

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	

## 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)

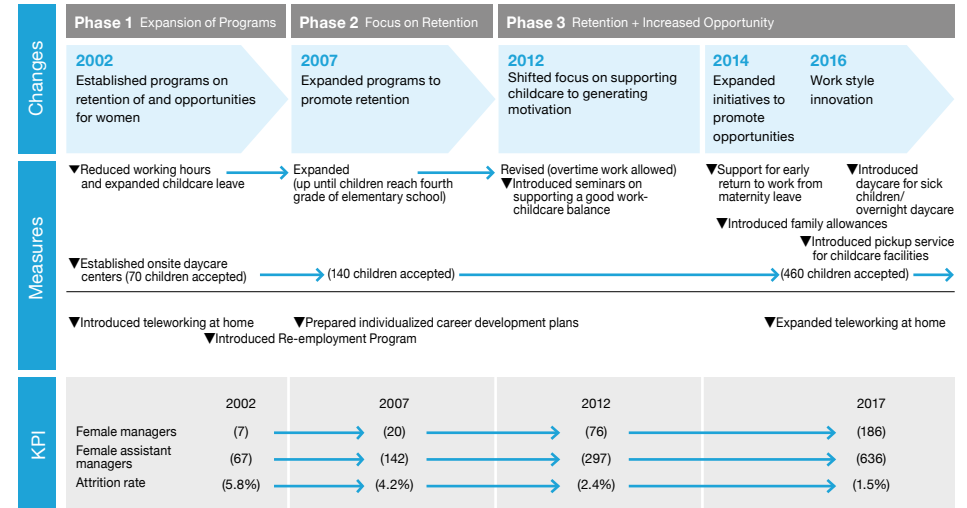
Systematic personnel training

- 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

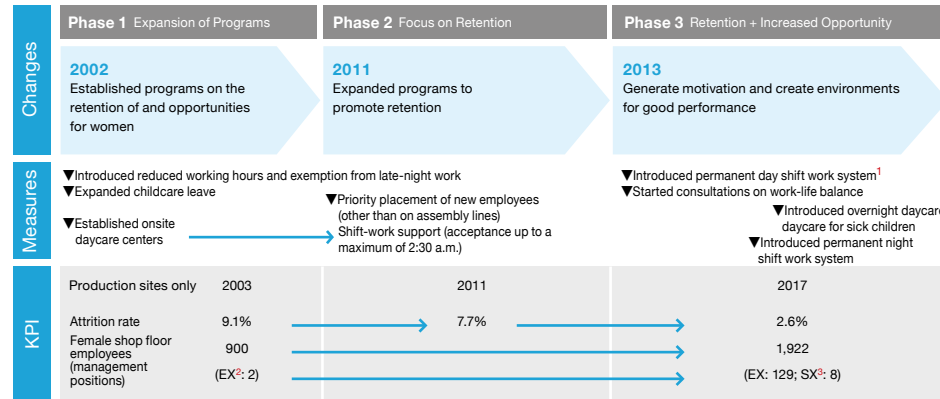
- 1. **Period** April 1, 2018 to March 31, 2020
- 2. **Contents**
  - Aim 1** Promote understanding and publicize various systems/examples related to balancing work and childcare  
Measures
    - Continue to provide information through the TMC website (from May 2018)
  - Aim 2** Promote male employee's 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)



<sup>1</sup> A system that allows employees engaging in childcare to always work during the daytime

<sup>2</sup> Expert

<sup>3</sup> 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	<b>54</b>
Female	(Persons)	467	424	469	577	602	<b>582</b>

### Use of Flexible Working Hours System (Japan)

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

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

## 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

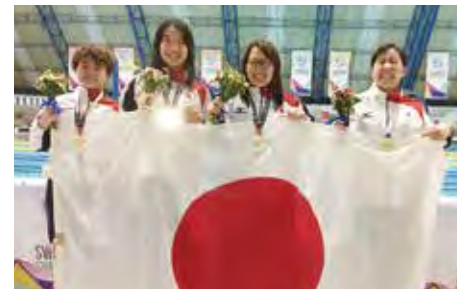
Toyota Loops Corporation began operation in April 2009 with 28 people with disabilities and received certification from the Minister of Health, Labour and Welfare as a special-purpose subsidiary of Toyota Motor Corporation in October of that year.

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	<b>67.8</b>

#### 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