

**Toyota Motor Europe NV/SA  
("TME")**

**Code of Conduct**

**[Version 10 November 2021]**

## **Table of contents**

### **FOREWORD**

### ***TOYOTA GUIDING PRINCIPLES***

### **INTRODUCTION ON THE *TME CODE OF CONDUCT***

Preliminary remarks and definitions

What is the *TME Code of Conduct*?

Where and to whom does the *TME Code of Conduct* apply to?

How to use the *TME Code of Conduct*

Who should you contact for further information concerning the *TME Code of Conduct*?

Commitment to comply with the *TME Code of Conduct*

How is compliance with the *TME Code of Conduct* monitored? – Review of the *TME Code of Conduct*

### **CHAPTER I. TOYOTA AND US**

#### **1-1. Creating a Harmonious and Dynamic Work Environment**

*Working for TOYOTA with integrity and respect, and in accordance with sound social norms*

### **CHAPTER II. OUR ACTIVITIES IN THE COMPANY**

#### **2-1. Compliance with Laws and Regulations**

*Acting in accordance with applicable laws, regulations and acceptable societal norms in a work-related context*

#### **2-2. Management and Usage of Company Assets, Resources and Confidential Information - Protection of Third Parties' Rights and Confidential Information – Protection of Personal Data and Privacy**

*Securing company assets and resources - managing confidentiality – protecting privacy*

#### **2-3. Integrity towards the Company and Third Parties – Anti-Corruption / Anti-Bribery – Gifts and Hospitality**

*Doing business with integrity*

#### **2-4. Insider Trading**

*Responsible use of privileged and confidential information*

#### **2-5. Complying with and Managing Contracts**

*Responsible and careful handling of contractual rights and obligations*

#### **2-6. Fair competition**

*Complying with competition law*

#### **2-7. Promoting Safety**

*Manufacturing safe vehicles and related products and services*

#### **2-8. Environmental Preservation**

*Manufacturing people-friendly and environment-friendly vehicles*

#### **2-9. Research and Development**

*High quality vehicles for discerning customers*

#### **2-10. Procurement**

*Honest and fair transactions*

#### **2-11. Manufacturing and Logistics**

*Manufacturing vehicles and products which secure customer trust and faith*

#### **2-12. Sales and After-Sales**

*Securing the trust of customers and of the sales and after-sales network*

#### **2-13. International Business Activities**

*Being a globally operating company that is trusted by society*

#### **2-14. Profitability Enhancement**

*Building a robust profit base*

### **CHAPTER III. SOCIETY AND US**

- 3-1. External Communication – Use of Social Media  
*Being open and fair*
- 3-2. Philanthropy and Community Relations  
*Being a good corporate citizen trusted by the international and local community*
- 3-3. Shareholder Relationship  
*Enhancing shareholder benefits*
- 3-4. Government Relations  
*Maintaining healthy and transparent relations with public authorities*
- 3-5. Politics and Religion  
*Tolerance*
- 3-6. Road Safety  
*Improve road safety awareness in society as a whole*

### **CHAPTER IV. RAISING CONCERNS**

- (A) How to report violations
- (B) Prohibition of retaliation
- (C) Procedure for handling reports of violations

### **CHAPTER V. ROLE OF THE COMPLIANCE OFFICER –**

### ***CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT***

## FOREWORD

Since the company's founding in 1937, we at TOYOTA have continuously striven toward sustainable use of resources and the development of society through manufacturing and provision of high-quality, innovative products and services. Through such efforts, we have established a corporate philosophy that has been passed down from generation to generation, and which has come to be known as the "*Guiding Principles at TOYOTA*". Our business approach and the values that determine our conduct have been described in a document entitled the "*TOYOTA Way 2001*". Each of us is expected to put the "*Guiding Principles at TOYOTA*" and the "*TOYOTA Way 2001*" into practice, and to pass these values on to future generations of colleagues.

In recent years, societal pressures on corporations to contribute to sustainable development have grown exponentially. In response to these expectations, we have compiled and globally distributed a document entitled "*Contribution Towards Sustainable Development*" (updated in 2008) which interprets our "*Guiding Principles at TOYOTA*" from the perspective of sustainable development.

### **The *TME Code of Conduct***

We are committed to comply with the letter and spirit of regional, national and international laws and regulations and to conduct ourselves with humility, honesty and integrity. With this commitment in mind, TME has developed the *TME Code of Conduct*, to define as clearly as possible the type of ethical behaviour that is required of every TOYOTA employee and associate (see definitions in the section "Introduction on the *TME Code of Conduct*" below).

The *TME Code of Conduct*, which is based on the Code of Conduct of Toyota Motor Corporation ("TMC"), is the basis for the Codes of Conduct of all TME's subsidiaries (NMSCs, EMCs, Logistics Services Companies) with the necessary adjustments based on applicable local laws.

The first version of the *TME Code of Conduct* was issued in October 2006. This initial version has been updated in order to provide further clarification regarding certain issues based on the experience we gained since then. This update concerns a limited number of items only. Most of the October 2006 version remains unchanged.

### **Message to you: Your commitment**

TOYOTA is committed to conducting business in an open and fair manner. In order to achieve this commitment, each of us needs to bear in mind that we are representatives of TOYOTA, and that we must conduct ourselves in accordance with acceptable societal norms in a work-related context. This implies that we should be honest, professional and reliable in our conduct, and that we should exercise good judgement in decision-making. I request and expect each one of you to carefully read through the *TME Code of Conduct*, and to act in accordance with both its letter and spirit.

Thank you for your support and contribution to achieving such commitment.

Yours sincerely,

Dr. Van Zyl  
President & CEO

Oct 2016

## ***GUIDING PRINCIPLES AT TOYOTA***

The “*Guiding Principles at TOYOTA*” consists of the following seven principles:

1. Honour the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.
  2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.
  3. Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.
  4. Create and develop advanced technologies and provide outstanding products and services that fulfil the needs of customers worldwide.
  5. Foster a corporate culture that enhances individual creativity and teamwork value, while honouring mutual trust and respect between labour and management.
  6. Pursue growth in harmony with the global community through innovative management.
  7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.
-

## INTRODUCTION TO THE *TME CODE OF CONDUCT*

### What is the *TME Code of Conduct*?

The “*Guiding Principles at TOYOTA*” reflects TOYOTA’s management philosophy and the kind of company we aspire to be. The *TME Code of Conduct* offers practical guidance for our daily business operations. *TME’s Code of Conduct* is intended to ensure that we conduct business with the highest standards of integrity and to prevent and detect improper or illegal activities.

The *TME Code of Conduct* must be your reference to ascertain whether your actions are in line with the company’s requirements. The *TME Code of Conduct* organizes the basic attitudes necessary for people working at the company and in society, providing a description of basic conducts. It also details what is required of employees and what needs to be kept in mind. Along with the Toyota Way 2020, it is essential that each employee carries out the Guiding Principles at Toyota and fulfills their social responsibilities.

### Commitment to comply with the *TME Code of Conduct*

We agree to uphold and meet the requirements set out in the *TME Code of Conduct*, and to follow the rules that govern your job. Senior management is responsible for fostering a corporate culture and implementing policies that promote compliance with the *TME Code of Conduct*.

We shall refrain from:

- violating the *TME Code of Conduct*;
- encouraging or assisting others in violating the *TME Code of Conduct*;
- witnessing others violating the *TME Code of Conduct* without reporting this or taking appropriate action; or
- retaliating against any employee / associate who has reported a violation of the *TME Code of Conduct* in good faith.

TME encourages employees and associates to speak up and to bring any concerns or wrongdoing to light.

### Please speak up!

*TME’s Code of Conduct* creates a safe and confidential environment for members to speak up. *TME’s Code of Conduct* governs the reporting and investigation of alleged improper or illegal activities at TME, as well as the protection afforded to those who report them (the “whistleblowers”).

We ask you to report promptly any violation or suspected violation of the *TME Code of Conduct*, law or regulations to avoid further harm to our colleagues, business or company. TME will thoroughly investigate the reported matter and, where necessary, take appropriate action. People reporting violations or suspected violations help reduce risks, increase transparency and help prevent wrongdoing.

TME provides multiple ways for you to report any violation or suspected violation. You can choose the reporting channel which you feel most comfortable with and speak or contact confidentially any of the following persons:

- TME whistleblower hotline.
- P&I.
- A person of trust.
- The Compliance Officer.
- Your line manager

You can raise a concern anonymously. If you choose to do so, we would ask you to provide sufficient detail

and factual information so that we can effectively investigate and follow up on your concern.

### **What happens after you raised a concern?**

TME will handle reports of violations and suspected violations with due care. We will treat the information and the identity of the reporting person confidentially.

The Compliance Officer or, if more appropriate, the P&I Division in coordination with the Compliance Officer, will review and investigate each reported concern carefully. Employees and third parties may be interviewed in the course of an investigation. All TME members have an obligation to fully cooperate and provide complete and truthful information.

After the investigation, TME will take the appropriate action to address the identified concerns, if confirmed. The respective business may be requested to implement the necessary and systemic corrective actions. In other cases, it may be appropriate to discipline an individual employee or even terminate their of employment.

### **Protection against retaliation**

TME wishes to maintain a culture in which members feel free to raise concerns in good faith, without fear of retaliation or other adverse action. Leaders are responsible for establishing the right integrity culture and tone in their organizations. Retaliation against any employee who in good faith reports a concern will not be tolerated and will be subject to disciplinary action.

### **Where and to whom does the *TME Code of Conduct* apply to?**

The *TME Code of Conduct* is applicable to the TME entities in Belgium and is subject to the laws and regulations applicable in Belgium.

The *TME Code of Conduct* does not apply to branches of TME outside Belgium. The employees / associates of these branches are subject to the Codes of Conduct of the relevant subsidiary of TME (i.e. EMCs or NMSCs, as the case may be).

The *TME Code of Conduct* must be read, understood and at all times complied with by all:

- employees of TME, regardless of their function, grade, position, seniority, years of service or type of employment contract;
- and
- associates.

### **Who should you contact for further information concerning the *TME Code of Conduct*?**

When you need clarification or further information, you can contact TME's Compliance Officer.

### **How is compliance with the *TME Code of Conduct* monitored? – Review of the *TME Code of Conduct***

To underline the importance of the *TME Code of Conduct*, TME will monitor its implementation periodically and systematically.

Each subsidiary of TME has issued a Code of Conduct, which is based on the *TME Code of Conduct* (in compliance with applicable local laws), and will, on a regular basis, report to TME about the compliance, within their companies, with their Code of Conduct.

We will also periodically review the *TME Code of Conduct*. The *TME Code of Conduct* may be adjusted or modified from time to time based on changes to such applicable laws and regulations, to TME's policy and/or kaizen activities. Any changes to the *TME Code of Conduct* will be published on TME's intranet.

### **Definitions**

Depending on the context:

- the wording "TOYOTA", means TME, TME and its subsidiaries, TMC, the Toyota organisation as a whole or the Toyota group of companies (worldwide or at regional level);
- rules and guidelines in the *TME Code of Conduct* which mention "(TOYOTA) employee(s)" / "employee(s) of TOYOTA") or "TOYOTA member(s)" / "member(s) of TOYOTA" may also, where relevant, be applicable to associates (as defined below).

"TOYOTA entity" means any company within the TOYOTA group of companies worldwide which controls, is controlled by, or is under common control with TME ("control" means the direct ownership of fifty percent (50%) or more of the voting rights or other rights to direct management in such company).

"Employee" means a person who is employed by TME based on an employment contract with TME, as well as a person who is employed by a TOYOTA entity and seconded by such TOYOTA entity to TME for a fixed duration.

"Associate" means a person who is not an employee of TME and who is working on TME's premises as interim worker, intern, trainee, contractor, consultant, service provider or guest engineer, as well as members of the Board of Directors of TME.

## **CHAPTER I. TOYOTA AND US**

Through our communication and dialogue with the company, we (people working for TOYOTA) strive to build and share fundamental value of “Mutual Trust and Mutual Responsibility”. TOYOTA endeavors to improve its business achievements so that TOYOTA can continue to provide employment and fair and stable working conditions for each of us. Simultaneously, TOYOTA promotes a work environment in which each of us can work in harmonious and dynamic manner.

In return, each of us implement the “Toyota Code of Conduct” and endeavor to fulfill our duties with integrity. By fully utilizing our ability and capabilities and cooperating with others working for TOYOTA, we continue to improve the business performance of TOYOTA.

This Chapter I explains the values and principles that are the foundation of our relationship with TOYOTA.

**1-1. Creating a Harmonious and Lively Work Environment**  
*- Acting with integrity and in line with sound social norms -*

TOYOTA will use its best efforts to comply with all labor and employment laws and regulations of the countries where it is active, as well as the spirit thereof. TOYOTA encourages and supports the personal growth of all people working for TOYOTA.

Based on “Mutual Trust and Mutual Responsibility”, TOYOTA endeavors to improve its business performance in order to make it possible to provide equal employment opportunities and to maintain fair and stable working conditions. TOYOTA strives to create a safe and harmonious work environment for its employees.

TOYOTA respects and honors the rights of all people working for it and will not discriminate against them or permit the infringement of their rights.

Therefore, all of us must recognize our essential roles in contributing to the success of TOYOTA and should make a commitment to comply with internal rules, as well as conduct our duties/work with integrity and in a socially acceptable manner. As valuable contributors to TOYOTA, we should each also endeavor to fully utilize our capabilities and to put forth our best efforts in all matters in order to strengthen and build TOYOTA’s business performance globally

(Guiding Principles 1 and 5)

**(a) No Discrimination, Diversity & Inclusion**

Toyota does not tolerate any form of discrimination relating to gender, age, nationality, race, ethnicity, creed, religion, sexual orientation, gender identity, disability, marital status or the presence of children. We work to create an inclusive workplace where employees with wide-ranging skills and values can demonstrate their abilities to the fullest and thereby achieve self-realization. Toyota’s strengths lie in our capacity to respect our employees’ ability to think and promote innovation through the participation of every member, and this capacity is growing increasingly important. Amid such an environment, Toyota considers diversity and inclusion to be one of the key elements of our business framework, and promotes activities accordingly.

**(b) Respect for and between employees / associates**

We shall respect each other on the workplace. Workplace harassment or intimidation will not be tolerated. We strive for social dialogue based on mutual trust and respect and mutual responsibility. We provide social protection and remuneration in line with the local regulations and well-balanced practices.

Toyota does not condone harassment which includes among others sexual harassment, power harassment (abuse of authority), peer pressure, nor any form of harassment that lowers the dignity of an individual. Toyota will promote the development of human resources with a "YOU perspective" in which each employee is interested in their surroundings and can act for someone other than themselves, and build an open workplace culture in which each employee can work with peace of mind. Toyota will continue these efforts.

**(c) Achieving and maintaining a safe and healthy working environment**

We strive to create a safe, healthy and comfortable working environment. TME has systems in place to prevent accidents or disasters from occurring at work, but should a problem, accident or disaster occur, we shall cease relevant parts of operations, and try to rescue people and secure safety. We shall also compile appropriate reports and investigate any causes thoroughly, in order to put measures in place to prevent reoccurrence. Using or being under the influence of drugs and/or alcohol during work time is absolutely prohibited.

**(d) Outside activities**

We focus on our work and duties and execute them with integrity. We will seek to avoid conflicts of interest between our work and private life, which could harm or otherwise negatively affect the quality of the performance of our work or the interests of TOYOTA, or harm TOYOTA, and strive for a healthy work-life balance. We commit to discuss potential conflicts of interest with a supervisor in order to gain advice on how best to proceed. We should, however, avoid acquiring any interest or participating in any activity outside TOYOTA that may damage the reputation and integrity of TOYOTA.

No one may take up any outside employment, business or occupation that could harm the legitimate interests of TOYOTA without the prior approval of TME Human Resources. This means, *i.a.* that we should not serve or collaborate with any company from the automotive industry, any competitor, (potential) supplier or other business partner of TOYOTA or of a competitor. Also, as employees, our outside activities should not negatively affect our availability and performance. For the good understanding and avoidance of uncertainty it is strongly advised that we seek confirmation of TME Human Resources before taking up any outside activity.

**(e) Teamwork**

We will cooperate with one another so as to achieve our tasks and objectives effectively and efficiently, and will endeavour to enhance the capabilities of individuals and the company as a whole. Those in management or supervisory positions will supervise, guide and support their subordinates and encourage teamwork, in order to enhance inter- and extra-departmental communication and effectiveness.

**(f) Improvement of work efficiency and skills**

We strive towards innovative thinking and continuous improvement, and are committed to enhancing our efficiency. We also continuously pursue personal growth and enhancement of our professional capabilities, through training and all other appropriate means. Although personal growth has many dimensions and can have different meanings for different people, at TOYOTA, personal growth includes elements such as enhancing experience, knowledge and the ability to take on more responsibilities, as well as the efficient use of various HR management systems and processes.

**(g) Migrant labor • Forced labor**

Toyota does not tolerate forced labor, which is often extracted through violent and threatful means or by entrapment of debt, or any other form of modern slavery including human trafficking. We recognize that migrant workers are vulnerable to situations of exploitation and forced labor. Due to the nature of Toyota's business, we also recognize the possible risks of forced labor involving migrant workers within our business, supply chain and value chain. As part of our due diligence activities, we work with third-party organizations to ensure fair working conditions for migrant workers within our affiliates, suppliers and distributors both inside and outside Japan.

**(h) Child labor**

Toyota does not tolerate child labor which deprives children of a childhood, access to education and restricts their development. Toyota recognizes the concern over child labor and other human rights abuses in mineral sourcing. We will continue to identify and assess human rights risks including child labor. If any risk is identified as a result of the survey, we will develop appropriate measures to mitigate the risk.

## **CHAPTER II. OUR ACTIVITIES IN THE COMPANY**

TOYOTA strives to provide high quality products and services that meet the demands of customers worldwide. TOYOTA also seeks to maintain the highest standards of health, safety and environmental management, and sets ambitious targets for all its activities, including research and development, procurement, production, logistics, sales and after-sales. We should bear in mind that each function within TOYOTA is linked to the business activities of the company as a whole, and that TOYOTA prohibits illegal acts or any act in violation of the company policy and rules. This chapter discusses how we should contribute to each of the major business activities of TOYOTA.

## 2-1. Compliance with Laws and Regulations

- *Acting in accordance with applicable laws, regulations and acceptable societal norms in a work-related context* -

TOYOTA will comply with all applicable laws, company policies and rules, adhere to sound societal norms in a work-related context and take appropriate action against any illegal or criminal acts or acts in violation of company policies and rules. TOYOTA will not deviate from this commitment regardless of whether an unlawful act serves the “interest of the company” or “interest of customers” or is requested by a superior.

Each member of TOYOTA is required to comply with applicable laws and company policies and rules, and to abide by sound social norms in all aspects of their work.

(Guiding Principles 1 and 2)

### (a) **Compliance with local, national and international laws and regulations**

We shall comply with all relevant laws and regulations in the countries in which we operate. It is the responsibility of each of us to be familiar with the laws applicable to our job. We must ensure that our conduct is such that it cannot be interpreted as a contravention of the laws and regulations governing the operations of TOYOTA. We should bear in mind that the perceptions of others of our actions are important and that we should act in a manner that leaves no doubt as to our intentions.

### (b) **Compliance with the company’s regulations and policies**

We will familiarise ourselves with the work regulations and the policies of TOYOTA and commit ourselves to acting in accordance with the principles set out in the *Guiding Principles at TOYOTA*, the “TOYOTA Way 2001”, the “Contribution towards Sustainable Development”, the *TME Code of Conduct*, as well as with all the company’s regulations and policies. We will also familiarise ourselves and act in accordance with acceptable societal norms in a work related context.

### (c) **Promoting compliance with laws and regulations and with the company’s regulations and policies**

We will not tolerate acts or actions that violate laws or the company’s regulations and policies whether from other employees / associates or from any TOYOTA business partner. We will take appropriate action against such violations by other employees / associates and we will emphasise and promote the importance of compliance both within the company and in our dealings with business partners.

## 2-2. Management and Usage of Company Assets, Resources and Confidential Information – Protection of Third Parties’ Rights and Confidential Information – Protection of Personal Data and Privacy

- *Securing the company’s assets and resources – managing confidentiality – protecting privacy* -

TOYOTA possess a wide variety of tangible<sup>(1)</sup> and intangible<sup>(2)</sup> assets that are extremely valuable and vital to the successful operation of its business. In order for TOYOTA to use such assets effectively during the course of its business activities, TOYOTA manages its assets with firm control to prevent them from being lost, stolen or used illegally or wrongfully.

TOYOTA endeavours to protect the confidentiality of its sensitive information (*e.g.*, trade secrets) and to use such information in an appropriate manner. At the same time, TOYOTA does not tolerate the illegal use of other parties’ assets or the unauthorised use of confidential information of other parties.

Members of TOYOTA should adequately manage and protect TOYOTA’s assets and assets of others.

(Guiding Principle 1)

- (1) Tangible assets include (non-exhaustive list) land, buildings, facilities, equipment, products, tools (including, without limitation, IT and communication tools), merchandise, materials, office equipment and supplies, networks, cash and deposits, securities and bonds, corporate credit cards, etc.
- (2) Intangible assets include (non-exhaustive list) intellectual property rights (such as patent rights, trademarks, copyrights, design rights), know-how, the results of any intellectual work performed by employees / associates in the course of their work for the company, etc.; confidential and non-confidential information and data related to the company, its organisation, activities and businesses, in whatever format and on whatever support, such as (non-exhaustive list) sales and after-sales related information and data, other business-related information, technical information, financial and accounting related information, information on the company’s technologies and products and information on employees / associates (including personal information related to employees / associates), information on the company’s business partners, software, databases, trade secrets, etc..

### (a) Protection of tangible assets

We must use the company’s tangible assets for business purposes only and in strict compliance with the company’s procedures. We will not use, make available to others or allow others to use any of the company’s tangible assets for personal or any other non-business related purposes, unless such use is expressly and formally authorised by the company beforehand. Also, in order to prevent misuse, loss or theft of tangible company assets, we will strictly follow the rules and procedures with regard to the treatment / disposal of tangible assets (*e.g.*, rules relating to the removal of assets from the company premises) and always seek authorisation at the proper management level when in doubt. We will not allow tangible assets of other companies or individuals inside the company unless the presence of such assets has been approved beforehand in accordance with company rules and procedures.

### (b) Protection of TOYOTA’s intellectual property and other intangible assets

We will continually protect all intellectual property belonging to the company against any infringements. This includes all intellectual property rights and other intangible assets that are created or developed, directly or indirectly, through our work within the company, or which are assignable to the company.

### (c) Appropriate usage of company’s resources

We shall use all company’s resources (human resources, financial resources, etc.) in accordance with the company’s procedures and for company business purposes only and in accordance with relevant laws and regulations.

### (d) Respect for the intellectual property of others

We will not infringe upon the intellectual property rights of others or use such property (such as copyright, patents, designs and trademarks) illegally, or make illegal copies of software or publications.

### (e) Protection and maintenance of confidentiality of company and business sensitive information

Much of TOYOTA’s information and data are business sensitive and of a confidential nature and must

not be disclosed except to those authorised to use it. We shall therefore abide by the TOYOTA rules for the usage of confidential and sensitive information and do our utmost to avoid leakages of confidential information. Even after termination of our employment (for whatever cause) within TOYOTA, we will not reveal or disclose any confidential information and data we may have acquired knowledge of during our employment at TOYOTA. The company's "*Confidentiality Policy*" (available on TME's intranet) provides detailed guidelines and rules for dealing with information and data, which are of a confidential or business-sensitive nature.

We will not disclose any confidential information about TOYOTA, its business partners and affiliated companies to anyone inside or outside the company, except when required for legitimate business purposes. The above applies to any confidential information and data in whatever form or shape and on whatever support, which includes, among others, information and data on the company or the TOYOTA group, business, technical or financial information and data, information on business partners, actual or potential business partnerships (joint-ventures, mergers, alliances), development of new technologies or products, fluctuation in sales or profit figures or dividends about which the company has not yet made an official public announcement.

**(f) Protection of third parties' business-sensitive / restricted information**

In the event that we seek to acquire business-sensitive / restricted information about another company or any other third party, we shall employ legitimate means, obtain it from legitimate sources and keep appropriate records of this. We shall verify the permitted scope of usage and other conditions that may apply and use any such acquired information accordingly.

**(g) Use of business communication and IT facilities**

Telephone, e-mail, network and Internet access and other communication facilities provided by TME are to be used for business purposes and with care. The *TME Code for the Use of Business Communication Tools* (available on TME's intranet) provides detailed guidelines and rules for dealing with e-mail, Internet, IT and telecom systems, hardware, software and password-use in the workplace.

**(h) Protection of personal data and privacy**

We will treat all personal data related to employees / associates, customers and business partners and any other third party TME has dealings with, including our own, with due care and in compliance with applicable laws and regulations.

We will collect and use such data only by legal means and for legitimate purposes. We will carefully manage and protect such data, and use it for its intended purposes only.

We will ensure that proper procedures for processing, maintaining and storing personal data are followed.

No such data may be disclosed by any employee / associate unless required by law or - and until - proper authorisation for such disclosure has been obtained in accordance with applicable laws and regulations. All personal data and information will be processed, stored and maintained in an appropriate manner. We will comply with any policy and guidelines that the company would see fit to issue with respect to the protection of personal data and privacy.

## 2-3. Integrity towards the Company and Third Parties - Anti-Corruption / Anti-Bribery – Gifts and Hospitality

- *Doing business with integrity* -

It is TOYOTA's policy to conduct all aspects of its business with integrity, i.e. in an honest and ethical manner and in accordance with applicable laws, at all times. TOYOTA operates a zero tolerance policy with respect to corruption and bribery.

TOYOTA is committed to ensuring full compliance with all anti-corruption / anti-bribery laws and regulations and is committed to implementing and enforcing effective systems to counter corruption and bribery within or from its organisation.

This zero tolerance policy applies to all employees of the company, as well as to associates and anyone else (person or legal entity) providing services to the company, and any other third parties (persons or legal entities) acting for or on behalf of TOYOTA or having business or other dealings with TOYOTA.

(Guiding Principle 1)

### (a) Personal relationships with / interests in third parties

Personal relationships with / interests in third parties, such as (non-exhaustive list) actual business partners, suppliers, contractors, consultants, agents or distributors, competitors, business partners or third parties with which a partnership or business transaction is envisaged or in negotiation) may give rise to situations where a conflict of interest – real or perceived – could arise. We should therefore ensure that we remain independent (and are seen to be independent) from any competitor, existing or potential business partner (person or company) that is in discussion or negotiation, in a business transaction, or has a contractual relationship, with TME or any TOYOTA entity. Investing in or acquiring any direct or indirect financial or other interest (whatever the nature, value or form of such investment or interest) in third parties as described above should be avoided. Business transactions with family members in other companies are also prohibited.

Without prejudice to the rules applying to insider trading (see section 2-4 below), we shall report to the company any personal relationship with or any direct or indirect interest (financial or other) in any third party with which TME or any TOYOTA entity has existing or envisaged business dealings (such as discussions, negotiations, actual transactions or contracts, etc.) if we are in a position to influence such dealings and/or the outcome thereof, or if we are in any other way involved in such dealings. Such reporting shall mention the name of such third party and the nature of the personal relationship with or interest in such third party and be addressed to the appropriate level of management taking into account the reporting employee's grade and position in the company (in any event minimum the General Manager's level of the relevant division); associates will make such reporting to their contact person within TME.

### (b) Anti-corruption / anti-bribery – Receiving and offering gifts and hospitality

TME has issued an "*Anti-Bribery Policy*", which can be found on TME's intranet and which contains precise rules and guidelines in this matter. We shall strictly comply with this policy.

Furthermore, where applicable, we shall comply with all other specific policies within TME (for example, specific divisional policies) which include specific rules and guidelines regarding anti-corruption / anti-bribery, receiving / offering gifts, hospitality and other favours or advantages.

We do not commit or tolerate any act or form of corruption and bribery. This includes active bribery (offering bribes), passive bribery (requesting, accepting bribes), as well as any act or form of extortion, abuse of power, embezzlement, money laundering and any similar criminal activity, by us or by others, for ourselves or any other person or on behalf of or for TME and/or any TOYOTA entity, with or without knowledge of TME and/or any TOYOTA entity.

We will not offer or make any payment or contribution of any kind with the purpose of gaining any commercial or personal advantage for ourselves or any other person or for TME and/or any TOYOTA

entity. Neither will we accept any payment or contribution of any kind with the purpose of gaining any commercial or personal advantage for ourselves or any other person or for TME and/or any TOYOTA entity.

The consequences of committing acts of corruption / bribery can be very heavy. Corruption / bribery of private individuals or entities is a criminal offence in many jurisdictions and carries severe criminal sanctions for the individual involved and generally also for the corporate entities. Corruption / bribery of public officials or other individuals or entities involved in public business is a criminal offence in virtually all jurisdictions and carries often more severe criminal sanctions for the individual involved and generally also for the corporate entities involved.

***Accepting and offering gifts or hospitality***

Accepting or offering gifts, hospitality or other favours in connection with business relationships or activities related to the business must remain within reasonable limits in terms of value and occurrence, fit within the boundaries of a normal and appropriate expression of business courtesy and, in any event, be compliant with TME's "Anti-Bribery Policy".

***Facilitation payments***

A facilitation or grease payment is a payment or a gift, usually of small value, made to a public official to speed up, or secure the performance of a routine, governmental action which the official is already obliged to perform, such as: processing governmental papers such as visas and work orders, scheduling inspections associated with contract performance or the shipment of goods or loading and unloading cargo, etc. TME does not make or permit facilitation payments of any kind.

***Dealings / relationships with business partners***

Business partners are third parties (persons or entities) such as (non-exhaustive list): suppliers, distributors, agents, external consultants, joint-venture partners, intermediaries, service providers.

TME does not do business with any person or entity which engages in corruption / bribery practices. We should pursue or initiate dealings / relationships with an actual or potential business partner only on the basis of a positive outcome of serious checks of such person's or entity's reputation, integrity and track record in terms of level of compliance with applicable anti-corruption / anti-bribery laws and regulations.

We expect all our business partners to comply with the guidelines included in TME's "Anti-Bribery Guidelines" applicable to business partners with regard to any dealing or relationship with TME. We must ensure that the contracts with our business partners contain appropriate references, representations and warranties from the business partners concerning their compliance with the above-mentioned guidelines, or any guidelines which are similar thereto, as well as with applicable anti-corruption / anti-bribery laws.

***Reporting genuine facts, concerns or suspicions regarding corruption / bribery***

Employees / associates are expected to report to the company genuine facts, concerns or suspicions they would become aware of regarding corruption / bribery at the earliest possible stage. Violations such as these fall in the category of Specific Serious Violations, as defined in the Chapter IV, (II) below, and they will be dealt with in accordance with the rules and procedure for the handling of Specific Serious Violations as described in Chapter IV, (II).

## 2-4. Insider Trading

### - *Responsible use of privileged and confidential information* -

TOYOTA is in possession of a large amount of valuable confidential information. All employees are strictly prohibited from using such non-public information in trading stocks and securities.

All members of TOYOTA should understand that insider trading is a crime in most countries and destroys the mutual trust between companies, investors and business partners.

(Guiding Principle 1)

(a) **Prohibition of insider trading**

We understand that any kind of trading in securities of any company including TME or any TOYOTA entity while in possession of material, non-public information about those securities and/or the company – known as insider trading – is prohibited, whether or not such an investment ultimately returns a profit or an intermediary is involved. “Non-public” information refers to information about a company and/or its securities that has not yet been published by the company and has not been disseminated in a manner that makes it accessible to ordinary investors. “Material” information refers to information about the company and/or its securities that a reasonable investor is likely to deem important in deciding to purchase or sell securities of the company, or that could affect the price of the security of the company. Material information includes both positive information, which could increase the security’s price, and negative information, which could decrease the price. Examples of insider trading include initiating the sale or acquisition of stocks, debentures or bonds of a company on the basis of confidential information that has been acquired in the course of working for TME or any TOYOTA entity.

We shall take sufficient precautions in our investment activities to steer clear of any involvement in insider trading. We shall also not suggest or recommend that anyone sell, purchase or retain the securities of any company while we have material non-public information about the company and/or its securities, even if we do not communicate or disclose the information.

(b) **Special rules regarding TOYOTA securities for executives**

Because TME executives are likely to have access to material, non-public information about the company or any TOYOTA entity (such as financial information), additional requirements are applicable to help prevent insider trading violations. It is prohibited for all executives to trade in TOYOTA’s securities during the period commencing with the end of a financial term (including half-year and quarter) and ending on the date on which TOYOTA’s financial results become public. Furthermore, engaging in short-term trading in the company one is working for is often perceived by enforcement authorities dealing with securities law as involving insider trading. TOYOTA executives, therefore, will refrain from conducting the purchase and sale, or sale and purchase, of TOYOTA securities within six months.

## 2-5. Complying with and Managing Contracts

### - *Responsible and careful handling of contractual rights and obligations* -

TOYOTA members must honour the company's contractual obligations towards business partners.

TOYOTA members must understand that appropriate contract handling is essential to protect the company's interest and reputation and to ensure legal compliance.

(Guiding Principles 1 and 7)

**(a) Observing and honouring the terms and conditions of contracts**

We shall take due note of the terms and conditions of all contracts that we enter into with our business partners, and honour the terms and conditions of any such contracts.

**(b) Complying with applicable laws and regulations**

When engaging in contract negotiations we shall carefully examine all applicable laws and regulations (*e.g.*, in the competition law area) and, in this respect, seek legal support in a timely manner.

**(c) Managing contracts**

We shall follow the rules and guidelines included in the company's "*Contract Management Policy*" (available on TME's intranet), which addresses contract handling matters at all stages (from the pre-contractual phase to contract termination or amendment).

## 2-6. Fair Competition

### - *Complying with competition law* -

The rules prevailing in the competition law concern a major part of our business organisation and operations. Many employees are involved, on a daily basis or occasionally, in activities or issues which fall under the scope of competition law.

Competition law contributes to ensure fair competition and TOYOTA considers it essential that all its members fully comply with competition law.

(Guiding Principles 1 and 7)

#### (a) **Complying with competition law**

Infringements of competition law can lead, and have effectively led, to heavy fines imposed by the competition authorities on companies, including car manufacturers. Infringements of competition law can also seriously damage a company's corporate and brand reputation. Furthermore, reports of suspicions or complaints from business partners, competitors, consumers or other interested parties can lead to investigations by competition authorities which are costly, time-consuming and disruptive for the companies involved in such investigations.

We understand that it is the duty and responsibility of each of us to strictly comply with competition law.

#### (b) **Complying with TME's policies**

We shall comply with the guidelines and rules included in "*Toyota's EU Competition Law Compliance Manual*" (available on TME's intranet).

We shall seek legal advice pro-actively and in a timely manner if we have questions, doubts, concerns or suspicions about any potentially anti-competitive agreement, arrangement, conduct or practice involving Toyota or any business partner or competitor of Toyota, which they became aware of in the course of their activities. We shall also seek legal support before negotiating or entering into any agreements involving competition law aspects with business partners, such as agreements with distributors or competitors (*e.g.*, distribution agreements, cooperation or partnership agreements) or any other agreements with third parties including competition law aspects (*e.g.*, exclusivity rights, preferred supplier status or other restrictions with regard to the conduct of business (whether from Toyota's or from the business partner's side), sharing of confidential business information with business partners).

## 2-7. Promoting Safety

### - *Manufacturing safe vehicles and related products and services* -

As a car manufacturer, the quest for safer vehicles is one of the main challenges and responsibilities of TOYOTA. In cooperation with suppliers and retailers, TOYOTA endeavours to research and develop, design and manufacture Toyota and Lexus vehicles that have been subjected to strict quality controls for the comfort and safety of our customers. TOYOTA is proud to offer outstanding after-sales service and safety education to customers and the general public. TOYOTA will also be actively involved with “People Education” (i.e. driver education) and with improving the “Traffic Environment”.

The needs of customers should always enjoy the highest priority. As members of TOYOTA, we must continually strive to make vehicles safer, in order to secure customer loyalty and trust.

(Guiding Principle 3)

#### (a) **Manufacturing safe vehicles**

We shall pay close attention to safety in the manufacturing of our vehicles and accessories, from planning and development to design, assessment, production, inspection, transportation and pre-delivery inspections. In conducting vehicle safety studies, we shall thoroughly familiarise ourselves with safety standards, consider the results of research and experiments on safety conducted by TOYOTA and the industry and, after considering safety from a broader perspective, endeavour to manufacture vehicles to the appropriate safety standards. To support the safe functioning of vehicles and related products and services throughout their life-cycle, we offer training in safety and maintenance and participate in technical knowledge sharing.

#### (b) **Customer opinion is an invaluable asset**

To ensure the safe and comfortable use of our vehicles, we shall provide customers with adequate information on new safety-related equipment and instructions on the safe use of vehicles. Based on our core belief that the “customer’s opinion is an invaluable asset”, we shall take heed of all customer queries, requests and advice. We place the highest priority on addressing health- and safety-related concerns identified by customers, government agencies, etc. We will not carry out or permit any illegal conversion or modification of vehicles, even when so requested by customers.

## 2-8. Environmental Preservation

### - Manufacturing people-friendly and environment-friendly vehicles -

TOYOTA is keenly aware of the importance of global environmental conservation. Therefore, TOYOTA is dedicated to providing clean and safe products and to enhance quality of life through all our activities. Furthermore, TOYOTA has developed a proactive environmental policy and plan, the “TOYOTA Earth Charter” and its “TOYOTA Environmental Action Plan”, to ensure continual improvement in environmental performance.

TOYOTA regards sound environmental management as one of its major responsibilities, and considers the environmental impacts of its vehicles throughout their entire life cycles, from production to disposal. TOYOTA is committed to comply with international environmental standards and conducting environmental impact assessments; and is working towards designing and “building environmentally friendly vehicles” in cooperation with its suppliers, retailers, etc.

Members of TOYOTA should strive to maintain the highest environmental management standards in all countries in which they operate.

(Guiding Principle 3)

#### (a) Consideration for the environment

Each one of us will endeavour to take potential environmental impacts into consideration and to realise the “zero emission” target we have set for all of our business operations, including development, manufacturing and transportation of Toyota and Lexus vehicles. We will also integrate our environmental responsibilities into our after sales services (*e.g.*, Hazmat, which is about the collection, handling and transportation of hazardous materials, parts and chemicals).

#### (b) As a member of society

We will, as members of a recycling-based society, strive to conserve natural resources and energy and actively participate in clean-up and afforestation activities. To demonstrate our commitment to environmentally sustainable transport, we are encouraged to actively participate in eco-drive initiatives.

#### (c) Providing information on environmental performance

We will disclose adequate and timely information on our environmental performance to relevant organisations and authorities and via public reports and via our website.

## 2-9. Research and Development

### - High quality vehicles for discerning customers -

In order to provide innovative, safe and outstanding quality products and services that meet the demands of customers worldwide, TOYOTA has established research and development centres around the world that employ people who excel in their innovative abilities. TOYOTA cooperates with universities and institutes in the research and development of advanced technologies.

TOYOTA will observe laws governing research and development activities and agreements with its research and development partners.

TOYOTA aims to develop vehicles that meet the needs of consumers and it promotes continuous improvement in manufacturing and design.

TOYOTA members respect the viewpoint of their research and development partners, and strive to build and maintain relations of mutual trust by meeting their obligations to their partners.

TOYOTA members shall take care not to infringe upon the intellectual property rights of others.

(Guiding Principle 4)

#### (a) Protection of TOYOTA's intellectual property

All intellectual property rights, such as patents, utilities, designs, trademarks, copyrights, trade secrets, know-how and any other rights which were created or developed, directly or indirectly, through our research and development activities, belong to TOYOTA or are assignable to TOYOTA.

#### (b) Respect for the intellectual property of others

We will not infringe upon the intellectual property rights of others. We will not make illegal use of patents, utilities, designs and trademarks of third parties, nor will we make illegal copies of software or publications. If we need to use the intellectual property of others for manufacturing or research and development purposes, we will obtain usage rights and use them within the scope permitted.

#### (c) Observing applicable laws and regulations

When engaging in research and development with competitors, we shall examine all applicable laws, regulations and guidelines of the relevant countries, verify the contents of any restrictions on joint research and development activities and exercise care so as not to unfairly exclude other companies from the marketplace.

## 2-10. Procurement

### - *Honest and fair transactions* -

TOYOTA engages in open and fair procurement activities, based on the following three principles:

**(a) Fair competition based on performance**

Regardless of nationality or the size of the transaction, TOYOTA offers fair opportunities to candidates, and evaluates candidates based on their overall capability, including quality, technology, price, volume and reliability of delivery as well as the stability of their business management and technological development capabilities.

**(b) Mutual growth based on mutual trust**

TOYOTA strives towards establishing mutually beneficial relationships with its suppliers based on close cooperation and open communication.

**(c) Promoting localization to become a good corporate citizen**

TOYOTA actively supports local procurement and production, so as to contribute to the economic development of the countries and communities in which it operates.

TOYOTA members engage in procurement activities with fairness and integrity, with the above three basic principles in mind and in accordance with applicable laws.

(Guiding Principles 1 and 7)

**(a) Innovation and efficiency**

We strive to acquire specialised knowledge in areas such as procurement, raw materials and production processes, cost management, etc. We will work with our suppliers to identify ways to reduce costs. We respect the confidentiality of information and intellectual property rights of our suppliers and protect these as we do our own.

**(b) Anti-corruption / anti-bribery – Receiving / offering gifts and hospitality - Personal relationships with suppliers**

We will do business with integrity. The rules and guidelines set out in section 2-3 above shall apply.

**(c) Promoting good corporate citizenship**

We will encourage our suppliers to adopt and implement socially responsible corporate policies.

**(d) Honouring the terms and conditions of contracts**

We will honour the terms and conditions of all contracts that we enter into with our suppliers.

**(e) Use of bargaining position**

We will not abuse TOYOTA's bargaining position or influence in order to force suppliers to accept unfair terms or to disclose technical know-how, nor will we intentionally try to unfairly side-line suppliers.

**(f) Supplier CSR Policies and Guidelines**

Where applicable, we shall apply (and request TME's suppliers to apply) the "*Supplier CSR policies and guidelines*" issued by TOYOTA in our dealings with suppliers. This policy can be found on TME's public corporate Web site.

## 2-11. Manufacturing and Logistics

### - *Manufacturing vehicles and products which secure customer trust and faith* -

TOYOTA will endeavour to manufacture high-quality Toyota and Lexus vehicles and parts in order to meet customer needs. In addition, TOYOTA will establish optimal distribution networks for vehicles and parts to support the above objectives.

In order to ensure the efficient production and supply of high-quality Toyota and Lexus vehicles and parts, TOYOTA endeavours to build the “world’s optimum production network and global vehicle distribution network”.

In order to enhance the global competitiveness of Toyota and Lexus vehicles, TOYOTA has developed the Toyota Production System in accordance with the characteristics of each region of the world, and aims to establish plants that are employee- and environment-friendly.

As TOYOTA members, we endeavour to ensure product safety and quality, and comply with the laws that apply to manufacturing and distribution.

(Guiding Principle 4)

#### (a) **Accuracy in work and securing safety and quality of products**

Through standardisation of work, we aim to eliminate *Muri* (beyond capacity), *Mura* (unevenness) and *Muda* (waste). We strive to create products of consistently high quality in order to increase customer satisfaction. Should defective products be produced or work errors occur, we will suspend production so as to determine the cause and take appropriate measures to prevent reoccurrences.

#### (b) **Skilled work**

We are committed to the continuous improvement of our capabilities, technical skills and overall efficiency. We therefore strive to continuously improve our work methods, procedures and processes.

## 2-12. Sales and After-Sales

### - Securing the trust of customers and of the sales and after-sales network -

TOYOTA strives to establish and maintain a sales and service structure that meets customer demands in a timely manner. To this end, TOYOTA endeavours to build relationships based on the following three principles: the customer comes first; mutual growth through mutual trust; and fair competition.

#### (a) Philosophy of “Customer First”

TOYOTA strives to create and maintain an efficient sales and service structure in order to meet the various needs of customers worldwide. To this end, TOYOTA develops products tailored to customer needs and implements a marketing strategy and sales styles that are in line with product characteristics and levels of demand.

#### (b) Mutual growth based on mutual trust

TOYOTA respects its suppliers and retailers, and aims to establish long-term, mutually-beneficial relationships based on mutual trust with its business partners.

We develop and offer attractive product line-ups, we support various showroom designs and sales styles, and maintain a meticulous customer and revenue management system – all with a view to enhancing the sales efficiency and profitability of retailers.

#### (c) Importance of fair market competition

TOYOTA respects free trade and market competition. TOYOTA implements bold sales strategies in order to achieve customer satisfaction and provide support in various areas of the world. TOYOTA endeavours to engage in fair competition and transactions.

We will conduct our sales activities in accordance with the law and bearing the above basic policies in mind.

(Guiding Principles 1 and 4)

#### (a) Ascertain customer needs

In order to meet the needs of customers, we strive to bring out the best in our retailers and repairers, collect information in a *Genchi Genbutsu* manner (i.e. go to the source, assess the situation and make correct decisions), make timely product and marketing plans, and ensure an optimal customer ownership experience.

#### (b) Sales and after-sales with integrity – Anti-corruption / anti-bribery - Receiving / offering gifts and hospitality - Personal relationships with third parties

We will always keep in mind that it is retailers and repairers who actually sell, lease and provide services for our products. We will communicate with retailers / repairers in good faith and provide them with the products and services that our customers desire. We will also strive to provide accurate information to our customers. We will not engage in any internal or external practices that involve falsification of records or false communication, including false advertising and/or deceptive marketing practices.

We must comply with the rules and guidelines set out in section 2-3 above as regards anti-corruption / anti-bribery, receiving / offering gifts and hospitality and personal relationships with third parties.

#### (c) Compliance with competition laws

We shall ensure that our sales and after-sales network organisation and operations are and remain compliant with applicable competition laws and regulations. In this respect, as regards the European Union in particular, we shall comply with Toyota’s “*EU Competition Law Compliance Manual*” (see section 2-6 above). We shall seek legal advice pro-actively and in a timely manner.

## 2-13. International Business Activities

*- Being a globally operating company that is trusted by society -*

TOYOTA operates worldwide, and many of its business activities – not only manufacturing, but also research and development – are conducted outside Japan. TOYOTA operates in diverse environments and in a world that is constantly changing. Not only does each country have its own laws, regulations and customs, but the international political and economic climate can also change rapidly. TOYOTA abides by national, regional and international laws and regulations, while at the same time respecting the culture, customs and history of the countries and communities in which it operates. TOYOTA contributes to the development of local economies by combining a “global and local” outlook.

(Guiding Principles 1 and 2)

**(a) Respect for the culture, customs and history of each country**

We shall respect the culture, customs and history of each country in which we operate, and take into account the interests of local communities and local residents.

**(b) Observation of the terms and conditions of contracts and the laws and regulations applicable thereto**

We shall be familiar with the terms of agreements related to our international business. We believe that abiding by our agreements is a first step toward open and fair business practices, and that such integrity forms the foundation for a relationship based on mutual trust with our international business partners, suppliers, retailers, etc.

## 2-14. Profitability Enhancement

### - *Building a robust profit base* -

To meet the expectations of investors and society, TOYOTA is committed to taking the measures required to improve management efficiency, achieve a sustainable increase in profits and strengthen the foundation of management and profit.

TOYOTA conducts detailed feasibility studies prior to financing or investing in domestic or international projects. As regards fund management, TOYOTA places the highest priority on security and certainty.

Based on the appropriate financial index, TOYOTA evaluates its management efficiency and profit make-up both on an individual and a consolidated basis and does its best to continuously improve its performance. TOYOTA will disclose accurate financial results in a timely matter to relevant persons and groups.

(Guiding Principle 6)

#### (a) **Profit enhancement and cost-cutting**

We undertake to enhance profitability in collaboration with our business partners and affiliated companies through innovation, determination and precision. We endeavour to reduce costs through thorough cost-consciousness and individual creativity in order to provide our customers with products and services that are attractive in quality and price. At the same time, we strive to increase the marketability of our products and to add value to our services.

#### (b) **Appropriate utilisation of funds and expense processing**

As for project, budget investments or financing of projects, we strive to utilise funds effectively by carrying out reviews on internal control by more than one person in order to prevent inappropriate or wrongful usage of financial resources. With respect to derivative transactions or liabilities, we shall introduce company or division rules supported by an internal monitoring system to ensure that these transactions take place under strict supervision.

#### (c) **Ensuring accuracy**

Based on appropriate accounting processing standards, we ensure accuracy of accounting and financial data, and strive to maintain its confidentiality. We strive to prevent processing errors and leakage, alteration and loss of confidential information.

## **CHAPTER III. SOCIETY AND US**

TOYOTA maintains close ties with the communities in which it operates. TOYOTA aims to become a good corporate citizen that is trusted internationally, as well as by local communities. We strive to communicate openly and honestly with stakeholders, and we engage in activities that contribute to the sustainable development of local communities and society as a whole. This chapter sets out guidelines for (and examples of) TOYOTA's engagement with society. In addition, it illustrates issues about which we should be aware.

### 3-1. External Communication – Use of Social Media - *Being open and fair* -

TOYOTA strives to be an open company that is trusted by society. We disclose accurate and timely information to stakeholders via its public relations activities and public hearings, in order to enhance transparency. TOYOTA appreciates and respects constructive criticism from stakeholders and will incorporate suggestions into its business practices if deemed necessary.

We endeavour to disclose information to society in an accurate and timely manner.

(Guiding Principles 1,2 and 6)

#### (a) **Providing accurate information**

With the awareness that, as employees, each one of us has a public relations role to fulfil, we shall conduct ourselves in a manner that supports society's trust in TOYOTA by providing accurate information. As for constructive criticism and realistic requests directed to TOYOTA, we strive to give adequate and prompt feedback.

#### (b) **Promotion of good relations with local communities**

TOYOTA strives to enhance its reputation and gain the trust of local communities through participation in local community events and hosting factory tours, special events and programmes. TOYOTA also organises sessions with stakeholders during which they are invited to offer constructive criticism, share issues, and exchange ideas on solving them.

#### (c) **Awareness of use of language and terminology**

We realise that we may unthinkingly use terms in our everyday language that could be considered as inappropriate by others. We therefore strive not to use slanderous, defamatory or discriminatory language that may cause offence to others.

#### (d) **External communications / publications**

We must not make any external publication, communication or contribution or any public statement on behalf of TOYOTA, in whatever context (*e.g.*, interview, public speeches, addresses or presentations, publication / article in a magazine or book, student theses, social media, trade association, conference, seminar or workshop) and to or in whatever media, concerning any aspect of TOYOTA, including, without limitation, its organisation, products, technologies, financial situation, businesses, projects and/or business partners, without the prior authorisation of our line management (at minimum Vice President level) **and** TME's European Corporate Communications Division. Such authorisation must be requested well in advance of the intended external publication, communication or contribution or public statement, with sufficient time for review by the line management and TME's European Corporate Communications Division.

If approached by the media, we will immediately contact TME's European Corporate Communications Division without making any further comments to the person(s) who has/have contacted us.

As a general rule, TOYOTA's views on public policy or industry issues will be communicated and dealt with only by TME's executive management and/or authorised persons in TME's European Corporate Communications Division.

#### (e) **Use of social media**

The use of social media is subject to the company's "*Social Media Policy*" (available on TME's intranet) for detailed guidelines and rules for dealing with social media. We shall comply with such guidelines and rules and use the social media in a careful manner, bearing in mind that we are representatives of TOYOTA.

### 3-2. Philanthropy and Community Relations

*- Being a good corporate citizen trusted by the international and local community -*

TOYOTA strives to use its resources efficiently and to participate in activities that aim to resolve societal problems or issues, so as to contribute to the realisation of a prosperous society and sustainable development. Such activities are aimed at alleviating societal problems or issues and include initiatives relating to the nurturing of personnel, the environment and road safety.

As a global company, TOYOTA contributes to creating a sustainable society. TOYOTA strives to be a good corporate citizen in the communities in which it operates, and is committed to contribute to resolving the social issues that various communities face.

As a member of a local community, TOYOTA will take an interest in and gain awareness of local social issues and also actively pursue philanthropic activities and encourage volunteering by its employees.

(Guiding Principles 1, 2 and 6)

**(a) Understanding and participating in TOYOTA's community relations and philanthropic activities**

We understand and support TOYOTA's policy on community relations and philanthropic activities, seek to address various social issues and to actively participate. Our main focus is on road safety, environment and education.

**(b) Active participation in community relations**

As a member of society, TOYOTA believes that active involvement in the community through philanthropy and volunteering is not only beneficial to society but also enhances our reputation. TOYOTA therefore aims to contribute to creating a better society by facilitating and stimulating employee participation in philanthropic and volunteer activities that best suit each individual.

### 3-3. Shareholder Relationship

#### - Enhancing shareholder benefits -

In order to meet the interests of shareholders and investors worldwide, TOYOTA strives to enhance corporate value and achieve stable, long-term economic growth. TOYOTA acknowledges the importance maintaining good investor relations. Therefore, the company is committed to communicating with investors in a timely manner and promoting understanding of its management strategies and business activities. With regard to corporate governance, TOYOTA is committed to enhancing transparency regarding its management activities, including internal controls by independent auditors.

Through our work, each of us endeavours to act in accordance with TOYOTA's commitment to meet the expectations of its shareholders and investors worldwide.

(Guiding Principle 6)

**(a) Enhancing profitability**

We endeavour to add value for shareholders and investors by stimulating creativity, pursuing technological innovation and managing business risks.

**(b) Carrying out investor relations activities**

We disclose timely and accurate information on company performance, our fundamental principles and policies and plans to enhance profitability. We are receptive to shareholder and investor opinions or criticism of company performance, principles, policies and plans, and strive to give adequate feedback.

**(c) High ethical standards**

Engagement in any act that constitutes a serious violation of the law, breach of trust, serious misconduct, embezzlement or fraudulent accounting practices will not only lead to legal, but also to disciplinary sanctions. TOYOTA's reputation is a valuable asset that has taken years to build. Therefore, we shall maintain high ethical standards, observe the letter and spirit of the law, and exercise prudence in decision-making.

**(d) Financial records**

Accurate and reliable records of many types need to be maintained to meet TOYOTA's legal and financial obligations and to manage its businesses. TOYOTA's books and records must give an accurate account of business transactions. Failure to disclose or record revenues, expenses, assets or liabilities is not permissible, and all of us who fulfil accounting and record-keeping functions are expected to be diligent in following proper procedures.

**(e) Disclosure**

We are committed to disclosing accurate and timely financial data to our shareholders and investors.

### 3-4. Government Relations

#### - *Maintaining healthy and transparent relations with public authorities* -

TOYOTA strives to build and to maintain transparent and fair relationships with public authorities and at all times to follow proper procedures in complying with the laws or professional Codes of Conduct in relation to these matters.

(Guiding Principle 1)

- (a) **Anti-corruption / anti-bribery – gifts and hospitality – Donations, contributions and sponsorship**  
Chapter II, section 2-3 above shall apply. We shall strictly comply with TME's *Anti-Bribery Policy* applicable to employees / associates and, where relevant, ensure the implementation of TME's *Anti-Bribery Guidelines* applicable to business partners.

(b) **Lobbying**

We shall not compromise the integrity or reputation of TOYOTA or any other individual, business, or public authority in our dealings with anyone outside TOYOTA. When lobbying public authorities, we shall ensure that our requests are reasonable and based on the merits of our position and arguments.

### 3-5. Politics and Religion

#### - *Tolerance* -

Provided that it does not prevent employees from fulfilling their work-related responsibilities, TOYOTA respects the freedom of employees to engage in political activities and does not, in any way, interfere with individuals' religious activities.

We will not engage in political and/or religious activities that interfere with our work or that of other employees / associates.

(Guiding Principle 1)

#### **Separation of work with political and religious activities**

Political participation and religious practice are private activities that each employee / associate is free to engage in. In addition, due to the personal nature of religious and political views, employees / associates who express their opinions publicly will it make clear that such views are those of the individual, and not those of TME or any TOYOTA entity (unless such an announcement of a view has been specifically authorised in advance by TME or the relevant TOYOTA entity).

### 3-6. Road safety

*- Improve road safety awareness in society as a whole -*

TOYOTA strives to contribute to the creation of a safe and secure society, not only through the manufacturing of safe cars, but also by actively promoting road safety education and raising road safety awareness.

As a car manufacturing company, we view it as our responsibility to set an example in road safety by complying with traffic rules, driving carefully and actively promoting road safety.

(Guiding Principle 1)

**(a) Abiding by traffic rules and regulations**

As representatives of a car manufacturing company, we strive at all times to set an excellent example on the road when driving a car whether for private or business purposes. We shall always abide by traffic rules and regulations.

**(b) Driving with care**

We strive to be courteous and careful drivers, whether driving for private or business purposes.

## CHAPTER IV. RAISING CONCERNS

### (A) *How to report violations*

TME encourages members to speak up and bring any concerns to light, in a safe and confidential environment.

#### **Please speak up!**

*TME's Code of Conduct* and policies are intended to ensure that we conduct business with the highest standards of integrity and to prevent and detect improper or illegal activities. Employees and associates are not only encouraged but required to report any violations or suspected violations.

The *TME Code of Conduct* creates a safe and confidential environment for members to speak up. This policy governs the reporting and investigation of alleged improper or illegal activities at TME, as well as the protection afforded to those who report them (the “whistleblowers”).

We ask you to report promptly any violation or suspected violation of the Code of Conduct, law or regulations to avoid further harm to our colleagues, business or company. TME will thoroughly investigate the reported matter and, where necessary, take appropriate action. People reporting violations or suspected violations help reduce risks, increase transparency and help prevent wrongdoing.

We provide multiple ways for you to report any violation or suspected violation. You can choose the reporting channel which you feel most comfortable with and speak or contact confidentially any of the following persons:

- Whistleblower hotline
- P&I.
- The person of trust.
- The Compliance Officer
- Your line manager.

Associates shall report violations or concerns of a suspected violation of the *TME Code of Conduct* either directly to the Compliance Officer or to their contact person within TME.

You can raise a concern anonymously. If you choose to do so, we would ask you to provide sufficient detail and factual information so that we can effectively investigate and follow up on your concern.

#### **You can report anytime, from anywhere, using a device of your choosing or in person.**

Please first use internal reporting channels. This way we can detect a matter at an early stage and we can address the matter effectively within TME’s organisation and in full confidentiality. Internal reporting also ensures protection of TME’s legitimate interests and can help prevent unjustified damage from public disclosure.



## ***(B) Prohibition of retaliation***

TME desires to maintain a culture where employees feel free to speak up, without fear of retaliation or other adverse action.

TME and its leaders are responsible for establishing a right culture of integrity and tone in their organizations.

*TME's Code of Conduct* offers protection from retaliation to the employees and associates who report in good faith facts or concerns. TME will not undertake any retaliation against any employee or associate even if, following an investigation, the facts or concerns turn out not to constitute a violation of the *TME Code of Conduct*.

TME will not tolerate any act or attempt from of any manager or employee to penalise (in whatever way), harass, discriminate, disadvantage or in any other way victimise or retaliate against any employee or any associate who has, in good faith, reported. Any such act or attempt will be regarded as a serious disciplinary offence and shall be dealt with accordingly.



## ***(C) Procedure for handling reports of violations***

When an employee or associate reports a violation or suspected violation of the *TME Code of Conduct*, TME will handle the concern with care. Managers, persons of trust and P&I Division who receive a report will treat the information and the identity of the reporting person confidentially.

A report will always be taken seriously and the information will be forwarded to the Compliance Officer.

The Compliance Officer or, if more appropriate, the P&I Division in coordination with the Compliance Officer, will be responsible for leading the investigation with, where relevant, the support of TME Business Divisions.

TME has a specific handling procedure, which is outlined below.

- The Compliance Officer will send an acknowledgment of receipt of the report to the reporting person within 7 days.
- The Compliance Officer may request the assistance of other TME divisions (*e.g.*, P&I, Information Services, Accounting, Legal, Internal Audit) in the framework of this procedure.
- The Compliance Officer may interview employees and/or third parties who might know about the reported violation. The Compliance Officer will review documents that relate to the reported matter.

- The same procedure will be followed in the event that another person, who is not an employee of TME, reported the facts or concerns.
- The Compliance Officer may form an ad hoc Compliance Committee that will decide on the matter.
- After the investigation, TME will take the appropriate action to address the identified concerns, if confirmed. The respective business may be requested to implement the necessary and systemic corrective actions. In other cases, it may be appropriate to discipline an individual employee which may include termination of employment or disciplinary measures.
- The Compliance Officer will provide feedback to the reporting person within a reasonable period of time, not exceeding 3 months from the acknowledgement of receipt.

All employees and associates have an obligation to fully cooperate with an investigation and to provide complete and truthful information.

TME will fully respect the rights of defence of any employee or associate involved in an investigation about an actual or suspected violation of the *TME Code of Conduct*. The employee / associate will receive information about the facts or concerns and he/she will be heard.

#### Moral and/or sexual harassment

Issues, concerns, complaints or allegations regarding moral and/or sexual harassment will be dealt with by the Compliance Officer in the same manner as other violations or suspected violations.

Every employee who is the victim of moral and/or sexual harassment at work, can also get advice, help and support from the prevention advisor for psychosocial aspects, based on a specific procedure, specified in TME's Work Regulations. The employee can submit a request for an informal or a formal psychosocial intervention to the prevention advisor.

#### Sanctions

A violation of the *TME Code of Conduct*, if confirmed after investigation, may lead to a disciplinary measure or to a termination for cause of the employment. If a violation is committed by an associate, TME may terminate the contractual relationship with such associate or their employer.

#### Disclosures to third parties in the framework of the involvement of authorities, complaints and/or legal actions

TME may disclose any information about facts or concerns in the framework of a legal action or an investigation or any other procedure initiated by an authority. TME may also disclose information in the event that TME decided that a violation will be reported to the authorities and/or that TME will file an official complaint.

#### Compliance with privacy and personal data protection laws and regulations

The handling of actual or suspected violations of the *TME Code of Conduct* involves the processing of personal data. All personal data will be processed in strict compliance with applicable privacy laws and regulations.

TME will only process personal data that is relevant for the handling. Such processing will be done in a proportionate manner.

Anyone whose personal data is processed as part of the handling of a case of actual or suspected violation, has the right to:

- (i) request access to personal data relating to him/her that is processed;
- (ii) request to have such personal data corrected if they are inaccurate;
- (iii) to be informed about the entity (TME or TOYOTA entity) that will act as a data controller in respect of the report; and
- (iv) to be informed about who has / will have access to the report and to any information collected as part of the investigation following the report.



### Confidentiality

TME will apply the appropriate confidentiality level to any report of an actual or suspected violation, its content, the identity of the reporting employee / associate and of other involved employees / associates.

The identity and any other information may be disclosed where this is imposed by law.

The content of the report will where possible on an anonymous basis, be disclosed and used for the implementation of the procedure for dealing with violations and may be used for the implementation of any measure or action by TME in connection with the outcome.

Where relevant, the Compliance Officer may also disclose on an anonymous basis where possible, the content of the report and the information and/or the outcome resulting from the implementation of the procedure to management of the concerned division(s), executive management in TME, any relevant division in TMC, TME's Internal Audit department and/or external advisors.

Reports shall be stored for no longer than it is necessary and proportionate.

### Whistleblowing

Persons who work for a public or private organisation or are in contact with such an organisation in the context of their work-related activities are often the first to know about threats or harm to the public interest which arise in that context. By reporting breaches of (EU) law that are harmful to the public interest, such persons act as 'whistleblowers'. They play a key role in exposing and preventing such breaches and in safeguarding the welfare of society.

In the EU protection of whistleblowers is provided in EU law and law of Member States.

As explained, employees and associates are encouraged to first use internal TME reporting channels, which are an important compliance tool for TME.

Reporting persons are also able to report **externally** to the competent authorities or make a **public disclosure** and will enjoy the protection against retaliation provided by applicable laws.

- a) The external reporting channel can be used in case TME internal channels cannot reasonably be expected to function properly. This is most notably the case where reporting persons have valid reasons to believe that they would suffer retaliation in connection with the reporting.

The external reporting channel can also be used after TME's internal reporting channels were

used but did not function properly.

b) Persons making a public disclosure (for instance, directly to the public through online platforms or social media, or to the media, elected officials, civil society organisations, trade unions, or professional and business organisations) should qualify for protection in cases where

I. Despite internal and external reporting, the breach remains unaddressed or no appropriate remedial action was taken. The appropriateness of the follow-up will depend on the circumstances of each case and of the nature of the rules that have been breached.

OR

II. They have reasonable grounds to believe that there is an imminent or manifest danger to the public interest or in the case of external reporting, there is a risk of retaliation.

Reporting persons shall qualify for protection under EU law provided that

- they had reasonable grounds to believe that the information on breaches reported was true at the time of reporting and that such information fell within the scope of the EU Whistleblowing Directive;
- they reported internally or externally or made a public disclosure in accordance with the law.



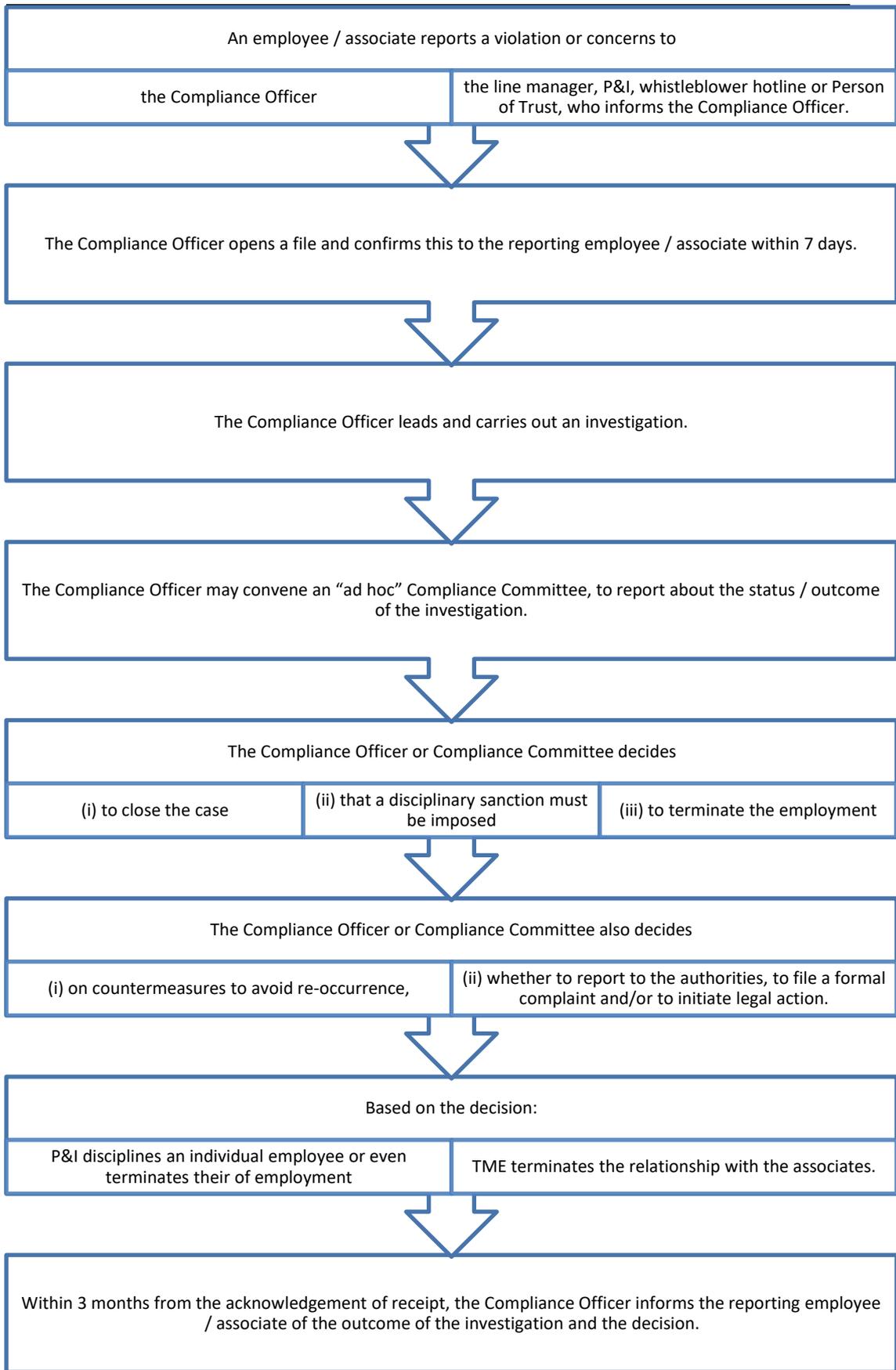
## **CHAPTER V.     ROLE OF THE COMPLIANCE OFFICER -**

The Compliance Officer is responsible for and involved in the following activities:

- (i) Provide support and advice to TME's Business Divisions about issues of compliance with the *TME Code of Conduct* and the handling thereof;
- (ii) Handling of actual or suspected violations of the *TME Code of Conduct*;
- (iii) Reporting to the Global Audit Division of TMC about the number and nature of cases of actual or suspected violations of the *TME Code of Conduct*, as well as the number and nature of reported cases of actual or suspected violations of TME's subsidiaries; and
- (iv) Reporting to the TME Audit Committee.

The identity and contact details of the Compliance Officer are published on TME's intranet.

**The procedure for handling violations**





## ***Contribution Towards Sustainable Development***

We, TOYOTA MOTOR CORPORATION and our subsidiaries, take initiative to contribute to harmonious and sustainable development of society and the earth through all business activities that we carry out in each country and region, based on our Guiding Principles.

We comply with local, national and international laws and regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity.

In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.

We expect our business partners to support this initiative and act in accordance with it.

### **Customers**

Based on our philosophy of "Customer First", we develop and provide innovative, safe and outstanding high quality products and services that meet a wide variety of customers' demands to enrich the lives of people around the world. (Guiding Principles 3 and 4)

We will endeavor to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the letter and spirit of each country's privacy laws. (Guiding Principles 1)

### **Employees**

We respect our employees and believe that the success of our business is led by each individual's creativity and good teamwork. We stimulate personal growth for our employees. (Guiding Principles 5)

We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. (Guiding Principles 5)

We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. (Guiding Principles 5)

We respect and honor the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labor. (Guiding Principles 5)

Through communication and dialogue with our employees, we build and share the value "Mutual Trust and Mutual Responsibility" and work together for the success of our employees and the company.

We recognize our employees' right to freely associate, or not to associate, complying with the laws of the countries in which we operate. (Guiding Principles 5)

Management of each company takes leadership in fostering a corporate culture, and implementing policies, that promote ethical behavior. (Guiding Principles 1 and 5)

### **Business Partners**

We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust. (Guiding Principles 7)

Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths. (Guiding Principles 7)

We maintain fair and free competition in accordance with the letter and spirit of each country's competition laws. (Guiding Principles 1 and 7)

## **Shareholders**

We strive to enhance corporate value while achieving a stable and long-term growth for the benefit of our shareholders. (Guiding Principles 6)

We provide our shareholders and investors with timely and fair disclosure on our operating results and financial condition. (Guiding Principles 1 and 6)

## **Global Society/Local Communities**

### **- Environment**

We aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our vehicles and operations on climate change and biodiversity. We strive to develop, establish and promote technologies enabling the environment and economy to coexist harmoniously and to build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation. (Guiding Principles 3)

### **- Community**

We implement our philosophy of "respect for people" by honoring the culture, customs, history and laws of each country. (Guiding Principles 2)

We constantly search for safer, cleaner and superior technology that satisfy the evolving needs of society for sustainable mobility. (Guiding Principles 3 and 4)

We do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agencies and public authorities. (Guiding Principles 1).

### **- Social Contribution**

Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society. (Guiding Principles 2).