


TOYOTA

Driving New Zealand forward together

SUSTAINABILITY REPORT 2024

A red Toyota SUV is driving away from the viewer on a gravel road that winds through a dense forest. The car is kicking up a cloud of dust or gravel behind it. The trees are tall and thin, with some green foliage and some bare branches. The lighting is soft, suggesting a misty or overcast day. The overall mood is serene and adventurous.

Preserving our great Kiwi lifestyle for future generations is at the heart of Toyota New Zealand's sustainability vision. As the leading car brand in the country, we take a great deal of responsibility to provide mobility solutions for all by offering a range of sustainable products and services to our customers. Mobility for all means working with other organisations to benefit society. But we must be mindful of the role mobility plays in decarbonising New Zealand for future generations.

Together, we are driving New Zealand forward, with every action today paving the way for a sustainable future that honours New Zealand's natural beauty and our cherished Kiwi way of life.

Let's Go Places



Contents

ABOUT THIS REPORT	02
ABOUT TOYOTA NEW ZEALAND	03
OUR LEADERSHIP	04
SUSTAINABILITY AT TOYOTA NEW ZEALAND	07
What matters most to our stakeholders	08
Our stakeholders	10
Our sustainability framework	11
Governance of sustainability	12
OUR SUSTAINABILITY PILLARS	13
Our environmental impact	13
Our economic impact	23
Our social impact	29
APPENDIX	38
GRI content index	39
Glossary	40

About this report

Toyota New Zealand's (Toyota NZ's) 2024 Sustainability Report builds on our previous year's report and provides our stakeholders with a view of our sustainability performance and activities. We highlight the progress we have made since setting science-based targets (SBTs) in 2022, and the importance of our impact on society through the customers we serve and the communities we operate in.

As a way in which to account for our impact on the environment, the economy and society, we have been guided by the Global Reporting Initiative's (GRI's) Standards, 2021 (see GRI Content Index on page 39). We have referenced the United Nations' Sustainable Development Goals (SDGs) and the six goals outlined in Toyota's Environmental Challenge 2050.

Commentary on our sustainability performance and activities is indicated by these icons:



This report is available on our website toyota.co.nz

We welcome your feedback on this report at sustainability@toyota.co.nz

Period covered by this report

This report covers our sustainability performance and activities for the period from 1 April 2023 to 31 March 2024 (corresponding with the Japanese financial year) unless otherwise stated. For relevant, ongoing initiatives, information from 1 April 2024 is included.

Scope of this report

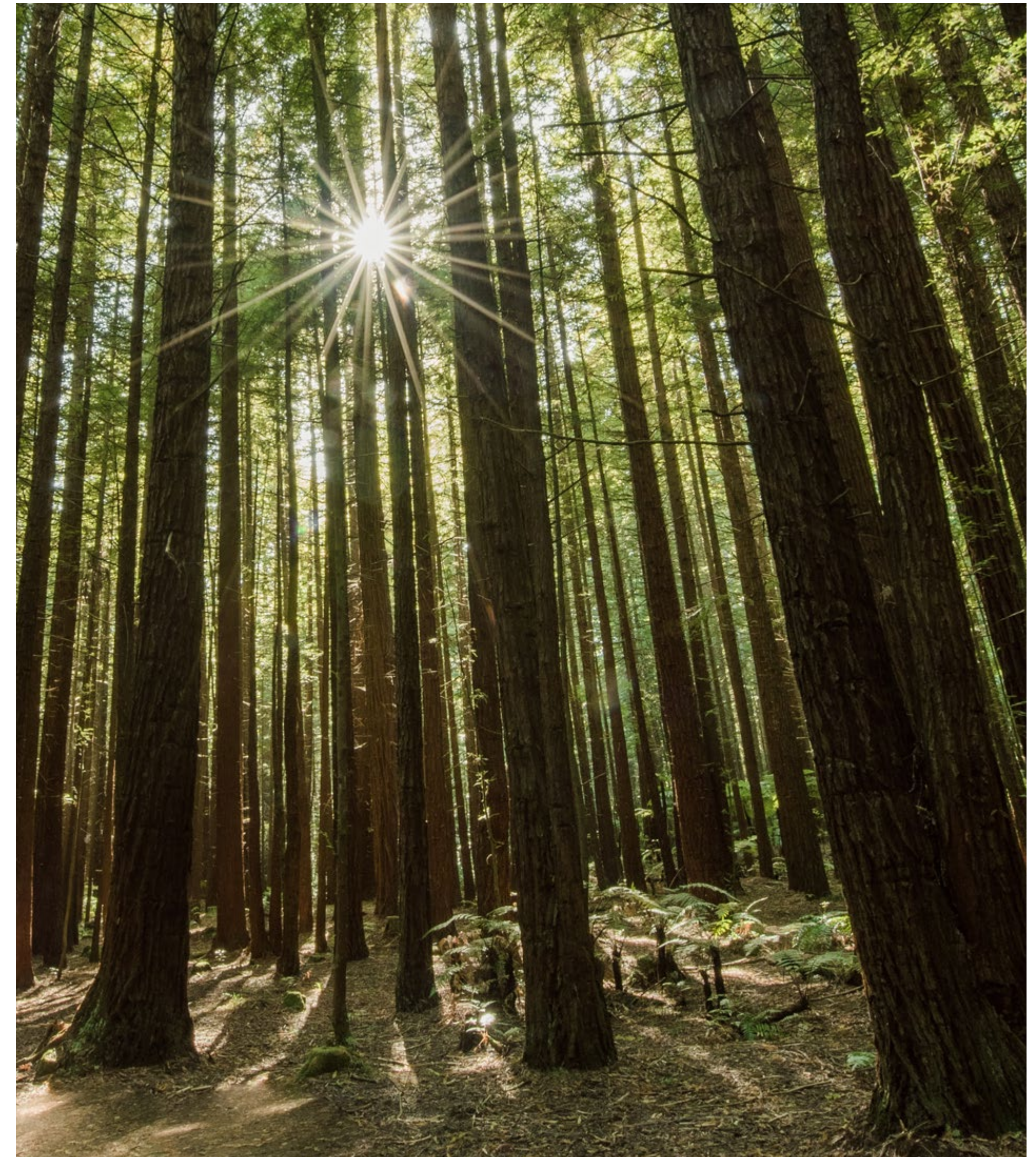
This report focuses on the sustainability performance and activities of Toyota NZ. This includes our Toyota and Lexus Store network in New Zealand. It does not include the operations of Toyota Financial Services New Zealand, as this is a separate entity 100% owned by Toyota Motor Corporation (TMC), Japan.

Key information

Company name: Toyota New Zealand
Head-office address: 29 Roberts Line, Kelvin Grove, Palmerston North 4414, New Zealand

Toyota New Zealand Customer Dialogue Centre

Phone: 0800 TOYOTA (0800 869682)
Email: customercare@toyota.co.nz



About Toyota New Zealand

Toyota NZ is a wholly owned subsidiary of TMC, Japan. We import and sell new Toyota and Lexus vehicles, used vehicles and parts, both directly and through our retail Store network. Toyota NZ has been based in the Manawātū region since first establishing our National Parts Centre in 1979. The operation was expanded in 1992 with the addition of service, training and customer support activities, establishing the National Customer Service Centre. Following the industry restructuring in the 1990s, all activities were centralised in Palmerston North at the National Customer Centre (NCC). During March 2024, we opened an additional training facility in Manurewa, Auckland, to specifically expand our technical training capacity.

OUR VALUE CHAIN

1. Manufacturing

Toyota and Lexus new vehicles for the New Zealand market are manufactured in plants in Japan, Thailand, the United States, Austria and Turkey.

2. Distribution and Logistics

New vehicles and used vehicles (sourced from Japan) are shipped to the Ports of Auckland, Wellington and Lyttelton (Christchurch). Parts are shipped to the Port of Wellington and then railed to Palmerston North's NCC for distribution.

3. Refurbishment

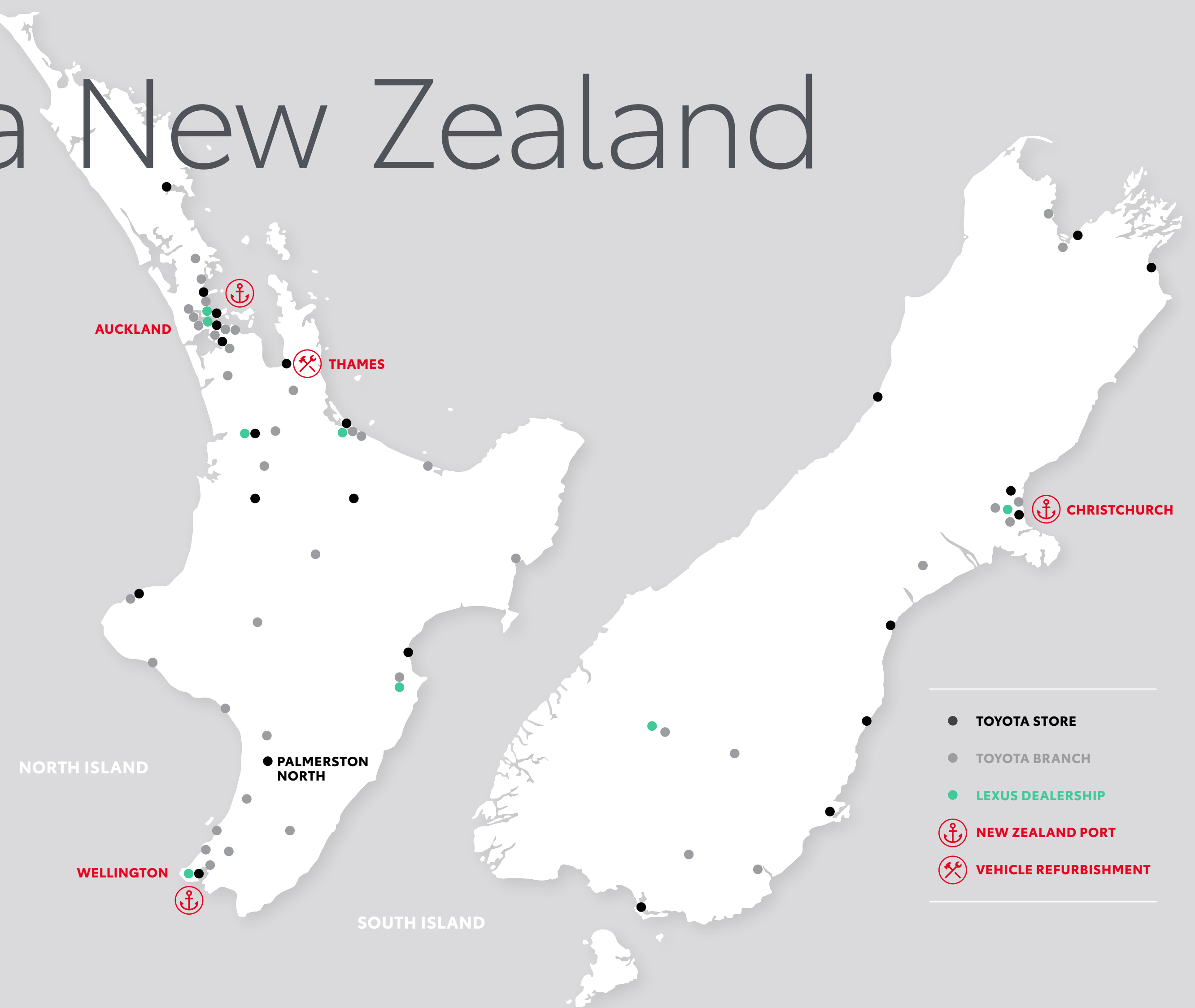
Used vehicles are refurbished at Thames for Signature and Toyota Certified brands.

4. End of Life

- 414 hybrid batteries recycled.
- All Stores and Dealerships are part of the Tyrewise Product Stewardship Scheme.

5. Sales

- 65 Toyota Stores
- 8 Lexus Dealerships
- All Stores and Dealerships are 100% Toitū Enviromark Diamond certified.
- 36 consecutive years of Market Leadership.



Championing change for tomorrow



TATSUYA ISHIKAWA
ACTING CHIEF EXECUTIVE OFFICER

Message from our Acting CEO

When we think of sustainability, we consider environmental care, societal impact, good governance, and economic prosperity. Toyota's vision is to evolve from a traditional car company to a mobility company, benefiting society and future generations through collaboration and diversification.

We are committed to decarbonizing New Zealand by offering sustainable products and services. Increasing mobility for all is central to our sustainability efforts, and we are mindful of our role in reducing transport emissions. Our science-based targets align with the 1.5-degree global pathway of the Paris Agreement, and despite challenges, we remain focused on our goals and responsibilities to our customers.

For Toyota, sustainability means delivering exceptional customer service, fostering meaningful partnerships for socio-economic outcomes, and valuing connectedness, innovation, and integrity in our workplace culture.

Committed to Reducing Carbon Emissions

Sustainability is central to our business strategy, guiding us towards our goal of net-zero carbon by 2050. In 2022, we set science-based targets to reduce carbon emissions from our operations and the vehicles we sell. Despite market challenges like economic downturns, regulatory changes, and increased competition, we remain dedicated to these targets. Our challenge is to balance product sustainability and value chains with customer demand and regulatory compliance.

"Toyota's vision is to evolve from a traditional car company to a mobility company."



HYDROGEN-POWERED ELECTRICITY GENERATOR

Contributing to a Hydrogen Economy

Toyota's 'Beyond Zero' vision aims to decarbonize and contribute to a better society. We are investing in hydrogen technology as an alternative energy source for various uses, not just vehicles. With New Zealand's 85% renewable energy, we can produce Green Hydrogen for transport, other industries, and export to markets like Japan. Although we don't manufacture trucks domestically, we have the expertise to convert vehicles to Toyota fuel cells. We also plan to bring hydrogen-fuelled electricity generators from Toyota Australia to New Zealand next year.



THE TOYOTA MIRAI

The Future of Mobility

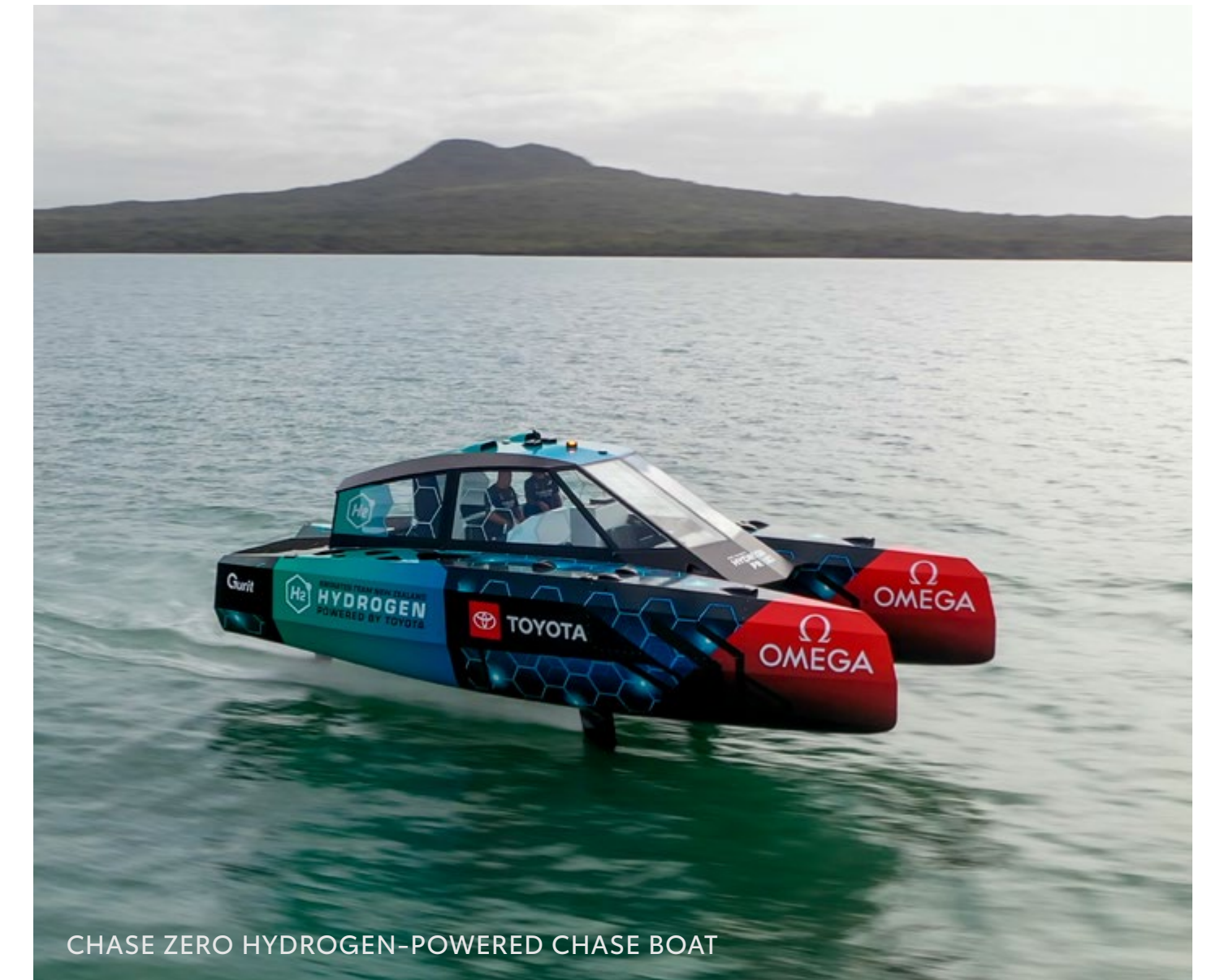
Toyota is exploring its role in the future of New Zealand's passenger and light commercial fleet. While continuing to sell new and used vehicles, we are focusing on car utilisation and transitioning to a mobility company. This involves developing strategies for integrated transportation solutions, shared mobility services, and smart technology.

We foresee a future with fewer car owners but more car-sharing, subscription services, and autonomous vehicles. Autonomous taxis,

like those in San Francisco, are becoming more common as regulations evolve.

Toyota's car-sharing service, Kinto, operates in Europe and Japan. In China, we partner with Pony.ai to supply robotaxis, including 1,000 Toyota bZ4X units, in major cities. Pony.ai's fleet includes around 200 Toyota and Lexus robotaxis in China's tier-1 cities for road tests and public operations.

In New Zealand, we aim to adopt a similar structure, focusing on collaboration, cooperation, and connectivity to meet customer needs efficiently and sustainably.



CHASE ZERO HYDROGEN-POWERED CHASE BOAT

The Future of Sustainability

To fulfil our mission of producing happiness for all, Toyota aims to minimise the negative impacts of cars, such as traffic accidents, pollution, and congestion, while maximizing benefits like convenience, comfort, and driving enjoyment.

To achieve carbon neutrality, we are decarbonising our supply chain, manufacturing, and products. Our multi-powertrain strategy offers various mobility solutions to customers worldwide. In the medium-to long-term, we believe electricity and hydrogen will dominate as energy sources. However, we also need short-term mobility options to ensure a stable energy supply and address environmental concerns.



OUR EXECUTIVE TEAM

ALBERTUS MULDER
 ASSISTANT VICE PRESIDENT,
 BUSINESS OPTIMISATION

MICHELLE POVEY
 ASSISTANT VICE PRESIDENT,
 AFTER SALES OPERATIONS

MARK YOUNG
 VICE PRESIDENT, VALUE
 CHAIN OPTIMISATION

TATSUYA ISHIKAWA
 ACTING CHIEF
 EXECUTIVE OFFICER

ANDREW DAVIS
 VICE PRESIDENT,
 MOBILITY GROUP

SUSANNE HARDY
 ASSISTANT VICE PRESIDENT,
 CUSTOMER GROUP

Contributing to a Circular Economy

We and our customers are focusing on circularity, following the Three R's: reuse, repurpose, and recycle. We have been recycling hybrid car batteries by sending them to Japan for deconstruction and material recovery. Last year, 414 batteries were shipped for dismantling. Given New Zealand's significant import of hybrid vehicles, we are investing in an ecosystem to efficiently collect, evaluate, and process end-of-life hybrid batteries, working towards a closed-loop circular model.

Let's Go Places

Our 'Let's Go Places' brand embodies future-forward thinking, new technologies, and the potential of our people. Over 80 years ago, our founder Kiichiro Toyoda, created a sports club to instil the spirit of teamwork and perseverance. These values of sport – taking on challenges, never giving up, teamwork, and respect – are integral to Toyota's corporate culture.

We believe in the power of sport to unite people and boost morale. This drives our support for the Paris Olympics, the New Zealand Olympic Committee, and individual Olympians like Dame Lisa Carrington and Emma Twigg. We also support Paralympics New Zealand and the 'Seeing is Believing' schools' program, aligning with our commitment to mobility and inclusivity.

Balancing business growth with providing mobility solutions for all, we aim to transition from a traditional car company to a mobility company through innovation and sustainable products and services.

Tatsuya Ishikawa
 Acting Chief Executive Officer
 Toyota New Zealand

Sustainability at Toyota New Zealand



Globally, the automotive sector is coming out of one of the most disruptive periods in history. The transition to electric vehicles (EVs), environmental regulations, and a slowdown in consumer spending due to the higher cost of living have all contributed to the disruption. From a sustainability perspective, the global call to reduce global warming by 1.5 degrees Celsius has changed the way we do business. The importance of sustainability is apparent in the stricter emissions regulations being imposed on the industry worldwide.

In New Zealand, the removal of the Clean Car Discount (CCD) for low-emission vehicles at the end of 2023 impacted our supply chain, our customers and our Store network. Proposed changes to the Clean Car Standard (CCS), regulating tailpipe emissions, further illustrates the impact of short-term policy shifts on our long-term business planning and forecasting.

The challenge for Toyota NZ remains to balance the sustainability of our products and services to meet our customer demand, while complying with government regulations and reducing carbon emissions to meet our own targets.

Despite these challenges, the automotive industry is expected to positively grow in the coming years with ever-changing customer preferences, technological advancements, the adoption of EVs, innovative mobility solutions, and the steady growth in the automotive after-market.

These are both challenges and opportunities that Toyota NZ faces as we transition from a traditional car company to a mobility company.

The importance of sustainability is apparent in the stricter emissions regulations being imposed on the industry worldwide.

What matters most to our stakeholders

Our materiality process

We conducted a materiality assessment with our stakeholders to determine the material topics for this year's report. Our stakeholders comprised customers, employees, industry associations, government, suppliers, our Store network, and community partners.

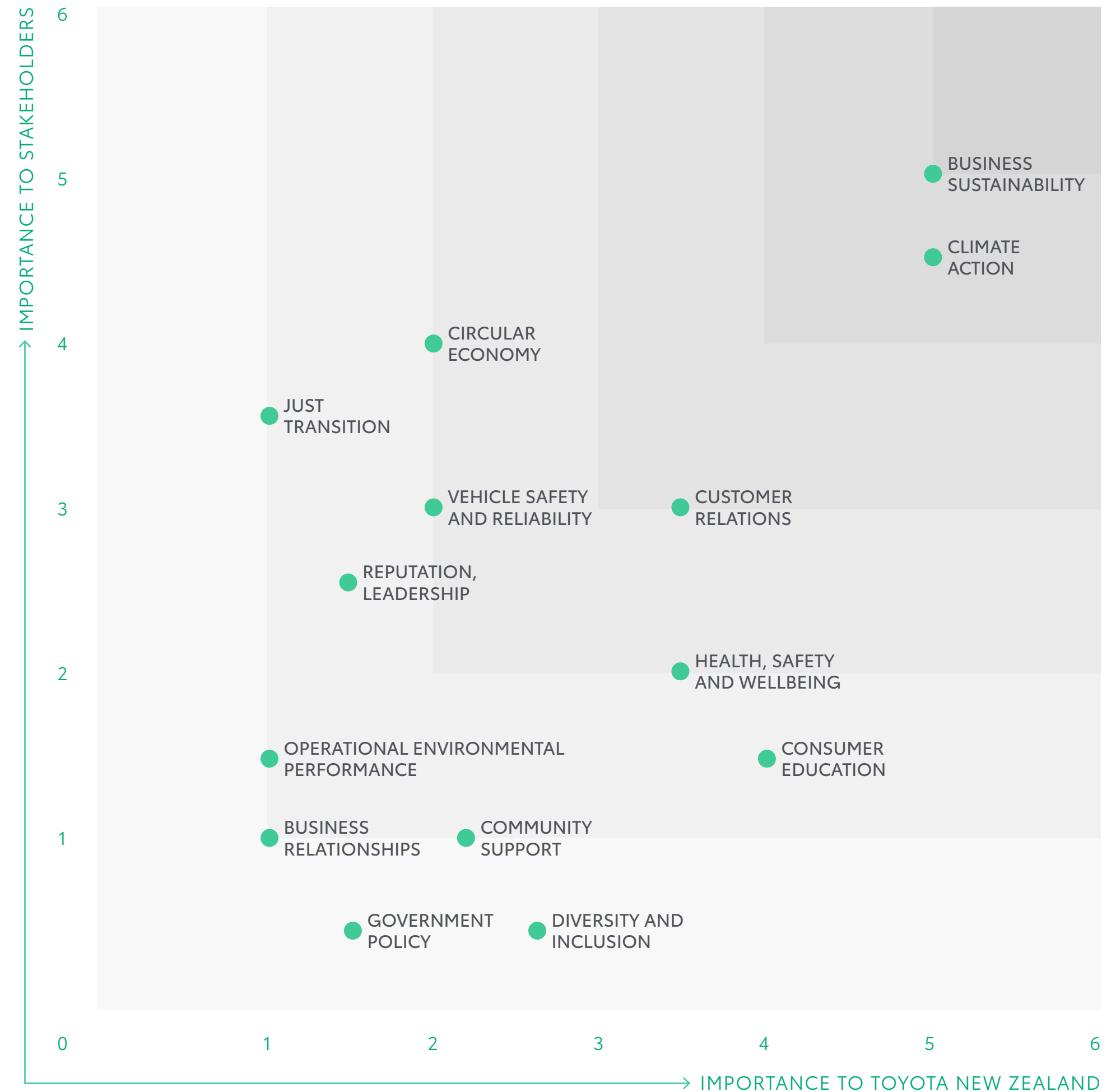
Interviews were conducted with 14 external stakeholders and an online survey was completed by 37 external and internal stakeholders. For consistency, we used the same topics as in our previous materiality assessment conducted in 2022. Stakeholders were asked what mattered most to them with respect to Toyota NZ's strategies, performance and impact on the environment, the economy and society.

Results were plotted on a materiality matrix with the most important topics for external stakeholders plotted against the topics that Toyota NZ considered the most important. A workshop with our Executive Team was held to discuss the key topics, add topics that were important from their point of view, and rank and weight the topics identified.

Our materiality matrix

We adopted a double materiality approach to identifying material topics for 2024. In reviewing the materiality matrix, the Executive Team reviewed the impact of these topics on Toyota NZ's financial value and, more importantly, our impact on the environment, the economy and society.

We have aligned our material topics to the United Nations' SDGs throughout the report.



Business Sustainability and Climate Action lead as our top material topics for 2024.

Our material topics

Business sustainability and climate action lead as our top material topics for 2024. Business sustainability was identified as a key material topic by our Executive Team and refers to the long-term prosperity and social impact of Toyota NZ. This topic is closely linked to lowering emissions, affordability, product mix, customer relations and community investment. The Executive Team discussed this topic as involving a balance between economic viability and environmental sustainability, social licence to operate, and providing mobility for customers with products they value. Other stakeholders did not call it 'Business Sustainability' but discussed long-term issues and risks for Toyota NZ in the context of meeting future needs.

Climate action remained the topic that has the most impact on our business. The majority of our stakeholders identified decarbonisation and transport emissions as the most important issues facing Toyota NZ. Several stakeholders suggested that we are lagging behind the industry, while others viewed this as a short-term, informed strategy that would see Toyota NZ catch up over the next few years. Toyota NZ is viewed as being ahead in terms of its hybrid range. With multiple messages and acronyms regarding electrification and transport's impact on climate change, many stakeholders believe that Toyota NZ has an opportunity to contribute to the dialogue and help educate consumers. The importance of whole-of-life product stewardship, from production to end-of-life and Toyota NZ's role in the circular economy, ranked high as a topic also.

Our report content is aligned to addressing all of our material topics. Although some topics rate higher than others, we feel that all are important to our stakeholders and need to be discussed.



Climate Action



Circular Economy



Operational Environmental Performance



Consumer Education



Business Sustainability



Customer Relations



Vehicle Safety and Reliability



Government Policy



Just Transition



Community Support



Reputation and Leadership



Health, Safety and Wellbeing



Diversity and Inclusion



Our stakeholders

Engaging with our stakeholders is an important part of our business. Understanding the issues that are important to them directs our engagements, and we view our stakeholders as playing a key role in our sustainability journey.



STAKEHOLDER GROUP	HOW WE ENGAGE	MOST MATERIAL TOPICS
GOVERNMENT AND INDUSTRY ASSOCIATIONS	We actively engage with government on issues that are impacting our business. We advocate through our participation in the wider motor vehicle industry. We belong to key business forums*, to support and contribute to a sustainable transport sector in New Zealand.	<ul style="list-style-type: none"> - Climate Action - Just Transition - Consumer Education - Circular Economy - Vehicle Safety and Reliability - Government Policy
CUSTOMERS	Our customers and delivering to them an exceptional experience are our priorities. Our Customer Dialogue Centre is a key contact point and we set targets for responding to customer queries quickly and effectively. We have efficient mechanisms in place should we fall short of customer expectations.	<ul style="list-style-type: none"> - Climate Action - Consumer Education - Circular Economy - Vehicle Safety and Reliability - Customer Relations
STORES	Our Stores provide our customers with a range of new and used vehicles, parts and services. We have a team that actively engages with our Stores in achieving their business objectives through one-to-one interactions, training, clear franchise standards, and support for annual business planning.	<ul style="list-style-type: none"> - Climate Action - Consumer Education - Circular Economy - Operational Environmental Performance - Vehicle Safety and Reliability - Customer Relations - Community Support
SUPPLIERS	We recognise that our suppliers have a role to play in achieving our sustainability goals. We engage with our suppliers in line with our Procurement Policy and we have included sustainability clauses in supplier contracts moving forward.	<ul style="list-style-type: none"> - Climate Action - Circular Economy - Operational Environmental Performance
COMMUNITY	Through our Store network, we engage with and support over 60 communities around New Zealand. Every Store engages its local community to address needs specific to that community. Support includes funding, volunteer work and providing vehicles for the short or long-term.	<ul style="list-style-type: none"> - Climate Action - Just Transition - Circular Economy - Community Support
EMPLOYEES	Our people are our biggest asset. Information is shared with employees through the intranet, monthly staff meetings, and regular Question and Answer sessions with the Executive Team. Annual employee engagement surveys are conducted to understand how we are performing and how we can improve.	<ul style="list-style-type: none"> - Climate Action - Circular Economy - Business Sustainability - Diversity and Inclusion - Health, Safety and Wellbeing
TMC	TMC is an active stakeholder in all departments and at all management levels at Toyota NZ. Toyota NZ's management team regularly visits Japan to participate in global committees and exchange information. We provide regular market and performance reports to TMC as part of globally shared metrics.	<ul style="list-style-type: none"> - Climate Action - Just Transition - Consumer Education - Circular Economy - Operational Environmental Performance - Business Sustainability - Vehicle Safety and Reliability - Government Policy - Customer Relations - Community Support - Diversity and Inclusion - Health, Safety and Wellbeing

* These forums include: Business NZ, Sustainable Business Council, Climate Leaders Coalition, Motor Industry Association of New Zealand, Motor Trade Association, New Zealand Hydrogen Council, Sustainable Business Network, The New Zealand Initiative, Global Women, Drive Electric, Battery Industry Group.

Our sustainability framework







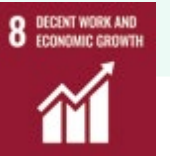







Our Sustainability Framework guides our vision to preserve our great Kiwi lifestyle for future generations.

We aim to provide mobility for all by offering a range of sustainable products and services to our customers. Mobility for all means working with other organisations to benefit society. But we must be mindful of the role mobility plays in decarbonising New Zealand for future generations.

Our Framework is comprised of three pillars that define our impact on the environment (page 13), the economy (page 23) and society (page 29). For each pillar, we have an objective aligned to key outcomes.

Our Sustainability Framework connects us globally to the United Nations' SDGs. TMC's Environmental Challenge 2050 forms a key part of our environmental pillar. TMC has adopted six 'environmental challenges' to reduce the negative impacts of manufacturing and driving vehicles on the environment. The challenges cover life cycle carbon dioxide (CO₂) emissions, new vehicle emissions, manufacturing emissions, water usage, recycling and harmony with nature.

Let's preserve our great Kiwi lifestyle for future generations.

 ENVIRONMENTAL IMPACT	 ECONOMIC IMPACT	 SOCIAL IMPACT
<p>We recognise the impact we have on the environment through our CO₂ emissions and we are taking responsibility for it.</p> <ul style="list-style-type: none"> 46% absolute reduction in Scopes 1, 2 and 3 by 2030 — 50% suppliers to align with SBTs by 2025 — 100% Stores remain Toitū Diamond certified — Circular economy commitment <div style="display: flex; justify-content: space-around; align-items: center;">    </div>	<p>We need to balance growing our business with providing mobility solutions for all, by offering a range of sustainable products and services to our customers.</p> <ul style="list-style-type: none"> Electrify our product mix – multi-powertrain approach — Provide affordable and accessible mobility — Expand our mobility offering – One Toyota alignment — Our role in building a hydrogen economy <div style="display: flex; justify-content: space-around; align-items: center;">    </div>	<p>Through collaboration and partnerships we aim to have a positive impact on our customers and society. We value a skilled, diverse and healthy workforce.</p> <ul style="list-style-type: none"> Partnerships/collaboration to benefit our customers and society — Stores' community reach in regional New Zealand — Health, safety and wellbeing of employees — Diversity and inclusion — Training and development of employees <div style="display: flex; justify-content: space-around; align-items: center;">      </div>



Governance of sustainability

Toyota NZ is governed by a Board of Directors (the Board) that represents TMC, Japan. The Board sets the overall strategic direction and Toyota NZ's Executive Team is responsible for implementing strategy and providing executive management and oversight of sustainability.

Sustainability is governed through direct reporting into the Executive Management Committee (the Committee), with meetings taking place quarterly, which is chaired by the Acting Chief Executive Officer. The Sustainability Team updates the Committee on sustainability-related matters including progress against strategy and implementation; targets and metrics; climate change risks and opportunities; environmental compliance and management; and sustainability initiatives.

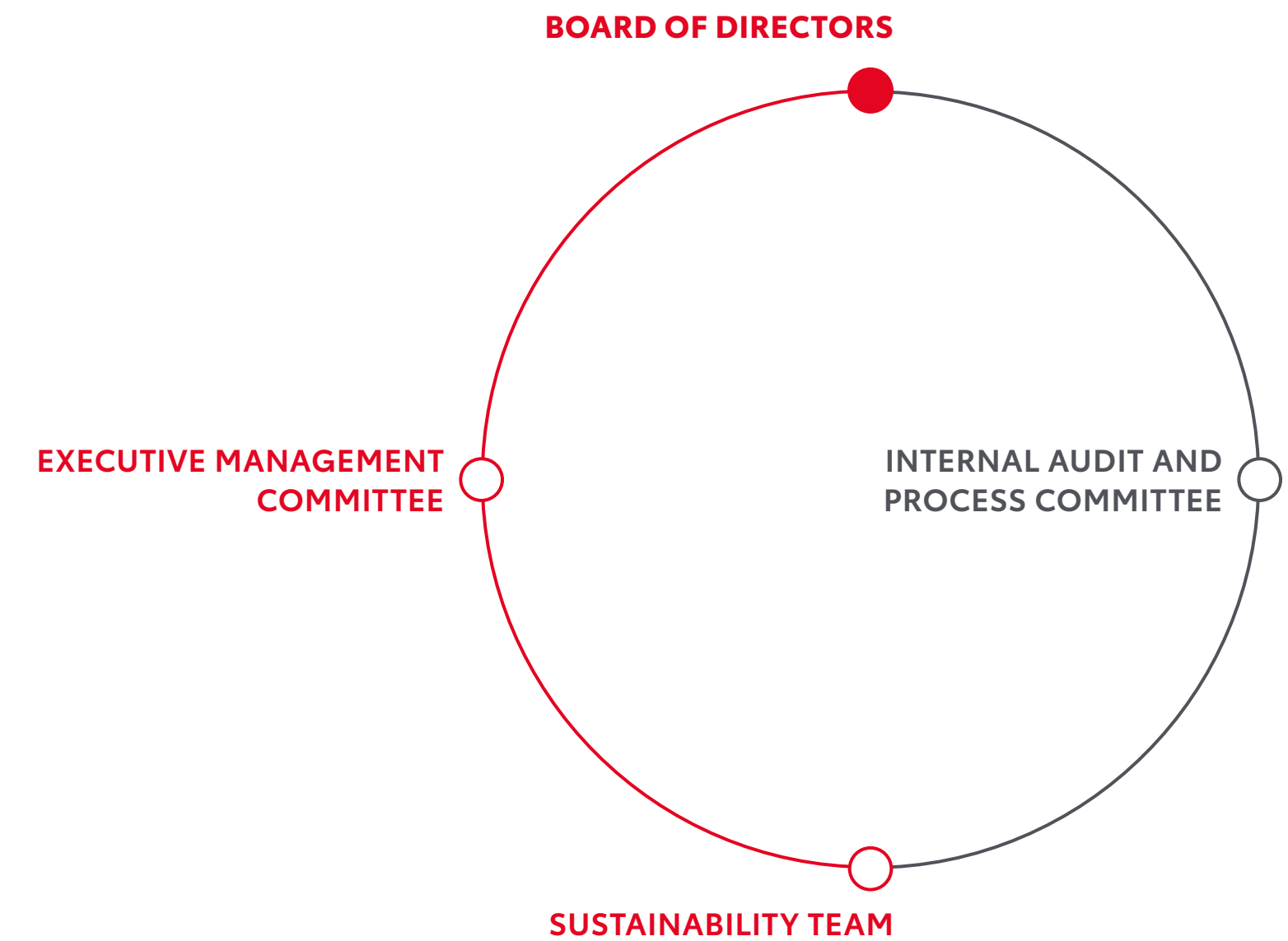
With the establishment of the Committee, we have included sustainability into our decision-making process and into our operations through reporting on key metrics and targets as outlined in our Sustainability Framework.

Risk management

The Internal Audit and Process Committee (IAPC) is a sub-committee of the Board and assists the Board in fulfilling its governance duties including the management of risks. The IAPC meets bi-monthly and is chaired by a Vice President responsible for compliance. Managers from relevant Business Units are in attendance at these meetings.

Climate change has been recognised as a strategic risk and included in the company's risk register for discussion at IAPC meetings. We assess risk based on the magnitude of impact on our operations, finances, reputation and legal compliance. The risk register is continuously reviewed and updated and presented to the Board for approval on an annual basis. Toyota NZ's risk management system is aligned with TMC's Toyota Global Risk Management Standard (TGRMS) and covers all risks related to its corporate activities.

Risks are aligned with our business planning horizons of short (one to three years), medium (five years) and long (beyond five years) term.





Our environmental impact

TOTAL GHG EMISSIONS (SCOPES 1,2,3)

1,645,001 tCO₂e ⤴

TAILPIPE GHG EMISSIONS (SCOPE 3)

1,361,602 tCO₂e ⤴

TOYOTA

55% ⤴

ELECTRIFICATION OF SALES

LEXUS

89% ⤴

ELECTRIFICATION OF SALES

TOITŪ ENVIROMARK
DIAMOND CERTIFICATION

100%

ALL TOYOTA STORES AND
LEXUS DEALERSHIPS

HYBRID BATTERIES
COLLECTED AND RECYCLED

414 ⤵

TYREWISE PRODUCT
STEWARDSHIP SCHEME

100%

ALL TOYOTA STORES AND
LEXUS DEALERSHIPS

Towards carbon neutrality



Climate action is the topic that remains at the top of our materiality matrix as having the most impact on our business for our key stakeholders and Executive Team. As the leading car brand in the country, we recognise the impact we have on the environment. One in four vehicles on New Zealand roads is a Toyota and the emissions from these vehicles have a significant impact on climate change. We are committed to ensuring that the carbon footprint from these vehicles is on a downward trajectory to meet the SBTs that we set in 2022.

Globally, TMC has committed to being carbon neutral by 2050 and has set Scope 1 and 2 emissions-reduction targets of 68% by 2035 (compared to 2019 levels). Scope 3, Category 11 (emissions intensity) is set at 33.3% for light vehicles and 11.6% for heavy vehicles/trucks by 2030.

In New Zealand, Toyota NZ remains committed to an absolute emissions-reduction target of 46% for Scopes 1, 2 and 3 from a 2019 baseline by 2030. This target, set in 2022 and verified by Toitū Envirocare, applies to our operational emissions and to the emissions from the vehicles we sell, including new and used vehicles.

As we progress to 2030, it is becoming clear that a 46% reduction is an ambitious target as 84% of the emissions we take responsibility for derive from the vehicles we sell. Based on current projections, there is a 9% gap to target. To achieve the target by 2030, several factors, some of which are beyond our control, will need to fall into place.

The challenges to an electrification transition appear across the value chain, from the procurement of raw materials and vehicle production offshore through to local retail pricing, regulatory settings, infrastructure development and consumer demand.

Globally there is sustained growth in EV sales, particularly in China and Europe. However, the benefits of much larger markets, government incentives, infrastructure investment and EV-supporting regulatory settings are not replicated in New Zealand.



MATERIAL TOPICS

- CLIMATE ACTION
- CIRCULAR ECONOMY
- OPERATIONAL ENVIRONMENTAL PERFORMANCE
- CONSUMER EDUCATION

Progress against our science-based targets

Scope 1 and 2 emissions

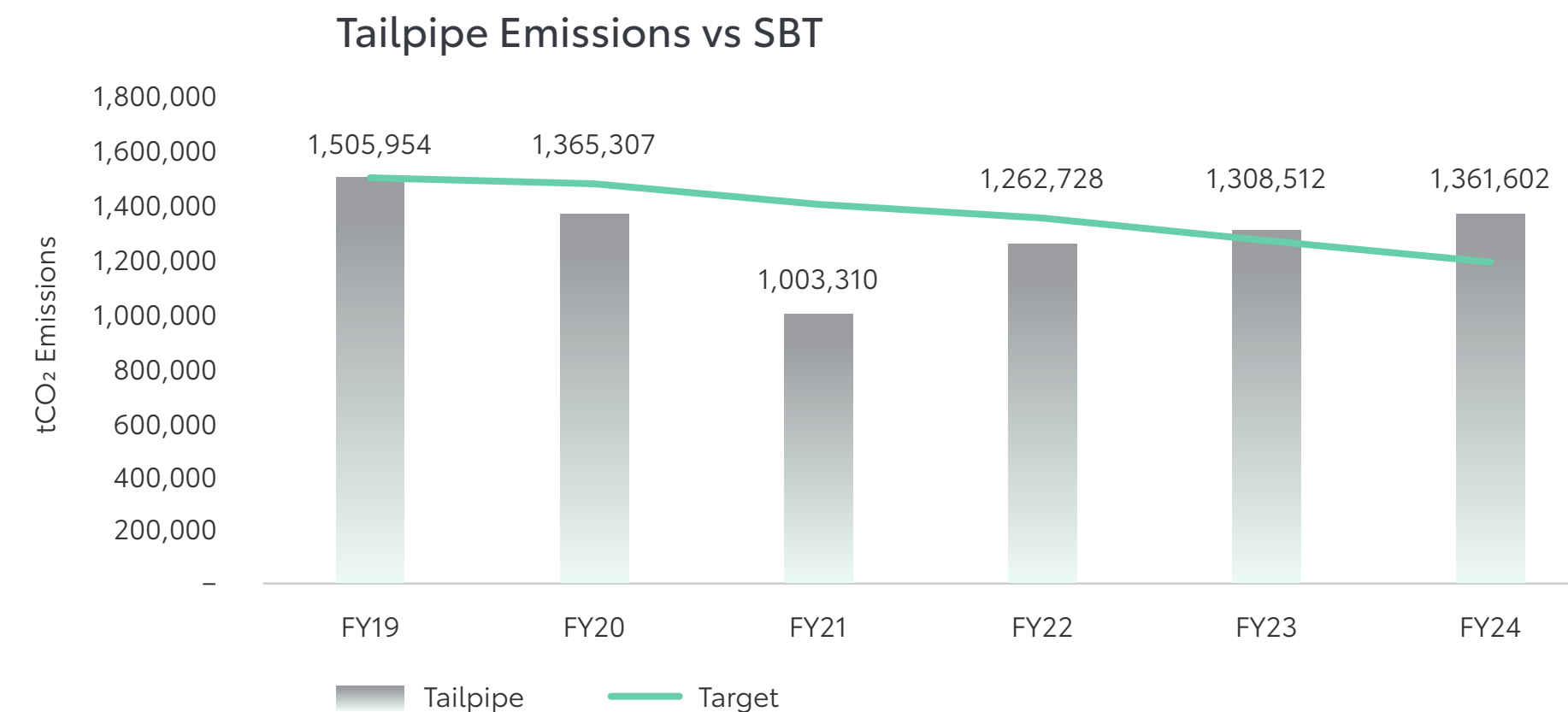
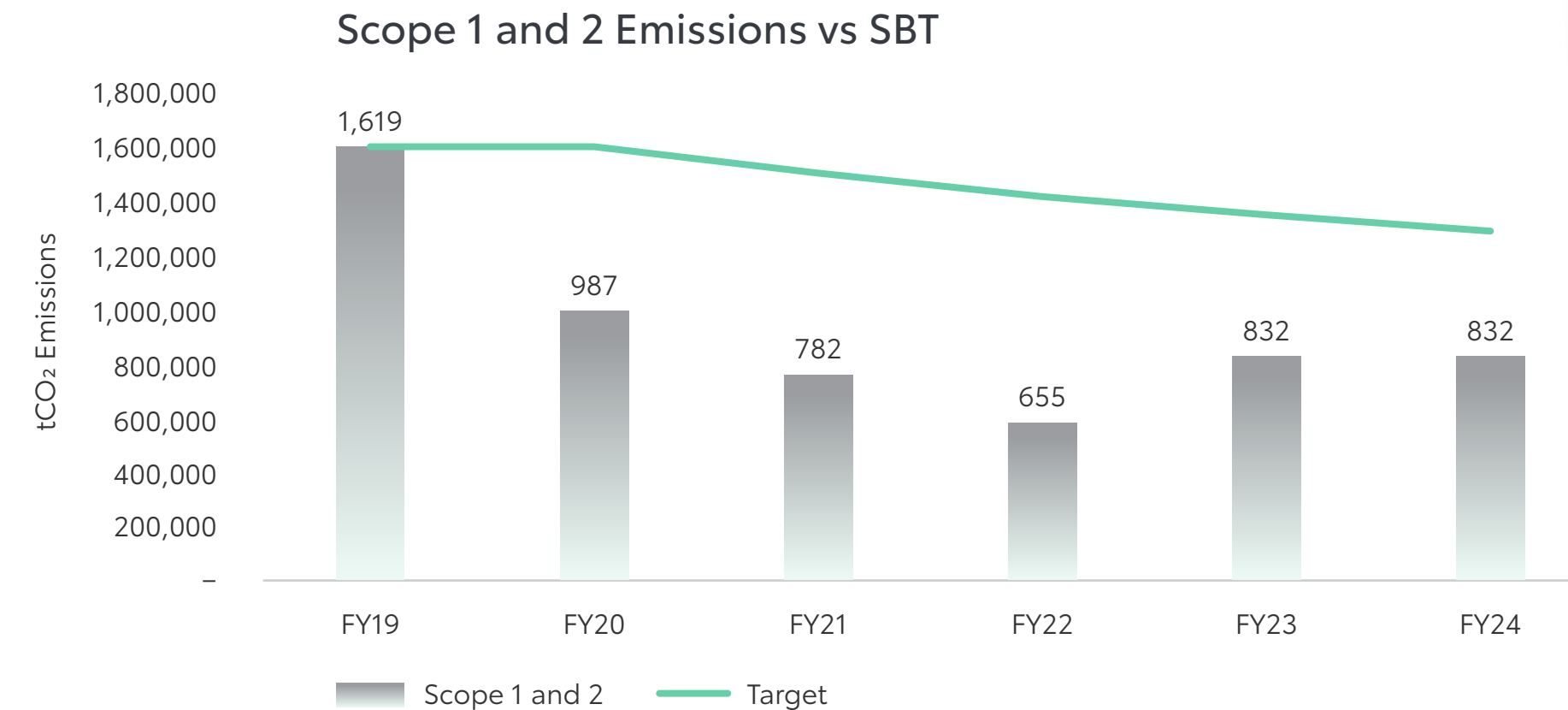
Our total Scope 1 and 2 emissions (direct use of energy) remained unchanged this financial year. Scope 2 emissions continued downwards as a result of purchasing our electricity from a renewable energy source, while Scope 1 emissions increased due to the purchase of gas and fuel for use in Toyota NZ's operations.

Despite being below the SBT level, the business will continue to work on reducing these emissions in the coming year.

Scope 3 emissions

The vehicles we sell account for 84% of our Scope 3 emissions and it is the tailpipe emissions from these vehicles that we aim to significantly reduce.

Despite seeing a reduction in average tailpipe emissions from an improved electrified mix, our total tailpipe emissions increased by 4% in the 12 months to the end of March 2024 due to the overall volume increases versus the previous financial year. As noted in the next section, we expect tailpipe emissions to track down as our product mix transitions to more electrified vehicles in the coming years.



WHAT IS A POWERTRAIN?

A powertrain refers to every component that drives your vehicle forward.

WHAT DO WE MEAN BY ELECTRIFIED VEHICLE?

An electrified vehicle is a vehicle that has an electric motor and a battery as part of its powertrain.

BEV: BATTERY ELECTRIC VEHICLE

A vehicle that is fully powered by electricity. The electricity used to drive the vehicle is stored in a large battery pack which can be charged by plugging into the electricity grid.

FCEV: FUEL-CELL ELECTRIC VEHICLES

Electric energy is produced from a chemical reaction; for example, a hydrogen FCEV.

HEV: HYBRID ELECTRIC VEHICLE

A vehicle that has both an internal combustion engine and a battery-powered motor powertrain. The engine obtains energy from fuel and the motor sources electricity from the battery. The transmission is rotated simultaneously by both the engine and electric motor.

PHEV: PLUG-IN HYBRID ELECTRIC VEHICLE

A vehicle that has both an internal combustion engine and a battery charged from an external socket. This means that the vehicle can be charged with electricity rather than the engine.

Our targets to 2030

This table shows our progress against all categories for Scopes 1, 2 and 3 emissions over the past financial year.

We have committed to 1.5 degrees science-aligned targets across our value chain.

The ambition levels of these targets have been validated by Toitū Envirocare during an audit of the FY24 period.

	EMISSIONS SOURCE	FY19 BASELINE tCO ₂ e	FY23	FY24	2030 TARGET tCO ₂ e	EXPLANATION
SCOPE 1	Gas and Bulk Fuel	622	425	484 ¹	335	Natural gas and fuel purchased for use in Toyota NZ's operations (National Customer Centre and Thames Vehicle Refurbishment).
	Car Fleet	825	392	342 ²	444	Toyota NZ runs a fleet of vehicles for employees and other key partners.
SCOPE 2	Electricity	172	15	5 ³	92	Electricity used by TOYOTA GAZOO Racing and at our Port of Entry. All other operations use electricity from renewable sources.
SCOPE 3	Emissions from Purchased Goods	188,719	180,230	221,376 ⁴	101,531	All goods and services that Toyota NZ purchases for our operations. This includes computer services, other professional services, and embodied carbon for the vehicles we buy.
	Emissions from Capital Goods	2,501	2,689	696 ⁵	1,346	All goods purchased as a capital expense in the financial year and accounting for carbon at the time of purchase; primarily IT equipment and purchased motor vehicles for TOYOTA GAZOO Racing.
	Fuel- and Energy-Related Activities	301	346	498 ⁶	162	Fuel used for sponsorship vehicles and energy that is lost by transmission through power lines.
	Transportation and Distribution	24,152	31,862	30,780 ⁷	12,994	Most of the emissions (92%) are from the international transportation of vehicles and parts coming into New Zealand. The remainder is from within New Zealand.
	Waste Generated	30	33	36 ⁸	16	The waste generated includes waste at the National Customer Centre and Thames Vehicle Operations.
	Business Travel	1,388	590	984 ⁹	747	Travel includes by air, taxis and public transportation.
	Employee Commuting	208	213	223 ¹⁰	112	We have applied the Toitū-verified employee commute, which is based on commuting in Auckland. We will expect to see a decrease once we start measuring employees' commuting in and around Palmerston North.
	Use of Sold Products	1,552,467	1,308,512	1,361,602 ¹¹	835,227	Lifetime tailpipe emissions based on the average final odometer reading when a light passenger vehicle is deregistered and the fuel efficiency of sold vehicles.
	End-of-Life Treatment of Sold Products	14,205	14,369	16,123 ¹²	7,642	An estimate measure of the emissions caused by vehicle scrappage.
	Emissions from Franchises	10,002	10,238	8,914 ¹³	5,381	Scope 1 and 2 emissions as well as waste emissions from our Store network.
Emissions from Investments	3,395	2,701	2,937 ¹⁴	1,826	Emissions associated with our financial investments, including superannuation funds.	
TOTAL		1,798,987	1,552,614	1,645,001	967,855	

¹ Increased operations at Thames. Move back to the NCC after refurbishment.

² 99% is embodied emissions from the vehicles we sell. Increase in vehicle sales.

³ Increase in fuel for sponsorship activities.

⁴ Waste increased due to the move back to the NCC after refurbishment.

⁵ Domestic flights increased to support in-person training at Store network. Decline during COVID. New training centre in Auckland may result in less domestic travel.

⁶ Increase in employees.

⁷ Increase in vehicle sales.

⁸ Emissions from scrapping vehicles. Increase in vehicle sales.

⁹ Increase in pension funds.

NEW VEHICLES ELECTRIFICATION OF SALES

55% 

LEXUS ELECTRIFICATION OF SALES

89% 

USED VEHICLES ELECTRIFICATION OF SALES

46.3%

Market conditions impacting electrification

The sudden removal of the CCD by the Government at the end of 2023 eliminated a price incentive for consumers to purchase an EV and impacted new EV stocks held by manufacturers in the market. A subsequent levy of Road User Charges (RUCs) on EVs and PHEVs further eroded the market and dampened consumer demand for fully or partially electrified vehicles. For these and commercial reasons, sales of the bZ4X (Toyota’s first battery-powered EV) are currently behind forecast.

Regardless of the difficult economic conditions for automotive retailing in New Zealand during 2024, the sales of our new and used hybrid vehicles have continued to increase throughout the year. This has had a positive impact on the electrification of our product mix and the average tailpipe emissions (g/km) of vehicles sold. All of our passenger new vehicle line-up is now only available as electrified.

We sold 33,907 new vehicles in the 12 months to the end of March 2024, up from 29,696 in the previous financial year. Despite the increase in sales, our focus on marketing hybrid vehicles resulted in an electrification mix of 55% up from 41.2% in FY23. Total CO₂ emissions for new vehicle sales was 162g/km at the end of March 2024, down from 174.4g/km in FY23. Our ambition is to achieve 121g/km across our planned portfolio by 2027.

Lexus, as a stand-alone brand, for the same 12-month period, had 89% electrification of sales and an average 125g/km across its total sales.

Our used vehicle sales have seen a large shift to hybrid vehicle sales, with 46.3% sold in the year to 31 March 2024.

As well as meeting customer demand for low-emitting, fuel-saving hybrids, the move to offer hybrids only for our most popular models, such as the Corolla and RAV4, will assist Toyota NZ as we move towards the emissions targets set under the CCS.

The Clean Car Importer Standard (as it is now called) aims to reduce CO₂ emissions by encouraging the importation of low- or no-emissions vehicles. Vehicles with a high CO₂ emissions value-to-weight ratio incur a charge if they exceed the target (Hilux, Land Cruiser) and vehicles below the target earn credits (Yaris, Corolla). Other cars are neutral (RAV4).

The Government has recently aligned the New Zealand targets with Australia as it views these markets as one in the same. These are set to be implemented from 1 January 2025, with commercial vehicles aligning from 2026 and passenger vehicles aligning from 2027. What this means is that tailpipe emissions (g/km) for commercial vehicles are lifted from 155g/km to 223g/km in 2025, 116.3g/km to 207g/km in 2026, and further from 87.2g/km to 175g/km in 2027. For passenger vehicles, the change is from 84.5g/km to 108g/km in 2026 and 63.3g/km to 103g/km in 2027.

With emissions credits in hand due to low-emitting vehicle sales, Toyota NZ is well placed to address the short-term impact on our business operations.

Climate risk and scenarios

Climate change is a strategic risk and is included in our company’s risk register. We assess risk according to the magnitude of impact on our operations, finances, reputation and legal compliance.

During a workshop of internal stakeholders, we identified the short- to medium-term risks and opportunities (based on a 1.1 degrees Celsius scenario) that affect our business operations.

- The **physical impact**, including flooding in some of our locations, to our assets, people, vehicle stock and supply chain
- The **transitional risks** of increased regulation, changing consumer and market needs, and the rising cost of insurance
- The **transitional opportunity** of improving how efficiently we use resources and on the waste we produce.

Over the medium to long-term, we anticipate that these risks and opportunities will remain the same. However, we expect to increase our

focus on markets and regulation, both globally and nationally, to limit global warming to 1.5 degrees Celsius.

Our top five climate-related risks and opportunities were identified as:

1. Major weather events impacting our assets and disrupting supply chains
2. Market conditions changing through trade barriers or consumer preferences
3. Opportunities to use our materials and water resources more efficiently
4. Regulatory and legal requirements impacting our commercial business
5. Insurance cover may be difficult to obtain due to climate impact on geography or our sector.

We are actively managing these risks by monitoring data, identifying vulnerabilities in our supply chain, as well as the opportunities to implement resource efficiency and adaptation strategies.



Circular economy

Whole-of-life product stewardship from production to end-of-life ranked high as a material topic for our stakeholders. They mentioned the increasing electrification of vehicles would require greater efforts at recycling and repurposing vehicle components, highlighting product stewardship in batteries and tyres as a game-changing opportunity for Toyota NZ. Circularity was the number one material topic for our employees and our Store CEOs.

HYBRID BATTERIES COLLECTED AND RECYCLED

414 

ALL TOYOTA STORES AND LEXUS DEALERSHIPS

Battery recycling

There is no domestic support for the full battery recycling process in New Zealand. Currently, Toyota NZ collects batteries from our Toyota Stores and Lexus Dealerships and sends these to our recycler, Echo Technology Lifecycle Solutions (Echo) in Wellington, for safe discharge and dismantling. We also accept Toyota hybrid batteries returned by the public to a Toyota Store. The actual extraction of the raw elements occurs abroad. The battery components are returned to TMC and the valuable materials are refined by Toyota Tsusho in Japan.

We are working collaboratively towards a closed-loop circular model to ensure the material we recover from these batteries is used in the production of new hybrid and EV batteries, which lessens the environmental impact of extracting raw materials.

A total of 414 hybrid batteries were collected in FY24. This was a decrease from 747 in FY23 due to the bounty being removed from the return of batteries to Toyota NZ.

TYREWISE PRODUCT STEWARDSHIP SCHEME

100%

ALL TOYOTA STORES AND LEXUS DEALERSHIPS

Tyre recycling

Over the past year, our Toyota Stores and Lexus Dealerships have joined the Tyrewise Product Stewardship Scheme, which was officially launched on 1 March 2024. As part of the scheme, a 'tyre stewardship fee' is charged on all newly imported tyres – whether these are sold loose or on a vehicle or piece of machinery.

From 1 September 2024, end-of-life tyres are collected free from retailers and collection sites and sent to processing partners which recycle and repurpose them into other useful products. These include playground matting, sportsgrounds, arena dressing, and cement production (both as fuel and ingredient). There are also promising uses for end-of-life tyres currently being researched and tested, including rubber in roading (extensively used overseas) and rubber in residential foundations to improve earthquake resilience.

Tyrewise is the country's first regulated product stewardship scheme for end-of-life tyres.



NUMBER PLATE FRAMES MADE FROM RECYCLED BUMPER PLASTIC

Bumper recycling

In addition to the recycling of batteries and tyres, Toyota NZ has been exploring options for the recycling of bumpers.

Over the past year, we have collaborated with the 3R Group on the design and implementation of a local collection and recycling programme for Toyota car bumpers. Earlier this year, we conducted a two-month trial in Manukau which recovered approximately 400 bumpers, diverting nearly 1.5 tonnes of plastic from landfill.

We have also been involved in the development of local products made from recycled plastic, including new number plate frames that we are fitting to fleet vehicles, and ensuring an end-to-end local recycling solution.



TOYOTA NEW ZEALAND PARTS DISTRIBUTION CENTRE

Warehouse recycling

With a large warehouse handling around 1.6 million parts annually, diverting waste from landfill by reducing and recycling the packaging of goods received is a core focus of our Warehouse Team.

It is estimated that 36 tonnes of waste per annum (approximately three tonnes per month) can still be diverted from landfill potentially through recycling and reusing materials from both the warehouse and use at our NCC. The ultimate goal is to achieve zero waste.

During the past financial year, we diverted 33.7 tonnes of timber waste, 1.1 tonnes of soft plastics, and 1.2 tonnes of label backings, all of which were sent to recycling centres. Since March 2023, we have collected 167 tonnes of cardboard which is baled and sent to the Oji Fibre Solutions mill at Kinleith for repurposing.

In April 2024, we purchased a cardboard shredder that enables us to reuse some of the cardboard and repurpose into parts packaging material ourselves. Polystyrene recycling, while not high in

volume but a unique product, is a new initiative this year and is starting to be sent to EXPOL to recycle into their EXPOL Earth brand wall and floor insulation programme.

Working with Precycle NZ, a Palmerston North-based waste minimisation company, our used paper towels at the NCC are collected and used in a project that is a first of its kind in New Zealand. High-grade paper towels are used to develop innovative new construction materials, while lower grades are commercially composted. Every 100kg of paper towel recycled prevents the equivalent of approximately 88 to 274kg of CO₂ from entering the atmosphere. In our first month of participating in the scheme, we recycled 86.8kg of paper towels.

Even the coffee grounds from our Toyota NZ café are being reused on our gardens by our on-site landscaping company, Jungle Tamers. This is saving around three to five kilograms of coffee grounds from going to landfill every day.

Diverting waste from landfill by reducing and recycling the packaging of goods received is a core focus of the Warehouse Team.

Store commitment to environmental certification

Environmental management is upheld to a high standard throughout the Toyota supply chain from production facilities to our NCC and our Toyota Stores and Lexus Dealerships.

All our Stores and Dealerships have Toitū Enviromark Diamond certification (ISO 14001:2015 equivalent) for their Environmental Management System (EMS).

The Diamond certification covers six key areas within the EMS: environmental emergency plans, staff resources and training, environmental objectives and targets, a policy statement, compliance, and document control. Diamond certification ensures that Toyota NZ and our Store network continually improve environmental practices and control measures to ensure the highest environmental management standard. Toyota NZ and Toitū Enviromark provide training, support, information sharing and digital tools for tracking and reporting key environmental and social metrics.

Our Store network actively manages its environmental impact by investing in sustainable practices like installation of solar panels, using climate positive electricity providers, projects to reduce their waste and water usage, and recycling initiatives.



All our Stores and Dealerships are Toitū Enviromark Diamond certified.





Solar investment at our Stores

As part of investing in sustainable business practices, over the past year our Store network has invested in solar panels to reduce its environmental impact.

In May 2024, Ebbett Toyota installed solar panels at their Hamilton store. It is expected that 40% of their total annual energy needs will be met by solar energy – ranging from 20% to 25% during winter months and 80% during summer months.

By making the switch to solar, it is estimated that 13 tonnes of CO₂ emissions will be avoided each year.

In June 2024, Miles Toyota installed solar panels at their Riccarton store. A total of 134 solar panels were installed.

A 55kW system with both production and consumption monitoring was installed to assist in powering all areas of the business including vehicle sales, parts, service and administration.

TOYOTA GAZOO Racing New Zealand works towards carbon-neutral motorsport



TOYOTA GAZOO Racing New Zealand (TGRNZ) is Toitū EnviroMark Bronze certified and is currently working towards the next level of EMS, Gold certified. It is also in the process of applying to the motorsport world governing body, the FIA, for its Three-Star Environmental Accreditation programme.

TGRNZ signed a partnership with P1 Fuels, the fuel supplier for the World Rally Championship, in 2023. This partnership provides a carbon-neutral fuel for the Castrol Toyota Formula Regional Oceania Championship (CTFROC), which will have a considerable impact on lowering the emissions of racing here in New Zealand and require little adjustment on the car to be able to run this type of fuel. The plan is to use the fuel in the CTFROC for 2025, the second year after its implementation in 2024 and work on implementation of that fuel for the GR86 Championship in the near future.

MotorSport New Zealand's Sustainability Fund, established in 2021, aims to offset the carbon emissions produced in motorsport competitions. The scheme is optional for event organisers and classes to take advantage of, with TGRNZ choosing to support the fund and offset carbon emissions from the Toyota 86 Championship.

During the championship's six rounds, a total of 29,415kg of CO₂ was emitted across the combined 38,797km raced. Equating to 222kg of CO₂ per car, per round, the cost for each competitor ranged between \$7.50 and \$19.00 each round depending on the distance covered. MotorSport New Zealand also contributed a small subsidy for every car at each event. The money received is used to fund carbon-offset projects local to where the motorsport events take place. MotorSport New Zealand has partnered with Trees That Count to deliver these carbon-offset projects. In the case of the Toyota 86 Championship, 204 trees will be planted across New Zealand.

FOR THE 2024 SEASON, USING P1 FUELS SAVED¹

28 tonnes CO₂

¹ 17,604 litres of P1 Fuel used for 52,451km completed by competitors.

Our path to carbon neutrality

Toyota as a company aims to achieve carbon neutrality globally by 2050. In New Zealand, we are striving to meet a 46% absolute reduction in Scopes 1, 2 and 3 emissions by 2030¹, and carbon neutrality by 2050.

OPERATIONS (SCOPE 1 AND 2) VEHICLES (SCOPE 3)	All Toyota NZ-owned sites powered by carbon-neutral electricity supplier.	100% electrified employee and sponsorship vehicle fleet.	Detailed business planning is done five years in advance. 2040 SBTi-aligned targets will be developed leading into 2030, with detailed reduction plans to follow.	Carbon-neutral operations globally.	Achieve carbon neutrality across the vehicle life cycle. 100% electrified fleet.		
	The first all-electric Toyota, the bZ4X, joins Lexus EVs (RZ and UX300e), on sale in New Zealand. 55% electrified ² sales. Hybrid-only new models for sale (if hybrid is an option). Hilux Hybrid and Land Cruiser Prado Hybrid on sale in New Zealand.	85% electrified sales. ⁵ 10 new BEV models launched by TMC.				90% electrified sales. Solid-state batteries are expected to enter production and the new vehicle market.	Expanded adoption of hydrogen fuel-cell vehicles. ⁶
	5 hydrogen fuel-cell chase boats at the America's Cup. ³ Toyota hydrogen generator used to power Fieldays site and for commercial trials. First New Zealand hydrogen truck conversion. ⁴	Core contribution to hydrogen economy. Expand customers for Toyota hydrogen generators. Continue hydrogen fuel-cell truck conversions.				Expansion of hydrogen trucks for freight transport.	Dominance of MaaS ⁷ and subscription models.
	100% Toitū Enviromark Diamond certification for Store network. 100% Store network participation in Tyrewise Product Stewardship Scheme.	Growth and expansion of Cityhop and Kinto with lower CO ₂ options.				Expand mobility options such as subscription.	Store network and suppliers are carbon neutral.
SUPPLIERS AND STORE NETWORK (SCOPE 3)	100% Toitū Enviromark Diamond certification for Store network. 100% Store network participation in Tyrewise Product Stewardship Scheme.	50% of suppliers (by emissions) align with our SBTs. Carbon-neutral electricity supply at Store network and 80% of Stores have solar on site.	37% reduction ¹¹	TOYOTA ENVIRONMENTAL CHALLENGE 2050	PROGRESS TO 2030 TARGET ⁸		
PROGRESS TO 2030 TARGET⁸	9% reduction ⁹	30% reduction ¹⁰	2024	2027	2030		
			2040	2050			

¹ Aligned to 1.5 degrees climate threshold.
² Includes BEV, PHEV, HEV and FCEV.
³ Built using Toyota's hydrogen fuel-cell technology and local Kiwi engineering expertise from business partner GBV.
⁴ Using Toyota's fuel-cell technology.
⁵ Based on current planning.
⁶ Estimated at 10,000+ vehicles.
⁷ Mobility as a Service.
⁸ The target is a straight line from the 2019 baseline to a 46% absolute reduction in Scopes 1, 2 and 3 emissions by 2030.
⁹ Model only considers the effect of new vehicle sales on production, logistics and tailpipe emissions. These three categories are 94% of our 2019 emissions. Other emissions are held constant.
¹⁰ Increased electrification
¹¹ Current market projections still indicate customer demand for HEVs. Support from government for PHEVs and BEVs is key to shifting this demand.



Our economic impact



TOTAL REVENUE

\$1.9 billion \wedge

AFTER-TAX PROFIT

\$88 million \wedge

NEW TOYOTA VEHICLES SOLD

32,490 \wedge

NEW LEXUS VEHICLES SOLD

1,417 \wedge

PARTS SOLD

\$147m ∇

ACCESSORIES SOLD

\$49m ∇

Delivering a sustainable business in New Zealand

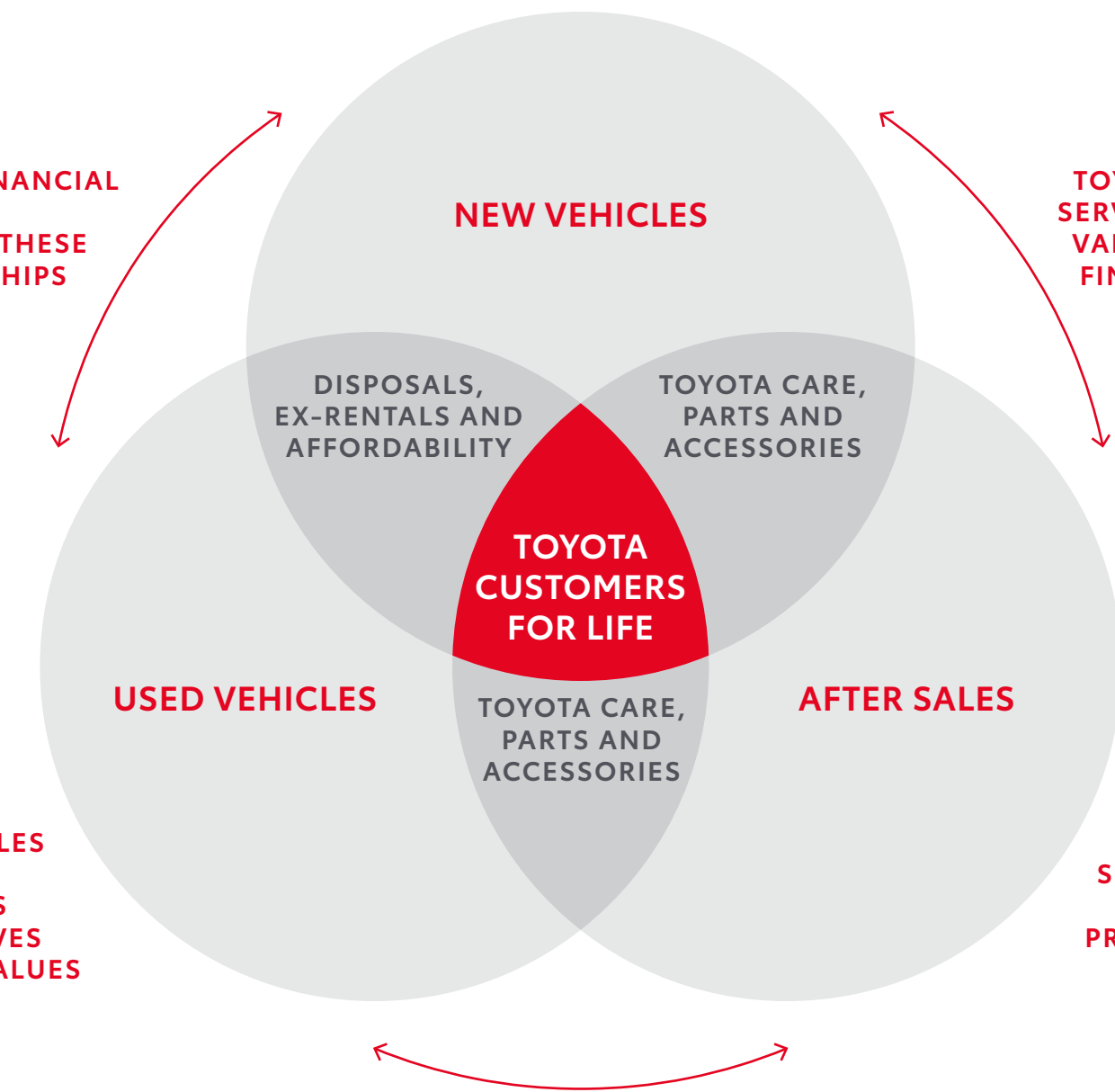


MATERIAL TOPICS

- BUSINESS SUSTAINABILITY
- CUSTOMER RELATIONS
- VEHICLE SAFETY AND RELIABILITY
- GOVERNMENT POLICY
- JUST TRANSITION

TOYOTA FINANCIAL SERVICES SUPPORTS THESE RELATIONSHIPS

TOYOTA FINANCIAL SERVICES SUPPORTS VALUE CHAIN WITH FINANCE AND AIOI INSURANCE



USED VEHICLES LIFTS VALUE OF VEHICLES AND IMPROVES RESIDUAL VALUES

TOYOTA FINANCIAL SERVICES PURCHASES AFTER SALES PRODUCTS AS PART OF LEASING OFFER

Business sustainability together with climate action were the top material topics for our stakeholders in 2024. For our Executive Team, business sustainability refers to the long-term prosperity and social impact of Toyota NZ. This includes achieving a balance between economic viability and environmental sustainability and offering a range of sustainable products and services to our customers. For our stakeholders, it means identifying our long-term risks in the context of how these impact on meeting our future needs.

We look to business sustainability from a long-term perspective. Toyota has been a successful business and brand in New Zealand for many decades. In 2024, we were named as the brand with the best reputation in the country by Kantar New Zealand. It is our responsibility to continue this legacy and ensure we are economically sustainable for the future. This is not just to protect shareholder equity and returns but also to support our customers,

the majority of whom will own Toyota vehicles for many years to come, and to support our employees and those of our Store network, who provide an economic livelihood for hundreds of employees and suppliers in regional New Zealand.

Customer relations is an important material topic for our stakeholders, with customer service excellence identified as important to customers when buying and owning a Toyota or Lexus vehicle. In response to changing customer expectations, we transformed our business model in 2018. Our 'One Toyota' strategy covers Toyota NZ, Toyota Financial Services (TFS), and our Toyota and Lexus Store network. One Toyota covers all aspects of our value chain, including new vehicles sales (agency model and direct), used vehicles sales (wholesale) and after sales (Toyota care, parts and accessories). It acknowledges the relationships between the parts of our value chain that seek to deliver sustainable outcomes.

Vehicle safety and reliability

CUSTOMER COMPLAINTS RECEIVED AND RESOLVED

1898

The Toyota experience does not end when a customer buys a vehicle. We focus on the ongoing safety of all our customers by ensuring they are driving reliable, well-maintained vehicles.

Toyota's customer commitment follows right through to servicing and proactively identifying any potential issues. We want our customers to be confident we are there for them if something goes wrong. If it does, we do our absolute best to put things right as quickly as possible. It doesn't matter if it is a new vehicle, Toyota Signature Class, or Toyota Certified – the commitment remains the same.

The trust we have built in New Zealand is about more than just our reputation for safety, reliability and high quality. We are also deeply embedded in communities across the country, through our Store network, the NCC in Palmerston North, and our vehicle refurbishment centre in Thames.

Our footprint is part of our commitment to being here in New Zealand. Our NCC, along with our parts distribution centre and customer service team, exemplifies our commitment to a customer-centric culture. The close integration of these facilities ensures seamless and efficient service for our customers.

For 19 years in a row, Toyota has won the Reader's Digest Most Trusted Brand Award for Cars, and in the Certified Used Cars category, our Signature Class won the award this year for the sixth consecutive year.

The award for Signature Class was pertinent in the current economic environment, with affordability and the cost of living featuring high as a concern for consumers in many surveys. New Zealanders require access to affordable yet high-quality and low-carbon-emitting vehicles. Signature Class offers used-car buyers good value and exceptional quality. Signature Class sources mostly high-quality hybrid

and plug-in hybrid Toyota vehicles from Japan and refurbishes them at our Thames facility. For FY24, 98% of imports were electrified.

Signature Class has been part of the used-car scene since 1997 when Toyota set up the programme to deliver used cars that buyers could trust and rely on. There are now more than 50,000 Signature Class vehicles on the road.

Engaging with policy-makers

Government policy on climate change and transport emissions has had a substantial impact on the Toyota brand in recent years.

As market leader and an active member of various business groups, Toyota NZ has continued to engage directly with Ministers and government officials, to ensure that regulatory interventions are equitable, realistic and achieve outcomes that meet the intention of the regulation.

As part of the New Zealand Government's action to address climate change, two key regulatory schemes were introduced during the 2020–2023 Parliamentary term: the CCD (fee and rebate scheme) and the CCS. Changes to both schemes by the previous government and the current Coalition government caused significant disruption and uncertainty with the local automotive industry.

While Toyota NZ was supportive of including hybrids and plug-in hybrids in the now-defunct CCD, the abrupt changes to the scheme while it was in force created pressure on our supply chain as customers rushed to purchase and register vehicles ahead of previously unannounced deadlines.

As noted in *Our environmental impact* section of this report, the Clean Car Importer Standard has a significant impact on our business as we move towards providing lower-emitting vehicles. Toyota NZ made representations to government on its settings to more accurately reflect long-term production and consumer demand forecasts. Joint advocacy with the Motor Industry Association supported the government's amendment of the Land Transport Act to enable it to reset the emissions targets to the current alignment with Australia standards.



Mobility for all means that we offer a wide range of powertrains and vehicles to meet the needs of industry, businesses, recreation and commuting.

Mobility for all

'Mobility for all' means that we offer a wide range of powertrains and vehicles to meet the needs of industry, businesses, recreation and commuting. As well as contributing to lower transport emissions, Toyota NZ's multi-powertrain strategy is designed to meet the needs of New Zealand's economy and diverse population.

Toyota NZ now offers a BEV and two Lexus BEVs, two Toyota PHEVs and one Lexus PHEV, 10 Toyota hybrids and eight Lexus hybrids, and 13 Toyota and Lexus petrol or diesel internal combustion engine (ICE) models. It also provides hydrogen fuel-cell-powered Mirai sedan cars to members of our hydrogen car-sharing scheme and has commenced leasing the Mirai to commercial operators.

The product mix of our sales is critical to our decarbonisation goals, and we have always held the view that we will aim to provide an electrified option for all products if the technology is available. We continue to import and sell small numbers (relative to our total volumes) of petrol-only high-performance sports cars where there is no electrified option available.

We are committed to transitioning our entire product range into lower-emitting models over time and decreasing the number of diesel and petrol vehicles. For example, we have set a limit on the number of diesel-only Hilux utes we sell per annum to ensure we meet both customer needs and obligations under the Clean Car Importer Standard.

	TOYOTA	LEXUS
HYBRID	Yaris Hatch Yaris Cross Corolla Hatch Corolla Wagon Corolla Cross Camry C-HR Prius (near new) RAV4 Highlander Land Cruiser Prado Hilux Hybrid	IS 300h ES 300h LS 500h LBX UX 300h NX 350h RX 350h RX 500h LC 500h
PLUG-IN HYBRID	Prius (near new) RAV4 Prime (near new)	NX 450h+ F SPORT
BATTERY-POWERED ELECTRIC VEHICLE	bZ4X	UX 300e RZ 450e
HYDROGEN	Mirai	
PETROL ONLY	GR Yaris GR Corolla GR Supra GR 86	RC F LC 500 Coupe LC 500 Convertible LBX MORIZO RR
DIESEL ONLY	Land Cruiser 70 Land Cruiser 300 Hiace Hilux	LX 500



Affordable and accessible mobility: *Waka Aronui*

As part of our 'mobility for all' strategy, we are committed to ensuring that everyone has access to mobility solutions that meet individual or community needs.

In May 2022, as part of our commitment to providing mobility for all, we partnered with The Ākina Foundation in their Waka Aronui pilot programme.

This initiative provides affordable, low-emissions, leased vehicles to 20 Auckland whānau, for a set fee per month. The fee covers the lease, insurance, registration and an annual maintenance service for their Toyota Fielder hybrid wagon.

Through our partnership with The Ākina Foundation, the Waka Aronui social leasing scheme continued to have a positive economic, social and environmental impact over the past year.

Waka Aronui continues to evolve and is a prime example of social investment principles in action: community-centred design, integrated outcomes measurement, and a collaborative financial partnership including the private and public sectors.

Partners in the programme are Toyota NZ, The Ākina Foundation, Manukau Urban Māori Authority, The Tindall Foundation, Waka Kotahi (NZ Transport Agency), Ministry of Business, Innovation and Employment (MBIE), and Russell McVeagh.

The programme impacts four key areas: financial wellbeing, community connection, reduced carbon emissions and mental health.

Financial wellbeing

Low-income whānau have identified vehicle ownership and leasing costs as one of the primary drivers of financial hardship in their household. In a May 2024 Waka Aronui Impact Report (produced by The Ākina Foundation), participants indicated that the programme had saved them \$1,100 in the past year on average. All noted a reduction in vehicle running costs and fuel savings.

Community connection

The ability for all families to participate in community activities and access community services is a key driver of strong, resilient communities. Prior to leasing a Waka Aronui Toyota, many participants had reported difficulty in accessing events, essential services and daily activities such as education.

In 2024 almost all participants reported improved involvement in the community and better access to services that improved their physical and mental health.

Reduced carbon emissions

In the second year of the programme, the 20 whānau drove 322,041km, an average of 16,102km per family. When compared to a similar petrol-only car, the Waka Aronui fleet saved around 28 tonnes of CO₂e in the second year.

Mental health

The financial impact from owning poorly maintained and uneconomical vehicles has a flow-on effect on family mental health and wellbeing. Most of the participants reported lower levels of stress over family transportation as a result of having an insured, reliable and well-maintained vehicle.

Toyota Financial Services

Although it is a stand-alone business, wholly owned by TMC, TFS is closely linked to Toyota NZ and, increasingly, the two businesses are working together on the strategic goals of mobility and community investment.

TFS provides a range of financial, fleet management and mobility services to Toyota customers from financial products such as vehicle finance, lease options and car insurance to car sharing and renting through Cityhop and Ezi Car Rental.

Ezi Car Rental was purchased by TFS in September 2023 as a strategic acquisition to support the mobility needs of Kiwis in New Zealand. It is one of the country's largest locally owned and operated rental car companies with more than 2,500 vehicles on its fleet, peaking at 4,500 vehicles during the summer months.

Through its financing and leasing activities, TFS is deeply integrated into the New Zealand economy.

TFS is also active in the community with significant community investments and involvement with Surf Life Saving New Zealand and The Salvation Army.

The Salvation Army runs several driver programmes with the support of 16 vehicles from TFS. The aim of these programmes is to provide mobility and employment to families and young people. Without a practical driver's licence (restricted and full licence), individuals can face social barriers and a cycle of fines. In addition, numerous jobs require a practical licence and many districts have no public transport.

One of the programmes, the Community Driver Mentor Programme (CDMP), involves 216 trained volunteer mentors who help learner drivers gain the skills and practice to pass the practical test. CDMP learner drivers do not have access to an

eligible full-licensed supervisor, or a warranted, registered vehicle to enable them to obtain their driver's licence. Starting in Aranui, Christchurch, in 2014, and accredited by Waka Kotahi, the CDMP has since expanded to cover the whole of Christchurch and rural districts in Canterbury and the West Coast of the South Island.



Pursuing a carbon-neutral future with new technologies

Global hydrogen strategy

Toyota is advancing several decarbonisation technologies as part of its strategy to achieve carbon neutrality by 2050. One notable development is our commitment to hydrogen fuel-cell technology, particularly in heavy-duty logistics. In collaboration with the VDL Groep in Europe, Toyota is converting trucks in its European logistics fleet to run on hydrogen fuel cells. This project aims to decarbonise long-haul transportation by reducing emissions to zero while maintaining efficient operations thanks to the lighter weight of hydrogen systems and fast refuelling times.

Toyota is pushing the boundaries of hydrogen combustion engines. Leveraging its racing experience with a hydrogen-powered GR Corolla, Toyota has developed a new internal combustion engine that can run on hydrogen, synthetic fuels, biodiesel and gasoline. These engines are being engineered to be more fuel-efficient, smaller and potentially integrated into hybrid systems. With the next generation of engines, Toyota seeks to not only improve stand-alone engine performance but also optimise their integration with electric drive units, harnessing the advantages of each.

While being highly efficient and powerful, the new engines will revolutionise vehicle packaging too, by being more compact than existing models. Smaller engines will allow for even lower hoods, improving design possibilities and aerodynamic performance as well as contributing to better fuel efficiency. The development will emphasise compliance with increasingly strict emissions regulations in offshore markets also.

In New Zealand, Toyota is leading and helping develop a viable hydrogen economy with a range of innovations in multiple sectors, from electricity generators to hydrogen-powered speedboats.

Our hydrogen strategy is to instigate, encourage and enable New Zealand businesses to enter the hydrogen market, which is still very much in its infancy.

We recently introduced three hydrogen initiatives to support our carbon-neutrality ambition:

- Hydrogen fuel-cells sourced from Japan for America's Cup chase boats
- A highly innovative hydrogen-powered electricity generator
- Hydrogen fuel-cell Mirai cars in an exclusive car-sharing scheme with commercial partners in Auckland.

Following our investment with Emirates Team New Zealand in the development of its hydrogen chase boat, we have invested in the Toyota hydrogen generator to allow partners to test and consider hydrogen as a genuine alternative energy source in the commercial sector. We supplied a hydrogen fuel-cell generator to Air New Zealand to trial hydrogen to charge their electric tugs and service vehicles at Wellington Airport.

The Toyota Hydrogen Project car share scheme, which was launched in May 2022, partnered with selected Kiwi brands to showcase the capabilities of this technology. In 2024, Fletcher Building, AMI and Enviro NZ joined the Hydrogen Project.

Global battery strategy

Toyota has also received funding support and certification from the Japanese Government to commence the production of solid-state batteries, which are expected to provide much-improved driving range and charging time.

Certification was granted to produce next-generation batteries and all-solid-state batteries. Production is expected to commence in 2027 with a forecast 9GWh per year output.

The battery industry is an equipment-intensive industry requiring large-scale investments in significant facilities. To maintain and enhance manufacturing capabilities and technologies within Japan's battery industry, which includes equipment industries and material manufacturers, government support is provided.

The Japanese Government has announced significant subsidies to support Toyota's battery development. In 2023, the government pledged around ¥330 billion (approximately NZ\$3.78 billion) to boost domestic battery production, with Toyota receiving a substantial portion of this – about ¥117.8 billion (NZ\$1.35 billion). This funding is directed towards developing next-generation battery technologies, including lithium iron phosphate (LFP) and all-solid-state batteries.

By advancing battery development and production in Japan, Toyota aims to contribute to the further development of the industry and the strengthening of the production infrastructure of batteries. In addition, by enhancing the competitiveness of batteries, Toyota seeks to improve the marketability of electrified vehicles and achieve carbon neutrality through a multi-pathway approach.



"In order to provide our customers with diverse options to achieve carbon neutrality, it is necessary to take on the challenge of evolving engines that are in tune with the energy environment of the future."

KOJI SATO, PRESIDENT, MEMBER OF THE BOARD OF DIRECTORS AND CEO, TOYOTA MOTOR CORPORATION



Our social impact



TOTAL TNZ EMPLOYEES

353 \uparrow

TOTAL STORE EMPLOYEES

1,931 \uparrow

FEMALE REPRESENTATION IN WORKFORCE

37% \uparrow

FEMALE REPRESENTATION IN MANAGEMENT

32% \uparrow

STAFF RETENTION

86% \downarrow

STAFF ENGAGEMENT

70% \downarrow

INVESTMENT IN THE COMMUNITY

\$3.7 million

Commitment to customers and community



Through collaboration and partnerships, we aim to have a positive impact on our customers and society. Although customer relations ranked higher than community support as a material issue to our stakeholders this year, both these topics form an important part of our sustainability strategy's social pillar.

'Community' for Toyota NZ encompasses our customers, our Store network employees and the communities they operate in, our corporate office employees, and our community partnerships.

Our Stores' commitment to their communities remains steadfast despite the challenging economic conditions, with a focus on customer excellence and community connections at the heart of what they do every day.

Health, safety and wellbeing of employees was included as a material topic this year by our Executive Team, who value this highly, with a focus on maintaining and growing a healthy and safe culture. Aligned with wellbeing is diversity and inclusion and being a company that has connectedness, innovation and integrity as the values that drive our workplace culture.



MATERIAL TOPICS

- CUSTOMER RELATIONS
- COMMUNITY SUPPORT
- REPUTATION AND LEADERSHIP
- HEALTH, SAFETY AND WELLBEING
- DIVERSITY AND INCLUSION



We care about our customers

For us, customer service excellence is what we strive for in our engagement with customers. We are proactive in anticipating and addressing customer needs before they arise, rather than simply reacting to issues after they occur.

Our Stores' sales and servicing teams are focused on delivering exceptional customer service and our award-winning Customer Services Team based at the NCC, deliver expert knowledge on product and service queries.

We aim for continuous improvement (kaizen) in everything we do. Kaizen guides and drives our commitment to delivers more to our customers. As a market leader our customers come first and we strive to produce 'happiness for all'.

Being awarded the Reader's Digest 'Most Trusted Car Brand' in New Zealand for the 19th consecutive year in 2024 is consistent with our focus on customer service excellence, mobility for all, and supporting the many communities we operate in.

We care about our community

Through our community partnerships, we aim to have a positive impact on society.

We reach our communities and regional New Zealand through our network of over 60 Stores employing 1,931 employees. Our Stores are independently owned and have formed deep connections with their communities. They support community groups, clubs and individuals throughout the country with vehicles, funding and volunteers. Activities supported include 130 grassroots sports organisations, mental health, youth development and sponsorship of individual athletes.

As well as the community partnerships held by our Store network, Toyota NZ has long-standing relationships with Paralympics New Zealand, the New Zealand Olympic Committee and Emirates Team New Zealand.

We are proud to partner with our Brand Guardians, who embody our core values and are all leaders in their fields. This year we welcomed para-athlete Cameron Leslie to our group of Brand Guardians.

WHAT IS KAIZEN?

The English translation is continuous improvement. 'Kai' means 'change' and 'zen' means 'for the better'. It humanises the workplace, empowering individual members to identify areas for improvement and suggest practical solutions.

Citizenship Award for Rutherford & Bond Toyota

CASE STUDY

In 2022, Toyota NZ introduced the annual Citizenship Award as part of our national Store Excellence Awards. These awards recognise those Stores that have had a positive environmental, social or cultural impact on their community. We received 36 entries in 2024, up from 18 entries in 2023, which reflects the importance the Store network places on community work.

The 2024 Citizenship Award went to Rutherford & Bond Toyota in Wellington for a leadership programme it co-developed with its ambassador Ardie Savea, New Zealand rugby union player, to inspire and influence 10 emerging leaders from low-decile high schools, with one taking home a \$2,500 scholarship. This initiative had a significant impact on the lives of participants, giving them a renewed sense of dedication. Many gained scholarships to tertiary institutions, achieved regional or national honours in their sports, or gained academic awards.



DEREK TILYARD
CEO OF RUTHERFORD & BOND TOYOTA

We support grassroots sport

We support grassroots sports at both a Store and company level. There are many societal benefits from children becoming more active through involvement in sports. Sport improves the social fabric of communities – it involves families and people from all walks of life, it increases community connections and support networks, and creates a sense of belonging. It is a way of teaching children about being competitive, building resilience and leadership.

Our belief in sport as a builder of community wellbeing links to our support for Emirates Team New Zealand and Paralympic and Olympic athletes. Elite sport is aspirational and shows children what they can achieve, and grassroots sport provides a pathway to get there.

‘Seeing is Believing’ education programme

During 2024, Toyota NZ announced its support for Paralympic New Zealand’s ‘Seeing is Believing’ education programme which helps shift the dial on perceptions of disability by championing inclusivity in primary schools across New Zealand.

The programme harnesses the power of Paralympians, para-athletes and the Paralympic movement to shape the way we perceive disability. It is based on the existing global I’mPOSSIBLE platform. This initiative connects with both disabled and able-bodied children and their teachers through schools and was tailored specifically

for the New Zealand curriculum through the Health and Physical Education framework.

The partnership aligns with our commitment to mobility for all and is exemplified through ‘Seeing is Believing’. We believe that inclusivity has no boundaries. Being part of this programme reflects our shared goals to foster diversity and live by the Paralympic values of inspiration, courage, determination and equality. It is about overcoming challenges and making dreams come true, which is the basis for the transformation of Toyota from a car company to a mobility company.



New Brand Guardian – Cameron Leslie

CASE STUDY

Cameron Leslie became a Toyota Brand Guardian in 2023. Cameron has dominated Paralympic sport since first splashing onto the scene as a young swimmer. He won gold medals at the Beijing, London and Rio Paralympic Games, and smashed world records in his specialised Men’s 150m Individual Medley SM4 event.

He is also a Wheel Black, after first getting involved in wheelchair rugby in 2007 because he loved the energy of the sport.

Cameron loves to give back to the community through working with up-and-coming swimmers to help them with the transition to higher competition. He is the Disability and Para Swimming Participation Manager at Swimming New Zealand, where he

supports clubs to foster, develop and grow the next generation of para-athletes. We are excited about supporting him on this journey.

“Having a disability brings a unique perspective, one that benefits the world around us. My whole life has been based on me wanting to live an active and normal life. Sport was a normal part of what we did growing up.

“Learning how to swim was difficult; everybody was focused on what I couldn’t do rather than what I could do. My three Paralympic gold medals are my way of showing that my life was not going to be what the medical model told me it was going to be – a depressing story really. Sport has been my vehicle to prove people wrong,” he says.



Toyota community wins competition

As part of our Paris Olympics partnership, we worked with the *Crowd Goes Wild* on Sky Open to launch a community competition where viewers could nominate their local sports club to win \$1,000 towards sports equipment.

The initiative aimed to support grassroots sport and encourage greater community spirit across New Zealand.



ROTORUA ROWING CLUB

“Our small rowing club greatly appreciates the \$1,000 Toyota has kindly donated to the prize. After much discussion around how to spend the money, we have decided to spend it on safety equipment that will keep our students safe during their very early morning starts.”

“The students row three early mornings a week: they are on the water by 5.30am and then back in time for students to catch buses to school. We have decided on radios for our coach boats and a new handheld radio as these are extremely important when it’s dark, foggy or raining on our beautiful lake.”



DIVING ŌTĀKOU

“Diving Ōtākou is a springboard and platform diving club based in Dunedin. We are a small but mighty club, which has almost doubled in members over the last year. Our dedicated coach has worked so hard to build our club and continue the love of diving in our current members, some of whom have just returned home from a diving competition in Australia.”

“This win from Toyota means so much to us as a club. The money will be used to buy a small crash mat to be used poolside for warm-ups and perfecting flips – a vital part of diving as it doesn’t all happen in the water.”

“Thank you so much, Toyota, for this amazing prize. We really appreciate it.”



ACHILLES MANAWATŪ

“The prize for us means we can provide our members with caps and visors – pieces of uniform uniting us all and, combined with our T-shirts, bringing our community together.”

“Our Achilles Manawatū group is growing. We have a range of athletes who are all challenging themselves to push beyond what they thought was possible. They are supported by the most amazing guides here in the Manawatū, runners and walkers stepping up to help someone else achieve their goals. It’s not easy; however, seeing our athletes achieve their goals is so rewarding.”

We celebrate our four Olympic Brand Guardians

DAME LISA CARRINGTON THREE GOLD MEDALS: CANOE / KAYAK SPRINTS

EMMA TWIGG SILVER: SINGLE SCULL

OLIVIA MCTAGGART POLE VAULT FINAL

DAVID LITI +102KG WEIGHTLIFTING FINAL



As well as supporting the New Zealand Olympic Committee, Toyota NZ stood behind four individual Olympians competing at the 2024 Paris Olympics. Toyota is also proud to be the Worldwide Official Mobility Partner of the International Olympic Committee and the International Paralympic Committee.

The four athletes, who embody all things Toyota and have inspired the next generation of Kiwi athletes, are Olympic Brand Guardians – Dame Lisa Carrington, Emma Twigg, Olivia McTaggart and David Liti.

Dame Lisa Carrington raced eight times in five days, winning each race in different team combinations and distances. She repeated her Tokyo 2020 performance and reached the top of the New Zealand Gold Medal leaderboard with another three gold medals in canoe/kayak sprints.

Paris was the fifth Olympics for Emma Twigg, who secured a silver medal, achieving second place out of a total of 32 female single-scull rowers.

Olivia McTaggart was one of three Kiwi women who won selection for the Paris 2024 Olympic Games in women’s pole vault. With a best vault of 4.6m, Olivia made it through to the finals alongside compatriots Eliza McCartney and Imogen Ayris.

David Liti, competing at his second Olympic Games, once again made the weightlifting finals and finished in eighth place with a total lift of 415kg for the snatch and clean and jerk, a personal best.

We are committed to road safety

Our commitment to road safety underpins our three-year partnership with Rotary Youth Driver Awareness (RYDA), a school education programme to educate teenagers on driver responsibility and making the right decisions when they are behind the wheel.

RYDA provides a ‘whole of school’ approach through an engaging and memorable one-day workshop led by trained facilitators, including police, driving instructors, and community specialists, supported by online learning and classroom resources to high school students throughout New Zealand.

Young drivers aged between 16 and 24 are at far greater risk of being involved in fatal or serious injury crashes. Devastatingly, over the past 10 years, around 7,000 young people aged 16 to 24 were killed or seriously injured on our roads. The economic cost of road crashes amounts to \$4.9 million annually for New Zealand, but this pales in comparison to the immense human cost – lost loved ones, friends, parents and children.

Under this three-year partnership, Toyota NZ has provided \$225,000 in funding, as well as offering four Toyota Corolla Cross hybrids for use by the RYDA team across the country.

Over the past year, a total of 170 schools (41% of schools) have participated in RYDA workshops and we expect 15,000 students to have completed the programme during 2024.

Drive Coach is an extension of RYDA, designed to inform and empower parents and caregivers on best practices for coaching a driver. This initiative aims to provide them with the knowledge and tools they need to guide their young drivers and ensure their safety on the road.

The first Drive Coach programme was held in Hamilton on 28 May 2024 with the support of Ebbett Toyota.



CASE STUDY

Reputation driven by focus on people

In 2024, Toyota NZ was named as the business with “the best reputation in the country” after being awarded the top placing on Kantar New Zealand's Corporate Reputation Index (CRI) for the first time ever.

The CRI measures the responsibility, trust, fairness and leadership of 50 of New Zealand's top household brands by revenue.

The award reflects our work to build trust with customers, through the quality and value of Toyota vehicles, our customer service and focus on people, by demonstrating industry leadership in taking a clear stand on the issues that matter to New Zealanders, and by supporting both local and national initiatives.



TNZ EMPLOYEES TAKING A MOMENT TO ADMIRE THE MAGNIFICENCE OF THE AMERICA'S CUP WHEN IT STOPPED AT NCC AS PART OF THE TOYOTA KIWI CUP TOUR.

Health, safety and wellbeing of our employees

Our Executive Team values the health, safety and wellbeing of employees as an important part of maintaining and growing a healthy and safe culture.

Safety at work

Health and safety at Toyota NZ is guided by our Health and Safety Policy which outlines five core safety habits to be followed by our employees and everyone we work with. Employees are expected to manage safety risks; log any accidents, injuries and close calls on our PeopleSafe app; adhere to safety plans; attend all safety training; and ensure that all safety gear is worn when and where necessary.

During the past year, 24 injuries occurred across all our sites. There was a total of 327 hours lost due to injury.

From 3 October 2022, we extended the hours of our Parts Warehouse Operation from 6am to 10pm with staff operating across two major shifts. Splitting the shift means our staff will have more space for machinery to be used, which will lead to better health and safety outcomes for our warehouse employees.

Wellbeing at work

We are committed to ensuring that all employees have the available resources to support health and wellbeing in the workplace. All employees have access to Vitae, a provider of workplace wellness and assistance services. Their confidential counselling and on-the-job support helps employees deal with both personal and work-related issues ranging from managing stress and anxiety, motivation and self-esteem,

to relationship issues, grief and bereavement, harassment and bullying, and financial advice. Employees can call Vitae on a toll-free number anytime to speak to one of their counsellors or speak to the on-site counsellor once a week.

During 2024, we partnered with Groov, to enhance the mental wellbeing of employees. Groov was founded by Sir John Kirwan and Adam Clark and aims to translate the scientific principles of mental health and behavioural change into actionable strategies for individuals, leaders and organisations, shifting the focus from crisis intervention to proactive wellbeing. The partnership includes:

- Integrating wellbeing and preventative mental health strategies into Toyota NZ's core practices
- Elevating leadership skills through targeted education and development programmes
- Fostering employee growth, fortifying the talent pool, and expediting career progression
- Enhancing existing health, wellbeing and diversity initiatives for a comprehensive employee wellness strategy
- Boosting employee participation in health and wellbeing programmes, encouraging proactive engagement
- Continuing to strive to be an exemplary workplace and attract top talent.

Apart from programmes to enhance mental wellbeing, Toyota NZ covers health insurance for employees and their immediate family members to ensure that day-to-day medical expenses are covered. Annual flu vaccinations are provided also, together with regular health screenings on site.


Building a diverse and inclusive workplace

Toyota NZ is dedicated to creating an inclusive environment where all our employees are encouraged to reach their full potential and individual differences are valued and respected. We strive to create an open, discrimination-free workplace that reflects the diversity of our markets, empowers management to foster inclusion, and ensures fair and equal treatment for all employees.

Our Diversity, Equity, Inclusion and Belonging (DEIB) Policy provides a framework to embed and support a diverse workforce and inclusive workplace for all employees in an effective way. Our DEIB Committee meets monthly to reflect on and plan activities to support DEIB throughout our organisation. One of the outputs is a calendar of activities designed to support a culture of connectedness.

Our Workplace Bullying, Harassment and Discrimination Policy aims to create a work environment that is free from intimidation, harassment and discrimination. Building a positive workplace culture that promotes respect for each other is part of this.

FEMALE REPRESENTATION IN EXECUTIVE TEAM

33% 

Women in leadership

Toyota NZ joined Global Women in 2022 and as part of this partnership, we benchmark to the 'Champions of Change' target of 40:40:20 gender balance. This means that at each level of seniority there is 40% of both women and men, with the remaining 20% of any gender.

In 2024, while our Board was 100% male, our key management personnel (KMP) were 29% female (up from 20% in 2022), and our senior management were 13% female (up from 6% in 2022). Other managers were 41% female, reaching the target 'gender balance'. Our total workforce gender ratio in 2024 was 37% female and 63% male.

In 2024, we sent four managers to the Activate Leaders Programme. A Global Women workshop for all leaders to discuss DEIB was held at Toyota NZ in late 2023. Participation at other events included:

- Sending a cohort of women to the Be Bold Conference in Auckland, December 2023
- Two participants to OneToyota Women's Toyota Motor Corporation Australia Conference in Melbourne, October 2023
- Two participants to the Women in Leadership Summit in Auckland, June 2024. Our Vice President, Susanne Hardy, co-chaired the Summit.

Proportion of women in the workforce

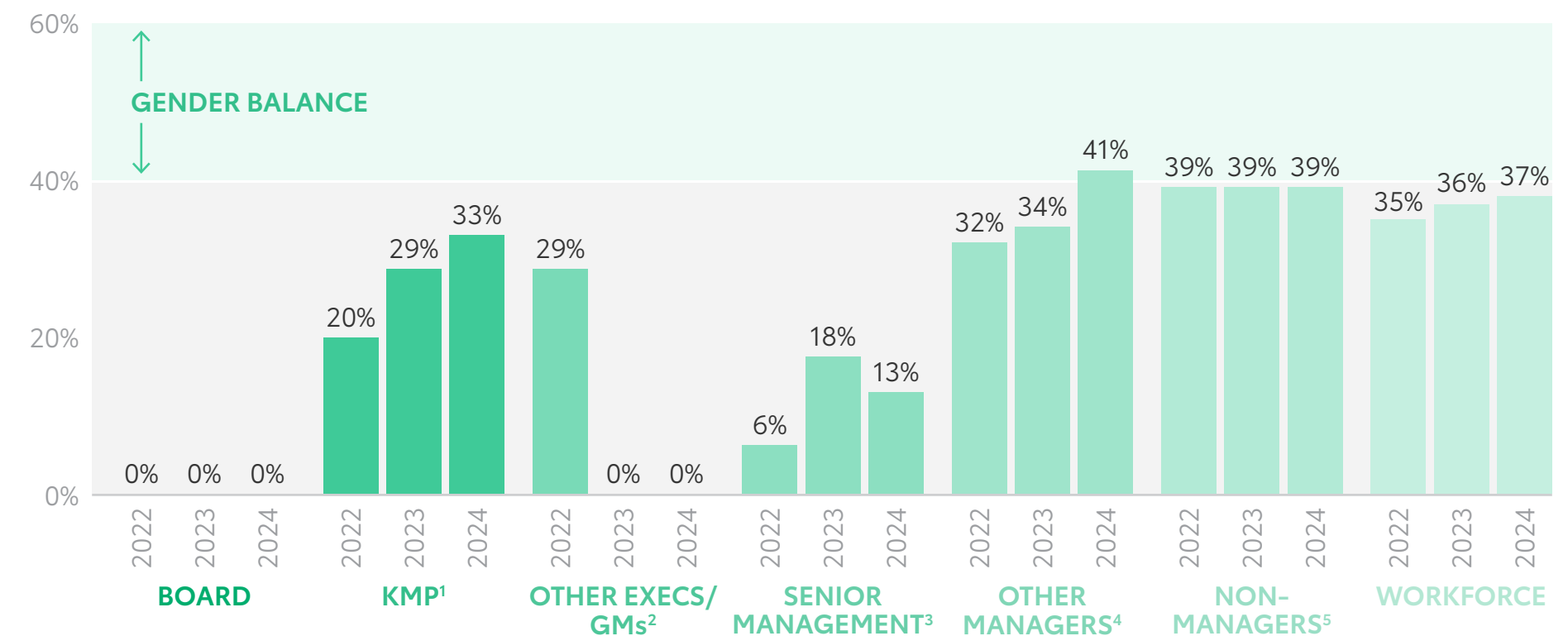
The graph alongside shows the female proportion of Toyota NZ's workforce since we joined Global Women in 2022, broken down by work category. The shaded area is where the lines need to be in order to achieve the target of 40:40:20, known as 'gender balance'.



MICHELLE POVEY
ASSISTANT VICE PRESIDENT,
AFTER SALES OPERATIONS

SUSANNE HARDY
ASSISTANT VICE PRESIDENT,
CUSTOMER GROUP

WOMEN IN THE WORKFORCE



¹ Key management personnel who have authority and responsibility for planning, directing and controlling the activities of Toyota NZ. This includes the CEO and Executive Team.

² Other Executives/General Managers who hold primary responsibility for the equivalent of a department/business unit.

³ Senior Managers are charged with one or more defined function, department or outcome. Balance of strategic and operational aspects of management.

⁴ Other Managers plan, organise, direct, control and coordinate an operational function. Oversee day-to-day operations, working within and enforcing defined parameters.

⁵ Non-managers include all other employees within the organisation.



Training and development

As part of talent and succession planning, Toyota NZ focuses on equipping all employees with the relevant education, coaching and learning that:

- Enables development of their personal and professional growth goals
- Supports successful performance in their roles
- Provides learning pathways, strategies and resources that match their career aspirations.

We offer extensive training that is aligned with our strategic business objectives and strengthens collaboration among internal departments and externally with our Store network.

We take a 'pathway approach', which starts with onboarding where fundamentals are covered. Staff then follow training pathways to gain specialist skills or more general management skills. Annual development plans are put in place between managers and their team members to determine their career aspirations, be that following a specialist or management role pathway, or potentially rotating to another role.

Our Store network provides pathways for all areas of the business: technical, service, parts, sales and management. During March 2024, we opened an additional technical training facility in Manurewa, Auckland, to expand our training capacity. This doubled our technical trainers from two to four full-time employees, allowing for an increase of

training courses from 51 in 2023 to 110 in 2024. We appointed a new Industry Training and Development Manager to oversee the expansion. We have also seen an increase in the total national certification rate from 24.9% in 2023 to 36.6% in 2024.

In addition, Toyota NZ is proactive in talent management and succession planning. The Executive Team meets quarterly to review future leadership needs of the company. Potential future skills and intellectual property gaps are identified and emerging talent have their development plans tailored to suit these requirements.



TECHNICAL TRAINEES AT TOYOTA NEW ZEALAND'S TRAINING CENTRE IN PALMERSTON NORTH

Appendix



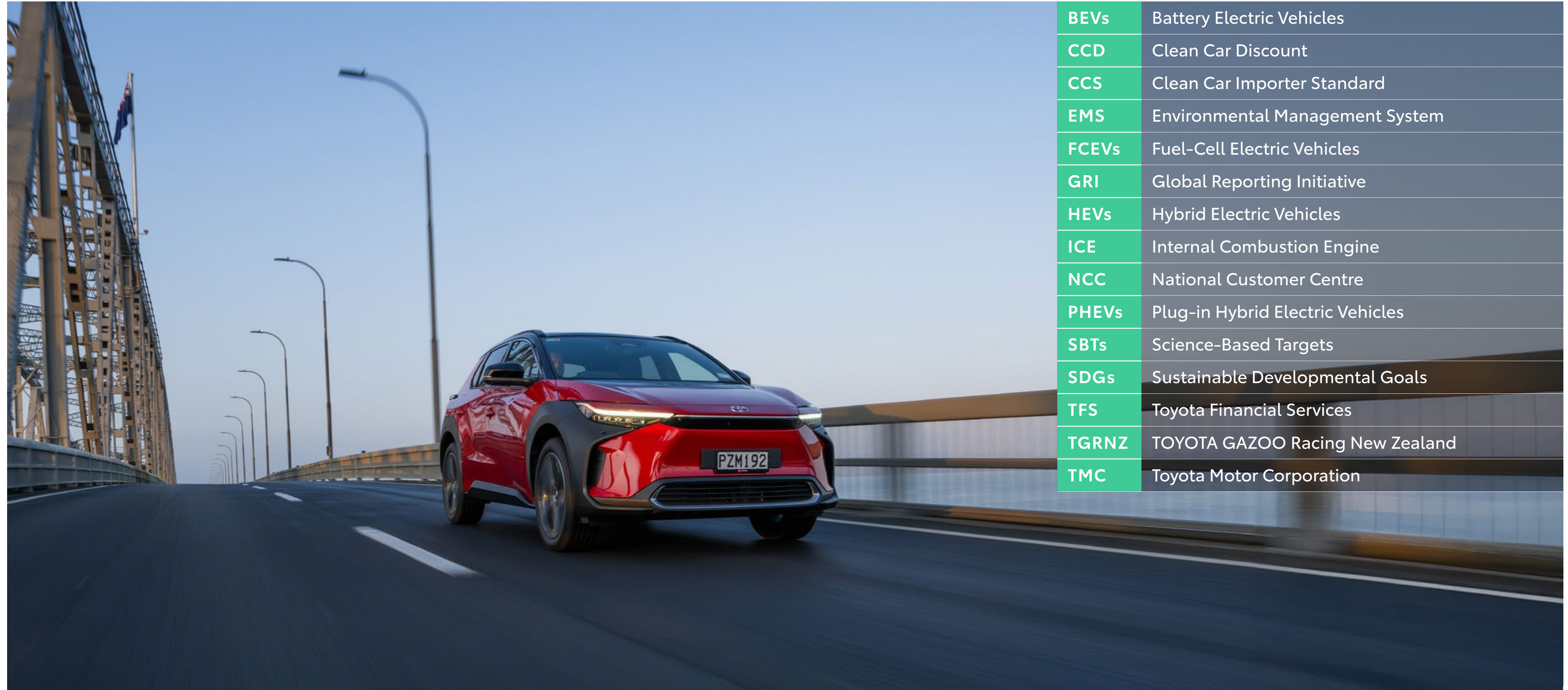
GRI content index

As a way in which to account for our impact on the environment, society and the economy, we have been guided by the GRI Standards, 2021.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	See <i>About this report</i> , page 2 .
	2-2 Entities included in the organisation’s sustainability reporting	See <i>About this report</i> , page 2 .
	2-3 Reporting period, frequency and contact point	See <i>About this report</i> , page 2 .
	2-4 Restatements of information	Refer to restatements issued throughout the report.
	2-5 External assurance	We have committed to 1.5 degrees Celsius science-aligned targets across Scopes 1, 2 and 3. The ambition levels of these targets have been validated by Toitū Envirocare during an audit of the FY24 period. See <i>Our targets to 2030</i> , page 16 .
	2-6 Activities, value chain and other business relationships	See <i>About Toyota New Zealand</i> , page 3 .
	2-7 Employees	See <i>Our social impact</i> , page 29 .
	2-9 Governance structure and composition	See <i>Governance of sustainability</i> , page 12 .
	2-11 Chair of the highest governance body	See <i>Governance of sustainability</i> , page 12 .
	2-12 Role of the highest governance body in overseeing the management of impacts	See <i>Governance of sustainability</i> , page 12 .
	2-13 Delegation of responsibility for managing impacts	See <i>Governance of sustainability</i> , page 12 .
	2-14 Role of the highest governance body in sustainability reporting	See <i>Governance of sustainability</i> , page 12 .
	2-16 Communication of critical concerns	See <i>Risk management</i> , page 12 .
	2-22 Statement on sustainable development strategy	See <i>Our sustainability framework</i> , page 11 .
	2-27 Compliance with laws and regulations	There were no incidents of non-compliance with environmental laws and regulations during the reporting year.
	2-28 Membership associations	See membership of associations, page 10 .
	2-29 Approach to stakeholder engagement	See <i>Our stakeholders</i> , page 10 .
	2-30 Collective bargaining agreements	30% of our workforce is covered by collective bargaining agreements.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See <i>Our materiality process</i> , page 8 .
	3-2 List of material topics	See <i>Our material topics</i> , page 9 .
	3-3 Management of material topics	See <i>Our environmental impact</i> , page 13 . See <i>Our economic impact</i> , page 23 . See <i>Our social impact</i> , page 29 .
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	See <i>Our economic impact</i> , page 23 .
	201-2 Financial implications and other risks and opportunities due to climate change	See <i>Climate risk and scenarios</i> , page 17 .
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See <i>Our targets to 2030</i> , page 16 .
	305-2 Energy indirect (Scope 2) GHG emissions	See <i>Our targets to 2030</i> , page 16 .
	305-3 Other indirect (Scope 3) emissions	See <i>Our targets to 2030</i> , page 16 .
	305-5 Reduction of GHG emissions	See <i>Our targets to 2030</i> , page 16 .
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See <i>Our social impact</i> , page 29 .
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	See <i>Health, safety and wellbeing of employees</i> , page 35 .
	403-2 Types of injury and rates of injury, lost days, and number of work-related fatalities	See <i>Health, safety and wellbeing of employees</i> , page 35 .
	403-6 Promotion of worker health	See <i>Health, safety and wellbeing of employees</i> , page 35 .
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	100% of employees receive regular performance and career development plans.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of employees	See <i>Building a diverse and inclusive workplace</i> , page 36 .
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during the reporting period.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	See <i>Our social impact</i> , page 30 .

Glossary



BEVs	Battery Electric Vehicles
CCD	Clean Car Discount
CCS	Clean Car Importer Standard
EMS	Environmental Management System
FCEVs	Fuel-Cell Electric Vehicles
GRI	Global Reporting Initiative
HEVs	Hybrid Electric Vehicles
ICE	Internal Combustion Engine
NCC	National Customer Centre
PHEVs	Plug-in Hybrid Electric Vehicles
SBTs	Science-Based Targets
SDGs	Sustainable Developmental Goals
TFS	Toyota Financial Services
TGRNZ	TOYOTA GAZOO Racing New Zealand
TMC	Toyota Motor Corporation

