



1 Vision & Strategy

As one of the world's largest car manufacturers, Toyota is committed to tackling environmental and social issues. The company's approach is both long-term and holistic. The total life cycle of the product, from design and use of materials to end-of-life recycling, is examined for environmental impact, as will be shown in this

report. But Toyota is also concerned with the socio-economic aspects of its operations, such as the health and safety of employees, as well as that of the communities in which the company operates.

The Toyota Way

Toyota's response to the challenges of promoting environmental and social excellence involves a total commitment from management and employees. This commitment is informed by a set of managerial values, business methods and beliefs collectively known as "The Toyota Way".

All Toyota employees are expected to embody these values in their daily work and other activities, including environmental protection and social initiatives. To "respect" the environment, other people and the communities around them, they must "go to the source" to identify and analyse problems (Genchi Genbutsu), move on to "challenge" conventional ideas and old habits, thereby implementing their commitment to "continuous improvement" (Kaizen) through "teamwork". Among other things, the framework provided by the Toyota Way enables the company to respond to

a wide variety of social and environmental challenges at various stages and areas of its operations and activities.

To summarise, the Toyota Way is based on two main objectives: Continuous Improvement (Kaizen) and Respect for People.

These main objectives, in turn, are each reflected in the five key values that make up the Toyota Way:

- Challenge
- Kaizen (continuous improvement)
- Genchi Genbutsu (going to the source to make correct decisions)
- Respect
- Teamwork

The Toyota Guiding Principles and Contribution towards Sustainable Development

To help put Toyota's management philosophy into practice, the "Toyota Guiding Principles" were established in 1992. Updated in 1997 to further bolster Toyota's commitment to achieving sustainable

development, these Guiding Principles today inform every aspect of the group's activities and practices and are explained in detail in the paper "Contribution Towards Sustainable Development".

Guiding Principles

1. Honour the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
3. Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.
5. Foster a corporate culture that enhances individual creativity and teamwork value, while honouring mutual trust and respect between labour and management.
6. Pursue growth in harmony with the global community through innovative management.
7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

Contribution towards Sustainable Development

We, TOYOTA MOTOR CORPORATION and our subsidiaries, take initiative to contribute to harmonious and sustainable development of society and the earth, 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 endeavour to build and maintain sound relationships with our stakeholders through open and fair communication.

Customers

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. (Guiding Principles 3 and 4)

We will endeavour to protect the personal information of customers in accordance with the letter and spirit of each country's privacy laws. (Guiding Principles 1)

Employees

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. (Guiding Principles 5)

We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. (Guiding Principles 5)

We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. (Guiding Principles 5)

We respect and honour the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labour. (Guiding Principles 5)

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. (Guiding Principles 5)

Management of each company takes leadership in fostering a corporate culture, and implementing policies, that promote ethical behaviour. (Guiding Principles 1 and 5)

Business Partners

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. (Guiding Principles 7)

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. (Guiding Principles 7)

We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws. (Guiding Principles 1 and 7)

Shareholders

We strive to enhance corporate value while achieving a stable and long-term growth for the benefit of our shareholders. (Guiding Principles 6)

Global Society/Local Communities

Environment

We aim for growth that is in harmony with the environment throughout all areas of business activities. 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. (Guiding Principles 3)

Community

We implement our philosophy of "respect for people" by honouring the culture, customs, history and laws of each country. (Guiding Principles 2)

We constantly search for safer, cleaner and superior technology to develop products that satisfy the evolving needs of society for sustainable mobility. (Guiding Principles 3 and 4)

We do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agency and public authority. (Guiding Principles 1)

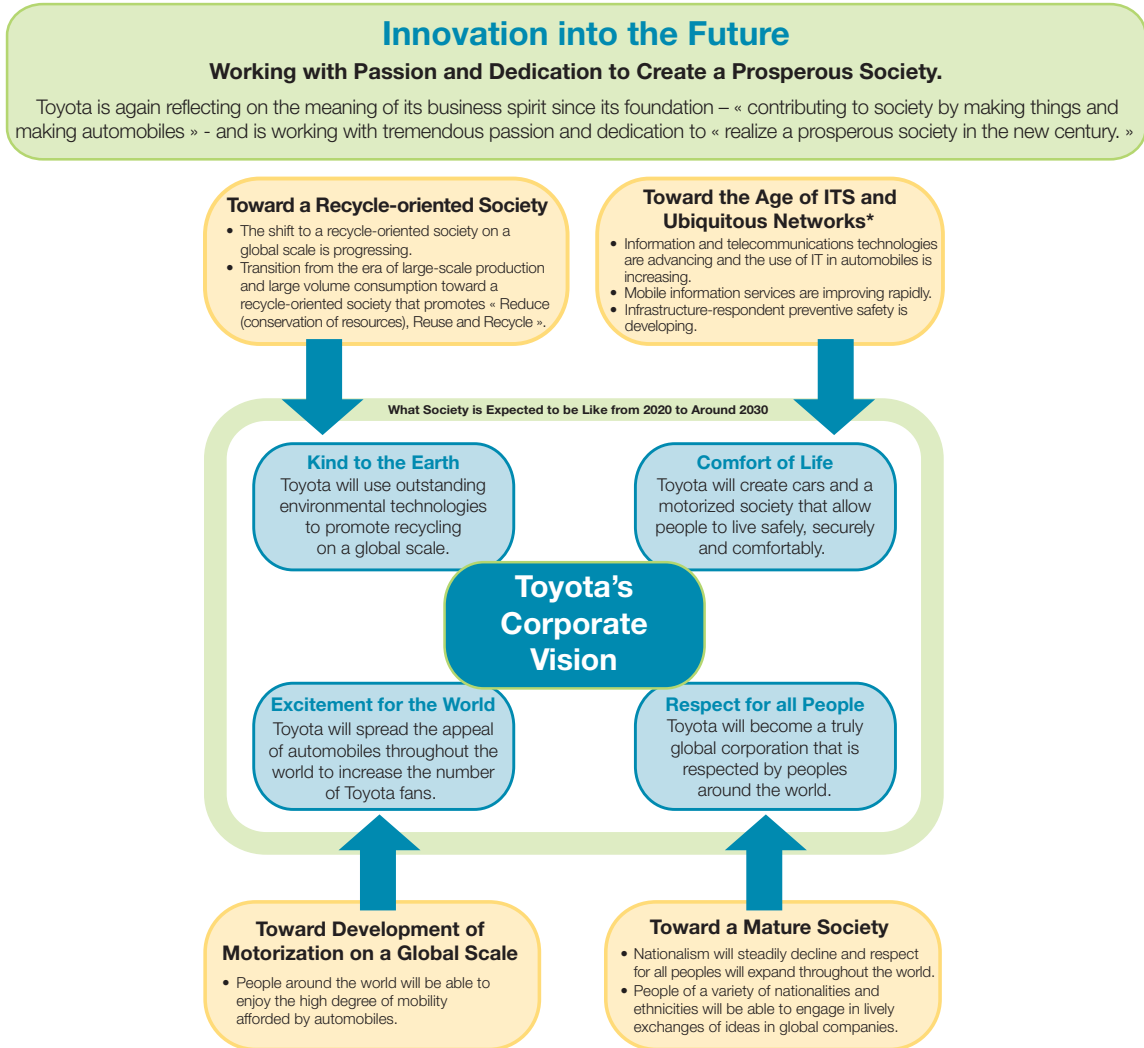
Philanthropy

Wherever we do business, we actively promote and engage, both individually and with partners, in philanthropic activities that help strengthen communities and contribute to the enrichment of society. (Guiding Principles 2)

Global Vision 2010

The company's approach is developed further in Toyota's "Global Vision 2010", which was adopted in April 2002 and proposes a series of long-term policies on the theme of "Innovation into the Future". Toyota's Global Vision 2010 guides management in its

response to long-term social changes, combining consideration for the environment, the benefit to customers of value-added products and the encouragement of employees through shared prosperity and social involvement.



* Ubiquitous Networks :

An environment under which the advance of information and telecommunications allows anyone to access all information anytime from any location.

The Toyota Earth Charter

Another significant step in Toyota's commitment to sustainable development is the Toyota Earth Charter for implementing consolidated environmental management. The Charter, adopted in 1992 and subsequently revised in 2000, embodies a comprehensive approach to global environmental issues, outlining Toyota's basic policy and action guidelines towards effective environmental management and improvements. The Toyota Earth Charter underlines a commitment to environmental excellence, not only through broad principles, but also in concrete examples of what can be done through action guidelines.



Zeronize and Maximize

Toyota's vision for sustainable development that promotes a truly sustainable mobility solution can be summed up in just two words: Zeronize and Maximize.

Zeronize refers to Toyota's aim of reducing the harmful effects of automobiles on people and the environment to zero. In other words:

- Zero emissions,
- Zero accidents/serious injuries
- Zero congestion

Maximize represents Toyota's goals of providing ever-greater comfort, fun and excitement in its vehicles.

Corporate Structure

In order to put these policies and programmes into practice in Europe, Toyota has established three committees for management discussion and decision-making on actions to be taken. These committees are the Environmental Committee, the Corporate Social Responsibility (CSR) Committee and the Social Contribution Fund (SCF) Committee. The structure and functions

of the Environmental Committee are discussed in the Environmental Management Chapter and the CSR Committee is presented in Social Engagement Chapter. For more information on Toyota's programmes of social engagement and the Social Contribution Fund (Toyota Fund for Europe), please see the Social Engagement Chapter of this report.

