

Toyota Tsusho Group Environmental Policy

To pass on a better Earth to the children of the future, we promote carbon neutrality, circular economy, and nature positivity in an integrated manner as a good corporate citizen, strive to solve environmental issues, and help create a sustainable society.

1. Compliance

1-1. Compliance with Laws and Regulations

Toyota Tsusho Group complies with international declarations, conventions, treaties, and the laws and regulations of the countries and regions where we operate, as well as other industry standards. In addition, we conduct due diligence to identify and appropriately address potential environmental risks when expanding our business through mergers and acquisitions.

2. Environmental Initiatives

2-1. Addressing Climate Change

Toyota Tsusho Group contributes to the transition to a decarbonized society by utilizing clean energy, such as renewable energy, and innovative technologies to reduce greenhouse gas emissions from vehicles, factories, and plants. We aim to achieve a carbon-neutral society in line with the Paris Agreement by promoting emission reductions not only in our own business activities but also across the entire supply chain.

Realization of Carbon Neutrality

We aim to reduce greenhouse gas emissions by up to 50% for Scope 1 and 2, and by up to 27.5% for Scope 3, by 2030 compared to 2019, and to achieve net-zero emissions (Scope 1, 2, and 3) across our entire value chain by 2050.

Investment Stance on Fossil Fuel-Related and Green Energy Businesses

We will not make new investments that lead to fossil-fuel expansion and will proceed to withdraw from existing coal, heavy oil, and gas-fired power generation businesses, while strengthening investments in green energy.

Adaptation to Climate Change

We use technologies that adapt to future climate change to ensure the continuity of our business.

2-2. Water Resource Management

Toyota Tsusho Group manages the followings for the sustainable procurement of water resources in our operations and along the upstream and downstream value chain:

Reduction of water withdrawal and consumption in direct operations in regions with high water scarcity risks

Appropriate discharge water treatment and water recycling

Design and provision of products and services that use less water

Provision of safe water and hygienic toilets

2-3. Efforts to Achieve Biodiversity and Nature Positivity

Recognizing that natural capital-including biodiversity-is a prerequisite for the continuation of corporate activities, the Toyota Tsusho Group work towards no-deforestation, no-conversion of natural ecosystems, and no development on peatlands. We also collaborate with stakeholders on a global and long-term basis to conserve biodiversity on land and underwater. Furthermore, we conduct risk assessments for both new and existing businesses and ensure appropriate responses in line with the mitigation hierarchy and traceability. Through these efforts, we aim to conserve biodiversity while conducting business activities in alignment with the Kunming-Montreal Global Biodiversity Framework and help achieve nature positivity.

2-4. Control, Reduction, and Elimination of Air Pollution, Water Pollution, and Soil Contamination

Toyota Tsusho Group identify impacts, risks, and opportunities related to air pollution, water pollution, and soil contamination, and strive for their prevention and management. We also set our own standards at 80% or less of the standard values defined by environmental laws and ordinances, and through daily management and internal audits, we ensure compliance. In addition, we work to prevent and mitigate the impact of water pollution by properly treating wastewater resulting from business activities and reducing the use of water-polluting substances. We also verify the implementation status throughout the entire value chain. While preventing incidents and emergency situation, in the event of such issues, we quickly control and minimize their impact on people and the environment.

2-5. Chemical Substance Management

Some substances used in industrial products may cause environmental pollution or health hazards. Toyota Tsusho Group complies with various regulations regarding the use and management of these hazardous substances,

minimizes their use, and progressively phases them out.

2-6. Resource Circulation and Waste Management

Toyota Tsusho Group helps create a circular economy through the effective use of resources and the reduction of waste. We promote circular business models that reuse waste as resources, such as recycling scrap from end-of-life vehicles and factories, securing resources from urban mines, and reusing used cars and parts. We actively promote environmentally friendly businesses in cooperation with suppliers and related companies, helping to create a sustainable society. We also strive to reduce the use of natural resources in our own business activities and work towards substituting them with recycled resources. By circulating resources, we suppress the generation of waste.

3. Stakeholder Engagement

3-1. Establishment of Environmental Management Systems

Toyota Tsusho Group implements environmental conservation activities through the establishment of environmental management systems, and aims for continuous improvement through reviews and use of creativity.

3-2. Environmental Education

Toyota Tsusho Group educates all employees and external stakeholders about our environmental policy through initiatives such as briefings. By sharing the impact of our business activities on the environment and issues and measures related to energy use, we aim to enhance environmental awareness.

3-3. Collaboration and Cooperation with Society

Toyota Tsusho Group promotes understanding through dialogue with local residents, indigenous peoples, institutional investors, and NPOs, and strengthens stakeholder engagement and capacity building on environmental issues by deepening our endorsement and collaboration with initiatives. We will not provide funding towards climate-denial activities or lobbying activities against climate regulations.

3-4. Information Disclosure

Toyota Tsusho Group regularly discloses information on environmental performance and environmental issues and shares it widely with society.

3-5. Addressing the Multifaceted Nature of Environmental Issues

Toyota Tsusho Group carefully evaluates expected synergies and trade-offs when addressing environmental issues and proceeds with initiatives considering the multifaceted nature of environmental challenges.

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