

# Compliance

## Basic Philosophy

Toyoda Gosei’s management philosophy states, “We promote business operations with integrity through the establishment of a system founded on thorough compliance and corporate ethics.” Together with highly ethical and fair business practices, we strive for thorough compliance in all areas based on this philosophy. The Toyoda Gosei Group Charter for Business Ethics sets forth shared values and a code of

conduct for the entire Toyoda Gosei Group. Group companies in Japan and other countries then formulate and implement their own code of conduct based on the Charter. Toyoda Gosei Co., Ltd. has also established the Toyoda Gosei Guidelines for Business Ethics, which it expects every employee to follow, and has worked to familiarize all employees with these guidelines.

## Compliance Implementation System

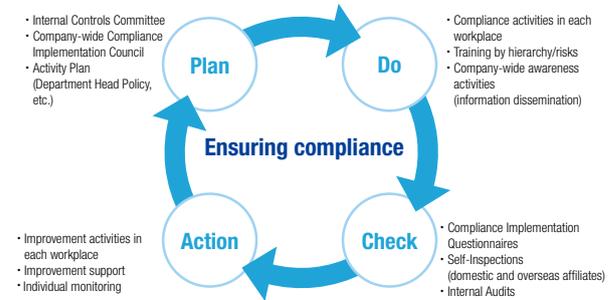
Toyoda Gosei has established the Internal Controls Committee with the Company’s president serving as chairman and all company officers as members, whose activities include reporting on and discussing the status of compliance with business ethics, laws, and regulations. The items reported and discussed in the Committee are shared

with the compliance advocates selected by each department in the Company-wide Compliance Implementation Council so that they will be incorporated into the activities of each workplace. The Committee works for thorough compliance with a unified approach between management and the workplace.

Toyoda Gosei Compliance Implementation System



Compliance Activities' PDCA



## Specific Compliance Initiatives

### Training and Educational Activities

Toyoda Gosei conducts various training and education activities with the aim of raising and solidifying compliance awareness in every employee. Trainings are conducted by level in the Company and by risks corresponding to the work. The level-specific trainings target new officers, new managers, mid-level employees, new employees and others as an opportunity to spread and deepen awareness of compliance at various career stages. Risk-specific training is conducted for specific risks. These trainings include training

for transferees prior to overseas assignments, antitrust law training for people in sales and other business departments, training for sports clubs, and more. The training programs are proactive in incorporating online training so that a large number of eligible participants can participate. Educational tools are also prepared, including a Compliance Academy that is regularly published in the company newsletter, and Compliance Newsletter using various case study materials.

List of Workshops/Education at Toyoda Gosei

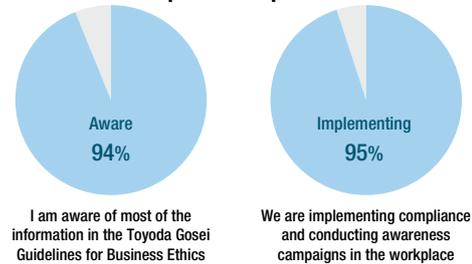
Category	Workshop name/education	Recipients	Main content	Frequency	
Workshops	For each level	Workshops/study sessions for officers	Company officers	Company law, fiduciary duty, etc.	As needed
		New manager training	New managers	Compliance, mindset as a manager, antitrust laws, bribery including anti-bribery in general	1 time/year
		Legal affairs/compliance training	General employees (mid-level)	Compliance, contracts, internal company regulations, laws (antitrust laws and bribery including anti-bribery in general)	1 time/year
		Fifth-year employee training	General employees (skilled workers)	Compliance in manufacturing settings	1 time/year
		New employee training	New employees	Compliance, laws	When joining the company
	For each risk	Pre-overseas assignment training	Management/General employees	Key points on compliance in other countries (antitrust laws and bribery including anti-bribery in general)	As needed
		Antitrust law training	Management/General employees (sales)	Laws, internal company regulations	1 time/year
		Product liability law training	Management/General employees (technical)	Laws, internal company regulations	1 time/year
		Training for sports clubs	Management/General employees (athletes, staff)	Compliance overall	1 time/year
		Education	Compliance Academy (company newsletter)	All employees	Case studies presented in accessible comic format
Compliance Newsletter	All employees		Legal understanding through other companies' cases	4 times/year	
Compliance KY Case Studies	All employees		In-house plausible case studies and interpretations (100)	-	

## Compliance Awareness Surveys and Self-Inspections

To ascertain the degree to which compliance awareness has been incorporated into the company and whether there are any signs of problems, we conduct an annual compliance implementation questionnaire survey of all employees. The results of the survey are reported to the Internal Controls Committee, and measures are implemented throughout the company, and each workplace also conducts improvement activities led by compliance advocates by referring to the departmental feedback reports of the questionnaires. Domestic and overseas Group companies conduct annual self-inspections of the status of their compliance implementation systems, status of compliance with antitrust and competition laws, other important laws and regulations, and on the absence of corrupt practices including bribery, as well as risks in key functions including internal controls,

human resources, accounting, procurement, and quality. Based on these results, our functional departments guide each company in rule-setting and training, continuously reinforcing compliance across the Toyoda Gosei Group by implementing the PDCA cycle.

### From the FY2023 Compliance Implementation Questionnaire



## Initiatives for the Prevention of Antitrust and Competition Law Violations

The Group Charter for Business Ethics states that the Toyoda Gosei Group will conduct business activities with a spirit of “fair and free competition” (compliance with antitrust and competition laws). We have formulated the Codes of Conduct for Antitrust Law Compliance as guidelines to be followed by our employees, and are working to ensure thorough

compliance by employees through training and educational activities. Antitrust law compliance manuals based on the laws of each country are prepared for the regions where Group companies are located, and initiatives are made to prevent anticompetitive acts globally.

## Initiatives to Prevent Corruption

The Group Charter for Business Ethics clearly states that in Toyoda Gosei Group’s relationships with government agencies and political parties, we shall strictly refrain from any corrupt activities (e.g. “back-scratching,” cronyism) including bribery, and shall strive to maintain sound relationships. We have also formulated Global Anti-Bribery Guidelines as a common guide for global activities, which clearly prohibit

bribery, facilitation payments, accounting fraud, and other forms of corruption, ensuring all employees are aware. For suppliers, we have developed a “Supplier Sustainability Guidelines” to prevent corrupt practices throughout the supply chain. These initiatives are reported to the Internal Controls Committee, which includes participation of directors.

## Initiatives to Ensure Thorough Export Controls

Toyoda Gosei has established an import/export controls system to ensure that goods, technical materials, software, and other items subject to import/export restrictions, as well as items that violate laws and regulations (such as counterfeit products), are not taken out of the country or brought into the country without proper authorization. In addition to ensuring

compliance with laws and regulations through the Security Export Control System and company regulations, the Company ensures that domestic and overseas Group companies conduct installation and check for defects through self-inspection, and provide appropriate support in cooperation with the head office and overseas control companies.

## Early Detection and Correction of Problems through an Internal Reporting System

We have established compliance consultation offices both inside and outside the company for the purpose of early detection and correction of compliance issues and violations of internal rules and laws and regulations in the course of business operations. Outside lawyers are in charge of the external offices to deal with problems from an objective standpoint. This system allows all employees of the company and family members living with them to receive consultations, and the company takes thorough measures to protect their privacy and ensure that they will not be treated unfairly because of their report. In addition to the internal consultation

office of each Group company in Japan, they also have a common external compliance consultation office with the Company. Overseas Group companies also have external or internal consultation services. In FY2023, as a result of making the consultation offices known to all and building trust, 84 reports and consultations were received from within the company and its domestic affiliates, mainly concerning labor management, workplace problems, and harassment. These cases were promptly investigated and appropriate corrective measures were taken to resolve the issues.

### No. of Compliance Consultations/Reports (Japan)

FY	2020	2021	2022	2023
No. of cases	69	42	66	84

### Compliance Consultation Flow

