

Environmental & Social Report 2009

About this publication

In 1999, Toyota Auto Body Co., Ltd. first published an Environment Report which later became the Environment and Social Report in 2003. This 2009 report is the 11th publication. In order to have all our stakeholders understand the contents involved in our efforts toward the potential of continuing the expansion of society and the earth, this year we are again aiming for solid contents which consider all opinions in further continuing to build chapters on the environment, our company, and our employees.

In this 2009 Environment and Social Report, we at Toyota Auto Body have made it a point to deepen understanding by reporting technologies that focus on the environment through the new model Prius.

Again this year, in consideration of the environment, the report is only released on the Web. Detailed data on our website is able to be seen with related information on other sites.

We welcome all opinions about this report through an electronic survey found on the last page of this report.

Toyota Auto Body Profile

Overview

Company Name : Toyota Auto Body Co., Ltd.
Head office : 100, Kanayama Ichiriyama-cho, Kariya City,
Aichi Prefecture, Japan TEL.0566-36-2121
Representative : President, Toshio Mizushima
Established : August 31, 1945
Paid-in Capital : 10.371 billion yen (End of March 2009)
Total sales : 1,651.2 billion yen (FY2008 consolidated)

Number of employees : 16,447 (End of March 2009 consolidated)
Land Area : 2,077,000 Sq. meters (End of March 2009)
Manufacturing facilities : Head Office/Fujimatsu Plant
Inabe Plant, Yoshiwara Plant, Kariya Plant,
Kotobuki New Development Center



- View for related information and details
<http://www.toyota-body.co.jp/english/corporate/profile.html>

Business Activities and Our Products

Set on vehicle manufacturing that gives happiness and leaves impressions on our customers, we are responsible for all processes of manufacturing vehicles from planning and design stages through production.



- View for related information and details
<http://www.toyota-body.co.jp/english/products/index.html>



Vellfire



Voxy



LX570



New model Prius



School bus



Freezer Vehicle



Alphard Welcab
(Wheelchair-accessible Vehicle,
Rear Slope-type)



COMS

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Report Scope and Period

Report Scope : Toyota Auto Body Co., Ltd. and consolidated subsidiary companies

Reported Period : In principle, this report is to cover from April 2008 through March, 2009; however, this period is extended for items in progress that may lead to a deeper understanding of our activities.

■ Top Message

Contributing to an Affluent Society
by Emphasizing
the "Environment" and "Social Welfare."



Toshio Mizushima
President,
Toyota Auto Body Co., Ltd.

水嶋 敏夫

In this economic crisis that is said to come once in 100 years, a system of "eco-points" and "eco-car" tax incentives has begun in Japan. Along with President Obama creating the "Green New Deal", the efforts of each country actively aim globally to serve as both environmental policy and economic measures.

With our primary basic principle of "harmony with the environment," we at Toyota Auto Body have progressed with business that allows us to contribute to making an affluent society. In order to contribute to the potential expansion of society and our planet hereafter, we believe it is essential to further develop technologies that address the environment.

Fundamentally, we continue to actively research and develop very small next-generation electric vehicles, resin materials deriving from plants, and new shaping methods for high strength steel sheets which are all linked to vehicle weight reduction. We are also making every effort to reduce CO₂ emissions and create plants that allow us to coexist with our communities.

In December 2006, according to “Population Projections for Japan” announced by the National Institute of Population and Social Security Research, Japan will continue having reduced birthrates while Japanese progressively age. It is forecast that in 2030, 31.8% of the population, or one in three people, will be over 65 years old, signaling the arrival of an aging population unprecedented in the world.

In looking ahead at changes in preference and ways of living of our customers, we are moving forward by making cars that meet the expectations of our customers. In order to “provide comfortable freedom of movement and happiness to all people,” we are committed to developing welfare vehicles and equipment to serve society.

We are making efforts to develop and promote the spread of self-operation welfare vehicles that allow the elderly and physically challenged to appropriately drive by themselves, enriching their lives to enjoy driving as do others. In addition, we are participating in the development of the next generation personal mobility i-REAL, and we are moving ahead with research and development that hereafter will serve the mobility of society.

This Environment and Social Report summarizes Corporate Social Responsibility (CSR) activities at Toyota Auto Body to allow all people to understand our efforts. The honest opinions of our readers would be much appreciated.

July 2009

Corporate Principles

Managerial ways of thinking and values for contributing to the ongoing expansion between societies and the earth are expressly written in our company motto and fundamental principles, which have shared approval from all generations.

Company Motto

(Created in 1963)

Company Motto

Toyota Auto Body stand in the view of the world with the aim to support research and manufacturing while contributing to society with our fine products with tireless efforts to advance the work of our company.

Development:

Respect for timing and innovative thinking and to always be ahead of current trends and styles.

Peace and Amity:

Measure cooperation and openness by loyalty and trust.

Appreciation:

Reflection should be the nourishment for the enterprising spirit, and one should live happily with one's diligent labor.

Fundamental Principles

(Created in 1995; revised in 2004)

1. Toyota Auto Body is a corporation that contributes to building a plentiful society and also gains trust from the international community, which are both based on open and fair corporate ethics in harmony with the environment.
2. Toyota Auto Body will provide "fine products" to enrich our living environment through research and manufacturing, while placing priority on the customer.
3. Toyota Auto Body will invigorate the organization and its workers, and also create a corporate climate of creative power and energy for growth of the enterprise and happiness of company employees.
4. Toyota Auto Body will build relationships of trust with our business partners and make efforts to strengthen management practices, thereby creating prosperous coexistence and long-term stable growth.

■CSR policy 「Contribution towards Sustainable Development」

As an affiliated subsidiary of Toyota Motor Corporation, Toyota Auto Body shares Toyota Motor Corporation's CSR Policy, and we at Toyota Auto Body and our affiliated suppliers have begun to initiate steps in introduce this policy.

<preamble>

- We, TOYOTA MOTOR CORPORATION and our subsidiaries, take initiative to contribute to harmonious and sustainable development of society and the earth through all business activities that we carry out in each country and region, based on our Guiding Principles.
- We comply with local, national and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity.
- In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.
- We expect our business partners to support this initiative and act in accordance with it.

Customers

1. Based on our philosophy of “Customer First” , we develop and provide innovative, safe and outstanding high quality products and services that meet a wide variety of customers' demands to enrich the lives of people around the world.
2. We will endeavor to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the letter and spirit of each country's privacy laws.

Employees

3. We respect our employees and believe that the success of our business is led by each individual's creativity and good teamwork. We stimulate personal growth for our employees.
4. We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them.
5. We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees.
6. We respect and honor the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labor.
7. Through communication and dialogue with our employees, we build and share the value "Mutual Trust and Mutual Responsibility" and work together for the success of our employees and the company. We cognize our employees' right to freely associate, or not to associate, complying with the laws of the countries in which we operate.
8. Management of each company takes leadership in fostering a corporate culture, and implementing policies, that promote ethical behavior.

Business Partners

9. We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust.
10. Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths.
11. We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws.

Shareholders

12. We strive to enhance corporate value while achieving a stable and long-term growth for the benefit of our shareholders.
13. We provide our shareholders and investors with timely and fair disclosure on our operating results and financial condition.

Global Society / Local Communities

Environment

14. We aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our vehicles and operations on climate change and biodiversity. We strive to develop, establish and promote technologies enabling the environment and economy to coexist harmoniously, and to build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation.

Community

15. We implement our philosophy of “respect for people” by honoring the culture, customs, history and laws of each country.
16. We constantly search for safer, cleaner and superior technology that satisfy the evolving needs of society for sustainable mobility.
17. We do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agencies and public authorities.

Social contribution

18. Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society.

We at Toyota Auto Body are aiming to leap forward into the next generation of vehicles using the key word “Breakthrough” with a refining of foresight, allowing us to look ahead in the spirit of challenge and change since the founding of our company.

Breakthrough 2020

Innovation of Awareness and Technology in Leaping Forward Into the Next Generation

- Break through domestically and then through to the world
- Break through in technology
- Break through every mind

1. Coexist with the earth's environment and society, and broaden the value we provide to the world
2. Evolve through refining technology in manufacturing by centering production on minivans, SUVs, and commercial vehicles.
3. Transform management to create management practices as a global company

■ Corporate Governance

Establishment of a Governance That Swiftly and Appropriately Meets Changes in the Management Environment

We at Toyota Auto Body acknowledge the basis of enhancing and strengthening corporate governance for improving corporate value as a company that contributes to society by which we are trusted.

Our Target for Appropriate, Swift, and Efficient Management

At Toyota Auto Body, we monitor our monthly board of directors meeting for the exercising of duties and decision making.

In our June 2005 regular stockholders' meeting, with the purpose of strengthening operation functions to meet the expansion of business scope and swift managerial decision making, we introduced "The New Creation of Downsizing the Number of Directors and Executive Members," a new member system that serves to further improve managerial efficiency.

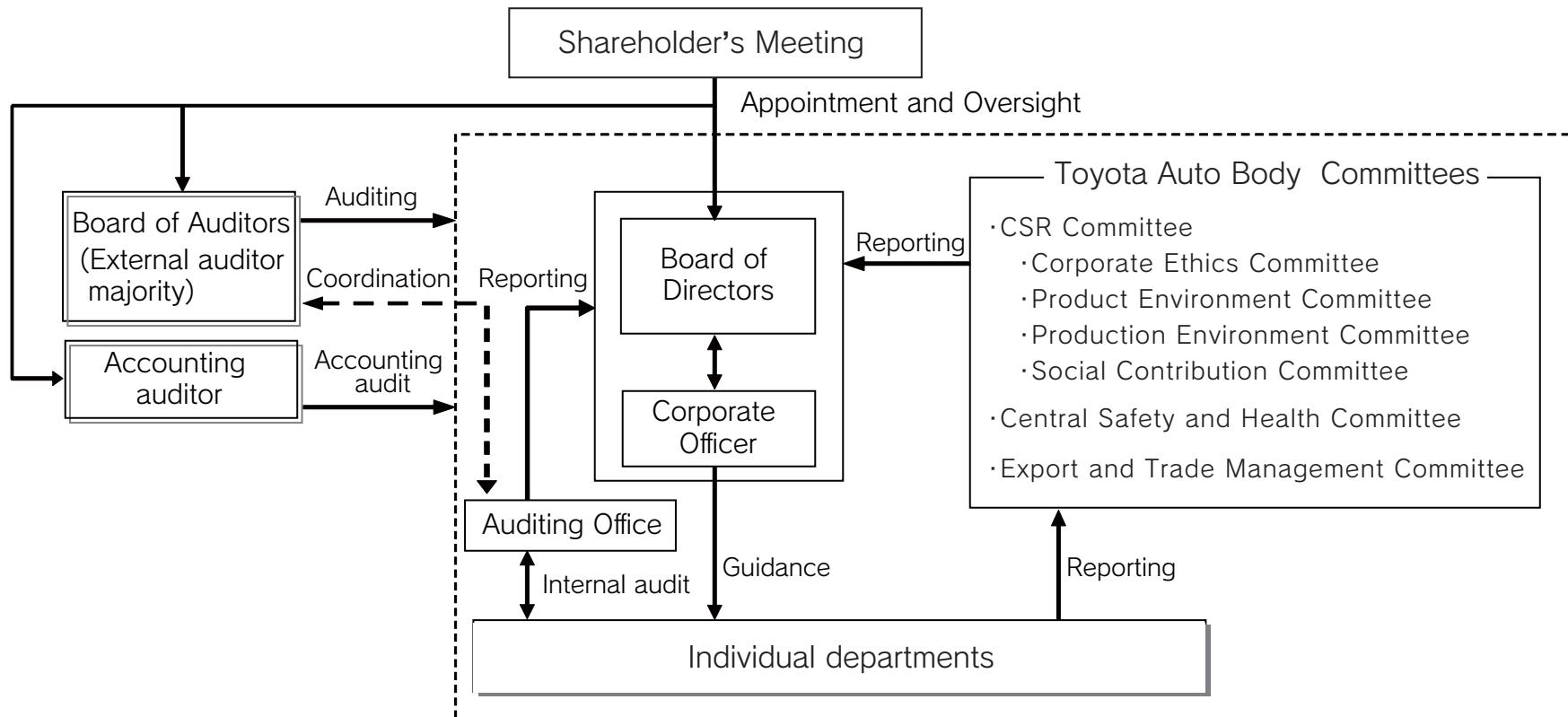
Securing Transparent Management by a Board of Auditors Meeting

Based on auditing plans and auditing policies established at the board of auditors meeting, auditors monitor the financial status and operations of Toyota Auto Body and its consolidated subsidiary companies, and also the exercising of duties of the directors by first monitoring attendance at important board of director meetings, company operations, and auditing of the finances of the company.

Addressing Company-wide Issues by Individual Committee

In May of 2009, Toyota Auto Body established a CSR Committee to discuss and address important issues. This CSR Committee, comprising all member of the board of directors and auditors, serves to more fully achieve activities concerning the environment, social contribution, risk management, compliance, and corporate theory.

Toyota Auto Body Corporate Governance



Corporate Culture That Strengthens the Trust of Society

Compliance is not confined to legal compliance, but rather is the promotion of the sound corporate cultural activities of appropriate behavior that can be achieved by companies and every individual employee as a member of the company and society.

Improved Awareness and Thorough Compliance Centering on the Corporate Ethics Committee

The Corporate Ethics Committee combines all industry-related action, which includes compliance, in the Toyota Auto Body Group.

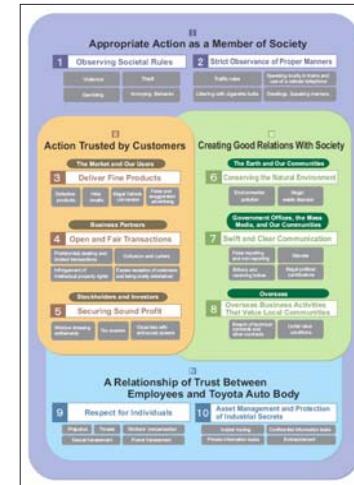
This compliance system achieves thorough observance of laws and ordinances of all companies in the Toyota Auto Body Group for such as the existence of self-evaluation for systemic problems that is carried out by the main managing department for compliance centered on the Committee for Risk Management Promotion.

In addition, "Our Promise (The Toyota Auto Body Group Action Policy)" was established for thorough company and employee compliance. We are looking to achieve continued stringent compliance in our educational and training facilities.

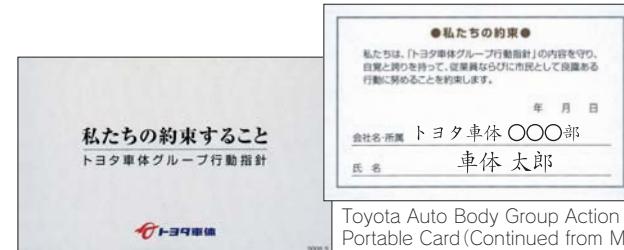
Moreover, we have further improved employee awareness of our action policy by issuing portable cards and also having every employee sign that they promise to comply with the action policy.



Click here for more details on our "Action Policy".
<http://www.toyota-body.co.jp/english/csr/report/comp/pdf1.pdf>



Toyota Auto Body Group Action Policy(Published March 2005)



Toyota Auto Body Group Action Policy
Portable Card(Continued from March, 2005)

Establishing and Developing Priorities (Basic MAP)

Toyota Auto Body is introducing the Basic MAP, which comprises 10 items of action that should be taken, in combination with the Employee Action Policy. Both are based on the main axis of (1) placing priority on the customer; (2) placing priority on the process of operations to achieve results; and (3) placing priority on the activities of workers and the work environment.



Basic MAP (Published September 2003)



Click here for more details on our "BasicMAP".
(Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/report/comp/pdf2.pdf>

The Compliance Hotline

In looking to create a pleasant and open work environment that considers the views of our employees and their families, Toyota Auto Body provides a Compliance Hotline (Honto Com Net) for directly handling concerns and consultation relating to compliance and labor issues by E-mail, telephone, and letters. In addition, we have set up a Corporate Logic Hotline using a lawyer contracted from outside the company. Introducing these hotlines widely throughout the Toyota Auto Body Group provides an appropriate system for handling compliance and labor related issues.



A guide for the
Toyota Auto Body
compliance hotline



Click here for more details on our "A guide for the Toyota Auto Body compliance hotline".
(Currently, only a Japanese version of this document can be viewed)
<http://www.toyota-body.co.jp/csr/report/comp/pdf3.pdf>

Introducing the New Prius – Further Evolution of the Pioneer Hybrid –

(May 2009)

The new Prius achieves the world's top fuel efficiency*¹ performance at 38km/L*²



Prius

*1 Comparing mass-produced gasoline passenger vehicles as of March 2009. Comparison results based on Toyota findings.

*2 Vehicle driving fuel efficiency with 10 · 15 mode driving (Based on values from the Ministry of Land, Infrastructure, Transport and Tourism)



Prius Off-the-Line Ceremony

This third generation Prius, with over 90% of its main hybrid system newly developed, offers refined environmental performance and quiet running. This new model realizes the world's top fuel efficiency performance and driving performance for its class and actually combines both the appeal of a future car with cutting-edge environmental technology that are desired in these times of environmental awareness.

Toyota Auto Body oversaw body development and further contributed to the environmental performance of this new model Prius.

Further Evolution of Environmental Performance

As an eco-car, this new Prius has a body silhouette configured for further environmental performance by thoroughly reducing air resistance.

The highly rigid, safe, and light body that uses high-strength steel sheets

Use of low energy consuming LED headlamps

Structural design that considers recyclability and dismantling

External body material quality offers superior recyclability

Configuration of aerodynamic parts that improve the flow of air under the cabin floor

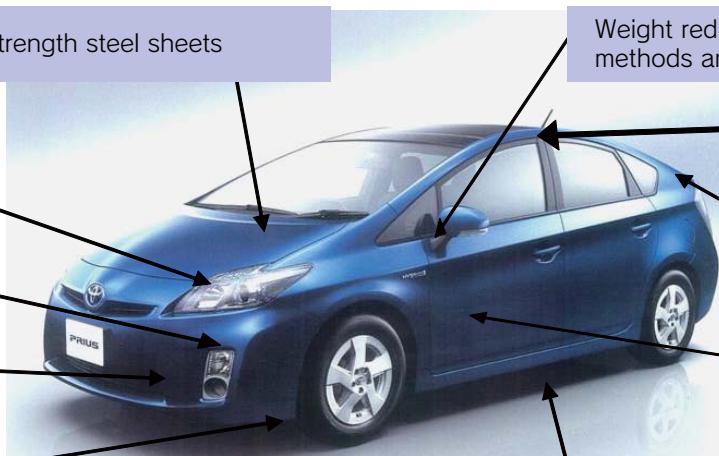
Weight reduction through review of structural methods and interior material quality

Solar panel powered vehicle interior ventilation system

A rear spoiler that reduces air resistance

A comfortable cabin space with reduced VOC *

*(Volatile Organic Compounds)



Use of ecoplastics manufactured from recyclable plant resources

Winner in the “JNCAP Grand Prix Award of 08/09” Vellfire / Alfard

(May 2009)

The Vellfire and Alfard won awards in the 2008FY Japan New Car Assessment, the highest evaluation awarded to vehicles, which tested and evaluated vehicle safety performance.

After the 2006FY Estima that we manufactured, this is the second time Toyota Auto Body's efforts have been well recognized as evidence of the strength of our high technological developments.



Vellfire that received the highest safety evaluation

<JNCAP>
Japan New Car Assessment Program:
With the goal of spreading safe vehicles, the Ministry of Land, Infrastructure, Transport and Tourism and NASVA (Independent Administrative Agency act on National Agency for Automotive Safety & Victims' Aid) began to announce vehicle safety information from FY1995.

Toyota Auto Body collaborated with the Lexus Center in Toyota Motor Corporation for the first Lexus hybrid model. The design and development of the upper body of the HS250h was overseen by Toyota Auto Body.

(July 2009)



HS250h

An Exhibit for Displaying Our Products and Technology

(September 2008)

At the People and Vehicles Technology Exhibit, Messe Nagoya, and ENE-WAY, we exhibited our “COMS Bio-plastic,” a very small electric car with body material originally made from plant-fiber materials. We also introduced the content of our efforts and fundamental way of thinking about the environment.



Messe Nagoya 2008

At the Toyota booth at the Asia's Largest Material Handling & Logistics Exhibition 2008, we promoted Toyota Auto Body special-equipped vehicles and exhibited three refrigerator and freezer vehicles.



Asia's Largest Material Handling & Logistics Exhibition 2008

At the Toyota Motor Corporation booth in the International Home Care & Rehabilitation Exhibition, Toyota Auto Body displayed eight of nine welfare unit vehicles fabricated at our Kariya Plant. In addition, we exhibited our original welfare products at the ATOLIS booth at the exhibit.



International Home Care & Rehabilitation Exhibition 2008

Inabe Active Communication Tree Planting Event

(March 2009)

Toyota Auto Body supports forest making in areas where the head office and plants of our company and consolidated subsidiaries are centered.

In March, we held a tree planting event in the Inabe Active Communication Forest in which approximately 200 people from a local elementary school and company volunteers planted trees.

Inabe Active Communication
Tree Planting event



Dormitory Residents Participated in a Clean Campaign Held by the Local Community

(March 2008)

In a clean campaign held in the Higashisakai area near our head office and Fujimatsu Plant in which approximately 400 people participated, 30 members from our Shinbayashi-dormitory residents participated who were united in the spirit of environmentalism.



Clean Campaign participants working
together with the local community

Motor Sports

Our Sales Division won its fourth consecutive Dakar Rally, which is called *Paridaka* in Japanese. The 200 Land Cruiser entrants used biodiesel fuel made with disposed cooking oil from employees and the local community.



The winning No.2 Land Cruiser



Our fourth consecutive Dakar Rally victory



Additional local community Cooperation
in gathering disposed cooking oil

Company Sports

Triathlon athlete Yamamoto Ryosuke entered the Peking Olympics, which is the first time a Toyota Auto Body employee has participated in the Olympics.



Yamamoto running in the Olympics

The Toyota Auto Body Women's Volleyball Club won for the first time at both the Emperor's Cup and the Empress's Cup for the All Japan Volleyball Athletic Championship. Our fantastic team became the national champions among 28,000 teams nationwide.



First time champion
Women's Volleyball Club