

Sustainability

Data Book

Last update: March 2025

Updated in June 2024

Sustainability Data Book Overview

GRI 2-2-4

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Contents

Editorial Policy

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



Period Covered

Focusing mainly on the results of initiatives implemented during the previous fiscal year, the contents are mainly updated twice a year, in June and October. For update history, please see the following page.

Scope of Report

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

Toyota References in This Document

- Toyota:

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

Information on or initiatives of the 17 companies (as of June 2024) within the Toyota Group
- Toyota Motor Corporation:

Information on or initiatives of Toyota Motor Corporation

Toyota Group Company Information

Reference Guidelines

- Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board
- (Reference code

SASB ITR-AU-●●●

 is indicated at each applicable part.)

P.128 SASB Content Index
- GRI Standards (Reference code

GRI ●●●●●●

 is indicated at each applicable part.)

P.129 GRI Content Index
- ISO 26000 Guidelines

Third-party Assurance

Third-party Assurance

 denotes data assured by an Independent Practitioner

Disclaimer

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

Update History

March 2025	Promoting Sustainability	Sustainability Issues and Initiatives (Materiality)	October 2023	Environment	Policy and Environmental Management
January 2025	Environment	Climate Change			Climate Change
		Third-Party Assurance			Resource Recycling
October 2024	Environment	Policy and Environmental Management			Harmony with Nature
		Climate Change			Environmental Data
		Resource Recycling			FY2023 Review of the 7th Toyota Environmental Action Plan (2025 Target)
		Harmony with Nature			Third-party Verification
		Environmental Data		Social	Value Chain Collaboration (Initiative with Dealers)
		FY2024 Review of the 7th Toyota Environmental Action Plan (2025 Target)			Vehicle Safety
		Third-Party Assurance			Quality and Service (After-sales Service)
	Social	Value Chain Collaboration			Privacy
		Vehicle Safety			Social Data
		Social Data (Supply Chain)			Compliance
June 2024	Promoting Sustainability		June 2023	Governance	
	Environment	Climate-related Financial Disclosures Based on TCFD Recommendations		Promoting Sustainability	
	Social			Environment	Climate-related Financial Disclosures Based on TCFD Recommendations
	Governance			Social	
	SASB/GRI Content Index			Governance	
February 2024	Promoting Sustainability	Sustainability Issues and Initiatives (Materiality)	December 2022	Promoting Sustainability	Public Policy
January 2024	Promoting Sustainability	Public Policy	October 2022	All pages updated (Review of FY2021 initiatives and layout)	
	Social	Diversity,Equity, and Inclusion (DE&I)	August 2022	Environment	Climate-related Financial Disclosures Based on TCFD Recommendations
		Value Chain Collaboration			
				SASB/GRI Content Index	

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Updated in June 2024

Overview of
Toyota Motor
Corporation

GRI 2-1, 7

Company Profile

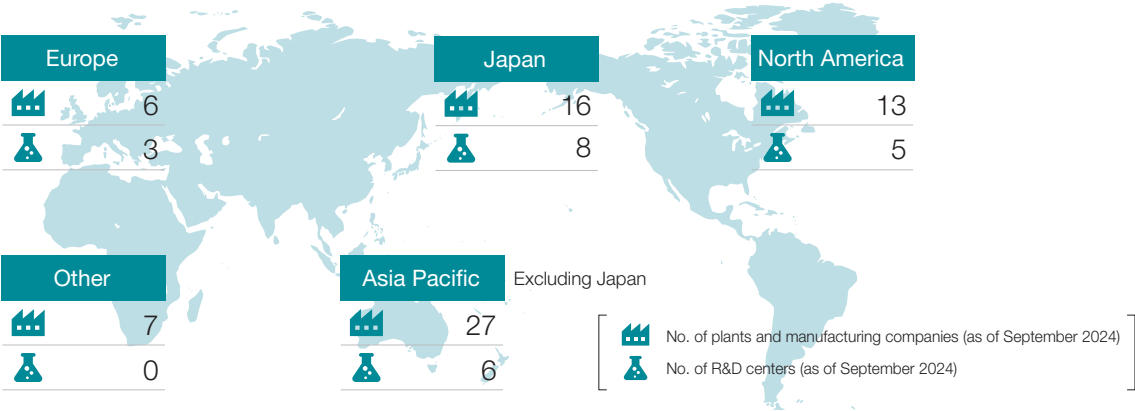
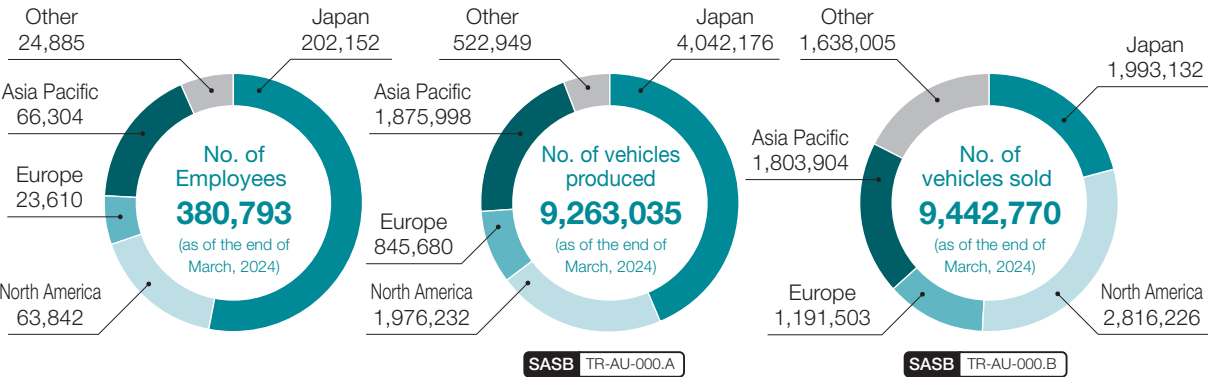
Company Name	Toyota Motor Corporation
President and Representative Director	Koji Sato
Company Address	1 Toyota-cho, Toyota City, Aichi Prefecture, Japan Head Office 1-4-18 Koraku, Bunkyo-ku, Tokyo, Japan Tokyo Head Office 4-7-1 Meieki, Nakamura-ku, Nagoya City, Aichi Prefecture, Japan Nagoya Office
Founded	August 28, 1937
Capital	635.4 billion yen (as of the end of March, 2024)
Main Business Activities	<ul style="list-style-type: none">Automotive businessFinancial services (vehicle loans and leasing, etc.)Other operations (information technology, etc.)
No. of Employees (consolidated)	380,793 (as of the end of March, 2024)
No. of Consolidated Subsidiaries	577 (as of the end of March, 2024)
No. of Associates and Joint Ventures Accounted for by the Equity Method	165 (as of the end of March, 2024)

Vision & Philosophy

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

Vision & Philosophy

Global/Regional Data



Financial Data

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

Financial Data

Updated in March 2025

Promoting Sustainability

GRI 2-12~14, 17, 24, 28, 29, 3-1, 2

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Fundamental Approach

Aim

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

 [Toyota Philosophy](#)

 [Guiding Principles at Toyota](#)

 [Our Commitment to Sustainable Business - Message from the President-](#)

Initiative

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

Sustainability-related policies

Sustainability Fundamental Policy

<Related policies>

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

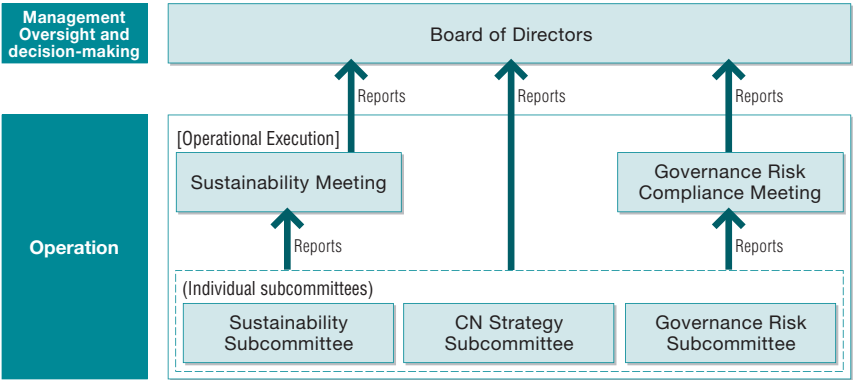
Organizational Structure

Aim

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

Initiative

- Continuously promoting and improving our sustainability activities with oversight and decision-making provided by the Board of Directors. We will work in close liaison with relevant departments to carry out ESG (environmental, social, and governance)-related initiatives.
- To deliberate on important cross-cutting sustainability challenges related to management, Toyota has established a Sustainability Meeting primarily addressing themes related to environmental and social issues, with the President serving as the chair. Additionally, a Governance Risk Compliance Meeting focusing on themes related to governance, with the Chief Risk Officer and Chief Compliance Officer serving as the chair, has been established.
- Specific issues and themes that are closely related to sustainability practices are deliberated in respective subcommittees.



(As of June 2024)

	Sustainability Meeting	Governance Risk Compliance Meeting	Sustainability Subcommittee	CN Strategy Subcommittee	Governance Risk Subcommittee
Chairperson or promoters	President	President	Deputy Chief Officer, General Administration & Human Resources Group	President, CN (Carbon Neutral) Engineering Development Center	Deputy Chief Officer, General Affairs & Human Resources Group DCRO/DCCO
Members (number of people)	Executive Vice Presidents (2), Outside members of the Board of Directors (4), Outside Audit & Supervisory Board Members (1), CPO,CSO,CHRO, Others (5)	Executive Vice Presidents (2), Outside members of the Board of Directors (1), Outside Audit & Supervisory Board Members (1), CPO,CHRO, Full time Audit & Supervisory Board Members (1), Others (3)	Outside members of the Board of Directors (1), CRO/CCO,CSO,CISO,CHRO, Others (7)	Executive Vice Presidents (2), CRO/CCO,CPO,CSO,CISO, Full time Audit & Supervisory Board Members (1) Others (11)	Executive Vice Presidents (2), Outside members of the Board of Directors (1), Outside Audit & Supervisory Board Members (1), CRO/CCO,CSO,CISO,CHRO, Full time Audit & Supervisory Board Members (1), Others (5)
Number of times held in FY 2024	4	– (Newly established in June 2024)	3	3	6
Frequency of reports to the Board of Directors	When an important matter arises	When an important matter arises	When an important matter arises	When an important matter arises	When an important matter arises
Content	<ul style="list-style-type: none">● To increase corporate value by deliberating, making decisions on, and promoting activities on key sustainability issues in management practices	<ul style="list-style-type: none">● To report and consult of important management items related to Governance, Risk and Compliance	<ul style="list-style-type: none">● To report and deliberate on key management issues related to strengthening competitiveness over the medium to long term and responding to risks associated with environment, social issues, governance and the SDGs, while monitoring internal and external developments	<ul style="list-style-type: none">● To cultivate a shared understanding of significant global trends related to carbon neutrality and environmental challenges● To report and deliberate on important management policies, such as targets and KPIs related to the above	<ul style="list-style-type: none">● To deliberate, decide and promote activities on important issues and responses related to governance, internal control, corporate ethics, compliance, incidents, and general risk management in business and product strategies

CPO : Chief Production Officer
CSO : Chief Sustainability Officer

CHRO : Chief Human Resources Officer
CRO : Chief Risk Officer

CCO : Chief Compliance Officer
CISO : Chief Information & Security Officer

DCRO : Deputy Chief Risk Officer
DCCO : Deputy Chief Compliance Officer

Sustainability Issues and Initiatives (Materiality)

- Aim
- On transforming into a mobility company under the mission of “mass production of happiness”, identify and continuously evaluate our materiality (key issues) in response to shifts in the societal landscape as well as feedback from our stakeholders.
 - Contribute to the society and enhance our own corporate value sustainably.

Initiative

Materiality Identification Process

- Step 1
- Universal values like the Toyota Philosophy were classified as “inheritance,” and issues necessary to promote our transformation into a mobility company were classified as “evolution.”
 - Referring to both internal and external information, we organized and identified all issues that are pertinent to Toyota in terms of the impact Toyota has on the environment and society as well as the impact the environment and society have on Toyota itself while also determining issues that must be addressed to ensure Toyota’s transformation into a mobility company.
 - References: the European Sustainability Reporting Standard (ESRS), the Sustainability Accounting Standards Board (SASB), and such ESG assessment indicators as MSCI and FTSE.

- Step 2
- Discussions regarding the issues identified and organized in Step 1 were held with our own employees, eight NGOs and NPOs, four specialists, and 10 institutional investors.
 - We then reordered the issues in response to the feedback we received.

- Step 3
- Discussions on the issues identified in Step 2 were held in the Sustainability Subcommittee and the Sustainability Meeting, which is chaired by President Sato and attended by Outside Directors and executives, with six key issues identified.



Key Remarks from Stakeholders

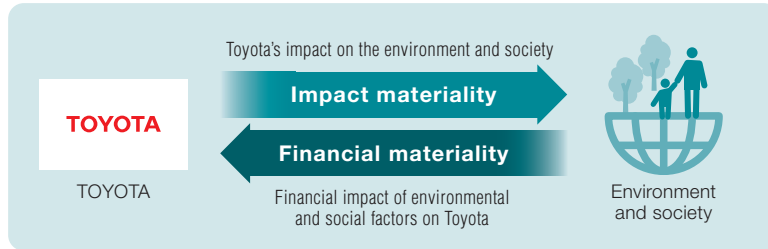
Employees	<ul style="list-style-type: none">● Once we understand how our roles are connected to Toyota's values, we can accelerate our efforts.● I'd like to use this as a compass to get the concepts communicated by top management down to a tangible level of detail.
NGOs and NPOs	<ul style="list-style-type: none">● We'd like Toyota to express its perspective on the “society and future” it wishes to create.

Experts	<ul style="list-style-type: none">● “Nature Positive” will be an important initiative in the future and should be considered.● Theoretical components and management intentions are consistent and reasonable in terms of double materiality.
Institutional investors	<ul style="list-style-type: none">● It is taken directly from Toyota's DNA and has a quality that is unique to this Company.● It is important to have a story that connects such KPIs as financial impact with materialities.● Toyota's stance on addressing climate change should be communicated in clear language.

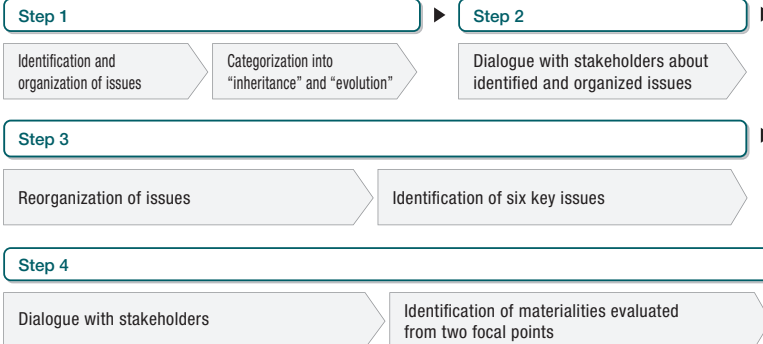
Step 4

- Discussions regarding the issues identified in Step 3 were evaluated from two focal points: the impact Toyota has on the environment and society (impact materiality), and the impact the environment and society have on Toyota (financial materiality).
- Materiality was identified in dialogue with stakeholders and through discussions in the Sustainability Subcommittee and Sustainability Meeting.

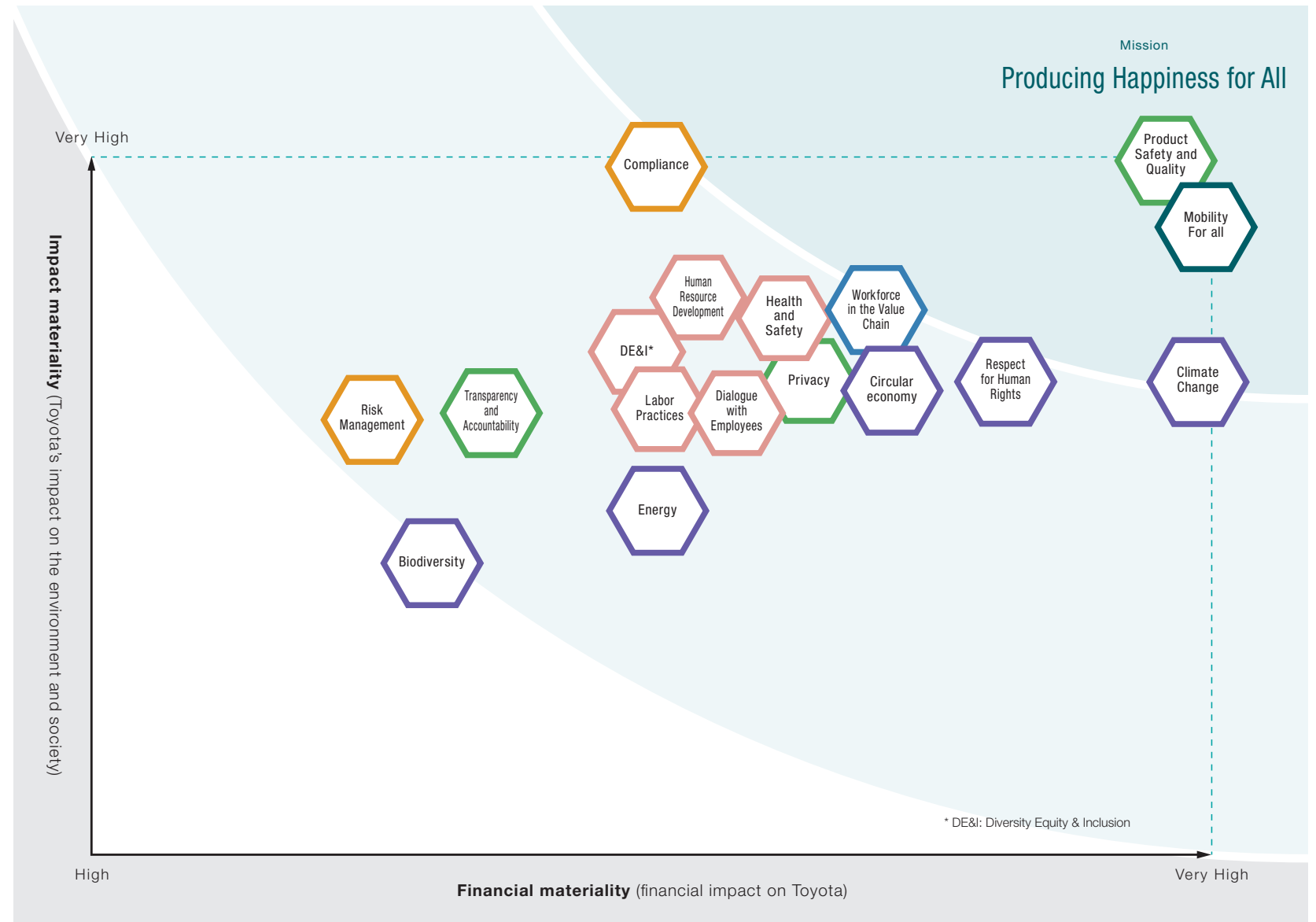
Concept of Double Materiality (direction of impact: TOYOTA ⇄ environment and society)



Steps



Materiality Map



6 Key Issues

- Expanding the Value of Mobility
- Safety & Reliability
- Coexistence of Humanity & the Earth (including carbon neutrality)
- Supporting the Community and Employment
- Active Participation for all
- Strong Production and Business Operation

Materiality (Key Issues)		Main Initiatives
Expanding the Value of Mobility	Mobility For all	<ul style="list-style-type: none">● With the aim of realizing a mobility society where everyone can move freely, happily, and comfortably, we will provide mobility options to customers around the world that are in tune with a diverse range of energy situations and customer needs.● BEVs offer new possibilities in such ways as serving as mobility that transports electricity, collectively acting as an energy grid, and enhancing society's energy security. Toyota will build a CO₂-free hydrogen supply chain that starts from Woven City as well as demonstrate potential uses of hydrogen in our daily lives.● By promoting the development of Software Defined Vehicles (SDVs), we will form connections between cars, people, goods and services, and information. In this way, we will not only enhance the effectiveness and productivity of people's social activities but also offer safety and security that help people live in the manner they so choose.● As part of our efforts to "make ever-better cars" from the starting point of motorsports, we will continue to promote the development of new technologies and work to enhance our existing ones. At the same time, we aim to broaden the foundation of motorsports culture, bringing the joy of driving to even more people.
Safety & Reliability	Product Safety and Quality Privacy Transparency and Accountability	<ul style="list-style-type: none">● We will enhance safety, peace of mind, and satisfaction for customers by improving the quality of each employee's work, which underpins the quality of our products, sales activities, and services.● To achieve a safe mobility society, Toyota believes it will be important to implement an integrated three-pronged initiative involving people, vehicles, and the traffic environment as well as pursue real-world safety by learning from actual accidents and incorporating that knowledge into vehicle development. We have adopted the Integrated Safety Management Concept as the basic philosophy behind our safety technologies and are promoting technological development based on this concept.● The targets of cyberattacks include confidential information, information systems, and plant and vehicle control system networks, such as those for onboard devices, as well as supply chains. We strive to protect information assets against cyberattacks and thereby ensure customer safety and peace of mind.
Coexistence of Humanity & the Earth (including carbon neutrality)	Climate Change Energy Circular economy Respect for human rights	<ul style="list-style-type: none">● Guided by our multi-pathway strategy, we have made it our mission to work towards realization of a carbon-neutral society in which no one is left behind.● As the first step in carefully managing valuable resources, we are working to build new ecosystems together with all of our stakeholders through development, production, sales, and recovery activities based on a circular economy.● Guided by our Human Rights Policy and Supplier Sustainability Guidelines, we will implement human rights due diligence and appropriate educational activities on human rights.
Supporting the Community and Employment	Workforce in the Value Chain	<ul style="list-style-type: none">● In collaboration with our suppliers, dealers, and other business partners, we will promote activities based on our customer first policy. We will also examine employment and workforce initiatives in response to changes in the business environment, such as electrification, by pursuing various transitions that include the entire value chain.
Active Participation for all	Human Resource Development Diversity, Equity, and Inclusion (DE&I) Labor Practices Dialogue with Employees Health and Safety	<ul style="list-style-type: none">● We place value on each employee's ambition to make the workplace better and strive to establish frameworks that allow them to discover and pursue opportunities for individual growth. By doing so, we will develop human resources who can think for themselves and continue to take action for the sake of others, while building strong connections with their peers.● In order to promote "Active Participation by All" by maximizing the diverse talents, strengths, and abilities of each team member to deliver better value to our customers, we are working to bolster systems and initiatives from the perspective of establishing employee-friendly and fulfilling work environments. We are also striving to enhance the awareness of all Toyota employees.● We will strive to improve the "life well-being" and "work well-being" of all employees so that they can feel a sense of enjoyment and happiness through their involvement in car manufacturing.● Toyota cherishes the ideals of sports, including taking on challenges, never giving up, and promoting teamwork and respect. These ideals serve as the backbone of our corporate culture. By promoting sports-related initiatives, we aim to realize an inclusive society where all people have the opportunity to challenge their own perceived limits.
Strong Production and Business Operation	Risk Management Compliance	<ul style="list-style-type: none">● Drawing on the improvements we have made to existing functions, we are working to apply these improvements in our development and sales activities as well as our after-sales services. In this way, we will pursue comprehensive operational reforms together with internal and external partners.● In an era when the business environment is undergoing massive changes and constant innovation is required, we will bolster our global risk management system to address increasing uncertainties that arise in such times.● Based on the idea of placing the right person in the right position, we will pursue innovations in an agile and continuous manner with the aim of achieving sustainable growth and stable, long-term corporate value enhancement. By doing so, we aim to establish an optimized management structure for a Global Toyota.● To achieve our mission of producing happiness for all, we will fulfill the corporate social responsibility expected of Toyota by not only complying with laws but also acting with integrity in accordance with the Toyota Code of Conduct.

Stakeholder Engagement

Aim

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

Initiative

- Holding dialogues** with major stakeholders through Toyota's relevant divisions and offices around the world.
- Disseminating information about Toyota's initiatives through dialogues with external experts to examine, for example, the direction of our sustainability-related initiatives, and through speech delivery at external lecture meetings.

Customers

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

Communication methods and frequency	Incorporation into corporate activities
<ul style="list-style-type: none"> Toyota Customer Assistance Center (as needed) Responding to customer opinions by telephone and email forms 	Improving customer satisfaction activities
<ul style="list-style-type: none"> Official website, product websites (as needed) Disseminating company information and business details, providing FAQs, etc. 	
<ul style="list-style-type: none"> Information sharing through social media (as needed) Disseminating company information and business details 	Disseminating information in response to customer demand

Employees

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

Communication methods and frequency	Incorporation into corporate activities
<ul style="list-style-type: none"> Joint labor-management roundtable conferences/Labor-management meetings (several times a year) Discussions/negotiations, opinion exchanges and mutual understanding regarding labor-management issues 	Strengthening labor-management relationships
<ul style="list-style-type: none"> Employee satisfaction survey (once or twice every two years) Surveying employees' satisfaction regarding workplace culture and company life 	Improving workplace culture and evaluating and planning various labor-management and personnel policies

Local Communities/Global Society

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

Communication methods and frequency	Incorporation into corporate activities
<ul style="list-style-type: none"> Roundtable conferences with local residents (several times a year) Explanation and discussions with local representatives on Toyota's initiatives at each plant 	Promoting mutual understanding and forming stable local communities
<ul style="list-style-type: none"> Inviting local communities to Toyota's events and participating in local events (as needed) Social gatherings with local residents 	
<ul style="list-style-type: none"> Participating in joint projects between public and private sectors (as needed) Cooperating in progressive initiatives such as verification tests 	Improving advanced technologies and recognizing/resolving social issues
<ul style="list-style-type: none"> Participating in economic and industry organizations (as needed) 	Introducing policies to improve the vitality of the nation/industries
<ul style="list-style-type: none"> Participating in collaborative activities with NGOs and NPOs (as needed) Social contribution activities in each region around the world 	Recognizing social needs in individual regions

Shareholders

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

Communication methods and frequency	Incorporation into corporate activities
<ul style="list-style-type: none"> Shareholders' Meeting (once a year) Unconsolidated and consolidated financial statements, audit and supervisory board reports, and deliberation and decisions on resolutions 	
<ul style="list-style-type: none"> Financial results announcement (four times a year) Press and telephone conferences to explain Toyota's financial status and initiatives 	Improving management quality through constructive dialogue
<ul style="list-style-type: none"> Individual meetings (as needed) Explanation and discussion on financial status, local projects, technologies, products, etc. with institutional and private investors 	
<ul style="list-style-type: none"> Investor information website, etc. (as needed) Providing information on financial status, business details, etc. 	

Business Partners

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

Communication methods and frequency	Incorporation into corporate activities
[Dealers] <ul style="list-style-type: none"> Various meetings, seminars, and events (as needed) Sharing corporate policies 	Building closer, mutually beneficial relationships based on mutual trust
[Suppliers] <ul style="list-style-type: none"> Supplier conventions, various meetings with supplier associations, seminars, and events (as needed) Sharing purchasing policies and strengthening mutual study and partnerships 	

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

[P.19 Stakeholder Engagement \(Environment\)](#)

[P.64 Engagement with stakeholders \(Human Right\)](#)

Public Policy

Aim

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

Initiative

- Building good relationships with governments and their administrative agencies, regulators, political parties, NGO, local communities, customers, and other stakeholders.
- Participating in economic organizations and industry associations around the world and many officers and employees are involved in and contribute to formulating policy recommendations.
- **Disclosing Toyota's Views on Climate Public Policies**
 - Bringing more transparency to our activities, building and increasing trust with the public, and further strengthening cooperation with all stakeholders by compiling our views on key climate-related policies and conducting objective evaluations on the industry associations to which we belong.

[Toyota's Views on Climate Public Policies](#)

Toyota's SDGs

Aim

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

Initiative

- Promoting initiatives based on the desire of working for the benefit of others, which has been passed on since our founding.
Examples
 - Initiatives for the global environment
 - Initiatives for a happier society
 - Initiatives for working people

[SDGs Initiatives](#)



Environment

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Updated in October 2024

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Fundamental Approach

Aim

■ Reduce the environmental footprint

and contribute to the sustainable development of society and the world throughout all areas of our business activities.

■ Build close, cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation.

Initiative

Toyota Earth Charter

■ Conducting continuous environmental initiatives since the 1960s.

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

■ Formulated our long-term initiatives for the global environment by 2050 as **the Toyota Environmental Challenge 2050**, in 2015.* Subsequently advancing various initiatives centered on this.

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

- Vision & Philosophy
- Toyota Earth Charter
- P.49 Toyota Environmental Challenge 2050

Environmental Management

Aim

■ To achieve sustainable development together with society, establish the global environmental management system with consolidated subsidiaries to ensure through **risk management and compliance and maximize environmental performance.**

■ Always improve the management system and quickly respond to changes in environmental issues including negative impact of climate change.

Initiative

Establish an Environmental Management System

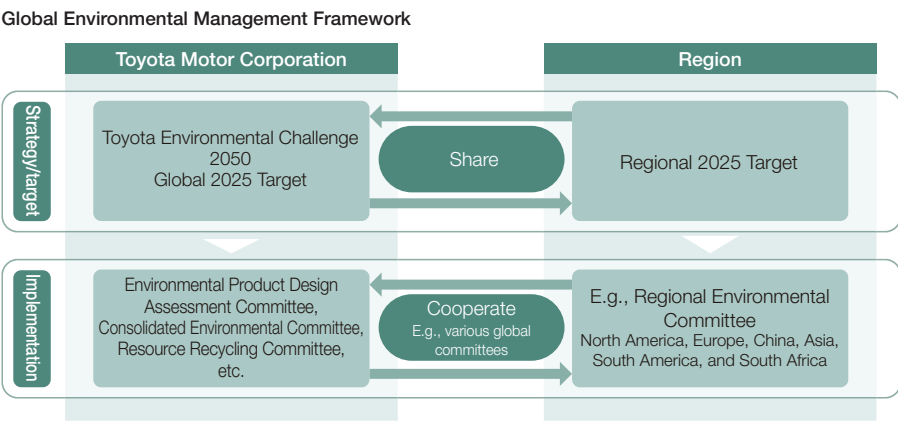
■ Establish strategies, policies and approaches in each field under the lead of the Environmental Product Design Assessment Committee, the Consolidated Environmental Committee, and the Resource Recycling Committee, which are reporting under the Carbon Neutral Strategy Subcommittee supervised by the Board of Directors meeting.

■ Share our target with the following companies and proceed with environmental management.

• Consolidated subsidiaries on a financial accounting basis (512 companies).

• Unconsolidated vehicle production companies (seven companies).

■ Set environmental affairs offices in the six regions (North America, Europe, China, Asia, South America, and South Africa) and proceed with global environmental efforts with consideration given to local conditions.



ISO*1 14001

Certification as of 2023

- ISO 14001: Production plants of Toyota Motor Corporation and consolidated subsidiaries (130 companies).

*1 International Organization for Standardization

Risk Management and Compliance

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

Maximize Performance

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

 [P.20 Climate Change](#)  [P.30 Resource Recycling](#)  [P.36 Harmony with Nature](#)

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

Outside Evaluation for Our Commitment to Climate Change and Water Security

CDP*2 Corporate Research

- Selected for inclusion as an A- (minus) list company under CDP climate change and a B list company under CDP water security (in December 2023).

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

Initiatives with Suppliers

Aim

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

Initiative

Green Purchasing* Policy

Compliance with the Guidelines

■ TMC asks all tier1 suppliers, including new suppliers, to implement basic initiatives based on the **TOYOTA Green Purchasing Guidelines** (the “guidelines”), and also deploy and communicate the guidelines to all tier2 and subsequent suppliers so that the guidelines will take root.

■ Ask through the guidelines that initiatives be taken toward reducing the environmental footprint at each company’s production plants and throughout the product life cycle, and that related legal compliance be ensured.

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

■ Cases of regional Green Purchasing Policy

● Ask the purchasing base in each region to implement the guidelines in line with local conditions and make continuous efforts.

[Case]

Toyota Motor North America (North America)

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

Green Purchasing Guidelines

Supplier Sustainability Guidelines

Policy for Sustainable Natural Rubber Procurement

■ Toyota proceeds to eliminate deforestation and ecosystem conversion from our supply chains.

■ Believing that protection of forests and other natural ecosystems is critical for maintaining biodiversity, combating climate change, and sustaining livelihoods, we have **formulated the Policy for Sustainable Natural Rubber Procurement** for natural rubber used in cars.

■ This policy features the following:

● Being aligned with the Policy Framework that was adopted in a September 2020 resolution by **the General Assembly of the Global Platform for Sustainable Natural Rubber (GPSNR)**, of which Toyota is a member.

● Respecting the principles and guidelines laid out in the UN Guiding Principles for Business and Human Rights and the ILO fundamental conventions.

FY2024 Results

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

Policy for Sustainable Natural Rubber Procurement

Compliance with the Guidelines

■ If we do not observe improvement after the occurrence of a supplier’s violation of the guidelines, such as non-compliance with laws and regulations, the transactional relationship may be subject to review.

■ Including these points in the Supplier Sustainability Guidelines (revised in 2021) and sharing with tier1 suppliers.

Supplier Sustainability Guidelines

Monitoring

Self-assessment Sheet

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

FY2024 Results

● Received responses from 228 main companies in Japan and provided feedback on the scoring results.

CDP Supply Chain Program

■ Introduced the CDP Supply Chain Program in 2015 to support continuous environmental initiatives conducted with suppliers, enabling us to determine the supplier’s risks, opportunities and initiatives on climate change and water security.

■ Create opportunities for environmental communication by holding annual briefing sessions and response guidance where we share information on social trends and Toyota’s environmental policies, and provide feedback on response results.

2023 Results

● Received responses from suppliers accounting for approximately 86 percent of the total purchasing value by Toyota Motor Corporation.

● Approximately 91 percent of these suppliers reduced their CO₂ intensity (per unit of net revenue) compared to the previous year (due to the effects of initiatives such as energy-saving activities and the use of renewable energy).

Main Results of the CDP Supply Chain Program (2023)

		Climate Change	Water Security
Number of responding companies		190	168
Response rate		99	97
Percentage responding “implemented”	Governance (board-level oversight, corporate policy)	97	82
	Identifying risks	93	71
	Integrating issues into business strategy	88	80
	Setting quantitative targets	97	80

Sustainability Data Book

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Initiatives Toward Reducing CO₂ Emissions

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

2025 Target

• Work with major suppliers in each country and region toward reducing CO₂ emissions.

• Applicable countries and regions: Seven regions with purchasing functions (Japan, North America, Europe, China, Asia, South America and South Africa).

2023 Results

• Steadily achieved targets set in each country or region.

Risk Management

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

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

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

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

FY2024 Results

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

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

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

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

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

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

*4 Waste Framework Directive: A waste framework directive in Europe

*5 Substances of Concern in Products: Database of information on substances of concern in formed products

Environmental Due Diligence at the Time of Purchasing

■ Policies and Approaches to Responsible Mineral Sourcing.

• Established the Policies and Approaches to Responsible Mineral Sourcing in accordance with the OECD guidance*⁶ to take into account the impact on local societies by the procurement of minerals that may cause social problems regarding human rights and environment.

■ Due Diligence Policy

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

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

Policies and Approaches to Responsible Mineral Sourcing

P.80 Responsible Material Sourcing

P.36 Challenge of Establishing a Future Society in Harmony with Nature

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P.78 Supplier Hotline

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Awareness-raising Activities (Japan)

Training for Purchasing Group Personnel

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

Training Sessions with Suppliers

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

Initiatives by Kyohokai*1

- Established research groups that consider environmental topics in 2019.
- In FY2024, four theme-specific groups (environmental management, legal compliance, energy reduction, and energy visualization) were established and each group carried out independent study activities for one year.
- Outcomes were reported at the Outcome Reporting Session and made available to members on the Kyohokai website.

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



Photo of the FY2024 Outcome Reporting Session

Briefing on Achieving Carbon Neutrality (2021 to 2024)

- Dissemination of specific emission reduction calculation methods and tools to achieve CO₂ reduction targets.
- Presentation about items to reduce CO₂ emissions.
- Organization of study meetings on energy savings and renewable energy.
- Implementation of a matching service to link companies providing emission reduction solutions with suppliers that are having trouble reducing their emissions.
- Calculation of emission reduction targets for suppliers (Scope1, 2 and 3) and collection of green materials*2, products and technologies that use environmentally friendly energy sources to achieve these targets.
- Suppliers in tier1 encourage suppliers in tier2 and beyond to participate in the initiatives above in an effort to disseminate this information throughout the supply chain.

*2 Materials, such as recycled plastic, that emit less CO₂ than conventional options

P.79 Awareness-Raising Activities

Recognition of Supplier’s Environmental Initiatives

- Annually present the Environmental Activity Awards, established in 2017 to commend suppliers that conduct exceptional environmental initiatives.

Initiatives with Dealers and Distributors

Aim

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

Initiative

Implement the Environmental Global Policy in the Sales and Service Area

- Continuing to implement a strategy to reduce the environmental footprint in store operations since 2016.

Regions

- Dealers in 73 major countries and regions in Japan, North America, Europe, Asia, South America, Oceania, and Africa (approximately 15,000 dealers, accounting for 91 percent of the total in terms of the number of vehicles sold).

Actions

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

Initiatives to Reduce CO₂ Emissions

2025 Target

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

2023 Results

- Achieved targets in all applicable countries and regions (73 countries and regions).

Overseas Initiatives

Toyota Motor (China) Investment Co., Ltd.

- Inspection activities are being promoted at dealers/distributors.
 - Since 2022, energy-saving inspections have been conducted at dealers/distributors in collaboration with factory personnel using the energy-saving and safety technologies and expertise of factories in China to reduce energy consumption and costs.
 - Toyota visits dealer/distributor locations to propose suggestions for improvement with the aim of enhancing their carbon-neutral and safety initiatives.
 - In FY2024, inspections were conducted at five locations.
- A range of carbon-neutral initiatives are being promoted at Lexus dealerships in Shenzhen.
 - Solar panels installed on the dealership roof generate over 70 percent of the electricity used at the facility.
 - Energy usage is monitored at the dealership to promote energy savings with an emphasis on energy management.
 - Rapid charging vehicles for battery electric vehicles (BEVs) are being offered and related measures are being promoted, such as BEV promotional displays.



Shenzhen Daihing Tsusho Lexus dealership

Stakeholder Engagement

Aim

- **Establish positive relationships** with the national governments and the administrative agencies, regulators, political parties, non-profit organizations, local communities, customers, dealers, suppliers, and employees aiming to be the Best-in-Town.
- Utilize expertise to engage in and contribute to public policy and other areas through participation in different activities by industry and economic associations.

Initiative

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

Suppliers Partnership for the Environment

Drive Sustainability

World Business Council for Sustainable Development

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

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

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

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

Japan

- Engage in public relations and present recommendations independently or through industry and economic associations regarding climate public policies, such as those related to the Paris Agreement, the accomplishment of carbon neutrality, and the stable supply of low-cost renewable energy.
- Representative Affiliation:
 - Japan Automobile Manufacturers Association, Inc. (JAMA)
 - Japan Business Federation (KEIDANREN)

[Case]

JAMA

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

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



Public Policy

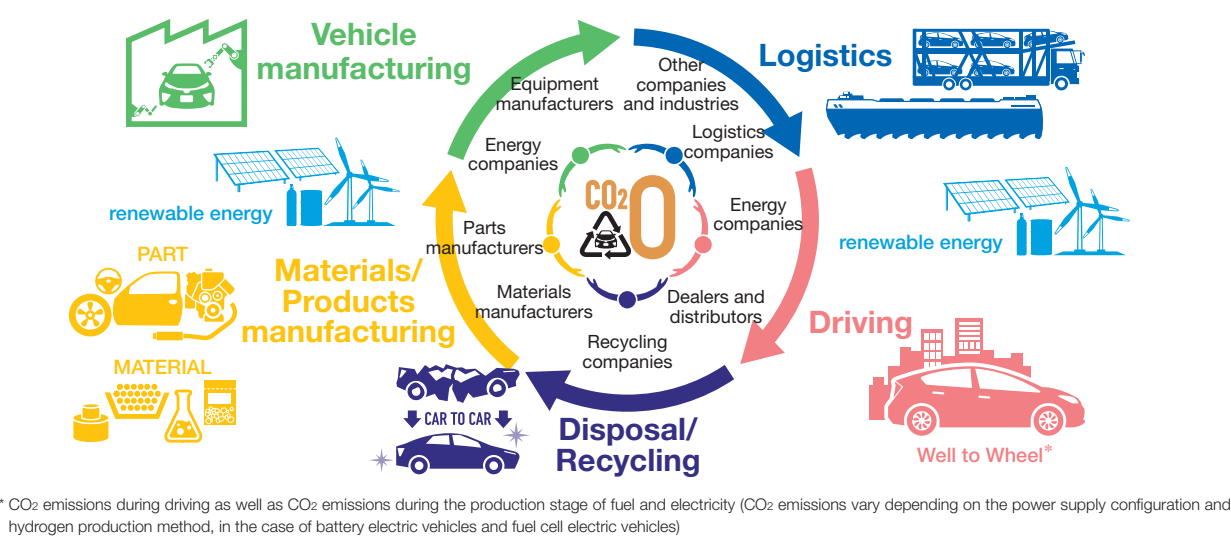
Fundamental Approach

- Aim

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

- As an initiative to tackle climate change under the Toyota Environmental Challenge 2050, formulated “Life Cycle Zero CO₂ Emissions Challenges,” “New Vehicle Zero CO₂ Emissions Challenges,” and “Plant Zero CO₂ Emissions Challenges,” and started actions in 2015.

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



Updated in January 2025

Climate Change



GRI 201-2, 302-4, 302-5, 305-3, 305-5

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Life Cycle

Aim

Initiative

■ Eliminate greenhouse gas (GHG) emissions during driving as well as achieve carbon neutrality (CN) throughout the entire vehicle life cycle including materials/parts manufacturing, vehicle manufacturing, logistics, energy production, disposal and recycling.

■ Offer optimal products to minimize GHG emissions throughout the vehicle life cycle by taking into consideration the energy situations and composition ratios of power generation sources of each country/region.

■ Accelerate measures for the development of technologies that contribute to GHG emissions reduction and create eco-friendly designs as we pursue “ever better cars”.

■ Increase efforts to reduce GHG emissions throughout the entire vehicle life cycle while engaging in even closer communication with various stakeholders in each stage of the value chain, including suppliers and dealers.

■ Aim to achieve clean vehicle manufacturing throughout the entire life cycle and promote environmental management to achieve reduction targets using the Eco-VAS (Eco Vehicle Assessment System) incorporating LCA*1.

*1 Life Cycle Assessment:

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

Life Cycle Zero CO2 Emissions Challenge

Aim to achieve CN throughout the entire life cycle

Medium- to Long-term Targets

- 2050: Achieve CN for GHG emissions throughout the life cycle*2

■ 2030: Reduce GHG emission by 30% throughout the life cycle*2 (compared to 2019 levels)
- FY2024 Progress

• GHG emissions reduced by 9% compared to 2019 levels

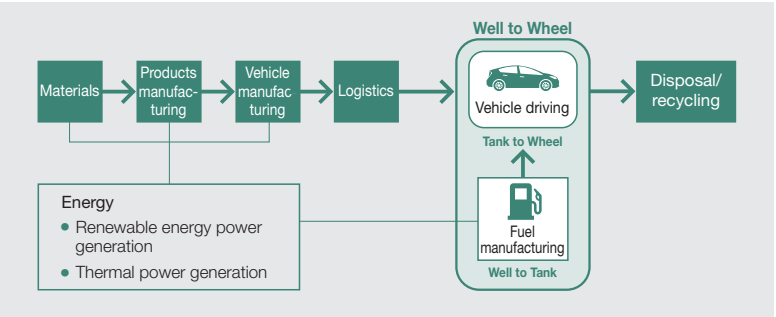
*2 Applies to GHG emissions from the business activities of Toyota Motor Corporation and consolidated subsidiaries due to energy consumption and GHG emissions from business partners and customers in relation to vehicles under Toyota Motor Corporation and consolidated subsidiary brands. (Per vehicle, Scope1, 2, and 3) (Target for 2050 includes Toyota Motor Corporation and some consolidated subsidiaries.)

Consideration in Each Stage of the Vehicle Life Cycle

- CN in LCA means to achieve CN for not only greenhouse gas (GHG) emissions during driving but all GHG generated throughout the entire vehicle life cycle including materials, parts and vehicle manufacturing, logistics, energy production, disposal and recycling.

■ Toyota has been working, in cooperation with its stakeholders, to achieve CN by 2050 by employing the LCA methods to measure CO2 emissions.

Each Stage of the Vehicle Life Cycle



- CO2 emissions from driving are considered in two stages: during manufacturing (WtT*3) and during driving (TtW)*4.

■ While vehicles with engines emit CO2 during fuel production (WtT) and driving (TtW), battery electric vehicles (BEVs) do not emit CO2 during driving (TtW) but if fossil fuel is used, CO2 is generated during production of electricity (WtT) and production of batteries.

■ To reduce CO2 emissions of BEVs, conversion to renewable energy is crucial. But the progress in conversion varies among countries and regions, making it difficult to achieve complete conversion. Therefore, it is also important to promote the use of carbon neutral fuels and hydrogen to reduce CO2 emissions from existing powertrains used in vehicles with engines and hybrid vehicles (many of which are present in market).

*3 Well to Tank (WtT): From fuel extraction/production to a tank, or from power generation to filling a battery
*4 Tank to Wheel (TtW): From start of an engine or motor to driving wheels

P.26 Aiming at Carbon Neutrality through Product Development

Considering from Energy Production Stage

Consideration of Energy Policies

- In working toward achieving CN, Toyota considers that various elements affect energy policies of individual countries/regions as indicated below:

• Individual countries/regions are promoting various initiatives appropriate for their energy situations, which vary among countries/regions depending on their degree of development of social infrastructure and industry and the presence of resources.

• Meanwhile, recent tight power supply and soaring energy prices are affecting energy policies of countries.

Consideration to Characteristics of Each Power Generation Method

Although power generation involves a wide variety of secondary energy, we will start with electricity, which is common to all types.

- In working toward achieving CN, Toyota considers distinctive characteristics of each power generation method as indicated below:

• **Renewable power generation**
 - No CO2 emissions during power generation.
 - Lower cost and policy support have led to an increase in the introduction of renewable power generation.
 - Although there are some factors that are making stable supply difficult, such as differences in the amount of power generated depending on the weather, solutions such as reinforcement of power systems and combined use of stationary batteries are being considered.
 - Backup with other power generation methods is an issue.

• **Thermal power generation**
 - Being used in many countries and regions as a stable power source.
 - To reduce CO2 emissions, technologies for co-firing of hydrogen or ammonia is being considered.
 - Combined application of CCS (CO2 capture and storage), a process of separating and recovering CO2 in exhaust gas from plants or power stations, is expected, though there are challenges in the selection of proper locations, cost reduction and the development of laws.

Corporate Activities and Production

Aim

Corporate activities

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

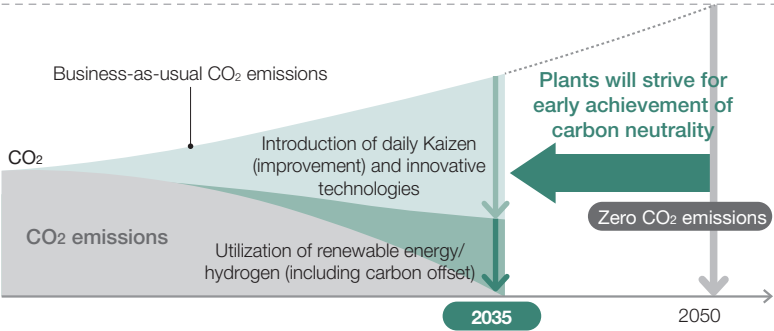
Production

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

Initiative

- Promote energy reduction initiatives such as **daily Kaizen (improvement) and the introduction of innovative technologies**, as well as the **introduction of renewable energy and utilization of hydrogen** at TMC, all locations operated by financially consolidated subsidiaries, and all Toyota brands’ production locations.
- Daily Kaizen (improvement) and the introduction of innovative technologies: As the growth in the use of electrified vehicles causes an increase in the number of parts with high CO₂ emissions during manufacturing, we aim to reduce energy consumption per vehicle by more than one percent annually by optimizing production equipment and improving energy efficiency.
- Introduction of renewable energy and utilization of hydrogen: Working hand in hand widely with stakeholders both inside and outside the company to build the necessary social infrastructure to support the widespread use of these energy sources.

Striving for Carbon Neutrality at Plants by 2035



Corporate Activities

Aim to achieve CN for GHG emissions from corporate activities

Medium- to Long-term Targets

- 2050: Achieve CN for GHG emissions from corporate activities*1

🔗 [P.52](#) See Environmental Data [B] for actual figures

- 2035: Reduce GHG emissions from corporate activities*1 by 68% (compared to 2019 levels)

🔗 [P.54](#) See Environmental Data [G] for actual figures

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

Production (Plant Zero CO₂ Challenge)

Aim to achieve zero CO₂ emissions from all global plants

Medium- to Long-term Targets

- 2050: Achieve zero CO₂ emissions from production at plants*2
- 2035: Achieve CN for CO₂ emissions from production at plants*2

🔗 [P.58](#) See FY2024 Review on the 7th Toyota Environmental Action Plan for results on progress

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

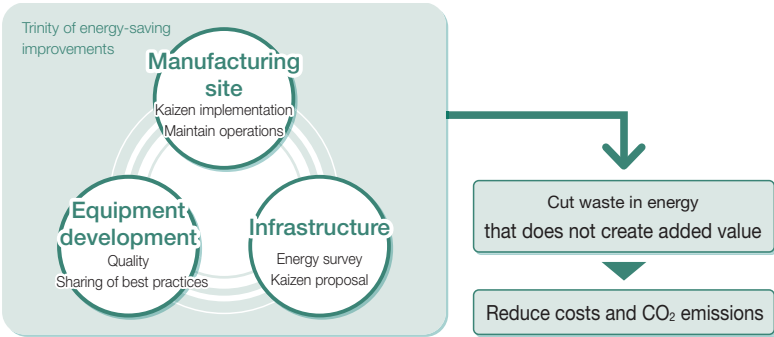
Daily Kaizen (Improvement) and the Introduction of Innovative Technologies

Reducing CO₂ Emissions in Production Activities

- Plant manufacturing divisions worked with production engineering divisions and facility administration divisions to **conduct energy diagnoses for production sites, Kaizen (improvement) proposals and implement measures**.
- Continued energy-saving activities (internal ESCO*3 activities) and sharing of best practices internally.
- Expanded the introduction of innovative technologies with a focus on painting processes and promoted energy-saving by adopting steamless and airless processes and shifting to LED lighting.
- Conducted study sessions with Toyota Group companies and suppliers to share know-how on energy-saving measures so that information can be reflected in Kaizen implemented by those companies. Also observed other industries to continuously discover new ideas for Kaizen.

*3 Energy reduction Support & Cooperation

Concept of Internal ESCO Activities (Trinity of Energy-saving Improvements)



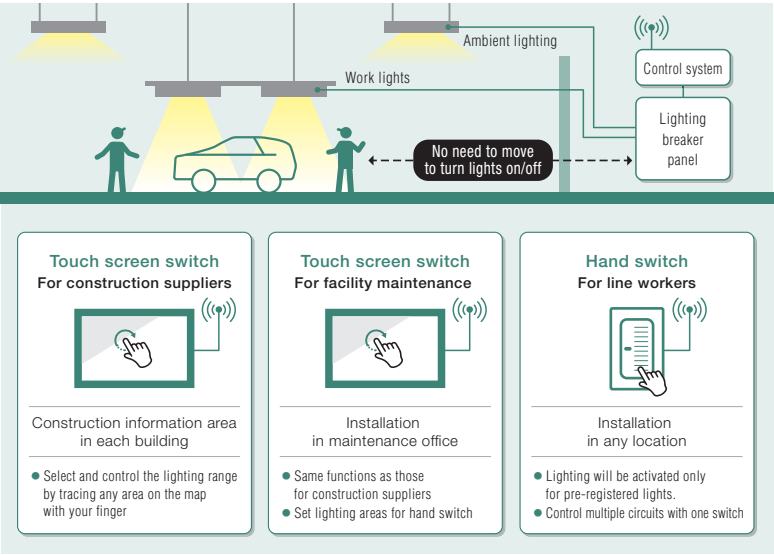
[Case] Wireless lighting control at the Tahara Plant

- Wireless light switches enable operation from any location depending on the line layout.
- Problem: Flow lines to factory light switches are long. If the lighting range cannot be adjusted when rearranging layouts, non-essential areas will remain illuminated.
- Solution: Light switches can be installed anywhere with the use of wireless technology.
Lit areas can be adjusted as needed according to layout changes.

2023 Results

- CO₂ emission reduction effect: 363 tons

Configuration of Wireless Lighting Control System



Strategies to Reduce GHG Emissions Outside of Production Activities to Achieve Carbon Neutrality

[Case] Construction of a new eco-friendly hospital wing

- With the aim of becoming an eco-friendly hospital, the electrical system in the new wing incorporates high-efficiency transformers, solar power, LED lighting, optimized lighting areas, motion-sensor lighting, and natural daylight. The wing's mechanical systems include individually packaged air-conditioning units and outdoor air cooling. The wing opened in May 2023.



Toyota Memorial Hospital

Adoption of Renewable Energy and Utilization of Hydrogen

Expansion of Renewable Energy Adoption

- Promoting adoption of renewable energy while considering the characteristics of each region.
 - Proactive promotion of installation of power generation equipment using renewable energy sources on company plant sites.
 - Tahara Plant: Wind power generation installed (22 MW)
 - Tahara Plant: Installation of solar panels (0.5 MW) at the test course
- 2023 results
- Renewable electricity introduction rate (global plants): 28%



Tahara wind power generation



Tahara Test Course

Advanced the goal of 100% renewable energy power generation in facilities other than plants

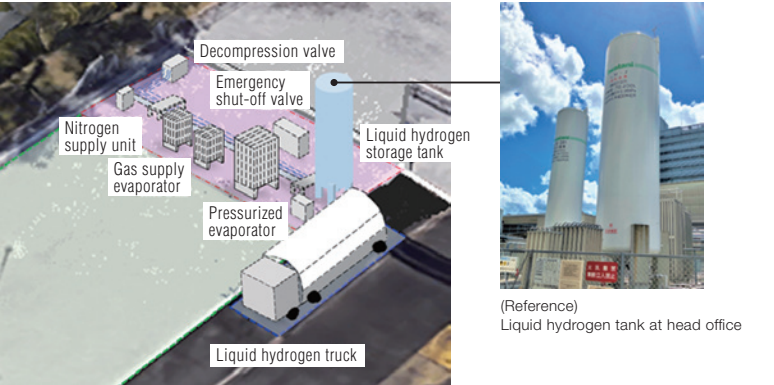
- CO₂ reductions are being promoted at both plants and other locations. From October 2023, we have used electricity derived from renewable energy sources in our headquarters area.

[Case] Use of hydrogen in plants

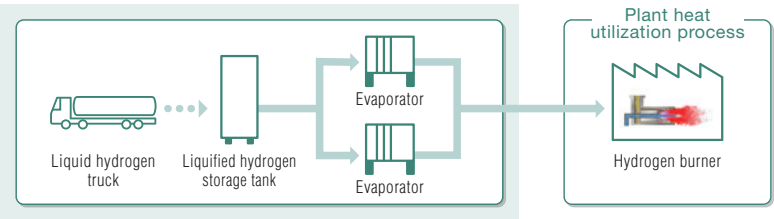
- Toyota is promoting the use of hydrogen technology in manufacturing facilities and equipment, with the aim of achieving carbon neutrality at the Tahara plant, a carbon neutrality (CN) model plant in FY2026.
- We are constructing a secure, safe and stable hydrogen plant to promote the use of hydrogen at the Tahara Plant (slated to start operations in FY2026).

Installation of a Liquid Hydrogen Plant

Layout of the liquid hydrogen plant



Equipment flow diagram



Leak prevention	Seismic design	<ul style="list-style-type: none"> Designed for seismic intensity of 6 on the Japanese scale Seismic sensor (intensity of upper 5) for emergency stop
Leak detection	Hydrogen leak detector: Installed in 3 locations	<ul style="list-style-type: none"> Alarm sound and rotating warning light Station emergency stop
Flammability risk reduction	Installation of explosion-proof device	<ul style="list-style-type: none"> Sprinkler system Anti-static flooring and grounding

Initiatives in Logistics

- To achieve carbon neutrality (CN) throughout the entire vehicle life cycle, working to improve transportation efficiency (reduce workload) and make use of low-carbon technologies (reduce CO₂ emissions intensity) in transportation of production parts, completed vehicles, and supply parts covered by in-house logistics arrangements.
- 2023 Results
- CO₂ emissions in logistics in Japan: Reduced 5 percent from 2018 levels
 - CO₂ emissions in logistics overseas: CO₂ reduction activities tailored to local characteristics are being promoted

[Case] Improved transportation efficiency (reduced workload)

Start of trials for large FC (fuel cell) trucks used for internal transportation between plants

- Trials started in June 2024 between the Kinuura to Takaoka and Takaoka to Motomachi plants (Vehicles jointly developed by Hino and Toyota).
- These trucks can make three runs per day to transport parts produced at Kinuura Plant, resulting in the reduction of approximately 50 tons of CO₂ annually.
- Although still in the test phase, we will continue to explore the possibility of expanding its use to achieve carbon neutrality in the future.

Example of Reductions Achieved Through the Use of Large FC Trucks

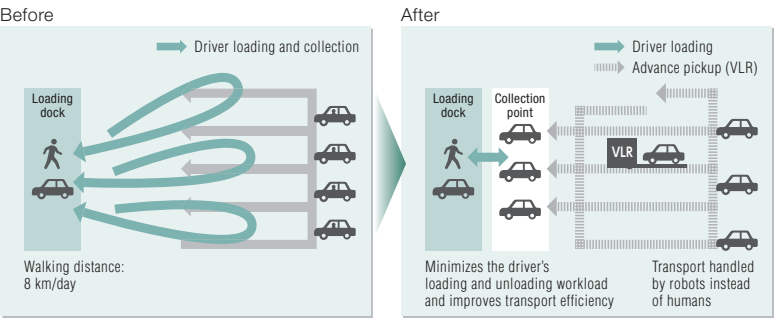
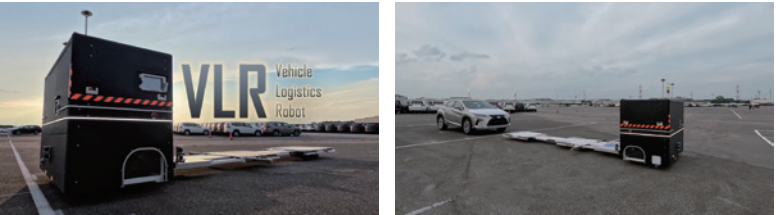


[Reference] Responses to worker/driver shortages

Automating vehicle transportation at the Motomachi Plant

- During the process of loading vehicles onto transportation trucks, drivers typically pick up vehicles from the completed vehicle yard. However, long walking distances and physical strain from outdoor work pose significant problems for drivers.
- Walking distances for drivers have been reduced and work efficiency has improved with the use of vehicle logistics robots that are able to automatically pick up vehicles instead of drivers.
- We are considering expanding the use of such robots in other plants.

Example of the Introduction of an Automated Vehicle Transportation System (VLR: Vehicle Logistics Robot)

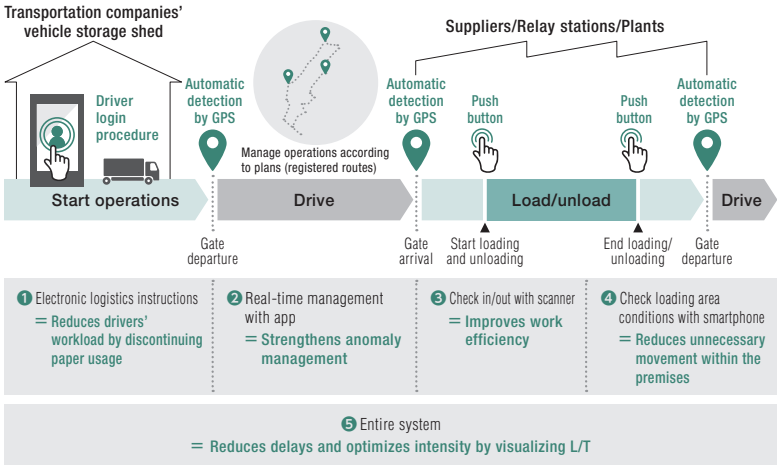


Vehicle Logistics Robot (VLR)

Addressing digital transformation (DX) in logistics related to procurement

- We are promoting efficiency through the use of logistics DX in the process of procurement-related logistics reforms.
- We are working with suppliers and transportation companies to visualize total lead times (L/T) so that planned and actual times for each process can be optimized and working conditions for drivers can be improved.
- We are promoting efficiency through the use of logistics DX in the process of procurement-related logistics reforms.

Example of Introducing DX in Transportation Operations



Vehicles

Aim

Toward achieving carbon neutrality (CN), **providing optimal products according to the situation of each country/region.**

Providing products that inspire customers to think, “are easy to use” and that customers “want to drive” based on a sustainable and practical approach.

Initiative

Based on the idea that **eco-friendly vehicles contribute to the environment only when they come into widespread use**, enhance the lineups of electrified vehicles*¹ and flex-fuel vehicles (FFV*²) and promote their spread.

Strive to reduce average GHG emissions per unit when driving with the aim of achieving CN by 2050.

*1 Hybrid electric vehicles (HEVs), plug-in hybrid vehicles (PHEVs), battery EVs (BEVs) and fuel cell vehicles (FCEVs)
*2 Vehicles that run on fuel mixed with plant-derived bioethanol

New Vehicle Zero CO₂ Emissions Challenge

SASBTR-AU-410a.3.

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

Medium- to Long-term Targets

2050: Achieve CN for average GHG emissions*³ from new vehicles*⁴

2035: Reduce average GHG emissions*³ by more than 50% from new vehicles*⁴ (compared to 2019 levels)

2030: Reduce average GHG emissions*³ from new vehicles*⁴

• Passenger light duty vehicles and light commercial vehicles: 33.3% reduction (compared to 2019 levels)

• Medium and heavy freight trucks: 11.6% reduction (compared to 2019 levels)

P.54 See Environmental Data [G] for actual figures

*3 Per unit, g-CO₂e/km, Well to Wheel: Includes GHG emissions from the production of fuel and electricity, as well as GHG emissions during vehicle operation
*4 Applies to completed vehicles under Toyota Motor Corporation and consolidated subsidiary brands (Scope 3 Category 11). Targets for 2035 and 2050 include only Toyota Motor Corporation brands.

Promoting Widespread Use of Electrified Vehicles*⁵

SASBITR-AU-410a.2Third-party assurance2023 data

Cumulative sales: 27.01 million units (as of March 31, 2024)◆

Cumulative CO₂ emissions reduction effect from electrified vehicles: 197 million tons*⁶◆

*5 Applicable to Toyota Motor Corporation brand branded electrified vehicles

*6 Calculation method for the CO₂ emission reduction effects from electrified vehicles

Calculation method for FY2024

<Third-Party Assurance>

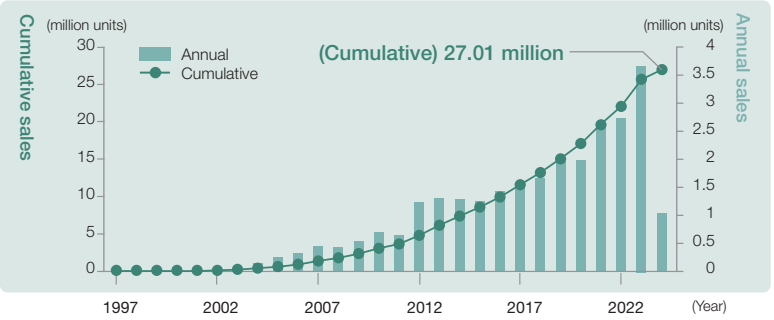
◆: Values verified through third-party assurance

Cumulative CO₂ Emissions Reduction Effect from Electrified Vehicles

Cumulative sales (million units)

Annual sales (million units)

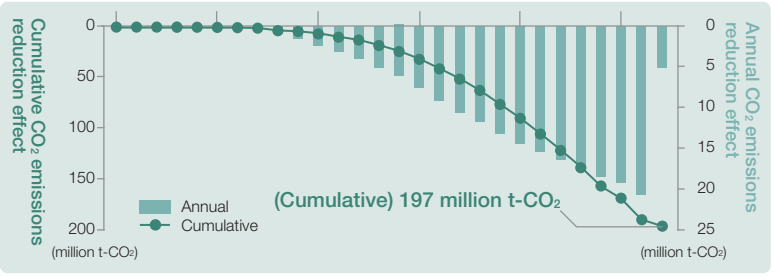
(Cumulative) 27.01 million



Cumulative CO₂ emissions reduction effect (million t-CO₂)

Annual CO₂ emissions reduction effect (million t-CO₂)

(Cumulative) 197 million t-CO₂



P.54 Environmental Data [F]

Sustainability Data Book

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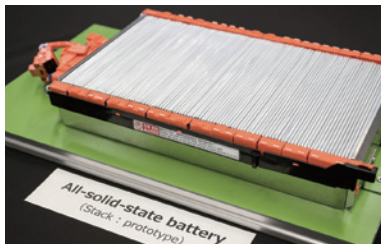
Aiming at Carbon Neutrality (CN) Through Product Development

Diverse Solutions for Diverse Situations

- A wide range of vehicles, from passenger cars to commercial vehicles and from cars for people's daily lives to luxury cars, are used in diverse situations, including not only urban areas but also countries and regions with underdeveloped infrastructure, especially in a extreme environment, such as deserts and coal mines.
- Toyota has a **variety of powertrain lineups** of electrified vehicles, vehicles that convert electricity into mobility, such as HEVs, PHEVs, BEVs and FCEVs.
- Considering the diverse situations of various countries and regions, there is no one-size-fits-all solution. Toyota therefore offers mobility options that consider energy conditions and customer needs.

Organization of Toyota Technical Workshop

- In June 2023, Toyota announced a range of new technologies to support the shift to a mobility company under the theme, “Let’s change the future of cars”.
- We expanded our battery lineup from standard models to high-performance options.
- The target for our next-generation BEVs is to achieve a 1,000 km-cruising range by integrating next-generation batteries with sonic technology.
- We are developing a multi-pathway platform to make it possible to offer a wide range of electrified vehicles.
- Toyota is developing cutting-edge, next-generation fuel cells for commercial use with a target for practical application in 2026.
- We are accelerating the development of hydrogen engine vehicles as a new option for contributing to carbon neutrality.



All-solid-state Battery Stack (prototype)

Introduction of BEVs

- A BEV model, the KAYOIBAKO, was unveiled in October at the JAPAN MOBILITY SHOW 2023, featuring an ultra-adaptable mobility concept designed to address a wide range of social issues and individual needs.
- The RZ 300e FWD model was added to the BEV-dedicated RZ lineup in November 2023. A rapid battery heating system was incorporated into all RZ models to shorten rapid charging times under low ambient temperatures.
- Toyota's newest BEV models, bZ3C and bZ3X, made their global debut at the Beijing International Automotive Exhibition in April 2024.



New BEV bZ3C

Introduction of PHEVs

- We released the Lexus TX550h+ exclusively in the North American region in June 2023.
- The PHEV Century model was released in September 2023.
- We released our new PHEV Crown (Sport) model in December 2023.



New PHEV Crown (Sport)

Organization of “Multipathway Workshop”

- In May 2024, Toyota, Subaru Corporation and Mazda Motor Corporation issued a joint declaration announcing plans to develop new engines compatible with electrification to achieve carbon neutrality, with each company pursuing their own distinct approach.
- Next-generation engines are designed both to improve the performance of engines alone and to work seamlessly with electric power units so that they function at optimal efficiency in their respective areas, based on the premise that these engines are designed to be paired with electric power units.
- Our next-generation engines offer greater efficiency and output and are more compact than conventional engines, bringing innovation to automobile design.
- We are promoting development with the prospect of increasingly stricter emission regulations in the future.
- We aim to achieve carbon neutrality with these new engines that signals a departure from fossil fuels and can accommodate a wide range of fuels, such as e-fuel (synthetic fuel), biofuel, and liquid hydrogen.

Collaboration with Commercial Japan Partnership Technologies (CJPT)

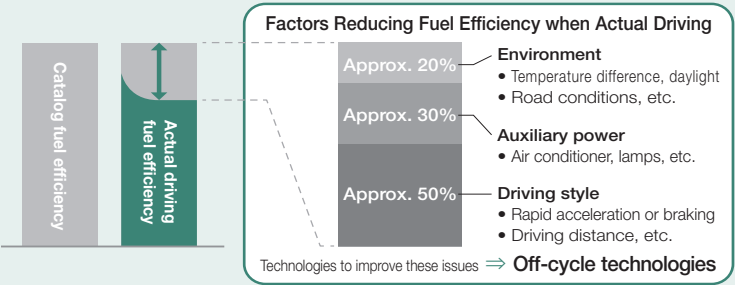
- FC light trucks were first introduced in Tokyo in April 2023 as part of a social implementation project to use commercial electrified vehicles in real logistical settings, marking the first step towards building a model for wider use.
- In October 2023, CJPT established a new company, Commercial Japan Partnership Technologies Asia, in Thailand. In December of the same year, CJPT signed a basic agreement on collaboration with Charoen Pokphand Group, True Leasing, and Siam Cement Group to achieve carbon neutrality in Thailand by intensifying efforts in three key areas: mobility solutions, data solutions, and energy solutions.

Items to Reduce GHGs

Updated in January 2025

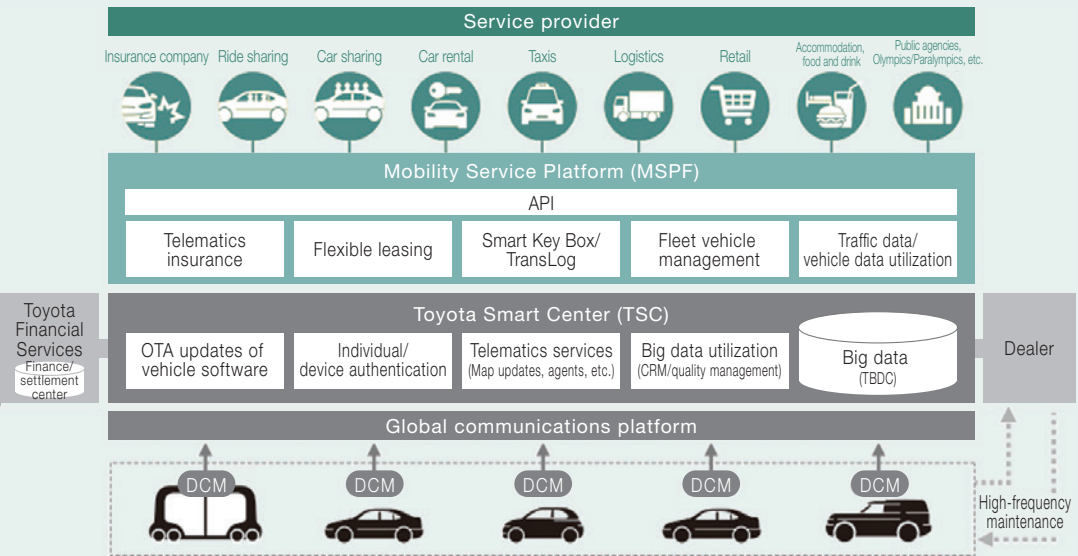
Off-cycle Technologies Development

- Toyota will be increasing the number of electrified vehicle models as well as promoting off-cycle technology development (reducing energy for heating and cooling, reducing energy consumption, etc.) to effectively reduce GHG emissions under actual driving conditions – information that is not usually reflected in catalog fuel efficiency figures.
- To achieve carbon neutrality, we aim expand off-cycle technologies globally.



Using Connected Data to Gather Information About GHG Emission Reduction Effects

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



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

Third-party assurance 2023 data

	2023 reduction figures*	Calculated scope of impact	Eco-friendly options for customers	Evaluation of reduction effects using big data
Global deployment of off-cycle technologies	6.173 million t-CO ₂ e◆	Japan, U.S., Europe, Saudi Arabia		
GHG emission reduction effects using connected data				
Guidance on energy-saving routes	0.087 million t-CO ₂ e◆	Japan	○	○
Internal circulation control for air conditioning (Two-layer HVAC)	0.493 million t-CO ₂ e◆	Japan	○	○
Eco-SW (Drive mode switch)	0.462 million t-CO ₂ e◆	Japan	○	○
S-FLOW (A/C airflow control with occupant detection)	0.043 million t-CO ₂ e◆	Japan	○	○
Predictive SOC control (pre-parking charge/discharge control)	0.00299 million t-CO ₂ e◆	Japan		○

* Calculation method for 2023 reduction volume

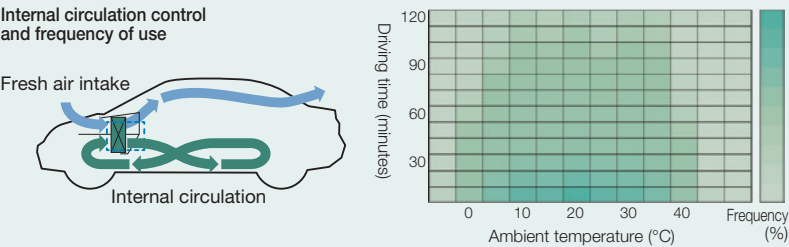
Calculation method for FY2024

<Third-Party Assurance>

◆: Values verified through third-party assurance

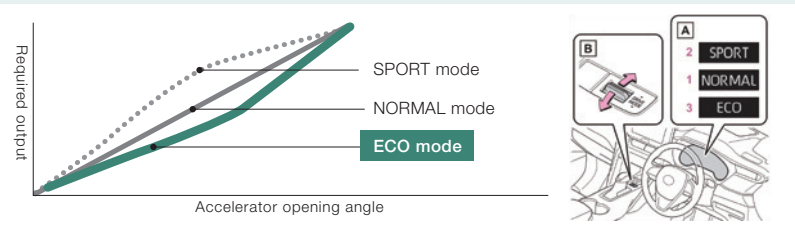
[Technology example] Internal circulation control for air conditioning (Two-layer HVAC)

- Air conditioning control switching from outside to internal circulation control mode.
- In cases where a significant energy-saving effect is expected e.g. when ignition on, the AUTO mode of the air-conditioning control switch is selected, or the outside temperature is high, the system automatically switches to internal circulation control mode. This is expected to have an effect on fuel efficiency by lowering the air conditioning load.
- We have compiled the distribution of air conditioner usage by outside temperature and driving time. Based on this data, we calculate the GHG emission reduction effect in the market when in internal circulation control mode.



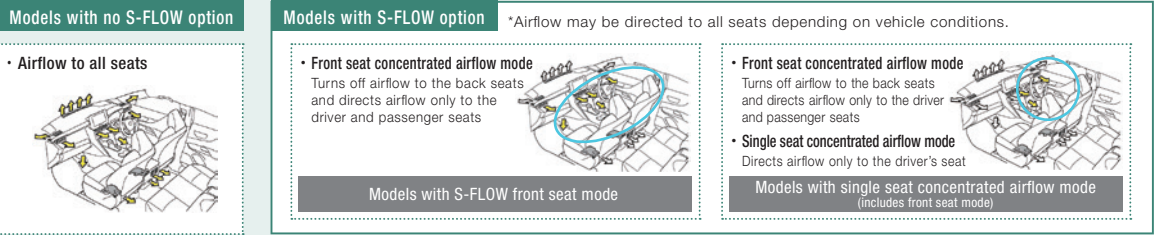
[Technology example] Eco-SW (Drive mode switch)

- Drive mode option is available through the drive mode selection switch.
- By selecting eco-drive mode, output characteristics become smoother in response to the driver's acceleration, which helps achieve fuel-efficient driving.
- Fuel efficiency is expected to improve due to the operation of the air conditioning system (heating and cooling).



[Technology example] S-FLOW (A/C airflow control with occupant detection)

- This function automatically directs airflow from the air conditioner to the front seats, which minimizes unnecessary heating and cooling and helps improve fuel efficiency.



[Technology example] Predictive SOC control (pre-parking charge/discharge control)

- Estimates the long-term parking location (destination) based on GPS data.
- When the vehicle comes near the destination, it switches automatically to EV mode to discharge electricity.
- This allows more efficient control of the hybrid system by charging both the engine heater and the motor battery when the engine is started again, thereby reducing heating time.



Guidance on energy-saving routes

- In July 2022, delivered suggestion function of energy-saving routes to Toyota genuine in-car navigation systems (vehicles after 2017 model year) in Japan.
- Navigation suggests energy-saving routes based on road gradient, vehicle weight, speed, and other factors in addition to traffic information.
- Expansion to other regions will be considered.



Updated in October 2024

Resource Recycling

SDGs Contributions

9

Industry, Innovation and Infrastructure

12

Responsible Consumption and Production

GRI

203-1, 301-3, 306-2

30

Fundamental Approach

30

Activities to Achieve Resource Recycling

Fundamental Approach

Aim

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

Initiative

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

Activities to Achieve Resource Recycling

Aim

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

Initiative

- Placing particular importance on the two projects below

in the **Challenge of Establishing a Recycling-based Society and Systems**.

- Toyota Global 100 Dismantlers^{*1} Project:** To establish social systems for appropriate treatment and recycling of end-of-life vehicles with reduced environmental impact.
- Toyota Global Car-to-Car Recycle Project:** A resource recycling initiative throughout the entire vehicle life cycle.

^{*1} Car dismantling companies

Challenge of Establishing a Recycling-based Society and Systems

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

The diagram illustrates a comprehensive resource recycling system for Toyota vehicles, spanning the entire lifecycle from development to disposal. It highlights the integration of virgin materials, in-house recycling, and the reuse of recycled materials in production. The end-of-life vehicle (ELV) treatment process is detailed, showing the flow from dismantling and shredding to the recovery of various materials and the management of waste streams. The system aims to achieve zero waste and promote the global deployment of these technologies.

^{*2} Automobile Shredder Residue : Residue after end-of-life vehicles are shredded

Sustainability Data Book

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Toyota Global 100 Dismantlers Project

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

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

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

- For the end-of-life vehicle process of FCEVs, we raise awareness to dismantling companies by providing proper methods to fully release any hydrogen gas remaining in the fuel tank from the viewpoint of safety.

FY2024 Results

- Held seminars on proper disposal methods for FCEVs in accordance with Toyota's recommended procedures for major dismantling companies in Japan that have been recognized as certified automobile recyclers by the Japan End-of-life-vehicle Recyclers Association (JAERA) and that have been especially cooperative in the proper disposal of end-of-life vehicles, as well as helping to recycle various resources, such as catalysts, for the Toyota Group.
- The following nine companies have been designated as appropriate treatment model facilities for scrapped vehicles, including FCEVs, in addition to TOYOTA METAL CO., LTD. :
ISHIGAMI SHARYO Co., LTD. (Hokkaido), eco-R Co., Ltd. (Tochigi), Kawashima Co., Ltd. (Hyogo), Kitaguchi Co., Ltd. (Kumamoto), Carec Co., Ltd. (Fukushima), Showa Metal Co., Ltd. (Saitama), Terada Parts Co., Ltd. (Aichi), Matec Inc. (Hokkaido), Yoshikawa Kinzoku Co., Ltd. (Nagasaki)



Practical seminar on the proper disposal of FCEVs

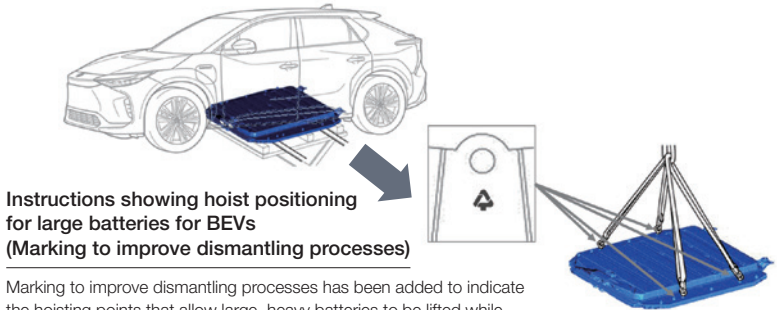


Achieving Industry-leading Levels in Easy-to-dismantle Design for Safety and Security & Effective Resource Recycling

SASB TR-AU-440b.3

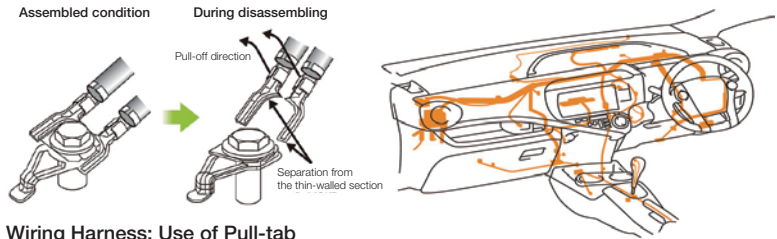
- Toyota continues to use easy-to-recycle materials to promote resource recycling of end-of-life vehicles.
- Having visited and surveyed dismantlers around the world since the launch of the Raum passenger car in 2003, Toyota actively adopts vehicle structures for new vehicles that make it easy to dismantle and separate parts to ensure safe and speedy dismantling operations.
- Vehicle models released in 2023 with easy-to-dismantle designs
Century (SUV), Crown series, Alphard, Vellfire, Lexus (RZ, LBX, LM).
- Toyota's recyclability rate based on vehicle design values is 85% or more, and the recoverability rate including energy recovery is 95% or more.

Examples of Easy-to-dismantle Design



Instructions showing hoist positioning for large batteries for BEVs (Marking to improve dismantling processes)

Marking to improve dismantling processes has been added to indicate the hoisting points that allow large, heavy batteries to be lifted while maintaining the correct balance.
(bZ4X, Lexus RZ450e)



Wiring Harness: Use of Pull-tab Type Ground Terminal

It is designed to be easily dismantled by simply pulling it like the lid of a can.

Wiring Harness Layout Innovation

Wiring harness can be separated with minimal interference to other parts.

Toyota Global Car-to-Car Recycle Project

A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle

■ Under the “Challenge of Establishing a Recycling-based Society and Systems”, Toyota Motor Corporation regards the **end-of-life stage** as the start of the life cycle as we implement initiatives **in development and design, production, and sales and services**. At each stage, Toyota strives to reduce the amount of waste generated, and reuse waste and recycle end-of-life vehicles in order to improve resource efficiency.

Recycling of End-of-life Vehicles

Recycled materials

2030 Target

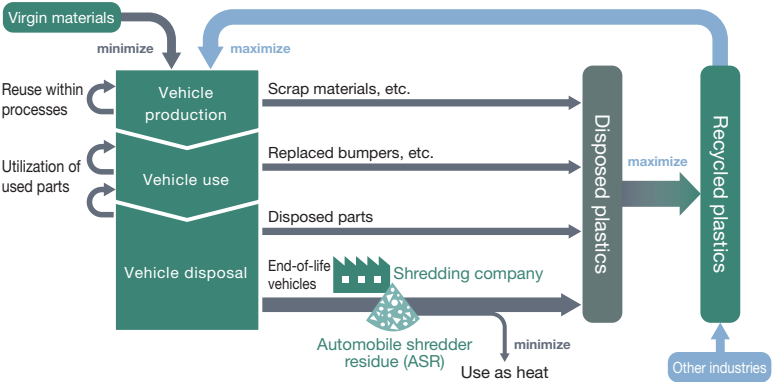
Aim to use 30% or more*¹ recycled materials to facilitate the creation of a society that maximizes resource recycling by 2050. (Applies to vehicles manufactured in Japan and Europe)

*1 Content based on vehicle weight

Usage of recycled plastic End-of-life Vehicles | Development & Design | Sales & Services

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

Maximization of Utilization of Recycled Plastics in Toyota Motor Corporation Vehicles



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

2023 Results

- Gradual expansion of recycled plastic use, starting from the Prius in December 2022 (vehicles produced in Japan).
- Index for recycled plastic use in vehicles produced in Japan*² remained at 1.0 times, and will further expand the range of vehicles and parts using recycled plastics in the future.
- Index for recycled plastic use in vehicles produced in Europe*² increased by 1.6 times.

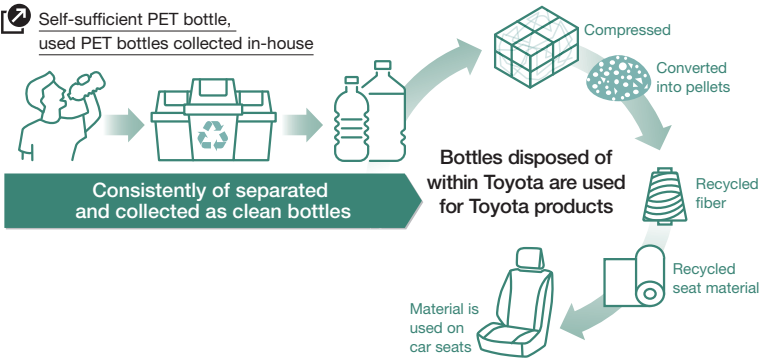
*2 Applies to Toyota and Lexus branded cars

Consideration of recyclability improvements Development & Design

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

[Case] Product application of PET bottles collected in-house

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



[Case] Use of marine litter in products

■ In an effort to help mitigate the worldwide issue of marine plastic litter, we are examining the potential of collecting PET drink bottles that have washed ashore on Japan’s beautiful islands, cleaning and shredding them, and then using them as a component of the raw materials used to manufacture automobiles.



 Use of marine litter in seat upholstery

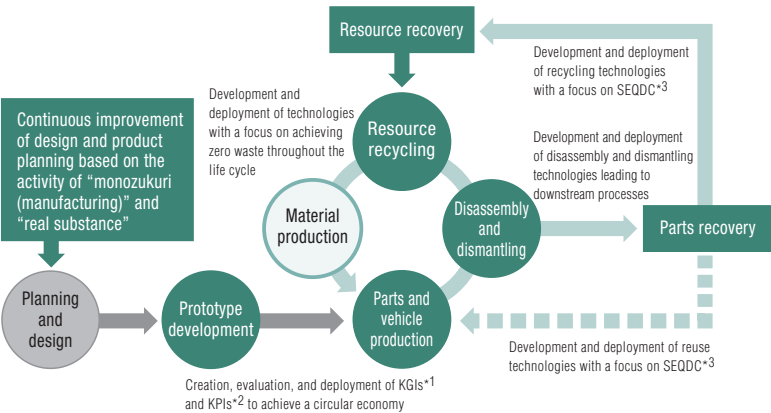
Seat upholstery prototype created entirely from marine litter found on Tsushima

Establishment of CE_Studio (Circular Economy Studio)

Inside the Company End-of-life Vehicles | Development & Design

- We are committed to the idea of “how things are made (creation, development, production) and used” from the perspective of “monozukuri (manufacturing)”, and strive to make contributions that span both “arterial” and “venous” in the industry, in order to grasp the perspective of the difficulty for product disassembly.
- Suppliers and designers have started collaborating on verifying KPIs and structural changes to make dismantling much easier through practical, hands-on involvement on site.

Aim of the CE_Studio (Circular Economy Studio)



*1 Key Goal Indicator
 *2 Key Performance Indicator
 *3 S: Safety, E: Environment, Q: Quality, D: Delivery, C: Cost

Rare Metals and Rare Earth Elements End-of-life Vehicles

- With an aim to curbing the use of natural resources and increasing resource input efficiency, we promote the collection of rare resources used in electrified vehicles, such as hybrid electric vehicles (HEVs), plug-in hybrid electric vehicles (PHEVs) and fuel cell electric vehicles (FCEVs), and the reuse of recycled materials, aiming to achieve a resource recycling society.
- We are collaborating with partner companies to continue operating the system for collecting and recycling HEV batteries, HEV motor magnets, and FC stacks, along with tungsten carbide tools and other materials used in production.
- We are moving forward with mobility development that takes recycling into consideration, by feeding back results of these activities into the development and design stages.



Recovered end-of-life HEV motors

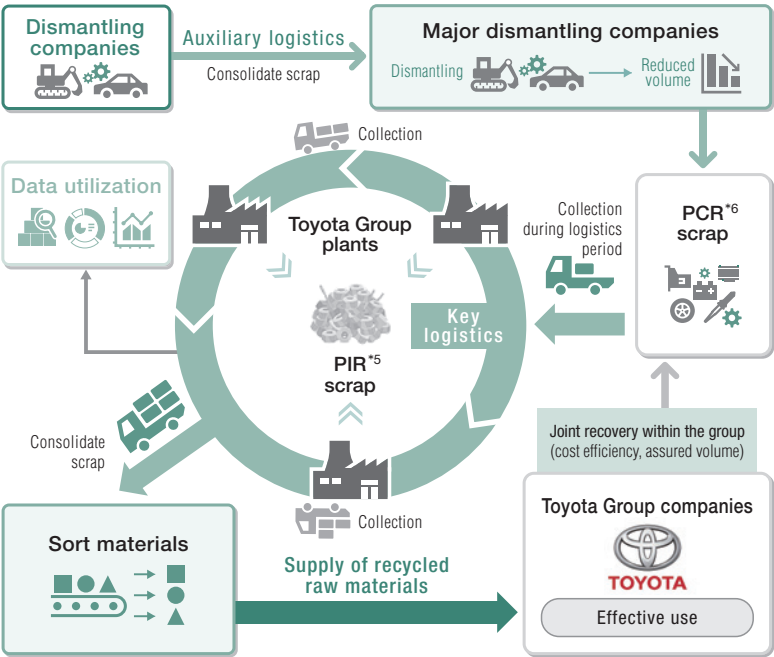


Recovered end-of-life FC stacks

Consolidating Waste to Improve Logistics Efficiency

End-of-life Vehicles | Production

- Circular Core*4 was launched with the aim of creating new value through the sound development of a circular economy by enhancing collaboration across the entire supply chain for automotive materials and parts and promoting environmentally friendly and sustainable monozukuri (manufacturing) practices.
- Circular Core promotes market research on the circular economy, investigates, develops hypotheses and validates the latest technology trends and businesses, and interacts and collaborates with relevant organizations both within and outside the industry.



*4 Established with 11 companies, including Toyota Tsusho Corporation, Aisin Corporation, and Denso Corporation
 *5 Post Industrial recycle
 *6 Post Consumer recycle

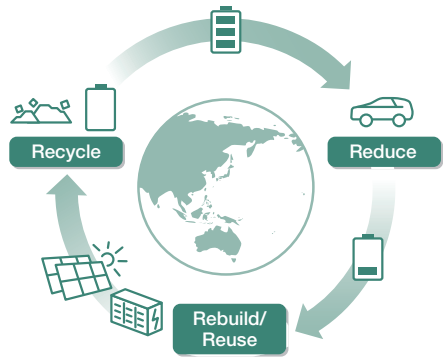
Battery 3R*

End-of-life Vehicles | Development & Design | Production | Sales & Services

- 3R approaches for achieving a circular economy.
- Reduce: Reduce waste generation, including extending battery life
- Rebuilt and Reuse:
 - Rebuilt: Second life as automotive batteries
 - Reuse: Reuse the batteries in non-automotive applications (e.g., stationary, energy management, etc.)
- Recycle: Find use as recycled materials and resources

* Reduce, Rebuilt/Reuse, Recycle

Image of Battery 3R

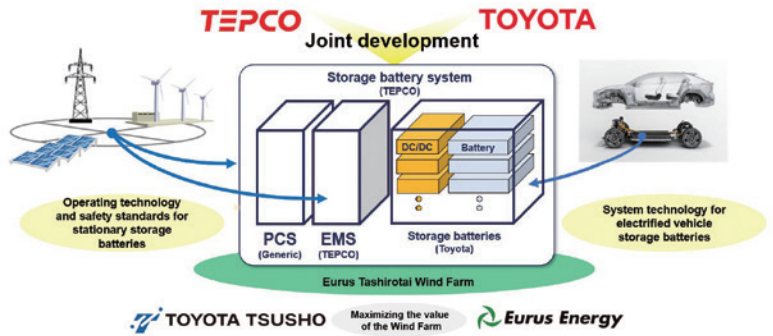


Battery Reuse

End-of-life Vehicles

Development and verification of stationary storage battery systems

- Tokyo Electric Power Company Holdings, Inc. (TEPCO HD) and Toyota developed a stationary storage battery system (1 MW output, 3 MWh capacity) that combines TEPCO's operating technology and safety standards for stationary storage batteries and Toyota's system technology for used electrified vehicle storage batteries.
- Toyota Tsusho Corporation and Eurus Energy Holdings Corporation installed this system at the Eurus Tashirohira Wind Farm, with a demonstration test now underway.



End-of-life Vehicles

Battery recycling initiatives in Japan

We are currently engaged in research on the development of technologies with the aim of recovering rare metals from used batteries and avoiding incineration of such batteries **from the perspective of promoting carbon neutrality and resource efficiency.**

[Case] Development and verification of battery recycling without incineration

- Toyota Tsusho Corporation and Toyota Chemical Engineering Co., Ltd. have started a joint verification.
- Lithium-ion batteries contain flammable electrolytes, since they have been traditionally processed in incinerators.
- The new recycling method can reduce CO₂ emissions and improves resource recovery rates by directly feeding the batteries into recycling facilities where they are crushed rather than incinerated.
- This method makes it possible to sort and recover valuable materials, including rare metals, and extracted electrolytes, with the aim of promoting the circulation of resources.



Materials recovered from recycled batteries

Battery recycling initiatives in North America

We are engaging in battery recovery and recycling initiatives throughout North America and promoting the development of a sustainable battery ecosystem.

[Case] Partnership with Redwood Materials, Inc. (“Redwood Materials”) and Cirba Solutions, LLC (“Cirba Solutions”)

- Expanding collaboration with Redwood Materials
- Battery recovery and recycling partner on North America's West Coast
- We aim to achieve the circulation of resources across North America by procuring cathode active materials and returning recovered rare materials into the battery supply chain.
- The cathode active materials returning under this framework are targeted to be used in the production of batteries at Toyota Battery Manufacturing, North Carolina (TBMNC) in the future.
- Start of partnership with Cirba Solutions
- Battery recovery and recycling partner in the Midwest and East Coast.
- Concluded a contract for the recovery and recycling of automotive batteries.
- Collaboration with Cirba Solutions is expected to reduce costs associated with the transportation and logistics of used automotive batteries from Toyota and Lexus vehicles and reduce CO₂ emissions from transportation.

Updated in October 2024

Harmony with Nature



GRI 303-1, 303-2

- 36 Fundamental Approach
- 36 Biodiversity
- 39 Water Environment

Fundamental Approach

Aim

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

Initiative

- As an initiative to tackle biodiversity and water issues under the Toyota Environmental Challenge 2050, formulated “**Challenge of Establishing a Future Society in Harmony with Nature**” and “**Challenge of Minimizing and Optimizing Water Usage,**” and started actions in 2015.
- A survey was conducted in 2024 using TN LEAD*1 and ENCORE*2 to assess Toyota's dependence and impact on nature at global sites that are directly owned (operated) in order to understand the impacts of business activities on natural capital and biodiversity.
- We identified water use and land conversion at production and R&D sites as particularly critical factors and confirmed that these are in alignment with ongoing Environmental Challenges.

*1 Analytical services that are offered by Think Nature Inc. based on the LEAP approach that is recommended by TNFD (Taskforce on Nature-related Financial Disclosures)
*2 Exploring Natural Capital Opportunities, Risks and Exposure: A tool to assess reliance on and impact of business activities on nature

Biodiversity

Aim

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

Initiative

Challenge of Establishing a Future Society in Harmony with Nature

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

- Toyota Green Wave Project
Plant in Harmony with Nature ⇒ “Connecting Communities” activities
- Toyota ESD*3 Project
Environmental education for the next generation ⇒ “Connecting to the Future” activities

*3 Education for Sustainable Development

Toyota Policy on Harmony with Nature

- We renewed the Biodiversity Guidelines formulated in 2008 as the Toyota Policy on Harmony with Nature in January 2021.
- This policy is a guideline for promoting harmony with nature and will serve as the basis for future activities.
- We will expand the reach of activities promoting harmony with nature, including the conservation of biodiversity, from communities to the world in collaboration with various people throughout society.

Toyota Policy on Harmony with Nature

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

1. Recognizing that nature underlies our life and economy through resource supply and climate stabilization, we will promote activities that harmonize various elements of nature and conserve biodiversity.
2. We will expand the reach of activities among communities and connect them with the world by not only acting spontaneously, but also collaborating strongly with society.
3. We will promote environmental education to change the awareness of employees and generations based on the recognition that the biodiversity that forms the foundation of our prosperous life is facing a critical situation. At the same time, we will offer related information to society through both in-house and outside activities.



— Toyota Green Wave Project —

Plant in Harmony with Nature ⇒ “Connecting Communities” Activities

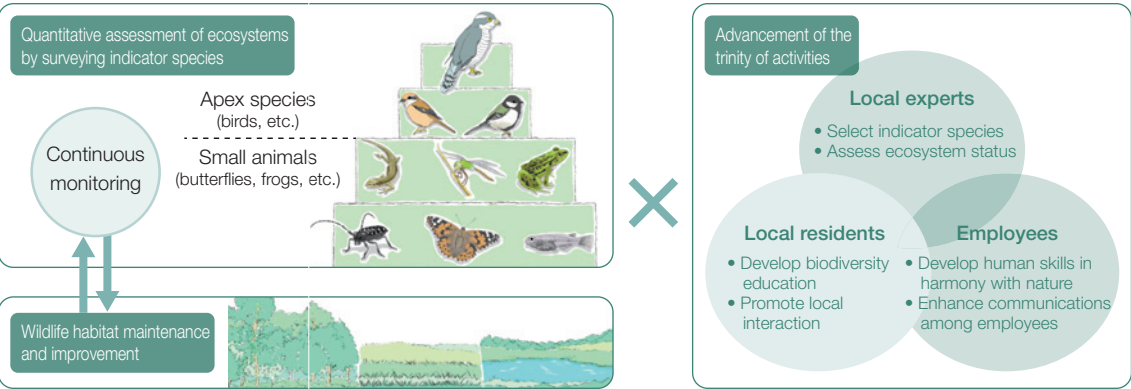
2025 Target

- Realize “Plant in Harmony with Nature”—six in Japan and four in other regions.
- Promote activities to connect with local communities in collaboration with affiliated companies.
- Start activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation.

2023 Results

- Realized four plants in Japan and four plants overseas.
- Promoted activities in collaboration with 22 Toyota Group companies and global affiliates (the number of activities: 983).

Overview of the Plant in Harmony with Nature



[Case] Connecting communities activities

Toyota Motor Philippines Corporation (Philippines)

- Toyota has been promoting volunteer activities by employees in collaboration with local communities since 2015.
- Mangrove planting, along with coastal and river cleanup activities are being conducted in designated areas*1 under the Philippines’ National Greening Program (NGP) to help preserve the rich biodiversity of the Verde Island Passage.

2023 Results

- Number of trees planted: 100,000 by 2023

*1 Mangrove planting area in Calatagan, Batangas, and highland forest area in Siniloan, Laguna



Tree planting



Group photo after tree planting activity

[Case] Creating plants in harmony with nature

Toyota Motor Manufacturing Canada, Inc. (North America)

- Bird nesting boxes and predator guards were installed to protect endangered bird species*2 living around the Cambridge and Woodstock factories.
- Employees, their families and the local community plant seeds and maintain native plant species*3 to preserve habitats.

2023 Results

- Regular bi-weekly monitoring confirmed the presence of 278 birds in the area.
- Expansion of native plant area: Approx. 10 hectares.
- Environmental education programs are offered to students and employees in collaboration with the Jane Goodall Institute.

*2 Tree swallow, Eastern bluebird

*3 Red maple, Wild bergamot



Tree swallow



Native plant garden

— Toyota ESD Project —

Environmental Education for the Next Generation⇒ “Connecting to the Future” Activities

2025 Target

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

2023 Results

- Conducted environmental education programs around the world.
- Examples of Toyota Motor Corporation (Japan).
 - Implemented environmental study sessions.
 - Plant in Harmony with Nature (45 sessions, including online sessions)
 - The Forest of Toyota (271 sessions).

Global Implementation of Environmental Education for the Next Generation

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

[Case] Education for the next generation at the Biodiversity & Sustainability Learning Center (Cheewa Panavet)

Toyota Motor Thailand Co., Ltd. (TMT) Ban Pho Plant (Thailand)

- Cheewa Panavet was established in Ban Pho Plant in 2016 as a third learning center after Eco-forest (established in 2008) and a biotope (established in 2009), and the total area is 100,800m².
- Experiential learning opportunities were offered to children and students to raise environmental awareness and conserve biodiversity in collaboration with local NGOs, neighboring residents, and employees.
- Activities are implemented with local suppliers to broaden the scope of efforts to co-exist with nature.

Results since opening

- 2023: Approx. 5,000 children and students took part in experiential learning programs.
- Total number of visitors: Over 50,000 (as of December 2023).
- Online education programs were offered using social media during COVID-19.



Cheewa Panavet Learning Center



Environmental learning activities

Registration of Nationally Certified Sustainably Managed Natural Sites

- As part of efforts to achieve the “30 by 30”^{*1} target of the Kunming-Montreal Global Biodiversity Framework (2022), the Japanese Ministry of the Environment has begun certification of Nationally Certified Sustainably Managed Natural Sites^{*2}.
- Toyota has joined the 30 by 30 Alliance for Biodiversity led by the Ministry of the Environment of Japan. Certification was granted for Toyota Technical Center Shibetsu in October 2024, in addition to the four sites certified in 2023.
- These sites are also registered in the OECM^{*3} global database and are expected to contribute to the achievement of the 30 by 30 target.

^{*1} 30 by 30: A target that aims to protect and conserve at least 30% of land and sea areas in each country by 2030

^{*2} Nationally Certified Sustainably Managed Natural Sites: Sites certified by the Japanese government as areas where conservation of biodiversity is being promoted through private sector initiatives, etc.

^{*3} OECM (Other Effective area-based Conservation Measures): Areas other than protected areas which contribute to the conservation of biodiversity



Site Name	Location	Area	Overview of main activities	Date of certification
Toyota Technical Center Shimoyama	Toyota City, Okazaki City, Aichi Prefecture	385 ha	Conduct forest thinning, paddy field cultivation, and grass mowing to maintain the Satoyama environment adjacent to the R&D center	October 2023
Biotope Tsutsumi	Toyota City, Aichi Prefecture	0.74 ha	Establish a biotope within the production site to contribute to the conservation of the local native ecosystem	
Forest of Toyota	Toyota City, Aichi Prefecture	45 ha	Conserve the Satoyama ^{*4} environment and utilize it as a place for maintenance, research, and community-oriented education	
Toyota Mie Miyagawa Forest	Taki County, Mie Prefecture	1689.53 ha	Promote sound forest management based on forest resource information and establish a healthy forest that can fulfill public functions	October 2024
Toyota Technical Center Shibetsu	Shibetsu, Hokkaido	707 ha	Conserve key species, eradicate invasive species, and promote environmental education to preserve the rugged and rich natural environment in the northern part of Japan at the country's largest test course	

^{*4} Satoyama: A Japanese term referring to hills and forests located near communities that are deeply linked to human life



Toyota Technical Center Shimoyama: A view of the forest and paddy fields



Biotope Tsutsumi: Panoramic view of the biotope



Forest of Toyota: A rare species of star magnolia identified on the site (Ministry of the Environment Red List 2020: Near Threatened)



Toyota Mie Miyagawa Forest: A view of the forest after thinning



Toyota Technical Center Shibetsu: Forest conditions around the test course



Toyota Technical Center Shibetsu: Male species of the Hokkaido salamander at the breeding pond

Water Environment

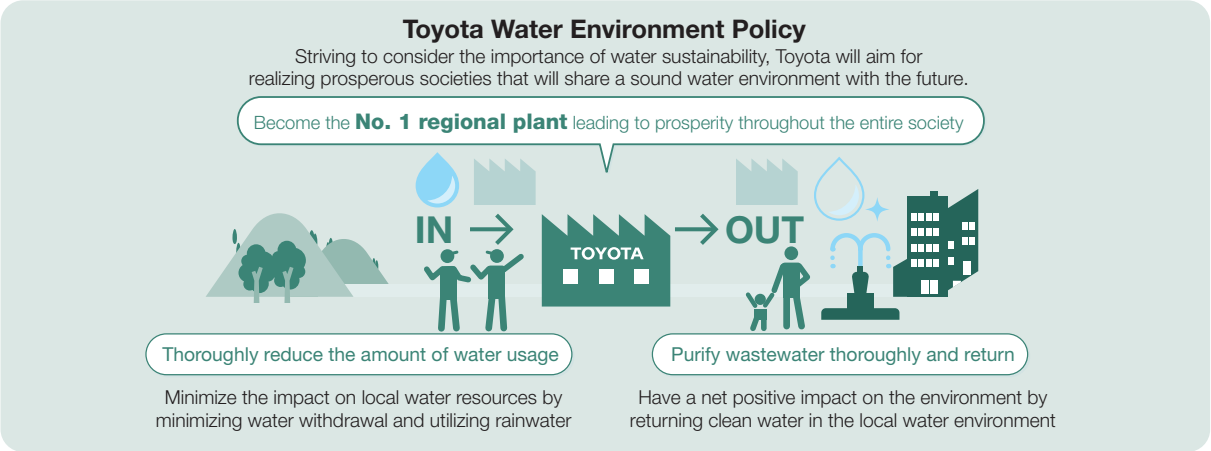
Aim

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

Initiative

Toyota Water Environment Policy

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



Cases of Water Usage Reduction

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

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

Reducing water use

[Case] Zero wastewater drainage using the RO recycling system

Toyota Motor Thailand Gateway Plant (Thailand)

- All factory wastewater, including that from non-production areas, is purified and reused through an RO* recycling system with the aim of achieving zero wastewater.
- The use of rainwater to dilute wastewater during the recycling process helps reduce water usage.

2023 Results

- Wastewater recycling rate: 90%
- Amount of wastewater: 180 m³/day (Reduced 90% compared to earlier years)

* Reverse Osmosis: Membrane that allows water to pass through while blocking impurities and particles other than water



Members of the Zero Wastewater Team



Rainwater collection and storage



Total 5 areas 50k m³/Yr.

P.55 Environmental Data [1]

Reporting period: FY2024

Period covered in this chapter:

April 1, 2023 to March 31, 2024

Note that any important information after this period will also be included in this chapter.

Updated in October 2024

Climate-related Financial Disclosures Based on TCFD*

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

GRI 2-13, 2-16, 2-22, 201-2

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Governance

a) Board’s Oversight of Climate-related Risks and Opportunities

- At Toyota, to ensure effective strategy formulation and implementation in line with latest societal trends, important climate-related issues, as they arise, are reported to the Board of Directors.
- The Board of Directors conducts the following duties:
 - Deliberate and supervise strategies, major action plans, and business plans.
 - Monitor the progress toward qualitative and quantitative targets addressing climate-related issues.
- Monitoring is performed in consideration of the financial impact of the following risks and opportunities, which may turn into climate-related issues:
 - Risks and opportunities related to products, such as fuel efficiency or emission regulations.
 - Risks and opportunities related to low-carbon technology development.
- These governance mechanisms are used in formulating long-term strategy, including the Toyota Environmental Challenge 2050, and in formulating and reviewing the medium- to long-term targets and action plans.
- Cases of decisions made at the Board of Directors Meeting in 2023:
 - Approved to invest in securing the required supply of batteries for electrified vehicles by 2030 to achieve carbon neutrality.
 - Approved to engage in research and development on powertrains (evolution of combustion technology) as a multi-pathway approach to realizing a carbon-neutral society.

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

- The Board of Directors Meeting is the ultimate decision-making and oversight body of Toyota in addressing climate-related issues.
- The committees below are the major bodies in assessing and managing the climate-related risks and opportunities.

(As of June 2024)

	Sustainability Meeting	Sustainability Subcommittee	CN Strategy Subcommittee	Governance Risk Subcommittee
Chairperson or promoters	President	Deputy Chief Officer, General Administration & Human Resources Group	President, CN (Carbon Neutral) Engineering Development Center	Deputy Chief Officer, General Affairs & Human Resources Group DCRO/DCCO
Members (number of people)	Executive Vice Presidents (2), Outside members of the Board of Directors (4), Outside Audit & Supervisory Board Members (1), CPO,CSO,CHRO, Others (5)	Outside members of the Board of Directors (1), CRO/CCO,CSO,CISO,CHRO, Others (7)	Executive Vice Presidents (2), CRO/CCO,CPO,CSO,CISO, Full time Audit & Supervisory Board Members (1), Others (11)	Executive Vice Presidents (2), Outside members of the Board of Directors (1), Outside Audit & Supervisory Board Members (1), CRO/CCO,CSO,CISO,CHRO, Full time Audit & Supervisory Board Members (1), Others (5)
Number of times held in FY2024	4	3	3	6
Frequency of reports to the Board of Directors	When an important matter arises	When an important matter arises	When an important matter arises	When an important matter arises
Content	<ul style="list-style-type: none">• To increase corporate value by deliberating, making decisions on, and promoting activities on key sustainability issues in management practices	<ul style="list-style-type: none">• To report and deliberate on key management issues related to strengthening competitiveness over the medium to long-term and responding to risks associated with environment, social issues, governance and the SDGs, while monitoring internal and external developments	<ul style="list-style-type: none">• To cultivate a shared understanding of significant global trends related to carbon neutrality and environmental challenges• To report and deliberate on important management policies, such as targets and KPIs related to the above	<ul style="list-style-type: none">• To deliberate, decide and promote activities on important issues and responses related to governance, internal control, corporate ethics, compliance, incidents, and general risk management in business and product strategies

CPO : Chief Production Officer

CSO : Chief Sustainability Officer

CHRO : Chief Human Resources Officer

CRO : Chief Risk Officer

CCO : Chief Compliance Officer

CISO : Chief Information & Security Officer

DCRO : Deputy Chief Risk Officer

DCCO : Deputy Chief Compliance Officer

See p.7 for the organizational structure of these committees.

Strategy

SASB

TR-AU-410a.3.

Toyota's Strategies

- Fundamental approach of Toyota's **multi-pathway strategy**
 - Overview of Toyota's overall vision for achieving carbon neutrality was presented in February 2024.
 - The core idea of Toyota's multi-pathway strategy is to **offer a diverse range of mobility options that align with the future of energy and the needs and expectations of local communities and customers.**
 - The fundamental premise of the multi-pathway strategy is the need to transition away from the use of fossil fuels from a global environmental and sustainability perspective.
 - Over the medium- to long-term, renewable energy sources will continue to proliferate, with electricity and hydrogen emerging as the secondary energy sustaining society.
 - In the short-term, however, it is critical to acknowledge global realities and implement changes in practical ways that maintain energy security.
- Toyota will contribute to the goal of carbon neutrality through a diverse lineup of mobility options, that can utilize electricity derived from renewable energy, hydrogen or synthetic fuels derived from that electricity or biofuels in anticipation of a future where electricity and hydrogen play a central role.

- Existing infrastructure and assets must be used to practically and effectively reduce CO₂ emissions.
- Energy policies, such as renewable energy and charging infrastructure, and industrial policies, such as purchase subsidies, supplier support and battery recycling systems, are indispensable in the goal of achieving carbon neutrality in the automotive industry. Responses must also be developed to address uncertainties related to national energy policies, industrial policies, and customer choice.
- Toyota's multi-pathway strategy, which offers different mobility options, is **designed to respond to uncertainty with any one of the options, irrespective of social conditions.**
- Toyota is actively engaged in building partnerships as multiple industries are involved to accelerate the development of an environment where electricity and hydrogen can be used to protect the global environment.
- The resilience of the multi-pathway strategy is verified through scenario analysis.**

 See p.44 for details on results from scenario analysis.

Diverse options (multi-pathway solutions)

BEV

PHEV

HEV

Engine-powered

Hydrogen-powered

Electric

Biofuels and e-fuel

Hydrogen

Battery electric vehicle (BEV)

- Next-generation BEVs to be launched in 2026
- Increase sales to 3.5 million vehicles annually by 2030

Plug-in hybrid vehicle (PHEV)

- Practical BEVs
- Development of PHEVs with an EV-mode cruising range of 200 km or more

Hybrid electric vehicle (HEV)

- Effective means of reducing CO₂ emissions right now

Biofuels and e-fuel

- Helps reduce CO₂ emissions from owned vehicles*¹

*¹ New vehicles and others already on the market

H2

- Development of hydrogen engines using internal combustion engine technology

Fuel cell electric vehicle (FCEV)

- Mass production and commercialization, with a focus on commercial vehicles
- Offer to Toyota of 100,000 vehicles annually (2030)

Scenario Analysis Overview

- Toyota approved and signed the TCFD recommendations in April 2019 and joined the TCFD Consortium, a platform for promoting collective action by companies, financial institutions and other entities in Japan.
 - Toyota acknowledges the risks and opportunities present in climate change as key management concerns, uses the TCFD recommendations to identify risks and opportunities, and verifies the resilience of strategies through scenario analysis.
 - In 2022, Toyota launched a project involving relevant organizations to conduct an analysis using the 1.5°C and 4°C temperature scenarios based on the TCFD framework.
 - We conducted assessments to identify climate change risks and opportunities and evaluated financial impacts to confirm the effectiveness of Toyota's responses.
 - Set scenarios
 - 1.5°C scenario (IEA*² NZE*³, APS*⁴ scenario, etc.)
 - 4°C scenario (SSP5-8.5)
- *² International Energy Agency

*³ Net Zero Emissions by 2050 Scenario


*⁴ Announced Pledges Scenario
- Businesses subject to analysis
 - Automotive businesses and supply chains of Toyota Motor Corporation and consolidated subsidiaries
 - Toyota Group production sites in Japan and overseas
 - Risk periods are set in the following table.

	Period	Reasons for adoption
Long-term	By 2050	Target year for Toyota Environmental Challenge 2050
Medium-term	By 2030	2030 Milestone, validation and approval by SBTi* ⁵
Short-term	Between now and 2025	The 7th Toyota Environmental Action Plan

*⁵ SBTi validates the Scope 1 and 2 emissions reduction target of a company as in line with the science-based criteria established by SBTi to limit the global average temperature increase to 1.5°C above pre-industrial levels. With regard to automobile companies, SBTi also approves Scope 3 Category 11 emissions (g-CO₂e/km) reduction targets as in line with the science-based criteria to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, in conjunction with the above-mentioned validation.

Descriptions of Different Strategies


- HEV and PHEV
- We achieved cumulative sales of 27.01 million electrified vehicles and reduced CO₂ emissions by 197 million tons (as of March 2024).
 - As we expand the sales of HEVs with particular focus on emerging nations, we are redefining PHEVs as practical BEVs by extending the EV cruising range to 200 km or more, and strengthening development to increase the number of options available, in order to meet the diverse needs of our customers.
 - We are making advances in combustion technology and promoting the development of engines capable of reducing CO₂ emissions.

 [Integrated Report 2023, p.38 Hybrids and Plug-in Hybrids](#)

- BEV strategies
- Toyota set up a dedicated organization in May 2023 equipped with all the functions and authority to develop next-generation BEVs (BEV Factory).
 - In May 2023, Toyota announced plans to invest around 5 trillion yen in BEVs (including batteries) by 2030.
 - BEVs will be produced at a pace of 1.5 million vehicles annually by 2026 and 3.5 million vehicles per year worldwide by 2030 (with next-generation BEVs reaching 1.7 million vehicles by 2030).
 - Toyota aims to streamline processes, factory investment and production preparation lead times by half with the use of new modular structures, self-propelling production, digital twin, and other means.
 - We are taking up the challenge of developing new car architecture through technological advances in the development of compact and lightweight units, aerodynamics and heat management, which will be applied to the development of PHEVs and other vehicles in the future.
 - Toyota is working on developing a diverse range of next-generation battery technologies.

Performance version	Cruising range of 1,000 km, 20% reduction in cost, quick charge time of 20 minutes or less. Scheduled for introduction in 2026.
Widespread version	20% increase in cruising range, 40% reduction in cost, quick charge time of 30 minutes or less. Engaged in the challenge to put this option into practical use between 2026 and 2027 using lithium iron phosphate (LFP).
High-performance version	20% increase in cruising range, 10% reduction in cost, and quick charge time of 20 minutes or less compared to the performance version. Combines the best of the performance and popularization versions. Scheduled for practical application between 2027 and 2028.

- We are developing solid-state batteries that are expected to offer higher output, longer cruising ranges, and shorter recharging times with a performance surpassing that of liquid batteries, with the aim of putting them into practical application between 2027 and 2028. An announcement on collaboration with Idemitsu Kosan Co., Ltd. on mass production was announced in October 2023.
- Hydrogen business strategy
- Toyota set up a dedicated organization (Hydrogen Factory) in July 2023 to boost the development and production of fuel cells and hydrogen-related products and to promote the creation of a foundation for commercialization on three fronts.
 - (1) Development and production (mass production, localization) in countries with hydrogen markets (Europe, China)
 - (2) Strengthen collaboration with key partners (standardization)
 - (3) Innovative evolution of next-generation FC technologies
 - Toyota offers next-generation FC systems for a diverse range of applications, including trains, ships and power generators, in addition to the development and implementation of hydrogen mobility options in the commercial sector.
 - We are focused on the production and storage of hydrogen and taking up the challenge to standardize large commercial tanks (bulk unit production) to reduce cost and increase the demand for hydrogen.
 - Toyota plans to accelerate the integration of hydrogen mobility into society in the future, including infrastructure, in collaboration with partners in the steel and power industries, focusing on regions with high levels of hydrogen consumption, such as Europe, China and North America.

 [Integrated Report 2023, p.46 Hydrogen Business Strategy](#)

- Carbon-neutral fuel initiatives
- We will continue to develop next-generation engines that incorporate the use of liquid fuels such as e-fuel and biofuels, and collaborate with partners across industries in a future where electricity and hydrogen play a central role.
 - Regions where hydrogen is expensive, utilize e-fuel produced in and transported from regions where hydrogen is inexpensive.
 - Biofuel-compatible vehicles will be introduced in emerging nations where the use of biofuels is on the rise.
 - Seven private companies established the “Research Association of Biomass Innovation for Next Generation Automobile Fuels” in July 2022 with the goal of advancing second-generation biofuel manufacturing technologies.

 [Integrated Report 2023, p.49 Carbon-Neutral Fuel Initiatives](#)

- Future actions
- We aim to achieve carbon neutrality in alignment with diverse energy scenarios and customer needs through practical transitions utilizing all available means, including the effective use of existing infrastructure, carbon-neutral fuels, and implementing initiatives for vehicles already on the market.

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

- Toyota strives to identify the various risks and opportunities that will arise from environmental issues, takes action while continuously confirming the validity of strategies such as the Toyota Environmental Challenge 2050 and works to enhance its competitiveness.
- Take measures to respond to changes associated with climate change that may have various impacts on Toyota's business.
- In accordance with the above understanding, we have identified particularly significant climate change risks in line with the “Toyota Global Risk Management Standard (TGRS)” risk management process based on the degree of impact and stakeholders' interest.
- The acceleration of climate change may pose risks to Toyota’s business, but if we can respond appropriately, this will lead to enhanced competitiveness and the acquisition of new business opportunities.

 See **p.47** for more information on details of risks

Significant Climate Change Risks Identified from TGRS Risk Assessments (Risks (1), (3), (4), (5) and (9) are Particularly Significant)				
Risk Type		Risk Item	Risks	Impacts
Transition Risks	Policy/Regulation	(1) Tightening of regulations for fuel efficiency and ZEVs*	<ul style="list-style-type: none">Penalties or fines and suspension of production or sales for failure to comply with fuel efficiency, CO₂, or ZEV regulationsDecrease in sales due to ZEV mandates and market shift to ZEVs	<ul style="list-style-type: none">Payment of fines and credits for failing to comply with regulationsRising product development costs to expand Toyota's ZEV lineup
		(2) Introduction and expansion of carbon pricing	<ul style="list-style-type: none">Increase in procurement and production costs due to the introduction and expansion of carbon taxes	<ul style="list-style-type: none">Increase in procurement and production costs
	Technology/Market	(3) Development of decarbonization technologies (electrification)	<ul style="list-style-type: none">Increase in costs associated with the promotion of electrification strategies to achieve carbon neutrality	<ul style="list-style-type: none">Rising development costs for electrificationRising development costs for carbon-neutral technologies and materials
		(4) Scarcity and rising costs of resources	<ul style="list-style-type: none">Difficulty in procuring raw materials due to delays in resource development and investment decisions (e.g., supply shortages and rising costs of battery units)	<ul style="list-style-type: none">Surge in prices for raw materialsRising development costs for alternative technologies
		(5) Introduction of renewable energy	<ul style="list-style-type: none">Delays in the development of vehicles and technologies tailored to local energy conditions	<ul style="list-style-type: none">Slowdown in the pace of decarbonizing vehicles in WtWDrop in the volume of sales of new vehicles and market share
			<ul style="list-style-type: none">Regulations on the use of fossil fuels and high prices of renewable energy	<ul style="list-style-type: none">Reduced flexibility to select products on the market
		(6) Changes in consumer preferences	<ul style="list-style-type: none">Delayed response to market changes (specifications and prices fail to meet consumer expectations)	<ul style="list-style-type: none">Drop in the volume of sales of new vehicles and market share
		(7) Market uncertainty	<ul style="list-style-type: none">Business instability due to environmental changes (e.g., market shifts due to measures to curb inflation in the U.S.)	<ul style="list-style-type: none">Impacts on inventory and fixed asset valuation due to deteriorating cost rates and lower sales
Physical Risks	Reputation	(8) Industry criticism and litigation	<ul style="list-style-type: none">Significant damage to corporate image and litigation due to intense criticism of the industry triggered by previously mentioned policy and legislation, technology and market-related risks	<ul style="list-style-type: none">Decrease in the sales of new vehicles and market shareProduct development costs for lineup changesIncrease in procurement and production costs
	Acute	(9) Increase in frequency and severity of natural disasters	<ul style="list-style-type: none">Suspension of factory operations due to disruptions in the supply of parts and materials from suppliersSuspension of production and logistics due to natural disasters (heavy rain, earthquakes, other)	<ul style="list-style-type: none">Drop in revenue from sales due to factory shutdownsMaterial losses in assets due to disastersCosts incurred for business continuity plan (BCP) responses
	Chronic	(10) Water shortages and heatwaves	<ul style="list-style-type: none">Impacts on plant operations due to difficulties in securing stable water supplyDeteriorating labor conditions due to heatwaves	<ul style="list-style-type: none">Drop in revenue from sales due to lower production outputLabor shortages

* Zero emission vehicles: Vehicles that have the potential not to emit any CO₂ and NOx (nitrogen oxide) during driving such as BEVs and FCEVs

b) Resilience of the Organization's Strategy Under a 1.5°C, 4°C, and Other Climate-related Scenarios in Terms of Business, Strategy, and Financial Planning

STEP 1

Set Future Storylines Assuming Climate Change Effects

- We envision the external environment in 2030 in terms of transition risks and opportunities under the **1.5°C scenario** using multiple scenarios, such as the IEA's NZE, APS, etc. Detailed impact assessments on climate change risks identified in the TGRS that are expected to have significant impacts can be found in Tables 2 and 3 on the following page.
- Risk analyses on physical risks under the **4°C scenario** will be based on future forecasts for 2050 and 2090 using the IPCC*1 scenario (SSP5-8.5).
- Preliminary assessments on climate change impacts and screenings for priority sites requiring further investigation was conducted for business locations in Japan (137) and overseas (73) in order to better understand the impacts of an increase in weather-related disasters due to climate change on the Toyota Group's operations.

STEP 2

Consider the Impacts on Toyota Shown in Step 1

- Under the **1.5°C scenario**, there will be a global increase in the introduction of renewable energy (electricity and carbon-neutral fuels*2), which will amplify the role of electrified vehicles (especially ZEVs), while the speed and types of renewable energy (solar, wind, bio, other) will vary by country and region.
- With a substantial rise in the ratio of ZEVs in new car sales in some countries and regions, and focused efforts in others to promote the use of carbon-neutral fuels, it is necessary for Toyota to offer products (vehicles) that are tailored to the distinct needs of each market.
- The introduction of carbon-neutral fuels is effective in reducing CO2 emissions from vehicles already out in the market and enables a reduction in CO2 emissions without exclusively relying on new car sales.

STEP 3

Toyota's Strategies

- Toyota affirms its commitment to enhancing resilience in the management of our business operations in the medium to long term through a multi-pathway strategy with the use of scenario analysis, as shown in Tables 2 and 3 in the following section.

See p.41 for more information on Toyota's "Multi-pathway strategy"

- Through a comparative analysis with multiple scenarios, including the IEA NZE, Toyota has verified the potential of our strategy for transition risks, which incorporates carbon-neutral fuels, to meet the 1.5°C target set out in the Paris Agreement.
- Toyota strives to achieve carbon neutrality by 2050 through a holistic approach tailored to energy conditions in different regions, which includes offering customers a range of options such as BEVs, PHEVs, HEVs, and hydrogen engines, as well as electricity, hydrogen and new fuels (carbon-neutral fuels) that can make effective use of existing infrastructure, and initiatives to reduce CO2 emissions from vehicles on the market through these measures.
- Japan Automobile Manufacturers Association (JAMA)'s CNF scenario report reads that the shift to low-carbon automotive fuels is also important and that not only the scenario of rapid shift to BEVs but the scenario of effective use of HEVs, PHEVs, and carbon-neutral fuels could be consistent with the IPCC's 2050 1.5°C scenario.

JAMA "Transitioning to Carbon Neutrality by 2050: A Scenario-Based Analysis"

- Toyota is considering conducting risk assessments in terms of physical risks for sites in Japan and overseas that have been identified as potentially at risk (grade B or higher) due to anticipated changes from climate change. Toyota will review flood mitigation measures and BCPs based on the results of climate disaster hazard screenings.
- Toyota will continue to perform scenario analysis to identify, prioritize and assess risks and opportunities for significant climate change impacts.

- Concerns about rising costs due to the introduction of carbon taxes and higher tax rates may impact production and procurement, leading to a shift in the use of energy-efficient technologies, renewable energy and hydrogen to reduce risks.
- Certain sites have been identified where there will be changes in terms of inland flooding and storm surges in the future under the **4°C scenario** (Table 1).
- There are growing concerns that society's climate change measures may be inadequate, leading to the increased possibility of the following occurring.
 - Suspended production due to more frequent and severe natural disasters, such as floods.
 - Production cuts and stoppages due to disruptions in supply chains.

*2. Carbon neutral fuels: Sustainable biofuels, synthetic fuels such as e-fuel, etc.

Table 1 Number of Sites Showing Future Changes due to Climate Change*3

Assessed hazards	Assessed sites	Present day to the latter half of the 21st century
		RCP8.5
River flooding risk	137 sites (Japan)	0 sites
	73 sites (overseas)	0 sites
Inland flooding risk	73 sites (overseas)	3 sites
Storm surge risk	73 sites (overseas)	8 sites

*3 Limited to sites assessed as being at risk (grade B or above)

Hazard Grade Legend



Assessment conditions
Assessment of changes in hazard grades from the present day to the latter half of the 21st century under the 4°C scenario based on the following conditions:
Sites (Japan): Logic: MS&AD InterRisk Research & Consulting, Inc. (i.e., Flood Risk Finder, etc.)
Assessment item: Inundation hazards due to river flooding
Sites (overseas): Logic: Tokio Marine dR Co., Ltd. (i.e., Fathom Global Flood Map, etc.)
Assessment item: Inundation hazards due to river flooding, inland flooding, and storm surges

STEP 2

STEP 3

- Conduct financial impact assessments on significant risks and consider opportunities that significant risk factors may yield.
- Particularly significant climate change risks (p.43) were examined and analyzed, and key countermeasures and resulting opportunities are presented in Table 2.

Table 2 Transition Risks (Significant risks under the 1.5°C scenario)

Risk Type	Major Risks			Timeframe	Impact Level*	Key Opportunities	Key Initiatives
Policy/ Regulation	Electrification (Response to changes in regulations and actual demand)	Increase in BEV production costs	<ul style="list-style-type: none">Increased investment in required equipment/facilities and developmentIncreased costs associated with promoting electrification	Medium-term	High	<ul style="list-style-type: none">Increased customer engagement through the battery and peripheral energy management businesses	<ul style="list-style-type: none">Promotion of research and development to improve fuel and electrical performanceExpanded investment in batteries and resource shiftExpanded lineup of electrified vehiclesAdoption of a multi-pathway strategy to quickly and flexibly adapt to regulatory changes
		Return on investment	<ul style="list-style-type: none">Difficulty in recovering investments due to sudden changes in regulationsNot able to achieve expected volume of sales, even with increased production				
		Delays in increasing BEV production	<ul style="list-style-type: none">Fines for not being in compliance with fuel efficiency regulationsLower sales due to delays in compliance with ZEV regulations				
Technology/ Market	Scarcity and rising costs of resources (Difficulty in procuring raw materials)	<ul style="list-style-type: none">Escalating material shortage and scarcity due to delays in resource development amidst rising demand for BEVsRisk of inability to procure optimal resources due to delays in investment decisions on BEVs		Medium-term	High	<ul style="list-style-type: none">Securing resources by promoting the 3Rs for batteriesMaintaining the volume of sales of electrified vehicles other than BEVs by increasing the sales of PHEVs	<ul style="list-style-type: none">Securing supply from partnersCollaboration with partners on joint researchDevelopment of diverse next-generation battery technologies (LFP batteries)Advancements in combustion technology and development of engines capable of reducing CO2 emissions
		Regional variations in the availability of renewable energy	<ul style="list-style-type: none">Slow and stagnant sales due to delays in the development of vehicles and technologies tailored to local energy conditions				
	Introduction of renewable energy	Continuously elevated prices for renewable energy	<ul style="list-style-type: none">Accelerated shift away from car ownership due to increased manufacturing costs and energy prices	Medium- to long-term	Medium	<ul style="list-style-type: none">Sales of BEVs and carbon-neutral fueled vehicles that meet regional demandIncreased sales of fuel-efficient vehicles and expansion of renewable energy businesses	(Vehicles) Promote development to improve fuel efficiency and electrical cost performance (Fuels) Develop technologies and collaborate with other companies on carbon-neutral fuels (sustainable biofuels, synthetic fuels such as e-fuel, etc.) and hydrogen (Power management) Promote the use of renewable energy and power management technologies and businesses

Table 3 Physical Risks (Significant risks under the 4°C scenario)

Risk Type	Major Risks		Timeframe	Impact Level*	Key Opportunities	Key Initiatives
Acute	Increase in frequency and severity of natural disasters	<ul style="list-style-type: none">Damage to production sites due to floods, storm surges, droughts and other extreme weather events, and production shutdowns due to disruptions in supply chains	Short- to long-term	Low	<ul style="list-style-type: none">Provision of solutions to address natural disasters (i.e., vehicles designed to be resistant to disasters, emergency power sources, mapping information)	<ul style="list-style-type: none">Selection of sites factoring in water hazards when building new factoriesPromotion of measures based on the results of water risk assessmentsOngoing revisions for BCPs based on disaster experiences

* Definitions of financial impacts
High: Significant global impact
Medium: Impact on regional/local businesses
Low: Minor impact on regional/local businesses

c) Impact of Climate-related Risks and Opportunities on the Organization's Businesses, Strategy, and Financial Planning

- Toyota has set GHG reduction targets as part of its transition plan in response to the above mentioned risks and opportunities.
- Multiple scenarios are used to validate the feasibility of Toyota's transition plan.
- Risks and opportunities are incorporated into project-related financial planning to solidify transition plans under Toyota's multi-pathway strategy.
- Project investments that exceed a specified amount must be approved by the Board of Directors.












Transition Plan (GHG reduction targets)

Scope 1 and 2	Scope 3
2035: 68% reduction (from 2019 levels)*	2030: Passenger light duty vehicles/light commercial vehicles: 33.3% reduction (from 2019 levels)* Medium/heavy freight trucks: 11.6% reduction (from 2019 levels)*
2035: Carbon neutrality at plants	2035: 50% reduction or more (from 2019 levels)*

* SBTi validates the Scope 1 and 2 emissions reduction target of a company as in line with the science-based criteria established by SBTi to limit the global average temperature increase to 1.5°C above pre-industrial levels. With regard to automobile companies, SBTi also approves Scope 3 Category 11 emissions (g-CO₂e/km) reduction targets as in line with the science-based criteria to hold the increase in the global average temperature to well below 2°C above pre-industrial levels, in conjunction with the above-mentioned validation.

 See p.48 and 49 for more information on targets.

Carbon-neutral Initiatives (Specific items in the transition plan)

	2021	2022	2023	2024
Overall Strategy	April 2021 <ul style="list-style-type: none">Declaration of commitment to take on the global challenge of working to realize carbon neutrality by 2050		April 2023 <ul style="list-style-type: none">Announcement of commitment to achieve carbon neutrality as a key theme under the company's new management team 	
BEV		December 2021 <ul style="list-style-type: none">Briefing on BEV strategy April 2022 <ul style="list-style-type: none">Announcement on Lexus RZ May 2022 <ul style="list-style-type: none">Launched the all-new bZ4X 	May 2023 <ul style="list-style-type: none">Announcement of a 5 trillion yen investment in BEVs and batteries by 2030Establishment of BEV Factory June 2023 <ul style="list-style-type: none">Additional investment in BEV production and battery plants in the U.S.	October 2023 <ul style="list-style-type: none">Next-generation BEV concept announced at Japan Mobility Show 2023  April 2024 <ul style="list-style-type: none">Additional investment of 1.4 billion USD for the production of new BEVs in the U.S.
Batteries	July 2021 <ul style="list-style-type: none">Launched the all-new Aqua equipped with a bipolar nickel-hydrogen battery 	August 2022 <ul style="list-style-type: none">Announcement of max. 730 billion yen investment in batteries for BEVs in Japan and the U.S. 	May 2023 <ul style="list-style-type: none">Start of development and demonstration with Toyota Tsusho and TEPCO HD for a stationary storage battery system June 2023 <ul style="list-style-type: none">Announcement on next-generation technologies at Technical Workshop<ul style="list-style-type: none">Next-generation BEV strategyThree types of next-generation batteries, solid-state batteriesAerodynamic technologies using rocket technologyMulti-pathway platformHydrogen business strategyNext-generation FC systemStandardization of large commercial tanks	September 2023 <ul style="list-style-type: none">Announcement at the Toyota Monozukuri Workshop on monozukuri (manufacturing) that shapes advanced technologies<ul style="list-style-type: none">Halve production processes (Gigacasting, next-generation BEV lines, next-generation factory designs)Mixed model production linesDigital twins 
Hydrogen and CN Fuels	May 2021 – <ul style="list-style-type: none">Participation of hydrogen engine Corolla in Super Taikyu Fuji raceExpanding options in the areas of producing, transporting and using hydrogen	March 2022 <ul style="list-style-type: none">Promotion of the production and use of CO₂-free hydrogen with ENEOS in Woven City	December 2022 <ul style="list-style-type: none">Participation of hydrogen-powered Corolla in Thailand 25-hour Endurance Race  March 2023 <ul style="list-style-type: none">Start operation of the electrolysis system	July 2023 <ul style="list-style-type: none">Establishment of Hydrogen Factory September 2023 <ul style="list-style-type: none">Completion of Tri-Gen system producing hydrogen, electricity, and water with Fuel Cell Energy February 2024 <ul style="list-style-type: none">Joint development of large-scale electrolysis system with Chiyoda Corporation
Commercial Sector	April 2021 <ul style="list-style-type: none">Establishment of Commercial Japan Partnership Technologies (CJPT) to engage in social issues and decarbonization efforts in the commercial sector	December 2022 <ul style="list-style-type: none">Thailand: Collaboration with Charoen Pokphand Group (CP)  April 2023 <ul style="list-style-type: none">Thailand: Collaboration with Siam Cement Group (SCG) May 2023 <ul style="list-style-type: none">Collaboration with Daimler Truck, Mitsubishi Fuso and Hino on the development of hydrogen and CASE technologies 	October 2023 <ul style="list-style-type: none">Thailand: Announcement with CJPT on strengthening initiatives to realize CN and address logistics issues	December 2023 <ul style="list-style-type: none">Thailand: Conclusion on basic agreement on collaboration for carbon neutrality
HEV and PHEV		July 2022 <ul style="list-style-type: none">Announcement on new Crown  November 2022 <ul style="list-style-type: none">Announcement on new Prius 		
Other	June 2021 <ul style="list-style-type: none">Announcement on aim to make plants carbon neutral by 2035	December 2021 – <ul style="list-style-type: none">Disclosure of public relations activities on climate change policies (updated annually)	September 2022 <ul style="list-style-type: none">Organization of the first meeting of the Keidanren Committee on MobilityValidated and approved by the Science Based Targets initiative (SBTi).	November 2023 <ul style="list-style-type: none">Announcement on efforts to step up battery 3Rs initiatives to realize a circular economy

Risk Management

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

- Toyota identifies, assesses and manages all risks, including climate change, based on a company-wide risk management system called TGRS that covers all risks related to global corporate activities.
- Risks are assessed based on “magnitude of impact” and “vulnerabilities” and the timing of anticipated occurrences is noted to clarify the substantive financial or strategic impact on business.
- **Magnitude of impact**
 - Magnitude of impact calculated for risk assessment is rated on a five-point scale for each of the following factors: “finance”, “reputation”, “violation of laws and regulations”, and “business continuity” (“finance” is indexed as a percentage of sales).
- **Vulnerabilities**
 - Assessed on the two elements of the “current status of countermeasures” and “probability of occurrence.”

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

Risk type		Cases of possible impact
Transition Risk	Policy/ regulations	<ul style="list-style-type: none">● Risks of current regulations, including fuel efficiency and greenhouse gas (GHG) emissions regulations, in countries/regions that have a significant impact on technology development and production/sales planning● In tightening or introducing regulations, there is a possibility that a lawsuit may be filed due to a difference in the interpretation between entities, such as investors and companies
	Technology	<ul style="list-style-type: none">● As a climate change policy, fuel efficiency regulations for automobiles are being tightened globally, and customers’ need for low-carbon vehicles is also increasing● Development and cost reduction of low-carbon technology focusing on electrification are important management issues
	Market	<ul style="list-style-type: none">● Changes in the market leads to a decrease in sales, affecting financial conditions
	Reputation	<ul style="list-style-type: none">● A concern that a decline in social image of the corporation will affect Toyota’s sales and stock prices
Physical Risks	Acute	<ul style="list-style-type: none">● Concerns that natural disasters (floods, storm surges, etc.) caused by climate change could damage 210 locations in Japan and overseas
	Chronic	<ul style="list-style-type: none">● A concern that the expansion of drought associated with climate change will have a significant impact on production plans and rising water costs at some Toyota plants

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



















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

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

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

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Long-term Targets and Medium-term Targets

	<div>Challenge</div> <div> Life Cycle Zero CO₂ Emissions Challenge</div>	<div>Challenge</div> <div> New Vehicle Zero CO₂ Emissions Challenge</div>	<div>Corporate Activities</div>	<div>Challenge</div> <div> Plant Zero CO₂ Emissions Challenge</div>	<div>Challenge</div> <div> Challenge of Minimizing and Optimizing Water Usage</div>	<div>Challenge</div> <div> Challenge of Establishing a Recycling-based Society and Systems</div>	<div>Challenge</div> <div> Challenge of Establishing a Future Society in Harmony with Nature</div>
Contribution to SDGs	<div> </div>	<div> </div>	<div>  </div>	<div></div>	<div> </div>	<div> </div>	
Long-term	Toyota Environmental Challenge 2050						
	Achieve Carbon neutrality for GHG emissions throughout the life cycle by 2050	Achieve Carbon neutrality for average GHG emissions from new vehicles by 2050	Achieve Carbon neutrality for GHG emissions from corporate activities by 2050	Achieve zero CO ₂ emissions from production at plants by 2050	Minimize water usage and implement water discharge management according to individual local conditions	Promote global deployment of End-of-life vehicle treatment and recycling technologies and systems developed in Japan	Connect the reach of nature conservation activities among communities, with the world, to the future
Medium-term		<div>Reduce average GHG emissions by more than 50% from new vehicles by 2035 (compared to 2019 levels)</div>	<div>Reduce GHG emissions from corporate activities by 68% by 2035 (compared to 2019 levels)</div> <div>SBT</div>	<div>Achieve Carbon neutrality* for CO₂ emissions from production at plants by 2035</div>			
	2030 Milestone						
	● Reduce GHG emissions by 30% throughout the life cycle by 2030 (compared to 2019 levels)	● Reduce average GHG emissions from new vehicles by 2030 ● Passenger light duty vehicles and light commercial vehicles: 33.3% reduction (compared to 2019 levels) ● Medium and heavy freight trucks: 11.6% reduction (compared to 2019 levels) <div>SBT</div>			● Implement measures, on a priority basis, in the regions where the water environment is considered to have a large impact Water quantity: Complete measures at the 4 challenge-focused plants in North America, Asia, and South Africa Water quality: Complete impact assessments and measures at all of the 22 plants where used water is discharged directly to a river in North America, Asia, and Europe ● Disclose information appropriately and communicate actively with local communities and suppliers	● Complete establishment of battery collection to recycling systems globally ● Complete setup of 30 model facilities for appropriate treatment and recycling of end-of-life vehicles	● Realize “Plant in Harmony with Nature”—12 in Japan and 7 in other regions— as well as implement activities promoting harmony with nature in all regions in collaboration with local communities and companies ● Contribute to biodiversity conservation activities in collaboration with NGOs and others ● Expand initiatives both in-house and outside to foster environmentally conscious persons responsible for the future
Short-term	The 7th Toyota Environmental Action Plan (2025 Target)						

* For more information on the fundamental approach to achieving carbon neutrality, refer to “Challenging Carbon Neutrality at Plants by 2035” on page 22.

Reference Information on Medium- and Long-term Targets

Correlation Between Scope 1, 2 and 3 and Toyota's Environmental Challenge

	Scope		Notes
	1, 2	3	
<div>Challenge</div> <div> Life Cycle Zero CO2 Emissions Challenge</div> <div></div>	●	●	
<div>Challenge</div> <div> New Vehicle Zero CO2 Emissions Challenge</div> <div></div>	–	○	Scope 3: Only Category 11
<div>Corporate Activities</div>	●	–	
<div>Challenge</div> <div> Plant Zero CO2 Emissions Challenge</div> <div></div>	○	–	Production processes only

● : Full scope ○ : Limited scope

Scope of Targets for Scope 1, 2 and 3 (All Categories)

		Scope of coverage	Toyota Motor Corporation	Consolidated subsidiaries
Medium-term	Reduce lifecycle GHG emissions by 30% by 2030 (from 2019 levels)	Scope 1, 2	●	●
		Scope 3	●	●
Long-term	Achieve carbon neutrality from lifecycle GHG emissions by 2050	Scope 1, 2	●	●
		Scope 3	●	○

Scope of targets for Scope 3




Category 11 (Use of sold products)

		Completed vehicles of the Toyota Motor Corporation brand	Completed vehicles of financially consolidated subsidiary brands
Medium-term	Reduce average GHG emissions from the operation of new vehicles by 2030 (from 2019 levels) [SBTi] <ul style="list-style-type: none">• Passenger light duty vehicles and light commercial vehicles: 33.3% reduction• Medium/heavy freight trucks: 11.6% reduction	●	●
	Reduce average GHG emissions by 50% or more from the operation of new vehicles by 2035	●	–
Long-term	Achieve carbon neutrality in average GHG emissions from the operation of new vehicles by 2050	●	–

Scope of targets for Scope 1, 2

		Toyota Motor Corporation		Consolidated subsidiaries		Production processes of Toyota Motor Corporation brands other than consolidated subsidiaries
		Production processes	Non-production processes	Production processes	Non-production processes	
Medium-term	Reduce GHG emissions from business activities by 68% by 2035 (from 2019 levels) [SBTi]	●	●	●	●	○
	Achieve carbon neutrality in CO2 emissions from plant production processes by 2035	●	–	●	–	○
Long-term	Achieve carbon neutrality in GHG emissions from business activities by 2050	●	●	●	●	○
	Achieve net-zero CO2 emissions from plant production processes by 2050	●	–	●	–	○

Short-term Target – The 7th Toyota Environmental Action Plan (2025 Target)

<div><div>Challenge</div><div>CO₂0</div><div>Life Cycle Zero CO₂ Emissions Challenge</div></div>	Life cycle CO ₂ emissions	<ul style="list-style-type: none">Reduce CO₂ emissions by 18 percent or more throughout the life cycle compared to 2013 levels	<div><div>Challenge</div><div></div><div>Challenge of Minimizing and Optimizing Water Usage</div></div>	Water quantity	<ul style="list-style-type: none">Reduce water usage taking the water environment in each country and region into considerationPromote wastewater recycling, rainwater use, and various activities including daily kaizenReduce global water usage by 3 percent per vehicle produced compared to 2013 levels (reduce by 34 percent compared to 2001 levels)Complete measures at 2 Challenge-focused plants where the water environment is considered to have a large impact
	Logistics	<ul style="list-style-type: none">Japan: Reduce CO₂ emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)Japan ↔ Other regions: Reduce CO₂ emissions by vessels for export (introduce 2 LNG-powered pure car carriers)		Water quality	<ul style="list-style-type: none">Thoroughly manage water discharge quality under internal standards that are stricter than regulatory standardsContinuously assess the impact of wastewater at all plants where it is discharged directly into a river
	Suppliers	<ul style="list-style-type: none">Promote CO₂ emissions reduction activities among major suppliers		Toyota Global 100 Dismantlers Project	<ul style="list-style-type: none">Complete setup of 15 model facilities for appropriate treatment and recycling of end-of-life vehiclesContinuously accelerate easy-to-dismantle designs<ul style="list-style-type: none">Integrate easy-to-dismantle designs to respond to appropriate treatment and recycling of end-of-life vehicles and resource issues, and provide appropriate information (large batteries, fuel cell (FC), hydrogen tank)
	Dealers and distributors	<ul style="list-style-type: none">Achieve 100 percent introduction rate for CO₂ emissions reduction items at newly constructed and remodeled dealers		Toyota Global Car-to-Car Recycle Project	<ul style="list-style-type: none">Establish a safe and efficient system for Battery 3R (Reduce, Rebuilt/Reuse, and Recycle), eyeing the widespread use of electrified vehicles<ul style="list-style-type: none">Aim to maximize collection and detoxification of End-of-life batteries globallyStart operating Battery 3R throughout 5 regions—Japan, U.S., Europe, China, and AsiaDevelop technologies to utilize recycled materials (especially plastics) in accordance with the conditions in each region<ul style="list-style-type: none">Promote utilization by technological development to optimally exploit recycled materials in Europe and to increase the supply of recycled materials in Japan
<div><div>Challenge</div><div>CO₂0</div><div>New Vehicle Zero CO₂ Emissions Challenge</div></div>	Average CO ₂ emissions from new vehicles	<ul style="list-style-type: none">Reduce global*¹ average CO₂ emissions*² (TtW) from new vehicles by 30 percent or more compared to 2010 levels <p>*1 Countries and regions: Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand, and Indonesia</p> <p>*2 Per unit, g-CO₂e/km, Tank to Wheel: CO₂ emissions while vehicle is in operation</p>	<div><div>Challenge</div><div></div><div>Challenge of Establishing a Recycling-based Society and Systems</div></div>		
	Electrified vehicles	<ul style="list-style-type: none">Make cumulative sales of 30 million electrified vehicles or more			
<div><div>Challenge</div><div>CO₂0</div><div>Plant Zero CO₂ Emissions Challenge</div></div>	CO ₂ emissions from plants	<ul style="list-style-type: none">Reduce CO₂ emissions by implementing innovative technologies and daily kaizen and introducing renewable energyReduce CO₂ emissions from global plants by 30 percent compared to 2013 levelsAchieve a 25 percent introduction rate for renewable electricityPromote proactive technological development to utilize hydrogen	<div><div>Challenge</div><div></div><div>Challenge of Establishing a Future Society in Harmony with Nature</div></div>	Toyota Green Wave Project	<ul style="list-style-type: none">Realize “Plant in Harmony with Nature”—6 in Japan and 4 in other regionsPromote activities to connect with local communities in collaboration with affiliated companiesStart activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation
				Toyota Today for Tomorrow Project	<ul style="list-style-type: none">Globally strengthening conservation efforts for endangered species in collaboration with NGOs and other organizations
				Toyota ESD* ³ Project	<ul style="list-style-type: none">Implement globally unified initiatives to foster environmentally conscious persons responsible for the future<ul style="list-style-type: none">Offer environmental education opportunities by utilizing biotopes and others in collaboration with the Plant in Harmony with NatureFoster environmentally conscious persons at both in-house and outside sites, including plants and the Forest of Toyota, by utilizing educational tools in harmony with nature for the next generation <p>*3 Education for Sustainable Development</p>
<div><div>Environmental Management</div></div>	Chemical substances	<ul style="list-style-type: none">Implement thorough management by carefully considering legal trends in each country and region			
	Air quality	<ul style="list-style-type: none">Product: Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVsProduction: Continue volatile organic compound (VOC) emissions reduction activities and maintain industry-leading levels			
	Waste	<ul style="list-style-type: none">Promote activities to thoroughly reduce waste globally and aim to minimize the volume of resource input and waste, with the environment and economy in balance			
	Logistics packaging	<ul style="list-style-type: none">Implement initiatives to reduce and recycle plastics used in packaging and recycle them			
	Risk management	<ul style="list-style-type: none">Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region			

Data collection period in this chapter

Fiscal year: April 1 – March 31 (Data G and other selected data not included)

If no specific year is indicated in the table's supplementary notes, all listed years will apply

Greenhouse Gases (GHG)

A

CO₂ Emissions

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

(million t-CO ₂)			
	2021	2022	2023
Scope 1, 2 and 3 Total	(406.00)*1	586.43*2	592.89

*1 In Scope 3 Category 11, the data of Toyota Motor Corporation and Daihatsu Motor Co., Ltd. are provided

*2 From 2022, calculation standards for Scope 3 Category 11 have been changed based on SBTi standards

P.53 See data Environmental Data [D] for detail

P.57 Environmental Data (Reference Factors)

B

CO₂ Emissions & CO₂ Emissions Intensity

Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global

GRI 305-1, 305-2, 305-4

Third-party assurance 2023 data

(million t-CO ₂)			
	2021	2022	2023
Scope 1 (Direct Emissions)	2.48	2.37	2.56◆
Toyota Motor Corporation	0.33	0.30	0.32
Japan (excluding Toyota Motor Corporation)	0.92	0.87	0.83
North America	0.46	0.46	0.46
Europe	0.12	0.11	0.09
Asia	0.22	0.21	0.24
Others (South America, Oceania, Africa, Middle East)	0.43	0.43	0.61
Scope 2 (Energy-related Indirect Emissions)	3.39	2.87	2.87◆
Toyota Motor Corporation	0.60	0.43	0.45
Japan (excluding Toyota Motor Corporation)	1.10	0.79	0.77
North America	0.75	0.71	0.78
Europe	0.01	0.01	0.02
Asia	0.83	0.82	0.74
Others (South America, Oceania, Africa, Middle East)	0.11	0.11	0.11
Total	5.87	5.24	5.43

(t-CO ₂ /unit)			
	2021	2022	2023
Per vehicle produced	0.76	0.62	0.61

<Calculation Method>

- Calculated based on market-base in accordance with the GHG Protocol

<Target scope>

- Toyota Motor Corporation and all of consolidated subsidiaries
- Energy-related CO₂ emissions

<Third-Party Assurance>

◆: Values verified through third-party assurance

P.57 Environmental Data (Reference Factors)

C

Greenhouse Gases Emissions from Sources Other Than Energy-related CO₂

Scope 1 (Direct Emissions) : Global

GRI 305-1

(million t-CO ₂ e)			
By type	2021	2022	2023
Non-energy-related CO ₂	0.007	0.007	0.013
CH ₄	0.012	0.013	0.004
N ₂ O	0.008	0.008	0.006
HFCs	0.039	0.041	0.035
PFCs	0	0	0
SF ₆	0.002	0.002	0.006
NF ₃	0	0	0
Total	0.069	0.071	0.063

<Calculation Method>

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

<Target scope>

- Toyota Motor Corporation and all of consolidated subsidiaries

P.57 Environmental Data (Reference Factors)

Updated in October 2024

Environmental Data

- 52 Greenhouse Gases (GHG)
- 55 Energy
- 55 Water
- 56 Recycling
- 57 Waste
- 57 VOC, NOx, SOx
- 57 Reference Factors

| Greenhouse Gases (GHG) | Energy | Water | Recycling | Waste | VOC, NOx, SOx | Reference factors |

D

CO₂ Emissions

Scope 3 (Other Indirect Emissions): Global

GRI 305-3

Third-party assurance 2023 data

(million t-CO₂)*⁹

	2021	2022	2023	Target business	Key calculation items	Main activity volume	Key emission factors (emission intensity)
1 Purchased goods and services* ¹	107.76	116.07	123.80	Automobiles	Manufacture of new vehicles, prototype models, and service parts	Calculate GHG emissions per unit of standard model to determine the correlation between the weight of the vehicle and GHG emissions. Use this figure to calculate the total GHG emissions from the total number of vehicles produced/sold and their respective weights	<div><div></div><div>P.57 Environmental Data (Reference Factors)</div></div>
					Manufacture of indirect materials	Purchases (by item)	
2 Capital goods	4.17	5.05	6.09	Automobiles		Amount of capital investment	
3 Fuel- and energy-related activities (not included in Scope 1 or 2)	1.08	1.20	1.00	All business segments		Energy consumption (by type)	
4 Upstream transportation and distribution	4.21	4.33	4.57	Automobiles	Transportation of completed vehicles, production parts, and service parts	Fuel consumption, transport weight, transport distance	
5 Waste generated in operations	0.10	0.10	0.10	All business segments		Waste volume (by type)	
6 Business travel	0.04	0.06	0.09	Automobiles		Travel records (destination/number of trips)	
7 Employee commuting	0.63	0.61	0.59	Automobiles		Commuting costs (by type)	
8 Upstream leased assets* ²	–	–	–	All business segments			
9 Downstream transportation and distribution	0.03	0.06	0.10	Automobiles	Transportation of completed vehicles and service parts	Fuel consumption, transport weight, transport distance	
10 Processing of sold products* ³	0.004	0.003	0.003	Automobiles	Body building of trucks and buses	Calculate GHG emissions per unit of standard model vehicle with a cargo bed (light-duty, mid-sized, large). Calculate the total GHG emissions based on the number of customized vehicles sold by size	
11 Use of sold products	(267.39* ⁴)	439.45* ⁵	436.28◆	Automobiles	Driving of new vehicles sold in the year* ⁸	Number of vehicles sold, fuel efficiency, lifetime mileage	
12 End-of-life treatment of sold products* ⁶	10.01	10.06	10.85	Automobiles		Calculate GHG emissions per unit of standard model vehicle to determine the correlation between the weight of the vehicle and GHG emissions. Use this figure to calculate the total GHG emissions from the total number of vehicles produced/sold and their respective weights	
13 Downstream leased assets* ⁷	–	–	0.02	All business segments		Number of leased vehicles, total floor area	
14 Franchises	4.65	4.07	3.85	Automobiles	Distributor and dealership operations	Energy consumption (by type)	
15 Investments	0.07	0.13	0.12	All business segments	Toyota Motor Corporation deemed held shares	Divide Scope 1 and 2 emissions for Toyota's stock holdings according to the proportion of shares held by the company	
Total	(400.13)	581.19	587.46◆				

<Target scope>

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

<Calculation Method>

• Emissions from other companies and customers that are linked to the business activities of consolidated subsidiaries are covered. However, this year's calculation scope is limited to the automotive sector, which represents the majority of sales. The scope covers all business areas for categories where it is difficult to separate data for each business.

• The main calculation method used is "activity volume × emission factor". The main calculation targets, activity volume, and emission factors are described as follows.

*1 Emissions related to purchased service parts are revised in line with the Japan Automobile Manufacturers Association (JAMA) guidelines

*2 Recorded under Scope 1 and 2

*3 Adjustments to the calculation scope are made based on the GHG Protocol (with a focus on Scope 1 and 2 emissions for vehicle models with cargo beds by unconsolidated subsidiaries

*4 • Data from Toyota Motor Corporation brands and Daihatsu Motor corporation brands are listed in Category 11
• For Toyota Motor Corporation, Category 11 is calculated from the average fuel efficiency of vehicles (excluding the freight category in the regulations for fuel efficiency, as well as trucks and buses) in Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand and Indonesia

*5 Since 2022, calculation conditions have been changed based on SBTi guidance
• Fuel efficiency figures for each vehicle have been standardized based on WLTP and 10% is added to reflect actual fuel efficiency
• The SBTi guidance was used for annual driving distance, and the IEA Mobility Model was used for the number of years of vehicle lifecycle
• Figures cover global sales and include the freight category in fuel efficiency regulations as well as trucks and buses

*6 Calculation conditions are adjusted based on the Japan Automobile Manufacturers Association (JAMA) guidelines

*7 Some emissions are recorded under Category 11 in Scope 3

*8 Emissions from product use are calculated based on the lifecycles of new vehicles sold in FY2024. Annual emissions are calculated for other categories

*9 Only Categories 1 and 11 are calculated on a GHG emissions basis (10,000 t-CO₂e)
Category 1: GHG emissions are primarily used as the basis for all fiscal years (10,000 t-CO₂e)
Category 11: GHG emissions are used as the basis for FY2023 and FY2024 only (10,000 t-CO₂e)

<Third-party assurance>
◆ : Values verified through third-party assurance

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Greenhouse Gases (GHG)

Energy

Water

Recycling

Waste

VOC, NOx, SOx

Reference factors

E

Average CO₂ Emissions from New Vehicles: Global

SASBTR-AU-410a.1GRI302-5, 305-5

(g-CO₂e/km)

By country & region	2021	2022	2023
U.S.	146.0	141.4	142.8
Canada	134.9	131.7	120.4
Brazil	101.5	100.1	98.5
Europe	113.2	109.9	107.1
Japan	125.0	120.3	114.0
China	136.1	133.4	128.7
Taiwan	144.2	140.9	140.1
India	152.3	137.6	126.0
Thailand	163.1	155.8	148.0
Indonesia	158.4	150.3	142.9
Saudi Arabia	159.4	149.7	141.8
Australia	172.8	170.2	164.4
South Africa	179.6	180.9	184.9

<Target scope>

Toyota Motor Corporation (excluding consolidated subsidiaries)

Tank to Wheel (TtW) figure in fuel efficiency/CO₂/GHG regulation test mode in each country and region (NEDC mode used for Thailand, Indonesia, and South Africa)

Excludes the cargo category in regulations for fuel efficiency/CO₂/GHG in each country and region as well as trucks and buses

F

Electrified Vehicles Sales: Global

SASBTR-AU-410a.2Third-party assurance2023 data

(thousand units)

By type	2021	2022	2023
Hybrid electric vehicles (HEVs)	2,565	2,720	3,594
Plug-in hybrid electric vehicles (PHEVs)	116	88	141
Battery electric vehicles (BEVs)	16	38	117
Fuel cell electric vehicles (FCEVs)	5	3	4
Total	2,703	2,849	3,855◆

(%)

	2021	2022	2023
Ratio of electrified vehicles sold	24.6	29.6	37.4

<Target scope>

Toyota Motor Corporation branded electrified vehicles

<Third-Party Assurance>

◆: Values verified through third-party assurance

G

Progress in Reduction Target Validated and Approved by Science Based Targets Initiative (SBTi)*

1) Emissions reduction targets

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

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

2) Progress in reducing Scope 1 and 2 emissions

	2023 Results	2035 Targets
Emissions from vehicle production sites (production processes) of Toyota Motor Corporation, consolidated subsidiaries, and unconsolidated subsidiaries (compared to 2019 levels)	14% reduction	68% reduction

<Target scope>

Production processes at vehicle production sites of Toyota Motor Corporation, consolidated subsidiaries, and unconsolidated subsidiaries

3) Progress in reducing Scope 3 Category 11

	2023 Results	2030 Targets	
Average GHG emissions from new vehicles (compared to 2019 levels)	Passenger light duty vehicles and light commercial vehicles	10.3% reduction	Reduction of 33.3% or more
	Medium and heavy freight trucks	12.4% reduction	Reduction of 11.6% or more

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

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Energy

H Energy Used & Energy Intensity: Global

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

Third-party assurance

2023 data

(PJ ¹)			
By region	2021	2022	2023
Toyota Motor Corporation	10.2	11.3	12.1
Japan (excluding Toyota Motor Corporation)	19.4	23.2	22.8
North America	13.3	15.4	16.0
Europe	3.2	3.7	3.5
Asia	7.7	9.1	10.0
Others (South America, Oceania, Africa, Middle East)	1.8	7.3	9.5
Total	55.6	70.1	73.9◆

(PJ ¹)			
By type	2021	2022	2023
Electricity	22.7	23.5	22.4
City gas	14.7	12.8	12.7
Natural gas	12.1	12.9	12.8
LPG	1.3	1.7	1.6
LNG	0.1	0.03	0.04
Coke	0.3	0.3	0.2
Coal	0.001	0.0004	0
Heavy oil A	0.4	0.5	0.6
Diesel oil	0.2	2.2	2.2
Kerosene	0.1	0.3	0.2
Steam	0.01	0.003	0.02
Hot water	0.01	0.1	0.14
Renewable energy	3.5	8.0	10.7
Others	0.1	7.8	10.4
Total	55.6	70.1	73.9◆

(GJ ² /unit)			
	2021	2022	2023
Per unit produced	6.84	8.36	8.28

<Calculation Method>
Calculated based on final energy consumption

<Target scope>
• 2021 (CY): Production sites of Toyota Motor Corporation and consolidated subsidiaries
• 2022/2023 (FY): Toyota Motor Corporation and all of consolidated subsidiaries

<Third-Party Assurance>
◆: Values verified through third-party assurance

 P.57 Environmental Data (Reference Factors)

*1 Petajoule: Peta represents 10¹⁵ and a joule is a unit of energy
*2 Gigajoule: Giga represents 10⁹ and a joule is a unit of energy

Water

I Water Withdrawal: Global

GRI 303-3

Third-party assurance

2023 data

(million m ³)			
By region	2021	2022	2023
Toyota Motor Corporation	5.7	5.7	5.9
Japan (excluding Toyota Motor Corporation)	12.5	12.0	12.7
North America	6.5	6.5	6.9
Europe	1.5	1.3	1.3
Asia	6.2	6.2	6.2
Others (South America, Oceania, Africa, Middle East)	1.3	1.3	1.5
Total	33.7	33.0	34.5◆

(million m ³)			
By water source	2021	2022	2023
Surface water	0.2	0.2	0.3
Groundwater	6.7	6.9	6.9
Seawater	0	0	0
Produced water	0	0	0
Third-party water	26.8	25.8	27.2
Total	33.7	33.0	34.5◆

(m ³ /unit)			
	2021	2022	2023
Per unit produced	4.34	3.93	3.86

<Target scope>
• Production sites of Toyota Motor Corporation and consolidated subsidiaries

<Third-Party Assurance>
◆: Values verified through third-party assurance

J Water Discharge: Global

GRI 303-4

(million m ³)			
By water discharge destination	2021	2022	2023
Surface water	27.1	26.5	26.9
Groundwater	0	0	0
Seawater	2.0	1.9	2.2
Third-party water	2.8	3.4	3.4
Total	31.9	31.7	32.5

<Quality Management of Water Discharge>
• Indicators* specified in the regulations of each country (BOD, COD, nitrogen, phosphorous, pH, etc.) are strictly managed by each plant by setting its own control standards that are stricter than the standard values specified by the regulations of each country.
* Biological oxygen demand (BOD), chemical oxygen demand (COD), nitrogen, phosphorus, pH, etc.

<Target scope>
• Production sites of Toyota Motor Corporation and consolidated subsidiaries

K Water Consumption: Global

GRI 303-5

(million m ³)			
	2021	2022	2023
Water Consumption	1.8	1.2	1.9

<Calculation Method>
• Calculated using the formula below in accordance with GRI 303
• Water consumption = (Water withdrawal) - (Water discharge)

<Target scope>
• Production sites of Toyota Motor Corporation and consolidated subsidiaries

L Recycled Water: Global

(million m³)

	2021	2022	2023
Recycled Water	1.3	1.9	3.7

<Target scope>
• Production sites of Toyota Motor Corporation and consolidated subsidiaries

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VOC, NOx, SOx

Reference factors

Recycling

M

Raw Materials Used and Recycled Materials Use Rate: Global

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

(million tons)

Amount of raw materials used ^{*1}	2021	2022	2023
All materials	13.66	14.53	16.05
Iron	8.83	9.39	10.38
Aluminum	1.25	1.32	1.47
Others	3.58	3.81	4.21

(%)

Ratio of recycled materials used ^{*1}	2021	2022	2023
Ratio of recycled materials used in raw materials	25	25	25

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

N

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

GRI 301-3

(thousand units)

	2021	2022	2023
Amount of appropriate end-of-life vehicle treatment and recycling processed	585	503	476

(%)

Recycling rate	2021	2022	2023
Vehicle recovery rate ^{*2} (converted into a per-vehicle value)	99	99	99
ASR ^{*3} recycling rate ^{*4}	96	97	96

(thousand tons)

	2021	2022	2023
ASR processing volume	136	118	112

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

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

*4 Amount recycled/amount collected

O

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

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

(units)

		2021		2022		2023	
Remanufactured parts	Automatic transmission	655	65	640	107	624	101
	Continuously Variable Transmission (CVT)	7,788	–	7,280	–	6,864	–
	Power steering gear	3,429	1,782	3,867	2,128	3,452	2,522
	Torque converter	645	2,265	613	2,655	652	2,518
	Used parts	21,008	–	18,195	–	16,512	–

P

Parts Recycled: Toyota Motor Corporation

GRI 301-3

(units)

	2021	2022	2023
Drive battery	41,366	45,547	44,694

(units)

	2021	2022	2023
FC stack	39	41	9

(tons)

	2021	2022	2023
Magnet ^{*5}	7.5	6.5	6.0
Lead wheel balance weight ^{*6}	58.4	62.9	52.8

(million pieces)

	2021	2022	2023
Bumper	54.4	53.2	50.4

*5 Magnets used in drive motors

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

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

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Waste

Q

Waste: Global

SASB

TR-AU-440b.1

GRI

306-3

Third-party assurance

2023 data

(thousand tons)

By region	2021	2022	2023
Toyota Motor Corporation	24	23	29
Japan (excluding Toyota Motor Corporation)	115	111	107
North America	35	47	48
Europe	14	11	11
Asia	26	30	35
Others (Oceania, South America, Africa, Middle East)	10	10	10
Total	223	233	239◆

(thousand tons)

By disposal operations ^{*1}	2021	2022	2023
Recycling for a fee ^{*2}	152	162	171
Incineration	50	51	46
Landfilling	21	20	22
Total	223	233	239◆

(thousand tons)

By type ^{*3}	2021	2022	2023
Non-hazardous waste	192	199	207
Hazardous waste	31	34	33
Total	223	233	239◆

(kg/unit)

Per unit produced	2021	2022	2023
	28.8	27.8	26.8

<Target scope>

- Production sites of Toyota Motor Corporation and consolidated subsidiaries

^{*1} Data by disposal operations is exempt from third-party verification

^{*2} Costs incurred for recycling items. Excludes valuable materials

^{*3} Data by type is exempt from third-party verification

<Third-Party Assurance>

◆: Values verified through third-party assurance

VOC^{*4}, NOx^{*5} & SOx^{*6}

R

VOC Emissions: Global

GRI

305-7

(thousand tons)

	2021	2022	2023
VOC	25.6	22.7	24.2

<Target scope>

- Production sites of Toyota Motor Corporation and consolidated subsidiaries

^{*4} Volatile organic compound

S

NOx & SOx Emissions: Global

GRI

305-7

(tons)

	2021	2022	2023
NOx	167	1,508	1,667
SOx	347	408	532

<Target scope>


- 2021: Production sites of Toyota Motor Corporation and consolidated subsidiaries (figures reported the previous year)
- 2022/2023: All of Toyota Motor Corporation and consolidated subsidiaries

<Calculation Method>

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

^{*5} Nitrogen oxides

^{*6} Sulfur oxides

 **P.57** Environmental Data (Reference Factors)

Reference Factors (For FY2024 Calculations)

B

CO₂ Emissions & CO₂ Emissions Intensity

Scope 1 (Direct Emissions) & Scope 2 (Energy-related Indirect Emissions): Global

Electricity:

- Japan: Supplier-specific emission factors (adjusted emission factors) applied for specified emitters' greenhouse gas emissions reporting in 2024, published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan
- Outside of Japan: Supplier-specific emission factors (for sites where these are unavailable, the emission factors for 2021 from the "Emissions Factors 2023" published by the IEA are used.)

Other Than Electricity:

- "Explanation of the Standard Calorific Value and Carbon Emissions Factors by Energy Source (FY2019 revised edition)" by the Agency for Natural Resources and Energy of Japan
- "Greenhouse Gas Emissions Accounting and Reporting Manual (Ver. 4.9)" by the Ministry of the Environment and the Ministry of Economy, Trade and Industry of Japan

D

CO₂ Emissions

Scope 3 (Other Indirect Emissions): Global

Source: Database name	Categories														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
"Emissions Units Database for Accounting for Organizations' Greenhouse Gas Emissions, etc. Throughout the Supply Chain" by the Ministry of the Environment of Japan	●	●	●		●		●						●	●	
LCI Database IDEA version 3.3 (15 April, 2024) IDEA Laboratory, Research Institute of Science for Safety and Sustainability, National Institute of Advanced Industrial Science and Technology (AIST)	●		●			●	●				●			●	
Calculated based on the 2021 actual figures of IEA's "Emissions Factors 2023," "World Energy Outlook 2023," "Data & Statistics," and LCA for Experts Databases	●		●							●				●	
Figures from Mizuho Information & Research Institute (now, Mizuho Research & Technologies, Ltd.)			●											●	
Japanese Act on Promotion of Global Warming Countermeasures Ministry of the Environment of Japan "Greenhouse Gas Emissions Accounting and Reporting Manual"	●						●			●				●	
IEA "Emissions Factors 2022"											●		●		
Automobile fuel efficiency list of the Ministry of Land, Infrastructure, Transport and Tourism of Japan											●				
"Explanation of the Standard Calorific Value and Carbon Emissions Factors by Energy Source (FY2019 revised edition)" by the Agency for Natural Resources and Energy of Japan	●									●				●	
Carbon footprint guidelines for automobile products 2024 from the Japan Automobile Manufacturers Association (JAMA)												●			
Joint guidelines on methods for calculating carbon dioxide emissions in the logistics sector from the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism of Japan				●					●						

H

Energy Used & Energy Intensity: Global

Electricity: Other Than Electricity:

• 3.6 GJ/MWh • "Explanation of the Standard Calorific Value and Carbon Emissions Factors by Energy Source (FY2019 revised edition)" by the Agency for Natural Resources and Energy of Japan

S

NOx & SOx Emissions: Global

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

Updated in October 2024

FY2024 Review of the 7th Toyota Environmental Action Plan (2025 Target)

GRI 413-1

■ Toyota is promoting the 7th Toyota Environmental Action Plan (2025 Target), a five-year action plan to achieve the Toyota Environmental Challenge 2050

■ We promoted initiatives in all 23 items, making steady progress in general in FY2024

Evaluation Legend

✓✓: Progressed smoothly

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

—: Target not achieved

Six Challenges	No.	Action Items	Specific Actions and Targets	Progress Results in FY2024	Evaluation
New Vehicle Zero CO ₂ Emissions Challenge <div>Third-party Assurance 2023 data</div>	1	Average CO ₂ emissions from new vehicles	<div>● Reduce global*¹ average CO₂ emissions (TtW*², g/km) from new vehicles by 30 percent or more compared to 2010 levels</div> <div>*1. Countries and regions: Japan, U.S., Europe, China, Canada, Brazil, Saudi Arabia, India, Australia, Taiwan, Thailand and Indonesia</div> <div>*2. TtW (Tank to Wheel): CO₂ emissions during driving (CO₂ emissions during the production stage of the fuel and electricity are not included; TtW emissions are zero in the case of battery electric vehicles and fuel cell electric vehicles)</div>	● Reduced by 29 percent compared to 2010 levels◆	✓✓
	2	Electrified vehicles	● Make cumulative sales of 30 million electrified vehicles or more	● Achieved cumulative sales of 27.01 million vehicles◆ (FY2024 sales were 3.855 million vehicles◆)	✓✓
Plant Zero CO ₂ Emissions Challenge	3	CO ₂ emissions from plants	<div>● Reduce CO₂ emissions by implementing innovative technologies and daily kaizen and introducing renewable energy</div> <div>● Reduce CO₂ emissions from global plants by 30 percent compared to 2013 levels</div>	<div>● Accelerated CO₂ emissions reduction activities by developing and introducing low-CO₂ production technologies and globally sharing of daily kaizen practices through shop-oriented environmental activities</div> <div>● Reduced CO₂ emissions from global plants by 33 percent compared to 2013 levels</div>	✓✓
			● Achieve a 25 percent introduction rate for renewable electricity	<div>● Purchased renewable energy, taking into consideration the characteristics of each country and region</div> <div>● Achieved a 28 percent global introduction rate for renewable energy</div> <div>● Continued to maintain 100% renewable electricity introduction rate at all plants in Europe and South America</div>	✓✓
			● Promote proactive technological development to utilize hydrogen	● Implementing some demonstration projects for hydrogen utilization at the Honsha Plant and the Motomachi Plant	✓✓
Life Cycle Zero CO ₂ Emissions Challenge	4	Life cycle CO ₂ emissions	● Reduce CO ₂ emissions by 18 percent or more throughout the entire vehicle life cycle compared to 2013 levels	● Reduce CO ₂ emissions by 17 percent over the vehicle life cycle compared to 2013 levels	✓✓
	5	Logistics	<div>● Japan</div> <div>● Reduce CO₂ emissions by 7 percent by improving transport efficiency compared to 2018 levels (average of 1 percent reduction per year)</div> <div>● Japan ⇄ Other regions</div> <div>● Reduce CO₂ emissions by ocean-going vessels (Switch two car carriers to liquid natural gas (LNG) powered pure car carriers)</div>	<div>● Japan</div> <div>● Reduced CO₂ emissions by 5 percent compared to 2018 levels by improving transportation efficiency (average annual reduction of 1%)</div> <div>● Implemented transport efficiency improvements including loading efficiency improvements, joint transport, modal shifts*³ and use of tandem trailers</div> <div>*3 Switching from cargo transport by land to transportation means with less environmental impact, such as railway and ships</div> <div>● Japan ⇄ Other regions</div> <div>● Conversion of two car carrier ships to liquefied natural gas (LNG) vessels in 2023 (Total of 5 carriers in operation as of October 2024)</div>	✓✓
	6	Suppliers	● Promote CO ₂ emissions reduction activities among major suppliers	● Engaged in communication with suppliers in each region and promoted activities in accordance with local situation	✓✓
	7	Dealers and distributors	● Achieve 100 percent introduction rate for CO ₂ emissions reduction items at newly constructed and remodeled dealers	● Achieved 100 percent introduction rate for CO ₂ emissions reduction items at newly constructed and remodeled dealers: 73 major countries and regions, including Japan, North America, Europe, Asia, South America and Oceania, Africa	✓✓

<Third-Party Assurance>
◆: Values certified through third-party assurance

Evaluation Legend
✔✔: Progressed smoothly
✔: Target expected to be achieved by FY2026 although there are some issues
—: Target not achieved

Six Challenges	No.	Action Items	Specific Actions and Targets	Progress Results in FY2024	Evaluation
Challenge of Minimizing and Optimizing Water Usage	8	Water quantity	<ul style="list-style-type: none">Reduce water usage taking the water environment in each country and region into considerationPromote wastewater recycling, rainwater use, and various activities including daily kaizenReduce global water usage by 3 percent per vehicle produced compared to 2013 levels (reduce by 34 percent compared to 2001 levels)Complete measures at 2 Challenge-focused plants where the water environment is considered to have a large impact	<ul style="list-style-type: none">Promoted the adoption of kaizen measures in accordance with local conditions in each country and region, and implemented efforts to reduce water usagePromoted daily kaizen, wastewater recycling, and rainwater use, etc. as part of efforts to achieve the targetReduced by 20 percent compared to 2013 levelsPromoted measures at challenge-focused plants	✔✔
	9	Water quality	<ul style="list-style-type: none">Thoroughly manage water discharge quality under internal standards that are stricter than regulatory standardsContinuously assess the impact of wastewater at all plants where it is discharged directly into a river	<ul style="list-style-type: none">Continued to manage wastewater quality under internal standards that are stricter than regulatory standardsConducted assessment at all plants where it is discharged directly into a river	✔✔
Challenge of Establishing a Recycling-based Society and Systems	10	Toyota Global 100 Dismantlers Project	<ul style="list-style-type: none">Complete setup of 15 model facilities for appropriate treatment and recycling of end-of-life vehicles	<ul style="list-style-type: none">Completed 18 model facilities for the appropriate treatment and recycling of end-of-life vehicles	✔✔
			<ul style="list-style-type: none">Continuously accelerate easy-to-dismantle designs<ul style="list-style-type: none">Integrate easy-to-dismantle designs to respond to appropriate treatment and recycling of end-of-life vehicles and resource issues, and provide appropriate information (large batteries, fuel cell (FC), hydrogen tank)	<ul style="list-style-type: none">Continued to integrate easy-to-dismantle designs into new models	✔✔
	11	Toyota Global Car-to-Car Recycle Project	<ul style="list-style-type: none">Establish a safe and efficient system for Battery 3R^{*1}, eyeing the widespread use of electrified vehicles<ul style="list-style-type: none">Aim to maximize collection and detoxification of end-of-life batteries globallyStart operating Battery 3R throughout 5 regions—Japan, U.S., Europe, China, and Asia <p>^{*1} Reduce, Rebuilt/Reuse, and Recycle</p>	<ul style="list-style-type: none">Japan<ul style="list-style-type: none">Developed stationary storage battery systems using storage batteries for EVs and start of verification testingStarted verification testing for recycling batteries to sort and recover rare metals without incinerating the batteriesOverseas<ul style="list-style-type: none">Agreement to expand collaboration with Redwood Materials (North America) on recycling used batteries and the creation of a circular supply chainStart of collaboration with Cirba Solutions (North America) on the collection and recycling of car batteries following the conclusion of a contract	✔✔
			<ul style="list-style-type: none">Develop technologies to utilize recycled materials (especially plastics) in accordance with the conditions in each region<ul style="list-style-type: none">Promote utilization by technological development to optimally exploit recycled materials in Europe and to increase the supply of recycled materials in Japan	<ul style="list-style-type: none">Began concrete studies to expand the utilization of recycled materials in response to the circular economyStep-by-step application of the use of recycled plastics starting with the Prius in December 2022 and expanding to the Land Cruiser 250 in FY2024 with the aim of achieving the target to expand use of recycled plastics by 2030 (see p. 32 for details of the initiative)	✔✔

Evaluation Legend
✔✔: Progressed smoothly
✔: Target expected to be achieved by FY2026 although there are some issues
—: Target not achieved

Six Challenges	No.	Action Items	Specific Actions and Targets	Progress Results in FY2024	Evaluation
Challenge of Establishing a Future Society in Harmony with Nature	12	Toyota Green Wave Project	<ul style="list-style-type: none">Realize “Plant in Harmony with Nature”—6 in Japan and 4 in other regionsPromote activities to connect with local communities in collaboration with affiliated companiesStart activities promoting harmony with nature in collaboration with local communities and companies toward biodiversity conservation	<ul style="list-style-type: none">Established 5 plants in Japan and 4 model plants overseas and continued to promote initiatives by sharing know-how with other plants (One plant in Japan has been certified as a Shizen Kyosei Site by the Ministry of the Environment of Japan and has been added to the OECM database)Promoted activities in collaboration with 22 Toyota Group companies and global affiliates (Number of activities: 983)	✔✔
	13	Toyota Today for Tomorrow Project	<ul style="list-style-type: none">Globally strengthen conservation of endangered species, which symbolize biodiversity, in collaboration with NGOs and others	<ul style="list-style-type: none">In FY2021, completed a support agreement and other memorandums of cooperation with the IUCN for the assessment of endangered species and the selection of projects to be supported by the Toyota Environmental Activities Grant Program	—
	14	Toyota ESD*1 Project	<ul style="list-style-type: none">Implement globally unified initiatives to foster environmentally conscious persons responsible for the future<ul style="list-style-type: none">Offer environmental education opportunities by utilizing biotopes and others in collaboration with the Plant in Harmony with NatureFoster environmentally conscious persons at both in-house and outside sites, including plants and the Forest of Toyota, by utilizing educational tools in harmony with nature for the next generation <p>*1 Education for Sustainable Development</p>	<ul style="list-style-type: none">Conducted environmental education programs around the world [Case in Japan]<ul style="list-style-type: none">Environmental study session: Plant in Harmony with Nature (45 sessions, including online sessions); The Forest of Toyota (271 sessions)	✔✔
Environmental Management	15	Chemical substances	<ul style="list-style-type: none">Implement thorough management by carefully considering legal trends in each country and region	<ul style="list-style-type: none">Steadily introduced vehicles that comply with the latest regulations and restricted substancesPromoted continued evaluation of and improvements to the chemical substance management system together with affiliates and suppliers in each region	✔✔
	16	Air quality	<ul style="list-style-type: none">Product Steadily introduce low-emission vehicles and boost further improvement by introducing and increasing ZEVs*2 <p>*2 Zero Emission Vehicles: Vehicles that have the potential not to emit any CO₂ and NO_x (nitrogen oxide) during driving such as battery electric vehicles (BEVs) and fuel cell electric vehicles (FCEVs)</p> <ul style="list-style-type: none">Production Continue volatile organic compound (VOC) emissions reduction activities and maintain industry-leading level	<ul style="list-style-type: none">Product<ul style="list-style-type: none">In response to stricter exhaust gas regulations in various countries and regions, introduced vehicles that satisfy those regulationsProduction<ul style="list-style-type: none">Promoted a switch to water-based paint for painting bumpersImplemented initiatives to completely eliminate the use of ozone-depleting substances (ODS) with no significant emissions of these substances	✔✔
	17	Waste	<ul style="list-style-type: none">Promote activities to thoroughly reduce waste globally and aim to minimize the volume of resource input and waste, with the environment and economy in balance	<ul style="list-style-type: none">Promoted activities to reduce waste through development and deployment of waste reduction-oriented production technologies and daily kaizen activities	✔✔
	18	Logistics packaging	<ul style="list-style-type: none">Implement initiatives to reduce and recycle plastics used in packaging and recycle them	<ul style="list-style-type: none">Continued to promote the reduction of plastics used in packaging by reviewing packaging specifications and active use of recycled materials	✔✔
	19	Risk Management	<ul style="list-style-type: none">Thoroughly comply with environmental laws and regulations and strengthen proactive prevention activities for environmental risks in each country and region	<ul style="list-style-type: none">There were 4 environmental non-compliance issues in the production area (4 in Japan and 0 in other regions) and 5 abnormality/complaint in the non-production area (2 in Japan and 3 in other regions), for which countermeasure were completedThere were no significant violations of environmental laws and regulations and environmental non-compliance issues	✔✔

Updated in January 2025

Third-Party Assurance



Independent Practitioner's Limited Assurance Report

To Mr. Koji Sato, Representative Director and President of Toyota Motor Corporation

We have undertaken a limited assurance engagement in respect of the information listed below and identified with a ♦ (diamond) (the "Identified Sustainability Information") in Toyota Motor Corporation's (the "Company") Sustainability Data Book for the year ended March 31, 2024 (Last updated: January 2025) (the "SDB").

Identified Sustainability Information

The Identified Sustainability Information for the year ended March 31, 2024 is summarized below:

Identified Sustainability Information	Amount	(unit)
CO ₂ Emissions: Scope 1 (Direct Emissions)	2.56	(million t-CO ₂)
CO ₂ Emissions: Scope 2 (Energy-related Indirect Emissions)	2.87	(million t-CO ₂)
CO ₂ Emissions: Scope 3 Total (Other Indirect Emissions)	587.46	(million t-CO ₂)
CO ₂ Emissions: Scope 3 Category 11 (Use of sold products)	436.28	(million t-CO ₂ e)
Reduction rate of average CO ₂ Emissions from New Vehicles	29	(%)
Sales of Electrified Vehicles (Achieved cumulative sales)	27.01	(million vehicles)
Sales of Electrified Vehicles (FY2024 sales)	3.555	(million vehicles)
Energy Used	73.9	(PJ)
Water Withdrawal	34.5	(million m ³)
Waste	239	(thousand tons)

Our assurance was with respect to the information for the year ended March 31, 2024 only and we have not performed any procedures with respect to earlier periods or any other elements included in the SDB and, therefore, do not express any conclusion thereon.

Reporting criteria

The reporting criteria used by the Company to prepare the Identified Sustainability Information (the "Criteria") is set out in section "Environmental Data (updated in October 2024)" in the SDB and "FY2024 Review of the 7th Toyota Environmental Action Plan (2025 Target) (Updated in October 2024)" in the SDB.

The Company's responsibility

The Company is responsible for the preparation of the Identified Sustainability Information in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of Identified Sustainability Information that is free from material misstatement, whether due to fraud or error.

Inherent limitations

The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities. In addition, Greenhouse Gas quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory

PricewaterhouseCoopers Sustainability LLC

Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-ku, Tokyo 100-0004, Japan
T: +81 (3) 6212 6820, F: +81 (3) 6212 6821, www.pwc.com/jp/sustainability



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The Identified Sustainability Information for the year ended March 31, 2024 is summarized below:

The Identified Sustainability Information for the year ended March 31, 2024 is summarized below:

Identified Sustainability Information	Amount	(unit)
Cumulative CO ₂ Emissions Reduction Effect from Electrified Vehicles	197	(million t-CO ₂)
Items to Reduce GHGs: Global deployment of off-cycle technologies	6.174	(million t-CO ₂ e)
Items to Reduce GHGs: Guidance on energy-saving routes	0.087	(million t-CO ₂ e)
Items to Reduce GHGs: Internal circulation control for air conditioning (Two-layer-HVAC)	0.493	(million t-CO ₂ e)
Items to Reduce GHGs: Eco-SW (Drive mode switch)	0.462	(million t-CO ₂ e)
Items to Reduce GHGs: S-FLOW (A/C airflow control with occupant detection)	0.043	(million t-CO ₂ e)
Items to Reduce GHGs: Predictive SOC control (pre-parking charge/ discharge control)	0.00299	(million t-CO ₂ e)

Our assurance was with respect to the information for the year ended March 31, 2024 only and we have not performed any procedures with respect to earlier periods or any other elements included in the SDB and, therefore, do not express any conclusion thereon.

The reporting criteria used by the Company to prepare the Identified Sustainability Information (the "Criteria") is set out in section "Calculation Methods for FY2024 (Items to Reduce GHGs, Cumulative CO₂ Emissions Reduction Effect from Electrified Vehicles) (updated in January 2025)" in the SDB. Since the Criteria is set out only for this engagement, the Identified Sustainability Information prepared using the Criteria may not be suitable for other purposes.

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Inherent limitations

Greenhouse Gas quantification is subject to inherent uncertainty because of such things as emissions factors that are used in mathematical models to calculate emissions and the inaccuracy of those models, due to incomplete scientific knowledge and other factors, to precisely characterise under all circumstances the relationship between various inputs and the resultant emissions. Environmental and energy use data used in Greenhouse Gas emissions calculations are subject to inherent limitations, given the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques may result in materially different measurements.

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compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Sustainability Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, and, in respect of greenhouse gas emissions, International Standard on Assurance Engagements 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board.

These standards require that we plan and perform this engagement to obtain limited assurance about whether the Identified Sustainability Information is free from material misstatement. A limited assurance engagement involves assessing the suitability in the circumstances of the Company's use of the Criteria as the basis for the preparation of the Identified Sustainability Information, assessing the risks of material misstatement of the Identified Sustainability Information whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Identified Sustainability Information. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation, inspection, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. We primarily:

- made inquiries of the persons responsible for the Identified Sustainability Information;
- obtained an understanding of the process for collecting and reporting the Identified Sustainability Information;
- performed analyses of the Identified Sustainability Information to check that data had been appropriately measured, recorded, collated and reported, and performed limited substantive testing on a sample basis; and
- considered the disclosure and presentation of the Identified Sustainability Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company's Identified Sustainability Information has been prepared, in all material respects, in accordance with the Criteria.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's Identified Sustainability Information for the year ended March 31, 2024 is not prepared, in accordance with the Criteria.

Restrictions on Use

This assurance report has been prepared solely for the purpose of providing management of the Company with assurance on the Identified Sustainability Information prepared in accordance with the Criteria and should not be used for any other purpose. To the fullest extent permitted by law, we assume no responsibility to anyone other than the Company and management for our work or for this report.

PricewaterhouseCoopers Sustainability LLC

Tokyo, Japan
January 8, 2025

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Updated in June 2024

Respect for Human Rights



GRI 2-25, 26, 30, 3-3, 409-1, 414-2

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Fundamental Approach

Aim

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

Initiative

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

[Toyota’s Human Rights Policy](#) [Supplier Sustainability Guidelines](#)

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

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

Organizational Structure

Aim

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

Initiative

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

[P.7 Organizational Structure](#)

Policy Development and Dissemination

Aim

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

Initiative

Development of Human Rights policies

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

Dissemination within the company

- In August 2022, Human Rights training content was developed, and all current Toyota Motor Corporation employees completed the human rights training. To continuously educate the workforce and eliminate any gaps, the training content has been incorporated into the induction material for recruits in the organization.
- The following measures are being implemented to raise employees’ awareness on human rights and provide access to necessary information as required:
 - Addition of section on human rights in the Toyota Code of Conduct (October 2023)
 - Launch of human rights site containing educational content and ESG-related information on the company’s intranet (December 2023)
- The human rights policy was further rolled out to other regional Toyota affiliates.
- Through the Supplier Sustainability Guideline cascaded to 1st Tier Suppliers, we expect the suppliers to embed the policy in their own operation and disseminate it to their supply chain.
- Incorporate specific Human Rights statements to the Dealer Basic Contracts, and the new business planning guidelines.

[P.68 Education Related to Human Rights](#)

Human Rights Due Diligence

Aim	
<p>■ Continuously identify and assess risks related to Human Rights impacts on stakeholders, while ensuring mitigation and preventative measures are implemented.</p>	
Initiative	
Identification and Assessment	<ul style="list-style-type: none"> The methodology, process, and actions are developed in line with various international standards and norms For issues related to the automotive industry, Toyota consults Human Rights experts and other relevant stakeholders to classify and analyze the risks from two viewpoints: the impact on stakeholders and relevance to Toyota's business* * For raw materials, we consider the sourcing region, quantity, and type of material Reporting and risk assessment are conducted within the framework of the organization for sustainability management (Sustainability Subcommittee)
Prevention	<ul style="list-style-type: none"> Continuous Risk Monitoring operations include: Business partner collaboration, interaction with Human Rights associations, affected stakeholder consultations, and Human Rights risk research
Mitigation	<ul style="list-style-type: none"> For each of the prioritized risks, Toyota develops a risk mitigation plan through an agreement with the affected stakeholders while also being guided by specialist external bodies These plans are tracked and reviewed annually by the human-rights-related functions to evaluate their progress and effectiveness, while the need for improvement is also determined
Remedy	<ul style="list-style-type: none"> Development and implementation of a Grievance Mechanism <ul style="list-style-type: none"> Internal: Speak Up Hotline Consolidated subsidiaries: Toyota Consolidated Helpline Migrant workers: JP MIRAI Speak Up for Migrant Workers Toyota Dealers: Helpline for Dealers <div> P.125 Speak-up P.66 Collaboration with JP-MIRAI </div>

Engagement with Business Partners (Supply Chain Due Diligence)

- **Supplier Sustainability Guidelines** include requirements for suppliers to ensure compliance with laws and regulations, and to respect Human Rights.
- Toyota works together with suppliers on risk monitoring, tracking, and remediation, which also provides guidance and support for potentially affected stakeholders.
- Methods for working with suppliers include:
 - Directly collaborating with Tier 1 suppliers and group companies.
 - Collaborating with Tier 1 suppliers and other stakeholders to work with Tier 2 suppliers and beyond.
 - In December 2022, Toyota's approach to promote human rights due diligence and initiatives was featured at the Human Rights Risk Management Committee of Kyohokai, a voluntary organization consisting of suppliers to Toyota. Study meetings will continue to be held on a regular basis beyond 2023, with ongoing collaboration to minimize human rights risks (themes: LGBTQ, foreign technical intern trainees, etc.)

Engagement with stakeholders

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

Stakeholders	Content
	<ul style="list-style-type: none"> Consult to identify human rights risks related to the automotive industry Participate in the Human Rights Working Group (2 sessions per year) and the seminars (4 sessions per year) <ul style="list-style-type: none"> Grasp human rights legislation trends and current affairs Network with other participating organizations Share human rights practices among the participating companies
	<ul style="list-style-type: none"> Proactively participating by responding to surveys on human rights <ul style="list-style-type: none"> Benchmark best practices from top leading companies Engage in dialogue with each organization to confirm assessment details
	<ul style="list-style-type: none"> Participate in seminars and conferences <ul style="list-style-type: none"> Network with other participating companies Share human rights practices among the participating companies Acquire the latest ILO insights
	<ul style="list-style-type: none"> Consult to mitigate forced labor/migrant labor risks (Support on issuing the Modern Slavery Report, recommendations on company activities, etc.) Collaborate to implement on-site engagement surveys
	<ul style="list-style-type: none"> Collaborate with multi-stakeholders on a framework that enables a grievance mechanism for migrant workers Participate in seminars on issues related to migrant labor Exchange opinions with participating companies and participate in subcommittee meetings

2023 Priority Salient Risks

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

2024 Priority Salient Risks

- Toyota continues to focus on priority salient risks in supply chain due diligence, forced labor, child labor, harassment, and discrimination (gender).
- We are also considering reviews of processes for selecting priority salient risks.

Initiatives for Migrant Labor (Forced Labor)

Aim

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

Initiative

- **Recognize that migrant workers are vulnerable to exploitation and forced labor. We are also aware that potential risks of forced labor involving migrant workers may exist within our business, supply chain, and value chain due to the nature of our business.**
- Migrant labor has been identified as one of the salient issues since 2019.
- As part of our due diligence activities, we have been working with non-governmental organizations to ensure fair working conditions for migrant workers within our affiliates and suppliers, both inside and outside Japan.

Guidelines and declaration development

- Guidelines have been developed to help eliminate possible exploitation by unscrupulous employment agencies charging high recruitment fees, and ensure freedom of movement, fair treatment, and proper employment contracts for migrant workers.
- **Participation in the working group on the formulation of the ASSC Tokyo Declaration 2020.*¹**

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

 ASSC Tokyo Declaration 2020

Risk Assessment

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

[Survey 1]

Survey scope	● Toyota’s domestic and overseas subsidiaries
Survey description	● The number of migrant workers* ² ● The countries the workers migrated from ● The percentage of indirect recruitment ● Possible issues in the recruitment and/or repatriation process Example ● Charging high recruitment fees, withholding passports or identification documents, prohibiting the return to the home country, etc.
Survey results	● No infringements for migrant workers were found at local operations and at our subsidiaries

^{*2} In these surveys, “migrant workers” refer to non-regular (contingent, contract, non-permanent, temporary, etc.) foreign national workers with a status of residence (non-permanent) for the purpose of employment (excluding expatriates from other companies/countries).

Migrant workers at Toyota Subsidiaries by region

Region	Number of Migrant Workers
Japan	1,021
North America	100
Latin America	108
Europe	3,089
Southern Africa	14
Asia	234
Oceania	9
China	2

[Survey 2]

Conducted the survey focused on foreign technical internship trainees,*³ who are generally at high risk of being subjected to forced labor with debt.

^{*3} Foreign Technical Internship Trainees are foreign workers sent to Japan for the purpose of technical skills training. There are 165 operations in 90 job categories, and trainees are dispatched to various industries in the hopes of acquiring much needed technical skills to be used in operations in their home countries upon their return.

Survey scope	● Group companies in Japan and their major Tier 1 suppliers ● Toyota’s major Tier 1 suppliers (The top 280 suppliers accounting for 90% of the total procurement value.) ● Toyota Dealers (248 companies)
Survey description	● The number of foreign technical internship trainees and their dispatching countries
Survey results	● Vietnam, China, and Indonesia account for 80% of the technical internship trainees ● Detailed breakdowns of fees paid by technical internship trainees from Vietnam, China, and Indonesia were obtained from 179 supervisory organizations and dispatch agencies ● Additional facts were verified in cases where fees were relatively high (41 companies). No instances of excessively high fees were found ● For the first fee survey conducted in China and Indonesia, we will consider the response while obtaining advice from a third-party organization ● In light of the findings of the survey, Toyota has started to visit and survey Tier-1 suppliers in cooperation with third-party organizations to understand the actual conditions of foreign technical internship trainees

Foreign Technical Internship Trainees Utilization (Japan)

	Survey on Acceptance Conditions			Survey on Fees	
	No. companies surveyed	No. companies enrolled	No. trainees enrolled	Vietnam, China, Indonesia Trainees No. companies enrolled	No. additional survey companies (Vietnam)
Toyota Group/subsidiaries and major primary suppliers	295	121	3,951	100	17
Toyota's major primary suppliers	280	75	2,654	65	14
Toyota consolidated subsidiaries	90	3	65	1	1
Toyota dealers	248	20	73	13	9
Total	913	219	6,743	179	41

Collaboration with JP-MIRAI

- In 2020, Toyota became part of the initial body to establish the “Japan Platform for Migrant Workers toward a Responsible and Inclusive Society (JP-MIRAI),”** which has now grown to be a multi-stakeholder framework for resolving issues faced by migrant workers in Japan.
- Since May 2022, Toyota has taken part in a grievance mechanism for migrant workers and promoted its use within the company, Group companies, suppliers and dealers.
- Contents of the activities:
 - A multilingual web portal and application that provides relevant information on living and working in Japan.
 - A grievance mechanism for making complaints.
 - Follow-up support for cases that are likely to develop into serious problems.
 - An Alternative Dispute Resolution (ADR) mechanism.

* Over 700 members, consisting of various stakeholders such as private companies, local governments, NPOs, academics, and lawyer

Information Disclosure

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

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

Initiatives for Wage

Aim

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

Initiative

- If the minimum wage increases, revise employee compensation as necessary.
To improve the situation of temporary workers, Toyota provides family allowance, subsidizes meal costs, grants special leave, and utilizes channels established ensuring that their treatment is on par with those of permanent employees.

Initiatives for Appropriate Working Hour Management and Flexible Work Styles

Aim

- Comply with laws and regulations related to working hours, breaks, and leave.
- Secure employee health and safety through thorough communication between labor and management.
- Promote flexible working arrangements that are not restricted in terms of time and location to improve productivity through self-directed workstyles and support employees in balancing work with responsibilities such as childcare and family care.


Initiative


- Track and manage arrival/departure times and computer login/log-out times through the time management system, and have the supervisor approve work applications.
- Visualize workloads in systems and statuses of annual paid leave spent through thorough communication between supervisors and members to optimize working hours and ensure the utilization of annual paid leave.
- Offer various systems such as the FTL (Free Time & Location) system, which enables teleworking and reduced working hours for employees with children up to the age of 18, to support a flexible workstyle and balancing work with responsibilities such as childcare and family care.
- If an employee requests permission to conduct a side business, decide whether or not it is acceptable according to criteria including safety considerations, confidentiality, non-competition, duty of good faith, etc.


Initiatives for Anti-harassment

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

- Initiative
- Employment rules clearly specify the prohibition of harassment and disciplinary provisions for harassment.
 - The Toyota Code of Conduct clearly states that Toyota will not tolerate any form of harassment.
 - Annual online training programs are deployed to all employees, from executives and managers to regular employees, to ensure comprehensive awareness.
 - Training for executives and managers (approx. 8,800 employees)
Details: Understanding the importance of eradicating harassment, examples of inappropriate speech and behavior, how to respond to common forms of workplace harassment (including consultations with specialists)
Past results: Approx. 25,000 employees have participated in this type of training.
 - Training for regular employees (approx. 33,000 employees)
Details: Understanding the importance of eradicating harassment, examples of inappropriate speech and behavior, responses to common forms of workplace harassment, power harassment toward managers by team members, and consultation methods were discussed to understand the importance of eradicating harassment.
 - Toyota integrated the external and internal hotlines into the “Speak up” Hotline system, enabling early detection and resolving workplace issues and difficulties that employees are facing.
 - Conduct training with psychology experts to look deeply into the mental health of individuals, aiming not only to prevent harassment but also to help create workplaces where members can work happily.


 [P.125 Speak-up](#)

 [P.100 Initiative to Promote Psychological Well-being](#)

 [Toyota Code of Conduct](#)

Initiatives for Inclusion of Diverse Culture

- Aim
- Respect various cultures and customs while supporting members to live and work under safe and secure conditions.
- Initiative
- Choice of meals
Canteen: The canteen labels and displays a wide array of daily meals provided for improved inclusivity and visibility, considering the varying dietary requirements in our business.
Dormitory: Accommodate self-catering facilities, arrange rooms considering dietary habit, such as vegetarian meals, etc.
 - Worship facilities
Prayer rooms, equipment available for rent and foot-washing facilities
 - Daily life support
Language assistance (interpretation, language learning, lending translation tools, etc.), liability insurance, 24-hour medical assistance services, support for obtaining a driver's license.

 [P.69 Diversity, Equity, and Inclusion \(DE&I\)](#)

Initiatives for Child Labor

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

Initiatives for Freedom of Association

Aim

- Under Toyota’s philosophy of “Showing Respect for People”, we aim to respect individual capabilities, ways of thinking, and creativity.
- Based on the Universal Declaration of Human Rights, we respect our employees’ **right to freely associate while respecting their right not to be compelled to belong to an association** in compliance with the laws of the countries in which we operate.
- We take every opportunity to **engage with employees through thorough dialogue** and build healthy labor relations regardless of the presence of a union.

Initiative

- Along with the collective agreements in place with our unionized affiliate companies both in Japan and overseas, we also have **Labor-Management Joint Declarations** established in Japan (1962), Thailand (1993), Indonesia (2004), Brazil (2015), and Philippines (2023) as a global framework, in order to agree on a universal philosophy of labor relations.uild healthy labor relations regardless of the presence of a union.
- Cooperation with subsidiaries:
 - In order to determine the level of communication with employees and other issues related to freedom of association, we periodically send out and collect questionnaires from our subsidiaries and request that improvements be made to policies and activities based on the responses.
- Initiatives in the Toyota Group:
 - Toyota shares specific cases on consistent communication between labor and management and discusses its importance at regular meetings with personnel in charge of human resources.
- Cooperation with suppliers:
 - As a part of its global due diligence activities, Toyota investigates possible infringement on Freedom of Association within the supply chain, and recommends corrective actions. (2021-2023:1 cases)
- Union organization ratio:
Countries with Unionized Operations (only countries/regions with manufacturing base): 86% (19/22 countries)

Initiatives for Precarious Work

Aim

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

Initiative

- The following actions are taken in accordance with the local labor laws and customs:
 - Confirms the composition of employees at overseas entities, and for non-permanent employment relationships, we identify affiliates requiring prioritized examination.
 - Dispatches associates to identified affiliate sites, where they implement improvements such as reallocations and reviews of employment rules related to contract terms where necessary. (2021-2023: 0 cases)

Education Related to Human Rights

Aim

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

Initiative

Human Rights in general

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

Anti-harassment

Training for:	Main initiatives
Employees, including executives, supervisors, management, expatriates and new hires (Toyota Motor Corporation)	<ul style="list-style-type: none">• Raise awareness to prevent harassment in various situations<ul style="list-style-type: none">• Fiscal 2024 Results• All senior professionals/senior management and all professionals/management: Approx. 8,000 employees, total of 2,600 hours• All assistant managers and all those in lower ranks: Approx. 17,500 employees, total of 4,375 hours• All shop floor employees: Approx. 43,500 employees, total of 15,700 hours
Supervisors (Toyota Motor Corporation)	<ul style="list-style-type: none">• Online training by specialists in mental science<ul style="list-style-type: none">• Fiscal 2024 Results• Supervisors: Approx. 15,000 employees

Updated in June 2024

Diversity, Equity, and Inclusion (DE&I)



GRI 3-3

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Fundamental Approach

Aim

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

Initiative

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

	Details	Time of the award
<div>PRIDE Indicators</div> <div>work with Pride</div> <div></div>	Appropriate management and protection of personal information based on the Toyota Code of Conduct and basic policies on the protection of personal information formulated by each country and region (Toyota Motor Corporation).	Nov. 2024

Organizational Structure

Aim

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

Initiative

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

P.7 Organizational Structure

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

Women’s Activity

Aim

At Toyota, we aim to promote the active participation of all employees by maximizing the diverse talents, strengths, and abilities of each team member to deliver better value to our customers. This begins with a strong focus on promoting women’s active participation in the workplace.

Initiative

History of Initiatives

2002:

Launched “Initiatives centered on expansion and establishment of measures to support work-life balance”

From 2012:

Enhancement and active support of environment that can support women to gain motivation and support their participation (especially development of female managers)

From 2020:

Strengthen career development measures, such as mentoring activities and participation in programs outside the company

From 2021:

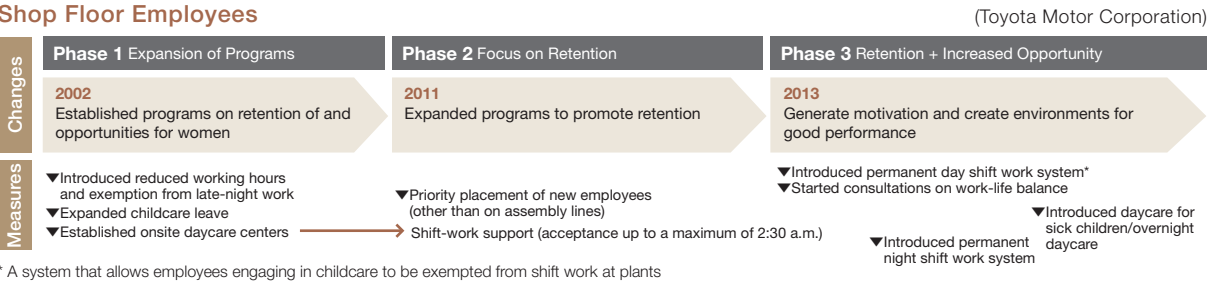
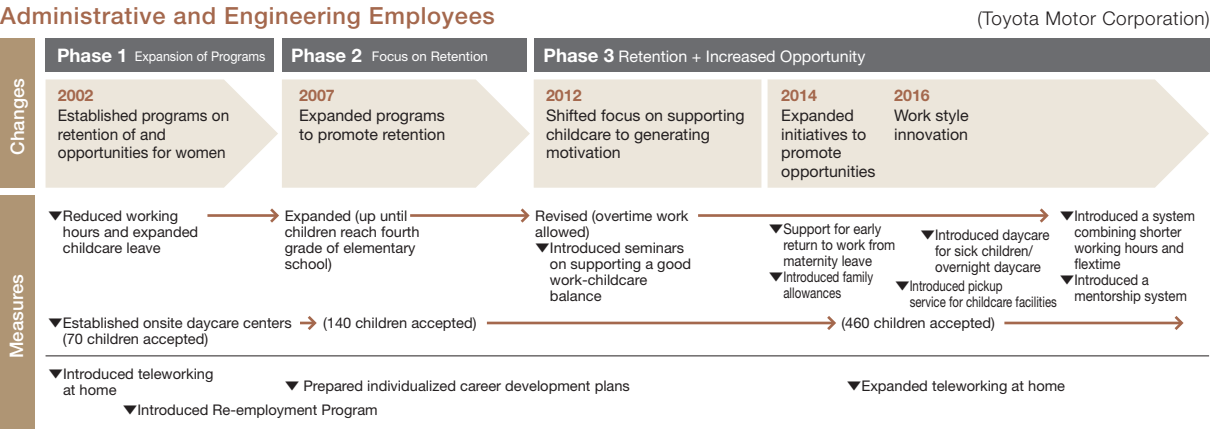
Unconscious bias training for all management and supervisors in the company

From 2022:

Diversity training (basic courses and management courses)

2023:

Positioning women’s active participation as one of the key company-wide issues, under the leadership of top management, the current situations and issues were shared and discussed at the Sustainability Meeting, and specific initiatives were accelerated.



Toyota Motor Corporation's Action Plan Based on the Act on Advancement of Measures to Support Raising Next-generation Children

1. Period

April 1, 2023 – March 31, 2025

2. Details

Aim 1

Promote active participation by all members, focusing on diversity, growth, and contribution as three main pillars

[Actions]

■ Further enhancing labor-management communications to encourage growth and full participation of diverse human resources, including those who are balancing work and childcare

■ Implementing measures to further promote “honest dialogue” between managers and their subordinates

■ Introducing an evaluation system that places emphasis not on length of service or academic background but on current capabilities and challenges

■ Reinforcing resources to ensure diversity and reserve the capacity for taking on challenges

Aim 2

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

[Actions]

■ Easing the applicable conditions for shorter working hours for childcare (school year limit, etc.)

■ Creating an environment in which partner childcare leave is available to all those who desire

- Conducting seminars to encourage employees to take childcare leave regardless of gender
- Providing data on results and trends of male employees' participation in childcare
- Providing experience reports of employees who have taken childcare leave

■ Enhancing diversity training for all employees

Aim 3

Creating an environment that enables balancing of work and fertility treatment

[Actions]

■ Familiarizing employees with the system to support balancing work and fertility treatment (including leaves of absence) and establishing a consultation service

■ Providing information to promote workplace understanding of fertility treatment

Aim 4

Expand usership of support facilities and infrastructure to external staff

[Actions]

■ Promoting mutual use of intra-company day-care centers among Group companies

■ Promoting use of day-care facilities for sick children by informing local residents (in Toyota City) other than employees

Support for Keidanren’s “Challenge to 30% by 2030”^{*1}

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

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

Global Women’s Conference

- The Global Women's Conference was held for the first time to accelerate efforts to promote active participation by all members(May. 2024)
- Members from each region gathered in Japan to deliver top messages, share best practices, and hold group discussions with the participation of management.
- Link conference results to action to create a better, more fulfilling work environment for diverse human resources, not just women, in order to create value as a mobility company.



Global Women's Conference

Initiatives at All Ranks

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

(Toyota Motor Corporation)

	Major items
Next-generation development and expansion	<ul style="list-style-type: none">• Together with 9 group companies, Toyota established the Toyota Female Engineer Development Foundation in 2014 to contribute to the promotion of women's participation in manufacturing businesses in Japan.• Attract and expand the number of girls studying in scientific fields and foster female engineers in monozukuri (manufacturing).• The Foundation provides a development program for female engineering university students to support career-building as well as a scholarship program that provides financial support.
Recruitment	<ul style="list-style-type: none">• Target for % of female new graduates: 40% for administrative positions and 10% in engineering positions (the percentages of women in the relevant labor market).• The percentage of women hired as shop floor employees has also been steadily increasing.

Career development support	<p>Each year, Toyota implements the following initiatives for approximately 100 women who are candidates for managerial roles or junior managers with the aim of helping them build networks and expand their perspectives.</p> <ul style="list-style-type: none">● Mentoring system: Designed to match women with mentors inside and outside of Toyota that are aligned with their individual concerns and aspirations, with 1:1 sessions conducted over a six-month period.● Participation in Japan Institute for Women's Empowerment & Diversity Management programs Participation in 21st century seminars for women's empowerment and training seminars for women in management.● Networking events with women from other companies Organized with businesses from different industries and group companies.● Company-wide roundtable meetings with women executives in Toyota.● Roundtable meetings within each division/company.
Promotion to managerial positions	<ul style="list-style-type: none">• Targets for increasing the number of female managers, set in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life (to quadruple the number of female managers by 2025 and increase that number fivefold by 2030 compared to 2014), are on track.• The Human Resources Division works closely with each workplace to confirm the progress of candidates for promotion each year. Candidates are given challenging roles equivalent to a higher rank. FY2024 Result<ul style="list-style-type: none">• Ratio of female managers^{*2}: 3.7% (Toyota Motor Corporation) <p>^{*2} Industry average: 2.0% (FY 2023)</p>
Developing candidates for upper management	<ul style="list-style-type: none">• Development of candidates through succession plans. Results as of June 2024<ul style="list-style-type: none">• Percentage of women in executive positions: 13.8%^{*3} <p>^{*3} Directors, Audit and Supervisor Board Members, Operating Officers and Fellows: 4 out of 29</p>
Diversity among Members of the Board of Directors and the Audit & Supervisory Board	<ul style="list-style-type: none">• Directors are appointed with comprehensive consideration and based on their past achievements and experience, including their gender, nationality and other factors relevant to corporate effectiveness, with the aim of placing the right person in the right position. Results as of June 2024<ul style="list-style-type: none">• Percentage of Female Directors and Audit & Supervisory Board Members: 18.8% (3 out of 16)

Initiatives at Major Global Operations

Toyota Motor Europe NV/SA (Belgium)



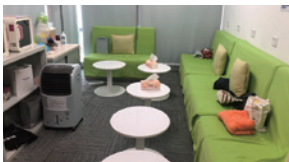
- Held company-wide events during the week of International Women's Day (Video message by top management, workshops, etc.)
 - Working couple support: Home-working system, part-time working regimes, support in finding employment for spouses of employees sent to TME
 - Female career development: Mentorship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

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

- "TSAM Women Leading the Change" event held to promote the advancement of women in the manufacturing industry
- Set employment targets



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



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

Toyota Motor North America (U.S.)



- Annual North American Women's Conference, to which all executive level women and many high-potential junior level women, as well as male directors and executives are invited to attend for networking and encouraging women's participation and advancement in the workplace
- Unconscious bias awareness training for managers
- Set childcare facilities at multiple operation sites to allow flexible workstyles for employees taking care of their children



- Events sponsored by the Business Partnering Group which provides networking and educational opportunities

Toyota do Brasil Ltda. (Brazil) + Toyota Argentina S.A. (Argentina)



- Designated Women's Day, which promotes an open conversation about the challenges women face in balancing their professional and personal lives
- Healthy pregnancy program for pregnant employees: Guidance and advice related to health conditions, as well as orientation on breastfeeding and baby care
- Conducted unconscious bias awareness training for all managers
 - Set employment targets
 - Held dialogue between human resources division and management to promote diversity within the company
 - Introduced the mentor system to support female leaders
 - Introduced Soft-Landing Program in support of employees returning to work after childbirth
 - Support for nursing care costs for employees who return to work early
 - Provide all employees with children with equipment necessary for school
- Allowed working from home



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

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

Percentage of Women Hired at Affiliates in Each Country/Region (FY2024)

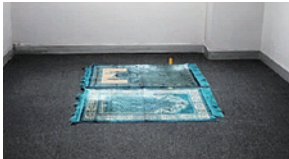
	Percentage of women [%]				Average period of employment (years)	
	People hired	Full-time employees	Managerial positions	Director positions	Male	Female
Global*	25	14	11	7	12.6	10.0
Japan	19	14	3.7	19	16.3	13.9
North America	26	22	25	29	7.6	5.9
Europe	32	20	17	6	11.4	7.3
China	14	10	28	0	10.5	13.5
Asia-Pacific	23	7	19	2	14.9	12.3
Latin America	42	10	12	0	8.9	4.3
Africa	22	27	31	13	17.6	13.7

* Figures cover 47 overseas locations, including Japan

Toyota Motor Asia Co., Ltd. (Thailand)



- Set up nursing rooms



- Female prayer room
- Reserved parking area for pregnant employees

Childcare / Nursing Care Support

Aim

Leverage challenges arising from the mutual trust between Toyota and our employees, guided by the belief that we want workers to live happy lives, who in turn aspire to help the company grow, as a means to enhance competitiveness and drive our transformation towards becoming a Mobility Company.


Respect the diverse values of individuals and prepare a range of workstyle options aligned with nuanced perspectives on approaches to a work-life balance, allowing each employee to pursue the diverse life and career paths they envision.
Create an environment where both can utilize these options without hesitation and workplaces can function seamlessly without difficulty as choices (systems) are expanded.

Encourage employees to exercise independence in choosing their options and develop an even greater awareness of their own career paths than before.

Initiative

Balancing Work and Childcare

(Toyota Motor Corporation)

	Major items
Childcare leave system	<ul style="list-style-type: none">Childcare leave: Available until a child is two years old (full-time employees)Parental leave for sick/injured child: 8 days annually for one child (13 days annually for two or more children). Available until a child is 18 years old
Shorter working hours system Remote work system	<ul style="list-style-type: none">Increase in the age limit for children of employees eligible under the shortened working hours system to cover children up to 18 years oldIntroduction of flextime, fixed daytime, shift-based options and other shortened working hour systems in each workplaceDevelopment of a remote working system to support diverse and flexible work styles <div> P.66 Initiatives on the effective management of work hours and flexible work styles</div>

Involving fathers in childcare

- Conduct of awareness campaigns and surveys with a target to achieve 100% uptake rate for paternity leave by interested male employees. Actual uptake rates: 38% in fiscal 2023 → 61.5% in fiscal 2024
- Establishment of a framework to ascertain employees' intentions to take parental leave and the desired duration of such leave during career discussions with supervisors, ensuring a steady and open dialogue on sharing career and life plans (from 2022)

Creating an environment and raising awareness on utilizing work-life balance systems

- Pre-maternity and parental leave seminars
 - Eligibility: Employees taking maternity leave (regardless of gender)
 - Purpose: Ease employees' concerns about balancing work and childcare and motivate them to continue developing their careers after returning to work
- Content: Examine career plans and workstyles during this period. Share examples of senior employees who successfully balanced work with family commitments and hold roundtable discussions


- Support for staffing needs in shift work environments when employees make use of shortened working hours and parental leave systems to ensure access to these systems and create a sound work environment

Examples:

- Employing senior workers on an individual basis to work in the hours that employees using the shortened working hours system are absent
- Allocating staff across workplaces by reviewing guidelines for support and assistance


On-site childcare centers

- Introduction of early morning and overnight childcare services and bus transport for preschoolers from nearby factories for shift workers and night-shift nurses at hospitals
- Support for admission to nurseries mid-year for workers seeking an early return to the workplace, career hires, and employees returning from assignments overseas
- Pi-Po-Land, a childcare facility for sick children, is located on the grounds of Toyota Memorial Hospital and is a safe place for employees to have their children cared for if they are ill (This facility is also open to local residents in Toyota City and provides support for balancing work and parenting in partnership with the community)



Balancing Work and Caregiving

(Toyota Motor Corporation)

	Major items
System	<ul style="list-style-type: none">Nursing care leave, shortened working hours and other systems availableSupport available to achieve diverse and flexible workstyles through the development of remote working systems <div> P.66 Initiatives on the effective management of work hours and flexible work styles</div> <ul style="list-style-type: none">Development of recruiting program for employees who left company due to nursing care (Career Come Back System)
Providing Information	<ul style="list-style-type: none">Create a consultation hotlineHold nursing care lecturesPublish a nursing care guidebook
Nursing Care Services	<ul style="list-style-type: none">Introduce a nursing care savings programExpand nursing care service providers
Financial Support	<ul style="list-style-type: none">Introduce nursing care insuranceIntroduce a nursing care financing programCreate parent nursing care insurance

Balancing Work and Medical Treatment

(Toyota Motor Corporation)

	Major items
Systems	<ul style="list-style-type: none">Special leave available for hospital visits for cancer treatment: 5 days annuallyLong term leave available for infertility treatment: Max. 2 years for each pregnancy (full-time employees)Special leave available for infertility treatment: 20 days annually (full-time employees)
Information sharing	<ul style="list-style-type: none">Implementation of awareness-raising activities and development of a workplace culture through diversity training and other initiatives

Inclusion of Persons with Disabilities

Aim

■ Realization of a “symbiotic society” in which people work together and live together regardless of the presence or absence of disabilities.

■ Promote the development of a working environment in which anyone can make the most of their characteristics in various workplaces and have a sense of job satisfaction through demonstrating their abilities.

Initiative

Toyota Motor Corporation (Japan)

■ To foster a corporate culture of understanding and empathy among employees throughout the workplace, various activities are implemented

• Mental Barrier-Free Training (Wheelchair Experience Sessions, Mental and Developmental Disabilities Sessions, etc.)

• Sign language courses

• Implementation of study sessions for assigned workplaces

■ Support for assuring full skill application at work

• Setting up a privacy-preserving consultation service

• Introduction of special vacation system that can be used for outpatient visits, etc.

• Dispatch of sign language interpreters

• Distribution of various support tools

■ Development of facilities

• Installation of a parking lot exclusively for people with disabilities

• Installation of universally accessible toilets

• Confirmation of working conditions and the workplace environment is carried out with an industrial physician to place personnel in roles suited to the characteristics of their disability.

■ Employment rate of people with disabilities (results)

• 2.51%* (as of June 2024)









* Including Special-purpose Subsidiaries

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

- Setting KPIs related to employment of people with disabilities allows TSAM to promote initiatives to improve the working environment for them in terms of facilities and culture.
- Setting up a special program to provide additional financial support to persons with disabilities for vehicle costs (to cover the increased cost associated with owning a special vehicle).

Toyota Loops (special-purpose subsidiary)

- Started business in 2009
- As of June 2024:
- 437 people with disabilities employed

Main tasks at the office	<div><div>• Assisting vehicle manufacturing</div><div>• Assisting the distribution of service parts</div><div>• Converting documents to PDF format, annotation, and other computer-based tasks</div><div>• Printing</div><div>• Shredding documents</div><div>• Laundry and cleaning</div></div> <div><div>• Assisting with nursing care in medical environments and sanitizing facilities</div><div>• Massage</div><div>• Planned training and management to deepen understanding of disabilities</div><div>• Collaboration in developing welfare vehicles and equipment</div><div>• Café operation</div><div>• Supplementary tasks in vehicle development</div></div>	 
On the manufacturing site	<div><div>• Support for automotive manufacturing</div><div>• Implemented at the Shimoyama, Kamigo, Head Office, Kinuura, and Miyoshi factories</div><div>• Assembly of engine parts and picking of automotive parts</div></div>	 
Development co-operation tasks	<div><div>• Evaluation of welfare vehicles</div><div>• Employees with disabilities participate in evaluations of the usability of Toyota's assisted-mobility vehicles from the users' viewpoint.</div><div>Example</div><div><div>• Evaluation of ease of getting in and out of the vehicle for wheelchair users, providing opinions on aspects of the development of automated driving vehicles</div><div>• Based on this evaluation, the opinions of real users, including the small details that only users can notice, can be incorporated in the quality of the vehicles.</div></div></div>	 
Activities outside of work	<div><div>• Participation in the Abilympics (Skills Competition for the Disabled) as a representative of Aichi Prefecture</div><div>• In 2020: gold award in the Photography division, silver in the Word Processor division and bronze in both the Office Assistant and Database divisions</div><div>• In 2021: gold award in the Database division, silver in Word Processor division and bronze in Product Packing Category</div><div>• In 2022: Photography – outdoor division, English Word Processor division</div><div>• In 2023: Two employees were chosen to be on the Japan national team at the International Abilympics</div></div>	 
Support system	<div><div>• Creating a support system built upon partnerships between specialist staff (physicians, psychologists, psychiatric social workers, etc.)</div><div>• Establishing a consultation service</div><div>• Active information exchange with governmental bodies, local communities, and social welfare organizations</div></div>	

Initiatives Related to Race and Nationality

Aim

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

Initiative

Toyota Motor Corporation (Japan)

- **Recruiting and hiring process**
 - Graduates are not required to fill in their gender on their job application sheets.
- **Introducing measures at facilities**
 - Establishing an internal harassment consultation hotline.
 - Set up gender-neutral restrooms. (To be set up at 66 locations within the company by 2028)
- **Internal system**
 - From July 2020 employees in same-sex marriages or common-law marriages have been eligible for the same internal benefit systems as those in legal marriages (holidays, employee benefits, etc.)
- **In-house training**
 - Basic training of LGBTQ+ for all employees and executives. (mandatory)
 - Training by outside instructors (LGBTQ+). (voluntary)
- **ALLY* registration system**
 - Approximately 21,000 employees, as of June 2024, have registered as ALLYs.
 - Rainbow Match
 - Held an event in our official female softball match in conjunction with Toyota City (Exhibition of Toyota City and Toyota's LGBTQ+ Initiatives)

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

Toyota Motor North America (TMNA, US)

- **Recruiting and hiring process**
 - We have a nondiscrimination statement that the company does not discriminate based on gender, ethnicity and many other categories, including LGBTQ+.
 - No photo or gender identification required on resumes
- **Installation of facilities**
 - Set up gender-neutral restrooms at key locations
- **Education and Awareness**
 - One of our business partner groups is an LGBTQ+ group conducting education and enlightenment activities.

Aim

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

Initiative

Toyota Motor North America (TMNA, US)

- Implementing education and enlightenment programs as means of promoting understanding.

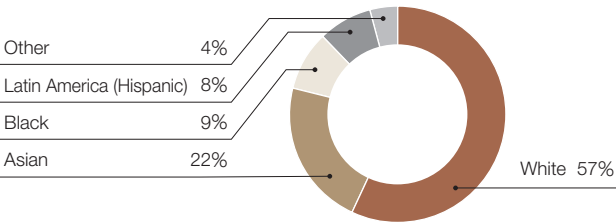


Toyota South Africa Motors (Pty) Ltd.
(TSAM, South Africa)

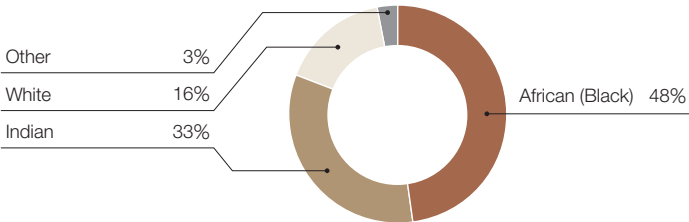
- TSAM promotes activities in line with the Broad-Based Black Economic Empowerment (B-BBEE*) policy aimed at economic development and creation of employment in South Africa.
- TSAM has acquired Level 3 as of June 2023.

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

Management composition (TMNA, FY2024)



Management composition (TSAM, FY2024)



Employment for Over 60s

Aim

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

Initiative

(Toyota Motor Corporation)

Year	Major items
1991	<ul style="list-style-type: none">● Introduction of an internal re-employment system for skilled retirees
2001	<ul style="list-style-type: none">● Optional Re-employment Application System was launched to outplace applicants to external affiliates and other sites.
2006・2013	<ul style="list-style-type: none">● Based on the revisions to the Law on Stabilization of Employment of Elderly Persons, the support was revised to expand re-employment by taking surveys and interviews based on the needs of the employees.
2016	<ul style="list-style-type: none">● Advanced Skilled Partner System was set up for shop floor employees to encourage and motivate employees to keep working after 60 by maintaining their job rank and salary at the time of their statutory retirement at 60

Updated in October 2024

Value Chain Collaboration

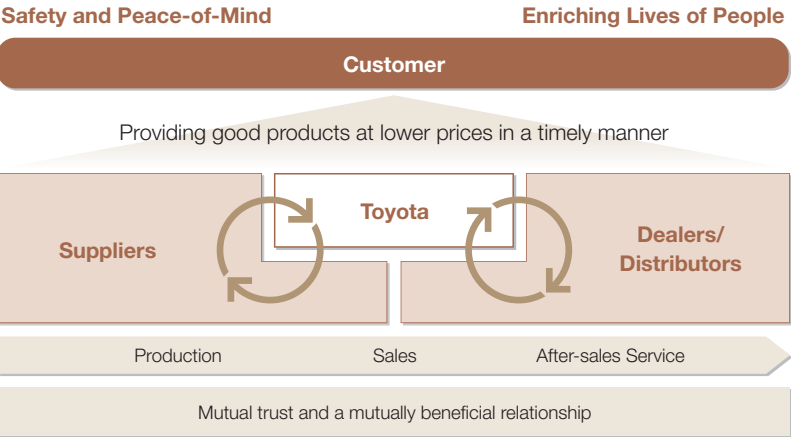


GRI 2-26, 3-3, 205-2, 414-1, 2

77	Fundamental Approach
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81	Initiative with Dealers

Fundamental Approach

- Aim
- Enhancing further the Customer First policy by promoting collaborative activities with **our business partners including suppliers and dealers**.
- Initiative
- Toyota promotes open and fair business practices and is **making constant progress with initiatives to promote sustainability**. We are also working closely with suppliers and dealers to improve quality, as well as providing safety and peace-of-mind to our customers, to achieve a high level of customer satisfaction.



Initiative with Suppliers

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

Initiatives Related to Our Basic Purchasing Policies

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

Toyota's Basic Purchasing Policies

1. Fair Competition Based on an Open-door Policy

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

2. Mutual Benefit Based on Mutual Trust

We develop mutual benefit in long-term relationships. To foster trust, we engage in close communication with suppliers.

3. Localization with Good Corporate Citizenship

We actively procure from local suppliers, including parts, materials, tools, equipment and other materials. In this way, we aim to contribute to the local society and be a good corporate citizen.

Organizational Structure

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

 [P.7 Organizational Structure](#)

Compliance with Toyota Supplier Sustainability Guidelines

- **Sharing Toyota Supplier Sustainability Guidelines**
 - **Importance of sustainability initiatives is communicated towards suppliers** with a request that suppliers carry out their business activities in line with the Sustainability Guidelines (established in 2009, last revision in November 2021).
 - **Major suppliers in Japan (Approx. 1,000 companies) have endorsed the purpose of and signed the Guidelines** (as of March 2024).
 - **The Guidelines clearly indicate that suppliers in Tier-1 are requested to expand the implementation of the Guidelines to suppliers in Tier-2 and beyond in order to disseminate these principles throughout the supply chain.**
 - The Guidelines have also been implemented globally to suppliers through regional purchasing divisions.
- **Inspections based on a Self-Assessment Questionnaire(SAQ)**
 - SAQ was conducted in the form of a questionnaire as shown below (content revised in 2024).

(2024 results)

Survey scope	Major suppliers in Japan (Approx. 1,000 companies)
Survey description	Actual status of the existence of policies, implementation of training programs, and the nature of initiatives on the following topics <ul style="list-style-type: none">• Company management• Human rights and working conditions• Safety and health• Corporate ethics• Environment• Responsible supply chain management• Responsible purchasing of raw materials
Improvement activities	After collecting the survey results and confirming the status of Kaizen activities at Toyota, feedback is to be provided on the aggregated results

- **Responses when problems are identified**
 - The facts related to the issue are investigated and, if an issue is identified, we will communicate with the suppliers concerned and ask them to make improvements.
 - ⇒ If no improvements are made, business relationship may be reconsidered.
 - To prevent issue reoccurrence at other suppliers, notices explaining the issue are sent and suppliers are asked to implement preventative measures.

 [Toyota Supplier Sustainability Guidelines](#)


Preventing Bribery

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

 [Anti-Bribery Guidelines](#)

Supplier Hotline

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

 [P.125 Speak-up](#)

Overview

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Social Contribution

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Fundamental Approach

Initiative with Suppliers

Responsible Material Sourcing

Initiative with Dealers

Awareness-Raising Activities

Within Toyota Motor Corporation: Activities to educate and raise awareness among all employees, including buyers in purchasing division.

For suppliers: Promoting initiatives that involve voluntary activities at suppliers.

Major Initiatives Led by Toyota

Target Audience	Details	
Toyota Motor Corporation employees	All purchasing division staff	Training after joining purchasing division <ul style="list-style-type: none">Training related to sustainability
		Regular seminars <ul style="list-style-type: none">Regular seminars related to human rights, the environment, and other sustainability topics
	Employees dispatched overseas from Toyota Motor Corporation purchasing divisions	Pre-departure training <ul style="list-style-type: none">Labor relations training provided by the human resources division
Suppliers	Suppliers in Japan	Various briefings <ul style="list-style-type: none">Recent seminars<ul style="list-style-type: none">Dissemination of information on human rights due diligence (2024)<ul style="list-style-type: none">A briefing session was held on the external environment around human rights due diligence and Toyota's efforts to promote and improve human rights awareness throughout the entire supply chain. A Self-Assessment Questionnaire(SAQ) was also conductedDissemination of information on carbon neutrality (2021 to 2024)<ul style="list-style-type: none">Dissemination of specific emission reduction calculation methods and tools to achieve CO₂ reduction targetsPresentation about items to reduce CO₂ emissionsOrganization of study groups on energy savings and renewable energiesImplementation of a matching service to link companies providing emission reduction solutions with suppliers that are having needs of reducing their emissionsCalculation of emission reduction targets for suppliers (Scope 1, 2, and 3) and the collection of green materials*1, as well as products and technologies that utilize environmentally friendly energy sources to achieve these targetsSuppliers in Tier-1 encourage suppliers in Tier-2 and beyond to participate in the initiatives above in an effort to disseminate this information throughout the supply chain

*1 Materials, such as recycled plastic, that emit less CO₂ than conventional options

Voluntary activities by suppliers*2 (Japan)

Round-table conference for corporate executives

- A regular event intended to encourage corporate executives to take a leading role in promoting activities.
- Participants from Toyota Motor Corporation also attended discussions about carbon neutrality and digital transformation (DX) (2022) which included information sharing, issue identification, and discussion of responses.

Kyohokai Thematic Research Group (Environment) and Eihokai Sustainability Study Group

- Suppliers share information with each other to boost mutual awareness. Participants can deepen their understanding on environmental and carbon neutral management, circular economy, carbon footprint, energy-saving measures and other topics. This know-how is compiled into a collection which is then distributed and shared with all participants.

Volunteer activities

*2 Implemented by associations comprised of Toyota's suppliers, Kyohokai and Eihokai

Kyohokai: Comprised mainly of automotive parts and materials suppliers

Eihokai: Comprised mainly of equipment, construction and logistics suppliers

Other initiatives with suppliers

P.65 Initiatives for Migrant labor (forced labor)

P.87 Quality Risk Management – Initiatives with Suppliers

P.92 Information Security – Initiatives for Supply Chains

Sustainability Data Book

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Responsible Material Sourcing

Aim

- Toyota carefully appraises the negative impacts of its business activities on human rights and the environment, and strives to identify, prevent, and mitigate risks.

Initiative

Organizational Structure

- **Cross-functional task force established to promote close cooperation between related divisions.**
 - Leader: Deputy Chief Officer, General Affairs & Human Resources Group (Sustainability).
 - Related divisions: Sustainability, Purchasing, Human Resources, Environment and major regional affiliates.
 - The task force monitors external trends, assesses risks , discusses action policies, and implements measures.
- Reports on progress of initiatives to the Sustainability Subcommittee

 [P.7 Organizational Structure](#)

Policy

- Toyota established “Policies and Approaches to Responsible Mineral Sourcing” based on the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” aimed to prevent human rights violations, such as child labor and forced labor.
- The “Supplier Sustainability Guidelines” clarify Toyota’s expectations of suppliers in terms of “Responsible Material Sourcing”.

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

 [Supplier Sustainability Guidelines](#)

Risk Awareness and its countermeasures


- Toyota analyzes risks associated with automotive parts and materials and takes actions based on external surveys, regulatory trends, and the results of dialogues with external stakeholders. (Risk awareness is updated accordingly.)

Major potential material risks*1 / Implementation of measures*2 ● : High risk ○ : Potential risk □ : Ongoing measures

		Cobalt	Lithium	Nickel	Natural graphite	Tin	Tantalum	Tungsten	Gold	Natural rubber	Mica
Major potential risks	Child labor	●				●	●		●	●	●
	Forced labor	●				●	●		●	●	●
	Impacts on indigenous people / local communities	○	●	●	○	○	○	○	●	●	○
	Environmental impacts (e.g., GHG emissions/pollutants)	●	●	●	○	●	●		●	●	○
Implementation of measures	<ul style="list-style-type: none">● Implementation of measures to comply with European battery regulations● Start of dialogue and surveys with major battery manufacturers (since 2023)● Conduct of a survey on cobalt in 2020<ul style="list-style-type: none">● Identification of several smelters in the battery supply chain, a major component that uses cobalt	□	□	□	□						
	<ul style="list-style-type: none">● Conduct of annual survey using the questionnaire provided by RMI*3 (CMRT)*4 in accordance with the U.S. Dodd-Frank Act (since 2013)*5● Toyota Motor North America (U.S.) has been involved in the activities of the Conflict-free Sourcing Working Group and the Automotive Industry Action Group (AIAG) working group on conflict minerals originating from the Democratic Republic of the Congo in cooperation with the RMI . Example<ul style="list-style-type: none">● Background surveys of smelters/refiners, encouraging smelters/refiners to participate in the RMAP*6					□	□	□	□		
	<ul style="list-style-type: none">● Formulation of a Policy for Sustainable Natural Rubber Procurement*7 to eradicate deforestation and ecological changes in the natural rubber supply chain.									□	
	<ul style="list-style-type: none">● Start of survey using the questionnaire provided by RMI (EMRT)*8 (since 2024)	□									□

*1 Table created based on information from “Material Change” (Drive Sustainability, Responsible Minerals Initiatives, Dragonfly Initiative” and other sources

*2 External affiliated organizations (year joined)

- Responsible Business Alliance (RBA) (2024) 
- Global Platform for Sustainable Natural Rubber (GPSNR) (2019)

*3 Responsible Minerals Initiative

 [P.64 Human Rights Due Diligence](#)

*4 Conflict Minerals Reporting Template  [Conflict Minerals Reporting Template](#)

*5  [Conflict Minerals Report](#)

*6 Responsible Minerals Assurance Process

*7  [Policy for Sustainable Natural Rubber Procurement](#)  [P.16 Policy for Sustainable Natural Rubber Procurement](#)

*8 Extended Minerals Reporting Template 

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Updated in October 2024

Vehicle Safety



GRI 3-3, 203-2, 416-1

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Fundamental Approach

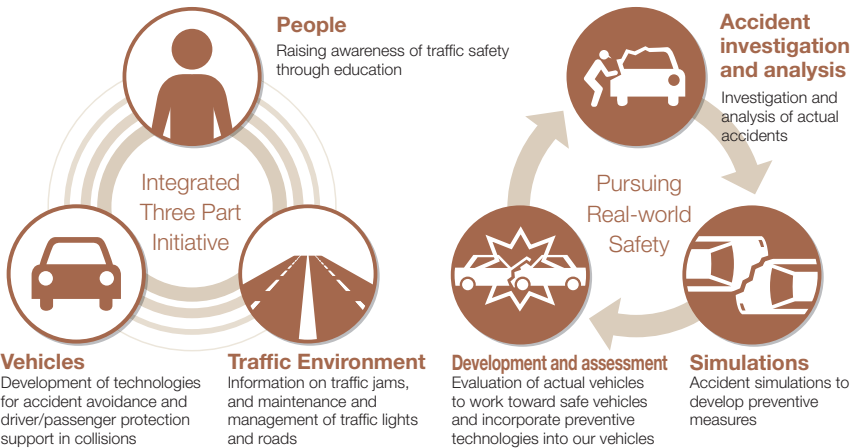
- Aim

■ Toyota’s ultimate goal – Zero Casualties from Traffic Accidents.
- Initiative

■ Promotion of our integrated three-part initiative for people, vehicles, and the traffic environment.

■ Pursuing real-world safety by learning from actual accidents and incorporating that knowledge into vehicle development.

• Moving forward with the development of technologies for accident prevention, collisions, and emergency rescue based on our integrated safety management concept.



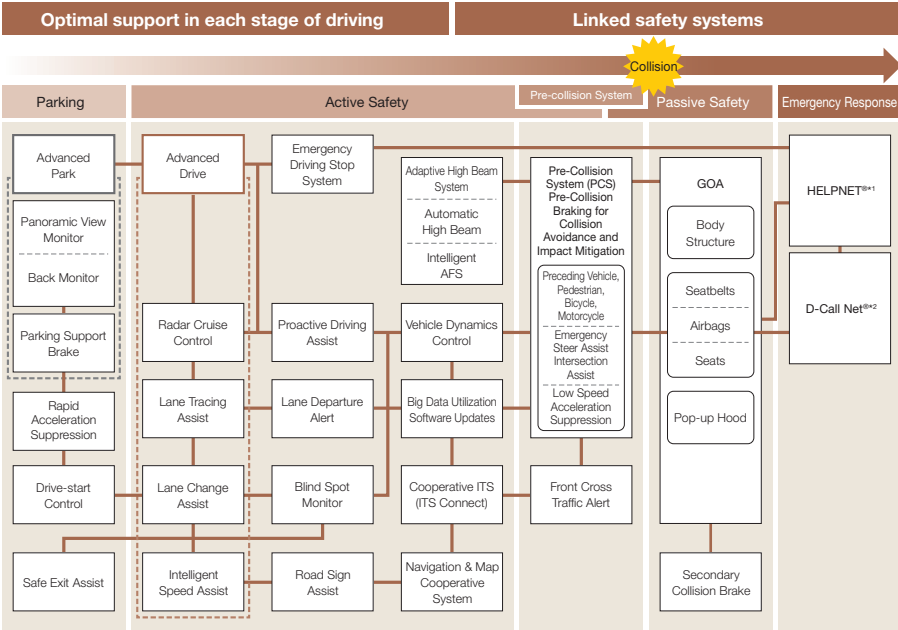
Integrated Safety Management Concept

- Aim

■ Toyota’s approach to pursue reasonable safety by reinforcing links between vehicle safety systems rather than thinking about each system as a separate component system. - Integrated Safety Management Concept
- Initiative

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

Integration of Individual Technologies and Systems



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







Active Safety

Aim

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

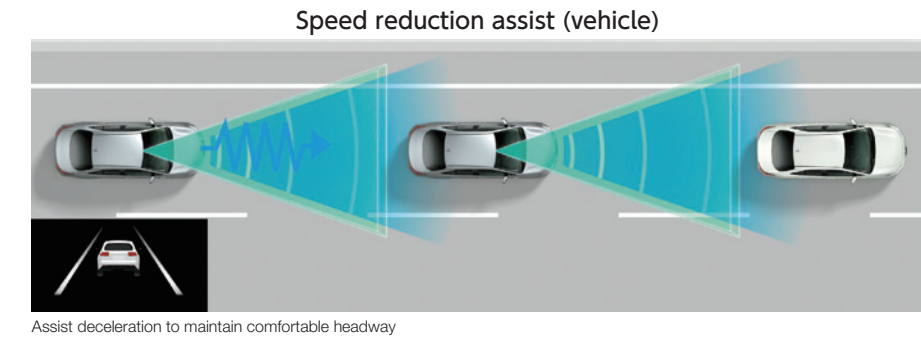
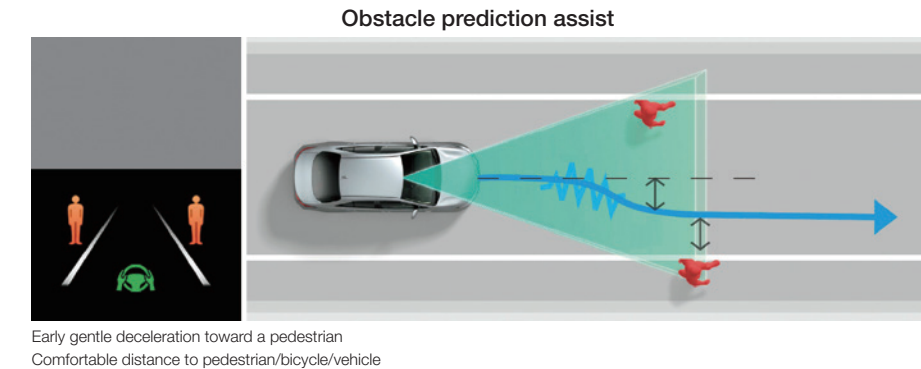
Initiative

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

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

- Toyota Safety Sense (TSS) has been installed in more than **48.0 million vehicles globally** since it was launched on to the market in 2015 (figure as of July 2024).
- TSS is now available on nearly all passenger car models (as standard or option) in the Japanese, United States, and European Markets. It has also been introduced in a total of 144 countries and regions in major markets including China and other selected Asian countries, the Near and Middle East, and Australia.

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



Passive Safety

Aim

■ Minimizing collision damage

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

Initiative

■ GOA (Global Outstanding Assessment)

• Toyota's world-class collision safety rating.

⇒ Toyota has continued to advance GOA, continuously pursuing the real-world safety performance of its vehicles in a wide variety of accidents.

■ THUMS (Total HUman Model for Safety)

• A virtual model of the human body jointly developed by Toyota and Toyota Central R&D Labs, Inc. to analyze injuries to the human body caused by vehicle accidents through computer simulations.

• The model is used to research and develop various safety technologies including safety devices such as seatbelts and airbags, and vehicle structures that mitigate injuries in accidents involving pedestrians.

⇒ Since 2021, Toyota has made the THUMS software available to the public free of charge on its website and is exploring its future application in automotive assessments where virtual evaluations are gaining momentum.



External Safety Evaluations^{*1} (2023)

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

Five Star Award (the highest ranking) in the JNCAP ^{*2}	Crown Crossover / Crown Sport, Prius, Lexus NX, RX	(4/6)
TSP+ ^{*4} /TSP (the highest ranking) in the Car Assessment Program of the Insurance Institute for Highway Safety (IIHS) ^{*4} in the U.S.	Camry, Corolla Cross, Corolla HB, Corolla SD, Crown, Highlander, Prius, Prius Prime, RAV4, RAV4 Prime, Sienna, Tundra crew cab, Tundra extended cab, Venza, Lexus ES, NX/NX Plugin Hybrid, RX, RZ, UX	(20/29)
Five Star Award (the highest ranking) in the NCAP ^{*2} in the U.S.	bZ4X, Camry, Corolla HB, Corolla SD, Crown, Highlander, Prius, Prius Prime, RAV4, Sienna, Tundra, Venza, Lexus ES, IS, RZ, UX	(16/20)
Five Star Award (the highest ranking) in the Euro NCAP ^{*2} in Europe	Lexus RZ	(1/1)
Five Star Award (the highest ranking) in the ANCAP ^{*2} in Australia	Lexus RZ	(1/1)
Good (the highest ranking) in occupant protection, pedestrian protection, and prevention in the C-IASI ^{*5} in China	Harrier, Sienna	(2/2)
Grade 1 Award (the highest ranking) in the KNCAP ^{*2} in Korea	—	(0/1)
Five Star Award (the highest ranking) in the ASEAN NCAP ^{*2}	Vios	(1/1)
Five Star Award (the highest ranking) in the Taiwanese NCAP ^{*2}	Corolla Altis, Corolla Cross, RAV4	(3/4)

^{*1} Evaluation Period: Japan - April 2023 to March 2024; US IIHS – September 2022 to December 2023 (2023 TSP+/TSP winners), US NCAP – 2023 model year, Other – January to December 2023

^{*2} NCAP (New Car Assessment Program): New car assessment programs carried out by different countries and regions

^{*3} TSP+: A ranking given to the most outstanding TSP-ranked vehicles

^{*4} IIHS: Insurance Institute for Highway Safety

^{*5} C-IASI: China Insurance Automotive Safety Index

SASB TR-AU-250a.1

Emergency Response

Aim

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

Initiative

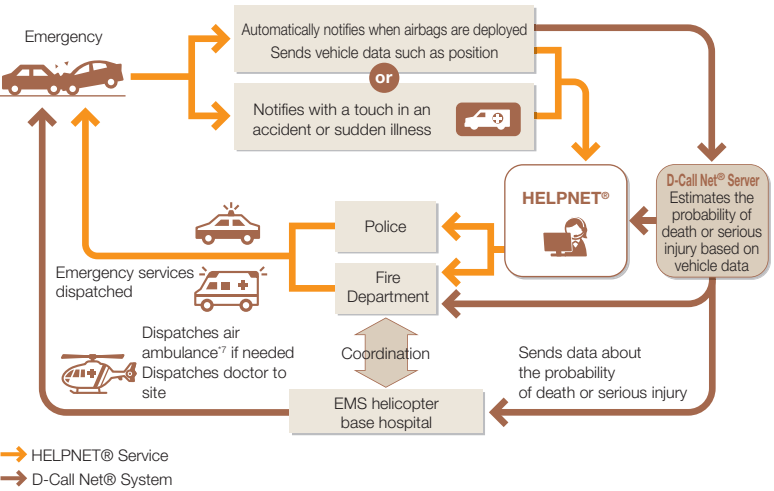
■ HELPNET[®] service – Toyota's emergency reporting system (Japan)^{*6}

• In the event of an accident or sudden illness, a dedicated operator contacts police, fire, or ambulance services to ensure the rapid dispatch of emergency vehicles.

■ D-Call Net^{®*7} compatible

• The system assesses the probability of death or serious injury of the driver and/or passengers based on vehicle data that is automatically sent when the airbags deploy. This system sends data to hospitals or fire departments to facilitate rapid decisions to dispatch air ambulances or other support.

HELPNET^{®*6} (Airbag-linked Type) Alert Process



^{*6} Air ambulances may not be available due to location, time of day, weather, etc. D-Call Net[®] will not respond when the HELPNET[®] button is pressed

^{*7} HELPNET[®] is a registered trademark of Japan Mayday Service Co., Ltd. D-Call Net[®] is a registered trademark of HEM-Net (Emergency Medical Network of Helicopter and Hospital)

Automated Driving Technology

Aim

■

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

Initiative

Development of Automated Driving Technology

■

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

■

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

•

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

■

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

•

One of the first companies to launch advanced automated driving technology into the market for vehicles sold to corporate customers.


•

Data from these vehicles will be collected, analyzed, and fed back into development to further enhance automated driving technologies.

Models Equipped with Advanced Driver Support Technology

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

Technology Details	
Advanced Drive for Driving Support on Highways	<ul style="list-style-type: none">• The on-board system will appropriately detects the vehicle’s surrounding, make decisions, and assist driving under the driver’s supervision according to actual traffic conditions. It can keep the vehicle in its lane, maintain the distance from other vehicles, navigate a lane split, change lanes, and overtake other vehicles until leaving the roadway for the destination• The system achieves reasonable safety and peace-of-mind, reducing driver fatigue and providing a pleasant journey to the driver’s destination
Deep Learning-Focused AI Technologies	<ul style="list-style-type: none">• Supports driving by predicting and responding to a wide variety of situations that could occur when driving
Software Updates	<ul style="list-style-type: none">• Software can be updated to the latest version using wireless communications or a wired connection

 Woven by Toyota, Inc.

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

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



Advanced Drive (support during traffic congestion)



Advanced Park

Initiatives to Improve Traffic Safety Awareness

Aim

■

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

Initiative	
(Toyota Motor Corporation)	
Target Audience	Activities
General	<ul style="list-style-type: none">• Sharing useful information with drivers and pedestrians that pushes past boundaries between manufacturers and industries through a traffic safety awareness website
Drivers	<ul style="list-style-type: none">• Toyota Driver Communication (safe driving technique seminar):<ul style="list-style-type: none">• Regular seminars for the general public and company drivers at the Toyota Safety Education Center Mobilitas at the Fuji Speedway• Program introduced in 2019 for customers to view their own driving data and Toyota vehicle development drivers to provide advice based on that data• Happy Driving Seminar and Nerve Stimulation Exercises – a traffic safety program for elderly drivers and pedestrians: Held in collaboration with local governments and dealers to improve safe driving skills, boost safety awareness, and improve the brain function of elderly drivers• Toyota implements activities in collaboration with dealers nationwide to ensure safety and assurance for all road users in conjunction with the roll-out of the Safety Support Car program endorsed by the Japanese government
Pedestrians	<ul style="list-style-type: none">• Since 1969, Toyota has provided traffic safety teaching materials to children in their last year at kindergartens and daycare centers all over Japan in collaboration with Toyota dealers nationwide• Information is provided to children and their parents/guardians using digital content on the Toyota Traffic Safety for Kids website• Elderly attendees at events can receive pamphlets to raise their traffic safety awareness as well as a variety of reflective items for safety at night

Updated in June 2024

Quality and Service

GRI 3-3, 416-1, 2, 417-1

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Customer Feedback System

Fundamental Approach

Aim

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

Initiative

■ Individual employees involved in each process including development, purchasing, production, sales, and after-sales services, **integrate quality into their work**. Each function is linked with other functions in a continuous cycle of quality improvement.

Quality Assurance System

```
graph TD; QA[Quality Assurance<br/>(Audit Improvements)]; QA --- SSS[Sales and after-sales service<br/>• Gathering quality information from the market<br/>• Dealer training and guidance<br/>• Service parts warranties, etc.]; QA --- LOG[Logistics<br/>• Establishment and instruction of transportation standards<br/>• Quality Deterioration prevention, etc.]; QA --- INS[Inspection<br/>• Inspection planning and implementation<br/>• Checking and maintenance of inspection facilities, equipment, etc.]; QA --- PUR[Purchasing<br/>• Verification of supplier capabilities<br/>• Conclusion of business contracts, etc.]; QA --- PRO[Production<br/>• Manufacturing quality assurance<br/>• Process maintenance and control, etc.]; QA --- DEV[Development<br/>• Product basic plan formulation<br/>• Design quality assurance<br/>• Prototype evaluation, etc.]; QA --- PP[Product planning<br/>• Product plan formulation<br/>• Development target setting<br/>• Quality target setting, etc.]; SSS --> PP; PP --> DEV; DEV --> PRO; PRO --> PUR; PUR --> INS; INS --> LOG; LOG --> SSS
```

Initiatives Based on the **Quality Policy**

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

Quality Assurance Based on Toyota Quality Control Standards

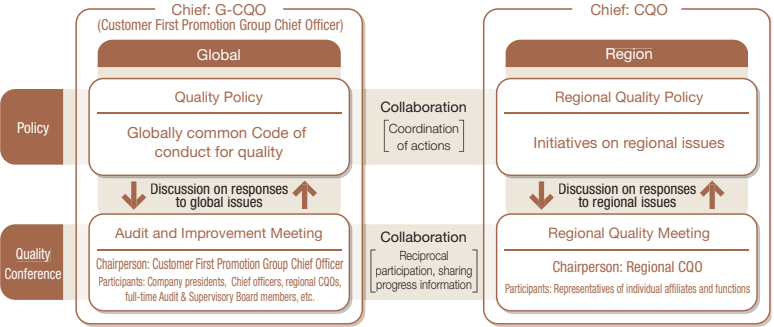
- Toyota establishes the rules, methods, and criteria necessary for controlling its manufacturing and business processes to enable Toyota to continuously provide the product performance and functions, as well as services, that Toyota aims to achieve.
- Based on the global regulations, Toyota establishes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

Organizational Structure

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

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

Global Policy Implementation Structure and the Quality Conference



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

Product Safety Initiatives

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

- Initiative
- **Development phase:**
 - Maintaining our constant pursuit of world-class reliability and durability.
 - Compiling the quality-related targets and priority items in the form of a written quality plan during the product development phase, and sharing the plan with all parties involved in the development
 - Setting targets geared to vehicle longevity through, for example, surveying the environments where our vehicles are used and analyzing recovered parts.
 - Carrying out durability tests based on Toyota standards.
 - Incorporating fail-safes to ensure that customers can stop and evacuate from a vehicle safely in the event of a failure. Development to ensure customer peace-of-mind by defining quantitative indices of vehicle behavior that might make our customers feel uneasy.
 - **Production phase**
 - With regard to equipment, operations and inspections at plants associated with product safety, including our supply chain, we visualize how the equipment is managed and how the operations and inspections are conducted. Through particularly focused management, we make sure to prevent problems.

Quality Risk Management

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

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

Auditing

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

Initiatives with Suppliers

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

Fostering Quality-oriented Awareness and Culture

Aim	
■ Developing human resources and improving work quality	
Initiative	
■ Annual initiatives to boost quality awareness among all employees, and quality related training designed for employees at each job level.	
Toyota Restart Day	<ul style="list-style-type: none">February 24 was designated as Toyota Restart Day after Akio Toyoda (President at the time) attended a US Congressional hearing on that date in relation to a series of recalls in 2010. Toyota is committed to creating better mechanisms and carrying out awareness-raising activities to ensure that the lessons learned from this experience are never allowed to fade away.
Customer Quality Learning Centers	<ul style="list-style-type: none">Established in 2014, the Customer Quality Learning Centers are educational facilities for conveying the experiences and lessons Toyota learned from the series of recall issues to future generations of employees.The Center is updated every year to reflect recent issues to ensure that the lessons learned are not forgotten.Customer Quality Learning Centers unique to individual plants and overseas sites have also been established, and they are working to ensure employees in each region and each plant thoroughly understand the importance of quality.As of FY2024, 41,000 employees have participated in activities at our Centers (within Toyota Motor Corporation)
All-Toyota TQM Convention	<ul style="list-style-type: none">Toyota holds online exchange meetings with suppliers and dealers, and exhibits kaizen practices on its website<ul style="list-style-type: none">Participants (FY2024): approx. 500 people for the online exchange meetings, approx. 800 people for local exhibitions, and approx. 19,000 people for the website exhibitionThese events provide opportunities for people to access information to be able to work together beyond their companies and organizations for further quality improvement



All-Toyota TQM Convention in 2023

Coping with Quality Problems

Aim	
■ Early detection and rapid resolution of quality-related issues to ensure that our customers can use our vehicles safely.	
■ Ensuring constant legal compliance and making recall decisions from the customer's perspective, putting safety and assurance first and making it possible to implement rapid responses and minimize inconvenience to the customer.	
Initiative	
■ Recall decision-making process	
<ul style="list-style-type: none">Clarifying response procedures and persons in charge based on the Toyota Quality Control Standards.A study meeting participated by the heads of relevant departments and the Regional Product Safety Executives (RPSEs) is held to discuss based on the quality information, and a recall is made by mutual consent and subject to G-CQO's approval.Feedback from customers in the region is always reflected in responses, and regional representatives located closest to the customer are also involved.	
■ Responses when a recall has been made	
<ul style="list-style-type: none">The customer's safety and security will be our the highest priority and the following steps will be taken to ensure rapid repairs and encourage customers to bring their vehicles in for repairs:<ul style="list-style-type: none">Notification will be sent in a prompt and fair manner by postal mail to customers who own vehicles covered by the recall. Dealers will also contact customers, if necessary.Recall information will be posted on the company's website on the same day as the recall notification.We also make the required reports, including notifications to the authorities in accordance with the laws and regulations of each country, and report the ratio of the number of repaired vehicles to the number of recalled vehicles.	

FY2024 Recalls SASB TR-AU-250a.3

Country/Region	Number of Recalls	Number of Units
Japan	19	2,800,000
North America	20	5,430,000
Europe	26	630,000
Other	34	2,050,000
Global	65*1	10,910,000*2

*1 The figures above include recalls that cover multiple countries and regions, therefore totals for recalls and units in each country/region may differ from global figures.

*2 Scope of recalls listed above: Toyota or Lexus branded vehicles for which Toyota Motor Corporation has issued a recall notice (including OEM by Toyota Motor Corporation)

After-sales Service

- Aim
- Provide accurate and caring service to every Toyota and Lexus customer, resulting in customer safety, peace of mind and finally trust. (3S philosophy: Seikaku(Accuracy) + Shinsetsu(Caring) = Shinrai(Trust)).
 - Pursuing the best service in town, which customers say “that store” and “that person”, leading to “Producing happiness for all”.
 - In carrying out the above, continue to protect the Toyota and Lexus brands by ensuring through everlasting priority order of “Safety>Quality>Volume>Profit” at all times.

- Initiative
- Timely and steady implementation of various measures anchored on the four pillars of safety and CSR, people-centered dealership management, ever better service and ever better cars.



Safety & CSR	<ul style="list-style-type: none">● Implementation of preventive actions using information and case studies on accidents around the world with the aim of eliminating all accidents in the workplace.● Creation of mechanisms to ensure legal compliance in all processes for vehicles, parts, and field operations in and outside Japan and development of risk management systems.
People-centered dealership management	<ul style="list-style-type: none">● Support for increasing the appeal of technician careers and creating comfortable working environments at Toyota and Lexus dealerships around the world.● Promotion of reforms in working styles for technicians in cooperation with the Ministry of Land, Infrastructure, Transport and Tourism and the automotive industry through efforts to reform vehicle inspection systems and other initiatives.
Ever better service	<ul style="list-style-type: none">● Support for improving operations in repairs and maintenance, customer service, parts supply and other areas.● Development of equipment and distribution of information on repairs from the perspectives of technicians and information users, tailored to the needs of each region.● Establishment of systems to supply parts needed in different countries around the world, as and when needed.● Development of new services, such as vehicle monitoring using connected data and promotion of the development of new connections with customers through operational support for the service above.
Ever better cars	<ul style="list-style-type: none">● Use and incorporation of diverse regional needs and feedback from customers and technicians to design and manufacture "ever better cars".

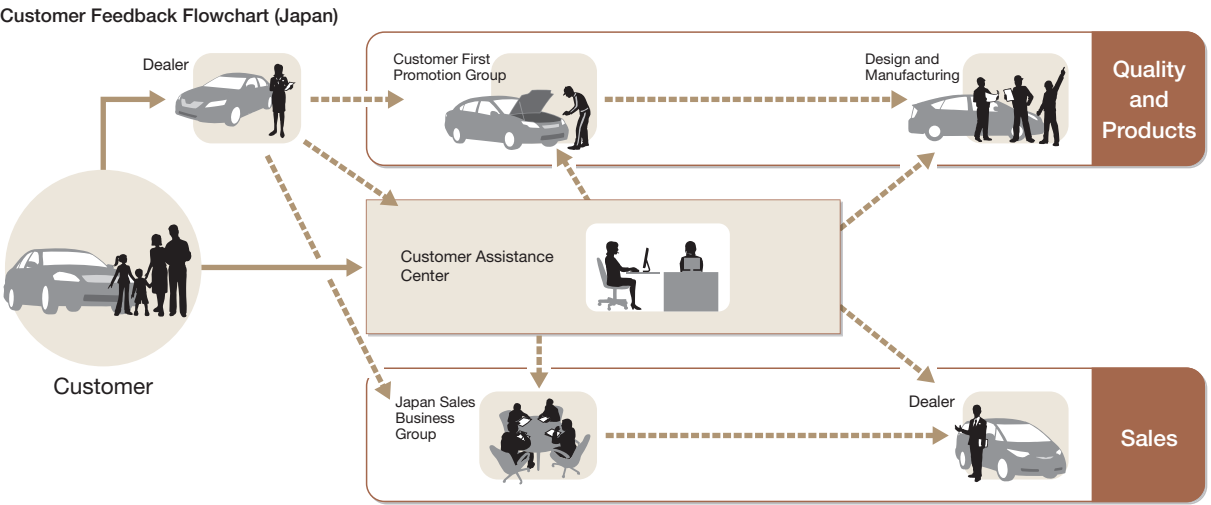
Customer Feedback System

Aim

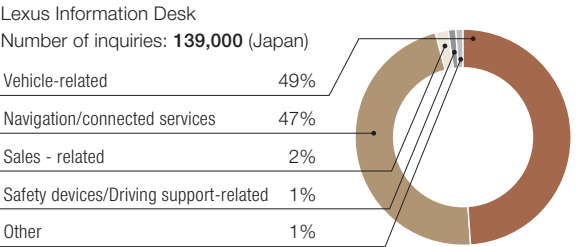
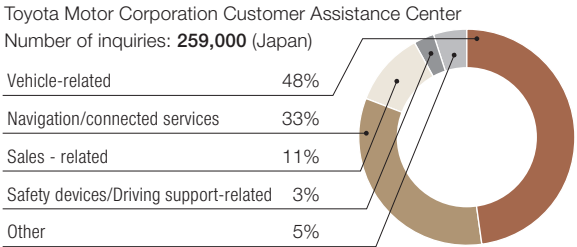
■ **Prompt, accurate, and courteous responses** are provided based on our Customer First principle. Customer feedback and information from dealers are reflected in creating Ever-Better Cars, Sales, and Service.

Initiative

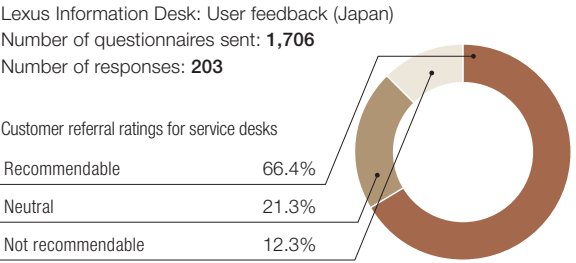
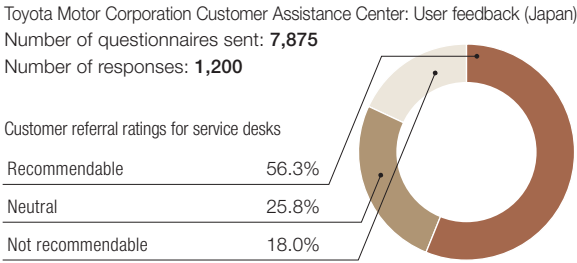
- Dealers in many global markets **set up their Customer Access Centers** to respond to customer enquiries.
- Toyota Customer Assistance Center (Japan)
 - The Toyota Customer Assistance Center, the Lexus Information Desk, and the Lexus Owners Desk are available to respond to customer inquiries. (The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



Number of inquiries received by the Toyota Customer Assistance Center in FY2024



FY2024 Customer Satisfaction Survey



* Percentages are rounded to the nearest whole number and thus totals may not add to exactly 100%.

Internal Awareness-Raising Activities		(Toyota Motor Corporation)
Experience and learn from customer feedback	<ul style="list-style-type: none">• Employees visit our Customer Assistance Center to learn about how it functions.• A bulletin board compiling customer feedback is available on the company intranet.	
Consumer Affairs Advisor qualification	<ul style="list-style-type: none">• Our company actively encourages employees to obtain the Consumer Affairs Advisor qualification, which is certified by the Japanese Prime Minister and the Minister of Economy, Trade and Industry.• The Toyota Consumer Affairs Advisor Group, made up of qualified employees, organizes workshops for new employees to prevent consumer disputes, carries out evaluations of facilities, vehicles, and catalogue checks from the customer's perspective, and conducts "mystery calls" to enhance the response capabilities of our Customer Assistance Center.	

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Information Security


GRI 416-1, 418-1

91	Fundamental Approach
91	Organizational Structure
92	Information Security Measures
92	Preparing for Information Leaks and External Attacks
93	Security for Automobiles

Fundamental Approach

- Aim

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

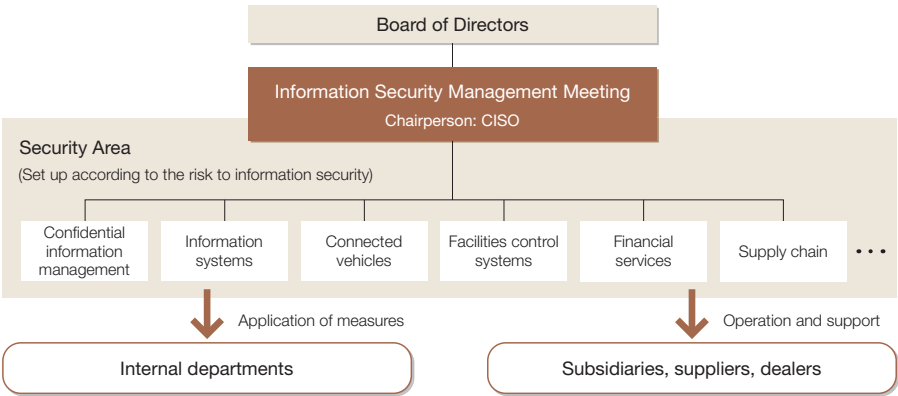
- Based on the **Information Security Policy**, Toyota Motor Corporation and its consolidated subsidiaries work together to prevent information leaks.
-  [Information Security Policy](#)

Organizational Structure

- Aim

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

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



Information Security Measures

Aim

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

Initiative

Initiatives in Toyota Motor Corporation

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

Complied/reference guidelines	<ul style="list-style-type: none">● ISO 27001/27002● US National Institute of Standards and Technology (NIST) Cybersecurity Framework● Cyber/Physical Security Framework by the Ministry of Economy, Trade and Industry● JAMA/JAPIA Cybersecurity Guidelines, etc.
Contents <small>* Revised periodically to cope with environmental changes</small>	<ul style="list-style-type: none">● Organizational management measures● Human resource management measures● Technical management measures● Physical management measures● Establishment of incident/accident response
Self-inspection based on ATSG	<ul style="list-style-type: none">● Once a year

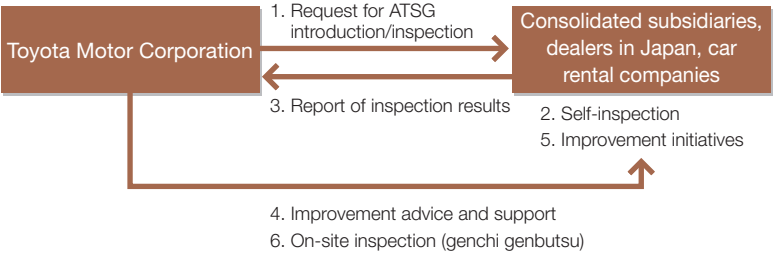
■ Major Activities for Information Security Education

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

Initiatives at Consolidated Subsidiaries, Dealers, and Car Rental Companies

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

Process of ATSG inspection and audit



Initiatives for Supply Chains

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

Preparing for Information Leaks and External Attacks

Aim

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

Initiative

■ Information gathering and monitoring by a specialized team

- Share information on security threats with each regional headquarters. Regional headquarters ensure that the information is shared within the region and promptly take necessary measures.

■ Conduct training

- Assuming increasingly complex and sophisticated cyber-attacks, the specialized team conducts training **at least once a year** and prepares scenarios for early recovery to be prepared for a large-scale issue.

■ Third-party evaluations

- Regarding the status of security measures for management and technical aspects of internal security systems, receive third-party evaluations based on NIST SP800-82/53, ISO 27001/2, IEC 62443, etc. For the problems pointed out, implement necessary measures to raise the security level.

■ Response to serious incidents

- Formed a response team including members in management positions (TMC-SIRT*) to settle the situation properly and promptly.

* Toyota Motor Corporation-Security Incident Response Team

Security for Automobiles

Aim

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

Initiative

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

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

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

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

Updated in June 2024

Privacy

GRI 416-1, 418-1

94

Fundamental Approach

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Organizational Structure

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Respect for Privacy and Protection of Personal Information





Fundamental Approach

Aim

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

Initiative

- **Establishment and Operation of a Privacy Governance System**
 - Appropriate management and protection of personal information based on the Toyota Code of Conduct and basic policies on the protection of personal information formulated by Toyota Group companies in each country and region.
- **Compliance with the Act on the Protection of Personal Information and other related laws and ordinances.**
- **Utilization of information** to solve social issues and provide ever-better products and services.

-  [Toyota Code of Conduct \(Personal Information\)](#)
-  [Data utilizing initiatives](#)
-  [Privacy](#)
-  [Toyota Privacy Notice](#)

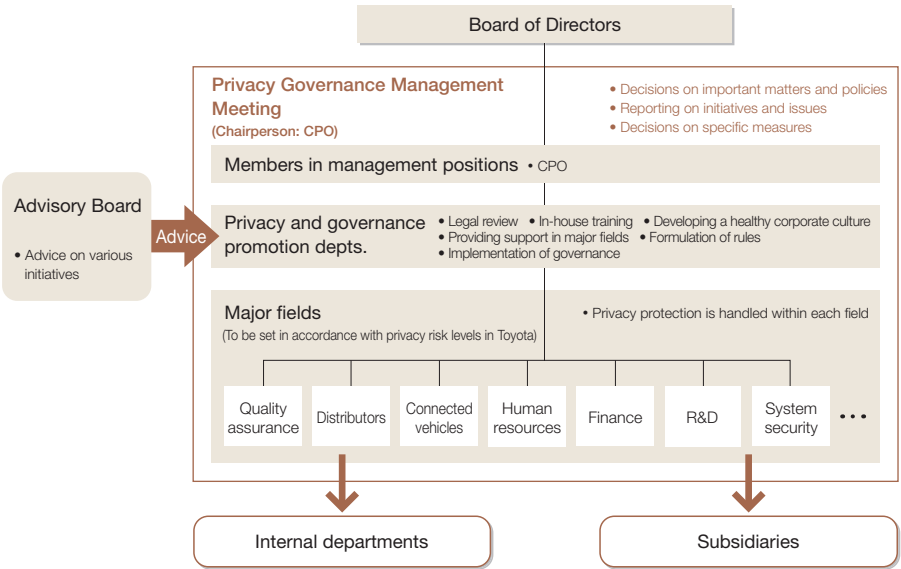
Organizational Structure

Aim

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

Initiative

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



Respect for Privacy and Protection of Personal Information

Aim

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







Initiative


Compliance with Laws, Ordinances, and Internal Regulations

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

*1 GDPR: The EU General Data Protection Regulation
*2 CPRA: California Privacy Rights Act

Code of Conduct

 Customer first	Carefully and sincerely listen to and consider consumer feedback on privacy issues.
 Quality first	Toyota practices Privacy by Design, by taking privacy considerations into account early in the development and operation of products and services.
 Product and Experience	Use consumer personal information responsibly to develop products and services tailored to the consumer with a goal of achieving consumer happiness and satisfaction.
 Compliance	Ensure that personal information is managed and processed throughout the enterprise in a manner that complies with applicable laws and regulations.
 Stakeholder	By cooperating and coordinating on privacy issues across all business functions throughout the enterprise, Toyota works to create and sustain an appropriate personal information management system.
<div> Human resource development</div> <div>Toyota promotes a corporate culture that respects privacy via continuous training and education.</div> <div></div>	

 Toyota Code of Conduct (Personal Information)

Training

Examples: Toyota Motor Corporation (Japan)

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

Examples: Toyota Motor Europe NV/SA (Belgium)

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

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

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

 [P.81 Support for TNDAC and Toyota Dealers to Enhance Compliance \(Japan\)](#)

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Intellectual Property

- 96 Fundamental Approach
- 96 Organizational Structure
- 96 Intellectual Property Activities

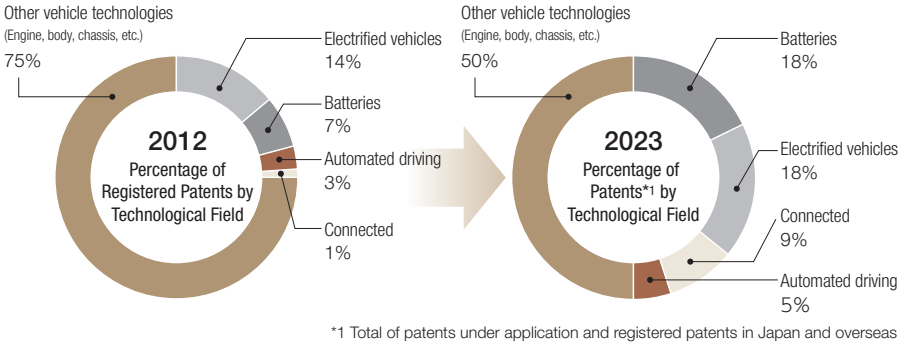
Fundamental Approach

- Aim
- Protect and utilize intellectual property

such as invention, know-how and brands, which are Toyota's important management resources, in an appropriate manner. Endeavor to conduct research and development that is one step ahead, thereby enhancing product appeal and technological prowess, which are the source of Toyota's competitiveness.
- Initiative
- Carry out intellectual property activities in line with Toyota's focus areas,

toward the realization of a future mobility society.
- Distribute resources mainly to such areas as carbon neutrality, including the development of electrified vehicles and batteries, and Software & Connected Initiatives.

Enhance the obtainment and use of intellectual property rights.



Organizational Structure

- Aim
- Promote activities that incorporate management, R&D, and intellectual property in one.
- Initiative
- Support technology development globally by securing organic, systematic coordination between R&D activities and intellectual property activities.

• Established intellectual property functions at the R&D centers in Japan, the United States, Europe, and China.

■ Discuss and make decisions at the Intellectual Property Management Committee on policies for obtaining and utilizing important intellectual property conducive to management and for responding to management risks related to intellectual property.

■ Work in collaboration with approximately 110 law firms around the world to collect intellectual property information and take measures suitable for each country/region.

Intellectual Property Activities

- Aim
- Protect and utilize Toyota's intellectual property, including invention, know-how, and brands, in an appropriate manner.
- Initiative
- Number of patent applications and number of registered patents

2023 Results (global)	
Number of patent applications	approx. 15,000
Number of registered patents	approx. 9,000 <ul style="list-style-type: none">Japan: Top position among automobile manufacturers in annual ranking (3rd overall) *2U.S.: Leader among automobile manufacturers in annual ranking (12th overall)*2

*2 Source:
Japan: IP Force (as of December 31, 2023)
U.S.: IFI CLAIMS (as of December 31, 2023)

Toyota Promotes Global Vehicle Electrification by Providing Nearly 24,000 Licenses Royalty-Free

Updated in June 2024

Human Resource Development

GRI 3-3, 404-2, 3

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- 98 Recruitment
- 98 Education and Career Development
- 99 Resource Shift
- 100 Evaluation of and Feedback to Employees
- 100 Initiative to Promote Psychological Well-being
- 101 Well-being Survey

Fundamental Approach

Aim

- **Develop human resources** based on the belief that “monozukuri (manufacturing) depends on human resource development.”
- Develop human resources with the ability to continuously think and act for the benefit of others and to win supporters.
- Focus on allowing Toyota’s most important asset – its employees – to work in a style that suits them so they can take on new challenges. We aim to become a company where anyone can take on new challenges at any time, as many times as possible, without fear of mistakes. These efforts will facilitate our transformation into a mobility company and fulfill our corporate mission of “Producing Happiness for All” as we face this once-in-a-century period of change.

Initiative

- Develop companywide human resources with **compassion*** and expertise that have a positive impact on others and are capable of winning trust and confidence along with the “**ability to act**” to move things forward.
- * Ability to make the best efforts for others, such as customers and colleagues, and to improve oneself by respectfully learning from others
- Promoting initiatives around the pillars of diversity, growth and contributions since 2023 designed to transform Toyota into a place **where anyone can take on new challenges at any time and as many times as possible, without fear of mistakes**. We have focused on prevalent challenges and built a stable foundation for these initiatives.
 - Focus on designing our workstyles for the next decade today with a clear vision of the future in mind.
 - Individually discovering a sense of purpose in working at Toyota by actively seeking out, finding, and pursuing opportunities for personal growth. Toyota builds a supportive environment to encourage these initiatives within the company.

Designing systems that empower employees to seize their own sense of purpose

- Workstyles that leverage individual strengths.
 - Exploring and implementing job transfer systems for all professional categories.
 - Creating a foundation to encourage independent workstyles.
- Strengthening management.
 - Defining management roles and re-assessing training and evaluation practices.
- Opportunities for independent learning.
 - Developing and deploying support measures to turn out professionals capable of working independently (i.e., improving elective training options).
- Knowledge of and affinity with Toyota’s products.
 - Providing opportunities for test driving experiences through trainings and other programs.

Recruitment

Aim

■ Recruitment of diverse human resources with a greater emphasis on **compassion and enthusiasm for realizing dreams at Toyota.**

● Reinforcement of recruitment of personnel who are attractive for others to work with.

● Review of work processes and workstyles, incorporating external knowledge.

Initiative

Enhancing mid-career recruitment

- Before: 90% new graduates and 10% mid-career hires
- Increase mid-career hiring to 49% (FY2024: Toyota Motor Corporation, administrative and engineering positions).
- **Continue to expand mid-career hiring to target 50%.**
- Introduced recruitment methods such as referrals.

Hiring new graduates with diverse backgrounds

- Promote recruitment of diverse people from universities from which no graduates have been hired by Toyota, technical colleges, vocational schools and high schools.

Course specific recruitment of new graduates

- Hire students who have a concrete vision of what they want to do at Toyota (termination of school recommendation program).
- Promoting the recruitment of diverse human resources suited to the characteristics of specific workplaces, such as with IT related personnel.

Education and Career Development

Aim

■ Develop **human resources who can act in line with the Toyota Philosophy** with the aim of transforming into a mobility company while inheriting the precept of the Toyoda Principles.



Initiative

Global Executive Human Resource Development: “GLOBAL 21” Program

- The program enables talented global employees to acquire the skills and insights necessary for global Toyota executives and enables them to leverage their strengths in their respective area of responsibility.
1. **Teaching of management philosophy and what is expected of executives**

● Disseminating Toyota Philosophy and incorporating it into global human resource system and training.
2. **Human resource management**

● Applying appropriate personnel evaluation standards and processes in each region based on Toyota’s common values.
3. **Training deployment and training programs**

● Global assignments and executive training.

● Holding regional succession committees to accelerate identification and training of next-generation leaders.

TMC Human Resource Development

Educational focus for Administrative and Engineering and “Gyomushoku”

- Shifting towards an independent and selective educational system where employees can choose the learning paths that align with their individual roles, areas of expertise, and personal motivation while deepening a collective sense of what makes Toyota unique.

Management-level development

- Toyota’s values and management approach are based on philosophy, skills, and behavior*. We utilize these values to create leaders who can navigate the company through this transition with passion and empathy and can provide a vision to follow in a world full of uncertainty where there are no right answers.
- Newly appointed division general managers participate in group training sessions, seminars looking back on the history of the company, and fieldwork throughout the year. This allows general managers to clearly identify their ideals, boosting their empathy with others and creating a mindset to reach their full potential both inside and outside the company, and to lead specific behavioral changes in the workplace.
- Modifying eligibility criteria to recruit and accept a wider range of individuals who want to learn on their own by expanding the scope of target groups to include employees in assistant manager and above, as well as a continued focus on employees who are promoted to senior professional/senior management and professional/management positions. Individuals can gain clarity on their roles and aspirations through group trainings and small-group seminar activities throughout the year.
- Seminar activity instructors are appointed as advisors for participants in training sessions for newly appointed division general managers. This allows instructors and participants to learn from each other and enhance their skills and knowledge.

* Philosophy: Toyota Philosophy; Skills: TPS (Toyota Production System); Behavior: Toyota Way 2020

- Enhancing professional development capabilities by improving the mindsets and skills of post managers who play a key role in workplace management to ensure active participation by all, where each member can independently and authentically thrive with their own diverse values and workstyles.
- Conducting performance reviewer training (division and department general managers) and evaluator training (group managers) to facilitate the understanding and acquisition of open and fair evaluation (assessment) and feedback methods (Mandatory for post managers. Individuals interested in personal development are also welcome to attend.)
- Conducting dialogue skills training to help supervisors learn how to engage with each team member in order to support their growth based on a foundation of trust (Open to individuals who want to learn. Not limited to post managers.)
- Launch of an internal website featuring videos and useful content on the objectives and techniques for conducting 1-to-1 meetings, and skills to facilitate meaningful dialogue between supervisors and members.

- Individual support for management is provided through opportunities and venues that help resolve concerns and issues related to workplace operations (optional).
- Group managers roundtable discussions:
A place where group managers can discuss their concerns and issues with other group managers to find a clue how to resolve them through sharing information and best practice. Group managers can get to know each other and build mutual relationships where they can help each other when needed.
- Toyota encourages the promotion of young employees to important positions.
- This creates opportunities for top management to directly observe personnel in these positions and to foster executive minds in the candidates.

Administrative, Engineering, “Gyomushoku” Human Resource Development

- Instilling the Toyota way – philosophy, skills, and behavior.
- **OJT with a focus on genchi genbutsu (going to the source to get the facts), along with OFF-JT**^{*1}.
- Incorporating new curriculums on career development and personal growth into each level of training.
- Enhancing the availability of a variety of optional online learning services with the launch of a portal site to centralize in-house educational content.

^{*1} OFF-JT (Off the-job training): training conducted outside the workplace

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

Shop Floor Employee Human Resource Development

- OJT is conducted by supervisors and experienced employees at the worksite through **daily operations in the field**. Deployment cycle: formulation of development plans, assignment for development, and evaluation/feedback.
- While focusing on OJT, human resource development is accelerated by conducting OFF-JT at career milestones.
- OFF-JT gives participants an opportunity to enhance awareness of their roles and acquire the knowledge and skills they need. Newly-appointed EX, SX, and CX^{*2} undergo pre-promotion training in the form of practical training at other workplaces and training at other companies to broaden their perspectives and boost their compassion.

^{*2} EX (Expert), SX (Senior Expert), CX (Chief Expert)

- Employees are becoming more diverse with employees rehired after retirement age (60 years old), female shop floor workers, and people with disabilities. Training now includes a diversity-related curriculum to promote understanding among employees. Training materials have also been changed to include the perspectives of people with disabilities as part of efforts to actively maintain and improve the workplace environment.
- Specialized technical training is provided in accordance with job type to enhance technical skills toward a workplace culture with focus on technical skills.
- Start-up seminars are held as part of career support for employees to be transferred to another plant.
- Supporting aspiring employees through, for example, practical training at worksites and improving web learning programs for those wishing to grow through self-learning.

Overseas Affiliate Human Resource Development

- Temporarily transfer employees from overseas affiliates to Toyota Motor Corporation for **OJT** to promote self-sufficiency in overseas affiliates.
- Learn skills, know-how and Toyota’s way of thinking and work processes for 6 months to 3 years.
- General Manager-level:
Also, learn decision-making processes and form networks with other employees as general managers or department managers at Toyota Motor Corporation.

Resource Shift

Aim

- Need to quickly shift resources from existing manufacturing and sales of new vehicles to emerging areas such as CASE and value chains to drive Toyota’s transformation into a mobility company.
- Active engagement in recruiting, retraining, and shifting (transferring) human resources to increase the potential of employees, identify individual roles and capabilities, and place the right people in the right jobs.

Initiative

- Attracting and supporting the growth of diverse human resources.
- Specific example: Attraction and development of software professionals.

Developing organizational structures for software professionals

- Launch of an organization responsible for training software professionals in January 2021.
- Reviewing the Toyota Group’s software development systems and launch of a new organization in October 2023 in a shift away from decentralized functional units to a cohesive organizational structure dedicated to promoting software-related business and development.

Attracting and training software professionals

- Defining digital human resources, including software professionals.
- Securing human resources through career recruitment and internal transfers
- Developing educational systems covering basic to specialized levels to support “re-skilling” and professional development.

Evaluation of and Feedback to Employees

Aim

- Independent career building is encouraged for each employee to develop a diverse workplace where everyone can reach their full potential. Employees in each workplace are placed and trained in accordance with their motivation and abilities.
- The abilities of each employee are also carefully assessed. **Effectively delivered assessment and feedback are encouraged between managers and employees** to give employees balanced workplace treatment and provide them with duties that will help to further develop their abilities.

Initiative

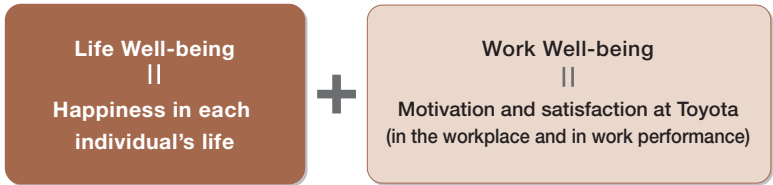
- Determine roles and themes at the beginning of each fiscal year and **consult with supervisors periodically**.
 - Interviews and daily communication between managers and employees are utilized as opportunities to have a fact-based review on their full-year performance and half-year results.
 - In particular, performance assessment is made with a focus on personal quality and ability of action required for qualification.
 - 360-degree feedback is used to gauge personal quality. Opinions are gathered from colleagues about the employee's strengths and points suggested improvement. This information is then provided to the employee as feedback.
 - Reflect half-year results into bonuses and full-year performance into salary raises for the following year.

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

Initiative to Promote Psychological Well-being

Aim

- To feel the joy and happiness of being a key part of automotive industry.



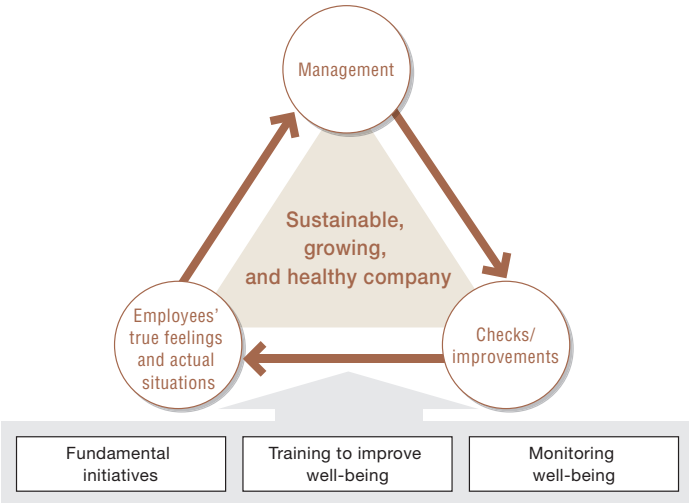
Anyone can take on new challenges at any time, as many times as possible, without fear of mistakes
Transformation into a mobility company to achieve the mission of “Producing Happiness for All”

Initiative

- Staff with a high level of expertise promote measures for psychological well-being to all employees.
- Dedicated full-time staff (hereinafter referred to as “dedicated staff”) with a high level of expertise assigned within the company plan and implement measures to promote psychological well-being.
 - Full-time psychiatrist: 1 (part-time*: 16), full-time psychologists: 7.
 - Full-time public health nurse: 1, full-time psychologists/public health nurses: 1, full-time mental health social worker: 1, full-time office staff: 6.

* Active in the field of community-based health care with a high level of expertise in sleep conditions, dementia, developmental disorders, and other conditions.

- Employees' true feelings and actual situations obtained through activities conducted by dedicated staff are directly sent up to the management after ensuring anonymity, which checks and improves company policies. This creates a cyclical system in which management performs checks and makes improvements in response to employees' true feelings about company policies and actual situations.



Fundamental Initiatives

- Create an environment in which all employees can freely access and apply for consultation services and a variety of trainings at any time.

(Toyota Motor Corporation)

Initiatives	Target audience	Overview
Dialogue and advice from dedicated staff	All officers	<ul style="list-style-type: none">● Regularly provide information on mental health care and employees' true feelings from dedicated staff, leading to the development and implementation of better company measures
Distribution of e-mail newsletters	All employees	<ul style="list-style-type: none">● Regular monthly distribution of information by email that serves as a boost to mental health and provides nourishment in daily life (like a Psychological Vitamin)
Online consultation hotline	<ul style="list-style-type: none">● Occupational health staff● Human resources● Supervisors	<ul style="list-style-type: none">● Set up a consultation hotline with part-time staff who are active in their fields and can provide appropriate information on medications and medical facilities, guidance on medical cooperation, and other useful tips

Training to improve well-being

(Toyota Motor Corporation)

Initiatives	Target audience	Overview
OMOIYARI Interpersonal Skills and Communication Training (live/online)	All supervisors and officers (mandatory)	<ul style="list-style-type: none">Implement ongoing group psychoeducation in a constant and ruminative manner with the aim of preventing harassment and promoting well-being
Well-being Dojo (live/online)	All employees (optional)	<ul style="list-style-type: none">Provide psychoeducation by dedicated staff to bring about mutually enhanced changes in awareness and behavior that help both individuals and others experience a valued sense of well-being
Cognitive behavior modification skill-up training		<ul style="list-style-type: none">Training on understanding cognitive behavioral models for use in stress management
Communication skill-up training		<ul style="list-style-type: none">Provide training that utilizes cognitive behavior models and can improve relationships through listening, accepting others, assertions, and comprehension, expression, and relationship adjustment skills
PERMA-V*1 Training		<ul style="list-style-type: none">Training in which participants can experience and learn about the elements of PERMA-V to improve their own and others' well-being
Cognitive Behavior Modification Approach and PERMA-V Psychological Education (online)		<ul style="list-style-type: none">Training from a neutral perspective by dedicated staff who are familiar with circumstances inside the company (individual case work, etc.)

*1 Positive Emotion, Engagement, Relationship, Meaning, Accomplishment, Vitality

Monitoring well-being

The following new initiatives will be implemented from fiscal 2024.

(Toyota Motor Corporation)

Initiatives	Target audience	Overview
Well-being Survey (Conducted every year)	All employees	<ul style="list-style-type: none">Conduct satisfaction surveys and other questionnaires on company measures that can serve as key drivers, in addition to the goal of having a subjective feeling of well-being and events of happinessPerform statistical correlation analysis and select measures with a high degree of contribution to and high expectations for well-being to improve the efficiency of implementing measures that can bring about sustainable growth
Well-being check (Conducted every month)	Employees in administrative and technical positions up to the third year of employment	<ul style="list-style-type: none">Conduct surveys on PERMA-VProvide opportunities to focus on well-being and self-monitoringConduct triage and case work with the involvement of dedicated staff when a reduced sense of well-being is observed

Well-being Survey*2

Aim

*2 Including Employee Engagement Survey

- All employees experience a sense of well-being in both their professional and private lives, and they are actively engaged with a sense of purpose and fulfillment at Toyota.

- Initiative
- Conducting surveys on “Life Well-Being” to assess individual happiness and satisfaction with company policies and “Work Well-Being” to gauge job satisfaction and pride in the workplace.

Utilizing analyzed results to plan and implement initiatives aimed at helping employees feel a sense of well-being in their lives.

Promoting dialogue and improvement activities between labor and management to foster and improve the workplace culture to one filled with a sense of well-being by feeding back the results from the Life Well-Being survey.

Promoting dialogue and improvement activities in each organization by feeding back the results of the Work Well-Being (employee engagement) survey to the workplace. Promoting changes in organizational culture from a workplace-based and dialogue-driven approach (bottom-up) and by creating a culture that addresses company management issues (top-down).

Life Well-Being survey (Satisfaction with Life*3 score)

[Points]

	FY 2024
Toyota Motor Corporation	21.8*4

Work Well-Being Survey*5

Percentage of Toyota employees who feel a sense of purpose and fulfillment (engagement)

[%]

	FY 2024
Toyota Motor Corporation	57*5

Percentage of Toyota employees who feel that diversity and individuality are valued (inclusion)

[%]

	FY 2024
Toyota Motor Corporation	52*5

Employee Engagement Survey (Overseas)

Percentage of employees who feel satisfied with the company

[%]

	FY 2024
Administrative and Engineering employees	78.3*6
Shop floor employees	69.5*7

*3 Satisfaction with Life Scale; Diener, E., Horwitz, J., & Emmons, R. A. (1985). One method of measuring well-being.

5 questions, 7-point scale per item, 35-point scale. Average satisfaction level with life is considered to be 20 ~ 24.

*4 Number of subjects: 69,247 Number of valid responses: 58,044 Number of valid responses/research consent: 48,315

*5 Questions have been changed from those in the FY 2024 survey.

*6 Weighted average of 29 companies.

*7 Weighted average of 30 companies.

Updated in June 2024

Health and Safety

GRI 403-1~10

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Fundamental Approach

Aim

■ Create workplaces that **ensure the physical and mental well-being of everyone working at every Toyota location, providing a safe environment where everyone can work to their full potential.**

Initiative

- Promoting health and safety initiatives for all on-site personnel including employees and contractors based on the following philosophy and policy:
- Philosophy for health and safety: Toyota Motor Corporation's Declaration of Health Commitment and the Basic Philosophy for Safety and Health.

• Health and safety policy: **Health through mutual awareness-raising and the establishment and enhancement of a safety-focused work culture.** This policy is expanded globally.

Basic Philosophy for Safety and Health

Safe work

Reliable work

Skilled work

Safe work is “the gate” to all work.

Let us pass through this gate.

Philosophy for health and safety

Social Recognition

	Details	Years Awarded
	<ul style="list-style-type: none">Recognized and certified as a Health and Productivity Company for encouraging employees to improve their health-related practices and promoting initiatives focusing on “prevention” actions by promoting flexible workstyles and providing support for a better work/life balanceCertified by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange	2021, 2023
	<ul style="list-style-type: none">Certified as a White 500 Health & Productivity Management Outstanding OrganizationCertified by the Ministry of Economy, Trade and Industry (METI) and the Japan Health Council	2018 to 2024
	<ul style="list-style-type: none">Certified as a Safety and Health Outstanding Company for maintaining and enhancing a high level of health and safetyCertified by the Ministry of Health, Labour and Welfare (MHLW) (renewed every 3 years)	2015 to 2024
	<ul style="list-style-type: none">Certified as a Sports Yell Company for striving to support and promote sports for the enhancement of employee healthCertified by the Japan Sports Agency	2024

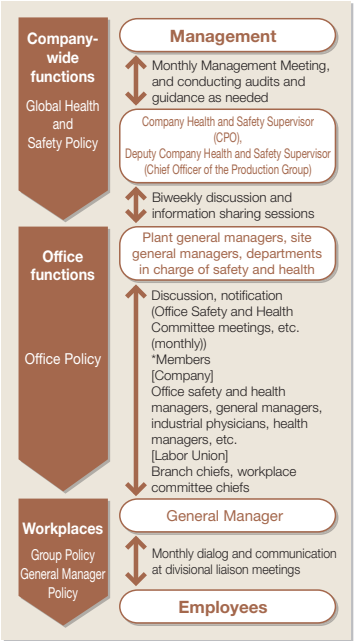
Organizational Structure

- Aim

- Promoting better work environments through cooperating with business partners, including business sites, labor unions, suppliers, and in-plant contractors.
 - Promote initiatives based on daily collaboration, sharing and resolving issues.
- Initiative

- Director in charge: Company safety and health supervising manager (CPO: Chief Production Officer)**
 - The Safety and Health Policy and KPI are formulated based on technological innovations and changes to the business environment.
 - The results of health and safety promotion initiatives are reported to management together with figures related to diseases and accidents.
 - The Safety and Health Promotion Division takes a leading role in building collaborative relationships with administrative divisions of business sites, labor unions, health insurance societies, regional affiliated companies, and suppliers.

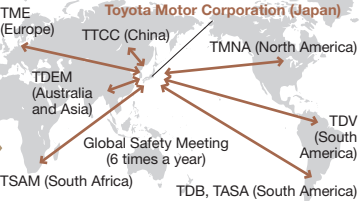
Organizational Structure



Suppliers and Affiliated Companies

Group companies	All Toyota Safety and Health Cooperation Association (17 companies)
Parts and materials suppliers	Kyohokai Safety and Health Committee (228 companies)
Equipment, installation, and logistics suppliers	Eihokai safety and health committee (128 companies) Toyota Motor Corporation Safety and Health Cooperating Association (573 companies)

Overseas affiliated companies



*TME (Toyota Motor Europe NV/SA)
TTCC (Toyota Motor Technical Center (China) Co., Ltd.)
TDEM (Toyota Daihatsu Engineering & Manufacturing Co., Ltd.)
TSAM (Toyota South Africa Motors (Pty) Ltd.)
TMNA (Toyota Motor North America)
TDV (Toyota de Venezuela Compania Anonima)
TDB (Toyota do Brasil Ltda.)
TASA (Toyota Argentina S.A.)

Health and Safety Education

- Aim

- Conduct training for all employees, from new recruits to executives, **to facilitate understanding of their roles in maintaining health and safety at all levels.**
- Initiative

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

2023 Results

(Toyota Motor Corporation)

Trainees	Training Hours	Number of Participants
Division general managers	6 hours	Approx. 40
Section general managers	6 hours	Approx. 200
Chief Experts	4 hours	Approx. 150
Workplace leaders	12 hours	Approx. 1,400
General and new employees	1 hour	Approx. 4,040

- Educational Programs for Managers
 - Discussing about workplace management tips and examples
 - Reaffirming the importance of daily communication.
 - Managers to identify any health problems of their subordinates at an early stage and provide proposals to predict accidents.

Training to Enhance Hazardous Operation Skills

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

2023 Results

(Toyota Motor Corporation)

Trainees	Number of Participants
Production division members involved in hazardous operations	3,116

Enhancing health and safety mind

(Toyota Motor Corporation)

Safety Inheritance	<ul style="list-style-type: none">Lessons learned from serious incidents and accidents occurring within the company are used to communicate the importance of safety to all employees. Managers speak about their commitment to safety and meetings are held to encourage the prevention of accidents in all workplaces.
Review past health and safety activities	<ul style="list-style-type: none">All company officers send out messages about safety and managers express their commitment to safety, making an opportunity for all workplace personnel to review their daily operations.

Educational Programs to promote health and safety mind

2023 Results

(Toyota Motor Corporation)

	Details	Trainees	Seminars
On-site health education	Health and safety-related activities are offered with the support of expert instructors. Seminars are held to boost health literacy and provide accident simulation training.	All employees	228 seminars
Online health-related learning	Various online learning materials are provided to raise awareness and knowledge about mental health and the prevention of lifestyle-related diseases.		Accessed 150,199 times

Initiative for Health

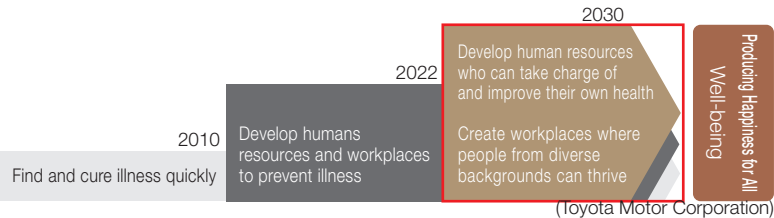
Aim

■ **Focusing on prevention-centered activities based on the “health first” concept, we will help prevent lifestyle-related diseases, improve mental health, enhance job satisfaction, and create a more comfortable work environment.** Through “health management” strategies, we aspire to boost productivity by encouraging the active participation of all employees while fostering the growth and development of the company and its workforce.

Initiative

Formulation of Toyota's 2030 Health Vision

- Formulating a health vision to ensure that each individual working at Toyota feels a sense of enjoyment and happiness through their involvement in car manufacturing, while maintaining a healthy and vibrant work life, in order to “produce happiness for all”.

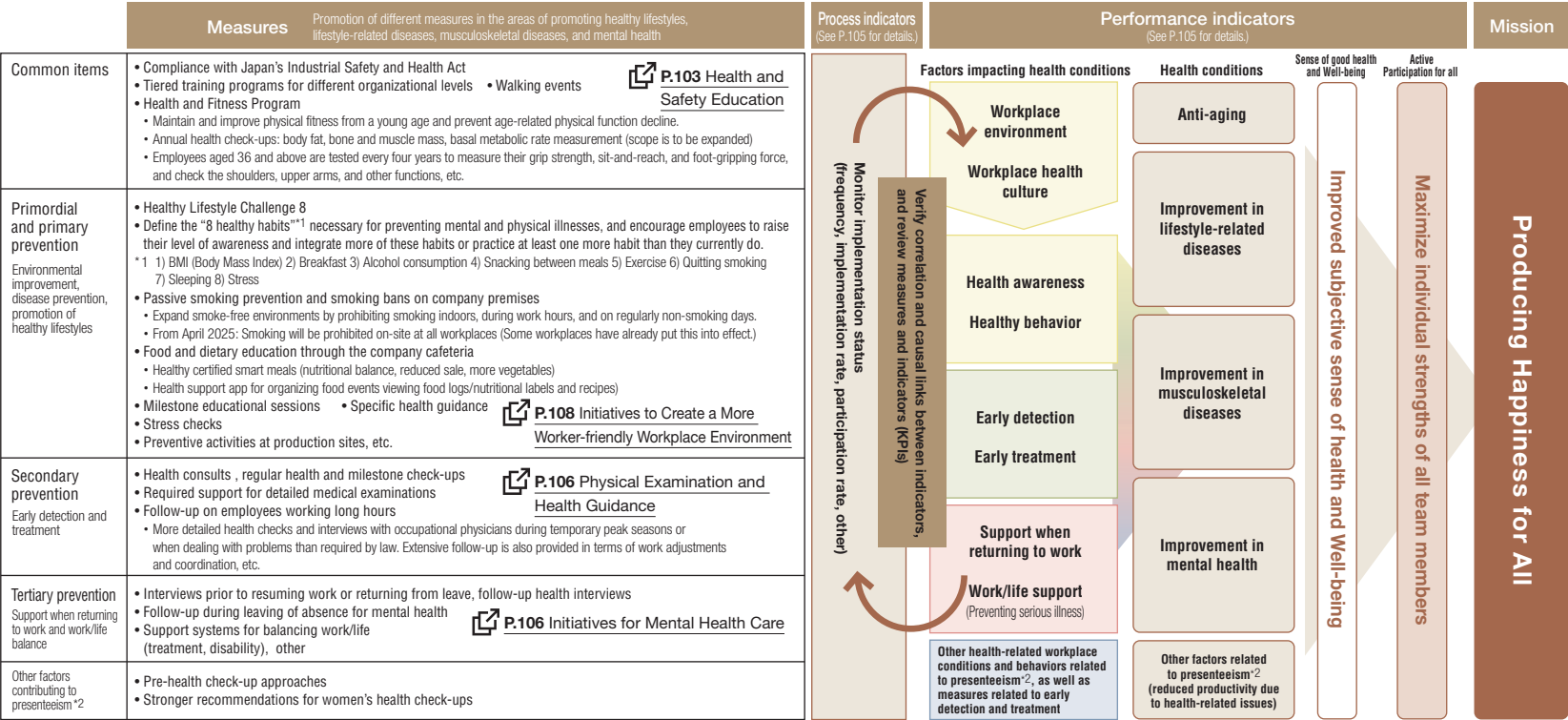


Health vision	Background on formulation of vision	Key actions
Develop human resources who can take charge of and improve their own health	Support must be strengthened for each individual, leaving no one behind in this time of aging and diversity	<ul style="list-style-type: none"> Strategies for maintaining and improving health in older adults Support for balancing work with medical treatment and disabilities Prevention of mental health issues and recurrence
Create workplaces where people from diverse backgrounds can thrive	Support is required for creating workplaces (improvements in workplace environments), including suppliers and overseas businesses, where all employees play an active role.	<ul style="list-style-type: none"> Improvements in workplace environments using data in collaboration with workplace management Create good work environments that are aware of diversity in collaboration with different stakeholders (HR, health insurance unions, hospitals, labor unions, suppliers, etc.)

Strategies to achieve Toyota's Health Vision

- Set indicators for each measure and for mental/physical health metrics.
- Share indicators with top management and departmental members while maintaining confidentiality with a view to discussing and reviewing improvement measures and indicators.
- Verify the correlation and causal links between indicators before revising measures and indicators.
- Repeat the above cycle, a continuous loop of improvement, to work towards realizing Toyota's Health Vision.

(Toyota Motor Corporation)



In-house measures related to producing happiness for all			
<ul style="list-style-type: none"> Providing opportunities for communication <p>Company-wide/workplace sporting events, informal activities, support for sports clubs, volunteer work, different consultation services, other</p>	<ul style="list-style-type: none"> Sharing information company-related information <p>Sharing management perspectives on labor-management meetings, and organize external events/activities</p>	<ul style="list-style-type: none"> Improved workstyles (i.e. working rules) <p>Promote better work-life balance by improving rules for shorter working hours/working from home/allowing work in any location, the use of various types of leave and diversity.</p>	<ul style="list-style-type: none"> Enhanced welfare benefits and convenience <p>Enhance both internal and external facilities, systems and services, and enrich employee asset-building programs.</p>

*2 Reduced productivity due to health-related issues

Key KPIs

- Review KPIs to gain insight into mental and physical status of health ranging from improving healthy habits to reducing work absences

2023

(Toyota Motor Corporation)

	2023 perspective
Employees on leave	Workforce of 801 employees or less
〈Physical〉 Persons on leave for lifestyle-related diseases	5% reduction compared to 2022
〈Mental〉 Newly on leave	2% reduction compared to 2022
Recurring absences	5% reduction compared to 2022
〈Healthy Lifestyle Challenge 8〉 (Average results from adopting 8 healthy lifestyle habits)	6.4/8

➔

2024

(Toyota Motor Corporation)

		2024 perspective	
Ongoing	Employees on leave	Workforce of 801 employees or less	
New	Health conditions	Physical Health score 6 Average number of applicable cases within the six inspection criteria	4.37/6
New		Mental Percentage of people experiencing high levels of stress	18.9%
Ongoing	Healthy habits	Healthy Lifestyle Challenge 8 (Average results from adopting 8 healthy lifestyle habits)	6.4/8
New	Workplace environment	Attitude towards creating healthy lifestyles Percentage of workplaces implementing plans systematically	50%
New	Health measures	〈Participation rate in company-wide plans〉 Walking events	20%

Lower incidences of absenteeism

Performance indicators

Health conditions

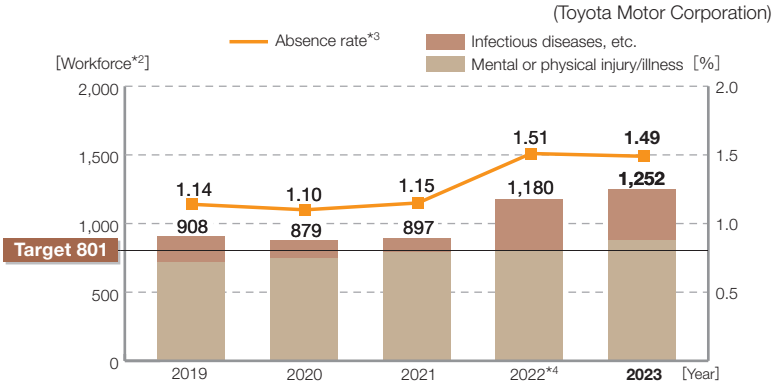
Healthy habits

Workplace environment

Process indicators

Measures to promote healthy lifestyles

Lost Workdays Due to Absences*1



*1 Conditions for calculation: Cumulative number of days of absence requiring a medical certificate of more than four working days, including paid leave
*2 Cumulative number of days of absence / Number of working days in a year ÷ Workforce (annual absent Workforce)
*3 Absent Workforce / Number of employees x 100 ÷ Absence rate
*4 Figures increased compared to 2021 due to an increase in absences caused by COVID-19 infections

Key indicators and results

Item	Process indicators	Performance indicators	2021	2022	2023
Regular health check-ups (Consultation rate)	○		100%	100%	100%
Regular health check-ups (Ratio of persons with related findings)		○	42.7%	43.0%	43.2%
Regular health check-ups (Health score 6: Number of cases falling within the criteria for obesity, blood pressure, liver functions, lipids, blood glucose, and uric acid levels)		○	4.31/6	4.30/6	4.25/6
Percentage of patients undergoing detailed medical examinations after regular health check-ups	○		98.3%	97.9%	96.2%
Stress check (Consultation rate)	○		96.2%	91.7%	89.5%
Percentage of specific health guidance	○		24.9%	37.2%	63.5%
Specific health guidance efficacy rate		○	39.4%	41.4%	42.3%
Lifestyles (Average of people who cleared Healthy Lifestyle Challenge 8)		○	6.3/8	6.3/8	6.3/8
(Healthy weight) 40 years and older		○	63.3%	62.3%	63.3%
(Exercise routine) 30 min/day x 2 times/week, 40 years and older		○	47.1%	53.4%	54.9%
(Exercise routine) 30 min/day x 1 time/week		○	64.1%	67.9%	70.0%
(Smoking rate)		○	25.1%	20.9%	19.5%
Installation rate of health apps (organization of food events, food logs/nutritional labels and recipe views)	○		—	33.9%	41.1%
Participation rate in health events for all employees (walking events)	○		16.9%	19.1%	17.6%
Participation of managers at all levels in educational activities on women's health issues	○		—	3.7%	40.1%
Absenteeism (Leave of absence due to injury or illness)		○	Workforce of 897 employees	Workforce of 1,180 employees	Workforce of 1,252 employees
Presenteeism (Rate of decline in performance due to somatic complaints, etc.)		○	—	33.3%	33.1%

Strategies for maintaining and improving health in older adults

Physical Examination and Health Guidance

- Carrying out physical examinations provided by full-time medical staff in accordance with each employee’s age and risk factors. Encouraging voluntary screening tests (neurological or gynecological tests) and providing specific health guidance.
- From the age of 36 to retirement at age 60, employees and their (dependent) spouses undergo a health screening equivalent to a thorough physical examination once every four years, and once every two years for people aged 60 or older. They also receive an oral health assessment, including a check for peridontal disease, and attend health briefings about their individual health status (Milestone health check-ups: approximately 20,000 persons undergo the screening per year, including individuals and family members who are enrolled in the Toyota Motor Health Insurance Society).
- Individual guidance will be provided if the employee’s health does not improve after follow-ups within the company and/or outpatient treatment at a medical facility.

2023 Results (Toyota Motor Corporation)	
	Results
Rate of employees who have received physical examinations	100%
Specific health guidance implementation rate	63.5%

Physical assessments and fitness instruction

- Assess exercise capacity during four-year milestone health check-ups to raise awarness of a decline in physical functions related to age and provide customized guidance on ways to build up physical fitness tailored to individual capabilities to encourage people to start to exercise.
- Start to incorporate muscle mass measurements using body composition analyzers into annual health check-ups at selected workplaces to raise awaenress of muscle mass among younger employees. This is slated to be expanded to health check-ups at key sites in Japan in the future.

Support for balancing treatment and disabilities with work

- Set up consultation services by occupational physicians and health staff to support employees who are trying to find a balance between treatment and work, and put work/life balance systems into place.
- Examples of systems to support work/life balance
Designated sick leave, family plan leave, fertility treatment leave, other.
- Support the development of safe working environments for people with disabilities by checking up on health and safety before they join the company and conducting regulat interviews with occupational physicians in their first year of employment.

P.73 Childcare / Nursing Care Support

Initiatives for Mental Health Care

- Employees, workplace managers, industrial healthcare staff, including psychology experts, and staff in charge of personnel and labor affairs respectively engage in various activities to **prevent mental issues from either occurring or recurring.**

(Toyota Motor Corporation)

Primordial and primary prevention	<ul style="list-style-type: none">● Mindfulness and meditation training● Self-care<ul style="list-style-type: none">● Encouraging better lifestyles and habits (Healthy Lifestyle Challenge 8)● Providing Stress checks to raise awareness● Rank specific training for new recruits and young employees● Line care<ul style="list-style-type: none">● Workplace management (receiving support from and communicating with supervisors and co-workers)● Workplace-specific and individual support provided by workplace counsellors● Rank-specific training for managers● Care by experts● Training by psychology expert staff
Secondary prevention (rapid identification and response to issues)	<ul style="list-style-type: none">● Screening at physical examination● Setting up a permanent in-house health counselling service
Tertiary prevention (preventing reoccurrence and re-absence)	<ul style="list-style-type: none">● Follow-ups upon returning to work in accordance with the guidelines● Care by experts<ul style="list-style-type: none">● Advice for relevant employees and industrial health staff at a counselling center where a psychiatric specialist is permanently stationed

Using data to improve the workplace environment in collaboration with workplace management

- Provide support for high-stress workplaces through discussions involving psychiatrists and occupational physicians from the Human Resources Department and the Safety and Health Promotion Division to improve the workplace environment after the results of group analysis from stress checks are fed back to department heads.
- Share the implementation rates of Healthy Lifestyle Challenge 8 with individual workplaces and provide support for planning and implementing activities at the workplace level to encourage changes in healthy behavior.

Collaborate with stakeholders (human resources, health insurance unions, hospitals, labor unions, suppliers, etc.) to create a diverse, work-friendly environment.

- Convene health improvement forums with health insurance unions, Toyota Memorial Hospital, and labor unions to share perspectives on health measures and incorporate these into company policies.
- Collaborate with the Human Resources Department and labor unions to identify and address issues related to women's health. Organize menstrual health training sessions for supervisors and managers at production sites to raise their level of understanding and support for menstrual issues among female employees.
- Share case studies on health management initiatives on a dedicated website for suppliers and provide advice tailored to promoting health management initiatives based on specific needs.

Satisfaction with company policies

Sense of satisfaction with systems and support frameworks that allow employees to continue working comfortably and confidently, even in the face of physical or mental health challenges.*1

	FY2024
Toyota Motor Corporation	5.18/7*2

*1 One of the survey items in the Well-Being Survey (on happiness and purpose)

*2 Number of subjects: 69,247, Number of valid responses: 58,044, Number of valid responses/research consent: 48,315

P.101 Well-Being Survey

Initiative for Safety

Aim

- Promoting safety and health activities rooted in each worksite toward achieving the target of **“ultimately achieving zero accidents and the continuation of zero accidents at all worksites”**.
- Scope: employees, secondees, assistant secondees, dispatched employees, employees of in-house contract companies, and employees of suppliers related to plant construction work, under the Occupational Safety and Health Rules.

Initiative

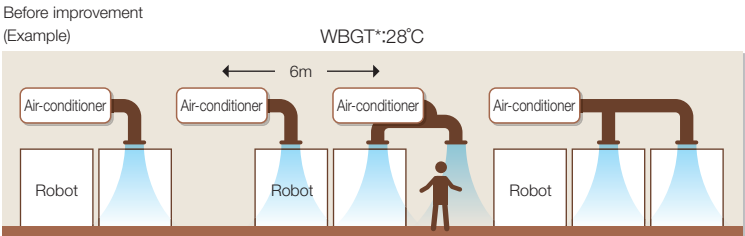
Initiatives for The Three Pillars of Safety

The Three Pillars of Safety

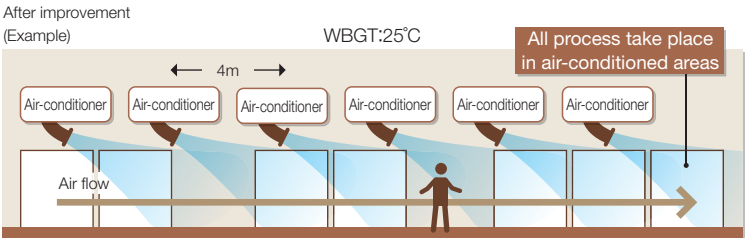
Safe People	<ul style="list-style-type: none"> Implementing initiatives to develop people who can predict risks, follow rules, and think and act for themselves. Workplace leaders demonstrate a safety-first attitude on a daily basis. Safety training focuses on the experiences and past actions of former employees, and is designed to encourage current employees to review their awareness and behavior on a daily basis to ensure that all employees are “safe people”
Safe Work (Risk Management)	<ul style="list-style-type: none"> Reducing and managing high-risk tasks to eliminate all serious accidents Employees implement the 4S methodology: seiri (sorting), seiton (straightening), seiso (cleaning), and seiketsu (cleanliness). They also evaluate safety risks in the workplace and implement a standardization process based on the operability of each task.
Safe Place/ Environments	<ul style="list-style-type: none"> Aiming to build positive and worker-friendly processes, find troubles and take quick actions and make speedy decisions. The work environment is managed by statutory environmental measurement. Since the working environment is significantly affected by the production equipment, season and other factors, measures for facilities are implemented according to the predetermined priority order.

Examples of Three Pillars Initiatives

- Safe Work: Employee movement zones and industrial vehicle movement zones are separated to prevent collisions between workers and industrial vehicles.
- Safe Place/ Environments: Heat mitigation is carried out by creating cool air flows throughout the worksite to improve the work environment.



*WBGT (Wet Bulb Globe Temperature): Environmental assessment indicator to prevent heatstroke that considers both temperature and humidity



Safety Risk Assessment

- Globally Expanding Occupational Safety and Health Management System (OSHMS)**
 - Using OSHMS, weaknesses are identified by genchi genbutsu (going to the source to get the facts) inspections.
 - Confirming whether measures are being implemented to avoid accidents that have occurred at other affiliates, and the status of the facilitated system to implement countermeasures continuously.
- Acquisition of ISO 45001*¹ Certification
 - Eight global plants have acquired ISO 45001 certification (as of December 31, 2023). Further acquisition of certification by affiliates will be considered depending on the needs of the region and the plant concerned.
- Global Safety Meeting
 - Managers in charge of health and safety in each region attend a meeting (six times a year).
 - Attendees discuss responses to common issues and share examples of effective responses.
- When a new office is established, the company works together with suppliers to advance safety measures in terms of premises, buildings, and equipment installation while ensuring compliance with both legal requirements in the relevant country and construction work safety rules and equipment safety standards, both of which are common to global Toyota.

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

Initiatives to Create a More Worker-friendly Workplace Environment (Preventing Musculoskeletal Disorders)

- Enhancing initiatives to **create workplace environments that are more friendly to workers in every region with consideration for all those involved in production activities**, regardless of age, gender, or physical characteristics.
- Measures to prevent lower back and hand pain from repetitive tasks include easy-to-assemble components and worker-friendly production equipment and work methods. We also visualize the situation of employees by offering physical care to employees on-site and a system to provide support when pain occurs.



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

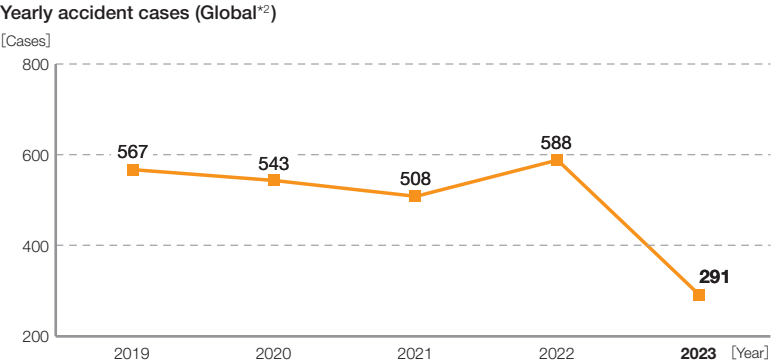
Safety KPI

Accident Type		2024 Target
Safety	Fatal accidents on company premises	0
	All accidents	24 or fewer

Work-related Accidents and Injuries

2023 Results			
	Scope	2023Target [cases]	Result [cases]
All accidents	Global*1	125	291
	Toyota Motor Corporation	24	37
Fatal accidents on company premises	Global*1	0	1
Serious accidents (accidents that may result in death)	Global*1	10	29
Serious injuries (musculoskeletal diseases that require employees to take a leave of absence for two weeks or longer, or impose work limitations)	Global*1	478 (down 20% compared to 2021)	686

*1 Global: Toyota Motor Corporation and 53 overseas locations



*2 Global: Toyota Motor Corporation and 53 overseas locations

- In 2023, there was one fatal accident.
- Toyota takes this situation very seriously and is implementing the following to ensure workplaces and employees can respond to changes.
- Focusing on each individual employee.
- Continuous activities related to the Three Pillars of Safety and further awareness-raising.
- Continuous improvement of the health and safety management system.

P.107 The Three Pillars of Safety

Work-related Injuries (Lost Time Incident Rate*3)

	2019	2020	2021	FY2023*7 (2022)	FY2024
Global*4	0.25	0.24	0.23	0.28 (0.30)	0.13
Japan	0.04	0.10	0.03	0.07 (0.07)	0.05
North America*8	1.01	0.89	0.93	1.25 (1.43)	0.32
Europe	0.42	0.27	0.13	0.05 (0.05)	0.10
China	0.07	0.11	0.08	0.03 (0.03)	0.03
Asia-Pacific	0.05	0.02	0.07	0.06 (0.05)	0.05
Other	0.23	0.23	0.31	0.26*9 (0.24)	0.26
All industries (Japan)*5	1.80	1.95	2.09	— (2.06)	2.14*10
Manufacturing industry (Japan)*5	1.20	1.21	1.31	— (1.25)	1.29*10
Japan Automobile Manufacturers Association, Inc (14 companies)*6	0.09	0.09	0.07	— (0.07)	0.08*10

*3 Lost Time Incident Rate: Number of deaths and injuries per 1 million hours actually worked in total (No. of deaths and injuries /Actual hours worked) × 1,000,000

*4 Global: Toyota Motor Corporation 53 overseas locations

*5 Source : Statistical tables from the Ministry of Health, Labour and Welfare

*6 Source: Japan Automobile Manufacturers Association, Inc

*7 Fiscal year results disclosed from FY2023

*8 The data statistical standards have been revised from FY2024

*9 Revised in June 2024 0.40 (0.37) → 0.26 (0.24)

*10 Annual aggregation

Updated in June 2024

Social Contribution



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

109

Fundamental Approach

109

Organizational Structure

109

Social Contribution Activities

Fundamental Approach

Aim

- **Contribute to achieving the SDGs** by working together with stakeholders to achieve our mission of Producing Happiness for All.

Initiative

- Work on issues in each area with a **sense of ownership** and a **genchi genbutsu (going to the source to get the facts)** approach. Actively working together with partners to resolve an ever-wider range of issues faced by society.

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

 [Toyota Social Contribution Activities](#)

Organizational Structure

Aim

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

Initiative

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

 [P.7 Organizational Structure](#)

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

Social Contribution Activities

Aim

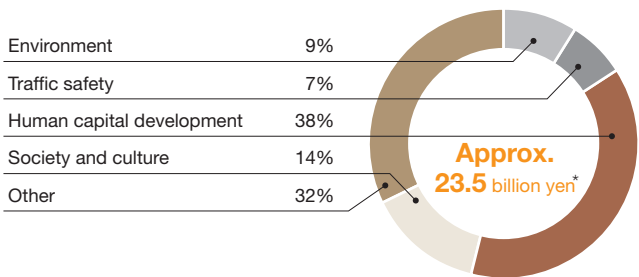
- Toyota works together with members of the community to create a more prosperous society and ensure its continued development in the future. We use the resources we have effectively while promoting activities such as support the human capital development of the next generation of human resources.

Initiative

- 4 areas in which Toyota will focus its efforts
 - **Contribution to a harmonious society**
 - **Human capital development**
 - **Community co-creation**
 - **Mobility for All** (offer free and safe mobility for all people, through its business)
- Example**
 - Social contribution programs (e.g. contribution to a harmonious society, human capital development, community co-creation)
 - Promotion of employee volunteer activities (Toyota Volunteer Center)
 - Support of activities by NPOs, NGOs, etc. (donations and sponsorship)
 - Activities to promote understanding of automobiles, mobility culture, and Toyota's corporate culture (Toyota Kaikan Museum, Toyota Automobile Museum etc.)

 [Social Contribution Activities](#)

Expenditure for Social Contribution Activities (FY2024)



* Toyota Motor Corporation and major subsidiaries (64 companies)
Major subsidiaries' results have been converted to yen based on the average exchange rate for FY2024.

Updated in June 2024

Social Data

GRI 2-7, 8, 204-1, 401-1, 3, 404-1, 405-1, 2

A

Employees

TMC: Toyota Motor Corporation

			FY2022	FY2023	FY2024
Employees (Consolidated)		Persons	372,817	375,235	380,793
Employees (TMC)			70,710	70,056	70,224
	Male		61,571	60,780	60,663
	Female		9,139	9,276	9,591
Newly-hired employees (TMC)			1,122	1,401	934
	Male		840	1,138	723
	Female		282	263	211
Average age (TMC)		Years old	40.5	40.6	40.6
	Male		41.4	41.2	41.2
	Female		36.4	36.8	37.0
Average period of employment (TMC)		Years	16.4	16.2	16.0
	Male		16.8	16.6	16.3
	Female		13.4	13.7	13.9
Turnover rate (TMC, voluntary resignation due to personal reasons)		%	1.0	1.0	0.9
Re-employed retirees (TMC)* ¹		Persons	1,288	1,465	1,579
Local management employees at overseas subsidiaries* ²		%	78.4	76.7	74.4* ²
Non-Japanese CEOs/COOs in major overseas subsidiaries* ³			60.7	63.1	63.9* ³
Number of managers (TMC)		Persons	10,534	10,416	10,503
Percentage of managerial positions held by women	Global	%	12.0	14.8	11.0* ⁴
	TMC		3.0	3.4	3.7
Number of female assistant managers (TMC)		Persons	762	787	813
Number of female managers (TMC)			315	351	386
Percentage of female new recruits (TMC)	Administrative employees	%	40.0	45.6	34.8
	Engineering employees		12.7	11.8	10.7
	Shop floor employees		31.5	20.8	20.9
Female turnover rate (TMC, voluntary resignation due to personal reasons)	Administrative and Engineering employees		1.8	1.7	1.5
	Shop floor employees	3.6	3.6	2.3	
Number of employees using the childcare and nursing care leave program (TMC)		Persons	923	1,369	1,847
	Male		495	932	1,382
	Female		428	437	465
Average period of childcare leave (TMC)	Male	Months	1.9	1.9	2.0
	Female		16.5	16.4	15.2

*1 Number of re-employed administrative and engineering retirees

*2 Scope of calculation: 32 overseas companies

*3 Scope of calculation: 108 overseas companies

*4 TMC and 47 overseas companies

			FY2022	FY2023	FY2024
Return rate after taking childcare leave (TMC)		%	99.0	99.0	99.8
	Male		100	100	99.9
	Female		98.1	97.8	99.3
Rate of male employees taking childcare leave (TMC)			19.4	38.0	61.5
Rate of male employees taking leave after the birth of their child (TMC)*5			91.0	90.7	88.5
Average number of days leave taken by male employees after the birth of their child (TMC)	Days		6.0	6.0	6.0
Average annual salary (TMC)	Yen		8,571,245	8,954,285	8,998,575
Gender pay gap (TMC)*6	All workers	%	— *7	66.7	67.0
	Permanent employees		— *7	66.5*8	66.9*8
	Part-time/fixed-term contract employees		— *7	57.8*9	59.5*9
Employment rate of people with disabilities (TMC, including special-purpose subsidiaries)		%	2.50	2.49	2.51
Number of people with disabilities employed (TMC, including special-purpose subsidiaries)	Persons		1,431	1,437	1,477
Number of employees using the flexible working hours system (TMC)*10			35,654	36,392	37,182
Percentage of annual paid leave taken (TMC)*11*12	%		93.4	101	87.8
Average monthly overtime per employee (TMC)*11	Hours/month		19.7	19.1	21.8
Total training hours (TMC)*13	Hours/year		507,485	412,236	487,381
Number of training hours per employee (TMC)*13	Hours/year		7.2	5.9	6.9
Total training cost (TMC)*14	Million yen/year		378	343	442
Employees who feel personal growth (TMC)	%		85.1	82.3	— *16
Employees who are satisfied with company life (TMC)			78.2	77.2*15	— *16
Percentage of Toyota employees who experience sense of purpose and fulfillment (TMC)			—	—	57
Percentage of Toyota employees who feel that diversity and individuality are valued (TMC)			—	—	52
Administrative and engineering employees who are satisfied with company life			70.0	67.9	78.3*17
Shop floor employees who are satisfied with company life			72.1	73.5	69.5*18
Rate of non-permanent employment (TMC)			14.9	17.5	19.8
Ratio of employees covered by collective bargaining agreements			91	90	86*19
Number of work stoppages and total days idle	Cases (persons・days)		0	0*20	1 (1,267)*21
Lost-time injury frequency rate	Global*22	*23	0.23*24	0.28	0.13
	TMC		0.03*24	0.07	0.05
Absence rate (TMC)*24		%	1.15	1.51	1.49
Stress check implementation rate (TMC)*24			96.2	91.7	89.5

*5

Percentage of male employees who took more than a half-day or full day of leave within two months of the birth of their child (including annual paid leave and childcare leave.)

*6

Average annual wage of female workers / Average annual wage of male workers x 100
Average annual wage is total wage (including bonuses and non-standard wages)/number of workers.
Permanent employees do not include employees dispatched from TMC to external companies or employees despatched from other companies to TMC.
Part-time/fixed-term contract employees include fixed-term employees, non-permanent employees, part-timers, post-retirement rehires, and temporary employees. (The number of part-timers is not calculated in terms of equivalent hours worked.)
The wage framework and system does not allow pay gaps between male and female employees.

*7

Disclosure commenced in FY2023.

*8

The pay gap between male and female permanent employees is due to average age and affiliation according to job type. Pay gaps between male and female employees of the same age in the same job type will be reduced.
The pay gaps between male and female permanent employees aged 30 years is as follows:
Administrative and engineering positions: 94.0%; Gyomushoku: no data (due to no male employees); Shop floor employees: 74.9%; and Medical staff: 88.6%

*9

Pay gaps between part-time and fixed-term contract employees are due to employment type.
Particularly, remuneration for post-retirement rehires is calculated in accordance with their job description and qualifications, etc. resulting in pay gaps.

*10

Including use of the system other than for childcare or nursing care.

*11

Union member average.

*12

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

*13

Covers only company-wide training programs organized by HR (does not include training programs at each division, in-house companies, or departments)

*14

Personnel costs (internal personal costs for setup and operation, outsourcing costs, Advisor labor costs), venue rental costs, equipment costs (rental/purchase), outside speaker costs, fees for attending external training [Note: Does not include labor costs when attending training]

*15

Administrative, engineering, "gyomushoku" employees (not including shop floor employees)

*16

Survey questions revised in FY2024. (Newly established : "Purpose and fulfillment"and "Diversity and respect for individuals")

*17

Weighted average of 29 companies.

*18

Weighted average of 30 companies.

*19

Countries with unionized operations (only countries/regions with manufacturing: 19 out of 22)

SASB

TR-AU-310a.1

*20

Revised from 1 to 0 (The aggregation has been modified to align with the SASB definition)

*21

On March 5 and 6, 2024, employees were briefed on the relocation of the Indaiatuba Plant and plant operations were suspended at Toyota do Brasil LTDA (TDB, Brazil). A total of 1,267 work days were lost based on the definition by SASB (1-day shutdown x 1,267 affected employees).

SASB

TR-AU-310a.2

*22

TMC and 53 overseas sites.

*23

Number of deaths and injuries per 1 million hours actually worked in total (No. of deaths and injuries /Actual hours worked) × 1,000,000.

*24

Period covered: January to December.



Governance

- 114** Corporate Governance
- 119** Risk Management
- 122** Compliance
- 126** Governance Data

Updated in June 2024

Corporate Governance

GRI 2-9~13, 2-17, 19, 20, 3-3

- 114 Fundamental Approach
- 114 Corporate Governance Structure
- 116 Board of Directors
- 117 Audit & Supervisory Board
- 117 Executive Compensation
- 118 Internal Control

Fundamental Approach

Aim

- Establishment of a corporate governance structure that **supports sustainable growth and the stable, long-term enhancement of corporate value.**

Initiative

- Establishment and improvement of corporate governance structure and proper operation of the Board of Directors and the Audit & Supervisory Board, etc. to enhance corporate governance.

Corporate Governance Structure

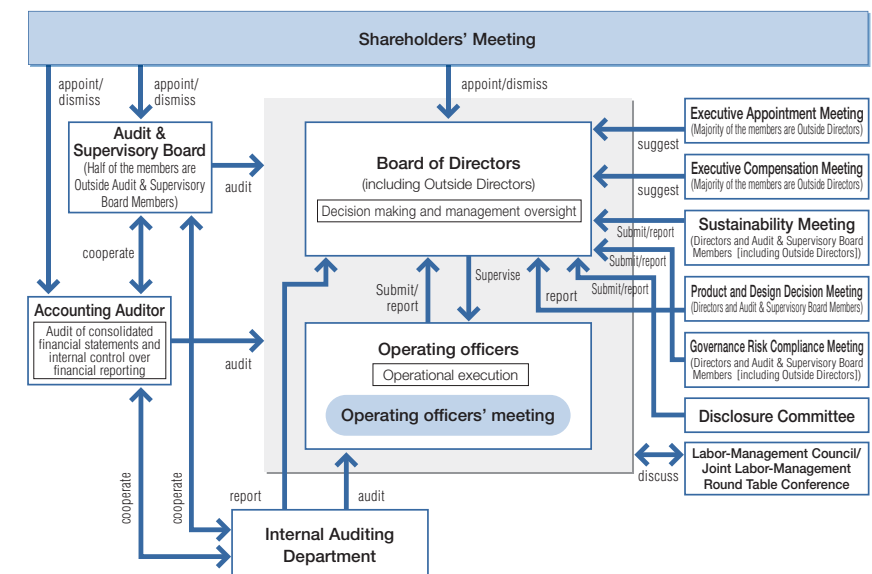
Aim

- Put in place a structure that enables customer opinions and on-site information to be swiftly communicated to management in order to **realize timely and accurate management decision-making**, and to **review whether such management decisions are accepted** by the customers and society.

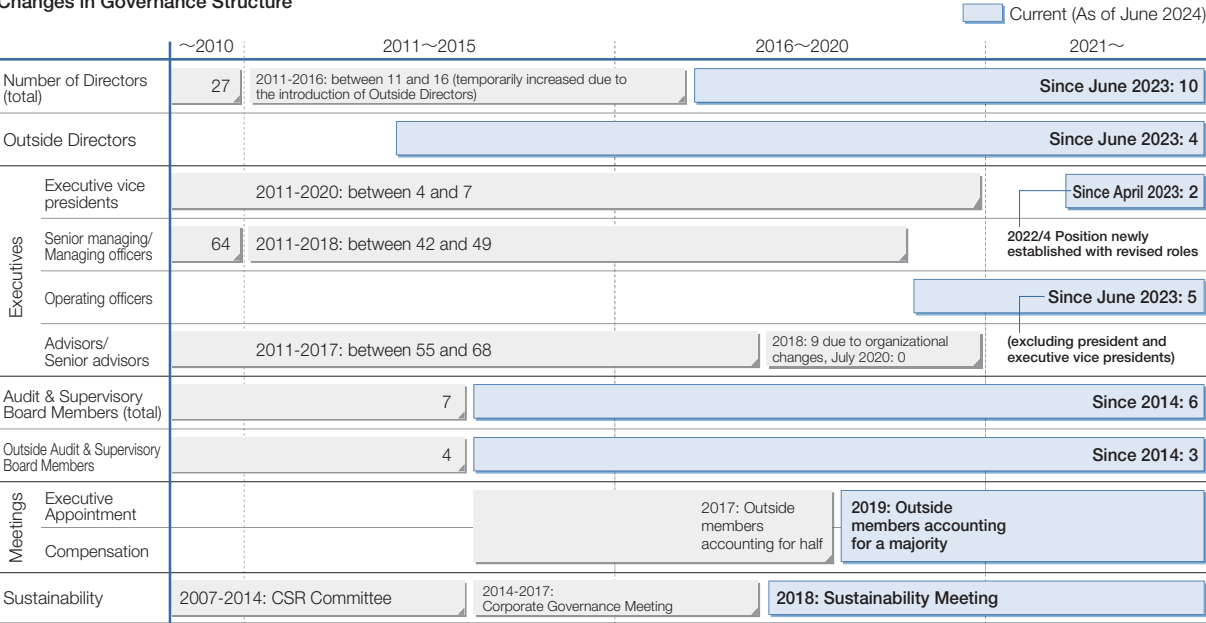
Initiative

- The president, executive vice presidents and operating officers, to whom authority is delegated by the Board of Directors, work together with the business units (in-house companies and Business Planning & Operation Units) to reach decisions quickly and promote initiatives through operating officers' meeting and others.
- The Board of Directors, which includes Outside Directors, and the Audit & Supervisory Board, which includes outside Audit & Supervisory Board Members, supervise and audit the execution of business operations.
- The “Governance Risk Compliance Meeting” is newly established to enhance governance and management foundations.

Corporate Governance Organizational Diagram






Changes in Governance Structure



April 2011	<ul style="list-style-type: none">Reduced the number of Members of the Board of Directors from 27 to 11(currently 10 members)Reduced decision making layers (discontinuing the positions of executives responsible for the operations involved and introduced the two-tiered arrangement of Executive Vice President and Chief Officer)Made flexible assignment of Senior Managing Officer or Managing Officer to Chief Officer post (abolition of Senior Managing Director)Established the role of Executive General ManagerStationing of, in principle, regional chief officers in their respective regions
April 2013	<ul style="list-style-type: none">Established business unitsReorganized region groupsAppointed Outside Board Members
April 2015	<ul style="list-style-type: none">Changed the roles of officersEnhancement of diversity (appointing non-Japanese executives and female executives)
April 2016	<ul style="list-style-type: none">Established in-house companies, shift from functional to product-based focus
April 2017	<ul style="list-style-type: none">Further clarification of the responsibilities of Members of the Board of Directors as decision making and management oversight and of Operating Officers as operational executionReduced the number of Members of the Board of Directors(including Outside Directors) to 9 (June)
October 2017	<ul style="list-style-type: none">Changed the advisor and senior advisor system
January 2018	<ul style="list-style-type: none">Increased appointment of people with high expertise from both within and outside of the Company (the Toyota Group, people with technical positions, backgrounds, etc.)Executive Vice President, in addition to supporting the President, personally leads the field as an in-house company president and organizational group chief officersNewly established a fellow system to secure people with high level of specialist expertise and expand the breadth of executive human resource development
January 2019	<ul style="list-style-type: none">Created a new classification: “senior professional/senior management,” integration of Managing Officer, Executive General Manager, (sub-executive managerial level) Senior Grade 1 and Senior Grade 2 Manager, and Grand Master
January 2020	<ul style="list-style-type: none">Discontinued use of Field General Manager rank, shifting to Senior General Manger and Fellow
April 2020	<ul style="list-style-type: none">Integrated the roles of Executive Vice President and Operating Officer into Operating Officer
July 2020	<ul style="list-style-type: none">Further clarified the roles of Operating Officers
April 2022	<ul style="list-style-type: none">Reorganized the roles of operating officers and newly established the position of executive vice president to create a position for focusing on management perspectives with the president
April 2023	<ul style="list-style-type: none">Shifted to a new management structure whereby, under the theme of “inheritance and evolution,” operating officers implement product-centered (making ever-better cars) and region-centered (being the best car company in town) management

Board of Directors

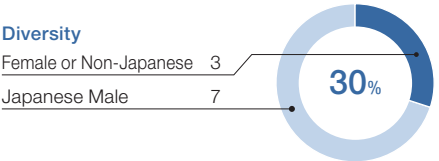
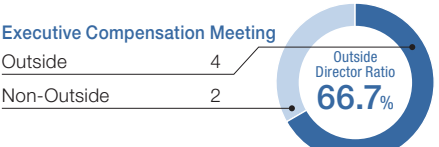
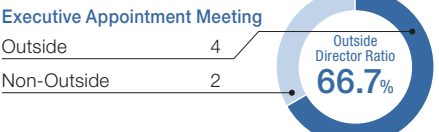
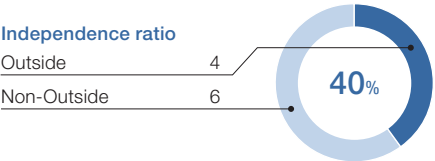
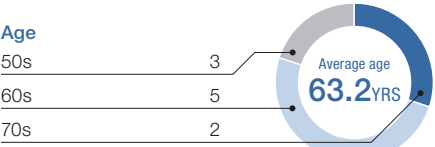
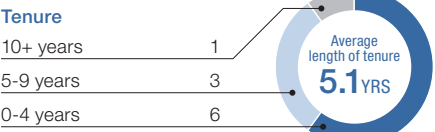
Aim		
■ Carry out acceleration of decision-making and appropriate supervision to realize sustainable growth through transformation into a “mobility company”.		
Initiative		
■ Internal executives who have been long engaged in and have deep knowledge of manufacturing and outside executives who are capable of providing advice for the creation of new value from a broad perspective participate in well-balanced decision making at the Board of Directors’ meetings.		
■ Establishment of “Executive Appointment Meeting” and “Executive Compensation Meeting,” of which a majority of the members are Outside Members of the Board of Directors, in order to enhance the governance system.		
(As of June 2024)		
Composition	10 members (Independent Outside Directors: 4, Female: 1, Non-Japanese: 2)	
Chairperson	Chairperson of Toyota Motor Corporation	
Tenure as Director	Average tenure: 5.1 years (0-4 years: 6 persons, 5-9 years: 3 person, over 10 years: 1 person)	
Appointment/dismissal of Directors	The Executive Appointment Meeting discusses and makes recommendations to the Board of Directors	
Independence of Outside Directors	Considered in accordance with the requirements for Outside Members of the Board of Directors set out in the Companies Act and the independence standards established by the relevant financial instruments exchanges	
Diversity of the Board of Directors	The Board of Directors is to consist of members with abundant knowledge, deep insight and the highly professional expertise needed by Toyota, and members are appointed in consideration of Board diversity	
Members’ career summary	 Executives	
Attendance rate at Board of Directors’ meetings	 Notice of Convocation “Attendance at the Board of Directors Meetings (Number of BOD meetings attended)”	
Skills matrix	 Notice of Convocation “Skills Matrix of Members of the Board of Directors and Audit & Supervisory Board Members”	
Measures to make full use of the insight of Outside Members of the Board of Directors and the Audit & Supervisory Board	<ul style="list-style-type: none">Review the criteria for submission of proposals to the Board of Directors as needed to reduce the number of proposals submitted, so that sufficient time can be secured to discuss each proposalProvide an explanation of proposals in advance to help ensure thorough understanding of the background of the proposalsBesides the Board of Directors meetings, set periodic opportunities for two-way communication between Outside Members of the Board of Directors and the Audit & Supervisory Board and the operational execution side on important management issues and medium-to long-term issues	
Analysis/evaluation of the effectiveness of the Board of Directors	Frequency	Once a year
	Subject of evaluation	Members of the Board of Directors and Audit & Supervisory Board Members
	Matters to be evaluated	Matters including <ul style="list-style-type: none">composition and operation of the Board of Directorsmanagement strategy and business strategycorporate ethics and risk managementcommunication with stakeholders such as shareholders
	Method	<ul style="list-style-type: none">Self-evaluation through surveys
	Summary of the findings (in 2024)	<ul style="list-style-type: none">Improvements have been noted in “preliminary briefings” and the “provision of information to outside executives”However, issues with time allocation, business strategy reviews, and sustainable management practices, all identified as challenges in the previous year, persist
	Improvement measures	<ul style="list-style-type: none">Governance measures on corporate culture, mechanisms, and systems are compiled for reporting and discussion by the Board of DirectorsIn order to enhance discussions at the Board of Directors meetings, TMC will utilize, and clarify the roles of, meeting bodies around the Board of Directors as needed

Meetings

Name	Composition (as of June 2024)	Frequency/ Attendance Rate	Prior Meeting*	Main Discussion Points
Executive Appointment Meeting	Chairperson: Vice Chairperson of the Board of Directors, 6 members (Independent Outside Directors: 4, Female: 1, Non-Japanese: 1)	9 times / 100%	4 times	<ul style="list-style-type: none">Recommendations regarding appointment/dismissal of Members of the Board of Directors and Audit & Supervisory Board MembersAppointment/dismissal and changes in roles of operating officers and senior professionals/senior management above Senior General ManagerIndividual performance evaluationOrganizational structureRoles of and Expectations for Outside Members of the Board of Directors and Outside Audit & Supervisory Board Members and Independence Assessment Criteria
Executive Compensation Meeting	Chairperson: Vice Chairperson of the Board of Directors, 6 members (Independent Outside Directors: 4, Female: 1, Non-Japanese: 1)	2 times / 100%	5 times	<ul style="list-style-type: none">Remuneration level for each position and job responsibilityEvaluation of indicators and actual results of FY2024Determination of the amount of remuneration for each member

* Composed solely of outside directors

Highlights on Corporate Governance



Audit & Supervisory Board

- Aim
- Appropriately conduct audits of Toyota

which aims to achieve global sustainable growth by transforming itself into a “mobility company”.
- Initiative
- The Audit & Supervisory Board is composed of full-time Audit & Supervisory Board Members, who are well-informed of Toyota's internal matters, and Outside Audit & Supervisory Board Members, who have a high level of expertise and knowledge.

■ Each Audit & Supervisory Board Member can exercise his/her audit & supervisory authority independently.

(As of June 2024)

Composition	6 members (Outside Audit & Supervisory Board Members: 3, Female: 2, Non-Japanese: 2)
Appointment/dismissal of Audit & Supervisory Board Members	The Executive Appointment Meeting discusses and makes recommendations to the Audit & Supervisory Board
Independence of Outside Audit & Supervisory Board Members	Considered in accordance with the requirements for Outside Members of the Board of Directors set out in the Companies Act, independence standards established by the relevant financial instruments exchanges, and independence assessment criteria established by Toyota
Members' career summary	<div><div></div>Executives</div>
Attendance at Board of Directors' meetings	<div><div></div>Notice of Convocation “Attendance at the Board of Directors Meetings (Number of BOD meetings attended)”</div>
Skills matrix	<div><div></div>Notice of Convocation “Skills Matrix of Members of the Board of Directors and Audit & Supervisory Board Members”</div>

Executive Compensation

- Aim
- Executive compensation system is an important means to encouraging executives to practice “product-centered and region-centered management” and contribute to decision-making aimed at sustainable growth into the future, as well as to play a significant role in transforming Toyota Motor Corporation into a mobility company through responding to electrification, intelligence, and diversification based on partnerships, while working towards the resolution of climate change and other social challenges.
- Initiative
- Toyota's executive compensation system is determined based on the following policy.

• It should be a system that encourages Members of the Board of Directors to work to improve the medium- to long-term corporate value of Toyota.

• It should be a system that can maintain compensation levels that will allow Toyota to secure and retain talented personnel.

• It should be a system that motivates Members of the Board of Directors to promote management from the same viewpoint as our shareholders with a stronger sense of responsibility as corporate managers.

• The clawback rule has been introduced in November 2023.

Remuneration system		<div><div>• Policies for determining remuneration for each member of the Board of Directors are resolved by the Board of Directors</div><div>• Remuneration is effectively linked to corporate performance while reflecting individual job responsibilities and performance. Appropriate remuneration levels and payment methods are set</div><div>• Remuneration for Outside Members of the Board of Directors and Audit & Supervisory Board Members consists only of fixed payments, and as a result, is not readily impacted by business performance, helping to ensure independence from management</div></div>
Remuneration for Members of the Board of Directors	Maximum cash compensation	3.0 billion yen per year (of which, the maximum amount payable to Outside Members of the Board of Directors is 0.3 billion yen per year)
	Maximum share compensation	4.0 billion yen per year
Remuneration for Audit & Supervisory Board Members		30 million yen or less per month
Method of determining remuneration	Directors with Japanese Citizenship (excluding Outside Members of the Board of Directors)	<div><div>• The total amount of remuneration received by each member of the board of directors annually is determined in accordance with appropriate level based on position and duties by referencing a benchmark of Japanese and also global companies selected based on the size of each person's role and other factors</div><div>• Compensation of composition and performance evaluation indicators: See next page</div></div>
	Directors with Foreign Citizenship (excluding Outside Members of the Board of Directors)	<div><div>• Fixed remuneration and performance-based remuneration are set based on the remuneration levels and structures that allow Toyota to secure and retain talented personnel</div><div>• The total amount of remuneration received by each member of the board of directors in a year and the respective ratios of fixed- and performance-based remuneration as a percentage of total remuneration are set based on remuneration levels for job responsibilities, affiliate origin, and other factors (determined on an individual basis)</div><div>• There are cases where Toyota provides income tax compensation for certain members of the Board of Directors in light of the difference in income tax rates with those of his or her home country</div></div>

Overview

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Internal Control

Composition of Compensation

Type of remuneration	Percentage of total remuneration	Remuneration Method	Concept
Base compensation	Around 30%	Cash compensation	The percentage of total remuneration represented by LTI is designed to increase as an individual’s roles and duties become greater
STI (Short Term Incentive)	Around 20%	Cash compensation	
LTI (Long Term Incentive)	Around 50%	Share compensation	

Concept of Performance Evaluating Indicators

TMC: Toyota Motor Corporation

STI	Financial indicators	(1) Consolidated operating income (single year)	Indicator for evaluating TMC’s efforts based on short-term business performance
		(2) Fluctuation of TMC’s market capitalization	Corporate value indicator for shareholders and investors to evaluate TMC’s efforts
LTI	Financial indicators	(3) Consolidated operating income (multiple years)	Indicator for evaluating TMC’s medium- to long-term efforts based on business performance
		(4) Total shareholder return	Corporate value indicators used by shareholders and investors to evaluate TMC’s medium- and long-term initiatives
		(5) Return on equity	
	Non-financial indicators	(6) Progress of efforts to resolve sustainability issues	Indicator for evaluating TMC’s medium- to long-term efforts based on the degree of corporate value enhancement
	Individual performance evaluation*		Qualitative evaluation of performance of each member of the Board of Directors

* The evaluation takes into account various factors such as initiatives (including the ESG perspective) based on the Toyota Philosophy and initiatives towards gaining trust from his or her peers and contribution to the promotion of human resources development.

Form 20-F “COMPENSATION”

Internal Control

Aim

Establish a system for ensuring the appropriateness of business operations as a corporate group and the proper implementation of that system in accordance with the “Basic Policies on Establishing Internal Controls.”

Initiative

Integrate the principles of problem identification and continuous improvement into the business operation process and train employees who will put these principles into practice.

Inspect the establishment and implementation of internal controls, each business year.

Confirm that the organizational units responsible for implementing internal controls are functioning autonomously and are enhancing internal controls as necessary.

Revise basic policies on internal control in light of the current situation.

Form 20-F “Group vision and work foundation”, “Our awareness of and involvement in the certification irregularities”, “Corporate culture, Mechanisms, and Systems”

Sustainability Data Book

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Updated in June 2024

Risk Management

GRI 2-16, 3-3

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Fundamental Approach

Aim

- **Reinforcing our risk management to handle the increasing uncertainty** while responding to expectations to take on new challenges amid a period of tremendous change in the conditions and values of the automotive industry, including the push toward carbon neutrality and CASE*.

* CASE: Connected, Autonomous/Automated, Shared, and Electric

Initiative

- Protecting the interests of our stakeholders, including customers and employees, even in the event of a risk occurrence, through the improvement of the organizational structure and the operation of the risk management system.

Organizational Structure

Aim

- Preventing, mitigating, reducing, and effectively managing risks that may arise in Toyota's business activities from a global perspective through collaboration and mutual support among regions, functions, and in-house companies under the leadership of the Chief Risk Officer (CRO).

Initiative

- Persons responsible for risk management: CRO, Deputy CRO (DCRO)
- Person supervising risk management in each region: Regional CEO
- Person responsible/in charge of risk management by function: Chief officer/risk manager of each division within the head office
- Person responsible/in charge of risk management by product: Company president/risk manager of each division in each in-house company
- A Governance Risk Subcommittee, chaired by the CRO, has been established to identify, address and monitor significant risks from a holistic, cross-organizational perspective. Key issues are discussed at the Governance Risk Compliance Meeting and presented to the Board of Directors Meeting as appropriate to promote business initiatives.

Organizational Structure

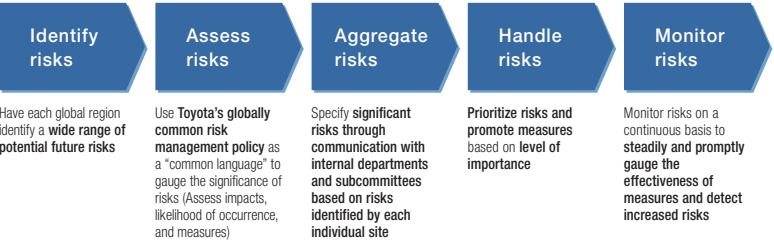


Risk Management System

- Aim

■ **Identifying, assessing, and handling significant risks** through the development of Toyota's globally common risk management policy, structure, and operating procedures.
- Initiative

■ Identifying, assessing, aggregating, handling, and monitoring risks in accordance with the **Toyota Global Risk Management Standard (TGRS)**, a company-wide risk management framework based on the ISO and Committee of Sponsoring Organizations of the Treadway Commission (COSO).
■ Assessing and aggregating risks following Toyota's globally common risk management policy, classifying risks by priority, and incorporating external perspectives and information to promote mitigation measures.



- Using the TGRS to identify significant risks (as listed below), and forming cross-organizational task forces, as appropriate, to promote risk management, with the Governance Risk Subcommittee and other groups conducting checks on the progress of measures.

Item	Overview
Significant risks	<div>● Business Continuity Management (BCM)</div> <div>● Risk of cyberattacks</div> <div>● Privacy protections</div> <div>● Risks related to intellectual property and technology</div> <div>● Risks related to internal control</div> <div>● Risks related to management strategies, other</div>
Scope	Headquarters, group companies, supply chains with suppliers, other

Business Continuity Management (BCM)

- Aim

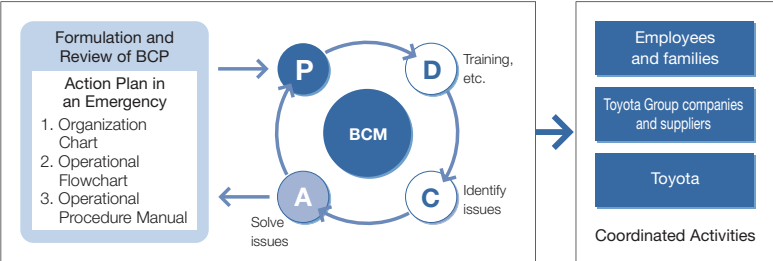
■ Ensure that business operations can continue and quickly recover from major disasters, such as earthquakes and floods, by preparing for impacts on Toyota's sites and employees, potential disruptions in the supply chain, and interruptions in the delivery of essential goods.
- Initiative

■ Strong focus on preparedness for a Nankai Trough earthquake by developing the systems and processes needed from first responses to the resumption of operations.
• Nankai Trough earthquake: A natural disaster predicted to cause extensive damage to the Tokai region, an area where Toyota has its headquarters, R&D and production facilities, as well as a high concentration of supply chain factories. A comprehensive response will be required from global Toyota.

Preparation for major disasters

Formulation of the Business Continuity Plan (BCP)

- **Developing risk-resilient organizations and workplaces**
- Improving the effectiveness of the BCP by implementing PDCA through training and other means in coordination among employees and their families, Toyota Group companies and suppliers, and Toyota.
- Developing risk-resilient individuals.



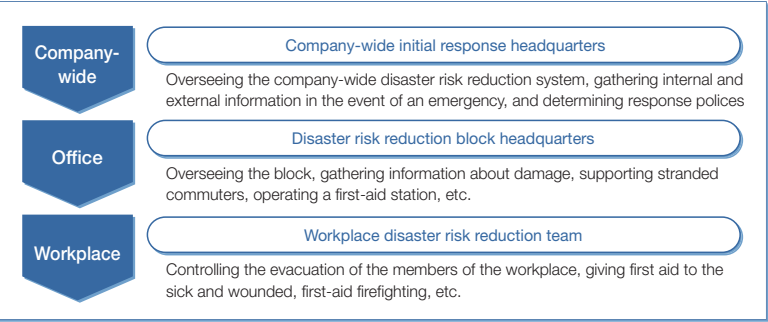
- **Toyota's Basic Guidelines (priorities during a disaster)**
- In the event of a disaster, we support the recovery of local communities and then steadily resume in-house production while making the protection of employees' safety the highest priority.

Toyota's Basic Guidelines (priorities during a disaster)



- **Disaster risk reduction system and implementation of emergency drills**
- Establishment of an initial response system divided into three levels:
⇒ Through company-wide emergency drills (once a year), in which these three levels are linked together, and emergency drills held by each disaster risk reduction block organized at the office level, we work toward improving the accuracy and effectiveness of our initial responses.

Organizational Structure



■ Utilization of the Safety Confirmation System

- In case that a large-scale disaster or incident occurs in Japan, the system enables employees working, living or staying in the affected area to report to the company if they and their family members are safe using their computers or smartphones.
- Issuing notifications to encourage all employees to report their safety status in the event of a disaster or other emergency, as deemed necessary..
- Conducting a safety confirmation drill for all employees every year in tandem with the company-wide emergency drill.

FY2024 Results

- Safety reporting rate at company-wide drill: 98% (Toyota Motor Corporation)

■ Enhancing awareness of disasters

(Toyota Motor Corporation)

Distribution of the Emergency Handbook	<ul style="list-style-type: none"> • Main contents of the Emergency Handbook • Disaster prevention information explaining how to safely evacuate in the event of disasters including earthquakes, typhoons, heavy rains, and fires, first aid for injured personnel, and methods to contact family members, etc. • How to use the Safety Confirmation System • The handbook can be viewed on a smartphone
Raising awareness by displaying information on computer screen	<ul style="list-style-type: none"> • Basic knowledge in consideration of recent years' increased severity of extreme weather events • The "Information for Severe Weather Preparedness" issued by the Japan Meteorological Agency, and evacuation information issued by the relevant local government • How local residents should act and evacuate
Discussions at each workplace	<ul style="list-style-type: none"> • Discussions on simulations for disasters

Initiatives to Mitigate the Impact of Disasters on Buildings and Equipment

- We work to **mitigate the impact of disasters on buildings and equipment** in order to reduce any human injury and property damage in the event of a disaster and resume production immediately after shifting to the business restoration phase.
- Buildings:

Our new buildings in Japan sufficiently meet the latest earthquake-resistance standards. Furthermore, each of our buildings built according to former earthquake-resistance standards has received earthquake-resistance testing and been retrofitted as needed.
- Production equipment:

We constantly identify hazards, such as collapse, fire and a loss of power in the event of a disaster, and risks that may affect manufacturing quality while taking work processes and the characteristics of the machinery into consideration. To eliminate the identified hazards and risks, we make continuous efforts to incorporate reasonable measures into equipment specifications and operational procedures.
- The know-how regarding the mitigation of the impact of disasters on buildings and equipment is being put to use in assessing risks and devising measures at affiliates in each country and region.

Humanitarian Aid and Early Recovery for Disaster-affected Regions

- **Toyota has concluded comprehensive disaster support agreements with local governments** (Toyota City, Miyoshi City, Tahara City, Hekinan City, and Susono City).
- Humanitarian support and regional recovery assistance are to be provided under mutual cooperation with local governments. Toyota is preparing relevant structures by incorporating necessary provisions in its BCP and conducting joint training with the local governments.
- Details of the major support items
 - Rescue and relief in a disaster
 - Provide temporary evacuation facilities to local residents
 - Provide food, drinking water, and daily necessities for distribution through local governments (local residents)
 - Support cargo handling at municipal relief supply facilities
 - Provide space necessary for restoration of local infrastructure (water supply and drainage, roads, etc.)
 - Employee participation in local recovery activities

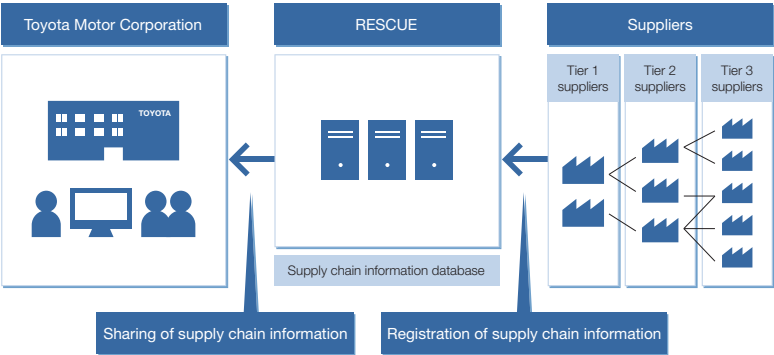
Building a Disaster-resilient Supply Chain

■ Enhancing prompt initial action and early recovery

- Working with suppliers in each country and region to build a disaster-resilient supply chain and pushing forward **the visualization of supply chain information** and the implementation of **measures as precautions against disasters** even in normal times.
 - Visualization of supply chain information: Building the **RESCUE*** system
 - Building a database based on highly confidential information from suppliers.
 - Conducting training with suppliers on a regular basis to ensure effective utilization of the system in the event of a disaster while strictly protecting suppliers' confidential information.
 - ⇒ This system is shared with other companies through the Japan Automobile Manufacturers Association, helping to build a disaster-resilient supply chain.
- Advancing equivalent initiatives together with suppliers in each country and region.

* RESCUE: REinforce Supply Chain Under Emergency

RESCUE System to Store Supply Chain Information



Updated in June 2024

Compliance

GRI 2-15, 16, 25-17, 3-3, 205-1-3, 207-1-3

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124 Initiatives for Taxation

125 Speak-up

125 Checks to Enhance Compliance

Fundamental Approach	
Aim	Initiative
<div><div><div><div></div><div>In order to achieve our Mission “Producing Happiness for All” based on Toyota’s values, methods and corporate philosophy (“Toyota Philosophy” and “the Toyota Principles”) that all Toyota members developed through years of diligent effort and passed down from generation to generation to contribute to the sustainable growth, we fulfill the corporate social responsibility expected of Toyota by not only complying with the laws but also acting with integrity in accordance with the Toyota Code of Conduct.</div></div></div><div><div><div></div><div>* Honor the language and spirit of the law of every country and region, and undertake open and fair business activities to be a strong corporate citizen of the world.</div></div></div><div><div><div></div><div>Toyota Philosophy</div></div><div><div></div><div>Guiding Principles at Toyota</div></div><div><div></div><div>Toyota Code of Conduct</div></div></div></div>	<div><div><div><div></div><div>Formulation of the Toyota Code of Conduct as a set of guidelines for appropriate behavior and actions for Toyota employees, both within the company and in daily life, for the implementation of the Toyota Philosophy and the Guiding Principles at Toyota (formulated in 1998, revised in 2006 and 2023)</div></div></div><div><div></div><div>The Toyota Code of Conduct was revised in 2023 being approved by the Board of Directors. It includes updates for the key risks relevant to today’s business environment and priorities, such as anti-bribery and anti-corruption and human rights in addition to top messages from Chairperson of the Board of Directors and president.</div></div><div><div></div><div>It has been translated into 14 languages, which covers about 98% of the native languages for all employees of Toyota, and distributed and being educated with the educational video to all employees of Toyota, including consolidated subsidiaries..</div></div><div><div></div><div>Promotion of compliance activities to ensure that all employees of Toyota act responsibly in compliance with the Toyota Code of Conduct under the leadership of Chief Compliance Officer and Deputy Chief Compliance Officer.</div></div><div><div></div><div>We have established the “Speak up” Hotline (for Toyota Motor Corporation), the Global Speak Up Line, All Toyota Speak Up and Toyota Consolidated Helpline (for domestic and overseas subsidiaries and sub-subsidiaries companies), etc. as whistle-blowing hotlines to receive compliance related questions and consultations.</div></div><div><div></div><div>Enhancing compliance through training and education, and strengthening compliance through activities to check compliance status.</div></div></div> <div><div><div></div><div>Toyota Code of Conduct</div></div><div><div></div><div>P.125 Checks to Enhance Compliance</div></div></div>

Compliance Education

Aim

- Ensure that all employees of Toyota act with integrity by having not only top management but also each employee receive training about the Toyota Code of Conduct and compliance training regarding important laws and regulations.

Initiative

For employees:

- Familiarize employees with various laws and regulations that they must understand when carrying out their tasks.
- Providing the following various educational courses and seminars:
 - The training on the Toyota Code of Conduct to all employees and obtaining commitment to their understanding and compliance with the content.
 - The Business Compliance Seminar, in which lectures are given by the responsible division (held every year).
 - E-learning-based training.
 - Individual training courses tailored to specific needs of in-house divisions and subsidiaries in Japan.
 - Training at career milestones, such as at the time of joining the company, promotion and overseas assignment.

Major Training Themes

• Contracts • Antimonopoly Law • Subcontracting Law

• Act against Unjustifiable Premiums and Misleading Representations

• Insider Trading Regulations • Act on the Protection of Personal Information







• Intellectual Property (copyrights, trademarks) • Product Liability • Taxation

• Confidentiality Management • Bribery/Corruption Prevention • Safety and Health

• Labor • Security Export Control etc.

For officers:

- Thoroughly inform directors about the basic matters about which they must demonstrate compliance.
- Legal Handbook for Corporate Officers
 - The Handbook explains the various laws, regulations and points that directors must observe while performing their duties. It provides a comprehensive explanation of how to prevent corruption, including regulations with regard to bribery/corruption, insider trading, conflict-of-interest transactions and competitive transactions.
 - The Handbook is posted on the company intranet for officers, and relevant explanations are provided for newly-appointed of directors.
 - The Handbook is revised annually to reflect amendments to the relevant laws.
- Code of Ethics for Directors and Operating of Officers
 - It is a code of ethics that de-fines the basic matters that directors and operating officers, etc. must comply with while performing their duties, together with internal regulations such as the Guiding Principles at Toyota and the Toyota Code of Conduct.
 - It has been formulated by the Board of Directors and is thoroughly informed to subject officers.

Overview		Promoting Sustainability	Environment	Social	Governance	Content Index
	Corporate Governance		Risk Management	Compliance	Governance Data	
<div> Fundamental Approach Compliance Education Bribery / Corruption Prevention Measures Initiatives for Taxation Speak-up Checks to Enhance Compliance </div>						
<div> <h2>Bribery / Corruption Prevention Measures</h2> <div> <div>Aim</div> <div> <p>■ Contribute to maintaining and improving social order and a fair and just competitive environment based on trust and ethics by promoting Toyota’s strong commitment to doing business free from bribery and corruption.</p> </div> <div>Initiative</div> <div> <p>■ Toyota Code of Conduct clearly defines what bribery and corruption are.</p> <ul style="list-style-type: none"> It has clearly stated our policy and commitment to prevent bribery, including never offer, pay, solicit or receive a bribe and not make facilitation payments, and has been distributed and educated to all employees of Toyota. <p> Toyota Code of Conduct</p> <p>■ Formulation of Anti Bribery/Corruption policies.</p> <ul style="list-style-type: none"> Toyota Code of Conduct (Revised in 2023). Toyota Global Anti-Bribery and Anti-Corruption Policy (2023). Formulation of Anti-bribery Guidelines (2012). <p> Toyota Code of Conduct (Anti-bribery Anti-corruption)</p> <p> Toyota Global Anti-Bribery and Anti-Corruption Policy</p> <p> Anti-bribery Guidelines (For Business Partners)</p> </div> </div> </div>				<div> <div>Operations to enhance awareness</div> <ul style="list-style-type: none"> Continue to raise awareness through ongoing training and communications such as at the time of joining the company, promotion and overseas assignment. Ensure an authorizer (manager) reviews actions and transactions for red flags that may indicate bribery in the payment process. In connection with “checks to enhance compliance” activities, promote Kaizen activities aimed at strengthening anti-bribery and anti-corruption programs of Toyota and its subsidiaries in and outside Japan. (From 2013) Conducted/implemented anti-bribery and anti-corruption program mainly at consolidated subsidiaries located in countries with higher CPI* (corruption index), such as Indonesia, Thailand and Brazil. (From 2020) Currently expanding it globally. <p><small>* This is an index that ranks countries by their perceived levels of public sector corruption, as determined by expert assessments and opinion surveys. The index is published annually by the non-governmental organization Transparency International since 1995.</small></p> <p> P.125 Checks to Enhance Compliance</p> </div>		
<div> <h2>Initiatives for Taxation</h2> <div> <div>Aim</div> <div> <p>■ Maintain compliance on taxation and conduct high-quality tax accounting operations.</p> </div> <div>Initiative</div> <div> <p>■ Formulation of the Toyota Tax Policy</p> <ul style="list-style-type: none"> Communicate Toyota’s stance on tax payment and taxation policy in an easily understandable manner and promote stakeholders’ understanding of it. Disseminate the Tax Policy to all subsidiaries. <p> Tax Policy</p> </div> </div> </div>						

Speak-up

Aim

Quickly and appropriately respond to workplace- and duty-related concerns, complaints or questions that employees and other relevant parties may have.

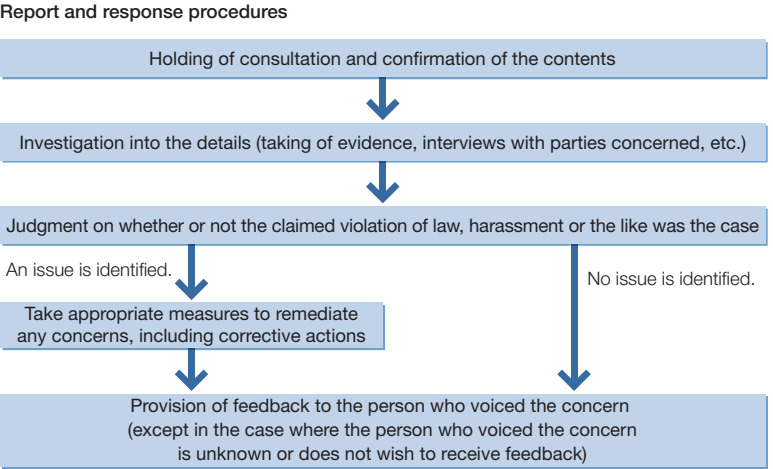
Initiative

Speak-up Hotline (Toyota Motor Corporation)

- In the past: Several hotlines were used depending on the type of issue, including a Compliance Hotline, which allowed employees to report compliance-related issues, and hotlines for harassment.

At present: These hotlines have been **integrated into the “Speak up” Hotline** (since April 2020).

Persons eligible to use the hotline	<div><div>As long as the topics of the consultation are matters related to employees or workplaces of Toyota Motor Corporation, the hotline is open to not only its employees but also any other third parties, including employees’ family members and business partners</div><div>The hotline can also be used anonymously</div></div>
Methods for disseminating information on the hotline	<div><div>Through various media including the intranet</div></div>
Handling	<div><div>Applications for consultation can be made through a law firm, the website and by email or telephone. (Applications through the website and by email can be made on a 24-hour basis.)</div><div>The content of a consultation is passed to the division responsible either anonymously or openly upon request and the details are investigated carefully to ensure that the person who voiced the concern is not identified if they wish to remain anonymous</div><div>It is stipulated in relevant company regulations that unless the purpose is malicious, seeking a consultation through the hotline and taking other related actions will not disadvantage the person who voiced the concern</div><div>For cases where an issue is actually identified, appropriate measures will be taken in accordance with company regulations such as the Work Regulations</div></div>
Number of consultations received (FY2024)	<div><div>884 (approx. up 25% compared to the previous year)</div><div><div>Breakdown</div><div><div>Potential rule/regulatory infractions: 105</div><div>Financial matters: 10</div><div>Workplace environment/personnel matters: 308</div><div>Opinions/inquiries: 154</div><div>Potential Harassment: 167</div><div>Miscellaneous matters: 140</div></div></div></div>



Speak-up Lines for overseas and domestic subsidiaries

- Establishment of various hotlines for subsidiaries, such as the Global Speak Up Line, All Toyota Speak Up and Toyota Consolidated Helpline, is run by Toyota Motor Corporation.

Applications for questions and concerns can be made through the website and by email.

Hotlines for overseas subsidiaries are available in multiple languages.

These hotlines are staffed by third parties.

These hotlines can be used anonymously, where permitted by local law.

The Code of Conduct clearly prohibits retaliation against employees making reports and those cooperating with investigations.

[Toyota Code of Conduct \(Speak Up\)](#)

[Toyota Speak Up Policy](#)

Checks to Enhance Compliance

Aim

Continue to demonstrate the highest compliance standards by grasping/encouraging compliant behaviors and activities and making ceaseless improvements, including at domestic and overseas subsidiaries.

Initiative

- Select fields to be checked in accordance with the Toyota Code of Conduct, and conduct checks. (Conducted every year)

For issues identified through checks and points that need to be improved, incorporate them into the next fiscal year's Kaizen plans to ensure continuous attention and improvement.

Conduct interviews with subsidiaries to understand their compliance efforts and provide support when needed.

Conduct audits on priority areas and priority subsidiaries to ensure the accuracy of activities of checks to enhance compliance
- Checks carried out in FY2024
- Checks 21 items in 7 categories, such as Harmonious, Safe and Lively Work Environment (Working Environment), Speak Up, Product Safety and Quality, Anti-Bribery and Anti-Corruption, etc.

Updated in June 2024

Governance Data

A

Governance

TMC: Toyota Motor Corporation

		As of June 2022	As of June 2023	As of June 2024
Number of Directors	Persons	9	10	10
Male		8	9	9
Female		1	1	1
Outside Directors (independent officers)		3	4	4
Female ratio	%	11	10	10
Independence ratio		33	40	40

		FY2022	FY2023	FY2024
Number of fines, penalties or settlements paid by Toyota Motor Corporation in relation to corruption (excluding global affiliates)	Cases	0	0	0
Number of Toyota Motor Corporation staff (excluding global affiliates) disciplined or dismissed due to non-compliance with anti-corruption policies		0	0	0
Number of consultations to the Speak-up Hotline (TMC)		727	707	884

SASB/GRI Content Index

128 SASB Content Index

129 GRI Content Index

SASB Content Index

Updated in June 2024

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

GRI Content Index

Updated in June 2024

TOYOTA MOTOR CORPORATION has reported the information cited in this GRI content index for the period from April 1, 2023 to March 31, 2024 with reference to the GRI Standards.

Universal Standards

Code	Requirements	Publication Pages
1. The organization and its reporting practices		
GRI 2 : General Disclosures 2021		
2-1	Organizational details	Profile
2-2	Entities included in the organization’s sustainability reporting	Editorial Policy
2-3	Reporting period, frequency and contact point	Editorial Policy
		Sustainability Management Div.
2-4	Restatements of information	Update History
2-5	External assurance	Third-Party Assurance
2. Activities and workers		
2-6	Activities, value chain and other business relationships	Facilities
		Form 20-F "INFORMATION ON THE COMPANY"
2-7	Employees	Profile
		Social Data > Employees
2-8	Workers who are not employees	Social Data > Employees
3. Governance		
2-9	Governance structure and composition	Corporate Governance
2-10	Nomination and selection of the highest governance body	Corporate Governance > Board of Directors
2-11	Chair of the highest governance body	Corporate Governance > Board of Directors
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance
		Promoting Sustainability

Code	Requirements	Publication Pages
2-13	Delegation of responsibility for managing impacts	Corporate Governance
		Promoting Sustainability > Organizational Structure
		Climate-related Financial Disclosures Based on TCFD Recommendations > Governance
2-14	Role of the highest governance body in sustainability reporting	Promoting Sustainability > Organizational Structure
2-15	Conflicts of interest	Corporate Governance Reports
		Compliance
2-16	Communication of critical concerns	Risk Management
		Compliance
		Corporate Governance Reports
		Climate-related Financial Disclosures Based on TCFD Recommendations > Governance
2-17	Collective knowledge of the highest governance body	Promoting Sustainability
		Corporate Governance > Corporate Governance Structure
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Reports
2-19	Remuneration policies	Corporate Governance > Executive Compensation
2-20	Process to determine remuneration	Corporate Governance > Executive Compensation
		Form 20-F "COMPENSATION"
2-21	Annual total compensation ratio	Form 20-F "COMPENSATION"
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	New Management Policy & Direction Announcement

Code	Requirements	Publication Pages
		Climate-related Financial Disclosures Based on TCFD Recommendations > Strategy
2-23	Policy commitments	Sustainability Related Policies and Guidelines
2-24	Embedding policy commitments	Promoting Sustainability
2-25	Processes to remediate negative impacts	Compliance
		Policy and Environmental Management > Environmental Management > Risk Management and Compliance
		Respect for Human Rights > Human Rights Due Diligence
2-26	Mechanisms for seeking advice and raising concerns	Compliance > Speak-up
		Respect for Human Rights > Human Rights Due Diligence
		Value Chain Collaboration > Initiatives with Suppliers
2-27	Compliance with laws and regulations	Compliance > Bribery / Corruption Prevention Measures
		Policy and Environmental Management > Environmental Management > Risk Management and Compliance
2-28	Membership associations	Promoting Sustainability > Stakeholder Engagement
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	Promoting Sustainability > Stakeholder Engagement
2-30	Collective bargaining agreements	Respect for Human Rights > Initiatives for Freedom of Association
GRI 3 : Material Topics 2021		
3-1	Process to determine material topics	Promoting Sustainability > Sustainability Issues and Initiatives (Materiality)
3-2	List of material topics	Promoting Sustainability > Sustainability Issues and Initiatives (Materiality)
3-3	Management of material topics	Policy and Environmental Management
		Respect for Human Rights
		Diversity, Equity, and Inclusion (DE&I)
		Value Chain Collaboration
		Vehicle Safety
		Quality and Service

Code	Requirements	Publication Pages
		Human Resource Development
		Corporate Governance
		Risk Management
		Compliance

Topic Standards (Economic)

Code	Requirements	Publication Pages
GRI 201 : Economic Performance 2016		
201-1	Direct economic value generated and distributed	Form 20-F "OPERATING AND FINANCIAL REVIEW AND PROSPECTS"
		Social Contribution Activities
201-2	Financial implications and other risks and opportunities due to climate change	"Climate-related Financial Disclosures Based on TCFD Recommendations > Strategy"
		New Vehicle Zero CO ₂ Emissions Challenge
		Corporate Activities and Production
		Life Cycle Zero CO ₂ Emissions Challenge
201-3	Defined benefit plan obligations and other retirement plans	Form 20-F "FINANCIAL INFORMATION"
201-4	Financial assistance received from government	—
GRI 202 : Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	—
202-2	Proportion of senior management hired from the local community	—
GRI 203 : Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Challenge of Establishing a Recycling-based Society and Systems > Toyota Global 100 Dismantlers Project to Establish Social Systems for Appropriate Treatment of End-of-life Vehicles
		Challenge of Establishing a Recycling-based Society and Systems > Toyota Global Car-to-Car Recycle Project—A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle

Code	Requirements	Publication Pages
203-2	Significant indirect economic impacts	Vehicle Safety ↗
		Social Contribution ↗
GRI 204 : Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Social Data > Supply Chain ↗
GRI 205 : Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Compliance ↗
		Form 20-F "DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES", "CORPORATE GOVERNANCE" ↗
205-2	Communication and training about anti-corruption policies and procedures	Form 20-F "DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES", "CORPORATE GOVERNANCE" ↗
		Value Chains Collaboration ↗
		Compliance ↗
205-3	Confirmed incidents of corruption and actions taken	Governance Data > Governance ↗
GRI 206 : Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
GRI 207 : Tax 2019		
207-1	Approach to tax	Compliance > Initiatives for Taxation ↗
207-2	Tax governance, control and risk management	
207-3	Stakeholder engagement and management of concerns related to tax	
207-4	Country-by-country reporting	—







Topic Standards (Environmental)








Code	Requirements	Publication Pages
GRI 301 : Materials 2016		
301-1	Materials used by weight or volume	Environmental Data [M] Raw Materials Used and Recycled Materials Use Rate: Global ↗

Code	Requirements	Publication Pages
301-2	Recycled input materials used	Environmental Data [O] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation ↗
		Environmental Data [M] Raw Materials Used and Recycled Materials Use Rate: Global ↗
301-3	Reclaimed products and their packaging materials	Environmental Data [O] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation ↗
		Challenge of Establishing a Recycling-based Society and Systems > Toyota Global Car-to-Car Recycle Project—A Resource Recycling Initiative that Considers the Entire Vehicle Life Cycle ↗
		Environmental Data [P] Parts Recycled: Toyota Motor Corporation ↗
		Environmental Data [N] Vehicles Recycled in Accordance with the End-of-life Vehicle Recycling Law: Toyota Motor Corporation ↗
		Environmental Data [O] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation ↗
GRI 302 : Energy 2016		
302-1	Energy consumption within the organization	Environmental Data [H] Energy Used & Energy Intensity: Global ↗
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	Environmental Data [H] Energy Used & Energy Intensity: Global ↗
302-4	Reduction of energy consumption	Environmental Data [H] Energy Used & Energy Intensity: Global ↗
		Production (Plant Zero CO2 Challenge) ↗
302-5	Reductions in energy requirements of products and services	New Vehicle Zero CO2 Emissions Challenge > Promoting widespread use of electrified vehicles ↗
		Environmental Data [E] Average CO2 Emissions from New Vehicles: Global ↗
GRI 303 : Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Cases of Water Usage Reduction ↗
303-2	Management of water discharge-related impacts	Cases of Water Usage Reduction ↗
303-3	Water withdrawal	Environmental Data [I] Water Withdrawal: Global ↗
303-4	Water discharge	Environmental Data [J] Water Discharge: Global ↗
303-5	Water consumption	Environmental Data [K] Water Consumption: Global ↗

Code	Requirements	Publication Pages
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	—
304-2	Significant impacts of activities, products, and services on biodiversity	—
304-3	Habitats protected or restored	—
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
GRI 305 : Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmental Data [B] CO ₂ Emissions & CO ₂ Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global ↗
		Environmental Data [C] Greenhouse Gases Emissions from Sources Other Than Energy Source CO ₂ Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global ↗
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data [B] CO ₂ Emissions & CO ₂ Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global ↗
305-3	Other indirect (Scope 3) GHG emissions	Life Cycle Zero CO ₂ Emissions Challenge ↗
		Environmental Data [D] CO ₂ Emissions: Scope 3 (Other indirect emissions); Global ↗
305-4	GHG emissions intensity	Environmental Data [B] CO ₂ Emissions & CO ₂ Emissions Intensity Scope 1 (Direct Emissions) & Scope 2 (Energy Indirect Emissions): Global ↗
305-5	Reduction of GHG emissions	New Vehicle Zero CO ₂ Emissions Challenge > Promoting widespread use of electrified vehicles ↗
		Plant Zero CO ₂ Emissions Challenge > Reducing CO ₂ Emissions in Production Activities ↗
		Environmental Data [E] Average CO ₂ Emissions from New Vehicles: Global ↗
305-6	Emissions of ozone-depleting substances (ODS)	FY2024 Review of the 7th Toyota Environmental Action Plan (2025 Target) ↗
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Data [R] VOC Emissions: Global ↗
		Environmental Data [S] NOx & SOx Emissions: Global ↗

Code	Requirements	Publication Pages
GRI 306 : Waste 2020		
306-1	Waste generation and significant waste-related impacts	—
306-2	Management of significant waste-related impacts	Challenge of Establishing a Recycling-based Society and Systems ↗
		Policy and Environmental Management > Environmental Management > Risk Management and Compliance ↗
306-3	Waste generated	Environmental Data [Q] Waste: Global ↗
306-4	Waste diverted from disposal	Environmental Data [M] Raw Materials Used and Recycled Materials Use Rate ↗
		Environmental Data [O] Remanufactured and Used Parts Supplied (for Repair and Replacement): Toyota Motor Corporation ↗
306-5	Waste directed to disposal	—
GRI 308 : Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Policy and Environmental Management > Initiatives with Suppliers ↗
308-2	Negative environmental impacts in the supply chain and actions taken	Policy and Environmental Management > Initiatives with Suppliers ↗
Topic Standards (Social)		
Code	Requirements	Publication Pages
GRI 401 : Employment 2016		
401-1	New employee hires and employee turnover	Social Data > Employees ↗
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	—
401-3	Parental leave	Social Data > Employees ↗
GRI 402 : Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	—

Code		Requirements	Publication Pages
GRI 403 : Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Health and Safety 	
403-2	Hazard identification, risk assessment, and incident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation, and communication on occupational health and safety		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
403-8	Workers covered by an occupational health and safety management system		
403-9	Work-related injuries		
403-10	Work-related ill health		
GRI 404 : Training and Education 2016			
404-1	Average hours of training per year per employee	Social Data > Employees 	
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development 	
404-3	Percentage of employees receiving regular performance and career development reviews		
GRI 405 : Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Corporate Governance Reports 	
		Social Data > Employees 	
405-2	Ratio of basic salary and remuneration of women to men	Social Data > Employees 	
GRI 406 : Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	—	

Code		Requirements	Publication Pages
GRI 407 : Freedom of Association and Collective Bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—	
GRI 408 : Child Labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	Respect for Human Rights  Value Chain Collaboration > Responsible Material Sourcing 	
GRI 409 : Forced or Compulsory Labor 2016			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights  Value Chain Collaboration > Responsible Material Sourcing 	
GRI 410 : Security Practices 2016			
410-1	Security personnel trained in human rights policies or procedures	—	
GRI 411 : Rights of Indigenous Peoples 2016			
411-1	Incidents of violations involving rights of indigenous peoples	—	
GRI 413 : Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Social Contribution Activities 	
		FY2024 Review of the 7th Toyota Environmental Action Plan (2025 Target) 	
		Policy 	
413-2	Operations with significant actual and potential negative impacts on local communities	—	
GRI 414 : Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Value Chain Collaboration > Initiatives with Suppliers 	
414-2	Negative social impacts in the supply chain and actions taken	Value Chain Collaboration > Initiatives with Suppliers 	
		Respect for Human Rights 	
GRI 415 : Public Policy 2016			
415-1	Political contributions	—	

Code	Requirements	Publication Pages
GRI 416 : Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Vehicle Safety ↗
		Quality and Service ↗
		Information Security ↗
		Privacy ↗
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality and Service > Coping with Quality Problems ↗
GRI 417 : Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	User Manual (Japanese Only) ↗
417-2	Incidents of non-compliance concerning product and service information and labeling	—
417-3	Incidents of non-compliance concerning marketing communications	—
GRI 418 : Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security ↗
		Privacy ↗

TOYOTA MOTOR CORPORATION

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