

# **Supplier Sustainability Guidelines**

**Toyoda Gosei Co., Ltd.**

## 1. Introduction. To all of our partner suppliers

Toyota Gosei’s Creed is “Boundless Creativity and Social Contribution.” With a management philosophy that embodies this belief, we strive to be a global company that is trusted by stakeholders, responds flexibly and promptly to significant changes in the environment, and provides safety, security, and comfort to customers around the world.

While sharing this philosophy, we believe that we are in a partner relationship with our suppliers, seeking coexistence and co-prosperity based on mutual trust. In promoting sustainability as well, including the practice of social responsibility as a company, we are making efforts based on this idea together with all suppliers and the entire supply chain.

We have created our Supplier Sustainability Guidelines based on the growing expectations for efforts by companies to achieve sustainability. We ask all of you to understand and implement these guidelines, and that you also ask your suppliers to understand and implement these guidelines.

### Management Philosophy

1	<b>Good corporate citizenship</b>	We, as a good corporate citizen, contribute to the economy and society through community based business activities and social action programs.
2	<b>Proper business operation</b>	We promote business operations with integrity through the establishment of a system founded on thorough compliance and corporate ethics.
3	<b>Sustainable growth</b>	We aim to build up the TG Group's collective strength through open and fair relationships with suppliers, and through a mutually strengthened corporate structure and innovative management response to change.
4	<b>Customer satisfaction</b>	We aim to provide products and services with satisfying quality and price in a timely manner, through forward-looking R&D and production engineering.
5	<b>Conservation of environment and resources</b>	We aim to conserve the global environment and resources through every business activity, in order to hand down a greener world to our children. This includes cooperation with society and the development of environment friendly products and manufacturing processes.
6	<b>Respect for the individual</b>	We aim to establish a vibrant corporate culture through respect for individuality and the value of enhanced teamwork, based on shared responsibility and mutual trust between employees and management.

## 2. Toyota Gosei's Sustainability Management

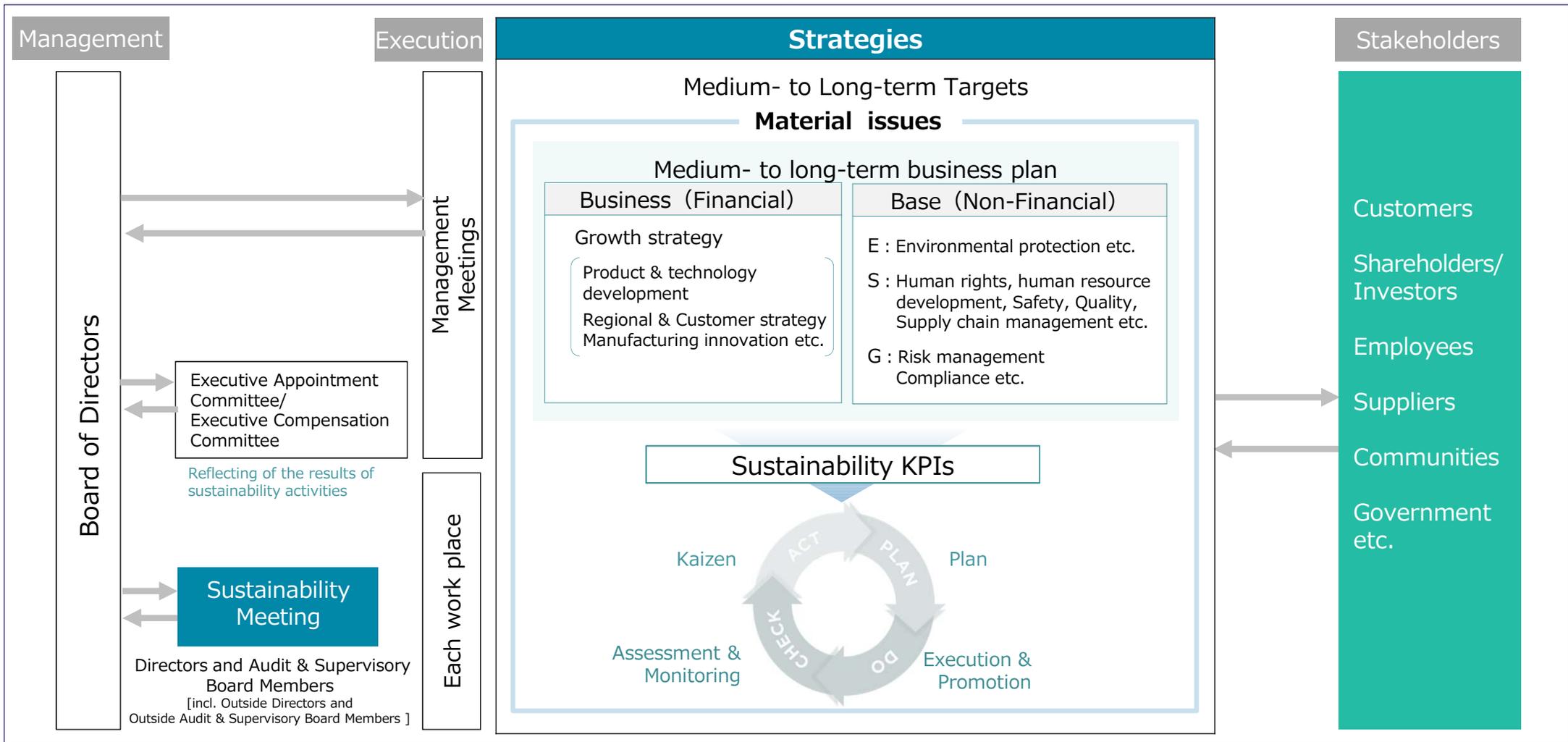
Toyota Gosei's Creed, "Boundless Creativity and Social Contribution," was formulated based on the Five Main Principles of Toyota and has been passed down as the foundation of our management.

This way of thinking is consistent with the sustainability concept of contributing to the solution of environmental and social issues through business activities.

In order to continue as a company that is trusted and needed by our stakeholders and society, we will seek management that integrates material sustainability issues and our medium- to long-term business plan. We aim for the sustainable development of our society and the sustainable growth of our company.

Based on Toyota Gosei Creed and Management Philosophy, we have built a management system to promote the sustainable growth of Toyota Gosei through our business activities and the sustainable development of society. We believe that it is important to repeatedly engage in dialogue with all stakeholders, set KPIs and targets for achieving our medium- to long-term business plan, and implement the PDCA cycle.

### Toyota Gosei Creed/Management Philosophy



### 3. Supplier Sustainability Guidelines

Chapter 1 to Chapter 4 of the Supplier Sustainability Guidelines has the following structure.

Chapter 1. Business activities conducted with integrity; Chapter 2. Management attitude; Chapter 3. Providing products and services; Chapter 4. Manufacturing and service processes

#### Chapter 1. Business Activities Conducted with Integrity

◆ What we want you to do for Toyota Gosei to continue as a company of integrity

1	<b>Respect for human rights</b>	Support and respect internationally recognized human rights norms and ensure that we are not complicit in human rights abuses.
2	<b>Elimination of discrimination</b>	In all employment situations (application, recruitment, promotion, transfer, compensation, education, job grants, wages, benefits, punishment, dismissal, retirement, etc.), there shall be no discrimination or harassment on the basis of individual attributes that are protected by the applicable laws and regulations of each country, such as race, ethnicity, nationality, creed, religion, age, gender, presence of disability/injury/sickness, sexual orientation/gender identity, presence/absence of a spouse or children, or pregnancy. Respect diversity and enhance the workplace so that each person can play an active role according to their individuality and abilities.
3	<b>Safe and healthy working environment</b>	We will give top priority to ensuring the safety and health of our employees and strive to prevent accidents and disasters. We support the health promotion of employees through health promotion activities in the workplace and guidance for disease prevention.
4	<b>Compliance with laws, regulations and others</b>	We will comply with the laws and regulations, both in letter and in spirit, of each country and region, and establish and implement company-wide policies and systems, action guidelines/reporting systems, and education systems for thorough compliance. In operating whistleblower hotlines for employees and business partners, we will thoroughly protect whistleblowers (strict confidentiality and prohibition against detrimental treatment), detect legal violations at an early stage, and take appropriate corrective action.
5	<b>Compliance with competition law</b>	In compliance with the competition laws of each country/region (antitrust laws, subcontracting laws, etc. in Japan), we shall not engage in private monopolies, unfair trade restrictions (cartels, bid negotiations, etc.), unfair trading methods or abuse of a superior bargaining position, etc.
6	<b>No relationships with antisocial forces</b>	We will have no involvement, in any form, with antisocial forces (gangsters, mafia, etc.) that threaten the order and security of civil society.

## Chapter 1. Business Activities Conducted with Integrity (cont'd)

7	<b>Anti-corruption</b>	We will comply with the laws and regulations of each country and region that prohibit corrupt practices, strive to build transparent and fair relationships in our relationships with governments and administrations, and not entertain, give gifts, or give or receive money for the purpose of obtaining or maintaining unfair profits and preferential treatment in our relationships with customers, suppliers, or other business partners.
8	<b>Prohibition of fraudulent accounting</b>	We will not engage in fraudulent transactions or fraudulent accounting (off-the-books transactions, fictitious transactions, etc.) or acts that cause misunderstandings. In addition, reasonably detailed, accurate and factually reflected accounting records (business reports, accounting books, etc.) shall be created and stored for transactions and disposal of assets.
9	<b>Import / export transaction management</b>	We will carry out appropriate procedures and management regarding the import and export of technologies and goods as regulated by the laws and regulations of each country and region.

## Chapter 2. Management Attitude

◆ Things we would like to share with you so that we can grow sustainably and contribute to society.

1	<b>Enhancement of the workplace</b>	Create an environment where each person can work with energy, and foster a culture that promotes human resource development.
2	<b>MFG process orientation</b>	In manufacturing, thoroughly observe the manufacturing process, work with the attitude of discovering the true causes behind the facts, identify what is essential, reach agreement and make decisions quickly, and execute what has been decided to the best of one's abilities.
3	<b>Continuous improvement</b>	Constantly evolve and pursue innovation, and strive ceaselessly for improvement.
4	<b>Two-way communication</b>	As expressed in our management philosophy, hold candid discussions with suppliers based on open and equal relationships, and promote corporate activities toward accepted, common goals.

## Chapter 3. Providing Products and Services

- ◆ Things we would like you to do for better products and services that will satisfy customers

1	<b>Technology development/ Product supply</b>	Strive to develop new technology and new products, and provide attractive products and services that can respond to a wide range customer needs in a timely manner.
2	<b>Information provision</b>	Provide appropriate information about a product that a customer needs.
3	<b>Ensure safety</b>	Produce and provide products that meet the safety regulations, etc. established in each country/region.
4	<b>Ensure quality</b>	Produce and provide products that meet the laws and regulations of each country/region and satisfy the quality required by the customer (customers/users).
5	<b>Ensure competitiveness</b>	Aim to be the top in global competitiveness in QCD through manufacturing kaizen activities.
6	<b>Risk management</b>	Conduct systematic and thorough risk management and prevention for various risks associated with natural disasters, health and safety, quality, environment and cyberattacks, and respond promptly to minimize damage in the event that a crisis does occur.
7	<b>Business continuity</b>	Prepare for emergencies by formulating a Business Continuity Plan (BCP) that stipulates advance measures, initial responses, and recovery responses.

## Chapter 4. Manufacturing/Service Processes

### ◆ What we would like you to do to protect the environment while conducting proper business activities

1	<b>Labor/ Human rights</b>	<b>Wages</b>	Comply with the applicable laws and regulations of each country regarding minimum wage, overtime, wage deductions, piecework wages, and benefits.
2		<b>Working time</b>	Comply with the laws and regulations of each country and region regarding the determination of working hours (including overtime) for employees, and the granting of holidays and annual paid leave.
3		<b>Prohibition of child labor</b>	Do not allow work by children who are under the working age according to the laws of each country or region. In addition, we do not allow anyone under the age of 18 to engage in hazardous work. During vocational training and apprenticeships, allow trainees or apprentices to work only within the range permitted by the applicable laws and regulations of each country.
4		<b>Prohibition of forced labor/ Consideration for foreign laborers</b>	Guarantee that all labor is voluntary and that employees are free to leave their jobs. Do not tolerate forced labor of any kind, whether through force, intimidation, debt, or any other form of modern slavery, including human trafficking. When hiring foreign workers, including immigrant workers, comply with the laws and regulations of the country and region, do not request the surrender of official identification documents or work permits, and do not collect fees that are considered unreasonable under international norms, such as recruitment fees.
5		<b>Dialogue with employees</b>	In addition to sincere dialogue and discussion with employee representatives or employees, guarantee the right of employees to communicate openly and directly with management without fear of retaliation, intimidation or harassment.
6		<b>Freedom of association</b>	Recognize the right of employees to freely associate, or not to associate, in accordance with the applicable laws and regulations, etc. of the country in which you operate.
7		<b>Human resource development</b>	Provide education according to rank and ability, and support the acquisition of necessary knowledge and skills.
8		<b>Responsible procurement of raw materials</b>	Carry out procurement activities with consideration of the impact on the local community resulting from the use of raw materials (e.g., conflict minerals, cobalt, natural rubber, etc.) that may cause social problems associated with things such as human rights and the environment. If there are any concerns, take measures to avoid using those materials.
9	<b>Environ- ment*</b>	<b>Construction of environmental management system</b>	Establish an environmental management system, set goals for environmental activities, and strive to achieve them.
10		<b>Conservation of the global environment</b>	In addition to complying with the laws and regulations of each country and region, work to prevent environmental abnormalities and toward zero complaints, and to achieve a circular economy.

\*Specific implementation items are based on the "Green Procurement Guidelines"

## Chapter 4. Manufacturing/Service Process (cont'd)

11	Environ- ment	<b>Measures against climate change</b>	As we move toward the achievement of carbon neutrality through all business activities, work on understanding and disclosing information on emissions, energy saving, facility improvement, introduction of renewable energy, and more through the supply chain.
12		<b>Coexistence with nature</b>	Strive to achieve a society that exists symbiotically with nature and retains biodiversity.
13		<b>Chemical substance management</b>	Comply with laws and regulations in each country regarding the handling of prohibited substances and chemical substances and their use and inclusion in products, and strive to prevent environmental pollution by appropriately managing such substances and reporting to government agencies.
14	Informa- tion manage- ment	<b>Protection of confidential information</b>	Obtain personal information of customers/third parties/company employees and confidential information of customers/third parties in a proper manner, use such information only within an appropriate range, and manage and protect it strictly (including cybersecurity measures.)
15		<b>Protection of intellectual property</b>	In technology and product development, thoroughly investigate the patent rights and other intellectual property rights of other companies, strive to prevent infringement and protect your own and Toyota Gosei technology, and do not illegally obtain, use, or infringe upon the intellectual property of third companies.
16		<b>Disclosure of information to stakeholders</b>	Strive to develop mutual understanding and trust by continuously and fairly disclosing information on the environment, society, governance, etc. to stakeholders (interested parties) and society.
17	<b>Social contri- butions</b>	<b>Contributing to the community</b>	Actively cooperate in regional development by co-sponsoring various events that promote things such as industry, education, culture and sports, providing emergency support in the event of a disaster, and collaborating with NPOs.
18	<b>Activity promo- tion</b>	<b>Advancing your company</b>	Establish company-wide policies and systems for the promotion of sustainability activities, action guidelines, and educational mechanisms within the company, and implement them in a timely and appropriate manner.
19		<b>Sharing activities with business partners</b>	Strive to understand the real situation of sustainability activities at companies with which you do business, and carry out education and support activities as necessary.

In order to confirm the status of activities, we may ask you to conduct various surveys and on-site inspections. In that event, we ask for your cooperation.