Sustainability Management

Basic Approach to Sustainability Initiatives

Toyoda Gosei's Company Creed of "Boundless Creativity and Social Contribution" was formulated based on the Five Main Principles of Toyoda, and has been passed down from generation to generation as the basis of Toyoda Gosei's management.

This thinking is also seen in our sustainability concept of contributing to solving environmental and social issues through our business activities.

To continue to be a company that is trusted and valued by stakeholders and society, we will pursue management that integrates key sustainability issues with our medium- to long-term business plan, aiming for the sustainable development of society and sustainable growth of Toyoda Gosei in line with the changing times.

Examples of our major products that contribute to resolving environmental and social issues



Examples of our major products that contribute to resolving issues

Energy-saving LED technology is also used to contribute to hygiene by disinfecting air and surfaces and purifying water



Safety Systems Products (such as airbags)

Contributes globally to reducing the number of traffic fatalities and injuries

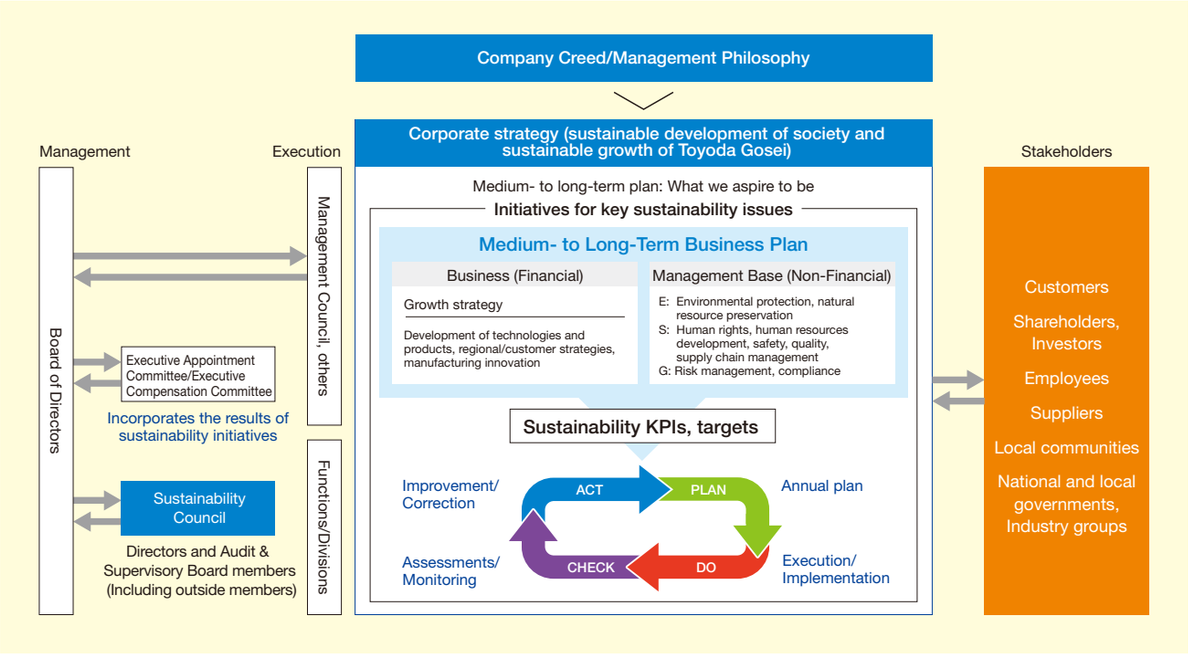


FCEV products (hydrogen tanks)

Contributes to achieving a "hydrogen society" for carbon neutrality and reduced environmental impact

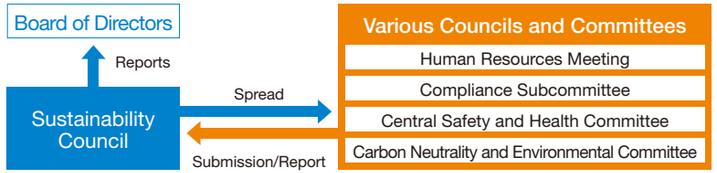
Implementation System

We have built a management system to further efforts for the sustainable development of society and sustainable growth of Toyoda Gosei through business activities based on our Company Creed and Management Philosophy. Emphasis is placed on repeated dialogue with all of our stakeholders, establishment of KPIs and targets to achieve our medium-term business plan, and performing the PDCA cycle.



Sustainability Council

In this Council, in order to accelerate our sustainability initiatives, we have established the structure shown on the right to deliberate and decide on priority issues and confirm the status of implementation.



HOME
About Toyoda Gosei
Value Creation Story
Value Creation Strategy
Foundation of Value Creation
Sustainability Management
Quality Assurance
Environment
Supply Chain Management
Human Rights Initiatives
Health and Safety
Corporate Governance
Data

Quality Assurance



To bring smiles to customers around the world, we will pursue the highest-quality products and services through proactive, proposal-driven quality initiatives and contribute to the development of a sustainable society and to greater corporate value.

Makoto Kawase Chief of Quality Assurance Headquarters

Our Commitment to Quality Assurance

TQM*1 Initiatives for Strengthening the Corporate Foundation

Based on the basic principles of TQM, we are implementing TQM initiatives throughout the company to enhance product and work quality and human and organizational vitality to create a flexible and strong corporate structure. In addition to the Workplace Management Improvement Initiative and Global Small Group Initiatives, we have developed a new TQM philosophy—anticipating change and transforming how work is done—and are putting it into practice. We are also working on fostering a corporate culture and developing the kind of people that will drive reforms and innovation in response to an evolving business environment.

*1 Total Quality Management

Establishing a Quality Mindset of Customer First and Quality First

In response to the Global Safety and Quality Declaration issued by the president, all employees make a Declaration of Thought and Action to put Customer First and Quality First in their respective roles and workplaces, and regularly reflect on their actions. We also use the Quality Learning Center as a place of learning to foster a company-wide quality mindset and pass it on to the next generation.

Promoting Flexible Human Resource Development for a Changing Environment

As DX expands, we are stepping up efforts to develop talent who can use statistical quality control (SQC) and machine learning (ML) to efficiently reform how work is done. We are also promoting Value Creation Community Activities to foster a corporate culture in which people take on the challenge of creating value in unexplored areas.



Value Creation Community Activities in session

Strengthening Governance for Regulatory Compliance

To strengthen the independence and audit function of regulatory certification operations, we launched the Regulatory Compliance Division in June last year and are working globally to prevent regulatory non-compliance. We are strengthening governance by promoting regulatory education for all employees and building systems for regulatory compliance, while top management continues to hear about workplace issues firsthand and act on them promptly.

Quality Assurance System Adapted to New Technologies and Newly Developed Products

Based on a quality management system conforming to ISO 9001/IATF 16949, we use the Initial Management System to build quality into new products. We are continuously improving our systems so that we can respond flexibly to new fields such as CASE and CN/CE, new businesses including software and service-based business, and the associated new laws and short-term development needs.

Advancing the Smart Standard Activity (SSA*2) to Optimize Quality Standards

The Company works with OEMs and parts manufacturers to advance the Smart Standard Activity (SSA), an industry-wide effort to optimize quality standards. By upholding safety and reliability and pursuing appropriate standards that match customers' expectations and their need for safety and peace of mind, we are raising productivity and making effective use of resources. Rather than simply cutting costs, these initiatives lead to sustainable improvement in profitability and stronger competitiveness across the industry.

*2 Smart Standard Activity



SSA activities under way

Ensuring Manufacturing Quality and Continuous Improvement Initiatives

In order to deliver safe and reliable products to our customers around the world, we are working toward self-contained processes*3, particularly in the production process of safety parts, which are directly related to the basic performance (driving, turning, stopping) and safety of vehicles.

To build strong manufacturing sites that can withstand change, we also run Quality Assurance Declaration Activities, in which manufacturing section managers declare directly to the president and the general managers of divisions that they have achieved their targets for Developing People, Developing Processes, and Preventing Recurrences.

*3 Based on the philosophy of "Quality is built into the process," we will not produce or pass on defective products in any of our processes.



On-site confirmation meeting by the president and chiefs of divisions

HOME
About Toyoda Gosei
Value Creation Story
Value Creation Strategy
Foundation of Value Creation
Sustainability Management
Quality Assurance
Environment
Supply Chain Management
Human Rights Initiatives
Health and Safety
Corporate Governance
Data

Environment



Using Toyoda Gosei's unique technologies, we will take on the challenges of carbon neutrality, a circular economy, and being nature positive.

Hiroshi Yasuda Chief of Carbon Neutrality and Environment Promotion Division

Contributing to Environmental Preservation through All Our Business Activities

Environmental Code of Conduct

1. Promote business activities that take into account and contribute to the preservation of the environment
2. Promote environmental management and compliance with environmental laws and regulations
3. Collaborate with stakeholders in environmental initiatives
4. Proactively disclose information in accordance with global standards

Toyoda Gosei formulated its 1st Environmental Action Plan in 1993 and has since worked to address environmental issues. In February 2016, we announced our long-term targets, the TG2050 Environmental Challenge, and set targets to be reached by 2030 as milestones. We have also formulated a five-year action plan that sets out action items and targets, and are working to protect the environment. In April 2025, in light of environmental trends in society, Toyoda Gosei revised its Environmental Policy and established it as the Toyoda Gosei Group Charter for Environmental Conduct. Going forward, we will continue to pursue these initiatives by drawing on our product strengths and manufacturing capabilities, in collaboration with our affiliates in Japan and overseas as well as government agencies, customers, and suppliers.

TG2050 Environmental Challenge

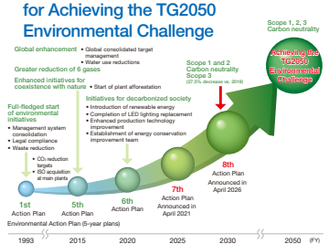
The Toyoda Gosei Group specializes in the field of rubber and plastic polymers. Our symbol is the benzene ring, a hexagonal hydrocarbon structure that is the starting point for polymers. Borrowing from the six sides of the benzene ring, the TG2050 Environmental Challenge sets six challenges to enhance our environmental efforts with a long-term view to the year 2050.

As a roadmap to achieve that, we have formulated a five-year Environmental Action Plan and are actively working toward its implementation. Furthermore, in August 2023, we announced our decision to accelerate the achieving of carbon neutrality (Scope 1 and 2) from 2050 to 2030 to enhance our response to climate change issues.

TG2050 Environmental Challenge (6 Challenges)

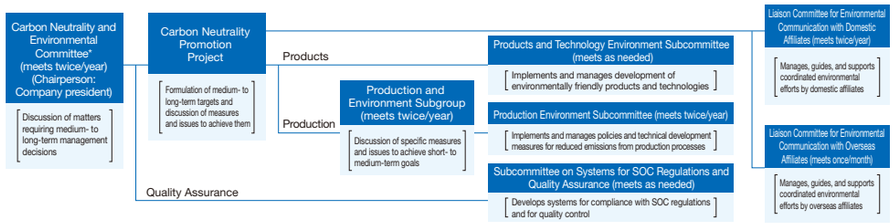


Medium- to Long-Term Scenarios for Achieving the TG2050 Environmental Challenge



Environmental Organization

Environmental Organizational Structure



* The Carbon Neutrality and Environmental Committee is positioned within the organization as shown in the Corporate Governance System chart (see page 62), and the deployment of policies from the Carbon Neutrality and Environmental Committee, the Production and Environment Subgroup, and the respective subcommittees to plants and other operations is done by establishing expert committees in accordance with the ISO 14001 system at each plant.

8th Environmental Action Plan

To meet the targets (such as achieving carbon neutrality) set out in the TG2050 Environmental Challenge, our long-term environmental vision, Toyoda Gosei formulated its 8th Environmental Action Plan as a five-year action plan through 2030.

We will carry out the new Environmental Action Plan around three pillars: carbon neutrality (CN), circular economy (CE), and nature-positive outcomes (NP). As climate change progresses rapidly, the three elements CN, CE, and NP are interrelated: achieving carbon neutrality (CN) requires accelerating resource recycling (CE), and a rich natural environment (NP) contributes to climate change mitigation. With this in mind, we will take an integrated approach to all three.

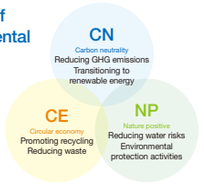
Topic

In the corporate survey conducted by CDP, an international rating organization, Toyoda Gosei earned the highest rating in the Climate Change and Water Security categories. We earned the highest rating in Climate Change for the second consecutive year and in Water Security for the first time.

Latest results by category

Category	Rating	
Climate Change	A	For the second consecutive year
Water Security	A	Selected for the first time
Forests (Cattle Products)	B-	

The three pillars of the 8th Environmental Action Plan (6 Challenges)



8th Environmental Action Plan (2030 Target)

		Scope	Target values
CN Carbon neutrality	Scope 1 and 2	Global	**Carbon neutrality** (GHG emissions)
	Renewable energy	Global	Renewable energy share: **100%**
	Scope 3 (Category 1)	Global	Compared with FY2019 **27.5%** reduction (CO_2 emissions)
CE Circular economy	Amount of recycled materials used	Toyoda Gosei	Amount of recycled rubber used: **1,200 t**
	Waste	Toyoda Gosei	Industrial waste volume **18%** reduction from FY2024 (69% reduction from FY2012)
		Overseas affiliates	Industrial waste volume per unit of sales **6%** reduction from FY2024 (82% reduction from FY2015)
	Plastic waste	Toyoda Gosei	**6%** reduction from FY2024
	Logistics	Toyoda Gosei	Reducing logistics packaging materials
NP Nature positive	Water intake	Global	Water withdrawal per unit of sales **6%** reduction from FY2024
	Water intake High-risk sites	Sites identified as having high water withdrawal risk (India, Mexico)	Water intake **6%** reduction from FY2024
	Water quality High-risk sites	Sites identified as having high water quality risk (Japan)	Nitrogen and phosphorus: within **80%** of regulatory limits
	Environmental protection activities	Toyoda Gosei	Area under conservation: **35%** or more
		Global	Conservation activities Each site: **1** or more per year
	Contributing through our business	Global	Making and supplying products that contribute to conservation activities using our products and technologies

HOME
About Toyoda Gosei
Value Creation Story
Value Creation Strategy
Foundation of Value Creation
Sustainability Management
Quality Assurance
Environment
Supply Chain Management
Human Rights Initiatives
Health and Safety
Corporate Governance
Data

Building a Decarbonized Society (CN: Carbon neutrality)

In order to achieve the Paris Agreement's goal of limiting the global average temperature increase to 1.5°C above pre-industrial levels, greenhouse gas emissions must be reduced to virtually zero by 2050. We recognize society's call for this transition to a decarbonized society and support what was agreed under the Paris Agreement to combat global warming. In August 2023, we set a new target of achieving carbon neutrality for CO_2 emissions from our production activities and other operations (Scope 1 and 2) by 2030, 20 years earlier than the previous 2050 target, and set a target for CO_2 emissions associated with activities such as the procurement of materials, parts, and products (Scope 3). We have also obtained validation by the Science Based Targets initiative (SBTi), an international climate initiative, and are taking action across the entire value chain.

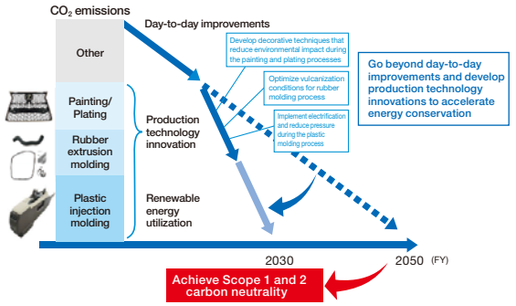
Disclosure of Strategy and Other Information Based on TCFD Recommendations

In May 2019, we expressed our endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and conducted a scenario analysis of risks, opportunities, and responses based on the Guide. We are accelerating our efforts across our business activities and proactively disclosing relevant information, including incorporating the results in our 2030 Business Plan and reviewing our TG2050 Environmental Challenge and 2030 milestones.

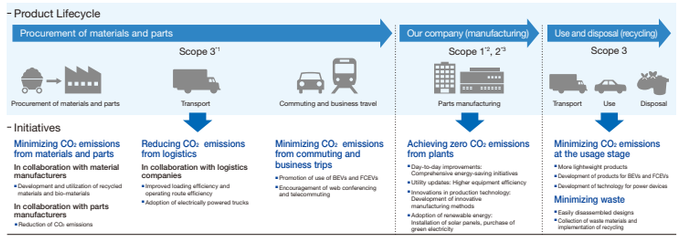
Initiatives to Achieve Carbon Neutrality

In 2023, we set a new target of achieving carbon neutrality for CO_2 emissions from our production activities and other operations (Scope 1 and 2) by 2030, 20 years earlier than the previous 2050 target. To achieve this, we are accelerating daily improvements and production technology innovations to minimize energy consumption. When updating equipment, we are actively making environmental investments by introducing Internal Carbon Pricing (ICP) to facilitate the transition to a decarbonized society. We will also utilize renewable energy sources, such as green power, to meet necessary energy demands.

Initiatives to Achieve Carbon Neutrality

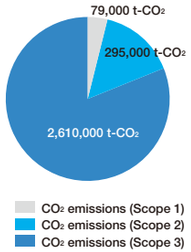


Initiatives to Reduce CO_2 Emissions in the Value Chain



*1 GHG emissions in the supply chain indirectly emitted by the company (e.g., raw material production, transportation, business trips, commuting)
*2 GHG emissions directly emitted by the company itself (e.g., fossil fuels, natural gas)
*3 GHG emissions indirectly emitted by the company (e.g., purchased electricity)

CO_2 emissions for FY2025 Global



Collaborations with Suppliers

To achieve the decarbonization goals of the 2030 Business Plan, we believe reducing Scope 3 emissions, which account for 70% of our GHG emissions, is essential. We work with 140 major suppliers of product parts and of equipment and dies, and maintain close communication with them based on an understanding of their circumstances and challenges. Specifically, to help each supplier identify its own reduction projects, we share our collection of energy-saving case studies, hold study sessions at our energy-saving workshop, and lend out various measuring instruments. We also focus on supporting each supplier in formulating a roadmap toward our medium- to long-term targets of a 27% reduction in emissions by FY2030 and carbon neutrality by FY2050. As part of these efforts, we hold the CN Activity Promotion Meeting twice a year, where suppliers share information through group discussions, exhibitions of energy-saving products, and other means, and work through the problems they face. In FY2024, we also began extending our efforts in Japan to other regions, and we will continue working toward decarbonization across the entire supply chain.



Energy-saving workshop tours (over 400 visitors from 100 companies)



CN Activity Promotion Meeting

HOME
About Toyoda Gosei
Value Creation Story
Value Creation Strategy
Foundation of Value Creation
Sustainability Management
Quality Assurance
Environment
Supply Chain Management
Human Rights Initiatives
Health and Safety
Corporate Governance
Data

Obtained Validation from the Science Based Targets initiative (SBTi)

In November 2023, we obtained certification from the Science Based Targets initiative (SBTi), an international initiative, recognizing our 2030 targets as being aligned with the Paris Agreement's objectives

SBTi-Validated Targets Our FY2030 CO_2 Reduction Targets (Compared to FY2019 levels)		SBT Standard
Scope 1 + 2	–46.5%*1	–46.2% or more (1.5°C level)*2
Scope 3 (Category 1)	–27.5%	–27.5% or more (WB2°C level)*2

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*1 The 2030 target aims to achieve carbon neutrality by combining renewable energy and other measures.
*2 Refers to CO_2 reduction levels aligned with global warming targets, where "1.5°C level" means keeping temperature increases below 1.5°C, and "well-below 2°C level" means well below 2°C.

Building a Circular Economy (CE: Circular Economy)

To reduce resource depletion and waste, we will work on curbing emissions and on recycling, not only through the defect and yield improvements led by the manufacturing divisions but also by involving the upstream materials technology and production engineering divisions. To use limited resources effectively, we will also contribute to a circular economy by designing products that are easy to recycle and by developing recycled materials and expanding their use.

Risks and Opportunities Related to Resource Recycling

We regard the risks and opportunities associated with resource circulation as important management issues and address them company-wide as a priority.

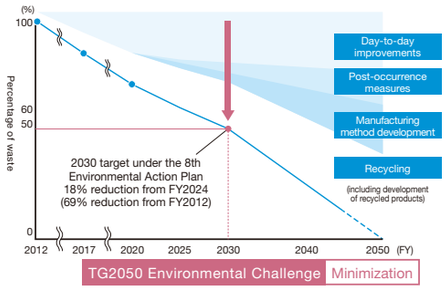
Issue	Risks	Opportunities	Measures
Resource depletion (shortage)	• Lower earnings and production disruptions due to difficulties in procuring raw materials and rising prices	• Improved earnings through recycling technology and reduced material usage volume • Improved corporate value through development of the above-mentioned technologies	• Development of more lightweight products • Development of recycling technology for raw materials • Expanding the use of plant-derived biomaterials and recycled materials

Reduction of Industrial Waste

Establishment of 2030 Milestones

To minimize waste volumes by 2050, we have set a medium-term target by 2030 and are taking action accordingly. Specifically, we are working to reduce industrial waste through measures such as curbing emissions, addressing sources of waste, recycling rubber and plastic scraps, and ensuring thorough sorting to maximize resource utilization.

Scenario for Minimizing Amount of Industrial Waste (Waste Reduction Diagram) (Non-consolidated)



Milestones for Minimizing Waste Volume (Global)

Item	2030	2050 (FY)
Toyoda Gosei (industrial waste volume)	18% reduction from FY2024 (69% reduction from FY2012)	Minimization of waste volume
Overseas affiliates (waste volume per unit of sales)	6% reduction from FY2024 (82% reduction from FY2015)	

Development of Product Recycling Technology

We develop and design easily recyclable products and materials by taking into consideration the entire life cycle of automobiles. We are also developing recycling technology for waste material and ELV parts. In particular, we will apply recycling technologies for rubber, which is considered difficult to recycle, to make more effective use of resources and help reduce resource consumption.

2030 target for expanding the use of recycled rubber [non-consolidated]

Amount of recycled rubber used	1,200 t/year

Technology Development for Recycling ELV* Parts

Key Item	Measures Implemented
New recycling	• Composite material separation technology • New recycling technology (high-quality material recycling)
Use of recycled materials in vehicles	• Devulcanization technology for waste materials and ELV parts • Development of uses for recycled materials
Design of easily recyclable products	• Product design for easy dismantling • Materials and composition changes for easy recycling

* ELV: End-of-life vehicle

Effective Use of Resources

We are developing products that make effective use of scraps and waste materials, such as those from airbags and cowhide, which are necessarily generated in the course of production activities. We have also launched Re-S (pronounced "reez") as the brand under which the products developed through these efforts are sold.





Building a Society in Coexistence with Nature (NP: Nature Positive)

We support the principles of the Kunming-Montreal Global Biodiversity Framework and are working to put nature on a path to recovery. We have identified “coexistence with local communities” as one of our material issues, and we conserve biodiversity through woodlands creation and other efforts to coexist with nature, while also working to reduce water risks.

Reducing Water Risks

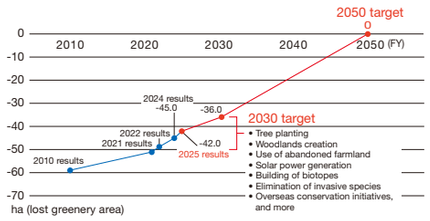
In our use of water for business activities, we comply with the laws and regulations of each country and assess water quantity and water quality risks at our sites in Japan and overseas. In addition to improving high-risk sites, we are reducing water intake even at low-risk sites through measures such as utilizing rainwater. We also maintain strict water quality control by systematically renewing wastewater treatment facilities and setting internal standards stricter than legal requirements.

Item		2030	2050 (FY)
High-risk areas	Water quality (4 sites)	Nitrogen and phosphorus: within 80% of regulatory limits	Minimization of water risk
	Water intake amount (7 sites)	Water intake: 6% reduction from FY2024	
Global		Water intake per unit of sales: 6% reduction from FY2024	

Conservation of Biodiversity

We have set a “No Net Loss of Greenery” goal of restoring 59 hectares of greenery by 2050, which is equivalent to the area of our plants, and are conducting initiatives to achieve this goal. Specifically, under the slogan “Connecting Activities with Water, the Source of Life,” we are conducting initiatives in the areas of mountains, rivers, and oceans. Among these efforts, the biotope and company-owned woodlands maintained on the Company premises have been recognized as a biodiversity conservation area, designated as a “Nature Coexistence Site” by the Ministry of the Environment.

Scenario for Attaining Targets



Topic: Environmental contribution through business activities

To prevent erosion of forest work roads by heavy rain, a challenge for forest conservation, we developed rubber water barriers made from reused rubber waste generated in our business activities. After trial use by a forest owners’ association in Gifu Prefecture, we commercialized the product and will first work to expand its adoption within Gifu Prefecture.



Disclosure of Strategy and Other Information Based on TNFD Recommendations

Since June 2025, we have been disclosing on our website the risks and opportunities related to the natural environment that arise from our business activities, along with our responses. The framework for this is based on the recommendations of the TNFD (Taskforce on Nature-related Financial Disclosures, an international initiative for the conservation of biodiversity). We have also registered on the TNFD website as a TNFD Adopter, a company that declares its intention to disclose information, and going forward will work toward more transparent disclosure of information related to our environmentally conscious business activities.

Taskforce on Nature-related Financial Disclosures

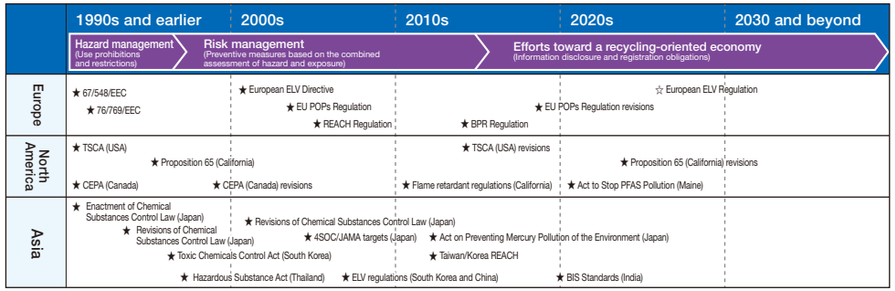
» For initiative details, refer to our website.
https://www.toyoda-gosei.com/csr/environmental/report11/

Environmental Preservation

We manage substances subject to laws and regulations in each country and region, substances subject to voluntary restrictions by automakers, and other substances independently restricted by Toyoda Gosei by classifying them into three levels: Prohibited, Reduced, and Managed. We are also putting in place a framework that enables us to effectively keep pace with trends in evolving regulations such as the EU REACH Regulation*1 and the EU RoHS Directive*2.

*1 “Registration, Evaluation, Authorisation and Restriction of Chemicals,” a regulation concerning chemical substances and their safe use, handling, and applications
*2 “Restriction of Hazardous Substances,” a directive that restricts the use of certain hazardous substances in electrical and electronic equipment

Trends in Environmental Regulations



Compliance and “Zero Abnormalities, Zero Complaints” Environmental Initiatives

To achieve “Zero Abnormalities, Zero Complaints,” specialized divisions conduct regular environmental inspections, and we rigorously manage legal compliance, including by setting internal standards stricter than legal requirements. As a risk countermeasure, we also undertake preventive activities, including convening an Environmental Protection Working Group. In addition, we analyze cases of problems that have occurred at other companies and conduct inspections of our own equipment that is similar to the equipment in these cases, including at our domestic and overseas affiliates, to ensure such incidents do not occur within our own operations. There were no environmental abnormalities in FY2025.

Supply Chain Management



We aim to strengthen our relationships with suppliers and work together to achieve sustainable growth for both parties.

Shuji Watanabe Chief of Purchasing Headquarters

Basic Procurement Policy

The Group 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 determined in consultation 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.

Collaborative Framework with Suppliers for Mutual Development

To maintain and develop relationships of mutual trust with suppliers, we hold annual procurement policy briefings and supplier awards (quality, cost, CN, etc.) for approximately 250 major domestic suppliers to promote mutual understanding.

In addition, we have established a dedicated department within Purchasing Division and, alongside our long-standing hands-on support in resolving the manufacturing problems suppliers face, have also launched activities to strengthen their fundamentals by helping them diagnose and improve their systems for the foundations of manufacturing: safety and fire prevention, site management, and production preparation.

Going forward, we will continue to work closely alongside our suppliers to further enhance competitiveness.

» For environmental details, see “Collaborations with Suppliers” on page 52.

Efforts for a Sustainable Society

Sustainability Initiatives with Suppliers

To help build a sustainable society across the entire supply chain, the Group has formulated the Supplier Sustainability Guidelines, which set out policies on areas such as human rights, labor, the environment, and compliance, tailored to the characteristics of each region, and is rolling them out globally. As part of our efforts to drive improvement, we ask suppliers to endorse the guidelines and to carry out an annual self-assessment to enhance sustainability. In FY2025, we conducted on-site surveys of approximately 30 domestic and overseas suppliers screened for risk under our own standards, and worked with them on improvements through dialogue.

» For details, see “Human Rights Initiatives” on page 56.

Efforts toward Responsible Procurement

As business becomes more global, supply chains are becoming increasingly global and diverse. However, around the world, situations still arise where workers’ rights are not respected, including forced labor and work in poor conditions. Against this backdrop, the Company regards conflict minerals mined under poor labor conditions as a key issue in its supply chain and conducts an annual survey of all relevant suppliers on conflict minerals such as 3TG.

In addition, the Company has established Green Procurement Guidelines and asks suppliers to build environmental management systems, comply with environmental laws and regulations, and manage chemical substances rigorously.

To strengthen the resilience of its supply chain base globally, the Company has also formulated a business continuity plan (BCP) and regularly identifies risks and confirms response measures, taking into account geopolitics and security in each region.

Ensuring Fair Transactions

Based on its Declaration of Partnership Building, the Company engages in open, fair, and appropriate transactions and responsible procurement with suppliers, and does not engage in transactions that take advantage of its superior position as a purchaser of goods and services.

The Company has also set up a consultation service open to all suppliers, which receives reports on compliance violations and other issues involving Company officers and employees.

As another initiative, the Company trained approximately 3,600 domestic employees (over 50% of all employees) on the Act on Proper Transactions with Small and Medium-Sized Entrusted Business Operators, the amended version of the former Subcontract Act that took effect in January 2026, to make sure its content is fully understood.

HOME
About Toyoda Gosei
Value Creation Story
Value Creation Strategy
Foundation of Value Creation
Sustainability Management
Quality Assurance
Environment
Supply Chain Management
Human Rights Initiatives
Health and Safety
Corporate Governance
Data

Human Rights Initiatives

Basic Philosophy

The Group respects and supports the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and other international norms. The Toyoda Gosei Group Charter for Business Ethics lays out our basic principles of “respecting human rights and the diversity, character, and individuality of each person and striving to create workplaces that are free of discrimination and harassment and always healthy, pleasant, and safe, based on labor-management cooperation.” This policy expressly prohibits all forms of harassment, forced labor, and child labor, as well as promoting fair hiring practices and respect for human rights and individual dignity.

Human Rights Due Diligence and Risk Assessment

Based on the UN Guiding Principles on Business and Human Rights, the Company introduced a human rights due diligence framework in 2022.

» For our Human Rights Policy and initiatives system, refer to our website.
https://www.toyoda-gosei.com/csr/social/report2/

Risk Assessment and Efforts to Respect Human Rights at Group Companies

Risk Assessment

First, we identified human rights risks across the Group’s value chain through desk research. Based on those results, we conducted written surveys of each Group company and, in countries and regions judged to be high risk, held interviews to examine conditions and issues in detail. Through these processes, we assessed and prioritized each human rights issue and identified the Group’s significant human rights issues.

Significant Human Rights Issues (Within Our Group)

Significant Human Rights Issues	Affected Stakeholders	Description
Harassment	• Workers within our Group • External parties such as business partners and suppliers	All forms of harassment not only harm the dignity of victims but also cause the working environment to deteriorate. Therefore, we will enhance preventive measures and establish corrective and remediation mechanisms.
Migrant workers	• Foreign workers within our Group	Since migrant workers (especially technical trainees domestically) tend to be particularly vulnerable, we will review their working and living conditions, aiming to prevent human rights abuses and establish corrective and remediation mechanisms.
DE&I	• Workers within our Group	A lack of understanding, consideration, and efforts regarding DE&I can result in lost career advancement opportunities, harassment, and discrimination. Therefore, we will enhance DE&I initiatives and build an environment where diverse talent can thrive.

Conducting Self-Assessments at Group Companies in Japan and Overseas

Since 2017, we have been conducting self-assessments at Group companies in Japan and overseas to confirm their compliance with personnel and labor laws and regulations in each country and with the Toyoda Gosei Group Charter for Business Ethics. To raise human rights awareness across the Group, we also regularly provide training and run awareness campaigns on human rights, harassment, and DE&I.

Risk Assessment and Efforts to Respect Human Rights in the Supply Chain

To build a sustainable supply chain, we work to prevent human rights violations and avoid complicity in them, not only within the Company but also at our suppliers. Based on the same process used for Group companies, we conducted written surveys and interviews and identified the following as human rights risks to be addressed on a priority basis.

We have also formulated the Supplier Sustainability Guidelines, which include principles on respecting human rights, and suppliers around the world have endorsed them. Based on these guidelines, we ask suppliers to conduct regular self-assessments, and we analyze the results and rigorously manage risk through on-site surveys both in Japan and overseas.

Identified Human Rights Risks

Classification	Significant Human Rights Issues
Overseas suppliers	• Child labor • Forced labor • Migrant labor
Domestic suppliers	• Harassment • Migrant workers (foreign technical trainees) • DE&I

On-Site Surveys of Overseas Suppliers

Based on a human rights risk survey (covering 14 items such as wages, DE&I, working hours, child labor, and freedom of association) of 328 companies, including major suppliers, we identified forced labor, child labor, and securing the human rights of migrant workers as the highest-priority issues.

In response, the purchasing and human resources departments at our head office and local sites worked together from March to April 2025 to directly visit and survey 23 Tier 1 and Tier 2 suppliers in Thailand, Vietnam, and India, the three countries we judged to be particularly high risk.

On-Site Surveys of Domestic Suppliers

In Japan as well, as part of efforts to enhance the effectiveness of human rights due diligence, in March 2026 we conducted on-site surveys of eight major suppliers selected through human rights risk screening based on our standards, and worked with them on improvements through dialogue.

Survey Results and Next Steps

While these surveys in Japan and overseas found no serious human rights violations requiring immediate remediation, some areas needed improvement, such as multilingual plant signage and better communication of how to use the internal reporting hotline, and these have already been remediated with support from the Company.

Going forward, we will continue working to build a sustainable supply chain and to prevent human rights violations and complicity in them across our supply chain.

HOME
About Toyoda Gosei
Value Creation Story
Value Creation Strategy
Foundation of Value Creation
Sustainability Management
Quality Assurance
Environment
Supply Chain Management
Human Rights Initiatives
Health and Safety
Corporate Governance
Data

Health and Safety

Basic Philosophy on Health and Safety

The Toyoda Gosei Group considers employee safety and mental and physical health to be one of the most important management issues, and we do our best to ensure safe, comfortable workplace environments for all business activities.

Health and Safety Initiatives

Based on the Basic Philosophy above, the Toyoda Gosei Group has formulated and rolled out a Safety and Health Declaration for our health and safety activities.

Safety and Health Declaration

1. We will comply with all laws and company regulations and standards related to safety and health.
2. We will keep in mind that “Safety takes priority over everything else” and ensure that each and every one of us acts in a “safety-first” manner.
3. We will engage in initiatives with a sense of ownership, and strive to foster a culture of safety in which all employees participate and are mutually enlightened.

Targets and Achievements (Global)

We believe it is the Company’s responsibility to ensure that everyone who works for us returns home in the same good health as when they arrived at work. We have implemented various measures to achieve our goal of zero critical*1, severe*2, and STOP7*3 accidents on a global basis aimed at a zero-accident, zero-incident workplace.

		Results	Evaluation
No. of critical accidents	0	0	○
No. of severe STOP7 accidents	0	0	○

*1 Critical: Death
*2 Severe: Victim loses part of body (or function)
*3 STOP7: Seven events that may cause serious injury: (1) Crushing or entanglement, (2) Heavy object, (3) Drop or fall, (4) Electric shock, (5) Vehicle, (6) Hot object, explosion, or gas, (7) Amputation

In FY2025, we achieved the global goal of zero critical accidents.

To prevent a recurrence of such accidents, we are comprehensively reviewing our safety initiatives and promoting measures such as revising lockout procedures and introducing risk assessments for machinery.



A machinery and equipment risk assessment under way

» For initiative details, refer to our website.
https://www.toyoda-gosei.com/csr/social/report2/#SafetyHealth

Health Management Initiatives

We conduct health management activities so that all people working in the Toyoda Gosei Group can continue working with both sound mental and physical health.

Health Declaration: To Achieve “Boundless Creativity and Social Contribution”

1. We believe the health of our employees is an important management resource and will strive to foster a corporate culture that puts safety and mental and physical health first.
2. We will strive to create positive and lively workplaces where employees can work energetically, and develop our personnel.
3. To help improve the health of employees and their families, we will raise health awareness for disease prevention.

KPIs and Initiative Details

We have established the “Health Challenge 8” (weight, breakfast, alcohol consumption, snacking, non-smoking, exercise, sleep, and stress) as our KPIs for employee health, and are rolling out a diverse array of health promotion initiatives. Key health initiatives include seminars for employees aged 55 and 60 on how to stay healthy and keep working as they age, as well as hands-on events combining physical function and body composition measurements with health advice. These help each employee become more health-conscious and change their behavior.



An experiential health event

External Evaluations

We were certified as a 2026 Outstanding Organization of KENKO Investment for Health (KENKO Investment for Health Stock) by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, certified as a Sports Yell Company 2026 Bronze Plus by the Japan Sports Agency, and recognized for corporate excellence in cancer control under a program promoted by the Ministry of Health, Labour and Welfare.

2026 健康経営銘柄 KENKO Investment for Health

SPORTS YELL COMPANY 2026+

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