

# 2024 NORTH AMERICAN ENVIRONMENTAL SUSTAINABILITY REPORT

Let's Make a Better Planet.



**TOYOTA**



# About This Report

Toyota Motor Corporation (TMC) is headquartered in Japan and produces an annual global sustainability report, which covers TMC initiatives as well as activities of consolidated subsidiaries and affiliates around the world.

To complement TMC’s sustainability reporting, Toyota Motor North America, Inc. (TMNA), Toyota Motor Manufacturing Canada Inc. (TMMC) and Toyota Canada Inc. (TCI) have been producing an annual regional environmental report covering activities in the United States, Canada and Mexico since 2002. TMNA, TMMC and TCI are all subsidiaries of TMC. This 2024 report covers environmental performance at North American

manufacturing plants as well as TMNA and TCI activities under the Toyota and Lexus brands during fiscal year 2024 (April 1, 2023, through March 31, 2024) and product model year 2023. The reporting period is consistent with TMC’s financial reporting. Data presented with different dates are clearly indicated.

In this report, references to “Toyota in North America” refer to TMNA, TMMC and TCI combined.

This report has been prepared with reference to the Global Reporting Initiative (GRI) Sustainability Reporting Standards. Please refer to the [GRI Content Index](#) at the end of this report.

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### FORWARD-LOOKING STATEMENTS

This report contains certain “forward-looking statements”, as defined in U.S. securities laws, that are based on Toyota Motor North America, Inc.’s (TMNA’s) current assumptions and expectations, including statements regarding our targets, goals, expectations, commitments and programs and other strategy, business plans, initiatives and objectives related to the environment, social and governance matters, sustainability, climate change, biodiversity or greenhouse gases. These statements are typically accompanied by the words “aim,” “hope,” “believe,” “commit,” “estimate,” “plan,” “aspire” or similar words. All such statements are intended to enjoy the protection of the safe harbor for forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Our actual future results, including the achievement of our targets, goals, commitments or objectives, could differ materially from our projected results as the result of changes in circumstances, assumptions not being realized or other risks, uncertainties and factors. Such risks, uncertainties and factors include, but are not limited to, those relating to existing or future economic or political instability, fluctuations in currency exchange rates and interest rates, changes in the funding environment in financial markets and increased competition in the financial services industry, changes in laws, regulations and government policies and the outcome of current and future litigation and legal and government proceedings and investigations, the ability to meet customer demand, implement corporate strategy and maintain a positive brand image and those relating to existing and future environmental regulations, including those relating to emissions, fuel economy, noise and pollution, technological advances, interpretations and definitions of renewable energy and/or renewable energy sources, economic and political environments relating to climate change, sustainability, severe weather, environmental, social and governance matters and/or greenhouse gas emissions in the countries in which TMNA operates, potential liability of TMNA’s operations under regulations developed pursuant to international climate change related agreements, including about greenhouse gas calculations, reduction methods, and/or offsets, and the nascent and continued development of this report, including the metrics and assumptions used by management in its preparation. Such risks, uncertainties and factors, as well as others, are discussed in the “risk factors” included in Item 3.D of Toyota Motor Corporation’s (TMC’s) most recent annual report on Form 20-F filed with the U.S. Securities and Exchange Commission (SEC). We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this report. TMC and TMNA cannot assure you that the results reflected or implied by any forward-looking statement will be realized or, even if substantially realized, that those results will have the forecasted or expected consequences and effects. In addition, historical, current, and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. The forward-looking statements in our report are made as of the date this report is first released, unless otherwise indicated, and we undertake no obligation to update these forward-looking statements, including any obligation to adapt them to reflect subsequent events or circumstances. The information included in, and any issues identified as material for purposes of, this report may not be considered material for SEC reporting purposes. Website references and hyperlinks throughout this report are provided for convenience only, and the content on the referenced websites is not incorporated by reference into this report, nor does it constitute a part of this report.

# Dear Reader

The effects of climate change can vary in different parts of the globe, as do the possible solutions. But one thing doesn't change: No single entity or person has all the solutions. That's why we view collaboration as essential to achieving our goal of carbon neutrality in our North America operations by 2035, and across our operations, new vehicle sales and supply chain by 2050.

Two collaborations in particular come to mind when thinking about how we can tackle climate change. The first is with Chevron. We recently piloted Chevron's renewable gas blend at the Port of Portland, where Toyota vehicles coming into the port received their "first fill" of a few gallons of this special blend of gasoline. Chevron reports their renewable gasoline blend can reduce lifecycle CO<sub>2</sub> emissions compared to traditional gasoline. In the United States alone, more than 265 million vehicles are currently powered by gasoline. The average passenger vehicle is 12-years-old and remains on the road for almost 20 years. That means that new cars sold today will still be on the road for decades, and, with the potential of things like Chevron's nascent renewable gasoline blend, it may be possible to reduce lifecycle emissions from these vehicles.

The use of lower carbon liquid fuels is part of Toyota's multi-pathway approach, which reflects a pragmatic view that no single technology will address all the

challenges of achieving carbon neutrality. As the automotive industry transitions to the future, we believe it is critical to take a comprehensive approach to reducing carbon dioxide emissions, invoking multiple solutions. Vehicles powered by electricity, lower carbon intensity liquid fuels, hydrogen, and renewable natural gas will all play essential parts in the process.

Which leads me to the second collaboration, with Fuel Cell Energy. At the Port of Long Beach, Fuel Cell Energy helped us implement a Tri-gen power system that allows our operations at the port to be powered by onsite-generated, 100% renewable electricity, and light-duty and Class 8 heavy-duty fuel cell electric vehicles to be fueled with renewable hydrogen.

The introduction of renewable hydrogen and lower carbon liquid fuels are evidence of how much our world has changed in the last 10 years. These fuels were hardly talked about back then, and now, they are real potential solutions to reducing carbon emissions.

The growth in renewable electricity is another sign of change. In 2020, only 3% of our power consumption in North America came from renewable sources. By the end of FY2026, we expect it to be over 40%. We are engaged in multiple renewable energy projects that are building wind and solar installations in the U.S. These contracts will eventually help us significantly increase the amount of renewable electricity we purchase to operate

our manufacturing plants, offices and other facilities across North America.

These accomplishments were not easy. They were successful because of the hard work of our team members and their ability to collaborate effectively.

To reach carbon neutrality as well as our other environmental goals for water, circular economy and biodiversity, we are going to need to work with other industries and partners more and more. In this report, we explain our progress against the targets we set in our 7th Environmental Action Plan. To achieve these targets, and to prepare for the future, we will continue to enhance collaboration, both internally among our functions and regions, and externally with other companies and nonprofit partners.



**Tetsuo "Ted" Ogawa**  
President and Chief Executive Officer  
Toyota Motor North America, Inc.



## HIGHLIGHTS

During the last fiscal year, Toyota continued to make progress against our 7th Environmental Action Plan targets in North America. Some highlights include:

**77%**  
of Toyota and Lexus models with an electrified option

**14%**  
reduction in Scope 1 & 2 greenhouse gas emissions vs. FY2019

**6.8%**  
reduction in water withdrawal per vehicle vs. FY2021

**93%**  
of all waste was recycled, reused or repurposed in CY2023

**22%**  
reduction in single-use packaging vs. FY2018

**14,432.4**  
acres of pollinator habitat developed since FY2022 in collaboration with Pollinator Partnership and National Environmental Education Foundation

# Reflections from Kevin Butt

As I write this, I am reflecting on my 30+ years with Toyota and how much things have changed in that time.

When I started, sustainability was an unknown concept. We didn't talk about it like we do today, and reporting on sustainability impacts and risks was voluntary. Now, it's a regulatory requirement, for example in Europe, and laws are developing here in the U.S.

My first environmental report for Toyota North America was in 2001, and at that time, only covered some key issues in manufacturing. This year's report covers all of Toyota in North America and is focused on our highest priority issues – carbon, circular economy, water and biodiversity.

I worked on our very first five-year environmental action plan, and every other one since. I am currently leading the development of our 8<sup>th</sup> plan, which will start in FY2027 (beginning April 2026). We are looking forward to setting strong targets that will keep us on the right path for becoming carbon neutral, advancing towards a circular economy, and becoming nature positive in the areas of water and biodiversity.

We've been reporting and tracking progress against action plans for decades, but direction from our parent company in Japan plus regulatory changes – for example, climate disclosure regulations and laws are

being pursued by the SEC and California in the U.S., and the Corporate Sustainability Reporting and Vehicle End-of-Life Directives in the EU – are telling us it's time for a transformation.

“Sustainability needs to become a more integral part of our culture.”

These regulatory changes may require more than just disclosure. They may require more data gathering – data that we and others have not collected before. The ELV (End-of-Life Vehicle) directive in Europe is asking for a certain percentage of plastics used in new vehicles to be recycled plastics from other vehicles. This goes beyond simply measuring recycled content. Now, we are being asked to track the source of that content. We need to put systems in place to manage this data to ensure it is high quality and useful in decision-making.

No change is easy, but this is especially challenging. Sustainability and discussions around it need to become a more integral part of our culture, so that everyone understands why this data is necessary. To comply with the new regulations, we

will need cooperation from every part of the company.

Toyota's practice of continually improving must keep up with the times. To achieve our environmental sustainability goals – not just becoming carbon neutral, but also in the areas of circular economy, water and biodiversity – we need to improve with continued collaboration and cooperation, and data management activities must be standardized as part of the daily work of all team members.

As a member of this company for over 30 years, I am fully confident that Toyota will be successful. I look forward to seeing further growth as we come to understand the impacts of sustainability, and as our company rises to the challenge and transforms.



**Kevin M. Butt**  
Senior Director, Environmental Sustainability  
Toyota Motor North America, Inc.

*Kevin M. Butt*





# Contributions to the UN SDGs

In September 2015, the United Nations (UN) adopted the 2030 Agenda, a 15-year plan that aims to end poverty, protect the planet and improve the lives of everyone, everywhere. The cornerstone of the 2030 Agenda is the Sustainable Development Goals (SDGs), a set of 17 global goals with 169 targets that run from 2016 through 2030.

In mid-2023, the world reached the halfway point of the 15-year period for achieving the SDGs. According to a recent [UN Report](#), the pandemic put to “a grinding halt” many of the advances that were being made. So much needs to be done to help solve the critical environmental issues facing the global community – climate change, water scarcity, resource depletion and habitat loss, to name the big ones.

“We are at a moment of truth and reckoning. But together, we can make this a moment of hope.” These are the words of António Guterres, Secretary-General of the United Nations. His message is that the UN goals are achievable – if governments, businesses, nonprofits, other organizations and even individuals all do their part.

At Toyota, we support the fundamental mission of the SDGs – to make the world better, safer and healthier. Toyota’s response to the UN SDGs, particularly those addressing environmental issues,

is centered around the six far-reaching challenges within the Toyota Environmental Challenge 2050 (Challenge 2050). Each major region has developed strategies and targets to help the company strive to achieve these challenges.

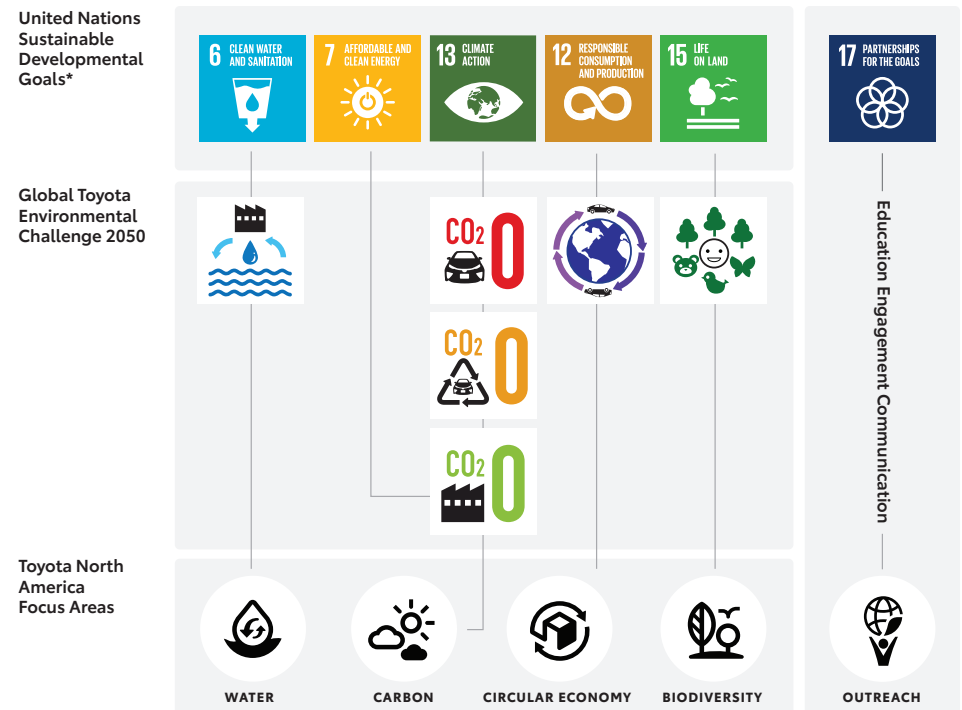
Here in North America, Toyota’s activities supporting both Challenge 2050 and the SDGs are organized around our environmental sustainability focus areas of Carbon, Water, Circular Economy and Biodiversity. Our long-term strategies in each of these focus areas, supported by outreach activities, show the steps we’re taking to help address the world’s pressing environmental problems and become part of the solution.

Achieving these goals takes careful planning. And it takes time. We remain committed to acting. Our North American team members are on board and we are collaborating with suppliers, dealers and other partners. Together, we are ready to make great things happen on our journey towards a more sustainable future.

To find out more about the 17 UN SDGs, visit the UN’s Sustainable Development Goals [website](#).

For more information on how Toyota in North America supports the UN SDGs, see the [SDGs section of our website](#).

## Contributing to the UN Sustainable Development Goals



\* Toyota Motor Corporation recognizes additional SDGs as relevant to the global company. Here, we only list the SDGs related to environmental sustainability that are relevant to Toyota in North America.







Respect for the Planet is one of our company's core values. We demonstrate this value by striving to achieve our environmental sustainability targets as well as looking for new ways to make a positive impact on our planet and society.

# ENVIRONMENTAL STRATEGY



# Environmental Strategy

In North America, we focus our efforts on four priority issues – **Carbon, Water, Circular Economy and Biodiversity** – that align with Toyota’s corporate global environmental strategy and span the vehicle life cycle, as illustrated in the graphic. We also engage in outreach activities to promote awareness, develop strategic partnerships and share know-how, all to help build a more sustainable future.

## Environmental Focus Areas Across the Vehicle Life Cycle



### Carbon

- Purchasing renewable electricity
- Switching trucks and other transport to lower carbon emission powertrains
- Encouraging suppliers and dealers to reduce CO<sub>2</sub> emissions
- Offering a portfolio of lower carbon emission vehicles



### Circular Economy

- Increasing the use of sustainable materials in vehicle parts
- Reducing waste generation and increasing recycling
- Managing chemicals safely and finding suitable alternatives where possible
- Encouraging suppliers and dealers to reduce their waste and recycle more



### Water

- Reducing the amount of water we use in production processes
- Encouraging suppliers and dealers to reduce their water use
- Working with nonprofit organizations to conserve water and educate people about water issues



### Biodiversity

- Planting pollinator gardens and native species on our sites
- Working with suppliers and dealers to develop pollinator habitat
- Partnering with nonprofit organizations to expand pollinator habitat and educate the public about biodiversity

# Goals and Targets

GRI 2-22, 3-3

**Toyota’s long-term aspirations are outlined in the Toyota Environmental Challenge 2050. Mid-term milestones have also been established as well as short-term (five-year) targets.**

## Toyota Environmental Challenge 2050

The Toyota Environmental Challenge 2050 (Challenge 2050) is a set of six visionary, global challenges that seek to go beyond eliminating negative environmental impacts and create positive value for the planet and society. Toyota Motor Corporation (TMC, TMNA’s parent company headquartered in Japan) announced these six challenges in 2015 after extensive research and internal and external consultation.

Toyota’s global goal of becoming carbon neutral across the vehicle life cycle by 2050 is illustrated on the left side of the graphic, under “Achieve Carbon Neutrality.” This is a big part of our efforts, but it is not our only focus. We are also working to find new ways to make a positive impact on our planet and society – this is illustrated on the right side of the graphic under “Achieve

a Positive Environmental Impact.” We seek to reduce environmental impact where possible through our focus on focus on advancing a circular economy, conserving water and protecting biodiversity, all to help build a more sustainable future.<sup>1</sup>

Through Challenge 2050, team members across the company, in every region of the world, are working to put Toyota’s global vision of Respect for the Planet into action. Challenge 2050 unites us all with a common purpose – working to be more than just good stewards of the environment and to create positive

changes beyond our facility boundaries. Within North America, we continue to refine a regional environmental sustainability strategy to align Toyota’s global values and Challenge 2050 with our regional focus areas – Carbon, Water, Circular Economy and Biodiversity. In each focus area, we are working towards minimizing environmental impacts and, through outreach activities, to find new ways to make a positive impact on society and the planet. For more information, see our story about [our activities supporting the Toyota Environmental Challenge 2050](#).









<sup>1</sup> The long-term aspirations, mid-term milestones, and short-term targets and statements set forth in this Report are forward-looking and relate to the manner in which Toyota intends to conduct certain of its activities based on management’s current plans and expectations. They are not promises or guarantees of future conduct or policy, and are subject to a variety of uncertainties and other factors which may make them unattainable, many of which are beyond our control, including government regulation, supplier and third-party actions, and market forces. See the Forward-Looking Statements warning on page 2 of this report.



# Mid-Term Milestones

TMC has established several global mid-term milestones, including those below, to help the company achieve the Toyota Environmental Challenge 2050.

Toyota Environmental Challenge 2050	Global Milestone	Toyota North America Contributions and Milestones
	<p>Reduce global average GHG emissions from new vehicles by 33.3% by 2030 and by more than 50% by 2035, compared to 2019 levels.<sup>2</sup></p>	<p>GHG emissions per mile from TMNA's new vehicle fleet have decreased 21% since 2019. GHG emissions per mile from TCI's new car fleet have also decreased 21% since 2019.</p> <p><b>Toyota North America Milestone:</b> In the U.S., Toyota has targeted 70% electrified new vehicle sales (excluding performance vehicles) by 2030.</p>
	<p>Achieve carbon neutrality for CO<sub>2</sub> emissions at global manufacturing plants by 2035.</p> <p>Reduce absolute Scope 1 and Scope 2 GHG emissions by 68% by 2035, compared to 2019 levels.<sup>3</sup></p>	<p>Toyota North America defines carbon neutrality<sup>4</sup> to apply to all of our facilities, not just manufacturing plants. Total Scope 1 and 2 CO<sub>2</sub> emissions were 14% lower at the end of FY2024 than they were in FY2019. We continue to invest in renewable energy for our operations and are on track to becoming carbon neutral at our facilities by 2035.</p> <p><b>Toyota North America Milestone:</b> In North America, Toyota has targeted 45% or more of total electricity purchases to come from renewable sources by FY2026.</p>
	<p>Reduce GHG emissions throughout the vehicle life cycle by 30% by 2030, compared to 2019 levels.</p>	<p>The vehicle life cycle includes Scopes 1, 2 and 3 emissions. See the two rows above for contributions and milestones related to Scopes 1 and 2 plus Scope 3 emissions from driving Toyota and Lexus vehicles.</p> <p>The remainder of Scope 3 emissions relate to suppliers, logistics and dealerships:</p> <ul style="list-style-type: none"> <li>• We are encouraging our suppliers to reduce absolute CO<sub>2</sub> emissions by 3% per year through our Green Supplier Guidelines.</li> <li>• We are currently developing a strategy that will combine a gradual introduction of hydrogen fuel cell and electric powertrains into our trucking fleet with other GHG reduction opportunities that will reduce GHG emissions from the current fleet.</li> <li>• As of the end of FY2024, 74 dealerships were participating in our Dealership Environmental Excellence Program (D.E.E.P.) and have reduced their use of electricity generated from non-renewable sources by 20%.</li> </ul>
	<p>Complete water quality impact assessments by 2030 at each of the 22 plants in North America, Asia and Europe where water is discharged directly into a river.</p>	<p>We are currently piloting our water stewardship approach at one of our two assembly plants covered by the global milestone – in Baja California, Mexico – and plan to roll out this approach to additional sites in the future. Our water stewardship approach follows the principles set forth by the Alliance for Water Stewardship (AWS) International Water Stewardship Standard and addresses both water quality and water quantity.</p>
	<p>Complete the establishment of battery collection and recycling systems globally by 2030.</p>	<p>We are working with partners to create a sustainable, closed-loop battery ecosystem to support our new battery manufacturing plant in North Carolina.</p>
	<p>Contribute to biodiversity conservation activities in collaboration with NGOs and other partners.</p>	<p>We are supporting the development of at least 26,000 acres of pollinator habitat in North America by FY2026. As of the end of FY2024, through collaboration with two NGO partners, 14,432.4 acres of pollinator habitat have been enhanced.</p>





<sup>2</sup> TMC's science-based targets were validated and approved by SBTi in September 2022. This target applies to passenger light duty vehicles and light commercial vehicles. Emissions are measured in grams CO<sub>2</sub>e/km, well to wheel (includes GHG emissions from the production of fuel and electricity as well as GHG emissions during vehicle operation).

<sup>3</sup> TMC's science-based targets were validated and approved by SBTi in September 2022. This target includes absolute Scope 1 and Scope 2 GHG emissions from all facilities (both manufacturing and non-manufacturing).

<sup>4</sup> Carbon neutrality for our facilities means we aim to reduce our Scope 1 and 2 emissions to the greatest extent possible, then rely on offsets, if necessary, to get us to zero GHG emissions.

# Environmental Action Plan Targets

North American environmental sustainability planning, strategies and actions are driven by Environmental Action Plans, which are five-year roadmaps that help achieve incremental progress towards the global milestones and the Toyota Environmental Challenge 2050.

Focus Area	7th EAP Targets (FY2022-FY2026)	FY2024 Progress
 <b>CARBON</b>	Offer electrification across the Toyota and Lexus lineups by around 2025	△ 77% of models had an electrified option (as of the end of calendar year 2023).
	Achieve 40% electrified new Toyota vehicle sales in the U.S. (by unit) by 2025 (excluding performance vehicles)	△ 29.2% of sales by unit in the U.S. were electrified in calendar year 2023.
	Increase purchased renewable electricity to 45% or more of total electricity purchased by FY2026	△ Currently at 7.2%. This percentage is expected to increase significantly by the end of FY2026 as more virtual power purchase agreements and other renewable electricity contracts come online. This target supports the mid-term milestone for all facilities to be carbon neutral by 2035.
	Reduce absolute GHG emissions from logistics by 15% from FY2018 levels, by FY2026	✗ We do not expect to be able to meet this target due to the low forecasted availability of fuel cell and electric powertrains for trucking fleets.
	Require suppliers to set and meet an annual absolute reduction target of at least 3% for Scope 1 and 2 CO <sub>2</sub> emissions	△ This target has been updated to match TMNA's Green Supplier Requirements. We began collecting supplier CO <sub>2</sub> data in FY2022. In FY2024, we received data from over 75% of our suppliers by spend. We are working on increasing the number of suppliers submitting data and continue to track suppliers' progress on reducing emissions.
 <b>WATER</b>	Expand participation in the Dealer Environmental Excellence Program to 100 dealerships by FY2026	△ 74 dealerships were participating at the end of FY2024. Participating dealers have reduced their use of electricity generated from non-renewable sources by 20%.
	Reduce water use per unit of vehicle production by 11% by FY2026, from FY2021 levels	△ Water withdrawal per vehicle has decreased 6.8% compared to the baseline.
 <b>CIRCULAR ECONOMY</b>	Reduce single-use plastics at on-site food services by FY2026 by 75%	△ We are on track to achieve our target to reduce single-use plastics at on-site food services by 75%. Our actions include replacing plastic water bottles in most cafeterias with aluminum; using mostly biodegradable to-go containers; and replacing most plastic cutlery. We are still working on replacing plastic bottles in vending machines.
	Reduce procurement of packaging materials by 25% by FY2026, from FY2018 levels	△ We are defining packaging materials as single-use packaging. Based on our estimates, we have reduced the use of single-use packaging materials by approximately 22% compared to the FY2018 baseline.
 <b>BIODIVERSITY</b>	Implement a closed-loop battery recycling program by FY2026 to support our new battery manufacturing plant in North Carolina	✗ While we are focusing on the collection, testing and recycling of Toyota hybrid electric vehicle batteries, the timeline is likely to extend beyond 2026.
	Support the development of at least 26,000 acres of pollinator habitat in North America by FY2026	△ At the end of FY2024, we had supported the development of 14,432.4 acres and we have more planned for FY2025.

○ Achieved △ On Track ✗ Not on track



# Environmental Sustainability Governance

## GRI 2-9, 3-3

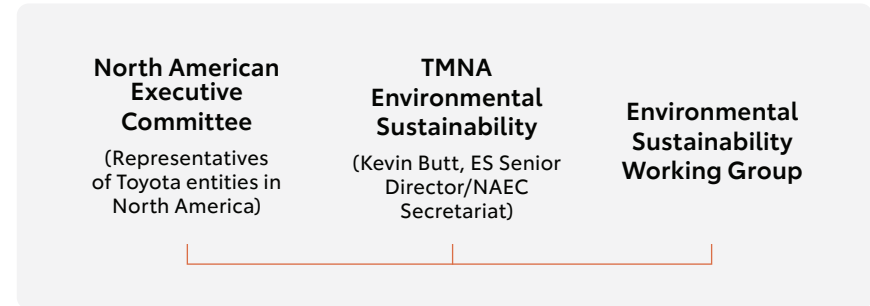
TMNA's Sustainability and Regulatory Affairs (SRA) division handles product environmental and safety regulation, energy and climate research, environmental sustainability, enterprise chemical management, and engine certification and compliance. Separately, TMNA's Environmental & Facilities (E&F) division handles facility environmental regulatory compliance.

The Environmental Sustainability (ES) group within SRA is responsible for developing short-, medium- and long-term sustainability strategies for TMNA, including planning and target setting in alignment with the Toyota Environmental Challenge 2050, which includes developing consolidated five-year environmental action plan goals and targets. ES is also responsible for developing the annual North American Environmental Report. ES reports progress on these activities to the North American Executive Committee (NAEC).

ES facilitates an Environmental Working Group as a coordinating mechanism for Toyota in North America. The group is comprised of environmental experts and representatives from various divisions:

- Sustainability and Regulatory Affairs
- Research and Development
- Procurement
- Corporate Communications
- Compliance and Audit
- Logistics
- Enterprise Strategy
- People & Property Services
- Environmental & Facilities
- Legal
- Parts Supply Chain Operations
- Manufacturing Engineering Division
- Toyota Canada Inc. (TCI)

Representatives from these divisions also participate in internal focus groups that concentrate on specific environmental issues, such as water or biodiversity. These focus groups report to the Environmental Sustainability Working Group and help implement environmental action plan targets, perform benchmarking and data gathering activities, and raise awareness among team members and external stakeholders.



Toyota Environmental Education Wall at Toyota Logistic Services, Long Beach, California

# Environmental Management

## GRI 3-3

TMNA relies on robust management processes to support our strong environmental performance.

We believe environmental management systems are an essential part of Toyota's overall effort to minimize risks and achieve leading levels of environmental performance.

An environmental management system (EMS) provides a framework for attempting to identify significant environmental impacts and setting corresponding controls, goals and targets to manage and reduce these impacts over time.

The facilities listed in the chart have had their environmental management systems third-party certified to ISO 14001, the International Organization for Standardization's standard for designing and implementing an effective environmental management system.



Eastern Canada Parts Distribution Center, Clarington, Ontario (Canada)

## ISO 14001 Certifications of Toyota's North American Facilities\*

	Location	Original Certification Date
Manufacturing Plants	Apaseo el Grande, Guanajuato (Mexico)	2021
	Blue Springs, Mississippi	2012
	Woodstock, Ontario (Canada)	2009
	San Antonio, Texas	2008
	Jackson, Tennessee	2007
	Tijuana, Baja California (Mexico)	2006
	Huntsville, Alabama	2005
	Buffalo, West Virginia	2000
	Princeton, Indiana	1999
	Georgetown, Kentucky	1998
	Long Beach, California	1998
	Troy, Missouri	1998
Cambridge, Ontario (Canada)	1998	
Vehicle Distribution Centers	Montreal, Quebec (Canada)	2003
	Toronto, Ontario (Canada)	2002
Parts Distribution Centers	Clarington, Ontario (Canada)	2022
	Vancouver, British Columbia (Canada)	2002
Sales Offices	Prairie Regional Office (Canada)	2008
	Atlantic Regional Office (Canada)	2006
	Quebec Regional Office (Canada)	2005
	Pacific Regional Office (Canada)	2002
	Canadian Sales Headquarters in Toronto, Ontario	2001

\* As of June 30, 2024

## LEED® Certifications

Sixteen Toyota and Lexus facilities have achieved Leadership in Energy and Environmental Design (LEED®) certification. LEED® is a point-based system administered by the U.S. and Canadian Green Building Councils promoting a whole-building approach to sustainable construction and remodeling. LEED certification is based on meeting stringent requirements in sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. Ranging from office space to vehicle distribution centers, these facilities represent Toyota's continued efforts to improve the design and efficiency of all operations. Toyota Motor North America is a platinum member of the U.S. Green Building Council.

Toyota is pursuing LEED certification for the renovation of the vehicle logistics facility at the Port of Long Beach in California.

The parts distribution center in Ontario has earned Zero Carbon Building design certification from the Canadian Green Building Council.

## Toyota's North American Facilities With LEED® Certifications\*

BD+C = Building Design + Construction

ID+C = Interior Design + Construction

O+M = Operations and Maintenance

Toyota Facility	Location	Year Certified	Certification Level
Toyota Motor Manufacturing Mississippi Experience Center**	Tupelo, Mississippi	2024	BD+C Platinum
Eastern Canada Parts Distribution Center	Clarington, Ontario (Canada)	2023	BD+C Gold
Production Engineering & Manufacturing Center	Georgetown, Kentucky	2019	BD+C Platinum
Toyota Supplier Center	York Township, Michigan	2019	BD+C Platinum
Toyota Motor North America Headquarters (Office Towers, High Bay Evaluation Building, Vehicle Delivery Center)	Plano, Texas	2017	BD+C Platinum
Toyota Motor North America, Inc.	Washington, D.C.	2016	ID+C Silver
Chicago Service Training Center	Aurora, Illinois	2015	BD+C Gold
Lexus Eastern Area Office	Parsippany, New Jersey	2014	ID+C Platinum
Toyota Kansas City Training Center	Kansas City, Missouri	2012	BD+C Gold
Toyota Inland Empire Training Center	Rancho Cucamonga, California	2010	ID+C Gold
Toyota Technical Center	York Township, Michigan	2010	BD+C Gold
Toyota Racing Development North Carolina	Salisbury, North Carolina	2010	BD+C Certified
Lexus Florida Training Center	Miramar, Florida	2009	ID+C Gold
Toyota Phoenix Training Center	Phoenix, Arizona	2009	ID+C Silver
North America Production Support Center	Georgetown, Kentucky	2006	ID+C Silver
Portland Vehicle Distribution Center	Portland, Oregon	2004	BD+C Gold

\* As of June 30, 2024

\*\* Toyota Motor Manufacturing Mississippi Experience Center received its LEED certification on April 16, 2024.

## Compliance

### GRI 2-27

Many of Toyota's activities in vehicle development, manufacturing and logistics are subject to local, state, provincial and federal laws that regulate chemical management, air emissions, water discharges, storm water management, greenhouse gas emissions, and waste treatment and disposal. These regulations vary by facility based on the type of equipment operated and the functions performed.

In this report, we disclose the number of environmental violations received by TMNA in the U.S., Canada and Mexico that we consider significant, meaning the violation resulted in a fine of USD \$5,000 or more and in air or water pollution. We report violations in the year in which they occurred or the penalty is paid, which may require prior year adjustments should a penalty be assessed in a year following the violation itself.

The number of violations has been adjusted for fiscal years 2021 and 2022.

### Environmental Violations Resulting in Air or Water Pollution

Fiscal Year	Number of Violations
2020	0
2021	3
2022	1
2023	0
2024	1



# Stakeholder Engagement

## GRI 2-28, 2-29

In North America, Toyota engages with a range of stakeholders on our environmental sustainability strategy and initiatives. Our engagement takes many forms, from one-on-one meetings to hosting summits, attending group meetings and conference, and collaborating on projects. We value their insights and make adjustments to our strategy and plans as appropriate.

Category of Stakeholders	Frequency of Engagement	Key Topics	Type and Purpose of Engagement
Team members	Continuous	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Climate change</li> <li>Energy efficiency</li> <li>Waste/ circular economy</li> <li>Water</li> </ul>	We engage with team members (the term we use to refer to employees) to educate them about the importance of environmental sustainability and to solicit their input and expertise to help us meet our goals and targets. Our business partnering group, Toyota Environmental Resources for Responsible Actions (TERRA), has chapters at several locations in North America and provides a forum to raise awareness about environmental initiatives and encourage team members to create and launch new environmental sustainability programs.
Customers	Continuous	<ul style="list-style-type: none"> <li>Climate change</li> <li>Electrification</li> </ul>	Customers and consumers are increasingly concerned about global issues such as climate change and are looking for large companies to offer low carbon solutions. We engage with customers to educate them about our hybrid technology and alternative powertrain vehicles. We also educate them about how we are reducing our environmental impacts across the vehicle life cycle. Additionally, through customer surveys, we gather their opinions on a wide range of topics, including their level of environmental awareness and their knowledge of and interest in electrified vehicles.
Suppliers	Continuous	<ul style="list-style-type: none"> <li>Climate change</li> <li>Renewable energy</li> <li>Sustainable materials</li> <li>Packaging</li> <li>Waste/ circular economy</li> </ul>	Toyota's North American supply chain represents a major part of our environmental footprint in the region. We engage with suppliers to help us reduce our environmental impacts across the vehicle life cycle. We are working with suppliers to gather information on their GHG emissions to help us calculate our Scope 3 emissions from purchased goods. We also partner with them to use more sustainable materials in vehicle parts and we collaborate with them on efforts to reduce waste and packaging. We also engage with suppliers through Suppliers Partnership for the Environment, which provides a forum for global automotive manufacturers, their large and small suppliers, the U.S. Environmental Protection Agency (EPA) and other government entities from around the world to work together towards a shared vision of positive environmental contributions in the automotive industry.
Dealerships	Continuous	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Climate change</li> <li>Community outreach</li> <li>Renewable energy consumption</li> <li>Water use</li> <li>Waste</li> <li>Indoor air quality</li> </ul>	We engage with dealerships through our Dealer Environmental Excellence Program (D.E.E.P.), which provides guidance and incentives to Toyota and Lexus dealerships and recognizes them for positive environmental performance. The program targets operational improvement in four categories: energy, water, waste and community. Participating dealerships can earn up to five stars in each category for tracking environmental performance data, achieving minimum performance benchmarks, implementing improvement projects and aligning with the Toyota Environmental Challenge 2050. We began recognizing high performing dealers in 2022.
Regulatory agencies	Continuous	<ul style="list-style-type: none"> <li>Compliance and permitting</li> <li>Electrification</li> <li>Fuel efficiency/vehicle GHG emissions</li> </ul>	We engage with regulatory agencies at the federal, provincial, state and local levels to secure necessary environmental permits and strive to comply with regulatory requirements. We also engage with regulators on the content of proposed rules to facilitate collaboration and understanding.
Investors	Continuous	<ul style="list-style-type: none"> <li>Climate change</li> <li>Electrification</li> </ul>	TMNA engages with investors, including environmental, social and governance (ESG)-focused investors, to respond to requests for information and to keep them apprised of our vehicle electrification plans.
Local communities	Continuous	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Climate change</li> <li>Recycling</li> <li>Water</li> </ul>	We engage with communities through outreach activities conducted locally by individual sites. These activities allow us to volunteer and share know-how in support of our efforts to create positive impacts in the areas of Carbon, Water, Circular Economy and Biodiversity.

Category of Stakeholders	Frequency of Engagement	Key Topics	Type and Purpose of Engagement
Nonprofit organizations	Continuous	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Climate change</li> <li>Water</li> </ul>	<p>We engage with nonprofit organizations in support of our efforts to help achieve positive impacts in the areas of Carbon, Water, Circular Economy and Biodiversity. Examples include <b>World Wildlife Fund, Wildlife Habitat Council, Pollinator Partnership, The Nature Conservancy,</b> and <b>National Environmental Education Foundation.</b></p>
Associations	Continuous	<ul style="list-style-type: none"> <li>Climate change</li> <li>Electrification</li> <li>Hydrogen and fuel cell technologies</li> <li>Renewable energy</li> </ul>	<p>TMNA is a member of trade and other membership associations to educate others about our efforts and positions, help them develop climate-related and other policy positions, participate in research and other projects, and leverage their expertise to help us scale up our efforts to reduce our environmental impacts. These associations include but are not limited to:</p> <p><b>Alliance for Automotive Innovation</b>  <b>Automotive Industry Action Group (AIAG)</b>  <b>California Electric Transportation Coalition (CaETC)</b>  <b>CALSTART</b>  <b>Clean Energy Buyers Alliance (CEBA)</b>  <b>Environmental Law Institute (ELI)</b>  <b>Portable Rechargeable Battery Association (PRBA)</b>  <b>Resources for the Future (RFF) (TMNA is a member of RFF's Business Leadership Council)</b>  <b>Suppliers Partnership for the Environment (SP)</b>  <b>Transportation Energy Institute</b>  <b>VELOZ</b></p> <p>TMNA and TCI are also members of several industry associations that foster the development and deployment of hydrogen and fuel cell technologies. These include but are not limited to:</p> <p><b>California Hydrogen Business Council (CHBC)</b>  <b>California Hydrogen Coalition (CHC)</b>  <b>Fuel Cell &amp; Hydrogen Energy Association (FCHEA)</b>  <b>Hydrogen Forward</b>  <b>Renewable Hydrogen Alliance (RHA)</b>  <b>Canadian Hydrogen Association (CHA)</b></p>





Sustainable Development Goals 7 and 13 seek to accelerate the transition to sustainable energy sources and combat climate change. By finding ways to increase our use of renewable energy and reduce GHG emissions, we are working at every stage of the vehicle life cycle to help the world transition to a low carbon future.

CARBON



# Commitment to Carbon Neutrality

## GRI 3-3

In this report, we use the term “CARBON” to refer to emissions of greenhouse gases (GHGs), including carbon dioxide (CO<sub>2</sub>), the main GHG linked to climate change. Transportation is responsible for nearly one quarter of the world’s GHG emissions and as an automotive company, Toyota is committed to doing our part to help the world transition to a low carbon economy. In North America, we aim to be carbon neutral at all of our North American facilities by 2035 and across the vehicle life cycle no later than 2050.

Carbon neutral means we aim to reduce our Scope 1 and 2 emissions to the greatest extent possible, then rely on offsets, if necessary, to get us to zero GHG emissions. We also include Scope 3 emissions in our carbon neutrality target so that by 2050, we aspire to be carbon neutral across our vehicle life cycle.

### TMNA is addressing carbon emissions in the following ways:

**1 Reducing tailpipe CO<sub>2</sub> emissions by introducing more electrified<sup>5</sup> vehicles and by making our internal combustion engines more fuel efficient:** Zero emissions from our vehicles is the ultimate goal. Offering a range of low emission vehicles, including fuel cell vehicles, hybrid vehicles, plug-in hybrid vehicles and battery electric vehicles, allows us to use our limited battery resources to put more cars on the road that reduce carbon emissions in the short term. For more on our portfolio approach, see our story, [Our Path to Carbon Neutrality](#).

**2 Reducing GHG emissions from our operations by investing in on-and off-site solar and wind projects, implementing energy efficiency projects and investigating ways to reduce our thermal load:** We have a goal that all of our North American facilities will be carbon neutral by 2035. See our story on the [Toyota Port Facility in California](#) that is running on 100% renewable energy, thanks in part to a Tri-gen system.

“**Toyota aims to be carbon neutral across the vehicle life cycle no later than 2050.”**

**3 Partnering with suppliers and dealers to reduce GHG emissions from our value chain:** Toyota requires direct parts, materials and accessory suppliers to commit to reducing CO<sub>2</sub> emissions by at least 3% per year. We have set a target for logistics suppliers to reduce emissions from the transportation and distribution of parts, accessories and finished vehicles by 15% by FY2026, and another target for our dealers to participate in our Dealer Environmental Excellence Program (D.E.E.P), which encourages improvements in environmental performance, including energy efficiency and GHG emissions reductions. For information on how we’re reducing emissions from logistics, see our story on [Zero-Emissions Trucking](#).

### TMNA’s Carbon Position Statement:

Transportation is responsible for about one quarter of the world’s GHG emissions and as an automotive company, TMNA is committed to doing our part to help the world transition to a low carbon economy. TMNA acknowledges climate change as a priority management issue and supports the goals of the Paris Agreement, a pact adopted by 196 countries affirming the goal to keep warming well below 2° Celsius, and to pursue efforts to limit warming to 1.5° Celsius.

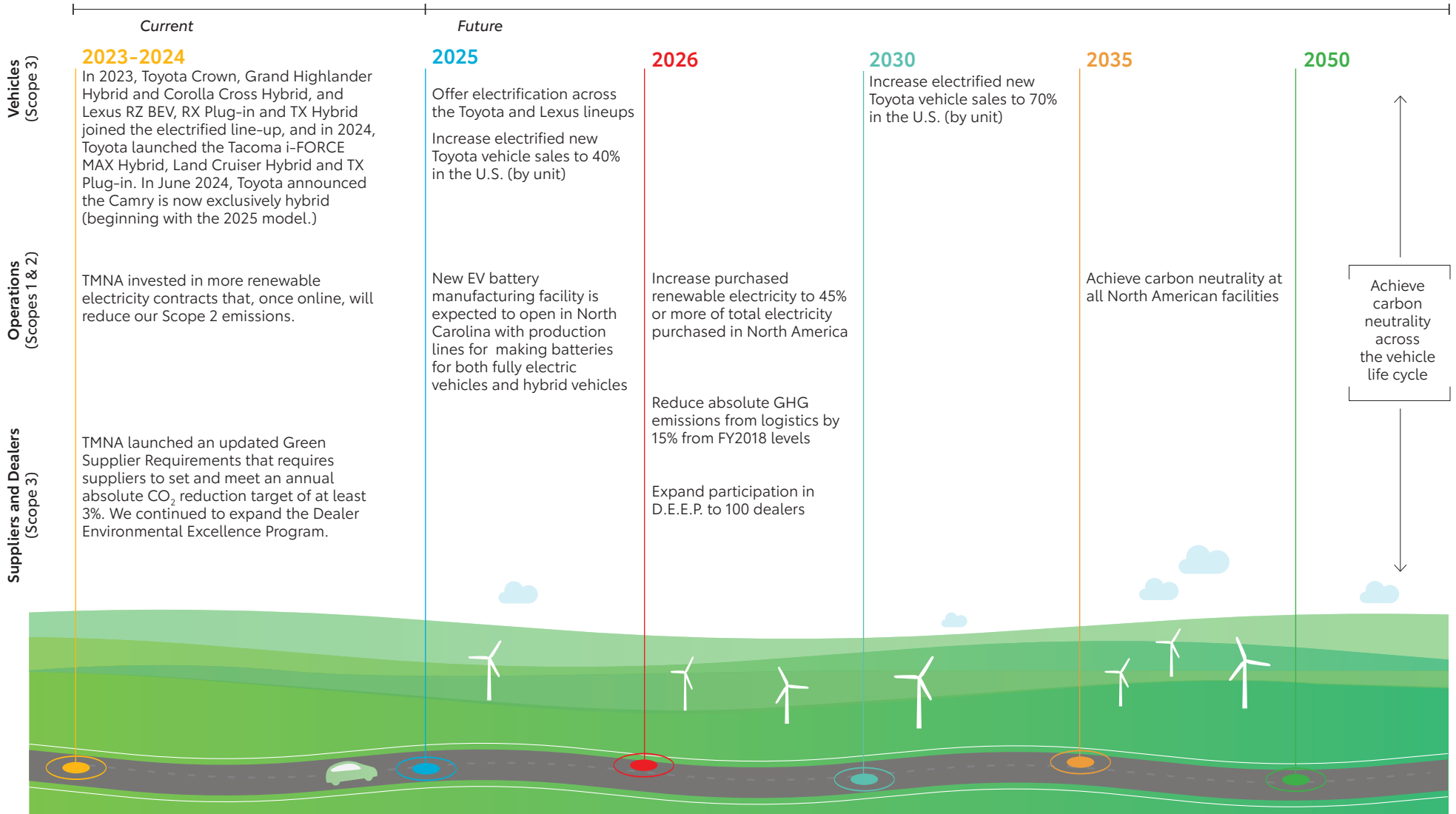


Toyota Port Facility in California

<sup>5</sup> The term “electrified” refers to a range of technologies that use electricity to propel a vehicle. Electrified vehicles include hybrid, plug-in hybrid, battery electric, and fuel cell electric vehicles.

# Our Path to Carbon Neutrality

Toyota as a company aims to achieve carbon neutrality globally by 2050. In North America, we strive to meet a number of milestones to put us on the right path.<sup>6</sup> See our story, [Our Path to Carbon Neutrality](#), for more information.



<sup>6</sup> Toyota's carbon targets, milestones and statements set forth in this chart and on the following pages are forward-looking and relate to the manner in which Toyota intends to conduct certain of its activities based on management's current plans and expectations. They are not promises or guarantees of future conduct or policy, and are subject to a variety of uncertainties and other factors which may make them unattainable, many of which are beyond our control, including government regulation, supplier and third-party actions, and market forces. See the Forward-Looking Statements warning on page 2 of this report.

TARGET

# Carbon Targets

GRI 3-3

## Vehicles

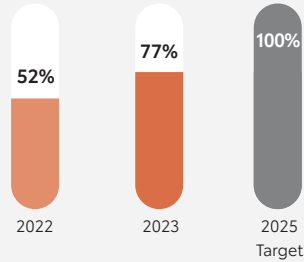
Our vehicle targets are to:

- Offer electrification across the Toyota and Lexus lineups by around 2025.
- In the U.S., achieve 40% electrified new Toyota vehicle sales by 2025 (by unit, excluding performance vehicles).

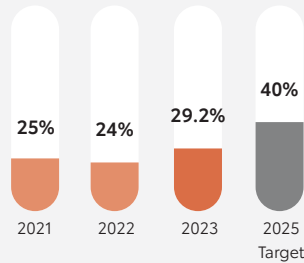
At the end of 2023, there were 26 Toyota and Lexus models with an electrified option on the market in North America, with more on the way, and of all Toyota and Lexus models available, 77% of them either had an electrified option or were only available as a hybrid, plug-in, fuel cell or battery electric vehicle. In 2023, 29.2% of Toyota and Lexus vehicle sales in the U.S. and nearly 44% in Canada were electrified vehicles (hybrid, plug-in, fuel cell or battery electric).

CO<sub>2</sub> emissions per mile from TMNA's fleet have decreased 21% since model year 2019. For information on fleet GHG emissions, see [GHG Emissions Data](#).

### % of Toyota + Lexus Models with Electrified Options



### % of New Toyota Vehicles Sold in the U.S. that are Electrified





TARGET

Operations

Our operations targets are to:

- Increase purchased renewable electricity to 45% or more of total electricity purchased by FY2026.
- Achieve carbon neutrality at all North American facilities by 2035.

As of the end of FY2024, the portion of electricity purchased by TMNA that was renewable was 7.2%. This percentage is currently expected to increase significantly by the end of FY2026 as more virtual power purchase agreements and other renewable electricity contracts come online. See our story on [Renewable Electricity](#).

Total Scope 1 and 2 GHG emissions decreased by less than 1% in FY2024 compared to FY2023.

Globally, Toyota has a target validated by the Science Based Targets initiative to reduce absolute Scopes 1+2 emissions by 68% by 2035, from a calendar year 2019 baseline. In North America, our Scopes 1+2 emissions in FY2024 were 14% less than in 2019. This is due to GHG efficiency measures, installation of more renewable energy onsite, and increases in renewable electricity purchases.

Toyota North America GHG Emissions (Scopes 1+2, MT CO<sub>2</sub>e)



Sheep grazing near on-site solar panels at Toyota Motor Manufacturing West Virginia

## TARGET

## Upstream &amp; Downstream

**Logistics Target: Reduce absolute GHG emissions from logistics by 15% from FY2018 levels, by FY2026:**

When we set this target, we planned on being able to convert our trucking fleet (both owned and third party) from diesel to hydrogen fuel cell or battery electric powertrains. However, hydrogen and electric powertrains for trucks are now forecasted to be available only in limited quantities during this action plan period and we therefore will not meet this target.

Regulations in California require us to convert our trucking fleet to zero emission vehicles in stages between 2025 and 2039. We are developing a plan to comply with these regulations. While we wait for more zero emission powertrains to become available, we are exploring other options for reducing GHG emissions from logistics activities. We are developing a strategy for the next action plan period that will combine a more gradual conversion to hydrogen fuel cell and electric powertrains with other GHG reduction opportunities, such as potentially transportation mode changes, further optimizing route planning, increasing pallet efficiency and pallet utilization, carbon capture, and aerodynamic improvements. We will disclose our new target and begin reporting on progress at the beginning of the next five-year environmental action plan, in our 2027 report.

**Supplier Target: Require suppliers to set and meet an annual absolute reduction target of at least 3% for Scope 1 and 2 CO<sub>2</sub> emissions.**

This requirement has been added to our Green Supplier Requirements. We began collecting supplier CO<sub>2</sub> data in FY2022. In FY2024, we received data from over 75% of our suppliers by spend. We are working on increasing the number of suppliers submitting data and continue to track suppliers' progress on reducing emissions.

**Dealer Target: Expand participation in the Dealer Environmental Excellence Program to 100 dealerships by FY2026.**

As of the end of FY2024, 74 dealers were active in our Dealership Environmental Excellence Program (D.E.E.P.). These 74 dealers have reduced their use of electricity generated from non-renewable sources by 20% (calculated as the percent difference between the sum of the current year's non-renewable electricity use by all dealers in the program and the sum of non-renewable electricity used by all dealers in their chosen baseline period). We continue to encourage dealers to join the program.



Swope Toyota, Elizabethtown, Kentucky

## GHG Emissions Data

GRI 305-1, 305-2, 305-3, 305-4, 305-5

Toyota in North America uses The GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition (published by the World Resources Institute and the World Business Council for Sustainable Development) to develop an annual GHG emissions inventory. We follow the financial control approach.

Scopes 1 and 2 emissions are in metric tons CO<sub>2</sub>e.

Scope 1 sources include stationary combustion (such as burning natural gas for energy) as well as owned mobile sources (such as Toyota-owned fleet vehicles and owned logistics trucks).

Scope 2 emissions include consumption of purchased electricity from Toyota sites in North America. Scope 2 emissions are reported using the location-based approach. Indirect emissions from electricity used at Toyota's U.S. locations are calculated using U.S Environmental Protection Agency (EPA) eGRID emission factors. For sites in Canada, provincial emission factors are sourced from Canada's National Inventory Report, and for Mexico, a country-specific emission factor is sourced from the International Energy Agency, 2023 (data is released in September of each year).

Three of Toyota's U.S. manufacturing plants are classified as large emitters and as such, are required to report GHG emissions data under U.S. EPA's Greenhouse Gas Reporting Program. Individual plant data for our assembly plants in Kentucky, Texas and Indiana are available on the U.S. EPA's website through its online data publication tool.

In Canada, Toyota's Cambridge and Woodstock, Ontario, plants are required to report under Environment Canada and Climate Change's Greenhouse Gas Emissions Reporting Program and Output Based Pricing System; both plants are also required to report GHG emissions to the province of Ontario under its Environmental Protection Act.

Scope 3 emissions for category 1, purchased goods and services, are being collected from suppliers and are expected to be reported in future reports. See the [Environmental Metrics Table](#) for Scope 3 emissions from category 4, upstream transportation and distribution, category 11, use of sold products, and category 14, franchises (dealerships).

## Scope 1 + 2 GHG Emissions

Metric Tons CO<sub>2</sub>e

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1	434,000	409,000	387,000	445,353	370,583	355,743
Scope 2 Location-based	783,000	697,000	627,000	618,729	676,290	690,442
<b>TOTAL (Sc 1 + 2)</b>	<b>1,217,000</b>	<b>1,106,000</b>	<b>1,014,000</b>	<b>1,064,082</b>	<b>1,046,873</b>	<b>1,045,861</b>

**Scope:** All Toyota North America locations, including assembly and unit plants, offices and warehouses

## GHG Emissions Intensity

	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
GHG Intensity	0.66	0.62	0.63	0.62	0.59	0.53

**Numerator:** Metric Tons Scope 1+2 CO<sub>2</sub>e emissions from all Toyota North America locations, including assembly and unit plants, offices and warehouses

**Denominator:** Number of vehicles produced in North America

## GHG Emissions From Logistics

Metric Tons CO<sub>2</sub>e

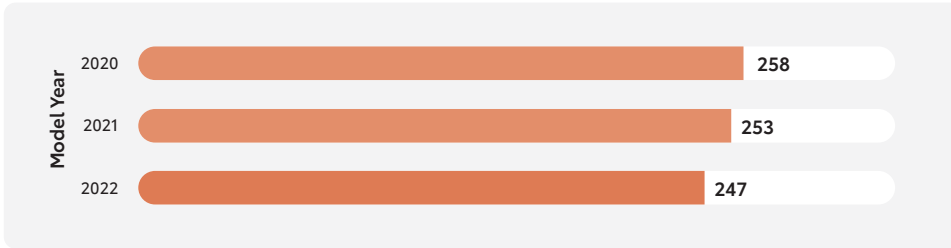
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Emissions from Logistics (Scopes 1 and 3)	741,706	818,862	729,858	670,570	807,388	763,099	883,518
Emissions from Logistics (Scope 3 only)					800,344	752,806	872,438

**Scope:** Owned and third-party service parts and vehicle transport (e.g., trucking and rail). Mobile sources only.



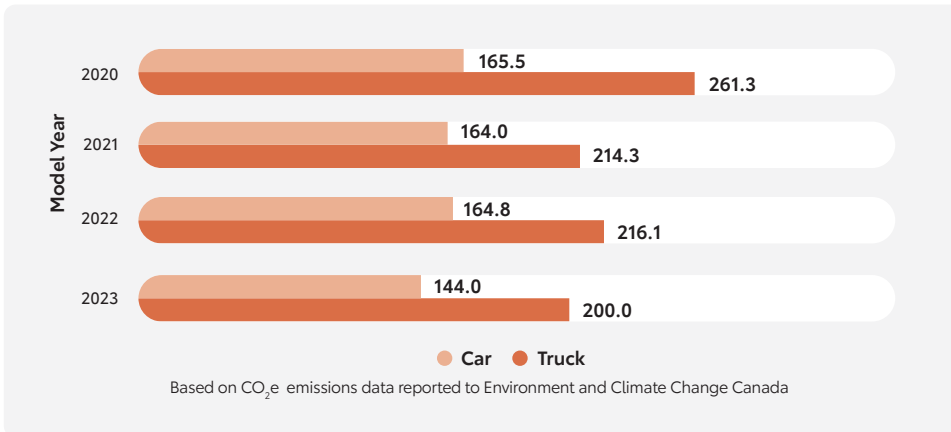
Federal governments in the U.S., Canada and Mexico have adopted GHG emissions and fuel economy standards; the regulations in Canada and Mexico are similar to the federal regulations in the U.S.

### U.S. Fleet CO<sub>2</sub> Data (Annual Grams CO<sub>2</sub> per Mile)



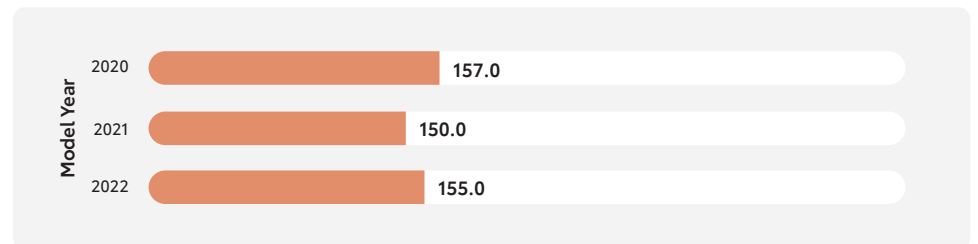
The U.S. Fleet CO<sub>2</sub> Data chart shows GHG performance of Toyota’s U.S. vehicle fleet under the U.S. EPA GHG program. The annual GHG compliance values account for real-world GHG benefits from off-cycle technologies, such as air conditioning and aerodynamic improvements, not observed over the official tailpipe CO<sub>2</sub> testing conditions.

### Canada Fleet CO<sub>2</sub>e Data (Annual Grams CO<sub>2</sub>e per Mile)<sup>7</sup>



2024 Toyota Sienna Platinum

### Mexico Fleet CO<sub>2</sub> Data (Annual Grams CO<sub>2</sub> per Kilometer)



<sup>7</sup>Environment and Climate Change Canada updated fleet GHG data for model year 2022, resulting in a change from what we reported last year as 163.8 to 164.8 g CO<sub>2</sub>e/mile

# Air Quality

GRI 305-7

## Criteria Pollutant Tailpipe Emissions

Hydrocarbons, nitrogen oxides (NOx) and carbon monoxide — all byproducts of fuel combustion — can be linked to various air quality issues such as smog formation as well as various health effects. Limiting criteria pollutant emissions from our vehicle tailpipes helps to reduce some of the environmental impacts of driving.

The U.S. EPA and the state of California have certification programs to categorize vehicles in terms of their level of tailpipe emissions, and Environment and Climate Change Canada has issued Tier 3 regulations aligned with the final U.S. Tier 3 rule.

While the EPA Tier 3 and California Low Emission Vehicle III (LEV III) regulations have different nomenclature for categorizing vehicle emissions, the bins include the same vehicle emission groupings. The regulations set declining emission standards from 2017 through 2025, when the NMOG + NOx average for both sets of vehicles will become 30 mg/mi.

The EPA Tier 3 vehicle standards were intended to be harmonized with California's Low Emission Vehicle program and create a federal vehicle emissions

program that allows automakers to sell the same vehicles in all 50 states. Toyota's goal is to maintain flexibility to build vehicles based on customer preferences. In setting tailpipe emission regulations, we believe standards should be performance-based and consider the interaction with other vehicle rules — such as fuel economy/ greenhouse gas standards — to ensure the total package of requirements is effective and acceptable to the consumer. Fuels must be considered with vehicle technologies as a holistic system. Reduced sulfur levels in gasoline, required by the federal Tier 3 and California LEV III programs, are enabling the aftertreatment systems being designed for compliance.

Toyota annually complies with the state of California, U.S. and Canadian vehicle criteria pollutant emissions standards.

On March 20, 2024, EPA finalized the multipollutant rule for 2027 through 2032 model year passenger cars and light-duty trucks. The final rule includes tailpipe standards for both greenhouse emissions and criteria pollutants. The Tier 4 standards require NMOG + NOx emission to phase down from 30 mg/mi in 2026 model year to 15 mg/mi in 2032 model year, a 50% reduction. The PM standard is phased in as a percentage of the new vehicle fleet with 100% of the fleet required to meet the 0.5 mg/mi standard starting 2030 model year. Gasoline particulate filters will be necessary to comply with the PM standard. The CO standard is set at 1.7 g/mi over the Federal Test Procedure and 9.6 g/mile over the US06 test. These standards will require additional investment in ICEs as we shift resources to the electrification of the fleet.

The 2024 "Greenest List", published by the American Council for an Energy Efficient Economy (ACEEE), names Toyota Prius Prime SE and Lexus RZ 300e as the top two vehicles on the list.

## “Toyota and Lexus have six of the 12 vehicles on ACEEE's Greenest List.”

The list also includes Toyota bZ4X, Toyota RAV4 Prime, Toyota Camry LE Hybrid and Toyota Corolla Hybrid, giving Toyota and Lexus six of the 12 vehicles making the list. To calculate GreenerCars scores, ACEEE evaluates each model year 2024 car on its cost to human health from air pollution associated with vehicle manufacturing and disposal, the production and distribution of fuel or electricity, and vehicle tailpipe emissions. On that basis, ACEEE assigns a Green Score to more than 1,200 model year 2024 cars, including cars fueled solely by gasoline or diesel, gas-fueled hybrids with electric motors, plug-in hybrids powered by both gas and electricity from the grid, and all-electric vehicles.

Each year, Natural Resources Canada recognizes the most fuel-efficient new light-duty vehicles sold in Canada, and in 2024, three Toyota models made the list: Toyota Corolla Hybrid (compact), Toyota Highlander Hybrid AWD and Toyota Highlander Hybrid AWD Limited/Platinum (SUV: standard), and Toyota Sienna (Minivan).

## Volatile Organic Compounds (VOCs)

In our operations, the primary concern with non-greenhouse gas air emissions is smog. Smog is formed as particulate matter, nitrogen oxides and volatile organic compounds (VOCs) react with sunlight. Smog has been linked to several health issues and is particularly prevalent in dense urban areas with heavy traffic, industrial activity and sunny, warm climates.

Vehicle body painting operations generate most of Toyota's VOC emissions. VOC emissions from vehicle body painting increased 8.6% from the previous year due to new model introductions across North America.

In previous reports, we disclosed average VOCs in grams VOC per square meter of vehicle surface area coated. We have updated our reporting to total metric tons VOCs emitted to align with the way VOC emissions are reported globally by TMC.

### VOC Emissions (Metric Tons)

YEAR	Metric Tons VOCs
FY2022	2,498.3
FY2023	2,622.9
FY2024	2,848.3





Sustainable Development Goal 6 seeks to “ensure availability and sustainable management of water and sanitation for all.” By finding ways to increase water-use efficiency, improve water quality and protect water-related ecosystems, we are helping to build a more sustainable future for society, business and the planet.

An aerial photograph of a large, calm body of water, possibly a reservoir or a wide river, surrounded by green and brown vegetation. A dirt road runs along the left side of the water. In the background, there are low mountains under a clear blue sky.

WATER



# Commitment to Water as a Shared Resource

GRI 3-3, 303-1, 303-2

In North America, Toyota is moving beyond an onsite water management approach to one of site and watershed water stewardship. To us, water stewardship means using water in a way that is socially equitable, environmentally sustainable and economically beneficial, and is achieved through working with stakeholders on site- and watershed-based actions.

We are committed to engaging in and supporting efforts that reduce and recycle water used in our facilities, protect water bodies, invest in education and awareness, and share best practices with others.

As the availability of clean water becomes more and more important to Toyota communities across the region, we will continue to follow the principles set forth by the Alliance for Water Stewardship (AWS) International Water Stewardship Standard. We are currently piloting our water stewardship approach at our assembly plant in Baja California, Mexico, and plan to roll out this approach to additional sites in the future.

**We aim to limit negative impacts to the environment and promote positive ones by:**

**1 Improving water efficiency in direct operations and using recycled/reused water when applicable.** See our stories on how the [assembly plant in Indiana is saving 54.3 million gallons of water annually](#) and how a [membrane bio reactor helps us recycle 23 million gallons annually at the assembly plant in Baja California](#).

**2 Assisting our major suppliers and dealers with adopting these same commitments.** When we launched the updated [Green Supplier Requirements](#) in April 2022, we included a new requirement for suppliers to track water withdrawal, discharge and consumption volumes. We also request that they develop water reduction plans and targets. We are also asking dealerships participating in our [Dealer Environmental Excellence Program](#) to track their water use and develop reduction plans.

**3 Engaging with communities, NGOs and strategic partners to conserve, restore and protect water and water-related ecosystems.** Our outreach activities are a vital part of our commitment to collective action to solve local water challenges. See how we're supporting [The Nature Conservancy to restore water flows in the Colorado River Delta](#).

TARGET

## Water Target

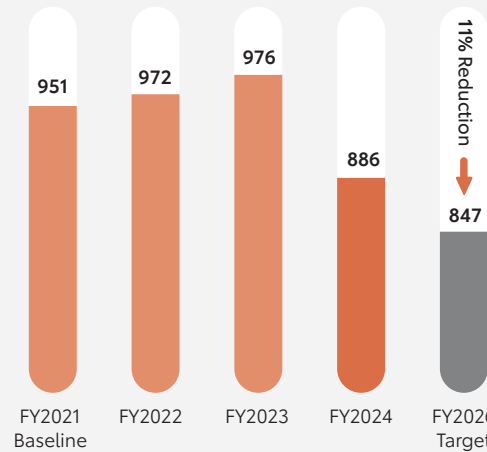
GRI 3-3

**Our water target for fiscal years 2022 to 2026 is to reduce water use per unit of vehicle production by 11% from FY2021 levels.**

In FY2024, our North American facilities (both production and non-production sites) used 886 gallons to produce a Toyota or Lexus vehicle. This 6.8% reduction compared to the target baseline is due to a combination of recycling and reusing more water at our assembly plant in Texas, implementing other process kaizens in our paint shops and an increase in vehicle production. We will continue to seek opportunities for reducing water withdrawal.

### Water Intensity

(Gallons of Water Withdrawn per Vehicle Produced)



Scope: All Toyota North America locations, including assembly and unit plants, offices and warehouses

# Water Risk Assessment

GRI 3-3, 303-1, 303-2

We assessed water risks in North America using two tools - World Resources Institute's (WRI) Aqueduct™ Water Risk Atlas (version 3.0) and the WWF's Water Risk Filter (version 5.0). Using these two tools and other publicly available information, we have been able to conduct a high-level assessment of water risks for our operations and dealerships.

“Our internal water stewardship efforts focus on the sites with high overall water risk.”

## Water Risk Assessment of Operations & Dealerships



**TMNA** uses water mainly in manufacturing processes and for cooling, plus a smaller amount for landscape irrigation, sanitation and drinking water. According to the Water Risk Atlas, 55 sites, including one manufacturing plant in California and two in Mexico, have extremely high baseline water stress.\* In FY2024, 20 sites representing almost 9% of the water Toyota withdrew in North America were in areas of extremely high or high overall water risk. Our internal water stewardship efforts are focused on these 20 sites.



**Dealers** use limited water in their operations, mainly for sanitary purposes and car washing. Over 200 dealerships are in areas of extremely high baseline water stress. According to the Water Risk Atlas, this number is expected to grow to over 500 by 2040.

\* According to WRI's Water Risk Atlas, **baseline water stress** measures the ratio of total water withdrawals to available renewable surface and ground water supplies. Higher values indicate more competition among users. **Overall water risk** measures all water-related risks by aggregating all selected indicators from the Atlas' Physical Quantity, Quality and Regulatory & Reputational Risk categories.



Toyota engages with The Nature Conservancy to restore water flows in the Colorado River Delta.

# Water Withdrawal, Discharge & Consumption

GRI 303-3, 303-4, 303-5

In North America, most of Toyota’s water use occurs in manufacturing, primarily for painting and for cooling buildings and processes. We conduct water use assessments at our manufacturing locations to help us identify opportunities to reduce water withdrawals and increase recycling.

We also use a small amount of water for landscape irrigation and for drinking water and washrooms. Across the region, we are converting to native, drought-resistant species wherever possible to reduce artificial irrigation.

In FY2024, Toyota withdrew over 1.7 billion gallons of water at North American facilities, including manufacturing plants, R&D centers, parts and vehicle distribution centers, service training centers and offices. This is a 2% increase compared to FY2023.

Approximately 93% of total water withdrawal came from municipal sources (both fresh and non-potable recycled water from utilities); the remaining withdrawals came from surface water bodies, groundwater and rainwater.

In FY2024, 20 sites were in areas of “extremely high” or “high” overall water risk (based on WRI’s Water Risk Atlas). These sites withdrew almost 9% of all the water withdrawn by Toyota North American sites.

Water withdrawal volumes were compiled primarily from water utility invoices. For rainwater, measurements are taken from the collection units.

We treat certain wastewater streams on-site and discharge wastewater to publicly owned treatment works. Water discharge is either measured by meters or, in the case of nonproduction facilities, estimated based on occupancy. Water is consumed primarily through evaporation from manufacturing processes and building cooling systems. Consumption is calculated by subtracting discharge from withdrawal volumes.

## Water Use (Gallons)

	FY2020	FY2021	FY2022	FY2023	FY2024
Water Withdrawal	1,766,238,000	1,526,868,000	1,675,947,000	1,711,242,000	1,745,506,000
Water Discharge	1,173,877,000	1,241,390,000	1,159,073,000	1,255,388,000	1,329,231,000
Water Consumption	592,361,000	285,478,000	516,874,000	455,854,000	416,275,000

**Scope:** All Toyota North America locations, including assembly and powertrain plants, offices and warehouses. Excludes a few small sites where data is not available.

## Water Use In Water - Stressed Areas (Gallons)

	FY2021	FY2022	FY2023	FY2024
Water Withdrawal	124,859,000	117,391,000	115,619,000	148,785,000
Water Discharge	93,019,000	75,968,000	63,383,000	118,294,000
Water Consumption	31,840,000	41,423,000	52,236,000	30,491,000

**Scope:** Toyota North America locations, including assembly and unit plants, offices and warehouses, located in a water-stressed area. Excludes a few small sites where data is not available. In FY2024, there were 20 locations in water-stress areas.

**Water-stressed areas** were identified using WRI’s Aqueduct™ Water Risk Atlas and include sites with overall risk scores of “high” or “extremely high.”





Sustainable Development Goal 12 seeks to “ensure sustainable consumption and production patterns.” By finding ways to conserve natural resources, reduce waste and manage material flows in a sustainable manner, we are helping to create a circular economy that benefits people and the planet.

# CIRCULAR ECONOMY

# Commitment to Responsible Production

## GRI 3-3

In North America, Toyota strives to use responsible production practices involving environmentally sound management of goods provided by suppliers (such as steel, aluminum, plastic parts and other raw materials) and waste generated by our activities.

Our plants, warehouses and R&D sites across North America have mature governance organizations and management systems in place to help handle chemicals and wastes safely and in compliance with applicable federal, state, provincial and local regulations. We look for ways to reduce the use of substances of concern, eliminate waste at the source, and reuse and recycle.

TMNA's Environmental Sustainability, Materials Engineering, and Procurement departments work together with suppliers to help reduce the use of packaging materials, identify sustainable materials for use in vehicle parts, manage substances of concern, and reduce, reuse and recycle waste.

### TARGET

## Circular Economy Targets

### GRI 3-3

#### Plastics

**Our plastics target for fiscal years 2022 to 2026 is to reduce single-use plastics at on-site food services by 75%, from a 2019 baseline.**

Plastic is not biodegradable, can be difficult to recycle, and is associated with ocean pollution. That's why we are working on reducing plastics wherever we can. This target covers single-use plastics used in our cafeterias.

We are on track to achieve our target to reduce single-use plastics at on-site food services by 75%. We have replaced plastic water bottles in most cafeterias with aluminum; most to-go containers are biodegradable; and most plastic cutlery has been replaced. We are still working on replacing plastic bottles in vending machines.

## Packaging

**Our packaging target for fiscal years 2022 to 2026 is to reduce procurement of single-use packaging materials by 25% from FY2018 levels.**

We developed this target to help us reduce waste and lessen the environmental impacts of shipping parts and materials. It is difficult to capture data for all of the different types of packaging used to ship parts and accessories, so we are focusing on the largest source of packaging waste: single-use packaging. Single-use packaging can include cardboard boxes, wooden pallets, paper and plastic wrap, among other things.

We have reduced the use of single-use packaging materials by approximately 22% compared to the FY2018 baseline. One way we have reduced single-use packaging is by expanding our use of returnable packaging modules. We now

use returnable packaging modules instead of wooden pallets, cardboard boxes and racks to ship parts for export.

TMNA is a member of Suppliers Partnership for the Environment (SP) and participates in the Sustainable Packaging Work Group to further SP's efforts to promote the design and use of sustainable packaging. This group created a set of recommendations to help auto manufacturers and suppliers minimize automotive packaging waste and address barriers to recyclability in the design phase. SP released the [Sustainable Packaging Specification Recommendations for Automotive Expendable Packaging](#) in October 2023 and Version 3.0 of the [Sustainable Packaging Specification Recommendations for Automotive Manufacturing Operations](#) in February 2024.

### Single-Use Packaging Material (Metric Tons)





## TARGET

## Battery Recycling

### GRI 301-3

**Our hybrid vehicle battery recycling target for fiscal years 2022 to 2026 is to implement a closed-loop battery recycling program to support our new battery manufacturing plant in North Carolina.**

Rare earth metals are necessary components in hundreds of products across a wide range of applications, especially high-tech consumer products like electric vehicles. Toyota promotes the collection of these rare earth metals used in electric vehicles, with the aim of creating closed-loop recycling systems that reduce the use of natural resources and increase resource input efficiency.

At TMNA, we are working with partners with the aim of creating a sustainable, closed-loop battery ecosystem. Initially, we are focusing on the collection, testing and recycling of Toyota hybrid electric vehicle batteries. We then plan to look to expand into other areas such as battery health screening and data management, remanufacturing and battery material supply throughout North America.

We are striving to seamlessly incorporate the use of recycled battery materials into our new battery plant in North Carolina, which is scheduled to begin production in 2025 and will produce batteries for hybrid electric vehicles and battery electric vehicles.

See our story on [How We Recycle Hybrid Vehicle Batteries](#) for more information on what happens to hybrid vehicles at end of life.

For more information about conflict minerals, see [Toyota's Conflict Minerals Report](#), filed with the U.S. Securities and Exchange Commission in May 2024.

## Sustainable Materials

### GRI 301-2

We strive to increase our use of sustainable materials, which include reclaimed materials and materials with recycled and/or renewable content. Using sustainable materials emphasizes using less as well as reducing toxic chemicals and environmental impacts across the whole life cycle.

Using sustainable materials helps conserve natural resources and contribute to a circular economy. According to the Alliance for Automotive Innovation, approximately 86% of an end-of-life vehicle's material content is recycled, reused or used for energy recovery. Our sustainable materials efforts seek to create closed loops within our industry, and even within our own plants, processes and vehicles.

We continue to develop and commercialize technologies that enable the use of sustainable materials with reduced environmental impacts in a range of vehicle components. For example, we currently use bio-based plastics — plastics derived either wholly or in part from plant materials — in the seat cushions in Toyota Prius, Corolla and RAV4, and in Lexus RX 350; and we currently use post-industrial garment clippings made of cotton and

synthetic fibers in door panel insulation, floor silencers and floor mats.

As members of Suppliers Partnership for the Environment (SP), we participate in the Materials Efficiency Work Group. In collaboration with the Automotive Industry Action Group (AIAG), work group members developed two guidance documents: [Measuring Renewable Content of Automotive Products](#) and [Measuring Recycled Content of Automotive Products](#). These documents are designed to outline a common industry-supported definition and approach for measuring renewable and recycled content in vehicles.

## Chemical Management

### GRI 3-3

Chemicals are utilized every day to produce parts and materials in Toyota and Lexus vehicles. We believe proper management of these chemicals is crucial in reducing their environmental impacts throughout the vehicle life cycle.

It's important for Toyota to understand the chemical content of the parts we receive from our suppliers. TMNA's Chemical Management Office (CMO) aims to track and visualize the development and growth of our suppliers' chemical management systems, in part, through the implementation of an annual chemical management supplier questionnaire.

As part of TMNA's five-year strategy to enhance the chemical management capabilities of our North American supply chain, CMO launched a KPI tracking tool to provide our suppliers with their

annual, in-depth performance data on the chemical management activities within our Green Supplier Requirements. This tool will also be utilized to recognize our high-performing suppliers through a new Excellence in Sustainability award program. These initiatives support our continued strong partnership with supplier partners and the broader goal for Toyota's North American supplier base to be world class in chemical management systems.

“  
We continue to develop and commercialize technologies that enable the use of sustainable materials in a range of vehicle components.”



# Waste

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Total waste generated by Toyota in North America increased 1.6% in calendar year 2023 compared to 2022, due in part to a large increase in vehicle production during the same time period.

We reused or recycled 93% of all waste in 2023. Only 1.98% of waste was sent to landfills for disposal, and 5.0% was incinerated, either with or without energy recovery.

By weight, steel is the largest raw material used to make Toyota and Lexus vehicles. It is also the largest waste stream, accounting for nearly 72% of all waste generated in 2023. We recycle 100% of the scrap steel waste generated.

We continue to prioritize reduce, reuse and recycle over disposal to lessen our

impact on the environment, optimize efficiency and save cost in our operations. We partner with our waste vendors, universities and others to help us find innovative ways to reduce, reuse or recycle our waste streams. See our stories, [Solving for the Solvent](#) and [Towards a Circular Economy](#), for examples of how we reduce, reuse and recycle.

We also engage with suppliers on waste reduction. In the most recent edition of our Green Supplier Requirements, we request all suppliers to decrease the amount of waste generated and increase the amount of waste recycled.

Waste data is collected on a calendar year basis. At North American manufacturing plants, distribution centers and warehouses, third-party waste management and recycling vendors provide waste data based on weight for most waste streams. At sales offices, we assume weights based on an estimated average waste per person.

## Waste Disposed (CY2023)

Pounds

	Landfill	Incineration
Regulated* Waste	7,776	10,112,664
Non-regulated Waste	16,784,126	32,246,812
TOTAL	16,791,902	42,359,476
<b>TOTAL WASTE DISPOSED</b>	<b>59,151,378</b>	

**Scope:** Toyota’s North American headquarters, manufacturing, R&D, sales and logistics sites in the U.S. and Canada. 2023 data also includes sales and distribution operations in Puerto Rico. Also includes data from manufacturing in Mexico. Data from non-manufacturing sites in Mexico will be included in future years. Data excludes construction and demolition waste from new construction and expansion projects.

**Note:** 100% of waste disposed was disposed offsite.

\*Regulated waste includes hazardous, universal and special wastes regulated at the federal, state, provincial or local level. Non-regulated waste is all other waste.

## Total Waste Generated (Calendar Year)

Pounds

	2020	2021	2022	2023
Regulated* Waste	14,010,112	18,412,607	17,966,252	25,073,774
Non-regulated Waste	699,832,363	797,302,944	797,102,749	824,547,239
Scrap Steel Recycled	594,061,626	616,091,071	610,157,087	609,695,879
Compost	721,600	2,940,434	3,344,177	3,392,138
All other waste streams	105,049,137	178,271,438	204,561,810	211,459,221
<b>TOTAL WASTE GENERATED</b>	<b>713,842,476</b>	<b>815,715,552</b>	<b>836,029,325</b>	<b>849,621,013</b>

**Scope:** Toyota’s North American headquarters, manufacturing, R&D, sales and logistics sites in the U.S. and Canada. 2023 data also includes sales and distribution operations in Puerto Rico. Also includes data from manufacturing in Mexico. Data from non-manufacturing sites in Mexico will be included in future years. Data excludes construction and demolition waste from new construction and expansion projects.

\*Regulated waste includes hazardous, universal and special wastes regulated at the federal, state, provincial or local level. Non-regulated waste is all other waste.

## Waste Diverted from Disposal (CY2023)

Pounds

	Recycled, Reused, Recovered
Regulated* Waste	14,953,335
Non-regulated Waste	775,516,301
<b>TOTAL WASTE DIVERTED</b>	<b>790,469,635</b>

**Scope:** Toyota’s North American headquarters, manufacturing, R&D, sales and logistics sites in the U.S. and Canada. 2023 data also includes sales and distribution operations in Puerto Rico. Also includes data from manufacturing in Mexico. Data from non-manufacturing sites in Mexico will be included in future years. Data excludes construction and demolition waste from new construction and expansion projects.

Certain waste streams are diverted on-site through reuse; however, we do not track this data.

\*Regulated waste includes hazardous, universal and special wastes regulated at the federal, state, provincial or local level. Non-regulated waste is all other waste.





Sustainable Development Goal 15 seeks to halt biodiversity loss and restore ecosystems. By finding ways to help reverse nature loss and protect species, we are helping future generations continue to enjoy the natural wonders of our world.

BIODIVERSITY



# Commitment to Harmony with Nature

GRI 101-1

Human activity is putting pressure on biodiversity and accelerating biodiversity loss. This on its own is a global challenge, but biodiversity is also inextricably linked to climate change – nature plays a significant role in capturing and storing CO<sub>2</sub> from the atmosphere through ecosystem services, on land and in the oceans.

We believe business has a role to play in reversing nature loss and protecting biodiversity. That’s why we at TMNA joined more than 1,000 companies in signing up to Business for Nature’s Call to Action, calling on governments to adopt ambitious policies to reverse nature loss in this decade.

Our focused approach to this involves working with stakeholders, including employees, communities and nonprofit organizations, on biodiversity projects on our sites and in our communities. We also engage with suppliers. In the most recent edition of our [Green Supplier Requirements](#), we request all suppliers to support the development of wildlife corridors and consider identifying biodiversity risks in their supply chains.

## TARGET

### Biodiversity Target

GRI 101-1

**Our biodiversity target for fiscal years 2022 to 2026 is to support the development of at least 26,000 acres of pollinator habitat in North America.**

The reason we chose to support 26,000 acres of pollinator habitat is because the land area is equal to the 26,000 acres that the company’s facilities currently occupy across North America. Constructing and operating manufacturing plants can lead to negative impacts on biodiversity, such as habitat conversion and species loss. We aim to counter these impacts by partnering with stakeholders on conservation projects, when needed, and by creating and restoring habitats on our sites.

In FY2024, 4,094.5 acres of pollinator habitat were developed through collaboration with Pollinator Partnership (P2) and National Environmental Education Foundation (NEEF), bringing the total number of acres to 14,432.4. For more information, see our story on [Toyota’s Blossoming Commitment: Nurturing Biodiversity through Bees and Butterflies](#).

### ACRES OF POLLINATOR HABITAT SUPPORTED (Cumulative)

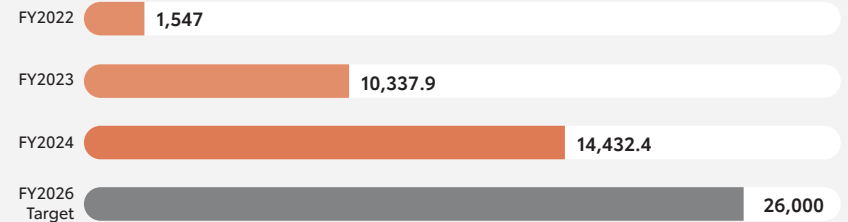


Photo credit: Pollinator Partnership

#### Across North America, we are focusing on:

- No net loss of biodiversity
- Respect for legally designated protected areas
- Avoidance of negative impacts on threatened or protected species



# Restoring Habitat

GRI 304-1, 304-3

TMNA partners with Wildlife Habitat Council® (WHC) on conservation programs at sites in North America. Conservation programs at 16 of our sites, including nine assembly and engine plants, have achieved Conservation Certification, which is WHC’s voluntary certification standard designed for broad-based biodiversity enhancement and conservation education activities on corporate landholdings.

For more on our work with WHC, see our story on the [Indicator Species Project](#).



Toyota partners with WHC to support indicator species at participating sites. The Loggerhead Shrike is the indicator species at Toyota Motor Manufacturing Texas.

## Wildlife Habitat Council Conservation Certifications\*

Toyota Site Name	Certification Level
Toyota Motor Manufacturing, Texas	Gold
Toyota Motor Manufacturing, West Virginia	Gold
Toyota Motor Manufacturing, Kentucky	Gold
Toyota Motor Manufacturing Canada, Cambridge	Gold
Toyota Motor Manufacturing, Mississippi	Gold
Toyota Motor Manufacturing Canada, Woodstock	Silver
Production and Engineering Manufacturing Center, Kentucky	Silver
Toyota Technical Center, Ann Arbor, Michigan	Silver
Toyota Technical Center, York Township, Michigan	Silver
Toyota Motor Manufacturing, Indiana	Certified
Toyota Motor Manufacturing, Alabama	Certified
Toyota Motor Manufacturing, Tennessee	Certified
TMNA Headquarters in Plano, Texas	Certified
Toyota Logistics Services in Portland, Oregon	Certified
Toyota Motor Manufacturing, Guanajuato	Certified
Toyota Motor Manufacturing, Missouri	Certified

\* WHC certifications as of June 30, 2024

# Assessing the Value Chain to Determine Nature Impacts

TMNA has undertaken a value chain assessment of our nature impacts on land, water, biodiversity and other aspects of nature to understand material and priority impacts and to help inform our current work and future goals for the next Environmental Action Plan.

TMNA used guidance from the Science Based Targets Network (SBTN) to inform this value chain assessment. TMNA also extended our assessment beyond that provided by SBTN to cover additional nature and value chain considerations. This began with a materiality assessment of nature impacts, then included a robust evaluation using external tools, datasets and emerging literature such as the Integrated Biodiversity Assessment Tool (IBAT), the World Wildlife Fund’s Water and Biodiversity Risk tools, ENCORE and other resources.

## Operations

The nature value chain assessment results showed that some operational locations have higher concentrations of endangered species and restoration potential and are in areas with nearby designated protected areas, indicating the importance of these regions for wildlife and habitats. This information is being used to enhance our facility-level biodiversity plans and future goals. We are gathering the data to display in a future report.

## Upstream

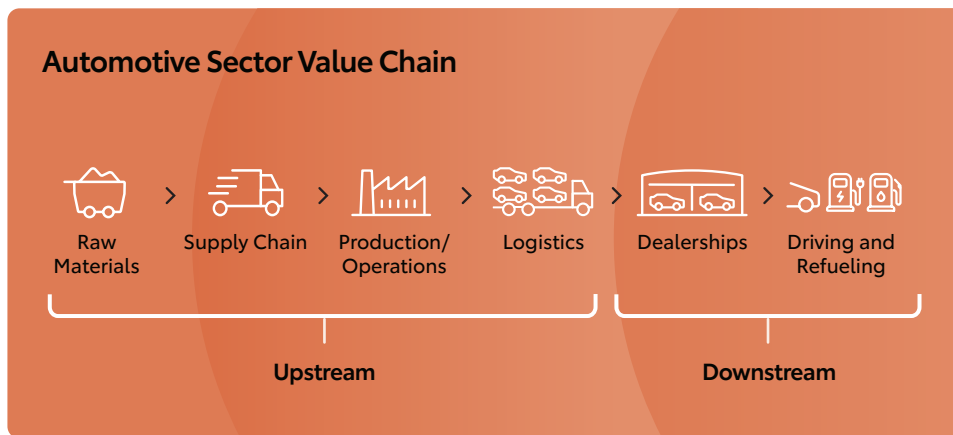
The value chain assessment highlighted that raw materials can have a material impact on nature. However, the automotive value chain is highly complex given the hundreds of parts used in building a vehicle. TMNA is working to create more transparency and traceability into its supply chain to better understand the ways to manage the upstream impacts of raw materials. We are working with suppliers

to identify the sourcing locations of the High Impact Commodities, as developed by the Science Based Targets Network, that are most relevant for the automotive sector, starting with a few commodities that we source in greatest volume and/or which have an outsized impact through current extractive processes. We will use the learnings from these initial efforts to expand to other commodities in the future.

### HIGH IMPACT COMMODITIES

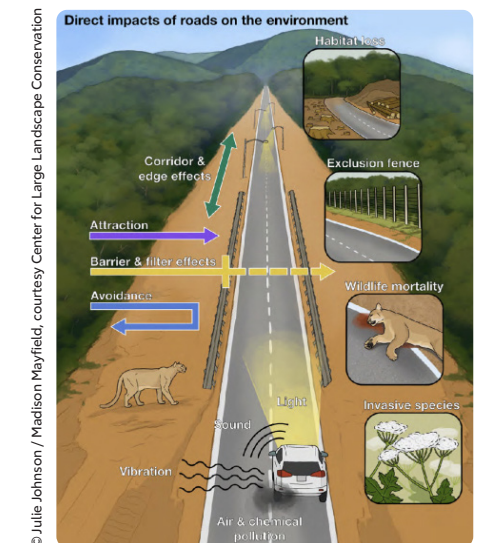
Copper	Leather
Iron/steel	Cotton
Lithium	Pulp/paperboard
Nickel	Silver
Oil (Crude/petroleum)	Platinum
Rubber (natural)	Gold
Bauxite/aluminum	Lead
Gasoline	Cement
	Timber

In addition, TMNA found through the nature value chain assessment that there are notable considerations in the use of Toyota vehicles. One included the increase in wildlife and vehicle collisions. While overall vehicle collisions have decreased, there has been an increase in the remaining collisions involving wildlife.<sup>8</sup> As a result, TMNA initiated work with the National Wildlife Federation to support research on ways to address this issue. A first step in the project will be to identify priorities for future locations for wildlife crossings, a solution which, if designed correctly, have proven to reduce wildlife-vehicle collisions<sup>9</sup> for various species.



## Downstream

TMNA is also looking at the downstream impacts of selling vehicles and the use of vehicles on nature. The first efforts include working with the vast network of dealerships, all third-party businesses, through expanding the Dealer Environmental Excellence Program (D.E.E.P.). This will help build dealership awareness and positive actions in their work with partners on protection of watersheds and important conservation areas.



<sup>8</sup>"Wildlife Crossing Structure Handbook Design and Evaluation in North America," Chapter 2, U.S. Department of Transportation, Federal Highway Administration.

<sup>9</sup>"Wildlife Crossings Along U.S. Roads Can Help Animals and Habitat Adapt to Climate Change," The Pew Charitable Trusts, February 17, 2023.



## Environmental Metrics Table

CARBON						
GHG EMISSIONS	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Scope 1 emissions	MT CO <sub>2</sub> e	409,000	387,000	445,353	370,583	355,419
Scope 2 emissions (location-based)	MT CO <sub>2</sub> e	697,000	627,000	618,729	676,290	690,442
Total Scope 1+2 emissions	MT CO <sub>2</sub> e	1,106,000	1,014,000	1,064,082	1,046,873	1,045,861
GHG intensity <sup>10</sup>	MT CO <sub>2</sub> e/ vehicle	0.62	0.63	0.62	0.59	0.53
Scope 3, Use of Sold Product <sup>11</sup>	MT CO <sub>2</sub>	Not reported	86,870,000	94,800,000	84,100,000	Not available
Scope 3, Upstream Transportation and Distribution (third-party U.S. service parts and vehicle transport only)	MT CO <sub>2</sub> e	Not reported	Not reported	800,344	752,806	872,438
Scope 3, Dealerships	MT CO <sub>2</sub> e	Not measured	Not measured	1,266,312	1,411,997	1,385,564
FLEET CO <sub>2</sub> PER MILE	Unit	MY2020	MY2021	MY2022	MY2023	MY2024
U.S. Fleet GHG Data <sup>12</sup>	Grams CO <sub>2</sub> / mile	258.0	253.0	247.0	Not available	Not available
Canada Fleet GHG Data - car	Grams CO <sub>2</sub> e/ mile	165.5	164.0	164.8	144.0	Not available
Canada Fleet GHG Data - truck	Grams CO <sub>2</sub> e/ mile	261.3	214.3	216.1	200.0	Not available
Mexico Fleet GHG Data	Grams CO <sub>2</sub> / kilometer	157.0	150.0	155.0	Not available	Not available
ELECTRIFIED VEHICLE SALES	Unit	CY2020	CY2021	CY2022	CY2023	CY2024
Toyota and Lexus models with an electrified option (U.S.)	%	Not measured	Not measured	52	77	Not available
Toyota and Lexus Vehicle Sales that are electrified (U.S.)	%	16	25	24	29.2	Not available
Total number of electrified vehicles sold – U.S. <sup>13</sup>	#	337,036	583,697	504,016	657,327	Not available
BEVs sold – U.S. <sup>14</sup>	#	0	0	1,220	14,715	Not available
Hybrids sold – U.S.	#	318,639	528,319	466,771	600,324	Not available
Plug-in Hybrids sold – U.S.	#	17,898	52,749	33,931	39,551	Not available
Fuel cell hybrids sold – U.S.	#	499	2,629	2,094	2,737	Not available
Percent of Toyota and Lexus Vehicle Sales that are electrified (Canada)	%	18.5	27.7	25.9	43.9	Not available
Total number of electrified vehicles sold – Canada <sup>15</sup>	#	35,504	62,460	51,767	99,824	Not available
BEVs sold – Canada	#	0	0	703	4,939	Not available
Hybrids sold – Canada	#	29,901	52,959	45,873	83,224	Not available
Plug-in Hybrids sold – Canada	#	5,582	9,373	5,129	11,645	Not available
Fuel-cell hybrids sold – Canada	#	21	128	62	16	Not available

<sup>10</sup> (Scope 1+2 CO<sub>2</sub>e emissions)/number of vehicles produced in North America

<sup>11</sup> The calculation methodology for 2022 has changed to reflect SBTi guidance, for example, on annual driving distance; and the IEA Mobility Model was used for the number of years of use over the vehicle's lifetime.

<sup>12</sup> 2-cycle tailpipe CO<sub>2</sub> emissions (CO<sub>2</sub> grams/mile) as reported in the 2023 EPA Automotive Trends Report, Table 5.5, page 112. 2-cycle test data are used primarily in a regulatory context as the basis for determining the final compliance values for CAFE and GHG regulations. TMC provides this data in the Sustainability Data Book in grams CO<sub>2</sub> per kilometer. TMC calculates this using a tank-to-wheel method, which is what was used to set the global Scope 3 category 11 target. What we report here is calculated by U.S. EPA using a well-to-wheel method.

<sup>13</sup> Includes both Toyota and Lexus

<sup>14</sup> Toyota's first all-electric vehicle, bZ4X, went on sale in North America in 2022.

<sup>15</sup> Includes both Toyota and Lexus

## Environmental Metrics Table

ENERGY	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total energy consumption	MWh	3,858,700	3,609,000	3,892,335	3,908,775	4,055,165
Total electricity consumed	MWh	1,730,000	1,597,000	1,657,722	1,934,425	2,071,849
Non-renewable electricity	MWh	1,670,000	1,535,000	1,586,998	1,777,035	1,921,832
Renewable electricity	MWh	60,000	62,000	70,724	157,390	150,017
Renewable electricity generated onsite and bundled RECs	MWh	Not reported	Not reported	Not reported	44,608	43,717
Renewable electricity matched with RECs via VPPAs and Unbundled RECs	MWh	Not reported	Not reported	Not reported	112,782	106,300
Low Carbon Energy (renewable electricity + nuclear)	MWh	Not reported	Not reported	Not reported	Not reported	245,361
Natural gas	MWh	2,050,000	1,938,000	2,166,553	1,926,979	1,904,272
Other fuels (used in mobile and stationary sources)	MWh	78,700	74,000	68,060	47,371	79,044
Energy intensity <sup>16</sup>	MWh/vehicle	2.11	2.23	2.26	2.22	2.06
VEHICLE FUEL EFFICIENCY	Unit	MY2020	MY2021	MY2022	MY2023	MY2024
Fleet fuel economy – U.S. <sup>17</sup>	Miles per gallon	25.8	27.1	27.8	28.2	Not available
AIR QUALITY	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
VOC emissions <sup>18</sup>	Metric tons	Not reported	Not reported	2,498.3	2,622.9	2,848.3
WATER <sup>19</sup>	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Water withdrawal	Gallons	1,766,238,000	1,526,868,000	1,675,947,000	1,711,242,000	1,745,506,000
Water withdrawn from municipal sources	%	95.2	96.2	94.1	94.3	92.6
Water withdrawn from surface water <sup>20</sup>	%	4.4	3.5	2.9	3.1	3.6
Groundwater	%	0.4	0.3	3.0	2.2	3.2
Portion withdrawn in water-stressed areas <sup>21</sup>	%	6	8	7	7	9
Water discharge	Gallons	1,173,877,000	1,241,390,000	1,159,073,000	1,255,388,000	1,329,231,000
Portion discharged in water-stressed areas	%	4	7	7	5	9
Water consumption	Gallons	592,361,000	285,478,000	516,874,000	455,854,000	416,275,000
Portion consumed in water-stressed areas	%	12	11	8	11	7
Water withdrawn per vehicle produced	Gallons/ vehicle	983	951	972	976	886

<sup>16</sup> Total energy consumption by Toyota operations in North America/number of vehicles produced in North America

<sup>17</sup> Real-world fuel economy as reported in the 2023 EPA Automotive Trends Report, table 2.3, page 14. Model year 2023 is reported as preliminary by EPA. Model years 2021 and 2022 were updated to match the real-world fuel economy reported in the 2023 report. Model year 2020 was updated to match the real-world fuel economy reported in the 2021 Trends Report.

<sup>18</sup> Scope = North American manufacturing plants

<sup>19</sup> Water data has been updated. Values for withdrawal, discharge and consumption were correct in last year's Water chapter but were not updated in this table.

<sup>20</sup> Includes collected rainwater

<sup>21</sup> Water-stressed areas are defined according to the Water Risk Atlas in WRI's Aqueduct Tool as areas with either "high" or "extremely high" overall risk.



## Environmental Metrics Table

WASTE	Unit	CY2020	CY2021	CY2022	CY2023	CY2024
Percent of total waste reused, recycled or recovered <sup>22</sup>	%	93.2	92.9	93.3	93.0	Not available
Total waste generated	Pounds	713,842,476	815,715,552	836,029,325	849,621,013	Not available
Regulated Waste	Pounds	14,010,112	18,412,607	17,966,252	25,073,774	Not available
Non-regulated Waste	Pounds	699,832,363	797,302,944	797,102,749	824,547,239	Not available
Scrap steel recycled	Pounds	594,061,626	616,091,071	610,157,087	609,695,879	Not available
Compost	Pounds	721,600	2,940,434	3,344,177	3,392,138	Not available
All other waste streams	Pounds	105,049,137	178,271,438	204,561,810	211,459,221	Not available
Regulated waste diverted from disposal <sup>23</sup>	Pounds	4,844,115	7,299,419	7,378,927	14,953,335	Not available
Non-regulated waste diverted from disposal	Pounds	660,495,382	750,587,344	773,022,147	775,516,301	Not available
Regulated waste landfilled	Pounds	0	888	73,734	7,776	Not available
Regulated waste incinerated <sup>24</sup>	Pounds	9,165,997	11,112,300	10,513,591	10,112,664	Not available
Non-regulated waste landfilled	Pounds	10,764,547	12,870,915	13,993,168	16,784,126	Not available
Non-regulated waste incinerated	Pounds	28,572,434	33,844,687	31,047,759	32,246,812	Not available
BIODIVERSITY	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Acres of pollinator habitat supported	Acres (cumulative)	Not measured	Not measured	1,547	10,337.9	14,432.4
Number of sites with programs with Wildlife Habitat Council (WHC) Conservation Certification	# of sites certified by WHC	13	15	14	14	16
COMPLIANCE	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Violations that resulted in air or water pollution	#	0	3	1	0	1

<sup>22</sup> Recovery does not include energy recovery.

<sup>23</sup> Diverted from disposal means reused, recycled or recovered (does not include energy recovery); Disposal = Incineration + Landfill

<sup>24</sup> Incineration includes both with and without energy recovery.

# GRI Content Index

<b>Statement of Use</b>	TMNA has reported the information cited in this GRI content index for the period April 1, 2023 to March 31, 2024 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	<a href="#">About This Report</a>
	2-2 Entities included in the organization's sustainability reporting	Toyota Motor North America, Inc. (TMNA) Toyota Motor Manufacturing Canada Inc. (TMMC) Toyota Canada Inc. (TCI)
	2-3 Reporting period, frequency and contact point	<a href="#">About This Report</a>
	2-4 Restatements of information	<p>TMNA is restating:</p> <ul style="list-style-type: none"> <li>• Energy, Energy intensity, Scope 1, Scope 2, Total Scope 1+2, and GHG emissions intensity data for FY2023. During the spring of 2024, we conducted an internal audit of energy and GHG data. We rectified significant over-reporting of natural gas usage at one of our U.S. plants. We continue to improve our data management system.</li> <li>• Canada fleet GHG data car for model year 2022. Environment and Climate Change Canada updated fleet GHG data for model year 2022, resulting in a change from what we reported last year as 163.8 to 164.8 g CO<sub>2</sub>e/mile.</li> <li>• Percent of Toyota and Lexus models with an electrified option for CY2023. We have updated CY2023 data to reflect the full year. In last year's report, we reported results from January-June.</li> <li>• U.S. Fleet Fuel Economy for model years 2021 and 2022. These values were updated to match the real-world fuel economy reported in the 2023 EPA Trends report. Model year 2020 was updated to match the real-world fuel economy reported in EPA's 2021 Trends Report.</li> <li>• The number of violations has been restated for fiscal years 2021 and 2022.</li> <li>• Water intensity plus water withdrawal, discharge and consumption for FY2022; water discharge and consumption, water discharged and consumed in water-stressed areas, and the portion (%) of water discharged and consumed in water-stress areas for FY2023. These updates are the result of closing minor gaps in our water inventory, for example, for sites that were not previously providing water data.</li> </ul>
	2-5 External assurance	See the <a href="#">Toyota Sustainability Data Book</a> , pages 58-59, for the Verification Statement prepared for Toyota Motor Corp. TMNA and TCI do not have North American data separately assured.
	2-6 Activities, value chain and other business relationships	<p>TMNA distributes and markets passenger cars and trucks for sale at Toyota and Lexus dealerships in the U.S. TMNA manufactures passenger cars and trucks and engines at 11 plants in the U.S. and Mexico. TMMC manufactures vehicles at 2 plants in Canada.</p> <p>TCI distributes and markets passenger cars and trucks for sale at Toyota and Lexus dealerships in Canada. TMNA reported U.S. sales in 2023 of over 2.2 million vehicles. TCI reported Canadian sales in 2023 of over 227,000 vehicles.</p> <p>There are more than 1,900 Toyota and Lexus dealerships in the U.S., Canada and Mexico.</p>



# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
	2-7 Employees	Over 49,000 team members in the U.S., Canada and Mexico
	2-9 Governance structure and composition	<a href="#">Environmental Sustainability Governance</a>
	2-22 Statement on sustainable development strategy	<a href="#">Dear Reader Goals and Targets</a>
	2-27 Compliance with laws and regulations	See <a href="#">Compliance</a> for information on environmental compliance in North America. <a href="#">Environmental Metrics Table – Compliance</a>
	2-28 Membership associations	<a href="#">Stakeholder Engagement</a>
	2-29 Approach to stakeholder engagement	<a href="#">Stakeholder Engagement</a>
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See the <a href="#">Toyota Sustainability Data Book</a> , page 7, for a description of TMC’s process for determining materiality for the global entity.
	3-2 List of material topics	Material environmental topics are Carbon, Water, Circular Economy and Biodiversity.
	3-3 Management of material topics	<a href="#">Goals and Targets</a> <a href="#">Commitment to Carbon Neutrality</a> <a href="#">Commitment to Water as a Shared Resource</a> <a href="#">Commitment to Responsible Production</a> <a href="#">Chemical Management</a> <a href="#">Commitment to Harmony With Nature</a>
GRI 301: Materials 2016	301-2 Recycled input materials used	<a href="#">Sustainable Materials</a>
	301-3 Reclaimed products and their packaging materials	<a href="#">Battery Recycling</a> <a href="#">Toyota and Argonne National Laboratory Investigate Recycling of Lithium-Ion Batteries</a> <a href="#">Our Goal of Battery Ecosystem Circular Economy</a>
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<a href="#">Environmental Metrics Table – Energy</a>
	302-3 Energy intensity	<a href="#">Environmental Metrics Table – Energy</a>
	302-5 Reductions in energy requirements of products and services	<a href="#">Environmental Metrics Table – Fleet CO<sub>2</sub> Per Mile</a>
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	<a href="#">Commitment to Water as a Shared Resource</a>
	303-2 Management of water discharge-related impacts	
	303-3 Water withdrawal	
	303-4 Water discharge	<a href="#">Water Withdrawal, Discharge &amp; Consumption</a>
	303-5 Water consumption	<a href="#">Environmental Metrics Table – Water</a>

# GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	<a href="#">Commitment to Harmony With Nature Biodiversity Target</a>
	101-2 Management of biodiversity impacts	<a href="#">Restoring Habitat</a>
	101-4 Identification of biodiversity impacts	<a href="#">Assessing the Value Chain</a>
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<a href="#">GHG Emissions Data</a> <a href="#">Environmental Metrics Table – GHG Emissions</a>
	305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">GHG Emissions Data</a> <a href="#">Environmental Metrics Table – GHG Emissions</a>
	305-3 Other indirect (Scope 3) GHG emissions	<a href="#">Environmental Metrics Table – GHG Emissions</a>
	305-4 GHG emissions intensity	<a href="#">GHG Emissions Data</a> <a href="#">Environmental Metrics Table – GHG Emissions</a>
	305-5 Reduction of GHG emissions	<a href="#">GHG Emissions Data</a> <a href="#">Toyota Port Facility Completes World's First "Tri-gen" System</a> <a href="#">On Our Way to 100% Renewable Electricity</a>
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<a href="#">Air Quality</a>
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<a href="#">Waste</a>
	306-2 Management of significant waste-related impacts	<a href="#">Towards a Circular Economy</a>
	306-3 Waste generated	
	306-4 Waste diverted from disposal	<a href="#">Waste</a>
	306-5 Waste directed to disposal	<a href="#">Environmental Metrics Table – Waste</a>
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	The primary negative impact in our supply chain is CO <sub>2</sub> emissions that contribute to climate change. See <a href="#">Upstream &amp; Downstream</a> for our supplier CO <sub>2</sub> target and <a href="#">Green Supplier Requirements</a> for information on how we are collecting information from suppliers.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Examples of local community engagement include: <a href="#">Helping Restore Water Flows in the Colorado River Delta</a> <a href="#">Biodiversity Conservation Grants</a>