

# 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 business activities rooted in each country and community and social contribution activities. To build a foundation for those endeavors, we are developing professionals who can act globally and promoting diversity and workstyle reforms. We respect the individuality of each person while increasing our collective strength through teamwork to achieve a vibrant corporate culture with meaningful work. We will continue to conduct research and development in anticipation of future changes, raise the level of our manufacturing technology, strengthen our supply chain and make constant *kaizen* efforts to satisfy our customers.

**Hiromasa Zaitu**

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

We are striving to create workplaces that are pleasant and conducive to producing good results, with the following key performance indicators.

Classification	Item	Target	FY2019 results
1 Creating pleasant workplace environments	Employee turnover rate	Less than 3.0%	1.2%
	Average overtime hours	Less than 20 h/month	16.8 h/month
	Annual paid leave taking rate	95% or higher	97%
	Number of people promoted from non-regular to regular employees	30/year	112
	Harassment prevention training for new managers implementation rate	100%	100%
	Rate of interviews on how to work with young employees	100% within 2 years	100% (for FY2019)
	Prohibition of smoking on company premises	Institution of on-site smoking prohibition	Instituted in January 2020
2 Promoting diversity	Percentage of women among new employees (staff positions)	20%	16%
	No. of female managers	40 (2025)	19
	Childcare leave taking rate	Men: 30% Women: 100%	Men: 5% Women: 100%
	No. of foreign national employees	30	30
	Employment rate of people with disabilities	2.20%	2.38%
3 Personnel development	Number of young employees on loan outside company	40	49 (of whom 25 were sent overseas)
	Successful execution of young employee 3-year independence plans	100%	100%
	Number of people who have taken practical or professional training	2,500	2,592
	Number of people who have taken global officer + management training	250	269



## Workstyle and workplace culture reforms

From FY2017 we began efforts to make work more efficient with the use of IT 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 making various efforts to deal with environmental changes with a sense of speed and raise the quality of work. In conjunction with this, we are providing opportunities for communication in the workplace, such as informal gatherings with officers and superiors, while also eliminating waste and adopting a working style with a varied pace.



### 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



We aim to create an environment in which employees can discuss anything freely with each other, with officers themselves leading these changes (this year is 5th year)



Workplace colleagues cheering for handball team

### The keys of workstyle reforms



### Creation of systems for flexible work styles

Work from home has been introduced as one aspect of workstyle reforms. By making it possible to work from home, we provide an environment where people can balance work and life, display their abilities, and do their jobs efficiently.

- Interviews with young employees on working styles  
Consultants identify things that are troubling young employees using an interview format, leading to improvements in the workplace environment.

### Examples of workstyle and workplace culture reforms

Perspective	Item	Efforts
Concentration on essential work	Establishment of a concentration time	• 11:00 to 12:00 each day is set as "concentration time" (as a rule, NO meetings, NO telephoning, NO instruction. Workers are notified with music played at 11:00 a.m.)
Increased work efficiency	Review of meeting structure	• Abolishment of preliminary meetings, minimization of the number of participants, time, and frequency • Thorough reinforcement in observing company rules and etiquette
	Work <i>kaizen</i> using IT tools	• Reduction of travel time, increased work speed (introduction of teleconference, electronic approval systems, etc.) • Task automation with RPA* electronic decision-making
Workplace culture reforms	Management declarations	• General managers and deputy general managers use their own words to talk to subordinates about the kind of workplace they want to create
	Workplace-specific problem resolution	• Labor and management exchange opinions and make proposals to create better workplaces
Workstyle with varied pace	Encouraging people to take annual vacation	• Encourage general workplace employees to take full annual leave and 3-day weekends • Set annual vacation targets for management positions and monitor whether this vacation is taken

\* Robotic process automation



Days of thinking about engineer workstyles (event for engineering staff)

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



Company uniform committee (review of uniform to mark 70th anniversary)



Toyoda Gosei Group Ekiden race (suppliers/affiliates also participate)

## Respect for human rights

Respect for individual human rights and privacy both in and out of work are set in employee behavioral guidelines in the Toyoda Gosei Guidelines for Business Ethics. We are striving to create healthy and pleasant workplaces where the character and individuality of each person is respected and that are free of discriminatory behavior, sexual harassment and power harassment.

### Human rights education

In both new employee education and new manager training, we provide education on human rights. Employees learn about the current problems in human rights, so that they can act with increased awareness and respect for human rights

and privacy both during and outside of their work. Personnel are sent to external training to learn in greater depth about rights problems. In these and other ways we are trying to train people with a superior sense of human rights.

## Health management

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

We believe that healthy and energetic employees and their families are the source for Toyoda Gosei’s management philosophy of “Boundless Creativity and Social Contribution,” and we will promote the following activities.

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 cheerful 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.



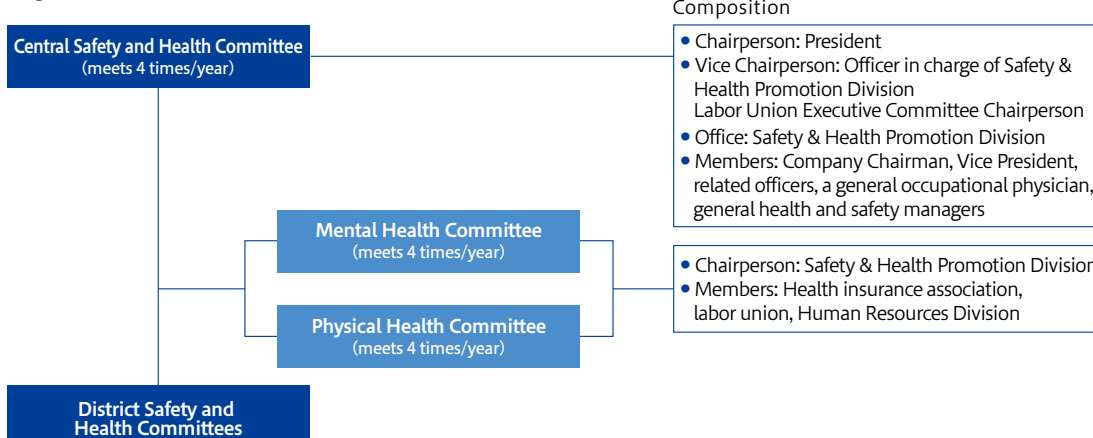
Toyoda Gosei has been recognized as an “Outstanding Health Management Corporation” (large corporation category) for four consecutive years (March 2020).

In 2018, Toyoda Gosei formulated its 2025 Business Plan. 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.

With our Safety & Health Promotion Division serving as the executive office, we have established mental and

physical health committees consisting of company general occupational physicians and members of our Human Resources Division, health insurance union, and labor union. Health management measures are discussed in these committees and progress is confirmed. In addition, 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 region.

### Organization

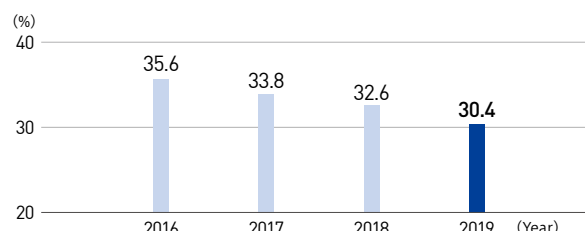




### Measures to prevent passive smoking

In anticipation of the Revised Health Promotion Act, which went into full effect in April 2020, we instituted a smoking ban on all company property in Japan starting in January 2020. This was made possible by the strong will of company management to “be a company with no unwanted second-hand smoke.” We are also trying to reduce smoking rates by holding smoking cessation lectures, offering guidance on how to quit smoking, and continuing to support smoking cessation in ways such as paying outpatient expenses for treatments to help individuals quit.

### Smoking rate



### Activities to prevent the onset or recurrence of mental health problems in employees

With the goal of reducing by 10% (on a year-on-year basis) the number of employees who are on leave due to mental illness, last year we provided individual consultations for employees found to have high levels of stress in stress checks and those who were promoted or transferred under high pressure environments. We also enhanced education for

managers and supervisors to prevent communication errors in the workplace, and made efforts to improve the workplace in collaboration with the Human Resources Division.

As a result, we achieved our target of a 24% reduction in the number of employees on leave for mental illness compared to the previous year.

### Ongoing educational activities to raise health awareness

We held health lectures and exercise workshops at three locations in Japan with the aim of encouraging employees to adopt healthier behaviors (improved lifestyle habits). Of the more than 300 employees who participated, 98% said that they could implement the practices introduced “from the next day,” indicating that these events were a trigger for action.



Health seminar

## Hiring of diverse personnel

Toyoda Gosei hires a diverse workforce and is making efforts to energize the company. We are creating a positive environment in the company by providing fair and equal employment and training with respect for diversity.

### Encouraging the active roles of women

A special organization established in 2010 has been active in the three key areas of (1) training and support for the active roles of female leaders, (2) reforming the attitudes and behaviors of superiors, and (3) creating a fair workplace culture. Our aim is to create 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,” “Training programs to encourage early development” and other opportunities are also offered to listen to the troubles and thoughts of female employees and strengthen personal connections. Together with creating an environment where people can work for long times with a sense of security, there is also support for career advancement.



Workplace reform management class

### What we want for each person

To be active and grow as an employee who can work energetically and produce results in an open and fair environment.

### Three key priority measures for activity

Training and support for the active roles of female employees	Reforming the attitudes and behaviors of superiors	Creating a workplace culture
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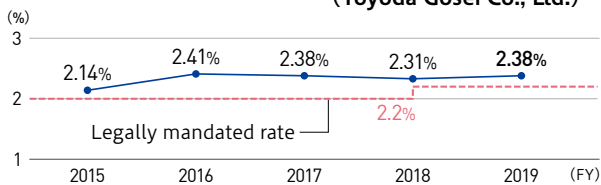
### Workplaces that welcome people with disabilities

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 helping persons with disabilities establish stable positions, monitoring conditions through regular care interviews and improving the work environment by identifying where they face problems. The entire Toyoda Gosei Group holds seminars on people with disabilities to share information and create educational opportunities. Work that people with disabilities can perform is identified, and they are systematically hired and placed. In FY2019, 120 people with disabilities were hired (as of March 1, 2020). This was a hiring rate of 2.38%, exceeding our target (legally mandated employment rate  $\geq 2.2\%$ ).



Communication with sign language in the workplace

### Changes in employment rate for people with disabilities (Toyoda Gosei Co., Ltd.)



## Work-Life balance

Toyoda Gosei Co., Ltd. is adopting a system wherein each employee can select a working style with consideration of work-life balance, supporting employees 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 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 patients 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.

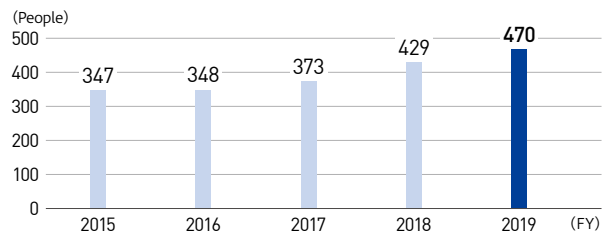
	Childcare leave	Care leave	Reduced working hours
FY2019	67	0	68*

\* Childcare 57 / nursing care 5 / medical treatment 6

### 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



Holiday day-care



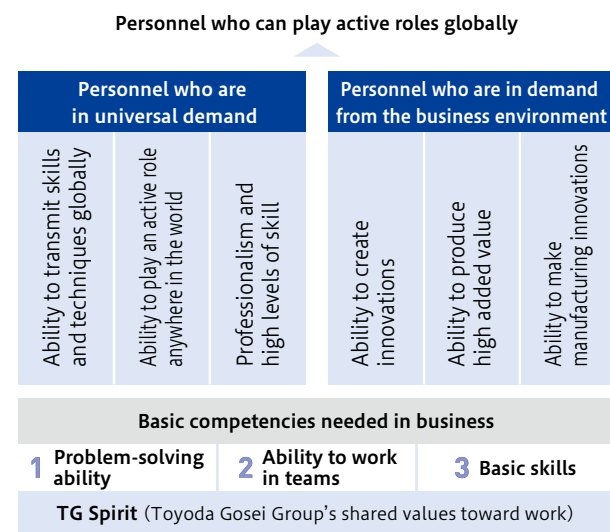
Working parent networking meeting (support for childcare-work balance)



# Personnel development

## A global workforce of employees who think and act independently

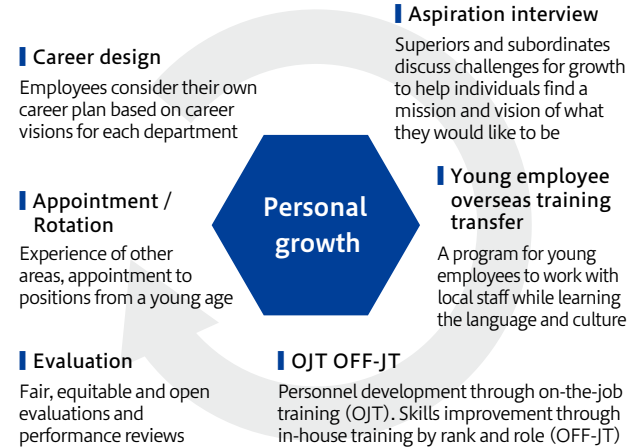
To raise the collective strength of Toyoda Gosei globally, we are striving to develop people who can contribute to that end and to create workplace environments where each employee can display his or her full abilities.



## Framework for personnel development that supports growth

In the Toyoda Gosei Group, our personnel management system features aspiration interviews and visualization of mid- and long-term career design for each employee, as well as rotation of young employees so that they experience a wide range of work. We are also enhancing our level-specific and specialty training to give employees opportunities to acquire needed abilities and skills.

### Personnel development cycle



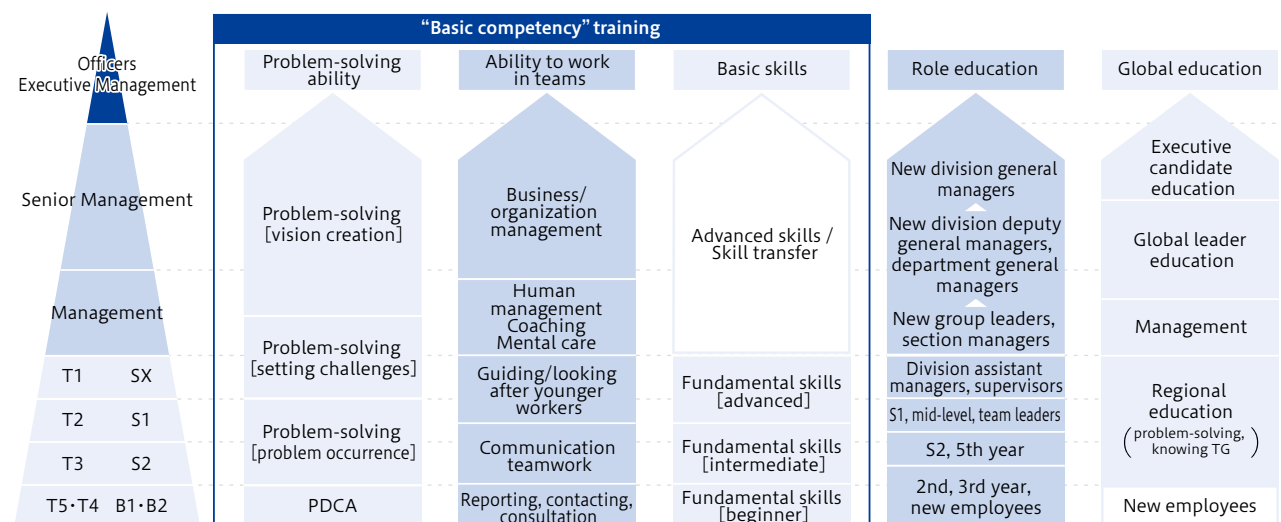
## Enhanced training programs, invigorated personnel development

A broad range of efforts based on individual career visions are underway, including measures and study programs in Japan to develop people who can perform globally and next generation leaders, and personnel development programs for all global employees.



People who received basic training in TG work in China (Regional Basic Training)

### Level-specific education system



## Training manufacturing personnel

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

To lead other companies in strong manufacturing, managers and supervisors need to have their own specialized skills in addition to the ability to supervise manufacturing sites. Special Skills Dojos are being started up sequentially in each product area as a place to train supervisors.

In 2019, we launched the Equipment Maintenance Dojo at the Miwa Technical Center and established an educational curriculum that combines both classroom and practical skill learning with the aim of having learners become fully active members of the maintenance staff as soon as possible. We have also set up a Mold Maintenance Dojo at the Nishimizoguchi Factory to train all mold maintenance workers. Training began in FY2014. We have established a solid foundation for maintenance skills and put in place a system for employees to

work on raising their skill levels.

In FY2017 we began participating in the Skills Olympics. While still feeling our way toward raising employees’ skills, we participated in our first national tournament in 2018 and a Toyoda Gosei employee won the Fighting Spirit award in 2019. It was an extraordinary achievement to win that prize in only our second year in the competition. The result gave us confidence in our approach to developing human resources for the manufacturing floor.



Maintenance skill dojo

## Aiming for “zero accidents”

Toyoda Gosei Co., Ltd. aims for zero accidents through Safe Personnel and Safe Workplace programs, with the president overseeing all efforts as the company’s general health and safety manager.

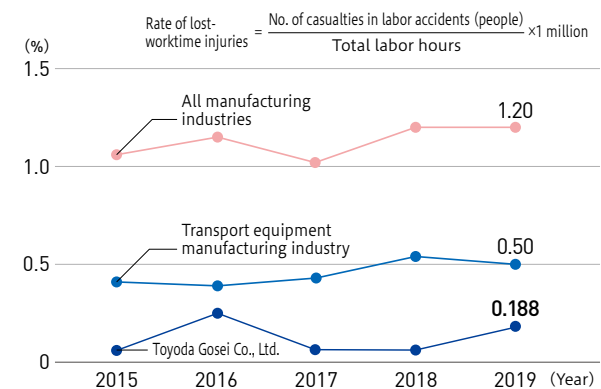
In the Safe Personnel program, we focused in FY2019 on increasing maintenance and regular observation of rules through monitor activities to ensure that employees hold handrails on stairs and stop and check in both directions at stop points on walkways within plants.



Monitors

In Safe Workplace activities we aim to improve the safety of high-risk equipment where serious accidents (STOP 7) can occur. Risk assessments based on a reverse KY (*kiken yochi*, or hazard prediction) approach are conducted to identify target equipment, set clear priorities, and take preventive measures.

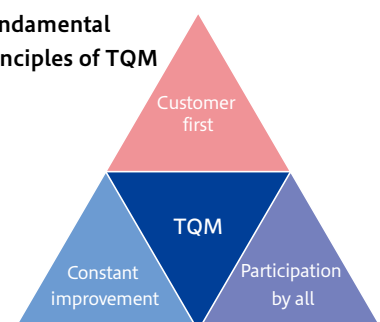
### Trends in labor accident rate (rate of lost-worktime injuries)



## 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 Toyoda 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 our partnerships with suppliers based on our basic procurement policy, while achieving sustainable growth for us both.

### Basic procurement policy

#### 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. Efforts for ESG

We share ESG efforts with suppliers with the aim of protecting the environment, fulfilling our social responsibilities, and thorough governance in the Toyoda Gosei Group. We also aim to ensure complete legal compliance and confidentiality in corporate activities, including our supply chain.

## Strengthening our relationships with suppliers

Every April, we hold a procurement policy briefing with about 200 suppliers, where we explain our management philosophy, business environment and company policy, and share our efforts and targets in the areas of safety, compliance, quality, production, and costs. We also present awards to suppliers who have raised their achievements in each field. Every quarter, we

hold a procurement liaison meeting with about 100 suppliers to share production information and information on quality, compliance, safety and other matters. In addition, we hold seminars on personnel development, business continuation and other topics to strengthen our partnerships with suppliers.



Procurement policy briefing



Seminars/meetings on business challenges



## 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 checks of compliance with Japan's Industrial Safety and Health Act 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 daily efforts, while also listening to their concerns and working continuously to resolve them.



Supplier appreciation event



Supplier month poster

## 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 (VOCs).

## 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. TG 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



Introduction of fund-raising meals in cafeterias



Wheelchair repair in welfare institutions

### Environmental protection



Environmental education for elementary school students



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

### Youth development



Support for Boys and Girls Invention Club



Sports clinics

### Community safety



Anti-crime patrols



Road safety campaign



**Sports promotion**



Wolfdogs Nagoya volleyball team



Blue Falcon handball team



Scorpions basketball team

Since winning their first league championship in 2015, the Wolfdogs Nagoya volleyball team has been in contention for the top spot every year. Our handball and basketball teams are also active in Japanese domestic leagues. We aim to foster a sense of unity in employees and the community for a vibrant, rich and active society.

**Kokoro Hakobu Project**

The “Kokoro Hakobu Project” is an ongoing, long-term support effort led by Toyota Motor Corporation, in which assistance is brought from all parts of the country to areas affected by the Great East Japan Earthquake with the feeling of “carrying our hearts” to those who have suffered. Following the spread of the novel coronavirus from the beginning of 2020, we wondered what we could do to contribute to people fighting the disease and healthcare workers and national and local government personnel who are struggling day and night to combat it. The Toyota Group has joined forces to conduct a range of efforts and support activities under the general name “Kokoro Hakobu Project.”



**Providing PCR test vehicles**

In May 2020, we provided one novel coronavirus PCR test vehicle to the Tokyo Medical Association. We then provided one to Nagoya University Hospital in June. These vehicles allow medical personnel to collect samples through a barrier, which should be effective in preventing infections. They also have the advantage of being able to be moved to wherever they are needed. The vehicles, based on Toyota’s HiAce, are remodeled with the cooperation of Toyota Customizing & Development Co., Ltd., an expert in the specialty vehicle business.



**Supplying protective gear to healthcare sites**

In May 2020, we provided 200 protective gowns to Nagoya University Hospital and other medical institutions to help overcome the shortage of medical supplies. Airbags, one of our main products, are made of silicone-coated nylon, which does not allow air to pass through and can be washed and used repeatedly. We planned these gowns jointly with Toyobo Co., Ltd., which manufactures cloth, and Chinese garment manufacturer Hualida Garments Group Co., Ltd. based on hospital needs.



**Supporting regional dairy and forestry workers**

In May 2020, we provided assistance to dairy and forestry operators in Gifu Prefecture to help reduce excess inventory of food and lumber that was going to have to be thrown away or left unused due to the effects of the novel coronavirus. We purchased milk for which demand from schools fell as a result of the nationwide school closures, and woodworking sets made with surplus wood due to the decline in large-scale demand for homebuilding and other commercial needs. We then provided these products to our employees. This support was provided through relationships with Gifu Prefecture and Minokamo City as part of our environmental preservation activities in a forest maintenance project called the “Toyoda Gosei Kimori no sato.”



**Donating food brought in by employees to food banks**

In June 2020, we donated various food items to Second Harvest Nagoya, an NPO food bank. In addition to the increase in the number of people living in need due to the spread of novel coronavirus infections, food donations to the food bank have decreased significantly. Employees from 16 Toyoda Gosei Group locations brought in packaged food and bottled drinks from home to donate to the food bank.

