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Via email: <a href="mailto:rami.greiss@accc.gov.au">rami.greiss@accc.gov.au</a>,

#### Complaint about misleading advertising by Toyota Motor Corporation Australia Ltd

- We act for Greenpeace Australia Pacific Ltd (Greenpeace). Greenpeace is a leading
  independent campaigning organization that uses peaceful protest and creative confrontation
  to expose global environmental problems and promote solutions that are essential to a green
  and peaceful future.
- 2. We are writing on their behalf to ask that you investigate various claims made by Toyota. Unless specified otherwise, the representations in question are produced by Toyota Motor Corporation Australia (TMCA). However, a number of the statements in contention relate to Toyota's global plans and thus information from or about Toyota Motor Corporation (international) may be used to scrutinise these claims.
- 3. Greenpeace is referring this matter to the Australian Competition and Consumer Commission (ACCC) for investigation because of your Compliance and Enforcement Priorities for 2022-2023 which includes "consumer and fair-trading issues in relation to environmental claims and sustainability". We note Delia Rickard, the ACCC Deputy Chair, emphasised the importance of this priority during a speech to the Sydney Morning Herald Sustainability Summit on 20 September 2022. She said, "False or misleading sustainability claims undermine consumer trust in all green claims and reduces confidence in the market something the ACCC is keen to guard against."

<sup>&</sup>lt;sup>1</sup> Delia Rickard, 'Speech to SMH Sustainability Summit' (Speech, 20 September 2022) found online at <a href="https://www.accc.gov.au/speech/speech-to-smh-sustainability-summit">https://www.accc.gov.au/speech/speech-to-smh-sustainability-summit</a>.

#### Representations

- 4. Toyota makes a number of environmental representations about their vehicles and their business more broadly (representations):
  - "Toyota will aim for zero CO2 emissions throughout the entire vehicle life cycle and net zero by 2050."
  - "Toyota will accelerate the development of next-generation eco-friendly cars."<sup>2</sup>
  - "The first hybrid electric vehicle was launched over 20 years ago and the technology has proved to be a powerful method in reducing our reliance on fossil fuels."
  - "Hybrid or petrol. Whatever you choose Yaris uses less petrol, produces less CO2 and gains a lot more power." (Yaris)
  - "We've made a vehicle that produces less CO2 than a human produces on a run. It's in our nature to work towards a cleaner tomorrow." (Toyota Mirai)
  - "Increased fuel efficiency. HiAce Turbo Diesel LWB Van is now more economical than the previous equivalent diesel model by 0.5L per 100km in combined city and highway driving. So when every penny counts, you'll find yourself \$4 per week better off. 7.5L/100km Fuel consumption."
  - "In a hybrid, the battery is recharged as you drive so it's always ready to go without ever needing to be plugged in." (see Annexure A for detailed list of all representations)
- 5. These representations carry the following imputations:
  - Toyota has clear plans to transition to a company that is net zero;
  - Toyota is an eco-friendly car trailblazer leading the way on environmentally friendly vehicles;
  - Toyota's hybrid vehicles are good for the environment and produce few greenhouse gas emissions (GHGs);
  - Toyota's petrol and hybrid vehicles are interchangeable in terms of their use of petrol and their CO2 output.
  - Hydrogen cars are emissions free suggesting hydrogen is a green or renewable fuel and therefore good for the environment and climate;
  - Toyota's vehicles (particularly the ones named) are fuel efficient when driven in real world conditions.
  - Hybrid batteries are self-charging and need no external fuel source to operate.
- 6. These representations are potentially misleading or deceptive within the meaning of sections 18 and/or 29 of the Australian Consumer Law (ACL) as:
  - Toyota's net zero plans are potentially misleading and contradict their actions in terms of the production of new cars;
  - Toyota is not seeking a rapid transition to eco-friendly cars and has actively lobbied to halt, weaken or delay emissions standards around the world;
  - Hybrids, hydrogen, and electric vehicles (EVs) are vastly different in their environmental impact and their consistency with zero emissions;

<sup>&</sup>lt;sup>2</sup> Produced by Toyota Global on YouTube (see annexure A). Referenced by Toyota Australia: Toyota Motor Corporation Australia Limited, *Toyota Sustainability Report 2022* (Report, 2022) accessed online at <a href="https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf">https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf</a> pg.2.

- The extent to which emissions reductions can be achieved in a petrol vehicle are significantly less than those that can be achieved by switching to hybrids.
- Mirai hydrogen cars are unlikely to be powered by green hydrogen in Australia and therefore cannot be considered "low emission" vehicles.
- Toyota's vehicles do not meet emission standards in real world use as opposed to test conditions.
- Hybrids require fuel to power the electric battery.

#### Misleading or deceptive conduct

- 7. As you know, conduct is considered misleading or deceptive or likely to mislead or deceive if "the impugned conduct viewed as a whole has a tendency to lead a person into error".<sup>3</sup> Courts take a broad approach and have also looked at the general impression made by the representations. As Burley J stated because the focus is on the "overall impression," it is erroneous and artificial to take an unduly analytical approach to the consideration of the question of the misrepresentation.<sup>4</sup>
- 8. The ACCC's 'Green Marketing and the ACL' ("Green Marketing Guide") helpfully discusses claims relating to the whole product life cycle that are relevant to Toyota's representations. It states "the manufacturing, recycling, destruction, and disposal process should be taken into account before making any environmental claims regarding the relevant characteristic or part. A car is manufactured to be extremely fuel efficient and advertised as 'green' or 'eco-friendly.' This does not take into account the harm to the environment of the production process or the disposal of the car at the end of its life cycle, which may have a large environmental impact. Advertising the car as being 'fuel efficient' rather than 'green' could help avoid misleading consumers."<sup>5</sup>
- 9. Whilst the relevant class and the level of knowledge to be ascribed to them is a matter for later consideration, we observe that the representations have been made to a wide group of consumers and are likely to have been particularly relevant to those who are keen to be environmentally conscious and ensure their purchases are addressing climate change. As observed by the ACCC in articulating its 2022/23 enforcement priorities '[m]any consumers are increasingly considering the environmental impact of the products and services they buy. We are hearing growing concerns that some businesses are falsely promoting environmental or green credentials to capitalise on these consumer preferences.'6
  - 10. Whilst not directly relevant to interpretation of Australian law, approaches by other regulators are indicative of the tough stance being taken with respect to greenwashing. In October 2022, the United Kingdom Advertising Standards Authority (ASA) banned certain

<sup>&</sup>lt;sup>3</sup> Campbell v Backoffice Investments Pty Ltd (2009) 238 CLR 304, 319 [25] (French CJ).

<sup>&</sup>lt;sup>4</sup> Homart Pharmaceuticals Pty Ltd v Careline Australia Pty Ltd [2017] FCA 403 at 188.

<sup>&</sup>lt;sup>5</sup> Australian Competition and Consumer Commission, Green Marketing and the Australian Consumer Law (Report 2011) found online at

https://www.accc.gov.au/system/files/Green%20marketing%20and%20the%20ACL.pdf pg 11.

<sup>&</sup>lt;sup>6</sup> Rod Sims, 'ACCC's Enforcement and Compliance Policy Update 2022-23' (Speech, Committee for Economic Development of Australia, 3 March 2022) found online at <a href="https://www.accc.gov.au/speech/acccs-enforcement-and-compliance-policy-update-2022-23">https://www.accc.gov.au/speech/acccs-enforcement-and-compliance-policy-update-2022-23</a>.

climate advertisements produced by HSBC Bank on the basis that they were misleading. The ads in question claimed that HSBC was aiming to provide \$1 trillion in financing to help clients transition to net zero and that they are planting 2 million trees to help contain carbon. The ASA found that these claims would be taken to mean that HSBC was making, and intended to make, a positive overall environmental contribution as a company. However, HSBC was continuing to significantly finance investments in industries that emitted notable levels of carbon dioxide and other greenhouse gases. The ASA found that this was material information that would affect a consumer's understanding of the company. By omitting this information, the ASA determined that the ad was misleading.

11. The Dutch Advertising Standards also ruled on a Shell advertisement that claimed that they were "the driver of energy transition." It found:

"The Commission considers it plausible that the average consumer will interpret the contested statement in such a way that Shell... is already investing to a significant extent in renewable energy at the expense of fossil fuels. After all, the announcement that Shell is turning into one of the biggest drivers of the energy transition implies that this process has already started and that real change in the core business is taking place. However, as acknowledged, it has been established that, in addition to investing in transition projects, Shell is currently maintaining its investments in fossil fuels and is only phasing out very slowly. In that situation, the Commission considers it unjustifiable for Shell to refer to itself as "one of the biggest drivers of the energy transition", giving the impression that it is an initiator and accelerator of the transition."

### Claim 1: Toyota's net zero plans are potentially misleading and contradict their actions in terms of the production of new cars

12. Toyota States, in their 2022 Sustainability Report, that they have an ambition to reach net zero by 2050.8 This claim notably includes zero *CO2 emissions* throughout the entire life cycle of the vehicle.9 However, according to a report produced by the United Nations High-Level Expert Group on the Net Zero Commitments of Non-State Entities there are certain requirements for net zero claims to be legitimate. The "net zero by 2050" target is based upon the need to limit warming below 1.5°C to prevent further tipping points from being reach and

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<sup>&</sup>lt;sup>7</sup> Advertising Fossil Free, 'Shell may not call itself "driver of the energy transition", rules Dutch ad watchdog' (online on 15 February 2022) Shell may not call itself "driver of the energy transition", rules Dutch ad watchdog - Advertising Fossil Free (verbiedfossielereclame.nl).

<sup>&</sup>lt;sup>8</sup> Toyota Motor Corporation Australia Limited, *Toyota Sustainability Report 2022* (Report, 2022) accessed online at <a href="https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf">https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf</a> pg 2.

<sup>&</sup>lt;sup>9</sup> Ibid 4.

then maintaining that temperature. Any net zero pledge that undermines this 1.5°C limit is self-contradictory. Thus, for Toyota's claims to be justified their net zero pledge must:

- i) Be a commitment by the entire entity
- ii) Include all greenhouse gases, not just carbon
- iii) Contain steppingstone targets for every five years
- iv) Set out concrete ways to reach net zero in line with either the Intergovernmental Panel on Climate Change (IPCC) or International Energy Agency (IEA) net zero GHG emissions modelled pathways that limit warming to 1.5°C;
- v) Start fast and not delay action to the last minute, reflecting the fact that global emissions must decline by at least 50% by 2030.<sup>12</sup>
- 13. The Expert Group created these requirements, amongst others, with the specific aim of preventing the concept of "net zero" from being undermined by false claims, ambiguity, and greenwashing.<sup>13</sup> The report states:
  - "If greenwash premised upon low-quality net zero pledges is not addressed, it will undermine the efforts of genuine leaders, creating both confusion, cynicism and a failure to deliver urgent climate action." <sup>14</sup>
- 14. As such, a claim of net zero by 2050 is misleading or deceptive where there are no concrete plans which would make reaching science-based targets a plausible goal. As of September 2022, Toyota has had a few of their emission reduction targets validated by the Science Based Targets Initiative (SBTi). <sup>15</sup> This includes the reduction of absolute scope 1 and 2 GHG emissions by 68% by 2030 from a 2019 base year and reduction of certain scope 3 emissions by 33.3% (light vehicles) and 11.6% (heavy vehicles) by 2030 from a 2019 base year. <sup>16</sup> These targets, whilst scientifically sound, are not holistic. Currently, Toyota has only had their short-term targets validated. <sup>17</sup> This means that any overall claim as to achieving net zero by 2050 does not have a scientific basis.

<sup>&</sup>lt;sup>10</sup> United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions (Report 2022) accessed online at <a href="https://www.un.org/sites/un2.un.org/files/high-level\_expert\_group\_n7b.pdf">https://www.un.org/sites/un2.un.org/files/high-level\_expert\_group\_n7b.pdf</a> pg 12. <sup>11</sup> Ibid 15.

<sup>&</sup>lt;sup>12</sup> United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions (Report 2022) accessed online at <a href="https://www.un.org/sites/un2.un.org/files/high-level\_expert\_group\_n7b.pdf">https://www.un.org/sites/un2.un.org/files/high-level\_expert\_group\_n7b.pdf</a> pg 12. <sup>13</sup> Ibid 12.

<sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> 'Companies Taking Action', *Science Based Targets Initiative* (Target Dashboard, 2023) https://sciencebasedtargets.org/companies-taking-action#dashboard pg 399.

<sup>16</sup> Ibid.

<sup>&</sup>lt;sup>17</sup> Ibid.

- 15. The need for Toyota to provide clear, consistent, and achievable science-based targets is particularly acute given concerns about the environmental performance of the car industry in general and Toyota in particular. According to a report published by Greenpeace Germany, if car manufacturers continue with current plans, they will produce approximately 400 million more diesel and petrol cars than can sustainably fit into the 1.5°C limit on global heating recommended by the Paris climate agreement, an estimated overshoot of between 105 and 147%. These figures are based on a carbon budget allocation of 53Gt, consistent with the industry's size and scope. This budget allocation allows for the production of 315 million more Internal Combustion Engines (ICE) vehicles worldwide.
- 16. The report highlights Toyota as by far the worst performer among the manufacturers analysed.<sup>21</sup> At the time of the report Toyota was expected to produce between 93 and 109 million more ICE vehicles, roughly a third of the industry's carbon budget. This is between 55 and 71 million more cars than their allotted carbon budget of 38 million, an overshoot of 144 - 188% higher than what is compatible with a 1.5°C scenario. - the limit that net zero targets are designed to maintain.<sup>22</sup> It is currently unclear how Toyota's recent commitments made to the SBTi will affect their production numbers. However, in 2021 Toyota produced just under 9 million vehicles worldwide the vast majority of which were ICE (approximately 69%) and hybrid ICE (approximately 29%) vehicles with plug-in hybrids, battery electric vehicles and fuel cell electric vehicles being collectively less than 2% (data for 2022 is not yet available).<sup>23</sup> In Australia, hybrids account for 31% of total sales with only 72 electric vehicles sold (by Lexus) and 17 Mirai's leased out.<sup>24</sup> Thus, a vast majority of vehicles sold by TMCA are ICE or hybrid ICE vehicles.<sup>25</sup> Based upon current production figures Toyota will likely have already surpassed their carbon budget by 2030.26 In order for Toyota's scope 3 targets to stay compatible with their share in a 1.5°C scenario Toyota will need to immediately and drastically reduce the production and sales of ICE and Hybrid ICE vehicles, a task they are particularly poorly placed to do within the Australian market (discussed further below). Moreover, the International Energy Agency has stated ICE vehicles (including hybrids) will

<sup>&</sup>lt;sup>18</sup> Greenpeace Germany, The Internal Combustion Engine Bubble (Report 2022) accessed online at <a href="https://www.greenpeace.de/publikationen/ICE-Bubble\_2.pdf">https://www.greenpeace.de/publikationen/ICE-Bubble\_2.pdf</a> pg 4.

<sup>&</sup>lt;sup>19</sup> Ibid 4.

<sup>&</sup>lt;sup>20</sup> Ibid.

<sup>&</sup>lt;sup>21</sup> Greenpeace Germany, The Internal Combustion Engine Bubble (Report 2022) accessed online at <a href="https://www.greenpeace.de/publikationen/ICE-Bubble\_2.pdf">https://www.greenpeace.de/publikationen/ICE-Bubble\_2.pdf</a> pg 4.

<sup>&</sup>lt;sup>22</sup> Ibid

<sup>&</sup>lt;sup>23</sup> Toyota, *Sustainability Data Book* (Data Book, December 2022) found online at <a href="https://global.toyota/pages/global\_toyota/sustainability/report/sdb/sdb22\_en.pdf">https://global.toyota/pages/global\_toyota/sustainability/report/sdb/sdb22\_en.pdf</a> 47.

<sup>&</sup>lt;sup>24</sup> Toyota Motor Corporation Australia Limited, *Toyota Sustainability Report 2022* (Report, 2022) accessed online at <a href="https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf">https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf</a> pg 5.

<sup>&</sup>lt;sup>25</sup> Ibid.

<sup>&</sup>lt;sup>26</sup> Toyota, Our Response to Rapid Environmental Changes (Report, 2022) found online at <a href="https://global.toyota/pages/global\_toyota/ir/financial-results/2023\_2q\_presentation2\_en.pdf">https://global.toyota/pages/global\_toyota/ir/financial-results/2023\_2q\_presentation2\_en.pdf</a> pg 4.

- need to be entirely phased out by 2035 to achieve net zero by 2050.<sup>27</sup> At present Toyota has no publicly available plan to phase out ICE vehicles and has continually pushed for the prolongment of hybrid vehicles beyond 2035. As such, claims that Toyota intends to be net zero by 2050 are not backed by policy that could plausibly limit warming below 1.5°C.
- 17. Moreover, despite using phrases such as "towards net zero" Toyota's claims clearly only refer to net zero carbon.<sup>28</sup> A net zero carbon pledge theoretically allows Toyota to continue to release other harmful gases into the atmosphere which are inconsistent with maintaining a 1.5°C scenario. Whilst carbon is the most common greenhouse gas produced by ICE vehicles it is not the only one as vehicle exhausts also emit methane and nitrous oxide which both contribute to global warming. Though they are produced in lower quantities they are important as they have a higher global warming potential (GWP) than CO2 which means you need less methane or nitrous oxide to produce the same amount of warming. A pledge to reach net zero carbon is not a wholistic net zero claim according to either the IPCC or IEA modelled pathways which both necessitate the reduction of all greenhouse gas emissions including methane and nitrous oxide.<sup>29</sup>

# Claim 2: Toyota is not seeking a rapid transition to eco-friendly cars and is actively lobbying against new emissions standards

18. Toyota markets itself as a clean energy trailblazer, claiming they plan to "change the future" by accelerating "the development of next-generation eco-friendly cars." More generally, Toyota claims, "it's in our nature to strive for a cleaner tomorrow" and regularly promote themselves as "global leaders in environmental research and technologies." As noted above, the ACCC Green Marketing Guide discusses the need to consider the whole of life cycle of a product in

<sup>&</sup>lt;sup>27</sup> International Energy Agency, Net Zero by 2050: A Roadmap for the Global Energy Sector (Report, May 2021) found online at <a href="https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector\_CORR.pdf">https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroby2050-ARoadmapfortheGlobalEnergySector\_CORR.pdf</a> pg. 20.

<sup>&</sup>lt;sup>28</sup> Toyota Motor Corporation Australia Limited, *Toyota Sustainability Report 2021* (Report, 2021) accessed online at <a href="https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2021/2021-toyota-australia-sustainability-report\_final.pdf">https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability-report\_final.pdf</a> pg. 2; Toyota Motor Corporation Australia Limited, *Toyota Sustainability Report 2022* (Report, 2022) accessed online at <a href="https://www.toyota.com.au/-/media/toyota/main-site/page-data/sustainability/files/reports-2022/toy-sustainability-report-2022\_fa\_v3.pdf</a> pg. 2.

<sup>&</sup>lt;sup>29</sup> United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (Report 2022) accessed online at <a href="https://www.un.org/sites/un2.un.org/files/high-level\_expert\_group\_n7b.pdf">https://www.un.org/sites/un2.un.org/sites/un2.un.org/files/high-level\_expert\_group\_n7b.pdf</a> pg. 12.

<sup>&</sup>lt;sup>30</sup> 'Toyota Electrified,' *Toyota*, <a href="https://www.toyota.com.au/electrified">https://www.toyota.com.au/electrified</a>; Toyota Global, 'Toyota Environmental Challenge 2050 - Challenge 1' (YouTube) <a href="https://www.youtube.com/shorts/HcDGtmJPRaM">https://www.youtube.com/shorts/HcDGtmJPRaM</a>.

<sup>&</sup>lt;sup>31</sup> Toyota Australia, 'Toyota: Box Car' (YouTube, 9 June 2021)

https://www.youtube.com/watch?v=FPp2cV6JDRM&list=TLPQMTkxMDIwMjK7iCDIiPyCmw&index=5; Toyota, 'National Tree Day', https://www.toyota.com.au/community/partnerships/national-tree-day.

- making a claim about eco-friendly or green cars.<sup>32</sup> As outlined below, hybrid vehicles still burn significant amounts of fossil fuels while being driven and during their manufacture.
- 19. Despite their claims, think tank InfluenceMap has ranked Toyota as one of the world's most aggressive anti-climate lobbyists, below only oil and gas giants ExxonMobil and Chevron.<sup>33</sup> This is largely because Toyota has consistently opposed the transition to battery-electric vehicles. In the UK, for example, Toyota threatened to withdraw its manufacturing in response to a proposed 2035 hybrid phase out.<sup>34</sup> This is despite evidence from the International Council on Clean Transportation (ICCT) suggesting that to stay within a 1.5°C limit ICE vehicles sales will need to be phased out and replaced by fully electric vehicles by 2035.<sup>35</sup> This forms part of broader efforts to undermine government attempts to phase out ICE vehicles worldwide.<sup>36</sup> The New York Times recently reported that Toyota has both publicly condemned and privately advocated against stricter emission standards in the UK, US, EU, and Australia and has donated to politicians who reject the scientific consensus on human-induced climate change.<sup>37</sup> Moreover, in Japan Toyota organised a briefing session with the media with the aim of discouraging them from writing positively about electric vehicles (EVs).<sup>38</sup>
- 20. In combination Toyota's lobbying and advocacy is inconsistent with their claims to be working "towards net zero by 2050". Recommendation six of The United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities highlights the need for non-state actors to align their external policy and engagement efforts to science-based goals in both the short and long term.<sup>39</sup> Ultimately, Toyota's lobbying efforts are at odds with the image it has built as a clean energy leader. Their lobbying efforts attempt to prolong the life of hybrid vehicles to an extent that is inconsistent with 1.5°C representing a deficiency in their "goal" of reaching net zero. It is also likely to mislead the public into thinking that Toyota are attempting to do their part to prevent global warming when, in truth, they are actively campaigning for policies that ensure its continuation.

<sup>&</sup>lt;sup>32</sup> Australian Competition and Consumer Commission, Green Marketing and the Australian Consumer Law (Report 2011) found online at

https://www.accc.gov.au/system/files/Green%20marketing%20and%20the%20ACL.pdf pg.11.

<sup>&</sup>lt;sup>33</sup> 'Corporate Climate Policy Footprint 2022', *InfluenceMap* (Report, November 2022) https://influencemap.org/EN/report/Corporate-Climate-Policy-Footprint-2022-20196.

<sup>&</sup>lt;sup>34</sup> Nicholas Hellen & Gabriel Pogrun, 'Toyota threatens to pull out of UK manufacturing over net-zero plans', *The Times UK*, (online at 3 April 2022) <a href="https://www.thetimes.co.uk/article/toyota-threatens-to-pull-out-of-uk-manufacturing-over-net-zero-plans-djwwkzq86">https://www.thetimes.co.uk/article/toyota-threatens-to-pull-out-of-uk-manufacturing-over-net-zero-plans-djwwkzq86</a>.

<sup>&</sup>lt;sup>35</sup> Georg Bieker, *A Global Comparison on the Life-Cycle Greenhouse Gas Emissions of Combustion Engine and Electric Passenger Cars* (The International Council on Clean Transport White Paper 2021) pg. 56.

<sup>&</sup>lt;sup>36</sup> William Stopford, 'Toyota Clashes with Shareholders over its Slow EV Rollout', Car Expert (online at 16 June 2022) <a href="https://www.carexpert.com.au/car-news/toyota-clashes-with-shareholders-over-its-slow-ev-rollout">https://www.carexpert.com.au/car-news/toyota-clashes-with-shareholders-over-its-slow-ev-rollout</a>.

<sup>&</sup>lt;sup>37</sup> Hiroko Tabuchi, Toyota Led on Clean Cars. Now Critics Say It Works to Delay Them, The New York Times, (online at Oct 15 2021) <a href="https://www.nytimes.com/2021/07/25/climate/toyota-electric-hydrogen.html">https://www.nytimes.com/2021/07/25/climate/toyota-electric-hydrogen.html</a>.

<sup>&</sup>lt;sup>38</sup> InfluenceMap, Lobbymap: Toyota Motor (webpage) <a href="https://lobbymap.org/company/Toyota-Motor">https://lobbymap.org/company/Toyota-Motor</a>.

<sup>&</sup>lt;sup>39</sup> United Nations High-Level Expert Group on the Net Zero Emissions Commitments of Non-State Entities, *Integrity Matters: Net Zero Commitments by Businesses, Financial Institutions, Cities and Regions* (Report 2022) accessed online at <a href="https://www.un.org/sites/un2.un.org/files/high-level">https://www.un.org/sites/un2.un.org/files/high-level</a> expert group n7b.pdf pg 25.

## Claim 3: Hybrids, hydrogen and electric vehicles are vastly different in terms of their environmental impact and their consistency with zero emissions targets

21. Toyota's marketing continuously attempts to draw an equivalence or suggest substitutability between vehicles which have vastly different environmental impact. At present, if you search for "Toyota electric vehicles" on Google the first option will be a link to an "electric vehicles, hybrids and hydrogen" page (see **annexure A**). The heading on the page reads "Toyota electrified. Towards the Future." The page, as at today's date, does not feature a single electric vehicle. Despite this, "electrified" is used as a catchall term to designate a vehicle as environmentally friendly. For example, the page states:

"At Toyota we've made it our mission to find a way to power the future without fossil fuels. We've committed to powering our entire range with zero emissions by 2050 by developing electrified vehicles."

22. This statement creates the dual impression that all electrified vehicles are powered without fossil fuels and are consistent with zero emissions by 2050. This impression is consistent with comments made by the CEO of the Toyota Research Institute Gill Pratt who stated:

"Cradle to grave, the evidence is that PHEV [plug-in hybrid] and BEV [battery electric vehicles] are very close – certainly close enough to suggest that picking one over the other as the ultimate solution isn't currently always the correct answer and the PHEV more often than not currently is the better choice."

23. In reality, evidence suggests that both hybrid electric vehicles (HEVs) and plug-in hybrid electric vehicles (PHEVs) are not significantly better in terms of their emissions than pure petrol cars. 42 Hybrid vehicles only deliver a 21% reduction of lifecycle CO2 emissions and PHEVs only a 26% reduction compared to petrol cars. 43 Comparatively, electric vehicles deliver a 69% lifecycle reduction. 44 The term lifecycle emissions includes any emissions generated from the production, the use across the average life of the vehicle and the disposal of the vehicle. A comparison of these lifecycle emissions shows that hybrid vehicles are much closer to pure petrol cars than they are to electric vehicles which themselves still rely upon fossil fuels in their production. Thus, any claim that equates hybrids of any variety with zero emissions or an end to reliance on fossil fuels is misleading or deceptive. In fact, the ICCT is actively suggesting that "to align with Paris Agreement targets, the registration of

<sup>&</sup>lt;sup>40</sup> 'Toyota Electrified', *Toyota*, <a href="https://www.toyota.com.au/electrified">https://www.toyota.com.au/electrified</a>.

<sup>&</sup>lt;sup>41</sup> Jim Holder, "EVs aren't the only answer": Toyota Scientist on the Future of Cars', *Autocar* (online on 9 July 2022) <a href="https://www.autocar.co.uk/car-news/features/evs-arent-only-answer-toyota-scientist-future-cars">https://www.autocar.co.uk/car-news/features/evs-arent-only-answer-toyota-scientist-future-cars</a>.

<sup>&</sup>lt;sup>42</sup> Transport and Environment, Update – T&E's Analysis of Electric Car Lifecycle CO2 Emissions (Report 2022) found online at <a href="https://www.transportenvironment.org/wp-content/uploads/2022/05/TE\_LCA\_Update-June.pdf">https://www.transportenvironment.org/wp-content/uploads/2022/05/TE\_LCA\_Update-June.pdf</a> pg 2.

<sup>&</sup>lt;sup>43</sup> Ibid 16.

<sup>44</sup> Ibid 2.

- new combustion engine vehicles should be phased out during the 2030 2035 timeframe."<sup>45</sup> This specifically includes hybrid and PHEV's.
- 24. Toyota's electrified vehicle line entirely relies upon Hybrid vehicles. They continue to advertise their "full menu" of clean cars, but an analysis of Toyota's PHEV, EV and hydrogen sales worldwide reveals that plug-in hybrids dominate, accounting for 90% of sales, with EV's and hydrogen accounting for 4% and 6% respectively. Across their entire range EVs make up only 0.4% of total sales globally. Grouping together this range of vehicles under an "electrified" banner allows Toyota to hide their poor EV and hydrogen numbers and promote itself as a green energy powerhouse. At the same time, it allows them to benefit from fear and scepticism surrounding electric vehicles and their ease of use, thus slowing the transition to cars that can be powered by green energy whilst claiming to benefit the environment.
- 25. To justify this stance Toyota continually pushes a narrative that the best path to carbon neutrality is a diverse array of vehicles on the basis that more than half the electricity generated by 2040 will still be powered by fossil fuels. This is inconsistent with steps to power the Australian grid transition with renewables. For example, current ALP policy is to ensure 82% of the electricity is generated by renewables by 2030. It also serves to reinforce a false idea that electric vehicles and hybrids are broadly comparable. This is unlikely to stop in the future as Toyota recently announced plans to introduce 70 new "electrified" models worldwide by 2025 with only 15 being all-electric vehicles.

#### Claim 4: Toyota's petrol vehicles use more fuel and produce more CO2 than hybrids

26. In addition, advertising on the webpage of the Toyota Yaris states, "Hybrid or Petrol: Whatever you choose – Yaris uses less petrol, produces less CO2 and gains a lot more power." It is notably unclear what the Yaris is being compared to in terms of its ability to use less petrol and produce less CO2 (previous models or other company models). As such, the statement clearly articulates that both products are somewhere on the spectrum of environmental friendliness without specifying the extent. The ACCC Guide states that "broad or unqualified claims can be risky as they are ambiguous

<sup>&</sup>lt;sup>45</sup> Georg Bieker, *A Global Comparison on the Life-Cycle Greenhouse Gas Emissions of Combustion Engine and Electric Passenger Cars* (The International Council on Clean Transport White Paper 2021) pg. 56.

<sup>&</sup>lt;sup>46</sup> Sierra Club, Exhausted: Toyota is Losing the Electrification Race as Automakers Charge Ahead (Report 2021) found online at <a href="https://www.sierraclub.org/sites/default/files/press-room/2414">https://www.sierraclub.org/sites/default/files/press-room/2414</a> Toyota%20Losing%20EV%20Race%20White%20Paper%2010 web.pdf pg. 4.

<sup>&</sup>lt;sup>47</sup> Ibid 4.

<sup>&</sup>lt;sup>48</sup> InfluenceMap, Lobbymap: Toyota Motor (webpage) <a href="https://lobbymap.org/company/Toyota-Motor">https://lobbymap.org/company/Toyota-Motor</a>.

<sup>&</sup>lt;sup>49</sup> Katherine Murphy, 'Anthony Albanese commits Labor to emissions reduction target of 43% by 2030' *The Guardian* (online 3 December 2021).

<sup>&</sup>lt;sup>50</sup> Sierra Club, Exhausted: Toyota is Losing the Electrification Race as Automakers Charge Ahead (Report 2021) found online at <a href="https://www.sierraclub.org/sites/default/files/press-room/2414">https://www.sierraclub.org/sites/default/files/press-room/2414</a> Toyota%20Losing%20EV%20Race%20White%20Paper%2010 web.pdf pg. 5.

and do not explain any specific environmental benefit."<sup>51</sup> In this instance, the effect of this broad statement is to link both the petrol and hybrid version under a common "lower emissions" banner. It draws no distinction between each version and in fact the phrasing "whatever you choose" creates the overall impression that the petrol and hybrid versions are largely substitutable.

27. In doing this, Toyota imply that a Yaris (irrespective of type) is an environmentally positive vehicle. This forms part of a broader strategy which places vehicles as far removed as ICE and electric vehicles in the same vaguely environmentally conscious category rather accurately reflecting their environmental benefit. Toyota can therefore draw environmentally conscious consumers into buying a wider range of products than they would otherwise. This degrades the integrity of legitimate green claims relating to electric vehicles and promotes the purchase of higher emitting vehicles over their lower emitting counterparts.

### Claim 5: Mirai Hydrogen cars are unlikely to be powered by green hydrogen in Australia and therefore cannot be considered "low emission" vehicles

- 28. Hydrogen cars play an equally significant role in Toyota's vehicle strategy. Toyota recently advertised it's Mirai hydrogen vehicle as producing less CO2 than a human produces on a run and separately as producing no greenhouse gas emissions. The suggestion made by the advertisement is hydrogen cars produce no or extremely minimal emissions. A disclaimer featured in small writing at the bottom of the ad explains that this means zero *tailpipe* emissions, however it is not prominent in the advertisement, and is unlikely to be seen in the television versions of the advertisement. The overall impression of the advertisement is that the car is zero emissions, but this does not take into account the whole of life cycle of the car and its energy production as required by the guidance set out in the ACCC Green Marketing Guide. CEO of the Toyota Research institute Gill Pratt acknowledged with reference to electric vehicles that "zero tailpipe emissions does not mean zero emissions."
- 29. The nature of hydrogen cars, much like electric vehicles, is that the energy is created externally, and the car can "produce" zero emissions as a result. There are ways that it is possible to produce hydrogen without the use of emissions through water electrolysis but as of

<sup>&</sup>lt;sup>51</sup> Australian Competition and Consumer Commission, Green Marketing and the Australian Consumer Law (Report 2011) found online at

https://www.accc.gov.au/system/files/Green%20marketing%20and%20the%20ACL.pdf pg12.

<sup>&</sup>lt;sup>52</sup> MLME Media Analytics, 'Toyota ~ Mirai ~ Powered By Hydrogen ~ Commercial TV Ad Creative' (YouTube, September 14, 2022)

https://www.youtube.com/watch?v=rj1PaiJrx1c&list=TLPQMTAxMDIwMjLzSQBJou8VDg&index=2 00:00:15;

<sup>&#</sup>x27;Mirai: Pioneer a Better Tomorrow' Toyota (Webpage) found online at <a href="https://www.toyota.com.au/mirai">https://www.toyota.com.au/mirai</a>. <sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>&</sup>lt;sup>55</sup> Jim Holder, "EVs aren't the only answer": Toyota Scientist on the Future of Cars', *Autocar* (online on 9 July 2022) <a href="https://www.autocar.co.uk/car-news/features/evs-arent-only-answer-toyota-scientist-future-cars.">https://www.autocar.co.uk/car-news/features/evs-arent-only-answer-toyota-scientist-future-cars.</a>

July 2021 this accounted to less than 5% of hydrogen worldwide and is thus unlikely to be applied at scale. <sup>56</sup> Moreover, Australia's hydrogen strategy does not make a distinction between green and blue hydrogen which effectively means that there is a chance companies can claim to use 'clean' hydrogen whilst relying on Carbon Capture and Storage to offset their emissions. <sup>57</sup> In effect, this means that there will not be any real reduction in CO2 emissions and is thus inconsistent with a claim of zero emissions.

- 30. It is important to note that claims can be misleading even if they are partly true.<sup>58</sup> Thus, whilst it is true that the Toyota Mirai has potential to produce zero tailpipe emissions this claim fails to disclose integral information which would paint a better picture for the audience of the overall life cycle of the product. Silence is certainly capable of being misleading.<sup>59</sup> The Australian Consumer Law Unfair Practices Guidelines provides an interesting example of this stating:
  - "[silence can be misleading where] a consumer who lives in a regional area is buying a mobile phone. The salesman knows where the consumer lives but fails to tell him that coverage in that area is poor and the phone would be of no use." 60
- 31. This is relevant for two reasons in relation to the Toyota Mirai. The first is that it is unlikely the Mirai will be available to the broader public to purchase any time soon. Hydrogen is extremely cost ineffective and inefficient with only 38% of energy retained by the time it reaches the vehicle. Toyota invested \$7.4 million, alongside the Australian Renewable Energy Agency (ARENA), in a new hydrogen station in Altona Victoria. This will be able to charge a total of 12-14 hydrogen cars per day using green hydrogen. This is one of only two hydrogen stations in Australia (the other in Canberra) and the cost to manufacture a new one is so exorbitant as to make it largely economically unviable. Despite this, Toyota advertised the Mirai nationally on free-to-air television as zero emissions, and green to promote its overall environmental friendliness, whilst ignoring that the car will not be readily available throughout Australia.

<sup>&</sup>lt;sup>56</sup> Acciona, 'What is Green Hydrogen?' (webpage) <a href="https://www.activesustainability.com/sustainable-development/what-is-green-hydrogen/?\_adin=1770248615">https://www.activesustainability.com/sustainable-development/what-is-green-hydrogen/?\_adin=1770248615</a>.

<sup>&</sup>lt;sup>57</sup> Australian National University, '"Serious Threat" of fugitive emissions with hydrogen plan' (online 18 November 2021) <a href="https://www.anu.edu.au/news/all-news/%E2%80%9Cserious-threat%E2%80%9D-of-fugitive-emissions-with-hydrogen-plan">https://www.anu.edu.au/news/all-news/%E2%80%9Cserious-threat%E2%80%9D-of-fugitive-emissions-with-hydrogen-plan</a>

<sup>&</sup>lt;sup>58</sup> Energizer Australia Pty Ltd v Remington Products Australia Pty Ltd [2008] FCA 58.

<sup>&</sup>lt;sup>59</sup> Hardy v Your Tabs Pty Ltd [2000] NSW CA 150.

<sup>&</sup>lt;sup>60</sup> Australian Consumer Law, *Avoiding Unfair Business Practices: A Guide for Businesses and Legal Practitioners* (Report 2016) found online at <a href="https://consumer.gov.au/sites/consumer/files/2016/05/0553FT\_ACL-guides\_UnfairPractices\_web.pdf">https://consumer.gov.au/sites/consumer/files/2016/05/0553FT\_ACL-guides\_UnfairPractices\_web.pdf</a> pg.7.

<sup>&</sup>lt;sup>61</sup> Tom Baxter, 'Hydrogen Cars Won't Overtake Electric Vehicles because they're Hampered by the Laws of Science', *The Conversation* (3 June 2020) found online at <a href="https://theconversation.com/hydrogen-cars-wont-overtake-electric-vehicles-because-theyre-hampered-by-the-laws-of-science-139899">https://theconversation.com/hydrogen-cars-wont-overtake-electric-vehicles-because-theyre-hampered-by-the-laws-of-science-139899</a>.

<sup>&</sup>lt;sup>62</sup> CSIRO, 'Toyota Ecopark Hydrogen Demonstration' (10 February 2022) found online at <a href="https://research.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/">https://research.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/</a>. <a href="https://esearch.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/">https://esearch.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/</a>. <a href="https://esearch.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/">https://esearch.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/</a>. <a href="https://esearch.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/">https://esearch.csiro.au/hyresource/toyota-ecopark-hydrogen-demonstration-toyota-hydrogen-centre/</a>.

<sup>&</sup>lt;sup>64</sup> Hydrogen Fuel Cell Partnership, 'Costs and Financing' found online at <a href="https://h2stationmaps.com/costs-and-financing">https://h2stationmaps.com/costs-and-financing</a>.

32. The second is that the advertisement is silent on the emissions for the whole product life cycle. The ACCC Green marketing Guide states that a car manufactured to be fuel efficient cannot (without reference to whole lifecycle emissions) claim to be "green" or "eco-friendly", as any such claim leads to imputations about the relative harm to the environment of the production or disposal process. <sup>65</sup> Similarly, Toyota's claim that the Mirai produces less CO2 than a human produces on a run ignores the emissions associated with the cars production or any end-of-life cycle emissions. While the Mirai does not produce tailpipe emissions as is suggested in the small disclaimer at the bottom of the screen, its production and the production of hydrogen do. It is well established that disclaimers and small print rarely prevent an otherwise misleading or deceptive claim from being considered as such. <sup>66</sup>

### Claim 6: Toyota's vehicles do not meet emission standards in real world use as opposed to test conditions

33. Several of Toyota's vehicles are soon to be involved in one of the biggest claims in Australia's legal history due to their alleged attempts to cheat emissions standards testing. <sup>67</sup> The lawsuit claims that Toyota has deliberately employed sophisticated engineering to fit "defeat devices" onto some of their higher emissions vehicles including the HiAce, Landcruiser and HiLux, consistently Australia's best-selling vehicle. <sup>68</sup> The aim of these defeat devices is to comply with emissions standards tests but allow the vehicle to run significantly less efficiently in real world conditions. <sup>69</sup> When exposed to heavy loads or higher speeds (that would regularly be employed driving in real-world conditions) the vehicle will fall short of emissions standards. <sup>70</sup> For example, on the Toyota HiAce webpage Toyota make claims as to the fuel consumption and fuel efficiency of the vehicle. However, a disclaimer in the fine print suggests that this fuel consumption is:

"Achieved in test conditions for comparison purposes only. Actual fuel consumption varies depending on driving conditions/style, vehicle condition, load and options/accessories fitted."

34. Disclaimers and fine print are usually insufficient to make an otherwise misleading claim valid. The overall impression of the webpage is that the cars fuel consumption

<sup>&</sup>lt;sup>65</sup> Australian Competition and Consumer Commission, Green Marketing and the Australian Consumer Law (Report 2011) found online at

https://www.accc.gov.au/system/files/Green%20marketing%20and%20the%20ACL.pdf 11.

<sup>&</sup>lt;sup>66</sup> Australian Competition and Consumer Commission v TPG Internet Pty Ltd [2013] HCA 54.

<sup>&</sup>lt;sup>67</sup> Jennifer Dudley-Nicholson, 'Toyota Sued Over Popular Diesel Vehicles' *The Canberra Times* (online on 18 October 2022) <a href="https://www.canberratimes.com.au/story/7945788/toyota-sued-over-popular-diesel-vehicles/">https://www.canberratimes.com.au/story/7945788/toyota-sued-over-popular-diesel-vehicles/</a>.

<sup>&</sup>lt;sup>68</sup> Brooke Rolfe, 'Toyota to Face Class Action Over Dodgy Emissions Reporting' *News.com.au* (online on 19 October 2022) <a href="https://www.news.com.au/technology/motoring/motoring-news/toyota-to-face-class-action-over-dodgy-emissions-reporting/news-story/5073f6ea423565bb129dfdc8a451894b.">https://www.news.com.au/technology/motoring/motoring-news/toyota-to-face-class-action-over-dodgy-emissions-reporting/news-story/5073f6ea423565bb129dfdc8a451894b.</a>
<sup>69</sup> Ibid.

<sup>&</sup>lt;sup>70</sup> Jennifer Dudley-Nicholson, 'Toyota Sued Over Popular Diesel Vehicles' *The Canberra Times* (online on 18 October 2022) <a href="https://www.canberratimes.com.au/story/7945788/toyota-sued-over-popular-diesel-vehicles/">https://www.canberratimes.com.au/story/7945788/toyota-sued-over-popular-diesel-vehicles/</a>.

is reasonably good. Depending on whether the allegations are established, this would potentially make any of Toyota's emissions claims on relevant vehicles misleading and could have already led many people to purchase Toyota vehicles that would not have otherwise purchased them. This is particularly damaging as it undermines confidence in the emissions claims of vehicles and could lead to an increase in emissions on the road.

### Claim 7: Hybrid vehicles derive their initial power from fuel and are therefore not selfcharging

- 35. Toyota has made a number of claims in advertising across their website that describe hybrid vehicles as "self-charging". The term "self-charging" or suggesting that a car "charges itself as you drive" is misleading as it suggests, either directly or indirectly, that the car does not require a petrol engine in order to operate. In fact, the Norwegian Consumer Authority (the Authority) has recently banned Toyota and Lexus from using this language to describe their hybrid line. The Authority determined that the commercial practice was misleading on the basis that electricity produced by the car required gasoline or petrol as a necessary condition. Whilst it is true that hybrid electric motors have the capacity to draw upon regenerative energy from the wheels turning, the Authority ultimately determined that in all practical respects such kinetic energy was only possible as a result of the petrol engine.
- 36. By describing a hybrid vehicle as self-charging Toyota is drawing a comparison with plug-in hybrids and is painting hybrids as the easier alternative. As such, the "self-charging" badge is often coupled with phrases such as "the best of both worlds" suggesting a customer can have all the environmental benefits of an electric vehicle without the necessity of charging. In addition, language such as "no need to plug-in" deliberately targets the need to charge plug-in vehicles to promote hybrid products. Ultimately, the combination of these claims creates the misleading overall impression that hybrid vehicles, much like plug-in hybrids, are able to operate for extended periods of time (or indefinitely) without the use of petrol (with the major difference being that plug-ins are more laborious) thus making them more environmentally friendly. The Norwegian Consumer Authority is clear that use of terms such as "self-charging" was capable of influencing consumers to make an economic decision that they would not have otherwise made thus unjustly benefiting them and degrading the integrity of green claims more generally.<sup>74</sup>

<sup>73</sup> Jake Whitehead, 'Here's why electric cars have plenty of grunt, oomph and torque' The Conversation (online on 16 Apr 2019) <a href="https://theconversation.com/heres-why-electric-cars-have-plenty-of-grunt-oomph-and-torque-115356">https://theconversation.com/heres-why-electric-cars-have-plenty-of-grunt-oomph-and-torque-115356</a>; Fred Lambert, 'Toyota's "self-charging hybrid" ad is banned in Norway, deemed a lie" *Electrek* (online on 24 Jan 2020) <a href="https://electrek.co/2020/01/24/toyota-self-charging-hybrid-ad-banned-norway-lie/">https://electrek.co/2020/01/24/toyota-self-charging-hybrid-ad-banned-norway-lie/</a>
Jan 2020) <a href="https://electrek.co/2020/01/24/toyota-self-charging-hybrid-ad-banned-norway-lie/">https://electrek.co/2020/01/24/toyota-self-charging-hybrid-ad-banned-norway-lie/</a>

<sup>&</sup>lt;sup>71</sup> Fred Lambert, 'Toyota's "self-charging hybrid" ad is banned in Norway, deemed a lie" *Electrek* (online on 24 Jan 2020) <a href="https://electrek.co/2020/01/24/toyota-self-charging-hybrid-ad-banned-norway-lie/">https://electrek.co/2020/01/24/toyota-self-charging-hybrid-ad-banned-norway-lie/</a>.

#### Harm associated with the conduct

- 37. The misleading nature of the representations is of concern given the latest scientific information about the impact of burning of fossil fuels including through petrol and hybrid vehicles. Global emissions are still increasing, admittedly at a decreasing rate. To remain inside the 1.5°C limit we would need to see reductions in emissions by 45% by 2030. At this stage emissions are set to increase by 11% by 2030. Current pledges by parties to the Agreement put the world on track for around 2.5 degrees warming by the end of the century, meaning significant emissions reductions are still required to mitigate against the worst impacts of climate change. The IPCC's Sixth Working Group Report (AR6) has confirmed:
  - i) Human induced climate change is already affecting many weather and climate extremes in every region across the globe. Evidence of observed changes in extremes such as heatwaves, heavy precipitation, droughts, and tropical cyclones, and, in particular, their attribution to human influence, has strengthened since AR5 (the last assessment reports of IPCC).
  - ii) Global surface temperatures will continue to increase until at least mid-century under all emissions scenarios considered. Global warming of 1.5°C and 2°C will be exceeded during the 21<sup>st</sup> century unless deep reductions in carbon dioxide and other greenhouse gases occur in the coming decades.
  - iii) Many changes in the climate system become larger in direct relation to increasing global warming. They include increases in frequency of hot extremes, marine heatwaves, heavy precipitation, and in some regions agricultural and ecological droughts; an increase in the proportion of intense tropical cyclones and reductions in Arctic Sea ice, snow cover and permafrost.
  - iv) Continued global warming is projected to further intensify the global water cycle, including its variability, global monsoon precipitation and the severity of wet and dry events;
  - v) Under scenarios with increasing CO2 emissions, the ocean and land carbon sinks are projected to be less effective at slowing the accumulation of CO2 in the atmosphere;
  - vi) Many changes due to past and future greenhouse gas emissions are irreversible for centuries to millennia, especially changes in the ocean, ice sheets and global sea level.
- 38. Billions of people around the world are already experiencing the consequences of failing to act. In the past decade, Australians have lived through the extremes of bushfires, record droughts and devastating floods. Recent floods in Pakistan submerged one-third of the country in water and displaced 300 million people more than 10 times Australia's total population. At the same time, communities around the world including in China, Western Europe, and Africa are suffering severe droughts and heatwaves. In Africa, tens of millions now face starvation.
- 39. It is imperative that green claims can be trusted so that effective steps can be taken to prevent further damage. Greenwashing reduces consumer trust in products that

genuinely make a difference as it becomes difficult to differentiate between genuine and bogus claims. As such, there is a broader public policy benefit to be had from a strict approach towards green claims. This is particularly important in relation to cars, as transport is a growing source of Australia's emissions.

40. If you have any further queries, please do not hesitate to contact me by email on kirsty.ruddock@edo.org.au or by phone at (02) 2 7229 0031.

Yours faithfully

**Environmental Defenders Office** 

**Kirsty Ruddock** 

Managing Lawyer

Safe Climate (Corporate and Commercial)

### Annexure A - Representations

Date	Document	Relevant	Target Audience	Link(s)
	Name	Extracts	(Assumed)	
Accessed	Toyota	"Toyota will	Consumers and	Challenge 1 (Ch
29/11/22	Environmental	accelerate the	Potential	1):
	Challenges	development of	Investors	https://www.you
		next-generation		tube.com/shorts
		eco-friendly		/HcDGtmJPRaM
		cars" (Ch 1)		
				Ch 2:
		"Toyota will try		https://www.you
		to cut CO2		tube.com/shorts
		emissions by		/VwLB44JbJIA
		90% by 2050"		
		(Ch 1)		Ch 3:
				https://www.you
		"Toyota will aim		tube.com/shorts
		for zero CO2		/c3CiYsa-c38
		emissions		
		throughout the		Ch 4:
		entire vehicle life		https://www.you
		cycle" (Ch 2)		tube.com/shorts
				<u>/0Pdz-oP3bik</u>
		"Toyota will		
		clean up all of its		Ch 5:
		plants		https://www.you
		throughout the		tube.com/shorts
		world" (Ch 3)		/60MVAMxVXns
				CH 6:
				https://www.you
				tube.com/shorts
				/ZTYcEV62fTk
Accessed	Toyota Box Car	"With over 25	Consumers	https://www.you
29/11/22	Ad	years of hybrid		tube.com/watch
, ,		electric and fuel		?v=FPp2cV6JDR
		cell innovation.		M&list=TLPQMTk
		It's in our nature		xMDlwMjK7iCDli
		to work towards		PyCmw&index=4
		a better		
		tomorrow"		
		"Towards net		
		zero by 2050"		
		"It's in our		
		nature to strive		

		for a cleaner		
		tomorrow"		
Accessed 29/11/22	Toyota Tree Planting	"Our commitment to environmental improvement is clear in our ambitious goal to achieving zero carbon emissions across our operations by 2050"	Consumers/Broa der Public	https://www.toy ota.com.au/com munity/partners hips/national- tree-day
		"As global leaders in environmental research and technologies, we strive to create a more sustainable future for the benefit of communities around the world. Part of that includes the development of next-generation Hybrid vehicles and the positive contributions they make to a low-carbon society"		
10 October 2022 – accessible online 29/11/22	Toyota Mirai TV Ad	"We've made a vehicle that produces less CO2 than a human produces on a run. It's in our nature to work towards a cleaner tomorrow"  "Toyota Mirai. Fuelled by	Consumers/Broa der Public	https://www.you tube.com/watch ?v=rj1PaiJrx1c&li st=TLPQMTAxMD lwMjLzSQBJou8V Dg&index=1

		"Toyota Mirai emits zero tailpipe emissions"		
30 March 2021 – accessed 29/11/22	Introducing the All New Mirai (TMC Global)	"With its newly developed air purification system, it promises a cleaner world. It's no longer just an eco-friendly car. More range, more performance. 100% emission free"	Consumers	https://www.you tube.com/watch ?v=HCdgRMCltBs &list=TLPQMTAx MDIwMjLzSQBJo u8VDg&index=4
Accessed 29/11/22	Toyota Mirai Webpage	"A huge step towards our goal of achieving zero emission mobility by 2050"  "Fossil free mobility is	Consumers	https://www.toy ota.com.au/mira i
		becoming more accessible"  "No harmful emissions, the only by-product is water vapor"		
		"Abundant resources, hydrogen is everywhere"		
	Tour	"No greenhouse gas emissions. The potential for clean production"	Committee	
Accessed 29/11/2022	Toyota Electrified	"Toyota Electrified. Towards the Future"	Consumers	https://www.toy ota.com.au/elect rified

	T	T	T	<u> </u>
		"The electrification of Toyota vehicles is just one way we're planning to change the future"		
		"The first hybrid electric Toyota vehicle was launched over 20 years ago and the technology has proved to be a powerful method in reducing our reliance on fossil fuels"		
		"At Toyota we've made it our mission to find a way to power the future without fossil fuels"		
		"We've committed to powering our entire range with zero emissions by 2050 by developing electrified vehicles"		
		"Mobility shouldn't harm the environment, we're finding ways to move green"		
Accessed 02/12/2022	Toyota HiAce	"Increased fuel efficiency. HiAce Turbo Diesel LWB Van is now	Consumers	https://www.toy ota.com.au/hiac e?gclid=Cj0KCQi AvqGcBhCJARIsA

		more economical than the previous equivalent diesel model by 0.5L per 100km in combined city and highway driving. So when every penny		FQ5ke5MIl 8QAywkkj1haVq R0cFdMpLX A n sezevTWvo9XWw s3duJPRkaAqJd EALw wcB&gclsr c=aw.ds
		counts, you'll find yourself \$4 per week better off. 7.5L/100km Fuel consumption."		
Accessed 23/02/2023	Toyota Yaris	"Yaris Hybrid charges as you drive, no need to plug in."	Consumers	https://www.toy ota.com.au/yaris
		"Power Up. Yaris sports a new range of engines in both Hybrid and Petrol. The Hybrid engine is the most powerful and economical in the range."		
		"Hybrid or petrol. Whatever you choose – Yaris uses less petrol, produces lesss CO2 and gains more power."		
Accessed 23/02/2023	Toyota Hybrids	"The best of both worlds."  "Hybrid vehicles seamlessly combine the power of petrol engines with the efficiency of	Environmentally conscious consumers	https://www.toy ota.com.au/elect rified/hybrid?gcli d=CjwKCAiAv9uc BhBXEiwA6N8nY E0VijwDQtwwY5 ay5QQ98wzMrG mVOI1KbI8h2lBc s7ajo6USyE1HW

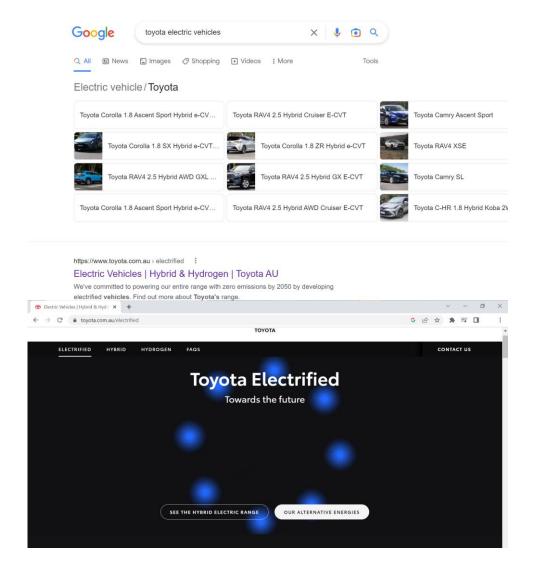
		alastria mastara		VaCK LOAVD DW
		electric motors.		xoCK kQAvD Bw
		In a Hybrid, the		E&gclsrc=aw.ds
		battery is		
		recharged while		
		you drive so it's		
		always ready to		
		go without ever		
		needing to be		
		plugged in."		
		"When stationary		
		or driving in city		
		traffic, the		
		vehicle can		
		automatically		
		switch to electric		
		(or EV) mode		
		using zero fuel		
		and dramatically		
		reducing CO2		
		emissions."		
		Citilissions.		
		"Toyota Uybrida		
		"Toyota Hybrids		
		combine the		
		power of petrol		
		engines and the		
		fuel savings of		
		electric motors		
		to give you lower		
		emissions		
		without waiting		
		for the battery to		
		be charged. 20		
		years ago we set		
		the standard		
		with the Prius.		
		Today we're still		
		leading the way		
		with our Toyota		
		Hybrid		
		technology for a		
		cleaner, greener		
		future for all		
		Australians."		
14 November	Toyota Corolla	"Now that's	Consumers	https://www.you
2022 - Accessed	Cross	some super self-	231134111613	tube.com/watch
	C1033	-		
23/02/2023		charging		?v=zR5F0xg_dFY
		capability."		<u>&amp;list=PLxHt0j7_5</u>
				<u>DqUSEleyHEqe7</u>

	1	1	<u> </u>	
				AHuGWOw8Nbb
				<u>&amp;index=10</u>
23 May 2022 –	Toyota Corolla	"With a whisper	Consumers	https://www.you
Accessed		quiet hybrid		tube.com/watch
23/02/2023		electric system		?v=503BO4vQ_54
		which charges		
		itself whilst you		
		break"		
20 March 2018 –	Toyota Camry	"I used to think	Consumers	https://www.you
Accessed		you had to plug		tube.com/watch
23/02/2023		your hybrid in		?v=G8qApSzOSz0
		and sit and wait		
		for it to plug		
		likea phone.		
		That is not true		
		because there is		
		no plug on a		
		hybrid because it		
		charges itself as		
		you drive."		
		you drive.		
		"The hybrid		
		doesn't need to		
		be charged		
		because it		
		charges while		
		you're driving. In		
		this day and age		
		we're all worried		
		about things		
		going flat. Our		
		phones, our		
		·		
		laptops		
		everything else		
		but with the		
		hybrid cars you		
		don't have to		
		worry about		
		that. Unlike my		
		phone which is		
		now flat."		

Annexure B – Mirai disclaimer



Annexure C – Toyota Click Through



Annexure D – Fuel Consumption Disclaimer

