

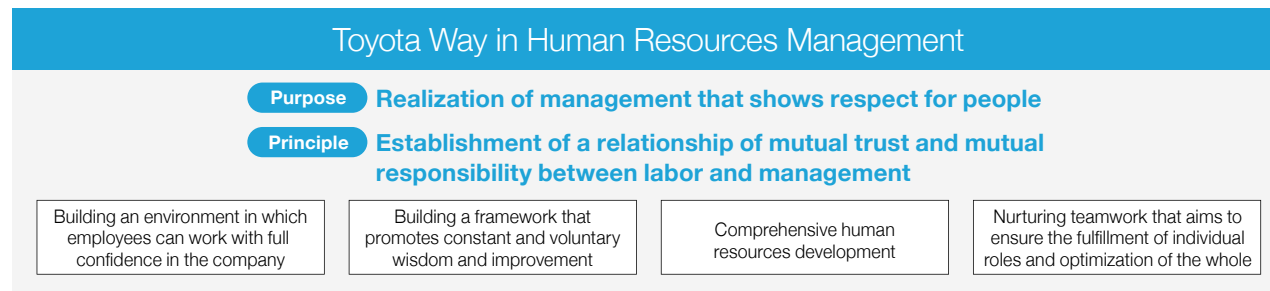
Editorial Policy Contents Overview of Toyota Motor Corporation			Corporate Principles/CSR Structure		Society	Environment		Governance		CSR Data	
Initiatives for Improving Traffic Safety	Customer First and Quality First Measures	Creating an Affluent Society	Social Contribution Activities	Respect for Human Rights	Collaboration with Business Partners	Employees	Safety and Health	Human Resources Development	Diversity and Inclusion	Creating Attractive Workplaces	Stakeholder Engagement

Employees

Fundamental Approach Toyota's philosophy for its employees, who are supporting the stable base of business, is institutionalized as The Toyota Way in Human Resources Management.

The aim of the Toyota Way in Human Resources Management is to realize management with respect for people, that is, providing all employees with opportunities to achieve social contribution and self-realization through their work, and enabling them to exercise their abilities to think, to be creative, and to perform. For this aim to be achieved, "a relationship of mutual trust and mutual responsibility between labor and management*" is essential, in which the company gives the highest priority to ensure stable employment and strives to improve labor conditions, while all employees execute their duties and responsibilities for the prosperity of the company. This philosophy is shared by all Toyota affiliates around the world. Based on the features of each region, it is reflected and implemented in management and various policies. Toyota believes that these initiatives will not only lead to the management with respect for people, but also to customer satisfaction and social contribution, and thus the sustainable growth of the company and society.

Concept of the Toyota Way in Human Resources Management to Build a Good Working Environment



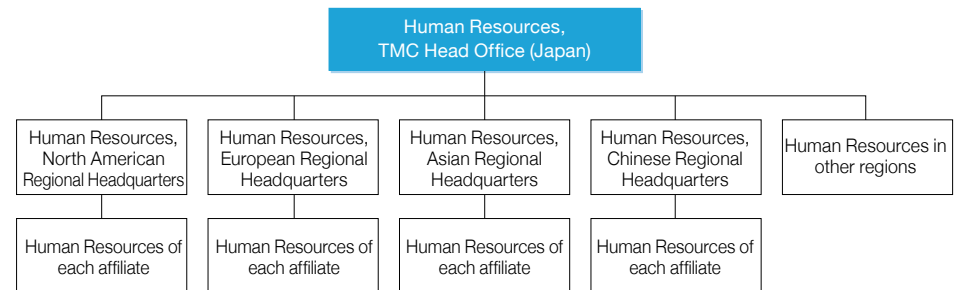
*** A relationship of mutual trust and mutual responsibility between labor and management**

Toyota has gone through painful experiences such as redundancy and labor disputes during the management crisis of the 1950's, which led Toyota to conclude the Joint Declaration of Labor and Management in 1962. Since then, both parties have worked to nurture a relationship in which employees proactively cooperate to improve productivity, while the company works to maintain and improve working conditions. Further, by sharing this understanding with employees and enhancing employee awareness in times of crisis, Toyota has also created "a relationship of mutual trust and mutual responsibility between labor and management," based on which employees and management execute their duties and responsibilities for the prosperity of the company. This concept is the foundation of Toyota's labor-management relations. Now, 50 years after the conclusion of the Joint Declaration of Labor and Management, Toyota is striving to further strengthen the labor-management bond.

Organization and Structure

At Toyota, Global HR members discuss how to create good working environments where employees can work with trust, how to develop frameworks to enhance constant and proactive *kaizen* (continuous improvement), how to develop people, and how to create a sense of unity for teamwork through daily communication and periodic conferences.

These discussions are reflected to Global HR Priorities (HRFP) and each affiliate's HR *hoshin* the following year in order to realize The Toyota Way in Human Resources Management.



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Results of Employee Satisfaction Survey

By providing its employees with opportunities to achieve social contribution and self-realization through their work, Toyota aims to enable 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.

The employee satisfaction survey conducted in FY2017 of administrative and engineering employees indicated that 78.0 percent were satisfied with their company life. The most common reason given was the “work quality and level” followed by “pay level” and “human relations at the workplace.”

Results of Employee Satisfaction Survey (Japan)

	(FY)	2012	2013	2014	2015	2016	2017
Administrative and engineering employees	(%)		73.9		77.2		78.0
Shop floor employees	(%)	64.4		69.2		71.9	

Reasons for Positive Responses by Administrative and Engineering Employees on FY2017 Survey (Japan)

Satisfaction level of company life	
Most common reason	Work quality and level
Second most common reason	Pay level (salary, bonus)
Third most common reason	Human relations at the workplace

Reasons for Positive Responses by Shop Floor Employees on FY2016 Survey (Japan)

Satisfaction level of company life	
Most common reason	Pay level (salary, bonus)
Second most common reason	Human relations at the workplace
Third most common reason	Work quality and level

Percentage of Employees Who Feel Personal Growth (Japan)

	(FY)	2012	2014	2015	2016	2017
Administrative and engineering employees	(%)		76.5	77.2	78.4	77.6
Shop floor employees	(%)	72.6	75.8		71.9	

Results of Employee Satisfaction Survey (Overseas)

	(FY)	2011	2013	2015	2017
Administrative and engineering employees	(%)	74.0	74.0	76.0	74.0
Shop floor employees	(%)	72.0	72.0	72.0	72.0

Employment (Australia)

In February 2014, the Australian subsidiary company, TMCA, announced an end to production at its Altona Plant. After the announcement, union, employees, and the company worked together as one to start a project that would see employees respectfully transitioned. In July that year a re-employment support center was established. The center provides individual career consultation based on employees' own desires, job information, job fairs, and job skills training. In addition, together with the union, “Re-Skilling” programs have been provided in collaboration with a range of external training courses. A total of 542 employees have obtained certificates in various fields. Employees also found new jobs outside of Australia. Recruitment information was provided from companies around the world including Toyota affiliates resulting in 32 employees finding new jobs. Even for the three years, following the announcement to end production, employees remained highly motivated, carrying out *kaizen* (continuous improvements). In quality (SQA) and several other key performance indicators, the Altona Plant recorded the highest levels in its history. In October that year, the ceremony to mark the end of production was held and 54 years of history came to an end. However, support for re-employment is continuing to help employees find new jobs (as of May 2018).



Employees with the last car



Employees unite in delivering the best cars to customers until the last day

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Safety and Health

Fundamental Approach Ensuring safety and health of employees is one of Toyota's most important business activities from the past and the future. Upon assuming the position of General Safety and Health Supervisor in 1957, then Senior Managing Officer Eiji Toyoda explained his basic stance on safety and health: "Safe work is the 'gate' to all work. Let us pass through this gate." Toyota has handed these words down as the basic philosophy for safety and health, incorporating the strong desire for employees to never be involved in an occupational accident.

This is why we are using the PDCA* cycle to improve priority policies implemented under the leadership of company-wide safety and health managers as part of our overall health and safety activities.

For health promotion, we discuss the results of our activities done in accordance with our policies with the Toyota Motor Health Insurance Society, labor unions and industrial health personnel (human resources, safety & health) to take health support measures. In September 2017, President Akio Toyoda announced the Declaration of Health Commitment: Aiming at Health First Company. This Declaration states that the physical and mental health of our employees is the "driving force for good performance," and so Toyota actively supports the "challenge to improve your lifestyle" for each employee and works on initiatives for "health promotion & illness prevention activity."

For these issues of safety and health, the Safety & Health Environment Subcommittee chaired by the executive vice president (once a year) and the Discussion Group chaired by the general manager of the Safety & Health Promotion Division hold meetings to work on issue-solving through company-union cooperation.

* PDCA: The circular process of Plan-Do-Check-Action for continuous improvement

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

Declaration of Health Commitment —Aiming at Health First Company—

Mental and physical wellness is "driving force for good performance." It is fundamental key point of "happiness of individual employee" as well as of their family.

I hope you will be able to find happiness and motivation in your work at Toyota and that you can enjoy a prosperous life following retirement.

The TMC culture of "Step in the batter's box and challenge!" without fearing failure is applicable for health. I would like to declare that TMC proactively support individual "challenge to improve your lifestyle" and develop "health promotion & illness prevention activity" in cooperation with Toyota Motor Health Insurance Society.

バットボックスに立ち続けるためには、健康な心と体づくりが重要。豊田章男

To keep standing at the batter's box, develop mental wellness and physical preparation.

Akio Toyoda

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Recognized as a 2018 Certified Health & Productivity Management Outstanding Organization

Toyota has been certified as a 2018 Certified Health & Productivity Management Outstanding Organization (Major Corporations), certifying that we carry out outstanding health policies and activities in our health management. This is based on the idea that if a company values the health of their employees, it creates a workplace where employees can stay energetic and motivated, which results in improved performance and growth for the company. This certification is an evaluation as a corporation that carries out strategic initiatives to manage employee health from a management perspective.



Promoting a Three-pillar Approach to Safety

Toyota has promoted the establishment of a culture that promotes interactive development of safety and health in its safety and health function policy and is taking measures to elevate safety. We are implementing initiatives to promote compliance with basic rules with executives and managers taking leadership and all employees participating so that employees are aware of the risks and take preventive action proactively. In FY2018, the rate of lost-workday cases was 0.59 (down 1.7 percent from the previous fiscal year). We will continue taking action to eventually achieve zero accidents and the continuation of zero accidents at all worksites and will intensify efforts regarding the three pillars of safety: human resource development (raising awareness of hazards through education and on-the-job training and conducting programs with the participation of all personnel), risk management (development of safety management systems), and environmental and facility preparation (provision of safe machinery and comfortable workplace environments).

Accident Frequency Rate (Frequency Rate of Lost Workday Cases)

(FY)	2014	2015	2016	2017	2018
(%)					
Frequency rate of lost workday cases (Global)	0.79	0.89	0.75	0.60	0.59
Frequency rate of lost workday cases (Japan)	0.06	0.06	0.03	0.07	0.07
All industries (Japan)	1.58	1.66	1.61	1.63	1.66
Manufacturing industry (Japan)	0.94	1.06	1.06	1.15	1.02
Automobile manufacturing industry (Japan)	0.18	0.23	0.20	0.18	0.15

Data source: All industries, manufacturing industry, and automobile manufacturing industry (2017 Survey on Industrial Accidents by the Ministry of Health, Labour and Welfare)

Global Safety Measures

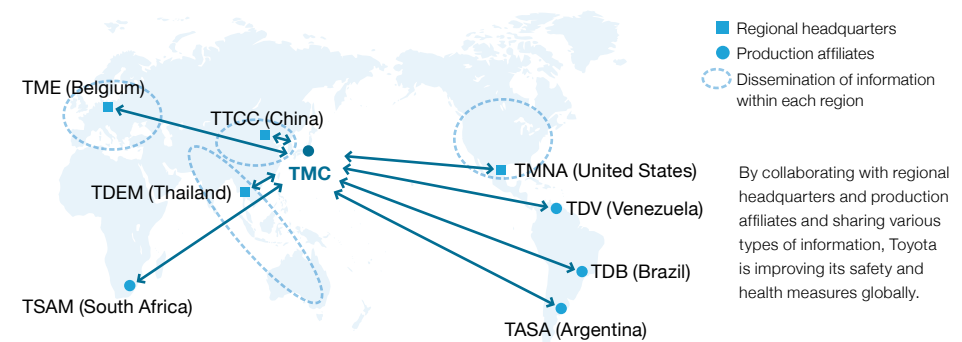
Toyota regional headquarters are mainly promoting safety and health measures in each region. We are currently working with each region to develop an occupational safety and health management system (OSHMS¹) globally. Along with unique regional requirements, we have established requirements that are shared throughout global Toyota based on ISO 45001². Using OSHMS, weaknesses are identified by *genchi genbutsu* (onsite hands-on experience) to improve safety management.

Toyota also holds an annual global safety meeting, attended by managers responsible for safety and health. By studying measures for common issues and sharing information on unique activities and best practices, the conference participants are able to raise the level of safety and health activities in each region.

¹ OSHMS: Occupational Safety and Health Management System

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

Structure for Sharing Global Information and Collaboration



Global Safety Meeting (held in Thailand in 2017)



Genchi Genbutsu at Overseas Affiliates

Toyota's Head Office has worked together with the headquarters of each region and does *genchi genbutsu* (onsite hands-on experience) to confirm the safety status of overseas affiliates based on OSHMS. Toyota promotes improvements in safety by using this system and method to clearly identify any issues.

For example, we confirm if measures are implemented to avoid same accidents that have occurred at the sites of other affiliates, and if a system has been created to make the effort active and continuous.

Furthermore, successful examples of effective measures and activities are introduced and used at the sites of other affiliates.



China: Check on construction sites



Europe: Check on equipment improvement activities

Creating a Safe Work Environment for On-premise Business Partners (Construction, Contracting, Outsourcing, Delivery, etc.) (Japan)

At Toyota, improvements to the work environment are made by providing opportunities to communicate and tackle each issue to ensure safety for business partners on the premises.

For example, when performing routine cleaning and inspection of equipment, improvements are made, such as adding lights for dark work spaces or placing gripping on slippery footholds.

We will continue to carry out improvements globally to solve problems confronted by actual workers.

Building Up Good Health (Japan)

Toyota adopted the development of healthy people and healthy worksites as a company-wide policy and in FY2018 promoted the Healthy Lifestyles Challenge 8 program. This program encourages employees to make improvements in their health-related practices in eight areas to maintain and enhance their mental and physical health: (1) appropriate weight (BMI), (2) breakfast, (3) drinking, (4) snacking, (5) exercise, (6) smoking, (7) sleep, and (8) stress. The aim is to develop mentally and physically healthy people, encouraging each employee to try one or more issue to raise awareness and adopt healthier practices.

Specific measures include providing individual reports indicating the status of implementing the eight health-related practices within the results of medical exams. Healthy Lifestyles Challenge 8 Implementation Sheets indicate targets and weekly status to encourage awareness of and action for health development by each individual.

In addition, feedback on organization analysis results is provided to each division to clearly show where the low levels of implementation are. Other worksite support such as exercise instruction and health lectures is provided to promote the development of health-related custom and culture at each workplace. In addition, company cafeterias are offering low-calorie, nutritionally-balanced meals to support improvement in eating habits. Workplace environment is also improved to prevent second-hand smoke. We are deploying the Toyota Health Handbook, medical exam data and health promotion records as tools to support employee self-management and improvement.

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Mental Health Care Activities (Japan)

To actively promote good mental health, TMC conducts Self-care Training and Line Care Training with the aim of preventing mental health problems from either occurring or recurring.

Self-care Training targets new and young employees and helps raise awareness on how to identify warning signs and deal with stress. Line Care Training includes psychological training for managers, training for newly-appointed general managers to go through case studies. Listener Training is for supervisors who directly supervise subordinates. Trainees receive advice on how to communicate at workplaces and collaborate with industrial health personnel.

We established internal guidelines on health consultations for industrial health care staff and have been working to standardize and systematize the details of consultations and responses.

In addition, Workplace Return Support Guidelines are enacted companywide, with revisions made to the support systems for leave and return to work. By doing this, employees, their doctors, in-house physicians, persons in charge of health and safety, persons in charge of HR and colleagues have better communication routes to work together. We provide support to facilitate the smooth return to work by employees and after their return.

Health Management of Overseas Personnel

Healthcare institutions available vary depending on the region, so we provide health management support accordingly.

In FY2018, we continued to provide health check-ups for personnel assigned overseas with in-house physicians and providing advice via email to follow up on their health.

The local health environments are confirmed through regular exchanges of information with local contact personnel and visits by in-house physicians and others. Health information is provided to locally-stationed employees via the Internet.

Human Resources Development

Fundamental Approach Toyota is committed to developing human resources with the philosophy that “*Monozukuri* is about Developing People.” For sustainable growth, we need to make improvements each day. In order to realize “Ever-better Cars” and “Customer First,” all employees need to share the same values regardless of different cultures and customs. To ensure this, Toyota develops global OJT based on the Toyota Way for sustainable growth.

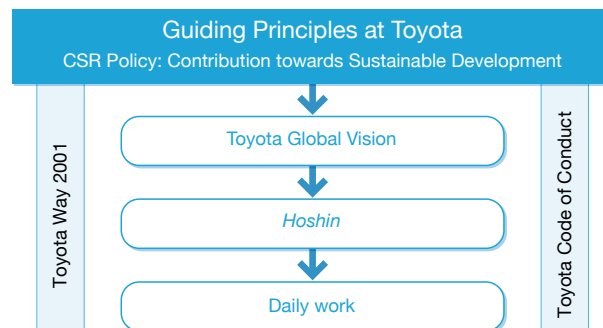
Five Key Values for The Toyota Way



Evaluation of and Feedback to Each Employee in Relation to Principles and Hoshin

Daily work (topics and roles) of Toyota employees are derived from annual direction (*hoshin*). 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. By 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 are reflected in raises for the following year.

Relationship with Philosophy, Hoshin and Daily work



Practice of the Toyota Way

We have organized and arranged methods and techniques into “Global Content” to share the values and ways of thinking of The Toyota Way so that it can be understood and practiced by Toyota employees around the world.

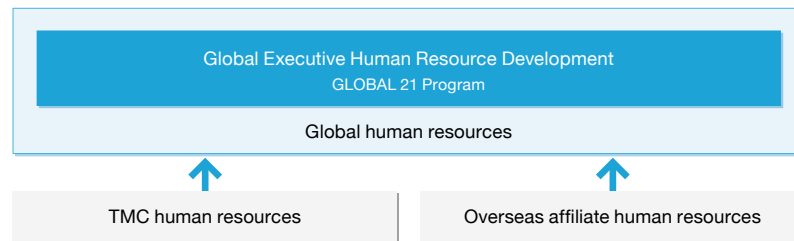
This Global Content is practiced by Toyota employees through training and OJT both in Japan and overseas.

List of Global Content

	Administrative and engineering employees	Shop floor employees
Managers	Hoshin management <ul style="list-style-type: none"> Activity for <i>kaizen</i> (continuous improvement) on a company-wide scale Measures for maximizing organizational output 	Skills and roles of management and supervision <ul style="list-style-type: none"> Managing skill of standard operations for managers/supervisors Section and team operational knowledge gained from managing irregularities
	On-the-job development (OJD) <ul style="list-style-type: none"> A four-step method for promoting human resource development through the practice of regular business activities and guidance 	
	Management at Toyota <ul style="list-style-type: none"> Overall image of management at Toyota Effective worksite management 	
General employees	Problem solving <ul style="list-style-type: none"> Methods of working using an eight-step method for identifying and solving problems (The Toyota Way) 	Problem solving <ul style="list-style-type: none"> Techniques for improving current conditions to realize ideal working conditions
	Ji kotei-kanketsu (built-in quality with ownership) <ul style="list-style-type: none"> A three-step method for building in quality in each process 	Production skills <ul style="list-style-type: none"> Knowledge regarding recognizing irregularities and crucial points Trouble-shooting capability
	Toyota Way <ul style="list-style-type: none"> Toyota’s values The fundamentals of all work 	Basic skills <ul style="list-style-type: none"> Minimum skills necessary for production line work process

Global Human Resource Development Structures

With the aim of sharing the values of the Toyota Way globally, Toyota is providing trainings through global executive human resource development, TMC human resource development undertaken by TMC, 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 their best in respective areas of responsibility.

The program comprises the following three pillars.

1. Indication of management philosophy and expectations of executives

The Toyota Way and Global Vision are disseminated and incorporated into global human resource evaluations and training.
2. Human resource management

Evaluation standards and processes are standardized globally to ensure fairness and consistency. There are five major areas of evaluation: issue creativity, issue execution capabilities, organizational management capabilities, human resource utilization capabilities and leadership.
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 TMC to learn Toyota ways of performing work. TMC's human resource development includes programs corresponding to Global 21 within TMC training program.

TMC's Human Resource Development (Japan)

Management Human Resource Development

All personnel who are promoted to general manager, department manager, or section manager positions undergo one year training.

The training is based on group training and seminars that include discussions in small groups. Officers and general manager class serve as instructors to foster teaching and a learning culture.

Training for selected managers is also conducted to develop executive human resources candidates. Such personnel perform secretarial work for top officers, attend overseas business schools for short periods, work on management issues, and attend leadership programs for executives in Japan. In this way, opportunities are created for top management to directly observe personnel in these positions and to foster executive minds for the candidates.

Administrative and Engineering Human Resource Development

Practice of the Toyota Way is positioned as the foundation of 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 example, employees first participate in group training to learn steps for problem solving and then apply them to actual issues in their work duties.

In 2015, OJT and OFF-JT were reviewed and improved for newly graduated, young and mid-career employees.

For one year after hiring, new employees undergo comprehensive training on fundamental knowledge in various areas. In the third and sixth to eighth years of employment, young and mid-career employees undergo group training consisting of the five pillars of OJT in accordance with the Global Vision.

Five Pillars of OJT for Young and Mid-career Employees

	Specific Measures
Working method	Problem solving, the Toyota Production System, etc.
Making ever-better cars	Comparison of new vehicles and competing vehicles
Enriching the lives of communities	Participation in volunteer activities
Customer First	Learning customer feedback at call centers
Company history	Learning from the founding spirit and the history of failure

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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 understanding of different cultures, and improve their language skills.

During FY2019, 328 employees have been 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 and development plans, development and assignment, and evaluation/ feedback. Programs include OFF-JT, including rank-specific training and training for managers/supervisors, as well as OJT and OFF-JT combined to acquire knowledge and techniques.

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 for employees who work until 65 after retirement at age 60 and female shop floor employees. In order to respond flexibly to new technologies and changes in production systems, we specify evaluation down to the elemental technology unit. Start-up seminars are also held to support transferred employees to support efficient acquirement of work skills.

Human Resource Development of Overseas Employees at TMC Head Office

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

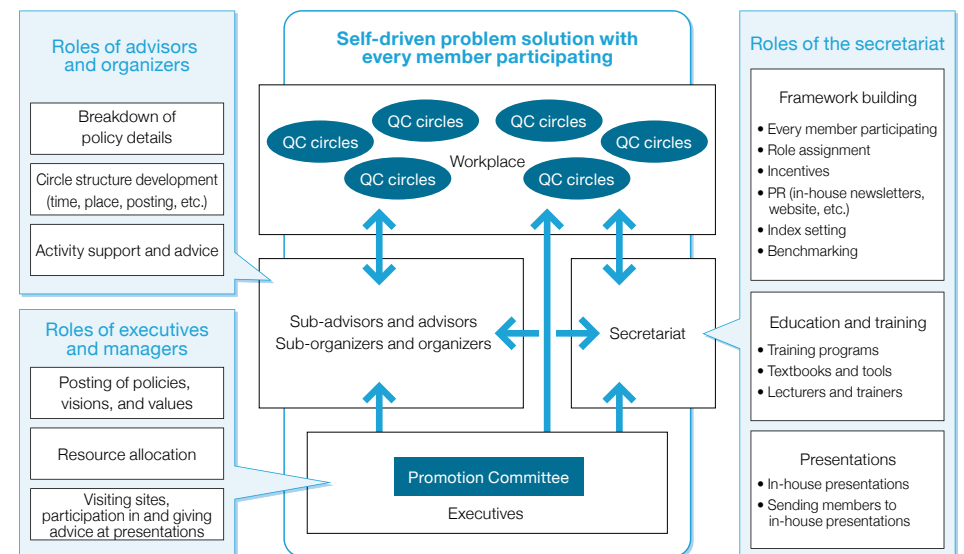
As of June 2018, a total of 461 transferees from 49 affiliates in 28 countries are working in TMC.

TQM (Total Quality Management)

TQM is a management initiative that puts into practice the principles of “Customer First,” “*kaizen* (continuous improvement),” and “every member participating.” Its goal is to create a culture of employees challenging themselves to institute reforms and achieve human resource development that draws out creativity. As measures to implement it, Toyota is actively carrying out QC circle activities* and the Creative Suggestion System. QC circle activities in particular have also been deployed to affiliates overseas, with more than 110,000 participants involved in approximately 14,000 circles every year.

* QC circle activities: The circles are formed mainly by employees in shop floor jobs, who actively engage in activities to identify and solve on-the-job problems. When carrying out activities, all circle members make a concerted effort to make continuous improvements, with a determination to promote individual growth and improve the workplace together. As a result, teamwork and trust are developed, and a positive and fulfilling workplace is created.

QC Circle Activity Promotion Structure



QC Conference and Manager Training Held in Toyota Motor North America (TMNA) (U.S.)

Based on QC circle activities aligned with the actual situations in individual countries and regions, overseas affiliates are taking steps to enhance individual abilities and create positive workplaces.

TMNA held a QC circle conference presentation in May 2018. Approximately 100 people from North American affiliates participated in this event, and 13 companies made presentations on their QC activities. In the following week, manager training attended by 11 affiliates was also held.



Manager training

FY2018 Creativity Innovation Award (Minister of Education, Culture, Sports, Science and Technology) Resulting in Becoming the Company with the Most Award Recipients in Japan

The Creativity Innovation Award (Minister of Education, Culture, Sports, Science and Technology) officially recognizes people who make a great contribution to technical improvements and advancements through excellent creativity and innovation.

In FY2018, of the 930 award recipients, 78 were from Toyota, making Toyota the company with the largest number of award recipients in Japan. For 59 consecutive years, since the establishment of the award in 1960, Toyota employees have received awards with the total number reaching 1,380.

Even today, the number of proposals continues to increase which contributes greatly to Toyota's advancement.



Recipients of the Creativity Innovation Award (Minister of Education, Culture, Sports, Science and Technology)

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Diversity and Inclusion

Fundamental Approach Diversity and inclusion is one of the key bases of management and Toyota is working to create an attractive workplace where employees with various skills and values can achieve self-realization. Our new intranet site, Diversity Net was launched in June, 2018. It provides information to foster a diversified culture within the company. We believe that the new ideas created and the identification of new issues from these diverse perspectives will lead to even greater competitiveness.



"Diversity Net" Intranet

Teleworking at Home Program (Japan)

Work style innovation is intended to raise productivity and support the balance between childcare or nursing care and work. In October 2016, the program for telework at home was expanded to Free Time & Location (FTL) Program. The former program covered only employees with children or those who are providing nursing care, but the FTL Program can be used by employees who wish to use it and meet certain requirements, by obtaining the consent of their supervisors.

As of the end of FY2018, approximately 13,200 employees were eligible, and a total of 3,300 employees were using the program. Employees are commenting that they are able to work more efficiently with better time management and that they can have more time with their family.

From April 2018, we have introduced a new program that enables partial teleworking at home* for *gyomushoku* (staff level). We encourage work style innovations with every member involved.

* Only for childcare or nursing care

Diversity Management (Japan)

Managers promote diversity management to create workplaces where diversified members can perform their best. At Toyota, we call bosses who can carry out diversity management, *Ikubosses*. Toyota fosters supervisors who can manage with flexible minds, while keeping up the performance level and fulfilling their own and team members' private lives.

Starting in FY2017, *Ikuboss* declarations by 1,100 managers have been posted on the intranet.

Constant posting of activities or messages to subordinates fosters a culture of mutual support for diversified members.

In 2018, we have implemented Diversity Management Training for those who have been newly promoted to managers. In addition, we have implemented Emotional Barrier-free Training to deepen understanding about LGBT people and people in wheelchairs, targeting young employees.

Our aim is to provide diversity management in all workplaces.

Promoting Women's Participation in the Workplace (Japan)

We are working to support a good work-life balance to be a company to where employees feel comfortable working and having children. The support includes career development and flexible working styles that enable early return to work after taking leave, and childcare.

Toyota Motor Corporation was certified as an "Aichi Josei Kagayaki Company" in 2016 by Aichi Prefecture, as a company working to promote opportunities for women.

Action Plan Based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Toyota has decided on the following plan to build an environment to promote women's participation in the workplace.

- 1. **Period** April 1, 2016 to March 31, 2020
- 2. **Our Challenges** The number of female employees is not large enough, and the proportion of females in managerial positions is low
- 3. **Target** The number of female in managerial positions in 2014 to be increased three fold by 2020, and fivefold by 2030

- 4. **Our Actions**
 - Action 1** Maintain a hiring rate for female graduates (Administrative: 40%; Engineering: 10%)
 - Action 2** Provide support for balancing work and childcare, and create an atmosphere and environment to support an early return to work from maternity leave

Details of the Action

Support for balancing work and childcare

- Create a working atmosphere that supports women's participation in the workplace [from April 2016]
- Promote male employees' participation in childcare [from October 2016]
- Expand the teleworking system [from October 2016]

Support for early return to work from maternity leave

- Promote usage of subsidies for childcare costs [from April 2016]

- Action 3** Develop career awareness and systematic personnel training aimed at female managerial appointment from an early stage

Details of the Action

Career awareness

- Promote initiatives to enhance female awareness [From April 2016] (Hold female-oriented roundtable discussion, group exchange meetings)

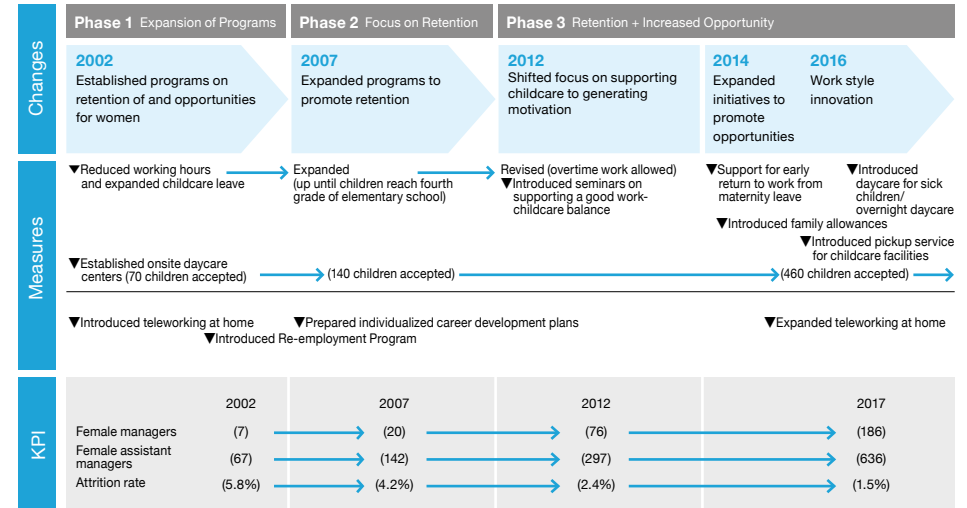
Systematic personnel training

- Enhance programs for managerial level employees [from April 2016]

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

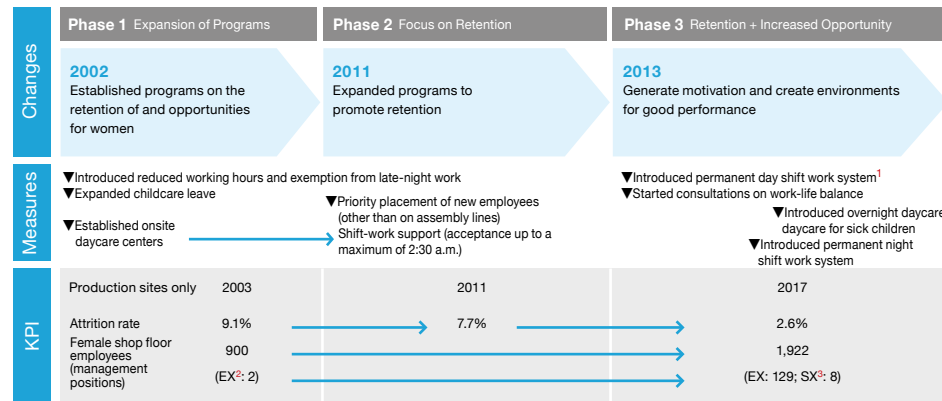
- 1. **Period** April 1, 2018 to March 31, 2020
- 2. **Contents**
 - Aim 1** Promote understanding and publicize various systems/examples related to balancing work and childcare
 Measures
 - Continue to provide information through the TMC website (from May 2018)
 - Aim 2** Promote male employee's participation in childcare
 Measures
 - Send messages to male employees having a child, appealing to them to participate in childcare (October 2018)
 - Hold a roundtable talk for male employees balancing work and childcare (from December 2017)

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



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



¹ A system that allows employees engaging in childcare to always work during the daytime

² Expert

³ Senior Expert

Toyota Female Engineer Development Foundation (Japan)

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 to study in the science fields and foster female engineers in *monozukuri* (manufacturing). For example, our female engineers visit schools in Aichi Prefecture and give lectures to high school students to introduce 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.

[Web http://www.toyota-rikeijosei.or.jp/](http://www.toyota-rikeijosei.or.jp/)

Childcare Support (Japan)

Pre-maternity Leave Seminars were introduced in FY2016 at TMC. For married couples where both members work in TMC, not only the woman's but also the man's supervisor attend the seminar with the couple to enable sharing of housework and childcare by men and women. At the seminar, participants discuss how they can support each other as a team, including on career planning, childcare leave, housework, and sharing schedules.

In FY2018, TMC expanded its day care centers and started a pickup service by bus between the head office and plants. In addition, six Toyota Group companies collaborated to allow employees of other companies to use their daycare facilities.

"Bubu Forest" Large-Scale Onsite Childcare Facility Opens

In April 2018, Bubu Forest was built in the headquarter area, and it is the fourth childcare facility, for 320 children. Combined with the other three facilities, we have overall capacity for approximately 460 children. Hours of operation of Bubu Forest include early morning as well as overnight hours, to accommodate employees with a diverse range of needs, including shift workers at plants and nurses who work the night shift.

Newly available bus transportation is also provided for children to/from all plants in the TMC Head Office area to ease the burden of pickups and drop-offs for shift-work employees and to enable group care. The facilities also accept new enrollments throughout the year, to accommodate the needs of employees including those who intend to return to work after childbirth, mid-career employees, and employees returning to Japan from overseas assignments.

In addition, Pipo Land, a childcare facility within the Toyota Memorial Hospital, is available to take in sick children. This childcare facility is available to Toyota City residents and allows TMC to build stronger ties with the local community in support of promoting work-life balance and childcare.



Inside the facility



Exterior view

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What I Have Realized through Using Work-life Balance Support

Tomoko Motohashi, Purchasing Planning Division

I returned to work after three years of childcare. I was more than happy to have my child, but considered quitting my job as no one had used childcare in my Division and I had no image of being able to continue work. In spite of these worries, my boss told me, “Why not try working using supports?” I decided to balance work and childcare.

After returning to work, I used the shortened working hours system. While my husband helped out, such as by rushing off to daycare when my child got a sudden fever, every day was a battle against time. I was unable to do either my work or take care of my children the way I wanted. Then, I used full-time teleworking at home. I was released from the pressure of having to leave the office at a certain time. I was the first one who used this support in my Division, but thanks to support from my family and colleagues, I was able to continue working.

There were some hard times, but I realized that the key to work-life balance is time management. After that, I always try to split my work into small steps and list up what I need to do. This lesson has been an invaluable experience for me, and I am actively improving my work now.



Encouraging Men to Participate in Childcare (Japan)

We are actively promoting male employees to take part in childcare.

Starting in February 2017, hand-written messages from superiors, and a letter which includes an explanation on work-life balance support are handed out to celebrate childbirth. In FY2018, about 3,000 employees received them.

The work-life balance support pamphlet also has a page addressed to male employees who are new parents, and lays out the supports for them. In addition, the intranet also shows examples of male employees taking part in childcare and examples of *Ikumen* (men engaged in childcare). Roundtables are held in some workplaces. As a result, in FY2018, the number of male employees utilizing childcare leave (with an average of 2.5 months) was 45 people, increasing by about three times from what it was five years ago. In addition, about 95 percent of males took short-term leave (paid leave, special leave) when their wife gave birth. In this way, more and more men are taking part in childcare.

One Month of Childcare Leave as a Father

Hidemasa Komatsu, Design Div.

I have a daughter, and both my wife and I work. When my daughter was nine months old, I took childcare leave for about a month.

While a month is not long, being able to devote myself fully to my child helped my wife feel relieved that she had someone to take over when necessary. It was a valuable experience for both my family and me. By taking childcare leave, my wife, who had stopped working before she gave birth, was able to return to her job early. I think this had an important meaning for her future career.

In addition, my childcare leave period was a good chance to become aware of the “outside world” as a real experience. It was a chance to realize that values within the company are not everything; that it is important to engage in *monozukuri* (manufacturing) while looking at the “reality” of the world.

Childcare leave is a very valuable opportunity not just as a father, but as a person involved in manufacturing. I expect that how we work will change, and as our work styles advance, it will be normal for anyone to take childcare leave.



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Major Initiatives of Nursing Care (Japan)

As nursing care environments are changing, TMC has been expanding company measures on nursing care since 2009 in order to reduce employee anxiety and burdens, and allow employees to devote themselves to work.

For example, we hold lectures by outside experts such as licensed social welfare workers and nursing care workers since 2009.

In FY2018, TMC held a total of six lectures, two each on three topics: understanding nursing care, preparing for nursing care, and balancing nursing care and work. The lectures were attended by a total of approximately 500 employees and their families.

Use of Childcare and Nursing Care Leave (Japan)

	(FY)	2013	2014	2015	2016	2017	2018
Male	(Persons)	19	22	20	43	44	54
Female	(Persons)	467	424	469	577	602	582

Use of Flexible Working Hours System (Japan)

	(FY)	2013	2014	2015	2016	2017	2018
Male	(Persons)	20	17	18	41	342	935
Female	(Persons)	817	977	1,140	1,322	1,515	1,667

- Data up to and including FY2016 indicates the number of people using shortened working hours or the teleworking at home for childcare or nursing care.
Data for FY2017 and later indicates the number of people using shortened working hours for childcare or nursing care and teleworking at home, regardless if the purpose is for childcare or nursing care.

Major Initiatives in Nursing Care (Japan)

Support for the Work-life Balance	<ul style="list-style-type: none"> ● Nursing care leave and shortened working hours ● Increase flexibility in working hours system <ol style="list-style-type: none"> (1) Change the units of time for shortened working hours, etc. (2) Change the working hour for teleworking at home (3) Expand applicable periods for various work-life balance support (4) Establish a new nursing care leave program
Provide Information	<ul style="list-style-type: none"> ● Create a consultation hotline at the Toyota Health Insurance Union ● Publish pamphlets on nursing care ● Hold nursing care lectures ● Hold hands-on nursing care seminars
Nursing Care Services	<ul style="list-style-type: none"> ● Introduce a nursing care savings program ● Form a partnership with a major nursing care service provider ● Expand nursing care service providers ● Introduce home care workers services
Financial Support	<ul style="list-style-type: none"> ● Introduce nursing care insurance ● Create parent nursing care insurance ● Introduce a nursing care financing program

Employment for Over-60s (Japan)

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 FY2017, the Advanced Skilled Partner System was set up for shop floor employees to encourage and motivate employees to retire at 65 years old by maintaining their job rank and salary.

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Employment of Fixed-term Contract Employees (Japan)

When hiring fixed-term contract employees, appropriate hiring and contract renewals are conducted with maximum efforts focused on maintaining stable employment and improving their work capacity. With the full-time staff appointment system, fixed-term contract employees who have worked for TMC for at least one year have the chance to take an examination for employment by recommendation from their workplace. This leads to increased motivation and vitality.

Fixed-term contract employees are also given the opportunity in their third year. It is necessary to maintain strong workplace in order to achieve sustainable growth, and to this end, TMC continues to hire fixed-term contract employees as full-time employees.

Employment of Persons with Disabilities (Japan)

We believe that persons with disabilities deserve the chance to become socially self-reliant and provide them with opportunities to work together with non-challenged individuals.

As of June 2018, the number of people with disabilities employed was 1,282 accounting for 2.25 percent of the entire workforce (including special-purpose subsidiaries) which is above the legal requirement of 2.2 percent. We are working towards a better workplace to retain employees, by holding sign language classes, assigning consultants, and rolling out best practices.

Creating an Environment Where the Disabled Can Work with Assurance

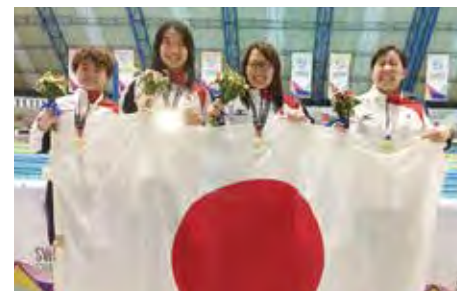
Toyota Loops Corporation began operation in April 2009 with 28 people with disabilities and received certification from the Minister of Health, Labour and Welfare as a special-purpose subsidiary of Toyota Motor Corporation in October of that year.

Toyota Loops primarily handles work that is outsourced from Toyota such as internal printing, mail services and enclosing catalogues. It also performs tasks on such as issuing visitor and employee identification cards, issuing asset number labels, and shredding documents as well as erasing data from PCs, and providing nursing assistance at Toyota Memorial Hospital.

In April 2016, the Hanamoto Office started full operation. In Nagoya and Tokyo offices, shipping specified correspondence using light goods vehicles started. In these ways, we are working to create new businesses to expand employment of the disabled.

As of April 1, 2018, Toyota Loops employed 244 persons with disabilities. The number of support staff has also been increased in order to eliminate or reduce 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. Six Toyota Loops employees participated in the Abilympics (a national technical skills competition for persons with disabilities) in Tochigi Prefecture held in December 2017, winning gold in the Office Assistant division and silver in the Database division. In addition, employees have won gold in the Women's 400 m Relay and bronze in the 200 m Relay at the international swimming meet held in autumn 2017 in Mexico by the International Sports Federation for Persons with Intellectual Disability.



Japanese team



Haruna Ogawa

Toyota Loops Employees Support Toyota Memorial Hospital

Starting in November 2014, 10 Toyota Loops employees have been providing business support in the field of medicine. They provide support work for nursing assistants in five wings of the Toyota Memorial Hospital (ER, Internal Mixed, Orthopedics, Surgery Mixed, Stroke Center).

Starting with preparing tea or moist towels for the patients, they make beds, check laundry for cleaning, and other jobs. The nursing assistants note that “although it was hard for them to learn the work at first, now they do their work very diligently and carefully. We can get more time with our patients and provide better service.”



Toyota Loops employees making beds

LGBT (Sexual Minorities)

Toyota has launched initiatives with the aim of creating workplaces with an appropriate understanding and acceptance of LGBT people (sexual minorities). 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 sex on their employment application sheets.

In our company training, we provide training to enlighten new graduate employees about human rights, and we also provide experience-based training by outside instructors (LGBT people) for mid-career employees. For new management-level employees, we have diversity management training to help them deepen their understanding. Furthermore, Toyota has established an internal and external harassment consultation hotline and is making dedicated toilets for LGBT people in Head Office and Nagoya office. We will continue activities towards the appropriate understanding and acceptance of LGBT people.

Localization of Management at Overseas Facilities

Toyota is localizing management at overseas affiliates from a medium- to long-term perspective. The roles are defined so that the head office determines what needs to be done, and overseas affiliates decide how they will carry out those tasks.

In principle, executives and chief officers responsible for overseas operations live at the respective overseas locations and create management systems close to operation.

Toyota also actively hires local employees. Of six regional headquarters, three are currently headed by non-Japanese chief officers. As of June 2018, TMC has seven non-Japanese executives (one of whom is an outside director).

We are working towards the localization of management posts as well. This should facilitate the timely understanding of customer and employee needs in each region, enabling us to make appropriate business decisions.

Percentage of Local Employees Comprising Management at Overseas Affiliates

	(FY)	2013	2014	2015	2016	2017	2018
Local employees	(%)	60.1	64.7	62.9	62.6	65.8	67.8

Non-Japanese Executives Responsible for Overseas Operations

Region	Officer
North America region	James E. Lentz, Senior Managing Officer
Europe region	Johan van Zyl, Senior Managing Officer
Latin America & Caribbean region	Steve St. Angelo, Senior Managing Officer

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Creating Attractive Workplaces

Fundamental Approach In order to strengthen its human resource base for sustainable growth, Toyota has a working environment in which employees can work with confidence and feel safe. Toyota strives to foster employees' pride and loyalty to the company by encouraging a culture of teamwork through communication.

WE LOVE TOYOTA Activity (Japan)

In order to deepen loyalty to the company, We Love Toyota has been carried out since FY2010. As a part of these activities, WE LOVE TOYOTA seminars were held in June and September 2017. Approximately 400 employees attended, including executives. Teamwork was deepened by forming teams consisting of members who met for the first time and shared the joy of driving in Prius Cup (a race in which participants compete on fuel efficiency after driving a predetermined distance within a specified time) and other games. Employees on 567 teams, including 12 from overseas affiliates, competed in the 71st Toyota Relay Race (*HURE! hure! Ekiden*) held in December 2017. Runners and members cheering strengthened the bond between the participants and staff. More than 34,000 people participated and their cheering enhanced the unity within Toyota.



Ekiden



WE LOVE TOYOTA Seminar held in June 2017

Promoting Various Sports, from Company Teams to Classes for Children

Toyota is working to help create affluent communities by promoting various sports. Since our founding in 1937, Toyota has focused particularly on company sports. The players' challenge, teamwork and never giving up, embodies the spirit of Toyota. Coworkers playing hard increase employee motivation and

provide excitement in the workplace. There are currently 35 sports clubs. Members work and train hard and as a result, have achieved high rankings at competitions.

In addition, Toyota carried out more than 200 programs in 2017, including sending Toyota athletes to lead "Dream Classes" at elementary schools in Toyota City, and providing support for sports classes offered by dealers and sports events held by local communities.



Rugby team



Baseball team

Activities to Express Gratitude to Local Communities

Toyota is fully aware of the support it receives from local communities, including business partners such as dealers and suppliers. To show gratitude for their support, we are carrying out "repayment of the kindness" activity. Employees participate in four areas—business manner, traffic safety, volunteering, and sports. Employees report their activities as gratitude points and we give donations accordingly (employee participation rate: more than 90.7 percent; donation: about 25 million yen in FY2018).