Editorial Policy

The Sustainability Data Book explains Toyota’s sustainability approach and policies for ESG initiatives along with practical cases and numerical data, as a medium for specialists and those who are particularly interested in sustainability issues.

Since fiscal 2021, the Sustainability Data Book, which had conventionally been released annually, has been updated whenever necessary so that the information can be disclosed in a timely manner.

Period Covered
Focusing mainly on the results of initiatives implemented during the previous fiscal year, the contents are updated as necessary throughout the year. For update history, please see the following page.

Scope of Report
This Book introduces the initiatives and activities of Toyota Motor Corporation and its consolidated subsidiaries etc. in Japan and overseas. The scope of data covered is described in each section.

Toyota References in This Document
Toyota Motor Corporation:
Information on or initiatives of Toyota Motor Corporation

Toyota:
Information on or initiatives of Toyota Motor Corporation and its consolidated subsidiaries

Reference Guidelines
- Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board
- (Reference code SASB TR-AU-●●● is indicated at each applicable part.)
- GRI Standards
- (Reference code GRI ●●●●● is indicated at each applicable part.)
- ISO 26000 Guidelines

Third Party Assurance
Denotes data assured by an Independent Practitioner

Disclaimer
This report includes not only past and current facts pertaining to Toyota Motor Corporation and other companies within the scope of coverage of the report, but also plans and projections at the time of its publication as well as forecasts based on management policies and strategies. These forecasts are assumptions or determinations based on information available at the time they are stated, and the actual results of future business activities and events may differ from the forecasts due to changes in various conditions. In cases where information provided in prior reports is corrected or restated and in cases where material changes occur, the details thereof will be indicated in this report. The readers’ understanding about this point would be appreciated.
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Overview of Toyota Motor Corporation

Company Name: Toyota Motor Corporation
President and Representative Director: Koji Sato
Capital: 635.4 billion yen (as of the end of March, 2023)
Main Business Activities:
- Automotive business
- Financial services (vehicle loans and leasing, etc.)
- Other operations (information technology, etc.)
No. of Employees: 375,235 (as of the end of March, 2023)
No. of Consolidated Subsidiaries: 569 (as of the end of March, 2023)
No. of Associates and Joint Ventures Accounted for by the Equity Method: 168 (as of the end of March, 2023)

Global/Regional Data

No. of plants and manufacturing companies (as of the end of March, 2023):
- Asia: 26
- Japan: 16
- North America: 13
- Other: 7

No. of R&D centers (as of the end of March, 2023):
- Asia: 4
- Japan: 8
- North America: 5
- Other: 0

Financial Data
For our major financial data, please see our official website.

For details of our Vision & Philosophy, please see our official website.

Vision & Philosophy

No. of vehicles produced: 8,694,032 (FY 2023)
No. of vehicles sold: 8,821,872 (FY 2023)

No. of vehicles produced:
- Asia: 1,858,509
- Japan: 3,788,593
- Other: 507,186
- North America: 1,768,437
- Europe: 771,307

No. of vehicles sold:
- Asia: 1,750,773
- Japan: 2,069,133
- Other: 1,565,337
- North America: 2,406,674
- Europe: 1,029,955

No. of employees:
- Asia: 66,176
- Europe: 23,730
- Japan: 203,212
- Other: 23,117
- North America: 59,000

No. of factories and plants:
- Asia: 26
- Japan: 16
- North America: 13
- Other: 7

No. of R&D centers:
- Asia: 4
- Japan: 8
- North America: 5
- Other: 0
**Fundamental Approach**

**Aim**

- Contributing to the creation of a prosperous society through our business activities based on the Guiding Principles at Toyota while continuing to uphold the spirit of the Toyoda Principles, which we have inherited since our foundation.
- Aiming to be the ‘best company in town’ that is both loved and trusted by local people to achieve the mission of “Producing Happiness for All” under the Toyota Philosophy compiled in 2020.

> Contributing to the sustainable development of our society and planet by promoting sustainability under the Toyota Philosophy.

**Initiative**

- Advancing initiatives based on our Sustainability Fundamental Policy and individual policies and guidelines.

**Sustainability-related policies**

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**Organizational Structure**

**Aim**

- Addressing issues of greater importance and urgency on a priority basis while grasping, for example, changes in the external environment and social needs.

**Initiative**

- Continuously promoting and improving our sustainability activities with oversight and decision-making provided by the Board of Directors. We will work in close liaison with relevant departments to carry out environmental, social, and governance-related initiatives (as indicated on the right).

> Toyota has appointed a Chief Sustainability Officer (CSO) to lead the engagement with external stakeholders and dissemination of information regarding sustainability activities.

**Sustainability Meeting**

- **Chairperson**: Executive President
- **Members**: Members include 3 external officers, the Chief Sustainability Officer and the Chief Human Resources Officer
- **Frequency**: Twice a year, in principle
- **Function**: To help increase corporate value by reflecting opinions and external advice about key sustainability-related issues in management practices to achieve sustainable growth

**Sustainability Subcommittee**

- **Chairperson**: Deputy Chief Officer, General Administration & Human Resources Group
- **Members**: Officers and General Managers from related divisions will participate in keeping with agenda topics such as the environment, financial affairs, and human resources
- **Frequency**: Four times a year, in principle
- **Function**: To implement operations related to the promotion of sustainability and to consult with the Sustainability Meeting about key issues and submit reports to the Board of Directors
Materiality (key issues)

**Aim**
Identifying key issues to sustainably enhance our own corporate value while contributing to society in view of the ever-changing social trends, external voices, and increasingly diversified, complicated issues.

**Initiative**
- Promoting initiatives to realize the six key issues (materiality).

**Process of identification**

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**Basis for identification**

**Founding spirit**
Factors that we should continue to maintain
- Principle: Five Main Principles of Toyota
- Strengths: Capabilities and technologies of monozukuri (manufacturing), Toyota Production System, cost reduction, quality, many partners, etc.

**Six materiality issues**

- Respect for people, empower various human resources
- Make safe, reasonably priced, high-quality cars
- Maintain a stable business base

**Enhancing corporate value**

**Contributing to society (SDGs)**

**Toyota's SDGs**

**Aim**
Producing happiness for all individuals in the era of diversification, with a "YOU perspective" that sees the other side of the story.

**Initiative**
- Promoting initiatives based on the desire of working for the benefit of others, which has been passed on since our founding.

**Examples**
- Initiatives for the global environment
- Initiatives for a happier society
- Initiatives for working people

**SDGs Initiatives**

- Transforming into a mobility company
- Addressing climate change and promoting the use of new energy sources
- Build a future mobility society
- Make the value chain resilient and sustainable
Stakeholder Engagement

**Aim**

- Engaging in stakeholder-oriented management to contribute to sustainable development and striving to maintain and develop sound relationships with stakeholders through open and fair communication.

**Initiative**

- Holding dialogues with major stakeholders through Toyota’s relevant divisions and offices around the world.

- Disseminating information about Toyota’s initiatives through dialogues with external experts to examine, for example, the direction of our sustainability-related initiatives, and through speech delivery at external lecture meetings.

**Customers**

- Based on our “Customer First” policy, we take measures to incorporate the comments and opinions of customers into better products and services.

**Communication methods and frequency**

- Toyota Customer Assistance Center (as needed)
- Responding to customer opinions by telephone and email forms
- Official websites, product websites (as needed)
- Disseminating company information and business details, providing FAQs, etc.
- Information sharing through social media (as needed)
- Disseminating information in response to customer demand

**Incorporation into corporate activities**

- Improving customer satisfaction activities
- Disseminating information in response to customer demand

**Employees**

- Bilateral communications to build a two-way relationship and foster a sense of unity based on a labor-management relationship founded on mutual trust and responsibility.

**Communication methods and frequency**

- Joint labor-management roundtable conferences
- Labor-management meetings (several times a year)
- Discussions/representations, opinion exchanges and mutual understanding regarding labor-management issues
- Employee satisfaction survey (once or twice every two years)

**Incorporation into corporate activities**

- Strengthening labor-management relationships
- Improving workplace culture and establishing joint planning and labor-management policies

**Business Partners**

- Close communication to achieve a mutually beneficial relationship based on mutual trust.

**Communication methods and frequency**

- Various meetings, seminars, and events (as needed)
- Supplier conventions, various meetings with supplier associations, seminars, and events (as needed)

**Incorporation into corporate activities**

- Building closer, mutually beneficial relationships based on mutual trust

**Local Communities/Global Society**

- Dialogue with various stakeholders to build good relationships with local communities and to solve global social and environmental issues.

**Communication methods and frequency**

- Roundtable conferences with local residents (several times a year)
- Explaining and discussing with local representatives about Toyota's initiatives at each plant
- Inviting local communities to Toyota's events and participating in local events (as needed)
- Social gatherings with local residents
- Participating in joint projects between public and private sectors (as needed)
- Cooperating in progressive initiatives such as verification tests
- Participating in collaborative activities with NGOs and NPOs (as needed)
- Social contribution activities in each region around the world

**Incorporation into corporate activities**

- Promoting mutual understanding and forming stable local communities
- Improving advanced technologies and recognizing/resolving social issues
- Introducing policies to improve the vitality of the nation/industries
- Recognizing social needs in individual regions

- Major initiative we participate in
- World Business Council for Sustainable Development (WBCSD)
Public Policy

Aim

- Carrying out Toyota's mission "Producing Happiness for All" and aiming to be the No. 1 company in the community, loved and relied on by local residents.
  - For example, in terms of climate change, it is very important to expand the use of electrified vehicles worldwide. In the process of achieving this objective, governments and the authorities concerned have a crucial role in developing energy policies and infrastructure. Working and learning together with stakeholders, Toyota will maximize its contribution to local communities and the development of public policies in consideration of policies, social needs, technological advancement, and various customer needs while always bearing transparency and compliance in mind.

Initiative

- Building good relationships with governments and their administrative agencies, regulators, political parties, NGO, local communities, customers, and other stakeholders.
- Participating in economic organizations and industry associations around the world and many officers and employees are involved in and contribute to formulating policy recommendations.
- Disclosing Toyota’s Views on Climate Public Policies
  - Being more transparent about our activities, building and increasing trust with the public, and further strengthening cooperation between all stakeholders by summarizing our views on key climate-related policies and providing an overview of the industry associations to which we belong.

Download Toyota's Views on Climate Public Policies 2022
Environment

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### Fundamental Approach

**Aim**
- Reduce the environmental footprint and contribute to the sustainable development of society and the world throughout all areas of our business activities.
- Build close, cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation.

**Initiative**

**Toyota Earth Charter**
- Conducting continuous environmental initiatives since the 1960s.
- Formulated our long-term initiatives for the global environment by 2050 as the **Toyota Environmental Challenge 2050**, in 2015.* Subsequently advancing various initiatives centered on this.

* 2015: The 21st session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21) was held this year.

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### Environmental Management

**Aim**
- To achieve sustainable development together with society, establish the global environmental management system with consolidated subsidiaries to ensure through risk management and compliance and maximize environmental performance.
- Always improve the management system and quickly respond to changes in environmental issues including worsening climate change.

**Initiative**

**Establish an Environmental Management System**
- Establish strategies, policies and approaches in each field under the lead of the three committees of the Environmental Product Design Assessment Committee, the Consolidated Environmental Committee, and the Resource Recycling Committee, under the supervision of the Board of Directors.
- Share our target with the following companies and proceed with environmental management:
  - Consolidated subsidiaries on a financial accounting basis (494 companies).
  - Unconsolidated vehicle production companies (7 companies).
- Set environmental affairs offices in the six regions (North America, Europe, China, Asia, South America, and South Africa) and proceed with global environmental efforts with consideration given to local conditions.

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**Global Environmental Management Framework**

- Toyota Motor Corporation
- Region

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**Share**

- Regional 2025 Target

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**Environmental Product Design Assessment Committee, Consolidated Environmental Committee, Resource Recycling Committee, etc.**

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**E.g., Regional Environmental Committee**
- North America, Europe, China, Asia, South America, and South Africa.
ISO*1 14001/ISO 50001

**Certification as of 2022**
- ISO 14001: All plants of Toyota Motor Corporation and consolidated subsidiaries (121 companies)
- ISO 50001: 7 of the above companies

*1 International Organization for Standardization

**Risk Management and Compliance**

- Take the following actions at the operating bases of Toyota Motor Corporation and consolidated subsidiaries:
  - Implement preventive measures
  - Undertake risk management in accordance with criteria that meet or exceed laws and regulations
  - Have systems in place, just in case, to respond to a violation or a complaint in a timely manner, and if such a situation occurs, work to prevent recurrence through identification of root causes
  - Conduct mutual learning for production plants by sharing practices among Toyota Group companies

**Maximize Performance**

- Proceed with initiatives to address climate change, resource recycling, and harmony with nature based on the Toyota Environmental Challenge 2050.

**Outside Evaluation for Our Commitment to Climate Change and Water Security**

**CDP**

- Selected for inclusion as an A- List company under CDP climate change, and the highest evaluation A list company under CDP water security (in December 2022)

*2 An international NGO that encourages and assesses corporate disclosures on environmental initiative based on calls from global institutional investors with high levels of interest in environmental issues
Initiatives with Suppliers

**Aim**

- Work together with suppliers toward reducing the environmental footprint throughout the product life cycle based on the concepts of mutual trust and mutual benefit, thereby contributing to accomplishing a sustainable society.

**Initiative**

**Green Purchasing’ Policy**

Compliance with the Guidelines

- TMC asks all tier 1 suppliers, including new suppliers, to implement basic initiatives based on the TOYOTA Green Purchasing Guidelines (the “guidelines”), and also deploy and enlighten the guidelines to all tier 2 and subsequent suppliers so that the guidelines will take root.
- Ask through the guidelines that initiatives be taken toward reducing the environmental footprint at each company’s production plants and throughout the product life cycle, and that related legal compliance be ensured.
- Cases of regional Green Purchasing Policy
  - Ask the purchasing base in each region to implement the guidelines in line with local conditions and make continuous efforts.

Cases

Toyota Motor North America (North America)

- Updated the existing guidelines and issued the Green Supplier Requirements in April 2021, and reinforced environmental management by including compliance with requirements (CO₂ emission reductions) in the terms and conditions.

**Policy for Sustainable Natural Rubber Procurement**

- Toyota proceeds to eliminate deforestation and ecosystem conversion from our supply chains.
- Believing that protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods, we have formulated the Policy for Sustainable Natural Rubber Procurement for natural rubber used in cars.

This policy features the following:
- Being aligned with the Policy Framework that was adopted in a September 2020 resolution by the General Assembly of the Global Platform for Sustainable Natural Rubber (GPSNR), of which Toyota is a member
- Respecting the principles and guidelines laid out in the UN Guiding Principles for Business and Human Rights and the ILO fundamental conventions

FY2023 Results

- TMC is working together with suppliers to gather information and give responses to questions received from GPSNR regarding the implementation status of this Policy.

**Compliance with the Guidelines**

- Referred to the possibility that if we do not observe improvement after the occurrence of a supplier’s violation of the guidelines, such as non-compliance with laws and regulations, the transactional relationship may be subject to review.
- Already informed to tier 1 suppliers about these points by including in the Supplier Sustainability Guidelines (revised in 2021).

**Monitoring**

Self-assessment Sheet

- Use a self-assessment sheet to confirm the status of initiatives by each company and share the results.

FY2023 Results

- Received responses from 203 main companies in Japan and provided feedback on the scoring results.

CDP Supply Chain Program

- Introduced the CDP Supply Chain Program in 2015 to support continuous environmental initiatives conducted with suppliers, enabling us to determine the supplier’s risks, opportunities and initiatives on climate change and water security.
- Create opportunities for environmental communication by annually holding briefing sessions and response guidance where we share information on social trends and Toyota’s environmental policies, and provide feedback on response results.

2022 Results

- Received responses from suppliers accounting for approximately 82 percent of the total purchasing value by Toyota Motor Corporation.
- Approximately 70 percent of these suppliers reduced their CO₂ intensity (per unit of net revenue) compared to the previous year (due to the recovery of production units in some areas after the slump caused by the impact of COVID-19 and other initiatives such as energy-saving activities and the adoption of renewable energy).

**Main Results of the CDP Supply Chain Program (2022)**

<table>
<thead>
<tr>
<th>Number of responding companies</th>
<th>Climate Change</th>
<th>Water Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response rate</td>
<td>99</td>
<td>98</td>
</tr>
<tr>
<td>Percentage responding “implemented”</td>
<td>98</td>
<td>79</td>
</tr>
<tr>
<td>Governance (board-level oversight, corporate policy)</td>
<td>93</td>
<td>73</td>
</tr>
<tr>
<td>Identifying risks</td>
<td>84</td>
<td>81</td>
</tr>
<tr>
<td>Integrating issues into business strategy</td>
<td>97</td>
<td>77</td>
</tr>
<tr>
<td>Setting quantitative targets</td>
<td>97</td>
<td>77</td>
</tr>
</tbody>
</table>

**CDP Supplier Sustainability Guidelines (revised in 2021)**

- Supplier Sustainability Guidelines
Initiatives toward Reducing CO₂ Emissions

■ Share carbon neutrality in 2050 as our common goal and investigate concrete CO₂ reduction measures by presenting CO₂ reduction guidelines tailored to each supplier.

2025 Target
• Work with major suppliers in each country and region toward reducing CO₂ emissions.
• Applicable countries and regions: Seven regions with purchasing functions (Japan, North America, Europe, China, Asia, South America and South Africa)

2022 Results
• Steadily achieved targets set in each country or region.

Risk Management

Ensuring Compliance with Regulation Concerning REACH*1 and Other Global Regulations on Chemical Substances

■ Comply with laws and regulations on chemical substances in various countries and regions, such as the Chemical Substances Control Law*2 in Japan, and the Directive on ELV*3 and Regulation concerning REACH of the European Union (EU).

■ Improve structures and undertake operational management in cooperation with all parties involved in conveying chemical substance information.

■ Continue industry collaboration and global deployment and comprehensive implementation of regulations tailored to the cultures and industrial structures of each region.

FY2023 Results
• Revised regulations based on the Global Automotive Declarable Substance List (GADSL) of regulated substances reflecting the latest laws and regulations in each country (setting content rate targets for each substance in consideration of legal and regulatory requirements, etc.).

• Steadily introduced vehicles that comply with these regulations, and also work in cooperation with European affiliates to continue to fully respond to data registration regulations (WFD Directive*4/SCIP*5) newly launched in Europe.

• Continued supplier awareness raising activities to ensure thorough chemical substance management and continued to engage in collaborative activities with overseas affiliates.

*1 Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals: A regulation for managing chemical substances to protect human health and the environment

*2 Act on the Regulation of Manufacture and Evaluation of Chemical Substances: An act to prevent environmental pollution caused by chemical substances that pose a risk of impairing human health and interfere with the inhabitation and growth of flora and fauna

*3 Directive on End-of-Life Vehicles: A directive designed to reduce the load of end-of-life vehicles on the environment


*5 Database of Information on Substances of Concern in articles as such or in complex objects [Products]

Environmental Due Diligence at the Time of Purchasing

■ Policies and Approaches to Responsible Mineral Sourcing

• Established the Policies and Approaches to Responsible Mineral Sourcing in accordance with the OECD guidance to take into account the impact on local societies by the procurement of minerals that may cause social problems regarding human rights and environment.

• Due Diligence Policy

• Identify and assess risks in the supply chain together with suppliers, and if any risk is identified, implement appropriate measures that will lead to the mitigation of the risk.

*1 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas

*2 Responsible Cobalt Procurement

*3 Efforts toward Compliance with the New EU Battery Regulation

*4 Challenge of Establishing a Future Society in Harmony with Nature

Supplier Hotline

*5 Supplier Hotline
Awareness-raising Activities (Japan)

Training for Purchasing Group Personnel
- Provide group training for new employees regarding sustainability including the environment.
- Organize periodic study groups regarding carbon neutrality (CN) for staff who communicate directly with suppliers.

Training Sessions with Suppliers
- A variety of practical opportunities established by Toyota and its suppliers for joint training on environmental issues.

Initiatives by Kyohokai*
- Established research groups that consider environmental topics in 2019.
- In FY2023, four theme-specific groups (environmental management, legal compliance, energy saving, and renewable energy) were established and each group carried out independent study activities for one year.
- Outcomes were reported at the Outcome Reporting Session and made available to members on the Kyohokai website.

* Voluntary organization consisting of more than 200 suppliers delivering automotive components, bodies, etc. to Toyota Motor Corporation

Briefing on achieving carbon neutrality (2021 and 2022)
- Dissemination of specific emission reduction calculation methods and tools to achieve CO₂ reduction targets.
- Presentation about items to reduce CO₂ emissions.
- Implementation of a matching service to link companies providing emission reduction solutions with suppliers that are having trouble reducing their emissions.
- Suppliers in Tier-1 encourage suppliers in Tier-2 and beyond to participate in the initiatives above in an effort to disseminate this information throughout the supply chain.

Recognition of Supplier’s Environmental Initiatives
- Annually present the Environmental Activity Awards, established in 2017 to commend suppliers that conduct exceptional environmental initiatives.

Initiatives with Dealers and Distributors

Aim
- Work together with dealers and distributors toward reducing the environmental footprint, help them earn trust from their local communities and serve as the “Best-in-Town”, and contribute to the communities and customers.

Initiative
Implement the Environmental Global Policy in the Sales and Service Area
- Continuing to implement a strategy to reduce the environmental footprint in store operations since 2016.

Regions
- Dealers in 67 major countries and regions, such as Japan, North America, Europe, Asia, South America, Oceania, and Africa (approximately 14,000 stores, accounting for 92 percent of the total in terms of the number of vehicles sold).

Actions
- Establish a structure of environmental management system
- Minimize environmental risks
- Improve environmental performance
- Activities to make environment better with customers and society

Initiatives to Reduce CO₂ Emissions

2025 Target
- 100 percent introduction rate for CO₂ reduction items at newly constructed and remodeled dealers.

2022 Results
- Achieved targets in all applicable countries and regions (67 countries and regions).
Overseas Initiatives

Toyota South Africa Motors (Pty) Ltd. (South Africa)
- In 2017, Toyota issued the Environmental Activities Guidelines for Toyota Dealerships in South Africa to promote environmental management initiatives among dealers.
- All dealers are participating in environmental management initiatives based on the guidelines above.
- Dealers are evaluated into four levels according to the degree of achievement in establishing a structure of environmental management system, CO2 reduction activities, etc.
- Initiatives being promoted including the introduction of 100% LED lighting at both new and existing dealers.

Stakeholder Engagement

Aim
- Establish positive relationships with governments and their administrative agencies, regulators, political parties, non-profit organizations, local communities, customers, dealers, suppliers, and employees.
- Contribute and commit to public policy by participating in activities by industry and economic associations, and other initiatives.

Initiative
- U.S.: Participate in the Suppliers Partnership for the Environment*1 and promote environmental initiatives where suppliers, governments, NGOs and other stakeholders collaborate.
- Europe: Address key sustainability issues in the supply chain as a member company of CSR Europe’s*2 Drive Sustainability,*3 an automobile industry partnership program.
- Global: Participate in the WBCSD*4 and promote initiatives to accelerate the transition to a sustainable society.

*1 A U.S.-based public-private partnership program for automobile manufacturers and suppliers to promote sustainability

*2 A European NPO that operates a European business network to promote corporate sustainability

*3 A European partnership NPO that promotes sustainability in the automobile industry

*4 World Business Council for Sustainable Development: An NGO that conducts advocacy and verification projects to realize a sustainable society with the participation of major corporations worldwide

Japan
- Engage in public relations and present recommendations by ourselves or through industry and economic associations regarding climate public policies, such as those related to the Paris Agreement, the accomplishment of carbon neutrality, and the stable supply of low-cost renewable energy.

Representative Affiliation:
- Japan Automobile Manufacturers Association, Inc. (JAMA)
- Japan Business Federation (KEIDANREN)

Cases
JAMA
- Reduce pollution, waste, or the use of resources.
- Comply with the End-of-Life Vehicle Recycling Law: Collection, recycling and appropriate treatment of CFC/HFC, airbags, and shredder residue (ASR*5).
- Proceed with the 3R efforts (reduction, reuse and recycling): Reduce weight and make even better use of raw materials at the time of the design of automobiles, and control the generation of designated byproducts or recycle such items at the manufacturing phase.
- Reduce in-car emissions of volatile organic compounds (VOCs).
- Prohibit the use of the four heavy metals (lead, mercury, hexavalent chromium, and cadmium) / public policy on considerable reduction.

*5 Automobile Shredder Residue
Aim

Through contributing to achieving carbon neutrality (CN), aim to establish a sustainable society in harmony with nature.

Initiative


Toyota aims to achieve CN throughout the vehicle life cycle through initiatives at each stage

* CO2 emissions during driving as well as CO2 emissions during the production stage of fuel and electricity (CO2 emissions vary depending on the power supply configuration and hydrogen production method, in the case of battery electric vehicles and fuel cell electric vehicles)
**Aim**

- ELIMINATE GREENHOUSE GAS (GHG) EMISSIONS DURING DRIVING AS WELL AS ACHIEVE CARBON NEUTRALITY (CN) THROUGHOUT THE ENTIRE VEHICLE LIFE CYCLE INCLUDING MATERIALS/PARTS MANUFACTURING, VEHICLE MANUFACTURING, LOGISTICS, ENERGY PRODUCTION, DISPOSAL AND RECYCLING.

**Initiative**

- OFFER OPTIMAL PRODUCTS TO MINIMIZE GHG EMISSIONS THROUGHOUT THE VEHICLE LIFE CYCLE BY TAKING INTO CONSIDERATION THE ENERGY SITUATIONS AND COMPOSITION RATIOS OF POWER GENERATION SOURCES OF EACH COUNTRY/REGION.
- ACCELERATE MEASURES FOR THE DEVELOPMENT OF TECHNOLOGIES THAT CONTRIBUTE TO GHG EMISSIONS REDUCTION AND CREATE ECO-FRIENDLY DESIGNS AS WE PURSUE "EVER BETTER CARS".
- STEP UP EFFORTS TO REDUCE GHG EMISSIONS THROUGHOUT THE ENTIRE VEHICLE LIFE CYCLE WHILE ENGAGING IN EVEN CLOSER COMMUNICATION WITH VARIOUS STAKEHOLDERS IN EACH STAGE OF THE VALUE CHAIN, INCLUDING SUPPLIERS AND DEALERS.
- AIM TO ACHIEVE CLEAN VEHICLE MANUFACTURING THROUGHOUT THE ENTIRE LIFE CYCLE AND PROMOTE ENVIRONMENTAL MANAGEMENT TO ACHIEVE REDUCTION TARGETS USING THE ECO-VAS (ECO VEHICLE ASSESSMENT SYSTEM) INCORPORATING LCA*1.

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**Life Cycle Zero CO₂ Emissions Challenge**

**Aim to achieve CN throughout the entire life cycle**

**Mid- to long-term targets**

- **2050:** Achieve CN for GHG emissions throughout the life cycle*2
- **2030:** Reduce GHG emission by 30% throughout the life cycle*2 (compared to 2019 levels)

**FY2023 Progress**

- *5% reduction of GHG emissions compared to 2019*

*1 Life Cycle Assessment:
- A comprehensive assessment technique to quantify a vehicle's impact on the environment (including global warming, acidification and resource depletion) in each stage from resource extraction to disposal and recycling
- Toyota has acquired a certification based on the ISO 14040/14044 from TÜV Rheinland, a third-party certification organization.

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**Consideration in Each Stage of the Vehicle Life Cycle**

- **CN in LCA means to achieve CN for not only greenhouse gas (GHG) emissions during driving but all GHG generated throughout the entire vehicle life cycle including materials, parts and vehicle manufacturing, logistics, energy production, disposal and recycling.**
- **Toyota has been working, in cooperation with its stakeholders, to achieve CN by 2050 by employing the LCA methods to measure CO₂ emissions.**

**Each Stage of the Vehicle Life Cycle**

- **Disposal/recycling**

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**Life Cycle**

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**Fundamental Approach | Life Cycle | Product | Corporate Activities and Production | **
Carbon Neutral Fuels

- Fuels that emit practically zero CO₂ into the atmosphere during all processes from manufacturing to use (in some cases, this is currently limited to low-carbon fuels that reduce CO₂ emissions)
  - Synthetic fuels: Fuels produced by combining CO₂ and hydrogen (also known as synthetic crude oil)
  - e-fuels: Fuels produced by synthesizing carbon contained in plant waste and air with hydrogen generated from electrolyzing water*
    * Using electricity derived from renewable energy
  - Bio-fuels: Fuels produced from biomass, including bio-ethanol and bio-diesel.

Activities for the Early Adoption of Carbon Neutral Fuel

- Deepening collaboration with fuel manufacturers, including oil companies, and cooperating with efforts to raise awareness of carbon neutral fuels and actual implementation in society.
- Oil companies are working on research to develop synthetic fuels, and Toyota has held events with the following oil companies to raise awareness: ExxonMobil (promotional video) and Chevron (on-road driving) in April 2023 in the United States, and ENEOS (driving demonstration) in May 2023 in Japan.
  - Driving demonstrations using carbon neutral fuel in commercially available cars without any modifications
    - US: RAV 4 (PHEV), Japan: Prius
  - Driving demonstration using synthetic fuel (event with ENEOS)

Considering from Energy Production Stage

Consideration to energy policies

- In working toward achieving CN, Toyota considers that various elements affect energy policies of individual countries/regions as indicated below:
  - Individual countries/regions are promoting various initiatives appropriate for their energy situations, which vary among countries/regions depending on their degree of development of social infrastructure and industry and the presence of resources.
  - Meanwhile, recent tight power supply and soaring energy prices are affecting energy policies of countries.

Consideration to characteristics of each power generation method

- In working toward achieving CN, Toyota considers distinctive characteristics of each power generation method as indicated below:
  - Renewable power generation
    - No CO₂ emissions during power generation.
    - Lower cost and policy support led to an increase in the introduction of renewable power generation.
    - Although there are some factors that are making stable supply difficult, such as differences in the amount of power generated depending on the weather, solutions such as reinforcement of power systems and combined use of stationary batteries are being considered.
  - Backup with other power generation methods is an issue.
  - Thermal power generation
    - Being used in many countries and regions as a stable power source.
    - To reduce CO₂ emissions, technologies for co-firing of hydrogen or ammonia are being considered.
    - Combined application of CCS (CO₂ capture and storage), a process of separating and recovering CO₂ in exhaust gas from plants or power stations, is expected, though there are challenges in the selection of proper locations, cost reduction and the development of laws.
Cases of Initiatives in Energy Production and Usage

Construction and Social Implementation of an Energy Management System (Japan)

- Commercial Japan Partnership Technologies Corporation started the construction and social implementation of an energy management system for electric vehicle in Fukushima Prefecture and Tokyo in January 2023 to contribute to achieving carbon neutral society and solving issues at logistics sites.
- In addition to the introduction of commercial electric vehicles on the market, this social implementation will lead to the reduction of CO₂ emissions and overall burden on society such as the need for recharging and hydrogen filling, through an energy management system integrated with the operation management of commercial vehicles.

Stepping up to the challenge of generating renewable hydrogen and carbon-neutral operations (US)

- Toyota Motor North America (US) has completed construction on “Tri-Gen”, a system capable of producing renewable hydrogen on-site at Toyota Logistics Services, the company’s logistics hub located at the Port of Long Beach in California.
- Tri-Gen aims to achieve carbon-neutral port operations powered by 100% renewable energy sources, reduce CO₂ and NOx (nitrogen oxide) emissions, and serve the local community through the supply of surplus electricity.

Initiatives in Logistcits

- To achieve carbon neutrality (CN) throughout the entire vehicle life cycle, working to improve transport efficiency (reduce workload) and make use of low-carbon technologies (reduce CO₂ emissions intensity) in transport of production parts, completed vehicles, and supply parts covered by in-house logistics arrangements.

2022 Results

- CO₂ emissions in logistics in Japan: Down 9 percent from 2018
- CO₂ emissions in logistics overseas: CO₂ reduction activities tailored to local characteristics are being promoted

Case 1: Reduction of land transport distances

More effective use of resources for transporting completed vehicles through cooperation between brands

- Engaging in collaboration and improvement activities with group company Daihatsu Motor Co., Ltd. for the transport of completed vehicles to respond to social issues including the shift toward CN and driver shortages.
- Toyota outsources part of its vehicle production process to Daihatsu. Despite the fact that vehicles may be delivered to the same location (region), Daihatsu and Toyota use separate transportation systems. A review was conducted to improve the inefficient aspects of this process and reduce GHG emissions, as follow.
  - Shared use of ships, car carriers, and car yards owned by both companies.
  - Improved transport efficiency through modal shifts and reviews of land transport routes throughout Japan.

GHG reduction examples of 200 tons annually for transport to the Hokuriku region

Modal shift

*1 Convert freight transportation by automobile to rail, ship, and other less environmentally hazardous transportation

Case 2: Improving transport efficiency (reducing workload)

Optimized overall logistics across suppliers through in-house logistics arrangements

- For logistics of production parts in Japan, based on the concept of retrieval system, a principle of Toyota Production System (TPS), gradually changing the conventional delivery system, which is arranged by suppliers, to the retrieval system, which is arranged by Toyota.
- By managing logistics from the perspective of the overall optimization, improving loading efficiency by combining the load of all suppliers and helps improve transport efficiency at supplier sites, thereby contributing to reduction of GHG emissions.
- Approximately 80 percent implemented the retrieval system in Kyushu and Tohoku regions. Implementation is approximately 40 percent of the total in the Tokai region (as of July 2023).

Review of land transport routes

Before kaizen (delivery system)

1. Vehicle manufactured in Oita are transported by land from Nagoya Port
2. Vehicles manufactured in Oita are transported by land from Amagasaki Port
3. Plant: Toyota
4. Supplier: Daihatsu Motor Co., Ltd.
5. Conventional delivery system: Transport by one supplier

After kaizen (pickup system)

1. Vehicle manufactured in Oita are transported by land from Nagoya Port
2. Vehicles manufactured in Oita are transported by land from Amagasaki Port
3. Plant: Toyota
4. Supplier: Daihatsu Motor Co., Ltd.
5. Pickup system: Transport by one supplier

Loading of a truck image

*1 A delivery system in which one truck makes an efficient circular route to pick up and deliver loads from/to multiple suppliers
New Vehicle Zero CO2 Emissions Challenge

Aim to achieve CN by reducing average GHG emissions from new vehicles

Mid- to long-term targets

- 2050: Achieve CN for average GHG emissions*1 from new vehicles*4
- 2035: Reduce average GHG emissions*3 by more than 50% from new vehicles*4 (compared to 2019 levels)
- 2030: Reduce average GHG emissions*3 from new vehicles*4
  - Passenger light duty vehicles and light commercial vehicles: 33.3% reduction (compared to 2019 levels)
  - Medium and heavy freight trucks: 11.6% reduction (compared to 2019 levels)

Promoting widespread use of electrified vehicles*5

- Cumulative sales: 23.15 million units (as of March 31, 2023)
- Cumulative CO2 emissions reduction effect from the widespread use of electrified vehicles: 176 million tons

*5 Applicable to Toyota brands electric vehicles

Cumulative CO2 Emissions Reduction Effects from Electrified Vehicles

<table>
<thead>
<tr>
<th>Year</th>
<th>Cumulative CO2 emissions (million t-CO2)</th>
<th>Annual CO2 emissions (million t-CO2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2002</td>
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<td>2007</td>
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<tr>
<td>2012</td>
<td>75</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>100</td>
<td>20</td>
</tr>
<tr>
<td>2022</td>
<td>125</td>
<td>25</td>
</tr>
</tbody>
</table>

*3 Per vehicle, gCO2/km. Well to Wheel includes GHG emissions from the production of fuel and electricity, as well as GHG emissions during vehicle operation.

*4 Applies to finished vehicles under Toyota Motor Corporation and financially consolidated subsidiary brands (Scope3 Category 1). Applies to Toyota Motor Corporation alone in 2035 and 2050.

*5 Applies to Toyota brands electric vehicles

P.48 See Environmental Data (F) for actual figures

Panasonic
Sustainability Data Book
Aiming at Carbon Neutrality (CN) through Product Development

Diverse solutions for diverse situations

- A wide range of vehicles, from passenger cars to commercial vehicles and from cars for people’s daily lives to luxury cars, are used in diverse situations, including not only urban areas but also countries and regions with underdeveloped infrastructure, especially in a severe environment, such as deserts and coal mines.
- Toyota has a variety of powertrain lineups of electrified vehicles, vehicles that convert electricity into power to move, such as HEVs, PHEVs, BEVs and FCEVs.
- In diversified markets of different countries and regions, there is no one-size-fits-all solution. Toyota therefore endeavors to propose various solutions and prepare as many options as possible for our customers.

BEV strategies

- Expand the options for achieving CN by offering a full lineup of BEVs.
- March 2023: Lexus RZ450e pure Battery EV (BEV) model launched
- April 2023: Announcement of additional launch of 10 new models in the lead-up to 2026 and set the sales pace at 1.5 million unit per year as our base volume. In the same month, the bZ series 2 models, scheduled to be launched in China in 2024, were exhibited at Auto Shanghai.
- May 2023: Announcement of the establishment of BEV Factory, a new organization dedicated to BEV development. The organization will implement a full overhaul of vehicle chassis, electronic platforms, and software platforms to accelerate the achievement of new forms of mobility in new vehicle packages using the modular structure unique to BEVs.

Expansion of PHEV use

- As the company moves forward with its full lineup of electric vehicles, it will continue selling PHEVs as one important option for achieving CN.
- New PHEV Prius model launched in March 2023
  - Improved battery performance gives EVs expanded range and performance to cover almost all daily driving requirements with electric power only. (The range for models equipped with 17 inch tires has reached 105 km*, a 75 percent improvement on previous models.)*1
  - Driving range in WLTC mode while using rechargeable electric power (assessment figures from the Ministry of Land, Infrastructure, Transport and Tourism)
  - In some cases, the vehicle will disable EV driving and the engine will start irrespective of the remaining battery level, depending on engine conditions, driving battery, air conditioner use, and driving technique (i.e., exceeding prescribed speeds).

*1 Compared to previous Prius PHV models
*2 Driving range in WLTC mode while using rechargeable electric power

Financial results announcement, March 2023
Technology development for hydrogen engines running on liquid hydrogen fuel

- Hydrogen-engine vehicles directly burn hydrogen as fuel in a modified conventional gasoline engine setup.
- Using 100-percent pure hydrogen, they emit nearly no CO₂ except for the combustion of minute amounts of engine oil during driving.
- Since 2021, agile development has been implemented by utilizing hydrogen engines running on hydrogen gas fuel in the motorsports arena. At the same time, development is also carried out with the aim of boosting the energy density of liquid hydrogen fuel.
- In May 2023, a Toyota vehicle running on liquid hydrogen raced in Round 2 of the Fuji SUPER TEC 24 Hours Race. The vehicle completed the race with planned stops along the way.

GR Corolla fueled by liquid hydrogen

- The liquid hydrogen used for the first time in this race contained lignite-derived hydrogen produced and transported from Australia in February 2022 by the Suiso Frontier liquid hydrogen carrier built by Kawasaki Heavy Industries, Ltd. (KHI). The mobile liquid hydrogen station used at the circuit was developed by Iwatani Corporation.
- As part of continuing efforts, Toyota has gathered together partners who share the common aim of achieving carbon neutrality. The number of members has increased to 39 companies and local governments which involved in manufacturing, transporting, and using hydrogen and carbon neutral fuel (figure as of 18 March 2023).
- New partners joined to reduce CO₂ emissions during parts manufacturing
  - Since Round 2 of the Fuji SUPER TEC 24 Hours Race in 2022, Toyota's vehicle has been equipped with a suspension member made from steel manufactured using a low-CO₂ blast furnace developed and commercialized by Kobe Steel, Ltd.
  - In Round 6 in Okayama, the vehicle was equipped with a recycled steel lower arm for the suspension made from scrap iron produced by Tokyo Steel Corporation.

Suspension member made with Kobe Steel’s Kobenable Premier steel which achieves a 100% reduction in CO₂ emissions during manufacturing (calculated using the mass balance methodology)

A suspension lower arm made by Tokyo Steel from recycled steel using 100% domestic scrap iron. CO₂ emissions per ton of this product are reduced to 1/5th compared to conventional products made from natural resources.
Off-cycle technology development and global expansion of implementation

Toyota will be increasing the number of electric vehicle models as well as promoting off-cycle technology development (reducing energy for heating and cooling, reducing energy consumption, etc.) to effectively reduce GHG emissions under real-world driving conditions – information that is not usually reflected in catalog fuel efficiency figures.

To achieve carbon neutrality, we expand off-cycle technologies globally.

### Catalog fuel efficiency vs. Actual fuel efficiency

<table>
<thead>
<tr>
<th>Factors reducing fuel efficiency when real-world driving</th>
<th>Approx. 20%</th>
<th>Approx. 30%</th>
<th>Approx. 50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Temperature difference, daylight</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road conditions, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary power</td>
<td>Heating/cooling, lamps, etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driving style</td>
<td>Rapid acceleration or braking</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Driving style</td>
<td>Driving distance, etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### GHG emission reductions due to off-cycle technologies

<table>
<thead>
<tr>
<th>Technology example: Predictive electricity charge and discharge control (destination prediction)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uses GPS data to estimate the long-term parking location (destination)</td>
</tr>
<tr>
<td>When the vehicle comes near the destination, it switches automatically to EV mode to discharge electricity</td>
</tr>
<tr>
<td>This allows more efficient control of the hybrid system by charging both engine heater and the motor battery when the engine is started again, thereby reducing heating time.</td>
</tr>
</tbody>
</table>

### Energy-saving route guide

In July 2022, added suggestion function of energy-saving routes to Toyota genuine in-car navigation systems (from 2017 models onwards) in Japan.

- Navigation suggests energy-saving routes based on road gradient, vehicle weight, speed, and other factors in addition to traffic information.
- Consideration of future expansion to other regions.

FY2023 Results
- GHG emission reduction effect: 16,583 t-CO₂e

### Items to reduce GHGs

Using connected data to gather information about GHG emission reduction effects

Toyota is accumulating driving data obtained from the Data Communication Module (DCM) as big data, which is used to design better vehicles and for appropriate maintenance.

The analysis of big data confirms the effect of GHG emission reduction in the real-world.

Technology example: Air-conditioning air recirculation control usage survey

- By aggregating the usage of air conditioners in terms of ambient temperature and driving time, the real-world GHG emission reduction effect in the recirculation mode was obtained.

FY2023 Results (Japan)
- 308 thousand t-CO₂e

- Data utilization will be extended to efforts to create environmentally friendly towns and alleviate traffic congestion.
Corporate Activities and Production

Aim

Corporate activities

■ Achieve carbon neutrality (CN) for GHG emissions from corporate activities including not only from vehicle production, but also logistics, administration, and research facilities, etc.

Production

■ Achieve CN for CO2 emissions at all global production plants by 2035.

Initiative

■ Promote the energy reduction initiatives such as daily kaizen and the introduction of innovative technologies, as well as the introduction of renewable energy and utilization of hydrogen at TMC, all locations operated by financially consolidated subsidiaries, and all Toyota brands production locations.
  • Daily kaizen and the introduction of innovative technologies:
    While the number of parts with much CO2 emissions during manufacturing is increasing due to the popularization of electrified vehicles, optimizing production equipment and improving energy reduction programs to reduce the amount of energy used per vehicle by an annual rate of one percent or more.
  • Introduction of renewable energy and utilization of hydrogen:
    Working hand in hand widely with stakeholders both inside and outside the company to build the necessary social infrastructure to support the widespread use of these energy sources.

Challenging carbon neutrality at plants by 2035

Corporate Activities and Production

Corporate activities

Aim to achieve CN for GHG emissions from corporate activities

Mid- to long-term targets

■ 2050: Achieve CN for GHG emissions from corporate activities*1
  2022 Progress
  • 25% reduction in CO2 emissions compared to 2013 (calculation period: January to December)

■ 2035: Reduce GHG emissions from corporate activities*2 by 68% (compared to 2019 levels)

Production (Plant Zero CO2 Challenge)

Aim to achieve zero CO2 emissions from all global plants

Mid- to long-term targets

■ 2050: Achieve zero CO2 emissions from production at plants*2
  2022 Progress
  • 25% reduction in CO2 emissions compared to 2013 (calculation period: January to December)

■ 2035: Achieve CN for CO2 emissions from production at plants*2

*1 Applies to GHG emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary corporate activities, and GHG emissions related to the production of Toyota brands other than by financially consolidated subsidiaries (Scope 1, 2 + voluntary actions).

*2 Applies to CO2 emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary plants, and CO2 emissions from the production of Toyota brands other than by financially consolidate subsidiaries (Scope 1, 2 + voluntary actions).
Daily Kaizen and the Introduction of Innovative Technologies

Reducing CO2 emissions in production activities
- Plant manufacturing divisions worked with production engineering divisions and facility administration divisions to conduct energy diagnoses at production sites, propose improvements and implement measures.
  - Continued energy-saving activities (internal ESCO*1 activities) and sharing of best practices internally.
  - Expanded the introduction of innovative technologies with a focus on painting processes and promoted energy-saving by adopting steamless and airless processes and shifting to LED lighting.

2022 Results
- Global CO2 emissions: Down 25 percent compared to 2013 levels

Concept of internal ESCO activities (Trinity of energy-saving improvements)

Giga casting*2
- The BEV body structure is divided into three new modules and the adoption of giga casting contributes to the reduction of vehicle development costs and reduce plant investment costs by achieving significantly more efficient parts integration. In addition, Toyota’s self-propelling production technology aims to cut production processes and plant investment in half and help achieve carbon neutrality.

Shift away from high-pressure air supplies
- Initiative to shift away from high-pressure air for body processes at the Takaoka Plant
  - Challenge: Supplying air from the driving force to the plant using both high-pressure air and low-pressure air systems results in a large energy loss.
  - Solution: By adding a pressure boosting valve to equipment designed to handle high air pressure makes it possible to supply air from the driving force to the plant using just one low-pressure air system.

2022 Results
- CO2 emission reduction effect: 210 tons

Shortening lead times from inspection to issue resolution by shifting to DX
- When an abnormality such as air leaks are detected during plant inspections, accurate information is shared in real time between mobile terminals and the cloud to reduce the lead time between when an abnormality is found and corrective action can be taken.
Adoption of renewable energy and utilization of hydrogen

Expansion of renewable energy adoption
- Promoting adoption of renewable energy while considering the characteristics of each region.
- Proactive promotion of installation of power generation equipment using renewable energy sources on company plant sites.
  - Tahara Plant: Wind power generation installed (22 MW, currently coordinating trial operation)
  - Toyota Motor Manufacturing Indonesia (TMMIN) (Indonesia): Installation of solar panels (2.2 MW, scheduled to begin operation in 2023)

2022 results
- Renewable electricity introduction rate (global): 20%
  - Renewable electricity introduction rate (global): 20%

Achieved goal of powering all data centers (in Japan) with renewable electricity
- CO2 reductions are being promoted at both plants and other locations. From January 2023, all data centers in Japan were 100% powered by electricity derived from renewable energy.

Utilization of hydrogen at plants
- Expanded trial operation of hydrogen-powered electricity generation equipment (Toyota HQ plant).
- Commenced production of hydrogen using the alkaline water electrolysis method (Motomachi plant).
  - Low-carbon hydrogen is being produced at the Motomachi plant using electricity from a solar power generation system to carry out water electrolysis. This hydrogen is used to fuel a hydrogen burner which is used to dry sealer that is part of the vehicle battery assembly process. (Acquired Type 7 certification under the Chubu Area Low-Carbon Hydrogen Certification System: June 2023)

Tahara Carbon neutrality (CN) model plant
- Promoting company-wide CN activities through human resource training with the aim of achieving CN in Tahara CN model plant by FY2026.
  - Integration of QC circle activities\(^1\) in relation to CN-related themes, and implementation in all circles
  - Create in-house opportunities to experience CN efforts, and establish CN awareness seminars for all employees.
  - Promotion of comprehensive energy-saving activities through technological innovation and daily kaizen activities.
  - Implement kaizen through collaboration between drive force workplaces which supply energy and manufacturing workplaces that use energy.
  - Utilize geographical characteristics to promote in-house production of renewable energy from wind and solar sources.
  - Expand use of hydrogen and promote the integration of hydrogen technologies into manufacturing equipment as part of efforts to achieve zero CO2 emissions in the future.
  - Aim to achieve a CN society in collaboration with local communities and local government authorities.

\(^1\) Teams will be established for each workplace, mainly at production workplaces. Team members will identify issues at their workplace and implement independent kaizen activities to achieve human resource development and improve workplace environments.

Other non-production-related initiatives to reduce GHG emissions and achieve CN
- Promote electrification for Toyota's company cars through the adoption of BEVs.
  - The step-by-step introduction of BEVs (C+pod, 270 in total) as company cars began in October 2021 and was completed in 2022.
  - TMC has successfully replaced all company cars used for business trips to electric vehicles\(^2\).

\(^2\) HEV, PHEV, BEV, FCEV
Aim

- Building a sustainable global environment and society by increasing the reuse rate of precious, limited resources.

Initiative

- As an initiative to tackle resource-recycling issues under the Toyota Environmental Challenge 2050, formulated “Challenge of Establishing a Recycling-based Society and Systems”, and started actions in 2015.

Activities to Achieve Resource Recycling

Aim

- Aiming to realize a recycling-based society by addressing such issues as the depletion of natural resources and increasing waste due to population growth and the accelerating pace of resource consumption, throughout the entire vehicle life cycle.

Initiative

- Placing particular importance on the two projects below in the Challenge of Establishing a Recycling-based Society and Systems.

• Toyota Global 100 Dismantlers Project: To establish social systems for appropriate treatment and recycling of end-of-life vehicles with reduced environmental impact.

• Toyota Global Car-to-Car Recycle Project: A resource recycling initiative throughout the entire vehicle life cycle.

Challenge of Establishing a Recycling-based Society and Systems

Promote Global Deployment of End-of-life Vehicle Treatment and Resource Recycling Technologies and Systems Developed in Japan
Toyota Global 100 Dismantlers Project

Establishment of Social Systems for Appropriate Treatment and Recycling of End-of-life Vehicles

- Inappropriate disposal and dismantlement of end-of-life vehicles may affect local environments and cause risks to the health and safety of local residents.
- Toyota Motor Corporation promotes the establishment of social systems for appropriate treatment and recycling of end-of-life vehicles without environmental impact by using its long-established technologies and know-how.

Establishment of Model Facilities for Appropriate Treatment and Recycling of End-of-life Vehicles

- For the end-of-life vehicle process of FCEVs, we raise awareness to dismantlers by providing proper methods to fully release any hydrogen gas remaining in the fuel tank from the viewpoint of safety.
- Confirm maintenance of proper processing methods and operation status at model facilities established up to FY2022.

FY2023 Results

- Developed hydrogen gas release jig that can be used for both 1st and 2nd generation MIRAI models
- Held a training session about hydrogen gas release for dismantlers of potential model facilities for appropriate FCEV treatment in Japan.
- Carried out on-site inspection of a model facility established in Malaysia, confirmed facility maintenance, and held an opinion exchange session.

Achieving Industry-leading Levels in Easy-to-dismantle Design for Effective Resource Recycling

- Toyota continues to use easy-to-recycle materials to promote resource recycling of end-of-life vehicles.
- Having visited and surveyed dismantlers around the world since the launch of the Raum passenger car in 2003, Toyota actively adopts vehicle structures for new vehicles that make it easy to dismantle and separate parts to ensure safe and speedy dismantling operations.
- Vehicle models launched in FY2023 with an easy-to-dismantle design: Sienta, Prius, Crown, bZ4X, Lexus RX.
- Toyota's recyclability rate based on vehicle design values is 85% or more, and the recoverability rate including energy recovery is 95% or more.

Examples of Easy-to-dismantle Design

- Instructions showing hoist positioning for large batteries for BEVs (Marking to improve dismantling processes)
  - Marking to improve dismantling processes has been added to indicate the hoisting points that allow large, heavy batteries to be lifted while maintaining the correct balance (bZ4X, Lexus RX)

- Wiring Harness: Use of Pull-tab Type Ground Terminal
  - It is designed to be easily dismantled by simply pulling it like the lid of a can.

- Wiring Harness Layout Innovation
  - Wiring harness can be separated with minimal interference to other parts.
Toyota Global Car-to-Car Recycle Project
A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle

- Toyota Motor Corporation works on reusing waste and recycling end-of-life vehicles to improve resource efficiency while reducing the generation of waste in each of the four stages of the vehicle life cycle: development & design, production, sales & services, and disposal.

Recycling of End-of-Life Vehicles

Usage of recycled plastic

- In the lead up to 2050, Toyota aims to build a society that maximizes plastic recycling on a global scale.

Maximization of Utilization of Recycled Plastics in Toyota Motor Corporation Vehicles

- We collect and recycle bumpers replaced during repairs at dealers.
- To reuse automobile shredder residue (ASR) from end-of-life vehicles also as a material, which until now has been reused as heat, we are planning to use recycled plastic materials from ASR in new vehicles by utilizing crushing and sorting technologies of Toyota Metal Co., Ltd.
- We adopt recycled plastics, in stages, into new models that will go on sale in 2022 and afterward, aiming to more than triple the use of recycled plastics by 2030.

2022 Results

- Gradual expansion of recycled plastic use, starting from the Prius in December 2022 (vehicles produced in Japan)
- Index for recycled plastic use in vehicle produced in Japan remained at 0.7 times, and will further expand the range of vehicles and parts using recycled plastics in the future.
- Index for recycled plastic use in vehicles produced in Europe increased by 1.4 times.

Consideration of recyclability improvements

- Eliminate or replace different materials that hinder recycling.
- Optimize materials standards to facilitate the use of recycled materials.

Cases

Product application of PET bottles collected in-house

- PET bottles disposed within the company are separated, washed, and collected as clean bottles. The bottles are then recycled into high-quality materials in cooperation with related companies. The material is scheduled to be used for the outer layer of seat coverings in the Land Cruiser 250 and selected Japan-made models to be launched in the future.

Self-sufficient PET Bottle, used PET bottles collected in-house

2030 Target

- Aim to use 30% or more*1 recycled materials to facilitate the creation of a society that maximizes resource recycling by 2050. (Applies to vehicles manufactured in Japan and Europe)

*1 Content based on vehicle weight

Compressed
Converted into pellets
Material is used on car seats

Bottles disposed within Toyota are used for Toyota products

Material is used on car seats

Consistently separated and collected as clean bottles

Bottles disposed within Toyota are used for Toyota products

*2 Applies to Toyota and Lexus branded cars
With a view to curbing the use of natural resources and increasing resource input efficiency, we promote the collection of rare resources used in electrified vehicles, such as hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs) and fuel cell electric vehicles (FCEVs), and the reuse of recycled materials, aiming to achieve a resource recycling society.

We are collaborating with partner companies to continue operating the system for collecting and recycling HEV batteries, HEV motor magnets, and FC stacks, along with tungsten carbide tools and other materials used in production.

We are pressing ahead with mobility development that takes recycling into consideration, by feeding back results of these activities into the development and design stages.

In Japan, the Lexus Battery 3R Program has begun for Lexus BEVs.

- Customers who purchase a new Lexus BEV or CPO\(^1\) will receive a partial refund as a contribution to the 3R battery program when they trade in, buy back, or return the vehicle on a hire-purchase agreement at a Lexus dealership.

- Batteries installed in vehicles can be utilized in new vehicles (rebuild), used as storage batteries for electricity storage, etc. (reuse), or recycled to create new batteries (recycle). Together with our customers, these initiatives contribute the environment and society by eliminating the production of unnecessary batteries.

Toyota is working together with JERA Co., Inc. to build the world’s first large-capacity Sweep Energy Storage System utilizing batteries reclaimed from electric vehicles (HEV, PHEV, BEV, FCEV). Operation has begun, including connection to electricity networks.

Large-capacity Sweep Energy Storage System features

- By installing sweep function, which allows recycled vehicle batteries with significant differences in performance and capacity, enables to be used to their full capacity regardless of their level of deterioration and even with the mixture of different types of batteries.

- The application of the sweep function also makes direct AC output possible from the batteries. Vehicle inverters are reused to eliminate the need for a power conditioner (PCS), contributing to reduced costs. This system also helps avoid power loss when converting from AC to DC using a PCS, resulting in more efficient energy use.

*3 A device that can freely control energy discharge by switching electricity flow on and off (bypassing) through series-connected batteries in microseconds

\(^{1}\) Rebuilt, Reuse, Recycle

\(^{2}\) Certified Pre-Owned vehicles

* A device that can freely control energy discharge by switching electricity flow on and off (bypassing) through series-connected batteries in microseconds

**Construction and Launch of a Large-capacity Sweep Energy Storage System from Reused Electrified Vehicle Batteries Connected to the Electrical Power Grid**
Efforts toward Compliance with the New EU Battery Regulation

- At the end of 2020, the European Commission published the draft of a new EU battery regulation. This regulation is scheduled to be promulgated in 2023.
  - This regulation embodies part of the circular economy envisaged in the European Green Deal.
  - The scope of the regulation embraces all types of batteries and their entire life cycle, including the mining of raw materials, product design, production processes, reuse, and recycling.
  - While strengthening both internal and external partnerships, Toyota has started the following study in terms of major regulatory requirements.

**Carbon footprint measurement and information gathering**
- Study on building a system for measuring the carbon footprint of battery packs
- Consultation with battery manufacturers regarding how they can provide carbon footprint information

**Study on the use and required amount of recycled materials**

**Due diligence required for specific materials (Li (lithium), Ni (nickel), Co (cobalt), and natural graphite)**
- Study on developing a battery supply chain management process
- Study on examining risks of human rights infringements and environmental destruction dating back to the mining of raw materials
- Study on third-party certification

**Verification of compliance under a battery passport system using digital technology**
- Study on building a battery traceability system

Battery 3R awareness-raising activities

- Toyota’s website explains the company’s aim “closed-loop system” in an easy-to-understand way to facilitate better understanding of battery life cycle initiatives among regular users.

[Toyota Battery Warranty]
Harmony with Nature

Fundamental Approach

Aim

■ Aim to create a society in harmony with nature by promoting biodiversity conservation activities through collaboration with a wide range of stakeholders.

Initiative

■ As an initiative to tackle biodiversity and water issues under the Toyota Environmental Challenge 2050, formulated “Challenge of Establishing a Future Society in Harmony with Nature” and “Challenge of Minimizing and Optimizing Water Usage,” and started actions in 2015.

Biodiversity

Aim

■ Promote biodiversity conservation activities and contribute to the prevention and reversal of biodiversity loss based on the Toyota Policy on Harmony with Nature and the Policy for Sustainable Natural Rubber Procurement toward the building of a sustainable society in harmony with nature.

Initiative

Challenge of Establishing a Future Society in Harmony with Nature

Connect the Reach of Nature Conservation Activities Among Communities, with the World, to the Future

■ Toyota Green Wave Project
  Plant in Harmony with Nature ⇒ “Connecting Communities” activities

■ Toyota ESD® Project
  Environmental education for the next generation ⇒ “Connecting to the Future” activities

Toyota Policy on Harmony with Nature

We renewed the Biodiversity Guidelines formulated in 2008 as the Toyota Policy on Harmony with Nature in January 2021.

This policy is a guideline for promoting harmony with nature and will serve as the basis for future activities.

We will expand the reach of activities promoting harmony with nature, including the conservation of biodiversity, from communities to the world in collaboration with various people throughout society.

Toyota Policy on Harmony with Nature

Humans enjoy prosperous and fulfilling lives by harmonizing various elements of nature such as water and air as well as conserving biodiversity. However, as environmental issues such as climate change and water shortages interact and become more severe, this harmony of natural elements is disrupted, and biodiversity is being lost. To improve the current situation, Toyota seeks to realize a sustainable society in harmony with nature by fully utilizing the technology and know-how it has developed through various businesses.

1. Recognizing that nature underlies our life and economy through resource supply and climate stabilization, we will promote activities that harmonize various elements of nature and conserve biodiversity.

2. We will expand the reach of activities among communities and connect them with the world by not only acting spontaneously, but also collaborating strongly with society.

3. We will promote environmental education to change the awareness of employees and generations based on the recognition that the biodiversity that forms the foundation of our prosperous life is facing a critical situation. At the same time, we will offer related information to society through both in-house and outside activities.
--- Toyota Green Wave Project ---

**Plant in Harmony with Nature ⇒ “Connecting Communities” activities**

**2025 Target**
- Realize “Plant in Harmony with Nature” -6 in Japan and 4 in other regions.
- Promote activities to connect with local communities in collaboration with affiliated companies.
- Start activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation.

**2022 Results**
- Realized 4 plants in Japan and 4 plants overseas.
- Promoted activities in collaboration with 22 Toyota Group companies and global affiliates. (Number of activities: 1,038).

**Case: Activities bringing communities together**

**All-Toyota activities: Eradication of lanceleaf tickseed** *(Japan)*
- Activities to learn about initiatives to promote co-existence with nature through on-site experiences.
- Activities are organized in collaboration with group companies and implemented at each location. Common themes are selected so that participants can contribute to their own communities without being in the same location.

**2022 Results**
- Participating companies: 7 group companies
- Number of participants: 418, Amount of plants removed: 1,201 kg plus 299 garbage bags.

* Lanceleaf tickseed, listed as an invasive alien species in Japan

--- Toyota ESD Project ---

**Environmental education for the next generation ⇒ “Connecting to the Future” activities**

**2025 Target**
- Implement globally unified initiatives to foster environmentally conscious persons responsible for the future.
- Offer environmental education opportunities by utilizing biotopes and others in collaboration with the Plant in Harmony with Nature.
- Foster environmentally conscious persons at both in-house and outside sites, including plants and the Forest of Toyota, by utilizing educational tools in harmony with nature for the next generation.

**2022 Results**
- Conducted environmental education programs around the world.
  - Examples of Toyota Motor Corporation (Japan).
  - Implemented environmental study sessions.
    - Plant in Harmony with Nature (19 sessions, including online sessions)
    - The Forest of Toyota (249 sessions).

--- Case: Creating plants that co-exist with nature ---

**Kamigo Plant: Tree planting in the east side of the plant’s grounds (Japan)**
- A collaborative activity held on the plant grounds with Toyota Yahagi River Institute, Toyota High School of Technology and Engineering, and local residents.
- The activity aims to create a space where people and nature can interact by planting trees and creating walking paths.
- Tree species were selected with guidance from experts.

**2022 Results**
- Number of trees planted: 702
- Tree species: species native to the area including konara oak, wild cherry tree, Japanese maple, as well Japanese hackberry, the indicator species of the Kamigo Plant which is known to attract Hestina japonica, a type of siren butterfly.
Global Implementation of Environmental Education for the Next Generation

- Building good relationships with local communities through environmental education has a positive impact on Toyota's business over the medium to long term.
- We implement the Toyota ESD Project in each region and hold many environmental study sessions and events in which local residents and employees learn and work together.

Case: Environmental education program for the next generation – Toyota Environment Program for Kids

**Toyota Motor Corporation (Japan)**

- The Toyota Environment Program for Kids (Dragonfly Theme) was held, which is a program designed to educate the next generation about the environment.
  - **Purpose**
    - The program aims to encourage children, who are the future leaders of our society, to understand environmental issues as something that affects them personally and link them to their daily actions to conserve the environment.
  - **Program details**
    - Participants are mainly elementary school students, and children and their families can participate either in person or online.
    - The dragonfly was selected as the theme of the program as it is a familiar insect that exists in the center of the ecosystem and indicates the health of the ecosystem. Participants are encouraged to think about changes to the dragonfly’s environment and the impact that human lifestyles have on the environment.
    - The program consists of lectures and workshops as well as fun activities, such as quizzes and 3 panel comics, to encourage action.
    - The program promotes the discovery of a wide range of environmental issues starting with observation of the natural environment.

**2021-2022 Results**

- Held 7 times (320 participants)

**Registration of Shizen Kyosei Sites**

- As part of efforts to achieve “30 by 30” target of the Kunming-Montreal Global Biodiversity Framework (2022), the Japanese Ministry of the Environment has begun certification of Shizen Kyosei Sites).
- Toyota has joined the 30 by 30 Alliance for Biodiversity led by the Ministry of the Environment in Japan. Certification applications were made for the following four sites, and certification was granted in October 2023.
- These sites are also registered in the OECM global database and are expected to contribute to the achievement of the 30 by 30 target.

**Site Name** | **Location** | **Area** | **Overview of the site**
--- | --- | --- | ---
Toyota Technical Center Shimoyama | Toyota City, Aichi Prefecture | 385 ha | Conduct forest thinning, paddy field cultivation, and grass mowing to maintain the Satoyama environment adjacent to the R&D center.
Biotope Tsutsumi | Toyota City, Aichi Prefecture | 0.74 ha | Establish a biotope within the production site to contribute to the conservation of the local native ecosystem.
Forest of Toyota | Toyota City, Aichi Prefecture | 45 ha | Conserve the Satoyama environment and utilize it as a place for maintenance, research, and community-oriented education.
Toyota Mie Miyagawa Forest | Taiji County, Mie Prefecture | 1689.53 ha | Promote sound forest management based on forest resource information and establish a healthy forest that can fulfill public functions.

*1 30 by 30: A target that aims to protect and conserve at least 30% of land and sea areas in each country by 2030
*2 Shizen Kyosei Sites: Sites certified by the Japanese government as areas where conservation of biodiversity is being promoted through private sector initiatives, etc.
*3 OECM (Other Effective area-based Conservation Measures): Areas other than protected areas which contribute to the conservation of biodiversity
Water Environment

Aim

- Minimize the impact on water environments globally under different environments in each region.
- Strive to become the No. 1 regional plant leading to prosperity throughout the entire society through effective use of water resources.

Initiative

Toyota Water Environment Policy

- Strive to become the No. 1 regional plant leading to prosperity throughout the entire society.
- Assess our impact on water environments and work to minimize those impacts from two perspectives: the input side, where we thoroughly reduce the amount of water usage, and the output side, where we purify wastewater thoroughly and return.

Cases of Water Usage Reduction

Minimize water usage and implement water discharge management according to individual local conditions

- Water quantity (IN): Activities to reduce water use.
- Water quality (OUT): Comprehensive management of wastewater, and activities to clean water before it is returned to the environment.

Case of water use reduction

Case: Reduction of water use through the effective use of evaporated water

Toyota Motor Manufacturing Poland Sp. z o.o. (Poland)

- Efforts currently being implemented to reduce energy use as well as water use.
- Focused on evaporated water created when reducing the volume of liquid waste (coolant, water containing oil, wastewater from cleaning, etc.) from each process.

⇒ Evaporated water is stored in a tank and reused as makeup water for coolant.

- Employees within the company are implementing kaizen activities.

2022 Results

- Water use: reduced by 720 m³ per year
- Water used in the engine process: reduced by 9% (compared to 2021)

A series of efforts, including the above, was acknowledged by the company, and the initiatives won the Gold Global Eco Award, one of a range of awards given to environmental activities within Toyota.
a) Board’s Oversight of Climate-related Risks and Opportunities

At Toyota, to ensure effective strategy formulation and implementation in line with latest societal trends, important climate-related issues, if arise, are reported to the Board of Directors.

The Board of Directors conducts the following duties:

- Deliberate and supervise strategies, major action plans, and business plans.
- Monitor the progress toward qualitative and quantitative targets addressing climate issues.

Monitoring is performed in consideration of the financial impact of the following risks/opportunities, which may turn into climate-related issues:

- Risks/opportunities related to products, such as fuel efficiency/emission regulations.
- Risks/opportunities related to low-carbon technology development.

These governance mechanisms are used in formulating long-term strategy, including the Toyota Environmental Challenge 2050, and in formulating and reviewing the medium- to long-term targets and action plans.

Cases of decisions made at the Board of Directors Meeting in 2022:

- Reported on and approved the identification of carbon neutrality (CN) as a key matter in relation to climate change and the development of a plan to transition to CN by 2050.
- The Board of Directors decided by resolution the level of battery-related investment in order to secure the number of batteries which serve as a pacemaker to expand its line of BEVs.

b) Management’s Role in Assessing and Managing Climate-related Risks and Opportunities

The Board of Directors Meeting is the ultimate decision-making and oversight body of Toyota in addressing climate-related issues.

The committees below are the major bodies in assessing and managing the climate-related risks and opportunities.

<table>
<thead>
<tr>
<th>Frequency of reporting on climate-related issues to the Board of Directors</th>
<th>Sustainability Meeting (Advisory function)</th>
<th>Sustainability Subcommittee (Execute function)</th>
<th>Environmental Product Design Assessment Committee</th>
<th>Consolidated Environment Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>When an important matter arises</td>
<td>When an important matter arises</td>
<td>When an important matter arises</td>
<td>When an important matter arises</td>
<td></td>
</tr>
</tbody>
</table>

Roles:

- To implement operations related to the promotion of sustainability
- To consult with the Sustainability Meeting about key issues and submit reports to the Board of Directors
- To assess product-related risks and opportunities, formulates/ implements strategies and plans, conducts monitoring, etc.
- Assesses risks and opportunities related to production activities, logistics activities, and other non-production activities, determines countermeasures, conducts monitoring, etc.
Strategy

Toyota strives to identify the various risks and opportunities that will arise from environmental issues, takes action while continuously confirming the validity of strategies such as the Toyota Environmental Challenge 2050 and works to enhance its competitiveness.

Take measures against the increasing severity of natural disasters such as storms and flooding, due to higher temperatures and rising sea levels.

The acceleration of climate change may pose risks to Toyota’s business, but if we can respond appropriately, this will lead to enhanced competitiveness and the acquisition of new business opportunities.

In accordance with the above understanding, we have organized the risks relating to climate change and identified particularly significant risks in line with risk management processes based on the degree of impact and stakeholders’ interest.

To respond to risks, we are implementing the following measures:

- Promote electrification and the introduction of renewable energy in production processes.
- Take adaption measures for natural disasters.
- Support and sign the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Disclose information appropriately concerning risks and opportunities related to climate change and their analyses.
- Conduct disclosure through responses to CDP* in accordance with the TCFD.

* CDP: An international NGO that encourages and assesses corporate disclosures on environmental actions based on calls from global institutional investors with high levels of interest in environmental issues.

List of Toyota’s Climate Change Related Risks (Risks (1), (3) and (7) are significant)

<table>
<thead>
<tr>
<th>Transition Risks</th>
<th>Regulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Tightening of regulations for fuel efficiency and ZEVs (acceleration of electrification)</td>
<td></td>
</tr>
<tr>
<td>(2) Tightening of regulations for life cycle CO2 emissions</td>
<td></td>
</tr>
<tr>
<td>(3) Expansion of carbon pricing</td>
<td></td>
</tr>
</tbody>
</table>

- Fines for failure in achieving fuel efficiency regulations
- Decrease in total vehicle sales due to delays in complying with ZEV regulations
- Impairment of internal combustion engine manufacturing facilities
- Increase in production and purchasing costs due to the introduction of carbon taxes, etc.
- Production suspension due to damage to production sites and supply chain disruptions caused by natural disasters

<table>
<thead>
<tr>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) Increase in costs to reduce plant CO2 emissions (due to expanded use of low-carbon and renewable energy, and introduction of energy-saving technologies)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reputational Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) Tightening of ESG*3 assessment criteria and expansion of disclosure requirement fields</td>
</tr>
<tr>
<td>(6) Differences between catalog fuel efficiency and actual fuel efficiency</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Physical Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>(7) Increase in frequency and severity of natural disasters</td>
</tr>
</tbody>
</table>

Significant Risks and Opportunities and Toyota’s Measures

<table>
<thead>
<tr>
<th>Risks</th>
<th>Opportunities</th>
<th>Toyota’s Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Tightening of regulations for fuel efficiency and ZEVs (acceleration of electrification)</td>
<td>Increase in sales of electrified vehicles</td>
<td>Promotion of research and development to improve fuel and battery efficiency</td>
</tr>
<tr>
<td>(2) Tightening of regulations for life cycle CO2 emissions</td>
<td>Increase in profits from external sales of electrification systems</td>
<td>Increase in investment in batteries and shift of resources</td>
</tr>
<tr>
<td>(3) Expansion of carbon pricing</td>
<td>Increase in energy costs due to promoting the introduction of energy-saving technology</td>
<td>Start of external sales of electrification systems</td>
</tr>
<tr>
<td>(4) Increase in costs to reduce plant CO2 emissions (due to expanded use of low-carbon and renewable energy, and introduction of energy-saving technologies)</td>
<td>Improvement of energy security by diversifying energy supply sources</td>
<td>Expansion of electrified vehicle lineup</td>
</tr>
<tr>
<td>(5) Tightening of ESG*3 assessment criteria and expansion of disclosure requirement fields</td>
<td>Comprehensive reduction of energy use and promotion of renewable energy and hydrogen use</td>
<td>Reduction of CO2 emissions from vehicles currently in use</td>
</tr>
<tr>
<td>(6) Differences between catalog fuel efficiency and actual fuel efficiency</td>
<td>Impacts will be an extension of current status</td>
<td></td>
</tr>
<tr>
<td>(7) Increase in frequency and severity of natural disasters</td>
<td>Impacts will be an extension of current status</td>
<td></td>
</tr>
</tbody>
</table>

Stated Policies

Future Storyline

1.5°C or less Future Storyline

Impacts will increase

Impacts will increase

Impacts will increase

Impacts will increase

Impacts will increase

Impacts will increase
b) Impact of Climate-related Risks and Opportunities on the Organization’s Businesses, Strategy, and Financial Planning

- Under the recognition that climate-related issues may have a significant impact on its businesses, strategy, and financial planning, Toyota reviews its strategy based on the risks and opportunities associated with climate-related issues whenever necessary.
- The table on the right describes the specific impact on our businesses, strategy, and financial planning.

Toyota identifies risks, determines their degree of significance, and sets priorities, in accordance with the Toyota Global Risk Management Standard (TGRS).

Details of the TGRS are provided in the next chapter “Risk Management.”

### Impact on Strategy

<table>
<thead>
<tr>
<th>Significant climate related risks</th>
<th>Products and services</th>
<th>Supply chains/value chains</th>
<th>Investments in R&amp;D</th>
<th>Adaptation activities and mitigation activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Regulatory risks for decarbonization in different countries (fuel efficiency regulations, GHG emission regulations, etc.)</td>
<td></td>
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<tr>
<td>• Regulatory risks, such as the introduction of carbon pricing and decarbonization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Market risks, such as increased cost reductions, including sudden price jumps in low-carbon and renewable energy prices, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Impact on strategies

The following strategies were influenced:
- Long-term strategy (2050 Target): Toyota Environmental Challenge 2050 announced in 2015
- Medium-term strategy (2030 Target): 2030 Milestone announced in 2018, SBTI validation and approval in 2022
- Short-term strategy (2025 Target): 7th Toyota Environmental Action Plan announced in 2020

### History of impacts

- The sales target for electrified vehicles was set as the New Vehicle Zero CO2 Emissions Challenge.
- Increase of R&D expenses was assumed in promotion of R&D of electrified vehicles
- In 2021, Toyota announced the aim to sell 3.5 million BEVs in 2030.
- In April 2023, Toyota announced a new average GHG emissions target for new vehicles and set a pace of selling 1.5 million BEV units by 2026 as our base volume.

- The target for CO2 emissions reduction related to plant operations was set as the Plant Zero CO2 Emissions Challenge.
- In 2021, the decision to aim at carbon neutrality at plants by 2035 was announced.
- Targets for Scope 1 and 2 were validated by SBTI in 2022.
STEP 1
Set Future Storylines Assuming Climate Change Effects

- Substantial changes brought by climate change and associated policies of various countries to the automobile industry and the entire mobility society will present both risks and opportunities to Toyota.
- Based on risk and opportunity analysis, using scenarios such as those of the Intergovernmental Panel on Climate Change’s Representative Concentration Pathways (RCP) 4.5 equivalent, IEA’s Stated Policies Scenario (STEPS), and Net Zero Emissions by 2050 Scenario as reference.
- We envisioned the stated policies future storyline and 1.5°C or less future storyline in around 2030 for external environment.

STEP 2
Consider the Impacts on Toyota

- We considered impacts on Toyota in each future storyline of society envisioned in STEP1.
- In the case of a society of the stated policies future storyline, if adequate climate change measures are not implemented throughout society, the following events are likely to increase:
  - Production suspensions due to increased frequency and severity of natural disasters such as flooding.
  - Decreased production and production suspensions due to supply chain disruptions.
- In a society of the 1.5°C or less future storyline, the role of electrified vehicles (ZEVs in particular) will increase:
  - The percentage of ZEVs among new vehicle sales will increase greatly and the use of carbon neutral fuels will also expand.
  - With regard to effects on production and purchasing, since the introduction of carbon taxes and increased tax rates may lead to higher costs, expanding the use of energy-saving technology, renewable energy and hydrogen will mitigate the risks.

STEP 3
Toyota’s Strategies

- Fundamental approach
  - In April 2021, Toyota proclaimed that it would address global-scale challenges to achieve carbon neutrality by 2050.
  - We will develop diverse technologies that will encourage customers in different regions to choose eco-friendly vehicles, with the belief that they can only contribute to reducing GHG emissions if they are widely used (multi-pathway).
  - We will accelerate environmental technology development for electrified vehicles, such as hybrid electric vehicles (HEVs), plug-in hybrid vehicles (PHEVs) and fuel cell vehicles (FCEVs).
- Electrification strategy
  - Toyota sells vehicles in around 200 countries and regions.
  - It is important to offer options of a variety of electrified vehicles to satisfy the different needs of the countries and regions with diverse economic conditions, energy and industrial policies, and customer needs.
  - Toyota has sold a cumulative total of 23.15 million electrified vehicles worldwide (as of March 2023), and is one of the first companies to respond to climate change risks.
- Future actions
  - With regards to BEVs, successively introduce models with dedicated platforms and promote practical vehicle supply through battery development and production strategies.
  - Launch 10 new models by 2026 and set the pace of selling 1.5 million BEV units by 2026 as our base volume to reach a target of 3.5 million vehicles sold globally each year by 2030.
  - Advance the sales of electrified vehicles to fit different regional conditions and customer preferences.
  - In addition to BEVs, promote electrification strategy from all directions, and flexibly and strategically change total vehicle sales and other conditions in response to changes in the market while leveraging the strengths that we have gained through our experience so far, thereby encouraging customers in each region to choose us and accelerating the increased use of electrified vehicles.
Achieving carbon neutrality in the 1.5°C or less future storyline

- Even if battery demand increases in accordance with altered customer needs, flexibly respond by enhancing collaboration with existing/new partners, and swiftly establishing production structures at suppliers that have capital ties with Toyota.

Challenges toward new technologies

- In addition to increasing the number of electrified vehicles, promote the introduction of CO2-reducing off-cycle technology* (although not reflected in mode fuel efficiency).
- As CN fuels are technological option for CN realization along with hydrogen fuel and hydrogen engine vehicles, and are also expected to contribute to reducing CO2 emissions that is effective for vehicles already in use, we will put effort into expanding such technological options.

Cases of efforts in the development of new technologies to achieve the creation of a CN society

- Announce the launch of the new RZ450e, a dedicated BEV model.
- Establish the “Research Association of Biomass Innovation for Next Generation Automobile Fuels” with 5 other companies to study how to improve efficiency in the process of producing fuels, and promote research on technologies related to the use of biomass and the efficient production of bioethanol fuels for vehicles.
- Toyota has joined the Hydrogen Utilization Study Group in Chubu.
- The Study Group participates in the Chubu Conference for Promoting the Use of Hydrogen and Ammonia in Society which is held in corporation with the government, economic organizations and companies, and formulates the “Chubu Hydrogen and Ammonia Supply Chain Vision”, which sets out the direction of initiatives aiming at the practical introduction and use of hydrogen and ammonia in the Chubu region.

* Off-cycle technology: Technologies such as high-efficiency lighting, waste heat recovery, active aerodynamic improvements and solar radiation/temperature control that can improve actual fuel consumption.
Sustainability Data Book

CN

GHG reduction targets

■ Recognize that carbon has no borders and that reducing greenhouse gases (GHG) is a matter of great urgency.

■ Reduce average GHG emissions from new vehicles by 33% in 2030 and more than 50% in 2035 (compared to 2019 levels), and achieve CN for GHG emissions throughout the lifecycle by 2050.

Expanding the value of mobility

■ Evolving cars to create a mobility society where everyone is happy, comfortable and has freedom of movement.

■ Creating a company connected to society through three approaches: electrification, intelligence and diversification.

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Climate-related Financial Disclosures Based on TCFD Recommendations

Environmental Data

FY2022 Review of the 7th Toyota Environmental Action Plan (2025 Target)

Third-party Verification

Governance | Strategy | Risk Management | Metrics and Targets

Toyota’s Vision for the Future of Vehicles

■ Explanation of Toyota’s new management vision and ideal future in April 2023

■ Strive to enrich the lives of people all over the world, change “negative” to zero, and “produce happiness for all” by going “beyond zero” to create and provide greater value, as we aim to transform ourselves into a mobility company.

Expanding the value of mobility

■ Evolving cars to create a mobility society where everyone is happy, comfortable and has freedom of movement.

■ Creating a company connected to society through three approaches: electrification, intelligence and diversification.

Electrification

Intelligence

Diversification

See “Multi-pathway Approaches” on the right.

Expand links between vehicles, support services, and society. BEVs play a part in energy security in society as an energy grid and provide a range of services to support people’s lifestyles.

Engage in initiatives to diversify energy sources, including hydrogen and carbon neutral (CN) fuels.

CN GHG reduction targets

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■ Reduce average GHG emissions from new vehicles by 33% in 2030 and more than 50% in 2035 (compared to 2019 levels), and achieve CN for GHG emissions throughout the lifecycle by 2050.

Multi-pathway

■ Continue to offer a variety of options based on multi-pathway approach in consideration of energy’s future and the current conditions in different regions.

Press ahead with the promotion of electric vehicles in light of total sales of 23.15 million EVs since the first-generation Prius was put on the market (as of March 2023).

Multi-pathway Approaches

BEV

● Aim to launch 10 new models by 2026 and reach sales of 1.5 million vehicles annually.

● Launch next-generation BEVs that use batteries as efficiently as possible and double the cruising range.

● Plan to launch BEVs in different regions.

Developed countries

● Improve performance of bZ series and significantly expand product lineup.

● Ready new models for launch in 2026.

U.S.

● Start local production of 3-row SUVs in 2025 (Equipped with batteries produced in North Carolina)

China

● Launched “bZ4X” and “bZ3”.

● Launch two BEV models developed locally in 2024 (more models to follow)

Asia and other emerging economies

● Start local production of BEV pickup trucks by the end of this year.

● Launch compact BEV model.

FCEV

● Aim to mass produce medium- to heavy-duty trucks and other commercial vehicles that can take advantage of shorter filling times and lighter weights compared to BEVs.

PHEV

● Aim to develop PHEV with an EV-mode driving range beyond 200 km or more through the development of increasing battery efficiency.

HEV

● Carbon-neutral electrified vehicles tailored to local energy conditions and customer usability that can be put on the market in the immediate future.

● Expand sales of HEVs, including in emerging economies.

● Develop water electrolysis systems that use renewable energy, hydrogen produced from excess food and livestock waste, and other technologies in cooperation with the energy industry.

H2

● Develop fuel and other technologies designed to enable the reduction of GHG emissions in vehicles already in use.

● Develop sustainable CN fuels produced from biomass and other materials in collaboration with the energy industry.

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Risk Management

a) Organization’s Processes for Identifying and Assessing Climate-related Risks

- Toyota identifies, assesses, and manages all risks, including climate change, based on a company-wide risk management system called the Toyota Global Risk Management Standard (TGRS) that covers all risks related to global corporate activities.
- Risk assessment is based on the two perspectives of “magnitude of impact” and “vulnerabilities” to clarify the substantive financial or strategic impact on the business.
  - **Magnitude of impact**
    - Assessed on each of “finance”, “reputation”, “violation of laws and regulations”, and “business continuation” elements on a scale of five (0: Low, 5: High).
  - **Vulnerabilities**
    - Assessed on the two elements of the “current status of countermeasures” and “probability of occurrence.”

### Cases of Examination of Climate-related Risks Identified and Their Impacts

<table>
<thead>
<tr>
<th>Risk type</th>
<th>Cases of possible impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transition Risk</td>
<td>Risks of current regulations, including fuel efficiency and greenhouse gas (GHG) emissions regulations, in countries/regions have a significant impact on technology development and production/sales planning. Future regulations have an impact on a wide scale on our technology development, product planning, and production planning. In tightening or introducing regulations, there is a possibility that a lawsuit may be filed due to a difference in the interpretation between entities, such as investors and companies.</td>
</tr>
<tr>
<td>Technology</td>
<td>As a climate change policy, fuel efficiency regulations for automobiles are being tightened globally, and customers need for low-carbon vehicles is also increasing. Development and cost reduction of low-carbon technology focusing on electrification are important management issues.</td>
</tr>
<tr>
<td>Market</td>
<td>Changes in the market lead to a decrease in sales, affecting financial conditions.</td>
</tr>
<tr>
<td>Reputation</td>
<td>A concern that a decline in social image of the corporation will affect Toyota’s sales and stock prices.</td>
</tr>
<tr>
<td>Physical Risks</td>
<td>Acute: A concern that extensive storms and floods caused by climate change will damage Toyota’s 50 major plants worldwide. Chronic: A concern that the expansion of drought associated with climate change will have a significant impact on production plans and rising water costs at some Toyota plants.</td>
</tr>
</tbody>
</table>

b) Organization’s Processes for Managing Climate-related Risks

- After risks by region, function (manufacturing, sales, etc.), and product are extracted by each division and assessed in view of magnitude of impact and vulnerability, each regional and each division mutually cooperates and supports one another in the implementation of a prompt response.
- Chief Officers of each Group or Company Presidents of in-house companies supervise the activities of the companies, and at the subordinate level, the General Managers supervise the activities of divisions and implement and monitor countermeasures.
- Climate-related risks and opportunities are also identified and assessed by the Environmental Product Design Assessment Committee, Consolidated Environment Committee, and Sustainability Subcommittee. The following matters are discussed, and the response status is monitored and reviewed by the divisions in charge and relevant officers at the respective committees.
  - Environmental Product Design Assessment Committee: Fuel economy regulations and procurement
  - Consolidated Environment Committee: Direct operations such as CO2 emission regulations on plants, logistics, and other non-production locations as well as water risks
  - Sustainability Subcommittee: Relevance of initiatives in consideration of issues related to promoting sustainability and external stakeholders.
- Meetings of the above committees are held about four times a year with the participation of Executive- or General Manager-level members of relevant divisions, such as technology, environment, finance, purchasing, and sales.
- Through examinations by these committees, the risks are assessed multiple times a year.
- Important risks and opportunities that require prompt response are reported to the Board of Directors Meeting one by one for response measures to be determined.

c) How Processes for Identifying, Assessing, and Managing Climate-related Risks Are Integrated into the Organization’s Overall Risk Management

- As described above, the processes using the TGRS are a company-wide risk management system that covers all risks and opportunities related to global corporate activities, including climate change.
- At the meetings of the Environmental Product Design Assessment Committee, Consolidated Environment Committee, and Sustainability Subcommittee where members from relevant divisions gather, climate-related risks and opportunities are identified/assessed/managed, and countermeasures are examined.
Metrics and Targets

a) Metrics Used by the Organization to Assess Climate-related Risks and Opportunities in Line with Its Strategy and Risk Management Process

- Toyota believes that setting multiple metrics to comprehensively manage climate-related risks and opportunities is important as a measure for adaptation to and mitigation of climate change.
- The metrics include not only the amount of GHG emissions but also other elements deeply related to climate change, such as energy, water, resource recycling, and biodiversity.
- The following targets have been set based on these indicators and are systematically promoted as “6 challenges” through initiatives in six areas.
  - Long-term strategy (2050 Target): Toyota Environmental Challenge 2050
  - Medium-term strategy (2030 Target): 2030 Milestone, validation and approval by SBTI
  - Short-term strategy (2025 Target): 7th Toyota Environmental Action Plan

- Aim to achieve Scope 1, 2 and 3 to become carbon neutral (CN) by 2050 by promoting the following challenges from the list of “6 challenges”.

b) Scope 1, Scope 2, and, if Appropriate, Scope 3 greenhouse gas (GHG) Emissions, and the Related Risks

- Requests for the disclosure of non-financial information, such as for climate change, are growing and increasingly being legislated in different parts of the world.
- Toyota has worked extensively over the years to disclose environmental information and will continue to review conditions for disclosure, as needed, so that information is released in accordance with local laws.

Trends in CO2 Emissions

<table>
<thead>
<tr>
<th>Emissions Category</th>
<th>Target year</th>
<th>Base year</th>
<th>Reduction rate</th>
<th>Validation / Approval class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1, 2</td>
<td>2035</td>
<td>2020</td>
<td>68%</td>
<td>1.5°C</td>
</tr>
<tr>
<td>Scope 3, category 11</td>
<td>2030</td>
<td>2019</td>
<td>33.3%</td>
<td>Well Below 2°C</td>
</tr>
</tbody>
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Emissions

- Global environmental issues such as climate change, water shortages, resource depletion, and loss of biodiversity are continuing to grow and increase in seriousness every day.
- We are pursuing the development of a sustainable society by working with our global consolidated subsidiaries and business partners to develop Toyota’s medium- and long-term vision and promote specific activities determined through a process of back casting from this vision.
- We formulated the Toyota Environmental Challenge 2050 in 2015 and the 2030 Milestone in 2018 to continue to tackle challenges from a long-term perspective of the world 20 and 30 years ahead.
- In 2020, we set the 2025 Target as the most recent target of the Toyota Environmental Action Plan, a five-year plan for achieving this.
- We received validation and approval from SBTI in September 2022 for Scope 1 and 2, and Scope 3, category 11 reduction targets, and updated our medium-term targets in line with this.

Validation and approval of Toyota’s emissions reduction targets by the Science-Based Targets initiative (SBTI)

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<td>2020</td>
<td>68%</td>
<td>1.5°C</td>
</tr>
<tr>
<td>Scope 3, category 11</td>
<td>2030</td>
<td>2019</td>
<td>33.3%</td>
<td>Well Below 2°C</td>
</tr>
</tbody>
</table>

- Global environmental issues such as climate change, water shortages, resource depletion, and loss of biodiversity are continuing to grow and increase in seriousness every day.
- We are pursuing the development of a sustainable society by working with our global consolidated subsidiaries and business partners to develop Toyota’s medium- and long-term vision and promote specific activities determined through a process of back casting from this vision.
- We formulated the Toyota Environmental Challenge 2050 in 2015 and the 2030 Milestone in 2018 to continue to tackle challenges from a long-term perspective of the world 20 and 30 years ahead.
- In 2020, we set the 2025 Target as the most recent target of the Toyota Environmental Action Plan, a five-year plan for achieving this.
- We received validation and approval from SBTI in September 2022 for Scope 1 and 2, and Scope 3, category 11 reduction targets, and updated our medium-term targets in line with this.

Validation and approval of Toyota’s emissions reduction targets by the Science-Based Targets initiative (SBTI)

<table>
<thead>
<tr>
<th>Emissions Category</th>
<th>Target year</th>
<th>Base year</th>
<th>Reduction rate</th>
<th>Validation / Approval class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1, 2</td>
<td>2035</td>
<td>2020</td>
<td>68%</td>
<td>1.5°C</td>
</tr>
<tr>
<td>Scope 3, category 11</td>
<td>2030</td>
<td>2019</td>
<td>33.3%</td>
<td>Well Below 2°C</td>
</tr>
</tbody>
</table>
Long-term Targets and Medium-term Targets

**Challenge**

- New Vehicle Zero CO₂ Emissions Challenge
- Life Cycle Zero CO₂ Emissions Challenge
- Challenge of Minimizing and Optimizing Water Usage
- Challenge of Establishing a Recycling-based Society and Systems
- Challenge of Establishing a Future Society in Harmony with Nature
- Plant Zero CO₂ Emissions Challenge

**Corporate Activities**

- Contribute to SDGs

**Long-term**

- Achieve CN for GHG emissions throughout the life cycle*1** by 2050
- Achieve CN for average GHG emissions**2 by 2035 (compared to 2019 levels)
- Achieve CN for GHG emissions from corporate activities**3 by 2030
- Achieve zero CO₂ emissions from production at plants**5 by 2050
- Minimize water usage and implement water discharge management according to individual local conditions
- Promote global deployment of End-of-life vehicle treatment and recycling technologies
- Connect the reach of nature conservation activities among communities, with the world, to the future

**2030 Milestone**

- Reduce GHG emissions by 30% throughout the life cycle**6 by 2030 (compared to 2019 levels)
- Reduce average GHG emissions**7 by more than 50% from new vehicles**8 by 2035 (compared to 2019 levels)
- Reduce GHG emissions from corporate activities**3 by 60% by 2030 (compared to 2019 levels)
- Achieve CN**9 for CO₂ emissions from production at plants**5 by 2035
- Implement measures, on a priority basis, in the regions where the water environment is considered to have a large impact
- Water quantity: Complete measures at the 4 Challenge-focused plants in North America, Asia, and South Africa
- Water quality: Complete impact assessments and measures at all of the 22 plants where used water is discharged directly to rivers in North America, Asia, and Europe
- Disclose information appropriately and communicate actively with local communities and suppliers
- Complete establishment of battery collection to recycling systems globally
- Complete setup of 30 model facilities for appropriate treatment and recycling of end-of-life vehicles
- Realize “Plant in Harmony with Nature”—12 in Japan and 7 in other regions—as well as implement activities promoting harmony with nature in all regions in collaboration with local communities and companies
- Contribute to biodiversity conservation activities in collaboration with NGOs and others
- Expand initiatives both in-house and outside to foster environmentally conscious persons responsible for the future

**Medium-term**

- Reduce GHG emissions by 30% throughout the life cycle**6 by 2030 (compared to 2019 levels)
- Passenger light duty vehicles and light commercial vehicles: 33.3% reduction (compared to 2019 levels)
- Medium and heavy freight trucks: 11.5% reduction (compared to 2019 levels)

**Short-term**

- 7th Toyota Environmental Action Plan (2025 Target)

---

*1 Applies to GHG emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary corporate activities, and GHG emissions from suppliers and customers in relation to vehicles under Toyota Motor Corporation and financially consolidated subsidiary brands. (Per vehicle, Scope1,2,3) (Applies to Toyota Motor Corporation alone in 2050)

*2 Per vehicle, gCO₂/km, Well to Wheel: Includes GHG emissions from the production of fuel and electricity, as well as GHG emissions during vehicle operation.

*3 Applies to finished vehicles under Toyota Motor Corporation and financially consolidated subsidiary brands. (Scope3 Category11) (Applies to Toyota Motor Corporation alone in 2035 and 2050)

*4 Applies to GHG emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary corporate activities, and GHG emissions related to the production of Toyota brands other than by financially consolidated subsidiaries (Scope 1, 2 + voluntary actions).

*5 Applies to CO₂ emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary plants, and GHG emissions related to the production of Toyota brands other than by financially consolidated subsidiaries (Scope 1, 2 + voluntary actions).

*6 For the fundamental approach to achieving carbon neutrality, refer to “Challenging carbon neutrality at plants by 2035” in page 25.

*7 Allowable range of fuel economy improvement (Japan’s NEDC is used for the test procedure).

*8 Applies to GHG emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary corporate activities, and GHG emissions from suppliers and customers in relation to vehicles under Toyota Motor Corporation and financially consolidated subsidiary brands. (Per vehicle, Scope1,2,3) (Applies to Toyota Motor Corporation alone in 2035)

*9 No limit

*10 Includes CO₂ emissions from energy consumption in Toyota Motor Corporation and financially consolidated subsidiary corporate activities, and GHG emissions from suppliers and customers in relation to vehicles under Toyota Motor Corporation and financially consolidated subsidiary brands. (Per vehicle, Scope1,2,3) (Applies to Toyota Motor Corporation alone in 2035 and 2050)

*11 For the fundamental approach to achieving carbon neutrality, refer to “Challenging carbon neutrality at plants by 2035” in page 25.

---
Short-term Target — Seventh Toyota Environmental Action Plan (2025 Target)

### Life cycle CO₂ emissions
- **Challenge:** Reduce CO₂ emissions by 16 percent or more throughout the life cycle compared to 2013 levels
- **Logistics:**
  - Japan: Reduce CO₂ emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)
  - Other regions: Reduce CO₂ emissions by vehicles for export (introduce 2 LNG-powered pure car carriers)
- **Suppliers:** Promote CO₂ emissions reduction activities among major suppliers
- **Dealers and distributors:** Achieve 100 percent introduction rate for CO₂ emissions reduction items at newly constructed and remodeled dealers
- **Average CO₂ emissions from new vehicles:**
  - Reduce global*1 average CO₂ emissions*1 (TWh, g/km) from new vehicles by 30 percent or more compared to 2010 levels
  - *1 Countries and regions: Japan, U.S., Europe, China, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand, and Indonesia
- **Electric vehicles:** Make cumulative sales of 30 million electrified vehicles or more

### CO₂ emissions from plants
- **Challenge:** Reduce CO₂ emissions by implementing innovative technologies and daily kaizen and introducing renewable energy
- **Reduce CO₂ emissions from global plants by 30 percent compared to 2013 levels
- **Achieve a 25 percent introduction rate for renewable electricity
- **Promote proactive technological development to utilize hydrogen

### Environmental Management
- **Chemical substances:** Implement thorough management by carefully considering legal trends in each country and region
- **Air quality:**
  - **Product:** Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVs
  - **Production:** Continue volatile organic compound (VOC) emissions reduction activities and maintain industry-leading level
- **Waste:** Promote activities to thoroughly reduce waste globally and aim to minimize the volume of resource input and waste, with the environment and economy in balance
- **Logistics packaging:** Implement initiatives to reduce and recycle plastics used in packaging and recycle them
- **Risk management:** Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region
### Greenhouse Gases (GHG)

#### A. CO2 Emissions
- **Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions)** - Global
- **Scope 1, 2, 3 Total**

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>346.01</td>
<td>395.72</td>
<td>575.73</td>
</tr>
</tbody>
</table>

*1 The production was low in 2020 due to the influence of the COVID-19 pandemic.

*2 In Scope 2 Category11, the data of Toyota Motor Corporation and Daihatsu Motor Co., Ltd. are provided.

*3 From 2022, calculation standards for Scope 2 Category11 have been changed based on SBTi standards.

#### B. CO2 Emissions & CO2 Emissions Intensity
- **Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions)** - Global

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2.45</td>
<td>2.49</td>
<td>2.37</td>
</tr>
</tbody>
</table>

#### C. Greenhouse Gases Emissions from Sources Other Than Energy-related CO2
- **Scope 1 (Direct Emissions)** - Global

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>3.15</td>
<td>3.39</td>
<td>2.87</td>
</tr>
</tbody>
</table>

*CO2 (unit)"
### CO2 Emissions Scope 3 (Other Indirect Emissions): Global

<table>
<thead>
<tr>
<th>Category</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchased goods and services</td>
<td>91.97</td>
<td>102.56</td>
<td>110.49</td>
</tr>
<tr>
<td>Capital goods</td>
<td>3.93</td>
<td>4.17</td>
<td>5.05</td>
</tr>
<tr>
<td>Fuel and energy-related activities (not included in Scope 1 or 2)</td>
<td>1.00</td>
<td>1.08</td>
<td>1.20</td>
</tr>
<tr>
<td>Upstream transportation and distribution</td>
<td>3.79</td>
<td>4.21</td>
<td>4.33</td>
</tr>
<tr>
<td>Wastes generated in operations</td>
<td>0.11</td>
<td>0.10</td>
<td>0.10</td>
</tr>
<tr>
<td>Business travel</td>
<td>0.05</td>
<td>0.04</td>
<td>0.06</td>
</tr>
<tr>
<td>Employee commuting</td>
<td>0.74</td>
<td>0.63</td>
<td>0.61</td>
</tr>
<tr>
<td>Upstream leased assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Downstream transportation and distribution</td>
<td>0.02</td>
<td>0.03</td>
<td>0.06</td>
</tr>
<tr>
<td>Processing of sold products</td>
<td>0.09</td>
<td>0.12</td>
<td>0.12</td>
</tr>
<tr>
<td>Use of sold products</td>
<td>(234.39)²</td>
<td>(267.39)²</td>
<td>439.45³</td>
</tr>
<tr>
<td>End-of-life treatment of sold products</td>
<td>4.29</td>
<td>4.60</td>
<td>4.82</td>
</tr>
<tr>
<td>Downstream leased assets</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Franchises</td>
<td>0</td>
<td>4.66</td>
<td>4.07</td>
</tr>
<tr>
<td>Investments</td>
<td>0.07</td>
<td>0.07</td>
<td>0.13</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(340.41)²</td>
<td>(389.85)²</td>
<td>570.49²</td>
</tr>
</tbody>
</table>

**Note:** Includes contributions from Toyota Motor Corporation and consolidated subsidiaries.

---

### D. Emissions Reduction Targets

1) Emissions reduction targets

SBTi validated Toyota’s emissions reduction target for Scope 1 and 2 as in line with its 1.0°C criteria in September 2022. In conjunction with this validation, SBTi also approved Toyota’s emissions intensity targets for Scope 3 Category 11 as in line with its well below 2°C criteria.

**SBTi:** An initiative established by the CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) (calculation period is the calendar year from January to December).

2) Scope 1 & 2 emissions reductions

<table>
<thead>
<tr>
<th>Year</th>
<th>Global CO2 Emissions (ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>256.54</td>
</tr>
<tr>
<td>2021</td>
<td>226.04</td>
</tr>
</tbody>
</table>

**Note:** Includes contributions from Toyota Motor Corporation and consolidated subsidiaries.

---

### G. Emissions Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions), Scope 3 (Other Indirect Emissions): Global

**Emissions Reduction Progress:• Refer to total CO2 emissions of (a) and (b) in each year as mentioned above.**

**Organizational Boundary:• Total (a) + (b), as mentioned above.**

**Scope 3 Category 11 emissions reduction progress**

- **Average GHG emissions from new vehicles (compared to 2019):**
  - Passenger light duty vehicles and light commercial vehicles: 5.8% reduction
  - Medium and heavy freight trucks: 3.8% reduction

**Notes:**

² SBTi: Environmental Data (Reference Factors)
³ Emissions reduction targets

---

### E. Average CO2 Emissions from New Vehicles: Global

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>150.0</td>
<td>146.0</td>
<td>141.4</td>
</tr>
<tr>
<td>Canada</td>
<td>142.6</td>
<td>134.9</td>
<td>131.7</td>
</tr>
<tr>
<td>Brazil</td>
<td>100.4</td>
<td>101.5</td>
<td>100.1</td>
</tr>
<tr>
<td>Europe</td>
<td>96.1</td>
<td>113.2</td>
<td>109.9</td>
</tr>
<tr>
<td>Russia</td>
<td>188.0</td>
<td>197.3</td>
<td>193.6</td>
</tr>
<tr>
<td>Japan</td>
<td>131.2</td>
<td>125.0</td>
<td>120.3</td>
</tr>
<tr>
<td>China</td>
<td>127.9</td>
<td>136.1</td>
<td>133.4</td>
</tr>
<tr>
<td>Taiwan</td>
<td>147.7</td>
<td>144.2</td>
<td>140.9</td>
</tr>
<tr>
<td>India</td>
<td>148.5</td>
<td>152.3</td>
<td>137.6</td>
</tr>
<tr>
<td>Thailand</td>
<td>165.4</td>
<td>163.1</td>
<td>155.8</td>
</tr>
<tr>
<td>Indonesia</td>
<td>161.5</td>
<td>158.4</td>
<td>150.3</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>162.8</td>
<td>159.4</td>
<td>149.7</td>
</tr>
<tr>
<td>Australia</td>
<td>177.1</td>
<td>172.8</td>
<td>170.2</td>
</tr>
<tr>
<td>South Africa</td>
<td>194.0</td>
<td>179.6</td>
<td>180.9</td>
</tr>
</tbody>
</table>

**Note:** Includes contributions from Toyota Motor Corporation and consolidated subsidiaries.
## Energy
### Energy Used & Energy Intensity: Global

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation</td>
<td>10.1</td>
<td>10.2</td>
<td>11.3</td>
</tr>
<tr>
<td>Japan (excluding Toyota Motor Corporation)</td>
<td>17.8</td>
<td>19.4</td>
<td>23.2</td>
</tr>
<tr>
<td>North America</td>
<td>11.2</td>
<td>13.3</td>
<td>15.4</td>
</tr>
<tr>
<td>Europe</td>
<td>2.9</td>
<td>3.2</td>
<td>3.7</td>
</tr>
<tr>
<td>Asia</td>
<td>6.2</td>
<td>7.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Others (South America, Oceania, Africa, Middle East)</td>
<td>1.6</td>
<td>1.8</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>49.9</td>
<td>55.6</td>
<td>70.1</td>
</tr>
</tbody>
</table>

### By type

<table>
<thead>
<tr>
<th>Type</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>20.2</td>
<td>22.7</td>
<td>23.5</td>
</tr>
<tr>
<td>City gas</td>
<td>14.1</td>
<td>14.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Natural gas</td>
<td>9.5</td>
<td>12.1</td>
<td>12.9</td>
</tr>
<tr>
<td>LPG</td>
<td>1.2</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>LNG</td>
<td>0.3</td>
<td>0.1</td>
<td>0.03</td>
</tr>
<tr>
<td>Coke</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Coal</td>
<td>0.001</td>
<td>0.001</td>
<td>0.0004</td>
</tr>
<tr>
<td>Heavy oil A</td>
<td>0.4</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>0.2</td>
<td>0.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Kerosene</td>
<td>0.1</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Steam</td>
<td>0.02</td>
<td>0.01</td>
<td>0.003</td>
</tr>
<tr>
<td>Hot water</td>
<td>0.00</td>
<td>0.01</td>
<td>0.1</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>3.0</td>
<td>3.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.5</td>
<td>0.1</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>49.9</td>
<td>55.6</td>
<td>70.1</td>
</tr>
</tbody>
</table>

### Water Consumption: Global

<table>
<thead>
<tr>
<th>Region</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation</td>
<td>10.1</td>
<td>10.2</td>
<td>11.3</td>
</tr>
<tr>
<td>Japan (excluding Toyota Motor Corporation)</td>
<td>17.8</td>
<td>19.4</td>
<td>23.2</td>
</tr>
<tr>
<td>North America</td>
<td>11.2</td>
<td>13.3</td>
<td>15.4</td>
</tr>
<tr>
<td>Europe</td>
<td>2.9</td>
<td>3.2</td>
<td>3.7</td>
</tr>
<tr>
<td>Asia</td>
<td>6.2</td>
<td>7.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Others (South America, Oceania, Africa, Middle East)</td>
<td>1.6</td>
<td>1.8</td>
<td>7.3</td>
</tr>
<tr>
<td>Total</td>
<td>49.9</td>
<td>55.6</td>
<td>70.1</td>
</tr>
</tbody>
</table>

### By type

<table>
<thead>
<tr>
<th>Type</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>20.2</td>
<td>22.7</td>
<td>23.5</td>
</tr>
<tr>
<td>City gas</td>
<td>14.1</td>
<td>14.7</td>
<td>12.8</td>
</tr>
<tr>
<td>Natural gas</td>
<td>9.5</td>
<td>12.1</td>
<td>12.9</td>
</tr>
<tr>
<td>LPG</td>
<td>1.2</td>
<td>1.3</td>
<td>1.7</td>
</tr>
<tr>
<td>LNG</td>
<td>0.3</td>
<td>0.1</td>
<td>0.03</td>
</tr>
<tr>
<td>Coke</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Coal</td>
<td>0.001</td>
<td>0.001</td>
<td>0.0004</td>
</tr>
<tr>
<td>Heavy oil A</td>
<td>0.4</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Diesel oil</td>
<td>0.2</td>
<td>0.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Kerosene</td>
<td>0.1</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Steam</td>
<td>0.02</td>
<td>0.01</td>
<td>0.003</td>
</tr>
<tr>
<td>Hot water</td>
<td>0.00</td>
<td>0.01</td>
<td>0.1</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>3.0</td>
<td>3.5</td>
<td>8.0</td>
</tr>
<tr>
<td>Others</td>
<td>0.5</td>
<td>0.1</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>49.9</td>
<td>55.6</td>
<td>70.1</td>
</tr>
</tbody>
</table>

### Recycled Water: Global

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled Water</td>
<td>0.9</td>
<td>1.3</td>
<td>1.9</td>
</tr>
</tbody>
</table>
## Recycled Materials Use Rate: Global

<table>
<thead>
<tr>
<th>Material</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>All materials</td>
<td>12.32</td>
<td>13.66</td>
<td>14.53</td>
</tr>
<tr>
<td>Iron</td>
<td>7.97</td>
<td>8.83</td>
<td>9.39</td>
</tr>
<tr>
<td>Aluminum</td>
<td>1.12</td>
<td>1.25</td>
<td>1.32</td>
</tr>
<tr>
<td>Others</td>
<td>3.24</td>
<td>3.58</td>
<td>3.81</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ratio of recycled materials used</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>All materials</td>
<td>24</td>
<td>25</td>
<td>25</td>
</tr>
</tbody>
</table>

*1 Estimate of raw materials used calculated using major models and recycled materials use rate when scope is expanded to global vehicle production.

## Vehicles Recycled in Accordance with the End-of-Life Vehicle Recycling Law: Toyota Motor Corporation

<table>
<thead>
<tr>
<th>Component</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive battery</td>
<td>40,694</td>
<td>41,366</td>
<td>45,547</td>
</tr>
<tr>
<td>FC stack</td>
<td>26</td>
<td>39</td>
<td>41</td>
</tr>
<tr>
<td>Magnet*5</td>
<td>10.0</td>
<td>7.5</td>
<td>6.5</td>
</tr>
<tr>
<td>Lead wheel balance weight*6</td>
<td>59.7</td>
<td>58.4</td>
<td>62.9</td>
</tr>
</tbody>
</table>

*2 Calculated by combining the percentage recycled through the dismantling and shredding processes, approximately 83% (quoted from the report by the council of the End-of-Life Vehicle Recycling Law), with the remaining ASR rate of 17% and the ASR recycling rate of 96%.

*3 Automobile Shredder Residue: Residue after End-of-life vehicles are shredded

*4 Amount recycled/amount collected

## Parts Recycled: Toyota Motor Corporation

<table>
<thead>
<tr>
<th>Component</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic transmission</td>
<td>714</td>
<td>49</td>
<td>655</td>
</tr>
<tr>
<td>Power steering gear</td>
<td>3,102</td>
<td>1,654</td>
<td>3,429</td>
</tr>
<tr>
<td>Torque converter</td>
<td>750</td>
<td>2,230</td>
<td>645</td>
</tr>
<tr>
<td>Bumper</td>
<td>53.5</td>
<td>54.4</td>
<td>53.2</td>
</tr>
</tbody>
</table>

*5 Magnets used in drive motors

*6 Weights used to adjust rotation balance when joining a wheel and tire

## Bulk Supply System: Oil Supply Rate: Toyota Motor Corporation

<table>
<thead>
<tr>
<th>Component</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drive battery</td>
<td>63.7</td>
<td>48.8</td>
<td>58.3</td>
</tr>
</tbody>
</table>

*7 A system of directly filling tanks at dealers or supplying oil using tanker trucks rather than oil cans and so on to reduce container usage.

*8 Percentage of oil (by bulk supply system) in volume sold by parts distributors

### In principle, fractions are rounded down to the nearest unit. For this reason, the total and the breakdown totals do not always match.
### Waste: Global

<table>
<thead>
<tr>
<th>By region</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation</td>
<td>25</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Japan (excluding Toyota Motor Corporation)</td>
<td>109</td>
<td>115</td>
<td>111</td>
</tr>
<tr>
<td>North America</td>
<td>28</td>
<td>35</td>
<td>47</td>
</tr>
<tr>
<td>Europe</td>
<td>13</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Asia</td>
<td>20</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Others (Oceania, South America, Africa, Middle East)</td>
<td>6</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>201</td>
<td>223</td>
<td>233</td>
</tr>
</tbody>
</table>

#### Packaging Materials Used: Toyota Motor Corporation

<table>
<thead>
<tr>
<th>Year</th>
<th>Packaging Materials (thousand tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>38.1</td>
</tr>
<tr>
<td>2021</td>
<td>47.0</td>
</tr>
<tr>
<td>2022</td>
<td>44.3</td>
</tr>
</tbody>
</table>

**Calculation Method**

For Toyota Motor Corporation and consolidated subsidiaries, the calculation method for packaging materials used is as follows:

\[
\text{Packaging Materials Used} = \sum (\text{Fuel consumption} \times \text{Density} \times \text{Sulfur content})
\]

#### Reference factors

- **cds Emissions**
  - **Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions), Scope 3 (Other Indirect Emissions): Global**
  - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)
  - **CDs Emissions & CO2 Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global**
  - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

### VOC, NOx & SOx Emissions: Global

<table>
<thead>
<tr>
<th>Year</th>
<th>VOC (thousand tons)</th>
<th>NOx (thousand tons)</th>
<th>SOx (thousand tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>19.8</td>
<td>184</td>
<td>406</td>
</tr>
<tr>
<td>2021</td>
<td>25.6</td>
<td>167</td>
<td>347</td>
</tr>
<tr>
<td>2022</td>
<td>22.7</td>
<td>1,508</td>
<td>408</td>
</tr>
</tbody>
</table>

**Calculation Method**

For Toyota Motor Corporation and consolidated subsidiaries, the calculation method for VOC emissions is as follows:

\[
\text{VOC Emissions} = \sum (\text{Fuel consumption} \times \text{Emissions factor for each fuel})
\]

**Reference factors**

- **cds Emissions**
  - **Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions), Scope 3 (Other Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)
  - **CDs Emissions & CO2 Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

### Reference factors

- **cds Emissions**
  - **Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions), Scope 3 (Other Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)
  - **CDs Emissions & CO2 Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

**Other than Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

- **CDs Emissions & CO2 Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

**Reference factors**

- **cds Emissions**
  - **Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions), Scope 3 (Other Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)
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    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

**Other than Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

- **NOx & SOx Emissions: Global**
  - **“Environmental Activity Evaluation Program” by the Ministry of the Environment of Japan**

**Reference factors**

- **cds Emissions**
  - **Scope 1 (Direct Emissions), Scope 2 (Energy-related Indirect Emissions), Scope 3 (Other Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)
  - **CDs Emissions & CO2 Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global**
    - **Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

**Other than Electricity:** Emission factor method by electric company (partially used 2020 actual figures from the “IAE Emissions Factors 2022”)

- **NOx & SOx Emissions: Global**
  - **“Environmental Activity Evaluation Program” by the Ministry of the Environment of Japan**

In principle, fractions are rounded down to the nearest unit. For this reason, the total and the breakdown totals do not always match.
Toyota is promoting the 7th Toyota Environmental Action Plan (2025 Target), a five-year action plan to achieve the Toyota Environmental Challenge 2050. We promoted initiatives in all 23 items, making steady progress in general in FY2023.

<table>
<thead>
<tr>
<th>Six Challenges</th>
<th>No.</th>
<th>Action Items</th>
<th>Specific Actions and Targets</th>
<th>Progress Results in FY2023</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Vehicle Zero CO2 Emissions Challenge</td>
<td>1 Average CO2 emissions from new vehicles</td>
<td>• Reduce global<em>1 average CO2 emissions (TtW</em>2, g/km) from new vehicles by 30 percent or more compared to 2010 levels</td>
<td>• Reduced by 27 percent compared to 2010 levels</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Electrified vehicles</td>
<td>• Make cumulative sales of 30 million electrified vehicles or more</td>
<td>• Achieved cumulative sales of 23.15 million vehicles (FY2023 sales were 2.84 million vehicles)</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td>Plant Zero CO2 Emissions Challenge</td>
<td>3 CO2 emissions from plants</td>
<td>• Reduce CO2 emissions by implementing innovative technologies and daily kaizen and introducing renewable energy</td>
<td>• Achieved a 25 percent introduction rate for renewable electricity</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduce CO2 emissions from global plants by 30 percent compared to 2013 levels</td>
<td>• Achieved a 20 percent global introduction rate for renewable energy</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Accelerated CO2 emissions reduction activities by developing and introducing low-CO2 production technologies and globally sharing of daily-kaizen practices through shop-oriented environmental activities</td>
<td>• Continued to maintain 100% renewable electricity introduction rate at all plants in Europe and South America</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduced CO2 emissions from global plants by 25 percent compared to 2013 levels</td>
<td>• Promote proactive technological development to utilize hydrogen</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td>Life Cycle Zero CO2 Emissions Challenge</td>
<td>4 Life cycle CO2 emissions</td>
<td>• Reduce CO2 emissions by 18 percent or more throughout the entire vehicle life cycle compared to 2013 levels</td>
<td>• Reduced CO2 emissions by 17 percent over the vehicle life cycle compared to 2013 levels</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5 Logistics</td>
<td>• Japan</td>
<td>• Reduce CO2 emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)</td>
<td>• Japan</td>
<td>✔✔</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Japan and Other regions</td>
<td>• Reduce CO2 emissions by ocean-going vessels (Switch two car carriers to liquid natural gas LNG-powered pure car carriers)</td>
<td>• Japan</td>
<td>✔✔</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Japan</td>
<td>• Implement transport efficiency improvements including loading efficiency improvements, joint transport, modal shifts*3 and use of tandem trailers</td>
<td>• Japan</td>
<td>✔✔</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Japan</td>
<td>• Switching from cargo transport by land to transportation means with less environmental impact, such as railway and ships</td>
<td>• Japan</td>
<td>✔✔</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Japan</td>
<td>• Used Chinese railways for transport destined for Central Asia</td>
<td>• Japan</td>
<td>✔✔</td>
</tr>
<tr>
<td>Suppliers</td>
<td>6 Suppliers</td>
<td>• Promote CO2 emissions reduction activities among major suppliers</td>
<td>Engaged in communication with suppliers in each region and promoted activities in accordance with local conditions</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td>Dealers and distributors</td>
<td>7 Dealers and distributors</td>
<td>• Achieve 100 percent introduction rate for CO2 emissions reduction items at newly constructed and remodeled dealers</td>
<td>Engaged in communication with suppliers in each region and promoted activities in accordance with local conditions</td>
<td>✔ ✔</td>
<td></td>
</tr>
<tr>
<td>Challenge of Minimizing and Optimizing Water Usage</td>
<td>No.</td>
<td>Action Items</td>
<td>Specific Actions and Targets</td>
<td>Progress Results in FY2023</td>
<td>Evaluation</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>8</td>
<td>Water quantity</td>
<td>• Reduce water usage taking the water environment in each country and region into consideration</td>
<td>Promoted the adoption of kaizen items in accordance with local conditions in each country and region, and implemented efforts to reduce water usage.</td>
<td></td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Promote wastewater recycling, rainwater use, and various activities including daily kaizen</td>
<td>Promoted daily kaizen, wastewater recycling, and rainwater use, etc. as part of efforts to achieve the target.</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduce global water usage by 3 percent per vehicle produced compared to 2013 levels (reduce by 34 percent compared to 2001 levels)</td>
<td>Reduced by 13 percent compared to 2013 levels</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Complete measures at 2 Challenge focused plants where the water environment is considered to have a large impact</td>
<td>Promoted measures at Challenge-focused plants</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenge of Establishing a Recycling-based Society and Systems</th>
<th>No.</th>
<th>Action Items</th>
<th>Specific Actions and Targets</th>
<th>Progress Results in FY2023</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Toyota Global 100 Dismantlers Project</td>
<td>• Complete setup of 15 model facilities for appropriate treatment and recycling of End-of-life vehicles and resource issues, and provide appropriate information (large batteries, fuel cell (FC), hydrogen tank)</td>
<td>Promoted the adoption of kaizen items in accordance with local conditions in each country and region, and implemented efforts to reduce water usage.</td>
<td></td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Continuously accelerate easy-to-dismantle designs</td>
<td>Continued to integrate easy-to-dismantle designs in new vehicles</td>
<td></td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Integrate easy-to-dismantle designs to respond to appropriate treatment and recycling of End-of-life vehicles and resource issues, and provide appropriate information</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Establish a safe and efficient system for battery 3R*1, eyeing the widespread use of electrified vehicles</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Aim to maximize collection and detoxification of End-of-life batteries globally</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Start operating battery 3R throughout 5 regions—Japan, U.S., Europe, China, and Asia</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>*1 Rebuild, Reuse, and Recycle</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>11</td>
<td>Toyota Global Car to Car Recycle Project</td>
<td>• Develop technologies to utilize recycled materials (especially plastics) in accordance with the conditions in each region</td>
<td>Began concrete studies to expand the utilization of recycled materials in response to the circular economy</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Promote utilization by technological development to optimally exploit recycled materials in Europe and to increase the supply of recycled materials in Japan</td>
<td>The use of recycled plastics starting with the Prius in December 2022 with the aim of achieving the target to expand use of recycled plastics by 2030 (see p. 30 for details of the initiative)</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenge of Establishing a Nature Society in Harmony with Nature</th>
<th>No.</th>
<th>Action Items</th>
<th>Specific Actions and Targets</th>
<th>Progress Results in FY2023</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>12</td>
<td>Toyota Green Wave Project</td>
<td>• Realize “Plant in Harmony with Nature”—6 in Japan and 4 in other regions</td>
<td>Established 4 model plants in Japan and 4 model plants overseas and continued to promote initiatives by sharing know-how with other plants (One plant in Japan has been certified as a Nature Coexistence Site by the Japanese Ministry of the Environment and is scheduled to be added to the OCIM database).</td>
<td></td>
<td>✓ ✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Promote activities to connect with local communities in collaboration with affiliated companies</td>
<td>Promoted activities in collaboration with 22 Toyota Group companies and global affiliates (Number of activities: 1,038)</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Start activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>13</td>
<td>Toyota Today for Tomorrow Project</td>
<td>• Globally strengthen conservation of endangered species, which symbolize biodiversity, in collaboration with NGOs and others</td>
<td>In FY2021, completed a support agreement with the IUCN for the assessment of endangered species and the selection of projects to be supported by the Toyota Environmental Activities Grant Program</td>
<td></td>
<td>–</td>
</tr>
<tr>
<td>14</td>
<td>Toyota ESD*2 Project</td>
<td>• Implement globally unified initiatives to foster environmentally conscious persons responsible for the future</td>
<td>Conducted environmental education programs around the world (Cases in Japan)</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Offer environmental education opportunities by utilizing bicycles and others in collaboration with the Plant in Harmony with Nature</td>
<td>Environmental study session: Plant in Harmony with Nature (19 sessions, including online sessions); The Forest of Toyota (249 sessions)</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

*1 Rebuild, Reuse, and Recycle

*2 Education for Sustainable Development
<table>
<thead>
<tr>
<th>Six Challenges</th>
<th>No.</th>
<th>Action Items</th>
<th>Specific Actions and Targets</th>
<th>Progress Results in FY2023</th>
<th>Evaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Management</td>
<td>15</td>
<td>Chemical substances</td>
<td>* Implement thorough management by carefully considering legal trends in each country and region</td>
<td>• Steadily introduced vehicles that comply with the latest regulations and restricted substances together with affiliates and suppliers in each country and region.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>Air quality</td>
<td>Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVs*</td>
<td>Promotion: Promoted a switch to water-based paint in the bumper painting process. Implemented initiatives to completely eliminate the use of ozone-depleting substances (ODS) with no significant emissions of these substances.</td>
<td>✓✓</td>
</tr>
<tr>
<td></td>
<td>17</td>
<td>Waste</td>
<td>Promote activities to thoroughly reduce waste globally and aim to minimize the volume of resource input and waste, with the environment and economy in balance</td>
<td>Promoted activities to reduce waste through development and deployment of waste reduction-oriented production technologies and daily kaizen activities.</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>18</td>
<td>Logistics packaging</td>
<td>Implement initiatives to reduce and recycle plastics used in packaging and recycle them</td>
<td>Continued to promote the reduction of plastics used in packaging by reviewing packaging specifications and active use of recycled materials</td>
<td>✓✓</td>
</tr>
<tr>
<td></td>
<td>19</td>
<td>Risk Management</td>
<td>Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region</td>
<td>There were 3 environmental non-compliance issues in the production area (0 in Japan and 3 in other regions) and 2 complaints in the non-production area (1 in Japan and 1 in other regions), for which measures were completed. There were no significant violations of environmental laws and regulations and environmental noncompliance issues.</td>
<td>✓</td>
</tr>
</tbody>
</table>

* Zero Emission Vehicles: Vehicles that have the potential not to emit any CO2 and NOx (nitrogen oxide) during driving such as battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs)
Verification Opinion

10 October 2023
Opinion No.: SGS23/044

Mr. Koji Sato
President, Board of Directors
Toyota Motor Corporation
1 Toyota-Chuo, Toyota City, Aichi Prefecture Japan

Objective
SGS Japan Inc. (hereinafter referred to as “SGS”) was commissioned by Toyota Motor Corporation (hereinafter referred to as “the Organisation”) to conduct independent verification based on Criteria of Verification (ISO 14064-3 2018) and the SGS verification protocol regarding the data prepared by the Organisation on the scope of the verification (hereinafter referred to as “the Statement”). The objective of this verification is to confirm that the Statement in the Organisation’s applicable scope has been correctly calculated and reported in the Statement in conformance with the criteria, and to express our views as a third party. The Organisation is responsible for the preparation and fair presentation of the Statement.

Scope
The scope of verification is Scope1 and Scope2, energy consumption, Scope3 emissions, water usage, waste and automobile-related environmental performance (published in the Toyota Sustainability Data Book). The period subject to report is from 30 April 2022 to 31 March 2023.

The details of the scope of verification

The criteria for this review are based on the Emission Factors 2022, the Greenhouse Gas Emissions Inventory Guidebook, and the Toyota LCA System and the protocol specified by the Organisation.

Conclusions
Within the scope of the verification activities employing the methodologies mentioned above, nothing has come to our attention that caused us to believe that the Organisation’s Statement was not calculated and reported in conformance with the criteria.

SGS Japan Inc. affirms our independence from the Organisation, being free from bias and conflicts of interest with the Organisation.

Yuki Takeuchi
Head of Certification/Accreditation
SGS Japan Inc.

134, Godo-cho, Hodogaya-ku, Yokohama City, Kanagawa 240-0021, Japan
Tel: +81 (0)45 565-5541
Fax: +81 (0)45 565-5542

The attached file

The report of this verification is referred to as “Verification Report”.

The full list of verification reports is on the SGS website: www.sgs.com/verification

Yuki Takeuchi
### CO2 Emissions:

#### Category 1: Tangible purchases related to the automobile business of Toyota, Lexus and its consolidated subsidiaries brand

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 1: 110.49 million t-CO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2.98 million t-CO2e</td>
</tr>
<tr>
<td>2017</td>
<td>4.59 million t-CO2e</td>
</tr>
<tr>
<td>2019</td>
<td>0.11 millon t-CO2e</td>
</tr>
<tr>
<td>2020</td>
<td>0.20 million t-CO2e</td>
</tr>
</tbody>
</table>

#### Category 11: Finished vehicles under the automobile business of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 11: 1.14 million t-CO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.61 million t-CO2e</td>
</tr>
</tbody>
</table>

#### Category 10: Automobile business

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 10: 4.33 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.2 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>1.02 million t-CO2</td>
</tr>
</tbody>
</table>

#### Category 12: Automobile business products of Toyota, Lexus and its consolidated subsidiaries brand

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 12: 0.56 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.49 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.07 million t-CO2</td>
</tr>
</tbody>
</table>

#### Category 7: The automobile business of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 7: 2.06 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.12 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.20 million t-CO2</td>
</tr>
</tbody>
</table>

#### Category 8: The production vehicles of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 8: 0.06 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.08 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.02 million t-CO2</td>
</tr>
</tbody>
</table>

#### Category 9: The automobile business of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 9: 4.33 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>2.2 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>1.02 million t-CO2</td>
</tr>
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</table>

#### Category 6: The automobile business of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 6: 2.87 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.46 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.42 million t-CO2</td>
</tr>
</tbody>
</table>

#### Category 5: The automobile business of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 5: 1.96 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.96 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.42 million t-CO2</td>
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</table>

#### Category 4: 4.33 million t-CO2 |

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 4: 2.87 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.46 million t-CO2</td>
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<tr>
<td>2020</td>
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#### Category 3: 3.14 million t-CO2 |

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 3: 1.96 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>0.96 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.42 million t-CO2</td>
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#### Category 2: The automobile business of Toyota Motor Corporation and its consolidated subsidiaries

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 2: 5.16 million t-CO2</th>
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<tbody>
<tr>
<td>2019</td>
<td>2.63 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>1.53 million t-CO2</td>
</tr>
</tbody>
</table>

#### Category 1: 110.49 million t-CO2 |

<table>
<thead>
<tr>
<th>Year</th>
<th>Category 1: 110.49 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>5.16 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>2.63 million t-CO2</td>
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</tbody>
</table>

#### Scope 1 & 2 (Energy-related CO2 emissions, Global per vehicle produced)

<table>
<thead>
<tr>
<th>Year</th>
<th>Scale 1: 0.37 million t-CO2</th>
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<tr>
<td>2020</td>
<td>0.20 million t-CO2</td>
</tr>
</tbody>
</table>

#### Scope 2: 2.87 million t-CO2 |

<table>
<thead>
<tr>
<th>Year</th>
<th>Scale 2: 2.87 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>1.46 million t-CO2</td>
</tr>
<tr>
<td>2020</td>
<td>0.42 million t-CO2</td>
</tr>
</tbody>
</table>

#### Scope 3: Global (excluding Big Data)

<table>
<thead>
<tr>
<th>Year</th>
<th>Scale 3: 6 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.08 thousand t-CO2e</td>
</tr>
<tr>
<td>2020</td>
<td>3.08 thousand t-CO2e</td>
</tr>
</tbody>
</table>

#### Scope 3, Global

<table>
<thead>
<tr>
<th>Year</th>
<th>Scale 3, Global: 6 million t-CO2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.08 thousand t-CO2e</td>
</tr>
<tr>
<td>2020</td>
<td>3.08 thousand t-CO2e</td>
</tr>
</tbody>
</table>

#### Scope 3, Global (excluding Big Data)

<table>
<thead>
<tr>
<th>Year</th>
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</tr>
</tbody>
</table>

#### Scope 3, Global (excluding BIg Data)

<table>
<thead>
<tr>
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<th>Scale 3, Global (excluding Big Data): 6 million t-CO2</th>
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</tr>
<tr>
<td>2020</td>
<td>3.08 thousand t-CO2e</td>
</tr>
</tbody>
</table>
Social

58  Respect for Human Rights
65  Diversity, Equity, and Inclusion (DE&I)
73  Value Chain Collaboration
76  Vehicle Safety
80  Quality and Service
85  Information Security
88  Privacy
90  Intellectual Property
91  Human Resource Development
96  Health and Safety
102 Social Contribution
103 Social Data
**Respect for Human Rights**

**Fundamental Approach**
- Toyota aims to be the best company in town, both loved and trusted by the people.
- We respect and honor the Human Rights of our employees, customers, and all people related to our business activities.
- Each employee contributes to creating a decent work environment that promotes safety & health, respects each employee's dignity, and is free from any human rights abuse, including discrimination, harassment, child labor, and forced labor.

**Initiative**

- Toyota refers to and respects the "United Nations Guiding Principles on Business and Human Rights" (UNGP), and promotes activities related to Human Rights based on these guidelines.
- Individuals working at Toyota respect Toyota's Human Rights policy and align suppliers with the Sustainability Supplier Guidelines, and implement Human Rights due diligence and educational activities.

**Organizational Structure**

**Aim**
- To ensure that the company fulfills its corporate responsibility to respect Human Rights by embedding, implementing and conducting the necessary processes and actions.

**Initiative**
- The direction and challenges of the initiatives are reported to and discussed by the Sustainability Subcommittee. Key issues are consulted at the Sustainability Meeting and brought to the Board of Directors meeting for oversight and decision-making.
- Toyota's Human Rights Policy oversees the responsibility for Human Rights within the organization.
- The Human Resources Division is centered in Human Rights management, collaborating with the Purchasing Group, Sustainability Management Department, and other organizations.

**Policy Development and Dissemination**

**Aim**
- Toyota's Human Rights Policy applies to all executives and employees at Toyota and its subsidiaries. We also expect our business partners, including our suppliers, to understand and support this policy, and to work with us to ensure that their business operations respect this policy. This policy includes:
  - Respect for internationally recognized Human Rights in line with the international norms including the UNGP and the Universal Declaration of Human Rights.
  - Compliance with international Human Rights obligations together with the laws and regulations of the countries in which we operate.

**Initiative**

**Development of Human Rights policies**
- The Human Rights policy was developed with advice from third-party specialist Human Rights organizations.
- The policy was supported by the top management, and was further developed incorporating feedback from internal divisions, the supply chain, and regional affiliates.
- The policy was approved by the Board of Directors.

**Dissemination within the company**
- In August 2022, Human Rights training content was developed, and all current Toyota Motor Corporation employees completed the human rights training. To continuously educate the workforce and eliminate any gaps, the training content has been incorporated into the induction material for recruits in the organization.
- The human rights policy was further rolled out to other regional Toyota affiliates.
- Through the Supplier Sustainability Guideline cascaded to 1st Tier Suppliers, we expect the suppliers to embed the policy in their own operation and disseminate it to their supply chain.
- Incorporate specific Human Rights statements to the Dealer Basic Contracts, and the new business planning guidelines.

**Toyota's Responsible Mineral Sourcing Policy**

**Toyota's Human Rights Policy**

**Toyota's action taken for Forced Labor of Migrant Workers (Statement on the Modern Slavery Acts)**

**Toyota’s Human Rights Policy applies to all executives and employees at Toyota and its subsidiaries.**

**Toyota aims to be the best company in town, both loved and trusted by the people.**

**We respect and honor the Human Rights of our employees, customers, and all people related to our business activities.**

**Each employee contributes to creating a decent work environment that promotes safety & health, respects each employee's dignity, and is free from any human rights abuse, including discrimination, harassment, child labor, and forced labor.**

**Toyota refers to and respects the "United Nations Guiding Principles on Business and Human Rights" (UNGP), and promotes activities related to Human Rights based on these guidelines.**

**Individuals working at Toyota respect Toyota's Human Rights policy and align suppliers with the Sustainability Supplier Guidelines, and implement Human Rights due diligence and educational activities.**
Human Rights Due Diligence

**Aim**

- Continuously identify and assess risks related to Human Rights impacts on stakeholders, while ensuring mitigation and preventative measures are implemented.

**Initiative**

Identification and Assessment

- The methodology, process, and actions are developed in line with various international standards and norms.
- For issues related to the automotive industry, Toyota consults Human Rights experts and other relevant stakeholders to classify and analyze the risks from two viewpoints: the impact on stakeholders and relevance to Toyota’s business. *For raw materials, we consider the sourcing region, quantity, and type of material.*
- Reporting and risk assessment are conducted within the framework of the organization for sustainability management (Sustainability Subcommittee).

Prevention

- Continuous Risk Monitoring operations include: Business partner collaboration, interaction with Human Rights associations, affected stakeholder consultations, and Human Rights risk research.

Mitigation

- For each of the prioritized risks, Toyota develops a risk mitigation plan through an agreement with the affected stakeholders while also being guided by specialist external bodies.
- These plans are tracked and reviewed annually by the human-rights-related functions to evaluate their progress and effectiveness, while the need for improvement is also determined.

Remedy

- Development and implementation of a Grievance Mechanism
  - Internal: Speak Up Hotline
  - Consolidated subsidiaries: Toyota Helpline for Subsidiaries
  - Migrant workers: JP-MIRAI-Speak Up for Migrant Workers
  - Toyota Dealers: Helpline for Dealers

Engagement with Business Partners (Supply Chain Due Diligence)

- Supplier Sustainability Guidelines include requirements for suppliers to ensure compliance with laws and regulations, and to respect Human Rights.
- Toyota works together with suppliers on risk monitoring, tracking, and remediation, which also provides guidance and support for potentially affected stakeholders.
- Methods for working with suppliers include:
  - Directly collaborating with Tier 1 suppliers and group companies.
  - Collaborating with Tier 1 suppliers and other stakeholders to work with Tier 2 suppliers and beyond.
- In December 2022, Toyota’s approach to promote human rights due diligence and initiatives was featured at the Human Rights Risk Management Committee of Kyokai, a voluntary organization consisting of suppliers to Toyota.

Engagement with stakeholders

- Toyota partners with external stakeholders to fully understand and align with societal expectations, while maintaining legal compliance in all operations including the supply chain.

**Stakeholders**

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota</td>
<td>Consult to identify human rights risks related to the automotive industry</td>
</tr>
<tr>
<td>BSR</td>
<td>Participate in the Human Rights Working Group (2 sessions per year) and the seminars (4 sessions per year)</td>
</tr>
<tr>
<td>CHRB</td>
<td>Grasp human rights legislation trends and current affairs</td>
</tr>
<tr>
<td>IOE</td>
<td>Network with other participating organizations</td>
</tr>
<tr>
<td>GIRN</td>
<td>Share human rights practices among the participating companies</td>
</tr>
<tr>
<td>WDi</td>
<td>Acquire the latest ILO insights</td>
</tr>
<tr>
<td>The Global Alliance for Sustainable Supply Chain</td>
<td>Participate in seminars and conferences</td>
</tr>
<tr>
<td>JP-MIRAI</td>
<td>Network with other participating companies</td>
</tr>
<tr>
<td>BSR</td>
<td>Share human rights practices among the participating companies</td>
</tr>
<tr>
<td>BSR</td>
<td>Acquire the latest ILO insights</td>
</tr>
<tr>
<td>BSR</td>
<td>Consult to mitigate forced labor/migrant labor risks (Support on issuing the Modern Slavery Report)</td>
</tr>
<tr>
<td>BSR</td>
<td>Collaborate with multi-stakeholders for a framework that enables a grievance mechanism for migrant workers</td>
</tr>
<tr>
<td>BSR</td>
<td>Participate in seminars on issues related to migrant labor</td>
</tr>
<tr>
<td>BSR</td>
<td>Exchange opinions with participating companies and participate in subcommittee meetings</td>
</tr>
</tbody>
</table>

2023 Priority Salient Risks

- As a result of identifying and assessing our salient risks, Toyota maintains due diligence with high priorities on the following risks for 2023: supply chain due diligence, forced labor, child labor, harassment, and discrimination (gender).
- If any other sudden or unforeseen salient risks emerge in our business, we may review our priorities and conduct ad hoc due diligence activities.
Initiatives for Migrant Labor (Forced Labor)

**Aim**
- Ensure decent and acceptable working conditions, which include freedom of movement, fair treatment, and proper employment contracts for migrant workers in our business operations and supply chain.

**Initiative**
- Recognize that migrant workers are vulnerable to exploitation and forced labor. We are also aware that potential risks of forced labor involving migrant workers may exist within our business, supply chain, and value chain due to the nature of our business.

**Guidelines and declaration development**
- Guidelines have been developed to help eliminate possible exploitation by unscrupulous employment agencies charging high recruitment fees, and ensure freedom of movement, fair treatment, and proper employment contracts for migrant workers.
- Participation in the working group on the formulation of the ASSC Tokyo Declaration 2020.1

**Guidelines and declaration development**
- Guidelines have been developed to help eliminate possible exploitation by unscrupulous employment agencies charging high recruitment fees, and ensure freedom of movement, fair treatment, and proper employment contracts for migrant workers.
- Participation in the working group on the formulation of the ASSC Tokyo Declaration 2020.1

**Risk Assessment**
- In light of the issues surrounding migrant labor, a task force was assembled to conduct surveys on matters that are considered particularly crucial. The following surveys were carried out from 2022 to 2023 at Toyota subsidiaries both in Japan and overseas.

---

### [Survey 1]

**Survey scope**
- Toyota’s domestic and overseas subsidiaries

**Survey description**
- The number of migrant workers\(^2\)
- The countries the workers migrated from
- The percentage of indirect recruitment
- Possible issues in the recruitment and/or repatriation process
- Example: Charging high recruitment fees, withholding passports or identification documents, prohibiting the return to the home country, etc.

**Survey results**
- No infringements for migrant workers were found at local operations and at our subsidiaries

\(^1\) Set of 13 declarations created to enhance and respect the rights of migrant workers from the moment of recruitment, during overseas employment, and until their safe return to their home countries. The “KOSO Tokyo Declaration 2020” was developed with reference to the “Okasha Principles,” regarded as the international norm advocated by the International Organization for Migration and the International Labor Organization

### [Survey 2]

Conducted the survey focused on foreign technical intern trainees,\(^3\) who are generally at high risk of being subjected to forced labor with debt.

**Survey scope**
- Group companies in Japan and their major Tier 1 suppliers
- Toyota’s major Tier 1 suppliers (The top 280 suppliers accounting for 90% of the total procurement value.)
- Toyota Dealers (248 companies)

**Survey description**
- The number of foreign technical internship trainees and their dispatching countries

**Survey results**
- Vietnam, China, and Indonesia account for 80% of the technical internship trainees.
- Based on the survey results, detailed fee information was obtained from supervisory organizations and dispatching organizations, for technical intern trainees from Vietnam, China, and Indonesia.
- Fee details should be included when prices were significantly high.

---

### Migrant Workers at Toyota Subsidiaries by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Migrant Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>1,021</td>
</tr>
<tr>
<td>North America</td>
<td>100</td>
</tr>
<tr>
<td>Latin America</td>
<td>108</td>
</tr>
<tr>
<td>Europe</td>
<td>3,089</td>
</tr>
<tr>
<td>Southern Asia</td>
<td>14</td>
</tr>
<tr>
<td>Asia</td>
<td>234</td>
</tr>
<tr>
<td>Oceania</td>
<td>9</td>
</tr>
<tr>
<td>China</td>
<td>2</td>
</tr>
</tbody>
</table>

**Foreign Technical Internship Trainees Utilization (Japan)**

<table>
<thead>
<tr>
<th></th>
<th>Number of Companies Surveyed</th>
<th>Number of Companies That Utilize Foreign Technical Internship Trainees</th>
<th>Number of Foreign Technical Internship Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Group Companies and their major Tier 1 Suppliers</td>
<td>295</td>
<td>121</td>
<td>3,951</td>
</tr>
<tr>
<td>Tier 1 Suppliers</td>
<td>280</td>
<td>75</td>
<td>2,654</td>
</tr>
<tr>
<td>Toyota Dealers</td>
<td>248</td>
<td>20</td>
<td>73</td>
</tr>
<tr>
<td>Total</td>
<td>823</td>
<td>216</td>
<td>6,678</td>
</tr>
</tbody>
</table>
Initiatives for Wage

**Aim**
- To pay an appropriate level of wages that ensures compliance with applicable laws and regulations and competitiveness in order to secure necessary human resources and build a sense of security among employees.

**Initiative**
- If the minimum wage increases, revise employee compensation as necessary. To improve the situation of temporary workers, Toyota provides family allowance, subsidizes meal costs, grants special leave, and utilizes channels established to allow dialogue between temporary workforce employees and permanent employees, making their conditions equivalent to those of permanent employees.

Initiatives for Appropriate Working Hour Management and Flexible Work Styles

**Aim**
- Comply with laws and regulations related to working hours, breaks, and leave.
- Through thorough communication between labor and management, secure employee health and safety.
- Promote flexible workstyles without restrictions of time and location, to improve productivity and support employees in balancing work with childcare/family care.

**Initiative**
- Track and manage arrival/departure times and computer login/log-out times through the time management system, and have the supervisor check and approve the record.
- Visualize workload and statuses of annual paid leave spent through thorough communication between supervisors and members to reduce long working hours and ensure the utilization of annual paid leave.
- Offer various systems such as the FTL (Free Time & Location) system, which enables teleworking and reduced working hours, to support a flexible workstyle and balancing work with childcare/family care.
- If an employee requests permission to conduct a side business, decide whether or not it is acceptable according to criteria including safety considerations, confidentiality, non-competition, duty of good faith, etc.

Collaboration with JP-MIRAI

- In 2020, Toyota became part of the initial body to establish the “Japan Platform for Migrant Workers toward a Responsible and Inclusive Society (JP-MIRAI),” which has now grown to be a multi-stakeholder framework for resolving issues faced by migrant workers in Japan.
- In May 2023, JP-MIRAI officially started operating a grievance mechanism for migrant workers after a one-year pilot program.
  - Toyota supports and cooperates with this mechanism that aims to resolve issues in an appropriate and timely manner.
- Contents of the activities:
  - A multilingual web portal and application that provides relevant information on living and working in Japan
  - A grievance mechanism for making complaints
  - An Alternative Dispute Resolution (ADR) mechanism

Information Disclosure

- From 2021, “Toyota’s action taken for Forced Labor of Migrant Workers (Statement on the Modern Slavery Acts)” has been disclosed
  - Toyota’s action taken for Forced Labor of Migrant Workers (Statement on the Modern Slavery Acts)
**Initiatives for Anti-harassment**

**Aim**
- Toyota does not tolerate any form of harassment, such as sexual harassment, power harassment, or any act that harms the dignity of any individual.
- Aim to create a workplace where all employees can work happily.

**Initiatives**
- Employment rules clearly specify the prohibition of harassment and disciplinary provisions for harassment.
- The Toyota Code of Conduct clearly states that Toyota will not tolerate any form of harassment.
- Annual online training programs are deployed to all employees, from executives and managers to regular employees, to ensure comprehensive awareness of the code of conduct.
  - Training for executives and managers (approx. 8,800 employees)
    - Details: Understanding the importance of eradicating harassment, examples of inappropriate speech and behavior, and how to respond to common forms of workplace harassment (including consultations with specialists).
    - Past results: Approx. 7,500 employees have participated in this type of training.
  - Training for regular employees (approx. 33,000 employees)
    - Details: Understanding the importance of eradicating harassment, examples of inappropriate speech and behavior, and how to respond to common forms of workplace harassment, power harassment toward managers by team members, and consultation methods discussed to understand the importance of eradicating harassment.
    - Toyota integrated the external and internal hotlines into the “Speak up” Hotline system, enabling early detection and resolving workplace issues and difficulties that employees are facing.
    - Conduct training with psychology experts to look deeply into the mental health of individuals, aiming not only to prevent harassment but also to help create workplaces where members can work happily.

**Initiatives for Inclusion of Diverse Culture**

**Aim**
- Respect various cultures and customs while supporting members to live and work under safe and secure conditions.

**Initiative**
- Choice of meals
  - Canteen: The canteen labels and displays a wide array of daily meals provided for improved inclusivity and visibility, considering the varying dietary requirements in our business.
  - Dormitory: Accommodate self-catering facilities, arrange rooms considering dietary habits, such as vegetarian meals, etc.
- Worship facilities
  - Prayer rooms, equipment available for rent and foot-washing facilities
- Daily life support
  - Language assistance (interpretation, language learning, lending translation tools, etc.), liability insurance, 24-hour medical assistance services, support for obtaining a driver’s license

**Initiatives for Child Labor**

**Aim**
- Toyota does not accept any forms of child labor, which deprives children of educational opportunities, hindering their growth and development.
- In line with international norms, we adhere to the following conditions:
  - The minimum age for employment shall be 15 years of age, the legal minimum age for employment, or the age of completing compulsory education, whichever is the highest under the local applicable laws and regulations.
  - Do not allocate employees below 18 years of age to hazardous work.
  - Vocational training or apprenticeship programs permitted under applicable local laws and regulations.
- Enhance due diligence activity in the high-risk sector of child labor in our business operations and supply chain.
Initiatives for Freedom of Association

Aim

- Under Toyota’s “Respect for People” philosophy, we aim to respect and fully harness individual capabilities, ways of thinking.
- Based on the Universal Declaration of Human Rights, we respect our employees’ right to freely associate while respecting their right not to be compelled to belong to an association in compliance with the laws of the countries in which we operate.

- We take every opportunity to engage with employees through thorough dialogue and build healthy labor relations regardless of the presence of a union.

Initiative

- Along with the collective agreements in place with our unionized affiliate companies both in Japan and overseas, we also have Labor-Management Joint Declarations established in Japan (1962), Thailand (1993), Indonesia (2004) and Brazil (2015) as a global framework, in order to agree on a universal philosophy of labor relations.

- Cooperation with subsidiaries:
  - In order to determine the level of communication with employees and other issues related to freedom of association, we periodically send out and collect questionnaires from our subsidiaries and request that improvements be made to policies and activities based on the responses.
  - For subsidiaries requiring concentrated initiatives, associates from Toyota Motor Corporation are dispatched to review policies and activities, and work with the subsidiary in question to enhance communication with and training for employees regarding Toyota’s policies concerning freedom of association and legal compliance.

- Cooperation with suppliers:
  - As a part of its global due diligence activities, Toyota investigates possible infringement on Freedom of Association within the supply chain, and recommends corrective actions. (2020–2022: 3 cases)

- Union organization ratio:
  - Countries with Unionized Operations (only countries/regions with manufacturing base): 90% (19/21 countries)

Initiatives for Precarious Work

Aim

- Our businesses require personnel equipped with both advanced skills and with a deep understanding of Toyota’s values. In order to achieve this, a long period of time is required to cultivate such personnel. Therefore, Toyota strives to provide stable employment even when the external environment is harsh.
- To facilitate the fluctuating demand in the automotive industry, Toyota hires temporary personnel for fixed periods, based on the customs and labor laws of each region, while ensuring fair working conditions.

Initiative

- The following actions are taken in accordance with the local labor laws and customs:
  - Confirms the composition of employees at overseas entities, and for non-permanent employment relationships, we identify affiliates requiring prioritized examination.
  - Dispatches associates to identified affiliate sites, where they implement improvements such as reallocations and reviews of employment rules related to contract terms where necessary. (In 2019: 3 cases, 2020-2022: 0 cases)
Responsible Mineral Procurement

**Aim**

- Toyota has established the Policies and Approaches to Responsible Mineral Sourcing based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas. In alignment with the policy, Toyota strives to prevent human rights issues, such as child labor and forced labor.

**Initiative**

Investigation and disclosure on the use of Conflict Minerals (Compliance with the U.S. Dodd-Frank Act)

- Toyota has been conducting a country-of-origin survey every year with due diligence throughout its global supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas.
- We request the suppliers to resubmit the survey if there are any incomplete sections, in order to improve the effectiveness of our efforts.
- In cooperation with the Responsible Minerals Initiative (RMI), Toyota Motor North America (U.S.) has been engaging in the activities of the Conflict-free Sourcing Working Group and the working group of the Automotive Industry Action Group (AIAG) on conflict minerals originating from the Democratic Republic of the Congo.

**Example**

- Background surveys of smelters/refiners, encouraging smelters/refiners to participate in the Responsible Minerals Assurance Process (RMAP).

Responsible Cobalt Procurement

- Toyota has been advancing activities to study the supply chain related to batteries. Because batteries are the major components using cobalt, we utilized the Cobalt Reporting Template (CRT) provided by RMI, and identified several smelters (as of March 31, 2020) providing cobalt. We will continue conducting the investigation.
- If any risk is identified as a result of the survey, we will implement appropriate measures to mitigate the risk.
- By participating in RMI Cobalt Working Group activities, TMNA (U.S.) has been encouraging smelters/refiners to acquire certificates.

**Education Related to Human Rights**

**Aim**

- Promote understanding and encourage actions for Human Rights issues, open and honest communication, and non-discrimination. Human Rights training is aimed at among our executives, employees and business partners.

**Initiative**

**Human Rights in general**

<table>
<thead>
<tr>
<th>Training for:</th>
<th>Main initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives (Toyota Motor Corporation)</td>
<td>Explain international Human Rights guidelines and their expectations, the responsibilities required by companies, and key Human Rights issues.</td>
</tr>
<tr>
<td>All employees (Toyota Motor Corporation)</td>
<td>Learn about the expected corporate and individual responsibility and its scope in line with international norms, and human rights infringement examples, helping compliance with Human Rights in daily operations.</td>
</tr>
<tr>
<td>Top management and HR employees to be transferred to overseas affiliates (including the main suppliers) (Toyota Motor Corporation)</td>
<td>Share positive labor-management communications, information on past labor disputes, labor-management negotiations, the latest trends in Human Rights, International norms, and regulations.</td>
</tr>
<tr>
<td>Purchasing function employees to be transferred to overseas affiliates (Toyota Motor Corporation)</td>
<td>To support their daily purchasing responsibilities at their overseas posting, the training will accommodate building healthy labor-management relationships with local suppliers, including lectures related to Human Rights.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Training for:</th>
<th>Main initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees, including executives, supervisors, management, expatriates and new hires (Toyota Motor Corporation)</td>
<td>Raise awareness to prevent harassment in various situations Fiscal 2023 Results.</td>
</tr>
<tr>
<td>All senior professionals/senior management and all professionals/management: Approx. 7,500 employees, total of 2,500 hours</td>
<td></td>
</tr>
<tr>
<td>All assistant managers and all those in lower ranks: Approx. 24,000 employees, total of 6,000 hours</td>
<td></td>
</tr>
<tr>
<td>All shop floor employees: Approx. 41,500 employees, total of 15,000 hours</td>
<td></td>
</tr>
</tbody>
</table>

| Supervisors (Toyota Motor Corporation) | Online training by specialists in mental science Fiscal 2023 Results |
| Supervisors: Approx. 12,000 employees | |
**Fundamental Approach**

**Aim**
- Toward the transformation from a car company into a mobility company and continuous innovations in existing areas, create an attractive workplace where employees with wide-ranging skills and values can demonstrate their abilities to the fullest.

**Initiative**
- Nurture opportunities where all employees can demonstrate their full potential.
- No tolerance of any form of discrimination at the workplace such as discrimination based on gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status, or the presence of children, etc.
- Create a work environment with no harassment.

**PRIDE Indicators**

<table>
<thead>
<tr>
<th>Details</th>
<th>Time of the award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation was awarded the Gold Prize in PRIDE INDEX, presented by &quot;work with Pride&quot;, one of the volunteer associations supporting the facilitation and establishment of diversity management of sexual minorities.</td>
<td>Nov. 2022</td>
</tr>
<tr>
<td>In addition, Toyota Motor Corporation also received the Best Practice Prize in PRIDE INDEX for Rainbow Match, one of the official games for our Softball team which was evaluated as an opportunity for realizing and considering LGBTQ+ through sport.</td>
<td></td>
</tr>
<tr>
<td>Top 50 Companies For Diversity 2023 Toyota Motor North America won 4th place in the general division of the Top 50 Companies for Diversity 2023 ranking announced by U.S. Diversity Inc.</td>
<td>May. 2023</td>
</tr>
</tbody>
</table>

**Organizational Structure**

**Aim**
- Formulation, consensus building, and implementation of policies for initiatives related to the promotion of diversity, equity, and inclusion.

**Initiative**
- Approaches, issues, and other matters are reported to and discussed at the Sustainability Subcommittee. Key issues are consulted to the Sustainability Meeting and brought up to the Board of Directors meeting for oversight and decision-making.

**Promoting Sustainability**
- The Human Resources Department plays a central role in developing global Toyota-wide measures tailored to each region.
  - We have set up dedicated diversity and inclusion promotion organizations in Toyota Motor Corporation (Japan), Toyota Motor North America (U.S.), Toyota South Africa Motors (Pty) Ltd. (South Africa).
  - In many regions we have established diversity and inclusion promotion organizations consisting mainly of concurrent appointments within the area of human resources.
Women’s Activity

**Aim**

The promotion of gender diversity is a particularly important issue for Toyota Motor Corporation in Japan, and we are implementing initiatives involving both women and workplaces to create an environment where diversity is leveraged to boost competitiveness.

**History of Initiatives**

- **2002**: Launched “Initiatives centered on expansion and establishment of measures to support work-life balance”
- **From 2012**: Enhancement and active support of environment that can support women to gain motivation and support their participation (especially development of female managers)
- **From 2021**: Unconscious bias training for all management and supervisors in the company
- **From 2022**: Strengthen diversity training (basic courses and management courses)

**Overall Image of Initiatives to Promote Women’s Participation in the Workplace (Administrative and Engineering Employees)**

**Phase 1** (Expansion of Programs)

- **2003**: Established programs on retention of and opportunities for women
- **2007**: Expanded programs to promote retention

**Phase 2** (Focus on Retention)

- **2012**: Shifted focus on supporting childcare to generating motivation
- **2014**: Expanded initiatives to promote opportunities
- **2015**: Work style innovation

**Phase 3** (Retention + Increased Opportunity)

- **2016**: Revised (overtime work allowances and exemption from late-night work)
- **2017**: Introduced seminars for sick children/overnight childcare

**Overall Image of Initiatives to Promote Women’s Participation in the Workplace (Shop Floor Employees)**

**Phase 1** (Expansion of Programs)

- **2002**: Established programs on retention of and opportunities for women
- **2007**: Expanded programs to promote retention

**Phase 2** (Focus on Retention)

- **2011**: Expanded programs to promote retention

**Phase 3** (Retention + Increased Opportunity)

- **2012**: Introduced permanent day shift work system
- **2013**: Started consultations on work-life balance
- **2014**: Introduced daycare for sick children/overnight childcare

The Promotion of Female Employee Participation and Advancement in the Workplace Action Plan

Toyota’s plan to build an environment to promote women’s participation in the workplace

**1. Implementation Plan**

- **April 1, 2020 to March 31, 2025**

**2. Provision of work-life opportunities for female employees**

- **Our Challenge**: The ratio of females in managerial positions is low (continuation of our activity from 2016-2020 is necessary).
- **Target**: The number of females in managerial positions in 2014 to be increased fourfold by 2025, and fivefold by 2030
- **Our Course of Action**: Hiring: To maintain certain hiring rates for female graduates (40% or above for administrative positions and 10% or above for engineering positions) and active hiring of women throughout the year (continuation from before 2020).
- **System Development**: The creation of a system that reports on the progress of female training in each department to our board members (from 2023).
- **Employee Training**: The development and implementation of a plan for individual employee training (continuation from before 2020). The utilization of a mentoring system (from 2023).
- **Networking**: Host a global women’s conference and symposium that the managerial class and female promotion candidates can participate in (from 2019).

**3. Creation of a supportive environment to balance work and family life**

- **Our Challenge**: The teleworking system is not utilized enough yet.
- **Target**: To increase users of the teleworking system to more than 50 percent of all employees (except for production workers and managers) by 2025, irrespective of whether teleworking for childcare or nursing purposes
- **Our Course of Action**: The creation of an environment that supports the use of teleworking, and informing our employees: Expansion of use of IT tools so that there is no big difference between working in the office and teleworking (from 2020).
- **Cultural Transformation**: Transformation to a work culture that does not make teleworking an inconvenience or a hindrance (from 2023)

**Notes**

- A system that allows employees engaging in childcare to be exempted from shift work at plants

**Conclusion**

Toyota Motor Corporation is committed to promoting gender diversity and implementing initiatives to support women’s participation in the workplace. The company has a comprehensive plan to enhance and maintain an environment that empowers and supports female employees, aiming to improve their participation and opportunities for advancement.
Support for Keidanren’s “Challenge to 30% by 2030”*1

Toyota Motor Corporation expresses its support for the initiative and has been working toward the target in accordance with Toyota Motor Corporation Action Plan for the promotion of female employee participation and advancement in the workplace.

*1 The Keidanren’s NEW Growth Strategy is intended to accelerate initiatives to encourage the utilization of diverse human resources and sets a specific target of 30% or more of executive positions being filled by women by 2030 as one way of driving these changes

Initiatives at All Ranks

Initiatives are promoted in all ranks, from development and expansion of next-generation human resources to securing diversity in top management.

(Toyota Motor Corporation)

<table>
<thead>
<tr>
<th>Major items</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Next-generation development and expansion</strong></td>
</tr>
<tr>
<td>• Together with 9 group companies, Toyota established the Toyota Female Engineer Development Foundation in 2014 to contribute to the promotion of women's participation in manufacturing businesses in Japan.</td>
</tr>
<tr>
<td>• Attract and expand the number of girls studying in scientific fields and foster female engineers in monozukuri (manufacturing).</td>
</tr>
<tr>
<td>• The Foundation provides a development program for female engineering university students to support career-building as well as a scholarship program that provides financial support.</td>
</tr>
<tr>
<td><strong>Recruitment</strong></td>
</tr>
<tr>
<td>• Target for 15% of female new graduates: 40% for administrative positions and 10% in engineering positions (the percentages of women in the relevant labor market).</td>
</tr>
<tr>
<td>• The percentage of women hired as shop floor employees has also been steadily increasing.</td>
</tr>
<tr>
<td><strong>Career development support</strong></td>
</tr>
<tr>
<td>• Career Return System</td>
</tr>
<tr>
<td>Providing reemployment opportunities to employees who are forced to leave Toyota because of the job-related relocation of their spouse (regardless of the spouse's gender or whether the spouse is a Toyota employee) or the need to provide nursing care.</td>
</tr>
<tr>
<td>• Career continuation support system for Toyota employees who are moving with a spouse who is relocated overseas.</td>
</tr>
<tr>
<td>• Mentoring system: Designed for female managerial candidates and young employees in management roles. Mentors provide employees with someone to talk to about their worries and their hopes, offering new perspectives and assisting them with networking.</td>
</tr>
</tbody>
</table>

**Overview**
Promoting Sustainability | Environment | Social | Governance | Content Index
---|---|---|---|---
Fundamental Approach | Organizational Structure | Women’s Activity | Childcare / Nursing Care Support | Inclusion of Persons with Disabilities | Inclusion of LGBTQ+ Employees | Initiatives Related to Race and Nationality | Employment for Over 60s

Flexible Working Environment

- Promotion of active participation by all members, focusing on diversity, growth, and contribution as three main pillars
- Further enhancing labor-management communications to encourage growth and full participation of diverse human resources, including those who are balancing work and childcare
- Implementing measures to further promote "honest dialogue" between managers and their subordinates
- Introducing an evaluation system that places emphasis not on length of service or academic background but on current capabilities and challenges
- Reinforcing resources to ensure diversity and reserve the capacity for taking on challenges

Create an environment where employees can balance work and life, childcare, and nursing care regardless of gender

- Easing the applicable conditions for shorter working hours for childcare (school year limit, etc.)
- Creating an environment in which partner childcare leave is available to all those who desire
- Conducting seminars to encourage employees to take childcare leave regardless of gender
- Providing data on results and trends of male employees’ participation in childcare
- Providing experience reports of employees who have taken childcare leave
- Enhancing diversity training for all employees

Creating an environment that enables balancing of work and fertility treatment

- Familiarizing employees with the system to support balancing work and fertility treatment (including leaves of absence) and establishing a consultation service
- Providing information to promote workplace understanding of fertility treatment

Expand use of support facilities and infrastructure to external staff

- Promoting mutual use of intra-company day-care centers among Group companies
- Promoting use of day-care facilities for sick children by informing local residents (In Toyota City) other than employees
Initiatives at Major Global Operations

**Toyota Motor Europe NV/SA (Belgium)**
- Held company-wide events during the week of International Women's Day (Video message by top management, workshops, etc.)
- Working couple support: Home-working system, part-time working regimes, support in finding employment for spouses of employees sent to TME
- Female career development: Mentorship system, sponsorship system
- Active hiring of promising candidates into career positions
- Conducted unconscious bias awareness training for all managers.
- Set targets in employment and management positions.

**Toyota South Africa Motors (Pty) Ltd. (South Africa)**
- Leadership management workshops to ensure acceptance of women and promote their participation and advancement in the workplace
- Reserved parking area for pregnant employees
- Introduced the mentor system to support female leaders
- Established the Outside Advisory Committee Focusing on Diversity, which promotes an open conversation among women and many high-potential junior level women, as well as male directors and executives are invited to attend for networking and encouraging women's participation and advancement in the workplace
- Held dialogue between human resources division and management to promote diversity within the company
- Educational and awareness training for managers

KPIs Related to Promotion of Women's Participation in the Workplace

We are continuing initiatives that promote women's participation and advancement in the workplace so that the percentage of positions held by women, from initial hiring to executive positions, will consistently increase at many affiliates.

**Percentage of Women Hired at Affiliates in Each Country/Region (FY2023)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Full-time</th>
<th>Part-time</th>
<th>Managerial</th>
<th>Non-managerial</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global*1</td>
<td>25.5</td>
<td>14.2</td>
<td>14.6</td>
<td>5.5</td>
<td>12.0</td>
<td>9.3</td>
</tr>
<tr>
<td>Japan</td>
<td>27.6</td>
<td>13.4</td>
<td>3.4</td>
<td>12.5</td>
<td>16.6</td>
<td>13.7</td>
</tr>
<tr>
<td>North America</td>
<td>25.0</td>
<td>24.6</td>
<td>34.0</td>
<td>—</td>
<td>11.3</td>
<td>9.9</td>
</tr>
<tr>
<td>Europe</td>
<td>36.0</td>
<td>19.0</td>
<td>15.0</td>
<td>0</td>
<td>13.3</td>
<td>8.6</td>
</tr>
<tr>
<td>China*2</td>
<td>4.6</td>
<td>11.6</td>
<td>23.7</td>
<td>0</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>19.0</td>
<td>7.0</td>
<td>16.0</td>
<td>4.0</td>
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<td>9.9</td>
</tr>
<tr>
<td>Latin America</td>
<td>32.0</td>
<td>9.0</td>
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<td>Africa</td>
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<td>26.0</td>
<td>13.0</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

*1 Figures cover 44 overseas locations, including Japan (excluding China)
*2 Data for FY2022

**Toyota Motor (China) Investment Co., Ltd. (China)**
- Breastfeeding break of up to one hour each day for lactating female employees
- Active hiring of promising candidates into career positions
- Conducted unconscious bias awareness training for all managers.
- Set targets in employment and management positions.

**Toyota Motor North America (U.S.)**
- Annual North American Women's Conference, to which all executive level women and many high potential junior level women, as well as male directors and executives are invited to attend for networking and encouraging women's participation and advancement in the workplace
- Executed D&I scorecards have KPIs on managers making improvements in their areas to promote initiatives
- Established the Outside Advisory Committee Focusing on Diversity, which is responsible for monitoring and reporting on the progress of diversity, including career development for women.
- Set childcare facilities at multiple operation sites to allow flexible workstyles for employees taking care of their children.

**Toyota Daihatsu Engineering & Manufacturing Co., Ltd. (Thailand)**
- Set up nursing rooms.
- Set childcare facilities at multiple operation sites to allow flexible workstyles for employees taking care of their children.

**Toyota do Brasil Ltda. (Brazil) + Toyota Argentina S.A. (Argentina)**
- Designated Women's Day, which promotes an open conversation about the challenges women face in balancing their professional and personal lives.
- Conducted unconscious bias awareness training for all managers.
- Field dialogue between human resources division and management to promote diversity within the company.
- Introduced the mentor system to support female leaders.
- Established Soft-Landing Program in support of employees returning to work after childbirth.
- Support for nursing care costs for employees who return to work early.
- Provides all employees with equipment necessary for school.

**Women's Activity**

- Held company-wide events during the week of International Women's Day
- Video message by top management, workshops, etc.
- Active hiring of promising candidates into career positions
- Conducted unconscious bias awareness training for all managers.
- Set targets in employment and management positions.

**Toyota South Africa Motors (Pty) Ltd. (South Africa)**
- Leadership management workshops to ensure acceptance of women and promote their participation and advancement in the workplace
- Set employment targets.

**KPIs Related to Promotion of Women’s Participation in the Workplace**

We are continuing initiatives that promote women’s participation and advancement in the workplace so that the percentage of positions held by women, from initial hiring to executive positions, will consistently increase at many affiliates.

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<td>—</td>
</tr>
</tbody>
</table>

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*2 Data for FY2022
Childcare / Nursing Care Support

**Aim**
- Support each individual to feel secure and realize a working style matching the needs based on his/her life stage. (e.g. breaking bias by promoting housework for male employees, reducing the concerns and burdens of employees with childcare, caregiving)
- Reflect male employees' childcare leave schedule in the personnel planning for business continuity.

**Initiative**

**Childcare Support** (Toyota Motor Corporation)

<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support for balancing work and childcare</strong></td>
</tr>
<tr>
<td>• Intenility treatment system</td>
</tr>
<tr>
<td>• Available holidays: 20 days/year</td>
</tr>
<tr>
<td>• Leave system: Up to 2 years per child</td>
</tr>
<tr>
<td>• Promote awareness-raising activities through training, etc., and create a workplace culture.</td>
</tr>
<tr>
<td>• Pre-Maternity Leave Seminar, Supervisor Career Interviews for employees who take maternity leave</td>
</tr>
<tr>
<td>• Target: Employees taking maternity leave (regardless of gender)</td>
</tr>
<tr>
<td>• Purpose:</td>
</tr>
<tr>
<td>• Ease employee concerns about balancing work and childcare</td>
</tr>
<tr>
<td>• Stimulate employees' desire to continue to develop their careers after returning to work.</td>
</tr>
<tr>
<td>• Content:</td>
</tr>
<tr>
<td>• Employees examine their career plans and how best to achieve them.</td>
</tr>
<tr>
<td>• Sharing examples from employees who successfully balanced work and family commitments and participation in roundtable discussions.</td>
</tr>
<tr>
<td>• Teleworking system</td>
</tr>
<tr>
<td>• Removing time and location restrictions, to allow employees to continue working at home with their children (except for employees at production sites).</td>
</tr>
<tr>
<td>• Expanding flexible workstyle at production sites where working from home is difficult.</td>
</tr>
</tbody>
</table>

**Support for balancing work and childcare**

- Onsite Childcare Facility (3 locations)
- For workers at plants and nurses who work the night shift, childcare in the early morning hours as well as overnight stays, shuttle service from nearby plants for children transport are offered.
- The facility also accepts new enrollments throughout the year to accommodate the needs of employees (including those who intend to return to work early after childbirth, mid-career employees and employees returning to Japan from overseas assignments.)
- Installation of “PIPOLAND” (available to Toyota City residents and employees returning to Japan from overseas assignments)
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- Installation of “PIPOLAND” (available to Toyota City residents and employees returning to Japan from overseas assignments.)

**Nursing Care Support** (Toyota Motor Corporation)

<table>
<thead>
<tr>
<th>Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support for a Work-life Balance</strong></td>
</tr>
<tr>
<td>• Nursing leave and shorter working hours.</td>
</tr>
<tr>
<td>• Increase flexibility in working hour system.</td>
</tr>
<tr>
<td>• Change the units of time for shortened working hours, etc.</td>
</tr>
<tr>
<td>• Enhance the system for teleworking at home.</td>
</tr>
<tr>
<td>• Expand applicable periods for various work-life balance support.</td>
</tr>
<tr>
<td>• Apply the career return system. (Re-employment of employees who are forced to leave the company because of nursing care)</td>
</tr>
</tbody>
</table>

**Providing Information**

- Create a consultation hotline. |
- Hold nursing care lectures. |
- Publish a nursing care guidebook. |
- Hold hands-on nursing care seminars. |

**Nursing Care Services**

- Introduce a nursing care savings program. |
- Expand nursing care service providers. |
- Introduce home care worker services. |

**Financial Support**

- Introduce nursing care insurance. |
- Introduce a nursing care financing program. |
- Create parent nursing care insurance.
Inclusion of Persons with Disabilities

### Toyota Motor Corporation (Japan)
- To foster a corporate culture of understanding and empathy among employees throughout the workplace, various activities are implemented:
  - Mental Barrier-Free Training (Wheelchair Experience Sessions, Mental Health and Developmental Disabilities Sessions, etc.)
  - Setting up study sessions for assigned workplaces
- Support for assuring full skill application at work:
  - Setting up a privacy-preserving consultation service
  - Setting up a parking lot exclusively for people with disabilities
- Development of facilities:
  - Installation of universally accessible toilets
- Support for automotive manufacturing:
  - Floor plans for offices
- Support for automotive manufacturing:
  - Evaluation of ease of getting in and out of the vehicle for wheelchair users, providing opinions on aspects of the development of automated driving vehicles
- Support for automotive manufacturing:
  - Employing people with disabilities in the quality of the vehicles.

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### Toyota South Africa Motors (Pty) Ltd. (TSAM, South Africa)
- Setting up a special program to provide additional financial support to persons with disabilities for vehicle costs (to cover the increased cost associated with owning a special vehicle).
Inclusion of LGBTQ+ Employees

**Aim**
Promoting an appropriate understanding, recognition, and acceptance with respect for personal identity and orientation.

**Initiative**

*Toyota Motor Corporation (Japan)*
- Recruiting and hiring process
  - Graduates are not required to fill in their gender on their job application sheets.
- Introducing measures at facilities
  - Establishing an internal harassment consultation hotline.
  - Setting up gender-neutral restrooms. (To be set up at 66 locations within the company by 2028)
- Internal system
  - From July 2020, employees in same-sex marriages or common-law marriages have been eligible for the same internal benefit systems as those in legal marriages (holidays, employee benefits, etc.)
- In-house training
  - Basic training of LGBTQ+ for all employees and executives. (mandatory)
  - Training by outside instructors (LGBTQ+). (voluntary)
- ALLY registration system
  - Approximately 21,000 employees, as of June 2023, have registered as ALLYs.
- Rainbow Match
  - Held an event in our official female softball match in conjunction with Toyota City (Exhibition of Toyota City and Toyota's LGBTQ+ Initiatives)

*Notes*
- An ALLY is a person who aligns with those facing problems or difficulties and addresses these challenges on their own initiative while thinking of these issues as a personal matter. This term is derived from the word “alliance” that means a union or an association.

*Toyota Motor North America (TMNA, US)*
- Recruiting and hiring process
  - We have a nondiscrimination statement that the company does not discriminate based on gender, ethnicity and many other categories, including LGBTQ+.
  - No photo or gender identification required on resumes
- Installation of facilities
  - Set up gender-neutral restrooms at key locations
- Education and Awareness
  - One of our business partner groups (organizations representing the interests of minorities) is an LGBTQ+ group conducting education and enlightenment activities.
- ALLY System
  - Implementation of activities focused on increasing the number of ALLY members

**Initiatives Related to Race and Nationality**

**Aim**
Promoting racial and nationality diversity according to local conditions.

**Initiative**

*Toyota Motor North America (TMNA, US)*
- Implementing education and enlightenment programs as means of promoting understanding and diversity.
- Promote diverse top management.
Employment for Over 60s

**Aim**

Support employees to have diverse lifestyles and assure them that they are respected for their willingness and ability to work in a rewarding manner also after the age of 60.

**Initiative**

Toyota Motor Corporation

<table>
<thead>
<tr>
<th>Year</th>
<th>Major Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>Introduction of an internal re-employment system for skilled retirees</td>
</tr>
<tr>
<td>2001</td>
<td>Optional Re-employment Application System was launched to outplace applicants to external affiliates and other sites.</td>
</tr>
<tr>
<td>2006-2013</td>
<td>Based on the revisions to the Law on Stabilization of Employment of Elderly Persons, the support was revised to expand re-employment by taking surveys and interviews based on the needs of the employees.</td>
</tr>
<tr>
<td>2016</td>
<td>Advanced Skilled Partner System was set up for shop floor employees to encourage and motivate employees to keep working after 60 by maintaining their job rank and salary at the time of their statutory retirement at 60.</td>
</tr>
</tbody>
</table>

Toyota South Africa Motors (Pty) Ltd. (TSAM, South Africa)

- TSAM promotes activities in line with the Broad-Based Black Economic Empowerment (B-BBEE*) policy aimed at economic development and creation of employment in South Africa.
  - TSAM has acquired Level 7 as of January 2021.

* B-BBEE (Broad-Based Black Economic Empowerment): Rating of the efforts for and contributions to B-BBEE by companies and organizations with scores (from the highest Level 1 to Level 8 and the lowest Noncompliant)

Management composition (TMNA, FY2023)

- Other: 18%
- Latin American (Hispanic): 6%
- Black: 6%
- Asian: 11%
- White: 59%

Management composition (TSAM, FY2023)

- Other: 9%
- White: 19%
- Indian: 20%
- African (Black): 43%
Fundamental Approach

**Aim**
- Enhancing further the Customer First policy by promoting collaborative activities with our business partners including suppliers and dealers.

**Initiative**
- Toyota promotes open and fair business practices and is making constant progress with initiatives to promote sustainability. We are also working closely with suppliers and dealers to improve quality, as well as providing safety and peace-of-mind to our customers, to achieve a high level of customer satisfaction.

**Safety and Peace-of-Mind**
- Providing good products at lower prices in a timely manner

**Enriching Lives of People**
- Mutual trust and a mutually beneficial relationship

Initiative with Suppliers

**Aim**
- Achieve mutual benefits based on mutual trust.
- Pursue manufacturing in close partnership with our suppliers.

**Initiative**

**Initiatives Related to Our Basic Purchasing Policies**
- Implementation of our Basic Purchasing Policies worldwide
  - Before any transactions are made with a new business partner, an agreement is signed stipulating the requirements for legal compliance, respect for human rights, and consideration of both the regional and global environmental issues.

**Toyota’s Basic Purchasing Policies**

1. **Fair Competition Based on an Open-door Policy**
   - Toyota is open and fair to any and all suppliers, regardless of nationality, size, or whether they have done business with us before. We evaluate suppliers by quality, technological capabilities, and reliability in delivering the required quantities on time, and their efforts in addressing social responsibilities, such as environmental issues.

2. **Mutual Benefit Based on Mutual Trust**
   - We develop mutual benefits in long-term relationships. To foster trust, we engage in close communication with suppliers.

3. **Localization with Good Corporate Citizenship**
   - We actively procure from local suppliers, including parts, materials, tools, equipment and other materials. In this way, we aim to contribute to the local society and be a good corporate citizen.
Organizational Structure

- Approaches, issues, and other matters are reported to and discussed at the Sustainability Subcommittee. Key issues are consulted to the Sustainability Meeting and brought up to the Board of Directors meeting for oversight and decision-making.
- Supervisor: Chief Officer and Deputy Chief Officer of the Purchasing Group
- The Purchasing Group takes a lead in promoting initiatives in cooperation with divisions related to the environment, human resources, and compliance as well as the Sustainability Management Department.

Sharing Toyota Supplier Sustainability Guidelines

- Importance of sustainability initiatives is communicated through the Toyota Supplier Sustainability Guidelines (as of March 2023).
- Revisions in 2021: Sections related to the environment and human rights issues were expanded to reflect the increasing importance of environmental and human rights issues.
- Over 90% of Toyota’s suppliers in Japan have added their legal representative sign to the list of suppliers that support the purpose of the Guidelines as of March 2023.
- The Guidelines clearly indicate that suppliers in Tier-1 must expand the implementation of the Guidelines to suppliers in Tier-2 and beyond in order to disseminate these principles throughout the supply chain.
- The Guidelines have also been implemented globally to suppliers through regional purchasing divisions.

Compliance and Implementation of the Guidelines

- Checks using self-inspection sheets
  - All Toyota suppliers are requested to periodically check the status of their implementation using a self-inspection sheet.
  - Major Tier-1 suppliers (approx. 350 companies as of October 2020), which account for over 90% of their purchasing volume in Japan, are asked to submit the results of their self-inspections so that Toyota can confirm the progress of their initiatives.
  - Self-inspections based on the latest Guidelines (revised in November 2021) are scheduled for implementation in the near future.

- Responses when problems are identified
  - If no improvements are made, business relationship may be reconsidered.
  - To prevent issue reoccurrence at other suppliers, notices explaining the issue are sent and suppliers are asked to implement preventative measures.
  - In 2020, our company asked suppliers to provide better assistance to foreign technical internship trainees who were unable to return to their home countries during the COVID-19 pandemic.

Preventing Bribery

- In order to eliminate all forms of bribery, Anti-Bribery Guidelines have been adopted and shared with suppliers.

Supplier Hotline

- An anonymous hotline has been established for suppliers to report any actions that could potentially violate laws, regulations, and/or business norms.

Awareness-Raising Activities

- Within Toyota Motor Corporation: Activities to educate and raise awareness among all employees, including buyers in purchasing division.
- For suppliers: Promoting initiatives that involve voluntary activities at suppliers.

Major Initiatives Led by Toyota

<table>
<thead>
<tr>
<th>Target Audience</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation employees</td>
<td></td>
</tr>
<tr>
<td>Suppliers in Japan</td>
<td>Various briefings Recent seminars</td>
</tr>
<tr>
<td>Employee dispatched overseas from Toyota Motor Corporation</td>
<td></td>
</tr>
<tr>
<td>All purchasing division staff</td>
<td></td>
</tr>
<tr>
<td>Training after joining purchasing division</td>
<td>Training related to sustainability</td>
</tr>
<tr>
<td>Regular seminars</td>
<td>Regular seminars related to human rights, the environment, and other sustainability topics</td>
</tr>
</tbody>
</table>

- Seminar on Foreign technical internship trainees (2023)
- A survey related to foreign technical internship trainees was carried out from March to June 2023. A briefing was held to explain about Toyota’s initiatives in response to social trends and environmental changes related to human rights to improve awareness of human rights issues throughout the entire supply chain.
- Briefing on achieving carbon neutrality (2021 and 2022)
- Dissemination of specific emission reduction calculation methods and tools to achieve CO2 reduction targets.
- Presentation about items to reduce CO2 emissions.
- Implementation of a matching service to link companies providing emission reduction solutions with suppliers that are having trouble reducing their emissions.
- Suppliers in Tier-1 encourage suppliers in Tier-2 and beyond to participate in the initiatives above in an effort to disseminate this information throughout the supply chain.
**Initiative with Dealers**

**Aim**

As the most trusted dealers in town, we are committed to ensuring the continued support of our customers by building up local communities and contributing to the happiness and wellbeing of our customers and employees who live there.

Based on the “Customer First, Dealer Second, Manufacturer Third” concept, we will work with dealers to meet customer expectations and increase customer satisfaction.

**Support for Toyota Dealers**

**Initiatives with Dealers**

<table>
<thead>
<tr>
<th>TNDAC Initiatives</th>
<th>Toyota dealers promote initiatives by utilizing various inspection tools and “The Legal Compliance Manual”(^1) in accordance with the TNDAC annual compliance schedule(^2).</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Details: Provision of a checklist of the following laws and various inspection tools, etc.</td>
</tr>
<tr>
<td></td>
<td>• Laws related to dealers’ duties including sales talks and responses to customers’ inquiries on the Protection of Personal Information, Act Against Unjustifiable Premiums, Misleading Representations, Copyright Act, Consumer Contract Act, Insurance Business Act, Installment Sales Act, Act on Specified Commercial Transactions, Garage Act, civil law, and criminal law</td>
</tr>
<tr>
<td></td>
<td>• Laws related to safety and the environment (Road Transport Vehicle Act, End-of-Life Vehicle Recycling Law)</td>
</tr>
<tr>
<td></td>
<td>• Laws related to labor and employment of employees (Labor Standards Law, Industrial Health and Safety Act, Act on Securing, etc. of Equal Opportunity and Treatment Between Men and Women, laws and ordinances related to harassment)</td>
</tr>
<tr>
<td></td>
<td>• Laws related to transactions (Antimonopoly Law, Subcontracting Law)</td>
</tr>
<tr>
<td></td>
<td>• TNDAC Helpline</td>
</tr>
<tr>
<td></td>
<td>• Repeated notices to dealers and employees to prevent and quickly detect any legal or regulatory violations</td>
</tr>
</tbody>
</table>

**Support from Toyota**

| Implemented the following initiatives in response to designated vehicle maintenance violations and improper handling of personal information by dealers. (From FY2022 onward) |
| Compliance seminars for dealer representatives and other personnel |
| Supporting improvement activities at dealers by disseminating TPS (Toyota Production System) know-how and holding training sessions |
| Supporting dealers’ initiatives through the distribution of a Privacy Governance Guidebook reflecting amendments of the Act on the Protection of Personal Information made in April 2022 |
| Disseminating Toyota Motor Corporation’s Human Rights Policy to dealers |
| The policy has a particular focus on appropriate management of foreign technical internship trainees and creating harassment-free workplaces |

**Support to improve CS\(^4\) and ES\(^5\) to ensure “good management” at Toyota dealers in Japan**

- CS: Provision of a CS Questionnaire system to dealers and implementation of support activities in accordance with the status of initiatives at each dealer
- Collection and dissemination of useful information about successful initiatives to improve CS at dealers, and provision of opportunities for dealers to share information with each other
- ES: Provision of a Workplace Environment Questionnaire to dealers along with a recommendation to have dealers conduct the questionnaire survey on a regular basis
- Holding regular “Better Workplace Seminars” to promote utilization of the results of Workplace Environment Questionnaires by dealers
- Introduction and trial of an information website and a consultation service (JP-MIRAI) for foreign workers living in Japan

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\(^1\) Carried out by Toyota’s supplier associations Kyohokai and Eihokai

\(^2\) The Toyota National Dealers’ Advisory Council (TNDAC) is an organization comprised of Toyota dealers in Japan

\(^3\) Tools to support voluntary legal compliance activities by dealers

\(^4\) Customer Satisfaction

\(^5\) Employee Satisfaction
### Fundamental Approach

**Aim**
- Toyota’s ultimate goal – Zero Casualties from Traffic Accidents.

**Initiative**
- Promotion of our integrated three-part initiative for people, vehicles, and the traffic environment.
- Pursuing real-world safety by learning from actual accidents and incorporating that knowledge into vehicle development.
- Moving forward with the development of technologies for accident prevention, collisions, and emergency rescue based on our integrated safety management concept.

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### Integrated Safety Management Concept

**Aim**
- Toyota’s approach to pursue high levels of safety by reinforcing links between vehicle safety systems rather than thinking about each system as a separate component system.
- Integrated Safety Management Concept

**Initiative**
- Toyota provides optimum driver support for reasonable safety in each stage of driving, from parking to normal operation, the moment before a collision, during a collision, and post-collision emergency response.

**Integration of Individual Technologies and Systems**

**Optimal support in each stage of driving**

**Linked safety systems**

---

1. Registered trademark of Japan Mayday Service Co., Ltd.
2. Registered trademark of the Emergency Medical Network of Helicopter and Hospital (HEM-NET)
Active Safety

Aim

- Contributing to a reduction in serious traffic accidents causing death or injury by utilizing safety functions focusing on assistance to avoid collisions with cars and reduce damage, assistance to prevent accidents caused by leaving the lane, and ensuring optimal visibility during nighttime driving.

Initiative

- Toyota Safety Sense (Active Safety Package)
  - A package of multiple active safety functions that help reduce serious traffic accidents causing death or injury.

<table>
<thead>
<tr>
<th>Pre-Collision Safety (PCS)</th>
<th>Designed to assist in avoiding and mitigating damage from collisions with cars ahead or pedestrians</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lane Departure Alert (LDA)</td>
<td>Contributes to preventing accidents caused by the vehicle leaving the lane</td>
</tr>
<tr>
<td>Automatic High Beam (AHB)</td>
<td>Helps to ensure optimal forward visibility during nighttime driving</td>
</tr>
<tr>
<td>Radar Cruise Control (RCC)</td>
<td>Detects the vehicle in front to support adjusting distance and speed</td>
</tr>
<tr>
<td>Lane Tracing Assist (LTA)</td>
<td>Helps to keep the vehicle in the middle of the lane when using RCC</td>
</tr>
<tr>
<td>Road Sign Assist (RSA)</td>
<td>Detects road signs to help keeping the driver updated with the latest information</td>
</tr>
<tr>
<td>Proactive Driving Assist (PDA)</td>
<td>Predicting risks to support safe driving</td>
</tr>
</tbody>
</table>

- Toyota Safety Sense (TSS) has been installed in more than 40.5 million vehicles globally since it was launched on the market in 2015 (figure as of July 2023).

- TSS is now available on nearly all passenger car models (as standard or option) in the Japanese, United States, and European Markets. It has also been introduced in a total of 144 countries and regions in major markets including China and other selected Asian countries, the Near and Middle East, and Australia.

- Equipped with Proactive Driving Assist (PDA) which anticipates risks in front of the vehicle, just like a veteran driver, and prevents risk escalation by intuitively supporting the driver.

  - Obstacle prediction assist
  - Speed reduction assist (vehicle)

- Toyota Teammate (Advanced driver support)
  - Toyota Teammate is an advanced driver support system developed based on Mobility Teammate Concept*. It is now available on models in the popular price range to further contribute to a safe society.

<table>
<thead>
<tr>
<th>Advanced Drive (support during traffic congestion)</th>
<th>Provides support to reduce driver fatigue caused by driving on congested highways</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Park</td>
<td>Assists smooth and easy parking in a range of situations</td>
</tr>
</tbody>
</table>

* P.79 Automated Driving Technology
Passive Safety

Aim

- Minimizing collision damage by combining vehicle bodies that absorb the energy of collision with devices that provide support to protect drivers, passengers, and pedestrians.

Initiative

- THUMS (Total HUmans Model for Safety)
- GOA (Global Outstanding Assessment)
  - THUMS⇒ structures that mitigate injuries in accidents involving pedestrians.
  - GOA⇒ performance.

Central R&D Labs, Inc. to analyze injuries to the human body caused by vehicle accidents.

A virtual model of the human body jointly developed by Toyota and Toyota

In January 2021, Toyota made the THUMS software available on its website free of charge in the hope that as many users as possible will benefit from it.

External Safety Evaluations (2022)

<table>
<thead>
<tr>
<th>Five Star Award (the highest ranking) in the JNCAP(2)</th>
<th>bZ4X, Corolla Cross, Sienta, Voxy/Noah</th>
</tr>
</thead>
<tbody>
<tr>
<td>TSP+(1) the highest ranking in the Car Assessment Program of the Insurance Institute for Highway Safety (IIHS) in the U.S.</td>
<td>Avalon, Camry, C-HR, Corolla Cross, Corolla HB, Corolla SD, GRiM6, Highlander, RAV4, RAV4 Prime, Sienna, Tundra, Venza, Lexus ES, IS, NX, RX, UK</td>
</tr>
<tr>
<td>Five Star Award (the highest ranking) in the NCAP(1) in the U.S.</td>
<td>Avalon, Camry, Corolla HB, Corolla SD, Highlander, Prius, Prius Prime, RAV4, Sienna, Tundra, Venza, Lexus ES, IS, UX</td>
</tr>
<tr>
<td>Five Star Award (the highest ranking) in the Euro NCAP(1) in Europe</td>
<td>bZ4X, Corolla Cross, Lexus NX, RX</td>
</tr>
<tr>
<td>Five Star Award (the highest ranking) in the ANCAP(1) in Australia</td>
<td>Corolla Cross, Lexus NX, RX</td>
</tr>
<tr>
<td>Good (the highest ranking) in occupant protection, pedestrian protection, and prevention in the C-NCAP(1) in China</td>
<td>Crown Kluger, Ling Shang</td>
</tr>
<tr>
<td>Five Star Award (the highest ranking) in the CNCAP(1) in China</td>
<td>Corolla Altis, Corolla Cross, RAV4</td>
</tr>
<tr>
<td>Five Star Award (the highest ranking) in the Taiwanese NCAP(1)</td>
<td>Corolla Altis, Corolla Cross, RAV4</td>
</tr>
</tbody>
</table>

*1 Evaluation Period: Japan - April 2022 to March 2023; US IIHS – December 2021 to November 2022 (2022 TSP+/TSP+ winners); US NCAP – 2022 model year; Other – January to December 2022
*2 NCAP (New Car Assessment Program): New car assessment programs carried out by different countries and regions.
*3 TSP+: A ranking given to the most outstanding TSP-ranked vehicles
*4 IIHS: Insurance Institute for Highway Safety
*5 C-NCAP: China Insurance Automotive Safety Index
*6 C-IASI: China Insurance Automotive Safety Index

Emergency Response

Aim

- Contributing to a reduction in traffic accident fatalities by facilitating the rapid response and the rapid rescue of people involved in traffic accidents.

Initiative

- HELPNET® service – Toyota’s emergency reporting system (Japan)(4)
  - In the event of an accident or sudden illness, a dedicated operator contacts police, fire, or ambulance services to ensure the rapid dispatch of emergency vehicles.
  - D-Call Net® compatible (compatible models only)
    - The system assesses the probability of death or severe injury of the driver and/or passengers based on vehicle data that is automatically sent when the airbags deploy. This system sends data to hospitals or fire departments to facilitate rapid decisions to dispatch ambulances or other support.

HELPNET® (Airbag-linked Type) Alert Process

1. Automatically notifies when airbags are deployed
2. Sends vehicle data such as position
3. Notifies with a touch in an accident or sudden illness
4. Dispatches an ambulance if needed
5. Dispatches doctor to site
6. Sends data about the probability of death or severe injury based on vehicle data

HELPNET® Service

- D-Call Net® System

*1 Air ambulances may not be available due to location, time of day, weather, etc. D-Call Net® will not respond when the HELPNET® button is pressed.
*2 HELPNET® is a registered trademark of Japan Mayday Service Co., Ltd. D-Call Net® is a registered trademark of HEM-Net (Emergency Medical Network of Helicopter and Hospital)
Automated Driving Technology

Aim

Achieving a society where everyone, including elderly people and people with disabilities, can enjoy mobility safely, smoothly, and freely using automated driving technology that aims to reduce traffic accident injuries and deaths to zero.

Development of Automated Driving Technology

Began implementing research and development into automated driving technology in the 1990s.

Toyota’s unique approach to automated driving, known as the “Mobility Teammate Concept”, seeks to create a friendly relationship between people and vehicles that allow them to communicate and assist each other.

Automated driving technology is not intended to take driving away from humans or replace human drivers. Instead, it is designed to achieve true safety, peace-of-mind, and freedom of mobility by establishing people and cars as trusted partners that can share the joy of driving, and take over driving duties as necessary.

Toyota is advancing R&D into automated driving technologies not only for personally owned vehicles (POVs), but also in the field of mobility as a service (MaaS) which involves the movement of people and things.

One of the first companies to launch advanced automated driving technologies is Toyota.

Toyota’s LS and Mirai models launched in April 2021 are equipped with the new Advanced Drive function integrated into the Lexus Teammate or Toyota Teammate advanced driver support technologies.

Models Equipped with Advanced Driver Support Technology

Lexus LS and Mirai models launched in April 2021 are equipped with the new Advanced Drive function integrated into the Lexus Teammate or Toyota Teammate advanced driver support technologies.

Technology Details

Advanced Drive for Driving Support on Highways

- The on-board system will appropriately detect the vehicle’s surrounding, make decisions, and assist driving under the driver’s supervision according to actual traffic conditions. It can keep the vehicle in its lane, maintain the distance from other vehicles, navigate a lane split, change lanes, and overtake other vehicles until leaving the roadway for the destination.

- The system achieves high levels of safety and peace-of-mind, reducing driver fatigue and providing a pleasant journey to the driver’s destination.

Deep Learning-Focused AI Technologies

- Supports driving by predicting and responding to a wide variety of situations that could occur when driving.

Software Updates

- Software can be updated to the latest version using wireless communications or a wired connection.

Initiatives to Improve Traffic Safety Awareness

Aim

Implementing educational initiatives to raise awareness among drivers and pedestrians and prevent traffic accidents.

Initiative

Toyota Driver Communication (safe driving technique seminar):

- Regular seminars at the Toyota Safety Education Center Mobilitas at the Fuji Speedway

Happy Driving Seminar and Nerve Stimulation Exercises – a traffic safety program for elderly drivers and pedestrians:

- Held in collaboration with local governments and dealers to improve safe driving skills, boost safety awareness, and improve the brain function of elderly drivers.

Sappo-Car (Safety Support Car) Program:

- Toyota implements activities in collaboration with dealers nationwide to ensure safety and assurance for all road users in conjunction with the roll-out of the Safety Support Car program endorsed by the Japanese government.

Target Audience

Activities

Drivers

- Toyota Driver Communication (safe driving technique seminar):

  - Regular seminars at the Toyota Safety Education Center Mobilitas at the Fuji Speedway

  - Happy Driving Seminar and Nerve Stimulation Exercises – a traffic safety program for elderly drivers and pedestrians:

    - Held in collaboration with local governments and dealers to improve safe driving skills, boost safety awareness, and improve the brain function of elderly drivers.

  - Sappo-Car (Safety Support Car) Program:

    - Toyota implements activities in collaboration with dealers nationwide to ensure safety and assurance for all road users in conjunction with the roll-out of the Safety Support Car program endorsed by the Japanese government.

Pedestrians

- Since 1969, Toyota has provided traffic safety teaching materials to children at kindergartens and daycares centers all over Japan in collaboration with Toyota dealers nationwide.

  - Providing information to children and their parents/guardians using digital content on the Toyota Traffic Safety for Kids website.

  - Elderly attendees at events can receive pamphlets to raise their traffic safety awareness as well as a variety of reflective items for safety at night.
Fundamental Approach

Aim
- The quality of the work performed by each employee provides the foundation for the quality of our products and the quality of our sales and service. The combination of these three elements allows Toyota to provide products and services that our customers can use with confidence.

Initiative
- Individual employees involved in each process including development, purchasing, production, sales, and after-sales service, integrate quality into their work. Each process is linked with other processes to maintain the momentum of the quality assurance cycle.

Quality Assurance Cycle

Audit and improvement

Sales and after-sales service
- Gathering quality information from the market
- Training and guidance
- Service parts variances, etc.

Logistics
- Establishment and instruction of transportation standards
- Quality deterioration prevention, etc.

Inspection
- Inspection planning and implementation
- Checking and maintenance of inspection facilities, equipment, etc.

Quality Assurance
- Product planning
  - Product plan formulation
  - Development target setting
  - Quality target setting, etc.

Development
- Product basic plan formulation
- Design quality assurance
- Prototype evaluation, etc.

Production
- Manufacturing quality assurance
- Process maintenance and control, etc.

Purchasing
- Verification of supplier capabilities
- Conclusion of business contracts, etc.

Initiatives Based on the Quality Policy
- Toyota formulates the code of conduct for globally common quality to maintain and enhance the confidence of the customers and discusses a proper response globally and in each region, with the aim of promoting solutions to quality issues and ensuring quality for new businesses and technologies.
- The policy is also shared with affiliated group companies and suppliers to promote collaborative actions for ensuring quality.
- Information about initiatives implemented under the policy is reported to senior management, including board of directors.

Quality Assurance Based on Toyota Quality Control Standards
- Toyota establishes the rules, methods, and criteria necessary for controlling its manufacturing and business processes to enable Toyota to continuously provide the product performance and functions, as well as services, that Toyota aims to achieve.
- Based on the global regulations, Toyota establishes its quality control standards at each production base that are suitable for the customers and environment of each region, and periodically checks and reviews the standards.
Organizational Structure

Aim

- Promote locally-led quality improvement activities so that decisions and taking actions are made as close as possible to local customers.
- Be attentive to the increasingly diversified mobility needs of our customers and guarantee the quality of customers’ experiences obtained through mobility services.

Initiative

- Appointment of a Global Chief Quality Officer (G-CQO) in charge of global quality assurance and Chief Quality Officers (CQO) in charge of quality in each region of the world.
- Audit and Improvement Meeting: Discussion and decision-making on quality-related policies and important issues
  - Participants: Company presidents, chief officers, regional CQOs, and full-time Audit & Supervisory Board members
  - Several times a year, CQOs from all regions gather together to discuss responses to global issues, evaluate the results of the responses, and further discuss and make decisions on new policies and targets based on these evaluations.
  - Each region has a variety of quality-related conferences. Meetings chaired by regional CQOs are attended by the Global CQO or a member of the administration at Toyota Motor Corporation to facilitate further communication and collaboration.

Global Policy Implementation Structure and the Quality Conference

- Global Policy
- Regional Policy
- Collaboration (Regional Policy
- Audit and Improvement Meeting
- Regional Quality Meeting
- Chairperson: Regional CQO
- Initiative
- Quality Risk Management
- Fostering Quality-oriented Awareness and Culture
- Coping with Quality Problems
- Customer Feedback System

Product Safety Initiatives

Aim

- Engaging in car manufacturing while giving due consideration to safety and security throughout the entire process from design to production. In addition to achieving regulatory conformity in each country, we listen to the voices of customers around the world and utilize their opinions to make ever-better cars.

Initiative

- Development phase:
  - Maintaining our constant pursuit of world-class reliability and durability.
  - Compiling the quality-related targets and priority items in the form of a written quality plan during the product development phase, and sharing the plan with all parties involved in the development
  - Setting targets geared to vehicle longevity through, for example, surveying the environments where our vehicles are used and analyzing recovered parts.
  - Carrying out durability tests based on Toyota standards.
  - Incorporating fail-safes to ensure that customers can stop and evacuate from a vehicle safely in the event of a failure. Development to ensure customer peace-of-mind by defining quantitative indices of vehicle behavior that might make our customers feel uneasy.

- Production phase
  - With regard to equipment, operations and inspections at plants associated with product safety, including our supply chain, we visualize how the equipment is managed and how the operations and inspections are conducted. Through particularly focused management, we make sure to prevent problems.

Quality Risk Management

Aim

- Sharing information about quality risks worldwide, implementing proper actions from the standpoint of local customers, and ensuring streamlined responses to emergencies on a global scale.

Initiative

- Appointment of a Regional-Product Safety Executive (RPSE).
- Develop quality risk management structure that represent the voices of local customers.

Organizational Enhancement

- Conducting internal audits at each plant at least once a year to further enhance proper quality assurance activities in accordance with the laws and regulations of each country as well as our internal rules.
  - Our auditing teams are comprised of internal auditors with comprehensive knowledge of ISO 9001, Toyota’s quality assurance rules and systems, and various auditing methods. These teams conduct audits focusing on audit points that have been determined based on internal and external changes to the business environment, quality indicators, and other factors.
  - Audit results are shared with relevant parties so that improvement measures can be implemented promptly.
  - Toyota listens sincerely to the opinions of third parties, including the certification organizations of each country, and reflects them in the enhancement of our quality assurance activities.

Initiatives with Suppliers

- Working in close cooperation with suppliers to ensure the level of quality that Toyota aims to achieve.
  - New suppliers:
    - Before doing business with a new supplier, we confirm the technical capabilities of the supplier (including their design development and quality management capabilities) to create a firm foundation for ensuring quality.
  - Existing suppliers:
    - Toyota provides suppliers with manuals compiling the necessary actions to be taken by the suppliers and Toyota as well as checklists for self-inspection of the quality management structure and production processes, for every stage from production preparation to mass production, specifying the actions that need to be carried out by both Toyota and the supplier.
    - Inspection results and improvement plans are also confirmed by Toyota on a regular basis.
Fostering Quality-oriented Awareness and Culture

**Aim**

- Developing human resources and improving work quality
- Annual initiatives to boost quality awareness among all employees, and quality-related training designed for employees at each job level.

**Initiative**

- Toyota Restart Day
  - February 24 was designated as Toyota Restart Day after Akio Toyoda (President at the time) attended a US Congressional hearing on that date in relation to a series of recalls in 2010. Toyota is committed to creating better mechanisms and carrying out awareness-raising activities to ensure that the lessons learned from this experience are never allowed to fade away.

- Customer Quality Learning Centers
  - Established in 2014, the Customer Quality Learning Centers are educational facilities for conveying the experiences and lessons Toyota learned from the series of recall issues to future generations of employees.
  - The Center is updated every year to reflect recent issues to ensure that the lessons learned are not forgotten.
  - Customer Quality Learning Centers unique to individual plants and overseas sites have also been established, and they are working to ensure employees in each region and each plant thoroughly understand the importance of quality.
  - As of FY2023, 14,900 employees have participated in activities at our Centers (within Toyota Motor Corporation).

- All-Toyota TQM Convention
  - Toyota holds online exchange meetings with suppliers and dealers, and exhibits kaizen practices on its website.
  - Participants (FY2023): approx. 700 people for the online exchange meetings; approx. 15,000 people for the website exhibition.
  - These events provide opportunities for people to access information to be able to work together beyond their companies and organizations for further quality improvement.
  - Akio Toyoda’s Roundtable on Quality (held in 2021) to communicate Akio Toyoda’s (President at the time) commitment to quality and the values he promotes.

Coping with Quality Problems

**Aim**

- Early detection and rapid resolution of quality-related issues to ensure that our customers can use our vehicles safely.
- Ensuring constant legal compliance and making recall decisions from the customer’s perspective, putting safety and assurance first and making it possible to implement rapid responses and minimize inconvenience to the customer.

**Initiative**

- Recall decision-making process
  - Clarifying response procedures and persons in charge based on the Toyota Quality Control Standards.
  - A study meeting participated by the heads of relevant departments and the Regional Product Safety Executives (RPSEs) is held to discuss based on the quality information, and a recall is made by mutual consent and subject to G-CQO’s approval.
  - Feedback from customers in the region is always reflected in responses, and regional representatives located closest to the customer are also involved.

- Responses when a recall has been made
  - The customer’s safety and security will be our the highest priority and the following steps will be taken to ensure rapid repairs and encourage customers to bring their vehicles in for repairs:
    - Notification will be sent in a prompt and fair manner by postal mail to customers to bring their vehicles in for repairs:
    - Dealers will also contact customers, if necessary.
    - Recall information will be posted on the company’s website on the same day as the recall notification.
    - We also make the required reports, including notifications to the authorities in accordance with the laws and regulations of each country, and report the ratio of the number of repaired vehicles to the number of recalled vehicles.

**FY2023 Recalls**

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Number of Recalls</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>16</td>
<td>810,000</td>
</tr>
<tr>
<td>North America</td>
<td>17</td>
<td>970,000</td>
</tr>
<tr>
<td>Europe</td>
<td>26</td>
<td>820,000</td>
</tr>
<tr>
<td>Other</td>
<td>27</td>
<td>430,000</td>
</tr>
<tr>
<td>Global</td>
<td>47**</td>
<td>3,030,000**</td>
</tr>
</tbody>
</table>

*1 The figures above include recalls that cover multiple countries and regions, therefore totals for recalls and units in each country/region may differ from global figures.
*2 Scope of recalls listed above: Toyota or Lexus branded vehicles for which Toyota Motor Corporation has issued a recall notice (including OEM by Toyota Motor Corporation)
After-sales Service

**Aim**

- Providing continuous safety, peace of mind, and comfort to customers through regular servicing, legally mandated vehicle inspections, and repairs following breakdowns or accidents, enabling customers use their vehicles for many more years than they did before.

**Initiative**

- Providing more precise, more rapid, and more reasonably priced services through Toyota’s 3S Spirit (Seikaku + Shinsetsu = Shirai: precise and courteous service creates trust).

**Better Service and Supporting Factors**

- **Better Service (Maintenance and Repairs)**
  - Accuracy
  - Promptness
  - Affordable

- **Cars (serviceability)**
  - Parts supply: Incorporating ease of maintenance and repair into our vehicle development based on market feedback and past repairs to ensure that our customers can use our vehicles safely for many years to come.
  - Based on the Toyota Production System concepts, we have established a system to deliver vehicle parts when and where they are needed worldwide to ensure efficient parts inventory management and distribution.

- **Service engineers**: Training facilities have been established in each region and the Tajimi Service Center in Gifu Prefecture, Japan also plays a central role in enhancing the knowledge and technical skills of our approximately 180,000 service staff worldwide.

- **Tools and equipment**: The speed of repairs has been accelerated by expanding the number of diagnostic codes used by on-board computer diagnostics to detect faults and identify the parts and causes responsible.

- **Repair techniques (information)**: Servicing, technical, and sales divisions work in close cooperation on initiatives to create vehicles that are easier to repair and establish a system to ensure that accurate information is available when needed to make repairs quick and easy.

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**Helping Customers Use Their Vehicles Safely**

- User manuals and information about the latest models are available on our website.
- Promote utilization of the product information provision tools for distributors and dealers as well as the company website to accurately communicate the risks resulting from operational errors.
Customer Feedback System

Aim

- Prompt, accurate, and courteous responses are provided based on our Customer First principle. Customer feedback and information from dealers are reflected in creating Ever-Better Cars, Sales, and Service.

Initiative

- Dealers in many global markets set up their Customer Access Centers to respond to customer inquiries.
- Toyota Customer Assistance Center (Japan)
  - The Toyota Customer Assistance Center, the Lexus Information Desk, and the Lexus Owners Desk are available to respond to customer inquiries. (The Center’s sign language interpreter service began in February 2022)
- Inquiry Line for Dealers (Japan)
  - The Salesperson Support Desk, an inquiry line especially for sales staff at Toyota dealers, has been established within Toyota Motor Corporation and provides support for staff to implement Customer First responses.
- Customer feedback received through our Customer Assistance Center and Salesperson Support Desk is used in activities to create Ever-Better Cars, Sales, and Service.

Customer Feedback Flowchart (Japan)

Number of inquiries received by the Toyota Customer Assistance Center in FY2023

- Number of inquiries received: 299,000
- Content of Consultations
  - Vehicle-related: 38%
  - Navigation/audio-related: 16%
  - Safety devices/Driving support-related: 2%
  - Other: 28%
  - Sales-related: 7%
  - Connected service-related: 9%

FY2023 Customer Satisfaction Survey: Customer Feedbacks to our Customer Assistance Center

- Number of questionnaires sent: 6,550
- Number of replies: 766
- Rate of customer recommendation (Customer Assistance Center):
  - Recommendable: 54.4%
  - Neutral: 22.8%
  - Not recommendable: 22.7%
  - *Percentages are rounded to the nearest whole number and thus totals may not add to exactly 100%.

Internal Awareness-Raising Activities (Toyota Motor Corporation)

- A range of activities are carried out within the company to establish the Customer First approach
- Initiatives in FY2023
  - Training materials focusing on how to provide sincere and considerate customer service are compiled based on the experience and know-how of employees working at the Customer Assistance Center and other related staff. These materials were distributed throughout the company.
  - Employees at each workplace discuss the importance of maintaining constant awareness of caring about customers, as well as the importance of engaging with customers and learning from customer feedback
  - Employees visit our Customer Assistance Center to learn about how it functions
  - A Customer Feedback Board has been made available on the company’s intranet to inform employees about recent feedback from customers

- Consumer Affairs Advisor qualification
  - Our company actively encourages employees to obtain the Consumer Affairs Advisor qualification, which is certified by the Japanese Prime Minister and the Minister of Economy, Trade and Industry.
  - The Toyota Consumer Affairs Advisor Group made up of the qualified employees carries out evaluations of facilities and vehicles from the customer’s perspective, examines catalogs, and conducts mystery calls to enhance the response ability of our Customer Assistance Center.
**Fundamental Approach**

**Aim**
- Protect information assets and ensure the safety and security of our customers from the threats and risks of cyber attacks, which target confidential corporate information and information systems, the networks of systems that control plant facilities and vehicles (such as on-board device systems), and even supply chains.

**Initiative**
- Based on the **Information Security Policy**, Toyota Motor Corporation and its consolidated subsidiaries work together to prevent information leaks.

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**Organizational Structure**

**Aim**
- Share and discuss details of activities in each security field and overall common issues.
- Assure readiness for potential cases of serious incidents.

**Initiative**
- Hold **Information Security Management Meetings** under the Chief Information & Security Officer (CISO) and security officers are assigned to individual security fields.
- If a serious incident occurs:
  - Promptly confirm the facts of the incident
  - Report to management, including Board of Directors
  - Analyze the causes and take countermeasures

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**Security Area**

- Confidential information management
- Information systems
- Connected vehicles
- Facilities control systems
- Financial services
- Supply chain

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**Application of measures**

- Internal departments
- Subsidiaries, suppliers, dealers
Information Security Measures

Aim

- Preventing leaks of confidential information and protecting information assets from cyber attacks.

Initiatives in Toyota Motor Corporation

Level up activities based on All Toyota Security Guidelines (ATSG)

Complied/reference guidelines
- ISO 27001/27002
- US National Institute of Standards and Technology (NIST) Cybersecurity Framework
- Cyber/Physical Security Framework by the Ministry of Economy, Trade and Industry
- JAMA/JAPIA Cybersecurity Guidelines, etc.

Contents
- Organizational management measures
- Human resource management measures
- Technical management measures
- Physical management measures
- Establishment of incident/accident response

Self-inspection based on ATSG
- Once a year

Major Activities for Information Security Education

Examples
- Training for all employees (including secondees and dispatched employees)
  - Carrying out activities, which all employees are required to take part in, to raise awareness in Information Security Reinforcement Month (twice a year).
  - Displaying educational or warning information at startup of personal PCs.
  - Providing information security training for new employees and special training when a new law is enforced to ensure information is distributed in a timely manner (e-learning).
  - Sending targeted-attack-type emails without notice to all employees, including executives, (once or twice each year).

Initiatives at Consolidated Subsidiaries, Dealers, and Car Rental Companies

- Promoting level-up activities based on the ATSG like at Toyota Motor Corporation.
- Toyota Motor Corporation’s specialized team carries out on-site audits of consolidated subsidiaries, dealers (Japan), and car rental companies (Japan) (to check responses to ATSG and the status of implementation of physical security measures).

Process of ATSG inspection and audit

1. Request for ATSG introduction/inspection
2. Self-inspection
3. Report of inspection results
4. Improvement advice and support
5. Improvement initiatives
6. On-site inspection of subsidiaries

Initiatives for Supply Chains

- In recent years, cyber-attacks targeting supply chains have been increasing. (Hacking and ransomware attacks actually happened to suppliers.)
- Establish a structure for security measures of supply chains and implement initiatives to reinforce security of the entire automotive industry.
  ⇒ Promote initiatives using JAMA/JAPIA Cybersecurity Guidelines, the standards of the industry, for suppliers

Preparing for Information Leaks and External Attacks

Aim

Preparing for potential cyber-attacks to company information asset, information system, networks of systems that control plant facilities and taking proper and prompt action in case of a serious issue.

Initiative

- Information gathering and monitoring by a specialized team
  - Share information on security threats with each regional headquarters. Regional headquarters ensure that the information is shared within the region and promptly take necessary measures.
- Conduct training
  - Assuming increasingly complex and sophisticated cyber-attacks, the specialized team conducts training at least once a year and prepares scenarios for early recovery to be prepared for a large-scale issue.
- Third-party evaluations
  - Regarding the status of security measures for management and technical aspects of Internal security systems, receive third-party evaluations based on NIST SP800-82/53, ISO 27001/2, IEC 62443, etc. For the problems pointed out, implement necessary measures to raise the security level.
- Response to serious incidents
  - Formed a response team including members in management positions (TMC-SIRT*) to set the situation properly and promptly.

* Toyota Motor Corporation-Security Incident Response Team
Security for Automobiles

**Aim**
- Ensure safety of customers with the world’s top-level countermeasures.

**Initiative**
- **Compliance with international regulations and standards**
  In addition to compliance with the international rules and standards below, implement initiatives for the entire vehicle life cycle, such as development in consideration of security by design\(^1\) and layered defense\(^2\) and gathering and monitoring of information on threats and vulnerabilities.
  - United Nations regulations concerning automobile cyber security (UN R155\(^3\)).
  - International standards concerning cyber security of electrical/electronic systems of automobiles (ISO/SAE 21434).
- **Be a member of the Automotive Information Sharing & Analysis Center (Auto-ISAC) in Japan and the U.S.**
  - Learn promptly about cases that occur within the industry and put them to use in responding to serious incidents.
  - Implement measures to enhance capabilities of the entire industry to tackle security issues.
- **Collaboration with external specialists**
  - By proactively collaborating with external specialists, utilize external know-how to enhance cyber security of automobiles.
  - Introduce a vulnerability reporting system (clarification of the contact point for reporting security problems from outside).

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\(^1\) Security by design: Design approach that defines the security requirements needed for safe system operations, beginning from the planning and design phases of an information system, and which aims to reliably incorporate these requirements into the information system through the development processes, moving away from the approach of implementing security countermeasures only after a problem has been discovered.

\(^2\) Layered defense: Security practice of combining multiple defense “layers” to enhance security so that an attack is not successful even if one layer is penetrated.

\(^3\) UN R155: Regulations concerning cybersecurity, which were adopted at the World Forum for the Harmonization of Vehicle Regulations (WP29) in June 2020.
Fundamental Approach

**Aim**
- In line with Toyota’s Customer First philosophy, respect privacy as a member of the international community, through compliance with the laws and regulations of each country and region.
- Assure appropriate management and correct utilization of information to contribute to creating Ever-Better Cars and enriching the lives of communities.

**Initiative**
- Establishment and Operation of a Privacy Governance System
  - Appropriate management and protection of personal information based on the Toyota Code of Conduct and the Basic Policy on the Protection of Personal Information.
  - Compliance with the Act on the Protection of Personal Information and other related laws and ordinances.
  - Utilization of information to solve social issues and provide ever-better products and services.

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Organizational Structure

**Aim**
- Building a privacy governance structure applied throughout the company while integrating the perspectives of those outside the company.

**Initiative**
- Decision-making regarding important matters, policies, and specific measures at Privacy Governance Management Meetings under the supervision of the Chief Privacy Officer (CPO).
- Establishment of an Advisory Board
  - Reflecting advice based on the perspectives of external third parties, such as experts outside the company, into in-house initiatives.
- If a serious incident occurs, the nature of the incident will be promptly identified and reported to the CPO and members in management positions. The incident will then be analyzed to facilitate the implementation of responses.
Respect for Privacy and Protection of Personal Information

Aim

- Aim to serve our customers as a company that abides by social norms with the establishment of flexible, innovative, and sustainable information management systems to handle personal information and confidential information.
- Carry out duties and develop human resources with an awareness of the need to respect privacy and protect personal information.

Initiative

Compliance with Laws, Ordinances, and Internal Regulations

- The Toyota Code of Conduct clarifies Toyota’s aims for the handling of information that includes personal information, as well as the direction that should be taken by the company and each employee.
- Necessary procedures including the gathering, utilization, and management of personal information are stipulated and operated in accordance with company regulations, while also complying with the laws and regulations of each country and region such as GDPR*1 (Europe) and CPRA*2 (California, USA).
- Information that requires more secure handling will undergo a risk assessment in advance to facilitate the implementation of appropriate measures.

Examples: Toyota Motor Corporation (Japan)

- Training for all employees (including secondees and dispatched employees)
  - Training to suit each job type and job description.
  - In-house awareness-raising activities for all company employees during Privacy Month (once a year).
  - Special training sessions will be carried out when a new law comes into force or existing law is revised to ensure that relevant information is disseminated throughout the company in a timely manner.
- Training for targeted employees
  - Training for new employees and on-demand training.

Examples: Toyota Motor Europe NV/SA (Belgium)

- Training for all employees (including secondees and dispatched employees)
  - e-learning training about privacy and data protection (every two years).
  - Activities involving all employees such as awareness-raising using the company intranet (once a year).
- Training for targeted employees
  - e-learning training about privacy and data protection after joining the company.
  - Training sessions, including privacy by design, for members of specific departments (once or twice a year).
  - Special training sessions for members of specific departments when a new law comes into force or existing law is revised.

Examples: Toyota Motor North America (U.S.)

- Training for targeted employees
  - General privacy training for employees who are in an administrative function (once a year).
  - Training sessions about privacy-related laws (once a year).
  - Providing specialized training to members of specific departments.

*1 GDPR: The EU General Data Protection Regulation
*2 CPRA: California Privacy Rights Act

Code of Conduct

Customer first

Carefully and sincerely listen to and consider consumer feedback on privacy issues.

Quality first

Toyota practices Privacy by Design, by taking privacy considerations into account early in the development and operation of products and services.

Product and Experience

Use consumer personal information responsibly to develop products and services tailored to the consumer with a goal of achieving consumer happiness and satisfaction.

Compliance

Ensure that personal information is managed and processed throughout the enterprise in a manner that complies with applicable laws and regulations.

Stakeholder

By cooperating and coordinating on privacy issues across all business functions throughout the enterprise, Toyota works to create and sustain an appropriate personal information management system.

Human resource development

Toyota promotes a corporate culture that respects privacy via continuous training and education.
Fundamental Approach

Aim

- Protect and utilize intellectual property such as invention, know-how and brands, which are Toyota’s important management resources, in an appropriate manner. Endeavor to conduct research and development that is one step ahead, thereby enhancing product appeal and technological prowess, which are the source of Toyota’s competitiveness.

Initiative

- Carry out intellectual property activities in line with Toyota’s focus areas, toward the realization of a future mobility society.
- Distribute resources mainly to such areas as carbon neutrality, including the development of electrified vehicles and batteries, and Software & Connected Initiatives. Enhance the obtainment and use of intellectual property rights.

<table>
<thead>
<tr>
<th>2012 Percentage of Registered Patents by Technological Field</th>
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</thead>
<tbody>
<tr>
<td><strong>Electrified vehicles</strong></td>
</tr>
<tr>
<td><strong>Batteries</strong></td>
</tr>
<tr>
<td><strong>Automated driving</strong></td>
</tr>
<tr>
<td><strong>Connected</strong></td>
</tr>
<tr>
<td><strong>Other vehicle technologies (engines, body, chassis, etc.)</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2022 Percentage of Patents* by Technological Field</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Batteries</strong></td>
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</tr>
</tbody>
</table>

*Total of patents under application and registered patents in Japan and overseas

Organizational Structure

Aim

- Promote activities that incorporate management, R&D, and intellectual property in one.

Initiative

- Support technology development globally by securing organic, systematic coordination between R&D activities and intellectual property activities.
  - Established intellectual property functions at the R&D centers in Japan, the United States, Europe, and China.
  - Discuss and make decisions at the Intellectual Property Management Committee on policies for obtaining and utilizing important intellectual property conducive to management and for responding to management risks related to intellectual property.
  - Work in collaboration with approximately 110 law firms around the world to collect intellectual property information and take measures suitable for each country/region.

Intellectual Property Activities

Aim

- Protect and utilize Toyota’s intellectual property, including invention, know-how, and brands, in an appropriate manner.

Initiative

- Number of patent applications and number of registered patents 2022 Results:
  - Number of patent applications: approx. 14,000; Number of registered patents: approx. 11,000 (in Japan and outside of Japan)
  - Japan: Toyota was the overall leader in patent applications and registered patents.
  - United States: Toyota ranked in tenth place for the number of registered patents in all industries and ranked in first place for the most patents registered by a car manufacturer.

Toyota Promotes Global Vehicle Electrification by Providing Nearly 24,000 Licenses Royalty-Free
Fundamental Approach

**Aim**

- **Develop human resources** based on the belief that “monozukuri (manufacturing) depends on human resource development.”
  - Develop human resources with the ability to continuously think and act for the benefit of others and to win supporters.
  - Focus on allowing Toyota’s most important asset – its employees – to work in a style that suits them so they can take on new challenges. We aim to become a company where anyone can take on new challenges at any time, as many times as possible, without fear of mistakes. These efforts will facilitate our transformation into a mobility company and fulfill our corporate mission of “Producing Happiness for All” as we face this once-in-a-century period of change.

**Initiative**

- Develop companywide human resources with **compassion** and expertise that have a positive impact on others and are capable of winning trust and confidence along with the “ability to act” to move things forward.

- Implementing initiatives based upon three main pillars designed to transform the company into a place where anyone can take on new challenges at any time, as many times as possible, without fear of mistakes.

**Three main pillars of our initiatives**

- **Diversity**: living the life you choose
  - Enhancing the system to support employees balancing work and family commitments and creating a work environment where 100% of eligible employees can take partner childcare leave without hesitation (if they choose to do so). The system will be in place before the end of 2023.

- **Growth**: seeing challenges and mistakes as fuel for growth
  - Ensuring the best personnel are chosen for each position by taking a close look at individual roles and skills, regardless of nationality, sex, years of service, initial employment type, academic background, or job type while promoting skill development for all employees.

- **Contributions**: for the future of the industry
  - Matching human resources and assets, and utilizing both effectively for the benefit of the 5.5 million people working in the automotive industry.

- **Enhance resources and management support to add capacity to promote diversity and to take on new challenges – the foundation of the three main pillars stated above.**

- **Initiatives to create workplace environments where each individual can achieve growth in their own way to reach their full potential. Boosting recruitment of diverse human resources needed to transform Toyota into a mobility company (mid-career recruitment will be expanded to 50%).**

- **Review of management duties and implementation of management support and training by specialists to assist subordinates in achieving their diverse career goals.**
Recruitment

Aim

- Recruitment of diverse human resources with a greater emphasis on compassion and enthusiasm for realizing dreams at Toyota.
- Reinforcement of recruitment of personnel who are attractive for others to work with.
- Review of work processes and workstyles, incorporating external knowledge.

Initiative

Enhancing mid-career recruitment

- Before: 90% new graduates and 10% mid-career hires
- Increase mid-career hiring to 47% (FY2023: Toyota Motor Corporation, administrative and engineering positions)
- Continue to expand mid-career hiring to target 50%.
- Introduced recruitment methods such as referrals.

Hiring new graduates with diverse backgrounds

- Promote recruitment of diverse people from universities from which no graduates have been hired by Toyota, technical colleges, vocational schools and high schools.

Course specific recruitment of new graduates

- Hire students who have a concrete vision of what they want to do at Toyota (termination of school recommendation program).
- Promoting the recruitment of diverse human resources suited to the characteristics of specific workplaces, such as with IT related personnel.

Education and Career Development

Aim

- Develop human resources who can act in line with the Toyota Philosophy with the aim of transforming into a mobility company while inheriting the precept of the Toyota Principles.

Initiative

Global Executive Human Resource Development: “GLOBAL 21” Program

- The program enables talented global employees to acquire the skills and insights necessary for global Toyota executives and enables them to leverage their strengths in their respective area of responsibility.

1. Teaching of management philosophy and what is expected of executives
   - Disseminating Toyota Philosophy and incorporating it into global human resource system and training.
2. Human resource management
   - Applying appropriate personnel evaluation standards and processes in each region based on Toyota’s common values.
3. Training deployment and training programs
   - Global assignments and executive training.
   - Holding regional succession committees to accelerate identification and training of next-generation leaders.

TMC Human Resource Development

Management-level development

- Toyota’s values and management approach are based on philosophy, skills, and behavior*. We utilize these values to create leaders who can navigate the company through this transition with passion and empathy and can provide a vision to follow in a world full of uncertainty where there are no right answers.
- Newly appointed division general managers participate in group training sessions, seminars looking back on the history of the company, and fieldwork throughout the year. This allows general managers to clearly identify their ideals, boosting their empathy with others and creating a mindset to reach their full potential both inside and outside the company, and to lead specific behavioral changes in the workplace.
- Employees who are promoted to senior professional/senior management and professional management have group training sessions and small-group seminar activities throughout the year to instill the awareness needed for their role and help them clearly identify their ideals.
- Seminar activity instructors are appointed as advisors for participants in training sessions for newly appointed division general managers. This allows instructors and participants to learn from each other and enhance their skills and knowledge.

- Our company aims to create a workplace where everyone can work happily among a diverse range of values and working styles to reach their full potential under the goal of "active participation by all members.” To achieve this, we have enhanced training for employees in management positions (the key to workplace management) to boost their understanding and skills regarding open and fair evaluation (assessment) practices and feedback methods that are acceptable and effective.
- Performance reviewer training (division general managers/department general managers) and evaluator training (group managers) are carried out to improve workplace assessment and feedback skills (including mandatory training and some optional training).

* Philosophy: Toyota Philosophy; Skills: TPS (Toyota Production System); Behavior: Toyota Way 2020

Global Executive Human Resource Development

- Global human resources
- Toyota Motor Corporation (TMC) human resources
- Overseas affiliate human resources

Seminar activity instructors are appointed as advisors for participants in training sessions, seminars looking back on the history of the company, and fieldwork throughout the year. This allows general managers to clearly identify their ideals, boosting their empathy with others and creating a mindset to reach their full potential both inside and outside the company, and to lead specific behavioral changes in the workplace.

Performance reviewer training (division general managers/department general managers) and evaluator training (group managers) are carried out to improve workplace assessment and feedback skills (including mandatory training and some optional training).
Shop Floor Employee Human Resource Development

- OJT is conducted by supervisors and experienced employees at the worksite through daily operations in the field. Deployment cycle: formulation of development plans, assignment for development, and evaluation/feedback.
  - While focusing on OJT, human resource development is accelerated by conducting OFF-JT at career milestones.
  - OFF-JT gives participants an opportunity to enhance awareness of their roles and acquire the knowledge and skills they need. Newly-appointed EX, SX, and CX* undergo pre-promotion training in the form of practical training at other workplaces and training at other companies to broaden their perspectives and boost their compassion.

  * EX (Expert), SX (Senior Expert), CX (Chief Expert)

- Employees are becoming more diverse with employees rehired after retirement age (60 years old), female shop floor workers, and people with disabilities. Training now includes a diversity-related curriculum to promote understanding among employees. Training materials have also been changed to include the perspectives of people with disabilities as part of efforts to actively maintain and improve the workplace environment.

Specialized technical training is provided in accordance with job type to enhance technical skills toward a workplace culture with focus on technical skills.

- Start-up seminars are held as part of career support for employees to be transferred to another plant.

Overseas Affiliate Human Resource Development

- Temporarily transfer employees from overseas affiliates to Toyota Motor Corporation for OJT to promote self-sufficiency in overseas affiliates.
  - Learn skills, know-how and Toyota’s way of thinking and work processes for 6 months to 3 years
  - General Manager-level:
    - Also, learn decision-making processes and form networks with other employees as general managers or department managers at Toyota Motor Corporation

Administrative, Engineering, “Gyomushoku” Human Resource Development

- Instilling the Toyota way – philosophy, skills, and behavior
- OJT with a focus on genchi genbutsu (going to the source to get the facts), along with OFF-JT*

  * OFF-JT (Off the job training): training conducted outside the workplace

<table>
<thead>
<tr>
<th>Timing</th>
<th>Major Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>After entry</td>
<td>Acquire basic knowledge of various areas required after assignment (OFF-JT)</td>
</tr>
<tr>
<td>After assignment</td>
<td>OJT human resource development programs based on genchi-genbutsu</td>
</tr>
<tr>
<td>2nd year</td>
<td>Thoroughly learn the basics skills required as Toyota employees in training at dealers and plants (administrative and engineering personnel)</td>
</tr>
<tr>
<td>3rd year</td>
<td>Group OFF-JT training (administrative and engineering personnel)</td>
</tr>
<tr>
<td>4th year and beyond</td>
<td>Training Dispatch Program: Increase the number of employees dispatched abroad to quickly develop and further enhance their capabilities Dispatch for one to two years training to overseas subsidiaries, overseas graduate schools (including MBA), domestic affiliates, etc. Providing deeper understanding of practices and culture as well as improving language skills</td>
</tr>
<tr>
<td>6th to 8th year</td>
<td>Specialized group OFF-JT training (administrative and engineering personnel)</td>
</tr>
</tbody>
</table>
Evaluation of and Feedback to Employees

**Aim**
- Independent career building is encouraged for each employee to develop a diverse workplace where everyone can reach their full potential. Employees in each workplace are placed and trained in accordance with their motivation and abilities.
- The abilities of each employee are also carefully assessed. Effectively delivered assessment and feedback are encouraged between managers and employees to give employees balanced workplace treatment and provide them with duties that will help to further develop their abilities.

**Initiative**
- Determine roles and themes at the beginning of each fiscal year and consult with supervisors periodically.
  - Interviews and daily communication between managers and employees are utilized as opportunities to have a fact-based review on their full-year performance and half-year results.
  - In particular, performance assessment is made with a focus on personal quality and ability of action required for qualification.
  - 360-degree feedback is used to gauge personal quality. Opinions are gathered from colleagues about the employee’s strengths and points suggested for improvement. This information is then provided to the employee as feedback.
  - Reflect half-year results into bonuses and full-year performance into salary raises for the following year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Content</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Revised human resource system to allow hard workers to be rewarded regardless of age or rank</td>
</tr>
<tr>
<td>2020</td>
<td>Introduced a system capable of centrally managing employees’ individual information, including employees’ evaluations, the results of consultations with their supervisors and questionnaire results regarding workplace management</td>
</tr>
</tbody>
</table>
  - This makes it possible to refer to previous evaluations, personal information and employees’ career goals.
  - Enhance the development and allocation of human resources with consistency through job assignment based on a better understanding of employees’ aptitude and career goals. |
| 2021 | Started providing feedback to senior professional/senior management and professional management on the results of their evaluations |
| 2022 | Started providing feedback to assistant managers and those in ranks below administrator, engineering, gyomushoku on the results of their evaluations |

Employee Engagement Survey

**Aim**
- Each employee can think and act to create a work environment where they can work actively and reach their full potential.

**Initiative**
- Use Employee Engagement Survey analysis for planning and implementing measures for employees to work lively.
  - Share feedback results in the workplace to promote dialogue and improve activities in each organization.
  - Promote changes to workplace culture from both a bottom-up perspective through dialog and a top-down perspective focusing on company management.

<table>
<thead>
<tr>
<th>Percentage of employees who feel satisfied with the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation</td>
</tr>
<tr>
<td>FY2021</td>
</tr>
<tr>
<td>Overseas Administrative and engineering employees</td>
</tr>
<tr>
<td>Administrative and engineering employees</td>
</tr>
<tr>
<td>77.0</td>
</tr>
<tr>
<td>Shop floor employees</td>
</tr>
<tr>
<td>70.0</td>
</tr>
</tbody>
</table>

Initiative to Promote Psychological Well-being

**Aim**
- To feel the joy and happiness of being a key part of automotive industry.

**Well-being**
- Motivation and satisfaction at Toyota (in the workplace and in work performance)

**Happiness in each individual’s life**

**Initiative**
- Staff with a high level of expertise promote measures for psychological well-being to all employees.
  - Dedicated full-time staff (hereinafter referred to as “dedicated staff”) with a high level of expertise assigned within the company plan and implement measures to promote psychological well-being.
    - Full-time psychiatrist: 1 (part-time*6: 1), 6 full-time psychologists;
    - Full-time public health nurse: 1, full-time psychologists/public health nurses: 2, full-time social worker: 1, full-time office staff: 3.
  - Employees’ true feelings and actual situations obtained through activities conducted by any of the above dedicated staff are directly sent up to the management after ensuring anonymity, which then checks and improves company policies.
  - Employees’ true feelings about company policies and actual situations are surveyed again after management performs checks and makes improvements. This forms a cyclical system that creates a sustainable, growing, and healthy company.

Anyone can take on new challenges at any time, as many times as possible, without fear of mistakes.
### Fundamental Initiatives

- **Create an environment in which all employees can freely access and apply for consultation services and a variety of trainings at any time.**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Target audience</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice from dedicated staff</td>
<td>All officers</td>
<td>Regularly provide information on mental health care and employees' true feelings from dedicated staff, leading to the development and implementation of better company measures</td>
</tr>
<tr>
<td>Distribution of e-mail newsletters</td>
<td>All employees</td>
<td>Regular monthly distribution of information by email that serves as a boost to mental health and provides nourishment in daily life (like a Psychological Vitamin)</td>
</tr>
<tr>
<td>Online consultation hotline</td>
<td>Occupational health staff, Human resources, Supervisors</td>
<td>Set up a consultation hotline with part-time staff who are active in their fields and can provide appropriate information on medications and medical facilities, guidance on medical cooperation, and other useful tips</td>
</tr>
</tbody>
</table>

### Training to improve well-being

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Target audience</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>OMOYARI Interpersonal Skills and Communication Training (live/online)</td>
<td>All supervisors and officers (mandatory)</td>
<td>Implement ongoing group psychoeducation in a consistent and ruminative manner with the aim of preventing harassment and promoting well-being</td>
</tr>
<tr>
<td>Well-being Dojo (live/online)</td>
<td>All employees (optional)</td>
<td>Provide psychoeducation by dedicated staff to bring about mutually enhanced changes in awareness and behavior that help both individuals and others experience a valued sense of well-being</td>
</tr>
<tr>
<td>Cognitive behavior modification skill-up training</td>
<td></td>
<td>Training on understanding cognitive behavioral models for use in stress management</td>
</tr>
<tr>
<td>Communication skill-up training</td>
<td></td>
<td>Provide training that utilizes cognitive behavior models and can improve relationships through listening, accepting others, assertions, and comprehension, expression, and relationship adjustment skills</td>
</tr>
<tr>
<td>PERMA-V Training</td>
<td></td>
<td>Training in which participants can experience and learn about the elements of PERMA-V to improve their own and others' well-being</td>
</tr>
</tbody>
</table>

### Monitoring well-being

- **The following new initiatives will be implemented from fiscal 2024.**

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Target audience</th>
<th>Overview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well-being Survey (Conducted every year)</td>
<td>All employees</td>
<td>Conduct satisfaction surveys and other questionnaires on company measures that can serve as key drivers, in addition to the goal of having a subjective feeling of well-being and events of happiness</td>
</tr>
<tr>
<td>Well-being check (Conducted every month)</td>
<td>Employees in administrative and technical positions up to the third year of employment</td>
<td>Conduct surveys on PERMA-V, provide opportunities to focus on well-being and self-monitoring, conduct triage and case work with involvement of dedicated staff when a reduced sense of well-being is observed</td>
</tr>
</tbody>
</table>

* Positive Emotion, Engagement, Relationship, Meaning, Accomplishment, Vitality
Updated in June 2023

Health and Safety

Aim

Create workplaces that ensure the physical and mental well-being of everyone working at every Toyota location, providing a safe environment where everyone can work to their full potential.

Initiative

Promoting health and safety initiatives for all on-site personnel including employees and contractors based on the following philosophy and policy:

- **Philosophy for health and safety**: Toyota Motor Corporation’s Declaration of Health Commitment and the Basic Philosophy for Safety and Health.
- **Health and safety policy**: Health through mutual awareness-raising and the establishment and enhancement of a safety-focused work culture. This policy is expanded globally.

**Basic Philosophy for Safety and Health**

- Safe work
- Reliable work
- Skilled work
- Safe work is the ‘gate’ to all work.
- Let us pass through this gate.

**Social Recognition**

<table>
<thead>
<tr>
<th>Details</th>
<th>Years Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognized and certified as a Health and Productivity Company for encouraging employees to improve their health-related practices and promoting initiatives focusing on “prevention” actions by promoting flexible workstyles and providing support for a better work/life balance</td>
<td>2021, 2023</td>
</tr>
<tr>
<td>Certified by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange</td>
<td>2018 to 2023</td>
</tr>
<tr>
<td>Certified as a White 500 Health &amp; Productivity Management Outstanding Organization</td>
<td>2015 to 2024</td>
</tr>
<tr>
<td>Certified by the Ministry of Health, Labour and Welfare (MHLW) [reviewed every 3 years]</td>
<td>2015 to 2024</td>
</tr>
</tbody>
</table>
Organizational Structure

Aim

Promoting better work environments through cooperating with business partners, including business sites, labor unions, suppliers, and in-plant contractors.

Promote initiatives based on daily collaboration, sharing and resolving issues.

Initiative

Director in charge: Company safety and health supervising manager (CPO: Chief Production Officer)

- The Safety and Health Policy and KPI are formulated based on technological innovations and changes to the business environment.
- The results of health and safety promotion initiatives are reported to management together with figures related to diseases and accidents.
- The Safety and Health Promotion Division takes a leading role in building collaborative relationships with administrative divisions of business sites, labor insurance societies, regional affiliated companies, and suppliers.

Organizational Structure

**Suppliers and Affiliated Companies**

| Group companies | All Toyota Safety and Health Cooperation Association |
| Parts and materials suppliers | Kiyonekko Safety and Health Committee (228 companies) |
| Equipment, installation, and logistics suppliers | Ethics safety and health committee (526 companies) Toyota Motor Corporation Safety and Health Cooperation Association (573 companies) |

**Overseas affiliated companies**

| TME | Toyota Motor Europe NV/SA (Europe) |
| TCCA, TCO | Toyota Motor Corporation (China) |
| EST | Toyota Motor Europe NV/SA (North America) |
| TOYOTA (Europe) TACC | Toyota Motor Corporation (South America) |

**Trainees**

| Division general managers | 6 hours | 50 |
| Section general managers | 6 hours | 220 |
| Chief Experts | 4 hours | 120 |
| Workplace leaders | 12 hours | 1,400 |
| General and new employees | 1 hour | 3,800 |

Health and Safety Education

Aim

Conducting yearly communication for all employees, from new recruits to executives, to establish awareness of their individual roles in maintaining health and safety.

Educational Programs for Managers

- Discussing about workplace management tips and examples
- Reinforcing the importance of daily communication
- Managers to identify any health problems of their subordinates at an early stage and provide proposals to predict accidents.

Educational Programs for Managers (Staff starting in new positions)

**Rank-specific Education Programs**

| Trainees | 2022 Results | (Toyota Motor Corporation) |
| Details | On-site health education | Health and safety-related activities are offered with the support of expert instructors. Seminars are held to boost health literacy and provide accident simulation training. |
| Trainees | Online health-related learning | Various online learning materials are provided to raise awareness and knowledge about mental health and the prevention of lifestyle-related diseases. |
| Seminars | | |
| On-site health education | 228 seminars | |
| Online health-related learning | Accessed | 205,788 times |

Training to Enhance Hazardous Operation Skills

Skills training based on the requirements of the Industrial Safety and Health Act

Experienced instructors provide training with actual equipment in addition to legally-required skills training.

**Training to Enhance Hazardous Operation Skills**

| Trainees | 2022 Results | (Toyota Motor Corporation) |
| Details | Production division members involved in hazardous operations | |
| Number of Participants | 3,284 | |

Enhancing health and safety mind

**Safety Inheritance**

- Lessons learned from serious incidents and accidents occurring within the company are used to communicate the importance of safety to all employees. Managers speak about their commitment to safety and meetings are held to encourage the prevention of accidents in all workplaces.

- All company officers send out messages about safety and managers express their commitment to safety, making an opportunity for all workplace personnel to review their daily operations.

Educational Programs to promote health and safety mind (TASA, Toyota Argentina S.A.)

- TASA (Argentina)
- TASA (South America)
- TASA (North America)
- TASA (Europe)

- Toyotomi Co., Ltd.
- TASA (Brazil)
- TASA (India)
- TASA (France)
- TASA (Italy)
- TASA (China)
- TASA (Turkey)
- TASA (Mexico)
- TASA (Australia)
- TASA (Germany)
- TASA (Japan)
- TASA (United States)
Initiative for Health

Aim
Focusing on prevention-centered activities based on the “health first” concept, we will help prevent lifestyle-related diseases, improve mental health, enhance job satisfaction, and create a more comfortable work environment. Through “health management” strategies, we aspire to boost productivity by encouraging the active participation of all employees while fostering the growth and development of the company and its workforce.

Strategic initiatives for health-focused management

Main company initiatives

Promote a better and more fulfilling working environment to ensure each employee can grow and feel content and all member can actively participate

- Well-being enhancing measures from dedicated staff with a high level of expertise for psychological

  Offer advice, consultation, training, and monitoring to open up opportunities for a more fulfilling life with both achieving well-being and productivity.

- Helping employees grow

  Promote training based on job type and level, interactive interviews with managers, self-reporting system, performance evaluation feedback, sharing of work improvements, specialized skill training, and promotion of DX/ICT.

- Improving work styles (work rules, etc.)

  Promote better work-life balance by improving rules for shorter working hours/working from home/allowing work in any location, the use of various types of leave and diversity.

- Enhanced and more accessible employee benefits

  Enhance both internal and external facilities, systems and services, and enrich employee asset-building programs.

- Sending out company-related information

  Disclose management perspectives on labor-management meetings, and organize external events/activities.

- Providing opportunities for communication

  Company-wide or workplace sports events and informal activities, supporting Toyota Sports, volunteering, various consultation services.

- Business initiatives

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  ■ Healthy employees and workplaces

    - Mental health
      - Lifestyle-related disease prevention
      - Health advice and training
      - Health promotion
      - Infection disease prevention

  ■ Preventive measures

    - Health promotion

    - Early detection and treatment in compliance with related laws

      - Health check-ups/follow-ups
      - Appropriate job placement/work limits
      - Follow-ups when returning to the workplace or in periods with heavy workloads

  ■ Compliance with laws and regulations

    - Utilize PDCA cycle to improve the process of health initiatives leading to better performance

      - Maintain and improve physical fitness from a young age and prevent age-related physical function decline.
      - Annual health check-ups: body fat, bone and muscle mass, basal metabolic rate measurement (scope is to be expanded)
      - 30-years-old or older employees are subjected to measure grip strength, seated box test, foot grip strength, and shoulder/arm function every four years.

      - Healthy Lifestyle Challenge II: (Promoting better lifestyle habits and awarding outstanding workplaces)

      - Promoting eight healthy lifestyle habits to prevent mental and physical diseases. This initiative encourages employees to adopt as many of these good habits as they can and prompts them to take a closer look at their current habits and lifestyles.

      - Approximately 56% in 2018, 55% in 2019, 54% in 2020.

      - Full smoking cessation on all company premises is scheduled to take effect in April 2025

      - Smoking cessation policy is already being implemented at some locations.

      - Smoking rates: 23.7% (2020); 22.1% (2021); 20.9% (2022)

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### Health KPI

**Overall absence**
- Manpower of 1,180 employees in 2022
- Manpower of 801 employees in 2023

**Physical (Lifestyle-related diseases)**
- 5% down compared to 2021
- 5% down compared to 2022

**Mental (new cases)**
- 13% down compared to 2021
- 2% down compared to 2022

**Mental (recurring cases)**
- 15% increase compared to 2021
- 5% down compared to 2022

**Healthy Lifestyle Challenge 8**
- Average results from adopting 8 healthy lifestyle habits: 6.3/8 in 2022, 6.4/8 in 2023

### Lost Workdays Due to Absences

- Absence rate (%)
  - Manpower of 801 employees
  - Health and Safety: 0.92%

**Infections**
- 1.10
- 1.14
- 1.10
- 1.15
- 1.180

**Mental or physical injury/illness**
- 1.05
- 0.98
- 1.00
- 0.97
- 1.00

**Infectious diseases, etc.**
- 0.98
- 0.90
- 0.98
- 0.80
- 0.87

### Initiatives for Mental Health Care

- Employees, workplace managers, industrial healthcare staff, including psychology experts, and staff in charge of personnel and labor affairs respectively engage in various activities to prevent mental issues from either occurring or recurring.

**Total prevention of issues and/or first-stage prevention**
- Mindfulness and meditation training
- Self-care
- Encouraging better lifestyles and habits (Healthy Lifestyle Challenge 8)
- Providing Stress checks (2022 participation rate: 91.7%) to raise awareness
- Rank-specific training for new recruits and young employees
- Line care
- Workplace management (receiving support from and communicating with supervisors and co-workers)
- Workplace-specific and individual support provided by workplace counsellors
- Rank-specific training for managers
- Care by experts
- Training by psychology expert staff

**Second-stage prevention (rapid identification and response to issues)**
- Screening at physical examination
- Setting up a permanent in-house health counselling service

**Third-stage prevention (preventing reoccurrence and re-absence)**
- Follow-ups upon returning to work in accordance with the guidelines
- Care by experts
- Advice for relevant employees and industrial health staff at a counselling center where a psychiatric specialist is permanently stationed

### Physical Examination and Health Guidance

- Carrying out physical examinations provided by full-time medical staff in accordance with each employee’s age and risk factors. Encouraging voluntary screening tests (neurological or gynecological tests) and providing specific health guidance.
  - From the age of 36 to 60 at retirement, employees and their (dependent) spouses undergo a health screening equivalent to a thorough physical examination once every four years. They also receive an oral health assessment, including a check for pyorrhea alveolaris, and attend health briefings about their individual health status (approximately 20,000 persons undergo the screening per year at Toyota Motor Corporation).
  - Individual guidance will be provided if the employee’s health does not improve after follow-ups within the company and/or outpatient treatment at a medical facility.

### Responses to Infectious Diseases

**Rate of employees who have received physical examinations**
- 100%

**Specific health guidance implementation rate**
- 37.2%
Initiative for Safety

Promoting safety and health activities rooted in each worksite toward achieving the target of "ultimately achieving zero accidents and the continuation of zero accidents at all worksites".

Scope: employees, secondees, assistant secondees, dispatched employees, employees of in-house contract companies, and employees of suppliers related to plant construction work, under the Occupational Safety and Health Rules.

Initiatives for The Three Pillars of Safety

The Three Pillars of Safety

Examples of Three Pillars Initiatives

| Safe Place/ Environments: Heat mitigation is carried out by creating cool air flows throughout the worksite to improve the work environment. |
| Safe Work: Employee movement zones and industrial vehicle movement zones are separated to prevent collisions between workers and industrial vehicles. |

Safety Risk Assessment

Globally Expanding Occupational Safety and Health Management System (OSHMS)

- Using OSHMS, weaknesses are identified by on-site inspections.
- Confirming whether measures are being implemented to avoid accidents that have occurred at other affiliates, and the status of the facilitated system to implement countermeasures continuously.
- Acquisition of ISO 45001 Certification
- Eight global plants have acquired ISO 45001 certification (as of December 31, 2022). Further acquisition of certification by affiliates will be considered depending on the needs of the region and the plant concerned.

Global Safety Meeting

- Managers in charge of health and safety in each region attend a meeting (six times a year).
- Attendees discuss responses to common issues and share examples of effective responses.

When a new office is established, the company works together with suppliers to advance safety measures in terms of premises, buildings, and equipment installation while ensuring compliance with both legal requirements in the relevant country and construction work safety rules and equipment safety standards, both of which are common to global Toyota.

ISO 45001: The international standard for occupational safety and health management systems established by the ISO (International Organization for Standardization).
Initiatives to Create a More Worker-friendly Workplace Environment (Preventing Musculoskeletal Disorders)

- Enhancing initiatives to create workplace environments that are more friendly to workers in every region with consideration for all those involved in production activities, regardless of age, gender, or physical characteristics.
- Measures to prevent lower back and hand pain from repetitive tasks include easy-to-assemble components and worker-friendly production equipment and work methods. We also visualize the situation of employees by offering physical care to employees on-site and a system to provide support when pain occurs.

Example of improvement: A power assist device to reduce arm fatigue (North America)

Safety KPI

<table>
<thead>
<tr>
<th>Accident Type</th>
<th>2023 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td></td>
</tr>
<tr>
<td>Fatal accidents on company premises</td>
<td>0</td>
</tr>
<tr>
<td>All accidents</td>
<td>Down 50% compared to 2021</td>
</tr>
</tbody>
</table>

Work-related Accidents and Injuries

- 2022 Results

<table>
<thead>
<tr>
<th>Scope</th>
<th>2022 Target [cases]</th>
<th>Result [cases]</th>
</tr>
</thead>
<tbody>
<tr>
<td>All accidents</td>
<td>254 (down 50% compared to 2021)</td>
<td>588</td>
</tr>
<tr>
<td>Toyota Motor Corporation</td>
<td>24</td>
<td>46</td>
</tr>
<tr>
<td>Fatal accidents on company premises</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Serious accidents (accidents that may result in death)</td>
<td>10</td>
<td>27</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope</th>
<th>2022 Target [cases]</th>
<th>Result [cases]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global**</td>
<td>478 (down 20% compared to 2021)</td>
<td>852</td>
</tr>
</tbody>
</table>

- In 2022, there was one fatal accident and the total number of accidents increased.
- Toyota takes this situation very seriously and is implementing the following to ensure workplaces and employees can respond to changes.
  - Focusing on each individual employee.
  - Continuous activities related to the Three Pillars of Safety and further awareness-raising.
  - Continuous improvement of the health and safety management system.
Social Contribution Activities

Aim

■ Toyota works together with members of the community to create a more prosperous society and ensure its continued development in the future. We use the resources we have effectively while promoting activities such as support the human capital development of the next generation of human resources.

Initiative

4 areas in which Toyota will focus its efforts

• Contribution to a harmonious society
• Human capital development
• Community co-creation
• Mobility for All (offer free and safe mobility for all people, through its business)

Example

• Social contribution programs (e.g. contribution to a harmonious society, human capital development, community co-creation)
• Support of activities by NPOs, NGOs, etc. (donations and sponsorship)
• Activities to promote understanding of automobiles, mobility culture, and Toyota’s corporate culture (Toyota Kaikan Museum, Toyota Automobile Museum etc.)

Expenditure for Social Contribution Activities (FY2023)

<table>
<thead>
<tr>
<th>Environment</th>
<th>Traffic safety</th>
<th>Human capital development</th>
<th>Society and culture</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>4%</td>
<td>32%</td>
<td>16%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Approx. 19.9 billion yen

*Toyota Motor Corporation and major subsidiaries (81 companies)
Major subsidiaries’ results have been converted to yen based on the average exchange rate for FY2023.
### Employees

**TMC: Toyota Motor Corporation**

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees (Consolidated)</td>
<td>366,283</td>
<td>372,817</td>
<td>375,235</td>
</tr>
<tr>
<td>Employees (TMC)</td>
<td>71,373</td>
<td>70,710</td>
<td>70,056</td>
</tr>
<tr>
<td>Male</td>
<td>62,335</td>
<td>61,571</td>
<td>60,780</td>
</tr>
<tr>
<td>Female</td>
<td>9,038</td>
<td>9,139</td>
<td>9,276</td>
</tr>
<tr>
<td>Newly-hired employees (TMC)</td>
<td>1,028</td>
<td>1,122</td>
<td>1,401</td>
</tr>
<tr>
<td>Male</td>
<td>750</td>
<td>840</td>
<td>1,138</td>
</tr>
<tr>
<td>Female</td>
<td>278</td>
<td>282</td>
<td>263</td>
</tr>
<tr>
<td>Average age (TMC)</td>
<td>39.2</td>
<td>40.5</td>
<td>40.6</td>
</tr>
<tr>
<td>Male</td>
<td>39.8</td>
<td>41.4</td>
<td>41.2</td>
</tr>
<tr>
<td>Female</td>
<td>35.1</td>
<td>36.4</td>
<td>36.8</td>
</tr>
<tr>
<td>Average period of employment (TMC)</td>
<td>16.3</td>
<td>16.4</td>
<td>16.2</td>
</tr>
<tr>
<td>Male</td>
<td>16.6</td>
<td>16.8</td>
<td>16.6</td>
</tr>
<tr>
<td>Female</td>
<td>13.2</td>
<td>13.4</td>
<td>13.7</td>
</tr>
<tr>
<td>Turnover rate (TMC, voluntary resignation due to personal reasons)</td>
<td>%</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Re-employed retirees (TMC)*1</td>
<td>Persons</td>
<td>1,000</td>
<td>1,288</td>
</tr>
<tr>
<td>Local management employees at overseas subsidiaries*2</td>
<td>%</td>
<td>72.0</td>
<td>78.4</td>
</tr>
<tr>
<td>Non-Japanese CEOs/COOs in major overseas subsidiaries*3</td>
<td>%</td>
<td>58.0</td>
<td>60.7</td>
</tr>
<tr>
<td>Number of managers (TMC)</td>
<td>10,504</td>
<td>10,534</td>
<td>10,416</td>
</tr>
<tr>
<td>Percentage of managerial positions held by women</td>
<td>Global</td>
<td>%</td>
<td>15.1</td>
</tr>
<tr>
<td>TMC</td>
<td>2.7</td>
<td>3.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Number of female assistant managers (TMC)</td>
<td>Persons</td>
<td>733</td>
<td>762</td>
</tr>
<tr>
<td>Number of female managers (TMC)</td>
<td>283</td>
<td>315</td>
<td>351</td>
</tr>
<tr>
<td>Percentage of female new recruits (TMC)</td>
<td>Administrative employees</td>
<td>%</td>
<td>38.3</td>
</tr>
<tr>
<td>Engineering employees</td>
<td>15.2</td>
<td>12.7</td>
<td>11.8</td>
</tr>
<tr>
<td>Shop floor employees</td>
<td>32.8</td>
<td>31.5</td>
<td>20.8</td>
</tr>
<tr>
<td>Female turnover rate (TMC, voluntary resignation due to personal reasons)</td>
<td>Administrative and Engineering employees</td>
<td>%</td>
<td>1.7</td>
</tr>
<tr>
<td>Shop floor employees</td>
<td>2.3</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Number of employees using the childcare and nursing care leave program (TMC)</td>
<td>Persons</td>
<td>767</td>
<td>923</td>
</tr>
<tr>
<td>Male</td>
<td>296</td>
<td>495</td>
<td>932</td>
</tr>
<tr>
<td>Female</td>
<td>471</td>
<td>428</td>
<td>437</td>
</tr>
<tr>
<td>Average period of childcare leave (TMC)</td>
<td>Male</td>
<td>Months</td>
<td>2.3</td>
</tr>
<tr>
<td>Female</td>
<td>17.0</td>
<td>16.5</td>
<td>16.4</td>
</tr>
</tbody>
</table>

*1 Number of re-employed administrative and engineering retirees
*2 Scope of calculation: 32 overseas companies
*3 Scope of calculation: 112 overseas companies
*4 TMC and 44 overseas companies (excluding China)
### Gender Pay Gap (TMC) *6*

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average annual wage of female workers / Average annual wage of male workers</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*6 Average annual wage of female workers / Average annual wage of male workers x 100%

### Administration and engineering employees who are satisfied with company life (TMC) *16*

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of non-permanent employment</td>
<td>12.9</td>
<td>17.5</td>
</tr>
<tr>
<td>Rate of non-permanent employees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total training hours (TMC) <em>13</em></td>
<td>Hours/year</td>
<td>342</td>
</tr>
</tbody>
</table>

*13 Covers only company-wide training programs organized by HR (does not include training programs at each division, in-house companies, or departments)*

### Return rate after taking childcare leave (TMC) *5*

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>98.7</td>
<td>99.0</td>
</tr>
<tr>
<td>Female</td>
<td>98.1</td>
<td>97.8</td>
</tr>
</tbody>
</table>

*5 Percentage of male employees who took more than a half-day or full day of leave within two months of the birth of their child (including annual paid leave and childcare leave)*

### Total training cost (TMC) *14* Million yen/year

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2021</th>
<th>FY2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total training cost</td>
<td>453,103</td>
<td>507,485</td>
</tr>
</tbody>
</table>

*14 Total training cost (TMC) includes direct and indirect costs (e.g., speaker costs, fees for attending external training [Note: Does not include labor costs when attending training])*
### Supply Chain

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of suppliers (Tier 1 suppliers)</td>
<td>8,519</td>
<td>9,762</td>
<td>11,167</td>
</tr>
<tr>
<td>Japan (parts)</td>
<td>457</td>
<td>471</td>
<td>477</td>
</tr>
<tr>
<td>Overseas (parts)</td>
<td>2,712</td>
<td>2,791</td>
<td>3,034</td>
</tr>
<tr>
<td>Number of non-Japanese suppliers</td>
<td>(1,486)*25</td>
<td>(1,561)*26</td>
<td>(1,734)</td>
</tr>
<tr>
<td>Japan (equipment, logistics, etc.)</td>
<td>896</td>
<td>1,265</td>
<td>1,267</td>
</tr>
<tr>
<td>Overseas (equipment, logistics, etc.)</td>
<td>4,454</td>
<td>5,235</td>
<td>6,389</td>
</tr>
</tbody>
</table>

*25 Revised in April 2023: 1,226 → 1,486
*26 Revised in April 2023: 2,032 → 1,561

### Quality

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of vehicles recalled</td>
<td>4.50</td>
<td>4.09</td>
<td>3.03</td>
</tr>
<tr>
<td>Number of safety-related defect complaints, percentage investigated</td>
<td>%</td>
<td>100 (Investigations conducted for all investigation requests from authorities in each county and results reported to relevant authorities)</td>
<td>100 (Investigations conducted for all investigation requests from authorities in each county and results reported to relevant authorities)</td>
</tr>
</tbody>
</table>

*27 Disclosure commenced in FY2022

### Social Contribution Activities

<table>
<thead>
<tr>
<th></th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenditure for social contribution activities*28</td>
<td>Billion yen</td>
<td>18.7</td>
<td>16.7</td>
</tr>
</tbody>
</table>

*28 TMC and major subsidiaries (61 companies)
Governance

107  Corporate Governance
111  Risk Management
115  Compliance
118  Governance Data
Fundamental Approach

Aim

- Establishment of a corporate governance structure that supports sustainable growth and the stable, long-term enhancement of corporate value.

Initiative

- Establishment and improvement of corporate governance structure and proper operation of the Board of Directors and the Audit & Supervisory Board, etc. to enhance corporate governance.

Corporate Governance Structure

Aim

- Put in place a structure that enables customer opinions and on-site information to be swiftly communicated to management in order to realize timely and accurate management decision-making, and to review whether such management decisions are accepted by the customers and society.

Initiative

- Together with the business units (in-house companies and Business Planning & Operation Units), the president, executive vice presidents and operating officers, to whom authority is delegated by the Board of Directors, realize prompt decision-making and promote initiatives.

- The Board of Directors, which includes Outside Directors, and the Audit & Supervisory Board, which includes outside Audit & Supervisory Board Members, supervise and audit the execution of business operations.
Launch of the New Management Team (April 2023)

- Koji Sato took office as the President of Toyota Motor Corporation in April 2023.
- Being committed to team management, the new management team, under the theme of “inheritance and evolution,” will work to further advance product-centered and region-centered management and accelerate the Company’s transformation into a mobility company, by building on the foundation laid by Chairman Toyoda.

- We will continue to create ever-better cars that are safe, reliable, and fun to drive.
- We will change the future of cars, based on the two pillars of carbon neutrality and expanding the value of mobility.

⇒ Under the slogan “Let’s change the future of cars,” we will work to accelerate our initiatives for the future, in cooperation with our 370,000 Toyota colleagues around the world, our suppliers, and our dealers, who share this passion, as well as with our shareholders.

New Management Policy & Direction Announcement

- To ensure a thorough selection process, Akio Toyoda, who was the President and Chief Executive Officer at the time, took upon himself to create opportunities to develop talent that can pass on the philosophy, skills, and behavior of Toyota Motor Corporation. Outside members of the Board of Directors, who comprise a majority of the Executive Appointment Meeting, also participated in the evaluation process, by creating opportunities to meet directly with potential candidates and other means.

- Toyota Motor Corporation’s Board of Directors decided whom to appoint as President after several individual interviews with candidates and extensive deliberation by the Executive Appointment Meeting.

Process for Appointing the President

- Held semi-annual meetings with Akio Toyoda, shared updates on management decision-making and perspectives, and executed business in the future to demonstrate Toyota Motor Corporation’s philosophy, skills and behavior.

- Interviewed operating officers and senior professional/senior managers (with 40 or more years) to better understand their personalities.

- Promoted more direct reporting to outside members of the Board of Directors by having Company Presidents and regional CEOs, Chief Officers and other candidate-level talent explain projects at the Board of Directors, and individual meetings, thereby monitoring their business execution.

- Delegated executive officers and senior professional/senior managers (with 40 or more years) to better understand their personalities.

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### Board of Directors

**Aim**

- Carry out acceleration of decision-making and appropriate supervision to realize sustainable growth through transformation into a “mobility company.”

**Initiative**

- Internal executives who have been long engaged in and have deep knowledge of manufacturing and outside executives who are capable of providing advice for the creation of new value from a broad perspective participate in well-balanced decision making at the Board of Directors’ meetings.
- Establishment of “Executive Appointment Meeting” and “Executive Compensation Meeting,” of which a majority of the members are Outside Members of the Board of Directors, in order to enhance the governance system. (As of June 2023)

**Composition**

- 10 members (Independent Outside Directors: 4, Female: 1, Non-Japanese: 2)

**Chairperson**

- Chairman of Toyota Motor Corporation

**Tenure as Director**

- Average tenure: 4.1 years ([1] 5-4 years: 6 persons, 5-9 years: 3 person, over 10 years: 1 person)

**Appointment/dismissal of Directors**

- The Executive Appointment Meeting discusses and makes recommendations to the Board of Directors

**Independence of Outside Directors**

- Considered in accordance with the requirements for Outside Members of the Board of Directors set out in the Companies Act and the independence standards established by the relevant financial instruments exchanges

**Diversity of the Board of Directors**

- The Board of Directors is to consist of members with abundant knowledge, deep insight and the highly professional expertise needed by Toyota, and members are appointed in consideration of Board diversity

**Members’ career summary**

- Executives

**Attendance rate at Board of Directors’ meetings**

- Notice of Convocation “Attendance at the Board of Directors Meetings (No. of meetings attended)”

**Skills matrix**

- Notice of Convocation "Skills Matrix of Members of the Board of Directors and Audit & Supervisory Board Members"

**Measures to make full use of the insight of Outside Members of the Board of Directors and the Audit & Supervisory Board**

- Review the criteria for submission of proposals to the Board of Directors as needed to reduce the number of proposals submitted, so that sufficient time can be secured to discuss each proposal
- Provide an explanation of all proposals in advance to help ensure thorough understanding of the background of the proposals
- Besides the Board of Directors meetings, set periodic opportunities for two-way communication between Outside Members of the Board of Directors and the Audit & Supervisory Board and the operational execution side on important management issues and medium-to-long-term issues

**Analysis/evaluation of the effectiveness of the Board of Directors**

- Frequency: Once a year
- Subject of evaluation: Members of the Board of Directors and Audit & Supervisory Board Members
- Matters to be evaluated: Matters including:
  - composition and operation of the Board of Directors
  - management strategy and business strategy
  - corporate ethics and risk management
  - communication with stakeholders such as shareholders

**Method**

- Self-evaluation through survey

**Summary of the findings in [2023]**

- Provision of information to outside executives, an issue identified last year, has been improved, while it has been confirmed that further improvements need to be made regarding time allocation, discussion on business strategies, and management with sustainability in mind.
- In the future, it is necessary to secure more opportunities to discuss important topics on management strategy and enhance opportunities for interaction with the executive ads

### Meetings

<table>
<thead>
<tr>
<th>Name</th>
<th>Composition (as of June 2023)</th>
<th>Frequency/Attendance Rate</th>
<th>Prior Meeting</th>
<th>Main Discussion Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Appointment Meeting</td>
<td>Chairperson: Vice Chairperson of the Board of Directors, 6 members (Independent Outside Directors: 4, Female: 1, Non-Japanese: 1)</td>
<td>8 times*2 / 100%</td>
<td>5 times</td>
<td>Recommendations regarding appointment/dismissal of Members of the Board of Directors and Audit &amp; Supervisory Board Members</td>
</tr>
<tr>
<td>Executive Compensation Meeting</td>
<td>Chairperson: Vice Chairperson of the Board of Directors, 6 members (Independent Outside Directors: 4, Female: 1, Non-Japanese: 1)</td>
<td>2 times*2 / 100%</td>
<td>5 times</td>
<td>Remuneration level for each position and job responsibility</td>
</tr>
</tbody>
</table>
Audit & Supervisory Board

Aim
- Appropriately conduct audits of Toyota, which aims to achieve global sustainable growth by transforming itself into a “mobility company”.

Initiative
- The Audit & Supervisory Board is composed of full-time Audit & Supervisory Board Members, who are well-informed of Toyota’s internal matters, and Outside Audit & Supervisory Board Members, who have a high level of expertise and knowledge.
- Each Audit & Supervisory Board Member can exercise his/her audit & supervisory authority independently.

Composition (as of June 2023)
- 6 members (Outside Audit & Supervisory Board Members: 3, Female: 1, Non-Japanese: 2)

Appointment/dismissal of Audit & Supervisory Board Members
- The Executive Appointment Meeting discusses and makes recommendations to the Audit & Supervisory Board.

Independence of Outside Audit & Supervisory Board Members
- Considered in accordance with the requirements for Outside Members of the Board of Directors set out in the Companies Act and the independence standards established by the relevant financial instruments exchanges.

Members’ career summary
- Executives

Attendance at Board of Directors’ meetings
- Notice of Convocation “Attendance at the Board of Directors Meetings [No. of meetings attended]”

Skills matrix
- Notice of Convocation “Skills Matrix of Members of the Board of Directors and Audit & Supervisory Board Members”

Executive Compensation

Aim
- Executive compensation system is an important means to encourage executives to practice “product-centered and region-centered management” and contribute to decision-making aimed at sustainable growth into the future, as well as to play a significant role in transforming Toyota Motor Corporation into a mobility company through responding to electrification, intelligence, and diversification based on partnerships, while working towards the resolution of climate change and other social challenges.

Initiative
- Toyota’s executive compensation system is determined based on the following policy.
  - It should be a system that encourages Members of the Board of Directors to work to improve the medium- to long-term corporate value of Toyota.
  - It should be a system that can maintain compensation levels that will allow Toyota to secure and retain talented personnel.
  - It should be a system that motivates Members of the Board of Directors to promote management from the same viewpoint as our shareholders with a stronger sense of responsibility as corporate managers.

Internal Control

Aim
- Establish a system for ensuring the appropriateness of business operations as a corporate group and the proper implementation of that system in accordance with the “Basic Policies on Establishing Internal Controls.”

Initiative
- Integrate the principles of problem identification and continuous improvement into the business operation process and train employees who will put these principles into practice.
  - Inspect the establishment and implementation of internal controls, each business year.
  - Confirm that the organizational units responsible for implementing internal controls are functioning autonomously and are enhancing internal controls as necessary.
Fundamental Approach

Aim

- Reinforcing our risk management to handle the increasing uncertainty while responding to expectations to take on new challenges amid a period of tremendous change in the conditions and values of the automotive industry, including the push toward carbon neutrality and CASE*.

* CASE: Connected, Autonomous/Automated, Shared, and Electric

Initiative

- Protecting the interests of our stakeholders, including customers and employees, even in the event of a risk occurrence, through the improvement of the organizational structure and the operation of the risk management system.

Organizational Structure

Aim

- Preventing, mitigating, and reducing risks that could arise in Toyota’s business activities from a global perspective through collaboration and mutual support among regions, functions, and in-house companies.

Initiative

- Persons responsible for risk management: Chief Risk Officer (CRO), Deputy CRO (DCRO)
  - Person supervising risk management in each region: Regional CRO
  - Person responsible/in charge of risk management by function: Chief officer/risk manager of each division within the head office
  - Person responsible/in charge of risk management by product: Company president/risk manager of each division in each in-house company
- Significant risks requiring quick response are reported by CRO and DCRO and discussed in the board meeting and/or other needed management meetings.
Risk Management System

Aim

- Identifying, assessing, and handling significant risks through the development of Toyota’s globally common risk management policy, structure, and operating procedures.

Initiative

- Estimating, identifying, and assessing risks in accordance with the Toyota Global Risk Management Standard (TGRS), a company-wide risk management framework based on the ISO and COSO (Committee of Sponsoring Organizations of the Treadway Commission).

**Formation of the Business Continuity Plan (BCP)**

- Developing risk-resilient organizations and workplaces
  - Improving the effectiveness of the BCP by implementing PDCA through training and other means in coordination among employees and their families, Toyota Group companies and suppliers, and Toyota.
  - Developing risk-resilient individuals.

Business Continuity Management (BCM)

Aim

- Assure quick recovery in business operations despite limitations on resources in preparation for large-scale disasters such as earthquakes and floods.

Initiative

**Preparation for major disasters**

- Strong focus on preparedness for a Nankai Trough earthquake by developing the systems and processes needed from first responses to the resumption of operations.
  - Nankai Trough earthquake: A natural disaster predicted to cause extensive damage to the Tokai region, an area where Toyota has its headquarters, R&D and production facilities, as well as a high concentration of supply chain factories. A comprehensive response will be required from global Toyota.

**Toyota’s Basic Guidelines (priorities during a disaster)**

- In the event of a disaster, we support the recovery of local communities and then steadily resume in-house production while making the protection of employees’ safety the highest priority.

**Disaster risk reduction system and implementation of emergency drills**

- Establishment of an initial response system divided into three levels: company-wide, office, and workplace levels.
  - Through company-wide emergency drills (once a year), in which these three levels are linked together, and emergency drills held by each disaster risk reduction block organized at the office level, we work toward improving the accuracy and effectiveness of our initial responses.

**Toyota’s Basic Guidelines (priorities during a disaster)**

1. Humanitarian aid (rescuing first, relief)
2. Early recovery of the affected areas (community)
3. Restoration of Toyota’s operations and production
Utilization of the Safety Confirmation System
- In case that a large-scale disaster or incident occurs in Japan, the system enables employees working, living or staying in the affected area to report to the company if they and their family members are safe using their computers or smartphones.
- Conducting a safety confirmation drill for all employees every year in tandem with the company-wide emergency drill.

FY2023 Results
- Safety reporting rate at company-wide drill: 99% (Toyota Motor Corporation)

Enhancing awareness of disasters

Main contents of the Emergency Handbook
- Disaster prevention information explaining how to safely evacuate in the event of disasters including earthquakes, typhoons, heavy rains, and fires, first aid for injured personnel, and methods to contact family members, etc.
- How to use the Safety Confirmation System
- The handbook can be viewed on a smartphone

Distribution of the Emergency Handbook
- Main contents of the Emergency Handbook
- Disaster prevention information explaining how to safely evacuate in the event of disasters including earthquakes, typhoons, heavy rains, and fires, first aid for injured personnel, and methods to contact family members, etc.
- How to use the Safety Confirmation System
- The handbook can be viewed on a smartphone

Raising awareness by displaying information on computer screen
- Basic knowledge in consideration of recent years’ increased severity of extreme weather events
- The “Information for Severe Weather Preparedness” issued by the Japan Meteorological Agency, and evacuation information issued by the relevant local government
- How local residents should act and evacuate

Discussions at each workplace
- Discussions on simulations for disasters

Initiatives to Mitigate the Impact of Disasters on Buildings and Equipment
- We work to mitigate the impact of disasters on buildings and equipment in order to reduce any human injury and property damage in the event of a disaster and resume production immediately after shifting to the business restoration phase.
- Buildings:
  - Our new buildings in Japan sufficiently meet the latest earthquake-resistance standards. Furthermore, each of our buildings built according to former earthquake-resistance standards has received earthquake-resistance testing and been retrofitted as needed.
- Production equipment:
  - We constantly identify hazards, such as collapse, fire and a loss of power in the event of a disaster, and risks that may affect manufacturing quality while taking work processes and the characteristics of the machinery into consideration. To eliminate the identified hazards and risks, we make continuous efforts to incorporate reasonable measures into equipment specifications and operational procedures.
  - The know-how regarding the mitigation of the impact of disasters on buildings and equipment is being put to use in assessing risks and devising measures at affiliates in each country and region.

Humanitarian Aid and Early Recovery for Disaster-affected Regions
- Toyota has concluded comprehensive disaster support agreements with local governments (Toyota City, Miyoshi City, Tahara City, Hekinan City, and Susanoo City).
  - Humanitarian support and regional recovery assistance are to be provided under mutual cooperation with local governments. Toyota is preparing relevant structures by incorporating necessary provisions in its BCP and conducting joint training with the local governments.
  - Details of the major support items
    - Rescue and relief in a disaster
    - Provide temporary evacuation facilities to local residents
    - Provide food, drinking water, and daily necessities for distribution through local governments (local residents)
    - Support cargo handling at municipal relief supply facilities
    - Provide space necessary for restoration of local infrastructure (water supply and drainage, roads, etc.)
    - Employee participation in local recovery activities
  - Enhancing prompt initial action and early recovery
    - Working with suppliers in each country and region to build a disaster-resilient supply chain and pushing forward the visualization of supply chain information and the implementation of measures as precautions against disasters even in normal times.
    - Visualization of supply chain information: Building the RESCUE system
    - Building a database based on highly confidential information from suppliers.
    - Conducting training with suppliers on a regular basis to ensure effective utilization of the system in the event of a disaster while strictly protecting suppliers’ confidential information.
    - This system is shared with other companies through the Japan Automobile Manufacturers Association, helping to build a disaster-resilient supply chain.
    - Advancing equivalent initiatives together with suppliers in each country and region.

Building a Disaster-resilient Supply Chain
- Enhancing prompt initial action and early recovery
  - Working with suppliers in each country and region to build a disaster-resilient supply chain and pushing forward the visualization of supply chain information and the implementation of measures as precautions against disasters even in normal times.
  - Visualization of supply chain information: Building the RESCUE system
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  - This system is shared with other companies through the Japan Automobile Manufacturers Association, helping to build a disaster-resilient supply chain.
  - Advancing equivalent initiatives together with suppliers in each country and region.

*RESCUE: REinforce Supply Chain Under Emergency

RESCUE System to Store Supply Chain Information

Toyota Motor Corporation

RESOLVE

Suppliers

Sharing of supply chain information database

Registration of supply chain information
Response to Infectious Diseases

Infection prevention and support for frontline medical workers

- We work to prevent infection and support frontline medical workers while placing the highest priority on the safety and security of our employees and their families, customers, suppliers, and other stakeholders.
- The internal emergency headquarters takes various measures in line with the instructions of national and local governments in Japan and other countries/regions.
- In preparation for any employee or anyone working with us being infected, a manual that indicates where to report the infection and the method of disinfection is distributed to all workplaces.
- We examine and implement various measures that make effective use of our manufacturing and logistics know-how and the global supply chains of the automobile industry.

COVID-19 vaccination

<table>
<thead>
<tr>
<th>Community support</th>
<th>Workplace vaccination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of our facilities as vaccination sites</td>
<td>Administration of vaccines to our suppliers in the neighborhood and our employees</td>
</tr>
<tr>
<td>Dispatch of our staff members to support doctors, other medical workers, and vaccination site operators</td>
<td>Use of 17 internal facilities as vaccination sites</td>
</tr>
<tr>
<td>The total number of vaccine doses administered: 122,400 (from the end of May to the end of October 2021)</td>
<td>1st and 2nd doses: 164,471 doses administered (June to October 2021)</td>
</tr>
<tr>
<td></td>
<td>3rd doses: 53,372 doses administered (March to June 2022)</td>
</tr>
</tbody>
</table>

Community service

- Use of our facilities as vaccination sites
- Dispatch of our staff members to support doctors, other medical workers, and vaccination site operators
- The total number of vaccine doses administered: 122,400 (from the end of May to the end of October 2021)
**Fundamental Approach**

**Aim**
- Implementing the Toyota Philosophy and Guiding Principles at Toyota based on the Toyota Code of Conduct to fulfill the corporate social responsibility expected of Toyota.

* Honor the language and spirit of the law of every country and region, and undertake open and fair business activities to be a strong corporate citizen of the world.

**Guiding Principles at Toyota**
- Formulation of the Toyota Code of Conduct as a set of guidelines for appropriate behavior and actions for Toyota employees, both within the company and in daily life, for the implementation of the Toyota Philosophy and the Guiding Principles at Toyota (formulated in 1998, revised in 2006 and 2023).
- The Toyota Code of Conduct was revised in 2023 being approved by the Board of Directors. It includes updates for the key risks relevant to today's business environment and priorities, such as anti-bribery and anti-corruption and human rights.
- It has been distributed to all employees of Toyota, including consolidated subsidiaries, with the aim of raising awareness and facilitating training.

**Initiative**
- Establishing a new Speak-up system for overseas and domestic subsidiaries
- Enhancing compliance through training and education, and strengthening compliance through activities to check compliance status.
- Promotion of compliance activities to ensure that all employees of Toyota act responsibly in compliance with the Toyota Code of Conduct under the leadership of Chief Compliance Officer and Deputy Chief Compliance Officer.

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**Compliance Education**

**Aim**
- Ensure that awareness of compliance extends throughout the company from top management to each employee.

**Initiative**
- For employees:
  - Familiarize employees with various laws and regulations that they must understand when carrying out their tasks.
  - The Business Compliance Seminar, in which lectures are given by the responsible division (held every year).
  - E-learning-based training.
  - Individual training courses tailored to specific needs of in-house divisions and subsidiaries in Japan.
  - Training at career milestones, such as at the time of joining the company, promotion and overseas assignment.

**Major Training Themes**
- Contracts
- Antimonopoly Law
- Subcontracting Law
- Antitrust Trading Regulations
- Act on the Protection of Personal Information
- Intellectual Property (copyrights, trademarks)
- Product Liability
- Taxation
- Confidentiality Management
- Bribery/Competition Prevention
- Safety and Health
- Labor
- Security Export Control

- For officers: Thoroughly inform officers, including members of the Board of Directors, with basic matters that they must abide by.

**Legal Handbook for Corporate Officers**
- The Handbook explains the various laws, regulations and points that officers must observe while performing their duties. It provides a comprehensive explanation of how to prevent corruption, including regulations with regard to bribery/competition, insider trading, conflict-of-interest transactions and competitive transactions.
- The Handbook is posted on the company intranet for officers, and relevant explanations are provided for newly-appointed officers.
- The Handbook is revised annually to reflect amendments to the relevant laws.

**Code of Ethics for Directors and Operating Officers**
- It is a code of ethics that defines the basic matters that officers must comply with while performing their duties, together with internal regulations such as the Guiding Principles at Toyota and the Toyota Code of Conduct.
- It has been formulated by the Board of Directors and is thoroughly informed to officers.
Bribery / Corruption Prevention Measures

**Aim**
- Promote Toyota’s strong commitment to doing business free from bribery and corruption.

**Initiative**
- Formulation of Anti Bribery/Corruption policies
- Operations to enhance awareness
  - Continue to raise awareness through various training programs and activities.
  - Ensure an authorizer (manager) reviews actions and transactions for red flags that may indicate bribery in the payment process.
  - In connection with “checks to enhance compliance” activities, promote Kaizen activities aimed at strengthening antibribery systems of Toyota and its subsidiaries in and outside Japan. (From 2013)

Initiatives for Taxation

**Aim**
- Maintain compliance on taxation and conduct high-quality tax accounting operations.

**Initiative**
- Formulation of the Toyota Tax Policy
  - Communicate Toyota's stance on tax payment and taxation policy in an easily understandable manner and promote stakeholders’ understanding of it.
  - Disseminate the Tax Policy to all subsidiaries.

Speak-up

**Aim**
- Quickly and appropriately respond to workplace- and duty-related concerns, complaints or questions that employees and other relevant parties may have.

**Initiative**
- Speak-up Hotline (Toyota Motor Corporation)
  - In the past: Several hotlines were used depending on the type of issue, including a Compliance Hotline, which allowed employees to report compliance-related issues, and hotlines for harassment.
  - At present: These hotlines have been integrated into the “Speak up” Hotline (since April 2020).
  - As long as the topics of the consultation are matters related to employees or workplaces of Toyota Motor Corporation, the hotline is open to not only its employees but also any other third parties, including employees’ family members and business partners
  - The hotline can also be used anonymously
  - Through various media including the intranet

**Persons eligible to use the hotline**
- As long as the topics of the consultation are matters related to employees or workplaces of Toyota Motor Corporation, the hotline is open to not only its employees but also any other third parties, including employees’ family members and business partners
- The hotline can also be used anonymously

**Methods for disseminating information on the hotline**
- Through various media including the intranet

**Handling**
- Applications for consultation can be made through a law firm, the website and by email or telephone. (Applications through the website and by email can be made on a 24-hour basis.)
- The content of a consultation is passed to the division responsible either anonymously or openly upon request and the details are investigated carefully to ensure that the person who voiced the concern is not identified if they wish to remain anonymous
- It is stipulated in relevant company regulations that unless the purpose is malicious, seeking a consultation through the hotline and taking other related actions will not disadvantage the person who voiced the concern
- For cases where an issue is actually identified, appropriate measures will be taken in accordance with company regulations such as the Work Regulations

**Number of consultations received**
- 707 (approx. down 3% compared to the previous year)
  - Potential rule/regulatory infractions: 90
  - Financial matters: 4
  - Potential Harassment: 128
  - Workplace environment/personnel matters: 203
  - Opinions/inquiries: 176
  - Miscellaneous matters: 106
Checks to Enhance Compliance

**Aim**

- Assess the compliance status of Toyota Motor Corporation and its subsidiaries in and outside Japan, and make improvements.

**Initiative**

- Select fields to be checked by making assessments of risk levels and importance for Toyota, and conduct checks. (Conducted every year)
  - For issues identified through checks and points that need to be improved, incorporate them into the next fiscal year’s Kaizen plans to ensure continuous attention and improvement.
  - Conduct interviews with subsidiaries to understand their compliance efforts and provide support when needed.

**Checks carried out in FY2023**

Checks in terms of compliance with the Antimonopoly Law, bribery/corruption prevention, etc.

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**Speak-up Lines for overseas and domestic subsidiaries**

- Establishment of various hotlines for subsidiaries, such as the Global Speak Up Line and Toyota Consolidated Helpline, is run by Toyota Motor Corporation.
- Applications for questions and concerns can be made through the website and by email.
- Hotlines for overseas subsidiaries are available in multiple languages.
- These hotlines are staffed by third parties.
- These hotlines can be used anonymously, where permitted by local law.
- The Code of Conduct clearly prohibits retaliation against employees making reports and those cooperating with investigations.

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**Misconduct of Hino and Daihatsu in Relation to Their Applications for Certification**

- In March 2022, Toyota Motor Corporation’s consolidated subsidiary Hino Motors, Ltd. announced that it had identified past misconduct in relation to its applications for certification concerning emissions and the fuel economy performance of its vehicle engines for the Japanese market.
- In April 2023, Toyota Motor Corporation’s consolidated subsidiary, Daihatsu Motor Co., Ltd., announced that it had committed procedural irregularities in approval applications for side collision tests for vehicles developed by Daihatsu destined for overseas markets.
- In the wake of the large-scale recalls that occurred in 2009, Toyota promised its customers around the world that it would not “run away, hide, or lie.” Given this, we take very seriously the fact that these problems nevertheless occurred in our Group.
  - For these matters, as the chief executive officer, Toyota Motor Corporation’s President will take responsibility for improving the car manufacturing operations of Toyota and the group companies.
  - The Chairman of the Board of Toyota Motor Corporation will lead initiatives to strengthen governance and compliance.
  - We will ensure that all the Group companies return once again to the Toyota philosophy that has been cherished since the company’s founding, and that each Group company’s top management confront the problems at their respective workplaces, uncover them, and make improvements one by one, and continue this steady effort.
## Governance Data

**TMC: Toyota Motor Corporation**

<table>
<thead>
<tr>
<th>Governance Data</th>
<th>As of June 2021</th>
<th>As of June 2022</th>
<th>As of June 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Directors</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Male</td>
<td>8</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Female</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Outside Directors (independent officers)</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance Data</th>
<th>FY2021</th>
<th>FY2022</th>
<th>FY2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of fines, penalties or settlements paid by Toyota Motor Corporation in relation to corruption (excluding global affiliates)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of Toyota Motor Corporation staff (excluding global affiliates) disciplined or dismissed due to non-compliance with anti-corruption policies</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Number of consultations to the Speak-up Hotline (TMC)</td>
<td>624</td>
<td>727</td>
<td>707</td>
</tr>
</tbody>
</table>
SASB/GRI Content Index

120  SASB Content Index
121  GRI Content Index
### SASB Content Index

**Overview Promoting Sustainability Environment Social Governance Content Index**

**SASB Content Index**  
Updated in June 2023

<table>
<thead>
<tr>
<th>Topic</th>
<th>Accounting Metric</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Product Safety</strong></td>
<td>Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region</td>
<td>TR-AU-250a.1</td>
<td>Vehicle Safety &gt; External Safety Evaluations</td>
</tr>
<tr>
<td></td>
<td>Number of safety-related defect complaints, percentage investigated</td>
<td>TR-AU-250a.2</td>
<td>Quality and Service &gt; Quality Risk Management; Quality and Service &gt; Coping with Quality Problems; Social Data &gt; Quality</td>
</tr>
<tr>
<td></td>
<td>Number of vehicles recalled</td>
<td>TR-AU-250a.3</td>
<td>Quality and Service &gt; Coping with Quality Problems; Social Data &gt; Quality</td>
</tr>
<tr>
<td><strong>Labor Practices</strong></td>
<td>Percentage of active workforce covered under collective bargaining agreements</td>
<td>TR-AU-310a.1</td>
<td>Respect for Human Rights &gt; Initiatives for Freedom of Association</td>
</tr>
<tr>
<td></td>
<td>(1) Number of work stoppages and (2) total days idle</td>
<td>TR-AU-310a.2</td>
<td>Social Data &gt; Employees</td>
</tr>
<tr>
<td><strong>Fuel Economy &amp; Use-phase Emissions</strong></td>
<td>Sales-weighted average passenger fleet fuel economy, by region</td>
<td>TR-AU-410a.1</td>
<td>Environmental Data (E) Average CO₂ Emissions from New Vehicles: Global</td>
</tr>
<tr>
<td></td>
<td>Number of (1) zero-emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold</td>
<td>TR-AU-410a.2</td>
<td>New Vehicle Zero CO₂ Emissions Challenge &gt; Promoting widespread use of electrified vehicles; Environmental Data (E) Electrified Vehicles Sales: Global</td>
</tr>
<tr>
<td></td>
<td>Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities</td>
<td>TR-AU-410a.3</td>
<td>Climate-related Financial Disclosures Based on TCFD Recommendations &gt; Strategy; New Vehicle Zero CO₂ Emissions Challenge</td>
</tr>
<tr>
<td><strong>Materials Sourcing</strong></td>
<td>Description of the management of risks associated with the use of critical materials</td>
<td>TR-AU-440a.1</td>
<td>Respect for Human Rights &gt; Investigation and disclosure on the use of Conflict Minerals</td>
</tr>
<tr>
<td><strong>Materials Sourcing</strong></td>
<td>Total amount of waste from manufacturing, percentage recycled</td>
<td>TR-AU-440b.1</td>
<td>Environmental Data (R) Waste: Global</td>
</tr>
<tr>
<td></td>
<td>Weight of end-of-life material recovered, percentage recycled</td>
<td>TR-AU-440b.2</td>
<td>—</td>
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<tr>
<td></td>
<td>Average recyclability of vehicles sold</td>
<td>TR-AU-440b.3</td>
<td>Resource Recycling &gt; Activities to Achieve Resource Recycling</td>
</tr>
<tr>
<td><strong>Number of vehicles manufactured</strong></td>
<td></td>
<td>TR-AU-000.A</td>
<td>Company Profile</td>
</tr>
<tr>
<td><strong>Number of vehicles sold</strong></td>
<td></td>
<td>TR-AU-000.B</td>
<td>Company Profile</td>
</tr>
</tbody>
</table>
Universal Standards

1. The organization and its reporting practices

GRI 2 | General Disclosures 2021

2-1 Organizational details
   - Profile

2-2 Entities included in the organization’s sustainability reporting
   - Editorial Policy

2-3 Reporting period, frequency and contact point
   - Editorial Policy
   - Sustainability Management Dept.

2-4 Restatements of information
   - Update History

2-5 External assurance
   - Third-party Verification

2. Activities and workers

2-6 Activities, value chain and other business relationships
   - Facilities
   - Form 20-F “INFORMATION ON THE COMPANY”

2-7 Employees
   - Profile
   - Social Data > Employees

2-8 Workers who are not employees
   - Social Data > Employees

3. Governance

2-9 Governance structure and composition
   - Corporate Governance

2-10 Nomination and selection of the highest governance body
   - Corporate Governance > Board of Directors

2-11 Chair of the highest governance body
   - Corporate Governance > Board of Directors

2-12 Role of the highest governance body in overseeing the management of impacts
   - Corporate Governance
   - Promoting Sustainability

4. Strategy, policies and practices

2-22 Statement on sustainable development strategy
   - New Management Policy & Direction Announcement

TOYOTA MOTOR CORPORATION has reported the information cited in this GRI content index for the period from April 1, 2022 to March 31, 2023 with reference to the GRI Standards.
<table>
<thead>
<tr>
<th>Code</th>
<th>Requirements</th>
<th>Publication Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-23</td>
<td>Policy commitments</td>
<td>Sustainability Related Policies and Guidelines</td>
</tr>
<tr>
<td>2-24</td>
<td>Embedding policy commitments</td>
<td>Promoting Sustainability</td>
</tr>
<tr>
<td>2-25</td>
<td>Processes to remediate negative impacts</td>
<td>Compliance</td>
</tr>
<tr>
<td>2-26</td>
<td>Mechanisms for seeking advice and raising concerns</td>
<td>Compliance &gt; Speak-up</td>
</tr>
<tr>
<td>2-27</td>
<td>Compliance with laws and regulations</td>
<td>Compliance &gt; Bribery / Corruption Prevention Measures</td>
</tr>
<tr>
<td>2-28</td>
<td>Membership associations</td>
<td>Value Chain Collaboration &gt; Initiatives with Suppliers</td>
</tr>
</tbody>
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**GRI 3 : Material Topics 2021**

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<tr>
<th>Code</th>
<th>Requirements</th>
<th>Publication Pages</th>
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<tbody>
<tr>
<td>3-1</td>
<td>Process to determine material topics</td>
<td>Promoting Sustainability &gt; Materiality (key issues)</td>
</tr>
<tr>
<td>3-2</td>
<td>List of material topics</td>
<td>Promoting Sustainability &gt; Materiality (key issues)</td>
</tr>
<tr>
<td>3-3</td>
<td>Management of material topics</td>
<td>Policy and Environmental Management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Respect for Human Rights</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Diversity, Equity, and Inclusion (DE&amp;I)</td>
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<tr>
<td></td>
<td></td>
<td>Value Chain Collaboration</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vehicle Safety</td>
</tr>
<tr>
<td></td>
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<td>Quality and Service</td>
</tr>
</tbody>
</table>

**Topic Standards (Economic)**

<table>
<thead>
<tr>
<th>Code</th>
<th>Requirements</th>
<th>Publication Pages</th>
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<tbody>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>Form 20-F &quot;OPERATING AND FINANCIAL REVIEW AND PROSPECTS&quot;</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>&quot;Climate-related Financial Disclosures Based on TCFD Recommendations &gt; Strategy&quot;</td>
</tr>
<tr>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>Form 20-F &quot;FINANCIAL INFORMATION&quot;</td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
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**GRI 202 : Market Presence 2016**

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<thead>
<tr>
<th>Code</th>
<th>Requirements</th>
<th>Publication Pages</th>
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<tbody>
<tr>
<td>202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage</td>
<td>—</td>
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<tr>
<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>—</td>
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**GRI 203 : Indirect Economic Impacts 2016**

<table>
<thead>
<tr>
<th>Code</th>
<th>Requirements</th>
<th>Publication Pages</th>
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<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>Challenge of Establishing a Recycling-based Society and Systems &gt; Toyota Global 100 Dismantlers Project to Establish Social Systems for Appropriate Treatment of End-of-life Vehicles</td>
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**GRI 204 : Indirect Economic Impacts 2016**

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<td>Infrastructure investments and services supported</td>
<td>Challenge of Establishing a Recycling-based Society and Systems &gt; Toyota Global Car-to-Car Recycle Project – A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle</td>
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GRI 204 : Procurement Practices 2016

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GRI 205 : Anti-corruption 2016

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GRI 206 : Anti-competitive Behavior 2016

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<td>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
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GRI 207 : Tax 2019

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Topic Standards (Environmental)

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<td>Materials used by weight or volume</td>
<td>Environmental Data [M] Raw Materials Used and Recycled Materials Use Rate: Global ☑</td>
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GRI 301 : Materials 2016

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GRI 302 : Energy 2016

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<td>Environmental Data [H] Energy Used &amp; Energy Intensity: Global ☑</td>
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<td>Energy consumption outside of the organization</td>
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<td>Energy intensity</td>
<td>Environmental Data [H] Energy Used &amp; Energy Intensity: Global ☑</td>
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<td>Reduction of energy consumption</td>
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GRI 303 : Water and Effluents 2018

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<td>304-1</td>
<td>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</td>
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<td>Significant impacts of activities, products, and services on biodiversity</td>
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<td>Habitats protected or restored</td>
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<td>IUCN Red List species and national conservation list species with habitats in areas affected by operations</td>
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<td>Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</td>
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<td>New suppliers that were screened using environmental criteria</td>
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<td>Prevention and mitigation of occupational health and safety impacts</td>
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<td>Programs for upgrading employee skills and transition assistance programs</td>
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<td>Percentage of employees receiving regular performance and career development</td>
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<td>Operations and suppliers in which the right to freedom of association and</td>
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<td>collective bargaining may be at risk</td>
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<td>Operations and suppliers at significant risk for incidents of forced or</td>
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