

2023 SUSTAINABILITY REPORT

Toyota Material Handling

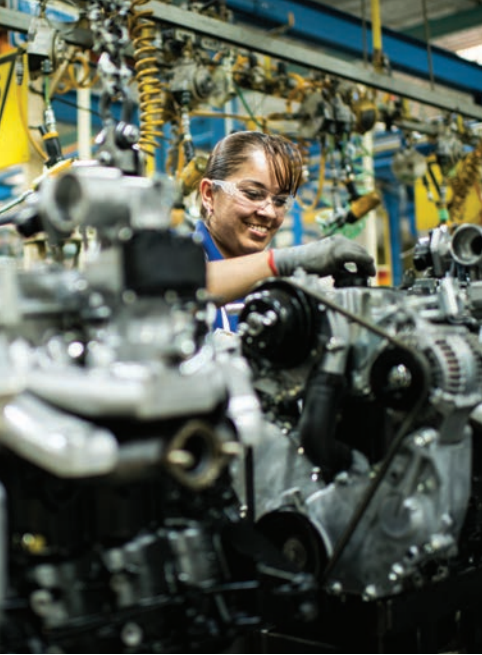




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TOYOTA INDUSTRIES CORPORATION

Toyota Industries Corporation (TICO) started in 1926 as an automatic loom company founded by Sakichi Toyoda. From this innovative loom, Toyota grew into one of the top-10 recognized brands in the world. Today, TICO is a global company headquartered in Aichi, Japan, with more than 200 companies and 67,000 associates worldwide.

TICO has promoted diversification and expanded the scope of its business to include textile machinery, engines, air conditioning compressors, electronics, and material handling equipment.

TICO and its subsidiaries contribute to the harmonious and sustainable development of society and the Earth through all business activities carried out in each country and region based on TICO's Basic Philosophy.

TICO companies are committed to complying with local, national, and international laws and regulations, and conduct their business operations with honesty and integrity.

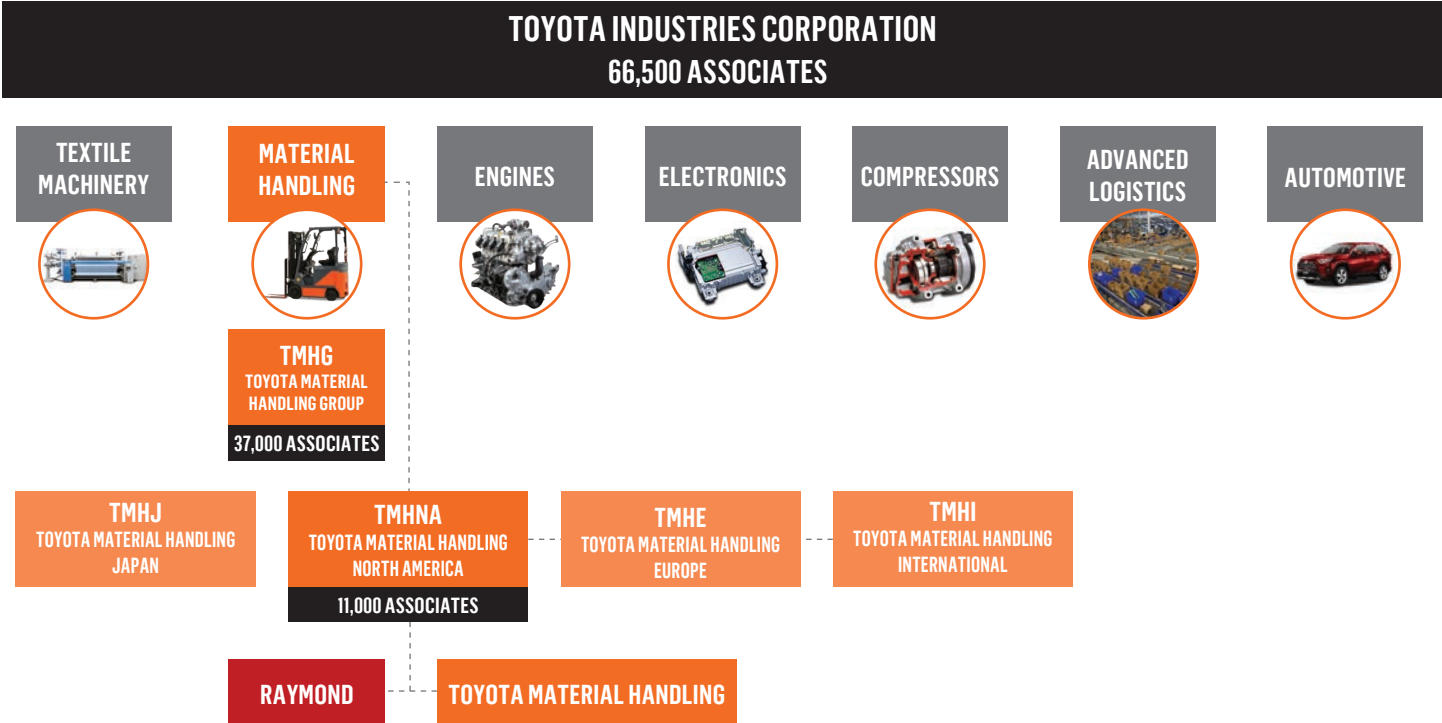
In order to contribute to sustainable development, TICO believes that interacting with its stakeholders is of considerable importance, and works to build and maintain sound relationships with stakeholders through open and fair communication.

276
WORLDWIDE GROUP
COMPANIES

67,000+
EMPLOYEES GLOBALLY



Sakichi Toyoda
Founder



ABOUT US

TOYOTA MATERIAL HANDLING

Toyota entered the North American forklift market over 50 years ago and has manufactured over 750,000 forklifts on U.S. soil. Toyota Material Handling, based in Columbus, IN, is a full-service manufacturer and distributor of high-quality forklifts, reach trucks, order pickers, pallet jacks, container handlers, scissor lifts, tow tractors, AGVs, and other automated material handling solutions.

Built on a reputation of excellence, Toyota remains popular due to its quality, durability, reliability and overall value (QDRV). Toyota's world-renowned Toyota Production System (TPS) results in expertly engineered material handling equipment built on years of manufacturing insight and is the hallmark of all Toyota forklift manufacturing facilities.



Toyota Material Handling is committed to being your total material handling solutions provider. Forging strong relationships with automation technology companies and expanding its high-capacity line, Toyota can assist businesses in moving any material in your application – from port container to pallet to parcel. And as an innovator looking to provide every possible advantage to your business, Toyota is constantly working to provide the latest advancements in forklift battery and fueling technology – including making Toyota Material Handling the first U.S. manufacturer to establish UL certification for an integrated lithium-ion battery and forklift solution.

The first Toyota forklift, the model LA one-ton, debuted in Japan in 1956. The first U.S. Toyota forklift dealership was established and sold the first Toyota forklift in North America in 1967. In 1990, Toyota's first forklift manufactured in the U.S. rolled off the line at the state-of-the-art facility in Columbus, IN. Since 1990, many different forklift models have been introduced to the market and, in 2002, Toyota became the top selling forklift in North America.

1967

THE FIRST TOYOTA FORKLIFT IS SOLD IN NORTH AMERICA

750,000+

TOYOTA FORKLIFTS HAVE BEEN MANUFACTURED IN THE UNITED STATES SINCE 1990





PEOPLE

Toyota's founding principle, the reason we exist, is to contribute to society. Our forklift interpretation of that principle - our core purpose - is 'Helping People Carry The Load.' It's what we do at Toyota. We do that by helping the communities where we live and work to carry the load too. We're passionate about serving our communities, giving our time, knowledge, and resources to support local organizations. We're equally committed to operating our business in a sustainable way, with a goal of shaping a brighter future for the planet we call home. Together, let's build a brighter, greener, and more sustainable tomorrow.

CORPORATE SOCIAL RESPONSIBILITY

STATISTICS

Office Associates receive 16 hours of paid volunteer time each year while Shop Associates receive 8 hours of paid volunteer time.

11,764 VOLUNTEER HOURS COMPLETED BY TOYOTA ASSOCIATES

\$745,721 IN TOTAL ECONOMIC IMPACT

\$374,012 DONATED TO LOCAL CAUSES & ORGANIZATIONS

30 LOCAL ORGANIZATIONS IMPACTED

861 UNITS OF BLOOD COLLECTED ON TOYOTA'S CAMPUS IN 2022
2,583 LIVES IMPACTED

1,500 UNITS OF BLOOD COLLECTED SINCE 2020
OVER **4,000** LIVES IMPACTED

CORPORATE PARTNERSHIPS



Toyota Material Handling was named Corporate Volunteer Partner of the Year for the United Way's Foundation for Youth.



Activities Included:

- Demolition of old bunk beds
- Clearing overgrowth and landscaping
- Construction of new bunk beds
- Maintaining the organization's 87-year-old cabin gutters and rooftops



TWIN
Toyota Women's Impact Network

PROLIFT
TOYOTA
MATERIAL HANDLING

LIFTING UP
HOPE

Pink Forklift Auction for Breast Cancer Awareness

TMH auctioned off a unique forklift to its North American dealer network in support of National Breast Cancer Awareness Month. All funds raised from the auction were donated to Susan G. Komen to help with breast cancer research and treatment.

ProLift Toyota Material Handling, based in Louisville, Kentucky, placed the highest bid and has plans to put the pink forklift to good use. ProLift president Chris Frazee and his family have a special connection to Susan G. Komen because of his wife Noelle's battle with breast cancer, and Frazee is committed to continuing to give back to the organization that supported his wife during a difficult time. ProLift plans to offer customers the chance to rent this special forklift, and will donate all proceeds to Susan G. Komen.



- ▶ \$100,000 donated to the American Red Cross after Hurricane Ian struck Florida and the Carolinas
- ▶ Sponsored a co-branded Bloodmobile, the first in North America to include solar panels



AWARDS

GOVERNOR'S WORKPLACE SAFETY AWARD

In 2022, Toyota Material Handling was recognized with the Indiana Governor's Award for Environmental Excellence in the 'Five Year Continuous Improvement' category for the company's Carbon Dioxide (CO2) reduction projects. This was the fourth time Toyota Material Handling earned a Governor's Award for Environmental Excellence, and the third for 'Five Year Continuous Improvement'.

The highly-competitive Governor's Awards for Environmental Excellence are Indiana's most prestigious environmental recognition, reserved for the most innovative, sustainable, and exemplary programs that positively impact Indiana's environment and demonstrate measurable environmental, economic, and social benefits.



Continuous improvement, or 'kaizen', is a hallmark trait of the Toyota brand and culture. Kaizen is also a cornerstone in the company's world-renowned manufacturing process, including the Toyota Production System, Toyota Lean Management, and Toyota's Five "S" System (5S). Toyota companies worldwide rely on these processes every day in working toward Toyota Industries Corporation's (TICO) Vision 2030 goal of significantly reducing its carbon footprint.

"Our efforts are guided by the Global Environmental Commitment established by TICO, our parent company," said Brian Egloff, Toyota Material Handling's Director of Engineering. "This commitment aims to preserve our environment and create a sustainable society for our future generations. Ultimately, we hope to continue to do our part in helping achieve a carbon neutral society by 2050."

TMHG GLOBAL SKILLS COMPETITION – TRAINING AND DEVELOPMENT



Kim Douglass, a TMH Associate, made history by becoming the first woman to ever place in the Toyota Material Handling Group (TMHG) Global Skills Competition, earning a gold medal in the 'Assembly' category during the annual international competition held in Takahama, Japan. Douglass beat competitors from other Toyota group companies based in China, France, Italy and Sweden, as well as additional U.S. participants from The Raymond Corporation.



Shawn Dickmeyer represented TMH as well and won a gold medal in welding at the TMHG Global Skills Competition. Dickmeyer earned the distinct honor of becoming the first TMH representative to ever win gold in the Welding category, beating out competitors from other Toyota group companies based in China, France, Italy and Sweden, as well as additional U.S. participants. Dickmeyer and the other competitors were required to weld a vessel and a complicated joint in less than 40 minutes, and were judged on criteria such as weld size, position, appearance, and testing the vessel up to a certain level of PSI pressure.

AWARDS

LEA ANN KING, KIM DOUGLASS HONORED WITH 2023 WOMEN IN SUPPLY CHAIN AWARD



Toyota Material Handling's LeAnn King and Kim Douglass were recipients of the 2023 Women in Supply Chain Award. The award, given annually by Food Logistics and Supply & Demand Chain Executive, honors female supply chain leaders and executives whose accomplishments, mentorship and actions set a positive example for women at all levels of the supply chain network.

King, Toyota's Vice President of Legal and General Counsel, is a dynamic leader who inspires others. King founded the Toyota Women's Impact Network (T-WIN), the company's women's initiative that ensures Toyota has an inclusive culture and attracts

diverse talent. She is a champion for women in all roles and creates mentorship and teaching opportunities for female professionals. King also showcases her commitment to the supply chain industry by serving on the board of the Industrial Truck Association (ITA), including her most recent position as chair of the ITA's lawyer's committee from 2016-2019. She continues to advocate for women in the legal field, regardless of the industry.

Douglass, an Assembly Team Leader at Toyota, is a trailblazer and role model in the material handling and supply chain industry. Last year, Douglass became the first woman to medal in the Toyota Material Handling Group's Global Skill Competition, earning the gold in the 2022 competition for Assembly. Since her historic win, Douglass has committed to advocating for other women within the organization. She represents Toyota's commitment to encouraging more women to pursue careers in the material handling industry. She also serves as an ambassador for the Toyota Women's Impact Network. Douglass advocates for women to receive the skills training, professional development, mentoring and coaching they need to have successful careers in the material handling manufacturing world.

Food Logistics and Supply & Demand Chain Executive received over 400 submissions for this year's award, which set the publication's record for any of its award categories. Of that number, 118 were submitted by male counterparts, and 39 women were self-nominated.



“ LeAnn and Kim are exceptional leaders who are paving a path for women in the supply chain and material handling industries. These women embody Toyota's founding principle to contribute positively to society and make the world a better place for all while encouraging others to do the same. ”

Bill Finerty
President and CEO, Toyota Material Handling



PLANET

Toyota Material Handling's parent company, Toyota Industries Corporation (TICO), has set a goal of establishing a carbon-neutral society on a global basis in their Environmental Vision 2050. To establish a carbon-neutral society, TICO has identified the prevention of global warming as its highest priority issue. TICO seeks to reduce emissions during product use and energy usage in all sites' business activities and minimize CO2 emissions throughout the entire value chain. Toyota Material Handling continues to do its part in helping to achieve this goal and is committed to finding solutions and changing processes to preserve our environment and create a more sustainable society for future generations.

TICO ENVIRONMENTAL VISION 2050



PILLAR 1: ESTABLISHING A CARBON NEUTRAL SOCIETY

Globally take on challenge of establishing a zero CO2 emission society



PILLAR 2: ESTABLISHING A RECYCLING-BASED SOCIETY

Take on challenge of minimizing the use of resources



PILLAR 3: PROMOTING ENVIRONMENTAL MANAGEMENT

Enhance consolidated environmental management and promote enlightenment activities

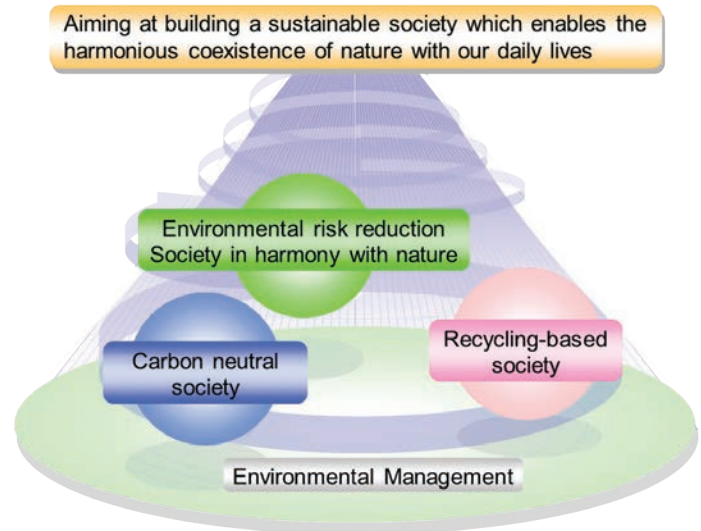


PILLAR 4: REDUCING ENVIRONMENTAL RISKS, AND ESTABLISHING A SOCIETY IN HARMONY WITH NATURE

Generate positive influence on biodiversity



In 2022, Toyota Industries Corporation (TICO) – our parent company – was selected as an “A List” company, the highest evaluation possible, in a survey on Climate Change held by the CDP, an environmental non-governmental organization (NGO). We are committed to supporting TICO’s Vision 2050 goal of zero emissions.





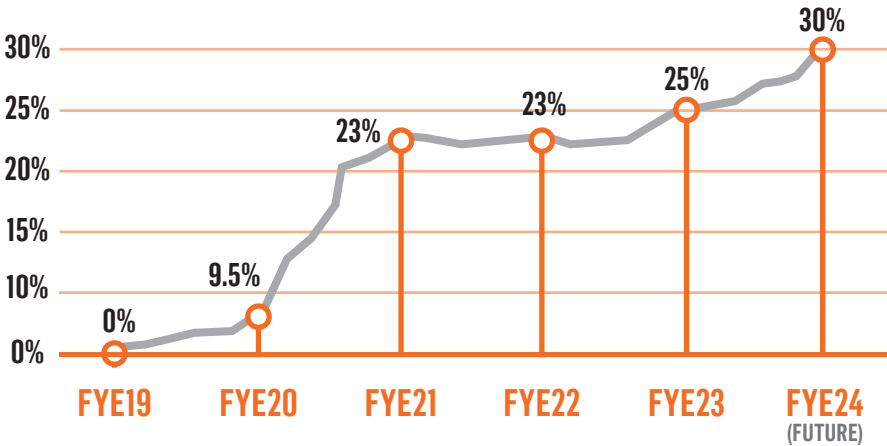
PILLAR 1: CARBON NEUTRAL SOCIETY



At Toyota Material Handling, we've been able to increase production and sales, while cutting emissions at our factory. From base year FYE19 through FYE23, we have reduced our CO2 per unit by 40% in the production process, our absolute electrical usage by 12%, our absolute natural gas usage by 20%, and our CO2 emissions* by 34%. Our own experience not only helps us to continually improve, but also helps us better understand customers on their journey to zero emissions.

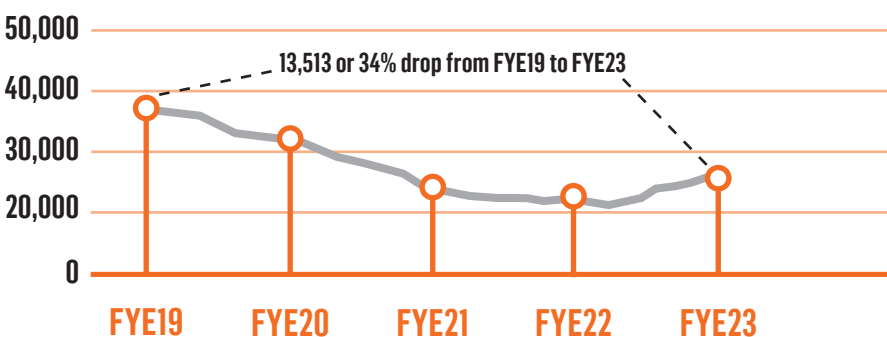
* = Scope 1 & 2 emissions from use of natural gas and purchased electricity.

RENEWABLE ENERGY RATIO



CO₂ EMISSIONS*

(Scope 1 & 2 emissions from use of natural gas and purchased electricity.)



12%

REDUCTION IN ABSOLUTE ELECTRICAL USAGE

20%

REDUCTION IN ABSOLUTE NATURAL GAS USAGE

34%

REDUCTION IN CO₂ EMISSIONS RELATED TO PLANT OPERATIONS AND PRODUCTION

40%

REDUCTION IN CO₂ PER UNIT DURING PRODUCTION PROCESS

RENEWABLE ENERGY

Increased our renewable energy ratio (wind energy credits) to **30% beginning January 2023** - supporting our local renewable energy market

CO₂ EMISSIONS

13,513 metric tons is equivalent to removing **3,007** gasoline-powered passenger vehicles driven for one year

- FYE19 = 39,668 metric tons of CO₂
- FYE20 = 32,082 metric tons of CO₂
- FYE21 = 25,222 metric tons of CO₂
- FYE22 = 24,450 metric tons of CO₂
- FYE23 = 26,155 metric tons of CO₂



TICO ENVIRONMENTAL VISION 2050

PILLAR 2: RECYCLING-BASED SOCIETY



IN 2023:

579 TONS

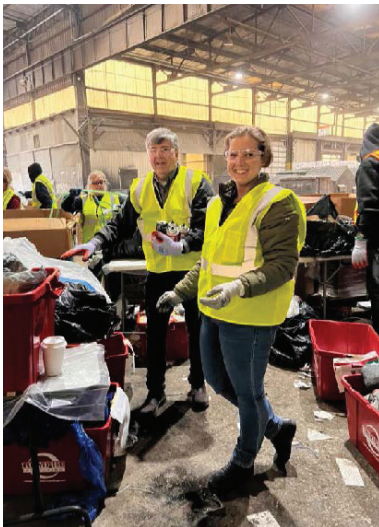
OF WASTE DIVERTED FROM LANDFILL

Landfill free since 2004

7,545 tons

OF MATERIALS RECYCLED, RECOVERED, REUSED (SCRAP METAL, CARDBOARD, PLASTICS, WOOD, ETC.)

WASTE AUDIT



In April 2023, we partnered with our primary waste hauler to perform a full-scale waste audit to better understand our waste streams and identify opportunities for improvement. The result was unprecedented waste composition data and an action plan for more sustainable waste management. TMH will use this information to implement changes to our recycling and waste diversion program over the next year.



“ The entire waste audit process was thoroughly educational. We were blown away to learn that 58% of our waste could be diverted to existing recycling programs. Needless to say, we are excited to make improvements. ”

Paige Johnson
Environmental, Health & Safety Engineer



PILLAR 3: HARMONY WITH NATURE



TMH Environment Week - Celebrating Earth Day 2023

Toyota is committed to generating a positive impact on nature and biodiversity by promoting initiatives, like the TMH Environment Week.

Highlights from 2023 Environment Week:

- ▶ 2,500 trees planted
 - In over 20 years of this activity, Toyota has distributed over 40,000 trees to our community.
- ▶ 2,000 butterfly garden seed packs handed out to our Associates and community to protect and preserve our local Monarch butterflies.
- ▶ Adopt-a-Road - Clean up day
 - Hundreds of pounds of trash collected alongside roadways near our campus



Toyota was proud to sponsor the annual Earth Day Event hosted by Bartholomew County Solid Waste Management. TMH pledged \$5,000 and provided volunteers to pass out trees and seed packs to the community.



Kids Artwork Contest

- ▶ Kids from the TMH family submitted artwork for the annual Earth Day artwork contest – Theme: Protect our Planet



To expand Associates' interest in nature and biodiversity, TMH launched a campaign called "Green Theme of the Month" in 2022. Every month, we select a different theme to raise awareness on important environment topics, like waste reduction, energy & water conservation, plastic pollution, and so much more. Our Associates can engage and interact with each other through the Green Theme channel on the company's "Lift App", while learning about environmental conservation through the app posts. The TMH environmental team also plans events throughout the year, like a fishing tournament, state park challenge, road clean ups, and Earth Day celebrations.

TICO ENVIRONMENTAL VISION 2050

PILLAR 4: ENVIRONMENTAL MANAGEMENT



- ▶ ISO 14001 Certified since 1999
- ▶ In March 2023, Toyota successfully obtained ISO 14001 recertification through its registrar. This makes the 24th consecutive year upholding the requirements of this international standard for environmental management systems.

Environmental Policy: Toyota Material Handling is committed to protecting the environment by striving to: comply with applicable legal requirements and with other requirements to which it subscribes; prevent pollution through environmentally sound practices; and incorporating continuous improvement practices.



TOYOTA HOSTS 2022 PARTNERS FOR POLLUTION PREVENTION QUARTERLY MEETING TO SHARE SUSTAINABILITY JOURNEY

Toyota Material Handling was proud to host the Indiana Partners for Pollution Prevention quarterly meeting in December of 2022. This event provides an opportunity to network with other businesses, receive updates from the Partners and the Indiana Department of Environmental Management (IDEM), and hear directly from manufacturing leaders on how they are managing their business as it relates to pollution prevention.

The Indiana Partners for Pollution Prevention is an organization comprised of Indiana industries, businesses, and nonprofit organizations that volunteer for a public-private partnership with IDEM to promote pollution prevention and environmental stewardship in Indiana.



TOYOTA NAMED 2023 GREEN SUPPLY CHAIN PARTNER

Toyota Material Handling was named a 2023 G75 Green Supply Chain Partner by Inbound Logistics magazine for leading the way with its sustainability initiatives. The list, curated annually by the editors of Inbound Logistics, recognizes 75 companies going above and beyond to prioritize green initiatives and help global supply chains become more sustainable.



PROSPERITY

At Toyota, we are committed to integrating sustainability into every aspect of our business operations. We believe that effective governance is essential for achieving our sustainability goals and ensuring long-term success. Our governance framework provides the structure and accountability necessary to drive sustainable practices throughout the organization. We believe that strong governance is fundamental in creating sustainable value for all our stakeholders.



ECOVADIS SUSTAINABILITY RATING



TMH completed its first EcoVadis assessment last year, earning a bronze status. EcoVadis scores participating companies on categories such as Environment, Labor & Human Rights, Ethics, and Sustainable Procurement and offers detailed feedback on areas for improvement. We recognize the importance of establishing a baseline with an organization globally recognized for key metrics in sustainability, and now that the first assessment has been completed, those benchmarks will allow for measurable results of our continuous improvement efforts in years to come.



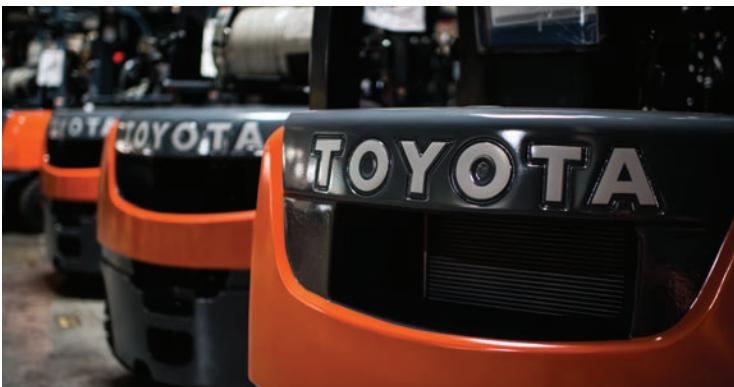
NORTH AMERICA'S BIGGEST AND BEST FORKLIFT DEALER NETWORK

MORE THAN 
3,800
 TECHNICIANS ON CALL

3,700 PLUS
 SERVICE VANS ON THE ROAD

 **60+** DEALERS ACROSS NORTH AMERICA

 **OVER 230** LOCATIONS



Toyota Material Handling's industry-leading dealer network covers all of North America to best support all of our customers and the products they rely on every day. Our dealers are committed to customers across the United States and Canada - before and after the sale.



NEW SUPPLIER SUSTAINABILITY SURVEY

Toyota has taken another significant stride towards advancing our sustainability mission by integrating a new supplier sustainability survey into our procurement process. Recognizing the crucial role suppliers play in shaping the overall environmental impact of our operations, we aim to ensure that its entire supply chain adheres to stringent sustainability standards. By implementing this survey, we strive to evaluate and monitor the environmental practices, social responsibility, and ethical conduct of our suppliers. This initiative underscores Toyota's unwavering commitment to driving positive change throughout the industry, fostering a culture of sustainability, and promoting responsible business practices across all stages of our production and distribution networks. Through this proactive approach, we hope to solidify our position as a leader in the pursuit of a greener and more sustainable future.





THE TOYOTA LEAN JOURNEY

After Sales Service Evaluations & Certification (ASEC) is the evaluation method used to promote KAIZEN activity in a dealer's parts and service operations.

ASEC applies the basic principles of 5S to continuously improve processes and develop their associates, which is foundational to building a lean organization and truly practicing Toyota Lean Management. The 5S principles are listed below.



THE 5S PRINCIPLES

- | | | |
|----------|----------------------------------|---|
| 1 | SORT
(SEIRI) | REMOVE UNNECESSARY ITEMS FROM THE WORK AREA |
| 2 | SYSTEMATIZE
(SEITON) | ORGANIZE ITEMS TO SUPPORT THE FLOW OF WORK |
| 3 | SHINE
(SEISO) | KEEP WORK AREA CLEAN SO PROBLEMS CAN BE IDENTIFIED |
| 4 | STANDARDIZE
(SEIKETSU) | SHARE PROCESSES TO GAIN POSITIVE RESULTS |
| 5 | SUSTAIN
(SHITSUKE) | MAINTAIN CONSISTENCY AND STRIVE FOR CONTINUOUS IMPROVEMENT |
-



TOYOTA LEAN MANAGEMENT

OUR COMMITMENT TO YOUR SUCCESS

Solving our customers’ problems starts with understanding them. At Toyota, we leverage Toyota Lean Management principles to evaluate your operation and help you achieve trackable and sustainable results.

The goal of Toyota Lean Management is waste reduction, and that is best achieved by organizing your operation with a firm commitment to sustainable lean processes. It’s like building a house situated on a firm foundation. From there, repeatable management practices of Toyota Lean Management, including 5S, standardized work, and other valuable management techniques help you maintain waste elimination processes.

When you work with Toyota to implement Toyota Lean Management as a business management practice, you’ll gain an understanding of both the concept and execution of these techniques -- all engineered to place you on a path to sustained optimization.



▶ **Toyota Lean Factory Experience**

You are invited to our facility in Columbus, IN -- focusing on lean tools, culture, and daily management meetings.

▶ **Customer Site Visits**

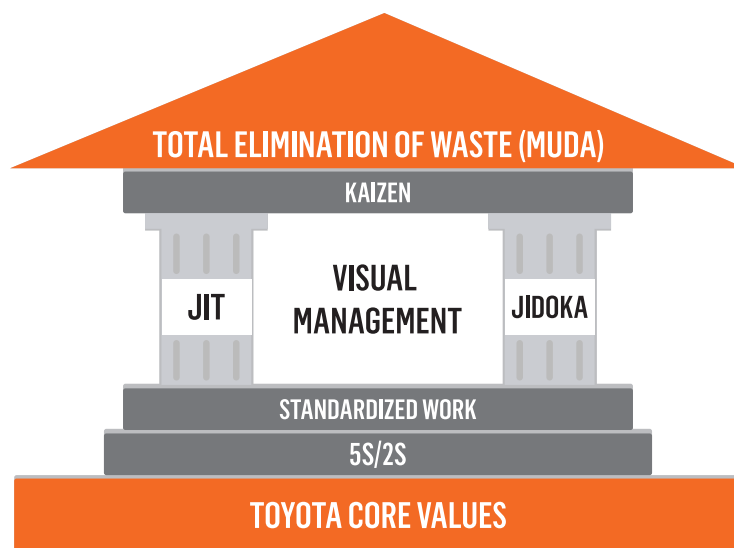
Toyota Lean Management advisors can come to your facility to observe and recommend the next steps on your lean journey.

▶ **1-Day Lean Training Course**

Our “Basics of TLM” course can be completed at your facility or at our Columbus, IN, factory.

▶ **3-Day Training At The Toyota Factory**

This 3-day course in Columbus, IN, digs deeper into lean topics and culture and allows you to see practical lean examples firsthand.





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