

Social

Growing together through activities with all stakeholders

With our management philosophy of conducting business with integrity, we are committed to contributing to society through manufacturing, and are working to develop our personnel and create comfortable work environments as the foundation for such activities. Respect for human rights is also important, and is the basis for various activities with our domestic and overseas Group companies and business partners.



Human Resources Strategy

We Aim to Be a Group of People Who Can Think Independently and Act Boldly

The automotive industry today faces social challenges, including the shift to BEVs and move toward carbon neutrality. In this rapidly changing environment, human capital is an ever greater focus of attention as a basis for sustainable company growth, for which enhancing our human resource strategies is essential.

The TG Spirit refers to a common set of work values that we have adhered to throughout our history of more than 70 years. Our problem-solving method and the PDCA cycle is fundamental to how we approach our work. Together, they form a foundation for the people that support the company's sustainable growth, which we consider to be one of our strengths.

We aim to achieve sustainable corporate growth by responding to market changes in our core automotive business, and by commercializing new technologies to solve increasingly diverse and complex social issues.

We seek to strengthen our market competitiveness by enhancing the competitive advantages we have cultivated: knowledge in the fields of rubber and plastics, a global network, and new business development experiences. At the same time, we strive to display leadership in solving social issues. For this, the thinking and independent actions that will enable us to adapt to market changes, as well as business opportunities and risks, are important. To bring us closer to this ideal, we

are striving to strengthen our ability to identify problems, our ability to conceptualize scenarios and action plans, and our ability to execute these plans and bring them to reality.

We believe that human resource development measures and culture reforms must go hand in hand in order to develop people who can think for themselves and take on challenges. To create a vibrant and comfortable working climate, we will respect the various values of our diverse workforce (diversity and inclusion) and create workplaces where people can freely express their ideas, make proposals and fully demonstrate their abilities while we continue to reform work styles and change ways of thinking. At the same time, we seek to develop the abilities and promote the growth of each individual.



Three Pillars of Human Resources Strategy

Up to now we have focused on providing educational opportunities for employees to learn our specialized knowledge in areas such as technology and materials, as well as our problem-solving method and the PDCA cycle, which are fundamental to the way we work. We have also sought to create workplaces where we can all work together, including women and people with disabilities who were not traditionally in the workforce. In addition to these existing initiatives, by implementing measures based on our changing environment, such as diversification of values and our workforce and digitalization of operations, we aim to become a group of people who can think independently and act boldly.

Promote the development of human resources

We are training the leaders who will drive sustainable growth and systematically developing the specialized technical personnel who will create stronger manufacturing sites. We want to develop people who can take initiative in facing challenges and display their abilities for the growth of the business even in an age of volatility, uncertainty, complexity, and ambiguity (VUCA).

Active participation of a diverse workforce

Promoting the creation of an environment in which people from various backgrounds can fully demonstrate their abilities will lead to the creation of new value and sustainable corporate growth.

Create a pleasant corporate culture

Through continuous improvements based on engagement surveys, we are creating workplaces that are pleasant for a diverse workforce, aiming to combine our efforts to be the company we aspire to be with employee job satisfaction and a sense of growth.

FY2021 Priority Item Results and FY2025 Targets [Toyoda Gosei Co., Ltd.]

Priority item	FY2021 results	FY2025 target
No. of people who have taken training for executive personnel	54	65
Percentage of people who have had overseas assignments (management, technical and office personnel)	22.7%	25%
No. of DX personnel trained	94	270
No. of female managers	30	40
Local executive percentage (VP and above at overseas Group companies)	31.0% [Global]	40% [Global]
Percentage of managers who are mid-career hires	30.9%	30% or higher
Employment of people with disabilities	2.78% [Entire Group in Japan]	Achievement of legally mandated rate [All Group companies in Japan]
Engagement survey results (positive evaluation)	56%	65%
Average overtime hours	12.3 h/month per person	Less than 10.0 h/month per person
Annual paid leave taking rate	97.3%	90% or higher

Human Rights Initiatives

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.

Formulation of Human Rights Policy

In May 2022, we formulated the Toyoda Gosei Group Human Rights Policy based on the UN Guiding Principles. We will promote management that respects human rights and diverse values in the countries and regions in which we operate, and contribute to sustainable societies through mutual growth and development with our stakeholders.

This policy is positioned as the highest level human rights policy in the Toyoda Gosei Group. To continue as a company of integrity, we will comply with all relevant laws and regulations in the countries and regions where we do business, and as a good corporate citizen we will earnestly address issues related to human rights by promoting activities that respect the fundamental human rights of all our stakeholders.

Toyoda Gosei Group Human Rights Policy
<https://www.toyoda-gosei.com/csr/social/report2/pdf/ToyodaGoseiGroupHumanRightsPolicy.pdf>

Human Rights Due Diligence

We began conducting human rights due diligence in May 2022 in accordance with the Guiding Principles. Following a desk review, we completed interviews and a written survey with relevant personnel at the World Headquarters and domestic and overseas Group companies, and plan to complete the identification of significant risks by the end of this fiscal year. In FY2023, we will study measures to prevent and mitigate the identified risks, implement corrective measures, and verify their effectiveness. We will focus on understanding the real situation and taking effective measures in cooperation with Toyoda Gosei

Group companies and our business partners. The progress of this activity will be disclosed on our website from time to time.

Education

In the past, education on respect for human rights was provided on occasions such as when people join the company, and when they are promoted. In FY2022, based on the formulation of the Toyoda Gosei Group Human Rights Policy, we have introduced lectures by outside speakers on the theme of well-being, a human rights policy practical guide in the company newsletter, training for department general managers by outside instructors, online training for technical and office personnel, and the development of educational tools for skilled workers. We issue a monthly communication for the creation of workplaces free of harassment and discrimination, which is read out at workplaces.

Consultation Office

We have established a consultation office for harassment, child and nursing care, mental health, and employment support for people with disabilities. In the future, we plan set up and build channels to accept inquiries from people who are not employees of the company.

System

Initiatives related to respect for human rights are discussed at the Human Resources Meeting, and results are reported and confirmed at the Sustainability Meeting, for which the company president serves as chairperson.

Social

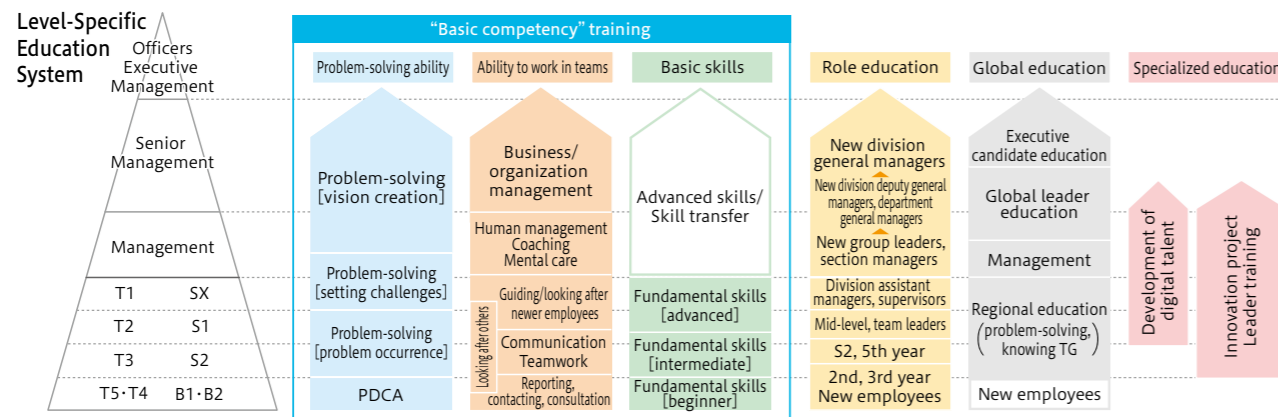
Promotion of Human Resources Development

To raise the collective strength of Toyoda Gosei globally, we are striving to develop human resources and create workplace environments where everyone can display their full abilities.

Enhanced Training Programs, Invigorated Personnel Development

To improve the skills and abilities needed in working at Toyoda Gosei, we are encouraging human resources 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 have also launched a new training program to develop project leaders who can bring about reforms in order to respond to changes in the business environment, and digital talent to promote DX. We are also actively introducing online training, e-learning and other new training methods.



New Employee OJT System

For early employee education, we have introduced a "New employee OJT system" for independence of young employees within three years of joining the company. We provide both on-the-job training and classroom training in the workplace so that they can perform their work according to the PDCA cycle.

Interviews in the pivotal second, fourth and sixth years in the company help them display their abilities, understand their individual growth, discover educational problems early, and take measures to counter them.

Year Item	1st year in company	2nd year in company	3rd year in company
OJT <workplace>	Position	Work guidance based on PDCA	
OFF-JT <training>	New employee training Business manners PDCA, others Plant training Understanding manufacturing	Special education Technician training Production engineering training	Basic problem-solving training Report/contact/consult training (communication) New employee interviews (2nd year)

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 therefore started up three dojos in FY2019 with the basic policy of "cultivating a culture that values skills."

The Special Skills Dojo is designed to help managers and supervisors acquire specialized skills in addition to their supervisory duties. We have started a training program where they learn the mechanisms that lead to defects so that they are better able to take corrective actions.

In the Maintenance Skills Dojo launched to train maintenance personnel, we have added application-level training to respond to the shift to robotics and IT. To promote automation through the use of collaborative robots on manufacturing floors, general shop floor workers are also being trained in robot teaching skills. In FY2022, we have

also begun to create a curriculum to train people who will bring automation to existing processes through the use of collaborative robots.

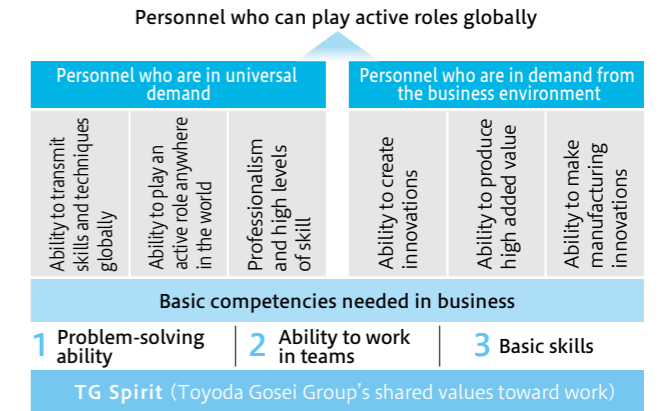
The Mold Skills Dojo provides basic skills training and trainer training for mold maintenance personnel at domestic and overseas locations. So far a total of 100 people have been through this dojo.

We have been entering the Skills Olympics since 2017. By helping young employees to acquire the high-level skills and knowledge related to their essential work, we are striving to develop employees who can play active roles on the production floor in the future. With these ongoing initiatives, we hope to achieve strong manufacturing floors that support the company.

Training of Global Executive Candidates

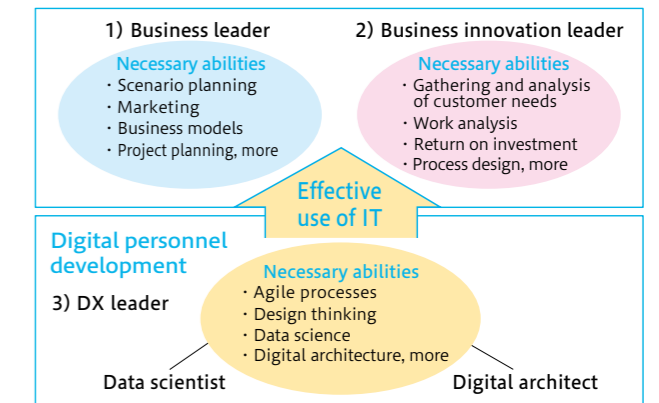
For the systematic training of people who will manage the company in the future, we have introduced a program to help people learn how to look at and think about things at the management level and cultivate the qualities that will help them bear higher levels of work responsibility, with aims such as 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.

With the continuous education of management personnel, we will ensure that we have the personnel who can support the management foundation of the company.



Project Leader Training in the Age of VUCA

In addition to training based on problem solving, we believe people need to develop the expertise, capabilities, and skills required to respond to changes in the business environment and implement management strategies. We have started a training program where people learn new ideas, approaches, and other skills to create new value and take the lead in innovating business operations. Three types of project leaders are trained: 1) Business leaders who create new businesses and products, 2) Business innovation leaders who innovate business processes, and 3) DX leaders who lead digital human resources and promote DX. This training has been fully implemented since September 2022.



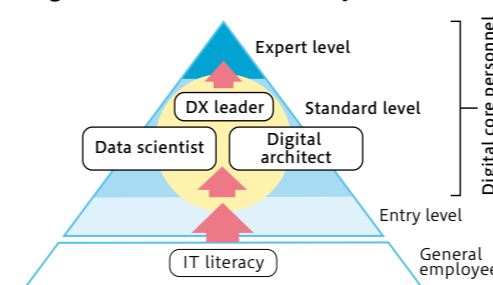
Digital Personnel Development for People Who Can Carry Out DX

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 in January 2022 we introduced a new educational program to train core digital personnel.

With this we will ensure business innovations and our competitiveness in the market, so that we can grow as an organization that can respond flexibly and rapidly to market changes (81 people received standard level certification in FY2021).

Digital Personnel Education System



Necessary DX personnel		FY2021 results	Training plan for 2025
Data scientist	Can extract and analyze information from large amounts of data and reflect it back to work improvements	57	150
Digital architect	Is well-versed in the latest cloud and other technologies, and can implement them	24	100
DX leader	Can direct digital talent and promote DX	- *	20

*Due to implementation from FY2022

Social

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, evaluation, and promotion opportunities to all employees, so that everyone can display their abilities. We seek to energize the company by providing an environment where people can play active roles.

Encouraging the Active Roles of Women

To bring about a situation in which all employees, regardless of gender, can play active roles and grow, and to create new value by taking advantage of diversity, we are implementing the initiatives shown in the table below. Our focus is on training and support for the active roles of female employees, reforming the attitudes and behavior of superiors, and support for a work-life balance.

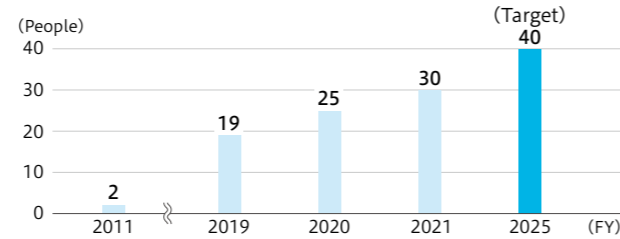
We aim to have more than 40 female managers by 2025 in order to create an environment where female employees can work long-term with assurance and continue to grow, as well as to incorporate more diverse values and new perspectives and ideas into our management.

For example, in training and support for the active roles of female employees, we are strengthening our training initiatives to encourage female employees who aspire to become leaders by providing training to improve their management skills and actively

implementing training rotations to expand their range of experience and perspective.

In technical workplaces, we are also creating manufacturing floors where employees can play an active role regardless of gender or age by introducing innovations to minimize heavy labor, such as rethinking high-load work with the use of *karakuri kaizen* and the greater use of robots. This will encourage more active participation of female employees.

Number of Female Managers [Toyoda Gosei Co., Ltd.]



Training and support for the active roles of female employees	<ul style="list-style-type: none"> Challenge Programs: Educational program in which female manager candidates provide "Acquisition of management skills through training," "Expanding range of experience with training rotation," and "Sharing and mutual advice of troubles or matters that are noticed through practice in the workplace." Tea Meetings: A place where female employees can take up troubles and opinions and strengthen personal networks
Reforming the attitudes and behaviors of superiors	<ul style="list-style-type: none"> Workplace reform management class: A place to exchange opinions on voluntarily improving the management ability of those in managerial positions, and change atmospheres and attitudes
Support for work-life balance	<ul style="list-style-type: none"> Enhancement of childcare leave, reduced working hours (systems exceed legal standards) Introduction of telework (for office and engineering work since January 2021)

Local Executive Training

With 61 companies in 16 countries and regions around the world, we want our operations to be rooted in the local communities that support sustainable growth. For such business operations, we believe the involvement of personnel who are familiar with local business practices and culture is essential, and we are actively promoting the appointment and training of local executives at our overseas locations. To accelerate active promotion to such positions in each region, we established a basic policy and targets for the promotion of local executives (vice presidents and above) in FY2020. Each business unit is working to achieve these targets.

With the aim of having 40% local executives by

2025, we are evaluating people with high potential in each region and formulating plans for their development. We are also promoting the development of local personnel by introducing an introductory education and mentoring system and conducting "problem-setting problem-solving" training to retain mid-career employees who are candidates for executive positions. In addition, Regional Succession Committee (RSC) meetings are held in the Americas, Southeast Asia, and China to share the status of activities and issues related to the development and recruitment of executive successor candidates. Annual reports are given at Global Succession Committee (GSC) meetings.

Continuing Roles of Senior Employees

We will create an environment in which senior employees, who are steadily increasing in number, can continue to work with a sense of security and high motivation after the age of 60. This will create new value by combining their wealth of experience, techniques, and skills with the ideas and perspectives of younger employees. To build a foundation for this, we have raised the retirement age from 60 to 65, effective April 2022. We will continue the initiatives shown in the table on the right to encourage employees to continue working enthusiastically and vigorously until age 65.

We are continuing activities to create an environment in which employees, regardless of age, can maximize their potential and to further improve engagement (target: positive response rate of 65% or higher for employee engagement (50s and 60s)).

For example, as a means of improving motivation, we conduct career training for employees in their 50s, providing them with opportunities to exchange opinions with their peers and rethink such matters

as how they will work in the future and how to demonstrate the techniques, skills, and experience they have cultivated in the workplace.

In addition, to improve health and physical fitness, we are stepping up activities to promote health through regular discussions with employees, such as holding health seminars at milestone ages and reviewing cafeteria menus to improve dietary habits.

Increasing motivation	<ul style="list-style-type: none"> Management education for superiors (Better communication, dialog ability, etc.) Career formation education (Young, mid-level to senior workers)
Health and physical fitness improvements	<ul style="list-style-type: none"> Health education (Seminars in pivotal years) Improved cafeteria menu (Corresponding to risks for hyperlipidemia, hypertension)
Workplace environment development	<ul style="list-style-type: none"> Spread of good examples of workplaces on manufacturing floors Initiatives to reduce physical burden (use of <i>karakuri</i>, other means)

Workplaces That Welcome People with Disabilities

We view the hiring of people 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, manager and supervisor education, and workplace settlement. We place particular emphasis on getting people settled in the workplace, monitoring conditions through regular care interviews, taking up problems, and formulating 3-year plans for improvement of the workplace environment. We are also systematically installing restrooms for all with consideration of the workplace environment. Work that people with

disabilities can perform is identified, and they are systematically hired and placed. As of the end of FY2021 (March 1, 2022), 127 people with disabilities had been hired for a hiring rate of 2.39%, exceeding the legally mandated employment rate of 2.3%.

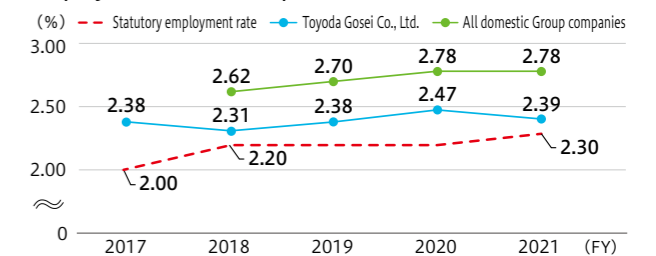
Our special subsidiary TG Welfare Co., Ltd. holds seminars for people with disabilities for the entire Group and serves in other ways to create places for education and share information with 14 Group companies that have received special Group company certification, achieving a hiring rate of 2.78% for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



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

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

Employment Rate of People with Disabilities



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Creating a Pleasant Corporate Culture

We believe that it is very important to have both systems and environments in place for our employees to work with energy and enthusiasm. In addition to measures to improve job satisfaction, we are actively working to improve office environments, cafeterias, restrooms, and other facilities to provide safe and comfortable work environments and create a foundation on which each employee can demonstrate their abilities.

Workplace Culture Reforms, Higher Employee Engagement

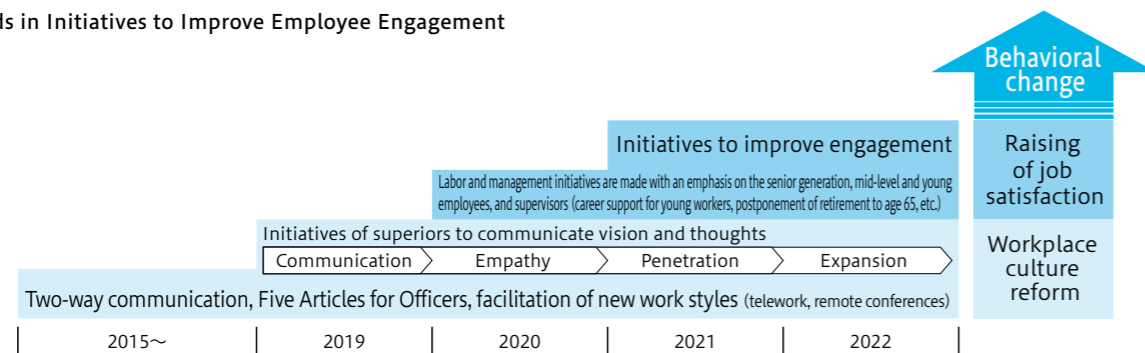
Toyoda Gosei is undertaking various activities to create a comfortable working atmosphere.

In 2015, we launched the “Five Articles for Officers” with the aim of fostering workplaces where people can speak their minds freely and a culture that encourages bottom-up proposals and initiative, as well as a company *ekiden* relay race to improve vitality and solidarity. These activities produced changes in the atmosphere within the company, but to further raise employees’ sense of accomplishment and satisfaction in their work, in April 2019 we started the Management Declaration Activity. The heads of all divisions clarify

the vision and mission for their division and declare how they will develop human resources and create a positive culture.

Although progress was made in reforming the corporate culture through these ongoing measures, in 2021 we started an engagement survey and have been monitoring internal conditions to make further improvements by quantitatively measuring employee job satisfaction and other parameters. We will continue our efforts to improve employee engagement by addressing issues that are identified in the surveys.

Trends in Initiatives to Improve Employee Engagement



Example of Workplace Culture Reform Activities

- 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



Company *ekiden* relay race



Employees cheering for volleyball team

We aim to create an environment in which anything can be discussed freely, with officers themselves leading changes (this year is the 7th year)

Creating Systems and Environments for Flexible Working Styles and That Support Increased Activity

Working Styles and Systems

In addition to systems that exceed the legal requirements for support in balancing work with childcare, nursing care, and medical treatment, we are fostering a workplace culture of mutual consideration. In particular, as both men and women participate in childcare, we actively encourage male employees to take childcare leave by reminding them of the system when their

children are born and by raising awareness through our in-house newsletters.

To help employees achieve a work-life balance, we also strive to create an environment where they can continue to work with a sense of fulfillment, using flexible work styles such as telework, shorter working hours, and flexible work schedules.

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	1st grade	4th grade	7th grade	1st grade	4th grade	7th grade				
Special parental leave	M/F																
Special paternity leave	Mainly men																
Childcare leave at birth	M/F																
Childcare leave	M/F																
Reduced working hours ^{*1}	M/F																
Restrictions on overtime, late-night work	M/F																
Special sick/injured childcare leave	M/F	10 days/year															

In addition to the above, we have other generous programs such as Special Children Support Leave so that parents can attend children's events or deal with school closures and a Holiday Childcare Subsidy to subsidize the cost of using a private daycare center on holidays that are working days for the company. Other programs include a Special Childcare Work Exemption and interviews before taking childcare leave and before returning to work.

^{*1} 4-hour workday up to first grade of elementary school, 6/7-hour workday up to fourth grade of elementary school

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

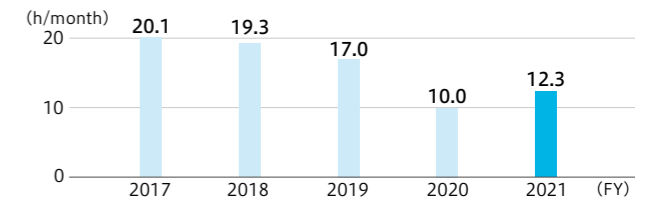
System to Support a Balance Between Work and Medical Care

- Reduced working hours
- Half-day work
- Relaxation of upper restrictions on telework

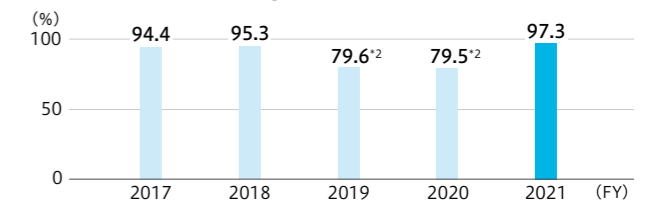
Workplace Environment

We strive to create workplace environments where each and every employee can work energetically and play an active role. We are improving the company environment to create safe and comfortable workplaces for our employees by renovating break rooms used by employees on manufacturing floors, installing restrooms for everyone, including disabled and LGBTQ employees, and establishing a “hot desking” system and satellite space in offices to promote flexible and efficient work styles that are not limited by location.

Company-Wide Average Overtime Hours [Toyoda Gosei Co., Ltd.]

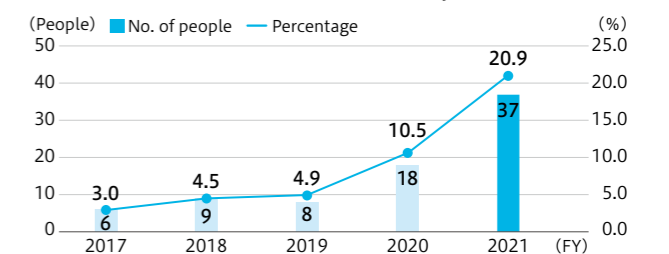


Annual Paid Leave Taking Rate [Toyoda Gosei Co., Ltd.]



^{*2} There were company shutdowns due to COVID-19

Number of Men Who Took Childcare Leave [Toyoda Gosei Co., Ltd.]^{*3}



^{*3} No. corresponding to the year when childcare leave was started



Miwa Technical Center (satellite space) Headquarters office (hot desking)

Social

Safety and Health

Basic Policy for Safety and Health

The Toyoda Gosei Group considers 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 Initiatives

In the Toyoda Gosei Group, safety and health declarations are made and company activities are spread based on the above basic philosophy.

Safety and Health Declaration	<ol style="list-style-type: none"> 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.
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Promotion System

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 subsidiaries. Various measures related to safety and health are reported and discussed, and the results are reported to the Board of Directors.

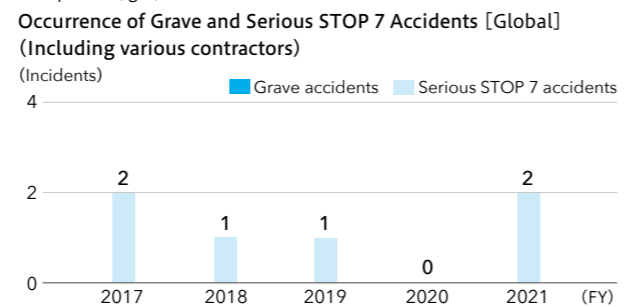
In addition to the deliberation results of the Central Safety and Health Committee, safety information is sent out repeatedly in the President's New Year message and company newsletters. The entire Toyoda Gosei Group carries out these activities. For suppliers, efforts are made to regularly share all relevant information through procurement liaison meetings and other means.

Targets/Achievements

We believe it is the company's responsibility to ensure that everyone who works on our premises returns home in the same good health as when they arrived at work. We have implemented various measures to achieve our goal of zero grave,¹ serious² and STOP 7³ accidents on a global basis.

We are working to eliminate accidents so that our employees can focus on manufacturing with safety and security even when faced with sudden production volume fluctuations due to COVID-19 or other factors. This includes preventing recurrence, conducting risk assessments and various safety audits for advance prevention, providing safety and health education by job level to raise safety awareness, and conducting ongoing KYT (hazard prediction training) activities.

*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



Domestic and International Subsidiary Audits

We have been using safety and fire prevention maps (SFPM) since FY2020 for the purpose of understanding the safety and fire prevention levels at our domestic and international subsidiaries and rectifying weaknesses. In FY2021, we established uniform assessment items based on the results of voluntary assessments at each company. We have been conducting audits and providing support at 13 domestic subsidiaries three times a year (39 times in total) through on-site inspections to further raise the level of safety.

Particularly in the area of disaster prevention, we have been conducting KYT activities with the aim of further improving KY (hazard prediction) capabilities and creating

workplaces where acting safely (hazard avoidance) is second nature and people point out hazards to each other. KYT competitions have also been held in India and China.



First-place team in the first Indian KYT conference (TGSIN TPS section team)

Health Management

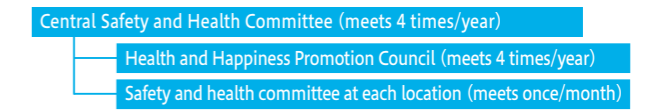
We conduct health management activities so that all people working in the Toyoda Gosei Group can continue working in both mental and physical health.

Health Declaration	To Achieve "Boundless Creativity and Social Contribution"
	1. We believe the health of our employees is an important management resource 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, and develop our personnel.
	3. To help improve the health of employees and their families, we try to raise health awareness for disease prevention.

Promotion System

With the aim of upgrading health management, the mental and physical health committees were merged to form the Health and Happiness Promotion Council in FY2022. Aiming not only for good health but also for happiness in work, industrial physicians and the company's Human Resources Division, health insurance union, and labor union come together to discuss management for health and well-being, with the Safety & Health Promotion Division acting as executive office.

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 Activities and Certifications/Awards

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.

A strategy map based on the Ministry of Economy, Trade and Industry's Guidelines for Administrative Accounting of Investment in Health and Productivity Management was created for the purpose of quantitatively showing health management initiatives and results, and implementing the PDCA cycle for activities. We will promote health management in a continuous and effective manner by

quantitatively evaluating investments, effectiveness, and resources. We have also formulated Challenge 8 as a health KPI to promote health management. The eight items of weight, breakfast, alcohol consumption, snacking, smoking cessation, exercise, sleep, and stress are numerically assessed, and targets have been set for each fiscal year through FY2025.

In recognition of our past health management activities, we were recognized for the first time by the Ministry of Economy, Trade and Industry as a Health and Productivity Brand in 2022.



Raising Health Awareness and Changing Behaviors

We are in the seventh year of our workplace-based health promotion activities, one of the programs to achieve the goals in Challenge 8. The number of participants has increased year by year, and in FY2021 reached 96.8% of all employees. More than 80% of the 316 participating teams have an exercise theme, and each workplace has a fun and creative way to promote health and wellness. In FY2021, we also introduced the new theme of Sleep and Mental Health to promote activities for both

physical and mental health. We are also working on activities to raise health awareness and promote behavioral change by holding walking events during long weekends and holidays using the Aichi Health Plus app distributed by Aichi Prefecture.



A workplace that takes stretching as a theme in workplace health promotion activities

Initiatives to Maintain and Improve Women's Health

We place great importance on activities that support the health of working women. Our first Women's Health Week event was held in March 2022 with the aim of improving women's health literacy. A special meal (Pink Ribbon Lunch) was served in the cafeteria, information was provided via panels, flyers, and digital signage, and self-check goods were distributed to raise awareness of breast and uterine cancer screenings. In collaboration with the health insurance union, leaflets to improve the cancer screening rate were distributed to people in their 20s, in whom the screening rate is particularly low. This resulted in a 5%

increase in the cancer screening application rate in FY2022. We are also trying to support women who are returning to work after parental leave by providing information on consultation services and self-care information to help them balance childcare and work from a health perspective.



"Pink ribbon lunch" provided during Women's Health Week and information being provided at event

Social

Supply Chain Management

Basic Procurement Policy

The Toyoda Gosei Group has set a basic procurement policy based on the idea of coexistence and co-prosperity with our suppliers. We aim to deepen our partnerships with suppliers while achieving sustainable growth for us both.

Basic Procurement Policy	1. Optimum Global Procurement	2. Mutual Growth Based on Mutual Trust	3. Moving Toward Sustainable Societies
	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.	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.	Toyoda Gosei has set activity norms as guidelines for initiatives 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.

Toyoda Gosei's Supply Chain

The number of suppliers we have direct dealings with is 419 for products and parts and 327 for materials and equipment. When suppliers not in those areas are included, the total number is 772 companies.

	Products/parts	Materials/equipment	Other	Total
Number of suppliers [Toyoda Gosei Co., Ltd.]	419	327	26	772

Global Collaboration

As our business expands globally, we are collaborating with purchasing managers in each region to further promote local procurement, with consideration of quality, cost, risk avoidance, and all other parameters. Global Procurement Liaison Meetings are held twice yearly as a forum to share information. At these meetings, regional managers share information and

hold discussions to resolve issues related to quality, cost, and delivery (QCD), and well as environmental issues and other sustainability activities. We are also strengthening our global procurement network through mutual support, such as sharing buyer education materials and localization information.

Business with New Suppliers

We have an entry form on our website for open dialogue regarding new proposals and business dealings.

In addition to QCD assessments at the start of new business dealings, we also check the status of the other party's management activities based on their level of support for our sustainability guidelines and

other factors, to manage risks starting from our first transactions.

At the same time, together with the signing of contracts and memorandums of understanding, we explain the various guidelines that Toyoda Gosei has developed and seek their understanding.

Initiatives for Sustainability Over Entire Supply Chain

Based on rising expectations for sustainability initiatives in companies, we have created Supplier Sustainability Guidelines and requested that our suppliers thoroughly understand and practice them. We also provide self-check sheets for early measures when potential risks are noticed, and ask companies to conduct self-assessments.

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, compliance with minimum wages, and health and safety), we ask suppliers to observe environmental aspects such as water use and biodiversity.

With regard to the environment, CO₂ reductions, recycling of resources including waste, and control of chemical substances is demanded in 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 on conflict materials with the cooperation of all our suppliers.

As described above, we are accelerating initiatives needed for sustainable growth over our entire supply chain, matched to the various changes in social conditions.



Strengthening Our Relationships with Suppliers

Every April, we hold procurement policy briefings where we explain our management philosophy, the business environment and company policy to about 250 of our major suppliers in Japan. After sharing our initiatives and targets related to safety, compliance, sustainability, quality, production, and cost, we hold regular discussions to confirm results and make improvements through anticipated value roundtables.

We hold procurement liaison meetings six times a year to introduce examples of fire and disaster prevention initiatives

and share information on production volumes, quality, compliance, and cybersecurity. In addition, we hold seminars on carbon neutrality and other social issues.

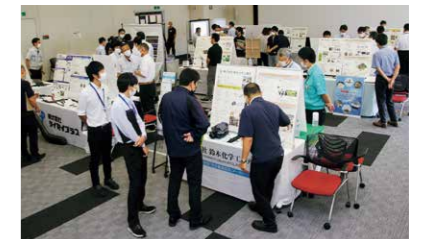
In FY2020, we established Management Troubleshooting Consultations for suppliers and other business operators. We receive candid inquiries from them on various management issues, including corporate management, finance, human resources, and legal matters. This is done in small groups, where we try to give advice on effective solutions.

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. Initiatives related to production include manufacturing site improvement through manufacturing reform activities. Both of these areas are related to personnel development.

We also provide indirect support for the activities of the Kyowa-kai, an organization formed by suppliers for the purpose of mutual improvement and sharing of best practices, and are involved in their activities for human resource development and to achieve carbon neutrality. During Supplier Month (December), we once again express our sincere appreciation for the daily efforts of our suppliers and try to strengthen our support for their sustainability activities.

In 2022, the Kyowa-kai held the Winning (Value) Technology Exhibition with the aim of strengthening each other's competitiveness by, for example, leveraging the knowledge that suppliers have developed to enhance the added value of our products. The introduction of each company's special technologies, value-added products, and sustainability activities for carbon neutrality and other matters will lead to the creation of new value and corporate growth throughout the supply chain.



The Winning Technology Exhibition, held in September 2022. Approximately 700 visitors attended the exhibition of various "value techniques" from participating companies

Monitoring Supplier Information

We ask suppliers with whom we have ongoing business to submit a supplier survey form on management information at least once a year. The submitted information is shared with the entire Purchasing Division. If there are major changes, we visit the supplier and conduct interviews to quickly grasp the changes that have occurred, mitigate risks

as soon as possible and solve problems.

We also conduct supplier evaluations, including QCD, to better understand each company's strengths, weaknesses, and challenges before considering the details of our business transactions.

Employee Education and Training

We strive to follow the "Toyoda Gosei Guidelines for Business Ethics" so that each and every employee engaged in procurement operations can conduct their activities in a manner that is open, fair and equitable toward suppliers.

To achieve sustainable societies, we also make efforts throughout our supply chain with a view to social issues

and circumstances. The Procurement Subcommittee holds regular monthly meetings to ensure that procurement activities correspond to various changing social conditions, and all Purchasing Division members are given compliance (subcontracting laws, bribery, etc.), safety, and carbon neutrality information.

Participation in Relevant Associations and Initiatives

We participate in industry associations such as the Japan Auto Parts Industries Association (JAPIA) and the Japan Rubber Manufacturers Association (JRMA). Our company president serves as an officer (director) of JAPIA.

Through our activities in these industry associations, we seek to achieve sustainable growth together with our suppliers, such as through the Declaration of Partnership

Building promoted by the Ministry of Economy, Trade and Industry.

We are also participating in the revision of the JAPIA BCP Guidelines by the general affairs committee of JAPIA for not only earthquakes but also wind and water damage and pandemics. In this and other ways we are contributing to the formulation of BCPs by suppliers in the auto parts industry.

Social

Uniform Global Quality Assurance

Commitment to Quality Assurance

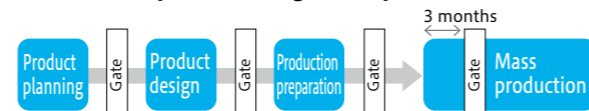
Under our basic quality policy, we guarantee quality at every step from development to production for “Customer First” and “Quality First” principles.

For our quality assurance systems, we have obtained certification under the international standards ISO 9001/IATF 16949 and have established a quality management system. We are also working to strengthen quality assurance throughout the Group using the Quality System Global Standards¹ as common rules. We pursue quality that meets customer expectations by reliably building

quality into new products through our Initial Management System, which checks how well each process is done, from planning to design and production.

^{*1} Incorporates the know-how and rules for quality improvement in the Toyoda Gosei Group

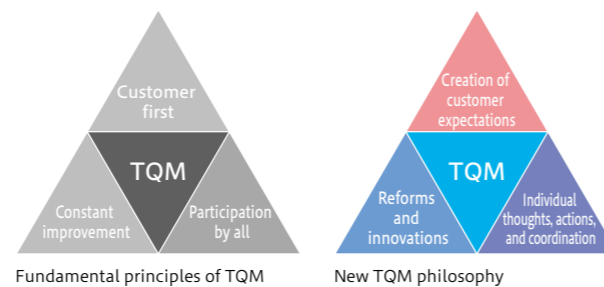
Gate Control by Initial Management System



TQM for a Stronger, Better Company

Based on the basic principles of TQM,² we are raising product and work quality and individual and organizational vitality. Company-wide TQM activities are undertaken to create a flexible and resilient corporate character. In addition to our conventional *kaizen* activities, including Workplace Management *Kaizen* Activities and Small Group Activities, we are building a new TQM philosophy with the concept of “changing the way we work in anticipation of coming changes,” and sequentially spreading these new TQM activities in the Group.

^{*2} Total Quality Management



Development of Human Resources for Future Business and Environmental Changes

We established the Quality Learning Center as a place to foster a mindset in which all members of the Toyoda Gosei Group, including suppliers and overseas locations, can think and act in a “Customer First” and “Quality First” manner. In addition to the company's quality history and examples of quality *kaizen* that embody the TG Spirit, we use this as a place to repeatedly learn about initiatives as we move toward the future.

In addition, during “Global Quality Month” in November each year, everyone makes a “Declaration of Thought and Action” in their position and role. Through this and the establishment of regular opportunities for everyone to reflect on their own actions, we try to firmly establish the

“Customer First” mindset.

Training Personnel with Digital Analysis Skills

With the recent utilization of big data and the rapid expansion of DX, the ability to analyze data has become an essential skill. We are strengthening the practical education, including industry-academia collaboration,³ of people who can use statistical quality control (SQC) and machine learning (ML).

^{*3} Experts from Shiga University and the Toyota Group serve as instructors



Toyota Group machine learning dojo

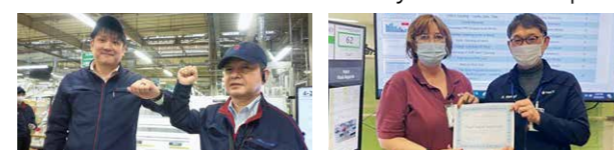
Manufacturing Quality Assurance and Continuous Improvement Activities

In order to deliver safe and secure products to our customers around the world, we are executing defect-free process completion centered on production processes for safety parts, which are directly related to the basic performance (running, turning, and stopping) and safety of vehicles. Audits and improvements by certified auditors are also conducted for safety part production processes.

■ Ongoing “Quality Assurance Declaration Activities”

We cultivate a workplace culture of continuous improvement and have conducted “Quality Assurance Declaration Activities” since 2012 with the aim of creating manufacturing floors that can cope well with changes. We identify issues from the three angles of developing

human resources, developing processes, and preventing recurrences, and then conduct *kaizen*. At the stage when we achieve our targets, the supervisor gives an “Assurance Declaration” to the company president on-site. With the aim of quality that will earn the trust of the customers globally, we undertake this activity with the participation and concerted effort of the entire Toyoda Gosei Group.



“Quality Assurance Declaration Activities” in local confirmation meetings with the company president (left: Japan, right: North America)

Contributing to Local Communities

Contributing to the Development of Sustainable Communities

The Toyoda Gosei Group wants to earn the trust of society through all its business activities, including not only the development and manufacture of products that satisfy customers worldwide, but also environmental preservation and social contribution. To be a good corporate citizen, as stated in our man-

agement philosophy, we are active globally in the four areas of social welfare, environmental protection, youth development, and community crime prevention. Together with these activities, we have continued to support disaster recovery following the Great East Japan Earthquake in 2011.

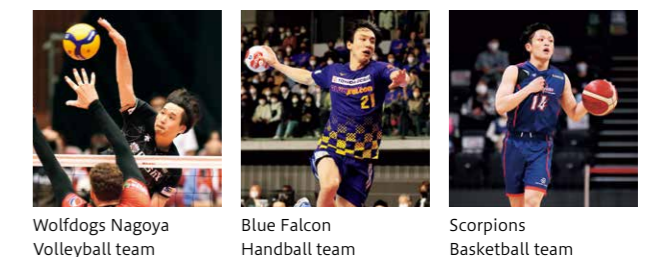


Contributions to Food Banks Afforestation Project Boys and Girls Invention Club Traffic Safety Patrols

Fostering a Sense of Unity Between Employees and the Community Through Sports

Through the promotion of sports, the Toyoda Gosei Group aims to foster a sense of unity between employees and the community, and to contribute to bright, prosperous, and vibrant societies.

In FY2021, the Wolfdogs Nagoya volleyball team, a regular contender for the No. 1 spot in Japan's top league, won the Emperor's Cup. The Toyoda Gosei Blue Falcon handball team won the league championship and the Japan Championship. The Toyoda Gosei Scorpions basketball team is active in the B3.LEAGUE.



Wolfdogs Nagoya Volleyball team Blue Falcon Handball team Scorpions Basketball team

In addition to the official team games, Entrio, which opened in FY2020, embodies our philosophy by hosting local events that serve to create a lively atmosphere through interaction with the community.

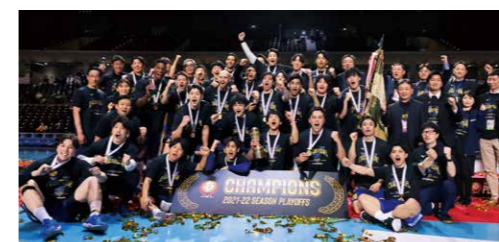


Toyoda Gosei Memorial Gymnasium (ENTRIO)



I want to contribute to solving social issues through corporate sports

Shigeru Tanaka
Manager
Toyota Gosei Blue Falcon



The Japan League Championship

Today the idea that all business activities should contribute to solving social issues is becoming more prominent in the world. However, I felt that when I joined Toyoda Gosei there was already a culture within the company which held the idea that “a company is a public institution in society and that it should naturally therefore contribute to the local community.” I believe that there are many aspects of corporate sports that can contribute to society as well as to the company.

For example, teaching handball to local children in English, or having Toyoda Gosei play a match against a world-class team for them to watch. We hope to come up with many ideas that would be beneficial to the community and the company, and create a model plan to put them into practice. The Blue Falcon is committed to being a strong bridge between the company and the local community and to the team's mission of building a strong team that is trusted by the company and the local community.