



# TMCC Green Bond Impact Report

February 2021

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# TMCC 2020 Green Bond Overview

- \$750 million USD 10-year bond issued February 13, 2020
- TMCC's fifth Green Bond issuance since 2014, for a cumulative total of over \$6 billion
- Proceeds were used to finance **25,280** new retail installment sales and operating lease contracts for Toyota and Lexus vehicle models that meet the eligibility criteria outlined in the TMCC Green Bond Framework
- Second party opinion review prepared by Sustainalytics<sup>(1)</sup>
- Monthly Use of Proceeds reports published to TMCC investor website<sup>(2)</sup>



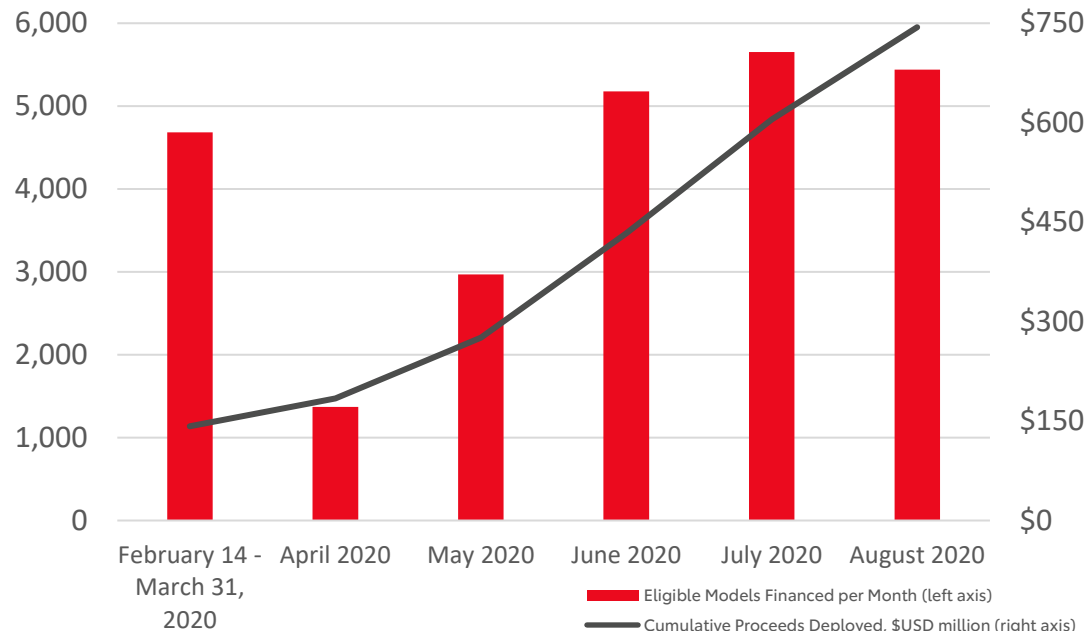
1. <https://www.sustainalytics.com/sustainable-finance/wp-content/uploads/2020/02/Toyota-Motor-Credit-Corporation-Green-Bond-Second-Party-Opinion.pdf>

2. [https://www.toyotafinancial.com/us/en/investor\\_relations/green-bond-programs.html](https://www.toyotafinancial.com/us/en/investor_relations/green-bond-programs.html) and <https://www.toyotafinancial.com/content/dam/tmcc-webcommons/toyotafinancial/documents/investor-relations/green-bond/2020/Green%20Bond%20Use%20of%20Proceeds%20Report%20-%20August%202020.pdf>

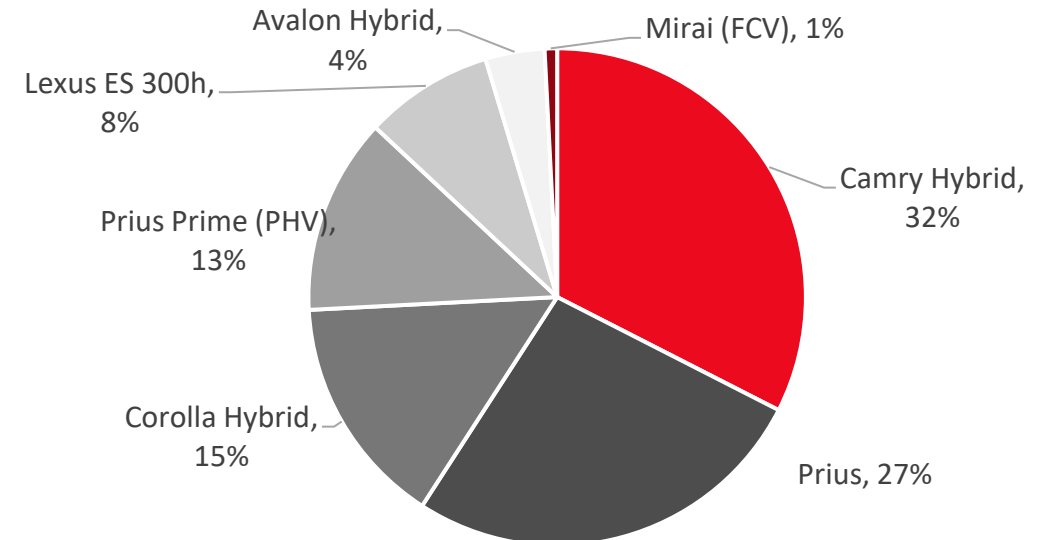
# Use of Proceeds

- Deployment of proceeds was initially slowed by the onset of the COVID pandemic in March 2020
- Recovery in originations beginning in May led to full deployment in less than seven months
- Camry Hybrid and Prius represent the majority of Eligible Models financed

### Deployment of Proceeds



### Total Originations by Eligible Model



# Estimate of Environmental Impact

- TMCC provides a one-time quantitative estimate of the lifetime reduction in CO2 emissions achieved by the Eligible Models financed by the Green Bond proceeds
- Because TMCC does not monitor the actual annual usage of the vehicles financed by the Green Bond, we use industry standard assumptions of expected lifetime vehicle miles traveled (VMT)<sup>(1)</sup>
- Estimates of the lifetime reduction in CO2 emissions and gasoline consumption were measured relative to the average 2019 model year vehicle in the EPA's Sedan/ Wagon category<sup>(2)</sup>

**692,185 tons**  
lifetime CO2  
reduction

**64.8 million**  
fewer gallons  
of gasoline



1. Source: [The 2020 EPA Automotive Trends Report: Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975 \(EPA-420-R-21-003, January 2021\)](https://www.epa.gov/sites/production/files/2021-01/documents/420r21003.pdf) (www.epa.gov/sites/production/files/2021-01/documents/420r21003.pdf). Neither the Environmental Protection Agency, the State of California, nor any of their administrative agencies sponsor, endorse or are otherwise affiliated with this presentation.

2. Source 2020 EPA Automotive Trends Report. The 2019 MY Sedan / Wagon subcategorized fleet was made up of 10.3% electrified powertrains (noted as Hybrid Vehicles, Plug-in Hybrid Electric Vehicles, Battery Electric Vehicles, and Fuel Cell Electric Vehicles). The inclusion of electrified powertrains in the EPA category average causes the estimate of CO2 reduction from the Green Bond to be lower than if it had been calculated in comparison to internal combustion engine powertrains only.

# Estimate of Environmental Impact by Eligible Model

Make	Model	Combined City/Highway MPG/MPGe <sup>(1)</sup>	Lifetime CO2 Emissions per Vehicle (tons) <sup>(2)</sup>	Lifetime CO2 Savings per Vehicle (tons) <sup>(3)</sup>	% Improvement over Average Vehicle in Category <sup>(3)</sup>	Number of Vehicles Financed	Lifetime CO2 Savings, Total (tons)
Toyota	Avalon Hybrid	43	48.5	19.0	28%	972	18,512
Toyota	Camry Hybrid <sup>(4)</sup>	49	42.6	24.9	37%	8,219	204,801
Toyota	Corolla Hybrid	52	39.8	27.8	41%	3,802	105,571
Toyota	Mirai	66	35.5	32.0	47%	205	6,568
Toyota	Prius <sup>(5)</sup>	50	41.6	26.0	38%	6,731	174,731
Toyota	Prius Prime <sup>(6)</sup>	86	24.1	43.4	64%	3,230	140,262
Lexus	ES 300h	44	47.9	19.7	29%	2,121	41,740
<b>All Eligible Models<sup>(7)</sup></b>		<b>54</b>	<b>40.2</b>	<b>27.4</b>	<b>41%</b>	<b>25,280</b>	<b>692,185</b>

1. Source: EPA and US Department of Energy Office of Energy Efficiency and Renewable Energy ([www.fueleconomy.gov](http://www.fueleconomy.gov)). Combined fuel economy calculated using EPA Automotive Trends Report “estimated real-world fuel economy” weighting of 43% City and 57% Highway mileage. Miles per gallon (“MPG”) or MPG equivalent (“MPGe”), which represents the number of miles a vehicle can go using a quantity of fuel with the same energy content as a gallon of gasoline.
2. Source: [The 2020 EPA Automotive Trends Report: Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975 \(EPA-420-R-21-003, January 2021\)](#). Estimated lifetime vehicle mileage traveled (VMT) equals 195,264 miles. CO2 emissions calculated on a “well-to-wheels” basis includes both upstream “well-to-tank” CO2 emissions and emissions from on-board gasoline combustion.
3. Source: EPA 2020 Automotive Trends Report. Combined average City/Highway mileage for 2019 MY Sedan/Wagon category is 30.875 MPG, resulting in lifetime CO2 emissions of 67.54 tons/per vehicle.
4. Includes Camry Hybrid LE and Camry Hybrid XLE/SE. Mileage varies by model.
5. Includes Prius, Prius Eco, Prius AWD, and Prius C. Mileage varies by model.
6. Prius Prime is a plug-in hybrid vehicle with EPA estimated mileage of 54 MPG in hybrid mode, 133 MPGe in electric mode. Mileage and emissions for this calculation reflect estimated combined cycle usage along with EPA-estimated utility factor (which in turn is based on SAE J2841 Standard [https://www.sae.org/standards/content/j2841\\_200903/](https://www.sae.org/standards/content/j2841_200903/)).
7. Per vehicle metrics are calculated as a weighted average of the Eligible Models financed by the Green Bond.

