

2023

NORTH AMERICAN
ENVIRONMENTAL
SUSTAINABILITY
REPORT

Let's Make a Better Planet.



TOYOTA

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FORWARD-LOOKING STATEMENTS

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



Toyota Motor North America, Inc. headquarters in Plano, Texas

About This Report

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

Toyota Motor North America, Inc. (TMNA) is headquartered in Plano, Texas, and is a wholly owned subsidiary of TMC.

Toyota Canada Inc. (TCI) is headquartered in Toronto, Ontario, and is a majority owned subsidiary of TMC, with TMC holding 51%.

To complement TMC's sustainability reporting, TMNA and TCI have been producing an annual regional environmental report covering activities in the United States, Canada and Mexico since 2002. This 2023 report covers environmental performance at North American manufacturing plants as well as TMNA and TCI activities under the Toyota and Lexus brands during fiscal year 2023 (April 1, 2022, through March 31, 2023) and product model year 2022. The reporting period is consistent with TMC's financial reporting. Data presented with different dates are clearly indicated.

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

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

© November 2023

Contact

Environmental Report Manager

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Toyota Canada Inc. | One Toyota Place, Toronto, Ontario M1H1H9

Dear Reader

Toyota is a global automaker – and so much more. Our founder, Sakichi Toyoda, developed a machine with a goal to make his mother’s work easier. The Toyota Way, or our work philosophy based on our founder’s guiding principles, reminds us that we need to “Act for Others,” and this mindset is embodied in our stated mission to Produce Happiness For All. For our team members, this is not a simple cliché – though we do hope to make customers happy with cars that are fun to drive. Rather, around the world, we are striving to address serious challenges faced by individuals, society and the environment. Producing Happiness For All means creating safe, affordable and reliable vehicles as well as providing products and operating in ways that help contribute to solutions for the pressing challenges of today and tomorrow.

Our Mission is Linked to the UN SDGs

Since 2015, our mission’s efforts have been focused on supporting efforts to achieve the United Nations (UN) Sustainable Development Goals (SDGs). These 17 goals, accompanied by 169 targets, form the foundation of the UN’s 2030 Agenda, a 15-year plan to transform our world for the better. The SDGs are a universal call to action, urging an end to poverty, the protection of the planet and the enhancement of lives for everyone, everywhere.

At the heart of both the SDGs and the 2030 Agenda is the principle “Leave no one behind.” This is also central to our vision of mobility for all, creating new possibilities for humankind and fostering a sustainable relationship with our planet. That includes affordable and accessible mobility, aligning with the goals of inclusivity and sustainability.

Today, halfway through the 2030 Agenda, we reflect on our collective efforts and realize significant contributions from our support towards the achievement of several SDGs, which, for North America, include:

- **Goal 6: Clean Water and Sanitation** – We are in our second year of working with The Nature Conservancy to address water shortage issues in the Colorado River delta.
- **Goal 7: Affordable and Clean Energy** – We have entered into virtual power purchase agreements and employed other methods to increase renewable energy capacity within North America. We aim to source at least 45% of the electricity needed for our operations from renewable energy by 2026.



Tetsuo “Ted” Ogawa
President and Chief Executive Officer
Toyota Motor North America, Inc.



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

- **Goal 12: Responsible Production and Consumption** – As a manufacturer, we continue to recycle or reuse over 90% of the waste we generate each year, and we are exploring ways to build a circular ecosystem around our electrified vehicle batteries and other materials.
- **Goal 13: Climate Action** – We aim to achieve carbon neutrality at our facilities by 2035 and across the vehicle life cycle by 2050. Since 2019, we have already reduced absolute greenhouse gas emissions from our operations by nearly 12% and two-thirds of our new vehicle models now offer an electrified option.
- **Goal 15: Life on Land** – Toyota has collaborated with Pollinator Partnership and National Environmental Education Foundation to develop 10,337.9 acres of pollinator habitat. By 2026, our goal is to support the development of at least 26,000 acres.

Every positive impact we generate brings us one step closer to achieving our mission to produce happiness for all.

Achieving the SDGs is no easy task and will require universal collaboration and commitment. Our North American team members are committed to the effort, as are our suppliers, dealers and other partners. Together, we are creating value for the environment, our team members and business partners, and our local communities. Every positive impact we generate brings us one step closer to achieving our mission to produce happiness for all.

FY2023 Highlights

Carbon



66%

of Toyota and Lexus models have an electrified option, and more are on the way



>400,000

MWh of renewable electricity are expected to be consumed by TMNA in 2024



1st

Toyota Port Vehicle Processing Facility in the world to use 100% renewable electricity from onsite generation is TLS Long Beach in California

Water



279

shunt trucks are expected to be converted from diesel to electric by 2026



16%

reduction in fossil-fuel based electricity use by Toyota dealers participating in the Dealership Environmental Excellence Program



158

million gallons of water released to the Hardy River as part of a partnership with The Nature Conservancy to restore water to the Colorado River Delta

Materials



15%

reduction in the weight of single-use plastic packaging procured between FY2018 and FY2023



93%

of all waste was recycled, reused or repurposed in 2022

Biodiversity



10,337.9

acres of pollinator habitat developed in collaboration with Pollinator Partnership and National Environmental Education Foundation

Contributions to the UN SDGs

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

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

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

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

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

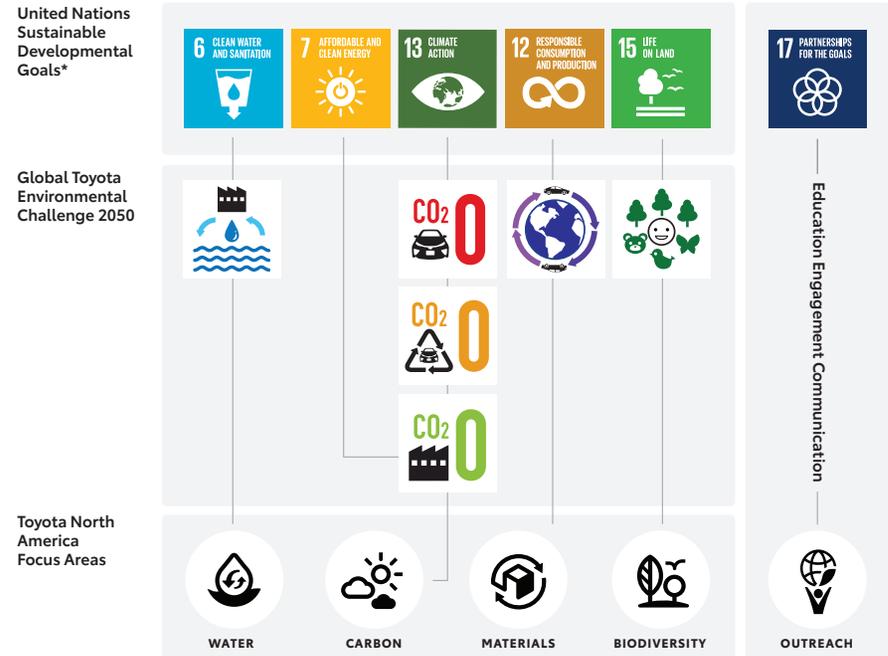
Here in North America, Toyota’s activities supporting both Challenge 2050 and the SDGs are organized around our environmental sustainability focus areas of Carbon, Water, Materials and Biodiversity. Our long-term strategies in each of these focus areas, supported by outreach activities, show the steps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

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

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

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

Contributing to the UN Sustainable Development Goals



* Toyota Motor Corporation (TMNA's parent company) recognizes additional SDGs as relevant to the global company. Here, we only list the SDGs related to environmental sustainability that are relevant to Toyota in North America.





Respect for the Planet is one of our company's core values. We demonstrate this value by striving to go beyond carbon neutrality with our products, services and operations, and find new ways to make a positive impact on our planet and society.

ENVIRONMENTAL STRATEGY

Environmental Strategy

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

Environmental Focus Areas Across the Vehicle Life Cycle



Carbon

- Purchasing renewable electricity
- Switching trucks and other transport to low carbon powertrains
- Encouraging suppliers and dealers to reduce CO₂ emissions
- Offering a portfolio of low carbon vehicles



Materials

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



Water

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



Biodiversity

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

Goals and Targets

GRI 2-22, 3-3

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

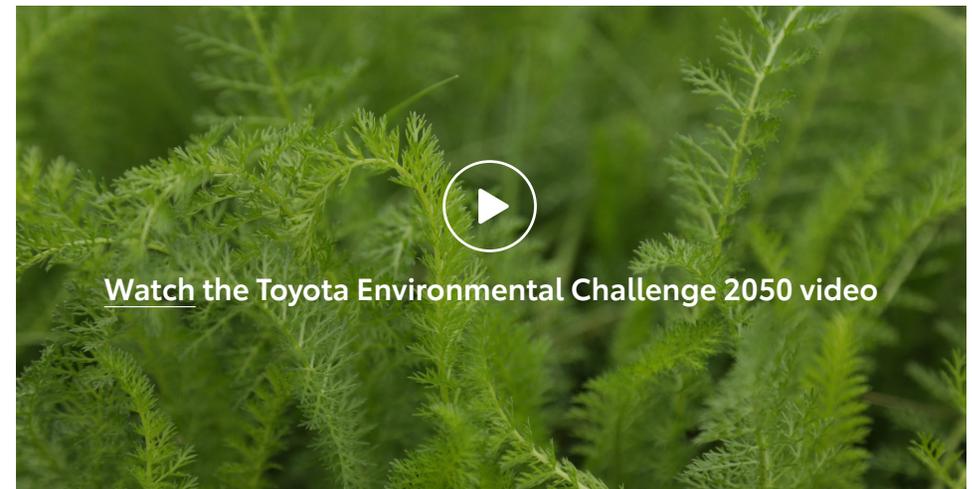
Toyota Environmental Challenge 2050

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

Toyota’s global goal of becoming carbon neutral across the vehicle life cycle by 2050 is illustrated on the left side of the graphic, under “Achieve Carbon Neutrality.” This is a big part of our efforts, but it is not our only focus. We are also working to find new ways to make a positive impact on our planet and society – this is illustrated on the right side of the graphic under “Achieve a Positive Environmental Impact.” We seek to minimize environmental impact where possible through our focus on water conservation, increasing circularity and protecting biodiversity, all to help build a more sustainable future.¹

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

Within North America, we continue to refine a regional environmental sustainability strategy to align Toyota’s global values and Challenge 2050 with our regional focus areas – Carbon, Water, Materials and Biodiversity. In each focus area, we are working towards minimizing environmental impacts and, through outreach activities, to find new ways to make a positive impact on society and the planet.



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

Mid-Term Milestones

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

Toyota Environmental Challenge 2050	Global Milestone	Toyota North America Contributions and Milestones
	Reduce global average GHG emissions from new vehicles by 33.3% by 2030 and by more than 50% by 2035, compared to 2019 levels. ²	<p>GHG emissions per mile from TMNA's new vehicles have decreased 2.4% since 2019. GHG emissions per mile from TCI's new cars have decreased 10.4% since 2019.</p> <p>Toyota North America Milestones: In the U.S., Toyota has targeted 70% electrified new vehicle sales (excluding performance vehicles) by 2030.</p>
	<p>Achieve carbon neutrality for CO₂ emissions at global manufacturing plants by 2035.</p> <p>Reduce absolute Scope 1 and Scope 2 GHG emissions by 68% by 2035, compared to 2019 levels.³</p>	<p>Toyota North America defines carbon neutrality to apply to all of our facilities, not just manufacturing plants. Total Scope 1 and 2 CO₂ emissions are 11.9% lower at the end of FY2023 than they were in FY2019. We continue to invest in renewable energy for our operations and are on track to becoming carbon neutral at our facilities by 2035.</p> <p>Toyota North America Milestones: In North America, Toyota has targeted 45% or more of total electricity purchases to come from renewable sources by FY2026.</p>
	Reduce GHG emissions throughout the vehicle life cycle by 30% by 2030, compared to 2019 levels. ⁴	<p>The vehicle life cycle includes Scopes 1, 2 and 3 emissions. See the two rows above for contributions and milestones related to Scopes 1 and 2 plus Scope 3 emissions from driving Toyota and Lexus vehicles.</p> <p>The remainder of Scope 3 emissions relate to suppliers, logistics and dealerships:</p> <ul style="list-style-type: none"> • We are driving our suppliers to reduce absolute CO₂ emissions by 14% by FY2026, from FY2018 levels, through our Green Supplier Requirements. • We are making progress with converting our shunt trucks from diesel to EV at manufacturing plants, parts centers and cross docks. • As of the end of FY2023, 50 dealerships are participating in our Dealership Environmental Excellence Program (D.E.E.P.) and have reduced their use of electricity generated from non-renewable sources by 16%.
	Complete water quality impact assessments by 2030 at each of the 22 plants in North America, Asia and Europe where water is discharged directly into a river.	We are currently piloting our water stewardship approach at one of our two assembly plants covered by the global milestone – in Baja California, Mexico – and plan to roll out this approach to additional sites in the future. Our water stewardship approach follows the principles set forth by the Alliance for Water Stewardship (AWS) International Water Stewardship Standard and addresses both water quality and water quantity.
	Complete the establishment of battery collection and recycling systems globally by 2030.	We are working with partners to create a sustainable, closed-loop battery ecosystem. Our current battery recycling program in the U.S. has collected and recycled or remanufactured over 186,000 hybrid vehicle batteries since 2010.
	Contribute to biodiversity conservation activities in collaboration with NGOs and other partners.	We are supporting the development of at least 26,000 acres of pollinator habitat in North America by FY2026. As of the end of FY2023, through collaboration with two NGO partners, 10,337.9 acres of pollinator habitat have been enhanced.

² TMC's science-based targets were validated and approved by SBTi in September 2022. These targets modify slightly the targets referenced in prior reports. This target applies to passenger light duty vehicles and light commercial vehicles. Emissions are measured in grams CO₂e/km, well to wheel (includes GHG emissions from the production of fuel and electricity as well as GHG emissions during vehicle operation).

³ TMC's science-based targets were validated and approved by SBTi in September 2022. These targets modify slightly the targets referenced in prior reports. This target includes absolute Scope 1 and Scope 2 GHG emissions from all facilities (both manufacturing and non-manufacturing).

⁴ This target was updated to align with the science-based targets validated and approved by SBTi in September 2022. The percent and baseline have been adjusted for consistency with the approved targets.

Environmental Action Plan Targets

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

Focus Area	7th EAP Targets	FY2023 Progress
 Carbon	Offer electrification across the Toyota and Lexus lineups by around 2025	○ 66% of models have an electrified option.
	Achieve 40% electrified new Toyota vehicle sales in the U.S. (by unit) by 2025 (excluding performance vehicles)	○ 24% of sales by unit in the U.S. were electrified in 2022.
	Increase purchased renewable electricity to 45% or more of total electricity purchased by FY2026	△ Currently at 8.3%. This percentage is expected to increase significantly in FY2024 as more virtual power purchase agreements and other renewable electricity contracts come online. This target supports the mid-term milestone for all facilities to be carbon neutral by 2035.
	Reduce absolute GHG emissions from logistics by 15% from FY2018 levels, by FY2026	✗ We do not expect to be able to meet this target due to the low forecasted availability of fuel cell and electric powertrains for trucking fleets.
	Reduce absolute CO ₂ emissions from suppliers by 14% from FY2018 levels, by FY2026	△ This target has been updated to align with the revised Green Supplier Requirements, which require suppliers to reduce CO ₂ emissions by 3% per year, up from 2% per year. More supplier companies submitted CO ₂ data to us in FY2023 than in FY2022. We expect to begin tracking emissions reductions in the near future.
	Expand participation in the Dealer Environmental Excellence Program to 100 dealerships by FY2026	○ 50 dealerships are participating and have reduced their use of electricity generated from non-renewable sources by 16%.
 Water	Reduce water use per unit of vehicle production by 11% by FY2026, from FY2021 levels	✗ We reset our target against a new baseline of FY2021 instead of FY2020, since 2021 was a more normal production year following the COVID-19 pandemic. Water per vehicle increased 2.6% in FY2023 compared to the baseline.
 Materials	Reduce single-use plastics at on-site food services by FY2026 by 75%	△ Due to COVID-related delays in employees coming back to the office, we did not make much progress on this target last fiscal year. We expect to see progress in FY2024.
	Reduce procurement of packaging materials by 25% by FY2026, from FY2018 levels	○ We are defining packaging materials as single-use packaging. Based on our estimates, we have reduced the use of single-use packaging materials by approximately 15% compared to the FY2018 baseline.
	Implement a closed-loop battery recycling program by FY2026 to support our new battery manufacturing plant in North Carolina	○ We are focusing on the collection, testing and recycling of Toyota hybrid electric vehicle batteries. We will then look to expand into other areas such as battery health screening and data management, remanufacturing and battery material supply throughout North America.
 Biodiversity	Support the development of at least 26,000 acres of pollinator habitat in North America by FY2026	○ At the end of FY2023, we had supported the development of 10,337.9 acres and we have more planned for FY2024.

○ On track △ Behind ✗ Not on track

Environmental Sustainability Governance

GRI 2-9, 3-3

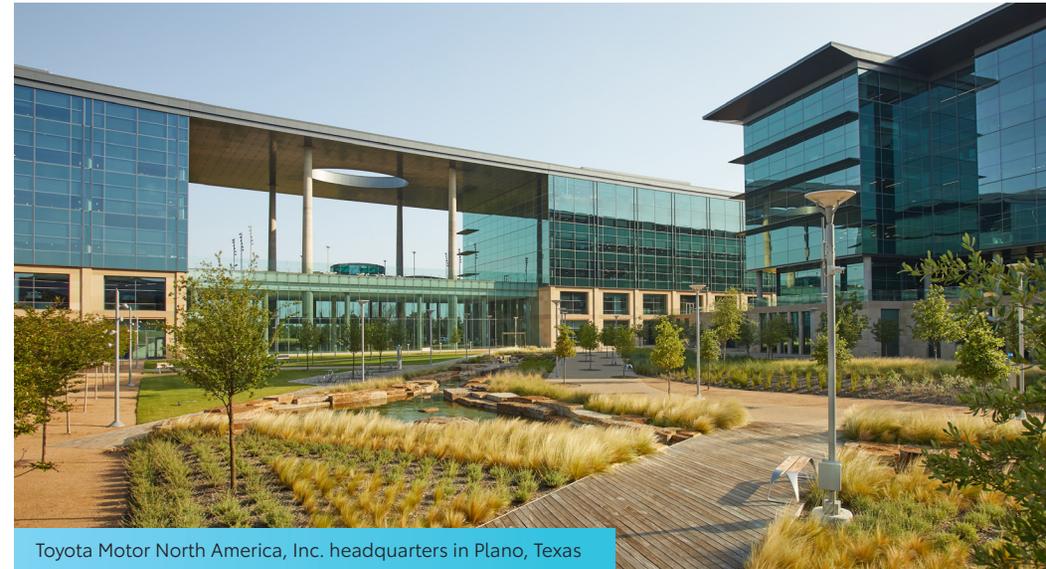
TMNA's Sustainability and Regulatory Affairs (SRA) division handles product environmental and safety regulation, energy and climate research, environmental sustainability, enterprise chemical management, and engine certification and compliance. Separately, TMNA's Environmental & Facilities (E&F) division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

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

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

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

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



Toyota Motor North America, Inc. headquarters in Plano, Texas



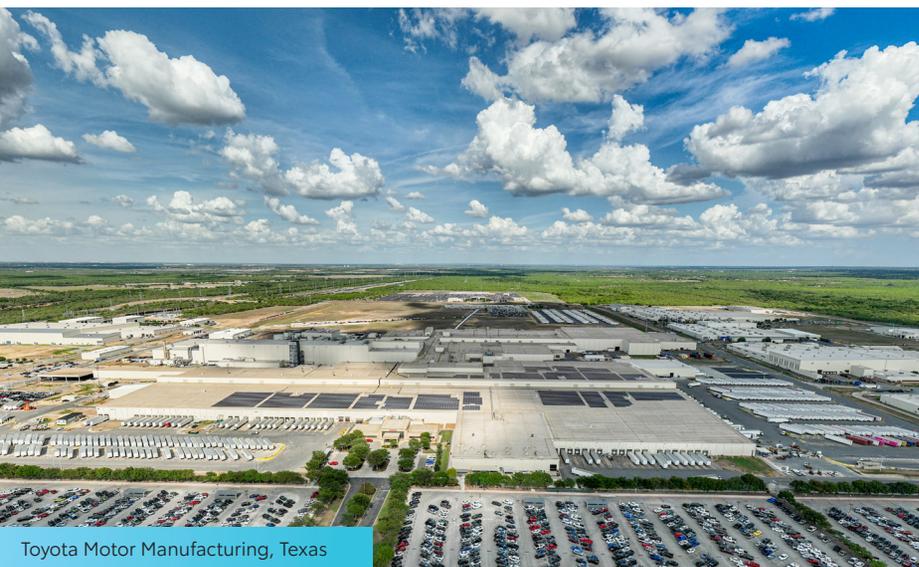
Environmental Management

GRI 3-3

TMNA relies on strong management processes to achieve leading environmental performance.

ISO 14001 Certifications of Toyota's North American Facilities

Environmental management systems are an essential part of Toyota's overall effort to minimize risks and achieve leading levels of environmental performance. An environmental management system (EMS) provides a framework for identifying significant environmental aspects and impacts and setting corresponding controls, goals and targets to manage and reduce these impacts over time. The facilities listed in the chart have had their environmental management systems third-party certified to ISO 14001, the International Organization for Standardization's standard for designing and implementing an effective environmental management system.



Toyota Motor Manufacturing, Texas

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

* ISO 14001 certified sites in North America as of August 2023

LEED® Certifications

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

Further, Toyota has two projects pursuing LEED certification: the renovation of the vehicle logistics facility at the Port of Long Beach in California and the newly constructed visitor center at the assembly plant in Mississippi.

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



Toyota Logistic Services, Long Beach, California

Toyota's North American Facilities With LEED® Certifications

BD+C = Building Design + Construction

ID+C = Interior Design + Construction

O+M = Operations and Maintenance

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

Compliance

GRI 2-27

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

In this report, we disclose the number of environmental violations in the U.S., Canada and Mexico that we consider significant, meaning the violation resulted in a fine of USD \$5,000 or more and in air or water pollution.

We report violations in the year in which they occurred or penalty is paid, which may require prior year adjustments should a penalty be assessed in a year following the violation itself.

Environmental Violations Resulting in Air or Water Pollution

Fiscal Year	Number of Violations
FY2019	0
FY2020	0
FY2021 ⁵	1
FY2022 ⁶	0
FY2023	0

⁵ In 2023, Toyota paid a \$15,000 fine related to stormwater exceedances that occurred in 2021. In addition, in January 2021, Toyota paid a civil penalty of \$180 million to the U.S. Environmental Protection Agency pursuant to a Consent Decree to resolve investigations stemming from a self-reported process gap in fulfilling certain emissions defect information reporting requirements under the Clean Air Act. The reporting gap occurred between 2005 and 2015. As a countermeasure, Toyota has put robust reporting and compliance processes in place.

⁶ Toyota paid \$7.7 million in stipulated penalties in 2022 under the 2021 Consent Decree described in footnote 5 for an issue that did not constitute a regulatory violation.

Stakeholder Engagement

GRI 2-28, 2-29

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

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

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



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

CARBON

Commitment to Carbon Neutrality

GRI 3-3

In this report, we use the term “CARBON” to refer to emissions of greenhouse gases (GHGs), including carbon dioxide (CO₂), the main GHG linked to climate change. Transportation is responsible for nearly one quarter of the world’s GHG emissions and as an automotive company, Toyota is committed to doing our part to help the world transition to a low carbon economy. In North America, we aim to be carbon neutral at all of our North American facilities by 2035 and across the vehicle life cycle no later than 2050.

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

TMNA’s Carbon Position Statement:

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

TMNA is addressing carbon emissions in the following ways:

1 Reducing vehicle CO₂ emissions by introducing more electrified⁷ vehicles and by making our internal combustion engines more fuel efficient: Zero emissions from our vehicles is the ultimate goal and we believe the path to getting there is with a portfolio approach – fuel cell vehicles, hybrid vehicles, plug-in hybrid vehicles and battery electric vehicles. Offering a range of low emission vehicles allows us to use our limited battery resources to put more cars on the road that reduce carbon emissions in the short term. For more on our portfolio approach, see our story, [Our Path to Carbon Neutrality](#).

2 Eliminating GHG emissions from our operations by investing in on- and off-site solar and wind projects, implementing energy efficiency projects and investigating ways to reduce our thermal load: We have a goal that all of our North American facilities will be carbon neutral by 2035. See our story on the [Toyota Port Facility in California](#) that is close to achieving carbon neutrality.

3 Partnering with suppliers and dealers to eliminate GHG emissions from our value chain: Toyota requires direct parts, materials and accessory suppliers to commit to reducing CO₂ emissions by at least 3% per year. We have set a target for logistics suppliers to reduce emissions from the transportation and distribution of parts, accessories and finished vehicles by 15% by FY2026, and another target for our dealers to participate in our new Dealer Environmental Excellence Program (D.E.E.P.), which encourages improvements in environmental performance, including energy efficiency and GHG emissions reductions. For information on how we’re reducing emissions from logistics, see our story on [Zero-Emissions Trucking](#).

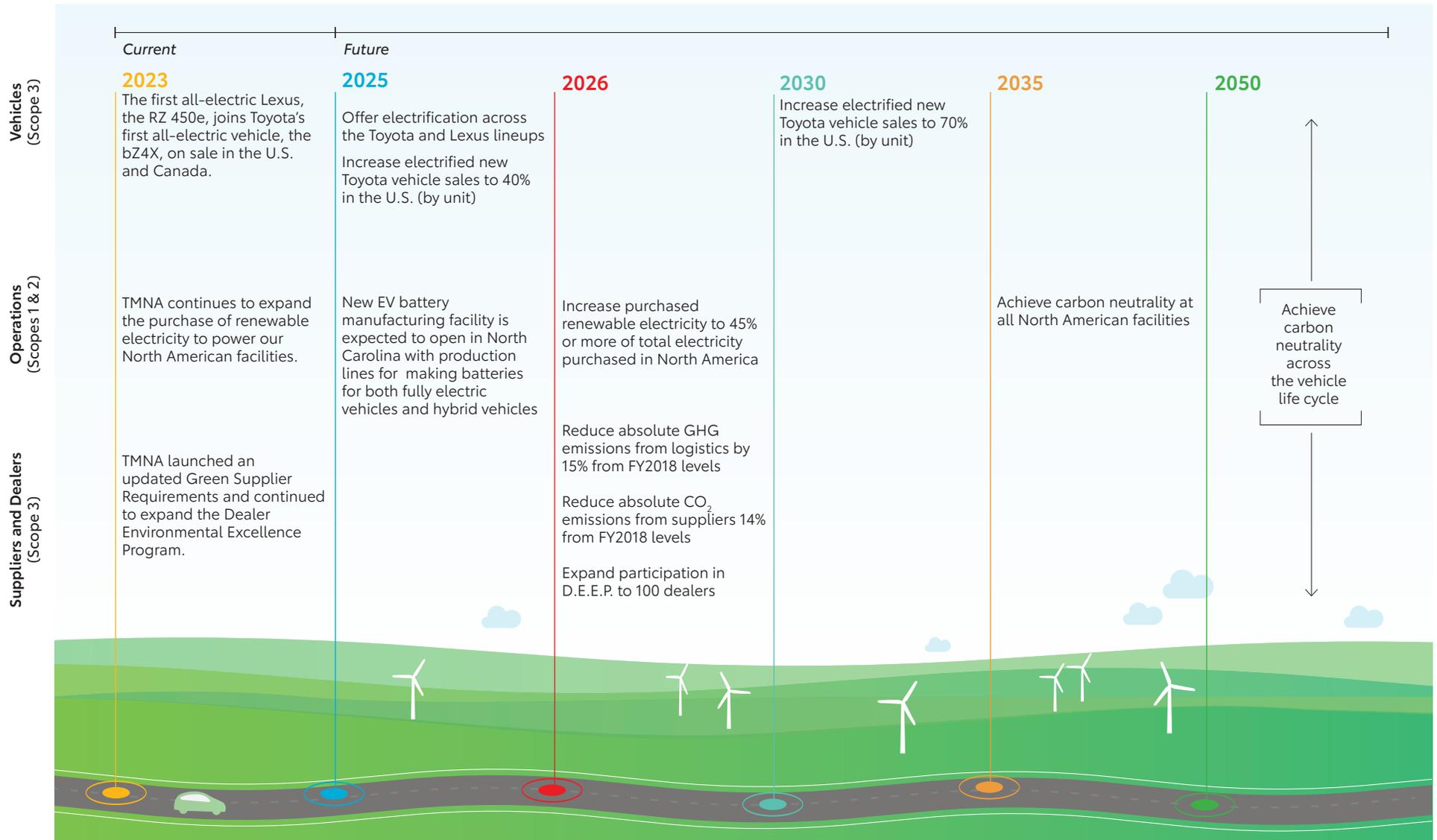


Toyota aims to be carbon neutral across the vehicle life cycle no later than 2050.

⁷ The term “electrified” refers to a range of technologies that use electricity to propel a vehicle. Electrified vehicles include hybrid, plug-in hybrid, battery electric, and fuel cell electric vehicles.

Our Path to Carbon Neutrality

Toyota as a company aims to achieve carbon neutrality globally by 2050. In North America, we strive to meet a number of milestones to put us on the right path.⁸ See our story, [Our Path to Carbon Neutrality](#), for more information.



⁸ Toyota's carbon targets, milestones and statements set forth in this chart and on the following pages are forward-looking and relate to the manner in which Toyota intends to conduct certain of its activities based on management's current plans and expectations. They are not promises or guarantees of future conduct or policy, and are subject to a variety of uncertainties and other factors which may make them unattainable, many of which are beyond our control, including government regulation, supplier and third-party actions, and market forces. See the Forward-Looking Statements warning on page 2 of this report.

Carbon Targets

GRI 3-3

Vehicles

Our vehicle targets are to:

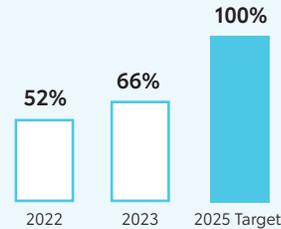
- Offer electrification across the Toyota and Lexus lineups by around 2025.
- In the U.S., achieve 40% electrified new Toyota vehicle sales by 2025 and 70% by 2030 (by unit, excluding performance vehicles).

As of August 2023, there were 24 Toyota and Lexus models with an electrified option on the market in North America, with more on the way. Of all Toyota and Lexus models available, 66% of them either have an electrified option or are only available as a hybrid, plug-in, fuel cell or battery electric vehicle.

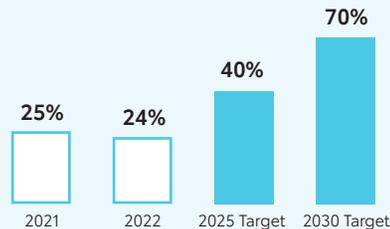
In 2022, 24% of Toyota and Lexus vehicle sales in the U.S. and nearly 26% in Canada were electrified vehicles (hybrid, plug-in, fuel cell or battery electric).

CO₂ emissions per mile from TMNA's model year 2021 vehicles decreased 1.9% from model year 2020. For information on fleet GHG emissions, see [GHG Emissions Data](#).

% of Toyota + Lexus Models with Electrified Options



% of New Toyota Vehicles Sold that are Electrified



Operations

Our operations targets are to:

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

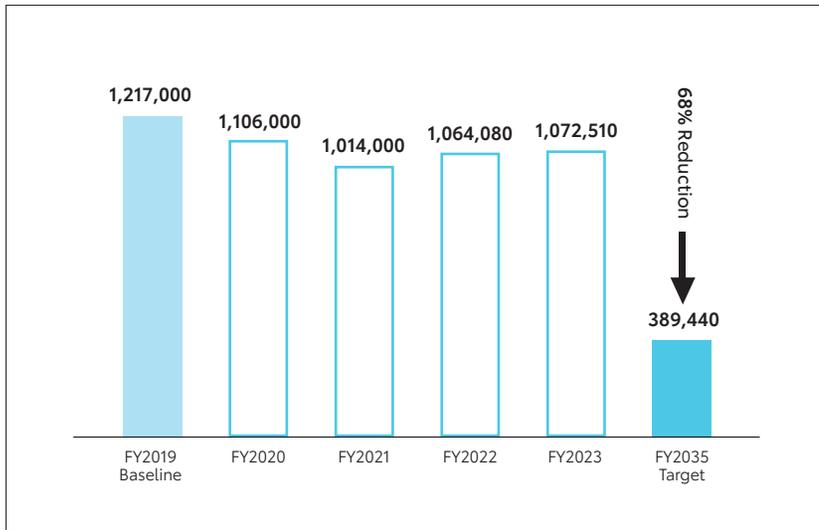
As of the end of FY2023, the portion of electricity purchased by TMNA that was renewable was 8.3%. This percentage is expected to increase significantly in FY2024 as more virtual power purchase agreements and other renewable electricity contracts come online. See our story on [Renewable Electricity](#).

Total Scope 1 and 2 GHG emissions increased by less than 1% in FY2023 compared to FY2022. Despite the slight increase, we are still on track to becoming carbon neutral at our facilities by 2035.

Globally, Toyota has a target validated by the Science Based Targets initiative to reduce absolute Scopes 1+2 emissions by 68% by 2035, from a FY2019 baseline. In North America, our Scopes 1+2 emissions in FY2023 were 11.9% less than in FY2019. This is due to GHG efficiency measures, installation of more renewable energy onsite, and increases in renewable electricity purchases.

Toyota North America GHG Emissions

Scopes 1+2, MT CO₂e



Upstream & Downstream

Our targets for logistics activities, suppliers and dealers are to:

- Reduce absolute GHG emissions from logistics by 15% from FY2018 levels, by FY2026.
- Reduce absolute CO₂ emissions from suppliers by 14% from FY2018 levels, by FY2026.
- Expand participation in the Dealer Environmental Excellence Program to 100 dealerships by FY2026.

Logistics: This target will be difficult to meet given the lack of forecasted availability of fuel cell and electric powertrains for the trucking fleets. However, we continue to make progress. Toyota has converted 18 shunt trucks from diesel to EV at manufacturing plants, parts centers and cross docks. When all 279 shunt trucks are converted by the end of 2026, we expect to avoid approximately 15,000 metric tons of CO₂e annually.

Suppliers: Supplier companies began submitting CO₂ data to us in FY2022. We expect to begin tracking emissions reductions in the near future.

Dealers: Fifty dealers are active in our Dealership Environmental Excellence Program. These 50 dealers have reduced their use of electricity generated from non-renewable sources by 16%.



GHG Emissions Data

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

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

Scopes 1 and 2 emissions are in metric tons CO₂e.

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

Scope 2 emissions include consumption of purchased electricity from Toyota sites in North America. Scope 2 emissions are reported using the location-based approach. Indirect emissions from electricity used at Toyota's U.S. locations are calculated using U.S. Environmental Protection Agency (EPA) eGRID emission factors. For sites in Canada, provincial emission factors are sourced from

Scope 1 + 2 GHG Emissions

Metric Tons CO₂e

	FY2019	FY2020	FY2021	FY2022	FY2023
Scope 1	434,000	409,000	387,000	445,353	446,163
Scope 2	783,000	697,000	627,000	618,729	626,347
TOTAL	1,217,000	1,106,000	1,014,000	1,064,082	1,072,510

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

Canada's National Inventory Report, and for Mexico, a country-specific emission factor is sourced from the International Energy Agency, 2022 (data is released in September of each year).

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

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

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

GHG Emissions Intensity

	FY2019	FY2020	FY2021	FY2022	FY2023
GHG Intensity	0.66	0.62	0.63	0.62	0.61

Numerator: Metric Tons Scope 1+2 CO₂e emissions from all Toyota North America locations, including assembly and unit plants, offices and warehouses

Denominator: Number of vehicles produced in North America

GHG Reductions As A Direct Result of GHG Efficiency Measures

Metric Tons CO₂e

	FY2023
Scope 1 + Scope 2	22,147

Scope: GHG efficiency measures include energy and GHG efficiency improvements plus on-site solar projects. Does not include CO₂ reductions from the implementation of virtual power purchase agreements.

GHG Emissions From Logistics

Metric Tons CO₂e

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Emissions from Logistics (Scopes 1 and 3)	741,706	818,862	729,858	670,570	807,388	763,099

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

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

U.S. Fleet CO₂ Data (Annual Grams CO₂ per Mile)

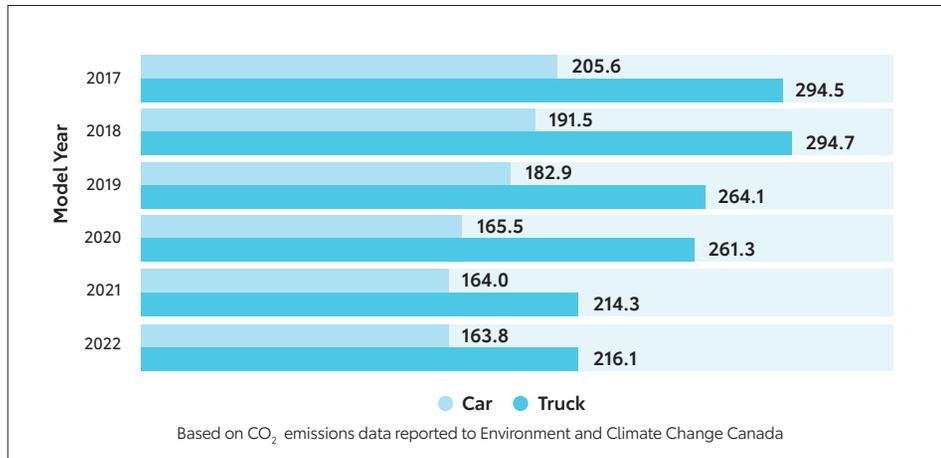


The U.S. Fleet CO₂ Data chart shows GHG performance of Toyota’s U.S. vehicle fleet under the U.S. EPA GHG program. The annual GHG compliance values account for real-world GHG benefits from off-cycle technologies, such as air conditioning and aerodynamic improvements, not observed over the official tailpipe CO₂ testing conditions.

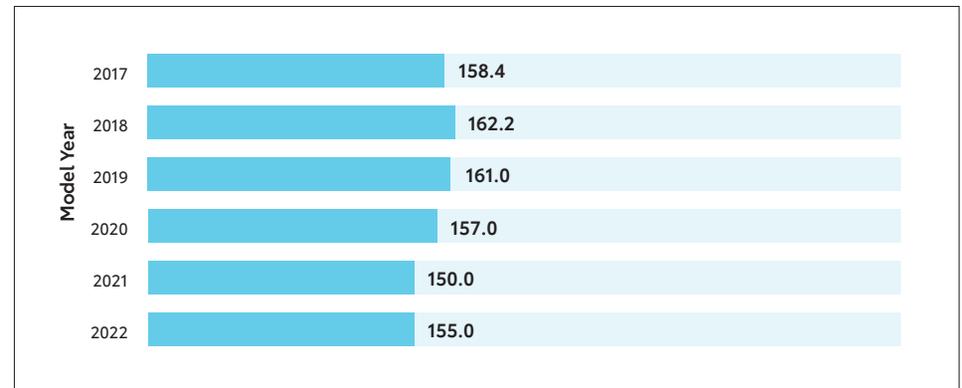


2023 Toyota bZ4X

Canada Fleet CO₂ Data (Annual Grams CO₂ per Mile)



Mexico Fleet CO₂ Data (Annual Grams CO₂ per Kilometer)



Air Quality

GRI 305-7

Criteria Pollutant Tailpipe Emissions

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

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

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

The EPA Tier 3 vehicle standards were intended to be harmonized with California’s Low Emission Vehicle program and create a federal vehicle emissions program that allows automakers to sell the same vehicles in all 50 states. Toyota’s goal is to maintain flexibility to build vehicles based on customer preferences. In setting

tailpipe emission regulations, we believe standards should be performance-based and consider the interaction with other vehicle rules — such as fuel economy/greenhouse gas standards — to ensure the total package of requirements is effective and acceptable to the consumer. Fuels must be considered with vehicle technologies as a holistic system. Reduced sulfur levels in gasoline, required by the federal Tier 3 and California LEV III programs, are enabling the after-treatment systems being designed for compliance.

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

The 2023 “Greenest List”, published by the American Council for an Energy Efficient Economy (ACEEE), names Lexus 450h+ AWD, Toyota bZ4X, Toyota Corolla Hybrid and Toyota Camry Hybrid LE as four of the 12 vehicles available in the U.S. with the least environmental impact.⁹ ACEEE evaluated more than 1,200 models and awards each car with a Green Score based on an environmental damage index (EDX), which reflects the cost to human health from air pollution associated with vehicle manufacturing and disposal, the production and distribution of fuel or electricity, and vehicle tailpipes.

Natural Resources Canada ranks the most fuel-efficient vehicles each year and four Toyota models made the list in 2023: Toyota Corolla Hybrid (compact), Toyota Corolla Cross Hybrid AWD (SUV: small), Toyota Highlander Hybrid AWD and Toyota Highlander Hybrid AWD Limited/Platinum (SUV: standard), and Toyota Sienna (Minivan).

Volatile Organic Compounds (VOCs)

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

Vehicle body painting operations generate most of Toyota’s VOC emissions. Toyota’s North American manufacturing plants measure grams of VOCs emitted per square meter of vehicle surface area coated (g/m²). VOC emissions from vehicle body painting increased 3.7% between FY2022 and FY2023.

We expect VOC emissions to decrease as we further improve transfer efficiency and launch additional water-borne paint systems.

VOC Emissions

Grams per Square Meter of Vehicle Surface Area Coated



⁹ According to ACEEE, Toyota’s redesign of Prius, which was the “greenest car” of 2022, delayed the release of information on the hybrid, so ACEEE was unable to analyze data on the car for inclusion in the list.



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

WATER

Commitment to Water as a Shared Resource

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

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

We are committed to engaging in and supporting efforts that reduce and recycle water used in our facilities, protect water bodies, invest in education and awareness, and share best practices with others. As the availability of clean water becomes more and more important to Toyota communities across the region, we will continue to follow the principles set forth by the Alliance for Water Stewardship (AWS) International Water Stewardship Standard. We are currently piloting our water stewardship approach at our assembly plant in Baja California, Mexico, and plan to roll out this approach to additional sites in the future.

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

- 1 Improving water efficiency in direct operations and using recycled/reused water when applicable.** See our stories on how the [assembly plant in Indiana is saving 54.3 million gallons of water annually](#) and how a [membrane bio reactor helps us recycle 23 million gallons annually in Baja California](#).
- 2 Assisting our major suppliers and dealers with adopting these same commitments.** When we launched the updated [Green Supplier Requirements](#) in April 2022, we included a new requirement for suppliers to track water withdrawal, discharge and consumption volumes. We also request that they develop water reduction plans and targets. We are also asking dealerships participating in our [Dealer Environmental Excellence Program](#) to track their water use and develop reduction plans.
- 3 Engaging with communities, NGOs and strategic partners to conserve, restore and protect water and water-related ecosystems.** Our outreach activities are a vital part of our commitment to collective action to solve local water challenges. See how we're supporting [The Nature Conservancy to restore water flows in the Colorado River Delta](#).

Water Target

GRI 3-3

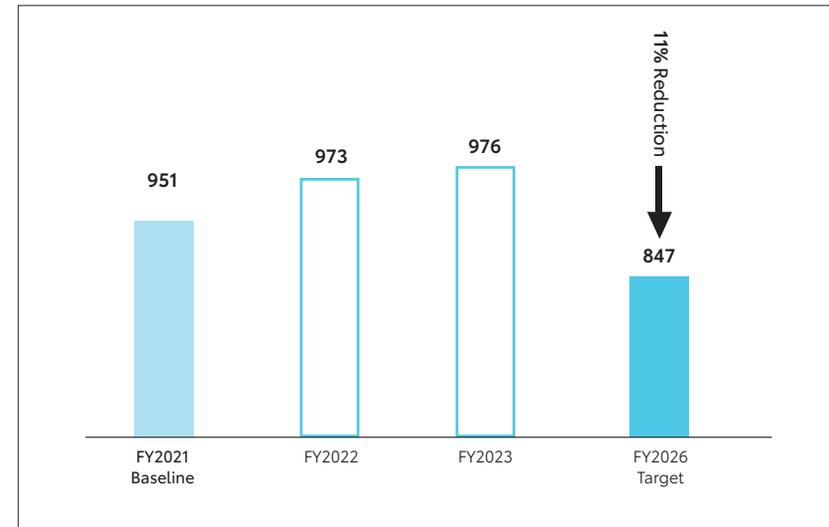
Our water target for fiscal years 2022 to 2026 is to reduce water use per unit of vehicle production by 11% from FY2021 levels.

We reset our target against a new baseline of FY2021 instead of FY2020, since 2021 was a more normal production year following the COVID-19 pandemic.

In FY2023, our North American facilities (both production and non-production sites) used 976 gallons to produce a Toyota or Lexus vehicle. This is slightly higher than the previous fiscal year, and we continue to seek opportunities for continuous improvement.

Water Intensity

(Gallons of Water Withdrawn per Vehicle Produced)



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

Water Risk Assessment

GRI 3-3

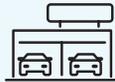
GRI 303-1, 303-2

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

Water Risk Assessment of Operations & Dealerships



TMNA uses water mainly in manufacturing processes and for cooling, plus a smaller amount for landscape irrigation, sanitation and drinking water. According to the Water Risk Atlas, 55 sites, including one manufacturing plant in California and two in Mexico, have extremely high baseline water stress.* In FY2023, 10 sites representing 7% of the water Toyota withdrew in North America were in areas of extremely high or high overall water risk. Our internal water stewardship efforts are focused on these 10 sites.



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

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

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



Rainwater cisterns at Toyota Motor North America, Inc. headquarters in Plano, Texas

Water Withdrawal, Discharge and Consumption

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

In North America, the majority of Toyota's water use occurs in manufacturing, primarily for painting and for cooling buildings and processes. We also use a small amount of water for landscape irrigation and for drinking water and washrooms. In the U.S., we are converting to native, drought-resistant species wherever possible to reduce artificial irrigation.

In FY2023, Toyota withdrew 1.71 billion gallons of water at North American facilities, including manufacturing plants, R&D centers, parts and vehicle distribution centers, service training centers and offices. This is a 2% increase compared to FY2022.

Approximately 94% of total water withdrawal came from municipal sources (both fresh and non-potable recycled water from utilities); the remaining withdrawals came from surface water bodies, groundwater and rainwater.

Only 7% of water withdrawal occurred in an area of "high" or "extremely high" overall water risk (based on WRI's Water Risk Atlas).

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

We treat certain wastewater streams on-site and discharge wastewater to publicly owned treatment works. Water discharge is either measured by meter or, in the case of non-production facilities, estimated based on occupancy.

Water is consumed primarily through evaporation from manufacturing processes and building cooling systems. Consumption is calculated by subtracting discharge from withdrawal volumes.

Water Use (Gallons)

	FY2020	FY2021	FY2022	FY2023
Water Withdrawal	1,766,238,000	1,526,868,000	1,678,110,000	1,711,242,000
Water Discharge	1,173,877,000	1,241,390,000	1,158,684,000	1,252,583,000
Water Consumption	592,361,000	285,478,000	519,426,000	458,659,000

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

Water Use In Water Stressed Areas (Gallons)

	FY2021	FY2022	FY2023
Water Withdrawal	124,859,000	117,391,000	115,619,000
Water Discharge	93,019,000	75,968,000	51,720,000
Water Consumption	31,840,000	41,423,000	63,899,000

Scope: Toyota North America locations, including assembly and unit plants, offices and warehouses, located in a water-stressed area. Excludes a few small sites where data is not available.

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



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

MATERIALS

Commitment to Responsible Production

GRI 3-3

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

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

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

Materials Targets

GRI 3-3

Plastics

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

Plastic is not biodegradable, can be difficult to recycle, and is well known for causing water and ocean pollution. That's why we are working on reducing plastics wherever we can. This target covers single-use plastics used in our cafeterias; see the packaging target below for our target to reduce plastic and other types of packaging.

Due to COVID-related delays in employees coming back to the office, we did not make much progress on this target last year. However, during FY2024, we are working on replacing several single-use items with compostable and reusable items and expect to see reductions soon.

Packaging

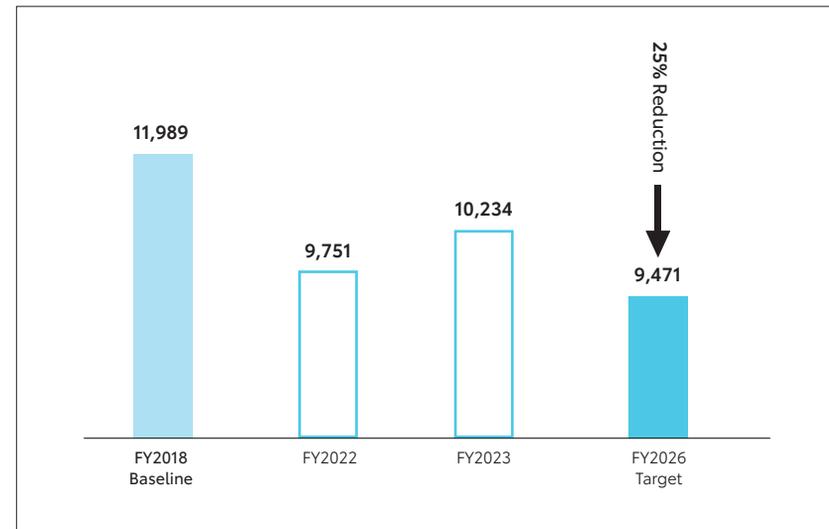
Our packaging target for fiscal years 2022 to 2026 is to reduce procurement of single-use packaging materials by 25% from FY2018 levels.

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

Despite a slight increase between fiscal years 2022 and 2023 in the procurement of single-use packaging materials (due mainly to changes in production volumes), we have reduced the use of single-use packaging materials by approximately 15% compared to the FY2018 baseline. One way we reduce packaging is by using approximately 60,000 returnable packaging modules and racks instead of wooden pallets and cardboard boxes for shipping parts between suppliers, distribution centers, plants and dealerships.

TMNA is a member of Suppliers Partnership for the Environment (SP) and participates in the Sustainable Packaging Work Group to further SP's efforts to promote the design and use of sustainable packaging. This group created a set of recommendations to help auto manufacturers and suppliers minimize automotive packaging waste and address barriers to recyclability in the design phase. The Work Group is currently working on additional guidance to help automakers and dealers further reduce packaging waste.

Single-Use Packaging Material Procured by Weight (Metric Tons)



Scope: Data covers expendable boxes and pallets used in manufacturing, plus cardboard, pallets, paper and soft plastics used in service parts distribution.

Battery Recycling

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

GRI 301-3

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

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

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

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

For more information about conflict minerals, see [Toyota's Conflict Minerals Report](#), filed with the U.S. Securities and Exchange Commission in May 2023.

Sustainable Materials

GRI 301-2

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

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

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

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

Chemical Management

GRI 3-3

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

It's important for Toyota to understand the chemical content of the parts we receive from our suppliers. TMNA's Chemical Management Office (CMO) aims to track and visualize the development and growth of our suppliers' chemical management systems, in part through the implementation of an annual chemical management supplier self-assessment survey. As part of our comprehensive five-year strategy to enhance the chemical management capabilities of the North American supply chain, CMO launched a Product Chemical Compliance Training Camp event to provide in-depth guidance on the expectations within our [Green Supplier Requirements](#) and chemical management best practices. The training camp supports our continued strong partnership with our suppliers and the broader goal for Toyota's North American supplier base to be world class in chemical management systems.

Waste

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

Total waste generated by Toyota in North America increased 2.5% in 2022 compared to 2021. We reused or recycled 93% of all waste in 2022. Only 1.7% of waste was sent to landfills for disposal, and 5.0% was incinerated, either with or without energy recovery.

By weight, steel is the largest raw material used to make Toyota and Lexus vehicles. It is also the largest waste stream, accounting for 73% of all waste generated in 2022. We recycle 100% of the scrap steel waste generated.

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

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

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

Waste Disposed (CY2022)

Pounds

	Landfill	Incineration
Regulated* Waste	73,734	10,513,591
Non-regulated Waste	13,993,168	31,047,759
TOTAL	14,066,902	41,561,350
TOTAL WASTE DISPOSED IN 2022	55,628,252	

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

Note: 100% of waste disposed was disposed offsite.

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

Total Waste Generated (Calendar Year)

Pounds

	2019	2020	2021	2022
Regulated* Waste	16,832,174	14,010,112	18,412,607	17,966,252
Non-regulated Waste	728,983,646	699,832,363	797,302,944	797,102,749
Scrap Steel Recycled	599,397,719	594,061,626	616,091,071	610,157,087
Compost	998,672	721,600	2,940,434	3,344,177
All other waste streams	128,587,255	105,049,137	178,271,438	204,561,810
TOTAL WASTE GENERATED	745,815,820	713,842,476	815,715,552	836,029,325

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

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

Waste Diverted from Disposal (CY2022)

Pounds

	Recycled, Reused, Recovered
Regulated* Waste	7,378,927
Non-regulated Waste	773,022,147
TOTAL WASTE DIVERTED	780,401,074

Scope: Toyota's North American headquarters, manufacturing, R&D, sales and logistics sites in the U.S., Canada and Puerto Rico. Also includes data from manufacturing in Mexico. Data from non-manufacturing sites in Mexico will be included in future years. Data excludes construction and demolition waste from new construction and expansion projects. Certain waste streams are diverted onsite through reuse; however, we do not track this data.

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



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

BIODIVERSITY

Commitment to Harmony With Nature

GRI 3-3

Human activity is putting pressure on biodiversity and accelerating biodiversity loss. This on its own is a global challenge, but biodiversity is also inextricably linked to climate change – we can't solve the climate crisis without recognizing the significant role nature plays in capturing and storing CO₂ from the atmosphere through ecosystem services, on land and in the oceans.

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

Across North America, we are focusing on:

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

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

Biodiversity Target

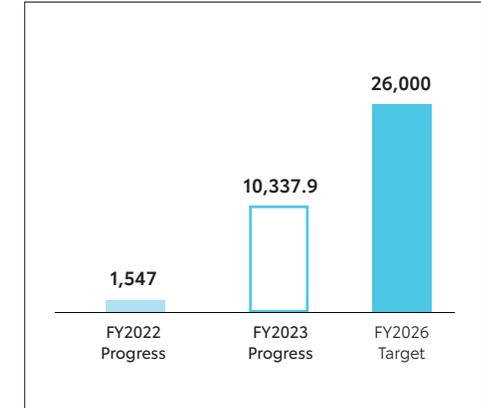
GRI 304-2

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

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

In FY2023, 7,599.4 acres of pollinator habitat were developed through collaboration with Pollinator Partnership (P2) and 2,738.5 acres were developed in collaboration with the National Environmental Education Foundation (NEEF), bringing the total number of acres to 10,337.9.¹⁰ For more information, see our story on [Toyota's Blossoming Commitment: Nurturing Biodiversity through Bees and Butterflies](#).

ACRES OF POLLINATOR HABITAT SUPPORTED (CUMULATIVE)



¹⁰ In last year's report, we included 375 acres in the FY2022 baseline for this target. These acres are all on Toyota property in North America where team members have planted pollinator gardens. We have corrected our FY2022 data to remove these acres, since they were planted prior to FY2022. Additionally, we do not consider FY2022 to be a baseline, as our target aims to increase acreage from zero to 26,000.

Restoring Habitat

GRI 304-1, 304-3

TMNA partners with Wildlife Habitat Council® (WHC) on conservation programs at sites in North America. Conservation programs at 14 of our sites, including nine assembly and engine plants, have achieved Conservation Certification, which is WHC’s voluntary certification standard designed for broad-based biodiversity enhancement and conservation education activities on corporate landholdings.

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



Toyota Motor Manufacturing, West Virginia

Wildlife Habitat Council Conservation Certifications

Certifications as of August 2023

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

Toyota Sites in North America that are In or Adjacent to a Protected Area, Critical Habitat or Biodiversity Hotspot

Includes Toyota majority-owned sites in North America that were in operation as of August 2023

Site Name	Location	Type of Operation	Protected Area, Critical Habitat and/or Biodiversity Hotspot
TMMC	Woodstock, Ontario (Canada)	Manufacturing	Protected Area: Vansittart Woods wetlands
TMMBC	Tijuana, Baja California (Mexico)	Manufacturing	Hotspot: California Floristic Province; Protected area: Wildlife Preserve
TABC	Long Beach, California	Manufacturing	Hotspot: California Floristic Province
Gardena Technical Center	Gardena, California	R&D	Hotspot: California Floristic Province
LA Parts Distribution Center	Los Angeles, California	Parts logistics	Hotspot: California Floristic Province
TLS Long Beach	Port of Long Beach, California	Vehicle logistics	Hotspot: California Floristic Province
San Ramon Regional Office and Parts Distribution Center	San Ramon, California	Parts logistics	Hotspot: California Floristic Province
North American Parts Center California	Ontario, California	Parts logistics	Hotspot: California Floristic Province
TLS Portland	Port of Portland, Oregon	Vehicle logistics	Critical Habitat for Soho Salmon
TAPG	Phoenix, Arizona	Proving ground	Critical Habitat for Yellow-billed Cuckoo
TMMMS	Blue Springs, Mississippi	Manufacturing	Hotspot: North American Coastal Plain
TMMTX	San Antonio, Texas	Manufacturing	Hotspot: North American Coastal Plain
TMMTN	Jackson, Tennessee	Manufacturing	Hotspot: North American Coastal Plain

Definitions:

Protected Area is defined as a geographic area that is designated, regulated or managed to achieve specific conservation objectives. (GRI Standards Glossary 2016)

Critical Habitat is a term defined and used in the U.S. Endangered Species Act. It is a specific geographic area(s) containing physical or biological features that are essential for the conservation of a threatened or endangered species and that may require special management and protection. Critical habitat may include an unoccupied area(s) if it is determined to be essential for the conservation of the species.

Biodiversity Hotspot is defined as an area that meets two criteria: It must have at least 1,500 vascular plants as endemics — which is to say, it must have a high percentage of plant life found nowhere else on the planet; and it must have 30 percent or less of its original natural vegetation. Biodiversity hotspots represent just 2.3% of Earth's land surface, but they support more than half of the world's endemic plant species and nearly 43% of endemic bird, mammal, reptile and amphibian species. Critical Ecosystem Partnership Fund (CEPF) maintains a list of hotspots by region. CEPF is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan, the MacArthur Foundation and the World Bank.

As part of our engagement with WHC, we identify operational sites in North America that are in or near a protected area, critical habitat or biodiversity hotspot. The sites in or near a protected area or critical habitat are all actively working on conservation initiatives. For examples, see our stories on the [Indicator Species Project](#) and our [grant program with NEEF in the California Floristic Province](#).

Protecting Species

GRI 304-4

With the help of WHC, we assess sites in North America for the presence of endangered or threatened species. Sites with or near protected species are listed in the table, along with their activities to support those species.

The migratory monarch butterfly was added to the IUCN Red List in July 2022 as an endangered species. IUCN - the International Union for Conservation of Nature - is a Switzerland-based conservation organization that monitors the status of wildlife worldwide. According to the IUCN, populations of migratory monarchs have declined between 22 and 72% over the past 10 years because of pesticides and herbicides, deforestation for logging, urban development and agricultural expansion. Climate change—in the form of drought, wildfire and extreme temperatures—is also threatening milkweed, the only plant monarch larvae feed on. Toyota has pollinator gardens spanning over 300 acres at several sites across North America that support migratory monarchs and other pollinator species.

Endangered, Threatened or Protected Species On or Near Toyota Sites

Includes majority-owned sites in operation as of August 2023

Toyota Site	Endangered, Threatened, or Protected Species	Law/Regulation	Activities
Toyota sites in North America	Monarch butterfly	On December 15, 2020, the U.S. Fish and Wildlife Service announced that listing the monarch as endangered or threatened under the Endangered Species Act is warranted, but precluded by higher priority listing actions. The monarch is now a candidate under the Endangered Species Act and its status will be reviewed annually until a listing decision is made.	Several Toyota sites across North America have planted pollinator gardens spanning over 300 acres. These gardens provide food and shelter to monarchs along their migration paths.
Manufacturing plant in Tijuana, Baja California (Mexico)	Ceanothus verrucosus (a medicinal shrub) Crotalus ruber (a native rattlesnake) Linx rufus (bobcat) Lepus californicus (black-tailed jackrabbit) Ferocactus gracilis (fire barrel cactus) Cylindropuntia californica (California cholla)	Protected by Mexico's Ministry of Environment and Natural Resources (SEMARNAT) under NOM-059-SEMARNAT-2010	These species are found on 143 acres of the site's property that are protected as a wildlife preserve.
Manufacturing plants in Cambridge and Woodstock, Ontario (Canada)	Tree Swallow	Protected by the Migratory Birds Convention Act	Installed 71 bird boxes at Toyota's assembly plants in Cambridge and Woodstock, Ontario.
Engine plant in Huntsville, Alabama	Alabama cave shrimp	Protected by the U.S. Endangered Species Act	Cave shrimp are found in an area of the site that is not disturbed by site operations or activities.
Assembly and unit plant in Georgetown, Kentucky	Solidago shortii (short's goldenrod) Myotis sodalists (Indiana bat)	Protected by the U.S. Endangered Species Act	Planted Short's Goldenrod along a one-mile nature trail onsite.
Vehicle logistics site at the Port of Portland, Oregon	Coho Salmon	Protected by the U.S. Endangered Species Act	Salmon Safe certified; site maintains a bioswale and storm water pollution prevention program; team members participate in annual cleanup of the Willamette River.

Environmental Metrics Table

CARBON					
GHG EMISSIONS	Unit	FY2020	FY2021	FY2022	FY2023
Scope 1 emissions	MT CO ₂ e	409,000	387,000	445,353	446,163
Scope 2 emissions (location-based)	MT CO ₂ e	697,000	627,000	618,729	626,347
Total Scope 1+2 emissions	MT CO ₂ e	1,106,000	1,014,000	1,064,082	1,072,510
GHG intensity ¹¹	MT CO ₂ e/ vehicle	0.62	0.63	0.62	0.61
Scope 3, Use of Sold Product (U.S.) ¹²	MT CO ₂	86,870,000	94,800,000	84,100,000	Not available
Scope 3, Upstream Transportation and Distribution (third-party U.S. service parts and vehicle transport only)	MT CO ₂ e	Not reported	Not reported	800,344	752,806
Scope 3, Dealerships ¹³	MT CO ₂ e	Not measured	Not measured	1,266,312	1,411,997
FLEET CO ₂ PER MILE	Unit	MY2020	MY2021	MY2022	MY2023
U.S. Fleet GHG Data ¹⁴	Grams CO ₂ / mile	258.0	253.0	Not available	Not available
Canada Fleet GHG Data - car	Grams CO ₂ / mile	165.5	164.0	163.8	Not available
Canada Fleet GHG Data - truck	Grams CO ₂ / mile	261.3	214.3	216.1	Not available
Mexico Fleet GHG Data	Grams CO ₂ / kilometer	157.0	150.0	155.0	Not available
ELECTRIFIED VEHICLE SALES	Unit	CY2020	CY2021	CY2022	MY2023
Toyota and Lexus models with an electrified option (U.S.)	%	Not measured	Not measured	52	66
Toyota and Lexus Vehicle Sales that are electrified (U.S.)	%	16	25	24	Not available
Total number of electrified vehicles sold – U.S. ¹⁵	#	337,036	583,697	504,016	Not available
BEVs sold – U.S. ¹⁶	#	0	0	1,220	Not available
Hybrids sold – U.S.	#	318,639	528,319	466,771	Not available
Plug-in Hybrids sold – U.S.	#	17,898	52,749	33,931	Not available
Fuel cell hybrids sold – U.S.	#	499	2,629	2,094	Not available
Toyota and Lexus Vehicle Sales that are electrified (Canada)	%	18.5	27.7	25.9	Not available
Total number of electrified vehicles sold – Canada ¹⁷	#	35,504	62,460	51,767	Not available
BEVs sold – Canada	#	0	0	703	Not available
Hybrids sold – Canada	#	29,901	52,959	45,873	Not available
Plug-in Hybrids sold – Canada	#	5,582	9,373	5,129	Not available
Fuel-cell hybrids sold – Canada	#	21	128	62	Not available

¹¹ (Scope 1+2 CO₂e emissions)/number of vehicles produced in North America

¹² The calculation methodology for 2022 has changed to reflect SBTi guidance, for example, on annual driving distance; and the IEA Mobility Model was used for the number of years of use over the vehicle's lifetime.

¹³ FY2022 data has been restated to align with the calculation methodology used by TMC to estimate emissions from dealerships worldwide.

¹⁴ 2-cycle tailpipe CO₂ emissions (CO₂ grams/mile) as reported in the [2021 EPA Automotive Trends Report](#), Table 5.5, page 104. 2-cycle test data are used primarily in a regulatory context as the basis for determining the final compliance values for CAFE and GHG regulations.

¹⁵ Includes both Toyota and Lexus

¹⁶ Toyota's first all-electric vehicle, bZ4X, went on sale in North America in 2022.

¹⁷ Includes both Toyota and Lexus

Environmental Metrics Table

ENERGY	Unit	FY2020	FY2021	FY2022	FY2023
Total energy consumption	MWh	3,700,858	3,609,000	3,892,335	4,176,228
Non-renewable electricity	MWh	1,670,000	1,535,000	1,586,998	1,658,820
Renewable electricity	MWh	60,000	62,000	70,724	159,970
Natural gas	MWh	2,050,000	1,938,000	2,166,553	2,307,475
Other fuels (used in mobile and stationary sources)	MWh	78,700	74,000	68,060	49,963
Energy intensity ¹⁸	MWh/vehicle	2.11	2.23	2.26	2.42
VEHICLE FUEL EFFICIENCY	Unit	MY2020	MY2021	MY2022	MY2023
Fleet fuel economy – U.S. ¹⁹	Miles per gallon of gasoline	27.0	37.410	38.616	Not available
AIR QUALITY	Unit	FY2020	FY2021	FY2022	FY2023
VOC emissions ²⁰	Grams/square meter of surface area coated	12.3	11.8	12.2	12.65
WATER	Unit	FY2020	FY2021	FY2022	FY2023
Water withdrawal	Gallons	1,766,238,000	1,526,868,000	1,652,147,000	1,710,869,000
Water withdrawn from municipal sources	%	95.2	96.2	94.1	94.3
Water withdrawn from surface water ²¹	%	4.4	3.5	2.9	3.1
Groundwater	%	0.4	0.3	3.0	2.2
Portion withdrawn in water-stressed areas ²²	%	6	8	7	7
Water discharge	Gallons	1,171,907,000	1,238,972,000	1,158,684,000	1,251,196,000
Portion discharged in water-stressed areas	%	4	7	7	4
Water consumption	Gallons	594,331,000	287,896,000	493,462,000	459,673,098
Portion consumed in water-stressed areas	%	12	11	8	14
Water withdrawn per vehicle produced	Gallons/ vehicle	983	951	958	976

¹⁸ Total energy consumption by Toyota operations in North America/number of vehicles produced in North America

¹⁹ Fuel economy as reported in the [2021 EPA Automotive Trends Report](#), table 2.3, page 13

²⁰ Scope = North American manufacturing plants

²¹ Includes collected rainwater

²² Water-stressed areas are defined according to the Water Risk Atlas in WRI's Aqueduct Tool as areas with either "high" or "extremely high" overall risk.

Environmental Metrics Table

WASTE	Unit	CY2020	CY2021	CY2022	MY2023
Percent of total waste reused, recycled or recovered ²³	%	93.2	92.9	93.3	Not available
Total waste generated	Pounds	713,842,476	815,715,552	836,029,325	Not available
Regulated Waste	Pounds	14,010,112	18,412,607	17,966,252	Not available
Non-regulated Waste	Pounds	699,832,363	797,302,944	797,102,749	Not available
Scrap steel recycled	Pounds	594,061,626	616,091,071	610,157,087	Not available
Compost	Pounds	721,600	2,940,434	3,344,177	Not available
All other waste streams	Pounds	105,049,137	178,271,438	204,561,810	Not available
Regulated waste diverted from disposal ²⁴	Pounds	4,844,115	7,299,419	7,378,927	Not available
Non-regulated waste diverted from disposal	Pounds	660,495,382	750,587,344	773,022,147	Not available
Regulated waste landfilled	Pounds	0	888	73,734	Not available
Regulated waste incinerated ²⁵	Pounds	9,165,997	11,112,300	10,513,591	Not available
Non-regulated waste landfilled	Pounds	10,764,547	12,870,915	13,993,168	Not available
Non-regulated waste incinerated	Pounds	28,572,434	33,844,687	31,047,759	Not available
BIODIVERSITY	Unit	FY2020	FY2021	FY2022	FY2023
Acres of pollinator habitat supported	Acres (cumulative)	Not measured	Not measured	1,547	10,337.9
Number of sites with programs with Wildlife Habitat Council (WHC) Conservation Certification	# of sites certified by WHC	13	15	14	14
COMPLIANCE	Unit	FY2020	FY2021 ²⁶	FY2022 ²⁷	FY2023
Violations that resulted in air or water pollution and a fine >\$5,000	#	0	1	0	0

²³ Recovery does not include energy recovery.

²⁴ Diverted from disposal means reused, recycled or recovered (does not include energy recovery); Disposal = Incineration + Landfill

²⁵ Incineration includes both with and without energy recovery.

²⁶ In 2023, Toyota paid a \$15,000 fine related to stormwater exceedances that occurred in 2021. In addition, in January 2021, Toyota paid a civil penalty of \$180 million to the U.S. Environmental Protection Agency pursuant to a Consent Decree to resolve investigations stemming from a self-reported process gap in fulfilling certain emissions defect information reporting requirements under the Clean Air Act. The reporting gap occurred between 2005 and 2015. As a countermeasure, Toyota has put robust reporting and compliance processes in place.

²⁷ Toyota paid \$7.7 million in stipulated penalties in 2022 under the 2021 Consent Decree described in FN 26 for an issue that did not constitute a regulatory violation.

GRI Content Index

Statement of Use	TMNA has reported the information cited in this GRI content index for the period April 1, 2022 to March 31, 2023 with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	About This Report
	2-2 Entities included in the organization's sustainability reporting	Toyota Motor North America, Inc. (TMNA) Toyota Canada Inc. (TCI) Toyota's majority-owned North American manufacturing plants
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	See Biodiversity Target for information on restated data for FY2022. We have also restated compliance data for FY2021 and Scope 3 emissions for dealerships for FY2022.
	2-5 External assurance	See the Toyota Sustainability Data Book , pages 55-56, for the Verification Statement prepared for Toyota Motor Corp. TMNA and TCI do not have North American data separately assured.
	2-6 Activities, value chain and other business relationships	TMNA distributes and markets passenger cars and trucks for sale at Toyota and Lexus dealerships in the U.S. TMNA manufactures passenger cars and trucks and engines at 13 plants in the U.S., Canada and Mexico. TCI distributes and markets passenger cars and trucks for sale at Toyota and Lexus dealerships in Canada. TMNA reported U.S. sales in 2022 of over 2.1 million vehicles. TCI reported Canadian sales in 2022 of over 175,000 vehicles. There are more than 1,900 Toyota and Lexus dealerships in the U.S., Canada and Mexico.
	2-7 Employees	Over 64,000 team members in the U.S., Canada and Mexico
	2-9 Governance structure and composition	Environmental Sustainability Governance
	2-22 Statement on sustainable development strategy	Dear Reader Goals and Targets
	2-27 Compliance with laws and regulations	See Compliance for information on environmental compliance in North America. Environmental Metrics Table – Compliance
	2-28 Membership associations	Stakeholder Engagement
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	GRI 3: Material Topics 2021	3-1 Process to determine material topics
3-2 List of material topics		Material environmental topics are Carbon, Water, Materials and Biodiversity.
3-3 Management of material topics		Goals and Targets Commitment to Carbon Neutrality Commitment to Water as a Shared Resource Commitment to Responsible Production Chemical Management Commitment to Harmony With Nature

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 301: Materials 2016	301-2 Recycled input materials used	Sustainable Materials
	301-3 Reclaimed products and their packaging materials	Battery Recycling How We Recycle Hybrid Vehicle Batteries
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Environmental Metrics Table – Energy
	302-3 Energy intensity	Environmental Metrics Table – Energy
	302-5 Reductions in energy requirements of products and services	Environmental Metrics Table – Vehicle Fuel Efficiency
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Commitment to Water as a Shared Resource
	303-2 Management of water discharge-related impacts	Commitment to Water as a Shared Resource
	303-3 Water withdrawal	Water Withdrawal, Discharge and Consumption Environmental Metrics Table – Water
	303-4 Water discharge	Water Withdrawal, Discharge and Consumption Environmental Metrics Table – Water
	303-5 Water consumption	Water Withdrawal, Discharge and Consumption Environmental Metrics Table – Water
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Restoring Habitat
	304-2 Significant impacts of activities, products and services on biodiversity	Biodiversity Target Indicator Species Project
	304-3 Habitats protected or restored	Restoring Habitat Toyota's Blossoming Commitment: Nurturing Biodiversity through Bees and Butterflies
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Protecting Species

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG Emissions Data Environmental Metrics Table – CO₂ Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	GHG Emissions Data Environmental Metrics Table – CO₂ Emissions
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Metric Table – CO₂ Emissions
	305-4 GHG emissions intensity	GHG Emissions Data Environmental Metrics Table – CO₂ Emissions
	305-5 Reduction of GHG emissions	GHG Emissions Data Toyota Port Facility Nears Carbon Neutrality On Our Way to 100% Renewable Electricity
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Towards a Circular Economy
	306-2 Management of significant waste-related impacts	Waste Towards a Circular Economy
	306-3 Waste generated	Waste Environmental Metrics Table – Waste
	306-4 Waste diverted from disposal	Waste Environmental Metrics Table – Waste
	306-5 Waste directed to disposal	Waste Environmental Metrics Table – Waste
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	The primary negative impact in our supply chain is CO ₂ emissions that contribute to climate change. See Upstream & Downstream for our supplier CO ₂ target and Green Supplier Requirements for information on how we are collecting information from suppliers.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Examples of local community engagement include: Helping Restore Water Flows in the Colorado River Delta Community Recycling Days Biodiversity Conservation Grants