

# Quality and Safety



We have been continually working on quality improvement, and 16 domestic and overseas companies of our Group have the ISO 9001 certification. For safety, a Safety and Health Secretariat is assigned to each production site and the Group Safety Management Team serves as the center of the management. This allows the Head Office and the production sites to work together to implement activities for occupational safety and health. In addition, in order to fulfill our responsibilities for the quality and safety of the contractors that support us, we actively support their quality patrols and on-site safety attendance for leased facilities, while still respecting their autonomy, working to prevent accidents and troubles outside the production sites of our Group. We will continue to comply with social norms and strive to further improve quality and safety, aiming to be a Group that is even more trusted by customers.



## ● Building a quality system to deliver safe and secure products to customers

In fiscal 2022, we achieved zero serious quality complaints. I would like to assert that this is the result of enhancing change control in light of the serious quality complaints made two years ago and verifying the effectiveness of measures to prevent recurrence through mutual audits between our business sites. I believe that this can only be true if we continue to maintain zero serious quality complaints. The Quality Assurance Division is an organization that is independent of the business divisions, but is actually stationed at each business site. It is therefore our role to support business divisions based on an understanding of the strengths and weaknesses of each business site. We aim to be an organization that can take the initiative to support improvement activities and the formulation of measures to prevent recurrence, and offer support at the design and development stage. We will continue to build a solid system for delivering safe and secure products to our customers while maintaining both business support and independence.

## ● Serious risk reduction activities for business continuity

As an organization under the direct control of the president, the Group Safety Management Team aims to ensure that the Toyol Group continues to contribute to society, working to reduce risks that could have a significant impact on society and risks that could cause business losses. Based on the idea that "risks can be reduced just by recognizing them," the team worked to extract the risks of serious disasters. Specifically, they reviewed the safety assessment methods at each business site, and have been working to reduce risks at each site by focusing on activities specific to serious risks and explaining serious risks that are difficult for each site to recognize based on scientific and technological necessity. In addition, a system has been established to minimize the impact on the company by training all of our domestic business sites to ensure that everyone at each workplace can move flexibly and respond within three minutes in the event of a disaster. Training issues are identified and then applied in the next training session. We will continue to make tireless efforts keeping in mind that safety is the top priority.



Scenes of initial training

## ● Insect control measures

Since foil products are used as packaging materials for food and pharmaceuticals, as well as cladding materials for lithium-ion batteries, quality control standards are becoming stricter every year. In particular, the contamination of products with insects could cause serious complaints if they are not caught, so we are strengthening outflow prevention and each business site is taking measures to prevent insects from entering the plant. The Insect Control Secretariat at each business site takes the initiative in sharing information on these efforts, efficiently and continuously improving insect control effectiveness by horizontally deploying effective countermeasures. This activity has also begun to be deployed at Powder & Paste Headquarters sites, contributing to the reduction of defects caused by insect contamination throughout the Toyol Group.

### Quality

We have achieved zero serious quality accidents, and are working to create an environment that does not induce inappropriate behavior and a system that prevents inappropriate behavior

Our role is to improve the quality assurance level of the entire Group by supporting the quality assurance activities of each business site, so that we can achieve zero serious quality accidents. To this end, we have worked to strengthen change control, which tends to lead to serious complaints, and to improve the level of corrective actions that can be taken to reliably respond to general complaints. As a result, in fiscal 2022 we achieved zero serious quality accidents. This is not something we can be satisfied with for just a single year. It only becomes meaningful if we can continue the accomplishment. We will continue to work to strengthen change control and improve corrective actions.

As part of the measures announced in March 2023 to prevent the recurrence of "inappropriate acts related to quality, etc.,"

we are working to create both an environment that does not induce inappropriate conduct and a system that prevents inappropriate conduct. The President spoke directly with employees at 14 business sites across the country in order to convey his determination to prevent recurrence and to raise awareness of employee compliance. In developing the system, we established three defensive measures: a first defensive line in which workers in the field actively utilize the whistle-blowing system, a second defensive line in which audits are conducted by the Quality Assurance Division, and a third defensive line in which the internal audit team conducts wrongdoing hearings.

In order to avoid inducing inappropriate behavior, it is necessary to have human capital who can understand the concept of the process capability index\* and negotiate with customers when concluding product specifications. The Quality Assurance Divisions at each business site are staffed with human capital who can understand and practice statistical quality management methods, and we are working to nurture human capital to further enhance them.

During ISO 9001 inspection, we received the opinion that quality needs to be considered in conjunction with carbon neutrality. Additionally, we are increasingly being asked about our human rights policy in questionnaires from customers.

Moving forward, we will consider activities that take advantage of sustainability in quality assurance as well.

\*Process capability index: A quantitative measure of the process capability of a process



Quality Assurance Unit Leader Corporate Division

Tetsuya Yamakoshi

### Safety

We are working together with our business sites to eliminate the risk of serious disasters and accidents that could have a significant impact on the company's survival

The Group Safety Management Team focuses on the significant risks that affect the continued operation of the Company and activities aimed at eliminating them. In response to fire, which is a typical risk of business interruption, we are working to prevent fire accidents and strengthen initial firefighting training to minimize damage if a fire does start. In addition to the training required by laws and regulations, we also developed training in small teams in which all participants have a role for each workplace at each business site. In the future, we will increase the frequency of training and aim to raise the level of initial firefighting training by toughening conditions, such as through simulated nighttime fires.

In addition to daily safety activities for operations, employees engage in activities with an awareness of serious risks, based on the idea that "risks can be reduced just by recognizing them."

To that end, we have started new activities to prevent disasters and accidents that happened in the past from becoming forgotten. These activities are meant to pass on the knowledge of serious disasters to future generations, such as by asking people to look back on a disaster on the day when it occurred. Our team has distributed about 30 safety videos so far, but we have also started distributing videos dedicated to preventing these memories from fading. We have produced three videos so far; regarding an oxygen deficiency accident, an oil leak accident, and a full body burn, in which we ask the people involved at the time to appear and tell future generations what to do and what not to do to prevent those accidents and disasters from happening again. The responses to these videos have been great, and they have become an opportunity for discussions within each business site, such as being reminded by watching the video, learning from the accident, and taking appropriate measures.

Accidents and disasters almost always come from ignorance of the risks. When people know about the risks, they naturally act to avoid them. Conversely, if people just follow the countermeasures and procedures without knowing about the risks, an accident or disaster will occur someday. As safety doctors, we diagnose the safety activities of each business site, and if there are any concerns or questions about the activities, we work with them

to consider ways to deal with the issues and support their implementation, thereby contributing to the maturation of the safety culture of the entire Group.



Group Safety Management Team Leader

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