

Toyota's Green Power Commitment



Why We're Purchasing Green Power

*Fifth National Green Power Marketing Conference
Business Customer Roundtable*

August 7, 2000

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- *What we did*
- *Why we did it*
- *How we did it*
- *Life since the switch - what's next*

What we did

Earth Day 1998

100% Renewable Electricity

EdisonSource's EarthSource 100

12 megawatts of load

Southern California Facilities

Two-year term

Why we did it

Commitment to the Environment

- *One of Toyota's "Guiding Principles":
"to exist in harmony with the earth"*
- *Earth Charter*
 - *Comprehensive Approach*
 - *Proactive measures*
 - *Social contribution*

Why we did it

- *Environmental Leadership*
 - *Advanced automotive technologies*
 - *Reforestation*
 - *Hybrid trees - process additional CO₂*

Why we did it

- *Corporate Leadership*
 - *Commitment to corporate leadership*
 - *Use of green power is a statement and challenge to our business partners, our competitors and the rest of corporate America that it is important for all of us to take responsibility for our environment.*

Why we did it

Reality of Doing Business Now and In the Future

- *Environmental responsibility is the “price of admission” for doing business*
- *Our customers are not willing to accept environmentally advanced automotive products and then look the other way at how we conduct the rest of our business.*

Why we did it

Social Responsibility and Our Employees

- *We are a citizens of the world*
- *We recognize that the actions we take can have a lasting impact on everyone - we all breathe the same air.*
- *Green power discount for employees*
 - *reinforces corporate commitment*
 - *encourages individual personal action*

How we did it

- *The Idea*

- *Generated in the Real Estate & Facilities and Environmental Affairs department*
- *Looking electric utility deregulation*
- *Opportunity to build on our Green Lights and Energy Star programs*
- *We knew that it would not be easy – we needed help*

How we did it

- *Opportunity Knocks*
 - *October 1997 about 90% the annual Toyota Global Symposium dedicated to the environment and environmental issues.*
 - *December 1997 the Kyoto Conference*
 - *In Japan, our parent company tuned into the environment – it should be an easy sell here in the United States*

How we did it

- *Selling the Idea - Answering the Questions*
 - *Things are never as easy as they seem*
 - *Even with a strong environmental focus in Japan, our senior management was still focused on our core business of profitably selling motor vehicles.*
- *The program needed the approval of the Finance and the Executive Committee.*

How we did it - the Questions

- *Cost*
 - *There was a lot of discussion about the cost premium for green power*
 - *This was not a budgeted cost*
 - *Even with the vast financial resources of a company like Toyota, it spends it's money one yen at a time*

How we did it - the Questions

- *What is “Green Power”?*
 - *Education and understanding is the key.*
 - *Do your homework - keep it simple*
 - *Explain “what’s green power” and “what’s not green power - “LGE”*
 - *Green power is providing financial support for generating electricity from renewable sources - encouraging more production*

Green Power - Toyota Style



How we did it - the Questions

- *Is it Reliable?*
 - *“green power” is just as reliable as electricity from any other power producer.*
 - *The lights wouldn't go out or the computers shut down if the wind stops blowing or the sun stops shining.*
 - *How can we be sure we are “getting” what we're paying for? “Green-e”*

Green-e Brand



TM

50% Renewable Electricity

The Green-e Brand

How we did it - the Questions

- *Is there enough of it to meet our current and future needs?*
 - *Capacity of available “green” power versus our demand*
 - *Future needs*

How we did it

- *The Surprise*

- *We had senior management approval*
- *Negotiations with Edison were done*
- *The attorneys were done*
- *Earth Day was selected to sign the agreement make the announcement.*
- *We had done it!.....or so we thought.*
- *The day before of Earth Day.....*

Life since we switched - What's next

- *Preferences for certain renewables*
- *Successful EdisonSource “pilot” program*
- *Earth Day at Toyota*
- *Switch of provider to GreenMountain*
- *Green power purchases for other facilities*
- *Distributed generation “cleaner and greener”*
- *New constituencies*
- *New decision makers*

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