

Supply Chain Management

We aim to enhance our connections with suppliers and work together as one to achieve mutual sustainable growth.

Shuji Watanabe

Chief of Purchasing Headquarters



Basic Procurement Policy

Toyoda Gosei has set a [Basic Procurement Policy](#) structured around three pillars and based on the concept of coexistence and co-prosperity with our suppliers. We aim to deepen our partnerships with suppliers—of which there are around 600 in Japan and a total of more than 2,000 worldwide—to achieve sustainable growth for all parties.

1. Globally Optimized Procurement
2. Mutual Development Based on Mutual Trust
3. Efforts for a Sustainable Society

Stronger Collaboration for Globally Optimized Procurement

To achieve the goals of our 2030 Business Plan, we have been working to enhance our global procurement collaboration. We hold regular meetings and conduct site visits, focusing on formulating global strategies for key items decided in alignment with each region and business headquarters, enhancing procurement functions, ensuring the widespread adoption of sustainability initiatives, supporting the execution of local strategies, and identifying potential risks.

Support for Suppliers So That We Can Grow Together

We provide support for the initiatives of the Kyowa-kai, which is organized by suppliers for the purpose of mutual learning and the horizontal sharing of best practices, helping to build momentum for the efforts of its three committees to achieve goals such as carbon neutrality.

Since 2022, the Winning (Value) Technology Exhibition has been hosted by the Kyowa-kai with the aim of enhancing competitiveness. More than 30 suppliers have participated, and this has resulted in an increasing number of collaborative achievements in FY2024, including partnerships between suppliers. We also support our suppliers by implementing various initiatives from the perspective of SQDC. Particularly in terms of safety, we implement fire prevention inspections for production equipment and proactive prevention initiatives based on risk assessments. For quality and production, we pursue reforms and improvements on-site through manufacturing innovation initiatives, all while linking these efforts to talent development support.

We conduct annual evaluations of all suppliers and audit those that meet certain criteria. In FY2024, we visited ten suppliers to provide hands-on support for improvement efforts.

Sustainability Initiatives

In FY2024, we formulated the [Supplier Sustainability Guidelines](#), which set forth policies on areas such as human rights, labor, the environment, and compliance, with content tailored to the particular conditions of each region, and are rolling them out globally. Suppliers are asked to endorse the guidelines and to carry out initiatives such as conducting self-assessments to enhance sustainability, thereby promoting efforts toward improvement.

As part of our efforts to ensure responsible sourcing of resources and raw materials, we conduct an annual survey on conflict minerals with the cooperation of all our suppliers. We are also helping our employees better understand this issue by providing education for procurement staff through introductory training and regular departmental meetings. Toyoda Gosei is taking the necessary action to ensure sustainable growth across our entire supply chain in a way that responds to the changing expectations of society in general.

Ensuring Fair Transactions

Toyoda Gosei conducts open, fair, and appropriate transactions and engages in responsible procurement with its suppliers, never engaging in dealings in a way that takes advantage of its superior position as a purchaser of goods and services.

We are also working to ensure fair transactions based on our [Declaration of Partnership Building](#), with the aim of increasing added value across the entire supply chain and promoting mutual growth and prosperity with our suppliers.

Recent News

Global Meeting

In FY2024, we visited our sites in the Americas, Europe, ASEAN, China, and India to review regional procurement strategies and discuss key issues such as priority items and sustainability with local members. We visited more than 20 local suppliers in India, Thailand, and Vietnam, which have been identified as countries with a high risk of human rights problems, to conduct human rights risk assessments.



Scene from a meeting in Europe

Support for Carbon Neutrality Initiatives

We have set Scope 1 and 2 targets for suppliers and are working with them to cut down on emissions. Our framework, which rather than merely calculating CO₂ emissions also encompasses support for developing plans and roadmaps for cutting emissions, was recognized at the Partnership Building Symposium organized by the Ministry of Economy, Trade and Industry (METI), where we were honored with the Partnership Building Award's Special Thematic Prize (GX Award).



Receiving our award at the Symposium

[For initiative details, refer to our website.](#)