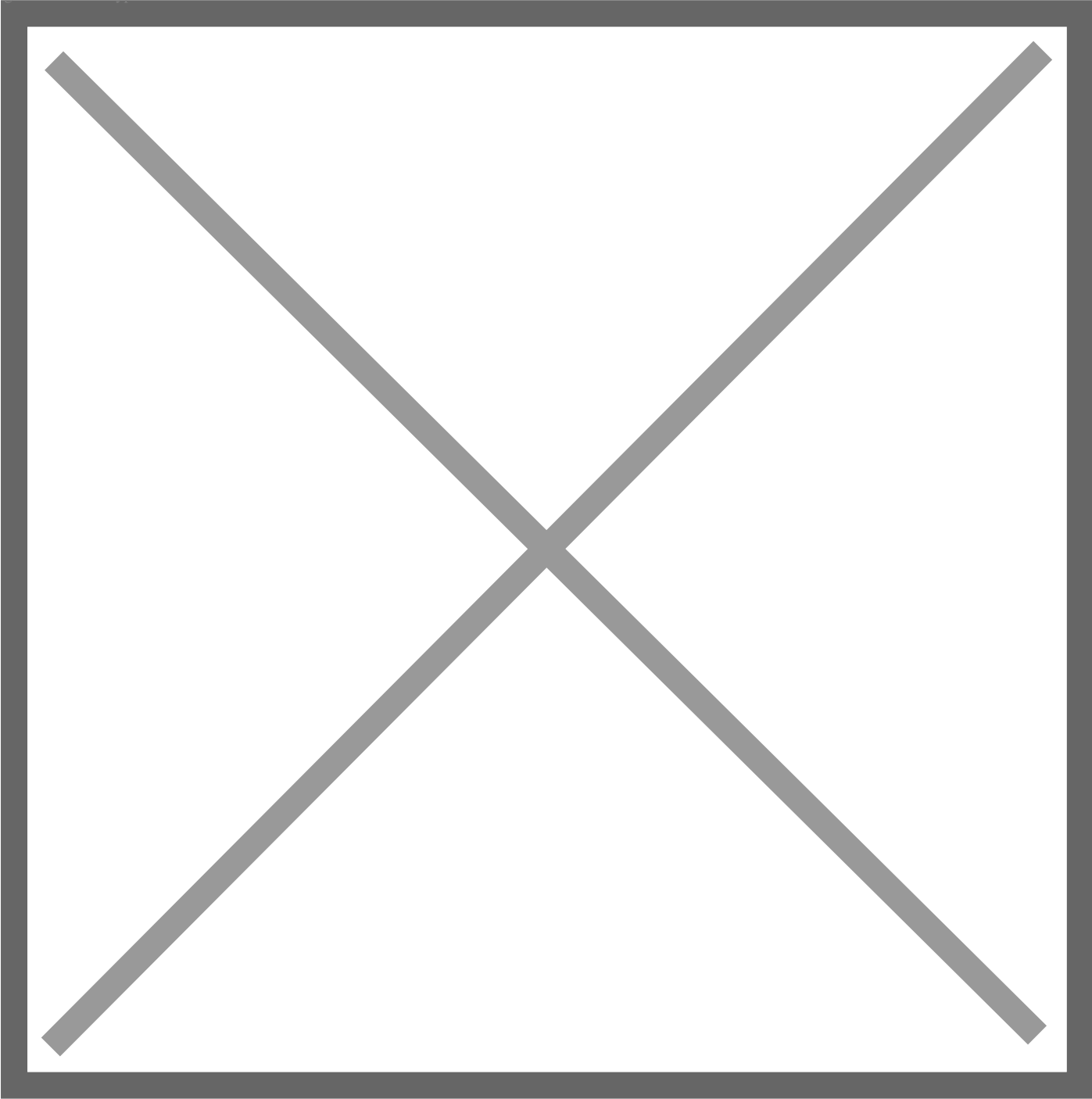


# Paving a Sustainable Way Forward: A Q&A with Toyota's Head of Environmental Sustainability

December 15, 2021

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“Let’s Make a Better Planet” is more than a tagline for Toyota — it’s a mission that’s built into how the company operates every day. Whether it’s designing plans for an electrified future or encouraging Toyota Motor North America (TMNA) employees to help make their communities a better place, the automaker is committed to creating a net positive impact in North America and beyond.

To discuss Toyota’s environmental goals, we sat down with Kevin Butt, senior director of Environmental Sustainability for TMNA. Butt, who has been with the company for almost 30 years, is responsible for the development of environmental sustainability programs and regulatory/legislative development for all of Toyota’s North American operations.

He’s watched as Toyota has grown into an environmental leader — from its debut of the world’s first mass-produced hybrid vehicle, the Toyota Prius, more than 20 years ago, to the integration of water recycling and solar panels at its North American manufacturing plants, to efforts to support monarch butterflies and [conserve their habitats](#) across the country.

Here, Butt shares his thoughts and aspirational goals on Toyota’s progress toward its [Environmental Challenge 2050](#), why it matters, and what’s next in corporate sustainability.



**Why are Toyota's environmental goals and policies important to the company? How will these goals impact the business?**

At Toyota, we have stated that we believe there is climate change. And we know that it's our responsibility to be part of the solution. Even our investors are interested in our sustainability practices. It wasn't that many years ago that I didn't interact with the investor community. Now, I'm talking to them and explaining to them what we're doing. I think people are starting to realize that our planet is facing issues and as a large company that can help, it's our job to address them.

People often say it costs to be environmentally friendly, and that we have to spend money if we want to use renewable energy or save water. But that's not true — and we're finally getting the point across. The accounting group and our finance team are now well-trained in showing how being environmentally sustainable impacts the bottom line in a positive way. The renewable energy projects that we've put on the table will actually save millions of dollars for the company.

**In what ways have Toyota employees played a role in the company's environmental goals?**

On almost a daily basis, I get an email from a team member who either one, has a question about what they can do to help hit these targets, or two, has come up with an idea to help us meet these targets. So, they've either got a good idea or they want to find out what they can do to be more sustainable, either at work or at home. Some of the best ideas come from the shop floor level and work their way up.

We are also involved in things like National Public Lands Day, which we've done for years. It's one of the largest volunteer activities the company does. So many people enjoy that activity of getting outdoors and helping. I think team members have embraced the idea that they can be part of the solution. To me, that's really exciting.

**How does Toyota's pillar of *Respect for People* play a role in its environmental policies?**

To me, we talk about the policies of the company, and then we talk about how they pertain to not just our own people, but the people in the community. These pillars and our policies are something that we always talk about, so they're always ingrained with each other. If we're being great environmental stewards, we're not only helping the company's bottom line, but we're encouraging more people to follow in that direction when they go home and impact their own lives and how they act in their communities. So, I think that Respect for People and respect for the planet are one and the same, and a huge part of what Toyota is about.

**Can you tell us a little bit about Toyota's electrification strategy and how it supports Toyota's Environmental Challenge 2050?**

Challenge 1 talks about our ability to reduce CO2 from new vehicles by 90%. We have to introduce new technology to be able to get there. I think the portfolio strategy that we're working on is very solid. We're going to have a number of battery electric vehicles (BEVs). We're going to have fuel cell electric vehicles (FCEVs). We're also going to have hybrids (HEVs) and plug-in hybrids (PHEVs). All of them have their advantages in reducing carbon. And we'll still have some internal combustion engines. There has to be that balance of those options — our strategy is centered on that.



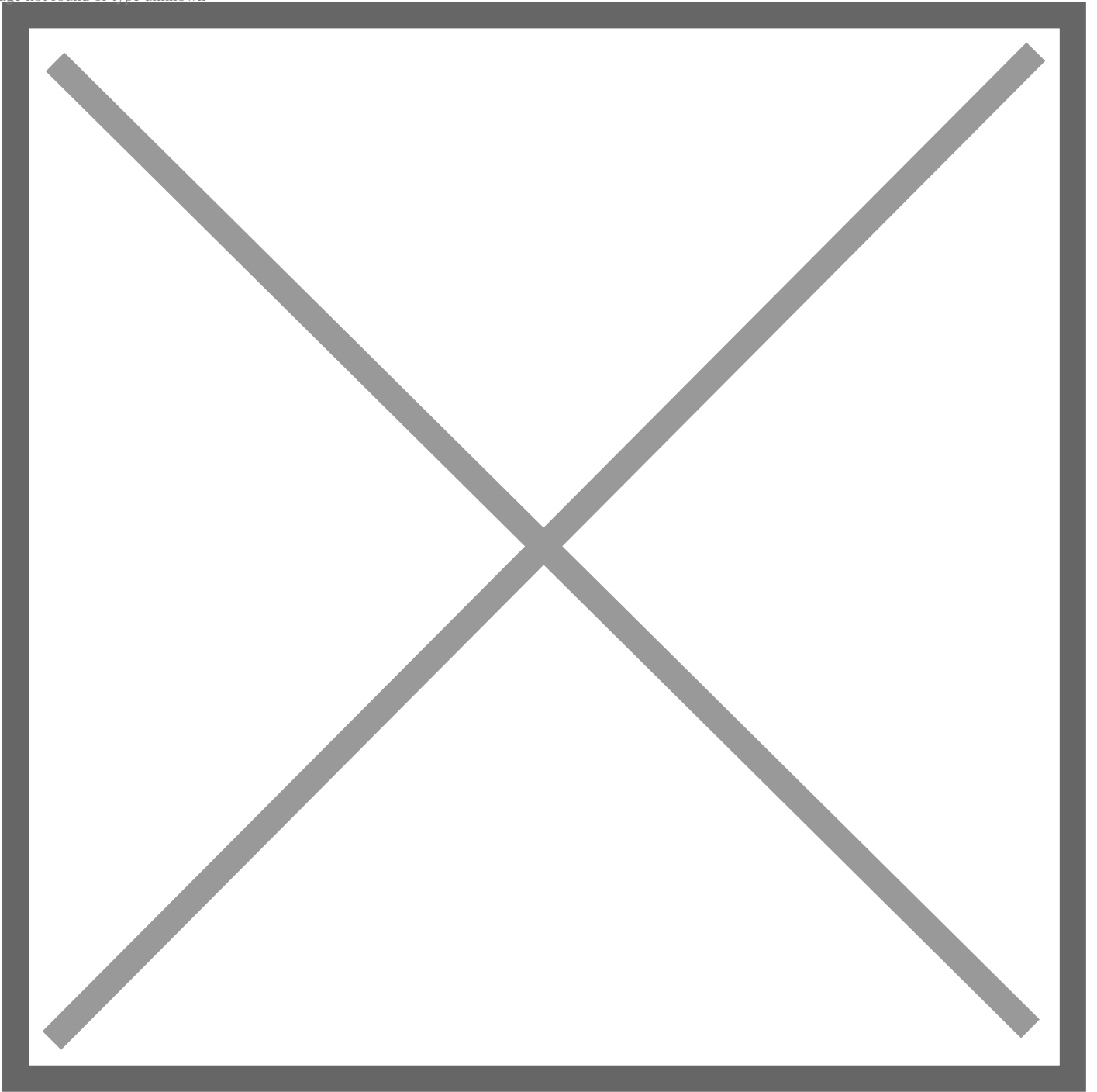
When it comes to the technology that we have for all-electric vehicles, we're in the process of developing our own [battery plant](#). There is going to be a huge responsibility that comes along with that, with the raw material that we're using and what we're doing to the environment to make batteries. What about the end of the vehicle life? This can create a new waste stream that is potentially a huge concern. Are the batteries going to be repurposed? Can we do that cost-effectively? There are many steps that we need to take to be able to create what our customers want, but at the same time create a sustainable environment in which we're building these products.

**How has Toyota paved its own lane when it comes to sustainability? How do you see the company continuing this progress moving forward?**

Toyota always strives to lead the way. We were one of the first to come out with the 2050 Challenge. We jumped out in the front on that. We also just accelerated our schedule because we're ahead of so many of those targets.

But we've also paved our own lane by staying in our own lane. We haven't felt the pressure of what everybody else is pushing toward and we've made our own decisions about what makes the best business sense. I think just like every other path that Toyota has taken, we've given this a great deal of thought. The road will always swerve a bit along the way, but we're heading in the right direction of creating a long-term mobility company with a sustainable way of doing business.

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**What do you think corporate environmental sustainability will look like 10 years from now?**

I firmly believe that, as we've seen over the last few years, corporate sustainability is and will continue to be a major part of the strategic discussions at the highest levels of our company. When we're making decisions, we will need to ask ourselves what kind of carbon footprint is that going to give us before we implement? Same thing with water consumption and all the other impacts that we have as a manufacturer. For us to survive long-term, we have to be sustainable.

While we've always been an environmentally conscious company, Toyota is talking about moving to a mobility company and moving toward being a more sustainable company, all at the same time. I think the awareness of that is growing within the company. It's been really exciting to be able to be a part of that growth and be a part of the changes and big steps that we're starting to see. I'm really excited about those opportunities that we're seeing right now.

To learn more about Toyota's environmental sustainability efforts, check out the [2021 North American Environmental Report](#).