

Social(S)



Developing personnel who can thrive in a changing environment, and contributing to society through manufacturing.

As a good corporate citizen, the Toyoda Gosei Group aims to contribute to development of the economy and society through respect for human rights, business activities rooted in each country and community and social contribution activities. To build a foundation for those endeavors, we are developing personnel who can act globally, while also promoting diversity, and implementing workstyle reforms. Together with efforts for the health of employees and their families, which we take to be an important management issue, we are increasing our collective strength through respect for the individuality of each person and teamwork to achieve a vibrant corporate culture with meaningful work. We will continue to conduct research and development with anticipation of future changes, improve our manufacturing technology, strengthen our supply chain and make constant *kaizen* efforts to satisfy our customers.

Hiromasa Zaitu

Chief of General Administration and Human Resources Headquarters, IT Headquarters Corporate Officer

Human resources strategy

The automobile industry today is facing huge structural changes and social issues, exemplified by CASE and the push for carbon neutrality. For Toyoda Gosei to continue to grow, we intend to create new value that will help to solve social issues through the development of new technologies and products in our core automotive parts business, while actively proposing ideas to the automobile manufacturers who are our customers. In new business areas, we will need to cultivate markets on our own and provide products and services that are attractive for end users.

Toyoda Gosei has continued to grow through efforts to develop technologies and continuously improve quality, cost, and delivery that meet the needs of our automobile manufacturer customers. Now, in addition to these efforts, we will seek to provide new values and services.

One of the most important issues we face is developing the people who will be able to support the further growth of the company amid huge environmental changes. The values we embrace in the TG Spirit, together with the PDCA cycle and problem-solving methods that are the basis for how we do our work, have been the strengths of our company. We will continue efforts to make them pervasive and thorough. We are also identifying issues we need to resolve in moving toward our vision for the future, drawing up scenarios and execution plans, and strengthening the abilities that will enable us to achieve these things. As every employee attempts to adapt their thinking and develop their skills, we strive to create an open, positive and forward-looking culture in the entire organization.

Three pillars of human resources strategy

1. Promote the development of human resources

- (1) Development of candidates for global executive personnel
- (2) "Management declaration activity" in which division and department general managers clearly show their organization's vision
- (3) "Constructive problem-solving training for the TG vision" that thinks backward from the company we want to be in the future
- (4) "New employee 3-year independence plans" and "Overseas training assignments"
- (5) "Digital personnel development" for people who can carry out DX
- (6) Special Skills Dojos, Maintenance Skills Dojos, and Mold Skills Dojos raise the level of skill on the manufacturing floor

2. Active participation of a diverse workforce

- (1) "Challenge program" to promote the development of female managers
- (2) Active "mid-career hiring" and incoming training at the time of hiring
- (3) "Special treatment system" to facilitate the activity of senior employees
- (4) Employment rate of people with disabilities

3. Create a positive and pleasant corporate culture

- (1) "Workstyle reforms" utilizing IT, such as promoting electronic approval and telework
- (2) Clarification of organizational issues and execution of countermeasures with "engagement surveys"
- (3) "Harassment prevention training" for managers and supervisors in the company
- (4) Various measures to balance childcare, elder care, and work
- (5) "Entrio" memorial gymnasium and sports club activities
- (6) Health management



FY 2025 priority item targets

Classification	Item	FY2020 results	FY2025 target
1 Promotion of human resources development	No. of people who have taken training for executive personnel	50	65
	Percentage of people who have had overseas assignments (management, technical personnel)	20.6%	25% or higher
	No. of DX personnel trainers	10	270
2 Active participation of a diverse workforce	No. of female managers	25	40
	Percentage of management who are mid-career hires	30.9%	30% or higher
	Local executive percentage (VP and above of overseas affiliates)	26.3%	40% or higher
	Employment rate of people with disabilities	2.78% (entire Group in Japan)	Achievement of legally mandated rate (all Group companies in Japan)
3 Creating pleasant workplace environments	Average overtime hours	10.0 h/month	Less than 10.0 h/month
	Annual paid leave taking rate *1	79.6%	90% or higher
	Engagement survey results *2	56% (positive evaluation)	65% or higher

*1 FY2019 *2 FY2021

Respect for human rights

Basic philosophy

The Toyoda Gosei Group respects the United Nations' Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and other international norms. The Toyoda Gosei Group Charter for Business Ethics lays out our basic principles of "respecting human rights and the diversity, character, and individuality of each person and striving to create workplaces that are free of discrimination and harassment and always healthy, pleasant and safe, based on labor-management cooperation." The Toyoda Gosei Guidelines for Business Ethics, our behavioral standards to realize the ideals in the Charter, declares respect for individual character, human rights, and fairness in hiring, and forbids forced labor and child labor.

• System

Respect for human rights is handled by the Compliance and Risk Management Committee, with the company president as the chair. The results are checked by the Board of Directors.

• Rights education

In the Toyoda Gosei Group, education on the company's individual rights policy and human rights is provided at various opportunities, including training when people first join the company and at the time of promotions. Human resources personnel are also sent for outside training to learn about human rights problems professionally. This and other efforts are made to develop HR personnel with superior sensitivity to individual and human rights.

• Harassment prevention

Together with training for executives, managers, supervisors and others, a "TG Positive Workplace

Support Squad" report is sent out about once a month and all employees strive to create a healthy and pleasant workplace free of harassment.



Harassment prevention training for management

• Efforts at domestic and international Group companies

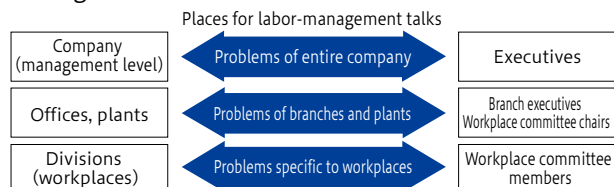
Self-check surveys are conducted at 52 Group companies (as of April 2021) in Japan and other countries to understand the status of human resources management compliance and human rights in accordance with the laws of each country and the Toyoda Gosei Group Charter for Business Ethics. Issues uncovered in the surveys are addressed in coordination with relevant departments in the company and the regional headquarters, and mechanisms are put in place to handle human rights due diligence and spread activities for improvement.

Stable employment

The company and labor union, from the many difficulties experienced together in the chaotic years after World War 2, strive for long-term stable employment and to maintain and improve labor conditions. A labor-management declaration was issued on the occasion of the company's 50th anniversary, and frank exchanges of opinion have been carried out in various workplaces based on mutual trust and responsibility of labor and management. This is founded on the firm belief that company growth leads to the happiness of the people working there. Efforts are always being made to achieve this management philosophy.

Measures are also carried out based on the laws and

regulations of each country and region and our global human resources management policy. We constantly strive to strengthen the human resources management foundation and maintain and improve healthy labor-management relations.



We value regular talks between people on equal footing separate from the "superior-subordinate" relationship

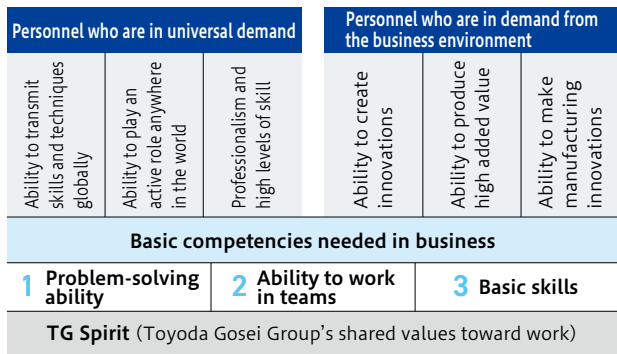
Promotion of human resources development

To raise the collective strength of Toyoda Gosei globally, we are striving to develop human resources and create workplace environments where each employee can display his or her full abilities.

Training of global executive candidates

For the systematic training of people who will manage the company in the future, we have introduced a program to help people learn how to look at and think about things at the management level and cultivate the qualities that will help them bear higher levels of work responsibility, with aims such as broadening their outlook and improving their judgment. Outside Japan, we are training executive candidates globally with the introduction of a certification system for solving problems by clarifying issues and setting goals.

Personnel who can play active roles globally



Improving ability to build visions

The ability to create a vision is important in organizational management. We are helping people to learn the importance of and how to create visions that can be used in management, starting with our Management Declaration Activity that clearly shows the organization's vision for division and department general managers. We have also introduced training for newly appointed executives that involves higher order thinking in which they construct visions to solve problems. They also learn the importance of having a vision and how to create one, and try to implement it in their management.

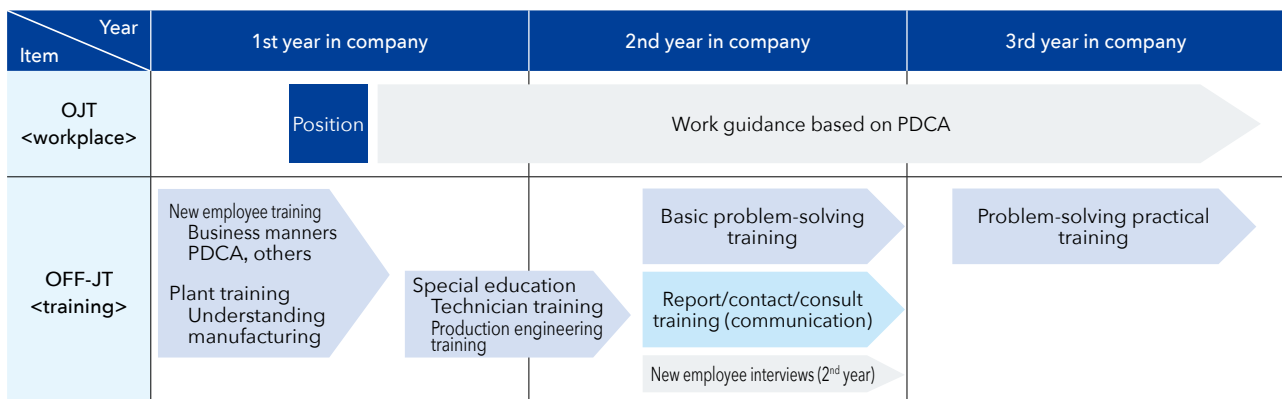


Training to develop global executive personnel

New employee 3-year independence training program

For the early training of new employees, we have introduced a "New employee OJT system" for independence in three years. We provide both on-the-job training and classroom training to help them perform their work according to the PDCA cycle within a few years after

joining the company. Interviews in the pivotal fourth and sixth years in the company are held to understand the situation of new employees, discover problems early, and take measures to counter them.



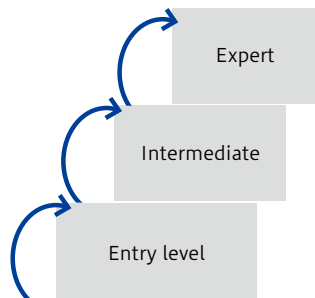


“Digital personnel development” for people who can carry out DX

In response to the rapidly changing business environment, we are overhauling production processes and products using data and digital technology. While transforming our business model, we are also transforming the work itself and the organization,

processes, corporate culture and atmosphere. We will continue this DX to gain a competitive advantage. Training people who can do this is an urgent task, and we are setting up a new educational program for their development.

DX personnel level



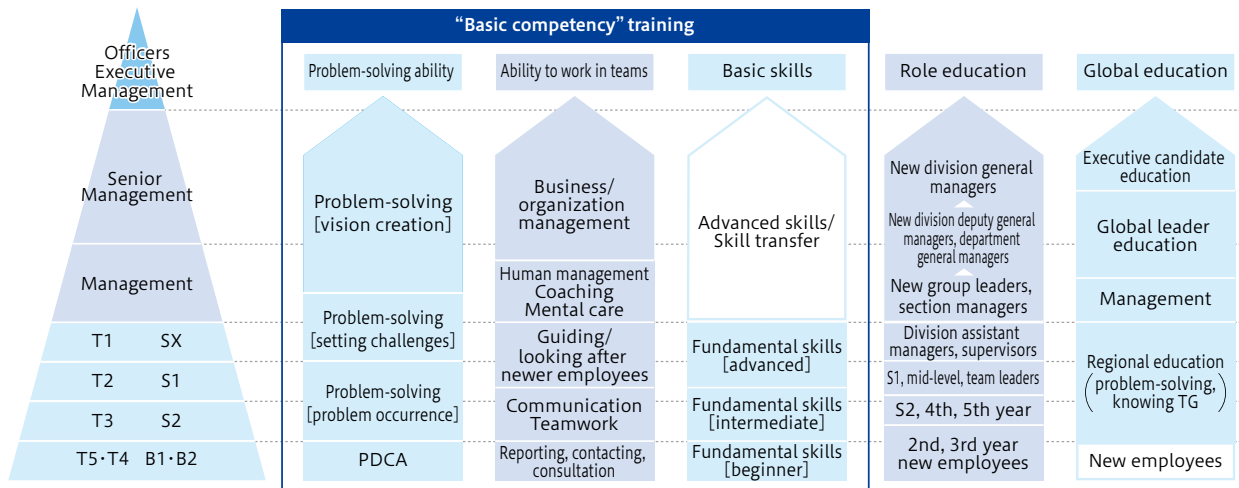
Necessary DX personnel		Training plan for 2025
1 Data Scientist (DS)	Personnel who can extract and analyze important information from large amounts of data and provide feedback to product development, and perform <i>kaizen</i> for product defects	86 people
2 Digital Architect (DA)	Personnel who are well-versed in the most recent digital technology (AI, cloud, etc.) and can implement it	59 people
3 Program Owner (PO)	Personnel who can advance planning and development themes for new services and businesses using digital technology	125 people
	Personnel who can come up with completely new ideas and create new businesses and services	
	Personnel who can envision what a digital-based business looks like and advance the transformation of work	

Enhanced training programs, invigorated personnel development

To improve the skills and abilities needed in working at Toyoda Gosei, we are enhancing educational content and promoting human resource development in three key areas: “problem-solving,” which is fundamental to work, “the ability to work in teams” based on

communication, and “basic skills” for strong on-site abilities. We are extending our human resources training program widely for global employees including our international locations. We are also introducing on-line training and e-learning for the changing environment.

Level-specific education system



Special Skills Dojos, Maintenance Skills Dojos, and Mold Skills Dojos raise the level of skill on the manufacturing floor

Improving the skills of each worker is an indispensable part of enhancing manufacturing capabilities at production sites. We have therefore introduced various measures with the basic policy of “cultivating a culture that values skills.”

Manager and supervisor training covers more than just the work of managers and supervisors. We have also started a Special Skills Dojo for practical training in each area of manufacturing so that people acquire special skills, and are conducting practical training. For maintenance personnel, we have begun electrical system training to give people the ability deal with increasing robots and IT, and practical training in Maintenance Skills Dojos.

In addition, mold maintenance workers from Toyoda Gosei companies in Japan and other countries as well as

affiliated companies participate in Mold Maintenance Dojos to improve their mold maintenance skills. Mold Skills Competitions that test workers’ skills are also held for personnel training in the Toyoda Gosei Group. We have been entering the Skills Olympics since 2017 and in 2019 an employee won the Fighting Spirit Award for punching dies. In 2020 his work area changed to plastic molds, and with the high-level skills and knowledge he gained in his original work he will also be involved in training new employees in the future so that they can play active roles on the production floor.



Active participation of a diverse workforce

Toyoda Gosei hires and trains a diverse workforce, including women, foreign nationals, mid-career hires, and people with disabilities. We provide fair and impartial training, evaluations, and promotions with respect for diversity, through which we try to invigorate the company. At the same time, we are establishing internal systems and improving the environment by introducing various support measures and maintaining office environments with better cafeterias, restrooms, and break rooms.

Encouraging the active roles of women

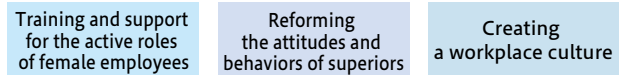
A special organization established in 2010 has been active with the aim of creating a situation in which all people, regardless of sex, can be active and grow. A working group of management volunteers was started in 2018 and has begun working to raise the management level. The group is reviewing the work styles of managers with the themes of promoting the active roles of diverse employees and the work-life balance of managers themselves and their subordinates. "Tea Meetings" to take up the problems and opinions of female employees and strengthen personal connections, and "Challenge Programs" as an early development measure for management work are also held. In the Challenge Programs, female management candidates systematically learn management skills while also sharing concerns



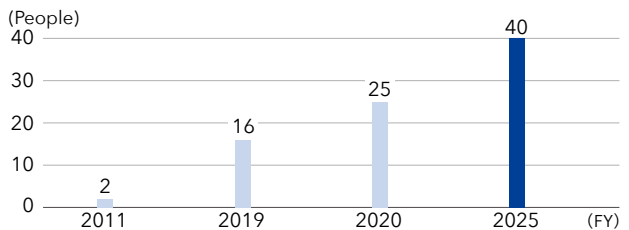
Workplace reform management class

or worries and giving each other advice through the practice of these skills in the workplace. Together with creating an environment where people can continue working with a sense of security, there is also support for future autonomous career advancement.

Key points in activities



Trend in cumulative number of female managers



Workplaces that welcome people with disabilities

We view the hiring of persons with disabilities as a social responsibility, and make active efforts in this area. The Committee for Employment of People with Disabilities implements hiring, job assignments, and manager and supervisor education, and helps to establish stable positions. We place particular emphasis on getting people settled in the workplace, monitoring conditions through regular care interviews, taking up problems, and making systematic improvements such as installing accessible restrooms. Work that people with disabilities can perform



We have formulated a three-year plan to improve the workplace environment, and are making systematic improvements such as installing restrooms with consideration of LGBT individuals and others.

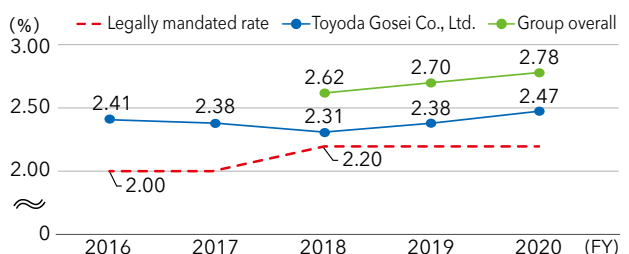


Training camp at TG Welfare Co., Ltd. to support independence

is identified, and they are systematically hired and placed. As of the end of FY2020 (March 1, 2021), 127 people with disabilities had been hired for a hiring rate of 2.47%, exceeding the legally mandated employment rate of 2.3%.

Our special subsidiary TG Welfare Co., Ltd. holds seminars for people with disabilities for the entire Group and serves in other ways to create places for education and share information with 14 Group companies that have received special affiliate certification, achieving a hiring rate of 2.78% for the Group overall.

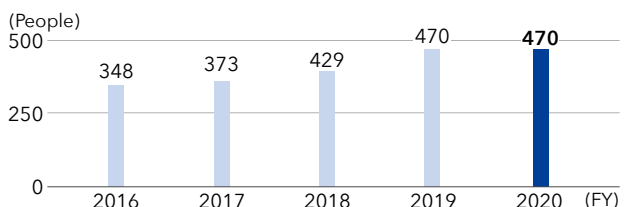
Changes in employment rate for people with disabilities



Creation of an environment for stable work after retirement

We have established an environment so that employees can work with assurance after retirement in a post-retirement rehiring system. Many people can make use of their high levels of expertise and experience after they are rehired. A system of reduced working days and working hours supports working styles for a good work-life balance.

Trend in cumulative number of re-employed retirees





Workstyle and workplace culture reforms

From FY2017 we began efforts to make work more efficient with the use of IT, such as enhanced electronic approval and Web conferences, and reviews of meeting structures with the aim of every employee thoroughly executing his or her essential tasks. Overall activities entailing a range of efforts to change the way we work are conducted for workstyle reforms. We are also reviewing personnel systems in order to deal with environmental changes with a sense of speed and raise

the quality of work. In conjunction with this, we are eliminating waste and adopting a working style with a varied pace through the creation of opportunities for communication in the workplace, such as informal gatherings with officers and superiors.

Example of workplace culture reform activities

The keys of workstyle reforms



Five Articles for Officers

1. I will greet people with a smile
2. I will listen to team members talk until they are finished
3. I will say "I appreciate your efforts" for positive information from team members, and "Thank you" for negative information
4. I will back team members who take on challenges, and assume responsibility
5. I will try to make myself better understood

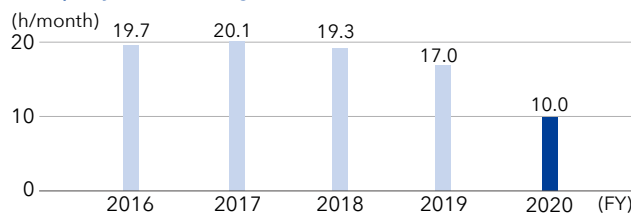
We aim to create an environment in which anything can be discussed freely, with officers themselves leading changes (this year is 6th year)



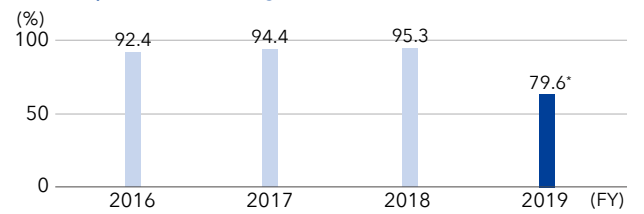
Reducing long working hours and raising the annual paid leave taking rate

We are trying to reduce long working hours and encourage people to take their annual paid leave for a better work-life balance.

Company-wide average overtime hours



Annual paid leave taking rate



*There were company shutdowns due to COVID-19 (121.8% in cases including holidays)

Creating systems and environments for flexible working styles

• Telework

We have introduced a telework system as one part of our work-style reforms. Changes from the previous work-from-home system include the introduction of satellite spaces in each business location and increased options in places to work. We are also issuing a Telework Newsletter to share good examples in each department and promote the active use of telework.



Miwa Technical Center (satellite space)

• Introduction of hot desking

In parallel with increasing the frequency of telework, we have introduced "hot desking" on some floors in the Headquarters office and Kitajima Technical Center. We will expand this further for a more pleasant work environment. We are making huge reforms in the way work is done, such as paperless work with the use of IT, and implementing a working style that is not bound by place.



Headquarters office (hot desking)

• Interviews with new employees on working styles

Labor consultants identify things that are troubling new employees using an interview format, leading to personnel training in the workplace, communication between superiors and subordinates, and improvements in the workplace environment.

Classification	Targeted persons
Office, technical workers	2nd, 4th, 6th year employees
Skilled workers	2nd year employees, 1st-3rd year female employees

Engagement survey

Engagement surveys are done for greater improvement in company policies and workplaces by gauging employees' true feelings through the survey.

From the results of the 2021 survey, it was found that employees work with a sense of responsibility for safety and comply with laws and regulations. It was also found that when important changes in company policy or the way work is done are implemented, the background and reasons for those changes are explained sufficiently to employees. We will continue to make improvements through executive discussions, exchanges of opinions between labor and management, activities in workplace units, and more.

Schedule of actions for kaizen

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar
Overall	• Survey	• Management meeting reports • Executive discussions	• Progress reports • Look back and future efforts	
Workplace	• Share with management, all employees (briefings, company newsletters, etc.) Identify issues in each department → Develop countermeasures → Execute → Review			
Labor and management	Subcommittee/informal activities for the exchange of opinions			

Opening of Toyoda Gosei Memorial Gymnasium (ENTRIO)

Entrio was opened in September 2020 with the concept of being a place that would bring people together through sports, make them smile, and energize them. In addition to hosting the official games of company sports clubs and internal company events, it creates excitement and contributes to a sustainable society as a meeting place for people and people, people and companies, and companies and companies.



Toyoda Gosei Memorial Gymnasium (ENTRIO)

It was named for the three “en” (connections) of work, community, and sports that we treasure in mutual support and growing together, and “trio” meaning three.

Work-Life balance

A system is adopted wherein each employee can select a working style with consideration of work-life balance, and employees are supported so that they can work with a sense of security and motivation. Childcare support includes systems for shorter working hours and holiday day-care, plus working parent networking events. For these efforts we have been certified by the Ministry of Health, Labor and Welfare in Japan as a “Childcare Support Corporation.” For nursing care support we are also undertaking activities to increase knowledge and familiarize employees with our systems. We have introduced systems for reduced days or reduced working hours so that individuals can undergo treatment for disease while continuing to work, and for a balance between medical care and work.

We will provide education for the creation of workplace environments where people can use these systems without hesitation, while continuing to enhance our support and policies.



Holiday day-care



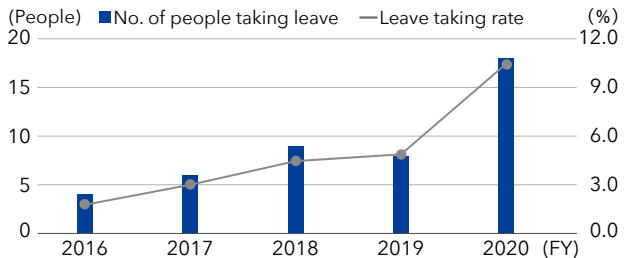
Working parent networking meeting (support for childcare-work balance)

Number of people taking childcare leave and care leave

	Childcare leave	Care leave	Reduced working hours
FY2020	54	2	86*

* Childcare 82 / nursing care 1 / medical treatment 3

Trend in number of men taking childcare leave and leave taking rate



Major systems for childcare support

System	Timing/event	Subject	Amount required by law							System exceeding laws	
			Pregnancy	Delivery date	1 yo	2 yo	3 yo	1 st grade	4 th grade		7 th grade
Special parental leave	F		■								
Paternity leave	M			■							
Childcare leave	M/F				■						
Sick/injured childcare leave	M/F	10 days/year									■
Kids support leave	M/F	5 days/year									■
Childcare fee assistance for holidays	M/F										■

Major systems for care support

System	Subject	Amount required by law						System exceeding laws
		1 month	93 days	6 months	1 year	3 years		
Care leave	M/F						■	
Care day off	M/F		■ 10 days/year					



Safety and health

Basic policy for safety and health

Toyota Gosei and the Toyota Gosei Group consider employee safety and mental and physical health to be one of the most important management issues, and we do our best to ensure secure and pleasant workplace environments for all business activities.

• Safety and health efforts

Safety and health declaration

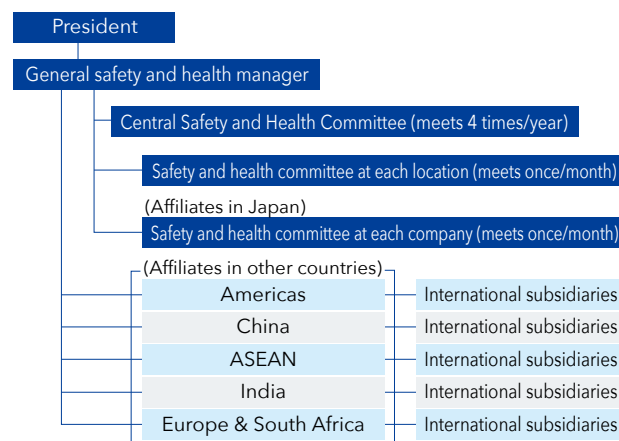
- (1) Compliance with laws and internal regulations and standards related to health.
- (2) With “safety before all” foremost in mind, thorough safety-first behavior by all employees.
- (3) Cultivation of a culture of safety in which activities are conducted with a sense of ownership and there is mutual development with participation by all employees.

Promotion system

To ensure safe and pleasant workplaces, a Central Safety and Health Committee (meets 4 times/year) is organized with the executive in charge of safety as the chairperson. Meetings are attended by the company president, labor union chairperson, plant managers of all locations in Japan, and the presidents of domestic and international affiliates. Various measures related to safety and health are reported and discussed, and the results are spread globally.

In addition to the above, information is sent out repeatedly in the President’s New Year message and company newsletters.

For suppliers, efforts are made to regularly share all relevant information through procurement meetings and other means.



Targets/results

Globally, our target is for zero grave^{*1} or serious^{*2} STOP 7^{*3} accidents. Safety measures for high-risk equipment are promoted at Toyota Gosei and safety & fire prevention maps (SFPM) are used to visualize the safety and fire prevention level and rectify weaknesses at domestic and international affiliates. As a result, we achieved zero grave or serious STOP 7 accidents globally in FY2020.

	Subject	2018	2019	2020
Number of serious accidents	Global	0	0	0
Number of serious STOP 7 accidents	Global	1	1	0

*1 Grave: death

*2 Serious: Victim loses part of body (or function)

*3 STOP 7: Seven things with which there is a possibility of serious injury: (1) being pinched or caught in a machine, (2) heavy objects, (3) falling objects or people, (4) electric shock, (5) vehicles, (6) hot material, explosives, gas, (7) severance

Safety and health management system

Globally, we have introduced and operate labor safety and health management systems centered on risk assessments.

After obtaining JISHA system eligible OSHMS certification, Toyota Gosei has been voluntarily operating its own system with the addition of internal control items.

	No. of certified businesses	No. of businesses with in-house operation
Toyota Gosei Co., Ltd.	—	11 companies/ 11 companies
Subsidiaries in Japan (JISHA system OSHMS)	4 companies/ 12 companies	8 companies/ 12 companies
Subsidiaries in other countries (OHSAS 18001)	12 companies/ 45 companies	—

Social(S)

Risk assessments

Risk assessments of equipment are conducted at the time of new installation, modification, and relocation by equipment planning departments, with the purpose of eliminating risk factors in the equipment design and fabrication stages. A safety check is done at the stage before the equipment is used to evaluate compatibility

with our own equipment safety criteria to confirm safety.

In manufacturing departments, surveys of workplace risks and hazards are performed and work risk assessments are done to counter them. Reliable implementation of risk reduction measures leads to the prevention of risk.

Safety and health education

Educational curricula are set and various types of education is provided in line with position in the company and timing of needed training. During the coronavirus pandemic a classroom education format was difficult and new trials were started with Web-based education^{*1} and e-learning.^{*2}

Safety Dojos have also been set up and are being operated at all Toyoda Gosei business locations in Japan to prevent past accidents from fading and to teach employees to sense risks. These dojos are being spread globally.

Safety and health education by the Safety & Health Promotion Division and number of students (FY2020)

Name of training/education	Targeted persons	Classroom education	Web-based education	e-learning	No. of students
Mid-level skilled worker training	Skilled work next-term supervisor candidates	○			42
New supervisor training/ TL safety & health education	Newly promoted/ assigned individuals	○			109
Pre-overseas assignment training	Individuals scheduled for overseas subsidiary assignment		○	○	33
Overseas leader, No. 2 pre-assignment training	Individuals scheduled for overseas subsidiary assignment		○		6

*1 Web-based education: A learning format in which two-way communication is possible on the Web

*2 e-learning: A self-study format using electronic texts that can be accessed as the individual likes during work intervals

Domestic and international subsidiary audits

With the aim of visualizing the safety and fire prevention level at domestic and international subsidiaries and mitigating weaknesses, safety and fire prevention maps (SFPM) have been established and spread since FY2020. Based on the results of each company's self-evaluation, attempts have been made to raise the level of safety at 14 domestic subsidiaries with *genchi-gembutsu* (go and see). Because of the difficulty due to the coronavirus pandemic of directly visiting international subsidiaries for inspections and guidance, this was done with Web-based meetings and

guidance using images and videos specialized for four key companies. After reviewing things such as problems in the assessment standards that became clear through this activity, we will continue using this method in FY2021.



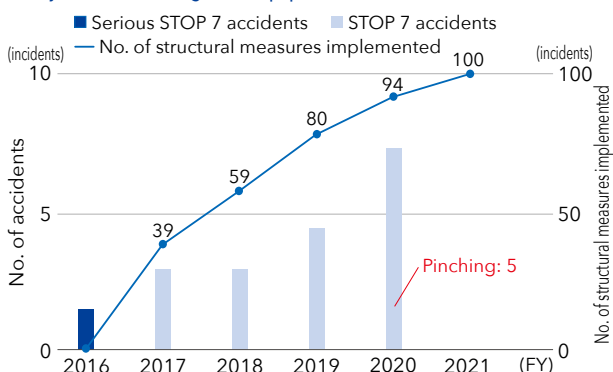
Inspections and guidance with *genchi-gembutsu* at subsidiaries in Japan

Work accident occurrence

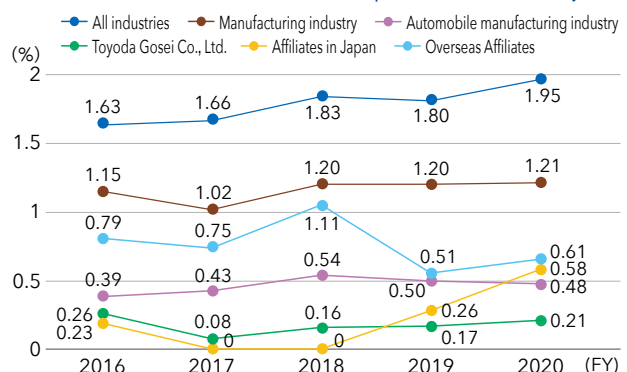
From the safety measures for high-risk equipment that has been continued since 2017, the number of serious STOP 7 accidents has been kept to zero since 2017. However, "pinching" accidents that could lead to grave

or serious accidents have continued to occur, and so we have taken measures with priority on elimination of equipment that could pinch or catch workers and lead to grave or serious accidents.

Safety measures for high-risk equipment and STOP 7 accident occurrence



Trends in the labor accident rate in the TG Group (rate of lost-worktime injuries)





• Health management

Health declaration — To achieve “Boundless Creativity and Social Contribution”

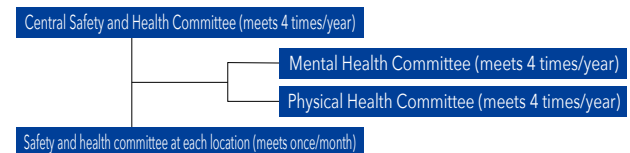
1. We believe the health of our employees is an important management issue and will strive to foster an organizational culture that puts safety and health first.
2. We will strive to create positive and lively workplaces where employees can work energetically.
3. We will support the health of our employees and their families by cooperating with the health insurance association and making efforts for primary prevention.*³

*³ Activities undertaken with the aim maintaining and improving health and preventing disease, including public health guidance and health education.

Promotion system

With the Safety & Health Promotion Division serving as the executive office, we have established mental and physical health committees consisting of company occupational physicians and members of our Human Resources Division, health insurance union, and labor union. The committees discuss health management measures and track their progress. In addition, activity reports are given and approvals are obtained in our

Central Safety and Health Committee, which then spreads these measures to the Safety and Health Committees in each place of business.



Health management

The ability of each employee to work with energy and health into the future is essential as a foundation to fulfill our corporate social responsibility as stated in Toyoda Gosei's management philosophy. In recognition of this, we are promoting health management to maintain and promote the health of our employees. In 2021

Toyoda Gosei was recognized as an “Outstanding Health Management Corporation” in the large corporation category (White 500).



Turning health awareness and knowledge into action

Health promotion activities in individual workplaces were started in 2016, and in 2020 efforts to improve health with modifications in individual workplaces, such as adopting a theme of exercise, were being made by 206 out of 243 teams.

We have used the “Aichi Health Plus” app, distributed by Aichi Prefecture, since 2020 with the aim of establishing exercise habits. We have also introduced a “Health challenge” in which employees compete in

number of steps walked during long holidays. Awards are given to the top people and other efforts are made to further promote exercise.

With these and other activities, Toyoda Gosei was recognized as a “Sports Yell Company 2021” by the Ministry of Education, Culture, Sports, Science and Technology (Japan Sports Agency).



Anti-smoking measures

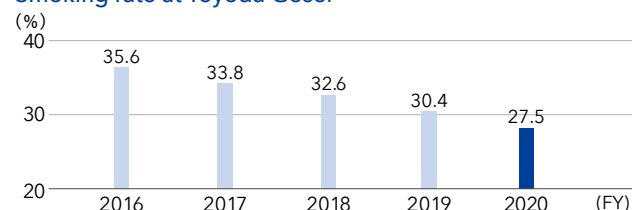
With the aim of preventing health damage in smokers and passive smoking in non-smokers, we first banned the sales of cigarettes in the company (including vending machines). At the same time, we provided support by public health nurses to help smokers quit smoking. Since 2016 we have held “Smoking cessation talks” with invited outside instructors and held experience-based exhibitions that include measurements of lung age as motivation to quit smoking.

In anticipation of the Revised Health Promotion Act in Japan, which went into full effect in April 2020, we extended a smoking ban on all company property in the country starting in January 2020. At that time, the ban on employee smoking was not limited to company property but was extended to at least 100m from the property boundaries to prevent passive smoking by neighborhood residents. In cases when a nursery school or medical institution was in that zone, we expanded the ban zone to include the area around them.

To protect all people working in the company from passive smoking, we set a company policy with the aim of preventing harmful passive smoking. In addition to steady efforts beforehand to gain employees' understanding, we made repeated requests to staffing agencies and contractors for their cooperation. Today, one year after the smoking ban on company property, its continuation has had no effect on productivity or employee retention.

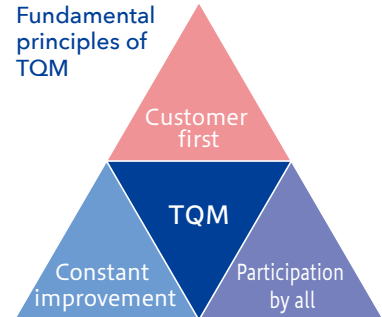
The company-wide smoking rate has decreased from 42.5% in 2010 to 27.5% in 2020.

Smoking rate at Toyoda Gosei



Uniform global quality assurance

Toyota Gosei ensures quality in all business activities, from development to production, based on our basic quality policy. Every one of our plants has obtained certification in the ISO 9001 (JQA QM7318/QMA11826/QMA12841) and IATF16949 (JQA-AU124) international standards for quality management systems. Each plant also sets its own quality control goals for production. These goals are based on the principles of Total Quality Management, or TQM—activities designed to enhance the quality of products, work, and management, and increase the dynamism of individuals and organizations, through constant improvement and the participation of all based on the “Customer First” principle. In addition, all Group companies use our Quality System Global Standards, which incorporate quality improvement with rules and know-how to ensure quality.



Monitoring and responding to manufacturing processes and market quality

Defect-free process completion is carried out in production and other processes for parts involved in the basic automotive functions of running, turning, and stopping, as these parts are directly linked to safety. We want the Toyota Gosei name to equal quality in the minds of customers worldwide. For this purpose, we advance quality assurance declaration activities at all production locations. This means that all employees make efforts to improve safety and the people in charge of all manufacturing processes improve quality through the development of people and processes. When a mechanism that can ensure the target quality has been completed and is in place, the manager makes an “assurance declaration” to the president or site manager. The president or site manager then conducts a site inspection. Through “*jidoka*,” we

improve quality by creating processes that do not produce or pass on any defects and developing workers with a high sensitivity to safety and to avoiding mistakes. Audits and improvements by certified auditors of production processes for safety-related parts are also carried out.

A system is in place so that whenever a quality problem occurs in the market, we can quickly investigate the causes based on information from automakers and implement prevention measures. When it is difficult to pinpoint the cause of a problem and develop solutions internally, we work with the quality departments of automakers to take precise measures to prevent recurrence based on inspections with test vehicles and other means. In this way we prevent such quality defects from occurring in the next products.

TOPICS Quality Learning Center established to cultivate a quality mindset

All members of the Toyota Gosei Group, including suppliers and international locations, learn repeatedly about quality. We have established a Quality Learning Center to cultivate a mindset of thinking and acting with a customer-first and quality-first approach. In addition to showing examples of past problems, exhibitions convey the company history of placing importance on quality, examples of quality improvements implementing the TG Spirit, and efforts for the future.



Tour of the Quality Learning Center

TQM for a stronger, better company

TQM activities are undertaken across the company to raise product and work quality and individual and organizational vitality, and to create a flexible and resilient corporate character through constant improvement and the participation of all based on the “Customer First” principle.

In addition to Workplace Management *kaizen* Activities and Small Group Activities, we are sequentially introducing education to help workers acquire AI and big data analysis skills and ways of thinking to enhance creativity, so that they can deal with a dramatically changing environment. We are also fostering a corporate culture of cultivating data literacy and wide-ranging imagination, and developing people who

can contribute to DX and other transformations and to increased competitiveness.

For global expansion, we are energizing small group activities together with each location with a focus on the China and ASEAN regions. We began a Global Small Group Activity Competition in 2016 to help each other improve.

TQM activities at Toyota Gosei

Level	Activities
Manager	Workplace management <i>kaizen</i> activities
Office, technical workers	Small group activities (group <i>kaizen</i> activities) Activities to improve practical abilities in statistical quality control (SQC) and artificial intelligence (AI)
Skilled workers	Small group activities (QC Circle activities)



Supply chain management

We aim to deepen our partnerships with suppliers based on our basic procurement policy, while achieving sustainable growth for us both.

1. Optimum global procurement

We procure the best raw materials, products, and equipment fairly from a global perspective while considering cost, quality, technology, and production. We also welcome proposals from suppliers for new technologies and methods and new products.

2. Mutual growth based on mutual trust

We aim to raise the collective strength of the Toyoda Gosei Group based on open and fair relationships with suppliers, strengthening our mutual corporate cultures, introducing innovative management, and building mutual trust.

3. Moving toward a sustainable society

Toyoda Gosei has set activity norms as guidelines for efforts that should be made for the SDGs and other social issues, and shared them with suppliers in carrying out activities. We also aim to ensure complete legal compliance and confidentiality in corporate activities, including our supply chain.

Strengthening our relationships with suppliers

To participate in an initiative related to the supply chain, we have announced a Declaration of Partnership Building as promoted by the Ministry of Economy, Trade and Industry in Japan, and are building and deepening relationships of equal trust with suppliers.

Every April, we also explain our management philosophy, business environment and company policy in a procurement policy briefing with about 200 suppliers, and share our efforts and targets in the areas of safety, compliance, quality, production, and costs.

We hold procurement liaison meetings six times a year to share production information and information on

quality, compliance, safety and other matters. In addition, we hold seminars on carbon neutrality and other social issues to strengthen our partnerships with suppliers.



Support for suppliers so that we can grow together

To support our suppliers, we implement various initiatives from the perspective of safety, quality, cost and production.

Safety initiatives include prevention activities based on fire prevention inspections of painting and other production equipment and risk assessments. Efforts related to production include manufacturing site improvement through manufacturing reform activities. Both of these areas are related to personnel development.

We have also established Supplier Month as a time to express our sincere appreciation to each of our suppliers for their ongoing efforts, while also listening to their concerns and working continuously to resolve them.



Supplier Month posters

Sustainability activities to help resolve social issues

We are making efforts over our entire supply chain to perform our social responsibility as a company and promote sustainability.

Based on rising expectations for sustainability efforts in companies, we have created Supplier Sustainability Guidelines and requested that our suppliers thoroughly understand and practice them.

These guidelines set policies related to human rights and labor, the environment, compliance, and other matters. In addition to social aspects (child labor, forced labor, no discrimination and equal opportunity, freedom of association, reduction of long working hours, minimum wage, health and safety, and more), we ask suppliers to observe environmental aspects such as

water use and biodiversity.

With regard to the environment, suppliers are asked to reduce CO₂, recycle resources including waste, and control chemical substances with our Green Procurement Guidelines.

For conflict minerals, we ask suppliers to be responsible in their procurement of resources and raw materials. Once a year we conduct a survey of conflict materials with the cooperation of all our suppliers.



Supplier Sustainability Guidelines

Contributing to local communities

The Toyota Gosei Group wants to earn the trust of society through all its business activities, including the development and manufacture of products that satisfy customers worldwide, environmental preservation, and social contribution. Toyota Gosei Group companies

and their employees around the world are making efforts to contribute to their communities in the four areas of social welfare, environmental preservation, youth development, and community safety, and grow together with strong local roots.

Social welfare



Sales of goods produced by people with disabilities



Wheelchair repair in welfare institutions



Donations with money collected through charity meals

Environmental preservation



A total of more than 300,000 trees planted domestically and internationally

Youth development



Support for Boys and Girls Invention Club



Environmental education for elementary school students

Community safety



Anti-crime patrols



Road safety campaign

World social contribution activities



Toyoda Gosei (Japan)
Food drives



TGR (China)
Public area cleanup activities



TGMO (North America)
Donations to local senior care homes

During Volunteer Month every autumn, people at Group company locations worldwide participate in a “Worldwide Day of Action in Autumn.”

Volunteer activities ranging from community cleanup to donations of goods to underprivileged children are conducted as suits the situation of each region.

Sports promotion



Wolfdogs Nagoya
Volleyball team



Blue Falcon
Handball team



Scorpions
Basketball team

The Wolfdogs Nagoya are regularly in championship contention in Japan's top volleyball league, and the Blue Falcon won two titles in 2020, their first league championship and the national tournament championship. The Scorpions play in Japan's B3.League. We aim to foster a sense of unity in employees and the community for a vibrant, rich and active society.



Support activities during the COVID-19 pandemic

Supporting facilities for people with disabilities and donating goods to hospitals

From March through April of 2021, baked goods made at nine facilities for people with disabilities in Aichi and Shizuoka Prefectures, where Toyoda Gosei has many of its business operations, were sold to employees in our company cafeterias. With the money from sales and an equal amount provided by the company, articles were purchased and donated to medical facilities in the cities of Inazawa and Kiyosu in Aichi Prefecture.

Toyoda Gosei has long provided a monthly opportunity for people with disabilities themselves to sell bread and other baked goods produced at their facilities in our company cafeterias. This was done as one part of our efforts to support the independence of people with disabilities. However, to support facilities where sales had fallen due to the prolongation of COVID-19, employees acted on their behalf to sell their baked goods in 11 business locations in March

and April. Baked goods from the facilities were also purchased with donations from the company. Then, as an expression of gratitude to local hospitals and public health centers that have worked so hard to combat infections, the company presented them with our UV-C space disinfectors* and baked goods from the facilities.

* Devices that capture bacteria and viruses in a filter and irradiate them with deep ultraviolet rays to disinfect air. They are fitted with Toyoda Gosei's UV-C (deep UV) LEDs.



Sales by employees



Donation to local healthcare professionals

Donation of food and disaster preparation foods to food banks

Food brought in by employees was donated to the NPO Second Harvest Japan in June 2021. Upon learning that the food bank was facing huge shortages of relief supplies from the long-term effects of COVID-19, employees from 16 locations including Toyoda Gosei Group companies quickly sent a call out for food and 2,759 items, including unopened prepackaged food items and rice, were donated. Toyoda Gosei has made donations to food banks every year since 2017, and in September donated 1,837 disaster preparation food items, such as regularly updated emergency food sets, to the same organization.



Donation to foodbank

Blood donations by employees to help eliminate the shortage of blood for transfusion

Employees from 11 business locations including Toyoda Gosei Group companies in Japan conducted blood drives in September 2020 and March 2021. These blood drives were done in response to a request from blood centers, which were facing a national shortage of blood for transfusions as a result of the large decrease in the number of people giving blood due to the effects of COVID-19. To help make it easier to give blood during the pandemic, the environment inside the blood donation vans was arranged with droplet prevention sheets, temperature checks, mask wearing and other steps. Toyoda Gosei has conducted blood drives for about 50 years, since 1971, and so far more than 30,000 employees have donated blood.



Employees cooperate in blood drive

Participation in infection prevention trial at Centrair

Toyoda Gosei participated in a demonstration experiment at Chubu Centrair International Airport to develop the airport environment for safe and secure use by employing effective antibacterial and antiviral products. This trial was held for three weeks starting on August 6, 2021 in collaboration with Central Japan International Airport Co., Ltd., Toyota Tsusho Corporation, Toyota Central R&D Labs, Inc. and others. Toyoda Gosei set up UV-C high-speed

surface disinfectors and WOSH portable washstands in the Access Plaza, Premium Lounge and elsewhere to survey the needs of airport users. The UV-C high-speed surface disinfectors use UV-C (deep UV) LEDs that are highly effective in disinfection and can disinfect smart phones, passports and other small items in a short time. WOSH portable washstands can be used in areas where plumbing is not available by purifying and circulating the water inside for repeated use.