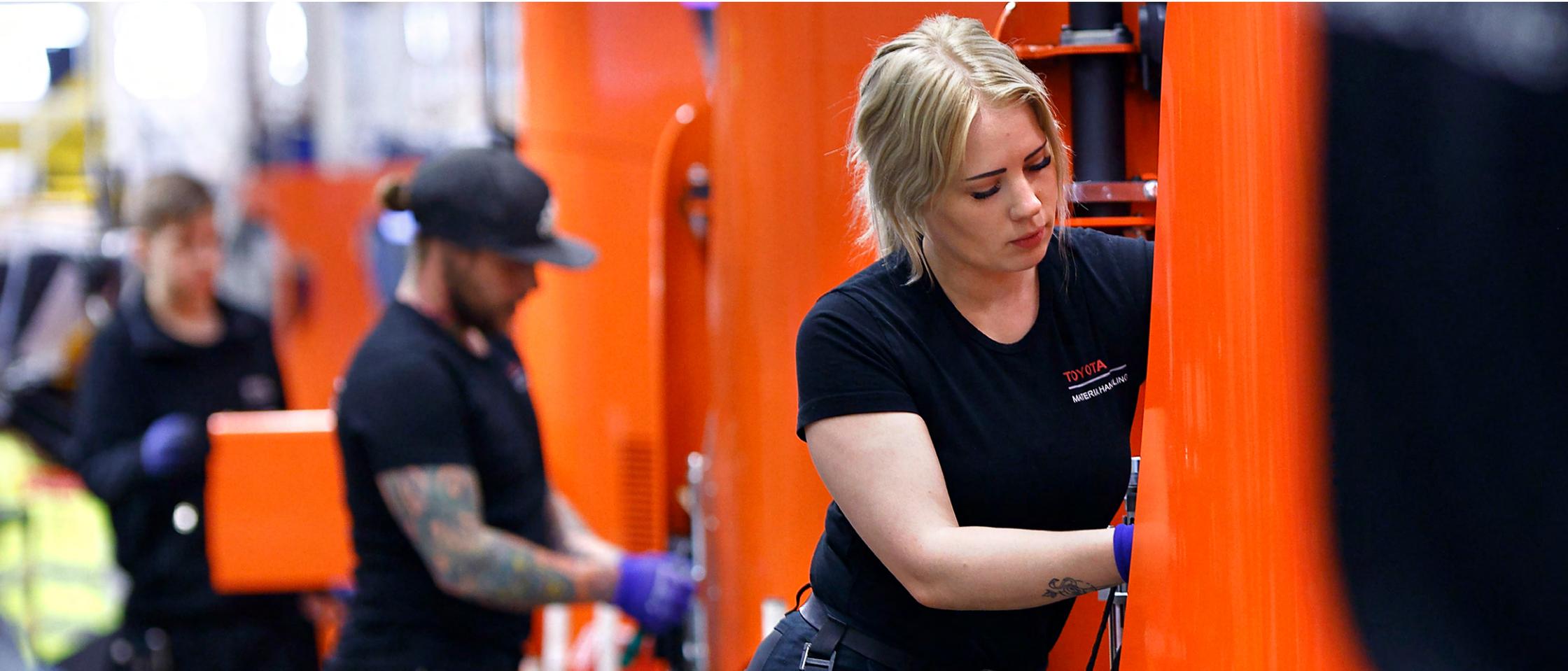


Sustainability Report 2021

Toyota Material Handling Europe



TOGETHER WE MOVE THE WORLD
TOWARDS EASY AND SUSTAINABLE

TOYOTA

MATERIAL HANDLING

Content

GET STARTED

- 3 | **ABOUT TOYOTA MATERIAL HANDLING EUROPE**
- 4 | About Toyota Material Handling Europe
- 5 | Message from our Management
- 7 | Quality, the foundation of our business strategy
- 8 | Organisational structure
- 10 | Our value foundation
- 11 | ● Corporate governance
- 12 | ● Risk management
- 13 | ● Compliance
- 13 | ● Bribery and corruption
- 14 | **ABOUT THIS REPORT**
- 16 | Get started
- 17 | Materiality assessment
- 19 | Sustainability reporting

OUR 3 SUSTAINABILITY PRIORITIES

- 22 | **People | How we optimise opportunities for people to thrive**
- 25 | Our people strategy
- 26 | ● Employee health and safety
- 30 | ● Attract and retain talent
- 31 | ● Training and development
- 35 | ● Equal opportunities and diversity
- 36 | ● Employee engagement
- 43 | KPIs and targets
- 44 | **Planet | How we minimise environmental impact**
- 47 | Joining the UN Race To Zero
- 48 | ● Zero-carbon emissions from our products and solutions
- 51 | Zero-carbon emissions from our suppliers
- 52 | ● Zero-carbon emissions from our operations
- 57 | ● Environmental management
- 61 | ● Circular economy
- 63 | KPIs and targets
- 64 | **Prosperity | How we maximise quality and customer safety**
- 67 | ● Customer safety & operator training
- 70 | ● Quality of products
- 72 | ● Quality of service
- 74 | ● Quality of the experience
- 76 | ● Responsible purchasing
- 78 | ● Transparency and accountability
- 80 | KPIs and targets

DATA

- 81 | **ADDITIONAL DATA**
- 81 | Overview of legal entities covered by GRI, EcoVadis and ISO
- 82 | GRI Indexes
- 84 | Glossary

- Material issues as defined by our stakeholders, read pages 17-18 to understand how they prioritised these issues to be selected for our report



About us

Toyota Material Handling Europe helps businesses of all sizes across Europe to meet today's material handling challenges. Active in 42 countries across Europe and with headquarters in Sweden and a European Marketing Office near Brussels, Toyota Material Handling has five operational factories in France, Italy and Sweden. With 11,600 employees, along with a network of independent distributors and dealers, Toyota Material Handling Europe is part of Toyota Industries Corporation (TICO) – the global leader in material handling equipment.



About Toyota Material Handling Europe



Active in
42 countries



5
factories



177,500
units sold



438,000 trucks
on service agreements

Part of a strong **global network**

QUICK FACTS

Toyota Material Handling Europe is part of Toyota Industries Europe AB, a fully owned subsidiary of Toyota Industries Corporation, the global number one in material handling.

	TOYOTA INDUSTRIES CORPORATION	FY21 vs FY13	TOYOTA MATERIAL HANDLING GROUP	FY21 vs FY13	TOYOTA MATERIAL HANDLING EUROPE	FY21 vs FY13
Employees	66,947	+41%*	46,980	+125%	11,608	+39%
Turnover	17,1 bn EUR	+23%**	11,6 bn EUR	+59%	2.4 bn EUR	+41%
Structure	3 business segments Material Handling, Automotive, Textile Machinery		5 regions Japan, Europe, North America, China, International		30 operational entities	

* Change from Japanese to IFRS standard makes comparisons with previous years difficult - but growth rates are broadly in line with those displayed for employees

** Includes several acquisitions: Vanderlande, Bastian, Tailift; numbers for Vanderlande in Europe are not included in Toyota Material Handling Europe



4
support entities



21
sales and service companies



200
dealers and 15 distributors



+300
suppliers



3,437
trained service technicians



4,4 million
service visits per year



Let's Move the World towards Easy and Sustainable

Ernesto Domínguez, President and CEO, and Peter Damberg, Senior Vice President Human Resources, Corporate Communications and Sustainable Development discuss how Toyota Material Handling Europe's ten-year sustainability journey enabled the company to manage through the pandemic while continuing to prepare for a net-zero future.

Ernesto: As countries across Europe were entering COVID-19 lockdowns, my first day as CEO was on April 1st, 2020. From day one it became clear that we had three priorities: the safety of our employees, our customers and society at large including, not at least our local communities.

Peter: Our pan-European People Strategy, first launched in 2015, with safety and health as one of its priorities gave us a good starting point from which to develop our COVID-19 priorities – priorities that will remain, high pandemic or not.

Ernesto: The disruption to our businesses was significant, but we quickly developed measures to manage the impact and support critical operations, both our own and not at least our customers'.

Peter: I am grateful to all the colleagues who endured furlough to support the endurance of our company but also proud that we found ways to avoid dramatic and hasty countermeasures. No one had to leave our company due to Corona.

Ernesto: We are maybe especially thankful to our service technicians who continued supporting our customers while most of Europe was in lockdown. The pandemic made us realise how critical our role was in the supply chains of hospital supplies and medicines, food and other essentials.

Peter: The commitment and resilience of all our European colleagues connected us even stronger to our company's Purpose which also forms the basis for our new Employer Branding approach. While all processes were on hold, it was our shared purpose that got us through this difficult time. That's why we want to work with it in an even more strategic way.

Ernesto: As sustainability is core to our purpose, we were able to fully achieve 50% of our long-term sustainability targets for 2021, even amidst the COVID-19 pandemic. Some of our proudest achievements – such as moving to 100% renewable electricity across all our locations, attaining a platinum rating from EcoVadis, and achieving net zero emissions manufacturing at our Swedish factory – have come during the last two years.

Peter: Through the combined efforts of 30 sustainability champions across Europe, we cut CO₂ emissions by 29% while growing revenues by 50%. A significant part of our CO₂ savings is due to improved energy efficiency in those entities that are ISO 50001 certified. With today's energy prices, it shows that sustainability is a smart business investment.

Ernesto: Vision and ambition are the keys to unlocking change. Of all the sustainability goals we set, it is the bold and ambitious ones that had a transformative effect, like the Mjölby factory target to be the first net-zero emission factory.

Peter: Metrics alone don't drive action. We strive for a sustainability culture, one in which we encourage all our teams to innovate, dare to make mistakes, and become leaders in the industry transition.

Ernesto: This is why we joined the United Nations Race To Zero. By signing the Business Ambition Letter for 1.5°C from the Science Based Targets initiative, we are committed to publish, within the next two years, science-based emission targets that put us in line with the Paris Agreement's most ambitious scenario.



Peter: We are confident that this challenge will bring out the best in our people. In the war for talent, we know that the type of people that we want to attract, want to work for an employer where they can contribute on solutions to combat climate challenge.

Ernesto: Emissions from our customers using our products and solutions represent 80% of our company's overall carbon footprint. Our commitment represents an opportunity for us to develop the products and solutions our customers will expect from us in a net-zero future.

Peter: EcoVadis has been our partner for ten years in driving sustainability performance across our European network. As a next step, they will be partnering with our purchasing function to onboard our suppliers on the journey to Net Zero.

Ernesto: Advocacy is core to our commitment. We will invite all our business partners and our local communities to join us on the Race to Zero. By signing up, we also become part of a movement of over 6,000 organisations worldwide appealing to global political leaders to come to a strong agreement at COP26 in Glasgow.

Peter: Working in partnership with other organisations is a key capability for companies to achieve ambitious sustainability goals. Since 2010, we have been an active Campaign Partner with the European Agency for Safety and Health at Work. We promote every safety campaign to our own network as well as to our customers, and we exchange best practices with other campaign partners.

Ernesto: Our existing sustainability partnerships with EU OSHA and EcoVadis have brought us business benefits, in ways we couldn't have imagined at the start of the journey. That's why we'll look at which strategic partnerships we can join to help us accelerate on our journey to Net Zero.

Peter: There is a long way to go on the journey – but we will go further, faster, when we all work together. Togetherness is something that has made a huge difference at Toyota, with every colleague contributing to a sustainability culture that encourages real innovation and change. Teamwork is one of our core values.

Ernesto: We're humble and grateful for the way our employees and partners rallied together to achieve these results to contribute to a more comfortable society and a net-zero economy. Now, as we look towards a post-pandemic future, let's resolve to go further and faster than ever!

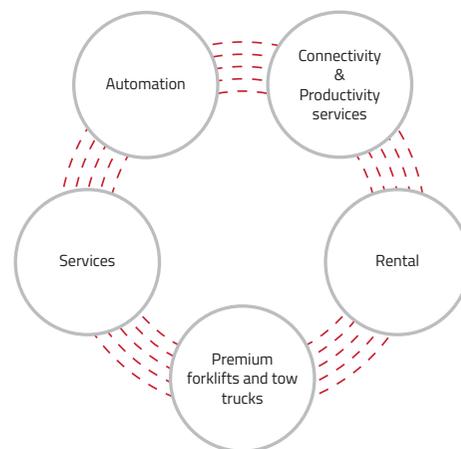


'Vision and ambition are the keys to unlocking change. It is easy to assume that small, low-impact targets are the easiest to achieve, but our experience tells us the opposite.'

Ernesto Domínguez,
President and CEO
Toyota Material Handling Europe

Quality, the foundation of our business strategy

Efficient, safe and sustainable material handling – that is the value we aim to bring to our customers. We continue to execute our strategy in order to increase speed and to continue to be the best partner for our customers and their transformation.



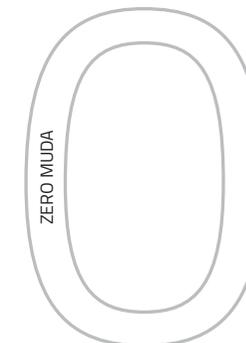
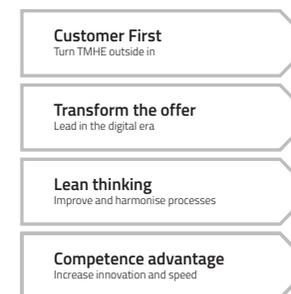
Broadened core offer

Premium forklift and tow trucks, related service solutions, and rental solutions have been our core offer for a long time, and continue to be so. In addition, and of growing importance, we offer solutions within the fields of automation, connectivity and productivity services in our core offer. Being a leader in these areas is necessary to stay relevant.

Quality in everything we do

Quality has always been the focus in Toyota and the foundation of our success. Redefining and raising quality in all parts of our business is key to our strategy and essential for our customers in a

QUALITY IN EVERYTHING WE DO



complex future full of new technology, integrated systems, new services, new competitors, and new partners that they face. We strive to take quality to the next level and widen it to provide a superior customer experience. Fast, easy and reliable is the new quality.

Passionate people move the world

Our company culture is special. People and quality have always been at the heart of our corporation. We see problems as opportunities, we like to solve them and help customers to be even more successful. This culture is deeply rooted within our company and goes back to our founder Sakichi Toyoda and his Precepts. We create positive delivery experiences all over the globe and we believe that moving goods

more efficiently makes the world more sustainable. We aim to save energy and reduce waste. We make use of digitalisation, automation and new services and believe this will be the focal point of our industry in the coming decade. Logistics and material handling are next in line after manufacturing.

Zero Muda will change everything

The future we want to create is a future where Muda is history. All goods produced and services provided are value-adding for end users. Constraints, like waiting, deficiencies and errors are gone. This is a future where material handling equipment and systems are connected and integrated end-to-end over all types of borders and automated as far as possible. Zero Muda, that is our vision.

Organisational structure

Toyota Industries Corporation

Our owner Toyota Industries Corporation (TICO) is the world's market leader in forklifts and warehouse trucks. TICO operates three business segments: material handling equipment (67%), automotive (engines, air conditioning, car electronics) (28%), and textile machinery (2%). The company employs over 64,000 people and had a turnover of 17,1 billion EUR in its FY21. The company is listed on the Tokyo and Nagoya stock exchange.

Find out more about [Toyota Industries Corporation's latest annual, environmental and CSR reports](#).

By establishing a new company and centre of expertise – T-Hive – operating from The Netherlands since April 2021, TICO will bundle its software development in autonomous vehicles. T-Hive's main focus will be to provide a seamless control system encompassing all Automated Vehicles (AVs) within TICO, such as automated guided forklifts (AGFs), automated guided vehicles (AGVs) and autonomous mobile robots (AMRs).

Toyota Industries Europe

Toyota Industries Europe AB is a privately held company in Sweden that reports annually to the authorities under Swedish accounting standards for larger companies. Toyota Industries Europe AB is the legal parent company to a number of other companies, including Toyota Material Handling Europe AB (representing the majority of revenues and employees) as well as Vanderlande BV. Vanderlande publishes their own sustainability report.

The latest Toyota Industries Europe AB Group annual report, with consolidated financial statements and other company information, can be requested (in Swedish) from [Bolagsverket](#), the Swedish Companies Registration Office.



Toyota Material Handling Europe

In 2006, the integration of BT Industries AB into Toyota Industrial Equipment was completed. We are headquartered in Mjölby, Sweden, with a European Marketing & Sales office based in Belgium, and we operate out of 42 countries. We employ around 11,600 people, and generated a turnover of 2,4 billion EUR in FY21.

Lift Truck Equipment S.p.A. in Ferrara is a fully owned supplier of masts for forklifts, and supplier to our truck factories. In FY17, Simai, based in Milan, was acquired. Our Italian site now also produces tow tractors for airports and employs about 30 people. We have not consolidated any data for Simai in this report. Less than 5% of the volume our company sells in Europe is imported from factories in other regions in the Toyota Material Handling Group, the global organisation for Material Handling business within TICO.

Our company has 21 national sales and service companies and four support entities, complemented by more than 200 dealers and 15 independent distributors in 20 countries.

The other regions the group covers are Japan, North America, China and International - serving all other markets across the world. Toyota Material Handling Group is the global leader in material handling equipment across 5 continents.



Our internal and external network

-  Headquarters
-  Factories
-  Sales and service companies
-  National Toyota representation
-  Independent distributors

Toyota Material Handling Europe Executive Management Team



Board of Directors

Our company has a three member Board of Directors comprising of Norio Wakabayashi, Yoichiro Yamazaki and Ernesto Domínguez, and trade unions have appointed three Board Members in accordance with Swedish law. Mr. Norio Wakabayashi acts as the Chairman and Mr. Ernesto Domínguez is President & CEO of our group's Executive Management Team.

The board is ultimately responsible for the organisation and the stewardship of the company's affairs and operations. It acts as a link between TICO and Toyota Material Handling Europe and is scheduled to meet once a month.

Executive Management Team

The Executive Management Team consists of seven Senior Vice Presidents ('SVP'), our President & CEO, and our Chairman. The Executive Management Team sets, implements and reviews the company vision, purpose and strategy.

The SVP's are responsible for either different business areas or functions. Within Market Operations, three Vice Presidents ('VP') are responsible for Marketing & Sales, Service & Logistics and Rental & Used and report to the SVP Market Operations. Within Supply Operations, one VP is responsible for purchasing, he reports to the SVP Supply Operations.

To lead and manage subsidiaries inside Toyota Material Handling Europe Group, certain SVP's and VP's are appointed as Chairmen.

Our work within Sustainable Development, including this report, is led by our SVP Human Resources.

A number of committees ensure cross-functional decision making including topics related to product strategy, compliance, risk management, audit, and executive and director level employees' compensation.

The Executive Management Team holds operational and strategic meetings on a regular basis during which directors and, at set intervals or when required, other members of various departments are invited.

The members of the Executive Management Team have diverse backgrounds, combining a track record of material handling industry expertise with strategic topic specialisation, and in-depth, long-term knowledge of our company. View our Executive Management Team's detailed profiles by clicking on their names in the governance structure map.

Our value foundation



Toyota Precepts

Toyota Industries Corporation formulated the [Toyota Precepts](#) in 1935 to captivate the innovative principles on which Sakichi Toyoda founded the company, and to ensure they would live on after him passing away. The Toyota Precepts are sometimes referred to as our Corporate Creed and our Corporate History.

Always be faithful to your duties, thereby contributing to the Company and the overall good.

Always be studious and creative, striving to stay ahead of the times.

Always be practical and avoid frivolousness.

Always strive to build a homelike atmosphere, that is warm and friendly.

Always have respect for spiritual matters, and remember to be grateful at all times.

The five statements forming the **Precepts are the most important set of principles** for all companies in the Toyota Industries Corporation. Employees and leaders are encouraged to use them as guidance for everything they do, from daily behaviours to strategic business decisions.

Toyota Way

The **Toyota Way** are our **shared corporate values**, adopted by Toyota Material Handling in 2004. They were inspired by the Toyota Precepts and are the foundation of our corporate culture: 'Continuous improvement' (Challenge, Kaizen and Genchi Genbutsu) and 'Respect for people' (Respect and Teamwork).

The **Toyota Way helps us to speak a common language and share common goals** across the company and its entities.

We teach our five corporate values to all employees as part of their introductory training. Processes, practices and business-related tools ensure the embedding of the Toyota Way values within our decision-making culture, our ways of communicating and our workplace behaviours. An assessment of employee alignment with the Toyota Way values is included in annual performance reviews.

Challenge	Maintaining a long-term vision and meeting all challenges with the courage and creativity needed to realise that vision.
Kaizen	Kaizen means 'continuous improvement' and suggests that every product or process can always be improved.
Genchi Genbutsu	Gaining a complete understanding of a problem requires 'going to the source' (genchi genbutsu) and assessing it for yourself.
Respect	Toyota respects its partners, makes every effort to understand others, accepts responsibility and does its best to build mutual trust.
Teamwork	We value the importance of sharing knowledge and motivation to learn from each other. We practice teamwork to maximise individual and team performance.

Corporate governance

In this report we disclose data on our governance more extensively than in previous reports: a clear organisational structure, strong leadership, policies and guidelines, besides fair business practices dealing with risk management, compliance, bribery and corruption.

Code of Conduct

The governing internal document hierarchy starts with the Toyota Material Handling Europe Code of Conduct, which contains a set of binding rules and guidance regarding responsible behaviours for all Toyota Material Handling Europe Group employees.

Our value foundation is manifested through our Code of Conduct. The Code of Conduct stipulates the expected ethical behaviour of our employees, when interacting with each other, with customers, with suppliers, with other stakeholders, or with society at large. It covers a broad range of topics, such as discrimination and respect for human rights, and situations, such as use of company assets, insider trading, compliance with local laws and regulations and environmental preservation. Read the full [Code of Conduct](#).



Our Code of Conduct for suppliers specifies minimum standards expected of all suppliers with focus on socially and environmentally responsible behaviour. Read the full [Code of Conduct for Suppliers](#).

Our Responsible Procurement Policy (internal document), reflects our corporate principles and values, states that employees should focus on socially responsible suppliers and stimulates them to promote the awareness of environmentally responsible purchasing.

Our Code of Conduct Helpline, a third-party platform accessible 24/7 for employees, can be reached by phone or website to raise concerns. The information is communicated to our employees on the intranet.

In FY20:

- We trained 100% of our employees in Code of Conduct.
- We have had follow-up trainings on Responsible Procurement Policy with our factory in Mjölby.
- We have all our major suppliers signing our Code of Conduct for Suppliers.

Policies and guidelines

Toyota Material Handling Europe has established policies and guidelines to set internal standards, which leads to a harmonised way of working and "kaizen", continuous improvements which is one of the Toyota Way values. Policies are mandatory, guidelines give space for local implementation.

Central policies and guidelines are issued for relevant business areas and published on our Intranet. Our Group entities should adopt them to their local languages where applicable.

In 2019, the implementation of our new intranet, T-Space, started. First with headquarter functions and pilot entities and later with a continued roll out to the entire European organisation. This has improved visualisation of all central policies and guidelines as well as localised versions thereof in one portal. Major work was done during FY21 to improve the accessibility by a user-friendly filter function.

Risk management

Toyota Material Handling Europe faces internal and external factors and influences that make it uncertain if and when we will achieve our objectives. The effect of this uncertainty on an organisation's objectives is 'risk'.

Our **Enterprise Risk Policy** sets out the mandatory procedures and objectives for our Enterprise Risk Management (ERM).

ERM is part of Toyota Material Handling Europe's Corporate Governance and is managed by the Risk Committee, led by Toyota Material Handling Europe's Chairman and President. The responsibilities of the Risk Committee are;

- Set high-level guidelines of how people throughout the organisation should identify, evaluate and communicate about risks.
- Define Toyota Material Handling Europe's risk statement and risk tolerances.
- Review reported risks and evaluate the plans to mitigate the risks and develop integrated plans for risk mitigation.

Toyota Material Handling Europe's risk statement concludes that risk can be taken within the limits and policies set by Toyota Material Handling Europe. This means that entities make educated decisions that balance risk and reward. We make every effort to avoid risks in safety, quality, compliance and sustainability. The underlying aim is to protect the company, employees and the brand.

The MD of each entity is responsible for performing risk assessments and defining mitigation measures. This also includes coordination and preparation, as well as reporting, tracking and monitoring the status of mitigation measures.

As Toyota Industries Corporation is listed on the Japanese stock market, most of our entities are obliged to follow the control requirements from Japanese Sarbanes-Oxley Act (J-SOX). Based on J-SOX, we have established and are operating an internal control system to maintain the reliability of financial reporting. All entities within the group perform a self-assessment of their internal control system. In case of identified weaknesses in the internal control environment, a remediation plan is set in order to reduce potential risks related to governance, risk and compliance. The internal control system's status and progress are reviewed by the Internal Audit Department and audited by independent auditors.

Our Internal Audit intends to 'be an independent, objective assurance and consulting activity, designed to add value and improve our operations.'

Our audit committee was established to provide oversight of the audit process, the company's system of internal controls and compliance with laws and regulations. It consists of our chairman, president and CEO, CFO and general counsel. Other audit stakeholders include the other members of our executive management team and our local managing directors. The consolidated review is shared with the audit department in Toyota Industries Corporation.



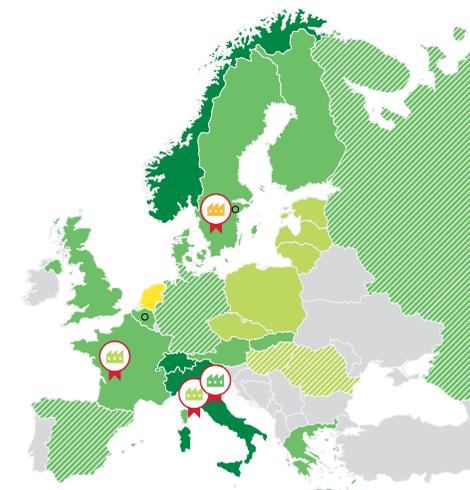
EcoVadis evaluates suppliers on four issues:

Environmental Management, Labour Practices, Ethics and Responsible Purchasing. The Ethics rating looks at the performance in areas covered on previous pages of the report: management structure, corporate governance, leadership, compliance, bribery and corruption, risk management etc. Thanks to their commitment to these topics, Toyota Material Handling Europe and twelve of its subsidiaries achieved an 'advanced' rating and a further eight subsidiaries achieved a 'confirmed' rating.

More information on EcoVadis on pages 24 and 46.

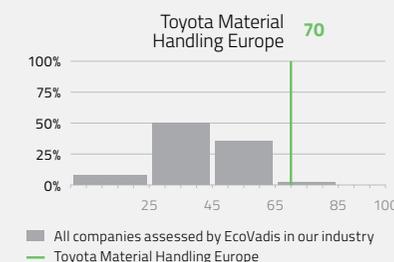
ETHICS SCORE - According to EcoVadis

- >=80% Outstanding
- 70% Advanced
- 60% Confirmed
- 50% Intermediate
- 40% Partial
- 30% Pass
- <30% Fail
- 3rd party operators



- 🏭 Factory
- 🗺️ Sales and service company
- Toyota Material Handling Europe

2021 theme score distribution



Fair business practices

Compliance

In line with our Code of Conduct, we aim to behave with integrity and to ensure that our company complies with all applicable laws and regulations in the countries where we operate. We consider it our responsibility to be familiar with the laws applicable to us in any business situation, including competition laws and environmental laws.

ORGANISATION

Our Compliance Committee has the oversight responsibility for matters of non-financial compliance, including the Toyota Material Handling Europe Compliance System with respect to legal and regulatory compliance.

Our Compliance Organisation is chaired by our General Counsel and is made up of a **29-member team of Local Compliance Officers (LCO)**, with representatives from our factories, sales and service companies and support entities. Alongside their positions within finance, HR, quality functions, LCO's assume their role within Compliance. An LCO is responsible for implementing the Compliance System, including policies and guidelines in the compliance area. An interactive online Code of

Conduct e-learning version, available in fifteen languages complements face-to-face training conducted by the LCOs.

In FY20, Toyota Material Handling Europe has initiated the biannual mandatory **Code of Conduct training** for all of its employees. The purpose of the training is to remind ourselves of the content and spirit of the Code of Conduct to keep it alive and strengthen our sustainable and ethical business culture. This training is now repeated in FY22.

In FY21, **End User IT Policy training** was launched as a part of our Code of Conduct related training programme in order to improve awareness of cyber attacks and fraud attempts.

Our tools for risk assessment in the compliance area consist of the general **Compliance Risk Assessment (CRA)**, which is a part of the Enterprise Risk Management (ERM) process applied at Toyota Material Handling Europe today. LCOs of all local entities performs the CRA, identify potential risks for our company and discuss risks and mitigation strategies with relevant management. The Managing Director of every local entity is ultimately responsible to perform and carry out mitigation measures and monitor progress.

We aim to hold European LCO conferences with regular intervals in order to discuss relevant topics and share best practices. It is challenging for the LCO organisation to work with and develop compliance from a rule based law-abiding approach to create an integrated ethical and culture-based way of working. We apply a continuous improvement approach in order to effectively improve capabilities and manage emerging risks.

DATA PROTECTION AT TOYOTA MATERIAL HANDLING EUROPE GROUP

The General Data Protection Regulation (GDPR) has now been with us for more than three years and it continues to have a broad impact on our business. At Toyota Material Handling Europe, compliance with the GDPR and other similar laws is an integrated part of our Code of Conduct and a topic that fits well into Kaizen, our continuous improvement, approach that we apply for our operations.

Back in FY19, we established a **Data Protection Working Group (DPWG)** to work with GDPR and data protection related issues. DPWG supports the organisation and monitors that the implemented processes are followed. We issued a Personal Data Protection Policy based on seven fundamental principles – (1) lawfulness, fairness and transparency, (2) purpose limitation, (3) data minimisation, (4) accuracy, (5) storage limitation, (6) confidentiality and integrity and (7) accountability – governing all processing of personal data across all of our operations, as well as guiding documents for secure development and maintenance of IT services.

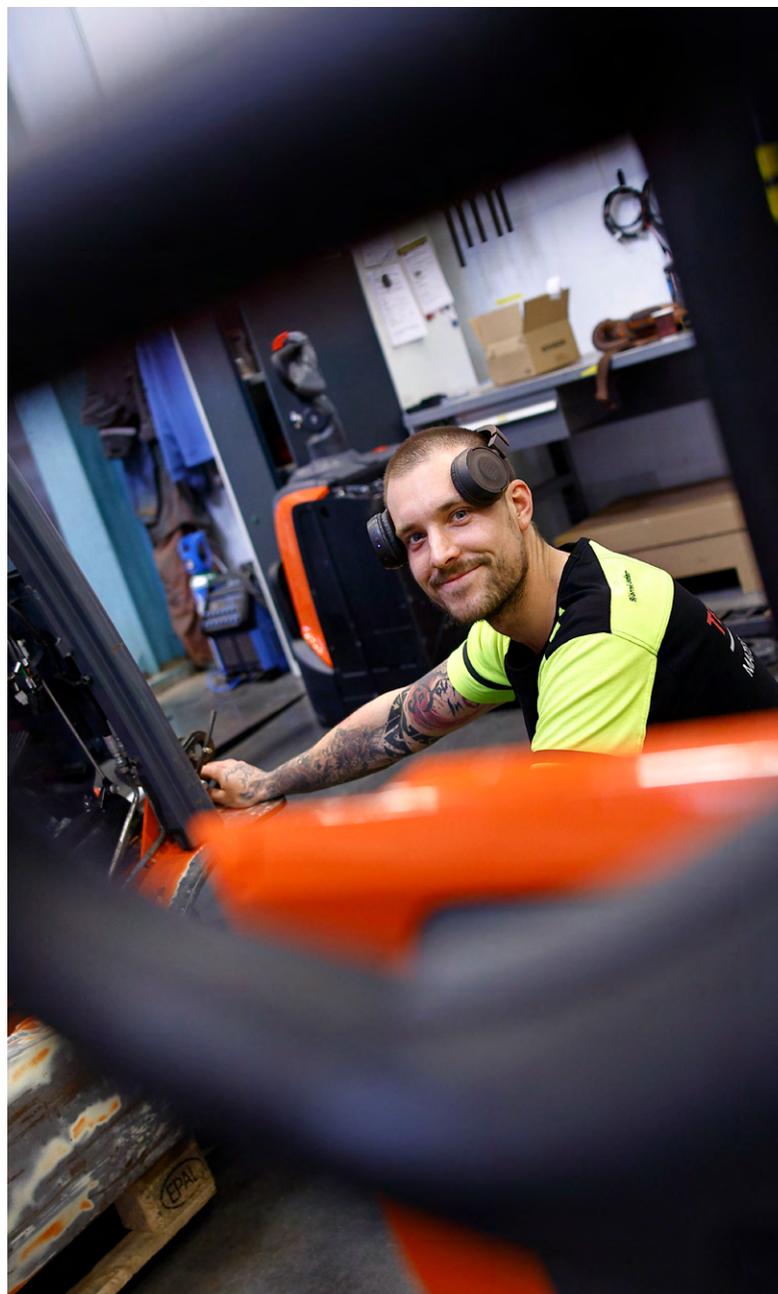
The main focus for Toyota Material Handling Europe and the DPWG have been, and continues to be, the protection of our employees personal data and the protection of personal data related to our customers' employees. Our efforts within information security awareness – through e-learning and other communication activities – are key drivers of Toyota Material Handling Europe GDPR compliance.

Bribery and Corruption

Our Code of Conduct forbids us to, directly or indirectly, demand or accept any unjustified gifts, or other unjustified advantages from any supplier, customer or other third party (including any public organs, authorities and similar bodies) in connection with business transactions or otherwise.

In support, we have implemented a **Gifts and Hospitality Guideline** which we integrated in our Code of Conduct trainings. This guideline builds on the existing legal guidance in relation to the acceptance and provision of gifts, benefits and hospitality; it offers guidance and implements minimum requirements for all our employees. According to the gift test, in difficult cases, employees are required to contact colleagues, managers or their local compliance officer for guidance.

About this report



Our sustainability report shows how we act as a responsible company and how we contribute to society. It creates a dialogue with our customers, it supports them to achieving their own sustainability goals."

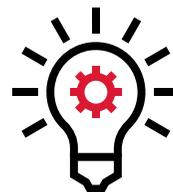


Ralph Cox,
Senior Vice President
Market Operations
Toyota Material Handling Europe

Quick facts about this report

Transparency is becoming the new paradigm for doing business. It helps us tell our story, but most importantly, it drives internal conversations and actions on how we can do better.

Join the conversation via our social channels

New in this report

Our commitment to set Science Based Targets by 2023



Amidst a global pandemic we fully achieved **50%** of our 2021 sustainability targets



GRI Standard
Core Option Reporting



17 material issues covered



>95% of our revenues and employees covered



Top 1% of global suppliers

Get started

OUR STAKEHOLDERS

Employees
Prospective employees
Students
Customers
Suppliers
Distributors
Toyota Industries and its group companies
Local communities
Public authorities
European Works Council

** The European Works Council (EWC) takes a special interest in labour-related issues. Performance against HR and safety KPIs are shared every year at the EWC meeting and the views of employee representatives are considered when developing action plans.*

OUR APPROACH

We engage with our partners to meet those sustainability targets we have in common. Together, we can make a bigger impact by concentrating our efforts.

THREE DIFFERENT ICONS FOR LINKS

-  Reference to other part of report or glossary
-  Reference to website or external document
-  Video

Dialogue with stakeholders

This 2021 report is the completion of our first set of long-term sustainability targets for 2021. Our targets were first developed following a first round of formal dialogue with stakeholders in 2012 and updated in a second round of formal stakeholder dialogue in 2017. We aim to use this 2021 report as a conversation for a third round of formal stakeholder dialogue, to align on our new set of 2031 targets. We are in constant conversation with each of our stakeholders individually. The added value of formal stakeholder engagement is understanding how we can best align our priorities among those of different stakeholder groups.

Reporting requirements

The EU Commission plans to transform the European economy through the implementation of the EU Green Deal. Zero emissions and zero waste are its goals, sustainable economic recovery its purpose, and ever-increasing legislation on transparency and accountability are part of its toolkit. Between 2025 and 2030 companies will need to increase capabilities to provide sustainability data, at company level as well as on the level of each individual product and part sold.

Today, large companies must report on environmental matters, social matters and treatment of employees, respect for human rights, anti-corruption and bribery and diversity on boards under [Directive 2014/95/EU](#). The EU Commission has developed [Guidelines](#) and [FAQ](#) on Non-Financial Reporting; as well as [climate reporting](#). Both emphasise the importance of the use of materiality

in setting reporting priorities, our approach is set out in this report. Among the many internationally recognised guidelines and standards these guidelines recommend, this report has been prepared in accordance to the GRI Standards: Core Option. Chapters focussed on climate change are prepared in line with the [Greenhouse Gas Protocol Corporate Standard](#) and their [Scope 2 Guidance](#). Toyota Industries Corporation includes our data in its [CDP disclosures](#) on climate change and water security for all its global subsidiaries.

Scope

This sustainability report covers the operations of Toyota Material Handling Europe (TMHE), a subsidiary of Toyota Industries Europe (TIE). TIE is itself a fully owned subsidiary of Toyota Industries Corporation (TICO).

Except where otherwise stated, the numerical performance data refers to our Financial Years FY21 and FY20 (ending 31 March 2021 and 2020 respectively) and covers over 95% of our employees. Descriptive sections in the report reflect the state of the organisation on October 1st 2021.

Most KPI data cover four out of our five factories (France, Sweden, and three in Italy). SIMAI in Italy is our most recently acquired factory, with under 40 employees. They are not currently included in central sustainability KPIs. KPIs are followed up locally as part of their local management systems certified to ISO 9001, ISO 14001 and ISO 45001 standards. It also covers 21 sales and service companies (Austria, the Baltic countries, Belgium, Czech Republic, Denmark, France, Finland, Germany, Greece, Hungary, Italy, the Netherlands, Norway, Poland, Romania, Russia, Slovenia, Spain, Sweden,

Switzerland and the UK); and four support function offices (our headquarters in Mjölby, our European Marketing Office in Belgium, Logistics Solutions in Gothenburg, and our European Trucks and Parts Logistics based in Belgium).

Verification

Our European operations have been assessed by EcoVadis for the 8th time resulting in a Platinum level. We do consider this a first step towards an independent external assessment of our sustainability governance in line with GRI Standards. External verification, while advised by both EU and GRI, and implemented by most companies producing GRI reports, is still on our to-do list for future reports. Additionally, all our factories and sales companies have been individually assessed by EcoVadis for the fifth time in FY21, with over 50% of entities rated at either Gold or Platinum level.

Changes

On April 1st 2020, [Ernesto Domínguez](#) was appointed as the new President and CEO of [Toyota Material Handling Europe](#). On April 1st 2021 the company appointed Patric Hed to the European Management Team as Senior Vice President Logistics Solutions. On June 10th 2021, Norio Wakabayashi took office as chairman of the European Management Team.

Since our previous report we had one important change in the status of our reporting entities when [Toyota Material Handling Europe](#) acquired 100% ownership of its Swiss subsidiary. As previous reports already included data for our Swiss subsidiary, this does not result in a change in reporting scope.

Materiality assessment

Prioritisation of material issues

This report is the final capstone on our first decade in sustainability reporting, so we chose to include the materiality matrix on which our past sustainability framework has been based. For more information on how we developed our materiality matrix through stakeholder engagement we refer readers to pages 16 and 17 of our [2019 sustainability report](#).

The material issues in this report determine the priorities in our sustainability strategy, our three headline priorities, the material issues to be included in this report, as well as the over 70 different FY21 sustainability targets and KPIs.

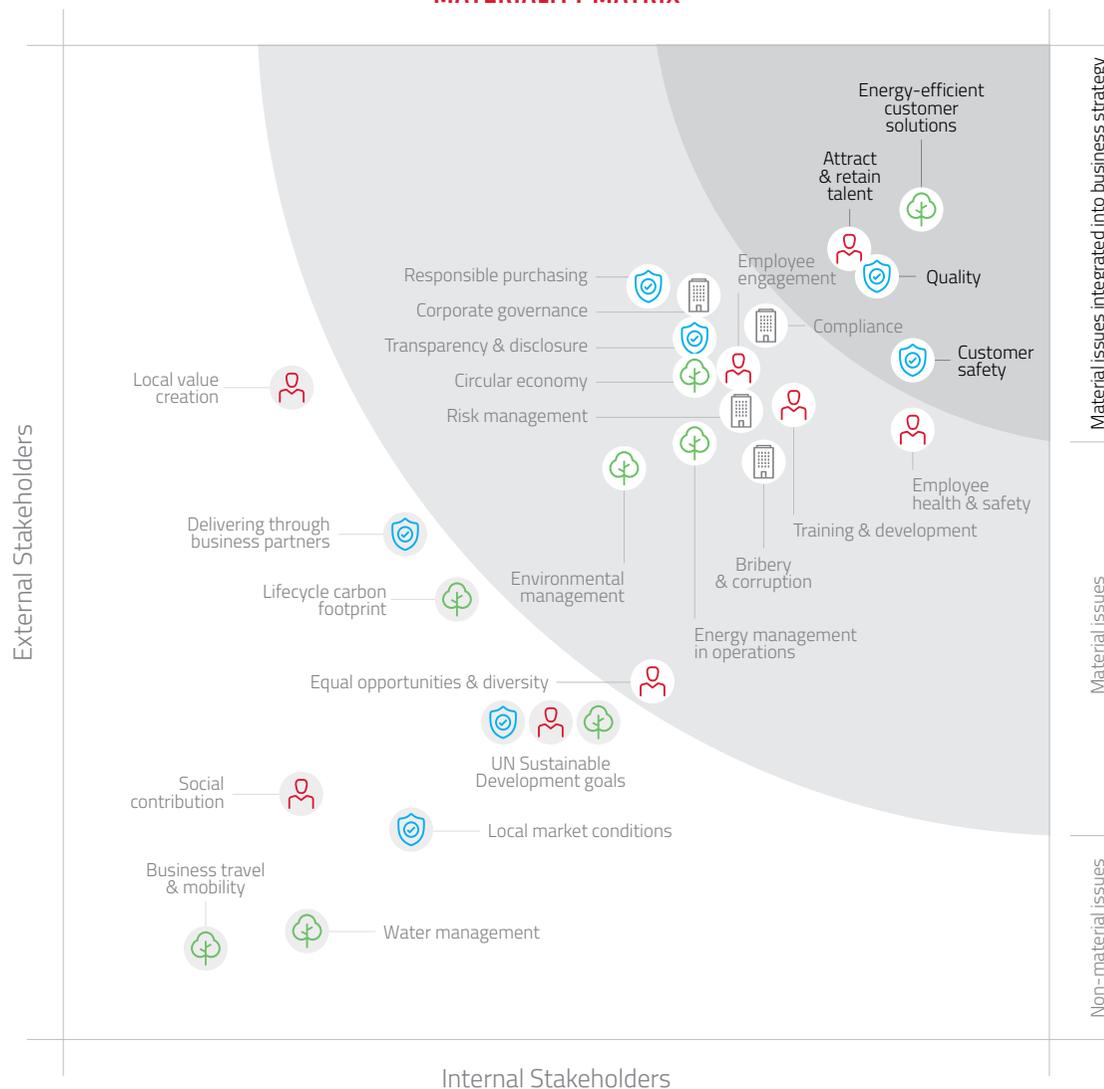
PEOPLE – How we optimise opportunities for people to thrive
 Our employees build our success: talent management, remuneration, training and development, employee engagement, equal opportunities & diversity and employee health and safety were identified as priorities in this area.

PLANET – How we minimise environmental impact
 In line with Toyota Industries Corporation's 2030 Vision, we increase our expertise in developing energy-efficient products and services for our customers. We also want to reduce our energy use in our operations, and through environmental management monitor our water use and waste. We encourage our commercial partners to also take action to protect the planet.

PROSPERITY – How we maximise quality and customer safety
 Throughout our production and processes, quality is key so as to offer our customers high-quality products and services, guaranteeing them maximum safety.

We set high standards on business conduct
 We disclose data on our foundations, being our business structure and organisation. We provide more information on internal regulations, policies, and guidelines assuring that we have an appropriate level of compliance with European and national legislations in areas of risk management, corporate governance, bribery and corruption and compliance.

MATERIALITY MATRIX



Stakeholder Updates

We decided to postpone a round of stakeholder interviews to focus everyone's efforts on supporting our people and our customers through the pandemic. In the absence of an updated materiality matrix, we do want to include a high-level summary of how stakeholder views are evolving.

We plan to interview our stakeholders again in 2022 to gain input on our sustainability roadmap for 2031. This will result in a new materiality matrix to be published latest in our 2023 sustainability report.



In 2021, we did get more spontaneous engagement from stakeholders than ever before on sustainability: customers start including sustainability clauses in contracts; many suppliers start their sales pitch with their sustainability credentials; over 2,000 employees got involved in volunteering efforts to support local communities; over 50% of job candidates in our largest factory asked detailed questions on the company's sustainability commitments.

Our stakeholders confirm our existing priorities

HEALTH, SAFETY AND WELL-BEING

In 2020 we elevated employee health and safety as our number-one priority, in response to the COVID-19 crisis. Extended lockdowns highlighted the importance of extending our focus to employee well-being. An increasing number of external stakeholders views, all people-related topics from the perspective of employee well-being: compensation and benefits, training and development, employee engagement and diversity and inclusion. As our customers dealt with a similar change of perspective, we witnessed a significant increase in customer health and safety requirements. Promoting it to our number-one priority was only possible because of our 10-year journey as partner of EU-OSHA. Several customers require evidence of our commitment in this area in the form of ISO 45001 certificates.

CLIMATE CHANGE

Climate change is one of the key focus areas of the EU Green Deal, a package of new and revised EU legislation to transform the EU economy, create new jobs and make the EU less dependent on imported energy and raw materials. This will create several new challenges and new opportunities for business. As 30% of Fortune 500 companies publicly committed to Science Based Targets, we experience an exponential increase in customer requests to deliver energy-efficient customer solutions and provide evidence of energy management in operations. Within our focus to minimise environmental impact, climate change topics is where we have made the most

significant progress with a 30% cut in absolute emissions since 2012 whilst growing revenues by over 50% over the same period. Several customers also require evidence of our commitment in this area in the form of ISO 50001 certificates, a commitment to a Science Based Target and/or to use 100% renewable electricity.

BUSINESS ETHICS

This has been a priority for us since we launched our code of conduct in 2009, addressing a wide range of issues such as legal compliance, anti-bribery and corruption and responsible purchasing. Several customers also required evidence of our commitment in this area. On a regular basis, we execute mandatory code of conduct trainings for all our employees. As an important part of supply chain management we have processes for our suppliers to commit to our code of conduct for suppliers.

Stakeholders prioritise additional issues

CUSTOMER EXPERIENCE – EASE OF DOING BUSINESS

There is a marked shift in customer priorities from purely technical to more holistic topics. More customers require evidence of process quality e.g. our Net Promoter Score or NPS, product quality e.g. ISO 9001, responsible purchasing e.g. EcoVadis evaluation of our suppliers, energy-efficient customer solutions e.g. SBTs and customer safety.

Across all these topics, customers and other stakeholders expect an exponential increase in transparency and accountability. Increasingly,

customers also require evidence in the form of e.g. a sustainability report in line with GRI standards, or an EcoVadis evaluation of both our European operations and for each of our local entities.

INFORMATION SECURITY

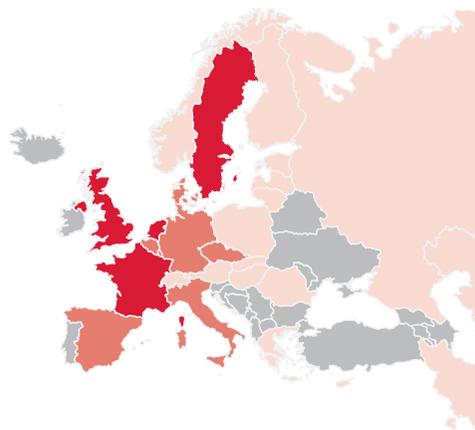
As digitalisation and automation became pillars of our new business strategy, we experienced an increase in the number of customers that require information security management systems in place to securely handle data from their employees and customers.

CIRCULAR ECONOMY

Next to climate change, the circular economy is a second major focus of the EU Green Deal, with the aim to reduce emissions, stimulate employment, reduce dependency on imported materials and human rights issues in raw material supply chains. Also here, disruptive new regulations will provide many opportunities for business model innovation. Our customers increasingly expect information on Life Cycle Assessments (LCA) for our products and solutions. Part of the challenge is that customers have different expectations on what standards should be used.

Each of these six is a key issue in the EcoVadis questionnaire used by over 200 of our customers as well as all customer-specific supplier sustainability questionnaires. With the exception of Information Security, all topics are treated within this sustainability report. The first three topics contain a lot of information and details as they have been long-standing priorities.

Sustainability reporting



Extending our sustainability network

Scope	% of employees covered
● Scope of report 2013	> 58%
● Added to report 2015	> 82%
● Added to report 2018	> 95%
● Independent dealer network (currently out of scope)	

Coverage

All 29 entities report on HR, health & safety, and environmental data on a quarterly basis into our cloud-based sustainability software solution since 2012. This platform enables efficient data collection and performance management for our defined KPIs based on our material sustainability issues identified in previous reports.

Toyota Industries Corporation has started rolling out its own cloud-based environmental reporting software to its global operations. Currently 4 of our factories have implemented this solution in parallel with the Toyota Material Handling Europe solution.

The exponential increase in reporting requirements for sustainability data means that the planned review of our sustainability reporting platforms is on hold. We are currently working on a new set of 2031 sustainability targets, which we aim to review and finalise in dialogue with various stakeholders.

Since we published our latest sustainability report in 2019, the number of entities reporting sustainability data has remained the same, covering over 95% of our employees.



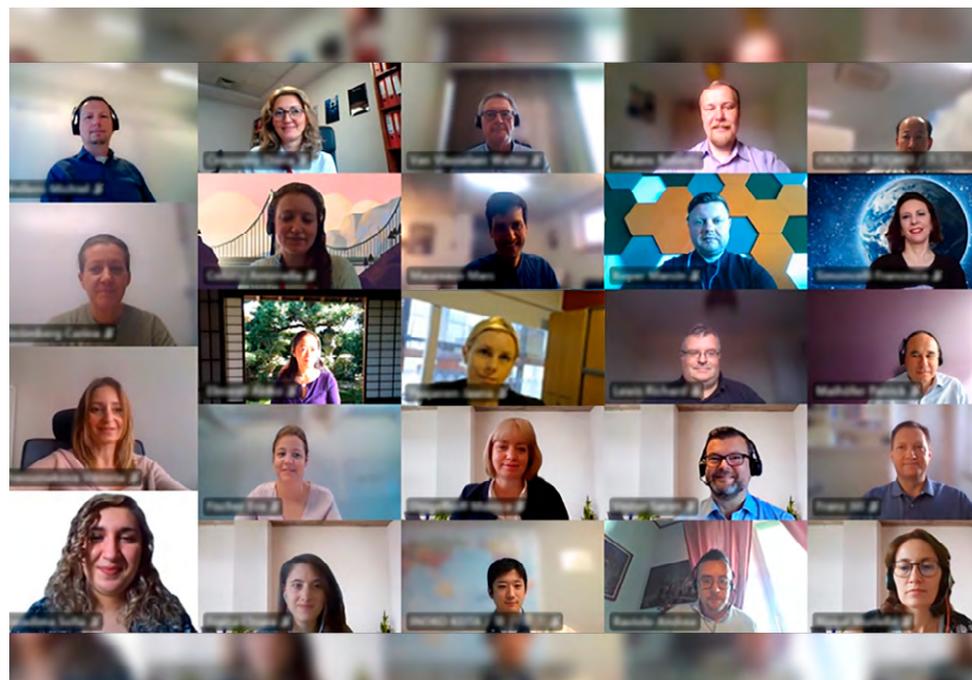
Sustainability management

Health, safety and well-being are on the agenda every time the management team meets. Sustainability in general is on the agenda of our executive management team twice a year, when members discuss how sustainability issues interact with other business priorities and set future priorities and targets.

The sustainability development department is based in our headquarters in Mjölby and in our Brussels office. The department reports directly to our senior vice president of HR, corporate communications & sustainable development who in turn reports directly to our president & CEO.

Local sustainability champions, appointed by the managing director in each of our local entities, are responsible for:

- implementing TICO's environmental commitment, health & safety vision and CSR policy
- managing legal compliance in sustainability-related areas
- reporting progress on sustainability KPIs versus targets



- coordinating the local EcoVadis submission
- promoting good practice with local management and local employees
- participating in monthly online meetings organised by the sustainability department to align with directives of the executive management team
- attending the annual sustainability meeting with a focus on sharing good practices

In 2019, we organised our most recent annual meeting of sustainability champions. In 2020, the meeting was cancelled due to the pandemic. Throughout the pandemic, the sustainability community continued to meet monthly where TICO level experts share new corporate level sustainability requirements; European level experts follow up on the status of FY21 sustainability targets, e.g. the switch to 100% renewable electricity; and local level experts share local good practices to inspire each other.

SUSTAINABILITY CONFERENCES

Local sustainability champions participate in annual sustainability conferences. Since 2013 health & safety accounts for 50% of the agenda. In FY20, 60 local sustainability champions gathered at the good practice event with participants from Toyota Motor Europe, Vanderlande, and other European entities. Workshops were held on the status of health and safety activities in Europe and we were also setting plans and targets for the future. All of this to reinforce our safety culture and improve health and safety technology and measures. The European central team presented performance on local and group targets regarding accident rates and absenteeism, while local entities presented their best practices.



In FY21 we could not arrange a physical meeting due to the pandemic. Instead we have formed smaller working groups that have met digitally on a regular basis focusing on health, safety and well-being as well as on climate change.

United Nations Sustainable Development Goals (SDGs)

TOYOTA MATERIAL HANDLING EUROPE

Goal 17 'Partnership for the Goals' is the single most important of all the SDG's, as no organisation can achieve a sustainable future on its own.

Throughout the report we focus on examples of how we partner with our customers, suppliers, employees, industry bodies, institutions, universities and local communities. Our partnership since FY10 with EU-OSHA is an excellent example of how we collaborate with EU institutions and customers to promote "Good Health and Well-being for people" to our employees, customers and suppliers, in line with the general aspiration of Goal 3.

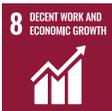
Since our 2018 sustainability report we address some of the priorities covered by 8 of the 17 SDGs:

							
Pages 23 to 29, 64 to 69	Pages 31, 43	Pages 44 to 47, 52 to 57	Pages 51, 64 to 66, 76 to 80, 83	Pages 23 to 29, 58 to 60	Pages 61 to 62	Pages 44 to 47, 52 to 57	Pages 5, 6, 21, 33, 38, 42, 47, 66, 74, 75, 29

TOYOTA INDUSTRIES CORPORATION

In our 2019 report, we explained how our owners Toyota Industry Corporation link their business strategy to the UN Sustainable Development Goals (SDGs) in its [Value Creation Process](#).

In 2020, TICO formalised nine [Material Issues](#) through formal stakeholder dialogue. Through this process, the company was able to focus on nine out of seventeen SDG's where it can make the most significant contribution to make the earth a better place to live, enrich lifestyles, and promote a compassionate society in line with [Vision 2030](#).

CSR Materiality	SDGs to contribute
<ul style="list-style-type: none"> Mitigation of Global Warming Contribution to Circular Economy 	    
Resolving Social Issues through our Business Respect <ul style="list-style-type: none"> Creation of Innovative Values 	  
Foundation Supporting our Business Operations <ul style="list-style-type: none"> Safe and Healthy Environments Leveraging Diversity and Inclusion Sustainable Procurement Compliance and Risk Management 	  

People

How we
optimise
opportunities
for people to
thrive



“

Managing the company
in times of a pandemic
puts even more focus
on our people”



Peter Damberg,
Senior Vice President
Human Resources, Corporate Communications
and Sustainable Development
Toyota Material Handling Europe



Our journey so far – the first 10 years

Health and Safety – Our Number One Priority



Toyota Material Handling Europe partners with EU-OSHA

to use its network of employees, suppliers and customers to campaign for Healthy Workplaces in Europe



Health and Safety KPIs

Start collection of company wide data on injury rates, near misses and sickness absence



Health and Safety Policy

With the introduction of Health and Safety Policy, Toyota Material Handling Europe set minimum standards and recommended best practice levels across 10 Health and Safety priorities + annual self-assessments



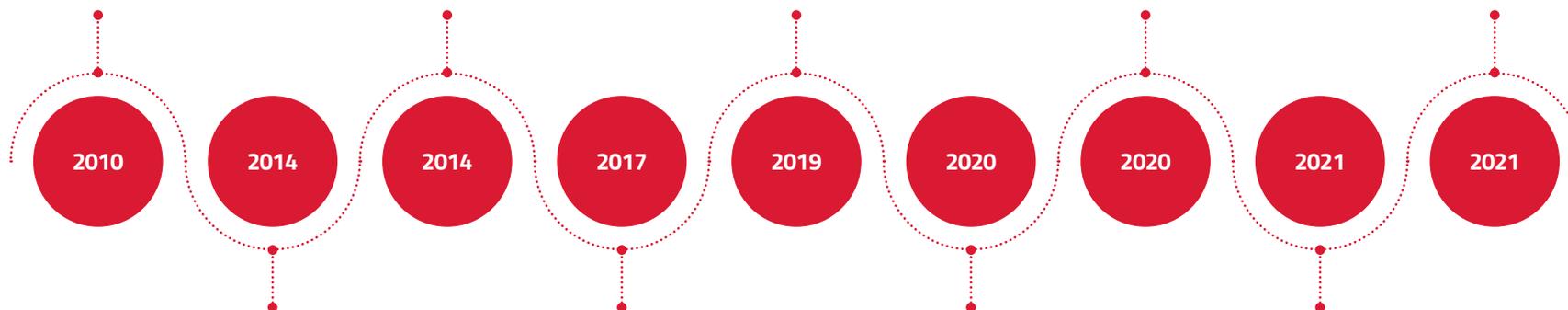
COVID-19 response team

Robust response of HR & known experts across Toyota Material Handling Europe to adapt local prevention strategies



'Move the world towards easy and sustainable'

The company put sustainability at the core of its employee value proposition



All factories certified

All factories achieved OSHAS 18001 for their Health & Safety management systems, now converted to ISO 45001



EU-OSHA awards Toyota Material Handling Spain

EU Commissioner presents Toyota Material Handling Spain with commendation for its prevention approach



No lost workdays due to injuries in our mast factory LTE in three years

Fully owned mast factory in Italy is the first in Toyota Material Handling Europe to have three years without injuries resulting in at least one lost working day



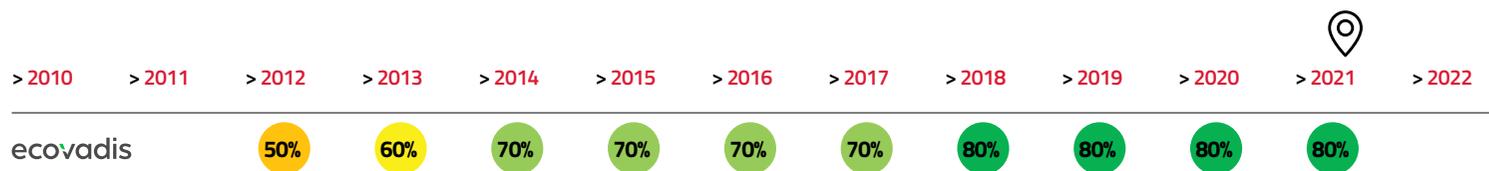
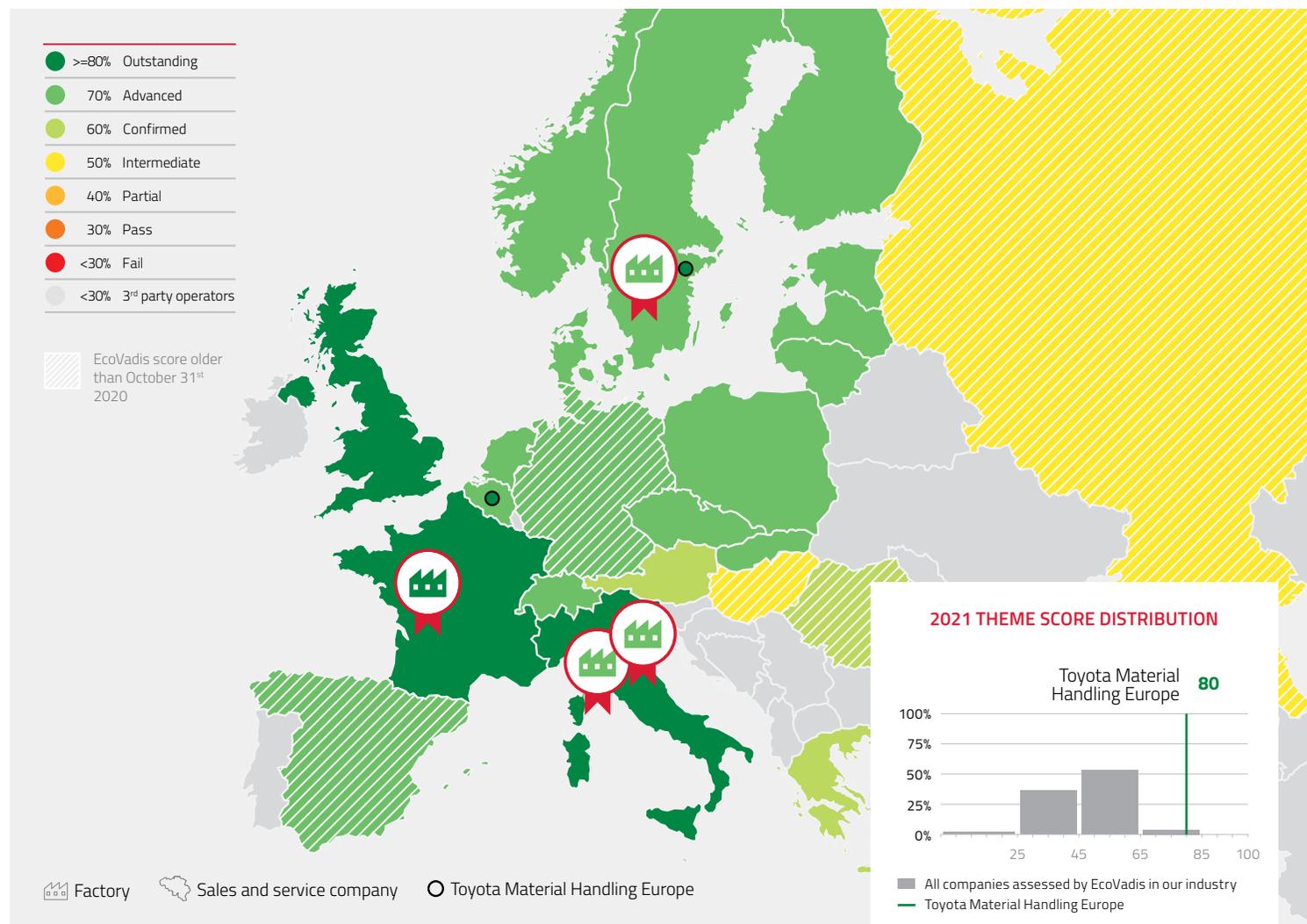
Lost workday rate -10%

Over a period of five years, we focused on reducing major injuries among our employees. As a result we recorded 10% lost workdays due to injuries. We continue working towards zero accidents

Labour and Human Rights Score

According to EcoVadis

EcoVadis is the global leader in independent third-party supplier assessments on sustainability. Every year they assess more than 75,000 companies on behalf of more than 200 industries. Labour practices is 1 of the 4 pillars of their assessment, covering all the topics in the 'People' chapter of our sustainability report, and accounts for 40% of our total rating.



Our people strategy



In February 2020 the COVID-19 pandemic started to influence our operations. Managing the pandemic has been challenging. We have maintained production in our factories, performed service at our customers' sites and sales with the health, safety and well-being of our employees, customers and other stakeholders being the priority.

The pandemic has influenced in several different ways. Parts of our employees have been on furloughs, limiting their working time. It has also meant that many have been working from home and digital meetings have been the rule. With the uncertainty and furloughs in place recruitment of personnel have been limited.

Our success as a first-choice employer lies in our continued investment in our people, their professional competencies, and personal development. Since 2014, we have stepped up investments in our employees and developed programmes and processes to recruit the right people and retain a workforce that is motivated and performs well.

In line with our Code of Conduct, we enhance business performance so we can continue to provide employment and maintain fair and stable working conditions. We also aim to create a harmonious and stimulating work environment.

With our Return to Work and Future of Work programmes, we prepare our employees for a safe return to the work environment and we aim to create an attractive work place in the future.

People Strategy

All our entities approved local People Strategies, so local HR teams can support the business in developing the local workforce it needs to execute the business strategy, each focusing on at least three local HR priorities out of our five pillars that make up the Toyota Material Handling Europe People Strategy.

Going digital

- New digital workspace
- Talentsoft

Speed and accountability

- Agile leadership and performance
- Delegation
- Cross functional
- Talents and management trainees

Competence advantage

- Employer brand
- New competence
- Increase capacity

Communication driving change

- Trust
- Transparency
- Strategic clarity
- One direction

Sustainability frontrunner

- Values in action
- Safe and Healthy
- Climate and Energy
- New business

Leadership

Our Leadership Philosophy, first established in 2012, is a set of principles that guide the behaviour of our leaders in their daily work and relations with others. The Leadership Philosophy was updated in FY20 to further advance the implementation of our revised strategy. By having a Leadership Philosophy we aim to:

- harmonise leadership with our company's value foundation and strategy
- certify common expectations and accountabilities of our leaders
- widen the scope of leadership, focussing more on cross-functional leadership
- put stronger emphasis on change-oriented leadership
- and set expectations for desired leadership behaviours

Leaders have three different, but complementary roles to play: as a manager, supporting teams to secure deliverables and achieve business goals; as a coach, providing feedback and encouraging open communication within teams; and as a strategist, stimulating innovation and business improvements that contribute to the mission and vision of the company. Leaders also have responsibilities for results as well as for progress.

In the past five years, our European HR organisation has mainly focussed on the training and development of leaders. General research shows that when people leave an organisation, the quality of leadership is the most important reason why people leave.



'During the challenging times of the pandemic we still kept on pursuing our people strategy. This gave our employees the feeling of security and reassurance that we will successfully continue our sustainable growth and that Toyota Material Handling Austria cares for its employees. Together with our continuous and transparent communication we succeeded in becoming stronger as a team and organisation.'

Melanie Flanitzer,
Finance and HR Director
Toyota Material Handling Austria GmbH

Employee health and safety

Toyota Industries Corporation's Safety Vision for zero accidents states that every employee, guided by our corporate creed, aims to create a corporate culture that places a top priority on maintaining safety in all areas, and focusses on mutual courtesy and safety, as well as turning workspaces into great places to work.

Read more here: [TICO Company Vision 2030](#) and [CSR for the employees](#).

In line with our Code of Conduct we create a safe, healthy working environment for all. We consider that health and safety are a responsibility shared between leaders and employees. Leaders should provide a safe physical and psychological environment to create a safety culture. Employees are responsible to follow safety guidelines and take proactive steps to ensure safety for themselves and their colleagues.

GRI 403: Occupational Health and Safety

1. Management approach disclosures

2. Topic-specific disclosures

Disclosure 403-1 Workers representation in formal joint management-worker health and safety committees

Disclosure 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

Disclosure 403-3 Workers with high incidence or high risk of diseases related to their occupation

Disclosure 403-4 Health and safety topics covered in formal agreements with trade unions

Note: A new and revised GRI 403 standard exists (2018 version). Our current reporting has been based on the 2016 version, and we haven't had the opportunity to update our reporting processes to align them with the new standard. We will consider how we can change to the new reporting standard while reviewing our reporting processes.

Our **Health and Safety policy** has been adopted by the European Management Team, implemented and communicated to the business in FY19. In order to achieve our objective of zero accidents, injuries and work-related illnesses, Toyota Material Handling Europe aims to:

- Ensure safety is an integral part of all activities and decisions throughout the company.
- Cooperate to prevent accidents and work-related illness by identifying, evaluating and removing risks.
- Systematically identify and eliminate the root causes of accidents and near misses which have occurred, with the aim of preventing them from happening again.
- Ensure that the management and the line organisations are responsible for occupational safety, assisted by occupational safety specialists.
- Ensure that all managers lead by example. They are responsible for the work environment and must serve as good role models.
- Ensure that all employees are provided with all necessary instructions, training and equipment necessary for facilitation of safe work methods.
- Comply with all applicable laws, regulations and requirements.

Health and safety management

Health and safety are functionally and locally managed.

MANUFACTURING

As employees in manufacturing are using industrial machinery within a factory setting, we pay particular attention to their health and safety.

Moreover, we know from our EU-OSHA partnership research that 10% of all industrial accidents happen with forklift trucks.

Management

Each of our factories' local health and safety policies consolidate the specific national laws and local context. Developing and adopting a health and safety policy at factory level is a basic requirement to be 'Occupational Health and Safety, ISO 45001 certified. Correct application of this safety management system is audited twice per year, when each factory goes through a recertification audit. [Here you find our entities' certificates](#).

The Toyota Industries Corporation Health and Safety department requires our factories to monthly report their safety performance and to annually submit a health and safety action plan in line with Toyota Industries Corporation's global safety priorities. Once a year, the Toyota Industries Corporation Health and Safety department organises a health and safety meeting with representatives of all factories.

Health and safety committees

100% of employees working in manufacturing at Toyota Material Handling Europe are covered by a formal health and safety committee. Their structure differs slightly, depending on the specific legal requirements and local context. Depending on the country and local labour legislation, these committees meet once, twice or four times a year, or when an accident or near miss occurred to do accident analysis, risk assessment, and are consulted prior to any modifications in policies or processes. Intermediate inspections take place in all factories. Sustainability 'dojos' or active learning spaces on the work floor provide health and safety (besides environmental and quality) training on an ongoing basis. Through practical exercises, the root cause analysis and results of any near miss or actual incidents are visually presented using the [Toyota '5 S' methodology](#), and new prevention actions, safety tools, and protection equipment are introduced.



Case study >



Rudy Zaramella,
Operations Director

Daniele Tomasi,
Process & Logistic Engineering and S&H Supervisor

Antonella Colucci,
HSE Engineer

'Considering the fundamental values underlying our Policy and Mission, such as respect for individuals and continuous improvement, we have ensured that they are transversally adopted within each business process, therefore impacting even the safety aspects. To this end, we aim to support and encourage all forms of communication and training associated, when possible and sustainable, with the application of the best technological solutions available. Through these key points we aspire to make business processes increasingly safe on a "human scale". Thanks to this approach, for years our Mast factory has been continuously improving the KPIs. In the last three years we recorded zero lost workday accidents.'

SALES AND SERVICE COMPANIES

Management

For our sales and service companies, the decision whether to adopt the occupational health and safety management system, ISO 45001, was taken autonomously by each entity's management team. In 2021, our UK sales and service company became the fourth to be certified alongside Czech, Italy and Romania. Certifications in France and Sweden have been put on hold, as health and safety experts have been fully focused on short-term challenges of adapting all procedures to the new normal.

Service technicians represent over 30% of all our employees and therefore we have dedicated procedures and training in place to ensure their health and safety at work. We pay particular attention to responsible driving, correct use of tools and safe behaviour on customer sites. We complement the adoption and application of the right policies, management systems and change projects, with specially designed trainings to further embed, and continuously foster safe behaviour within our corporate culture.

We are fully aware that the induction phase is critical to secure a successful collaboration with newly hired employees. Our Service Technician Education Programme (STEP) covers all education necessary for service technicians to represent the company in a comfortable manner, including safety, sustainability and customer interaction, which come before service related knowledge. Our objective is to ensure all newly hired employees start their career with Toyota in a smooth, steady and harmonised manner.

A European-wide service skills competition was launched in April 2018 for all STEP practitioners, aftersales and service direct employees, as well as employees working for our external network of distributors and dealers. This generated incentives for all to further develop safety awareness, as well as a giving us indications on how to improve our training content.



Health and safety committees

Formal health and safety committees are present in more than half of our 21 sales and service entities, covering all employees, mandatory by law or established on a voluntary basis, depending on local labour laws.

Where a formal committee is not present (Austria and Slovakia), a local HR security or health responsible escalates, when relevant, any employee well-being, health or safety issue internally, reports them within our management systems and to the local authorities, in line with the national reporting procedures and legal requirements.

All our sales and service companies report all accidents and incidents through our technical operations, where they are shared with the related departments at a central level, allowing experience and best practice sharing, as well as fast and efficient remediation and mitigation.

SUPPORT ENTITIES AND LOGISTICS

The local HR department manages health and safety, or as stipulated under the national labour law.

OUR EXTERNAL NETWORK

Our network includes 15 independent distributors across 20 countries and more than 200 dealers. Our After Sales Evaluation & Certification programme (ASEC) is also made available to certified independent distributors and dealers. Through ASEC, regular evaluations are conducted to ensure that teams have safe equipment, the required knowledge and skills to handle hazardous products and waste, and take the necessary precautions to ensure the safety of themselves and those in the proximity.



'Thanks to implementing the new ISO 45001, recent statistics show a reduction in total and reportable accidents. An additional resource was added to our team to achieve and maintain this certification as we intend to use the benefits of this standard to help continue this trend.'

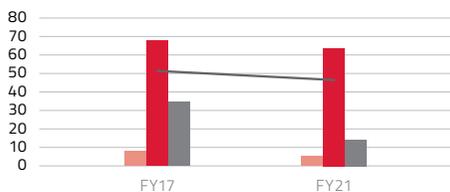
Paul Mulcahy,
QHSE Manager
Toyota Material Handling UK

Driving improvement with H&S KPIs

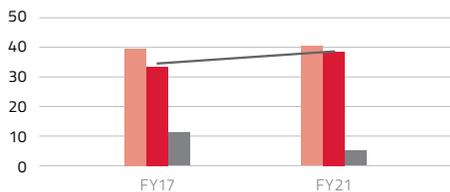
ABSENCE RATES (AR)



LOST DAY RATES (LDR)



INJURY RATES (IR)



— average
 ■ 21 sales and service companies
 ■ 4 factories
 ■ 4 support functions

ABSENCE RATE

Absenteeism is integrated into strategic HR KPIs which we report on annually to our HR Management and Executive Management Teams. We define absence as the sum of sickness absence and days lost due to accidents. Our HR experts record all cases of sickness absence but are faced with strict privacy regulations and differences in national definitions when sharing this information. Therefore, we are not able to collect root causes of sickness absence and set European-level priorities in the same way as can for the root causes of accidents.

The average absence rate for all of our company has remained stable at 10,2 days per employees, In FY21 9% of absences were lost workdays, and 91% were sickness absence days. Since FY17, absence rates increased by over 20% in six entities and decreased by over 20% in ten entities.

Since FY17 we focused on the entities with the highest absence rates which occurred in sales and services companies that did not have certified health and safety management systems. Head office follow-up was focused on these entities to improve health, safety and well-being.

Four sales and services companies (CZ, IT, RO, UK), which are certified to the ISO 45001 standard, have an average absence rate that has increased over the last five years, but remains 20% below the average absence rate of the non-certified entities.

LOST DAY RATE AND INJURY RATE

The lost day rate is an indicator meant to measure the more severe workplace accidents, which result in at least one day of absence from work. It accounts the amount of days absence from work due to workplace accidents, counted per two 200.000 working hours. Overall the lost day rate is down 10% since FY17. In the last two years, we have recorded that lost day rates have been increasing again. Sales and services companies that are ISO 45001 certified report a 32% lower lost day rate than those that aren't.

We have put a lot of emphasis on creating a safety culture within our company. Talking more about health and safety results in more injuries being reported, including minor injuries. The injury rate has increased to 37 injuries per million hours worked. This effect is most visible in the entities not certified to the ISO 45001 standard, as they started more recently on their journey to create a safety culture. Injury rates in factories have been stable, and were reduced significantly in sales and services companies that are ISO 45001 certified.

ISO 45001 AND PERFORMANCE

As part of preparations for this report, we wanted to investigate the correlation between ISO 45001 and performance. When it comes to safety, our data presents a strong positive correlation. On health and well-being the picture is mixed: some certified entities outperform the company average on sickness absence, while others increased theirs.

For Health and Well-being, other approaches have also proven useful to drive improvements, especially across entities that aren't certified to ISO 45001.

Within our central health and safety taskforce, we focus on identifying best practices and promote them internally and externally. Case studies in this report all come from our taskforce. The team also aims to broaden the scope from industrial health and safety to also include employee well-being. Most entities have achieved progress either on safety or on health and well-being. Moving forward, we will encourage all entities to be even more ambitious in their local people strategies to address employee health, safety and well-being overall.

FATAL ACCIDENT

In April 2020, we received a report of a fatal workplace accident involving an employee in one of our sales and services companies. This was the first time a fatal accident was reported since the start of our sustainability reporting process covering 95% of all Toyota Material Handling Europe entities in 2015.

Following the accident, all other entities were informed of the circumstances leading up to the accident, and all were required to upgrade their safety procedures. Training for service technicians was also updated to prevent reoccurrence of similar accidents in future.

Together with the pandemic, this incident has provided focus to everyone in Toyota Material Handling Europe to prioritise health and safety to an even greater extent than before.

Other safety initiatives

EU-OSHA CAMPAIGNS

Since 2010 Toyota has been an official **campaign partner of the European Agency for Safety and Health at Work** (EU-OSHA). Toyota is also a member of the campaign partner steering group since 2014. As a campaign partner you commit to promoting the European-wide campaigns and Toyota is doing so via the internal and external web sites and social media. This means Toyota is sharing the material among its employees as well as European customers, suppliers and other stakeholders. The latest campaign, Lighten the Load will run during 2020-2022 and focusses on the prevention of work-related musculoskeletal disorders (MSDs).

Engaging and benchmarking with other EU-OSHA partners, we have learned that 10% of major injuries in the EU industry involve material handling equipment and that 80% of accidents involve human error. This makes us confident that **safety is our number one priority**. This is why most of our functions, such as R&D, Logistics Solutions, Marketing and Sales have committed to **improve and streamline our offer of customer safety solutions**.



Case study >

In Toyota Material Handling Manufacturing France, we take into consideration musculoskeletal disorders with our CARE programme.

Faced with the observation of an increase in physical pain in the proportion of accidents with time off work, the question of musculoskeletal disorders was considered. Actions were therefore launched with the aim of understanding and identifying risk factors for musculoskeletal disorders.

Amongst these, an intervention was carried out (with the help of the Ergonova consultancy) on a workstation where the operators had identified shoulder pain.

The ergonomic approach consisted of:

- Understanding and analysing the work in its entirety. Thus, it is necessary to go beyond the simple vision of gestures and postures and take into account the inter-individual (skills, etc.), psychosocial (satisfaction, social relations, etc.) and organisational aspects of the work (quality or procedural requirements, etc.).
- Include the operator in the analysis and construction of solutions.

All this requires observations in the field, exchanges, and collective work time with the operators.

A usual analysis may identify:

- The heavy plates handling as a major physically demanding. This co-analysis showed that small heavy parts is causing the most shoulder pain.
- The delivery of the parts brought constraints from a psychosocial point of view. Indeed, the operator had the feeling to disturb his colleague who is delivering parts nearby. During this operation, the associate did not position himself as desired and could not make his delivery efficiently (readjustment of the placement of the carts manually, positioning of the delivery cart on the pedestrian walkway, etc.).

The co-construction of solutions led to the modification of the stock shelves of the parts (putting them at the right height, etc.) and the reorganisation of the delivery. Thus, the intervention made it possible to implement improvements adapted to the MSD risks identified.

Attract and retain talent

Onboarding and releasing

As employees at companies with high-quality onboarding programmes gain full proficiency significantly faster, we consider these as very important.



Prior to the pandemic, we organised in-person orientation days three times a year in our main entities, encouraging our entities to organise local induction activities. During the pandemic we introduced on-line onboarding activities. In 2022, we will look at transitioning to a hybrid model with in-person introduction for local employees combined with on-line participation for remote employees. Our employer branding strategy provides a toolbox to HR leaders in the company to work towards being an attractive employer throughout our employees' career, not only when we recruit.

GRI 401: Employment 1. Management approach disclosures 2. Topic-specific disclosures

Disclosure 401-1 New employee hires and employee turnover
Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
Disclosure 401-3 Parental leave

Prior to the pandemic, our turnover rate has been at approximately 10%, which is close to the average for the manufacturing industry. In FY21 our turnover rate was down to 7,6%. We believe we achieved our turnover target of 8% for a combination of two reasons: during the pandemic, people were reluctant to move jobs, but we also took several retention initiatives to encourage people to stay with us.

Employees leaving the company are heard and enabled to raise any concern through our exit interview, rolled out across the company to better understand reasons for leaving and collect reliable data to prioritise mitigation measures. Our ambition is that 80% of people leaving our company will be given the opportunity to participate in these exit interviews. To be able to meet this target and to improve our methods of measuring the outcome of the exit interviews, we are now integrating this process to our HRM system (Talentsoft). This will ensure that all employees leaving will get the same opportunity to share their experiences and it will also secure the way we measure our performance.

Compensation and benefits

At Toyota Material Handling Europe, we believe in a fair and transparent process for setting remuneration levels in line with market practices and individual performance. We benchmark salary trends at European and local level, in areas of fixed and variable pay and pension schemes. We aim to continue to refine how we work with this information.

The Reward Policy of Toyota Material handling Europe serves as a guide for the development of

plans and strategies in sub-areas, such as short-term incentives, and for operating compensation and benefits programs. This Policy embeds fairness, transparency and equal opportunity for all. Our 21 sales and service companies have their pay structures aligned to our European model. We have developed Executive Contracts and Short-Term Incentive Plans in line with our business strategy. We apply a uniform Executive Contract for all executive positions, which underlines that we operate as one company throughout Europe.

All decisions on Executive compensation and benefits is to be approved by the Compensation Committee. The Committee, consisting of our President and CEO, Senior Vice President of HR, Executive Coordinator monitors and controls the compensation and benefits area. They also take decisions on all programs. A yearly salary review process is prepared for decision-making in the Compensation Committee. All Executive positions have been graded using an independent external partner. This enables us to have yearly updated salary benchmark data in line with local markets.

We ensure control and deep knowledge on retirement and benefit arrangements in all our subsidiaries. In FY18 we completed an audit of pension and insurance schemes across Europe and the conclusion is that the pension landscape of Toyota Material Handling Europe shows a great variety of plans/arrangements based on different philosophy and design of retirement benefits. These differences are related to:

- Different pension practice legacy in western Europe,
- International trends concerning occupational pension plans and subsequent changes of such plans,



- the late development of the east European economies as free markets providing different starting points for the build-up of retirement benefits.

The aim of this audit was to secure that retirement benefits in all our entities is in line with local market practice. In FY19, FY20 and FY21, we took actions in four countries to ensure they are better aligned to local market practices as well as to our European reward policy.

Training and development

The progress of our people is essential both for the individuals but also for our customers and our company as a whole. Therefore we provide our people with opportunities to develop and maintain their competences and skills as well as investing in our network of dealers and suppliers.

In line with our Code of Conduct we continuously pursue personal growth and enhancement of our employees' professional capabilities, through training and all other appropriate means.

Our leadership and employee development programmes ensure that our people:

- are trained in, and work according to our Code of Conduct, our principles and values: the Toyota Precepts and the Toyota Way, and are led by leaders who understand and have the skills to live up to our Leadership Philosophy
- are given the opportunity and are actively supported to act as leaders while pursuing personal career ambitions through our LEAD, LIFT and Talent programmes

GRI 404: Training and education

Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews



- have the opportunity to develop their skills and expertise throughout their career with us, with technical training, such as the Toyota Production System (TPS) or our sales onboarding programme
- are evaluated fairly for their work, and have a continuous dialogue with their managers through our newly developed Agile Performance tools, and get support to develop themselves further, as stipulated in our Competence Development Policy
- are complemented with externally recruited high performers as part of our Management Trainee programme



**1,866
courses**

are available on our e-learning academy, covering 15 languages

Leadership development



Training and development of our leaders remains a priority. During the pandemic we initially postponed leadership development programmes. Further into the pandemic we shifted focus and started to use digital solutions to sustain a basic level of leadership development. The lower rate of leadership training has however, led to that we are lagging on our target for female participation in the programmes.

In the past five years, our European HR organisation has focussed extensively on training and development of our leaders. Driving this focus

is the awareness of the critical role that leadership plays in enabling our people and our business to grow. Also, general research shows that the primary key to retaining people is the quality of leadership. In the next five years, we will continue to focus on leadership development.

LEAD

Toyota Material Handling Europe has developed LEAD, the Leadership Development Programme, as a key step in its leadership training. This 13-day programme consisting of four modules supports each participant's progress in their role as a leader. The programme's content spans from leveraging our company values to developing coaching techniques as well as expanding their general business insights. We aim to increase the percentage of women in management roles and therefore we pay specific attention to including women in the LEAD programme.

52 managers took part in the LEAD programme in FY20. In FY21, due to COVID-19 there were only 16 managers that took part. To measure the impact we perform evaluations six to eight months after the programme conclusion, these surveys

continue to show that the participants made significant progress as leaders resulting in better team performance, better communication and better leveraging the potential in coaching of their direct reports.

LIFT

In FY20 a new leadership development programme was introduced, LIFT. The LIFT programme is aimed at cross-functional leaders. In FY20 32 leaders took part in the programme. Because of COVID-19 no programme was run during FY21.

TALENT

In total, a mix of over 50 junior and senior managers have participated in Toyota's Talent Programme. The programme is equipping participants to take additional steps in their development towards senior leadership roles. We launched the third programme in April 2019.

MANAGEMENT TRAINEE PROGRAMME

To complement our internal leadership programmes, we have launched a Management Trainee Programme. In FY19 we ran our first Programme with eight participants. We've recruited eight high-performers across Europe (five male, three female) with three to eight years working experience, who worked on various assignments across our organisation and locations as a part of the programme. After a successful trainee year, they were offered positions within the organisation that matched our company needs and the trainees' skill set and growth potential.



'LEAD gave me powerful tools to lead and coach people to achieve good results. The key to success for me as a leader is to give my employees trust, responsibility and let them grow. The use of these tools has helped me delegate and is a part of my leadership on a daily basis.'

Luigi Bencivenni,
Purchasing Director
Toyota Material Handling Manufacturing Italy



Employee development programmes

Our Competence Development policy was adopted across the organisation in December 2015. Formal learning and training requirements are documented in an employee's development and competence plan, which is discussed as part of the employees' annual performance review.



TRAINING ACADEMY

We provide formal learning and training opportunities to all full-time and part-time employees. A dedicated department manages our online and offline Training Academy. Tailored training programmes are developed and continuously updated for specific business areas or for all employees. For example, our blended online and offline 'Sales Training Portfolio' is supported by a team of specialists to ensure that all employees working in sales receive training, in the language of their choice, available to them on demand.

In FY21, 1,866 courses (vs. 1,032 in FY19) were available on our e-learning academy, covering 21 system languages and 15 course languages.

To implement four million service assignments per year, we rely heavily on, and work in close tandem with more than 200 dealers and 15 independent distributors across Europe. Although these are independent companies, their employees working with our products and services are trained and assessed to ensure they work with their customers, in accordance with our Toyota Material Handling standards.

In FY21, our Network Academy had some 7,457 external users and offered more than 430 courses on sales, service, technical skills and on our fleet management software, I_Site.



Case study >

TOP training:

Toyota Material Handling Germany awarded the GCIC (German Chamber of Industry and Commerce) seal of quality as one of the best training companies in Germany



Since 2001, Toyota Material Handling Germany (TMHDE) has been a recognised training company and has trained 95 young people in the following professions:

- Wholesale and foreign trade clerk
- Office management clerk
- Warehouse logistics specialist
- IT specialist for system integration

At present, 15 young people are working for Toyota in the various training occupations. In order to be able to optimally promote the next generation of skilled workers, the training area at Toyota Material Handling Germany has continuously developed its processes and today offers particularly good conditions for trainees. The Hanover CIC has now honoured this high quality with the GCIC's 'TOP Training' seal of quality.

In order to apply for the GCIC seal of quality, a comprehensive questionnaire had to be completed. The focus here was on the different areas of training in the company, for example training marketing, organisation and implementation as well as personnel development after completion of the training.

An audit by an independent jury of the GCIC determines whether these areas are also put into practice by the company. During the audit, a direct exchange takes place between the jury members and the trainees.

TOYOTA SERVICE CONCEPT AND TRAININGS

The Toyota Service Concept (TSC) aims to adapt the lean principles of the Toyota Production System (TPS), designed for manufacturing, to our service business. The TSC describes our approach to planning, managing and delivering exceptional standards of service, throughout the working life of trucks and our relationship with customers. Technician training is the key to efficient forklift service.

Our [Service Technician Education Programme](#) (STEP) is made available to service teams and certified independent distributors and dealers. STEP ensures technicians have the right knowledge to suit technical requirements and can build trusting relationships with customers. 92% technicians are trained on how to service our trucks under safe conditions with respect for the environment and to the highest quality standards. Learn how STEP helps dealers in [Italy](#) work to increase efficiency.

The [Aftersales Service Evaluation Certification](#) (ASEC) is also geared at our employees, independent distributors and dealers. ASEC provides a standardisation for all sales and service companies globally, across 280 sites. It secures the [Toyota '5-S'](#) condition (Sort-Straighten-Shine-Standardise-Sustain) for each service technician before they begin their work, such as personal protection equipment, environmental management, recycling, training etc. Each site is audited on the correct application of ASEC every three years.



100%
employees

work in entities with an ambitious
local 'People Strategy'

Our ASEC and STEP programmes are a crucial part of improving the skill set of our service organisations. We will continue to work towards our goal: 100% of technicians trained on STEP Bronze level and 100% of our network reaching ASEC 'good level' certification by FY21.

Equal opportunities and diversity

As a large employer across more than 20 countries in Europe, we respect all persons equally, embrace differences, and reflect the global nature of the Toyota family and values. We believe that having a diverse workforce is crucial across our company and directly affects our business success. In line with our Code of Conduct, we do not tolerate discrimination.

In this report, we have consolidated gender and age data for 29 entities, compared to 14 in the FY15 report. At the end of FY20, Toyota Material Handling Europe had a total of 11,600 employees. Temporary personnel accounted for about 3.8%, while 96.2% have full-time contracts. Our workforce is 17% female and 26% of our employees are over 50.

We have 3,437 service technicians, of which 13 are female – up from 1 two years ago. We do have an opportunity to reassess ways in understanding of how to make technical roles in our company more attractive to a diverse workforce. We are encouraged to see that HR leaders in several of our entities have started that journey.

The percentage of female managers increased from 15% in FY19 to 16,8% in FY21. We had aimed for 30% of female employees in our leadership training programmes and we achieved 21%. We want to accelerate progress in this area.

As approximately one out of five employees is over 50, we have already worked on healthy ageing in the workplace and on ensuring a working environment fit for employees of all ages. We view 'Healthy Workplaces' as an integral component of employee retention. We also want to encourage these employees to stay active and take part in our training and development programmes. Four entities with higher than average employee age have put in place succession plans to make sure their knowledge is transferred internally to our workforce of the future.

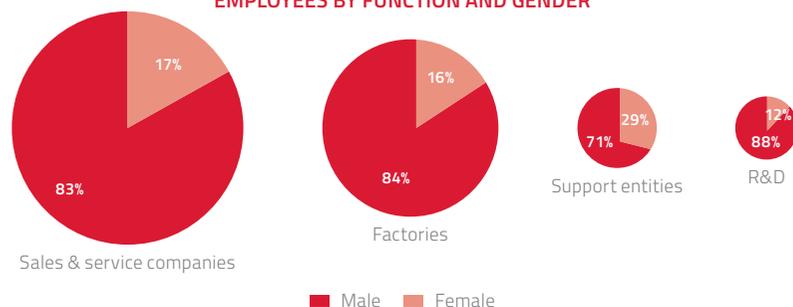
Inspired by local initiatives, such as the '2016-2018 Equal treatment plan' and the 2017 'gender diversity' action plan in Sweden, Toyota Material Handling Europe created in the beginning of 2018, a gender diversity working group. This has been one of the initiatives we put on hold as part of the pandemic. We plan to kick off a new team focussed on benchmarking best practices inside and outside our organisation latest in April 2022. The purpose is to come up with an action plan that aligns with our approach to be an employer where people enjoy to work.



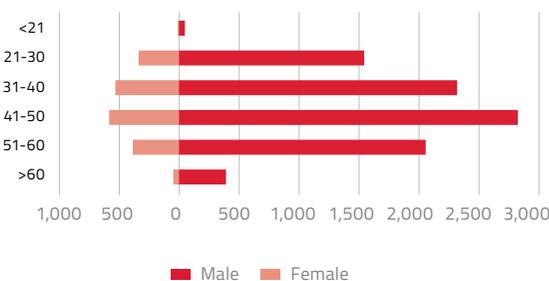
'I'm a single mom. I wasn't sure if it would be possible to combine my kids and my work schedule as a technician, but my experience is that the relative freedom as a technician is a big advantage for my busy life. I wouldn't want to miss it for anything.'

Joke Verscheure,
Service technician
Toyota Material Handling Belgium

EMPLOYEES BY FUNCTION AND GENDER



EMPLOYEES BY AGE AND GENDER



GRI 405: Diversity and equal opportunity
Disclosure 405-1 Diversity of governance bodies and employees



“During the previous financial year, we increased the number of employees in our HR software system by 35% as part of our digitalisation strategy. Thanks to this, we were able to keep the score on our appraisal rating high. We want our people to know that their development matters to us, independent of external circumstances.”

Veronique Lenaers,
HR Director
Toyota Material Handling Europe

Employee engagement

Employee engagement is key to employee attraction and retention. Engaged employees are known to be more motivated in their daily work, more productive in achieving their targets, more creative and loyal to their employer. In line with our Code of Conduct, we respect expectations and ambitions of employees through a never-ending search to improve.

Appraisals

We believe that a strong corporate culture, that maximises individual and business performance, drives individual job satisfaction. Individual performance management is key to employee motivation, retention and business performance. In time, technology will enable us to engage all employees on a much more personal and individual level. This report consolidates appraisals from 29 entities.

In FY21, 77% of our employees have undergone an annual performance appraisal, which means we did not quite reach the target of 80% that was set for FY21. But we are still proud to have consistently increased our results over the past few years and we thank the 22 entities who reached the 80%

GRI 404: Training and education
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

appraisal target in FY21: Austria, Baltics, Belgium, Czech Republic, Denmark, Finland, France, Hungary, Italy, Logistics Solutions, Manufacturing France, Manufacturing Italy, Manufacturing Sweden, Norway, Poland, Romania, Russia, Sweden, Slovakia, Spain, European Marketing Office in Brussels and Toyota Material Handling AB.

In comparison with FY20:

- seventeen entities improved their appraisal level
- four entities stayed at the same level
- eight entities performed less appraisals

Representation

We follow all legal regulations concerning collective bargaining agreements which cover the majority of our employees (>80%). Some countries have different arrangements according to country-specific practices, traditions and labour legislation. Toyota Material Handling Europe provides channels for employees to engage in the company's activities and express their opinions.

European Works Council

The European Works Council (EWC) is a partner and a vital contributor to communicate on matters affecting employees in most EU countries. It addresses issues such as employee health and safety. Every year, performance against health and safety KPIs are shared at our European Works Council. The views of employee representatives are also taken into account when developing action plans. The EWC was established in 1996 under European and Swedish employment law. Each entity has the opportunity to elect one or more representatives, depending on their size. The annual meeting is attended by our President and several members of the Management Team.



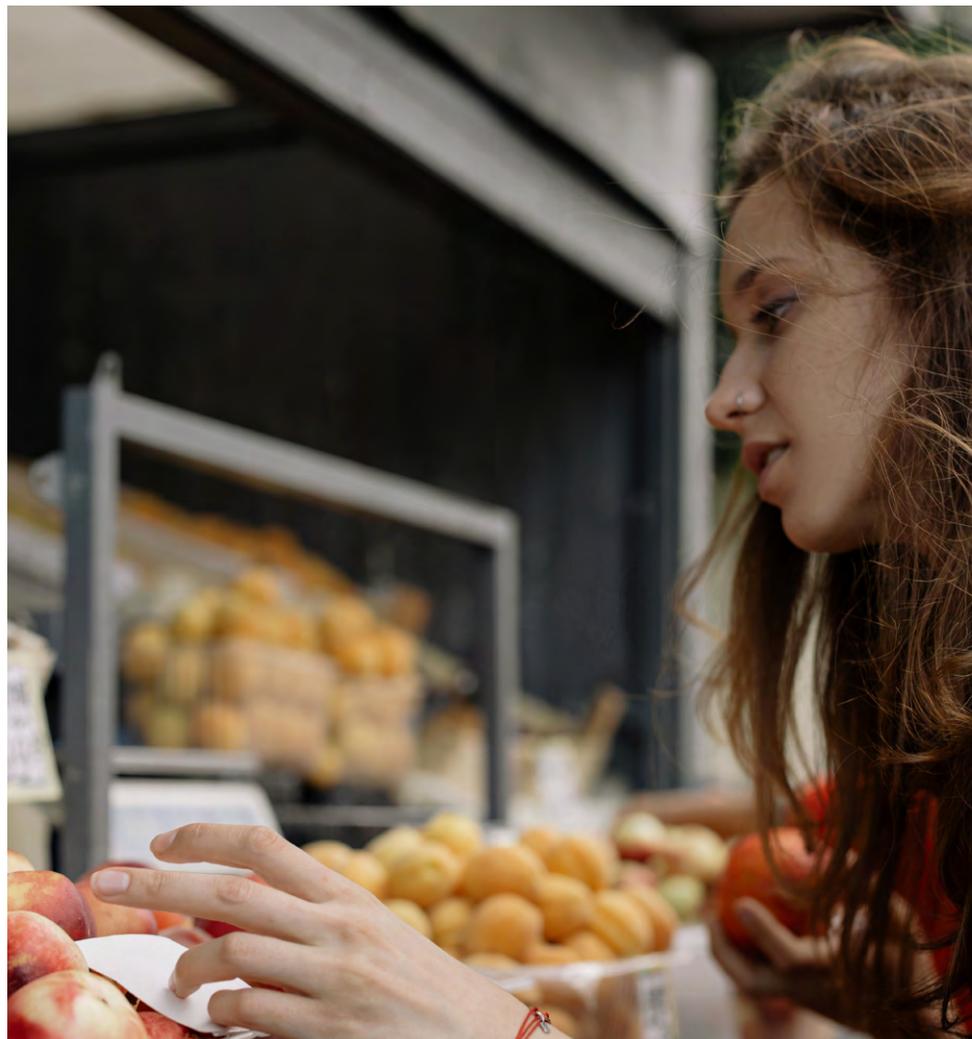
Employer branding

ENABLING STRATEGY BY SECURING COMPETENCE ADVANTAGE

Toyota Material Handling Europe is set for change. Growing new business areas in a rapidly changing environment requires an active and constant development of ourselves as an employer to retain current employees and attract new competencies.

This is why Toyota Material Handling Europe engaged representatives for all bigger employee groups throughout Europe and top management in extensive workshops during late 2020 and early 2021. The task was to define a new Employer branding strategy, our Employer Value Proposition (EVP) and a connected communication platform. A process to support local entities to structure employer branding work in a similar and professional way was also developed and put in place.

Internal launch took place during the spring and early summer 2021 and implementing and using the new tools commence during autumn 2021. The work is headed by the Corporate Communications function which work operatively via and regularly gather a community of HR and communication professionals from the entire organisation.



Toyota Material Handling Europe engaged employee groups and top management in extensive workshops to define our Employer Value Proposition.

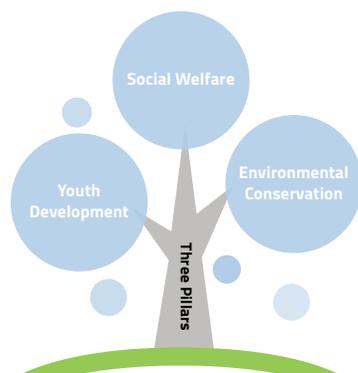
The employer branding strategy aims to secure 'Quality throughout the employee journey'. Three focus areas will guide the prioritisation of efforts going forward: a) Create a modern workplace by investing in leadership, tools and processes to become more digital and agile; b) secure Quality in every touchpoint to attract candidates and employees at every stage of the employee journey and; c) strengthen the brand via authentic and emotional content that will communicate our work and how Toyota Material Handling Europe contribute to the world.

The new Employer Value Proposition is closely connected to the company purpose - '**Move the world towards easy and sustainable**' - a key component in the company strategy and forming the backbone for employer branding related communication going forward.

A first movie featuring employees throughout Europe  have been used to showcase the new Employer branding platform.

Social contributions and volunteering

Toyota Industries Corporation encourages all its subsidiaries to engage in activities to support the company's commitment to create a society in harmony with nature. In FY21, TICO rolled out a module of their non-financial reporting software to all our European subsidiaries. The corporate aim is to collect data on 'social contributions and volunteering', share good practices, and encourage all of TICO subsidiaries to contribute locally on the three pillars it identified: youth development, social welfare and environmental conservation.



In FY21, local entities reported 104 local activities, over 50% of all activities reported by TICO subsidiaries globally. **More than 2,000 employees took part in different volunteering activities of various character, to support local environmental actions, raise awareness about disability, or organise events for students.**

On top of that, local subsidiaries donated over 134,000€ to social and environmental non-profits. COVID-19 was a key focus area last year on top of our three TICO priorities.

Our main goal is to engage our employees with society, and to encourage them to show leadership and initiative, working together with colleagues they don't work with every day. Apart from leadership and teamwork, we want to encourage innovative thinking. Money donated is 1 KPI, but only part of the bigger picture when it comes to engaging our associates in our Toyota Values. That is why we also follow other KPIs such as volunteering hours and longevity of the partnership.



Case study >

'People on Wheels' - a win-win partnership lasting over 16 years

Spinal cord injuries affect 280 people in the Czech Republic every year, 180 of whom remain wheelchair bound. For 27 years, 'Centrum Paraple' offers both inpatient and outpatient rehabilitation programmes for around 1500 people across the country.

Their focus is to increase the independence of their clients and help them as much as possible fulfil their ideas of life, whether concerning accommodation, transport, hobbies, work, partner relationships or parenthood. In 2005, Toyota Material Handling Czech first partnered with 'Centrum Paraple' under a slogan that roughly translates as 'People on Wheels' – to create a shared vision and purpose for both our organisations. Because of the authenticity of the connection Toyota employees experienced when working with the people at Centrum, the company has remained a loyal partner for 16

years now. The organisations have appeared together at events, in magazines and online, where the company has helped the charity organise fundraisers. During the popular Czech Television program 'StarDance', professional dancers dance with disabled people from the Paraple Center. This is another example of how the organisation uses modest means to create positive attention for people with disabilities. Toyota Material Handling Czech is honoured to be among its many long-term supporters. During the show, all the Paraple partners are thanked for their support.

Every year, parties of volunteers go to the Center's headquarters to volunteer, and many of them send regular personal contributions to the Centre's account. Both parties have witnessed that help can come in many forms, and works both ways, as employees return inspired by the courage and resilience from people at the 'Centrum Paraple'. Years before the official Toyota employer brand, the Czech branch already started 'moving the World towards easy and sustainable.'



Social contributions and volunteering



SUPPORT SOCIETY THROUGHOUT THE COVID-19 CRISIS

- **SIMAI factory in Milan donated 5,000€ to the local hospital** and one of their tow tractors, worth 17,000€, to the Italian Red Cross.



- **Toyota Material Handling Spain donated used trucks with a worth of 14,900€ and 2,800€ worth of lending trucks during daring times to the Red Cross and foodbanks.** In the first quarter of FY21, they met additional requests for support from the Red Cross and Foodbanks compared with previous years. Toyota Material Handling Spain has collaborated for years with non-profit organisations by donating machines or giving them away when necessary at no cost. During FY21 the economic situation of many families has been seriously affected, a fact that has led to an increase in the request for help from non-governmental organisations such as the Food Bank and the Red Cross. In these moments of crisis we have considerably increased our collaboration with these associations as a sign of our commitment to society to allow them to improve the development of their humanitarian work.

- **Our factory and sales company in Italy joined together to provide financial support** to hospitals in the Bologna city area coordinated by the campaign 'Piu forti insieme'.

3 roldi Raccolti Verranno devoluti

più forti INSIEME

Prenota i Braccialotti

RACCOLTA STRAORDINARIA A SOSTEGNO DEGLI OSPEDALI DI BOLOGNA E DEGLI OPERATORI SANITARI che nell'emergenza Coronavirus ogni giorno si prendono cura di tutti coloro che ne hanno necessità

EFFETTUA UNA DONAZIONE ANCHE TU:

online su www.fondazioneasantorsola.it
 cliccando su Dona Ora e selezionando "più forti INSIEME"
 bonifico IBAN: IT230847236700000000101617
 causale: Fondo "più forti INSIEME"
 conto corrente postale n. 001047864747
 causale: Fondo "più forti INSIEME"
 ricordati di indicare nome, cognome e indirizzo

info: www.fondazioneasantorsola.it/progetti/piu-forti-insieme

FONDAZIONE POLICLINICO SANT'ORSOLA



- **Toyota Material Handling Czech donated to the Czech Technical University in Prague - Czech Institute of Informatics, Robotics and Cybernetics** as a earmarked contribution to the development of the CIIRC RP95 respirator for the fight against COVID-19.

Donează pentru linia întâi

un proiect finanțat de:

BANCA ROMÂNIA, ROMANEXIM, ROMEXPERT, Binderfeder, EMSAG

In parteneriat cu:

Mediasoft, Mastercard, Banca Group, Toyota

- **Toyota Material Handling Romania donated 20,000€ to the 'Donate for the first line' initiative**, which supported hospitals with PPE for employees in the first phase of the crisis, when availability of PPE was a major concern.



- **Toyota Material Handling Italy donated 4,500€ to The Royal Theatre of Parma** to support local culture.

Social contributions and volunteering

SOCIAL WELFARE

- For the 16th year in a row, **Toyota Material Handling Czech** donated circa 8,000€ to the **Czech Centrum Paraple**, which offers wide range of services and therapies for people with spinal cord injuries caused by diseases or accidents - usually suffered while doing work or sports or as a result of car accidents or falls.



- Matsentralen is a non-profit organisation that distributes surplus food from the food industry to charities. Their purpose is to reduce food waste by giving food fit for consumption to people in need. **Toyota Material Handling Norway** provided 4,000€ support to different centres across the country, as well as material support in the form of several hand-pallet trucks and training for operators.



- The **Factory in Sweden** contributed 13,000€ in FY21 to a fund for scientific research of childhood cancers.



- Instead of sending Christmas gifts to its customers, **Toyota Material Handling Austria** decided to donate money to the organisation 'Licht ins Dunkel' which helps people in need. They decided to support the project of the 11 year old David. David, is unable to walk or talk and his greatest wish is to be able to walk a few steps upright. To make his wish a reality, he needed an Inno-Walk.

Social contributions and volunteering

YOUTH DEVELOPMENT

- Toyota Material Handling Sweden provided 7,300€ support as part of a three year commitment** in supporting basketball training for youth in socially vulnerable areas with a high degree of immigration.



- Toyota Material Handling Italy and Toyota Material Handling Manufacturing Italy hosted a class of students from the Liceo Economico-Sociale Laura Bassi in Bologna** for an alternation school-work project. The initiative included training modules in the classroom, introduction and visit to the Toyota reality and the development of operational projects carried out by the students. Inspired and guided by the Toyota team, the students were measured on the issues of quality, health and safety at work which always are at the center of our company's attention.



- Toyota Material Handling Netherlands provided 1,500€ to an organisation which matches young volunteers with another young person in need of mentorship.** By working together for one whole year, there is support and future perspective. Combined with Network 'Serve Your City', lonely vulnerable people are supported in their interactions with other peers.



- Toyota Material Handling Norway made an agreement with Red Cross Trondheim** and their work for the young and unemployed, Toyota offers a yearly monetary donation they are also offering seven free forklift trainings for their young employees.



- Toyota Material Handling Germany and its employees donated 2,000€** to MOKI eV, a mobile children's' and youth hospice offering help for seriously ill children or those with disabilities and supports their family through these difficult times.

Social contributions and volunteering

ENVIRONMENTAL ACTIVITIES

Taking care of the environment we live in is deeply embedded in the Shinto values that inspired the Toyota Precepts. For this reason, our company has a long-standing tradition of organising activities to engage all its employees and their family members in environmental awareness raising activities.

- In Romania, employees were invited to participate in a photo competition, the theme being their personal relationship with nature. At the same time, their children were invited to submit drawings.



- Hundreds of employees in France, Greece, Romania and Sweden took part in local activities around 'Waste Pickup Day' in September 2020.

In France and in Greece they picked up waste in the immediate area of the main office, while in other countries, pickup was organised in nature reserves.



- Our head factory in Ferrara distributed reusable steel bottles to all employees. LTE installed two water dispensers in the production and office area, to encourage the use of personal water bottles. The factory placed posters around the factory to raise awareness on taking personal action to protect the environment. Employees used so much water, that the factory installed an extra dispenser to meet demand.

C'EST LE MOIS DE
L'ENVIRONNEMENT !



A cette occasion, Toyota Ancenis devient partenaire de l'association Les Papiers de l'Espoir. Nous ferons don de l'ensemble de nos papiers à cette association de Vertou qui les collecte et les revend à des entreprises de recyclage. Les fonds ainsi dégagés financent des projets humanitaires et éducatifs en France et dans les pays en développement.

- Our factory in France became a partner of Les Papiers de l'Espoir. They donate all paper to this Vertou association, which will collect and resell it to recycling companies. The funds enabled to finance humanitarian and educational projects in France and in developing countries. In partnership with the Rotary, the factory collected electric and electronic wastes was organised in October. In total, 928 kg were collected and 72 ink cartridges will be converted to vaccines against polio.

2050 VISION

EMPLOYEE HEALTH & SAFETY

Become an industry leader in employee Health & Safety and achieve Toyota Industries Corporation's Safety Vision for zero accidents

FY21 TARGET AND/OR KPI

FY21 STATUS

FY20 STATUS

FY19 STATUS

Implement company-wide Health & Safety policy and strategy

> 80% employees covered by Health & Safety committees	> 80%	> 80%	> 80%
Injury rate - number of injuries per million hours worked (no target)	37	29	31
Absenteeism rates - sum of sickness absence and lost days due to injuries per employee (target < 8 days / employee / year)	10,2	10,4	9,4
40 experts to participate in Health & Safety events	On hold due to COVID-19	62	50
Increase ISO 45001 certifications to > 60% our sales network	4/21	3/21	3/21
Increase ISO 45001 certifications to 100% of factories	5/5*	4/5	4/5

Turnover rate < 8%	7,6%	10,5%	10,2%
% exit interviews with voluntary leavers: 80%	Locally managed – central data collection on hold to deal with COVID-19		17,8%
EcoVadis HR score 80 - Advanced level	80	80	80
three case studies - our 'people approach' every year	4	3	0

Establish European remuneration practices	Pay & Title structure piloted in two entities	Pay & Title structure developed	Continue to streamline HR procedures. Focus on Pay & Title structure
---	---	---------------------------------	--

Leadership development programmes

100% of new managers to receive basic leadership training and an introduction to our Leadership Philosophy	Introduction to Leadership philosophy integrated in manager introduction. Level of fulfillment not measured.	No new initiatives	New leadership philosophy launched
LIFT programme for cross-functional leaders: 40* trained in 2015-2021 (cumulative)	34	12	12
Management Trainee programme: 16* trained in 2015-2021 (cumulative)	8	8	8
LEAD programme for functional leaders: 300* trained in 2015-2021 (cumulative)	268	252	200
Talent programme for future senior managers: 50* trained in 2015-2021 (cumulative)	50	50	50

Employee development programmes

100% of new employees to receive an induction training	Programme covers HQ Employees. Other entities run their own programmes.	Programme covers HQ Employees and minor participation from other entities in Europe.	Programme implemented, 4 have been accomplished
Implement and apply competence profiles	7 profiles implemented	More profiles under development	4 profiles implemented
Number of courses available on e-learning academy (no target)	1866	1377	1032
Number of languages available on e-learning academy (no target)	15	15	13
Service Technician Education Programme: 92% Bronze level	92%	92%	92%

*** All our EU leadership programmes to include**

30% women	20,60%	23,40%	22%
diverse range of nationalities	✓	✓	✓
diverse age range	✓	✓	✓

Develop diversity and equal opportunities strategy	Has been delayed, development process re-started	In progress	In progress
--	--	-------------	-------------

100% appraisal rate	77%	71,9%	73,2%
Entities with an appraisal rate >= 80%	22	16	15
Agile performance rolled out to 29 entities	On hold	9	9
Establish employee survey in several entities (no target)	2	2	2

* In 2021, our SIMAI factory in Milan achieved ISO 45001 certification. SIMAI isn't yet included in the other KPIs.

Planet

How we
minimise
environmental
impact



“

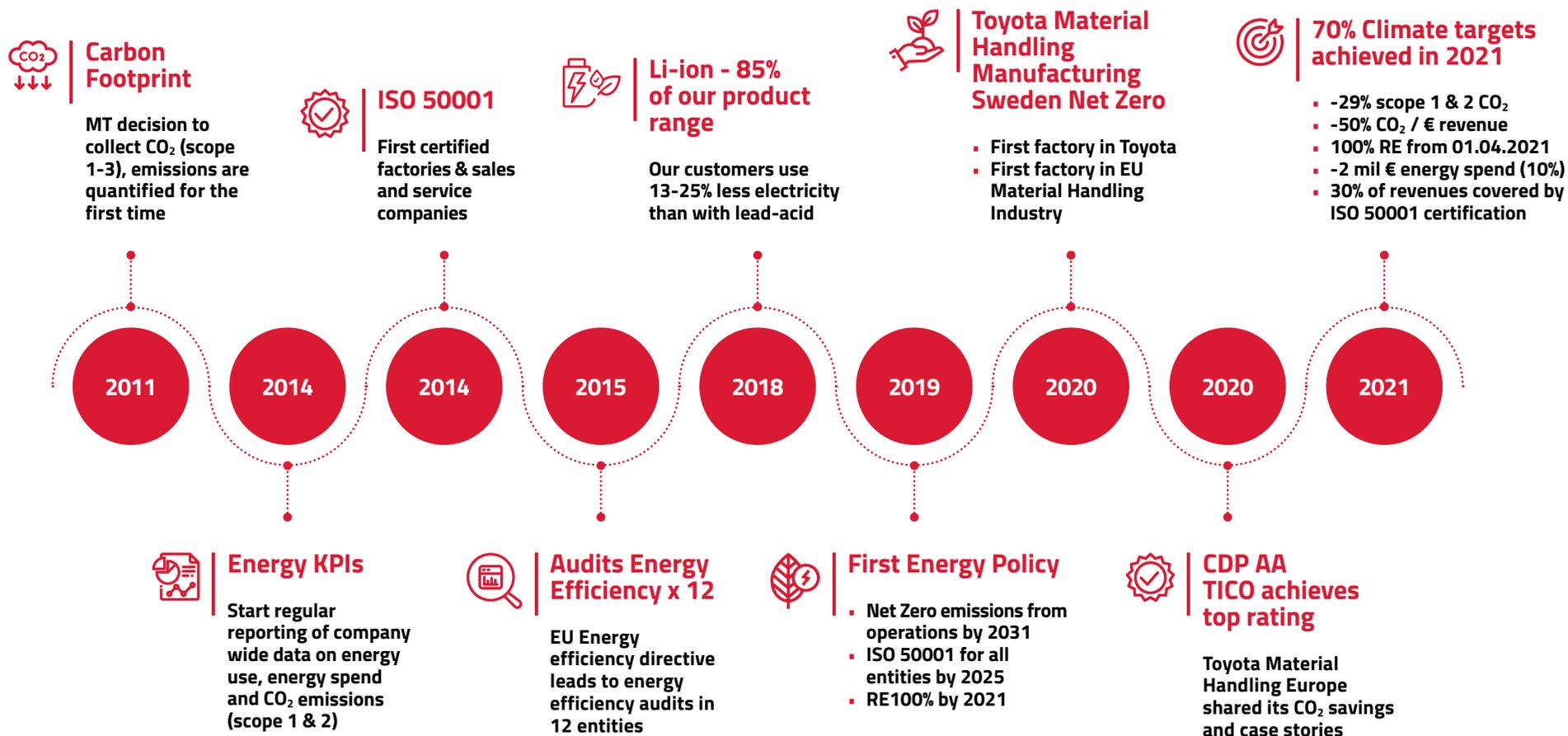
Reaching our climate targets will require bold decisions and focussed investments.”



Lars Hägerborg,
Senior Vice President &
Chief Financial Officer
Toyota Material Handling Europe

Our journey so far – the first 10 years

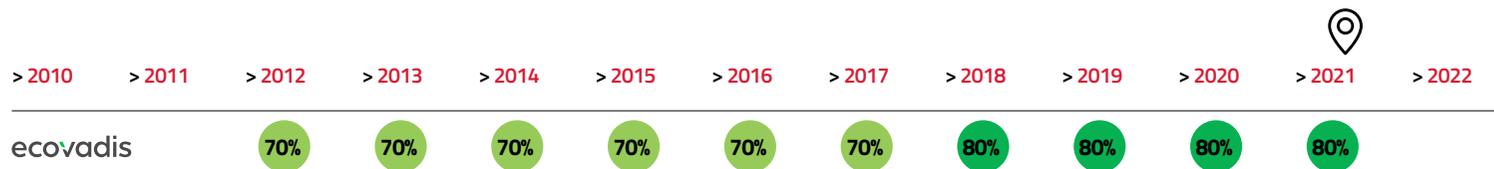
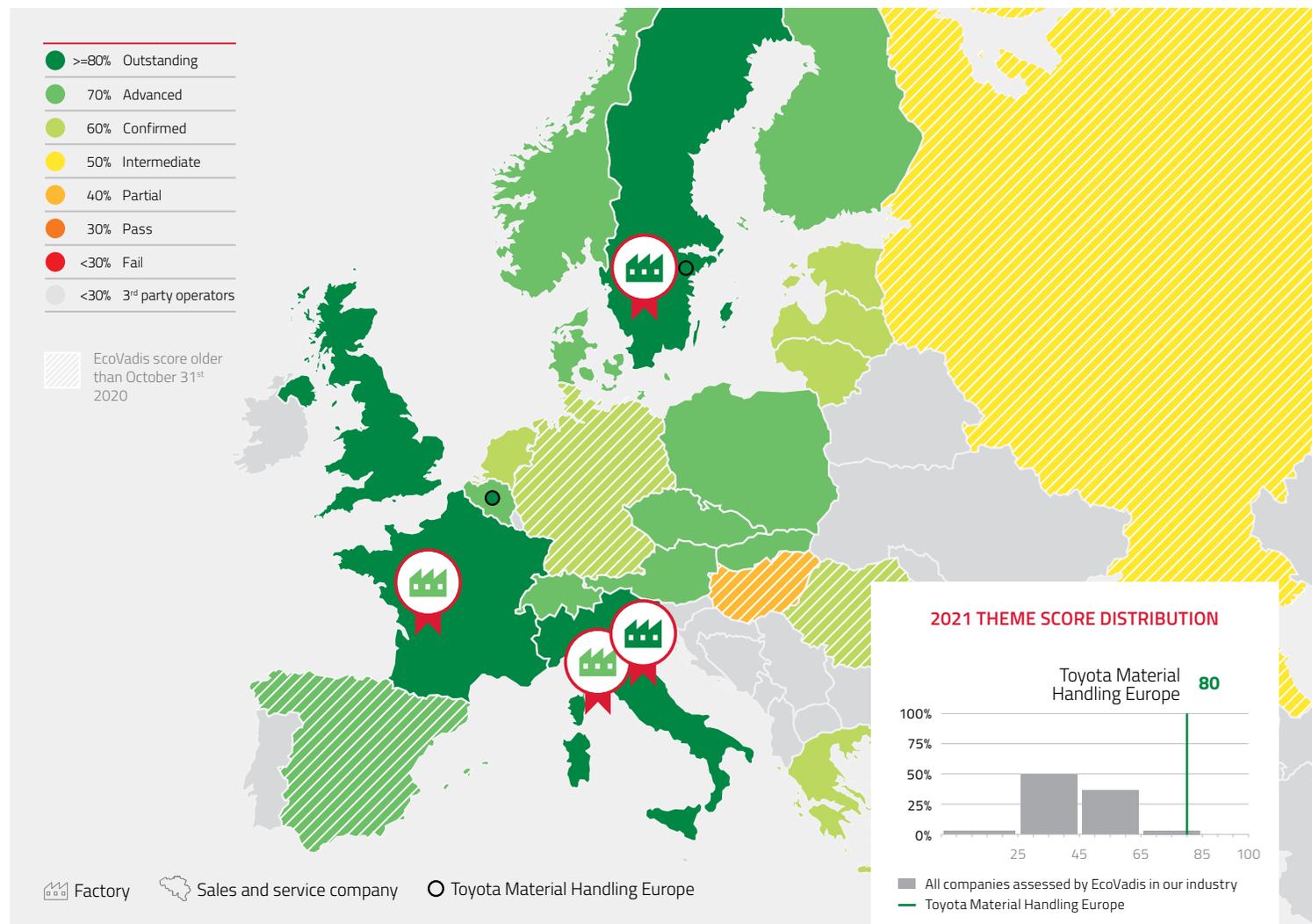
Minimise energy usage and climate impact – Our leadership track record in sustainability



Environmental Management Score

According to EcoVadis

EcoVadis is the global leader in independent third party supplier assessments on sustainability. Every year they assess more than 75,000 companies on behalf of more than 200 industries. Environmental management is one of the four pillars of their assessment, covering all the topics in the 'Planet' chapter of our sustainability report, it accounts for 30% of our overall EcoVadis score.



Joining the UN Race To Zero

On October 14th 2021, our company joined the UN Race to Zero by sending in the 'Business Ambition for 1.5°C Commitment Letter' to the Science Based Targets initiative. The company now has until October 14th 2023 to develop, submit and communicate its science-based targets.

Toyota Material Handling Europe is aligning its climate mitigation targets with the most ambitious aim of the Paris climate agreement. It also tries to do whatever is deemed necessary by scientists to reduce the destructive impact of climate change on society and nature. That is why the company wants to reach net-zero global emissions by 2050 at the latest, thus limiting global warming to 1.5°C.

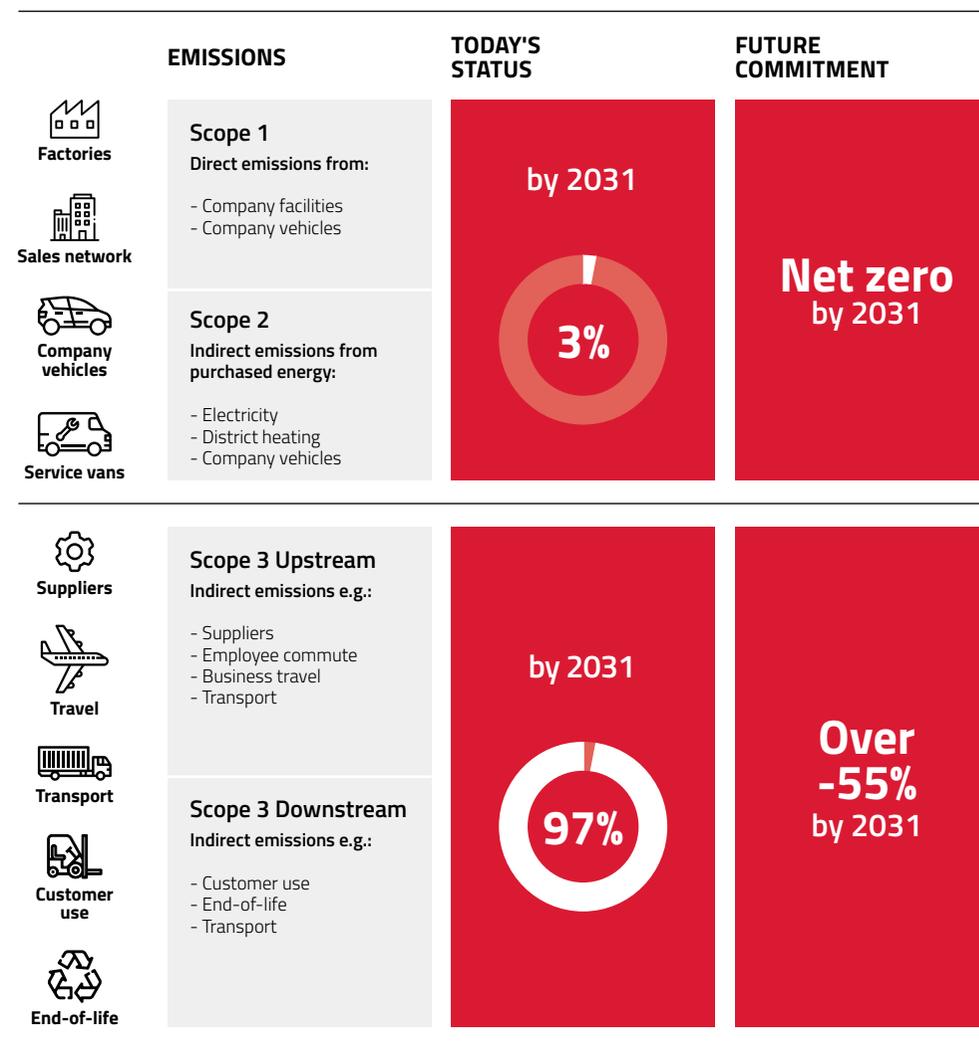
Transforming to a net-zero emissions economy requires coordinated action across all sectors of the economy supported by enabling policy frameworks. By signing this document, our company is committed support and advocate government policy and goals that will deliver a net-zero emissions economy by no later than 2050. The company aims to continue to be a climate leader among its industry partners.

When we last conducted our stakeholder engagement in 2018, energy efficiency, energy efficient products and CO₂ emissions from operations were prioritised as 'material issues' by our stakeholders. For the related KPIs, we would like to refer to the selected GRI standards. Over 97% of our emissions occur outside of our own operations. We will be increasing the level of engagement with our customers, suppliers, employees and other stakeholders. With their input we will determine an ambition level for scope 3 emissions. In 2020, we already communicated a net-zero target by 2031 for scope 1 and 2 emissions. We will continue the focus on implementing this target in the next two years whilst we develop our targets for scope 3 emissions.

BUSINESS AMBITION FOR 1.5°C



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Zero-carbon emissions from our products and solutions

According to a corporate carbon footprint report conducted at the outset of our sustainability journey; downstream scope 3 carbon emissions generated by our customers represents approximately 85% of the total carbon footprint. The process of setting Science Based Targets will bring a far more granular focussed approach in quantifying and reducing supplier emissions.

As both a manufacturer and a solutions provider we look for incremental improvements in energy usage across our product range and in how our customers can optimise their energy consumption behaviour.

Toyota Industries Corporation's Environmental Vision aims to contribute to a low-carbon society through 'zero-carbon' emissions from our products and solutions by 2050. By 2021 Toyota Industries Corporation's [6th Environmental Action Plan](#)  aims to reduce product CO₂ emissions by focussing on:

- even more energy-efficient technologies
- electrification
- weight reduction
- energy loss reduction
- hydrogen and fuel cell technologies

In line with our Code of Conduct, we offer clean products, services and solutions. We aim to develop new products with reduced emissions and improved energy efficiency. In line with Toyota Industries Corporation's position, Toyota Material Handling Europe strives for a society with zero CO₂ emissions by 2050. In 2011, our first corporate carbon footprint concluded that 95% of the emissions across our value chain were generated by our products during use.

Since our previous report, we have completed over 96% of our electric range with energy-saving lithium-ion battery technology. Additionally, our Toyota diesel engines are also specified to use BioFuel complying with the European norm: EN590.

Our approach

We work with our customers to reduce energy consumption and CO₂ emissions so they can achieve their sustainability targets while diminishing costs.

GRI Indicators Covered

302-5 Reductions in energy requirements of products and services



1. MONITOR ENERGY USE

Traditional lead-acid batteries have a limited lifetime. On average, they can be recharged up to 1,500 times. In many applications, they are not fully discharged or fully recharged. This shortens the lifetime of the battery, increasing both costs for the customer and environmental impact. Lithium battery technology offers at least a three times longer life-time compared to traditional Lead Acid batteries.

Our [I Site fleet management tool](#)  enables our customers to optimise operational efficiency, it helps them prolong the life of their material handling solutions, and it informs them when the battery needs to be replaced.



Case study >

Toyota's Li-ion technology streamlines 'next-day delivery' for Hermes Fulfilment logistics centre

Meeting customer expectations

For operations to run smoothly and efficiently, the different sections within the logistics centre must work closely together. 'All processes at the site must be coordinated with one another, otherwise we can have peak times like before Christmas for example, which are difficult to cover,' says Ronald Ganther, Head of Inbound, Hermes Fulfilment.

For the past two years, the location has offered even shorter delivery times. Ganther continues: 'To deliver on our 'next-day delivery' promise, our employees pick in two shifts, which means our machines are working twice as hard and for longer periods.'

The trucks are in use for around seven hours at a time, so attempting to utilise the machinery for two consecutive shifts (with the lowest possible downtime) using lead-acid batteries was proving challenging. Exchangeable batteries were also unsuitable, due to them being time-consuming and requiring too much storage space.

'We were faced with the question: how can we use our industrial trucks as efficiently as possible and still meet increasing customer demands? We needed a flexible device with a new kind of energy.'

[Click here to read more](#) 

 Case study >

Lithium-ion power in compact design

Egg trador Rozenhoeve needed an upgrade as their small manual pallet trucks could no longer handle the heavy work. Ultimately, the LWI160 was chosen, an electric pallet truck built around a lithium-ion battery, that offers a smaller, lighter design. 'I use the LWI160 every day, since it's a compact machine that is very easy to handle. Ideal for use in the lorry when delivering to customers,' says Peter Vanderhaegen, owner of Rozenhoeve.

Step up from manual to electric

'We deliver to more and more customers, so the weight of the deliveries is becoming heavier. In our search for a new machine we decided to go for Toyota Material Handling. We have been a customer for 16 years now and because of the good service we have chosen Toyota again,' says Peter. 'In search of this machine, we were well supported by the sales representative. He was able to answer all my questions quickly and based on that, he proposed a demo truck (LWI160),' says Peter. At Rozenhoeve, they had no intention of purchasing equipment powered by a lithium-ion battery. But after the test period, they were completely convinced.

[Click here to read more](#)

2. AVOID ENERGY WASTE

We also encourage our customers to use high-frequency chargers if technically possible, as these shorten charging time, (thereby optimising truck productivity), increase the likelihood of batteries being fully charged, (lengthening the productive life of batteries), and improve the energy efficiency of battery charging up to 20%. Furthermore, Toyota smart chargers come with Dynamic Power Limitations (DPL) as standard, which reduces the height of 'peak demand' costs.

Four steps to minimise customer energy use and carbon emissions:

1. [Monitor energy use](#)

2. [Avoid energy waste](#)

3. [Innovate through energy efficiency](#)

4. [Innovate through low-carbon solutions](#)



Zero emissions

3. INNOVATE – ENERGY EFFICIENCY

Fuel cell vehicles can be refueled rapidly with hydrogen to have the same uptime as internal combustion engines. They also increase operational efficiency for customers.

Since 2018, Toyota has improved the energy efficiency of its electric trucks. The table below shows the energy consumption of a sample of our electric products and illustrates that the latest model is significantly more energy-efficient than its predecessors. The standards used to determine energy consumption are the industry standard VDI 2198 & EN 16796 consumption standards.

Lithium-ion is now available on 96% of our electric-powered range and we aim to raise this number up to 100%. The intelligent design features of these Li-ion batteries deliver a 13 to 25% reduction in electricity consumption when compared to lead-acid batteries. This reduced energy loss can be found in the charging process

of Li-ion batteries, which is highly energy efficient. But Li-ion batteries do not only have a 10 to 20% lower energy loss, they can also be recharged quickly and these types of trucks have a greater storage capacity. The upfront cost of a Li-ion battery is higher than a traditional lead-acid battery. Many of our customers see a clear business case for this technology, due to the longer lifespans and lower operating costs and it's beneficiary cost-benefit analysis including significant reductions in energy usage and CO₂ emissions.

Automation reduces accidents and stress in tough work environments while telematics connects trucks and other information sources to cloud-based fleet management systems; reducing environmental impact by increasing usage and improved battery management. Our [I_Site](#) solution has been extended with smartphone apps for remote fleet control, a pre-operational check for safety managers and a driver access control system.

Forklift category	Truck category	Truck name	Base consumption at 100%	Previous model introduction	Percentage improvement	New model release
Class 1	Electric counterbalanced Truck 80V (8t)	Traigo 80 8T	100%	2003	87%	13%
Class 3	Power Pallet Truck (Built around Li-ion technology)	LWI160	100%	2005	86%	14%
Class 5	Diesel Counterbalanced truck 2.0-3.5t (Stage V)	Tonero TC	100%	2008	90%	10%
Class 5	Diesel Counterbalanced truck 2.0-3.5t (Stage V)	Tonero HST	100%	2008	90%	10%
Class 1	Electric counterbalanced Truck 80V (2,5 - 4t)	Traigo 80	100%	2008	90%	10%
Class 3	Reach Truck (R-E-O-N series)	RRE160H	100%	2009	75%	26%

4. INNOVATE – LOW-CARBON SOLUTIONS

We are constantly developing and promoting technology and business practices to minimise our impact on the planet.

Around 90% of Toyota's fleet of electric forklifts is currently available with fuel cell technology, and we are constantly growing our fuel cell truck range. We use hydrogen power in our own production facilities in Japan and Italy.

Hydrogen Fuel Cell power trucks operate with zero emissions and are carbon neutral if green Hydrogen is used. With a full tank, hydrogen fuelled trucks can operate for up to ten hours, refuelling them is as quick as with internal combustion engines and fuel cell only emits water and heat. Refuelling can be done both indoors and outdoors making it a very flexible solution. The use of fuel cells in transport today is constrained by the lack of hydrogen infrastructure, but some of our customers are already enjoying it and invested in the necessary installations on their sites. In response to this demand, we are developing the technology for additional products. With their ability to supply electricity, fuel cell forklifts can serve as a source of power supply during emergencies.



Fuel cell truck at hydrogen refuelling station at the Ferrara factory in Italy



Case study >

Antwerp Euroterminal pilots mobile hydrogen fuelling station for their Toyota truck

Antwerp Euroterminal or AET is the biggest multipurpose terminal in Europe located in the harbour of Antwerp in Belgium. Together with their partners, they decided to test out a Toyota hydrogen fuel cell truck and use a mobile charging station in their new sustainability project.

The decision to use hydrogen fuel cell for forklifts, trucks, straddle carriers, cranes, etc. is not an easy one since few transportation solutions allow a hydrogen tank and battery to co-exist. Hydrogen power does have some big advantages in comparison to lead-acid or lithium-ion power: it has a bigger range, its machines have a shorter fuelling span and require less maintenance than lead-acid. Just like lithium-ion batteries, the power output from fuel cells remains independent of how full the tank is.

[Click here to read more](#) 

Zero-carbon emissions from our suppliers

According to a corporate carbon footprint report conducted at the outset of our sustainability journey, upstream scope 3 emissions generated by our suppliers account for approximately 10% to 15% of the total carbon footprint of Toyota Material Handling Europe. In previous reports we did not focus on these upstream scope 3 emissions. Instead, we focussed on downstream scope 3 carbon emissions generated by our customers, which represents approximately 85% of the total carbon footprint.

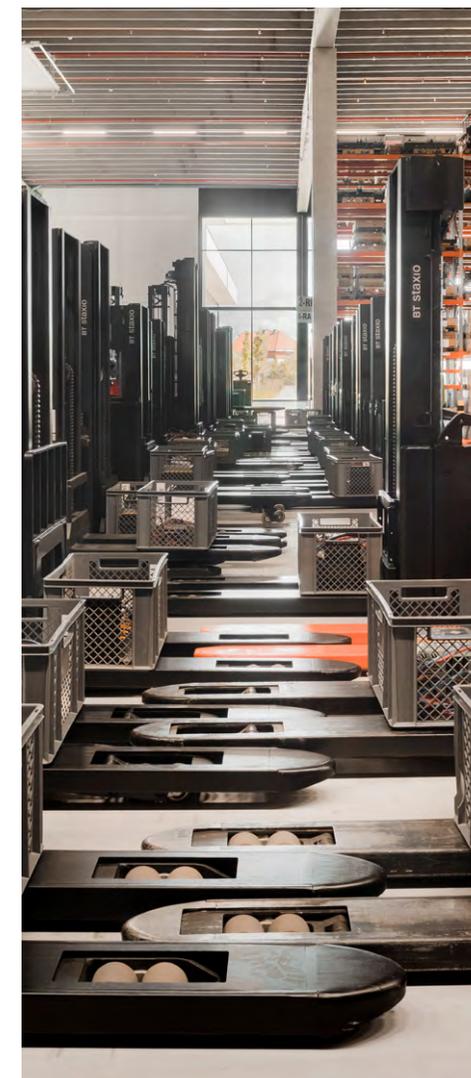
We focussed on our scope 1 and 2 emissions from our own operations, which only represent 3% of total emissions. These are mandatory to include in our reporting to comply with the EU Non-Financial Reporting Directive and guidelines as well as the EU Energy Efficiency Directive.

So far, we haven't identified a smart tool to support the process of collecting CO₂ data from our suppliers. However, EcoVadis already launched a supply chain carbon tool. So, we decided to roll this out to our suppliers together with the broad sustainability assessments. This way we can determine the performance level of our suppliers in terms of environment, people, business ethics and supply chain.

Back in 2015, we included specific requirements in our Code of Conduct for our suppliers, to encourage our suppliers to start focusing on reducing their emissions, and support Toyota Material Handling Europe in reducing its own emissions. Not only do suppliers generate upstream scope 3 emissions, their know-how and innovation can reduce scope 3 downstream emissions from our customers and end-of-life processes. By signing our Code of Conduct for suppliers, they will have to:

- Reduce or eliminate air emissions, including energy-related indirect air emissions by implementing appropriate conservation measures in their production, maintenance, and facilities processes, and by recycling, reusing, or substituting materials.
- Use energy more efficiently and avoid energy waste. Toyota Material Handling Europe encourages setting energy-efficient targets and monitoring power and adopting energy consumption, adopt management practices, switching off equipment that is not needed, and reducing energy consumption where possible. ISO 50001 certifications will add to the positive evaluation of suppliers but are not mandatory.
- Develop energy-efficient products and solutions. When using energy, they will also aim to reduce carbon emissions produced by our products. Indirect material suppliers will proactively offer Toyota Material Handling Europe their more energy-efficient products and solutions enabling Toyota Material Handling Europe to lower its energy consumption and carbon emissions. Energy efficiency will increasingly become a selection criterion alongside quality, price and time of delivery.

These messages were also repeatedly underlined during the annual supplier conference of Toyota Material Handling Europe. Setting Science Based Targets will bring a far more granular focussed approach of quantifying and reducing supplier emissions. For more information of how we manage sustainability in our supply chain, you can read the section on 'Responsible Purchasing' [🔍](#).



GRI Indicators Covered

GRI 305 Management Approach
GRI 305-3 Other indirect (Scope 3) GHG emissions

Zero-carbon emissions from our operations

Energy and emissions management

Toyota Industries Corporation aims to contribute to a low-carbon society through 'Zero Carbon' emissions from our operations in 2050. The company set a carbon reduction target of 26% by 2021 for all our factories. With a 31% reduction in CO₂ emissions versus FY12, our European factories more than met their corporate target.

Our Code of Conduct encourages all employees to reduce the usage of energy, to reduce emissions and to make economic growth compatible with the conservation of nature. Our stakeholders consider climate change as a material issue. Our key customers require suppliers that support them on their transition to net-zero emissions, and that set ambitious climate goals for their own supply chains. As is the case with most companies, the lion's share of our CO₂ emissions and climate risk is situated in our value chain.

Even if our own **scope 1 and 2 emissions** represent less than 3% of our total footprint, reducing them is key to develop strategic know-how, and to lead by example. In 2020, our European management team agreed to net-zero emissions from our operations by 2030. By reducing emissions in operations, we gain know-how to support customers and suppliers on their journey to zero emissions. Energy efficiency and renewable energy are both key to our approach.

Entities report their energy usage data into our non-financial reporting software. This software automatically calculates CO₂-equivalent emissions data and acts as a data repository to follow up on progress versus targets at site, regional and European level. In this report, we consolidate energy and CO₂ KPIs of 24 entities. For all entities that are included we have 100% equity and operational control. We have based our calculations on the Corporate Reporting Standard of the Greenhouse Gas Protocol. To calculate CO₂ emissions from energy data, we use grid electricity conversion factors from the International Energy Agency (IEA) and fossil fuel conversion factors from the UK Department of Food and Rural Affairs (DEFRA).

GRI 302: Energy

Management approach disclosures

- 302-1 Energy consumption within the organization
- 302-2 Energy consumption outside of the organization
- 302-3 Energy intensity
- 302-4 Reduction of energy consumption

GRI 305: Emissions

Management Approach disclosures

- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-4 GHG emissions intensity
- GRI 305-5 Reduction of GHG emissions

CO ₂ emissions tonnes	FY2012		FY2021		FY2022		FY2031	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
 Factories	4,770	5,440	2,254	0	2,200	0	0	0
 Sales network offices	3,429	3,122	2,122	1,321	2,100	0	0	0
 Company cars	9,908	0	6,268	0	6,500	0	0	0
 Service vans	12,448	0	14,146	0	14,500	0	0	0
Annual total	39,117		26,111		25,300 forecast		0 target	
			-33%		-35%		-100%	

All of our subsidiaries buy most of their energy, with few entities generating 0.1% to 10% of their energy from on-site solar panels. None of our entities sell the excess energy they generate.

Our cross-functional energy team consists of sustainability and energy experts representing factories, sales network and central functions. Together, they continuously benchmark our existing policies, they update them, and coach different parts of the company on their journey to a net zero future.

Since 2015, four factories and eleven sales and service companies have set up a dedicated Energy Management Team (EMT) composed of facility managers, fleet managers, and production managers. The EMT drafts and updates an Energy Management Plan (EMP) focussing on opportunities to improve energy efficiency and lower their carbon footprint, initially stretching to 2021. In five other entities, the local management team acts as the energy management team.

Read more on our journey to zero emissions in the [blog post from our CEO](#), Ernesto Dominguez.



'Energy efficiency and renewable energy are the two pillars to achieve net zero in operations. While a switch to renewables is relatively easier, its energy efficiency that is the most cost-efficient approach to accelerate our journey to net zero.'

Francesca Simoncelli,
Sustainability Manager
Toyota Material Handling Italy

Energy mix

Non-renewable energy: Diesel represented 33% of our energy mix in FY21, it was mainly used in service vans. Petrol accounted for 17% of our energy mix and is mainly used in company cars. Natural gas usage in buildings equally accounted for 17%. Other fossil fuels (heating oils, LPG) together accounted for just over 1%.

Renewable energy: Of our total energy usage in FY21, 33% came from renewable sources. This breaks down to 24% electricity from renewable sources covered by Guarantees of Origin, 6% from district heating using wood waste, and 3% from liquid biogas. By 2031, our energy policy commits us to switch to 100% renewable energy across our own operations. As part of our commitment to this ambitious plan to combat climate change, the company completed a switch to 100% renewable electricity in FY21.



Solar panels at Toyota Material Handling Manufacturing Italy generate up to 33% of local electricity use



Case study >

Toyota Material Handling Europe switches to 100% renewable electricity on April 1st, 2021

The switch involves every single one of the organisation's European entities and represents a significant advancement towards its ambitious sustainability goals. This switch can already stand for 15% of our progress towards Toyota's 2030 goal: net-zero emissions from its own operations.

Toyota Material Handling Europe breaks down its 100% renewable electricity usage into 3 categories:

- 95% is obtained by working with local electricity providers through renewable electricity contracts. The providers supply proof that they cancel GOs equivalent to the amount of electricity that is bought.
- Toyota Material Handling Europe will buy and cancel GOs via brokers separate from electricity providers to account for a residual 4% where local solutions aren't available.
- The final 1% of electricity is generated by on-site solar panels at various European facilities.

[Click here to read more](#)



As a direct consequence of the COVID-19 pandemic, our energy usage across Europe dropped by 12% in one year, down to 644 TJ (terajoules) in FY21. In FY22, we expect the energy usage to increase again as part of the recovery from the COVID-19 crisis. We equally expect the resulting increase in CO₂ emissions to be mostly offset by the completion of the 100% switch to renewable electricity on April 1st, 2021.

Specific energy reduction programmes

Since we started our energy reductions programme in 2015, we have already counted over 200 energy-saving actions completed locally across Europe, saving over 2.5 million EUR annually. We stopped following up on all individual energy actions centrally, as it was creating unnecessary overhead. When analysing the data submitted in previous years, we noted a strong positive correlation between ISO 50001 certification and the amount of energy our entities had saved. Therefore our 2020 energy policy states that by 2025, all Toyota Material Handling Europe entities must be ISO 50001 certified.

In FY21, we achieved our target of having 30% of all Toyota Material Handling Europe revenues generated by entities that are ISO 50001 certified.

Specific actions concern energy-friendly and emission-reducing initiatives relating to a smarter fleet, smarter factories and smarter buildings.



Case study >

Piloting an electric service van in Norway.

At Toyota Material Handling Norway, our colleagues decided to pilot the first electric Toyota Proace service van in their fleet. The Norwegian parliament has planned that by 2025 all new cars should be zero-emission vehicles. In fiscal year '21, Toyota Material Handling Norway produced 760 tonnes of CO₂ with their service fleet, that is 75,1% of our total CO₂ emissions.

The company has the ambition to switch as many fossil-fuel vans as possible to electric vans in Norway but needs to take the charging possibilities and long driving distances in certain districts into consideration. In the future, this will get better and battery technology is also developing fast, so a service fleet made up of electric vehicles will be possible.

In 2020, emissions from service vans make up more than 50% of CO₂ emissions from all of Toyota Material Handling's operations in Europe. If the pilot in Norway is successful, it can help accelerate the switch to electric vans across Europe. This project has the potential to save 14,000 tonnes of CO₂ emissions every year.



'Being first one in our market to pilot an electric service van, we want to show our technicians that we want to take care of the environment as part of our commitment to Zero Muda.' says Lars Rune Johansen – Service Manager at Toyota Material Handling Norway.



100%
of our electricity

in our European operations is renewable since April 1st 2021

Trends

Our company has been able to grow revenues significantly, while cutting emissions: for every euro we generated in sales in FY21, we emit 51% less CO₂ than in FY12.

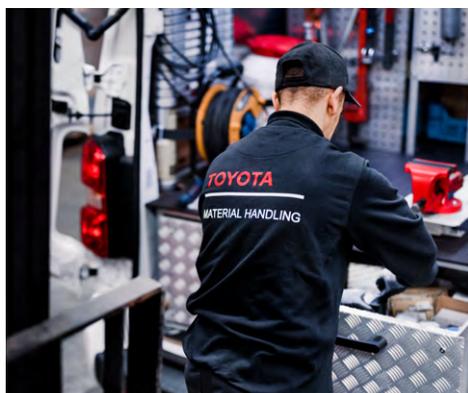
Other trends from FY12 to FY21:

- absolute energy usage increased by just 2%
- absolute emissions are down 29%
- revenues increased by 46%

SMARTER FLEET

The share of diesel in our fuel mix for company cars and service vans has been reduced from 89% to 72% in FY12. This is, however, still slightly higher than the 70% reported in our 2019 report. Company cars are to blame, as their use dropped significantly during the first lockdown period. Despite that, our service vans kept servicing our customers. Our company car guideline was released in FY15 and updated in FY20, encouraging employees to pick more hybrid company cars and reduce fleet fuel consumption.

With over 4 million service visits per year, 60% of our fuel use and 32% of our total energy use in FY21 came from service van fuel. We try to use less fuel and reduce the CO₂ emissions of our service vans by making their loads lighter, using smaller vans, using GPS and by eco-driving, but the overall fleet of service vans has been growing. That is why, it is key to accelerate the journey to net-zero maintenance service for our customers.



SMARTER BUILDINGS

In our FY15 report, we already reported that our factories in Italy and our company in the Czech Republic achieved ISO 50001, and that our company in the Netherlands achieved significant CO₂ reductions. These entities continue to act as centers of excellence in energy efficiency. In FY21 our factory in Sweden and our sales company in the UK gained ISO 50001 certification. Toyota Material Handling Manufacturing Sweden completed their switch to liquefied biogas (LBG) and thus reduce the total CO₂ output to zero.

Our factories set the pace in the first part of our sustainability journey, by reducing absolute CO₂ emissions by 78% since FY12. They show that ambitious action on climate change is achievable, both from a financial and technical perspective. Our Swedish factory in Mjölby stands out, as it achieved net-zero emissions in FY21.



Case study >

Swedish factory first to reach zero emissions

Since August 2019, Toyota Material Handling Manufacturing Sweden (based in Mjölby) has been recognised as a carbon-free factory, emitting zero CO₂ and using only green electricity, district heating and liquid biogas. This achievement was made possible by switching from liquefied petroleum gas (LPG) to liquid biogas (LBG). The Mjölby factory is the first entity within Toyota Material Handling Europe to achieve zero emissions, with hopefully more entities to follow soon. Toyota Industries Corporation (TICO) therefore granted the plant the TICO Group Annual Environmental Excellence Award for their achievement in the project.

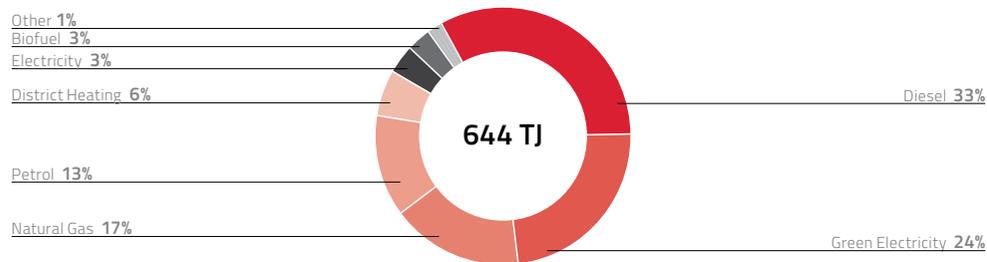
[Click here to read more](#) 



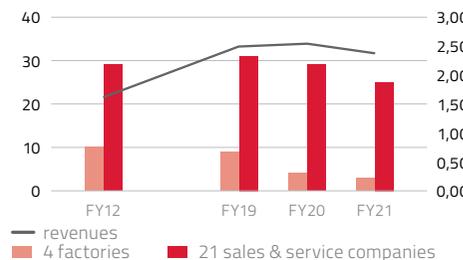
'Net-zero manufacturing is possible, we have done it. Our commitment avoids 3,000 tonnes of CO₂ emissions every year. How far will you go?'

Maria Väitalo,
Sustainability Manager
Toyota Material Handling Manufacturing
Sweden

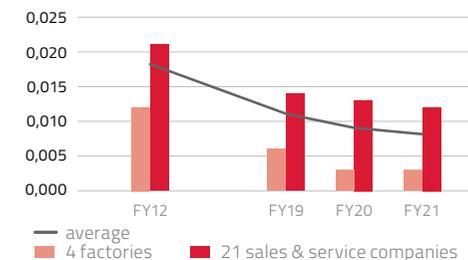
FY21 ENERGY USE BY FUEL (terajoules)



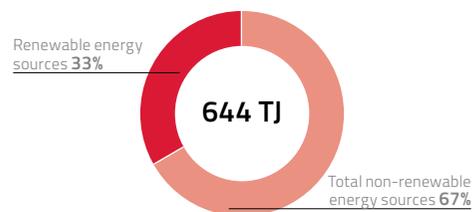
CO₂ EMISSIONS (kilotonnes) VS REVENUES (m €)



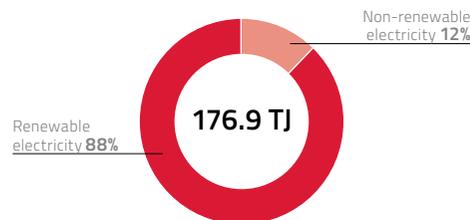
CO₂ EMISSIONS / REVENUES (kilotonnes/euro)



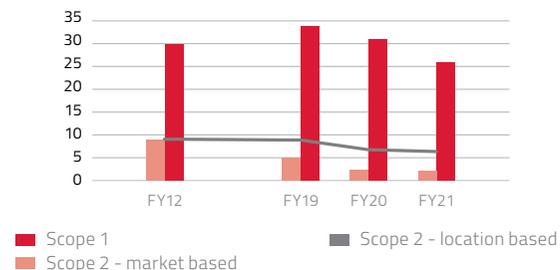
FY21 ENERGY USAGE (terajoules)



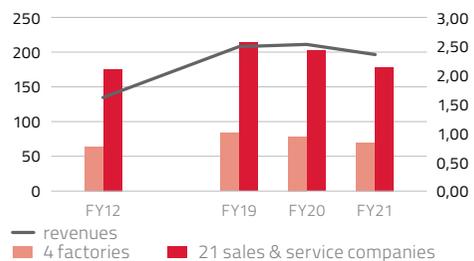
FY21 ELECTRICITY USAGE (terajoules)



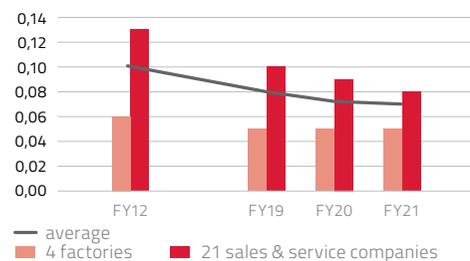
SCOPE 1 AND SCOPE 2 EMISSIONS (kilotonnes)



ENERGY USAGE (terajoules) VS REVENUES (m €)



ENERGY USAGE / REVENUES (terajoules/euro)



CO ₂ Emissions (kilotonnes)	FY12	FY19	FY20	FY21
Scope 1	30	34	31	26
Scope 2 - location based	8,933	8,782	6,612	6,251
Scope 2 - market based	8,933	4,888	2,272	2,016

Scope 2 location emissions above are calculated by summing up the emissions from district heating and the emissions from both grid and green electricity, and applying the appropriate IEA emission factors.

Scope 2 market emissions above are calculated differently: we apply a zero-emission factor to the green electricity consumption and a residual-mix emission factor from AIB to the grid electricity whilst the district heating component of emissions is the same as in the location method. The reduction over time that is shown in market emissions has been achieved through switching from electricity consumption to renewable energy sources.

Environmental management

Our stakeholders increasingly consider our environmental governance as a key sustainability issue. Customers mainly address this in their requests for quotes or through third-party supply chain platforms. One example is EcoVadis, who gave our company a score of 80 i.e. 'Advanced' on environmental management, putting the company in the top 1% of 75,000 suppliers globally.

Our owners have had environmental sustainability as a priority for decades, thus we structured our activities in this chapter in line with the achievements against the four pillars in their 6th environmental action plan.

Over the last two years, we witnessed a change in expectations for environmental sustainability from regulators, customers, and employees.

GRI 303: Water and Effluents

Management approach disclosures

GRI 303-3 Water withdrawal
GRI 303-5 Water consumption

GRI 306: Waste

Management approach disclosures

GRI 306-3 Waste generated
GRI 306-4 Waste diverted from disposal
GRI 306-5 Waste directed to disposal

The EU Commission aims to create a digital and sustainable Europe by 2030. The EU Green Deal is a collection of over fifty directives, regulations and other policy tools to transform all sectors of our economy. It was designed to significantly affect the entire life cycle of our products, in hopes of becoming more sustainable from sourcing raw materials to their end-of-life. Companies will be obliged to be much more transparent, not just at company level, but at product level. In term, their customers and finance providers will be expected to use this sustainability data to choose the most sustainable business partners.

One of the unique European policy tools is the EU Taxonomy, which ensures that financial service companies have to give preferential financing terms for sustainable companies, products and services. In 2025, most of these policy tools will have full force and they will solidify environmental sustainability as the most important competitive differentiator. While Brexit means that there's a policy divergence for our UK business, it looks like the we don't need a completely different sustainability strategy for the UK market.

As an example of the impact of the EU Green Deal; in 2020, the company put together a cross-functional taskforce to prepare for reporting into the SCIP database managed by European Chemicals Agency (ECHA) in line with the January 5th 2021 deadline.

Under the updated EU Waste Framework Directive, companies have an obligation to register any products containing substances of very high concern. We contacted more than 600 suppliers to provide us with the necessary information on SVHC's in their products so that we would have the necessary data to comply with our reporting obligations. In turn, we have also seen an increase

in customer requests on SVHC in line with both the Waste Framework Directive and REACH regulations. As a result, thousands of people across our supply chain have been involved for weeks, sometimes months, in ensuring our company complies with just one of the requirement of this EU Directive. We expect that the challenges for our company and our suppliers will only increase as more parts of the EU Green Deal will come into force.

We also see a change in the role sustainability has when people decide whether or not they want to work for us. New candidates start asking in-depth questions about our sustainable commitments. What is new, is that employees no longer just ask what the company is doing to become sustainable, but how they will be actively involved in the sustainability process.

When we last conducted our stakeholder engagement in 2018, water, waste and environmental management were not prioritised as 'material issues' by our stakeholders. Rather than fully matching the GRI standards for the indicators in this section, we report the data that we have. Continuously improving our sustainability reporting in small steps fits within our corporate 'Kaizen' culture.

Toyota Industries Corporation's Vision 2050 aims to establish a society in harmony with nature by:

1. establishing a zero-carbon society
2. contributing to a recycle-based society by achieving 'Zero water to drain' and 'Zero waste';
3. reducing environmental risks and contributing to a society in harmony with nature
4. promoting environmental management

These four pillars are translated every five years in a new Environmental Action Plan with detailed targets and KPIs for all global subsidiaries. In 2020, TICO launched the [7th Environmental Action Plan](#), covering the period from April 1st 2021 to March 31st 2026. Here, we report the updated targets of the 6th Environmental Action Plan which concluded in March 31st, 2021. Our owner's targets are mainly focussed on factories, yet we also invite our sales & service companies to join in on a voluntary basis.

1. Establishing a zero-carbon society

TICO 6th Environmental Action Plan Policies:

- Develop products and technologies with the highest level of environmentally friendly performance
- Develop production engineering technologies with lower CO₂ emissions and utilise clean energy

Since our 2013 sustainability report we have focussed extensively on the first pillar 'establishing a zero-carbon society', zooming in on emissions from our products and solutions as well as on those from our own operations. This issue is covered extensively in the previous chapters. Since our 2019 sustainability report, we added this chapter on 'environmental management' as a material sustainability issue, so that we also cover pillars two, three and four of our owners' environmental strategy.

2. Contributing to a recycle-based society by achieving 'Zero waste' and 'Zero water to drain';

TICO 6th Environmental Action Plan Policies:

- Promote measures against resource depletion by recycling waste
 - reduce amount of resource usage with upstream measures
 - recycle resources on site as much as possible
 - reduce waste with the most advanced technology

- Prepare and promote countermeasures against water depletion after determining water usage and the amount of wastewater;
 - monitor water input and output in each country
 - develop and promote appropriate measures to combat depletion

In line with our Code of Conduct, Toyota Material Handling Europe aims to reduce waste, especially the hazardous chemicals and emissions of our production and distribution. We believe that economic growth and conservation of the natural environment are compatible.

Reduce, Reuse, Recycle Waste

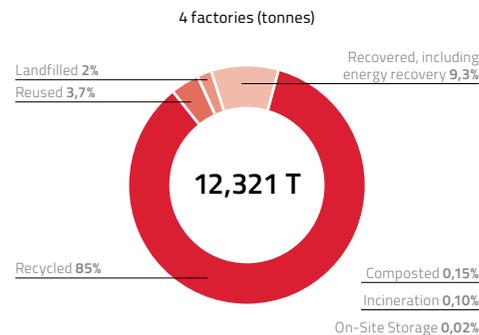
FACTORIES

Our factories generate waste primarily during production, maintenance and through truck scrapping. Since FY15, our factories reported increases in hazardous and non-hazardous waste. Factories overall haven't yet been able to decouple business growth from an increase in raw materials usage and waste generation during production, in the way they have been able to detach it from CO₂ emissions.

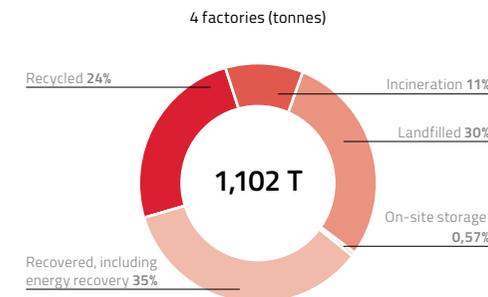
In the data, we see evidence that factories are starting to manage their waste more sustainably.

Our main factory in Italy was the first to start reporting on how they composted their organic waste. Our factory in Sweden was the first to start reporting on reuse of waste. All factories together reported a 50% reduction in landfill waste.

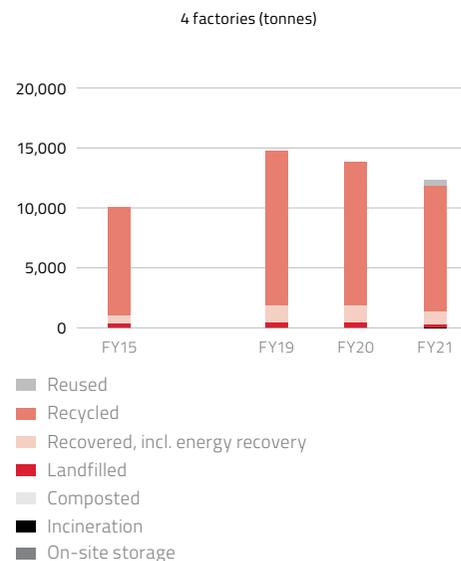
FY21 NON-HAZARDOUS WASTE



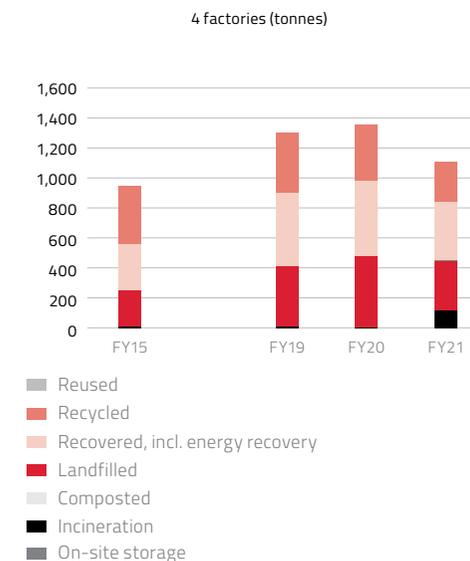
FY21 HAZARDOUS WASTE



NON-HAZARDOUS WASTE



HAZARDOUS WASTE

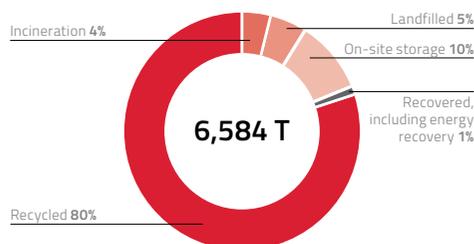


SALES AND SERVICE COMPANIES

There is still more work to be done to fully integrate circularity into our business model. Currently only 16 of our 21 sales and service companies report on waste, yet they report [over 33%] of our total waste. Most of the entities not reporting are small companies, yet two represent major European countries. Among companies that do report, none include data for used trucks sales, which is the most significant waste reduction activity in our business.

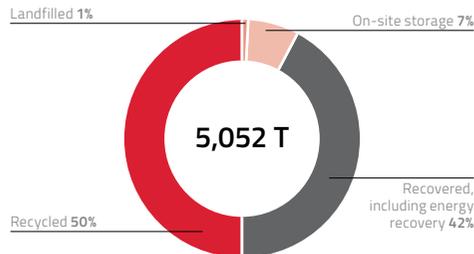
FY21 NON-HAZARDOUS WASTE

16 sales and service companies (tonnes)



FY21 HAZARDOUS WASTE

16 sales and service companies (tonnes)



Due to COVID-19, we put one of our targets for FY21 (100% of our entities reporting on waste) on hold to free up some EHS resources to manage the pandemic within our business.

Our future waste reporting will need to be more complete, more granular, and designed to support a circular business model. For the time being, available data can help us to begin understanding material flows across our business.

Water usage

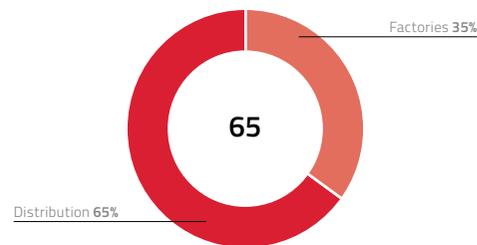
Since our 2019 sustainability report, 100% of our factories continue to report their water data, as well as 17 of 21 sales and services companies.

Most of the entities who are not reporting are small companies where water rates are included in the rent, and no water data are available. One is a major European country, showing that we still have more work to do to create a sustainability culture.

Over 95% of reported water usage is municipal water. Rain water makes up 4% of our total water, which was about 1% in FY19. Recycled process water and ground water both were reported as less than 1%. In FY21, our entities reported over 65,000 m³ of water usage of which more than 65% was used in our factories as part of the manufacturing process. Water used in our sales and service companies was primarily used to clean rental and used trucks.

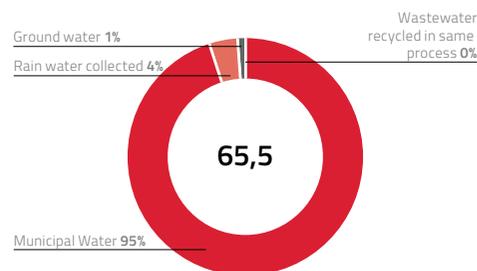
FY21 WATER USE BY FUNCTION

(thousands of m³)



FY21 WATER SOURCES

(thousands of m³)



FACTORY WATER USE RELATIVE TO REVENUES

(thousands m³ / €)



Our factories remained mostly open throughout the pandemic and reported an 8% increase in water usage since our previous report. Factory water usage per euro in revenue generated increased by 27% compared to FY19; it is however still 22% lower than in FY12.



Case study >

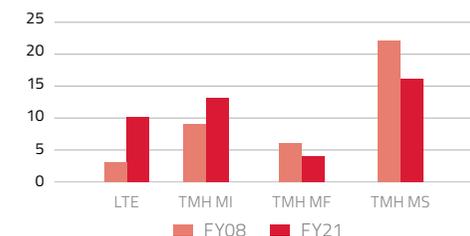
Zero water to drain in Toyota Material Handling Manufacturing Sweden

The paint shop in Mjölby works in a highly sustainable and lean way. Maria Valitalo, Sustainability Manager at Toyota Material Handling Manufacturing Sweden, explains its ecological benefits: 'In 2009, our factory in Sweden invested significantly in their paint shop, with bold targets: zero drainage, reduced powder paint waste and lowered energy consumption, as well as zero emissions. This has led to a reduction of overall waste water from the site by 90%, now the factory only drains water from the canteen and sanitary equipment.'

[Click here to read full story](#)

WATER USE TRENDS BY FACTORY

(thousands m³)



Factories in France and Sweden have been successful at reducing water usage significantly over the long term, while growing revenues. We asked them to document their good practices and share them with other entities.

3. Reducing environmental risks and contributing to a society in harmony with nature

TICO 6th Environmental Action Plan Policies:

- minimise usage of substances of concern
- promote biodiversity conservation activities across the entire Group

Substances of concern

A key priority for TICO, substances of concern are also regulated by many Directives and Regulations created or revised as part of the EU Green Deal. We have mapped a significant increase in the legal requirements regarding substances of concern:

- EU REACH regulations (Registration, Evaluation, Authorisation and Restriction of Chemicals) require us to inform our customers of any Substances of Very High Concern (SVHCs) contained in our products.
- EU Waste Framework Directive requires us to register, as of January 5th 2021, all products and parts containing SVHCs on the SCIP database, administered by the ECHA.
- EU Batteries Directive requires that batteries placed on the EU market should become sustainable, high performing and safe throughout their life cycle. This means batteries have to be produced with the lowest possible environmental impact, using materials obtained in full respect of human rights as well as social and ecological standards. Companies must report the batteries

they place on the market to the national battery body in every EU member country.

- EU Supply Chain Directive
- EU Conflict Minerals Regulation requires us to provide transparency on Gold, Tantalum, Tin and Tungsten, in terms of a downstream company in the 3TG supply chain.

In FY21, we ran projects all across Europe to ensure our companies comply with new requirements of the EU Waste Framework Directive and the EU Batteries Directive. To comply with new legal requirements, a radical change will be required in data obtained from suppliers, in data processing and in reports that are being sent out to the customers and regulators.

Biodiversity

The direct impact of manufacturing and servicing of forklift trucks on biodiversity is limited. Even if we haven't done any extensive supply chain due diligence, we expect the indirect impact across our value chain to be limited to a few select areas in our supply chain, e.g. the sourcing of certain minerals.

On their Paris headquarters, Toyota Material Handling France installed beehives with rare species of honeybees. Honey from the hives is offered in the canteen, to engage employees to understand the importance of biodiversity. We want our employees to get involved and support biodiversity.

Equally in France, our factory in Ancenis replaced lawnmowers with sheep. It's a solution that is both less expensive and better for the environment. It reduces CO₂ emissions, allows the survival of rare sheep breeds, and engages its employees in sustainable innovation.



Environmental Management Systems

Our factories are required by Toyota Industries Corporation to maintain an ISO 14001 environmental management system certification, and so are all their key suppliers. Additionally, our sales and service companies in France, UK, the Czech Republic, Romania, Spain, Finland and Sweden have voluntarily adopted ISO 14001 in response to local market conditions. In the Netherlands, our local sales and service company has opted for the 'BMWT' certification standard. Certificates for all these entities can be downloaded via www.toyota-forklifts.eu/sustainability.

Global Environmental Experts from TICO attended all physical sustainability meetings organised during the reporting period, the last one was in October 2019. Since September 2020, our monthly online sustainability meetings have been strengthened; and our colleagues from Japan attend every meeting and are also regular presenters at these meetings.

Environmental Awareness Activities

Taking care of the environment we live in is deeply embedded in the Shinto values that inspired the Toyoda Precepts. For this reason, our company has a long-standing tradition of organising activities to engage all its employees and their family members in environmental awareness raising activities.

Examples of these activities can be found on pages for '[Social Contributions and Volunteering](#)'.

4. Promoting environmental management

TICO 6th Environmental Action Plan Policies:

- build a global environmental management system and promote related activities
- extend the scope of Toyota Industries' enlightenment activities to consolidated subsidiaries in and outside of Japan

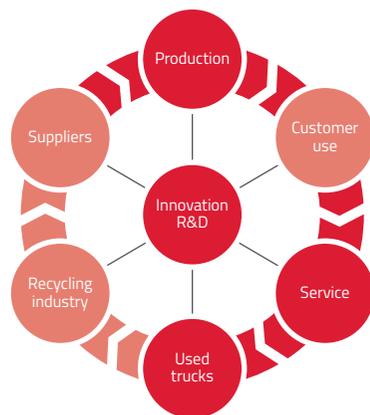
Circular economy

Product life cycle

Circular economy was not yet considered a material issue by our stakeholders during our last formal round of stakeholder engagement in 2018. So, we have no associated GRI KPIs to report on for the completion of first decade of sustainability targets.

For our 2031 sustainability targets, circular economy will be a strategic business topic. Circular economy is a priority of the EU Green Deal, and an increasing number of customers asks us to show them our circular business strategy supported by evidence such as life cycle assessment data.

Within the material handling industry, several companies have some sort of control of or influence on our products' life cycle. From agreeing with our suppliers to reduce the amount of hazardous substances in our products to selling used trucks solutions with our partners, many companies are involved with our trucks throughout their entire lifespans.



■ Within our sphere of control
■ Within our sphere of influence

Remanufacturing

Within the product life cycle, the customer energy use is the largest source of CO₂ emissions, accounting for 95% of our carbon footprint. When we exclude the customer use, steel manufacturing (raw material for our trucks) is the main source of our carbon footprint (70%). Remanufacturing forklift trucks extends the useful life of the metal chassis and spreads the upfront 'high-carbon investment' over a longer useful life.

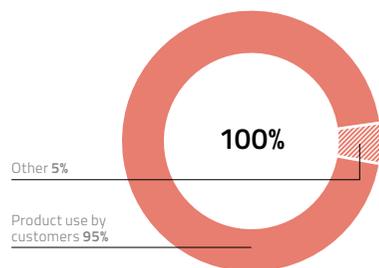
Toyota Industries Corporation published a total life cycle carbon footprint of its products, and it can be found on their website via [this link](#).



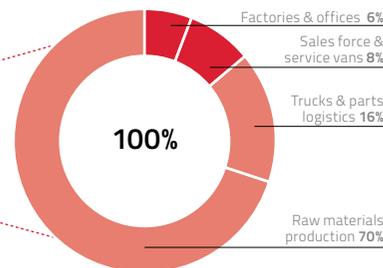
'Circular economy is a really exciting opportunity where we can do even more. Designing our products in a way they can be upgraded and prolonging their lifetime, could have a great and positive sustainable impact.'

Hans Larsson,
Director Strategic Innovation
Toyota Material Handling Europe

CARBON FOOTPRINT INCLUDING CUSTOMER USE



CARBON FOOTPRINT EXCLUDING CUSTOMER USE





'Sustainability goes beyond our own and our customers borders. We're committed to support and comply with the Paris agreement. All process improvements during a truck's lifetime are focussed on reaching these goals and targets. It's our way to take the lead in the material handling market in reducing environmental impact on the planet.'

Niklas Jalkner,
Rental & Used Director Europe
Toyota Material Handling Europe



Second Life strategy

Toyota Material Handling Europe wants to reduce the ratio of scrapped trucks to less than 20% through it's Second Life strategy.

Though only new energy-efficient products are suited for high-intensity applications, customers gladly welcome used or remanufactured trucks for lower-intensity applications or as standby vehicles for busier periods. Our Second Life strategy case study explains how raw materials production is responsible for the majority of the full carbon footprint of the production of a new truck, while refurbishment only involves the cabin and engine, not the chassis.

With the increasing use of our long and short-term rental offer, making up a large segment of our business, we drastically improve the lifespan of our products, while at the same time reducing emissions from transportation logistics to and from our customers. For low-intensity applications, used trucks are a low-carbon alternative for customers interested in reducing upstream carbon emissions in their value chain. If trucks cannot be refurbished, they will be responsibly recycled.

Since FY13, we have been able to sell almost 48% more used trucks, all while reducing the number of scrapped units by 3p.p (3 percentage points). A remanufactured truck gives our customers the option to buy a Toyota approved truck with a lower environmental impact.

2050 VISION

ZERO-CARBON EMISSIONS FROM OUR PRODUCTS AND SOLUTIONS

Toyota Industries Corporation's Environmental Vision aims to contribute to a low-carbon society through zero-carbon emissions from our products and solutions by 2050

ZERO-CARBON EMISSIONS FROM OUR OPERATIONS

Toyota Industries Corporation aims for zero-carbon emissions from its own operations

By 2031, Toyota Industries Corporation aims to cut carbon emissions from operations by 50%

We act in line with Toyota Industries Corporation's 2021 focus areas for reducing process emissions in the 6th Environmental Action Plan

ENVIRONMENTAL MANAGEMENT

Environmental management in line with Toyota Industries Corporation's vision to 'create a society in harmony with nature' and to 'reduce environmental risk'

CIRCULAR ECONOMY

Circular economy in support of Toyota Industries Corporation vision for zero waste

FY21 TARGET AND/OR KPI

FY21 STATUS

FY20 STATUS

FY19 STATUS

FY21 TARGET AND/OR KPI	FY21 STATUS	FY20 STATUS	FY19 STATUS
Enhance our approach to support our customers to improve energy efficiency and lower their carbon footprint; publish three case studies per year on how we help customers achieve lower carbon footprint by focusing on a combination of the Toyota Industries Corporation priorities	3 Solar Power  , RED Design concept  , I-Site 	3 Glud Marstrand  , LWI 160  , Eneo 	3 Uponor  , Logitri  , Kesko 
Ever more energy-efficient technologies (no specific target)	1	3	4
Electrification (no specific target)	1	-	1
Weight reduction (no specific target)	-	1	1
Energy loss reduction (no specific target)	-	-	1
Hydrogen and fuel cell technologies (no specific target)	1	-	1
Develop energy and CO ₂ reduction strategy for our operations	Committed to SBT	Published	Under review
Conduct energy audits in ten entities once every four years	1 conducted 5 moved to FY22	2 audits 2 ISO 50001 6 moved to FY21	Due in FY20
Extend initiatives to reduce fleet energy consumption (vans & company cars)	Electric service van pilot in Toyota Material Handling Norway	Eco-driving course for SD Champions	Ongoing
-10% energy use vs FY12**	+2%	+26%	+23%
-10% energy use relative to revenues vs FY12**	-31%	-32%	-26%
-30% CO ₂ emissions vs FY12**	-29%	-15%	2%
-30% CO ₂ emissions relative to revenues vs FY12**	-52%	-49%	-
Number of actions to reduce energy usage and CO ₂ emissions	>200	>200	>140
100% renewable electricity(RE) usage*	88%*	90%	82%
Increase ISO 50001 certifications to > 40% in our sales network	4/21	3/21	2/21
Increase ISO 50001 certifications to 80% of factories	4/5	4/5	4/5
Extend waste reporting to cover all factories	100%	100%	100%
Extend waste reporting to cover all sales and service companies	71%	71%	71%
Increase ISO 14001 certification to > 60% in our sales network	7/21	7/21	7/21
Increase ISO 14001 certification to 100% of factories	5/5	5/5	5/5
Extend water reporting to cover all factories	100%	100%	100%
Extend water reporting to cover all sales and service companies	86%	86%	81%
Increase of used Counterbalanced & Warehouse units sold	+67% vs FY13	+62% vs FY13	+48% vs FY13
Reduce scrapped trucks vs FY13	-51% vs FY13	-39% vs FY13	-19% vs FY13

* All the entities completed the shift to 100% RE on 1st day of FY22

** FY12: The financial year ending on March 31st 2012. We used it as the base year for setting all our FY21 energy and emissions targets in line with the Corporate Reporting and Accounting Standard of the Greenhouse Gas Protocol.

Prosperity

How we
maximise
quality and
customer
safety



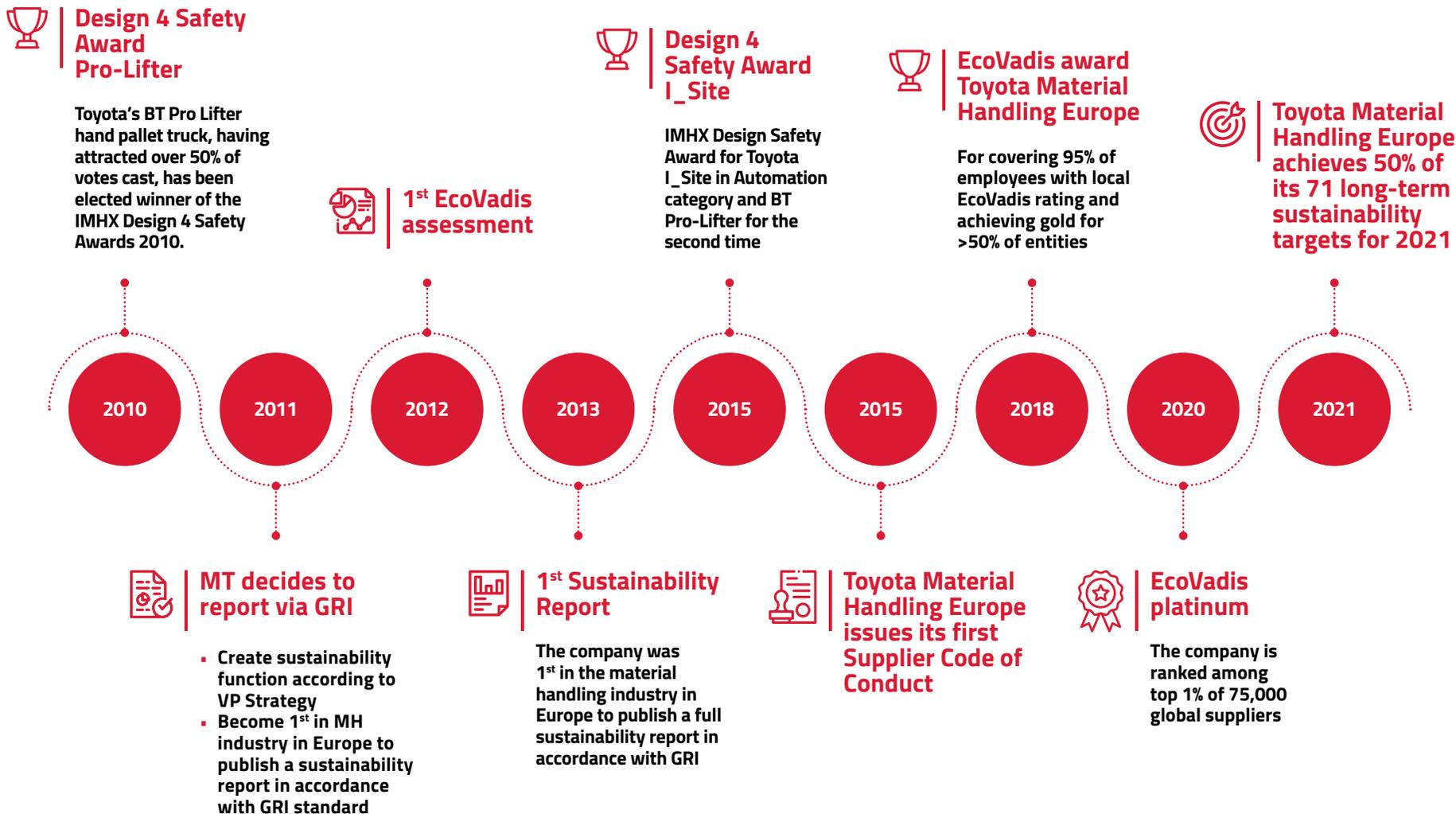
“Quality in everything we do” also means helping customers to protect the health and safety of their people.”



Per Fyrenius,
Senior Vice President
Corporate Development
Toyota Material Handling Europe

Our journey so far – the first 10 years

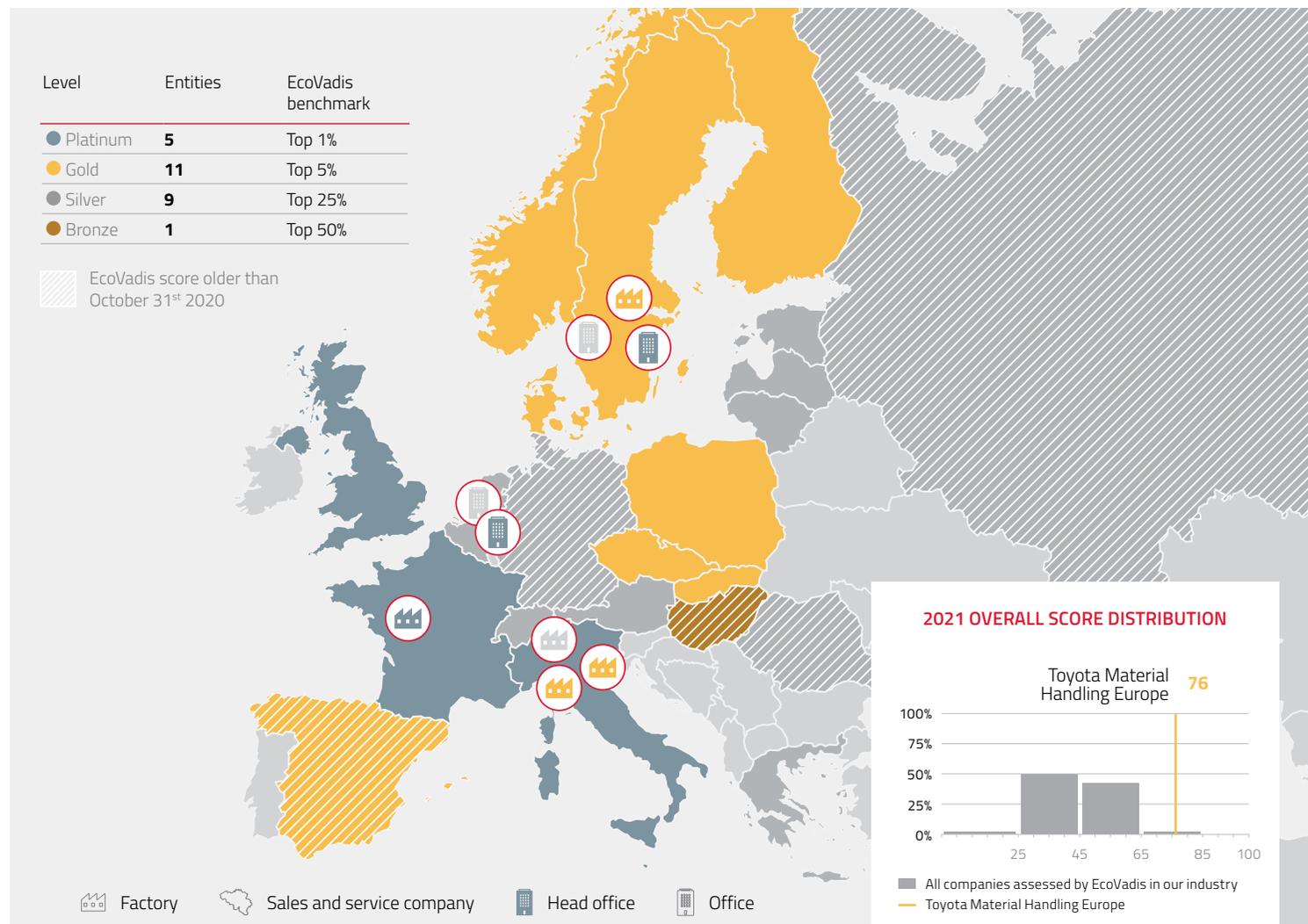
Transparency and Accountability – the two driving forces behind our sustainability performance





EcoVadis is the global leader in independent third party supplier assessments on sustainability. Every year they assess more than 75,000 companies on behalf of more than 200 industries. The overall score is the weighted average of subscores for labour practices, environmental management, business ethics and responsible purchasing. The overall score is an independent measure of a company's commitment to transparency and accountability.

Toyota Material Handling Europe, three of its sales companies and one factory achieved EcoVadis platinum to date. The map displays the situation on October 31st 2021.



Customer safety & operator training

All our efforts in improving product and process quality have one main focus: providing maximum safety for our customer. Customer safety & operator training is our number one social responsibility (10% of major injuries in EU industry occur with material handling equipment) and our number one opportunity to have a positive social impact (manual handling is one of the most common causes of injury at work. Musculoskeletal disorders account for nearly 40% of all work-related ill health).

Four steps to customer safety:

1. Leadership
2. Equipment
3. Processes
4. People

Zero accidents

We offer safe equipment and quality services, however, we found out that in more than 80% of accident cases, the issue is the wrong use of the truck. We understand that helping our customers maximise safety involves support and training

in leadership, besides operator training and behavioural safety programmes by our trainers. Root causes drive our search for solutions. When we look at root cause analysis, we see that 43% of accidents involve pedestrians. With safety posters we aim to help our customers address these risk and want to help them deal with them.

Our approach

Our approach is based on the 'Bradley Safety Model' used by the safety managers of our customers to achieve zero accidents.

The quality of our trainings

Toyota Material Handling Europe is committed to provide quality training services to our network and our end users. We make all endeavour possible to maintain high training standards and we are engaged in a certification programme with Bureau Veritas Certification as an external auditor ('Quality Progress Training' Certification).



"Operator Training Business Area" is a community of 91 European training facilities sharing their experiences with customers and users. Trainings and people behaviour are essential factors to improve and to reach efficiency with forklift operations. Safety awareness and a Safety Culture lead to a better understanding of risks, better prevention, reduced damage costs and improved productivity!

Olivier Drouin,
Operator Training Business Area -
Business Development Manager
Toyota Material Handling Europe

FORKLIFT ACCIDENT STATISTICS



* European statistics on accidents at work (ESAW), 2015.

GRI 416: Customer Health and Safety

1. Management approach disclosures

2. Topic-specific disclosures

Disclosure 416-1 Assessment of the health and safety impact of product and service categories

1. MUTUAL LEADERSHIP SUPPORT

We are an active campaign partner with the European Agency for Safety and Health at Work (EU-OSHA) since 2010. Toyota is also a member of the campaign partner steering group since 2014. As such, we exchange best practices with other EU-OSHA partners and have a thorough understanding of customer safety and how and when accidents occur.

The 2020-2022 campaign 'Healthy Workplaces Lighten the Load' focusses on the prevention of work-related musculoskeletal disorders (MSDs). MSDs continue to be one of the most prevalent type of work-related health problem in Europe. We aim to raise awareness for employees and customers via our website and social media. Find out more about the EU-OSHA campaigns and events on the webpage [EU OSHA campaigns](#).



2. SAFE EQUIPMENT

Providing safe trucks is a key legal requirement for us. We have robust processes in place to collect and analyse information when accidents occur at customers' sites with our products. If required, we do a full root cause analysis of the accident. A design fault will systematically be fed into our design review thanks to our Early Warning System (EWS), and a manufacturing fault will be recorded in the factory's ISO 9001 system.

For a long time, Toyota Material Handling Europe has been innovating its trucks to improve its customers' safety. In 1998, Toyota introduced its System of Active Stability (SAS) on its counterbalance trucks to reduce the risk of tipping over while turning with loads, the most frequent causes of injury among forklift drivers (29%), and this technology is still unique to Toyota Material Handling.

The Toyota Production System (TPS), the way we build our products with quality in mind and a strong focus on reducing warranty claims, is an essential part of ensuring customer safety.

Our customers are happy with how we put these four safety guidelines into practice. While some safety features are a standard on our trucks, like SAS, EWS and the basic I_Site package; many customers specifically opt for our more advanced safety solutions.



Case study >

Automated stackers interact safely with forklift drivers at Coop

One of our clients, Coop Norge in Trondheim (Norway), decided to go with a more elaborate safety solution. As the second largest national grocery retailer, Coop Norge was mainly interested in adding extra storage space and horizontal transportation. To let their more than 17.500 transports a week run more smoothly and safely, they chose an AGV solution where the autopilot picks up the goods, goes through a scanner portal and gets sent to the correct place to unload. The company has an elaborate mixed fleet of trucks from Toyota and therefore has its own workshop to repair them on site. The autopilot stackers that Coop Norge decided upon do not only increase their productivity by the relatively simple way in which they operate, they also increase safety. They can detect obstacles like other trucks, people and objects and slow down or stop automatically. As autopilot vehicles require a different way of handling, we let our AGV specialists train the Coop Norge work force to make sure they can safely operate the trucks.

[Click here to read full story](#)

Case study >

Danske Fragtmænd improves productivity & safety with I_Site fleet management

Another case was that of Danske Fragtmænd, a logistics company in Denmark that needed help with their horizontal transportation, stacking and picking. They have a large and diverse fleet of 42 forklifts and asked our experts to make sure they could keep an easy overview of the trucks. As smart trucks are already a standard at Toyota, we offered them a more elaborate version of our I_Site fleet management system. I_Site is a user-friendly system that can be accessed via a computer, tablet or smartphone either on-site or when working remotely. It allows them to analyse their truck movement data and regulate things like Smart Access, so only licensed operators can drive certain trucks. The app shows various types of data, like truck battery level, popular parking places, speed limitations, auto-messages, shocks, and possible defects. This transparent data means that accidents or collisions can be looked into more carefully and acted upon. The app also offers several ways for the company to cut costs and increase safety based on their truck behaviour.

[Click here to read full story](#)

3. PROCESSES

We support our customers in operating our trucks safely through our fleet management system and our operator training programmes. Our customers also increasingly ask us to develop automated and semi-automated solutions to optimise productivity and maximise safety in their operations. A clear example of a supporting publication on how to improve ergonomics can be found via [this link](#).

Automated driverless operations using our [Autopilot](#) forklifts have achieved accurate and safe handling, significantly reducing the risk of accidents in busy environments. Equipped with sensors to detect obstacles and determine when to slow down or stop to prevent a collision, Autopilot AGVs (automated guided vehicles) can work in mixed operation alongside personnel and manually operated vehicles. Suitable for many different environments, these vehicles reduce both energy costs and the waste of damaged goods and equipment. At many sites around Europe, automated Autopilot forklifts have contributed to significant productivity gains.

Toyota warehouse trucks are since 2018 smart trucks with telematics as standard. Customers can easily connect their smart trucks via [I_Site](#), Toyota's fleet management system, which allows them to control their fleet, measure several truck factors like battery percentage and performance and improve their daily operation, in terms of machines as well as drivers. Anytime, anywhere, a tailored dashboard, gives a complete overview of the customer's operations. As a result, customers will increase their productivity, improve their workplace safety and reduce overall costs with smart trucks connected via I_Site from Toyota.

4. PEOPLE'S BEHAVIOUR

Of all forklift injuries every year, roughly 25% can be attributed to lack of operator training. Our basic operator training is a procedure to ensure compliance with laws requiring drivers to be appropriately qualified.

In most countries, legislation fails to adequately address behavioural safety. Many countries have a more basic legislation than we believe is required to enable customers to operate safely. Rules and regulations often state that only one day of training is needed to operate a vehicle that's far more complex than a car. Yet, no one would expect that after just one day one would be qualified to drive a car. That's why we have designed a European approach that complies with most local regulations and addresses some of our more ambitious customers' expectations for a harmonised [European operator training programme](#). We provided forklift training to 350 [global health & safety managers](#) from customers since 2015. In FY19, the company

trained over 35,000 material handling operators in 14 countries across Europe, expanding its training capabilities to other European countries. Toyota Material Handling Europe currently has 91 training facilities and 136 instructors in service.

Unsafe behaviour can lead to serious repercussions for the health and safety of your working staff. Forklift drivers are more prone to suffer from neck and shoulder injuries. At Toyota we try to achieve an optimal ergonomic design, we want to ensure every driver is comfortable so they can operate safely and accurately. Some of the ergonomic features of our trucks include a low step-in or remote driving via a remote control, comfortable seating and a tilting cabin to relieve neck straining, trucks and pallets that can elevate loads to table height, an easy way to pull loads when working with pallet trucks and trucks and truck cabins that are outdoor resistant. Taking away stress and discomfort from your operators can not only greatly benefit their health, but also the overall safety, productivity and it can cut costs by reducing damage as your drivers will be more alert.





'In challenging times, our value of making sure everyone aims for excellent quality is key to deliver quality products to our customers.'

Tony Ageneau ,
Supply Quality Director
Toyota Material Handling Europe

Quality of products

Toyota Industries Corporation's Vision 2030, that applies to all members of the Toyota Industries Corporation group, defines its philosophy in ensuring quality and supplying only high-quality products and services. In line with our Code of Conduct we offer high-quality products, services and solutions, holding ourselves and our suppliers to our yearly updated quality guidelines. These are shared at regular quality assurance meetings and top management often revise their implementation.

Holistic approach

Our quality mindset has evolved from a strict product focus to a more holistic approach, taking into account data organisations receive about their products along their entire life cycle.

This evolution is confirmed by the new quality management system standard ISO 9001:2015, which:

- helps to address organisational risks and opportunities in a structured manner
- addresses supply chain management issues more effectively

This change in the management system standard will have a significant impact on how we manage quality in our business: over 61% of our revenues in FY21 were generated through factories and sales and service companies which are [ISO 9001 certified](#).



COVID-19:

The pandemic put additional tension on the supply chain industry. Our manufacturing plants and suppliers had to become more flexible and make adjustments to assure quality because of imposed restrictions and regulation. We had to find new innovative ways of dealing with qualification, traceability, and the validation of components.

By using online communication tools we were able to meet, assess new processes through videos and pictures, get evidence of control plans, etc. These online actions were a great alternative to our conventional way of negotiating with our suppliers. During trying times, this way of communicating was also fundamental to deal with suppliers and ensure they aim for quality in accordance with our philosophy.

New quality strategy

In line with this evolution, our quality organisation decided to divert our focus from trying to reduce warranty costs to improving quality from a customer and life cycle perspective. Excellent quality through proactive methods and 'Continuously supplying attractive products that anticipate customer needs', is the main ingredients in our new quality strategy. The strategy will be based on four pillars.

Product development

We will make more active use of our data gained directly from our trucks via our I_Site fleet management system and other software applications such as T-ONE; and indirectly from maintenance and repairs conducted by our service technicians via T-Stream.

Recurrence prevention and proactive prevention

In this area we perform both design and process FMEA (risk assessments) in all our factories and for some of our suppliers.

Supplier quality assurance

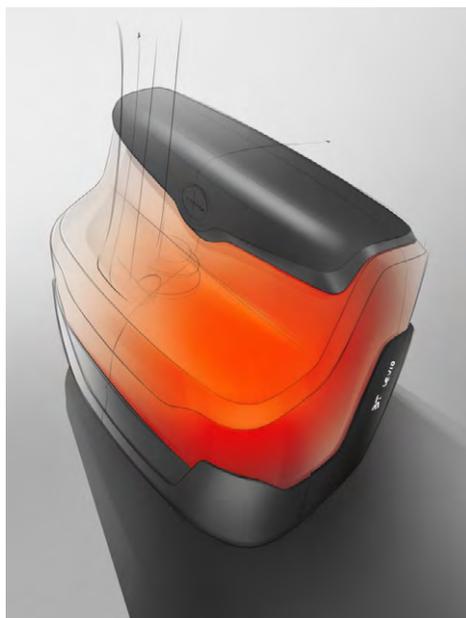
We continue our existing approach to work closely with our suppliers on quality improvement, by providing them with regular 'dantotsu' training (how to be the best of the best) and by conducting regular audits at supplier facilities.

HR development Teamwork

We participate at several TICO Global skill competitions in different areas such as welding, inspection, service etc. in order to develop competences and increase motivation.

Design excellence

From the notion of an idea to a finished final product, Toyota Material Handling Europe's design team creates optimum quality forklifts while keeping employee and customer in mind. The design team takes pride in its award-winning material handling equipment, the result of close collaboration with customers, ergonomists, engineers, marketing experts and sales force.



Our designs are not just about aesthetics, they also provide the perfect balance between safety, durability, productivity, driveability and simplicity, Toyota's core values. Also sustainability plays an increasingly important role in product development.

We believe that the best results can be achieved by listening carefully to the needs of our customers and by working as a team, side by side with our colleagues. This philosophy led to our opening of the Toyota Material Handling Europe design center at our Bologna factory in 2019. Bringing the world of production closer to the world of design helps us to give life to new visions, reinforcing our goal of creating the best and most innovative solutions for our customers.

We have a strong international reputation for developing functional and ergonomic forklifts with character and style.

Toyota Material Handling Europe has gained over twenty design awards in the last decade alone, including three Red Dot Awards, twelve iF Design Awards and five German Design Awards. We have a dedicated website for our [Design Center](#) where we share our approach to design and our track record in good design.

This demonstrates our commitment to developing innovative forklift design solutions that enable our customers to improve the efficiency of their processes.

Toyota Material Handling Europe gained four additional design awards since our previous sustainability report



reddot winner 2020



Our BT Levio W-series with unique modular lithium-ion design has been awarded in 2020 with both the Red Dot and the iF Design Award. The Jury stated that because the BT Levio has no sharp edges, it has a friendly and uncomplicated look.



DESIGN
AWARD
2019



DESIGN
AWARD
2019

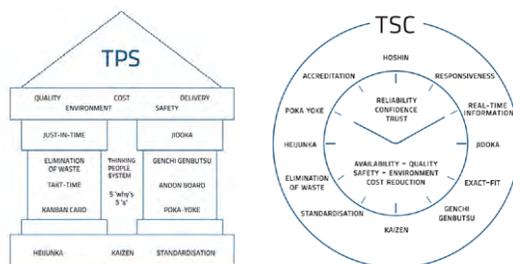




'We are very focussed on the customer feedback provided by the Quality Survey. By following up on each individual reply, we try to improve our service to all customers. If we identify concerns or questions from customers, we aim to call them back the same day or the day after.'

Lars Rune Johansen,
Service Manager
Toyota Material Handling Norway

Quality of service



Toyota Production System

The [Toyota Production System \(TPS\)](#) is our lean manufacturing system that works according to a pull-system: we only produce what is ordered. TPS entrusts team members with well-defined responsibilities to optimise quality by constantly improving processes and eliminating unnecessary waste in natural, human and corporate resources. TPS influences every aspect of our organisation as it includes a common set of values, knowledge and procedures. TPS helps us focus on a continuous workflow, which we call 'just-in-time', and also ensures the quality of this workflow.

Toyota Service Concept

The [Toyota Service Concept \(TSC\)](#) describes our approach to planning, managing and delivering exceptional standards of service, throughout the working life of trucks and in our relationship

with customers. It is based on a series of values which reflect the critical issues that we focus on throughout our customer service operations. Our ultimate aim in implementing TSC is to deliver maximum reliability for our customers. We focus our efforts on delivering the highest quality and providing maximum truck availability, productivity and cost-effectiveness, without compromising on safety or the environment.

As part of the TSC, we have two Europe-wide accreditation programmes, the Aftersales Service Evaluation & Certification (ASEC) and our Service Technician Education Programme (STEP). These make sure service teams and distributors have the right knowledge to suit technical requirements and can build trusting relationships with customers. Our technicians are trained on how to service our trucks under safe conditions with respect for the environment and to the highest quality standards. Our [ASEC and STEP programmes](#) are a crucial part of improving the skill set of our service organisations. We will continue to work towards our goal: 100% of technicians trained on STEP bronze level and 100% of our network reaching ASEC first level of certification (GOOD).

Linked to Toyota Service concept we have [T-Stream](#), which is the platform for our service technicians and their supporting backoffice employees. T-Stream is the platform for connectivity services and was released in FY19. Its third major release, containing more features, will come during FY22, and going forward, the tool will be even more integrated with telematics data and augmented reality. This contributes to a better support system for both technicians and customers, and to a zero-breakdown vision.



61

Net Promoter Score (NPS)

Customers rate our service on a scale from -100 to +100. In FY20, our average increased by four points compared to FY19.

Toyota Quality Survey

Since 2015, we have evaluated our service delivery daily supported by the Net Promoter System (NPS) in our customer quality survey. This is a management tool that can be used to gauge the loyalty of a company's customer relationships. More than 100 000 customer responses from 20 European markets have provided valuable information to improve our rental, sales and service. Via the daily measurements we see that the corrective measures we take, make a difference to our customers. Our customer satisfaction index, the Net Promoter Score, is growing year by year. Find out more on our online [Toyota Quality survey pages](#).



Solutions development

Toyota is the source of lean thinking, deriving from the iconic Toyota Production System. Now, companies can learn lean from the source directly through our Toyota Lean Academy - our new lean consultancy service.

The Human Capital Development is the foundation of our advisory approach, with aim to streamline the customer processes in order to be ready to step into the digital world. We focus primarily on three areas:

- **Flow** - The target is to increase the value of the flow by eliminating waste and removing activities that don't add value
- **Leadership** - The value obtained from the flow accelerated through Genchi Genbutsu leadership and visual management
- **People** - Successful change management requires people in the center of the entire Kaizen process. Value is realised through people

Find out more about [Toyota Lean Academy](#) .

The daily tasks of our Solutions Development team are centered around: product development of smart warehouse trucks ([Smart Trucks](#) ) by implementing telematics as standard during production for easy connection with I_Site fleet management system ([I_Site Fleet Management](#) ), focus on automation (Autopilot), continuous development of in-house lithium-ion solutions ([lithium-ion](#) ) and state-of-the-art software (T-ONE, T-Stream).

In FY21



We got a **96% first-fix rate** through our network



Our service training programme supports continuous development for our technicians throughout their careers, in the field of safety, sustainability, customer relation and technical excellence



We increased **ASECQ** service accreditation in the network to 65%

T-ONE is our control platform for automated systems sold as projects. It standardises our industrial software, reducing the need for customer specific adaptations and software development.

Ensuring we have well-tested software enables us to increase overall quality. The first iteration of the platform gathered a lot of improvement suggestions, and take up was slow. With the second instalment, we changed to a more modern architecture with configurable adaptations, which resulted in an increase uptake well above the set target.



'At Toyota we are proud to be the original source of lean-thinking, the origins of which are based entirely on the Toyota Production System (TPS). The Toyota Lean Academy provides support to customers on their own lean journey.'

Claus Christensen,
Head of Toyota Lean Academy
Toyota Material Handling Europe

Quality of the experience

Logiconomi

MONITORING TRENDS AND TECHNOLOGIES

The world of logistics is now changing faster than ever before, the impact of e-commerce, increasing customer expectations, automation, connectivity and the search for increasingly sustainable and energy-efficient solutions are just some examples of what has been going on recently.

In order to help logistics managers keep pace with these changes, Toyota Material Handling has taken steps to work with other like-minded companies and innovators, to share ideas and identify trends and technologies that will be affecting the world of logistics in the near or distant future.

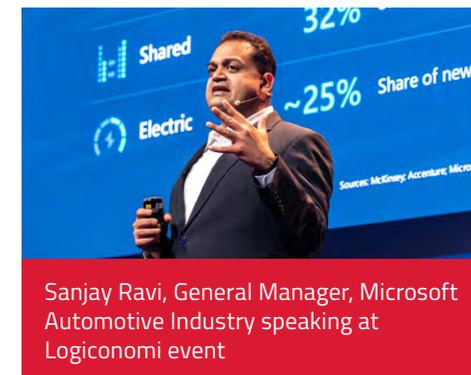


WHAT IS LOGICONOMI?

The Logiconomi programme is a platform to share concepts, ideas and solutions that emerge from collaboration. On the forum, short and simple interviews, presentations and discussions can be found. The programme is open to all logistics leaders and includes events and short 'Logiconomi TV' episodes all of which can be accessed via our [website](#).

COLLABORATION

Collaboration is at the heart of the Logiconomi programme. Logistics is a fast-moving business that covers multiple channels and relies on many technologies. No single organisation has all the answers. That's why the Logiconomi programme includes major players such as Microsoft, Bosch and Ericsson, who presented their ideas and concepts at the 2019 Logiconomi Forum, as well as smaller progressive companies and start-ups that have the freedom and creativity to develop completely fresh concepts. The Logiconomi programme researches these new concepts by using a 'technology radar' and invites certain special guests to share ideas in a simple and efficient way. Due to the impact of COVID-19, the 2021 Logiconomi programme can be entirely found on our online platform.



Sanjay Ravi, General Manager, Microsoft Automotive Industry speaking at Logiconomi event



CEO Vanderlande Remo Brunschwiler speaking at Logiconomi event



Bertrand Piccard, Founder and CEO, Solar Impact Foundation speaking at Logiconomi event

Toyota Logistic Design Competition

Our biannual design competition aims to encourage design students across the world to take an interest in creatively improving the world of Logistics.

Civil society is at the core of effective sustainability strategies. Of all the stakeholder engagement exercises the company organises, this is the one involving the highest amount of external people and organisations. In just four editions it grew from a small regional competition to one drawing attention from all across the world. In our 2020 edition, a total of 2,397 students from 123 countries took part. Launched by Toyota Material Handling Europe in 2014, other regions in the world as well as our sister company Toyota Motor Europe have joined in as sponsors and judges.

TLDC 2022 – CAN YOU DELIVER?

Cities are getting more and more congested, so cars are increasingly being banned from city centres. This move is also a way of combatting pollution. However, micrologistics come with their own advanced and complicated challenges. We ask participants to root out slipups in the management of flow of goods and services in and around the city. For this year's design competition, micrologistics, we decided to team up with Toyota Motor Europe for an integrated approach. What we want are ideas that make urban logistics systems work every time, all the time.

The competition is now closed for new entries, revised submissions will be presented on the competition's website in February 2022. Experts and industry leaders will make the final decision and select the winners of the competition.

TLDC 2020 – CAN YOU MAKE IT FLY?

The most recent edition addressed the subject of airport baggage handling. We asked students and recent graduates for ideas on how to deal with the problems involved, under the heading of 'airport baggage handling'.

TLDC	Competition Theme	# Registrations	# Countries
2020	'Baggage Handling. Can you make it fly?'	2,397	123 (global competition)
2018	'Package Delivery. Join the revolution'	1,205	18 European countries
2016	'Forklifts, like you've never seen them before'	562	18 European countries
2014	'Tow Tractors: Industrial Machine in Need of a Makeover'	132	17 European countries



The winning concept was 'Mobi' by Batuhan Yildirin and Sena Tasli from Ankara's TOBB University. It is a revolutionary take on baggage handling where the traveller doesn't need a suitcase. Travellers instead receive an empty piece of luggage, which is subsequently picked up, put on the plane and ultimately delivered to the passenger's destination address. You can read an interview with both winners [here](#).



Innovation Challenge

Together with three other industrial partners in the East Sweden region and in cooperation with Linköping Science Park, Toyota Material Handling Europe AB has founded the innovation collaboration arena called IndX.

The purpose with the IndX arena is to search for new innovative ideas and startups/scale ups within emerging technologies and get the chance to make real-life proof of concepts. IndX and its founding partners are focussing on technology trends and start-ups/scale-ups that have a clear link to our joint focus areas: automation, connectivity and sustainability.

During 2020, the IndX challenge attracted more than 70 applicants from various countries within different technology fields. In the end there were five finalists, and Toyota Material Handling Europe entered into a pilot regarding teleoperation of forklifts with a Swedish start-up called Voysys, enabling forklift operation in, e.g. hazardous environments.

The IndX challenge is now continuing during 2021, and we are looking forward to more exciting new ideas and the possibility to collaborate with innovative start-ups and scale-ups.





'Responsible procurement is a major CSR (Corporate Social Responsibility) subject that addresses many fundamental issues, from the living conditions of our suppliers' workers to environmental sustainability. Responsible procurement offers the opportunity to make a substantial and positive impact in a company's sphere of influence.'

Giorgio Polonio,
Purchasing Vice President
Toyota Material Handling Europe
Supply

Responsible purchasing

Over 80% of our annual sourcing volume comes from suppliers in Europe. Many are located close to our manufacturing plants, sustaining the local economy and reducing the impact of transportation.

We work closely with all our suppliers to make sure they adhere to our quality, social and environmental criteria. By practising 'responsible purchasing' we want to create a positive impact for more than 300 suppliers, mitigate risks to our own business, and create further value for our customers. In line with our Code of Conduct, we aim to conduct business in a fair and honest manner, and we want to become the most respected and trusted material handling partner in Europe. The responsibility for our European products manufacturing is shared among different companies, different departments, and different geographies: Toyota Industries Corporation, our Product Development and R&D departments.

GRI 204: Procurement Practices

1. Management approach disclosures
2. Topic-specific disclosures
Disclosure 204-1 Proportion of spending on local suppliers

GRI 308: Supplier Environmental Assessment

1. Management approach disclosures
2. Topic-specific disclosures
Disclosure 308-1 New suppliers that were screened using environmental criteria
Disclosure 308-2 Negative environmental impact in the supply chain and actions taken

GRI 414: Supplier Social Assessment

1. Management approach disclosures
2. Topic-specific disclosures
Disclosure 414-1 New suppliers that were screened using social criteria
Disclosure 414-2 Negative social impacts in the supply chain and actions taken

They define the product requirements and ensure they use the latest available technologies. The main purchasing categories are steel raw material, mechanical components, electro mechanics, electronics and hydraulics.

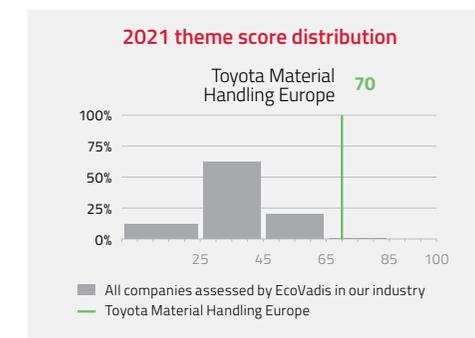
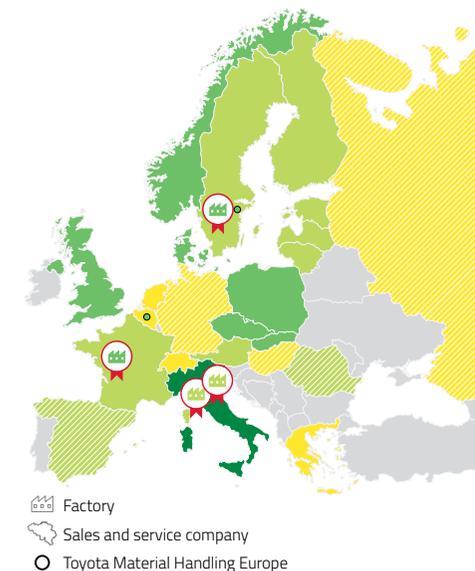
Responsible purchasing is managed by the policies of Toyota Industries Corporation, Toyota Material Handling Europe and our four factories as well as governed by EU Directives and national laws in the countries we operate from and of which we purchase materials. The Responsible Procurement Policy (internal document) aims to integrate socially and environmentally responsible suppliers into our supply chain and to increase the awareness of environmentally responsible procurement. In coordination with other departments, the Procurement department integrates social and environmental criteria into the choice of its suppliers. As a result of our actions so far, we have achieved a score of 70 from EcoVadis on Responsible Purchasing putting us in the **top 1% of suppliers** in the general-purpose machinery manufacturing category, assessed by EcoVadis (well above the 38 score average of over 150 other suppliers within the heavy machinery industry).



Before the pandemic, we organised quarterly 'Dantotsu visits' with our suppliers. These combined elements of quality training, consulting, coaching and auditing, all in a spirit of deep collaboration. Having piloted CSR self-assessments with 50 suppliers, we understood the value of good CSR governance with our suppliers. We also understood it would be challenging to scale this programme, an effect further compounded by the pandemic. This is why we put several of these KPIs on hold, and decided to launch EcoVadis to all our suppliers starting in FY23.

SUSTAINABLE PROCUREMENT

- According to EcoVadis



All main suppliers have accepted our Code of Conduct for Suppliers by signing the Responsible Procurement declaration. All new contracts include acceptance of our Code of Conduct for Suppliers and overall adoption is tracked.

For many years, we have been consistently asking all our suppliers to gain ISO 14001 certifications. These environmental management systems ensure that our suppliers comply with environmental legislation in their local jurisdiction, and that they have policies and continuous improvement procedures in place for their major environmental impact. Today, this programme covers over 98% of the annual price value of parts for our trucks from suppliers with sales to us of over 100,000 EUR per year.

THE SUSTAINABLE VALUABLE CONTENTS FOR NEXT SUPPLIERS DAYS

Our annual Supplier Day attracts all of our key suppliers: an opportunity to discuss common challenges, industry innovation and continuous improvement. In addition, the issue of sustainability is also an important part of this conference.

We align with the EU legislation REACH, the ROHS, SCIP, WFD EU directive and the POPs regulation and have gone beyond legal compliance for our industry by adding a 'conflict minerals' section to the Supplier Code of Conduct. Moreover, Toyota Material Handling Europe has the duty to inform customers on all our products containing 'Substances of Very High Concern' (SVHC). The list of SVHC is available [here](#).



100%
of key suppliers
recommitted to our
Code of Conduct for Suppliers

With the introduction of lithium-ion batteries into our own branded product range, we are aware of the importance of an increased vigilance on the presence of conflict minerals in the materials we source. The Li-ion batteries we build in our factories in Mjölby and Bologna are assembled using battery cells only from suppliers having a Responsible Minerals Sourcing policy*.

** There are no conflict minerals in our lithium-ion battery cells. The term 'conflict minerals' refers to Tantalum, Tungsten, Tin and Gold (3TG) that are sourced in conflict-affected zones in the Democratic Republic of the Congo and its adjacent countries. Cobalt is not included as one of the four conflict minerals although cobalt is mostly sourced in high risk areas. Our battery suppliers have therefore implemented wide-ranging improvement activities to create better labour conditions for miners and improve their local communities.*

Code of Conduct for Suppliers

LABOUR AND HUMAN RIGHTS

- Anti-discrimination
- Fair treatment
- Prevention of involuntary labour and human trafficking
- Prevention of underage labour
- Juvenile employees
- Working hours, wages and benefits
- Freedom of association

ETHICS

- Business integrity
- Sourcing of minerals
- Gifts and hospitality
- Disclosure of information
- Whistleblower protection and anonymous complaints
- Community engagement
- Data privacy, intellectual property and confidentiality

HEALTH AND SAFETY

- Occupational injury
- Prevention chemical exposure
- Emergency prevention, preparedness and response
- Occupational safety procedures and systems
- Ergonomics
- Housing and dining
- Health and safety communication
- Employee health and safety committees

ENVIRONMENT

- Substances of concern
- Waste management
- Water management
- Air emissions
- Ground contamination
- Environmental permits and reporting
- Pollution prevention
- Resource reduction
- Energy efficiency



'The pandemic made us re-evaluate our unique approach to supplier audits. Our suppliers appreciated our on-site visits as a moment of true collaboration to resolve various challenges. Now we will need to bring both audit and online engagement.'

Jean-Charles Mélix,
Strategic Commodity Manager
Toyota Material Handling Europe
Supply



'Companies who actively work to meet their customers' priorities in sustainability have an opportunity to build stronger partnerships around shared priorities.'

Tom Schalenbourg,
Director Sustainable Development
Toyota Material Handling Europe

Transparency and accountability



According to GRI, 70% of companies have their report externally verified. We had a plan to organise the external verification of the emissions chapter of our report as a first step. This project was one of several that were cancelled to focus on additional resources like health, safety and well-being. With its commitment to set Science Based Targets, the company is now firmly committed to externally verify its reporting of scope 1, 2 and 3 emissions and its plans to achieve reduction targets by 2030, 2040 and 2050.

We did have an objective to have at least eight independent distributors also pass the EcoVadis assessment. In 2019, both distributors in Portugal and Ukraine passed an EcoVadis assessment. Again, due to the pandemic, our independent distributors chose to put any further assessments temporarily on hold. Local distributors will experience increasing pressure from key accounts, several of which have started making local EcoVadis evaluations a contractual requirement.

A new business imperative

FINANCIAL INSTITUTIONS

Several of our financial partners have informed us that the EU Green Deal Taxonomy requires them to demand more sustainability information from their customers prior to making decisions on providing financial solutions.

EMPLOYEES

We notice that sustainability does play an increasingly important part in employer selection. The change is noticeable across all professions, age groups and geographies.

CUSTOMERS' REQUIREMENTS

Faced with the increased interest from their stakeholders, our customers pass on these requirements to their suppliers.

How we organise it

GRI

The GRI Standards provide us with a primary reporting framework, like it does for over 80% of the largest 250 companies globally.

'GRI' is the abbreviation for Global Reporting Initiative, a non-governmental organisation based in Amsterdam. It is one of the standards recommended by EU Non-Financial Reporting Guidelines for companies to comply with the EU Non-Financial Reporting Directive. For us, it is a standard that applies at group level, where we collect non-financial information from all subsidiaries. We do not require any of our subsidiaries to issue sustainability reports in line with the GRI standard.

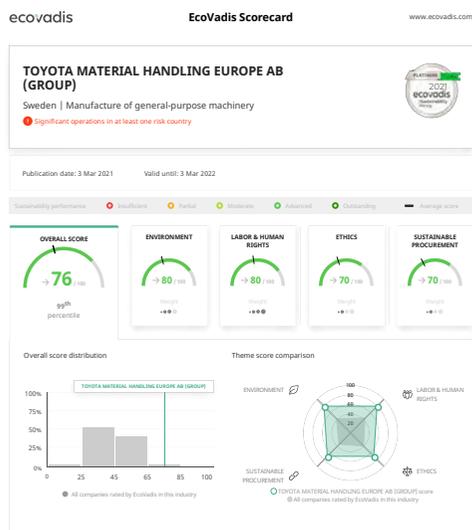
Because this report is the closing bookend of our first decade in sustainability, and closes all targets that were last reviewed in 2018 in line with the GRI 2016 standards, we continued using the GRI – 2016 standards for continuity.

As a next step, we will develop a new sustainability strategy with new KPIs and targets for 2031. Those KPIs will be aligned with GRI 2018 standards, or the most up-to-date version of the standards available at the time of the publication of the next report.

ECOVADIS

Our major customers are increasingly including CSR assessments in their procurement processes. EcoVadis is used as part of a growing global trend for increasing supply chain transparency and accountability.

It provides sustainability ratings of more than 75,000 companies worldwide on their environmental, social and ethical performance. Its online platform allows 175 multinationals to access ratings of their selected suppliers across 160 countries.



In the FY21 CSR assessment EcoVadis gave Toyota Material Handling Europe an overall score of 76, ranking us in the top 1% of companies in the 'general-purpose machinery' sector.

We've obtained EcoVadis Platinum for Toyota Material Handling Europe and for four of our 25 local entities. The local EcoVadis evaluations in this report are based on the most recent available evaluation from EcoVadis in calendar year 2020-2021. At the date of publication of this report, a total of four entities were in the process of being re-evaluated by EcoVadis.

In April 2018, EcoVadis presented us with the first ever supplier award for 'Best Group Engagement', for our commitment to transparency on the performance of all our local entities.

CDP

When customers ask us for our CDP score we refer to the fact that CDP only accepts submissions at the highest corporate level.

In calendar year 2019, Toyota Industries Corporation achieved two A-level ratings from CDP, one for climate change and one for water management.

In line with CDP guidelines Toyota Material Handling and its subsidiaries do not submit their own CDP reporting.



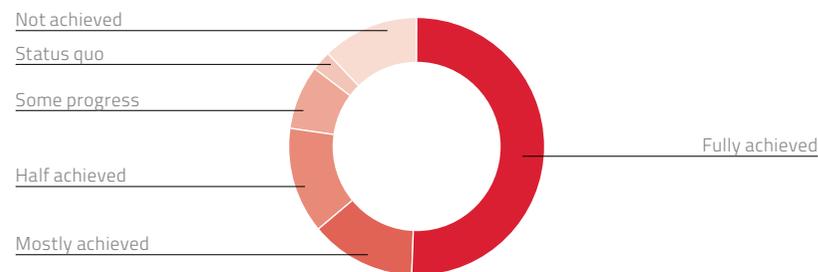
ISO

All of the 42 ISO certificates are obtained by local legal entities and have a local scope. In the Netherlands, the company achieved a local equivalent to ISO 50001 standard. On page 81 we listed all entities individually with their different certificates. All ISO certificates are available for download on our website.

SBT

The Science Based Targets provide a standard for companies to take ownership of their own contribution to maintain greenhouse gas emissions in line with the Paris agreements. Over 10% of Fortune 500 companies have published their SBT's and over 20% have committed to set SBT's in the next 24 months. Since September 2021, our company has joined the group of companies that are committed to set targets.

ACHIEVEMENT STATUS OF FY21 SUSTAINABILITY TARGETS



2050 VISION	FY21 TARGET AND/OR KPI	FY21 STATUS	FY20 STATUS	FY19 STATUS
CUSTOMER SAFETY & OPERATOR TRAINING Aim for zero accidents with material handling equipment in the EU	Enhance our approach to help our customers improve health and safety in their material handling operations three customer case studies per year published	9 Velux, Danske Fragtmænd, Improve ergonomics, Toro, Tine, Coop, Driver comfort, Reduce product damage, Thorough Examination	3 ID logistics, Makfa, Philip Morris international	3 Glud & Marstrand, Logitri, Kesko
	All our customer safety solutions available in all 21 sales and service companies (dojo, posters, risk assessment, training, telematics, automation)	Yes	Yes	Yes
	Integrate additional safety technology in standard products	Yes	Yes	Yes
	100% of trucks enabled to operate with I_Site fleet management	Yes	Yes	Yes
	Forklift training for global safety managers of our customers: 100	271	359	182
	Continue promoting safety, as a partner of EU-OSHA since 2010	Yes	Yes	Yes
Customer Risk Analysis - Implementation in three countries in FY20; Implementation in six countries by FY21	Implemented in two countries	Implemented in three countries	Launch	
QUALITY OF PRODUCTS Continuously supply attractive products that anticipate customer needs by implementing defect-free processes	Additional design awards over the period FY18 – FY21 – target > five (cumulative)	9	7	5
	One competition for design students every two years	2,397 participants	-	1,205 participants
	One competition for engineering students every two years	Postponed indefinitely	-	-
	Suppliers receiving 'Dantotsu' training (no target)	-	12	8
	Suppliers receiving 'Dantotsu' quality visits in their facilities or Online* (no target)	Physical: 13 Online: 132	142	295
	Suppliers receiving quality audits /SPTT in their facilities or Online* (no target)	Physical: 26 Online: 247	166	104
	Maintain ISO 9001 certification to >70% in our sales network	8/21	8/21	10/21
	Maintain ISO 9001 certification to 100% in our factories	5/5	5/5	5/5
QUALITY OF SERVICE Be a reference on process quality across all of our 21 sales and service companies	100% sales and service companies to implement Toyota Service Concept	20	20	20
	50% sales and service companies to implement T-Stream	Release 2: 100% implemented Release 3: Start project	Release 1: 100% implemented Release 2: Ready for roll-out	Release 1 implemented in 17 sales and service companies
	100% sales and service companies to maintain ASEC certification	65%	65%	55%
	100% sales and service companies to achieve a Net Promoter Score > = 54	NPS = 61	NPS = 56	NPS = 52
	100% sales and service companies to achieve a first-time fix rate > = 95%	96,3%	96,1%	95,7%
	50% sales and service companies to implement T-ONE	67%	Roll out process initiated	Process established
	RESPONSIBLE PURCHASING Finding the right partners to support our customers and us in achieving all our sustainability goals	Maintain all major suppliers to sign Code of Conduct for Suppliers	100%	100%
Control mechanism for evaluating suppliers' compliance		On hold	On hold	Under review
Maintain 100% buyers trained in responsible procurement		100%	100%	100%
CSR self-assessment all major direct material suppliers		On hold	On hold	50
CSR self-assessment ten indirect material suppliers		On hold	On hold	Pilot done
Install risk assessment tool for all major direct material suppliers		Established	Established	Established
Review CSR assessment processes for all suppliers		On hold	On hold	Under review
TRANSPARENCY AND DISCLOSURE Continue in top 3 % on transparency and disclosure among > 40,000 global suppliers rated by EcoVadis, rating performance on environmental, social and governance issues	Maintain Toyota Material Handling Europe leadership position in transparency and sustainability	Top 1%	Top 1%	Top 1%
	Toyota Material Handling Europe to maintain gold at EcoVadis European level	Platinum	Platinum	1
	Seventeen local subsidiaries to achieve gold at local level	16	16	16
	Eight independent distributors to achieve bronze level on EcoVadis	0	Two pilots (Portugal, Ukraine)	Pilot started
	Continue sustainability reporting in line with GRI covering > 95% employees	GRI Standards > 95%	No report in 2020	GRI Standards > 95%
	External verification GRI report by FY21 We have started engaging / planning / budgeting with our financial auditor to extend their verification services, with a view to include a statement from them in our FY21 sustainability report.	Not achieved	No	No

* or Online due to COVID-19 restrictions

If you want more info on previous years, please consult our previous [Sustainability Reports](#).

Overview of Toyota Material Handling legal entities, coverage of GRI, EcoVadis and ISO systems as to total of employees (%)

Function	Activity	Abbreviation	Company Name	City	Country	GRI				EcoVadis		ISO / OSHAS					ISO			Comments		
						2013	2015	2019	2021	2019	2021	9001	14001	18001	50001	9001	14001	45001	50001			
						58%	81%	97%	98%	98%	99%	77%	62%	43%	12%	67%	62%	47%	45%			
Supply (5 Factories + 1 Warehouse operation)	Factory	TMHMS	Toyota Material Handling Manufacturing Sweden AB	Mjölby	Sweden	1	1	1	1	1	Gold	1	1	1	1	0	1	1	1	1		
	Factory	TMHMF	Toyota Material Handling Manufacturing France SAS	Ancenis	France	1	1	1	1	1	Platinum	1	1	1	1	0	1	1	0	1		
	Factory	TMHMI	Toyota Material Handling Manufacturing Italy S.p.A	Bologna	Italy	1	1	1	1	1	Gold	1	1	1	1	1	1	1	1	1		
	Factory	LTE	L.T.E LiftTrucks Equipment S.p.A.	Ferrara	Italy	1	1	1	1	1	Gold	1	1	1	1	1	1	1	0	1	ISO 14067 on carbon footprint of product	
	Factory	SIMAI	Simai S.p.A	Milan	Italy	0	0	0	1	0	0	1	1	0	0	0	1	1	1	1		
	Warehouse	TMHEL	Toyota Material Handling Europe Logistics AB (Mjölby site)	Mjölby	Sweden	0	0	0	0	0	0	0	1	1	1	0	0	0	0	0	0	In scope of TMHMS certifications
	Warehouse	TMHEL	Toyota Material Handling Europe Logistics AB (Antwerp branch)	Wilrijk	Belgium	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	
Large entities (4)	Sales & Services	TMH DE	Toyota Material Handling Deutschland GmbH	Hanover	Germany	0	1	1	1	1	Silver	1	0	0	0	0	0	0	0	0		
	Sales & Services	TMH FR	Toyota Material Handling France SAS	Paris	France	1	1	1	1	1	Platinum	1	1	1	0	0	1	1	0	0		
	Sales & Services	TMH IT	Toyota Material Handling Italia S.R.L	Bologna	Italy	0	1	1	1	1	Platinum	1	1	0	1	1	1	0	1	1		
	Sales & Services	TMH UK	Toyota Material Handling UK Ltd	Slough	United Kingdom	1	1	1	1	1	Platinum	1	1	1	0	0	1	1	1	1		
Small Medium Enterprises (17)	Sales & Services	TMH AT	Toyota Material Handling Austria GmbH	Vienna	Austria	0	0	1	1	1	Silver	1	0	0	0	0	0	0	0	0		
	Sales & Services	TMH BA	Toyota Material Handling Baltic SIA	Riga	Latvia	0	0	1	1	1	Gold	1	0	0	0	0	0	0	0	0	Also covers Estonia & Lithuania	
	Sales & Services	TMH BE	Toyota Material Handling Belgium NV/SA	Willebroek	Belgium	0	1	1	1	1	Gold	1	0	0	0	0	0	0	0	0	Also covers Luxemburg	
	Sales & Services	TMH CH	Toyota Material Handling Schweiz AG	Bülach	Switzerland	0	0	1	1	1	Silver	1	0	0	0	0	0	0	0	0	50% ownership	
	Sales & Services	TMH CZ	Toyota Material Handling Czech s.r.o.	Prague	Czech Republic	0	0	1	1	1	Gold	1	1	1	1	1	1	1	1	1		
	Sales & Services	TMH DK	Toyota Material Handling Danmark A/S	Slangerup	Denmark	0	1	1	1	1	Gold	1	1	0	0	0	1	0	0	0		
	Sales & Services	TMH ES	Toyota Material Handling Espana SA	Barcelona	Spain	0	1	1	1	1	Gold	1	1	1	0	0	1	1	0	0		
	Sales & Services	TMH FI	Toyota Material Handling Finland Oy	Helsinki	Finland	0	0	1	1	1	Gold	1	0	1	0	0	0	1	0	0		
	Sales & Services	TMH GR	Toyota Material Handling Greece SA	Athens	Greece	0	0	1	1	1	Silver	1	0	0	0	0	0	0	0	0	Also covers Cyprus	
	Sales & Services	TMH HU	Toyota Material Handling Hungary Ltd	Budapest	Hungary	0	0	1	1	1	Bronze	1	0	0	0	0	0	0	0	0		
	Sales & Services	TMH NL	Toyota Material Handling Nederland BV	Ede	Netherlands	1	1	1	1	1	Silver	1	0	0	0	0	0	0	0	0	Environmental and Quality certificate BMWV, H&S certificate VCA	
	Sales & Services	TMH NO	Toyota Material Handling Norway AS	Trondheim	Norway	0	1	1	1	1	Gold	1	0	0	0	0	0	0	0	0		
	Sales & Services	TMH PL	Toyota Material Handling Polska Sp z.o.o.	Jaktorov	Poland	0	0	1	1	1	Gold	1	1	0	0	0	0	0	0	0		
	Sales & Services	TMH RO	Toyota Material Handling Romania S.R.L.	Bucarest	Romania	0	0	1	1	1	Silver	1	1	1	1	0	1	1	1	0		
	Sales & Services	TMH RU	OOO Toyota Material Handling Russia	Moscow	Russia	0	0	1	1	1	Silver	1	0	0	0	0	0	0	0	0		
	Sales & Services	TMH SE	Toyota Material Handling Sweden AB	Stockholm	Sweden	1	1	1	1	1	Gold	1	1	1	0	0	1	1	0	0		
	Sales & Services	TMH SK	Toyota Material Handling Slovensko s.r.o.	Bratislava	Slovakia	0	0	1	1	1	Gold	1	0	0	0	0	0	0	0	0		
Other sales channel	Sales & Services	N/A	Cesab GmbH	Eberstadt	Germany	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Sales & Services	N/A	Cesab Ltd	Wellingborough	United Kingdom	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Employees	Office	TMHE	Toyota Material Handling Europe AB	Mjölby	Sweden	0	0	0	0	1	Platinum	0	0	0	0	0	0	0	0	0		
	Office	TMHE BXL	Toyota Material Handling Europe Brussels NV/SA	Willebroek	Belgium	0	0	1	1	1		0	0	0	0	0	0	0	0	0	0	
Logistics solutions	Office	TMHLS	Toyota Material Handling Logistics Solutions AB	Gothenburg	Sweden	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0		
Financial services (2)	Office	TMHCF	Toyota Material Handling Commercial Finance AB	Mjölby	Sweden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
	Office	TMHTF	Toyota Material Handling Truckfleet AB	Mjölby	Sweden	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

Toyota Material Handling Europe specific Disclosures on Material Issues

Material issues	DMA, KPIs, Targets	Pages	Link with GRI Standard
PEOPLE How we optimise opportunities for people to thrive			
Employee Health & Safety	Disclosure on Management Approach	23 to 29	103-1, 103-2, 103-3, 403-1 to 403-4
	KPIs and targets (# days of absenteeism per employee, # injuries / 1,000,000 hours worked,...)	43	
Attract and retain talent	Disclosure on Management Approach	22 to 25, 30	103-1, 103-2, 103-3, 401-1 to 401-3
	KPIs and targets (turnover rate,...)	43	
Training and Development	Disclosure on Management Approach	22 to 25, 31 to 34	103-1, 103-2, 103-3, 404-1 to 404-3
	KPIs and targets (# courses available in the e-learning academy,...)	43	
Diversity & Equal opportunities	Disclosure on Management Approach	31	103-1, 103-2, 103-3, 405-1
	KPIs and targets (repartition of employees by gender, age,...)	43	
Employee engagement	Disclosure on Management Approach	22 to 25, 36 to 42	103-1, 103-2, 103-3, 401-1 to 401-3
	KPIs and targets (% of employees with annual performance appraisal)	43	
PLANET How we minimise environmental impact			
Energy-efficient customer solutions	Disclosure on Management Approach	44 to 51	103-1, 103-2, 103-3, 302-1 to 302-5
	KPIs and targets (truck consumption efficiency, % fuel cell solutions,...)	63	
Energy management in operations	Disclosure on Management Approach	44 to 47, 52 to 57	103-1, 103-2, 103-3, 302-1 to 302-5
	KPIs and targets (renewable energy use, zero-carbon emissions by 2050)	63	
Environmental management	Disclosure on Management Approach	58 to 60	103-1, 103-2, 103-3, 303-1, 306-2 and 306-4
	KPIs and targets (reduction of water consumption and waste disposal)	63	
Circular Economy	Disclosure on Management Approach	61 to 62	103-1, 103-2, 103-3, 301-1 to 301-3
	KPIs and targets (reduce the ratio of scrapped trucks by 20%)	63	
PROSPERITY How we maximise quality and customer safety			
Customer Safety	Disclosure on Management Approach	64 to 69	103-1, 103-2, 103-3, 416-1 and 416-2
	KPIs and targets (zero accidents)	80	
Quality	Disclosure on Management Approach	64 to 66, 70 to 75	103-1, 103-2, 103-3
	KPIs and targets (number of ISO certificates)	80	103-1, 103-2, 103-3
Responsible purchasing	Disclosure on Management Approach	51, 64 to 66, 76 to 77	103-1, 103-2, 103-3, 204-1, 308-1, 308-2, 414-1 and 414-2
	KPIs and targets (# suppliers covered by ISO14001 programme, CSR self-assessment, ...)	80	
Transparency & Disclosure	Disclosure on Management Approach (GRI general disclosure)	64 to 66, 78 to 79	103-1, 103-2, 103-3, 102-45, 417-1 to 417-3
	KPIs and targets (EcoVadis score)	83	

Toyota Material Handling Europe GRI General Disclosures

Disclosure title	Pages	General Disclosures GRI 102
Organisation profile	3 to 5, 8 to 9	102-1
Activities, brands, products, and services	4, 8	102-2
Location of headquarters	8	102-3
Location of operations	8, 81	102-4
Ownership and legal form	8 to 9, 81	102-5
Markets served	8	102-6
Scale of the organisation	4	102-7
Information on employees and other workers	4, 22 to 43	102-8
Supply chain	4, 51, 64 to 66, 76 to 77	102-9
Significant changes to the organisation and its supply chain	7 to 9	102-10
Precautionary principle or approach	10 to 13	102-11
External initiatives	5 to 6, 21, 29, 33, 38, 42, 47, 66, 74, 75,	102-12
Membership of associations	9	102-13
Statement from senior decision maker	5 to 6	102-14
Values, principles, standards, and norms of behaviour	10 to 13, 22 to 25	102-16
Governance structure	8	102-18
Corporate governance	9, 11	102-18
Risk management	12	102-30
Compliance	13	102-18
Bribery and corruption	13	205-1 and 205-2
List of stakeholder groups	16 to 20	102-40
Collective bargaining agreements	36	102-41
Identifying and selecting stakeholders	16 to 20	102-42
Approach to stakeholder engagement	16 to 20	102-43
Key topics and concerns raised by stakeholders	16 to 20	102-44
Entities included in the consolidated financial statements	8, 81	102-45
Defining report content and topic boundaries	14 to 19	102-46
List of material issues	17	102-47
Restatements of information	16	102-48
Changes in reporting	16	102-49
Reporting period	16	102-50
Date of most recent report	November 2019	102-5
Reporting cycle	16	102-52
Contact point for questions regarding the report	87	102-53
Claims of reporting in accordance with the GRI Standards	14 to 16	102-54
GRI content index	82 to 83	102-55
External assurance	16, 78	102-56

GRI standards - 2016 edition

Glossary

Sustainability: a glossary of terms

Working with sustainability introduces a lot of new words and acronyms into our business language. To make sustainability more accessible to everyone, we include a glossary of the most common terms.

5S methodology

5S is a workplace organisation method that uses a list of five Japanese words: seiri, seiton, seiso, seiketsu, and shitsuke. These have been translated as sort, set in order, shine, standardise and sustain. The list describes how to organise a workspace for efficiency and effectiveness by identifying and storing the items used, maintaining the area and items, and sustaining the new order. The decision-making process usually comes from a dialogue about standardisation, which builds understanding among employees of how they should do their work.

ASEC

The Aftersales Service Evaluation & Certification training programme was developed to standardise and deploy Toyota's service and parts operations. It is aimed at the Toyota Material Handling entities and independent dealers with parts and services operations. The programme has 'good' and 'excellent' levels.

Carbon dioxide equivalents (CO₂e)

The internationally recognised way of expressing the amount of global warming of a particular greenhouse gas in terms of the amount of CO₂ required to achieve the same warming effect over 100 years.

Carbon footprint

The total emissions of greenhouse gases (in carbon equivalents) from whichever source is being measured, be it at an individual, organisational or product level. A carbon-zero footprint has no carbon emission through efforts of good practice, not including offsetting.

Corporate Social Responsibility (CSR)

In general, CSR is similar to sustainability and refers to an organisational policy to reduce a company's impact on environmental and social issues. Within Toyota Industries Corporation, CSR refers specifically to social contributing and volunteering.

Dantotsu

Japanese word for 'the best out of the best' - Dantotsu products (unrivalled products) have a specific machine-related use and are considered vastly superior to the competitors' products. Furthermore, it is this selectivity that ensures Dantotsu is synonymous with dramatically enhanced commercial value.

Dealer

A dealer is an independent company distributing our products and services in a part of a country where we have a national sales and service entity.

EcoVadis

EcoVadis provides sustainability evaluation for over 75,000 suppliers worldwide on their environmental, social and ethical performance. Its online platform allows 175 multinationals to access evaluations of their selected suppliers across 155 countries.

Emission intensity

Emission intensity is a measure of greenhouse gas emissions per unit of economic activity, usually measured in Gross Domestic Product (GDP). Unlike absolute emission values which measures the quantum of emissions, emission intensity is a relative value with respect to units produced. Reduction of emission intensity means reducing pollution per unit, but if the production of units increases, the emissions go along with it.

Energy intensity

The amount of energy used in producing a given level of output or activity (see also Efficiency vs. Intensity). It is measured by the quantity of energy required to perform a particular activity (service), expressed as energy per unit of output or activity measure of service.

EU-OSHA

The European Agency for Safety and Health at Work (EU-OSHA) is a decentralised agency of the European Union, with the task of collecting, analysing and disseminating relevant information that can serve the needs of people involved in safety and health at work. EU-OSHA works through diverse networks spanning throughout the EU, with its main activities covering three distinct areas: analysis and research, prevention, and campaigning and awareness raising.

First-time fix rate

Rate at which Toyota technicians repair a forklift truck on the first service visit.

FY

The way we display our financial years.

FY12:

The financial year ending on March 31st, 2012. We used it as the base year for setting all our FY21 energy and emissions targets in line with the Corporate Reporting and Accounting Standard of the Greenhouse Gas Protocol.

FY19:

The financial year ending on March 31st, 2019. Used as a reference in our previously published 2019 sustainability report.

FY21:

Our most recently completed financial year at the date of publication of this report, ending on March 31st, 2021. Our past long-term sustainability targets evaluated in this report were set in our 2015 report for 2021, in line with our parent company's five-year planning cycles. The 6th Environmental Action Plan started on April 1st, 2015 and ended on March 31st, 2021.

FY31:

Our future long-term sustainability targets will be set for 2031, in line with our parent company's five-year planning cycles. The 8th Environmental Action Plan will start on April 1st, 2025 and end on March 31st, 2031.

Renewable electricity

Electricity generated by renewable resources such as wind, solar and photovoltaic energy, low-impact hydro resources, low-emission geothermal, low-emission sustainably produced biomass, or biogas. Renewable energy certificates can be sold separately; your electricity is green if your supplier also delivers you the Renewable Origin Certificates (ROC's).

Greenhouse effect

Gases produced naturally and by human activities that have contributed to the warming of the planet, global warming, by trapping sunrays.

GRI

The Global Reporting Initiative (GRI) is an international organisation in the Netherlands, set up in 1997. It provides a framework to guide the sustainability reporting process and performance metrics, which results in a sustainability report that conveys disclosures on an organisation's impacts—positive and negative—on its environment, society, and economy.

Independent distributor

Independent company offering our products and services in a market where Toyota has no presence.

ISO 9001

Provides the baseline requirements for Quality Management Systems. Companies that are ISO 9001 certified have in general better structured governance around quality processes. They tend to have a quality-oriented culture.

ISO 14001

Provides the baseline requirements for an Environmental Management System. Companies that are ISO 14001 certified have a better track record in environmental compliance, reusing and reducing waste and water consumption. These entities also tend to show a more advanced innovation culture at all levels of the organisation concerning environmental impact reduction.

ISO 45001

Provides the baseline requirements for occupational Health and Safety Management Systems. Companies that are ISO 45001 certified have a better track record in health and safety compliance, reducing injuries and sickness absence, and general prevention measures. These entities also tend to show a more advanced innovation culture at all levels of the organisation concerning employee health, safety and well-being.

ISO 50001

Provides the baseline requirements for an Energy Management System. Companies that are ISO 50001 certified have a better track record in compliance and a more advanced innovation culture at all levels of the organisation concerning energy efficiency and carbon emissions regulations. They are better at cutting energy usage and energy costs, while reducing emissions.

Key Performance Indicator (KPI)

A financial and non-financial indicator for the performance of a company.

Life cycle assessment (LCA)

A tool for evaluating the environmental impact of a product or service system through all stages of its life cycle.

Materiality matrix

A matrix that enables a company to decide which sustainability initiatives to invest in.

Muda (waste)

Japanese word meaning 'futility, uselessness, wastefulness', a key concept in lean process thinking, like the Toyota Production System (TPS) as one of the three types of deviation from optimal allocation of resources (the others being mura and muri). Waste reduction is an effective way to increase profitability. From an end customer's point of view, value-added work is any activity that produces goods or services for which a customer is willing to pay; muda is any constraint or impediment of these value-added activities, causing waste to occur.

TRANSPORT

Moving products that are not actually required to perform the processing.

MOTION

People of equipment moving or walking more than is required to perform the processing.

WAITING

Waiting for the next production step.

INVENTORY

All components, work in process and finished products not being processed.

OVERPRODUCTION

Production ahead of demand.

DEFECTS

The effort involved in inspecting and fixing defects.

Overprocessing

A poor tool or product design creating activity, resulting in waste of time, energy or money without adding value to the tool or product.

Net Promoter Score

The Net Promoter Score (NPS) is calculated as the difference between the percentage of Promoters and Detractors. The NPS is not expressed as a percentage but as an absolute number lying between -100 and +100. When measuring the NPS, there is one very important question is asked: how probable is it that you will recommend this company to a friend? Clients give a figure between 0 and 10. People rating 0 to 6 are defined as 'detractors', 7 to 8 as 'passives' and 9 to 10 as 'promoters'. The ultimate NPS score is obtained deducting the percentage 'detractors' from the percentage of 'promoters'.

Science Based Targets

Science-based targets provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth.

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

More info can be found [here](#).

Science Based Targets initiative

The Science Based Targets initiative (SBTi) is a partnership between CDP, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and the United Nations Global Compact (UN Global Compact). Setting science-based targets via the SBTi is also one of the We Mean Business Coalition commitments. Companies that commit to the SBTi automatically count towards the We Mean Business campaign (though they may opt out if they choose).

The SBTi leads the Business Ambition for 1.5°C campaign, calling all business leaders to set emissions reduction targets in line with a 1.5°C future. Business Ambition for 1.5°C is a partner in the Race to Zero campaign. Therefore, companies that commit to the Business Ambition for 1.5°C campaign are automatically recognised as part of the Race to Zero campaign as well.

The ACT initiative complements the SBTi. By supporting companies in the process of setting science-based targets, the SBTi helps them define a clear sense of direction to be in line with decarbonisation. By supporting companies to complete the low-carbon transition and monitoring their climate action, ACT helps them implement that direction, and enhances the credibility of their climate commitments.

SBTi campaign 'The Business Ambition for 1.5°C'

The Business Ambition for 1.5°C campaign is an urgent call-to-action campaign led by the SBTi, UN Global Compact and the We Mean Business Coalition calling for companies to set emissions reduction targets to limit global warming to 1.5°C.

Companies can commit to Business Ambition for 1.5°C by signing the commitment letter in step one of the target-setting process. By doing so, they will be recognised on the SBTi and UN Global Compact websites as having committed to the most ambitious science-based targets.

Committing to the Business Ambition for 1.5°C campaign is the highest ambition commitment offered through the SBTi, and we encourage all companies to choose this commitment level when committing to the SBTi.

There are two options companies can choose from when committing to Business Ambition for 1.5°C. To fulfil this commitment, companies can either set 1.5°C-aligned targets across scope 1, 2, and 3 emissions, or set targets in line with current SBTi criteria and commit to set a net-zero target according to SBTi forthcoming criteria.

Please see specific FAQs related to the Business Ambition for 1.5°C campaign [here](#).

Scope 1 CO₂ emissions

Direct emissions from sources that are owned or under direct control. Emissions often result from the combustion of fossil fuels for comfort heating or other industrial applications. Resulting from the combustion of fossil fuels as a direct result from a company's own operations. The emission sources are owned or leased by the company, and the fuel or energy bill is paid by the company.

Scope 2 CO₂ emissions

Indirect emissions from sources under direct control. Emissions often result from energy consumption within a company's own operations, generated outside of the context given in scope 1, e.g. electricity and district heating. Electric trucks generate scope 2 CO₂ emissions, unless they are charged with 'green electricity'.

STEP

Service Technician Education training programme STEP ensures technicians have the right knowledge to suit technical requirements and can build trusting relationships with customers. It is divided into three levels: bronze (including onboarding), silver and gold.

Sustainability

Sustainability is the overarching concept of meeting the needs of the present without compromising the ability of future generations to meet their needs.

Toyota Material Handling product range

Toyota Material Handling offers a full range of electric counterbalanced trucks, engine counterbalanced trucks, IC and electric forklifts and warehouse equipment. All our trucks are built according to the Toyota Production System (TPS), guaranteeing high quality and minimal environmental impact. Our extensive services and solutions include service contracts, genuine parts, rental solutions, approved used trucks, the fleet management system I_Site and other logistic solutions. We also think about the future, which is why most of our range is available with lithium-ion and fuel cell technology.

Product Family	Li-ion	Fuel Cell
Powered Pallet Trucks	✓	✓
Powered Stacker Trucks	✓	-
Order Picker Trucks	✓	✓
Reach Trucks	✓	✓
Very Narrow Aisle Trucks	✓	-
Electric Counterbalanced Trucks	✓	✓
Towing Tractors	✓	-
Hand pallet trucks	-	-
Engine Counterbalanced Trucks	-	-
Automated Guided Vehicles (AGV)	✓	-

Sustainable development

Taking into consideration environmental, social, and wider economic success factors alongside financial indicators in the long-term strategy of business to strive towards sustainability.

T-ONE

T-ONE is installed as an integration layer communicating with the Toyota Autopilot automated guided vehicles (AGVs) and customers' existing infrastructure, such as warehouse management systems, goods identification and other material handling equipment. The intelligent software offers operational robustness and optimises warehouse resource utilisation, enabling us to deliver customised automated solutions quicker in the future.

T-Stream

Internal service tool for Toyota technicians supporting them in their daily work.

TICO

Toyota Industries Corporation

TIE

Toyota Industries Europe

TPS

The Toyota Production System (TPS) is our lean manufacturing system that works according to a pull-system: we only produce what is ordered. TPS entrusts team members with well-defined responsibilities to optimise quality by constantly improving processes and eliminating unnecessary waste in natural, human and corporate resources.

TSC

The Toyota Service Concept (TSC) describes our approach to planning, managing and delivering exceptional standards of service, throughout the working life of trucks and our relationship with customers.

Transparency

As a principle, directors of companies and organisations and board trustees have a duty to act visibly, predictably and understandably to promote participation and accountability. Information should be managed and published so that it is: 1. relevant and accessible; 2. timely and accurate.

Triple bottom line

The concept adds two more 'bottom lines' for social and environmental concerns to the traditional bottom line. Often paraphrased as 'People, Planet, Prosperity', or referred to as 'the three pillars'.

Sustainability Report 2021

Toyota Material Handling Europe

For more information contact us at
sustainable.development@toyota-industries.eu

TOYOTA

MATERIAL HANDLING