

Sustainable Purchasing Guidelines

Toyota Motor Europe



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Note to Reader

- In the context of this document, 'Toyota' refers to both Toyota brand and Lexus brand
- These Guidelines replace the 2023 Sustainable Purchasing Guidelines

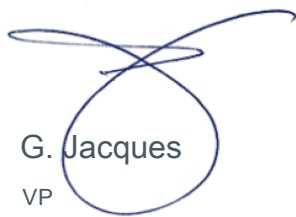
Introduction

Dear Toyota Suppliers and Business Partners,

Toyota continuously strives to contribute to the sustainable development of society through the manufacturing and distribution of high-quality, innovative products and services.

Sustainable Purchasing Guidelines (SPG) outline our approach & requirements for all suppliers and business partners regarding environmental, social and governance (ESG) matters.

Our suppliers and business partners are expected to ensure full legal compliance at all times and promote responsible practices throughout their entire supply chain.



G. Jacques

VP

Purchasing



M. Perez Lobo

VP

Sustainability

Overview

Toyota expects its Suppliers and Business Partners to ensure 'long-term and stable procurement of the best products at the most competitive prices, in the most speedy and timely manner', based on thorough compliance with all applicable laws, regulations, and social norms and with full consideration for the environment. For the purposes of these Guidelines, 'TOYOTA' refers to any company within the TOYOTA group of companies worldwide which controls, is controlled by, or is under common control with TME ('control' means the direct ownership of fifty per cent (50%) or more of the voting rights or other rights to direct management in such company).

We ask that you always engage in the development and manufacture of products from the perspective of the customers who purchase Toyota products. We further request that you undertake initiatives such as those described below.



Toyota Motor Europe –Sustainability

Guiding Principles at Toyota

1. Honour the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
3. Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
4. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.
5. Foster a corporate culture that enhances individual creativity and teamwork value, while honouring mutual trust and respect between labour and management.
6. Pursue growth in harmony with the global community through innovative management.
7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

Toyota Sustainability Policy: Contribution towards Sustainable Development

We, TOYOTA MOTOR EUROPE and our subsidiaries, take initiative to contribute to harmonious and sustainable development of society and the earth through all business activities that we carry out in each country and region, based on our Guiding Principles.

We comply with local, national and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity.

In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavour to build and maintain sound relationships with our stakeholders through open and fair communication.

We expect our business partners to support this initiative and to act in accordance with it.



Customers

- Based on our philosophy of “Customer First,” we develop and provide innovative, safe and outstanding high quality products and services that meet a wide variety of customers’ demands to enrich the lives of people around the world. (Guiding Principles 3 and 4)
- We will endeavour to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the letter and spirit of each country’s privacy laws. (Guiding Principle 1)



Employees

- We respect our employees and believe that the success of our business is led by each individual’s creativity and good teamwork. We stimulate personal growth for our employees. (Guiding Principle 5)
- We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. (Guiding Principle 5)
- We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. (Guiding Principle 5)
- We respect and honour the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labour. (Guiding Principle 1)
- Through communication and dialogue with our employees, we build and share the value “Mutual Trust and Mutual Responsibility” and work together for the success of our employees and the company.
We recognize our employees’ right to freely associate, or not to associate, complying with the laws of the countries in which we operate. (Guiding Principle 5)
- Management of each company takes leadership in fostering a corporate culture, and implementing policies, that promote ethical behaviour. (Guiding Principles 1 and 5)



Business Partners

- We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust. (Guiding Principle 7)
- Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths. (Guiding Principle 7)
- We maintain fair and free competition in accordance with the letter and spirit of each country’s competition laws. (Guiding Principles 1 and 7)

Shareholders

- We strive to enhance corporate value while achieving a stable and long-term growth for the benefit of our shareholders. (Guiding Principle 6)
- We provide our shareholders and investors with timely and fair disclosure on our operating results and financial condition. (Guiding Principles 1 and 6)

Global Society / Local Communities

Environment

- We aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our vehicles and operations on climate change and biodiversity. We strive to develop, establish and promote technologies enabling the environment and economy to coexist harmoniously, and to build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation. (Guiding Principle 3.)

Community

- We implement our philosophy of “respect for people” by honouring the culture, customs, history and laws of each country. (Guiding Principle 2)
- We constantly search for safer, cleaner and superior technology that satisfies the evolving needs of society for sustainable mobility. (Guiding Principles 3 and 4)
- We do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest, ethical and fair relationships with government agencies and public authorities. (Guiding Principle 1)

Social Contribution

- Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society. (Guiding Principle 2)

Basic Policies at Toyota Purchasing

All Purchasing at Toyota is oriented toward creating vehicles that will earn the satisfaction of customers. It takes place in accordance with the following three policies:

1. Fair competition based on an open-door policy

Toyota is open to any and all suppliers, regardless of nationality, size, or whether they have done business with us before. Our choice of suppliers is based purely on business considerations. We evaluate the overall strengths of prospective suppliers, including their quality, technological capabilities, and reliability in delivering the required quantities on time.

Also, we evaluate their potential strengths, as evidenced in such ways as their amenability to continuing, kaizen improvements. In addition, we evaluate suppliers' commitment to addressing social expectations, especially with regard to environmental issues.

2. Mutual benefit based on mutual trust

We believe in developing mutually beneficial, long-term relationships based on mutual trust. To foster that trust, we pursue close and wide-ranging communication with suppliers.

3. Contributing to local economic vitality through localization: good corporate citizenship

Our production outside Japan is increasing rapidly as we globalize our operations. We work to make an economic and industrial contribution that is fully commensurate with our market presence in each region. That includes purchasing parts, materials, tools, equipment, and others from local suppliers.

Supplier Sustainability Guidelines

At Toyota, we remain committed to advancing the quality of life through the products and services we offer. Therefore, we hope to contribute to the realization of a sustainable society through the following philosophy and activities in addition to implementing thorough environmental management:

1. Share Basic Management Philosophy

We would like to carry out the following philosophy together with our suppliers:

- Creation of Work Environment based on Respect for our Employees
Organize the environment to foster trust between workers and management and develop a work climate to promote human development.
- Monozukuri based on Genchi-Genbutsu
Genchi-Genbutsu - focusing all corporate activity on the actual needs in the marketplace and on conditions in the workplace. We practise Genchi-Genbutsu, go to the source to find the facts to make correct decisions, build consensus, and achieve goals at our best speed.
- Relentless Kaizen Efforts
We improve our business operations continuously, always driving for innovation and evolution.
- Two-way Communication
Automobile manufacturing at Toyota is a joint endeavour between suppliers and Toyota.

To succeed in that endeavour, we and our suppliers need to work together as a single company. We must maintain close communication, exchanging ideas frankly and coming to terms with each other on all matters of importance.

2. Toyota's Expectations of Suppliers for providing "Products and Services"

We expect suppliers to provide the best possible products at the lowest possible cost. This must also consider providing in the timeliest manner on a stable and long-term basis.

Suppliers need to undertake product development and deploy manufacturing processes that address the customers' needs and wants of today and tomorrow.

Therefore, our five main expectations are as follows:



1. Safety

Manufacturing is carried out by people, so it is most important to secure a safe environment for people to carry out manufacturing without worry. In a safe working environment, workers can concentrate their efforts on manufacturing, and make products of good quality.



2. Quality

Our highest priority at Toyota is quality. Consistently high quality is the biggest reason for the excellent reputation of our products around the world and for the trust we enjoy from customers. We need to keep up with customers' increasing expectations of vehicle quality. We appreciate suppliers' understanding that quality is an absolute prerequisite for our business, and we assume that all Toyota suppliers will devote themselves to quality in development and production.



3. Delivery and Production

We at Toyota maximize efficiency through lean manufacturing, producing only what is needed, only when it is needed, and only the amount that is needed. We expect suppliers to contribute to this lean efficiency through flexible, error-free execution in preparation for mass production, in mass production, and in delivery.



4. Cost

We expect suppliers to offer the most competitive cost in the world. Suppliers need to develop new technologies and innovative production technologies to support their continuing cost reduction.



5. Technological Capabilities

Customer and social expectations are mounting in three main areas; technologies for environmental protection, safety, and comfort. Our suppliers need to grasp these expectations and to address them a step ahead of their competition through innovative products and technologies. Our suppliers also need to broaden the marketability of their products through dramatic cost reduction.

3. Toyota's Expectations of Suppliers in the Process of Developing "Products and Services"

We expect suppliers to comply with the following items to undertake Sustainability activities.

We also expect suppliers to deepen and expand Sustainability initiatives with business partners by developing and deploying individual Sustainability policies and guidelines incorporating the following items:

3.1. Legal Compliance



Compliance with Laws and the Spirit thereof

- Comply with applicable laws and regulations of each country and region as well as the spirit thereof.
- Establish and implement policies, structure and mechanisms for ensuring and verifying legal compliance including a code of conduct, confidential compliance hotline and training.



Management and Protection of Confidential Information

- Manage and protect company's confidential information such as trade secrets and use such information in an appropriate manner.
- Obtain confidential information concerning other companies only from authorized personnel by legitimate means. Verify the permissible scope of use and other conditions concerning such confidential information and use it only within the scope allowed, while maintaining its confidentiality and not infringing upon the rights of the other companies.
- Obtain personal information concerning employees, customers and business partners only by legitimate means. Manage and protect such information in a secure manner, and use the information only within the scope allowed.



Protection of Intellectual Property

- Continually monitor and protect all intellectual property of the company against any infringement by others.
- Do not infringe the intellectual property (such as patents, utilities, designs and trademarks) of others, illegally use such intellectual property or make illegal copies of software or publications.



Compliance with the Competition Laws

- Do not engage in illegal acts against the competition laws and regulations of each country and region including private monopolies, unreasonable restraint of trade (cartel, collusive bidding, etc.) or unfair trade practices.
- TME requests that its Business Partners report to TME promptly and in good faith facts or suspicions regarding actual or suspected infringement of Competition Law committed by the employees of TME or Business Partner's employees, sub-contractors, consultants, etc., or involving, in any way, the above-mentioned persons, in the conduct of business. Please use the reporting method explained in Chapter B: TME'S Anti-Bribery & Conflict of Interest Guidelines.



Export Controls

- Comply with laws and regulations concerning export controls, thoroughly implement such controls and establish management as confirming whether products, technology or other exports are subject to regulations, and prepare and provide documentation of such confirmation



Anticorruption Measures

(SEE CHAPTER B: TME'S ANTI-BRIBERY AND CONFLICT OF INTEREST GUIDELINES)

- Comply with applicable laws and regulations concerning political donations or contributions and strive to build transparent and fair relationships with political parties or administrative bodies.
- Do not engage in giving or receiving presents, entertainment or money with customers, suppliers and other business partners in order to acquire or maintain unjust interest or wrongful preferential treatment.
- Do not conduct off-the-book, fictitious or otherwise falsified transactions, or any other similar acts prone to be misconstrued as such, and shall make and keep books, records and accounts (ledger sheets and account ledgers, etc.), which, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets.

3.2. Labour & Human Rights



Toyota Human Rights Policy

- Understand and agree with "[Toyota's Human Rights Policy](#)"
- Respect and refer to international norms such as the Universal Declaration of Human Rights, the "United Nations Guiding Principles on Business and Human Rights" (UNGPR), International Labor Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multi-national Enterprises on Responsible Business Conduct and also promote activities related to human rights based on the above mentioned principles.
- Establish and continuously implement a Human Rights Due Diligence* system in order to fulfil the responsibility to respect human rights." (*The process which is implemented for the identification, prevention, and mitigation of negative human rights impacts)"
- Strive to disclose the actions taken for respecting human rights, together with the appropriate measures.
- Develop and operate a practical remediation mechanism or expand the function of existing grievance mechanisms



No Discrimination, Diversity & Inclusion

- Do not tolerate any form of discrimination protected by local applicable laws and regulations relating to gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status or the presence of children with regards to all aspects of employment, including the application process, hiring, promotion, compensation, access to training, job assignment, wages, benefits, discipline, termination and/or retirement.
- Do not tolerate any form of discrimination relating to gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status, the presence of children or any other protected characteristics.
- Foster an inclusive culture in the workplace where all employees feel safe, respected, engaged, valued and can contribute their capabilities to the fullest.
- Consider diversity and inclusion to be one of the key elements of the business framework and promote activities accordingly.



Harassment

- Do not condone any form of workplace bullying, harassment or intimidation. This includes sexual harassment, power harassment (abuse of authority), peer pressure and any form of harassment that can impact a person's dignity and respect
- Harassment may involve verbal, visual or physical conduct that negatively interferes with work performance, diminishes the dignity of any employee, or creates an intimidating, hostile or otherwise offensive work environment.
- Implement procedures for expedient concern reporting, escalation, and resolution. Investigate any harassment complaints sensitively (i.e., taking account of the impact on the victim), objectively and thoroughly. Enable employees to report any instances of harassment without fear of reprisal, intimidation, or harassment.



Child Labour

- Implement procedures for expedient concern reporting, escalation, and resolution. Investigate any harassment complaints sensitively (i.e., taking account of the impact on the victim), objectively and thoroughly. Enable employees to report any instances of harassment without fear of reprisal, intimidation, or harassment.
- Do not tolerate child labour which deprives children of a childhood, access to education and restricts their development.
- The minimum age for employment shall be 15 years of age, the legal minimum age for employment, or the age for completing compulsory education, whichever is greatest under the local applicable laws and regulations, etc.
- Do not use employees under 18 years of age for hazardous work.
- Bona fide job training or apprenticeship programs permitted under the local applicable laws and regulations, etc. may be allowed.



Migrant Labour - Forced Labour

- Do not tolerate forced labour, which is often extracted through violent and threatful means or by entrapment of debt, or any other form of modern slavery including human trafficking.
- Ensure that all work is voluntary, and employees are free to leave work or terminate their employment.
- Do not require employees, who must work in a legal status, to surrender passports, government-issued identifications, or work permits as a condition of employment.
- Do not exploit employees with high recruitment fees and other costs that are considered unreasonable by international norms.



Wages and Benefits

- Pay wages in compliance with local applicable laws and regulations, including those relating to minimum wages, overtime hours, deduction from wage, piece rates and other elements of compensation.
- Provide legally mandated benefits.
- Ensure wages, other compensation, benefits and deductions are detailed and explained, in compliance with local applicable laws and regulations, clearly and regularly to employees.



Working Hours

- Comply with local applicable laws and regulations governing employees' working hours, including overtime work.



Freedom of Association

- Recognize employees' right to freely associate, or not to associate, complying with local applicable laws and regulations, etc. in which we operate.
- Encourage employees to communicate openly and directly with management without fear of reprisal, intimidation, or harassment.



Safe and Healthy Working Environment

- Place the highest priority on safety and health programmes and policies at work, so that each employee is able to work without undue concerns and strive to prevent accidents and injuries from happening at work.
- Support efforts to improve the health of employees through health promotion activities at work, guidance for preventing illness, and other means.

3.3. Local/Global Community

Environment

(SEE CHAPTER: ENVIRONMENT)

- Pursue growth in harmony with the environment and aim for Carbon Neutrality in your business activities.
- Establish an Environmental Management System (EMS) that can promote environmental preservation activities and continuously improve them, in addition to comply with applicable environmental laws and regulations in each company.
- Promote proper management for chemical substances with a focus on Substances of Very High Concern (SVHC) and ensure that prohibited substances are not used in products, production, and any other processes.
- Taking water environment of each country and region into consideration, continuously evaluate environmental impact and take initiatives to thoroughly reduce water usage and manage wastewater.
- When designing and developing products, reduce consumption of exhaustible resources and utilize recycled materials, while considering their appropriate disposal measures and recyclability. If requested, report the actual use of recycled materials.
- Take initiatives to reduce and recycle waste at your operation bases and in logistics.
- Based on the recognition that biodiversity is the premise of continuation of business operations, take initiatives that will help realize a sustainable society in harmony with the nature.



Responsible Material Procurement

- Obtain materials with full deliberation and care to avoid the procurement or use of materials which are unlawful, or which are obtained through unethical or otherwise unacceptable means (such as conflict minerals*, Cobalt, Mica, Natural Rubber, Natural Graphite, Lithium, Nickel etc.). Toyota requires its suppliers to take the necessary actions to mitigate any adverse impacts.

*Minerals originating from the Democratic Republic of the Congo and neighbouring countries that have directly or indirectly contributed to the financing of armed groups.

Social Contribution

- Suppliers are expected to consider the social challenges present in each community with the aim of supporting local prosperity and development, and to participate in social contribution activities in collaboration with local communities. Additionally, suppliers are required to respect the rights, cultures, and traditions of Indigenous peoples and local communities impacted by their operations, including adhering to the principles of free, prior, and informed consent (FPIC) before initiating activities that may impact Indigenous lands, resources, or livelihoods.

Disclosure of Information to Stakeholders

- Strive to disclose to stakeholders such information as is pertinent to them, including management, financial condition, environmental preservation, community and social contribution, in a timely and fair manner and to build and maintain positive relationships with stakeholders through open and fair communication.



Developing and Deploying Policies and Guidelines for Business Partners

- Request to deepen and expand Sustainability initiatives with business partners (e.g., tier 2 level) by developing and deploying individual Sustainability policies and guidelines incorporating the guidelines outlined above.
- Promote the above activities in consideration of the whole supply chain and conduct the necessary countermeasures for follow-up and improvement of business partners.

Documents to be submitted	When & how to submit
Self-Assessment Questionnaire (SAQ) on Supplier Assurance Platform	Candidate Suppliers: Submit SAQ download together with the quote directly to your Toyota Purchasing contact
	Existing suppliers: Updated questionnaire to be provided via Supplier Assurance Platform

Cross OEM Approach

- Toyota Motor Europe also participates in [Drive Sustainability](#), the initiative of 18 leading automotive companies driving sustainability throughout the automotive supply chain. We collaborate to promote a common approach (methodology, tools, etc.) to sustainability within the industry and to leverage a common voice on ESG topics throughout the supply chain.
- In 2020 as Drive Sustainability, we launched our common strategy, formalising our ambition to tackle four sustainability challenges together with our suppliers: Carbon Neutrality, Sustainable Raw Materials, Workforce Wellbeing and Circular Value Chain.
- Drive+ is Drive Sustainability’s associated partnership model for Tier 1 suppliers and supplier associations, allowing the OEMs and suppliers to collaborate systematically towards a sustainable automotive supply chain. CSR Europe, the secretariat of Drive Sustainability, facilitates the Drive+ group.
- Drive+ is an opportunity for suppliers to get engaged in a systematic dialogue about common sustainability challenges and to collaborate for joint solutions. By becoming an associated partner in Drive+, suppliers will get first-hand information from and access to Drive Sustainability. Drive Sustainability regularly consults with Drive+ suppliers about its activities and strategic ESG topics, for example regarding the update of our Self-Assessment Questionnaire (SAQ), activities on Carbon Neutrality or about our work on sustainable raw materials. At the same time, Drive+ suppliers will get opportunities to learn and exchange with the OEMs about upcoming policies and best practices, i.e. on due diligence and how to create impact on the ground. Your Drive+ engagement will allow you to get in direct dialogue with DS and its members, help you to meet the OEM’s expectations and support you to cascade them in your own supply chain.
- If you are interested to become a member of Drive+, please contact info@drivesustainability.org, and CSR Europe will follow-up with you on the next steps.

B

Toyota Motor Europe – Anti-bribery and Conflict of Interest Guidelines

Our Ethical Foundation

At TME, we believe that how we achieve results is just as important as the results themselves. We are committed to doing business with integrity, fairness, and transparency. Bribery and corruption are not only illegal, they undermine trust, distort markets, and damage reputations.

These guidelines explain what we expect from our business partners to ensure compliance with anti-bribery and anti-corruption (ABAC) laws and to uphold Toyota's ethical standards.

Anti-Bribery and Anti-Corruption: Principles and Prohibitions

At Toyota Motor Europe (TME), we believe that integrity is non-negotiable. We are committed to conducting business in a lawful, ethical, and transparent manner. Bribery and corruption are not only illegal in most jurisdictions, they are fundamentally incompatible with our values.

We expect all our business partners to uphold these same standards. This means complying with all applicable anti-bribery and anti-corruption laws and regulations, as well as with these Guidelines or equivalent standards.

Zero Tolerance for Corruption

TME strictly prohibits all forms of bribery and corruption. This includes:

- Offering or accepting bribes (money, gifts, favours, or anything of value)
- Using third parties (e.g. agents, consultants) to carry out improper acts
- Making facilitation payments (small unofficial payments to speed up routine actions)
- Engaging in extortion, abuse of power, embezzlement, or money laundering

Anti-Bribery

Corruption / bribery is illegal in many countries and regions. Therefore, in their dealings with TME and/or any TOYOTA entity, all Business Partners are expected to comply with these Guidelines or guidelines which are substantially similar to these Guidelines, as well as with all applicable laws and regulations.

Business Partners must never be involved in corruption / bribery acts, whether directly or through third parties, such as, for example, advisors, consultants, agents or intermediaries.

A certain conduct that may be tolerated in a particular country may not be permitted in light of global standards, and a certain conduct that was formerly lawful and tolerated may subsequently become illegal or no longer tolerated.

1. Our Core Principles

TME does not tolerate any form of bribery or corruption—whether direct or indirect, active or passive, involving public officials or private individuals.

This includes:

- Active bribery: Offering, promising, or giving anything of value to influence a decision.
- Passive bribery: Requesting, agreeing to receive, or accepting anything of value in return for improper conduct.
- Third-party bribery: Using intermediaries (e.g. agents, consultants, suppliers) to carry out or conceal bribery.
- Other corrupt acts: Extortion, abuse of power, embezzlement, money laundering, or similar criminal behaviour.

TME will not engage in business with any individual or entity involved in such practices. If a business partner is found to be involved in bribery or corruption, TME reserves the right to terminate the relationship immediately.

2. What is prohibited?



2.1. Bribery and Corruption

Business partners shall comply with all applicable anti-bribery and anti-corruption laws and regulations and must not:

- Offer, promise, or give anything of value to influence a decision or gain an unfair advantage.
- Request, agree to receive, or accept anything of value in return for improper conduct.
- Authorize or tolerate such behaviour by third parties acting on their behalf.

This applies globally, regardless of local customs or whether the bribe is accepted or results in any benefit and, whether directly or through any third party.



2.2. Legal and Reputational Risks

Acts of corruption/bribery undertaken by the business partner may expose TME and/or any TOYOTA entity, as well as the business partner itself, to severe legal/criminal liability.

Engaging in bribery or corruption can lead to:

- Criminal prosecution, including imprisonment and fines
- Reputational damage to TME, its affiliates, and the Toyota brand
- Termination of contracts and business relationships

Even if no benefit is received, or the bribe is refused, the act itself can still result in liability for both the business partner and TME.

The business partner, therefore, has an obligation to avoid any acts, practices or conduct which may be considered or misconstrued as acts of corruption/bribery when the business partner is dealing with a public official or any other third party in the framework of its activities or conduct of business for, with or in connection with TME and/or any TOYOTA entity.



2.3. Public Officials

Special care must be taken when dealing with public officials. These include:

- Government employees (local, regional, national)
- Officials of public authorities or state-owned enterprises
- Members of political parties or candidates
- Employees of international organizations (e.g. EU institutions)
- Anyone acting on behalf of the above

If you are unsure whether someone qualifies as a public official, consult your TME contact or compliance officer.



2.4. What Counts as a Bribe?

A bribe can be:

- Cash or cash equivalent
- Gifts, entertainment, or hospitality
- Travel expenses or sponsorships
- Employment offers or internships
- Donations or charitable contributions

- Any other benefit intended to influence a decision or reward improper conduct

Even small or symbolic gestures can be considered bribes if they are intended to gain an unfair advantage.



2.5. Facilitation payments

Facilitation payments—small unofficial payments to speed up routine actions—are strictly prohibited. These are considered bribes under TME policy, regardless of local practices.

Facilitation payments made by a business partner for the purpose of obtaining a favour or advantage in the conduct of business for TME and/or any TOYOTA entity may expose TME and/or such TOYOTA entity, as well as such business partner involved in such act, to legal/criminal liability.



3. Gifts and hospitality

The tradition of giving and receiving gifts and hospitality is recognised as an established part of doing business. While modest gifts and hospitality may be part of business culture, they must never be used to influence decisions.

Business partners must:

- Avoid offering gifts or hospitality to TME employees unless explicitly permitted
- Always check with the relevant TME division before offering anything
- Apply the same standards when receiving gifts or hospitality from TME employees

As a general rule, TME does not encourage its employees to accept gifts and hospitality from any business partner. Therefore, TME does not encourage its business partners to offer gifts and hospitality to employees of TME.

Employees of TME must comply with certain rules and guidelines with regards to accepting gifts and hospitality. Therefore, if a business partner wishes to offer a gift or hospitality to any employee of TME, it must always pro-actively verify that such offering is in line with TME's rules and guidelines before actually offering such gift or hospitality (for example, by pro-actively requesting an explanation about the rules and guidelines from the management of the division within TME which the business partner is dealing with), even if such offering would be compliant with the business partner's own rules and guidelines.



4. Implementing these guidelines

The business partner should raise awareness of the applicable anti-corruption/anti-bribery laws and regulations, as well as these Guidelines, among its employees in an appropriate manner by, for example;

- a. having a proper anti-bribery policy or guidelines;
- b. raising awareness through training programmes;
- c. instructing its employees to internally report any facts, suspicions, doubts or concerns about acts of corruption /bribery or any involvement in any act of corruption/bribery, etc.) immediately.

In addition, the business partner should raise awareness of the prohibitions and obligations in these Guidelines among the business partner's own business partners in the conduct of business with, for or in connection with TME and/or any TOYOTA entity.

If a business partner is involved in an act of corruption/bribery, TME may terminate any contractual relationship with such business partner with immediate effect and without being liable for any compensation to such business partner.

Conflict of interest based on personal interests of TME employees in business partners

A conflict of interest—whether real or perceived—can compromise this integrity and damage trust.

This section outlines how business partners must help prevent and address conflicts of interest involving TME and/or any TOYOTA entity employees.

1. What Is a Conflict of Interest?

A conflict of interest arises when an employee of TME and/or any TOYOTA entity has a personal interest in a business partner that could interfere with their ability to act in TME's and/or any TOYOTA entity's best interest. Even the appearance of such a conflict can be damaging.

Examples of Personal Interest

A "personal interest" may include (but is not limited to):

- Holding a financial stake (direct or indirect) in a business partner or its affiliates
- Having a close personal relationship (e.g. family, romantic, or long-standing friendship) with someone at the business partner
- Any relationship that goes beyond a professional one, and could influence decision-making

2. What Is Expected from Business Partners

To help prevent conflicts of interest, business partners must:

- Avoid creating or contributing to situations where a TME employee has a personal interest in the business partner
- Promptly report any such situations they become aware of, including:
 - The name of the TME employee involved
 - The nature of the personal interest

3. What happens if a conflict arises?

If TME or a business partner becomes aware of a conflict of interest:

- Immediate action must be taken to resolve the situation where feasible
- If the business partner has contributed to or failed to resolve the conflict, TME may;
 - Terminate the business relationship immediately
 - Do so without any obligation to compensate the business partner

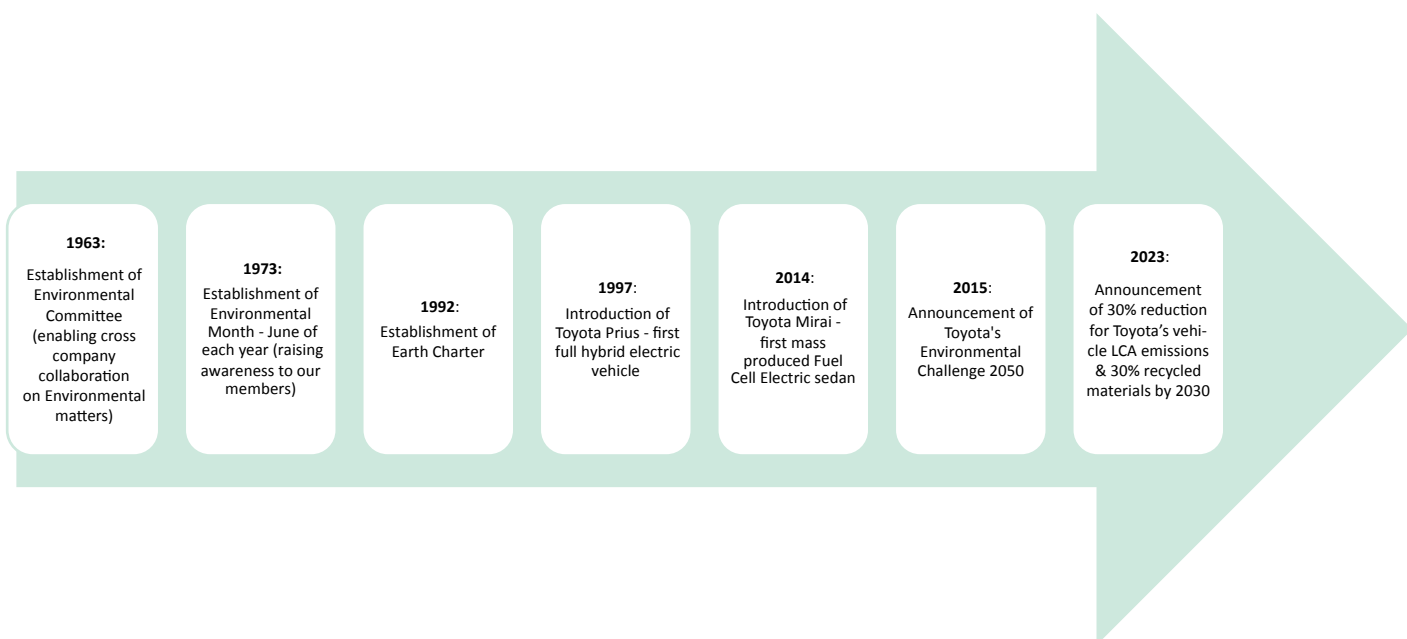
Review of these guidelines

These Guidelines are subject to applicable anti-corruption / anti-bribery laws and regulations, and can be adjusted or modified from time to time based on changes to such applicable laws and regulations, to TME's policies and/or improvement activities. Any changes to these Guidelines procedures will be published on TME's public corporate Web site and this Web site should be regularly consulted by the Business Partners for the up-to-date version of these Guidelines. In line with Toyota's basic quality policy, we strongly cooperate with our Suppliers to meet and even exceed our Customers' quality expectations. We support our Suppliers both during production preparation and mass production stages to assure good quality parts to be installed on Toyota vehicles and delivered to our Customers.



Toyota Motor Europe – Environment

Toyota regards environmental protection as a top priority. Our commitment extends to all our operations and has been embedded in long term business planning.



Toyota's Global Vision defines our spirit of "Contributing to society through manufacturing cars" with the focus on providing high quality products and services that bring a smile to the face of our customers in an environmentally conscious manner. We are continuously working to improve our environmental performance throughout our own operations and count on our suppliers to take a similar approach. To this end, TME asks suppliers to take an active approach in environmental initiatives in their business activities, as well as ensuring mandatory legal compliance. Such environmental initiatives include the reduction of energy consumption and of greenhouse gas emissions, the minimization of water usage, the reduction of waste and a drive to eliminate the use of Substances of Very High Concern (SVHC).

Toyota Environmental Challenges (TEC2050)

In 2015, Toyota launched six ambitious challenges that are addressing key global environmental issues such as climate change, water shortages, resource depletion and degradation of biodiversity. By setting these challenges, Toyota globally is committed to continuing toward the year 2050 with steady initiatives in order to realise a sustainable development of our society.

We will strongly cooperate with our suppliers and we will provide possible support both during production preparation and mass production stages in order to consolidate new ideas, dynamism, and technology to tackle together the realisation of a truly sustainable society.

Discover more on TEC2050 at [Toyota Environmental Challenges](#)

Relationship between Toyota Environmental Challenge 2050 and SDG:



Environmental Initiatives Related to Supplier Business Activities

1. Enhancing and Reinforcing Environmental Management

1.1. Establishing an Environmental Management System

For over 20 years, Toyota Motor Europe maintains an Environmental Management System (EMS) to improve environmental performance. We request our suppliers to maintain (or in case of not having an EMS: to acquire) their own Environmental Management System - certified & verified by a third party.

An EMS provides a framework for managing environmental responsibilities efficiently in a way that is integrated into the overall operations. ISO 14001 or EMAS are two commonly implemented Environmental Management System standards that are designed to address the balance between maintaining profitability and reducing environmental impact.

Convinced about the benefit of such an approach, Toyota itself ensures that all its European sites - production plants, parts and vehicle logistic sites, national marketing and sales companies, Head Office and R&D Centre - are ISO 14001 certified.

Toyota expects its suppliers to implement a certified Environmental Management System (for example ISO 14001 or EMAS). We expect our suppliers to provide Toyota Motor Europe their latest valid certificates. We recommend our suppliers to systematically control and promote environmental protection activities.

Finally, in order to manage the entire supply chain, we recommend our suppliers to advise and direct on Environmental Management System towards their upstream suppliers.

Documents to be submitted	When & how to submit
Proof of ISO14001, EMAS or other Environmental Management System	Candidate or Existing suppliers: Submit via platform defined by Toyota Purchasing or to your Purchasing contact upon request.

1.2 Management of Products and Materials delivered to Toyota

REACH and other Chemical Regulations

REACH is a European Regulation that came into force in 2007 with the aim to ensure manufacturing, placing on the market and use of chemicals that do not affect human health and the environment. For Toyota Motor Europe, all substances - on their own, in mixtures or in certain articles - which are produced, imported or used in quantities totalling over one tonne per year shall be classified and registered to ECHA (European Chemicals Agency). Registration numbers of the substances shall be provided to TME upon request.

Other REACH requirements may also apply, depending on the type of chemicals (if either they contain SVHC or not) and quantities that are placed on the market. Such requirements are, for example, communication to downstream users about SVHC content, notification, authorisation, or restriction.

EU REACH is often taken as an example and copied or adapted in non-EU countries as well. Therefore, Turkish REACH or UK REACH or any other relevant local chemical regulation should be considered.

Please be aware that the general rules for producing, importing, and using chemicals within the EU are set in REACH. However, REACH is complemented by other EU legislations such as CLP (Classifying, Labelling and Packaging), BPR (Biocidal Products Regulation) or those on nano-materials. In addition, besides the European Regulations on Chemicals and the Japanese Chemical Substances Control Law, North America and Asia are introducing their own regulations. Therefore, it is important to cooperate in order to collect information on the chemical content of our products and manage our supply chain.

Material Safety Data Sheets, Labelling and IMDS data

TME and EMC operations are committed to comply with all the applicable rules and regulations - including REACH (1907/2006 EC) and CLP (1272/2008 EC) - relating to the provisions and use of Safety Data Sheets (SDS) & safety labelling. All articles and materials that are classified as hazardous have to be packaged, marked, labelled, and documented in accordance with all applicable regulations to ensure clear hazard communication.

SDSs shall be pro-actively provided by supplier and prepared/updated according to changes in legal requirements and material composition. SDS approval is required before the launch of a new part or material.

TME and EMCs will ensure that all Toyota employees involved in the handling of parts and materials with a SDS are trained in order to perform their job safely.

Key points for SDS and Labelling:

- The product label and SDS data must include consistent information in accordance with current European, UK, Turkish and Russian legal requirements, and this, in the local language;
- SDS must be updated each time there are changes in legal requirements or in material composition and it must be supplied with the first delivery of the product;
- A copy of any revised SDS shall also be sent to the relevant purchasing contact or hazardous material supply chain contact (hazmat@toyota-europe.com) as well as Production Engineering in case of Toyota manufacturing plant.

Transportation Testing for Lithium Batteries and Cells – Standard UN 38.3

Lithium batteries have been identified as Class 9 dangerous goods during transport as a result of a potential fire hazard. Distributors of lithium batteries are required to provide the LiBTR to anyone in the supply chain, including TME, as mandated by the Dangerous Goods Regulations.

A copy of the LiBTR shall be sent to the hazardous materials supply chain contacts (hazmat@toyota-europe.com).

Management of Elimination/Reduction in use of Substance of Concern.

In order to comply with legislation, all suppliers are requested to deliver parts and raw materials in compliance with laws, Toyota standards and Quality Management Manuals, as described in the table below:

Management of elimination /reduction in use of Substances of Concern	Business Partners							Documents to be submitted		
	OE Parts	Direct Materials	Indirect Materials Design and construction, including Equipments, Cleaning, Landscaping)	Vehicle	Service Parts	Accessories	Packaging materials	Documents required	Submit to whom	Due date
<p>Development/Design/Mass production stage</p> <ul style="list-style-type: none"> Follow Toyota Technical Standard TSZ0001G "Control Method for Substances of Environmental Concern", when managing information on use of Substances of Concern, and reducing or eliminating their use. Please use the latest version of TSZ0001G as it is revised in accordance with regulation developments in any region. <p>We may check the status of your products with regard to substances in all stages. In case of request (i.e survey), please respect the due date.</p>										
<ul style="list-style-type: none"> Toyota uses IMDS-based material data management globally as a tool for controlling chemical substances as well as vehicle recyclability rates. The flow of data must reflect the flow of materials and components, so the material data must pass along the supply chain. Suppliers should proactively provide IMDS data for new parts and part changes which require a resubmittal according to the required timing. The IMDS reporting requirement for new parts does not supersede other TMC/TME requirements such as those for recyclability/SOC compliance. For data entry into IMDS, please refer to the following documents: <ul style="list-style-type: none"> IMDS User Manual IMDS manual for Toyota options IMDS FAQ document for Toyota option Additionally, Toyota may also ask IMDS data or other evidence (i.e analyse report) for supplementary articles. We may ask you for an overview of your chemical management process internally and also through the supply chain. Please be aware that we may perform process audit to business partners where necessary. 							Material data (IMDS)	IMDS	90 days following drawing, ECI or PCR release or by fixed due date as requested by Toyota (whichever comes first)	
<ul style="list-style-type: none"> Control and prevent use of Substances of Concern: expectations towards suppliers are described in the Supplier Quality Assurance Manual (SQAM) Chapter 10, Raw Material SQAM (Section 2.6) and are accessible through the Quality Information System (QIS) 							Please consult SQAM, Ch. 10			

Management of elimination /reduction in use of Substances of Concern	Business Partners							Documents to be submitted		
	OE Parts	Direct Materials	Indirect Materials Design and construction, including Equipments, Cleaning, Landscaping)	Vehicle	Service Parts	Accessories	Packaging materials	Documents required	Submit to whom	Due date
<p>Packaging materials at supplier</p> <ul style="list-style-type: none"> Please follow the Packaging Manual issued by your Toyota contact. When introducing new packaging material, select materials that do not contain any of the prohibited or restricted substances specified in TSZ0001G. When delivering the initial version of newly-adopted packaging material, ensure elimination in use of the 10 SoCs mentioned in SQAM Ch.10, but also of any other product prohibited by relevant regional and local regulation (REACH, CLP,...). Please consider the use of environmentally friendly Rust Preventive Material (†VCI): Toyota Motor Europe may provide contacts of current Business Partners which have received prior approval by Toyota. <p>Reason: Packaging material from current Business Partners are already submitted to European Chemical Agency</p> <p>†VCI = Volatile Corrosion Inhibitor</p>							<p>Declaration of no use of banned SoC</p> <p>Report of contents</p> <p>Packaging specification sheet (if you have connection, input via "Supplier Portal")</p>	For Parts & Accessories: to TME FHSEP-PQ contact	When delivering newly-adopted packaging materials	
<p>Heavy metal ban</p> <ul style="list-style-type: none"> Please make parts containing heavy metals identifiable, according to the ELV directive 2000/53/EC art. 4.2.(b)(iv) and Annex II, in order to avoid contamination of recycled materials 										
<p>Introduction of new chemical material [substance, mixture or article with an intentional release] to Toyota manufacturing</p> <p>The introduction of any new chemical material needs to be approved by:</p> <ul style="list-style-type: none"> Direct material: Production Engineering through the Chemical Change Procedure and at European Manufacturing Companies through local procedures. Indirect material: European Manufacturing Companies through local procedures. Materials that are used by contractors (construction, cleaning and landscaping companies as well as equipment suppliers): European Manufacturing Companies through local procedures. <p>Any of these new chemical materials, must not contain any of the banned substances found in Toyota Standard TMR SAS0126n and must comply with REACH, CLP and any other European and local regulation(s).</p> <p>Provide either supplier data or TMC test data for VOC content (g/l or %w/w) and density (specific gravity) of the following Direct materials:</p> <ol style="list-style-type: none"> All coating materials, paints, including but not limited to, electrodeposition (ED), sealers, underbody coats, sound dampening coats, primers, basecoats, clearcoats, repair paints, blackout paints, special finishes, cavity waxes, polishes, bi-tone finishes, aftermarket finishes, re-finishes. hinge wax and anti-corrosion wax. All adhesive materials, including but not limited to body primers, part primers, glass primers, adhesives, glues, seam sealers, spot cleaners and cleaning wipes. 							EU/UK/TK REACH compliant up to date MSDS [material safety data sheet] in English [local language will be required for usage]	To Toyota responsible for the chemical material introduction	Latest 1 month before 1st usage	

Management of elimination /reduction in use of Substances of Concern	Business Partners							Documents to be submitted		
	OE Parts	Direct Materials	Indirect Materials Design and construction, including Equipments, Cleaning, Landscaping)	Vehicle	Service Parts	Accessories	Packaging materials	Documents required	Submit to whom	Due date
<p>Management of existing chemicals [substance, mixture or article with an intentional release] at Toyota manufacturing</p> <p>In case of:</p> <ul style="list-style-type: none"> - Chemical material composition change - Chemical regulation change <p>Please update the MSDS and send the updated version for re-approval [following same procedure as for introduction of new chemical material].</p>								EU/UK/TK REACH compliant up to date MSDS [material safety data sheet] in English [local language will be required for usage]	To your relevant purchasing contact	As soon as the change is recognized
<p>Management of chemicals in packaging materials</p> <p>During introduction of any new Packaging, please send declaration of compliance with Packaging and Packaging Waste Regulation (PPWR) and/or Packaging Essential Requirements Regulation (PERR), specifically mentioning following requirements:</p> <ul style="list-style-type: none"> · meeting heavy metal limits, · recycled content in packaging, · the presence of harmful substances in packaging, including restrictions on PFAS (per- and polyfluoroalkyl substances). <p>Heavy Metal Limits: The aggregate heavy metal limits apply to cadmium, mercury, lead and hexavalent chromium in packaging components and require that the total by weight of such metals should not exceed 100 ppm (subject to some exemptions).</p>								Supplier declaration, compliant with PPWR / PERR	To your relevant PC Logistic / Purchasing contact	1 month before introduction of any new packaging
<p>Introduction of new chemicals at Toyota Supply Chain</p> <p>In case of the introduction of new substances, mixtures or articles (eg. pyrotechnics, batteries), a SDS need to be provided</p> <p>Materials that are used by contractors at SC local centres (construction, cleaning and landscaping companies as well as equipment suppliers), approval (incl. SDS) need to be obtained through local procedures</p>								EU/UK/TK CLP compliant up to date SDS in English	Hazmat SC contact hazmat@toyota-europe.com	Latest 1 month before start of production
<p>Management of existing chemicals [substances, mixtures or articles, such as pyrotechnics, batteries] at Toyota Supply Chain</p> <p>In case of:</p> <ul style="list-style-type: none"> · Chemical material composition change · Chemical regulation change <p>Please update the SDS and send the updated version for re-approval</p>								EU/UK/TK CLP compliant up to date SDS in English	Hazmat SC contact hazmat@toyota-europe.com	As soon as the change is recognized
<p>In case of parts/articles supplied on their own, or installed in a device to TME, in order to guarantee the safety along the Supply Chain, a Lithium battery test report need to be provided</p>								UN 38.3 LIBTR	Hazmat SC contact hazmat@toyota-europe.com	Latest 1 month before start of production

 Not applicable

Annual Chemical Management Process Self-Assessment

Applicable to suppliers of Parts, Direct material, Accessories & Components Raw Materials

- i. Toyota is committed to continuously improve product chemical management practices. Toyota suppliers are required to complete a survey on their chemical management initiatives annually for each supplier code location that has a different chemical management process. All survey questions are mandatory.
- ii. The survey is used to collect information on how Toyota suppliers practice chemical management. This information presents the opportunity to share best practices and collectively work together to make improvements.
- iii. The survey results will be analysed by a scoring system. The individual supplier score will be compared to the maximum possible score and the average score of all European suppliers in Process, Implementation, and Overall.
 - a. The supplier ranking zones are used to compare a single supplier's overall score with the average total score of all European suppliers.
 - b. Each supplier is given a score in each survey category based on how the supplier answers each question. The scores are based on the supplier's process and implementation of product chemical management.
- iv. A feedback sheet will be provided to each supplier with their individual survey results. Each supplier is required to review the feedback sheet for areas of improvement and create an improvement plan.
- v. TME will select a limited number of suppliers to meet with and review their self-assessment results and improvement plan.
- vi. Suppliers' chemical management capability can influence our compliance. Suppliers must respond promptly and provide accurate, high-quality survey feedback.

Ad-Hoc Surveys

Applicable to suppliers of Parts, Direct material, Accessories & Components Raw Materials

Toyota may periodically survey suppliers to determine substance use in parts, raw materials, their respective packaging, or manufacturing. Suppliers must respond to ad hoc substance use surveys via the requested format by the due date for all applicable supplier codes.

2. Regulations

The following items summarize key EU legislation that will have to be taken into account by EU importers/suppliers, but will also have an indirect impact on non-EU suppliers due to their business in Europe with TME.

In accordance with regulations, suppliers are required to submit accurate & up to date supply chain mapping data. To support this, TME has developed a supply chain mapping tool. All suppliers of TME are expected to confirm, correct and submit information about their entire supply chain via this tool.

The data will support us to assess compliance with human rights, labour, and environmental standards, and to fulfil our legal and ethical obligations.

2.1 Conflict Minerals

To eliminate the sources of funds for armed groups violating human rights in the Democratic Republic of the Congo (DRC) and its surrounding countries, Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502 was passed in United States in July 2010, to track the supply chain to confirm use of Tin, Tungsten, Tantalum & Gold (3TG). Moreover, European Union Mineral Regulation that took effect as of 1st January 2021, requires all EU importers of 3TG & metals to provide sourcing and chain of custody of conflict minerals.

Suppliers should support Toyota to meet legislative requirements, i.e. Dodd Frank Act, and the completion of Conflict Minerals Reporting Template (CMRT). TME requires all Tier 1 suppliers to complete CMRT for parts and raw materials supplied to TME every year. To ensure compliance with reporting requirements, each manufacturer in the supply chain must request information from all relevant direct suppliers, who in turn, must obtain that information from the next tier of suppliers.

TME would recommend suppliers to follow OECD five-step framework for risk-based due diligence for responsible supply chains of minerals from conflict-affected and high-risk areas:

Step 1: Establish strong company management systems. In particular, companies should adopt a company policy and clearly communicate it to suppliers; structure internal management to support supply chain due diligence; establish a system of controls and transparency over the mineral supply chain; strengthen company engagement with suppliers; establish a grievance mechanism as an early-warning risk-awareness system.

Step 2: Identify and assess risk in the supply chain.

Step 3: Design and implement a strategy to respond to identified risks. In particular, this includes reporting findings of the supply chain risk-assessment to senior management; devising and adopting a risk management plan; implementing the risk management plan and monitoring and tracking performance; undertaking additional fact and risk assessments for risks requiring mitigation, or after a change of circumstances.

Step 4: Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain.

Step 5: Report on supply chain due diligence.

TME extends the request to suppliers to track additional minerals such as Cobalt, Copper, Natural Graphite, Lithium, Mica and Nickel.

2.2 EU Regulation concerning Batteries & Waste Batteries

The EU Battery Regulation lays down requirements for more sustainable batteries throughout their entire life cycle, from sourcing of raw materials to performance and durability aspects as well as end of life management. TME expect suppliers to be aware of and comply with the relevant requirements of the EU regulation on batteries and waste batteries. Special attention needs to be given to supply chain due diligence policies and transparency in the supply chain for items such as carbon footprint, human rights due diligence and usage of recycled materials.

2.3 EU Deforestation: (Land use and Deforestation)

Suppliers should confirm compliance with the EU Deforestation Regulation (EUDR) requirements, ensuring any relevant commodities referred to in Article 1 of the regulation - such as natural rubber, wood (and wood-derived products such as paper), cattle (and cattle-derived products such as leather) - used in our products are deforestation-free, and have been produced in accordance with national legislation in the country of production. The Supplier should exclude relevant products with unknown or illegal origin.

2.4 EU Regulation on Forced Labour

The EU has recently adopted new rules that prohibit the placement and availability of products made with forced labour on the EU market. TME expects its suppliers to be aware of this regulation and to ensure full compliance once it is applicable. Upon request, suppliers must provide Toyota Motor Europe with relevant, reliable, and verified supporting documentation that demonstrates the absence of forced labour in the products supplied to TME. This will support TME to meet its compliance obligations with the competent authorities.

2.5 EU Regulation concerning Corporate Sustainability Due Diligence

The EU has adopted the Corporate Sustainability Due Diligence Directive (CSDDD) for companies to respect human rights and environment in global value chains. Companies are expected to identify and, where necessary, take action to mitigate adverse impacts of their activities. TME expects suppliers to be aware of and, once the legislation comes into force, comply with the relevant requirements of the EU directive on due diligence. Special attention needs to be given to supply chain due diligence policies and transparency in the supply chain for items such as child labour and exploitation of workers, and on the environment, for example pollution and biodiversity loss.

2.6 EU Regulation concerning Carbon Border Adjustment Mechanism

With the Green Deal and the Fit for 55 package, the European Union is accelerating the speed towards climate neutrality. Several regulations targeting the CO₂ content / footprint of goods are under preparation that might impact the business activity of suppliers, e.g., the Carbon Border Adjustment Mechanism (CBAM).

The Carbon Border Adjustment Mechanism Regulation (CBAM) aims to equalise the price of carbon between EU products and imports. Once it is in effect, EU importers will have to buy carbon certificates corresponding to the carbon price that would have been paid, had the goods been produced under the EU's carbon pricing rules. The price of the certificates is planned to mirror the EU ETS price. Details of the regulations are not finalised yet.

TME expects suppliers to be aware of and comply with the relevant requirements of the CBAM. Special attention needs to be given to the reporting of the carbon content of the products to be imported into the EU. TME also expects suppliers to be aware of any extension of CBAM to do downstream goods, that may be relevant.

3. Carbon Neutrality

The European Union has set an ambitious objective to become the world's first climate-neutral continent by 2050. This objective is at the heart of the European Green Deal and in line with the EU's commitment to global climate action under the Paris Agreement. To get there, all EU27 member states pledged to reduce emissions by at least 55% by 2030, compared to 1990 levels. All parts of society and all economic sectors will play a role, including the automotive industry.

Toyota fully supports the Carbon Neutrality Challenge and has set a global target by 2050. This is reflected in the Toyota goal to remove carbon emissions from the manufacturing of the materials and parts we use, from our logistics activities and from the disposal and recycling methods employed when vehicles reach the end of their life cycle, under Toyota Environmental Challenge number 2. In Europe, Toyota Motor Europe (TME) has declared the ambition to become Carbon Neutral at the latest by 2040. Suppliers are therefore expected to reduce their CO₂ emissions of parts and materials supplied to TME by 50% by 2030 on scopes 1,2&3 (compared to 2019 level) and make them carbon neutral at the latest by 2030 for scopes 1&2 and 2040 for scope 3.

Supplier's formal commitment to these targets is taken into account in business award decision.

To support these objectives, suppliers are encouraged to:

1. Transition to low-carbon electricity sourcing
2. Reduce carbon footprint of raw materials
3. Plan to eliminate fossil fuels from processes and products in their supply chains

Offsets should be reserved for unavoidable emissions, and only high-quality, certified offsets should be used.

Currently there are two reporting standards to quantify the carbon footprint; Greenhouse Gas Emissions (GHG) Protocol & Life Cycle Assessment (LCA) Protocol. Both standards are instrumental in helping Toyota to measure, identify hotspots & reduce our CO₂ emissions. We will continue our activities for GHG Protocol which will help to see the Carbon footprint & reduction efforts on a plant level. In parallel, TME will expand the work on Life Cycle Assessment, to gain deeper insights into part-level emissions, identifying opportunities for changes to the design or processes contributing to CO₂ reductions at parts & material level. Further details are provided in the following sections.

3.1 Reduction of Greenhouse Gas Emissions

Toyota evaluates greenhouse gas (GHG) emissions throughout the product life cycle and strives to significantly reduce them in order to contribute to a low-carbon society.

We expect suppliers to take an active approach to reduce GHG emissions of the delivered products.

Reduction of GHG emissions by materials purchased

To contribute to TME carbon neutrality 2040 ambition, TME has set a target to reduce CO2 emissions from manufacturing of materials and parts we use by 50% by 2030 (compared to 2019 level).

We recommend our suppliers to implement initiatives to reduce GHG emissions of the purchased materials, such as:

- Reduce use of raw materials by reducing the weight of parts;
- Promote low GHG emission raw materials during production;
- Promote use of recycling materials;
- Promote use of biomass based materials.

Reduction of GHG emissions at suppliers' operations

We request our supplier to manage and reduce actual GHG emissions at all operations (including plants, R&D facility, office, sales office, logistics facility).

Reduction of GHG emissions from Toyota's logistics partners

TME targets to reduce carbon emissions of our logistics operations by 33% by 2030 (compared to 2019 level) and become carbon neutral by 2040. Logistics partners who are contracted to carry out logistics services for TME are expected to reduce GHG emissions in line with the targets. In order to make progress towards the targets, logistics partners are expected propose their carbon neutral solutions and report periodically on the status of their activities including providing data on emissions, if requested.

Reduction of GHG emissions from development through to disposal and recycling

At design and development stage of the delivered products Toyota suppliers are requested to take into consideration GHG emissions reduction. In addition, suppliers have to consider proper treatment, reuse, and recycling at disposal stage of end-of life products.

Reduction of packaging materials

Suppliers which develop and deliver parts or packaging equipment to Toyota are requested to take efforts to reduce use of packaging and wrapping materials which are associated with high GHG emissions. During packaging design, the impact on the environment at each step of the packaging life cycle should be taken into account. Suppliers shall aim for optimal balance between parts quality, material use and logistics handling.

In any case, applicable regulation on packaging must be fulfilled including Direct 2018/952/EU and implementation of upcoming PPWR 2025/40.

3.2 Promotion of Environmental Management through the whole Life Cycle Thinking

It is important to consider the full environmental impacts of our vehicles during their lifetime - Life Cycle Assessment (LCA)- being CO2 emissions or other impacts such as acidification.

To achieve the objective of our Life Cycle Zero CO2 Emissions Challenge we are working on more environmentally friendly vehicles, for e.g., using raw materials with lower amounts of CO2, designing vehicles with fewer parts, using biomaterials from renewable sources, or making our vehicles easier to dismantle and recycle.

TME suppliers will play an important role to reduce the LCA impacts of future generation vehicles compared to their predecessors. TME is currently working on developing a LCA data gathering tool & will share further information/requests when the tool is ready. TME welcomes your ideas and suggestions on design of parts, choice of material or new manufacturing technologies that will reduce the LCA impact of our vehicles.



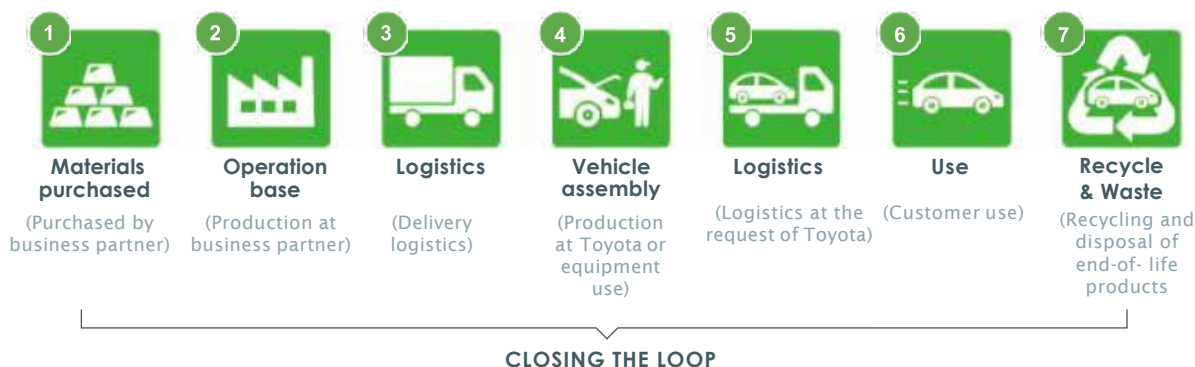
Life Cycle Thinking (LCT) and Life Cycle Assessment (LCA) are essential to Toyota as a global company. We are making efforts to reduce the environmental impact at each stage of the product life cycle. The objective is to discover how much we have improved the new generation product in comparison to the previous one and to ensure that all the learnings are integrated into the new product design and development.

LCT is the process of taking into account in decision making both resources consumed and the environmental and health pressures associated with the full life cycle of a product, from design stage to the final recycling.

LCA is an internationally standardized methodology (ISO 14040 series) that supports LCT and it helps to quantify the resources consumed and the potential environmental impacts of the product.

In order to promote LCT and LCA, Toyota requests its suppliers to implement initiatives to reduce the CO2 footprint throughout the product life cycle of the delivered products.

Product Life Cycle Thinking Scheme



Documents to be submitted	When & how to submit
Parts environmental performance data	Potential and existing Suppliers: to be submitted upon request to your Toyota Purchasing contact

4. Reduction of impact on water environment

Water Stewardship and Supplier Expectations

Global demand for water is increasing rapidly, while at the same time due to climate change water is becoming scarcer in many regions. Toyota is actively working to promote responsible water usage and improved efficiency across its operations. These efforts are tailored to reflect the specific environmental conditions of each country and region in which Toyota operates.

Key initiatives include reducing water consumption in existing manufacturing processes and enhancing water reuse rates. Given the significant variation in water availability and quality across Toyota’s global footprint, Toyota Motor Europe (TME) is committed to implementing regionally sensitive measures that address local water challenges.

As part of this commitment, TME calls on its suppliers to minimize the impact of their operations on water resources to the greatest extent possible.

Reducing Water Impact Across Operations

Suppliers are expected to implement water conservation measures across all operational areas, including production facilities, logistics, offices, R&D centres, and sales operations. Recommended actions include:

- Minimizing overall water consumption
- Utilizing rainwater where feasible
- Recycling water within manufacturing processes
- Enhancing the quality of discharged water
- Preserving water at the source of intake

In cases where chemicals are released in wastewater, suppliers must ensure that these substances do not pose a risk to aquatic ecosystems and are compatible with standard physio-chemical treatment processes.

5. Promotion of resource recycling

Re-usability, Recoverability, Recyclability (RRR)

In March 2020, the European Commission adopted the new circular economy action plan. It is one of the main building blocks of the European Green Deal. This new circular economy action plan announces initiatives along the entire life cycle of products. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented, and the resources used are kept in the EU economy for as long as possible.

In particular, this circular economy approach is reflected in the increasing recycled content in products, while ensuring their performance and safety, enabling remanufacturing and high-quality recycling.

TME supports this circular economy mindset that enables the LCA reduction of future vehicle production and is setting internal targets for recycled materials being plastics, metals, or other material.

We encourage our suppliers to collaborate with TME from the design stage to propose how to increase the recycled content of some material or to propose recycled material as alternatives from virgin material. We are also considering design for recycling for future closed loop production system.

Toyota is working on improving the re-usability, recoverability and recyclability rate and reducing the volume of automotive shredder residue (ASR), in line with the EU End of Life Vehicle (ELV) Directive 2000/53/EC.

Since December 2008, the '3R' certificate (Directive 2005/64/EC on the type-approval of motor vehicles with regard to their re-usability, recoverability and recyclability) is mandatory for new vehicle types under Whole Vehicle Type Approval (Directive 2007/46/EC).

In order to calculate the re-usability, recoverability and recyclability rate of a vehicle, material data is collected through the supply chain. To this end, Toyota's suppliers are requested to input the data for their responsible parts into IMDS (International Material Data System).

	Weight	Mandatory/ Voluntary	Requirements
Rubber parts	>200 g	Mandatory	Follow material labelling system for plastic/rubber parts
Plastic parts	>100 g	Mandatory	
	<100 g	Voluntary	Label as much as possible
Documents to be submitted	Types of products	When to submit	To who to submit
IMDS data	OE parts	Upon request	Material Engineering Division

In addition, in order to facilitate the identification of plastic/rubber parts that are suitable for reuse or recovery, we request our suppliers to label those parts by indicating that the material is in compliance with the relevant laws and regulations in Europe, Japan, Korea and USA. Labelling is to be done by following the material labelling guidelines of the European Automobile Manufacturers Association (ACEA).

Promotion of the Use of Renewable and Recycled Materials

Background

The European Commission's proposed ELV Regulation introduces mandatory recycled content targets and disclosure obligations for new vehicle types.

Note: Although the final text of the ELV Regulation is still under negotiation within EU institutions, its publication is expected in the coming months (Beg 2026)

Article 6 – Recycled Plastic Content

New type-approved vehicles must contain at least 25% recycled plastic, of which 25% must come from ELVs.

Article 10 – Recycled Content Declaration

Manufacturers must declare the recycled content of materials used in vehicles, including:

- Plastics
- Steel
- Aluminium
- Magnesium
- Rare Earths

This declaration is required at the time of vehicle type approval. These requirements are part of a broader push for circularity, traceability, and sustainability in automotive design and production.

Request to Suppliers

To comply with the upcoming ELV Regulation, Toyota requests all suppliers to:

- Declare recycled content (RC) in all applicable materials via IMDS.
- Ensure declarations cover:
 - Plastics (PCR/PIR)
 - Metals (Steel, Aluminium, Magnesium)
 - Rare Earths
- Follow IMDS Recommendation 025 for recyclate reporting.
- Submit certification or traceability documentation where applicable (e.g., ISCC, ISO 14021).
- Update IMDS entries within 3 months of any change affecting RC content.

Summary Table of Supplier Requirements

Items	Requirement
OE Parts	All parts submitted to Toyota
When to Submit	<ul style="list-style-type: none"> · During IMDS submission for chemical substance and recyclability rate. · Upon new part introduction or change affecting IMDS content.
Deadline for Updates	After release of new or modified part
Materials to Declare RC	Plastics, Steel, Aluminum, Magnesium, Rare Earths
Submission Format	IMDS Material Data Sheet (MDS)
Reference Regulation	EU ELV Regulation Proposal – Articles 6 & 10
Verification Required	Certification or traceability documentation (e.g., ISCC, ISO 14021)
Purpose	Compliance with vehicle homologation

Promote resource recycling of the delivered products (including service), resource recycling at all operations and in logistics

In order to promote car-to-car recycling, suppliers are requested to reduce resource use in the delivered products, to implement recycling activities within operations and to properly treat after use and to reduce the use of packaging materials in logistics. In addition, applicable suppliers are requested to discuss with the department in charge at Toyota for the material introduction and must submit the declaration of renewable resources and recycled materials upon request.

6. Establishing a society in harmony with nature

We request our suppliers to give a maximum consideration to biodiversity and implement initiatives in order to establish a society in harmony with nature.

Delivered products (including services) and activities at suppliers' operations which contribute to the preservation and enhancement of biodiversity and promote harmony with nature

TME requests that suppliers deliver products and implement activities within their operations with a focus on biodiversity and minimize negative effect on nature.

Furthermore, Toyota encourages collaboration and request suppliers to proactively propose products that contribute to biodiversity.

Deliver products that contribute to biodiversity

TME requests suppliers to develop products that minimize the effect on biodiversity, especially in case of using plant-derived raw materials. We will check, where necessary, if there is any effect on the biodiversity during raw material production.

Activities at suppliers' operations that contribute to biodiversity

TME requests suppliers to minimize the effect on nature during production. In addition, we recommend our suppliers to collaborate with local stakeholders and NGOs which promote nature conservation and develop such partnerships as much as possible in order to conserve biodiversity.

Activities at suppliers' operations that contribute to Animal Welfare

Suppliers should respect the five animal freedoms formalized by the World Organization for Animal Health (OIE) concerning animal welfare, which include freedom from hunger and thirst, freedom from Discomfort, freedom from pain, injury, and disease, freedom to express normal and natural behaviour; and freedom from fear and distress.

No animal should be raised and killed for the single purpose of being used in an automotive product. Suppliers should adhere to the 3Rs principles for animal testing within their operations. The 3Rs are:

- Replacement: Replace animals with non-animal methods where possible.
- Reduction: Reduce the number of animals used, using only enough to obtain scientifically valid results.
- Refinement: Refine animal use and care practices to minimize pain, suffering, distress or lasting harm to the animals

Suppliers should not cruelly or unnecessary cause injury to an animal and should take all the reasonable steps to avoid animal suffering in their operations.

7. Environmental Compliance

Toyota's compliance record and reputation depend on our actions, as well as the actions of our business partners. Therefore, we require our business partners to support and fully comply with all applicable environmental and hazardous materials/dangerous goods laws and regulations.

Many of Toyota's activities as well as those of our business partners are subject to local, state, provincial and federal laws that regulate, among other things, chemical management, air emissions, water discharges, greenhouse gas emissions, and waste treatment and disposal. These regulations vary by facility based on the type of equipment.

D

Toyota Motor Europe – Compliance with Sustainable Purchasing Guidelines

Compliance with Sustainable Purchasing Guidelines

Toyota will address compliance of these guidelines throughout the entire supply chain which supports our manufacturing efforts. It is our policy to ask all our suppliers to carefully read and understand these guidelines and take the initiatives necessary to ensure that they penetrate down through your supply chain.

To demonstrate your compliance with these guidelines, you must fully comply to the [minimum scope questions](#); your compliance status can be checked in SSS under ESG-SAQ module. If necessary, there may be times when we visit your plant or other facilities. There may be some cases where we accomplish this by having a third party carry out an audit. If a problem that violates these guidelines occur, we ask that you report it immediately and take steps to make the necessary improvements.

Speak Up – Reporting Concerns and Misconduct

At TME, we are committed to maintaining the highest standards of integrity and ethical conduct. We believe that everyone—members and business partners alike—should feel safe and empowered to raise concerns when they encounter behavior that may be unethical, unlawful, or in breach of our policies.

Speaking up is not only encouraged—it is essential to protecting our values and ensuring accountability.

When a business partner reports an instance or suspicion of bribery, conflict of interest or a breach of law, TME will handle the concern with care. A report will always be taken seriously and investigated properly.

What Happens When You Report a Concern

TME follows a structured and confidential process to handle reports:

- Acknowledgement

The Compliance Office will confirm receipt of your report within seven working days.

- Investigation

The Compliance Office may:

- Request an interview with relevant employees or third parties
- Access IT systems and review documents
- Form an ad hoc Compliance Committee to assess the matter
- Action

Based on the findings, TME will:

- Implement corrective measures
- Take disciplinary action if necessary (including termination of employment)
- Introduce systemic improvements to prevent recurrence
- Feedback

You will receive feedback within three months from the date of acknowledgement, unless the specific features of the case require more time to be assessed.

- Fairness and Transparency

Individuals involved in the investigation will be informed of the concerns and given an opportunity to respond.

- Legal Disclosure

TME may share relevant information with authorities if legal action or official investigation is required.

- Privacy and Confidentiality

All personal data processed during investigations will comply with applicable privacy and data protection laws. TME will maintain strict confidentiality, including the identity of the person reporting and those involved in the concern.

- Protection Against Retaliation

TME strictly prohibits retaliation against anyone who reports a concern in good faith, even if the concern is later found not to constitute a breach. This means:

- No harassment, discrimination, or disadvantage
- No penalization or victimization of the reporter
- Immediate action against any attempt to retaliate
- Whistleblowing Rights Under EU Law

Under EU law and the laws of Member States, whistle-blowers are protected when reporting concerns. You may choose to report:

- Internally via TME's reporting channels
- Externally to competent authorities
- Available channels:
 1. Global Speak Up Line (available 24/7, in multiple languages):
 - Online: [Link](#)
 - Email: SpeakUp@Toyota.com
 - Compliance Office (email): toyota.compliance@toyota-europe.com
 - Compliance Officer (email): Karel.De.Wilde@toyota-europe.com
 2. Local Whistleblower Hotline (available 24/7, in multiple languages):
 - From Belgium: 00800 72 33 22 55
 - Online: [Link](#)

You may report anonymously. TME strictly prohibits retaliation against anyone who raises concerns in good faith.

3. External channels:

You may report externally if:

- Internal channels are not functioning properly
- You fear retaliation
- Internal reporting did not lead to appropriate action

Glossary

ASR

Automotive Shredder Residue

Accessories

Genuine Toyota accessories installed at Toyota in order to give an added attribute to the vehicle
Examples: floor mats, navigation systems

CLP

The CLP Regulation 1272/2008 (Classification, Labelling and Packaging) is a European Union regulation which aligns the European Union system of classification, labelling and packaging chemical substances and mixtures to the Globally Harmonized System (GHS). It is expected to facilitate global trade and the harmonized communication of hazard information of chemicals and to promote regulatory efficiency. It complements the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation and replaces the current system contained in the Dangerous Substances Directive 67/548/EEC and the Dangerous Preparations Directive 1999/45/EC

ESG

Environmental Social Governance

ELV

End-of-life Vehicle

Any vehicle that has come to the end of its life under the Automobile Recycling Law

EMAS

The Eco-Management and Audit Scheme (EMAS) is the EU voluntary instrument, which acknowledges organizations that improve their environmental performance on a continuous basis

EMC

European Manufacturing Company

IMDS

International Material Data System

Standardized system to collect material data in the automotive industry. Suppliers are requested to enter data on product materials and contained chemicals using a standardized format and process

ISO 14001

This ISO standard outlines the requirements for an environmental management system to enable an organization to develop and implement a policy and objectives, which take into account legal requirements and information about significant environmental aspects.

LCA

Life Cycle Assessment.

A method of evaluating a product's environmental impacts throughout its entire lifecycle, from production to disposal

Materials (substances, mixtures)

1. Substance: means a chemical element and its compounds in the natural state or obtained by any manufacturing process, including additives necessary to preserve its stability and any impurity deriving from the process used, but excluding any solvent which may be separated without affecting the stability of the substance or changing its composition
2. Mixture: means a mixture or solution composed of two or more substances

Direct materials

Used in Toyota plants and that become part of the vehicle or unit Examples: steel, paint, automotive fluids

Indirect materials

Used in Toyota plants, but will not become part of the vehicle or unit Examples: cleaning solvents, cutting oil

SDS

Safety Data Sheet, in accordance with EU Commission Directives 2001/58/EC, 1999/45/EC, 1967/548/EC and changes as published in the Official Journal of the European Union.

It describes necessary information to safely handle chemical substances

SVHC

Substance of Very High Concern

Parts (articles)

1. An object which during production is given a special shape, surface or design which determines its function to a greater degree than its chemical composition
2. Parts that were developed for the vehicle and are delivered to Toyota plants
3. Service parts and accessories

Examples: bumper, engine, seat, wiper, windscreen, screen

Packaging materials

Materials delivered directly to Toyota, and those used for shipment/transportation of automotive parts

REACH

European Regulation 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals

SOC

Substances of Concern

Service Parts

Toyota Genuine parts mounted on a vehicle in order to replace parts.

Example: side visors, navigation systems, audio equipment

It also includes Oils & Chemicals, Market value parts (Optifit and Reman).