



TOYOTA

# Green Supplier Requirements

TOYOTA MOTOR NORTH AMERICA, INC.  
April 1, 2025

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***This document is not legal advice. Toyota Motor North America, Inc. (TMNA) and our affiliated companies expect our Suppliers, vendors, and business partners (Supplier Partners) to have the relevant expertise and to identify and comply with all applicable legal and regulatory requirements, as may be amended or implemented from time to time, and to comply with all contractual obligations to TMNA and our affiliated companies. TMNA may, from time to time, revise or update this document to reflect new legal and contractual requirements or otherwise improve environmental performance.***

***These Green Supplier Requirements further define the relationship between TMNA and its Supplier Partners. More information regarding these expectations may be found in the applicable contractual agreements with TMNA, which may include the TMNA Terms and Conditions (Direct) as posted on the private side of ToyotaSupplier.com or any terms and conditions posted on the public side of ToyotaSupplier.com, including without limitation the Toyota Terms and Conditions (Indirect) (currently located in Public Supplier Documents for Indirect Suppliers) (such applicable contractual agreement being referred to as the “Terms and Conditions”), and other Contract Documents (as defined in the Terms and Conditions, if applicable). This document is a Contract Document as defined in the Terms and Conditions. This document and the expectations set forth in it are (i) intended to supplement the Terms and Conditions, (ii) considered standards, policies, procedures, requirements, additional terms and conditions, and/or similar documents established by TMNA as referenced in the Terms and Conditions, and (iii) are incorporated by reference into the Terms and Conditions.***

***If you have questions about any of these expectations, please contact the listed group under each activity or [Green.Supplier@toyota.com](mailto:Green.Supplier@toyota.com).***

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# Dear Toyota Suppliers,

Dear Toyota Suppliers.

Toyota recognizes the sense of urgency surrounding the global challenges impacting our planet, including climate change, water scarcity, resource depletion, and biodiversity loss. We are committed to doing our part to become part of the solutions to these challenges. That's why our company developed the Toyota Environmental Challenge 2050, an ambitious set of six challenges that will move Toyota – and society as a whole – closer to a sustainable future over the next 25 years and beyond.

Toyota will continue to forge ahead and enhance our environmental sustainability programs. We will continue to take a leadership role in environmental sustainability, guided by The Toyota Way and Respect for People and the Environment. Along with our Supplier Partners, we are in a unique position to shape the future of mobility and contribute toward our collective environmental goals.

We continue to see an increase in sustainability laws and regulations, and many of these require data collection. For example, the first sustainability statements have begun to be released by companies covered by the European Union's Corporate Sustainability Reporting Directive. This regulation impacts Toyota globally; plus, numerous states, including Oregon, California, and New Jersey, have passed extended producer responsibility laws.

Compliance with these laws and regulations will be a collective effort between us and you, our Supplier Partners. The growing importance of data disclosure, especially around our Scope 3 emissions, means we need your help to prepare for these requirements by putting strong data collection systems in place for accurate and on-time reporting of your Scope 1 and 2 emissions via Manufacture2030.

To achieve Challenge 2050 and prepare for compliance obligations under new environmental disclosure regulations, we need the support and collaboration of all our Supplier Partners. We request that you incorporate the Green Supplier Requirements into your environmental programs and engage in initiatives that are aligned with Toyota's environmental activities and objectives.

For this update of the Green Supplier Requirements, we are adding requirements for parts and materials Suppliers to begin activities for sub-tier Supplier CO<sub>2</sub> reductions and revising CO<sub>2</sub> reduction targets for Direct Parts & Materials Suppliers, along with a new requirement regarding the elimination of hexavalent chromium and PFAS mist suppressant from Supplier's electroplating processes. Please note that all direct parts and materials Suppliers, including accessory Suppliers, are covered by the modified chemical management reporting requirements.

Toyota's Green Supplier Requirements align with our FY2022-2026 7th Environmental Action Plan and support Challenge 2050. This document is incorporated into Toyota's Supplier Sustainability Guidelines by reference. The Green Supplier Requirements, Supplier Sustainability Guidelines, and other important Supplier information can be found on [www.toyotaSupplier.com](http://www.toyotaSupplier.com).

Thank you for your support,



Ryan Grimm

Group Vice President

Purchasing Supplier Development



Tom Stricker

Group Vice President

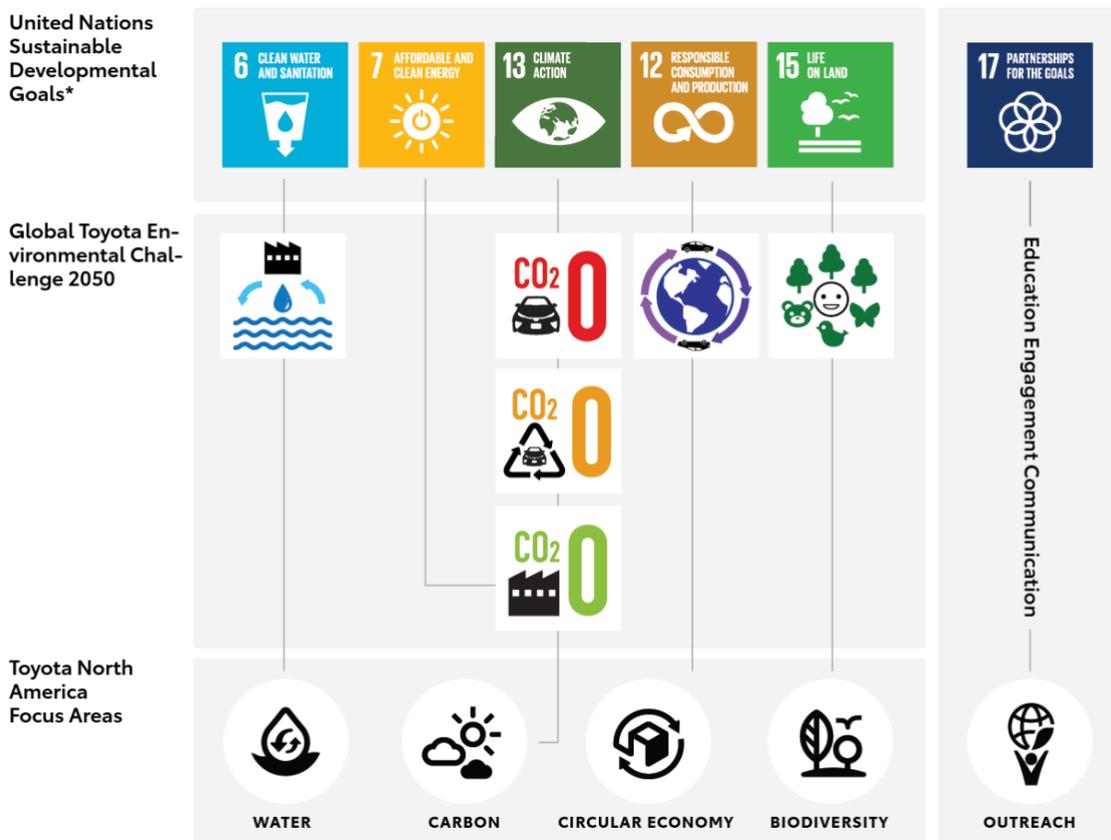
Carbon Neutrality & Regulatory Affairs

# INTRODUCTION

The Toyota Environmental Challenge 2050 is a set of six challenges that go beyond zero environmental impact to achieve a positive impact on society. These six challenges direct Toyota companies worldwide in efforts toward sustainable development.

One major input to the development of the Toyota Environmental Challenge 2050 was the United Nations (UN) 2030 Agenda and the 17 Sustainable Development Goals (SDGs). The SDGs and their corresponding 169 targets run from 2016 through 2030 and provide a blueprint for peace and prosperity for people and the planet. The goals are ambitious, but they are achievable – if governments, businesses, nonprofits, other organizations and even individuals all do their part.

At Toyota, we support the fundamental mission of the SDGs – to make the world better, safer and healthier. Toyota’s response to the UN SDGs, particularly those addressing environmental issues, is centered around the six far-reaching challenges within the Toyota Environmental Challenge 2050 (Challenge 2050).



Each major region has developed strategies and targets to help the company strive to achieve these challenges. Here in North America, our activities supporting both Challenge 2050 and the SDGs are organized around our core focus areas of **Carbon, Water, Circular Economy, and Biodiversity**. Our long-term strategies in each of these focus areas as well as our environmental action plan for FY2022-2026 show the steps we’re taking to address the world’s pressing environmental problems and become part of the solution. We believe environmental sustainability activities undertaken within our four focus areas, complemented by **Outreach**, can make significant contributions to six of the UN’s Sustainable Development Goals.

# OVERVIEW OF SUPPLIER RESPONSIBILITIES

Toyota is committed to long-term, stable and mutually beneficial relationships with our North American Suppliers. We expect our Suppliers to provide the best products at the lowest price in a timely manner. We also expect thorough compliance with all applicable laws and regulations as well as consideration for the environment consistent with social norms and beyond.

We ask that Suppliers always engage in the development and manufacture of products from the perspective of the customers who purchase Toyota products.

We also request that you undertake the environmental activities described in this document. For certain activities, Toyota will track the status of implementation through surveys or document collection. Detailed information about each request can be found in the corresponding sections of this document. Please also refer to the summary sheets for each Supplier type.

## Definitions of Supplier Types

For the purposes of the *Green Supplier Requirements*, the following terms are defined as follows:

**\*Direct Supplier** – A Supplier who provides parts, components, or raw materials that are installed directly on or in a Toyota vehicle, including Suppliers of all “Items” as defined in TMNA’s Direct Purchasing Terms and Conditions.

**\*Indirect Supplier** – A Supplier who provides goods, services, or raw materials that are used in Toyota facilities producing Toyota vehicles and/or units (for example: construction, equipment, machinery and cleaning Suppliers), including Suppliers of all “Goods” or “Services” as defined in TMNA’s Indirect Purchasing Terms and Conditions.

**\*Logistics Consolidation & Shipping Facility Supplier** – A Supplier who operates third-party warehouses and distribution centers.

**\*Logistics Supplier** – A Supplier contracted by Toyota to carry out logistics to and from a Toyota facility (or other location designated by Toyota) or cross dock via truck, rail, marine, or air. This includes production parts, service parts, accessories, and finished vehicles.

**\*Accessory Supplier** – A Supplier who provides parts, accessories, or components (including service parts and accessories) designed, developed, conceptualized, or engineered by the Service Parts and Accessories Development division of TMNA, or any successor division thereof.

**\*Raw Materials Supplier** – A Supplier who provides materials used by Toyota to make parts or that are otherwise used on or in a Toyota vehicle (e.g., steel, resin, paint, adhesives, engine oil).

## Requirements vs. Guidelines

Each activity is labeled either a requirement or a guideline:

**\*Requirements** are tasks or activities that **MUST** occur in applicable Supplier operations.

**\*Guidelines** are best practices and suggested activities that a Supplier is encouraged to implement in its operations.

# Summary of Requirements & Documents to Submit

The following is a summary of requirements contained in this document. **Required documents are listed in bold.** Please visit the individual sections (hyperlinked below) to confirm reporting requirements for your respective Supplier type.

## ENVIRONMENTAL COMPLIANCE

- Comply with environmental laws and regulations, including in export destinations.

## ENVIRONMENTAL MANAGEMENT SYSTEMS

- **Submit upon request: ISO 14001/ Responsible Care 14001 Survey Form & Certificate if applicable.**
- Current production Suppliers that are not certified – Acquire ISO or RC certification.
- New production Supplier/plant – Acquire ISO or RC certification two years after SOP.
- Current production Suppliers that have already been ISO or RC-certified – Maintain certification.
- Post-production parts & accessories Suppliers – Implement and maintain an Environmental Management System.

## CO<sub>2</sub> EMISSIONS FROM SUPPLIER FACILITY OPERATIONS

- **Set and meet an annual absolute target for Scope 1 and 2 CO<sub>2</sub> of at least -5.5%, and a scope 3 reduction target of -2.5%, beginning with 2024 data to be reported in 2025. (Note: Raw material Suppliers will be communicated separate targets directly.)**
- **Achieve 50% renewable energy usage by 2030.**
- Maintain tracking of CO<sub>2</sub> emissions from electricity and natural gas consumption, including % of renewable energy
- Pursue opportunities to reduce energy use and CO<sub>2</sub> emissions; consider renewable energy options.
- Pursue opportunities to track and reduce significant Scope 3 CO<sub>2</sub> emissions and respond to TMNA ad hoc inquiries regarding Scope 3 CO<sub>2</sub> emissions.
- Pursue opportunities to reduce VOC emissions.

## CO<sub>2</sub> EMISSIONS FROM LOGISTICS SUPPLIER ACTIVITIES

- **Submit the GHG Emissions Report by the 15<sup>th</sup> of each month.**
- Maintain tracking of fuel consumption, distance traveled, fuel efficiency.
- Identify the best available alternative transport technologies and help TMNA pilot them.
- Reduce absolute CO<sub>2</sub> emissions by 15% by FY2026.
- Report on progress as part of QBR.

## WATER

- **Submit by September 15<sup>th</sup> of each year: Completed CDP Reports** by those Suppliers who respond to CDP's Water Security Information Request, and/or whom Toyota has requested information through CDP's Supply Chain Program. Please also provide % revenue of Supplier's business with Toyota N.A.
- Report water withdrawal, discharge and consumption data at least annually.

## CHEMICAL MANAGEMENT

- Disclosure of Chemical/Material Substance Content:
  - **Submit IMDS Material Data Sheet:** 90 days following drawing release or ECI/PCR or by fixed due date as requested by TMNA.
  - **Submit Environmental Data Sheets (EDS):** Prior to sourcing. Within 10 days of request from purchasing.
- **Submit Data on VOC, HAPS, etc.:** By request from the end user.
- Safety Data Sheets (OSHA Compliant):
  - **Submit SDS for indirect:** Prior to bringing on site to a TMNA facility.
  - **Submit SDS for direct, parts or service chemicals:** Prior to sourcing. Within 10 days of request.
- **Submit Samples of Labels:** Prior to sourcing. Within 10 days of request.
- **Submit IMDS Material Data Sheet for Material Marking:** 90 days following drawing release or ECI/PCR or by fixed due date as requested by TMNA
- **Submit annual chemical management process self-assessment:** Annually per request from CMO. Due date provided with request.
- **Submit Ad Hoc Survey Request:** Before survey due date.
- **Eliminate hexavalent chromium from decorative chrome plating processes for OEM and accessory parts** used in Toyota's North American vehicle production and service by the end of calendar year 2027.
- **Eliminate hexavalent chromium etch from plating processes for OEM and accessory parts** used in Toyota's North American vehicle production and service by the end of calendar year 2028.
- **Eliminate PFAS mist suppressants** from electroplating operations by the end of calendar year 2028.

## BIODIVERSITY

- **Submit documentation of biodiversity efforts upon request.**

# ENVIRONMENTAL COMPLIANCE

Toyota's compliance record and indeed our reputation depends on our actions as well as the actions of our business partners. Therefore, we require our business partners to support and fully comply with all applicable environmental and hazardous materials/dangerous goods laws and regulations.

Many of Toyota's activities as well as those of our business partners are subject to local, state, provincial and federal laws that regulate, among other things, chemical management, air emissions, water discharges, storm water management, greenhouse gas emissions, and waste treatment and disposal. These regulations vary by facility based on the type of equipment operated and the functions performed. Toyota requires our business partners to stay current and in compliance with all applicable environmental laws and regulations.

See the [Materials/Chemical Management](#) section for information related to laws and regulations governing the use of chemicals.

### Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>Environmental Compliance</b>						
1) Comply with environmental laws and regulations, including in export destinations.	<b>Requirement</b>	○	○	○	○	○

- Existing item
- ◎ **New**

### item Documents to Submit:

Documents to submit to TMNA	When to submit	Whom to submit to
There are no documents to submit at this time. Toyota will confirm improvement activities / compliance as needed.		

Contact: [green.Supplier@toyota.com](mailto:green.Supplier@toyota.com)

# ENVIRONMENTAL MANAGEMENT SYSTEMS

Toyota develops and maintains environmental management systems to continuously improve environmental performance, and we request all Suppliers do the same.

Certain Suppliers are required to acquire, maintain and submit ISO 14001 or Responsible Care® 14001 certification; others are requested to develop, implement and maintain an environmental management system (EMS) but are not requested to acquire third-party certification.

- If you are a **Direct Supplier** supporting Toyota’s manufacturing plants, you are required to have your EMS certified to ISO 14001 or Responsible Care 14001 by a third party.
- If you support **post-production activities** (such as supplying finished parts to a parts distribution center), you must implement an EMS but are not required to have your EMS certified.
- **If you are both a production and post-production Supplier**, you must follow the requirements for production Suppliers.

### Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>Environmental Management Systems</b>						
1) <b>Current production Suppliers that are not certified</b> – Acquire ISO or RC certification	<b>Requirement</b>	○	○	○		○
2) <b>New production Supplier/plant</b> – Acquire ISO or RC certification 2 years after SOP	<b>Requirement</b>	○	○	○		○
3) <b>Current production Suppliers that have already been ISO or RC-certified</b> – Maintain certification (recertify every 3 years)	<b>Requirement</b>	○	○	○		○
4) <b>Post-production parts and accessories Suppliers</b> – Implement and maintain an Environmental Management System	<b>Requirement</b>	○		○		○

○ Existing item    ● **New**

### item Documents to Submit:

Documents to submit to TMNA	When to submit	Whom to submit to
ISO 14001/ Responsible Care 14001 Survey Form & Certificate if applicable	Upon request	<a href="mailto:green.Supplier@toyota.com">green.Supplier@toyota.com</a>

## FAQs: ISO 14001 & Responsible Care 14001

### **Q1. What is ISO 14001?**

A. ISO 14001 is an international standard for establishing and implementing an Environmental Management System (EMS).

### **Q2. What is Responsible Care 14001?**

A. Responsible Care 14001 is based on the ISO 14001 EMS and expanded to address the Responsible Care Principles (environment, health, safety and security)

### **Q3. What is the difference between ISO 14001 and Responsible Care 14001?**

A. There are a number of differences, beginning with the expanded scope of the audit.

Responsible Care 14001 follows ISO 14001's outline in its entirety, except it also adds health, safety and security to the scope of the activity. For those Suppliers using Responsible Care, the environmental policy now becomes an environmental, health, safety and security policy.

### **Q4. How long does it take to implement an EMS that conforms to ISO / Responsible Care standard?**

A. The time varies, but typically the implementation, development and certification process takes 12 to 18 months from start to finish.

### **Q5. Can Suppliers self-declare compliance to ISO 14001 / Responsible Care 14001 or is 3<sup>rd</sup>-party certification required?**

A. To maintain the credibility, objectivity, and consistency of certification, Toyota requires third-party certification for production Suppliers. Non-production Suppliers are required to have an EMS in place; they may choose to self-declare compliance to ISO 14001 or RC 14001 but are not required to self-declare or acquire third-party certification.

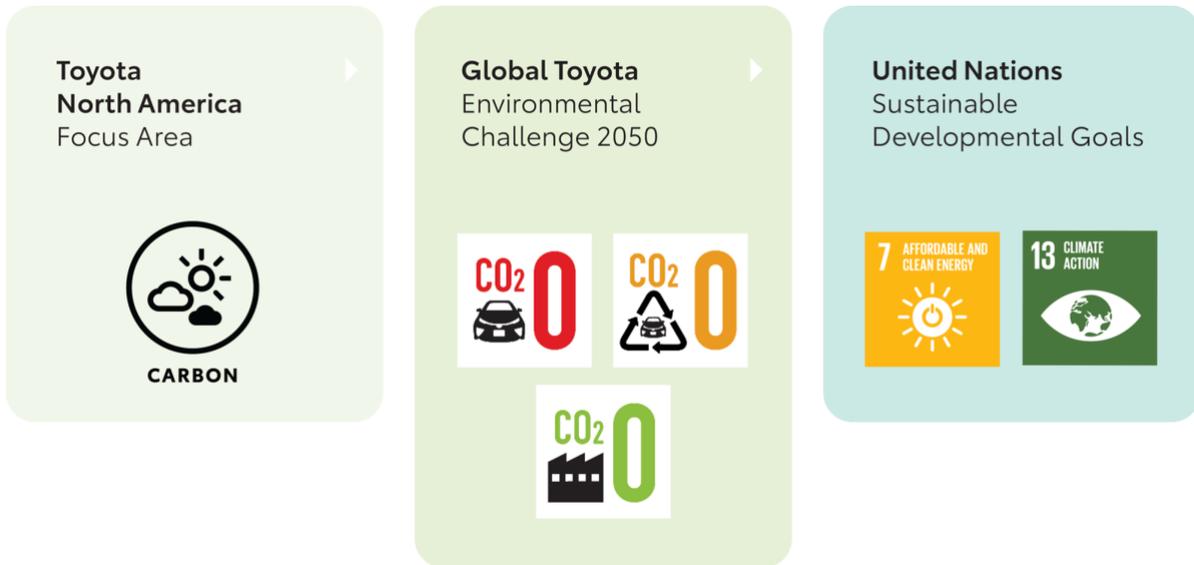
# CARBON

Toyota views climate change as a global priority management issue and supports efforts to dramatically decrease greenhouse gas (GHG) emissions. As part of the Toyota Environmental Challenge 2050, Toyota set three CO<sub>2</sub> Challenges that together represent our aim to achieve carbon neutrality across the vehicle life cycle by 2050:

- **The Vehicle CO<sub>2</sub> Challenge** directs our R&D to design vehicles that emit less CO<sub>2</sub> emissions while driving. By 2050, Toyota aims to reduce CO<sub>2</sub> emissions from new vehicles by 90% (from a 2010 baseline).
- **The CO<sub>2</sub> in Operations Challenge** applies to our own operations. By 2050, Toyota aims to eliminate CO<sub>2</sub> emissions from our facilities by increasing energy efficiency and investing in renewable energy.
- **The Life Cycle CO<sub>2</sub> Challenge** applies to our supply chain and dealers. By 2050, Toyota aims to help Suppliers and dealers eliminate their CO<sub>2</sub> emissions.

To support the long-term goal of the Life Cycle CO<sub>2</sub> Challenge, we require our Suppliers to take an active approach to reducing GHG emissions and increasing renewable energy use at their facilities and in logistics operations. We also request that Suppliers seek to reduce GHG emissions across the entire life cycle of their products by reducing raw material use, increasing the use of recycled materials, and designing and developing products that limit or eliminate GHG emissions at end-of-life.

Toyota's efforts to combat climate change support two of the United Nations Sustainable Development Goals (SDGs): **SDG #7: Affordable and Clean Energy for All**, which aims to ensure access to affordable, reliable, sustainable and modern energy; and **SDG #13: Climate Action**, which advises urgent action to combat climate change and its impacts. Businesses are expected to play a significant role in achieving the bold and transformative steps urgently needed to shift the world onto a sustainable and resilient path and achieve the SDGs. Together, the efforts of Toyota and our Suppliers supporting the Toyota Environmental Challenge 2050 can make significant contributions to the SDGs.



## CO<sub>2</sub> Emissions from Supplier Facility Operations

Toyota undertakes active measures to reduce CO<sub>2</sub> emissions from our own operations, including electricity use, natural gas consumption for heating, and gasoline and diesel consumption from operating onsite vehicles such as forklifts. In accordance, Suppliers are also required to implement CO<sub>2</sub> reduction measures at their facilities.

**\*Scope 1 Emissions:** Direct greenhouse gas emissions from owned or controlled sources

**\*Scope 2 Emissions:** Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heat or cooling

**\*Scope 3 Emissions:** Indirect greenhouse emissions not included in Scope 2 that occur in the value chain, including both upstream and downstream emissions

In order to make steady improvements, Suppliers are required to maintain data on energy consumption from the following ENERGY SOURCES as well as corresponding CO<sub>2</sub> emissions:

Electricity (renewable purchased)	Purchased steam, heat, or cooling
Electricity (renewable self-generated)	Gas biomass
Electricity (standard)	Liquid biomass
Liquefied petroleum gases	Renewable heat (not including CHP)
Natural gas	Solid biomass
Natural gas liquids (NGLs)	Anthracite
Crude oil	Bitumen (Orimulsion)
Diesel oil	Brown coal (Lignite)
Petrol/Gasoline	Coking coal
Residual fuel oil	Petroleum coke
Shale oil	Sub-Bituminous coal

### Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>Reduction of CO<sub>2</sub> Emissions from Supplier Facility Operations</b>						
1) Maintain tracking of CO <sub>2</sub> emissions from electricity and natural gas consumption (Scopes 1 and 2 emissions). Report overall Scopes 1 and 2 emissions by facility on an annual basis to TMNA.	<b>Requirement</b>	○	○	○	○	
2) Establish a plan at each facility to reduce energy use and CO <sub>2</sub> emissions; consider renewable energy options (Scopes 1 and 2)	<b>Requirement</b>	○	○	○	○	
3) Set and meet annual CO <sub>2</sub> reduction targets, at minimum: Scope 1 and 2: -5.5% Scope 3: -2.5% Or as communicated separately by TMNA Purchasing (materials Suppliers.)	<b>Requirement</b>	◎	◎			

4) Set and meet a renewable energy usage target of 50% renewable energy by 2030 at all facilities. Report renewable energy usage by facility on an annual basis to TMNA.	<b>Requirement</b>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			
5) Pursue opportunities to track and reduce significant Scope 3 CO <sub>2</sub> emissions and respond to TMNA ad hoc inquiries regarding Scope 3 CO <sub>2</sub> emissions.	<b>Requirement</b>	<input type="radio"/>	<input type="radio"/>			
6) Pursue opportunities to reduce VOC emissions	<b>Requirement</b>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>		

Existing item  **New**

**item Documents to Submit:**

Documents to submit to TMNA	When to submit	Whom to submit to
Annual energy consumption, CO <sub>2</sub> emissions, and renewable energy usage by calendar year utilizing Manufacture2030. <i>Note: Baseline year will be 2019. It is the expectation that data for each site from the baseline year to current be entered.</i> More information will be shared during TMNA's annual CO <sub>2</sub> Reporting Kickoff. Date and times for this event will be emailed to primary sales and environmental contacts as listed in SailPoint.	By the due date communicated during the CO <sub>2</sub> Kickoff.	TMNA Environmental Sustainability at <a href="mailto:green.Supplier@toyota.com">green.Supplier@toyota.com</a>
Scope 3 and life cycle CO <sub>2</sub> information, including LCA calculations (CO <sub>2</sub> t / unit of product supplied), as requested by TMNA	As requested by TMNA	TMNA Purchasing Lead for Specific Commodity

## CO<sub>2</sub> Emissions from Logistics Supplier Activities

Toyota undertakes active measures to reduce CO<sub>2</sub> emissions from transport activities, including trucking, marine, air and rail. Toyota set a target to reduce absolute CO<sub>2</sub> emissions by 15% from owned and third-party logistics from FY2018 to FY2026. In accordance, logistic Suppliers are requested to implement environmental measures in their logistics activities.

**Reporting Requirements:** Logistics Suppliers must comply with all reporting requirements as listed in the table below, unless specifically requested differently by TMNA.

**Definition of a \*Logistics Supplier:** A logistics Supplier is defined as a Supplier contracted by Toyota to carry out logistics to and from a Toyota facility or cross dock via truck, rail, marine, or air. This includes production parts, service and accessory parts, and finished vehicles.

Logistics Suppliers must fully understand Toyota’s initiatives to reduce CO<sub>2</sub> emissions. Logistics Suppliers are further required to cooperate with Toyota’s efforts to collect information on CO<sub>2</sub> emissions from transportation activities and to help Toyota identify alternative transport technologies that have the potential to further reduce CO<sub>2</sub> emissions.

### Logistics Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>CO<sub>2</sub> Emissions from Logistics Supplier Activities (Trucking, Rail, Air, Marine)</b>						
1) Maintain tracking of fuel consumption, distance traveled, and fuel efficiency	Requirement					ù
2) Assist TMNA with identifying best available alternative transport technologies for use in logistics and help TMNA to pilot these technologies	Requirement					ù
3) Reduce absolute CO <sub>2</sub> emissions by 15% by FY2026 (FY2018 baseline)	Requirement					ù
4) Report progress against requirements 1-3 as part of Quarterly Business Review (QBR)	Requirement					ù
5) All documents related to requirements 1-4 must be submitted by the 15 <sup>th</sup> of each month	Requirement					ù

- Existing item
- New item

**Documents to Submit by Logistics Supplier:**

Document	TMNA 3 <sup>rd</sup> -Party Logistics Carriers	PDAD 3 <sup>rd</sup> -Party Logistics Carriers	TLS 3 <sup>rd</sup> -Party Logistics Carriers
GHG Emissions Report – submit by the 15 <sup>th</sup> of each month	0	0	0
Age of Fleet			0
EPA SmartWay-certified (incl. sub-haulers)			0

BU	Description	When	Where to Submit Information
MPO	Production Parts & Materials	Monthly (Beginning)	<a href="mailto:Dana.pruitt1@toyota.com">Dana.pruitt1@toyota.com</a> , <a href="mailto:nana.annan@toyota.com">nana.annan@toyota.com</a> <a href="mailto:karen.cruz@toyota.com">karen.cruz@toyota.com</a>
SPO	Accessory & Service Parts	Monthly (Beginning)	<a href="mailto:dana.pruitt1@toyota.com">dana.pruitt1@toyota.com</a> <a href="mailto:nana.annan@toyota.com">nana.annan@toyota.com</a> <a href="mailto:karen.cruz@toyota.com">karen.cruz@toyota.com</a>
TLS	Finished Vehicles	Monthly (Beginning)	<a href="mailto:kevin.young@toyota.com">kevin.young@toyota.com</a>

# WATER

Toyota recognizes water as a global issue that must be addressed regionally and intends to roll out a range of measures to reduce the amount of water used in operations and improve water quality. As part of the Toyota Environmental Challenge 2050, Toyota is committed to striving to conserve water and protect water resources.

To address the global challenge to minimize and optimize water use, Toyota Motor North America set a target to reduce water withdrawals by 11% per vehicle produced, by FY206 (FY2021 baseline). We are working on improving water efficiency as well as piloting systems that take us closer to closed loop/zero water discharge. To support our long-term goal, we request that our Suppliers implement water conservation initiatives at their facilities, including reducing the amount of water used, increasing water recycling, and improving the quality of water discharged.

Toyota's water conservation activities support one of the United Nations Sustainable Development Goals (SDGs): **SDG #6: Clean Water and Sanitation**, which aims to ensure the availability and sustainable management of water and sanitation for all. Businesses are expected to play a significant role in achieving the bold and transformative steps urgently needed to shift the world onto a sustainable and resilient path and achieve the SDGs. Together, the efforts of Toyota and our Suppliers supporting the Toyota Environmental Challenge 2050 can make a significant contribution to SDG #6.



**Supplier Responsibilities:**

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>Water Conservation</b>						
1) Maintain tracking of water withdrawal, discharge and consumption data.	Requirement	○	○	○	○	
2) Establish water reduction plans.	Guideline	○	○	○	○	
3) Establish a water reduction target and report progress against it annually.	Guideline	○	○	○	○	

○ Existing item     New item

**Documents to Submit:**

Documents to submit to TMNA	When to submit	Whom to submit to
Those Suppliers who respond to CDP's Water Security Information Request, and/or whom Toyota has requested information through CDP's Supply Chain Program, are requested to submit their completed CDP reports. Also provide % revenue for Supplier's business with Toyota North America.	By September 15 <sup>th</sup> of each year	TMNA Environmental Sustainability at <a href="mailto:green.Supplier@toyota.com">green.Supplier@toyota.com</a>

**Why are we requiring you to track water use and reductions?**

Water availability and quality are important issues, both to Toyota as a company and to our surrounding communities. We are tracking water withdrawal, discharge and consumption from our North American operations and working on ways to use less water, especially in areas of water stress. We are asking our Suppliers to do the same.

As Suppliers develop water conservation plans and targets, we recommend using the Aqueduct Water Risk Atlas, which is part of the World Resources Institute (WRI) water program. Aqueduct uses open-source, peer reviewed data to map water risks such as floods, drought and stress. The Water Risk Atlas can identify areas of water stress, where Suppliers may want to focus their initial efforts.

# CIRCULAR ECONOMY

Toyota recognizes the world must transition to a more sustainable pattern of production and consumption to avoid large-scale exploitation and depletion of natural resources and environmental pollution from increasing amounts of waste. As part of the Toyota Environmental Challenge 2050, Toyota is committed to supporting the development of a \*circular economy.

To address the global challenge to create circular economies, Toyota Motor North America set targets through FY2026 to continue developing hybrid vehicle battery collection and recycling systems, reduce single-use plastics, reduce procurement of single-use plastic-based packaging materials by 25%, enhance chemical management, and reduce total waste. We are addressing all aspects of sustainable materials management, but over the next several years, we will be placing special emphasis on reducing the use of plastics, especially single-use plastics. To support our long-term goal, we request that our Suppliers undertake similar activities. We also request that Suppliers consider \*end-of-life vehicle issues as well as sustainable materials that are made of recycled, recyclable or renewable content in the development of parts, components and accessories.

Toyota's efforts to contribute to the development of a circular economy support one of the United Nations Sustainable Development Goals (SDGs): **SDG #12: Responsible Production and Consumption**, which aims to substantially reduce waste generation, achieve environmentally sound management of chemicals and ensure sustainable production and consumption patterns. Businesses are expected to play a significant role in achieving the bold and transformative steps urgently needed to shift the world onto a sustainable and resilient path and achieve the SDGs. Together, the efforts of Toyota and our Suppliers supporting the Toyota Environmental Challenge 2050 can make a significant contribution to SDG #12.



## Chemical Management

Global chemical substance regulations continue to increase in both number and complexity. The trend in chemical substance regulation is changing from hazard management, which focuses only on the toxicity of individual substances, to risk management, which takes into consideration the degree of impact on people and the environment. For this reason, it is necessary to continuously enhance chemical management. Regulations in Japan, Europe and North America, including REACH and TSCA, require Toyota to collect information on the chemical content of our products and manage what materials are being used at Toyota facilities as well as what substances are used to make up the products which Toyota provides to its customers.

Toyota Suppliers must comply with applicable regulations, Toyota standards and quality manuals, and report chemical usage as summarized in this section. Toyota will begin to measure and communicate Supplier's performance utilizing the items required in the "Documents to Submit" tables outlined below.

Toyota has collaborated with Supplier Partnership for the Environment (SP) and other North American OEMs to develop a Global Product Chemical Compliance Process Management Guidance Document for best practices in product chemical management. This Guidance Document, along with the other reference documents listed in this section, are accessible via secure login to [ToyotaSupplier.com](https://toyotasupplier.com). These reference documents may be used to help meet the requirements for the environmental activities in this section.

### Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct, *Accessory & Service Suppliers	*Raw Materials			
<b>Chemical Management</b>						
1) Disclosure of chemical/material substance content, VOC, HAPS, etc.	Requirement	○	○	○		
2) Safety Data Sheets (OSHA Compliant) and product labeling	Requirement	○	○	○		
3) Material marking	Requirement	○				
4) Annual chemical management process self-assessment	Requirement	○	○			
5) Ad Hoc Surveys	Requirement	○	○	○		
6) Elimination of Hexavalent Chromium and PFAS mist suppressant from Supplier's Electroplating Processes	Requirement	◎				

○ Existing item ◎ New item

## 1) Disclosure of Chemical/Material Substance Content

### a. Direct, SPAD & Service Items

- i. Toyota Standard TSZ0001G is the control method for substances of concern in parts and direct raw materials supplied to Toyota. TSZ0001G prohibits or restricts certain substances for use, and mandates \*IMDS as the reporting method to demonstrate compliance to the standard. TSZ0001G compliance is a requirement indicated on all part drawings and is available with secure login to ToyotaSupplier.com.
- ii. Suppliers must report all new parts to Toyota via IMDS, **proactively**, within 90 days of drawing release, Engineering Change Instruction (ECI) or Process Change Request (PCR). In some cases, Toyota will send requests for IMDS data by a fixed due date. Suppliers must meet proactive or fixed due dates.
- iii. Reference the TMNA IMDS Manual via [www.ToyotaSupplier.com](http://www.ToyotaSupplier.com) for detailed requirements.
- iv. Service part/chemical Suppliers must submit a full-disclosure Environmental Data Sheet (EDS) to Toyota via [E-star System](#), see ToyotaSupplier.com. Service parts also require IMDS by a fixed due date as requested by TMNA.

### b. Direct Raw Materials

- i. Direct raw materials as received by the NAMC must contain ingredients that are listed on TSCA 8b, and not be banned by the Toyota Banned Substances List, TMRSAS0126n. Supplier must submit a full-disclosure Environmental Data Sheet (EDS) to Toyota via [E-star System](#), see [www.ToyotaSupplier.com](http://www.ToyotaSupplier.com).
- ii. Direct Raw Materials present on a vehicle must comply with TSZ0001G control method for substances of concern. All new direct raw materials are reported to TMNA via IMDS as requested. Reference the IMDS Manual available at ToyotaSupplier.com. Part, sealer, and adhesive Suppliers have unique requirements specified in Toyota's IMDS Manual for In-house Material. IMDS due dates must be met.

### c. Indirect

- i. NAMC may request material composition information if the indirect material may impact air permits or for other reasons. This request may vary by site.

Documents to submit to TMNA	When to submit	Whom to submit to	Reference documents
*IMDS Material Data Sheet	90 days following drawing release or ECI/PCR or by fixed due date as requested by TMNA	CMO via IMDS ID 104495	- TMNA IMDS Manual - TSZ0001G - SQAM - IMDS REC-001
Environmental Data sheets (EDS)	Prior to sourcing. Within 10 days of request from purchasing.	CMO via <a href="#">E-star System</a>	- Toyota Banned Substance List - E-star Material Approval User Manual
VOC, HAPS, etc.	By request from the end user	End user, typically the NAMC, via <a href="#">E-star System</a> , or direct email to NAMC Environmental	- E-star EDS Import Instructions - E-star Instructional Videos

## 2) Safety Data Sheets (OSHA Compliant) and Product Labeling

- a. SPAD Items: Supplier must provide SDS (OSHA Compliant) and labels (when required by regulation).
- b. Direct Raw Materials: Supplier must provide an SDS (OSHA Compliant).
- c. Service Part/Chemical: Supplier must provide an SDS (OSHA Compliant) and a sample of the product label.
- d. Indirect: Supplier must provide SDS (OSHA Compliant) for all chemicals that will be brought on site at a Toyota facility.

Documents to submit to TMNA	When to submit	Whom to submit to	Reference documents
SDS for indirect	Prior to bringing on site to a TMNA facility. Direct and service materials within 10 days of request.	CMO via <a href="#">E-star System</a>	- E-Star Material Approval User Manual - E-star Instructional Videos
SDS for Direct, parts or service chemicals	Prior to sourcing. Within 10 days of request.	CMO via <a href="#">E-star System</a>	
Samples of labels	Prior to sourcing. Within 10 days of request.	CMO via <a href="#">E-star System</a>	

## 3) Material Marking

### a. Plastic and Rubber Items

- i. Toyota Standard TSZ6005G requires plastic and rubber parts within parts, accessories and components be physically marked for identification and recycling. TSZ6005G is available with secure login to ToyotaSupplier.com.
- ii. The \*IMDS Material Data Sheet for parts, accessories & components must indicate whether applicable materials are marked as required by TSZ6005G and the Toyota drawing.

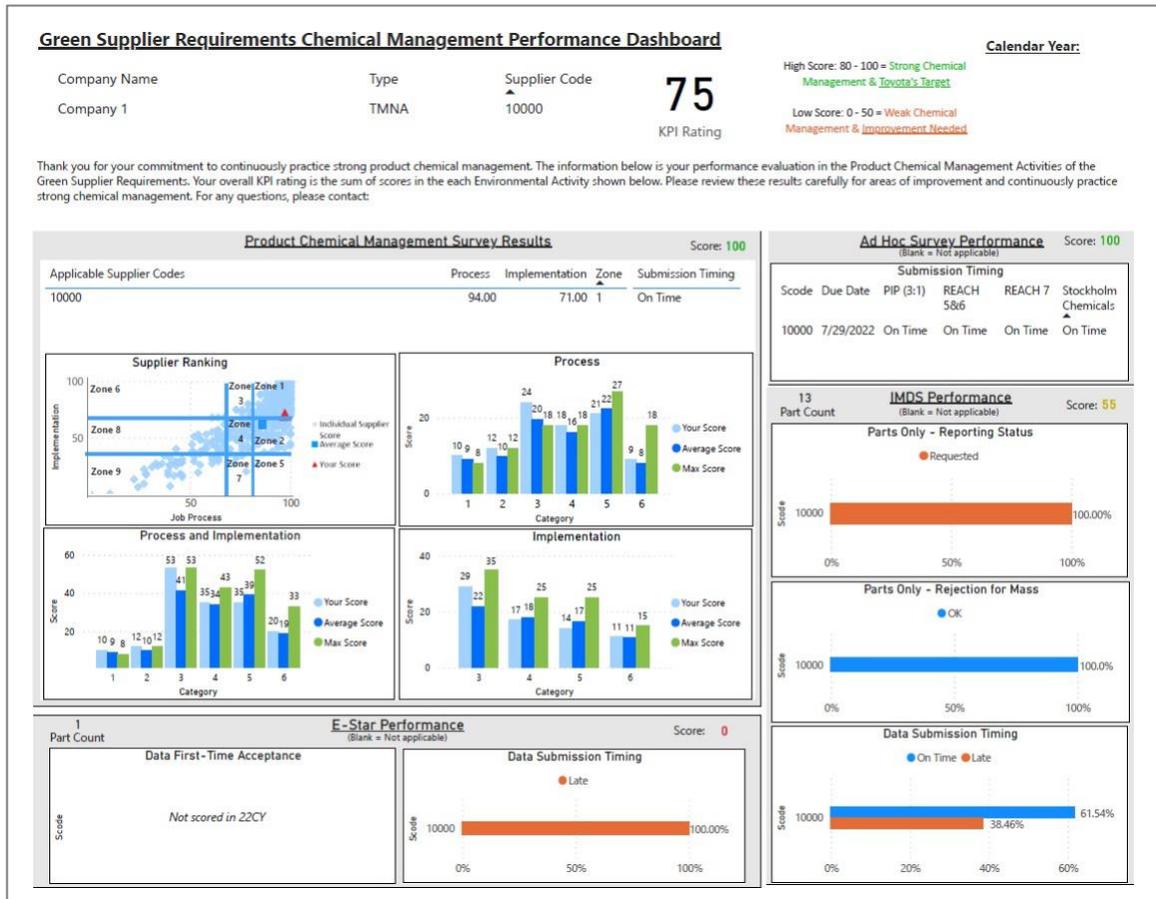
Documents to submit to TMNA	When to submit	Whom to submit to	Reference documents
*IMDS Material Data Sheet	90 days following drawing release or ECI/PCR or by fixed due date as requested by TMNA	CMO via IMDS ID 104495	- TSZ6005G

## 4) Annual Chemical Management Process Self-Assessment

### a. Parts, Accessories & Components Raw Materials

- i. Toyota is committed to continuously improving product chemical management practices. Toyota Suppliers are required to complete a survey on their chemical management initiatives annually for each Supplier code location that has a different chemical management process. All survey questions are mandatory.
- ii. The survey is used to collect information on how Toyota Suppliers practice chemical management. This information presents the opportunity to share best practices and collectively work together to make improvements, helping to strengthen the overall supply chain's chemical management and minimize risk for chemical non-compliance.
- iii. The survey results will be analyzed by a scoring system. The individual Supplier score will be compared to the maximum possible score and the average score of all North American Suppliers in Process, Implementation, and Overall.
  1. The Supplier ranking zones are used to compare a single Supplier's overall score with the average total score of all North American Suppliers. If a Supplier's score falls into Zone 1, they have strong chemical management practices and have met Toyota's target. A score in Zone 9 represents that the Supplier has weak chemical management practices and improvements are needed.
  2. Each Supplier is given a score in each survey category based on how the Supplier answers each question. The scores are based on the Supplier's process and implementation of product chemical management.
- iv. A KPI dashboard will be provided to each Supplier that includes their individual self-assessment survey results and if the survey was completed by the requested due date. Each Supplier is required to review the survey results for areas of improvement and provide Toyota with an improvement plan if the KPI results are below 80.
- v. In addition to the self-assessment survey, the KPI dashboard includes the following metrics:
  - a. IMDS Performance in the activities outlined in 1.a of this section:
    - a. Proactive reporting within 90 days of drawing release
    - b. IMDS data requests completed by the requested due date
    - c. IMDS data accuracy for mass / weights.
  - b. E-star Performance in the activities outlined in 1.b and 2.a – 2.d of this section:
    - a. Data requests completed by the requested due date
    - b. EDS/SDS/Label first-time acceptance rate
  3. Ad Hoc Survey Performance as outlined in 5.a of this section, per request by TMNA.
    - a. Survey request(s) completed by the requested due date
- vi. TMNA will select a limited number of Suppliers to meet with and review their self-assessment results, overall KPI score and improvement plan.
- vii. A link to the KPI dashboard is on ToyotaSupplier.com in the SKPI Executive dashboard, located under the KPI Rating for Environmental (CMO).

viii. Sample KPI dashboard:



Documents to submit to TMNA	When to submit	Whom to submit to	Reference documents
Self-Assessment Response	Annually per request from CMO. Due date provided with request.	Utilize survey link provided in annual request.	- SP Guidance Document for Product Chemical Management - Survey FAQ Page - Survey Announcement Letter

5) Ad Hoc Surveys

a. Parts, Accessories and Components, Direct Raw Materials, Indirect Materials

- i. Toyota may periodically survey Suppliers to determine substance use in parts, raw materials, or their respective packaging or manufacturing. Suppliers must respond to ad hoc substance use surveys via the requested format by the due date for all applicable Supplier codes.

Documents to submit to TMNA	When to submit	Whom to submit to	Reference documents
Ad Hoc Survey Request	Before survey due date	CMO via requested method	

## 6) Elimination of Hexavalent Chromium and PFAS from Supplier’s Electroplating Processes

### a. Parts, Accessories and Components

- i. Toyota is committed to eliminating the usage of certain chemicals from our products and our Supplier’s processes to continue to improve the environment. Toyota is requesting the following elimination:
  - 1. Elimination of hexavalent chromium from Supplier’s decorative chrome plating processes for OEM and accessory parts used in Toyota’s North American vehicle production and service by end of calendar year 2027.
  - 2. Elimination of hexavalent chromium etch from Supplier’s chrome plating processes for OEM and accessory parts used in Toyota’s North American vehicle production and service by the end of calendar year 2028.
  - 3. Eliminate PFAS mist suppressant from electroplating operations by the end of calendar year 2028
- ii. Toyota will communicate this chemical management requirement to impacted Suppliers via a chemical management policy announcement letter.

Documents to submit to TMNA	When to submit	Whom to submit to	Reference documents
Supplier’s plan for elimination of hexavalent chromium and PFAS	Per CMO request	CMO via requested method	- Policy Announcement Letter

## Packaging & Wrapping Materials

Toyota is working to reduce the use of packaging and wrapping materials. We ask that all Tier 1 Suppliers initiate a reduction plan in line with Toyota’s goal to reduce procurement of single-use plastic-based packaging material by 25% by FY2026.

We also ask that Suppliers use nonhazardous packaging material, both for environmental sustainability and industrial hygiene purposes, without impacting quality.

Toyota Motor North America is a member of the Suppliers Partnership for the Environment (SP), an association of global automakers and their Suppliers working together to advance environmental sustainability through the automotive supply chain. SP published a guidance document, [Sustainable Packaging Specification Recommendations for Automotive Manufacturing Operations](#). The guidance document was produced through a collaborative process by the SP Materials Efficiency Work Group, whose members include automotive original equipment manufacturers such as Stellantis, Ford Motor Company, General Motors, Honda of America Mfg., and Toyota Motor North America. The document is designed to provide straightforward industry-supported guidance to help automakers and their Suppliers source sustainable packaging designs for use in automotive manufacturing operations. The recommendations from this document are summarized in the table below.

**All in-bound packaging must be shipped in containers approved by Toyota.** Refer to standard design specifications provided in the Supplier Logistics Instruction Manual (SLIM) chapter 3.0.H for North American destination parts and chapter 7.7.3 for export parts.

### Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>Packaging &amp; Wrapping Materials</b>						
1) Reduce use of plastic-based packaging material use by 25% by FY2026	Guideline	O	O	O	O	O
2) Increase use of returnable and/or recycled packaging	Guideline	O	O	O	O	O
3) Avoid using foams in packages, as most foams are difficult to recycle. If foam packaging is sourced, expanded polypropylene (EPP) may be more recyclable than other foam options. Consider using bio-based or polypropylene and polyethylene foams if a local reuse or recycle solution is available. Consider biobased as a last resort.	Guideline	O	O	O	O	O

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
4) Avoid combination packaging (incorporating multiple materials). When unavoidable, materials should be able to be segregated without requiring significant time or force. For example, avoid foam glued to cardboard. When the foam can't be separated from the cardboard, all of the material becomes waste.	Guideline	O	O	O	O	O
5) Avoid using screw fasteners, nails or staples to attach cardboard boxes to wood pallets.	Guideline	O	O	O	O	O
6) Avoid using metal clips on plastic banding. Use plastic weld (sonic) technology.	Guideline	O	O	O	O	O
7) Avoid using metal brackets and wood to reinforce cardboard/OCC boxes. Use cardboard brackets and spacers.	Guideline	O	O	O	O	O
8) Avoid one-time use packaging and assembly aids	Guideline	O	O	O	O	O
9) Do not source plastic corrugate with mixed plastics or metal fasteners unless material is intended for reuse	Guideline	O	O	O	O	O
10) Where feasible, place polypropylene and polyester fabric bags used to protect class A surface parts from mutilation in the container and send back to the Supplier for reuse	Guideline	O	O	O	O	O
11) If a Logistics Optimization Center (LOC) is used to service nearby manufacturing operation(s), then efforts to concentrate and manage expendables for reuse and recycling at this location should be done. Aftermarket parts locations can also help consolidate materials for this purpose.	Guideline	O	O	O	O	O

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
12) Wood pallets sourced in the U.S. should be 40" X 48", 42" x 48", or 45" X 48" whenever possible, with the auto industry using 45" x 48" for production and 42" x 48" for service. These sizes greatly improve the possibility for these pallets to be reused as compared to off-spec sizes.	Guideline	○	○	○	○	○
13) Use of OSB (Oriented Strand Board) pallet planks and risers should only be used if local rules and international issues prohibit alternatives.	Guideline	○	○	○	○	○
14) Wooden crates should be designed with ease of disassembly for reuse and/or shredding for recyclability in mind.	Guideline	○	○	○	○	○
15) Reduce disposal and increase recycling of wood pallets, cardboard and plastic packaging (such as LDPE plastic bags, bubble wrap and plastic wrap)	Guideline	○	○	○	○	○
16) Reduce the use of hazardous packaging and wrapping materials, including corrosion inhibitors and VCI's, without impacting quality	Guideline	○	○	○	○	○

○ Existing item    ● New

**item Documents to Submit:**

Documents to submit to TMNA	When to submit	Whom to submit to
There are no documents to submit at this time. Toyota will confirm improvement activities / compliance as needed.		

**Contact:** TMNA Environmental Sustainability at [green.Supplier@toyota.com](mailto:green.Supplier@toyota.com)

# Waste Minimization & Recycling

As part of the Environmental Challenge 2050, Toyota is committed to helping to establish a recycling-based society and is working toward car-to-car recycling (producing new vehicles from end-of-life vehicles). Toyota has been actively pursuing reductions in resource consumption, increased recycling and reductions in waste, and we request that Suppliers implement similar initiatives.

**\*Definition of a Third-Party Service Parts Distribution Center** is one that operates similarly to a Toyota Parts Distribution Center, operates 100% for Toyota and/or Lexus, and supplies dealers. This does not include satellite parts centers.

## Supplier Responsibilities:

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
Waste Minimization & Recycling						
1) Decrease waste generated	Guideline	○	○	○	○	○
2) Increase the amount of waste recycled	Guideline	○	○	○	○	○
3) <b>If you are a *Third-Party Service Parts Distribution Center</b> , collect weight data quarterly on:	Guideline				○	
<ul style="list-style-type: none"> <li>• Waste disposed to landfill</li> <li>• Waste disposed to waste-to-energy facilities</li> <li>• Cardboard recycled</li> <li>• Metal recycled</li> <li>• Pallets recycled</li> </ul>						

○ Existing item    ● **New**

## item Documents to Submit:

Documents to submit to TMNA	When to submit	Whom to submit to
There are no documents to submit at this time. Toyota will confirm improvement activities / compliance as needed.		

**Contact:** TMNA Environmental Sustainability at [green.Supplier@toyota.com](mailto:green.Supplier@toyota.com)

# BIODIVERSITY

Toyota recognizes **biodiversity** as a global issue that must be managed locally, regionally and globally. If humans and nature are to coexist in the future, we need to conserve forests and other ecosystems in all regions. As part of the Toyota Environmental Challenge 2050, Toyota is committed to striving to operate in harmony with nature.

To address the global challenge, Toyota Motor North America set targets through FY2026 to conserve habitat, protect species, and foster and engage in biodiversity activities in collaboration with local communities and other companies. For example, several of our sites have already adopted priority species and are working with Wildlife Habitat Council® to develop species management plans. To support our long-term goal, we request our Suppliers implement similar conservation initiatives at their facilities and across their value chains.

Toyota's biodiversity activities support one of the United Nations Sustainable Development Goals (SDGs): **SDG #15: Life on Land**, which aims to protect, restore and promote sustainable use of terrestrial ecosystems and sustainable management of forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss. Businesses are expected to play a significant role in achieving the bold and transformative steps urgently needed to shift the world onto a sustainable and resilient path and achieve the SDGs. Together, the efforts of Toyota and our Suppliers supporting the Toyota Environmental Challenge 2050 can make a significant contribution to SDG #15.



**Supplier Responsibilities:**

Environmental Activity	Requirement or Guideline	T-1 Supplier Type				
		*Direct		*Indirect	*Logistics Consolidation & Shipping Facilities	*Logistics Supplier
		*Direct + Accessory Suppliers	* Raw Materials			
<b>Biodiversity</b>						
1) Consider having your company's sites certified for conservation by Wildlife Habitat Council®, or similar program	Guideline	○	○	○	○	
2) Support the development of wildlife corridors and natural habitat on company sites and in the community (e.g., roadsides) with resources, volunteering, partnerships, and programs, such as supporting the restoration of habitat along monarch migration routes or other native pollinator insect habitat	Guideline	○	○	○	○	○
3) Consider identifying if there are biodiversity risks in your value chain (e.g., deforestation, pollution) and take steps to protect and restore biodiversity.	Guideline	○	○	○	○	○

- Existing item     New

**item Documents to Submit:**

Documents to submit to TMNA	When to submit	Whom to submit to
Documentation of efforts related to the Guidelines listed above	Upon request	TMNA Environmental Sustainability at <a href="mailto:green.Supplier@Toyota.com">green.Supplier@Toyota.com</a>

## FAQs: Biodiversity

### Q1. What is biodiversity?

A. Biological diversity or biodiversity refers to the variability among living organisms of all types and their natural systems. The United Nations Convention on Biological Diversity (UNCBD) helped to develop a global approach to defining and protecting biodiversity.

This diversity is often understood in terms of the wide variety and interdependence of plants, animals and microorganisms that inhabit the planet. So far, about 1.75 million species have been identified. Scientists' estimates on the number of species range between 3 and 100 million.

Biodiversity also includes genetic differences within each species, for example, between varieties of crops and breeds of livestock. Chromosomes, genes and DNA (the building blocks of life) determine the uniqueness of each individual and each species.

Another aspect of biodiversity is the variety of ecosystems such as those that occur in deserts, forests, wetlands, mountains, lakes, rivers, oceans and agricultural landscapes. In each ecosystem, living creatures, including humans, form a community, interacting with one another and with the air, water and soil around them.

### Q2. Why is biodiversity important?

A. The combination of life forms and their interactions with each other and with the rest of the environment has made Earth a uniquely habitable place for humans. Biodiversity provides a large number of goods and services that sustain our lives. For example:

- Biodiversity is essential to global food security and nutrition and also serves as a safety net to poor households during times of crisis.
- Increased diversity of genes within species, e.g., as represented by livestock breeds or strains of plants, reduces risk from diseases and increases the potential to adapt to changing climates.
- More than 70,000 plant species are used in traditional and modern medicine.
- The value of global ecosystem services is estimated at \$16-\$54 trillion.

### Q3. What are some of the biodiversity concerns in North America?

A. *Endangered and threatened species:* In the U.S., according to the U.S. Fish & Wildlife Service's Environmental Conservation Online System (ECOS), there are 702 endangered and threatened animal species and 934 endangered and threatened plant species, with many others being considered for being added to this list (as of December 4, 2020).

*Habitat loss:* Of the 36 internationally recognized [biodiversity hotspots](#) (where 30% or less of the original natural vegetation still exists), five are in North and Central America: California Floristic Province, Caribbean Islands, Madrean Pine-Oak Woodlands<sup>1</sup>, Mesoamerica and the North American Coastal Plain.

*Declining pollinator populations:* In the U.S., 30% of crop production depends on pollinators. Of this, honeybees are responsible for almost 80% of all crop pollination. The monetary value of honeybees as commercial pollinators is estimated at about \$15 billion annually.<sup>2</sup>

Declines in the diversity of flowering plants, loss and degradation of habitat, introduction of non-native species, toxicity and widespread use of pesticides, air pollution and climate change all play a role in the decline of pollinator populations. For example, the monarch butterfly population has declined 90% over the past two decades.

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<sup>1</sup> The Madrean Pine-Oak Woodlands are subtropical woodlands found in the mountains of Mexico and the southwestern U.S.

<sup>2</sup> The estimated value of honeybee pollination in Canada is about \$2 billion.

#### Q4. What is Wildlife Habitat Council®?

A. Wildlife Habitat Council (WHC) promotes and certifies habitat conservation and management on corporate lands through partnerships and education. To WHC, every act of conservation matters. Whether it's a small pollinator garden or a complex wetlands restoration, each and every conservation action contributes to the collective positive outcome for the environment.

WHC's certification program, Conservation Certification, is built on best practices of global recognition programs, reflects contemporary conservation efforts and aligns WHC's collective works with the future of biodiversity, not only in the U.S., but across the globe. Conservation Certification helps companies demonstrate a long-term commitment to managing quality habitat for wildlife, conservation education and community outreach initiatives.

For more information about WHC and Conservation Certification, please visit [www.wildlifehc.org](http://www.wildlifehc.org).

#### Q5. How do we get started in addressing biodiversity risks in our value chain?

A. There are many resources available to help you conserve habitat, protect species and manage biodiversity risks. To help you get started, here are a few options to consider:

- Both the [Suppliers Partnership for the Environment Pollinator Challenge](#) and the [Pollinator Partnership](#) can help you get started on developing pollinator habitat on your site and/or in your community.
- The [Initial Guidance for Business on Science-Based Targets for Nature](#) outlines steps to assessing risks and developing targets. Additionally, Pure Strategies, a sustainability consulting firm, offers a [free self-assessment tool](#) to help you explore what you may have already done or may want to do to get started and make progress in addressing nature risks. One of the first steps is to outline your value chain upstream, owned and downstream activities connected to your business. Then you explore where there may be impacts to biodiversity (e.g., pollution, deforestation) or where the business relies on biodiversity (e.g., fresh water, natural raw materials) to then determine what to begin addressing.

# GLOSSARY

**Circular Economy** – An economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, enhancing their efficient use in production and consumption, thereby reducing the environmental impact of their use and minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the waste hierarchy.

**Direct Supplier** – Any Supplier which provides parts or materials required to assemble a vehicle, per its specifications, at a Toyota North American Manufacturing Company (NAMC).

**Direct + SPAD Items Supplier** – A Supplier who provides SPAD Items, which are any items that are designed, developed, conceptualized, or engineered by the Service Parts and Accessories Development division of TMNA, or any successor division thereof.

**EDS (Environmental Data Sheet)** – A Toyota document that requests Suppliers to provide the full disclosure of ingredient information prior to shipping materials to a Toyota plant or facility (see [www.ToyotaSupplier.com](http://www.ToyotaSupplier.com)).

**EMS (Environmental Management System)** – A set of processes and practices that help an organization reduce its environmental impacts and increase its operating efficiency.

**EPP** – Expanded Polypropylene is a foam form of polypropylene commonly used in packaging.

**Greenhouse Gases (GHGs)** – GHGs are gases that trap heat in the atmosphere. The most recognized GHGs are the six gases listed in the Kyoto Protocol, an international agreement that established internationally binding emission reduction targets: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulfur hexafluoride (SF<sub>6</sub>).

**Guidelines** – Best practices or suggested activities that a Supplier is encouraged to implement in its operations.

**HAPS** – Hazardous air pollutants are those known to cause cancer and other serious health impacts. The Clean Air Act requires the U.S. Environmental Protection Agency (EPA) to regulate toxic air pollutants, also known as air toxics, from categories of industrial facilities. (Source: <https://www.epa.gov/haps>)

**IMDS** – The International Material Data System (IMDS) is the automobile industry's material data system. All materials used for manufacturing automobiles are collected, maintained, analyzed and archived into IMDS. A global standard used by almost all the global OEMs, IMDS is used to meet the obligations placed on auto manufacturers by national and international standards, including their laws and regulations. (Source: <https://www.aiag.org/corporate-responsibility/chemical-management/international-material-data-system>)

**ISO** – International Standard Organization responsible for setting certification requirements, such as ISO 14001.

**Indirect Materials** – Materials used within a Toyota facility as part of the manufacturing process, facility operations or maintenance that are not/do not become part of the vehicle (e.g., construction, equipment, landscaping, cleaning fluids).

**Indirect Supplier** – A Supplier who provides goods, services or raw materials that are used in Toyota facilities producing Toyota vehicles and/or units (for example: construction, equipment, machinery and cleaning Suppliers).

**ISO 14001** – International Organization for Standardization (ISO) 14001 is an international standard for establishing and implementing an environmental management system (EMS).

**LDPE** – Low Density Polyethylene, commonly used to produce plastic bags included in packaging.

**Logistics Consolidation & Shipping Facility Supplier** – A Supplier who operates third-party warehouses and distribution centers.

**Logistics Supplier** – A Supplier contracted by Toyota to carry out logistics to and from a Toyota facility or cross dock via truck, rail, marine, or air. This includes production parts, service and accessory parts, and finished vehicles.

**NAMC** – North American Manufacturing Company

**OCC** – Old Corrugated Cardboard refers to post-used corrugated packaging.

**Raw Materials** – Materials used by Toyota to make parts, or that are otherwise used on or in a Toyota vehicle (e.g., steel, resin, paint, adhesives, engine oil). Toyota requires Suppliers to manage and report raw materials based on their use both on a Toyota vehicle (product requirement) and within a Toyota facility.

**REACH** – EU regulation which stands for Registration, Evaluation, Authorization, and Restriction of chemicals.

**Responsible Care® (RC) 14001** – Responsible Care® 14001 (RC14001®) and Responsible Care Management System® (RCMS®) are performance improvement initiatives launched by the American Chemistry Council (ACC) to ensure that the chemical industry makes health, safety, security and the environment top priorities. RC14001 incorporates RCMS and all the requirements of ISO 14001 environmental certification into a single, more cost-effective process.

**Requirements** – Tasks or activities that MUST occur in applicable Supplier operations.

**Scope 1 Emissions** – Direct greenhouse gas emissions from owned or controlled sources

**Scope 2 Emissions** – Indirect greenhouse gas emissions from the generation of purchased electricity, steam, heat or cooling

**Scope 3 Emissions** – Indirect greenhouse gas emissions not included in Scope 2 that occur in the value chain, including both upstream and downstream emissions

**SDS (Safety Data Sheet)** – Provides safe use and handling of chemical products according to the Globally Harmonized System (GHS) and the U.S. OSHA Hazard Communication Standard.

**SOCs (Substances of Concern)** – See Toyota Engineering Standard TSZ0001G for a complete list of substances.

**SOP** – Start of Production, used to indicate the beginning of production for parts, materials, facility, or service.

**SPAD Items** – Any items that are designed, developed, conceptualized, or engineered by the Service Parts and Accessories Development division of TMNA, or any successor division thereof.

**Toyota Plant** – Toyota plant refers to the following facilities where vehicles and/or units are produced:

- TABC, Inc. (TABC)
- Toyota Motor Manufacturing, Alabama, Inc. (TMMAL)
- Toyota Motor Manufacturing de Baja de California, S. de R.L. de C.V. (TMMBC)
- Toyota Motor Manufacturing, California Inc. (TMMCA)
- Toyota Motor Manufacturing Canada Inc. (TMMC)
- Toyota Motor Manufacturing de Guanajuato, S.A. de C.V. (TMMGT)
- Toyota Motor Manufacturing, Indiana, Inc. (TMMI)
- Toyota Motor Manufacturing, Kentucky, Inc. (TMMK)
- Toyota Motor Manufacturing, Missouri, Inc. (TMMMO)
- Toyota Motor Manufacturing, Mississippi, Inc. (TMMMS)
- Toyota Motor Manufacturing, Tennessee (TMMTN) (d/b/a of TMMMO)
- Toyota Motor Manufacturing, Texas, Inc. (TMMTX)
- Toyota Motor Manufacturing, West Virginia, Inc. (TMMWV)
- Toyota Battery Manufacturing, Inc. (TBMI)

**TSCA** – Toxic Substances Control Act is a law administered by the EPA which regulates the use of new or already existing chemicals.

**VCI** – Vapor Corrosion Inhibitors are materials used to protect metal from corrosion during the shipping process.

**VOCs (Volatile Organic Compounds)** – VOCs are emitted as gases from certain solids or liquids and include a variety of chemicals subject to regulation.