

18 OUT OF 25 TARGETS ACHIEVED

FROM OUR 2015 REPORT



Disruptive innovation, energy policies, supply chain transparency and an increasing customer focus on safety are just a few of the issues that will drive our industry to change significantly by 2030. Taking a lead on understanding how these issues will play out in the future matters if we want to be the first-choice material handling provider in Europe.

Our owner Toyota Industries Corporation published its first environmental report in 1994. In turn, we at Toyota Material Handling Europe, were first to publish a sustainability report in our industry in Europe, five years before it will become mandatory in 2018. Leadership matters."

Matthias Fischer, President

In our 2015 sustainability report we set out 25 targets for 2017. We have fully achieved 18 of them, and we have made considerable progress on 5 others. The TMHE full sustainability report in line with GRI standards and new legislation on non-financial reporting will be published on our website in April 2018.

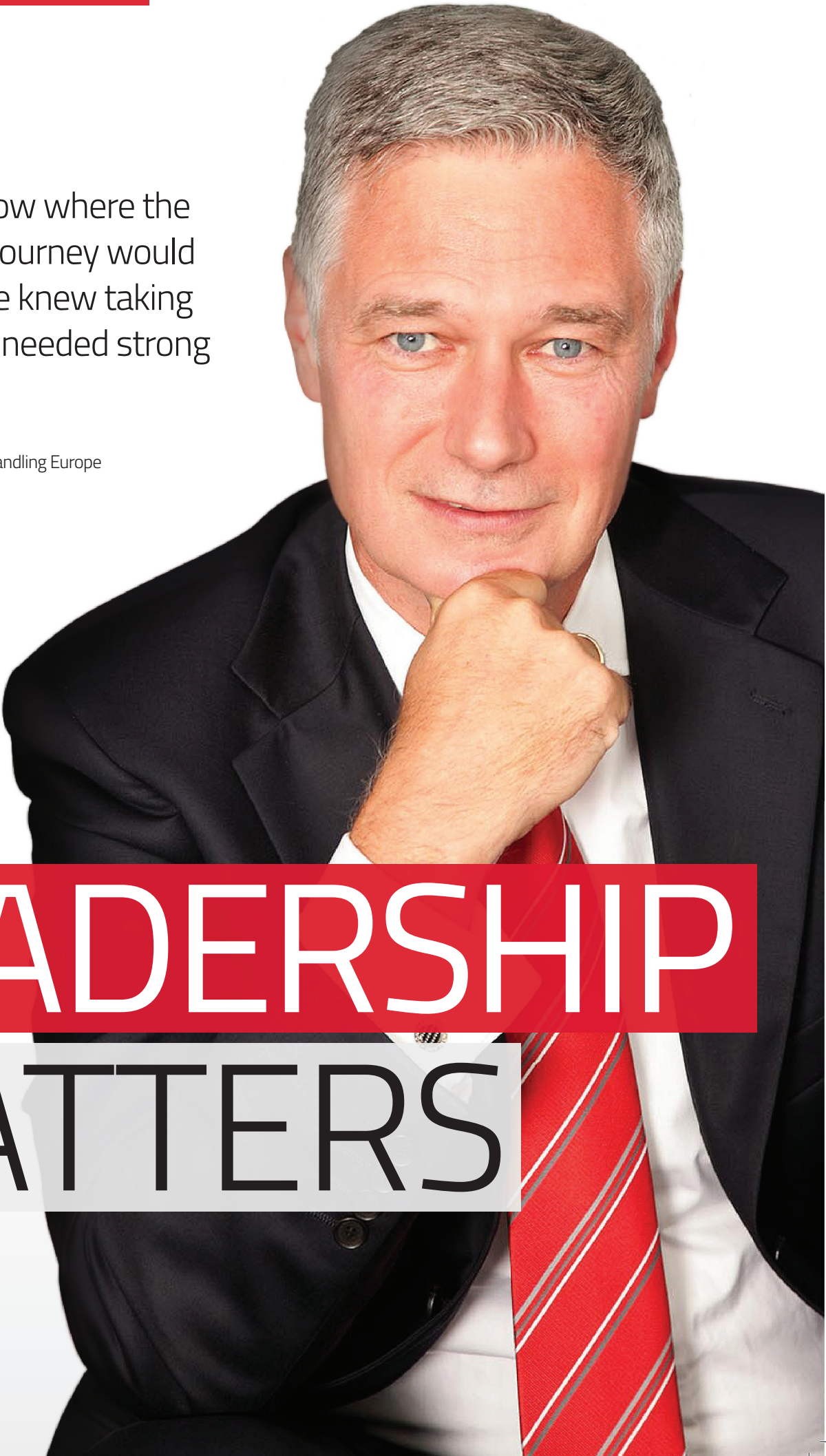
| | | |
|-----------------------------------|--|------|
| MAXIMISE SAFETY | Continue our EU-OSHA partnership with the new campaign 'Healthy Workplaces for all Ages' | ✓ |
| | Double the number of trucks enabled to operate with I_Site fleet management vs FY15 | ✓ |
| | Forklift Training to 50 global and European Health and Safety Managers | ✓ |
| | Adapt TICO Safety Vision for implementation in our sales and service companies | ✓ |
| OPTIMISE BUSINESS PROCESSES | Establish a control mechanism for evaluating suppliers' compliance with supplier code | ✓ |
| | Train 100% of our purchasing staff in 'responsible procurement' | ✓ |
| | Develop further understanding of our supply chain's environmental impact | ✓ |
| | Conduct CSR assessments of 30 major Direct Material Suppliers | ✓ |
| | Pilot a self-assessment approach for Indirect Material Suppliers | ✓ |
| | Publish consolidated sustainability data for all TMHE entities | 2018 |
| | LEAD programme – reach number of 64 participants in 2 years | ✓ |
| | TPS visual management tools to be implemented in all entities | 2020 |
| MINIMISE ENVIRONMENTAL IMPACT | Conduct European-wide employee survey | ~ |
| | Continue partnership with 10 European fleet customers to reduce their CO ₂ emissions | ✓ |
| | Increase sales of used trucks by 20% | ✓ |
| | Launch additional silent products | ✓ |
| | Reduce energy consumption by 10% across Europe vs FY12 | ~ |
| | Develop a green company car policy | ✓ |
| NUMBER 1 IN CUSTOMER SATISFACTION | Extend initiatives to reduce fleet energy consumption | ✓ |
| | Toyota Service Concept (TSC) fully utilised in all sales and service companies | 2019 |
| | Use the Net Promoter System (NPS) in all sales and service companies | ✓ |
| | Target a 95% first-fix rate throughout the network | 92% |
| | Maximise quality through reducing warranty claims by 88% vs 2007 | 83% |
| | Increase percentage of technicians trained in safety and sustainability (STEP Bronze soft skill) | ✓ |
| | Drive ASEC service accreditation in the network towards 100% | ✓ |

SUSTAINABILITY HIGHLIGHTS 2017



We did not know where the sustainability journey would lead us, but we knew taking the first steps needed strong leadership.

Matthias Fischer
President Toyota Material Handling Europe



LEADERSHIP MATTERS

TOYOTA
MATERIAL HANDLING

DUAL IMPACT

together we make a difference

We engage with our partners and work together to meet those sustainability targets we have in common. By concentrating our efforts we can achieve the greatest DUAL IMPACT.

MAXIMISE SAFETY & HEALTH

Continuous improvement of employee safety & health inspires us to innovate our products and solutions around customer safety.



1st

commendation in our industry from an EU commissioner on our approach to safety & health in Spain



60%

of entities cascading the EU OSHA Campaign «Healthy Workplaces for All Ages» to customers and employees



IMHX
DESIGN
4 SAFETY
AWARDS

for our I_Site fleet management app with instant incident notifications for warehouse managers

OPTIMISE OUR BUSINESS PROCESSES

People make a difference when they are engaged; therefore we invest in the continuous development of our employees and responsible partnerships with our network and suppliers.



681

courses available on our e-learning academy, covering 13 languages



>65%

of employees appraised by their manager using our new uniform European TMHE template



99%

of major suppliers certified to ISO 14001 standard globally

MINIMISE ENVIRONMENTAL IMPACT

Investing in reducing CO₂ emissions has a direct financial payback, and helps us to better support our customers on their journey to zero emissions.



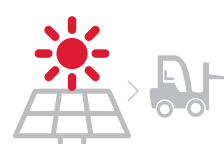
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energy saving actions completed locally across Europe in FY17 - saving over 2 million € annually



67%

share of green electricity use in our total electricity use in Europe - saving 2300 tonnes of CO₂

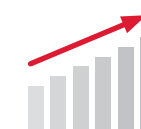


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customer demo sites: solar charging of fuel cells in Italy and batteries in the Netherlands - come visit us!

NUMBER 1 IN CUSTOMER SATISFACTION

By being a leader in supply chain transparency and improving the way we deliver our products and services, we aim to make it easier for our customers to do business with us.



42

Net Promotor Score (NPS): customers are rating our service to them. In FY17 it increased by 3 units versus FY16



33

certificates for ISO 9001, ISO 14001, ISO 50001 and OSHAS 18001 available for download directly from toyota-forklifts.eu/sustainability



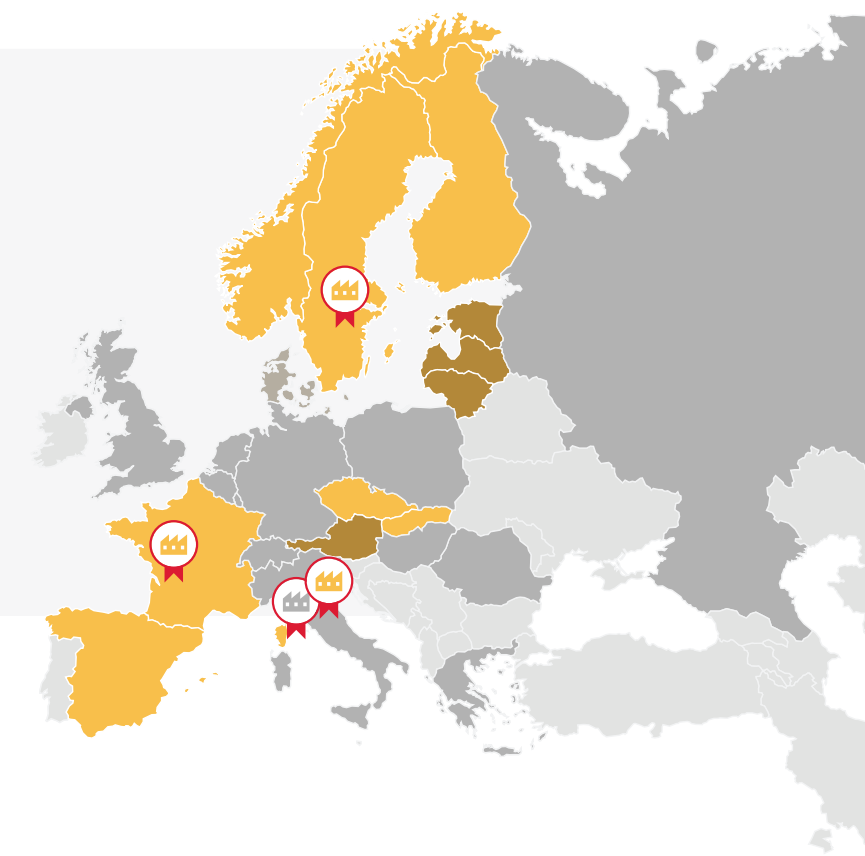
TMHE and 10 of its subsidiaries achieved EcoVadis Gold in 2017

| Level | Entities | EcoVadis benchmark |
|--------|----------|--------------------|
| Gold | 11 | Top 10% |
| Silver | 13 | Top 30% |
| Bronze | 2 | Top 60% |

Factory

Sales company

EcoVadis provides sustainability ratings of 40,000 suppliers worldwide on their environmental, social and ethical performance. Their online platform allows 175 multinationals to access ratings of their selected suppliers across 120 countries.



| | TMHE | FY 17 vs FY 15 |
|------------|--------------|----------------|
| Employees* | 10,300 | +15% |
| Turnover | € 2.2 bn | +20% |
| Network | 30 Countries | |

* Full-Time Equivalents

Toyota Material Handling Europe (TMHE) is a subsidiary of Toyota Industries Corporation (TICO), the world's market leader in forklifts, warehouse trucks, and related services and solutions. Our mission is to bring exceptional efficiency to our customers' material handling operations.

toyota-forklifts.eu/sustainability