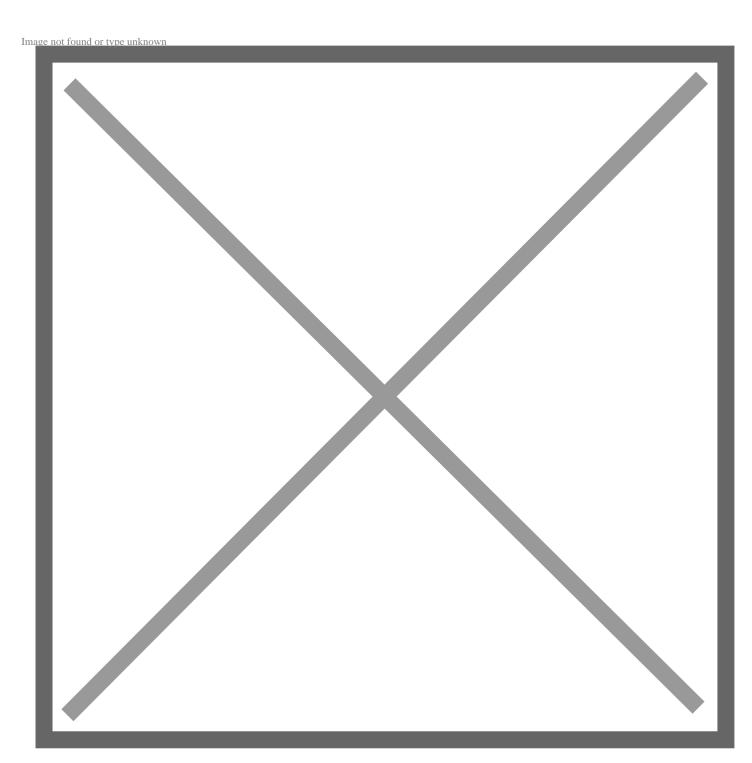
Five Highlights From Toyota's Annual North American Environmental Report

April 21, 2023



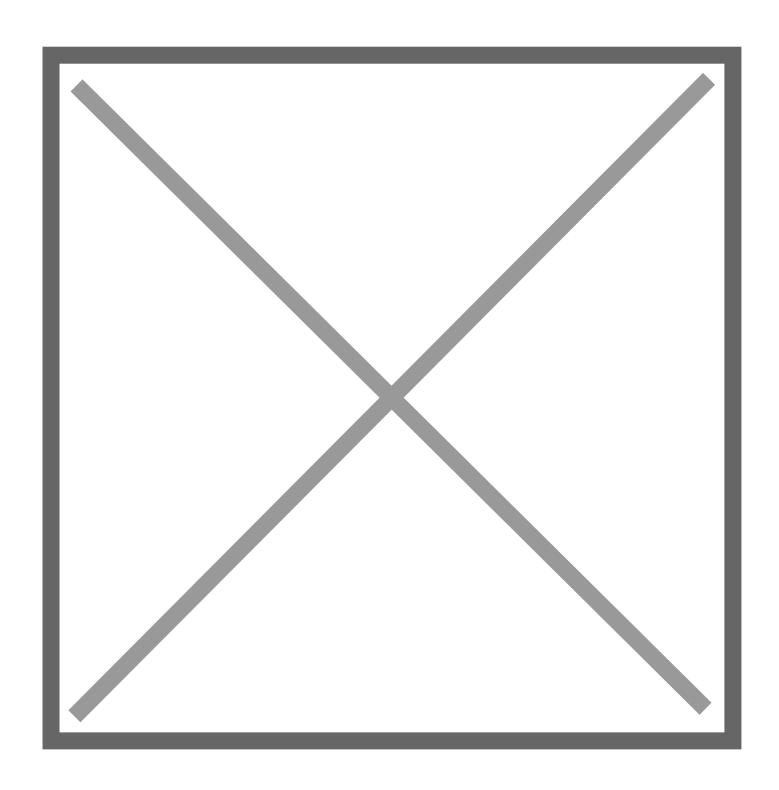
With the launch of the bZ4X, Toyota delivered to the North American market its first-ever, all-electric vehicle with the intention of driving its sustainability efforts further than ever before.

While this was a substantial accomplishment, it's just one of many examples of the company's commitment to setting environmental goals and reaching new benchmarks.

In fact, well underway is <u>Toyota's Environmental Challenge 2050</u>, which focuses on six core areas that seek to go beyond eliminating environmental impacts to create net positive impacts on society.

Whether Toyota is rolling out a battery-electric vehicle, decreasing its plastic waste, restoring water, or expanding programs that support and protect critical species, the company is revved up to reduce its environmental footprint.

In honor of Earth Month, here are five notable achievements from the <u>Toyota 2022 North American</u> Environmental Report:



First Mass-Market All-Electric Vehicle

Transportation is a key part of life for countless people across the globe. In fact, transportation is responsible for one quarter of the world's greenhouse gas (GHG) emissions, with carbon dioxide (CO2) being the main GHG linked to climate change. That's why, as a mobility company, Toyota is committed to doing its part to help the world transition to a low-carbon economy.

As a testament to that commitment is the first mass-market all-electric vehicle, the Toyota <u>bZ4X</u>, and other battery electric vehicles, fuel cell vehicles, hybrid vehicles and plug-in hybrid vehicles.

Support of Water Restoration Efforts

Water is one of the most precious resources on the planet. It is vital to nearly every living thing on earth. For that reason, it's imperative that people and businesses do everything in their power to ensure its conservation.

Toyota addresses water-related impacts in three ways: promoting water conservation, protecting water resources, and sharing its know-how.

Toyota provides funding to nonprofit organizations like The Nature Conservancy (TNC) to help raise awareness about water conservation. One of TNC's initiatives to restore water to the Colorado River Delta resulted in 132 million gallons of water returned to the Hardy River over a few weeks in July 2022.

Toyota also supports community efforts to educate individuals and families about water conservation and the importance of protecting water quality. These activities help scale up conservation efforts and make positive outcomes more impactful.

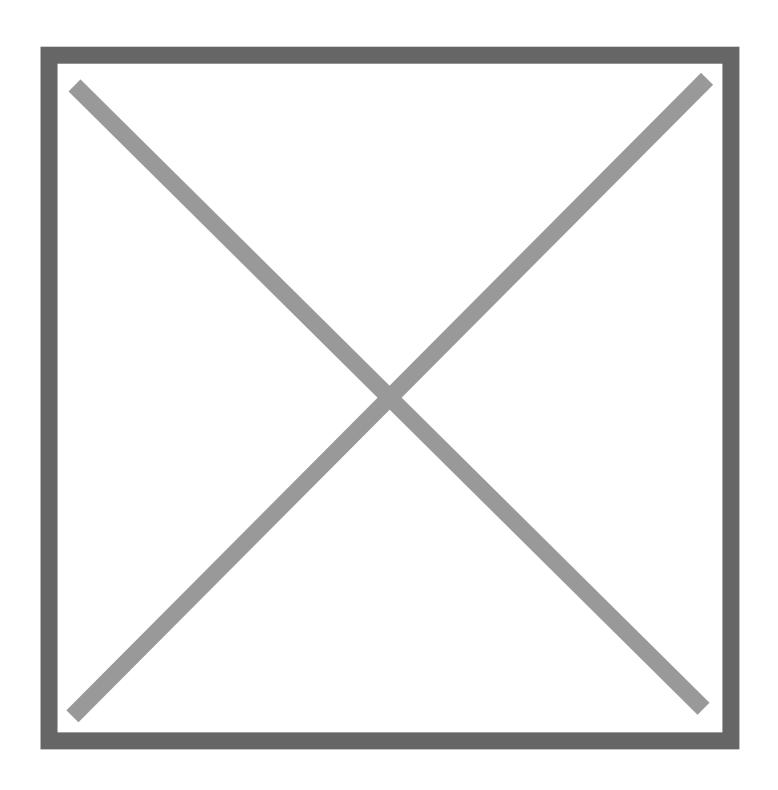
Increased Plastic Weight Reduction

It's no secret that to have a thriving economy that improves people's quality of life, the production of goods is essential. But often the result is that natural resources are depleted, toxic materials are used, and waste and pollutants are generated.

To curb overconsumption and the throw-away mentality that's pervasive globally, Toyota aims to reduce the amount of packaging material it uses — thus fostering an eco-sensitive, recycle-driven business model. The company strives to use responsible production practices involving environmentally sound management of 1) goods provided by suppliers (such as steel, aluminum, plastic parts and other raw materials) and 2) waste generated by its activities.

One way Toyota reduces its packaging is by using approximately 60,000 returnable packaging modules and racks, instead of wooden pallets and cardboard boxes, for shipping parts between suppliers, distribution centers, plants and dealerships.

Between 2018 and 2022, Toyota experienced a 19% reduction in the weight of plastic packaging procured. Plus, the company recycled, reused or repurposed 93% of all waste in 2021.



Expanded Pollinator Habitat Developments

Protecting all species in their natural habitats is a top priority at Toyota. The company understands and respects that everything on the planet works together for the greater good. When critical species become extinct or are on the brink of extinction, it has a negative effect on those that remain. Simply put, human activity is putting pressure on biodiversity and accelerating biodiversity loss. Plus, biodiversity is inextricably linked to climate change.

That is why, to safeguard these species and their habitats', protected areas are designated around the world. Toyota partners with nonprofit organizations to help protect critical habitat and threatened species, to certify projects with the Wildlife Habitat Council® (WHC) and to educate employees and communities about the importance of biodiversity.

In recent years, Toyota developed 1,547 acres of <u>pollinator habitat</u> through its collaboration with Pollinator Partnership (P2). Additionally, Toyota has developed 375 acres of pollinator habitat on its own lands, mostly through its partnership with WHC. This brings the total number of acres to 1,922.

Ramped Up Supplier and Dealership Sustainability Efforts

Toyota works closely with its suppliers and dealers to ensure they're producing and providing the best products for its customers. The company understands that a collective effort across all sectors is needed to drive sustainable efforts forward.

In 2022, the company published an updated <u>Green Supplier Requirements</u>. As part of these updated requirements, suppliers are joining in Toyota's efforts to reduce CO2 emissions across the vehicle life cycle, and they are expected to commit to an annual 3% CO2 reduction target.

With there being approximately 1,900 Toyota and Lexus dealerships in the U.S., Canada, and Mexico — all independently-owned businesses — it is beneficial for the brands to work with their dealerships to provide guidance on implementing sustainable strategies during construction and renovation projects to achieve Leadership in Energy and Environmental Design (LEED®) certification. The Toyota Image II facility initiative and Lexus Vision USA program provide on-site consulting and resources so dealerships can incorporate features that contribute to CO2 reductions, such as LED lighting, windows that allow for natural light, and solar panels.

For more information on the latest North American Environmental Report, click here.