

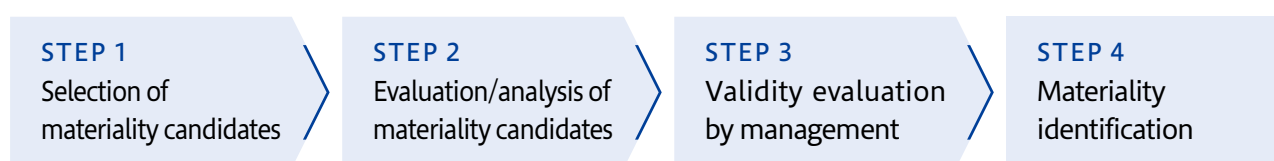
Sustainability SDGs and ESG









Review of materiality (key issues)

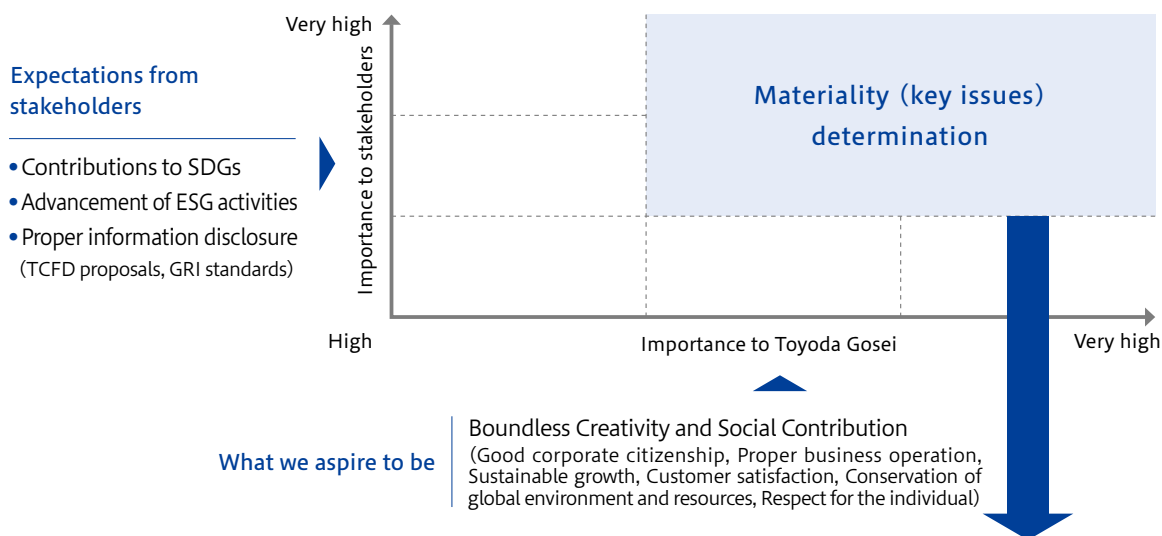
With the company creed of “Boundless creativity and social contribution,” we contribute to a sustainable society through company growth. For this purpose, we will take initiative in helping to solve the global issues indicated in the UN Sustainable Development Goals (SDGs; shared goals that the international community aims to achieve by 2030), and in the area of ESG (environmental, social and governance),

based on an appropriate governance system. We will meet the expectations of our stakeholders around the world, including customers, shareholders, investors, employees, and suppliers. In April 2020, we reviewed materiality based on growing interest in sustainability and narrowed our focus to the eight most important fields.

Materiality identification process



	Most crucial fields in SDGs	Materiality (key issues)
Business activities	 Good health and well-being	Bring about a safer and more comfortable mobility society by responding to the transformation of automobiles and reducing the number of traffic fatalities
	 Industry, innovation and infrastructure	Create new industries that utilize core technologies
	 Climate action	Build a decarbonized society by reducing emissions of CO ₂ and other greenhouse gases
	 Affordable and clean energy	
	 Responsible consumption and production	Build a recycling-based society by reducing waste and water risks
Management base	 Decent work and economic growth	Coexist with local communities by creating employment and contributing to society
	 Reduced inequalities	Promote diversification in employment, protect human rights
	 Peace, justice and strong institutions	Carry out thorough corporate governance and compliance as a company of integrity



	Major efforts	Corresponding ESG areas
	<ul style="list-style-type: none"> • Development of safety devices, such as airbag products for many different kinds of accidents • Development of simulation technology to create safety devices that correspond to various riding postures, from adults to children • Development of advanced safety technology for autonomous driving 	E S
	<ul style="list-style-type: none"> • Development of mobility products that are compatible with CASE/MaaS • Development and commercialization of e-Rubber applications (tactile hands, heart surgery simulator, etc.) • Development and commercialization of GaN power devices; development of deep UV LED water purification units 	E S
	<ul style="list-style-type: none"> • Development and mass production of high-pressure hydrogen tanks that are at the heart of fuel cell vehicles • Push for lighter weight products for higher fuel efficiency (lightweight panels, plastic fuel filler pipes, etc.) • Push for establishment and spread of innovative and energy-saving production techniques to achieve medium- and long-term CO₂ reduction targets • Revolutionary energy savings from higher productivity with the introduction of innovative technologies, daily <i>kaizen</i>, and IoT • Introduction of solar power generation and other renewable energy 	E
	<ul style="list-style-type: none"> • Push for waste reduction projects to minimize waste in production processes (effective use of weatherstrip scraps; search for ways to minimize scrap generated in plating processes) • Investigation of applications for rubber material recycling technology that uses rubber desulfurization and regeneration technologies • Push for product design that allows easy disassembly and product design and development with the use of environmentally-friendly materials • Push for <i>kaizen</i> and recycling for water usage loss by expert teams • Creation of products (eco bags, etc.) that use waste (airbag base fabric, leather, etc.) 	E
	<ul style="list-style-type: none"> • Business expansion and job creation in developing countries • Volunteer activities in cooperation with local governments and social welfare councils (companywide cleanups, community crime prevention, blood drives, on-site classes) • Push for activities for living with nature (woodland maintenance, plant afforestation, river and wetland preservation), under the slogan “Linking activities with water, the source of life” 	S
	<ul style="list-style-type: none"> • Reformation of the company atmosphere through efforts to raise the communication ability at work • Development of human resources for global management (education program for future management candidates) • Creation of mechanisms to promote career advancement in female employees, so that they feel value in work • Review of personnel systems to promote the activity of senior workers • Hiring of people with disabilities in all Group companies and creation of pleasant workplaces • Explanatory meetings and practical training for supervisors and leaders on harassment prevention 	S
	<ul style="list-style-type: none"> • Activities for thorough compliance and risk reduction centered on the Compliance and Risk Management Committee • Strengthening of ability to handle risk by preparing risk management guidelines • Formulation of and education with the Toyoda Gosei Guidelines for Business Ethics, our code of conduct for employees • Early detection and correction of misconduct by establishing legal violation/compliance consultation offices (inside and outside the company) 	G