

Communication Strategies

Toyota activities in Europe, during the vehicle life cycle, have a direct impact on society. Toyota is in the process of setting up in Europe an ongoing dialogue with its employees, the local communities, public authorities and customers. The purpose is to inform them about Toyota environmental performance during the vehicle life cycle and to monitor their requirements and needs.

Involving Employees

Within TMME, a monthly newsletter is published, called "In-Team". This tool is also used to disseminate environmental information, raise employees awareness and encourage "green behaviour". Moreover, the Environmental Committee and Environmental Working Groups include members from every division, providing a further tool for internal communications.

A variety of communications tools are also used at TMUK's Burnaston and Deeside plants to disseminate environmental information to employees. These include lunchbox meetings (an opportunity for discussions with management), briefings for all production teams, display boards and the company magazine, T-Mag. This publication is produced quarterly and is distributed to all employees. A regular section on the environment features any relevant projects within the company and environmentally-related Toyota product information.

Toyota also has developed a philosophy known as "kaizen", or continuous improvement. Every team member is trained to look for ways to improve their job. In fact, the assembly line stops for a period every fortnight so that teams can meet to

discuss their improvement ideas. Awards are given for good ideas, and their implementation in the areas of environment, cost, quality, safety and workability. Such improvements also give prestige to the initiating team. In 2000, for example, an award was given to a Deeside team for initiating the recycling of aluminium dross (waste material) from the casting process.

Proactive Dialogue with the Community

Community Liaison Committee

Before production began, TMUK sought to build and maintain good relationships with local people and businesses, as well as creating a successful company that will provide long-term stable employment for the local area. Open communication is vital to be a good neighbour. One way TMUK looked to achieve this was to establish a "Community Liaison Committee". The function of the committee is for site neighbours to meet regularly with Toyota's senior management to exchange information and discuss issues. The Group includes representatives from the police, fire, ambulance and planning authority, as well as county councillors, local government officials and local parish councillors from the six surrounding villages.

Visitors Tours

TMUK also conducts tours around both its Burnaston and Deeside facilities for employees' families, neighbours, customers and anybody interested in the plant's activities. These tours are extremely popular. Customers from as far away as South Africa and Peru have visited the site to see how their cars were produced. After such a site tour there is always time for questions, discussion and feedback with Toyota personnel. In 2000, approximately 4,000 people toured the Burnaston site.

Co-operation with Regulatory Bodies

European, national and regional legislation and technical regulations have a direct impact on Toyota products and on the way it operates its business in Europe. Toyota actively participates in relevant discussions and positively contributes to the debates, sharing its international expertise.

Examples include: end of life vehicles, low sulphur fuels, health effects, block exemption, incentives for environmentally friendly vehicles, etc.

In manufacturing, regulation for TMUK is split between the local authorities and the Environment Agency. An open relationship has developed between the Environmental Affairs team and the regulatory authorities leading to a good two-way flow of information. The issues covered include process modifications, licence reviews and compliance of existing licences. TMUK has also worked extensively with various trade organisations to develop programmes and legislation and, as a company, to support local environmental initiatives. For example, TMUK has supported discussions between the SMMT (Society of Motor Manufacturers and Traders) and the DETR (Department of the Environment, Transport and the Regions) about the Climate Change Levy to agree reductions in energy usage by the automotive industry.

Working Together for the Environment

NMSCs, through Dealers, are the key link in the chain that connects Toyota to its customers. The principal opportunity for formal environmental information sharing between NMSCs and EACO are the bi-annual European Environmental Meeting. NMSCs are also responsible for disseminating environmental information through their Dealers. In order to facilitate this obligation, NMSCs are in the process of setting up intranet sites in which the environment is a key topic. To recognise NMSCs that have achieved outstanding results, TMME, which oversees sales in Europe, created the Toyota Top Team Award in 1999. The five criteria considered are: Business Performance; Customer Satisfaction; Dealer Delight; Priority Themes; and, new for 2001, Environmental Points. Points are awarded for production of an annual environmental action plan which must contain a comprehensive Dealer waste management system for the whole Dealer network. Additional points are awarded to NMSCs giving special support for the introduction of Prius – implementation of the launch plan, sales performance, network structure and technical support through Dealers.

Toyota Belgium - Linking Dealer Information to Customer Motivation

Toyota Belgium markets and sells Toyota vehicles through an independent dealer network of some 230 outlets - and Lexus vehicles through its company-owned dealerships in Belgium and Luxembourg. Toyota's passenger vehicle market share was around 6%, in 2000, with some 275,000 passenger cars in use.

Toyota Belgium Environmental Stamps

In order to permanently increase Dealers' awareness of their environmental responsibilities, particularly as an issue of good citizenship, Toyota Belgium created an easy and affective way for Dealers to communicate their commitment to environmental and social responsibility - during every single customer contact!

Toyota Belgium has developed a waste stamp allowing the Dealers to recover (a significant part of) waste-related costs for operations. Each stamp has a face value of € 1.24, and is paid for by customers as part of their invoices.

If the Dealer has, either a workshop waste contract with Toyota Belgium's preferred service provider, or proves his commitment in another way (e.g. by having a contract with another government authorised operator), the Dealer has an opportunity to apply a Toyota Belgium Environmental Stamp on every single customer invoice for operations generating any form of workshop waste.

Well aware of the growing communications impact of the system, in 2000 TMME decided, to join the system. Now it accepts the placing of the stamps on official job cards for maintenance and repair, not only as a proof of the Dealer's commitment, but also as a cost justification.

To date, almost a quarter of a million stamps are distributed annually to Belgian Toyota Dealers.



Toyota Germany – Managing the biggest Toyota European Car Park

Toyota Germany (TDG) is responsible for the biggest European Toyota fleet. In Germany Toyota began operations in 1971 and currently has a network of 700 dealers. Toyota's market share in Germany is 2.6% with 1.2 million units in operation and approximately 90,000 units sold in 2000.

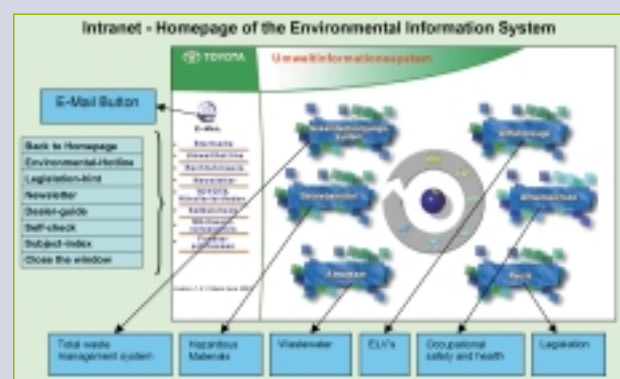
The Environmental Information System

Toyota Germany's environmental information system for Toyota Dealers was developed to raise the environmental awareness of all employees, and increase their knowledge of environmental issues. Since its introduction at the end of 1999, all Toyota Dealers in Germany have been sent a CD-ROM containing PC software.

The information system contained in this software has many advantages: Dealers have use of a comprehensive information system, based on their needs, with well-defined subjects and no need for paper administration. The system is programmed in a user-friendly manner, is easily navigable and contains links.

In line with the original plans, as a second step, the information system was placed on the Intranet. As a result, all Dealers now have easy access to the system and obtain information and updates online. Updates are published on the homepage under the banner "Newsletter".

This communication channel also enables fast two-way e-mail feedback using a fast connection to the Toyota-Environmental-Hotline. A further advantage of the system for Toyota Dealers is that they can carry out a self-analysis, to define their position concerning environmental activities.



The System Contents

The Environmental Information System is divided into six main sections:

> Total Waste Management System

Toyota Germany's new total waste management guideline has been integrated in the information system, enhanced by basic information concerning legislation, material safety data sheets, handling procedures and delivery to the waste company. Additionally, there are examples of waste bins for different waste fractions including reference pictures.

> Hazardous Materials

An overview of hazardous products and substances used in Toyota workshops with tips and hints concerning materials handling, storing and disposal.

> Waste Water

Waste water sources in Toyota Dealerships are outlined and guidance on the installation of oil-separators are given. A programme to calculate the capacity of an oil-separator can be downloaded free of charge.

> End of Life Vehicles

This section of the system is under preparation. It will contain the requirements of the new German ELV-Regulation, which has to be considered at Toyota Dealers.

> Occupational Health and Safety

Outline information concerning requirements of current safety- and trade association regulations.

> Legislation

An overview of the most relevant environmental legal standards and regulations.

Highlights of the System

- > Well structured and defined subjects
- > Attractive layout using visual presentations
- > Printable forms, e.g. waste balance sheet, waste strategy (Dealers have to draw up a waste management strategy for the prevention, re-use and disposal of the waste produced), etc.
- > Newsletter for an overview about innovations after an update (updates are indicated in the homepage under the headline "Newsletter")
- > Quick-search with programmed links
- > Self check to define the position of the dealership concerning environmental activities
- > E-Mail button for a fast connection to the Toyota-Environmental-Hotline in case of requests
- > Search-function by a subject-index

Open Dialogue with Public and Customers

Within Toyota, the Corporate Communications Group plays an active role in ensuring that the environmental aspects of Toyota's products, technologies and corporate activities are actively communicated to the media and to the public at large. In particular, the press packs for new products or press releases on new technologies, as well as corporate speeches, brochures and leaflets included detailed information on Toyota's environmental credentials. In the last year, Toyota participated in conferences, exhibitions and meetings on environmental topics. Examples include the 4th World Fuels Conference (Brussels), the CITELEC⁹ conference (Strasbourg), the International Energy Agency conference (The Hague) on Clean, Low Carbon Vehicles.

Product information

In 1999, the European Parliament issued the 99/94/EC Directive on the "Availability of consumer information on fuel economy and CO₂ emissions in respect of the marketing of new passenger cars". This Directive requests that a label on fuel economy is attached or displayed near each new model at the point of sale. Environmental and safety information and specifications of passenger cars are now integrated in the overall Toyota product information. All NMSCs have developed an internet site through which customers can easily contact them for information on products or express their opinion.

Eco driving courses

Environmentally friendly driving behaviour can help save fuel and thereby decrease CO₂ emissions by up to 10%. In many cases, drivers simply are not aware of these potential savings. Some NMSCs are considering raising awareness and training Toyota vehicle owners to this end.

In 2000, following requests from customers, Toyota Sweden pioneered this idea. They set up an agreement with a company providing driving courses to fleet owners - public and private - to include Eco Driving training. Cars equipped with a special device show drivers how their driving-style affects fuel consumption, emissions and the overall cost of driving. The purpose of the training is to increase the driver's awareness of the environment and potential economic advantages linked to changes in driving behaviour.

Focus on Prius

Prius was the object of an extensive "green communications" campaign. This began in Autumn 2000, in conjunction with the launch of Prius and involved all media and a dedicated internet site was made available for customer consultation. Toyota strongly supported this campaign, mainly aiming at raising customer awareness on the advantages of hybrid technology. As a part of the campaign, the Prius began a 39-day, 10,000 kilometre journey - under the Eco-Mission 2000@Europe banner. The journey was started by the ACP Team, whose mission is to exchange views with people and organisations involved in environmental protection. This pan-European "Eco-Mission" was a hands-on experience for the team, with the world's first mass-production hybrid car. The Prius was selected for the mission as a working example of the theme: "Progress in harmony with the environment." The team selected eight countries with sound ecological track records: Belgium, the Netherlands, France, England, Monaco, Italy, Switzerland and Germany. The journeys began in Brussels, on the European "in town without my car" day. Many sites where environmental preservation measures are actively implemented were visited.



⁹CITELEC is the Association of European Cities interested in Electric Vehicles

Sustainability Issues

As stated in the Toyota Earth Charter, Toyota commits to working in co-operation with society and to active participation in social actions.

Toyota in Europe has just activated several community programmes concerning environmental issues and it is the objective to expand the scope of support over time.

Engaging in a Global Effort on Sustainable Mobility

Mobility is essential to life. There is a deep human need for autonomous, convenient and efficient movement that shrinks distance and saves time. Mobility is also essential to modern, competitive economies, which require the timely and effective flow of goods and services. Today, these mobility needs are met by various modes of transportation. However, the successful satisfaction of these needs has led to growing concerns about the impacts of current modes of transportation on the world's environment, on the public's health and safety, and on the quality and patterns of life. These concerns are important influences on the transportation industry's desire to serve personal and social needs in developed and developing economies.

To actively participate in this global discussion on sustainable mobility, Toyota co-initiated - together with Shell and GM - a WBCSD member project on Sustainable Mobility. TMC co-chairs the project, whose core team is formed by eleven global automotive and energy companies.



World Business Council for Sustainable Development

The WBCSD project has defined Sustainable Mobility as: The ability to meet the needs of society to move freely, gain access, communicate, trade and establish relationships without sacrificing other essential human or ecological values today or in the future. This three-year initiative aims to assess the global impacts of current transportation modes (land, sea and air) and to develop visions of future mobility. The overall project objective is to develop a broad and credible sense of direction, moving into the future, toward which all parties that are interested in mobility can work. This sense of direction must encompass the need to continue to move people, goods, services and information. It must also address effectively the challenges to mobility posed by current means of transport and lay out paths to sustainable mobility. For more information about this project, kindly consult the web site: www.wbcsdmobility.org.

Support with Local Community Projects in the UK

In year 2000, TMUK, in line with Toyota commitment to social investment, confirmed its key focus areas as health, education, children and the environment.

Since the start of production in 1992 till 1998, Toyota invested £ 1.2 million (approx. € 2 million) in the UK to enhance teaching of science and technology in schools and to encourage industry/education links through the Toyota Science and Technology fund. Additionally, TMUK has contributed over £ 500,000 (€ 0.85 million) to a variety of local community causes around its manufacturing sites. The company's second major programme, funded together with Toyota UK NMSC, TGB, is a £ 300,000 (€ 0.5 million) national safety education campaign in primary schools targeting 7-11 year olds. Called 'S'Cool to be Safe' the programme was launched in 1999 with the aim of teaching children how to assess and to cope with the risks that they face in their everyday lives. Focusing on road safety, the 3-year programme has been recognised by the Prince Michael Road Safety Education and Training Award as an 'outstanding contribution to road safety'. Toyota contributes to environmental projects in the community. £ 35,000 (€ 60,000) was given to sponsor an education programme with the National Trust in 1997. The project is based at two locations; Snowdonia National Park; and Ilam Hall in Derbyshire. The aim is to teach children about biodiversity, and respect for the environment. In total, during 2000, £ 135,000 (€ 228,800) was donated to the community by TMUK.



Education Center in Wales sponsored by Toyota

Providing Support to Environmental Association Projects in France

On the occasion of the future Valenciennes plant Ground-breaking ceremony in November 1998, Toyota Motor Corporation announced a three-year programme in partnership with the environmental association Nord Nature Chico Mendes.

The programme supports the transformation of two former industrial sites in a neglected state, into natural parks. The two sites are located near the town of Valenciennes.

The innovative aspect of the project is that children from schools adjacent to the selected sites are involved in the transformation process. Therefore, this is both an environmental education, and a re-forestation programme. The main site is located in Bruay-sur-l'Escaut city and covers 10 hectares. A total of 40,000 trees will be planted before March 2002 and fifteen school classes involved in the project.

The donation made by Toyota to support the programme amounts to € 107,000 over three years (1999/2001).

Toyota Environmental Activities Grant Programme

Toyota Motor Corporation (TMC) received the United Nations Environment Programme (UNEP) Global 500 Award on World Environment Day 1999. The Global 500 Award recognised TMC for its comprehensive environmental management structure, its release of the world's first mass-produced hybrid vehicle, its responses to ISO14001 certification and active disclosure of its environmental data.

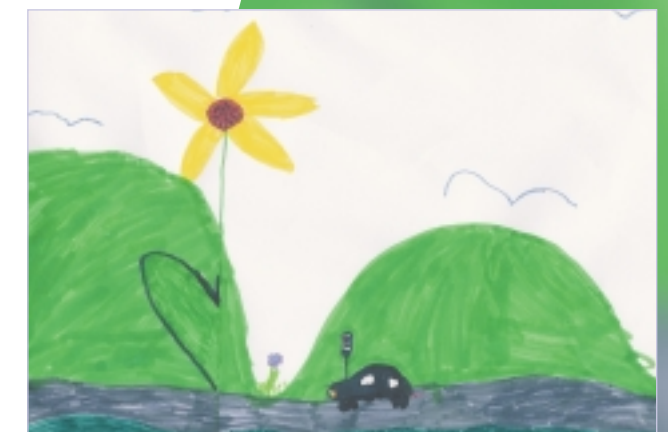
To commemorate this award, in 2000, TMC, in co-operation with Toyota Foundation, established an Environmental Activities Grant Programme. The programme will be implemented as a part of TMC's social contribution activities. The grants are awarded to a wide range of organisations, including universities, research facilities and environmental NGOs.

The programme is expected to award approximately two million Euro a year in grants over the next three years to promote "social investment for sustainable development."

The grants will support the following types of projects both in Japan and overseas:

1. Projects that bring to fruition technology for the promotion of environmental and economic development, and projects that contribute to the social and other systems needed to accommodate such technology."
2. Educational and consciousness-raising activities conducted to raise environmental awareness among the next generation and others who will play an important role in bringing about sustainable development, and to promote and implement environmental protection activities.

In 2000, the Regional Environmental Center for Central and Eastern Europe (REC) submitted a programme idea on supporting environmental education in the countries of Central and Eastern Europe by development and implementation of an innovative multimedia educational package for school children aged between 11 and 15 in seven countries. Under the Environmental Activities Grant Programme, grants have already been provided to the pilot phase of the programme, that commenced in Poland in December 2000, and to the first follow up phase, that will take place in Bulgaria and Hungary in 2002.



Automobile-related Terms

ACEA	European Automobile Manufacturers Association
ACORD	UK Automotive Consortium on Recycling and Disposal
ASE	Average Specific Emission
ASR	Automotive Shredded Residue
CARE	UK Consortium For Automobile Recycling
CNG	Compressed Natural Gas
CVT	Continuously Variable Transmission
D4	Direct Injection 4-Stroke Petrol Engine
D4D	Direct Injection 4-Stroke Diesel Engine
DPNR	Diesel Particulate NOx Reduction System
ECB	Electronically Controlled Brake System
ECT	Electronically Controlled Transmission
ELV	End Of Life Vehicle
FCHV	Fuel Cell Hybrid Vehicle
HV	Hybrid Vehicle
JAMA	Japan Automobile Manufacturers Association
NCAP	New Car Assessment Programme
PDI	Pre-Delivery Inspection
VVT-i	Variable Valve Timing-Intelligent

Toyota-related Terms

SR	Refine, Reduce, Reuse, Recycle, Retrieve
EACO	Environmental Affairs Co-ordination Office
ED²	Toyota Europe Design Development
EPG	Environmental Purchasing Guidelines
NMSC	National Marketing and Sales Companies
SOC	Substances of environmental Concern
THS	Toyota Hybrid System
TLSFR	Toyota Logistic Services France
TMEM	Toyota Motor Europe Manufacturing
TMME	Toyota Motor Marketing and Engineering
TMMF	Toyota Motor Manufacturing France
TMUK	Toyota Motor Manufacturing UK
TPCE	Toyota Parts Centre Europe
TSOP	Toyota Super Olefin Polymer

Environment-related Terms

CFC	Chlorofluorocarbon
CO	Carbon Monoxide
CO₂	Carbon Dioxide
EMS	Environmental Management System
EPI	Environmental Performance Indicator
GHG	Green House Gas
HC	Hydrocarbons
HFC	Hydrofluorocarbons
IDIS	International Dismantling Information System
ISO	International Organisation for Standardisation
LCA	Life Cycle Assessment
NOx	Nitrogen Oxide
ODS	Ozone Depleting Substance
PCB	Polychlorinated Biphenyl
PM	Particulate Matter
PP	Polypropylene
PVC	Polyvinylchloride
SCADA	Supervisory Control And Data Acquisition
SOx	Sulphur Oxide
VOC	Volatile Organic Compounds
WBCSD	World Business Council For Sustainable Development

This publication can be found at:
<http://www.toyota-europe.com/>

We would like **your** opinion on our environmental work - and on this first European environmental report. Please send your comments, by letter or fax to the numbers below, or through the environmental section of our web site. If you have any questions, or wish to order additional copies of the current report please also use these contact numbers.

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Deloitte & Touche has been engaged by the management of Toyota in Europe to perform certain control procedures on the Toyota European Environmental Report 2001 ("the Report"). The Report is the responsibility of and has been approved by the management of Toyota in Europe.

The scope of our work and the procedures performed, which were agreed upon with the management of Toyota in Europe, were as stated below. We visited the headquarters of Toyota in Europe and the manufacturing sites in Burnaston, UK and Deeside, UK. Our procedures included interviews with the management of Toyota in Europe and those employees at corporate and site level who have been responsible for compiling information for the Report. In addition, we performed analytical procedures and tested supporting documentation on a sample basis.

> We assessed the procedures used to compile and validate information from the reporting units on the environmental aspects presented in the Report.

> On a test basis we compared the year 2000 figures submitted by the two reporting units visited to the source documentation supporting the submitted figures.

> We compared the information in the Report to corresponding information in the Toyota Motor Corporation Corporate Environmental Report 2001.

> We studied the Report and assessed whether Toyota in Europe has implemented the recommendations made in the Sustainability Reporting Guidelines issued by the Global Reporting Initiative in June 2000 as described on page 4 in the Report.

The agreed scope and procedures performed prevents us from providing an opinion as to whether all figures and other disclosures in the Report are complete and accurate.

Conclusion

Based on the procedures performed, we conclude that Toyota in Europe has applied appropriate procedures for the purpose of compiling and validating information from the reporting units for inclusion in the Report. For the two reporting units visited, submitted figures are consistent with the source documentation presented to us. In addition, the information in the Report is consistent with corresponding information presented in the Toyota Motor Corporation Corporate Environmental Report 2001.

We also conclude that Toyota in Europe, in preparing the Report, has started to apply the GRI Sustainability Reporting Guidelines with an incremental approach, applying the Guidelines to company selected environmental information provided in this year's Report.

Brussels, November 2001
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