March 27, 2024

Dear Mr. Koji Sato,

The undersigned 54 consumer, health, and environmental groups representing millions of supporters from 37 countries write to demand that you put Toyota Motor Corporation on the path to fossil-free vehicles and address human rights and environmental damages in your supply chain.

The legacy of your first year as CEO of Toyota is marred by <u>ramping up</u> combustion engine vehicle production, the revelation of cheating on <u>safety</u> testing in Toyota subsidiaries, <u>misleading</u> <u>marketing</u> of gas-powered hybrids as electric vehicles, failing to decarbonize your aluminum and steel supply chains, and <u>lobbying</u> against climate policies globally.

Toyota continues to promote itself as an environmentally conscious company, yet it is actively stalling climate progress and promoting combustion engine vehicles that harm public health and the environment. Toyota ranks one of the <u>top ten global companies</u> with a negative impact on climate policy globally, and think tank Influence Map revealed that Toyota failed to fully and accurately <u>disclose its engagement</u> on climate policies in 2023 to investors and the public.

Toyota's advertising is also under scrutiny. Last fall, Toyota launched a deceptive marketing campaign, "Electrified Diversified", which misleads consumers about the climate and economic benefits of Toyota's gas-powered hybrid cars as compared to electric vehicles, and formal complaints have been filed in 10 countries to date.

While Toyota is working to slow the transition to all-electric vehicles, a <u>nationwide poll</u> of US voters found the majority support a full transition to EVs for light, medium, and heavy duty vehicles. Globally, EV sales topped <u>10 million</u> and accounted for 14% of passenger vehicle sales in 2022, which stands in stark contrast to Chairman Akio Toyoda's recent <u>statement</u> that EVs would only ever be 30% of global market share, an absurd assertion given the current market trajectory.

Air pollution from burning fossil fuels is responsible for <u>one in five deaths globally</u>. With no tailpipe emissions, electric vehicles are better for our health and essential to keeping our planet livable. By powering electric vehicles with decarbonized electric grids that use renewable energy, the climate and health benefits of transitioning electric vehicles become even greater. Increasingly, zero-emission vehicles are also <u>required by law</u>, pushing the market more rapidly towards its inevitable shift away from internal combustion engine cars.

For two years in a row, Toyota has been <u>ranked</u> as one of the biggest laggards on establishing equitable, sustainable, fossil-free supply chains. In an auto supply chain scorecard that evaluates automakers' efforts to eliminate emissions, environmental harms, and human rights violations from their supply chains, Toyota achieved a total score of just 7%, and was the only company that did not achieve a score increase for the climate and environmental indicators between 2023 and 2024. Toyota continues to score 0% in this assessment on decarbonizing its steel and aluminum supply chains. Toyota also scored zero points under the Indigenous rights category and a mere 8

out of 100 points in the workers' rights category, underscoring the automaker's failure to even adopt basic human rights protections to ensure its suppliers respect Indigenous and workers' rights. Toyota's near-total inaction on the impacts of its supply chain poses serious threats to the planet, workers, and local communities.

Koji Sato, you must put an end to the harm Toyota has caused by delaying climate action and pivot to lead the industry toward its zero-emission future.

We call on you as Toyota Motor Corporation CEO to immediately commit to:

- 1. phase out internal combustion engine vehicles (including hybrids and plug-in hybrids) in the U.S. and Europe by 2030 and globally by 2035;
- 2. align advocacy and lobbying with the goal of phasing out internal combustion engines, and be a voice for 100% renewable energy economy-wide;
- 3. require 100% renewable energy use throughout your supply chains globally by 2035;
- 4. by 2025, sign a procurement commitment for fossil-free primary steel and commit to source 100% fossil-free steel by 2050;
- 5. require responsible sourcing of your battery minerals, and develop battery design that allows for easy reuse and recycling of minerals;
- 6. commit to ensuring workers' rights to a living wage and forming a union are respected globally at Toyota's own operations and throughout your supply chain; and
- 7. modify Toyota's Human Rights Policy to include a specific reference to Free, Prior, and Informed Consent (FPIC) as enumerated in the UN Declaration on the Rights of Indigenous Peoples and adopt practices that require suppliers and partners to implement the right to FPIC in Toyota's Supplier Code of Conduct.

Sincerely,

Public Citizen, United States

350 Tacoma, United States

350 Pilipinas, Philippines

Adfree Cities, United Kingdom

Associação Brasileira Dos Proprietários De Veículos Elétricos Inovadores (ABRAVEI), Brazil

Asociación Argentina de Vehículos Eléctricos y Alternativos (AAVEA), Argentina

Asociación de Vehículos Eléctricos de Chile (AVEC), Chile

Asociación de Movilidad Eléctrica Dominicana (Asomoedo), Dominican Republic

Asociación de Movilidad Eléctrica de El Salvador (ASOMOVES), El Salvador

Asociación Nacional de Vehículos Eléctricos y Sustentables (ANVES), México

Asociación Paraguaya de Vehículos Eléctricos, Paraguay

Australian Smart Energy Council, Australia

Austrian Sustainable Mobility, Austria

Badvertising, United Kingdom & Europe

Center for Community Action and Environmental Justice, United States

Cleveland Jobs with Justice, United States

Chicago Jobs with Justice, United States

Climate Rights International, International

Costa Rican Electric Mobility Association ASOMOVE, Costa Rica

Colombian Association of Electric and Sustainable Mobility, Colombia

Earthjustice, United States & International

Earthworks, International

Ekō, International

Environmental Working Group (EWG), United States

Elders Climate Action, United States

GreenLatinos, United States

Greenpeace Australia Pacific, International

Health Care Without Harm, International

Industrious Labs, United States

Interfaith Power & Light, United States

Institute for Climate and Sustainable Cities, Philippines

Jobs to Move America, United States

Jobs with Justice, *United States*

Labor Network for Sustainability, United States

Latin American Association of Sustainable Mobility, Latin America

League of Conservation Voters (LCV), United States

Mighty Earth, International

New Weather Institute, United Kingdom & Europe

Project Green Home, United States

Respire, France

Rainforest, International

Rainforest Action Network, United States, United Kingdom, Japan

The Rapid Transition Alliance, International

SanDiego350, United States

Sierra Club, United States

Society for Threatened Peoples Switzerland, Switzerland

The Southern California Coalition for Occupational Safety & Health, United States

Stand.earth, United States & Canada

SteelWatch, International

The Sunrise Project, International

Trottier Family Foundation, Canada

The YEARS Project, United States

Young Urbanists South Africa, South Africa