

Udarbejdet af: AkademikerPension
Emne: The rejected shareholder proposal

10. juni 2022
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The rejected shareholder proposal

Partial amendment to the Articles of Incorporation

1. Details of the proposal

It is proposed that the following provision be added to the Articles of Incorporation.

The Company shall conduct an annual evaluation and issue a report (at reasonable cost, omitting proprietary information) describing if, and how, the Company's lobbying activities (direct and through industry associations), including public statements, serve to reduce risks for the Company from climate change and how they align with the goals of the Paris Agreement and the Company's goal of carbon neutrality by 2050. The report should address the planned actions, if any, where the report identifies misalignment with the goals of the Paris Agreement and the Company's goal of carbon neutrality by 2050.

2. Reason for the proposal

The new provision in the Articles of Incorporation is intended to ensure that the Company makes robust disclosures, as part of its annual reporting, of (i) which lobbying activities directed at the issue of climate change the group companies are pursuing (whether through directly influencing the political process or through public influence activities), and (ii) the extent to which these serve to reduce risks for the group companies from climate change and how they contribute to the fulfilment of the goals of the Paris Climate Agreement of 12 December 2015.

We recognise and appreciate that the Company has already issued its first report on climate lobbying in December 2021 - "*Toyota's Views on Climate Public Policies 2021*"¹ However, the report falls short of investor expectations expressed by, for example, the Climate Action 100+ Net Zero Company Benchmark assessment published in March 2022 on information disclosed as of 31 December 2021² and Institutional Investor Group on Climate Change. Despite improved transparency of the Company, the publication also falls short of disclosures of industry peers to date³.

We find that the Company and shareholders alike could benefit from a strengthening of the Company's disclosures in scope and rigour, and seek to support such strengthening by proposing an adjustment to the Company's Articles of

¹ "Toyota's Views on Climate Public Policies" (28 December 2021):

https://global.toyota/pages/global_toyota/sustainability/esg/environmental/climate_public_policies_en.pdf

² CA100+ Benchmark assessment (published in March 2022) on information disclosed as of 31 December 2021: <https://www.climateaction100.org/company/toyota-motor-corporation/>

³ <https://influencemap.org/EN/report/-d1b6c36cf7701be308412ef034688cc2-17429>

Incorporation to introduce annual reporting on a material topic to the Company, shareholders and wider stakeholder groups in line with global investor expectations.

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