

Relationship with our Suppliers

We are always working to strengthen ties with our suppliers in order to hone our competitive edge in the global market. We present procurement plans and policies that aptly reflect business and market trends, and are working toward establishing relationships that foster mutual growth and development.

Basic Procurement Policy and Actions Taken in Fiscal 2007

Our basic procurement policy is to "establish a procurement platform beneficial to us and carry out optimum global procurement by presenting relevant offices and suppliers with procurement plans, policies, etc. that aptly reflect the changing procurement conditions as well as the attitudes of customers and competitors, so that we will be able to produce competitive products". Among the actions taken based on this fundamental policy in fiscal 2007 was a Procurement Policy Briefing Session, in which 178 suppliers participated, where we explained about *our challenges and actions to be taken and our procurement policy* for fiscal 2007, which our suppliers were asked to incorporate into their own management policies.

As an additional activity in fiscal 2006, an Overseas Study Trip was held and sponsored by our partner association Toyoda Gosei Kyowakai. We visited firms in Thailand (Bangkok), Vietnam (Haiphong), and China (Guangzhou) and learned how they have been growing. While we are providing support to our suppliers in terms of building corporate strength, by such means as holding training sessions on building management abilities and skill for their employees, we are also advising them on coexistence with the community in such ways as observance of traffic safety rules and requesting good manners at and around factories.

Green Procurement

In terms of environmental protection, we have been continuously making efforts based on the *Green Procurement Guidelines (Second Edition)*. The Guidelines, which mainly consist of environmental management and SOC* control, ask our suppliers to make extensive efforts for the protection of the environment. Our Liaison Committee for Environmental Communication with Related Companies meets regularly to facilitate exchanges of information. Such efforts have helped us to make progress in acquiring ISO14001 certification and have also contributed to steady results in reducing waste. We are always working in cooperation and coordination with our suppliers to grow together.



* Substances of concern (environmentally hazardous substances)

[Procurement Policy Briefing Session]

This session is held every year to present the business conditions in which we are operating and the direction we are going to take and to seek better understanding of our basic procurement policy. We ask for the participation of suppliers of products and product parts, tooling services, materials, facilities, and molds to discuss *our challenges and actions to be taken* and, in relation to this year's procurement policy, to talk about safety, quality, costs, technology, global expansion, CSR, etc. so as to heighten the level of coordination with suppliers. We are also giving awards to suppliers who have provided a noteworthy contribution in quality, cost-cutting, technology or globalization in order to show our appreciation to them and to encourage further such progress in the Toyoda Gosei Group as a whole.



[Toyoda Gosei Kyowakai Overseas Study Trip]

Toyoda Gosei Kyowakai (which has 77 corporate members) holds an overseas study trip roughly every two years. Participants have the opportunity to tour our overseas divisions to get a feel for our global expansion, and they also visit local parts manufacturers to get a feel for their competitive strengths in quality, lead time, cost-cutting, and technology. We hope participants will make use of such learning experiences as important ingredients for their own business policies. Some companies make use of this experience as the impetus to expand overseas.



[Coexistence with the Community]

Our suppliers are also being called to observe traffic safety rules, good manners, and considerate driving as everyday activities out of their sense of responsibility of belonging to the automotive industry. As members of the community, they are also expected to be attentive not just to traffic safety, but also to noise prevention and other environment-related issues.

■ Number of Green Procurement-Certified Goods

Classification	Number
Eco Mark products (certified by Japan Environment Association)	1074
Products meeting the standards of the Law on Promoting Green Purchasing	1322
Green Mark products (Ministry of Economy, Trade and Industry)	201