

TKM ENVIRONMENTAL POLICY

The company has well-articulated “Environmental Policies” in all its locations in context to the nature of its operations. All employees have pledged their commitment to the policy, in thought and deed.

As a good corporate citizen, Toyota Kirloskar Motor Pvt. Ltd., Bidadi, an automobile manufacturing facility is committed towards protection of the Environment by minimizing our impact on the Environment through pollution prevention, conservation of natural resources and continual improvement.

To support this commitment, it is our policy to:

- **Proactively promote environmental awareness and knowledge among Team Members through continual education and job specific training.**
- **Ensure compliance with legal as well as other requirements to which our company subscribes.**
- **Establish and review environmental objectives and target annually to ensure better environmental performance through proactive continual improvement activities.**
- **We shall establish programs and conserve energy natural resources, flora, fauna and build a GREEN ENVIRONMENT, within and surroundings as a part of our policy.**

We recognize the importance of continual improvement in environment performance while creating economic growth and maintaining competitive advantage. We are committed to this philosophy and it is our hope that, you, our Team Members, suppliers, customers, dealers and neighborhood share our commitment in preserving a very valuable resource.....OUR ENVIRONMENT

1. ENVIRONMENT MANAGEMENT SYSTEM

Environment Management System (EMS) is “a tool for managing the impacts of an organization's activities on the environment”. EMS provides a structured approach to planning and implementing environment protection measures. An EMS integrates environmental management into a company's daily operations, long term planning and other quality management systems.

The Environmental Management System is not only non-material for this process due to increased employee motivation or a better image, but also a system of savings through reduced consumption of resources.

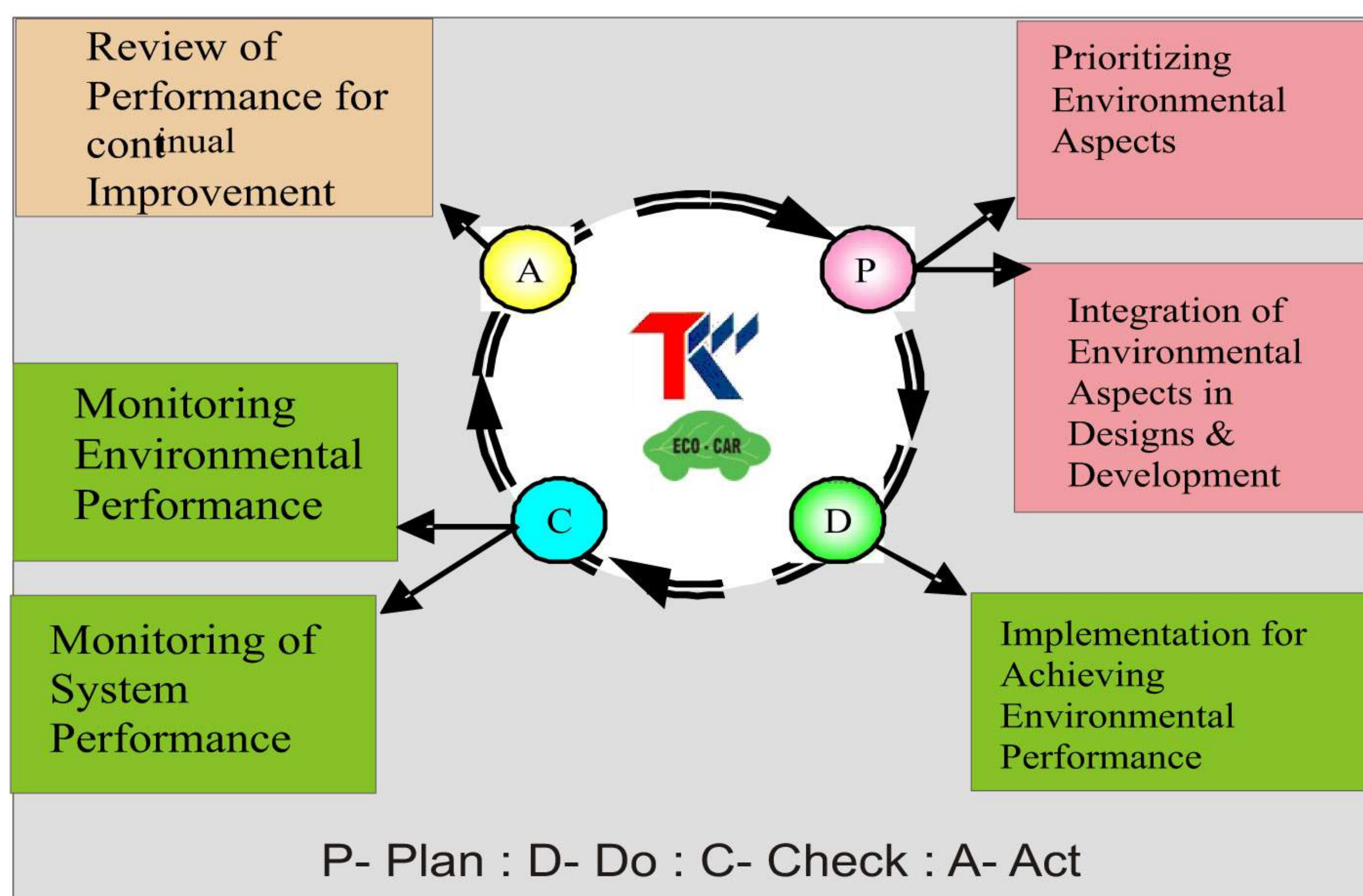


Fig:1 EMS at TKM

1.1 Upgradation of ISO 14001

During the FY 2005, an activity was taken to upgrade our EMS from 1996 to 2004 version. For upgrading the EMS, special training program was organized for our internal auditors to make them clear about the changes and upgradation required in the system.

TKM conducted internal audit prior to an external audit keeping in foresight a scope, documentation, clarity, compatibility, and compliance as key changes for standardization and developing the internal auditors.

After extensive groundwork on the requirement as per the revised version of the ISO 14001, TKM under went the external audit for the certification against ISO 14001:2004 successfully complying to all the changes/requirements as per the revised version with an overall objective to promote environmental protection and the prevention of environmental stress in harmony with economic and social requirements.