

Initiatives for 11 Materialities



Applicable New Materiality **1**

Contributing to an enriched society through Asobi

Initiatives for universal design

At the TOMY Group, we promote universal design to create products and services that can be enjoyed by as many people as possible, regardless of age, gender or disabilities. Toys designed with consideration for children with visual or hearing impairments, enabling them to play together with others, are called “Accessible-design Toys.” The concept of “Accessible-design Toys,” which ensures that children with visual or hearing disabilities can enjoy playing alongside their friends, has gained widespread support and is expanding into an industry-wide initiative.

Because “Accessible-design Toys” are sold in regular toy sections, their packaging includes symbols to make them easier to identify. Toys designed with consideration for children with visual impairments feature the “Guide Dog Mark,” while those designed for children with hearing impairments display the “Rabbit Mark.” The

TOMY Group develops approximately 300 products annually that are certified as “Accessible-design Toys.” In addition, to ensure that even more children can have fun, the toy “Let’s Drive TOMICA! Handle Driver” became the first toy to obtain CUD (Color Universal Design) certification, guaranteeing it accommodates a wide range of color vision diversity.

Other activities include promoting universal design centered on “Accessible-design Toys” and fostering understanding of disabilities (mental barrier-free awareness) through lectures, workshops and other initiatives at universities and similar institutions.



Let’s Drive TOMICA! Handle Driver



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CUD Mark
The CUD Mark is a symbol that can be displayed on printed materials, products and more, certified by the NPO Color Universal Design Organization.

Related URL
https://www.takaratomy.co.jp/english/company/csr/products/universal_design.html



Disney Princess Sparkling Scan Register ©Disney



Guide Dog Mark Rabbit Mark

A cash register toy that enhances play with sound and light. The included accessories of coins, bills and the control panel are thoughtfully designed with various features to make them enjoyable and easy to understand through touch.

TOMY International Group’s DEI initiatives through Asobi*

TOMY International, which is responsible for our overseas business, established the DEI Committee in 2020 with the primary aim of advancing Diversity, Equity and Inclusion within the company. To support this objective, the committee has been actively implementing various awareness-raising initiatives, including the creation of internal newsletters for employees and organizing charitable activities. TOMY International develops diversity toys that recognize the diversity of each other’s ethnicities and cultural backgrounds and encourage learning through Asobi, as one of the DEI Committee’s initiatives.

* “Asobi” is a Japanese word for “play,” “amusement,” “diversion,” “pastime” and more.

Note: As of October 2024, the diversity toy lines are available in limited countries and regions but are not yet available in Japan. Please visit the TOMY International website below for more details.



YumiAmi
YumiAmi is a toy line that helps children to understand diversity through stuffed dolls and storybooks of five girl characters of different ethnicities.



Bebé Fuerte
Bebé Fuerte is a toy line that encourages movement through play and is aimed at the Hispanic community, which has grown rapidly in recent years.



A Little Spot
Based on Diane Alber’s popular picture book, these toys help children to articulate and express their emotions. Children can choose and place the characters color and facial features in various shapes on a canvas to convey their feelings through play.

Related URL
<https://us.tomy.com/>



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Next-Generation Education Support Activities

The TOMY Group works to support the education of the next generation, including through online classes for nationwide elementary and junior high school students and university lectures. These efforts have been highly regarded by schools as opportunities to cultivate children's awareness and vocational outlook regarding the environment and an inclusive society. Cumulatively, approximately 89,000 children have participated in these experiences (as of March 2024).

In addition, since 2017 we have been working on the SDGs GAME OF LIFE Project for Everyone, an initiative to contribute to regional revitalization in cooperation with schools, companies, local governments, and other entities. In response to the Sustainable Development Goals (SDGs) being incorporated into the educational

guidelines for mandatory education from 2020 onward, the GAME OF LIFE has been utilized as an SDG educational tool, evolving into an activity fostering leaders around the SDGs. In response to requests for a program focused on the environment, we launched the "Play with Toys! SDGs Riddles Class" in June 2022. These activities are online, so children throughout Japan can take part. The use of four-color cards (reaction cards) makes the classes interactive as if they were taking place right there in the classroom. Through Asobi, we will continue working to foster the development of future SDGs leaders.

☑ Related URL

<https://www.takaratomy.co.jp/english/company/csr/community/educatio.html>



Everyone in the class works together to create a one-of-a-kind game of life.

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Interactive online class using four-color reaction cards



Community Support Activities Overseas

The TOMY International Group conducts a variety of activities rooted in local communities in the United States, the United Kingdom and Europe.

It established TOMY COMMUNITY, which is an employee-led initiative that supports a variety of charitable organizations. While certain activities are conducted on a nationwide basis, others focus on the local communities of individual offices. Through TOMY COMMUNITY, employees working toward the same goal develop close-knit ties across teams while engaging in local volunteer activities. With TOMY COMMUNITY, The TOMY International Group is happy to bring smiles to people's faces not only through our products but also through volunteer activities.



The Jam Place

The Jam Place is a registered charity and a unique, friendly, well-being community center with a dance school that houses local projects. The center welcomes all ages, ethnicities, the LGBTQ+ community, and both neurotypical and neurodiverse individuals.

TOMY International helped build the tap dance boards, create internal decorations, and tidy up both the internal and external areas of the building. TOMY International has donated to equipment and classes and for underprivileged children to take advantage of the arts.

☑ Related URL

<https://www.takaratomy.co.jp/english/company/csr/story/2022/community/>





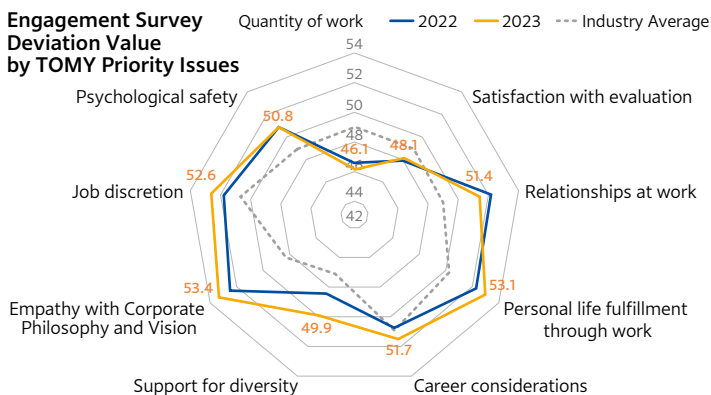
Improving employees' well-being

Improving Employee Engagement

The TOMY Group conducts employee engagement surveys once a year. The survey measures employee engagement and stress and identifies the TOMY Group's strengths and challenges related to job satisfaction.

Work engagement is an indicator of "enthusiasm and attitude toward work." This includes "voluntary actions" and "positive feeling" as indicators of improved engagement.

In fiscal 2023, TOMY's work engagement deviation value was 54.9 (versus the industry average of 49.5). This reflects the strong enthusiasm and commitment of each employee, which has become a key Company strength. On the other hand, we have identified four key issues to address, as shown in the diagram. We are currently taking action to resolve these challenges.



Problem-Solving Actions

- 1 Satisfaction with evaluations**
Changed evaluation system (from relative to absolute evaluation) and implemented evaluator training for managers
- 2 Career considerations**
Introduced career interviews and disclosed to employees the evaluation and promotion guidelines for those taking maternity/childcare leave and those working shorter hours
- 3 Support for diversity**
Promoted diverse and flexible work styles, conducted diversity-related training and expanded support systems for balancing work and family life
- 4 Quantity of work**
Conducted group interviews with departments deemed to have high workloads; currently working to identify essential issues for which to formulate/implement solutions

Emphasizing Diversity, Equity & Inclusion

Promoting Diverse Work Styles

To enable employees to choose diverse and flexible work styles that suit their individual lifestyles, the HR Strategy Division is creating systems and initiatives for a rewarding work environment.

Initiatives to Support Work-Family Balance

In Japan, where the birth rate is declining and the population is aging, creating a work environment that supports a balance between work, childcare and caregiving has become a social priority. The TOMY Group has comprehensive support systems for balancing work, childcare and caregiving, as well as infertility treatment. We expanded four of those systems in July 2024.

Promoting Flexible Work Styles

We provide flexible work environments that can accommodate diverse lifestyles and values.

- Work-at-home system
- Super flextime system (including shorter working hours)
- Secondary employment system
- Leave of absence system for employees whose spouses are transferred domestically or overseas

Systems Expanded in July 2024

- 1 New life support leave system established**
Established a new leave system as a safety net that supports employees' differing circumstances and allows everyone to continue working with peace of mind
- 2 Shorter working hour system expanded**
Created an environment allowing employees to choose the allocation of time between work and family, expanded the duration of leave (up to the sixth grade of elementary school for childcare) and reasons (childcare, nursing care and infertility treatment), and reduced hours (up to 3.5 hours)
- 3 New childbirth and childcare gift fund established**
Established a program that provides ¥2 million per child to assist with childbirth expenses and future childcare costs
- 4 Support allowance introduced on a trial basis**
Introduced a support allowance system for employees who cover the duties of colleagues taking childcare or caregiving leave, or those working reduced hours

Promoting the Advancement of Women

The TOMY Group has established an action plan to create an employment environment allowing women to play active roles in managerial positions. Our target is to increase the percentage of women in managerial positions to 30% or higher (Group-wide) by March 31, 2026. Our non-consolidated target (TOMY Company, Ltd.) is 20% or higher. In April 2024, we set up the DEI

Promotion Group to strengthen various measures and initiatives to achieve these targets. As a key initiative, the department organizes roundtable discussions and workshops led by young female managers to help female employees find role models and set personal career goals. Other programs include next-generation leader development training for female employees and training to improve mental toughness.

🔗 Related URL

https://www.takaratomy.co.jp/english/company/csr/work_style_reform/diversity.html



Applicable New Materiality **3**

Promoting employee growth

Strengthening Human Resource Development

Education and Training Initiatives

Under its The vision of the human capital strategy, the Group strives “to create an environment where employees can fully engage in the creative process of Asobi.” We support employee skill development by providing various training programs enabling individual employees to think about their careers, with the aim of maximizing their skills and abilities while opening up new possibilities.

We have also created a system for young employees involved in planning and development, technology development, production technology and quality control to learn about the technology related to toy structures and molds. For instance, we hold toy technology workshops and publish the TOMY Toy Technology Thinktank (booklet), which compiles the expertise accumulated by TOMY while launching its production bases. Through these and other means, we have put in place a system that enables young employees to learn about the technology and expertise cultivated by TOMY to date.

Mid-Career Recruitment Initiatives/ Job Return Program

The TOMY Group actively engages in mid-career recruitment to bring in skilled and experienced employees who can make an immediate contribution.

We have also introduced a “job return system” to rehire employees who have resigned for personal reasons. This system is designed for employees who have left the Group due to marriage, childbirth, childcare, caregiving, spouse’s transfer or other unavoidable reasons, or for career advancement reasons, including education, study abroad or job change. Our aim is to use the knowledge and experience these people have gained since leaving to play an active role in the Group again.

Overseas Trainees Program

To foster self-directed career growth and develop globally skilled talent, we have introduced an overseas training program at our overseas operations. We will first target positions and locations related to development technologies, production control, and safety and quality, then gradually expand it to other functions.

Objectives

- Foster diversity understanding and behavior through cross-cultural experiences
- Provide experience in global infrastructure development
- Build a network with overseas offices
- Help learn about local working environments, job descriptions, and roles
- Help identify issues on the Japanese side from a local perspective
- Assess future expatriate employees

Trainee Structure

- Short-term expatriation (up to one year) rather than long term
- Application by self-recommendation or recommendation by supervisor (with his/her consent); selection and decision by management

🔗 Related URL

https://www.takaratomy.co.jp/english/company/csr/work_style_reform/human_resources_development.html





Asobi that is safe, secure, and of high quality

Policy and Strategy

The TOMY Group fundamental quality policy is to “Create environment-conscious Asobi that people can play with comfortably and confidently and offer good-quality Asobi that is attractive to customers worldwide.” To this end, we have established internal Safety and Quality Management Guidelines, which standardize the process of safety and quality control, from planning to production, and thus ensure safety and prevent issues before they occur. In line with the global deployment of our products, we also established the TOMY Group Product Quality Rules, our own standards that are stricter than the those of the toy industry, as represented by the Safety Toy Mark*, and we conduct inspections according to these regulations.

* The Safety Toy (ST) Mark is a certification that can be applied to toys that have passed inspection conducted by designated testing organizations. It indicates that the toy has been carefully designed with safety in mind and is recommended by the Japanese toy industry as meeting high safety standards.



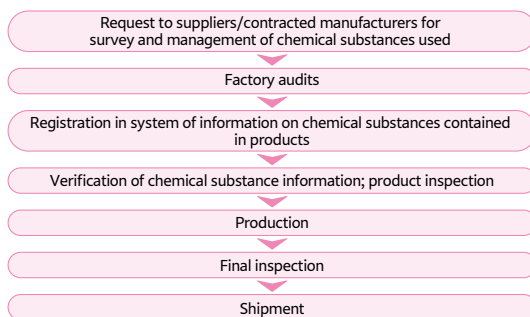
Conducting independent quality standards that are more stringent than toy industry safety standards

Promoting Chemical Substance Management

Toys consist of various parts and materials, so we have to fully consider how a child’s health and environment might be impacted by chemical substances in those parts and materials. Meanwhile, regulations surrounding manufactured goods and parts included in toys and electrical and electronic equipment differ from country to country. With this in mind, we established the TOMY Group Chemicals Management Policy and will strive to effectively manage toxic chemical substances, including during manufacturing. As an example of our management methods, we conduct testing in cooperation with third-party specialist organizations to detect and prevent contamination, such as heavy metals or phthalate ester compounds, in our products. With regard to hazardous substances and substances of very high concern, which are required to be eliminated or reduced in Europe, we conduct assessments of raw materials and parts at partner companies and plants involved in product manufacturing and monitor approximately 5,000 chemical substances.

In the future, we will expand this initiative beyond Europe to other regions. Even in the unlikely event that a product does contain such contamination, we are establishing a system to prevent it from reaching our customers. To ensure the continuous safety and quality of our products and effective quality management, we are working to control chemical substances contained in our products as shown in the diagram below.

Chemical Substance Management System



Training and Awareness Building on Confidence, Safety, and Quality

Through various initiatives specified in its product safety and quality management rules, the TOMY Group promotes a shared awareness of safety across its global operations. For example, we hold a Safety Day once a year where all Group employees worldwide jointly consider the importance of product safety and quality.

In addition, each department (including product development, quality control, sales and customer service) and each Group company appoints a Safety Leader to serve a one-year term. These leaders work to promote toy safety and enhance Group-wide education and awareness on safety and quality standards.

🔗 Related URL

https://www.takaratomy.co.jp/english/company/csr/products/safe_and_highquality.html



Connecting with customers

Policy and Strategy

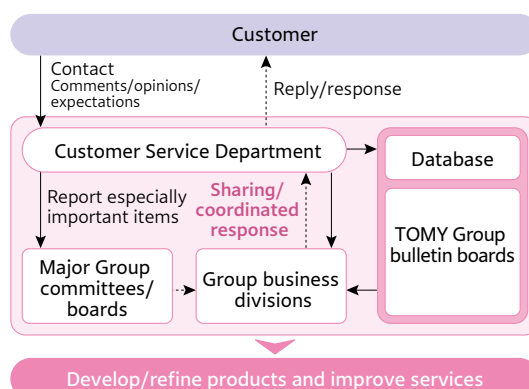
The TOMY Group places great importance on “voice of customer (VOC)” activities by listening to customers and valuing their feedback. With this in mind, we established our own Privacy Policy and Customer Service Policy. We take all comments, opinions and expectations voiced by our customers seriously and strive to take a customer-oriented approach that helps us improve product safety and quality and our overall business activities.

Strengthening VOC Activities

Management Structure

The TOMY Group Customer Service Department responds to customer inquiries by phone, e-mail or Web chat. All opinions offered by customers are recorded in a database as instructive, prized information and are shared on bulletin boards that employees can access. Customer opinions are also fed back to relevant business divisions and involved parties. Any content that is considered to have a considerable impact on customer satisfaction or that relates to product safety and quality is shared with important committees or boards of TOMY and other Group companies to expedite a swift response and ensure that specific quality improvements and other appropriate measures are taken. In the event of an accident, we cooperate with TOMY’s Safety & Quality Assurance Group and set up a Risk Management Task Force under the direct supervision of our representative director and president to ensure a prompt and appropriate

response, minimize damage and take measures to prevent a recurrence. We strive to aggregate customers’ data whenever possible in TOMY IBIS, which has Privacy Mark certification, to ensure any information is managed collectively and securely.



Key Initiatives

In fiscal 2023, the Customer Service Department launched a “social listening” (initiative to gather information from social media). In response to changing times, we are actively gathering customer feedback from a wide variety of platforms. This initiative aims to incorporate a broader range of customer voices into our products and services, beyond just those received through direct inquiries. Customer feedback gathered is compiled into Monthly Analysis Reports and Daily Social Reports

for each brand. These reports are then shared with all employees, including top management. We have also introduced an internal search and analysis dashboard for VOC data. This tool visualizes a wide range of customer feedback, from opinions about our toys to suggestions for related services (like “LICCA Phone”) and event operations. By utilizing these insights in product and service planning and development, we aim to enhance corporate value.

 Related URL

https://www.takaratomy.co.jp/english/company/csr/products/customer_feedback.html





Responding to climate change

Policy and Strategy

The TOMY Group has identified “responding to climate change” as a key sustainability-related materiality and is actively working to enhance its understanding of climate change and measures against it. Our efforts include reducing the environmental impact of our business activities, designing and developing “Eco-friendly Toys” and other sustainable products, and using these products to educate the next generation on sustainable purchasing.

We disclose information on our governance, strategy (risks and opportunities), risk management, and metrics and targets based on recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD).

Responding to the TCFD Recommendations

Governance

The Sustainability Committee, established as an advisory body to the president, works to address sustainability issues, including climate change. It comprehensively assesses the Group’s sustainability initiatives and deliberates on issues and the direction

of initiatives from a broad and diverse range of perspectives. Issues related to climate change that require a cross-departmental approach are discussed by the Environmental Task Force and incorporated into specific initiatives.

Strategy (Risks and Opportunities)

The TOMY Group has identified the following risks and opportunities arising from climate change and its various associated impacts.

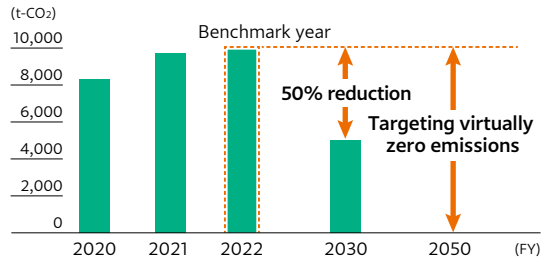
Factors that may potentially impact the TOMY Group (as of March 2022)

Transition risks	Physical risks	Opportunities
<ul style="list-style-type: none"> • Transition from plastic to alternative materials as the primary raw material for toys • Skyrocketing energy and distribution prices • Adjustments to the supply chain (product design, manufacturing processes) • Decreased popularity of toys primarily made of plastic 	<ul style="list-style-type: none"> • Ceased operation of Group bases or partners due to natural disasters • Disrupted distribution networks due to natural disasters (loss of sales opportunities, increased cost of alternative distribution methods) • Reduced child and other customer footfall at stores and events due to increase of extremely hot days • Change of suppliers or company bases due to rising sea levels 	<ul style="list-style-type: none"> • Competitive advantage from success in converting to alternative materials with low environmental impact • Greater support and affinity for Eco Toys and education for future generations due to increased customer awareness of sustainability • Increased sales via our online store and greater opportunities to acquire new customers through more digital events • Success in addressing environmental issues through environmental management; improved corporate value through greater disclosure • Avoidance of physical risk through improved adaptability to natural disasters

Metrics and Targets

The TOMY Group calculates and manages Scope 1, Scope 2 and Scope 3 emissions. To realize a decarbonized society, the Group has set long-term goals of reducing CO₂ emissions (Scope 1 and 2) by 50% by 2030 (compared with fiscal 2022) and achieving virtually zero CO₂ emissions by 2050. We have also set a goal of having 40% of our purchased electricity come from renewable energy sources by 2030 and will continue striving to reduce CO₂ emissions.

CO₂ emissions (Scope 1 and 2)



Related URL

Addressing Climate Change
https://www.takaratomy.co.jp/english/company/csr/environment/climate_change.html



Related URL

Climate Change Workshop
https://www.takaratomy.co.jp/english/company/csr/story/2022/climatechange_workshop.html



Reducing Environmental Impacts

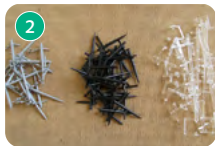
To reduce environmental impacts within our business activities, the TOMY Group strives to utilize waste generated from business activities as resources whenever possible, while, of course, observing the law and disposing of materials appropriately.

For example, TOMY TEC, which owns factory in Japan, recycles some of the plastic runners discharged during plastic molding, as well as metal scraps from the machining of wheels. In addition, waste generated from plastic molds is sorted and sold to recycling companies to reduce overall waste. In logistics, we use foldable, reusable containers to facilitate the reuse of packaging materials. By also arranging the joint transportation of goods purchased from multiple overseas suppliers, we are striving to reduce the environmental impact of our logistic activities (①-③).

TOMY MARKETING, which handles sales and in-store marketing of domestically produced products and manages logistics, has achieved 100% recycling of used empty cardboard boxes. It has also automated its recycling process. For example, empty cardboard boxes generated during product picking are transported from a predetermined input port to a collection point via a dedicated conveyor belt. The empty cardboard boxes are compressed into approximately 1 m³ cubes using a machine called a compactor, then are transported to the shipping area by forklift. After a certain amount is accumulated, it is collected by a specialized company and recycled as new cardboard, thus fostering the sustainable use of forest resources (④-⑤).



① TOMY TEC CO., LTD. (Tochigi Prefecture)



② Reuse of runners discharged during plastic molding



③ Recycling of metal scraps generated during the cutting of wheels and the production of molds, jigs, tools and the like



④ Compactor machine used to compress collected empty cardboard boxes



⑤ Cardboard compressed into cubes of about 1 m³

Related URL

<https://www.takaratomy.co.jp/english/company/csr/environment/business.html>



Promoting eco-conscious package/product designs

Development of Eco-Friendly Products

The TOMY Group makes effective use of resources and strives to develop products that are considerate of the environment. “Eco-Friendly toys” are products that have cleared one or more of the nine environmentally conscious “Eco-Friendly toys standards” established by the Group-wide Eco-Friendly Toys Committee with advice from third-party institutions. The “Eco-Friendly toys” mark is displayed on packaging to communicate environmentally friendly efforts to customers in an easily understandable way to spread green procurement initiatives in the toy market.



Eco-Friendly Toy Mark



PLARAIL Eco Straight (Curved) Rails

ECO Mark
Ahead of other companies in the industry, TOMY was the first to obtain the ECO Mark for a toy. The ECO Mark is applied to products certified by the Japan Environmental Association ECO Mark Office as benefiting environmental conservation. The mark is designed to make it easier for customers who wish to live in eco-friendly ways to choose products.

Saving resources

Blending recycled materials into our products



Eco Straight Rail

50% blend

TOMICA Parking Case 24



PAW Patrol Basic Vehicle Rex

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Saving energy

Battery-free operation

Elevator can be switched between electric and manual operation

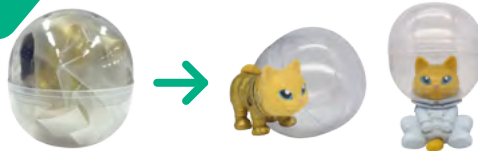


TOMICA Twin Courses Mountain Drive

Redesigned to allow manual operation even without batteries

Packaging innovations

Capsule itself is a playable toy



Space Nyan CAT

©T-ARTS

Effective use of resources reduces waste

Promoting long-term use

Allows replacement of maintenance parts

Screen(drawing surface) can be replaced



Magical Playtime Oekaki Sensei

Designed to grow with the child

Designed for long-term play



Ball dropping play



Toy rolling play

KuruKuru Gororin 2-Way Ball Tower Winnie the Pooh

©Disney. Based on the “Winnie the Pooh” works by A.A. Milne and E.H. Shephard.

Fostering environmental awareness

Eco-awareness through play

Eco-awareness through play



LICCAs Sounds Kitchen

Notes:
1. Dolls and some accessories sold separately
2. Uses AA alkaline batteries (sold separately)



P-chan (a cockatiel) encourages eco-friendly habits by speaking phrases like, “Don’t leave the water running!”



It comes with a small paper accessory designed to resemble a recycling bin.

©TOMY

Related URL

<https://www.takaratomy.co.jp/english/company/csr/environment/toys.html>





Respecting human rights

Policy and Strategy

In August 2023, the TOMY Group established and published our Human Rights Policy in accordance with the Guiding Principles on Business and Human Rights, the global standard for respect for human rights by corporations.

To date, we have established the TOMY Group Code of Business Conduct (COBC) and the TOMY Group Responsible Procurement Guidelines and have been working with our employees, business partners and other stakeholders to build a value chain that takes human rights into consideration. In addition, based on the Guiding Principles on Business and Human Rights, we have again clarified our policy to promote even greater respect for human rights throughout the TOMY Group.

In establishing this policy, we identified our salient human rights issues through a comprehensive review of human rights issues in the value chain of the TOMY Group’s major businesses, deliberations by management, discussions by a company-wide cross-group task force team and interviews with external experts.

We will make this policy known internally and to our business partners and will comply with and implement it in all our business activities.

📄 Related URL (TOMY Group Human Rights Policy)
<https://www.takaratomy.co.jp/english/company/csr/human-rights-dd/#houshin>



Promotion Structure

Human rights-related issues are discussed and promoted by the cross-functional Human Rights Due Diligence Task Force, which is overseen by the Sustainability Committee.

Addressing Salient Human Rights Issues

The TOMY Group has assessed potential human rights risks related to our business and value chain, and we have identified our salient human rights issues to be addressed according to the likelihood of occurrence of such risks and the severity of their impact on human rights.

TOMY’s key human rights areas	Potential human rights violation risks	Main affected stakeholders
Supply chain Local community	<ul style="list-style-type: none"> • Forced labor and child labor in procurement and production sites • Damage to residents’ health due to waste contamination 	<ul style="list-style-type: none"> • Business partners • People in the surrounding areas
Workplace and working environment	<ul style="list-style-type: none"> • Damage to life and health due to an inadequate workplace environment • Discrimination or harassment in workplaces (including during hiring) 	<ul style="list-style-type: none"> • Employees • Business partners
Expressions in advertising, promotions, etc.	<ul style="list-style-type: none"> • Violation of the right to not be discriminated against through expressions in advertising, promotions, etc. 	<ul style="list-style-type: none"> • Consumers
Safety and quality of products and services	<ul style="list-style-type: none"> • Damage to life and health due to inadequate product safety and quality • Damage to health due to inadequate management of toxic chemical substances 	<ul style="list-style-type: none"> • Consumers

Human Rights-related Training

The TOMY Group strives to prevent harassment in the workplace by including sessions on both sexual and power harassment as part of the management and employee mental health training program in Japan, and conducting relevant e-learning sessions for all employees and directors to enhance their awareness of diversity. Our e-learning training sessions on the

TOMY Group Code of Business Conduct (COBC) also include elements on human rights. All employees take this course each year and pledge to uphold the Code. Furthermore, our annual Think about Compliance Day not only focuses on compliance with laws and regulations, but also shares details of our human rights initiatives with all employees in Japan.

Sustainable procurement

Key Initiatives

TOMY Group Responsible Procurement Guidelines

The TOMY Group strives to provide safe, high-quality products while also protecting human rights at factories, caring for the environment and contributing to society. Previously, we have demanded that manufacturing contractors comply with the TOMY Code of Conduct for Manufacturers, which includes items related to the environment and society. We also include the Code of Conduct in all contracts with business partners. In recent years, requests from the international community regarding human rights, environmental sustainability and other issues have been increasing more than ever.

In response, in fiscal 2019 the TOMY Group worked on revisions to the TOMY Code of Conduct for Manufacturers. We also formulated the TOMY Group Responsible Procurement Guidelines in May 2020. This document sets clear standards for human rights, occupational health and safety, the environment, fair business practices, products and services, and so forth and is available in Japanese, English, Chinese, Thai and Vietnamese. In fiscal 2022, we began briefings to inform suppliers of the guidelines and collect consent forms. As of fiscal 2023, the consent form collection rate was 94% for TOMY suppliers

in Japan, Hong Kong and Thailand. In addition, we have introduced a self-assessment questionnaire to verify that our business partners are adhering to the guidelines and are conducting surveys on a trial basis.

TOMY Hong Kong Group Initiatives

The TOMY Hong Kong Group is responsible for quality control and production management of the Group’s products in Japan, Asia, Europe, the United States and elsewhere. In addition, the Group closely adheres to the unique codes of conduct set forth by licensors and other customers. Specifically, based on the TOMY Group Responsible Procurement Guidelines, we work with our manufacturing contractors and provide guidance to ensure the continued management and operation of manufacturing sites regarding the protection of human rights, employee health and safety, and environmental considerations at factories. As part of actual factory audits of these contractors, we audit facilities and equipment, interview management and employees, conduct document audits and issue audit reports. Based on the audit results, the manufacturing contractors make the necessary improvements, with the Hong Kong Group providing the necessary follow-up.

Related URL

https://www.takaratomy.co.jp/english/company/csr/supply_chain/responsible_procurement.html



Governance supporting the creation of Asobi/ Risk management supporting the creation of Asobi

Compliance Promotion

TOMY Group Code of Business Conduct

The TOMY Group has established ONE TOMY’s Promise, a promise to be observed by every employee. We also established the TOMY Group Code of Business Conduct (COBC) to provide clearer guidelines on two specific areas: “observing our company policy, the

rule of law and good common sense,” and “competing honestly and following fair trade practices.” First and foremost, the Code conveys the basic spirit that we must never act in a way that presents adults in an unseemly light and must be a company that children, our most important customers, continue looking up to.

Educational materials on the TOMY Group COBC have been prepared in multiple languages to ensure accurate understanding on the part of officers and employees at all Group companies. We also provide offline and e-learning-based training on the Code. In addition, we conduct awareness-raising activities to encourage employees to consult with superiors and related departments or utilize the TOMY Group Hotline regarding violations or possible violations of laws, internal regulations or the TOMY Group COBC.

Compliance Training

In fiscal 2014, the TOMY Group established “Think about Compliance Day” (Group-wide event) and has since continued to implement awareness-raising activities with the aim of reminding all domestic Group officers and employees of the importance of compliance. If compliance issues have occurred within the Group, the details, causes and countermeasures to address those issues are shared on “Think about Compliance Day” to prevent recurrences.

In fiscal 2017, TOMY introduced a compliance leader system with the aim of further enhancing awareness of compliance and thoroughly ensuring

that compliance requirements are observed. Each year, 30–40 compliance promotion leaders selected from the Group in Japan are divided into several teams to work on solutions to various compliance issues. In fiscal 2023, we tasked the compliance leader system with two new objectives: “personalize compliance” and “solve specific company issues and drive real change.” To support this, we invited an external director who is a lawyer to conduct a lecture for compliance leaders. The lecture focused on the importance of autonomous management in the first line of defense (business units) as part of the three lines of defense framework for compliance. In addition, as part of team-based activities, we worked to solve problems close to home, such as reducing overtime work, promoting the use of support systems (such as maternity and caregiving leave), examining differences in how harassment is perceived in Japanese and Asian cultures and customs, and taking countermeasures against near-misses in the workplace. The results of each activity were reported on “Think about Compliance Day.” Other efforts such as putting up posters at domestic Group companies and distributing e-mail newsletters were implemented to steadily raise awareness about compliance.

Whistleblowing System (TOMY Group Hotline)

We established the TOMY Group Hotline (whistleblowing system) to respect and protect the human rights of employees, control risks and ensure public trust.

The hotline is available to TOMY Group officers and employees (including employees seconded to the TOMY Group, contract employees, temporary employees, parttime employees, casual staff and retired employees). There are three ways to make reports: 1) a web-based reporting service, 2) internal reporting services (located at the head office and each Group company) and 3) multiple reporting services based in external law firms. Web-based reports can be submitted 24 hours a day, 365 days a year, and the system is available in more than 80 languages.

When a report is received, we promptly confirm the facts. If a violation is found, we work

to correct it and prevent a recurrence. In addition, internal regulations stipulate that whistleblowers will not be treated unfairly because of their reporting, and a system is in place to protect the privacy of whistleblowers. All reports and the results of investigations are sent to the Risk/ Compliance Committee, whose members include the Chairperson, the President and Representative Director, the Full-time Audit & Supervisory Board Member and outside directors.

At the annual Group-wide “Think about Compliance Day” event, employees are informed about the operation of the whistleblower system and asked to fill out questionnaires regarding its reliability. Any issues with the system identified through the questionnaire are reported to the Risk/ Compliance Committee for deliberation aimed at making future improvements.

 Related URL

https://www.takaratomy.co.jp/english/company/csr/organizational_governance/compliance.html

