

# Sustainability Data Book 2022

Updated in October 2022

# Sustainability Data Book Overview

GRI 102-46, 48-52

- 1** Editorial Policy
- 2** Update History
- 3** Contents

## 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:

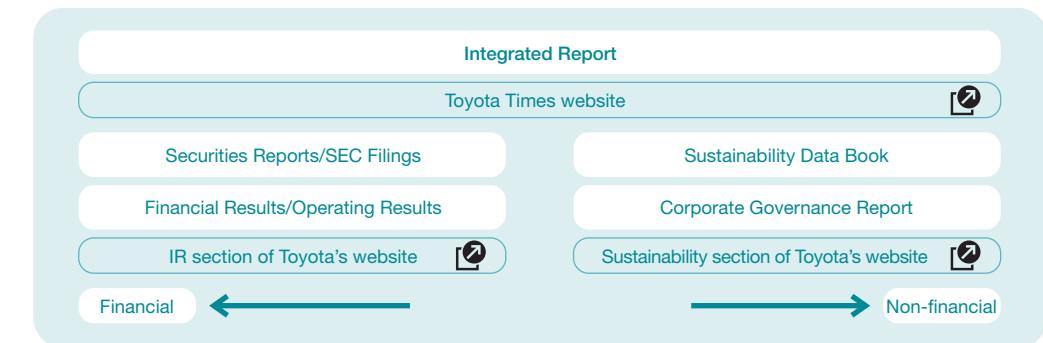
Information on or initiatives of Toyota Motor Corporation

Toyota:

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

## 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.



## 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.)

**P.113 SASB Content Index**

GRI Standards (Reference code **GRI ●●●-●●●**) is indicated at each applicable part.)

**P.114 GRI Content Index**

ISO 26000 Guidelines

## Third Party Assurance

**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.

## Update History

December 2022	Promoting Sustainability	Public Policy		
October 2022	All pages updated (Review of FY2021 initiatives and layout)			
August 2022	Environment	Climate-related Financial Disclosures Based on TCFD Recommendations		
	SASB/GRI Content Index			
January 2022	Environment	Strategy and Management, Environmental Data		
December 2021	Promoting Sustainability Safety Information Security and Privacy	Fundamental Approach, Public policy  (The content transferred from "Governance" to "Society" and expanded disclosure of more information about our contribution to the society.)		
	Business Partners Diversity and Inclusion Intellectual Property Risk Management	Dealers Social Recognition (Newly added) Fundamental Approach		
November 2021	Environment Quality and Customer Social Contribution Activities Respect for Human Rights	Supply Chain		
October 2021	Business Partners Diversity and Inclusion Social Data Risk Management Compliance	Business Continuity Management (BCM) Bribery / Corruption Prevention Measures		
			July 2021	Overview of Toyota Motor Corporation Promoting Sustainability Quality and Customer Respect for Human Rights Health and Safety Diversity and Inclusion Human Resources Social Data Corporate Governance Risk Management Compliance
				Organizational Structure Quality  Initiatives for Information Security



## Contents

### Overview

Sustainability Data Book Overview	Editorial Policy	1
	Update History	2
	Contents	3
Overview of Toyota Motor Corporation	Company Profile	5
Promoting Sustainability	Fundamental Approach	6
	Organizational Structure	6
	Materiality (key issues)	7
	Toyota's SDGs	7
	Stakeholder Engagement	8
	Public Policy	9

### Environment

Policy and Environmental Management	Fundamental Approach	11
	Environmental Management	11
	Initiatives with Suppliers	13
	Initiatives with Dealers and Distributors	15
	Stakeholder Engagement	16
Climate Change	Fundamental Approach	17
	Life Cycle	18
	Product	22
	Production	25
Resource Recycling	Fundamental Approach	28
	Activities to Achieve Resource Recycling	28
Harmony with Nature	Fundamental Approach	31
	Biodiversity	31
	Water Environment	35

### Climate-related Financial Disclosures Based on TCFD Recommendations

	Governance	37
	Strategy	38
	Risk Management	42
	Metrics and Targets	43
Environmental Data	Greenhouse Gases (GHG)	46
	Energy	47
	Water	48
	Recycling	49
	Waste	50
	VOC, NOx, SOx	50
	Conversion Factors	50
FY2022 Review of the 7th Toyota Environmental Action Plan (2025 Target)		51
Third-party Verification		54

### Social

Respect for Human Rights	Fundamental Approach	57
	Organizational Structure	57
	Policy development and dissemination	58
	Human Rights Due Diligence	58
	Initiatives for Migrant labor (forced labor)	59
	Initiatives for Wage	60
	Initiatives for Working Hours	60
	Initiatives for Flexible Work Styles	60
	Initiatives for Anti-harassment	60
	Initiatives for Child Labor	61
	Initiatives for Freedom of Association	61

### Initiatives for Precarious Work

Responsible Mineral Procurement	62
---------------------------------	----

### Education related to Human Rights

Fundamental Approach	63
----------------------	----

### Organizational Structure

Women's Activity	64
------------------	----

### Nursing Care Support

Inclusion of Persons with Disabilities	68
--	----

### Inclusion of LGBTQ+ employees

Initiatives Related to Race and Nationality promotion	69
---	----

### Employment for Over 60s

70
----

### Value Chain Collaboration

Fundamental Approach	71
----------------------	----

### Initiative with Suppliers

71
----

### Initiative with Dealers

73
----

### Vehicle Safety

Fundamental Approach	74
----------------------	----

### Integrated Safety Management Concept

74
----

### Active Safety

75
----

### Passive Safety

76
----

### Emergency Response

76
----

### Automated Driving Technology

77
----

### Initiatives to Improve Traffic Safety Awareness

77
----

### Quality and Service

Fundamental Approach	78
----------------------	----

### Organizational Structure

78
----

### Product Safety Initiatives

79
----

### Quality Risk Management

79
----

### Fostering Quality-oriented Awareness and Culture

79
----

### Coping with Quality Problems

80
----

	After-sales Service	80		Supply Chain	99
	Customer Feedback System	81		Quality	99
<b>Information Security</b>	Fundamental Approach	82		Social Contribution Activities	99
	Organizational Structure	82			
	Information Security Measures	83			
	Preparing for Information Leaks and External Attacks	83	<b>Governance</b>		
<b>Privacy</b>	Security for Automobiles	84	<b>Corporate Governance</b>	Fundamental Approach	101
	Fundamental Approach	85		Corporate Governance Structure	101
	Organizational Structure	85		Board of Directors	102
	Respect for Privacy and Protection of Personal Information	86		Audit & Supervisory Board	103
<b>Intellectual Property</b>	Fundamental Approach	87		Executive Compensation	103
	Organizational Structure	87		Internal Control	103
	Intellectual Property Activities	87	<b>Risk Management</b>	Fundamental Approach	104
<b>Human Resource Development</b>	Fundamental Approach	88		Organizational Structure	104
	Recruitment	88		Risk Management System	105
	Education and Career Development	89		Business Continuity Management (BCM)	105
	Evaluation of and Feedback to Employees	91	<b>Compliance</b>	Fundamental Approach	108
	Employee Satisfaction Survey	91		Compliance Education	108
<b>Health and Safety</b>	Fundamental Approach	92		Bribery / Corruption Prevention Measures	109
	Organizational Structure	93		Initiatives for Taxation	109
	Health and Safety Education	93		Speak-up	109
	Initiative for Health	94		Checks to Enhance Compliance	110
	Initiative for Safety	95	<b>Governance Data</b>	Governance	111
<b>Social Contribution</b>	Fundamental Approach	97			
	Organizational Structure	97	<b>SASB/GRI Content Index</b>		
	Social Contribution Activities	97	<b>SASB Content Index</b>		113
<b>Social Data</b>	Employees	98	<b>GRI Content Index</b>		114

## Company Profile |

Updated in October 2022

# Overview of Toyota Motor Corporation

GRI 102-1~7, 16

5 Company Profile

## Company Profile

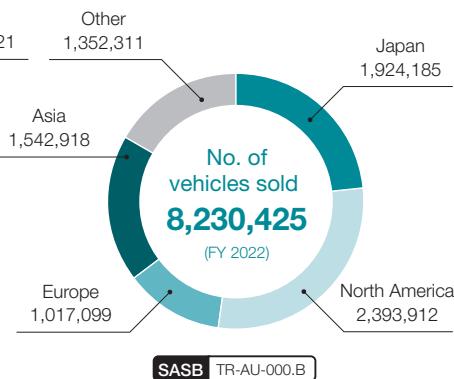
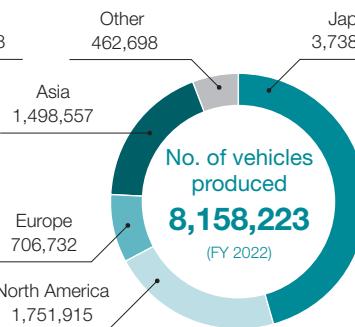
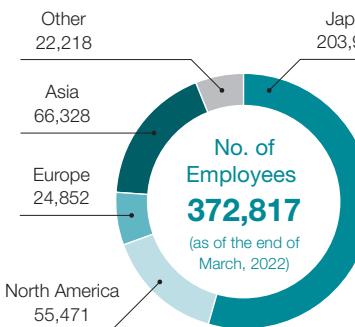
Company Name	Toyota Motor Corporation
President and Representative Director	Akio Toyoda
Company Address	
Head Office	1 Toyota-cho, Toyota City, Aichi Prefecture, Japan
Tokyo Head Office	1-4-18 Koraku, Bunkyo-ku, Tokyo, Japan
Nagoya Office	4-7-1 Meieki, Nakamura-ku, Nagoya City, Aichi Prefecture, Japan
Founded	August 28, 1937
Capital	635.4 billion yen (as of the end of March, 2022)
Main Business Activities	Automotive business Financial services (vehicle loans and leasing, etc.) Other operations (information technology, etc.)
No. of Employees (consolidated)	372,817 (as of the end of March, 2022)
No. of Consolidated Subsidiaries	559 (as of the end of March, 2022)
No. of Associates and Joint Ventures Accounted for by the Equity Method	169 (as of the end of March, 2022)

## Vision & Philosophy

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

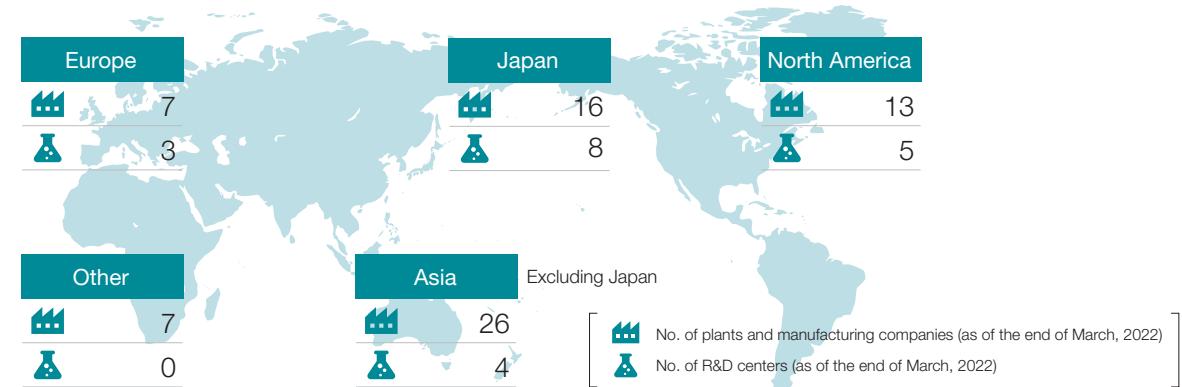
 [Vision & Philosophy](#)

## Global/Regional Data



SASB TR-AU-000.A

SASB TR-AU-000.B



## Financial Data

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

 [Financial Data](#)

Updated in December 2022

# Promoting Sustainability

GRI 102-12, 13, 18-21, 26, 27, 29, 32, 40, 42-44, 103-1~3

- 6 Fundamental Approach**
- 6 Organizational Structure**
- 7 Materiality (key issues)**
- 7 Toyota's SDGs**
- 8 Stakeholder Engagement**
- 9 Public Policy**

| [Fundamental Approach](#) | [Organizational Structure](#) | [Materiality \(key issues\)](#) | [Toyota's SDGs](#) | [Stakeholder Engagement](#) | [Public Policy](#) |

## 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.

 Toyota Philosophy

 Guiding Principles at Toyota

### Initiative

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

### Sustainability-related policies

#### Sustainability Fundamental Policy

&lt;Related policies&gt;

Environment	Earth Charter	Policy on Harmony with Nature
Information	Information Security Policy	Toyota Privacy Notice
Human rights	Human Rights Policy	
Supply chain	Basic Purchasing Policies Policies and Approaches to Responsible Mineral Sourcing Green Purchasing Guidelines	Supplier Sustainability Guidelines Policy for Sustainable Natural Rubber Procurement
Health and safety	Declaration of Health Commitment	Basic Philosophy for Safety and Health
Social contribution	Basic Principles and Policies of Social Contribution Activities	
Compliance	Toyota Code of Conduct	Anti-Bribery Guidelines
Taxation	Tax Policy	

## 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

- In 2019: Set up the Sustainability Management Department.
- Continuously promoting and improving our sustainability activities, such as environmental, social, and governance initiatives, while working in close liaison with relevant departments.
- In 2020: Appointed a **Chief Sustainability Officer (CSO)** as the leader of the promotion of sustainability activities.



	Sustainability Meeting	Sustainability Subcommittee
Chairperson	Chairperson of the Board of Directors	CSO
Member	Members of the Board of Directors	Operating officers responsible, etc.
Frequency	Twice a year, in principle	Six times a year, in principle
Function	<ul style="list-style-type: none"> <li>● To supervise and make decisions on identifying key sustainability issues, its countermeasures and the promotion of the activities</li> </ul>	<ul style="list-style-type: none"> <li>● To execute operations related to the promotion of sustainability</li> <li>● To report important issues to the Sustainability Meeting</li> </ul>

## Materiality (key issues)

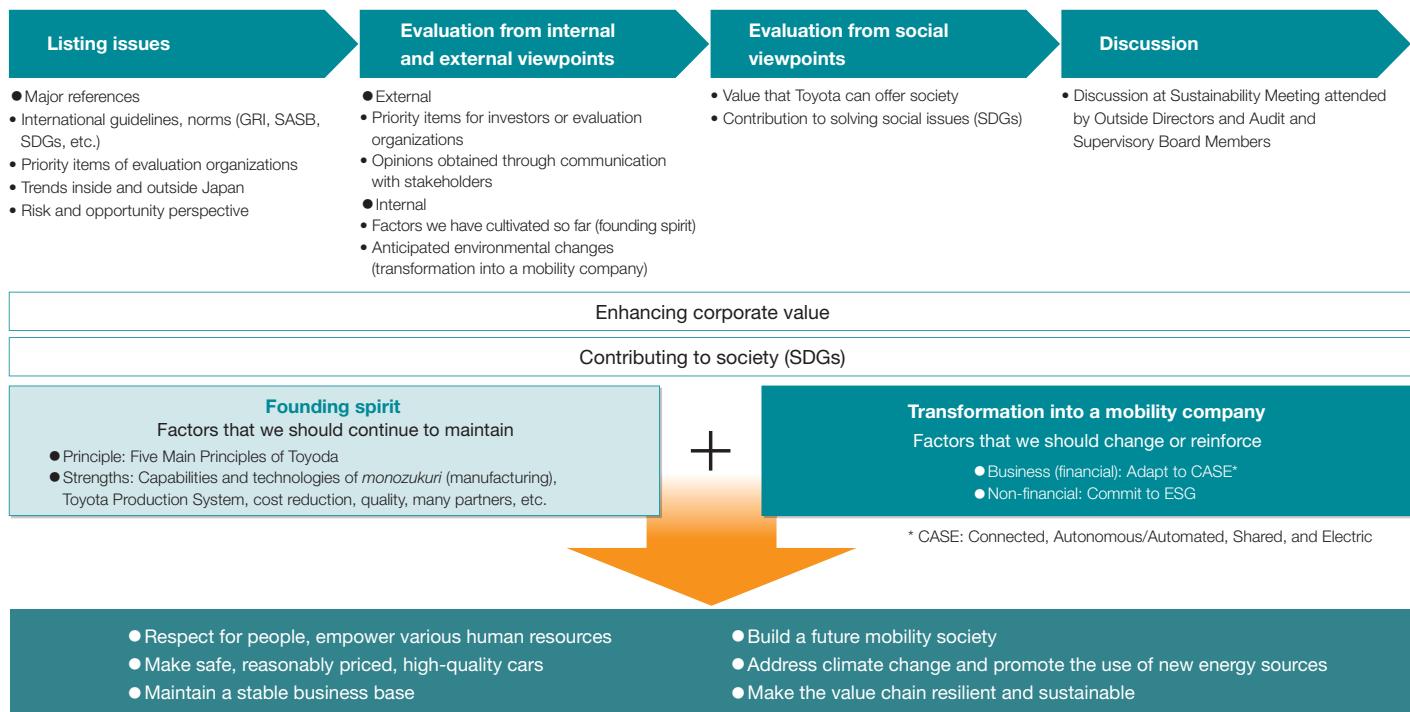
### Aim

**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



## 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



## 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 website, product websites (as needed)  
Disseminating company information and business details, providing FAQs, etc.

- Information sharing through social media (as needed)  
Disseminating company information and business details

##### Incorporation into corporate activities

Improving customer satisfaction activities

Disseminating information in response to customer demand

#### Shareholders

Timely and appropriate disclosure of operation and financial results to shareholders and investors, and constructive dialogues toward sustained growth and enhancement of corporate value.

##### Communication methods and frequency

- Shareholders' Meeting (once a year)  
Unconsolidated and consolidated financial statements, audit and supervisory board reports, and deliberation and decisions on resolutions

- Financial results announcement (four times a year)  
Press and telephone conferences to explain Toyota's financial status and initiatives

- Individual meetings (as needed)  
Explanation and discussion on financial status, local projects, technologies, products, etc. with institutional and private investors

##### Incorporation into corporate activities

Improving management quality through constructive dialogue

#### Employees

Bilateral communications to build teamwork 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/negotiations, opinion exchanges and mutual understanding regarding labor-management issues

- Employee satisfaction survey (once or twice every two years)  
Surveying employees' satisfaction regarding workplace culture and company life

##### Incorporation into corporate activities

Strengthening labor-management relationships

Improving workplace culture and evaluating and planning various labor-management and personnel policies

#### 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)  
Explanation and discussions with local representatives on 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 economic and industry organizations (as needed)  
Introducing policies to improve the vitality of the nation/industries

- Participating in collaborative activities with NGOs and NPOs (as needed)  
Recognizing social needs in individual regions

##### 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

#### Business Partners

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

##### Communication methods and frequency

- [Dealers]
- Various meetings, seminars, and events (as needed)  
Sharing corporate policies

- [Suppliers]
- Supplier conventions, various meetings with supplier associations, seminars, and events (as needed)  
Sharing purchasing policies and strengthening mutual study and partnerships

##### Incorporation into corporate activities

Building closer, mutually beneficial relationships based on mutual trust

- Major initiative we participate in

- World Business Council for Sustainable Development (WBCSD)

P.16 Stakeholder Engagement (Environment)

P.58 Engagement with stakeholders (Human Right)

## 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 electric 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.

Policy and Environmental Management

Climate Change

Resource Recycling

Harmony with Nature

Climate-related Financial Disclosures Based on TCFD Recommendations

Environmental Data

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

Third-party Verification

# Environment

- 11** Policy and Environmental Management
- 17** Climate Change
- 28** Resource Recycling
- 31** Harmony with Nature
- 37** Climate-related Financial Disclosures Based on TCFD Recommendations
- 46** Environmental Data
- 51** FY2022 Review of the 7th Toyota Environmental Action Plan (2025 Target)
- 54** Third-party Verification

Updated in October 2022

# Policy and Environmental Management



GRI 102-16, 102-29, 103-2, 103-3, 305-6, 306-2, 307-1, 308-1, 308-2

- 11** Fundamental Approach
- 11** Environmental Management
- 13** Initiatives with Suppliers
- 15** Initiatives with Dealers and Distributors
- 16** Stakeholder Engagement

## 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.
- Established the Toyota Earth Charter in 1992 (revised in 2000).
- 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.

Vision & Philosophy

Toyota Earth Charter

P.44 Toyota Environmental Challenge 2050

## Environmental Management

### Aim

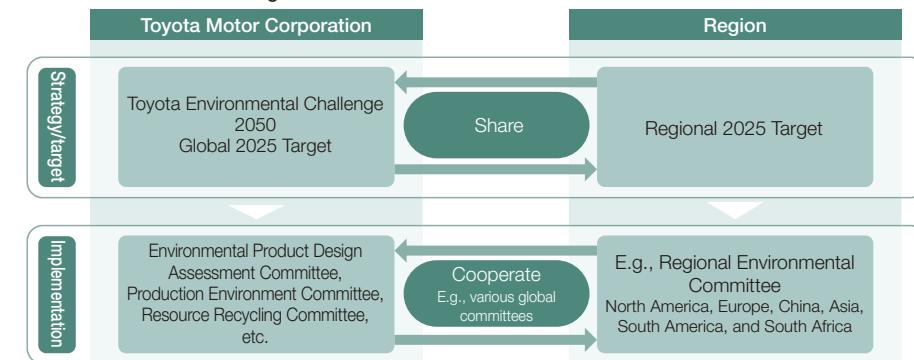
- To achieve sustainable development together with society, establish the environmental management system with consolidated subsidiaries to ensure through risk management and compliance and maximize environmental performance.
- Always improve the management system and quickly respond to changes in environmental 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 Production Environment 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 (493 companies).
  - Unconsolidated vehicle production companies (9 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.

#### Global Environmental Management Framework



## ISO<sup>1</sup> 14001/ISO 50001

Certification as of 2021

- ISO 14001: All plants of Toyota Motor Corporation and consolidated subsidiaries (122 companies)
- ISO 50001: 8 of the above companies

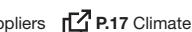
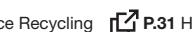
<sup>1</sup> International Organization for Standardization

## 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 reoccurrence through identification of root causes
- Conduct mutual learning for 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.

 [P.13 Initiatives with Suppliers](#)  [P.17 Climate Change](#)  [P.28 Resource Recycling](#)  [P.31 Harmony with Nature](#)

- For chemical substances, air quality, and other compliance-related initiatives, and also for waste and logistics packaging, proceed with initiatives based on the 2025 target.

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

### CDP<sup>2</sup> Corporate Research

- Selected for inclusion in the A List, which is the highest evaluation for climate change and water security by the CDP (in December 2021).

<sup>2</sup> 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



## Major Targets and Progress (excluding the initiatives to address climate change, recycle resources, and ensure harmony with nature)

2025 Target		2021 Initiatives
Chemical substances	<ul style="list-style-type: none"> <li>Implement thorough management by carefully considering legal trends in each country and region</li> </ul>	<ul style="list-style-type: none"> <li>Steadily introduced vehicles that satisfy the latest legal requirements and substance regulations</li> <li>Continued to evaluate and improve chemical substance management structures by auditing and investigating suppliers' processes in various regions on a global basis</li> </ul>
Air quality	<ul style="list-style-type: none"> <li>Product:           <ul style="list-style-type: none"> <li>Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVs*</li> </ul> </li> <li>Production:           <ul style="list-style-type: none"> <li>Continue volatile organic compound (VOC) emission reduction activities and maintain industry-leading level</li> </ul> </li> </ul> <p>* Zero Emission Vehicles: Vehicles that have the potential not to emit any CO<sub>2</sub> or nitrogen oxide (NOx) during driving, such as battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs)</p>	<ul style="list-style-type: none"> <li>Product:           <ul style="list-style-type: none"> <li>In response to stricter emission regulations in various countries and regions, introduced vehicles that satisfy those regulations</li> </ul> </li> <li>Production:           <ul style="list-style-type: none"> <li>Promoted a switch to water-based paint in the bumper painting process</li> <li>Took measures to completely eliminate the use of ozone-depleting substances (ODS)</li> <li>No significant releases occurred</li> </ul> </li> </ul> <p> <a href="#">P.50 Environmental Data [T]</a></p>
Waste	<ul style="list-style-type: none"> <li>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</li> <li>Production:           <ul style="list-style-type: none"> <li>Maintain the volume of waste per vehicle produced at each plant below 2018 levels</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Promoted waste reduction and efficient use of resources through measures aimed at the sources of waste</li> <li>Production:           <ul style="list-style-type: none"> <li>Took measures aimed at the sources of waste, developed and deployed production technologies, and implemented daily reduction activities</li> <li>Hazardous waste management: Ensured that end-of-life vehicle treatment was in compliance with the laws and regulations of each country at every plant</li> <li>Did not import or export any hazardous waste listed in Annexes I, II, III or VII of the Basel Convention</li> </ul> </li> </ul> <p> <a href="#">P.50 Environmental Data [R]</a></p>
Logistics packaging	<ul style="list-style-type: none"> <li>Implement initiatives to reduce and recycle plastics used in packaging and recycle them</li> </ul>	<ul style="list-style-type: none"> <li>Promoted kaizen with a focus on increasing use of returnable containers and reducing the weight of packaging</li> </ul> <p> <a href="#">P.50 Environmental Data [S]</a></p>
Risk management	<ul style="list-style-type: none"> <li>Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region</li> </ul>	<ul style="list-style-type: none"> <li>Two non-compliance issues (one concerning abnormal water quality and one concerning exhaust gas) in the production area ⇒ Completed measures for the cases</li> <li>One complaint (concerning noise) in a non-production area ⇒ Completed measures for the case</li> </ul>

## 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

##### Implementation of the Green Purchasing Guidelines

- Ask 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.

\* Prioritizing the purchase of parts, materials, equipment and services with a low environmental footprint when manufacturing products

- Overseas Practices related to the 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 (CO<sub>2</sub> emission reductions) in the terms and conditions.

 [Green Purchasing Guidelines](#)

 [Supplier Sustainability Guidelines](#)

### 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 tier 1 suppliers of these points by including them in the Supplier Sustainability Guidelines (revised in 2021).

 [Supplier Sustainability Guidelines](#)

### Monitoring

#### Self-assessment Sheet

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

#### FY2022 Results

- Received responses from 227 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, with the number of participating suppliers increasing every year.

#### 2021 Results

- Received responses from suppliers accounting for approximately 83 percent of the total purchasing value by Toyota Motor Corporation.
- Approximately 54 percent of these suppliers reduced their CO<sub>2</sub> intensity (per unit of net revenue) compared to the previous year. (Affected by the sluggish production due to the COVID-19 pandemic, the fluctuation rate was greater than that of the previous year.)

#### Main Results of the CDP Supply Chain Program (2021)

	Climate Change	Water Security
Number of responding companies	133	118
Response rate	98	95
Percentage responding “Yes”		
Governance (board-level oversight, corporate policy)	95	76
Identifying risks	89	68
Integrating issues into business strategy	94	75
Setting quantitative targets	94	70

## Initiatives toward Reducing CO<sub>2</sub> Emissions

- Towards carbon neutrality throughout the product life cycle, started to investigate concrete CO<sub>2</sub> reduction measures by **presenting CO<sub>2</sub> reduction guidelines tailored to each supplier**.

### 2025 Target

- Work with major suppliers in each country and region toward reducing CO<sub>2</sub> emissions.
- Regions in scope: Regional head offices with a purchasing function (in Japan, North America, Europe, China, Asia, South America and South Africa)

### 2021 Results

- Steadily accomplished the target set in each country or region.

## Risk Management

### Ensuring Compliance with Regulation Concerning REACH<sup>1</sup> 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<sup>2</sup> in Japan, and the Directive on ELV<sup>3</sup> 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 action standards tailored to the cultures and industrial structures of each region.

### FY2022 Results

- Revised regulations based on the Global Automotive Declarable Substance List (GADSL) to reflect the latest laws and regulations in each country (setting content rate targets for each substance in consideration of regulatory requirements, etc.).
- Steadily introduced vehicles that satisfy these regulations, and also began to work in cooperation with European affiliates to address data registration regulations (WFD<sup>4</sup>/SCIP<sup>5</sup>) newly launched in Europe.
- Conducted supplier awareness activities (361 companies) using self-assessment check lists to ensure thorough management of chemical substances, and continued to expand activities to other regions.

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

<sup>2</sup>. 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

<sup>3</sup>. Directive on End-of-Life Vehicles: A directive designed to reduce the load of end-of-life vehicles on the environment

<sup>4</sup>. Waste Framework Directive: A waste framework directive in Europe

<sup>5</sup>. 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.

<sup>6</sup> OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas

 [Policies and Approaches to Responsible Mineral Sourcing](#)

 [P.62 Responsible Cobalt Procurement](#)

 [P.30 Efforts toward Compliance with the New EU Battery Regulation](#)

 [P.31 Challenge of Establishing a Future Society in Harmony with Nature](#)

## Supplier Hotline

- Set up a supplier hotline in accordance with the Toyota Code of Conduct and Toyota Basic Purchasing Policies, which call on suppliers to comply with laws and regulations and to take fair and just actions, in order to allow suppliers to report any action violating environmental laws, regulations, or business manners that may have occurred in the supply chain, while assuring anonymity.

## Awareness-raising Activities

### Training for Purchasing Group Personnel

- Provide group training for new employees regarding sustainability including the environment.
- Organize periodic study groups regarding carbon neutrality 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.
- Organized working groups for four themes in 2021, and actively exchanged information and held discussions for mutual learning by, for example, inviting speakers from leading companies and holding on-site review meetings. Issued a final report to the entire Kyohokai in March 2022.

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



Study group with an invited expert

### Initiatives through Supplier Briefings

- Hold periodic supplier briefings where we share information on environmental trends and Toyota's environmental policies.
- Organized an explanatory session in FY2022 for promoting activities to reduce CO<sub>2</sub> emissions from items, and shared the goal of realizing carbon neutrality by 2050, thereby accelerating our efforts toward the accomplishment.

#### P.72 Supplier Awareness Activities

### 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 54 major countries and regions, such as Japan, North America, Europe, Asia, Latin America, Oceania, and Africa (approximately 13,000 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 CO<sub>2</sub> Emissions

#### 2025 Target

- 100 percent introduction rate for CO<sub>2</sub> reduction items at newly constructed and remodeled dealers.

#### 2021 Results

- Achieved the target in 41 countries and regions, and proceeding with initiatives toward achieving the target in other countries and regions.

## Overseas Initiatives

### Toyota Argentina S.A. (Argentina)

- Ensured that all dealers in Argentina were ISO 14001 certified.
- Launched the original environmental program "Eco Dealer Program" in 2018 with the involvement of all dealers.
  - Gave certification to dealers in three phases according to their status of environmental management framework, achievement levels of CO<sub>2</sub> reductions, etc.
  - Held a monthly meeting to share best practices, for example, for saving energy and introducing renewable energy.
- Reduced CO<sub>2</sub> emissions in FY2022 by 15 percent compared to 2018 levels at the dealers in Argentina as a result of the above initiatives.

## 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. and Europe

- U.S.: Participate in the Suppliers Partnership for the Environment<sup>\*1</sup> 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<sup>\*2</sup> Drive Sustainability,<sup>\*3</sup> an automobile industry partnership program.
- Participate in the WBCSD<sup>\*4</sup> and apply what we learn through participation in a traffic flow improvement verification program in Thailand, and other projects, to our efforts to contribute to the realization of 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

 [Suppliers Partnership for the Environment](#)

 [Drive Sustainability](#)

 [World Business Council for Sustainable Development](#)

### 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).
- 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.

 [Public Policy](#)

Updated in October 2022

# Climate Change



GRI 102-15, 103-1, 201-2, 302-4, 302-5, 305-3, 305-5

17 Fundamental Approach

18 Life Cycle

22 Product

25 Production

## Fundamental Approach

### Aim

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

### Initiative

- As an initiative to tackle climate change under the Toyota Environmental Challenge 2050, formulated "Life Cycle Zero CO<sub>2</sub> Emissions Challenges," "New Vehicle Zero CO<sub>2</sub> Emissions Challenges," and "Plant Zero CO<sub>2</sub> Emissions Challenges," and started actions in 2015.



The bZ4X, a new battery EV (BEV) launched: with high power consumption efficiency and practically sufficient cruising range ensured. Aimed at a world's highest level of battery capacity maintenance rate to develop a BEV that can be used for a long time with peace of mind.

### Toyota is committed to reducing CO<sub>2</sub> emissions in each stage of the vehicle life cycle



\* CO<sub>2</sub> emissions during driving as well as CO<sub>2</sub> emissions during the production stage of fuel and electricity (CO<sub>2</sub> emissions vary depending on the power supply configuration and hydrogen production method, in the case of battery electric vehicles and fuel cell electric vehicles)

## Life Cycle

### Aim

- Achieve carbon neutrality by completely eliminate CO<sub>2</sub> emissions not only during driving but throughout the entire vehicle life cycle including materials/parts manufacturing, vehicle manufacturing, logistics, energy production, disposal and recycling.

### Initiative

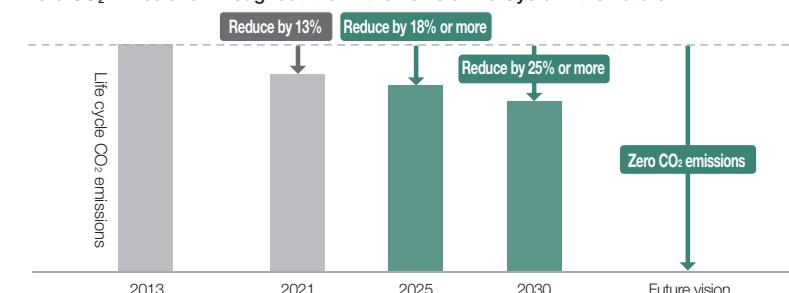
- Offer optimal products to minimize CO<sub>2</sub> emissions throughout the vehicle life cycle by taking into consideration the energy situations and composition ratios of power generation sources of each country/region.
- Accelerate measures for the development of technologies that contribute to CO<sub>2</sub> emissions reduction and create eco-friendly designs as we pursue “ever-better cars”.
- Step up efforts to reduce CO<sub>2</sub> 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.

## Life Cycle Zero CO<sub>2</sub> Emissions Challenge

### Completely Eliminate All CO<sub>2</sub> Emissions Throughout the Entire Vehicle Life Cycle

	2025 Target	2021 Initiatives
Life cycle CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions* by 18 percent or more throughout the entire vehicle life cycle compared to 2013 levels</li> </ul> <p>* Per vehicle</p>	<ul style="list-style-type: none"> <li>Reduced CO<sub>2</sub> emissions* by 13 percent throughout the entire vehicle life cycle compared to 2013 levels</li> <li>In 2021, four new models were assessed, and 45 of the total 61 (74 percent coverage) models available for sale in 2021 in Japan was assessed by Eco Vehicle Assessment System (Eco-VAS).</li> </ul>
Logistics	<ul style="list-style-type: none"> <li>Japan: Reduce CO<sub>2</sub> emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)</li> <li>Japan ⇔ Other regions: Reduce CO<sub>2</sub> emissions by ocean-going vessels (Switch two car carriers to liquid natural gas (LNG) powered pure car carriers)</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing kaizen activities           <ul style="list-style-type: none"> <li>Loading efficiency improvement</li> <li>Joint transport</li> <li>Modal shifts*</li> </ul> </li> <li>Switching from cargo transport by car to means of transportation with less environmental impact, such as railway and ships</li> <li>CO<sub>2</sub> emissions in Japan: 266,000 tons (down 8 percent compared to 2018 levels)</li> <li>Introduced an LNG-powered vessel (total 3 vessels) to transport completed vehicles to North America</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Promote CO<sub>2</sub> emissions reduction activities among major suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Started and promoted communication with suppliers in each region on climate change measures</li> </ul> <p> <a href="#">P.13 Suppliers (Environmental Management)</a></p>
Dealers and distributors	<ul style="list-style-type: none"> <li>Newly constructed and remodeled dealers: achieve 100 percent introduction rate for CO<sub>2</sub> emissions reduction items</li> </ul>	<ul style="list-style-type: none"> <li>Promoted initiatives to achieve the target in 54 major countries and regions, including Japan, North America, Europe, Asia, Latin America, Oceania and Africa (which covers 92 percent of the total vehicle sales)</li> <li>Achieved the target in 41 countries and regions, and promoted initiatives to achieve the target in other countries</li> </ul> <p> <a href="#">P.15 Dealers (Environmental Management)</a></p>

### Zero CO<sub>2</sub> Emissions Throughout the Entire Vehicle Life Cycle in the Future



## Promoting Environmental Management in the Vehicle Life Cycle

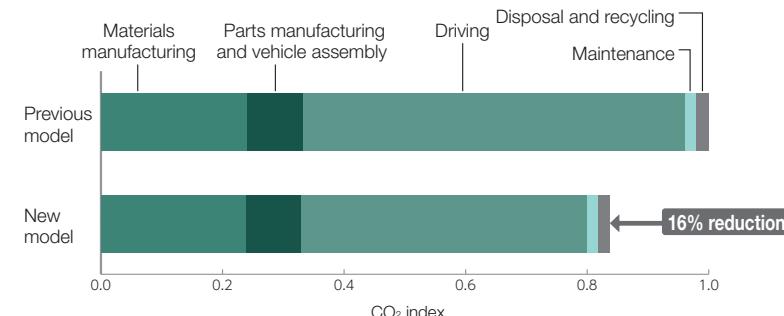
- Has been working to reduce CO<sub>2</sub> emissions by adopting LCA<sup>1</sup> methods with the aim of a clean car manufacturing throughout the vehicle life cycle.
- Promoting the environmental management by using the **Eco Vehicle Assessment System (Eco-VAS)**, which was introduced in 2005, that sets environmental targets during the vehicle development stage under the guidance of the chief engineer and takes steady measures to achieve those targets.
- Achieved life cycle CO<sub>2</sub> emission levels in all subject models equivalent to or lower than those of reference vehicles (previous models or vehicles of the same class).
- e.g., Reduced CO<sub>2</sub> emissions of the NX350h by 16 percent compared to the previous model

\*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.

### Eco-VAS Activity Cases:

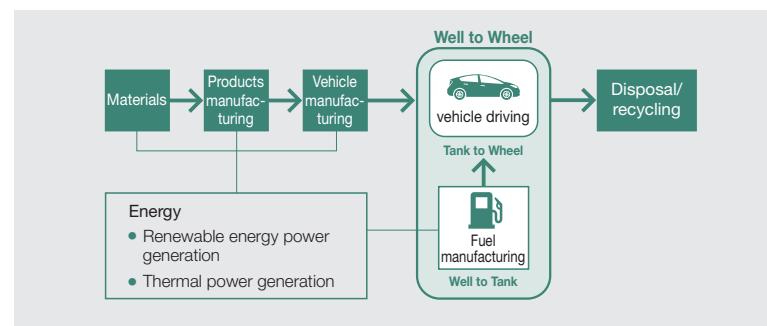
#### LCA Results of CO<sub>2</sub> Reduction in the Vehicle Life Cycle for NX350h



## Consideration in Each Stage of the Vehicle Life Cycle

- Toyota has been working, in cooperation with its stakeholders, to achieve carbon neutrality by 2050 by employing the Life Cycle Assessment (LCA) methods to measure CO<sub>2</sub> emissions.
- Carbon neutrality in LCA means to achieve carbon neutrality for not only greenhouse gas (GHG) emissions during driving but all CO<sub>2</sub> generated throughout the entire vehicle life cycle including materials, parts and vehicle manufacturing, logistics, energy production, disposal and recycling.

### Each Stage of the Vehicle Life Cycle



- CO<sub>2</sub> emissions during driving are considered in two stages.
  - Well to Tank (WtT):** From fuel extraction/production to a tank, or from power generation to filling a battery
  - Tank to Wheel (TtW):** From start of an engine or motor to driving wheels
- While gasoline vehicles emit CO<sub>2</sub> during fuel production (WtT) and driving (TtW), battery electric vehicles (BEVs) do not emit CO<sub>2</sub> during driving (TtW) but if fossil fuel is used, CO<sub>2</sub> is generated during production of electricity (WtT) and production of batteries.
- To reduce CO<sub>2</sub> emissions of BEVs, conversion to renewable energy is crucial. But the progress in conversion varies among countries and regions, making it difficult to achieve complete conversion. It is therefore not easy to achieve carbon neutrality only with BEVs. So, reduction of CO<sub>2</sub> emissions from the existing powertrains, such as gasoline vehicles and hybrid vehicles, many of which are present in market, should also be promoted by introducing low-carbon synthetic fuels, such as biofuel and e-fuel.

**P.23 Aiming at Carbon Neutrality through Product Development (Products)**

## Considering from Energy Production Stage

### Consideration to energy policies

- In working toward achieving carbon neutrality, Toyota considers that various elements affect energy policies of individual countries/regions as described 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 carbon neutrality, Toyota considers distinctive characteristics of each power generation method, including some examples below:

#### Renewable power generation

- No CO<sub>2</sub> emissions during power generation.
- With costs reduced and policy support provided, increasingly introduced.
- 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 CO<sub>2</sub> emissions, co-firing of hydrogen or ammonia is being considered.
- Combined application of CCS (CO<sub>2</sub> capture and storage), a process of separating and recovering CO<sub>2</sub> 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

### CO<sub>2</sub>-free hydrogen production and usage for Woven City and beyond

- On March 23, 2022, ENEOS and Toyota announced to jointly explore CO<sub>2</sub>-free hydrogen production and usage at Woven City, the prototype city of the future that Toyota has started to develop in Susono City, Shizuoka Prefecture, Japan.
- The two companies have decided to commence construction and operation of a hydrogen refueling station to produce and supply CO<sub>2</sub>-free hydrogen to Woven City and Fuel Cell Electric Vehicles (FCEVs).
- They are considering connecting the Community Energy Management System (CEMS\*) of Woven City with the hydrogen EMS to optimize hydrogen production.

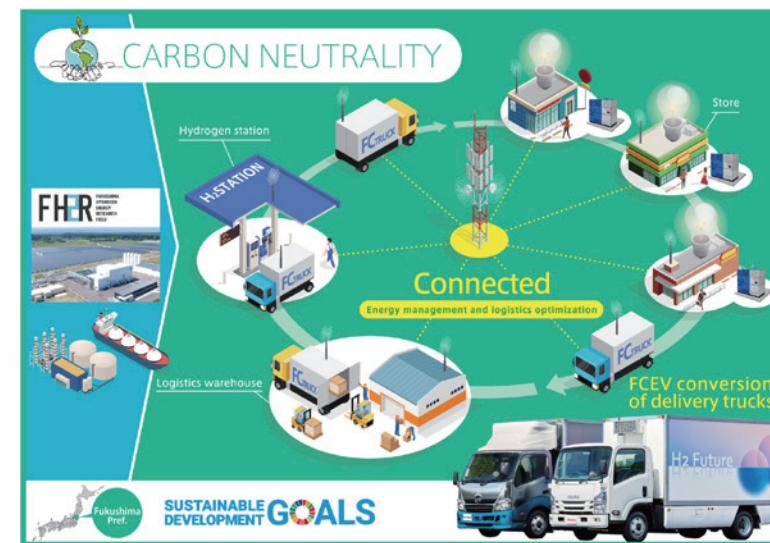
\* Community Energy Management System



[CO<sub>2</sub>-free hydrogen production and usage for Woven City and beyond](#)

### Developing a hydrogen-based new city of the future

- On June 4, 2021, Fukushima Prefecture and Toyota announced that they have commenced discussions with various partners over developing a city for a new future that makes use of hydrogen and technologies produced in Fukushima Prefecture.
- Creating first an implementation model for hydrogen-based deliveries at supermarkets and convenience stores, which play a role both as essential urban infrastructure and as evacuation areas in times of disaster, before embarking on a challenge to apply the model to cities nationwide.
- Making use of hydrogen produced at Fukushima Hydrogen Energy Research Field (FH2R).
- Introducing several fuel cell (FC) trucks for deliveries.
- Optimizing operational management and hydrogen refilling schedules through the use of connected technologies, and carrying out energy management that caters to the prevailing local conditions.



[Building a hydrogen-based city of the future](#)

## Initiatives in Logistics

- To achieve carbon neutrality throughout the entire vehicle life cycle, **working to improve transport efficiency (reduce workload) and make use of low-carbon technologies (reduce CO<sub>2</sub> emissions intensity)** in transport of production parts, completed vehicles, and supply parts covered by in-house logistics arrangements.

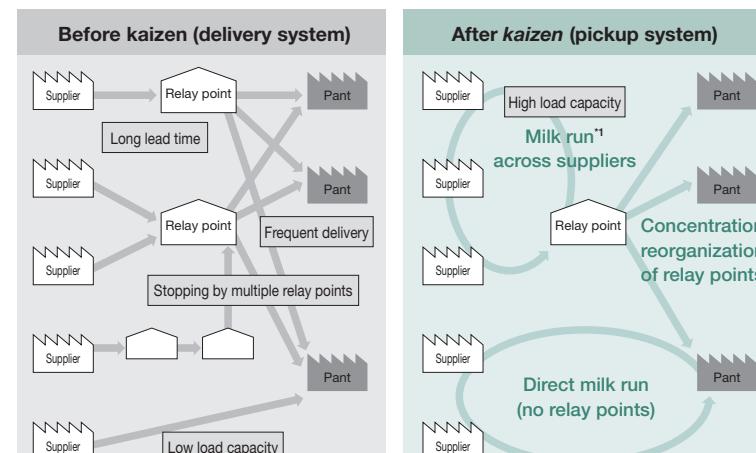
### 2021 Results

- CO<sub>2</sub> emissions in logistics in Japan: Down 8 percent from 2018
- CO<sub>2</sub> emissions in logistics overseas: CO<sub>2</sub> reduction activities tailored to local characteristics are being promoted

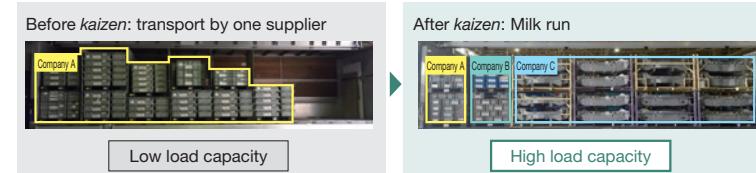
### Case 1 Improving transport efficiency (reducing workload)

#### Joint 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 CO<sub>2</sub> emissions.
- Gradually increasing the regions and suppliers covered by the new system, from Kyushu to Tohoku, and to Tokai.



#### 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

### Case 2 Making use of low-carbon technology (reducing CO<sub>2</sub> emissions intensity)

#### For land transport

- Commenced use of 25-meter tandem trailers to improve transport efficiency and as a solution to the shortage of drivers. (From March 2022: between Tahara and Hino, from June 2022: between Mikawa and Kyushu) Considering gradually expanding the application while advancing negotiations concerning the development of the operation routes.
- Taking on new initiatives for the practical use of new technologies, including hydrogen fuel cell electric trucks.



#### For marine transport

- Introduced LNG-powered pure car carriers<sup>2</sup> to transport completed vehicles from Japan to North America.
- Added one vessel in 2021 (total three vessels).
- Further expansion is being discussed with shipping companies.

<sup>2</sup> CO<sub>2</sub> emissions per transport unit are reduced by 25 percent to 40 percent compared to earlier diesel ships.

## Product

### Aim

- Toward achieving the carbon neutrality, providing optimal products according to the situation of each country/region.
- Providing products that inspire customers to think, "this is easy to use" and "I want to drive this" based on a sustainable and practical approach.

### Initiative

- Based on the idea that **eco-friendly vehicles contribute to the environment only when they come into widespread use**, enhance the lineups of electrified vehicles<sup>\*1</sup> and flex-fuel vehicles (FFV<sup>\*2</sup>) and promote their spread.
- Strive to reduce average CO<sub>2</sub> emissions per vehicle during driving by 90 percent compared to 2010 levels by 2050.

<sup>\*1</sup> Hybrid electric vehicles (HEVs), plug-in hybrid vehicles (PHEVs), battery EVs (BEVs) and fuel cell vehicles (FCEVs)

<sup>\*2</sup> Vehicles that run on fuel mixed with plant-derived bioethanol

### New Vehicle Zero CO<sub>2</sub> Emissions Challenge SASB TR-AU-410a.3

#### Reduce global<sup>\*3</sup> average CO<sub>2</sub> emissions (TtW) from new vehicles by 90 percent compared to Toyota's 2010 levels by 2050

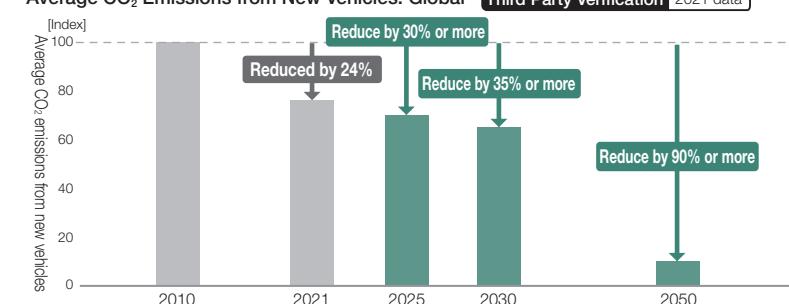
2025 Target		2021 Initiatives
Average CO <sub>2</sub> emissions from new vehicles	<ul style="list-style-type: none"> <li>Reduce global<sup>*3</sup> average CO<sub>2</sub> emissions (TtW<sup>*4</sup> g/km) from new vehicles by 30 percent or more compared to 2010 levels</li> </ul>	<ul style="list-style-type: none"> <li>Reduced global<sup>*3</sup> average CO<sub>2</sub> emissions from new vehicles by 24 percent compared to 2010 levels by improving environmental performance and expanding vehicle lineups</li> </ul>
Sales of electrified vehicles	<ul style="list-style-type: none"> <li>Make cumulative sales of 30 million electrified vehicles or more</li> </ul>	<ul style="list-style-type: none"> <li>Achieved cumulative global sales of 20.3 million electrified vehicles</li> </ul>

<sup>\*3</sup> • Average fuel efficiency values in countries and regions below (excluding vehicles in the cargo category under fuel efficiency regulations, and trucks and buses)  
Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand and Indonesia

• Consolidated subsidiaries are not included.

<sup>\*4</sup> Tank to Wheel: CO<sub>2</sub> emissions during driving (CO<sub>2</sub> emissions during the production stage of the fuel and electricity are not included; TtW emissions are zero in the case of battery electric vehicles and fuel cell electric vehicles)

#### Average CO<sub>2</sub> Emissions from New Vehicles: Global<sup>\*3</sup> Third Party Verification 2021 data

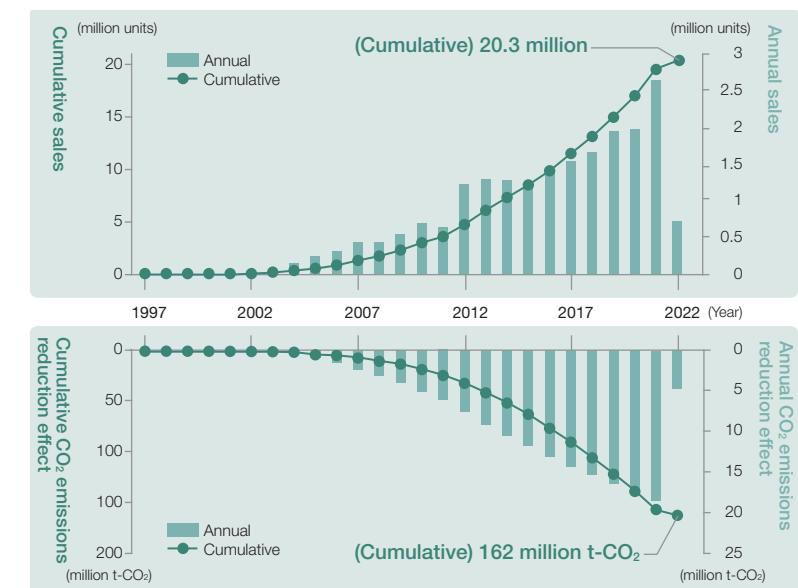


### Promoting widespread use of electrified vehicles SASB TR-AU-410a.2

#### 2021 Results

- Cumulative sales: 20.3 million units (as of March 31, 2022)
- Cumulative CO<sub>2</sub> emissions reduction effect from the widespread use of electrified vehicles: 162 million tons

#### Cumulative CO<sub>2</sub> Emissions Reduction Effects from Electrified Vehicles



[P.47 Environmental Data \[F\]](#)

## Aiming at Carbon Neutrality 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 carbon neutrality by **offering a full lineup of BEVs**.
- Announced in December 2021 the plan to roll out 30 BEV models by 2030, globally offering a full lineup of BEVs in the passenger and commercial segments.
- Released the bZ4X, developed based on a dedicated platform for battery EVs, on May 12, 2022.

 [Media Briefing on Battery EV Strategies](#)



Media Briefing on Battery EV Strategies

Photo by Noriaki Mitsuhashi

### Development and supply of batteries

- While promoting a full lineup of electrified vehicles, we have also been developing a full lineup of batteries.
  - ⇒ In line with different types of electrified vehicles, continuously evolving different types of batteries by taking advantage of their respective characteristics.
- Commercialized the bipolar nickel-metal hydride battery as an onboard battery for driving for the first time in the world.
  - ⇒ Used in the new Aqua announced in July 2021.
  - ⇒ Output density: doubled compared to the batteries used in the previous generation of the Aqua.

### The benefits of bipolar nickel-metal hydride batteries

- Improved accelerator responsiveness and an exciting sensation of speed when the accelerator pedal is pressed.
- Being more compact, less space is required to be equipped.
- More batteries can be installed in the same space (enabling drivers to enjoy driving on battery power alone for a longer time).

 [Media Briefing on Batteries and Carbon Neutrality](#)

## Expanding use of fuel cells from passenger cars to heavy-duty vehicles

- A fuel cell generates electricity through a reaction between hydrogen as a fuel and oxygen in the air. Similar to BEVs, FCEVs do not emit CO<sub>2</sub> on a TtW basis. But the amount of CO<sub>2</sub> emissions during fuel production (WtT) varies depending on the production method of hydrogen.
- The amount of CO<sub>2</sub> emissions from production of hydrogen varies depending on the production method. There are types of hydrogen with low environmental impact, including hydrogen produced from natural gas by capturing or storing CO<sub>2</sub> emitted in production processes (blue hydrogen) and hydrogen produced through electrolysis of water using renewable energy (green hydrogen).
- Use of hydrogen with few CO<sub>2</sub> emissions enables FCEVs to achieve substantial CO<sub>2</sub> reduction equivalent to that achieved by BEVs using renewable energy.
- Heavy-duty trucks are required to satisfy strict conditions, such as adequate cruising range and load capacity, as well as the ability to refuel quickly. They also account for around 70 percent of CO<sub>2</sub> emissions from commercial vehicles in Japan. Therefore, it is highly meaningful to make them zero-emission. Application of a fuel cell system based on the FCEV MIRAI for passenger cars to heavy-duty vehicles is being considered.

## Hydrogen engine technology development

- Hydrogen-engine vehicles directly burn hydrogen as fuel in a modified conventional gasoline engine setup.
- Using 100-percent pure hydrogen, they emit nearly no CO<sub>2</sub> except for the combustion of minute amounts of engine oil during driving.
- Promoting agile development on the frontline of motorsports.
- The hydrogen-powered Corolla participated in the Fuji Super TEC 24 Hours Race held from May 21, 2021 for the first time.
- The GR86, which uses carbon neutral fuel, participated in the Super Taikyu Series 2022 as an attempt to increase options of fuels using internal combustion engines.
- Since the first race, more and more supporters have come together with the same goal to achieve carbon neutrality. Companies and municipalities that produce, transport, and use hydrogen and carbon-neutral fuel in the Series have increased from the initial eight (as of May 22, 2021) to 24 (as of June 3, 2022).



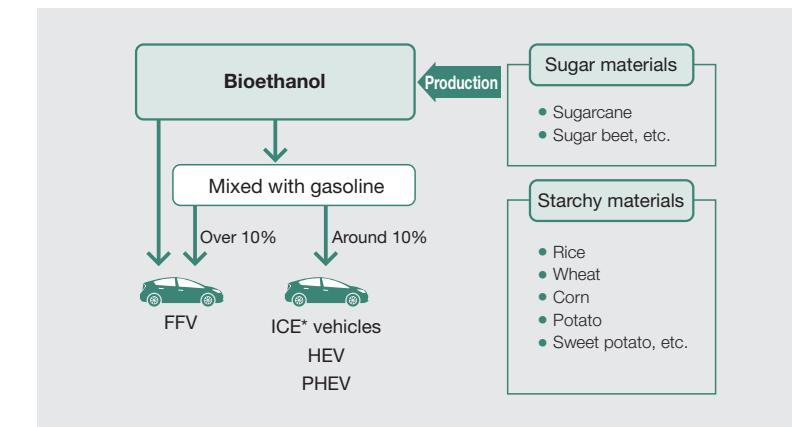
The GR86 which uses carbon neutral fuel

Challenging hydrogen engine technology development through motorsports

## Plant-derived ethanol as automobile fuel

- Ethanol produced from sugarcane or corn, which has been increasingly used for the purpose of mainly reducing oil consumption in Brazil and the U.S., is attracting much attention as an option to achieve carbon neutrality.
- Plant-based bioethanol emits CO<sub>2</sub> when it is burned. But since plants absorb CO<sub>2</sub> to grow, it will not increase the overall amount of CO<sub>2</sub> in the air.
- For gasoline vehicles in general, gasoline mixed with a maximum of around 10% ethanol can be used. In countries where ethanol is inexpensive, such as Brazil, 100-percent pure ethanol fuel is sold, and in such areas, flexible-fuel vehicles (FFVs), for which high-concentration ethanol can be used, are being distributed.
- Toward achieving the carbon neutrality, Toyota provides vehicles that cater to different local conditions for customers.

### Bioethanol produced from plants



\* Internal combustion engine vehicles

Establish "Research Association of Biomass Innovation for Next Generation Automobile Fuels"

## Production

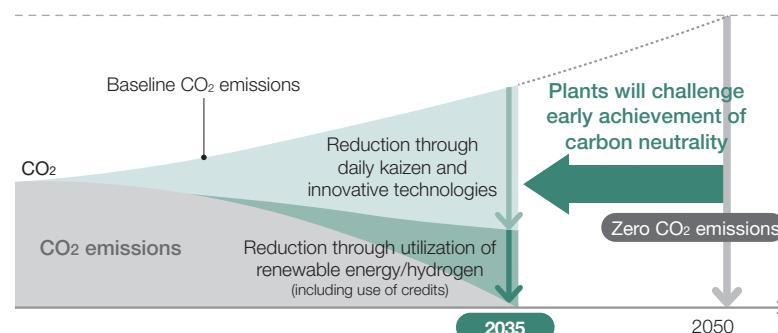
### Aim

- Achieve carbon neutrality at all global 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 all plants of Toyota and consolidated subsidiaries.
- Daily kaizen and the introduction of innovative technologies:**  
While the number of parts with much CO<sub>2</sub> 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 1 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



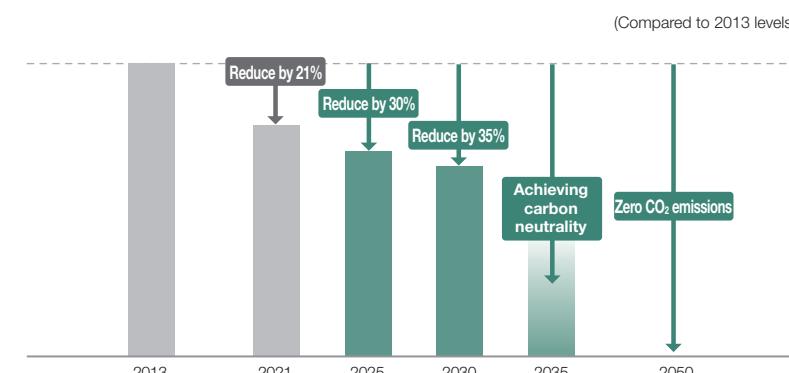
## Plant Zero CO<sub>2</sub> Emissions Challenge

### Achieve zero CO<sub>2</sub> emissions at global plants by 2050

	2025 Target	2021 Initiatives
Plant CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by implementing innovative technologies and daily kaizen and introducing renewable energy</li> <li>Reduce CO<sub>2</sub> emissions from global plants by 30 percent compared to 2013 levels</li> </ul>	<ul style="list-style-type: none"> <li>Introduced innovative technologies including a new type of paint atomizer (airless paint atomizer) that uses static electricity and promoted energy-saving through daily kaizen</li> <li>Reduced CO<sub>2</sub> emissions by 21 percent compared to 2013 levels</li> </ul>
Renewable electricity	<ul style="list-style-type: none"> <li>Achieve a 25 percent introduction rate for renewable electricity</li> </ul>	<ul style="list-style-type: none"> <li>Achieved a 13 percent introduction rate for renewable electricity           <ul style="list-style-type: none"> <li>Maintained 100 percent renewable electricity introduction rate at all plants in Europe</li> <li>Installed solar panels at the affiliate in Thailand (3.8 MW)</li> </ul> </li> </ul>
Hydrogen	<ul style="list-style-type: none"> <li>Promote proactive technological development to utilize hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>Continuously conduct various verification tests to support the utilization of hydrogen</li> <li>Stationary fuel cell (FC) generator diverting on-board FC, use of hydrogen burner for sealer drying furnaces in the battery assembly process, production of water electrolysis-based hydrogen by solar power generation, use of FC forklifts</li> </ul>

\* All plants of Toyota Motor Corporation and consolidated subsidiaries, and all Toyota vehicle production plants of unconsolidated subsidiaries (100% coverage)

### CO<sub>2</sub> Emissions at Global Plants



P.46 Environmental Data [A]

## Daily Kaizen and the Introduction of Innovative Technologies

### Reducing CO<sub>2</sub> 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\* 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.

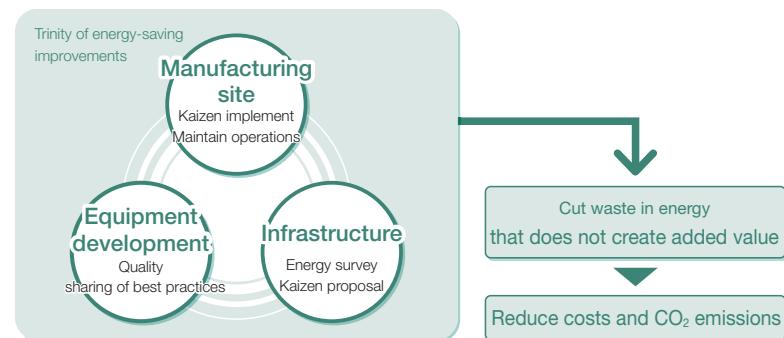
#### 2021 results

- Global CO<sub>2</sub> emissions: Down 21 percent compared to 2013 levels
- Conducted study sessions with Toyota Group companies and suppliers to share know-how on energy-saving measures so that information can be reflected in kaizen implemented by those companies. Also observed other industries to continuously discover new ideas for kaizen.

\* Energy reduction Support & Cooperation

#### P.46 Environmental Data [A]

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



### Manufacturing-infrastructure collaboration in energy-saving activities

- Eliminating steam in painting process:**

Steam is associated with a large amount of loss of air and less than half of its energy can be used effectively. So, all-out efforts were made to replace the equipment to the one that do not use steam and to reconstruct power sources taking into account the overall optimization and reuse of exhaust heat.

- A series of activities, including the one described below, were recognized and awarded the Minister of Economy, Trade and Industry Prize of the 2021 Energy Conservation Grand Prize by the Energy Conservation Center, Japan.

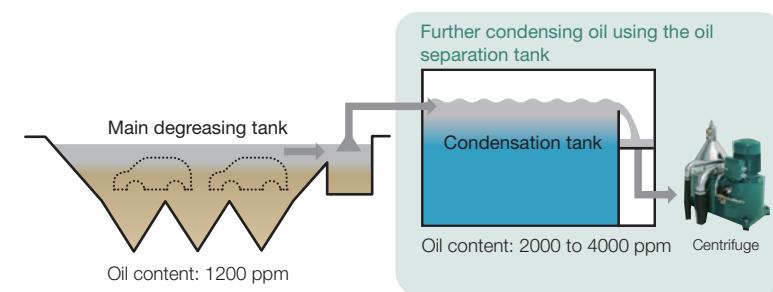
#### Case: Oil-water separation system at ordinary temperature for antirust coating in production process (Takaoka Plant)

- To reduce energy consumption for heating water at 80°C, which is necessary for oil-water separation of cleansing water, introduced a centrifuge that separates oil and water using the difference in their specific gravity to realize oil-water separation without heating.

#### 2021 Results

- CO<sub>2</sub> emissions reduction effect: 360 tons

#### Features of the applied system



## Introduction of Renewable Energy and Utilization of Hydrogen

### Expanding the introduction of renewable electricity

- Promoting the introduction of renewable energy, taking into consideration the characteristics of each region.
- Actively introducing renewable energy power generation facilities at Toyota plant sites.
  - Tahara Plant: Installed wind power generators (22 MW, operation to begin in 2023)
  - Affiliate in Thailand Siam Toyota Manufacturing Co., Ltd. (STM): Installed solar panels (10 MW)
  - All plants in Europe: Maintained 100 percent renewable electricity introduction rate

### 2020 results

- Renewable electricity introduction rate (global): 13%**



Solar panels introduced at STM

### Expanding utilization of hydrogen with great promise as a means of suppressing supply and demand variation in energy and for energy storage and transport

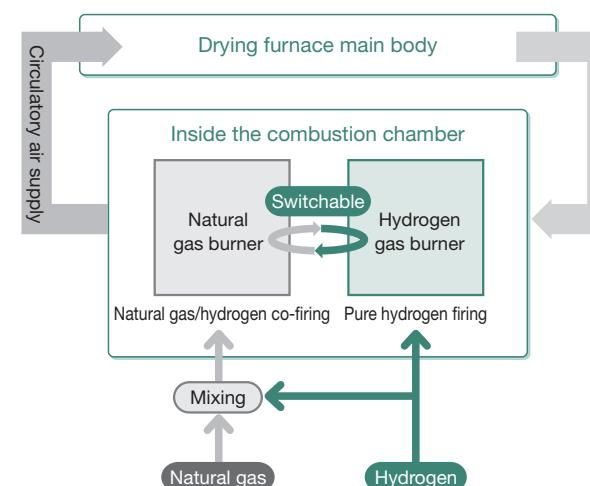
- Collaboration with stakeholders
  - Participating in initiatives to create mechanisms for the use of hydrogen energy throughout society, such as the Hydrogen Utilization Study Group in Chubu\* (Japan), contributing to the realization of a decarbonized society.

\* Established in 2020 by local municipalities and business groups with the aim of creating a large-scale demand for hydrogen and building a supply chain for stable hydrogen utilization in the Chubu region

### Case Utilization of hydrogen at plants (Motomachi Plant)

- Conducting verification testing on FC forklifts and FC power generation (Honsha Plant).
- Replacing natural gas burners for the sealer drying furnace of battery cases with hydrogen burners.
- Conducting verification testing of co-firing of natural gas/pure hydrogen firing to contribute to wide-spread use of hydrogen.

### Co-firing/pure hydrogen firing switchable burner for sealer drying furnaces



Wind power generator under construction at Tahara Plant

Updated in October 2022

# Resource Recycling



GRI 102-15, 103-1, 301-3, 306-2

28 Fundamental Approach

28 Activities to Achieve Resource Recycling

## Fundamental Approach

### 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

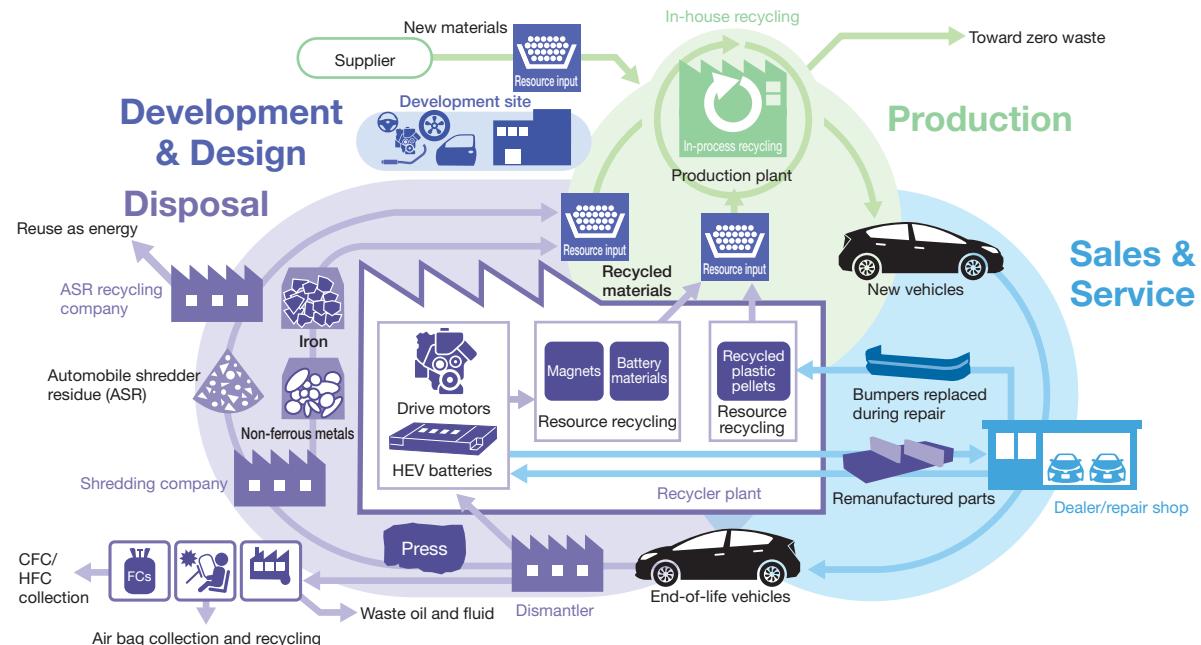
- Placing particular importance on the two projects below

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





### Rare Metals and Rare Earth Elements

- 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 the ultimate goal of closed-loop recycling.<sup>1</sup>
- We are collaborating with partner companies to establish a 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 car manufacturing that takes recycling into consideration, by feeding back results of these activities into the development and design stages.

<sup>1</sup>1 Recycling in which used products are manufactured into the same type of products



Recovered end-of-life HEV motors



Recovered end-of-life FC stacks

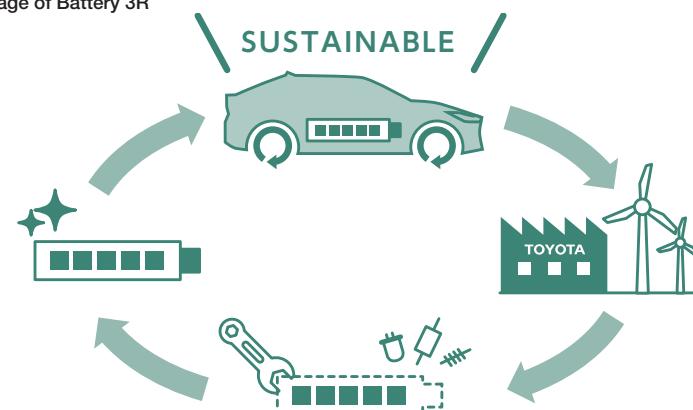
### Battery 3R<sup>2</sup>

- In Japan, Toyota has launched the provision of the new bZ4X BEV through the car subscription service "KINTO" or on a lease.
- Toyota collects all vehicle-use end-of-life bZ4X battery packs from dealers, dismantlers, etc. and reuse those usable for a second time as stationary batteries<sup>3</sup>.
- Ultimately, these batteries are planned for use as materials for new batteries.

<sup>2</sup>2 In this context, "rebuild, reduce and recycle"

<sup>3</sup>3 Stationary storage batteries used to store renewable energy whose generation is unstable

### Image of Battery 3R



### 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 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, ranging from product design and production processes to 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 at the time of raw material mining.
    - Study on third-party certification.
  - Verification of compliance under a battery passport system using digital technology.
  - Study on building a battery traceability system.

Updated in October 2022

# Harmony with Nature



GRI 102-15, 103-1, 303-1, 303-2

- 31** Fundamental Approach
- 31** Biodiversity
- 35** Water Environment

## Fundamental Approach

### Aim

- Aim to **create a society in harmony with nature** by promoting biodiversity conservation activities through collaboration with many 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 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 Today for Tomorrow Project  
Global collaboration with NGOs ⇒ “Connecting with the World” activities
- Toyota ESD\* Project  
Environmental education for the next generation ⇒ “Connecting to the Future” activities

\* Education for Sustainable Development

## 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 Policy on Harmony with Nature](#)

## 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

 [Policy for Sustainable Natural Rubber Procurement](#)

**—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.

**2021 Results**

- Realized 3 plants in Japan and 4 plants overseas.
- Promoted activities in collaboration with 23 Toyota Group companies and global affiliates. (Number of activities: 248)

**Case: Development of the Plant in Harmony with Nature (1)****Toyota Motor Manufacturing (UK) Ltd. (U.K.)**

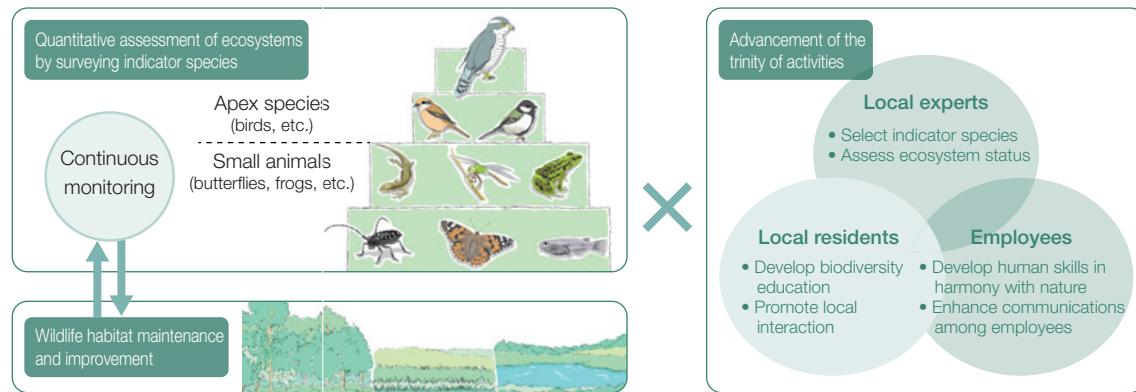
- Located in a vast ecological park, Toyota Motor Manufacturing (UK) Ltd. realized the Plant in Harmony with Nature ahead of other global plants.
- More than 400 species of wildlife and plants are conserved in five zones in cooperation with local experts based on conservation plans and methods established by the government.

**2021 Results**

- Observed butterflies and bees that are important indicator species in the grassland area.
  - Butterflies: Over 1,000
  - Bees: Over 200
- Provided observation results to national research institutes.



Red Tailed Bumble Bee

**Overview of the Plant in Harmony with Nature****Case: Development of the Plant in Harmony with Nature (2)****Toyota Motor Thailand Co., Ltd. (Thailand)**

- As part of the Plant in Harmony with Nature project, Toyota Motor Thailand Co., Ltd. promotes biodiversity conservation through monitoring of indicator species, maintenance of habitat environments, and collection of scientific data.

**2021 Results**

- Maintained a growing environment for the Asian Golden Weaver, which is listed on the International Union for Conservation of Nature and Natural Resources (IUCN\*) Red List, at Cheewa Panavet (Toyota Biodiversity and Sustainable Learning Center).
- Through collaboration with Sango, an auto parts manufacturer located nearby, confirmed that there were 24 nests at Cheewa Panavet and 11 at Sango.

\*1 International Union for Conservation of Nature and Natural Resources



Asian Golden Weaver

**— Toyota Today for Tomorrow Project —****Global collaboration with NGOs ⇒ “Connecting with the World” activities****2025 Target**

- Globally strengthen conservation of endangered species, which symbolize biodiversity, in collaboration with NGOs and others.

**2021 Results**

- Supported 27 projects of NPOs and other non-profit organizations and groups addressing biodiversity and climate change (17 in Japan and 10 in other regions).

**Initiatives through GPSNR<sup>2</sup>**

- July 2019: Participated in the GPSNR.
- September 2021: Announced the Policy for Sustainable Natural Rubber Procurement.
- 2022: In response to the questions requested by the GPSNR regarding the status of implementation of this policy, information is being collected in cooperation with suppliers with the aim of replying by the end of December.

<sup>2</sup> Global Platform of Sustainable Natural Rubber: An international framework for improving the environmental, social and economic aspects of natural rubber procurement

Policy for Sustainable Natural Rubber Procurement

## — 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.

##### 2021 Results

- Conducted environmental education programs around the world.
- Examples of Toyota Motor Corporation (Japan).
  - Implemented environmental study sessions.
    - Plant in Harmony with Nature (21 sessions, including online sessions)
    - The Forest of Toyota (179 sessions).
- Distributed 17,852 educational tools in harmony with nature for the next generation.

#### 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: Establishment of Ecozone (2018) and Implementation of Many Environmental Learning and Conservation Activities

##### Toyota Kirloskar Motor Private Ltd. (India)

- Ecozone
  - A place for environmental learning for employees, business partners (suppliers, dealers, logistics companies), children/students, and local residents.
  - A place with about 25 acres, comprising of 17 theme parks representing the five modules of biodiversity, climate change, energy, water, and waste.

##### Results since opening

- ⇒ Confirmed over 650 plant species and 198 faunal species (Species listed by the IUCN Red List: 38 plant species, 3 faunal species).  
 ⇒ More than 20,000 children/students participated in exercises.



Whole view of Ecozone (India)

## Water Environment

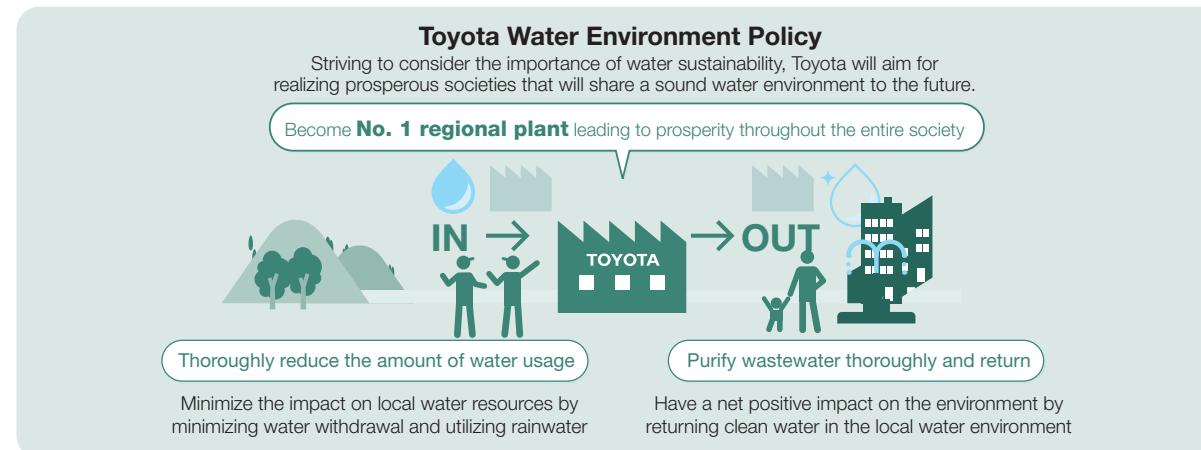
### Aim

- 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.**



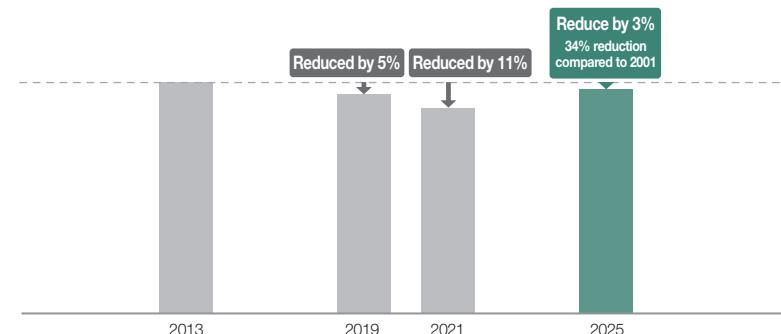
### Challenge of Minimizing and Optimizing Water Usage

#### Minimize Water Usage and Implement Water Discharge Management According to Individual Local Conditions

2025 Target		2021 Initiatives
Water quantity	<ul style="list-style-type: none"> <li>Reduce water usage taking the water environment in each country and region into consideration</li> <li>Promote wastewater recycling, rainwater use and various activities including daily kaizen</li> <li>Reduce global water usage by 3 percent per vehicle produced compared to 2013 levels (reduce by 34 percent compared to 2001 levels)</li> <li>Complete measures at 2 Challenge-focused plants where the water environment is considered to have a large impact</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensively introduced reduction technologies and undertook daily water-saving efforts, such as water recycling and reducing the amount of steam used in painting processes</li> <li>Reduced by 11 percent compared to 2013 levels</li> </ul>
Water quality	<ul style="list-style-type: none"> <li>Thoroughly manage water discharge quality under internal standards that are stricter than regulatory standards</li> <li>Continuously assess the impact of wastewater at all plants where it is discharged directly into the river</li> </ul>	<ul style="list-style-type: none"> <li>Continuously manage water quality under internal standards that are stricter than regulatory standards</li> <li>Assessed the impact of wastewater at all plants</li> </ul>

\* All plants of Toyota Motor Corporation and consolidated subsidiaries, and all Toyota vehicle production plants of unconsolidated subsidiaries (100% coverage)

#### Water Usage per Vehicle Produced Globally



[P.48 Environmental Data \[H\]](#)

Policy and Environmental Management

Climate Change

Resource Recycling

Harmony with Nature

Climate-related Financial Disclosures Based on TCFD Recommendations

Environmental Data

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

Third-party Verification

Fundamental Approach | Biodiversity | **Water Environment** |

## Cases of Water Usage Reduction

### Case 1: Water Usage Reduced Through Repeated Kaizen Activities

#### Toyota do Brasil Ltda. (Brazil)

- Reduce water usage in the painting process, which uses approximately 80 percent of the water in the plant.
  - Minimize water usage while maintaining good product conditions by improving cleaning nozzles in the water cleaning process.
  - Reuse wastewater from air supply houses and deionizers.
- 2021 Results**
  - Water usage reduction: 25,000 tons in total.
  - Per-unit water usage (per vehicle produced) : Reduced by 42 percent compared to 2013 levels.
- Received “Local Environmental Award” organized by the Association of Automotive Engineering in recognition of the above activities.



Cleaning process in painting



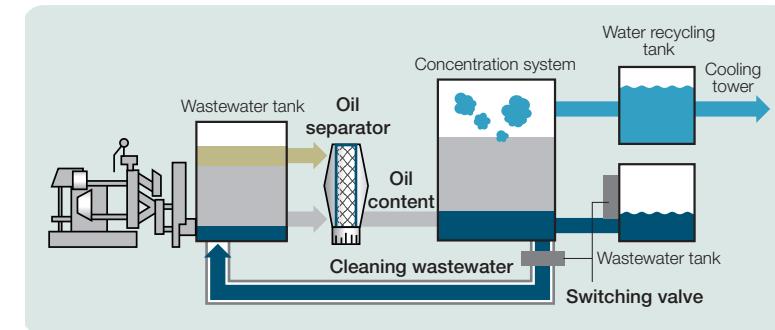
Water usage reduction kaizen team members

### Case 2: Water Usage Reduced Through Expansion of Water Recycling in the Casting Process

#### Toyota Motor (Changshu) Auto Parts Co., Ltd. (China)

- Promote activities to become a zero-emission casting plant.
- During the treatment of wastewater from die casting machine, 54 tons of wastewater is generated annually for cleaning the oil accumulated in a concentration system.
  - Reuse cleaning wastewater by adding an oil separator, piping and switching valves.
- 2021 Results**
  - Reuse of water: 51 tons (94 percent recovery rate).

#### Wastewater Collection Flow from Die Casting Machine



Updated in October 2022

# Climate-related Financial Disclosures Based on TCFD\* Recommendations

\* TCFD (Task Force on Climate-related Financial Disclosures)

GRI 102-11, 102-15, 102-29, 102-30,  
102-32, 102-33, 103-2, 201-2**37** Governance**38** Strategy**42** Risk Management**43** Metrics and Targets

## Governance

### 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.
- Case of decisions made at the Board of Directors Meeting in 2021
  - Investing in Toyota Green Energy, which was established jointly by Toyota, Chubu Electric Power Co., Inc. and Toyota Tsusho Corporation.
  - Toyota Green Energy is a new company that will obtain and manage renewable energy sources in Japan. It is expected to supply electric power to the Toyota Group in the future.

### 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**.

	Sustainability Meeting	Environmental Product Design Assessment Committee	Production Environment Committee
Frequency of reporting on climate-related issues to the Board of Directors	Every six months	When an important event arises	When an important event arises
Roles	<ul style="list-style-type: none"> <li>Deliberates and reports on formulation of measures to solve climate-related and other sustainability issues</li> <li>Chaired by the Chief Sustainability Officer (CSO)</li> </ul>	<ul style="list-style-type: none"> <li>Manages assessment of product-related risks and opportunities, formulation/implementation of strategy and planning, monitoring, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Manages assessment of plants/production-related risks and opportunities, decisions on countermeasures, monitoring, etc.</li> </ul>

**Strategy**

SASB TR-AU-410a.3.

**a) Short-, Medium- and Long-term Climate-related Risks and Opportunities the Organization Has Identified**

- 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.
- Changes associated with climate change that may have various impacts on Toyota's business fields.
  - Measures need to be taken in various areas, including response to tighter regulations by the government and the adoption of new technology.
  - 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<sup>1</sup> in accordance with the TCFD.

<sup>1</sup>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

For details of risks, please see p. 42

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

Transition Risks	Regulation	(1) Tightening of regulations for fuel efficiency and ZEVs* (acceleration of electrification) (2) Tightening of regulations for life cycle CO <sub>2</sub> emissions (3) Expansion of carbon pricing
	Market	(4) Increase in costs to reduce plant CO <sub>2</sub> emissions (due to expansion of renewable energy and hydrogen use, and energy-saving technologies)
	Reputation	(5) Tightening of ESG <sup>2</sup> assessment criteria and expansion of disclosure requirement fields (6) Differences between catalog fuel efficiency and actual fuel efficiency <sup>2</sup> Environment E, Social-Economy S, Governance G
Physical Risks	Acute	(7) Increase in frequency and severity of natural disasters
	Chronic	(8) Increase in threat to water security

For details of scenario analysis, please see p. 40

**Significant Risks and Opportunities and Toyota's Measures**

	Risks	Opportunities	Toyota's Measures	Scenario Analysis	
				Stated Policies Future Storyline	1.5 °C or less/ 2 °C Future Storyline
(1) Tightening of regulations for fuel efficiency and ZEVs (acceleration of electrification)	<ul style="list-style-type: none"> <li>Fines for failure in achieving fuel efficiency regulations</li> <li>Decrease in total vehicle sales due to delays in complying with ZEV regulations</li> <li>Impairment of internal combustion engine manufacturing facilities</li> </ul>	<ul style="list-style-type: none"> <li>Increase in sales of electrified vehicles</li> <li>Increase in profits from external sales of electrification systems</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance of the top-level fuel efficiency (currently the highest in Europe)</li> <li>Increase in investment in batteries and shift of resources</li> <li>Start of external sales of electrification systems</li> <li>Expansion of electrified vehicle lineup</li> <li>Reduction of CO<sub>2</sub> emissions from vehicles currently in use</li> </ul>	Impacts will be an extension of current status 	Impacts will increase 
(3) Expansion of carbon pricing	<ul style="list-style-type: none"> <li>Increase in production and purchasing costs due to the introduction of carbon taxes, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in energy costs due to promoting the introduction of energy-saving technology</li> </ul>	<ul style="list-style-type: none"> <li>Comprehensive reduction of energy use and promotion of renewable energy and hydrogen use</li> <li>Promotion of emission reductions in collaboration with suppliers</li> </ul>	Impacts will be an extension of current status 	Impacts will increase 
(7) Increase in frequency and severity of natural disasters	<ul style="list-style-type: none"> <li>Production suspension due to damage to production sites and supply chain disruptions caused by natural disasters</li> </ul>	<ul style="list-style-type: none"> <li>Increase in demand for electrified vehicles due to increased need for supply of power from automobiles during emergency situations</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of continuous adaptive improvements to our BCP in light of disaster experiences</li> <li>Reinforcement of information gathering in collaboration with suppliers to avoid purchasing delays</li> </ul>	Impacts will increase 	Impacts will be an extension of current status 

## 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 substantive 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

	Products and services	Supply chains/value chains	Investments in R&D*	Adaptation activities and mitigation activities
<b>Recognition</b>	<ul style="list-style-type: none"> <li>Social trends toward decarbonization           <ul style="list-style-type: none"> <li>Reflected in fuel efficiency and other regulations in many countries</li> <li>Greatly affecting product development and production</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>The business of manufacture and sale of automobiles emits large amounts of CO<sub>2</sub> and other greenhouse gases from its product production and the entire value chain.</li> </ul>	<ul style="list-style-type: none"> <li>Toyota's acceleration of R&amp;D to respond to tightened regulations and changes in consumer needs caused by climate change led to:           <ul style="list-style-type: none"> <li>Promotion of R&amp;D on electrified vehicles</li> <li>Increased R&amp;D expenditures</li> </ul> </li> </ul> <p>* R&amp;D: Research &amp; Development</p>	<ul style="list-style-type: none"> <li>In automobile manufacturing, Toyota's main business, there is a large amount of emissions of CO<sub>2</sub> and other greenhouse gases from each process.</li> <li>Influences of social trends toward decarbonization           <ul style="list-style-type: none"> <li>Payment of carbon taxes</li> <li>Carbon emissions transactions through carbon pricing</li> <li>Costs of use of renewable energy and hydrogen</li> </ul> </li> </ul>
<b>Specific influence</b>	<p>The following strategies were influenced:</p> <ul style="list-style-type: none"> <li>Long-term strategy (2050 Target): Toyota Environmental Challenge 2050 announced in 2015</li> <li>Medium-term strategy (2030 Target): 2030 Milestone announced in 2017</li> <li>Short-term strategy (2025 Target): 7th Toyota Environmental Action Plan announced in 2020</li> </ul>	<ul style="list-style-type: none"> <li>In each of the above strategies, the numerical target for CO<sub>2</sub> emissions reduction was set as the New Vehicle Zero CO<sub>2</sub> Emissions Challenge.</li> </ul>	<ul style="list-style-type: none"> <li>In each of the above strategies, the numerical target for CO<sub>2</sub> emissions reduction in the entire value chain was set as the Life Cycle Zero CO<sub>2</sub> Emissions Challenge.</li> <li>In 2021, the decision to aim at sales of 3.5 million battery electric vehicles (BEVs) in 2030 was announced.</li> <li>The medium-term strategy takes into account the following:           <ul style="list-style-type: none"> <li>Manufacturing and disposal of batteries for the manufacture of electrified vehicles</li> <li>Collaboration with suppliers</li> <li>Risks and opportunities related to recycling</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In each of the above strategies, the sales target for electrified vehicles was set as the New Vehicle Zero CO<sub>2</sub> Emissions Challenge.</li> <li>In 2021, the decision to aim at sales of 3.5 million BEVs in 2030 was announced.           <ul style="list-style-type: none"> <li>R&amp;D expenditures are required to achieve this target.</li> </ul> </li> <li>In each of the above strategies, the numerical target for CO<sub>2</sub> emissions reduction related to plant operations was set as the Plant Zero CO<sub>2</sub> Emissions Challenge.</li> <li>In 2021, the decision to aim at carbon neutrality at plants by 2035 was announced.</li> </ul>

## c) Resilience of the Organization's Strategy, Taking into Consideration Different Climate-related Scenarios, including a 2°C or Lower Scenario

### 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<sup>\*1</sup> such as those of the IEA<sup>\*2</sup>, we envisioned three future storylines of society: **the stated policies future storyline, 2°C future storyline, and 1.5°C or less future storyline** in around 2030 for external environment.

<sup>\*1</sup> Set using scenarios such as the Intergovernmental Panel on Climate Change(IPCC)'s Representative Concentration Pathways (RCP) 4.5 equivalent, IEA's Stated Policies Scenario (STEPS), Sustainable Development Scenario (SDS), and Net Zero Emissions by 2050 Scenario (NZE) as reference

<sup>\*2</sup> International Energy Agency

### STEP 2

#### Consider the Impacts on Toyota

- We considered impacts on Toyota in each future storyline of society envisioned in STEP1.
- In a society of the 2°C future storyline and the 1.5°C or less future storyline, the role of electrified vehicles (ZEVs in particular) will increase.
  - In case of a society of the 1.5°C or less future storyline in particular, the percentage of ZEVs among new vehicle sales will increase greatly and the use of carbon neutral fuels<sup>\*3</sup> 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.
- 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.

<sup>\*3</sup>. Carbon neutral fuels: Next-generation biofuels and synthetic fuels

### 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.
  - As an initiative to this end, we promote environmental technology development for electrified vehicles, such as hybrid electric vehicles (HEVs), plug-in hybrid vehicles (PHEVs), battery EVs (BEVs) and fuel cell vehicles (FCEVs).
  - Environmental technologies can contribute to reduction of CO<sub>2</sub> emissions when they are disseminated.
- Electrified vehicle strategy**
  - Toyota conducts sales in over 170 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 over 20 million electrified vehicles worldwide. As one of the first companies to respond to climate change risks, it has achieved a CO<sub>2</sub> emissions reduction of over 160 million tons (as of February 28, 2022).
- Future actions**
  - With regards to BEVs, successively introduce models with dedicated platforms starting in 2022 and promote practical vehicle supply through battery development and production strategies.
  - Declared efforts to achieve the aim, as announced in December 2021, of developing 30 types of BEVs and achieving a full lineup in the passenger and commercial segments globally by 2030 to reach 3.5 million annual global vehicle sales.
  - Advance the sales of electrified vehicles to fit different regional conditions and customer preferences.
  - In addition to BEVs, promote electrified vehicle 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 2°C future storyline and 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 CO<sub>2</sub>-reducing off-cycle technology\* (although not reflected in mode fuel efficiency).
- Expand options for technologies that will contribute to reducing CO<sub>2</sub> emissions of vehicles (including vehicles currently in use), such as hydrogen fuel/hydrogen engine vehicles, and carbon neutral fuel technologies.

**Cases of efforts toward new technology development**

- Participate in motorsport events, such as the Super Taikyu Series in Japan, to accelerate the development of hydrogen fuels and hydrogen engines and promote verification tests of carbon neutral fuels.
- Implement initiatives to expand options to make, transport, and use hydrogen in collaboration with various companies and local governments, such as the supply of hydrogen produced from sewage biogas by Fukuoka City for hydrogen engines, with the aim of establishing partnerships toward realizing a hydrogen-based society.

- **Achieving carbon neutrality**

- In order for the automobile industry to achieve carbon neutrality, it is vital to operate energy policies (renewable energy, charging infrastructure, etc.) and industrial policies (purchasing grants, supplier support, battery recycling systems, etc.) in a unified manner.
- It is necessary to implement initiatives in coordination with various stakeholders, such as national governments and industry organizations.
- When undertaking its business activities globally, Toyota will coordinate with national governments to establish infrastructure for promoting electrification while implementing electrified vehicle strategies that contribute to reducing CO<sub>2</sub> emissions throughout the entire life cycle.

#### Initiatives in the production field

- We announced our aim to achieve carbon neutrality at global plants by 2035, and we also prepare to face risks such as carbon taxes.
- We are promoting the reduction of CO<sub>2</sub> emissions through comprehensive energy-saving technology and the introduction of renewable energy and hydrogen at plants; Achieved 100 percent introduction rate for renewable electricity at all plants in Europe .

- **Strengthening strategic resilience**

- Implement measures to respond to natural disasters such as formulating a business continuity plan (BCP).
- Strengthen the supply chain by enhancing information gathering, and improve communication.
- Toyota will work together not only with the automobile industry but with all industries while continuing to engage in challenges to respond to a society of the 1.5°C or less future storyline through initiatives that are practical as well as sustainable.
- To ensure stable fund procurement and lasting corporate value enhancement, we check the progress and validity of Toyota's strategies by:
  - Conducting appropriate information disclosures regarding various ESG assessment indicators.
  - Enhancing dialogue with stakeholders including institutional investors.

\* Off-cycle technology: Technologies such as high efficiency lightings, waste heat recovery, active aerodynamic improvement and solar radiation/temperature management that improve actual fuel consumption. The U.S. has a system of offering credits equivalent to the amount of improvement achieved.

 [Media briefing on batteries and carbon neutrality](#)

 [Media Briefing on Battery EV Strategies](#)

## Risk Management

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

- Toyota has a company-wide risk management system called the TGRS that covers all risks related to its corporate activities and behavior, including climate change.
- All risks, including climate change, are identified and assessed based on the TGRS.
- Risk assessment is carried out based on the two perspectives of "magnitude of impact" and "vulnerabilities" to clarify the substantive financial or strategic impact on the business.
- The level of seriousness of risks is conclusively assessed on a four-point scale by comprehensively examining the following assessments.
  - Magnitude of impact**
    - Assessed comprehensively by the four elements of "finance", "reputation", "violation of laws and regulations", and "business continuation".
    - "Finance" is assessed on a five-point scale using the ratio to sales as an indicator.
    - "Reputation", "violation of laws and regulations", and "business continuation" are also assessed on a five-point scale.
  - Vulnerabilities**
    - Assessed by the two elements of "countermeasures" and "clarity of responsible organizations."

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

Risk type		Cases of possible impact
Transition Risk	Policy and Legal	<ul style="list-style-type: none"> <li>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</li> <li>Future regulations have an impact on a wide scale on our technology development, product planning, and production planning</li> <li>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</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>As a climate change policy, fuel efficiency regulations for automobiles are being tightened globally, and customers' need for low-carbon vehicles is also increasing.</li> <li>Development and cost reduction of low-carbon technology focusing on electrification are important management issues.</li> </ul>
	Market	<ul style="list-style-type: none"> <li>Changes in the market lead to a decrease in sales, affecting financial conditions</li> </ul>
	Reputation	<ul style="list-style-type: none"> <li>A concern that a decline in social image of the corporation will affect Toyota's sales and stock prices</li> </ul>
Physical Risks	Acute	<ul style="list-style-type: none"> <li>A concern that extensive storms and floods caused by climate change will damage Toyota's 50 major plants worldwide</li> </ul>
	Chronic	<ul style="list-style-type: none"> <li>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</li> </ul>

### 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 according to the TGRS, each region and each Group mutually cooperates and supports to implement 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 and Production Environment Committee. 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
  - Production Environment Committee: Direct operations, such as CO<sub>2</sub> emission regulations on plants and water risks
- Meetings of these two committees are held when an important event arises 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, and the response measures are 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 corporate activities and behavior, including climate change.
- At the meetings of the Environmental Product Design Assessment Committee and Production Environment Committee, where members from relevant divisions gather, climate-related risks and opportunities are identified/assessed, and countermeasures are examined.

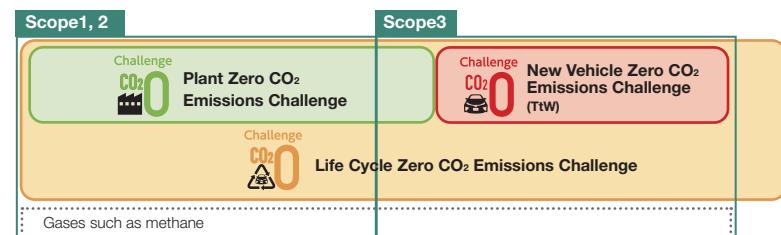
## Metrics and Targets

### 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 CO<sub>2</sub> emissions but also other elements deeply related to climate change, such as energy, water, resource recycling, and biodiversity.
- These metrics are systematically incorporated in the following targets as the six challenges.
  - Toyota Environmental Challenge 2050:** A long-term target toward 2050
  - 2030 Milestone:** A medium-term target toward 2030
  - Seventh Toyota Environmental Action Plan:** A short-term target toward 2025
- Toyota aims to achieve carbon neutrality by 2050 with the following three zero challenges:
  - Life Cycle Zero CO<sub>2</sub> Emissions Challenge: Scope 1, 2, and 3 along with voluntary initiatives
  - New Vehicle Zero CO<sub>2</sub> Emissions Challenge: Focuses on TtW<sup>1</sup> of Category 11 in Scope 3
  - Plant Zero CO<sub>2</sub> Emissions Challenge: Scope 1, 2 and production bases of some financially non-consolidated affiliates (Scope 3)
- Toyota announced in 2021 that it would aim to achieve carbon neutrality at plants by 2035.
- Internally, certain carbon prices are used as indicators to examine capital investment and other activities.
- Approaches to each target are presented in the table on the next page.

<sup>1</sup>Tank to Wheel: CO<sub>2</sub> emissions during driving (CO<sub>2</sub> emissions during the production stage of the fuel and electricity are not included; TtW emissions are zero in the case of battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs))

### Relationships between Environmental Challenge and GHG Protocol<sup>2</sup> (Scope 1, 2 and 3)



<sup>2</sup>GHG Protocol: International standards for accounting and reporting GHG emissions

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

- Calls for disclosure related to climate change issues based on the GHG protocol, etc. have been increasing globally.
- Although Toyota has been working to reduce CO<sub>2</sub> emissions broadly, it **reviewed and expanded the organizational boundary** for CO<sub>2</sub> emissions reduction.
- The table below shows trends in CO<sub>2</sub> emissions in the new organizational boundary from 2019 to 2021.
  - Trends in CO<sub>2</sub> emissions in the organizational boundary applied until last year are also presented for reference.

Trends in CO <sub>2</sub> Emissions		Third Party Verification	2021 data	(million t-CO <sub>2</sub> )
		2019	2020	2021
Scope1		2.94	2.45	<b>2.56</b>
Scope2		3.90	3.42	<b>3.69</b>

\* Changes in calculation of CO<sub>2</sub> emissions

- Organizational boundary (as follows. Both include some estimated values)
  - Conventional: See P47 "Environmental Data G"
  - New: "Explanation of the Standard Calorific Value by Energy Source and Carbon Emissions Factors" (FY2018 revision) by the Agency for Natural Resources and Energy of Japan
  - "Greenhouse Gas Emissions Accounting and Reporting Manual" (Ver 4.7) by Ministry of the Environment of Japan

(Reference) Data based on conventional factors and organizational boundary (million t-CO<sub>2</sub>)

	2019	2020	2021
Scope1	1.90	1.64	<b>1.69</b>
Scope2	3.78	3.26	<b>3.46</b>

### c) Targets Used by the Organization to Manage Climate-related Risks and Opportunities and Performance Against Targets

#### Structure of Environmental Strategies

- Toyota is continuously monitoring trends as well as customer's opinion, which enables it to consider what issues should be focused on and work on environmental issues with new ideas and technologies by quickly anticipating future issues.
- 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 formulated the Toyota Environmental Challenge 2050 in 2015 and the 2030 Milestone in 2018 so that each one of us can better understand these issues and 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 are pursuing the development of a sustainable society by implementing, in collaboration with global consolidated subsidiaries and business partners around the world, the specific activities determined through a process of back casting from Toyota's medium- and long-term vision.

## Long-term Targets and Medium-term Targets

		Challenge CO <sub>2</sub> 0 Life Cycle Zero CO <sub>2</sub> Emissions Challenge	Challenge CO <sub>2</sub> 0 New Vehicle Zero CO <sub>2</sub> Emissions Challenge	Challenge CO <sub>2</sub> 0 Plant Zero CO <sub>2</sub> Emissions Challenge	Challenge Water 6 Challenge of Minimizing and Optimizing Water Usage	Challenge Water 9 Challenge of Establishing a Recycling-based Society and Systems	Challenge Nature 12 Challenge of Establishing a Future Society in Harmony with Nature
Contribution to SDGs							
Carbon neutrality by 2050							
Toyota Environmental Challenge 2050							
<p>Completely eliminate all CO<sub>2</sub> emissions throughout the entire vehicle life cycle</p>		<p>Reduce global<sup>2</sup> average CO<sub>2</sub> emissions (TtW) from new vehicles by 90 percent compared to Toyota's 2010 levels by 2050</p>		<p>Achieve zero CO<sub>2</sub> emissions at global plants by 2050</p>		<p>Minimize water usage and implement water discharge management according to individual local conditions</p>	
Carbon neutrality at plants by 2035							
2030 Milestone							
<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 25 percent or more<sup>1</sup> throughout the entire vehicle life cycle compared to 2013 levels</li> </ul>		<ul style="list-style-type: none"> <li>Reduce global<sup>2</sup> average CO<sub>2</sub> emissions (TtW, g/km) from new vehicles by 35 percent or more<sup>3</sup> compared to 2010 levels</li> </ul>		<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions from global plants by 35 percent compared to 2013 levels</li> </ul>		<ul style="list-style-type: none"> <li>Implement measures, on a priority basis, in the regions where the water environment is considered to have a large impact</li> <li>Water quantity: Complete measures at the 4 Challenge-focused plants in North America, Asia, and South Africa</li> <li>Water quality: Complete impact assessments and measures at all of the 22 plants where used water is discharged directly to river in North America, Asia, and Europe</li> <li>Disclose information appropriately and communicate actively with local communities and suppliers</li> </ul>	
7th Toyota Environmental Action Plan (2025 Target)							

\*1 By promoting activities for the milestones of New Vehicle Zero CO<sub>2</sub> Emissions Challenge and Plant Zero CO<sub>2</sub> Emissions Challenge, and with support from stakeholders such as suppliers, energy providers, infrastructure developers, governments and customers

\*2 Countries and regions: Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand, and Indonesia

\*3 The figures are estimation and may be changed by market conditions



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

 <p><b>Life Cycle Zero CO<sub>2</sub> Emissions Challenge</b></p>	<b>Life cycle CO<sub>2</sub> emissions</b>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 18 percent or more throughout the entire vehicle life cycle compared to 2013 levels</li> </ul>
	<b>Logistics</b>	<ul style="list-style-type: none"> <li>Japan: Reduce CO<sub>2</sub> emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)</li> <li>Japan ⇄ Other regions: Reduce CO<sub>2</sub> emissions by vessels for export (introduce 2 LNG-powered pure car carriers)</li> </ul>
	<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Promote CO<sub>2</sub> emissions reduction activities among major suppliers</li> </ul>
	<b>Dealers and distributors</b>	<ul style="list-style-type: none"> <li>Achieve 100 percent introduction rate for CO<sub>2</sub> emissions reduction items at newly constructed and remodeled dealers</li> </ul>
	<b>Average CO<sub>2</sub> emissions from new vehicles</b>	<ul style="list-style-type: none"> <li>Reduce global<sup>1</sup> average CO<sub>2</sub> emissions (TtW, g/km) from new vehicles by 30 percent or more compared to 2010 levels</li> </ul> <p><sup>1</sup> Countries and regions: Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand, and Indonesia</p>
 <p><b>New Vehicle Zero CO<sub>2</sub> Emissions Challenge</b></p>	<b>Electrified vehicles</b>	<ul style="list-style-type: none"> <li>Make cumulative sales of 30 million electrified vehicles or more</li> </ul>
 <p><b>Plant Zero CO<sub>2</sub> Emissions Challenge</b></p>	<b>CO<sub>2</sub> emissions from plants</b>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by implementing innovative technologies and daily kaizen and introducing renewable energy</li> <li>Reduce CO<sub>2</sub> emissions from global plants by 30 percent compared to 2013 levels</li> <li>Achieve a 25 percent introduction rate for renewable electricity</li> <li>Promote proactive technological development to utilize hydrogen</li> </ul>

 <p><b>Challenge of Minimizing and Optimizing Water Usage</b></p>	<b>Water quantity</b>	<ul style="list-style-type: none"> <li>Reduce water usage taking the water environment in each country and region into consideration</li> <li>Promote wastewater recycling, rainwater use, and various activities including daily kaizen</li> <li>Reduce global water usage by 3 percent per vehicle produced compared to 2013 levels (reduce by 34 percent compared to 2001 levels)</li> <li>Complete measures at 2 Challenge-focused plants where the water environment is considered to have a large impact</li> </ul>
	<b>Water quality</b>	<ul style="list-style-type: none"> <li>Thoroughly manage water discharge quality under internal standards that are stricter than regulatory standards</li> <li>Continuously assess the impact of wastewater at all plants where it is discharged directly into the river</li> </ul>
	<b>Toyota Global100 Dismantlers Project</b>	<ul style="list-style-type: none"> <li>Complete setup of 15 model facilities for appropriate treatment and recycling of end-of-life vehicles</li> <li>Continuously accelerate easy-to-dismantle designs</li> <li>Integrate easy-to-dismantle designs to respond to appropriate treatment and recycling of End-of-life vehicles and resource issues, and provide appropriate information (large batteries, fuel cell (FC), hydrogen tank)</li> </ul>
 <p><b>Challenge of Establishing a Recycling-based Society and Systems</b></p>	<b>Toyota Global Car-to-Car Recycle Project</b>	<ul style="list-style-type: none"> <li>Establish a safe and efficient system for battery 3R (Rebuild, Reuse, and Recycle), eyeing the widespread use of electrified vehicles</li> <li>Aim to maximize collection and detoxification of End-of-life batteries globally</li> <li>Start operating battery 3R throughout 5 regions—Japan, U.S., Europe, China, and Asia</li> <li>Develop technologies to utilize recycled materials (especially plastics) in accordance with the conditions in each region</li> <li>Promote utilization by technological development to optimally exploit recycled materials in Europe and to increase the supply of recycled materials in Japan</li> </ul>
	<b>Toyota Green Wave Project</b>	<ul style="list-style-type: none"> <li>Realize “Plant in Harmony with Nature”—6 in Japan and 4 in other regions</li> <li>Promote activities to connect with local communities in collaboration with affiliated companies</li> <li>Start activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation</li> </ul>
	<b>Toyota Today for Tomorrow Project</b>	<ul style="list-style-type: none"> <li>Globally strengthen conservation of endangered species, which symbolize biodiversity in collaboration with NGOs and others</li> </ul>
 <p><b>Challenge of Establishing a Future Society in Harmony with Nature</b></p>	<b>Toyota ESD<sup>2</sup> Project</b>	<ul style="list-style-type: none"> <li>Implement globally unified initiatives to foster environmentally conscious persons responsible for the future</li> <li>Offer environmental education opportunities by utilizing biotopes and others in collaboration with the Plant in Harmony with Nature</li> <li>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</li> </ul>

<sup>1</sup> Education for Sustainable Development

 <p><b>Environmental Management</b></p>	<b>Chemical substances</b>	<ul style="list-style-type: none"> <li>Implement thorough management by carefully considering legal trends in each country and region</li> </ul>
	<b>Air quality</b>	<ul style="list-style-type: none"> <li>Product: Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVs<sup>3</sup></li> </ul> <p><sup>3</sup> Zero Emission Vehicles: Vehicles that have the potential not to emit any CO<sub>2</sub> during driving such as battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs)</p> <ul style="list-style-type: none"> <li>Production: Continue volatile organic compound (VOC) emissions reduction activities and maintain industry-leading level</li> </ul>
	<b>Waste</b>	<ul style="list-style-type: none"> <li>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</li> </ul>
	<b>Logistics packaging</b>	<ul style="list-style-type: none"> <li>Implement initiatives to reduce and recycle plastics used in packaging and recycle them</li> </ul>
	<b>Risk management</b>	<ul style="list-style-type: none"> <li>Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region</li> </ul>

Updated in October 2022

# Environmental Data

- 46** Greenhouse Gases (GHG)
- 47** Energy
- 48** Water
- 49** Recycling
- 50** Waste
- 50** VOC, NOx, SOx
- 50** Conversion Factors

## Greenhouse Gases (GHG)

**A**

### CO<sub>2</sub> Emissions & CO<sub>2</sub> Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global

GRI 305-1, 305-2, 305-4 Third-party Verification 2021 data

	2019	2020	2021
Scope 1 (Direct Emissions)	2.94	2.45	<b>2.56</b>
Toyota Motor Corporation	0.38	0.37	<b>0.36</b>
Japan (excluding Toyota Motor Corporation)	1.40	1.10	<b>1.07</b>
North America	0.43	0.38	<b>0.46</b>
Europe	0.09	0.09	<b>0.12</b>
Asia	0.26	0.20	<b>0.23</b>
Others (South America, Oceania, Africa, Middle East)	0.38	0.31	<b>0.32</b>
Scope 2 (Energy-related Indirect Emissions)	3.90	3.42	<b>3.69</b>
Toyota Motor Corporation	0.84	0.65	<b>0.59</b>
Japan (excluding Toyota Motor Corporation)	1.23	1.13	<b>1.22</b>
North America	0.82	0.76	<b>0.80</b>
Europe	0.01	0.03	<b>0.04</b>
Asia	0.84	0.72	<b>0.89</b>
Others (South America, Oceania, Africa, Middle East)	0.15	0.12	<b>0.15</b>
Total	6.84	5.87	<b>6.24</b>

	2019	2020	2021
Per vehicle produced	0.76	0.79	<b>0.77</b>

Calculated in accordance with the GHG Protocol

## &lt;Organizational Boundary&gt;

- Toyota Motor Corporation and consolidated subsidiaries (100%)

**P.50 Environmental Data (Conversion Factors)****B**

### Greenhouse Gases Emissions from Sources Other Than Energy-related CO<sub>2</sub> Scope 1 (Direct Emissions) : Global

GRI 305-1

By type	2019	2020	2021
Non-energy-related CO <sub>2</sub>	0.008	0.007	<b>0.007</b>
CH <sub>4</sub>	0.015	0.015	<b>0.013</b>
N <sub>2</sub> O	0.009	0.008	<b>0.009</b>
PFCs	0.009	0.008	<b>0.041</b>
HFCs	0	0	<b>0</b>
SF <sub>6</sub>	0.002	0.005	<b>0.002</b>
Total	0.042	0.043	<b>0.072</b>

Calculated in accordance with the Japanese Act on Promotion of Global Warming Countermeasures

## &lt;Organizational Boundary&gt;

- All plants of Toyota Motor Corporation and consolidated subsidiaries

**P.50 Environmental Data (Conversion Factors)****C**

### CO<sub>2</sub> Emissions Scope 3 (Other Indirect Emissions): Global

GRI 305-3 Third-party Verification 2021 data

	2019	2020	2021
1 Purchased goods and services <sup>1</sup>	88.8	75.79	<b>85.25</b>
2 Capital goods	4.23	3.93	<b>4.17</b>
3 Fuel- and energy-related activities (not included in Scope 1 or 2) <sup>1</sup>	1.19	1.00	<b>1.08</b>
4 Upstream transportation and distribution <sup>1</sup>	4.40	3.79	<b>4.21</b>
5 Waste generated in operations <sup>1</sup>	0.13	0.11	<b>0.10</b>
6 Business travel	0.17	0.05	<b>0.04</b>
7 Employee commuting	0.68	0.74	<b>0.63</b>
8 Upstream leased assets <sup>2</sup>	—	—	—
9 Downstream transportation and distribution <sup>1</sup>	0.03	0.02	<b>0.03</b>
10 Processing of sold products	1.24	0.77	<b>0.87</b>
11 Use of sold products <sup>3</sup>	258.45	234.35	<b>267.39</b>
12 End-of-life treatment of sold products <sup>1</sup>	4.93	4.35	<b>4.87</b>
13 Downstream leased assets <sup>2</sup>	—	—	—
14 Franchises	—	—	<b>4.65</b>
15 Investments	0.09	0.07	<b>0.07</b>
Total	364.34	324.97	<b>373.36</b>

## &lt;Organizational Boundary&gt;

- Mainly covers automotive business of Toyota Motor Corporation and consolidated subsidiaries

**P.50 Environmental Data (Conversion Factors)**

\*1 The figures for 2019 and 2020 were also recalculated due to the revision of calculation conditions.

\*2 Calculated in Scope 1 & 2 and Scope 3 Category 11

\*3 • In Category 11, the data of Toyota Motor Corporation and Daihatsu Motor Co., Ltd. are provided. For all the consolidated subsidiaries, data will be disclosed as soon as they are ready.

• For Toyota Motor Corporation, Category 11 is calculated from the average fuel efficiency of vehicles (excluding the freight category in the regulations for fuel efficiency, as well as trucks and buses) in each country and region—Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand and Indonesia

**D****CO<sub>2</sub> Emissions**

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

	2019	2020	2021
Scope1,2,3 Total	371.18	330.84 <sup>1</sup>	<b>379.6</b>

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

<Progress for achieving emissions reduction targets validated and approved by the Science Based Targets initiative (SBTi)<sup>2</sup>>

**1) Emissions reduction targets**

SBTi validated Toyota's emissions reduction target for Scope 1 and 2 as in line with its 1.5°C criteria in September 2022. In conjunction with this validation, SBTi also approved Toyota's emission intensity targets for Scope 3 Category 11 as in line with its well below 2°C criteria.

**2) Scope 1 & 2 emissions reductions**

	2019	2020	2021
(a) Toyota Motor Corporation and consolidated subsidiaries	6.84	5.87	<b>6.24</b>
(b) Toyota vehicle production plants of unconsolidated subsidiaries (production processes)	0.54	0.81	<b>0.77</b>
Total (a) + (b)	7.38	6.69	<b>7.01</b>

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

Reduction Target: • 68% reduction by 2035, compared to 2019 levels

Progress: • Refer to total CO<sub>2</sub> emissions of (a) and (b) in each year as mentioned above

**3) Scope 3 Category 11 emissions reductions**

The data will be disclosed as soon as they are ready.

\*2 SBTi: An initiative established by CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

**E****Average CO<sub>2</sub> Emissions from New Vehicles: Global**

SASB TR-AU-410a.1 GRI 302-5, 305-5

Third-party Verification 2021 data

By country & region	2020	2021
U.S.	150.2	<b>146.0</b>
Canada	142.6	<b>134.9</b>
Brazil	100.4	<b>101.5</b>
Europe	96.1	<b>113.2</b>
Russia	188.0	<b>187.3</b>
Japan	131.2	<b>125.0</b>
China	127.9	<b>136.1</b>
Taiwan	147.7	<b>144.2</b>
India	148.5	<b>152.3</b>
Thailand	165.4	<b>163.1</b>
Indonesia	161.5	<b>158.4</b>
Saudi Arabia	162.8	<b>159.4</b>
Australia	177.1	<b>172.8</b>
South Africa	194.0	<b>179.6</b>

<Organizational Boundary>

- Toyota Motor Corporation (excluding consolidated subsidiaries)
- Excludes the freight category in the regulations for fuel efficiency as well as trucks and buses

**F****Electrified Vehicles Sales: Global**

SASB TR-AU-410a.2 Third-party Verification 2021 data

(thousand vehicles)

By type	2019	2020	2021
Hybrid electric vehicles (HEVs)	1,864	1,905	<b>2,565</b>
Plug-in hybrid electric vehicles (PHEVs)	56	48	<b>116</b>
Battery electric vehicles (BEVs)	0	3	<b>16</b>
Fuel cell electric vehicles (FCEVs)	2	1	<b>5</b>
Total	1,922	1,957	<b>2,703</b>

(%)

	2019	2020	2021
Ratio of electrified vehicles sold	19.8	22.5	<b>24.6</b>

**G****Energy Used & Energy Intensity: Global**

GRI 302-1, 302-3, 302-4

Third-party Verification 2021 data

(PJ<sup>3</sup>)

By region	2019	2020	2021
Toyota Motor Corporation	11.7	10.1	<b>10.2</b>
Japan (excluding Toyota Motor Corporation)	20.0	17.8	<b>19.4</b>
North America	13.2	11.2	<b>13.3</b>
Europe	3.2	2.9	<b>3.2</b>
Asia	7.8	6.2	<b>7.7</b>
Others (South America, Oceania, Africa, Middle East)	2.0	1.6	<b>1.8</b>
Total	58.0	49.9	<b>55.6</b>

(PJ<sup>3</sup>)

By type	2019	2020	2021
Electricity	23.5	20.2	<b>22.7</b>
City gas	15.2	14.1	<b>14.7</b>
Natural gas	11.6	9.5	<b>12.1</b>
LPG	1.5	1.2	<b>1.3</b>
LNG	1.1	0.3	<b>0.1</b>
Coke	0.3	0.3	<b>0.3</b>
Coal	0.001	0.001	<b>0.001</b>
Heavy oil A	0.6	0.5	<b>0.4</b>
Diesel oil	0.3	0.2	<b>0.2</b>
Kerosene	0.1	0.1	<b>0.1</b>
Steam	0.01	0.02	<b>0.01</b>
Hot water	0.00	0.00	<b>0.01</b>
Renewable energy	3.3	3.0	<b>3.5</b>
Others	0.6	0.5	<b>0.1</b>
Total	58.0	49.9	<b>55.6</b>

<Organizational Boundary>

- All plants of Toyota Motor Corporation and consolidated subsidiaries

**P.50 Environmental Data (Conversion Factors)**

\*3 Peta joule: Peta represents 1015 and a joule is a unit of energy

\*4 Giga joule: Giga represents 109 and a joule is a unit of energy

## Water

### H Water Withdrawal: Global

GRI 303-3 Third-party Verification 2021 data

	(million m³)		
By region	2019	2020	2021
Toyota Motor Corporation	7.7	6.2	<b>5.8</b>
Japan (excluding Toyota Motor Corporation)	15.7	13.1	<b>12.7</b>
North America	6.9	5.7	<b>6.4</b>
Europe	1.4	1.2	<b>1.2</b>
Asia	6.7	5.0	<b>6.0</b>
Others (South America, Oceania, Africa, Middle East)	1.1	1.0	<b>1.3</b>
Total	39.4	32.3	<b>33.5</b>

	(million m³)		
By water source*	2019	2020	2021
Surface water	0.4	0.2	<b>0.2</b>
Groundwater	7.9	6.2	<b>6.7</b>
Seawater	0.0	0.0	<b>0.0</b>
Produced water	0.0	0.0	<b>0.0</b>
Third-party water	31.1	25.8	<b>26.6</b>
Total	39.4	32.3	<b>33.5</b>

\* Classification items have been revised in accordance with GRI definitions.

	(m³/unit)		
	2019	2020	2021
Per vehicle produced	4.37	4.33	<b>4.12</b>

&lt;Organizational Boundary&gt;

• All plants of Toyota Motor Corporation and consolidated subsidiaries

### I Water Discharge: Global

GRI 303-4

	(million m³)		
By water discharge destination	2019	2020	2021
Surface water	31.9	26.9	<b>29.3</b>
Groundwater	0.2	0.1	<b>0.0</b>
Seawater	2.1	2.0	<b>2.0</b>
Third-party water	1.5	1.2	<b>2.6</b>
Total	35.7	30.1	<b>33.9</b>

## &lt;Quality Management of Water Discharge&gt;

- Indicators\* specified in the regulations of each country (BOD, COD, nitrogen, phosphorus, pH, etc.) are strictly managed by each plant by setting its own control standards that are stricter than the standard values specified by the regulations of each country.

\* Biological oxygen demand (BOD), chemical oxygen demand (COD), nitrogen, phosphorus, pH, etc.

## &lt;Organizational Boundary&gt;

- All plants of Toyota Motor Corporation and consolidated subsidiaries

### J Water Consumption: Global

GRI 303-5

	(million m³)		
	2019	2020	2021
Water Consumption	3.7	2.2	<b>-0.5</b>

## &lt;Calculation Method&gt;

- Calculated using the formula below in accordance with GRI 303
- Water consumption = water withdrawal – water discharge

## &lt;Organizational Boundary&gt;

- All plants of Toyota Motor Corporation and consolidated subsidiaries

### K Recycled Water: Global

GRI 303-6

	(million m³)		
	2019	2020	2021
Recycled Water	0.6	0.6	<b>1.2</b>

## &lt;Organizational Boundary&gt;

- All plants of Toyota Motor Corporation and consolidated subsidiaries

## Recycling

### L Raw Materials Used and Recycled Materials Use Rate: Global

GRI 301-1, 301-2, 306-4

Amount of raw materials used	(million tons)		
	2019	2020	2021
All materials	14.54	12.32	<b>13.66</b>
Iron	9.4	7.97	<b>8.83</b>
Aluminum	1.33	1.12	<b>1.25</b>
Others	3.81	3.24	<b>3.58</b>

Ratio of recycled materials used	(%)		
	2019	2020	2021
Ratio of recycled materials used in raw materials	24	24	<b>25</b>

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

SASB TR-AU-440b.3 GRI 301-3

	(thousand vehicles)		
	2019	2020	2021
Amount of appropriate End-of-life vehicle treatment and recycling processed		623	<b>585</b>
			(%)
Recycling rate	2019	2020	2021
Vehicle recovery rate <sup>1</sup> (converted into a per-vehicle value)	99	99	<b>99</b>
ASR <sup>2</sup> recycling rate <sup>3</sup>	96	96	<b>96</b>
			(thousand tons)
ASR processing volume	2019	2020	2021
	24	143	<b>136</b>

\*1 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%

\*2 Automobile Shredder Residue: Residue after End-of-life vehicles are shredded

\*3 Recycling volume/amount collected

### N Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation

GRI 301-1, 301-2, 301-3, 306-4

	2019		2020		2021	
	Remanufactured/ used parts	Reference: Replacement with new parts	Remanufactured/ used parts	Reference: Replacement with new parts	Remanufactured/ used parts	Reference: Replacement with new parts
Remanufactured parts	Automatic transmission	855	52	714	49	<b>655</b>
	Power steering gear	3,391	1,673	3,102	1,654	<b>3,429</b>
	Torque converter	794	2,569	750	2,230	<b>645</b>
Used parts	26,716	—	24,100	—	<b>21,008</b>	—

### O Information on Vehicles Recycled in Accordance with SASB<sup>4</sup> Standards: Toyota Group

SASB TR-AU-440b.2

	2021
Weight of vehicles recovered	<b>1.16</b>
Vehicle recovery rate <sup>4</sup> (converted into a per-vehicle value)	<b>99</b>

\*4 Sustainability Accounting Standards Board

<Organizational Boundary>

- Domestic results of Toyota Motor Corporation, Daihatsu Motor Co., Ltd. and Hino Motors, Ltd.

### P Parts Recycled: Toyota Motor Corporation

GRI 301-3

	2019	2020	2021
Drive battery	39,184	40,694	<b>41,366</b>

	2019	2020	2021
FC stack	4	26	<b>39</b>

	2019	2020	2021
Magnet <sup>5</sup>	6.0	10.0	<b>7.5</b>

	2019	2020	2021
Lead wheel balance weight <sup>6</sup>	69.7	59.7	<b>58.4</b>

	2019	2020	2021
Bumper	0.658	0.535	<b>0.544</b>

\*5 Magnets used in drive motors

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

### Q Bulk Supply System<sup>7</sup> Oil Supply Rate<sup>8</sup>: Toyota Motor Corporation

GRI 306-2

	2019	2020	2021
Drive battery	64.0	63.7	<b>48.8</b>

\*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

## Waste

**R** **Waste: Global**  
**SASB TR-AU-440b.1** **GRI 306-3**  
 Third-party Verification 2021 data

	(thousand tons)		
By region	2019	2020	<b>2021</b>
Toyota Motor Corporation	29	26	<b>24</b>
Japan (excluding Toyota Motor Corporation)	131	110	<b>120</b>
North America	33	26	<b>34</b>
Europe	10	11	<b>15</b>
Asia	30	21	<b>28</b>
Others (Oceania, South America, Africa, Middle East)	8	5	<b>9</b>
Total	241	200	<b>231</b>

	(thousand tons)		
By disposal operations	2019	2020	<b>2021</b>
Recycling for a fee <sup>*1</sup>	189	158	<b>158</b>
Incineration	29	25	<b>51</b>
Landfilling	23	17	<b>22</b>
Total	241	200	<b>231</b>

	(thousand tons)		
By type	2019	2020	<b>2021</b>
Non-hazardous waste	225	185	<b>200</b>
Hazardous waste	16	14	<b>31</b>
Total	241	200	<b>231</b>

	(kg/unit)		
Per vehicle produced	2019	2020	<b>2021</b>
	26.7	26.8	<b>28.4</b>

<Organizational Boundary>  
 • All plants of Toyota Motor Corporation and consolidated subsidiaries

\*1 Waste recycled for a fee

**S** **Packaging Materials Used: Toyota Motor Corporation**

	2019	2020	<b>2021</b>
Packaging Materials Used	47.1	38.1	<b>47.0</b>

<Organizational Boundary>

- Toyota Motor Corporation

## VOC<sup>\*2</sup>, NOx<sup>\*3</sup> & SOx<sup>\*4</sup>

**T** **VOC Emissions: Global**  
**GRI 305-7**

	2019	2020	<b>2021</b>
VOC	23.0	19.9	<b>25.5</b>

<Organizational Boundary>

- All plants of Toyota Motor Corporation and consolidated subsidiaries

\*2 Volatile organic compound

\*3 Nitrogen oxides

\*4 Sulfur oxides

**U** **NOx & SOx Emissions: Global**  
**GRI 305-7**

	2019	2020	<b>2021</b>
NOx	241	184	<b>167</b>
SOx	511	406	<b>347</b>

<Organizational Boundary>

- All plants of Toyota Motor Corporation and consolidated subsidiaries

<Calculation Method>

- NOx emissions volume =  $\sum$  (Fuel consumption × Emissions factor for each fuel)
- SOx emissions volume =  $\sum$  (Fuel consumption × Density × Sulfur content)

P.50 Environmental Data (Conversion Factors)

## Conversion Factors

**A** **Referenced Emission Factors**

**Electricity:**

- Emission factor method by electric company (partially used 2019 actual figures from the "IEA Emissions Factors 2021")

**Other Than Electricity:**

- "Explanation of the Standard Calorific Value by Energy Source and Carbon Emissions Factors" (FY2018 revision) by the Ministry of Economy, Trade and Industry
- "Greenhouse Gas Emissions Accounting and Reporting Manual" by the Ministry of the Environment

**B** **Referenced Global Warming Potential**

- IPCC "Fourth Assessment Report"

**C** **Referenced Emission Factors**

Categories 1, 2, 3, 5, 7, 14  
 Database on Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain" by the Ministry of the Environment of Japan

Categories 1, 2, 3, 6, 7, 12, 14  
 IDEA v2.3

Categories 1, 3  
 Calculated based on the 2019 actual figures of IEA's "Emissions Factors 2021," "World Energy Outlook 2021," "Data & Statistics," and GaBi Databases

Categories 3, 14  
 Mizuho Information & Research Institute, Inc. (Factors related to hydrogen)

Category 4  
 "Guidelines for the Method to Calculate CO<sub>2</sub> Emissions in the Distribution Sector" by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism

Categories 7, 14  
 Japanese Act on Promotion of Global Warming Countermeasures  
 "Greenhouse Gas Emissions Accounting and Reporting Manual"

"Carbon Footprint of Products Communication Program, Basic Database" by the Japan Environmental Management Association for Industry  
 Automobile fuel efficiency list by the Ministry of Land, Infrastructure, Transport and Tourism of Japan

Category 11  
 "Explanation of the Standard Calorific Value by Energy Source and Carbon Emissions Factors" (FY2018 revision), by the Ministry of Economy, Trade and Industry

**G** **Referenced Emission Factors**

**Electricity:**

- 3.6 GJ/MWh

**Other Than Electricity:**

- "Explanation of the Standard Calorific Value by Energy Source and Carbon Emissions Factors" (FY2018 revision) by the Ministry of Economy, Trade and Industry
- "Greenhouse Gas Emissions Accounting and Reporting Manual" by the Ministry of the Environment

**U** **Referenced Emission Factors**

- "Environmental Activity Evaluation Program" by the Ministry of the Environment of Japan

Updated in October 2022

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

GRI 3-3

- Toyota formulated 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 FY2022.

**Evaluation Legend**  
 ↗: Progressed smoothly  
 ↘: Target expected to be achieved by FY2026 although there are some issues  
 →: Target expected not to be achieved by FY2026

Six Challenges	No.	Action Items	Specific Actions and Targets	Progress Results in FY2022	Evaluation
<b>New Vehicle Zero CO<sub>2</sub> Emissions Challenge</b>	1	Average CO <sub>2</sub> emissions from new vehicles	<ul style="list-style-type: none"> <li>Reduce global<sup>1</sup> average CO<sub>2</sub> emissions (TtW<sup>2</sup>, g/km) from new vehicles by 30 percent or more compared to 2010 levels</li> </ul> <small>*1. Countries and regions: Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand and Indonesia</small> <small>*2. TtW (Tank to Wheel): CO<sub>2</sub> emissions during driving (CO<sub>2</sub> emissions during the production stage of the fuel and electricity are not included; Ttw emissions are zero in the case of battery electric vehicles and fuel cell electric vehicles)</small>	<ul style="list-style-type: none"> <li>Reduced by 24 percent compared to 2010 levels</li> </ul>	↗
	2	Electrified vehicles	<ul style="list-style-type: none"> <li>Make cumulative sales of 30 million electrified vehicles or more</li> </ul>	<ul style="list-style-type: none"> <li>Achieved total electrified vehicle sales of 2.7 million units in 2021, and cumulative sales of 20.3 million units</li> </ul>	
<b>Plant Zero CO<sub>2</sub> Emissions Challenge</b>	3	CO <sub>2</sub> emissions from plants	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by implementing innovative technologies and daily kaizen and introducing renewable energy</li> <li>Reduce CO<sub>2</sub> emissions from global plants by 30 percent compared to 2013 levels</li> </ul>	<ul style="list-style-type: none"> <li>Accelerated CO<sub>2</sub> emissions reduction activities by developing and introducing low-CO<sub>2</sub> production technologies and globally sharing of daily kaizen practices through shop-oriented environmental activities</li> <li>Reduced CO<sub>2</sub> emissions from global plants by 21 percent compared to 2013 levels</li> </ul>	↗
			<ul style="list-style-type: none"> <li>Achieve a 25 percent introduction rate for renewable electricity</li> </ul>	<ul style="list-style-type: none"> <li>Purchased renewable energy, taking into consideration the characteristics of each country and region</li> <li>Maintained 100% renewable electricity introduction rate at all plants in Europe</li> <li>Achieved a 13 percent global introduction rate for renewable electricity</li> </ul>	
			<ul style="list-style-type: none"> <li>Promote proactive technological development to utilize hydrogen</li> </ul>	<ul style="list-style-type: none"> <li>Started various verification tests to support the utilization of hydrogen at the Motomachi Plant and Shimoyama Plant</li> </ul>	
<b>Life Cycle Zero CO<sub>2</sub> Emissions Challenge</b>	4	Life cycle CO <sub>2</sub> emissions	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 18 percent or more throughout the entire vehicle life cycle compared to 2013 levels</li> </ul>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 18 percent or more throughout the entire vehicle life cycle compared to 2013 levels</li> </ul>	↗
	5	Logistics	<ul style="list-style-type: none"> <li>Japan           <ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)</li> </ul> </li> <li>Japan ⇄ Other regions           <ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions by ocean-going vessels (Switch two car carriers to liquid natural gas (LNG) powered pure car carriers)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Japan           <ul style="list-style-type: none"> <li>Reduced CO<sub>2</sub> emissions by 8 percent compared to 2018 levels</li> <li>Improved transport efficiency, including loading efficiency improvements, joint transport, modal shifts<sup>3</sup> and use of tandem trailers, and used low-carbon technology</li> </ul> </li> <li>Japan ⇄ Other regions           <ul style="list-style-type: none"> <li>Added one LNG-powered pure car carrier to car carriers for North America (Introduced a total of three car carriers)</li> </ul> </li> </ul>	
	6	Suppliers	<ul style="list-style-type: none"> <li>Promote CO<sub>2</sub> emissions reduction activities among major suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Started communication on climate change measures with suppliers in each region</li> </ul>	
	7	Dealers and distributors	<ul style="list-style-type: none"> <li>Achieve 100 percent introduction rate for CO<sub>2</sub> emissions reduction items at newly constructed and remodeled dealers</li> </ul>	<ul style="list-style-type: none"> <li>Promoted initiatives to achieve the target in 54 major countries and regions, including Japan, North America, Europe, Asia, Latin America, Oceania and Africa (which covers 92 percent of the total vehicle sales)</li> <li>Achieved the target in 41 countries and regions, and promoted initiatives to achieve the target in other countries</li> </ul>	↘



Policy and Environmental Management	Climate Change	Resource Recycling	Harmony with Nature	Climate-related Financial Disclosures Based on TCFD Recommendations	Environmental Data	FY2022 Review of the 7th Toyota Environmental Action Plan (2025 Target)	Third-party Verification
-------------------------------------	----------------	--------------------	---------------------	---	--------------------	---	--------------------------

Evaluation Legend  
 レ: Progressed smoothly  
 ヲ: Target expected to be achieved by FY2026 although there are some issues  
 一: Target expected not to be achieved by FY2026

Six Challenges	No.	Action Items	Specific Actions and Targets	Progress Results in FY2022	Evaluation
Challenge of Minimizing and Optimizing Water Usage	8	Water quantity	<ul style="list-style-type: none"> <li>Reduce water usage taking the water environment in each country and region into consideration</li> <li>Promote wastewater recycling, rainwater use, and various activities including daily kaizen</li> <li>Reduce global water usage by 3 percent per vehicle produced compared to 2013 levels (reduce by 34 percent compared to 2001 levels)</li> <li>Complete measures at 2 Challenge-focused plants where the water environment is considered to have a large impact</li> </ul>	<ul style="list-style-type: none"> <li>Promoted daily kaizen, wastewater recycling, and rainwater use</li> <li>Reduced by 11 percent compared to 2013 levels</li> <li>Promoted measures at Challenge-focused plants</li> </ul>	レ
	9	Water quality	<ul style="list-style-type: none"> <li>Thoroughly manage water discharge quality under internal standards that are stricter than regulatory standards</li> <li>Continuously assess the impact of wastewater at all plants where it is discharged directly into the river</li> </ul>	<ul style="list-style-type: none"> <li>Continued to manage water discharge quality under internal standards that are stricter than regulatory standards</li> <li>Conducted assessment at all plants where it is discharged directly into the river</li> </ul>	レ
Challenge of Establishing a Recycling-based Society and Systems	10	Toyota Global 100 Dismantlers Project	<ul style="list-style-type: none"> <li>Complete setup of 15 model facilities for appropriate treatment and recycling of End-of-life vehicles</li> <li>Continuously accelerate easy-to-dismantle designs                             <ul style="list-style-type: none"> <li>Integrate easy-to-dismantle designs to respond to appropriate treatment and recycling of End-of-life vehicles and resource issues, and provide appropriate information (large batteries, fuel cell (FC), hydrogen tank)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Completed setup of 9 facilities in total, including 2 facilities in India, in addition to the maintenance and management of 7 facilities already set up</li> <li>Continued to integrate easy-to-dismantle designs in new vehicles, published a collection of examples of easy-to-dismantle cases in Japan (through collaboration between the Japan Automobile Manufacturers Association and dismantlers), and conducted mass advertising on an individual company basis as Toyota (won the 2021 Japan Industrial Advertisement Award )</li> </ul>	レ
	11	Toyota Global Car to Car Recycle Project	<ul style="list-style-type: none"> <li>Establish a safe and efficient system for battery 3R<sup>1</sup>, eyeing the widespread use of electrified vehicles                             <ul style="list-style-type: none"> <li>Aim to maximize collection and detoxification of End-of-life batteries globally</li> <li>Start operating battery 3R throughout 5 regions—Japan, U.S., Europe, China, and Asia</li> </ul> </li> <li>Develop technologies to utilize recycled materials (especially plastics) in accordance with the conditions in each region                             <ul style="list-style-type: none"> <li>Promote utilization by technological development to optimally exploit recycled materials in Europe and to increase the supply of recycled materials in Japan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Japan                             <ul style="list-style-type: none"> <li>Participated in the Battery Recycling and Reuse Council in Kobe/Kansai Area and started evaluation and demonstration of the grid interconnection of reused batteries</li> </ul> </li> <li>Began concrete studies to expand the utilization of recycled materials in response to the circular economy                             <ul style="list-style-type: none"> <li>For recycled plastics, set and announced the target to expand their utilization by 2030</li> </ul> </li> </ul>	レ
Challenge of Establishing a Future Society in Harmony with Nature	12	Toyota Green Wave Project	<ul style="list-style-type: none"> <li>Realize “Plant in Harmony with Nature”—6 in Japan and 4 in other regions</li> <li>Promote activities to connect with local communities in collaboration with affiliated companies</li> <li>Start activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>Realized 3 plants in Japan and 4 model plants overseas and continued to promote the realization of Plant in Harmony with Nature by sharing of know-how to other plants</li> <li>Promoted activities in collaboration with 23 Toyota Group companies and global affiliates (Number of activities: 248)</li> </ul>	レ
	13	Toyota Today for Tomorrow Project	<ul style="list-style-type: none"> <li>Globally strengthen conservation of endangered species, which symbolize biodiversity, in collaboration with NGOs and others</li> </ul>	<ul style="list-style-type: none"> <li>Supported 27 projects of NPOs and other non-profit organizations and groups addressing biodiversity and climate change (17 in Japan and 10 in other regions)</li> </ul>	レ
	14	Toyota ESD <sup>2</sup> Project	<ul style="list-style-type: none"> <li>Implement globally unified initiatives to foster environmentally conscious persons responsible for the future                             <ul style="list-style-type: none"> <li>Offer environmental education opportunities by utilizing biotopes and others in collaboration with the Plant in Harmony with Nature</li> <li>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</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Conducted environmental education programs around the world [Cases in Japan]                             <ul style="list-style-type: none"> <li>Environmental study session: Plant in Harmony with Nature (21 sessions, including online sessions); The Forest of Toyota (179 sessions)</li> <li>Distributed 17,852 educational tools in harmony with nature for the next generation</li> </ul> </li> </ul>	レ

<sup>1</sup> Rebuild, Reuse, and Recycle

<sup>2</sup> Education for Sustainable Development



Policy and Environmental Management	Climate Change	Resource Recycling	Harmony with Nature	Climate-related Financial Disclosures Based on TCFD Recommendations	Environmental Data	FY2022 Review of the 7th Toyota Environmental Action Plan (2025 Target)	Third-party Verification
-------------------------------------	----------------	--------------------	---------------------	---	--------------------	---	--------------------------

## Evaluation Legend

��: Progressed smoothly

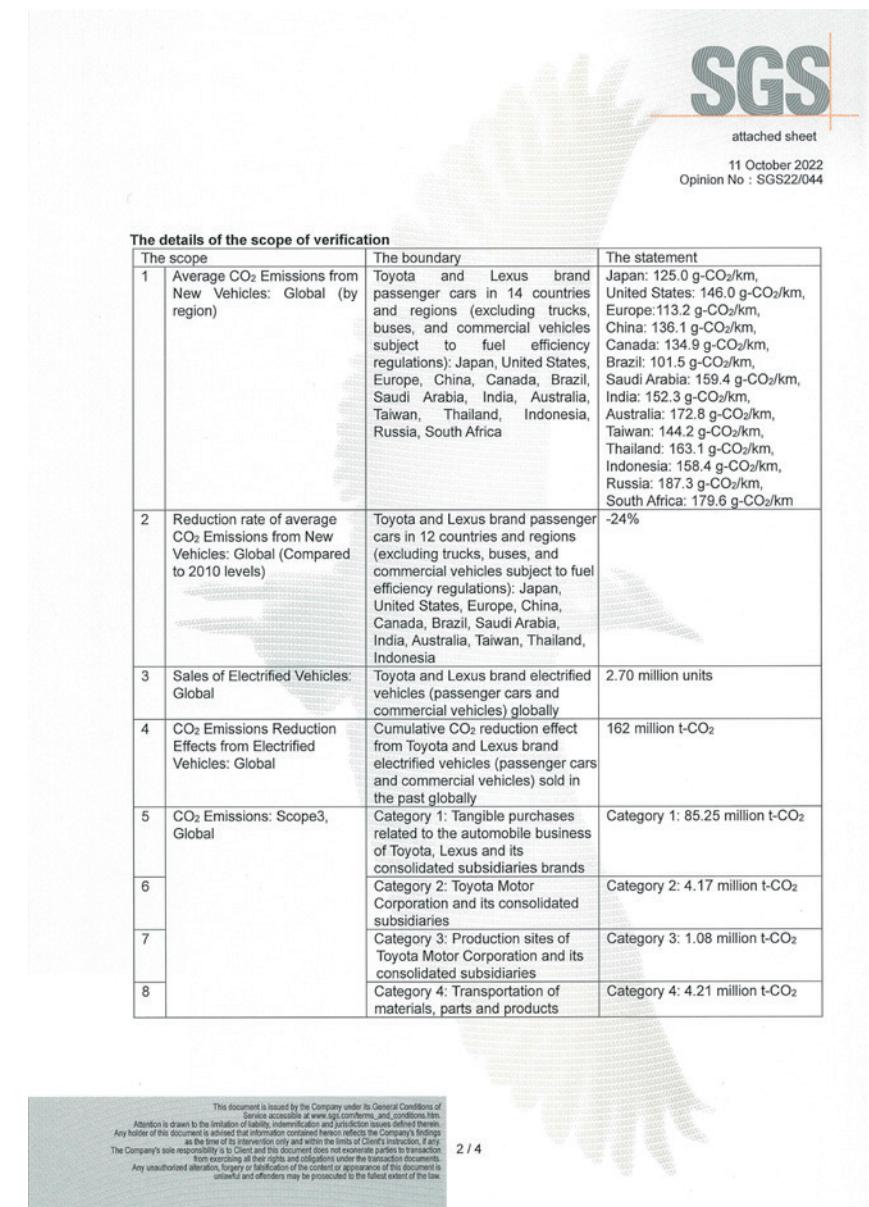
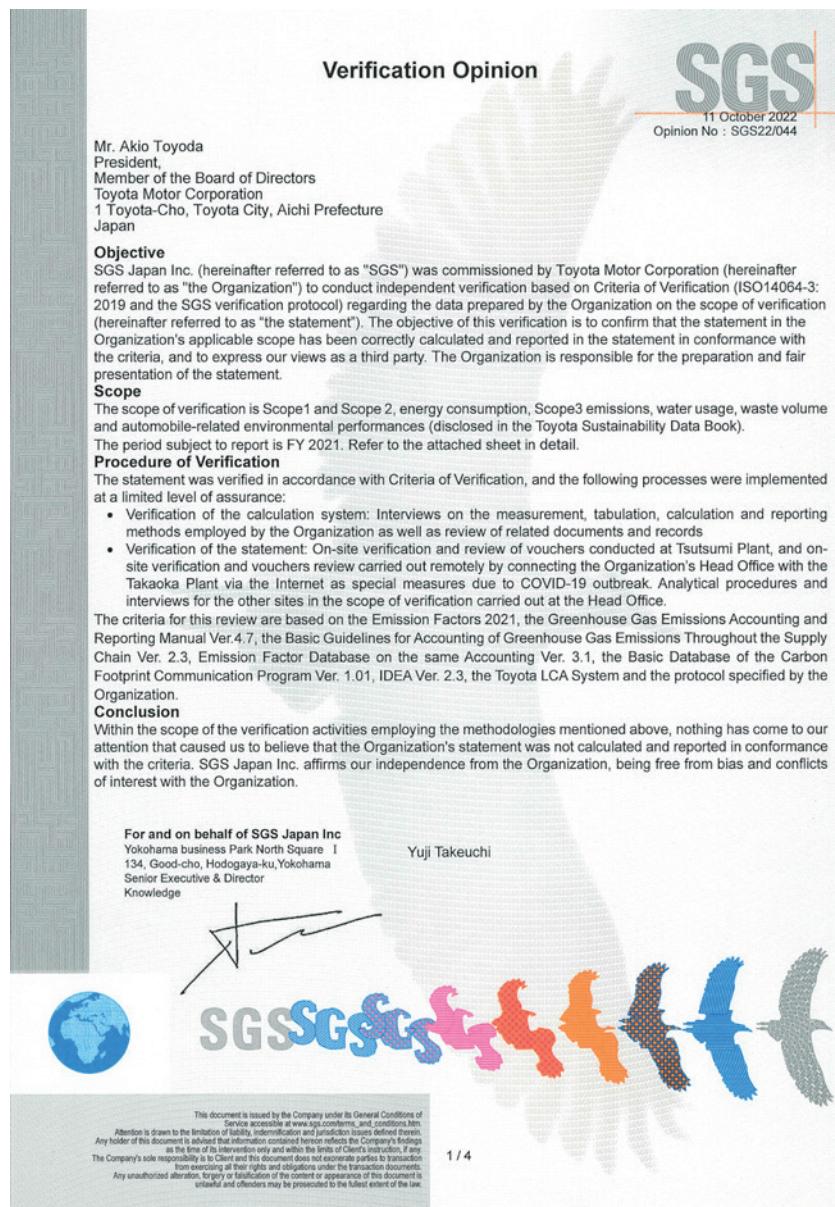
黄: Target expected to be achieved by FY2026 although there are some issues

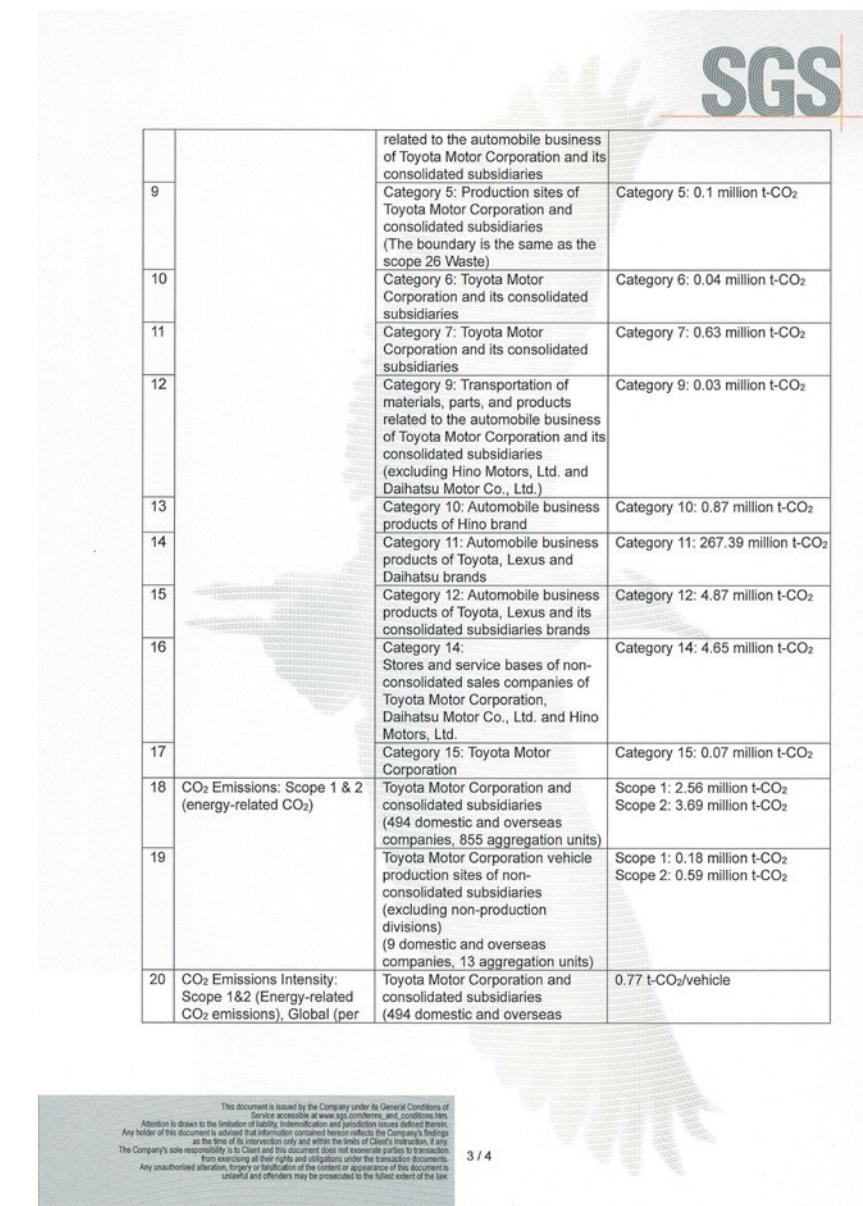
白: Target expected not to be achieved by FY2026

Six Challenges	No.	Action Items	Specific Actions and Targets	Progress Results in FY2022	Evaluation
Environmental Management	15	Chemical substances	<ul style="list-style-type: none"> <li>Implement thorough management by carefully considering legal trends in each country and region</li> </ul>	<ul style="list-style-type: none"> <li>Steadily introduced vehicles that comply with the latest regulations and restricted substances</li> <li>Continued to evaluate and improve chemical substance management structures by auditing and investigating suppliers' processes in each region of the world</li> </ul>	黄
	16	Air quality	<ul style="list-style-type: none"> <li>Product Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVs*</li> <li>* Zero Emission Vehicles: Vehicles that have the potential not to emit any CO<sub>2</sub> and NOx (nitrogen oxide) during driving such as battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs)</li> <li>Production Continue volatile organic compound (VOC) emissions reduction activities and maintain industry-leading level</li> </ul>	<ul style="list-style-type: none"> <li>Product In response to stricter emissions regulations in various countries and regions, steadily introduced vehicles that satisfy those regulations</li> <li>Production  <ul style="list-style-type: none"> <li>Production: Promoted a switch to water-based paint in the bumper painting process</li> <li>Took measures to completely eliminate the use of ozone-depleting substances (ODS)</li> <li>No significant releases occurred</li> </ul> </li> </ul>	黄
	17	Waste	<ul style="list-style-type: none"> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>Promoted activities to reduce waste through development and deployment of waste reduction-oriented production technologies and daily kaizen activities</li> </ul>	黄
	18	Logistics packaging	<ul style="list-style-type: none"> <li>Implement initiatives to reduce and recycle plastics used in packaging and recycle them</li> </ul>	<ul style="list-style-type: none"> <li>Continued to promote the reduction of plastics used in packaging by reviewing packaging specifications and active use of recycled materials</li> </ul>	黄
	19	Risk Management	<ul style="list-style-type: none"> <li>Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region</li> </ul>	<ul style="list-style-type: none"> <li>There were 2 environmental non-compliance issues in the production area (1 in Japan and 1 in the other region) and 1 complaint in the non-production area (1 in Japan), for which measures were completed</li> <li>There were no significant violations of environmental laws and regulations and environmental non-compliance issues</li> </ul>	黄

Updated in October 2022

# Third-party Verification

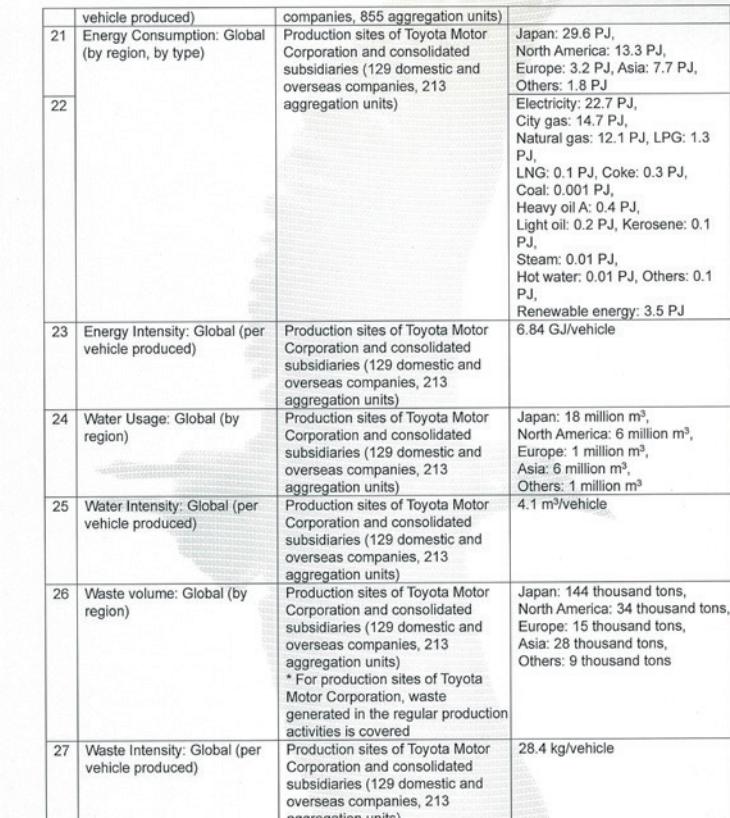


		related to the automobile business of Toyota Motor Corporation and its consolidated subsidiaries	
9		Category 5: Production sites of Toyota Motor Corporation and its consolidated subsidiaries (The boundary is the same as the scope 26 Waste)	Category 5: 0.1 million t-CO <sub>2</sub>
10		Category 6: Toyota Motor Corporation and its consolidated subsidiaries	Category 6: 0.04 million t-CO <sub>2</sub>
11		Category 7: Toyota Motor Corporation and its consolidated subsidiaries	Category 7: 0.63 million t-CO <sub>2</sub>
12		Category 9: Transportation of materials, parts, and products related to the automobile business of Toyota Motor Corporation and its consolidated subsidiaries (excluding Hino Motors, Ltd. and Daihatsu Motor Co., Ltd.)	Category 9: 0.03 million t-CO <sub>2</sub>
13		Category 10: Automobile business products of Hino brand	Category 10: 0.87 million t-CO <sub>2</sub>
14		Category 11: Automobile business products of Toyota, Lexus and Daihatsu brands	Category 11: 267.39 million t-CO <sub>2</sub>
15		Category 12: Automobile business products of Toyota, Lexus and its consolidated subsidiaries brands	Category 12: 4.87 million t-CO <sub>2</sub>
16		Category 14: Stores and service bases of non-consolidated sales companies of Toyota Motor Corporation, Daihatsu Motor Co., Ltd. and Hino Motors, Ltd.	Category 14: 4.65 million t-CO <sub>2</sub>
17		Category 15: Toyota Motor Corporation	Category 15: 0.07 million t-CO <sub>2</sub>
18	CO <sub>2</sub> Emissions: Scope 1 & 2 (energy-related CO <sub>2</sub> )	Toyota Motor Corporation and consolidated subsidiaries (494 domestic and overseas companies, 855 aggregation units)	Scope 1: 2.56 million t-CO <sub>2</sub> Scope 2: 3.69 million t-CO <sub>2</sub>
19		Toyota Motor Corporation vehicle production sites of non-consolidated subsidiaries (excluding non-production divisions) (9 domestic and overseas companies, 13 aggregation units)	Scope 1: 0.18 million t-CO <sub>2</sub> Scope 2: 0.59 million t-CO <sub>2</sub>
20	CO <sub>2</sub> Emissions Intensity: Scope 1&2 (Energy-related CO <sub>2</sub> emissions), Global (per	Toyota Motor Corporation and consolidated subsidiaries (494 domestic and overseas	0.77 t-CO <sub>2</sub> /vehicle

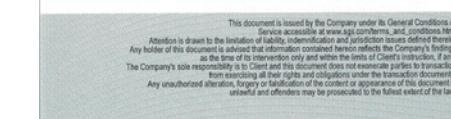
This document is issued by the Company under its General Conditions of Sale, General Terms and Conditions of Supply, and General Conditions of Employment, and Attention is drawn to the limitation of liability, indemnification and jurisdiction issues defined therein. Any holder of this document is advised that information contained herein reflects the Company's findings as the time of its issuance only and within the limits of its knowledge at that time. The Company's sole responsibility is to Client and this document does not exonerate parties to transaction from exercising all their rights and obligations under the transaction documents. The Company's sole responsibility is to Client and this document does not exonerate parties to transaction from exercising all their rights and obligations under the transaction documents. Any unauthorized alteration, forgery or falsification of the content or appearance of this document is unlawful and offenders may be prosecuted to the fullest extent of the law.

3 / 4



21	vehicle produced)	companies, 855 aggregation units)	Japan: 29.6 PJ, North America: 13.3 PJ, Europe: 3.2 PJ, Asia: 7.7 PJ, Others: 1.8 PJ
22	Energy Consumption: Global (by region, by type)	Production sites of Toyota Motor Corporation and consolidated subsidiaries (129 domestic and overseas companies, 213 aggregation units)	Electricity: 22.7 PJ, City gas: 14.7 PJ, Natural gas: 12.1 PJ, LPG: 1.3 PJ, LNG: 0.1 PJ, Coke: 0.3 PJ, Coal: 0.001 PJ, Heavy oil A: 0.4 PJ, Light oil: 0.2 PJ, Kerosene: 0.1 PJ, Steam: 0.01 PJ, Hot water: 0.01 PJ, Others: 0.1 PJ, Renewable energy: 3.5 PJ
23	Energy Intensity: Global (per vehicle produced)	Production sites of Toyota Motor Corporation and consolidated subsidiaries (129 domestic and overseas companies, 213 aggregation units)	6.84 GJ/vehicle
24	Water Usage: Global (by region)	Production sites of Toyota Motor Corporation and consolidated subsidiaries (129 domestic and overseas companies, 213 aggregation units)	Japan: 18 million m <sup>3</sup> , North America: 6 million m <sup>3</sup> , Europe: 1 million m <sup>3</sup> , Asia: 6 million m <sup>3</sup> , Others: 1 million m <sup>3</sup>
25	Water Intensity: Global (per vehicle produced)	Production sites of Toyota Motor Corporation and consolidated subsidiaries (129 domestic and overseas companies, 213 aggregation units)	4.1 m <sup>3</sup> /vehicle
26	Waste volume: Global (by region)	Production sites of Toyota Motor Corporation and consolidated subsidiaries (129 domestic and overseas companies, 213 aggregation units) * For production sites of Toyota Motor Corporation, waste generated in the regular production activities is covered	Japan: 144 thousand tons, North America: 34 thousand tons, Europe: 15 thousand tons, Asia: 28 thousand tons, Others: 9 thousand tons
27	Waste Intensity: Global (per vehicle produced)	Production sites of Toyota Motor Corporation and consolidated subsidiaries (129 domestic and overseas companies, 213 aggregation units)	28.4 kg/vehicle

The period varies depending on the fiscal year of each country (01 January 2021 to 31 December 2021, 01 April 2021 to 31 March 2022, 01 September 2020 to 31 August 2021).



Respect for Human Rights	Diversity and Inclusion	Value Chain Collaboration	Vehicle Safety	Quality and Service	Information Security	Privacy	Intellectual Property	Human Resource Development	Health and Safety	Social Contribution	Social Data
--------------------------	-------------------------	---------------------------	----------------	---------------------	----------------------	---------	-----------------------	----------------------------	-------------------	---------------------	-------------

# Social

- 57** Respect for Human Rights
- 63** Diversity and Inclusion
- 71** Value Chain Collaboration
- 74** Vehicle Safety
- 78** Quality and Service
- 82** Information Security
- 85** Privacy
- 87** Intellectual Property
- 88** Human Resource Development
- 92** Health and Safety
- 97** Social Contribution
- 98** Social Data

Updated in October 2022

# Respect for Human Rights



GRI 102-12, 13, 41, 409-1, 412-1~3, 414-2

- 57 Fundamental Approach
- 57 Organizational Structure
- 58 Policy development and dissemination
- 58 Human Rights Due Diligence
- 59 Initiatives for Migrant Labor (forced labor)
- 60 Initiatives for Wage
- 60 Initiatives for Working Hours
- 60 Initiatives for Flexible Work Styles
- 60 Initiatives for Anti-harassment
- 61 Initiatives for Child Labor
- 61 Initiatives for Freedom of Association
- 61 Initiatives for Precarious Work
- 62 Responsible Mineral Procurement
- 62 Education related to Human Rights

## Fundamental Approach

### Aim

- Toyota aims to be the best company in town that is both loved and trusted by the people.
- **Respect and honor the Human Rights of our employees, customers and all individuals that are impacted by our business.**
- Each employee contributes to the creation of a work environment that promotes safety & health, respects each employee's dignity, is inclusive, and is free from discrimination, harassment, child labor and forced labor. This is essential to ensuring a decent work environment.

### Initiative

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

[Toyota's Human Rights Policy](#)

[Toyota's action taken for Forced Labor of Migrant Workers \(Statement on the Modern Slavery Act\)](#)

[Toyota's Responsible Mineral Sourcing Policy](#)

## Organizational Structure

### Aim

- To ensure that the company is able to fulfil 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 at the Sustainability Subcommittee. Key issues are then reported to the Sustainability Meeting for consideration and decision making. (The Sustainability Meeting thus supervises Toyota's sustainability initiatives.)
- Toyota's **Chief Human Resources Officer**, oversees the responsibility for Human Rights within the organization
- The Human Resources Division plays a central role for Human Rights management in collaboration with the Purchasing Group, the Sustainability Management Department and other organizations.

[P.6 Promoting Sustainability](#)

## Policy development and dissemination

### Aim

- Toyota's Human Rights Policy applies to all executives and employees in Toyota and its subsidiaries. We also expect our business partners, including our suppliers, to understand and agree with 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 **UNGPs 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 development was supported by the top management, and the policy was further developed utilizing feedback from internal divisions, the supply chain, and overseas affiliates. It was completed with advice from 3rd party specialist Human Rights organizations.

#### Dissemination within the company

- The policy was disseminated to all employees through the internal Human Rights training contents.

#### P62 Education Related to Human Rights

- Support and training were provided to specific divisions like Purchasing, Sales and Business Planning in order to integrate Human Rights within policies and processes.

**Example** • This has so far led to the incorporation of specific Human Rights statements within Toyota's Supplier Sustainability Guidelines, Dealer Basic Contracts, and into the new business planning guidelines.

## Human Rights Due Diligence

### Aim

- **Continuously identify and assess risks** related to Human Rights impacts on stakeholders, while at the same time 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 relevancy to Toyota's business.\*

\*For raw materials, we consider the region, quantity and type of material.  
 • Reporting and risks 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 continuous Human Rights risk research.

#### Mitigation

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

#### Remedy

- Development and implementation of a Grievance Mechanism.
  - Internal: Speak up Hotline
  - Inter-Company: Toyota Helpline for Subsidiaries
  - Inter-Industry: JP MIRAI Speak up for Migrant Workers
  - Toyota Dealers: Helpline for dealers

#### P.109 "Speak up" Hotline

#### P.60 Collaboration with JP-MIRAI

## Engagement with Business Partners (Supply Chain Due Diligence)

- **Supplier Sustainability Guidelines** includes a requirement for suppliers to ensure thorough compliance with laws and regulations, and to respect Human Rights.
- Toyota works together with suppliers on risk monitoring, tracking and remediation, which then also allows for guidance and support for potentially affected stakeholders.
- Methods for working with suppliers include:
  - Direct collaboration with Tier 1 suppliers and group companies.
  - Collaboration with other stakeholders for Tier 2 suppliers and deeper.

## Engagement with stakeholders

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



Workforce Disclosure Initiative



A powerful  
and balanced  
voice for business



The Global Alliance for  
Sustainable Supply Chain

## 2022 Priority Salient Risks

- As a result of identifying and assessing our salient risks, Toyota has decided to prioritize the following risks for 2022: **migrant labor, child labor, harassment and discrimination (diversity & inclusion)**.
- if there are any other sudden or unforeseen salient risks that 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

- Migrant labor has been identified as one of the salient issues since 2019.
- As part of our due diligence activities, we have been working with non-governmental organizations to ensure fair working conditions for migrant workers within our affiliates and suppliers both inside and outside Japan.

### Guidelines and declaration development

- Guidelines have been developed to help eliminate possible exploitation by unscrupulous employment agencies charging high recruitment fees, as well as ensuring freedom of movement, fair treatment, and proper employment contracts for migrant workers.

### Participation in the formulation of ASSC Tokyo Declaration 2020.<sup>1</sup>

<sup>1</sup> 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 "ASSC Tokyo Declaration 2020" was developed with reference to the "Dhaka Principles," regarded as the international norm advocated by the International Organization for Migration and the International Labor Organization



### Risk Assessment

- A task force was assembled to conduct comprehensive surveys to grasp the current situation at Toyota subsidiaries both in Japan and overseas, specifically to determine the number of migrant workers. The following surveys were conducted in 2020.

### [Survey 1]

Survey scope	<ul style="list-style-type: none"> <li>● Toyota's domestic and overseas subsidiaries</li> </ul>
Survey description	<ul style="list-style-type: none"> <li>● The number of migrant workers<sup>2</sup></li> <li>● The countries the workers migrated from</li> <li>● The percentage of indirect recruitment</li> <li>● Possible issues in the recruitment and/or repatriation process e.g., ● charging of high recruitment fees, withholding of passports or identification documents, prohibiting return to the home country, etc.</li> </ul>
Survey results	<ul style="list-style-type: none"> <li>● No infringements are being placed upon migrant workers at local operations and at our subsidiaries</li> </ul>

<sup>2</sup> In these surveys, "migrant workers" refer to non-regular (contingent, contract, non-permanent, temporary, etc.) foreign national workers with a status of residence (non-permanent) for the purpose of employment (excluding expatriates from other companies/countries).

### Migrant workers at Toyota Subsidiaries by region

Region	No. of Migrant Workers
Japan	600
Asia	460
EU	420
North America	57
Southern Africa	5
Latin America	0
Oceania	0
China	0

### [Survey 2]

Through dialogue with external stakeholders, we recognized that a survey was needed which focuses on foreign technical internship trainees,<sup>3</sup> who are at high risk of debt bonded labor, due to the following points.

- The number of migrant workers had increased significantly in Japan as a whole and in Toyota's domestic affiliates as well
- There was a risk that migrant workers hired by both the employment agencies in the sending countries and the supervisory organizations in Japan could result in forced labor due to exorbitant fees being charged, which subsequently traps them in serious debt.

<sup>3</sup> Foreign Technical Internship Trainees are foreign workers sent to Japan for the purpose of technical skills training. There are 158 operations in 86 job categories, and trainees are dispatched to various industries in the hopes of acquiring much needed technical skills to be used in operations in their home countries upon return.

Survey scope	<ul style="list-style-type: none"> <li>● Group companies and their major Tier-1 suppliers</li> <li>● Toyota's own major Tier-1 suppliers. (The top 276 suppliers accounting for 90% of the total procurement value.)</li> </ul>
Survey description	<ul style="list-style-type: none"> <li>● The number of foreign technical internship trainees</li> </ul>

Survey results	<ul style="list-style-type: none"> <li>● Through the surveys, it was identified that among Toyota's Tier-1 suppliers, 102 companies employ trainees via both employment agencies in the sending country and supervising organizations in Japan.</li> <li>● Countries that dispatched technical internship trainees were mainly comprised of China and various South East Asian countries such as Vietnam, Laos, Thailand and Indonesia.</li> </ul>
----------------	--

### Foreign Technical Internship Trainees Utilization (Japan)

	No. of Companies Surveyed	No. of companies That Utilize Foreign Technical Internship Trainees	No. of Trainees
Toyota Group Companies and their major Tier-1 Suppliers	119	83	2,800
Tier-1 Suppliers	276	124	6,300
Total	395	207	9,100

### [Response based on the survey]

- In order to mitigate any possible Human Rights infringements associated with the migration of technical internship trainees, we decided to promote the following activities
- Corrective actions for unreasonable fees borne by migrant workers that induced the possibility of forced labor.
- Working closely with suppliers to share best practices to avoid Human Rights infringements of migrant workers.
- Supporting supplier due diligence for agencies acquiring migrant workers in coordination with NGOs.

### Collaboration with JP-MIRAI

- In 2020, Toyota was part of the initial body that led to the establishment of 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 2022, JP-MIRAI launched a grievance mechanism trial for migrant workers.
  - This mechanism aims to resolve issues in an appropriate and timely manner, and has the support and cooperation of Toyota.
- Contents of the services provided:
  - a multilingual web portal and application that provide relevant information on living and working in Japan
  - a grievance mechanism for making complaints
  - support for cases that are likely to develop into serious problems
  - an Alternative Dispute Resolution (ADR) mechanism

\* Over 400 members, consisting of various stakeholders such as private companies, local governments, NPOs, academics, and lawyers.

### Information Disclosure

- From 2021 “Toyota’s action taken for Forced Labor of Migrant Workers (Statement on the Modern Slavery Acts)” is disclosed

 [Toyota's action taken for Forced Labor of Migrant Workers \(Statement on the Modern Slavery Acts\)](#)

## Initiatives for Wage

### Aim

- To secure necessary human resources and build a sense of security for employees, pay appropriate level of wages.

### Initiative

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

## Initiatives for Working Hours

### Aim

- Secure, manage and efficiently allocate work hours based on laws/regulations and labor practices so that employees can have a sense of security and flexibly respond to fluctuations in production.

### Initiative

- Based on thorough labor-management communication, set flexible working hours appropriate for actual conditions, such as the situation of each workplace and the characteristics of individual work. In the case of excess working hours above legal limits, Toyota follows due process relating to legal procedures.

## Initiatives for Flexible Work Styles

### Aim

- Promote flexible workstyles without restrictions of time and location, with a view to improving productivity and supporting employees in balancing work with childcare/family care.

### Initiative

- Use of an FTL (Free Time & Location) system, which enables teleworking. At workplaces where teleworking is difficult, the system for reduced working hours has been enhanced to support balancing work with childcare/nursing care.
- If an employee wants permission to conduct a side business, decide whether or not it is acceptable according to criteria based on safety consideration, confidentiality, non-competition, duty of good faith, etc.

## 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.

### Initiative

- Employment rules specify clearly the prohibition of harassment and disciplinary provisions in the case of harassment.
- The Toyota Code of Conduct clearly states that Toyota should not tolerate any form of harassment.
- Internal anti-harassment training programs for all employees, from executives to regular employees, to ensure compliance with the code of conduct.
- Toyota’s external and internal hotlines have been integrated into the “Speak up” Hotline as a system that enables early detection and resolution of employees’ problems and workplace issues.
- Have training conducted by psychology experts to look deeply into the mental side of individuals, with the aim of not only preventing harassment but also helping the creation of workplaces where members can work happily.

 [P.109 "Speak Up" Hotline](#)

## Initiatives for Child Labor

### Aim

- Toyota **does not accept any forms of child labor**, which deprives children of educational opportunities and inhibits 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 use employees below 18 years of age for hazardous work.
  - Bona fide job training or apprenticeship programs permitted under applicable local laws and regulations.

### Initiative

- Enhance due diligence activity in the high-risk sector of child labor in our supply chain.

## Initiatives for Freedom of Association

### Aim

- Toyota's "Respect for People" management-philosophy aims to respect individual capabilities, ways of thinking, and creativity, and harness them fully.
- Based on the Universal Declaration of Human Rights, **we respect our employees' right to freely associate while also 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 in thorough dialogue with employees** and build healthy labor relations regardless of whether or not there is 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 improvement be made to policies and activities based on the responses.
  - For subsidiaries that required concentrated initiatives, associates from Toyota Motor Corporation were dispatched to review policies and activities, and worked 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 investigated some cases of possible infringement on Freedom of Association within the supply chain, and recommended corrective actions. (2019–2021: 3 cases)
- Unionization situation:  
Countries with Unionized Operations (only countries/regions with manufacturing): **91%** (20/22 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.
- Due to demand fluctuations in the automotive industry, Toyota hires temporary personnel for fixed periods, **based on the customs and labor laws of each region, while also ensuring fair working conditions**.

### Initiative

- Based on the customs and labor laws of each region, Toyota practices the following:
  - Confirms the composition of employees at affiliates in various countries, 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. (2019–2021: 3 cases)

## Responsible Mineral Procurement

### Aim

- Toyota has formulated its **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. Based on these policies, Toyota has been implementing measures to **avoid human rights issues, such as child labor and forced labor.**

 Policies and Approaches to Responsible Mineral Sourcing

### Initiative

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

- Since 2013 Toyota has been conducting a reasonable country-of-origin inquiry 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 that the suppliers make corrections if there are any errors and/or omissions in their responses, 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, prodding smelters/refiners to participate in the Responsible Minerals Assurance Process (RMAP).

 Conflict Minerals Report

#### Responsible Cobalt Procurement

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

## Education related to Human Rights

### Aim

- In order to promote understanding of Human-Rights-related matters and to encourage actions towards open and honest communication as well as to advance non-discrimination, Human Rights training is aimed at our executives, employees and business partners.

### Initiative

#### Human Rights in general

Training for:	Main initiatives
Executives (Toyota Motor Corporation)	<ul style="list-style-type: none"> <li>Explanation of international Human Rights guidelines and their expectations, the responsibilities required of companies, and key Human Rights issues</li> </ul>
All employees (Toyota Motor Corporation)	<ul style="list-style-type: none"> <li>Learn about the expected corporate and individual responsibility and its scope in line with international norms together with human rights infringement examples, thereby helping compliance with Human Rights in daily operations</li> </ul>
Top management and HR employees to be transferred to overseas affiliates (including the main suppliers)	<ul style="list-style-type: none"> <li>The training content promotes positive labor-management communications which include information on past labor disputes, labor-management negotiations, and the latest trends in Human Rights, international norms, and regulations</li> </ul>
Purchasing function employees to be transferred to overseas affiliates (Toyota Motor Corporation)	<ul style="list-style-type: none"> <li>Primarily to support their daily purchasing responsibilities at their overseas posting. The training will involve lectures for building healthy labor-management relationships at local suppliers, including lectures related to Human Rights.</li> </ul>

#### Anti-harassment

Training for:	Main initiatives
Employees, including executives, supervisors, management, expatriates and new hires (Toyota Motor Corporation)	<ul style="list-style-type: none"> <li>Awareness of the prevention of harassment in various situations <b>Fiscal 2022 Results:</b> <ul style="list-style-type: none"> <li>All senior professionals/senior management and all professionals/management: Approximately 8,000 employees, 3,000 hours.</li> <li>All assistant managers and all those in lower ranks: Approx. 20,000 employees, 6,500 hours.</li> <li>All shop floor employees: Approx. 42,000 employees, 10,4000 hours.</li> </ul> </li> </ul>
Supervisors (Toyota Motor Corporation)	<ul style="list-style-type: none"> <li>Online training by specialists in mental science <b>Fiscal 2022 Results:</b> <ul style="list-style-type: none"> <li>Supervisors: Approx. 12,000</li> </ul> </li> </ul>

Updated in October 2022

# Diversity and Inclusion



63 Fundamental Approach

63 Organizational Structure

64 Women's Activity

67 Nursing Care Support

68 Inclusion of Persons with Disabilities

69 Inclusion of LGBTQ+ employees

70 Initiatives Related to Race and Nationality Promotion

70 Employment for Over 60s

## 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.

	Major items	Time of the award
PRIDE Indicators 	Toyota Motor Corporation was awarded the Gold Prize in PRIDE INDEX, presented by "work with Pride", one of the volunteer associations supporting the facilitation and establishment of diversity management of sexual minorities. 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.	Nov. 2022
 Top 50 Companies For Diversity 2022	Toyota Motor North America won 4th place in the general division of the Top 50 Companies for Diversity 2021 ranking announced by U.S. Diversity Inc.	May. 2022

## Organizational Structure

### Aim

- Build a structure that can develop, agree on, and implement policies and initiatives to promote Diversity and Inclusion at Toyota globally.

### Initiative

- The direction and challenges of the initiatives are reported to and discussed at the Sustainability Subcommittee. Key issues are then reported to the Sustainability Meeting for consideration and decision making. (The Sustainability Meeting thus supervises Toyota's sustainability initiatives.)

#### P.6 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

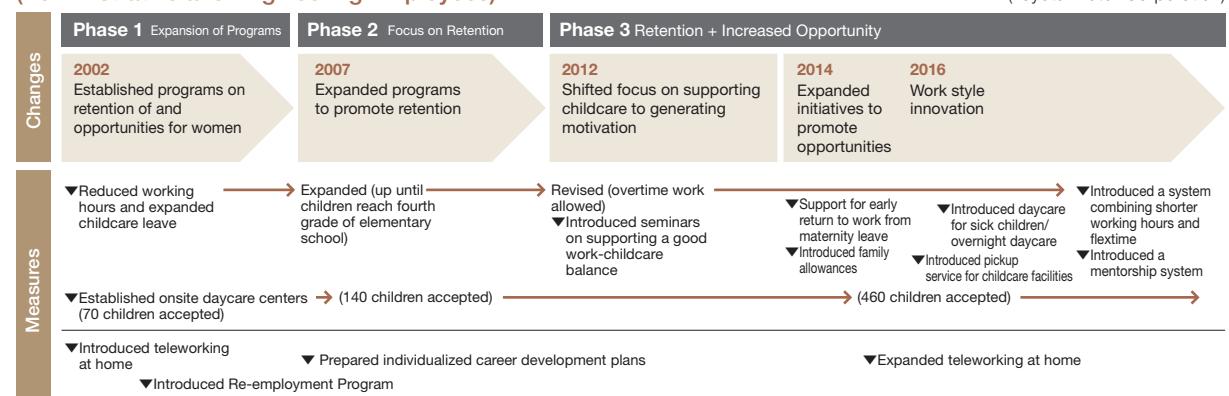
- Promote gender diversity and create a more diverse and inclusive workplace. (Particularly important issue for Toyota Motor Corporation in Japan.)

### Initiative

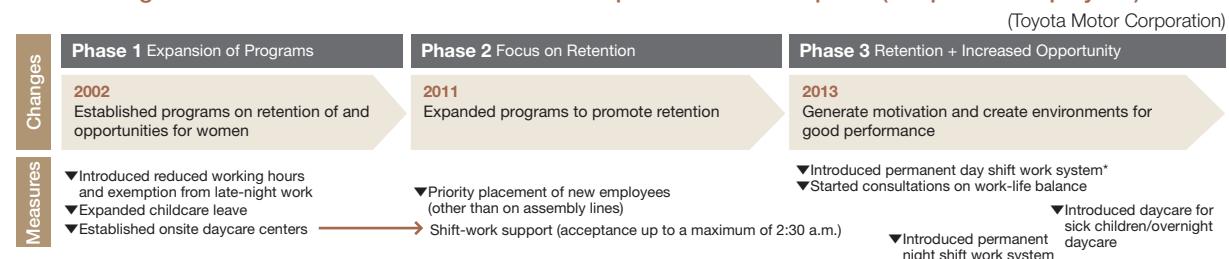
#### History of Initiatives

- 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)



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



#### 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 period April 1, 2020 to March 31, 2025

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

###### Our Challenge

###### Target

###### 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 2020)  
Employee Training: The development and implementation of a plan for individual employee training (continuation from before 2020). The utilization of a mentoring system (from 2020)

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

###### Target

###### Our Course of Action

The teleworking system is not utilized enough yet.

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

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 2020)

#### Action Plan Based on the Act on Advancement of Measures to Support Raising Next-generation Children

##### 1. Period April 1, 2021 to March 31, 2023

##### 2. Contents

###### Aim 1

###### Promotion of growth and active participation of diverse human resources

- Actions
- Further enhancement of labor-management communications to encourage growth and active participation of diverse human resources, including those who are balancing work and childcare (from 2021)
  - Implementing measures to further promote "honest dialogue" between managers and their subordinates (from 2021)

###### Aim 2

###### Promotion of understanding and dissemination of various systems/examples related to balancing work and childcare

- Actions
- Improving usability of the website to provide information for balancing work and childcare (from 2021)
    - Introducing an email notification service for information updates
    - Adding a "page search" function
    - Introduction and enhancement of various case studies and Q&As

###### Aim 3

###### Promotion of male employee participation in childcare

- Actions
- Providing and improving information related to male employee participation in childcare through the company intranet (from 2021)
    - Providing experience reports of male employees who have taken childcare leave
    - Providing data on results and trends of Toyota male employees' participation in childcare
    - Enhancing guidance on the use of systems and procedures (providing guidance for male employees)

## Support for Keidanren's "Challenge to 30% by 2030"<sup>1</sup>

- 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.

<sup>1</sup>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 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)

Major items	
<b>Next-generation development and expansion</b>	<ul style="list-style-type: none"> <li>Together with 9 group companies, Toyota established the <b>Toyota Female Engineer Development Foundation</b> in 2014 to contribute to the promotion of women's participation in manufacturing businesses in Japan.</li> <li>Attract and expand the number of girls studying in scientific fields and foster female engineers in monozukuri (manufacturing).</li> <li>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.</li> </ul>
<b>Recruitment</b>	<ul style="list-style-type: none"> <li><b>Target for % of female new graduates: 40% for administrative positions and 10% in engineering positions</b> (the percentages of women in the relevant labor market).</li> <li>The percentage of women hired as shop floor employees has also been steadily increasing.</li> </ul>
<b>Career development support</b>	<ul style="list-style-type: none"> <li><b>Use of Individual Development Plans</b> Establishing an appropriate development environment and assigning the roles required at each stage: when working as an employee before childbirth and when balancing work with childcare.</li> <li><b>Career Return System</b> 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.</li> <li><b>Career continuation support system</b> for Toyota employees who are moving with a spouse who is relocated overseas.</li> </ul>

### Support for balancing work and childcare

- Infertility treatment system**
  - Available holidays: 20 days/year
  - Leave system: Up to 2 years per child
  - Promote awareness-raising activities through training, etc., and create a workplace culture.
- Pre-Maternity Leave Seminar, Supervisor Career Interviews for employees who take maternity leave**
  - Target: Employees taking maternity leaves
  - Purpose:
    - Ease employee concerns about balancing work and childcare
    - Stimulate employees' desire to continue to develop their careers after returning to work.
  - Content:
    - Employees examine their career plans and how best to achieve them.
    - Sharing examples from employees who successfully balanced work with family commitments and participation in roundtable discussions.

- Teleworking system**
  - Removing time and location restrictions, to allow employees to continue working while taking care of their children (except for employees at production sites).
  - Expanding flexible workstyle at production sites where working from home is difficult.
- 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" (is available to Toyota City residents and allows Toyota Motor Corporation to build stronger ties with the local community in support of promoting work-life balance and childcare.)



### Promotion to managerial positions

- Achieve 2025 target (the number of females in managerial positions in 2014 to be increased fourfold by 2025). To accelerate company-wide initiatives, plans and measures of each division are gathered by the personnel function and reported to the Sustainability Meeting.
- Development measures tailored to individual employees are also implemented at each workplace.
  - assigning a challenging role equivalent to a higher-rank position to candidates for promotion
  - appointing a mentor for management candidates or members immediately after promotion

#### Fiscal 2022 Results

- Ratio of female managers<sup>2</sup>: 3.0% (Toyota Motor Corporation)

<sup>2</sup>Industry average: 1.9%

### Developing candidates for senior professional/senior management positions

- Development of candidates through succession plans and through hiring competent mid-career female top management.
- The number of women in top management who have been promoted through internal development programs is also increasing.

#### Results as of April 2022

- 12.5%<sup>3</sup> of operating officer positions were held by women in Toyota Motor Corporation.

<sup>3</sup>1 out of 8 non-board members

### Diversity among Members of the Board of Directors and the Audit & Supervisory Board

- Directors are appointed with comprehensive consideration and based on their past achievements and experience regardless of their gender, nationality or any other factors, with the aim of placing the right person in the right position.

#### Results as of April 2021

- Percentage of Female Directors and Audit & Supervisory Board Members: 13.3% (2 out of 15)

Respect for Human Rights	Diversity and Inclusion	Value Chain Collaboration	Vehicle Safety	Quality and Service	Information Security	Privacy	Intellectual Property	Human Resource Development	Health and Safety	Social Contribution	Social Data
--------------------------	-------------------------	---------------------------	----------------	---------------------	----------------------	---------	-----------------------	----------------------------	-------------------	---------------------	-------------

| Fundamental Approach | Organizational Structure | **Women's Activity** | Nursing Care Support | Inclusion of Persons with Disabilities | Inclusion of LGBTQ+ employees | Initiatives Related to Race and Nationality promotion | Employment for Over 60s |

## 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
- Networking to promote gender diversity
- 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.

### Toyota Motor (China) Investment Co., Ltd. (China)



- Breastfeeding break of up to one hour each day for lactating female employees



### Toyota Daihatsu Engineering & Manufacturing Co., Ltd. (Thailand)



- Set up nursing rooms.
- Female prayer room
- Reserved parking area for pregnant employees.

### 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
- Executive 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.
- Events sponsored by the Business Partnering Group (which provides networking and educational opportunities to employees as an organization representing the interests of minority groups)

### 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.
- Healthy pregnancy program for pregnant employees: Guidance and advice related to health conditions, as well as orientation on breastfeeding and baby care
- Conducted unconscious bias awareness training for all managers.
- Set employment targets.
- Held dialogue between human resources division and management to promote diversity within the company.
- Introduced the mentor system to support female leaders.
- Introduced Soft-Landing Program in support of employees returning to work after childbirth.
- Support for nursing care costs for employees who return to work early
- Provide all employees with children with equipment necessary for school.

### 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 (FY2021)

	Percentage of women [%]				Average period of employment (years)	
	People hired	Full-time employees	Managerial positions	Director positions	Male	Female
Global*	20.3	14.0	12.0	19.2	13	11
Japan	27.8	12.9	3.0	13.3	19	14
North America	30.4	23.2	25.4	21.5	9	8
Europe	18.8	11.1	9.0	0	13	11
China	4.6	11.8	23.7	0	11	15
Asia-Pacific	18.7	6.4	17.9	3.4	13	11
Latin America	21.3	6.4	5.4	7.1	9	7
Africa	27.4	20.7	40.3	12.5	—	—

\* Figures cover 46 overseas locations, including Japan

## 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)

### Initiative

#### Major Initiatives in Nursing Care

(Toyota Motor Corporation)

	Contents
Support for a Work-life Balance	<ul style="list-style-type: none"> <li>• Nursing care leave and shortened working hours.</li> <li>• Increase flexibility in working hour system. <ul style="list-style-type: none"> <li>• Change the units of time for shortened working hours, etc.</li> <li>• Enhance the system for teleworking at home.</li> <li>• Expand applicable periods for various work-life balance support.</li> </ul> </li> <li>• Apply the career return system. (Re-employment of employees who are forced to leave the company because of nursing care)</li> </ul>
Providing Information	<ul style="list-style-type: none"> <li>• Create a consultation hotline.</li> <li>• Hold nursing care lectures.</li> <li>• Publish a nursing care guidebook.</li> <li>• Hold hands-on nursing care seminars.</li> </ul>
Nursing Care Services	<ul style="list-style-type: none"> <li>• Introduce a nursing care savings program.</li> <li>• Expand nursing care service providers.</li> <li>• Introduce home care worker services.</li> </ul>
Financial Support	<ul style="list-style-type: none"> <li>• Introduce nursing care insurance.</li> <li>• Introduce a nursing care financing program.</li> <li>• Create parent nursing care insurance.</li> </ul>

### Male Child Care Participation

- **Achieve 30% of male employees taking childcare leave by 2025** (in line with government target)  
Promote the development of a supportive working environment:
  - Strengthening Diversity Training.
  - Deploying system to flexibly support the absence of employees on childcare leave both inside and outside the workplace.
- Confirm intention to take childcare leave and career life plans during career interviews with supervisors. (from 2022)
- Efforts to resolve problems are also promoted through holding management discussion sessions to learn about problems at work.

#### Fiscal 2022 Results

- Ratio of male employees taking childcare leave: 19.4% (Toyota Motor Corporation)

Respect for Human Rights	Diversity and Inclusion	Value Chain Collaboration	Vehicle Safety	Quality and Service	Information Security	Privacy	Intellectual Property	Human Resource Development	Health and Safety	Social Contribution	Social Data
--------------------------	-------------------------	---------------------------	----------------	---------------------	----------------------	---------	-----------------------	----------------------------	-------------------	---------------------	-------------

| Fundamental Approach | Organizational Structure | Women's Activity | Nursing Care Support | **Inclusion of Persons with Disabilities** | Inclusion of LGBTQ+ employees | Initiatives Related to Race and Nationality promotion | Employment for Over 60s |

## Inclusion of Persons with Disabilities

### Aim

- Realization of a "symbiotic society" in which people work together and live together regardless of the presence or absence of disabilities.

### Initiative

#### 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 and Developmental Disabilities Sessions, etc.)
  - Sign language courses
  - Implementation of study sessions for assigned workplaces
- Support for assuring full skill application at work
  - Setting up a privacy-preserving consultation service
  - Introduction of special vacation system that can be used for outpatient visits, etc.
  - Dispatch of sign language interpreters
  - Distribution of various support tools
- Development of facilities
  - Installation of a parking lot exclusively for people with disabilities
  - Maintenance of universally accessible toilets
- Employment rate of people with disabilities (results)
  - 2.50%\* (as of June 2022)

\* Including Special Subsidiaries

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

- Setting KPIs related to employment of people with disabilities allows TSAM to promote initiatives to improve the working environment for them in terms of facilities and culture.
- 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).

### Toyota Loops (special-purpose subsidiary)

- Started business in 2009

As of June 2022:

- 357 people with disabilities employed

Main tasks at the office	<ul style="list-style-type: none"> <li>Laundry and cleaning</li> <li>Assist in the care of the Toyota Memorial Hospital</li> <li>Shredding documents</li> </ul>	<ul style="list-style-type: none"> <li>Annotations</li> <li>Creation of PDF files for drawings and printed materials</li> <li>Collection and delivery of internal mail</li> </ul>	<ul style="list-style-type: none"> <li>Printing and binding</li> <li>Healthcare Available to Toyota Employees Service (Massage)</li> <li>Planning and management of training for understanding of disabilities</li> </ul>
On the manufacturing site	<ul style="list-style-type: none"> <li>Support for automotive manufacturing           <ul style="list-style-type: none"> <li>Implemented at the Shimoyama, Kamigo, and Head Office factories</li> <li>Example of active roles: making preparations so that engine assemblers can take out engine parts easily on production lines</li> </ul> </li> </ul>		
Development co-operation tasks	<ul style="list-style-type: none"> <li><b>Collaboration in the development of vehicles, etc.</b> <ul style="list-style-type: none"> <li>Example • Participating in evaluations (evaluating ease of getting in and out with a wheelchair) for vehicle development and providing opinions on aspects of the development of automated driving vehicles.</li> </ul> </li> <li><b>Evaluation of welfare vehicles</b> <ul style="list-style-type: none"> <li>Employees with disabilities participate in evaluations of the usability of Toyota's assisted-mobility vehicles from the users' viewpoint.</li> <li>Based on this evaluation, the opinions of real users, including the small details that only users can notice, can be incorporated in the quality of the vehicles.</li> </ul> </li> </ul>		
Activities outside of work	<ul style="list-style-type: none"> <li>Participation in the <b>Abilympics</b> (Skills Competition for the Disabled) as a representative of Aichi Prefecture           <ul style="list-style-type: none"> <li>In 2019: bronze award in the Office Assistant division</li> <li>In 2020: gold award in the Photography division, silver in the Word Processor division and bronze in both the Office Assistant and Database divisions</li> <li>In 2021: gold award in the Database division, silver in Word Processor division and bronze in Product Packing Category</li> </ul> </li> </ul>		
Support system	<ul style="list-style-type: none"> <li>The number of support staff has also been increased to eliminate or reduce any anxieties that employees may have regarding their health or work.           <ul style="list-style-type: none"> <li>A consultation hotline has been set up and consultations with an industrial physician are provided</li> <li>Counseling by a clinical psychologist or psychiatrist</li> <li>Active information exchange with governmental bodies, local communities, and social welfare organizations</li> </ul> </li> </ul>		

## Inclusion of LGBTQ+ Employees

### Aim

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

### Initiative

#### Toyota Motor Corporation (Japan)

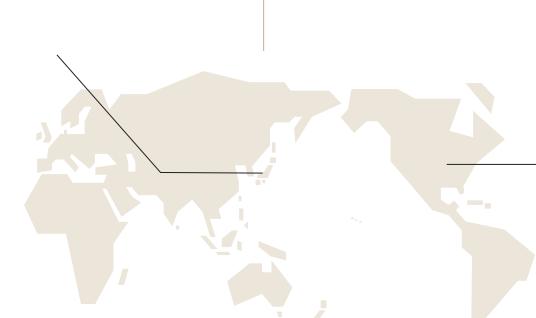
- Recruiting and hiring process**
  - Graduates are not required to fill in their gender on their job application sheets.
- Introducing measures at facilities**
  - Establishing an internal harassment consultation hotline.
  - Set up gender-neutral restrooms.
- Internal system**
  - From July 2020 employees 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 August 2022, 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)

\* 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 Promotion

### Aim

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

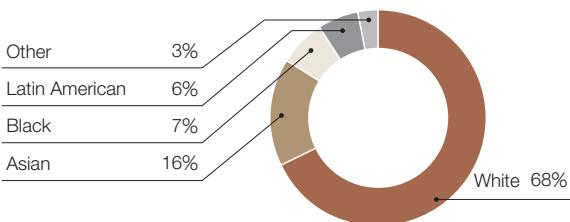
### Initiative

#### Toyota Motor North America (TMNA, US)

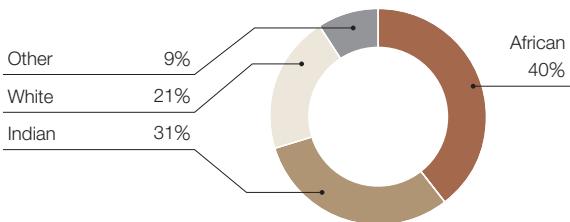
- Implementing education and enlightenment programs as means of promoting understanding and diversity.
- Promote diverse top management.



Management composition (TMNA, FY2021)



Management composition (TSAM, FY2022)



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

- In the Republic of 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)

## 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)

Year	Major items
1991	<ul style="list-style-type: none"> <li>Introduction of an internal re-employment system for skilled retirees</li> </ul>
2001	<ul style="list-style-type: none"> <li>Optional Re-employment Application System was launched to outplace applicants to external affiliates and other sites, providing a framework for helping over 60s to continue working.</li> </ul>
2006-2013	<ul style="list-style-type: none"> <li>Based on the revisions to the Law on Stabilization of Employment of Elderly Persons in 2006 and 2013, the support was revised to expand re-employment by taking surveys and interviews based on the needs of the employees.</li> </ul>
2016	<ul style="list-style-type: none"> <li>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</li> </ul>



## Organizational Structure

- The direction and challenges of the initiatives are reported to and discussed at the Sustainability Subcommittee. Key issues are then reported to the Sustainability Meeting for consideration and decision making. (The Sustainability Meeting thus supervises Toyota's sustainability initiatives.)
- 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.

### P.6 Promoting Sustainability

## Sharing Toyota Supplier Sustainability Guidelines

- Importance of sustainability initiatives is communicated towards suppliers** with a request that suppliers carry out their business activities in line with the Sustainability Guidelines (established in 2009, last revision in November 2021).
- Revisions in 2021: Sections related to the environment and human rights 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 July 2022).
- 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 overseas suppliers through regional purchasing divisions.

### Toyota Supplier Sustainability Guidelines

## 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 our 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**
  - The facts related to the issue are investigated and, if an issue is identified, we will communicate with the suppliers concerned and ask them to make improvements.  
⇒ 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.

### Anti-Bribery Guidelines

## Supplier Hotline

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

### P.109 Speak Up Hotline

## Awareness-Raising Activities

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

## Major Initiatives Led by Toyota

	Target Audience	Details	
Toyota Motor Corporation employees	All purchasing division staff	Training after joining purchasing division	<ul style="list-style-type: none"> <li>Training related to sustainability</li> </ul>
	Regular seminars		<ul style="list-style-type: none"> <li>Regular seminars related to human rights, the environment, and other sustainability topics</li> </ul>
	Employees dispatched overseas from Toyota Motor Corporation purchasing divisions	Pre-departure training	<ul style="list-style-type: none"> <li>Labor relations training provided by the human resources division</li> </ul>
Suppliers	Suppliers in Japan	Various seminars	<ul style="list-style-type: none"> <li>Recent seminars</li> <li><b>Foreign technical internship trainees</b> (2020) <ul style="list-style-type: none"> <li>In a 2019 survey, a number of suppliers responded that they had employed foreign technical internship trainees from Vietnam. These suppliers were given a briefing detailing Toyota's stance and initiatives intended to ensure that trainees are not charged exorbitant fees</li> </ul> </li> <li>Briefing on achieving <b>carbon neutrality</b> (2021 and 2022) <ul style="list-style-type: none"> <li>Dissemination of specific emission reduction calculation methods and tools to achieve CO<sub>2</sub> reduction targets</li> <li>Presentation about items to reduce CO<sub>2</sub> emissions</li> <li>Implementation of a matching service to link companies providing emission reduction solutions with suppliers that are having trouble reducing their emissions</li> </ul> </li> <li>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</li> </ul>

- Voluntary activities by suppliers<sup>\*1</sup>

- Round-table conference for corporate executives

- A regular event intended to encourage corporate executives to take a leading role in promoting activities.
- In 2021, participants from Toyota Motor Corporation also attended to discussions about carbon neutrality which included information sharing, issue identification, and response considerations.

- Kyohokai Environmental Research Group and Eihokai SDGs Study Group

- Suppliers engage in dialog with each other to achieve mutual awareness, better understanding, and the promotion of initiatives.

- Volunteer activities

<sup>\*1</sup> Carried out by Toyota's supplier associations Kyohokai and Eihokai

## Other initiatives with suppliers

- P.59 Initiatives for Migrant labor (forced labor)
- P.62 Responsible Mineral Procurement
- P.62 Responsible Cobalt Procurement
- P.79 Quality – Initiatives with Suppliers
- P.83 Information Security – Initiatives for Supply Chains

## Initiative with Dealers

### Aim

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

### Initiative

## Support for Toyota Dealers<sup>\*2</sup> to Enhance Compliance

<sup>\*2</sup> The Toyota National Dealers' Advisory Council (TNDAC) is an organization comprised of Toyota dealers in Japan

### TNDAC initiatives

- Dealers implement activities related to priority topics every month in accordance with "The Legal Compliance Manual"<sup>\*3</sup>
  - Details: Overview and checklists related to the following laws:
    - Laws related to dealers' duties including sales talks and responses to customers (Act 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)
    - Laws related to safety and the environment (Road Transport Vehicle Act, End-of-life Vehicle Recycling Law)
    - 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)
    - Laws related to transactions (Antimonopoly Law, Subcontracting Law)

<sup>\*3</sup> Tools to support voluntary legal compliance activities by dealers

- TNDAC Helpline

- Repeated notices to dealers and employees to prevent and quickly detect any legal or regulatory violations

### Support from Toyota

- Implemented the following initiatives in response to designated vehicle maintenance violations and improper handling of personal information by dealers. (From FY2021 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

Updated in October 2022

# Vehicle Safety



GRI 203-2, 416-1

**74** Fundamental Approach**74** Integrated Safety Management Concept**75** Active Safety**76** Passive Safety**76** Emergency Response**77** Automated Driving Technology**77** Initiatives to Improve Traffic Safety Awareness

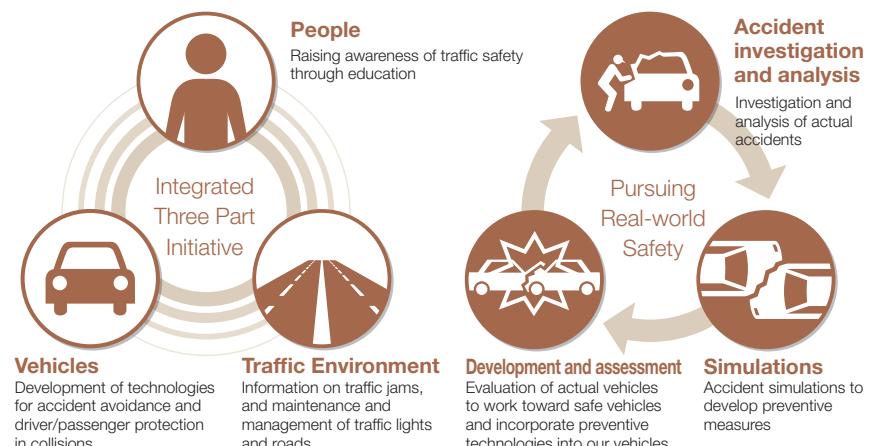
## Fundamental Approach

### 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.



## Integrated Safety Management Concept

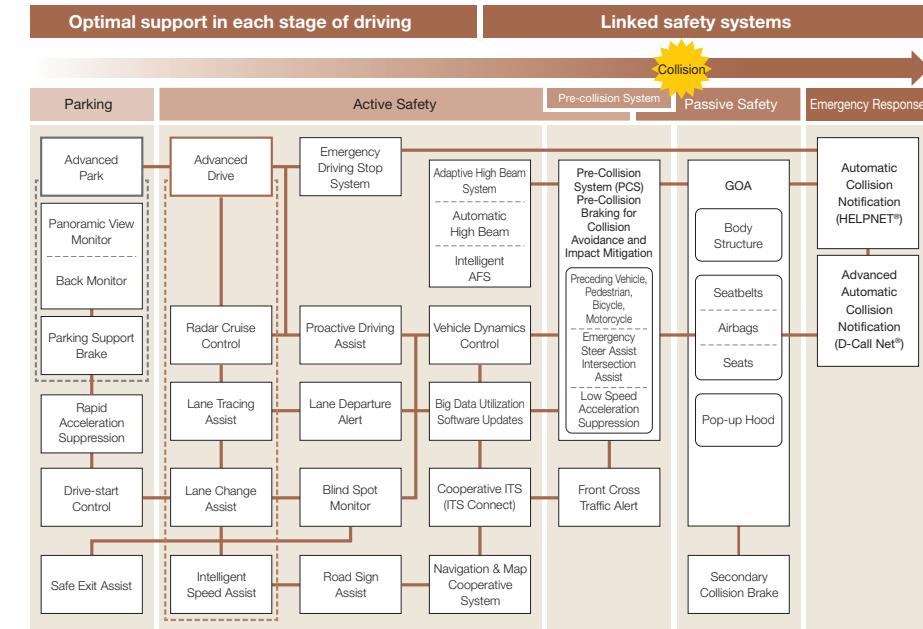
### Aim

- 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



## 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 support ensuring optimal forward 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.

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

- Toyota Safety Sense (TSS) has been installed in more than **32.5 million vehicles globally** since it was launched on to the market in 2015 (figure as of July 2022).
- 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 120 countries and regions in major markets including China and other selected Asian countries, the Near and Middle East, and Australia.

### 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.

#### P.77 Automated Driving Technology

Advanced Drive (support during traffic congestion)	Provides support to reduce driver fatigue caused by driving on congested highways
Advanced Park	Assists smooth and easy parking in a range of situations



Advanced Drive (support during traffic congestion)



Advanced Park

## 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

- GOA (Global Outstanding Assessment)
  - Toyota's unique, stringent internal targets related to passive safety performance.
    - ⇒ Toyota has continued to advance GOA, continuously pursuing the real-world safety performance of its vehicles in a wide variety of accidents.
- THUMS (Total HUman Model for Safety)
  - A virtual model of the human body jointly developed by Toyota and Toyota Central R&D Labs, Inc. to analyze injuries to the human body caused by vehicle accidents.
  - The model is used to research and develop various safety technologies including safety devices such as seatbelts and airbags, and vehicle structures that mitigate injuries in accidents involving pedestrians.
    - ⇒ 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 (2021)

Figures in brackets: (Number of vehicles receiving the highest ranking/Number of vehicles evaluated)

Five Star Award (the highest ranking) in the JNCAP <sup>1</sup>	Corolla/Corolla Touring, Aqua	(2/3)
TSP+ <sup>2</sup> (the highest ranking) in the Car Assessment Program of the Insurance Institute for Highway Safety (IIHS) <sup>3</sup> in the U.S.	Camry, Highlander, Sienna, Lexus ES, IS, NX	(6/6)
TSP <sup>2</sup> (the highest ranking) in the Car Assessment Program of the Insurance Institute for Highway Safety (IIHS) <sup>3</sup> in the U.S.	C-HR, Corolla HB, Corolla SD, RAV4, RAV4 Prime, Venza, Lexus RX, UX	(8/8)
Five Star Award (the highest ranking) in the NCAP <sup>1</sup> in the U.S.	Avalon, Camry, Corolla SD, Corolla HB, Highlander, Prius, Prius Prime, RAV4, Sienna, Venza, Lexus ES, IS, NX, UX	(14/19)
Five Star Award (the highest ranking) in the Euro NCAP <sup>1</sup> in Europe	Mirai, Yaris Cross	(2/2)
Five Star Award (the highest ranking) in the ANCAP <sup>1</sup> in Australia	Kluger/Highlander, MIRAI, Yaris Cross	(3/3)
Good (the highest ranking) in occupant protection, pedestrian protection, and prevention in the C-IASI <sup>4</sup> in China	C-HR	(1/1)
Five Star Award (the highest ranking) in the CNCAP <sup>1</sup> in China	Allion, Corolla, Highlander	(3/3)

\* Evaluation Period: Japan - April 2021 to March 2022; US IIHS – December 2020 to November 2021 (2021 TSP+/TSP winners), US NCAP – 2021 model year, Other – January to December 2021

<sup>1</sup> NCAP (New Car Assessment Program): New car assessment programs carried out by different countries and regions

<sup>2</sup> TSP+: A ranking given to the most outstanding TSP-ranked vehicles

<sup>3</sup> IIHS: Insurance Institute for Highway Safety

<sup>4</sup> C-IASI: China Insurance Automotive Safety Index SASB TR-AU-250a.1

## Emergency Response

### Aim

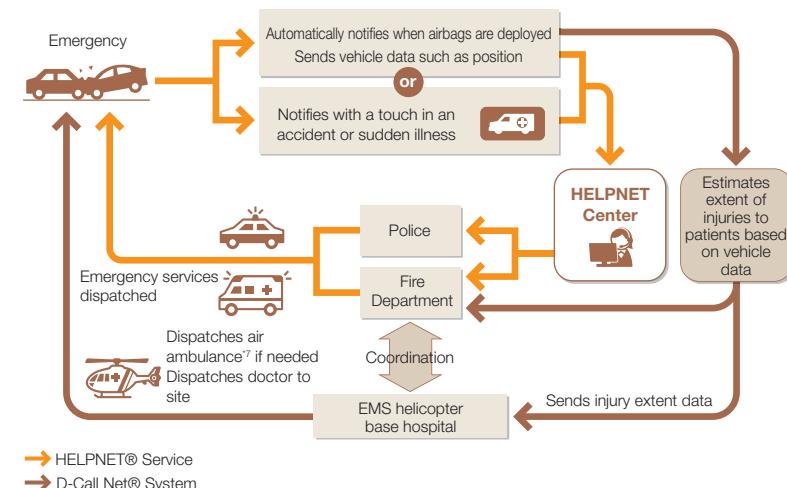
- Contributing to a reduction in traffic accident fatalities by **facilitating the rapid response and the rapid rescue of people involved in traffic accidents**.

### Initiative

#### HELPNET® service – Toyota's emergency reporting system (Japan)

- 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.
- When airbags deploy, vehicle data is automatically sent to the HELPNET center to assess the situation inside the vehicle. This system is compatible with the D-Call Net® system in Japan that sends data to hospitals or fire departments to facilitate rapid decisions to dispatch air ambulances or other support.

#### HELPNET<sup>®6</sup> (Airbag-linked Type) Illustration



<sup>6</sup> Air ambulances may not be available due to location, time of day, weather, etc. D-Call Net<sup>®</sup> will not respond when the HELPNET<sup>®</sup> button is pressed

<sup>7</sup> HELPNET<sup>®</sup> is a registered trademark of Japan Mayday Service Co., Ltd. D-Call Net<sup>®</sup> 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.

### Initiative

#### 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 allows 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).
  - One of the first companies to launch advanced automated driving technology into the market for vehicles sold to corporate customers.
  - Data collected from these vehicles will then be collected, analyzed, and fed back into development to further evolve automated driving technologies for POVs.

#### 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	<ul style="list-style-type: none"> <li>The on-board system will appropriately detect the vehicle's surroundings, 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</li> <li>The system achieves high levels of safety and peace-of-mind, reducing driver fatigue and providing a pleasant journey to the driver's destination</li> </ul>
Deep Learning-Focused AI Technologies	<ul style="list-style-type: none"> <li>Supports driving by predicting and responding to a wide variety of situations that could occur when driving</li> </ul>
Software Updates	<ul style="list-style-type: none"> <li>Even after the vehicle has been delivered to the customer, the system continues to add features and improve performance to enhance the driving experience and provide the latest safety technologies</li> </ul>

 Woven Planet

## Initiatives to Improve Traffic Safety Awareness

### Aim

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

### Initiative

(Toyota Motor Corporation)

Target Audience	Activities
Drivers	<ul style="list-style-type: none"> <li><b>Toyota Driver Communication</b> (safe driving technique seminar):           <ul style="list-style-type: none"> <li>Regular seminars at the Toyota Safety Education Center Mobilitas at the Fuji Speedway</li> </ul> </li> <li><b>Happy Driving Seminar and Nerve Stimulation Exercises</b> – a traffic safety program for elderly drivers and pedestrians:           <ul style="list-style-type: none"> <li>Held in collaboration with local governments and dealers to improve safe driving skills, boost safety awareness, and improve the brain function of elderly drivers</li> </ul> </li> <li><b>Sapo-Car</b> (Safety Support Car) Program:           <ul style="list-style-type: none"> <li>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</li> </ul> </li> </ul>
Pedestrians	<ul style="list-style-type: none"> <li>Since 1969, Toyota has provided traffic safety teaching materials to children at kindergartens and daycare centers all over Japan in collaboration with Toyota dealers nationwide</li> <li>Providing information to children and their parents/guardians using digital content on the Toyota Traffic Safety for Kids website</li> <li>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</li> </ul>

Updated in October 2022

# Quality and Service

GRI 416-1,2, 417-1

78 Fundamental Approach

78 Organizational Structure

79 Product Safety Initiatives

79 Quality Risk Management

79 Fostering Quality-oriented Awareness and Culture

80 Coping with Quality Problems

80 After-sales Service

81 Customer Feedback System

## 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.



### Initiatives Based on the Quality Function Policy

- Each year, Toyota formulates a policy to address company-wide quality issues and ensure quality corresponding to new business ventures and new technologies. This policy is then deployed globally.
- 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 directors.

## Organizational Structure

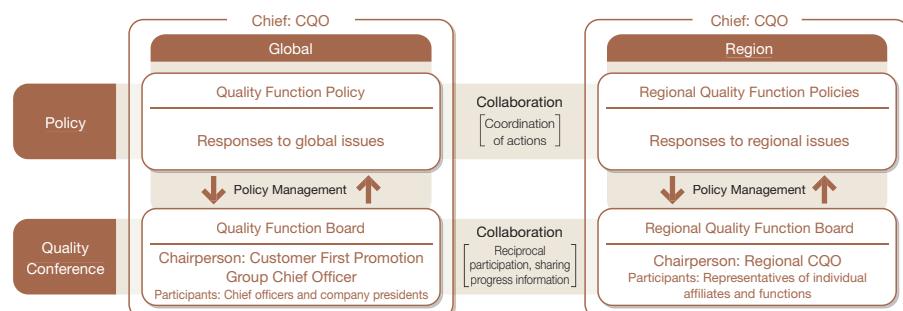
### Aim

- Promote regionally-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 (quality of 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 in charge of quality in each region of the world.
- Quality Function Board:** Discussion and decision-making on quality-related policies and important issues.
  - Participants: Company presidents and officers of relevant groups
  - Several times a year, CQOs from each region gather together to evaluate the achievement of the targets stipulated in quality function policies. New policies and target are then discussed and determined 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



- Our company will guarantee: (1) the quality and security of our telecommunications that allow vehicles to connect to people, things, and cities; and (2) the quality of the information telecommunications platforms and servers that are used to operate our services.
- A review of our quality assurance regulations is being implemented and making company-wide efforts to strengthen the quality assurance process.

## 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
- 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

## Organizational Enhancement

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

## Auditing

- 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

### Initiative

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

### Toyota Restart Day

- February 24 was designated as Toyota Restart Day after President Akio Toyoda 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 FY2022, 12,840 employees have participated in activities at our Centers (within Toyota Motor Corporation)

### All-Toyota TQM Convention

- "Akio Toyoda's Roundtable on Quality"
- President Akio Toyoda held a roundtable with employees in 2021 to communicate his commitment to quality and the values he promotes
  - The event was a dialogue open to all employees who wished to hear him speak, regardless of their rank or job description
  - 5,000 employees participated in the event (including remote participants from dealers, suppliers and Toyota Motor Corporation)



Akio Toyoda's Roundtable on Quality

## 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 internal rules.
- 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 who own vehicles covered by the recall. 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.

### FY2022 Recalls SASB TR-AU-250a.3

Country/Region	Number of Recalls	Number of Units
Japan	10	330,000
North America	12	990,000
Europe	13	790,000
Other	26	1,980,000
Global	35 <sup>1</sup>	4,090,000 <sup>2</sup>

<sup>1</sup>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.

<sup>2</sup>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

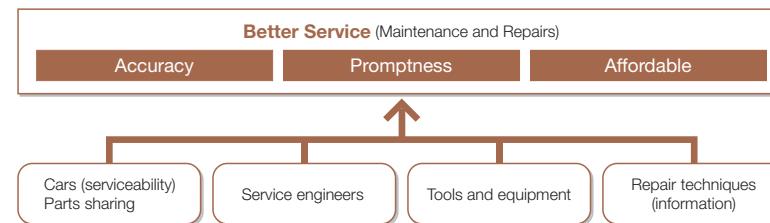
### Aim

- 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 = Shinrai: precise and courteous service creates trust)**.

### Better Service and Supporting Factors



#### 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 more 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.

#### 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

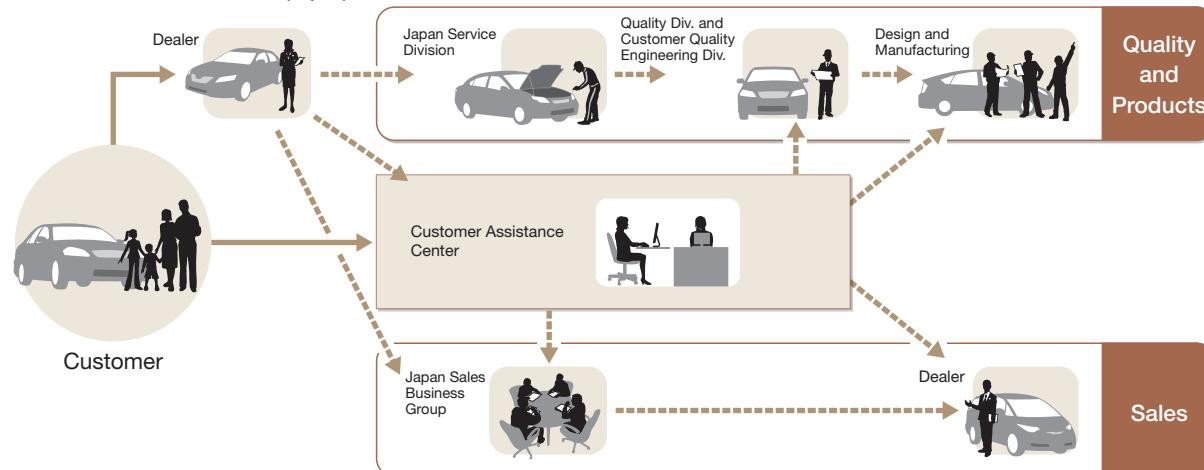
### Aim

- Our Customer Assistance Center provides **prompt, accurate, and courteous responses** based on our Customer First principle. Customer feedback and information from dealers is accepted with honesty and humility, and such information is used to create Ever-Better Cars, Sales, and Service.

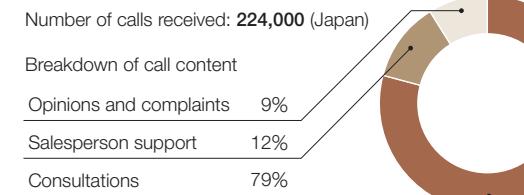
### Initiative

- Establishing Customer Assistance Centers** at Toyota distributors all over the world, including in the United States, Europe, and Asia.
- 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)

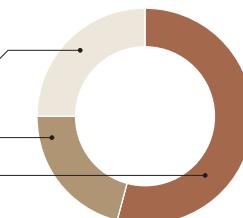


### Number and type of calls received by the Toyota Customer Assistance Center in FY2022



Content of Consultations

Other	25%
Navigation/audio-related	21%
Vehicle-related	54%



(Toyota Motor Corporation)

### Internal Awareness-Raising Activities

#### Initiatives related to Customer's Month

- 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

#### Experience and learn 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.
- Employees who acquire this qualification become part of the Toyota Consumer Affairs Advisor Group which carries out evaluations of facilities and vehicles from the customer's perspective

Updated in October 2022

# Information Security

GRI 416-1, 418-1

82 Fundamental Approach

82 Organizational Structure

83 Information Security Measures

83 Preparing for Information Leaks and External Attacks

84 Security for Automobiles

## 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.

 [Information Security Policy](#)

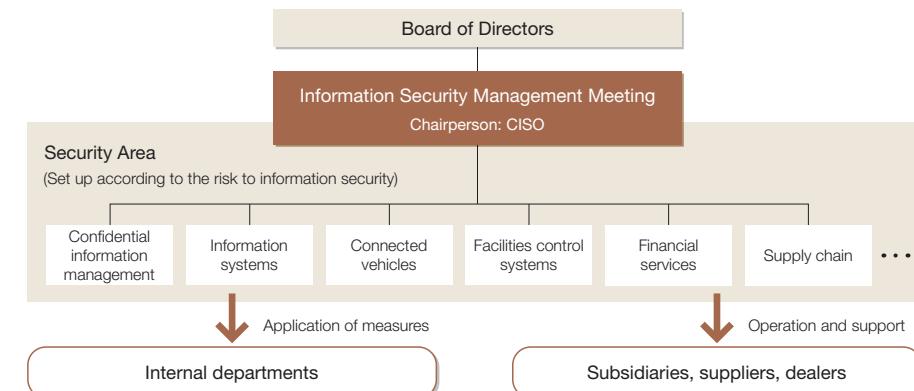
## Organizational Structure

### 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





## 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<sup>1</sup> and layered defense<sup>2</sup> and gathering and monitoring of information on threats and vulnerabilities.

- United Nations regulations concerning automobile cyber security (UN R155<sup>3</sup>).
- 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 to clarify the contact point for reporting security problems from outside.

<sup>1</sup>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.

<sup>2</sup>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.

<sup>3</sup>3 UN R155: Regulations concerning cybersecurity, which were adopted at the World Forum for the Harmonization of Vehicle Regulations (WP29) in June 2020

Updated in October 2022

# Privacy

GRI 416-1, 418-1

85 Fundamental Approach

85 Organizational Structure

86 Respect for Privacy and Protection of Personal Information

## 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 Basic Policy on the Protection of Personal Information and the Privacy Code of Conduct.
- 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.



Privacy



Basic Policy on the Protection of Personal Information



Data Utilization Initiatives

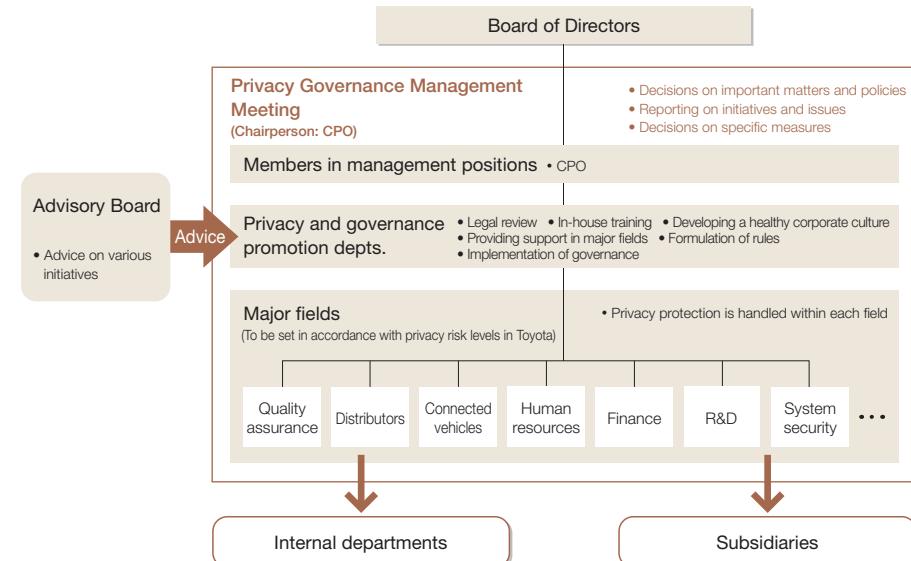
## Organizational Structure

### 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

- Carrying out duties and developing human resources with awareness of the need to respect privacy and protect personal information.

### Initiative

#### Compliance with Laws, Ordinances, and Internal Regulations

- The Privacy Code of Conduct, based on the Toyota Philosophy and Toyota Way 2020, 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<sup>1</sup> (Europe) and CCPA<sup>2</sup> (California, USA).
- Information that requires more secure handling will undergo a risk assessment in advance to facilitate the implementation of appropriate measures.

<sup>1</sup>1 GDPR: The EU General Data Protection Regulation

<sup>2</sup>2 CCPA: The California Consumer Privacy Act

### Training

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

 [P.73 TNDAC and Dealer Compliance Activity Support \(Initiatives to ensure appropriate management of customers' personal information by dealers\)](#)

### Privacy Code of Conduct (Excerpt)

#### ⟨ What Toyota employees should strive for ⟩

We will comply with laws and regulations when handling personal information. We will respect privacy. In addition, in order to provide products and services that delight our customers through the appropriate handling of information, we will establish a sustainable and superior information management system and aim to be a company that sets a global standard.

### Rules for the Handling of Personal Information



Updated in October 2022

# Intellectual Property

**87** Fundamental Approach**87** Organizational Structure**87** Intellectual Property Activities

## Fundamental Approach

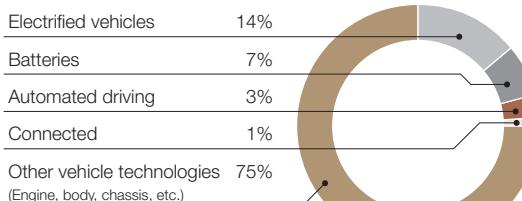
### Aim

- 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.

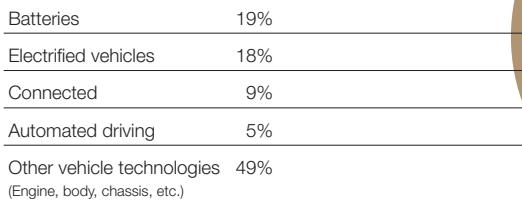
### Initiative

- 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.

2012 Percentage of Registered Patents by Technological Field



2022 Percentage of Patents\* by Technological Field



\*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.
- Establish 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 patents held by Toyota in major countries around the world: Approx. 69,000 (as of March 2022)
- Toyota is filing approximately 14,000 patent applications a year in Japan and overseas.
- It held the most patents among car manufacturers in Japan, the United States, and other countries (in 2021).
- It has been ranked top in the ranking list of companies filling patent applications concerning decarbonization-related technologies to the Japan Patent Office, which was released by an external institution.

Updated in October 2022

# Human Resource Development

GRI 404-1-3

88 Fundamental Approach

88 Recruitment

89 Education and Career Development

91 Evaluation of and Feedback to Employees

91 Employee Satisfaction Survey

## 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 in order to advance transformation into a mobility company and fulfill the corporate mission of “Producing Happiness for All” in face of the once-in-a-century transformation period.

### 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.
- Promote skills development and ensure the placing of the right person in the right position by **identifying the roles and abilities of each individual regardless of their nationality, gender, year of employment, type of employment, academic background, occupation, etc.**
- **Initiatives supporting Toyota’s transformation into a Mobility Company**
  - Promptly shifting resources from existing car manufacturing and sales businesses to new areas such as CASE and value chain.
  - Building a software development structure on a 3,000-person scale for Toyota, Woven Planet, and Toyota Connected and on a 18,000-person scale for the entire Group.
  - To achieve the above, expand the percentage of software personnel in mid-career hiring from 22% in fiscal 2019 to 50% in fiscal 2023, and further strengthen hiring of software personnel.
  - Creating an in-house development environment and reskilling education including dispatching personnel to different industries and supply chains.
  - Dispatch more than 400 people to Woven Planet and other software development areas, as of 2021.
  - Plan to increase the number of participants in reskilling education to 9,000 by 2025.

\* Ability to make the best efforts for others, such as customers and colleagues, and to improve oneself from respectfully learning from others

## 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 from 10% to 39% (FY2022: Toyota Motor Corporation, administrative and engineering positions)
- **Increase to 50% in the medium term**
- Introduced recruitment methods such as referrals (recommended from employees).

#### 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.



### 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

- All personnel who are promoted to senior professional/senior management or professional/management undergo one-year, rank-specific training.
  - General manager-class employees serve as instructors for group training and seminars that include discussions in small groups, with the aim of strengthening the **culture of "learning and teaching."**
  - Training is provided for performance review to improve evaluation and feedback skills
- Toyota encourages the promotion of young employees to important positions.
  - This creates opportunities for top management to directly observe personnel in these positions and to foster executive minds in the candidates.

#### Administrative, Engineering, "Gyomushoku" Human Resource Development

- OJT with a focus on **genchi genbutsu** (onsite, hands-on experience), along with OFF-JT\*

\* OFF-JT (Off the-job training): training conducted outside the workplace

Timing	Major items
After entry	<ul style="list-style-type: none"> <li>Acquire basic knowledge of various areas required after assignment (OFF-JT)</li> </ul>
After assignment	<ul style="list-style-type: none"> <li>OJT human resource development programs based on genchi-genbutsu</li> </ul>
2nd year	<ul style="list-style-type: none"> <li>Thoroughly learn the basics skills required as Toyota employees in training at dealers and plants (administrative and engineering personnel)</li> </ul>
3rd year	<ul style="list-style-type: none"> <li>Specialized group OFF-JT training (administrative and engineering personnel)</li> </ul>
4th year and beyond	<ul style="list-style-type: none"> <li>Training Dispatch Program:                     <ul style="list-style-type: none"> <li>Increase the number of employees dispatched abroad to quickly develop and further enhance their capabilities</li> <li>Dispatch for one to two years training to overseas subsidiaries, overseas graduate schools (including MBA), domestic affiliates, etc.</li> <li>Providing deeper understanding of practices and culture as well as improving language skills</li> </ul> </li> </ul>
FY2022 results	<ul style="list-style-type: none"> <li>309 new employees (207 overseas, 102 in Japan) dispatched</li> </ul>
6th to 8th year	<ul style="list-style-type: none"> <li>Specialized group OFF-JT training (administrative and engineering personnel)</li> </ul>

### 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 important stages in employees' careers.
- To help employees speedily acquire new technical skills, we direct our energies into establishing a culture of human resource development and start-up seminars are also held to support transferred employees in efficiently acquiring work skills
- Supporting aspiring employees through, for example, practical training at worksites and improving web learning programs for those wishing to grow through self-learning.
- Supporting diverse employees, including post-retirement career seekers after the age of 60, female shop floor employees, and persons with disabilities.

### 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

Respect for Human Rights	Diversity and Inclusion	Value Chain Collaboration	Vehicle Safety	Quality and Service	Information Security	Privacy	Intellectual Property	Human Resource Development	Health and Safety	Social Contribution	Social Data
--------------------------	-------------------------	---------------------------	----------------	---------------------	----------------------	---------	-----------------------	----------------------------	-------------------	---------------------	-------------

| Fundamental Approach | Recruitment | **Education and Career Development** | Evaluation of and Feedback to Employees | Employee Satisfaction Survey |

## Hours of Company-wide Rank-specific Training & Number of Trainees

### For management (FY2022 results)

Total man-hours: 45,941 hours/year  
Total Expense: 73,026 Thousands of Yen/year

Training program	Target	Breakdown	No.	Training time [hours]	Expenses [Unit: Thousands of Yen]
Training for newly appointed division general managers	Newly appointed division general managers (senior professional/senior managers)	Newly appointed division general managers	32	2,208	27,667
Upskilling program for senior professional/senior management	Senior professional/senior management	Those promoted to senior professional/senior management	142	8,520	20,249 (Including *1)
Training for performance reviewers	Senior professional/senior management	Division general managers, department general managers	541	836	9,740
Upskilling program for professional/management	Professional/management	Those promoted to professional/management	425	25,500	*1
Training for evaluators	Senior professional/senior management, professional/management (including some assistant managers)	Group managers	807	8,877	15,370

\*1 Expenses for the Upskilling program for senior professional/senior management include expenses for the upskilling program for professional/management

### For assistant managers and those in ranks below (FY2022 results)

Total man-hours: 125,486 hours/year  
Total Expense: 199,186 Thousands of Yen/year

Training program	Target	Breakdown	No.	Training time [hours]	Expenses [Unit: Thousands of Yen]
Career design training	Those promoted to assistant manager	Instructor	120	3,360	28,241
	Trainee	1,390	16,680		
Special training to solidify foundation in the third year	Those promoted to "shidoshoku"	Instructor	36	576	17,861
	Trainee	291	4,656		
Problem Solving	Candidates for promotion to "shidoshoku"	Instructor	75	1,463	40,904
		Trainee	615	3,690	
		Instructor	68	1,258	
		Trainee	615	6,765	
Program to thoroughly solidify foundation in the first year	Group training in April	Instructor	240	6,240	52,175
		Classroom teacher	60	1,500	
Group training in July	New administrative and engineering employees	Instructor	318	53,424	
		Instructor	30	840	
Training for experienced mid-career recruits	Experienced mid-career recruits	Instructor	22	440	10,424
		Trainee	195	3,120	
Special training for grade 1 "gyomushoku"	Candidates for promotion to grade S	Instructor	26	1,092	14,643
		Trainee	81	1,782	
Special training for grade 2 "gyomushoku"	Candidate for promotion to grade 1	Instructor	50	2,100	22,046
		Trainee	306	6,732	
Introductory training for grade 2 "gyomushoku"	Those promoted	Instructor	18	432	11,022
		Trainee	140	1,680	
		Instructor	24	288	
		Trainee	140	1,120	
Introductory training for grade 3 "gyomushoku"	Newly employed "gyomushoku"	Trainee	29	1,160	1,870

### For technical jobs (results for FY2022)

Total man-hours: 344,429 hours/year  
Total Expense: 98,986 Thousands of Yen/year

Training program	Target	Breakdown	No.	Training time [hours]	Expenses [Unit: Thousands of Yen]	
Training for newly appointed professional/management and newly appointed manufacturing section general managers	Those promoted to professional/management and newly appointed manufacturing section general managers	Instructor	11	352	3,216	
	Trainee	70	2,240			
Training for newly appointed CX <sup>2</sup>	Those promoted to CX	Instructor	17	544	3,524	
	Trainee	142	4,544			
50 Special training <sup>3</sup>	Qualified SX <sup>4</sup> class	Instructor	22	800	3,631	
	Trainee	118	4,720			
Training for newly appointed SX	Those promoted to SX	Instructor	69	816	5,988	
	Trainee	410	9,840			
60 Special training <sup>3</sup>	Qualified EX <sup>5</sup> class	Instructor	161	2,632	7,823	
	Trainee	395	22,120			
Training for newly appointed EX	Those promoted to EX	Instructor	169	2,040	7,646	
	Trainee	1,099	26,376			
70 Special training <sup>3</sup>	Qualified mid-career shop floor employees	Instructor	344	7,168	12,051	
	Trainee	1,019	57,064			
90 Training <sup>3</sup>	Qualified junior shop floor employees	Instructor	394	10,624	15,213	
	Trainee	1,408	90,112			
SU (step-up) training	Junior shop floor employees in their second year	Instructor	65	720	5,045	
	Trainee	468	7,488			
Irregular training for new employees	Mid-career recruits	Instructor	22	9,120	3,625	
	Trainee	166	61,680			
Regular New Employee Training	New employees	Instructor	79	880	12,971	
	Trainee	514	6,640			
Training to be trainers	TPS (standardized work and kaizen (improvement))	TPS trainer candidates	Trainee	67	9,514	10,263
	TJI (job instruction)	TJI trainer candidates	Trainee	60	4,140	4,686
	TCS (creation of a positive and fulfilling workplace)	TCS trainer candidates	Trainee	55	2,255	3,304

\*2 CX (Chief Expert) \*3 Checking of the status of acquired abilities, and the development of awareness and abilities with an eye toward obtaining the next qualification \*4 SX (Senior Expert) \*5 EX (Expert)

## Evaluation of and Feedback to Employees

### Aim

- Developing human resources through evaluations and feedback based on close communication between employees and managers.

### Initiative

- Determine roles and themes at the beginning of each fiscal year and **consult with supervisors periodically**.
- Promote human resource development through a cycle in which supervisors assess self-evaluations of their subordinates and provide feedback to them.
- Implementation of 360-degree feedback**
  - Gather information on employees' strengths and weaknesses and provide feedback to them.
- Reflect half-year results into bonuses and full-year performance into salary raises for the following year.

Year	Content
2019	<ul style="list-style-type: none"> <li>Revised human resource system to allow <b>hard workers to be rewarded regardless of age or rank</b></li> </ul>
2020	<ul style="list-style-type: none"> <li>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           <ul style="list-style-type: none"> <li>⇒ This makes it possible to refer to previous evaluations, personal information and employees' career goals</li> </ul> </li> <li>Enhance the development and allocation of human resources with consistency through job assignment based on a better understanding of employees' aptitude and career goals</li> </ul>
2021	<ul style="list-style-type: none"> <li>Started providing feedback to senior professional/senior management or professional/management on the results of their evaluations</li> </ul>
2022	<ul style="list-style-type: none"> <li>Started providing feedback to assistant managers and those in ranks below (administrative, engineering, gyomushoku) on the results of their evaluations.</li> </ul>

## Employee Satisfaction Survey

### Aim

- Conduct employee questionnaires as a starting point for each employee to act based on the idea of **creating a work environment where each employee can maximize his/her ability**.

### Initiative

- Use Employee Satisfaction Survey analysis for planning and implementing measures to make a better workplace.
- Share feedback results in the workplace to promote dialogue and improve activities in each organization.

Percentage of employees who feel satisfied with the company [%]

	FY2020	FY2021	FY2022
Toyota Motor Corporation	76.4	78.7	78.2 <sup>1</sup>

	FY2017	FY2019	FY2022
Overseas	Administrative and engineering employees	74.0	77.0
	Shop floor employees	72.0	70.0
			72.1 <sup>2</sup>

<sup>1</sup> Adminstrative, engineering, "gyomushoku" employees (not including shop floor employees)

<sup>2</sup> weighted averages of 18 companies

Percentage of employees who feel personal growth [%]

	FY2020	FY2021	FY2022
Toyota Motor Corporation	77.7	82.1	85.1

Updated in October 2022

# Health and Safety

GRI 403-1~10

**92** Fundamental Approach**93** Organizational Structure**93** Health and Safety Education**94** Initiative for Health**95** Initiative for Safety

## Fundamental Approach

### Aim

- Create workplaces that ensure the physical and mental well-being of all people working at each 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:
  - Health and safety philosophy: 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.

### Safety and Health Function Policy KPI

	Category	2021 Results	2022 Target
Health	Absentees	Manpower of 897 employees	Manpower of 801 employees or fewer
	Healthy lifestyle challenge 8	Average number of challenge 8 habits practiced	6.4/8 habits

	Accident Type	2021 Results	2022 Target
Safety	Fatal accidents on company premises	0	0
	All accidents	508	Down 50% compared to 2021

### Social Recognition

	Details	Year(s) Awarded
	<ul style="list-style-type: none"> <li>• Acknowledged and certified as a Health and Productivity Company for encouraging employees to improve their health-related practices and promoting initiatives focusing on prevention by promoting flexible workstyles and providing support for a better work/life balance</li> <li>• Certified by the Ministry of Economy, Trade and Industry of Japan (METI) and the Tokyo Stock Exchange</li> </ul>	2021
	<ul style="list-style-type: none"> <li>• Certified as a White 500 Health &amp; Productivity Management Outstanding Organization</li> <li>• Certified by the Ministry of Economy, Trade and Industry (METI) and the Japan Health Council</li> </ul>	2018 to 2022
	<ul style="list-style-type: none"> <li>• Certified as a Safety and Health Outstanding Company for maintaining a high level of health and safety and implementing improvements</li> <li>• Certified by the Ministry of Health, Labour and Welfare (MHLW) (renewed every 3 years)</li> </ul>	2015 to 2024

## Organizational Structure

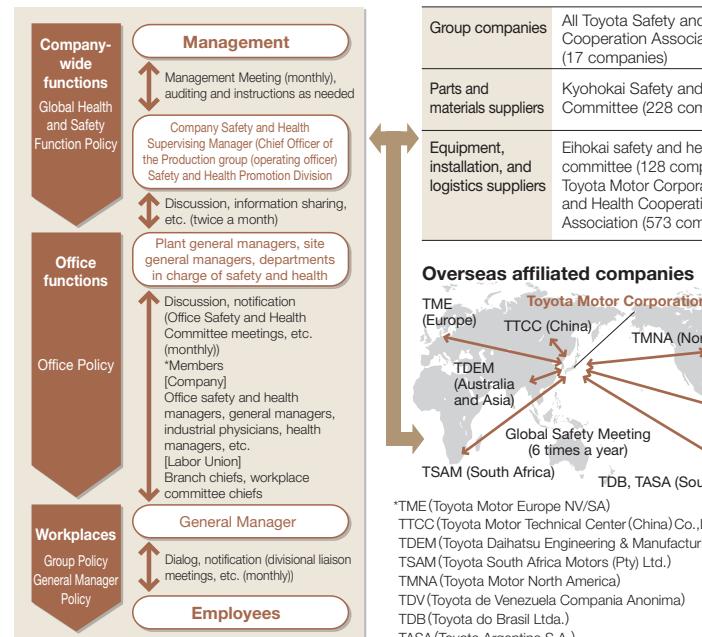
### Aim

- Promote better work environments through collaboration with the administrative divisions of offices, labor unions and business partners including suppliers, in-plant contractors and others.
- Promote initiatives based on daily collaboration, sharing and improvement of issues.

### Initiative

- Person in charge:** Company safety and health supervising manager (Chief Officer of the Production Group)
  - The Safety and Health Function Policy and KPI are formulated in view of technological innovations and changes to the business environment.
  - The results of health and safety promotion initiatives are reported to managements together with figures related to diseases and accidents.
- The Safety and Health Promotion Division takes a leading role in building collaboration with administrative divisions of offices, labor unions, health insurance societies, regional affiliated companies, suppliers, etc.

### Organizational Structure



## Health and Safety Education

### Aim

- Educate all employees, from new recruits to executives, to establish awareness of their individual roles in maintaining health and safety (every year).

### Initiative

#### Company-wide Education Initiatives

(Toyota Motor Corporation)

Safety Inheritance Month (January)	<ul style="list-style-type: none"> <li>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</li> </ul>
Safety Month (July)	<ul style="list-style-type: none"> <li>All company officers send out messages about safety and managers express their commitment to safety, making the month an opportunity for all workplace personnel to review their daily operations</li> </ul>
Health Month (October)	<ul style="list-style-type: none"> <li>All company officers send out messages about the importance of health and each workplace holds health-related seminars</li> </ul>

#### Education Programs for Managers

- Discussions about workplace management tips and examples
- Reaffirmation of the importance of daily communication
  - Early identification of any health problems of their subordinates by Managers, provide proposals to predict accidents before they happen, etc.

#### Rank-specific Education Programs (Staff starting in new positions)

2021 Results (Toyota Motor Corporation)

Trainees	Training Hours	No. of Participants
Officers	3.5 hours	9
Division general managers	6 hours	52
Section general managers	6 hours	189
CX*	4 hours	160
Workplace leaders	12 hours	1,500
General and new employees	1 hour	3,100

\*CX: Chief Experts

#### Education for Improvement of Hazardous Operations/Skills

- Skills training based on the requirements of the Industrial Safety and Health Act
- Experienced instructors provide training on actual equipment in addition to legally-required skills training

2021 Results

(Toyota Motor Corporation)

Trainees	No. of Participants
Production division members involved in hazardous operations	2,053

#### Education for Safety and Health Staff Members

- Seminars are held to improve employees' knowledge and practical skills relating to responses to accidents and occupational diseases, procedures for handling workers' accident compensation insurance, the work environment, risks related to high-pressure gas usage, and other issues.

2021 Results

(Toyota Motor Corporation)

Trainees	No. of Seminars	No. of Participants
Safety and health staff members	5	85

#### Education Programs for Advancement

2021 Results

(Toyota Motor Corporation)

	Details	Trainees	No. of Participants/Seminars
On-site health education	Expert instructors provide support for health and safety-related activities. Seminars are held to boost health literacy and provide accident simulation training		154 seminars
Virtual safety education	Participants can experience potential risks in relation to the safety, environment, protective gear, etc. of each production engineering/manufacturing worksite or office through virtual online training	All employees	10,140 participants
Online health-related learning	Online educational content is provided to boost awareness and knowledge about mental health and the prevention of lifestyle diseases		Accessed 114,815 times

## Initiative for Health

### Aim

- Further promotion of lifestyle disease prevention, mental health, improvements to create better, more fulfilling work environments. By prioritizing health as our policy, we ensure that our employees can grow along with the company, and each employee can contribute to boosting the company's overall productivity.

### Initiative

#### 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, etc.) and providing specific health guidance.
- Once an employee turns 36 years old, the employee and their (dependent) spouse undergo a health screening equivalent to a thorough physical examination once every four years and attend health briefings about their individual health status. (approximately 20,000 persons undergo 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.

### 2021 Results

(Toyota Motor Corporation)

	Results
Rate of employees who have received physical examinations	100%
Specific health guidance implementation rate	24.9% <sup>1</sup>

<sup>1</sup>The implementation rate has declined because face-to-face health guidance is more difficult to implement due to the COVID-19 pandemic

#### Responses to Infectious Diseases

 P.107 Response to Infectious Diseases

### Initiatives for Health Improvement

(Toyota Motor Corporation)

	Details
T-CaRS (TOYOTA -Communication and Refreshment Support)	<ul style="list-style-type: none"> <li>Offering multiple training programs that encourage trainees to work in a happy and highly productive manner</li> <li>Periodically providing mental wellness tips useful for business people by e-mail magazine</li> <li>Consultations with a psychology expert are available for health advice etc.</li> </ul>
Healthy Lifestyle Challenge 8	<ul style="list-style-type: none"> <li>Promoting eight healthy lifestyle habits<sup>2</sup> 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           <ul style="list-style-type: none"> <li>Since 2017 some global affiliates have been included in this company-wide initiative</li> </ul> </li> </ul> <p>* 2. Appropriate weight (BMI), 2. Eating breakfast, 3. Reducing alcohol, 4. Reducing snacking, 5. Exercise, 6. Quitting smoking, 7. Better sleep habits, 8. Stress management</p>
Health and Fitness Program	<ul style="list-style-type: none"> <li>An initiative intended to maintain the physical strength of employees aged 60 or above so that they can continue working to their full potential           <ul style="list-style-type: none"> <li>From the age of 36, employees undergo measurements of their weight, muscle mass, and body fat every four years. Advice is provided at the exercise guidance sessions based on these results</li> </ul> </li> </ul>
Health support for employees stationed overseas	<ul style="list-style-type: none"> <li>Pre-departure support           <ul style="list-style-type: none"> <li>Pre-departure physical examinations are provided to the employee as well as their accompanying family members</li> <li>Vaccinations against hepatitis A and B, tetanus, Japanese encephalitis, etc. (includes employees going on overseas business trips)</li> <li>Health guidance related to everyday life including the risk of malaria, HIV/AIDS and other infections</li> </ul> </li> <li>Support while posted overseas           <ul style="list-style-type: none"> <li>Physical examinations and guidance are provided in the local area and advice is given based on examination results</li> <li>Various tools are available to counsel on troubles or access health-related information</li> <li>Periodically sending industrial physicians or nurses to local worksites to check the medical conditions and local lifestyle of each region, and providing other support to help employees stationed overseas and their accompanying family members feel at ease (currently on hold due to the COVID-19 pandemic)</li> </ul> </li> </ul>
Health checks for employees working long hours	<ul style="list-style-type: none"> <li>Offering a health check (interview) and consultation with an industrial physician to allow employees to work in comfort during a temporarily busy period or when troubleshooting</li> <li>Providing careful follow-ups, such as more detailed physical checkups than the statutory level, and work adjustment (the number of workers working long hours has been decreasing)</li> </ul>
Food and nutritional education through the company cafeteria	<ul style="list-style-type: none"> <li>Healthy menu items (low-salt dishes, vegetable dishes, dishes reflecting the Healthy Lifestyle Challenge 8) are provided. Calories and nutritional information are also displayed</li> <li>Visualization of food intake and nutritional value using an app on the employee's smartphone</li> </ul>
Responses to second-hand smoking and smoking bans on company premises	<ul style="list-style-type: none"> <li>Initiatives to create a smoke-free environment are currently being expanded including an indoor smoking ban, a ban on smoking during working hours, and regular quit smoking days           <ul style="list-style-type: none"> <li>From April 2025, a total ban on smoking at all premises will be implemented (a ban is already in place at selected locations)</li> <li>Smoking rates: 2019:24.6%; 2020: 23.7%; 2021: 22.1%</li> </ul> </li> </ul>

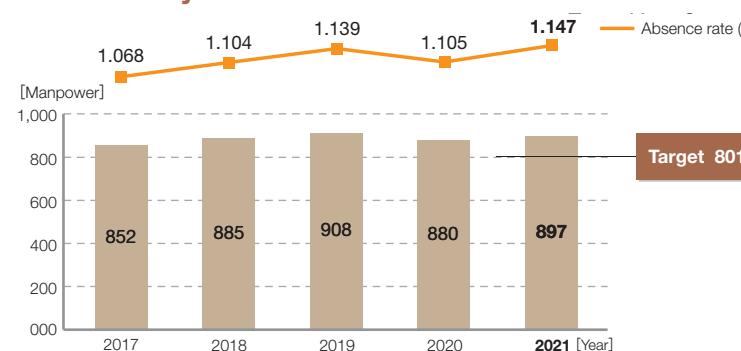
## Initiatives for Mental Health Care

- 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**.

(Toyota Motor Corporation)

Total prevention of issues and/or first-stage prevention	<ul style="list-style-type: none"> <li>Mindfulness and meditation training</li> <li>Self-care           <ul style="list-style-type: none"> <li>Encouraging better lifestyles and habits (Healthy Lifestyle Challenge 8)</li> <li>Providing Stress checks (2021 participation rate: 96.2%) to raise awareness</li> <li>Rank specific education (new recruits and young employees)</li> </ul> </li> <li>Line care           <ul style="list-style-type: none"> <li>Workplace management (support and communication from supervisors and co-workers)</li> <li>Workplace-specific and individual support provided by workplace counsellors</li> <li>Rank-specific education (for managers)</li> </ul> </li> <li>Care by experts           <ul style="list-style-type: none"> <li>Training by psychology expert staff</li> </ul> </li> </ul>
Second-stage prevention (rapid identification and response to issues)	<ul style="list-style-type: none"> <li>Screening at physical examination</li> <li>Setting up a full-time internal health counselling service</li> </ul>
Third-stage prevention (preventing reoccurrence and re-absence)	<ul style="list-style-type: none"> <li>Follow-ups for return to work in accordance with the guidelines</li> <li>Care by experts           <ul style="list-style-type: none"> <li>Advice for relevant employees and industrial health staff at a counselling center where a psychiatric specialist is permanently stationed</li> </ul> </li> </ul>

## Lost Workdays Due to Absences



## Initiative for Safety

### Aim

- 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.

### Initiative

## Initiatives for The Three Pillars of Safety

### The Three Pillars of Safety

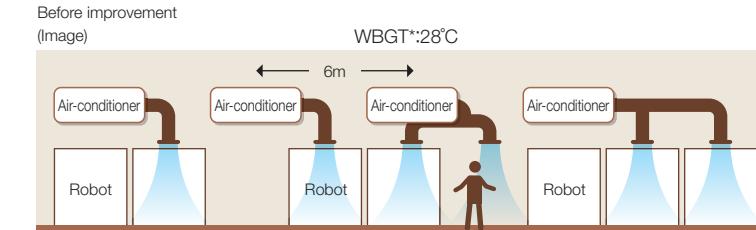
<b>Safe People</b>	<ul style="list-style-type: none"> <li>Promoting the development of human resources who are capable of predicting risks and thinking and acting in compliance with rules</li> <li>Workplace leaders demonstrate a safety-first attitude on a daily basis. Safety education focuses on the experiences and past actions of former employees, and is designed to encourage current employees to look at their awareness and behavior on a daily basis to ensure that all employees are “safe people”</li> </ul>
<b>Safe Work (Risk Management)</b>	<ul style="list-style-type: none"> <li>Reducing and managing high-risk tasks to eliminate all serious accidents</li> <li>Employees implement the 4S methodology: seiri (sorting), seiton (straightening), seiso (cleaning), and seiketsu (clean). They also evaluate safety risks in the workplace before implementing standardization based on the workability of each task</li> </ul>
<b>Safe Place/ Environments</b>	<ul style="list-style-type: none"> <li>Aiming to build positive and worker-friendly processes, find troubles and take quick decisions and actions</li> <li>The work environment, which is managed by statutory environmental measurement, is significantly affected by the production equipment, season and other factors. Therefore, measures for equipment are implemented according to the predetermined priority order</li> </ul>

### Examples of Three Pillars Initiatives

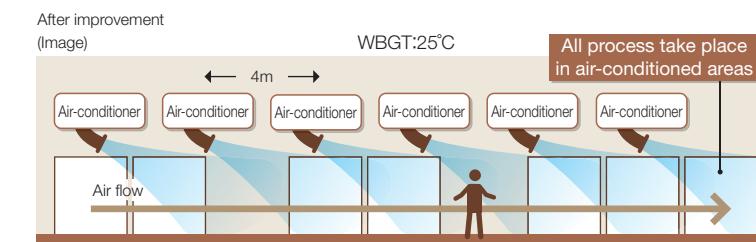
- Safe Work:** Employee movement zones and industrial vehicle movement zones are separated to prevent collisions between workers and industrial vehicles.
 



- Safe Place Environments:** Heat mitigation is carried out by creating cool air flows throughout the worksite to improve the work environment.



\*WBGT (Wet bulb globe temperature): Environmental assessment indicator to prevent heatstroke that considers both temperature and humidity



## Safety Risk Assessment

- Global Roll-out of Occupational Safety and Health Management System (OSHMS)
  - Using OSHMS, weaknesses are identified by genchi genbutsu (onsite hands-on experience) inspections.
  - Confirming whether measures are being implemented to avoid accidents that have occurred at other affiliates, and that a system has been created to ensure efforts are active and continuing.
- Acquisition of ISO 45001<sup>1</sup> Certification
  - Eight global plants have acquired ISO 45001 certification (as of December 31, 2020). 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.

<sup>1</sup> ISO 45001: The international standard for occupational safety and health management systems established by the ISO (International Organization for Standardization)



Example of improvement: A power assist device to reduce arm fatigue (North America)

## 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 condition of employees by offering physical care to employees on-site and a system to provide support when pain occurs.

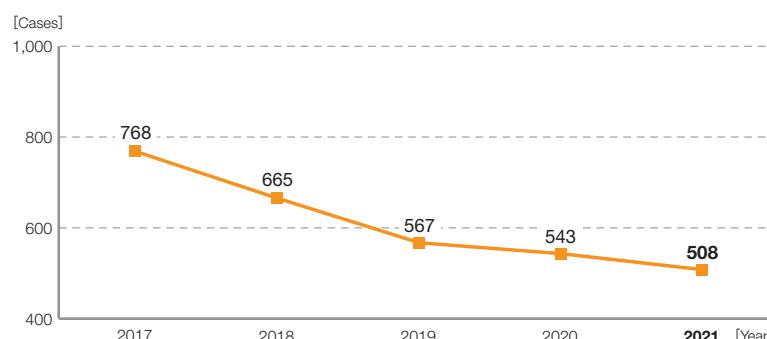
## Work-related Accidents and Injuries

### 2021 Results

	Scope	Target [cases]	Result [cases]
All accidents	Global <sup>2</sup>	283 (down 50% compared to 2019)	508
	Toyota Motor Corporation	24	31
Fatal accidents on company premises	Global <sup>2</sup>	0	0
Serious accidents (accidents that may result in death)	Global <sup>2</sup>	10	21
Serious injuries (musculoskeletal diseases that require employees to take a leave of absence for two weeks or longer, or impose work limitations )	Global <sup>2</sup>	440 (down 20% compared to 2020)	348

<sup>2</sup> Global: Toyota Motor Corporation n and 52 overseas locations

### All accidents by year (Global<sup>3</sup>)



<sup>3</sup> Global: Toyota Motor Corporation and 52 overseas locations

## Work-related Injuries (Lost Time Incident Rate<sup>4</sup>)

	2017	2018	2019	2020	2021
Global <sup>5</sup>	0.34	0.23	0.25	0.24	<b>0.23</b>
Japan	0.07	0.08	0.04	0.10	<b>0.03</b>
North America	1.49	0.93	1.01	0.89	<b>0.93</b>
Europe	0.69	0.35	0.42	0.27	<b>0.13</b>
China	0.20	0.19	0.07	0.11	<b>0.08</b>
Asia-Pacific	0.04	0.02	0.05	0.02	<b>0.07</b>
Other	0.18	0.12	0.23	0.23	<b>0.31</b>
All industries (Japan) <sup>6</sup>	1.66	1.83	1.80	1.95	<b>2.09</b>
Manufacturing industry (Japan) <sup>6</sup>	1.02	1.20	1.20	1.21	<b>1.31</b>
Japan Automobile Manufacturers Association, Inc (14 companies) <sup>7</sup>	0.07	0.09	0.09	0.09	<b>0.07</b>

<sup>4</sup> Lost Time Incident Rate: Number of deaths and injuries per 1 million hours actually worked in total (No. of deaths and injuries /Actual hours worked) x 1,000,000

<sup>5</sup> Global: Toyota Motor Corporation 52 overseas locations

<sup>6</sup> Source : Statistical tables from the Ministry of Health, Labour and Welfare

<sup>7</sup> Source: Japan Automobile Manufacturers Association, Inc

Updated in October 2022

# Social Contribution



GRI 201-1, 203-2, 413-1

- 97 Fundamental Approach
- 97 Organizational Structure
- 97 Social Contribution Activities

## Fundamental Approach

### Aim

- Toyota actively promotes social contribution activities to contribute to sustainable social vitality by working with stakeholders and using its resources effectively, while concentrating on initiatives that **address real social needs, including the need for fostering human resources.**

### Initiative

- For the issues in each contribution area, we will take action with **a sense of ownership** and **genchi genbutsu (onsite hands-on experience)** basis. We will work together with our partners who share the same aspirations in addressing issues that are difficult to solve solely by ourselves.

[Basic Principles and Policies of Social Contribution Activities](#)

[Toyota Social Contribution Activities](#)

## Organizational Structure

### Aim

- Promote social contribution activities and discuss and report activity policies.

### Initiative

- The direction and challenges of sustainability initiatives are reported to and discussed at the Sustainability Subcommittee. Key issues are then reported to the Sustainability Meeting for consideration and decision making. (The Sustainability Meeting thus supervises Toyota's sustainability initiatives.)

[P.6 Promoting Sustainability](#)

- The Corporate Citizenship Division plays the lead role in promoting activities in cooperation with regional headquarters in the United States, Europe, Asia and China.

## Social Contribution Activities

### Aim

- Contribute to achieving the SDGs by taking concrete actions from the perspective of "what we want to be like in the future."

### Initiative

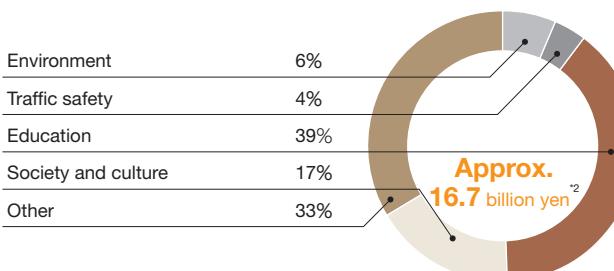
- 4 areas in which Toyota will focus its efforts
  - **Contribution to a harmonious society**
  - **Human capital development<sup>\*1</sup>**
  - **Community co-creation**
  - **Mobility for All** (offer free and safe mobility for all people, through its business)

\*1 Based on the belief that each individual is a being with diverse and essential potential, Toyota intends to develop such potential.

- Example**
  - Social contribution programs (e.g. contribution to a harmonious society, human capital development and community co-creation)
  - Promotion of employee volunteer activities (Toyota Volunteer Center)
  - Support of activities by NPOs, NGOs, etc. (donations and sponsorship)
  - Activities to promote understanding of automobile culture and Toyota corporate culture

[Social Contribution Activities](#)

## Expenditure for Social Contribution Activities (FY2022)



\*2 Toyota Motor Corporation and major subsidiaries (60 companies)  
Major subsidiaries' results have been converted to yen based on the average exchange rate for FY2022.  
Percentages are rounded to the nearest whole number and thus totals may not add to exactly 100%.

Updated in October 2022

# Social Data

GRI 102-8, 204-1, 401-1, 405-1

## A Employees

TMC: Toyota Motor Corporation

		FY2020	FY2021	<b>FY2022</b>
Employees (Consolidated)	Persons	359,542	366,283	<b>372,817</b>
Employees (TMC)		74,132	71,373	<b>70,710</b>
Male		65,007	62,335	<b>61,571</b>
Female		9,125	9,038	<b>9,139</b>
Newly-hired employees (TMC)		1,567	1,028	<b>1,122</b>
Male		1,093	750	<b>840</b>
Female		474	278	<b>282</b>
Average age (TMC)		39.7	39.2	<b>40.5</b>
Male		41.0	39.8	<b>41.4</b>
Female		36.4	35.1	<b>36.4</b>
Average period of employment (TMC)	Years	17.6	16.2	<b>16.4</b>
Male		18.2	16.6	<b>16.8</b>
Female		13.6	13.2	<b>13.4</b>
Turnover rate (TMC, voluntary resignation due to personal reasons)	%	1.1	1.0	<b>1.0</b>
Re-employed retirees (TMC) <sup>1</sup>	Persons	958	1,000	<b>1,288</b>
Local management employees at overseas affiliates <sup>2</sup>	% Persons	71.4	72.0	<b>78.4</b>
Non-Japanese CEOs/COOs in major overseas subsidiaries <sup>3</sup>		56.9	58.0	<b>60.7</b>
Number of managers (TMC)	Persons	10,499	10,504	<b>10,534</b>
Percentage of managerial positions held by women	% Global <sup>4</sup>	12.1	15.1	<b>12.0</b>
		2.5	2.7	<b>3.0</b>
Number of female assistant managers (TMC)	Persons	697	733	<b>762</b>
Number of female managers (TMC)		263	283	<b>315</b>
Percentage of female new recruits (TMC)	% Administrative employees	40.3	38.3	<b>40.0</b>
		12.6	15.2	<b>12.7</b>
		32.7	32.8	<b>31.5</b>
Female turnover rate (TMC, voluntary resignation due to personal reasons)	Administrative and Engineering employees	1.5	1.7	<b>1.8</b>
		3.2	2.3	<b>3.6</b>
Number of employees using the childcare and nursing care leave program (TMC)	Persons	624	767	<b>923</b>
Male		149	296	<b>495</b>
Female		475	471	<b>428</b>

<sup>1</sup>1 Number of re-employed administrative and engineering retirees<sup>2</sup>2 Scope of calculation: 32 overseas companies<sup>3</sup>3 Scope of calculation: 112 overseas companies<sup>4</sup>4 TMC and 46 overseas companies

			FY2020	FY2021	<b>FY2022</b>
Average period of childcare leave (TMC)	Male	Months	2.6	2.3	<b>1.9</b>
	Female		16.7	17.0	<b>16.5</b>
Return rate after taking childcare leave (TMC)		%	98.0	98.7	<b>99.0</b>
	Male		100	100	<b>100</b>
	Female		98.0	98.1	<b>98.1</b>
Rate of male employees taking childcare leave (TMC)			5.1	10.6	<b>19.4</b>
Rate of male employees taking leave after the birth of their child (TMC) <sup>5</sup>			93.1	90.6	<b>91.0</b>
Average number of days leave taken by male employees after the birth of their child (TMC)	Days		5.3	5.4	<b>6.0</b>
Employment rate of people with disabilities (TMC, including special-purpose subsidiaries)	%		2.41	2.46	<b>2.50</b>
Number of people with disabilities employed (TMC, including special-purpose subsidiaries)	Persons		1,368	1,405	<b>1,431</b>
Number of employees using the flexible working hours system (TMC) <sup>6</sup>			14,345	30,984	<b>35,654</b>
Percentage of annual paid leave taken (TMC) <sup>7,8</sup>	%		93.4	98.5	<b>93.4</b>
Average monthly overtime per employee (TMC) <sup>7</sup>	Hours/month		20.9	19.8	<b>19.7</b>
Employees who feel personal growth (TMC)	%		77.7	82.1	<b>85.1<sup>9</sup></b>
Employees who are satisfied with company life (TMC)			76.4	78.7	<b>78.2<sup>9</sup></b>
Administrative and engineering employees who are satisfied with company life (18 overseas companies)			— <sup>10</sup>	— <sup>10</sup>	<b>70.0<sup>11</sup></b>
Shop floor employees who are satisfied with company life (18 overseas companies)			— <sup>10</sup>	— <sup>10</sup>	<b>72.1<sup>11</sup></b>
Rate of non-permanent employment (TMC)			—	12.9	<b>14.9</b>
Ratio of employees covered by collective bargaining agreements <sup>12</sup>			91	91	<b>91</b>
Number of work stoppages and total days idle	Cases (persons-days)		1(1,598)	1(3,394) <sup>13</sup>	<b>0</b>
Lost-time injury frequency rate	Global <sup>14</sup>	<sup>15</sup>	0.25	0.24	<b>0.23</b>
	TMC		0.04	0.10	<b>0.03</b>
Absence rate (TMC)	%		1.139	1.105	<b>1.147</b>
Stress check implementation rate (TMC)			96.7	96.5	<b>96.2</b>

<sup>5</sup> 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)

<sup>6</sup> Including use of the system other than for childcare or nursing care

<sup>7</sup> Union member average

<sup>8</sup> As a fraction of the number of days given each year. Including days of annual paid leave carried over from previous years (annual paid leave can be carried over for up to two years.).

<sup>9</sup> Survey questions revised in FY2022

<sup>10</sup> Survey not conducted

<sup>11</sup> Weighted average of 18 companies

<sup>12</sup> Countries with unionized operations (only countries/regions with manufacturing: 20 out of 22)

<sup>13</sup> Between the 9th of November 2020 and 3rd of March 2021, Toyota Kirloskar Motors in India experienced a semi lock out condition where a part of the workforce was affected. During this period there was one work day where no production took place and for the remaining days production continued on a single shift basis. By utilizing the SASB definitions for "Idle Days" the value was calculated as 3,394 idle days. (1 day x 3,394 affected employees)

SASB TR-AU-310a.2

<sup>14</sup> Toyota Motor Corporation and 52 overseas sites

<sup>15</sup> Number of deaths and injuries per 1 million hours actually worked in total (No. of deaths and injuries /Actual hours worked) x 1,000,000

## B Supply Chain

		FY2020	FY2021	<b>FY2022</b>
Number of suppliers (Tier 1 suppliers)	Japan (parts)	9,849	8,519	<b>9,762</b>
	Overseas (parts)	455	457	<b>471</b>
	Companies	3,150	2,712	<b>2,791</b>
		(1,653)	(1,226)	<b>(2,032)</b>
		897	896	<b>1,265</b>
	Number of non-Japanese suppliers	5,347	4,454	<b>5,235</b>
	Japan (equipment, logistics, etc.)			
	Overseas (equipment, logistics, etc.)			

## C Quality

		FY2020	FY2021	<b>FY2022</b>
Number of vehicles recalled	Million units	11.8	4.5	<b>4.09</b>
	%	— <sup>16</sup>	— <sup>16</sup>	— <sup>16</sup>
Number of safety-related defect complaints, percentage investigated	%	— <sup>16</sup>	— <sup>16</sup>	— <sup>16</sup>
				100 (Investigations conducted for all investigation requests from authorities in each county and results reported to relevant authorities)

\*16 Disclosure commenced in FY2022

## D Social Contribution Activities

		FY2020	FY2021	<b>FY2022</b>
Total expenditure for social contribution activities <sup>17</sup>	Billion yen	19.6	18.7	<b>16.7</b>
*17 TMC and major subsidiaries (60 companies)				

# Governance

**101** Corporate Governance

**104** Risk Management

**108** Compliance

**111** Governance Data

Updated in October 2022

# Corporate Governance

GRI 102-18-28, 35, 36, 37

- 101 Fundamental Approach**
- 101 Corporate Governance Structure**
- 102 Board of Directors**
- 103 Audit & Supervisory Board**
- 103 Executive Compensation**
- 103 Internal Control**

## 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

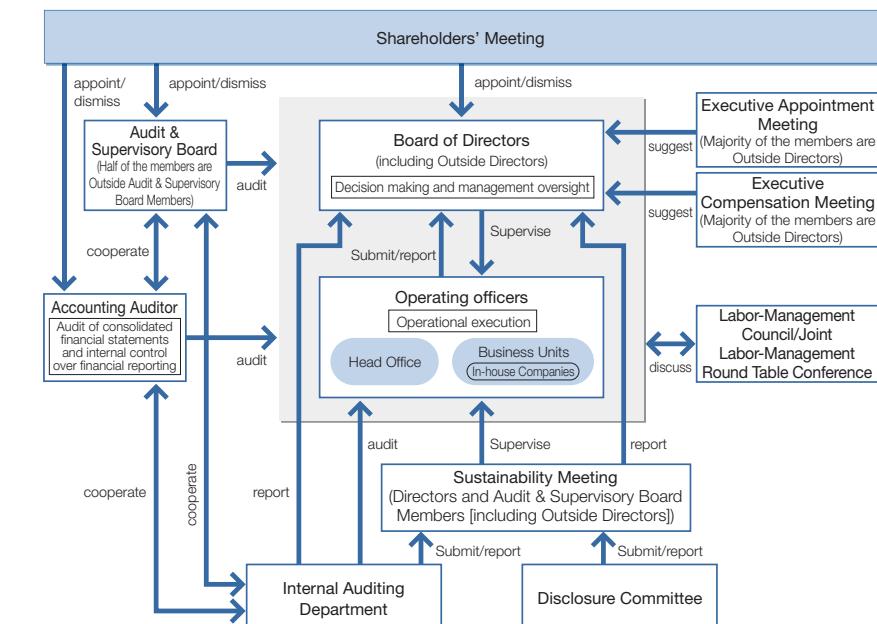
### Aim

- 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 operating officers, mainly consisting of the president, executive vice presidents and chief 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.

Corporate Governance Organizational Diagram



**Changes in Governance Structure**

	~2010	2011～2015	2016～2020	2021～	Current (As of August 2022)
Number of Directors (total)	27	2011-2016: between 11 and 16 (temporarily increased due to the introduction of Outside Directors)	2017: 9		
Outside Directors		2013: 3			
Executive vice presidents		2011-2020: between 4 and 7			April 2022
Senior managing/ Managing officers	64	2011-2018: between 42 and 49			Position newly established with revised roles (3 persons)
Operating officers					2022/8: 7
Advisors/ Senior advisors		2011-2017: between 55 and 68	2018: 9 due to organizational changes, July 2020: 0		(excluding president and executive vice presidents)
Audit & Supervisory Board Members (total)	7	2014: 6			
Outside Audit & Supervisory Board Members	4	2014: 3			
Meetings			2017: Outside members accounting for half	2019: Outside members accounting for a majority	
Executive Appointment					
Compensation					
Sustainability	2007-2014: CSR Committee	2014: Corporate Governance Meeting	2018: Sustainability Meeting		

- April 2011
  - Reduced the number of Members of the Board of Directors from 27 to 11 (currently 9 members)
  - Reduced decision making layers (discontinuing the positions of executives responsible for the operations involved and introduced the two-tiered arrangement of Executive Vice President and Chief Officer)
  - Made flexible assignment of Senior Managing Officer or Managing Officer to Chief Officer post (abolition of Senior Managing Director)
  - Established the role of Executive General Manager
  - Stationing of, in principle, regional chief officers in their respective regions
- April 2013
  - Established business units
  - Reorganized region groups
  - Appointed Outside Board Members
- April 2015
  - Changed the roles of officers
  - Enhancement of diversity (appointing non-Japanese executives and female executives)
- April 2016
  - Established in-house companies, shift from functional to product-based focus

- April 2017
  - Further clarification of the responsibilities of Members of the Board of Directors as decision making and management oversight and of Operating Officers as operational execution
  - Reduced the number of Members of the Board of Directors (including Outside Directors) to 9 (June)
- October 2017
  - Changed the advisor and senior advisor system
- January 2018
  - Increased appointment of people with high expertise from both within and outside of the Company (the Toyota Group, people with technical positions, backgrounds, etc.)
  - Executive Vice President, in addition to supporting the President, personally leads the field as an in-house company president and organizational group chief officers
  - Newly established a fellow system to secure people with high level of specialist expertise and expand the breadth of executive human resource development
- January 2019
  - Created a new classification: "senior professional/ senior management," integration of Managing Officer, Executive General Manager, (sub-executive managerial level) Senior Grade 1 and Senior Grade 2 Manager, and Grand Master
- January 2020
  - Discontinued use of Field General Manager rank, shifting to Senior General Manager and Fellow
- April 2020
  - Integrated the roles of Executive Vice President and Operating Officer into Operating Officer
- July 2020
  - Further clarified the roles of Operating Officers
- April 2022
  - Reorganized the roles of operating officers and newly established the position of executive vice president to create a position for focusing on management perspectives with the president

**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 2022)

Composition	9 members (Independent Outside Directors: 3, Female: 1, Non-Japanese: 2)	
Chairperson	Chairman of the Board of Directors	
Tenure as Director	Average tenure: 7.6 years (0-4 years: 6 persons, 5-9 years: 1 person, over 10 years: 2 persons)	
Composition of the Meetings	Executive Appointment Meeting	Chairperson: Chairperson of the Board of Directors, 5 members (Independent Outside Directors: 3, Female: 1, Non-Japanese: 1)
	Executive Compensation Meeting	Chairperson: Chairperson of the Board of Directors, 5 members (Independent Outside Directors: 3, Female: 1, Non-Japanese: 1)
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	<ul style="list-style-type: none"> <li>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</li> <li>Provide an explanation of all proposals in advance to help ensure thorough understanding of the background of the proposals</li> <li>Remove the time limit for discussions at Board of Directors' meetings to ensure sufficient discussion can be held</li> <li>Besides the Board of Directors meetings, set periodic opportunities for two-way communication between Outside Members of the Board of Directors and the Audit &amp; Supervisory Board and the operational execution side on important management issues and medium-to-long-term issues</li> </ul>	
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 including	Matters including <ul style="list-style-type: none"> <li>composition and operation of the Board of Directors</li> <li>management strategy and business strategy</li> <li>corporate ethics and risk management</li> <li>communication with stakeholders such as shareholders</li> </ul>
	Matters to be evaluated	Matters to be evaluated <ul style="list-style-type: none"> <li>Effectiveness is confirmed</li> <li>Further improvements to be made: secure more opportunities to discuss important topics, provide more information to Outside Members of the Board of Directors and Audit &amp; Supervisory Board</li> </ul>
	Method	Self-evaluation through surveys and interviews
	Summary of the findings (in 2022)	

## 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.

(As of June 2022)

Composition	6 members (Outside Audit & Supervisory Board Members: 3, Female: 1, Non-Japanese: 1)
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

- An important means to encourage executives to contribute to decision-making aimed at sustainable growth into the future, to transforming Toyota into a “mobility company”, and to resolving social challenges including the SDGs through various initiatives.

### 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.

Remuneration system	<ul style="list-style-type: none"> <li>The Board of Directors decides by resolution the policy for determining remuneration for and other payments to each member of the Board of Directors</li> <li>Remuneration is effectively linked to corporate performance while reflecting individual job responsibilities and performance Remuneration standards in each member's home country are also taken into account when determining remuneration levels and payment methods</li> <li>Remuneration for Outside Members of the Board of Directors and Audit &amp; Supervisory Board Members consists only of fixed payments. As a result, this remuneration is not readily impacted by business performance, helping to ensure independence from management</li> </ul>				
Remuneration for Members of the Board of Directors	<table border="1"> <tbody> <tr> <td>Maximum cash compensation</td> <td>3.0 billion yen per year (of which, the maximum amount payable to Outside Members of the Board of Directors is 0.3 billion yen per year)</td> </tr> <tr> <td>Maximum share compensation</td> <td>4.0 billion yen per year</td> </tr> </tbody> </table>	Maximum cash compensation	3.0 billion yen per year (of which, the maximum amount payable to Outside Members of the Board of Directors is 0.3 billion yen per year)	Maximum share compensation	4.0 billion yen per year
Maximum cash compensation	3.0 billion yen per year (of which, the maximum amount payable to Outside Members of the Board of Directors is 0.3 billion yen per year)				
Maximum share compensation	4.0 billion yen per year				
Remuneration for Audit & Supervisory Board Members	30 million yen or less per month				
Method of determining remuneration	<table border="1"> <tbody> <tr> <td>Directors with Japanese Citizenship (excluding Outside Members of the Board of Directors)</td> <td> <ul style="list-style-type: none"> <li>The total amount of remuneration (total amount of fixed remuneration and performance-based remuneration) received by each member of the board of directors in a year is determined based on consolidated operating income, the fluctuation of the market capitalization of Toyota, and individual performance evaluation</li> </ul> </td> </tr> <tr> <td>Directors with Foreign Citizenship (excluding Outside Members of the Board of Directors)</td> <td> <ul style="list-style-type: none"> <li>Fixed remuneration and performance-based remuneration are set based on the remuneration levels and structures that allow Toyota to secure and retain talented personnel</li> <li>Performance-based remuneration is set based on consolidated operating income, the fluctuation of the market capitalization of Toyota, and individual performance</li> <li>There are cases where Toyota provides income tax compensation for certain members of the Board of Directors in light of the difference in income tax rates with those of his or her home country</li> </ul> </td> </tr> </tbody> </table>	Directors with Japanese Citizenship (excluding Outside Members of the Board of Directors)	<ul style="list-style-type: none"> <li>The total amount of remuneration (total amount of fixed remuneration and performance-based remuneration) received by each member of the board of directors in a year is determined based on consolidated operating income, the fluctuation of the market capitalization of Toyota, and individual performance evaluation</li> </ul>	Directors with Foreign Citizenship (excluding Outside Members of the Board of Directors)	<ul style="list-style-type: none"> <li>Fixed remuneration and performance-based remuneration are set based on the remuneration levels and structures that allow Toyota to secure and retain talented personnel</li> <li>Performance-based remuneration is set based on consolidated operating income, the fluctuation of the market capitalization of Toyota, and individual performance</li> <li>There are cases where Toyota provides income tax compensation for certain members of the Board of Directors in light of the difference in income tax rates with those of his or her home country</li> </ul>
Directors with Japanese Citizenship (excluding Outside Members of the Board of Directors)	<ul style="list-style-type: none"> <li>The total amount of remuneration (total amount of fixed remuneration and performance-based remuneration) received by each member of the board of directors in a year is determined based on consolidated operating income, the fluctuation of the market capitalization of Toyota, and individual performance evaluation</li> </ul>				
Directors with Foreign Citizenship (excluding Outside Members of the Board of Directors)	<ul style="list-style-type: none"> <li>Fixed remuneration and performance-based remuneration are set based on the remuneration levels and structures that allow Toyota to secure and retain talented personnel</li> <li>Performance-based remuneration is set based on consolidated operating income, the fluctuation of the market capitalization of Toyota, and individual performance</li> <li>There are cases where Toyota provides income tax compensation for certain members of the Board of Directors in light of the difference in income tax rates with those of his or her home country</li> </ul>				

Updated in October 2022

# Risk Management

GRI 102-11, 15, 30, 31, 33

**104** Fundamental Approach**104** Organizational Structure**105** Risk Management System**105** Business Continuity Management (BCM)

## 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

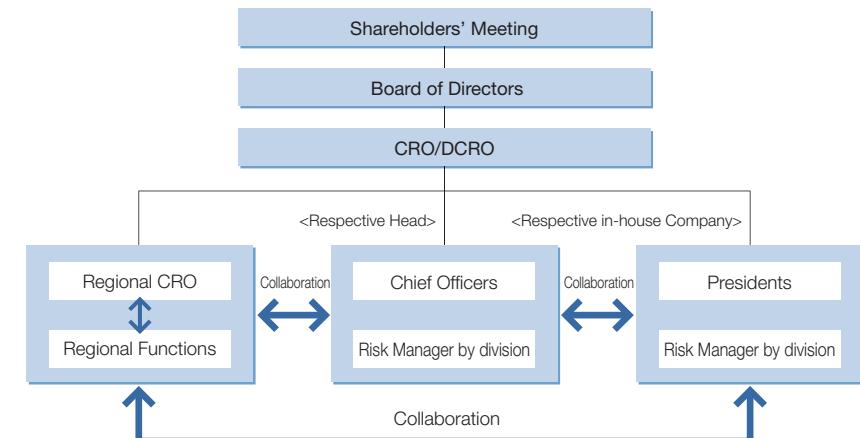
### Aim

- 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.

### Organizational Structure



## 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 for Sponsoring Organizations of the Treadway Commission).
  - ⇒ Significant risks
- Advancing company-wide initiatives in terms of the following matters: climate change, natural disasters, and geopolitical conflicts to supply chains, business continuity management (BCM) at the head office, Toyota Group companies, and business partners to respond to a wide range of risks, cybersecurity risks, privacy protection, and internal control risks.

## Business Continuity Management (BCM)

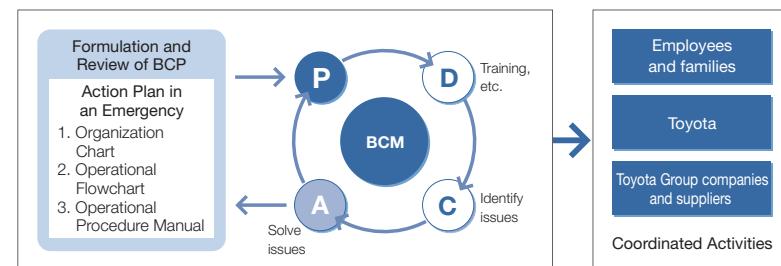
### Aim

- Assure quick recovery in business operations despite limitations on resources in preparation for large-scale disasters such as earthquakes and floods.

### Initiative

### Formulation 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.



### 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.

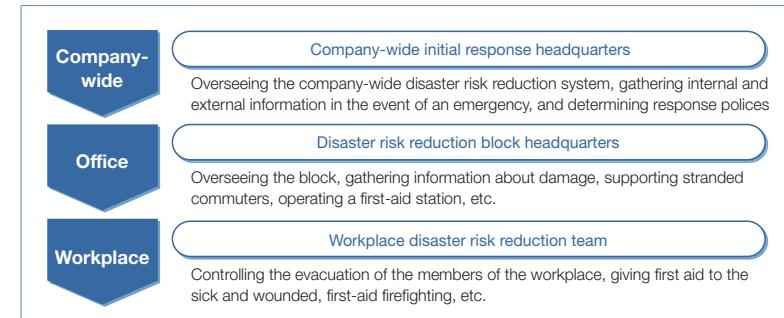
#### Toyota's Basic Guidelines (priorities during a disaster)

- |  |  |   |
|--|--|---|
| <b>1</b><br>Humanitarian aid<br>(lifesaving first, relief) | <b>2</b><br>Early recovery of the affected areas (communities) | <b>3</b><br>Restoration of Toyota's operations and production |
|--|--|---|

### 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.

### Organizational Structure



### • 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 if they and their family members are safe to the company using their computers or smartphones.
- Conducting a safety confirmation drill for all employees every year in tandem with the company-wide emergency drill.

#### 2021 results

- Safety reporting rate at company-wide drill: 99% (Toyota Motor Corporation)

### • Enhancing awareness of disasters

(Toyota Motor Corporation)

Distribution of the Emergency Handbook	<ul style="list-style-type: none"> <li>Main contents of the Emergency Handbook</li> <li>Safe evacuation behaviors in the event of an earthquake, a typhoon, heavy rainfall, fire or any other disaster; the provision of first aid to the injured; and means to contact family members</li> <li>How to use the Safety Confirmation System</li> <li>The handbook can be viewed on a smartphone</li> </ul>
Raising awareness by displaying information on computer screen	<ul style="list-style-type: none"> <li>Basic knowledge in consideration of recent years' increased severity of extreme weather events</li> <li>The "Information for Severe Weather Preparedness" issued by the Japan Meteorological Agency, and evacuation information issued by the relevant local government</li> <li>How local residents should act and evacuate</li> </ul>
Discussions at each workplace	<ul style="list-style-type: none"> <li>Discussions on simulations for disasters</li> </ul>

### 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 and the like:**  
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

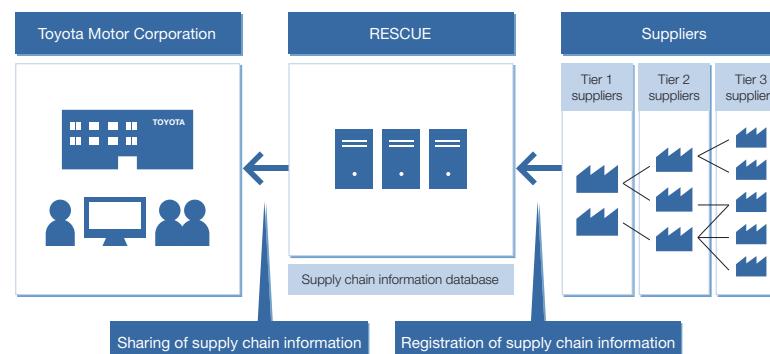
- Toyota has concluded comprehensive disaster support agreements with local governments** (Toyota City, Miyoshi City, Tahara City, Hekinan City, and Susono City).
- Humanitarian support and regional recovery assistance are to be provided under mutual cooperation with local governments. Toyota is preparing 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

### 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
  - 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.

\*RESCUE: REinforce Supply Chain Under Emergency

#### RESCUE System to Store 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

Community support	<ul style="list-style-type: none"> <li>● Use of our facilities as vaccination sites</li> <li>● Dispatch of our staff members to support doctors, other medical workers, and vaccination site operators</li> <li>● The total number of vaccine doses administered: 122,400 (from the end of May to the end of October 2021)</li> </ul>
Workplace vaccination	<ul style="list-style-type: none"> <li>● Administration of vaccines to our suppliers in the neighborhood and our employees</li> <li>● Use of 17 internal facilities as vaccination sites 1st and 2nd doses: 164,471 doses administered (June to October 2021) 3rd doses: 53,372 doses administered (March to June 2022)</li> </ul>

Updated in October 2022

# Compliance

GRI 102-17,30,31,33, 205-1~3, 207-1~3

**108** Fundamental Approach**108** Compliance Education**109** Bribery / Corruption Prevention Measures**109** Initiatives for Taxation**109** Speak-up**110** Checks to Enhance Compliance

## Fundamental Approach

### Aim

- Carry out the Guiding Principles at Toyota\* and **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](#)

### Initiative

- Formulation of the **Toyota Code of Conduct** that outlines the basic mindset that all members of Toyota should have and that shows concrete guidelines for the Guiding Principles at Toyota.
- Distribute the booklet to all employees, including secondees and dispatched employees, to ensure that they are thoroughly familiar with the Toyota Code of Conduct.
- Provision of various training and education programs, operation of the Speak up Hotline, and strengthening of compliance through checks.
- Appointment of Chief Compliance Officer (CCO) and Deputy Chief Compliance Officer (DCCO) (April 2022).
- Promote compliance activities to ensure that under the support and guidance of CCO and DCCO, all people working at Toyota act responsibly and in compliance with the Guiding Principles at Toyota, Toyota Way and the Toyota Code of Conduct.

 [Toyota Code of Conduct](#)

## 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
- Act against Unjustifiable Premiums and Misleading Representations
- Insider Trading Regulations • Act on the Protection of Personal Information
- Intellectual Property (trademarks) • Product Liability Act • Taxation
- Confidentiality Management • Bribery/Corruption Prevention • Safety and Health
- Labor • Export Operations Management

etc.

- 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/corruption, 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 the eradication of bribery/corruption.

### Initiative

- Formulation of Anti-bribery Guidelines (2012)**

Formulated the guidelines for internal divisions and for business partners.



	Guidelines for internal divisions	Guidelines for business partners
Major items stipulated	<ul style="list-style-type: none"> <li>Prohibition of bribing public officials, etc.</li> <li>Prohibition of bribery/corruption of those who are not public officials</li> <li>Preparation and retention of accurate accounting records</li> <li>Reporting of improprieties when they are found</li> <li>Cooperation when investigations are carried out</li> <li>Points to follow when entering business partnerships (detailed audits, execution of contracts)</li> <li>Points to follow related to the payment of various expenses (gifts, donations, remunerations, etc.)</li> <li>Reporting impropriety when found/who to consult</li> <li>Penalties for violation and internal disciplinary measures</li> </ul>	<ul style="list-style-type: none"> <li>Prohibition of bribing public officials, etc.</li> <li>Prohibition of bribery/corruption of those who are not public officials</li> <li>Preparation and retention of accurate accounting records</li> <li>Reporting of improprieties when they are found</li> <li>Cooperation when investigations are carried out</li> </ul>
Posted on:	The company intranet	The company's official website

- Raise and enhance awareness through various training programs and activities.
- In the payment process, ensure that an authorizer (manager) confirms that the act is not considered bribery.
- Incorporate bribery/corruption prevention into inspection activities (from 2013), and promote improvement activities aimed at strengthening anti-bribery systems which include subsidiaries.

### FY2022 results

- No cases involving bribery/corruption-related penalties or dismissal. (Toyota Motor Corporation)

## Initiatives for Taxation

### Aim

- Conduct tax-related duties of high quality by maintaining compliance on taxation.

### 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

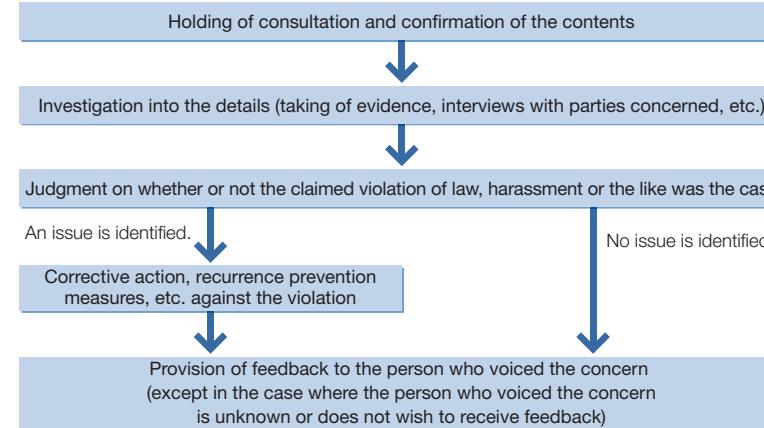
### Speak-up Hotline

- 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).

Persons eligible to use the hotline	<ul style="list-style-type: none"> <li>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</li> <li>The hotline can also be used anonymously</li> </ul>
Methods for disseminating information on the hotline	<ul style="list-style-type: none"> <li>Through various media including the intranet</li> </ul>
Handling	<ul style="list-style-type: none"> <li>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.)</li> <li>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</li> <li>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</li> <li>For cases where an issue is actually identified, appropriate measures will be taken in accordance with company regulations such as the Work Regulations</li> </ul>
Number of consultations received (FY2022)	<ul style="list-style-type: none"> <li>727 (approx. 1.2 times the number the previous year)           <ul style="list-style-type: none"> <li>Breakdown               <ul style="list-style-type: none"> <li>Violation of laws, regulations and rules: 92</li> <li>Financial wrongdoing: 3</li> <li>Harassment: 229</li> <li>Workplace environment/personnel matters: 124</li> <li>Opinions/inquiries: 136</li> <li>Other issues: 143</li> </ul> </li> </ul> </li> </ul>

#### Report and response procedures



#### Toyota Consolidated Helpline

- Employees of Toyota's subsidiaries in Japan and their family members may use this hotline as an option other than the hotline of their own companies when they have compliance-related questions regarding their companies. (The Helpline is run by an outside law firm as a subcontractor.)

## Checks to Enhance Compliance

### Aim

- Assess the compliance status of Toyota Motor Corporation and its subsidiaries in and outside Japan, and make improvements.

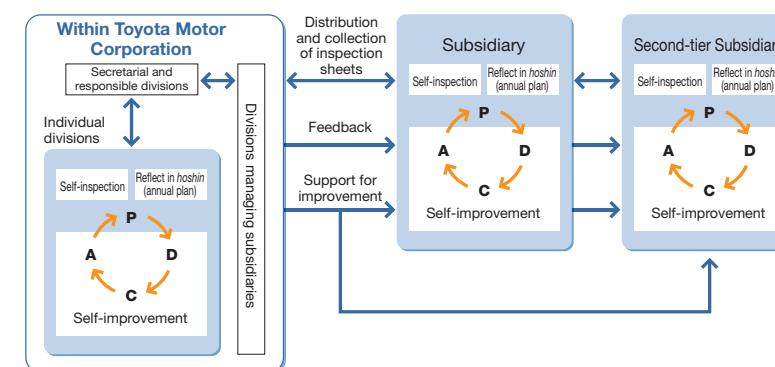
### Initiative

- 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 action 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 FY2022*

Checks in terms of **compliance with the Antimonopoly Law, bribery/corruption prevention, violations of the Act on the Protection of Personal Information**, etc.

### Activity



Updated in October 2022

# Governance Data

**A**

## Governance

TMC: Toyota Motor Corporation

		FY2020	FY2021	<b>FY2022</b>
Number of Directors	Persons	9	9	<b>9</b>
Male		8	8	<b>8</b>
Female		1	1	<b>1</b>
Outside Directors (independent officers)		3	3	<b>3</b>
Number of cases involving bribery/corruption-related penalties or dismissal (TMC)	Cases	— <sup>1</sup>	0	<b>0</b>
Number of consultations to the Speak-up Hotline (TMC)		179 <sup>2</sup>	624	<b>727</b>

<sup>1</sup> Disclosure commenced in FY2021<sup>2</sup> Number of consultations to the Compliance Hotline

In April 2020, several hotlines, including the Compliance Hotline, which allowed employees to report compliance-related issues, and hotlines for harassment, were integrated into the "Speak up" Hotline.

# SASB/GRI Content Index

**113** SASB Content Index

**114** GRI Content Index

**SASB Content Index**

Updated in October 2022

<input type="checkbox"/> Topic	<input type="checkbox"/> Accounting Metric	<input type="checkbox"/> Code	<input type="checkbox"/> Response
Product Safety	Percentage of vehicle models rated by NCAP programs with an overall 5-star safety rating, by region	TR-AU-250a.1	Vehicle Safety > External Safety Evaluations <a href="#">🔗</a>
	Number of safety-related defect complaints, percentage investigated	TR-AU-250a.2	Quality and Service > Quality Risk Management <a href="#">🔗</a>
			Quality and Service > Coping with Quality Problems <a href="#">🔗</a>
	Number of vehicles recalled	TR-AU-250a.3	Quality and Service > Coping with Quality Problems <a href="#">🔗</a>
			Social Data > Quality <a href="#">🔗</a>
Labor Practices	Percentage of active workforce covered under collective bargaining agreements	TR-AU-310a.1	Respect for Human Rights > Initiatives for Freedom of Association <a href="#">🔗</a>
	(1) Number of work stoppages and (2) total days idle	TR-AU-310a.2	Social Data > Employees <a href="#">🔗</a>
Fuel Economy & Use-phase Emissions	Sales-weighted average passenger fleet fuel economy, by region	TR-AU-410a.1	Environmental Data [E] Average CO <sub>2</sub> Emissions from New Vehicles: Global <a href="#">🔗</a>
	Number of (1) zero emission vehicles (ZEV), (2) hybrid vehicles, and (3) plug-in hybrid vehicles sold	TR-AU-410a.2	New Vehicle Zero CO <sub>2</sub> Emissions Challenge > Promoting widespread use of electrified vehicles <a href="#">🔗</a>
			Environmental Data [F] Electrified Vehicles Sales: Global <a href="#">🔗</a>
	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	TR-AU-410a.3	Climate-related Financial Disclosures Based on TCFD Recommendations > Strategy <a href="#">🔗</a>
Materials Sourcing	Description of the management of risks associated with the use of critical materials	TR-AU-440a.1	Respect for Human Rights > Investigation and disclosure on the use of Conflict Minerals <a href="#">🔗</a>
	Total amount of waste from manufacturing, percentage recycled	TR-AU-440b.1	Environmental Data [R] Waste: Global <a href="#">🔗</a>
Materials Sourcing	Weight of end-of-life material recovered, percentage recycled	TR-AU-440b.2	Environmental Data [O] Information on Vehicles Recycled in Accordance with SASB Standards: Toyota Group <a href="#">🔗</a>
	Average recyclability of vehicles sold	TR-AU-440b.3	Environmental Data [M] Vehicles Recycled in Accordance with the End-of-life Vehicle Recycling Law: Toyota Motor Corporation <a href="#">🔗</a>
Number of vehicles manufactured		TR-AU-000.A	Company Profile <a href="#">🔗</a>
Number of vehicles sold		TR-AU-000.B	Company Profile <a href="#">🔗</a>

## GRI Content Index

Updated in October 2022

### General Disclosures

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>1. Organizational profile</b>		
G102-1	Name of the organization	Overview <a href="#">🔗</a>
G102-2	Activities, brands, products, and services	Profile <a href="#">🔗</a>
G102-3	Location of headquarters	Overview <a href="#">🔗</a>
G102-4	Location of operations	Facilities <a href="#">🔗</a>
G102-5	Ownership and legal form	Overview <a href="#">🔗</a>
G102-6	Markets served	Profile <a href="#">🔗</a>
G102-7	Scale of the organization	Profile <a href="#">🔗</a>
G102-8	Information on employees and other workers	Social Data > Employees <a href="#">🔗</a>
G102-9	Supply chain	Value Chain Collaboration > Initiatives with Suppliers <a href="#">🔗</a> Policy and Environmental Management > Initiatives with Suppliers <a href="#">🔗</a>
G102-10	Significant changes to the organization and its supply chain	Form 20-F "KEY INFORMATION", "INFORMATION ON THE COMPANY" <a href="#">🔗</a>
G102-11	Precautionary Principle or approach	Toyota Environmental Challenge 2050 <a href="#">🔗</a> Climate-related Financial Disclosures Based on TCFD Recommendations > Metrics and Targets <a href="#">🔗</a> Risk Management <a href="#">🔗</a> Form 20-F "KEY INFORMATION", "INFORMATION ON THE COMPANY" <a href="#">🔗</a>
G102-12	External initiatives	Promoting Sustainability > Stakeholder engagement <a href="#">🔗</a> Respect for Human Rights <a href="#">🔗</a>
G102-13	Membership of associations	Promoting Sustainability <a href="#">🔗</a> Respect for Human Rights <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>2. Strategy</b>		
G102-14	Statement from senior decision-maker	Message from Management <a href="#">🔗</a>
G102-15	Key impacts, risks, and opportunities	Risk Management <a href="#">🔗</a> Climate-related Financial Disclosures Based on TCFD Recommendations > Strategy <a href="#">🔗</a>
		New Vehicle Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Plant Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Life Cycle Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Challenge of Minimizing and Optimizing Water Usage <a href="#">🔗</a>
		Challenge of Establishing a Recycling-based Society and Systems <a href="#">🔗</a>
		Challenge of Establishing a Future Society in Harmony with Nature <a href="#">🔗</a>
		Form 20-F "KEY INFORMATION" <a href="#">🔗</a>
<b>3. Ethics and integrity</b>		
G102-16	Values, principles, standards, and norms of behavior	Vision & Philosophy <a href="#">🔗</a> Toyota Earth Charter <a href="#">🔗</a>
G102-17	Mechanisms for advice and concerns about ethics	Compliance <a href="#">🔗</a>
<b>4. Governance</b>		
G102-18	Governance structure	Corporate Governance <a href="#">🔗</a> Promoting Sustainability <a href="#">🔗</a>
G102-19	Delegating authority	Promoting Sustainability <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
G102-20	Executive-level responsibility for economic, environmental, and social topics	Promoting Sustainability <a href="#">🔗</a>
G102-21	Consulting stakeholders on economic, environmental, and social topics	Promoting Sustainability <a href="#">🔗</a>
G102-22	Composition of the highest governance body and its committees	Corporate Governance Reports <a href="#">🔗</a> EXECUTIVES <a href="#">🔗</a>
G102-23	Chair of the highest governance body	Corporate Governance Reports <a href="#">🔗</a>
G102-24	Nominating and selecting the highest governance body	Corporate Governance <a href="#">🔗</a> Corporate Governance Reports <a href="#">🔗</a>
G102-25	Conflicts of interest	Corporate Governance Reports <a href="#">🔗</a>
G102-26	Role of highest governance body in setting purpose, values, and strategy	Message from Management <a href="#">🔗</a> Vision & Philosophy <a href="#">🔗</a> Promoting Sustainability <a href="#">🔗</a>
G102-27	Collective knowledge of highest governance body	Promoting Sustainability <a href="#">🔗</a> Corporate Governance > Corporate Governance Structure <a href="#">🔗</a>
G102-28	Evaluating the highest governance body's performance	Corporate Governance Reports <a href="#">🔗</a>
G102-29	Identifying and managing economic, environmental, and social impacts	Promoting Sustainability <a href="#">🔗</a> Corporate Governance Reports <a href="#">🔗</a> Policy and Environmental Management > Environmental Management <a href="#">🔗</a> Climate-related Financial Disclosures Based on TCFD Recommendations > Governance <a href="#">🔗</a>
G102-30	Effectiveness of risk management processes	Risk Management <a href="#">🔗</a> Compliance <a href="#">🔗</a> Corporate Governance Reports <a href="#">🔗</a> Climate-related Financial Disclosures Based on TCFD Recommendations > Governance <a href="#">🔗</a>
G102-31	Review of economic, environmental, and social topics	Risk Management <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
		Compliance <a href="#">🔗</a>
		Corporate Governance Reports <a href="#">🔗</a>
G102-32	Highest governance body's role in sustainability reporting	Promoting Sustainability <a href="#">🔗</a> Climate-related Financial Disclosures Based on TCFD Recommendations > Governance <a href="#">🔗</a>
G102-33	Communicating critical concerns	Risk Management <a href="#">🔗</a> Compliance <a href="#">🔗</a> Corporate Governance Reports <a href="#">🔗</a> Climate-related Financial Disclosures Based on TCFD Recommendations > Governance <a href="#">🔗</a>
G102-34	Nature and total number of critical concerns	—
G102-35	Remuneration policies	Corporate Governance > Executive Compensation <a href="#">🔗</a>
G102-36	Process for determining remuneration	Corporate Governance > Executive Compensation <a href="#">🔗</a> Form 20-F "DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES", "CORPORATE GOVERNANCE" <a href="#">🔗</a>
G102-37	Stakeholders' involvement in remuneration	Form 20-F "DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES", "CORPORATE GOVERNANCE" <a href="#">🔗</a>
G102-38	Annual total compensation ratio	—
G102-39	Percentage increase in annual total compensation ratio	—
<b>5. Stakeholder engagement</b>		
G102-40	List of stakeholder groups	Promoting Sustainability > Stakeholder engagement <a href="#">🔗</a>
G102-41	Collective bargaining agreements	Respect for Human Rights <a href="#">🔗</a>
G102-42	Identifying and selecting stakeholders	Promoting Sustainability > Stakeholder engagement <a href="#">🔗</a>
G102-43	Approach to stakeholder engagement	Promoting Sustainability > Stakeholder engagement <a href="#">🔗</a>
G102-44	Key topics and concerns raised	Promoting Sustainability > Stakeholder engagement <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>6. Reporting practice</b>		
G102-45	Entities included in the consolidated financial statements	Form 20-F "INFORMATION ON THE COMPANY" <a href="#">🔗</a>
G102-46	Defining report content and topic Boundaries	Editorial Policy <a href="#">🔗</a>
G102-47	List of material topics	Promoting Sustainability > Materiality (key issues) <a href="#">🔗</a>
G102-48	Restatements of information	Editorial Policy <a href="#">🔗</a>
G102-49	Changes in reporting	Editorial Policy <a href="#">🔗</a>
G102-50	Reporting period	Editorial Policy <a href="#">🔗</a>
G102-51	Date of most recent report	Update History <a href="#">🔗</a>
G102-52	Reporting cycle	Editorial Policy <a href="#">🔗</a>
G102-53	Contact point for questions regarding the report	Sustainability Management Dept.
G102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Data Book has been prepared in accordance with the GRI Standards: Comprehensive option
G102-55	GRI content index	GRI Content Index <a href="#">🔗</a>
G102-56	External assurance	Third-party Verification <a href="#">🔗</a>

## Management Approach

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>G103-1</b>		
	Explanation of the material topic and its Boundary	Promoting Sustainability > Materiality (key issues) <a href="#">🔗</a>
		New Vehicle Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Plant Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Life Cycle Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Challenge of Minimizing and Optimizing Water Usage <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>G103-2</b>		
	The management approach and its components	Challenge of Establishing a Recycling-based Society and Systems <a href="#">🔗</a>
		Challenge of Establishing a Future Society in Harmony with Nature <a href="#">🔗</a>
		Promoting Sustainability <a href="#">🔗</a>
		Toyota Earth Charter <a href="#">🔗</a>
		Climate-related Financial Disclosures Based on TCFD Recommendations > Risk Management <a href="#">🔗</a>
		2030 Milestone <a href="#">🔗</a>
		Seventh Toyota Environmental Action Plan-2025 Target <a href="#">🔗</a>
		Results of the Seventh Toyota Environmental Action Plan (Detail) <a href="#">🔗</a>
		Policy and Environmental Management > Environmental Management <a href="#">🔗</a>
		Policy and Environmental Management > Initiatives with Suppliers <a href="#">🔗</a>
<b>G103-3</b>		
	Evaluation of the management approach	External Recognition <a href="#">🔗</a>
		Promoting Sustainability <a href="#">🔗</a>
		2030 Milestone <a href="#">🔗</a>
		Results of the Seventh Toyota Environmental Action Plan (Detail) <a href="#">🔗</a>
		Policy and Environmental Management > Environmental Management <a href="#">🔗</a>
		Policy and Environmental Management > Initiatives with Suppliers > CDP Supply Chain Program <a href="#">🔗</a>

## Economic

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>Economic Performance</b>		
G201-1	Direct economic value generated and distributed	Social Contribution Activities <a href="#">🔗</a>
G201-2	Financial implications and other risks and opportunities due to climate change	Climate-related Financial Disclosures Based on TCFD Recommendations > Strategy <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
		New Vehicle Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Plant Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
		Life Cycle Zero CO <sub>2</sub> Emissions Challenge <a href="#">🔗</a>
G201-3	1.Defined benefit plan obligations and other retirement plans	Form 20-F "FINANCIAL INFORMATION" <a href="#">🔗</a>
G201-4	2.Financial assistance received from government	—
<b>Market Presence</b>		
G202-1	1.Ratios of standard entry level wage by gender compared to local minimum wage	—
G202-2	2.Proportion of senior management hired from the local community	—
<b>Indirect Economic Impacts</b>		
G203-1	Infrastructure investments and services supported	Challenge of Establishing a Recycling-based Society and Systems > Toyota Global 100 Dismantlers Project to Establish Social Systems for Appropriate Treatment of End-of-life Vehicles <a href="#">🔗</a>  Challenge of Establishing a Recycling-based Society and Systems > Toyota Global Car-to-Car Recycle Project A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle <a href="#">🔗</a>
G203-2	Significant indirect economic impacts	Vehicle Safety <a href="#">🔗</a>  Social Contribution <a href="#">🔗</a>
<b>Procurement Practices</b>		
G204-1	Proportion of spending on local suppliers	Social Data > Supply Chain <a href="#">🔗</a>
<b>Anti-corruption</b>		
G205-1	Operations assessed for risks related to corruption	Compliance <a href="#">🔗</a>  Form 20-F "DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES", "CORPORATE GOVERNANCE" <a href="#">🔗</a>
G205-2	Communication and training about anti-corruption policies and procedures	Form 20-F "DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES", "CORPORATE GOVERNANCE" <a href="#">🔗</a>  Value Chains Collaboration <a href="#">🔗</a>  Compliance <a href="#">🔗</a>
G205-3	Confirmed incidents of corruption and actions taken	Compliance <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
		<b>Anti-competitive Behavior</b>
G206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
<b>Tax</b>		
G207-1	Approach to tax	Compliance > Initiatives for Taxation <a href="#">🔗</a>
G207-2	Tax governance, control and risk management	
G207-3	Stakeholder engagement and management concerns related to tax	
G207-4	Country-by-country reporting	

## Environmental

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
		<b>Materials</b>
G301-1	Materials used by weight or volume	Environmental Data [L] Raw Materials Used and Recycled Materials Use Rate: Global <a href="#">🔗</a>  Environmental Data [N] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation <a href="#">🔗</a>
G301-2	Recycled input materials used	Environmental Data [L] Raw Materials Used and Recycled Materials Use Rate: Global <a href="#">🔗</a>  Environmental Data [N] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation <a href="#">🔗</a>
G301-3	Reclaimed products and their packaging materials	Challenge of Establishing a Recycling-based Society and Systems > Toyota Global Car-to-Car Recycle Project A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle <a href="#">🔗</a>  Environmental Data [P] Parts Recycled: Toyota Motor Corporation <a href="#">🔗</a>  Environmental Data [M] Vehicles Recycled in Accordance with the End-of-life Vehicle Recycling Law: Toyota Motor Corporation <a href="#">🔗</a>  Environmental Data [N] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>Energy</b>		
G302-1	Energy consumption within the organization	Environmental Data [G] Energy Used & Energy Intensity: Global <a href="#">↗</a>
G302-2	Energy consumption outside of the organization	—
G302-3	Energy intensity	Environmental Data [G] Energy Used & Energy Intensity: Global <a href="#">↗</a>
G302-4	Reduction of energy consumption	Environmental Data [G] Energy Used & Energy Intensity: Global <a href="#">↗</a>
		Plant Zero CO <sub>2</sub> Emissions Challenge <a href="#">↗</a>
G302-5	Reductions in energy requirements of products and services	New Vehicle Zero CO <sub>2</sub> Emissions Challenge > Reduce global average CO <sub>2</sub> emissions from new vehicles <a href="#">↗</a>
		New Vehicle Zero CO <sub>2</sub> Emissions Challenge > Promoting widespread use of electrified vehicles <a href="#">↗</a>
		Environmental Data [E] Average CO <sub>2</sub> Emissions from New Vehicles: Global <a href="#">↗</a>
<b>Water</b>		
G303-1	Interactions with water as a shared resource	Challenge of Minimizing and Optimizing Water Usage <a href="#">↗</a>
G303-2	Management of water discharge-related impacts	Challenge of Minimizing and Optimizing Water Usage <a href="#">↗</a>
G303-3	Water withdrawal	Environmental Data [H] Water Withdrawal: Global <a href="#">↗</a>
G303-4	Water discharge	Environmental Data [I] Water Discharge: Global <a href="#">↗</a>
G303-5	Water consumption	Environmental Data [J] Water Consumption: Global <a href="#">↗</a>
<b>Biodiversity</b>		
G304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—
G304-2	Significant impacts of activities, products, and services on biodiversity	—
G304-3	Habitats protected or restored	—
G304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>Emissions</b>		
G305-1	Direct (Scope 1) GHG emissions	Environmental Data [A] CO <sub>2</sub> Emissions & CO <sub>2</sub> Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global <a href="#">↗</a>
		Environmental Data [B] Greenhouse Gases Emissions from Sources Other Than Energy Source CO <sub>2</sub> Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global <a href="#">↗</a>
G305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data [A] CO <sub>2</sub> Emissions & CO <sub>2</sub> Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global <a href="#">↗</a>
G305-3	Other indirect (Scope 3) GHG emissions	Life Cycle Zero CO <sub>2</sub> Emissions Challenge <a href="#">↗</a>
		Environmental Data [C] CO <sub>2</sub> Emissions: Scope 3 (Other indirect emissions); Global <a href="#">↗</a>
G305-4	GHG emissions intensity	Environmental Data [A] CO <sub>2</sub> Emissions & CO <sub>2</sub> Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global <a href="#">↗</a>
G305-5	Reduction of GHG emissions	New Vehicle Zero CO <sub>2</sub> Emissions Challenge > Average CO <sub>2</sub> Emissions from New Vehicles: Global, Chart <a href="#">↗</a>
		New Vehicle Zero CO <sub>2</sub> Emissions Challenge > Promoting widespread use of electrified vehicles <a href="#">↗</a>
		Plant Zero CO <sub>2</sub> Emissions Challenge > CO <sub>2</sub> Emissions at Global Plant, Chart <a href="#">↗</a>
		Plant Zero CO <sub>2</sub> Emissions Challenge > Reducing CO <sub>2</sub> Emissions in Production Activities <a href="#">↗</a>
		Environmental Data [E] Average CO <sub>2</sub> Emissions from New Vehicles: Global <a href="#">↗</a>
G305-6	Emissions of ozone-depleting substances (ODS)	Policy and Environmental Management > Environmental Management > Major Targets and Progress <a href="#">↗</a>
G305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Environmental Data [T] VOC Emissions: Global <a href="#">↗</a>
		Environmental Data [U] Water Discharge: Global <a href="#">↗</a>
<b>Waste</b>		
G306-1	Waste generation and significant waste-related impacts	—
G306-2	Management of significant waste-related impacts	Challenge of Establishing a Recycling-based Society and Systems <a href="#">↗</a>
		Environmental Data [Q] Bulk Supply System Oil Supply Rate: Toyota Motor Corporation <a href="#">↗</a>
		Policy and Environmental Management > Environmental Management > Risk Management and Compliance <a href="#">↗</a>
		Policy and Environmental Management > Environmental Management > Major Targets and Progress <a href="#">↗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
G306-3	Waste generated	Environmental Data [R] Waste: Global <a href="#">🔗</a>
G306-4	Waste diverted from disposal	Environmental Data [L] Raw Materials Used and Recycled Materials Use Rate <a href="#">🔗</a>
		Environmental Data [N] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation <a href="#">🔗</a>
G306-5	Waste directed to disposal	—
<b>Environmental Compliance</b>		
G307-1	Non-compliance with environmental laws and regulations	Policy and Environmental Management > Environmental Management > Risk Management and Compliance <a href="#">🔗</a>
<b>Supplier Environmental Assessment</b>		
G308-1	New suppliers that were screened using environmental criteria	Policy and Environmental Management > Initiatives with Suppliers <a href="#">🔗</a>
G308-2	Negative environmental impacts in the supply chain and actions taken	Policy and Environmental Management > Initiatives with Suppliers <a href="#">🔗</a>

**Social**

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>Employment</b>		
G401-1	New employee hires and employee turnover	Social Data > Employees <a href="#">🔗</a>
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
G401-3	Parental leave	Social Data > Employees <a href="#">🔗</a>
<b>Labor/Management Relations</b>		
G402-1	Minimum notice periods regarding operational changes	—
<b>Occupational Health and Safety</b>		
G403-1	Occupational health and safety management system	Health and Safety <a href="#">🔗</a>
G403-2	Hazard identification, risk assessment, and incident investigation	
G403-3	Occupational health services	
G403-4	Worker participation, consultation, and communication on occupational health and safety	

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages	
G403-5	Worker training on occupational health and safety	Health and Safety <a href="#">🔗</a>	
G403-6	Promotion of worker health		
G403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
G403-8	Workers covered by an occupational health and safety management system		
G403-9	Work-related injuries		
G403-10	Work-related ill health		
<b>Training and Education</b>			
G404-1	Average hours of training per year per employee		
G404-2	Programs for upgrading employee skills and transition assistance programs		
G404-3	Percentage of employees receiving regular performance and career development reviews		
<b>Diversity and Equal Opportunity</b>			
G405-1	Diversity of governance bodies and employees	Corporate Governance Reports <a href="#">🔗</a>	
		Social Data > Employees <a href="#">🔗</a>	
G405-2	Ratio of basic salary and remuneration of women to men	—	
<b>Non-discrimination</b>			
G406-1	Incidents of discrimination and corrective actions taken	—	
<b>Freedom of Association and Collective Bargaining</b>			
G407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	
<b>Child Labor</b>			
G408-1	Operations and suppliers at significant risk for incidents of child labor	—	
<b>Forced or Compulsory Labor</b>			
G409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights <a href="#">🔗</a>	

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>Security Practices</b>		
G410-1	Security personnel trained in human rights policies or procedures	—
<b>Rights of Indigenous Peoples</b>		
G411-1	Incidents of violations involving rights of indigenous peoples	—
<b>Human Rights Assessment</b>		
G412-1	Operations that have been subject to human rights reviews or impact assessments	Respect for Human Rights <a href="#">🔗</a>
G412-2	Employee training on human rights policies or procedures	
G412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
<b>Local Communities</b>		
G413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution Activities <a href="#">🔗</a> Results of the Seventh Toyota Environmental Action Plan (Detail) <a href="#">🔗</a> Environment <a href="#">🔗</a>
G413-2	Operations with significant actual and potential negative impacts on local communities	—
<b>Supplier Social Assessment</b>		
G414-1	New suppliers that were screened using social criteria	Value Chain Collaboration > Initiatives with Suppliers <a href="#">🔗</a>
G414-2	Negative social impacts in the supply chain and actions taken	Value Chain Collaboration > Initiatives with Suppliers <a href="#">🔗</a> Respect for Human Rights <a href="#">🔗</a>
<b>Public Policy</b>		
G415-1	Political contributions	—
<b>Customer Health and Safety</b>		
G416-1	Assessment of the health and safety impacts of product and service categories	Vehicle Safety <a href="#">🔗</a> Quality and Service <a href="#">🔗</a> Information Security <a href="#">🔗</a> Privacy <a href="#">🔗</a>
G416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality and Service > Coping with Quality Problems <a href="#">🔗</a>

<input type="checkbox"/> Code	<input type="checkbox"/> Requirements	<input type="checkbox"/> Publication Pages
<b>Marketing and Labeling</b>		
G417-1	Requirements for product and service information and labeling	Quality and Service > Helping Customers Use Their Vehicles Safely <a href="#">🔗</a>
G417-2	Incidents of non-compliance concerning product and service information and labeling	—
G417-3	Incidents of non-compliance concerning marketing communications	—
<b>Customer Privacy</b>		
G418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security <a href="#">🔗</a> Privacy <a href="#">🔗</a>
<b>Socioeconomic Compliance</b>		
G419-1	Non-compliance with laws and regulations in the social and economic area	—



## TOYOTA MOTOR CORPORATION

Published by Sustainability Management Dept.

<https://global.toyota/en/sustainability/>

Published: December 2022

Next scheduled report: To be updated throughout the year as necessary