

Relationship with Our Stakeholders

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Relationship with Our Customers

Regarding quality as one of its material issues, Toyota Industries practices *monozukuri* (manufacturing) that quickly responds to the diverse, ever-changing needs of customers.

Basic Perspective on Quality

Quality Vision

Each and every member of the Toyota Industries Group makes sure to build in quality with ownership (*Jikotei Kanketsu*) at their own workplaces and positions to supply appealing products/ services that exceed the expectations of customers around the world with safe and reliable quality.

Carrying on the spirit of founder Sakichi Toyoda that “A product should never be sold unless it has been carefully manufactured and fully tested in the commercial trial, with completely satisfactory results,” Toyota Industries strongly believes that quality is the lifeblood of a company. Under this belief, we have formulated our Quality Vision as our philosophy in ensuring quality that forms the basis of our operations.

Types of Quality Sought by Toyota Industries



Toyota Industries strives to maintain and improve the total quality of our corporate activities, which encompasses not only “product quality” but also “marketing quality” and “management quality.” “Product quality” is embodied in the safety, eco-friendliness, durability, ease of use and workmanship of our products, while “marketing quality” entails excellent sales and service in addition to these attributes and “management quality” further enhances our overall corporate image and brand strength in terms of all of these attributes.

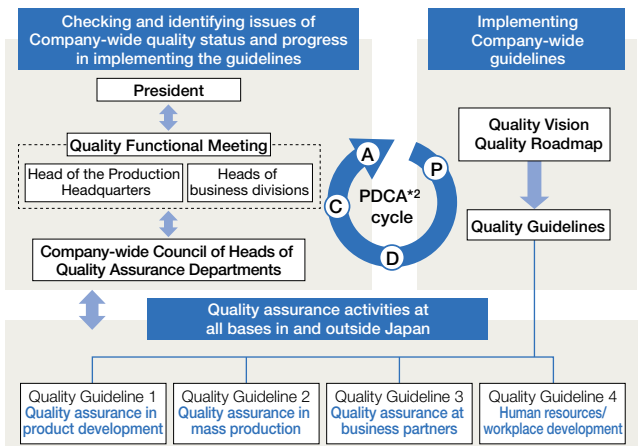
Quality Guidelines and Quality Assurance Structure

To achieve the goal of the Quality Vision, we issue the Quality Guidelines, which identify priority quality-related issues to be implemented in each fiscal year, to all production bases in and outside Japan and engage in quality assurance activities accordingly. The implementation status of these guidelines is reviewed by top management at the Quality Functional Meeting chaired by a senior executive officer serving as

the head of the Production Headquarters*1 for identifying additional issues and devising countermeasures. Issues raised are followed up at meetings of the Company-wide Council of Heads of Quality Assurance Departments chaired by the head of the Quality Control Department*1.

*1: As of March 31, 2021

Quality Assurance Activities Based on the Quality Guidelines



*2: PDCA (Plan, Do, Check, Act)

Toyota Industries undertakes product development that meets customer expectations by capturing market needs and understanding how our products are actually used by customers.

At Toyota Industries, development of a new product entails defining specific goals to incorporate quality in every stage from product planning and design to production preparation, production, sales and after-sales services. We perform a design review (DR), which allows a product to proceed to the next stage only when a responsible business division head examines and approves whether the product has reached the target quality level.

Additionally, we are proactive in obtaining ISO 9001 certification, an international standard for quality management systems, and IATF 16949, an international standard for automotive quality management systems, throughout our businesses.

■ **ISO 9001 certification:**
Acquired by 20 out of the 24 production subsidiaries
(as of July 2020)

Risk Assessment for Product Safety

In order to provide products that are safe for customers to use, each business division conducts risk assessment during a DR to identify, assess and respond to all risks.

We are also making Company-wide efforts to promote the development of human resources who can assess two

factors integral to risk assessment, namely, the likelihood of an occurrence of a hazard and severity of damage caused by it.

CSR Material Issue

■ **Rate of performing risk assessment on applicable products (non-consolidated): 100%**

Major Initiatives

Preventing Occurrence and Recurrence of Defects

If a defect is found in a product after its launch, the Quality Assurance Department of the responsible business division takes the lead in making a swift response to eliminate the concerns of customers and implementing measures to ensure non-recurrence of the same defect. In particular, a defect causing considerable inconvenience to customers is recorded as a critical quality issue and reported to the president. At the same time, we have in place a system to follow through on customer response as well as measures to prevent recurrence. Accordingly, we examine and identify the cause by going back to its development process. We implement countermeasures both from the process and technological aspects and revise our new product development process as necessary. Through these measures, we strive to thoroughly avoid the recurrence of the defect in subsequent models. Additionally, we make efforts to prevent the occurrence of defects in all products we develop and manufacture in the future by taking measures throughout Toyota Industries.

Providing Support to Business Partners

Since improving the quality of our products requires concerted efforts with our business partners in and outside Japan, we are strengthening joint quality assurance activities with major business partners.

1. Quality Audit

In each annual quality audit, we determine priority areas, conduct *genchi genbutsu* (go and see for yourself) inspections to confirm the improvement status of the previously identified deficiencies and provide quality education on items that should be reinforced in order to cultivate a deeper understanding of *kaizen* (improvement). In fiscal 2021, since on-site visits were not possible, we performed audits remotely.

2. Nurturing Internal Auditors

To foster voluntary quality improvement efforts of business partners, we are promoting efforts for business partners satisfying our criteria to nurture their own internal auditors and autonomously improve their quality assurance systems.

These activities enable our business partners to attain the level of quality assurance required and establish a culture to foster quality assurance on their own.

Promoting Human Resources and Workplace Development

Toyota Industries provides systematic quality education to all employees to help them acquire quality assurance skills needed in actual operations. We have been developing

human resources who think, learn and act on their own. We have also been promoting quality control (QC) circle activities and creative proposals to establish a vibrant workplace along with promoting the development of human resources who can take a scientific approach to quality assurance by using statistical quality control (SQC) techniques and big data analysis.

1. QC Circle Activities

We encourage all employees to participate in QC circle activities. We have garnered many awards, as we presented the results of our activities at QC circle conventions across Japan. For example, we received an encouragement award under the QC Circle Kaoru Ishikawa Award program for four consecutive years. The award is given to QC circles for their contribution to widespread, more active and better QC circle activities.

Our production bases outside Japan are also proactive in promoting QC circle activities. We assist them in undertaking independent activities by nurturing and certifying QC circle trainers at each base. Even though the COVID-19 pandemic that started in 2020 affected QC circle activities of all bases outside Japan, these trainers have devised creative solutions to maintain their initiatives.

As for the Global QC Circle Convention held every year in Japan as a venue for presenting activity results, we switched to a video session in fiscal 2021 and shared the accomplishments of all bases.



QC circle meeting held outside due to COVID-19 pandemic (Indonesia)

With regard to employees’ creative ideas, we received nine awards in fiscal 2021 in the Creativity category in the Commendation for Science and Technology by Japan’s Minister of Education, Culture, Sports, Science and Technology.

2. Nurturing Human Resources Who Can Take a Scientific Approach

As part of our basic education on quality management, we teach the basics of SQC and big data analysis.

Under this initiative, we have been working to increase the practical application of big data analysis. Specifically, in addition to nurturing core human resources through problem solving in the workplace, we have held the TICO SQC Convention for 37 years to share best practices of each business division and hone collective skills. In fiscal 2021, this session was held online in response to COVID-19.



TICO SQC Convention (held online)

CSR Material Issue

■ **Rate of receiving quality education and training (non-consolidated): 100%**
(Number of employees receiving basic education on quality management: 178)

Relationship with Our Business Partners

Toyota Industries encourages open procurement and seeks co-existence and co-prosperity with our business partners (suppliers) based on mutual trust. We also facilitate fair trade, environmentally preferable purchasing, human resources development, disaster prevention activities for a possible major earthquake and other disasters and more efficient purchasing.

Procurement Policies

- Fair and equitable business transactions based on an open door policy
- Co-existence and co-prosperity based on mutual trust
- Reducing environmental impact through environmentally preferable purchasing
- Localization of business for good corporate citizenship
- Legal compliance

Fair and Equitable Business Transactions Based on an Open Door Policy

We provide fair and equal opportunities to all potential business partners. We comprehensively evaluate our business partners based on such factors as quality, price, adherence to delivery times, technological capabilities and management information. We also assess their initiatives for safety, the environment and compliance as we strive for the timely and stable procurement of excellent products at lower costs based on fair business transactions.

Co-Existence and Co-Prosperity Based on Mutual Trust Cultivated through Regular Dialogue

We work hard to realize co-existence and co-prosperity with our business partners based on mutual trust. Every year, we hold procurement policy meetings and top manager seminars for major business partners to facilitate mutual understanding and cooperation. In addition, we provide such programs as quality control and technical skills training, guidance directed toward *kaizen* at their production sites and safety and health education throughout the year.

Reducing Environmental Impact through Environmentally Preferable Purchasing

We aim to procure parts, raw materials and equipment from business partners that give sufficient consideration to the environment.

In the sixth edition of our Environmentally Preferable Purchasing Guidelines, we added the aspirations in 2050 of our Environmental Vision. Accordingly, we have been strengthening environmental management in our entire supply chain and undertaking relevant initiatives throughout the product lifecycle.



Environmentally Preferable Purchasing Guidelines

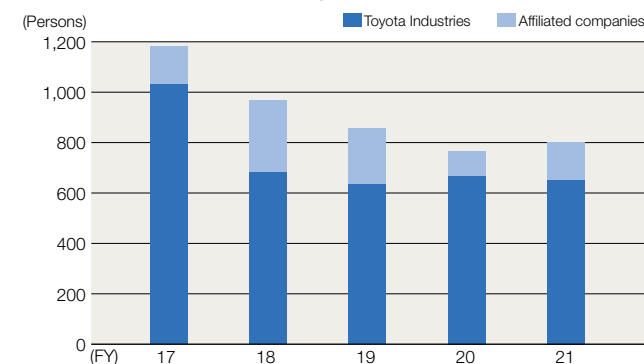
Major Initiatives

Human Resources Development

We proactively provide education to enhance procurement knowledge. In fiscal 2021, we provided education mainly on Japan's Subcontracting Law to personnel in charge of procurement at Toyota Industries and affiliated companies by using a web conference system for greater efficiency and for preventing the spread of COVID-19.

We also thoroughly inform personnel in charge of procurement about our response to the Japanese government's initiatives and guidelines aimed at ensuring fair subcontracts.

Participants of Subcontracting Law-Related Seminars



Procurement Risk Management

1. CSR-Related Efforts in the Supply Chain

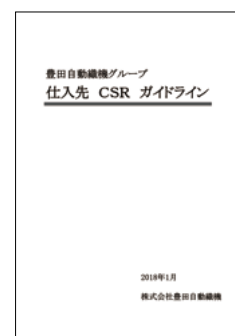
Once a year, we distribute to our business partners the CSR Guidelines for Business Partners, which describe our requirements related to CSR activities, and ask them to perform a self-inspection using a checklist. By doing so, we are striving to maintain sound transactions and augment a related structure throughout the supply chain.

CSR Material Issue

■ Rate of performing a CSR check on applicable suppliers (non-consolidated): 100%



Toyota Industries' CSR Guidelines for Business Partners are available on its Website (in Japanese).



CSR Guidelines for Business Partners

Response to Conflict Minerals

As one initiative for respecting human rights, we stipulate our Procurement Policies for Mineral Resource and Raw Materials in the CSR Guideline for Business Partners. Based on these policies, we conduct a periodic check to confirm that Toyota Industries and its business partners do not use conflict minerals that have concerns for the funding of armed groups or for the abuse of human rights, such as child labor, forced labor and mining under poor working conditions.

Establishing a Hotline for Business Partners

In fiscal 2017, we set up a hotline for our business partners to report and inquire about possible compliance violations in Toyota Industries' procurement activities to ensure early detection and the prevention of problems.

2. Business Continuity Management (BCM)

In further promoting BCM, we are making concerted efforts with business partners to reduce associated risks by implementing specific measures. In fiscal 2021, to deal with frequent natural disasters in recent years, we extended the scope of our IT system-based damage assessment from earthquakes to other natural disasters. As part of our supply chain risk assessment related to floods, we have identified business partners with flood risk by using hazard maps. Moreover, in order to recover quickly and maintain production, we have reinforced our flood control measures at each base while at the same time accumulating inventories and examining ways to decentralize suppliers and production bases.

Relationship with Our Shareholders and Investors

We aim to obtain an appropriate company valuation in stock markets through timely, appropriate and fair information disclosure as well as proactive dialogue with shareholders and investors.

Basic Perspective and Implementation Structure

Toyota Industries continually carries out timely, appropriate and fair information disclosure for shareholders and investors. In this way, we raise management transparency and increase an understanding of the Toyota Industries Group so that we obtain an appropriate company valuation in stock markets. Our investor relations (IR) activities are supervised by an executive in charge of the Corporate Planning Department. We also strive to engage in proactive dialogue with shareholders and investors by establishing a dedicated department.

Major Initiatives

We implemented various safety protocols for our 142nd General Shareholders' Meeting held on June 9, 2020, including reducing the number of available seats, to prevent the spread of COVID-19 and ensure the safety of our shareholders.

With regard to the exercise of voting rights, we encouraged shareholders to use the Internet and other online



142nd General Shareholders' Meeting

means. All resolutions were passed at the meeting.

For institutional investors and analysts, we held financial results briefings by management, while the Investor Relations Office conducted individual interviews via telephone and the Internet. At these opportunities, we engaged in dialogue on our future direction and other topics, which pertained mainly to initiatives carried out by each business under the pandemic as well as logistics solutions, for which we have been striving for business reinforcement, and efforts concerning electrification in the fields of automobiles and materials handling equipment.

Opinions and requests we collect through communications with shareholders and investors are fed back to executives and relevant business divisions via the Board of Directors and various committees to reflect them in our future business activities.

Returning Profits to Shareholders

Toyota Industries regards ensuring shareholder benefits as one of the most important management policies. Accordingly, we strive to continue paying dividends at the consolidated dividend payout ratio of roughly 30% and meet the expectations of shareholders upon comprehensively taking into consideration such factors as business results and demand for funds.

For fiscal 2021, Toyota Industries decreased annual cash dividends by ¥10.0 from the previous fiscal year and paid annual cash dividends per share of ¥150.0 (interim cash dividend per share of ¥70.0 and year-end cash dividend per share of ¥80.0).

Relationship with Our Associates

We undertake initiatives to enable associates to work safely and with peace of mind as well as to exercise their diverse potentials and play active roles.

Basic Concept of Human Resources Management and Labor Management

Under the spirit of “Respect for People,” Toyota Industries undertakes a range of initiatives based on a relationship of mutual trust and mutual responsibility between the Company and associates. Our basic concept in this area is to develop and leverage the capabilities of associates and the organization to the fullest by promoting the creation of a highly motivated team.

Major Initiatives

Building Interpersonal Relationships

Toyota Industries believes it important to build good relationships between supervisors and subordinates as well as among associates through sufficient communication. Accordingly, we are facilitating communication in the workplace through various measures. Examples include the promotion of active communication between supervisors and subordinates as well as a mentorship system in which more experienced associates take care of younger associates, giving advice about their worries, including those in their daily lives. We are also promoting informal, non-business communication to cultivate a sense of unity in the workplace and throughout Toyota Industries via various events. They include social gatherings organized by each workplace as well as sports days, summer festivals and *Ekiden* long-distance relay races held jointly by some Toyota Industries Group companies as annual activities. Through these efforts, we are creating a workplace where each associate can thrive.

Increasing Associate Satisfaction

Toyota Industries focuses on creating a workplace that enables individual associates to demonstrate their abilities to the fullest and find their work rewarding and meaningful. While our basic stance is to solve difficulties faced by associates and their grievances about the workplace through communication between supervisors and subordinates, we also listen to voices of associates through Company-wide morale surveys. In addition, we strive to improve working environments by holding comprehensive labor-management discussions on associates’ suggestions gathered by our workers’ union. As we believe ensuring stable livelihoods for associates is another important matter, we are enhancing our welfare program to realize more enriching and fulfilling lives.



Interview between a supervisor and subordinate

Human Resources Development

Toyota Industries recognizes that to achieve sustainable corporate growth associates’ personal growth and improved skills are essential and constitute the most important factor in work motivation. Recognizing that on-the-job training (OJT) through daily work forms the basis of our human resources development, we hold a biannual supervisor-subordinate interview to discuss various matters, including a challenge of achieving the subordinate’s further growth. To complement OJT, we also provide introductory training for new employees, rank-based training for associates being promoted to a higher position and specialized education to cultivate expertise, abilities and skills necessary for carrying out work tasks. We are working to reinforce human resources development by providing a variety of training programs that lead to practical use in the workplace.



Training for newly appointed Senior staff (SS)

Rank-Based Training/Grades

| | Office associates | Production associates | |
|---------------------|--|-----------------------------------|---------------------|
| Managers | Training for newly promoted managers grade 3 | | Managers |
| Senior staff (SS) | TICO Business Practices training III | | Chief experts (CX) |
| | Training for newly promoted SS | Training for newly promoted CX | |
| Middle staff (MS) | TICO Business Practices training II | | Senior experts (SX) |
| | Training for newly promoted MS | Training for newly promoted SX | |
| Junior staff (JS) | | Training for newly promoted EX | Experts (EX) |
| | TICO Business Practices training I | Production associate training III | |
| Clerical staff (CS) | Induction training | Production associate training II | General associates |
| | | Induction training | |

Supporting Active Roles and Work Styles of Diverse Human Resources

1. Supporting Work-Life Balance

We have been carrying out activities so that associates who are balancing work and family can work with higher motivation and pursue career development. Such activities

mainly focus on enhancing systems to support a work-life balance and facilitating an understanding for maintaining a work-life balance.

The enhancement of systems to support a work-life balance includes an on-site day care center; a return-to-work (“welcome-back”) system, which allows associates who have left work to care for children and family members or to accompany their spouse for a job transfer to get reinstated under certain preconditions; a shorter work-hour system for childcare; and a leave system and loan system for fertility treatment. Through these systems, we provide an environment for associates to work at Toyota Industries for longer years with peace of mind. As a means to facilitate an understanding for maintaining a work-life balance, we distribute the Handbook for Balancing Work with Nursing Care to associates above a certain age to help them gain knowledge on nursing care and to create a workplace culture that allows associates to seek advice easily. We also regularly hold seminars on balancing work with nursing care for associates and their families and provide newsletters on nursing care to those who are interested.

As a result of these efforts, Toyota Industries received “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare in August 2019 in recognition of our excellent efforts concerning work-life balance as well as a “Family-Friendly Company” award from the Aichi prefectural government in February 2020.

2. Promoting Active Roles of Female Associates

CSR Material Issue

We aspire to let individual associates to thrive in their assigned work and role regardless of gender. Accordingly, we have augmented our efforts to promote greater roles of female associates.

In 2015, we set up a project to promote more active roles for female associates in office work and engineering

positions, comprising males and females from different departments. This project was key for the identification of issues and formulation of policy proposals in promoting active roles of female associates, which formed the basis for the

Action Plan for More Active Roles for Female Associates

| | | FY2016 – FY2022 |
|--|---|-----------------|
| Changing mindsets among managerial staff and across all associates | (1) Launch, message from president | ➡ |
| | (2) Awareness seminar for managerial staff | ➡ |
| | (3) Follow-up on individual development plans | (Ongoing) |
| | (4) Getting spouses involved in pre-maternity leave seminars | ➡ |
| | (5) Lectures by male role models | ➡ |
| | (6) Promoting further engagement of male associates in childcare | ➡ |
| Career support for female associates | (1) Sending associates overseas for training at an early stage in their careers | (Ongoing) |
| | (2) Career training and interviews for female assistant managers | ➡ |
| | (3) Role model exchange meetings | ➡ |
| | (4) Early return-to-work support (pre-maternity leave seminars) | ➡ |
| | (5) Early return-to-work support (financial aid system for day care costs) | ➡ |
| Promoting flexible working practices | (1) Expanding work-at-home options | ➡ |
| | (2) Establishing satellite offices | ➡ |
| | (3) Installing refrigerated delivery lockers | ➡ |
| Promoting more active roles of female production associates | (1) Launch | ➡ |
| | (2) Seminar for supervisors on nurturing female subordinates | ➡ |
| | (3) Work style seminar for female associates | ➡ |

Initiatives for Promoting Active Roles of Female Associates

| | Phase 1 Establishing and enhancing work-life balance support systems to instill related practices | Phase 2 Cultivating a culture to encourage more active roles | Phase 3 Undertaking initiatives to promote even greater roles |
|------------------------------|--|--|---|
| | 2002 — | 2008 — | 2015 — 2019 — |
| Promoting active roles | | Cultivating a culture <ul style="list-style-type: none">Opening a diversity-related page on the intranetFemale associate exchange meetingsHolding lectures | Project to promote more active roles for female office associates Working group for promoting active roles of female production associates |
| Supporting work-life balance | Enhancing support systems <ul style="list-style-type: none">Extending the period of childcare leaveIntroducing a leave system to allow parental care of children with illnessesIntroducing a shorter work-hour system for childcareIntroducing a work-at-home systemEstablishing on-site day care centerIntroducing a “welcome-back” systemIntroducing a financial aid system for day care costsIntroducing a system of leave for fertility treatmentInstalling delivery lockers | | |

development of a Company-wide action plan in clarifying the initiatives for this project. Under the plan, we are moving ahead with efforts to promote even greater roles of female associates. Since fiscal 2017, we have held a seminar for a cumulative total of more than 1,400 managers who directly engage in the mentoring and development of associates. Starting from fiscal 2020, we have been conducting enlightenment activities to foster an understanding of the environment in which associates, both male and female, having limited working hours due to nursing care or childcare are working. We have also worked to raise awareness of human resources development that takes into account their life events.

In order to create an environment to allow associates who are balancing work and childcare to work with higher motivation and pursue career development, we have enhanced our programs to support the early return to work from a break in their career. Efforts include a full-day work-at-home system launched in October 2016; pre-maternity leave seminars started in December 2017 for associates and their spouses to think about a way of working after returning to work; and a financial aid system for day care costs adopted

TOPIC

Promoting More Active Roles of Female Production Associates

We aspire that all associates engaging in production operations fully work and take active roles until an older age. In order for female associates to do so, we need to overcome issues of gender-related differences in physical strength and frame as well as the challenges of working during pregnancy, after giving birth and while raising children. As a means of doing so, we formed a Female Working Group and Job Level Working Group in fiscal 2020. These groups have been working to review current issues, identify countermeasures and formulate an action plan for the next and following fiscal years. In fiscal 2021, we held a work style seminar for female associates, during which female production associates explored experiences and work styles necessary to continue thriving in their own way and created a plan themselves. We also held a seminar for supervisors on nurturing female subordinates, giving them an opportunity to think about how best to support their subordinates.



Work style seminar for female production associates

in April 2018 for associates working while taking care of infants younger than one year old.

As a result of these initiatives, the number of female managers has steadily increased. In October 2016, we received “Eruboshi (“L Star”: L stands for Lady, Labour and Laudable)” certification, which is given to companies making excellent efforts in promoting female engagement in the workplace, from Japan’s Ministry of Health, Labour and Welfare. In November 2019, we also received an “Excellent Company” award from the Aichi prefectural government under its “Female-Friendly Company” certification program.

Looking ahead, we will continue to make efforts to improve workplaces to offer females a wider range of jobs and higher quality of work and maintain initiatives started in fiscal 2020 to promote active roles of female associates in production operations. We will also support the creation of a better working environment to enable all associates working under time constraints to fulfill their individual potential.

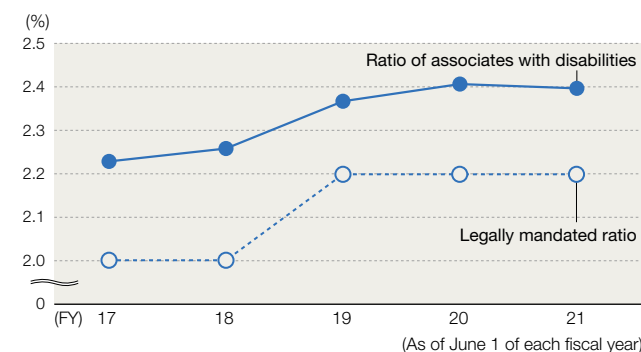
3. Employment of Persons with Disabilities

We respect the idea of people with and without disabilities working together and sharing life and work values. Under this basic policy, we continue to employ persons with disabilities every year. They are assigned to a variety of sections and work with other members to perform their designated tasks.

CSR Material Issue

Ratio of associates with disabilities: 2.40%
(non-consolidated)

Ratio of associates with disabilities (non-consolidated) and legally mandated ratio



4. Creating a Work Environment for Older Associates

In order to enable older associates to work and take active roles in production operations, we have been focusing on creating a better, less physically stressful work environment for them.

Recent efforts include setting up standard procedures for the handling of heavy objects and a work environment that makes it easier for older associates to work, and improvement in



Process improvement using the work posture analysis system

processes in production lines with the development of a work analysis system that evaluates work posture using videos. In addition, we hold “Seminars for an Active Life” for associates reaching the age of 50 and 55 to give them an opportunity to envision life and work for the next 10 years.

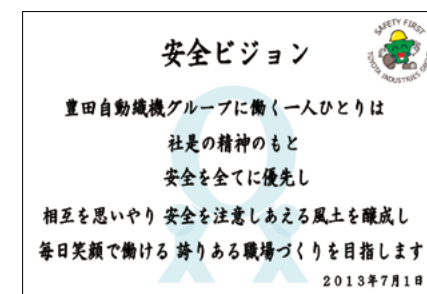
Efforts Related to Respect for Human Rights

Toyota Industries believes it essential to ensure that we do not infringe human rights of all of our stakeholders involved in business activities, including associates. It is equally important to take appropriate measures to rectify the infringement and fulfill our responsibility if human rights are negatively impacted in our business activities.

In respecting human rights, it is crucial that every associate has a correct understanding of these rights. As such, we undertake human rights enlightenment activities through new employee education and rank-based training. We also recognize that non-Japanese associates working in Japan are more susceptible to human rights-related troubles due to language barriers as well as different living and working environments in Japan and their home countries. To protect such associates, we conduct human rights due diligence concerning their employment on our consolidated subsidiaries in Japan.

Basic Perspective on Safety

Based on the idea of building “a homelike atmosphere at work that is warm and friendly” as stated in the Toyoda Precepts, we formulated the Safety Vision in 2013 after holding repeated discussions on the “basic stance on safety” and “optimal safety we seek.” The vision has been instilled at all bases in the Toyota Industries Group.



Safety Vision

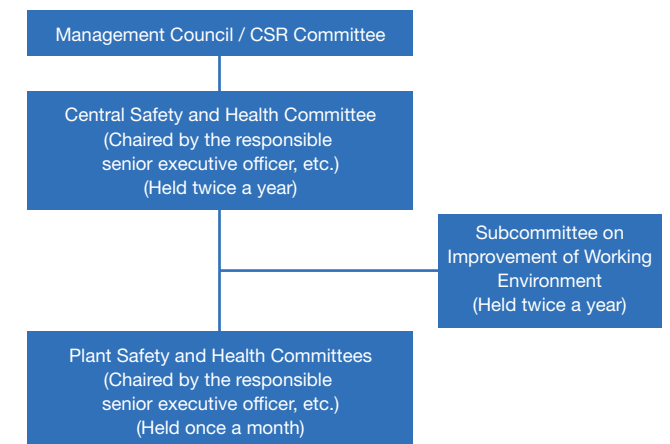
Each and every associate in the Toyota Industries Group, guided by the spirit of our corporate creed, aims to create a corporate culture that places a top priority on maintaining safety in all areas and focuses on mutual courtesy and safety as well as realizing workplaces where associates work each day with a sense of happiness and pride.

Structure for Promoting Safety and Health

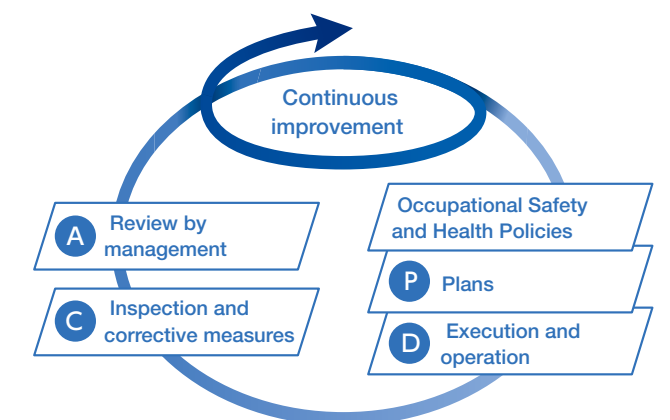
Under our basic policy of placing a top priority on safety, we have been striving to eliminate industrial accidents and occupational disorders. As part of such efforts, we have established the necessary committees, including the Central Safety and Health Committee and Plant Safety and Health Committees.

Occupational Safety and Health Management System

In accordance with the concept of an Occupational Safety and Health Management System (OSHMS), we have established a required management structure in each plant (or business division) headed by a general safety and health manager (senior executive officer or another executive) and have been carrying out safety and health activities on an ongoing basis from human, object and administrative standpoints based on risk assessment.



Improvement Flow of Safety and Health Activities

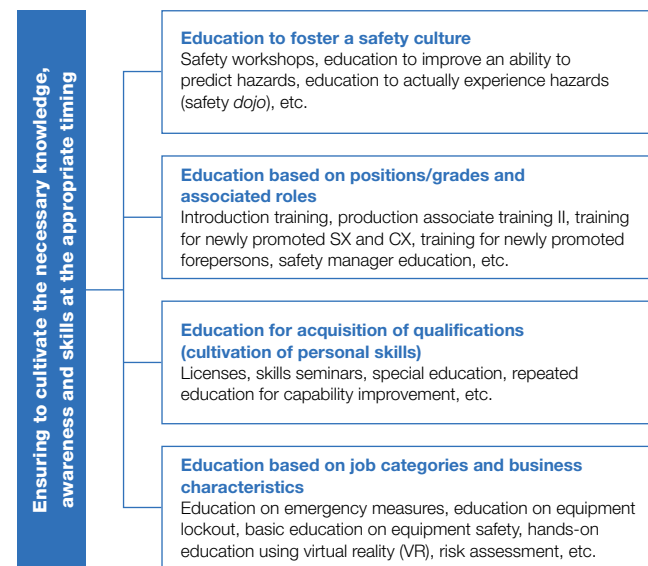


Major Safety-Related Initiatives

Thorough Safety and Health Education

In order to cultivate knowledge, awareness and the skills necessary to prevent industrial accidents and occupational

disorders, Toyota Industries proactively provides safety and health education, including education designed to foster a safety culture, education required by law, rank-based education and job-category-based education.



Safety and Health Activities for Business Partners

As part of activities to prevent accidents (fires and explosions) and industrial accidents involving business partners on the premises of Toyota Industries, we have established the Safety and Health Council with subcontractors located on our premises to jointly create a comfortable working environment by sharing information on accidents and disease prevention activities of Toyota Industries.

Using past accident cases as a reference, we periodically share various information, including matters that should be observed to prevent similar accidents, with subcontractors of outsourced work. We also request their cooperation to perform risk assessment in the construction work planning stage to identify associated risks. In addition, we encourage them to always discuss in advance a safe work method with the departments of Toyota Industries planning a construction project.

Efforts against Serious Accidents

CSR Material Issue

In 2019, a serious accident occurred at a Toyota Industries plant during the product quality assurance process due to the defective structure of equipment. We subsequently made efforts to identify deficiencies and undertaken measures to prevent recurrence. In fiscal 2021, we continued to concentrate on the implementation of physical measures. As an example, in May 2020 we introduced a mechanism to always cut off power when an operator accesses a machine while disabling its safety device.

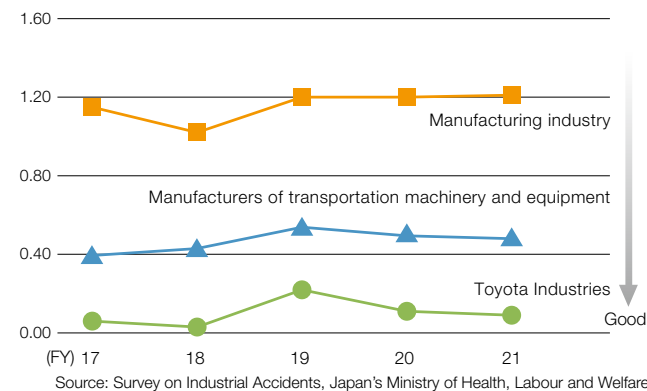
In addition, we have built a system to definitively prevent serious accidents when installing or retrofitting equipment, which includes visualization of stop control and safety feature

checks by inspectors possessing the required skills, as an effort to improve the safety assurance of equipment.

We will continue to work toward the development of safe workplaces and safety-oriented human resources based on an approach of the Toyota Production System (TPS), which is to always shut down a machine when something is wrong and take fundamental measures to remove the root cause.



Frequency Rate of Lost Workday Injuries (Non-Consolidated)



Major Health-Related Initiatives

As a task for the medium term, we are promoting health improvement of associates, mainly focusing on prevention of lifestyle diseases and mental health support activities, to counter risks of health problems associated with aging and greater stress. Through these efforts, we help associates to work and take active roles over the long term.

Prevention of Lifestyle Diseases

As a collaborative initiative of Toyota Industries, its workers' union and health insurance association, we conduct periodic age-based health education for all associates (every five years, from the age of 30). To provide motivation for better health, we feed back to associates the results of an annual health checkup along with advice to improve lifestyle habits.



Walking event

In fiscal 2020, we started providing such information as physical fitness propensity scores and countermeasures, how physically fitted for work, assessment of physical fitness age and recommended exercises to increase motivation for promoting physical fitness.

For preventing and ameliorating symptoms of metabolic syndrome, we provide health promotion guidance to associates at the age of 39 or younger in addition to specific health guidance required by the Japanese government. By doing so, we encourage associates to improve lifestyle habits early on.

Major Health Promotion Activities in Fiscal 2021

| | |
|------------------------------|---|
| Stop smoking awareness event | ▶ No Smoking Days: Half-day no smoking (for 10 days) |
| Walking events | ▶ Held jointly with health insurance association twice a year in spring and fall (761 participants) |
| Early detection | ▶ Providing financial aid for various examinations (used by 914 associates) |

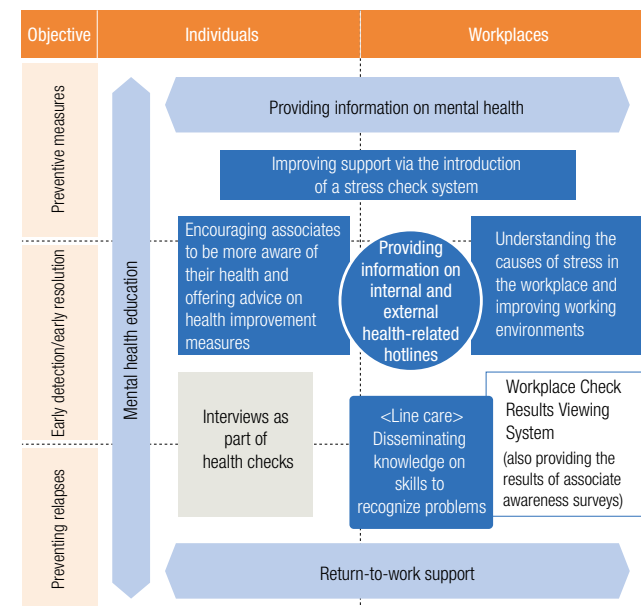
Mental Health Support

As part of mental health support activities, we have in place a system to offer early consultation through a health-related hotline. Other activities include upgrading our self-care/line-care education to prevent new cases of mental health problems and operation of a return-to-work support program for persons on long-term leave for prevention of relapses. We have successfully achieved positive results through these activities.

In fiscal 2021, we put particular emphasis on line care and encouraged supervisors to use check sheets and check cards to develop skills to recognize the sign of a problem of subordinates who report directly. Through this effort, we

Improving Mental Health Support Systems

(Introduced a Stress Check System in Fiscal 2017)



have worked to instill a culture that will lead to increased awareness and action. Under the stress check system introduced in fiscal 2017, we again conducted a check on all associates in fiscal 2021 and fed back the check results to all participants and workplaces with suggestions for improvement. We also set up an individual interview with a doctor for those wishing to do so and provided improvement support as necessary to individual workplaces. As a means to feed back the results to workplaces, we operate an IT-based Workplace Check Results Viewing System that allows the users to perform a precise search of results and tips for improvement.

TOPIC

Included in White 500 for Four Consecutive Years

For its efforts related to the health of associates, for the fourth consecutive year Toyota Industries was recognized in the large enterprise category of the 2021 Certified Health and Productivity Management Organization Recognition Program (White 500) jointly promoted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



Major Activity Indicators

| Activity indicator | FY2019 | FY2020 | FY2021 |
|---|---------------|---------------|--------|
| Participants of age-based health education* | 2,470 persons | 2,357 persons | — |
| Rate of undergoing a stress check | 99% | 99% | 99% |

* Temporarily suspended from March 2020 for preventing the spread of COVID-19

Response to COVID-19

In accordance with the Risk Response Manual, which has been formulated to prepare for an emergency, Toyota Industries has established a COVID-19 Response Headquarters and has been collaborating with health centers and other public agencies to counter the pandemic. We have developed and distributed a response manual specifying procedures to follow when infection occurs in a workplace. Our basic COVID-19 protocols also include checking body temperature every morning, frequent hand washing and avoiding the 3Cs (closed spaces, crowded places and close-contact settings) as well as working from home. We will continue to collect relevant information and implement measures corresponding to the latest developments regarding the infection status.

Relationship with Our Local Communities

With a view toward creating an enriched and healthy society and ensuring its sustainable growth, we fulfill our role as a good corporate citizen and actively undertake social contribution activities in every region where we do business.



Basic Perspective

Carrying on the founding spirit of “contributing to society through *monozukuri* (manufacturing),” each and every employee of Toyota Industries proactively engages in social contribution activities as a dedicated member of society. With an emphasis on the areas of social welfare, youth development, environmental protection and community contribution, we not only provide cooperation and support through personnel, facilities, funds and know-how but also strive to closely connect with participants.

Implementation Structure

We have established the Social Contribution Group within the General Administration Department in the Corporate Headquarters. Through this group, we plan and execute various programs in aforementioned areas; undertake enlightenment activities to raise employees’ awareness; provide logistics support to volunteer activities of individual employees as well as employees’ voluntary organizations formed at each job level; and promote communication with local communities.

We established a volunteer support center called “Heartful Club” in 2008, which has been used as a base for our social contribution activities, such as collaborating with NPOs and holding meetings with local residents.

Major Initiatives

Enlightenment Activities

We promote a range of programs for employees of Toyota Industries and its Group companies so as to increase their interest in social issues and cultivate a mindset to always think about what they can do to address these issues. Such programs include donating one item per one person to help welfare facilities to hold a charity bazaar; local cleanup activity conducted as part of training for new employees; social welfare and environmental protection activities of employee associations*1; and providing information on volunteer activities via the intranet. In this way, we provide various opportunities and venues to participate in social contribution activities.

*1: Voluntary organizations formed by employees at each job level



Company-wide cleanup activity

Communicating with Local Communities

We hold an annual local community meeting for the purpose of sharing and resolving various issues in each community.

This meeting is attended by local community representatives and responsible persons of Toyota Industries in the general administration, environment and other relevant departments. Depending on the theme of the meeting, representatives from the local government also join. Participants exchange opinions not only on our business activities and associated environmental risks but also on local events and activities for crime/disaster prevention and traffic safety.



Local community meeting

Major Social Contribution Activities of Toyota Industries and Group Companies

| Theme | Activities |
|--------------------------|---|
| Social welfare | Events to interact with persons with disabilities*2 • “Walk Rally (orienteering),” harvest festival, festival Support for welfare facilities • Support for charity bazaars at facilities by providing goods • Volunteer work for facility cleanup/repair/pruning/weeding • Support for sales of products from facilities for persons with disabilities by providing opportunities to set up stalls • Volunteer listening activities at elderly care facilities*2 Supporting measures against COVID-19 (worldwide) (P. 59) |
| Youth development | Support for Youth Invention Clubs*2 • <i>Monozukuri</i> workshops for elementary school children during summer vacations • Holding handmade kite-flying competitions • Running craft corners at local events Providing <i>monozukuri</i> lessons at school Holding Mini Concerts at elementary schools*2 Holding Manufacturing Day event online (U.S.A.) (P. 59) |
| Environmental protection | Initiatives for forest conservation • Tree-thinning activities for conservation of prefecture-owned forests • Producing and donating benches that made effective use of thinned wood Providing “Aim for the 21st Century-Style <i>Monozukuri</i>” environmental education program for elementary school students (P. 59) |
| Community contribution | Participation in local traditional event (Mando Festival)*2 Road cleanup activities in areas around plants Activities to raise awareness for traffic safety Crime prevention patrols Drill on feeding power to an evacuation shelter (P. 59) |
| Other | Holding charity concert*2 Support for international NGO through volunteer activities to collect spoiled postcards and others Periodic blood donation drives |

(Activities without country designation were conducted in Japan.)
*2: Canceled in fiscal 2021 as a measure to prevent the spread of COVID-19

Activity Examples of the Toyota Industries Group

Worldwide Supporting Measures against COVID-19

Social welfare

- Manufacturing and donating face shields
- Donating protective equipment to medical facilities, local governments and other organizations
- Lending and donating trucks and other transportation equipment
- Donating food
- Making monetary donations to NPOs and various funds



Manufacturing and donating face shields



Donating transportation equipment



Donating protective equipment to medical facilities, local governments and other organizations

U.S.A. Holding Manufacturing Day Event Online

The Raymond Corporation

Youth development

The Raymond Corporation, a subsidiary manufacturing and selling warehouse trucks, holds a Manufacturing Day event every October for local high school students to learn about manufacturing operations. In fiscal 2021, the event was held online and attended by more than 2,000 students. They gained a deeper understanding of the manufacturing industry through a virtual plant tour and interactive quizzes.

Japan Providing “Aim for the 21st Century-Style *Monozukuri*” Environmental Education Program for Elementary School Students

Environmental protection

The Higashiura Plant in Aichi Prefecture hosted the “Aim for the 21st Century-Style *Monozukuri*,” an environmental education program for fifth graders living in Higashiura-cho. The program was designed to spark an interest in *monozukuri* and raise safety and environmental awareness among children. For this 12th event, we invited 63 students from Ikuji Public Elementary School in Higashiura-cho. They learned about our ingenuity in production operations and our safety and environmental efforts through fun activities, including an experiment to turn wastewater into clean water, walking on the plant’s animal path*3 and quizzes.

*3: Safe passage created solely for foxes and other small animals



Experiment to turn wastewater into clean water

Japan Drill on Feeding Power to an Evacuation Shelter

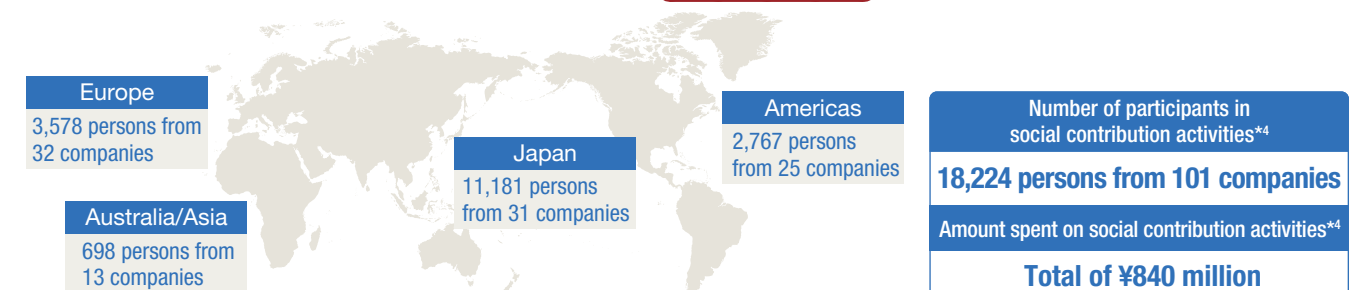
Community contribution

Toyota Industries has concluded a disaster prevention agreement with six cities and towns where our plants are located. At the Obu Plant in Aichi Prefecture, we conduct power-feeding drills to set up a system to ensure a stable power supply to an evacuation shelter on its premises when external power supply is disrupted. In fiscal 2021, we conducted a drill to supply high-output power to the plant’s gymnasium, which will serve as an evacuation shelter during a disaster for local residents and people unable to return home, by connecting Company-owned hybrid vehicles and electric lift trucks to AC couplers developed in-house.



Power-feeding drill using Company-owned vehicles and electric lift trucks

■ Status of Social Contribution Activities in Fiscal 2021 CSR Material Issue



*4: On a consolidated basis including Toyota Industries and its major subsidiaries