

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.

