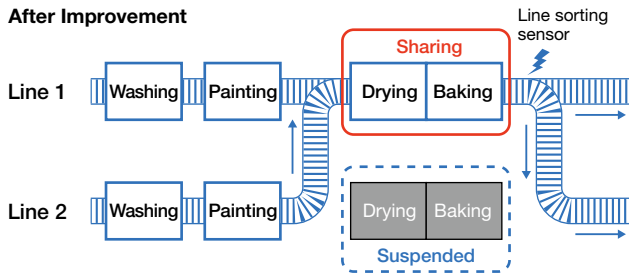
Efforts for Reducing CO₂ Emissions

The Higashiura Plant, a compressor production base in Aichi Prefecture, has been promoting measures to reduce CO₂ emissions from the drying and baking process, which consumes a large amount of energy.

In the process, it is important to keep the thermal processing equipment at an even temperature. This causes the wasteful use of energy as it requires the same amount of energy even if there is a drop in production volume. In response, the plant started sharing a drying and baking process between two lines manufacturing different products and successfully increased energy efficiency.

The drying and baking process also requires a large amount of energy to restore the temperature of the equipment once it has stopped. In order to prevent the irregular shutdown of the equipment, the plant adopted multifaceted measures, such as preventing product line sorting errors by installing a sensor after the baking process and eliminating bottlenecks by making the conveyor line straight.

These measures enabled the plant to reduce its annual CO₂ emissions by about 298 tons.



Structure to Implement Environmental Management

Positioning environmental response as one of its most crucial management issues, Toyota Industries is enhancing its environmentally oriented corporate management on a global basis through the promotion of consolidated environmental management.

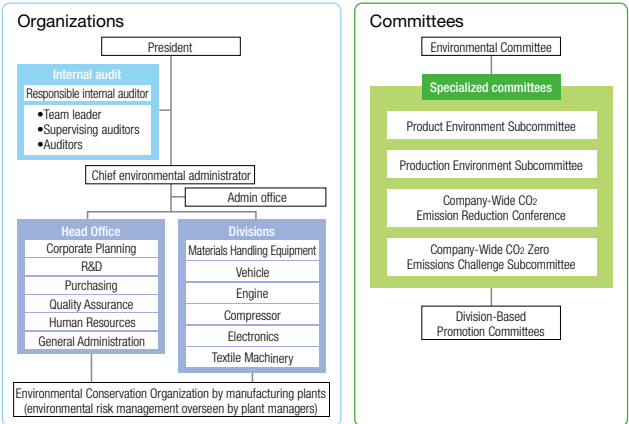
Promotion of Environmental Management System

Toyota Industries has positioned environmental response as one of its most crucial management issues. To quickly reflect top management’s decisions on business operations, Toyota Industries has established and been operating a Company-wide integrated environmental management system (EMS), with the president at the top.

As in the previous fiscal year, in fiscal 2020 we conducted introductory educational courses to foster the knowledge needed for environmental management and an introductory educational course for environmental audits to cultivate knowledge and techniques of internal audits. As department heads and other personnel in managerial positions proactively attended these courses, we were able to promote the enhancement of environmental management and the development of internal auditors.

For internal auditors, we provided skill-up training by

Environmental Management Structure



Summary | CO₂ Emissions (Production Activities)

FY2020 Results

Total emissions (non-consolidated)	
14% reduction (vs FY06 level)	FY21 target: 10% reduction (vs FY06 level)
Emission volume per unit of production (global)	
28% reduction (vs FY06 level)	FY21 target: 26% reduction (vs FY06 level)

Under the Sixth Plan, we are working toward achieving fiscal 2021 targets of reducing total non-consolidated CO₂ emissions by 10% and global emission volume per unit of production by 26%, both from the fiscal 2006 level.

TOPIC

Iwama Loom Works Receiving a Director-General of the Chubu Bureau of Economy, Trade and Industry Award as an Excellent Energy-Saving Business Operator

In February 2019, Iwama Loom Works, Ltd., a subsidiary manufacturing compressor parts in Aichi Prefecture, was recognized for its proactive energy-saving efforts and outstanding outcome and received a Director-General of the Chubu Bureau of Economy, Trade and Industry Award as a business operator conducting excellent energy management. The company presented details of its efforts at the Symposium on the Rational Use of Energy hosted by the bureau in January 2020.

Iwama Loom Works has been making steady and ingenious energy-saving efforts, such as the promotion of energy just-in-time (JIT) activities that visualize and reduce the wasteful use of energy and creation of a non-powered *karakuri* mechanical pump for the recovery of liquid waste.



Yuu Sato
Group leader
Safety and Environment Group
General Affairs Department
Iwama Loom Works, Ltd.
(As of March 31, 2020)

Because gaining the understanding and cooperation of the Manufacturing Department was essential in promoting our activities, we worked to build a relationship of trust with them and proceeded while checking each step together. We also devised a way to visualize the outcome through such measures as showing how much money we have saved by conserving energy.

Establishing a Recycling-Based Society

With a view to establishing a recycling-based society, we have been striving to reduce waste and the consumption of water and other resources.

Our Approach (Waste)

Mass consumption, if continued on the back of the expanding world population and economic growth, will eventually deplete natural resources. Toyota Industries believes it is essential to promote 3R (reduce, reuse and recycle) design for effective resource utilization and the recycling of waste as resources.

We set a goal of minimizing the use of resources in our aspirations in 2050. Accordingly, we have been making various efforts, including extending the life of components as well as reducing their size and weight in the area of product development. In production activities, implementing measures to reduce resource consumption at the source, ensuring the maximum resource recycling within a plant and reducing waste by using leading-edge technologies are the three pillars of our activities.

Summary Waste Generation Volume (Production Activities)

FY2020 Results

Waste generation volume per unit of production (non-consolidated)

44% reduction (vs FY06 level) | FY21 target: 29% reduction (vs FY06 level)

Waste generation volume per unit of production (non-consolidated/consolidated subsidiaries in Japan)

44% reduction (vs FY06 level) | FY21 target: 27% reduction (vs FY06 level)

Under the Sixth Plan, we are working toward achieving the fiscal 2021 targets of reducing waste generation volume per unit of production compared with the fiscal 2006 level by 29% on a non-consolidated basis and by 27% for Toyota Industries and its consolidated subsidiaries in Japan.

Efforts for Reducing the Use of Plastics

The Toyota Industries Group seeks to reduce ocean plastic pollution by making improvements in its business activities and encouraging behavior change among employees.

Vanderlande Industries Holding B.V., a subsidiary engaging in the logistic solutions business in the Netherlands, changed the packing tape used in one of its warehouses from plastic to paper and successfully achieved a reduction in the use of plastic tape equivalent to about 30,000 meters per year.

Additionally, Toyota Material Handling Manufacturing Italy (TMHMI), a subsidiary manufacturing materials handling equipment in Italy, installed water dispensers at its production sites in the summer of 2019 and gave away reusable water bottles to employees, thereby promoting the reduction of PET bottles. The initiative was expanded in November 2019 to include its offices.



Employees holding their personal bottles

Our Approach (Water Resources)

Water is the basis of all life on the Earth and is an irreplaceable and valuable resource. Every year, however, we have been witnessing the increasingly severe impacts of droughts, floods and other natural disasters resulting from climate change as well as shortages in drinking water and agricultural water caused by the growth in the world's population. Many of the processes of Toyota Industries use water for washing products and in the painting process, and we regard the water supply crunch caused by climate change and population growth as a significant risk to our business activities.

In our aspirations in 2050, we set a goal of minimizing the environmental impact on water resources. We have identified the status of water risks at Toyota Industries and consolidated subsidiaries and have been undertaking activities matched to the respective conditions with a focus on reducing water intake, promoting recycling and purifying wastewater.

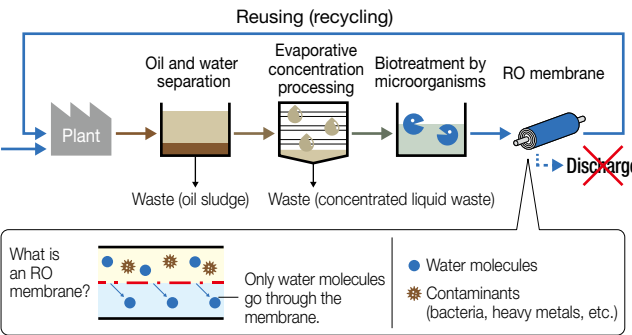
Efforts for Recycling Water and Reducing Water Intake

Each production base of Toyota Industries has been making various efforts to promote the recycling of water and reduction of water intake.

For example, Toyota Industry (Kunshan) Co., Ltd. (TIK), a subsidiary manufacturing lift trucks and foundry parts in China, has implemented a variety of measures and achieved zero wastewater from plant production processes. These measures include purifying and reusing wastewater from painting processes and installing evaporative concentration equipment and reverse osmosis (RO) membranes to purify wastewater for reuse and to reduce wastewater discharge.

TIK intends to maintain zero wastewater and help reduce the environmental impact on public waters while continuously working to reduce water intake.

Flow of Reusing Wastewater from Production Processes



Reducing Environmental Risk and Establishing a Society in Harmony with Nature

We have been making efforts to reduce the use of substances of concern while carefully monitoring the latest trends in environmental laws and regulations on a global basis. At the same time, we have been promoting activities for the conservation of biodiversity toward realizing a society in harmony with nature.

Our Approach (Conservation of Biodiversity)

Deforestation is now proceeding in various parts of the world, causing the fragmentation of the habitats of living organisms. In order for humankind to live in harmony with nature, it is essential to protect nature in each region.

In our aspirations in 2050, we set a goal of generating a positive influence on biodiversity and have been conducting various business activities while continuously paying attention to their impact on the natural environment. We have also formulated the biodiversity policy and been promoting initiatives accordingly. The policy clearly stipulates that we seek to reduce the impact of our business activities on

biodiversity and work with local communities for the conservation of biodiversity.

Creating an Animal Path to Improve Natural Habitats of Living Organisms

In recent years, we have found that foxes are living in the wooded area surrounding the Higashiura Plant in Aichi Prefecture. But because there is not a large enough habitat, many were fatally involved in traffic accidents on the neighboring roads. To provide a safe passage between these wooded areas, Toyota Industries created an animal path within the plant premises and has been checking the inhabiting status. Since observing a fox on the animal path

for the first time six months after its creation, we have been regularly seeing foxes using the path. We will continue to monitor the status while implementing additional measures as necessary to create a better environment.



Foxes using the animal path

■ Chita Peninsula Ecological Network Forum

As part of efforts to conserve biodiversity, Toyota Industries collaborates in an initiative of the Aichi prefectural government to promote the development of ecological networks within the prefecture.

In fiscal 2012, we joined the Chita Peninsula Ecological Network Council and have since been carrying out activities linked to the local natural environment while working with various concerned parties, including local governments, companies, NPOs, expert bodies and students.

At the Chita Peninsula Ecological Network Forum held in December 2019 under the theme of “the day when foxes come back,” we exchanged views with participants on the status of Japanese red foxes once declared regionally extinct and conducted a presentation on our animal path initiative. We will continue to collaborate with local communities and proactively undertake activities to expand ecological networks.



Chita Peninsula Ecological Network Forum

■ Joint Initiative of Toyota Group Companies to Conserve Endangered Bird Species in the Kinuura Bay Area

Under the Sixth Plan, we formulated a plan to connect green zones by undertaking activities for the conservation of biodiversity throughout the Toyota Industries Group. Each plant of Toyota Industries has been collaborating with various concerned parties to carry out initiatives matched to the local characteristics.

Under the guidance of experts, the Higashichita Plant, an engine production base in Aichi Prefecture, has been working with other Toyota Group companies to restore Kinuura Bay to its original state by protecting endangered bird species in its coastal area. Their efforts in the future will



Plant-wide bird survey at the Higashichita Plant

focus on creating a natural environment that has a constant supply of fresh water, which is essential for living organisms, and is inhabited by insects the birds feed on.

■ Cooperating with an NPO to Provide Environmental Education to Children

Toyota Material Handling Mercosur Indústria e Comércio de Equipamentos Ltda (TMHM), a subsidiary manufacturing materials handling equipment in Brazil, has been carrying out environmental enlightenment activities both in and outside the company.

In August 2019, TMHM provided environmental education to children in cooperation with the NPO Casa do Caminho. At the event, children received a lecture on air pollution and global warming and talked about how these two issues impact their daily lives and what they can do to prevent them.

To increase the children's environmental awareness, TMHM, together with the children, created flower pots from used PET bottles and planted seedlings using these pots.



Environmental education to children provided in cooperation with an NPO

■ TMHMF's Initiative for the Conservation of Biodiversity

Toyota Material Handling Manufacturing France SAS (TMHMF), a subsidiary manufacturing materials handling equipment in France, has been conducting activities to contribute to the conservation of biodiversity.

In September 2019, TMHMF set up an eco-farm and started raising Ouessant, an endangered sheep breed. The farm is protecting the rare breed while saving energy for operating mowing machines by letting the sheep graze on the grass. The farm also provides a petting zone for employees, which has served to raise their awareness of biodiversity and increase communication among them.

As another effort to conserve biodiversity, TMHMF held a photo contest on the theme of biodiversity in June 2019.



Ouessant, an endangered sheep breed



Photo contest on the theme of biodiversity

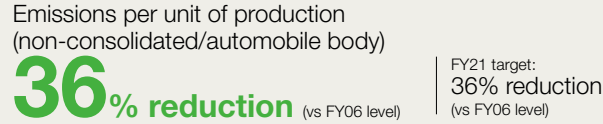
Our Approach (Substances of Concern)

Currently, air pollution by chemical substances has become a global issue having equal importance as global warming. As such, countries around the world are adopting more stringent environmental regulations each year. How Toyota Industries responds to these regulations will have a significant impact on the business activities we undertake in each country.

Based on this perception, we have been taking a forward-looking approach, anticipating fuel efficiency and emissions regulations to be enforced by each country and region, and promoting product development accordingly. In production activities, we have been working to reduce emissions of volatile organic compounds (VOC), which are causal substances of photochemical oxidants that generate smog.

Summary | VOC Emissions (Production Activities)

FY2020 Results



Under the Sixth Plan, we set a target of reducing emission volume per unit of production for VOC from the automobile body painting process by 36% from the fiscal 2006 level and have been striving to reduce VOC emissions. In fiscal 2020, we continued our efforts to increase the recovery rate and enhance the maintenance and management of thinner. Consequently, we were able to cut down emission volume per unit of production in fiscal 2020 by 36%.

Environmental Management

Toyota Industries proactively engages in initiatives to reduce environmental risk and discloses various environmental information.

■ Status of Compliance with Environmental Laws

With an eye to minimizing environmental risks to local communities, the Toyota Industries Group is striving to prevent violations of environment-related laws. Such initiatives include taking measures against the recurrence of potentially serious near-accidents that may result in legal violations and performing environmental risk inspections at its plants.

In fiscal 2020, there was one case of violation of air-related laws at one of our consolidated subsidiaries outside Japan. We have thoroughly implemented necessary countermeasures and shared relevant information within Toyota Industries and with other Group companies to prevent a similar incidence throughout the Group.

■ Soil and Groundwater Pollution Countermeasures

Toyota Industries carries out surveys and purification of soil and groundwater contaminated from the past use of trichloroethylene and other substances of concern. We regularly report the survey results to local government authorities and provide information at local community meetings. As measures to prevent pollution from substances covered by the Soil Contamination Countermeasures Law as well as from grease and oils, we have drilled observation wells at all plants to conduct regular checks.

■ Conducting Environmental Risk Inspections at Consolidated Subsidiaries in Japan

In addition to our own production bases, we are promoting activities to reduce environmental risks at our manufacturing subsidiaries in Japan.

We again conducted *genchi genbutsu* (go and see for yourself) environmental risk inspections at such subsidiaries in fiscal 2020 to check facilities on their premises, the boundaries of their premises, discharge outlets and waste storage sites and confirmed that they were managed well.

We will continue to monitor the status of their responses to the identified issues and conduct risk inspections at our subsidiaries on an ongoing basis.

■ Responding to More Stringent Environmental Regulations in China

Toyota Industries' production bases in China manufacture various products, including materials handling equipment, car air-conditioning compressors and foundry parts.

In recent years, China has been making frequent revisions to its environmental laws on air and water quality, tightening regulations with each revision. We regard a violation of these environmental laws as a business continuity risk to the Toyota Industries Group, as it may entail the suspension of production or other penalties, which in turn will directly lead to a disruption of our supply chain and damage our brand image.

In order to ensure compliance with environmental laws at our bases in China, in September 2019 we started reinforcing environmental management and support in the country, with Toyota Industries Management (China) Co., Ltd. (TIMC) taking the lead.

Specific efforts include providing updates on revisions to environmental laws, checking the status of compliance at each base and providing support for improvement. We will also promote mutual improvement by sharing information and encouraging communication among the bases.

In December 2019, we held an environmental liaison meeting of the Toyota Industries Group's bases in China at Toyota Industry (Kunshan) Co., Ltd. (TIK). During the meeting, environmental officers from these bases and Toyota Industries shared the Group's environmental action policy in China, gave briefings on the latest updates on the country's legal trends and exchanged views. As part of this meeting, an on-site inspection was also conducted at TIK.

We will continue to carry out appropriate environmental management and support so as to ensure compliance with environmental laws and reduce any business continuity risk at our bases in China.



On-site inspection conducted as part of the liaison meeting in China

■ Partnering with WIPO GREEN

We became a partner of WIPO GREEN, a marketplace to spur innovation and diffusion of green technology. The platform is run by the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations, to support global efforts to achieve the Sustainable Development Goals (SDGs).

As a WIPO GREEN partner, we have registered in the database patents for our plastic glazing (PG) that contributes to higher fuel efficiency through the reduction of vehicle weight, carbon fiber reinforced plastic (CFRP) and solar heat collection tube used in the generation of renewable energy.

We will continue to move ahead with our efforts related to environmental products and technologies and contribute to the realization of a sustainable society.



■ Leveraging IT to Augment Environmental Management

With the dual aims of improving environmental performance associated with business activities and fulfilling our information disclosure responsibility, the Toyota Industries Group has been collecting environmental data of Toyota Industries and its consolidated subsidiaries in and outside Japan. In fiscal 2020, we introduced an environmental data aggregation system to raise the efficiency of data collection and the accuracy of the collected data. We call the system by the nickname **RISE** (**R**eporting system for **I**mprovement in **S**ustainability **E**ngagement). The name embraces our aspiration to contribute to a sustainable society and reinforce our environmental response.

The use of RISE to centrally manage the environmental data of Group companies has enabled us to accurately identify the environmental impact and trends in the entire Toyota Industries Group. The promotion of information sharing throughout the Group has also led to more active,

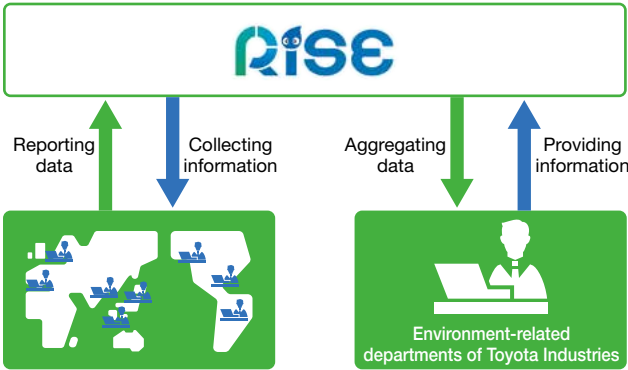


Briefing session for consolidated subsidiaries

autonomous activities of each company.

We will augment our environmental management by extending the scope of RISE and further solidifying our supply chain network.

■ Environmental Data Aggregation System



■ Verification by a Third Party

Toyota Industries obtains third party verification in order to increase the credibility of its data on energy-derived CO₂ emissions, waste generation volume, water consumption and wastewater discharge.

We will continue to utilize this third party verification in making continuous improvements in our environmental activities and disclose data to our stakeholders in a more transparent manner.

Details of verification and the verification statement of the third party organization are available at our Website.



Link to details and verification statement.

■ External Evaluations of Toyota Industries' Environmental Activities

External Environmental Evaluations

Toyota Industries fosters environmental communication with our stakeholders through proactive disclosure of environmental information.

Since fiscal 2015, we have been participating in the Ministry of the Environment's project for the establishment of a framework for disclosure of environmental information and examining the ideal way to disclose our environmental information. We will continue to upgrade our method of disclosure and contents to be disclosed.

■ List of External Environmental Evaluations

Evaluation organizations	Fiscal 2020
CDP climate change	A
CDP water security	A ⁺

Selected as an A-List Company in CDP Survey on Climate Change for Two Consecutive Years



Toyota Industries was selected for the A List for two consecutive years in a survey conducted by CDP on climate change as a company making especially outstanding efforts to reduce greenhouse gas emissions and mitigate climate change. The Toyota Industries Group defined its aspirations in 2050 in March 2016, and based on these aspirations, formulated the Sixth Environmental Action Plan, a five-year plan for the period from fiscal 2017 to fiscal 2021. Our proactive activities under the plan, particularly the tandem efforts to develop products with high environmental performance and reduce CO₂ emissions from production activities, have resulted in the selection.

We will continue to tackle climate change as one of our important tasks and contribute to the realization of a sustainable society through our global environmental conservation activities.

External Environmental Awards

Toyota Industries' environmental activities to date have been highly acclaimed by external organizations.

Won a Minister of Economy, Trade and Industry Award in the 2019 Energy Conservation Grand Prize

A project of the Nagakusa Plant in Aichi Prefecture to save energy in the drying process of vehicle painting won a Minister of Economy, Trade and Industry (METI) Award in the Industrial Field, which is the highest level award in the 2019 Energy Conservation Grand Prize program (Best Practice Category) run by the Energy Conservation Center, Japan. This award program recognizes outstanding energy-saving products and energy-saving efforts of business operators or business sites. It was the first METI Award Toyota Industries has received under the program.



Members of the Production Engineering Department in the Vehicle Division

Raymond Winning a Green Supply Chain Award

In December 2019, The Raymond Corporation, a subsidiary manufacturing materials handling equipment in North America, received a Green Supply Chain Award from *Supply & Demand Chain Executive* magazine. The award recognizes companies making sustainability a core part of their corporate strategy and carrying out environmental activities. Raymond received the award for its efforts to save energy by visualizing energy consumption and automatically shutting down air conditioners when not needed, as well as efforts to reduce water consumption, reuse water and recycle packaging materials.

Raymond will proceed with process improvements throughout its business activities toward the realization of a sustainable society.



TOPIC

EcoVadis* TMHE Group Receiving the Highest "Platinum" Rating

Toyota Material Handling Europe AB (TMHE), a consolidated subsidiary overseeing the materials handling equipment business in Europe, received the highest "Platinum" rating from EcoVadis in its corporate sustainability survey. The rating corresponds to the top 1% group of the companies that have been evaluated.

The TMHE Group has formulated an energy policy to achieve zero energy *muda* and has been engaging in activities based on high sustainability targets. The Group has been making outstanding progress, with one of its manufacturing companies achieving a zero CO₂ emissions plant in 2019. (See Special Feature on the Environment on pages 56–57 for details.) The rating was given in recognition of such excellent performance and transparency in information disclosure. TMHE will continue to undertake business activities and provide products and services in a sustainability-conscious manner.

* An international organization that evaluates the sustainability of supply chain companies

