

# Sustainability Data Book 2020

# Sustainability Data Book Overview

## Editorial Policy

The Sustainability Data Book explains Toyota's sustainability approach and policies for ESG initiatives along with practical cases and numerical data, as a medium for specialists and those who are particularly interested in sustainability issues.

For Environment (E), a link to the Environmental Report, a booklet dedicated to reporting Toyota's environmental initiatives, is presented.

**Starting from fiscal 2021, the Sustainability Data Book, which has thus far only been released annually, will be updated whenever necessary so that the information can be disclosed in a more timely manner.**

For update history, please see the following page.

## Period Covered

Focusing mainly on the results of initiatives implemented during the previous fiscal year, the contents are updated as necessary throughout the year.

## Scope of Report

Initiatives and activities of Toyota Motor Corporation and its consolidated subsidiaries, etc., in Japan and overseas



## Reference Guidelines

- GRI Sustainability Reporting Guidelines
- Sustainability Accounting Standards Board  
(Reference code **SASB TR-AU-●●●** is indicated at each applicable part.)
- ISO 26000 Guidelines
- Task Force on Climate-related Financial Disclosures (TCFD)



Sustainability Data Book Overview

Overview of Toyota  
Motor Corporation

## Update History

March 2021	<ul style="list-style-type: none"> <li>• P24-25 Respect for Human Rights</li> <li>• P33-34 Health and Safety</li> </ul>	Prioritized Human Rights Themes, Migrant Workers Social Recognition
December 2020	<ul style="list-style-type: none"> <li>• P4 Overview of Toyota Motor Corporation</li> <li>• P5-8 Promoting Sustainability</li> <li>• P11-15 Safety</li> <li>• P19-21 Quality and Customer First</li> <li>• P22-23 Social Contribution Activities</li> <li>• P26-27 Respect for Human Rights</li> <li>• P29-32 Business Partners</li> <li>• P38-45 Diversity and Inclusion</li> <li>• P46-48 Human Resources</li> <li>• P50-54 Corporate Governance</li> <li>• P55-59 Risk Management</li> <li>• P60-62 Compliance</li> <li>• P63-65 Performance Data</li> </ul>	Customer First Measures  Freedom of Association, Covid-19 Pandemic Countermeasure Communication from Management to Members, Covid-19 Pandemic Countermeasure Collaboration with Union Representatives  Social Recognition, Rank-specific Initiatives, Initiatives Related to Recruitment, Initiatives Related to Career Development Support, Initiatives to Increase Numbers of Females in Managerial Positions, Development of Female Senior Professional/Senior Management Candidates, Diversity in Directors and Audit & Supervisory Board Members, Initiatives at Major Global Operations, Employment of Persons with Disabilities, LGBT, Race and Nationality, Major Initiatives of Nursing Care
August 2020	Customer First and Quality First Measures  Respect for Human Rights  Health and Safety  Diversity and Inclusion	Initiatives to Improve Quality  Reasonable Country of Origin Inquiry  KPIs for Promoting Women's Participation in the Workplace, Promotion of Women's Participation in the Workplace (Major Global Locations)
July 2020	Sustainability Policy  Respect for Human Rights  Diversity and Inclusion	Organization for Sustainability Management  Prioritized Human Rights Themes, Migrant Workers, Responsible Sourcing of Cobalt, Freedom of Association  Fundamental Approach, Support Measures for Balancing Work and Childcare, KPIs for Promoting Women's Participation in the Workplace, Toyota Loops' <i>Monozukuri</i> Project, Major Initiatives of Nursing Care (Japan) (Data updated)
May 2020	Editorial Policy  Environment  Respect for Human Rights  Diversity and Inclusion	Excerpted from the Sustainability Data Book 2019 with a link to the separate Environmental Report.  Initiatives for Responsible Mineral Sourcing (Added cobalt)  The promotion of Female Employee Participation and Advancement in the Workplace Action Plan

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# Overview of Toyota Motor Corporation

Updated in December 2020

## Company Profile

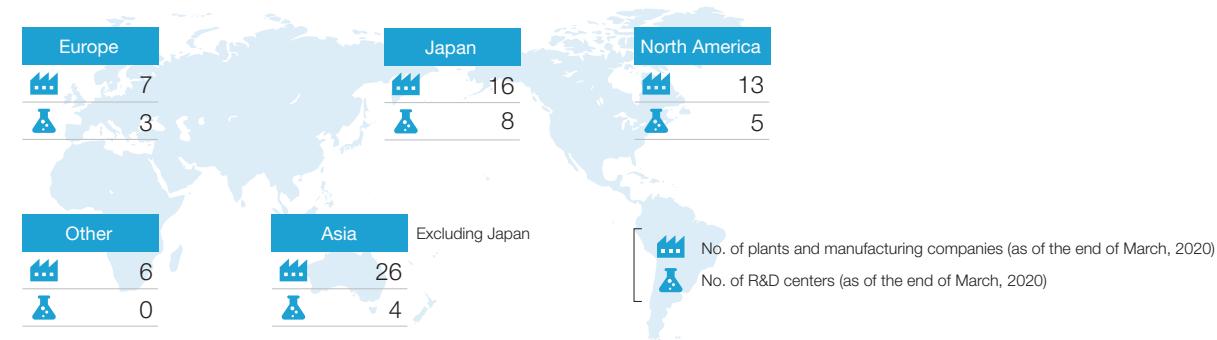
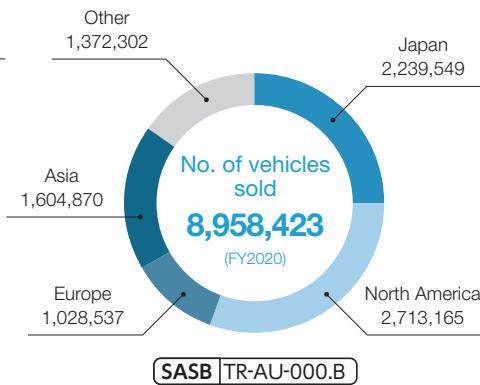
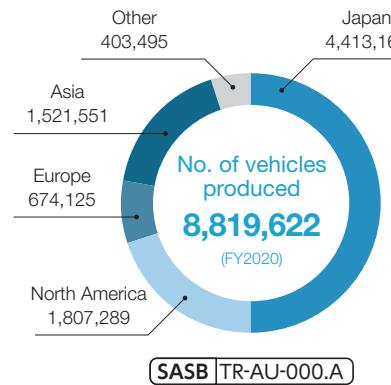
Company Name	Toyota Motor Corporation
President and Representative Director	Akio Toyoda
Company Address	
Head Office	1 Toyota-cho, Toyota City, Aichi Prefecture, Japan
Tokyo Head Office	1-4-18 Koraku, Bunkyo-ku, Tokyo, Japan
Nagoya Office	4-7-1 Meieki, Nakamura-ku, Nagoya City, Aichi Prefecture, Japan
Founded	August 28, 1937
Capital	635.4 billion yen (as of the end of March, 2020)
Major Business Activities	<ul style="list-style-type: none"> <li>• Automotive business</li> <li>• Financial services (Vehicle loans and leasing, etc.)</li> <li>• Other businesses (telecommunications services, etc.)</li> </ul>
No. of Employees (consolidated)	359,542 (as of the end of March, 2020)
No. of Consolidated Subsidiaries	528 (as of the end of March, 2020)
No. of Affiliates	72 (as of the end of March, 2020)
Accounted for under the Equity Method	

## Vision & Philosophy

For details of our Vision & Philosophy, please see our official website.



## Global/Regional Data



## Consolidated Financial Highlights Based on U.S. GAAP—Generally Accepted Accounting Principles (Financial Years Ended March 31)

FY	2018	2019	2020
Net Revenues (billion yen)	29,379.5	30,225.6	<b>29,929.9</b>
Operating Income (billion yen)	2,399.8	2,467.5	<b>2,442.8</b>
Net Income (billion yen)	2,493.9	1,882.8	<b>2,076.1</b>
R&D Expenses (billion yen)	1,064.2	1,048.8	<b>1,110.3</b>
Capital Investment (billion yen)	1,302.7	1,465.8	<b>1,393.0</b>

# Promoting Sustainability

Updated in December 2020

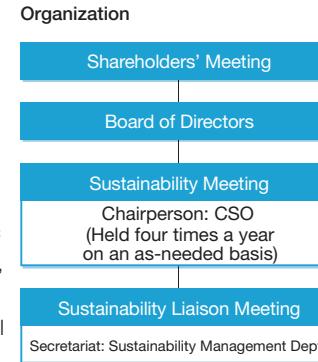
## Sustainability Policy

Toyota is working on initiatives that contribute to the sustainable development of society and the world through all its business activities in cooperation with global society. Toyota aims to become a company that is admired and trusted by society by sharing and implementing its sustainability-related policies with all its employees, including those in consolidated subsidiaries.



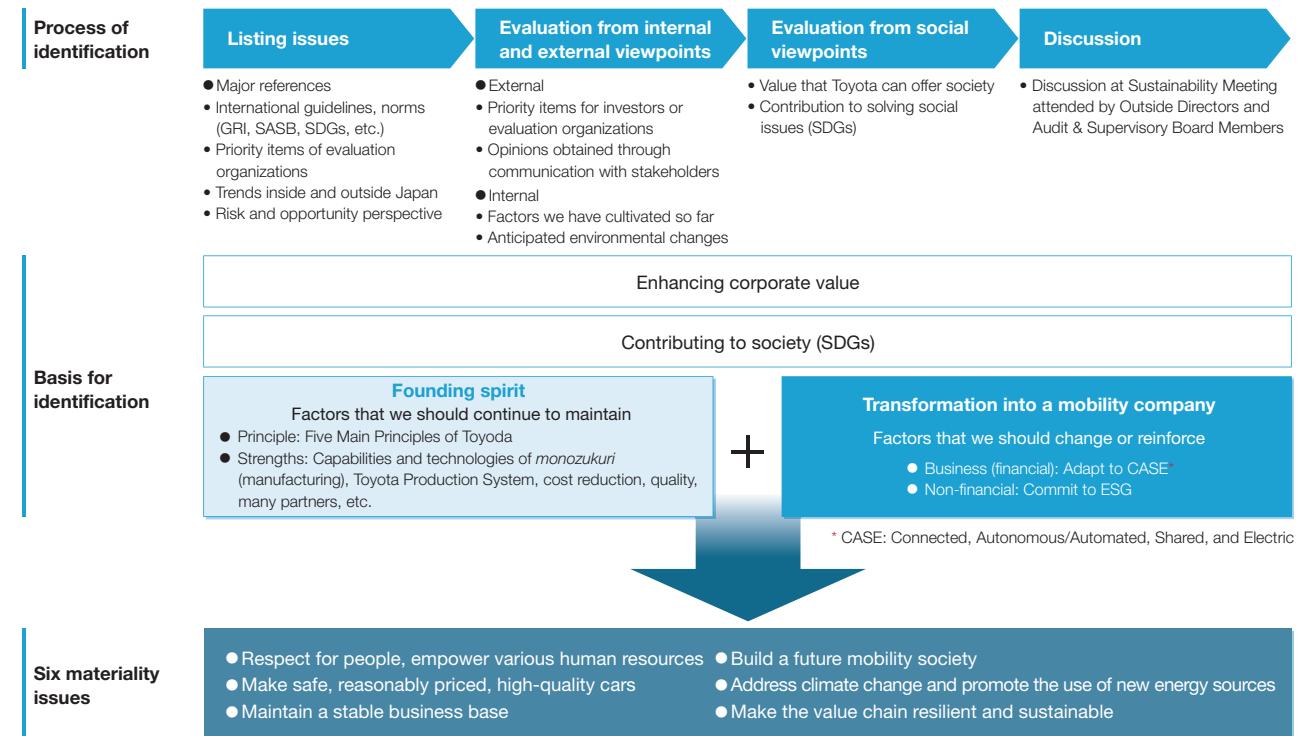
## Organization

As the automobile industry is entering a once-in-a-century transformational period in which the need to solve social issues is becoming increasingly urgent, companies are required to enhance their commitment to promoting sustainability. Toyota set up the Sustainability Management Dept. in 2019 to enable the entire company to promote integrated sustainability initiatives by determining priorities. In 2020, Toyota appointed a Chief Sustainability Officer (CSO and director) and a Deputy Chief Sustainability Officer (DCSO) as leaders of the promotion. The Sustainability Meeting, chaired by the CSO and attended by members including Outside Directors and Outside Audit & Supervisory Board Members, discusses and reports on sustainability issues and directions for solutions. The results of the discussions are reported to the Board of Directors, a supervisory organ of the meeting. Sustainability Liaison Meetings, hosted by the Sustainability Management Dept. as the secretariat, are held for the relevant departments (environment, human resources, secretarial, purchasing, accounting, public relations, corporate citizenship, etc.) on a periodic basis with the aim of improving the overall sustainability of the company.



## Materiality (key sustainability issues)

Toyota has been committed to resolving various social issues through its business activities. As the issues become increasingly diversified and complicated and in view of the ever-changing social trends and external voices, Toyota has identified six key issues that it needs to focus particular efforts on as materiality issues, with the aim of both contributing to society and sustainably enhancing its own corporate value. In the process of identifying the six issues, first we referred to and examined various international norms and guidelines and listed up various issues. Then we gathered external viewpoints, including the opinions of third parties and the priority items of evaluation organizations. We also examined internal viewpoints and organized them from two perspectives to enhance our corporate value: our "founding spirit," which represents our principles, strengths and other factors that we have cultivated and that will not change, and factors that we should change or reinforce in the process of our "transformation into a mobility company." At the same time, we discussed and evaluated the issues to determine whether they are critical issues that will enable Toyota to make further contributions toward building a sustainable society in line with the SDGs.



## Toyota's SDGs

Since its founding, Toyota has maintained the Toyoda Precepts, or five main principles of founder Sakichi Toyoda, and contributed to creating an affluent society through its business activities, with the aim of becoming a reliable corporate citizen in the international community. In this spirit, we have tackled various challenges in society. By applying the Toyota Production System and other technologies we have fostered in our *monozukuri* (manufacturing), we have developed the world's first commercial hybrid vehicle aimed at resolving environmental issues. We have also contributed to society by making "ever-better cars" that make our customers happy, which has led to the establishment of a stable business base. This virtuous circle has enabled us to achieve sustainable growth for our business activities.

Today, propelled by a series of technical innovations called CASE, the automobile industry is entering a once-in-a-century transformational period. Taking advantage of this opportunity, Toyota is transforming itself from an automobile manufacturing company into a mobility company. By making the best of our strengths cultivated through manufacturing while adapting ourselves to technological innovations centered on CASE, we will further expand the potential of automobiles and offer services that make freedom of mobility available to everyone. The development of automated driving and other advanced technologies, for example, is a solution to Toyota's ultimate challenge: zero deaths and injuries from traffic accidents. Through these initiatives, Toyota hopes to provide society with greatly improved value and contribute to the achievement of SDGs through its businesses. Toyota will also continue to proactively promote social contribution activities with a view to becoming a reliable corporate citizen.

Meanwhile, to realize a sustainable society, which the SDGs are aimed at, efforts in tackling ESG issues, such as human rights and diversity, are necessary. We will enhance our initiatives to address these social issues and promote diversity among our employees, who are our assets, to help them to survive the period of transformation, thereby creating changes in society while leveraging such changes for the further growth of Toyota itself.

Toyota believes that it can also contribute to society through promoting motorsports, the purpose of which is to enjoy movement itself, and corporate sport activities, which Toyota has consistently supported since its founding. Seeing those who challenge their limits gives you a heart-pumping feeling excitement (*waku-doki*). This is one of the values that we should maintain for creating a more affluent society in the future.

# SUSTAINABLE DEVELOPMENT GOALS



### Founding spirit and technologies cultivated through manufacturing

- Respect for people, empowering various human resources
- Making safe, reasonably priced, high-quality cars
- Maintaining a stable business base



First Japan-made passenger car



Developing safety technologies



TNGA  
Toyota New Global Architecture



Developing environmental technologies

Toyota as a car company



### Transformation into a mobility company

- Building a future mobility society
- Addressing climate change and promoting the use of new energy sources
- Resilient and sustainable value chain



Electrification



Information (connectivity)



Intelligence (automated driving, AI)



Collaboration across industries



Advanced mobile services



### Contributing to solving social issues

#### Through businesses



- Zero deaths and injuries from traffic accidents
- Comfortable and congestion-free travels
- No one lacking access to means of transportation

#### Improving value by adapting to CASE

- Spread of cars serving also as power sources
- Use of hydrogen to promote energy diversification



#### TOYOTA ENVIRONMENTAL CHALLENGE 2050

- Zero emissions (zero CO<sub>2</sub> emissions)
- Recycling/reuse of resources



#### By social contribution activities

#### Aiming to become a reliable corporate citizen



#### Enhancing ESG

- Tackling human rights issues
- Promoting diversity



#### Waku-doki (heart-pumping excitement)

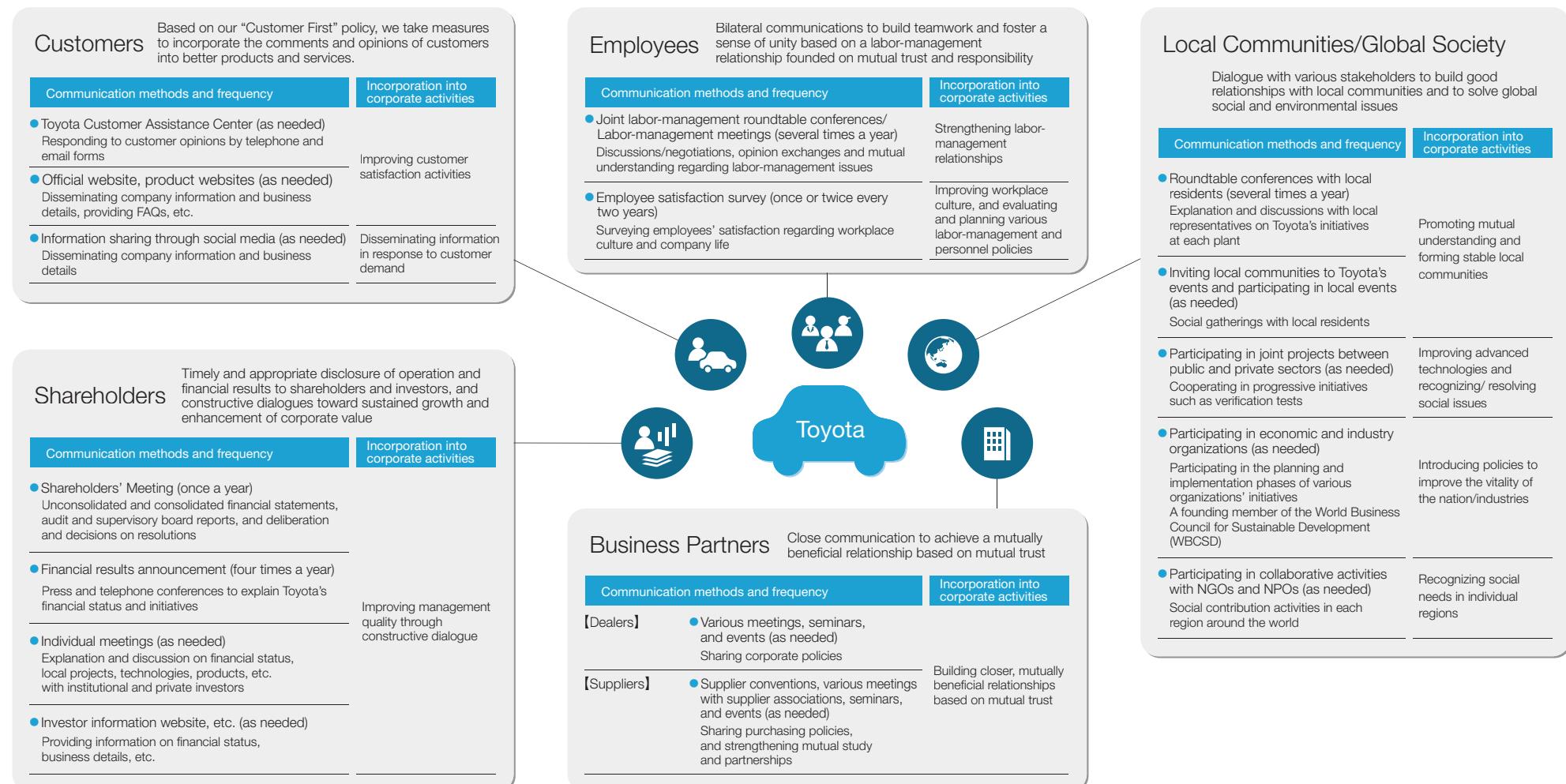
Fun and pleasure of sports and movement



## Stakeholder Engagement

Toyota will engage in stakeholder-oriented management to contribute to sustainable development and strive to maintain and develop sound relationships with stakeholders through open and fair communication. Specifically, Toyota's relevant divisions and offices all over the world act as the main

contacts to hold dialogues with major stakeholders. They communicate Toyota's policy and also help deepen mutual understanding. Additionally, Toyota maintains communication with external experts to examine, for example, the direction of its sustainability-related initiatives. Toyota will continue to further strengthen dialogue with stakeholders to earnestly address society's expectations and to utilize them in our future initiatives.



## Public policy

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Toyota has always maintained transparent and fair relationships with political parties and the administration (government agencies) and endeavored to take appropriate action in accordance with laws and regulations globally. While working to maintain sound relationships, we will share expertise and the values of Toyota, exchange opinions, and hold dialogues with the governments of various countries toward the goal of solving various social issues. We respect all our stakeholders, not only political and administrative organs, including our customers, local communities and employees, and cooperate with them, thereby achieving producing happiness for all.

Toyota places a high priority on activities through industry organizations. Many Toyota management executives and employees have participated in various committees of the Japan Automobile Manufacturers Association (JAMA) and the Japan Business Federation (Keidanren). For example, seeing the environment as one of the priority field, Toyota proactively participated in the formulation of the JAMA's long-term vision for Global Warming Prevention, which formulate the zero CO<sub>2</sub> emissions challenge, and Keidanren's Challenge Zero declaration, which aims at a decarbonized society through innovation.

Toyota respects its founding spirit and SDGs and will make efforts to realize a future mobility society where freedom of mobility is available to all and to establish closer economic relationships with various foreign countries. To this end, we will continuously promote activities by enhancing cooperation within the Toyota Group, and with automobile manufacturers associations and economic organizations both inside and outside Japan.

## Environment

For details of our initiatives in the Environment segment, please see the Environmental Report.



Safety

Quality and  
Customer First

Social Contribution  
Activities

Respect for Human  
Rights

Business Partners

Health and Safety

Diversity and  
Inclusion

Human Resources

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## Safety

Updated in December 2020

### Related SDGs



## Fundamental Approach

According to a World Health Organization (WHO) survey\*, 1.35 million people worldwide died in traffic accidents. While the number of deaths due to traffic accidents has been decreasing slightly in Japan, the United States and Europe, it has been constantly increasing in emerging nations and regions where traffic safety education and transportation infrastructure have not kept up with increases in the number of cars on the road. Unless countermeasures are implemented, traffic fatalities are predicted to become the seventh leading cause of accidental death by 2030.

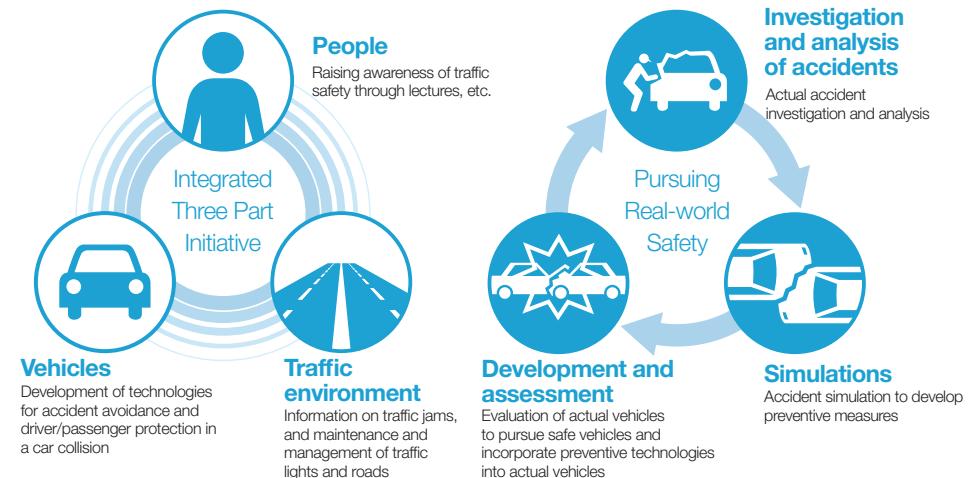
If Toyota is to achieve its ultimate goal of Zero Casualties from Traffic Accidents, the development of safe vehicles is of course important, but it is also essential to educate people, including drivers and pedestrians, and to ensure a safe traffic infrastructure including traffic signals and roads.

Toward achieving a safe mobility society, Toyota believes it is important to promote an integrated three-part initiative, involving people, vehicles and the traffic environment, as well as to pursue real-world safety by learning from actual accidents and incorporating that knowledge into vehicle development. Toyota has also defined its Integrated Safety Management Concept as the basic philosophy behind technologies toward achieving the elimination of traffic casualties and is moving forward with developing these technologies.

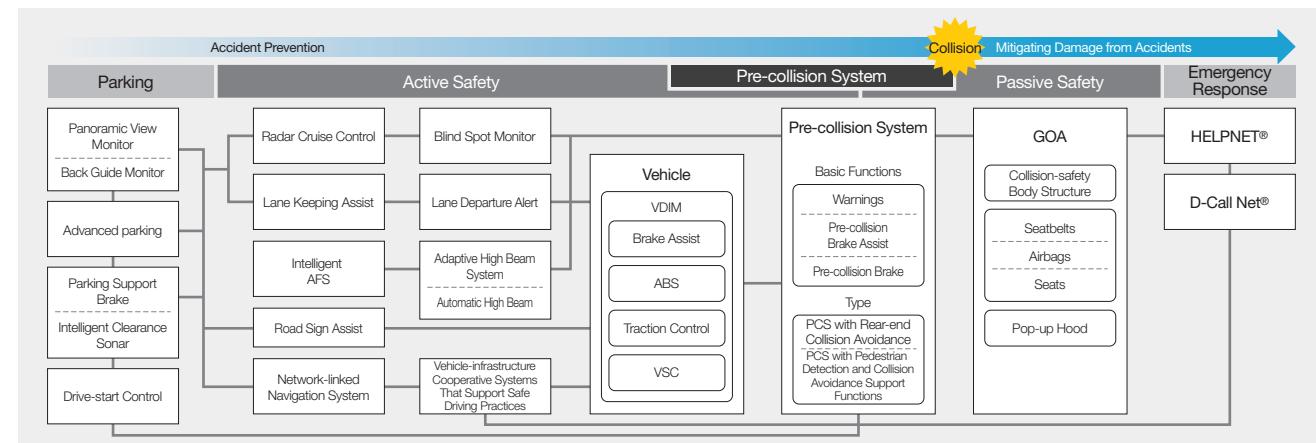
\* Source: Global Status Report on Road Safety 2018, WHO

## Integrated Safety Management Concept

Toyota provides optimum driver support for each stage of driving, from parking to normal operation, the accident itself, the pre-and post-crash timeframe and post-accident rescue. Toyota's approach is to enhance safety levels through strengthening inter-system coordination rather than seeing each system separately. These are the approaches behind our Integrated Safety Management Concept.



### Integration of Individual Technologies and Systems



## Safety Technologies

### Status of Traffic Accidents and Toyota's Safety Technology

There were 3,215 traffic fatalities in Japan in 2019, a drop of 317 people over the previous year. This was the lowest number since the National Police Agency began keeping records in 1948. Classified by road users, pedestrians accounted for the largest number of deaths, with the percentage of fatalities among the elderly (65 years or older) increasing yearly.

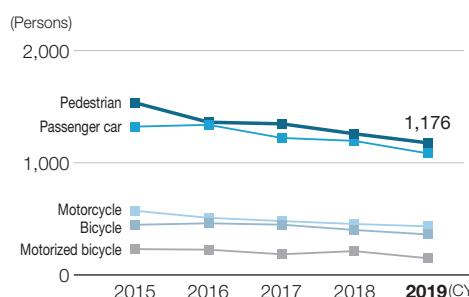
Another emerging issue is accidents caused by drivers pressing the accelerator by mistake instead of the brake in parking lots, or driving the wrong way down expressways, which are both more common among the elderly. This is becoming a major social issue.

For this reason, more and more attention is being given to active safety technologies that help prevent accidents in addition to the existing passive safety features.

At Toyota, we are working on installing the Toyota Safety Sense system that packages multiple active safety systems, including collision damage mitigation braking, in almost all our passenger vehicle models (Japan, United States, and Europe). In Japan, we are also working on developing the Intelligent Clearance Sonar (ICS) (Parking Support Brakes [Stationary Objects]), which helps prevent accidents caused by pressing the wrong pedal. We have also developed a new sudden acceleration suppression system to help prevent accidents caused by pressing the wrong pedal in a road condition with no obstacles, which will be installed in subsequent Toyota vehicles.

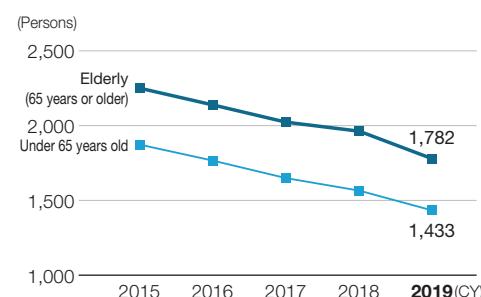
In Japan, Toyota has also launched the HELPNET® service, an emergency reporting system to arrange an emergency vehicle in the event of an accident or sudden illness.

**Number of Traffic Fatalities by Accident Type (Japan)**



Source: Status of traffic fatalities of the accident in 2019,  
National Police Agency

**Number of Traffic Fatalities of the Elderly (65 Years or Older) (Japan)**



Source: Status of traffic fatalities of the accident in 2019,  
National Police Agency

## Active Safety

### Toyota Safety Sense (Active Safety Package)

The Toyota Safety Sense system incorporates three major functions considered effective in reducing serious traffic accidents causing death or injury. It packages multiple active safety functions based around Pre-Collision Safety (PCS), which works to either help avoid collisions with cars ahead or pedestrians, Lane Departure Alert (LDA), which contributes to preventing accidents caused by leaving the lane, and Automatic High Beam (AHB), which helps ensure clear sight in front at night. In 2018, we enhanced functions to support driving, such as detecting nighttime pedestrians and daytime crossing cyclists, and Lane Tracing Assist (LTA).

For the Yaris launched in February 2020 (Japan), functions to detect pedestrians when turning right or left at intersections and oncoming cars when turning right were added to PCS. Since its market launch in 2015, Toyota Safety Sense has been installed in more than 14 million vehicles globally (as of February 2020). Toyota Safety Sense is now available on nearly all passenger cars (as standard or option) in the Japanese, United States and European markets. It has also been introduced in a total of 108 countries and regions, including China, other select Asian countries, the Middle East and Australia.

### Pedal Misapplication Prevention System

In Japan, about 30 percent of all traffic accidents are said to occur in parking lots.<sup>①</sup> Furthermore, drivers who are 75 years older tend to be involved in a large percentage of accidents caused by pedal misapplication in parking lots and other areas.<sup>②</sup> To help remedy this situation, Toyota has installed Intelligent Clearance Sonars (ICS) since 2012. For vehicles that are already owned by customers, Toyota introduced the pedal misapplication acceleration control system that can be retrofitted in 2018. It is currently available for 12 models (Japan).

These systems activate when the sensor detects an obstacle, such as a car or a wall. However, some of the accidents caused by pedal misapplication occurred when there were no obstacles on the road. To reduce such accidents, Toyota developed the sudden acceleration suppression function to help prevent accidents caused by pressing the wrong pedal in a road condition with no obstacles, and began installing it from the Prius and the Prius PHV launched in July 2020. This function has also been incorporated in the retrofit pedal misapplication acceleration control system since July 2020 (Japan).

Based on the principle that safety lies in the domain of cooperation, Toyota has disclosed the concept of the sudden acceleration suppression function and its specific operating conditions to other car manufacturers from the development stage, thereby promoting industry-wide efforts to reduce accidents caused by pedal misapplication.

<sup>①</sup> Source: Statistics on Parking Lot Accidents (statistics from six prefectures in Tohoku Region), The General Insurance Association of Japan

<sup>②</sup> Source: ITARDA INFORMATION No. 124 - Traffic Accident Analysis Report, issued in February 2018, Institute for Traffic Accident Research and Data Analysis (ITARDA)

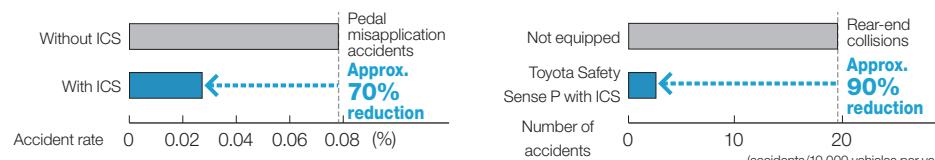


Display of the retrofit Pedal Misapplication Acceleration Control System II

## Accident Reduction Effects

In real traffic environments, installation of the ICS in cars has reduced the number of accidents caused by pedal misapplication by about 70 percent. It has also been confirmed that the ICS in combination with Toyota Safety Sense has reduced rear-end collisions by about 90 percent (Japan, Toyota comparison).

### Effects of Toyota Safety Sense P and ICS on Accident Reduction



- \* Based on an analysis of accidents occurring in parking lots involving the Alphard, Vellfire, and Prius
- Based on a survey of data concerning approximately 2,500 accidents from insurance companies that cover the policies for about 60,000 of the above-mentioned vehicle models
- Subject vehicle series: Alphard, Vellfire, Prius
- Survey period: January 2015–June 2016
- Survey subjects: Approximately 63,000 vehicles, of which 26,000 were equipped with ICS (42%)
- \* Pedal misapplication was identified as the accident cause based on customer reports

- \* Based on an analysis of ITARDA data  
The accident incidence rate is calculated by dividing the number of accidents by the number of vehicles in operation (converted from the number of vehicles sold based on the timing of sale)
- Subject vehicle series: Prius
- Survey period: December 2015–December 2016
- Survey subjects: Approximately 247,000 vehicles, of which approximately 84,000 were equipped with Toyota Safety Sense P, and approximately 121,000 were equipped with Toyota Safety Sense P and ICS

## Passive Safety

Passive safety combines a body structure that absorbs collision energy with devices that efficiently protect the vehicle occupants to minimize collision damage. In 1995, Toyota set up unique, stringent internal goals related to passive safety performance called “Global Outstanding Assessment (GOA)” in the pursuit of world-leading safety levels and developed a collision-safety body and passenger protection devices. Since then, to maintain leadership in this field, Toyota has continued to advance GOA, improving the real safety performance of its vehicles in a wide variety of accidents.

To analyze the human body injury mechanism, Toyota developed its Total Human Model for Safety (THUMS), a virtual body model, jointly with Toyota Central R&D Labs., Inc. Use of THUMS has enabled detailed analysis of injuries to various parts of the human body in a traffic accident, and it is being utilized effectively in research and development of various safety technologies, including safety equipment such as seat belts and airbags and vehicle structures that mitigate injuries in accidents involving pedestrians.

Toyota plans to make THUMS software freely available in January 2021, in the hope of making a broad

range of contributions to improving the safety performance of vehicles by having THUMS utilized by many users.

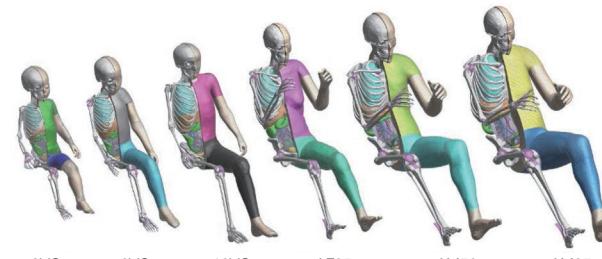
Based on our Integrated Safety Management Concept, we are working on technology development for preventive link functions that operate protective devices in a collision by linking with the Pre-collision Safety (PCS) system. We have adopted functions that prepare to deploy the seatbelt mechanism or SRS\* side & curtain shield airbags to protect the occupants when the PCS determines that a collision with another vehicle is likely, or prepare to deploy the pop-up hood to protect the pedestrian or cyclist when the PCS determines that a collision with a pedestrian or cyclist is likely.

\* SRS (Supplemental Restraint System): A system of supplementary restraints to protect occupants

Column

### THUMS, a virtual body model

THUMS are used by over 100 car manufacturers and parts manufacturers, universities and research institutions both inside and outside Japan mainly for studies on vehicle safety. By preparing and using models of a variety of bodies in terms of gender, age and size, researchers are able to conduct safety research on themes focusing on diversity, such as a comparison of injuries in collisions and the method to mitigate injuries to various types of people.



(3 years old) (6 years old) (10 years old) (small woman) (medium-sized man) (large man)

Occupant models of THUMS Version 4

## Outside Evaluations of Safety

( ): Number of vehicles receiving highest ranking / Number of vehicles evaluated		
Grand Prix Award in preventive safety performance	Alphard/Vellfire, Lexus NX, UX	(5/5)
ASV++ (the highest ranking) in the JNCAP <sup>①</sup> Active Safety Performance Assessment	Alphard/Vellfire, RAV4, Lexus ES, NX, UX	
Five Star Award (the highest ranking) in the JNCAP <sup>①</sup> Collision Safety Performance Assessment	Raize, RAV4, Lexus NX, UX	(4/4)
TSP+ <sup>②</sup> (the highest ranking) in the Car Assessment Program of the Insurance Institute for Highway Safety (IIHS) in the U.S.	Camry, Lexus ES, NX	(3/3)
TSP (the highest ranking) in the Car Assessment Program of the Insurance Institute for Highway Safety (IIHS) in the U.S.	Corolla hatchback, Corolla sedan, RAV4, Lexus RX, UX	(5/5)
Five Star Award (the highest ranking) in the NCAP <sup>③</sup> in the U.S.	Avalon, Camry, C-HR, Corolla hatchback, Highlander, Prius, RAV4, Sienna, Yaris iA, Lexus ES, IS, NX, RX, UX	(14/18)
Five Star Award (the highest ranking) in the Euro NCAP <sup>④</sup> in Europe	Corolla, RAV4, Lexus UX	(3/3)
Five Star Award (the highest ranking) in the ANCAP <sup>⑤</sup> in Australia	Corolla, Fortuner, Hilux, RAV4, Granvia, Hiace, Lexus UX	(7/7)
Five Star Award (the highest ranking) in the CNCAP <sup>⑥</sup> in China	Avalon, Levin	(2/2)
Good (the highest ranking) in occupant protection, pedestrian protection, and prevention in the C-IASI <sup>⑦</sup> in China	Avalon, Corolla, Levin	(3/3)
Grade 1 (the highest ranking) in the KNCAP <sup>⑧</sup> in Korea	Lexus ES	(1/1)
Five Star Award (the highest ranking) in the ASEAN NCAP <sup>⑨</sup>	Corolla Altis, Majesty	(2/2)
Five Star Award (the highest ranking) in the Latin NCAP <sup>⑩</sup>	Corolla, Hilux, RAV4	(3/5)

\* Period: Japan: April 2019–March 2020; U.S. NCAP: 2020 model year; U.S. IIHS: December 2018–November 2019; Other: January–December 2019

<sup>①</sup> NCAP (New Car Assessment Program): A new car assessment program being carried out in various countries

<sup>②</sup> TSP+: A ranking given to the most outstanding TSP vehicles

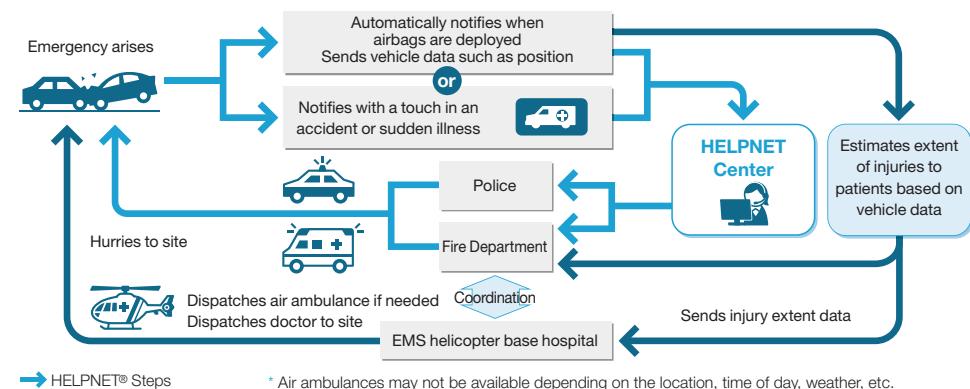
<sup>③</sup> China Insurance Automotive Safety Index

SASB TR-AU-250a.1

## Emergency Response

Every minute counts in an emergency response to an accident or sudden illness. In 2000, Toyota rolled out its HELPNET® service, an emergency reporting system utilizing the G-Book information network (the current T-Connect) and G-Link. In the event of an accident or sudden illness, HELPNET® contacts a dedicated operator who will arrange for the rapid dispatch of an emergency vehicle with police or fire department responders. The service automatically contacts an operator when the airbag deploys and supports D-Call Net® which makes quick deployment decisions for air ambulances, etc. now available nationwide. This service is provided by sending vehicle data to the HELPNET center from an on-board data communication module (DCM). DCM has been installed as a standard feature in the Crown and Corolla Sports, launched in June 2018, and in all subsequent new passenger vehicles in Japan.

### HELPNET® (Airbag-linked Type) Illustration



\* Air ambulances may not be available depending on the location, time of day, weather, etc.  
D-Call Net® will not respond when the HELPNET® button is pressed.

<sup>④</sup> HELPNET® is a registered trademark of Japan Mayday Service Co., Ltd. D-Call Net® is a registered trademark of HEM-Net (Emergency Medical Network of Helicopter and Hospital).

## Automated Driving

To help achieve zero casualties from traffic accidents, Toyota has been conducting research and development on automated driving technologies since the 1990s. Toyota's unique approach to automated driving, called the "Mobility Teammate Concept," seeks out a relationship between people and vehicles so that they can communicate and mutually improve one another as companions would. Based on this philosophy, Toyota is aiming to help build a world in which every person, including the elderly and the physically challenged, can enjoy mobility safely, easily and freely.

The Lexus Teammate and Toyota Teammate are advanced drive support technologies developed based on the Mobility Teammate Concept. With the functions of Advanced Drive for drive support on motor highways and Advanced Park for parking support in parking lots, these technologies enable the driver and the car to collaborate in raising the safety level and drive with the sense of a high level of security while providing tireless, comfortable travel through the destination.

### Support for Initiatives at the Collaborative Safety Research Center (CSRC) in the U.S.

In January 2011, with the goal of establishing safer and more reliable transportation, Toyota established the CSRC inside the Toyota Technical Center (TTC) located in the state of Michigan. The first-phase project was completed at the CSRC in March 2017. Over a five-year period, the CSRC started and completed 44 research projects jointly with 23 universities and research organizations, publishing more than 200 technical papers.

The CSRC has been making its research results public through presentations at various vehicle safety-related conferences so that these results can be utilized by people engaged in the development of vehicle and traffic safety technologies.

In 2017, Toyota started a new second-phase project called "CSRC Next." This reflects Toyota's position that it is important to understand how humans will cope with advancing vehicle technologies. Toyota will invest 35 million dollars over five years in research focusing on issues related to and the possibilities of autonomous driving and connected vehicle technologies, and publish the research results publicly, thereby contributing to safer vehicles industry-wide.

## Initiatives Targeting People

Believing that educating people is also important in preventing traffic accidents, Toyota started donating traffic safety teaching materials for small children in the form of traffic safety picture books given to children starting kindergarten and nursery schools nationwide in the 1960s, in cooperation with Toyota dealers nationwide. Since then, Toyota has been holding the Toyota Safety School designed for small children every year. In 2005, we established the Toyota Safety Education Center Mobilitas at the Fuji Speedway. We also hold Toyota Driver Communication, a safe driving technique seminar aimed at drivers.

Additionally, with the spread of the Safety Support Car (Sapo Car) program recommended by the government, we are working with Toyota dealers to continue to spread our safety technologies further and keep our customers informed. This is why we are rolling out Support Toyota (the overall name for our safety and assurance activities) to help achieve car lifestyles that offer safety and assurance.

## Quality and Customer First

### Fundamental Approach

The origins of Toyota's "Customer First" and "Quality First" principles lie in the Five Main Principles of Toyoda, which embody the thinking of Sakichi Toyoda, and the spirit of audit and improvement of Kiichiro Toyoda. Since its foundation, Toyota has established a corporate culture that focuses particular attention on quality that will produce customer smiles and on *kaizen* (continuous improvement) achieved through *genchi genbutsu* (onsite hands-on experience). Each employee in every area maintains a constant and strong awareness of issues and a sense of ownership and makes ongoing efforts to implement *kaizen* and to collaborate closely with personnel in other fields to enhance customer safety, peace of mind, and satisfaction.

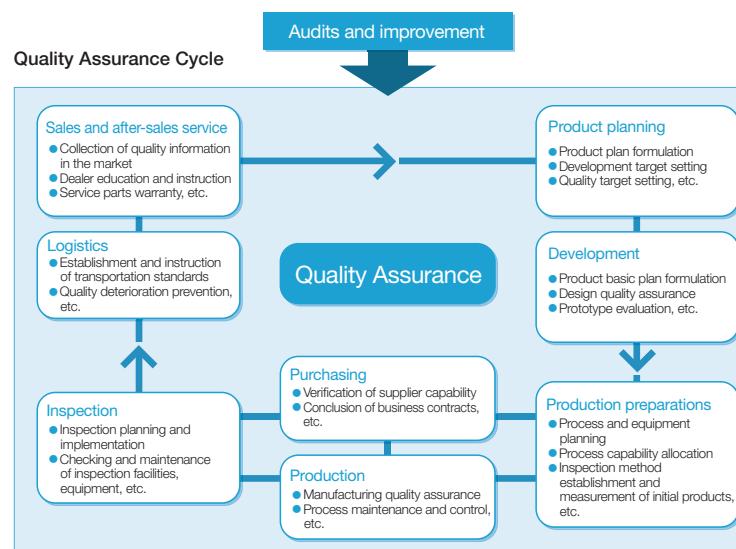
#### Quality

Updated in August 2020

Toyota sees quality as a combination of product quality, sales and service quality, and the quality of work performed by each employee that serves, as the foundation supporting the other aspects of quality.

We believe that products and services that gain the confidence of customers can be only created when all employees who engage in every process, from development, purchasing, production, and sales to after-sales service activities, build quality into their work and implement the quality assurance cycle by linking the various processes.

#### Toyota's Concept of Quality



### Organizational Structure

The fundamentals of the initiatives are function management and policy management. Function management refers to setting company-wide policies based on functional parameters such as quality and safety, with each group and company taking action in collaboration with other divisions. Policy management refers to the formulation and implementation of plans for achieving targets in each group and company, based on the company-wide policy. In terms of policy management for quality functions, policies and important issues related to quality are discussed and decided at meetings of the Quality Function Board, the highest-order conferences of Toyota related to quality, attended by presidents of companies and officers of relevant groups, thereby promoting company-wide quality improvement. Each year, Toyota formulates a plan for addressing company-wide quality issues and ensuring quality corresponding to new businesses and technologies, and deploys it as our quality function policy throughout the company. In order to strengthen regionally led quality improvement activities capable of making decisions and taking actions as close as possible to local customers, Toyota has appointed a Global Chief Quality Officer (Global CQO) in Japan and Chief Quality Officers (CQOs) in other regions around the world. For the meeting of the Quality Function Board held in January, the CQOs are gathered from all regions to discuss quality function policies.

Additionally, each region has organized a variety of quality-related conferences. For the highest-order conference chaired by the regional CQO, Toyota Motor Corporation sends our Global CQO or a secretariat member in order to facilitate and support better communication and collaboration. Toyota also shares our quality function policy with our affiliated group companies and suppliers, promoting collaborative actions for ensuring quality. Moreover, initiatives implemented under the quality function policy are reported to the management, including directors, each month, and are properly addressed.

### Global Policy Implementation Structure and the Quality Conference



### Establishing Quality Assurance Structure toward Transformation into a “Mobility” Company

As the automotive industry faces an era of profound transformation, the likes of which come only once every 100 years, Toyota is taking many steps to transform itself into a “mobility” company. In the mobility society that will arrive in the future, in addition to automobiles’ basic safety and comfort (quality of things), in such areas as running, turning, and stopping, it is necessary to ensure the quality and security of the communication automobiles use to connect to people, things, and cities. The quality of the telecommunication platform and servers, which control the operations of services, must also be ensured in order to guarantee the quality of customers’ experiences (quality of experiences) obtained through mobility services. With this in mind, Toyota is also making company-wide efforts to strengthen the quality assurance process, including in its services, in order to provide high-quality products and services that bring a smile to customers’ faces in its mobility businesses.

### Fostering Quality-oriented Awareness and Culture

“Customer First,” “Quality First,” and “Build in Quality in Processes.” Based on the principles we have maintained since our foundation, to foster a corporate culture in which each member is committed to building high quality, Toyota has been working to instill Toyota’s common values, represented by the Five Main Principles of Toyoda, and Our Attitudes\* in which Customer First is listed as the first attitude. Toyota has also set up several company-wide quality promotion events throughout the year, such as Quality Month, Customer’s Month, and Toyota Restart Day, thereby encouraging each member’s further quality-based thinking and actions, and fostering a quality-oriented culture.

February 24, the day that President Akio Toyoda attended U.S. Congressional hearings, held to investigate the series of recall issues that occurred in 2010, was designated “Toyota Restart Day.” We are creating mechanisms and taking measures to raise awareness in order to maintain focus on the lessons learned

from the experiences Toyota underwent at that time.

For example, in 2014 Toyota established its Customer Quality Learning Center as education facility for conveying the experiences and lessons Toyota learned from the series of recall issues to future generations of employees. Using exhibits that appeal to the five senses, such as actual examples of faulty parts and vehicle simulators, the center acts as an important education facility for conveying the situation back then to current Toyota employees.

In addition to posting the status of the series of recall issues, current quality issues are added every year to renew the program. We are making these efforts to create key education facilities for maintaining focus on all that Toyota learned. We have also set up customer quality learning centers unique to individual plants and overseas sites, and are working to ensure employees in each region and each plant thoroughly understand the importance of quality. Additionally, employees who experienced the series of recall issues take on the role of storyteller to convey the experiences and lessons learned within their own work sites.

\* A compilation of the values and codes of conduct that Toyota has maintained since our founding



Roundtable discussion between Chairman Uchiyamada and the storytellers

### Quality Risk Management

Toyota has established a global system to identify quality risks and promptly respond to them. In each region around the world, CQO leads the efforts to improve and enhance the quality assurance system. Toyota also appoints a Regional Product Safety Executive (RPSE) for each region, with the aim of establishing a quality risk management structure capable of making appropriate decisions that represent the voices of local customers. This structure is expected to facilitate global sharing of quality risks, proper actions from the standpoint of local customers, and prompt response to emergencies on a global scale.

### Auditing

Toyota conducts internal audits at least once a year with the aim of further enhancing proper quality assurance activities in accordance with the laws and regulations of each country and internal rules. Internal auditors with ample knowledge of ISO 9001, Toyota’s quality assurance rules and systems, and auditing methods, form an auditing team, and conduct audits focusing on the audit points that have been determined based on the environmental changes both inside and outside the company, quality indicators and other factors. Audit results are shared with the relevant parties, so that necessary measures for improvement can be promptly implemented. Toyota sincerely listens to the opinions of third parties, including the certification organizations of each country, and reflects them in the enhancement of our quality assurance activities.

## Collaboration with Suppliers

New suppliers:

Before starting a transaction with a new supplier, Toyota mainly checks the supplier's technical capabilities, such as design development and quality management, in order to solidify the foundation for ensuring quality.

Existing suppliers:

In order to build the product quality that Toyota aims at in close cooperation with suppliers, Toyota shares with suppliers manuals compiling the necessary actions to be taken by the suppliers and Toyota, respectively, in each stage from production preparation to mass production, thereby raising common quality awareness. Toyota also shares the checklist for self-inspection of the quality management structure and production processes with suppliers, and regularly examines the inspection results and improvement plans, with the aim of achieving further quality improvement.

## Coping with Quality Problems

We have a system whereby each employee takes action to enhance quality in accordance with the Customer First Principle, and prepares for and responds in a timely manner to quality-related issues. Based on the belief that nothing is more important than helping customers use their vehicles safely, and in order to minimize trouble to customers by taking prompt action, we make recall decisions by determining quality failures not simply based on legal compliance, but also from the customer's perspective, putting safety and assurance first. Final decisions are made with the participation of regional representatives, who are closest to the customers, to ensure that feedback from regional customers is accurately reflected.

### FY2020 Recalls

Country, region	Number of recalls	Number of units (million units)
Japan	30	1.7
North America	20	6.9
Europe	20	1.0
Other	28	2.2
Global	59*	11.8

\* Since the same recalls conducted in multiple countries/regions are aggregated, the total number of recall cases of each country/region is not equal to the number of global recall cases.

**SASB TR-AU-250a.3**

After a decision to recall is made, Toyota contacts individual customers through dealers, and additionally posts information on our website to ensure prompt repair service.

## Customer First Measures

Updated in December 2020

Toyota's principle of Customer First exists to provide customers with products and services that satisfy them. Toyota hopes to offer cars with superior features in terms of environmental, safety and quality performance while also offering the intrinsic appeal of cars, such as high driving performance, as well as services for comfortable "movement" at affordable prices. We respectfully and willingly accept information provided by our dealers and customer feedback received at customer assistance centers, and utilizing them to make ever-better cars.

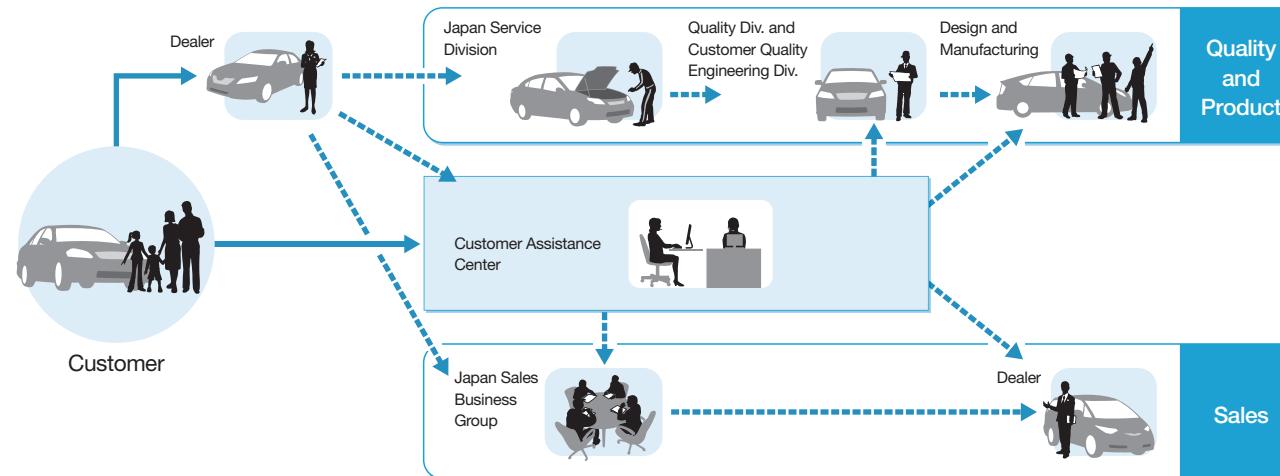
## System for Implementing Customer Feedback

In responding to customer inquiries, opinions and requests, the most recent customer feedback is gathered from dealers. Also, we have established customer assistance centers and the actions we take lead to the creation of ever-better cars and services.

## Toyota Customer Assistance Center and Lexus Information Desk

The Toyota Customer Assistance Center and the Lexus Information Desk are open for consultation 365 days a year, and have been established around a structure designed to ensure constant customer satisfaction.

Toyota offers speedy, appropriate and empathetic responses to customer inquiries and listens to opinions and requests based on the principle of Customer First. At the same time, Toyota addresses all issues while maintaining close cooperation with its dealers. Additionally, a Salesperson Support Desk has been established to support dealers in implementing the Customer First principle. Toyota also conducts surveys of customers who use our telephone service via an automated response system in an effort to continue to make improvements.



### Number and Content of Calls Received by the Toyota Customer Assistance Center and the Lexus Information Desk in FY2020

Number of calls received: 286,000 (Japan)

Breakdown of call content

Opinions and issues 8%

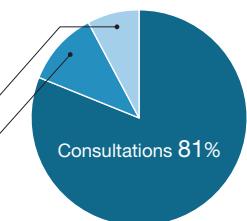
Sales person support 11%

Content of calls received

Other (car delivery date, etc.) 20%

Brochure requests 3%

Navigation- and audio systems-related 20%



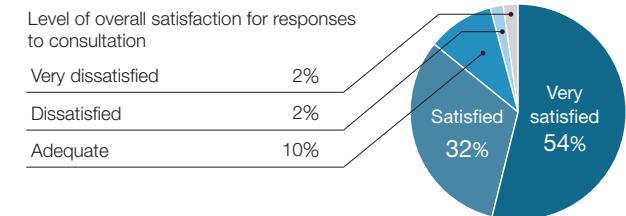
### Results of a customer satisfaction survey: Owners' feedback received at the Lexus Owners Desk in FY2020 (557 respondents)

Level of overall satisfaction for responses to consultation

Very dissatisfied 2%

Dissatisfied 2%

Adequate 10%

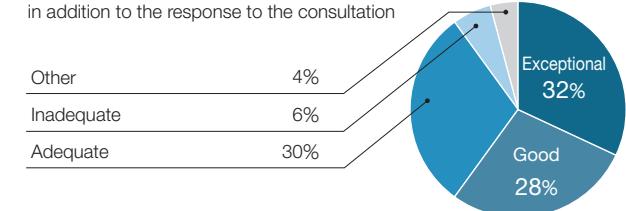


Provided with useful information in addition to the response to the consultation

Other 4%

Inadequate 6%

Adequate 30%



## Customer Feedback from Each Country and Region

To put the Customer First principle into practice worldwide, Toyota has established customer assistance centers, not only in Japan, but also globally in the U.S., Europe and other Asian countries, and we are giving our full attention to customer voices daily.

### Customer Feedback Delivered to Toyota

#### [Compliments]

##### Japan

We were very disappointed to see an article about the end of production of the Estima, our car and one that perfectly suited our family and that we were determined to continue to drive. We have had our Estima hybrid for three years.

**I take care of my old parents, and I often put their wheelchairs in the car when I take them to hospital or nursing care facilities on weekends. The Estima is very accommodating, and makes it easy for old people to get in and out of the car and to pack the baggage.**

I know the decision has already been made, but I do hope that production will resume in a couple of years. I hope that Estima will become a household name, like the Crown and the Corolla.

##### Belgium

In September 1998, I bought my first car, a Toyota Corolla. Since then, I have driven this car for 22 years over a distance of 314,398 km, and I will soon have to let it go. So looking back on my life with this car, my first long-distance drive was to Croatia, my husband's home country. I drove the approximately 1,200 km from Belgium to Croatia. When I gave birth to our two daughters, I took them home in this car. We visited our relatives' homes every year in this car.

**This car has played an important role in the history of my family.**

**I have shared every wonderful moment in my life with this car.**

Finally, I am thinking of making something like a biography of this car. Thank you very much.

#### [Consultations and Issues]

##### Japan

**"I can't start the engine because the battery in the Smart Key is dead!"  
"I've got a flat tire! What should I do?"**

#### Countermeasures

#### [Initiative for improvement]

The Toyota official website has a page for frequently asked questions (FAQ), where answers to many questions from customers are provided. To help customers search the website to find the answer to any question whenever they want and wherever they are, answers to questions frequently asked by customers on their cars, navigation systems and services are posted and updated. Videos and illustrations are also used to give detailed explanations of complicated issues that are difficult to explain with text only.

## Education

Toyota has declared every May as Customer's Month to coincide with the designation of May as Consumer's Month by the Japanese government, with initiatives aimed at spreading awareness of the Customer First principle throughout the company. The Customer Feedback Exhibitions present feedback from customers around the world, as well as initiatives taken from the customer's perspective. The exhibitions serve as forums for each employee to reconfirm the importance of listening to customer feedback.

As part of employee education, "Experience and Learn from Customer Feedback" sessions are held to observe and experience the functioning of our call center, the Customer Assistance Center. A Customer Feedback Board summarizing customer feedback has been added to the company intranet, drawing employee attention to issues of concern to customers.

Additionally, we are actively encouraging some of our employees to obtain the Consumer Affairs Advisor qualification, which is certified by Japan's Prime Minister and the Minister of Economy, Trade and Industry. Facility and vehicle evaluations from the customer's viewpoint are also held by a group of experts in the Toyota Consumer Affairs Advisor Group.

Safety

Quality and  
Customer FirstSocial Contribution  
ActivitiesRespect for Human  
Rights

Business Partners

Health and Safety

Diversity and  
Inclusion

Human Resources

## After-sales Service

To bring smiles to the faces of as many customers as possible, it is essential to simultaneously achieve both better cars and better after-sales service. Customer's cars require regular check-ups, legally mandated inspections and repairs following breakdowns or accidents. After-sales service provides safety, peace of mind and comfort to customers at these times and provides continuous support for the Toyota and Lexus brands.

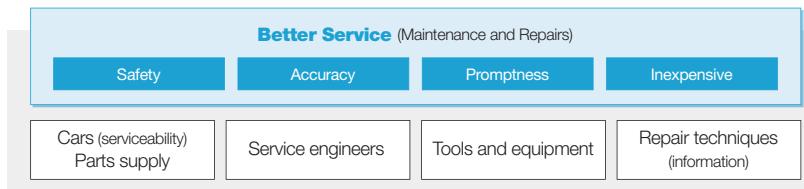
In recent years, the average length of time for which a car is used is increasing. As a result, the role of after-sales service is becoming increasingly important. Toyota is taking measures to provide ever-better services in accordance with the concept of the 3S Spirit (*Seikaku + Shinsetsu = Shinrai*: Accuracy + Caring = Trust) so that we can achieve high levels of satisfaction for our customers in using their Toyota vehicles.

Better service means the ability to safely, accurately, promptly and inexpensively perform maintenance and repairs in cases of breakdown. To do this, we are working to enhance the serviceability of vehicles and the availability of service parts so they can be repaired quickly, and to train service engineers.

Based on the idea that after-sales service begins at the stage of vehicle development, we believe that serviceability is also one aspect of a car's performance, and we incorporate serviceability improvements based on market feedback and repair records into our vehicle development.

Toyota has also established a system to deliver parts exactly when they are needed to countries around the world so that repairs and other services can be completed speedily. Parts inventories and inspection work are being made more efficient by applying Toyota Production System concepts at dealer worksites.

### Better Service and Supporting Factors



In terms of the tools needed to support our service operations, the number of diagnostic codes for identifying failure causes has been increased. When the on-board computer performs self-diagnosis and detects a fault, it sends the diagnostic code for the failed part to the dealer so that the part causing the problem in the vehicle can be quickly identified. We are also taking innovative steps to improve service operation efficiency by reducing the number of frequently performed operations or automating them. Service, technology, sales and other divisions are collaborating on repair techniques to deploy easy-to-repair car manufacturing. They also provide necessary information quickly and make repair work speedy and easy.

There are currently approximately 180,000 Toyota personnel involved in after-sales service globally, and educational systems and facilities are being established in each region. The Tajimi Service Center in Gifu Prefecture, Japan, plays a central role in enhancing the knowledge and technical skills of service staff worldwide.

### Helping Customers Use Their Vehicles Safely

User manuals and information on the latest models are available on the Toyota website to help customers enjoy driving their vehicles safely and comfortably.

We are also utilizing the product information provision tools for distributors and dealers as well as the company website to accurately communicate the risks resulting from operational errors.

### Initiative with Toyota National Dealers' Advisory Council

Since dealers offer services to customers directly, Toyota is working with dealers to provide ever-better cars and ever-better services.

In Japan, the sectional meetings between the Toyota National Dealers' Advisory Council and Toyota are discussing after-sales service. Technical Sectional Meetings, which have been held regularly since 1977, investigate quality issues and serviceability from the customer's perspective. At Service Meetings, held since 1990, various issues regarding the service sites of dealers are investigated. The results of both meetings are used to implement improvements.

## Social Contribution Activities

Updated in December 2020

Related SDGs



### Fundamental Approach

Today, when the world is faced by challenges that need to be addressed on a global scale, such as environmental problems and the spread of infectious diseases, and which are becoming increasingly severe, the raison d'être of companies as members of the global community is in question.

For Toyota's social contribution activities, it is time to take concrete actions from the perspective of "what we want to be like in the future." We identified the areas that we will focus on to be a "harmonious society," and for "human asset development" and "community co-creation" to achieve the SDGs, and "Mobility for All," which is Toyota's aim. In these areas, we will contribute to establishing a global society in which everyone can live a rich and dynamic life. For the issues in each area, we all have a sense of ownership and take action on a *genchi genbutsu* (onsite hands-on experience) basis. We will work together with our partners who share the same aspirations for the future in addressing issues that are difficult to solve solely by ourselves.

The origin of Toyota's foundation is the aspiration to create happiness for people. We promote our corporate activities for the happiness of people other than ourselves through social contribution.

To facilitate the smooth functioning of various activities, the Corporate Citizenship Division, a specialized division for social contribution activities, plays the lead role in promoting activities in close cooperation with regional headquarters in the United States, Europe, Asia and China. Policies and approaches of the initiatives are reported to and discussed at the Sustainability Meeting.

\* Human asset development: Based on the belief that each individual is a being with diverse and essential potential, Toyota intends to develop such potential.

#### Areas in which Toyota will focus on to achieve the SDGs



Harmonious society

Create a society where diversity is embraced in both nature and people.



Human asset development

Develop human capacity to live with richness of mind for the future



Community co-creation

Support local communities in improving themselves

**Basic Principles and Policies of Social Contribution Activities**  
(Established in 1995)

#### Purpose

We in the Toyota Group will undertake social contribution activities to contribute to sustainable social vitality

#### Stance

We will maximize the benefits of our social contribution activities by working with partners; by using our resources effectively; and by concentrating on initiatives that address real social needs, including the need for fostering human resources

#### Employee participation

We will support independent social contribution activities that our employees undertake as members of the community

#### Information disclosure

We will disclose information about our social contribution activities, aiming to promote the development and improvement of societies

#### Global perspective

We will adopt a global perspective on social contribution activities while adapting our activities to needs and circumstances in each nation and region where we operate

# MOBILITY FOR ALL

Offer free and safe mobility for all people

Safety

Quality and Customer First

Social Contribution Activities

Respect for Human Rights

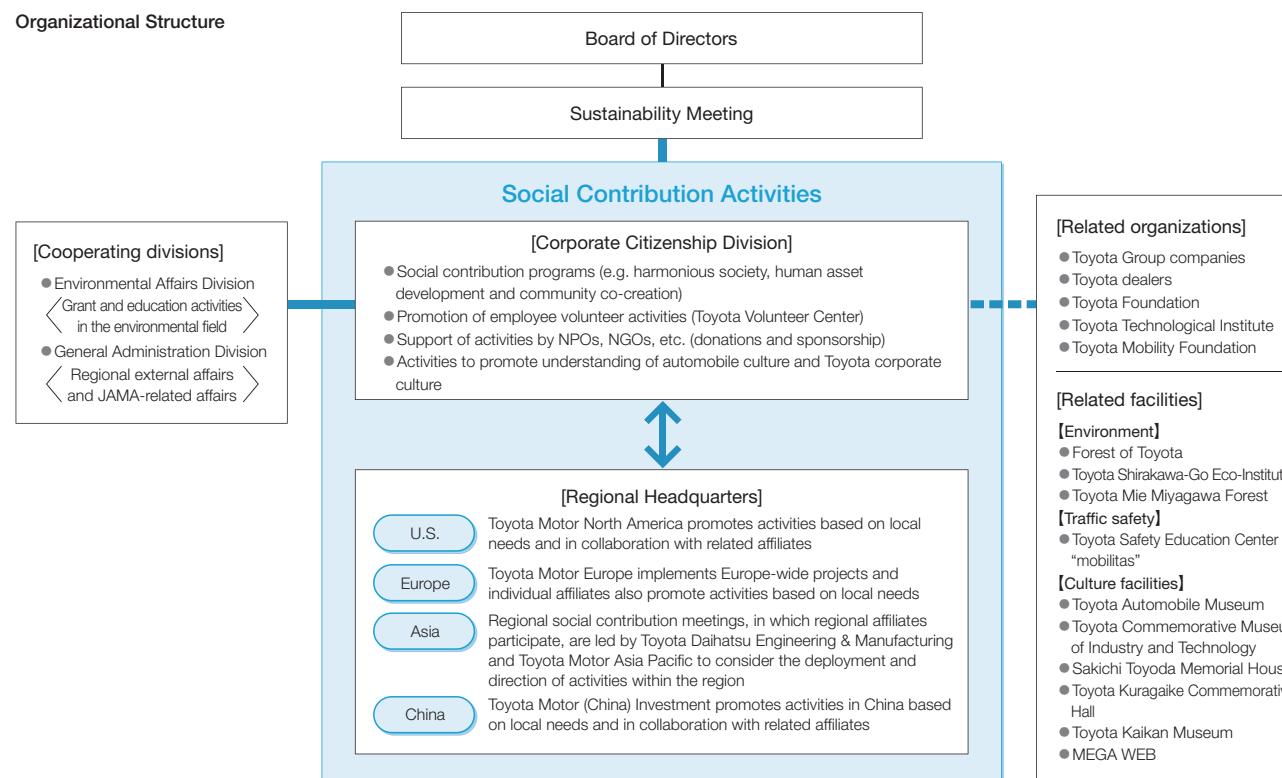
Business Partners

Health and Safety

Diversity and Inclusion

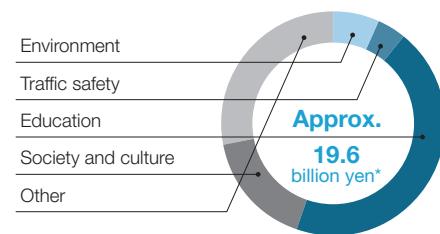
Human Resources

## Organizational Structure



Organization for Sustainability Management p. 5

## FY2020 Expenditure for Social Contribution Activities



\* Consolidated base including Toyota Motor Corporation and major subsidiaries. Overseas affiliates' results have been converted to yen based on the average exchange rate for FY2020.

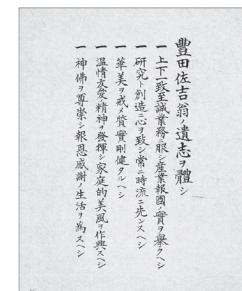
Column

## Toyota's Social Contribution Activities which Started with Sakichi Toyoda's Hope for People's Happiness

Toyota's social contribution activities trace their roots to Sakichi Toyoda, the father of Toyota Motor Corporation's founder, Kiichiro Toyoda. In 1925, Sakichi pledged one million yen (at the time) to the Imperial Institute of Invention and Innovation to encourage battery-related inventions to support inventions that would enrich people's lives. The invention of such batteries proved to be extremely difficult, and none have yet been completed. Nevertheless, the resulting progress in batteries for cars has had a tremendous impact on industries and people's lives. Even after Sakichi's death, this spirit was handed down to Kiichiro and others who started the automotive industry in Japan, through the desire to contribute to the development and welfare of the country and feelings of gratitude. This spirit was later incorporated into the Five Main Principles of Toyoda.



Sakichi Toyoda



Social contribution activity website

Toyota's Social Contribution Activities Report

## Respect for Human Rights

Related SDGs



### Fundamental Approach

Toyota complies with local, national and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity. Furthermore, in order to contribute to sustainable development, we believe that management interacting with its stakeholders is of considerable importance, and we endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

### Human Rights as an Essential Foundation of Labor Relations

Toyota respects the basic human rights of all individuals, including our employees and those in our supply chain. Toyota is a company that practices the philosophy of "Respect for People." We share a common belief that every Toyota employee has the infinite capability to better themselves, the company, and society. The integration of such achievements by our employees will bring company growth. This growth allows our company to provide decent employment, which in turn, allows our members to build trust in the company and provide further productivity improvements.

Each employee's contribution towards the creation of a work environment that promotes safety & health, respects each employee's dignity, is inclusive, and that is free of discrimination and harassment is essential to ensuring a decent work environment, which will lead to the productivity improvement needed for company growth.

Discrimination, unhealthy, and unsafe work environments are not only violations of human rights, they are also conditions that will negatively impact employee performance. Since our employees spend a considerable amount of time at work we aim to create positive working conditions and environments that will allow them to excel. In addition, the contributions and cooperation of all our stakeholders are essential to providing satisfying products and services to our customers.

We have continued manufacturing vehicles up to this point thanks to the support of many individuals. Going forward, we will continue to engage our employees and show respect to all of our stakeholders as we continue to contribute to society as a mobility company. At present, with our customers' needs and the very concept of automobiles constantly changing, Toyota is endeavoring to transform itself from an automobile company to a mobility company, that is, a company that provides all kinds of services related to people's mobility. As we face new competitors and a changing business domain, Toyota's employees are each harnessing their knowledge and giving their best efforts to survive in an environment marked by constant, major change, with Toyota's management philosophy of "Respect for People" serving as the foundation. To meet the expectations of our stakeholders, we also refer to international norms such as the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights to tackle issues related to human rights. The approach and progress of each initiative are reported to and discussed at the Sustainability Meeting.

Promoting Sustainability p. 5



Employees of Toyota Motor North America

### Prioritized Human Rights Themes

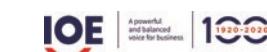
Updated in March 2021

Toyota continues to progress with due diligence activities guided by both internal policies and principles, as well as the UN Guiding Principles on Business and Human Rights. In order to define our priorities, we have established a regular monitoring activity to grasp human rights-related concerns in society, and how Toyota can proactively tackle such concerns.

Due to the rising social concerns surrounding modern slavery, the enactment of legislation aimed at protecting the rights of migrant workers and the abolition of child labor have been promoted in various countries. We have thus worked to gather information on these trends through dialogue with the Japan Council of Metalworkers' Unions, ShareAction (through participation in the Workforce Disclosure Initiative), the Business for Social Responsibility Human Rights Working Group, the Global Alliance for Sustainable Supply Chain ("ASSC"), the International Organization of Employers ("IOE"), and the International Labor Organization ("ILO"). As a result, together with our business environment forecast, we decided to prioritize Migrant Workers and Responsible Sourcing of Cobalt as the main topics for FY2020. (Please refer to the link "Human Rights Due Diligence Report" for the detail on Migrant Workers)

Our aim is to partner with external stakeholders to fully understand and align with societal expectations, while also maintaining legal compliance in all of our operations and within our supply chain.

Human Rights Due Diligence Report



## Migrant Workers

We recognize that migrant workers are vulnerable to situations of exploitation and forced labor. Due to the nature of Toyota's business, we also recognize the possible risks of forced labor within our business and supply chain involving migrant workers.

As part of our due diligence activities, we have been working with non-governmental organizations to ensure fair working conditions for migrant workers within our affiliates and suppliers both inside and outside Japan. This has included the development of guidelines to help eliminate possible exploitation by unscrupulous employment agencies charging high recruitment fees, as well as ensuring freedom of movement, fair treatment, and proper employment contracts for migrant workers. (Please refer to the link "Human Rights Due Diligence Report")

We have also partnered on the development of the "ASSC Tokyo Declaration 2020." This is a set of 13 declarations created to enhance and respect the rights of migrant workers from the moment of recruitment, during overseas employment, and until their safe return to their home countries. The "ASSC Tokyo Declaration 2020" was developed with reference to the "Dhaka Principles," regarded as the international norm advocated by the International Organization for Migration and the International Labor Organization.

 Human Rights Due Diligence Report

 ASSC Tokyo Declaration 2020

### Assessing Migrant Labor-Related Risks in Toyota's Direct Global Operations

Toyota assesses migrant labor-related risks based on an understanding of the latest trends related to migrant labor and the expectations of stakeholders. We have created a task force to develop comprehensive surveys to grasp the current situation at Toyota subsidiaries both in Japan and overseas, specifically, to determine the number of migrant workers\*, the countries the workers migrated from, the percentage of indirect recruitment, and whether there were any possible issues in the recruitment and/or repatriation process (e.g., charging of recruitment fees, withholding of passports or identification documents, prohibition of return to the home country, etc.). Based on the data gathered, we have

determined that no infringements are being placed upon migrant workers at our subsidiaries.

\* In these surveys, "migrant workers" refer to non-regular (contingent, contract, non-permanent, temporary, etc.) foreign national workers with status of residence (non-permanent) for the purpose of employment (excluding expatriates from other companies/countries).

### Migrant Workers at Toyota Subsidiaries by Region

Region	No. of Migrant Workers
Japan	600
Asia-Pacific	460
Europe	420
North America	57
Southern Africa	5
Latin America	0
Oceania	0
China	0

Due to the significant increase in the number of migrant workers being employed in Japan as a whole and within our domestic operations, we decided to investigate the situation of our Group companies and their major Tier-1 suppliers and our own major Tier-1 suppliers (the top 276 suppliers accounting for 90% of the total procurement value) by focusing our attention on foreign technical internship trainees\*, who are at high risk of debt bonded labor.

\* Foreign Technical Internship Trainees are foreign workers sent to Japan for the purpose of technical skills training. There are approximately 146 qualified job types, and trainees are dispatched to various industries in the hopes of providing much needed technical skills to be used in operations in their home countries upon repatriation.

### Foreign Technical Internship Trainees Utilization (Japan)

	No. of Companies Surveyed	No. of Companies Utilizing Technical Trainees	No. of Trainees
Toyota Group Companies & Their Major Tier-1 Suppliers	119	83	2,800
Tier-1 Suppliers (Japan only)	276	124	6,300
Total	395	207	9,100

Through our dialogue with our external stakeholders, we recognized that there is risk in hiring migrant workers from employment agencies in their sending countries and supervising organizations in Japan, since it may result in forced labor due to the migrant workers being charged exorbitant fees, ensnaring them in serious debt.

Through the surveys, we have been able to ascertain that 22 Tier-1 supplier companies employ foreign technical internship trainees from affiliated companies, and 102 companies employ trainees via employment agencies in the sending country, and supervising organizations in Japan. Upon further investigation, we found that the countries dispatching technical internship trainees were mainly comprised of China and various South East Asian countries such as Vietnam, Laos, Thailand and Indonesia.

In order to mitigate any possible human rights infringements associated with the migration of technical internship trainees, we plan to:

- Promote corrective actions for zero tolerance of unreasonable fees borne by migrant workers that induce the possibility of forced labor
- Work closely with suppliers to share best practices to avoid human rights infringements of migrant workers
- Support supplier due diligence for agencies acquiring migrant workers in coordination with NGOs

## Responsible Sourcing of Cobalt

Toyota recognizes the concern over cobalt sourcing from smallscale artisanal mining, which has been criticized for the utilization of child labor. We do not tolerate the use of child labor within our business and supply chain, and aim to implement measures to source only ethical cobalt.

 Responsible Sourcing of Cobalt p. 28

Safety

Quality and Customer First

Social Contribution Activities

Respect for Human Rights

Business Partners

Health and Safety

Diversity and Inclusion

Human Resources

## Freedom of Association

Updated in July 2020

In Toyota's "Respect for People" management-philosophy, we aim to respect individual capabilities, ways of thinking, and creativity and harness them fully. To do this, it is necessary to make sure that all employees are on the same page regarding the company's management situation, the surrounding environment, and management issues, and we emphasize thorough dialogue with employees. In addition, based on the Universal Declaration of Human Rights, we respect our employees' right to freely associate while also respecting their right not to be compelled to belong to an association in compliance with the laws of the countries in which we operate.

Regardless of whether or not there is a labor union, Toyota has taken every opportunity it can to engage in thorough dialogue with employees and build healthy labor relations. We believe that dialogue and discussion with employees or their appropriate representatives is part of these kinds of relationships between labor and management.

Moreover, to ascertain the status of dialogue with employees and issues related to freedom of association, we periodically send out and collect questionnaires from our subsidiaries and request that improvement be made to policies and activities based on the responses. For affiliates that require concentrated initiatives, associates from the Toyota Motor Corporation are dispatched to review policies and activities, and work with the affiliate in question to enhance communication with and training for employees regarding Toyota's policies concerning freedom of association and legal compliance.

Toyota would like to highlight its activities to respect Freedom of Association of members within its supply chain. Between 2019 and 2020, as part of its global due diligence activities, Toyota investigated some cases of possible infringement on Freedom of Association within the supply chain and recommended corrective actions.

### Unionization Situation

Countries with Unionized Operations (only countries/regions with manufacturing)	91% (20 out of 22)
SASB TR-AU-310a.1	

Along with the collective agreements in place with our unionized affiliate companies both in Japan and overseas, we also have Labor-Management Joint Declarations established in Japan (1962), Thailand (1993), Indonesia (2004) and Brazil (2015) as a global framework, in order to agree on a universal philosophy of labor relations.

## Precarious Work

The term non-permanent workers refers to temporary workers, contract employees, dispatch employees, and so on. This status is marked by a number of uncertain and unstable characteristics, such as uncertain employment periods, low wages, and low employee benefits. Our businesses require personnel equipped with both a deep understanding of Toyota values and advanced skills, and because a long period of time is required to cultivate such personnel, Toyota strives to provide stable employment even when the external environment is harsh. At the same time, because it is engaged in the automobile industry, in which demand is greatly influenced by new products and seasonal factors, Toyota hires a certain number of temporary personnel for a certain period either directly or indirectly to respond to these fluctuations.

For this reason, in addition to each affiliate hiring non-permanent workers based on the customs and labor laws of each region, Toyota also strives to avoid inappropriate working conditions and employment.

First, we confirm the composition of employees at affiliates in various countries, and for non-permanent employment relationships, we identify affiliates requiring prioritized examination. Toyota Motor Corporation associates are dispatched to identified affiliate sites, and we implement improvements such as reallocations and reviews of employment rules related to contract terms when necessary. In addition, we review and continuously improve the working conditions of fixed-term contract employees at Toyota Motor Corporation.

## Supply Chain Due Diligence

Automobiles are comprised of approximately 30,000 parts, and because the supply chain is extremely broad and deep, we are aware that preventing adverse impacts on human rights in our supply chain is a theme we should prioritize. So, we established a workshop for suppliers that are particularly large and difficult to replace in order to share incidents to be wary of and examples of problem solving.

Toyota adheres to the principle of mutual trust and mutual responsibility between labor and management and aims to collaborate with suppliers to contribute to sustainable societal development as well as the earth's sustainability. It also strives to comply with the laws of various countries and regions while protecting human rights and performing activities that contribute to both local communities and the international community.

## Covid-19 Pandemic Countermeasure Communication from Management to Members

Updated in December 2020

We use our company intranet site to keep our members informed of the countermeasures the company has been implementing to address the latest Covid-19 related issues. Between February and September 2020, 15 separate communications regarding Covid-19 have been uploaded to the intranet site and delivered via line management. Information in these communications includes:

- Mask, handwashing and gargling instructions
- Social distancing protocols
- Procedures for employees with Covid-19 related symptoms (including a health check-sheet)
- Workplace disinfection

Within it, President Toyoda also issued a message related to Covid-19 for all global Toyota members.

 Response to Infectious Diseases p. 57

 Toyota Times

 Toyota's response to the spread of COVID-19 (Novel Coronavirus) infections

## Covid-19 Pandemic Countermeasure Collaboration with Union Representatives

Updated in December 2020

Toyota has been utilizing its various communication channels with the Toyota Motor Workers' Union to keep union members apprised of the countermeasures currently in place regarding Covid-19. The same channels have also been used to grasp the concerns and opinions of the members as they support the company in the implementation of such countermeasures. We have also been working with our Regional Headquarters to encourage them to utilize their communication channels to effectively relay Covid-19 safety- and health-related countermeasures and grasp union members' concerns and opinions.

Some of the meetings held between Toyota management and the Toyota Motor Workers' union can be found below:

- Local Labor-Management Roundtable Conference of Workplaces (Once a month)
- Local Labor-Management Roundtable Conference of Branches / Companies (Once a quarter)
- Labor-Management Expanded Round Table Conference (Once every 2 months)
- The Committee for HR system review (Once per week)

In the United States, we built consensus with all of our members and there was agreement to continue to work after the beginning of the Covid-19 pandemic. We also had dialogue with our union representatives at our unionized locations. Both the Teamsters Union and Longshoremen Union have been working closely with management to ensure a safe work environment with countermeasures including temperature checks, testing, social distancing, the wearing of masks, etc., while maintaining operations. The same actions have also been taken at Toyota's non-unionized locations in the United States.

Despite the Covid-19 pandemic, numerous labor issues were successfully tackled with the support of the unions, and one Collective Bargaining Agreement was successfully negotiated with the Teamsters Union in 2020.

## Education Related to Human Rights

Toyota invests in the education of our members and suppliers in relation to anti-discrimination, open and honest dialogue, as well as human rights related matters. Training is conducted both at Toyota Motor Corporation and affiliates in conjunction with our group companies and Tier 1 suppliers. Targets of the training include supplier executives, Toyota Motor Corporation managers who will be assigned to affiliates in various countries, and those in charge of purchasing at our overseas affiliates.



Participants gathered for training

## Labor Relations Training for Supplier Executives

Labor relations training for suppliers is held about 10 times per year, primarily as preparation for executives from the head office of our main suppliers in Japan who are being transferred to overseas suppliers. At the training, a variety of areas are covered, including best practices for building positive labor-management relationships, information on past labor disputes, labor-management negotiations, and the latest trends in human rights, international norms, and regulations.



Case Study and Group Discussion



Negotiations roleplay

## Training Prior to Being Transferred to Overseas Human Resources

All Toyota Motor Corporation employees who are being transferred to the human resources functions at affiliates in various countries receive this training so that they can understand the new roles for their overseas posting, the employment situation in the country, and the culture. Training includes lectures on labor-management relationships and human rights.

## Training Prior to Being Transferred to Purchasing

All Toyota Motor Corporation employees who are being transferred to purchasing at affiliates in various countries receive this training to help support their daily purchasing responsibilities at their overseas posting. The training will involve lectures for building healthy labor-management relationships at local suppliers, including lectures related to human rights.

## Initiatives for Responsible Mineral Sourcing

SASB TR-AU-440a.1

Concerns have been arising over risks in the procurement of minerals that are essential for manufacturing, including concerns about minerals sourced from the Democratic Republic of Congo and its neighboring countries (the Covered Countries) that may finance armed groups, and human rights abuses such as child labor, forced labor and mining in a harsh working environment.

In addition to the investigation and disclosure on the use of conflict minerals (gold, tin, tantalum and tungsten) in its products, which is required by the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, Toyota has also conducted investigation into the procurement of cobalt, which is associated with concerns over child labor and other human rights abuses.

## Toyota's Policy for Responsible Mineral Sourcing

Updated in April 2020

Based on the Toyota Supplier CSR Guidelines, which compile Toyota's requests to suppliers regarding their sustainability activities, Toyota has requested our suppliers to engage in responsible material procurement.

Also, in response to the spread of concerns over mineral sourcing in recent years, Toyota has established its Policies and Approaches to Responsible Mineral Sourcing, and has been implementing measures based on these policies.



### Policies and Approaches to Responsible Mineral Sourcing

Toyota and its subsidiaries promote obtainment of materials with full deliberation and care to avoid the procurement or usage of materials which are unlawful or which are obtained through unethical or otherwise unacceptable means.

We recognize that the situation surrounding conflict minerals originating in the Covered Countries is one of the significant social issues among supply chains.

We aim at procurement and usage that are free from conflict minerals originating in the Covered Countries and relating to illegal conduct including human rights infringement.

We also recognize that human rights abuses such as child labor in the procurement of cobalt etc. are one of the serious social problems, and we aim at procurement activities that do not include minerals that are suspected of these abuses.

To achieve such procurement and usage, we conduct inquiries tracing back through our supply chains and confirm if such minerals are used. In addition, we take appropriate steps to discontinue procurement of materials that can cause social problems such as human rights or finance armed groups, if such usage is detected.

Based on mutually beneficial relationships, we ask our suppliers to understand our policies and approaches and to promote responsible material procurement.

## Reasonable Country of Origin Inquiry

Updated in August 2020

Toyota has conducted a reasonable country-of-origin inquiry with due diligence throughout its global supply chain since 2013. In 2019, Toyota again conducted a survey of its automotive, marine and other businesses in line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas.

Before conducting the survey, Toyota formulated a manual detailing how to fill in the survey sheet and developed a tool, both of which were to be used by suppliers to compile the survey results. Toyota also supported a briefing session co-sponsored by the Japan Auto Parts Industries Association (JAPIA)<sup>①</sup> and the Japan Electronics and Information Technology Industries Association (JEITA).<sup>②</sup> We contacted suppliers who had not submitted a Conflict Minerals Reporting Template (CMRT), and collected CMRTs from thousands of suppliers.

We have reviewed the CMRTs and requested that the suppliers make corrections if there were any errors and/or omissions, in order to improve our efforts in relation to conflict minerals.

We are also making efforts to work with other industry groups on the issue of conflict minerals in Japan and overseas.

In cooperation with the Responsible Minerals Initiative (RMI)<sup>③</sup>, Toyota Motor North America, Inc. (TMNA), a U.S. subsidiary of Toyota, has been engaging in the activities of Conflict-free Sourcing Working Group and the working group of the Automotive Industry Action Group (AIAG)<sup>④</sup> on conflict minerals originating from the Democratic Republic of Congo. Specifically, in 2019, TMNA continued to lead RMI's Global Smelter Engagement Teams Working Group (as Team-Lead) in conducting background surveys of smelters/refiners.

As a result of the industry-wide cooperation described above, the number of conflict-free smelters/refiners worldwide has increased to 267 as of November 2019. Of these, 265 companies are included in Toyota's 2019 survey results.

The survey results from January–December 2019 and Toyota's initiatives were incorporated into Form SD and the Conflict Minerals Report, and filed with the U.S. Securities and Exchange Commission (SEC) on May 29, 2020.

\*1 JAPIA: <https://www.japia.or.jp/en/top/>

\*2 JEITA: <https://www.jeita.or.jp/english/>

\*3 RMI: (Formerly known as Conflict-Free Sourcing Initiative)

(<http://www.responsiblemineralsinitiative.org/>)

\*4 AIAG: <https://www.aiag.org/>



## Responsible Sourcing of Cobalt

Updated in April 2020

Cobalt, used in batteries, etc. necessary for automobile electrification, is an important mineral resource for Toyota. At the same time, Toyota understands that there are concerns associated with mining of cobalt regarding child labor and other human rights abuses.

Toyota has formulated its Policies and Approaches to Responsible Mineral Sourcing based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas, and has promoted responsible procurement of minerals by such means as conducting surveys with the aim of enhancing the transparency of its supply chain.

Meanwhile, by participating in activities of the RMI Cobalt Working Group, Toyota's U.S. subsidiaries have been encouraging smelters/refiners to acquire certificates.

Toyota has been advancing activities to clarify the supply chain and identify smelters using the Cobalt Reporting Template, or CRT<sup>⑤</sup>, provided by RMI. As of March 2020, the supply chain related to batteries, a major component using cobalt, has largely been clarified, with several smelters identified.

Toyota will continue to conduct background investigation of smelters, thereby identifying and assessing human rights risks including child labor. If any risk is identified as a result of the survey, we will develop appropriate measures to mitigate the risk.

\*5 CRT: Cobalt Reporting Template

## Business Partners

Updated in December 2020

Related SDGs



### Fundamental Approach

In order to contribute to society through car-manufacturing and *monozukuri* (manufacturing) and put into practice the principle of "Customer First," it is necessary to share principles and collaborate with our business partners such as suppliers and dealers.

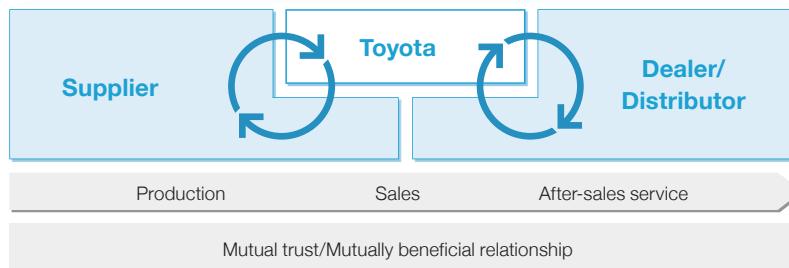
Toyota pursues open and fair business, and engages in sustainability initiatives through close collaboration with business partners to raise quality in terms of safety and customer satisfaction.

**Safety and Peace of Mind**

**Enriching Lives of People**

**Customer**

Good products at lower prices in a timely manner



### Supply Chain

Since its establishment, Toyota has worked closely with its suppliers in its manufacturing. As part of these efforts, Toyota has globally implemented its Basic Purchasing Policies according to the spirit of mutual benefit based on mutual trust. We have close relationships with existing and new suppliers to promote "Customer First."

To address the increasing interest in corporate social responsibility, including in our supply chain, we have dialogues with suppliers.

Before conducting business transactions, we conclude contracts that clearly spell out legal compliance, respect for human rights, and considerations for local and global environments. Internally, we work to raise the awareness of all our employees, including buyers, through seminars and trainings.

#### Toyota Basic Purchasing Policies

##### 1. Fair Competition Based on an Open-door Policy

Toyota is open and fair to any and all suppliers, regardless of nationality, size, or whether they have done business with us before.

We evaluate suppliers by quality, technological capabilities, and reliability in delivering the required quantities on time, and efforts addressing social responsibilities, such as environmental issues.

##### 2. Mutual Benefit Based on Mutual Trust

We develop mutual benefit in long-term relationships.

To foster the trust, we pursue close communication with suppliers.

##### 3. Localization with Good Corporate Citizenship

We actively procure from local suppliers, including parts, materials, tools, equipment and others materials. In this way, we aim to contribute to the local society and be a good corporate citizen.

Safety

Quality and Customer First

Social Contribution Activities

Respect for Human Rights

**Business Partners**

Health and Safety

Diversity and Inclusion

Human Resources

At Toyota, the purchasing group headed by the chief officer and deputy chief officer for purchasing takes the lead in promoting activities in close cooperation with personnel affairs, compliance and environment divisions, Sustainability Management Dept. and other relevant departments. Policies and approaches of the initiatives are reported to and discussed at the Sustainability Meeting, in which Chief Sustainability Officer, Deputy Chief Sustainability Officer and Outside Directors participate, and also reported to and discussed at the Board of Directors and Management Meeting as necessary. Toyota will continue contributing to the sustainability of society and the earth by working with suppliers to ensure compliance, respect for human rights, and to reduce negative environmental impact.

 [Organization for Sustainability Management p. 5](#)

## Toyota's Supply Chain

Toyota has a total of 9,849 Tier-1 suppliers globally, including 3,605 parts suppliers.

### Tier-1 Suppliers

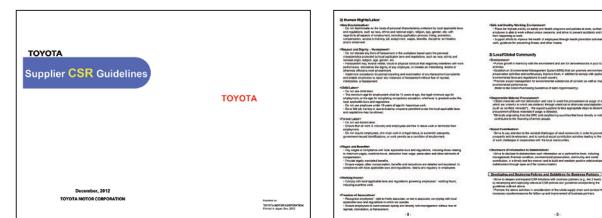
	Parts	Equipment, logistics, etc.	Total
Global	3,605	6,244	9,849
Japan	455	897	1,352
Overseas	3,150	5,347	8,497

## Toyota Supplier CSR Guidelines

Toyota has issued the Toyota Supplier CSR Guidelines, under which we cooperate with our suppliers. We share these guidelines with our suppliers and request suppliers to implement their activities based on the guidelines. In 2012, Toyota revised the guidelines to more clearly indicate its principles on human rights issues (strengthening monitoring and corrective actions, and approaches towards conflict minerals) to help enhance its suppliers' initiatives.

The Toyota Supplier CSR Guidelines clearly indicate that Tier-1 suppliers are requested to deploy our purchasing policies and guidelines to their business partners in Tier-2 and beyond, so that the guidelines are disseminated and implemented throughout the entire supply chain.

We share the Toyota Supplier CSR Guidelines globally. The guidelines are deployed to Toyota suppliers overseas through the purchasing departments of our overseas affiliates.



 Toyota Supplier CSR Guidelines

### Initiatives for compliance and implementation

To ensure understanding and implementation of the guidelines, all Toyota suppliers are requested to periodically check the status of their implementation using a self-inspection sheet.

In 2020, around 350 Tier-1 suppliers, which account for over 90% of the purchase volume in Japan, submitted the results of their self inspection to show the status of their implementation. If any problem is reported from the outside, we investigate the fact. If we find that the problem is true, we ask the supplier in question to correct it while maintaining communication with the supplier to ensure implementation of the correction, thereby preventing recurrence of the problem. Also, to prevent similar problems from occurring at other suppliers, we request them to pay attention to the guidelines and ensure compliance. In 2020, for example, we requested correction of the treatment of foreign technical internship trainees who were unable to return to their home countries in the midst of the Covid-19 pandemic.

If an event violating the guidelines is found but no correction is made despite our request, we may reconsider our business relationship with the relevant supplier in principle.

Tier-1 suppliers are requested to ensure that Tier-2 suppliers act in the same way.

### Sustainability Activities

Toyota conducts sustainability training for employees who are assigned to the purchasing department. Employees who are being transferred to a purchasing department overseas also receive labor relations training by the personnel affairs department before departure. This training prior to overseas transfer is offered also for suppliers to enable both Toyota and suppliers to share the same understanding for good labor relations communication.

Toyota works to support suppliers in promoting their own sustainability efforts, as well as collaborative sustainability initiatives between Toyota and suppliers.

In September 2020, to raise awareness of suppliers, Toyota

provided information for suppliers by video link on the web mainly on the themes below:

- Initiatives to improve the environment
- Foreign technical internship trainee system
- Cyber security

For suppliers at Tier-2 and beyond, the contents of the training are communicated via Tier-1 suppliers, and thereby disseminated throughout the supply chain. Via its website, Toyota conducts questionnaire surveys on suppliers to listen to their opinions. Suppliers voluntarily hold CSR lectures and workshops, and engage in volunteer activities.

CSR lectures are held every year by Toyota's supplier associations, Kyohokai and Eihokai, with the aim of improving member companies' awareness and understanding of sustainability, and encouraging sustainability initiatives.

In FY2020, a lecture titled "A business that starts from setting targets: Look ahead to the future with SDGs" was given by a guest lecturer.

CSR workshops are held voluntarily by suppliers with the aim of encouraging mutual learning through communication among suppliers and enhancing understanding of sustainability initiatives. Toyota participates in the supplier CSR training program of the Automotive Industry Action Group (AIAG)\* to support its overseas suppliers in their activities.

In previous fiscal years, Toyota participated in the development of the Supplier Responsibility Training Project. This e-learning program is available to suppliers on the AIAG website. Toyota will continue working to help raise awareness across its supply chains.

\* AIAG: <https://www.aiag.org/>

↗ Collaboration with Suppliers p. 18

↗ Labor Relations Training for Supplier Executives p. 27

↗ Training Prior to Being Transferred to Purchasing p. 27



CSR lecture

## Human Rights and Due Diligence

Through communication with internal personnel affairs and IR departments and overseas affiliates as well as external organizations, and based on the results of self-inspection by suppliers on compliance with the guidelines, Toyota continuously examines possible risks in each country and identifies the priority themes to be focused on. At present, foreign technical internship trainees in Japan and child labor in cobalt procurement are considered as priority risks that should be prevented.

### Initiatives related to Foreign Technical Internship Trainees

We recognize the possible risks of forced labor within our supply chain. We are working with the personnel affairs department to eliminate such risks.

↗ Migrant Workers p. 25

### Responsible Sourcing of Cobalt

Toyota recognizes the concern over cobalt sourcing from small-scale artisanal mining, which has risk for the utilization of child labor. Within our business and supply chain, we aim to implement measures to source only ethical cobalt.

↗ Responsible Sourcing of Cobalt p. 28

## Preventing Bribery

In response to the global expansion of its business and societal demands, Toyota has adopted the Anti-Bribery Guidelines to completely eliminate corruption. Toyota is strengthening its preventive measures by deploying the guidelines to its suppliers.



## Responses to Non-compliance

Toyota makes daily efforts to maintain close communication with suppliers. We request suppliers to promptly provide information if any compliance-related problems arise. If any problem is reported from outside, we investigate the fact. If we find that the problem is true, we ask the supplier in question to correct it while maintaining communication with the supplier to ensure the implementation of the correction, thereby preventing any recurrence of the problem. If a serious non-compliance event, such as bribery, arises but no correction is made, we may reconsider our business relationship with the relevant supplier in principle.

## Supplier Hotline

Toyota endeavors to ensure that actions taken by its employees are fair and just in compliance with laws and regulations, based on the Toyota Code of Conduct and Toyota Basic Purchasing Policies. Supplier hotline has been set up to allow suppliers to report any action violating laws, regulations, or business manners that may have occurred while assuring anonymity.

## Dealers

Dealers are the front line where Toyota's "Customer First" policy is directly observed. Toyota and its dealers share the value of its products/services and always work as one to enhance customer satisfaction based on a strong relationship of trust through close two-way communication.

Toyota follows a "Customer First, Dealer Second, Manufacturer Third" concept. We support dealers in making concerted efforts to meet customer expectations and to raise the level of customer satisfaction. We believe that, through these efforts, we will realize growth for both dealers and Toyota.

## Support for Toyota Dealers

The Toyota National Dealers' Advisory Council (TNDAC), comprised of Toyota dealers in Japan, distributes the Legal Compliance Manual, a tool which explains major laws and regulations and summarizes the checkpoints to dealers, each year to help dealers carry out their voluntary compliance activities.

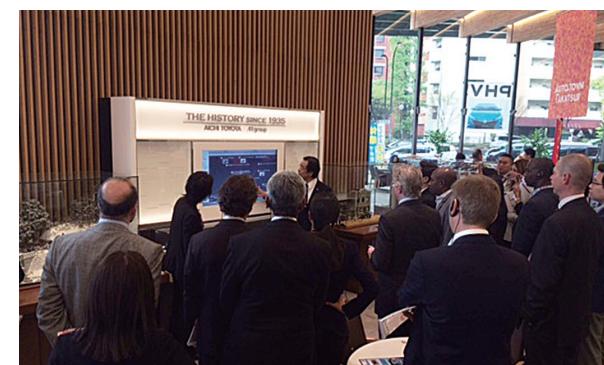
Additionally, Toyota supports TNDAC and dealers in many ways, including the following:

- Setting up a compliance support website that lists best practices from dealers
- Providing support for revising the Legal Compliance Manual in response to revisions in laws and regulations

### Onsite Visit from Toyota Dealers Overseas

Every year, Toyota dealers throughout Japan host visits by Toyota dealers from all over the world who have expressed the desire to learn customer satisfaction (CS) activities.

They learn how Japanese dealers improve customer satisfaction and create more Toyota fans throughout the entire value chain, including new car sales, service, insurance, used cars and credit. After genchi genbutsu (onsite hands-on experience), they incorporate what they have learned into various activities at their own locations back home. Through active communication among dealers with different cultural backgrounds, these visits offer each dealer new ideas and learning opportunities.



Visitors

### Toyota Gentaiken Program

The Toyota Gentaiken Program aims to nurture future car fans by providing children of the "virtual era" with opportunities to gain real-life experience using their five senses and to experience the global environment and economy.

This program works together with local dealers to offer "traveling classrooms" at elementary schools in the area.

The theme of the classroom activities is to offer fun and hands-on experiences. The class for fourth graders teaches about the power and control of a car using a model and a real car in Car Gentaiken Class. The class for fifth graders provides a full understanding of cars, teaching the students about the relationship of cars to the environment and economics using quizzes or games, as part of learning about the automotive industry in their social studies class. In FY2020, the Car Gentaiken Class was conducted at 110 schools and the Class to Fully Understand Cars at 304 schools, for a total of 414 schools. Since starting in 2008, the program has provided classroom activities to approximately 200,000 children in 4,093 schools.



Fifth-grade classroom instruction

## Health and Safety

Updated in August 2020

### Fundamental Approach

Ensuring the health and safety of its employees is positioned as one of Toyota's most important longstanding business activities, and will continue to be so going forward.

[Philosophy for health and safety]

The physical and mental health of our employees is the driving force behind our good performance, and our top management has announced that Toyota aims to become a health-first company. For safety, under its basic safety and health philosophy, "Safe work is the gate to all work. Let us pass through this gate," Toyota is disseminating its strong desire for its employees to never be involved in occupational accidents.

[Health and safety function policy]

Aiming to develop human resources and workplaces capable of positively thinking and taking action to safeguard their health and safety, Toyota is promoting the instillation and deepening of its interactive health and safety culture on a global scale.

#### Basic Philosophy for Safety and Health

Safe work

Reliable work

Skilled work

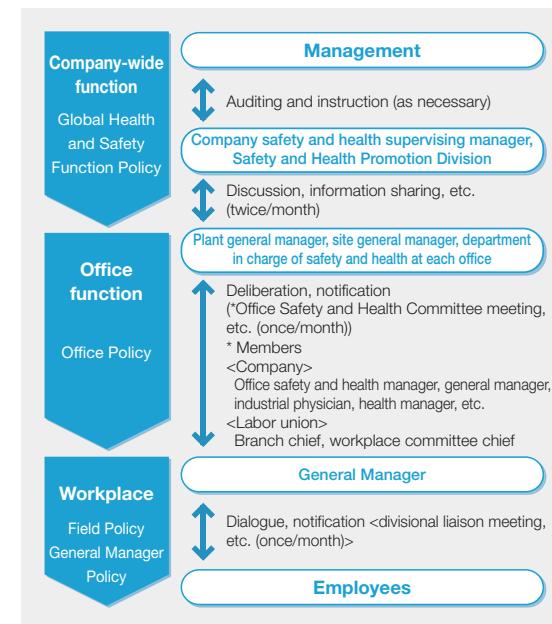
Safe work is "the gate" to all work.

Let us pass through this gate.

### Organizational Structure

Each year, the safety and health function policy is formulated by the company safety and health supervising manager in view of technological innovations and environmental changes, and is deployed globally. Based on this policy, efforts are made at all workplaces in all regions to improve their safety and health activities through repeated assessments and improvements, and the progress of the activities is shared with the management. To facilitate the smooth progress of various activities, cooperation is promoted on a daily basis in sharing information with the administrative divisions of offices, promoting mutual understanding with labor unions, and conducting joint activities with the health insurance society. For suppliers, affiliated companies, in-plant contractors and other business partners, Toyota also promotes activities based on the relevant policy to ensure that they work in a safe and healthy environment. Toyota sets up opportunities for communication to listen to employees' troubles, and works together with them to create a worker-friendly environment.

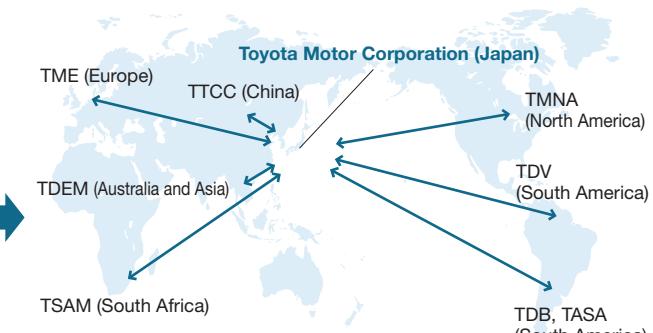
#### Organization Structure



#### Suppliers, affiliated companies

Group companies	All Toyota Safety and Health Cooperating Association (17 companies)
Parts and materials suppliers	Kyohokai safety and health committee (229 companies)
Equipment, installation and logistics suppliers	Eihokai safety and health committee (128 companies)
	Toyota Motor Corp. Safety and Health Cooperating Association (580 companies)

#### Overseas affiliates



### Social Recognition

In accordance with the Declaration of Health Commitment: Aiming at Health First Company, Toyota has been carrying out strategic initiatives to manage employee health from a management perspective. These initiatives include a program to encourage employees to improve their health-related practices and an initiative focusing on "prevention" by promoting flexible workstyles to support work-life balance. In recognition of these

policies and activities, in March 2021 Toyota was selected under Health & Productivity Stock Selection Program, a joint program organized by the Ministry of Economy, Trade and Industry of Japan (METI) and the Tokyo Stock Exchange. In addition, Toyota has been certified as one of the White 500 Health & Productivity Management Outstanding Organizations, a program promoted by the Ministry of Economy, Trade and Industry and the Japan Health Council, for four consecutive years since 2018, and in 2021, it was also certified as a Sports Yell Company by the Japan Sports Agency for the first time.

Since 2015, Toyota has been certified by the Ministry of Health, Labour and Welfare as a Safety and Health Outstanding Company (renewed every three years), demonstrating its social recognition as a company working actively to ensure the health and safety of employees and maintaining a high safety and health level.



Safety and Health Outstanding Company  
2018-2021 (certified by Ministry of  
Health, Labour and Welfare)

## Health and Safety Education

Toyota offers educational programs to familiarize members of all classes, from new entrants to officers, with their expected roles in promoting safety and health. In its education programs for managers, in particular, Toyota's aims and stance of initiatives and key points in workplace management are explained, and case-based discussions are held. Participants also listen to talks by experienced instructors on their experiences, thereby raising awareness of their roles in promoting safety and health. The programs are designed to encourage managers to recognize anew the importance of daily communications with their subordinates, by reminding them of the need to discover any health problems of their subordinates as early as possible, providing them with ideas for predicting risks, and the like.

### Rank-specific education programs (for newly appointed managers and employees)

Health and safety training	Training hours	Number of participants (2019)
Officers	4 hours	16
Division general managers	8 hours	57
Section general managers	8 hours 45 minutes	165
CX*	7 hours 50 minutes	175
Workplace leaders	12 hours	Approx. 2,000
General and new employees	1 hour	Approx. 4,000

\* CX(Chief Expert)

### Education for improvement of hazardous operations/skills

Training on highly important skills and special education programs are provided at the Global Safety and Health Education Center, where training is provided by experienced instructors using actual equipment, in addition to statutory lecture courses.

## Education for safety and health staff members

Training programs are provided every year for safety and health staff, who provide support and instruction for workplace activities, for the purpose of improving their knowledge and practical skills of response to accidents and occupational diseases, the process of handling workers' accident compensation insurance, the work environment, risks related to high-pressure gas usage, and other issues.

## Education programs for advancement

On-site education	As programs to support safety and health activities in response to the needs of each workplace, professional instructors visit workplaces to provide lectures on such issues as how to improve lifestyle habits and prevent heat stroke to improve health literacy, and also offer accident simulation training to raise awareness of work safety. (Held 278 times in total in 2019)
KY (kiken (danger) yochi (prediction)) Dojo, Construction Work Safety Dojo	KY Dojo is a hands-on training program aimed at improving awareness of accident risk in the workplace, whereby trainees learn how to identify danger points. Construction Work Safety Dojo is a forum for managers in charge of construction work safety and staff in charge of production equipment to learn about actual machines and equipment in the planning stage.
Web learning	[Virtual safety education] Toyota has established an environment on its website where visitors are able to virtually experience potential risks in relation to the safety, environment, protective gear, etc. of each production engineering worksite or office. (Accessed approx. 10,000 times in total in 2019)
	[Health e-learning] As part of health promotion education, e-learning programs are employed at various events or in response to workplace needs for the purpose of raising awareness and increasing knowledge of mental health, lifestyle-related diseases and the like. (Employed approx. 34,000 times in total in 2019)

## Company-wide Initiatives related to Health and Safety

Safety Inheritance Month (January)	At the timing of periodic organizational restructuring and personnel relocation, based on lessons learned from serious accidents that have occurred inside the company, meetings are held at all worksites, where managers express their determination to prevent accidents and ensure safety around their workplaces, thereby reminding themselves of the importance of safety.
Safety Month (July)	In line with the National Occupational Safety Week, a company-wide campaign is held to promote work safety. All officers issue their messages and managers express their determination, making the month an opportunity for all workplace members to review their daily operations.
Health Month (October)	In line with the National Occupational Health Week, health promotion events are held. All officers issue their "health messages" and each plant hosts health lectures.

## Health

### Building up Good Health

Aiming to raise the health level of all employees, Toyota has been promoting a company-wide initiative since 2017, promoting eight lifestyle habits that have an impact on the prevention of mental and physical diseases. This initiative, named Healthy Lifestyle Challenge 8\*, is aimed at developing healthy people by defining the habits necessary to maintain health and encouraging each employee to adopt healthier habits or pay greater attention to the habits they have already adopted.

In order to revitalize workplace activities, regular feedback is provided on the results of the initiative at each workplace, while instructors visit workplaces to provide health lectures and instructions, evaluate the implementation level, and award workplaces in recognition of improvements made. Also, smartphone apps are made available that serve as barometers and visualize the level of implementation of the eight lifestyle habits, encouraging employees to participate enjoyably in the initiative.

\* (1) Appropriate weight (BMI), (2) breakfast, (3) drinking, (4) snacking, (5) exercise, (6) smoking, (7) sleep, and (8) stress.

#### 2019 targets and results

	Target	Result
Absentees due to lifestyle-related diseases	Down 5% from 2017	Down 3%
Absentees due to mental health problems	Down 10% from 2017	Down 2%
Average number of Challenge 8 habits practiced	6.5/8 items practiced by 2025	6.2/8 items practiced

### Physical examination and health guidance

Physical examination targeting employees aged 40 or over includes a specialized examination aimed at prevention of lifestyle-related diseases and cancer screenings for early discovery of cancers. Based on the results of this examination, tailored health guidance is offered. In cases where no signs of improvement are seen in follow-ups or after hospital treatment, internal health guidance is also provided. In particular, the WELPO health support center, operated jointly by the Company and the health insurance society, accepts approx. 20,000 employees aged 36 years or older and their spouses (dependents) every four years, offering programs to support their health. For employees of other ages, physical examinations and various forms of health guidance are provided by full-time medical staff within their workplaces.

#### 2019 targets and results

	Target	Result
Specified health guidance implementation rate	60%	84.5%
Rate of employees who have received physical examinations	100%	100%

### Initiatives for Mental Health Care

Employees, workplace managers, industrial health staff including psychology experts, and staff in charge of personnel and labor affairs are respectively engaged in various activities to prevent mental health problems from either occurring or recurring.

Toyota believes that promoting self-efforts to improve lifestyle habits (the Healthy Lifestyle Challenge 8 initiative) and developing a worker-friendly environment through workplace management are the basic actions in the primary stage of prevention. Since 2016, a stress check has been made available to all employees every year. The results of the check are notified to the employee, aimed at reminding them of their own stress condition. For employees who are potentially under high stress, face-to-face guidance by a physician is provided, thereby preventing aggravation of mental health problems. Furthermore, the results of group analysis are notified to each workplace, with the aim of assisting improvement of the workplace environment.

(2019 stress check implementation rate: 96.7%)

In the secondary stage of prevention, health consultation by full-time industrial physicians or public health nurses stationed at each office is provided to aid decision-making or offer follow-up support in response to concerns of or requests from employees and managers/supervisors.

As the third prevention stage, Toyota has prepared a program for supporting return to work, to enable careful treatment of the relevant employee based on the opinion of their main physician and the judgment of the industrial physician, as well as coordination of their workplace environment in accordance with the basic concept for returning to work. Through these initiatives, all offices are working to prevent recurrence and absence due to it.

#### Major initiatives for mental health care

Zero to primary prevention stage (Prevention)	<ul style="list-style-type: none"> <li>● Self-care</li> <li>● Promoting development of good lifestyle habits (Healthy Lifestyle Challenge 8)</li> <li>● Providing stress check to raise awareness</li> <li>● Rank-specific education (new or young employees)</li> <li>● Line Care</li> <li>● Workplace management (support by and communication with supervisors and co-workers)</li> <li>● Workplace/individual support by a general counsellor for each field</li> <li>● Rank-specific education (for managers)</li> <li>● Care by experts</li> <li>● Training by psychology expert staff</li> </ul>
Secondary prevention stage (Early discovery and response)	<ul style="list-style-type: none"> <li>● Screening at physical examination</li> <li>● Setting up a full-time internal health counselling service</li> </ul>
Third prevention stage (Prevention of recurrence/re-absence)	<ul style="list-style-type: none"> <li>● Support for return to work (including follow-ups)</li> <li>● Care by experts</li> <li>● Advice by psychiatrist for relevant employees and industrial health staff</li> </ul>

## Initiatives for Health Improvement

T-CaRS (TOYOTA-Communication and Refreshment Support)	<p>&lt;Employed as a measure to promote growth, in addition to support for employees' health&gt;</p> <ul style="list-style-type: none"> <li>● T-CaRS Healthy Company Dojo</li> <li>• Offering multiple training programs (on communication skills, mindfulness, etc.) that encourage trainees to work in a happy and highly productive manner</li> <li>• Allowing "anyone" to receive any training "appropriate for their own position or role" "whenever necessary"</li> <li>● e-mail newsletters</li> <li>• Periodically providing psychological tips useful for business persons</li> <li>● Refresh Time (consultation)</li> <li>• One-on-one consultation with a psychology expert is available in off-work hours</li> <li>• Counseling on not only health issues but any topic related to work and private life is available.</li> </ul>
Health check for workers working long hours	<ul style="list-style-type: none"> <li>• Offering a health check (interview) and consultation with an industrial physician to allow employees to work in comfort during a temporarily busy period or when troubleshooting</li> <li>• Providing careful follow-ups, such as more detailed physical checkups than the statutory level, and work adjustment (The number of workers working long hours has been decreasing.)</li> </ul>
Health support for employees stationed overseas	<ul style="list-style-type: none"> <li>• To give overseas expatriates and their accompanying family members a sense of ease, providing physical examinations and vaccinations against infectious diseases before departure. For those undergoing treatment, in addition to the opinion of the main physician, judgment is made on whether or not they can embark on an overseas assignment, and advice/guidance is provided based on local medical conditions.</li> <li>• During overseas assignment, offering local physical examinations and providing counseling based on the examination results. Also making available various tools to allow access to counseling on troubles and health-related information.</li> <li>• Periodically sending industrial physicians or nurses to local worksites to check the medical conditions and local lifestyle of each region, and providing other support to help employees stationed overseas and their accompanying family members feel at ease.</li> </ul>
Food and nutritional education through the company cafeteria	<ul style="list-style-type: none"> <li>• Visualizing nutrition balance and calories and offering health-conscious dishes</li> </ul>
Tackling second-hand smoke and banning smoking on the premises	<ul style="list-style-type: none"> <li>• Following the complete ban on indoor smoking by the end of 2019, an initiative has been launched to achieve the total prohibition of smoking on the premises from April 2025. (Smoking rate in 2019: 24.6%)</li> </ul>

## Safety

### Three Pillars of Safety

Under the basic policy of promoting the instillation and deepening of an interactive health and safety culture, Toyota promotes safety initiatives focusing on the three pillars of safety: people, work, and place/environment. Toward achieving the target of "ultimately achieving zero accidents and the continuation of

zero accidents at all worksites," Toyota promotes safety and health activities rooted in each worksite. These initiatives involve not only our employees but also secondees, assistant secondees, dispatched employees, employees of in-house contract companies, and employees of suppliers related to plant construction work, under the Occupational Safety and Health Rules.

#### Three pillars of safety

- 1. Safe "people"  
Promote the development of human resources who are capable of predicting risks and thinking and acting in compliance with rules
- 2. Safe "work" (risk management)  
Reduce and manage high-risk operations toward achieving zero serious accidents
- 3. Safe "place/environment"  
Aiming to build positive and worker-friendly processes, find troubles and take quick decisions and actions

#### 2019 targets and results

	Target	Result
All accidents (including lost workday cases)	Down 50% from 2011	Down 31%
Fatal accidents on company's premises	0 cases	0 cases

#### Work-related injuries (frequency rate of lost workday cases\*)

	Year	2015	2016	2017	2018	2019
Global		0.43	0.38	0.34	0.23	<b>0.25</b>
Japan		0.03	0.07	0.07	0.08	<b>0.04</b>
North America		1.76	1.62	1.49	0.93	<b>1.01</b>
Europe		1.42	0.91	0.69	0.35	<b>0.42</b>
China		0.16	0.18	0.20	0.19	<b>0.07</b>
Asia-Pacific		0.13	0.09	0.04	0.02	<b>0.05</b>
Other		0.18	0.13	0.18	0.12	<b>0.23</b>
All industries (Japan)		1.61	1.63	1.66	1.83	<b>1.80</b>
Manufacturing industry (Japan)		1.06	1.15	1.02	1.20	<b>1.20</b>
Automobile manufacturing industry (Japan)		0.20	0.18	0.15	0.19	<b>0.20</b>

Source (Japan): All industries, manufacturing industry, and automobile manufacturing industry (Statistical Tables by Ministry of Health, Labour and Welfare)

\* Frequency rate of lost workdays: Number of deaths and injuries per 1 million hours actually worked in total  
(No. of deaths and injuries / Actual hours worked) × 1,000,000

## Initiatives for the Three Pillars

### [Safe “people”]

The key is the initiative by leaders who always demonstrate a safety-first attitude. Safety education programs are aimed at continuation of the development of safe-oriented human resources based on the history of hardships and efforts experienced by our predecessors, encouraging us to review our daily awareness and behavior.



Safety Memorial Center

### [Safe “work” (risk management)]

The key to workplace safety is the 4Ss (*seiri* (sorting), *seiton* (straightening), *seiso* (cleaning), *seiketsu* (clean)), and the standardization of operations after listing up all operations and assessing the safety risks thereof, taking operability into consideration. In the case below, to avoid contact between a worker and an industrial vehicle, areas for people and vehicles are separated, thereby improving the level of safety.

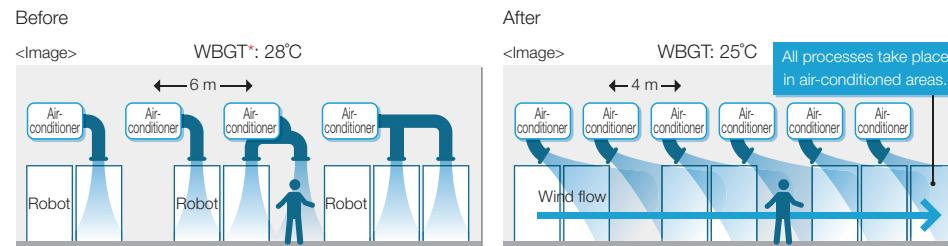


Before

After

### [Safe “place/environment” (heat countermeasures)]

The work environment, which is managed by statutory environmental measurement, is significantly affected by the production equipment, season and other factors. Therefore, measures for equipment are implemented according to the predetermined priority order. The following is a case aimed at improving the environment by creating flows of cool air throughout the worksite to mitigate heat.



\* WBGT (Wet Bulb Globe Temperature) (C):

Indicator for environmental assessment considering both temperature and humidity, aimed at prevention of heat stroke

## Safety Risk Assessment

### Cooperation with Overseas Affiliates

Toyota regional headquarters take the lead in promoting safety and health measures in each region. We are currently working with each region to develop an occupational safety and health management system (OSHMS<sup>1</sup>) globally.

Globally common measures are basically implemented in accordance with ISO 45001<sup>2</sup>, with consideration given to issues unique to each region.

Using OSHMS, weaknesses are identified by genchi genbutsu (onsite hands-on experience) inspections and audits, with the aim of improving the level of safety management.

We confirm whether measures are being implemented to avoid accidents that have occurred at other affiliates, and that a system has been created to ensure the effort is active and continuous.

Toyota also holds an annual global safety meeting, attended by managers from all regions who are responsible for safety and health, and who study measures to tackle common issues and can share information on best practices.

<sup>1</sup> OSHMS: Occupational Safety and Health Management System

<sup>2</sup> ISO 45001: The international standard related to occupational safety and health management systems established by the ISO (International Organization for Standardization)

## Diversity and Inclusion

Related SDGs



### Fundamental Approach

Updated in July 2020

Toyota's strengths lie in our capacity to respect our employees' abilities to think and promote reforms involving every member. Toward the transformation from a car company into a mobility company to leverage recent technical innovations centered on CASE, this capacity is growing increasingly important as we continue to create innovations steadily in existing areas while taking on challenges in new areas, and are required more than ever to provide products and services from diverse viewpoints of various members of society.

Amid such an environment, Toyota considers diversity and inclusion to be one of the key elements of our business infrastructure, and we are working to create an attractive workplace where employees with wide-ranging skills and values, irrespective of gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status or the presence of children, can demonstrate their abilities to the fullest and achieve self-realization.

In order to become a company that is needed and chosen by society, we are promoting collaboration with a wide variety of partners both inside and outside the company while putting into practice the values Toyota has embraced since our founding, such as the attitude of humbly learning and taking on challenges from the customer's viewpoint.

We are also implementing measures appropriate to individual regions globally throughout the entire global Toyota. In particular, we have set up dedicated diversity and inclusion promotion organizations in Toyota Motor Corporation (Japan), TMNA (U.S.), TMCA (Australia) and TSAM (South Africa). Additionally, in many regions we have established diversity and inclusion promotion organizations consisting mainly of concurrent appointments within the area of human resources. The direction/progress of these initiatives is discussed and reported at the Sustainability Meeting.

[Organization for Sustainability Management p. 5](#)

[THUMS, a virtual body model p. 13](#)

### Social Recognition

Updated in December 2020

Toyota promotes various initiatives in the field of diversity and inclusion in each region. These initiatives have been appreciated and awarded by various external organizations and groups.

#### TMNA (North America)

In May 2020, TMNA won 10th place in the general division of the Top 50 Companies for Diversity 2020 ranking announced by U.S. Diversity Inc.



#### TMCA (Australia)

TMCA was selected as one of the Engagement & Enablement Winners in the Engaged Performance Awards 2019\* hosted by Korn Ferry. TMCA is also registered as a WORK180 endorsed employer (an initiative that provides job applicants with a directory of employers who support women's career development).

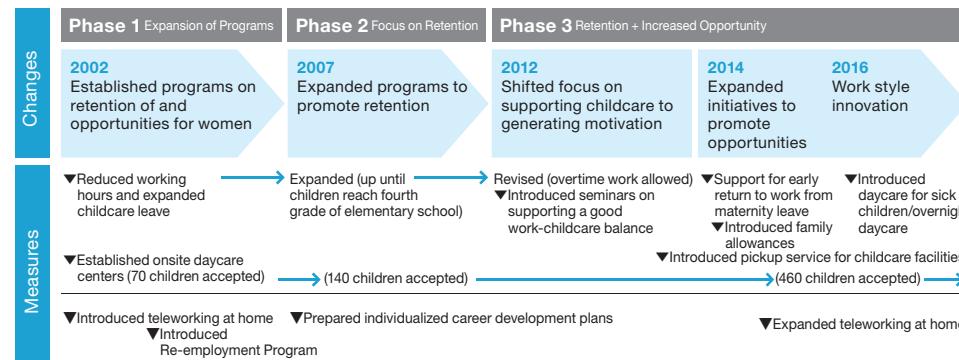
\* Engaged Performance Awards 2019: Korn Ferry, a global organizational consulting firm, awards companies that have achieved excellent results in two categories of "engagement" (the level of employees' commitment to their organizations and spontaneous efforts) and "enablement" (the level of work environments that enable employees to make good use of their skills and abilities and feel comfortable).

## Women's Participation in the Workplace

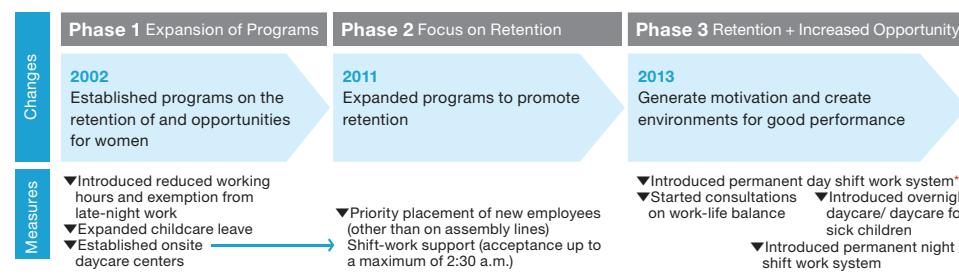
### History of Initiatives

In promoting diversity and inclusion, we recognize that gender diversity has been an issue, particularly at Toyota Motor Corporation in Japan. In 2002, we started initiatives at Toyota Motor Corporation centered on expanding and establishing measures to support women who are trying to balance work and childcare. Then in 2012, we began focusing on initiatives for creating a work environment that would help women gain motivation and supporting their participation (especially development of female managers).

#### Overall Image of Initiatives to Promote Women's Participation in the Workplace (Administrative and Engineering Employees)



#### Overall Image of Initiatives to Promote Women's Participation in the Workplace (Shop Floor Employees)



### KPIs Related to Promoting Women's Participation in the Workplace

Updated in August 2020

Our initiatives to promote women's participation in the workplace, which began in 2002, have resulted in continuous improvements of all KPIs, including the goals described in the action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

We will strive to improve the KPIs by continuing to implement initiatives to support female recruitment and participation.

#### The Promotion of Female Employee Participation and Advancement in the Workplace Action Plan

Toyota's plan to build an environment to promote women's participation in the workplace

##### 1. Implementation Period

April 1, 2020 to March 31, 2025

##### 2. Provision of work-life opportunities for female employees

**Our Challenge** The ratio of females in managerial positions is low (continuation of our activity from 2016-2020 is necessary).

**Target** "The number of females in managerial positions in 2014 to be increased fourfold by 2025, and fivefold by 2030"

**Our Course of Action** Hiring: To maintain certain hiring rates for female graduates (40% or above for administrative positions and 10% or above for engineering positions) and active hiring of women throughout the year (continuation from before 2020)

System Development: The creation of a system that reports on the progress of female training in each department to our board members [from 2020]

Employee Training: The development and implementation of a plan for individual employee training (continuation from before 2020) The utilization of a mentoring system [from 2020]

Networking: Host a global women's conference and symposium that the managerial class and female promotion candidates can participate in [from 2019]

##### 3. Creation of a supportive environment to balance work and family life

**Our Challenge** The teleworking system is not utilized enough yet.

**Target** "To increase users of the teleworking system to more than 50 percent of all employees (except for production workers and managers) by 2025, irrespective of whether teleworking for childcare or nursing purposes"

**Our Course of Action** The creation of an environment that supports the use of teleworking, and informing our employees: Expansion of use of IT tools so that there is no big difference between working in the office and teleworking [from 2020]  
Cultural Transformation: Transformation to a work culture that does not make teleworking an inconvenience or a hindrance [from 2020]

#### Action Plan Based on the Act on Advancement of Measures to Support Raising Next-generation Children

##### 1. Period

April 1, 2018 to March 31, 2021

##### 2. Contents

**Aim 1** Promotion of understanding and spreading of various systems/examples related to balancing work and childcare

**Measures** ● Continuous information provision through the company's Intranet (from May 2018)

**Promotion of male employee participation in childcare**

**Measures** ● Sending messages to male employees with children to encourage their participation in childcare (October 2018)

● Holding round-table talks for male employees on the topic of balancing work and childcare (from December 2017)

## Rank-specific Initiatives

Updated in December 2020

We promote initiatives in all ranks, from development and expansion of next-generation human resources to securing diversity in top management.



### Initiatives for Next-generation Development and Expansion (Toyota Female Engineer Development Foundation)

Toyota and nine group companies established the Toyota Female Engineer Development Foundation in December 2014 to contribute to the promotion of women's participation in manufacturing businesses in Japan. The aim is to attract and expand the number of girls studying in scientific fields and foster female engineers in *monozukuri* (manufacturing). Our female engineers visit schools in Aichi Prefecture and give lectures to high school students to introduce them to engineering careers. The Foundation provides a development program for female engineering university students to support career building as well as a scholarship program that provides financial support.



Development program (consultation with employees)



Visiting a high school to give a lecture



### Initiatives Related to Recruitment

For administrative and engineering positions, Toyota set the targets for the percentages of women in new graduates at 40% for administrative positions and 10% for engineering positions (the percentages of women in the relevant labor market), which have been achieved every year since 2015. The percentage of women hired as shop floor employees has also been steadily increasing.

### Initiatives Related to Career Development Support

Toyota aims to support career development of female employees from a long-term perspective so that they can keep growing and play active roles while experiencing childbirth and childcare. In 2020, we formulated the Female Development Model based on cases of female employees who are actively working at Toyota. Based on this development model, we promote effective use of individual development plans with the aim of establishing an appropriate development environment and assigning the roles required at each stage: when working as a young employee before childbirth and when balancing work with childcare.

We have also introduced a career return system, which provides re-employment opportunities to employees who are forced to leave Toyota because of the job-related relocation of their spouse (regardless of the spouse's gender or whether the spouse is a Toyota employee) or the need to provide nursing care, as well as a career continuation support system for Toyota employees who are moving with a spouse who is relocated overseas. The system enables them to continue their careers at their spouses' overseas relocation destinations. Toyota thus has various systems to support diverse ways of career development.

Safety

Quality and Customer First

Social Contribution Activities

Respect for Human Rights

Business Partners

Health and Safety

Diversity and Inclusion

Human Resources

## Initiatives to Support Balancing Work and Childcare

Since 2015, Toyota has offered Pre-maternity Leave Seminars and Supervisor Career Interviews for employees who take maternity leave.

The goals of these events are to ease concerns about balancing work and childcare and to stimulate their desire to continue to develop their careers after returning to work. Participants examine their career plans and how best to achieve them, hear about other employees who have successfully balanced work with family commitments in the past and participate in roundtable discussions.

Toyota has also introduced a teleworking system, removing time and location restrictions, to allow employees to continue working while taking care of their children. The number of employees eligible for this system has been increasing, allowing a flexible workstyle for many of our employees, excluding employees at production sites.

### [“Bubu Forest” Onsite Childcare Facility]

In April 2018, Bubu Forest was built on the headquarters site, and it is the fourth childcare facility, for 320 children.

To support shift workers at plants and nurses who work the night shift, Bubu Forest offers childcare in the early morning hours as well as overnight stays. It also offers shuttle service from nearby plants to pick up and deliver children. The facility also accepts new enrollments throughout the year to accommodate the needs of employees, including those who intend to return to work early after childbirth, mid-career employees and employees returning to Japan from overseas assignments.

In addition, Pipo Land, a new childcare facility established together with Bubu Forest within the Toyota Memorial Hospital, has also been opened to take in sick children. This childcare facility is available to Toyota City residents and allows Toyota Motor Corporation to build stronger ties with the local community in support of promoting work-life balance and childcare.



“Bubu Forest” childcare facility



Shuttle service

## Initiatives to Increase Numbers of Females in Managerial Positions

Toward achieving the target for 2025 (the number of females in managerial positions in 2014 to be increased fourfold by 2025), a new system has been established in which the plans and measures of each division are gathered by the personnel function and reported to the Sustainability Meeting, with the aim of accelerating company-wide initiatives. Development measures tailored to individual employees are also implemented at each workplace, including assigning a challenging role equivalent to a higher-rank position to candidates for promotion and appointing a mentor for management candidates or members immediately after promotion.

(As of FY2020, 2.5% of management positions are held by women in Toyota Motor Corporation. \* The industry average is 2.2%.)

## Development of Female Senior Professional/Senior Management Candidates

Since the number of females in senior professional/senior management positions is small at present, we develop candidates based on their succession plans and through hiring competent mid-career top women managers. The number of women in top management who have been promoted through internal development programs is also increasing.

## Diversity in Directors and Audit & Supervisory Board Members

Toyota has appointed Directors from among a broad range of personnel based comprehensively on their past achievements and experience regardless of their gender, nationality or any other factors, with the aim of placing the right person in the right position.

We will maintain this principle and proactively appoint the right persons to the right posts in view of their roles and experience, focusing also on diversity.

As of December 2020, two of the total 15 members of the Board of Directors and the Audit & Supervisory Board are women (13.3%).

## Initiatives at Major Global Operations

Updated in December 2020

### TME (Belgium)



- Held company-wide events during the week of International Women's Day (Video message by top management, workshops, etc.)
- Working couple support: Home-working system, part-time working regimes, support in finding employment for spouses of employees sent to TME
- Female career development: Mentorship system, sponsorship system



- Networking to promote gender diversity
- Active hiring of promising candidates into career positions
- Conducted unconscious bias awareness training for all managers.
- Set targets in employment and management positions.

### TMCI (China)



- Breastfeeding break of up to one hour each day for lactating female employees

### TMNA (U.S.)



- Annual North American Women's Conference, to which all executive level women and many high-potential junior level women, as well as male directors and executives are invited to attend for networking and encouraging women's participation and advancement in the workplace
- Executive D&I scorecards have KPIs on managers making improvements in their areas to promote initiatives.
- Established the Outside Advisory Committee Focusing on Diversity, which is responsible for monitoring and reporting on the progress of diversity, including career development for women.
- Set childcare facilities at multiple operation sites to allow flexible workstyles for employees taking care of their children.
- Events sponsored by the Business Partnering Group (which provides networking and educational opportunities to employees as an organization representing the interests of minority groups)

### TSAM (South Africa)



- Leadership management workshops to ensure acceptance of women and promote their participation and advancement in the workplace
- Set employment targets.

### TDEM (Thailand)



- Set up nursing rooms.

### TMCA (Australia)



- Held Annual Toyota Women's Conference Australia.

### TDB (Brazil) + TASA (Argentina)



- Designated Women's Day, which promotes an open conversation about the challenges women face in balancing their professional and personal lives.
- Healthy pregnancy program for pregnant employees: Guidance and advice related to health conditions, as well as orientation on breastfeeding and baby care
- Conducted unconscious bias awareness training for all managers.
- Set employment targets.
- Held dialogue between human resources division and management to promote diversity within the company.
- Introduced the mentor system to support female leaders.
- Introduced Soft-Landing Program in support of employees returning to work after childbirth.
- Support for nursing care costs for employees who return to work early
- Provided all employees with children with equipment necessary for school.
- Allowed working from home.
- Offered re-learning programs for career development (specialized knowledge on IT, etc.).

### KPIs Related to Promotion of Women's Participation in the Workplace

We are continuing initiatives that promote women's participation and advancement in the workplace so that the percentage of positions held by women, from initial hiring to executive positions, will consistently increase at many affiliates.

### Percentage of Women Hired at Affiliates in Each Country/Region

	Percentage of women				Average period of employment (years)
	People hired	Full-time employees	Managerial positions	Director positions	
Toyota Motor Corporation (Japan)	26.7	12.4	2.5	13.3	Male: 18 Female: 14
TMNA (U.S.)	28.2	23.7	25.2	35.0	Male: 12 Female: 11
TME (Belgium)	31.4	34.1	18.8	0	Male: 12 Female: 11
TMCI (China)	30.0	47.0	34.4	5.9	Male: 7 Female: 9
TDEM (Thailand)	25.5	33.6	22.0	0	Male: 10 Female: 12
TMCA (Australia)	36.0	28.2	20.1	0	Male: 12 Female: 8
TDB, TASA (Brazil, Argentina)	27.0	6.4	3.4	0	Male: 9 Female: 8
TSAM (South Africa)	15.7	20.1	29.1	14.3	Male: 17 Female: 12
Global	27.2	16.2	12.1	11.8	Male: 16 Female: 12

## Initiatives Related to Persons with Disabilities

Updated in December 2020

### Employment of Persons with Disabilities

We provide various work opportunities to people with disabilities based on the concept of a harmonious society in which all persons with or without disabilities work and live together in harmony. We offer a variety of support to enable people with disabilities to work energetically, utilizing their abilities to the full.

For example, we have assigned a job consultant to each office, created a consultation hotline that ensures privacy, and introduced a special holiday system that can be used by employees when going to hospital or other clinics. To ensure that people with disabilities are given fair opportunities, we send with them sign language interpreters, provide a variety of support tools and make workplace improvements as needed.

In terms of facility, we are creating workplaces with improved accessibility as needed by, for example, providing handicapped parking spaces and universally accessible toilets.

We are distributing guidebooks to those workplaces hiring employees with disabilities to help other employees better understand disabilities and gain the knowledge necessary to provide support.

In addition, to cultivate a workplace-wide ethos, we have implemented Emotional Barrier-free Training targeting a wide range of employees, from new employees to senior professionals/senior management, to promote understanding of and empathy for people with disabilities.

As of June 2020, the number of persons with disabilities employed was 1,368 accounting for 2.41 percent of the entire workforce (including special-purpose subsidiaries), which is above the legal requirement of 2.2 percent.

### Creating a Work Environment “Toyota Loops”

Toyota Loops Corporation began operation in April 2009 with 28 people with disabilities and received certification from the Minister of Health, Labour and Welfare as a special-purpose subsidiary of Toyota Motor Corporation in October of that year.

Toyota Loops primarily handles work that is outsourced from Toyota such as internal printing, mail services, enclosing catalogues and document digitization. It also performs a variety of office support tasks such as issuing visitor and employee identification cards and shredding documents, as well as erasing data from unneeded PCs. The company is also providing nursing assistance at the Toyota Memorial Hospital and healthcare services (massage) that can be used by Toyota employees.

As of June 2020, Toyota Loops employed 289 persons with disabilities. The number of support staff has also been increased to eliminate or reduce any anxieties that employees may have regarding their health or work. We are also reinforcing support by creating a consultation hotline and providing consultations with an industrial physician and counseling by a clinical psychologist and psychiatrist. We actively exchange information with governmental bodies, local communities and social welfare organizations to create working environments where each employee can work with reassurance.

We also have many employees who are active outside work. Toyota Loops employees representing Aichi Prefecture participated in the Abilympics (a national technical skills competition for people with disabilities), winning silver in the Database division and bronze in the Word Processor division in 2018, and bronze in the Office Assistant division in 2019.



Toyota Loops employees competing in the Abilympics



### Shimoyama Plant branch opened to launch Monozukuri Project

In April 2020, the Shimoyama Plant branch of Toyota Loops was opened inside the Shimoyama Plant. Members participate in the *Monozukuri* (manufacturing) Project, conducting operations to support car manufacturing operations at Toyota Motor Corporation, such as preparing engine parts to allow assembly workers to easily pick them up.



Preparation for assembly



Toyota Loops employees at Shimoyama Plant branch

### Toyota Loops Employees Participating in Development

As a form of work and contribution uniquely available to people with disabilities, some of the Toyota Loops employees participate in the development of assisted mobility vehicles. For example, they have participated in evaluations (evaluating ease of getting in and out with a wheelchair) for development of the Welcab and provided opinions on aspects of the development of automated driving vehicles.

[Evaluation of assisted mobility vehicles]

Employees with disabilities participate in evaluations of the usability of Toyota's assisted mobility vehicles from the users' viewpoint.

Based on this evaluation, opinions of real users, including the small details that only users can notice, can be reflected in the quality of the vehicles.



\* This is a vehicle for evaluation and may be different in some parts from commercial vehicles.

### Column Visiting a school for special needs education

As part of our community contribution, some Toyota employees visited a school for special needs education to hold a class for students with disabilities. In the class, students experienced preparatory operations before assembly, using some engine parts that will be actually installed in real vehicles.



### Initiatives at Major Global Operations

We are striving to create a workplace environment that is friendly even to employees with disabilities by, for example, providing universally accessible toilets, handicapped parking spaces and wheelchair ramps. We also conduct a variety of events, for example participating in campaigns and holding workshops, to promote public understanding about people with disabilities.

#### TDEM (Thailand)

Together with organizations serving people with disabilities, we are carrying out activities to promote safe driving, including holding seminars with the goal of increasing knowledge and awareness about safe driving.



Toyota Safe Driving Campaign



#### TMCA (Australia)

A disability awareness workshop titled "Champions of Change" was held with Dylan Alcott, a wheelchair tennis player and an ambassador.



"Champions of Change" workshop

#### TSAM (South Africa)

Setting KPIs related to employment of people with disabilities allows TSAM to promote initiatives to improve the working environment for them in terms of facilities and culture.

We also have a special program to provide additional financial support to persons with disabilities for vehicle costs (to cover the increased cost associated with owning a special vehicle).

#### LGBT

Updated in December 2020

### LGBT-related Initiatives

Toyota has launched initiatives with the aim of creating workplaces with an appropriate understanding and acceptance of LGBT people. At Toyota Motor Corporation, prohibition on discrimination or harassment of LGBT people has been incorporated into the employee behavioral guidelines, and we no longer require new graduates to fill in their gender on their job application sheets. We have been introducing measures related to facilities, such as establishing an internal harassment consultation hotline and allocating dedicated toilets for LGBT people at Head Office and the Nagoya office. Starting from July 2020, we have introduced revised internal systems to allow employees in same-sex marriages or common-law marriages to use the same internal benefit systems as those in legal marriages (holidays, employee benefits, etc.). In terms of corporate culture, in addition to the internal training programs to

enlighten new graduate employees about human rights and experience-based training by outside instructors (LGBT people) for mid-career employees, we require all employees and officers to receive an education program on basic knowledge about LGBT. Toyota also started registration for ALLY\*. As of November 2020, around 20,000 employees have been registered as ALLYs.

\* ALLY: An Ally is a person who is not LGBT but understands and supports LGBT and other sexual minorities.



ALLY symbol and the number of Toyota Motor Corporation employees registered as ALLYs

### Initiatives at Major Global Operations

#### TMNA (U.S.)

During the recruiting and hiring process, we provide a nondiscrimination statement to everyone that submits a job application. That statement says that the company does not discriminate based on gender, ethnicity and other categories, including LGBT. We do not require a photo or gender identification on resumes. One of our business partner groups (organizations representing minority's interest) is an LGBT group conducting education and enlightenment activities. Most of our operation sites have gender-neutral toilets. We also promote activities focusing on increasing the number of ALLY members.



LGBT Pride Flag Raising Ceremony



Participating in the LGBT Pride event

#### TMCA (Australia)

Gender description is not required during the application process. We do not request photos.

## Race and Nationality

Updated in December 2020

### Initiatives Related to Race and Nationality

We promote diversity in race and nationality according to the situation of each region.

### Initiatives at Major Global Operations

#### TMNA (U.S.)

We provide education and enlightenment programs as a means of promoting understanding of diversity. Our business partner group actively works, representing minority's interest. Our management consists of people of diverse races.

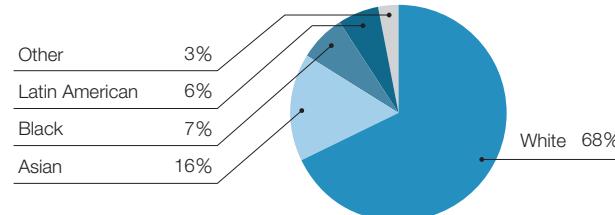


Symposium with African-Americans



Business partner group of Asian-Americans

#### Management composition (TMNA)



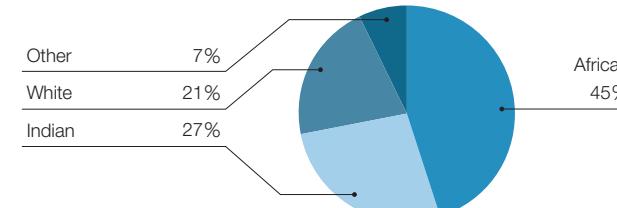
#### TSAM (South Africa)

In conducting business in the Republic of South Africa, TSAM promotes activities in line with the Broad-Based Black Economic Empowerment (B-BBEE\*) policy aimed at economic development and creation of employment in South Africa. TSAM has acquired Level 7 as of March 2020. Diversity is evaluated as an important element based on the KPIs indicating the status of conducting diversity education and ensuring diversity in recruitment and promotion.

Our management consists of people of diverse races.

\* B-BBEE (Broad-Based Black Economic Empowerment): Rating of the efforts for and contributions to B-BBEE by companies and organizations with scores (from the highest Level 1 to Level 8 and the lowest Non-compliant)

#### Management composition (TSAM)



## Employment for Over 60s

Following the introduction of the Internal Re-employment Program for Retired Professionals in 1991, an Optional Re-employment Application System was launched in 2001 to outplace applicants to external affiliates and other sites, providing a framework for helping over 60s to continue working.

Based on the revisions to the Law on Stabilization of Employment of Elderly Persons in 2006 and 2013, the support was revised to expand re-employment by taking surveys and interviews based on the needs of the employees.

In addition, starting from 2016, the Advanced Skilled Partner System

was set up for shop floor employees to encourage and motivate employees to keep working and virtually retire at 65 years of age by maintaining their job rank and salary at the time of their statutory retirement.

## Major Initiatives of Nursing Care

Updated in December 2020

As nursing care environments change, we have been expanding company measures on nursing care since 2009 to reduce the burden and anxiety for employees, allowing them to devote themselves to work. For example, since 2009 we have been holding lectures by outside experts, including licensed social welfare workers and nursing care workers.

In 2020, we published an updated version of "Nursing Care Navi," our guidebook on nursing care. It provides employees with information on where to start if they suddenly become in need of nursing care.

### Major Initiatives in Nursing Care

Support for a Work-life Balance	<ul style="list-style-type: none"> <li>● Nursing care leave and shortened working hours</li> <li>● Increase flexibility in working hour system.           <ul style="list-style-type: none"> <li>(1) Change the units of time for shortened working hours, etc.</li> <li>(2) Enhance the system for teleworking at home.</li> <li>(3) Expand applicable periods for various work-life balance support.</li> </ul> </li> <li>● Apply the career return system. (Re-employment of employees who are forced to leave the company because of nursing care)</li> </ul>
Providing Information	<ul style="list-style-type: none"> <li>● Create a consultation hotline.</li> <li>● Publish a nursing care guidebook.</li> <li>● Hold nursing care lectures.</li> <li>● Hold hands-on nursing care seminars.</li> </ul>
Nursing Care Services	<ul style="list-style-type: none"> <li>● Introduce a nursing care savings program.</li> <li>● Form a partnership with a major nursing care service provider.</li> <li>● Expand nursing care service providers.</li> <li>● Introduce home care worker services.</li> </ul>
Financial Support	<ul style="list-style-type: none"> <li>● Introduce nursing care insurance.</li> <li>● Create parent nursing care insurance.</li> <li>● Introduce a nursing care financing program.</li> </ul>

# Human Resources

Updated in December 2020

## Fundamental Approach

Toward achieving transformation into a mobility company, Toyota is committed to both “realizing advanced *monozukuri* (manufacturing) with higher quality and efficiency based on TPS” and “taking on challenges in new areas.” To this end, Toyota encourages its employees to review their workstyles and hone their individual abilities, thereby enhancing the workplace structures.

Toyota also seeks human resources equipped with both the ability to act and compassion\*, and promotes recruitment, training and evaluation of employees based on these abilities. In this process, Toyota identifies the roles and abilities of each individual, ensuring the placement of the right person in the right position regardless of their nationality, gender, year of joining Toyota, form of recruitment, academic background, job type and other factors, with the aim of enhancing the competitiveness of the company and its organizations.

\*Compassion: The ability to make efforts for others, such as customers and teammates, and the ability to learn respectfully from others and keep improving

## Recruitment

To hire the desired persons, Toyota has revised its conventional recruitment course as follows:

### 1. Recruitment criteria

- To accelerate the introduction of workstyles based on teamwork and alliances in preparation for the launch of mobility services, recruit more people who are attractive for other employees to work with.
- Place greater emphasis in recruitment on compassion and the passion to realize their dream at Toyota.

### 2. Enhancing mid-career recruitment

- To introduce external knowledge and promote revision of work processes and workstyles, increase mid-career hires from 10% (new graduates accounting for 90%) to 30% (FY2020 result).The medium-term goal is to increase mid-career hires to 50%. (Administrative and engineering employees)
- Introduce referrals (introduction by Toyota employees) and other new means of recruitment.

### 3. Hiring new graduates with diverse backgrounds

- To ensure diversity in human resources, hire persons with compassion who passionately want to work at Toyota regardless of their school or academic background.
- Promote recruitment of diverse people from universities from which no graduates have been hired by Toyota, technical colleges, vocational schools and high schools.

### 4. Course-specific recruitment of new graduates

- To accelerate development of professional human resources, hire students who have a concrete vision of what they want to do at Toyota and determine the course they will be assigned to at the time of recruitment, to ensure recruitment of diverse human resources suited to the characteristics of specific workplaces, such as with IT-related personnel.

## Evaluation of and Feedback to Employees

Daily work (topics and roles) of Toyota employees are derived from annual direction. Evaluation and feedback are based on close communications between subordinates and superiors.

Specifically, topics and roles are determined at the beginning of each fiscal year and employees consult with their supervisors periodically. Through these consultations, supervisors assess the employees' self-evaluations and provide feedback. Repeating this cycle leads to human resource development. Results for each half year are reflected in bonuses and performance abilities demonstrated over the past year are reflected in salary raises for the following year.

## Education / Career Development

### Global Human Resource Development Structures

To develop human resources capable of implementing the Toyota Philosophy globally, Toyota is providing training through global executive human resource development, Toyota Motor Corporation(TMC) human resource development undertaken by Toyota Motor Corporation, and overseas affiliate human resource development undertaken by affiliates in each region.



## Global Executive Human Resource Development

The Global 21 Program is to provide skilled global employees with knowledge suitable for global Toyota executives and to exercise their strengths to the best of their ability in their respective areas of responsibility. The program comprises the following three pillars.

### 1. Indication of management philosophy and expectations of executives

Disseminating Toyota Philosophy and incorporating it into global human resource system and training.

### 2. Human resource management

Applying appropriate personnel evaluation standards and processes in each region based on Toyota's common values

### 3. Training deployment and training programs

Global assignments and executive training are carried out.

Development of human resources at overseas affiliates is based on local training together with OJT at Toyota Motor Corporation to learn Toyota ways of performing work.

TMC human resource development includes programs corresponding to Global 21 within the Toyota Motor Corporation training system.

## TMC Human Resource Development

### Management Human Resource Development

All personnel who are promoted to senior professional/senior management or professional/management undergo one-year, rank-specific training. Officers and general manager-class employees serve as instructors for group training and seminars that include discussions in small groups, with the aim of strengthening a culture of learning and teaching. To enhance workplace capabilities, training programs for managers and training for performance reviewers to improve their evaluation and feedback skills are offered.

To develop executive human resources candidates, Toyota encourages the promotion of young employees to important positions. This creates opportunities for top management to directly observe personnel in these positions and to foster executive minds in the candidates.

### Administrative and Engineering Human Resource Development

OJT focuses on *genchi genbutsu* (onsite, hands-on experience), while off-the-job training (OFF-JT) opportunities for growth are also created with the guidance of supervisors or superiors. For six months after hiring, new employees learn basic knowledge of various areas in group training (Off-JT), and basic skills of Toyota persons in training at dealers and plants. After being assigned to respective workplaces, employees undergo OJT human resource development programs based on *genchi-genbutsu*. Group training (Off-JT) is also provided for young and mid-career employees in the third and sixth to eighth years of employment.

## Dispatch Program for Young Employees

The dispatch program for young employees overseas was expanded from 2014 to accelerate the early development of young employees.

Employees working for more than four years are dispatched to overseas affiliates, overseas graduate programs (including MBA programs), or domestic affiliates for one to two years. Their mission is to acquire practical skills, deepen their understanding of different cultures, and improve their language skills. In 2019, 371 employees were dispatched.

## Shop Floor Employee Human Resource Development

OJT is conducted by supervisors and superiors at worksites. Focus is placed on the cycle of clarification of goals, formulation of development plans, assignment for development, and evaluation/feedback.

Programs include OFF-JT, including rank-specific training and training for managers/supervisors, as well as OJT and OFF-JT combined for acquiring knowledge and technical skills. Web learning programs have also been enhanced to support employees in their voluntary learning.

The workplace environment is changing with a declining birth rate and aging population, a shrinking workforce and diversification of worksite members. It is necessary for worksite members to maximize results to maintain production. Specifically, we take measures to support diverse employees, including those who return to work until 65 after retirement at age 60 and increasing female shop floor employees. In order to respond flexibly to new technologies and changes in production systems, we specify evaluation down to the technical element unit. Start-up seminars are also held to support transferred employees in efficiently acquiring work skills.

## Overseas Affiliate Human Resource Development

With the goal of promoting self-sufficiency in overseas affiliates, we temporarily transfer employees from overseas affiliates to Toyota Motor Corporation for OJT. Transferees focus on learning skills, knowhow, and Toyota's way of thinking and work processes throughout their training period, which is from six months to three years. Executives are posted as general managers or department managers at Toyota Motor Corporation to learn about decision-making processes and to form networks with other employees.

Safety

Quality and  
Customer FirstSocial Contribution  
ActivitiesRespect for Human  
Rights

Business Partners

Health and Safety

Diversity and  
Inclusion

Human Resources

## Results of Employee Satisfaction Survey

By providing its employees with opportunities to be involved in social contribution and self-realization through their work, Toyota aims to help all employees to exercise their abilities to think, to be creative, and to perform. Toyota uses its employee satisfaction surveys to measure the results of these efforts and utilizes the analysis results for planning and implementing measures to make a better workplace.

### Results of Employee Satisfaction Survey

	FY	2017	2019	<b>2020</b>
Toyota Motor Corporation	(%)	78.0	75.8	<b>78.7</b>

### Percentage of Employees Who Feel Personal Growth

	FY	2017	2019	<b>2020</b>
Toyota Motor Corporation	(%)	77.6	75.2	<b>82.1</b>

### Results of Employee Satisfaction Survey

	FY	2015	2017	<b>2019</b>
Overseas Administrative and Engineering employees	(%)	76.0	74.0	<b>77.0</b>
Shop floor employees	(%)	72.0	72.0	<b>70.0</b>

## Flexible Workstyle

Toyota promotes flexible workstyles without restrictions of time and location, with a view to improving productivity and supporting employees in balancing work with childcare/family care.

At administrative and engineering workplaces, the Free Time & Location (FTL) system, which enables employees to telework, was introduced in 2016. At production sites, where teleworking is difficult, a system for reduced working hours has been enhanced to support balancing work with childcare/nursing care.

Due to the spread of the COVID-19 novel coronavirus, Toyota temporarily expanded the range of qualifications and job types eligible for teleworking. Toyota has decided to continue this permanently from September 2020, allowing more flexible workstyles.

Corporate Governance

Risk Management

Compliance

## Governance

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# Corporate Governance

Updated in December 2020

## Fundamental Approach

Toyota regards sustainable growth and the stable, long-term enhancement of corporate value as essential management priorities. Building positive relationships with all stakeholders, including shareholders, customers, business partners, local communities and employees, and consistently providing products that satisfy customers are key to addressing these priorities. To this end, Toyota constantly seeks to enhance corporate governance.



## Business Execution and Supervision

### Corporate Governance Organization

Contributing to society through *monozukuri* (manufacturing) is the basis of Toyota's corporate value. To enhance its corporate value in the medium- to long-term, it is appropriate for Toyota to be a company with an Audit & Supervisory Board, where internal executives who have been long engaged in and have deep knowledge of manufacturing, and outside executives who are capable of providing advice for the creation of new value from a broad perspective, can participate in well-balanced decision making at the Board of Directors' meetings.

With respect to its framework for executing its operations, Toyota, with the aim of realizing the Toyota Global Vision, has been continuing its efforts to respond swiftly to the external environment, which is changing faster than ever. Following the introduction of "region-based management" in 2011, the "business unit system" in 2013, and the "in-house company system" in 2016, in 2017, Toyota further clarified that Members of the Board of Directors are responsible for decision-making and management oversight and that operating officers are responsible for operational execution for purposes of further accelerating decision-making and operational execution.

Furthermore, in 2018, Toyota brought forward the timing of executive changes from April, when it used to take place, to January, in order to further accelerate management oversight that is fully coordinated with the workplace. In addition, Toyota transformed the company structure into one that enables decision-making that is both close to the needs of customers and close to where the action takes place, by taking measures such as reviewing the corporate strategy function and restructuring the Japan Sales Business Group into a group based by regions rather than sales channels.

In 2019, to further advance its "acceleration of management" and the development of a diverse and talented workforce, Toyota made executive and organizational changes as follows.

- Executives are composed of only senior managing officers and people of higher rank.
- A new classification called "senior professional/senior management" (*kanbushoku* in Japanese) grouped and replaced the following titles or ranks: managing officers, executive general managers, (sub-executive managerial level) senior grade 1 and senior grade 2 managers, and grand masters. From the perspective of appointing the right people to the right positions, senior professionals/senior management are positioned in a wide range of posts, from those of chief officer, deputy chief officer, plant general manager, senior general manager to group manager, regardless of age or length of employment, to deal with management issues as

they arise and to strengthen their development as part of a diverse and talented workforce through *genchi genbutsu* (on-site learning and problem-solving).

In April 2020, Toyota consolidated the post of executive vice president and the post of operating officer into the post of operating officer. With the posts of executive vice president and operating officer consolidated, all operating officers will have equal power and will serve as chief officers, presidents of in-house companies, regional CEOs or persons in charge of various functions, with each role to be further clarified. Such roles are not fixed so as to allow the right people to take on responsibilities where and as needed. In July 2020, Toyota announced a revision of the executive structure aimed at pressing forward with structural reform and further clarifying the roles of its operating officers.

### Changes in Governance Organization

	- 2010	2011 - 2015	2016 - 2020
Number of Board of Directors (total)	27	2011-2016: between 11 and 16 (temporarily increased due to the introduction of Outside Directors)	2017 : 9
Outside Directors		2013: 3	
Executive vice presidents		2011-2020: between 4 and 7	
Senior managing/Managing officers	64	2011-2018: between 55 and 68	
Operating officers			2019: 16
Advisors/Senior advisors		2011-2017: between 55 and 68	2018: 9 due to organizational changes, July,2020:0
Region		2013: Restructuring of groups	
Company			2016: Introduction (from function-based to product-based)
Audit & Supervisory Board Members	7	2014: 6	
Outside Audit & Supervisory Board Members	4	2014: 3	
Meetings			2017: Outside members accounting for half 2019: Outside members accounting for a majority
Executive Appointment			
Compensation			
Sustainability	2007-2014: CSR Committee	2014: Corporate Governance Meeting	2018: Sustainability Meeting

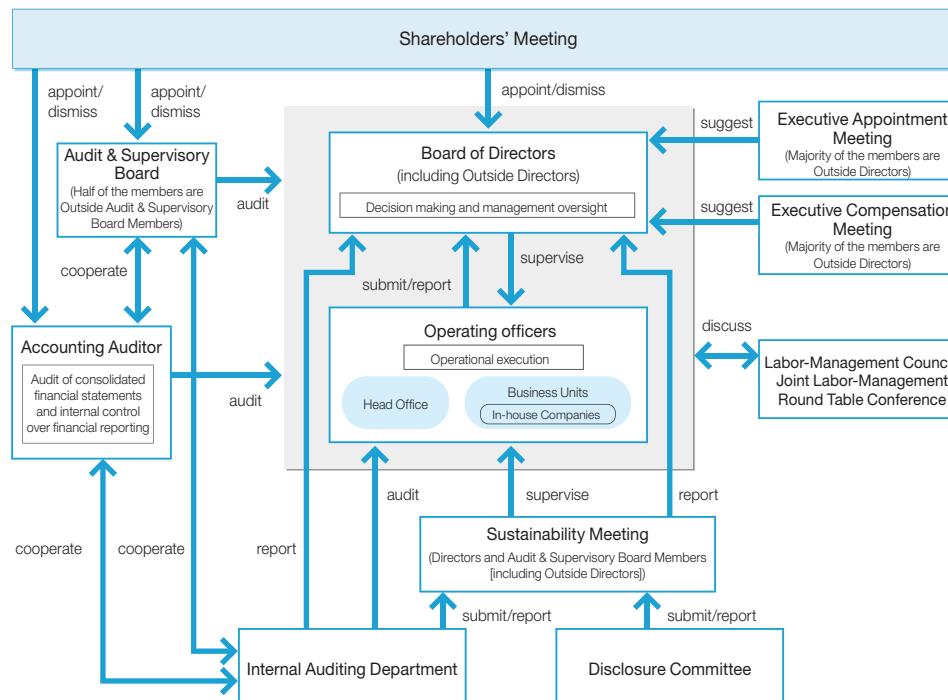
### Organization for Sustainability Management p. 5

#### Key points in the revision

##### The roles of operating officers were further clarified to press forward with structural reform.

- Operating officers are responsible for overseeing the management of the entire company as the chief officer in close cooperation with top management
- Presidents of in-house companies, regional CEOs and chief officers serve as the leaders of action task forces, responsible for quick decision making and action on site integrated into senior professional/senior management (*kanbushoku*)

### Corporate Governance Organizational Diagram



## Members of Board of Directors and Audit & Supervisory Board

### Board of Directors and Related Structures

With respect to the system regarding Members of the Board of Directors, Toyota has comprehensively considered and appointed the right person for the right position to make appropriate and prompt decision-making. Toyota believes that it is critical to appoint individuals who comprehend and are capable of putting into practice the “Five Main Principles of Toyoda”, which set forth our founding philosophy, and contribute to decision-making aimed at sustainable growth into the future. Moreover, these individuals should be able to play a significant role in transforming Toyota into a “mobility company” through responding to social transformation by using CASE\* and external partnerships based on trust and friendship and internal two-way interactive teamwork. The Board of Directors should consist of members who have abundant knowledge, deep insight and the highly professional expertise needed by Toyota and members appointed with consideration for diversity. Members of the Executive Appointment Meeting, of which the majority are Outside Directors, discuss recommendations with the Board of Directors regarding such appointments. Furthermore, three Outside Members of the Board of Directors have been appointed in order to adequately reflect the opinions of those from outside the company in management's decision-making process, and all of them are registered as independent officer with the relevant financial instruments exchanges. Toyota considers the appointment of Outside Members of the Board of Directors as independent officers in accordance with the requirements for Outside Members of the Board of Directors set out in the Companies Act and independence standards established by the relevant financial instruments exchanges. Outside Members of the Board of Directors provide advice in Toyota's management decision-making process based on their broad experience and insight, independently from the management structure. To allow the insight of Outside Members of the Board of Directors and the Audit & Supervisory Board to be fully made use of, Toyota has launched the following measures:

- (1) Review the criteria for submission of proposals to the Board of Directors as needed to reduce the number of proposals submitted, so that sufficient time can be secured to discuss each proposal.
- (2) Provide an explanation of all proposals in advance to help understand the background of the proposal.
- (3) Remove the time limit for discussions at Board of Directors' meetings to ensure sufficient discussion can be held.
- (4) Besides the Board of Directors meetings, set periodic opportunities for two-way communication between Outside Members of the Board of Directors and the Audit & Supervisory Board and the operational execution side on important management issues and medium-to long-term issues.

In recent years, to facilitate active discussion at Board of Directors' meetings, Toyota has reduced the number of members (Directors and Audit & Supervisory Board Members) of the Board of Directors' Meeting (from 34 in 2010 to 15 in 2020). As a result, opportunities for each member to speak at Board of Directors' meetings have increased, enabling Outside Members of the Board of Directors and the Audit & Supervisory Board to speak on almost all proposals.

\* CASE: Connected, Autonomous/Automated, Shared, Electric

**Personnel Structure of the Board of Directors**

Name	Gender	Age	Length of service	Attribution	Current position/responsibility at Toyota		Attendance at Board of Directors' meetings in FY2020 (No. of meetings attended)
					Meeting	Executive Appointment	
Takeshi Uchiyamada	Male	74	22 years	Chairperson	Chairperson	Chairman of the Board of Directors	100% (17/17)
Shigeru Hayakawa	Male	67	5 years			Chief Sustainability Officer	100% (17/17)
Akio Toyoda	Male	64	20 years			Chief Executive Officer Chief Branding Officer	94% (16/17)
Koji Kobayashi	Male	72	2 years	Member	Member	Chief Risk Officer	100% (17/17)
Shigeki Terashi	Male	65	7 years			Chief Competitive Officer Chief Project Officer	100% (17/17)
James Kuffner	Male	49	—			Chief Digital Officer	—
Ikuro Sugawara	Male	63	2 years	Outside independent	Member	Member	100% (17/17)
Sir Philip Craven	Male	70	2 years	Outside independent	Member	Member	100% (17/17)
Teiko Kudo	Female	56	2 years	Outside independent	Member	Member	94% (16/17)

**Overview of the Executive Appointment Meeting**

Purpose and authority	Discussion of recommendations to the Board of Directors concerning appointment/dismissal of Members of the Board of Directors and Audit & Supervisory Board Members
Number of persons	5 (of whom 3 are Outside Directors)
Members	Representative Director Takeshi Uchiyamada (Chairman) Representative Director Koji Kobayashi Outside Director Ikuro Sugawara Outside Director Sir Philip Craven Outside Director Teiko Kudo

**Audit & Supervisory Board**

Toyota has adopted an Audit & Supervisory Board system. Six Audit & Supervisory Board Members (including three Outside Audit & Supervisory Board Members) play a key role in Toyota's corporate governance by undertaking audits in line with the audit policies and plans.

In appointing Audit & Supervisory Board Members, Toyota believes it is necessary to elect individuals who have broad experience and insight in their respective fields of expertise and can advise management from a fair and neutral perspective, as well as audit the execution of business. Toyota's Executive Appointment Meeting, more than half of whose members are Outside Directors, discusses recommendations to the Audit & Supervisory Board regarding such appointments.

Three individuals, all of whom are registered as independent officers with the relevant financial instrument exchanges, have been appointed as Outside Audit & Supervisory Board Members. When appointing Outside Audit & Supervisory Board Members, Toyota considers the requirements set out in the Companies Act as well as the independence standards established by the relevant financial instrument exchanges. In recent years, the Audit & Supervisory Board and the internal audit function have been strengthening their ties by increasing the opportunities to share their audit results, with the aim of improving the effectiveness of their audits.

**Analysis and Evaluation of the Effectiveness of the Board of Directors**

After the Secretariat of the Board of Directors conducts a quantitative analysis of the state of the Board's performance pursuant to an instruction of the Chairman of the Board of Directors, a survey is conducted of Members of the Board of Directors (Members of the Board of Directors and Audit & Supervisory Board Members) regarding the state of execution of operations and of the supervision of such execution.

Furthermore, interviews are held individually with Members of the Board of Directors, including the Outside Directors and Outside Audit & Supervisory Board Members, based on results of the survey. The Secretariat of the Board of Directors' Meeting combines and explains the findings to the Chairman of the Board of Directors and reports and discusses the findings at the Board of Directors' Meeting.

The evaluation for FY2020 confirmed the effectiveness of Meetings now that sufficient information concerning proposals submitted to the Meetings was provided in advance for members, including Outside Directors. This has enabled members to actively raise questions and answers and exchange opinions at Board of Directors' Meetings from a broad perspective with a view to enhancing the corporate value in the medium- to long-term.

Toyota will continue to conduct evaluations of the effectiveness of the Board of Directors and make improvements to further enhance their effectiveness.

**Training for Members of the Board of Directors and Audit & Supervisory Board Members**

In order to ensure that Outside Members of the Board of Directors and Outside Audit & Supervisory Board Members understand Toyota's philosophy and efforts, Toyota arranges on-site inspections, including at its subsidiaries, and other opportunities. Also, as explained above, besides the Board of Directors Meetings we offer opportunities to help deepen their understanding, such as advance explanations on proposals submitted to the meetings and two-way communication with the operational executive on important management issues and medium- to long-term issues.

## Executive Compensation

The amount of executive compensation, how its calculation method is determined, and the calculation method are described below.

### Decision Policy and Decision Process

Toyota believes that it is critical to appoint individuals who comprehend and are capable of putting into practice the “Five Main Principles of Toyoda,” which set out our founding philosophy, and contribute to decision making aimed at sustainable growth into the future. Moreover, these individuals should be able to play a significant role in transforming Toyota into a “mobility company” by responding to social transformation using CASE and external partnerships based on trust and friendship and internal two-way interactive teamwork. The director compensation system is an important means through which to promote various initiatives and is determined based on the following policy.

- It should be a system that encourages Members of the Board of Directors to work to improve the medium- to long-term corporate value.
- It should be a system that can maintain compensation levels that will allow Toyota to secure and retain talented personnel.
- It should be a system that motivates Members of the Board of Directors to foster management from the same viewpoint as our shareholders with a stronger sense of responsibility as corporate managers.

Remuneration for Members of the Board of Directors is effectively linked to corporate performance while reflecting individual job responsibilities and performance. Remuneration standards in each member's home country are also taken into account when determining remuneration amounts and methods. Remuneration for Outside Members of the Board of Directors and Audit & Supervisory Board Members consists only of fixed payments. As a result, this remuneration is not readily impacted by business performance, helping to ensure independence from management.

The remuneration for the Company's Members of the Board of Directors and the remuneration system are decided by the Board of Directors and the “Executive Compensation Meeting,” a majority of the members of which are Outside Members of the Board of Directors. The Board of Directors resolves the total amount of remuneration for a given fiscal year and delegates determination of the amount of remuneration for each Member of the Board of Directors to the Executive Compensation Meeting.

The Executive Compensation Meeting reviews the remuneration system for Members of the Board of Directors and senior management and determines the amount of remuneration for each Member of the Board of Directors, taking into account factors such as corporate performance as well as individual job responsibilities and performance.

Remuneration for Audit & Supervisory Board Members is determined by the Audit & Supervisory Board within the scope determined by a resolution of the shareholders' meeting.

To decide the compensation for the fiscal year under review, the Executive Compensation Meeting was held three times in April 2019, March 2020 and April 2020. Also, advanced meetings attended solely by Outside Directors was held five times in August, September, October and December 2019 and February 2020 to hold discussions in preparation for the Executive Compensation Meeting.

The compensation for the Members of the Board of Directors was decided with the agreement of all members of the Executive Compensation Meeting.

### Overview of the Executive Compensation Meeting

Purpose and authority	Review of the executive compensation system, and decision on individual remuneration amount is based on factors such as corporate performance, as well as individual job responsibilities and performance. (The Board of Directors resolves the total amount of remuneration for the current fiscal year and delegates the determination of individual remuneration amount to the Executive Compensation Meeting.)
Number of persons	5 (of whom 3 are Outside Directors)
Members	Representative Director Takeshi Uchiyamada (Chairman) Representative Director Koji Kobayashi Outside Director Ikuro Sugawara Outside Director Sir Philip Craven Outside Director Teiko Kudo

### Major matters discussed at the Executive Compensation Meeting

- Compensation levels according to position and responsibilities
- Indicator evaluation results for FY2020
- Individual performance evaluation
- The remuneration for each individual

### Method of Determining Performance-based Remuneration

#### 1) Directors with Japanese citizenship (excluding Outside Directors)

Toyota sets the total amount of remuneration (Annual Total Remuneration) received by each Member of the Board of Directors in a year based on consolidated operating income, the volatility of the share price of Toyota and individual performance evaluation. The balance after deducting fixed remuneration from Annual Total Remuneration constitutes performance-based remuneration.

Toyota sets an appropriate executive compensation level for the Annual Total Remuneration based on position and duties by referencing a benchmark group of companies located in Japan.

### Explanation of Indicators

Consolidated operating income	Indicator for evaluating Toyota's efforts based on business performance
Volatility of Toyota's share price	Corporate value indicator for shareholders and investors to evaluate Toyota's efforts
Individual performance evaluation	Qualitative evaluation of each director's performance

### Evaluation Method and Reference Value for Indicators, and Evaluation Result for the Current Fiscal Year

	Evaluation method	Reference value	Evaluation result for the current fiscal year
Consolidated operating income	Evaluate the degree of attainment of consolidated operating income in the current fiscal year, using required income (set in 2011) for Toyota's sustainable growth as a reference value	1 trillion yen	180%
Volatility of the Toyota's share price	Comparatively evaluate the volatility of Toyota's share price up to the end of the current fiscal year, using the share price of Toyota and the Nikkei stock average at the end of the previous fiscal year as reference values	Toyota's share price: 6,487 yen Nikkei average: 21,205 yen	

#### Method of Setting the Annual Total Remuneration

Annual Total Remuneration is set for each Member of the Board of Directors based on consolidated operating income and the volatility of the share price of Toyota Motor Corporation, and then adjusted based on individual performance evaluation. Individual performance-based remuneration is set within the range of 15% above or below Annual Total Remuneration for each position.

#### 2) Directors with foreign citizenship (excluding Outside Directors)

Fixed remuneration and performance-based remuneration are set based on the remuneration levels and structures that allow Toyota Motor Corporation to secure and retain talented personnel. Fixed remuneration is set, taking into account each member's job responsibilities and the remuneration standards of such members' home countries. Performance-based remuneration is set based on consolidated operating income, the volatility of the share price of Toyota and individual performance, taking into account each member's job responsibilities and the remuneration standards of such members' home countries. The concept of each item is the same as for directors with Japanese citizenship (excluding Outside Directors).

#### Share-Based Compensation System

The Board of Directors decides the share-based compensation, using the maximum share-based compensation (4.0 billion yen per year) set in the 115th Ordinary General Shareholders' Meeting held on June 13, 2019. For more details, please refer to p89 of the Securities Report.

#### Remuneration by executive category, remuneration by type, and number of applicable executives

Executive category	No. of applicable executives	Total remuneration by type (million yen)			Total consolidated remuneration (million yen)	
		Fixed remuneration	Performance-linked remuneration	Monthly remuneration		
		Bonuses	Share-based compensation <sup>2</sup>			
Directors (of which Outside Directors <sup>1</sup> )	9 (3)	809 (145)	1,039	477 (67,000 shares)	2,326 (145)	
Audit & Supervisory Board Members (of which Outside Audit & Supervisory Board Members)	8 (3)	213 (54)	—	—	213 (54)	

<sup>1</sup>1 Outside Directors are not involved in operational execution.

(Notes) 1. Cash compensation consists of monthly remuneration and bonuses.

2. Performance-linked remuneration is set based on the resolution of the Board of Directors' Meeting on May 12, 2020. Share-based compensation is the number of shares presented in the table multiplied by the closing price on the day prior to the date of resolution for the allocation.

<sup>2</sup> Share-based compensation presented above is the amount calculated using the closing price on the day prior to the date of the resolution to allocate the number of shares resolved.

### Names and details of those who receive, in aggregate, consolidated remuneration of one hundred million Japanese yen or more

Name (executive category)	Company category	Total consolidated remuneration by type (million yen)				Total consolidated remuneration (million yen)
		Fixed remuneration	Performance-linked remuneration	Bonuses	Share-based compensation	
Takeshi Uchiyamada (Director)	Reporting company	99	60	56 (8,000 shares)	—	216
Shigeru Hayakawa (Director)	Reporting company	61	41	36 (5,000 shares)	—	138
Akio Toyoda (Director)	Reporting company	160	8	280 (39,000 shares)	—	449
Koji Kobayashi (Director)	Reporting company Consolidated subsidiary Daihatsu Motor Co., Ltd.	62	—	72 (10,000 shares)	—	145
Didier Leroy (Director)	Reporting company Consolidated subsidiary Toyota Motor Europe	219	891	—	—	1,239
Shigeki Terashi (Director)	Reporting company Consolidated subsidiary Hino Motors, Ltd.	61	37	31 (4,000 shares)	—	141

### Internal Control

Toyota, together with its subsidiaries, has created and maintained a sound corporate climate. Toyota integrates the principles of problem identification and continuous improvement into its business operation process and makes continuous efforts to train employees who will put these principles into practice. Toyota has endeavored to establish a system for ensuring the appropriateness of business operations as a corporate group and the proper implementation of that system in accordance with the "Basic Policies on Establishing Internal Controls." Each business year, Toyota inspects the establishment and implementation of internal controls to confirm that the organizational units responsible for implementing internal controls are functioning autonomously and are enhancing internal controls as necessary.

# Risk Management

Updated in December 2020

## Fundamental Approach

Facing a once-in-a-century industry turning point, to transform into a “mobility company,” Toyota is always taking on new challenges, and has been working to reinforce its risk management structure to handle the increasing uncertainty.

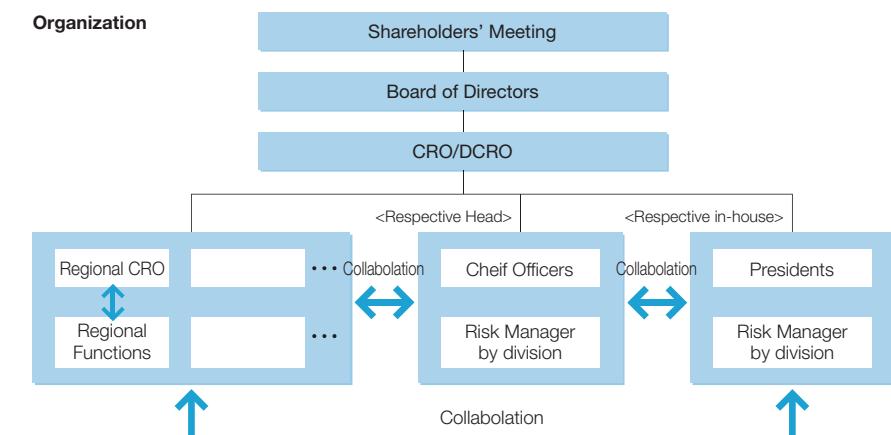
Toyota has appointed a Chief Risk Officer (CRO) and Deputy Chief Risk Officer (DCRO), making global efforts to prevent and mitigate the impact of risks that could arise in Toyota’s global business activities.

## Initiatives for Risk Management

### Organizational Structure

Beneath the CRO and DCRO are Regional CROs appointed to manage their own risk management structures. Within head office departments (such as Accounting and Purchasing), risk management by function is assigned to chief officers and risk managers of individual divisions, while in individual in-house companies, risk management by product is assigned to the company presidents and risk managers of individual divisions. This makes it possible for them to coordinate and cooperate with the regional head offices and sections. In addition, significant risks requiring quick response will be reported by CRO and DCRO and discussed in the board meeting and/or other needed management meetings.

To oversee and mitigate global risks, we are continually enhancing and evolving our global risk management capability. On the strong foundation of the Toyota Global Risk Management Standard (TGRS), which defines, based on the ISO and COSO (Committee for Sponsoring Organizations of the Treadway Commission) Enterprise Risk Management frameworks, Toyota’s globally common risk management policy, structure, and operating procedures, we are well-positioned to develop a strong global risk management discipline.



### Noted Risk

To respond to emerging risks in recent years, Toyota has advanced measures related to business continuity management (BCM) to secure safety operations in Headquarters, group companies, and business partners during the coronavirus pandemic and cyber security risk.

## Business Continuity Management (BCM)

Although Toyota was not directly affected by large-scale disasters such as the Great East Japan Earthquake and the Thailand floods, our production operations stopped for a long period of time, which inconvenienced our customers in terms of both sales and services.

There are deep concerns about the possibility of a massive Nankai Trough earthquake occurring, and the Toyota Group companies' main functions are concentrated in that area. It is predicted that a large-scale earthquake there would severely impact our production and logistics operations.

To be prepared for such disasters, the Business Continuity Plan (BCP) was established to facilitate early recovery of business operations despite limitations on resources.

To continue to contribute to

enriching the lives of communities, **Toyota's Basic Guidelines (Priorities during a Disaster)**

Toyota will work on disaster recovery following the Basic Guidelines.

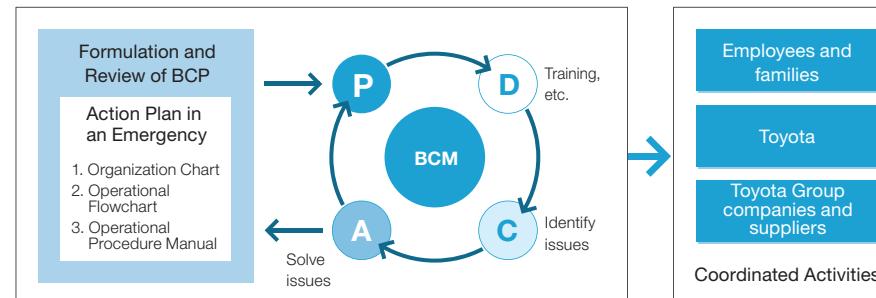


## Business Continuity Management at Toyota

PDCA is implemented and continuous improvements are undertaken through training and other means to constantly raise the practical effectiveness of Toyota's BCP.

These activities are identified as Business Continuity Management (BCM), promoted through coordination among employees and their families, Toyota Group companies and suppliers and Toyota.

Through this process of formulation and review of BCP, we aim to develop risk-resilient organizations, workplaces and individuals.



## Humanitarian Aid and Early Recovery for Disaster-affected Regions

Toyota has concluded comprehensive disaster support agreements with local governments (Toyota City, Miyoshi City, Tahara City, Hekinan City, and Susono City). In accordance with the Basic Guidelines, these efforts will give priority to disaster recovery and contribute to building disaster-resilient communities.

Humanitarian support and regional recovery assistance are to be provided under mutual cooperation with local governments. Toyota is preparing relevant structures by incorporating necessary provisions in its BCP and conducting joint training with the local governments.

Details of the major support items are described below. In addition, we have agreed with individual local governments to provide support, such as allocating designated shelter facilities.

### Details of the Major Support Items

1. Rescue and relief in a disaster
2. Provide temporary evacuation facilities to local residents
3. Provide food, drinking water, and daily necessities for distribution through local governments (local residents)
4. Support cargo handling at municipal relief supply facilities
5. Provide space necessary for restoration of local infrastructure (water supply and drainage, roads, etc.)
6. Employee participation in local recovery activities

## Building a Disaster-resilient Supply Chain

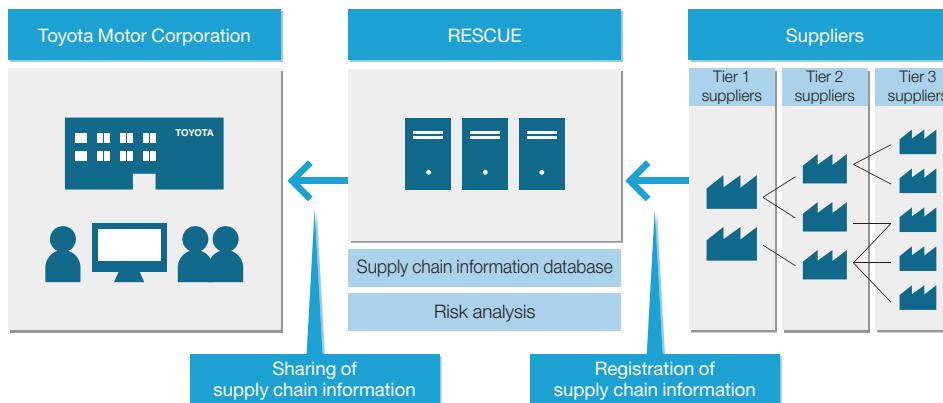
Toyota provides recovery support with the following priorities: (1) Humanitarian aid; (2) Early recovery of the affected area; (3) Restoration of Toyota's operations and production. Since the Great East Japan Earthquake, we have worked with suppliers in each country and region to build a disaster-resilient supply chain by sharing supply chain information and setting up measures for prompt initial action and early recovery.

In sharing supply chain information in Japan, Toyota has received highly confidential information from suppliers and used it to build a database, the RESCUE (REinforce Supply Chain Under Emergency) system, based on the concept of protecting Japanese *monozukuri* (manufacturing). While strictly protecting suppliers' confidential information, Toyota conducts regular training with suppliers to ensure effective utilization of this system in the event of a disaster.

This system has been standardized and shared with other companies through the Japan Automobile Manufacturers Association, thus helping to build a disaster-resilient supply chain.

Toyota is implementing equivalent initiatives with suppliers in each country and region overseas.

### RESCUE System to Store Supply Chain Information



industry in Japan with a broad base, will lead the recovery and contribute to the maintenance and development of the economy.

 Toyota's response to the spread of COVID-19 (Novel Coronavirus) infections

#### Major measures to prevent infection:

- Restrict travel, such as business trips and going abroad.
- Establish an environment for and encourage teleworking at home.
- Avoid "The Three Cs" (closed spaces, crowded places, close-contact settings) in offices and production sites.
- Ensure hygiene by wearing masks and washing hands.
- Manage health by measuring body temperatures and checking health conditions.

## Initiatives for Information Security

### Information Security Policy

With cyber attacks becoming more sophisticated and complicated, the targets of cyber attack are no longer limited to confidential information and information systems, but also include the networks of systems that control plant facilities and vehicles (such as on-board device systems). The importance of information security is increasing for Toyota.

Toyota is committed to ensuring the safety and security of our customers from cyber attack threats and we consider it our social responsibility to protect our customers' personal information.

Therefore, we are reinforcing information security by governance and risk management based on the Information Security Policy, formulated to clearly define our basic policy and attitude regarding information security, with the goal of taking necessary actions together with our subsidiaries.

 Information Security Policy

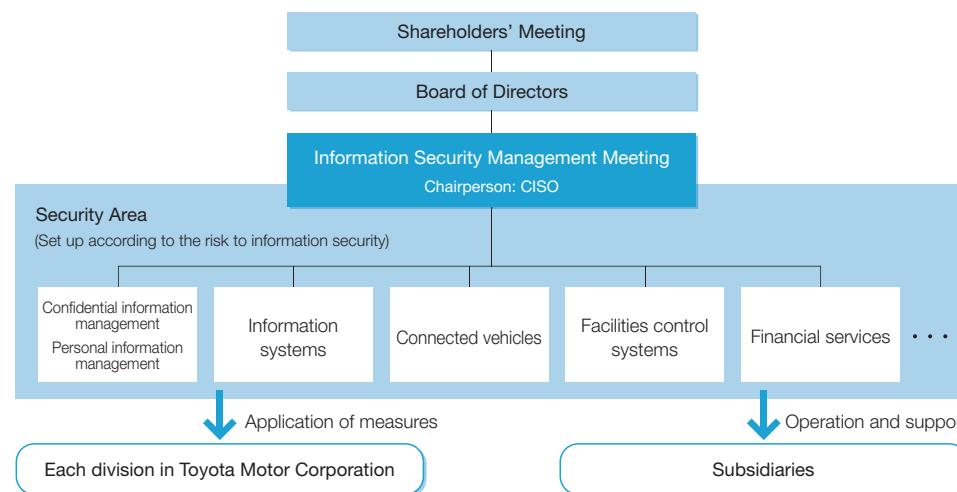
#### Information Security Policy (Toyota's Basic Approach)

1. Compliance
2. Maintenance of stable business infrastructure
3. Providing safe products and services
4. Contribution to the establishment of safe cyberspace
5. Information security management

## Organizational Structure

Under the Chief Information & Security Officer (CISO), security officers are assigned to the individual security fields to promote activities.

Details of activities in each security field and overall common issues are shared and discussed at Information Security Management Meetings to improve information security throughout Toyota. If a serious incident occurs, the facts of the incident are promptly confirmed and reported to management, including Board of Directors. Causes of the incident are analyzed and countermeasures are taken.



## Initiatives for Information Management

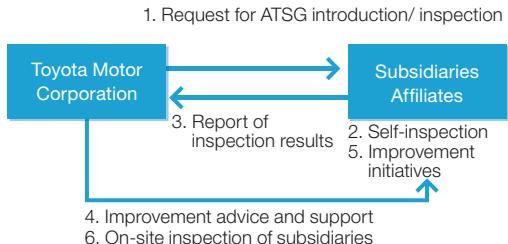
Toyota has established the All Toyota Security Guidelines (ATSG) covering Toyota Motor Corporation, our subsidiaries and affiliates with the goal of comprehensively preventing information leaks and emerging risks of cyber attacks.

Based on ISO 27001/27002, the US National Institute of Standards and Technology (NIST) Cybersecurity Framework, and the Cybersecurity Management Guidelines by the Ministry of Economy, Trade and Industry, ATSG ensures information security through a multi-faced approach: through organization, human resources, technical security, physical security and incident/accident response. To cope with recent environmental changes and increasingly sophisticated cyber attacks, ATSG is revised periodically. By annually inspecting the information security initiatives being taken at each company in line with ATSG, Toyota is working to ensure continuous maintenance and improvement of their information security. Furthermore, starting in FY2019, Toyota Motor Corporation has been carrying out on-site inspection of all of our consolidated subsidiaries (to check responses to ATSG and the status of implementation of physical security measures at each company).

### All Toyota Security Guidelines (ATSG)

1. Organizational management measures (establishment of organization and rules)
2. Human resource management measures (employee training, etc.)
3. Technical management measures (network security, etc.)
4. Physical management measures (entry and exit controls, etc.)
5. Establishment of incident/accident response

### Structure for ATSG Implementation at Subsidiaries and Affiliates

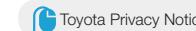


In terms of automobile-related initiatives, Toyota is a member of the Automotive Information Sharing & Analysis Center (Auto-ISAC) in Japan and the United States, a framework for sharing knowledge related to information security, and is actively utilizing it to learn promptly about cases that occur within the industry and put them to use in our company's development phase.

Toyota also refers to the best practices in the industry (specifically, best practices found in Auto-ISAC) to protect our vehicles against cybersecurity risks. These include the concept of security by design,<sup>\*1</sup> layered defense,<sup>\*2</sup> and security tests. We are advancing additional measures to further solidify our vehicle cybersecurity in cooperation with external professional organizations. We are also promoting responses to the international standards concerning cybersecurity, which were adopted at the World Forum for the Harmonization of Vehicle Regulations (WP29)<sup>\*3</sup> in 2020.

For personal information, individual education ensures that employees are well aware of the importance of following the law and handling information appropriately. We checked our compliance status with regard to EU General Data Protection Regulation (GDPR) in FY2019 and with regard to the US California Consumer Privacy Act (CCPA) in FY2020.

We will continue working to protect personal information by providing education and checking the handling status on a periodic basis and conducting activities for improvement, in view of the rising public awareness and changes in the environment in recent years.



#### Major activities for information security education

- (1) Offering educational programs in Information Security Month (once a year)
- (2) Displaying educational or warning information at startup of personal PCs each day
- (3) Providing information security training for new employees and special training when a new law is enforced, to ensure information is distributed in a timely manner
- (4) Sending targeted attack-type emails without notice to all employees, including executives, once or twice each year

<sup>\*1</sup> Security by design: Design approach that defines the security requirements needed for safe system operations from the beginning of planning and design phases of an information system, and which aims to reliably incorporate these requirements into the information system through the development processes, moving away from the approach of implementing security countermeasures only after a problem has been discovered.

<sup>\*2</sup> Layered defense: Security practice of combining multiple defense "layers" to enhance security, so that an attack is not successful even if one layer is penetrated.

<sup>\*3</sup> WP29: World Forum for the Harmonization of Vehicle Regulations is a forum organized under the United Nations for the purpose of promoting the international harmonization of safety and environmental regulations for vehicles and the international approval of vehicle certifications by the governments.

## Preparing for Information Leaks and External Attacks

Our specialized team gathers information and monitors the situation at Toyota Motor Corporation, its subsidiaries and affiliates regarding information leaks and attacks from outside the company. If a serious incident occurs, a response team is formed including members in management positions, to settle the situation properly and promptly.

In fiscal 2020, no cases of serious leakage of confidential information including personal information occurred. However, the specialized team conducts training periodically, assuming an incident according to the threat trends in general, and reviewed or enhanced the response measures based on the training results, thereby ensuring continuous improvement.

Toyota's internal security systems, common measures and rules receive third-party evaluations based on industry standards (ISO27001/2, NIST SP800-82/52, IEC62443). For the problems pointed out in the evaluations, we implement necessary measures to raise our security level.

Furthermore, as a measure against increasing cyber attacks, Toyota has taken out a cyber security insurance that covers all our consolidated subsidiaries since 2018, with the aim of reducing the security risk.

# Compliance

Updated in December 2020

## Fundamental Approach

The Guiding Principles at Toyota state that Toyota shall “honor the language and spirit of the law of every country and region, and undertake open and fair business activities to be a strong corporate citizen of the world.” Toyota believes that adhering to this principle is to fulfill corporate social responsibility and ensure compliance.

The Toyota Code of Conduct (formulated in 1998 and revised in 2018) outlines the basic frame of mind that all members of Toyota should adopt. It shows concrete guidelines for the Guiding Principles at Toyota to carry out social responsibilities. This booklet is distributed to all our employees.

We also hold Sustainability Meetings to report and discuss the expectations of our stakeholders and our responses to various social issues including compliance.



## Ensuring Compliance

To ensure that awareness of compliance extends throughout the company from top management to each employee, Toyota provides compliance training programs to all employees on every suitable occasion, such as at the time of joining the company, promotion, and overseas assignment. Furthermore, the company periodically conducts the Business Compliance Seminar in which personnel in charge from the responsible division gives lectures on various laws and regulations that the employees must understand when carrying out their tasks, as well as e-learning. Lecture type individual trainings are also given to in-house divisions and subsidiaries in Japan according to their specific needs and requests.

### Main Training Themes

- |   |   |                          |
|---|---|--------------------------|
| • Contracts   | • Insider Trading Regulations                   | • Taxation               |
| • Act against Unjustifiable Premiums and Misleading Representations | • Product Liability Act                         | • Safety and Health etc. |
| • Intellectual Property (trademarks)                                | • Bribery/Corruption Prevention                 |                          |
| • Confidentiality Management  | • Export Operations Management                  |                          |
| • Labor   | • Subcontracting Law                            |                          |
| • Antimonopoly Law  | • Copyright                                     |                          |
|   | • Act on the Protection of Personal Information |                          |

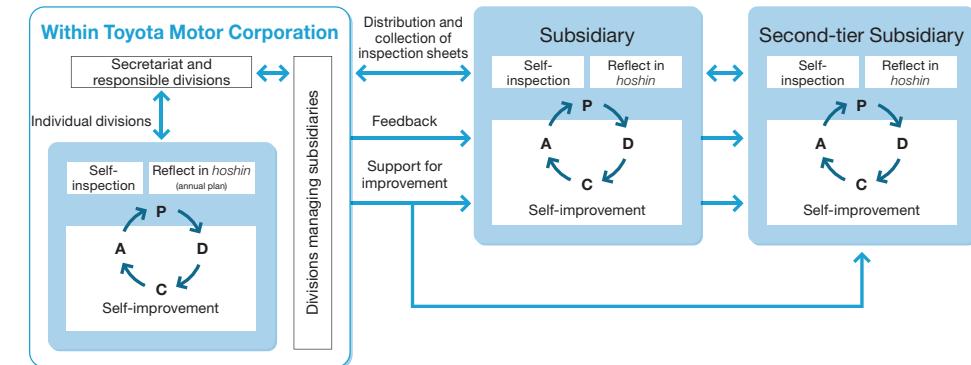
## Checks to Enhance Compliance

In FY2009, Toyota began implementing internal checks to enhance its compliance structure. In FY2010 these checks were extended to subsidiaries in and outside Japan. Since then, these checks have been carried out and improved every year.

Results are reported to Sustainability Meeting and used as a basis for further improvement. By incorporating improvement points into each year's action plans, we ensure that these checks lead to continuous improvement.

We also have discussions with subsidiaries to understand their compliance efforts and provide support when needed.

### Activity



## Bribery/Corruption Prevention Measures

In response to the global expansion of our business and increasing social demands, Toyota adopted Anti-bribery Guidelines for internal divisions and business partners in 2012 to promote the eradication of bribery/corruption.

In addition to prohibiting the bribery of public officials, the Anti-bribery Guidelines also include stipulations that prohibit bribery/corruption of others who are not public officials and require the preparation and retention of accurate accounting records, as well as the reporting of improprieties when they are found and cooperation when investigations are carried out.

In addition to the above, internal guidelines also stipulate the following.

- Points to follow when entering business partnerships (detailed audits, execution of contracts)
- Points to follow related to the payment of various expenses (gifts, donations, remunerations, etc.)
- Reporting impropriety when found/who to consult
- Penalties for violations and internal disciplinary measures

The internal guidelines have been written in Japanese and English, while there are Japanese, English, Chinese, Spanish, Thai, and Indonesian language versions of the guidelines for business partners.

Along with posting the internal guidelines on the company intranet and posting the guidelines for business partners on the public company site, we are also promoting higher awareness through various training and education programs and activities to ensure thorough awareness, thus implementing initiatives to strengthen our anti-bribery systems and prevent corruption.

In addition, bribery/corruption prevention has been incorporated into inspection activities since 2013, as we move forward with improvement activities aimed at strengthening anti-bribery systems which also include our subsidiaries.



## Initiatives for Taxation

Toyota formulated a taxation policy in September 2020, and disseminated it to all of the subsidiaries to promulgate Toyota's stance on tax payment and taxation policy in an easily understandable manner and promote our stakeholder's understanding on it.

Going forward, Toyota will endeavor to practice tax-related duties of high quality by maintaining compliance on taxation.

### Our Tax Policy

#### 1. Overview of Our Concept of Tax Payments

Toyota's founding philosophy was to contribute to the national economy by establishing an automobile industry, by "enriching people's lives through car making" and "creating employment and enriching the local economy by paying taxes as a locally rooted company".

Toyota will seek to achieve sustainable results through the Toyota Production System ("TPS") and cost reduction, and commits to its responsibility to making the appropriate tax payments as the most basic form of social contribution in the communities in which Toyota conducts its operations.

#### 2. Tax Principles

##### ■ Compliance

Toyota complies with local applicable laws and regulations in all jurisdictions in which we operate our business as well as relevant international tax standards, such as the OECD Transfer Pricing Guidelines, arm's-length standards, as established by international organizations. In addition, Toyota structures its normal business operations consistent with our low tolerance for tax risk and does not plan into tax avoidance structures outside of our normal business operations.

##### ■ Governance

Tax compliance falls under the responsibility of the Chief Financial Officer. Across our businesses, Toyota ensures oversight and governance of tax matters through internal review and approval procedures by members of the Regional Tax Function, local entities and Executive Boards where appropriate, consistent with our risk management framework.

When we face tax issues, Toyota Motor Corporation or its Regional headquarters in cooperation with each applicable local entity, will seek to resolve them in a timely fashion. At the same time, we define highly important issues based on business criteria. These issues are reported and evaluated in our board of directors' meeting regularly. These issues are reported to Audit and Supervisory Board Members regularly as well.

Toyota is committed to educating its employees on complying with its tax policy through trainings and e-learnings.

We value tax transparency by actively strengthening tax governance throughout the Toyota organization by partnering with our business divisions and through strict internal controls and high standards.

##### ■ Shareholder engagement

In order to optimize tax expense and improve shareholder value, we aim to strengthen the above governance and utilize tax incentives in line with the business substance of our operations to provide sustainable results within the parameters of our strategic and commercial objectives.

##### ■ Good relationship with tax authorities

We seek to develop and maintain good relationships with tax authorities by being open, constructive and transparent, based on integrity and mutual trust and respect.

Where there is a difference of opinion between the tax authorities and Toyota on a particular tax matter due to the complexity of the tax laws and regulations, Toyota seeks to work collaboratively with the tax authorities in order to resolve disputes and to achieve early agreement. Sometimes, however, it could be necessary for these differences in interpretation to proceed to national or supranational resolution procedures to clarify the interpretation of the law.

##### ■ Prevention and elimination of double taxation

Toyota adheres to the arm's length principles as defined by the OECD and allocates income according to business functions and risks appropriately in order to prevent double taxation.

When we face double taxation, we seek to eliminate it by applying available tax relief systems in each country or the mutual agreement procedure regulated in the tax treaties.

## “Speak up” Hotline

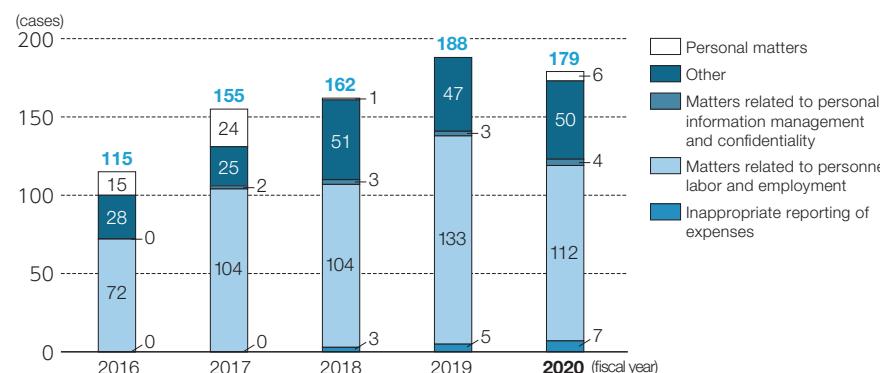
Toyota has established hotlines for quick and appropriate responses to concerns, complaints or questions that employees may have.

Conventionally, several hotlines have been set up separately depending on the types of consultations, including a Compliance Hotline run by an outside law firm (subcontractor), which allows employees to have consultations concerning compliance-related issues, and hotlines for harassments. Starting from April 2020, these hotlines have been integrated into the “Speak up” Hotline. We are making sure that user is aware of the hotline by using intranet and various other media. Consultations are provided through law firms, websites and telephone for our employees and their family members for issues related to their workplaces and duties (The hotline is also available to dispatched employees, in-house contractors and business partners for consultations on matters related to employees or workplaces of Toyota Motor Corporation.)

The content of a consultation is passed to the division responsible either anonymously or openly upon request and the details are investigated carefully to ensure that the employee who voiced the concern is not identified so that he/she will not feel uneasy. If the results of the investigation indicate an issue, a response is implemented immediately. For cases where an issue is actually identified, we confirm the facts and take appropriate measures in accordance with company regulations such as Work Regulations.

 [Supplier Hotline p. 31](#)

### Content and number of consultations provided to hotlines (Toyota Motor Corporation)



## Toyota Consolidated Helpline

Toyota Motor Corporation has set up the Toyota Consolidated Helpline (run by an outside law firm as a subcontractor) in addition to hotlines set up at each subsidiary. Employees of Toyota's subsidiaries in Japan and their family members may use this hotline as an option other than the hotline of their own companies when they have compliance-related questions regarding their companies.

# Performance Data

Updated in December 2020

Activity results for the past three years are listed in the table below. TMC: Toyota Motor Corporation

Issues	Items			Unit	FY2018	FY2019	FY2020
Environmental	Please refer to the separate Environmental Report for details on environmental issues.			 Environmental Report			
Social	Safety	No. of models with NCAP five-star safety rating	Japan (collision)	Models	2	3	4
			Japan (prevention): ASV+++		2	3	5
			U.S.		13	13	14
			Europe		2	1	3
			China		— <sup>1</sup>	1	2
	Quality	U.S. IIHS Top Safety Pick models	TSP		3	10	5
			TSP+		9	2	3
			No. of calls to customer call centers (TMC) <sup>2</sup>	Thousand calls	293	314	286
			Recalls <sup>3</sup>		—	—	59 <sup>3</sup> (11.8)
			Japan		—	—	30 (1.7)
Social Contribution Activities	Social Contribution Activities	Total expenses for social contribution activities <sup>4</sup>	North America	Number of recalls (Number of units: million units)	—	—	20 (6.9)
			Europe		—	—	20 (1.0)
			Other		—	—	28 (2.2)
			No. of Toyota Community Concert participants (Japan)	Billion yen	24.3	19.0	19.6
			No. of Why/What Lecture participants (Japan)		33,414	29,589	31,650
Employees	Employees	No. of visitors to the Forest of Toyota (Japan)	Persons		906	728	848
			No. of traffic safety educational materials distributed (picture books)		10,175	10,546	10,602
			Toyota Environmental Activities Grant Programs	Million books	2.62	2.66	2.68
			Employees (Global)		360	387	413
			Employees (TMC)	No. of programs (cumulative)	369,124	370,870	359,542
	Employees	Newly-hired employees (TMC)	Male		74,890	74,515	74,212
			Female		65,629	65,579	65,002
			Average age (TMC)	Years old	9,261	8,936	9,210
			Male		2,237	1,914	1,567
			Female		1,825	1,469	1,093
	Employees	Average period of employment (TMC)	Average age (TMC)	Years	412	445	474
			Male		38.8	39.4	39.7
			Female		39.4	39.5	41.0
			Average period of employment (TMC)		34.7	34.9	36.4
			Male		17.4	17.5	17.6
			Female	Years	17.9	18.0	18.2
			Turnover rate (TMC)		13.2	13.4	13.6
			Re-employed retirees (TMC)		%	—	1.02
			Local employees comprising management at overseas affiliates	Persons	745	890	958
			Non-Japanese CEOs/COOs in major overseas subsidiaries		67.8	70.8	71.4
			Employees (Global)	%	52.7	55.0	56.9

<sup>1</sup> No Toyota cars were in the scope for assessment in 2018.

<sup>2</sup> Results for January to December

<sup>3</sup> Since the same recalls conducted in multiple countries/regions are aggregated, the total number of recall cases of each country/region is not equal to the number of global recall cases.

<sup>4</sup> Toyota Motor Corporation and consolidated subsidiaries in Japan and overseas (applicable range may vary depending on item)

Issues	Items		Unit	FY2018	FY2019	FY2020
Social	Employees	Percentage of managerial positions held by women <sup>5</sup>	% TMC	—	—	12.1
		Number of female assistant managers (TMC)		—	—	2.5
		Number of female managers (TMC)	Persons	636	688	697
		Percentage of women in new recruits (TMC)		186	215	263
		Administrative employees	% Administrative employees	—	41.1	40.3
		Engineering employees		—	12.2	12.6
		Shop floor employees		—	26.4	32.7
		Female turnover rate (TMC)	Administrative/engineering employees Shop floor employees	—	2.2	1.5
		Administrative/engineering employees		—	2.6	3.2
		Shop floor employees		636	624	624
		No. of employees using the childcare and nursing care leave program (TMC)	Persons	54	111	149
		Male		582	513	475
		Female		15.4	15.2	13.5
		Average period of childcare leave (TMC)	Months	2.5	2.4	2.6
		Male		16.6	16.9	16.7
		Female		97.6	97.9	98.0
		Return rate after taking childcare leave (TMC)	% Male	100	100	100
		Male		97.4	97.6	98.0
		Female		1.5	3.3	5.1
		Rate of male employees taking childcare leave (TMC)	Days	93.8	94.5	93.1
		Rate of male employees taking leave after birth of their child (TMC) <sup>6</sup>		4.9	5.3	5.3
		Average number of days leave taken by male employees after birth of their child (TMC)		2.25	2.33	2.41
		Employment ratio of people with disabilities (including TMC and one special-purpose subsidiary) <sup>7</sup>	Persons	1,282	1,322	1,368
		Employment of people with disabilities (including TMC and one special-purpose subsidiary) <sup>7</sup>		2,602	6,013	14,345
		No. of employees using the flexible working hours system (TMC) <sup>8</sup>		935	3,896	11,912
		Male	% Female	1,667	2,117	2,433
		Female		92.8	92.8	93.4
		Percentage of annual paid leave taken (TMC) <sup>9, 10</sup>		21.3	20.9	20.9
		Average monthly overtime per employee (TMC) <sup>9</sup>	Hours/month	75.2	82.1	—
		Employees who feel personal growth (TMC)		—	75.8	78.7
		Employees who are satisfied with company life (TMC)		77.0	—	—
		Employees who are satisfied with company life (overseas) Administrative and engineering	% Employees who are satisfied with company life (overseas) Shop floor	70.0	—	—
		Employees who are satisfied with company life (overseas) Shop floor		—	—	91
		Ratio of employees covered by collective bargaining agreements <sup>12</sup>		Number of cases (persons/day)	—	1(1,598)
		Number of work stoppages and total days idle <sup>13</sup>		0.34	0.23	0.25
	Health and Safety	Frequency rate of lost workday cases	— Japan North America Europe China Asia Other	0.07	0.08	0.04
				1.49	0.93	1.01
				0.69	0.35	0.42
				0.20	0.19	0.07
				0.04	0.02	0.05
				0.18	0.12	0.23
Governance	Governance (TMC)	Outside Directors	Persons	3	3	3
		No. of consultations made to the Compliance Hotline		162	188	179

<sup>5</sup> Please refer to P. 42 for details on KPIs related to promotion of women's participation in the workplace.

<sup>6</sup> Percentage of male employees who took more than a half-day or full day of leave within two months of the birth of their child (including annual paid leave and childcare leave).

<sup>7</sup> Data for employment and employment ratio of people with disabilities are as of June 2020.

<sup>8</sup> Including use of programs other than those for childcare or nursing leave (definitions partially revised in FY2019).

<sup>9</sup> Union member average.

<sup>10</sup> As a fraction of the number of days given each year.  
Including days of annual paid leave carried over from previous years (annual paid leave can be carried over for up to two years).

<sup>11</sup> Survey not conducted.

<sup>12</sup> Countries with unionized operations (only countries/regions with manufacturing: 20 out of 22).

**SASB TR-AU-310a.1**

<sup>13</sup> Occurred at Toyota Do Brasil Ltda.

**SASB TR-AU-310a.2**

Issues	Items		Unit	FY2018	FY2019	FY2020
<b>Basic Data</b>	Overall	Vehicle sales (consolidated) <sup>14</sup>	Thousand vehicles	8,964	8,976	8,958
		Vehicle production (consolidated) <sup>14</sup>		8,964	8,985	8,819
		Research and development expenses	Billion yen	1,064.2	1,048.8	1,110.3
	Financial Information (Consolidated)	Net revenues	Billion yen	29,379.5	30,225.6	29,929.9
		Japan		16,024.8	16,625.3	9,522.9
		North America		10,574.4	10,817.2	10,416.5
		Europe		3,185.2	3,238.8	3,138.7
		Asia		5,148.1	5,513.0	4,828.6
		Other		2,453.2	2,333.4	2,023.1
	Operating income (Operating income ratio: %)	Operating income	Billion yen (%)	2,399.8 (8.2)	2,467.5 (8.2)	2,442.8 (8.2)
		Japan		1,659.9	1,691.6	1,567.9
		North America		138.8	114.5	270.6
		Europe		75.0	124.8	150.5
		Asia		433.1	457.4	370.9
		Other		112.6	91.1	90.7
	Supply Chain	Net income	Billion yen	2,493.9	1,882.8	2,076.1
		No. of parts suppliers (Global)	No. of Companies	3,759	3,453 <sup>15</sup>	3,605
		No. of parts suppliers (Overseas)		3,322	3,012 <sup>15</sup>	3,150
		No. of non-Japanese parts suppliers		1,795	1,507 <sup>15</sup>	1,653

<sup>14</sup> Including Daihatsu and Hino

<sup>15</sup> Revised in October 2020:

3,223→3,453

2,782→3,012

1,387→1,507



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## **TOYOTA MOTOR CORPORATION**

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