

2022 SUSTAINABILITY REPORT

Toyota Material Handling





TABLE OF CONTENTS

- 03 ABOUT US**
- 05 LETTER FROM THE PRESIDENT**
- 06 TICO ENVIRONMENTAL ACTION PLAN**
- 15 CO2 EMISSIONS REDUCTION PROJECTS**
- 18 PRODUCT SHOWCASE**
- 26 ASSOCIATE SAFETY**
- 31 DIVERSITY & INCLUSION**
- 34 CORPORATE SOCIAL RESPONSIBILITY**
- 41 TOYOTA LEAN MANAGEMENT**

ABOUT 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.

\$ 17,394,000,000+

TOTAL TICO SALES IN FYE2021

276

WORLDWIDE GROUP COMPANIES

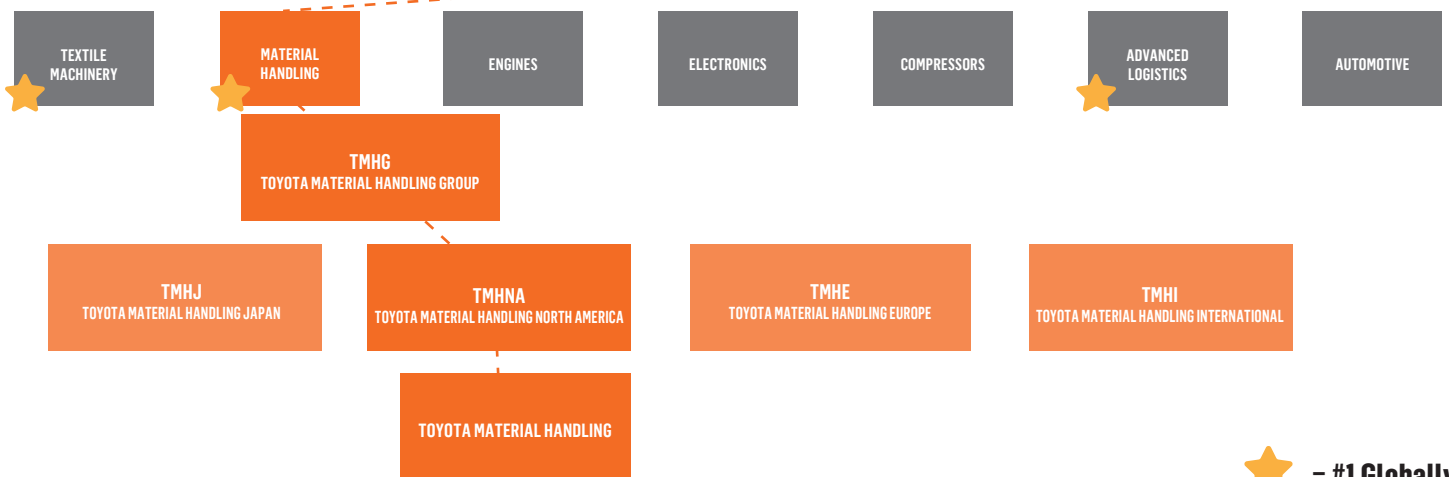
67,000+

EMPLOYEES GLOBALLY



Sakichi Toyoda
Founder

TOYOTA INDUSTRIES CORPORATION



★ = #1 Globally

ABOUT 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



LETTER FROM THE PRESIDENT

Thank you for taking the time to read our first annual Corporate Sustainability Report and for considering Toyota for your material handling needs.

I want to thank all of you for the ways you pulled together and continue to fight during a time of unprecedented adversity.

You are part of our Toyota family, and when we say 'We', we are talking about YOU.

We are an essential part of our country's supply chain.

We are grateful to be working when so many others are not.

Fortune smiles on those who raise their hand and carry the load, as all of you have done. These past two years have taught us there is no hill we can't climb, no fight we can't win.

We are serial problem solvers and nothing can stop us from doing what we are called to do by our Toyota Core Values. I believe in American exceptionalism. Exceptionalism that is rooted in humility. Humility that prods all of us to look within ourselves and admit that we can do better. **Humility** that reminds us that we are better together.

Humility that makes us exceptional not because of the things we do but because of the way we do things.

We can only sustain a better world for the future -- for our children and our grandchildren -- if we work together. At Toyota, we are doing everything we can to make that future a reality, and we thank you for joining us in that endeavor.

Kind Regards,



Bill Finerty | Toyota Material Handling | President & CEO

“

We can only sustain a better world for the future -- for our children and our grandchildren -- if we work together.

”





2022 Corporate Sustainability Report

SECTION 1

TOYOTA INDUSTRIES CORPORATION (TICO)
ENVIRONMENTAL ACTION PLAN



TICO Environmental Action Plan. The four pillars are:



ESTABLISHING A CARBON NEUTRAL SOCIETY

Globally take on challenge of establishing a zero CO2 emission society



ESTABLISHING A RECYCLING-BASED SOCIETY

Take on challenge of minimizing the use of resources



PROMOTING ENVIRONMENTAL MANAGEMENT

Enhance consolidated environmental management and promote enlightenment activities



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

Generate positive influence on biodiversity

The 4 Pillars of the TICO Environmental Action Plan



ESTABLISHING A CARBON NEUTRAL SOCIETY

Our goal is to reduce our plant's CO2 emissions by 32%, the equivalent to approximately **13,000 metric tons of CO2** over the 7-year period. Toyota Material Handling is committing to a minimum of 15% renewable energy ratio. See the TMH Partnerships section to learn more about our partnership with HoosierEnergy.

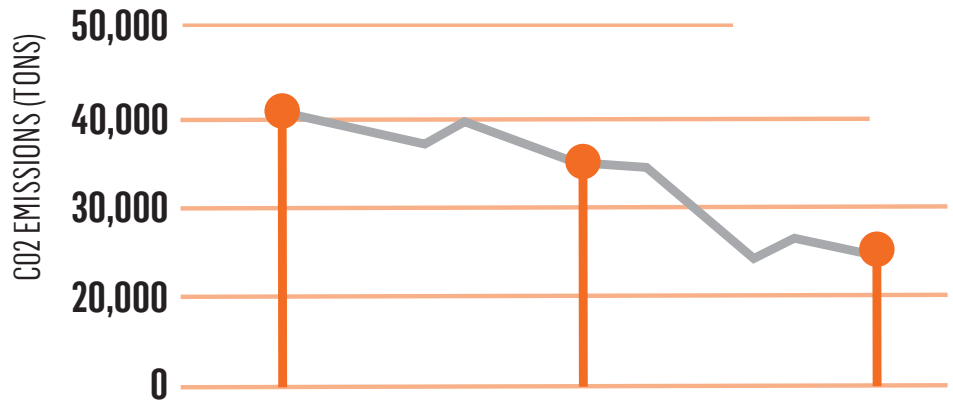


Toyota Material Handling is committed to a minimum of a 15% renewable energy ratio

32,671,572 

miles driven by an average passenger vehicle is the equivalent to our target of 13,000 metric tons of CO2

Actual Results FYE19 -> FYE21



- **Carbon Neutral Society**
- Recycling-Based Society
- Environmental Management
- Environmental Risk Reduction & Society In Harmony With Nature

The 4 Pillars of the TICO Environmental Action Plan

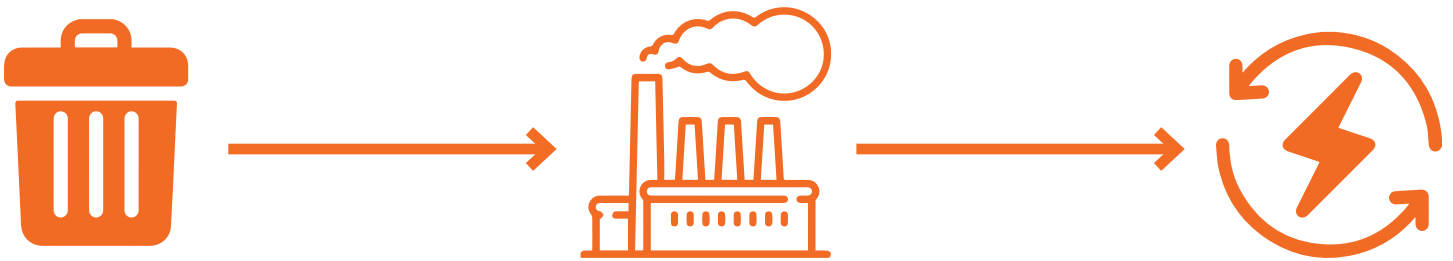


ESTABLISHING A RECYCLING-BASED SOCIETY

TMH is a landfill free facility. We have sent **zero waste material** to a landfill for over 17 years. On average, we divert approximately 400 tons of waste from going to a landfill annually. Instead, we send waste that cannot be recycled to a waste-to-energy facility.



400 tons of waste is diverted from landfills annually, enough to fill up four full swimming pools.



TMH promotes recycling within our plant. We recycle numerous materials, such as:



PAPER



SCRAP METAL



CARDBOARD



PLASTIC



WOOD



ALUMINUM

On average, we send over 5,500 metric tons of material to be recycled/reused annually, a savings in greenhouse gas emissions equivalent to 540,275 gallons of diesel gasoline consumed.

- Carbon Neutral Society
- **Recycling-Based Society**
- Environmental Management
- Environmental Risk Reduction & Society In Harmony With Nature

The 4 Pillars of the TICO Environmental Action Plan



PROMOTING ENVIRONMENTAL MANAGEMENT

ISO 14001 ENVIRONMENTAL MANAGEMENT SYSTEM

Toyota Material Handling has been an ISO 14001 certified facility since 1999. This certification involves conforming to a framework to ensure effective environmental management and continual improvement.

We obtain 3rd party verification through audits twice each year.



ENVIRONMENTAL POLICY – COMPLY, PREVENT, CONTINUALLY IMPROVE (CPC)

C

Comply with applicable legal requirements and with other requirements to which it subscribes.

P

Prevent pollution through environmentally sound practices.

C

Continually improve our processes to protect each of us, our families and our communities.

SUPPLIER/PURCHASING SELECTION

Our Supply Chain team executes a comprehensive supplier selection process that considers environmental performance as one key indicator when choosing potential suppliers and vendors.



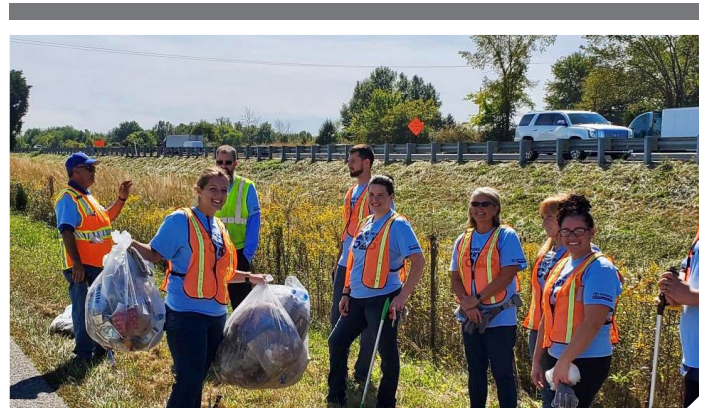
- Carbon Neutral Society
- Recycling-Based Society
- **Environmental Management**
- Environmental Risk Reduction & Society In Harmony With Nature

The 4 Pillars of the TICO Environmental Action Plan



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

COMMUNITY OUTREACH



We have reduced volatile organic compound (VOC) emissions and hazardous waste through production efficiencies in the paint shop.

PAINT ROBOT/AUTOMATION IMPROVEMENTS

Targeting improved transfer efficiency and reducing overspray/waste

SOLVENT RECYCLING

Invested in equipment to reuse solvent and reduce hazardous waste

- Carbon Neutral Society
- Recycling-Based Society
- Environmental Management
- **Environmental Risk Reduction & Society In Harmony With Nature**

The 4 Pillars of the TICO Environmental Action Plan

COMPLIANCE



Environmental Stewardship Program (ESP)

This is a voluntary, performance-based leadership program administered by the Indiana Department of Environmental Management (IDEM) and designed to recognize and reward entities for going above and beyond current environmental regulations.



Partners for Pollution Prevention (P2)

P2 is an organization comprised of Indiana industries, businesses, nonprofit organizations, and governmental entities that are interested in pollution prevention and the financial and environmental benefits P2 projects can bring.

ASSOCIATE ENVIRONMENTAL AWARENESS



Toyota Material Handling recognizes Earth Day for an entire week each year. We plan community service events and share educational content with our Associates on our app each day to draw attention to eco-friendly causes.



Each month, we highlight a different environmental topic to raise awareness and encourage Associates to participate in environmentally friendly activities.

INDIANA GOVERNOR'S AWARD

FOR ENVIRONMENTAL EXCELLENCE

Toyota Material Handling was recognized with the 2021 Indiana Governor's Award for Environmental Excellence in the 'Five Year Continuous Improvement' category for the company's Carbon Dioxide (CO₂) reduction projects. This is the fourth time Toyota Material Handling has earned a Governor's Award for Environmental Excellence, and the third for 'Five Year Continuous Improvement'.

Since 2018, TMH's CO₂ reduction projects have resulted in a **22% reduction in electricity consumption, a 23% reduction in natural**

gas consumption, and a 37% reduction in CO₂ emissions.



"This accomplishment wouldn't be possible without the hard work of the Environmental Health and Safety (EHS), manufacturing, maintenance, and production engineering teams at our factory in Columbus," said Brian Egloff, TMH Director of Engineering. "Toyota Material Handling has made sustainability a priority on our operations and engineering roadmap, which guides the annual 'kaizen' (continuous improvement) activity in each department. Through daily energy management, ongoing investments in renewable energy, and special projects to reduce our energy consumption, we're making excellent progress toward our CO₂ reduction targets. We're honored to be recognized for this and our other environmental conservation efforts."

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.



INDIANA GOVERNOR'S AWARD FOR ENVIRONMENTAL EXCELLENCE

"We are excited to recognize our 2021 Governor's Award winners for their efforts in innovation, waste reduction, and improvements to Indiana's environment," said IDEM Commissioner Bruno Pigott. "These award winners are paving the way for other organizations to learn how to increase environmental protection efforts in the state."

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 processes, including the Toyota Production System (TPS), 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," Egloff said. "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."



“

Our efforts are guided by the Global Environmental Commitment established by TICO. 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.

”

Brian Egloff
Toyota Material Handling
Director of Engineering

TMH: SINCE 2018

22%

REDUCTION IN
ELECTRICITY CONSUMPTION

23%

REDUCTION IN NATURAL
GAS CONSUMPTION

37%

REDUCTION IN CO2 EMISSIONS



2022 Corporate Sustainability Report

SECTION 2

CO2 EMISSIONS REDUCTION PROJECTS



LED LIGHTING & CONTROLS



approx. 200 t-CO₂/year savings

Beginning in 2015, we began a multi-year project to convert lighting in our more than one million square foot facility to more energy efficient LED lighting.

Toyota's investigation in more efficient equipment technologies launched the replacement of roughly **1300 metal halide high bay lighting fixtures.**

The fixture upgrades to LED reduced each fixtures power requirements from 1100W to 500W. **This produced roughly 1.2 million KWh in yearly savings.**

In addition to the lighting upgrades, we also invested in an occupancy detection system that will automatically turn off lights in our manufacturing plant during off shifts when no motion is detected.

This smart system is also capable of adjusting light levels based on a lighting schedule built by our production engineering group.

AIR LEAK DETECTION



approx. 350 t-CO₂/year savings

At the end of 2019, Toyota Material Handling purchased a sophisticated device to detect air leaks in our plants compressed air system.

Many of our manufacturing processes utilize compressed air for equipment operations and tooling. Through normal use and operation, air lines and couplings can develop leaks over time.

The purchase of the air leak detection device, and the subsequent campaign focused on identifying and repairing leaks, has proven to be a **very valuable project in reducing energy use.**

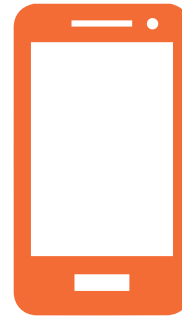
POWER & GAS MONITORING SYSTEMS



Toyota has installed both a Power Monitoring System and a Natural Gas Monitoring system to monitor consumption and find areas of potential improvements.

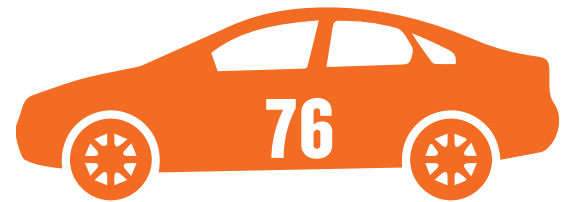
These monitoring systems have **led to several other energy efficiency projects**, like the air compressor project and air leak detection and repair.

These systems ultimately allow us to find the **"energy vampires"** within our facility and give us evidence to support investing in new innovative technologies.



103,447,214

PHONES CHARGED IS THE EQUIVALENT TO THE 1.2 MILLION KWH TOYOTA MATERIAL HANDLING SAVED BY UPGRADING TO LED FIXTURES



PASSENGER VEHICLES DRIVEN FOR ONE YEAR, THE EQUIVALENT TO THE CO₂ SAVINGS FROM OUR AIR LEAK DETECTION DEVICE ALONE



245

HOMES' ELECTRICITY USE FOR A YEAR IS THE EQUIVALENT OF THE COMBINED CO₂ SAVINGS OF THESE EFFORTS

AIR COMPRESSOR IMPROVEMENTS



approx. 435 t-CO₂/year savings

Beginning in 2018, our production engineering department began investigating opportunities to increase the efficiency of our plant's air compressor system.

Air usage was not balanced and led to an uneven utilization of the air compressors.

We invested in an air compressor control system that could **monitor usage and reduce modulation.**

After studying the results of the monitoring system, changes were made to the air compressor units to create more balance and efficiency.

A new variable frequency drive (VFD) air compressor was installed in July 2020.



48,948

GALLONS OF GASOLINE

IS THE EQUIVALENT TO THE CO₂ SAVINGS FROM TOYOTA MATERIAL HANDLING'S AIR COMPRESSOR IMPROVEMENTS

WELD FUME COLLECTION SYSTEMS



approx. 370 t-CO₂/year savings

We have installed **18 weld fume collection systems** since December 2016 to reduce weld fume exposure from manual and robotic weld processes and reduce the amount of air turnovers in the plant, thereby reducing energy consumption.

Installing the collectors has provided a **healthier, more efficient, and effective work environment** for our Associates.

In addition, we are saving energy and reducing the amount of weld dust getting exhausted into the plant environment.



1,100-1,320

GALLONS OF WELD DUST GATHERED BY COLLECTION SYSTEMS



THESE ENERGY SAVINGS REDUCE THE PLANT'S ENVIRONMENTAL IMPACT



2022 Corporate Sustainability Report

SECTION 3

PRODUCT SHOWCASE



CORE ELECTRIC FORKLIFT

The Toyota Core Electric Forklift is an ideal compact four-wheel electric lift truck solution for most indoor and warehouse applications. The Core Electric Forklift is capable of moving almost any standard load while maintaining the ability to fully operate in spaces as narrow as 11-feet wide.

“Toyota is an excellent brand and we will continue to purchase or lease Toyota Forklifts. I would highly recommend Toyota to other companies and colleagues.” -Lynne M Middleboro, MA ★★★★★

Warehouse reconfiguration can help drive efficiency to match accelerating demand. Toyota supplies the equipment necessary to meet material handling challenges when racks get closer and aisles get more narrow.

The Toyota Core Electric Turret Forklift features a Cascade mast and turret head, offering the ability to stack at 90-degree angles for increased productivity in even the most narrow aisles.

Toyota's **Core Electric Forklift** launched in 2020 as the first model to be completely designed and developed by our local engineering team in Columbus.

The model offers limitless special designs to meet wide-ranging customer needs. Toyota's local engineering team continues to grow as they continue to develop many new, exciting products.



“By engineering products closer to our customers, we ensure their voices are heard, and their needs are reflected in every detail of our designs.”

Josh Linnemann
Toyota Material Handling
Vice President of Engineering

AUTOMATED SOLUTIONS



Automated Guided Vehicles (AGVs) are increasingly becoming a mainstay in manufacturing facilities and distribution center operations where tasks are highly standardized, repetitive, and easily accomplished without need of advanced human management.

AGV TYPES

- **Vision Guided Vehicles (VGVs):** integrate easily into your existing infrastructure by using 3D modeling technology to build a map of your facility and operate within it – no wire guidance needed.
- **Wire, RFID, and Tape AGVs:** These wire guided and similar driverless vehicles follow a specified path generally built into or taped to the floor of the facility. This technology is also used for Tugger AGVs and Cart AGVs.
- **Laser AGVs:** Laser AGVs respond to multiple fixed points identified by mounted or integrated laser technology, allowing for a more flexible integration than Wire AGVs.



MOUSE & MOLE AGCs

Toyota's Mouse and Mole Automated Guided Carts (AGCs) offer simple and versatile automation solutions that handle repeatable tasks and connect islands of production with ease. With capacities up to 4,400 lbs. and a customizable design to fit your needs, your operation will be able to maximize productivity through reliable and on-time automated station delivery.



AUTOMATED SOLUTIONS



CORE TOW TRACTOR AUTOMATED FORKLIFT

The intelligent Toyota Core Tow Tractor Automated Forklift combines the cutting-edge of automation technology with the reliability of Toyota's dependable Tow Tractor, including up to 10,000 pounds of towing capacity.

Utilizing advanced sensors for mapped-object detection and a seamless integration to already successful operations, this automated towing solution will lower operating costs and improve efficiency in repetitive tasks.



CENTER-CONTROLLED RIDER AUTOMATED FORKLIFT



The innovative Toyota Center-Controlled Rider Automated Forklift uses advanced technology in environmental detection to automate repetitive tasks in the warehouse.

Utilizing advanced sensors for cutting-edge, mapped-object detection, it merges the legendary dependability of Toyota warehouse equipment with the latest in automation advancement to lower costs and streamline operations.



24V

ELECTRICAL SYSTEM

AC

DRIVE SYSTEM

ELECTRIC PNEUMATIC FORKLIFTS

Rugged enough to perform at levels similar to their internal combustion counterparts while running on a battery, Toyota's 48V & 80V Electric Pneumatic Forklifts maintain clean air and low maintenance but perform like traditional gas-powered trucks.

When you need raw power to tackle outdoor challenges and efficient, environmentally friendly operation indoors, look no further than Toyota's Electric Pneumatic Forklifts.

360 DEGREES OF QUALITY, DURABILITY, RELIABILITY & VALUE

- 48-Volt & 80-Volt Electrical System
- AC Drive and Lift Motors
- Low Energy Consumption
- Environmental Options Available



48V

3,000 - 4,000 lbs.



80V

5,000 - 17,500 lbs.

ELECTRIC WAREHOUSE PRODUCTS

At Toyota, we're uniquely positioned to help you solve wide-ranging challenges in warehousing and distribution while keeping the environment in mind. Built for every application, Toyota can provide the most complete set of solutions for material handling, automation, energy, advanced logistics, and warehouse optimization.

Toyota is here to help optimize your business for maximum efficiency. Utilizing Toyota Lean Management principles, we can provide insights and develop appropriate plans to tackle your specific operational needs. This unique approach to optimization and elimination of waste can help you build a sustainable lean culture which, coupled with our environmentally friendly products, can create lasting process improvement.

FURNITURE ORDER PICKER



STAND-UP RIDER FORKLIFT



ENCLOSED END RIDER



LOW LEVEL ORDER PICKER



CONSIDERATIONS

- ▶ How quickly you can move a product isn't always as important as how you move the product. Analyze your processes first.
- ▶ Forklift acceleration, travel speed, lift/lower speeds, and many other factors all impact throughput.
- ▶ Each application is different. Consider how tools can help your operators perform jobs more efficiently.

ELECTRIC WAREHOUSE PRODUCTS

LARGEST REACH TRUCK LINEUP IN THE INDUSTRY

At Toyota, We have a simple mission statement. We exist to help people carry the load. While this is true, in a literal sense, given that over 750,000 Toyota Forklifts have been produced in North America, it extends beyond the equipment we produce.

Sure, the Toyota Production System and the use of Toyota Genuine parts enable us to build high-quality forklifts with a low cost of ownership. However, our true goal as a leading solutions provider is to solve our customers' problems through a devotion to continuous improvement, thoughtful design, and – most of all – close collaboration with people on the frontlines who help keep the world's supply chain moving.

It's why we've expanded our solutions offering well beyond our industry-leading lineup of forklifts to offer the industry's largest lineup of reach trucks. Toyota's emission-free Reach Trucks are environmentally friendly without sacrificing performance. They enable you to reach higher, work smarter, and be comfortably productive whether you're moving from dock-to-stock, stock-to-dock, or anywhere in between.



MOVING MAST REACH TRUCK



INDOOR/OUTDOOR MOVING MAST REACH TRUCK

AUTOMATIC SPEED CONTROL

**CUSTOMIZABLE PERFORMANCE
& OPERATING CHARACTERISTICS**

ELECTRIC WAREHOUSE PRODUCTS

LARGEST REACH TRUCK LINEUP IN THE INDUSTRY

Warehouse managers are continually tasked with doing more with less. Toyota dealers help you meet your throughput demands in a variety of ways, whether by ensuring you are using the correct quantity and type of equipment or by helping with material flow paths. You may consider:

- ▶ Using equipment that allows you to be flexible with product storage to improve efficiency
- ▶ Building higher is typically much easier and cheaper than building wider
- ▶ Using narrower aisles will allow you to increase storage density

ZERO EMISSIONS & AC LIFT & DRIVE MOTORS



HIGH CAPACITY REACH TRUCK



REACH TRUCK



MULTIDIRECTIONAL REACH TRUCK



2022 Corporate Sustainability Report

SECTION 4

ASSOCIATE SAFETY



TMH ASSOCIATE SAFETY

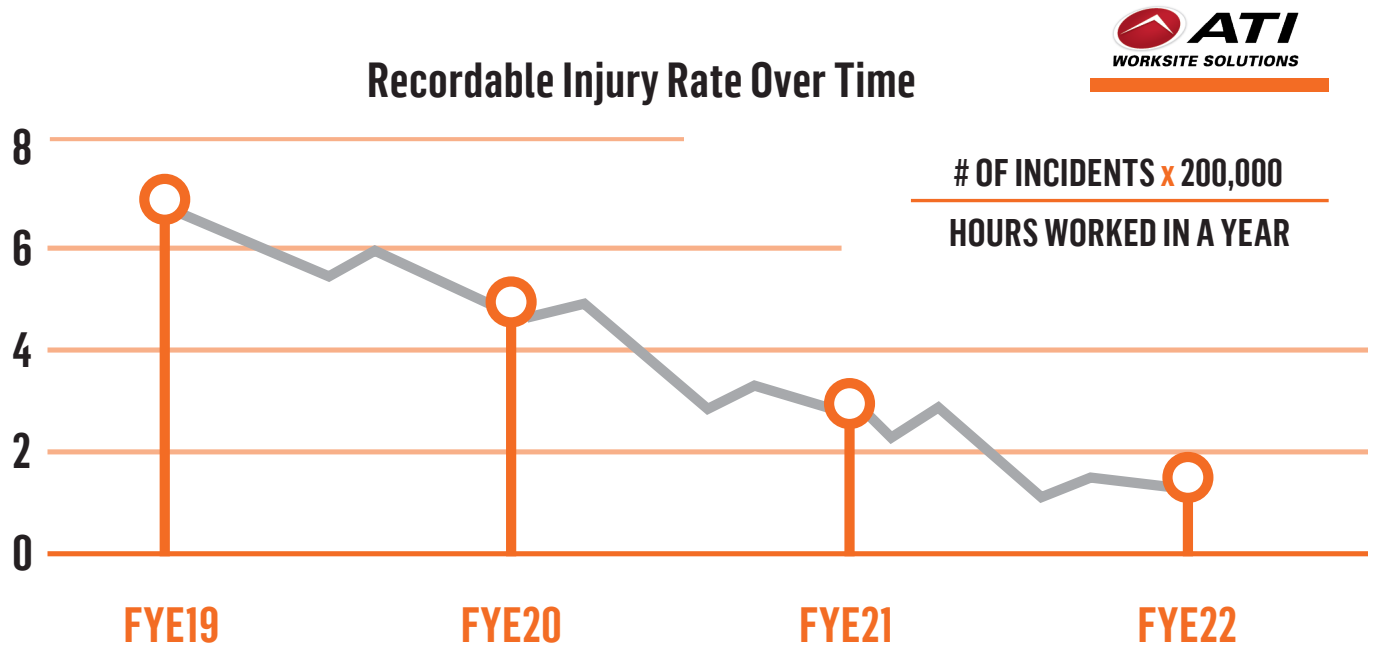
Toyota is committed to providing a clean, safe, and healthy working environment for all Associates, customers and other visitors. Our ultimate goal is to prevent accidents and injuries in the workplace.

RECORDABLE INJURY RATE

We have made tremendous strides in the reduction of workplace recordable injuries in the last several years due to the continuous improvement to our safety culture. TMH has partnered with ATI Worksite Solutions to provide onsite early-intervention services for a proactive prevention-based approach to occupational health & wellness. Since they were brought onsite in 2020, ATI has made over 3,000 separate Associate encounters – providing job coaching, wellness tips, stretching programs, and more!



Since they were brought onsite in 2020, ATI has made over 3,000 separate Associate encounters.

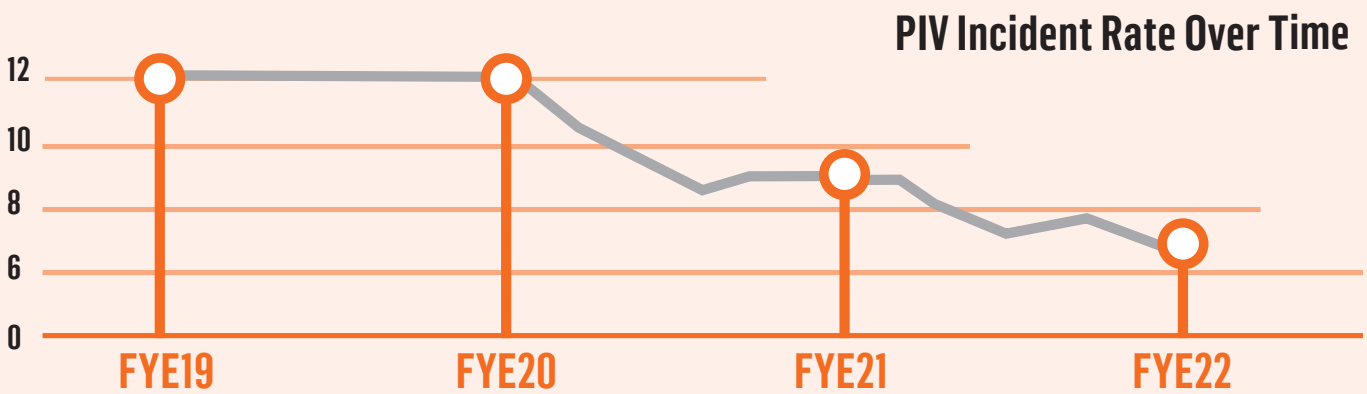


The number of incidents, multiplied by 200,000, then divided by the total number of hours worked in a year. The number 200,000 is used because it is the total number of hours 100 employees would work in a year (100 workers x 40 hours x 50 weeks).

TMH ASSOCIATE SAFETY

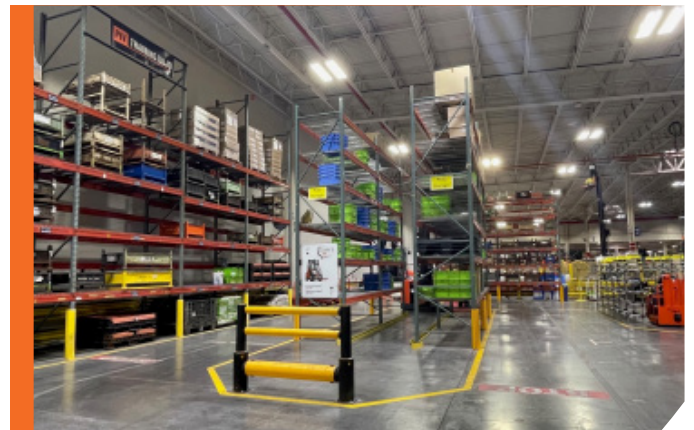
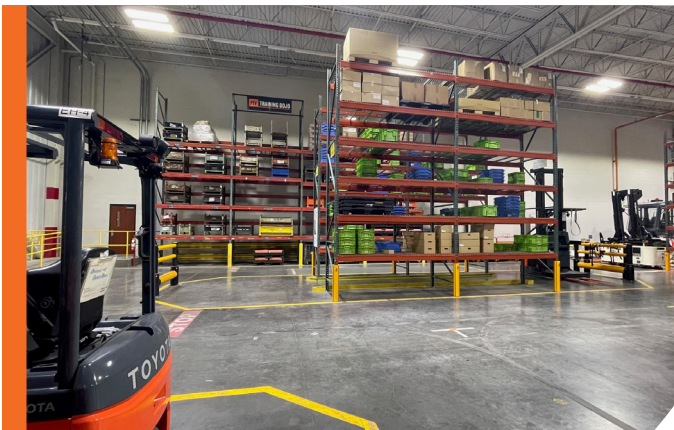
POWERED INDUSTRIAL VEHICLE (PIV) SAFETY

TMH is proud to offer Associates a designated space for general safety and powered industrial vehicle (PIV) training. These areas allow Associates to interact with tools, equipment, and safety devices and ask questions in order to better prepare to work on the shop floor. The PIV training space is an excellent simulation of a real shop floor environment and allows Associates to become familiar with equipment operation in a safe and controlled space. We believe that this type of hands-on training sets Associates up for long-term success.



PIV Incident Rate = # PIV incidents x 200,000 / total hours worked

SAFETY AND POWERED INDUSTRIAL VEHICLE (PIV) DOJO TRAINING AREAS



TMH ASSOCIATE SAFETY

COLLABORATIVE SAFETY AUDITS

Each week, a collaborative team of manufacturing leaders complete safety conduct audits of shop departments with a goal of inspecting every department in the plant at least two times per year. By using auditing software, we are able to assign action items and ensure prompt follow-up on any findings. This activity has increased leadership engagement in safety and is just one of many factors leading to a reduction in our total safety incident rate.

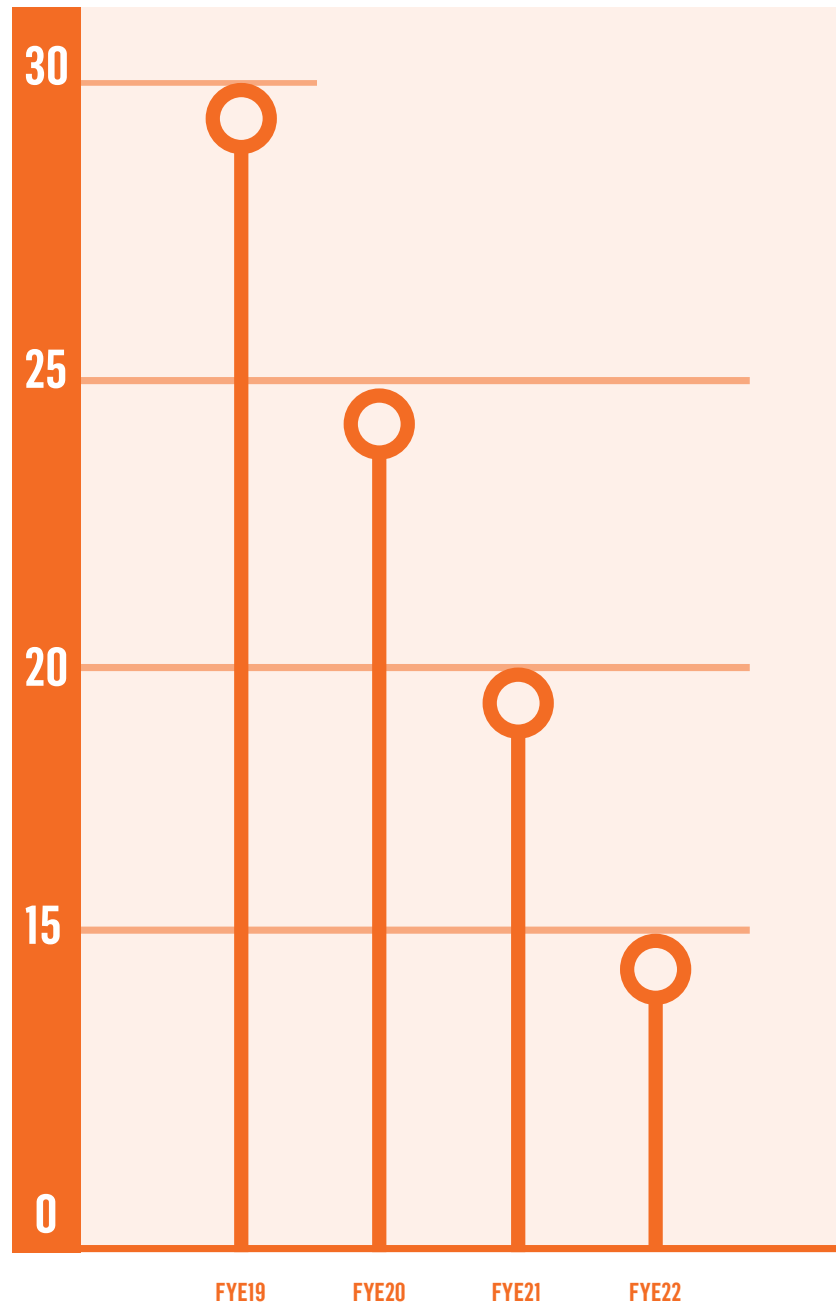
MONTHLY SAFETY TRAINING FOR LEADERSHIP

Our Environmental Health and Safety (EHS) team conducts safety training for shop leaders every month. By highlighting different safety topics and reviewing safety KPIs, we're able to stimulate continuous improvement activities while keeping our leadership team up to date on the latest safety requirements.

ASSOCIATE SAFETY COMMITTEE

Each department on our shop floor has an Associate Safety Committee member representing their area. These committee members meet monthly to review safety concerns and share ideas. They also conduct their own weekly safety inspections and turn in audit reports to the Safety team. We believe Associate involvement is crucial for building and maintaining a strong safety culture.

TOTAL SAFETY INCIDENT RATE OVER TIME



Total Safety Incident Rate = # injury incidents (first aids & OSHA recordables) + PIV x 200,000 / total hours worked

COVID-19 TAKEAWAYS

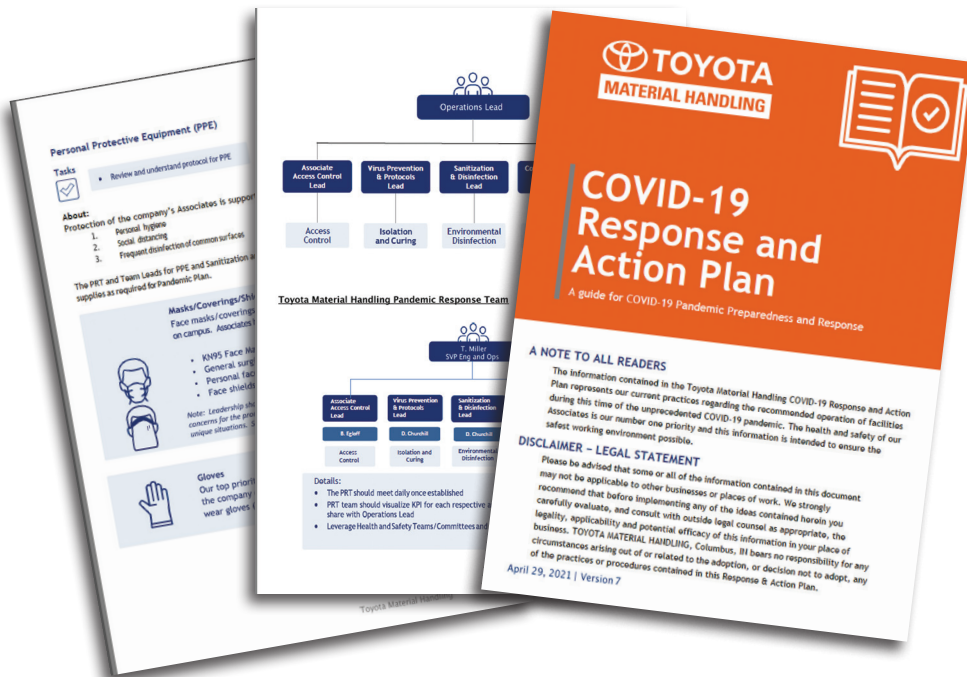
While COVID-19 created obstacles to typical in-person events, Toyota Associates participated in several virtual philanthropic activities including an online silent auction and virtual poverty simulation. During the simulation, United Way staff members walked participants through the tough choices individuals and families must make when living below the poverty line.

With deep discussions about the impact these choices have on families' well being and mental health, Associates walked away with a new appreciation for the work done by many non-profit agencies and a greater respect for those in their community and around the world.



Toyota Material Handling spent much of the last two years adapting to new and innovative ways of doing business. Many of our largest internal meetings and events transitioned to an online virtual format.

In the spirit of continuous improvement, we also developed a comprehensive COVID-19 Response and Action Plan to ensure we're completely prepared for similar types of challenges in the future. We believe it's our duty to contribute to the greater good, so we've made the Response and Action Plan available to everyone -- our dealers, customers, suppliers, as well as the general public.





2022 Corporate Sustainability Report

SECTION 5

DIVERSITY & INCLUSION

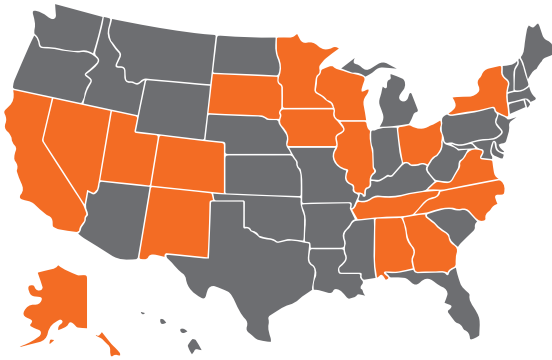


DIVERSITY: DEALERS & SUPPLIERS

22% of TMH's 64 dealer organizations are diversity owned or classified as small businesses, spanning across the country.

The states and dealerships include:

Alaska (All Pro Alaska), California (Madland Toyota-Lift, Southwest Toyotalift, Watts Equipment Company), Nevada (Industrial Handling Equipment, Southwest Toyotalift), Colorado (Welch Equipment Company), South Dakota (Lift Pro Equipment Co.), Wisconsin (Conger Toyota-Lift), Illinois (Bahrns Toyotalift), Ohio (Williams Toyota Lift), Tennessee (Kenco Toyota-Lift), North Carolina (Atlantic Coast Toyotalift), New York (JIT Toyota-Lift), Virginia (Atlantic Coast Toyotalift), Alabama (Kenco Toyota-Lift), Minnesota (Lift Pro Equipment Co.), Iowa (Lift Pro Equipment Co.), New Mexico (Welch Equipment Company), Utah (Welch Equipment Company), Georgia (Kenco Toyota-Lift).



"We believe it's not only important to support and promote diversity and inclusion at a corporate level, but in local communities all across the country through our industry-leading dealer network," said Lea Ann King, TMH's General Counsel.

TMH also promotes diversity through the suppliers we choose to source our materials from. We currently do business with 213 minority-owned suppliers, and in 2021, \$24M of our total supplier spend went to minority-owned businesses.



“ We believe it's not only important to support and promote diversity and inclusion at a corporate level, but in local communities all across the country through our industry-leading dealer network. ”

Lea Ann King
Toyota Material Handling
General Counsel

22%

OF TMH'S DEALER ORGANIZATIONS ARE DIVERSITY OWNED OR CLASSIFIED AS SMALL BUSINESSES

\$24,000,000

OF OUR TOTAL SUPPLIER SPEND WENT TO MINORITY-OWNED BUSINESSES

213

SUPPLIERS DOING BUSINESS WITH TOYOTA MATERIAL HANDLING ARE MINORITY OWNED

T WIN

Toyota Women's Impact Network

PURPOSE STATEMENT

To remain competitive, we must be more successful at tapping into the 50% of the workforce that women represent.

MISSION STATEMENT

Through its leadership structure, educational opportunities, and networking events, T-WIN provides resources for growth, development, and inclusion for all Associates at Toyota Material Handling.

Anybody in the Toyota family can take advantage of T-WIN opportunities for education, networking, and leadership. We partner with area schools, colleges, and universities to identify opportunities to educate students about working for a corporation and material handling as a career choice, both at TMH and at our dealerships across North America.

Whether we're simply attending a partner's event or serving as a presenter, we're making an impact and promoting diversity and inclusion in our company and industry by attracting people who otherwise might not have knowledge of the field.

Through creative networking opportunities — such as speed networking, mentoring, and mixers — we're making career-shaping introductions, developing valuable personal and professional relationships, and fostering an environment where ideas and resources are shared more broadly.

This also includes programming that will be especially meaningful to working parents, with many speaker topics, knowledge sharing, and other resources designed to meet the unique needs of moms and dads juggling a career and children.



2022 Corporate Sustainability Report

SECTION 6

CORPORATE SOCIAL RESPONSIBILITY



HELPING PEOPLE CARRY THE LOAD



American Red Cross

Toyota Material Handling is proud to offer all office Associates with **16 hours of paid volunteer time** each fiscal year, as well as **eight paid volunteer hours** for our hourly Associates. While eight of the 16 hours are encouraged to be used to support the American Red Cross partnership, we encourage Associates to use the other eight hours to pursue causes they're passionate about with organizations that they can continue to build relationships with. Last year, TMH Associates used approximately 55.6% of all available community service hours, up nearly 400% from 2020.

We track these hours closely in an effort to measure the impact all Associates are making in their communities. We are committed to providing all of the necessary support to help our Associates, find and connect with organizations, and organize opportunities for Associates to engage with the community.



Throughout the year, many Associates used their hours to support causes directly related to their everyday work, such as partnering with IUPUI to modify Power Wheels for children with disabilities through the GoBabyGo organization, and serving as LEGO robotic league mentors.

Others used the community service hours as a way to further connect with their peers, while positively impacting the world around them. Several departments created a team-building event centered around a community service project, such as building a house for Habitat for Humanity. Another group visited San Souci, a local non-profit that not only provides families with clothing, but also trains individuals with poor labor market prospects to re-enter the workforce.

BLOOD DRIVES

At times during the COVID-19 pandemic, blood supplies reached a critically low level. In an effort to assist in sustaining blood supplies across the country, we partnered with the Red Cross to host **three blood drives** on our Indiana campus to provide Associates an easy opportunity to donate.

275

units of blood donated

825

lives helped by TMH



CORPORATE PARTNERSHIPS



American Red Cross

With a global pandemic causing nationwide quarantines and stay at home orders, the day-to-day routines of individuals and families have been turned upside down.

Students had to adapt to online school programs, while organizations and businesses had to pivot their operations and strategic focus – learning to operate while practicing social distancing and adhering to rigid safety protocols.

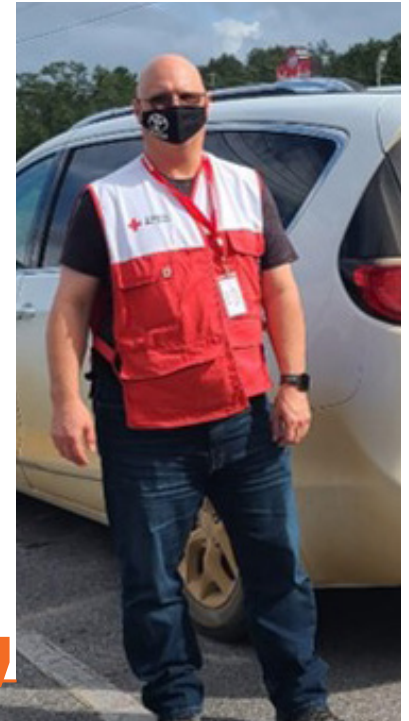
For many, it seemed like every aspect of daily life changed as a new normal was forged. Through this new normal, however, TMH's mission of "Helping People Carry The Load" remained strong and steadfast.

TMH Associates remained flexible, creative, and dedicated to helping each other and the communities in which we live and work through strategic partnerships and volunteer efforts.

Toyota and its industry-leading dealer network responded to 11 natural disasters. TMH also supported Associates like strategic account executive Dean Stewart in his role as a Disaster Action Team Leader by providing him with two weeks paid community service time to support the disaster response efforts in Florida after Hurricane Sally.

Toyota's partnership with the American Red Cross has focused on our company's core purpose: **"Helping People Carry the Load"**. While disaster relief continues to remain the cornerstone of the partnership, Toyota Material Handling has continued to support the American Red Cross in every aspect of their mission - preventing and alleviating human suffering in the face of emergencies by mobilizing the power of volunteers and the generosity of donors.

“ I’m extremely fortunate to work for a company that doesn’t just say that helping others is important, but actively encourages and supports its people to be there for others in their time of greatest need. What else could you really ask for? ”



Dean Stewart
Toyota Strategic Account Executive

“ Toyota's partnership with the American Red Cross has focused on our company's core purpose: **Helping People Carry The Load.** ”

CORPORATE PARTNERSHIPS

United
Way



ANNUAL GIVING CAMPAIGN



The partnership between TMH and the United Way of Bartholomew County began **in 1997** with the participation of TMH Associates in an annual giving campaign. The campaign focuses on raising money to support the United Way's partner agencies. Through the partner agencies, the United Way works to **"Help People Carry the Load"** with services and assistance to those most at need.

While the COVID-19 pandemic impacted traditional volunteer efforts, Toyota Material Handling worked with United Way and their partner agencies to find creative ways to engage, educate, and support the community through programming and services across Bartholomew County.

At the heart of TMH's partnership with United Way is its annual giving campaign. Through fun activities and educational experiences, TMH provides Associates the chance to pledge donations to non-profits contributing to causes they are passionate about. With a focus on United Way and their **17 partner agencies**, Associates can make a one-time donation, opt into payroll deduction, or participate in activities such as bake sales and lunch and learns.



In 2021, TMH raised just over \$103,000 during our Annual Giving Campaign, with over 150 Associates participating.

CORPORATE PARTNERSHIPS



FOUNDATION FOR YOUTH

Toyota Material Handling recognizes that youth are our most valuable asset when looking at the future, and has continued to support the United Way's Foundation for Youth financially and through volunteer activity. The Foundation for Youth serves young people in the community through their programs and services, focusing on the at-risk populations.

330

hours of volunteer work completed by TMH Associates for the United Way's Foundation for Youth

80

volunteers provided donated time to the Foundation for Youth



In 2021, TMH was named Foundation for Youth's Corporate Partner of the Year. From gardening and mulching to trail work and refinishing decks, 80 Toyota Associates completed over 330 hours of work for Foundation for Youth programs.

ANNUAL DAY OF SERVICE

Each September, hundreds of volunteers come together throughout Bartholomew County to participate in the **United Way's Annual Day of Service**. Groups of volunteers complete projects for the United Way's partner agencies and work to improve the lives of Columbus community members.



20
TMH Associates



160
hours of support for United Way

CORPORATE PARTNERSHIPS

ADOPT-A-ROAD

Toyota Material Handling has always prided itself on the cleanliness of the company's campus - both inside and out. The Adopt-a-Road program creates a partnership between the county and local businesses and organizations. The adopting company or organization pledges to keep the area of adopted road clean and free from trash or debris. Twice a year, our Associates spend an afternoon picking up trash and debris from the roadway to recycle or dispose of correctly. In 2021, **Associates picked up 250 pounds of trash** during two Adopt-A-Road clean-up volunteer opportunities.



TMH'S ENVIRONMENTAL WEEK

To celebrate Earth Day and raise environmental awareness across the company, Toyota Material Handling hosted its first annual Environmental Week in 2021. Each day focused on a separate environmental topic and provided Associates with tips on how to contribute to environmental sustainability. A related daily challenge was also posted on our Associate communication app and Associates were encouraged to submit photos related to the day's challenge. TMH's Environmental Week encouraged Associate education, friendly competition, and an increased engagement in the company's environmental initiatives.



CORPORATE PARTNERSHIPS



TMH Associates volunteer for roadside clean-up every spring and fall. This activity continually yields hundreds of pounds of roadside litter – helping to keep our communities clean and protecting our environment.



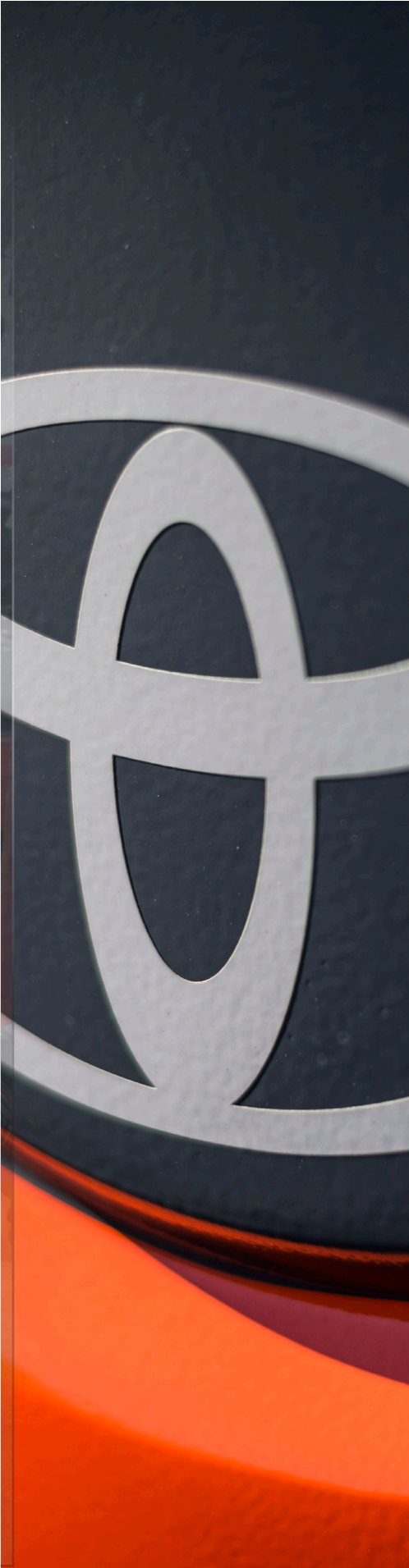
“Each April, in honor of Earth Day and Arbor Day, TMH purchases thousands of tree saplings from the State Nursery to be donated. In the 15+ years of this program, TMH has distributed over 30,000 tree saplings to our Associates and the community.



TMH has partnered with ATI Worksite Solutions to provide onsite early-intervention services for a proactive prevention-based approach to occupational health & wellness.



We currently partner with our local electric utility provider (REMC/Hoosier Energy) to purchase/invest in renewable energy credits (RECs) in the form of wind energy. We purchase 25% of our electrical consumption in the form of renewable energy.



2022 Corporate Sustainability Report

SECTION 7

TOYOTA LEAN MANAGEMENT



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 INCLUDE:

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

TOYOTA LEAN MANAGEMENT

OUR COMMITMENT TO YOUR SUCCESS

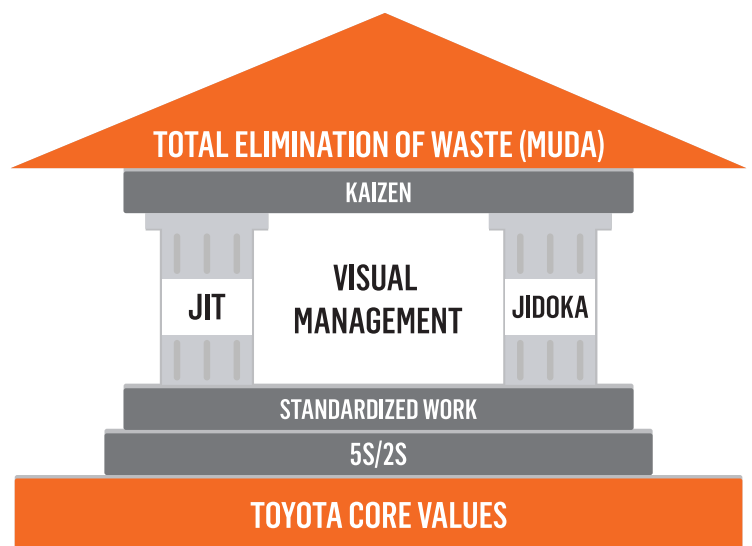


Solving our customers' problems starts with understanding them. At Toyota, we leverage Toyota Lean Management principles to evaluate your operation and help you achieve trackable and sustainable results.

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.





2022 CORPORATE SUSTAINABILITY REPORT