

# Supporting a Better Tomorrow, Today



ENVIRONMENTAL SUSTAINABILITY



PRESIDENT'S MESSAGE

# Global goals. Local actions.

*We have an  
important role  
in caring for the  
planet*

At Toyota Tsusho America, Inc. (TAI), we believe we have an important role in caring for the planet and safeguarding Earth's resources – not only for the benefit of future generations, but for the future of our business. We are working daily to create a more sustainable society with programs and business practices that reduce carbon, improve efficiency, and use our know-how to protect the environment.

We believe creating a more sustainable world starts at home. That's why in the 70+ communities in North America where we operate and collaborate in joint ventures, our environmental policy is guided by the United Nation's Sustainable Development Goals (SDGs). We are integrating the SDGs into local actions across the North America region.

Creating a more sustainable society will take all of us doing our part. We believe highlighting the SDGs in our environmental policy, commitments and actions, is a powerful step in the right direction for our company, our communities, and our shared future.

Sincerely,



Naoyuki Hata | President & CEO | Toyota Tsusho America, Inc.



# Environmental Sustainability Commitment

At Toyota Tsusho America, Inc. (TAI), we are committed to being responsible stewards of our planet's resources and carrying out our business activities in compliance with all relevant environmental laws and regulations, our Code of Conduct and Ethics (COCE), and industry standards.

We maintain our environmental management system (certified to ISO 14001:2015) by continuously evaluating and improving our environmental programs. Through internal education programs, we raise awareness and promote a thorough understanding of this environmental policy with all employees.

## **TAI is focused on four key environmental topics:**

Climate Change, Water, Circular Economy and Biodiversity. Our efforts in each of these four areas also contribute to the United Nations Sustainable Development Goals (UN SDGs). In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development and 17 SDGs. These goals were created to promote, among other things, action on climate change, clean water and energy, responsible consumption, and strong partnerships across the globe. We align our four environmental areas of focus with the relevant SDGs as shown in the graphic below.





# Commitment to Addressing Climate Change

*We are reducing GHG emissions and contributing to the transition to a low carbon society*

Our parent company, Toyota Tsusho Corporation (TTC), has identified climate change as a top priority and has directed all Group companies, including TAI, to contribute to the transition to a low carbon society by reducing CO<sub>2</sub> emissions through the use of clean energy and innovative technologies.

#### **TAI's Goal**

TAI aims to become carbon neutral by 2050. We will carry out our business activities in alignment with the international treaty known as the Paris Agreement, which has a goal of limiting the increase in global temperature to 1.5 degrees Celsius by 2050.

#### **TAI's Approach**

The transition to a carbon neutral society is both an urgent challenge and an opportunity to build a better future for all. We commit to driving meaningful change by collaborating with strategic partners – including our customers and business collaborators – to reduce emissions through investments in technologies, processes, and products that replace high CO<sub>2</sub>-emitting sources with low carbon alternatives.



#### **REDUCING METHANE EMISSIONS**

TAI has invested in manure digesters that capture methane gas emissions that would otherwise escape into the atmosphere. Methane is a potent greenhouse gas, trapping 25 times more heat in the atmosphere than carbon dioxide and accounting for 20 percent of global greenhouse gas emissions. Beyond keeping the methane from being emitted, the captured biogas is also a valuable, energy-rich fuel that can be used for renewable electrical generation.



# Commitment to Conserving Water

*We are committed to the sustainable use of water, especially in areas of water stress*

Water shortages and deterioration of water quality are worsening on a global scale. These are environmental risks that impact people and the planet. They could also severely impact our business activities that rely on large quantities of water.

The sustainable use of water is a priority issue. We collaborate with many partners, including local water utilities, to find ways to reduce water consumption and increase water reuse through process improvements and investments in new technologies. We are committed to water conservation, especially in areas of high water stress. We will be evaluating our North American facilities over the coming year to assess water stress, both now and projected into the future.

## **Water Reduction in Oklahoma**

TAI and our parent company, TTC, own Iochem Corp., a company that produces, recovers and sells iodine at a facility in Vici, Oklahoma. The plant has 16 production wells and six injection wells to pump 100,000 barrels of brine to the surface per day. Brine is a salt water solution containing iodine, gas and other minerals.

When the town of Vici was outgrowing its water infrastructure, we took quick, comprehensive action to reduce our plant's water usage. By re-plumbing the facility and routing a new gas line to the injection process, we eliminated the need for brine to carry sulfur dioxide gas throughout the facility. Through this effort, we also created a new way to collect and re-purpose water from local landowners, giving new life to water containing significant amounts of iodine. Working together with the community, our actions led to a 48% reduction in Vici's water usage overall, and averted the need for the town to invest in a new well.



### **REDUCING WATER USE**

When the town of Vici, Oklahoma, started to outgrow its water infrastructure, Iochem Corp. improved its standard extraction process and replumbed its plant to help reduce the town's water usage by 48%.



# Commitment to Promoting a Circular Economy

*We support a circular economy focused on materials reuse and eliminating waste*

In the space of only seventeen years, the world's material footprint – the amount of raw materials extracted to meet final consumption demands – increased by 70%. The amount of waste generated is increasing in proportion. Together, these trends are putting enormous pressure on the environment.

That's why we support a circular economy, a system based on eliminating waste and pollution, circulating products and materials, and regenerating nature. We collaborate with customers and other businesses to collectively support both reducing the amount of waste generated and actively promoting the recycling of industrial waste streams.

TAI is a leader in large-scale recycling. We work with many types of manufacturers and dismantlers to collect, sort, and refine their waste using cost-efficient operations. This includes plastic, paper, scrap metal, aluminum, catalysts, discarded batteries, and hazardous and non-hazardous waste. For example, we collect scrap metals from automotive manufacturing plants and from end-of-life vehicles and reprocess the metal into new products. Our efforts not only support waste reduction and resource conservation, but also produce solid economic returns for our clients.



# Commitment to Protecting Biodiversity

*We recognize the impact our actions can have on biodiversity and are committed to conservation*

Biodiversity is the variety of life in a particular habitat or ecosystem; without it, life cannot be sustained. We recognize the importance of biodiversity and the impact our decisions and actions can have on species and habitats. We are committed to conserving biodiversity, both on our lands and in our communities.

## **Conserving Biodiversity at our Facilities**

We aim to ensure that biodiversity can be maintained and enhanced at our facilities. We conduct biodiversity impact assessments to evaluate the status of endangered species living in the vicinity of our facilities and whether there are any protected areas nearby. We also educate our employees about the importance of biodiversity and how they can play a role in conservation.

One of our subsidiaries, Green Metals Canada, experienced an increase in the volume of materials they were processing and needed to add a second rail spur. They designed a wetlands buffer between the facility in Woodstock, Ontario, and the Brick Ponds wetland, which is classified by the Ontario Ministry of Natural Resources as provincially significant based on its biological, hydrological and special features. Green Metals buffered the wetland with 840 native trees and shrubs and 20 native coniferous trees, which were planted with the help of team members, local students and the Upper Thames River Conservation Authority.

## **Cooperating with Our Communities**

We create collaborative relationships with governments, nongovernmental organizations (NGOs), suppliers, customers, and a wide range of other groups that work to protect biodiversity.



### **PROTECTING NATURAL AREAS**

Toyota Tsusho Mexico has conducted several biodiversity projects near its warehouses in Silao, Irapuato and Apaseo. For example, in Irapuato, at the Cerro de Arandas Protected Area, 600 mesquite trees were pruned to remove branches infected with the Mistletoe bacteria.

