



# TMCC Green Bond Impact Report

June 2022

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# TMCC 2021 Green Bond Overview

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- \$1,482 million USD Asset Backed Securities offered on June 14, 2021
- TMCC's sixth Green Bond issuance since 2014, for a cumulative total of over \$7 billion
- Proceeds were used to finance approximately **46 thousand** 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.toyotafinancial.com/content/dam/tmcc-webcommons/toyotafinancial/documents/investor-relations/green-bond/TMCC\\_Green\\_Bond\\_Framework\\_Second\\_Party\\_Opinion\\_May\\_2021.pdf](https://www.toyotafinancial.com/content/dam/tmcc-webcommons/toyotafinancial/documents/investor-relations/green-bond/TMCC_Green_Bond_Framework_Second_Party_Opinion_May_2021.pdf)

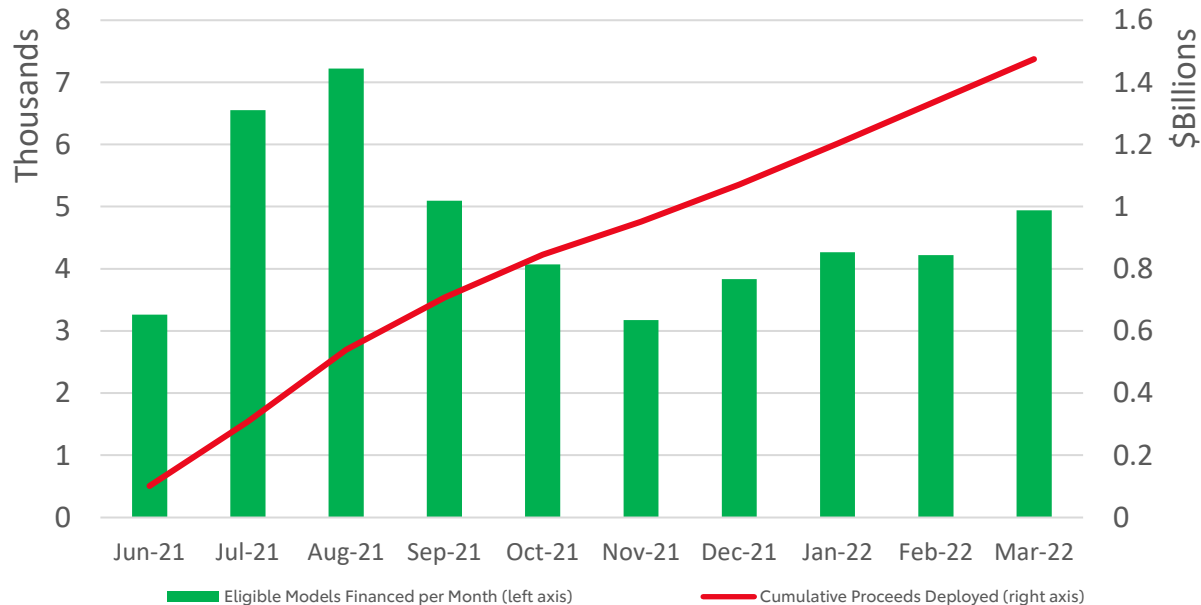
2. [https://www.toyotafinancial.com/us/en/investor\\_relations/green-bond-programs.html](https://www.toyotafinancial.com/us/en/investor_relations/green-bond-programs.html)



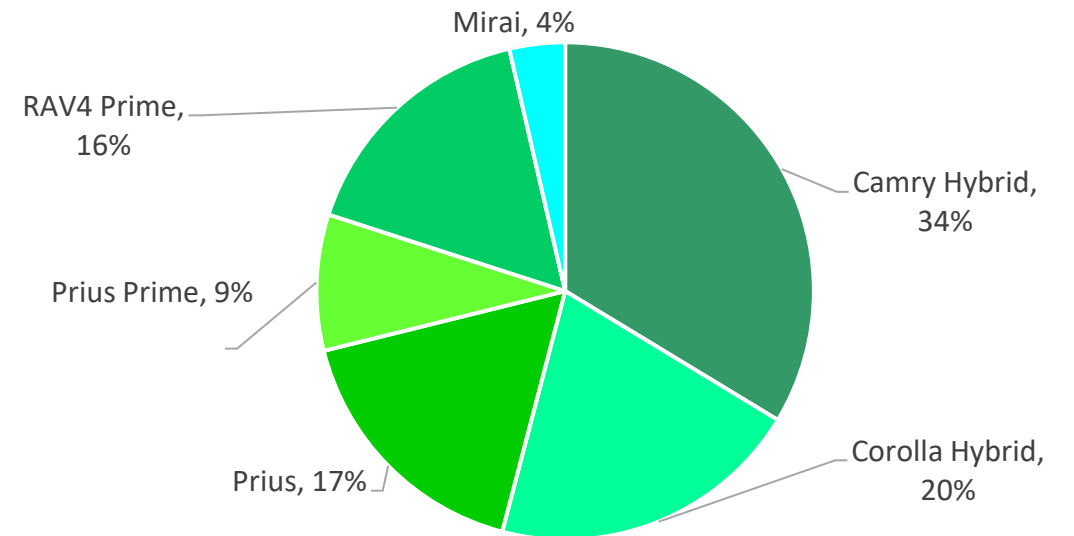
# Use of Proceeds

- Green Bond proceeds were fully deployed to finance Eligible Vehicles within 10 months
- Deployment of proceeds slowed down between October and December 2021 due to low inventory
- Camry Hybrid and Corolla Hybrid represent more than half 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 2021 model year vehicle in the EPA's Sedan/ Wagon category<sup>(2)</sup>

**1,228,067 tons**  
lifetime CO2  
reduction

**115.7 million**  
fewer gallons  
of gasoline



1. Source: The 2021 EPA Automotive Trends Report: (<https://www.epa.gov/automotive-trends/download-automotive-trends-report#Full%20Report>). 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 2021 EPA Automotive Trends. (<https://www.epa.gov/automotive-trends/explore-automotive-trends-data#SummaryData>) The 2020 MY Sedan / Wagon subcategorized fleet was made up of 7% 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	Camry Hybrid <sup>(4)</sup>	49	42.3	23.7	36%	15,700	371,955
Toyota	Corolla Hybrid	52	39.5	26.5	40%	9,511	252,247
Toyota	Mirai	66	35.5	30.5	46%	1,683	51,373
Toyota	Prius <sup>(5)</sup>	52	40.0	26.0	39%	7,956	206,691
Toyota	Prius Prime <sup>(6)</sup>	68	30.7	35.4	54%	4,122	145,720
Toyota	RAV4 Prime <sup>(7)</sup>	52	39.9	26.1	40%	7,652	200,082
<b>All Eligible Models<sup>(8)</sup></b>		<b>53</b>	<b>39.7</b>	<b>26.3</b>	<b>40%</b>	<b>46,624</b>	<b>1,228,067</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: (<https://www.epa.gov/automotive-trends/download-automotive-trends-report#Full%20Report>). 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 2022 Automotive Trends Report. Combined average City/Highway mileage for 2021 MY Sedan/Wagon category is 31.37 MPG, resulting in lifetime CO2 emissions of 66 tons/per vehicle.
4. Includes Camry Hybrid LE and Camry Hybrid XLE/SE. Mileage varies by model.
5. Includes Prius, Prius Eco, and Prius AWD. 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 or 25kWh/100-mile in electric mode. Mileage and emissions for this calculation reflect estimated combined cycle usage along with fleet utility factor based on SAE J2841 Standard ([https://www.sae.org/standards/content/j2841\\_200903/](https://www.sae.org/standards/content/j2841_200903/)).
7. RAV4 Prime is a plug-in hybrid vehicle with EPA estimated mileage of 38 MPG in hybrid mode, 94 MPGe or 36kWh/100-mile in electric mode. Mileage and emissions for this calculation reflect estimated combined cycle usage along with fleet utility factor based on SAE J2841 Standard ([https://www.sae.org/standards/content/j2841\\_200903/](https://www.sae.org/standards/content/j2841_200903/)).
8. Per vehicle metrics are calculated as a weighted average of the Eligible Models financed by the Green Bond.

