



Maintaining and improving mental and physical health

Toyoda Gosei implements measures to maintain and promote employees' mental and physical health.

Mental health activities

Toyoda Gosei Co., Ltd. provides regular mental health education for workers of each level, with emphasis on managers and supervisors to encourage management with a view to mental health in the workplace and smooth communication. A bimonthly mental health bulletin is also distributed to all workers to improve self-care abilities. In each place of business, counseling is provided by in-house occupational health nurses, medical nurses and external counselors to maintain and promote mental health.

Physical health activities

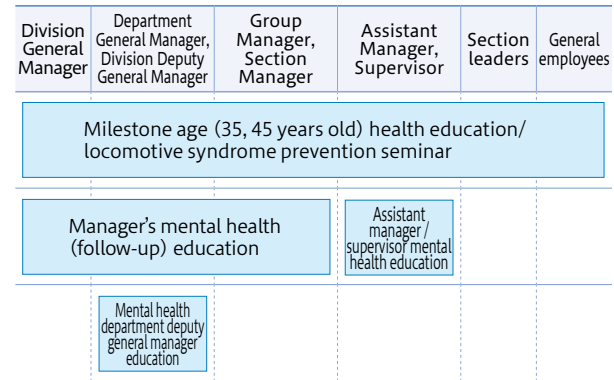
Together with various types of educational activity to maintain and promote health, health classes are held for employees at milestone ages with the aim of preventing lifestyle-related diseases. We are also putting effort into smoking cessation for smokers, and plan to implement a total ban on smoking on company premises starting in January 2020.

These activities and other efforts to consider employee health management from the perspective of company operation were recognized in February 2018 with certification as an “Outstanding Health Management Corporation—White 500” by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.*

* Nippon Kenko Kaigi: An organization formed to conduct effective activities in conjunction with private organizations and the full support of government agencies, in order to increase healthy lifespan and proper medical care for each person in Japan as the population rapidly ages and there are fewer children.



Health education system



Health seminar

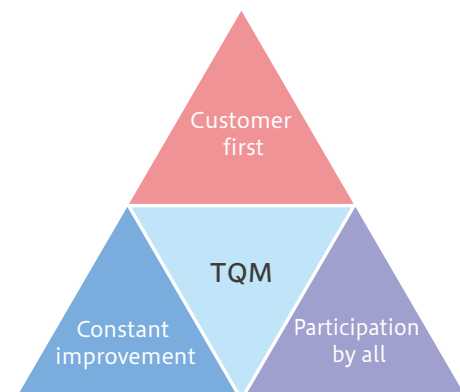


Health exhibit

Uniform global quality assurance

Toyoda 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.

Fundamental principles of TQM



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. We also have fulltime auditors who audit and improve processes at all production sites globally.

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.

Supply chain management

We aim to deepen, grow and develop our partnership with suppliers based on our basic procurement policy.

Basic procurement policy

1. Optimum global procurement

In the process of procuring product materials, products and parts, production equipment, dies/ molds and other goods needed for our business, we conduct comprehensive assessments of suppliers from a global perspective. This includes quality, cost, volume/delivery, technology, and the supplier’s attitude to continuous improvement. We do our utmost to make purchases in a fair and open manner.

We also welcome proposals from suppliers for new technologies and methods and new products.

2. Mutual growth based on mutual trust

We want to grow together with our business partners through dealings based on a long-term vision. To this end we work to build strong relationships of trust through close communication with suppliers.

3. Thorough environmental protection and legal compliance

We do our utmost to ensure environmental protection and legal compliance in all our development, design, and production activities. In procurement we follow the principles of purchasing items with minimal environmental impact and conducting our activities in ways that reduce environmental impacts.

We also exercise extreme care for full legal compliance and confidentiality in relation to our procurement activities.

Support for suppliers

We support strong supplier structures with “*genchi-genbutsu*” (go-and-see activities), and work for their growth. In addition to standardized work and defect prevention to avoid serious quality problems, and lowering of cost prices for higher competitiveness, we involve suppliers in mold and product design. Through

sectional committee activities we share information necessary for quality improvements with suppliers. We also conduct checks and risk assessment for compliance with Japan’s Industrial Safety and Health Act to help support the creation of safe workplaces and prevent fires and disasters.

Green procurement

We do our utmost for environmentally-friendly procurement based on our Green Procurement Guidelines (4th Edition), which consist of three components: establishing environmental management systems; improving regulatory compliance and environmental performance; and managing harmful substances. To reduce environmental impacts, we strive to enhance suppliers’ internal organizations and systems and raise the level of their production activities. Positive results have been

achieved, such as acquisition of ISO 14001 certification and reduction of energy consumption and waste. We comply with increasingly strict chemical substance regulations around the world and monitor the chemicals contained in items procured from suppliers. We also coordinate with suppliers in complying with European ELV (end-of-life vehicle) and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations, and in the management of volatile organic compounds.