

***Environment
&
Social Report - 2007***



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The automobile market in India is getting matured and competitive with technology changes in the fore front. In this challenging backdrop, Toyota Kirloskar Motor is committed to lead the market not only from the business perspective but also from social and environment angle. Our philosophy is to not only offer automobiles with best technology and highest quality, but also which are safe and environment friendly.

We are creating environment awareness both internally at plant level and externally through our dealers and suppliers and the society at large. Increased awareness towards issues such as global warming, natural resource depletion and environment pollution is important. At TKM, we have taken steps for reduction of CO₂ emissions on a continuous basis through activities such as energy conservation. In year 2006, specific activities have been undertaken in logistics area, wherein promotion of cleaner fuel was initiated.

I am happy to say that in our effort of promoting a cleaner and greener environment, we are also joined by our dealers and suppliers. I would like to congratulate our dealers and suppliers who have successfully implemented 'Environment Management System' and obtained ISO 14001 certification.

I would also like to thank our suppliers and dealers for supporting TKM by implanting 'Green Supplier Guidelines' (2000~06). I look forward to their support on the newly released 'Green Purchasing Guidelines' (2007~12) wherein the emphasis has been on global environment issues.

On the occasion of TKM's 10th Anniversary, I would like to express my sincere appreciation to our stakeholders for keeping faith in us. We at Toyota Kirloskar Motor commit ourselves on improve our efforts on issues such as resource conservation, waste reduction and social contribution for the benefit of our society.

A handwritten signature in black ink, appearing to read 'A. Toyoshima'.

A. Toyoshima,
Managing Director

PROFILE OF THE COMPANY

PROFILE OF THE COMPANY



Toyota Kirloskar Motor is a joint venture between Toyota Motor Corporation, Japan and Kirloskar Industries, India, to play a major role in the development of Automobiles industry, creation of Employment and at the same time ensuring the sustain ability of our environment.

Toyota Kirloskar Motor is located at Bidadi about 20 Kms from Bangalore, the capital city of Karnataka which is in Southern part of India. The work force at TKM totals more than 3500 and is still growing along with the company with one goal to maintain ecological standards not only during manufacturing, but also after the product has been delivered to the customer.

The manufacturing plant is having a vast green belt cover making it a clean and enjoyable workplace.

Basic Approach

Toyota Kirloskar Motor, as an affiliate of Toyota group upholds the principles of Toyota Earth Charter*. Environmental Conservation targets are set at every stage of our activities and outlines, measures meeting these targets so that we can continue to manufacture cars to minimize their impact on the environment, we promise to take an active role addressing environmental issues and will Continue to update and improve our targets and goals.

*Toyota Earth Charter

Aiming Environment as its top priority management issue, it has established "Toyota Earth charter", which specifies the Basic Policy, Action Guidelines and Implementation structures regarding Toyota's efforts towards preserving Earth's Environment.

Basic Policy	Action Guidelines
<p>Contribution towards a prosperous 21st century society Aim for growth that is in harmony with the environment, and set as a challenge the achievement of zero emissions thought all areas of business activities.</p> <p>Pursuit of environmental technologies Pursue all possible environmental technologies, developing and establishing new technologies to enable the environment and economy to coexist harmoniously.</p> <p>Voluntary Actions Develop voluntary improvement plan, based on through preventative measures and compliance to laws, that addresses environmental issues on the global, national, regional scales and promotes contineous improvement</p> <p>Working in cooperation with society Build close and cooperative relationships and organisations involved in environmental preservation including governments, local municipalities, related companies and industries.</p>	<p>Always be concerned about the environment Challenge achieving zero emissions at all stages, ie, productuion, utilization and disposal.</p> <ol style="list-style-type: none"> 1. Develop and provide products with top level environmental performance 2. Pursue production activities that do not generate waste 3. Implement thorough preventive measures 4. Promote business that contribute towards environmental improvement <p>Business partners are partners in creating a better environment Cooperate with associate companies.</p> <p>As a member of society Actively participate in social actions</p> <ol style="list-style-type: none"> 1. Participate in the creation of a recycle - oriented society 2. Support government environmental policies 3. Contribute to non - profit activities <p>Towards better understanding Actively disclose information and promote environmental awareness</p>

TKM has developed well articulated Environment Action Policy based on the Toyota Earth charter to address Environment issues specific To industry.



“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”**



Fig 1.1 : EMS Pyramid

The EMS at TKM has been set up to address all environmental issues and it has been structured around ISO 14001-Standards with three key elements namely:

1. Compliance/No Complaints Legal Compliance;
2. Minimization of Environmental Risk Prior Prevention; and
3. Improving Environmental Performance Continual Improvement.

The EMS is not limited to the manufacturing process alone; it starts right from product conceptualization and design. Today it is important to do whatever we can for the environment for the sake of our children who will be here long after we have gone.

The customer demands are very challenging now-a-days starting from reduced fuel consumption and emissions, to greater safety and comfort. The customers today are also sensitive and concerned about the manufacturing process on assurance of sustainability of the environment during production and logistics.

TKM is moving one step ahead by adopting **Green Purchasing Guidelines** also, ensuring the suppliers commitment towards environmental protection.

TKM is the first affiliate company of Toyota Motor Corporation, Japan to obtain the ISO 14001:1996 in its first year of operation itself. Our EMS is designed to drive a continuous performance improvement cycle in line with legal requirements, site specific objective and targets, corporate policies and strategies.



Fig : 2.1: ISO 14001 Certificate

The TKM EMS was upgraded to meet the new requirements of ISO 14001:2004. The external audit was conducted to check the effectiveness of the new system before awarding us with our certificate on July 2006.

ISO 14001 at TKM

Comprehensive internal audits are conducted once in every quarter to check the efficiency of the ISO 14001 in TKM. The internal audit is used as effective tool by the management for identifying the lapses in the EMS.

Environmental Committee comprises of Top Management and representatives from Production, Logistics, Sales, Purchase and ISO Core-Group. Committee meets once in a quarter to review, support and guide TKM's Environment Performance based on established Environment Action Plan.



Fig : 2.2: Environmental Committee Meeting

The Toyota Earth charter is the guideline for the formulation of the TKM environmental action plan. The second TKM environmental action plan has been prepared to reflect the broader goals and targets of TKM. It is a telescope that gives you a glance at what we are going to achieve by 2010.

Specific action items & Goals	Base/current year status		Target			
	2005	2006	2007	2008	2009	2010
Production :	(Apr - Sep) 60,000 Units/yr.	54740 units/yr	←	←	←	←
Energy Reduction :			4% Redn.	4% Redn.	4% Redn.	4% Redn.
Reduction in electricity consumption. (Purchased +generated) Kwh/veh) 20% based on Current year status	601.84 kwh/veh	601 kwh/veh	577 kwh/veh	553 kwh/veh	529 kwh/veh	505 kwh/veh
Reduction in LPG consumption. (Kgs/veh) 20% based on Current year status	29.83 kwh/veh	33.15 Kgs/veh	31.82 Kgs/veh	30.498 kgs/veh	29.172 kgs/veh	27.846 kgs/veh
Reduction in energy. (Total of Electricity+LPG in GJ/veh) 20% based on Current year status	3.36 GJ/veh	3.82 GJ/veh	3.67 GJ/veh	3.52 GJ/veh	3.34 GJ/veh	3.22 GJ/veh
Logistics :						
Reduction in emission of CO2/unit 15% reduction based on 2006 values	Yet to be grasped	Data Grasping	5%	4%	3%	3%
Production :						
Increase Yield ratio	64.50%	66.5%	67.5%	68.0%	68.5%	69.0%
Haz waste reduction :			4%	4%	4%	4%
Reduction in generation of Hazardous waste (kgs/veh). 20% based on Current year status (Chemical sludge+Phosphate sludge+Paint sludge)	9.47 kgs/veh	9.16 kgs/veh	8.71 kgs/veh	8.33 kgs/veh	7.95 kgs/veh	7.57 kgs/veh
Non-Hazardous Waste Reduction :			2%	2%	2%	2%
Reduction in generation of Non Hazardous waste(Miscellaneous solid waste) 20% based on current year status	19.52 Kgs/veh	15.34 kgs/veh	15.03 kgs/veh	14.73 kgs/veh	14.42 kgs/veh	14.11 kgs/veh
Reduction of water consumption by 10% based on current year status (m3/veh)	4.57 m3/veh	4.85 m3/veh	4.75 m3/veh	4.66 m3/veh	4.56 m3/veh	4.46 m3/veh
Eliminate use of four SOCs (Lead, Mercury, Cadmium & Hexavalent chromium)	To implement SOC free activities foe suppliers & dealers					
VOC reduction	60/75 gm/m2	50.34** gm/m2	49.8 gm/m2	49.3 gm/m2	48.8 gm/m2	48.5 gm/m2

Fig 3.1: Five Year Environmental Action Plan

The main action items being:

1. Conservation of Natural Resources
2. Global Warming
3. Recycling of Resources
4. Atmospheric Quality

One of the key elements of the TKM EMS concept is "COMPLIANCE/ NO COMPLAINTS".

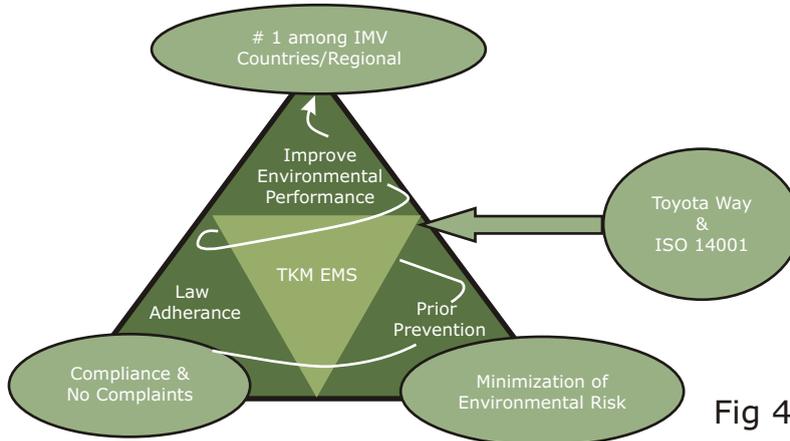


Fig 4.1: TKM EMS Concept

To ensure 100% compliance at all times, internal limits have been earmarked that are 20% more stringent than the legal limits. A performance trend control is done through

- Yokoten of near misses;
- Establishment of daily control items; &
- Recurrence prevention through Root Cause Analysis.

As a part of ISO 14001:2004 standard it is essential to evaluate the legal compliance status on a periodic basis. Department wide legal compliance audits are being conducted monthly to ensure legal compliance. Based on the observations of the audit, a companywide consolidation is made and the countermeasures are initiated taking consensus with the top management.

QUALITY OF EFFLUENTS AND EMISSIONS

TKM has corporate responsibility to ensure that its activities are done in an environmental friendly manner through better management control. It is vital that we make our daily control of system strong and reliable. Wastewater generated from the process is treated in a sophisticated system before reusing the water for landscaping and other internal use.

LEGAL COMPLIANCE ACTIVITIES

Treated Water

PARAMETER	UNIT	LEGAL LIMITS	ACTUAL
BOD	mg/l	25	8
PH		6.5 to 8.5	
SS	mg/l	80	7.3
Oil & Grease	mg/l	7	Nil
CN	mg/l	2	0
As	mg/l	0.2	0
B(Boron)	mg/l	2	0.1
TDS	mg/l	2100	726
Chlorides	mg/l	600	112
Colour		Colorless	Colorless
Conductivity	mS/m	2250	1100
Sulphate	mg/l	1000	64
Percent Sodium	mg/l	60	8
Residual Sodium Carbonate	mg/l	5	0.15
Pesticides	mg/l	0	Nil

Fig 4.2 : Treated Water Analysis Report



Fig 4.3 : Wastewater Treatment Plant

Air Emissions

Atmospheric quality is kept in check by better control of production parameters and air-pollution control equipments. Stack monitoring and ambient air quality monitoring is carried out every month and being reported to legal authorities.

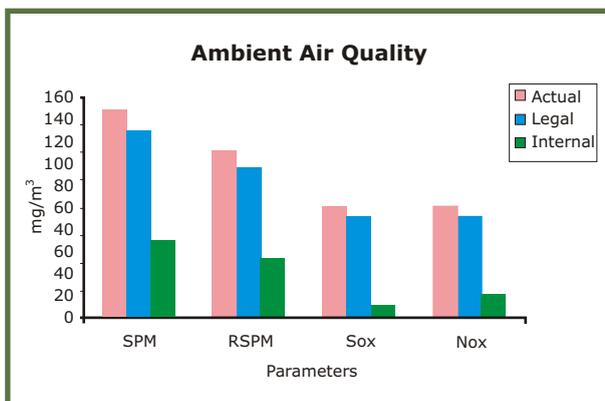


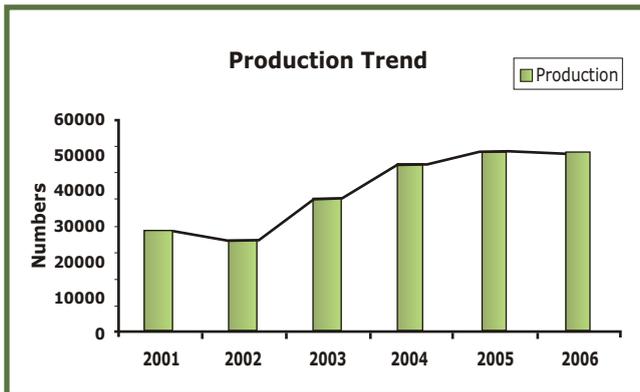
Fig 4.4 : Ambient Air Quality at TKM

Disposal of Hazardous Waste

The Safety and Environment department proactively conducts an audit of the contractor's premises that handle and dispose TKM's Hazardous Waste. The credibility of the contractor is evaluated on a periodic basis to ensure that

the contractor is meeting the expectations of TKM. The hazardous waste is disposed only to contractor's that are authorized by State Pollution Control Board.

As we can see from the graph, production volume is increasing every year, indicating the bigger presence in Indian automobile market. Thus, its responsibility towards environment protection will increase with increase in business.



This increase in business poses the challenging task to sustain and enhance the EMS performance. Following are the details of key Environment KPI's (Key Performance Indicator's)

Fig 5.1 : Production Statistics for FY 06

Status of Environment Key Performance Indicators

1. Water Consumption

The freshwater volumes are sourced from the KIADB water supply at TKM. The yearly trend of water consumption has been depicted in the graph above. water is being used for various Industrial Activities (Paint Shop, Cooling Towers, Drizzle Test Areas Etc.) and also for Domestic (Hand Wash & Canteen).

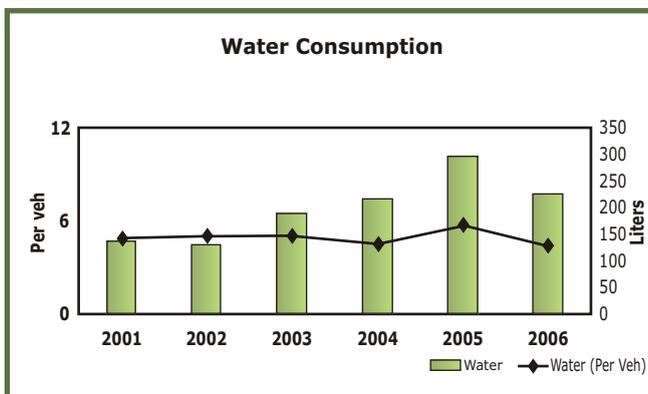


Fig 5.2 : Water Consumption Trend

As evident from the graph the water consumption has reduced by 23% as compared to previous year.

TKM'S ENVIRONMENTAL PERFORMANCE

2. Energy Consumption

Energy is the basic element for any manufacturing industry's activities and energy consumption is also a major contributor to global warming. Major source of energy supply being is for Purchased Electricity from Government, Electricity generation through DG and LPG.

LPG is prominently used at boiler for steam generation and drying ovens at Paint process.

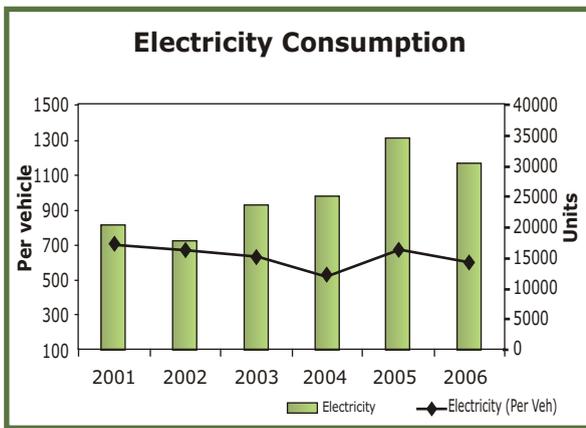


Fig 5.3 : Electricity Consumption

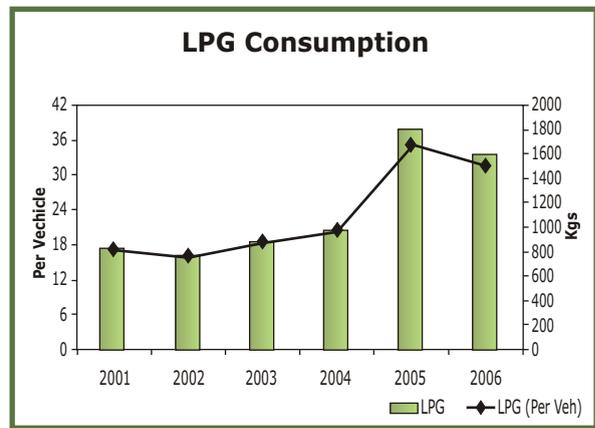


Fig 5.4 : LPG Consumption

FY 2006 saw 12% reduction & 10% reduction in the consumption of Electricity and LPG respectively as compared to the consumption in FY 2005.



Fig 5.5: VFD installed at Paint Shop to optimize the electricity consumption ultimately yielding 12% reduction

The major reasons can be attributed to installations of VFD in paint shop and elimination of LPG for non productive usage.

TKM'S ENVIRONMENTAL PERFORMANCE

3. VOC Emission

Paint used on automobiles contains VOCs (Volatile Organic Compounds), which are thought to be a cause of photochemical smog. It is therefore necessary to reduce their use and emissions.

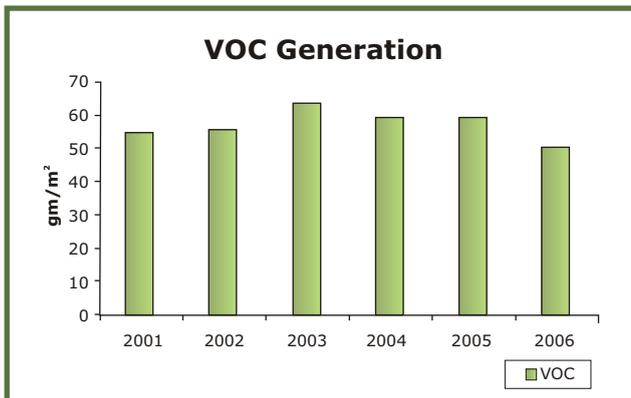


Fig 5.5 : VOC Generation Trend



Fig 5.6 : Painting Line at TKM

VOC's are present in the thinner contained in the paint, so if thinner consumption reduction and recovery of waste thinner will result in broad reduction of VOC emission.

BEFORE



Cleaning is done by using spray gun
Total Cons: 240 CC per Month

AFTER



Cleaning is done Manually
Total Cons: 100 CC per Month

Fig 5.7 : VOC Reduction Kaizen at Paint Shop

During FY2006, there has been a decline in the VOC emission by 16% with the implementation of various kaizens like recycling of solvents, optimization of washing thinner usage, solvent consumption reduction in manual cleaning in robot operation and during the painting process.

4. Waste

Waste management is the key activity to reduce the impact towards environment. Having realized the importance of segregation, extensive training and awareness is given to TM's and in-house contractors to achieve 100% waste segregation at production & contractor area. Company encourages kaizen activity utilizing the concept of 3R (Reduce, Reuse, Recycle) for effective waste management.

Key Points on Waste Management

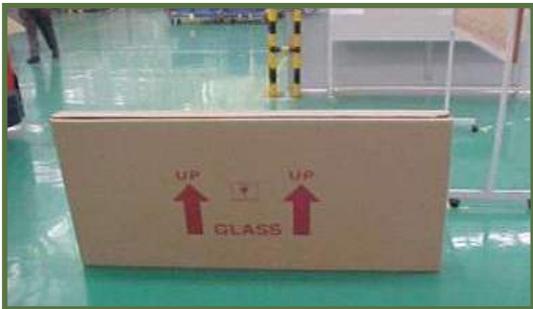
1. Hazardous Waste Management

Reduction of moisture in wastewater sludge results in great deal hazardous waste reduction, organic polymer is used for effective separation of water and sludge while decanting process. Focus is been laid towards, optimizing the chemical (co-agulant) utilization to reduce the chemical sludge generation. Periodic Auditing system of the hazardous waste generation, handling and storage area has established. The proposal for sending the hazardous wastes to cement kilns for further processing is also being worked out.

2. Non-hazardous waste Management

Even though our manufacturing process constitutes an efficient use of resources, we continuously work towards Achieving the goal of zero waste production.

TKM'S ENVIRONMENTAL PERFORMANCE



Non Returnable Carton Box



Returnable Carton Box

Fig. 3.8: Packing Material Reuse Kaizen

The kaizen mind of the team members has always contributed to the progress of the waste reduction activity in TKM. Streamlining of the 3R activities in packing of raw materials by introducing returnable carton boxes has resulted in major reduction in non hazardous waste generation for the company. Unique achievement in waste reduction activity being implementation of 100% reuse of the returnable packing for domestic parts.



Fig. 3.9: Steel Reuse Kaizen

The offals generated during the stamping process are reused to produce smaller parts thereby increasing the yield ratio of steel. Our continuous efforts have made TKM to become the pioneer as compared to all the IMV manufacturing countries.

Keeping the objective of “Enhance the work-place improvement through better EMS performance”, TKM celebrated Environment Month company-wide during March 07 with following theme



1. Strengthen Control for Environmental Significant Equipment Management
2. Level Up knowledge on ISO 14001 for all team members

Fig 6.1: Awareness Badge Distributed to all Team Members

Environment Significant Equipment Management

Controlled operation of environmentally significant equipment is necessary, as they are bound with legal aspects, natural resource consumers & environment burden substance producers. The major focus of this activity was to minimize the environmental risks by effective management of significant equipments. The following activities were carried out on this regard by the shops.

1. Re-evaluation of all the Significant Equipments for their Significant Ratings
2. Re-evaluation of Control Measures for all the significant Equipment to check for the adequacy with changed conditions;
3. Visualization of all Significant Equipment by labeling and mapping of all the significant equipments in the shop layout



Visualization labels on Significant Equipment to enhance the awareness in TM and thus ensuring

Level Up Knowledge of all TM's on ISO 14001

Recognizing the environmental education and training as well as awareness-promotion activities are essential for promoting environmental undertakings throughout the company and maintaining continuous environmental performance, Exhaustive training material on environmental issues was prepared and distributed among the shop managers & environment core-team.



Fig 6.2 : Training to TM's on Environment



Fig 6.3 : Training to Managers

CELEBRATION OF ENVIRONMENT MONTH AT TKM

The following are the training programs were conducted in shopwide during the environment month.

TYPE OF TRAINING	FEATURES OF TRAINING	TARGETED MEMBERS
General Environment Awareness	Elements of Environment, Pollution, ISO 14001	All Team Members & Contractors
Environment Aspects & Controls	Concept of Environment Aspects, Impacts & Evaluation	All Team Members
Legal & Other requirement	Company Legal Requirements, Importance of Legal laws, Role of member towards legal laws	Team Leaders & Group Leaders
Objectives, Targets & Program	Concept of Objectives, Targets and Programs & Environment Management Program	Group Leaders & Assistant Managers
Co2 emissions and its controls	Concept of Co2, Source of Co2, Effects of Co2, Control Measures for Carbon dioxide	Assistant Managers & Managers

Based on the applicability in their work area the ISO 14001 training was imparted to all the TM's of TKM.

Motivational Activities

Various Promotional Activities for enhancing the individual-level & Department/Div level activities towards environment performance both inside & outside the TKM limits were organized, so as to trigger the team member's creative skills in the best interest of the environmental management system.

Competitions were organized for children of team members as a kind gesture by the Top Management to involve the team member's family on a personal front and to provide them awareness on the environment.

For Individual Departments

The Top Management was involved in the selection of winners of the environment month. A shop floor audit was made to understand and

The competition was for the following categories:

1. Best Waste Management Department
2. Best Significant Equipment Maintained Department
3. Overall Best Environment Maintained Department



1. Assembly - Winners



2. Paint Winners



3. Paint Shop Overall Winners

For Team Member's

1. Best Environment Poster
2. Best Environment Kaizen
3. Corporate Environment Citizen Award



Winner Best Env Poster



Winner Best Env Kaizen



Winner Best Corporate Citizen

**For Team Member's Children
Poster Competition:**



Fig 6.3 : Vaishnavi - Daughter of a TM Receiving prize from MD

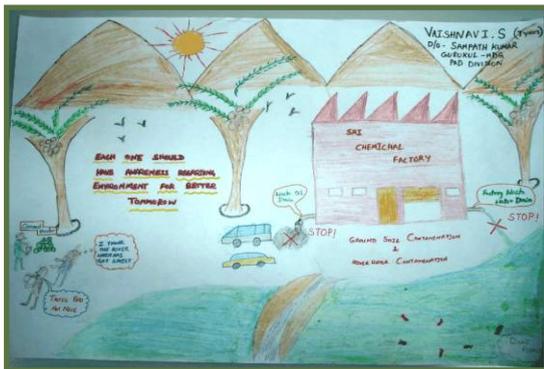


Fig 6.4 : Painting by Vaishnavi



Fig 6.5 : Tree Plantation by MD San

BEST CORPORATE CITIZEN - A True Power Brain

Kaizen is the mother of all creations. Ravish has proved that this principle can be applied to all walks of life. Realizing the hardships faced by his family due no power supply in his house, he has developed a hydro power generator by utilising the kinetic energy of the water that is running down the hills. Placing a turbine fitted to a fly wheel in the path of the flowing water and ultimately connecting the turbine to the motor unit, Ravish has been able to generate the power.



Hydro Power Generator

Electricity upto 2 kW is being generated in this miniature powerplant. The power generated is utilized to run a Mixie, Television, 60 Watt Bulb (2 Nos.) & Tubelights (2 Nos.) Simultaneously.

Ravish Kumar
Quality Division
TM No. 2963



Tree Plantation Ceremony :

Analysing the importance of greenery, TKM is committed towards the development of green belt, tree plantation drives and development of green belt. It is also a part of the environment policy of the company to promote greenery in our environment. The activity was initiated by the TKM Top Management and it was extended to all the team members of the company.

Rainwater Harvesting Pond



Fig 6.6: Rain Water Harvesting Pond

TKM has adopted rainwater harvesting at its newly constructed parts centre in a bid to conserve the rain water and to protect the environment by reducing the exploitation of ground water resources. A rainwater harvesting pond of capacity 200 cum has been developed which will used a source for utilizing the water for gardening purposes. In addition to all this the aesthetic look of the industry is also enhanced.

Weather Monitoring Station

The weather monitoring has been established in the TKM premises for grasping the data's of Ambient Temperature, Humidity, Wind Velocity, Wind Direction, Rainfall in the area. Grasping of the above mentioned data helps in understanding the behavior of the exhaust gas at different times of the day.



Fig 6.7: Weather Monitoring Station

It gives us in depth detail on the dispersion of pollutant around the premises of the industry so that incase of any abnormality the emergency response at most affected area in the downstream side can be initiated. The rainfall data obtained will serve us as a tool during the establishment of rain water harvesting system during the execution of future project stages. The highlight of this system is that the weather data can be grasped from any where in the world at any point of time through the website.

De WaTS : Decentralised Wastewater Treatment System

Continual increase in energy requirements for various industrial activities is causing a huge impact on the environment as well as leading to the depletion of energy resources. Energy efficient De WaTS system has been adopted to treat the wastewater being generated at the National Parts Center at TKM.



Fig 6.8 : Eco Friendly DeWaTS System

The De WaTS system is a eco friendly process where the wastewater flows by gravity thereby reducing the pumping costs of the wastewater to minimum. It is a completely closed system therefore eliminating any odor related problems to the surroundings. The root zone filter which comprises of flowering plants for polishing the treated water adds to the aesthetic look of the area.

Elimination of Substances of Concern (SOC)

European Union (EU) insists the European car manufacturers to take back their End of Life vehicles back to their premises for recycling. The End of Life vehicles are too valuable to be dumped onto to the earth. However, the recycling rates that has to be met for disposing the vehicles would be too high at that point of time.

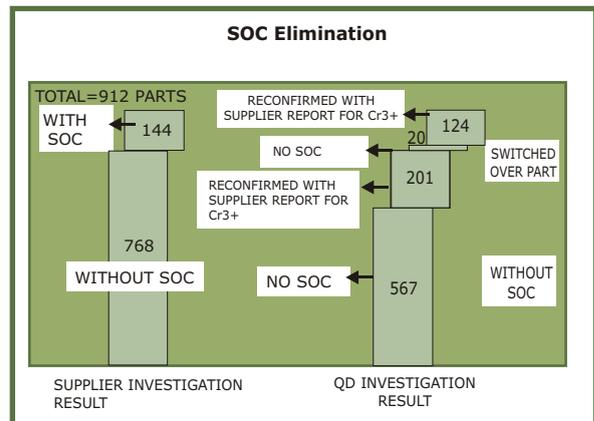


Fig 6.9: SOC Elimination



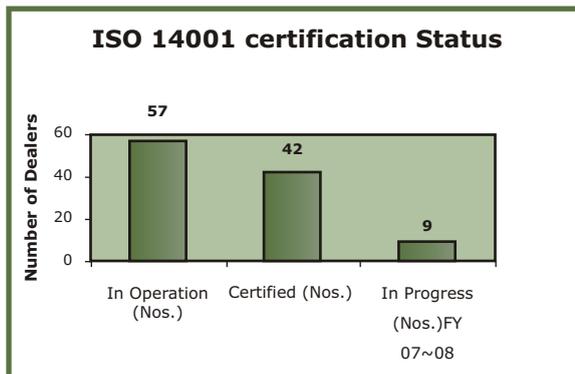
Fig 6.10 : Analysis for SOC

TKM has adopted the concept of eliminating the substances of concern (Lead, Mercury, Cadmium & Hexavalent chromium) from the Innova car that is being manufactured in the plant. Out of the 912 IMV parts identified, 144 were declared as containing SOC by the supplier. These parts were changed to SOC free parts. For Ex: Hexavalent Chrome Plating to Trivalent Chrome Plating. Quality audit was done to ensure that no SOC parts are supplied to TKM from critical suppliers end. A well equipped in house laboratory has been established to confirm SOC compliance for all 912 parts. Regular part audit is being done for critical parts on a yearly basis to ensure sustenance of the activity. For new projects, parts are checked for SOC before mass production stage.

TKM, being one of the most Environmental friendly company, it's our motto to protect the Environment by minimizing the impact of our activity on the Environment through pollution prevention, conservation of natural resources and continual improvement. To fulfill this we need the support of all our dealers as well, since we believe that our dealers are an integral part of our family, hence our joint corporate responsibility

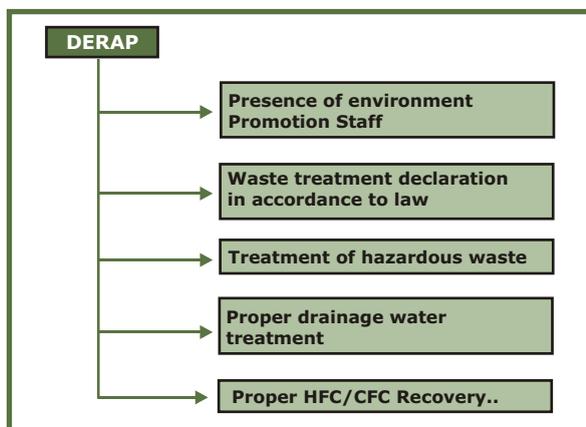
Some of the activities that happen at Dealerships are as shown below:

1. Dealer ISO14001 certification



TKM always recommends the dealers to maintain a very Effective Environment Management System (EMS). ISO 14001 certification of our dealerships act as a tool to enhance the effectiveness of the EMS implementation. EMS Practice at Toyota dealers is very well appreciated in the automotive market and the same is under

2. Dealer Environmental Risk Audit Program (DERAP) Focus on EMS



As a part of DERAP that was introduced in 2004 by TMC, TKM dealers were supposed to survey their own facility and provide us evidence for maintenance of the same. With the proactive measures taken by dealerships, we could successfully implement the Same in 38 Dealerships by year

2006. The achievement certificates were issued to all 38 Dealers jointly by TMC & TKM in Yr 2007.

ENVIRONMENTAL ACTIVITIES AT DEALERSHIP

For Yr 2007 and we have a plan of having at least 45 Dealerships with DERAP implemented successfully.

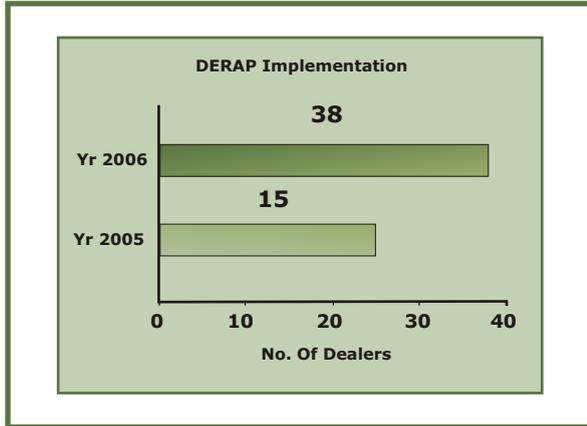


Fig 8.3: Achievement Chart



Fig 8.4: Appreciation Certificate

3. Dealer Awareness through Posters and Environment Kaizens Activities aiming at creating awareness amongst dealers by sharing the best practices related to environment have been Designed as shown below:

a. Submission of Environment Kaizen :

Practicing Kaizen has always been the most encouraging part for any dealership operation. As a part of Toyota Customer Service Marketing program, TKM requests all the dealers to submit Kaizen related to Service and Service

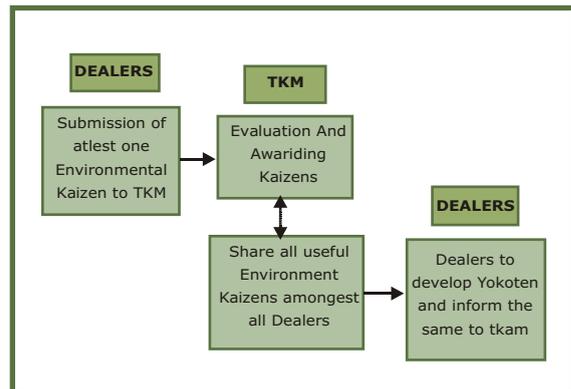


Fig 8.5: Kaizen Submission Routing

parts operations. As corporate policy, TKM has introduced the concept of Environment Kaizen Submission by all Dealers from July'2007. Good Environment Kaizen will be yokotened amongst all the dealers, to enhance the EMS Performance. The best 3

a. Environment Poster contest amongst all dealers :

Posters have always been a very good visual tool in expressing one's interest. Getting to know the dealer's interest towards Environmental Conservation would be a challenging task for TKM. To further enhance the active participation, amongst all dealers and to make them start think about the various procedures by which they can improve upon the Environmental activities, TKM has introduced the "Environmental Poster" contest as a part of the "Toyota Customer Service Marketing Bulletin". In this contest, the dealers are supposed to submit one poster for the activities that have been done at their facility. The same shall be evaluated and one best poster would be awarded accordingly in kaizen

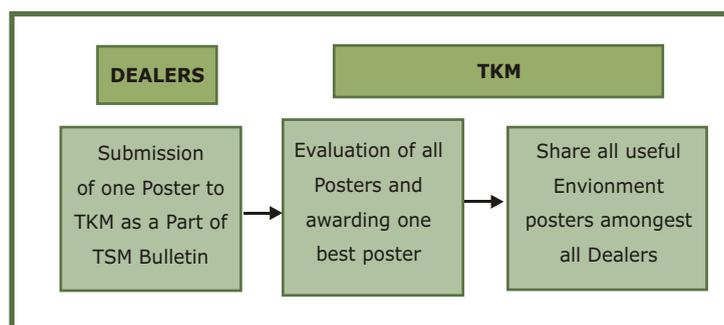


Fig. 8.6: Environmental Poster Submission Routing

Our suppliers are our partners in sharing the commitment of saving the environment. Systematic attention has been given to the selection and development of the suppliers. Many parts of the cars are designed, developed and tested in cooperation with the suppliers who also assure their commitment and offer their guaranty on the sustainability of the environment.

ISO 14001 Certification Status of the Suppliers

The ISO 14001 standard acts as a tool for supplier access. The first impetus for urging the suppliers to go for the ISO certification came in 2001. One of the important action policies in the TKM five year action plan is to promote the implementation of best practices at our suppliers end.

TKM pays systematic attention to the development of its suppliers and its cooperation with them. TKM supports the supplier by bringing awareness and helping them with their preparation for obtaining the ISO certification. The results are already visible 71 out of the 77 suppliers are already certified with ISO 14001.

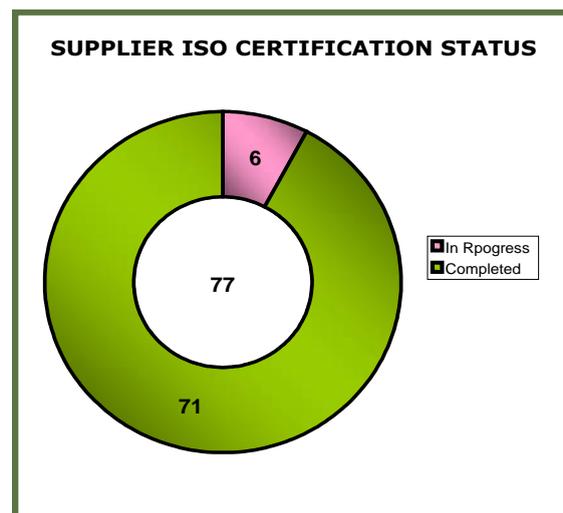


Fig 9.1: Supplier Certification Status

SUPPLIERS SUPPORT ACTIVITIES

Green Purchasing Guidelines

Ever since the formation of Toyota, it has constantly endeavored to contribute to sustainable development of the society through manufacture and provision of high quality and innovative products and services.

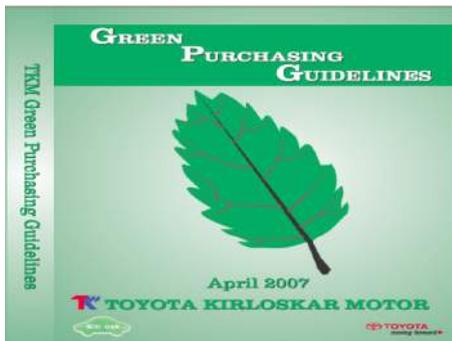


Fig 9.2: Green Purchasing Guidelines



Fig 9.3 : Annual Supplier Meet

As the business operations have become more global, the society's expectation has increased and the scope of such expectations have expanded. In light of these developments, TKM has revised its green purchasing guideline for FY 2007 – 2012 in the year 2006. Under the umbrella of the Toyota Earth Charter and the TMC green purchasing guidelines the TKM Green Purchasing Guidelines have been prepared. The green purchasing guidelines covers key issues like:

1. Compliance to the Environmental laws and regulations;
2. Achieving the ISO certification by the suppliers.
3. Elimination of usage of the 4 SOC namely lead, cadmium, Mercury and hexavalent chromium.
4. Improvement of the environmental performance by incorporation of activities like carbon dioxide emission reduction and waste generation volume reduction.
5. Ensuring that the returnable packing is used for components and That the goods are supplied in returnable or recyclable packing. TKM expects its suppliers to gain a full understanding of the Guideline and to engage in regular initiatives in accordance with TKM.

TKM is an eminent employer in all regions wherever it has its operations and is ready to support the professional growth to its staff. In addition to its role as an employer TKM is actively involved in the development of areas like culture, education, health and environment. The company's endeavors are within the legal boundaries to pursue good relations not only with the authorities with whom we deal but also with the state and central government of India.

Construction of water tank for the local community

Ramanagaram is a town situated about 20 Kms from TKM factory on the Bangalore Mysore highway having a population of about 80,000 people. It faces acute shortage of water especially during the summer season. The water storage facility in the town is very inadequate to address the drinking water shortage problem.

The source of water to the town is Arkavathi River, Cauvery River and the bore wells in the area. The Arkavathi River water is available for only 6 months of the year. The Cauvery River can be supplied only to 38,000 people of the town and the remaining 42,000 have to rely on Arkavathi River and the borewells in the area. To supply Cauvery River water to the rest of the 42000 people, two tanks have to be built at suitable locations.



Fig 10.1: Construction of Water Tank

TKM has taken up the initiative to provide the two tanks to the people to improve our relation and trust with the community and to eliminate the hardships of the people.

Poster & Painting Competition for School Children

Children are future of this country and TKM believes that shaping them today will ensure a better tomorrow for this country and environment.



Fig 10.2 Painting Competition for Children



Fig 10.3: Distribution of Bags to Children

TKM always actively organizes programs for the school children every year with the aim to increase the environmental awareness among them. This year, Environment Poster and Painting Competition were organized for school children as a part of corporate social responsibility of the company towards the local community. School bags were distributed to all the students of the school as a memento for their involvement in the activity.

Establishment of Toyota Technical Training Institute at TKM



Fig 10.4 Toyota Technical Training Institute

The Toyota Technical Training Institute was established in TKM with a vision to develop human resources utilizing the Toyota discipline, and to create learning opportunities for potential skilled Individuals.

The automobile sector is one of the fastest growing sectors in India and employs close to 6 lakh people. With more and more global projects coming to India, there is a dearth for skilled manpower. In keeping with Toyota's philosophy of "Respect for People", and supporting its role in the society as a good corporate citizen, TTTI is aiming to help those intelligent students, especially from rural areas, who cannot pursue further education after tenth standard, due to financial reasons.



Fig 10.5: Dormitory

The TTTI will offer its students a total of four technical courses in Automobile Assembly, Automobile Paint, Automobile Weld and Mechatronics along with the specialized education on Safety and Environment Issues. Announcing the setting of the new institute, Mr. Atushi

Toyoshima, MD of Toyota Kirloskar Motor, said, "In addition to making quality automobiles, we believe in proactively contributing to the society by consolidating the know how within Toyota to develop capable human resources and thus contributing to the prosperous society". Furthermore, TKM will encourage the potential graduates of Toyota Technical Training Institute to join the company as team members.

The entrance fees and the tuition fees will be paid by the school on behalf of the students and all the students will live in dorms and undergo specialized training over A period of three years. Fellowships will be provided to Deserving students to promote Excellence.



Fig 10.5: Inauguration Of TTTI

ECO



TOYOTA

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