



TOYOTA MOTOR PHILIPPINES IS MAKING ITS SANTA ROSA PLANT CARBON-NEUTRAL BY 2035, EXPANDS SOLAR FACILITY

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Toyota Motor Philippines Corporation (TMP) accelerated its 'Plant Carbon Neutrality' target by 15 years to 2035 from originally planned 2050, aligning with the new target of Global Toyota to reduce the carbon dioxide (CO₂) emissions of all its manufacturing plants. The local manufacturer of the Toyota Vios and Innova has now expanded its onsite 1.46-megawatt (MW) solar facility powering its manufacturing plant and head office.

Sustainable value creation has always been at the core of GT Capital, as we seek to be a leading conglomerate, dominant in all sectors invested, most sought strategic partner in the Philippines, and a major contributor to the nation's sustainable development. We believe that business excellence must be defined not merely by financial gains, but by the impact it creates on society and the environment as a whole. GT Capital takes a long-term approach in planting the seeds today that will

result in the creation of sustainable stakeholder value in the future and contribute to the nation's sustainable development.

In line with this, GT Capital embraces the objectives and aspirations of the United Nations Sustainable Development Goals (SDGs), many of which the company already contributes to. GT Capital identified three priority SDGs to focus its efforts and resources on, namely Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), and Climate Action (SDG 13). To identify these priority SDGs, GT Capital underwent an integrated approach based on its component companies, strengths, current impact, and alignment with the Group's overall strategic direction. This approach was complemented by a thorough materiality assessment and stakeholder consultation.

One of GT Capital's key investments is its 51% direct ownership in Toyota Motor Philippines Corporation (TMP). TMP is the leading and largest automotive and mobility company in the Philippines. Established through a joint venture between GT Capital and Toyota Motor Corporation (TMC) of Japan, TMP is engaged in the assembly, importation, and wholesale distribution of Toyota and Lexus motor vehicles in the Philippines. TMP operates a facility located at the Toyota Special Economic Zone in Santa Rosa, Laguna, where it currently assembles its best-selling Vios and Innova models.

SDG 13 – Climate Action is one SDG where GT Capital and TMP converge. The Group uses a two-pronged approach to achieve this goal. The first approach is mitigation through initiatives that reduce the Group's carbon footprint, while the second approach is adaptation by building resilience against future risks and seeking new opportunities as the nation transitions to a lower carbon economy.

In 2021, after TMC pulled forward its existing 'Zero CO₂ Emissions' goal under the Toyota Environmental Challenge or TEC 2050, TMP likewise advanced its Plant Carbon Neutrality (PCN) roadmap to set clear targets under the two pillars of Renewable Energy (RE) Utilization and Energy Efficiency. TMP intends to achieve its PCN target by using 100% RE, applying smart technologies and operational efficiencies in manufacturing, as well as using modern machineries that rely on alternative fuel or energy sources. TMP plans to enter into an offsite RE purchase agreement in 2023 to help achieve its 100% RE target.

"For TMP, I am confident to say that Plant Carbon Neutrality by 2035 is possible. We have 13 years left before our deadline and we are working continuously to achieve 100% RE by also exploring offsite power sources," TMP President Atsuhiko Okamoto said.

TMP started investing in renewable energy in 2018 with the first phase of installation of the 1-MW TMP Solar Array, a flagship initiative to achieve TMP's commitments to TEC 2050, particularly 'Challenge 3: Plant Zero CO₂ Emissions.' This first phase was a registered Joint Crediting Mechanism (JCM) Model Project, which receives a subsidy from the Japanese government. The JCM is a program that funds the diffusion of low carbon infrastructure in developing countries and provides the agreement holder to use the carbon credits in Japan's emission reduction target.



The second phase was the addition of 0.46-MW capacity, which started in March 2022. MSpectrum, Inc., the renewable energy subsidiary of Manila Electric Company (Meralco), installed a total of 3,486 panels for the full rooftop solar power system in

TMP's main building in Santa Rosa City, Laguna. TMP's total investment to date on its onsite Solar Array Project, which has now increased to 1.46-MW capacity, is over Php96 million. This will contribute to 7-10% of the total energy requirement for both manufacturing and non-manufacturing operations of TMP. Combined with other energy efficiency activities, TMP's plant will therefore lower its absolute CO₂ emissions per vehicle produced by 29%, despite the increase in volumes from 2013. In addition, it will further reduce its emissions by as much as 1,400 CO₂ tons per year, equivalent to 2.9 million trees planted over 20 years. With RE from both onsite and offsite power sources, TMP's RE ratio now ranges up to 23%.



The 1-MW (Phase 1) of TMP Solar Array at its manufacturing plant in Santa Rosa City, Laguna was inaugurated in 2018



The 0.46-MW (Phase 2) expansion as seen on roofs of TMP's main building and administrative services center

The TEC 2050 also covers supply chain and in this respect, TMP aims at reducing indirect emissions that occur in its value chain through ongoing process improvement activities in logistics operations, from the transportation of parts to the delivery of vehicles to the dealerships. To date, there are eight suppliers and 26 Toyota dealers that have also invested in RE facilities or entered into RE purchase agreements.

Moreover, TMP now has the country's widest line-up of Hybrid Electric Vehicle (HEV) models, which provides eco-friendly mobility options to customers and allows them to be engaged in Toyota's collaborative effort towards carbon neutrality.