







SUSTAINABILITY STATUS REPORT 2024

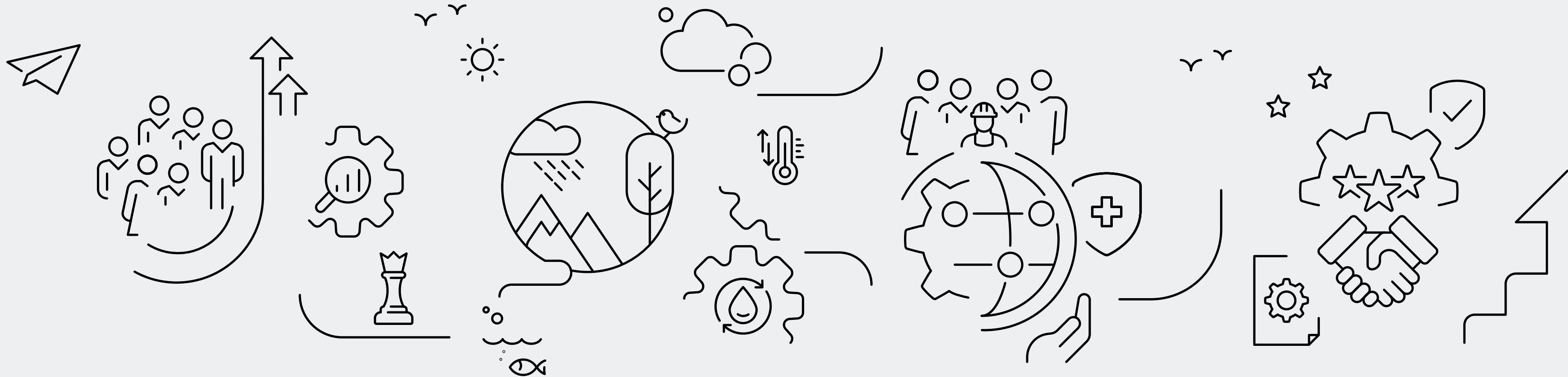
TOYOTA

MATERIAL HANDLING



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ESG Committee members

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Introduction

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Message from the management

Going beyond compliance

Ernesto Domínguez, President and CEO, and Per Fyrenius, SVP Corporate Development introduce this report, discuss our latest sustainability-related accomplishments and how we plan to continue raising standards and embracing change.



Ernesto: Before we share our sustainability highlights from the last year, we must address the fatal accident in our factory in Bologna in October 2024.

We lost two colleagues in a blast at Toyota Material Handling Manufacturing Italy on Wednesday 23 October 2024. Several more colleagues sustained injuries.

Our primary focus has since then been the care of those directly and indirectly affected. The factory's crisis management team was immediately activated, working closely with emergency services to ensure the safety of the site and to provide medical assistance.

The factory had to halt its operations and, in parallel to supporting investigating authorities, local teams have worked hard to secure a safe rebuild of damaged parts and an equally safe restart in early January 2025. The cause of the blast is currently unknown, and we will refrain from speculation until investigations are complete.

Our hearts and minds are with the families, colleagues, and friends of those affected during this tragic time.

Per: This underlines why we remain focused on continuously improving our processes for health, safety and wellbeing and why sustainability remains at the core of our company. This year's report outlines our key Environmental, Social and Governance (ESG) achievements over the previous year. It builds on our [2023 sustainability report](#) - which followed the European Sustainability Reporting Standards (ESRS) framework that will soon become mandatory for large EU companies - this report tracks our progress in the last twelve months.

Last year's sustainability report was a new challenge for our company - reporting inline with the ESRS framework requires a thorough review of existing sustainability disclosures to ensure they align with ESRS requirements. Nevertheless, by transitioning to this new approach ahead of the EU requirements being phased in, we can identify the gaps so to continue maturing in the coming years. Having set our new mid-term targets last year, this report outlines their progress and how they guide our approach to sustainability - and continuous improvement.



Ernesto: Over the last year, progress has been made in several areas. For example, we have been developing a new LCA methodology and, our approach to responsible procurement has led to continued progress with suppliers on ESG issues. Our new DE&I policy - building on our previous DE&I commitment - has two clear targets: a 1% yearly increase in female managers and a 2% yearly increase in female employees.

Other important developments include a new EU ESG Law Toolkit -which supports our need to stay on track with evolving legislation - and a provisional double materiality assessment, which will outline our new ESG priorities in the coming years, determining the key issues for our company to focus on.

The ESG Committee, established last year, has become an integral driver in our transition to become a more sustainable business. Our internal sustainability network continues to grow - alongside the ESG Committee and our expanding Sustainability Department, I'd like to acknowledge the work of local champions, who are driving sustainability progress regionally, as well as our functional champions who monitor EU legislation and the adoption of ESG issues across our company. We shall work together to go beyond compliance and stay humble, seek for innovative ideas and solutions.

Per: Having submitted carbon emissions reduction targets last year, we have also now announced our targets to achieve net zero emissions by FY2041, which have been approved by the Science Based Targets initiative (SBTi). We are very proud of this new milestone, which would not have been possible without collaborative team efforts in the company's Net Zero programme, which helped us establish our corporate carbon footprint base year and prioritise key decarbonisation levers. To this end, we have invited our key suppliers to commit to SBTi and join us in stepping up our ambitions.

Ernesto: To make meaningful progress, collaboration is key and effective partnerships can drive momentum. As we want to build a resilient supply chain together and minimise risks, we work closely with our suppliers and customers on the road to net zero. We have been rated by EcoVadis, the world's largest provider of business sustainability ratings, since 2012 and continue inviting suppliers to be assessed by EcoVadis, which allows us to track the momentum that is building across our supply chain.

This year, our parent company Toyota Industries Europe AB (TIE AB) joined CSR Europe, the leading European business network for Corporate Sustainability and Responsibility. In CSR Europe, we recognise a strong partnership network, with like-minded corporate partners who want to mainstream robust sustainability governance throughout their value chain. We will be engaging on a range of topics, including the EU's Corporate Sustainability Reporting Directive (CSRD), responsible practices, taxonomy, double materiality and supply chain sustainability.




‘We are working closely with our suppliers and customers on the road to net zero - together, we can build resilient supply chains and minimise risks.

Collaboration with others helps us develop innovative ideas, go beyond compliance and stay humble’

Ernesto Domínguez

President and CEO,
Toyota Material Handling Europe

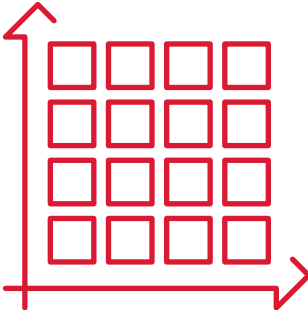
Key achievements 2024




General disclosures

13 material issues


identified in double materiality assessment





New ESG Committee


10 senior leaders representing all stakeholders

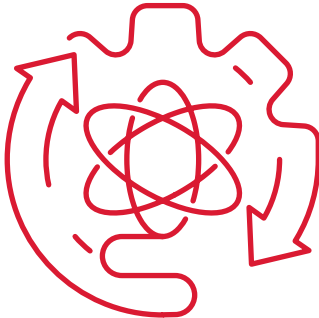


Environment

Net zero by 2041


targets approved by the Science Based Targets initiative (SBTi)





Life-cycle assessment


new LCA methodology developed

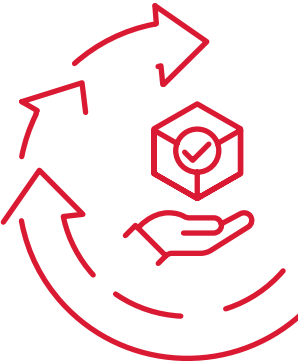


Social

Diversity, Equity & Inclusion


new policy covering five key areas





Over 700 suppliers

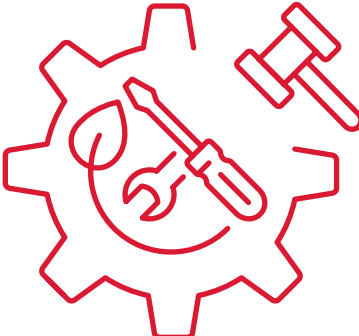
undertaken EcoVadis assessment

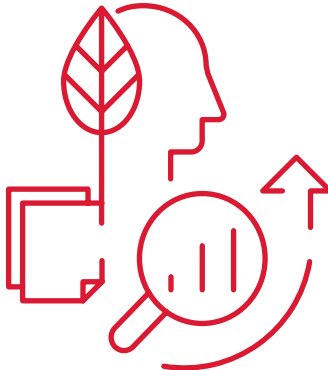


Governance

New EU ESG Law Toolkit

providing guidance on over 80 EU regulations





Responsible procurement

approach updated with three key drivers

Introduction > Key achievements 2024

Introducing the ESG Committee members

Ensuring the adoption of Toyota’s sustainability priorities throughout the company, the ESG Committee has become an integral driver in our transition to become a more sustainable business.

Created a year ago, the Committee meets monthly to ensure ESG issues are prioritised across the company, tracks the development of our ESG targets and proposes recommendations to our Executive Management Team to help drive progress.



Tom Schalenbourg
Director,
Sustainable Development



Åsa Hammarström
Director,
Financial Control



Johan Levinsson
Senior Legal Counsel



Stina Homman
Head of HR Governance,
Processes and Metrics



Hugues Van Espen
Managing Director,
Toyota Material Handling
Belgium



Rodolfo Occari
Senior Manager,
Technical Administration
Office



Craig Walby
Director,
Products



Mark Peters
Director,
Marketing



Giorgio Polonio
Vice President,
Supply Purchasing



Andrea Scaramagli
Director,
Corporate Purchasing



Message from
the management

Key achievements
2024

ESG Committee
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ESRS 2: General disclosures

- ➔ Objective 1.
Embed ESG in the company’s core
strategy, governance, and risk
management processes

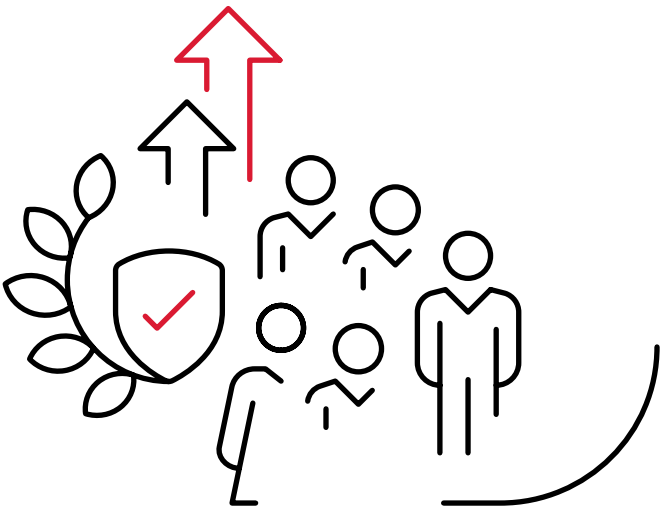


ESRS 2 ESG Strategy

Strengthening our sustainability governance

Our ESG Committee

Established in November 2023, the ESG Committee is composed of senior leaders who report to different members of the Executive Management Team, informing them on a range of issues - including net zero and circular economy, diversity, health & safety, employee satisfaction and EcoVadis performance.



Representing key internal and external stakeholders, the Committee advocates on their behalf to ensure their priorities are addressed and integrated into our company’s sustainability strategy. The Committee is also leading a project to design risk management and internal control systems to keep ahead of future sustainability legislation and reporting demands.

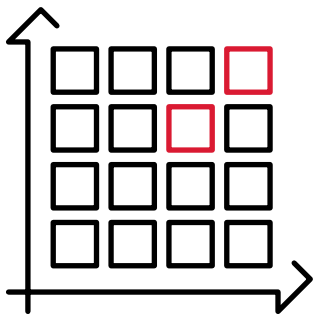
The Committee meets monthly to ensure ESG issues are prioritised across the company and that sustainable development is embedded in all company departments. They conduct risk assessment and develop action plans for the most important sustainability priorities, e.g. adherence to new and evolving EU sustainability legislation, such as the EU Green Claims Directive or the EU Batteries Regulation. So far, we have mapped 80 EU-level laws and international guidelines from the United Nations (UN), International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD), among others.

ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
1. Embed ESG in the company’s core strategy, governance, and risk management processes	ESRS 2 ESG Strategy	Establish European ESG Committee	2023	SVP Corporate Development	Established	Established, monthly meeting
		Establish updated Materiality Matrix in line with EU Corporate Sustainability Reporting Directive double materiality assessment criteria	2024	SVP Finance	Work in progress	Completed
		Establish incentives to drive our ESG targets	2026	SVP Human Resources	Work in progress	Workstream established and project ongoing
		EcoVadis Gold level for all factories	2026	SVP Supply	4/5	4/4*
		EcoVadis Gold level for all Marketing & Sales Companies & warehouses	2026	SVP Market Operations	14/23	17/23
		EcoVadis Bronze level for six independent distributors	2028	SVP Market Operations	1/6	1/6
		EcoVadis Bronze level in Independent Distributor Agreements	2030	SVP Market Operations	0/19	0/19
		Strengthen ESG risk assessment policy, processes and due diligence	2026	SVP Corporate Development	Work in progress	Work in progress

* Due to a merger between Toyota Material Handling Manufacturing Italy and Simai, we now have four factories, and the target status for 2024 has been updated accordingly

✔ Completed ⬆ Improved ⬅ In progress ⬇ Modified



Undertaking a double materiality assessment and gap analysis

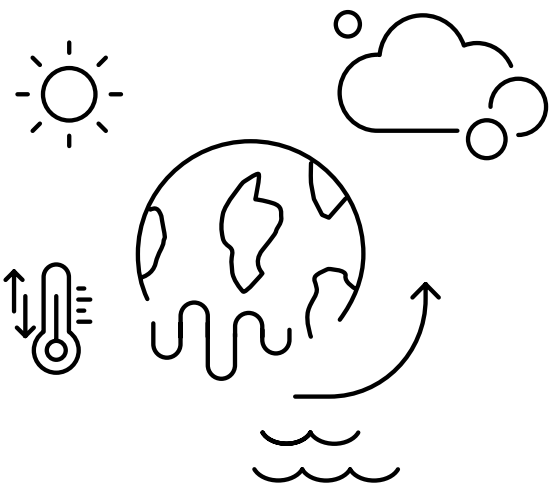
A double materiality assessment (DMA) is a crucial component for companies to align with the EU’s Corporate Sustainability Reporting Directive (CSRD). Companies must not only consider how their activities impact people and the environment across the value chain, but also anticipate how sustainability issues can affect the company financially. Ahead of time, Toyota Material Handling Europe is working on this requirement, and the results will inform future sustainability strategy decisions and reporting.

In our previous sustainability report, a materiality matrix formed the basis of our sustainability framework, developed through stakeholder engagement in 2019 and 2021.

Following a new DMA - focused on which areas will have the most impact materiality and financial materiality on Toyota Material Handling Europe - our key ESG priorities have shifted 🔄. These provide strategic direction and their associated targets will be reviewed and adjusted annually to reflect our ever-changing material issues and ensure alignment with the CSRD.

ESG

ESRS 2: **Embedding ESG** in business strategy, governance, and risk management **across the value chain**



ESRS - Environment

E1: Climate change

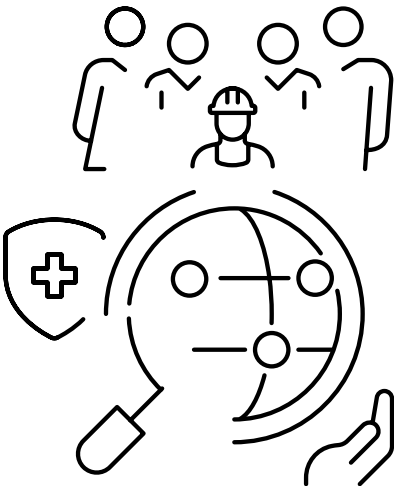
- Decarbonisation

E2: Pollution

- SVHCs

E5: Resource use and circular economy

- Resource inflows
- Resource outflows
- Waste



ESRS - Social

S1: Own workforce

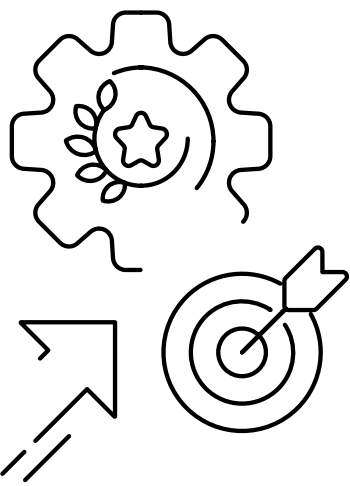
- Health & safety
- Training & development
- Diversity

S2: Workers in the value chain - downstream

- Health & safety
- Working time
- Adequate wages

S2: Workers in the value chain - upstream

- Health & safety
- Privacy



ESRS - Governance

G1: Governance

- Compliance
- Corporate culture



‘In order to become CSRD ready, conducting a gap analysis and double materiality assessment has been key. It is important to analyse where our company currently stands, identify gaps and set priorities for our sustainability strategy.’

Tom Schalenbourg

Director Sustainable Development,
Toyota Material Handling Europe

The Sustainability Department, together with Toyota Material Handling Europe’s sustainability network of topic experts and external partners, conducted a gap analysis to find out where we stand before needing to deliver the first report fully aligned with European Sustainability Reporting Standards (ESRS).

The analysis looked at our [previous sustainability report](#), as well as internal policies, actions and targets.

Closing the gaps is crucial, and this analysis allows us to pinpoint our priority areas over the next year.

Results from Toyota Material Handling Europe's gap analysis, conducted in 2024

ESRS framework		ESRS 2 General disclosures	E1 Climate	E2 Pollution	E5 Resource use and circular economy	S1 Own workforce	S2 Value chain workers	G1 Business conduct
Scope	Type							
	# ESRS disclosure requirements	16	6	5	6	11	5	3
	# Data points*	86 (~0 phase-in**)	~78 (~13 phase-in**)	~40 (~7 phase-in**)	~51 (~5 phase-in**)	~92 (~12 phase-in**)	~76 (~0 phase-in**)	~30 (~0 phase-in**)
Gaps	Distribution							

* Data points for the topical standards include applicable cross topical ESRS 2 (e.g. in relation to SMB-3 and IRO-1) as well as the ESRS 2 minimum disclosure requirements (MDR), which apply when reporting on topical adopted policies, actions, targets and metrics to manage material Impacts, Risks, and Opportunities (IROS)

** In this context, phase-in refers to data points which do not yet need to comply with CSRD when it comes into force in 2026

Work in progress

Not yet started

Qualitative

Quantitative



Collaborating with our trusted partner EcoVadis

We are committed to drive ESG compliance and best practices across our own operations, ensuring our reporting is in line with the EU's Corporate Sustainability Reporting Directive (CSRD). This is why we complete the EcoVadis survey once a year at head office level, and we ask every factory and Marketing & Sales Company to do the same.

EcoVadis is a trusted global provider of business sustainability ratings, helping companies manage value chain risk, compliance and performance, as well as respond to increasing due diligence regulations.

Our EcoVadis targets continue to progress - all our factories have now reached EcoVadis Gold level, and we are on track for all Marketing & Sales Companies and warehouses to also reach this goal by our new target date of 2027. As for our independent distributors, work is in progress for six of them to achieve EcoVadis Bronze level by 2028.

EcoVadis' assessement is a crucial part of our sustainability strategy, and the maps on this page show where each score relates to ESRS standards.

General disclosures

ESG Governance at entity level

~ESRS 2

Level	Entities	EcoVadis benchmark
Platinum	8	Top 1%
Gold	13	Top 5%
Silver	3	Top 25%
Bronze	0	Top 50%
Improved	7	
Maintained	15	
Decreased	2	

EcoVadis score more than 12 months old

Head office Factory Marketing & Sales Company Toyota Caetano - independent distributor pilot on EcoVadis

Environment Social Governance

General disclosures

EcoVadis Sustainable Procurement score

~ESRS 2

Score	
>=80%	Outstanding
70%	Advanced
60%	Confirmed
50%	Intermediate
40%	Partial
30%	Pass
<30%	Fail
	EcoVadis score more than 12 months old

Environment

EcoVadis Carbon Management score

~ESRS E1

Score	
Leader	
Advanced	
Intermediate	
Beginner	
Insufficient	
Not yet assessed	

EcoVadis Environment score

~ESRS E1, E2, E5

Score	
>=80%	Outstanding
70%	Advanced
60%	Confirmed
50%	Intermediate
40%	Partial
30%	Pass
<30%	Fail
	EcoVadis score more than 12 months old

Social

EcoVadis Labour & Human Rights score

~ESRS S1, S2

Score	
>=80%	Outstanding
70%	Advanced
60%	Confirmed
50%	Intermediate
40%	Partial
30%	Pass
<30%	Fail
	EcoVadis score more than 12 months old

Governance

EcoVadis Ethics score

~ESRS G1

Score	
>=80%	Outstanding
70%	Advanced
60%	Confirmed
50%	Intermediate
40%	Partial
30%	Pass
<30%	Fail
	EcoVadis score more than 12 months old



Environment

- ➔ **Objective 2.**
Becoming a trusted industry leader on climate action
- ➔ **Objective 3.**
Use a risk management approach to ensure that our entire value chain works towards avoiding harm to the environment
- ➔ **Objective 4.**
Continue the journey towards a more circular business model

ESRS E1 Climate change

On the road to net zero

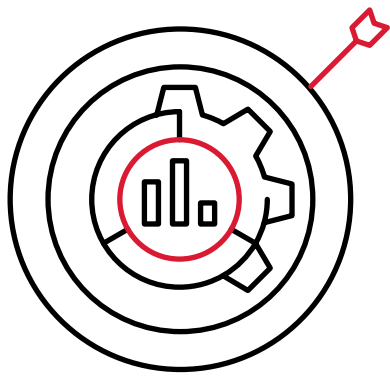
As a company embracing decarbonisation, ultimately our aim - as outlined in our Global Environment Commitment - is to contribute to a society with zero carbon emissions. This year, we have made substantial progress towards that goal.

SBTi validates our net zero targets

Targets submitted by Toyota Material Handling Europe to reduce its carbon emissions and reach net zero by FY2041 were approved by the Science Based Targets initiative (SBTi) this year, a significant milestone.

The SBTi has confirmed that our near and long-term targets meet all criteria in terms of timeframe, emissions coverage and ambition, and that our Scope 1 & 2 target ambition supports a 1.5°C trajectory.

The near and long-term targets Toyota Material Handling Europe AB commits to - which have been validated by the SBTi - include the following commitments:



- ✔ **Reduce absolute Scope 1 & 2 GHG emissions 50% by FY2031**, from a FY2023 base year
- ✔ **Reduce absolute Scope 3 GHG emissions 25% by FY2031**, from a FY2023 base year
- ✔ **Reduce absolute Scope 1, 2 & 3 GHG emissions 90% by FY2041**, from a FY2023 base year

We have also set a science-based net zero target to reach net zero greenhouse gas emissions across the value chain by FY2041 - the most ambitious designation available through the SBTi process. Direct emissions reductions will take priority and all residual emissions will be neutralised in line with SBTi criteria before reaching net zero emissions.

The SBTi provides a clearly defined pathway for companies to reduce greenhouse gas emissions to prevent the worst effects of climate change, and support ambitions to limit global warming to 1.5°C. The SBTi is a leading global organisation, defining and promoting best practice in emissions reduction and net zero targets and we are proud to have set carbon reduction standards in line with climate science.

Toyota Material Handling Europe is fully committed to carbon management, driving energy efficiency and renewable energy across our value chain.

ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
2. Becoming a trusted industry leader on climate action	E1 Climate change	Gain approval on net zero targets submitted to the SBTi and publish them	2024	SVP Corporate Development	Submitted	Approved & published
		ISO 50001 for all factories	2025	SVP Supply	3/5	4/4*
		100% renewable electricity for all factories	2023	SVP Supply	5/5	2/5
		EcoVadis 'Advanced' carbon rating for all factories	2025	SVP Supply	4 'intermediate level'	2 'advanced', 2 'intermediate'
		ISO 50001 for all Marketing & Sales Companies and warehouses	2025	SVP Market Operations	4/23	7/23, 1/23 externally certified to local equivalent standard
		100% renewable electricity for all Marketing & Sales Companies and warehouses	2024	SVP Market Operations	16/23	14/23
		EcoVadis 'Advanced' carbon rating for all Marketing & Sales Companies and warehouses	2025	SVP Market Operations	0/23	5/23
		Offer electric version for every truck in our portfolio	2030	SVP Corporate Development/SVP R&D	90%	90%
		Direct material suppliers >€100k to submit EcoVadis ESG and carbon rating or equivalent	2025	SVP Supply	Work in progress	226/282
		Climate critical direct material suppliers >€100k to commit to SBTi	2025	SVP Supply	Work in progress	29/100

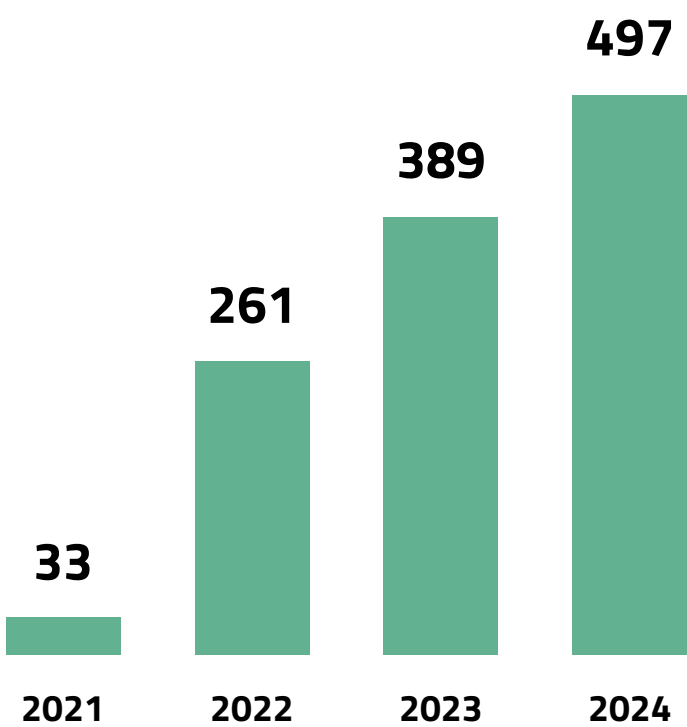
Out of 1,153 suppliers rated by EcoVadis:

- ✔ **497** shared their carbon maturity scorecard
- ✔ **354** achieved a carbon management level of 'intermediate' or higher
- ✔ **222** reported having set targets for Scope 1 & 2
- ✔ **157** reporting having set targets for Scope 3
- ✔ **117** reported having committed to SBTi (data correct as of 21 October 2024)

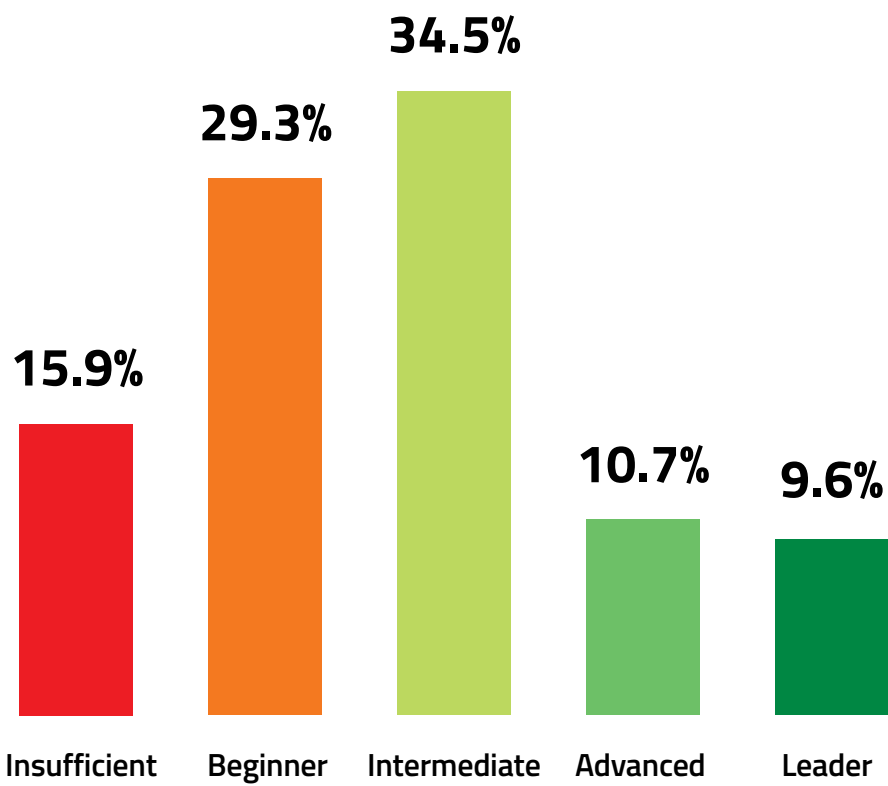
Engaging our suppliers to increase their decarbonisation commitment is a critical first step in developing our understanding of climate risks and opportunities in our upstream value chain.

In parallel, we are increasingly engaging with our key customers on their climate strategies and how we can support them in their decarbonisation priorities. This is an important step in developing our understanding of climate risks and the opportunities in our downstream value chain.

Number of suppliers with published carbon scorecards



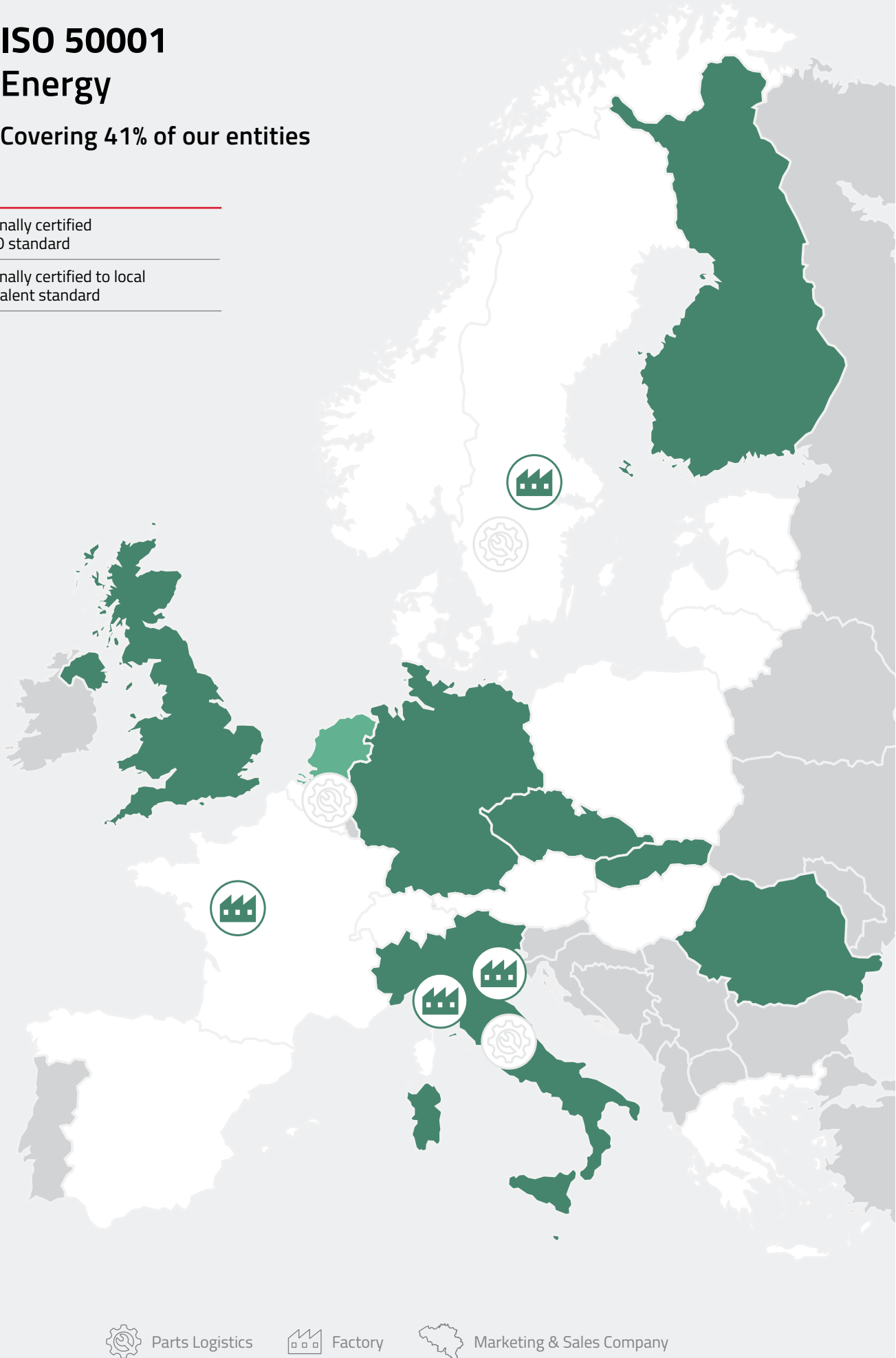
Carbon management level distribution for 645 suppliers with a carbon scorecard



ISO 50001 Energy

Covering 41% of our entities

- Externally certified to ISO standard
- Externally certified to local equivalent standard



Priority areas to decarbonise emissions in line with our mid-term 2030 targets


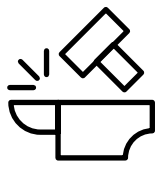
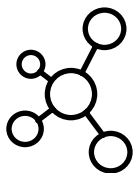
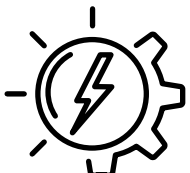




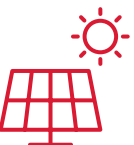











Improving energy efficiency and aiming for 100% renewable energy through ISO 50001

ISO 50001 provides companies with a practical way to reduce emissions, by improving energy efficiency to reduce baseline energy use. Our customers are also increasingly requesting us to deliver energy-efficient customer solutions and to provide evidence of operational energy management.

We have made progress on our targets to gain ISO 50001 certificates for all our factories, Marketing & Sales Companies and warehouses. 41% of our entities - and all our factories - have already gained certification and we are aiming for 100% coverage by 2025.

After an electricity usage audit in 2024, some of our entities lost their '100% renewable' status - this was due to stricter interpretations of the consumption which certificates covered. We will continue working towards reaching 100% renewable electricity across our company.

Our transition plan to net zero

Scope 1 & 2	Scope 3				
<div><div>Reach net zero in own operations</div></div>	<div><div>Reduce material emissions</div></div>	<div><div>Circularity</div></div>	<div><div>Reduce use-phase emissions</div></div>	<div><div>Lower logistics emissions</div></div>	<div><div>Other</div></div>
30 kt CO ₂ e (1%)	657 kt CO ₂ e (22.2%)		1,958 kt CO ₂ e (66%)	237 kt CO ₂ e (8%)	83 kt CO ₂ e (2.8%)
<div>Ensure all energy used is net zero and improve energy efficiency</div> <div><div>Zero emission vehicles</div><div>Net zero in factories, Marketing & Sales Companies & warehouses</div><div>100% renewable electricity</div></div>	<div>Focus on the two main materials with the highest CO₂e intensity</div> <div><div>Transition to recycled & green steel</div><div>Transition to low CO₂e batteries</div></div>	<div>Improve eco-design and trucks lifetime</div> <div><div>Use of recycled materials & parts</div><div>Extend lifetime</div></div>	<div>Collaborate with customers to switch to low-carbon energy sources</div> <div><div>Low-emission fuels for IC (HVO, Bio LPG)</div><div>Renewable electricity</div><div>Increase energy efficiency</div><div>Future-proof trucks portfolio</div></div>	<div>Optimise logistics solutions</div> <div><div>Lower carbon transport mode</div><div>Biofuels & electrical vehicles</div></div>	<div>Reduced or optimised business travel</div> <div><div>Smarter employee commuting solutions</div></div>



‘We are extremely proud that the SBTi approved our targets, a milestone two years in the making. This would not have been possible without input from all departments across our company. A range of experts and champions, countless Toyota Material Handling Europe colleagues and the Executive Management Team contributed to this success’

Gaëtan Lousberg
Net Zero Programme Lead,
Toyota Material Handling Europe

Decarbonising our portfolio

One of our main decarbonisation targets is to reduce the ‘use-phase’ emissions of our trucks. Within that area, one key objective we have set is to offer an electric version of every Toyota Material Handling Europe truck by 2030.

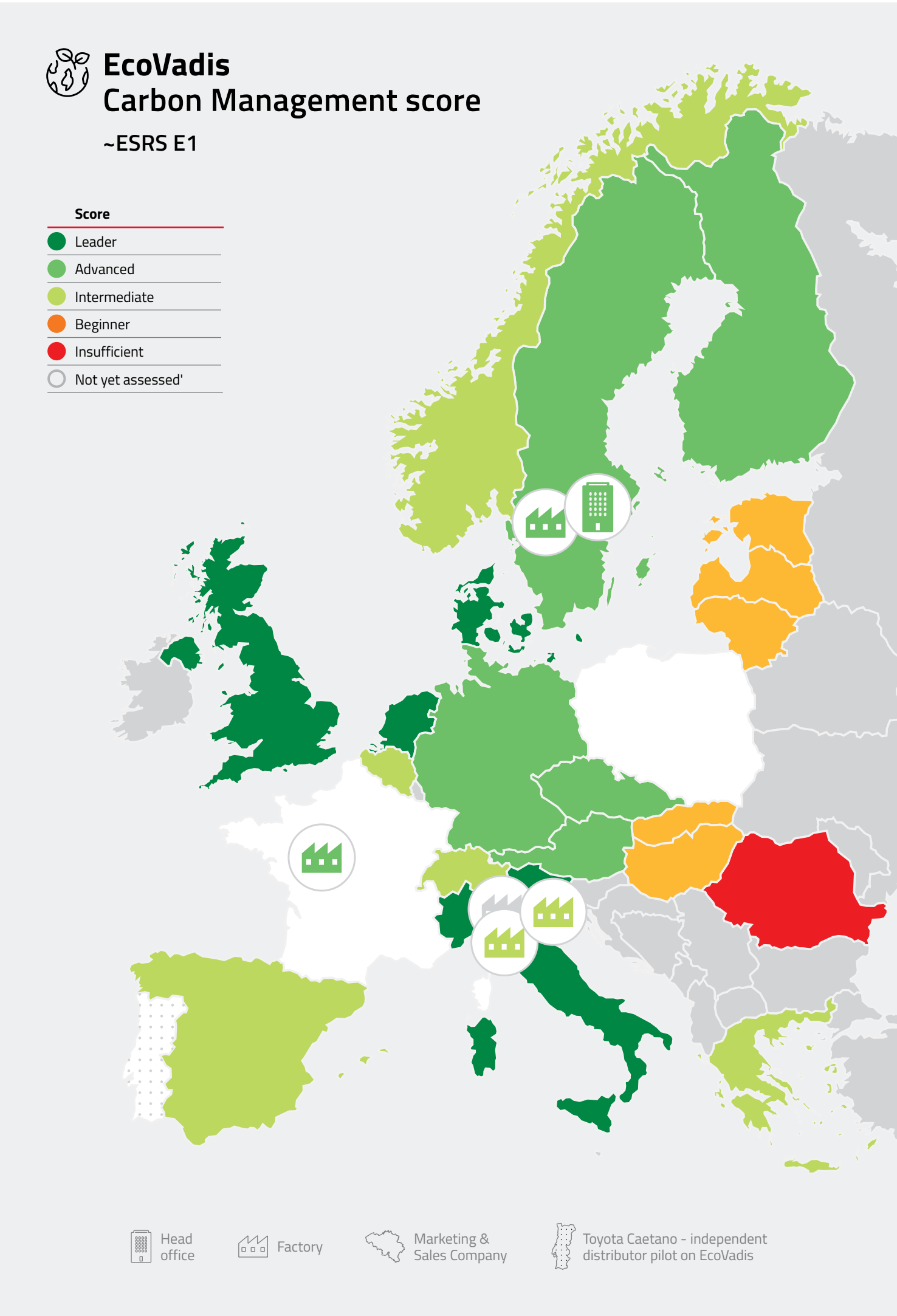
90% of our portfolio is already electric, and we are working to bridge that remaining gap with battery electric and fuel cell-based solutions. We are also exploring the use of biofuels to help reduce the carbon footprint of internal combustion powered trucks.

As part of our net zero efforts, we will be ramping up our use of recycled steel, produced with fossil-free electricity and biogas, which will reduce the carbon footprint of raw materials used in our trucks. We want low-carbon steel to become a standard for our products, starting with the most popular models of our hand pallet truck range.

EcoVadis progression

Alongside their ESG scores, business sustainability ratings provider EcoVadis recently added a carbon management score to help companies assess their carbon performance.

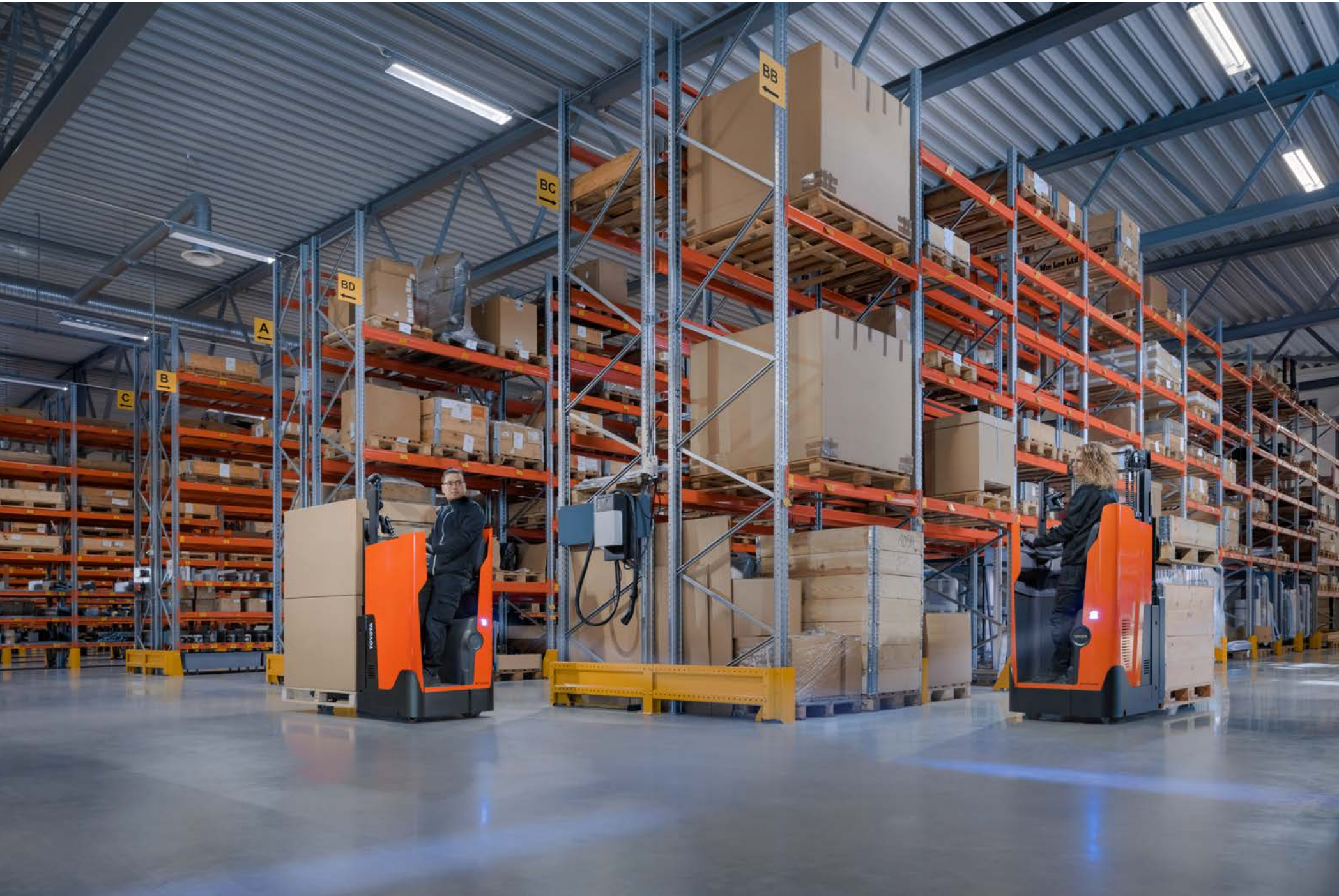
We want all our factories and entities to receive an ‘Advanced’ EcoVadis carbon rating by 2025 – 21% have already reached this level.



Exploring new opportunities

Thanks to the work of the Net Zero Programme - where hundreds of employees contributed to our emissions reduction targets and helped us plan our local decarbonisation strategies - we are exploring new avenues with existing customers as well as new collaboration opportunities. EU Green Deal legislation should also continue driving alternative energy forms and more developed electrical infrastructure, which should improve technology readiness.

We have created a more detailed decarbonisation roadmap of activities up to 2030, to ensure we will be able to reach SBTi near-term targets. Our carbon footprint is also being audited and the results of this analysis will define our decarbonisation priorities. We want to secure our path to success and not leave anything to chance.



Our energy usage

Toyota Material Handling Europe’s energy consumption mix (Template ESRS E1-5)

ESRS E1-5 paragraph 35. The disclosure required by paragraph 33 shall include the total energy consumption in MWh related to own operations as follows:		MWh
(a) Total energy consumption from non-renewable sources for high climate impact sectors disaggregated by:		
i.	Fuel consumption from coal and coal products	0.00
ii.	Fuel consumption from crude oil and petroleum products	100,565.30
iii.	Fuel consumption from natural gas	26,410.29
iv.	Fuel consumption from other non-renewable sources	8.67
v.	Consumption from nuclear products	0.00
vi.	Consumption from purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	9,968.57
(b) Total energy consumption from renewable sources disaggregated by:		
i.	Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, hydrogen from renewable sources, etc.)	14,439.78
ii.	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	59,210.21
iii.	Consumption of self-generated non-fuel renewable energy	2,067.48
Sum	(a) Total non-renewable energy consumption: calculate as sum of lines (a)	136,952.83
	Share of non-renewable sources in total energy consumption (%)	64.4%
	(b) Total renewable energy consumption: calculated as sum lines (b)	75,717.47
	Share of renewable sources in total energy consumption (%)	35.6%
Total energy consumption		212,670.30

Toyota Material Handling Europe’s renewable versus non-renewable energy production (Template ESRS E1-5)

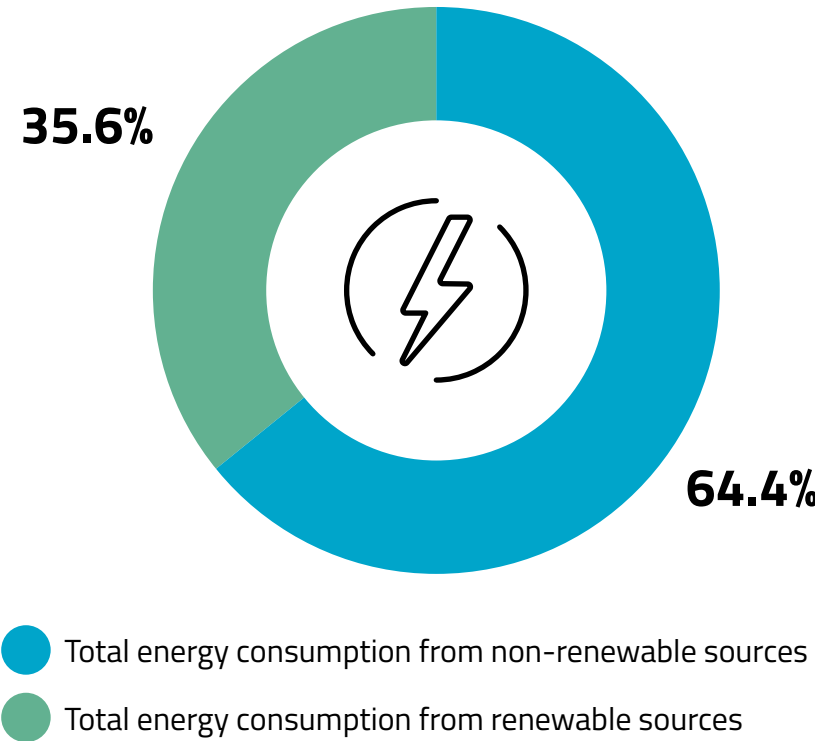
ESRS E1-5 paragraph 36. In addition, where applicable, the undertaking shall disaggregate and disclose separately its non-renewable energy production and renewable energy production in MWh.		MWh
Non-renewable energy production		0.00
Renewable energy production		2,508.79
Solar power generated		2,508.79
Wind power generated		0.00

Toyota Material Handling Europe’s energy intensity

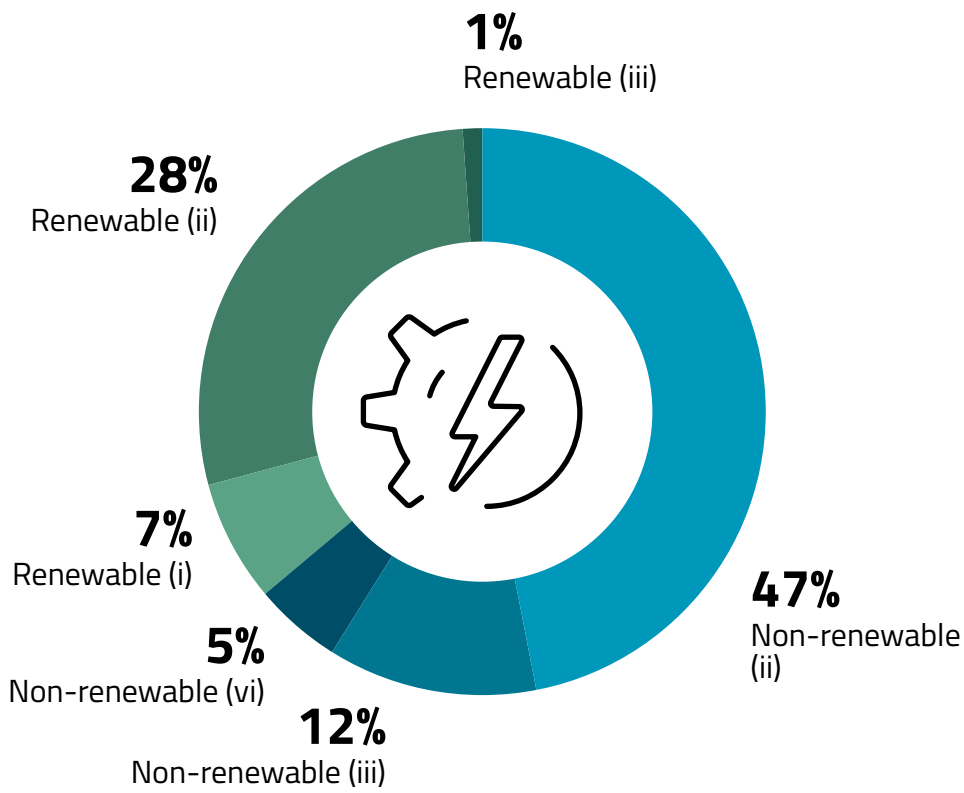
ESRS E1-5 paragraph 37. The undertaking shall provide information on the energy intensity (total energy consumption per net revenue) associated with activities in high climate impact sectors.		Value (MWh /Million €)
Energy intensity per net revenue		59.68

Energy usage (GWh)

212.7 GWh
Total



Energy usage by fuel (GWh)



ESRS E2 Pollution

Controlling and preventing pollution

As an industrial manufacturer, we continuously monitor whether potentially polluting substances are used in our operations or contained in truck parts. When they are required, these substances are normally used in small quantities, in controlled environments, to prevent spillage.

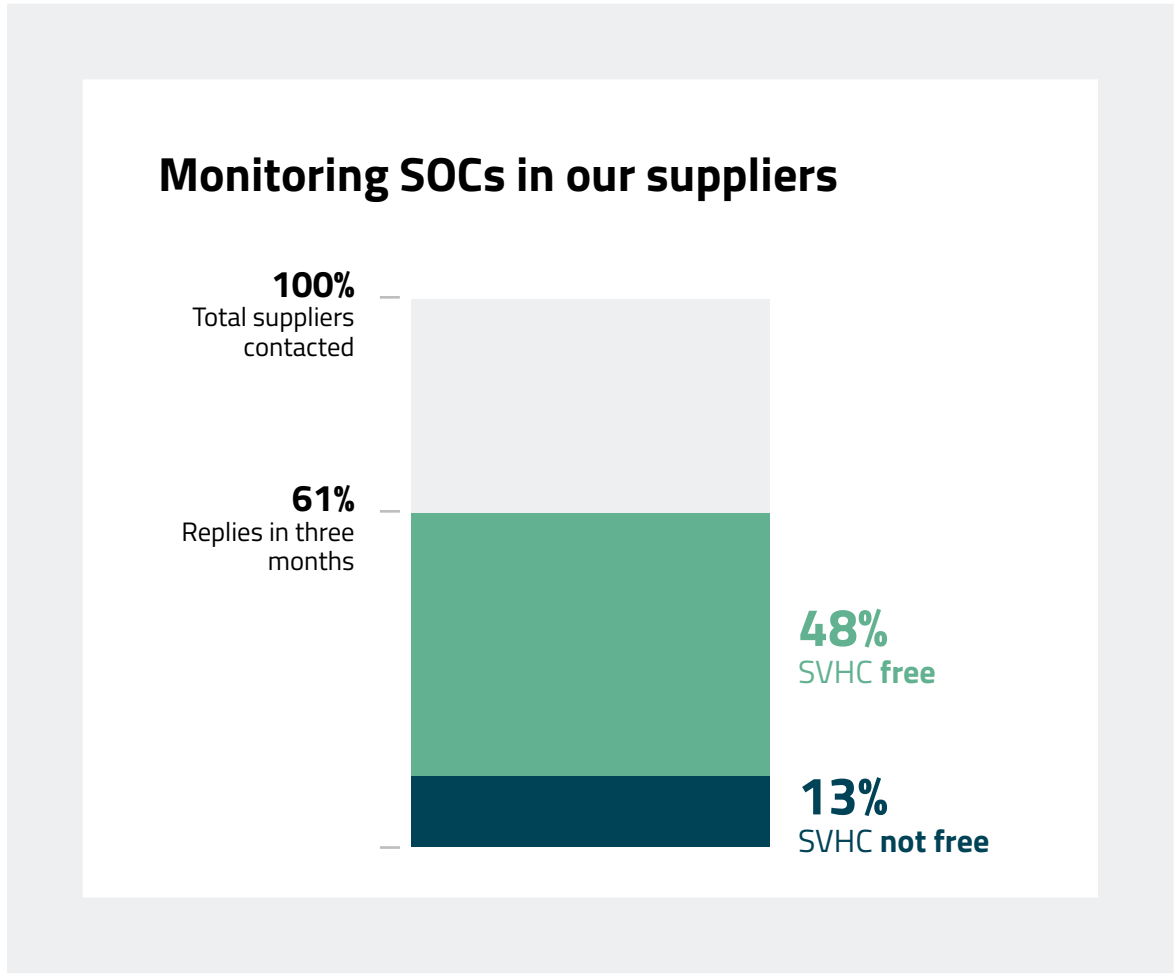
Identifying potentially harmful substances

We are collaborating with our suppliers on the identification, management and listing of Substances of Very High concern (SVHC). Suppliers must comply with applicable labelling laws as well as regulations for design, manufacturing, recycling and disposal.

Our R&D and Purchasing departments have been working with our suppliers to identify SVHCs, seeking to find potential replacements for them. Restriction requirements for overall Substances of Concern (SOC) have recently been added into our product development process.

Considering this issue at the beginning of the product development process has made it mandatory for our supply chain to search for alternatives as we seek to restrict the use SVHCs. For example, polyvinyl chloride (PVC) is a material containing SOC, so restricting PVC in our products also helps restrict SVHCs. Where safer alternatives to PVC are available, our goal is to identify and switch to these alternative materials and eliminate this risk in our supply chain – customers are already requesting us to provide a ‘PVC free’ statement.

These restriction requirements have already been implemented in projects relating to counterbalanced forklift trucks and will continue to be rolled out to the rest of our product portfolio. If no other alternatives are available, a thorough explanation will need to be provided.



ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
3. Use a risk management approach to ensure that our entire value chain works towards avoiding harm to the environment	E2 Pollution	ISO 14001 for all factories (also key for increased ESRS E3, ESRS E4 and ESRS E5 compliance)	2025	SVP Supply	5/5	4/4* ✔
		ISO 14001 for all Marketing & Sales Companies and warehouses	2027	SVP Market Operations	10/23	9/23, 1/23 externally certified to local equivalent standard ⬅
		ISO 14001 for direct material suppliers >€100k	2025	SVP Supply	98%	86%, due to more precise calculation process ⬅
	E3 Water	Complete water risk assessment for all Toyota Material Handling Europe locations, as required by EU Taxonomy Do No Significant Harm criteria	2025	SVP Finance/SVP Corporate Development	Work in progress	N/A for this report
	E4 Biodiversity	Complete biodiversity risk assessment for all Toyota Material Handling Europe locations, as required by EU Taxonomy Do No Significant Harm criteria	2025	SVP Finance/SVP Corporate Development	Work in progress	Work in progress ⬅
		Update Code of Conduct for Suppliers to fully align with material sub-sub-topics listed in ESRS E4	2027	SVP Supply/SVP Finance	Work in progress	N/A for this report

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✔ Completed⬆ Improved⬅ In progress⬆ Modified



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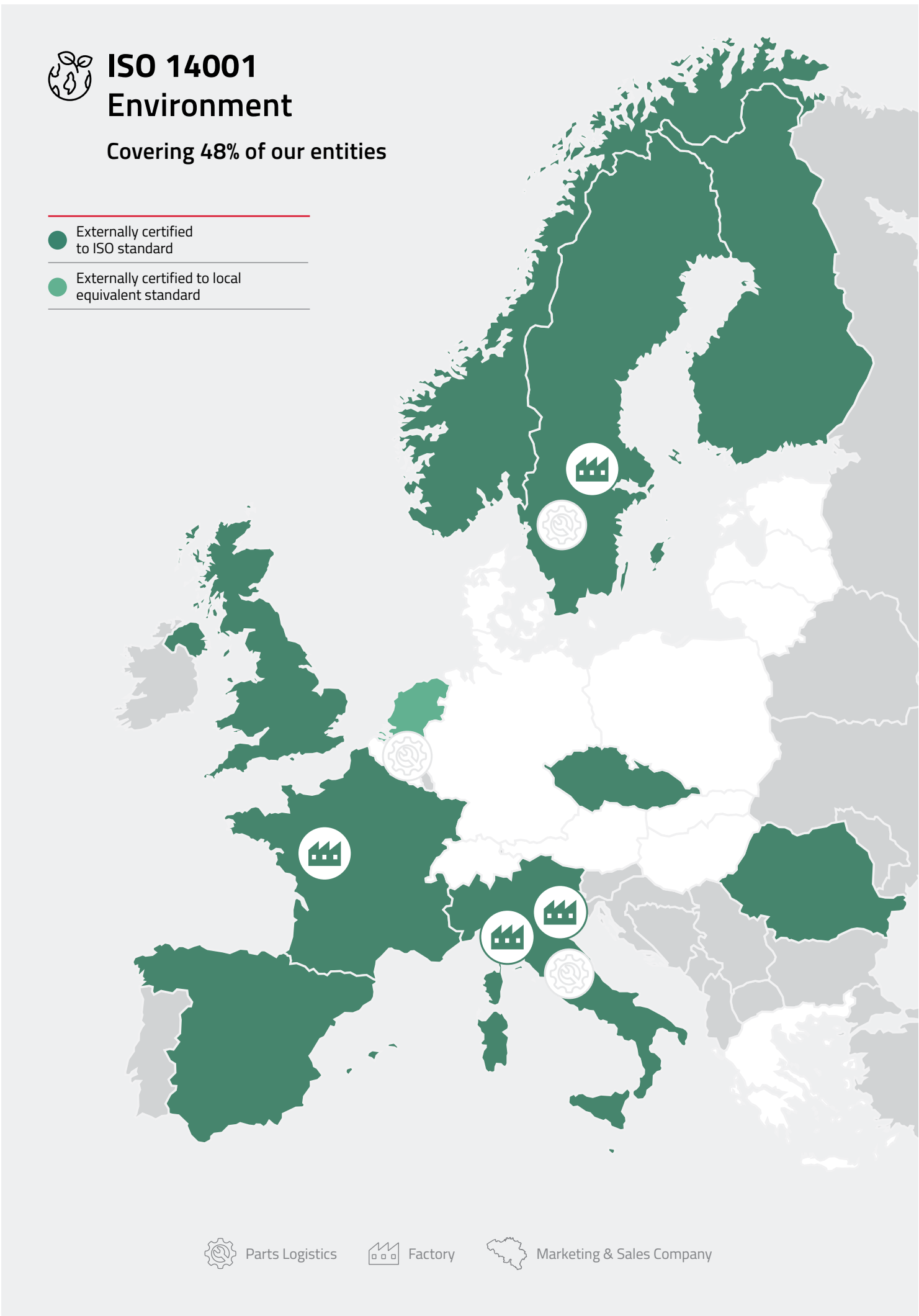
Governance



Our Code of Conduct for Suppliers states that suppliers shall comply with any applicable laws and regulations such as the EU’s Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Restriction of Hazardous Substances Directive (RoHS) which restricts or prohibits using specific substances.

We continue to implement various processes to switch to less polluting substances where possible, to minimise spillage risk, and to report on any spillages when they occur in our own operations.

To this end, we have already aligned with the [ISO 14001](#) Environmental Management Systems standard in all our factories and have asked our key suppliers to do the same. Work is progressing to ensure all our Marketing & Sales Companies and warehouses will also be aligned with ISO 14001 by 2027.



Software improves SOC information sharing

Software analysing Substances of Concern (SOC) use in product parts and components is now also up and running, with Toyota Material Handling Manufacturing Italy becoming the first entity to implement it.

The software provides comprehensive monitoring of overall SOC compliance, thereby reducing workload and improving information sharing with our suppliers. Since the software started being used, the response rate from suppliers on SOC use has increased by 15%.

The software also allows inquiries relating to regulations and directives applicable to the product, such as the EU’s REACH regulation and Waste Framework Directive.

Next steps include feasibility studies for complete automatisisation – and, if evaluation deems this project successful, the software will be implemented in our entities in Sweden and France over the next few years.



‘Reducing pollution is a journey we are dedicated to - we are guided by environmental regulations and a commitment to improvement, step by step and rule by rule.’

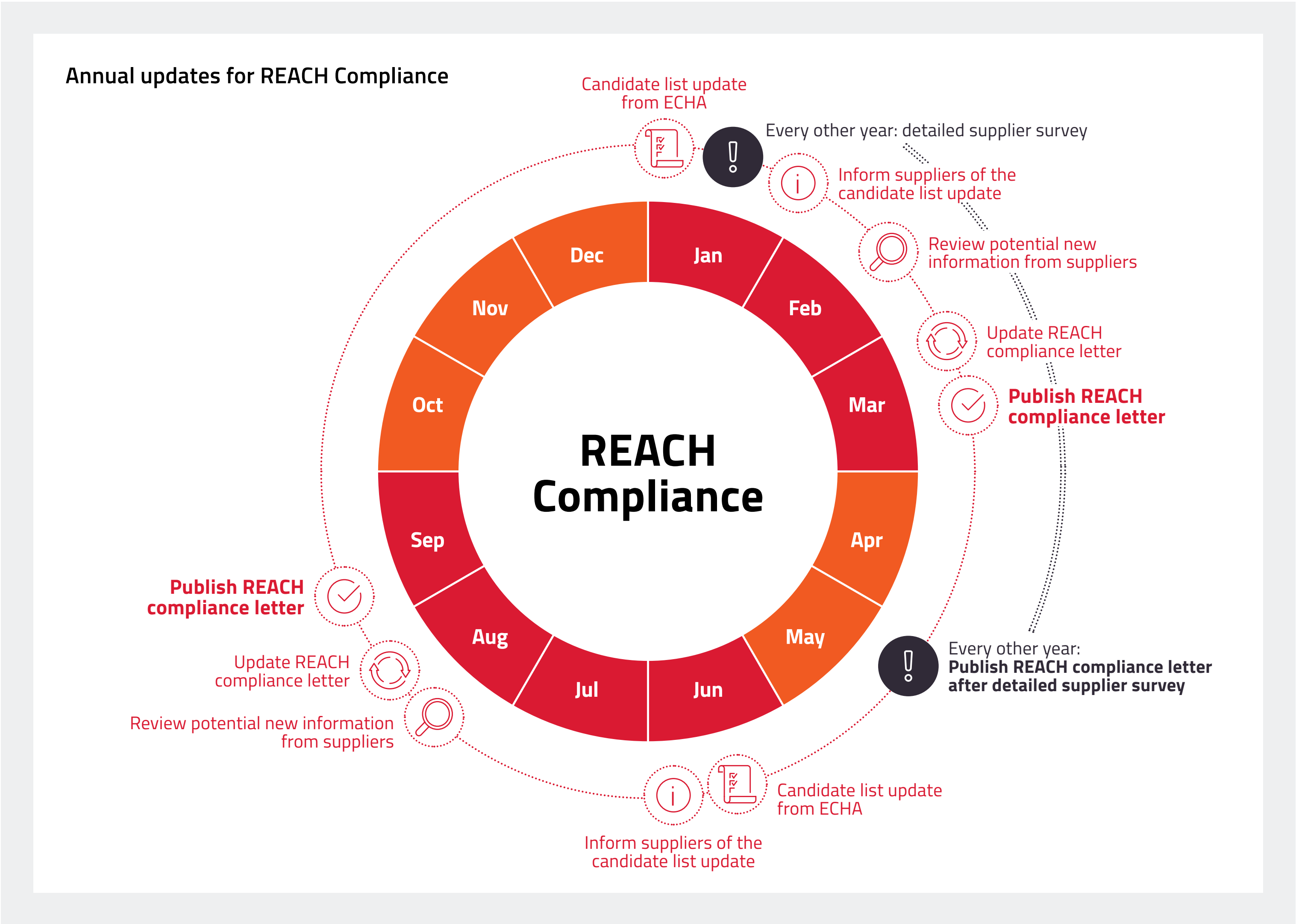
Bianca Ionesei
Product Engineer Design for Environment,
Toyota Material Handling Manufacturing
Italy

Establishing a process to share SVHC data

According to the EU's REACH regulation, we have a duty to inform customers on all our products containing SVHCs. We annually update the REACH letter on our website to ensure our customers have access to this data and we have now developed a standardised, streamlined approach to provide the information, helping everyone in the company know their role and what information is expected and when.

With legislation evolving so rapidly, it is a challenge to keep track and ensure alignment. Good collaboration with suppliers to ensure transparency and good data management is crucial.

Future implementation of the SOC software - as well as establishing a process to deal with potential future restriction of substances included in our products - will help us prevent pollution more efficiently.



ESRS E4 Biodiversity and ecosystems

Assessing our impact

Over the next year, we will be undertaking a biodiversity assessment across our company, which will analyse a range of different sites and assess how they impact biodiversity-sensitive or protected areas.

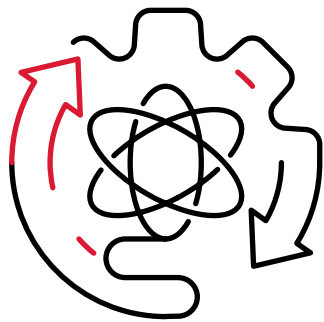
The EU's Natura 2000 map - a network of nature protection areas in the EU – will be used to identify protected areas close to sites. Subsequently, applications from the [Digital Observatory for Protected Areas \(DOPA\)](#) will help us outline the population of certain species in protected areas.

The analysis will focus on our factories and assembly plants, as our Marketing & Sales Companies are not in scope - due to being mostly located away from protected areas.

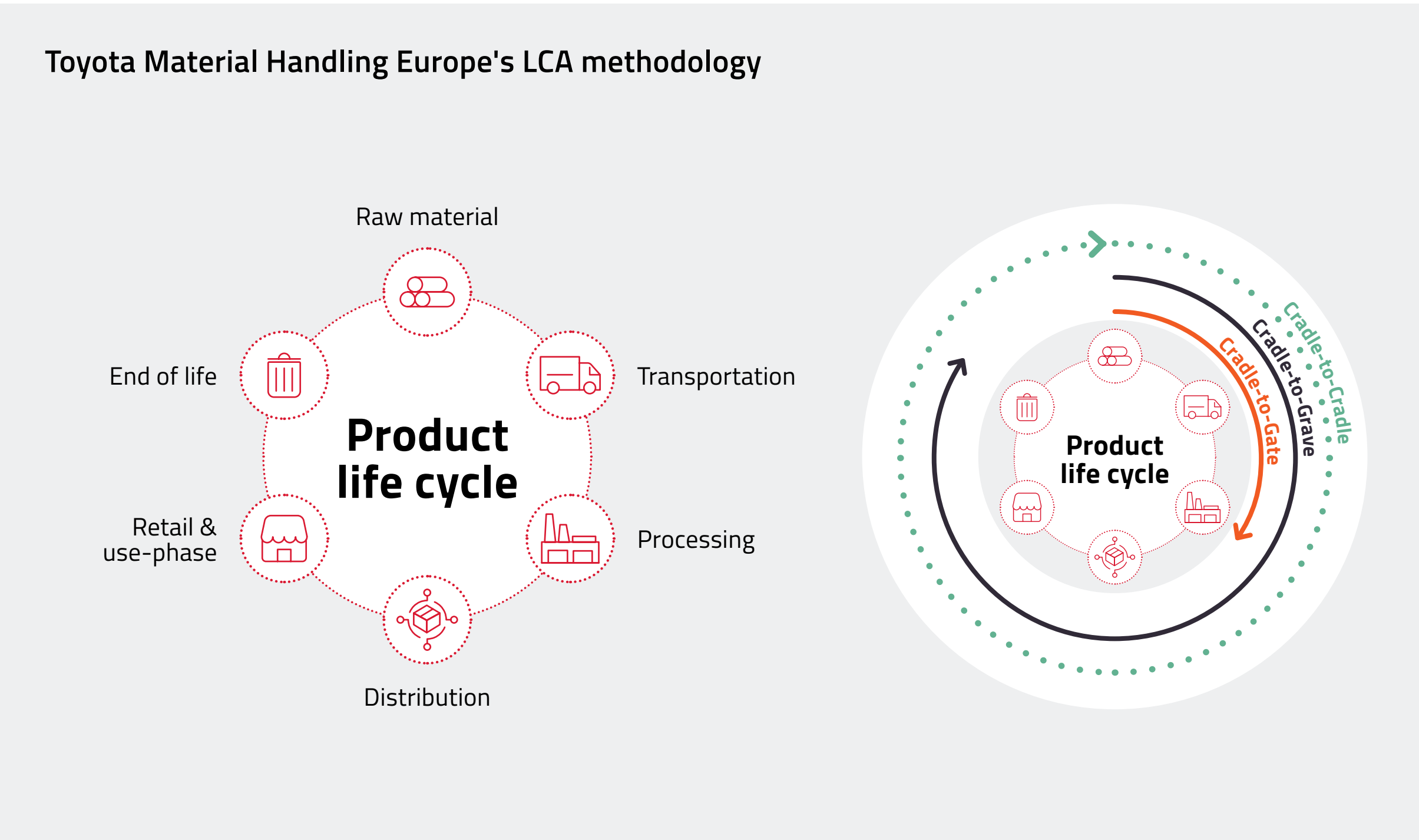
We are in conversation with collaborators who will assist us with this project, and how to integrate its findings into our future strategy. We hope to report on progress in our next sustainability report.

E5 Resource use and circular economy

Developing our new LCA methodology



We have been having conversations about life-cycle assessments (LCAs) with stakeholders for many years. For example, customers increasingly expect information on LCAs for our products. Disruptive new regulations also provide our industry - and our company - with opportunities to innovate and move towards a circular economy business model.



The newly developed Toyota Material Handling Europe LCA methodology is an important step in this direction and will be the basis for how we plan to report on our products' environmental performance in future. Having a method which is tailored to our products makes it possible to compare environmental impacts between products and projects within the organisation. The methodology includes a cradle-to-grave approach, is aligned with the [ISO 14040](#) and [ISO 14044](#) standards, will assess several environmental impact categories, and has been critically reviewed by a third party.

We are currently monitoring developments at EU Level of the Product Environmental Footprint (PEF), which is currently in a transitional phase that is set to conclude in 2025, before taking our next steps with launching the methodology. Our target is to be well-aligned with upcoming EU requirements.

With this LCA methodology we will be able to analyse the impact of our products in greater depth, respond to customer requests for 'circular trucks and services' and adhere to legislations from the EU Green Deal, where LCAs are a key pillar for considering sustainable resource use, consumption and production. As a company with targets validated by the Science Based Targets initiative (SBTi), LCAs are also required to follow up science-based targets at both product and process level.

ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
4. Continue the journey towards a more circular business model	E5 Resource use and circular economy	Consolidate various functional and local initiatives into one cross-functional circularity strategy	2026	SVP Corporate Development	Work in progress	Work in progress
		Conduct one full LCA for one product family	2024	SVP R&D	Work in progress	Work in progress
		Eco-design – set clear % target on recycled materials (metals)	2024	SVP R&D/SVP Supply	Work in progress	Work in progress

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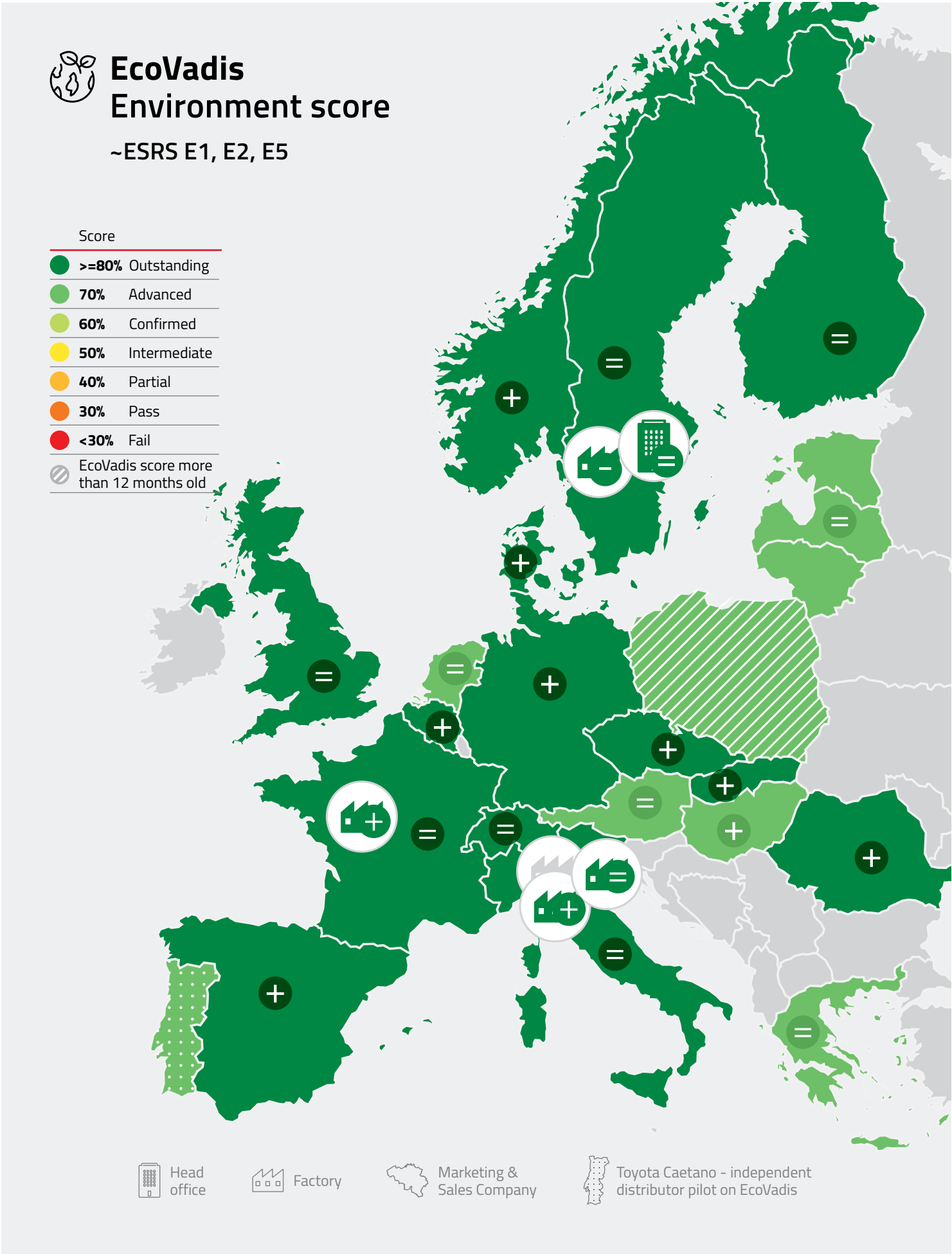
✔ Completed✔ Improved⏸ In progress✖ Modified

New approach to our products' environmental declarations

In line with the standard ISO 23434 - which focuses on sustainability for industrial trucks - we have implemented a new procedure for our products' environmental declarations.

This standard provides guidelines to report sustainability information for industrial trucks. The CO₂ equivalent emitted during the operation must be reported and the materials in the declarations are divided into five main categories: steel, cast iron, battery, plastic/rubber and other components (including electrical and electronics).

This year, the declarations for all electric counterbalanced products have been published based on this new procedure. The next step is to create declarations for our internal combustion counterbalanced trucks, which are planned for next year. The existing declarations for warehouse trucks will be updated with the new procedure as part of new development projects.



Refurbishment Centre in France brings new life to trucks

Following successful pilot projects in 2021, Toyota Material Handling Manufacturing France - in collaboration with Toyota Material Handling Europe Rental & Used - has officially launched the Refurbishment Centre (RFC) in Ancenis, consisting of a 3000 m² workshop to restore, repair and refresh trucks. The RFC team consists of 45 people, including skilled technicians who can diagnose and repair trucks across the whole Toyota Material Handling Europe product portfolio.

Each truck follows a process from safety check to final quality control, going through dedicated workstations for mechanical repairs, hydraulics maintenance, painting and assembly operations. The RFC currently serves eight of our Marketing & Sales Companies and is set to receive around one hundred trucks per month by 2025. Trucks refurbished at the RFC include counterbalanced trucks (electric and internal combustion (IC) engines), stackers and reach trucks.

Efforts have been made to provide high-quality, standardised refurbished products - supported by an industrial set-up which follows the principles of the Toyota Production System (TPS) - and to secure volumes for the future.

By extending the lifetime of our trucks, this initiative will help meet our sustainability targets and will increasingly provide circular trucks and services to our clients.



Closing circular economy gaps

We have collaborated with [Linköping University \(LiU\)](#) for over a decade, mostly on projects centred on Toyota’s approach to sustainability. In our latest project, LiU is investigating our environmental performance and how product development shapes it, focusing on activities critical for sustainability, such as repair, reuse, refurbishment and remanufacturing.

LiU is working with engineers from R&D Design for Environment on this project, interviewing employees from various departments and conducting workshops - to see how best to connect strategic sustainability activities to the decisions made in a development context, looking at both project-level decisions and individual design choices.

As our journey on the road to net zero continues, this project aims to improve organisational efficiency and communication, helping close the gaps between current processes and how they tie in with our company’s wider sustainability strategy.



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Social

- ➔ Objective 5.
Continuous improvement of health,
safety and wellbeing
- ➔ Objective 6.
Embed diversity, equity and inclusion
as a foundation of our culture across
our European network
- ➔ Objective 7.
Attract and retain people
- ➔ Objective 8.
Training and development
- ➔ Objective 9.
Ensure workers and communities
across the value chain have access to
safe and fair working conditions and
have their human rights respected

YOU HAVE THE
OPPORTUNITY
TO **GROW**

ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
5. Continuous improvement of health, safety and wellbeing	S1 Own workforce	ISO 45001 certification for all factories	2024	SVP Supply	5/5	4/4* <div>✓</div>
		ISO 45001 certification for all Marketing & Sales Companies and warehouses	2029	SVP Market Operations	7/23	6/23 certified, 2/23 externally certified to local equivalent standard <div>⬆</div>
		Zero major accidents	2030	SVP Human Resources	30	29 <div>⬆</div>
		Absenteeism minimum one day below EU average	2026	SVP Human Resources	12.23 days/employee	11.49 days/employee <div>⬆</div>
		H&S induction training for all new employees	2024	SVP Human Resources	Started in Nov 2023	Part of onboarding trainings, e-learning also available <div>✓</div>
6. Embed diversity, equity and inclusion as a foundation of our culture across our European network	S1 Own workforce	Management teams at both corporate and local levels to sign a Diversity, Equity & Inclusion commitment	2024	SVP Human Resources	Work in progress	Completed <div>✓</div>
		Rolling out unconscious bias training	2026	SVP Human Resources	Work in progress	Work in progress <div>⬅</div>
		Establishing local DE&I teams	2024	SVP Human Resources	Work in progress	Completed <div>✓</div>
		Add new KPI to monitor discrimination and harassment cases: Zero cases of discrimination or harassment	2024	SVP Human Resources	N/A	New KPI: Zero cases of discrimination or harassment, based on number of Code of Conduct cases reported <div>NEW</div>
		Improve underrepresented gender representation	From 2025	SVP Human Resources	N/A	New KPI: 1% yearly increase in female managers and 2% yearly increase in female employees <div>NEW</div>
7. Attract and retain people	S1 Own workforce	Turnover below 10%	2024	SVP Human Resources	10.64%	9.44% <div>✓</div>
		Exit interviews for 90% of leavers	2024	SVP Human Resources	80%	New process in progress to re-build tool to conduct exit interviews <div>⬇</div>
		Performance appraisals for 80% of all employees	2024	SVP Human Resources	77%	78% <div>⬆</div>
8. Training and development	S1 Own workforce	Launch ten onboarding courses on Toyota Material Handling Europe Academy for new employees to improve employee experience and engagement	2024	SVP Human Resources	2/10	9/10 <div>⬆</div>
		Integrate sustainability module in internal leadership courses (Thrive, LIFT, LEAD, Talent)	2024	SVP Human Resources	1/5	4/4** <div>✓</div>
		25% female participants in leadership development programmes	2024	SVP Human Resources	17%	34% <div>✓</div>

* Due to a merger between Toyota Material Handling Manufacturing Italy and Simai, we now have four factories, and the target status for 2024 has been updated accordingly

** Target modified to reflect changes in training offered in 2024

✓ Completed

⬆ Improved

⬅ In progress

⬇ Modified

ESRS S1 Own workforce

Building culture together

Toyota Material Handling Europe's success continues thanks to the continued investment in our people, their professional competencies and their personal development. We are a large employer with locations all over Europe and aim to create a workplace where everyone feel welcome, respected and valued.

By embracing diverse perspectives and experiences, we can create a better work environment and continue developing innovative solutions. Our People Philosophy and Toyoda Precepts are the foundations helping fully unleash everyone's potential.

Building on the Toyoda Precepts – formulated by Toyota Industries Corporation in 1935 to capture the innovative principles on which Sakichi Toyoda founded the company – the People Philosophy is a modern interpretation, standing for a shared commitment between company and employee, and between team and individual to grow and nurture a culture based on trust in the abilities and ambitions of our people.

We commit to the five promises in our People Philosophy, which rests on a firm belief that everyone can make a difference, both as a group and individually, and that everyone can be a leader in their own right.

Last year we held our first pan-European Culture Week, which celebrated our cultural diversity and outlined how the People Philosophy and Toyoda Precepts are interlinked. A range of local activities took place. Managers were provided with a toolbox of exercises they could undertake with employees, such as watching and discussing films on a range of topics, sharing appreciative messages and organising sessions helping encourage personal growth. We believe this annual event is another powerful tool helping celebrate and improve our culture by continuously building mutual respect and inclusion.

Ensuring our company policies cover all our employees – and that people across Toyota Material Handling Europe have input into them – can be challenging, especially as sustainability is a cross-functional topic. New and existing legislation that is part of the EU Green Deal – and the associated EU social agenda for a ‘Just Transition’ – will continue to help us raise the bar in managing risks and opportunities within our own workforce.

Continuous improvement process for health, safety and wellbeing

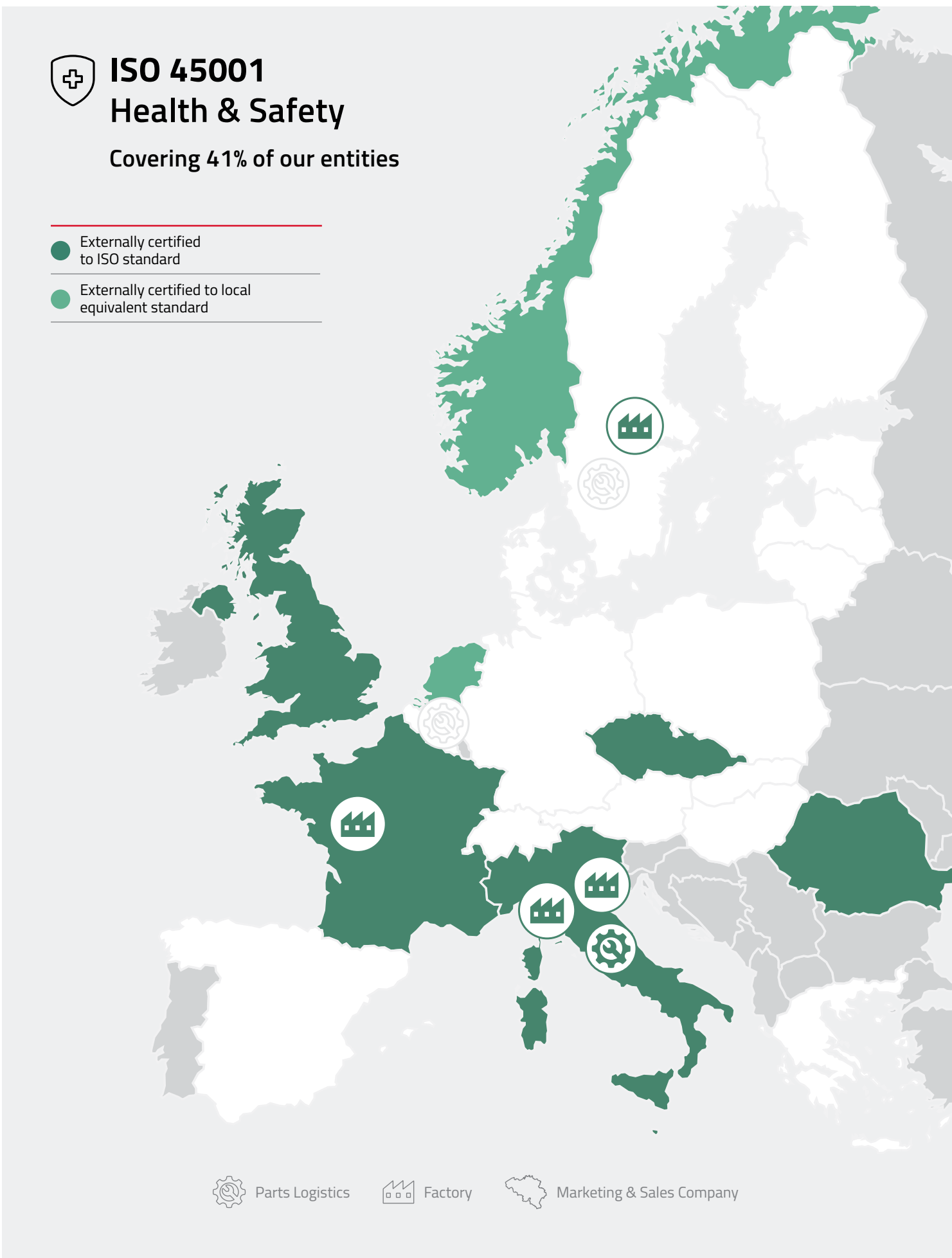
Following the accident that happened at our factory in Bologna in October 2024 🚨, a crisis management team was immediately activated. The area has been secured, investigations are ongoing and the factory has halted operations until further notice.

The cause of the blast is currently unknown, and we will refrain from speculation until investigations are complete. Our hearts and minds remain with the families, colleagues, and friends of those affected during this tragic time.

We recently launched a new reporting tool which will focus on accidents, injuries and near misses across our European entities. This will help strengthen our knowledge and give us an enhanced understanding to prevent incidents like this from happening again.

We are continuously improving processes across the company to improve knowledge-sharing and get closer to our ultimate target – zero major accidents.

In the coming years we will be increasing our focus on proactive health and wellbeing initiatives. All our factories now have received ISO 45001 ➡ certification for occupational health and safety management systems and we aim for all our Marketing & Sales Companies and warehouses by 2029.





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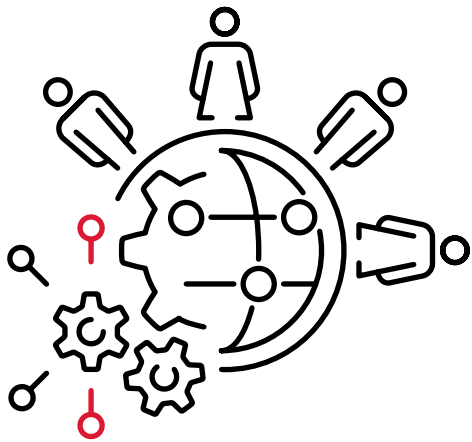
Social



Governance



Embedding diversity, equity and inclusion across the company

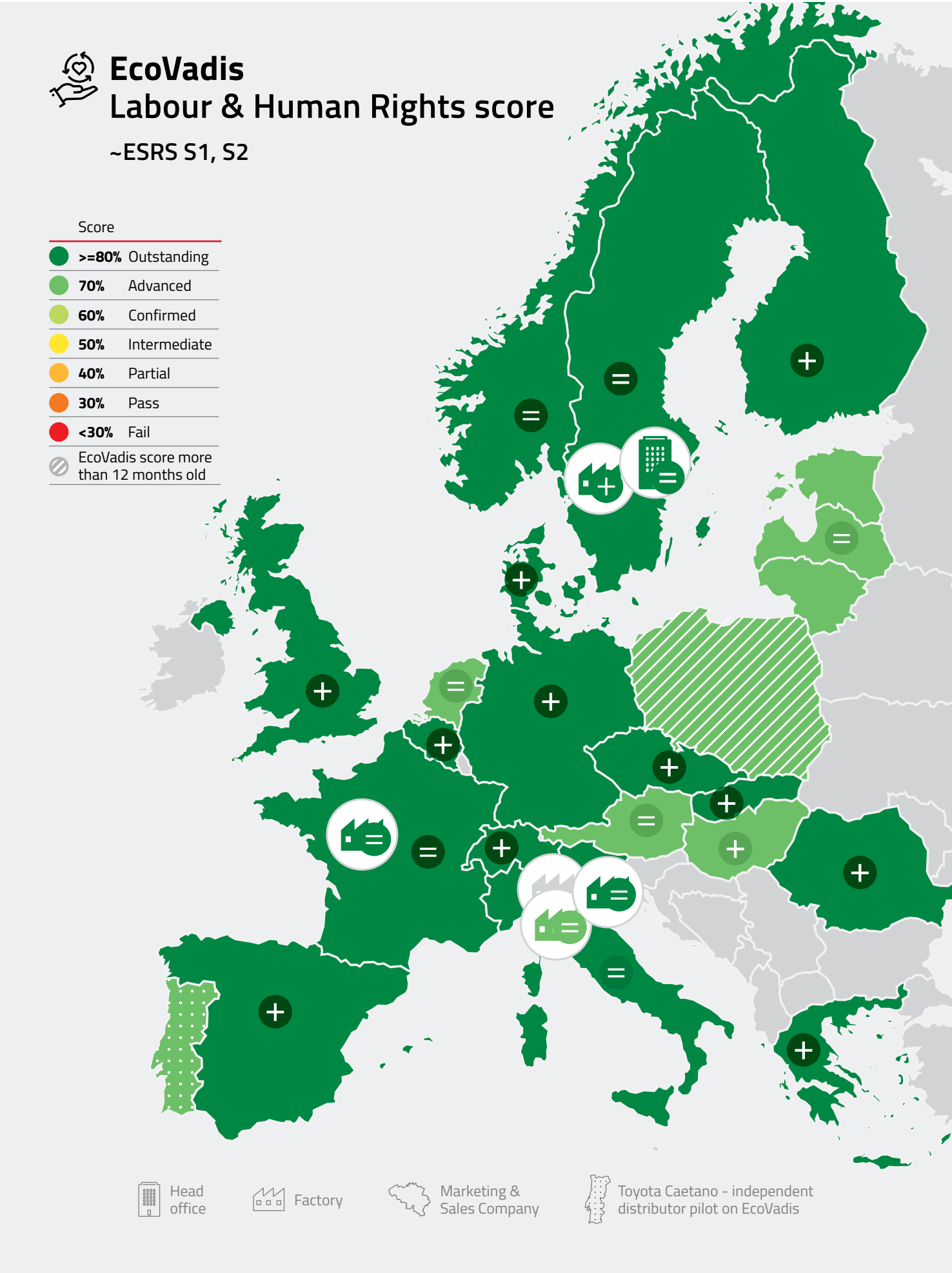


Our vision is to deliver a modern workplace – attractive, inclusive and productive. We want everyone at Toyota Material Handling Europe to feel welcomed, respected and included.

Building on our previous DE&I commitment, this year, we launched our new DE&I policy with two clear targets: a 1% yearly increase in female managers and a 2% yearly increase in female employees, across the entire company. We need to improve on gender representation across our company and these new KPIs will help drive this change.

Relatedly, an important milestone was recently reached with the first female representative joining our Executive Management Team - Silke Ernst, Senior Vice President, Human Resources and Communications. Silke brings a wealth of experience in steering HR processes locally and globally, as well as in driving change and cultural transformation.

We are also proud to announce that Toyota Material Handling Italy has obtained the [ISO 30415](#) > certification for ‘Human Resource Management - Diversity and Inclusion’ at the end of last year. This milestone reflects our commitment to fostering an inclusive, equitable workplace and we hope it inspires other entities across Europe. Toyota Material Handling Italy will actively share their best practices and insights, paving the way for more locations to attain this important standard, which will help us embed diversity and inclusion deeper into our organisational culture.



Progress on other DE&I targets has accelerated and we have already achieved three goals outlined in our previous report:

- ✔ **Management teams at both corporate and local levels to sign a Diversity, Equity & Inclusion commitment**
- ✔ **Establishing local DE&I teams**
- ✔ **Adding a new KPI to monitor discrimination and harassment cases, by analysing cases reported through our Code of Conduct**

Attract and retain people

Our target for turnover to be under 10% has been reached, we have conducted performance reviews for 78% of all our employees, close to our 80% target. We have performed exit interviews for many years and will be introducing a new measurement to be able to take focused actions in necessary areas.

Training and development

In terms of targets, 9 out of 10 onboarding courses are now on the Toyota Material Handling Europe Academy and we have integrated a sustainability module in all our internal leadership courses (Thrive, LIFT, LEAD, Talent). Our target to reach 25% female participants in leadership development programmes has been surpassed in the last year, as 34% of participants were female.



‘I joined this company only recently and there are so many good things to celebrate, but there are also challenges that we need to dare to address so we can become even better. Our people are of the utmost importance in creating an inclusive workplace where everyone feels comfortable to be their true self’.

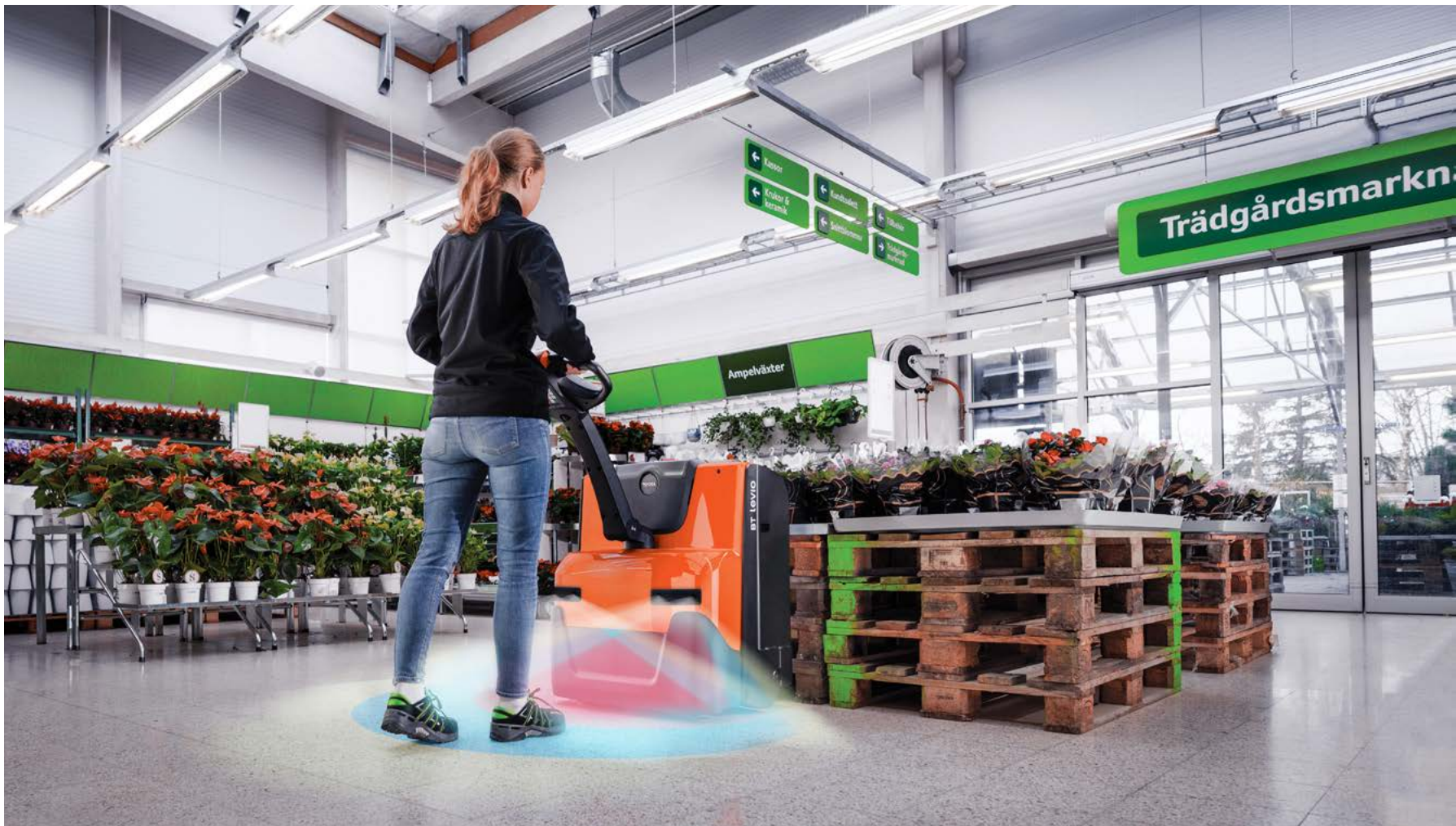
Silke Ernst

Senior Vice President, Human Resources and Communications,
Toyota Material Handling Europe

ESRS S2 Workers in the value chain - Downstream

Working together to improve product safety

In the past year, a range of new developments has helped boost our products’ safety – thanks in part to fruitful collaboration with partners. These new technologies are helping change the narrative from accident detection to accident avoidance.



For example, we have developed a new Operator Detection Assist (ODA) technology which helps operators avoid collisions. ODA detects issues - such as accidental contact between operators’ feet and pedestrian powered trucks - before a collision occurs, thereby differentiating it from existing products on the market. Following successful pilot projects to fine-tune this technology, ODA will soon be available in a range of our products, including the LWE140 to LWE250 and SWE100 to SWE200D.

We have also worked on several Real-Time Location System (RTLS) pilot projects - coupled with the latest AI camera-based detection technology - in collaboration with major customers. Connected as a fleet, we can help avoid accidents when the system senses a potential contact or collision, with people or objects, via active slow down. This has improved our products’ safety, including current fleets which have been retrofitted. We are currently working with partners to develop more solutions in these areas - and with a number of successful fleet deployments underway, we see this is already making a real difference to our customers.

ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
9. Ensure workers and communities across the value chain have access to safe and fair working conditions and have their human rights respected	S2 Value chain workers	Suppliers >€100k to submit EcoVadis ESG rating or equivalent – covering Labour & Human Rights	2030	SVP Supply/SVP Finance	Work in progress	Work in progress
		Direct material suppliers for factories >€100k to achieve ISO 45001	2030	SVP Supply/SVP Finance	Work in progress	Work in progress
		All factories, Marketing & Sales Companies and warehouses to be ISO 9001 certified	2031	SVP Supply/SVP Market Operations	5/5 & 9/23	4/4* & 9/23, as well as 2/23 externally certified to local equivalent standard
		Increased focus on customer safety in developing of new products and services	2027	SVP Corporate Development/SVP R&D	Work in progress	Work in progress
		Continue our 12-year partnership with EU-OSHA to promote workplace health, safety and wellbeing across all European sectors	2024	SVP Human Resources	Ongoing	Completed
	S3 Affected communities	Update Code of Conduct for Suppliers to fully align with material sub-sub-topics listed in ESRS S2	2025	SVP Supply/SVP Finance	Work in progress	Work in progress
		Update Code of Conduct for Suppliers to fully align with material sub-sub-topics listed in ESRS S3	2025	SVP Supply/SVP Finance	Partial	N/A in this report

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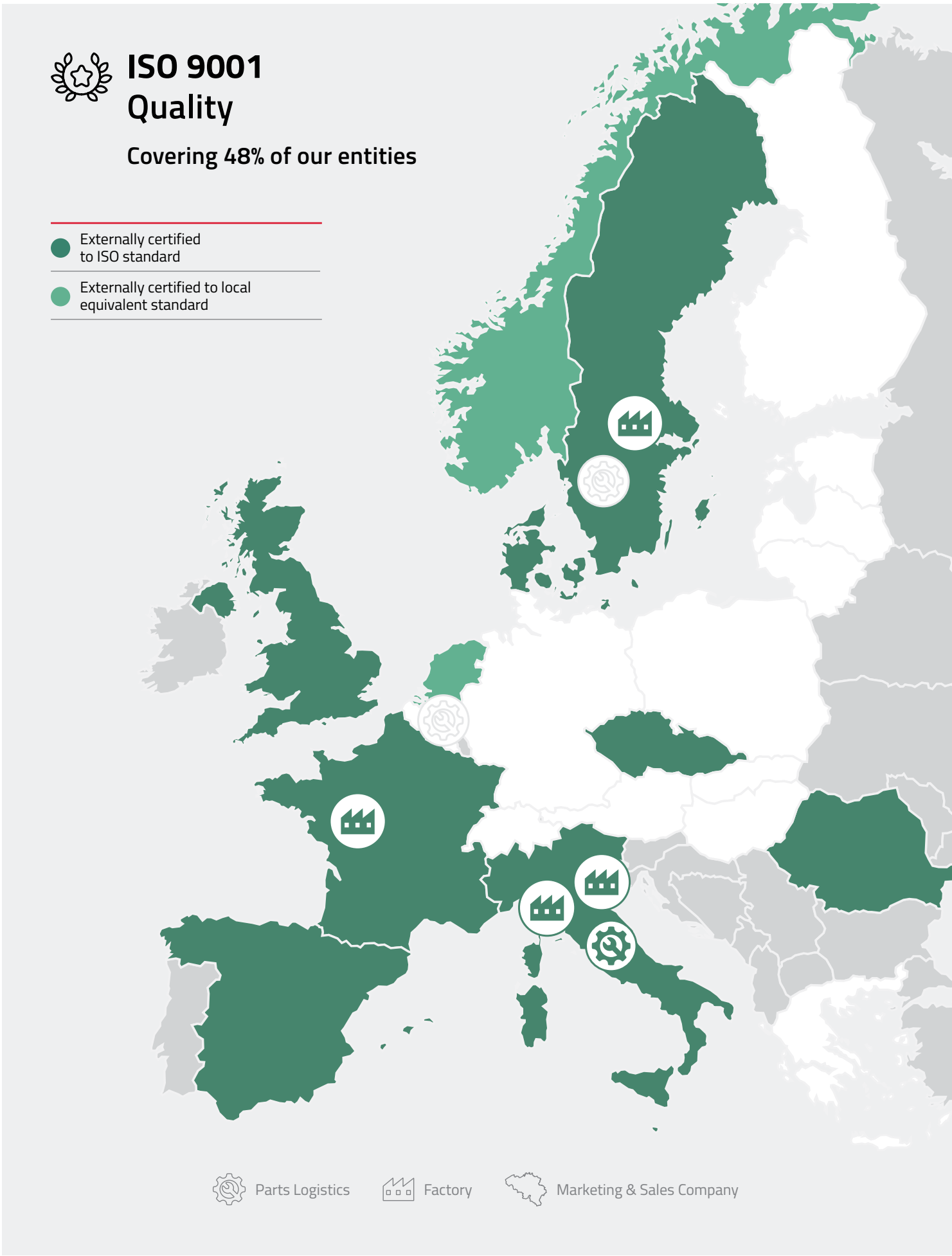
✔ Completed ➡ Improved ⏸ In progress ⚡ Modified

We are finalising a safety solutions taxonomy relating to our product portfolio, ensuring that we bridge the gaps in our current safety option list. Harmonising our products and the supply of parts is crucial.

Relatedly, we want to create a new 'Safety Solutions' vision which will help to guide and manage our portfolio in future.

We are also making progress on achieving ISO 9001 certification - focusing on quality management systems, almost have of our entities are currently certified.

In the meantime, we are preparing our product portfolio to align with several EU Directives (2023/1230 and 2022/2464) by ensuring, for example, that more safety products are view or vision based, with AI support and up to date when it comes to cybersecurity.





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Olympic & Paralympic Games Paris 2024

We were involved in Toyota’s sponsorship of the Olympic and Paralympic Games Paris 2024, having supported the Games by delivering electric material handling equipment on rental contracts. Over 400 lithium-ion trucks and five fuel cell trucks operated in different sites across France.

Adapted to various partners’ needs, our trucks enabled the delivery of equipment for the assembly of sports stadiums in the city centre, the supply of public facilities, the delivery of equipment for over 10,500 athletes, and the restocking of catering stands.

To ensure our products’ reliability and safety of its handling equipment, we set up a 24-hour technical assistance service, which led to 36 interventions being triggered to put forklifts back into service following operating faults, such as incorrect battery charging or a bogged-down forklift.



As requested by the International Olympic Committee, we offset all emissions from the Olympics:

- ✔ **Trucks:** we based our calculations on the exact use-phase, thereby pro-rating a full life-cycle, including raw materials, production, transport use phase and end of life
- ✔ **Hospitality:** emissions from transport - as well as food and drinks provided to invited guests - were also offset

As part of the offsetting process, we invited our French Marketing & Sales Company to vote for the offsetting projects they would like us to invest in. Two reforestation projects and one hedge planting project were chosen by the team. These projects were selected by a robust local partner, and were awarded the ‘Label bas-carbone’ certification, which was developed by the French government with a transparent audit trail.

At each stage, a Toyota Material Handling solution met the needs of the operators, in line with the Paris 2024 Organising Committee's objective of reducing the overall carbon emissions of the event: the entire fleet of handling equipment was equipped with lithium-ion batteries and recharged on dedicated electrical outlets. The use of electric rather than combustion-powered counterbalanced forklifts cut emissions by a factor of four.

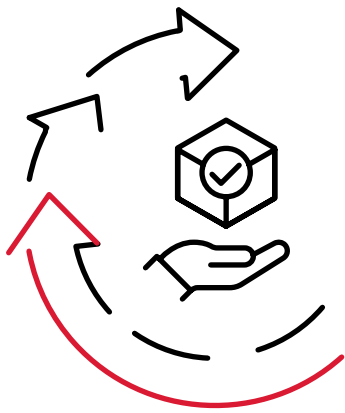


‘We are proud to have contributed, in our own way, to the success of Paris 2024. This extraordinary event enabled us to prove, once again, the reliability of our forklifts and the quality of our services to support our partners and the users of our equipment. It was an intense and rewarding experience!’

Eric Loustau
Managing Director,
Toyota Material Handling France

ESRS S2 Workers in the value chain - Upstream

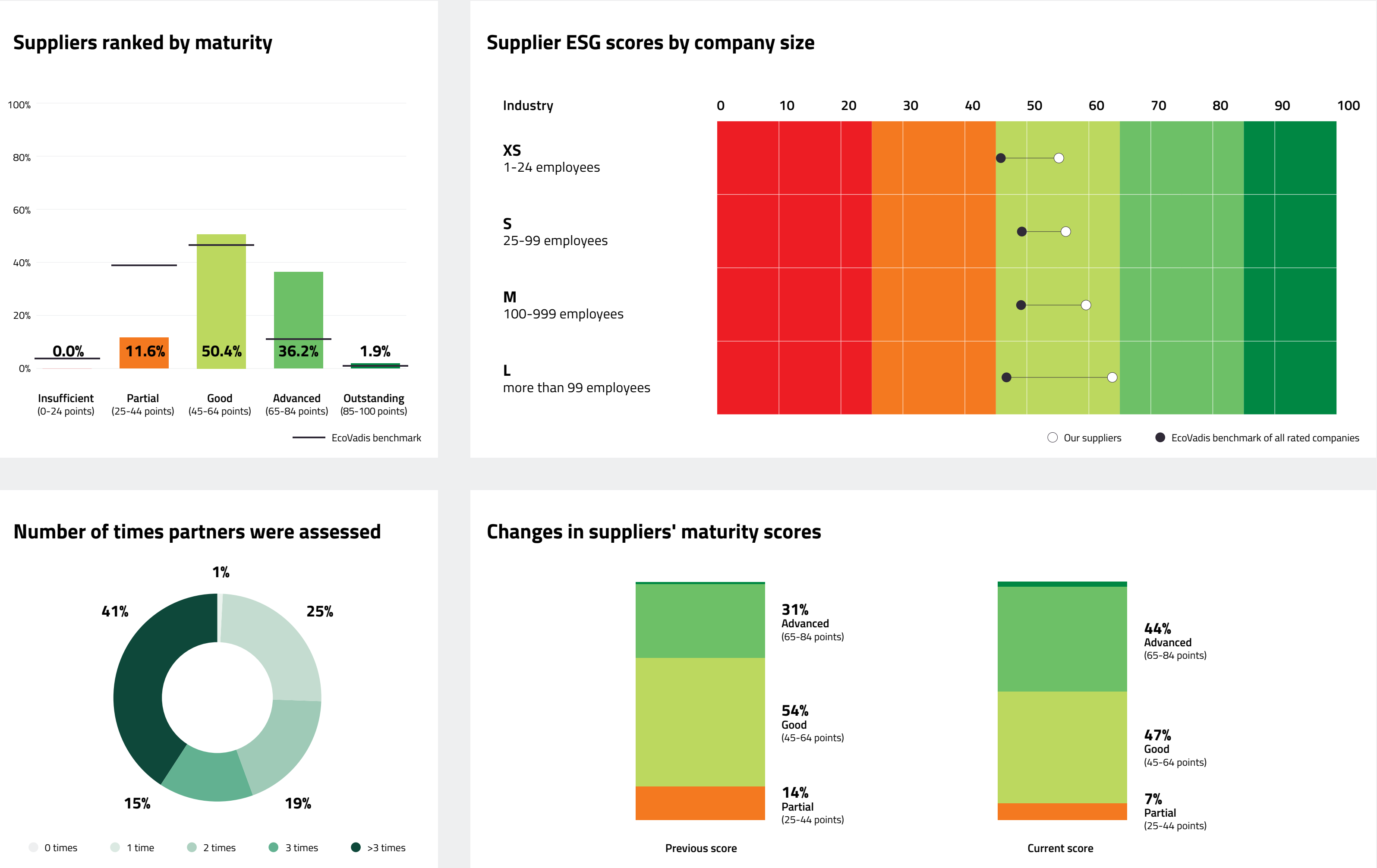
Collaborating with suppliers



To pinpoint our company's true impact on environment and society, the whole value chain must be scrutinised, including our extensive supplier base. As a leading manufacturer of forklift trucks, 80% of suppliers are located close to our manufacturing plants, which allows us to support local economies and reduce the impact of transportation.

This is why we created a Sustainable Procurement Initiative to manage social and environmental performance. Through this initiative, many suppliers have now been onboarded onto the EcoVadis platform, thereby allowing us to assess their current sustainability performances, drive continuous improvement and increase transparency.

So far, 751 suppliers' ESG scorecards have been assessed and 549 have been reassessed to analyse improvement, with 70% of these improving their score. Since joining our network, 38 suppliers have implemented targets validated by the Science Based Targets initiative (SBTi), 39 suppliers have begun using renewable energy and 38 suppliers have created policies to prevent discrimination and harassment.




By setting clear expectations and providing resources, we've seen a marked increase in the number of suppliers implementing more sustainable practices. This collective effort is a testament to our commitment to building a more sustainable supply chain. Our suppliers' proactive engagement continues to help us make significant strides towards our ESG targets and it is gratifying to see a growing number of suppliers taking concrete steps to reduce their environmental impact and enhance their social engagement. We also started inviting our main suppliers to set emissions reduction targets with the SBTi.

Progress does not come without its challenges - for a company with multiple tiers of suppliers, ensuring that sustainability standards are upheld throughout the entire value chain can be complex. Factors such as geographical distance, cultural differences and varying regulatory environments can make it difficult to track and manage environmental and social impacts. This is why we have also modified certain targets for suppliers, to best ensure progress and compliance.

However, addressing these challenges also presents opportunities. By focusing on building strong relationships with our tier 1 suppliers and encouraging them to engage with their own suppliers (tiers 2 and 3), we can create a more resilient and sustainable supply chain. By being proactive, we can reach our ESG targets and also reduce operational risks, drive innovation and stay ahead of legislation. A more sustainable and resilient supply chain is a competitive advantage in today's global marketplace.

Our yearly Supplier Conference brought together over 300 key suppliers and many sustainability-related topics were discussed. A special webinar, 'ESG Regulatory Outlook' was organised to support suppliers on aligning with sustainable business practices and helping them transform their procurement process.

Updated target requests for our suppliers

<div></div> <div>Suppliers</div>	<div><div>❗ 70% of APV* is with suppliers that have signed the Code of Conduct by March 2025</div><div>❗ 90% of APV is with suppliers that have signed the Code of Conduct by March 2029</div><div>❗ Should accept an invitation for a sustainability audit, if they have been selected by our company as being a high ESG risk</div></div>
Suppliers >€100,000 APV/year	<div>❗ Need to share their EcoVadis ESG and carbon scorecards with us by 2030</div>
Direct material suppliers for factories, >€100,000 APV/year	<div>❗ Should have an ISO 14001 certification</div>
Suppliers >€100,000 of APV/year, who have a high impact on our carbon footprint	<div>❗ Should commit to the Science Based Targets initiative (SBTi) by December 2025</div>

* Annual Purchase Value (APV) - total annual spend by Toyota Material Handling Europe on suppliers (excluding Toyota Material Handling Europe dealers & distributors, customer buy-back & bonus invoices and sales agent commissions)



‘To help ensure compliance across our value chain, suppliers are expected to ensure safe and fair working conditions, respect human rights, and report on their sustainability data. We invite suppliers to share an annual EcoVadis sustainability performance assessment, which helps accountability and continuous improvement’.

Rebeca Bruno
Category Manager,
Toyota Material Handling Europe



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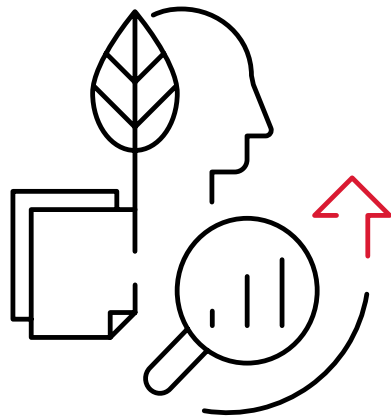
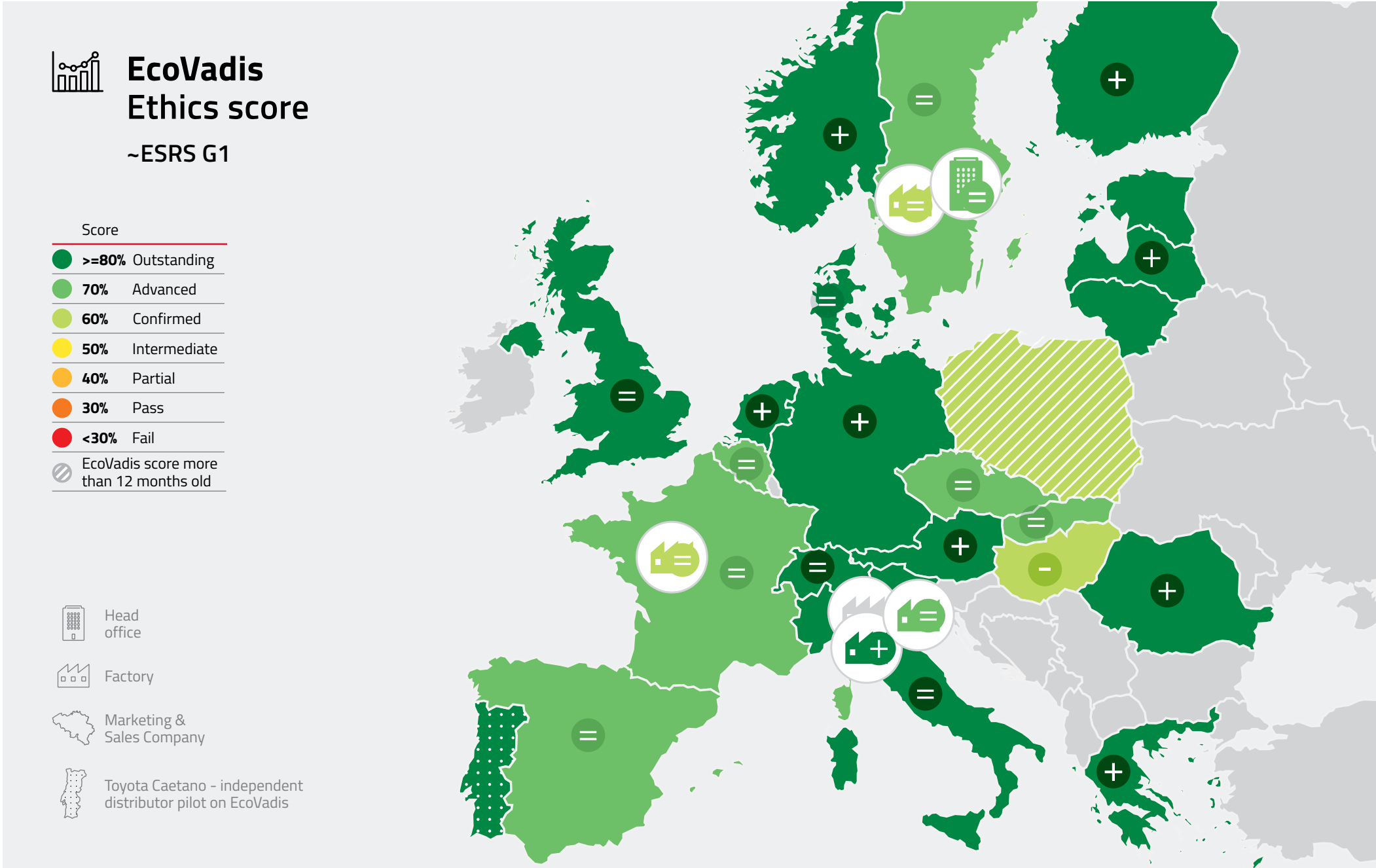
➔ **Objective 10.**
Ensuring we have the right policies,
processes, and an ethical business
culture across our value chain



ESRS G1 Governance

Implementing ESG issues in our governance model

Next year, our parent company Toyota Industries Europe AB will have to release a report which is fully aligned with the European Sustainability Reporting Standards (ESRS). A set of EU compliance and disclosure requirements for large companies - and a key part of the EU Corporate Sustainability Reporting Directive (CSRD) - the ESRS will apply to all companies fulfilling certain requirements, including those having over 250 employees.



Aligning with ESRS means ensuring ESG issues are adequately addressed and integrated into the way we do business. For instance, our Compliance System, which covers areas such as anti-bribery and corruption, was established in 2014. We have been developing it continuously and have seen a lot of progress in the last few years in meeting the rapidly increasing requirements. Furthermore, to help our employees monitor EU sustainability policies, a new EU ESG Law Toolkit has been launched, which supports our need to keep on track with evolving legislation.

The newly created [ESG Committee](#) has also become an integral driver helping us become a more sustainable business as it ensures the adoption of our sustainability priorities throughout the company. An extensive network of Local Compliance Officers (LCOs) is also responsible for maintaining the Compliance System throughout our different business entities. 'Responsible Procurement' has also been a key compliance focus this year, with increased training sessions delivered for relevant purchasing departments.

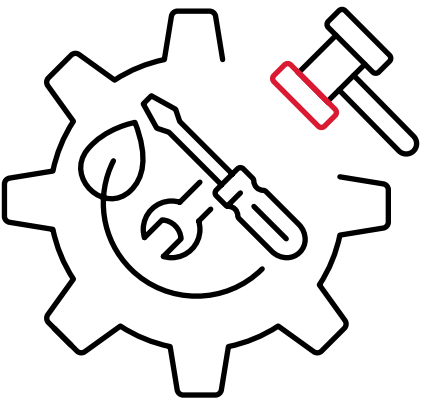
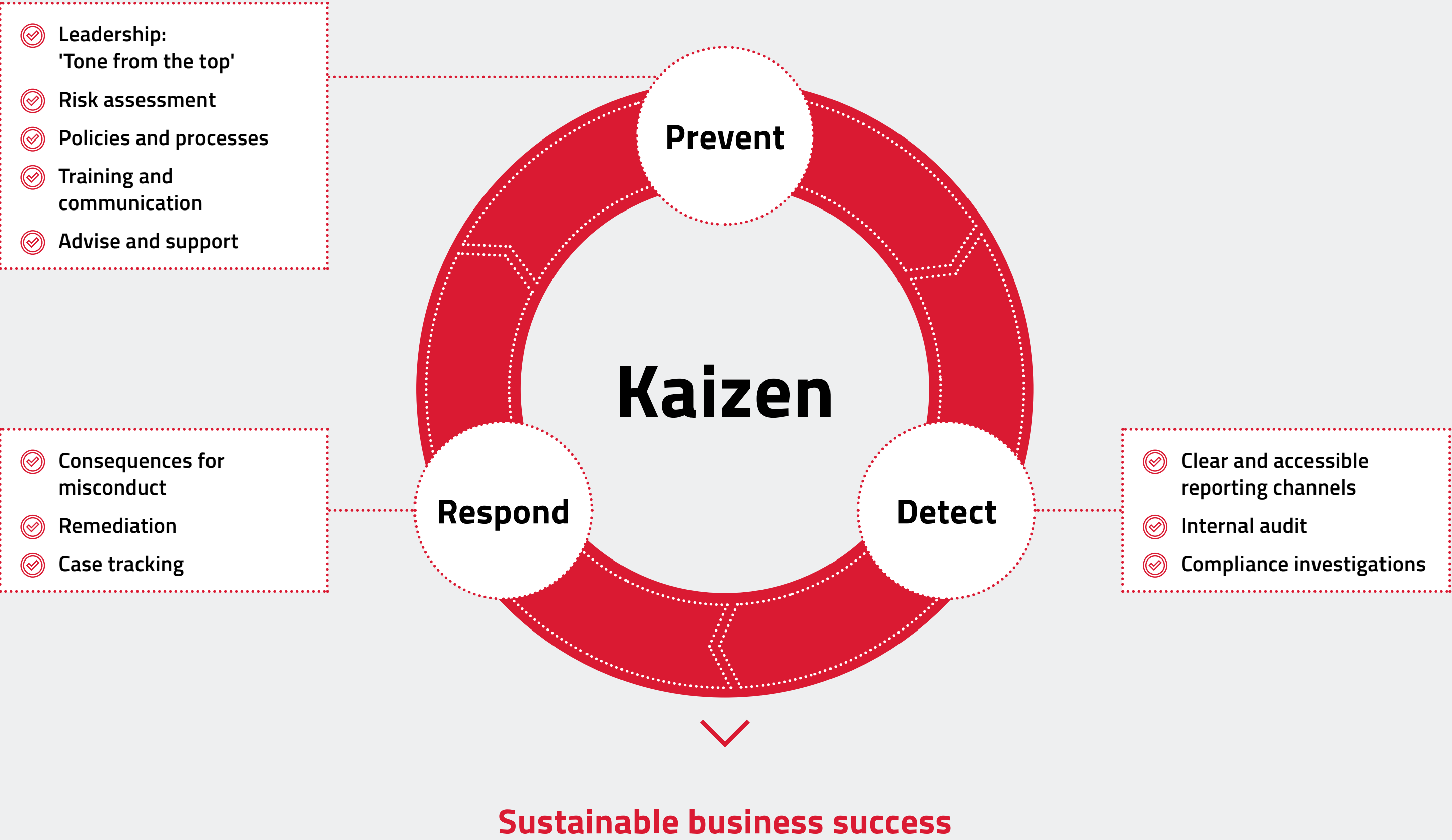
ESG TARGETS

OBJECTIVES	ESRS	TARGETS	DUE	EXECUTIVE MANAGEMENT TEAM OWNER	STATUS FY2023	STATUS 2024
10. Ensuring we have the right policies, processes, and an ethical business culture across our value chain	G1 Governance	100% of all employees trained in Code of Conduct (every other year)	2024	SVP Finance	100%	100%
		100% of all employees trained in Information Security (every other year)	2024	SVP Finance	100%	Postponed to FY25
		100% of new employees trained in Sustainability	2024	SVP Corporate Development	Launched Nov 2023	Progress made: around 41% of new starters have completed or partially completed this course - however, target was not reached due to a few factors, including lack of tracking data. In future, we will work to improve traceability
		Update Code of Conduct and Code of Conduct for Suppliers to fully align with material sub-sub-top-ics listed in ESRS G1	2025	SVP Supply/SVP Finance	Work in progress	Work in progress
		Establish process for due diligence of suppliers	2025	SVP Supply	Work in progress	Work in progress
		Train all purchasing departments in Responsible Procurement	2024	SVP Supply/SVP Finance	Ongoing	Most departments have been trained - however, for those who have not yet received training, the target has been postponed to 2025

* Due to a merger between Toyota Material Handling Manufacturing Italy and Simai, we now have four factories, and the target status for 2024 has been updated accordingly

✔ Completed ➡ Improved ⏸ In progress ⚠ Modified

Toyota Material Handling Europe's Compliance System



All governance-related ESG targets were set for 2024 and 2025 and we are especially proud to have already reached one of them, training 100% of employees in our Code of Conduct. We are progressing on all other targets, and we expect to share a more detailed update in our next sustainability report.

As well as our ESG targets, we will also be focusing on a range of sustainability-related priorities, including expanding and maintaining the EU ESG Law Toolkit, updating our Responsible Procurement policy (which includes the Code of Conduct for Suppliers), launching a Code of Conduct for Independent Dealers, integrating the newly launched Toyota Industries Corporation (TICO) Code of Conduct and ensuring relevant policies and guidelines are monitored and updated.



‘It is crucial to ensure ESG topics are centrally integrated into the way we do business. The new EU ESG Law Toolkit is one of our main sustainability-related priorities, helping us follow and adhere to ever-changing legislation’.

Johan Levinsson
Senior Legal Counsel,
Toyota Material Handling Europe



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Appendix

- ➔ [List of acronyms](#)
- ➔ [Material topics for Toyota Material Handling Europe, in the context of the European Sustainability Reporting Standards \(ESRS\)](#)



List of acronyms

Acronym	Expansion
AI	Artificial intelligence
APV	Annual Purchase Value
CO2e	Carbon dioxide equivalent
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DE&I	Diversity, equity & inclusion
DMA	Double materiality assessment
DOPA	Digital Observatory for Protected Areas
ECHA	European Chemicals Agency
ESG	Environment, social and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
EU-OSHA	European Agency for Safety and Health at Work
FY	Financial Year or Fiscal Year
GHG	Greenhouse gas
GWh	Gigawatt hours
H&S	Health and safety
HR	Human resources
HVO	Hydrogenated Vegetable Oil

Acronym	Expansion
IC	Internal combustion
ICE	Internal combustion engine
ILO	International Labour Organization
ISO	International Organization for Standardisation
KPI	Key Performance Indicator
Kt	Kiloton
LCA	Life-cycle assesment
LCO	Local Compliance Officer
LEAD	Leadership Development Programme for team-leaders
LIFT	Leadership Development Programme for cross-functional leaders
LiU	Linköping University
LPG	Liquefied petroleum gas
LWE	Levio-walkie series
MWh	Megawatt hours
N/A	Not applicable
ODA	Operator Detection Assist
OECD	Organisation for Economic Co-operation and Development
PVC	Polyvinyl chloride
R&D	Research and development

Acronym	Expansion
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
RFC	Refurbishment Centre
RoHS	Restriction of Hazardous Substances Directive
RTLS	Real-Time Location System
SBTi	Science Based Targets initiative
SOC	Substances of Concern
SVHC	Substances of Very High Concern
SVP	Senior Vice President
SWE	Staxio-walkie series
TICO	Toyota Industries Corporation
TIE AB	Toyota Industries Europe AB
TPS	Toyota Production System
UN	United Nations
VP	Vice President
WTT	Wheel-to-tank



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Material topics for
Toyota Material Handling
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of the European
Sustainability Reporting
Standards (ESRS)



Environment

E1	Climate change
	Climate change mitigation
	Energy Climate change adaptation
E2	Pollution
	Pollution of air
	Pollution of water
	Pollution of soil
	Pollution of living organisms and food resources
	Substances of concern
	Substances of very high concern
	Microplastics
E3	Water & marine resources
	Water consumption
	Water withdrawals
	Water discharges
	Water discharges in the oceans
	Extraction and use of marine resources*
E4	Biodiversity
	Climate change, Pollution and others
	Land-use change, (e.g., land artificialization), freshwater-use change and sea-use change
	Direct exploitation
	Invasive alien species
	Examples: Species population size and species global extinction risk
	Examples: Land degradation, desertification and soil sealing
	Impacts and dependencies on ecosystem services
E5	Resource use and circular economy
	Resource inflows, including resource use
	Resource outflows related to products and services
	Waste, waste generation and significant waste-related impacts



Social

S1	Own workforce
	Health & Safety of our own workforce
	Social dialogue
	Collective bargaining and freedom of association, the existence of works councils and the information, consultation and participation rights of workers
	Work-life balance
	Secure employment
	Adequate wages
	Working time
S2	Training and skills development
	Gender equality and equal pay for work of equal value
	Diversity
	Employment and inclusion of persons with disabilities
	Measures against violence and harassment in the workplace
	Child labour
	Forced labour
	Adequate housing*
S3	Workers in the value chain
	Health & safety of workforces across our value chain
	Collective bargaining and freedom of association, including the existence of work councils
	Social dialogue
	Secure employment
	Working time
	Adequate wages
	Work-life balance
S4	Consumers and end-users*
	Measures against violence and harassment in the workplace
	Diversity
	Employment and inclusion of persons with disabilities
	Child labour
	Forced labour
	Adequate housing
	Privacy
S5	Affected communities
	Adequate housing*
	Adequate food*
	Water and sanitation
	Land-related impacts
	Security-related impacts
	Freedom of expression*
	Freedom of assembly*
S6	Privacy
	Water and sanitation
	Adequate housing*
	Adequate food*
	Water and sanitation
	Land-related impacts
	Security-related impacts
	Freedom of expression*
S7	Business conduct
	Protection of whistle-blowers
	Animal welfare*
	Corporate culture
	Prevention and detection including training and incidents
	Political engagement and lobbying activities
	Management of relationships with suppliers including payment practices
	Measures against violence and harassment in the workplace



Governance

G1	Business conduct
	Protection of whistle-blowers
	Animal welfare*
	Corporate culture
	Prevention and detection including training and incidents
	Political engagement and lobbying activities
	Management of relationships with suppliers including payment practices
	Measures against violence and harassment in the workplace

* N/A for Toyota Material Handling Europe

Sustainability Status Report

2024

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