

# SUSTAINABILITY REPORT

— 2023



TOYOTA

**TOYOTA**



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|--|-----------|
| <b>Highlights</b>  | <b>5</b>  |
| <b>Letters to stakeholders</b>   | <b>11</b> |
| <b>Trends in the automotive industry</b>                                   | <b>21</b> |
| <b>Methodological Note</b>   | <b>27</b> |
| <b>1. Our journey towards sustainability</b>                               | <b>37</b> |
| 1.1 Toyota Environmental Challenge 2050                                    | 38        |
| 1.2 Let's Go Beyond  | 40        |
| <b>2. The Toyota companies in Italy</b>                                    | <b>47</b> |
| 2.1 Who we are   | 48        |
| 2.1.1 History, values and vision   | 48        |
| 2.1.2 The structure of the Toyota Italy Network                            | 55        |
| 2.1.2.1 Toyota Motor Italy   | 55        |
| 2.1.2.2 Lexus  | 56        |
| 2.1.2.3 Toyota Financial Services Italy                                    | 56        |
| 2.1.2.4 KINTO Italy  | 57        |
| 2.1.2.5 Toyota Insurance Services  | 58        |
| 2.1.2.6 Aioi Nissay Dowa Europe  | 58        |
| 2.2 Environment: Toyota's commitment to the environment in Italy           | 58        |
| 2.2.1 Management of environmental impacts                                  | 58        |
| 2.2.2 The electrification strategy   | 64        |
| 2.2.2.1 The role of Full Hybrid in the energy transition                   | 69        |
| 2.2.2.2 The role of hydrogen - Hydrogen Society                            | 71        |
| 2.2.3 KINTO and its mobility ecosystem                                     | 75        |
| 2.2.3.1 "Asset-based" services   | 78        |
| 2.2.3.1.1 KINTO One: the long-term rental service                          | 78        |
| 2.2.3.1.2 KINTO Flex: the medium-term, digital and flexible rental service | 78        |
| 2.2.3.1.3 KINTO Share: Share: the Car Sharing service                      | 79        |
| 2.2.3.2 Service-based services   | 81        |
| 2.2.3.2.1 KINTO Join: the Carpooling and corporate mobility service        | 81        |
| 2.2.3.2.2 KINTO Go: the multimodal mobility App                            | 83        |
| 2.2.3.3 Future developments: KINTO Ride, the ride hailing service          | 84        |
| 2.3 Social: Toyota's social commitment in Italy                            | 84        |
| 2.3.1 Community involvement  | 84        |
| 2.3.1.1 Community support  | 84        |
| 2.3.1.2 Creation of a society in harmony with nature                       | 87        |
| 2.3.2 Customer Experience  | 89        |
| 2.3.2.1 <b>WeHybrid®</b> : an "ecosystem" for sustainable mobility         | 92        |

## TABLE OF CONTENTS

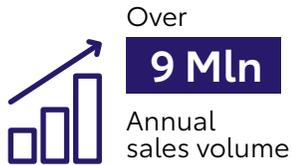
|  |            |
|--|------------|
| 2.3.3 Quality and safety of products and services                        | 93         |
| 2.3.4 Our value chain  | 94         |
| 2.3.4.1 Suppliers  | 94         |
| 2.3.4.2 The Dealers  | 97         |
| 2.3.5 The people of Toyota Italy: the Engine of the Future               | 101        |
| 2.3.6 Diversity and equal opportunities                                  | 102        |
| 2.3.7 Attraction and selection of talent                                 | 103        |
| 2.3.8 Employee development and training                                  | 103        |
| 2.3.8.1 The performance evaluation system                                | 104        |
| 2.3.8.2 Employee Learning & Development                                  | 104        |
| 2.3.9 Health & Safety  | 105        |
| 2.3.9.1 The culture of safety  | 106        |
| 2.3.9.2 Security monitoring  | 107        |
| 2.4 The governance of the Toyota companies in Italy                      | 108        |
| 2.4.1 Performance planning and measurement tools                         | 114        |
| 2.4.2 The internal control system  | 115        |
| 2.4.3 Policy commitments   | 117        |
| 2.4.4 Elements of innovation and technology                              | 120        |
| 2.4.4.1 Connectivity   | 120        |
| 2.4.4.2 Digitalization of processes                                      | 121        |
| 2.4.4.3 Open Innovation  | 122        |
| <b>3. Toyota Motor Italy: Deep Dive</b>                                  | <b>125</b> |
| <b>4. Toyota Financial Services Italy and KINTO Italy: Deep Dive</b>     | <b>133</b> |
| <b>5. Toyota Insurance Services e Aioi Nissay Dowa Europe: Deep Dive</b> | <b>143</b> |
| <b>Attachments</b>   | <b>149</b> |
| <b>GRI Content Index</b>   | <b>187</b> |

# Highlights



# Toyota, leader in the industry

Global Data for the Calendar Year 2022



## The goals to pursue Carbon Neutrality



**2025**  
Toyota Italy Carbon Neutral

**2030**  
Toyota Europe Facilities and Toyota Italy Carbon Zero

**2040**  
Toyota Europe suppliers, logistics services

**2027**  
Toyota Italy Building Carbon Zero

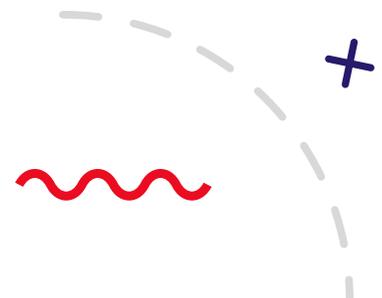
**2035**  
100% of vehicles with zero-emission driving in Europe

**2050**  
Toyota Global

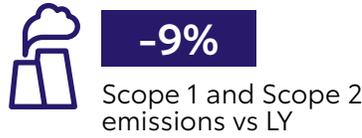
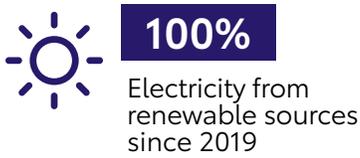


## Sustainable strategy and shared value

Global Data for the Calendar Year 2022

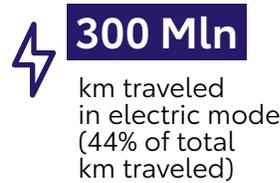


# Riduction of CO<sub>2</sub> emissions and circular economy



## WeHybrid® Ecosystem

As off 31/08/2023



## KINTO Ecosystem

Data as 31/08/2023



# The Group's social commitment

**430**  
Employees  
(+8% vs LY)

**Female employment**



**29**  
Employees  
under 30

**TMI**

**68**  
Female employees  
(+8% vs LY)

**TFSI & KINTO**

**67**  
Female employees  
(+12% vs LY)

**TIS & AND-E**

**27**  
Female employees  
(+29% vs LY)

**Diversity Hoshin**  
Formalization  
DE&I priority

**Collaborations with universities and business schools**  
Sustainable mobility

**7**  
Collaborations  
in support of  
the local  
community

**0**  
Workplace  
injuries

**42h**  
Hours of annual  
training pro capite

# Our certifications

|           |           |          |                   |                   |                   |                    |
|-----------|-----------|----------|-------------------|-------------------|-------------------|--------------------|
|           |           |          |                   |                   |                   |                    |
| ISO 14001 | ISO 45001 | ISO 9001 | ISO 18295<br>TFSI | ISO 27001<br>TFSI | ISO 27701<br>TFSI | ISO 37001<br>KINTO |

**Toyota Service Management**

**85%** Of the Dealer network  
obtained TSM

# The 6 Challenges of the Toyota Environmental Challenge 2050

**Challenge 1**



## **New vehicles with zero-emission driving**

Reduction of CO<sub>2</sub> emissions by 90% by 2050

**Challenge 2**



## **Life cycle zero CO<sub>2</sub> Emissions**

Elimination of carbon emissions from the materials manufacturing process

**Challenge 3**



## **Plant zero CO<sub>2</sub> Emissions**

Optimization of manufacturing process

**Challenge 4**



## **Minimizing and optimizing water usage**

Collection of rainwater in production facilities

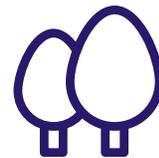
**Challenge 5**



## **Establishing a recycling-based society and systems**

Contribution to building an ideal society based on resource recycling

**Challenge 6**



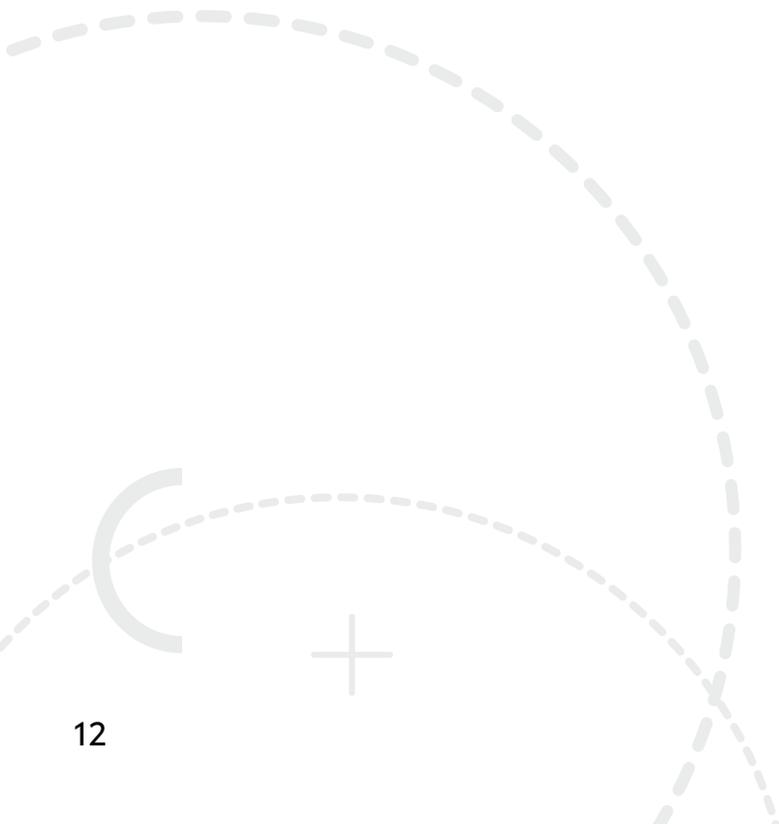
## **Establishing a future society in harmony with nature**

Preserve forestes and biodiversity



# Letters to stakeholders





# LETTER TO TOYOTA MOTOR ITALY STAKEHOLDERS



The growing complexity of the global context requires constant engagement from all stakeholders to achieve common goals. At Toyota, we believe that overcoming the challenge of Carbon Neutrality is crucial to ensuring a prosperous future for our planet. With over 25 years of leadership in electrification, Toyota has consistently demonstrated extraordinary commitment to imagining and developing what is necessary to meet this challenge.

The Sustainability Report provides Toyota Motor Italy with a significant opportunity to highlight various sustainability and ESG themes, which are increasingly crucial for our business. This includes the commitment we reiterated to all stakeholders during the "Let's Go Beyond" event held at our headquarters in late April. During the event, all Toyota Group companies in Italy outlined and reaffirmed their multi-technological approach to the energy transition.

In this journey, key elements include defining a strategy for technological leadership in the battery electric vehicle sector, which represents the most suitable solution for light and short-range mobility. Additionally, the use of hydrogen as an energy carrier is vital for optimizing and maximizing the use of renewable energy for heavy-duty vehicles or high-intensity and long-range applications.

Furthermore, achieving complete Carbon Neutrality by 2040 at the European level is a cornerstone of the long-term strategy, Toyota Environmental Challenge 2050, launched in 2015. It represents a concrete commitment to environmental protection and sustainable mobility, aligning with the United Nations Sustainable Development Goals.

The goal of zero-emissions goes beyond the products Toyota distributes globally; it also encompasses facilities, production plants, our Dealership network, supplier chains, logistics and services. In this sense, the headquarters of Toyota Group companies in Italy is already moving towards zero emissions, with a plan for interventions aimed at energy-efficiency and, ultimately, the self-sufficiency of all buildings in our headquarters.

Moreover, Toyota in Italy has been engaged in direct dialogue with the two main logistics operators, involved in the handling and management of spare parts and vehicles. The goal is to ensure a progressive alignment with energy efficiency objectives and emission reduction, yielding significant results.

Regarding the Dealerships in the official Toyota and Lexus network, we can already see concrete results from the Green Retailer Program (GRP), which aims to promote local initiatives and activities related to ESG issues. This program aims to make our Dealerships leaders in environmental responsibility, striving to become the "Best Mobility Partner" in the local area.

Continuous innovation, along with sustainability, remains another key element that characterizes Toyota products, services and how they are marketed and used. The **WeHybrid**<sup>®</sup> ecosystem is gaining increasing success in the market, offering a range of cross-cutting services and benefits, including financial and insurance services. This creates a mobility ecosystem where the Customer becomes an ambassador of our vehicle technology, experiencing the tangible benefits of using our electrified solutions.

Diversity and inclusion, along with employee experience, are deeply ingrained in Toyota's way of working and doing business. In the D&I domain, we have undertaken initiatives such as expanding the Diversity & Inclusion Board to members of all Toyota companies in Italy. This aims to accelerate and strengthen change on these issues. We have also extended collaborations with prestigious partners like Special Olympics, Valore D, Inspiring Girls and many others to all entities within the Group.

One aspect that makes us particularly proud is creating a workplace at Toyota in Italy with a very high level of employee engagement and experience. This is achieved through welfare and well being initiatives, including free health check-ups, dedicated psychological counseling and supplementary healthcare at every contractual level. Toyota's organizations demonstrate attention to the needs of the entire employee population.

In conclusion, Toyota Motor Italy, in harmony with Toyota's global approach and other Group companies, aims to create a sustainable and inclusive society through innovative and electrified mobility solutions and new services. This allows everyone to move without barriers and limitations, in total safety and respect for the environment. This can be achieved through the construction of an ethical business, with a focus on social aspects, human values and inclusivity. It is a concrete path to achieve fundamental and shared goals, such as the United Nations' 2030 Agenda for Sustainable Development.

*Luigi Ksawery Luca'*  
CEO Toyota Motor Italy



# LETTER TO TOYOTA FINANCIAL SERVICES ITALY AND KINTO ITALY STAKEHOLDERS



Horace, the renowned Latin poet, has left us with the admonition to "Seize the moment," a principle that resonates more strongly than ever in these turbulent times rich with opportunities.

The past year has been a trial by fire for our organizations. We faced global challenges with resilience, simultaneously charting innovative paths in the realms of finance and mobility. On one hand, we witnessed a global "polycrisis" highlighting the tight interconnection between economic, political and environmental events. On the other hand, we saw how the adoption of new technologies and society's acquisition of digital skills continued to drive innovation and redefine how we tackle daily challenges.

In the midst of this scenario, technological innovation and the accessibility of digital platforms offer unprecedented opportunities to enhance financial and mobility services in Italy, increasing accessibility and sustainability profiles. Mobility today is not just physical movement but an interconnected network

of transportation solutions designed to meet emerging needs. Metropolitan areas are adopting sustainable transportation models to reduce environmental impact and improve the quality of life. We commit to an integrated approach based on a profound understanding of people's needs and expectations, offering solutions that address these needs and create long-term value for stakeholders through the responsible use of electrified technologies and digital platforms.

KINTO, the third global brand of the Toyota Group, represents a tangible commitment to the development and implementation of mobility services. This value system translates into a wide range of services for individuals who become key players in a shared commitment to sustainable mobility. KINTO Italia continues to grow, expanding its presence in the territory. Throughout the year, we collaborated with the Toyota/Lexus network Dealers to develop a model for sustainable mobility demand that becomes a benchmark for the local communities in which we operate.

The Toyota Group is committed to creating mobility solutions that respect the planet, contributing to a better society. We recognize the importance of addressing major global environmental and social challenges through sustainable business models. In Europe, we are witnessing increasing sector regulation, including the challenge set by the European Parliament to exclusively market vehicles with zero-emission driving in the coming years. We are ready to face these challenges and collaborate with our key stakeholders to further increase our sustainability contribution. The integration of ESG (Environmental – Social – Governance) factors into our corporate governance brings significant benefits, including better decision-making effectiveness, transparency, capital efficiency, investment optimization and attractiveness to investors. This helps us be more resilient to external risks and impacts, including environmental ones, better monitor business risks, maximize asset value and capitalize on business opportunities.



Our governance is further strengthened through the adoption of international ISO standards. For Toyota Financial Services Italy, we hold certifications ISO 9001 for Quality, ISO 18295 for Customer Contact Center Management and ISO 27001 for Information Security Management Systems. For KINTO Italy, we have certifications ISO 14001 for Environmental Management Systems and ISO 37001 for Anti-Bribery Management Systems.

Together with the Toyota Group, KINTO Italy and Toyota Financial Services, we consider corporate social responsibility as a fundamental asset. This commitment materializes through various initiatives supporting communities, such as the collaboration with Theodora Foundation in promoting awareness events and fundraising for needy families in the region. This commitment also extends to our employees' working environment, where we promote diversity and develop an inclusive work context based on trust, respect and the dignity of every member. Our commitment has been recognized through the Great Place to Work 2023® certification.

In this context, Toyota Financial Services Italy and KINTO Italy, along with other group companies, renew and strengthen transparent dialogue with their stakeholders. We proudly present the new edition of the Toyota Group Sustainability Report in Italy, sharing numerous activities and results achieved together, seizing every moment, every opportunity.

*Mauro Caruccio*  
*CEO Toyota Financial Services Italy*  
*and President and CEO KINTO Italy*

# LETTER TO TOYOTA INSURANCE SERVICES AND AND-E STAKEHOLDERS



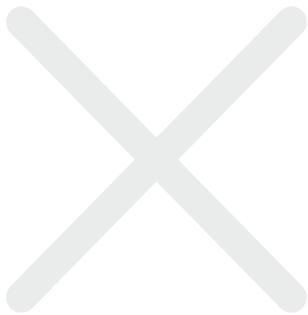
The third edition of the Sustainability Report from the Italian branches of Toyota Insurance Services and Aioi Nissay Dowa Insurance Company of Europe strengthens our commitment to sustainability within the broader and engaging context of Toyota companies in Italy. The increasingly central themes of ESG in today's landscape represent a strong bond for us with other Toyota organizations, but more importantly, they serve as a means of engagement and dialogue with our stakeholders who are increasingly involved in the strategic development of our products and services.

An example in this regard is the **WeHybrid®** ecosystem, which allows us to bring value at various levels to our Customers, the community and society as a whole, effectively combining sustainability and innovation. Through **WeHybrid®**, we, as the insurance branches of the Toyota Group, are constantly driven to explore new frontiers, enriching the foundation of **WeHybrid®** Insurance with innovations. This innovative concept of insurance not only promotes sustainable driving but also provides tangible benefits, reducing the accident frequency by 20% for those who make optimal use of Toyota and Lexus electrified technologies, positively contributing to safety and social costs.

**WeHybrid®** Insurance continues to be successfully chosen by our Customers, reaching a share of over 15,000 as of March 31, 2023, covering over 110 million kilometers, with 46% in electric mode, resulting in more than 50 million kilometers covered for insurance purposes. However, within the Toyota Group, our ambition remains to support common plans and initiatives with the goal of delivering a better world to future generations. This is why we actively participate in various Group initiatives on Diversity & Inclusion, maintaining a constant presence on the Diversity & Inclusion Board and focus on Employee Experience, valuing our involvement in activations with prestigious associations such as Special Olympics, Valore D, Inspiring Girls and recognizing the importance of attention to the needs of all our employees with specific welfare and well being initiatives.

As part of the Toyota family, our aspirations embrace an even more ambitious future, aiming to make the opportunities provided by the Sustainability Report a shared platform for growth and development. We seek to build, together with our stakeholders, a conscious path of greater value and satisfaction for Customers, all while respecting the environment and individuals.

*Mario La Femina  
CEO Toyota Insurance Services Italy  
and Aioi Nissay Dowa Insurance Company*



# Trends in the automotive industry



In 2023, the global **automotive industry** continues to **witness significant shifts** in business models, with the increasing pace of electrification and advancements in connectivity technology. Companies in the automotive sector find themselves operating in an increasingly complex and subject-to-change global environment. The automotive industry is undergoing a phase characterized by the combined effect of unforeseen and disruptive socioeconomic events, structural market changes and radical and irreversible technological transformations.

Following the **pandemic crisis**, a long series of variables has deeply influenced the trajectory and future prospects of the automotive industry. Industrial production volumes have not kept pace with the rapid demand recovery post-pandemic, due to structural reasons related to the reactivation timelines of supply chains. This misalignment has resulted in persistent **bottlenecks in the supply channels**, further exacerbated by the **geopolitical crisis** in Ukraine. The conflict, which began in February 2022, has heightened these challenges as the international community promptly imposed unprecedented sanctions on Russia in terms of severity and scope, also increasing inflationary pressures related to the rise in prices of raw materials, especially energy, in which Russia holds a significant market share.

Distorting effects have particularly manifested in the supply of essential inputs and materials from Russia and/or Ukraine (nickel, palladium, neon, electrical wiring, etc.), as well as in the increase in energy costs and the slowdown of international trade (i.e., restrictions on the export/import of vehicles and components). The 2022 economic climate has further fueled an **atmosphere of uncertainty** for families and businesses, hindering, among other things, the automotive market from recovering as expected by the end of 2021, considering the GDP growth expectations.

A recent study<sup>1</sup> predicts that the automotive mobility market in North America and Europe will nearly double by 2035. It is in this rapidly evolving context that the cost of inadequate participation by industry stakeholders could be fatal, especially in a sector moving rapidly in many directions.

The study identifies **11 key changes** that mobility service providers must consider when deciding where and how to operate successfully on the road to 2035. The changes to be considered are:



**Social Impacts:** given the overall trend towards urbanization, it is anticipated that the potential for shared transportation will continue to grow. Mobility service providers may consider adapting their products and services to align with the growing mobility needs stemming from these sociodemographic developments.



**Regulatory Impacts:** It is anticipated that governments and other regulatory bodies will play an increasingly significant role in shaping the global mobility market.



**Environmental Impacts:** due to climate change, mobility service providers may need to take even more decisive measures to reduce their corporate carbon footprint.



**Power Balance among Automotive Industry Players:** With increased penetration of traditional financial products such as credit and leasing, the significance of Risk Management for automotive companies continues to grow.

<sup>1</sup> For further information: <https://www.deloitte.com/global/en/Industries/automotive/analysis/future-of-automotive-mobility-study.html>



**From Ownership to Usage:** due to increasing traffic congestion, higher costs, limited parking availability and overall rising ownership expenses, many consumers may seek alternative ownership models that reduce or eliminate these risk factors.



**Ownership from Private to Corporate:** with the expectation that an increasing number of consumers will transition from private vehicle ownership to usage-based models, mobility providers may soon have to manage a higher percentage of vehicles on the road, both as direct assets on their corporate balance sheets and as corporate fleets.



**Fleet Uncertainty:** interest in electric vehicles is growing. For mobility service providers, the corresponding shift that could influence the composition of the vehicle fleet introduces an unprecedented level of uncertainty. Therefore, underestimating changes in the fleet composition and their implications could impact financial outcomes. If this transition is managed appropriately, it can contribute to gaining a competitive advantage on the road to 2035.



**Lifecycle Resource Management:** Mobility service providers have not fully capitalized on managing the lifecycle of various assets, which involves offering used vehicles in their second or third life to Customers through leasing, subscriptions, or other services. Therefore, with limited control over assets during the vehicle lifecycle, mobility service providers may still miss out on significant profit potential.



**In-Life Services:** A shift from ownership to usage could place new emphasis on in-life services, including services related to the use of vehicles and infrastructure.



**Autonomous Vehicles:** By 2035, we may witness advanced autonomous technologies and further pilot testing related to autonomous services in development.



**Digital Era:** As connected vehicles and their drivers generate an ever-increasing amount of information, mobility service providers may have opportunities to offer tailor-made products to Customers, create personalized services and monetize data.

In conclusion, while market operators may find themselves in a strong position to thrive in the evolving mobility sector, they should still consider stepping up their efforts to address these challenges with forward-thinking investments and decisions. Their future in the automotive mobility sector could depend on it.



# Methodological Note



**4<sup>TH</sup> edition  
of the Toyota  
Network in Italy's  
Sustainability  
Report**

The Sustainability Report of the Toyota Italy Network, now in its fourth edition, aims to transparently communicate the sustainability strategies of the Toyota companies in Italy, including Toyota Motor Italy, Toyota Financial Services Italy, KINTO Italy and the Italian branches of Toyota Insurance Services and Aioi Nissay Dowa Insurance Company of Europe (referred to in the document respectively as "TMI," "TFSI," "KINTO," "TIS," and "AND-E" or collectively as "Toyota companies in Italy," "companies" and "Toyota Italy Network"), regarding their environmental, social and governance sustainability performance.

**2 in-depth  
sections**

This document consists of two main sections to provide a comprehensive overview of the initiatives and approaches of Toyota companies in Italy regarding ESG aspects. The first section aims to illustrate the ongoing commitment of the Toyota Italy Network to contribute to the transition towards a sustainable and climate-neutral economy, providing detailed information on policies, strategies and results of the companies towards sustainable development. The second section, dedicated to the Deep Dive into the Network companies in Italy, instead provides a detailed analysis of the activities and performances of the five different companies operating in Italy on the Italian territory.

**Reporting standard  
and materiality  
principle**

This report, produced annually, has been prepared in accordance with the requirements of the new edition of the reporting standard "GRI Standards 2021" published by the Global Reporting Initiative (GRI): 'in accordance with' option. In particular, the reported contents have been selected based on the results of the updated materiality analysis conducted in 2023, identifying the impacts on the economy, environment and people, including those on human rights, for Toyota companies in Italy and their stakeholders, as described below in the "Materiality Analysis" section.

**Scope and data  
comparability**

Regarding TMI, TFSI, and KINTO Italy, the data refers to the period from April 1, 2022 to March 31, 2023 (referred to in the document as 'Fiscal Year 23' or 'FY 23'), while for TIS and AND-E, the reference period is the year 2022, covering from January 1, 2022, to December 31, 2022.

In order to allow for data comparability over time, a comparison with data from the period April 1, 2021, to March 31, 2022, is also provided for TMI, TFSI, and KINTO Italy (referred to in the document as 'Fiscal Year 22' or 'FY 22') and for the fiscal year 2021 (from January 1, 2021, to December 31, 2021) for TIS and AND-E. Any Scope exceptions are explicitly stated in the text.

The Scope of the data and economic information reported for each company within the document corresponds to the same as their financial statements. Concerning social and environmental data and information, the reporting scope includes Toyota Motor Italy, Toyota Financial Services Italy, KINTO Italy and the Italian branches of Toyota Insurance Services and Aioi Nissay Dowa Insurance Company of Europe, located at Via Kiicro Toyoda, 2, Rome. In drafting this document, reference has also been made to information regarding the sustainability of the parent company, Toyota Motor Corporation (also referred to as 'TMC'), contained in the Sustainability Data Book updated as of June 2023 or through other communication channels.

In case of restatements of data for the previous period or the use of estimates, these are explicitly indicated within the document. In the reporting year referenced in the document, it is noted that there were no significant changes in the size, ownership structure and supply chain of the companies. Each content is further elaborated within the text, describing the main commitments, their progress and their contribution to the United Nations Sustainable Development Goals (SDGs)<sup>2</sup>. In order to obtain further information and suggestions regarding Toyota's Sustainability Report in Italy, please contact [pr.tmi@toyota-europe.com](mailto:pr.tmi@toyota-europe.com). This document is also available on the official websites [www.toyota.it](http://www.toyota.it) and [www.lexus.it](http://www.lexus.it), as well as on the financial website [www.toyota-fs.it](http://www.toyota-fs.it) and the insurance website [www.toyota-im.it](http://www.toyota-im.it).

*United Nations  
Sustainable  
Development  
Goals*

*Contacts*

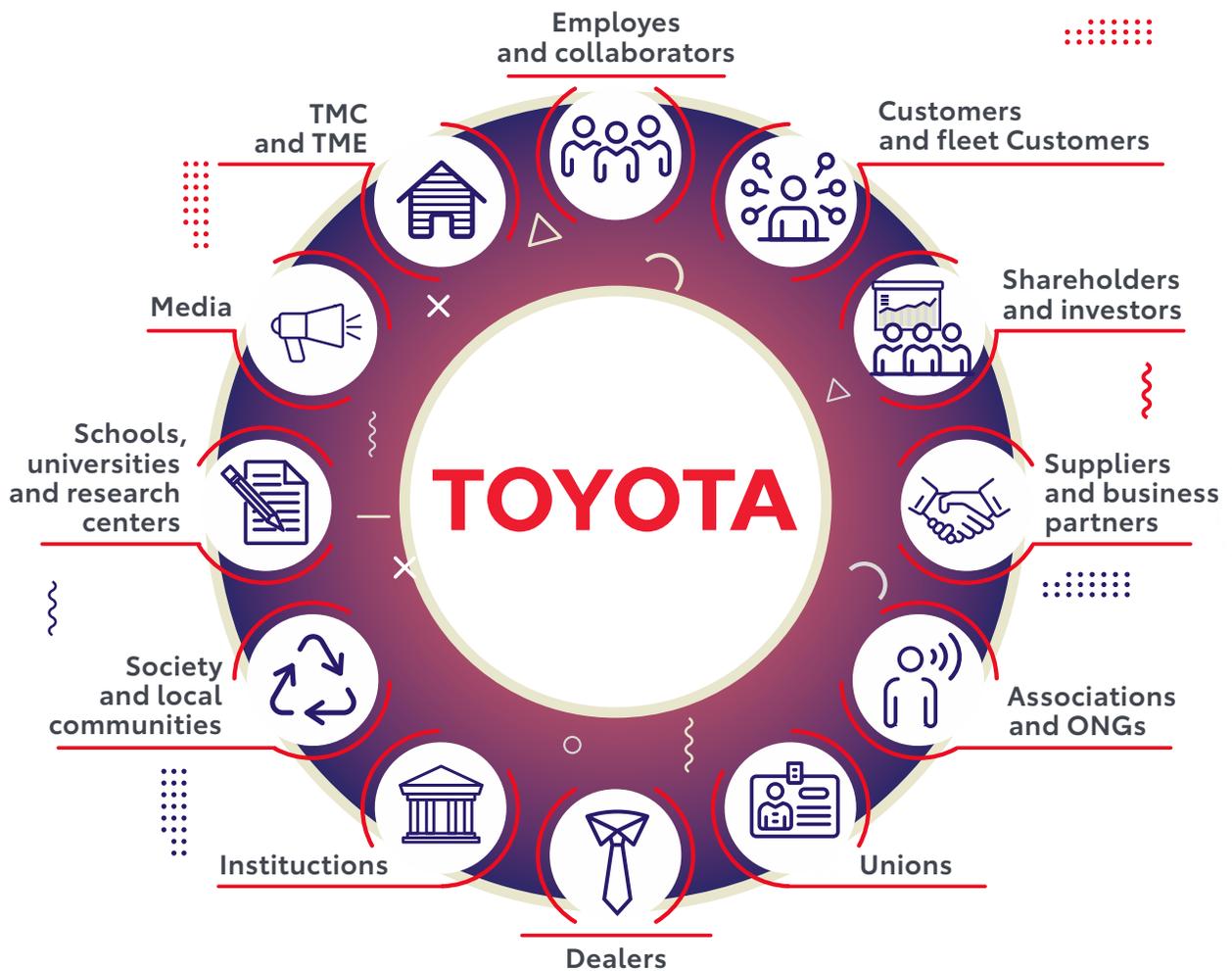
<sup>2</sup> The Sustainable Development Goals are available at the following link: <https://sdgs.un.org/gsdrgsd2023>

# MATERIALITY ANALYSIS

As explicitly stated in the Sustainability Data Book of TMC<sup>3</sup>, the identification of stakeholder categories and the corresponding channels for effective engagement are crucial steps for sustainable development and transparent relationships. The Toyota companies in Italy have reviewed and validated the stakeholder mapping as part of the 2023 Sustainability Report. Additionally, over the past four years, the Toyota Italy Network has initiated engagement activities with some of the identified categories, making them active participants in the company's sustainability commitment by assessing the most relevant topics for the Toyota companies in Italy.

Figure 1

Stakeholder mapping of the Toyota Italy Network



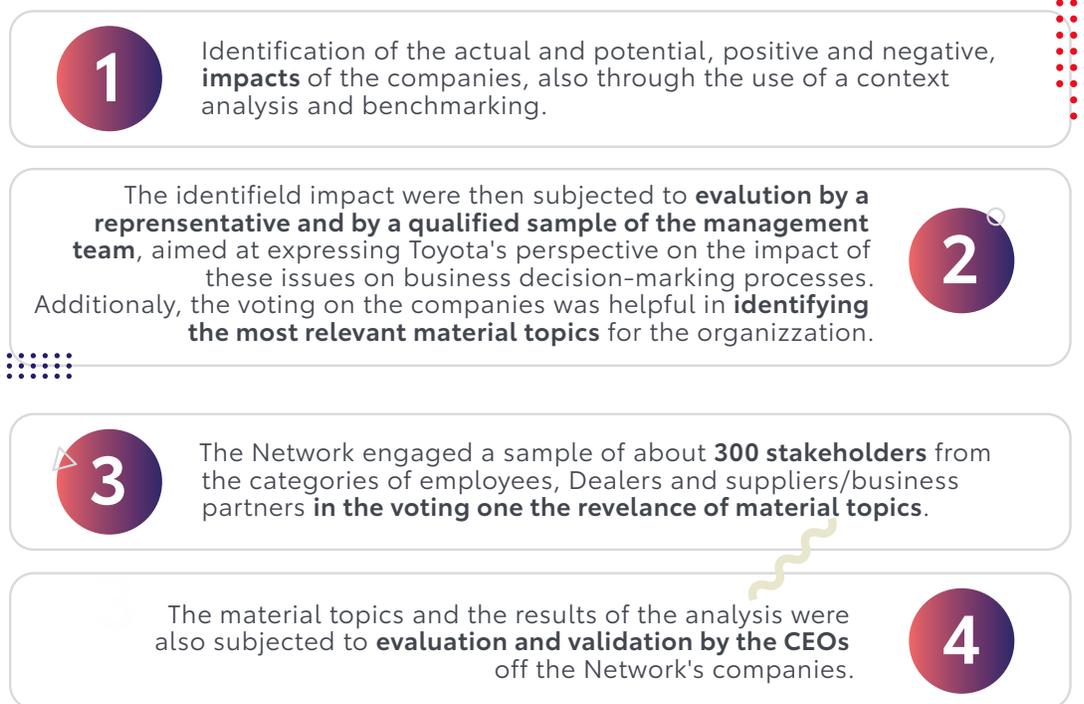
<sup>3</sup> Toyota Motor Corporation, June 2023, Sustainability Data Book, p. 8.

The Toyota Italy Network, in line with the requirements of the new edition of the "GRI Standards 2021"<sup>4</sup>, has updated its materiality analysis for the 2023 non-financial reporting, identifying material topics that reflect significant economic, environmental and social impacts for Toyota companies in Italy and that may influence the assessments and decisions of their stakeholders. The concept of materiality is closely tied to the concept of impact: material topics are those that represent the organization's most significant impacts on the economy, the environment and people, including impacts on human rights.

**Over 300 stakeholders engaged (3 times higher than the 2022 Sustainability Report)**

Adapting to the new reporting standard requirements and the consequent update of the methodology used has led to some revisions of the topics identified in the 2022 Sustainability Report and the introduction of a new material topic: Sustainable corporate governance and Risk Management.

The process of identifying the themes is described below:



<sup>4</sup> International standards for non-financial reporting issued by the Global Reporting Initiative

The obtained votes allowed for the updating of the material topics relevant to the Toyota Italy Network, listed below in alphabetical order:

| Material topics                                   | Impacts  | Paragraph    |
|---|--|--------------|
| <p><b>Business ethics and anti-corruption</b></p> | <ul style="list-style-type: none"> <li>• Ethics and integrity in conducting business and in relationships with stakeholders, including suppliers and other business partners.</li> <li>• Commitment to the fight against active/passive corruption.</li> <li>• Implementation of procedures and systems for reporting irregularities and illegal behavior (e.g. whistleblowing).</li> <li>• Corporate approach and strategy to the issue of sustainability and integration into corporate planning.</li> <li>• Compliance with laws and regulations relating to sustainability issues (in the environmental field, health and safety, Transport Management, etc.).</li> <li>• Internal control and Risk Management system for the mitigation and prevention of the same, including risks relating to economic, environmental and social sustainability.</li> </ul> | <p>2.4.3</p> |
| <p><b>Community support and development</b></p>   | <ul style="list-style-type: none"> <li>• Activities and projects for the development of the territory and local communities (e.g. creation of professional opportunities, investments in education, culture).</li> <li>• Relationships with local administrations (e.g. municipalities) in order to develop services for citizens (e.g. Car Sharing services, development of charging infrastructure).</li> </ul>  | <p>2.3.1</p> |
| <p><b>Customer Experience</b></p>                 | <ul style="list-style-type: none"> <li>• The company's ability to establish a connection between the brand and the Customer, fostering loyalty and engaging them in the corporate culture and values.</li> <li>• Ability to meet Customer expectations in various stages of service usage (e.g., sales, after-sales support, product utilization).</li> </ul>  | <p>2.3.2</p> |

|   |   |                        |
|---|---|------------------------|
| <p><b>Customer Experience</b></p>                 | <ul style="list-style-type: none"> <li>• Customer Experience and satisfaction measurement surveys.</li> <li>• Accessibility of the product to all categories of Customers, with particular attention to users with reduced mobility.</li> <li>• Application of customized discounts and promotions.</li> </ul>  | <p>2.3.2</p>           |
| <p><b>Customer Privacy and data security</b></p>  | <ul style="list-style-type: none"> <li>• Ability of companies to manage personal and sensitive data, guaranteeing and preserving their security through technologies aimed at protecting dedicated IT services.</li> </ul>  | <p>2.3.2<br/>2.3.3</p> |
| <p><b>Diversity and equal opportunities</b></p>   | <ul style="list-style-type: none"> <li>• Development of working practices and conditions suitable to increase the sense of belonging of employees and to ensure equal opportunities, through the removal of all forms of discrimination based on gender, age, religion, sexual orientation, origin.</li> <li>• Competitive remuneration policies aimed at guaranteeing fair conditions inside and outside the organisation.</li> <li>• Composition (gender, age) of Top Management and governance bodies.</li> </ul>  | <p>2.3.6</p>           |
| <p><b>Employee development and well being</b></p> | <ul style="list-style-type: none"> <li>• Benefits (economic and otherwise) and policies in favor of employees aimed at guaranteeing a good working environment and promoting conciliation between private and professional life (e.g. flexible and smart working tools, professional reinstatement policies following parental leave).</li> <li>• Employment practices (e.g. hiring, remuneration, pension policies, retention and turnover, employee involvement, dialogue with trade unions).</li> <li>• Development and training courses aimed at enhancing the technical, managerial and organizational skills of employees and consolidating the professionalism required by the role held.</li> </ul> | <p>2.3.8</p>           |

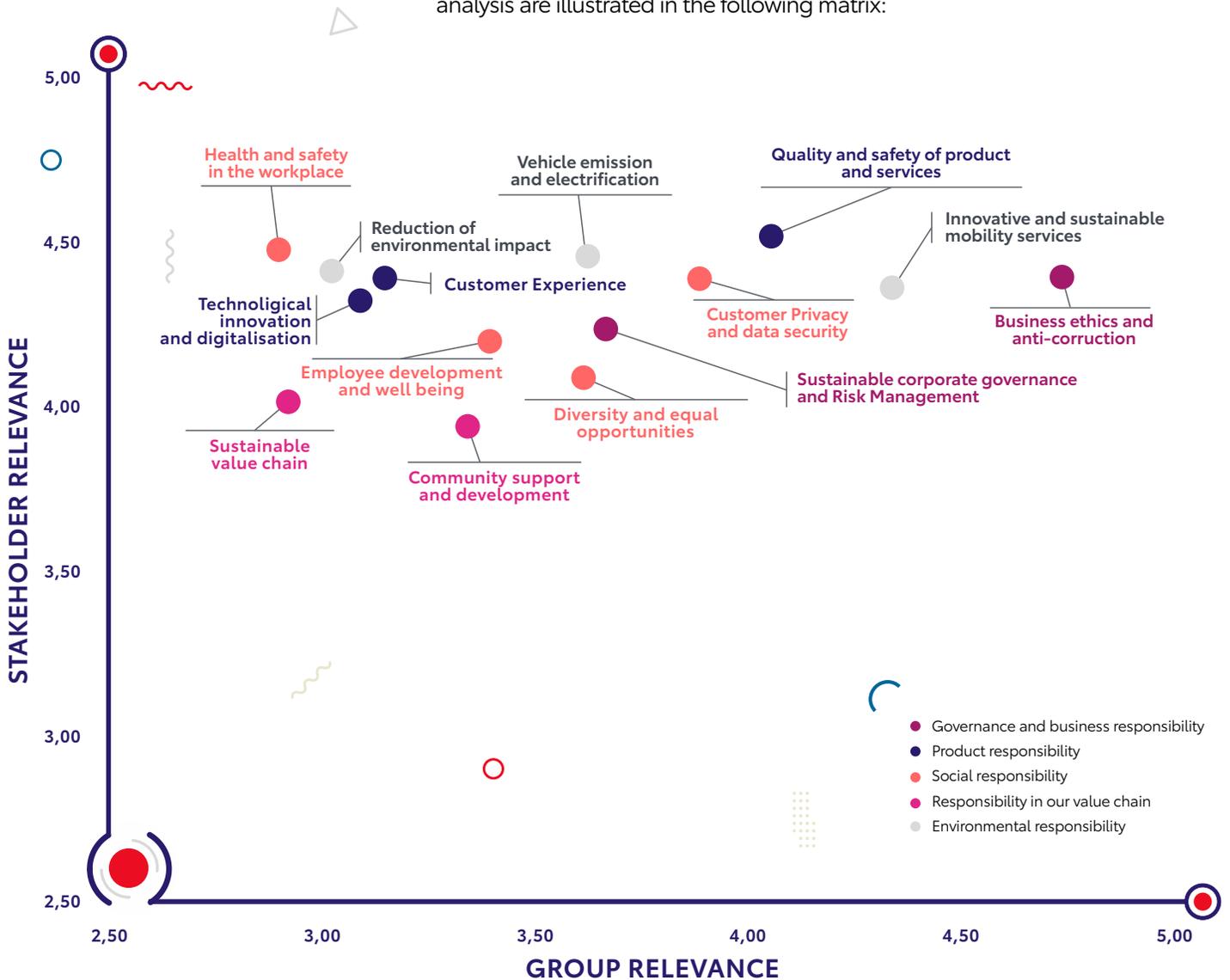
|  |   |                                |
|--|---|--------------------------------|
| <p><b>Health and safety in the workplace</b></p>           | <ul style="list-style-type: none"> <li>• Workplace health and Safety Management practices and systems.</li> <li>• Monitoring of incidents and prevention measures (e.g. Near-Miss reports).</li> <li>• Education and training in the field of health and safety.</li> </ul>   | <p>2.3.9</p>                   |
| <p><b>Innovative and sustainable mobility services</b></p> | <ul style="list-style-type: none"> <li>• Attention to new forms of mobility (Car Sharing, micro-mobility, long-term rental) and ability to anticipate consumer needs.</li> <li>• Integration of the transition from the concept of car company to mobility service provider (Mobility-as-a-Service) in the corporate strategy.</li> </ul>   | <p>2.3.9<br/>2.2.3<br/>1.2</p> |
| <p><b>Quality and safety of products and services</b></p>  | <ul style="list-style-type: none"> <li>• Ability of companies to ensure product quality levels (in terms of performance, material usage, design and consumption) that exceed Customer expectations and enhance brand reputation.</li> <li>• Ability to ensure vehicle safety levels that comply with regulatory requirements and can effectively contribute to reducing road accidents through cutting-edge technologies and devices.</li> <li>• Presence of certifications attesting to excellent safety levels.</li> </ul>  | <p>2.3.3</p>                   |
| <p><b>Reduction of environmental impacts</b></p>           | <ul style="list-style-type: none"> <li>• Management of the environmental impact of the organization's activities in terms of reducing energy consumption, CO<sub>2</sub> emissions and energy and resource efficiency interventions.</li> <li>• Adaptation to climate change.</li> <li>• Management of indirect corporate impacts deriving from business activities (business trips, transport).</li> <li>• Assessment of the impact of climate change on company activities and consequent business adaptation policies.</li> <li>• Responsible Management of water consumption and waste disposal.</li> <li>• Responsible use of materials, with particular attention to the use of recyclable materials where possible.</li> </ul> | <p>2.2</p>                     |

|  |  |                                  |
|--|--|----------------------------------|
| <p><b>Sustainable corporate governance and Risk Management</b></p> | <ul style="list-style-type: none"> <li>• Degree of structuring of sustainability governance.</li> <li>• Reactivity and resilience of the organization to sector risks.</li> <li>• Ability to manage environmental, social and governance risks to prevent cases of non-compliance and incidents resulting from the transition towards more sustainable Business Management.</li> </ul>   | <p>2.4.2</p>                     |
| <p><b>Sustainable value chain</b></p>                              | <ul style="list-style-type: none"> <li>• Policies for selecting suppliers, collaborators and business partners using fair and transparent qualification processes, which include the integration of ESG (Environmental, Social and Governance) criteria and considerations related to human rights.</li> <li>• Transparent Procurement Management; support for the Dealer network and their full participation in the company's strategy and culture.</li> </ul> | <p>2.3.9<br/>2.2.3<br/>1.2</p>   |
| <p><b>Technological innovation and digitalisation</b></p>          | <ul style="list-style-type: none"> <li>• Corporate attention and attitude towards technological innovation, both at the corporate level (digitization of processes and tools) and at the product level, aiming for the technological development of vehicles and their increasing connectivity.</li> </ul>   | <p>2.2.2<br/>2.2.3<br/>2.4.4</p> |
| <p><b>Vehicle emission and electrification</b></p>                 | <ul style="list-style-type: none"> <li>• Attention to the topic of sustainable mobility and low environmental impact traction systems, with particular attention to the different forms of electrification.</li> <li>• Commitment towards the progressive reduction of polluting agent emissions from the vehicles produced.</li> <li>• Strategic approach to the transition towards zero-emission forms of mobility (BEV and FCEV vehicles).</li> </ul>         | <p>2.2.1</p>                     |

Figure 2

Materiality matrix 2023 of the Toyota Network in Italy

The 14 material topics highlight a substantial alignment with the main industry macro-trends, referencing, for example, the importance that new mobility solutions assume for energy transition. However, they also reflect the distinctive characteristics of Toyota's values and strategy. The topics evaluated as most relevant by stakeholders and the company represent important pillars of the brand's business: business ethics, health and safety in the workplace, innovation, development of alternative propulsion systems and progress towards electrification, vehicle quality and safety and Customer focus. These topics indeed align with Toyota's strategic and core values, as well as with the brand's history and success. The results of the materiality analysis are illustrated in the following matrix:



# Our journey towards sustainability

— CHAPTER 1

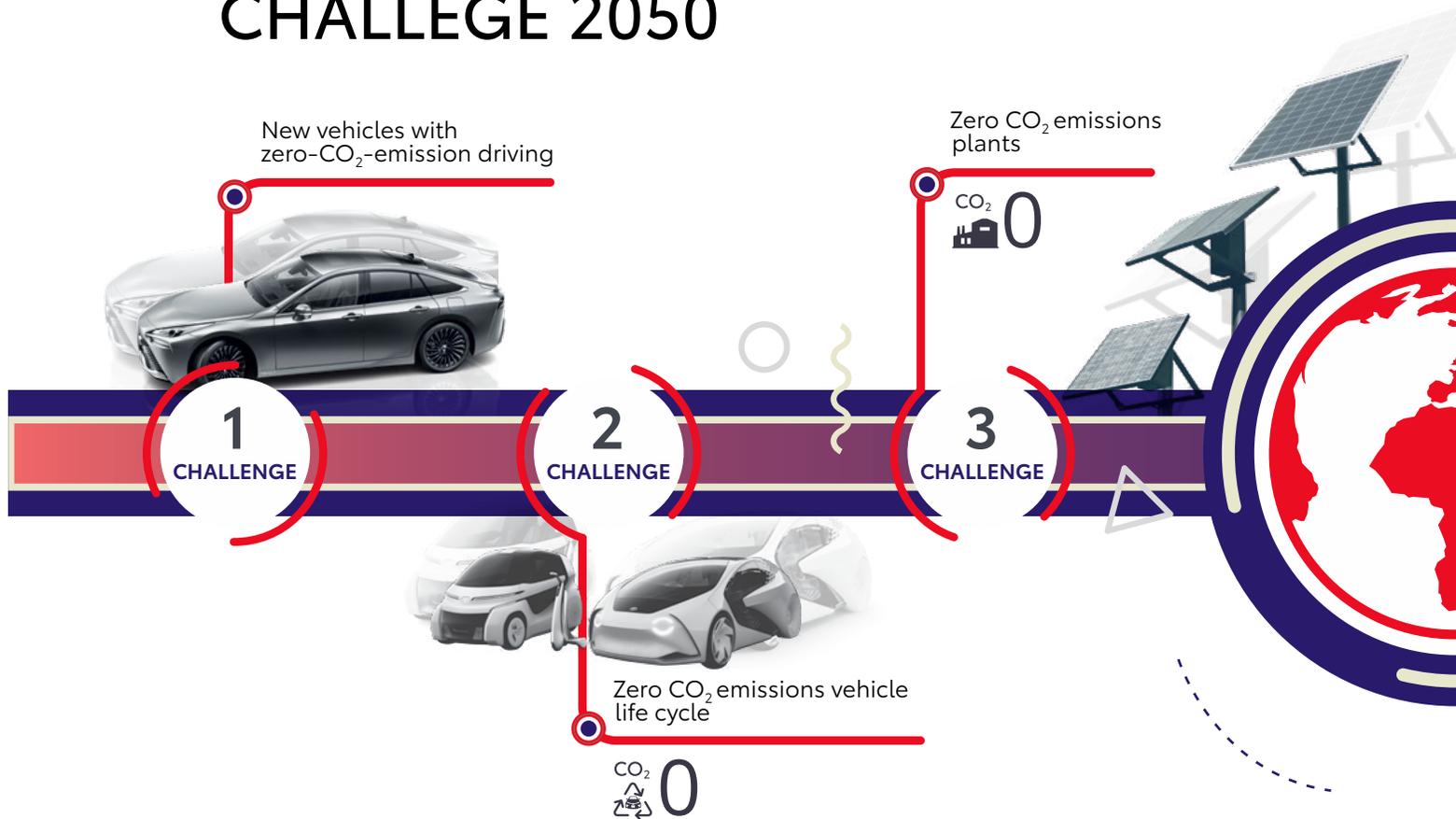


## 1.1

# TOYOTA ENVIRONMENTAL CHALLENGE 2050<sup>5</sup>

Environmental protection and the commitment to minimizing the impacts of its activities are priority elements for Toyota Motor Corporation<sup>6</sup> (parent company of the Toyota Network), present both in the Guiding Principles<sup>7</sup> and among the long-term objectives of the Toyota Global Vision. In 2015 TMC also formalized and announced the environmental strategy for 2050, the **Toyota Environmental Challenge 2050**, divided into six Challenges in line with the **United Nations Sustainable Development Goals**, which cover every aspect of the automotive brand's business, from production to use of the vehicle, through the exploration of new products and technologies<sup>8</sup>.

## TOYOTA ENVIRONMENTAL CHALLENGE 2050



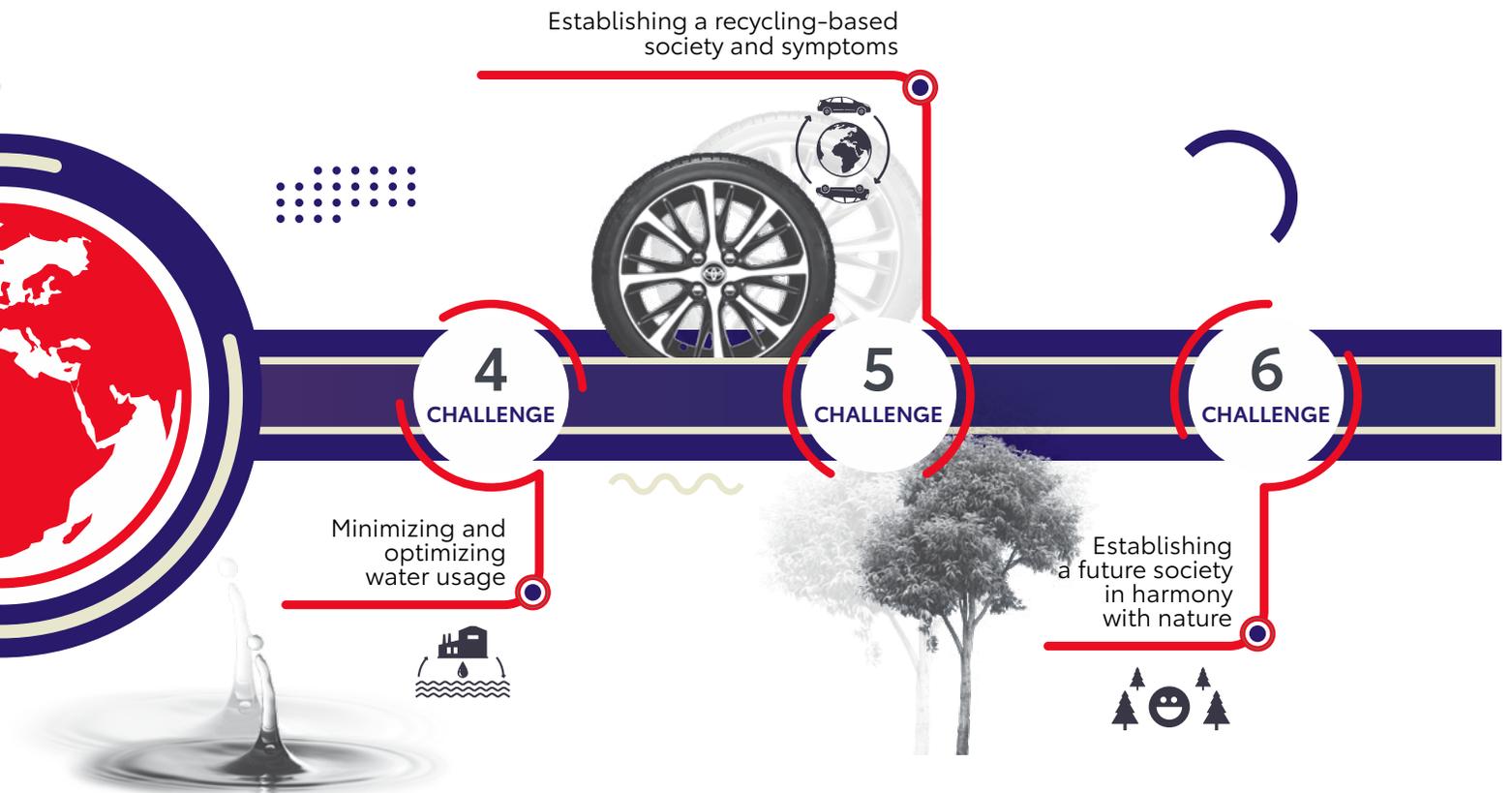
<sup>5</sup> For further information, please refer to the link: <https://www.toyota.it/mondo-toyota/ambiente/environmental-challenge-2050>

<sup>6</sup> [https://global.toyota/en/company/?padid=ag478\\_from\\_header](https://global.toyota/en/company/?padid=ag478_from_header)

<sup>7</sup> TMC, 75 Years of Toyota, [https://www.toyota-global.com/company/history\\_of\\_toyota/75years/data/conditions/philosophy/guiding\\_principles.html](https://www.toyota-global.com/company/history_of_toyota/75years/data/conditions/philosophy/guiding_principles.html)

<sup>8</sup> To view the Toyota strategy "Toyota Environmental Challenge 2050" refer to this link: <https://www.youtube.com/watch?v=m8dKe0X3k7U&t=43s>

The Challenges - depicted in the figure - aim to **minimize production and vehicle emissions**, both during their use and throughout their entire life cycle, **optimize the use of water resources**, **encourage the circular economy** and, **finally**, achieve a society that is in harmony with nature. At the same time, they will also concretely contribute to the progress of various SDGs.



## 1.2

## LET'S GO BEYOND

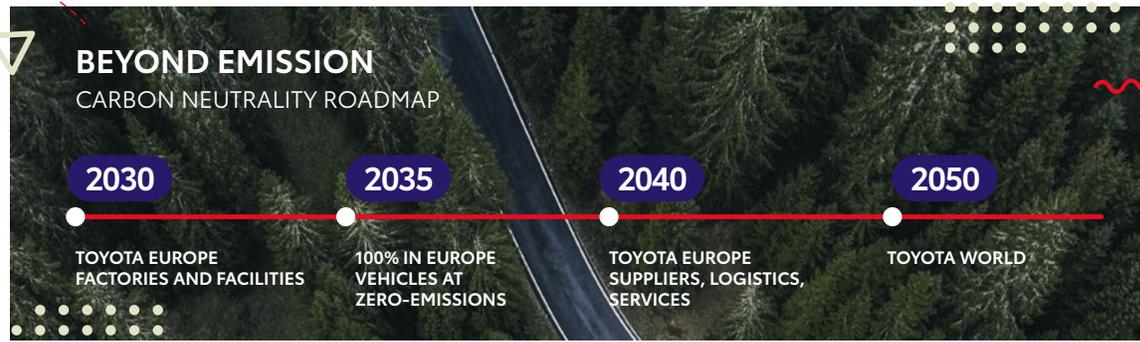
*"In Toyota, we believe that winning the challenge of achieving Carbon Neutrality is crucial to ensure a prosperous future for our planet. As leaders in electrification for 25 years, we have consistently demonstrated extraordinary commitment to envisioning and developing what is necessary to succeed in this endeavor. This is evident through our continuous contributions to building a sustainable and inclusive society, driven by innovative and electrified mobility solutions and new services. Our goal is to enable everyone to move without barriers and limitations, ensuring total safety and environmental respect, leaving no one behind."*

**Luigi Ksawery Luca',  
CEO Toyota Motor Italy**

**"Let's Go Beyond"** is Toyota's vision, according to which the goal of zero-emissions is just an intermediate step toward a future where mobility makes the world a better place. The strategy is structured into six Beyonds, as follows:

- **Beyond Emissions:** encapsulates Toyota's ambition to provide sustainable mobility solutions, enabling everyone to move without barriers and limitations, in total safety and environmental respect, leaving no one behind, with the belief that improvement is possible at all times. As part of the long-term environmental sustainability strategy, Toyota Environmental Challenge 2050, the company has worked on a roadmap to achieve Carbon Neutrality in Europe. **Toyota aims to achieve a 100% reduction in CO<sub>2</sub> in all new vehicles by 2035 in Western Europe**, if sufficient infrastructure for electric charging and hydrogen refueling will be available by that date, along with the increased capacity of renewable energy required. The goal of zero-emissions extends beyond vehicles to include production facilities and the supplier chain by 2040. In essence, one of the pillars of the 'Let's Go Beyond' vision reaffirms Toyota's leadership in electrification. This leadership is built on a multi-technological approach to offer a wide range of solutions to Customers worldwide, aiming to reduce CO<sub>2</sub> emissions concretely and rapidly. This involves the introduction of more zero-emission driving solutions, such as battery electric vehicles and hydrogen fuel cell electric vehicles, as well as the continuous improvement of low-emission technologies, such as Hybrid Plug-in and Full Hybrid.
- **Beyond Expectation:** today, Toyota's mission is not only to continue placing the Customer at the center of its world by offering excellence but also to anticipate their needs (what Toyota calls OMOTENASHI). This goal can be achieved by consistently providing the best products and most innovative services, efficient and durable electrified solutions, top-notch build quality and long-lasting reliability. All of this is delivered through a unique purchasing and ownership experience, thanks to the new retail concept and digitally managed personalized customer experience. **WeHybrid® is an ecosystem of services that Empowers the Customer on the journey toward increasingly sustainable mobility.** The Customer is the enabler of this innovative program, leveraging the capabilities of Toyota's Full Hybrid technology and promoting more sustainable driving, gaining access to a range of cross-functional services across all businesses.

## Carbon Neutrality roadmap



More recently, Toyota Motor Corporation has reaffirmed the roadmap to achieve **global Carbon Neutrality by 2050**, with a specific and challenging focus on Europe. By 2035 in Western Europe, Toyota will achieve a 100% reduction in CO<sub>2</sub> in all new vehicles marketed under the Toyota and Lexus brands.

The goal of zero-emissions doesn't only apply to vehicles; in production facilities as well, Toyota in Europe aims to achieve Carbon Neutrality by 2030, making ongoing improvements in reducing energy consumption and expanding the use of innovative production engineering technologies. The comprehensive Carbon Neutrality objective also encompasses the supplier chain, logistics and services by 2040.

- **Beyond Accident:** with the goal of **zero road accidents**, the most advanced driver assistance systems (Toyota Safety and Lexus Safety System+) in terms of active and passive safety monitor everything happening around Toyota or Lexus vehicles. These systems are designed to assist the driver and always make driving safer: during parking, on highways, or in cities. Innovative solutions that help protect not only the car's occupants but also all other road users.
- **Beyond Innovation:** one of the pillars of the Let's Go Beyond vision is the reaffirmation of Toyota's leadership in electrification, based on a **multi-technological approach** to offer Customers worldwide a wide range of solutions, aiming to reduce CO<sub>2</sub> emissions as much concretely and rapidly as possible by 2035. Firm in the belief that there is no single road or technology to achieve zero-emissions by 2035, Toyota's commitment materializes in complementing battery electric vehicles with hydrogen fuel cell electric vehicles (FCEVs). For Toyota, hydrogen-powered FCEVs are already a tangible reality. In this regard, the Toyota Mirai, introduced in 2015 and distributed with 22,000 units in markets with refueling infrastructure, symbolizes Toyota's strategy to promote this system as the most promising emission solution combined with practicality. The Mirai,

now in its second generation, offers incredible benefits to Customers in terms of range (650 km on a full tank) and reduced refueling times (5 minutes is the estimated time for a full tank). Toyota is also experimenting with using hydrogen for reducing CO<sub>2</sub> emissions in internal combustion engines. The reliability of such vehicles is tested in extreme situations, such as in the world of Rally (with the GR Yaris and the GR Corolla powered by hydrogen). The hydrogen fuel cell technology developed by Toyota is applicable not only in light transport but also in various other application areas (e.g., heavy transportation like buses, trucks, trains, power generators, etc.)<sup>9</sup>.

- **Beyond Better:** in Toyota's worldview, change is a life philosophy pursued through a fundamental corporate principle of continuous improvement: Kaizen. **Kaizen and Respect for People** represent two pillars of Toyota's DNA: it is through the talent of people that processes can be improved and innovation realized. Toyota aims to transform into a **mobility company** and create **inclusive mobility** to ensure everyone the freedom to move safely and responsibly, in harmony with the society and environment around us, without barriers and limitations. Continuous improvement also means creating a more inclusive company with diverse and open leadership, a flexible work environment that respects the needs of individuals and families. It is a company open to moments of listening and dialogue that promote cultural and professional exchanges across different business areas, an organization that raises awareness of Diversity & Inclusion issues throughout the workforce. Toyota believes in the realization of a completely sustainable society where everyone can surpass their own limits, utilizing mobility systems not limited to automobiles, enabling free and unobstructed movement, both socially and physically. In this context, **TOYOTA GAZOO Racing** represents Toyota's dimension in motorsport. But not only that, it is also an opportunity to test vehicle technologies and reliability in every condition, even the most extreme and then transfer the knowledge gained across the entire range to provide the best Customer Experience.<sup>10</sup>

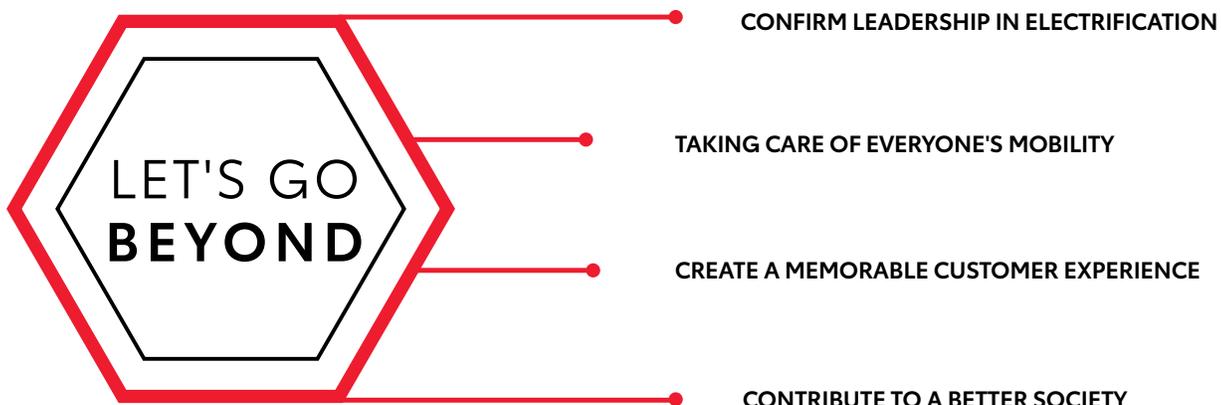
<sup>9</sup> For further information, please refer to paragraph "2.2.2.2 The role of hydrogen – Hydrogen Society"

<sup>10</sup> For further information on the successes and victories of the TOYOTA Gazoo Racing team, please refer to: [TOYOTA GAZOO Racing](#) | [TOYOTA GAZOO Racing](#)

- **Beyond Limits:** “BEFORE SETTING A LIMIT, TRY TO SURPASS IT” This statement by Akio Toyoda, Chairman of Toyota Motor Corporation, inspires Toyota's vision of life and work every day. Because innovation, evolution and improvement are precisely about the **ability to go beyond one's limits**, to constantly look beyond, to transform a boundary into a new starting point, to interpret impossibility as a new opportunity. This philosophy increasingly urges us to consider mobility not just as a tool functional to the dynamics of society but as a social and anthropological phenomenon that, in its countless interpretations and variations, can contribute to improving people's lives and achieving their happiness. From this conviction arises **KINTO**, an idea born from the desire to meet the movement needs increasingly and more effectively of a changing world. A world that is evolving rapidly and needs to adapt the forms and value of its mobility to its evolution<sup>11</sup>.

Figure 3

Let's Go Beyond vision



<sup>11</sup> For details on the services offered by KINTO, please refer to paragraph "2.2.3 KINTO and its mobility ecosystem"

# COMMON COMPONENTS TO ALL TECHNOLOGIES

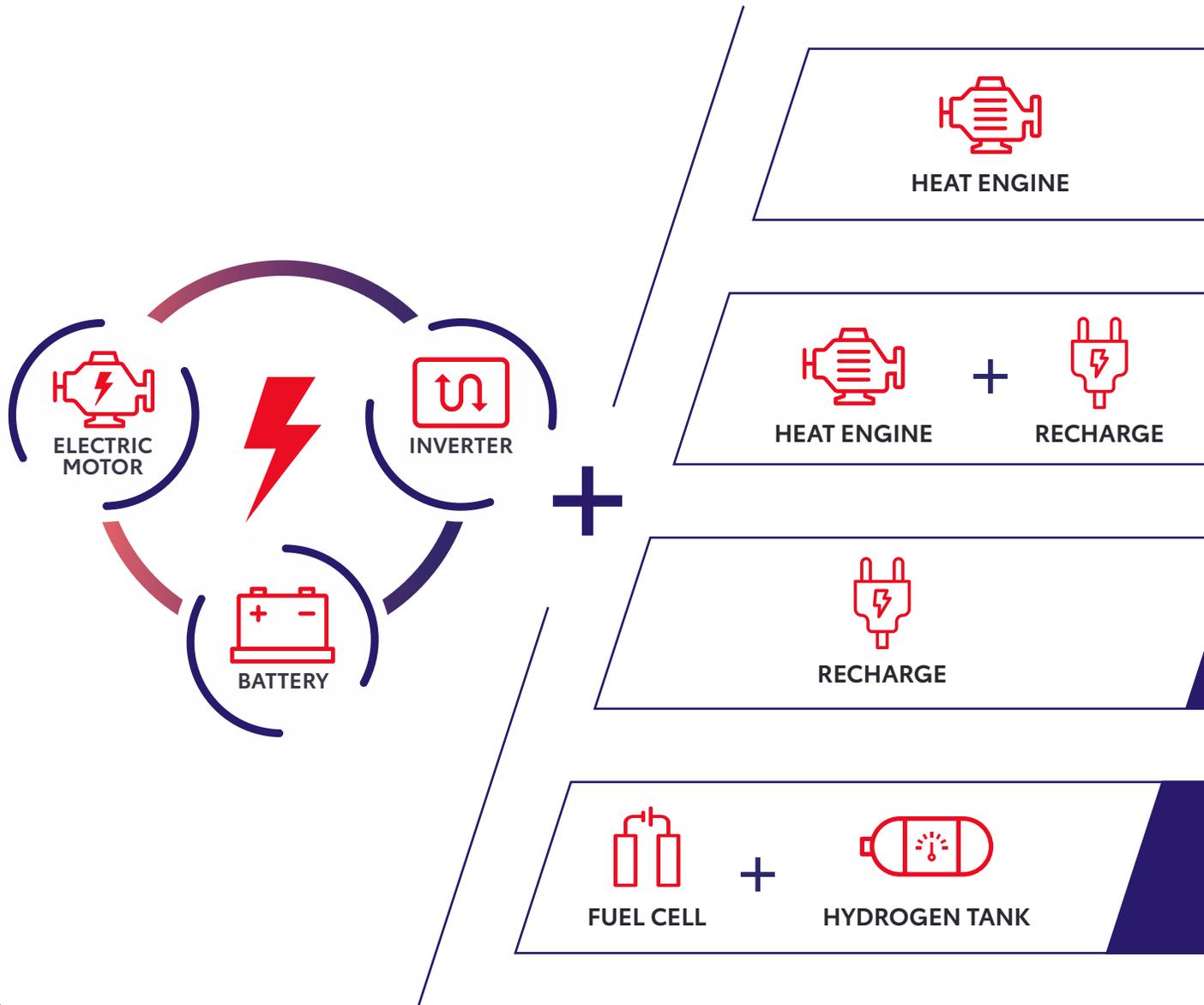


Figure 4

Toyota's electrified solutions

## HYBRID ELECTRIC VEHICLE

Vehicle equipped with two types of engines, one electric and one thermal.

HEV

## PLUG-IN HYBRID ELECTRIC VEHICLE

Hybrid Electric system equipped with a larger capacity battery that can be recharged from an external socket, as well as from the combustion engine (as happens in HEVs).

PHEV

## BATTERY ELECTRIC VEHICLE

Pure electric: traction is carried out solely by the electric motor and the battery is recharged from an external socket.

BEV

## FUEL CELL ELECTRIC VEHICLE

Pure electric: traction is carried out solely by the electric motor and the battery is recharged from an external socket.

FCEV

## THE TOYOTA COMPANIES EVENT IN ITALY: LET'S GO BEYOND<sup>12</sup>

The Let's Go Beyond vision was presented during an event held at the headquarters in Rome, where Toyota companies in Italy had the opportunity to showcase to their business partners, media and institutions the multi-technological approach towards energy transition and complete Carbon Neutrality by 2040. The outdoor space of the event was organized to host an extensive exhibition, featuring a total of 30 vehicles that allowed guests to closely observe all the energy solutions on which Toyota is building the mobility of the future. The showcased vehicles included the Toyota Range, Lexus Range, Multitech, TOYOTA GAZOO Racing (TGR), New Toyota C-HR Prologue, CityCar and Commercial Vehicles. The exhibition also featured the Toyota e-Palette, a prototype of an autonomous urban transportation system, as well as an innovative hydrogen generator and a hydrogen fuel cell-powered electric forklift.

The various elements of the vision were presented interactively and immersively through thematic experiential workshops that were highly appreciated by the guests:

- in the *Beyond Expectation* experience, Toyota introduced **WeHybrid®**. Guests were welcomed into a television studio, guided by a host on an engaging journey through the **WeHybrid®** world;
- in the *Beyond Innovation* workshop, the event featured an immersive narrative solution with an LED corner that involved speakers in a dynamic debate on the specific elements of what is called the *Hydrogen Society*. Guests also had the opportunity to experience Toyota's innovative solutions through a *special driving experience* aboard a hydrogen-powered bus;
- in the *Beyond Better* segment, the event highlighted the energy and adrenaline of the sports world, immersing guests in environments like those where Toyota sports cars move every day;
- in the *Beyond Limits* context, the flexibility of the integrated KINTO service ecosystem was engagingly presented to guests through theatrical narration simulating personal and business situations where KINTO services can be utilized.



<sup>12</sup> For further information:

<https://newsroom.toyota.eu/lets-go-beyond-il-gruppo-toyota-illustra-la-visione-e-la-strategia-verso-la-neutralita-carbonica-e-la-mobilita-per-tutti/>

# The Toyota companies in Italy

— CHAPTER 2



# 2.1 WHO WE ARE

## 2.1.1 History, values and vision

The **Toyota Motor Corporation**, Ltd. was founded in 1937 by Kiichiro Toyoda. From the beginning, it established its unique production model, which would later be known as the **Toyota Production System** (TPS) or Lean Manufacturing System, a result of continuous process improvement. The model aims to **minimize production waste** and is based on the concepts of 'Jidoka' and 'Just-in-Time,' with the goal of reducing defective products and inventory levels<sup>13</sup>.

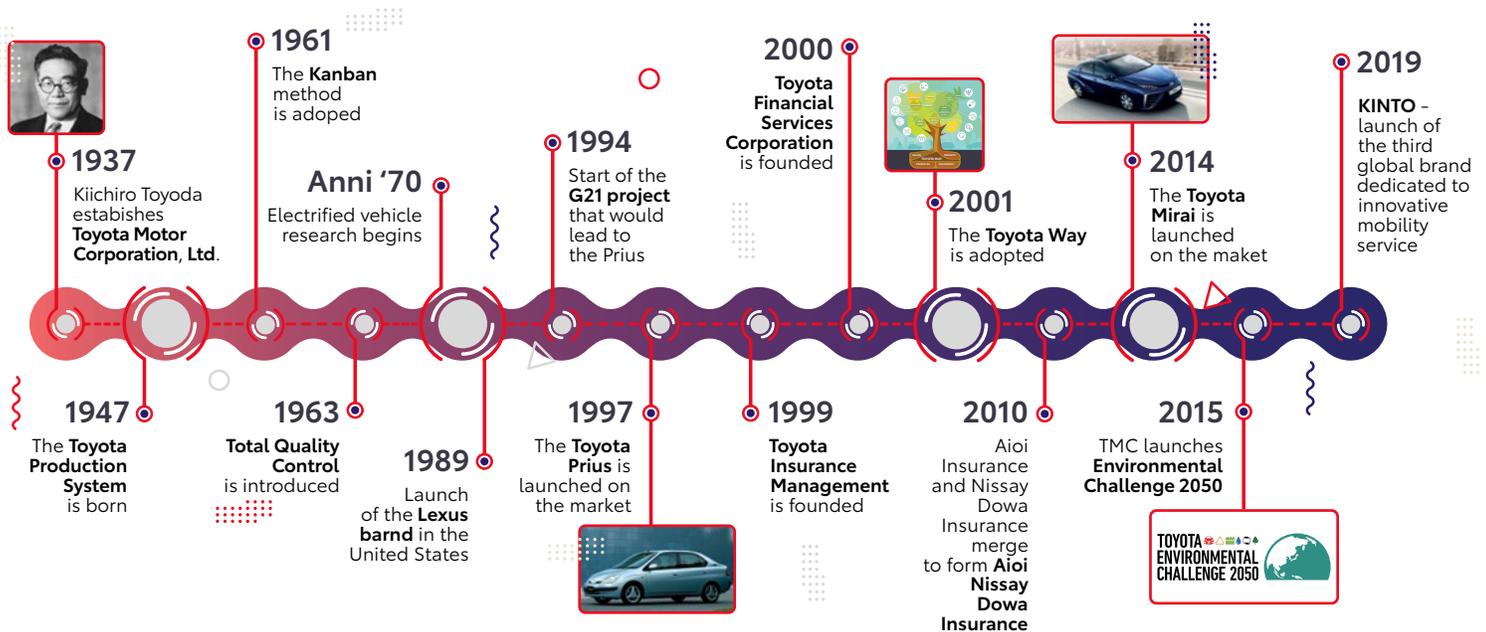


Figure 5

Historical landmarks for Toyota

Since the 1950s, the brand has been progressively establishing itself globally, especially with its popular models such as the Corolla. Simultaneously, Toyota continues to invest in the future and innovation, initiating research on hybrid propulsion systems in the 1970s<sup>14</sup>. This effort led Toyota to assume a global leadership position in the electrified market with the introduction of the world's **first mass-produced hybrid electric vehicle**, the **Toyota Prius**, in 1997. Subsequently, Toyota further embraced hydrogen as an energy carrier, culminating in the launch of the world's **first mass-produced hydrogen fuel cell vehicle**, the **Mirai**, in 2014. The term 'Mirai' in Japanese translates to "Future", reflecting Toyota's commitment to advancing sustainable automotive technologies<sup>15</sup>.

<sup>13</sup> TMC, Toyota Production System, <https://global.toyota/en/company/vision-and-philosophy/production-system/>

<sup>14</sup> <sup>15</sup> TMC, 75 Years of Toyota, [https://www.toyota-global.com/company/history\\_of\\_toyota/75years](https://www.toyota-global.com/company/history_of_toyota/75years)

Starting in the 1980s, Toyota's business expanded to include financial services, establishing the first local branches of Toyota Financial. This eventually led to the formation of **Toyota Financial Services Corporation** (TFSC) in the 2000s. In 1999, Toyota also entered the insurance services sector with Toyota Insurance Management.

A more recent development is the introduction of **KINTO** in 2019, the third global brand of the Toyota Group. This marked a crucial step in Toyota's transformation into a Mobility Company, designed to meet new mobility needs in a simple, sustainable and accessible way for everyone.

Today, Toyota stands among the world's leading automotive manufacturers, with **sales volumes** surpassing **9 million in the year 2022**. A recent milestone, achieved on March 30, 2023<sup>16</sup>, involved the award-winning and consistently popular Yaris reaching 10 million cumulative global sales. This achievement adds to the success of other historically well-received Toyota models, including the Corolla, Camry, RAV4, Hilux and Land Cruiser, all of which have surpassed the ten-million-unit mark. These accomplishments underscore Toyota's role and responsibility within society.

Toyota's vision is to pave the way for the future of mobility, enhancing the lives of people worldwide through safe and responsible mobility solutions. That's why the company places at the core of its business the pursuit of mobility solutions designed for people, meeting the needs of all, respecting the planet and delivering safety, reliability, innovation and exceeding Customer expectations.

## The words of Toyota culture

**Jidoka** – a term that combines the concepts of automation and human intervention, often translated as "autonomation" or 'intelligent automation,' indicating a robotic process supervised by a human.

**Kaizen** – a term formed by the words kai (change) and zen (good, better), signifying continuous improvement.

**Genchi Genbutsu** – literally 'go to the source,' the attitude of directly observing what happens on the gemba, or workplace, in order to make decisions based on objective and verified data.

**Kanban** – a term composed of kan (visual) and ban (signal), indicating the method of internal information circulation based on the use of physical cards. This method is aimed at efficiently managing and moving materials and inventory.

**KINTO** – the name of the new brand dedicated to new mobility, derived from the Japanese word Kintoun or flying cloud, a cloud that, on request, transports a famous character from Japanese anime.

<sup>16</sup> For further information: [Toyota Yaris raggiunge il traguardo di 10 milioni di vendite globali](#)

All Toyota employees share the belief that a better solution is always possible at any given moment and they work together to ensure a continuous improvement process, which is fundamental to the application of the **Toyota Way**. Moreover, Toyota promotes a corporate culture that nurtures teamwork and individual creativity, where people work with pride and passion.

**Toyota encourages a spirit of diversity** in the selection, training and development of its collaborators worldwide. Human resource development at Toyota will continue to foster the spirit of *monozukuri*<sup>17</sup>, supporting the passage and sharing of responsible production processes through generations. These concepts represent the values and principles on which the company is founded, formalized in 2011 in the **Toyota Global Vision**. This vision, depicted **metaphorically as a tree** (as illustrated in Figure 6), reflects the business structure that Toyota aspires to achieve its ambitious goals.

In this image, the brand values, including the Five Toyoda Founding Principles, Toyota's Guiding Principles and the Toyota Way<sup>18</sup>, form the roots of the tree, essential elements for the growth of a healthy and robust organization. In particular, the Toyota Way was defined in 2001 and updated in 2020. Based on the concepts expressed in the Guiding Principles of 1997, it aims to outline the values that have characterized the company's business approach over the years, determining its success. The Toyota Way still guides the behavior of every member of the organization today.

<sup>17</sup> *Monozukuri* is synonymous with “doing things”, the passion or art of doing things. At Toyota it involves maintaining the spirit of the craftsman within industrial production, always seeking to improve quality and reduce costs through kaizen.

<sup>18</sup> Toyoda's Five Founding Principles and Toyota's Guiding Principles, issued respectively in 1935 and 1992 (with an update in 1997), celebrate the importance of values such as dedication, creativity, concreteness, gratitude, human relationships, but also respect for different cultures, teamwork, collaboration with business partners for stable growth. At the same time, they outline the company's mission, which is to offer safe, quality products that meet the needs of its Customers and to contribute to improving people's lives.



In line with the evolution of the automotive industry, Toyota has also globally initiated a process of profound transformation to maintain a strong focus on the evolving needs of Customers and ensure continuity in its competitiveness and leadership. All of this implies a necessary evolution of the corporate culture to adapt to the changes taking place in the external world. This evolution is aimed at promoting the development of a more agile company (to address changing market needs), even more open to innovation (to evolve rapidly) and based on fully digitized processes.

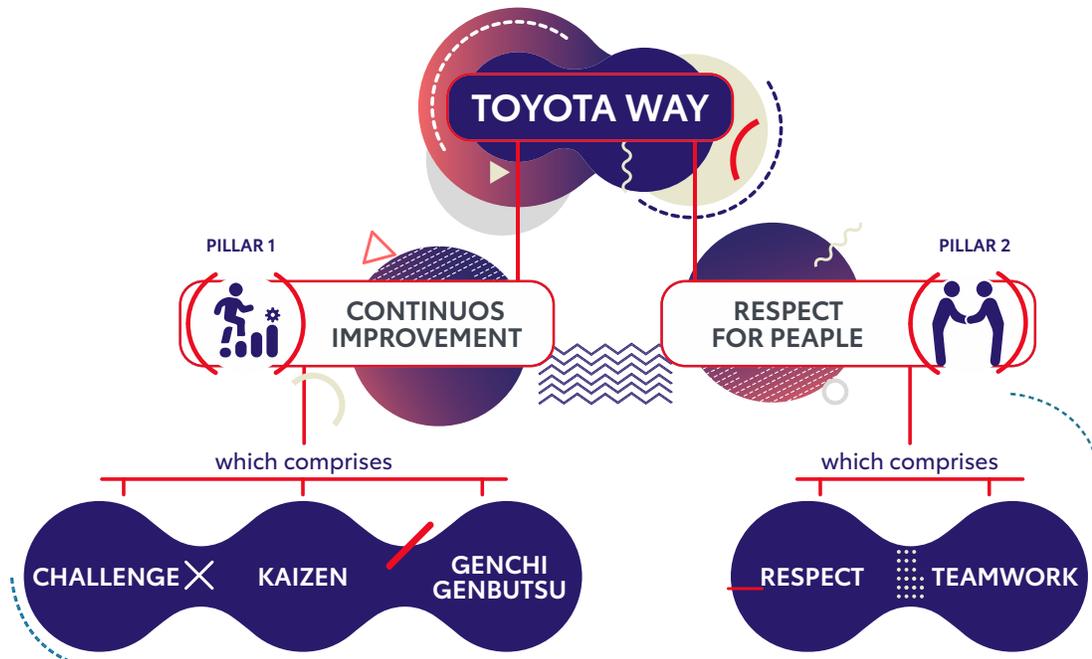
Figure 6

Representation of Toyota's Vision and Guiding Principles expressed in the 2011 Toyota Global Vision

A leaner company, with fewer formal barriers and an entrepreneurial culture in every individual resource. Therefore, the values that have guided 'our way of doing business' until now, the so-called 'Toyota Way,' have been reexamined in a more modern and pragmatic perspective in the new **Toyota Way 2020**. It is structured around the **10 values common** to all Toyota companies in Italy.



Each of the ten values serves as a guide pointing us in the right direction toward the company we aim to be: agile, dynamic, collaborative, curious and respectful toward the end Customer.



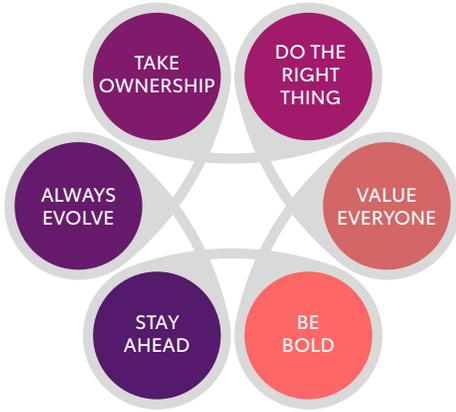
To ensure that these values are applied in everyday practice, they have been translated into **five Leadership Behaviors** at Toyota Motor Italy, applicable with varying degrees of intensity across all levels of the organization. These behaviors are the "5C": **CREATIVITY, COACHING, COURAGE, CURIOSITY & COLLABORATION**.

The 5C, therefore, represent the essential Toyota values for managing the transition towards a Mobility Company, with the aim of realizing the ambition to create happiness for all. The roots of the 2001 Toyota Way, however, do not change but transform.

Figure 7

New 5C values that drive the Toyota Way





In Toyota Financial Services and KINTO, the same values have been expressed in 6 skills that are well suited to the world of services:

- **DO THE RIGHT THING:** act openly and transparently, consistently demonstrating honesty and integrity. This competency encompasses two values from TW 2020, namely, "Work with Integrity" and "Act for Others".
- **VALUE EVERYONE:** embrace diversity, appreciate differences and listen to others. This is linked to the values "Show Respect for People" and "Thank People".
- **BE BOLD:** be bold, continuously ask questions, and focus on identifying the best possible solution. The corresponding values in this case are "Observe," "Thoroughly" and "Drive Curiosity".
- **STAY AHEAD:** be ahead, understand and anticipate times and needs. This is connected with the value "Welcome Competition".
- **ALWAYS EVOLVE:** evolve, change and continuously improve. "Create Room to Grow" and "Continue the Quest for Improvement" are the values that inspired this competency.
- **TAKE OWNERSHIP:** build credibility by demonstrating professionalism, take responsibility for achieving personal and team objectives. The reference value is "Get Better & Better".

Values, competencies, and, in general, the Toyota Way culture permeate every aspect of work life: practical evidence of how deeply rooted and represented they are reflected in the results achieved through the consistent application in the continuous improvement Kaizen projects developed and implemented over the years by TFSI and later by KINTO.

As a matter of fact, **from 2004** to the present day, **550 projects have been completed**, resulting in a total saving of over 3 million euros - a tangible value complemented by a series of equally significant intangible factors. These include efficiency brought to exceptionally high levels with a meticulous focus on the Customer, improvement in processes and the way team members work and consequently, the satisfaction of partners.

## 2.1.2 The structure of the Toyota Italy Network

The Toyota Italy Network is made up of five companies and three commercial brands that cooperate and collaborate with each other to offer their Customers a complete, differentiated and quality range of products and services.

### THE COMPANIES IN THE TOYOTA ITALY NETWORK



### THE COMMERCIAL BRANDS OF THE NETWORK TOYOTA ITALY

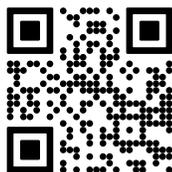


#### 2.1.2.1 Toyota Motor Italy

**Toyota Motor Italy**<sup>19</sup> (TMI) is a company within the Toyota Italy Network, controlled by Toyota Motor Europe (TME). TMI oversees the **marketing and distribution activities of Toyota and Lexus vehicles, parts and accessories** in the Italian market. TMI conducts its commercial operations in the Italian market in collaboration with other Toyota companies in Italy, such as Toyota Financial Services Italy S.p.A., KINTO Italy S.p.A., Toyota Insurance Services (Italian branch) and Aioi Nissay Dowa Insurance (Italian branch).

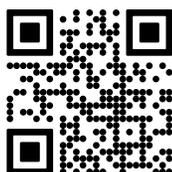


<sup>19</sup> You can access the TMI website via the following link: [Toyota Motor Italia - Auto per privati e professionisti](#)



### 2.1.2.2 Lexus

**Lexus**<sup>20</sup>, the Premium Brand of the Toyota Italy Network, Lexus, was established in 1989 to meet the need for a brand that represents Toyota's technological excellence but with a new car and image. It aims to cater to a Customer base with new values. Lexus has consistently focused on distinctive design and driving style and as a pioneer in hybrid technology, it has continually refined its electrified technology over the years. In terms of electrification, the Lexus brand has already introduced more than **30 models** with conventional, Full Hybrid and Plug-in Hybrid powertrains **in over 90 countries**. The range of vehicles with zero-emission driving will be expanded with a complete lineup of battery-electric vehicles. Specifically, Lexus **aims to offer a full range of battery-electric vehicles by 2030**, sell exclusively this type of vehicle in Europe, North America and China, and globally achieve over 1 million units sold. Lexus targets making battery-electric vehicles represent 100% of its global vehicle sales by 2035.



### 2.1.2.3 Toyota Financial Services Italy

**Toyota Financial Services Italy**<sup>21</sup> (TFSI) is a regulated and supervised **financial intermediary**, registered in the register pursuant to Article 106 of the Consolidated Banking Act maintained by the Bank of Italy. TFSI designs and implements innovative financing products capable of integrating highly customizable purchase solutions to meet diverse mobility needs. TFSI's commitment is to place the Customer at the center of its attention, helping and coordinated advisory services through the Toyota and Lexus Dealership network, tailored to the mobility needs of the clientele. All of this is done with constant attention to continuous improvement and the development of individuals.

<sup>20</sup> You can access the Lexus website via the following link: [Lexus Italia - Auto di Lusso e Premium | Sito Ufficiale](#)

<sup>21</sup> You can access the TFSI website via the following link: [Toyota Financial Services Italia - Finanziamenti, Leasing e Assicurazione \(toyota-fs.it\)](#)

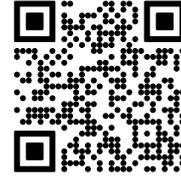
## 2.1.2.4 KINTO Italy

**KINTO**<sup>22</sup>, is the third global brand within the Toyota Group. Its mission is to **lead the transition towards the Mobility Company** by introducing a comprehensive offering of inclusive, digital, and sustainable mobility services for individuals, businesses and communities.

KINTO leverages Toyota's technology, including 100% electrified and connected vehicles, to provide Asset-based rental services in conjunction with Toyota and Lexus cars. These services include long-term leasing (KINTO One), subscription services (KINTO Flex) and shared mobility options (KINTO Share), catering to both B2C and B2B channels. The offering is complemented by a dedicated corporate Carpooling platform (KINTO Join) for commuting support and a mobile App (KINTO Go) that provides access to a wide range of integrated mobility services, from public transportation to sharing and allows for parking payments. All KINTO services are designed and introduced with goals of environmental, economic and social sustainability.

On April 1, 2021, **KINTO Europe GmbH** was launched, a company based in Cologne, Germany, dedicated to KINTO-branded mobility services and products in Europe. In Italy, on the same date, the Toyota Fleet Mobility Italy rental company was rebranded as KINTO Italy, consolidating all KINTO mobility services under one entity to further develop the potential of sustainable and accessible mobility for everyone. KINTO Italy introduced a diverse range of mobility solutions for individuals and businesses, covering various mobility needs.

Starting from 2022, **KINTO Italy** enters a new phase marked by the expansion of its activities, offering a broader range of mobility services, a precise demand profiling and increased proximity to local communities.



<sup>22</sup> You can access the KINTO website via the following link:  
[KINTO, la soluzione di mobilità per vivere al meglio i tuoi spostamenti \(kinto-mobility.eu\)](https://kinto-mobility.eu)

### 2.1.2.5 Toyota Insurance Services



**Toyota Insurance Services**<sup>23</sup> (TIS) is the **official insurance entity** within the Toyota Italy Network, established with the aim of **providing flexible and innovative insurance solutions** exclusively for Toyota and Lexus Customers. The insurance services offered are designed to promote eco-friendly and virtuous driving. From a range of kilometer-based auto policies dedicated to Toyota and Lexus Full Hybrid vehicles that reward in electric mode driving, to "connected" policies that offer the opportunity to save through more responsible driving.

### 2.1.2.6 Aioi Nissay Dowa Europe



**Aioi Nissay Dowa Europe**<sup>24</sup> (AND-E) operates in two distinct market areas. On one side, it functions as a **white-label insurer**, acting on behalf of strategic partners, assisting them in providing insurance solutions to their Customers. On the other hand, AND-E also serves as a **direct insurer for Japanese companies**, providing assistance for their corporate and employee needs.

## 2.2

# ENVIRONMENT: TOYOTA'S COMMITMENT TO THE ENVIRONMENT IN ITALY



### 2.2.1 Management of environmental impacts

The global challenges posed by climate change have encouraged a growing awareness and lively debate over the past decade, both by institutions and companies, on the necessary countermeasures to mitigate its effects. In this regard, **Toyota's Challenge 2** specifically aims to **zero out CO<sub>2</sub>**

<sup>23</sup> You can access the TIS website via the following link: [Home \(toyota-im.it\)](https://toyota-im.it)

<sup>24</sup> You can access the AND-E website via the following link: [Europe and Africa | Overseas Network | Aioi Nissay Dowa Insurance](#)

**emissions** throughout the product life cycle. This involves utilizing materials processed with low environmental impact processes, reducing the quantity of components per vehicle and increasing the use of high-performance recycled and recyclable materials in terms of quality and safety.

**With Challenge 3**, the brand commits to **reducing CO<sub>2</sub> emissions from its production plants**. This commitment involves technological innovation, process efficiency improvements and an increasing use of renewable energy. Despite the absence of production plants, the Toyota Italy Network has always been dedicated to the continuous reduction of its energy consumption and the environmental impact of its activities. A fundamental element of this commitment is the presence of a robust **Environmental Management System certified ISO 14001** since 2003, effectively applied to the Head Office and the network of Dealerships nationwide.

The main office of the Toyota Italy Network is located in Rome and consists **Of four main buildings**, including the spare parts warehouse. The **covered surfaces** extend to approximately **18,000 square meters**, making energy efficiency an essential element of its environmental strategy.

The environmental monitoring plan involves **tracking the trends in energy consumption** for the entire complex in terms of electricity, heating gas, cafeteria gas, sanitary water, fire prevention water and well water for irrigation. The data is recorded and processed by Facility Management for both auditing activities within the Environmental Management System and, most importantly, for the continuous improvement of the company's energy performance.

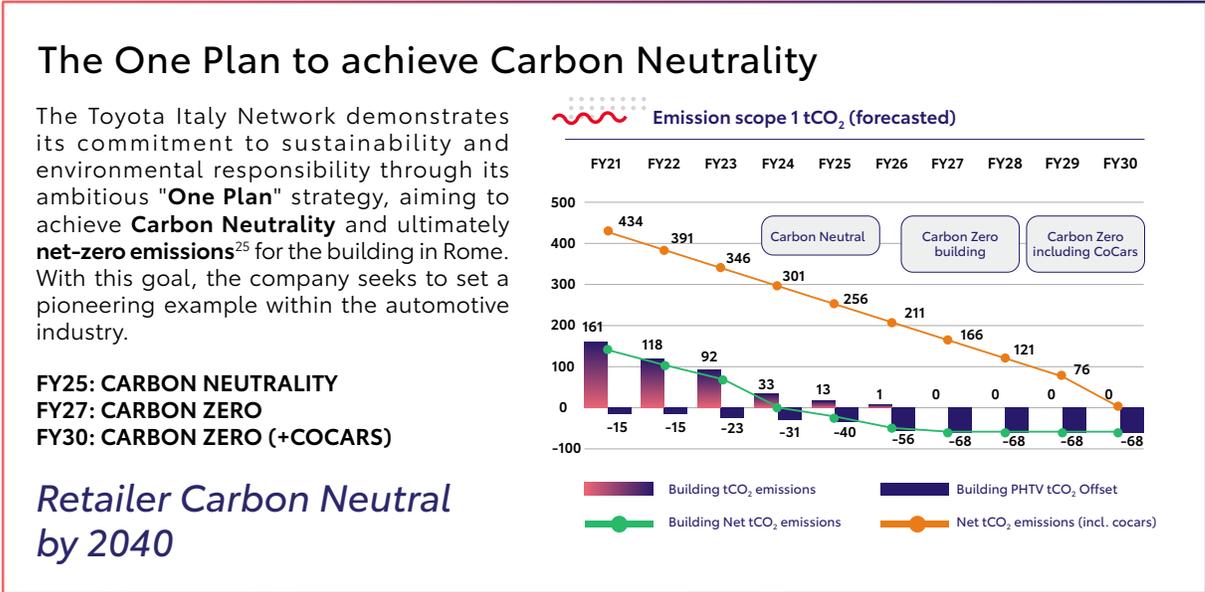
The predominantly commercial activities of Toyota companies in Italy are closely tied to **collaboration with logistics partners** for the efficient movement of spare parts and vehicles between **foreign production facilities** and **Dealership locations** nationwide. To monitor and mitigate its environmental impact, particularly concerning greenhouse gas emissions, Toyota in Italy has established a **direct dialogue channel with the two main logistics operators** for spare parts and vehicle movements, namely SUSA and Bertani. This collaboration has led to a **gradual alignment with energy efficiency and emission reduction objectives**.

## *Constant consumption monitoring plan*



Figure 8

Our headquarters



<sup>25</sup> The **One Plan** takes into consideration the Fiscal Year of the Toyota Italy Network with reference to the Fiscal Year, except for the company fleet whose consumption refers to the TMI Calendar Year. The source used for the emission factors is the "Table of national standard parameters 2022 - Ministry of the Environment".

Network is promoting specific initiatives that accelerate the path towards the carbon neutrality of the building, such as:

1. **Advancing the replacement of the hot/cold water** heat pump by 2024.
2. **Expanding the thermal photovoltaic system** from the office roof to the external parking area.
3. **Implementing a solar thermal** system for the Office and cafeteria for hot water production.

Furthermore, Toyota companies in Italy are committed to the progressive **electrification of the corporate fleet**, aiming to achieve an average reduction in CO<sub>2</sub> emissions from 115 to 23 g/km (WLTP) by 2030. One Plan also sets objectives for the Toyota and Lexus Dealership network.

Toyota Motor Europe aims to achieve **Carbon Neutrality for retailers by 2040**. Additionally, Dealers' commitment to invest in the Green Retailer Program to reduce the footprint of existing sites and achieve Carbon Neutrality in new construction sites will be included in the **new agreement** with Dealers for 2024-2028. The current goal is to reduce emissions by 18% for over 80% of the Dealer network by 2025.

At the continental level, Toyota is committed to reducing the impacts of activities related to the transportation of parts and vehicles. Regarding vehicle supply to the Italian affiliate, Toyota Motor Europe, in collaboration with TMI, has replaced road transport with rail transport for the route between Belgian facilities and Verona, resulting in significant CO<sub>2</sub> emission savings.

For a more accurate monitoring of its carbon footprint, demonstrating a particular focus on the entire supply chain, the Toyota Italy Network has initiated, starting from this report, a **calculation of CO<sub>2</sub> emissions (Scope 3) related to Dealerships** and the **two categories** most impacting **logistics activities downstream**. These categories include the **transport and distribution of spare parts and vehicles** to the Dealership network, which is essential for Toyota's core business in Italy. This category, with emissions totaling around 13,900 tons of CO<sub>2</sub> for Fiscal Year 23, represents a significantly more impactful emission category compared to emissions associated with Toyota's direct activities. Therefore, it presents a significant opportunity for collaboration with partners to reduce the overall environmental impact.

*Direct dialogue  
with main logistics  
partners on climate  
objectives*

*Shift from  
road transport to  
rail transport*

## Monitoring of emissions related to Dealers and the transport and distribution of spare parts and vehicles

### Carbon Neutrality target for retailers by 2040

### 100% rebewable electricity

### Petrol consumption: -9% vs FY22

### Natural gas consumption: -3% vs FY22

During Fiscal Year (FY) 2023, the **energy consumption** of the Toyota companies in Italy amounted to **14,085 GJ**, a decrease of 11% compared to FY 2022. The consumption is primarily attributed to the purchase of electricity (**100% sourced from renewable sources**) to power the Rome Building. Smaller portions of the total are related to the use of fuels such as natural gas, diesel and gasoline. Moreover, despite an increase in the corporate fleet (from 90 to 97 vehicles), **overall fuel consumption** decreased by 9% (from 173,000 to 156,000 liters).

In accordance with reporting requirements, more specifically following the GHG Protocol Corporate Standard, the Toyota Italy Network commits to managing its emissions by categorizing them into three Scopes:

- Direct Emissions – **Scope 1**;
- Indirect Emissions from Energy Consumption – **Scope 2**;
- Other Indirect Emissions – **Scope 3**.

Direct emissions – **Scope 1** related to the use of fossil fuels amounted to **470,72 tCO<sub>2</sub>eq** in FY 2023, representing a 17% decrease compared to FY 2022.

Concerning indirect emissions related to electricity consumption, classified as Scope 2, the Toyota Italy Network conducts the analysis using both the Market-Based (MB) approach, which assigns a zero CO<sub>2</sub>eq emission factor for energy consumption from renewable sources and the Location-Based (LB) approach, considering the average CO<sub>2</sub>eq emission factor of the national electrical grid.

During FY 2023, **Scope 2 LB** emissions amounted to **417,82 tCO<sub>2</sub>eq**, a 1% increase compared to the previous FY, while MB emissions were 0, thanks to the procurement of 100% renewable energy.

The total of indirect emissions – **Scope 3** in FY 2023 is **13,946.13 tCO<sub>2</sub>eq**. For the first time in FY 2023, emissions from the dealerships in the network were considered, in addition to those related to the activities of the network's logistics partners.

## Photovoltaic development plan

In the landscape of activities aimed at ensuring the environmental and energy sustainability of the headquarters, gradually achieving a full balance of CO<sub>2</sub> emissions, the **development project of photovoltaic systems** has emerged prominently. These systems have already been implemented on the Warehouse roof<sup>26</sup> and are set to be installed soon on the Training Centre (2023)<sup>27</sup>. In the upcoming years (2024-25), additional installations are planned for the Office roof, Multipurpose roof and the external parking area. The new photovoltaic system at the Training Center, scheduled to be operational by the end of 2023, involves the installation of **360 panels with a nominal power of 505 Wp** each. These state-of-the-art Sunpower bifacial panels represent a significant technological evolution compared to previous installations. Covering an area of approximately 2,000 square meters, the photovoltaic system will have a nominal power of 181.8 kWp, capable of producing around 260 MWh annually, equivalent to **13% of the current electricity demand** of the entire headquarters.

**360  
photovoltaic  
panels to be  
installed by 2025  
(13% of FY25  
energy needs  
vs 11% FY23)**

## Implementation of the monitoring system

The progressive technological upgrade of the facility's infrastructure, aimed at ensuring both the Business Continuity of the site and achieving energy efficiency within the building, has led in recent years to the proliferation of a **significant number of Building Management Systems (BMS)**. These systems transmit real-time operational data from various facilities such as refrigeration units, photovoltaic systems, UPS, etc. Consequently, the need has arisen to implement a platform capable not only of consolidating data from various facilities but also of analyzing them to achieve an energy accountability for the site.

To this end, a study is currently underway to identify areas of the facility and energy vectors to monitor, in order to define the implementation of a monitoring system that focuses on the most energy-consuming installations of the site. The ultimate goal is to have a tool that can support the company in identifying the most effective energy efficiency interventions.

The implementation of this monitoring system is also functional for TMI to comply with the provisions of Article 8 of Legislative Decree 102/2014 (Energy Diagnosis).



**New BMS platform  
in compliance with  
Energy Diagnosis**

<sup>26</sup> Warehouse dedicated to the logistical needs of Toyota companies in Italy.

<sup>27</sup> Training center under construction at Toyota Corporate Headquarters in Italy in Rome.

## Optimization of the use of water resources

Toyota's environmental strategy considers the optimization of water usage a key element for environmental and territorial protection, making it the focus of Challenge number 4. At Toyota's headquarters in Italy, where water is not used in production activities, the **extracted water** is primarily **utilized for sanitary, firefighting, irrigation and car washing purposes**. Since 2020, the company has initiated a process to enhance the monitoring of water consumption with the aim of optimizing and streamlining water Network management by increasing the number of meters from one to five. The establishment of detailed monitoring and a consumption baseline marked the first step in an analytical journey that will lead to a study for the installation of a new pipeline. This new pipeline will enable more precise monitoring, facilitating efficiency interventions.

**12.37 ML  
OF WATER  
WITHDRAWN  
IN FY23**

## Waste management

**WASTE DISPOSAL  
REDUCED BY 56%  
FOR CARDBOARD  
PACKAGING  
AND 39% FOR  
WOODEN  
PACKAGING**

To minimize the largest impact of its business in the waste production domain, specifically related to the end-of-life phase of vehicles, Toyota has launched Challenge number 5: the creation of systems and societies based on recycling. One of the key projects promoted by the company is the **Toyota Global 100 Dismantlers Project**, which establishes the proper treatment of products in the final phase of their life cycle. The areas covered by the project include the use of environmentally friendly materials, extending the lifespan of components, developing recycling technologies and reusing vehicles or vehicle parts in the production of new cars.

Within TMI's spare parts warehouse, optimization activities have been carried out in collaboration with the logistics partner. These activities have resulted in a reduction in the use of disposable packaging containers in favor of iron containers (in the incoming flows of spare parts from the European warehouse) and reusable boxes (in the outgoing flows of spare parts to Dealerships). These actions have contributed to a reduction in waste production at the site.

Waste is subject to detailed monitoring, with a focus on hazardous waste such as **electric vehicle batteries**. These batteries, in compliance with current regulations, are safely **managed by the COBAT consortium**.

Overall, the majority of special waste managed by the company comes from the spare parts warehouse and is proportional to the volumes of spare parts handled. Specifically, the percentage of hazardous special waste is very low (3.3%) with a recovery initiation rate of 100%. As for non-hazardous special waste (96.7% of total special waste), there is a recovery initiation rate of 94.5%.

**71.5 T OF WASTE  
PRODUCED IN FY23  
(-33% vs FY22)**

## 2.2.2 The electrification strategy

One of the pillars of the 'Let's Go Beyond' vision is the confirmation of Toyota's leadership in electrification. This leadership is based on a multi-technological approach to offer a wide range of solutions to its Customers worldwide, aiming to reduce CO<sub>2</sub> emissions concretely and as soon as possible. This approach includes the introduction of zero-emission driving solutions, such as battery



electric vehicles and hydrogen fuel cell electric vehicles, as well as the continuous improvement of very low-emission technologies, such as Plug-in Hybrid and Full Hybrid.

Electrified vehicles will **strengthen the environmental leadership** that Toyota has achieved since, 25 years ago, it made emissions elimination its primary goal with the introduction of the Prius, the world's first Full Hybrid car accessible to all. Since then, the company has consistently developed and improved its hybrid technology to pursue a multi-path approach to reduce and ultimately eliminate carbon dioxide emissions, with hybrid vehicles, Plug-in hybrids, as well as battery-electric and fuel cell electric zero-emission driving models.

In Europe, Toyota plans to introduce several Battery Electric Vehicles (BEVs) in the coming years. A diversified portfolio of electrified products will contribute to propelling Toyota toward its global goal of Carbon Neutrality by 2050.

To date, the electrification journey, with over **22 million electrified vehicles introduced worldwide in the last 25 years** (including 500,000 vehicles sold only in Italy – a volume more than proportional to the size of our market – saving approximately 4 million tons of CO<sub>2</sub> in 10 years), has resulted in a savings of about **160 million tons of CO<sub>2</sub>**. Globally, by **2026, we will introduce 10 new BEV models, reaching 1.5 million units sold per year**.

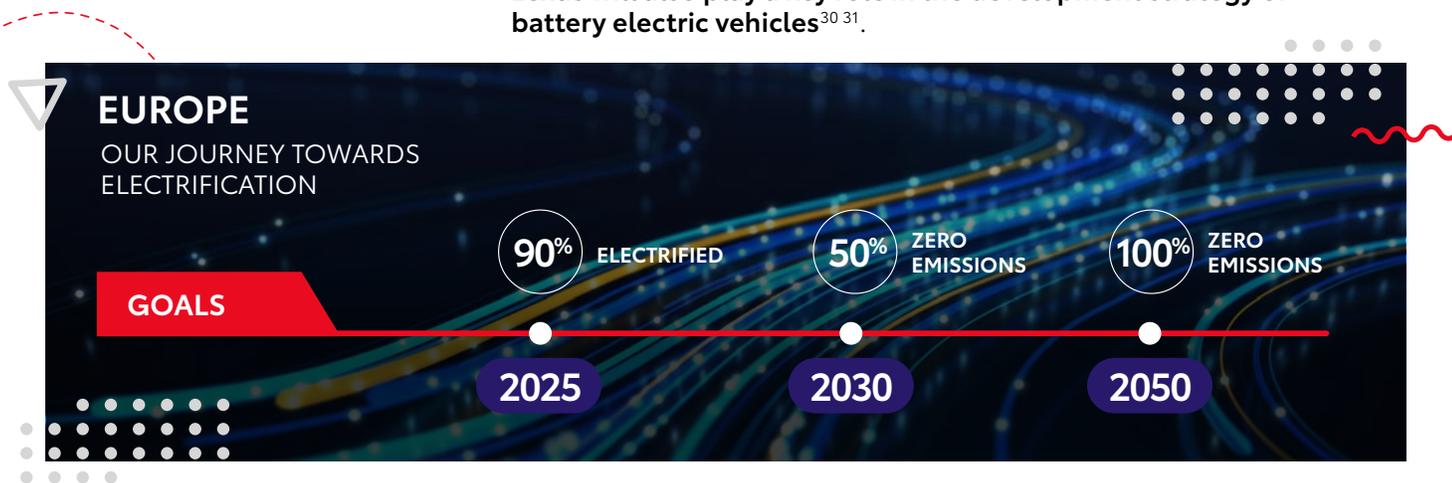
Aligned with this trajectory, Toyota aims **to achieve 90% of electrified vehicle sales in Europe by 2025**, with Full Hybrid and Plug-In Hybrid representing 80% of the total, while the remaining 10% will be zero-emission vehicles.

**By 2030**, more than 50% of Toyota sales in Europe will be zero-emission, primarily battery-electric vehicles, while **by 2035, 100% of sales in Europe will be zero-emission**, thanks

to the combined use of battery electric and hydrogen fuel cell technology (Figure 9).

One of the central elements of this strategy is represented by the introduction of the bZ4X<sup>28 29</sup>, Toyota's new and first Battery Electric Vehicle (BEV), paving the way for zero-emission driving models and bringing true SUV off-road capabilities to the market for the first time in BEVs. **Its introduction will accelerate Toyota's multi-technological journey towards the goal of Carbon Neutrality. Lexus will also play a key role in the development strategy of battery electric vehicles<sup>30 31</sup>.**

Figure 9



Lexus aims to offer a complete range of battery electric vehicles by 2030, exclusively selling this type of car in Europe, North America and China. The global target is to achieve 1 million units sold and have battery electric vehicles account for 100% of its global vehicle sales by 2035.

Figure 10

New Toyota bZ4X, first car 100% electric native of the Toyota Group and progenitor of new vehicles Full Electric Toyota.



<sup>28</sup> For further information: [PRESENTAZIONE STAMPA NUOVO TOYOTA bZ4X](#)

<sup>29</sup> For further information: [TOYOTA bZ4X: L'ELETTRICO TOYOTA, 100% SUV](#)

<sup>30</sup> For further information: [LEXUS RZ](#)

<sup>31</sup> For further information: [LEXUS RX](#)

19 million batteries produced

In the battery sector, Toyota has conducted research, development and production internally for many years. Over the past 26 years, the company has invested nearly **1 trillion yen and produced more than 19 million batteries**. In the future, Toyota plans to increase its investment to 2 trillion yen (approximately 15 billion euros), aiming to develop even more advanced, high quality, and cost effective batteries.

## THE ROADMAP OF TOYOTA'S ADVANCED BATTERY TECHNOLOGY

Toyota Motor Corporation has recently confirmed that its next-generation Battery Electric Vehicles (BEVs) will enter **production starting in 2026**. This move is part of Toyota's plan to offer BEVs with advanced technologies that do not compromise driving pleasure, powered by a range of new advanced batteries specifically developed to meet the diverse needs and expectations of Toyota Customers. Toyota recently shared a preview of the rollout plan for the latest and most advanced battery technologies.

Furthermore, Toyota already has in the development phase a solid-state lithium-ion battery with even higher specifications, aiming for a 50% improvement in range compared to the Performance battery:

### TOYOTA'S BATTERY TECHNOLOGY ROADMAP

|                      | TODAY<br>2023    |              | NEXT GENERATION<br>2026 |                                | FURTHER EVOLUTION<br>2027/28 |               | TBD |
|----------------------|------------------|--------------|-------------------------|--------------------------------|------------------------------|---------------|-----|
|                      | Battery for bZ4X | Performance  | Popularisation          | High Performance               | Solid-State 1                | Solid-State 2 |     |
|                      | Monopolar        |              | Bipolar                 |                                |                              |               |     |
| Electrolyte type     | Liquid           |              |                         |                                | Solid                        |               |     |
| Chemistry            | Li-Ion           |              | LiFePO*1                | Li-Ion                         |                              |               |     |
| Driving range (WLTP) | 500km            | >800 km      | >600 km                 | >1.000 km                      | >1.000 km                    | >1.200 km     |     |
| Cost                 | -                | -20% vs bZ4X | -40% vs bZ4X            | -10% vs NG performance version | TBD                          | TBD           |     |
| Fast charge time*2   | ~30 min          | ~20 min      | ~30 min                 | ~20 min                        | ~10 min                      | TBD           |     |

\*1 Lithium iron phosphate

NOTA: Established driving range includes aerodynamics and vehicle weight improvements

\*2 SoC = 10-80%

The President of Toyota BEV Factory, Takero Kato, stated that the next-generation BEVs will debut in the market in 2026 and 1.7 million out of the 3.5 million BEVs that Toyota plans to sell by 2030 will be next-generation models. Toyota has introduced four next-generation batteries that feature cutting-edge advancements with both liquid and solid electrolytes.<sup>32</sup>

<sup>32</sup> For further information regarding the latest news on battery development, access the following link: <https://www.toyota.it/mondo-toyota/news-eventi/2023/la-roadmap-della-tecnologia-avanzata-delle-batterie-toyota>

## The emissions of the Toyota Italy Network fleet

From an emissions standpoint, Toyota aligns with the CO<sub>2</sub> targets set by the European Union, aiming for **fleet emissions** not exceeding 95 g/km by 2021. This milestone has been achieved through the electrification of the entire range, enabling the widespread adoption of efficient vehicles with high safety standards. **Aygo X, Yaris, Toyota C-HR, Corolla, and Prius all declare CO<sub>2</sub> emissions below the 95 g/km threshold for all versions in the lineup.** The introduction of the **New Yaris Hybrid** (64 g/km), **RAV4 PHEV** (22 g/km), **New Mirai hydrogen** fuel cell and the **All-Electric Lexus UX 300e crossover** will pave the way to achieve an **additional 15% reduction in CO<sub>2</sub> by 2025**, as mandated by regulations. Finally, the introduction of new battery electric vehicles in the coming years, starting with the first model in the bZ4X range, **will facilitate further evolution with the goal of achieving 100% CO<sub>2</sub> reduction in all new vehicles by 2035.**

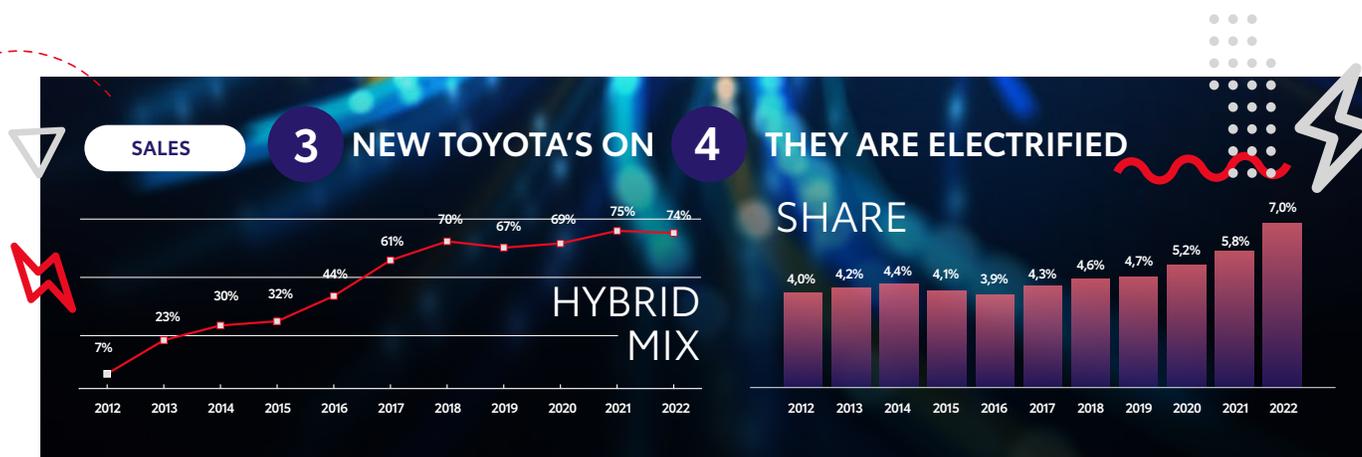


Figure 11

Overview of electrified car mix of the Toyota Network

### 2.2.2.1 The role of Full Hybrid in the energy transition

The Full Hybrid technology plays a key role in the energy transition as it can ensure low environmental impacts without substantially altering the driving habits of users compared to conventional vehicles. Despite a significant portion of the propulsion being carried out by electric components, refueling occurs in the same way as internal combustion engine vehicles.

The energy efficiency of Toyota's Full Hybrid vehicles has been the subject of three scientific studies monitoring the energy behavior of different vehicles to determine the percentage of zero-emission driving travel on various types of routes (urban, highway and mixed).

The most recent of these studies, conducted in 2020 in collaboration with the Center for Automotive Research and Evolution (CARE) at the Guglielmo Marconi University of Rome and the National Agency for New Technologies, Energy and Sustainable Economic Development (ENEA), featured the New Toyota Yaris equipped with fourth-generation Full Hybrid technology. Twenty drivers participated, each completing the route three times. The New Yaris achieved remarkable performance, covering the planned route with an average operation in zero-emission mode for over 78% of the time (reaching 82.6% on urban stretches) and utilizing exclusively electric traction for 66.6% of the distance.

Table 1

Results emerged from the study conducted in 2020 relating to the new Toyota Yaris

|                         | URBAN | EXTRA-URBAN | TOTAL TEST |
|-------------------------|-------|-------------|------------|
| ZEV - Time              | 82,6% | 75,7%       | 78,0%      |
| ZEV - Space             | 76,1% | 64,5%       | 66,3%      |
| Consumptions [l/100km]  | 3.81  | 2.93        | 3.07       |
| Total system efficiency | 34,0% | 43,3%       | 41,5%      |

Throughout the year, the **Corolla Cross** was launched, marking the first global model from Toyota to be powered by the fifth generation of the Full Hybrid system.

The philosophy of continuous improvement over the 25 years since this technology made its debut in the market has resulted in a more powerful and rewarding driving system, as well as one that is **more efficient in terms of fuel consumption and emissions.**

Figure 12

Classification of Hybrid technologies

Here are some features of this model, representing an evolution of Toyota's Full Hybrid system, one of the solutions the brand employs to meet the diverse needs and circumstances of people worldwide.

## The different types of hybrids in the automotive sector

**Hybrid Electric Vehicles (HEVs)** can be classified based on their performance or operating modes. The first classification distinguishes between:

- **Series Hybrid:** propulsion is solely provided by the electric motor, while the internal combustion engine functions solely as a generator to recharge the vehicle's battery.
- **Parallel Hybrid:** both motors contribute to propulsion, with the electric motor assisting the internal combustion engine with an extra power boost when needed.
- **Series/Parallel Hybrid:** This is the system used by Toyota, which leverages the advantages of both systems, with the internal combustion engine operating in conjunction with the electric motor.

Toyota employs Full Hybrid and Hybrid Plug-in technologies for its vehicles, which stand out for a greater contribution from the electric component compared to other technologies, as evident in the following classification based on operating modes:



### MICRO HYBRID

Equipped with a simple Start&Stop device that turns off vehicle's engine when stationary and **braking system recharging the battery.**



### MILD HYBRID

Equipped with an electric motor that cooperates with the combustion engine, **but that cannot work autonomously.**



### FULL HYBRID TOYOTA

Equipped with an electric motor that works both together with the combustion engine and completely autonomously: it's a very efficient system, that allows to run at **zero-emissions for more than 50% of the time.**



### HYBRID PLUG-IN TOYOTA

It is the Full Hybrid version with a **plug-in to increase electric mode range.**

A reliable index to measure the actual role of the electric motor in a hybrid system is the degree of hybridization (Hr).<sup>33 34</sup>

<sup>33</sup> The zero-emission percentage refers to the fraction of time spent in total to cover the examined routes. This percentage is derived from the results of studies on the energy behavior of Toyota Hybrid vehicles conducted by the CARE - Center for Automotive Research and Evolution (University of Studies "Guglielmo Marconi," Rome) and ENEA - National Agency for New Technologies, Energy and Sustainable Economic Development (Casaccia Research Center, Rome), as well as those obtained through the 'Truth Test Drive' based on vehicle diagnostic system data.

<sup>34</sup> Chris Mi, M. Abul Masrur, Hybrid Electric Vehicles: Principles and Applications with Practical Perspectives, Ed. John Wiley & Sons, 2017, par. 1.4.7. David Crolla, Behrooz Mashadi, Vehicle Powertrain Systems, Ed. John Wiley & Sons, 2011, par. 7.2.4.1/2/3.

## The role of the Hybrid Plug-in

For further information on the topic mentioned, please refer to the links in the note.<sup>35 36</sup>



### 2.2.2.2 The role of hydrogen: Hydrogen Society

Toyota's leadership in electrification is based on a multi-technological approach aimed at providing its customers worldwide with a wide range of solutions, with the concrete goal of reducing CO<sub>2</sub> emissions as much as possible and as soon as possible.

The guiding principle is that "the enemy is carbon" and not any specific technology. Every CO<sub>2</sub> molecule released into the atmosphere is destined to remain there for the next 100 years. This is why it is necessary to act now, in the most effective manner, using all available technologies. Firm in the belief that there is no single road and technology to achieve zero-emissions by 2035, Toyota's commitment materializes in complementing battery electric with hydrogen fuel cell electric vehicles (FCEV).

For about thirty years, Toyota's research has progressively focused on perfecting hydrogen fuel cell electrified technology: an unlimited resource found inexhaustibly in nature, enabling the storage, in gaseous, liquid, or solid form, of energy produced from renewable sources safely and for an extended period, facilitating easy transport. Its high energy density, both in weight and per unit of volume, makes hydrogen comparable to traditional fuels in terms of space and refueling speed.

<sup>35</sup> For further information: [TOYOTA PRESENTA LE NOVITÀ PER LA GAMMA RAV4 2023](#)

<sup>36</sup> For further information: [ANTEPRIMA MONDIALE DELLA TOYOTA PRIUS DI QUINTA GENERAZIONE, 100% IBRIDA PLUG-IN PER L'EUROPA](#)



The **Toyota Mirai** ("future" in Japanese) is the world's **first mass-produced hydrogen fuel cell electric vehicle**, introduced in 2014. Today, it is in its second generation and symbolizes Toyota's strategy to propagate this system as the most promising solution in terms of emissions (FCEVs are zero-emission vehicles) and driving habits, given the high range and reduced refueling times. There are approximately 22,000 units in circulation worldwide, with about 10% in Europe. However, a variable affecting the spread of such vehicles is the level of development of the necessary infrastructure, namely hydrogen refueling stations and the support that institutions can provide to this technology. Japan, thanks in part to strong government support, is among the most advanced countries in this regard, with 91 active stations.

In Italy, the implementation of Directive 2014/94/EU "DAFI" marked an important step for the development of an alternative fuels refueling infrastructure. Specifically, the creation of a sufficient number of hydrogen refueling stations to meet the minimum long-distance travel needs nationwide by December 31, 2025, was planned.

Currently, there are two refueling stations:

- one in Bolzano, a crucial stop along the green corridor between Germany and Italy, connecting Munich to Modena;
- the other in Venice, inaugurated in June 2022. The latter is part of the project initiated by ENI to create new refueling stations in San Donato Milanese (MI) and the metropolitan area of Venice. Toyota's collaboration with ENI involves Toyota providing its technologies and know-how to support the development of the Italian infrastructure network.

Moreover, within this context, thanks to funds from the National Recovery and Resilience Plan (PNRR), 56 refueling station projects have already been approved in Italy, with the issuance of two dedicated calls and a total support sum of around 140 million euros.

In October 2021, Snam, Toyota and Caetanobus signed a **memorandum of understanding** with the aim of initiating a broad-spectrum collaboration to promote and accelerate the introduction of hydrogen-based mobility, both for heavy and light transport. Initiatives may include the entire hydrogen value chain, from distribution and refueling infrastructure to the introduction of bus fleets, logistics vehicles and automobiles, also leveraging the mobility services of KINTO from Toyota Italy's Network.

Finally, starting from 2020, Toyota planned to increase fuel cell production tenfold, from 3,000 to 30,000 units per year after 2020. The hydrogen fuel cell technology developed by Toyota is versatile and can be used in multiple fields. For this reason, Toyota has decided to share its technology on fuel cells and hydrogen propulsion systems with other industrial partners through collaborations, supplies and the liberalization of its patents.

In 2015, Toyota liberalized the use of thousands of hydrogen-related patents. To develop new collaborations in the European market, Toyota Motor Europe established the Fuel Cell Business Group, a business unit based in Brussels dedicated explicitly to promoting the development of a hydrogen society in our continent, introducing hydrogen in all economic sectors and aspects of social life.

## Hydrogen Leadership Plan

Hydrogen plays an increasingly important role in Toyota's business in Italy, where the company is making significant investments in fuel cell technology. The Toyota Italy Network is exploring broader applications of hydrogen, such as its use in commercial vehicles. This vision and innovative approach are crucial for the future of the automotive industry and the achievement of sustainability goals.

Due to the growing significance of this technology, Toyota has developed the Hydrogen Leadership Plan, a clear strategy outlining the roadmap for the company to emerge as a leader in the industry. The Toyota Italy Network has set several goals, including:



**H2 Leadership:** in 2022, the Toyota Italy Network achieved the first position as a leader in the sector. The company's ambition is now to confirm its leadership in 2023 and reach a market share of 25% by 2025.



**Network development:** a significant acceleration in the presence of hydrogen refueling stations is expected across the country from late 2025/early 2026, thanks to investments from the National Recovery and Resilience Plan (PNRR).



**H2 Bus opportunities:** relevant opportunities for buses are expected to emerge in the coming months.

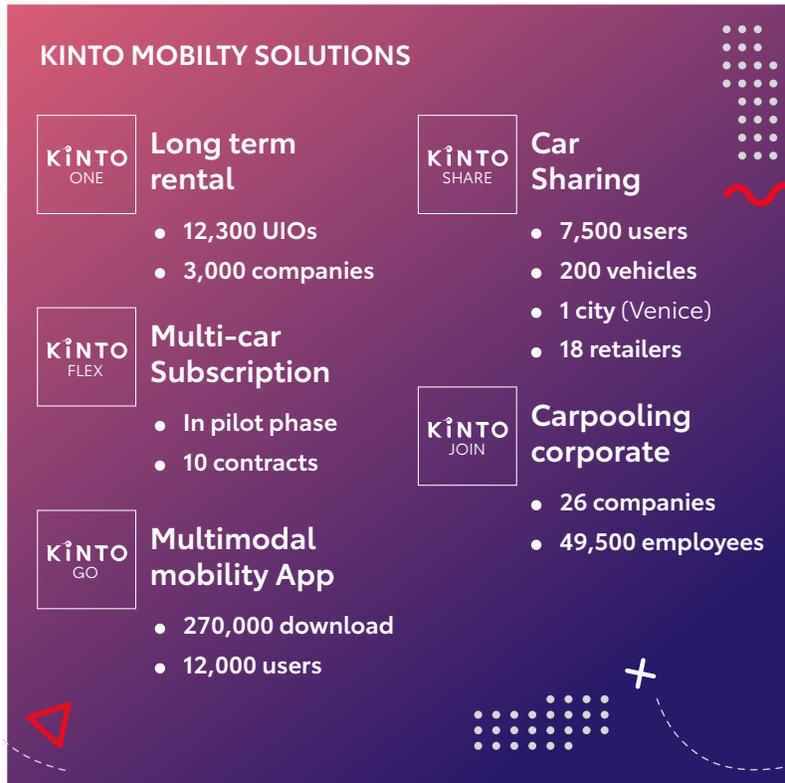


**Key actions by Toyota Motor Italy (TMI) include:**

- Promotion of hydrogen mobility at national and international forums.
- Proactively supporting the activities of the H2IT association.
- Developing an H2 ecosystem through partnerships with strategic stakeholders and commercial partners.
- Initiating a project related to NCC/Taxi vehicles.
- Using KINTO One/Share as the preferred channel for Mirai sales.



## 2.2.3 KINTO and its mobility ecosystem



The objectives and global challenges demand a revolution in the way people move. For Toyota, which has always developed its business ethically, pursuing sustainability not only environmentally but also socially and economically throughout the value chain, the mobility of the future will be increasingly **connected, automated, shared and electrified**. In January 2020, Toyota Motor Europe announced the continental launch of the new brand KINTO, dedicated to offering mobility services. This initiative marks a fundamental step in Toyota's **transformation into a Mobility Company**, aiming to provide, in addition to the traditional supply of vehicles and services to individuals and fleets, all types of **services related to people transportation**. The benefits of the KINTO proposal are directed towards individuals, offering time and cost savings, the environment with reduced emissions, the community through less congestion and reduced use of public space and the entire economic system with more efficient resource utilization.





The value that the KINTO brand returns to the community derives from its impact on all dimensions of sustainability:

- environmental, through emission containmentment;
- economic, due to efficiency resulting from sharing forms;
- social, as it is accessible to everyone.

Another pillar of the "Let's Go Beyond" vision, embodying Toyota's ambition to continue its transformation into a "Mobility Company," ensuring everyone's freedom of movement without barriers and limitations, in total safety and respect for the environment, is represented by the KINTO brand.

The integrated offering of KINTO mobility services is the ideal platform to ensure **rapid accessibility and dissemination of zero-emission driving Toyota and Lexus technologies**, such as battery electric and hydrogen fuel cell electric vehicles.

The company and Toyota Italy Network's strategy is based on **four pillars**:

- Use of a dedicated and distinctive brand.
- Development of a specific long-term leasing service with an "All-inclusive" offering".
- Use of vehicle connectivity and innovative platforms for services like Car Sharing, Carpooling, or subscription formulas.
- Integration of future advancements in automated driving, as seen in the development of the global e-Palette concept.

The services include integrated mobility solutions that meet all Customer travel needs to tailor the best mobility solution:

- **Asset-based Mobility Solutions**, based on low or zero environmental impact Toyota and Lexus electrified vehicles, offering highly flexible leasing solutions ranging from 1 minute to 6 years.
- **Service-based Mobility Solutions**, which do not involve vehicle rental and are exclusively based on the use of innovative digital platforms, allowing users to plan their travels in a Mobility-as-a-Service (MAAS) perspective easily and quickly.





## 2.2.3.1 Asset-based services

### 2.2.3.1.1 KINTO One: the long-term rental service

**KINTO One** presents itself as the solution closest to car ownership, offering a **long-term rental** formula for Toyota and Lexus vehicles with variable duration (from 12 to 72 months) and an **All-inclusive package**. This ensures accessibility for private Customers to all electrified technologies available in the Toyota and Lexus vehicle market, covering the entire range, including commercial vehicles (LCV).

This service also enables businesses and Public Administrations to effectively manage the transition to a zero-emission fleet. In fact, KINTO One is currently the only operator in the market capable of providing all electrified powertrains: Full Hybrid, Plug-in Hybrid, Battery Electric and Hydrogen Fuel Cell Electric. The service primarily targets business Customers such as companies, small and medium enterprises and professionals who, in exchange for a defined monthly fee, have access to an All-inclusive formula. In addition to this, KINTO One offers a **high-level Customer Experience** through the excellent and proximity service of the Toyota and Lexus Dealer network. This network can assist the Customer at every stage of the process with dedicated and carefully trained personnel, leveraging two decades of experience in the distribution and maintenance of electrified vehicles.



### 2.2.3.1.2 KINTO Flex: the medium-term, digital and flexible rental service

**KINTO Flex** is the innovative mobility service recently introduced by KINTO in its extensive and diversified range of solutions for the Italian market. KINTO Flex offers a **medium-term, digital, simple, flexible and All-inclusive rental formula**: users can independently choose a vehicle online, configure the rental plan according to their needs, pay with a card and pick up the vehicle at the Dealership within a few days. KINTO Flex includes all major services in the fee, along with the option for early termination, allowing users to make the most of their mobility solution without worries.

The key features of KINTO Flex are:

- **Flexibility:** the option to rent a vehicle from the wide electrified and multi-technology range of Toyota and Lexus for 1 to 12 months.
- **100% digital:** vehicle selection and reservation take place online transparently and securely, eliminating the need for quoting times, with payment through a card.
- **Quick delivery:** vehicles are available in just 7 days and the quality of the delivery experience is always ensured by the professionalism and experience of the official Toyota and Lexus Dealership network.
- **All-inclusive:** the fee is transparent, no advance payment is required and all insurance and assistance services are included, eliminating the need to worry about anything.

KINTO Flex caters to both private Customers and freelancers, as well as businesses in need of a vehicle for a few months, or anyone with a need for flexible mobility in duration. Those who choose KINTO Flex can drive the perfect vehicle for their needs for the necessary time, from one month to a year, without upfront costs and hidden charges. The flexibility of KINTO Flex meets the changing mobility and lifestyle needs, both personally and professionally, in our ever-evolving era. KINTO Flex emerges as an optimal solution to facilitate the adoption of new technologies and promote the transition of the corporate fleet towards, for example, battery electric vehicles. Indeed, this service has the ideal characteristics to ensure a possession and usage experience of new technologies, especially zero-emission ones, without further commitments and for the time needed to evaluate whether to proceed with the purchase or extend the rental. The service is available in over 40 points of the official Toyota and Lexus network and in major Italian cities.<sup>37</sup>

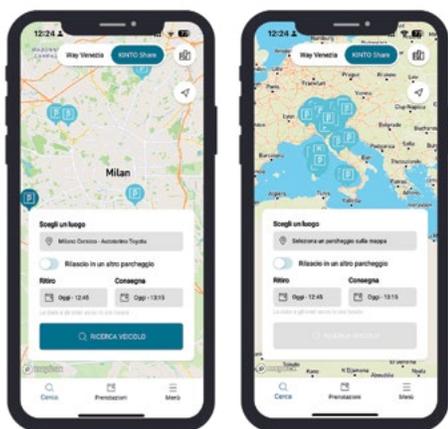
### 2.2.3.1.3 KINTO Share: the Car Sharing service

**KINTO Share** is the **Car Sharing** service, both station-based and free-floating, allowing users to use a car for **temporary needs**, ranging from 1 minute to 30 days, easily booking the most suitable car through the App. The Toyota Car Sharing service in Italy was launched under the YUKŌ with Toyota brand in 2018. In 2020, the YUKŌ brand changed its name to KINTO Share, renewing its fleet with the New Toyota Yaris Hybrid, known for its particularly low fuel consumption and emissions.



<sup>37</sup> For further information: <https://newsroom.toyota.it/e-arrivato-kinto-flex-il-noleggio-mensile-a-misura-dei-tuoi-tempi/>

**8,000 members,  
45,000 rentals,  
3.6 million km**



KINTO Share ensures an effective transportation option for everyone and the possibility to significantly enhance a Local Authority's public transport offering. The service is already **active in 10 regions**, 24 provinces, operational in several cities (including Milan, Verona, Bologna, Vicenza, and Cagliari) and 4 airports, intercepting high volumes of travelers through a flexible model.

KINTO Share is an **environmentally friendly** mobility solution capable of reducing vehicular traffic and CO<sub>2</sub> emissions, especially in densely populated and busy areas such as cities. This brings substantial sustainability and quality of life benefits. **As of March 31, 2023**, with over 8,000 registered users and approximately 45,000 total rentals, KINTO Share has covered over 3.6 million kilometers, with 50% of them in zero-emission mode, resulting in more than 110 tons of saved CO<sub>2</sub><sup>38</sup>.

KINTO Share is gaining interest from those who wish to conduct **extensive test drives** before buying or leasing a car. Through the KINTO Share Corporate service, companies using KINTO Share can optimize the use of their corporate fleet by allowing multiple employees to share a pool of vehicles. For a few years now, the KINTO Share Holiday program has also been activated during the summer, providing vacationers with the opportunity to rent a car at the airports of Cagliari and Olbia.

## KINTO Share in Italy: the Venice case

CITTA' DI  
VENEZIA



An emblematic example of the application of KINTO Share is the city of Venice, where 4 different car models have been introduced into the KINTO fleet. Venice is indeed the Italian city where the KINTO Share service has developed the most.

In the city, both the station-based and free-floating services are available. Specifically, for the station-based mode, KINTO has provided 17 parking spaces, enhancing the service's accessibility. The KINTO Share project in Venice has simplified the mobility of its users, especially considering the unique territorial layout (Venice Mestre and Venice Lagoon). This has led to an improvement in the local public transport service and, consequently, in the services offered to the citizens.<sup>39</sup>



<sup>38</sup> Cumulative data from the launch of the service in 2018 to March 31, 2023.

<sup>39</sup> For further information: [//newsroom.toyota.it/kinto-share-il-car-sharing-toyota-e-lexus-continua-a-crescere-in-italia/](https://newsroom.toyota.it/kinto-share-il-car-sharing-toyota-e-lexus-continua-a-crescere-in-italia/)

## 2.2.3.2 Service-based services

### 2.2.3.2.1 KINTO Join: the Carpooling and corporate mobility service



The **corporate Carpooling service, KINTO Join**, tested by the company in December 2019 and subsequently launched in the Italian market in 2020, has become one of the main resources of the new mobility brand KINTO.

KINTO Join is indeed the intuitive and digital Carpooling solution that, through its proprietary technology, allows users with similar travel habits to **organize shared rides**, optimizing the home-to-work commute. Through the App, it is also possible to integrate **alternative modes of transportation** with sustainable options such as cycling or walking. The KINTO Join App brings significant benefits in reducing vehicular traffic and emissions, benefiting urban mobility, as well as fostering social relationships within the working community to enhance employee welfare.

*50,000 potential  
users*

In addition, the KINTO Join App, besides ensuring cost reductions for employees, simplifies parking management for the company or the Local Authority, reduces the occupation of public space and improves the environmental footprint. This allows certifying the sustainability benefits for communication purposes, for instance, within the Sustainability Report. Thanks to the technology of the KINTO Join platform, companies can constantly have certified confirmation of shared trips and obtain a quantification of the produced benefits in a simple and rapid manner.

**As of March 31, 2023**, there are over 50,000 potential users of KINTO Join, primarily employees of companies and Local Authorities who have found it useful and effective to integrate this mobility solution within the specifications of the Home-Work Commute Plan (PSCL - Piano Spostamenti Casa Lavoro).

## KINTO Join and the San Giovanni Addolorata Hospital in Rome

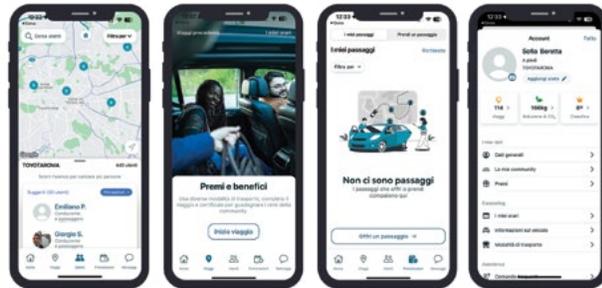
One of the main projects implementing a corporate Carpooling service is the KINTO Join service adopted by the **San Giovanni Addolorata Hospital** in Rome on September 16, 2022. The collaboration's underlying objectives are:

- contribute to the **reduction of CO<sub>2</sub> and NO<sub>x</sub> emissions**, certifying their actual environmental impact;
- **reduce travel costs for employees**, simplify and optimize parking areas for the healthcare facility, while simultaneously reducing vehicular traffic for the benefit of the city.

The KINTO Join Carpooling service allows approximately 2,600 employees of the San Giovanni Addolorata Hospital in Rome to organize shared and sustainable commutes from home to the hospital, located in an extremely congested area of Rome. Thanks to KINTO Join, San Giovanni Hospital becomes the first healthcare institution in Lazio to launch this type of service, positioning itself as an innovator in mobility, reducing city traffic and employees' commute times.

For accessing the service, the App is extremely user-friendly and through an interactive map, it enables users to locate colleagues with similar commuting needs to share the journey.

From the healthcare institution's perspective, it is possible to **monitor emissions associated** with employees' commutes through built-in tools in a simple and intuitive manner. For emissions monitoring personnel, there is a screen displaying active and registered users day by day, along with a report on avoided emissions. Additionally, reserved parking spaces are available within the facility for quick parking. These dedicated spaces could potentially be used for the future charging of Plug-in vehicles..<sup>40</sup>



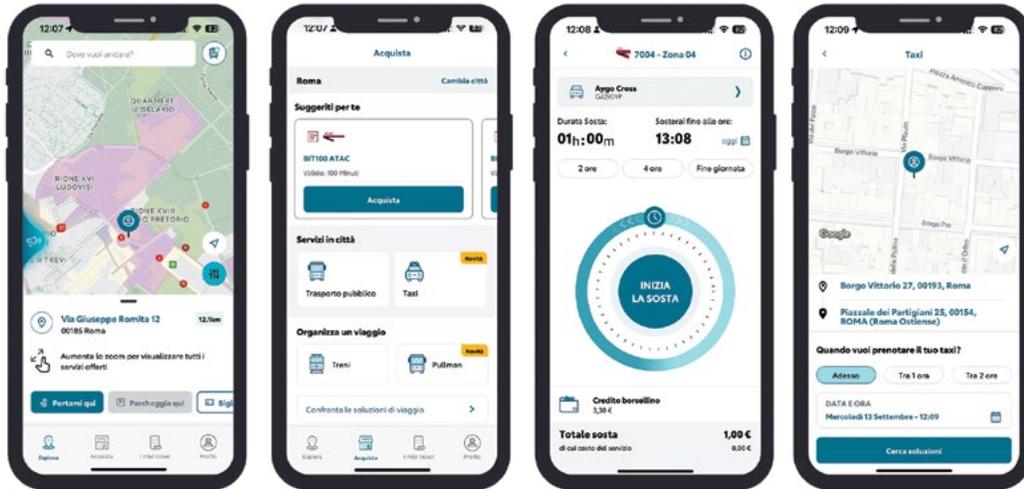
<sup>40</sup> For further information:

<https://newsroom.toyota.it/l-ospedale-san-giovanni-di-roma-sceglie-kinto-per-una-mobilita-innovativa-e-sostenibile-al-servizio-dei-propri-dipendenti/>

### 2.2.3.2.2 KINTO Go: the multimodal mobility App



Consumer needs, the starting point of the Mobility-as-a-Service concept itself, are increasingly oriented towards tailored and on-demand mobility services that may require and often involve, the integration of various modes of transportation. **KINTO Go** presents itself as an **integrated multimodal mobility App** for planning trips quickly and easily.



The KINTO Go App seamlessly integrates trip planning, booking, payment and ticketing functions, all at your fingertips. In fact, KINTO Go provides users with a wide range of personal and leisure mobility solutions, transforming their smartphones into a useful and efficient tool to manage their travels and payments. It works in synergy with local public transportation, allowing integration with other shared mobility systems (micromobility, trains, taxis), thus promoting efficiency and intermodality. **As of March 31, 2023**, there are over 300,000 users who have chosen KINTO Go, a service that covers 70% of the national territory, integrating around 600 operators in more than 5,000 municipalities.

*300,000 users,  
70% national  
coverage*



### 2.2.3.3 Future developments: KINTO Ride, the ride hailing service

**KINTO Ride** is a service that will be introduced to the Italian market in the coming years. With KINTO Ride, Toyota will offer a chauffeur-driven car service. The project is currently active in Paris, developed in collaboration with Hype and Air Liquide and features a fleet that is 100% hydrogen-powered. KINTO aims to be the sole partner in the market capable of providing, through the integration of its services, a comprehensive mobility offering tailored to the mobility needs of its users.

Furthermore, KINTO promotes accessibility to low-impact environmental solutions, expanding the range of companies and individuals that can benefit from Toyota's leadership in the development of electrified solutions.

## 2.3

# SOCIAL: TOYOTA'S SOCIAL COMMITMENT IN ITALY

### 2.3.1 Community involvement

#### 2.3.1.1 Community support

The relationship with the territory and local communities plays a central role in Toyota's culture and strategy. As formalized in the Brand Guiding Principles, **Toyota "contributes, through its activities, to the economic and social development of the communities in which it operates"**. Toyota's commitment to the community has also been incorporated as one of the pillars of the new Let's Go Beyond vision, expressing the company's determination to contribute to a better society.

In Italy, a significant element of this journey is represented by **collaboration with local and national institutions** aimed at strengthening awareness of the benefits of electrified technologies for sustainable and inclusive mobility.



The partnership with the **Croce Rossa Italiana**, initiated during the pandemic, was renewed in FY23 to contribute to international emergencies. In addition to supporting the assistance needs resulting from the ongoing conflict in Ukraine, Toyota companies in Italy, along with their employees and Dealerships, worked to assist humanitarian needs arising from the earthquakes in Syria and Turkey in February 2023 (approximately 40 thousand euros were raised). At the national level, the Toyota Network in Italy supported (with a total of 14 thousand euros raised) the needs resulting from the flood in Emilia-Romagna.

## Toyota e la collaborazione con le Istituzioni a sostegno della comunità locale

- **Inspiring Girls:** starting from March 2022, Toyota Motor Italy has been participating in the international project "Inspiring Girls," promoted in Italy by Valore D, an association committed since 2009 to gender balance and fostering inclusive cultures within organizations and the country, with which Toyota has been associated since 2019. This collaboration aligns with Toyota's vision, aiming for the realization of an inclusive and prosperous society where no one is left behind. The project aims to instill in young people an awareness of their own talents, freeing them from gender stereotypes that hinder their ambitions and thus building a concrete bridge between school and the world of work. The ten Toyota ambassadors participating in this initiative have met students from some schools in Naples, Rome, Bari and Milan over the course of the year. "Inspiring Girls" is an international project present in 27 countries, with the goal of fostering awareness of talents in girls and boys, freeing them from gender stereotypes that impede their ambitions.<sup>41</sup>
- **Special Olympics:** in 2020, as part of a global and European agreement, the partnership between Toyota companies in Italy and Special Olympics Italy was initiated, aiming to promote social inclusion of people with intellectual disabilities through sports. Under this partnership, Toyota supports the organization of sporting events promoted by the organization, both through volunteer activities and by providing vehicles as the Mobility Partner for the National Games. In June 2023, Toyota accompanied Special Olympics athletes as the Premium sponsor of the XXXIV edition of the World Summer Games, held for the first time in Berlin. This involvement also led employees of the Group's companies to volunteer in support of the preparation of race kits for the Italian delegation.<sup>42</sup>
- **BNKR Toyota Wheel Park:** opened in 2018 by Toyota, the BNKR Toyota Wheel Park is the first skatepark in Italy designed to accommodate all wheeled sports disciplines and dedicated to athletes or enthusiasts with reduced mobility. The BNKR Toyota Wheel Park is a European project that aligns with Toyota's global mission of ensuring the best freedom of movement for all in line with the values of sport and the partnership with the Olympic and Paralympic Committees. Throughout the year, Toyota sponsored an event organized in collaboration with the BNKR Toyota Wheel Park: the "Beam up skate contest" in June 2022, during which professional and amateur athletes competed with tricks and adrenaline, embodying the values of sport and inclusion.<sup>43</sup>
- **WEbrace Sport:** Toyota has once again confirmed its role as the Main Partner of WEbrace Sport 2023. The charitable event, organized by Bebe Vio and Art4sport, was held this year at the Allianz Cloud in Milan on October 16th, with the aim of promoting a society without barriers and discrimination in line with Toyota's global vision of "Let's Go Beyond", which seeks social progress and responsible, sustainable mobility for all. This collaboration reaffirms Toyota's deep connection with the world of sports and inclusion, strengthened by the partnership established in 2017 with the Italian Paralympic Committee (CIP) and the National Olympic Committee (CONI).<sup>44</sup>

<sup>41</sup> <https://newsroom.toyota.eu/toyota-partecipa-al-progetto-inspiring-girls-italia-per-promuovere-lequilibrio-di-genere/>

<sup>42</sup> <https://newsroom.toyota.eu/toyota-accompagna-gli-atleti-di-special-olympics-verso-una-nuova-avventura-mondiale/>

<sup>43</sup> <https://newsroom.toyota.eu/toyota-e-stata-main-sponsor-della-sfida-di-skate-beam-me-up-per-uno-sport-inclusivo-e-accessibile-a-tutti/>

<sup>44</sup> <https://newsroom.toyota.eu/toyota-e-wembrace-sport---insieme-per-uno-sport-integrato-in-vista-di-parigi-2024/>

- **Il Cielo Itinerante:** Toyota is the Mobility Partner of the Association "Il Cielo Itinerante" with its project "Italia Brilla - Costellazione", which has traveled throughout Italy to introduce students, particularly in areas of greatest need, to science and STEM subjects. Toyota provided a Toyota PROACE, equipped with four professional telescopes, on two occasions (both in the 2022 and 2023 tours). This vehicle was used by scientific communicators and professional astronomers from the INAF (National Institute of Astrophysics) to reach over 50 municipalities across the country over a period of 6 months. This partnership aligns with Toyota's vision of "Let's Go Beyond", aiming to create a better society where everyone can fully express their potential, beyond possible prejudices, stereotypes, limitations, or physical and cultural barriers.<sup>45</sup>
- **Lexus e WeWorld Onlus:** Lexus renews its collaboration with WeWorld, an independent Italian organization dedicated to development cooperation and humanitarian aid projects in 27 countries, including Italy, for over 50 years. On the occasion of the International Day for the Elimination of Violence against Women, Lexus and WeWorld have promoted "The Red Sound": the first horn sound designed to signal danger and request help from other motorists: two short horn blasts followed by a longer one. This project aims to realize Lexus's vision of an inclusive, fair and sustainable society and presupposes the constant commitment of everyone to recognize and report gender-based violence.<sup>46</sup>
- **Theodora:** Starting from 2022, KINTO Italy has chosen to stand alongside the Theodora Foundation, a non-profit organization that since 1995 has brought moments of play, listening and smiles to children hospitalized and their families. This partnership arises from the sharing of common values and the importance of the centrality of the individual and their needs. Through this partnership, KINTO aims to emphasize its active role in generating benefits at every level and contributing to the evolution towards a new model of society, where everyone—individuals, companies, local communities—can contribute to enhancing collective well being.<sup>47</sup>

The commitment of the Toyota Italy Network to local communities extends beyond the provision of vehicles and institutional support. Sport has always played a significant role in the brand's culture. In line with the global initiative launched in 2017, "**Start Your Impossible**", Toyota, with the aim of giving everyone maximum freedom of movement, embraces and supports the values of sports, which find their raison d'être in tackling new challenges and overcoming limits. In addition to the longstanding **partnership with the Italian National Olympic Committee (CONI)** and the **Italian Paralympic Committee (CIP)**, Toyota vehicles equipped with the latest-generation Full Hybrid technology have been the official vehicles of the Giro d'Italia since 2019.

For the 106th edition in 2023, the Toyota Italy Network provided its entire electrified range with a fleet of over 50 vehicles, including: 5 new Toyota bZ4X, the first battery electric vehicle (BEV), the Toyota Mirai, Toyota's flagship powered by hydrogen fuel cells and the Yaris Cross, RAV4 and Hilux models in the captivating GR Sport sports trim, achieving top-level performance by traveling along the event stages

<sup>45</sup> <https://newsroom.toyota.eu/toyota-motor-italia-e-stata-mobility-partner-dellassociazione-il-cielo-itinerante-in-un-progetto-di-inclusione-sociale/>

<sup>46</sup> <https://www.lexus.it/mondo-lexus/news/2022/lexus-e-weworld-lanciano-la-campagna-the-red-sound>

<sup>47</sup> <https://newsroom.toyota.eu/kinto-italia-insieme-a-fondazione-theodora-onlus-per-portare-un-sorriso-ai-piccoli-pazienti-dei-reparti-pediatrici/>

emission-free for over 50% of the time, confirming the potential of electrified technologies and Toyota's multi-technological approach to concretely reducing CO<sub>2</sub> emissions as much as possible immediately. It was an opportunity to present the fifth generation of Prius Plug-in nationally, the world's first mass-produced hybrid vehicle and a flagship of Toyota's electrified technology.

Furthermore, the Toyota Italy Network participated as the Official Car **in the Giro E**, the non-competitive race characterized using e-bikes. It is also noteworthy that this year Toyota was the Official Car of the **Milano Marathon**, a collaboration in line with Toyota's vision and confirming the commitment of Toyota companies in Italy to promote sports to unite people and create a better world by valuing the potential of everyone.<sup>48</sup>

## Start Your Impossible

The **Start Your Impossible** concept is based on the value of "challenge". The theme of challenge, pushing past limits, and the vision of evolved and accessible mobility for all, transcending every barrier, finds full representation in the mobility partnership with the Olympic and Paralympic Committees and the events they promote.<sup>49</sup>

### 2.3.1.2 Creation of a society in harmony with nature

In line with the Toyota Environmental Challenge 2050, the Toyota Network in Italy ensures its support for activities focused on conservation and environmental education.

The primary occasion to draw attention to environmental issues is the Green Month, traditionally promoted in June, entirely dedicated to raising awareness about sustainability. The "**Green Month Campaign**", introduced globally by Toyota in 1973, is launched annually in conjunction with the United Nations International Environment Day, aiming to emphasize the importance of a consistent commitment to building a sustainable society. The campaign represents an essential environmental awareness initiative, aiming to stimulate concrete actions from the entire Toyota community towards the creation of a sustainable society.

<sup>48</sup> <https://newsroom.toyota.eu/toyota-e-official-mobility-partner-della-milano-marathon-2023/>

<sup>49</sup> You can access the Start Your Impossible section at the following link: [Start Your Impossible | TOYOTA](#)

## Reforestation of Collina della Torre

In **FY23**, for the 50th edition of the Green Month, Toyota companies in Italy promoted **reforestation efforts in Collina La Torre** within the Aniene Nature Reserve, alongside Lifegate and Insieme per l'Aniene Onlus. An exciting volunteer day brought together over 65 employees of the Toyota Italy Network, who worked to rehabilitate an area of over 3,000 square meters, creating a wooded area through the planting of tree and shrub species. This initiative is expected to contribute to the absorption of an average of 600 kg of CO<sub>2</sub> from the urban area annually.

### A concrete commitment to the environment: Toyota promotes sustainability with the Green Month Campaign

In June 2023, Toyota renewed its commitment to the environment and sustainability through a series of initiatives promoted during the Green Month Campaign. One of the main initiatives this year was the collaboration with **climate tech company 3Bee** to create a **biodiversity oasis** within the headquarters of the Toyota Italy Network, which will contribute over time to regenerating the biodiversity of the area.

The Toyota Biodiversity Oasis and the **Polly X** – shelters for solitary bees – **will protect over 700,000 bees and pollinating insects** from more than 7,000,000 flowers, thereby contributing to safeguarding biodiversity. Thanks to innovative technologies such as IoT and Artificial Intelligence, it will be possible to constantly monitor the health of the bees and reduce hive mortality by up to 30%. The corporate biomonitoring hive will also serve as a research and study tool on bees, promoting awareness of the importance of these pollinating insects for ecosystem health.

Employees of Toyota companies in Italy and their families spent an exciting day delving into the themes of sustainability and biodiversity with activities in the Toyota Oasis alongside one of 3Bee's biodiversity cultivators.



Simultaneously with the creation of the biodiversity oasis, Toyota collaborated with **Retake**, a non-profit urban recovery organization, to carry out **redevelopment and cleaning interventions** in the area surrounding the headquarters of Toyota companies in Italy in Rome. Indeed, Toyota has long adopted a social responsibility strategy that allows its employees to dedicate some paid working days to volunteering, supporting non-profit associations and local initiatives.



Throughout the day, numerous environmental awareness activities for adults and children were organized, including an interactive workshop, a honey tasting to learn about local biodiversity, a wax workshop for children and a visit to the Biodiversity Adventure Path with seed planting. The biodiversity oasis of the Toyota Italy Network was then expanded with the planting of nectar-bearing species that have an estimated positive impact on increasing nectar potential and provide nourishment for pollinating insects within a radius of 2.5 km, thereby contributing to biodiversity protection and promoting ecological balance.



## 2.3.2 Customer Experience

Consistent with the concepts of **Customer First** and **Quality First**, the brand's business development strategy and that of its affiliates are oriented towards the centrality and full satisfaction of people who choose Toyota and Lexus for their mobility solutions. This objective is indeed one of the cornerstones of the new Let's Go Beyond vision, which aims to address every aspect of the Toyota and Lexus Customer Experience to "**earn the Customer's smile**", a goal expressed in the Toyota Global Vision.

In this sense, the relationship with Customers is fundamental for the Toyota Italy Network, with the Dealership network being the main point of contact with the consumer, a strategic element through which to convey its values and learn the Customer's perspective, a valuable tool for continual improvement of its services. The attention that the Toyota Italy Network pays to its **Customers** is the result of a holistic engagement action based on **three main pillars**:

- extreme attention to the Customer Experience;
- consolidated product communication strategy based on quality, reliability and respect for the environment;
- strong involvement of the network of Dealerships and assistance points which is summarized in the concept of Best Mobility Partner in Town, i.e. becoming the best Dealership in the Local Community.

Particular attention is now focused on continuously improving the network's ability to offer a high level of quality service by rigorously implementing Toyota's standard processes, adapted to local realities. To foster this approach, the Toyota Italy Network has decided to challenge the Dealership's organizational model by developing and releasing the "**TOM EV 2**" project, Target Organizational Model, through which the company supports Dealerships in revising their organization to make it more dynamic and capable of responding to a market evolving towards new mobility services and increasingly digital interaction channels. Another important aspect, linked to the release of Toshiko, is the New Mobility Sales Process for both Toyota and Lexus Dealerships. This approach revises the Customer management method with a **seamless perspective** and defines the entities and tools necessary for Customer management in a **One Company perspective** within Dealerships.

Toyota Financial Services provides end-users with **financing and purchasing solutions** characterized by **maximum flexibility and customization**, made possible by optimizing existing services, such as products from the Toyota Easy family. Most of these products not only guarantee the minimum repurchase value throughout the plan but also allow choosing the amount of each installment, canceling a payment and reducing or extending the financing period, promoting full autonomy in managing and adapting to the physiological unpredictability of the current historical moment.

Also significant was the management of moratoriums, a physiological consequence of the management of natural disasters for both end Customers and the Dealership network, for which TFSI continued its activities in support of Customers. Despite the deadline set by regulations, TFSI always accommodated requests to postpone installments in cases of temporary financial difficulty. Additionally, TFSI introduced a **structured process for requesting debt renegotiation or restructuring**, allowing Customers to request it directly from the Customer portal or through the Recovery Agency network. This support was also felt during delays in the production and delivery of new vehicles, during which TFSI postponed installment payments to avoid further inconvenience to the Customer. Starting in July 2022, TFSI implemented a **reminder process** for the final installment deadline, urging the Customer to activate one of the options available (payoff, refinancing, renewal) to provide greater awareness to the Customer, avoiding misunderstandings in a delicate phase of the loyalty process.

Attention to Customer is also manifested in providing timely and quality assistance. TFSI has **certified the efficiency and quality** of its contact centers according to the specific international standard ISO 18295, which complements the ISO 9001 certification related to the quality of all company processes.

TFSI's Customer assistance is monitored by sending a **satisfaction questionnaire** after each interaction. The response rate recorded in FY 23 was approximately 55% (+5pp compared to FY 22) with a Customer Satisfaction Index of 95% (+3pp compared to FY 22). As evidence of our commitment to Customer satisfaction, we have seen an increase in the Google My Business rating from 4.3 stars to 4.77.

Additionally, to meet Customer needs, the following contact channels have been introduced: a dedicated **Telephone Service** for Lexus Customers and Live Chat for both Toyota and Lexus (start date).

**TFSI ISO  
18295  
certified**

In FY 23, the consistent commitment and attention of TMI and the Dealership network to the Net Promoter System Sales and Service indices, both for Toyota and Lexus, resulted in a general **increase in scores** compared to the previous year, while Toyota's assistance remained stable. The increase can be attributed to internal factors related to TMI's efforts to activate a **Tutorship Dealer** system aimed at improving the processes of underperforming Dealers, the release of a new Tool available to Dealers, namely a new platform called NPS 2.0, which among its various benefits allowed the introduction of NPS related to Used Car Sales and the introduction of VOC (Voice of Customer) analysis allowing immediate reading of comments from all NPS surveys in order to immediately implement necessary countermeasures. Other introduced tools include:

- **Remote Vehicle Check**, a new TSM standard process, which involves recording and sending the Customer a short video in which a technician summarizes the maintenance work performed and suggests any necessary additions, ensuring a Customer Experience "Let's Go Beyond", Exceeding Expectations;
- **Ecare Customer Journey**, a system that allows Customer recontact using connected car services;
- **TCM Renewal Journey**, integrated into the MA that informs Customers of their TCM situation and integrates proper Customer management in Toshiko for Dealers.

TIS and AND-E have also structured a contact center aimed at anticipating and satisfying Customer needs, both in claims management and contractual management terms. At the moment, the branches are also working on identifying appropriate performance monitoring indicators in order to structure an effective monitoring system.

In the "One Toyota" perspective, Customer Experience targets Customer satisfaction. With a view to increasingly integrated services, Toyota companies are indeed working on developing a single contact center for the Customer to manage the Customer with a unique perspective on the main requests of Toyota companies in Italy, from Financial Management to insurance, from mobility to the product.

## TSM certification

A modernization plan for processes and tools supporting Dealerships has been implemented. Specific training courses and mentoring activities have been provided at each service point, resulting in **85% of the network** obtaining **Toyota Service Management (TSM) certification**, which certifies that processes are in line with after-sales standards; this achievement still represents the best result ever recorded by the Toyota Italy Network. Since November 2022, we have introduced "Service to Sales," which ensures that Dealers can convert service opportunities into new business opportunities.

### 2.3.2.1 WeHybrid®: an "ecosystem" for sustainable mobility

Sustainability is an integral part of Toyota, its products and services and the ways in which they are developed and marketed. To this end, **WeHybrid®**<sup>50</sup> represents a true "ecosystem" **complete with technologies and services that span across all Toyota companies in Italy, aimed at promoting zero-emission sustainable mobility, where the Customer using the vehicle is the protagonist**: the more the Customer travels in zero-emission mode, the greater the benefits they can access. Customers can join the **WeHybrid®** community by activating the connected services of their vehicle and accepting the terms and conditions included in the dedicated section of the MyToyota App. The **WeHybrid®** interface within MyToyota makes the digital Customer Experience easy and straightforward: it is simple to monitor one's results and equally easy to access the benefits obtained (vouchers can be downloaded directly in the App).

**WeHybrid®** was launched with the introduction of the Toyota Yaris in 2020 with 3 pillars (Insurance, Service and Challenge), then expanded with the Yaris Cross (Credit and School) and is now available on the Yaris Hybrid, Yaris Cross, Toyota C-HR, RAV4 and Corolla.

The **WeHybrid®** ecosystem consists of:



- **WeHybrid® Insurance**<sup>51</sup>
- **WeHybrid® Credit**<sup>52</sup>
- **WeHybrid® Service**<sup>53</sup>
- **WeHybrid® People**<sup>54</sup>
- **WeHybrid® School**<sup>55</sup>
- **WeHybrid® Challenge**<sup>56</sup>
- **WeHybrid® Race**<sup>57 58</sup>
- **WeHybrid® Bonus**<sup>59</sup>

<sup>51</sup> For further information: <https://www.toyota.it/assicurazioni/we-hybrid-insurance>

<sup>52</sup> For further information: <https://www.toyota.it/finanziamenti/wehybrid-credit>

<sup>53</sup> For further information: <https://www.toyota.it/clienti/manutenzione/wehybrid-service>

<sup>54</sup> For further information: <https://www.youtube.com/watch?v=Q3obHDsMjeQ>

<sup>55</sup> For further information: <https://www.toyota.it/toyota-driving-academy#wehybridschool>

<sup>56</sup> For further information: <https://www.toyota.it/electrified/hybrid/wehybrid/wehybrid-challenge>

<sup>57</sup> For further information: <https://www.toyota.it/electrified/hybrid/wehybrid/wehybrid-race-live>

<sup>58</sup> For further information: <https://www.toyota.it/electrified/hybrid/wehybrid/wehybrid-race-drive>

<sup>59</sup> For further information: <https://www.toyota.it/electrified/hybrid/gamma-hybrid>

### 2.3.3 Quality and safety of products and services

Quality is a distinguishing element of Toyota, which is why the spirit of constant verification and continuous improvement is particularly relevant for the brand's products to achieve two important objectives of its vision: ensuring quality and ensuring safe and responsible mobility.

The excellent safety features equipped in Toyota and Lexus vehicles, which have repeatedly secured the brand's models with **5 star Euro NCAP ratings**<sup>60 61</sup>, the highest recognition in automotive safety, are just one aspect contributing to ensuring effective quality and safety. Toyota ensures that its local affiliates play a decisive role in this regard during the product's mid-life phase.

Through its technical department, Toyota Motor Italy **constantly verifies and monitors faults reported by Customers or the Network**, analyzes their nature, determining whether they are faults with potential safety impact, elements no longer in line with current homologation regulations, or aspects not related to vehicle safety but with a significant impact on its performance. These analyses are then formalized in a **report** that is sent directly to the parent company for evaluation. Based on the quantity and quality of the findings, TMC can then launch a so-called recall campaign, encompassing all vehicles affected by the identified defect, promptly working to resolve it and thereby preventing any potential consequences. Such campaigns represent a peculiarity of the great attention the brand reserves for the quality and safety aspects of its productions. The reporting process described does not necessarily end with a recall campaign. However, the **continuous feedback provided by the affiliates allows TMC to include improvement interventions in subsequent productions and designs aimed at progressively increasing** the quality and safety of its products, in full Kaizen perspective.

<sup>60</sup> A 5 star rating indicates "excellent overall crash protection and well-equipped vehicle with comprehensive and robust collision avoidance technology" (Source: <https://www.euroncap.com/it/info-su-euro-ncap/come-leggere-le-stelle/>)

<sup>61</sup> For further information: [Euro NCAP | Latest Safety Ratings](#)

## 2.3.4 Our value chain

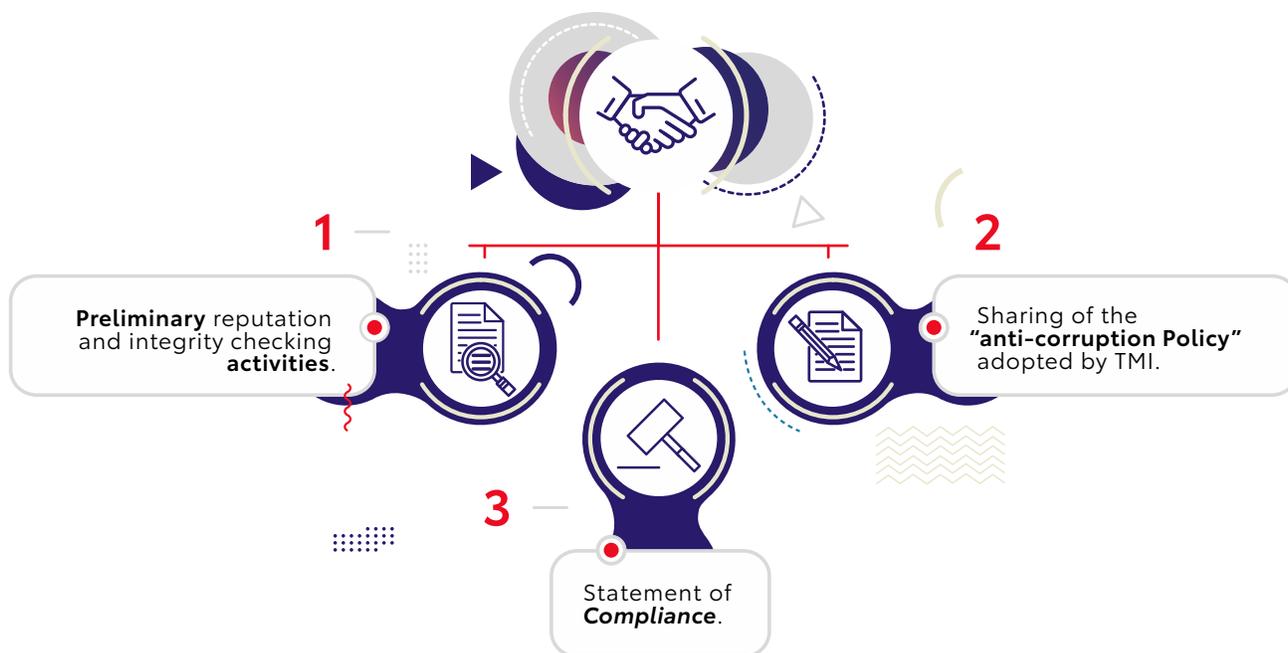
### 2.3.4.1 Suppliers

Procurement proves to be an important aspect of Toyota's business in Italy, as it highly impacts the economic sustainability of the organization and its value chain. To this end, each company has established a set of **criteria** – including overall competitiveness, determined by technological capability, pricing, delivery reliability, quality, economic and financial stability – and control tools, see Figure 13, which also allow for assessing the commitment of business partners regarding sustainability issues and the company's values both in the selection and execution phases of the business relationship. A particularly relevant aspect in the selection and management of relationships with suppliers concerns conflicts of interest and corruption.

As reiterated by various adopted Codes, companies within the Toyota Italy Network commit to extending, through specific contractual clauses, the commitment against active and passive corruption to business partners through a triple effort:

Figure 13

Preliminary control procedure for suppliers of the Toyota Italy Network in the anti-corruption field



Specifically with reference to TMI, it is also required that suppliers confirm, at the time of contract signing, their commitment to operate in accordance with the law and, in most relationships, environmental regulations, operating honestly, avoiding conflicts of interest, complying with the Code for the protection of personal data (Legislative Decree no. 196/2003 and subsequent amendments) and ensuring the integrity of personnel and a healthy work environment.

Furthermore, Toyota companies in Italy commit to actively **promoting local procurement and production to contribute to the economic development of the country** and the community in which they operate. Regarding socio-environmental aspects specifically, TMI **maps its commercial partners through Accredia databases based on their commitment and compliance to quality, environmental and occupational health and safety**, verifying the presence of relevant ISO 9001 (Quality), ISO 14001 (Environment) and ISO 45001 (Health and Safety) certifications.

The company has also **implemented a sustainability monitoring tool for its supply chain**, considering economic, environmental and social variables. Annually, the company conducts a thorough mapping of so-called "strategic" suppliers, identifying the level of risk – in terms of safety and strategic perspective for the companies' business – reliability, impact on operational continuity and any certifications in quality, environmental and occupational health and safety.

TFSI and KINTO Italy procedures also require that all agreements/relationships with suppliers are established only after a thorough check on their **reputation and integrity has yielded a positive outcome**, obtaining adequate evidence of their business conduct in compliance with applicable laws and regulations. **All suppliers must adhere to the guidelines outlined in Antitrust regulations and the Code of Ethics.** Additionally, any new entity undergoing the qualification process in the registry of KINTO Italy or TFSI must be evaluated by the department requesting registration. TFSI periodically monitors the activities and operational processes of suppliers through specific audits to verify compliance with Circular no. 288 of the Bank of Italy.

Based on the described elements, Toyota companies in Italy assess the **potential impact each supplier** could have on business continuity, a fundamental element in monitoring the economic sustainability of the supply chain.

## TMI spare parts logistics

The spare parts logistics area of TMI represents today a best practice not only for process efficiency but also and above all, for the reduction of waste generated by its activities. This objective is pursued through two paths based on two pillars of the circular economy: reuse and reduction of materials used.

In recent years, TMI's Logistics department has initiated a project to reduce the purchase of packaging material. Among the initiatives studied and implemented in this regard, the reuse of packaging cardboard holds a prominent position. At the same time, TMI's collaboration with its logistics supplier, SUSA, is crucial, as constant solutions are being studied to optimize shipments and material usage.

On the reduction side, TMI's spare parts logistics constitutes an exemplary application of Toyota's characteristic principles, namely the Toyota Production System and Just-in-Time. It is a pull-type production (and in this case, distribution) model, driven by end-user demand. After estimating the necessary product volumes for the business, the system proceeds to purchase only the quantities sold on a daily basis. This model significantly reduces inventory levels, allowing for a significant reduction in management costs, risk of accidents and product obsolescence, preventing them from turning into waste.

To ensure an optimal level of efficiency for commercial vehicle parts, stock levels have been increased to a maximum of one month. These actions have resulted in an excellent outcome at the close of FY 22, with a service level of 96.5% on the most moving parts.

To make the entire distribution chain more efficient, since April 2019, TMI has embarked on the DPOK (Dealer Parts Operations Kaizen) project, a coaching program for the Retailers network aimed at transmitting Toyota's principles and processes in warehouse and Procurement Management. As of March 31, 2023, the project has been implemented in 32 Retailers and 55 particularly critical locations and this activity is ongoing with the rest of the Network. The project is divided into three areas:

- Physical warehouse management according to Toyota principles based on order, cleanliness and standardization. From the sampled Retailers, an average application of 88% is currently observed.
- Operations management with the radio frequency system, which, through the use of handheld devices, favors the reduction of paper documents. This system is now correctly used by 82% of the sample.
- Inventory management according to the TPS and Just-in-Time method. The project's main objective is to progressively reduce inventory, thereby reducing warehouse costs and risks. The reference indicator shows that Retailers on which the DPOK coaching intervention was conducted in FY 22 recorded a 30% reduction in stock.

In addition to issues strictly related to logistics, the program also includes sharing of capsules related to health and safety in exposed environments such as the warehouse, focusing on particularly significant aspects such as the correct and safe handling of materials. At the same time, the spare parts logistics department supports the Toyota Academy in training dedicated to new Retailers and CAA or newly hired warehouse personnel.

### 2.3.4.2 The Retailers

The Retailers network plays a paramount role as it represents the local implementation of Toyota's commercial strategies and vision. It serves as the final link in the company's value chain, **directly engaging with the Customer**.

The importance of the Network for local realities and the end Customer is realized through **initiatives involving Retailers**, particularly through the "BRiT" (Best Retailer in Town) project. The Best Retailer in Town is the Retailers that best embodies Toyota's principles and values, disseminating and transmitting them locally.

The current Retailers network, operating under the renewed Franchise Contract since 2018, valid until 2023, comprises 65 partners for Toyota and 26 for Lexus, totaling 191 sales and service locations for Toyota Retailers and 36 for Lexus throughout the national territory.

The **performance** of Retailers is **subject to monitoring** and evaluation by Toyota, which has established a reward system for the most deserving Retailers, called the **BRiT Award**. It is a monthly monitoring system of key indicators related to various areas of business, focusing on both results and process structuring. The indicators consider the **People area, Customer Centricity, the Toyota Way and Business Sustainability**. These indicators are defined consistently with those comprising the BRiT Readiness index of Toyota Motor Europe and based on the business objectives of Toyota's strategy in Italy. At the end of the program, the top **18 Retailers** with the highest BRiT index are **rewarded** through participation in an experiential trip with Toyota and Lexus Top Management.

Historically, for monitoring the Network's satisfaction with the brand, reference is made to the Dealer Stat survey conducted by Quintegia, which publishes the annual results.

In the DealerStat 2023 survey, Toyota confirms its position in 2nd place overall (1st place among mainstream brands) and receives a special award for KINTO Mobility Solutions. Particularly appreciated by Toyota Retailers were: - the **Product strategy** based on a multi-technological approach, Sales and After-Sales Management and Insurance Services - where Toyota ranks 1st overall - Sales and **After-Sales Training and Customer Experience**.

*Over 200 sales  
and assistance  
locations  
nationwide*

It is worth noting that among the survey topics are also mobility solutions, in which Toyota, thanks to KINTO, secures the first place, receiving the Special Award. In this same category, Lexus ranked 2nd, completing the excellent results of the brands. These recognitions reward Toyota Group's commitment to continue its transformation journey into a Mobility Company and to lead together with its Network the transition towards increasingly sustainable and inclusive mobility, in line with its Let's Go Beyond vision.<sup>62</sup>

**Green Retailer Program (GRP):** a program launched by Toyota **to guide Dealerships on a path of environmental leadership**, aiming to achieve specific ESG objectives and reduce environmental impact related to the activity of being the Best Mobility Partner by 2025.

The identified **objectives** include:

- a reduction of 18% in CO<sub>2</sub> emissions by 80% of Dealerships by 2025;
- a reduction of 3% in water consumption by 80% of Dealerships by 2025;
- a 100% reduction in single-use plastic consumption by 80% of Dealerships by 2025.

This project complements the robust Environmental Management System compliant with the international standard ISO 14001:2015, initiated since 2003, common to all Toyota companies in Italy and extended to Toyota and Lexus Authorized Dealerships and Service Centers since 2008.

The Project received maximum participation during the delivery of Workshops, where Dealer Operators and Environmental Managers of the network played a key role. Various topics were addressed, including the concept of environmental sustainability, various development strategies focused on measuring and implementing Environmental Sustainability. It was a moment of sharing experiences among Dealers. During this event, the action plan was also shared with the network, allowing TMI to meticulously follow the entire network to collectively achieve the objectives by 2025.

Lastly, in the case of construction/renovation of new sites, a specific project was initiated in 2023 aimed at achieving a 100% reduction in CO<sub>2</sub> emissions, external water resource usage and single-use plastic for the entire network. The project, initially involving a pilot Dealer, will subsequently be extended to all sales locations and, in a second phase, to all after-sales locations.

<sup>62</sup> For further information:

<https://newsroom.toyota.eu/dealerstat-2023-toyota-in-testa-tra-i-generalisti-e-al-1-posto-nelle-soluzioni-di-mobilita-con-kinto/>

## NET project

One year after the launch of the **NET portal**, the new environmental application serving the Toyota and Lexus network, in addition to providing a mapping of all environmental aspects of each individual Dealer in line with ISO14001 certification, now also allows **monitoring** of energy **consumption** and water resources, with consequent automatic calculation of CO<sub>2</sub> emissions. This information is essential for continuous improvement of energy performance and to support the Green Retailer Program and the achievement of the 2025 objectives.

## The commitment of the Dealers

Toyota's impact on the territory and society does not stop at initiatives promoted by the company but is fueled by the constant **commitment** that Toyota and Lexus Dealership networks **invest locally**. This commitment is first evidenced by the quality of environmental management systems, with ISO 14001:2015 certification obtained by 98% of Toyota and Lexus Dealerships.

However, the network's contribution extends to active participation in the protection of the territory through the promotion of dedicated initiatives and projects, including the use of renewable energies, environmental impact offset projects and support for local environmental events. Dealerships are also playing an increasingly crucial role in **promoting sustainable mobility** by helping

### 98% ISO 14001

### CERTIFIED DEALERS

develop a widespread network of charging infrastructure for electric or electrified vehicles and encouraging the adoption of low-impact vehicles such as PHEVs and BEVs.

In addition to numerous environmental initiatives, support for people with disabilities and involvement in sports, the relationship between Dealerships and local communities encompasses a range of projects. These projects range from supporting hospital departments in renovating facilities or providing medical equipment to donations to non-profit associations and organizations supporting the less fortunate or other disadvantaged groups, as well as supporting education locally and internationally.

The bond with the community is a fundamental element for the brand's success and is a concept fully embraced and put into practice by Dealerships, often taking a leading role through sponsorships and collaborations in major local events and initiatives. Through these initiatives, the Toyota and Lexus network shares with society the value it contributes to generating, strengthening the sense of community of which the brand and its network are an integral part.

## Dealer Training & Development

Starting from FY23, the companies within the Toyota Italy Network have centralized the training activities for commercial partners, Dealerships and Authorized Service Centers under a single department, the Toyota Academy. This academy designs, develops and delivers training courses, ensuring integration and consistency of messages in line with the One Toyota strategy. Commercial partners benefiting from this training can access Funded Training by joining the interprofessional fund Fon.Ter, which allows for reimbursement of up to 80% of participation costs. In FY23, the training offer for Dealerships increased by approximately 20% compared to 2022 to ensure the network's readiness on new mobility, electrification, and evolving Customer Experience topics. To ensure the Academy's activities are consistently aligned with participants' expectations and the quality standards the training strategy aims to achieve, the organization

### 19 PARTNER SCHOOLS

relies on two main **monitoring indicators**: the Net Promoter Score (NPS) of participants' satisfaction with training activities and learning verification through specific tests administered to participants upon completion of their courses.

In 2023, the implementation of the BRiT program – Best Retailer in Town – was launched, involving coaching activities throughout the Dealership network to train the Leadership Team on the pillars of Toyota Way, Employee Engagement, Customer Centricity and Business Sustainability in preparation for the transformation envisaged by the T25 strategy. Following this training, each Dealership must develop and present to Toyota's Top Management a concrete action plan aimed at improving at least one of the KPIs specified by the Readiness Index, a set of indicators used to measure network performance.

As part of this transformation, in 2023, the target organizational model of Dealerships – the **TOM Evolution 2** – was reviewed, leading to a profound **reassessment of frontline Dealership roles** and, consequently, dedicated training paths with the goal of structuring our organizations with an increasingly Customer-centric approach.

Another channel for dialogue with the education sector, which is a distinctive feature of Toyota, is the **Toyota Technical Education Program**, a program involving collaboration between the brand and various educational institutions, primarily vocational and technical industrial schools. This collaboration aims to provide students with technical skills and Customer Experience Management competencies, ensuring continuous teacher training. Through this initiative, Toyota aims to make a tangible contribution to the public education system while providing the Dealership network with a pool of trained talents for their professional needs. In Italy, the T-TEP was launched with a memorandum of understanding between TMI and the Ministry of Education in 1995, involving 19 partner schools and thousands of students since then, often offering them internship opportunities within the Toyota Network.

**OVER 59 THOUSAND  
HOURS OF TRAINING  
PROVIDED TO  
DEALERS**

## 2.3.5 The people of Toyota Italy: the Engine of the Future

**People** represent one of the **fundamental pillars** of Toyota's business success. The values of the **Toyota Way** adopted by all companies at a pan-European level are translated into different behavioral parameters depending on the sector involved. In the new Toyota Way, the broader concept of Respect for People remains central, focusing on creating the best possible conditions to unleash the potential of each employee, valuing the diverse talents within the company and promoting inclusion. For this reason, Toyota companies continuously work to improve the employee experience.<sup>63</sup>

*430 employees  
of the Toyota  
companies in Italy*

**New smartworking architecture**

- People Empowerment**
  - 60% presence on site.-40% everywhere
  - (Min 8 days/months on site)
  - Max 70% attendance/day
  - August 100% everywhere (3-26.08)
- Process Enhancement**
  - Friday & Monday Management Alignment @ Office
  - Self Learning Time (min 2h/week)
  - Disconnection Time (20:00 - 8:00 - No Messages/No Mail)
- Tools Improvement**
  - Smartworking Planning & Desk Booking tools
  - Smartworking Cost Contribution (Digital Ticket 8€ net/day - max 100days/year)

● Policy ● Tips ● Etiquette **from September**

### The New Way of Working



Figure 14 – New Way of Working Manifesto

In December 2022, the "**New Way Of Working Manifesto**" was published, a flexible and dynamic tool aimed at accompanying and guiding the TMI population through suggestions, inspirational values and expected behaviors towards a new way of working closer to personal and business needs. The 3 macro-pillars of the "New Way of Working" project are: **Work, Workforce and Workplace** (Office of the Future, the complete revision of offices involving all Toyota companies in Italy). A new architecture for **managing remote work** has also been defined and communicated. In essence, a remote work percentage

<sup>63</sup> For more detailed information, please refer to the section dedicated to the Deep Dive into the Network companies in Italy.

of 40% of the days/month is suggested, with a requirement of a minimum of 8 days of office presence. Flexibility in scheduling is left to the Line Manager, respecting business needs and work-life balance. With the "New SW Architecture," the Ticket Restaurant initiative was also launched, starting from October (referring to the remote working days in September), providing employees and managers with Ticket Restaurant vouchers worth €8.00 net per day for each remote working day (with a maximum of 100 vouchers per year).

FY22 concluded with a total of 7,557 Ticket Restaurant vouchers distributed for the days of remote work performed. Following the New Way Of Working Manifesto, Toyota companies in Italy have launched initiatives that promote employees' work-life balance in the welfare domain as well.

### 2.3.6 Diversity and equal opportunities

Diversity and inclusion are fundamental principles for Toyota companies in Italy, as well as for the entire global organization. Toyota recognizes that diversity in perspectives, experiences and skills is a driver of innovation and success. In an ever-evolving industry, the ability to embrace individuals from diverse cultural, ethnic, gender and ability backgrounds **contributes to the creation of more creative solutions and adaptation to the needs of an increasingly diversified market**. Inclusion, on the other hand, ensures that every team member feels valued and respected, creating a collaborative and productive work environment.

For Toyota companies in Italy, the adoption of diversity and inclusion-oriented policies and practices is not only a social responsibility but also a strategy to remain competitive, sustainable and aligned with corporate values of respect and trust. For example, starting from October 2023, the "Diversity Board" initiative, currently carried out only by TMI, will become cross-company across the Toyota Italy Network, with a **Diversity Board One Toyota** expanded to include all companies with 4 members – 2 from TFSI, 1 from KINTO, 1 from TIS/AND-E.

In general, concerning the Diversity Equity & Inclusion theme, Toyota companies annually identify targets in the **Corporate Hoshin Kanri**. In developing a Diversity & Inclusion culture, the Toyota Italy Network collaborates with an excellent partner, Valore D, with whom a Manifesto for female employment has been signed to develop a culture oriented towards maximizing gender balance and inclusivity.

### 2.3.7 Attraction and selection of talent

Talent attraction and selection play a fundamental role for the Toyota Italy Network, as well as for the entire global organization. Toyota is renowned for its corporate culture focused on the growth and development of its employees and this approach begins with selecting the best talent. In a highly competitive industry like automotive, the ability to attract individuals with advanced technical skills, creativity and a strong work ethic is essential to maintain innovation and product quality. The careful selection of talent enables Toyota **to ensure that its teams are composed of highly qualified individuals**, thereby contributing to the company's success in the market. In this context, talent attraction and selection represent a strategic investment for Toyota, helping to build a dynamic and competent workforce capable of tackling challenges and seizing future opportunities.<sup>64</sup>

*41 new hires  
during the year*

### 2.3.8 Employee development and training

Training represents a **crucial tool for Toyota's organic and sustainable business development**. That's why TMI established a dedicated structure solely for the design and implementation of the inter-company training strategy: the **Toyota Academy**, responsible not only for employee training but also for that of the distribution channel and external stakeholders. The Academy's cross-cutting role allows Toyota companies in Italy to manage training centrally, aligning skills with Toyota products. In fact, since April 1, 2023, under an agreement between the Toyota companies in Italy, the Academy operates as the One Toyota Academy, **providing training to employees of all companies** (TMI, TFSI, KINTO, TIS and AND-E) and integrating **financial, insurance and new mobility service-related topics into training** for the Dealer and Authorized Service Center Network.

In line with the evolution of the automotive sector, the Toyota Academy's training offering is undergoing a radical transformation to adapt to changes in the business model – from car sales to Mobility-as-a-Service – and digital transformation, increasingly oriented towards blended solutions, which combine in-person and remote courses.

*42 hours of training  
per capita  
per year provided  
by Toyota Academy*

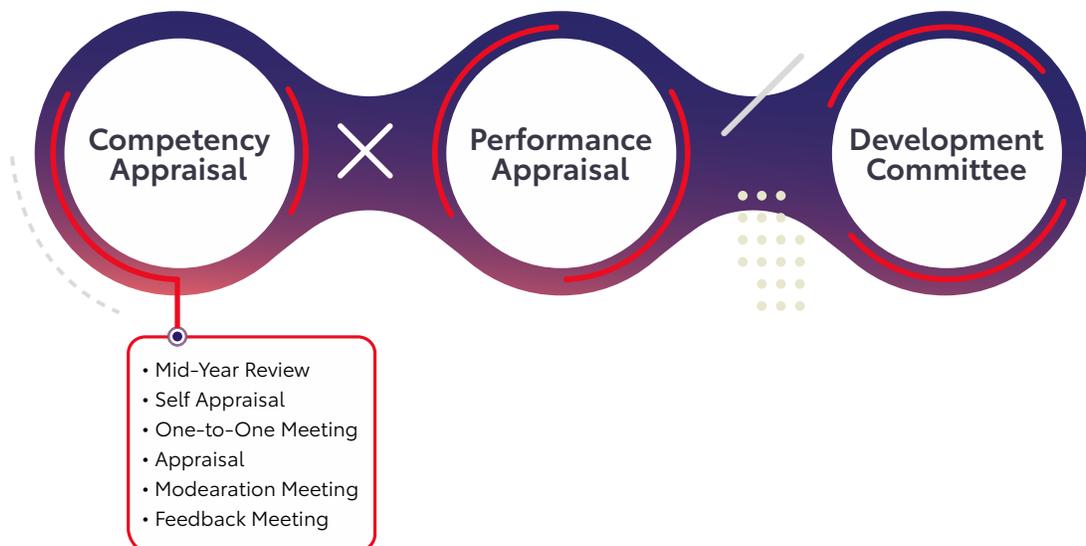
<sup>64</sup> For more detailed information, please refer to the section dedicated to the Deep Dive into the Network companies in Italy.

### 2.3.8.1 The performance evaluation system

The Toyota Italy Network has a **performance evaluation system that involves all employees**, based on two pillars: **Competency and Performance Appraisal**. The former aims to assess whether behaviors exhibited over a defined period align with role expectations and organizational goals, with a focus on medium to long-term development. The latter aims to evaluate the results achieved within a specified time frame and focuses on the short term.

Figure 15

Toyota Italy Network evaluation system



### 2.3.8.2 Employee Learning & Development

Among the initiatives implemented, a sign of the concrete commitment towards a more comprehensive training offer across the companies, is the use of an innovative platform called "WeGrow", dedicated to the training and development of employees across all Toyota companies in Italy, characterized by elements of social learning. The WeGrow platform is based on three main drivers:

1. **Smart Learning:** the platform relies on a new approach to learning (Self Activation, Anytime-Anywhere-Anyone, continuous training) that involves profiling content based on roles and areas of interest.
2. **Social Learning:** user interaction is facilitated on multiple levels through the use of a dedicated team of experts and the sharing of individual expertise and experiences, contributing to the growth of the Toyota Community.

3. **Knowledge Management:** the platform includes Corporate content alongside training assets provided by selected providers, with users having the opportunity to propose new content and share their know-how.



Furthermore, in September 2022, an initiative of self-learning was launched where each employee of the Toyota Italy Network is asked to dedicate two hours per week to self-training activities using the tools provided by the company.

In 2023, the new project called "**EVOLVE. Next level learning experience**" was launched in collaboration with SDA Bocconi with the aim of building a new continuous and dynamic learning experience aligned with the current and future needs of the business so that everyone is enabled to perform their role creating value for themselves, the company and the Network. The outcome of the project is a new framework of soft skills and hard skills for the Sales & Marketing Area that will be the subject of targeted courses over the next 3 years to ensure the necessary training for the implementation of the T25 strategy.

ISO 45001  
ISO 14001  
ISO 9001

### 2.3.9 Health & Safety

A fundamental expression of the core value pillar of Respect for People is the attention that the Toyota Italy Network places on the health and safety of its own people and all its stakeholders. Despite the Anticontagion Protocol no longer being in force since January 2023, the Top Management's priority remains to safeguard the health and safety of its employees and all company stakeholders, who are requested to maintain a high level of attention to preserve everyone's health as much as possible.

For this reason, the Company has decided to keep in place some rules (use of masks, hand sanitization, smart working, etc.) aimed at protecting the staff, with particular reference to vulnerable individuals and has shared important guidelines to follow in case of infection or contact with positive cases. In addition, besides **complying with regulations** (Legislative Decree 81/08), workplace safety continues to represent one of the axes of the **integrated Quality, Environment and Safety Management System**, certified according to international standards ISO 45001:2018, ISO 14001:2015, ISO 9001:2018. The adequacy of the Integrated Quality, Environment and Safety Management System is verified through a plan of dedicated audits carried out periodically by TMI, the findings of which are aimed at planning improvement actions.

The Integrated Management system refers to Quality, Information Security, Business Continuity, SOX Compliance, Workplace Safety, Environment, Privacy and compliance with Legislative Decree 231/2001. Each Toyota company in Italy analyzes, measures and defines risks and related reduction measures by task in the Risk Assessment Documents of the individual companies in compliance with Legislative Decree 81/08. **Safety risks** for TMI are identified by the **Toyota Global Risk Management Standards (TGRS)**.

### 2.3.9.1 The culture of safety

For the correct application of high safety standards, the Toyota Italy Network considers staff training to be of paramount importance. In addition to mandatory training, additional training focused on various topics is provided, such as safe driving courses for traveling personnel and tips for optimizing remote work.

However, the establishment of a safety culture is not limited to training activities. The company promotes the dissemination of prevention and protection values through ongoing promotional activities, including:

- **Safety Month** (in October), during which the company promotes significant practices and actions related to health and safety;
- The **Safety Award**, through which Toyota annually recognizes individuals or teams that have excelled in specific health and safety activities.

Furthermore, TMI includes within the company Hoshin Kanri document (Company Hoshin) health and safety improvement objectives which are reflected in concrete improvement actions.

### 2.3.9.2 Security monitoring

Through audits and periodic tests, the Toyota Italy Network constantly monitors its procedures and performance in health and safety. Among the main improvement tools, sharing collected information is a successful practice. For example, the spare parts warehouse shares its incident and Near Miss monitoring with all Toyota warehouses in Europe, with the aim of extending this sharing to the warehouses of the Toyota and Lexus Dealer Network. Regarding workers' reporting procedures for risks and hazards, an effective and structured channel is represented by the Near Miss procedure.

#### The Near Miss procedure

“Near Misses” are events that result in minor injuries that do not lead to absence from work or incidents that could have caused, but did not cause, injuries and for which no obligation for registration and reporting is required. Reporting, registering and analyzing Near Misses have **the dual objective of preventing more serious injuries from occurring and allowing for a more reliable refinement of health and safety risk indicators.** Considering the foregoing considerations, all staff are responsible for submitting Near Miss reports through tools provided by the IT services to be used from their workstation or their mobile phone. The report must include the date, time and location of the event, along with any useful information for subsequent analysis and identification of causes. For reporting via mobile phone, staff have access to an App and QR codes displayed widely in the workplace that generate an email addressed to predefined recipients: the manager and the Prevention and Protection Service staff and the manager of the occupational health and safety management system. The recipients assess the risk situation and, if deemed appropriate, define and initiate appropriate improvement actions aimed at removing the root causes of the Near Miss. The reports feed into a database that is periodically reviewed to identify any recurring issues and to adopt containment measures.

In case of workplace accidents, Toyota can investigate through the tools offered by the Model of Organization, Management and Control pursuant to Legislative Decree 231/2001 and the control activities carried out periodically by the Supervisory Body. The adequacy of the workplace health and safety management system of the Toyota Italy Network and its related prevention and reporting mechanisms is evidenced by the excellent results in terms of the number of accidents recorded in the year.

*0 accidents  
at work*

## 2.4

# THE GOVERNANCE OF THE TOYOTA COMPANIES IN ITALY

The governance structure of Toyota companies in Italy is articulated and varies depending on the company under consideration. In particular, TMI is a company with:

- A **Board of Directors**, composed of three members - a Chairman of the Board, a Chief Executive Officer and a non-executive member, chosen from executives of the Toyota Italy Network. The Chairman of the Board is a senior executive (Vice President) of the sole Shareholder, Toyota Motor Europe. The three members of the Board of Directors are male and are authorized to represent the company Toyota Motor Italy. They are elected **every three years** by the Shareholders' Meeting. Their competencies are assessed based on the expertise gained within the Toyota Italy Network.
- A **Board of Statutory Auditors** - three effective auditors and two alternates with a three-year mandate - whose current members - all appointed by the shareholders' meeting - meet the requirements set by the relevant regulations.

Furthermore, a **structure of Committees** responsible for approving and monitoring projects and business activities in different relevant sectors is established. The system involves a decision-making process composed of **progressive authorization levels** before the final approval by the Top Management. The main approving body is the **Steering Committee**, composed of all the Top Management. All approval flows are initiated and tracked through the **Take Every Decision** (TED), an application that manages the governance of all company decisions, including those made by the Steering Committee.

Regarding **TFSI and KINTO**, the share capital is held by a single Shareholder respectively TFS UK and KINTO Europe. They are companies with:

- **TFSI** has a **Board of Directors**, composed of three members - a Chairman of the Board, who is also the Chief Executive Officer and a director, all chosen from executives of the Toyota Network. The Board members are **elected every three years** by the Shareholders' Meeting and are selected in accordance with the requirements of the regulations. All administrators are employees of the Toyota Network and are male. In particular, TFSI has 2 executive members and 1 non-executive member. Additional roles for each member are listed in the CVs issued



during the renewal of the position. The Board of Directors, within the recognized powers, approves the processes and business directions related to ESG policies. The Board of Directors reviews the effectiveness of the organization's processes as needed. The Chairman of the Board is also a senior executive of the organization (i.e., CEO Toyota Financial Services Europe/Africa Region - EAR), who is regularly involved by the governance function in topics relevant to the Board of Directors. The reason for this appointment is closely related to the role the Chairman holds within TFS Europe. The regulation of conflict-of-interest mitigation and prevention is governed by a specific company policy.

- **KINTO** has a **Board of Directors**, composed of **five members** - a Chairman of the Board, also the Chief Executive Officer and four directors, all chosen from executives of the Toyota\KINTO Network. The Board members are elected **every three years** by the Shareholders' Meeting and are selected in accordance with the requirements of the regulations. All administrators are employees of the Toyota\KINTO Network and are male; there is 1 executive member and 4 non-executive members. Additional roles for each member are listed in the CVs issued during the renewal of the position. The Board of Directors, within the recognized powers, approves the processes and business directions related to ESG policies. The Board of Directors reviews the effectiveness of the organization's processes as needed. **The Chairman of the Board is also a senior executive of the organization.**
- A **Board of Statutory Auditors** - three effective auditors and two alternates with a three-year mandate -, whose current members - all appointed by the Shareholders' meeting - meet the requirements set by the relevant regulations.

In general, the Board of Directors has extensive powers of ordinary and extraordinary management, except for acts reserved by law for the Shareholders' Meeting and the legal representation of the company is vested in the Chairman and Chief Executive Officers. While the strategic supervisory function is exclusively vested in the Board of Directors, the management function is centered around the figure of the Chief Executive Officer, who has been delegated extensive organizational and managerial powers. The Chief Executive Officer, in carrying out their duties, utilizes **specific corporate Committees**, which have analysis and advisory roles in various areas of reference. The Board of Statutory Auditors oversees compliance with the law and the articles of association, the respect of the principles



of proper administration and the adequacy of the organizational, administrative and accounting structure adopted by the Company and its actual functioning.

The companies constantly monitor the evolution of the relevant regulations and adapt, if necessary, to any new legislative provisions concerning the composition of the Board of Directors and the Board of Statutory Auditors.

TFSI, being a regulated and supervised financial intermediary, observes the governance provisions contained in the relevant supervisory regulations (**Bank of Italy Circular no. 288**). The requirements set by the relevant regulations regarding the members of the Board of Directors and the Board of Statutory Auditors are also confirmed by the competent Supervisory Authority (Bank of Italy).

In accordance with the applicable supervisory regulations, TFSI annually updates **a report on its organizational structure**, to be submitted to the Bank of Italy, which, among other things, provides detailed and updated descriptions of the top bodies, corporate Committees, different company structures and functions, their compositions, as well as their respective duties and responsibilities. The Chief Executive Officer also relies on a specific managerial figure that plays a facilitating role in managing the extensive internal information flows (**Chief of Controls and Governance Coordination**).

TFSI has also adopted a **policy for managing conflicts of interest**. As a matter of fact, conflicts of interest are communicated to the Board of Directors.

In **TMI**, for updating strategies, policies and objectives related to sustainable development, the Board of Directors approved the **update of Model 231 on December 19, 2022**, while the **Code of Conduct**, containing general principles regarding environmental policies and sustainable development, was updated in June 2022.

The Board of Directors, regarding the **monitoring of sustainable development**, relies on the contribution of **Strategic Committees** that report on timing, objectives and results. Additionally, it periodically reviews the effectiveness of the organization's processes in terms of their impact on the economy, the environment and people. The sustainability report is reviewed by the Chief Executive Officer, following discussion with the entire Top Management. Individual members are individually involved in identifying material issues.

Generally, to communicate the measures adopted regarding

sustainable development, the highest governing body uses the company's Intranet, Circulars to the Network, Events, sharing of the Sustainability Report and documentation related to ESG issues with employees and stakeholders, communications managed by the HR department and/or specific departments. Each top-level figure is also **evaluated** based on **ESG performance and management**.

The three members of the Board of Directors have been conferred with powers of representation for the company, while specific powers regarding security (Legislative Decree no. 81/2008) have been granted to the Finance & Facility General Manager and the People, Organization & Culture General Manager.

All Toyota companies in Italy recall the correct principles to be respected in their adopted Codes for **anti-corruption**. To make the implementation of these rules and policies effective, including compliance with the Organizational and Management Model pursuant to Legislative Decree 231/2001, a **Whistleblowing Policy** has been adopted for all companies, with a dedicated email address and a specific reporting system for any misconduct capable of ensuring the confidentiality of reports where required. Upon receipt of the report, specific internal investigations are subsequently initiated. Periodically, reports on the status of reports received under whistleblowing are prepared.

The governance of the Italian branches **TIS and AND-E** is described as follows:

- both companies are **branch offices of foreign companies**, with registered offices respectively in Germany and Luxembourg, admitted to carry out their insurance business and insurance distribution activities in Italy under the principle of mutual recognition;

## The prevention of conflicts of interest in TMI

Conflicts of interest are prevented and mitigated through SOX certification and the adoption of Model 231. In the General Protocols section of Model 231, it is stated: "All members of corporate bodies and all employees, suppliers, consultants, collaborators, partners and generally all those who contract with the company must:

- avoid engaging in conduct that, directly or indirectly, may constitute, in terms of consummation or attempt, even just one of the potential crimes provided for by Decree 231/2001;
- communicate to the Supervisory Body, in writing, the occurrence of a conflict of interest between their activities carried out for TMI and any public, social, or corporate positions (held by them or by family members) in entities that collaborate in any capacity with the company".

*KINTO certified*  
*ISO 37001*

- they are both represented in Italy by a **Representative**, who has active and passive representation, assisted by employees, some of whom also have signing powers according to a precise delegation system (so-called "POD") in line with the Organizational Chart and the Functional Chart, subject to periodic review and modification.

TIS and AND-E, as branch offices, **do not have a Board of Statutory Auditors** in Italy.

In order to allow for the correct flow of information and decision-making processes, the CEO, Representatives and managers of various functions of both branches meet periodically.

**Decision-making and management control** powers are delegated to the **Representatives of AND-E and TIS** and to the CEO, who represent the executives of the organization (therefore, there is no local governing body). The same executives, as well as a series of Managers (Senior and Junior), are entrusted with various implementations shared with the entire Management, as well as first-level controls within their specific areas of competence. It is noted that the provision of a Representative in branch offices is provided for by the Italian Civil Code.

The Representatives and the CEO **approve strategies and policies regarding sustainable development** and exercise control over the organization's **due diligence** and other processes to identify and manage the organization's impacts on the economy, environment and people regarding branch affairs only, in compliance with policies and statements approved and provided by the Headquarters. The results of these processes are analyzed and studied for improvement actions.

Regarding the delegation of responsibility for managing the organization's impacts on the economy, the environment and people, the branches are equipped with corporate functions required to comply with local procedures approved by the Representatives. The Top Management meets, on average, weekly.

The companies have a "**Conflict of Interest**" Policy and **internal Operating Procedures** that govern conflicts of interest if they arise. The Conflict-of-Interest Register is updated annually and whenever a conflict of interest arises. In accordance with the European Insurance Distribution Directive (IDD), conflicts of interest are communicated to clients through documentation attached to the contract.

With reference to anti-corruption, all companies refer to the correct principles to be respected in their adopted Codes. To effectively implement these rules and policies, including compliance with the Organizational and Management Model pursuant to Legislative Decree no. 231/2001, a **Whistleblowing Policy** has been adopted for all companies, with a dedicated email address and a specific reporting system for any wrongdoing capable of ensuring the confidentiality of reports where required. Upon receipt of a report, specific internal investigations are subsequently initiated.

Periodically, reports are also prepared on the status of reports received in the whistleblowing context.

For TIS and AND-E, **cases of non-compliance with laws and regulations** occurred in the years 2021 and 2022, as reported in the table below:

GRI 2-27 Compliance with laws and regulations, TIS and AND-E

| Significant cases of non-compliance with laws and/or regulations                |                    |             |
|---|--------------------|-------------|
| Cases of non-compliance   | 2022 <sup>65</sup> | 2021        |
| Number of cases of non-compliance which were followed by monetary sanctions     | 1                  | 1           |
| Total monetary value of sanctions incurred (€)                                  | 10,000.00 €        | 26,000.00 € |
| Number of cases of non-compliance which were followed by non-monetary sanctions | 0                  | 0           |
| Total number of non-compliance cases  | 1                  | 1           |

<sup>65</sup> For TIS and AND-E, delays were raised in the transmission of risk certificates to the relevant database, in the periods: 1 July - 31 December 2021 and 1 January - 20 June 2022

## Membership associations

Belonging to various **associations** is of fundamental importance for Toyota companies in Italy, as it offers the opportunity to actively participate in dialogue and collaboration within the automotive, financial and insurance industries, respectively. In particular:

- **TMI** is associated with **Confindustria, UNRAE, Valore D, HRC, H2IT Italy and Top Employer Italy**;
- **TFSI** is associated with **ASSOFIN** (Association of major players in banking, finance, consumer credit and real estate) and the **Conciliatore Bancario Finanziario**;
- **KINTO** participates in the activities of **ANIASA**;
- **AND-E** participates in the associative activities of **ANIA**;<sup>66</sup>
- **TIS** is associated with the Italian Insurtech Association (**I.I.A.**).<sup>67</sup>

### 2.4.1 Performance planning and measurement tools

The Toyota companies in Italy use various **planning, programming, control and performance measurement** tools, including:

- **Corporate Hoshin Kanri** and departmental **Hoshin Kanri**, formal documents indicating the company's and department's vision and mission, derived from the European one;
- **application of the Toyota Global Risk Management Standards (TGRS)** of the Toyota Motor Europe Group as an internal risk control and governance system, applied systematically, structured, timely and documented, and periodically verified to ensure that the overall process is aligned with business objectives;
- **a Management By Objectives (M.B.O.)** system that the Corporate Management defines for each organizational position, linked to a performance-based compensation upon achievement.

The **evaluation system** leading to the quantification of the Bonus to be awarded is the same for the entire company population, including the Top Management and for all types of targets, including those related to economic, environmental and people impacts. The evaluation system encompasses two performance components: personal performance and company performance.

<sup>66</sup> ANIA is a voluntary non-profit association. Its main aim is to develop and spread the culture of safety and prevention on insurance issues throughout Italy. It brings together those who have always managed and covered various risks. Represents members and the Italian insurance market towards the main political and administrative institutions, including the Government and Parliament, trade unions and other social forces.

<sup>67</sup> Italian association of reference for actors in the insurance supply chain who intend to innovate and develop products and offers to face the nine challenges launched by the digital consumer.

The **Bonus Cash Tables**, which outline the Bonus attainable based on the actual personal and company performance level, are known to every employee. Performance **evaluation occurs annually** with a semi-annual **Mid-Year Check**. In the latter, a performance evaluation is conducted, which may lead to recovery plans if there is a deviation from the expected performance.

## 2.4.2 The internal control system

**TMI** and **TFSI** have an **Internal Audit and Risk Management function**. Regarding **KINTO Italy**, Risk Management activities are outsourced, under an agreement, to TFSI, which carries out this activity through its own Risk Management function.

In **TIS** and **AND-E**, the control system is entrusted to **internal functions** in close **coordination** with the responsible functions of the **Parent Company** (Risk, Compliance and Audit) and **external** ones (Auditors and External Auditor). In both branches, there is a single Chairman (CEO) and a single DPO, Data Protection Officer. **TMI's** Internal Audit function develops its **annual activity plan**, which is approved by the Board of Directors and submitted to the Board of Statutory Auditors.

Based on its **annual activity plan**, **TFSI's** Internal Audit function **conducts periodic checks** to assess:

- the completeness, adequacy, functionality (in terms of effectiveness and efficiency) and reliability of the internal control system and, in general, the organizational structure;
- the adequacy, overall reliability and security of the information system (ICT audit);
- the Adequacy of the business continuity plan or disaster recovery plan;
- the regularity of various business activities, including outsourced ones and the evolution of risks;
- the correctness of the operation of the distribution network, with particular reference to the full application of the Transparency of Banking and Financial Operations Regulation (Bank of Italy Provision of 29 July 2009 and subsequent amendments);
- monitoring compliance with the rules of activity at all levels of the company;

- compliance with the limits set by delegation mechanisms as well as the full and correct use of available information in various activities;
- the removal of anomalies found in the operation and functioning of controls (follow-up activities).

TFSI's Risk Management also deals with **ESG Risk Management**, including climate and environmental risks, in compliance with regulatory requirements (as provided for by the recent communication from the Bank of Italy). There are also Policies & Procedures and Guidelines issued globally by the Credit Risk Management Committee of TFSC for TFSI and KINTO.

**TFSI is the only company** in the Toyota Italy Network equipped with a **Compliance function**, which deals with the oversight and correct, efficient and effective management of the risk of non-compliance with regulations, which is defined by the reference regulations as the risk of incurring judicial or administrative sanctions, significant financial losses, or reputational damage as a result of violations of laws, regulations, supervisory provisions, corporate regulations and self-regulation / codes of conduct discipline.

Furthermore, in compliance with current regulatory provisions, TFSI has established an **AML (Anti-Money Laundering) Function** with specific control tasks regarding compliance with the obligations dictated by anti-money laundering regulations. The level of exposure of TFSI to money laundering and terrorist financing risk as well as the robustness and effectiveness of the control system in this area are subject, on an annual basis, to a self-assessment process ("AML self-assessment"), the outcome of which is communicated to the Bank of Italy. The organization, tasks and responsibilities of each of the control functions of TFSI (including verification tasks) and their related activity planning, reporting (to senior management and competent supervisory authorities) is governed by specific regulations, policies and company procedures, which take into account the current regulatory requirements for financial intermediaries. A detailed description of the company control functions is contained in the **report on TFSI's organizational structure**, which is submitted on an annual basis to the supervisory authority.

### 2.4.3 Policy commitments

**TMI** and **TFSI** have adopted the **Organizational and Management Model pursuant to Legislative Decree 231/2001**, aimed at creating a structured and organized system of procedures and control activities to prevent the commission of offenses relevant to the Decree and to raise awareness among all those operating on behalf of Toyota companies in Italy about related illicit cases.

**Toyota Motor Italy** has also:

- adopted and published an **anti-corruption Policy** that includes the necessary rules for the correct prevention of corruption scenarios. The principles of this policy are also applied to TMI's business partners;
- implemented an extensive **corporate compliance program**;
- **included privacy and competition law risks in the company's Risk Register**. The management has identified the Legal & Compliance department as TMI's Internal Compliance Officer, for aligning business with regulations, laws and mandatory rules.

While **TFSI** has adopted a specific **anti-fraud procedure** detailing control measures to prevent fraud committed by third parties (e.g., Customers or suppliers) in compliance with the relevant regulations. The **Code of Conduct** - "Contribution to Sustainable Development" section (Employees) mentions the **obligation to respect human rights**<sup>68</sup>. The Code of Conduct is incorporated into the company's regulations and contracts with Partners and Suppliers.

TFSI's Code of Conduct also considers the **risk of committing offenses**, such as corruption involving Public Administration officials, private-to-private corruption and fraud. In addition to the above-mentioned anti-corruption measures, as a financial intermediary, it is required to observe specific regulations set forth by Italian legislation and issued by the Bank of Italy and the Financial Information Unit concerning anti-money laundering.

Regarding **KINTO Italy**, although it has not yet adopted Model 231, **it adheres to TFSI's Code of Ethics**, indicating the importance each Toyota Company in Italy attributes to illicit activities.

**TIS** and **AND-E** are committed to contributing to the harmonious and sustainable development of society and the planet Earth, based on Toyota Guiding Principles, which formalize the **conduct rules** forming the basis of TIS and AND-E's **Codes of Ethics**.

<sup>68</sup> Code of Conduct: <https://www.toyota.it/legal/governance>

TIS and AND-E, as secondary branches of foreign companies, locally implement the policies of their respective parent companies, including the presence of an anti-corruption Policy, as well as, for example, **Anti-Fraud, Conflict of Interest, Internal Audit and Outsourcing & Procurement Policies**.

These commitments refer to:

- community provisions regarding governance, management and development of insurance products;
- EIOPA implementing guidelines.

These commitments require **due diligence and respect for human rights**. Regarding human rights compliance policies, the code of conduct and corporate regulations are adopted. These commitments concern internationally recognized human rights and stakeholder categories<sup>69</sup>.

For branches, documents are approved either by the Preposto alone or jointly by the Preposto and the CEO, while at the European level, documents are approved by the Board, whose activities and business relations of the organization are regulated by local operating procedures.

Policy commitments are communicated to employees via email and through the publication of documents on the internal intranet site. Additionally, these commitments are posted on the Toyota website and communicated to third parties through contractual clauses.

Toyota companies in Italy, in implementing their commitments, ensure the **dissemination of the Toyota Philosophy** through the issuance of international policies and procedures and local requirements, also defining clear and specific roles and responsibilities in the organization. They also ensure a process of **constant updating and continuous monitoring** in terms of strategic elements and make references to policies and operating procedures in corporate documents that formalize the relationship with stakeholders.

The companies also maintain **transparency in business relationships**, aiming to contribute to the harmonious and sustainable development of society, the operating environment and the planet Earth in general.

<sup>69</sup> - Organizational Management and Control Model 231 AND-E:

<https://www.aioinissaydowa.eu/files/pdf4/ANDIE-Modello-231-Parte-Generale-e-Speciale-30.03.2021.pdf>

- AND-E Code of Ethics: <https://www.aioinissaydowa.eu/files/pdf4/All-v1.pdf>

- Declaration against slavery and human trafficking by AND-E and TIS: [https://www.aioinissaydowa.eu/en/slavery\\_statement.cfm](https://www.aioinissaydowa.eu/en/slavery_statement.cfm)

Toyota Motor Italy has also adopted a **structured process for identifying and, if necessary, remedying the negative impacts** resulting from its activities. TFSI and KINTO, on the other hand, **mitigate their negative impacts through KINTO's mobility solutions** and the financial solutions offered by TFSI, tools that make vehicles with very low or even zero-emissions driving and high energy efficiency economically accessible.

## Complaints management

TMI tracks all complaints and reports from Customers and/or Dealers on dedicated **management systems**. Any **anomalies** are then **examined** within specific **Committees**, where the most suitable countermeasure and/or escalation to the Head Office are evaluated. All customer complaints and reports are tracked on a management system operating on the Microsoft Dynamics platform and are subject to monitoring. **Anomalies** are brought to the **attention of Top Management** during the monthly Customer First Meeting. If necessary, in synergy with other departments involved, **a plan is developed to identify countermeasures** to the anomaly detected through a PDCA process.

TFSI has adopted a **Complaints Policy and a Complaints Procedure** that reflect the sensitivity of Toyota companies in Italy to the theme of "Customer care", aiming to **safeguard Customer satisfaction, the quality of relationships and their continuous improvement**, while paying the utmost attention. This attention is already expressed in the design phase of products and services, especially in Customer relations, in order to offer the product or service suitable for their real needs. TFSI considers a complaint any act by which an identifiable Customer contests, in writing, to TFSI a behavior or omission concerning a financing relationship in negotiation or in progress. Complaint management is entrusted to the **Complaints Office** established within the Compliance and Anti-Money Laundering Function of the company. The responsibility of the Office lies with the head of the Compliance and Anti-Money Laundering Function and is independent of the company functions responsible for marketing services. Where a **complaint** is considered "**serious**" or "**potentially serious**" from a reputational perspective, **the Risk Management Function must also be involved**. To highlight all complaints received, an **electronic complaints register** has been set up, which is constantly updated by the Complaints Office. The Complaints Register records the essential elements of each complaint received, as well as any measures taken in favor of the Customer to resolve the raised issue. In order to ensure the confidentiality of the information recorded therein, only Complaints Office staff can access the Complaints Register. The Complaints Office also **shares with the Customer Excellence & CLV Director** and also with the Risk Management Function any **serious or potentially serious complaints from a reputational perspective** in order to identify the most appropriate measures to be adopted, to be shared with the **CEO**. Additionally, if the management of a complaint reveals the need to intervene in a process, the complaint is immediately classified as a "**sentinel**", informing the Internal Audit Function and the Risk Management Function. It therefore involves the departments concerned by the issue in order to identify the most appropriate corrective measures, monitoring the interventions until the process is definitively rectified.

**AND-E** and **TIS** have **operational procedures** governing complaint management in accordance with specific regulatory provisions applicable to Insurance Companies and Intermediaries. **Complaints related to environmental and sustainability issues** that are beyond insurance products or services are managed by the **Legal Department** with competence and on average in considerably shorter times than those established by regulations. A semi-annual report on complaint management is provided, shared with Top Management and control bodies at the Head Office and subsequently forwarded to IVASS. The management and control bodies at the Head Office express an assessment of the report, which is also subsequently shared with IVASS.

## 2.4.4 Elements of innovation and technology

The Toyota and Lexus brands stand out for their relentless pursuit of innovation, revolutionizing the automotive landscape and leading the market towards a new era of mobility. The Toyota Italy Network is not only committed to evolving its vehicles through cutting-edge technologies but also to the continuous improvement of its processes, promoting new cultural and organizational models that are also taken as examples in other sectors. Innovation for Toyota encompasses the constant evolution of electrified vehicle technologies, process optimization and the promotion of new ideas, embodying the fundamental kaizen attitude to anticipate the future. The Toyota Italy Network stands out for the increasing importance of connectivity in its vehicles, digital transformation and engagement in open innovation initiatives.



### TOYOTA GAZOO Racing

The value of emotion finds its greatest expression in **TOYOTA GAZOO Racing**<sup>70</sup> TOYOTA GAZOO Racing is the brand used by Toyota in the field of **motorsports**, where it has been competing for over 60 years. The Gazoo Racing platform is used to communicate both global and local events and to demonstrate Toyota's credibility in combining **technological innovation** and **reliability** with the more passionate aspects typical of the sports world.

Following Toyota's commitment to motorsports, the concept underlying communication in this area is "**Pushing the limits for Better.**", emphasizing the valuable role of **competitive racing as a testing ground** for technology, reliability and continuous improvement. One of TOYOTA GAZOO Racing's most important victories in 2022 was its triumph at the 90th edition of the 24 Hours of Le Mans, bringing its total victories to five on the legendary Circuit de la Sarthe, one of the most important races in the FIA World Endurance Championship (WEC). Other triumphs have occurred in the FIA World Rally Championship (WRC).

### 2.4.4.1 Connectivity

With the introduction in 2018 of the first models equipped from the factory with a Data Communication Module (DCM), technically prepared for data exchange – connected cars – the Toyota Italy Network anticipated its product development plans, which envisaged the gradual introduction of DCM on all new models, leading to the launch of a "100% connected cars" range to the market by mid-2019. **This choice stems from the desire to leverage data from the vehicles** – collected in full compliance with GDPR regulations and **subject to the approval of the Customer or user** – and build a series of services to offer to the Customer. The fields of data usage are multiple and

<sup>70</sup> You can access the TOYOTA GAZOO racing website via the following link: [TOYOTA GAZOO Racing | TOYOTA GAZOO Racing](https://www.toyota-gazoo.com)

continuously evolving. For example, driving data in EV mode is useful for enhancing product performance and rewarding virtuous driving behaviors (as in the case of the **WeHybrid®** ecosystem), or offering interesting insights for regulating mobility flows.

Thanks to the commitment of the companies and the Dealer network, Toyota and Lexus Italy, as of April 2023, have connected more than 180,000 vehicles, representing 73% of connectable vehicles.

*Over 180,000  
Toyota and Lexus  
cars connected*

#### 2.4.4.2 Digitalization of processes

The "**Digital Workplace**" project, which has involved both the digitalization of internal processes within the companies and business relationships with Dealerships, is a response to the rapid evolution of the business environment and the related professional needs for all Toyota Network companies in Italy. All employees of the Network companies, equipped with the necessary tools to carry out their work activities, have been guided through specific training sessions and experiences with the aim of effectively leveraging the potential of technology that characterizes shared workspaces through virtual collaboration. The New Way of Working has become an essential element of daily activity at Toyota, facilitating business activities and relationships. It is an element on which Toyota has decided to build and capitalize on external and internal talent within organizations, promoting innovation in all its forms. To achieve this mission, the new Toyota **Digital Innovation Hub** was launched in June 23. It is an open and barrier-free space inaugurated at the headquarters of the Toyota Network in Italy with the ambition of becoming a true center of excellence for innovation. The Digital Innovation Hub is conceived as a space for generating and cross-pollinating ideas, a place to promote coworking for the creation of increasingly innovative products, a place where creativity and innovative thinking are encouraged, while diversity and inclusion are promoted as essential elements for a stimulating work environment. This is because Toyota is increasingly convinced that engaging the talent and passion of people is fundamental to its organization and to meeting the challenge of offering everyone safe, barrier-free and environmentally respectful mobility.



### 2.4.4.3 Open Innovation

The **Open Innovation** strategy of the Toyota Italy Network is based on building strong relationships **with universities, student communities, research centers, technology partners and startups**, creating an **ecosystem conducive to collaboration and idea development** through the organization of workshops, contests and events that facilitate skills transfer and knowledge exchange.

The Digital Innovation Hub, inaugurated at the headquarters of the Toyota Network companies, has already hosted and will continue to host various innovative entities (startups) throughout the year. These entities, with their prototypes and innovative solutions, have encouraged internal staff to rethink some processes with an outward-looking perspective, aiming to develop innovative and cutting-edge technological solutions.

Additionally, a **Corporate Intrapreneurship program** has been activated for the company's employees with the goal of fostering an innovation culture, involving all staff members and enhancing creativity, entrepreneurship and skills.

**The Innovation Explorers Program** promotes **diversity and inclusion**, placing people at the center. The objective is to stimulate innovative ideas and projects from every level of the organization, transforming employees' projects into actual startups and inspiring a culture of open and inclusive innovation.

As a member of the ELIS consortium, Toyota participates for the 3rd edition in the **OpenItaly** program, which aims to facilitate the meeting between large corporations and innovative startups. In the 2023 edition, Toyota will develop a Proof of Concept (POC) with a selected startup for a project to streamline a specific corporate procedure by testing the potential of Robotic Process Automation (RPA) and Natural Language Processing (NLP) tools.

Another fundamental aspect of this initiative is the **creation of a Student Community**, where young talents can be informed about new trends in the mobility sector and understand the commitment of Toyota companies in Italy to address challenges for a more innovative, inclusive and sustainable future of mobility.

In the last four years, Toyota has established fruitful collaborations **with 19 major universities and nationally and internationally recognized business schools**. Over 700 students from various academic institutions have participated in over 25 lectures and conferences, 18 challenges, 35 projects and 18 contests, aiming to introduce them to the world of sustainable mobility and the new mobility promoted by KINTO.

*Collaboration  
with 19 universities  
and business schools*

*+700 students  
involved*

Furthermore, the collaboration with LUISS Business School led to the creation of the first Executive Master in Sustainable Mobility. Due to the success of the first edition, of which KINTO Italy, the company dedicated to innovative mobility services within the Toyota Italy Network, was the Main Partner, the new edition of the Master saw the collaboration extended to all Toyota companies in Italy during the past year. The program aims to provide a comprehensive overview of the evolution of the mobility sector, the knowledge and operational tools useful for emerging professions and new careers, including the role of Mobility Manager, transforming the current mobility paradigm into a sustainable and inclusive one. At the end of the training course, a project work is planned and a Master's diploma of II level recognized by the Ministry of University and Research (MIUR) will be issued. Thanks to the contribution of Toyota companies in Italy, deserving students have had the opportunity to receive scholarships to participate in this Master, thus contributing to increasing the visibility and awareness of the Toyota, Lexus and KINTO brands and the Toyota companies in Italy.

Furthermore, these initiatives have had a **significant impact on employer branding and talent acquisition**. Toyota's commitment to supporting emerging talents has yielded concrete results: currently, 10 former students from the involved universities work within TFSI, KINTO and TMI.

*10 former  
students hired  
by TMI, TSFI  
and KINTO*





# Toyota Motor Italy: Deep Dive

— CHAPTER 3

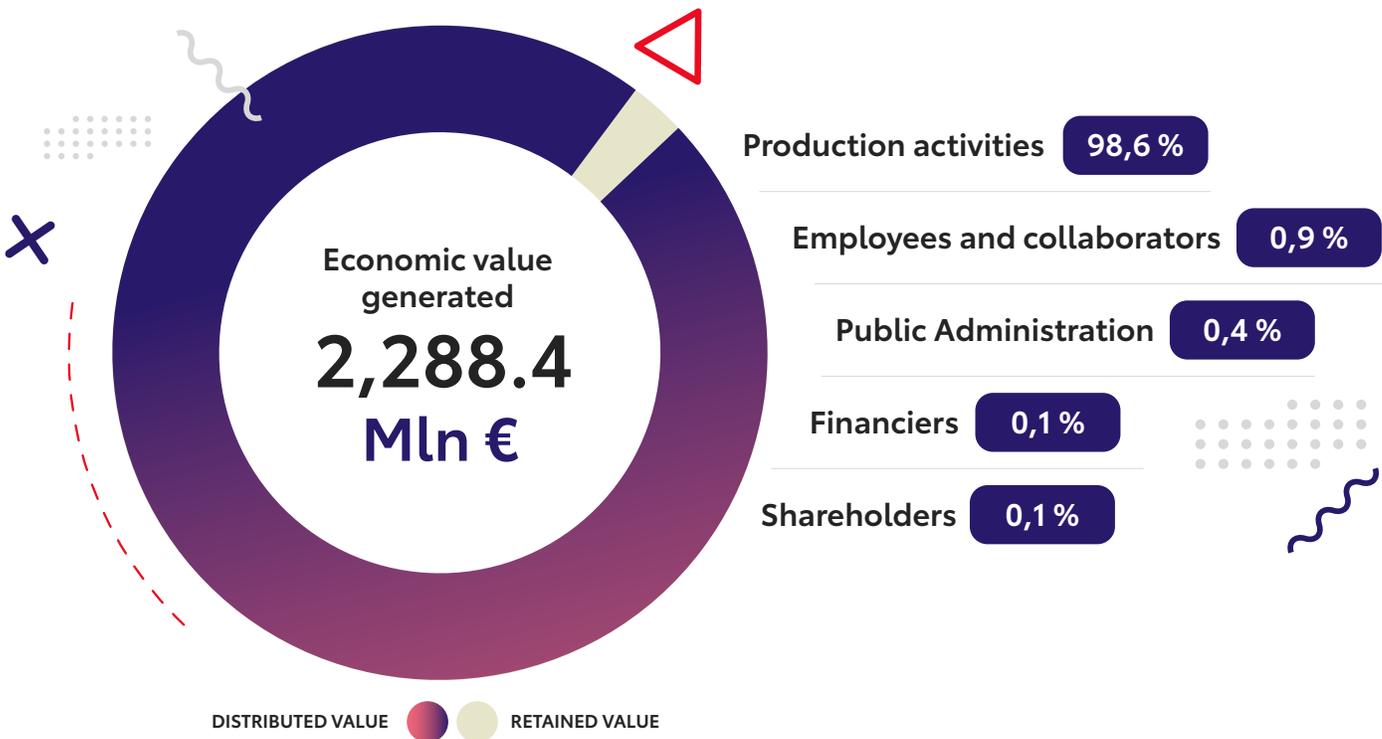


## TMI numbers

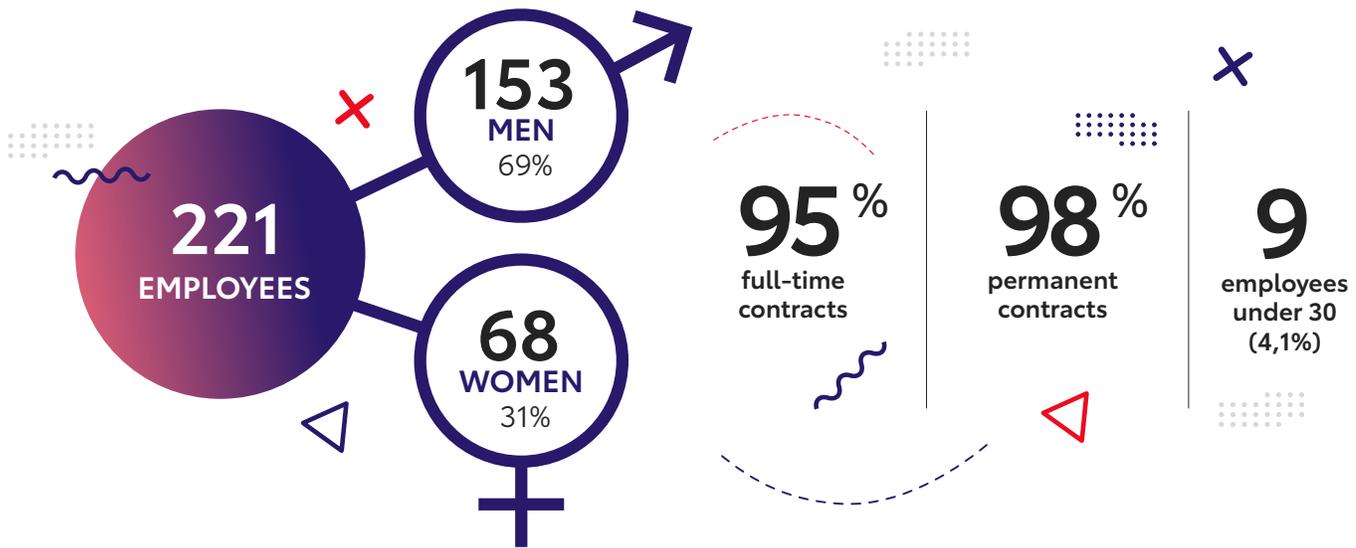


## The direct economic value generated and distributed by TMI

In FY 23 the economic value generated by TMI amounted to €2.288.431.262, an increase of 24% compared to FY 22, at the same time the economic value distributed increased by 22% compared to FY 22.

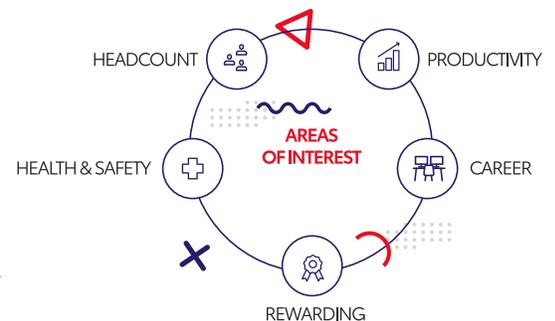


## The people at TMI



The HR department of TMI continues to work on the **digital transformation of the main touchpoints** that characterize the **Employee Experience** to facilitate an increasingly seamless experience both remotely and in person, as well as to optimize the management of administrative activities both internally and impacting other departments. In this direction, the plan for **digitizing approval workflows in TED** is also underway, which, after the release in July '22 of the Salary Review & Bonus flows, **released the New Assignment and Promotion flows in June 2023**.

Another important **Digital HR** project is the definition and construction of an **HR BI**, aiming to support HR processes and People Management activities, ensuring data reliability and consistency, as well as time-saving in their management. The HR BI will consist of **5 areas of analysis**: Headcount, Productivity, Career, Rewarding and Health & Safety. In addition, **a section dedicated to Directors and Department Heads** will be released, providing them with a specific view of the information for the teams they coordinate. The BI will thus represent an **important support tool for both the People department and Directors/Department Heads in managing their resources**. The release plan for an HR BI is scheduled for October 2023.



## Engagement Index equal 87%

The project to promote agile work throughout the organization continues, with progressive steps **aimed at fostering greater productivity and speed** in project management execution.

GRI 2-7 Employees, TMI

| Total number of employees divided by part-time/full-time, by gender |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| Part-time/Full-time TMI   | FY 23 |       |       | FY 22 |       |       |
|   | Men   | Women | Total | Men   | Women | Total |
| Full-time   | 153   | 57    | 210   | 148   | 52    | 200   |
| Part-time   | -     | 11    | 11    | -     | 11    | 11    |
| TMI   | 153   | 68    | 221   | 148   | 63    | 211   |

GRI 2-7 Employees, TMI

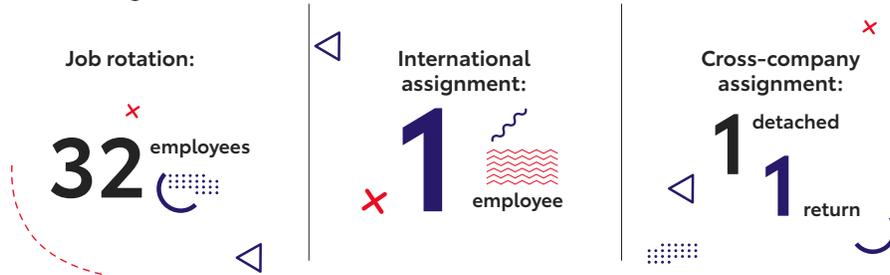
| Total number of employees divided by contract type and gender |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| Contract type   | FY 23 |       |       | FY 22 |       |       |
|   | Men   | Women | Total | Men   | Women | Total |
| Permanent employees   | 153   | 65    | 218   | 148   | 63    | 211   |
| Temporary employees   | -     | 3     | 3     | -     | -     | -     |
| Apprenticeship  | -     | -     | -     | -     | -     | -     |
| TMI   | 153   | 68    | 221   | 148   | 63    | 211   |

GRI 2-8 Workers who are not employees, TMI

| Total number of Workers who are not employees divided by contract type and gender |       |       |       |       |       |       |
|---|-------|-------|-------|-------|-------|-------|
| Contract type   | FY 23 |       |       | FY 22 |       |       |
|   | Men   | Women | Total | Men   | Women | Total |
| Internal staff  | 2     | 2     | 4     | 1     | 2     | 3     |
| Stage   | -     | 2     | 2     | -     | 5     | 5     |
| Other collaborators   | -     | -     | -     | -     | -     | -     |
| TMI   | 2     | 4     | 6     | 1     | 7     | 8     |

## Employee development and training

The most effective and widely used employee development and training methods include:



## Diversity and equal opportunities

At TMI, respect, appreciation and inclusion of diversity represent fundamental elements of the corporate culture. In FY23, the activities of the Diversity Board continue. In particular, through the activities conducted in the previous FY, priorities in DE&I were identified and formalized in the "Diversity Hoshin," which outlines an action plan for the 2022-2024 triennium. The Diversity Board was renewed in June 2023. Since October 2023, the initiative has become cross-company with a Diversity Board One Toyota expanded to include all Toyota companies in Italy with 4 members - 2 from TFSI, 1 from KINTO, 1 from TIS/AND-E. TMI also organized the second Diversity Talk with the aim of holding one annually to facilitate open discussions with companies and representatives of best-in-class companies on D&I topics.



## Zero discrimination cases in FY 22 and 23

Among the main activities introduced or further developed in FY23, it is important to list:

- **Mentorship Program:** with a specific focus on valuing generational diversity. The program includes reverse mentoring, a pilot phase where mentees and mentors swap roles to encourage cross-generational collaboration, reduce generational gaps, share diverse perspectives and give junior resources the opportunity to test and develop leadership skills.
- **Discovery Insight:** a behavioral attitudes mapping activity aimed at valuing the diversity among members of different teams.
- **Managing People in the “5C” world:** a coaching program dedicated to Department Heads aimed at improving people management skills.

In October 2022, the first wave of "Inspiring Girls" concluded, a project aimed at increasing female empowerment and promoting gender balance and equality. Ten Toyota ambassadors met with young students in various schools across Italy. With the start of the second wave, the program became cross-company. TMI also organized a training activity on Unconscious Bias for a specific discussion on D&I topics.

Additionally, in FY23, a Shadowing program will be launched, aiming to give junior resources the opportunity to shadow senior resources and observe their behaviors in decision-making and relational activities up close.

### Toyota Culture in TMI

The values guiding the company are represented by the **5C: Courage, Collaboration, Coaching, Curiosity and Creativity**. The 5 Cs continue to constitute the core competency system on which the entire population is evaluated in the annual Appraisal process. To support the daily practice of these values, the company has

decided to use the **Yumi App**, through which, in defined periods of time (approximately six weeks every six months), **each employee can give and receive feedback on the implementation of these values by other colleagues, as well as express their opinion on elements affecting their motivational factors**. At the end of the first period of use of the year, which took place in May/June, a report was provided to each employee. Additionally, the aggregated data from each department were discussed with the respective managers to initiate improvement actions. A new period of use was scheduled between November and December, following a similar analysis path, with corresponding improvement actions. An overview of the main results obtained overall from the use of the App in the months of May/June was shared with all employees during the annual meeting with them (AEM).



## Remuneration policies

In FY23, the Base Salary Review and Bonus processes were implemented. Each member of the TMI company, including Warehouse staff, undergoes a performance evaluation process based on the achievement of both individual and company-wide qualitative and quantitative targets (Performance Appraisal), as well as a competency assessment (Competency Appraisal).

The first process results in the disbursement of a bonus based on an objective criterion of meeting or not meeting MBO (Management by Objectives) goals and the application of cash tables communicated in advance to the individuals – for all (management and staff) in the reference Fiscal Year. The second process leads to the recognition of a salary increase, in compliance with the allocated budget and market salary benchmarks. Only for the CEO, the remuneration policies of the parent company Toyota Motor Europe are followed.

## Privacy and security

Toyota Motor Italy, in the field of privacy and security:

- has defined and structured processes, procedures and controls to ensure the required level of continuity for information security;
- has appointed a Data Protection Officer ("DPO") as an external professional, who collaborates with the DPO Committee and the Legal & Compliance department, tasked with overseeing compliance with the personal data management process and reporting, together with the designated internal data processing Officers, to the relevant bodies;
- has ensured the involvement of all stakeholders within the organization in managing the entire data processing and security process;
- has included privacy as one of the main corporate risks subject to periodic monitoring in the ICRM;
- has adopted a security model from the parent company Toyota Motor Corporation.

**Zero  
complaints  
received for  
violations  
of Customer  
Privacy  
in FY 22-23**

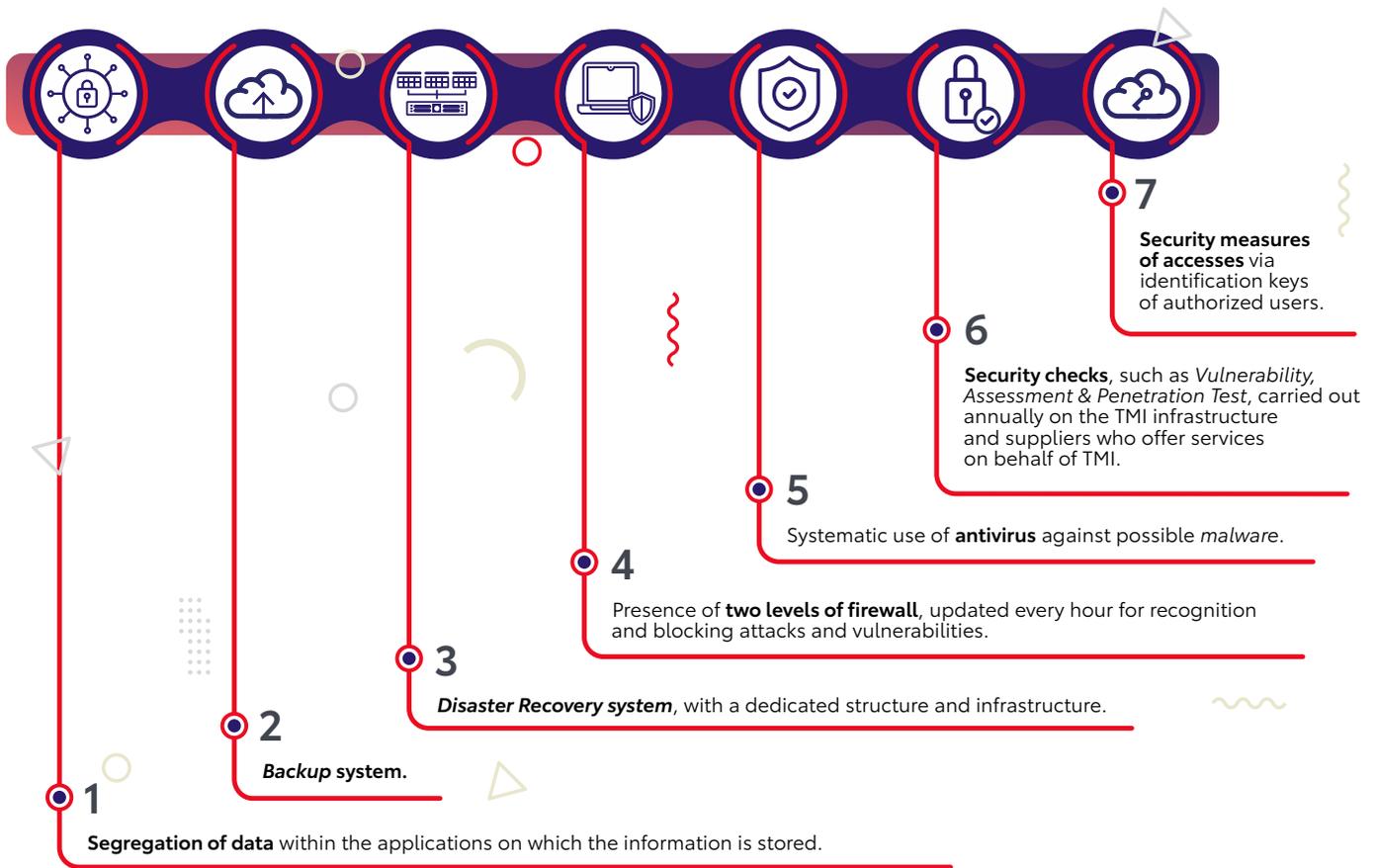


Figure 16

The main security measures adopted by TMI in information management

## Compliance with laws

For Toyota Motor Italy, strict compliance with laws and regulations is a fundamental imperative as it represents corporate integrity and the company's responsibility towards the community and the environment. In fact, both in FY23 and in the previous FY22, TMI has recorded:

**Zero**  
cases of  
*non-compliance*  
with laws and/or  
regulations

**Zero**  
confirmed incidents  
of corruption and  
actions taken

**Zero**  
*anti-competitive*  
incidents

**Zero**  
cases  
of marketing  
*non-compliance*

# Toyota Financial Services Italy and KINTO Italy: Deep Dive

— CHAPTER 4

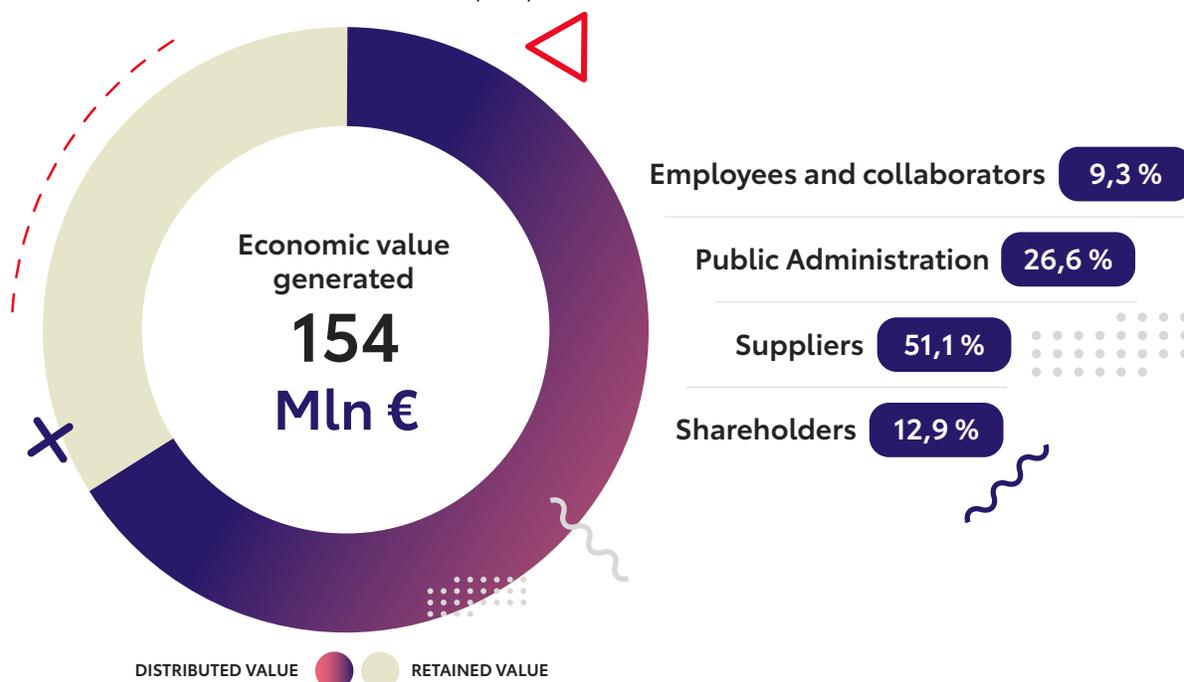


## The numbers of TFSI and KINTO Italy

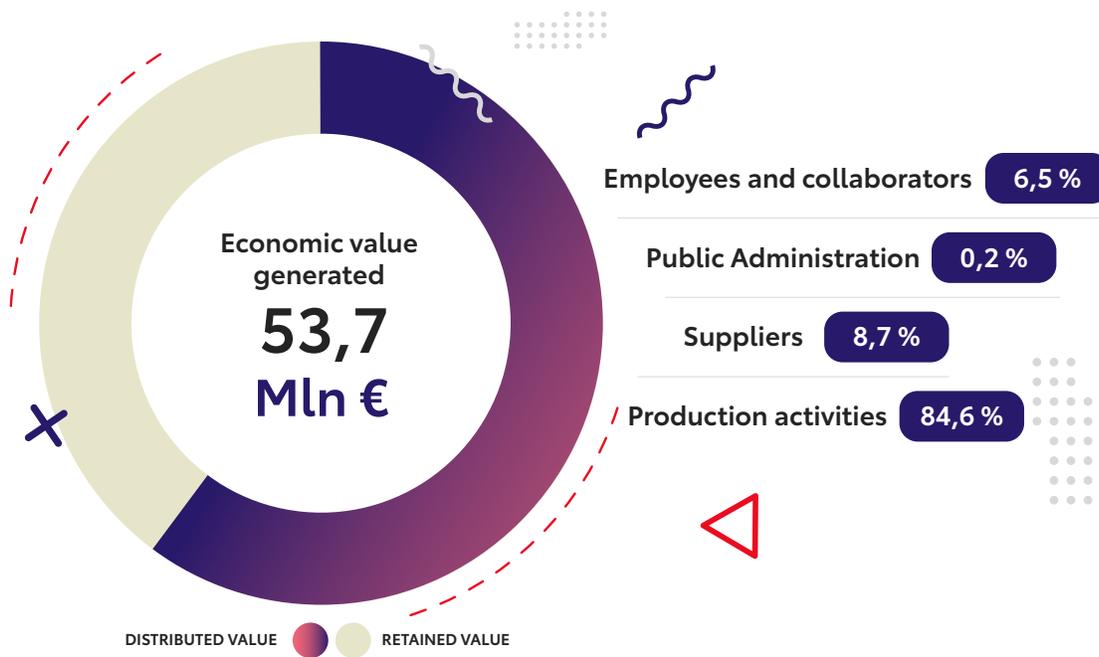


## The generated and distributed economic value of TFSI and KINTO Italy

In FY 23 the economic value generated by TFSI was € 153,566,180, an increase of 15% compared to € 133,752,147 in FY 22, at the same time the distributed economic value increased from € 92,037,119 to € 110,969,526 in FY 22.



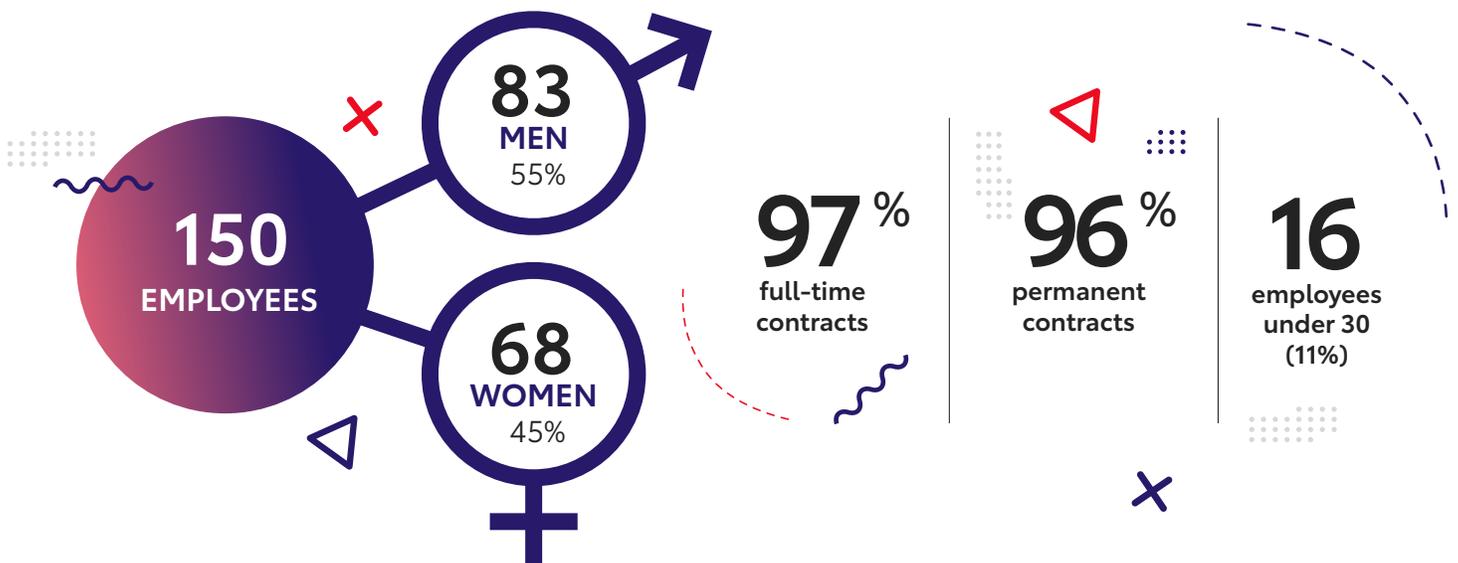
As regards the economic value directly generated and distributed by KINTO, in FY 23 the economic value generated by was equal to €53,733,884, an increase of 116% compared to €24,845,127 in FY 22, at the same time the economic value distributed increased from €15,696,919 to €31,739,431 in FY 22.



## The people at TFSI and KINTO

### Characteristics of the staff

In Toyota Financial Services and KINTO, the same values previously described in the chapter referring to Toyota Motor Italy have been expressed in the **6 Skills** that are cultivated by each member of the Team through dedicated development paths, thanks to which the Toyota Way culture has permeated every aspect of working life.



## GRI 2-7 Employees, TFSI e KINTO

| Total number of employees divided by part-time/full-time, by gender |           |           |            |           |           |            |
|---|-----------|-----------|------------|-----------|-----------|------------|
| Part-time/Full-time   | FY 23     |           |            | FY 22     |           |            |
|   | Men       | Women     | Total      | Men       | Women     | Total      |
| Full-time   | 83        | 62        | 145        | 73        | 55        | 128        |
| Part-time   | -         | 5         | -          | -         | 5         | 5          |
| <b>TFSI e KINTO</b>   | <b>83</b> | <b>67</b> | <b>150</b> | <b>73</b> | <b>60</b> | <b>133</b> |

## GRI 2-7 Employees, TFSI e KINTO

| Total number of employees divided by contract type and gender |           |           |            |           |           |            |
|---|-----------|-----------|------------|-----------|-----------|------------|
| Contract type   | FY 23     |           |            | FY 22     |           |            |
|   | Men       | Women     | Total      | Men       | Women     | Total      |
| Permanent employees   | 79        | 65        | 144        | 68        | 59        | 127        |
| Temporary employees   | 4         | 2         | 6          | 5         | 1         | 6          |
| <b>TFSI e KINTO</b>   | <b>83</b> | <b>67</b> | <b>150</b> | <b>73</b> | <b>60</b> | <b>133</b> |

## GRI 2-8 Workers who are not employees, TFSI e KINTO

| Total number of Workers who are not employees divided by contract type and gender |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Contract type   | FY 23     |           |           | FY 22     |           |           |
|   | Men       | Women     | Total     | Men       | Women     | Total     |
| Internal staff  | 9         | 11        | 20        | 6         | 8         | 14        |
| Stage   | 2         | -         | 2         | 3         | 1         | 4         |
| Other collaborators   | 12        | 6         | 18        | 10        | 2         | 12        |
| <b>TFSI e KINTO</b>   | <b>23</b> | <b>17</b> | <b>40</b> | <b>19</b> | <b>11</b> | <b>30</b> |

## Talent attraction and selection

In TFSI and KINTO, new resources are selected through a rigorous process aimed at identifying individuals with potential who have a suitable profile aligned with the company values and the skills required for vacant positions.

Regarding **outgoing turnover**, for FY 23, **very low values** are confirmed, indicating the company's excellent ability to retain its talents, which mitigates the need to introduce new resources into the company.

## Employee development and training

TFSI and KINTO pay great attention to the development of their people, facilitated through various initiatives that encourage expanding skills and greater understanding of the companies' activities. Among the most effective and utilized development methods are **Job Rotation**, **International Assignments**, and **cross-company Assignments**.



## The performance evaluation system

In FY 23, TFSI and KINTO **strengthened their assessment process**, integrating the assessment of soft skills and performance with an assessment of role skills, **mapped for the entire organization in advance**. This process allowed a **definition of precise objectives**, formalized in MBO, for all roles, allowing all employees to know in advance objectives and expectations for their role.

## Zero discrimination cases in FY 23 and 22

### Diversity and opportunity

TFSI and KINTO have initiated a Diversity & Inclusion journey that included an **internal survey on gender diversity topics and some meetings with Management**. This initial step was crucial in identifying needs and gaps that form the basis of an action plan aimed at strengthening the culture of inclusion within the company.

Regarding young employees, **there is an increase in the number of employees under the age of 30** for TFSI and KINTO, an element that the Toyota Italy Network aims to increase in the coming years, also thanks to the new talent attraction channels described in the "Talent Attraction and Selection" section.

Furthermore, another significant aspect for the Toyota Italy Network, not only in terms of diversity within its workforce but also for its corporate mission, **is the inclusion of people with disabilities**, who, along with other protected categories, account for 7% of the workforce for both TFSI and KINTO.

### Remuneration policies

Due to their position at TFSI, **administrators do not receive any additional remuneration beyond the compensation** contractually provided by their respective employment relationship with Toyota companies in Italy.

TFSC annually defines the remuneration criteria for the EAR Region. Based on these criteria, the EAR Region deliberates on any salary increases, bonuses and total compensation for the CEO-DG as well as for individual executives and all TFSI staff, based on the CEO-DG's proposal.

The amount, overall percentage of salary increases and bonus for the staff in the reference Fiscal Year are communicated and reported annually to the Board of Directors. As per the policy, the proposed Remuneration Policy for TFSI is developed by the People & Innovation function in coordination with the CEO-DG and subsequently transmitted to the HR Head of the EAR Region.

Board members, in the context of the results achieved regarding the management of the organization's impacts on the economy, the environment and people, do not receive compensation and are not subject to evaluation.

The **CEO-DG and senior executives** undergo an **evaluation process** that includes the assessment of three areas (Toyota Way Competencies, Technical-Transversal Competencies based on the role, objectives). This process involves **assigning quantitative, qualitative and strategic objectives**, based on both company profitability targets and individual targets, assigned and shared with the CEO-DG. The CEO-DG's individual objectives at TFSI are set by TFSC and the EAR

Region and their achievement is evaluated by the EAR Region, which conducts a specific appraisal meeting with the CEO-DG to assess the quantitative and qualitative performance of the previous Fiscal Year against assigned targets and defines and communicates new quantitative and qualitative objectives for the subsequent Fiscal Year.

**The rules regarding the determination of compensation** are defined in compliance with:

- The provisions of the relevant National Collective Bargaining Agreement (Terziario Trade) and related pay scales.
- Budget allocated and approved by the EAR Region through a five-year MTBP.
- Market benchmarks.
- Specific provisions received from the EAR Region.

The basic assumptions guiding the annual salary review are proposed by the HR Department, approved by the CEO and subsequently by the Board of Directors.

## Privacy and security

Toyota Financial Services Italy and KINTO, as data controllers, **adopt a "Customer centric" approach**, paying particular attention to the collection and study of data relating to their Customers, also with the aim of focusing on their individual needs and offering services increasingly personalized; therefore, they have identified the Data Protection Officer ("DPO") as an external professional.

For **TFSI**, the latter collaborates with the **3 Privacy Officers** (the AML & Compliance Officer, the IT Officer and the Sales, Marketing and VLV Officer), along with the **Privacy Managers**<sup>71</sup>, identified as responsible for individual departments and Data Processors, namely staff members who directly handle Customer data and information. For **KINTO Italy**, it collaborates with the **2 Privacy Officers** (the IT and Business Growth Operations Officers) and **Data Processors**, who are staff members in direct contact with Customer data and information.

In compliance with applicable regulations, the company has **implemented business continuity and disaster recovery systems (including SIEM/SOC)** to mitigate the risk of data loss caused by external and unforeseeable events, including cyberattacks.

<sup>71</sup> Applicable for TFSI only.

*Zero  
complaints  
received for  
customer privacy  
violations  
in FY 23-22*

*TFSI  
certified  
ISO 27001 e  
ISO 27701*

Regarding the correct application of rules and corporate processes concerning personal data of TFSI employees, collaborators, suppliers and external clients, compliance control with privacy regulations falls within the direct scope of the Compliance function of TFSI.

## TFSI sustainable finance project

During FY22, in line with the objectives of the Green Retailer Program outlined earlier, TFSI initiated a **Sustainable Finance project to support investments by official Toyota and Lexus Dealership network partners in ESG projects and initiatives**. The goal of the project is to make **dedicated credit lines available** to partner Dealerships that meet sustainability standards **to finance ESG projects**.

The **first phase** of the project, involving data collection and participation from all Dealerships with Toyota and Lexus mandates, concluded with the **assignment of a sustainability score** based on predefined criteria.

The **second phase** of the project, initiated in FY23, focused on a careful **gap analysis** compared to defined standards. **All Dealerships** with Toyota and Lexus mandates received a **development plan** tailored to their organization, outlining prioritized actions suggested to enhance their ESG performance.

Toyota Financial Services provided expertise and support from experienced consultants to Dealerships that requested it for drafting their first sustainability report, as well as continuous assistance for implementing development plans.

The third phase of the project, involving ESG rating assignment, will commence when Dealerships have completed improvement actions and achieved an adequate level of ESG score.

## Securitization

In February 2023, Toyota Financial Services Italy carried out a securitization transaction with the aim of raising **financial resources through the sale of a portion of auto loans held on its balance sheet to a special purpose vehicle (SPV) established for this purpose**.

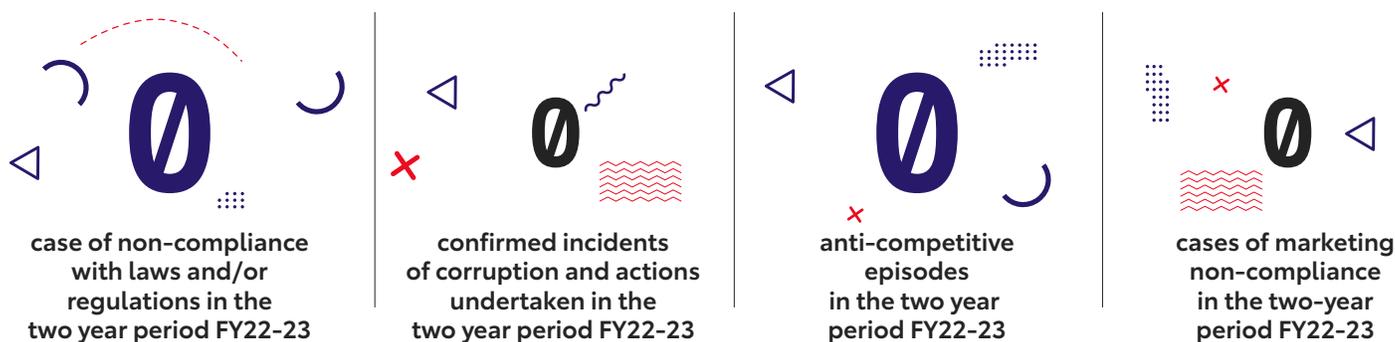
Structured finance and environmental sustainability are the pair that describes the first securitization of loans for hybrid and electric cars launched by Toyota Financial Services Italy S.p.A., with the establishment of the **SPV Koromo Italy S.r.l.**

Securitizing performing credits related to this type of financing goes **"beyond"** the concept of environmental sustainability. Offering the financial markets, a structured finance operation like the one launched by Toyota Financial Services Italy S.p.A. demonstrates the deep attention that the company pays to environmental preservation through business.

The operation, managed by Zenith Service, a specialized intermediary in structured finance solutions and services in Italy, was launched for a **total amount of 538.6 million euros**. TFSI's securitization **has been positively received by Rating Agencies**: Fitch and Moody's have assigned ratings to the securities belonging to the tranche with lower risk levels. Toyota's securitization could pave the way for renewed interest from the market and investors in financial operations related to loans for hybrid and electric cars, heralding a new dawn for sustainable finance.

## Compliance with laws

For TFSI and KINTO, strict compliance with laws and regulations is a fundamental imperative, as it represents corporate integrity and companies' responsibility towards the community and the environment. In fact, in the two-year period FY 22-23, they recorded:





# Toyota Insurance Services and Aioi Nissay Dowa Europe: Deep Dive

— CHAPTER 5

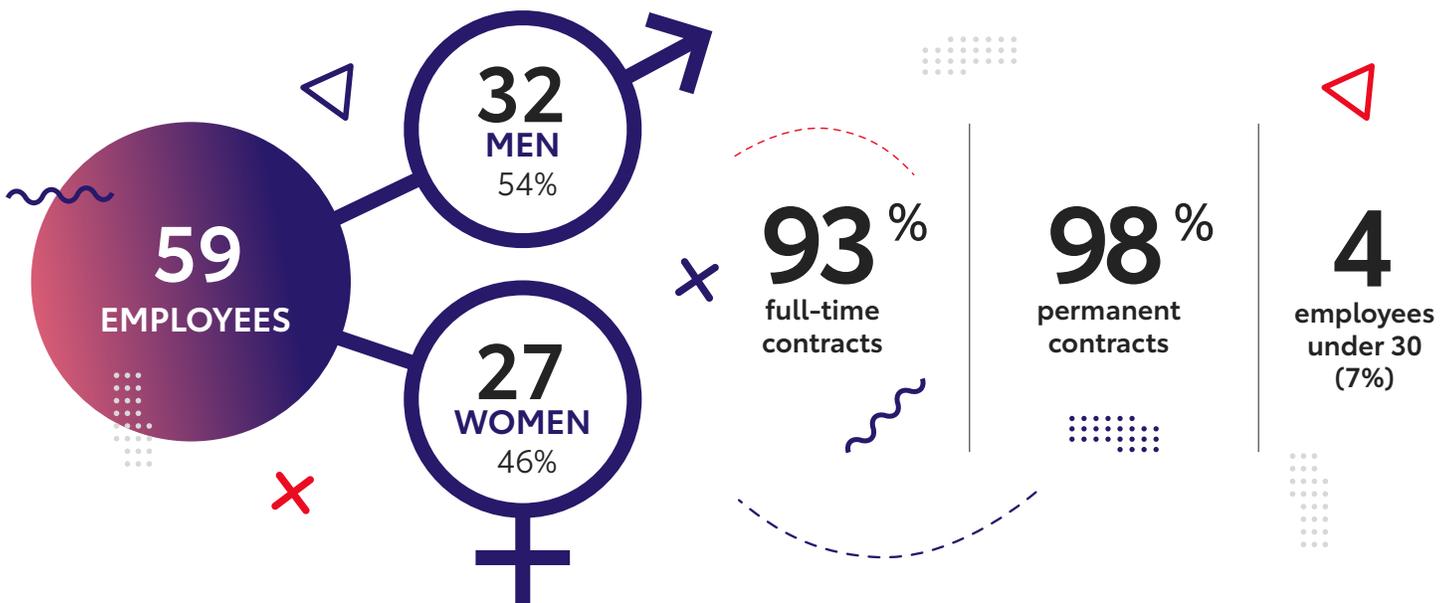


## The numbers of TIS and AND-E



## THE PEOPLE OF TIS AND AND-E

### Characteristics of the staff



## GRI 2-7 Employees, TIS e AND-E

| Total number of employees divided by part-time/full-time and gender |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Part-time/Full-time   | 2022      |           |           | 2021      |           |           |
|   | Men       | Women     | Total     | Men       | Women     | Total     |
| Full-time   | 32        | 23        | 55        | 32        | 15        | 47        |
| Part-time   | -         | 4         | 4         | -         | 6         | 6         |
| <b>TIS e AND-E</b>  | <b>32</b> | <b>27</b> | <b>59</b> | <b>32</b> | <b>21</b> | <b>53</b> |

## GRI 2-7 Employees, TIS e AND-E

| Total number of employees divided by contract type and gender |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Contract type   | 2022      |           |           | 2021      |           |           |
|   | Men       | Women     | Total     | Men       | Women     | Total     |
| Permanent employees   | 32        | 26        | 58        | 29        | 20        | 49        |
| Temporary employees   | -         | 1         | 1         | 3         | 1         | 4         |
| <b>TIS e AND-E</b>  | <b>32</b> | <b>27</b> | <b>59</b> | <b>32</b> | <b>21</b> | <b>53</b> |

## GRI 2-8 Workers who are not employees, TIS e AND-E

| Number of Workers who are not employees by professional category and gender |          |          |          |          |          |          |
|---|----------|----------|----------|----------|----------|----------|
| Professional category   | 2022     |          |          | 2021     |          |          |
|   | Men      | Women    | Total    | Men      | Women    | Total    |
| Internal staff  | 1        | 3        | 4        | -        | 4        | 4        |
| Interns   | -        | 1        | 1        | -        | -        | -        |
| Collaborators   | -        | 1        | 1        | 1        | 2        | 3        |
| <b>TIS e AND-E</b>  | <b>1</b> | <b>5</b> | <b>6</b> | <b>1</b> | <b>6</b> | <b>7</b> |

## Employee development and training

Among the most effective and utilized employee **development and training methods** are:

- **Job Rotation** across different departments within the company for the expansion and development of knowledge and skills. No job rotations involving AND-E occurred between January 1st and December 31st, 2022.
- **International Assignment** at TME, the European Headquarters based in Brussels, or other companies within the Group, such as KINTO GmbH and AND-E Luxembourg, ranging in duration from 1 to 5 years. In 2022, there was 1 incoming international assignment for AND-E.
- **Cross-company assignment** among the Toyota companies in Italy, aimed at making employees' knowledge of the Toyota world more comprehensive. In 2022, 1 secondment was managed for TIS and 0 for AND-E.

## Diversity and opportunity

In relation to young people, **the number of employees under 30 years of age increases** for TIS and AND-E. Furthermore, another important aspect for the Toyota Italy Network is the **inclusion of people with disabilities**, which, together with the other protected categories, for TIS and AND-E, is equal to 3%.

*Zero  
injuries in the  
two-year period  
2021-2022*

*Zero  
cases of  
discrimination in the  
two-year period  
2021-2022*

## Remuneration policies

**The annual remuneration review processes were implemented in 2022.** Each employee of the company is subjected to a process of evaluating the performance and skills implemented in achieving the assigned objectives, which can lead to the provision of a bonus or a proposal for a salary increase or a change in level in the case of a review of tasks, always keeping in mind whether the agreed objectives have been achieved. The skills assessment process leads to the recognition of the above, in compliance with the allocated budget and market salary benchmarks. The process is applied according to rules defined centrally at European level.

## Privacy and security

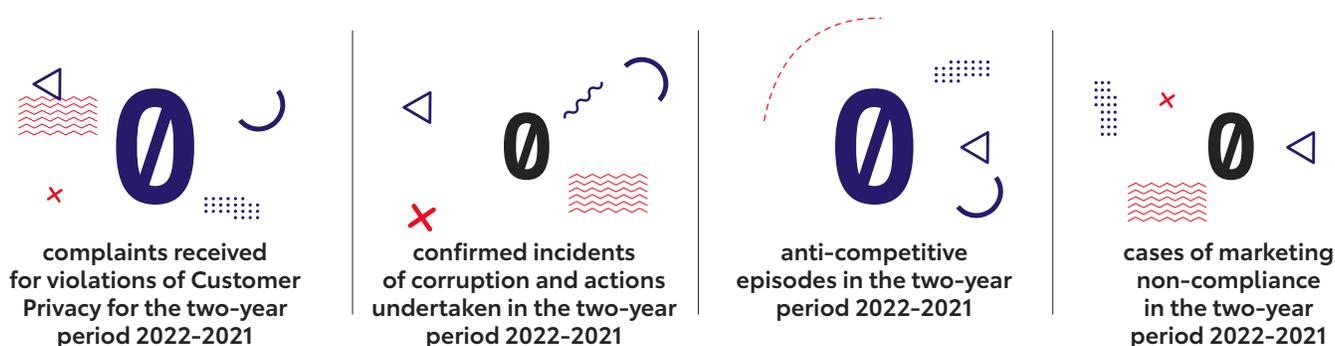
In TIS and AND-E, **the management of IT systems is under the control of their respective Parent Companies**. However, it is worth noting that both companies **have established a specific organizational structure for Privacy Management**, aimed at observing, evaluating and organizing the processing of personal data and their protection, ensuring they are handled in full compliance with European and national privacy regulations.

They also locally provide **for four levels, in addition to the support of an external consultant specialized in data protection issues**:

1. a **local DPO** – Data Protection Officer – reporting to the DPO in Germany as required by current regulations and in line with all Toyota companies in Italy.
2. three **Privacy Officer**, supporting the Local DPO, identified within the Legal, Risk and IT areas.
3. **Privacy Coordinators**, supporting the Privacy Officers, who act as intermediaries between the latter and the Business Units.
4. **data processors**, i.e., staff members who come into direct contact with Customer data and information.

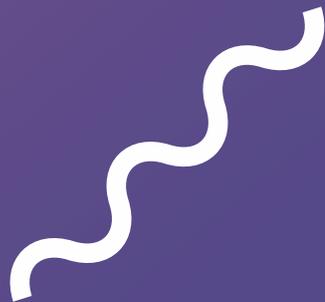
## Compliance with laws

For TIS and AND-E, strict compliance with laws and regulations is a fundamental imperative, as it represents corporate integrity and companies' responsibility towards the community and the environment. In fact, in the two-year period 2021-2022, they recorded:





# Attachments



GRI 201-1 Direct economic value generated and distributed, TMI

| Direct economic value generated and distributed |                      |                      |
|---|----------------------|----------------------|
| Economic value distribution statement (€)       | FY 23                | FY 22                |
| Reclassified production costs                   | 2,221,875,491        | 1,804,801,816        |
| Remuneration of employees and collaborators     | 20,689,578           | 20,704,339           |
| Remuneration of the Public Administration       | 7,958,192            | 6,435,932            |
| Remuneration to Shareholders                    | 1,596,490            | 11,549,312           |
| Remuneration to the community                   | -                    | -                    |
| Remuneration of Lenders                         | 1,274,592            | 251,764              |
| <b>Total economic value distributed</b>         | <b>2,253,394,343</b> | <b>1,843,743,163</b> |
| <b>Retained economic value</b>                  | <b>35,036,919</b>    | <b>8,178,020</b>     |

GRI 201-1 Direct economic value generated and distributed, TFSI

| Direct economic value generated and distributed |                    |                   |
|---|--------------------|-------------------|
| Economic value distribution statement (€)       | FY 23              | FY 22             |
| Supplier Remuneration                           | 56,723,442         | 40.703.158        |
| Remuneration of employees and collaborators     | 10,335,030         | 9,684,519         |
| Central and peripheral administration           | 29,549,679         | 28,550,040        |
| Remuneration to Shareholders                    | 14,361,375         | 13,099,402        |
| Remuneration to the community                   | -                  | -                 |
| <b>Total economic value distributed</b>         | <b>110,969,526</b> | <b>92,037,119</b> |
| <b>Retained economic value</b>                  | <b>42,596,656</b>  | <b>41,715,029</b> |

GRI 201-1 Direct economic value generated and distributed, KINTO

| Direct economic value generated and distributed |                   |                   |
|---|-------------------|-------------------|
| Economic value distribution statement (€)       | FY 23             | FY 22             |
| Reclassified production costs                   | 26,843,165        | 14,061,669        |
| Remuneration of employees and collaborators     | 2,079,593         | 1,319,780         |
| Remuneration of the Public Administration       | 55,291            | -                 |
| Remuneration to Shareholders                    | -                 | -                 |
| Remuneration to the community                   | -                 | -                 |
| Remuneration of Lenders                         | 2,761,382         | 315,470           |
| <b>Total economic value distributed</b>         | <b>31,739,431</b> | <b>15,696,919</b> |
| Retained economic value                         | 21,994,453        | 9,148,208         |

GRI 204-1 Proportion of spending on local suppliers, TMI

| Product/service category   | Proportion of spending on local suppliers by product/service category |           |                         |            |                      |            |
|--|---|-----------|-------------------------|------------|----------------------|------------|
|  | FY 23   |           |                         |            |                      |            |
|  | Italy   |           | Abroad (European Union) |            | Total                |            |
|  | Expense   | %         | Expense                 | %          | Expense              | %          |
| <i>Purchase of new vehicles, accessories and genuine spare parts</i> | -   | 0%        | 2,059,751,913           | 94%        | 2,059,751,913        | 94%        |
| <i>Media and advertising</i>   | 44,265,687  | 2%        | -                       | 0%         | 44,265,687           | 2%         |
| <i>Vehicle recall campaigns</i>                                      | -   | 0%        | 6,525,089               | 0%         | 6,525,089            | 0%         |
| <b>Subtotal</b>  | <b>44,265,687</b>   | <b>2%</b> | <b>2,066,277,002</b>    | <b>94%</b> | <b>2,110,542,689</b> | <b>96%</b> |
| <b>Total expenditure towards suppliers</b>                           | <b>2,197,772,798</b>  |           |                         |            |                      |            |

GRI 204-1 Proportion of spending on local suppliers, TMI

| Product/service category   | Proportion of spending on local suppliers by product/service category |           |                         |            |                      |            |
|--|---|-----------|-------------------------|------------|----------------------|------------|
|  | FY 22 <sup>72</sup>   |           |                         |            |                      |            |
|  | Italy   |           | Abroad (European Union) |            | Total                |            |
|  | Expense   | %         | Expense                 | %          | Expense              | %          |
| <i>Purchase of new vehicles, accessories and genuine spare parts</i> | -   | 0%        | 1,560,993,959           | 92%        | 1,560,993,959        | 92%        |
| <i>Media and advertising</i>   | 44,081,626  | 3%        | -                       | 0%         | 44,081,626           | 3%         |
| <i>Vehicle recall campaigns</i>                                      | -   | 0%        | 10,847,982              | 1%         | 10,847,982           | 1%         |
| <b>Subtotal</b>  | <b>44,081,626</b>   | <b>3%</b> | <b>1,571,841,941</b>    | <b>92%</b> | <b>1,615,923,567</b> | <b>95%</b> |
| <b>Total expenditure towards suppliers</b>                           | <b>1,699,347,970</b>  |           |                         |            |                      |            |

GRI 204-1 Proportion of spending on local suppliers, TFSI and KINTO

| Product/service category  | Proportion of spending on local suppliers by product/service category |            |                         |           |                   |            |
|---|---|------------|-------------------------|-----------|-------------------|------------|
|   | FY 23   |            |                         |           |                   |            |
|   | Italy   |            | Abroad (European Union) |           | Total             |            |
|   | Expense   | %          | Expense                 | %         | Expense           | %          |
| <i>Finance fees vs Dealer network</i>   | 34,392,583  | 57%        | -                       | 0%        | 34,392,583        | 57%        |
| <i>Operational costs (includes Staff Costs, Travel &amp; Communication, Research and consulting, Other)</i> | 9,961,279   | 16%        | 1,880,023               | 3%        | 11,841,302        | 19%        |
| <i>IT Expenses</i>  | 5,958,408   | 10%        | 1,120,255               | 2%        | 7,078,663         | 12%        |
| <i>Sales &amp; Marketing</i>  | 4,976,649   | 8%         | -                       | 0%        | 4,976,649         | 8%         |
| <b>Subtotal</b>   | <b>55,288,918</b>   | <b>91%</b> | <b>3,000,278</b>        | <b>5%</b> | <b>58,289,196</b> | <b>96%</b> |
| <b>Total expenditure towards suppliers</b>  | <b>60,859,925</b>   |            |                         |           |                   |            |

<sup>72</sup> Following a process of improvement of the reporting system and in order to guarantee their comparability, the data relating to the TMI supply chain of Fiscal Year 22 have been restated compared to those published in the previous Report. For previously published historical data, please refer to the 2022 Sustainability Report.

GRI 204-1 Proportion of spending on local suppliers, TFSI and KINTO

| Product/service category   | Proportion of spending on local suppliers by product/service category |            |                         |           |                   |            |
|--|---|------------|-------------------------|-----------|-------------------|------------|
|  | FY 22   |            |                         |           |                   |            |
|  | Italy   |            | Abroad (European Union) |           | Total             |            |
|  | Expense   | %          | Expense                 | %         | Expense           | %          |
| <i>Finance fees vs. dealer network</i>   | 26,870,464  | 55%        | -                       | 0%        | 26,870,464        | 55%        |
| <i>Operational costs (includes Staff Costs, Travel &amp; Communication, Research and con-sulting, Other)</i> | 9,587,809   | 20%        | 1,586,317               | 3%        | 11,174,126        | 23%        |
| <i>IT Expenses</i>   | 4,752,828   | 10%        | 302,787                 | 1%        | 5,055,616         | 10%        |
| <i>Sales &amp; Marketing</i>   | 4,044,831   | 8%         | -                       | 0%        | 4,044,831         | 8%         |
| <b>Subtotal</b>  | <b>45,255,932</b>   | <b>93%</b> | <b>1,889,104</b>        | <b>4%</b> | <b>47,145,037</b> | <b>96%</b> |
| <b>Total expenditure towards suppliers</b>   | <b>48,876,311</b>   |            |                         |           |                   |            |

GRI 204-1 Proportion of spending on local suppliers, TIS and AND-E

| Product/service category                   | Proportion of spending on local suppliers by product/service category |            |                         |            |                   |             |
|--|---|------------|-------------------------|------------|-------------------|-------------|
|  | 2022  |            |                         |            |                   |             |
|  | Italy   |            | Abroad (European Union) |            | Total             |             |
|  | Expense   | %          | Expense                 | %          | Expense           | %           |
| <i>Claims</i>                              | 334,911   | 1%         | -                       | 0%         | 334,911           | 1%          |
| <i>Commissions</i>                         | 11,564,679  | 34%        | -                       | 0%         | 11,564,679        | 34%         |
| <i>Administrative costs</i>                | 4,323,496   | 13%        | 7,006,371               | 20%        | 11,329,867        | 33%         |
| <i>Personnel costs</i>                     | 83,184  | 0%         | -                       | 0%         | 83,184            | 0%          |
| <i>Commissions</i>                         | 10,995,732  | 32%        | -                       | 0%         | 10,995,732        | 32%         |
| <b>Subtotal</b>                            | <b>27,302,001</b>   | <b>80%</b> | <b>7,006,371</b>        | <b>20%</b> | <b>34,308,373</b> | <b>100%</b> |
| <b>Total expenditure towards suppliers</b> | <b>34,308,373</b>   |            |                         |            |                   |             |

GRI 204-1 Proportion of spending on local suppliers, TIS and AND-E

| Product/service category            | Proportion of spending on local suppliers by product/service category |     |                         |    |            |      |
|-------------------------------------|---|-----|-------------------------|----|------------|------|
|                                     | 2021  |     |                         |    |            |      |
|                                     | Italy   |     | Abroad (European Union) |    | Total      |      |
|                                     | Expense   | %   | Expense                 | %  | Expense    | %    |
| Claims                              | 542,619   | 2%  | -                       | 0% | 542,619    | 2%   |
| Commissions                         | 9,718,098   | 38% | -                       | 0% | 9,718,098  | 38%  |
| Administrative costs                | 4,766,671   | 18% | 1,367,606               | 5% | 6,134,278  | 24%  |
| Personnel costs                     | 131,524   | 1%  | -                       | 0% | 131,524    | 1%   |
| Commissions                         | 9,262,452   | 36% | -                       | 0% | 9,262,452  | 36%  |
| Subtotal                            | 24,421,364  | 95% | 1,367,606               | 5% | 25,788,970 | 100% |
| Total expenditure towards suppliers | 25,788,970  |     |                         |    |            |      |

GRI 205-2 Communication and training about anti-corruption policies and procedures, TMI

| Professional category                    | Total number and percentage of members of the Board of Directors and employees who have received anti-corruption training, divided by employee category |       |       |       |       |       |
|--|---|-------|-------|-------|-------|-------|
|  | FY 23   |       |       | FY 22 |       |       |
|  | Men   | Women | Total | Men   | Women | Total |
| Members of the Board of Directors        | 3   | -     | 3     | 3     | -     | 3     |
| Total members of the Board of Directors  | 3   | -     | 3     | 3     | -     | 3     |
| Percentage                               | 100%  | 0%    | 100%  | 100%  | 0%    | 100%  |
| Senior executives                        | 13  | 1     | 14    | 12    | -     | 12    |
| Total Senior executives                  | 13  | 1     | 14    | 12    | -     | 12    |
| Percentage                               | 100%  | 100%  | 100%  | 100%  | 0%    | 100%  |
| Managers                                 | 37  | 5     | 42    | 25    | 6     | 31    |
| Total Managers                           | 37  | 5     | 42    | 25    | 6     | 31    |
| Percentage                               | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Employees                                | 100   | 62    | 162   | 108   | 57    | 165   |
| Total Employees                          | 100   | 62    | 162   | 108   | 57    | 165   |
| Percentage                               | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| Total Board of Directors members trained | 3   | -     | 3     | 3     | -     | 3     |
| Percentage of Board members trained      | 100%  | 0%    | 100%  | 100%  | 0%    | 100%  |

|                                 |      |      |      |      |      |      |
|---------------------------------|------|------|------|------|------|------|
| Total employees trained         | 150  | 68   | 218  | 145  | 63   | 208  |
| Percentage of trained employees | 100% | 100% | 100% | 100% | 100% | 100% |

GRI 205-2 Communication and training about anti-corruption policies and procedures, TMI

| Professional category  | Total number and percentage of board members and employees to whom the organization's anti-corruption policies and procedures have been communicated, broken down by employee category |       |       |       |       |       |
|--|--|-------|-------|-------|-------|-------|
|  | FY 23  |       |       | FY 22 |       |       |
|  | Men  | Women | Total | Men   | Women | Total |
| Members of the Board of Directors                                  | 3  | -     | 3     | 3     | -     | 3     |
| Total members of the Board of Directors                            | 3  | -     | 3     | 3     | -     | 3     |
| Percentage   | 100%   | 0%    | 100%  | 100%  | 0%    | 100%  |
| Senior executives  | 13   | 1     | 14    | 12    | -     | 12    |
| Total Senior executives  | 13   | 1     | 14    | 12    | -     | 12    |
| Percentage   | 100%   | 100%  | 100%  | 100%  | 0%    | 100%  |
| Manager  | 37   | 5     | 42    | 25    | 6     | 31    |
| Total Managers   | 37   | 5     | 42    | 25    | 6     | 31    |
| Percentage   | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |
| Employees  | 100  | 62    | 162   | 108   | 57    | 165   |
| Total Employees  | 100  | 62    | 162   | 108   | 57    | 165   |
| Percentage   | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |
| Total Board of Directors members who received communication        | 3  | -     | 3     | 3     | -     | 3     |
| Percentage of Board of Directors members who received notification | 100%   | 0%    | 100%  | 100%  | 0%    | 100%  |
| Total employees who received communication                         | 150  | 68    | 218   | 145   | 63    | 208   |
| Percentage of employees who received communication                 | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |

GRI 205-2 Communication and training about anti-corruption policies and procedures, TMI

| Total number and percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated, broken down by business partner type |   |       |       |
|--|---|-------|-------|
| Typology   |   | FY 23 | FY 22 |
| Strategic Suppliers  | Business partners who have received communication | 86    | 76    |
|  | Total business partners                           | 86    | 76    |
|  | Percentage  | 100%  | 100%  |
| Relevant Suppliers   | Business partners who have received communication | 52    | 43    |
|  | Total business partners                           | 52    | 43    |
|  | Percentage  | 100%  | 100%  |
| Other types of suppliers   | Business partners who have received communication | 332   | 377   |
|  | Total business partners                           | 332   | 377   |
|  | Percentage  | 100%  | 100%  |
| Total business partners who received communication   |   | 470   | 496   |
| Percentage of business partners who received communication   |   | 100%  | 100%  |

GRI 205-2 Communication and training about anti-corruption policies and procedures, TFSI e KINTO

| Professional category                    | Total number and percentage of members of the Board of Directors and employees who have received anti-corruption training, divided by employee category |       |       |                     |       |       |
|--|---|-------|-------|---------------------|-------|-------|
|  | FY 23   |       |       | FY 22 <sup>73</sup> |       |       |
|  | Men   | Women | Total | Men                 | Women | Total |
| Members of the Board of Directors        | 5   | -     | 5     | ND                  | ND    | ND    |
| Total members of the Board of Directors  | 7   | -     | 7     | ND                  | ND    | ND    |
| Percentage                               | 71%   | 0%    | 71%   | ND                  | ND    | ND    |
| Senior executives                        | 2   | -     | 2     | 1                   | -     | 1     |
| Total Senior executives                  | 8   | 2     | 10    | 1                   | -     | 1     |
| Percentage                               | 25%   | 0%    | 20%   | 100%                | 0%    | 100%  |
| Managers                                 | 3   | -     | 3     | 4                   | 0     | 4     |
| Total Managers                           | 11  | 7     | 18    | 4                   | 0     | 4     |
| Percentage                               | 27%   | 0%    | 17%   | 100%                | 0%    | 100%  |
| Employees                                | 15  | 9     | 24    | 10                  | 5     | 15    |
| Total Employees                          | 64  | 58    | 122   | 10                  | 5     | 15    |
| Percentage                               | 23%   | 16%   | 20%   | 100%                | 100%  | 100%  |
| Total Board of Directors members trained | 5   | -     | 5     | ND                  | ND    | ND    |
| Percentage of Board members trained      | 71%   | 0%    | 71%   | N/A                 | N/A   | N/A   |
| Total employees trained                  | 20  | 9     | 29    | 15                  | 5     | 20    |
| Percentage of trained employees          | 24%   | 13%   | 19%   | 100%                | 100%  | 100%  |

<sup>73</sup> The data is available only for KINTO Italy

GRI 205-2 Communication and training about anti-corruption policies and procedures, TFSI and KINTO

| Professional category  | Total number and percentage of Board members and employees to whom the organization's anti-corruption policies and procedures have been communicated, broken down by employee category |       |       |       |       |       |
|--|--|-------|-------|-------|-------|-------|
|  | FY 23  |       |       | FY 22 |       |       |
|  | Men  | Women | Total | Men   | Women | Total |
| Members of the Board of Directors                                  | 5  | -     | 5     | ND    | ND    | ND    |
| Total members of the Board of Directors                            | 7  | -     | 7     | ND    | ND    | ND    |
| Percentage   | 71%  | 0%    | 71%   | ND    | ND    | ND    |
| Senior executives  | 8  | 2     | 10    | 7     | 2     | 9     |
| Total Senior executives  | 8  | 2     | 10    | 7     | 2     | 9     |
| Percentage   | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |
| Managers   | 11   | 7     | 18    | 12    | 5     | 17    |
| Total Managers   | 11   | 7     | 18    | 12    | 5     | 17    |
| Percentage   | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |
| Employees  | 64   | 58    | 122   | 54    | 53    | 107   |
| Total Employees  | 64   | 58    | 122   | 54    | 53    | 107   |
| Percentage   | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |
| Total Board of Directors members who received communication        | 5  | -     | 5     | ND    | ND    | ND    |
| Percentage of Board of Directors members who received notification | 71%  | 0%    | 71%   | ND    | ND    | ND    |
| Total employees who received communication                         | 83   | 67    | 150   | 73    | 60    | 133   |
| Percentage of employees who received communication                 | 100%   | 100%  | 100%  | 100%  | 100%  | 100%  |

GRI 205-2 Communication and training about anti-corruption policies and procedures, TFSI e KINTO

| Total number and percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated, broken down by business partner type |   |       |       |
|--|---|-------|-------|
| Typology   |   | FY 23 | FY 22 |
| FOI & Strategic Providers  | Business partners who have received communication | 13    | 11    |
|  | Total business partners                           | 13    | 11    |
|  | Percentage  | 100%  | 100%  |
| Consultants and other types  | Business partners who have received communication | 25    | 49    |
|  | Total business partners                           | 25    | 49    |
|  | Percentage  | 100%  | 100%  |
| Dealers  | Business partners who have received communication | 91    | 92    |
|  | Total business partners                           | 91    | 92    |
|  | Percentage  | 100%  | 100%  |
| Total business partners who received communication   |   | 129   | 152   |
| Percentage of business partners who received communication   |   | 100%  | 100%  |



GRI 205-2 Communication and training about anti-corruption policies and procedures, TIS and AND-E

| Professional category                    | Total number and percentage of members of the Board of Directors and employees who have received anti-corruption training, divided by employee category |       |       |      |       |       |
|--|---|-------|-------|------|-------|-------|
|  | 2022  |       |       | 2021 |       |       |
|  | Men   | Women | Total | Men  | Women | Total |
| Members of the Board of Directors        | -   | -     | -     | -    | -     | -     |
| Total members of the Board of Directors  | -   | -     | -     | -    | -     | -     |
| Percentage                               | 0%  | 0%    | 0%    | 0%   | 0%    | 0%    |
| Senior executives                        | 2   | 1     | 3     | 2    | 1     | 3     |
| Total Senior executives                  | 2   | 1     | 3     | 2    | 1     | 3     |
| Percentage                               | 100%  | 100%  | 100%  | 100% | 100%  | 100%  |
| Managers                                 | 5   | 1     | 6     | 5    | 1     | 6     |
| Total Managers                           | 5   | 1     | 6     | 5    | 1     | 6     |
| Percentage                               | 100%  | 100%  | 100%  | 100% | 100%  | 100%  |
| Employees                                | 25  | 25    | 50    | 25   | 19    | 44    |
| Total Employees                          | 25  | 25    | 50    | 25   | 19    | 44    |
| Percentage                               | 100%  | 100%  | 100%  | 100% | 100%  | 100%  |
| Total Board of Directors members trained | -   | -     | -     | -    | -     | -     |
| Percentage of board members trained      | 0%  | 0%    | 0%    | 0%   | 0%    | 0%    |
| Total employees trained                  | 32  | 27    | 59    | 32   | 21    | 53    |
| Percentage of trained employees          | 100%  | 100%  | 100%  | 100% | 100%  | 100%  |



GRI 205-2 Communication and training about anti-corruption policies and procedures, TIS and AND-E

| Professional category  | Total number and percentage of board members and employees to whom the organization's anti-corruption policies and procedures have been communicated, broken down by employee category |       |       |      |       |       |
|--|--|-------|-------|------|-------|-------|
|  | 2022   |       |       | 2021 |       |       |
|  | Men  | Women | Total | Men  | Women | Total |
| Members of the Board of Directors                                  | -  | -     | -     | -    | -     | -     |
| Total members of the Board of Directors                            | -  | -     | -     | -    | -     | -     |
| Percentage   | -  | -     | -     | -    | -     | -     |
| Senior executives  | 2  | 1     | 3     | 2    | 1     | 3     |
| Total Senior executives  | 2  | 1     | 3     | 2    | 1     | 3     |
| Percentage   | 100%   | 100%  | 100%  | 100% | 100%  | 100%  |
| Managers   | 5  | 1     | 6     | 5    | 1     | 6     |
| Total Managers   | 5  | 1     | 6     | 5    | 1     | 6     |
| Percentage   | 100%   | 100%  | 100%  | 100% | 100%  | 100%  |
| Employees  | 25   | 25    | 50    | 25   | 19    | 44    |
| Total Employees  | 25   | 25    | 50    | 25   | 19    | 44    |
| Percentage   | 100%   | 100%  | 100%  | 100% | 100%  | 100%  |
| Total Board of Directors members who received communication        | -  | -     | -     | -    | -     | -     |
| Percentage of Board of Directors members who received notification | 0%   | 0%    | 0%    | 0%   | 0%    | 0%    |
| Total employees who received communication                         | 32   | 27    | 59    | 32   | 21    | 53    |
| Percentage of employees who received communication                 | 100%   | 100%  | 100%  | 100% | 100%  | 100%  |

GRI 205-2 Communication and training about anti-corruption policies and procedures, TIS and AND-E

| Total number and percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated, broken down by business partner type |      |      |
|--|------|------|
|  | 2022 | 2021 |
| Business partners who have received communication  | 83   | 98   |
| Total business partners  | 83   | 98   |
| Percentage   | 100% | 100% |

GRI 302-1 Energy consumption within the organization<sup>74</sup>

| Energy consumption by type (GJ) |        |        |
|---------------------------------|--------|--------|
|                                 | FY 23  | FY 22  |
| Natural gas                     | 1,786  | 2,796  |
| Heating oil                     | 14     | 14     |
| Electric energy                 | 7,277  | 7,563  |
| Automotive petrol               | 5,008  | 5,493  |
| Total consumption               | 14,085 | 15,866 |

GRI 303-3 Water withdrawal

| Source of withdrawal | Water withdrawal by withdrawal source (Megalitres) <sup>75</sup> |                         |           |                         |
|----------------------|--|-------------------------|-----------|-------------------------|
|                      | FY 23  |                         | FY 22     |                         |
|                      | All areas  | Areas with water stress | All areas | Areas with water stress |
| Surface waters       | 12.37  | 12.37                   | 10.41     | 10.41                   |
| Groundwater          | -  | -                       | 0.15      | 0.15                    |
| Total                | 12.37  | 12.37                   | 10.56     | 10.56                   |

<sup>74</sup> Following a process of improvement of the reporting system and in order to guarantee their comparability, the data relating to energy consumed in Fiscal Year 22 have been restated compared to those published in the previous Report. For previously published historical data, please refer to the 2022 Sustainability Report.

<sup>75</sup> The water withdrawn comes entirely from fresh water sources.

GRI 305-1 Direct (Scope 1) GHG emissions; GRI 305-2 Energy indirect (Scope 2) GHG emissions;  
GRI 305-3 Other indirect (Scope 3) GHG emissions

| Emissions (tCO <sub>2</sub> e)           |                  |             |                 |             |
|--|------------------|-------------|-----------------|-------------|
|  | FY 23            | %           | FY 22           | %           |
| Scope 1 <sup>76 77</sup>                 | 470.72           | 3%          | 567.12          | 11%         |
| Scope 2 <sup>78</sup>                    | 417.82           | 3%          | 414.03          | 8%          |
| Scope 3 <sup>79</sup>                    | 13,946.13        | 94%         | 4,250.66        | 81%         |
| Scope 3 – Dealers consumption            | 6,095.71         | 44%         | N/A             | N/A         |
| Scope 3 – consumption logistics partners | 7,850.42         | 56%         | 4,250.66        | 100%        |
| <b>Total CO<sub>2</sub>e emissions</b>   | <b>14,834.67</b> | <b>100%</b> | <b>5,231.80</b> | <b>100%</b> |

GRI 306-4 Waste diverted from disposal; GRI 306-5 Waste directed to disposal

| Waste by type and disposal method (t) |            |               |             |            |               |              |
|---------------------------------------|------------|---------------|-------------|------------|---------------|--------------|
|                                       | FY 23      |               |             | FY 22      |               |              |
|                                       | Hazardous  | Non hazardous | Total       | Hazardous  | Non hazardous | Total        |
| Recovery, including energy recovery   | 2.4        | 67.5          | 69.9        | 3.0        | 100.4         | 103.4        |
| Incineration (therm destruction)      | -          | -             | -           | 0.1        | -             | 0.1          |
| Landfill                              | -          | -             | -           | -          | 0.3           | 0.3          |
| Other                                 | -          | 1.6           | 1.6         | -          | 2.5           | 2.5          |
| <b>Total</b>                          | <b>2.4</b> | <b>69.1</b>   | <b>71.5</b> | <b>3.1</b> | <b>103.2</b>  | <b>106.3</b> |

<sup>76</sup> The source used for the Scope 1 emission factors is the "Table of national standard parameters 2022 - Ministry of the Environment".

<sup>77</sup> Following a process of improvement of the reporting system and in order to guarantee their comparability, the data relating to Scope 1 in Fiscal Year 22 have been restated compared to those published in the previous Report. For previously published historical data, please refer to the 2022 Sustainability Report.

<sup>78</sup> CO<sub>2</sub> emissions calculated with the "Location-based method", the source used for the emission factors used to calculate emissions is "ISPRA 2022 - Atmospheric emission factors of greenhouse gases in the national electricity sector and in the main European countries". Considering that all the electricity consumed comes from renewable sources, the emissions calculated with the "Market-based method" are equal to 0 t CO<sub>2</sub> for both FY 22 and FY 23.

<sup>79</sup> For the calculation of Scope 3 emissions, the perimeter considered, in addition to including the two logistics operators in charge of moving Toyota components and vehicles to the Dealer network locations in Italy, also includes the Dealers. For the calculation, the quantities of diesel, electricity, methane and LPG estimated on the basis of the activities and volumes attributable to Toyota were considered. The sources used for the Scope 3 emission factors are "ISPRA, National Inventory Report 2021" and the 2022 emission factors of the Ministry of the Environment.

GRI 401-1 New employee hires and employee turnover, TMI

| Number of hires | Hiring   |          |          |          |          |          |          |           |
|-----------------|----------|----------|----------|----------|----------|----------|----------|-----------|
|                 | FY 23    |          |          |          | FY 22    |          |          |           |
|                 | < 30     | 30-50    | > 50     | Total    | < 30     | 30-50    | > 50     | Total     |
| <i>Men</i>      | 1        | -        | -        | 1        | 2        | 4        | -        | 6         |
| <i>Women</i>    | 2        | 5        | -        | 7        | 1        | 5        | -        | 6         |
| <b>TMI</b>      | <b>3</b> | <b>5</b> | <b>-</b> | <b>8</b> | <b>3</b> | <b>9</b> | <b>-</b> | <b>12</b> |

GRI 401-1 New employee hires and employee turnover, TMI

| Hiring rate  | Hiring     |           |           |           |            |           |           |           |
|--------------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
|              | FY 23      |           |           |           | FY 22      |           |           |           |
|              | < 30       | 30-50     | > 50      | Total     | < 30       | 30-50     | > 50      | Total     |
| <i>Men</i>   | 17%        | 0%        | 0%        | 1%        | 20%        | 4%        | 0%        | 4%        |
| <i>Women</i> | 67%        | 9%        | 0%        | 10%       | 25%        | 10%       | 0%        | 10%       |
| <b>TMI</b>   | <b>33%</b> | <b>3%</b> | <b>0%</b> | <b>4%</b> | <b>21%</b> | <b>6%</b> | <b>0%</b> | <b>6%</b> |

GRI 401-1 New employee hires and employee turnover, TMI

| Number of terminations | Turnover |          |          |          |          |          |          |           |
|------------------------|----------|----------|----------|----------|----------|----------|----------|-----------|
|                        | FY 23    |          |          |          | FY 22    |          |          |           |
|                        | < 30     | 30-50    | > 50     | Total    | < 30     | 30-50    | > 50     | Total     |
| <i>Men</i>             | -        | 3        | -        | 3        | 1        | 4        | 2        | 7         |
| <i>Women</i>           | 1        | 1        | -        | 2        | -        | -        | 4        | 4         |
| <b>TMI</b>             | <b>1</b> | <b>4</b> | <b>-</b> | <b>5</b> | <b>1</b> | <b>4</b> | <b>6</b> | <b>11</b> |

GRI 401-1 New employee hires and employee turnover, TMI

| Turnover     | Turnover   |           |           |           |           |           |            |           |
|--------------|------------|-----------|-----------|-----------|-----------|-----------|------------|-----------|
|              | FY 23      |           |           |           | FY 22     |           |            |           |
|              | < 30       | 30-50     | > 50      | Total     | < 30      | 30-50     | > 50       | Total     |
| <i>Men</i>   | 0%         | 3%        | 0%        | 2%        | 10%       | 4%        | 6%         | 5%        |
| <i>Women</i> | 33%        | 2%        | 0%        | 3%        | 0%        | 0%        | 44%        | 6%        |
| <b>TMI</b>   | <b>11%</b> | <b>3%</b> | <b>0%</b> | <b>2%</b> | <b>7%</b> | <b>3%</b> | <b>15%</b> | <b>5%</b> |

GRI 401-1 New employee hires and employee turnover, TFSI and KINTO

| Number of hires       | Hiring    |           |          |           |          |          |          |           |
|-----------------------|-----------|-----------|----------|-----------|----------|----------|----------|-----------|
|                       | FY 23     |           |          |           | FY 22    |          |          |           |
|                       | < 30      | 30-50     | > 50     | Total     | < 30     | 30-50    | > 50     | Total     |
| <i>Men</i>            | 7         | 7         | -        | 14        | 4        | 4        | -        | 8         |
| <i>Women</i>          | 4         | 8         | -        | 12        | 1        | 2        | -        | 3         |
| <b>TFSI and KINTO</b> | <b>11</b> | <b>15</b> | <b>-</b> | <b>26</b> | <b>5</b> | <b>6</b> | <b>-</b> | <b>11</b> |

GRI 401-1 New employee hires and employee turnover, TFSI and KINTO

| Hiring rate           | Hiring     |            |           |            |            |           |           |            |
|-----------------------|------------|------------|-----------|------------|------------|-----------|-----------|------------|
|                       | FY 23      |            |           |            | FY 22      |           |           |            |
|                       | < 30       | 30-50      | > 50      | Total      | < 30       | 30-50     | > 50      | Total      |
| <i>Men</i>            | 64%        | 12%        | 0%        | 17%        | 67%        | 9%        | 0%        | 14%        |
| <i>Women</i>          | 80%        | 17%        | 0%        | 18%        | 33%        | 5%        | 0%        | 6%         |
| <b>TFSI and KINTO</b> | <b>69%</b> | <b>14%</b> | <b>0%</b> | <b>17%</b> | <b>56%</b> | <b>7%</b> | <b>0%</b> | <b>10%</b> |

GRI 401-1 New employee hires and employee turnover, TFSI and KINTO

| Number of terminations | Turnover |          |          |          |          |          |          |          |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                        | FY 23    |          |          |          | FY 22    |          |          |          |
|                        | < 30     | 30-50    | > 50     | Total    | < 30     | 30-50    | > 50     | Total    |
| <i>Men</i>             | 2        | 2        | -        | 4        | 1        | 3        | -        | 4        |
| <i>Women</i>           | 1        | 4        | -        | 5        | -        | 2        | 1        | 3        |
| <b>TFSI and KINTO</b>  | <b>3</b> | <b>6</b> | <b>-</b> | <b>9</b> | <b>1</b> | <b>5</b> | <b>1</b> | <b>7</b> |

GRI 401-1 New employee hires and employee turnover, TFSI and KINTO

| Turnover              | Turnover   |           |           |           |            |           |           |           |
|-----------------------|------------|-----------|-----------|-----------|------------|-----------|-----------|-----------|
|                       | FY 23      |           |           |           | FY 22      |           |           |           |
|                       | < 30       | 30-50     | > 50      | Total     | < 30       | 30-50     | > 50      | Total     |
| <i>Men</i>            | 18%        | 3%        | 0%        | 5%        | 17%        | 7%        | 0%        | 7%        |
| <i>Women</i>          | 20%        | 9%        | 0%        | 7%        | 0%         | 5%        | 10%       | 6%        |
| <b>TFSI and KINTO</b> | <b>19%</b> | <b>6%</b> | <b>0%</b> | <b>6%</b> | <b>11%</b> | <b>6%</b> | <b>5%</b> | <b>6%</b> |

GRI 401-1 New employee hires and employee turnover, TIS and AND-E

| Number of hires      | Hiring   |          |          |          |          |          |          |          |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
|                      | 2022     |          |          |          | 2021     |          |          |          |
|                      | < 30     | 30-50    | > 50     | Total    | < 30     | 30-50    | > 50     | Total    |
| <i>Men</i>           | -        | 3        | -        | 3        | 1        | 5        | -        | 6        |
| <i>Women</i>         | 3        | 1        | -        | 4        | 1        | 1        | -        | 2        |
| <b>TIS and AND-E</b> | <b>3</b> | <b>4</b> | <b>-</b> | <b>7</b> | <b>2</b> | <b>6</b> | <b>-</b> | <b>8</b> |

GRI 401-1 New employee hires and employee turnover, TIS and AND-E

| Hiring rate          | Hiring |       |      |       |      |       |      |       |
|----------------------|--------|-------|------|-------|------|-------|------|-------|
|                      | 2022   |       |      |       | 2021 |       |      |       |
|                      | < 30   | 30-50 | > 50 | Total | < 30 | 30-50 | > 50 | Total |
| <b>Men</b>           | 0%     | 10%   | 0%   | 9%    | 100% | 17%   | 0%   | 19%   |
| <b>Women</b>         | 75%    | 6%    | 0%   | 15%   | 100% | 7%    | 0%   | 10%   |
| <b>TIS and AND-E</b> | 75%    | 9%    | 0%   | 12%   | 100% | 14%   | 0%   | 15%   |

GRI 401-1 New employee hires and employee turnover, TIS and AND-E

| Number of terminations | Turnover |       |      |       |      |       |      |       |
|------------------------|----------|-------|------|-------|------|-------|------|-------|
|                        | 2022     |       |      |       | 2021 |       |      |       |
|                        | < 30     | 30-50 | > 50 | Total | < 30 | 30-50 | > 50 | Total |
| <b>Men</b>             | 1        | 2     | -    | 3     | -    | 1     | -    | 1     |
| <b>Women</b>           | -        | -     | -    | -     | -    | -     | -    | -     |
| <b>TIS and AND-E</b>   | 1        | 2     | -    | 3     | -    | 1     | -    | 1     |

GRI 401-1 New employee hires and employee turnover, TIS and AND-E

| Turnover             | Turnover |       |      |       |      |       |      |       |
|----------------------|----------|-------|------|-------|------|-------|------|-------|
|                      | 2022     |       |      |       | 2021 |       |      |       |
|                      | < 30     | 30-50 | > 50 | Total | < 30 | 30-50 | > 50 | Total |
| <b>Men</b>           | 0%       | 7%    | 0%   | 9%    | 0%   | 3%    | 0%   | 3%    |
| <b>Women</b>         | 0%       | 0%    | 0%   | 0%    | 0%   | 0%    | 0%   | 0%    |
| <b>TIS and AND-E</b> | 25%      | 4%    | 0%   | 5%    | 0%   | 2%    | 0%   | 2%    |



## GRI 403-9 Work-related injuries, TMI

| Work-related injuries  |       |       |
|--|-------|-------|
|  | FY 23 | FY 22 |
| Number of deaths as a result of work-related injuries                        | -     | -     |
| Number of work-related injuries with serious consequences (excluding deaths) | -     | -     |
| Number of recordable work-related injuries                                   | -     | -     |
| TMI  | -     | -     |

## GRI 403-9 Work-related injuries, TMI

| Rate of work-related injuries <sup>80</sup>                                |       |       |
|--|-------|-------|
|  | FY 23 | FY 22 |
| Rate of deaths as a result of work-related injuries                        | -     | -     |
| Rate of work-related injuries with serious consequences (excluding deaths) | -     | -     |
| Rate of recordable work-related injuries                                   | -     | -     |
| TMI  | -     | -     |

## GRI 403-9 Work-related injuries – number of hours worked, TMI

| Hours worked |         |         |
|--------------|---------|---------|
|              | FY 23   | FY 22   |
| TMI          | 445,536 | 441,504 |

## GRI 403-9 Work-related injuries, TFSI and KINTO

| Work-related injuries  |       |       |
|--|-------|-------|
|  | FY 23 | FY 22 |
| Number of deaths as a result of work-related injuries                        | -     | -     |
| Number of work-related injuries with serious consequences (excluding deaths) | -     | -     |
| Number of recordable work-related injuries                                   | -     | -     |
| TFSI and KINTO   | -     | -     |

<sup>80</sup> Injury rates are calculated by multiplying the ratio of the number of injuries to hours worked by 1,000,000.

## GRI 403-9 Work-related injuries, TFSI and KINTO

| Rate of work-related injuries <sup>81</sup>                                |       |       |
|--|-------|-------|
|  | FY 23 | FY 22 |
| Rate of deaths as a result of work-related injuries                        | -     | -     |
| Rate of work-related injuries with serious consequences (excluding deaths) | -     | -     |
| Rate of recordable work-related injuries                                   | -     | -     |
| TFSI and KINTO   | -     | -     |

## GRI 403-9 Work-related injuries – number of hours worked, TFSI and KINTO

| Hours worked   |         |         |
|----------------|---------|---------|
|                | FY 23   | FY 22   |
| TFSI and KINTO | 256,656 | 238,620 |

## GRI 403-9 Work-related injuries, TIS and AND-E

| Work-related injuries  |      |      |
|--|------|------|
|  | 2022 | 2021 |
| Number of deaths as a result of work-related injuries                        | -    | -    |
| Number of work-related injuries with serious consequences (excluding deaths) | -    | -    |
| Number of recordable work-related injuries                                   | -    | -    |
| TIS and AND-E  | -    | -    |

## GRI 403-9 Work-related injuries, TIS and AND-E

| Rate of work-related injuries <sup>82</sup>                                |      |      |
|--|------|------|
|  | 2022 | 2021 |
| Rate of deaths as a result of work-related injuries                        | -    | -    |
| Rate of work-related injuries with serious consequences (excluding deaths) | -    | -    |
| Rate of recordable work-related injuries                                   | -    | -    |
| TIS and AND-E  | -    | -    |

<sup>81</sup> Injury rates are calculated by multiplying the ratio of the number of injuries to hours worked by 1,000,000.

<sup>82</sup> Injury rates are calculated by multiplying the ratio between the number of injuries and hours worked by 1.000.000.

GRI 403-9 Work-related injuries – number of hours worked, TIS and AND-E

| Hours worked  |         |        |
|---------------|---------|--------|
|               | 2022    | 2021   |
| TIS and AND-E | 103,412 | 87,301 |

GRI 404-1 Average hours of training per year per employee, Toyota Academy

| Average hours of training per capita by professional category and gender |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
|  | FY 23 |       |       | FY 22 |       |       |
|  | Men   | Women | Total | Men   | Women | Total |
| Managers and executives  | 38.8  | 22.5  | 36.0  | 44.6  | 24.5  | 40.9  |
| Employees  | 39.8  | 50.2  | 44.3  | 38.5  | 54.1  | 44.9  |
| Total Toyota Academy   | 39.5  | 47.3  | 42.4  | 40.1  | 51.0  | 44.1  |

GRI 404-1 Average hours of training per year per employee, TMI

| Average hours of training per capita by professional category and gender |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
|  | FY 23 |       |       | FY 22 |       |       |
|  | Men   | Women | Total | Men   | Women | Total |
| Managers and executives  | 36.9  | 20.8  | 35.3  | 47.0  | 20.0  | 43.4  |
| Employees  | 53.3  | 40.4  | 48.4  | 47.3  | 42.2  | 45.6  |
| TMI  | 47.6  | 38.7  | 44.9  | 47.2  | 40.1  | 45.1  |

GRI 404-1 Average hours of training per year per employee, TFSI and KINTO

| Average hours of training per capita by professional category and gender |       |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|-------|
|  | FY 23 |       |       | FY 22 |       |       |
|  | Men   | Women | Total | Men   | Women | Total |
| Managers and executives  | 44.5  | 31.8  | 40.4  | 45.3  | 36.6  | 42.9  |
| Employees  | 21.0  | 22.8  | 21.9  | 23.8  | 26.8  | 25.3  |
| TFSI and KINTO   | 26.4  | 24.0  | 25.4  | 29.4  | 28.0  | 28.7  |

GRI 404-1 Average hours of training per year per employee, TIS and AND-E

| Average hours of training per capita by professional category and gender |      |       |       |      |       |       |
|--|------|-------|-------|------|-------|-------|
| Training hours   | 2022 |       |       | 2021 |       |       |
|  | Men  | Women | Total | Men  | Women | Total |
| Managers and Managers  | 3.5  | 1.5   | 3.1   | 6.6  | 8.0   | 6.9   |
| Employees  | 8.3  | 3.8   | 6.1   | 13.0 | 14.7  | 13.7  |
| TIS and AND-E  | 7.3  | 3.6   | 5.6   | 11.6 | 14.0  | 12.5  |

GRI 404-1 Average hours of training per year per employee, Dealers

| Hours of training provided to Dealers and Dealership staff divided by topic                              |               |               |
|--|---------------|---------------|
|  | FY 23         | FY 22         |
| New/Used/Fleet Sales Training (Sales Advisor; Customer Advisor; Contact Advisor)                         | 16,492        | 18,898        |
| New Models Training (Sales Advisor; Service Advisor; Master Technician Workshop)                         | 15,543        | 17,080        |
| Post-Sales Training (Technical; Parts & Service; Others)   | 9,102         | 8,574         |
| Managerial training (First Line Management Program; Customer Development Manager; Environmental Manager) | 18,124        | 10,077        |
| <b>Total</b>   | <b>59,261</b> | <b>54,629</b> |

GRI 404-3 Percentage of employees receiving regular performance and career development reviews, TMI

| %                 | Total percentage of employees who received a periodic performance and professional development evaluation, by gender and job category |       |       |       |       |       |
|-------------------|---|-------|-------|-------|-------|-------|
|                   | FY 23   |       |       | FY 22 |       |       |
|                   | Men   | Women | Total | Men   | Women | Total |
| <b>Executives</b> | 100%  | 100%  | 100%  | 100%  | N/A   | 100%  |
| <b>Managers</b>   | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| <b>Employees</b>  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| <b>TMI</b>        | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |

GRI 404-3 Percentage of employees receiving regular performance and career development reviews, TFSI and KINTO

| %                     | Total percentage of employees who received a periodic performance and professional development evaluation, by gender and job category |       |       |       |       |       |
|-----------------------|---|-------|-------|-------|-------|-------|
|                       | FY 23   |       |       | FY 22 |       |       |
|                       | Men   | Women | Total | Men   | Women | Total |
| <b>Executives</b>     | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| <b>Managers</b>       | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| <b>Employees</b>      | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |
| <b>TFSI and KINTO</b> | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  |

GRI 404-3 Percentage of employees receiving regular performance and career development reviews, TIS and AND-E

| Total percentage of employees who received a periodic performance and professional development evaluation, by gender and job category |      |       |       |      |       |       |
|---|------|-------|-------|------|-------|-------|
|   | 2022 |       |       | 2021 |       |       |
|   | Men  | Women | Total | Men  | Women | Total |
| Executives  | 100% | 100%  | 100%  | 100% | 100%  | 100%  |
| Managers  | 100% | 100%  | 100%  | 100% | 100%  | 100%  |
| Employees   | 100% | 100%  | 100%  | 100% | 100%  | 100%  |
| TIS and AND-E   | 100% | 100%  | 100%  | 100% | 100%  | 100%  |

GRI 405-1 Diversity of governance bodies and employees, TMI

| Distribution of members of the Board of Directors by age group and gender | FY 23  |       |       |
|---|--------|-------|-------|
|   | Men    | Women | Total |
|   | Number |       |       |
| Age < 30 years  | 0      | 0     | 0     |
| Age 30-50 years   | 1      | 0     | 1     |
| Age > 50 years  | 2      | 0     | 2     |
| Total   | 3      | 0     | 3     |
| Rate  |        |       |       |
| Age < 30 years  | 0%     | 0%    | 0%    |
| Age 30-50 years   | 33%    | 0%    | 33%   |
| Age > 50 years  | 67%    | 0%    | 67%   |
| Total   | 100%   | 0%    | 100%  |

## GRI 405-1 Diversity of governance bodies and employees, TMI

| Breakdown of members of the Board of Directors<br>by age group and gender | FY 22      |            |            |
|---|------------|------------|------------|
|   | Men        | Women      | Total      |
|   | Number     |            |            |
| <i>Age &lt; 30 years</i>  | N/A        | N/A        | N/A        |
| <i>Age 30-50 years</i>  | N/A        | N/A        | N/A        |
| <i>Age &gt; 50 years</i>  | N/A        | N/A        | N/A        |
| <b>Total</b>  | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> |
| Rate  |            |            |            |
| <i>Age &lt; 30 years</i>  | N/A        | N/A        | N/A        |
| <i>Age 30-50 years</i>  | N/A        | N/A        | N/A        |
| <i>Age &gt; 50 years</i>  | N/A        | N/A        | N/A        |
| <b>Total</b>  | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> |

## GRI 405-1 Diversity of governance bodies and employees, TFSI

| Breakdown of members of the Board of Directors<br>by age group and gender | FY 23       |           |             |
|---|-------------|-----------|-------------|
|   | Men         | Women     | Total       |
|   | Number      |           |             |
| <i>Age &lt; 30 years</i>  | 0           | 0         | 0           |
| <i>Age 30-50 years</i>  | 0           | 0         | 0           |
| <i>Age &gt; 50 years</i>  | 3           | 0         | 3           |
| <b>Total</b>  | <b>3</b>    | <b>0</b>  | <b>3</b>    |
| Rate  |             |           |             |
| <i>Age &lt; 30 years</i>  | 0%          | 0%        | 0%          |
| <i>Age 30-50 years</i>  | 0%          | 0%        | 0%          |
| <i>Age &gt; 50 years</i>  | 100%        | 0%        | 100%        |
| <b>Total</b>  | <b>100%</b> | <b>0%</b> | <b>100%</b> |

| Breakdown of members of the Board of Directors<br>by age group and gender | FY 22      |            |            |
|---|------------|------------|------------|
|   | Men        | Women      | Total      |
|   | Number     |            |            |
| <i>Age &lt; 30 years</i>  | N/A        | N/A        | N/A        |
| <i>Age 30-50 years</i>  | N/A        | N/A        | N/A        |
| <i>Age &gt; 50 years</i>  | N/A        | N/A        | N/A        |
| <b>Total</b>  | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> |
| Rate  |            |            |            |
| <i>Age &lt; 30 years</i>  | N/A        | N/A        | N/A        |
| <i>Age 30-50 years</i>  | N/A        | N/A        | N/A        |
| <i>Age &gt; 50 years</i>  | N/A        | N/A        | N/A        |
| <b>Total</b>  | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> |

GRI 405-1 Diversity of governance bodies and employees, KINTO

| Breakdown of members of the Board of Directors<br>by age group and gender | FY 23       |           |             |
|---|-------------|-----------|-------------|
|   | Men         | Women     | Total       |
|   | Number      |           |             |
| <i>Age &lt; 30 years</i>  | 0           | 0         | 0           |
| <i>Age 30-50 years</i>  | 2           | 0         | 2           |
| <i>Age &gt; 50 years</i>  | 3           | 0         | 3           |
| <b>Total</b>  | <b>5</b>    | <b>0</b>  | <b>5</b>    |
| Rate  |             |           |             |
| <i>Age &lt; 30 years</i>  | 0%          | 0%        | 0%          |
| <i>Age 30-50 years</i>  | 40%         | 0%        | 40%         |
| <i>Age &gt; 50 years</i>  | 60%         | 0%        | 60%         |
| <b>Total</b>  | <b>100%</b> | <b>0%</b> | <b>100%</b> |

## GRI 405-1 Diversity of governance bodies and employees, KINTO

| Breakdown of members of the Board of Directors<br>by age group and gender | FY 22  |       |       |
|---|--------|-------|-------|
|   | Men    | Women | Total |
|   | Number |       |       |
| Age < 30 years  | N/A    | N/A   | N/A   |
| Age 30-50 years   | N/A    | N/A   | N/A   |
| Age > 50 years  | N/A    | N/A   | N/A   |
| Total   | N/A    | N/A   | N/A   |
| Rate  |        |       |       |
| Age < 30 years  | N/A    | N/A   | N/A   |
| Age 30-50 years   | N/A    | N/A   | N/A   |
| Age > 50 years  | N/A    | N/A   | N/A   |
| Total   | N/A    | N/A   | N/A   |

## GRI 405-1 Diversity of governance bodies and employees, TIS

| Responsible for age group and gender | 2022   |       |       |
|--------------------------------------|--------|-------|-------|
|                                      | Men    | Women | Total |
|                                      | Number |       |       |
| Age < 30 years                       | 0      | 0     | 0     |
| Age 30-50 years                      | 1      | 0     | 1     |
| Age > 50 years                       | 0      | 0     | 0     |
| Total                                | 1      | 0     | 1     |
| Rate                                 |        |       |       |
| Age < 30 years                       | 0%     | 0%    | 0%    |
| Age 30-50 years                      | 100%   | 0%    | 100%  |
| Age > 50 years                       | 0%     | 0%    | 0%    |
| Total                                | 100%   | 0%    | 100%  |

| Breakdown of members of the Board of Directors<br>by age group and gender | 2021       |            |            |
|---|------------|------------|------------|
|   | Men        | Women      | Total      |
|   | Number     |            |            |
| <i>Age &lt; 30 years</i>  | N/A        | N/A        | N/A        |
| <i>Age 30-50 years</i>  | N/A        | N/A        | N/A        |
| <i>Age &gt; 50 years</i>  | N/A        | N/A        | N/A        |
| <b>Total</b>  | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> |
| Rate  |            |            |            |
| <i>Age &lt; 30 years</i>  | N/A        | N/A        | N/A        |
| <i>Age 30-50 years</i>  | N/A        | N/A        | N/A        |
| <i>Age &gt; 50 years</i>  | N/A        | N/A        | N/A        |
| <b>Total</b>  | <b>N/A</b> | <b>N/A</b> | <b>N/A</b> |

GRI 405-1 Diversity of governance bodies and employees, AND-E

| Responsible for age group and gender | 2022       |            |             |
|--------------------------------------|------------|------------|-------------|
|                                      | Men        | Women      | Total       |
|                                      | Number     |            |             |
| <i>Age &lt; 30 years</i>             | 0          | 0          | 0           |
| <i>Age 30-50 years</i>               | 0          | 0          | 0           |
| <i>Age &gt; 50 years</i>             | 1          | 1          | 2           |
| <b>Total</b>                         | <b>1</b>   | <b>1</b>   | <b>2</b>    |
| Rate                                 |            |            |             |
| <i>Age &lt; 30 years</i>             | 0%         | 0%         | 0%          |
| <i>Age 30-50 years</i>               | 0%         | 0%         | 0%          |
| <i>Age &gt; 50 years</i>             | 50%        | 50%        | 100%        |
| <b>Total</b>                         | <b>50%</b> | <b>50%</b> | <b>100%</b> |

## GRI 405-1 Diversity of governance bodies and employees, AND-E

| Breakdown of members of the Board of Directors<br>by age group and gender | 2021   |       |       |
|---|--------|-------|-------|
|   | Men    | Women | Total |
|   | Number |       |       |
| Age < 30 years  | N/A    | N/A   | N/A   |
| Age 30-50 years   | N/A    | N/A   | N/A   |
| Age > 50 years  | N/A    | N/A   | N/A   |
| Total   | N/A    | N/A   | N/A   |
| Rate  |        |       |       |
| Age < 30 years  | N/A    | N/A   | N/A   |
| Age 30-50 years   | N/A    | N/A   | N/A   |
| Age > 50 years  | N/A    | N/A   | N/A   |
| Total   | N/A    | N/A   | N/A   |

## GRI 405-1 Diversity of governance bodies and employees, TMI

| TMI employees | Employees divided by professional category, gender and age group |       |      |       |       |       |      |       |
|---------------|--|-------|------|-------|-------|-------|------|-------|
|               | FY 23  |       |      |       | FY 22 |       |      |       |
|               | < 30   | 30-50 | > 50 | Total | < 30  | 30-50 | > 50 | Total |
| Executives    | -  | 10    | 7    | 17    | -     | 12    | 3    | 15    |
| Men           | -  | 9     | 7    | 16    | -     | 12    | 3    | 15    |
| Women         | -  | 1     | -    | 1     | -     | -     | -    | -     |
| Managers      | -  | 31    | 11   | 42    | -     | 23    | 8    | 31    |
| Men           | -  | 27    | 10   | 37    | -     | 18    | 7    | 25    |
| Women         | -  | 4     | 1    | 5     | -     | 5     | 1    | 6     |
| Employees     | 9  | 118   | 35   | 162   | 14    | 122   | 29   | 165   |
| Men           | 6  | 68    | 26   | 100   | 10    | 77    | 21   | 108   |
| Women         | 3  | 50    | 9    | 62    | 4     | 45    | 8    | 57    |
| Total         | 9  | 159   | 53   | 221   | 14    | 157   | 40   | 211   |
| Men           | 6  | 104   | 43   | 153   | 10    | 107   | 31   | 148   |
| Women         | 3  | 55    | 10   | 68    | 4     | 50    | 9    | 63    |

GRI 405-1 Diversity in governing bodies and among employees in percentages, TMI

| TMI employees     | Employees divided by professional category, gender and age group |       |      |       |       |       |      |       |
|-------------------|--|-------|------|-------|-------|-------|------|-------|
|                   | FY 23  |       |      |       | FY 22 |       |      |       |
|                   | < 30   | 30-50 | > 50 | Total | < 30  | 30-50 | > 50 | Total |
| <b>Executives</b> | 0%   | 59%   | 41%  | 8%    | 0%    | 80%   | 20%  | 7%    |
| <b>Men</b>        | 0%   | 53%   | 41%  | 94%   | 0%    | 80%   | 20%  | 100%  |
| <b>Women</b>      | 0%   | 6%    | 0%   | 6%    | 0%    | 0%    | 0%   | 0%    |
| <b>Managers</b>   | 0%   | 74%   | 26%  | 19%   | 0%    | 74%   | 26%  | 15%   |
| <b>Men</b>        | 0%   | 64%   | 24%  | 88%   | 0%    | 58%   | 23%  | 81%   |
| <b>Women</b>      | 0%   | 10%   | 2%   | 12%   | 0%    | 16%   | 3%   | 19%   |
| <b>Employees</b>  | 6%   | 73%   | 22%  | 73%   | 8%    | 74%   | 18%  | 78%   |
| <b>Men</b>        | 4%   | 42%   | 16%  | 62%   | 6%    | 47%   | 13%  | 65%   |
| <b>Women</b>      | 2%   | 31%   | 6%   | 38%   | 2%    | 27%   | 5%   | 35%   |
| <b>Total</b>      | 4%   | 72%   | 24%  | 100%  | 7%    | 74%   | 19%  | 100%  |
| <b>Men</b>        | 3%   | 47%   | 19%  | 69%   | 5%    | 51%   | 15%  | 70%   |
| <b>Women</b>      | 1%   | 25%   | 5%   | 31%   | 2%    | 24%   | 4%   | 30%   |

GRI 405-1 Diversity of governance bodies and employees belonging to protected categories, TMI

| Number of employees | Employees belonging to protected categories |       |       |       |       |       |
|---------------------|---|-------|-------|-------|-------|-------|
|                     | FY 23                                       |       |       | FY 22 |       |       |
|                     | Men   | Women | Total | Men   | Women | Total |
| <b>Executives</b>   | -   | -     | -     | N/A   | N/A   | N/A   |
| <b>Managers</b>     | -   | -     | -     | N/A   | N/A   | N/A   |
| <b>Employees</b>    | 10  | 4     | 14    | N/A   | N/A   | N/A   |
| <b>TMI</b>          | 10  | 4     | 14    | N/A   | N/A   | N/A   |

GRI 405-1: Diversity of governance bodies and employees belonging to protected categories, TMI

| Number of employees | Employees belonging to protected categories |       |       |       |       |       |
|---------------------|---|-------|-------|-------|-------|-------|
|                     | FY 23                                       |       |       | FY 22 |       |       |
|                     | Men   | Women | Total | Men   | Women | Total |
| Executives          | 0%  | 0%    | 0%    | N/A   | N/A   | N/A   |
| Managers            | 0%  | 0%    | 0%    | N/A   | N/A   | N/A   |
| Employees           | 10%   | 6%    | 9%    | N/A   | N/A   | N/A   |
| TMI                 | 7%  | 6%    | 6%    | N/A   | N/A   | N/A   |

GRI 405-1 Diversity of governance bodies and employees, TFSI and KINTO

| TFSI and KINTO employees | Employees divided by professional category, gender and age group |       |      |       |       |       |      |       |
|--------------------------|--|-------|------|-------|-------|-------|------|-------|
|                          | FY 23  |       |      |       | FY 22 |       |      |       |
|                          | < 30   | 30-50 | > 50 | Total | < 30  | 30-50 | > 50 | Total |
| Executives               | -  | 4     | 6    | 10    | -     | 4     | 5    | 9     |
| Men                      | -  | 2     | 6    | 8     | -     | 2     | 5    | 7     |
| Women                    | -  | 2     | -    | 2     | -     | 2     | -    | 2     |
| Managers                 | -  | 12    | 6    | 18    | -     | 13    | 4    | 17    |
| Men                      | -  | 9     | 2    | 11    | -     | 10    | 2    | 12    |
| Women                    | -  | 3     | 4    | 7     | -     | 3     | 2    | 5     |
| Employees                | 16   | 91    | 15   | 122   | 14    | 80    | 13   | 107   |
| Men                      | 11   | 47    | 6    | 64    | 9     | 41    | 4    | 54    |
| Women                    | 5  | 44    | 9    | 58    | 5     | 39    | 9    | 53    |
| Total                    | 16   | 107   | 27   | 150   | 14    | 97    | 22   | 133   |
| Men                      | 11   | 58    | 14   | 83    | 9     | 53    | 11   | 73    |
| Women                    | 5  | 49    | 13   | 67    | 5     | 44    | 11   | 60    |

GRI 405-1 Diversity of governance bodies and employees in percentages, TFSI and KINTO

| TFSI and KINTO employees | Percentage of employees divided by professional category, gender and age group |       |      |       |       |       |      |       |
|--------------------------|--|-------|------|-------|-------|-------|------|-------|
|                          | FY 23  |       |      |       | FY 22 |       |      |       |
|                          | < 30   | 30-50 | > 50 | Total | < 30  | 30-50 | > 50 | Total |
| <b>Executives</b>        | 0%   | 40%   | 60%  | 7%    | 0%    | 44%   | 56%  | 7%    |
| <b>Men</b>               | 0%   | 20%   | 60%  | 80%   | 0%    | 22%   | 56%  | 78%   |
| <b>Women</b>             | 0%   | 20%   | 0%   | 20%   | 0%    | 22%   | 0%   | 22%   |
| <b>Managers</b>          | 0%   | 67%   | 33%  | 12%   | 0%    | 76%   | 24%  | 13%   |
| <b>Men</b>               | 0%   | 50%   | 11%  | 61%   | 0%    | 59%   | 12%  | 71%   |
| <b>Women</b>             | 0%   | 17%   | 22%  | 39%   | 0%    | 18%   | 12%  | 29%   |
| <b>Employees</b>         | 13%  | 75%   | 12%  | 81%   | 13%   | 75%   | 12%  | 80%   |
| <b>Men</b>               | 9%   | 39%   | 5%   | 52%   | 8%    | 38%   | 4%   | 50%   |
| <b>Women</b>             | 4%   | 36%   | 7%   | 48%   | 5%    | 36%   | 8%   | 50%   |
| <b>Total</b>             | 11%  | 71%   | 18%  | 100%  | 11%   | 73%   | 17%  | 100%  |
| <b>Men</b>               | 7%   | 39%   | 9%   | 55%   | 7%    | 40%   | 8%   | 55%   |
| <b>Women</b>             | 3%   | 33%   | 9%   | 45%   | 4%    | 33%   | 8%   | 45%   |

GRI 405-1 Diversity of governance bodies and employees belonging to protected categories, TFSI and KINTO

| Number of employees | Employees belonging to protected categories |       |       |       |       |       |
|---------------------|---|-------|-------|-------|-------|-------|
|                     | FY 23                                       |       |       | FY 22 |       |       |
|                     | Men   | Women | Total | Men   | Women | Total |
| <b>Executives</b>   | -   | -     | -     | -     | -     | -     |
| <b>Managers</b>     | -   | -     | -     | -     | -     | -     |
| <b>Employees</b>    | 4   | 6     | 10    | 3     | 6     | 9     |
| <b>Total</b>        | 4   | 6     | 10    | 3     | 6     | 9     |

GRI 405-1 Diversity of governance bodies and employees belonging to protected categories in percentage, TFSI and KINTO

| Number of employees | Employees belonging to protected categories |           |           |           |            |           |
|---------------------|---|-----------|-----------|-----------|------------|-----------|
|                     | FY 23                                       |           |           | FY 22     |            |           |
|                     | Men   | Women     | Total     | Men       | Women      | Total     |
| Executives          | 0%  | 0%        | 0%        | 0%        | 0%         | 0%        |
| Managers            | 0%  | 0%        | 0%        | 0%        | 0%         | 0%        |
| Employees           | 6%  | 10%       | 8%        | 6%        | 11%        | 8%        |
| <b>Total</b>        | <b>5%</b>                                   | <b>9%</b> | <b>7%</b> | <b>4%</b> | <b>10%</b> | <b>7%</b> |

GRI 405-1 Diversity of governance bodies and employees, TIS and AND-E

| TIS and AND-E employees | Employees divided by professional category, gender and age group |           |          |           |          |           |          |           |
|-------------------------|--|-----------|----------|-----------|----------|-----------|----------|-----------|
|                         | 2022   |           |          |           | 2021     |           |          |           |
|                         | < 30   | 30-50     | > 50     | Total     | < 30     | 30-50     | > 50     | Total     |
| Executives              | -  | 1         | 2        | 3         | -        | 1         | 2        | 3         |
| <i>Men</i>              | -  | 1         | 1        | 2         | -        | 1         | 1        | 2         |
| <i>Women</i>            | -  | -         | 1        | 1         | -        | -         | 1        | 1         |
| Managers                | -  | 4         | 2        | 6         | -        | 4         | 2        | 6         |
| <i>Men</i>              | -  | 4         | 1        | 5         | -        | 4         | 1        | 5         |
| <i>Women</i>            | -  | -         | 1        | 1         | -        | -         | 1        | 1         |
| Employees               | 4  | 42        | 4        | 50        | 1        | 38        | 5        | 44        |
| <i>Men</i>              | -  | 25        | -        | 25        | -        | 24        | 1        | 25        |
| <i>Women</i>            | 4  | 17        | 4        | 25        | 1        | 14        | 4        | 19        |
| <b>Total</b>            | <b>4</b>   | <b>47</b> | <b>8</b> | <b>59</b> | <b>1</b> | <b>43</b> | <b>9</b> | <b>53</b> |
| <i>Men</i>              | -  | 30        | 2        | 32        | -        | 29        | 3        | 32        |
| <i>Women</i>            | 4  | 17        | 6        | 27        | 1        | 14        | 6        | 21        |

GRI 405-1 Diversity of governance bodies and employees in percentages, TIS and AND-E

| TIS and AND-E employees | Employees divided by professional category, gender and age group |            |            |             |           |            |            |             |
|-------------------------|--|------------|------------|-------------|-----------|------------|------------|-------------|
|                         | 2022   |            |            |             | 2021      |            |            |             |
|                         | < 30   | 30-50      | > 50       | Total       | < 30      | 30-50      | > 50       | Total       |
| <b>Executives</b>       | <b>0%</b>  | <b>33%</b> | <b>67%</b> | <b>5%</b>   | <b>0%</b> | <b>33%</b> | <b>67%</b> | <b>6%</b>   |
| <i>Men</i>              | 0%   | 33%        | 33%        | <b>67%</b>  | 0%        | 33%        | 33%        | <b>67%</b>  |
| <i>Women</i>            | 0%   | 0%         | 33%        | <b>33%</b>  | 0%        | 0%         | 33%        | <b>33%</b>  |
| <b>Managers</b>         | <b>0%</b>  | <b>67%</b> | <b>33%</b> | <b>10%</b>  | <b>0%</b> | <b>67%</b> | <b>33%</b> | <b>11%</b>  |
| <i>Men</i>              | 0%   | 67%        | 17%        | <b>83%</b>  | 0%        | 67%        | 17%        | <b>83%</b>  |
| <i>Women</i>            | 0%   | 0%         | 17%        | <b>17%</b>  | 0%        | 0%         | 17%        | <b>17%</b>  |
| <b>Employees</b>        | <b>8%</b>  | <b>84%</b> | <b>8%</b>  | <b>85%</b>  | <b>2%</b> | <b>86%</b> | <b>11%</b> | <b>83%</b>  |
| <i>Men</i>              | 0%   | 50%        | 0%         | <b>50%</b>  | 0%        | 55%        | 2%         | <b>57%</b>  |
| <i>Women</i>            | 8%   | 34%        | 8%         | <b>50%</b>  | 2%        | 32%        | 9%         | <b>43%</b>  |
| <b>Total</b>            | <b>7%</b>  | <b>80%</b> | <b>14%</b> | <b>100%</b> | <b>2%</b> | <b>81%</b> | <b>17%</b> | <b>100%</b> |
| <i>Men</i>              | <b>0%</b>  | <b>51%</b> | <b>3%</b>  | <b>54%</b>  | <b>0%</b> | <b>55%</b> | <b>6%</b>  | <b>60%</b>  |
| <i>Women</i>            | <b>7%</b>  | <b>29%</b> | <b>10%</b> | <b>46%</b>  | <b>2%</b> | <b>26%</b> | <b>11%</b> | <b>40%</b>  |

GRI 405-1 Diversity of governance bodies and employees belonging to protected categories, TIS and AND-E

| Number of employees  | 2022 |       |       | 2021 |       |       |
|----------------------|------|-------|-------|------|-------|-------|
|                      | Men  | Women | Total | Men  | Women | Total |
| <b>Executives</b>    | -    | -     | -     | -    | -     | -     |
| <b>Managers</b>      | -    | -     | -     | -    | -     | -     |
| <b>Employees</b>     | 2    | -     | 2     | 2    | -     | 2     |
| <b>TIS and AND-E</b> | 2    | -     | 2     | 2    | -     | 2     |

GRI 405-1 Diversity of governance bodies and employees belonging to protected categories in percentage, TIS and AND-E

| Number of employees | 2022 |       |       | 2021 |       |       |
|---------------------|------|-------|-------|------|-------|-------|
|                     | Men  | Women | Total | Men  | Women | Total |
| Executives          | 0%   | 0%    | 0%    | 0%   | 0%    | 0%    |
| Managers            | 0%   | 0%    | 0%    | 0%   | 0%    | 0%    |
| Employees           | 8%   | 0%    | 4%    | 8%   | 0%    | 5%    |
| TIS and AND-E       | 6%   | 0%    | 3%    | 6%   | 0%    | 4%    |

GRI 405-2 Base salary ratio by gender and professional category, TMI

| Ratio between female and male basic salary |                    |                    |
|--|--------------------|--------------------|
|  | FY23               | FY22               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                 | 75%                | N/A                |
| Managers                                   | 96%                | 96%                |
| Employees                                  | 100%               | 98%                |

GRI 405-2 Total remuneration ratio by gender and professional category, TMI

| Ratio between total female and male remuneration |                    |                    |
|--|--------------------|--------------------|
|  | FY23               | FY22               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                       | 75%                | N/A                |
| Managers   | 93%                | 96%                |
| Employees  | 100%               | 98%                |

GRI 405-2 Base salary ratio by gender and professional category, TFSI

| Ratio between female and male basic salary |                    |                    |
|--|--------------------|--------------------|
|  | FY23               | FY22               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                 | 80%                | 80%                |
| Managers                                   | 118%               | 115%               |
| Employees                                  | 100%               | 98%                |

GRI 405-2 Total remuneration ratio by gender and professional category, TFSI

| Ratio between total female and male remuneration |                    |                    |
|--|--------------------|--------------------|
|  | FY23               | FY22               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                       | 82%                | 83%                |
| Managers   | 106%               | 143%               |
| Employees  | 89%                | 91%                |

GRI 405-2 Base salary ratio by gender and professional category, KINTO

| Ratio between female and male basic salary |                    |                    |
|--|--------------------|--------------------|
|  | FY23               | FY22               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                 | N/A                | N/A                |
| Managers                                   | N/A                | N/A                |
| Employees                                  | 84%                | 86%                |

GRI 405-2 Total remuneration ratio by gender and professional category, KINTO

| Ratio between total female and male remuneration |                    |                    |
|--|--------------------|--------------------|
|  | FY23               | FY22               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                       | N/A                | N/A                |
| Managers   | N/A                | N/A                |
| Employees  | 74%                | 83%                |

GRI 405-2 Base salary ratio by gender and professional category, TIS and AND-E

| Ratio between female and male basic salary |                    |                    |
|--|--------------------|--------------------|
|  | 2022               | 2021               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives                                 | 71%                | ND                 |
| Managers                                   | 108%               | ND                 |
| Employees                                  | 85%                | ND                 |

GRI 405-2 Total remuneration ratio by gender and professional category, TIS and AND-E

| Rapporto tra retribuzione complessiva femminile e maschile |                    |                    |
|--|--------------------|--------------------|
|  | 2022               | 2021               |
|  | Women to Men Ratio | Women to Men Ratio |
| Executives   | 71%                | ND                 |
| Managers   | 109%               | ND                 |
| Employees  | 85%                | ND                 |

# GRI Content Index



|                    |   |
|--------------------|---|
| Declaration of use | The Toyota Italy Network has reported the information reported in the Table of GRI Indicators below, for the reporting period between 1 April 2022 and 31 March 2023 for the companies TMI, TFSI and KINTO Italy and between 1 January 2022 and 31 December 2022 for the TIS and AND-E companies, in compliance with the GRI Standards ("in Accordance with" approach). |
| GRI 1 used         | GRI 1: Foundation 2021  |

| GRI Standard  | Disclosure   | Location  | Omission                |        |             |
|---|--|---|-------------------------|--------|-------------|
|   |  |   | REQUIREMENT (S) OMITTED | REASON | EXPLANATION |
| <b>GRI 2: General Disclosures (2021)</b>            |  |   |                         |        |             |
| <b>The organization and its reporting practices</b> |  |   |                         |        |             |
| 2-1   | Organizational details   | Pag. 28-29; 48-58   |                         |        |             |
| 2-2   | Entities included in the organization's sustainability reporting | Pag. 28-29  |                         |        |             |
| 2-3   | Reporting period, frequency and contact point                    | Pag. 28-29  |                         |        |             |
| 2-4   | Restatements of information                                      | Pag. 28-29  |                         |        |             |
| 2-5   | External assurance   | The present Sustainability Report is not subject to Assurance |                         |        |             |
| <b>Activities and workers</b>                       |  |   |                         |        |             |
| 2-6   | Activities, value chain and other business relationships         | Pag. 55-58; 94-100  |                         |        |             |
| 2-7   | Employees  | Pag. 8; 127-128; 135-136; 144-145                             |                         |        |             |
| 2-8   | Workers who are not employees                                    | Pag. 128; 136; 145  |                         |        |             |
| <b>Governance</b>                                   |  |   |                         |        |             |
| 2-9   | Governance structure and composition                             | Pag. 108-119  |                         |        |             |
| 2-10  | Nomination and selection of the highest governance body          | Pag. 108-119  |                         |        |             |

|   |   |                              |            |                             |  |
|---|---|------------------------------|------------|-----------------------------|--|
| 2-11                                    | Chair of the highest governance body  | Pag. 108-119                 |            |                             |  |
| 2-12                                    | Role of the highest governance body in overseeing the management of impacts | Pag. 108-119                 |            |                             |  |
| 2-13                                    | Delegation of responsibility for managing impacts                           | Pag. 108-119                 |            |                             |  |
| 2-14                                    | Role of the highest governance body in sustainability reporting             | Pag. 108-119                 |            |                             |  |
| 2-15                                    | Conflicts of interest   | Pag. 108-119                 |            |                             |  |
| 2-16                                    | Communication of critical concerns  | Pag. 108-119                 |            |                             |  |
| 2-17                                    | Collective knowledge of the highest governance body                         | Pag. 108-119                 |            |                             |  |
| 2-18                                    | Evaluation of the performance of the highest governance body                | Pag. 114-115                 |            |                             |  |
| 2-19                                    | Remuneration policies   | Pag. 131;<br>138-139;<br>146 |            |                             |  |
| 2-20                                    | Process to determine remuneration   | Pag. 131;<br>138-139;<br>146 |            |                             |  |
| 2-21                                    | Annual total compensation ratio   |                              | a), b), c) | confidentiality constraints | The data is subject to confidentiality constraints |
| <b>Strategy, policies and practices</b> |   |                              |            |                             |  |
| 2-22                                    | Statement on sustainable development strategy                               | Pag. 13-20                   |            |                             |  |
| 2-23                                    | Policy commitments  | Pag. 117-119                 |            |                             |  |
| 2-24                                    | Embedding policy commitments  | Pag. 117-119                 |            |                             |  |
| 2-25                                    | Processes to remediate negative impacts                                     | Pag. 32-36                   |            |                             |  |
| 2-26                                    | Mechanisms for seeking advice and raising concerns                          | Pag. 111;<br>113             |            |                             |  |

| GRI Standard  | Disclosure                                      | Location               | Omission                |                         |  |
|---|---|------------------------|-------------------------|-------------------------|--|
|   |   |                        | REQUIREMENT (S) OMITTED | REASON                  | EXPLANATION  |
| <b>GRI 2: General Disclosures (2021)</b>                                    |   |                        |                         |                         |  |
| <b>Strategy, policies and practices</b>                                     |   |                        |                         |                         |  |
| 2-27  | Compliance with laws and regulations            | Pag. 108-119; 132; 141 |                         |                         |  |
| 2-28  | Membership associations                         | Pag. 114               |                         |                         |  |
| <b>Stakeholder engagement</b>   |   |                        |                         |                         |  |
| 2-29  | Approach to stakeholder engagement              | Pag. 30-36             |                         |                         |  |
| 2-30  | Collective bargaining agreements                | Pag. 126; 134; 144     |                         |                         |  |
| <b>Disclosures on material topics</b>                                       |   |                        |                         |                         |  |
| <b>GRI 3: Management of material topics (2021)</b>                          |   |                        |                         |                         |  |
| 3-1   | Process to determine material topics            | Pag. 30-36             |                         |                         |  |
| 3-2   | List of material topics                         | Pag. 30-36             |                         |                         |  |
| <b>MATERIAL TOPIC: Sustainable corporate governance and Risk Management</b> |   |                        |                         |                         |  |
| <b>GRI 201 Economic Performance (2016)</b>                                  |   |                        |                         |                         |  |
| 3-3   | Management of material topics                   | Pag. 108-119           |                         |                         |  |
| 201-1   | Direct economic value generated and distributed | Pag. 126; 134; 150-151 | a) e b)                 | information unavailable | For TIS and AND-E the information is not available |
| <b>MATERIAL TOPIC: Sustainable value chain</b>                              |   |                        |                         |                         |  |
| <b>GRI 204 Procurement Practices (2016)</b>                                 |   |                        |                         |                         |  |
| 3-3   | Management of material topics                   | Pag. 94-100            |                         |                         |  |
| 204-1   | Proportion of spending on local suppliers       | Pag. 151-154           |                         |                         |  |

| <b>MATERIAL TOPIC: Business ethics and anti-corruption</b> |  |                    |  |  |  |
|--|--|--------------------|--|--|--|
| <b>GRI 205 Anti-corruption (2016)</b>                      |  |                    |  |  |  |
| 3-3  | Management of material topics  | Pag. 108-119       |  |  |  |
| 205-2  | Communication and training about anti-corruption policies and procedures       | Pag. 154-162       |  |  |  |
| 205-3  | Confirmed incidents of corruption and actions taken                            | Pag. 132; 141; 147 |  |  |  |
| <b>GRI 206 Anti-competitive Behavior (2016)</b>            |  |                    |  |  |  |
| 3-3  | Management of material topics  | Pag. 95; 117-119   |  |  |  |
| 206-1  | Legal actions for anti-competitive behavior, anti-trust and monopoly practices | Pag. 132; 141; 147 |  |  |  |
| <b>MATERIAL TOPIC: Reduction of environmental impact</b>   |  |                    |  |  |  |
| <b>GRI 302 Energy (2016)</b>                               |  |                    |  |  |  |
| 3-3  | Management of material topics  | Pag. 58-84         |  |  |  |
| 302-1  | Energy consumption within the organization                                     | Pag. 162           |  |  |  |
| <b>GRI 303 Water and Effluents (2018)</b>                  |  |                    |  |  |  |
| 3-3  | Management of material topics  | Pag. 64            |  |  |  |
| 303-3  | Water withdrawal   | Pag. 162           |  |  |  |
| <b>GRI 305 Emissions (2016)</b>                            |  |                    |  |  |  |
| 3-3  | Management of material topics  | Pag. 58-84         |  |  |  |
| 305-1  | Direct (Scope 1) GHG emissions   | Pag. 58-63; 163    |  |  |  |
| 305-2  | Energy indirect (Scope 2) GHG emissions  | Pag. 58-63; 163    |  |  |  |

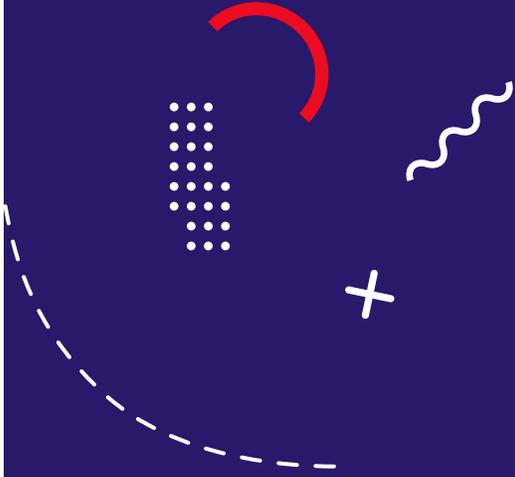
| GRI Standard  | Disclosure  | Location                            | Omission                |        |             |
|---|---|-------------------------------------|-------------------------|--------|-------------|
|   |   |                                     | REQUIREMENT (S) OMITTED | REASON | EXPLANATION |
| <b>MATERIAL TOPIC: Reduction of environmental impact</b>  |   |                                     |                         |        |             |
| <b>GRI 305 Emissions (2016)</b>                           |   |                                     |                         |        |             |
| 305-3   | Other indirect (Scope 3) GHG emissions  | Pag. 58-63; 163                     |                         |        |             |
| <b>GRI 306 Waste (2020)</b>                               |   |                                     |                         |        |             |
| 3-3   | Management of material topics   | Pag. 34; 64                         |                         |        |             |
| 306-1   | Waste generation and significant waste-related impacts  | Pag. 34; 64                         |                         |        |             |
| 306-2   | Management of significant wasterelated impacts  | Pag. 34; 64                         |                         |        |             |
| 306-3   | Waste generated   | Pag. 64; 163                        |                         |        |             |
| 306-4   | Waste diverted from disposal  | Pag. 64; 163                        |                         |        |             |
| 306-5   | Waste directed to disposal  | Pag. 64; 163                        |                         |        |             |
| <b>MATERIAL TOPIC: Employee development and wellbeing</b> |   |                                     |                         |        |             |
| <b>GRI 401 Employment (2016)</b>                          |   |                                     |                         |        |             |
| 3-3   | Management of material topics   | Pag. 101-105; 129-130; 137-138; 146 |                         |        |             |
| 401-1   | New employee hires and employee turnover  | Pag. 164-167                        |                         |        |             |
| 401-2   | Benefits provided to full-time employees that are not provided to temporary or parttime employees | Pag. 101-102                        |                         |        |             |
| <b>GRI 404 Training and Education (2016)</b>              |   |                                     |                         |        |             |
| 3-3   | Management of material topics   | Pag. 101-105; 129-130; 137-138; 146 |                         |        |             |
| 404-1   | Average hours of training per year per employee   | Pag. 170-171                        |                         |        |             |
| 404-3   | Percentage of employees receiving regular performance and career development reviews              | Pag. 172-173                        |                         |        |             |

| <b>MATERIAL TOPIC: Diversity and equal opportunities</b>  |  |                                     |  |  |  |
|---|--|-------------------------------------|--|--|--|
| <b>GRI 405 Diversity and Equal Opportunity (2016)</b>     |  |                                     |  |  |  |
| 3-3   | Management of material topics  | Pag. 101-105; 129-130; 137-138; 146 |  |  |  |
| 405-1   | Diversity of governance bodies and employees   | Pag. 173-184                        |  |  |  |
| 405-2   | Ratio of basic salary and remuneration of women to men                                 | Pag. 184-186                        |  |  |  |
| <b>GRI 406 Non discriminazione (2016)</b>                 |  |                                     |  |  |  |
| 406-1   | Incidents of discrimination and corrective actions taken                               | Pag. 130; 138; 146                  |  |  |  |
| <b>MATERIAL TOPIC: Health and safety in the workplace</b> |  |                                     |  |  |  |
| <b>GRI 403 Occupational Health and Safety (2018)</b>      |  |                                     |  |  |  |
| 3-3   | Management of material topics  | Pag. 105-107                        |  |  |  |
| 403-1   | Occupational health and Safety Management system                                       | Pag. 105-107                        |  |  |  |
| 403-2   | Hazard identification, risk assessment and incident investigation                      | Pag. 105-107                        |  |  |  |
| 403-3   | Occupational health services   | Pag. 105-107                        |  |  |  |
| 403-4   | Worker participation, consultation and communication on occupational health and safety | Pag. 105-107                        |  |  |  |
| 403-5   | Worker training on occupational health and safety                                      | Pag. 105-107                        |  |  |  |
| 403-6   | Promotion of worker health   | Pag. 105-107                        |  |  |  |

| GRI Standard   | Disclosure  | Location  | Omission                |        |             |
|--|---|---|-------------------------|--------|-------------|
|  |   |   | REQUIREMENT (S) OMITTED | REASON | EXPLANATION |
| <b>MATERIAL TOPIC: Health and safety in the workplace</b>          |   |   |                         |        |             |
| <b>GRI 403 Occupational Health and Safety (2018)</b>               |   |   |                         |        |             |
| 403-7  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Pag. 105-107  |                         |        |             |
| 403-8  | Workers covered by an occupational health and safety Management System  | Pag. 105-107  |                         |        |             |
| 403-9  | Work-related injuries   | Pag. 146; 168-170   |                         |        |             |
| <b>MATERIAL TOPIC: Quality and safety of products and services</b> |   |   |                         |        |             |
| <b>GRI 416 Customer Health and Safety (2016)</b>                   |   |   |                         |        |             |
| 3-3  | Management of material topics   | Pag. 93   |                         |        |             |
| 416-2  | Incidents of non-compliance concerning the health and safety impacts of products and services                 | During Fiscal Year 2023, no cases of non-compliance were recorded regarding impacts on the health and safety of products and services |                         |        |             |
| <b>MATERIAL TOPIC: Quality and safety of products and services</b> |   |   |                         |        |             |
| <b>GRI 416 Customer Health and Safety (2016)</b>                   |   |   |                         |        |             |
| 3-3  | Management of material topics   | Pag. 89-92  |                         |        |             |
| 417-3  | Incidents of non-compliance concerning the health and safety impacts of products and services                 | Pag. 132; 141; 147  |                         |        |             |

| <b>MATERIAL TOPIC: Customer privacy and data security</b>           |  |                           |  |  |  |
|---|--|---------------------------|--|--|--|
| <b>GRI 418 Customer Privacy (2016)</b>                              |  |                           |  |  |  |
| 3-3   | Management of material topics  | Pag. 89-93; 131; 139; 147 |  |  |  |
| 418-1   | Substantiated complaints concerning breaches of Customer Privacy and losses of Customer data | Pag. 131; 139; 147        |  |  |  |
| <b>OTHER MATERIAL TOPICS</b>  |  |                           |  |  |  |
| <b>MATERIAL TOPIC: Technological innovation and digitalisation</b>  |  |                           |  |  |  |
| 3-3   | Management of material topics  | Pag. 120-123              |  |  |  |
| <b>MATERIAL TOPIC: Community support and development</b>            |  |                           |  |  |  |
| 3-3   | Management of material topics  | Pag. 84-87                |  |  |  |
| <b>MATERIAL TOPIC: Vehicle emissions and electrification</b>        |  |                           |  |  |  |
| 3-3   | Management of material topics  | Pag. 64-67                |  |  |  |
| <b>MATERIAL TOPIC: Innovative and sustainable mobility services</b> |  |                           |  |  |  |
| 3-3   | Management of material topics  | Pag. 40-46; 75-84         |  |  |  |





*I believe  
that our mission is to  
provide goods and  
services that make you  
happy people  
around the world or,  
in other words, produce  
happiness for all.*

— Akio Toyoda 

